

BUSINESS

AGENDA MEMO
BUSINESS OF THE CITY COUNCIL
CITY OF FULSHEAR, TEXAS

AGENDA OF:	April 17, 2018	ITEM:	A
DATE SUBMITTED:	April 13, 2018	DEPARTMENT:	Planning and Development
PREPARED BY:	Sharon Valiante, Public Works Director; Brant Gary, ACM / Executive Director P&D	PRESENTER:	Brant Gary, ACM/Exec. Dir. of P&D Sharon Valiante, Public Works Director
SUBJECT:	CONSIDERATION AND POSSIBLE ACTION TO APPROVE A ZONING CHANGE FOR THE NORTHEAST CORNER OF FM 1093 AND SYMS ROAD (30200 FM 1093) FROM DOWNTOWN DISTRICT TO COMMERCIAL		
ATTACHMENTS:	<ol style="list-style-type: none"> 1.) Zoning Map 2.) Letter of Request & Application 3.) Vicinity Map 4.) Site Map 5.) Survey & Legal Description 6.) Notice of Public Hearing 7.) Staff Report/Compliance with the Comprehensive Plan 8.) Preliminary Site Plan 9.) P&Z Recommendation 10.) Letter from City Attorney Regarding Contract Zoning and Concessions from the Developer 		

EXECUTIVE SUMMARY

The owner of the property located at 30200 FM 1093, represented by George S Gayle, along with their designated local representative, Anderson Smith, are requesting a Zone Change for the property indicated. The requested change is to rezone the parcel from a Downtown District zoning classification to a Commercial zoning classification. They are proposing to develop the property into a Retail, Restaurant, Office, Medical and/or Service Tenants use. It is currently being used as mixed use with an Auto Repair Shop, a Barber Shop and a house.

The representatives have provided the following documents as required by Article V, Section 1.279 Amendments, of the City's Zoning Ordinance (2012-1069), which include the attached items referenced:

- **Zoning Map of Area** – Shows Zoning of the Aea (See Item 1)
- **Zoning Change Request & Application:** Completed Letter of Request and Application by Owner/Owner's Representative (See Item 2)
- **Vicinity Map:** Map shows the location of the property in relation to the surrounding areas (See Item 3)
- **Site Map:** Map shows existing layout, pavement, access points. Staff accepts this document as representation of the existing site and current uses. (See Item 4)
- **Survey/Legal Description:** A survey which shows the existing lot and the buildings that sit on it, along with a metes and bounds for the property (See Item 5)
- **Notification to the Public:** In accordance with the Ordinance, Section 1.278: A mailing notice was sent to adjacent property owners within 300 feet of the subject property (4.99 acres). A Notice was published in an approved newspaper advertising the request for the change in zoning. Signs were installed on Syms Rd and on FM 1093. (Included in Public Hearing Items and Item 6)
- **Staff Report/Compliance with the Comprehensive Plan:** After review of the request from the applicants, City Staff find that the requested zone change from Downtown District to Commercial is appropriate. The intended zoning change supports the orderly urban development through the land use,

which promotes the unique sense of place in concert with the City's other regulations and Ordinances. In addition, it is in alignment with the current zoning in the area as shown on the current Zoning Map. The property fronts FM 1093 which would promote the existing commercial corridor within the area. The zoning change will promote economic development and protect the individual property rights. (Item 7)

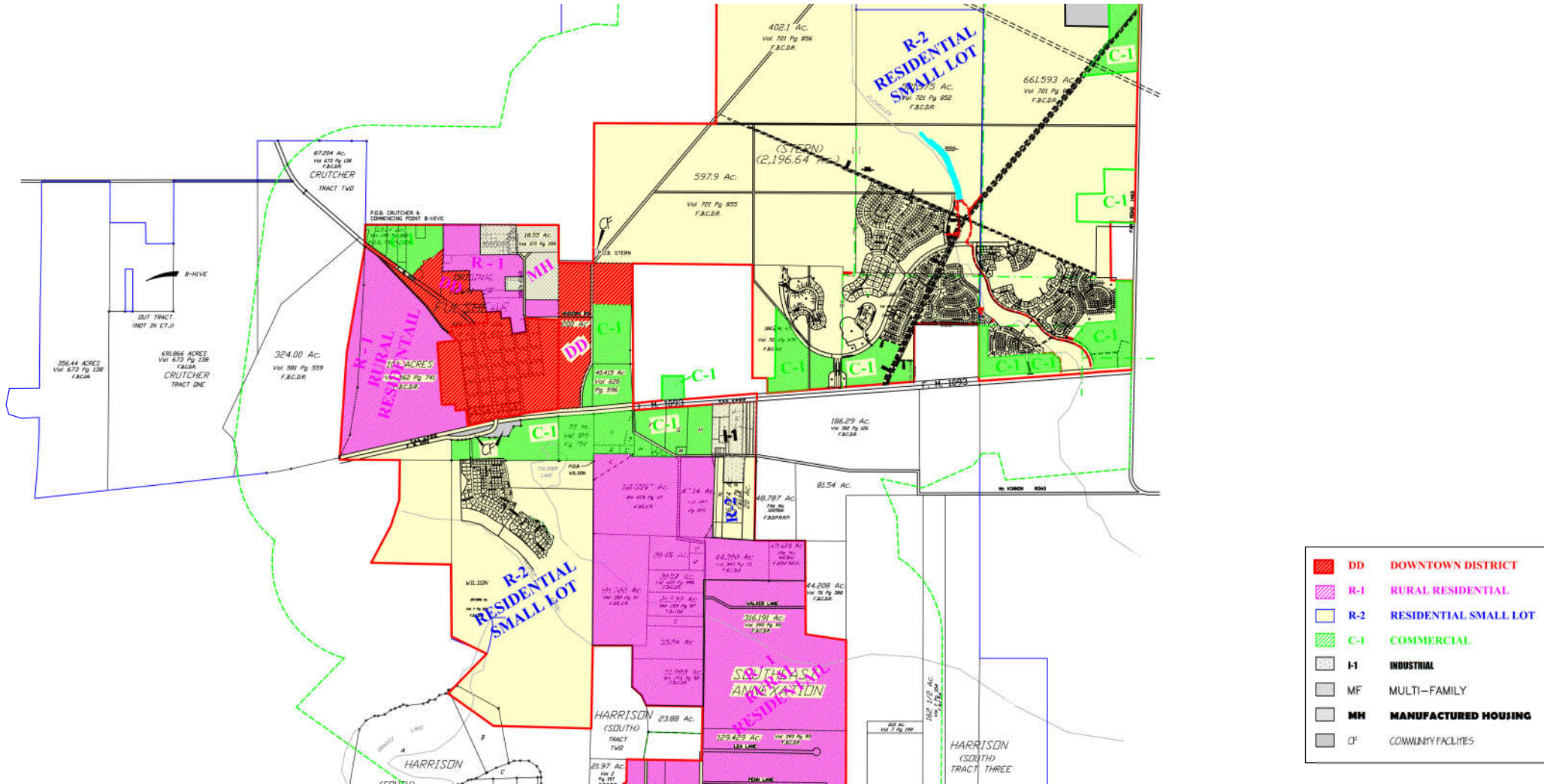
On April 13, 2017, the Planning and Zoning Commission provided a negative recommendation for this item. Some concerns Documentation of that recommendation is included. As a means to address some of the concerns mentioned, City Staff proposed a Development Agreement approach to formalize some of the items the Developer had agreed to do in concept. Those items are mentioned in the P&Z Recommendation and included tree preservation, highlighting area historical significance where possible, conformity with the Downtown District Architectural Standards, and a restriction on uses consistent with the Prohibited Uses in the Downtown District zoning area. The City Attorney has advised that this could be considered "contract zoning" and would not be allowed. A copy of that memo is also included.

RECOMMENDATION

Staff recommends the City Council approve the following items:

1. Approval of the Zoning Change of the 4.99 Acres, 30200 FM 1093, from Downtown District to Commercial
2. Approval to amend the Zoning Map to reflect the change in zoning of this property from Downtown District to Commercial.

City of Fulshear - Zoning Map of Area



	DD	DOWNTOWN DISTRICT
	R-1	RURAL RESIDENTIAL
	R-2	RESIDENTIAL SMALL LOT
	C-1	COMMERCIAL
	I-1	INDUSTRIAL
	MF	MULTI-FAMILY
	MH	MANUFACTURED HOUSING
	CF	COMMUNITY FACILITIES

Zoning Change Request:
 30200 FM 1093 4.99 acres
 Item 1: Zoning Map of Area

March 26, 2018

Brant Gary
City of Fulshear
30603 FM 1093 West – P.O. Box 279
Fulshear, Texas 77441

Re: Proposed Zone Change of 30200 FM 1093 Approximately 4.99 Acres

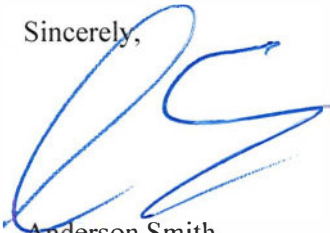
Mr. Gary:

Timbergrove Properties an affiliate of Capital Retail Properties is under contract to purchase 30200 FM 1093 in Fulshear, Texas from the Woodam Family Trust who is represented by George Gayle. The Subject Property is 4.99 Acres and we are requesting a zone change from Downtown District to Commercial.

Our intent is for a future Commercial Development that will encompass Retail, Restaurant, Office, Medical and or Service Tenants. Our goal is to have local, regional and a national Tenant mix. The property is currently an auto repair shop, barber shop and a house.

If you have any other questions or concerns feel free to email at the address below or call our office at 281-816-6550.

Sincerely,



Anderson Smith
Capital Retail Properties
Asmith@capitalretailproperties.com

Zoning Change Request:
30200 FM 1093 4.99 acres

Item 2: Letter of Request
and Application
1 of 4



APPLICATION TO AMEND THE ZONING ORDINANCE/SITE PLAN
 (Must be a complete application for acceptance)

PROPERTY OWNER: WOODHAM FAMILY TRUST
 Mailing Address 63 BIG CREEK TR. City Bozeman State MT Zip 59718
 Telephone (406) 539-7979 Email fwwoodham@gmail.com

APPLICANT / AGENT: WILLIAM G. GRIFFIN (CAPITAL ZONING PRODUCTS)
 Mailing Address 3631 Woodmont City Houston State TX Zip 77055
 Telephone (281) 644-5522 Cell (409) 283-4474 Email wggriffin@capitalzoning.com

OTHER CONTACT Name _____ Phone _____

PURPOSE OF PROPOSAL:

Amend the ZONING MAP to change the zoning district boundaries on the following parcel(s):

Lot / Tract No. Lot / Tract No. Lot / Tract No. Lot / Tract No.
 From DD From _____ From _____ From _____
 To C-1 To _____ To _____ To _____

Location address or Legal lot and block range: See attached survey

Present use of this property is: Auto shop, Barber shop, House

Describe proposed *new* use and purpose for zoning change:

Maxed out; Retail, Restaurant, Office, Medical
COMMERCIAL

PROPERTY DESCRIPTION

Total net land area 4.99 acres (acres /or square feet)
 Sketch Drawing of Area to be Re-Zoned, including location Map (8 1/2" x 11")

Certified Legal Description:

NOT PLATTED: A Registered Texas Surveyor's certified metes and bounds legal description is required with case exhibit drawings of the entire area to be rezoned. The boundary description shall be furnished on 8 1/2" x 11" paper, bearing the surveyor's name, seal and date. If the area to be rezoned is entirely encompassed by a recorded deed, a copy of the deed description is acceptable. An Electronic copy of survey may be provided by CD, email or other method within 2 days of application. Send to bds@fulsheartexas.gov.

PLATTED: If it is within a recorded subdivision, provide a copy of the plat with the subdivision name and recording information. Any partial or non-surveyed parcel or tract, extracted from a recorded deed, will require a certified legal description as noted above.

Subdivision Name _____
 Block _____ Lot(s) _____; Block _____ Lot(s) _____; Block _____ Lots(s) _____

Zoning Change Request:
 30200 FM 1093 4.99 acres
 Item 2: Letter of Request
 and Application
 2 of 4

Posting Requirements:

Notice of required Public Hearings shall be provided by the **applicant** by way of a sign posted on the land that is the subject of the application. One sign shall be posted for each 200 feet of frontage along a public street, with a maximum of 2 signs required per frontage. Signs shall be located so that the lettering is visible from the street. Where the land does not have frontage on a public street, signs shall be posted on the nearest public street with an attached notation indicating the location of the land subject to the application. The sign shall state "The property has requested a Zoning Change, for information regarding this request contact the City of Fulshear at 30603 FM 1093 Fulshear, Texas 77441, 281-346-1796. 2 Public Hearings will be held for this request."

ACKNOWLEDGEMENTS:

I certify that the above information is correct and complete to the best of my knowledge and ability and that I am now, or will be, fully prepared to present the above proposal before the Zoning Commission and City Council public hearings. I further certify that I have read and understand the information provided, concerning the policies and procedures regarding consideration of my zoning request.

I understand that all recommendations of the Zoning Commission will be forwarded to the City Council for final determination, normally scheduled for the third Tuesday of the month. I further understand that any actions of the Zoning Commission are considered recommendations to the City Council and that I may be heard by the City Council at the prescribed Council hearing date where a final decision will be made.

I further understand that if I am not present nor duly represented at the Commission's public hearing, the Zoning Commission may dismiss my request, which constitutes a recommendation that the request be denied. I further understand that if I am not present, or duly represented, at the City Council public hearing, the City Council may deny my request.

*I reserve the right to **withdraw** this proposal at any time, upon written request filed with the City Secretary. Such withdrawal shall immediately stop all proceedings thereon; provided, however, case withdrawal, shall constitute a denial by the Commission and City Council. I understand my filing fee is not refundable upon withdrawal of my case application after public notice, nor following denial by the Commission or Council of my case. I / We respectfully request approval and adoption of the proposed zoning / land use of property, within the City of Fulshear, as identified in this application.*

Signature of Owner/ Agent*  Date 3-15-18

(circle one) Printed name George S. Goyles, IV Phone No. 281-660-9440

*Note: An Agent must furnish a signed Letter of Authorization from the owner when submitting this application.

Zoning Change Request:
30200 FM 1093 4.99 acres

Item 2: Letter of Request
and Application
3 of 4

CUSTOMER COPY

281-346-1796

REC#: 00139104 3/27/2018 3:52 PM
OPER: AJ TERM: 002
REF#: 1106

TRAN: 3.0000 BUILDING PERMITS
20180608 674.85CR
ANDERSON G. SMITH
FM 1093 RD
VARIANCE 674.85CR

TENDERED: 674.85 CHECK
APPLIED: 674.85-

CHANGE: 0.00

Thank You!

Zoning Change Request:
30200 FM 1093 4.99 acres

Item 2: Letter of Request
and Application
4 of 4

LETTER OF AUTHORIZATION FOR ZONING CASE REPRESENTATION

AUTHORITY IS HEREBY GRANTED TO: George Gayle

ACTING ON MY BEHALF AS THE OWNER OF THIS PROPERTY AS INDICATED AT THE APPRAISAL DISTRICT, TO FILE AND PRESENT AN APPLICATION TO THE CITY OF FULSHEAR, TEXAS, TO REQUEST A CHANGE IN ZONING CLASSIFICATION FOR THE FOLLOWING PROPERTY:

(CERTIFIED	LEGAL	DESCRIPTION]
4.99 ac. in C. Fulshear, Abs. 29, Ft. Bend County, TX being part of a 34.23 ac. tract.		

ACKNOWLEDGEMENTS:

I certify that the above information is correct and complete to the best of my knowledge and ability and that I am now, or will be, fully prepared to present the above proposal before the Zoning Commission and City Council public hearings. I further certify that I have read and understand the information provided, concerning the policies and procedures regarding consideration of my zoning request.

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I reserve the right to withdraw this proposal at any time, upon written request filed with the City Secretary. Such withdrawal shall immediately stop all proceedings thereon; provided, however, case withdrawal, shall constitute a denial by the Commission and City Council. I understand my filing fee is not refundable upon withdrawal of my case application after public notice, nor following denial by the Commission or Council of my case. I / We respectfully request approval and adoption of the proposed zoning / land use of property, within the City of Fulshear, as identified in this application.

THIS AUTHORIZATION WILL REMAIN IN FORCE UNLESS REVOKED BY WRITTEN NOTICE.

OWNER'S SIGNATURE of the above described property: Joseph F. Woodham

OWNER'S NAME (printed) Joseph F. Woodham

ADDRESS: 63 Big Chief Tr. Bozeman, MT 59718

TELEPHONE: 406-539-7929 EMAIL: fbwoodham@gmail.com

LETTER OF AUTHORIZATION FOR ZONING CASE REPRESENTATION

AUTHORITY IS HEREBY GRANTED TO: Anderson Smith

ACTING ON MY BEHALF AS THE OWNER OF THIS PROPERTY AS INDICATED AT THE APPRAISAL DISTRICT, TO FILE AND PRESENT AN APPLICATION TO THE CITY OF FULSHEAR, TEXAS, TO REQUEST A CHANGE IN ZONING CLASSIFICATION FOR THE FOLLOWING PROPERTY:

(CERTIFIED	LLEGAL	DESCRIPTION]
4.99 ac. in C. Fulshear, Abs. 29, Ft. Bend County, TX being part of a 34.23 ac. tract.		

ACKNOWLEDGEMENTS:

I certify that the above information is correct and complete to the best of my knowledge and ability and that I am now, or will be, fully prepared to present the above proposal before the Zoning Commission and City Council public hearings. I further certify that I have read and understand the information provided, concerning the policies and procedures regarding consideration of my zoning request.

I understand that all recommendations of the Zoning Commission will be forwarded to the City Council for final determination, normally scheduled for the third Tuesday of the month. I further understand that any actions of the Zoning Commission are considered recommendations to the City Council and that I may be heard by the City Council at the prescribed Council hearing date where a final decision will be made.

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OWNER'S NAME (printed) Joseph F. Woodham

ADDRESS: 63 Big Cities Tr. Bozeman, MT. 59718

TELEPHONE: 406-539-7979 EMAIL: fbwoodham@gmail.com



Vicinity Map



Zoning Change Request:
30200 FM 1093 4.99
acres

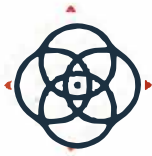
Item 4: Zoning Change
Site Map; 1 of 1

Syms Street

4.99 acres; 30200 FM 1093

FM 1093

Google Earth



WINDROSE
LAND SURVEYING | PLATTING

Zoning Change Request: 30200
FM 1093 4.99 acres

Item 5: Zoning Change - Survey &
Legal Description
2 of 2

**DESCRIPTION OF
4.990 ACRES OR 217,364 SQ. FT.**

A TRACT OR PARCEL CONTAINING 4.990 ACRES OR 217,364 SQUARE FEET OF LAND, SITUATED IN THE C. FULSHEAR LEAGUE, ABSTRACT NO. 29, FORT BEND COUNTY, TEXAS, AND BEING PART OF AND OUT OF THE RESIDUE OF A CALLED 34.23 ACRE TRACT OF LAND CONVEYED TO B.A. WOODHAM AS RECORDED UNDER VOL. 485, PG. 209 OF THE FORT BEND COUNTY DEED RECORDS (F.B.C.D.R.), AND A PORTION OF THIRD STREET, FOURTH STREET, FIFTH STREET, AND HOUSTON STREET, (ALL CALLED 60' WIDE) AS RECORDED UNDER VOL. U, PGS. 177-179, F.B.C.D.R., CONVEYED TO HUGGINS RANCH, LTD. AS RECORDED UNDER F.B.C.C.F. NO. 2009007110, AND ALL OF BLOCKS 18, 19, AND 30 OF THE TOWN OF FULSHEAR, MAP OR PLAT THEREOF RECORDED UNDER VOL. U, PGS. 177-179, F.B.C.D.R., AND A PORTION OF A CALLED 2-1/4 ACRE TRACT OF LAND CONVEYED TO HUGGINS RANCH, LTD. AS RECORDED UNDER FORT BEND COUNTY CLERK'S FILE (F.B.C.C.F.) NO. 2009007110, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS, WITH ALL BEARINGS BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM, SOUTH CENTRAL ZONE (NAD83):

BEGINNING AT A 1/2 INCH IRON PIPE FOUND MARKING THE INTERSECTION OF THE NORTH RIGHT-OF-WAY (R.O.W.) LINE OF FARM-TO-MARKET (F.M.) ROAD NO. 1093 (120' WIDE) AND THE EAST R.O.W. LINE OF SYMS ROAD (CALLED 60' WIDE) AS RECORDED UNDER VOL. U, PGS. 177-179, F.B.C.D.R. AND THE SOUTHWEST CORNER OF SAID CALLED 34.23 ACRE TRACT AND OF THE HEREIN DESCRIBED TRACT;

THENCE, ALONG THE EAST R.O.W. LINE OF SAID SYMS ROAD, NORTH 07 DEG. 09 MIN. 04 SEC. WEST, A DISTANCE OF 295.09 FEET A 1/2 INCH IRON ROD AND AN ANGLE IRON FOUND MARKING THE SOUTHWEST CORNER OF A CALLED 0.447 ACRE TRACT CONVEYED TO BRETT EDWARD DESHAZO AS RECORDED UNDER F.B.C.C.F. NO. 2012008871 AND THE MOST WESTERLY CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE, DEPARTING THE EAST R.O.W. LINE OF SAID SYMS ROAD, NORTH 82 DEG. 50 MIN. 56 SEC. EAST, A DISTANCE OF 150.00 FEET TO AN ANGLE IRON FOUND MARKING THE SOUTHEAST CORNER OF SAID CALLED 0.447 ACRE TRACT AND AN INTERIOR CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE, ALONG THE EAST LINE OF SAID CALLED 0.447 ACRE TRACT AND THE EAST LINE OF A CALLED 0.3714 ACRE TRACT OF LAND CONVEYED TO VELA JEAN DESHAZO AS RECORDED UNDER F.B.C.C.F. NO. 2013061638, NORTH 07 DEG. 09 MIN. 04 SEC. WEST, PASSING AT A DISTANCE OF 130.00 FEET A 5/8 INCH IRON ROD FOUND MARKING THE COMMON EAST CORNER OF SAID CALLED 0.447 ACRE TRACT AND SAID CALLED 0.3714 ACRE TRACT, AND CONTINUING FOR A TOTAL DISTANCE OF 200.93 FEET TO A POINT ON THE SOUTH LINE OF A CALLED 3.114 ACRE TRACT OF LAND CONVEYED TO BURGIN REAL ESTATE, LLC AS RECORDED UNDER F.B.C.C.F. NO. 2013004934, SAME BEING A WESTERLY CORNER OF THE HEREIN DESCRIBED TRACT, FROM WHICH A 5/8 INCH IRON ROD FOUND BEARS FOR REFERENCE, NORTH 81 DEG. 42 MIN. 13 SEC. WEST - 0.28 FEET;

THENCE, ALONG THE COMMON LINE OF SAID CALLED 34.23 ACRE TRACT AND SAID CALLED 3.114 ACRE TRACT, SOUTH 71 DEG. 04 MIN. 16 SEC. EAST, A DISTANCE OF 222.29 FEET TO A 1/2 INCH IRON PIPE FOUND MARKING THE SOUTHEAST CORNER OF SAID CALLED 3.114 ACRE TRACT AND AN INTERIOR CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE, THROUGH AND ACROSS SAID CALLED 34.23 ACRE TRACT, THE FOLLOWING COURSES AND DISTANCES;

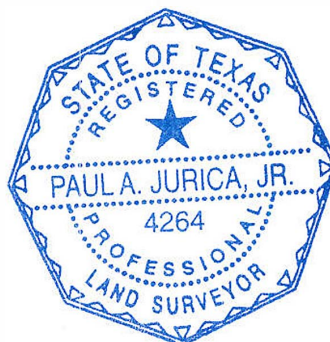
SOUTH 07 DEG. 09 MIN. 04 SEC. EAST A DISTANCE OF 103.20 FEET TO A CAPPED "5/8 INCH IRON ROD STAMPED "WINDROSE" SET FOR AN INTERIOR CORNER OF THE HEREIN DESCRIBED TRACT;

NORTH 82 DEG. 50 MIN. 56 SEC. EAST A DISTANCE OF 282.82 FEET TO A CAPPED "5/8 INCH IRON ROD STAMPED "WINDROSE" SET FOR THE NORTHEAST CORNER OF THE HEREIN DESCRIBED TRACT;

SOUTH 07 DEG. 01 MIN. 00 SEC. EAST A DISTANCE OF 296.57 FEET TO A CAPPED "5/8 INCH IRON ROD STAMPED "WINDROSE" SET ON THE NORTH R.O.W. LINE OF SAID F.M. 1093, FOR THE SOUTHEAST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE, ALONG THE NORTH R.O.W. LINE OF SAID F.M. 1093, SOUTH 82 DEG. 59 MIN. 00 SEC. WEST, A DISTANCE OF 631.78 FEET TO THE PLACE OF BEGINNING, AND CONTAINING 4.990 ACRES OR 217,364 SQUARE FEET OF LAND, AS SHOWN ON JOB NO. 52726_4.99AC, PREPARED BY WINDROSE LAND SERVICES.

PAUL A. JURICA JR.
R.P.L.S. NO. 4264
STATE OF TEXAS
FIRM REGISTRATION NO. 10108800



12/20/2017
DATE:

PUBLIC HEARING – ZONING CHANGE

In compliance with the City of Fulshear Zoning Ordinance Number 2010-1028, the City will hold two Public Hearings; **the first Public Hearing will be held by the Planning and Zoning Commission on April 13, 2018 at 8:30 a.m.**, the hearing will be held at city hall located at 30603 FM 1093. The second hearing will be held by the City Council on April 17, 2018 at 7:00 p.m. the hearing will be held at the Irene Stern Center located at 6920 Katy Fulshear Road. Both hearings will allow all interested persons an opportunity to be heard.

The location of the premises in question is in the Downtown District, C Fulshear League, Abstract 29, Acres 4.99, specifically the location is at the northeast corner of FM 1093 and Syms Rd, Fulshear, Texas 77441.

The applicant's agent, Anderson Smith, of Capital Retail Properties, is seeking a Zoning Change pursuant to the Zoning Ordinance, Section 1-279, to take the current zoning from Downtown District to Commercial Use for commercial, retail, restaurant, office and/or medical space.

The applicant reserves the right to supplement this application and/or seek at the time of the hearing, such other approvals, interpretations, and/or waivers as may be requested or required by the applicant or the Board/Council.

A copy of said application and documents is on file at the City of Fulshear City Hall located at 30603 FM 1093 Fulshear, Texas 77441 on Monday through Thursdays from 8:00 a.m. to 5 p.m. and Fridays from 8:00 a.m. to 3 p.m. in the City Secretary's office for all interested parties prior to said hearing.

If you have any questions regarding this request please call the City Secretary's office at 281-346-1796.



CITY OF FULSHEAR

PO Box 279 / 30603 FM 1093

Fulshear, Texas 77441

Phone: 281-346-1796 ~ Fax: 281-346-2556

www.fulsheartexas.gov

April 4, 2018
Zoning Change Request
Staff Report (Item 7)

RE: Zoning Change application for 30200 FM 1093, 4.99 Acres located at the southwest corner of Syms Street and FM 1093, Fulshear TX 77441

The owner of the property located at 30200 FM 1093, along with their designated representatives, Mr. Anderson Smith, Capital Retail Properties, 6363 Woodway Dr., Suite 1125, Houston, TX 77057, and Mr. George Gayle, George Gayle Properties, 7007 Hunt Ln Fulshear, TX 77441, are requesting a change in zoning for the property indicated. The property is currently zoned Downtown District and lies at the lower southeast section of the Downtown District zone. It also is adjacent to the FM 1093 corridor, where much of the property fronting FM 1093 is zoned Commercial. They are requesting the zoning change to use the property as a commercial use, which would include retail, restaurant, medical, office, and commercial.

As it concerns the requested zoning change of this property in the Downtown District, the City of Fulshear's Comprehensive Plan generally addresses the ability to provide for prime consideration in efficient land use and a focus on community character integrated with all other aspects of the Comprehensive Plan.

The future land use map is intended to show the general pattern of uses anticipated and/or desired in and around the community in the years ahead and can be seen as an interim situation. As the development occurs, it is common to review or re-evaluate a land use.

Based on a review of the documentation and of the Comprehensive Plan, City Staff have reason to believe the proposed zoning change requested by the applicant(s) will offer a variety of mixed uses that are permitted by the zoning change from Downtown District to Commercial, and will support the intent of the Zoning Ordinance and the Comprehensive Plan. The change will not adversely affect the public health, safety and well-being; nor will it diminish or impair the property values within the area and surrounding neighborhood. Thus, we find that the request to change the zoning classification for the property at 30200 FM 1093, 4.99 acres, is in line with the Comprehensive Plan.

Sincerely,

Sharon Valiante – Public Works Director
Brant Gary – Assistant City Manager/
Executive Director of Planning and Development
City of Fulshear

Zoning Change Request:
30200 FM 1093 4.99 acres
Item 7: Staff Report/Comp Plan Alignment



COMMERCIAL DEVELOPMENT
 March 8, 2018
 30200 FM 1093
 FRI, SHEAR, TX
 17255-01, 16.02.28

CIR
 CAPITAL RETAIL
 PROPERTIES

Scale: 1" = 30'
 0' 10' 20' 30' 40'

SITE PLAN B
identityARCHITECTS
 111 Travis Street, Houston, Texas 77002
 www.identityarchitects.com 713.566.2150



Zoning Change Request:
30200 FM1093 4.99 acres
Item 9: P&Z Recommendation
1 of 1

Zoning Change

APPLICANT/OWNER: Capital Retail Properties

ADDRESS OF PREMISES: 30200 FM 1093

REQUESTING: Zoning change for commercial, Retail, Restaurant,
Office, Medical and/or Service Tenants

HEARING DATE: April 13, 2018

PLANNING AND ZONING COMMISSION REVIEW

GRANTED

DENIED (A-2 VOTE)

RETURNED FOR ADDITIONAL DATA

COMMENTS/CONDITIONS: COMMISSION WOULD LIKE TO SEE DOWNTOWN

DISTRICT ARCHITECTURAL STANDARDS MAINTAINED FOR THIS SITE
TO TIE INTO THE DOWNTOWN "FEEL"; CONTINUED BELOW

CHAIRMAN SIGNATURE: [Signature] DATE: 13 APR 2018

CITY COUNCIL REVIEW

GRANTED

DENIED

SIGNATURE: _____ DATE: _____

P&Z
COMMENTS
CONTINUED

- CONCERN FOR HISTORICAL SIGNIFICANCE, CHURCHILL FULSHEAR FAMILY CEMETARY PRESERVATION;
- TRAFFIC & ALIGNMENT CONCERNS - DRIVEWAYS / ACCESS @ SYMS AND FM 1093 - ESPECIALLY WITH ELEVATION CHANGES;
- CONCERNS ABOUT REZONE TO COMMERCIAL IN DOWNTOWN AREA WITH ~~NO~~ NO ^{BUSINESS} REMEDY OR RECOURSE IF / WHEN PLANS CHANGE OR LAND CHANGES OWNERSHIP.



Zoning Change Request:
30200 FM1093 4.99 acres
Item 10: Letter from City Attorney
1 of 2

Memorial City Plaza II
820 Gessner, Suite 1570
Houston, TX 77024-4494

MEMORANDUM

TO: Brant Gary, Executive Director – Planning & Development
FROM: Byron L. Brown
THRU: J. Grady Randle
RE: **Zoning Change Request of Woodham Family Trust**
DATE: April 13, 2018

Question Presented:

May the City impose limitations or conditions on the use and development of the Woodham property when granting the requested zoning change?

Short Answer:

The City may impose specific, unilateral conditions for the granting of a zoning change request; however, a bilateral agreement to abide by general land use and development obligations would likely constitute impermissible “contract zoning.” Nevertheless, some such general obligations may be imposed through the use of a planned unit development (“PUD”).

Analysis:

Texas courts have long held that zoning is a legislative function that cannot be bargained away. Therefore, a court may invalidate zoning amendments which are arranged for through bilateral agreements. However, courts have distinguished unilateral *conditions* imposed on zoning amendments from bilateral *contracts* for zoning amendments. Imposing conditions on a landowner does not abrogate the legislative zoning power in the same way a binding agreement does.

For example, in *Super Wash, Inc. v. City of White Settlement*, 131 S.W.3d 249 (Tex. App.—Fort Worth 2004, pet. filed), the court upheld as a condition for granting a zoning amendment that the landowner build a screening fence to mitigate the visual impact of the change in property use. However, in *City of North Richland Hills v. Home Town Urban Partners*, 2011 Tex. App. LEXIS 3249 (Tex. App.—Fort Worth 2011, no pet. h.), the court

T 281-657-2000

F 832-476-9554

www.jgradyrandlepc.com

found the zoning amendment to be granted in exchange for the landowner's agreement to provide certain infrastructure improvements and to convey a recreation center to the city.

While the analysis varies among the courts, the test for whether a zoning amendment is conditional or contractual seems to focus on whether there is something gained by the City in exchange for the zoning amendment. However, courts have been reluctant to apply such a test to Planned Unit Developments, and have generally found that the collaboration with the developer in relation to a PUD is outweighed by the legislative processes involved in creating the PUD such that it does not result in contract zoning.

In the case of the zoning amendment requested by the Woodham Family Trust, the following items have been discussed with the landowner:

- 1.) Adherence to the Architectural Design Standards for the Downtown District zoning classification;
- 2.) Restrictions on allowable uses consistent with the Prohibited Uses identified for the Downtown District zoning classification;
- 3.) Agreement to work with the City to incorporate mutually agreeable improvements to highlight site-specific historical significance;
- 4.) Presentation and incorporation of additional development-related items in the preliminary and final platting processes. Draft/Preliminary items may be provided at the time of preliminary plat approval, but final plat approval will require final/approved versions of the following:
 - a. Traffic Impact Analysis (to include input/information from TXDOT)
 - b. Drainage Study and Plan(s) for improvements
 - c. Changes to the elevation/topography of the site (to include retaining walls, reduction of grade differences, etc.)
 - d. Renderings providing the architectural approach to the elevations/facades of the buildings (To demonstrate compliance with Item 2 above)

While some of these items may be imposed as unilateral conditions for granting the requested zoning amendment, others may be interpreted as bestowing a general benefit to the City in such a manner as would likely constitute a contractual obligation of the landowner. Therefore, the City should not come to a bilateral agreement on such terms.

Conclusion

While specific conditions related to the land uses involved may be imposed on the granting of a zoning amendment, zoning is a legislative function that cannot be abdicated by agreement. Therefore, the City cannot agree to grant a zoning amendment in exchange for contractual obligations to be performed by the landowner. Courts have been reluctant to invalidate PUDs as a form of contractual zoning; and, therefore, PUDs may provide a method for imposing land use obligations legislatively rather than contractually.

**AGENDA MEMO
BUSINESS OF THE CITY COUNCIL
CITY OF FULSHEAR, TEXAS**

AGENDA OF:	April 17, 2018	AGENDA ITEM:	B
DATE SUBMITTED:	April 11, 2018	DEPARTMENT:	Finance
PREPARED BY:	Wes Vela, Chief Financial Officer	PRESENTER:	Wes Vela, Chief Financial Officer
SUBJECT:	Presentation and Acceptance of Audited FY2017 Annual Financial Report		
ATTACHMENTS:	1.) Letter from the Auditor 2.) City of Fulshear Annual Financial Report		
EXPENDITURE REQUIRED:	N/A		
AMOUNT BUDGETED:	N/A		
ACCOUNT NO. :			
ADDITIONAL APPROPRIATION REQUIRED:	N/A		
ACCOUNT NO. :			

EXECUTIVE SUMMARY

The Annual Financial Report for the year ended September 30, 2017 has been audited by the audit firm Whitley Penn. Principal in charge, Christopher Breaux will present a brief overview of the audit.

RECOMMENDATION

Staff recommends acceptance of the Annual Financial Report.

April 11, 2018

To the Honorable Mayor and
Members of City Council
City of Fulshear, Texas

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Fulshear, Texas (the “City”) as of and for the year ended September 30, 2017, and have issued our report thereon dated April 11, 2018. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated July 31, 2017, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

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

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

Planned Scope and Timing of the Audit

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

Compliance with All Ethics Requirements Regarding Independence

The engagement team and our firm, including its employees, have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2017. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

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

Management's estimate of depreciation expense is based on the useful lives of its capital assets. We evaluated the key factors and assumptions used to develop the depreciation expense estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the allowance for uncollectible accounts is based on historical collection data. We evaluated the key factors and assumptions used to develop the allowance for uncollectible accounts estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the net pension liability, pension-related deferred outflows and inflows of resources, and pension expense is based on information provided by the Texas Municipal Retirement System (TMRS). We evaluated the City's application of the information provided by TMRS in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

The financial statement disclosures are neutral, consistent, and clear.

Significant Difficulties Encountered during the Audit

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

Uncorrected and Corrected Misstatements

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

To the Honorable Mayor and
Members of City Council
City of Fulshear, Texas
Page 3

disclosures, and the financial statements as a whole and each applicable opinion unit. We did not identify any such misstatements.

In addition, professional standards require us to communicate to you all material, journal entries that were brought to the attention of management as a result of our audit procedures. The list of adjusting journal entries that we proposed attached with this letter as a result of our audit procedures were brought to the attention of, and approved by, management.

Disagreements with Management

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

Representations Requested from Management

We have requested certain written representations from management in a letter dated April 11, 2018.

Management's Consultations with Other Accountants

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

Other Significant Matters, Findings, or Issues

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

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

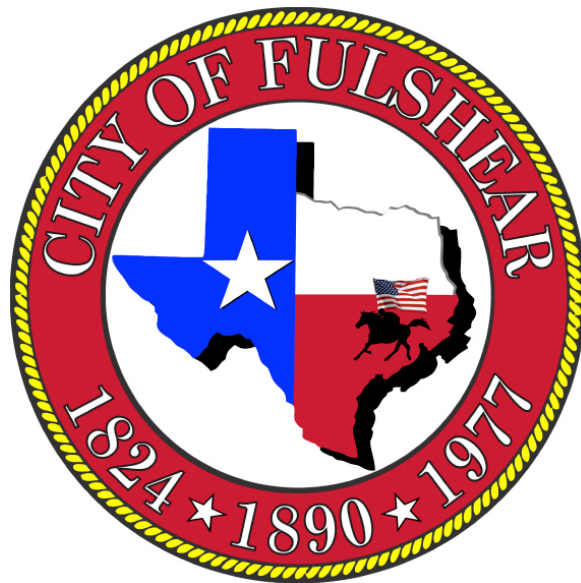
Whitley Penn LLP

Houston, Texas
April 11, 2018

CITY OF FULSHEAR, TEXAS

ANNUAL FINANCIAL REPORT

Year Ended September 30, 2017



CITY OF FULSHEAR, TEXAS

PRINCIPAL OFFICIALS

September 30, 2017

Governing Body

Jeff Roberts	Mayor
Tricia Krenek	Mayor Pro-Tem and Council Member
Tommy Kuykendall	Council Member
Stephen Gill	Council Member
Dana Hollingsworth	Council Member
Kaye Kahlich	Council Member

Other Principal Official

Jack Harper	City Manager
Kim Kopecky	Interim City Secretary
Wes Vela	Chief Financial Officer
J. Grady Randle	City Attorney

CITY OF FULSHEAR, TEXAS
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REPORT OF INDEPENDENT AUDITORS

To The Honorable Mayor and
City Council Members of the
City of Fulshear, Texas

Report on Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 to 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, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of September 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To The Honorable Mayor and
City Council Members of the
City of Fulshear, Texas

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10, budgetary comparison information on pages 44 and 45, and pension system supplementary information on pages 46 and 47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining nonmajor fund financial statements and the discretely presented component unit 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 and the discretely presented component unit 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.

Whitley Penn LLP

Houston, Texas
April 11, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF FULSHEAR, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Fulshear (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2017.

Financial Highlights

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$114.7 million (*net position*). Of this amount, \$9.4 million (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$23.5 million.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$5.2 million, a decrease of \$0.9 million over the prior year mainly due to Regional Park capital outlay expenditures related to purchase of land. Approximately 68% of this total amount, \$3.6 million, is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the general fund was 50% of total general fund expenditures.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event to the change occurs, *regardless of timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g. municipal court fines).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, permits and inspections, public safety, and public works. The business-type activities of the City include water distribution, wastewater collection/treatment, and solid waste operating funds.

The government-wide financial statements include not only the City itself (known as *the primary government*), but also legally separate entities for which the City is financially accountable. Financial

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

Government-wide Financial Statements (continued)

information for these *discretely presented component units* is reported separately from the financial information presented for the primary government itself. The City's two discretely presented component units consist of the following: Fulshear Development Corporation and The City of Fulshear Development Corporation.

The government-wide financial statements can be found on pages 12 through 15 of this report.

Fund Financial Statements

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

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *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 a government'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 funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains five (5) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the each of the five (5) funds with the General Fund and Regional Park considered to be major funds.

The governmental funds financial statements can be found on pages 16 through 19 of this report.

Proprietary Funds

The City maintains one type of proprietary fund. Proprietary funds are used to report the same functions presented as the business-type activities in the government-wide financial statements. The City uses two enterprise funds to account for its water distribution, wastewater collection/treatment, and solid waste operations.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Fulshear Facility Fund and Cross Creek Ranch Facility Fund that are considered to be major funds of the City.

The basic enterprise fund financial statements can be found on pages 20 through 22 of this report.

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

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 on pages 23 through 41 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* -- Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual for the General Fund and information concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 44 through 47 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. In the case of the City of Fulshear, assets and deferred outflows exceeded liabilities and deferred inflows by \$114.7 million as of September 30, 2017.

By far the largest portion of the City's net position, 91% reflects its net investment in capital assets (e.g., land, construction in progress, buildings, improvements other than buildings, machinery and equipment, and infrastructure), less any debt used to acquire those assets that is still outstanding. The City uses capital assets to provide services to citizens; consequently these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CONDENSED SCHEDULE OF NET POSITION

September 30, 2017 and 2016

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current and other assets	\$ 5,835,345	\$ 6,740,359	\$ 5,687,350	\$ 5,048,939	\$ 11,522,695	\$ 11,789,298
Capital assets	44,707,835	40,176,704	60,024,809	40,999,464	104,732,644	81,176,168
Total Assets	<u>50,543,180</u>	<u>46,917,063</u>	<u>65,712,159</u>	<u>46,048,403</u>	<u>116,255,339</u>	<u>92,965,466</u>
Deferred Outflows of Resources						
Pension related	179,788	155,234			179,788	155,234
Current and other liabilities	537,986	454,590	870,090	1,193,512	1,408,076	1,648,102
Long-term liabilities	138,046	89,807			138,046	89,807
Net pension liability	218,123	202,236			218,123	202,236
Total Liabilities	<u>894,155</u>	<u>746,633</u>	<u>870,090</u>	<u>1,193,512</u>	<u>1,764,245</u>	<u>1,940,145</u>
Deferred Inflows of Resources						
Pension related	8,507	8,874			8,507	8,874
Net position:						
Net investment in capital assets	44,707,835	40,176,704	60,024,809	40,999,464	104,732,644	81,176,168
Restricted	539,487	1,564,928		727,922	539,487	2,292,850
Unrestricted	4,572,984	4,575,158	4,817,260	3,127,505	9,390,244	7,702,663
Total Net Position	<u>\$ 49,820,306</u>	<u>\$ 46,316,790</u>	<u>\$ 64,842,069</u>	<u>\$ 44,854,891</u>	<u>\$ 114,662,375</u>	<u>\$ 91,171,681</u>

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

An additional 0.5% portion of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$9.4 million may be used to meet the government's ongoing obligations to citizens and creditors.

As of September 30, 2017, the City is able to report positive balances in all three categories of net position. The following table provides a summary of the City's operations for the year ended September 30, 2017:

CONDENSED SCHEDULE OF CHANGES IN NET POSITION

September 30, 2017 and 2016

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Revenues						
Program revenue:						
Charges for services	\$ 3,775,779	\$ 3,233,603	\$ 5,203,537	\$ 4,468,483	\$ 8,979,316	\$ 7,702,086
Operating grants and contributions	268,355	220,050			268,355	220,050
Capital grants and contributions	4,791,180	15,565,852	18,860,007	5,642,980	23,651,187	21,208,832
General revenues:						
Property taxes	1,834,115	1,574,219			1,834,115	1,574,219
Sales taxes	827,480	689,508			827,480	689,508
Franchise taxes	514,470	384,885			514,470	384,885
Investment earnings	47,221	21,867	33,319	13,814	80,540	35,681
Other revenues	244,036	115,358			244,036	115,358
Total Revenues	12,302,636	21,805,342	24,096,863	10,125,277	36,399,499	31,930,619
Expenses:						
General government	2,381,636	2,443,400			2,381,636	2,443,400
Permits and inspections	814,579	568,776			814,579	568,776
Public safety	2,156,611	1,741,536			2,156,611	1,741,536
Public works	3,366,308	2,740,764			3,366,308	2,740,764
Interest on long-term debt						
Water and sewer			4,189,671	4,090,921	4,189,671	4,090,921
Total Expenses	8,719,134	7,494,476	4,189,671	4,090,921	12,908,805	11,585,397
Increase in net position before transfers	3,583,502	14,310,866	19,907,192	6,034,356	23,490,694	20,345,222
Transfers	(79,986)	(690,202)	79,986	690,202		
Change in net position	3,503,516	13,620,664	19,987,178	6,724,558	23,490,694	20,345,222
Net Position - beginning	46,316,790	32,696,126	44,854,891	38,130,333	91,171,681	70,826,459
Net Position - ending	\$ 49,820,306	\$ 46,316,790	\$ 64,842,069	\$ 44,854,891	\$ 114,662,375	\$ 91,171,681

Governmental activities

For the year ended September 30, 2017, revenues from governmental activities totaled \$12.3 million. Overall, governmental revenues decreased by 44% from the prior year due to reduced levels of developer infrastructure contributions. Charges for services, which are the City's largest revenue source, increased by 17% due to continued growth in residential and commercial building review and permit fees.

For the year ended September 30, 2017, expenses for governmental activities totaled \$8.7 million, which represents an increase of \$1,224,658 from the previous year. Public works expenses increased the most over the prior year by \$625,544, primarily due to increases in depreciation expenses resulting from large contributions of infrastructure from developers. General government expenses decreased \$61,764. The

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

decrease was a result of the City's efforts to reduce spending and develop efficiencies by having adequate staff and service levels. Public safety increased by \$415,075 due to increased salaries and wages, hiring of new personnel, and purchases of small tools and equipment. Permits and inspection expenses increased as a result of increased consultant and engineering services.

Business-type activities

Charges for services for business-type activities increased \$735,054 or 16% from the previous year due to an increase in water and sewer taps and the activity due to new development. Water and sewer expenses held steady increasing less than 2% or \$98,750.

Financial Analysis of the City's Funds

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

Governmental Funds - The focus of the City's governmental funds is to provide information 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 the City's net resources available for spending at the end of the year.

The City's governmental funds reflect a combined fund balance of \$5.2 million. Of this amount, \$0.39 million is restricted for the City's regional park, \$65,923 is restricted for municipal court, \$1.13 million is committed to capital projects, and \$3.6 million is unassigned. There was a decrease in the combined fund balance of \$0.97 million from the prior year.

The general fund is the chief operating fund of the City. At the end of the current year, unassigned fund balance of the general fund was \$3.6 million. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 50% of total general fund expenditures. The general fund balance demonstrated an overall increase of \$373,239 million primarily due to reduced amounts transferred to Capital Projects and Business-type Activities.

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

General Fund Budgetary Highlights

There had been a planned decrease in budgeted fund balance in the amount of \$3.1 million in the general fund. However, actual fund balance increased by \$373,239 resulting in a positive variance of \$3,257,346 from budgeted as amended to actual.

Actual general fund revenues were above amended budgeted revenues by \$1,194,351 for 2017. This net positive variance includes positive variances of \$289,127 for licenses and permits and \$324,285 for charges for services along with negative variances for fines and forfeitures and property taxes.

Actual expenditures were less than budgeted amounts by \$957,870 for the fiscal year. The greatest positive variance was in general government.

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

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2017, amounted to \$44.71 million and \$60.02 million (net of accumulated depreciation), respectively. This investment in capital assets includes land, buildings and improvements, machinery and equipment, and infrastructure.

The following table shows the balances at September 30, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Governmental Activities		
Capital assets, not being depreciated:		
Land	\$ 3,210,109	\$ 1,978,290
Capital assets net of depreciation		
Buildings and improvements	452,035	493,383
Machinery and equipment	390,283	443,046
Infrastructure	40,655,408	37,261,985
Total capital assets - net of depreciation	<u>\$ 44,707,835</u>	<u>\$ 40,176,704</u>
Business-Type Activities		
Capital assets, not being depreciated:		
Land	\$ 526,082	\$ 526,082
Construction in progress	761,661	3,275,584
Capital assets net of depreciation		
Buildings and improvements	29,999	32,759
Machinery and equipment	22,531	25,485
Water and Sewer System	58,684,536	37,139,554
Total capital assets - net of depreciation	<u>\$ 60,024,809</u>	<u>\$ 40,999,464</u>

Detailed information on capital assets is presented in Note 6 to the financial statements.

Long-term liabilities

The City's long-term liabilities consist entirely of accrued compensated absences payable at year end. The City has no outstanding debt instruments. Detailed information on compensated absences is presented in Note 7 to the financial statements.

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

Economic Factors and Next Year's Budgets and Rates

The City Council has adopted the City's 2018 budget. The approval of the budget provides funding for the City's operating and capital costs for the 2018 fiscal year. The City anticipates an eleven percent (11%) increase in expected total revenues and an eighteen percent (18%) percent increase in expected total expenditures. The main contributor to the revenue increase is from ad valorem tax generated by increased property value through growth. This increased value allowed the City to lower the tax rate from \$0.161631/\$100 to \$0.156901/\$100

Recent legal developments in the City's ability to issue debt for capital projects is promising; therefore, the issuance of debt had been included in the fiscal year 2018 budget.

The increases in expenditures are generated from the addition of police and technology personnel, funding of vehicle/equipment, replacement fund, and pay and benefit adjustments.

The growth in residential and commercial building is expected to continue for the foreseeable future as the City is experiencing phenomenal growth as part of the Houston region. Our population has grown from 916 in 2006 to around 9,000 through 2017. The FM 1463 corridor has exploded with new development ranging from CVS, Starbucks, Aldi's and H.E.B grocery in mid of February 2018. The H.E.B. center will have 98,000 sq. ft. surrounded by 198,000 sq. ft. of retail.

Cross Creek Ranch and Firethorne remain in the top 20 of the top selling developments in the nation. The City is filled with beautiful developments on the ground and in the pipeline of development.

Request for Information

This financial report is designed to provide a general overview of the City's finances. Questions concerning this report or requests for additional financial information should be directed to Wes Vela, City Financial Officer, 30603 FM 1093, Fulshear, TX, 77441, telephone 281-346-1796, or for general City information, visit the City's website at www.fulsheartexas.gov .

BASIC FINANCIAL STATEMENTS

CITY OF FULSHEAR, TEXAS**STATEMENT OF NET POSITION**

September 30, 2017

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 5,396,785	\$ 4,948,311	\$ 10,345,096
Receivables, net	438,560	739,039	1,177,599
Total Current assets	<u>5,835,345</u>	<u>5,687,350</u>	<u>11,522,695</u>
Capital assets:			
Non-depreciable capital assets	3,210,109	1,287,743	4,497,852
Depreciable capital assets, net	41,497,726	58,737,066	100,234,792
Total Noncurrent assets	<u>44,707,835</u>	<u>60,024,809</u>	<u>104,732,644</u>
Total Assets	<u>50,543,180</u>	<u>65,712,159</u>	<u>116,255,339</u>
Deferred Outflows of Resources			
Deferred outflows - pension related	179,788		179,788
Liabilities			
Current liabilities:			
Accounts payable and accrued expenses	508,946	696,281	1,205,227
Customer deposits	29,040	173,809	202,849
Total current liabilities	<u>537,986</u>	<u>870,090</u>	<u>1,408,076</u>
Long-term liabilities:			
Due within one year	13,805		13,805
Due in more than one year	124,241		124,241
Net pension liability	218,123		218,123
Total long-term liabilities	<u>356,169</u>		<u>356,169</u>
Total Liabilities	<u>894,155</u>	<u>870,090</u>	<u>1,764,245</u>
Deferred Inflows of Resources			
Deferred inflow - pension items	8,507		8,507
Net Position			
Investment in capital assets	44,707,835	60,024,809	104,732,644
Restricted for:			
Municipal court	65,923		65,923
Regional park	392,134		392,134
Public Safety	81,430		81,430
Unrestricted	4,572,984	4,817,260	9,390,244
Total Net Position	<u>\$ 49,820,306</u>	<u>\$ 64,842,069</u>	<u>\$ 114,662,375</u>

See Notes To Basic Financial Statements.

Component Units

Fulshear Development Corporation	City of Fulshear Development Corporation
\$ 1,154,371	\$ 1,014,566
<u>114,768</u>	<u>112,495</u>
<u>1,269,139</u>	<u>1,127,061</u>
<u>1,269,139</u>	<u>1,127,061</u>
1,200	1,789
<u>1,200</u>	<u>1,789</u>
<u>1,200</u>	<u>1,789</u>
<u>1,267,939</u>	<u>1,125,272</u>
<u>\$ 1,267,939</u>	<u>\$ 1,125,272</u>

CITY OF FULSHEAR, TEXAS
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2017

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government				
Governmental Activities:				
General government	\$ 2,381,636	\$	\$ 255,917	\$ 139,150
Permits and Inspections	814,579	2,811,853		
Public safety	2,156,611	216,794	12,438	
Public works	3,366,308	747,132		4,652,030
Total governmental activities	<u>8,719,134</u>	<u>3,775,779</u>	<u>268,355</u>	<u>4,791,180</u>
Business-Type Activities:				
Water and Sewer Operations	4,189,671	5,203,537		18,860,007
Total Primary Government	<u>\$ 12,908,805</u>	<u>\$ 8,979,316</u>	<u>\$ 268,355</u>	<u>\$ 23,651,187</u>
Component Units				
City of Fulshear Development Corporation	\$ 178,113	\$	\$	\$
Fulshear Development Corporation	153,267			
Total component units	<u>\$ 331,380</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

General revenues:

Taxes:

- Property taxes
- Sales tax
- Franchise taxes
- Investment earnings
- Other revenues

Transfers

Total general revenues and transfers

Change in net position

Net Position - beginning

Net Position - ending

See Notes to Basic Financial Statements.

Net Revenue (Expense) and Changes in Net Position

Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total	Fulshear Development Corporation	City of Fulshear Development Corporation
\$ (1,986,569)	\$	\$ (1,986,569)		
1,997,274		1,997,274		
(1,927,379)		(1,927,379)		
2,032,854		2,032,854		
<u>116,180</u>		<u>116,180</u>		
	<u>19,873,873</u>	<u>19,873,873</u>		
<u>116,180</u>	<u>19,873,873</u>	<u>19,990,053</u>		
			\$ (178,113)	\$
			<u>(178,113)</u>	<u>(153,267)</u>
1,834,115		1,834,115		
827,480		827,480	461,608	461,609
514,470		514,470		
47,221	33,319	80,540	8,355	7,532
244,036		244,036		
(79,986)	79,986			
<u>3,387,336</u>	<u>113,305</u>	<u>3,500,641</u>	<u>469,963</u>	<u>469,141</u>
3,503,516	19,987,178	23,490,694	291,850	315,874
46,316,790	44,854,891	91,171,681	976,089	809,398
<u>\$ 49,820,306</u>	<u>\$ 64,842,069</u>	<u>\$ 114,662,375</u>	<u>\$ 1,267,939</u>	<u>\$ 1,125,272</u>

CITY OF FULSHEAR, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2017

	<u>General Fund</u>	<u>Regional Park</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Cash and cash equivalents	\$ 3,731,107	\$ 390,998	\$ 1,274,680	\$ 5,396,785
Receivables, net	437,424	1,136		438,560
Total Assets	<u>\$ 4,168,531</u>	<u>\$ 392,134</u>	<u>\$ 1,274,680</u>	<u>\$ 5,835,345</u>
Liabilities				
Accounts payable	\$ 427,367	\$	\$	\$ 427,367
Accrued expenditures	81,579			81,579
Customer deposits	29,040			29,040
Total Liabilities	<u>537,986</u>			<u>537,986</u>
Deferred Inflows of Resources				
Unavailable taxes	51,302			51,302
Fund balances				
Restricted for:				
Regional Park		392,134		392,134
Municipal Court			65,923	65,923
Public Safety			81,430	81,430
Committed			1,127,327	1,127,327
Unassigned	3,579,243			3,579,243
Total Fund Balances	<u>3,579,243</u>	<u>392,134</u>	<u>1,274,680</u>	<u>5,246,057</u>
Total Liabilities, Deferred Inflows, and Fund Balances				
	<u>\$ 4,168,531</u>	<u>\$ 392,134</u>	<u>\$ 1,274,680</u>	<u>\$ 5,835,345</u>

See Notes to Basic Financial Statements.

CITY OF FULSHEAR, TEXAS

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENTAL ACTIVITIES STATEMENT OF NET POSITION
September 30, 2017**

Total fund balance, governmental funds \$ 5,246,057

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position. 44,707,835

Uncollected long-term receivables are not available to pay current period expenditures and therefore are not reported in the fund financial statements, but are reported in the governmental activities of the Statement of Net Position. 51,302

Inflows and Outflows of resources relating to pension plan activity are recognized as expenditures in the governmental fund financial statements when payments are made but are reported as deferred in the governmental activities of the statement of net position.

Deferred outflows- pensions	179,788
Deferred inflows- pensions	(8,507)

Some liabilities are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.

Accrued compensated absences	(138,046)
Net pension liability	<u>(218,123)</u>

Net Position of Governmental Activities in the Statement of Net Position \$ 49,820,306

See Notes to Basic Financial Statements.

CITY OF FULSHEAR, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2017

	<u>General Fund</u>	<u>Regional Park</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues				
Taxes:				
Property	\$ 1,857,472	\$	\$	\$ 1,857,472
Sales	827,480			827,480
Franchise taxes	514,470			514,470
Public improvement fees	232,276			232,276
Licenses and permits	1,993,927			1,993,927
Intergovernmental	255,917			255,917
Charges for services	1,344,285			1,344,285
Fines and forfeitures	158,479		56,206	214,685
Investment earnings	36,158	4,147	6,200	46,505
Other revenues	242,346	139,150	2,500	383,996
Total Revenues	<u>7,462,810</u>	<u>143,297</u>	<u>64,906</u>	<u>7,671,013</u>
Expenditures				
Current:				
General government	2,425,499	5,418		2,430,917
Permits and Inspections	791,896			791,896
Public safety	2,153,878		3,524	2,157,402
Public works	1,781,326		90,699	1,872,025
Capital Outlay		1,219,454	84,386	1,303,840
Total Expenditures	<u>7,152,599</u>	<u>1,224,872</u>	<u>178,609</u>	<u>8,556,080</u>
Revenues over (under) expenditures	<u>310,211</u>	<u>(1,081,575)</u>	<u>(113,703)</u>	<u>(885,067)</u>
Other Financing Sources (Uses)				
Transfers in	1,105,125		35,803	1,140,928
Transfers out	(1,042,097)		(178,817)	(1,220,914)
Total other financing sources (uses)	<u>63,028</u>		<u>(143,014)</u>	<u>(79,986)</u>
Net Changes in Fund Balances	373,239	(1,081,575)	(256,717)	(965,053)
Fund Balances - beginning of year	<u>3,206,004</u>	<u>1,473,709</u>	<u>1,531,397</u>	<u>6,211,110</u>
Fund Balances - end of year	<u>\$ 3,579,243</u>	<u>\$ 392,134</u>	<u>\$ 1,274,680</u>	<u>\$ 5,246,057</u>

See Notes to Basic Financial Statements

CITY OF FULSHEAR, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2017

Net change in fund balances - total governmental funds: \$ (965,053)

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The capital asset expenditures are allocated over the assets' estimated useful lives as depreciation expense for the period.

This is the amount by which capital outlay of \$1,463,493 was exceeded by depreciation of \$1,584,392 in the current period. (120,899)

Contributions of capital assets by developers are not reported in the governmental fund financial statements as they do not represent a flow of current resources. 4,652,030

Governmental funds do not present revenues (property taxes and franchise fees that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned. (23,357)

Governmental funds report the payment of pension contributions as an expenditure. In contrast, the statement of activities treats such payments as a reduction in net pension liability. 154,611

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

Compensated absences (48,239)

Pension expense (145,577)

Change in net position of governmental activities \$ 3,503,516

See Notes to Basic Financial Statements.

CITY OF FULSHEAR, TEXAS

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

September 30, 2017

	Enterprise Funds		Total Enterprise Funds
	Fulshear Facility	CCR Facility	
Assets			
Current assets:			
Cash and cash equivalents	\$ 1,727,172	\$ 3,221,139	\$ 4,948,311
Accounts receivable, net	317,635	421,404	739,039
Total current assets	<u>2,044,807</u>	<u>3,642,543</u>	<u>5,687,350</u>
Noncurrent assets:			
Capital assets:			
Land	60,292	465,790	526,082
Construction in progress	761,661		761,661
Infrastructure	8,318,822	38,791,258	47,110,080
Buildings	612,278	17,951,103	18,563,381
Equipment	81,617	25,276	106,893
Less accumulated depreciation	<u>(3,002,868)</u>	<u>(4,040,420)</u>	<u>(7,043,288)</u>
Total noncurrent assets	<u>6,831,802</u>	<u>53,193,007</u>	<u>60,024,809</u>
Total Assets	<u>\$ 8,876,609</u>	<u>\$ 56,835,550</u>	<u>\$ 65,712,159</u>
Liabilities			
Accounts payable and accrued liabilities	\$ 342,805	\$ 353,476	\$ 696,281
Customer deposits	21,470	152,339	173,809
Total Liabilities	<u>364,275</u>	<u>505,815</u>	<u>870,090</u>
Net Position			
Investment in capital assets	6,831,802	53,193,007	60,024,809
Unrestricted	<u>1,680,532</u>	<u>3,136,728</u>	<u>4,817,260</u>
Total Net Position	<u>\$ 8,512,334</u>	<u>\$ 56,329,735</u>	<u>\$ 64,842,069</u>

See Notes to Basic Financial Statements.

CITY OF FULSHEAR, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended September 30, 2017

	Enterprise Funds		
	Fulshear Facility	CCR Facility	Total Enterprise Funds
Operating Revenues			
Charges for sales and services	\$ 1,229,686	\$ 3,973,851	\$ 5,203,537
Operating Expenses			
Supplies	82	8	90
Contractual services	103,773	36,032	139,805
Other operating	507,285	2,246,055	2,753,340
Capital outlay			
Utilities	66,025	204,138	270,163
Depreciation	74,726	951,547	1,026,273
	<u>751,891</u>	<u>3,437,780</u>	<u>4,189,671</u>
Operating income (loss)	<u>477,795</u>	<u>536,071</u>	<u>1,013,866</u>
Non-Operating Revenues			
Investment earnings	8,663	24,656	33,319
Total Non-Operating Revenues	<u>8,663</u>	<u>24,656</u>	<u>33,319</u>
Income (loss) before transfers and capital contributions	486,458	560,727	1,047,185
Transfers in	1,042,097		1,042,097
Transfers out	(176,411)	(785,700)	(962,111)
Capital contributions	2,779,128	16,080,879	18,860,007
Change in Net Position	4,131,272	15,855,906	19,987,178
Total Net Position - beginning of year	<u>4,381,062</u>	<u>40,473,829</u>	<u>44,854,891</u>
Total Net Position - end of year	<u>\$ 8,512,334</u>	<u>\$ 56,329,735</u>	<u>\$ 64,842,069</u>

See Notes to Basic Financial Statements.

CITY OF FULSHEAR, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2017

	Enterprise Funds		
	Fulshear Facility	CCR Facility	Total Enterprise Funds
Cash Flows From Operating Activities			
Receipts from customers and users	\$ 1,106,981	\$ 4,039,380	\$ 5,146,361
Payments to suppliers	(719,464)	(2,797,965)	(3,517,429)
Net cash provided by operating activities	<u>387,517</u>	<u>1,241,415</u>	<u>1,628,932</u>
Cash Flows From Noncapital Financing Activities			
Transfers from other funds	1,042,097		1,042,097
Transfers to other funds	(169,916)	(765,681)	(935,597)
Net cash provided (used) by noncapital financing activities	<u>872,181</u>	<u>(765,681)</u>	<u>106,500</u>
Cash Flows from Capital and Related Financing Activities			
Acquisition of and construction of capital assets	(998,320)	(193,291)	(1,191,611)
Net cash (used) by capital and related financing activities	<u>(998,320)</u>	<u>(193,291)</u>	<u>(1,191,611)</u>
Cash Flows From Investing Activities			
Investment earnings	8,663	24,656	33,319
Net cash provided by investing activities	<u>8,663</u>	<u>24,656</u>	<u>33,319</u>
Net increase (decrease) in cash and cash equivalents	270,041	307,099	577,140
Cash and cash equivalents - beginning of year	<u>1,457,131</u>	<u>2,914,040</u>	<u>4,371,171</u>
Cash and cash equivalents - end of year	<u>\$ 1,727,172</u>	<u>\$ 3,221,139</u>	<u>\$ 4,948,311</u>
Reconciliation of operating income to net cash provided by operating activities			
Operating Income	\$ 477,795	\$ 536,071	\$ 1,013,866
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	74,726	951,547	1,026,273
(Increase) decrease in accounts receivable	(125,905)	38,120	(87,785)
Increase (decrease) in accounts payable	(42,299)	(311,732)	(354,031)
Increase (decrease) in customer deposits	3,200	27,409	30,609
Net cash provided by operating activities	<u>\$ 387,517</u>	<u>\$ 1,241,415</u>	<u>\$ 1,628,932</u>
Noncash investing, capital, and financing activities:			
Contributions of capital assets	<u>\$ 2,779,128</u>	<u>\$ 16,080,879</u>	<u>\$ 18,860,007</u>

See Notes to Basic Financial Statements.

CITY OF FULSHEAR, TEXAS
NOTES TO FINANCIAL STATEMENTS

Note 1 - Organization

The City of Fulshear, Texas (the “City”) was incorporated in 1977 and operated as a “Type A, General Law” city until May 2016; wherein the voters elected to become a “Home-Rule” government. The City operates under a Council-Manager form of government whereas the city council is the principal legislative body of the City, composed of seven council members who serve two year terms. The Mayor presides at the Council meetings. The City Manager is the chief executive officer of the City and is responsible to the City Council for the management of all City affairs placed in the City Manager’s charge by or under the charter.

The City provides the following services: public safety to include police services, municipal court, streets, drainage, water and sewer services, solid waste collection and disposal, community development, and general administration.

Note 2 - Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

CITY OF FULSHEAR, TEXAS
NOTES TO FINANCIAL STATEMENTS (continued)

Note 2 - Summary of Significant Accounting Policies (continued)

Discretely Presented Component Units

City of Fulshear Development Corporation

After voter approval on August 29, 2007, the City formed the City of Fulshear Development Corporation (CDC), a 4A development corporation. The Board of Directors is appointed by and serves at the discretion of the City Council. City Council approval is required for budgets and bonded debt issuances. The CDC was created to manage and supervise the programs and activities with revenues from their portion (one half percent) of the sales tax increase of one percent, allowed by State of Texas law and approved by voters on August 29, 2007. The revenues are limited to manufacturing and industrial development.

Fulshear Development Corporation

After voter approval on August 29, 2007, the City formed the Fulshear Development Corporation (FDC), a 4B development corporation. The Board of Directors are appointed by and serve at the discretion of the City Council. City Council approval is required for budgets and bonded debt issuances. The FDC was created to manage and supervise the programs and activities with revenues from their portion (one half percent) of the sales tax increase of one percent, allowed by State of Texas law and approved by voters on August 29, 2007. The revenues are limited to quality of life improvements, including economic development that will attract and retain primary employers.

The component units are reported in separate columns to emphasize that they are legally separate from the City. In the event of dissolution, net position of the CDC and the FDC shall be conveyed back to the City. The operations of these component units are presented as governmental fund types and cover the year ended September 30, 2017.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of net position and the Statement of Changes in Net Position) report information on all of the nonfiduciary activities of the primary government. These statements include all activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and the internal service fund are reported as separate columns in the fund financial statements. In the fund financial statements, the accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate.

CITY OF FULSHEAR, TEXAS
NOTES TO FINANCIAL STATEMENTS (continued)

Note 2 - Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The government-wide financial statements are reported using the economic resources measurement focus, as are the proprietary fund financial statements. The government-wide statements and proprietary fund statements are reported using the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Sales taxes and franchise fees are recognized as revenues in the year that gives rise to the transaction. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as needed.

Sales taxes, franchise fees, licenses, municipal court revenues and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

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

The Regional Park Fund is used to account for revenues collected to build a regional park for the City. It is considered a major fund by the City because its expenditures consisted of over ten percent of governmental spending for fiscal year 2017.

Proprietary Fund Types

Proprietary funds are used to account for activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and transfers relating to the City's business activities are accounted for through proprietary funds. The measurement focus is on determination of net income, financial position, and cash flows. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues include charges for services. Operating expenses include costs of materials, contracts, personnel, and depreciation. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

CITY OF FULSHEAR, TEXAS
NOTES TO FINANCIAL STATEMENTS (continued)

Note 2 - Summary of Significant Accounting Policies (continued)

The City maintains one proprietary fund type, in the form of two enterprise funds. The enterprise funds are used to account for the operations that provide water and wastewater collection, wastewater treatment operations and solid waste collection and disposal. The services are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis will be financed or recovered primarily through user charges. The Fulshear facility fund is utilized to supply the City and surrounding developments with water, sewer, and sanitation services. The Cross Creek Ranch facility fund is used to supply the Cross Creek Ranch development with water, sewer, and sanitation services. The Fulshear facility and Cross Creek Ranch facility funds are considered major funds for reporting purposes.

The government-wide Statements of Net Position and Statements of Activities and all proprietary funds are accounted for on a flow of economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and all liabilities associated with the operations of these activities are included on the balance sheet. Government-wide and proprietary fund equity consists of net position. Operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and deferred inflows of resources are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Under the modified accrual basis of accounting, revenues are recognized in the accounting period when they are susceptible to accrual (i.e., when they are measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues available if they are collected within 60 days of the end of the current fiscal period. Revenues susceptible to accrual include charges for services and interest on temporary investments.

Property taxes, sales taxes, franchise taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Other receipts and other taxes become measurable and available when cash is received by the government and are recognized as revenue at that time. Under modified accrual accounting, expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for interest on general long-term debt, which is recognized when due.

Under the accrual basis of accounting, revenues are recognized in the accounting period in which they are earned and expenses are recognized in the accounting period in which they are incurred.

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.

CITY OF FULSHEAR, TEXAS
NOTES TO FINANCIAL STATEMENTS (continued)

Note 2 - Summary of Significant Accounting Policies (continued)

D. Cash and Cash Equivalents

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

The City's local government investment pools are recorded at amortized costs as permitted by GASB Statement No. 79, *Certain Investment Pools and Pool Participants*.

E. Investments

The City reports all investments at fair value based on quoted market prices at year-end date. The City categorizes fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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

- Direct obligations of the U.S. government
- Direct obligations of the State of Texas
- Collateralized certificates of deposit
- Statewide investment pools
- Repurchase agreements, reverse repurchase agreements, bankers' acceptances, and commercial paper
- Related no-load money market mutual funds

F. General Property Taxes

Property taxes are levied by October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due upon receipt and all taxes not paid prior to February 1 are deemed delinquent and are subject to such penalty and interest set forth by the Property Tax Code. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties and interest ultimately imposed. Appraised values are established by the Fort Bend County Central Appraisal Districts (the "CAD"). Taxes are levied by the City Commission based on the appraised values received from the CAD.

G. Due to and from Other Funds

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. These receivables and payables are, for the most part, eliminated from the Government-Wide Statement of Net Position and are recorded as "due from other funds" or "due to other funds" in the fund financial statements.

CITY OF FULSHEAR, TEXAS
NOTES TO FINANCIAL STATEMENTS (continued)

Note 2 - Summary of Significant Accounting Policies (continued)

H. Capital Assets

Capital assets, which include land, buildings and improvements, machinery and equipment, infrastructure, and construction in progress, are reported in the applicable governmental type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their acquisition value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of governmental-type activities is not included as part of the capitalized value of the assets constructed.

Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

<u>Asset Description</u>	
Buildings	20 to 50 Years
Improvements other than buildings	5 to 50 Years
Machinery and equipment	5 to 10 Years
Water and sewer system	20 to 50 Years
Infrastructure	30 to 50 Years

I. Compensated Absences

It is the City's policy to permit employees to accumulate earned vacation, sick, and personal time. Vacation, sick, and personal time earned during the year is to be used in the following year. Unused vacation, sick leave, and personal time will expire within one year of the accrual. However, the Mayor has the authority to approve unused vacation time for compensation.

J. Use of Estimates

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

K. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position.

Note 2 - Summary of Significant Accounting Policies (continued)

L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has one item that qualifies for reporting in this category:

- Deferred outflows of resources for pension – Reported for the City in the government-wide financial statement of net position. This deferred outflow results from pension plan contributions made after the measurement date of the net pension liability, the results of differences between expected and actual actuarial experiences and the differences between projected and actual earnings on pension plan investments. The deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year. The other pension related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan which is currently 8.6198 years for the City plan. Differences between projected and actual earnings on pension plan investments will be amortized over a closed five year period.

In addition to liabilities, the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The city has two items that qualify for reporting in this category:

- Deferred inflows of resources for unavailable revenues - Reported only in the governmental funds balance sheet, unavailable revenues from property taxes arise under the modified accrual basis of accounting. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Deferred inflows of resources for pension activities - Reported in the government wide financial statement of net position, these deferred inflows result primarily from differences between projected and actual earnings on pension plan investments. These amounts will be amortized over a closed five year period.

M. Pensions

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

CITY OF FULSHEAR, TEXAS
NOTES TO FINANCIAL STATEMENTS (continued)

Note 2 - Summary of Significant Accounting Policies (continued)

N. Fund Equity

As of September 30, 2017, fund balances of the governmental funds are classified as follows:

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts constrained for specific purposes as determined by the City itself, using the highest level of decision-making authority (i.e. City Council). To be reported as committed, amounts cannot be used for any other purposes unless the City takes the same highest level of action to remove or change the constraint. The City establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. City council will approve obligations of funds, such as multi-year contracts, prior to the end of the fiscal year.

Unassigned - all other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first.

O. Net Position

Net position represents the differences between assets, deferred outflows and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds.

Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the City's policy is first to apply restricted net position.

P. New Accounting Standards

In the current fiscal year, the City implemented the following new standards:

- GASB Statement No 77, *Tax Abatement Disclosures*, requires disclosure of tax abatement information about a reporting government's own tax abatement agreements and those that are entered into by other governments and that reduce the reporting government's tax revenues. In fiscal year 2017, there are no tax abatement agreements for the City.
- GASB Statement 82, *Pension Issues - An amendment of GASB Statements No. 67, No. 68 and No. 73*, addresses the presentation of payroll-related measures in required supplementary information, selection of assumptions and the treatment of deviations from the guidance in an actuarial standard of practice for financial reporting purposes, and the classification of payments made by employers to satisfy employee contribution requirements.

CITY OF FULSHEAR, TEXAS
NOTES TO FINANCIAL STATEMENTS (continued)

Note 3 - Deposits and Investments

The City classifies deposits and investments for financial statement purposes as cash and cash equivalents, current investments, and non-current investments based upon both liquidity (demand deposits) and maturity date (deposits and investments) of the asset at the date of purchase. For this purpose an investment is considered a cash equivalent if when purchased it has maturity of three months or less. Investments are classified as either current investments or non-current investments. Current investments have maturity of one year or less and non-current investments are those that have a maturity of one year or more.

At September 30, 2017, the City had the following investments:

Investment Type	Fair Value	Weighted Average Maturities (Days)
Certificates of deposit	\$ 1,000,000	365
Municipal and State bonds	1,008,514	685
Texas CLASS public funds investment pool *	8,453,128	78
Total Fair Value	<u>\$ 10,461,642</u>	164

* Credit rating of AAAM by Standard & Poors

Interest rate risk. In accordance with its investment policy, the City manages its exposure to declines in fair values by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and invest operating funds primarily in short-term securities.

Custodial credit risk - deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy requires funds on deposit at the depository bank to be collateralized by securities. At September 30, 2017, cash deposits and certificate of deposit of the City, the City of Fulshear Development Corporation, and the Fulshear Development Corporation were entirely covered by FDIC insurance and collateralizing securities

Management does not expect any losses as a result of the under collateralization of deposits in the name of the development corporations.

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

CITY OF FULSHEAR, TEXAS
NOTES TO FINANCIAL STATEMENTS (continued)

Note 3 - Deposits and Investments (continued)

The Texas Cooperative Liquid Assets Securities System Trust - Texas (CLASS) is a public funds investment pool under Section 2256.016 of the Public Funds Investment Act, Texas Government Code, as amended (the "Act"). CLASS is created under an Amended and Restated Trust Agreement, dated as of December 14, 2011 (the "Agreement"), among certain Texas governmental entities investing in the pool (the "Participants"), Cutwater Investor Services Corporation as Program Administrator, and Wells Fargo Bank Texas, NA as Custodian. CLASS is not SEC registered and is not subject to regulation by the State of Texas. Under the Agreement, however, CLASS is administered and supervised by a seven-member board of trustees (the "Board"), whose members are investment officers of the Participants, elected by the Participants for overlapping two-year terms. In the Agreement and by resolution of the Board, CLASS has contracted with Cutwater Investors Service Corporation to provide for the investment and management of the public funds of CLASS. Separate financial statements for Texas CLASS may be obtained from CLASS' website at www.texasclass.com.

Note 4 - Receivables

Receivables are evaluated and an allowance for uncollectible accounts is set up when the collections are doubtful. Receivables as of September 30, 2017, are as follows:

	<u>General Fund</u>	<u>Regional Park Fund</u>	<u>Fulshear Facility</u>	<u>CCR Facility</u>	<u>Total</u>
Property taxes	\$ 72,384	\$	\$ 1,136	\$	\$ 73,520
Other taxes	265,083				265,083
Customer Accounts			322,767	703,784	1,026,551
Other	123,702	1,136			124,838
	<u>461,169</u>	<u>1,136</u>	<u>323,903</u>	<u>703,784</u>	<u>1,489,992</u>
Less: allowance for uncollectibles	<u>(23,745)</u>		<u>(6,268)</u>	<u>(282,380)</u>	<u>(312,393)</u>
	<u>\$ 437,424</u>	<u>\$ 1,136</u>	<u>\$ 317,635</u>	<u>\$ 421,404</u>	<u>\$ 1,177,599</u>

Note 5 - Interfund Balances and Transfers

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

<u>Transfer Out</u>	<u>Transfer In</u>	<u>Amounts</u>
General	Fulshear Facility	\$ 1,042,097
Capital Projects	General	143,014
Municipal Court	Police Seizure	35,803
Fulshear Facility	General	176,411
Cross Creek Facility	General	785,700
		<u>\$ 2,183,025</u>

Transfers to the Fulshear facility enterprise fund have been made for continuous expansion of water and waste water treatment plants and water meter projects. Transfers to the General Fund and Police Seizure have been made for budgeted administration costs.

CITY OF FULSHEAR, TEXAS
NOTES TO FINANCIAL STATEMENTS (continued)

Note 6 - Capital Assets

Capital asset activity for the year ended September 30, 2017, was as follows:

	Balance 9/30/2016	Additions	Deletions	Balance 9/30/2017
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 1,978,290	\$ 1,231,819	\$	\$ 3,210,109
Total capital assets, not being depreciated	<u>1,978,290</u>	<u>1,231,819</u>	<u></u>	<u>3,210,109</u>
Other capital assets:				
Buildings and improvements	998,232			998,232
Machinery and equipment	1,062,520	87,339		1,149,859
Infrastructure	42,088,272	4,796,365		46,884,637
Total other capital assets	<u>44,149,024</u>	<u>4,883,704</u>	<u></u>	<u>49,032,728</u>
Less accumulated depreciation for:				
Buildings and improvements	(504,849)	(41,348)		(546,197)
Machinery and equipment	(619,474)	(140,102)		(759,576)
Infrastructure	(4,826,287)	(1,402,942)		(6,229,229)
Total accumulated depreciation	<u>(5,950,610)</u>	<u>(1,584,392)</u>	<u></u>	<u>(7,535,002)</u>
Total other capital assets , net	<u>38,198,414</u>	<u>3,299,312</u>	<u></u>	<u>41,497,726</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 40,176,704</u>	<u>\$ 4,531,131</u>	<u>\$</u>	<u>\$ 44,707,835</u>

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

Governmental Activities	
General government	\$ 88,802
Public safety	61,955
Permits and inspections	22,384
Public works	<u>1,411,251</u>
Total depreciation expense - governmental activities	<u>\$ 1,584,392</u>

Additions to the governmental activities capital assets for the 2017 fiscal year include approximately \$4.8 million of streets and other infrastructure relating to developer contributions. In addition, the City purchased land in the amount of \$1,231,819 and police vehicles for \$87,339.

CITY OF FULSHEAR, TEXAS
NOTES TO FINANCIAL STATEMENTS (continued)

Note 6 - Capital Assets (continued)

A summary of changes in capital assets for business-type activities as of September 30, 2017, is as follows:

	Balance 9/30/2016	Additions	Deletions	Balance 9/30/2017
Business-Type Activities				
Capital assets, not being depreciated:				
Land	\$ 526,082	\$	\$	\$ 526,082
Construction in progress	3,275,584	761,661	(3,275,584)	761,661
Total capital assets, not being depreciated	3,801,666	761,661	(3,275,584)	1,287,743
Other capital assets:				
Buildings	110,372			110,372
Machinery and equipment	106,893			106,893
Water and sewer system	42,997,548	22,565,541		65,563,089
Total other capital assets	43,214,813	22,565,541		65,780,354
Less accumulated depreciation for:				
Buildings	(77,613)	(2,760)		(80,373)
Machinery and equipment	(81,408)	(2,954)		(84,362)
Water and sewer system	(5,857,994)	(1,020,559)		(6,878,553)
Total accumulated depreciation	(6,017,015)	(1,026,273)		(7,043,288)
Total other capital assets, net	37,197,798	21,539,268		58,737,066
Total business-type activities	\$ 40,999,464	\$ 22,300,929	\$ (3,275,584)	\$ 60,024,809

Depreciation was charged to business-type functions as follows:

Business-Type Activities	
Fulshear facility fund	\$ 74,726
Cross Creek Ranch facility fund	951,547
Total business-type activities	
depreciation expense	\$ 1,026,273

Construction in progress for various projects as of September 30, 2017, is as follows:

Project Description	Authorized Contracts	Total in Progress	Remaining Commitment
Wastewater Treatment Plant Expansion	\$ 1,091,369	\$ 761,661	\$ 329,708

CITY OF FULSHEAR, TEXAS
NOTES TO FINANCIAL STATEMENTS (continued)

Note 7 - Long-Term Debt

The following is a summary of changes in the City's total governmental long-term liabilities for the year ended. The City uses the general fund to liquidate governmental long-term liabilities.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Compensated absences	\$ 89,807	\$ 123,219	\$ (74,980)	\$ 138,046	\$ 13,805
Governmental Activities	<u>\$ 89,807</u>	<u>\$ 123,219</u>	<u>\$ (74,980)</u>	<u>\$ 138,046</u>	<u>\$ 13,805</u>

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities in the governmental funds. The governmental activities compensated absences are liquidated by the general fund.

Note 8 - Employee Retirement System

Texas Municipal Retirement System

Plan Description and Provisions

The City participates as one of 872 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 TMRS with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmr.com.

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.

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.

At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are 200% of the employee's accumulated contributions.

Beginning in 2014, the City granted an annually repeating (automatic) basis a monetary credit referred to as an updated service credit (USC) which is a theoretical amount which takes into account salary increases or plan improvements. If at any time during their career an employee earns a USC, this amount remains in their account

CITY OF FULSHEAR, TEXAS
NOTES TO FINANCIAL STATEMENTS (continued)

Note 8 - Employee Retirement System (continued)

earning interest at 5% until retirement. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer match plus employer-financed monetary credits, such as USC, with interest were used to purchase an annuity.

A summary of plan provisions for the City are as follows:

Employee deposit rate	5%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility	20 years at any age, 5 years at age 60 and above
Updated Service Credit	0%
Annuity Increase to retirees	0% of CPI

Employees covered by benefit terms

At the December 31, 2016 valuation and measurement date, the following employees were covered by the benefit terms:

Retirees or beneficiaries currently receiving benefits	1
Inactive employees entitled to but not yet receiving benefits	17
Active employees	<u>43</u>
	<u>61</u>

Contributions

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

Employees for the City were required to contribute 5% of their annual gross earnings during the fiscal year. For fiscal year 2017, the City made contributions of 4.93% for the months in 2016 and 5.46% for the months in 2017.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2016, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Salary Increases	3.5% to 10.5% including inflation per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

CITY OF FULSHEAR, TEXAS
NOTES TO FINANCIAL STATEMENTS (continued)

Note 8 - Employee Retirement System (continued)

Actuarial Assumptions (continued)

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Table is used, with slight adjustments.

These actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2010 to December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the System adopted the Entry Age Normal actuarial cost method and a one-time change to the amortization policy. Assumptions are reviewed annually. No additional changes were made for the 2016 valuation.

The long-term expected rate of return on pension plan investments is 6.75%. The pension plan’s policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
U.S. Equities	17.5%	4.55%
International Equity	17.5%	6.35%
Core Fixed Income	10.0%	1.00%
Non-core fixed Income	20.0%	4.15%
Real Return	10.0%	4.75%
Real Estate	10.0%	4.15%
Absolute Return	10.0%	4.00%
Private Equity	5.0%	7.75%
	<u>100%</u>	

CITY OF FULSHEAR, TEXAS
NOTES TO FINANCIAL STATEMENTS (continued)

Note 8 - Employee Retirement System (continued)

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 contributions will remain at the current 7% 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 plan members. 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.

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

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

	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
Total Pension Liability	\$ 1,090,903	\$ 923,834	\$ 788,807
Plan Fiduciary Net Position	705,711	705,711	705,711
Net Pension Liability	<u>\$ 385,192</u>	<u>\$ 218,123</u>	<u>\$ 83,096</u>

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Beginning Balance	\$ 648,746	\$ 446,510	\$ 202,236
Service Cost	231,217		231,217
Interest (on the Total Pension Liability)	51,368		51,368
Difference between expected and actual experience	(795)		(795)
Contributions – employer		117,152	(117,152)
Contributions – employee		118,817	(118,817)
Net investment income		30,293	(30,293)
Administrative Expense		(341)	341
Other		(18)	18
Benefit payments, including refunds of employee contributions	(6,702)	(6,702)	
Ending Balance	<u>\$ 923,834</u>	<u>\$ 705,711</u>	<u>\$ 218,123</u>

CITY OF FULSHEAR, TEXAS
NOTES TO FINANCIAL STATEMENTS (continued)

Note 8 - Employee Retirement System (continued)

Pension Plan Fiduciary Net Position

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

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

For the year ended September 30, 2017, the City recognized pension expense of \$145,577.

At September 30, 2017, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 31,069	\$ 8,507
Difference in assumption changes	20,286	
Difference between projected and actual earnings	12,861	
Pension contributions made after measurement date	115,572	
	<u>\$ 179,788</u>	<u>\$ 8,507</u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of December 31, 2016 will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2017 (i.e. recognized in the city’s financial statements September 30, 2018). Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year	Net Deferred Outflows (Inflows) of Resources
2018	\$ 11,589
2019	11,588
2020	11,161
2021	7,119
2022	7,149
Thereafter	7,103
Total	<u>\$ 55,709</u>

CITY OF FULSHEAR, TEXAS
NOTES TO FINANCIAL STATEMENTS (continued)

Note 9 - Supplemental Death Benefits

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

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

The 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 fiscal year 2017 was \$2,912 which equaled the required contribution amount.

Note 10 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City participates along with 2,617 other entities in the Texas Municipal League's Intergovernmental Risk Pools (the "Pool"). The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool, outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

Note 11 - Regional Park Fund

During 2004, the City entered into an agreement with Firethorne LTD, (the "Developer") whereby the Developer would pay a regional park fee for every lot per plat the Developer finalized. The terms of the agreement state that the regional park fees, plus interest earned, must be utilized in the development of a regional park within five years from the date the fees are paid to the City.

Similar agreements were signed with TMI, Inc., Fulshear Land Investment Partners, LTD., and Tamarron, L.P., excluding the five year utilization clause. During the year ended September 30, 2017, the City received \$139,150 in regional park fees. Since the inception of the agreements, the City has received \$1,793,133. During the year ended September 30, 2017, the City expended \$5,418 of regional park contributions received on park maintenance and beautification and \$1.22 million for the purchase of land. As of September 30, 2017, the City has restricted net position of \$392,134 related to regional park fees.

CITY OF FULSHEAR, TEXAS
NOTES TO FINANCIAL STATEMENTS (continued)

Note 12 - Developer Agreement

The City's development agreements with two master planned communities state that the city rebate all but \$0.10 of the ad valorem tax rate without the clarification between maintenance and operation tax rate and the interest and sinking tax rate. During the current fiscal year, the City's rebate totaled \$554,020.

Because these communities represents approximately 95% of the total valuation of the city it was important for the city to issue debt without having to rebate the interest and sinking tax rate amount. Subsequent to year end, the City proceeded through legal channels to issue debt with the debt service to be paid with interest and sinking taxes. As a result of the courts approving the city's position, the City has included the issuance of Certificates of Obligation for transportation projects in the fiscal year 2018 Budget.

Note 13 - Strategic Partnership Agreement

Effective June 21, 2016, the City and Waller County Road Improvement District No. 1 (the "District") entered into a Strategic Partnership Agreement (the "Agreement") under which the City annexed a tract of land within the boundaries of the District for the limited purposes of levying a sales and use tax on commercial activities within such tract. The District continues to exercise all powers and functions of a road improvement district as provided by law with respect to the tract. As consideration for the District providing services as detailed in the Agreement, the City agreed to remit a portion of the sales and use tax revenues generated within the boundaries of the tract. As consideration for the sales tax payments by the City, the District agreed to continue to develop, own, and to operate a water, wastewater, and drainage system within the District. The City agreed it will not annex the District for full purposes or commence any action to annex the District during the term of the Agreement, which is through December 31, 2046. During the current year, the City remitted \$111,059 in sales tax revenues related to the Agreement.

Note 14 - Subsequent Event

On August 25, 2017, Hurricane Harvey, characterized as a Category 4 hurricane at its peak, made landfall on the Texas coast before stalling over Houston-Galveston region (the "Region") and producing significant flooding. Many residences and commercial properties in the Region sustained damage.

City staff continues to work with FEMA representatives in finalizing the City's claim. The City also received Utility Fund insurance claim in the amount of \$61,650 related to Hurricane Harvey after fiscal year end. The event did not have significant impact on the City.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF FULSHEAR, TEXAS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Year Ended September 30, 2017

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget
Revenues				
Taxes:				
Property	\$ 1,863,193	\$ 1,863,193	\$ 1,857,472	\$ (5,721)
Sales	696,996	696,996	827,480	130,484
Franchise	321,500	321,500	514,470	192,970
Public improvement fees	220,000	220,000	232,276	12,276
Intergovernmental	244,118	244,118	255,917	11,799
Licenses and permits	1,704,800	1,704,800	1,993,927	289,127
Charges for services	1,020,000	1,020,000	1,344,285	324,285
Fines and forfeitures	191,700	191,700	158,479	(33,221)
Investment earnings	6,152	6,152	36,158	30,006
Other revenues	214,675		242,346	242,346
Total Revenues	<u>6,483,134</u>	<u>6,268,459</u>	<u>7,462,810</u>	<u>1,194,351</u>
Expenditures				
Current:				
General government	3,267,922	2,879,189	2,425,499	453,690
Permits and inspections	730,071	1,226,465	791,896	434,569
Public works	1,898,676	1,792,395	1,781,326	11,069
Public safety	2,172,600	2,212,420	2,153,878	58,542
Total Expenditures	<u>8,069,269</u>	<u>8,110,469</u>	<u>7,152,599</u>	<u>957,870</u>
Revenues over (under) expenditures	(1,586,135)	(1,842,010)	310,211	2,152,221
Other Financing Sources (Uses)				
Transfers in	1,105,125		1,105,125	1,105,125
Transfers out	(1,042,097)	(1,042,097)	(1,042,097)	
Total other financing sources (uses)	<u>63,028</u>	<u>(1,042,097)</u>	<u>63,028</u>	<u>1,105,125</u>
Changes in fund balance	(1,523,107)	(2,884,107)	373,239	3,257,346
Fund Balance - Beginning of Year	<u>3,206,004</u>	<u>3,206,004</u>	<u>3,206,004</u>	
Fund Balance - End of Year	<u>\$ 1,682,897</u>	<u>\$ 321,897</u>	<u>\$ 3,579,243</u>	<u>\$ 3,257,346</u>

CITY OF FULSHEAR, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the year ended September 30, 2017

Annual budgets are adopted on a modified accrual basis of accounting for all of the City's funds. Annual appropriations lapse at fiscal year-end.

The Finance department is responsible for producing, monitoring, and reporting the City's annual operating budget. The City of Fulshear operates a fiscal year beginning October 1 through September 30 annually.

Each spring, the staff begins the annual process to determine the needs of the city. The requests are based on the programs and priorities that the city council has discussed or committed to in the past. A recommended budget is formed based on the projected revenue and submitted to the citizens and the city council. After input from the public and the staff the council has the opportunity to revise the budget to conform to its objectives.

Public hearings regarding the budget and tax rate are held in August/September and are open to the public. The city budget contains several different funds with the largest being the general fund which is used for general government services that do not need to be accounted for separately. Examples of general government services include public safety, street maintenance, and administrative activities.

Once adopted, the budget takes effect on the first of the fiscal year (October 1) and any major changes must be approved by the city council.

TEXAS MUNICIPAL RETIREMENT SYSTEM (UNAUDITED)
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last Three Measurement Years

	2016	2015	2014
Total pension liability			
Service Cost	\$ 231,217	\$ 156,945	\$ 93,711
Interest (on the Total Pension Liability)	51,368	36,771	23,662
Difference between expected and actual experience	(795)	(9,944)	47,654
Changes of assumptions		25,851	
Benefit payments, including refunds of employee contributions	(6,702)	(15,416)	(3,334)
Net change in total pension liability	275,088	194,207	161,693
Total pension liability – beginning	648,746	454,539	292,846
Total pension liability – ending	<u>\$ 923,834</u>	<u>\$ 648,746</u>	<u>\$ 454,539</u>
Plan fiduciary net position			
Contributions – employer	\$ 117,152	\$ 80,804	\$ 51,713
Contributions – employee	118,817	85,950	68,767
Net investment income	30,293	436	9,644
Benefit payments, including refunds of employee contributions	(6,702)	(15,416)	(3,334)
Administrative Expense	(341)	(265)	(101)
Other	(18)	(13)	(8)
Net change in plan fiduciary net position	259,201	151,496	126,681
Plan fiduciary net position – beginning	446,510	295,014	168,333
Plan fiduciary net position – ending	<u>\$ 705,711</u>	<u>\$ 446,510</u>	<u>\$ 295,014</u>
Net pension Liability	\$ 218,123	\$ 202,236	\$ 159,525
Net plan fiduciary net position as a percentage of total pension liability	76%	69%	65%
Total covered employee payroll	\$ 2,376,331	\$ 1,718,999	\$ 1,375,366
Net pension liability as a percentage of total covered employee payroll	9%	12%	12%

The amounts presented are for each measurement year, which end the preceding December 31 of the City's fiscal year end. Net pension liability is calculated using a new methodology and will be presented prospectively in accordance with GASB 68. Ten years of data should be presented in this schedule but data was unavailable prior to 2014.

TEXAS MUNICIPAL RETIREMENT SYSTEM (UNAUDITED)
SCHEDULE OF PENSION CONTRIBUTIONS
Last Seven Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Actuarial determined contribution	\$ 148,255	\$ 105,268	\$ 69,687	\$ 39,619	\$ 8,826
Contribution in relation to the actuarial determined contribution	<u>148,255</u>	<u>105,268</u>	<u>69,687</u>	<u>39,619</u>	<u>8,826</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Covered employee payroll (fiscal year)	\$ 2,779,644	\$ 2,155,862	\$ 1,568,017	\$ 870,232	\$ 703,095
Contributions as a percentage of covered employee payroll	5.33%	4.88%	4.44%	4.55%	1.26%
	<u>2012</u>	<u>2011</u>			
Actuarial determined contribution	\$ 11,801	\$ 22,882			
Contribution in relation to the actuarial determined contribution	<u>11,801</u>	<u>22,882</u>			
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>			
Covered employee payroll (fiscal year)	\$ 583,368	\$ 85,673			
Contributions as a percentage of covered employee payroll	2.02%	26.71%			

The City began participating in TMRS in fiscal year 2011, therefore no information is available prior to that date.

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OTHER SUPPLEMENTAL INFORMATION

CITY OF FULSHEAR, TEXAS

BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

September 30, 2017

	<u>Capital Projects</u>	<u>Municipal Court</u>	<u>Police Seizure and Donation</u>	<u>Total Nonmajor Funds</u>
Assets				
Cash and cash equivalents	\$ 1,127,327	\$ 65,923	\$ 81,430	\$ 1,274,680
Total Assets	<u>\$ 1,127,327</u>	<u>\$ 65,923</u>	<u>\$ 81,430</u>	<u>\$ 1,274,680</u>
Liabilities				
Accounts payable	\$	\$	\$	\$
Total Liabilities				
Fund balances				
Restricted for:				
Municipal Court		65,923		65,923
Public Safety			81,430	81,430
Committed	<u>1,127,327</u>			<u>1,127,327</u>
Total Fund Balances	<u>1,127,327</u>	<u>65,923</u>	<u>81,430</u>	<u>1,274,680</u>
Total Liabilities and Fund Balances	<u>\$ 1,127,327</u>	<u>\$ 65,923</u>	<u>\$ 81,430</u>	<u>\$ 1,274,680</u>

CITY OF FULSHEAR, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2017

	Capital Projects	Municipal Court	Police Seizure and Donation	Total Nonmajor Funds
Revenues				
Fines and forfeitures	\$	\$ 11,292	\$ 44,914	\$ 56,206
Investment earnings	5,248	515	437	6,200
Other revenues			2,500	2,500
Total Revenues	<u>5,248</u>	<u>11,807</u>	<u>47,851</u>	<u>64,906</u>
Expenditures				
Current:				
Public safety		1,300	2,224	3,524
Public works	90,699			90,699
Capital Outlay	84,386			84,386
Total Expenditures	<u>175,085</u>	<u>1,300</u>	<u>2,224</u>	<u>178,609</u>
Revenues over (under) expenditures	<u>(169,837)</u>	<u>10,507</u>	<u>45,627</u>	<u>(113,703)</u>
Other Financing Sources (Uses)				
Transfers in			35,803	35,803
Transfers out	(143,014)	(35,803)		(178,817)
Total other financing sources (uses)	<u>(143,014)</u>	<u>(35,803)</u>	<u>35,803</u>	<u>(143,014)</u>
Net Changes in Fund Balances	(312,851)	(25,296)	81,430	(256,717)
Fund Balances - beginning of year	<u>1,440,178</u>	<u>91,219</u>		<u>1,531,397</u>
Fund Balances - end of year	<u>\$ 1,127,327</u>	<u>\$ 65,923</u>	<u>\$ 81,430</u>	<u>\$ 1,274,680</u>

CITY OF FULSHEAR, TEXAS**BALANCE SHEET AND STATEMENT OF NET POSITION****DISCRETELY PRESETNED COMPONENT UNITS**

September 30, 2017

	Fulshear Development Corporation		
	General Fund	Capital Projects Fund	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 928,719	\$ 225,652	\$ 1,154,371
Investments	2,273		2,273
Receivables, net	112,495		112,495
Total Assets	<u>\$ 1,043,487</u>	<u>\$ 225,652</u>	<u>\$ 1,269,139</u>
Liabilities			
Accounts payable	\$	\$ 1,200	\$ 1,200
Total Liabilities		<u>1,200</u>	<u>1,200</u>
Fund balances			
Restricted for:			
Economic Development	<u>1,043,487</u>	<u>224,452</u>	<u>1,267,939</u>
Total Fund Balances	<u>1,043,487</u>	<u>224,452</u>	<u>1,267,939</u>
Total Liabilities and Fund Balances	<u>\$ 1,043,487</u>	<u>\$ 225,652</u>	<u>\$ 1,269,139</u>
Net position of component units			<u>\$ 1,267,939</u>

City of Fulshear Development Corporation

<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
\$ 760,718	\$ 253,848	\$ 1,014,566
<u>112,495</u>		<u>112,495</u>
<u>\$ 873,213</u>	<u>\$ 253,848</u>	<u>\$ 1,127,061</u>
<u>\$ 589</u>	<u>\$ 1,200</u>	<u>\$ 1,789</u>
<u>589</u>	<u>1,200</u>	<u>1,789</u>
<u>872,624</u>	<u>252,648</u>	<u>1,125,272</u>
<u>872,624</u>	<u>252,648</u>	<u>1,125,272</u>
<u>\$ 873,213</u>	<u>\$ 253,848</u>	<u>\$ 1,127,061</u>
		<u>\$ 1,125,272</u>

CITY OF FULSHEAR, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES AND NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
For the Year Ended September 30, 2017

	Fulshear Development Corporation		
	General Fund	Capital Projects Fund	Total Governmental Funds
Revenues			
Taxes:			
Sales	\$ 461,608	\$	\$ 461,608
Investment earnings	7,262	1,093	8,355
Total Revenues	<u>468,870</u>	<u>1,093</u>	<u>469,963</u>
Expenditures			
Current:			
General administration	96,262	81,851	178,113
Total Expenditures	<u>96,262</u>	<u>81,851</u>	<u>178,113</u>
Revenues over (under) expenditures	<u>372,608</u>	<u>(80,758)</u>	<u>291,850</u>
Other Financing Sources (Uses)			
Transfers in		155,200	155,200
Transfers out	(155,200)		(155,200)
Total other financing sources (uses)	<u>(155,200)</u>	<u>155,200</u>	
Net Changes in Fund Balances	217,408	74,442	291,850
Fund Balances - beginning of year	<u>826,079</u>	<u>150,010</u>	<u>976,089</u>
Fund Balances - end of year	<u>\$ 1,043,487</u>	<u>\$ 224,452</u>	<u>\$ 1,267,939</u>
Changes in Net Position of Component Units			<u>\$ 291,850</u>

City of Fulshear Development Corporation

<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
\$ 461,609	\$	\$ 461,609
6,380	1,152	7,532
<u>467,989</u>	<u>1,152</u>	<u>469,141</u>
99,553	53,714	153,267
<u>99,553</u>	<u>53,714</u>	<u>153,267</u>
<u>368,436</u>	<u>(52,562)</u>	<u>315,874</u>
	155,200	155,200
<u>(155,200)</u>		<u>(155,200)</u>
<u>(155,200)</u>	<u>155,200</u>	
213,236	102,638	315,874
<u>659,388</u>	<u>150,010</u>	<u>809,398</u>
<u>\$ 872,624</u>	<u>\$ 252,648</u>	<u>\$ 1,125,272</u>
		<u>\$ 315,874</u>

**AGENDA MEMO
BUSINESS OF THE CITY COUNCIL
CITY OF FULSHEAR, TEXAS**

AGENDA OF:	April 17, 2018	ITEM:	C
DATE SUBMITTED:	April 13, 2018	DEPARTMENT:	Planning and Development
PREPARED BY:	John Brown, Interim Building Official; Brant Gary, Executive Director of Planning & Development; Sharon Valiante, Director of Public Works	PRESENTER:	Brant Gary, Executive Director of Planning and Development; John Brown, Interim Chief Building Official; Kerry Sigler, Chief Building Inspector
SUBJECT:	Appeal: Chief Building Official's Decision – Nonconforming Use 30414 Fourth Street, Fulshear		
ATTACHMENTS:	CBO Letter of Nonconformities – Section 1-315 -319 Code of Ordinances Application of Appeal		

EXECUTIVE SUMMARY

Mr. Musab and Reema Shahin, inquired about re-establishing a car wash on an existing site in the Downtown District, 30414 Fourth Street, Fulshear, TX. The Chief Building Official reviewed the information and determined the use to be prohibited and not allowed per section 1-316: Nonconforming Uses – Abandonment. The site in question has been vacant for a continuous period of more than one (1) year. Therefore, any subsequent use or occupancy must comply with the current zoning regulations. The Downtown District prohibits a car wash facility.

However, since the City of Fulshear has adopted the 2015 International Building Code, Chapter 8, Buildings and Other Structures, Art II Construction Standards, Div. 2 – Non- Residential Buildings, Section 8-40 International Building Code Adopted with Standards, Item (46) addresses appeals. Any person aggrieved by a decision of the building official under this code, may file a written appeal within 10 days of the decision, and have it heard by City Council no later than 30 days after the date the appeal is filed.

City Council may take written or oral testimony from the person filing the appeal, any city employee, officer or official. Council may affirm, reverse, or modify, the decision of the building official. The City Council's decision is final and no lawsuit shall commence until after such appeal is final. The application for appeal was received on March 29, 2018, 7 days after the Building Officials letter with the Determination of Nonconformance.

RECOMMENDATION

In keeping with the intent of the Downtown District zoning regulations, staff recommend City Council affirm the determination of the Building Official regarding the Nonconforming Use of the site located at 30414 Fourth Street, Fulshear, TX.



CITY OF FULSHEAR

Building Services

P.O. Box 279 – 29255 FM 1093 RD # 12C

Fulshear, Texas 77441

Phone: 281-346-8860 - Fax: 281-346-8237

www.fulsheartexas.gov

March 22, 2018

Mr. Musab and Reema Shahin

E-mail: Reema.Shahin@gmail.com

Mobile: 832-434-5549

Re. Nonconformities per Code of Ordinances Article VI Section 1-315 thru 319

Dear Sirs,

Thank you for your inquiry regarding re-establishing the use of the car wash on Fourth Street (30414). In the Downtown District, a car wash would be considered a prohibited use and not allowed. However, existing/continued nonconforming uses are allowed to continue unless the property/business has been abandoned.

Per Sec. 1-316 - Nonconforming Uses-Abandonment., "abandoned" is defined by our code of ordinances as follows:

- *(a) When Abandoned.* A nonconforming use of land or of a structure in a District that is discontinued or remains vacant for a continuous period of one (1) year shall be presumed to be abandoned and shall not thereafter be reestablished or resumed. Any subsequent use or occupancy of the structure or land site must conform with the regulations for the District in which it is located.

This section of the code also provides a mechanism for overcoming the determination of abandonment:

- *(b) Overcoming presumption of abandonment.* The presumption of abandonment may be rebutted upon a showing, to the satisfaction of the Chief Building Official that during such period the owner of the land or structure has been:
 - (1) Maintaining the land and structure in accordance with the building code and did not intend to discontinue the use;
 - (2) Actively and continuously marketing the land or structure for sale or lease; or
 - (3) Engaged in other activities that would affirmatively prove there was not intent to abandon.

Based on the lack of an active water account at this location since the previous owner Mr. Roberts discontinued service November 2016, there is no evidence found to support the idea that the facility was still in operation and not abandoned.

Furthermore, the car wash facilities are in a state of disrepair evident of a lack of maintenance as evidenced by the work needed to repair/replace the structural and mechanical items needed for operation and compliance with City-adopted building, plumbing, electrical, etc. codes. There is also no evidence that the property has been actively marketed as a working car wash or was the site of any other activities that would be contrary to abandonment.

The City of Fulshear looks forward to assisting you with other development opportunities for your property. For further reference, our code of ordinances is online at:
<https://library.municode.com/tx/fulshear> .

Sincerely,

John R. Brown
Interim Building Official



CITY OF FULSHEAR

PO Box 279 / 30603 FM 1093
Fulshear, Texas 77441
Phone: 281-346-1796 ~ Fax: 281-346-2556
www.fulsheartx.com

20180629

VARIANCE/APPEAL APPLICATION

APPLICATION DATE: 3/29/2018

ADDRESS OF PREMISES AFFECTED: 30414 FOURTH STREET, FULSHEAR, TX, 77444

LEGAL DESCRIPTION: A tract of Land containing 0.1722 acres (7,500 SQ FT) situated in the C. FULSHEAR SURVEY, Abstract 29, Fort Bend County, T. being the south 1/3 of Lot 2 in block 22 of the town of Fulshear, a Subd

OWNERS INFORMATION: NAME HANANA (JOHN) ELIAS recorded volume:
ADDRESS 4031 CHESTNUT MEADOW CITY SUGARLAND STATE TX
ZIP CODE 77479 EMAIL collisionclinicTX@yahoo.com PHONE NUMBER 281-932-9118

APPLICANTS NAME (if different than owner) Musab Shahin & Reema Shahin
ADDRESS 19019 Windsor Sails Dr. CITY Houston STATE TX
ZIP CODE 77094 EMAIL reema.shahin@gmail.com PHONE NUMBER 832-709-9900
832-542-2481
832-434-5549

EXPLAIN REQUEST: (fully explain the existing conditions that make this request necessary) Appealing denial to reopen existing car wash.

Status of the Project: Existing Under Construction Proposed

Have there been previous variance requests for this property? no

Are there similar situations in the area? no
Addresses: _____

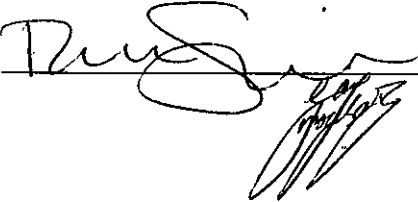
Have you informed your Home Owners Association? no or Neighbors? no

Request Proposal and Description: Provide a description of the existing and or proposed physical property improvements relative to this case (ie: materials, structure type and height, dimensions, ect.) Please also supply and identify photos where applicable, to support your case:

Existing car wash and 1 story metal building.
Covered car wash fits 4 medium-large size vehicles.
Metal building is about 1650 SQ FT.

Continued.... Request Proposal and Description

Acknowledgement: I certify that the information herein provided is true and correct to the best of my knowledge and belief, and that I, or my authorized representative, will cause this case to be presented in public hearing before the Planning Commission, unless I withdraw same prior to the City's posting of public notice. Should I initiate withdrawal after public notice is posted, I understand that the Board action shall constitute denial of the case, and the filing fee will be non-refundable. I understand that if I receive approval, I must still obtain approval from all other required departments within the City and that I must obtain required permits within 180 days from the date of the Board approval.

Signed by the Applicant/Owner Agent:  Date: 3/29/18

281-346-1796

REC#: 00139328 3/29/2018 12:54 PM

OPER: AJ TERM: 002

REF#:

TRAN: 3.0000 BUILDING PERMITS

20180629 300.00CR

ELIAS, HANNA

30414 FOURTH ST

VARIANCE 300.00CR

TENDERED: 300.00 CASH

APPLIED: 300.00-

CHANGE: 0.00

Thank You!

AGENDA MEMO
BUSINESS OF THE CITY COUNCIL
CITY OF FULSHEAR, TEXAS

AGENDA OF:	April 17, 2018	Item: D
DATE SUBMITTED:	April 13, 2018	DEPARTMENT: Public Works
	Sharon Valiante, Public Works Director,	
PREPARED BY:	Brant Gary - ACM Executive Director of Planning and Development	PRESENTER: Sharon Valiante Public Works Director
SUBJECT:	Consideration of Approval of the Interlocal Project Agreement for the Asphalt Paving of Streets – Pavement Management Program	
ATTACHMENTS:	<ol style="list-style-type: none"> 1. Interlocal Project Agreement 2. Project Scope – Fort Bend County Estimates 3. Maps of Reference 4. Pavement Conditions by PCI 	

EXECUTIVE SUMMARY

In September 2009, the City of Fulshear and Fort Bend County (County) entered into an Interlocal Project Agreement (ILPA) for goods and services. The ILPA allows for specific projects to be performed provided there is an Interlocal Project agreement in place. The project agreement outlines the specific project, and the responsibility of the City and the County. The City purchases and/or reimburses for the materials used and the County provides the equipment and labor to perform the task/project.

Resulting from a Pavement Condition Assessment, staff developed a list of asphalt road segments with a condition rating of fair to very poor, that would qualify for heavy maintenance and/or rehabilitation. Based on this, the FY 18 budget includes a Capital Improvement Plan (CIP) Project for a Pavement Maintenance Program. It includes \$135,000 dollars for Asphalt pavement maintenance. This project agreement will assist staff in successfully addressing the asphalt segments identified on Water Plant Road, 4th Street, Houston Street, Wallis Street, Wilson Street and Dixon Street, at a reduced cost. The cost saving to the City is estimated at \$54,000, with a material cost at \$137,109.57. Although the material cost is more than the CIP funds available, funding is available in the Streets Budget for the additional \$2,109.57.

The ILPA, a partnership between the City and the County provides the following benefits:

1. Reduced project costs to the City
2. Larger volume of infrastructure improvements for the residents of Fulshear than a contracted project
3. Increased County services provided in a coordinated effort to serve residents of Fort Bend County and Fulshear
4. Goodwill/partnerships for improved relations between the City and the County

Therefore, it is staff's recommendation that City Council formally approve the ILPA, as requested by Fort Bend County, so that the asphalt street segments can be maintained in a cost-effective manner.

RECOMMENDATION

Staff recommends City Council approve the Interlocal Project Agreement with Fort Bend County to provide Asphalt paving for the City's Pavement Maintenance Program and authorize the Mayor to execute the document.

Neither County nor Local Government intends for any third party to obtain a right by virtue of this Agreement.

Local Government agrees that County is relying upon Local Government for notice to proceed with this Project, but that County shall not be required to perform this Agreement within any time limit.

County and Local Government understand and agree that County is an Independent Contractor and that at no time will County's employees, agents or assignees be deemed for any purpose to be employees or agents of Local Government.

County and Local Government understand and agree that Local Government is an Independent Contractor and that at no time will Local Government's employees, agents or assignees be deemed for any purpose to be employees or agents of County.

II.
PURPOSE

The purpose of this Project is to reconstruct and asphalt overlay roads and replace cross pipes where needed.

III.
TERM

The term of this Project Agreement will be from the date of execution by the last party hereto until midnight on September 30, 2018 or until the Project is completed, whichever is sooner. However, either party may terminate this Agreement, with or without cause, by giving at least ten (10) days written notice to the other party.

IV.
PROJECT DESCRIPTION

The Project contemplated by this Project Agreement is reconstructing and overlaying Water Plant Road, asphalt overlaying 4th Street, Houston Street, Front Street, Wallis Street, Wilson Street, and Dixon Street, (Project).

V.
PROJECT LOCATION

The location for the Project is Water Plant Road, 4th Street, Houston Street, Front Street, Wallis Street, Wilson Street and Dixon Street, owned by the City of Fulshear, ("Project Site").

VI.
SCOPE OF WORK

COUNTY'S RESPONSIBILITIES:

County agrees to provide up to 1050 equipment hours at \$35.00 per hour and up to 1150 man hours of labor at \$15.00 per hour to Local Government, for a total expenditure not to exceed **\$54,000.00**.

At County's sole expense, County will furnish the labor and equipment necessary to perform its responsibilities under this Agreement. If necessary, the County will load any excavated material required by Local Government to be moved, onto trucks provided by Local Government.

LOCAL GOVERNMENT'S RESPONSIBILITIES:

Local Government agrees to pay all material costs estimated at \$137,109.57.

At Local Government's sole expense, Local Government will furnish the labor, equipment and materials necessary to perform its responsibilities under this Agreement. Local Government will provide all appropriate supervisory personnel necessary to coordinate the efforts of County and Local Government personnel. Local Government will direct and be solely responsible for the overall Project. Local Government will furnish all necessary materials to the Project Site in a manner that will be sufficient to allow County personnel to work in a continuous, uninterrupted manner. If necessary, Local Government will provide sufficient labor and equipment to haul any materials excavated and loaded onto Local Government trucks by County. The number of trucks furnished by Local Government will be sufficient to allow County personnel to work in a continuous, uninterrupted manner. Local Government will schedule its labor and equipment to correspond to County's schedules.

If necessary, Local Government will, at its sole cost and expense, be responsible for the design of the Project. If necessary, Local Government will furnish to County plans that establish grades and the size of any channels and any associated structures County is responsible for constructing. If necessary, Local Government will furnish to County the initial on-ground survey alignment, ditch cross sections and one (1) or more elevation benchmarks on the Project Site prior to the commencement of work.

Local Government will obtain at its sole expense any and all necessary and/or required permissions and/or permits, including NPDES, and provide all personnel necessary to implement the provisions of such permits.

Local Government agrees, at its sole expense, to furnish all necessary flagmen, barricades, traffic devices and traffic control for the entire duration of the Project.

Local Government will notify County within ten (10) days of the completion of the Project of any complaints that Local Government may have regarding the Project. Upon completion of the Project, Local Government will, at its sole expense, be responsible for the maintenance of the Project.

VII.
MISCELLANEOUS

By entering into this Agreement, the parties do not intend to create any obligations, express or implied, other than those specifically set out in this Agreement.

Nothing in this Agreement shall create any rights or obligations in any party who is not a signatory to this Agreement.

Local Government agrees and understands that: by law, the Fort Bend County Attorney's Office may only advise or approve contracts or legal documents on behalf of its clients; the Fort Bend County Attorney's Office may not advise or approve a contract or other legal document on behalf of any other party not its client; the Fort Bend County Attorney's Office has reviewed this document solely from the legal perspective of its client; the approval of this document by the Fort Bend County Attorney's Office was offered solely to benefit its client; Local Government and other parties should not rely on this approval and should seek review and approval by their own respective legal counsel.

The Road Commissioner of Fort Bend County, at his sole discretion, shall decide any and all questions that may arise as to the interpretation of this Agreement and any and all questions as to the acceptable fulfillment of this Agreement.

It is expressly understood and agreed that this Agreement will have no force or effect until duly executed by all parties.

Notices, correspondence, and all other communications shall be addressed as follows:

If to Fort Bend County:

Fort Bend County
Attn: County Judge
401 Jackson, 1st Floor
Richmond, Texas 77469

If to City of Fulshear:

City of Fulshear
Attn: Mayor
P.O. Box 538
Fulshear, Texas 77441

IN WITNESS WHEREOF, the parties have executed this Project Agreement on the dates indicated.

FORT BEND COUNTY:

Robert Hebert, Fort Bend County Judge

Date

Attest:

Laura Richard, Fort Bend County Clerk

CITY OF FULSHEAR:

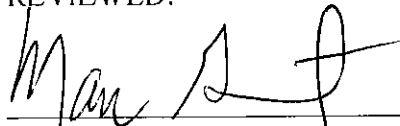
Mayor

Date

Attest:

City Secretary

REVIEWED:



Marc Grant
Fort Bend County Road Commissioner

AUDITOR'S CERTIFICATE

I hereby certify that funds are available from current revenues legally available in the amount of **\$54,000.00** to accomplish and pay the obligation of Fort Bend County under this Project Agreement.

Ed Sturdivant, Fort Bend County Auditor

ATTN:
JOHNNIE
COOPER

CITY OF FULSHEAR

2-14-18

ROAD NAME	FROM	TO	LENGTH (FEET)	WIDTH (FEET)	WORK TO PERFORM
specify if interlocal <input checked="" type="checkbox"/>					Circle all that apply
(RECONSTRUCT) WATER PLANT RD	HUGGINS	N → END OF ROAD	800	22	Chipcoat Hot-Mix <u>2</u> " AshMix Lime Patch Level-up Limestone ___" Mill ___" Crushed Concrete <u>3</u> " Black Base ___" <input checked="" type="checkbox"/> PSquared Stab. Other _____
ASPHALT OVERLAY 2/7 TH STREET	HOUSTON	HARRIS	1380	20	Chipcoat Hot-Mix <u>2</u> " AshMix Lime Patch Level-up Limestone ___" Mill ___" Crushed Concrete ___" Black Base ___" PSquared Stab. Other _____
ASPHALT OVERLAY HOUSTON	5 TH STREET	4 TH STREET	320'	20	Chipcoat Hot-Mix <u>2</u> " AshMix Lime Patch Level-up Limestone ___" Mill ___" Crushed Concrete ___" Black Base ___" PSquared Stab. Other _____
ASPHALT OVERLAY FRONT STREET	FM 1093/359	END OF ROAD	700	20	Chipcoat Hot-Mix <u>2</u> " AshMix Lime Patch Level-up Limestone ___" Mill ___" Crushed Concrete ___" Black Base ___" PSquared Stab. Other _____
ASPHALT OVERLAY WALLIS STREET	5 TH STREET	FM 359	3335	20	Chipcoat Hot-Mix <u>2</u> " AshMix Lime Patch Level-up Limestone ___" Mill ___" Crushed Concrete ___" Black Base ___" PSquared Stab. Other _____
ASPHALT OVERLAY WILSON	5 TH STREET	2 ND STREET	1050	18	Chipcoat Hot-Mix <u>2</u> " AshMix Lime Patch Level-up Limestone ___" Mill ___" Crushed Concrete ___" Black Base ___" PSquared Stab. Other _____
ASPHALT OVERLAY DIXON					Chipcoat Hot-Mix <u>2</u> " AshMix Lime Patch Level-up Limestone ___" Mill ___" Crushed Concrete ___" Black Base ___" PSquared Stab. Other _____
					Chipcoat Hot-Mix ___" AshMix Lime Patch Level-up Limestone ___" Mill ___" Crushed Concrete ___" Black Base ___" PSquared Stab. Other _____

This Form Updated June 28, 2010

INTERLOCAL PROJECT
WATER PLANT ROAD

*****C I T Y O F F U L S H E A R*****

From HUGGINS to END OF ROAD(NORTH)
REBUILD & OVERLAY

MATERIALS	LENGTH 800 X	WIDTH 20	THICKNESS INCHES	SQ. YDS QUANTITY	MIX COST
LIME 8% IN PLACE				.00 TONS	.00
ROAD STABILIZER				2844.44 GALS	7651.56
BOTTOM ASH MIX				.00 TONS	.00
FREIGHT	11.85 per ton			.00 TONS	.00
LIMESTONE				.00 TONS	.00
CRUSHED CONCRETE			3	338.80 TONS	5929.00
STABILIZED SAND				TONS	.00
Prime Oil	622.2222 GALLONS		MIX	124.44 GALS	267.56
MC-30				.00 GALS	.00
SS-1 (TACK)				.00 GALS	.00
HOT-MIX			2	205.33 TONS	9424.80
FREIGHT	6.00 per ton			205.33 TONS	1232.00
CHIPSEAL EMULS				.00 GALS	.00
TRAP ROCK GRADE3				.00 TONS	.00
FOG SEAL (mixed)				.00 GALS	.00
24" RPP	4.30 per foot			.00 FEET	.00
CUSTOM MIXING	4.30 per foot			.00 FEET	.00
CUSTOM LAYING	20.00 per ton			TONS	.00

TOTAL MATERIAL COSTS

\$24,504.91

EST. DATE 02/22/18

START DATE _____

Cost/SQ.YD.

\$13.78

REQUESTED BY: ROBY TATE

INTERLOCAL PROJECT
4th STREET

*****C I T Y O F F U L S H E A R*****

From HOUSTON to HARRIS
OVERLAY

MATERIALS	LENGTH 1,380 X	WIDTH 20	THICKNESS INCHES	SQ.YDS QUANTITY	MIX COST
LIME 8% IN PLACE				.00 TONS	.00
ROAD-STABILIZER				.00 GALS	.00
BOTTOM ASH MIX				.00 TONS	.00
FREIGHT	11.85 per ton			.00 TONS	.00
LIMESTONE				.00 TONS	.00
CRUSHED CONCRETE				.00 TONS	.00
STABILIZED SAND				.00 TONS	.00
Prime Oil	0 GALLONS		MIX	.00 GALS	.00
MC-30				.00 GALS	.00
SS-1 (TACK)				107.33 GALS	238.28
HOT-MIX		2		354.20 TONS	16257.78
FREIGHT	6.00 per ton			354.20 TONS	2125.20
CHIPSEAL EMULS				.00 GALS	.00
TRAP ROCK GRADE3				.00 TONS	.00
FOG SEAL (mixed)				.00 GALS	.00
24" RPP	4.30 per foot			.00 FEET	.00
CUSTOM MIXING	4.30 per foot			.00 FEET	.00
CUSTOM LAYING	20.00 per ton			.00 TONS	.00

TOTAL MATERIAL COSTS

\$18,621.26

EST. DATE 02/22/18

START DATE _____

REQUESTED BY: ROBY TATE

INTERLOCAL PROJECT
 HOUSTON STREET
 *****C I T Y O F F U L S H E A R*****

From 5th to 4th
 OVERLAY

MATERIALS	LENGTH 320 X	WIDTH 20	THICKNESS INCHES	SQ.YDS QUANTITY	MIX COST
LIME 8% IN PLACE				.00 TONS	.00
ROAD STABILIZER				.00 GALS	.00
BOTTOM ASH MIX				.00 TONS	.00
FREIGHT	11.85 per ton			.00 TONS	.00
LIMESTONE				.00 TONS	.00
CRUSHED CONCRETE				.00 TONS	.00
STABILIZED SAND				.00 TONS	.00
Prime Oil	0 GALLONS		MIX	.00 GALS	.00
MC-30				.00 GALS	.00
SS-1 (TACK)				24.89 GALS	.00
HOT-MIX			2	82.13 TONS	55.25
FREIGHT	6.00 per ton			82.13 TONS	3769.92
CHIPSEAL EMULS				.00 GALS	.00
TRAP ROCK GRADE3				.00 TONS	.00
FOG SEAL (mixed)				.00 GALS	.00
24" RPP	4.30 per foot			.00 FEET	.00
CUSTOM MIXING	4.30 per foot			.00 FEET	.00
CUSTOM LAYING	20.00 per ton			.00 TONS	.00

TOTAL MATERIAL COSTS

\$4,317.97

EST. DATE 02/22/18

START DATE _____

Cost/SQ.YD.

\$6.07

REQUESTED BY: ROBY TATE

INTERLOCAL PROJECT
FRONT STREET

*****C I T Y O F F U L S H E A R*****

From FM 1093 to END OF ROAD
OVERLAY

MATERIALS	LENGTH 700 X	WIDTH 20	THICKNESS INCHES	SQ.YDS QUANTITY	MIX COST
LIME 8% IN PLACE				.00 TONS	.00
ROAD STABILIZER				.00 GALS	.00
BOTTOM ASH MIX				.00 TONS	.00
FREIGHT	11.85	perton		.00 TONS	.00
LIMESTONE				.00 TONS	.00
CRUSHED CONCRETE				.00 TONS	.00
STABILIZED SAND				.00 TONS	.00
Prime Oil			0 GALLONS MIX	.00 GALS	.00
MC-30				.00 GALS	.00
SS-1 (TACK)				54.44 GALS	120.87
HOT-MIX			2	179.67 TONS	8246.70
FREIGHT	6.00	perton		179.67 TONS	1078.00
CHIPSEAL EMULS				.00 GALS	.00
TRAP ROCK GRADE3				.00 TONS	.00
FOG SEAL (mixed)				.00 GALS	.00
24" RPP	4.30	perfoot		.00 FEET	.00
CUSTOM MIXING	4.30	perfoot		.00 FEET	.00
CUSTOM LAYING	20.00	perton		.00 TONS	.00

TOTAL MATERIAL COSTS

\$9,445.57

EST. DATE 02/22/18

START DATE _____

Cost/SQ.YD.

\$6.07

REQUESTED BY: ROBY TATE

INTERLOCAL PROJECT
 WALLIS STREET
 *****C I T Y O F F U L S H E A R*****

From 5Th to FM 359
 OVERLAY

MATERIALS	LENGTH 3,335 X	WIDTH 20	THICKNESS INCHES	SQ.YDS QUANTITY	MIX COST
LIME 8% IN PLACE				.00 TONS	.00
ROAD STABILIZER				.00 GALS	.00
BOTTOM ASH MIX				.00 TONS	.00
FREIGHT	11.85 per ton			.00 TONS	.00
LIMESTONE				.00 TONS	.00
CRUSHED CONCRETE				.00 TONS	.00
STABILIZED SAND				.00 TONS	.00
Prime Oil	0 GALLONS MIX			.00 GALS	.00
MC-30				.00 GALS	.00
SS-1 (TACK)				259.39 GALS	575.84
HOT-MIX		2		855.98 TONS	39289.64
FREIGHT	6.00 per ton			855.98 TONS	5135.90
CHIPSEAL EMULS				.00 GALS	.00
TRAP ROCK GRADE3				.00 TONS	.00
FOG SEAL (mixed)				.00 GALS	.00
24" RPP	4.30 per foot			.00 FEET	.00
CUSTOM MIXING	4.30 per foot			.00 FEET	.00
CUSTOM LAYING	20.00 per ton			.00 TONS	.00

TOTAL MATERIAL COSTS

\$45,001.38

EST. DATE 02/22/18

START DATE _____

Cost/SQ.YD.

\$6.07

REQUESTED BY: ROBY TATE

INTERLOCAL PROJECT
 WILSON STREET
 *****C I T Y O F F U L S H E A R*****

From 5th to 2nd
 OVERLAY

MATERIALS	LENGTH 1,050 X	WIDTH 18	THICKNESS INCHES	SQ.YDS QUANTITY	MIX COST
LIME 8% IN PLACE				.00 TONS	.00
ROAD STABILIZER				.00 GALS	.00
BOTTOM ASH MIX				.00 TONS	.00
FREIGHT	11.85 per ton			.00 TONS	.00
LIMESTONE				.00 TONS	.00
CRUSHED CONCRETE				.00 TONS	.00
STABILIZED SAND				.00 TONS	.00
Prime Oil	0 GALLONS		MIX	.00 GALS	.00
MC-30				.00 GALS	.00
SS-1 (TACK)				73.50 GALS	163.17
HOT-MIX		2		242.55 TONS	11133.05
FREIGHT	6.00 per ton			242.55 TONS	1455.30
CHIPSEAL EMULS				.00 GALS	.00
TRAP ROCK GRADE3				.00 TONS	.00
FOG SEAL (mixed)				.00 GALS	.00
24" RPP	4.30 per foot			.00 FEET	.00
CUSTOM MIXING	4.30 per foot			.00 FEET	.00
CUSTOM LAYING	20.00 per ton			.00 TONS	.00

TOTAL MATERIAL COSTS

\$12,751.52

EST. DATE 02/22/18

START DATE _____

Cost/SQ.YD.

\$6.07

REQUESTED BY: ROBY TATE

INTERLOCAL PROJECT
DIXON STREET

*****C I T Y O F F U L S H E A R*****

From HUGGINS to Y at NORTH END of ROAD
OVERLAY

MATERIALS	LENGTH	WIDTH	THICKNESS	SQ.YDS	MIX	COST
	1,665 X	20	INCHES	QUANTITY		
LIME 8% IN PLACE				.00 TONS		.00
ROAD STABILIZER				.00 GALS		.00
BOTTOM ASH MIX				.00 TONS		.00
FREIGHT	11.85 per ton			.00 TONS		.00
LIMESTONE				.00 TONS		.00
CRUSHED CONCRETE				.00 TONS		.00
STABILIZED SAND				TONS		.00
Prime Oil	0 GALLONS		MIX	.00 GALS		.00
MC-30				.00 GALS		.00
SS-1 (TACK)				129.50 GALS		287.49
HOT-MIX		2		427.35 TONS		19615.37
FREIGHT	6.00 per ton			427.35 TONS		2564.10
CHIPSEAL EMULS				.00 GALS		.00
TRAP ROCK GRADE3				.00 TONS		.00
FOG SEAL (mixed)				.00 GALS		.00
24" RPP	4.30 per foot			.00 FEET		.00
CUSTOM MIXING	4.30 per foot			.00 FEET		.00
CUSTOM LAYING	20.00 per ton			TONS		.00

TOTAL MATERIAL COSTS

\$22,466.96

EST. DATE 02/22/18

START DATE _____

Cost/SQ.YD.

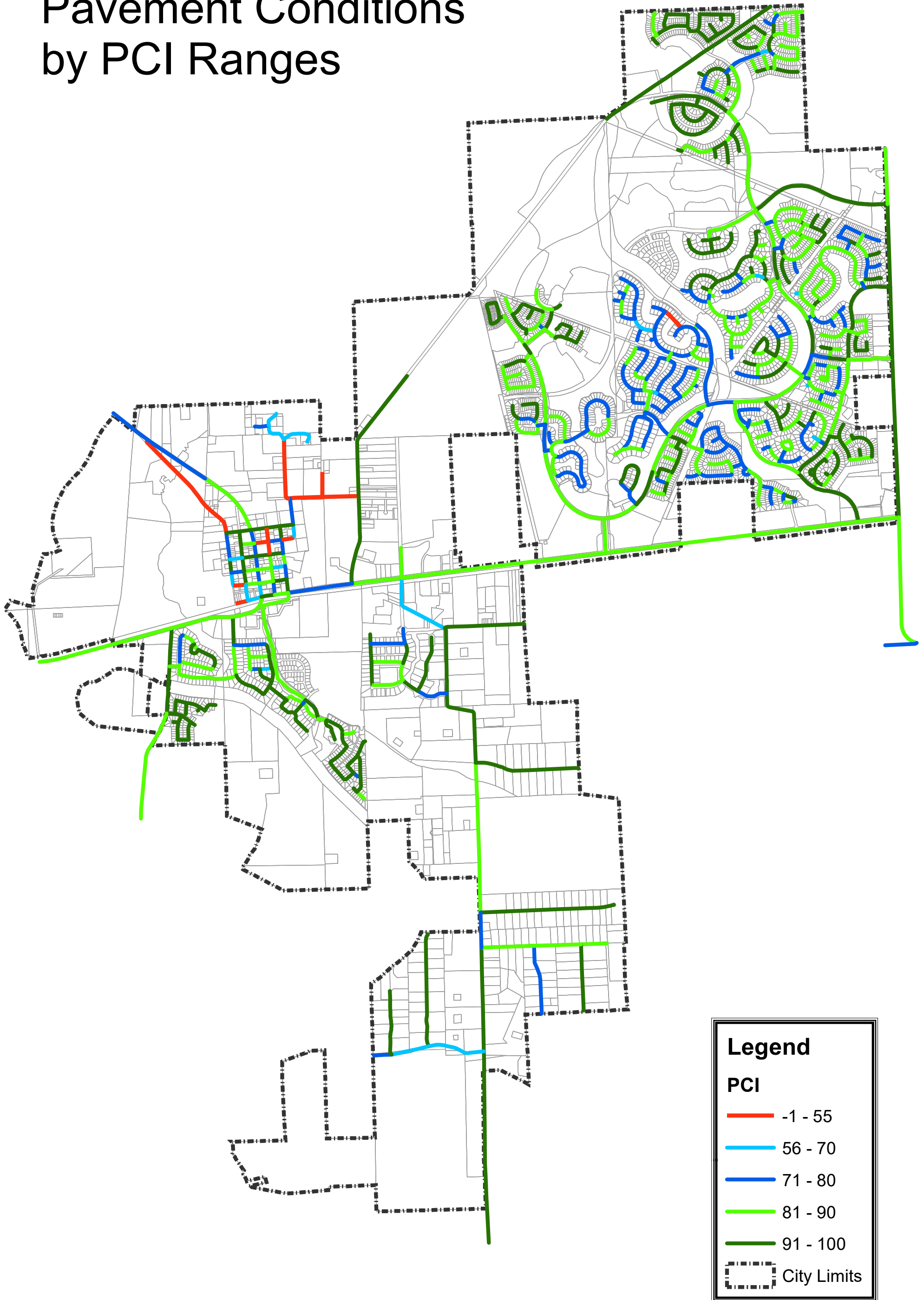
\$6.07

REQUESTED BY: ROBY TATE

Pavement Surface by Material Type



Pavement Conditions by PCI Ranges



AGENDA MEMO
BUSINESS OF THE CITY COUNCIL
CITY OF FULSHEAR, TEXAS

AGENDA OF:	April 17, 2018	Items: E
DATE SUBMITTED:	April 13, 2018	DEPARTMENT: Public Works/CIP
PREPARED BY:	Sharon Valiante, Public Works Director, Wes Vela Finance Director Brant Gary - ACM Executive Director of Planning and Development	PRESENTER: Sharon Valiante Public Works Director
SUBJECT:	Consideration of authorizing purchase of Asphalt materials	
ATTACHMENTS:	<ol style="list-style-type: none"> 1. ILA FBC RB Goods and Services Fort Bend County 2. Capital Project Detail Sheet – Pavement Maintenance Program 3. B17-050.Tabulation. Earthen Type Road Materials 	
Expenditure Required:	\$125,000	
Amount Budgeted:	\$135,000	
Funding Account:	300-5-000-5830-01	
Additional Appropriation Required:	N/A	
Funding Account:	N/A	

EXECUTIVE SUMMARY

In FY 2017, a Pavement Condition Assessment was performed on all City streets to determine the pavement maintenance needs throughout the City. From the results of the assessment, staff developed a list of asphalt road segments with a condition rating of fair to very poor, that would qualify for heavy maintenance and/or rehabilitation. Based on this, the FY 18 budget includes a Capital Improvement Plan (CIP) Project for a Pavement Maintenance Program. It includes \$135,000 dollars for Asphalt pavement maintenance.


Included in the Pavement Maintenance Program is funding to provide for the purchase of the asphalt materials, and if necessary, freight to bring the material to the project sites, to complete the project in FY 18. The amount of materials needed to complete the project is based on an estimate from Fort Bend County, who will be providing the labor and equipment to construct the project. It is expected that the asphalt material (2,438 tons) and trucking necessary to provide the materials will be about \$125,000 (\$100,900 for material, \$14,088 for freight).

The City, thru an Interlocal Agreement with Fort Bend County, is able to purchase the material and freight form a Fort Bend County Contract for earthen type road materials from Century Asphalt.

The FY 18 CIP Budget, as adopted by City Council in September of 2017, provides for a Pavement Maintenance Program budget of \$250,000 which includes Asphalt Pavement Maintenance.

RECOMMENDATION

Staff recommends City Council authorize the purchase of Asphalt materials and freight from Century Asphalt in the amount of \$125,000.



**Capital Improvement Plan
Capital Project Detail Sheet**

Project Name: Lower Bois d'Arc Emergency Access **Project Number:** ST17A

Project Manager: Sharon Valiante, Director of Public Works (or designee) **Project Owner:** Sharon Valiante, Director of Public Works

Project Start Date: Q1-FY18 **Project Est. Completion Date:** Q4-FY18 (Yearly Program)


Project Details: This is a reallocation of funds for an existing project designed to facilitate emergency access to and from the Lower Bois d'Arc area during flooding conditions. The first year of the project will involve identification and possible acquisition for donated/straightforward ROW and easements. The next phase will address any remaining right-of-way acquisition issues as well as necessary construction and related improvements.

Project Status: While this project has been identified in prior years, the acquisition of right-of-way so far has been unsuccessful. However, prior identification of potential routes will be utilized.

Does this project replace/enhance an existing asset?
This project will bypass existing streets that are unpassable during major storm events.

Project Estimated Total Costs:

	Funding Source	Design/ Planning Phase	Construction Phase	Other Costs: Study ROW/Land/Equip	Project Contingency	Total Estimated Annual Costs	General Remarks
2018	CIP Fund Bal.	\$25,000		\$25,000		\$50,000	Phase 1
2019	Op Funds-GF	\$10,000	\$200,000	\$100,000		\$310,000	Phase 2
2020	Op Funds-GF					-	
2021	Op Funds-GF					-	
2022	Op Funds-GF					-	
Future Years						-	TBD
		\$35,000	\$200,000	\$125,000	-		
Total Estimated Project Cost:						\$360,000	



**Capital Improvement Plan
Capital Project Detail Sheet**

Project Name: Pavement Management Program **Project Number:** ST18A

Project Manager: Sharon Valiante Director of Public Works (or designee) **Project Owner:** Sharon Valiante, Director of Public Works

Project Start Date: Q1-FY18 **Project Est. Completion Date:** Q4-FY18 (Yearly Program)

Project Details: This project is the City's asset management program to maintain, repair, reconstruct, and/or rehabilitate various infrastructure items that the City owns, operates and maintains. Included in this program, but not limited to, the following types of infrastructure: concrete pavement, asphalt pavement, sidewalks, curbs, signs, sign poles, and pavement markings.

The estimated break out of tasks for FY18 is as follows:

\$30,000	Sidewalks & Curb Ramps
\$3,500	Sign Replacement/Maint.
\$11,500	Tree/Vegetative Clearing
\$135,000	Asphalt Street Maintenance
\$20,000	Concrete Street Maintenance
\$30,000	Curb & Gutter Areas
\$20,000	Pavement Markings

Project Status: The City of Fulshear performed an infrastructure condition assessment for concrete pavement, asphalt pavement, signs, sign poles, curb, and sidewalks in FY17.

Does this project replace/enhance an existing asset?
Yes, this project replaces and enhances existing infrastructure associated with the City's streets and sidewalks.

Project Estimated Total Costs:

	Funding Source	Design/ Planning Phase	Construction Phase	Other Costs: Study ROW/Land/Equip	Project Contingency	Total Estimated Annual Costs	General Remarks
2018	CIP Fund Bal.	\$25,000	\$225,000			\$250,000	Per identified needs
2019	Op Funds-GF	\$40,000	\$360,000			\$400,000	Per identified needs
2020	Op Funds-GF	\$40,000	\$360,000			\$400,000	Per identified needs
2021	Op Funds-GF	\$40,000	\$360,000			\$400,000	Per identified needs
2022	Op Funds-GF	\$40,000	\$360,000			\$400,000	Per identified needs
Future Years						-	TBD
		185,000	1,665,000				
Total Estimated Project Cost:						1,850,000	

Hot Mix Asphaltic Concrete Pavement, TXDOT 340, Type D with RAP, Sac B, PG, 64-22, Price Per Ton

Lawson 12996-material Lawson 12997-laydown	American Materials	Century Asphalt	Cherry Crushed Concrete	Durwood Greene	Gulf Coast Stabilized Materials	Lhoist North America	Martin Marietta	Silva Division of James Const.	Tarmac Division of James Const.	Vulcan Construction Materials	Waller County Asphalt
Plant/Pit/Siding	55.00	45.90							48.00		
Plant to Jobsite-1st mile	3.25	3.00							3.00		
Each add'l mile	0.20	0.20							0.20		
Laydown	No bid	14.00		18.00				20.00			
Plant Location	Mo City	Rosenberg							Rosenberg		
Minimum		\$5.25 haul & 800 tons		500 tons per day				800 tons			

Hot Mix-Cold Laid, Asphaltic Concrete Pavement, Type D, TXDOT 350, Price Per Ton

Lawson 12998-material	American Materials	Century Asphalt	Cherry Crushed Concrete	Durwood Greene	Gulf Coast Stabilized Materials	Lhoist North America	Martin Marietta	Silva Division of James Const.	Tarmac Division of James Const.	Vulcan Construction Materials	Waller County Asphalt
Plant/Pit/Siding									105.00		
Plant to Jobsite-1st mile									3.00		
Each add'l mile									0.20		
Laydown											
Plant Location									Rosenberg		
Minimum					Fort Bend County Tabulation						

Bid 17-050

Term Contract for Purchase and Hauling of Earthen Type Road Materials

Term: April 1, 2017 through March 31, 2018

Awarded 2.28.17: All bidders meeting specifications
BUS-111

***Amended 8.3.17**

THE STATE OF TEXAS
COUNTY OF FORT BEND

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**INTERLOCAL AGREEMENT
BETWEEN FORT BEND COUNTY AND CITY OF FULSHEAR**

This Agreement is made and entered into pursuant to the Interlocal Cooperation Act, Chapter 791 of the TEXAS GOVERNMENT CODE by and between FORT BEND COUNTY, TEXAS, a body corporate and politic under the laws of the State of Texas, acting by and through its Commissioners Court and the CITY OF FULSHEAR, a municipal corporation of the State of Texas, acting herein by and through their City Council.

WHEREAS, CITY OF FULSHEAR desires FORT BEND COUNTY'S assistance in purchasing certain governmental administrative functions, goods or services; and,

WHEREAS, the governing bodies of CITY OF FULSHEAR and FORT BEND COUNTY have duly authorized this agreement; and

WHEREAS, the parties find that this Agreement serves a public purpose.

NOW, THEREFORE, in consideration of the foregoing and further consideration of the mutual promises, covenants and conditions herein, CITY OF FULSHEAR and FORT BEND COUNTY hereby agree as follows:

ARTICLE I.
PURCHASE OF CERTAIN MATERIALS AND SERVICES

- 1.01 CITY OF FULSHEAR appoints FORT BEND COUNTY its true and lawful purchasing agent for the purchase of certain materials and services through FORT BEND COUNTY'S purchasing program, as enumerated through the submission to FORT BEND COUNTY'S purchasing agent through a duly executed purchase order, order form or resolution. This Agreement shall apply only to those materials and services which FORT BEND COUNTY desires to purchase for its own needs and for which CITY OF FULSHEAR desires to purchase the same or similar materials and services under the same terms and conditions as would apply to FORT BEND COUNTY'S own purchases, and provided that the contracted vendor agrees to purchases in CITY OF FULSHEAR under the contract between the vendor and FORT BEND COUNTY. All materials and services purchased under the vendor and conditions hereunder shall be in accordance with specifications established by FORT BEND COUNTY.
- 1.02 The materials and services shall be procured in accordance with Texas State Law and procedures established by FORT BEND COUNTY and the costs for materials and services purchased by CITY OF FULSHEAR pursuant to this Agreement shall be the prices as reflected by contract executed by FORT BEND.

ARTICLE II.
TERMS AND CONDITIONS OF PURCHASE

- 2.01 In addition to the other terms and conditions contained in this Agreement, the amounts and kinds of goods and services will be purchased in accordance with the terms and conditions and in the quantities set forth in the contract used by FORT BEND COUNTY, FORT BEND COUNTY shall

be responsible for and shall incur all cost for the preparation of specifications, public advertisement and such other administrative duties as may be necessary to facilitate the materials and services hereunder. FORT BEND COUNTY shall also be responsible for receiving, opening and awarding contracts. Upon request, specifications, tabulations and all other documents relating thereto that pertain to the procurement of items in accordance with the terms of this Agreement shall be made available to CITY OF FULSHEAR at all reasonable times for inspection.

- 2.02 FORT BEND COUNTY agrees that it shall award contracts, for items which it had previously designated for purchase, in accordance with applicable Texas State Law.
- 2.03 Nothing herein shall obligate CITY OF FULSHEAR to purchase any materials or services from FORT BEND COUNTY nor shall FORT BEND COUNTY be obligated to include CITY OF FULSHEAR in any procurement effort.
- 2.04 CITY OF FULSHEAR shall not be obligated to compensate FORT BEND COUNTY for any of the costs or expenses of its procurement procedure.

ARTICLE III.
RESPONSIBILITY

FORT BEND COUNTY and CITY OF FULSHEAR agree that the ordering of supplies, services and materials purchased pursuant to this Agreement shall be their individual responsibility and that any dispute arising between contracted vendor and CITY OF FULSHEAR shall be handled between CITY OF FULSHEAR and the contracted vendor. Contracted vendors shall bill CITY OF FULSHEAR directly for the materials or services ordered by it.

ARTICLE IV.
LIABILITY

Both parties shall be responsible to the contracted vendor only for supplies, services or materials ordered by and received by it, and shall not by the execution of this Agreement assume any liability or waiver any rights under the applicable contract or as provided by law.

ARTICLE V.
PRICE AND PAYMENT OF GOODS AND SERVICES

- 5.01 The goods and services will be purchased for the price stated in the contract received and awarded by FORT BEND COUNTY to vendor. CITY OF FULSHEAR agrees to pay vendor directly for all goods and services delivered, requested or picked up by CITY OF FULSHEAR in accordance with the price specified in FORT BEND COUNTY'S contract with the vendor. CITY OF FULSHEAR agrees to pay in accordance with Chapter 2251, TEXAS GOVERNMENT CODE.
- 5.02 Ownership (title) of material purchased by CITY OF FULSHEAR shall transfer directly from the contracted vendor to CITY OF FULSHEAR.
- 5.03 All payments for purchases of goods and services by CITY OF FULSHEAR shall be made from revenue then currently available to it.

ARTICLE VI.
APPLICABLE LAWS

CITY OF FULSHEAR and FORT BEND COUNTY agree to conduct all activities under this Agreement in accordance with all applicable rules, regulations, ordinances and laws in effect or promulgated during

the term of this Agreement.

ARTICLE VII.
WHOLE AGREEMENT

This Interlocal Agreement, as provided herein, constitutes the complete agreement between the parties hereto, and supersedes any and all oral and written agreements between the parties relating to matters herein. Except as otherwise provided herein, this Agreement cannot be modified without written consent to the parties.

ARTICLE VIII.
DURATION

- 8.01 The period of this Interlocal Agreement shall commence upon approval of both entities, and shall automatically renew.
- 8.02 CITY OF FULSHEAR or FORT BEND COUNTY may cancel this Agreement at any time upon thirty (30) days written notice to the other party to this Agreement. The obligations of CITY OF FULSHEAR, to pay contracted vendor for all good and services purchased pursuant to this Agreement, if any, prior to such notice shall survive such cancellations, as well as any other obligation incurred under this applicable purchase contracts, until performed or discharged by CITY OF FULSHEAR.

ARTICLE IX.
CHANGES AND AMENDMENTS

Any alterations, additions, or deletions to the terms of this Agreement which are required by changes in federal and state law or regulations are automatically incorporated into this Agreement without written amendment thereto, and shall become effective on the date designated by such law or regulation.

ARTICLE X.
NOTIFICATION

Unless otherwise provided herein, any notice, tender or delivery to be given hereunder by either party to the other may be effected by personal delivery in writing or by registered or certified mail, postage prepaid, return receipt requested. Mailed notices shall be addressed as set forth below, but each party may change its address by written notice in accordance with this section.

To CITY OF FULSHEAR:
City of Fulshear
Attn: Mayor
P.O. Box 279
Fulshear, Texas 77441

To FORT BEND COUNTY:
County of Fort Bend
Attn: Gilbert Jalomo, Purchasing Agent
4520 Reading Road
Rosenberg, Texas 77471

Any such notice shall be effective upon receipt if delivered in person or upon actual deposit in an official receptacle of the United States Postal Service if mailed as aforesaid.

ARTICLE XI
SEVERABILITY

Both parties agree that should any provision of this Agreement be determined to be invalid or unenforceable, such determination shall not effect any other term of this agreement, which shall continue in force and effect.

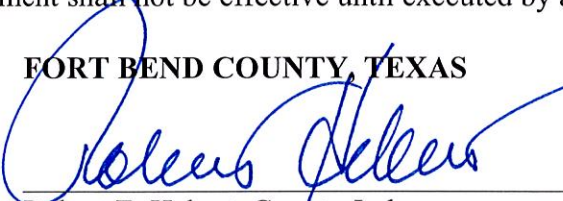
ARTICLE XII
FORCE MAJEURE

To the extent that either party to this agreement shall be wholly or partially prevented from the performance within the time specified of any obligation or duty placed on such party by reason of strikes, stoppage of labor, riot, fire, flood, acts of war, insurrection, accident, judgment, act of God, or specific cause reasonably beyond the party's control and not attributable to its neglect or nonfeasance, in such event, the time for the performance of such obligation or duty shall be suspended until disability to perform is removed.

ARTICLE XIII.
EXECUTION


This instrument, in duplicate originals, has been executed by the parties hereto as follows. This agreement shall not be effective until executed by all parties.

FORT BEND COUNTY, TEXAS


By: 
Robert E. Hebert, County Judge

Date: 10-6-09

ATTEST:

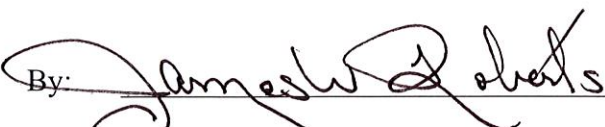

Dianne Wilson, County Clerk

Approved: FORT BEND COUNTY PURCHASING AGENT

By: 
Gilbert D. Jalomo, Jr., CPPB

Date: 10-6-09

CITY OF FULSHEAR, TEXAS

By: 

Date: 09-17-09

ATTEST:



THE STATE OF TEXAS §
 §
COUNTY OF FORT BEND §

**ORDER AUTHORIZING THE COUNTY JUDGE TO
EXECUTE THE INTERLOCAL AGREEMENT BETWEEN
FORT BEND COUNTY AND CITY OF FULSHEAR**

On this the 6 day of Oct., 2009, the Commissioners Court of Fort Bend County, Texas, upon motion of Commissioner Meyers, seconded by Commissioner Patterson, duly put and carried;

IT IS ORDERED that the Fort Bend County Judge execute the Interlocal Agreement between Fort Bend County and City of Fulshear for assistance in purchasing certain governmental administrative functions, goods or services; said Agreement being incorporated herein by reference for all purposes as though fully set forth herein word for word.

**AGENDA MEMO
BUSINESS OF THE CITY COUNCIL
CITY OF FULSHEAR, TEXAS**

AGENDA OF:	April 17, 2018	AGENDA ITEM:	F
DATE SUBMITTED:	April 10, 2018	DEPARTMENT:	Administration
PREPARED BY:	Grady Randle, City Attorney; Brant Gary, Asst. City Manager/ Exec. Dir. of Planning & Development	PRESENTER:	Grady Randle, City Attorney
SUBJECT:	CONSIDERATION AND POSSIBLE ACTION TO APPROVE A SETTLEMENT AGREEMENT WITH GM EQUITY RELATIVE TO THE DEVELOPMENT OF LAND KNOWN AS THE "GINTER TRACT."		
ATTACHMENTS:	<ol style="list-style-type: none"> 1.) Proposed Settlement Agreement 2.) Timeline of Events Relative to this Issue 		

EXECUTIVE SUMMARY

There is a dispute between the parties to this agreement that arose when, in an effort to bring utilities to the new LCISD school campus, the City obtained various easements to run its water and wastewater pipelines through to connect to the new middle and high school campuses. Ginter donated free of charge, a 20-foot easement to the City to lay its pipelines. In exchange for this donation, Ginter was allowed to purchase capacity in the pipeline and plant to develop its property. Ginter has paid approximately \$180,000 and there remains approximately \$100,000 to be paid by Ginter. A dispute arose concerning damages to a fence during installation of the pipelines and cost in moving and pasturing livestock because of damage to the fence.

The dispute is proposed to be settled by Ginter paying \$89,000, the difference being the cost of pasturage for the livestock and a further repair to the fence.

RECOMMENDATION

Staff recommends that City Council approve the attached Settlement Agreement.

Ginter Timeline

01-28-2011 – C.J. Snipes met with Ginter. He also intimated that he may be close to approving a drainage easement agreement with LCISD. (City memo)

07-13-2011 – Letter from Mayor Kuykendall expressing city is preparing to move forward with extension of water and sewer lines. Easement documents attached. (Correspondence)

08-26-2011 – (Fulshear – C.J. Snipes) in discussions with Ginter regarding his tract of land to finally resolve issue with easement. (City memo)

09-09-2011 - (Fulshear – C.J. Snipes) made contact finally with Ginter who has agreed to the easements. (City memo)

09-22-2011 - Ginter has agreed to an easement and we are working on an agreement for payment. (City memo)

09-30-2011 - Received a commitment and easement agreement from Ginter.

10-31-2011_– Correspondence concerning the City's water and sewer line extension through and to Ginter property. Letter of agreement.

11-21-2011_– Water and sewer Easement signed by Glen Ginter and sent to City. (Correspondence)

12-12-2011 – Invoice sent to Ginter. Total of \$281,335.85. Agreed to 3 payments over 3 years.

12-16-2011 - Began installing the water line working backward from the Ginter tract.

01-06-2012 – Presentation from M2L Associates on the proposed development of the Ginter tract. Includes Ginter master conceptual plan plat.

02-10-2012 - Met with Dr. Ginter and others from GM Equity to discuss their plans for development.

6-30-2012 – First payment (80K) due. (In reference to Oct. 31, 2011 letter from Fulshear to Glen Ginter.)

07-13-2012 - Meeting with GM Equity & Ginter.

09-07-2012 – Allgood Construction Co., Inc. is set to meet on Tuesday afternoon with Dr. Ginter.

10-12-2012 - Impasse with Dr. Ginter and replacing his fence. Ginter failed to meet the obligations agreed to previously regarding the Water/Sewer line extensions made by the City. The City will not allow any taps to be made until you meet those obligations and your failure to meet those obligations by November 1, 2012 will negate the City's waiver of tap fees and you may be charged a higher participation rate. (Correspondence from C.J. Snipes)

10-19-2012 - Met with Dr. Ginter, his son and their land planner to discuss their land plan and conceptual plat.

01-31-2013 – Letter from Glen Ginter with enclosed 60K payment from GM Equity Group for utility charge. I have enclosed two bids to replace the fence. This amount has been deducted. I think another payment is due in June and we will try to be more timely. (Correspondence)

03-01-2013 – Ginter Tract was rejected by P&Z for failure to meet all requirements of the Ordinance and State Law.

03-22-2013 – Ginter Tract: We were set to meet with Mr. Ginter on Wednesday, meeting was cancelled by Ginter that morning.

03-28-2013_– Preparing to communicate with Allgood Construction regarding their request for a Final Draw on the Water/ Sewer Line Extension along FM 1093 East. We may end up withholding about \$28,000 on Ginter's fence claim which we can hopefully resolve soon.

04-05-2013 - David delivered the final approved draw from Allgood construction this morning. We are set to withhold the disputed \$20,000 tied to the replacement of Ginter's fencing.

6-30-2013 – Second payment (100K) due. (In reference to Oct. 31, 2011 letter from Fulshear to Glen Ginter.)

08-14-2013 – Contractor's affidavit and release.

9-23-2013 – Check for 180K from Krenek Law Offices for payment in full for utilities. (Certified letter)

02-24-2014 - \$180,000.00 payment made by GM Equity Group to the City of Fulshear concerning the Utility Easement Agreement. GM Equity Group recognizes that there is a payment to be made in 2014 (June or July of 2014) pursuant to the parties' agreement. **Check was cashed.** (Email)

6-30-2014 – Balance due. (In reference to Oct. 31, 2011 letter from Fulshear to Glen Ginter.)

08-22-2014 - Cheryl and C.J. Snipes met with Christopher Ginter to discuss his revised land plan for the property located along FM 1093.

08-17-2016 – Invoice sent to Ginter showing \$101,335.85 balance due. Chris Ginter requests invoice/bill with outstanding balance. (Email)

08-18-2016 – Kristina Brashear sent final invoice to Chris Ginter.

06-22-2017 – ORR from Dowdall requesting Ginter information.

07-06-2017 – Fulshear reply to Dowdall regarding 06-22-2017 ORR.

07-12-2017 – Dowdall ORR requesting Ginter information.

10-26-2017 – Email from W. Vela to Paula Ryan; Called Dr. Glen Ginter and asked when the City might expect the \$101,335.85.

01-10-2018 – Fulshear Agenda memo. Reaffirm Water and Sewer Easement Agreement with GM Equity Group, LLC. The Water and Sewer Easement Agreement with GM Equity Group, LLC was executed on 11-21-2011 by the Grantor, but not fully executed by the Grantee.

01-14-2018 – Hand delivered, certified letter to GM Equity Group, LLC referencing agenda item regarding Water and Sewer Easement Agreement reflects that no agreement was ever signed by City of Fulshear and filed of record.

02-02-2018 – Invoice sent to Glen Ginter showing \$101,335.85 balance due.

02-20-2018 – City Council provided direction to the City Attorney to enter into negotiations/discussions to provide City Council a means to resolve any outstanding issues relative to this agreement.

COMPROMISE SETTLEMENT AGREEMENT

THIS AGREEMENT is between:

THE CITY OF FULSHEAR, a political subdivision of the State of Texas, who is referred to in this agreement as Fulshear

and

GM EQUITY GROUP, LLC a Texas limited liability company, who is referred to in this agreement as Ginter.

RECITALS

1. There is a dispute between the parties to this agreement that arose when in an effort to bring utilities to the new LCISD school campus, the City obtained various easements to run its water and wastewater pipelines through to connect to the new middle and high school campuses. Ginter donated free of charge, a 20-foot easement to the City to lay its pipelines. In exchange for this donation, Ginter was allowed to purchase capacity in the pipeline and plant to develop its property. Ginter has paid approximately \$180,000 and there remains approximately \$100,000 to be paid by Ginter. A dispute arose concerning damages to a fence during installation of the pipelines and cost in moving and pasturing livestock because of damage to the fence.
2. Both parties to this agreement concede that bona fide disputes and controversies exist between them both as to liability and the amount of damages, if any, that are due.
3. Both parties wish to dispose of the entire controversy and dispute between them, including all claims and causes of action of any kind that currently exist or that may exist in the future that relate in any way to the transaction or occurrence described in this agreement. The parties recognize that there may be claims or injuries arising out of the transaction or occurrence described in this agreement that are unknown to the parties at the time of execution of this agreement, or that may arise in the future. However, the parties have negotiated this agreement in full knowledge of the possibility of additional claims or injuries and intend this agreement to settle and finally dispose of all such claims or injuries arising out of the described transaction or occurrence, whether known or unknown. Ginter warrants that it is the lawful owner, in fee simple, of that certain tract or parcel of real property situated in Fort Bend County, Texas, that is described in Exhibit A. [Exhibit A is attached to and made a part of this agreement].

TERMS OF AGREEMENT

IN CONSIDERATION OF the mutual promises and agreements contained in this agreement, including the recitals set forth above, the parties agree as follows:

1. At the execution of this agreement, Ginter agrees to pay to Fulshear the sum of \$89,000 and to execute a Correction Water and Sewer Easement attached as Exhibit B. A substantial portion of the consideration agreed to be paid in this agreement is for the express purpose of disposing of claims or injuries that may arise or have arisen from the transaction or occurrence described in this agreement including a majority of damages for never reimbursed cost for moving and pasturage of livestock because of the breakage of the property line fence and are unknown to the parties as of the date that this agreement is made.

2. In exchange, at the execution of this agreement Fulshear and Ginter will execute and deliver to each other a full and complete release in the form attached to this agreement as Exhibit C releasing all parties from any and all claims, known and unknown, arising from the occurrence or transaction described in this agreement. Both parties to this agreement agree and understand that this release covers claims and injuries of all types, including claims and injuries that are unknown to the parties at the time this agreement is made.

3. This agreement is a compromise of doubtful and disputed claims. Nothing in this agreement is an admission of liability by any party, and nothing in this agreement may be interpreted as an admission of liability. Each party to this agreement expressly denies liability to every other party to this agreement.

4. This agreement is made according to the laws of the State of Texas. The parties expressly agree that this agreement is governed by and will be construed and enforced in accordance with Texas law.

5. This agreement is binding on and inures to the benefit of the parties and their respective heirs, representatives, successors, and assigns.

6. This agreement contains the entire agreement between the parties. It supersedes any and all prior agreements, arrangements, or understandings between the parties on all subjects in any way related to the transaction or occurrence described in this agreement. No oral understandings, statements, promises, or inducements contrary to or consistent with the terms of this agreement exist. This agreement is not subject to any modification, waiver, or addition that is made orally. This agreement is subject to modification, waiver, or addition only by means of a writing signed by all parties.

7. This agreement may be executed in a number of identical counterparts, each of which will be deemed an original for all purposes.

The parties have executed this agreement on April 17, 2018.

Mayor Jeff Roberts

GM Equity Group, LLC by

Its Managing Member

APPROVED AS TO FORM:

J. Grady Randle

Attorney for City of Fulshear

Ed Krenek

Attorney for GM Equity Group, LLC

EXHIBIT "A"

FIELD NOTES FOR A 20-FOOT WIDE WATER LINE AND SANITARY SEWER LINE EASEMENT OUT OF A CALLED 3 ACRE TRACT CONVEYED TO BARBARA CHATAM BY THE DEED RECORDED IN FORT BEND COUNTY CLERK'S FILE NO. 20061068336 AND BEING LOCATED IN THE ENOCH LATHAM SURVEY, ABSTRACT 50; FORT BEND COUNTY, TEXAS.

BEGINNING: At the Southwest corner of the 3 acre tract which is also a common corner of the G.M. Equity Group, LLC called 137.294 acre tract (Fort Bend county Clerk's File No. 2008000068); said corner being located on the North Right-of-way (R.O.W.) Line of Farm-to-Market Road No. 1093;

THENCE: North $00^{\circ} 04' 09''$ West with the West line of the called 3 acre tract and a common East line of the called 137.294 acre tract a distance of 20.07 feet to the Northwest corner of this 20 foot wide easement;

THENCE: North $85^{\circ} 16' 17''$ East a distance of 212.29 feet with a line that is 20 foot North of and parallel to the North line of F. M. 1093 to the Northeast corner of this 20 foot wide easement;

THENCE: South $00^{\circ} 23' 25''$ West with the common line of the East line of the 3 acre tract and a West line of the called 137.294 acre tract (The 137.294 acre tract encloses the 3 acre tract on the three (3) sides) a distance of 20.06 foot to the Southeast corner of this easement and the North line of F.M. 1093;

THENCE: South $85^{\circ} 15' 54''$ West a distance of 212.13 feet with the North line of F. M. 1093 to the Actual Place of Beginning and being a 20-foot wide Water line and Sanitary Sewer line easement.

All bearings recited hereon are based on the North line of F.M. 1093 running South $85^{\circ} 15' 54''$ West.



For Clay & Leyendecker, Inc.
David Leyendecker, R.P.L.S.
Texas Registration No. 2085
August 11, 2011
Pe
LATHAM-20footEasement

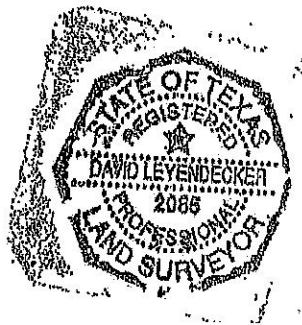


EXHIBIT "B"

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

CORRECTION WATER AND SEWER EASEMENT

STATE OF TEXAS §
COUNTY OF FORT BEND §

KNOW ALL MEN BY THESE PRESENTS:

THAT GM EQUITY GROUP, LLC, a Texas Limited Liability Company, ("GRANTOR"), owner of the real property described in Exhibit "A", by these presents does DONATE, DEDICATE, GRANT, and CONVEY unto THE CITY OF FULSHEAR, TEXAS, a Texas Type A municipal corporation ("GRANTEE"), a water and sewer easement (the "Easement") across, and under the real property located in Fort Bend County, Texas, shown as "20' Water & Sanitary Sewer Easement" on the site plan as attached as Exhibit "B".

The Easement shall be utilized only as a water and sanitary sewer easement. This instrument conveys only an easement interest and does not convey title, whether to the surface or the mineral estate, of the land described in the Easement area.

TO HAVE AND TO HOLD the above-described premises, together with all and singular the rights and appurtenances thereto in any wise belonging, together with rights of ingress and egress to and from the Easement for the purpose of constructing, inspecting, repairing, maintaining, enlarging, and removing water and sanitary sewer lines and associated infrastructure and equipment, unto GRANTEE, its successors and assigns forever. To the extent that Grantee must remove or alter Grantor's existing improvements on the Easement in furtherance of Grantee's lawful use of such Easement, replacement of such improvements shall be the responsibility of Grantee. Grantee shall take reasonable effort to minimize the impact on Grantor's improvements if and to the extent removal or alteration and/or replacement of such improvements becomes necessary.

GRANTOR shall not plant, place, or install any landscaping within the easement that may impact the water or sewer lines. Grantor, its successors and assigns, reserve the right to cross Grantor's property including, without limitation, the portion covered by the Water and Sanitary Easement, at any time and from time to time with pipelines, roadways and/or other facilities.

GRANTOR shall exercise the rights herein granted in a manner which will not unreasonably interfere with Grantor's present or future use of Grantor's property. Grantor particularly reserves unto itself, its agents, representatives, successors and assigns:

- i. The right to cross under or over said pipeline site with other pipelines, to carry out construction, installation, maintenance, repair, replacement, removal and abandonment of other pipelines and facilities of any kind, and, for such purposes, to dig under said pipeline site, provided that any such crossing or other activities shall be made or conducted in accordance with standard and accepted engineering practices and in such manner as to not unreasonably interfere with the operations or maintenance of the lines within the Water and Sanitary Easement, and that in the event such other pipeline is being constructed or activity is being conducted by or for Grantor, Grantor will give Grantee at least thirty (30) calendar days prior written notice before allowing such construction to commence;
- ii. The right to construct a road or roads and a bridge or bridges on the Property above the Water and Sanitary Easement;
- iii. The right to construct and/or clear and maintain drainage ditches over said Water and Sanitary Easement;
- iv. The right to construct and maintain fence or fences over the Water and Sanitary Easement and to include the surface above the Water and Sanitary Easement within fences.
- v. The right to construct or locate signage and other materials or improvements except for permanent buildings over, across or upon the easement area; provided such improvements do not interfere with the rights herein granted to Grantee.

This easement is made as a correction easement in substitution of the easement titled "Water and Sewer Easement" ("Corrected Easement") signed November 21, 2011 by Grantor and recorded on February 14, 2018 under number 2018015847 of the real property records of Fort Bend County, Texas, to correct the following incorrect information: pages 7-13 were extraneous pages not meant to be attached or recorded with the easement which incorrectly states the acreage when the only exhibit should be exhibit A the legal description for the 20 foot easement. Other than the stated correction, this easement is intended to restate in all respects the Corrected Easement, and the effective date of this correction easement relates back to the effective date of the Corrected Easement.

GRANTOR agrees to bind itself and its successors and assigns to WARRANT and FOREVER DEFEND, unto GRANTEE, its heirs and assigns, against every person whomsoever, lawfully claiming or to claim the same or any part thereof, by through or under GRANTOR but not otherwise. The easement shall be used for the sole purpose of construction and maintenance of undersigned water and sanitary sewer lines along and through the easement area. The duration of the easement is perpetual. The easement is only for the benefit of GRANTEE and GRANTEE's successors and assigns.

SIGNED this the _____ day of _____, 2018.

GRANTOR:

GM EQUITY GROUP, LLC

By: _____
Glen R. Ginter, DDS
Authorized Representative

ACCEPTED:

GRANTEE:

THE CITY OF FULSHEAR, TEXAS

By: _____
Jeff W. Roberts, Mayor

ATTESTED:

_____, City Secretary

EXHIBITS:

"A": Metes and bounds description

"B": Site plan

STATE OF TEXAS §

COUNTY OF FORT BEND §

BEFORE ME, the undersigned notary public, on this day personally appeared Glen R. Ginter, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed that instrument for the purposes and consideration therein expressed in the capacity therein stated.

Given under my bond and seal of office this _____ day of _____, 2018.

Notary Public in and for the state of Texas

My commission expires: _____

My notary ID #: _____

STATE OF TEXAS §

COUNTY OF FORT BEND §

BEFORE ME, the undersigned notary public, on this day personally appeared Jeff W. Roberts, Mayor of the City of Fulshear, Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed that instrument for the purposes and consideration therein expressed in the capacity therein stated.

Given under my bond and seal of office this _____ day of _____, 2018.

Notary Public in and for the state of Texas

My commission expires: _____

My notary ID #: _____

GRANTOR'S ADDRESS:

GM EQUITY GROUP, LLC
1403 West Hilshire Park Drive
Houston, TX 77055

GRANTEE'S ADDRESS:

CITY OF FULSHEAR, TEXAS
30603 FM 1093
Fulshear, TX 77441

AFTER RECORDIING PLEASE RETURN TO:

J. Grady Randle
Randle Law Office Ltd., L.L.P.
820 Gessner, Suite 1570
Houston, TX 7702-4494

EXHIBIT "A"

FIELD NOTES FOR A 20-FOOT WIDE WATER LINE AND SANITARY SEWER LINE EASEMENT OUT OF A CALLED 3 ACRE TRACT CONVEYED TO BARBARA CHATAM BY THE DEED RECORDED IN FORT BEND COUNTY CLERK'S FILE NO. 20061068335 AND BEING LOCATED IN THE ENOCH LATHAM SURVEY, ABSTRACT 50; FORT BEND COUNTY, TEXAS.

BEGINNING: At the Southwest corner of the 3 acre tract which is also a common corner of the G.M. Equity Group, LLC called 137.294 acre tract (Fort Bend county Clerk's File No. 2008000068); said corner being located on the North Right-of-way (R.O.W.) Line of Farm-to-Market Road No. 1093;


THENCE: North $00^{\circ} 04' 09''$ West with the West line of the called 3-acre tract and a common East line of the called 137.294 acre tract a distance of 20.07 feet to the Northwest corner of this 20 foot wide easement;

THENCE: North $85^{\circ} 16' 17''$ East a distance of 212.29 feet with a line that is 20 foot North of and parallel to the North line of F. M. 1093 to the Northeast corner of this 20 foot wide easement;

THENCE: South $00^{\circ} 23' 25''$ West with the common line of the East line of the 3 acre tract and a West line of the called 137.294 acre tract (The 137.294 acre tract encircles the 3 acre tract on the three (3) sides) a distance of 20.06 foot to the Southeast corner of this easement and the North line of F.M. 1093;

THENCE: South $85^{\circ} 15' 54''$ West a distance of 212.13 feet with the North line of F. M. 1093 to the Actual Place of Beginning and being a 20-foot wide Water line and Sanitary Sewer line easement.

All bearings recited hereon are based on the North line of F.M. 1093 running South $85^{\circ} 15' 54''$ West.



For Clay & Leyendecker, Inc.
David Leyendecker, R.P.L.S.
Texas Registration No. 2085
August 11, 2011

Pe

LATHAM-20footEasement

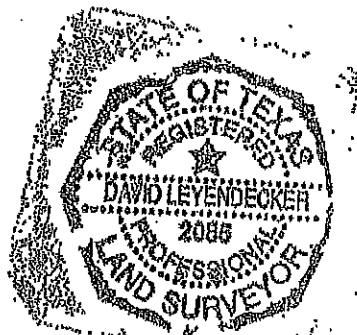


EXHIBIT "B"

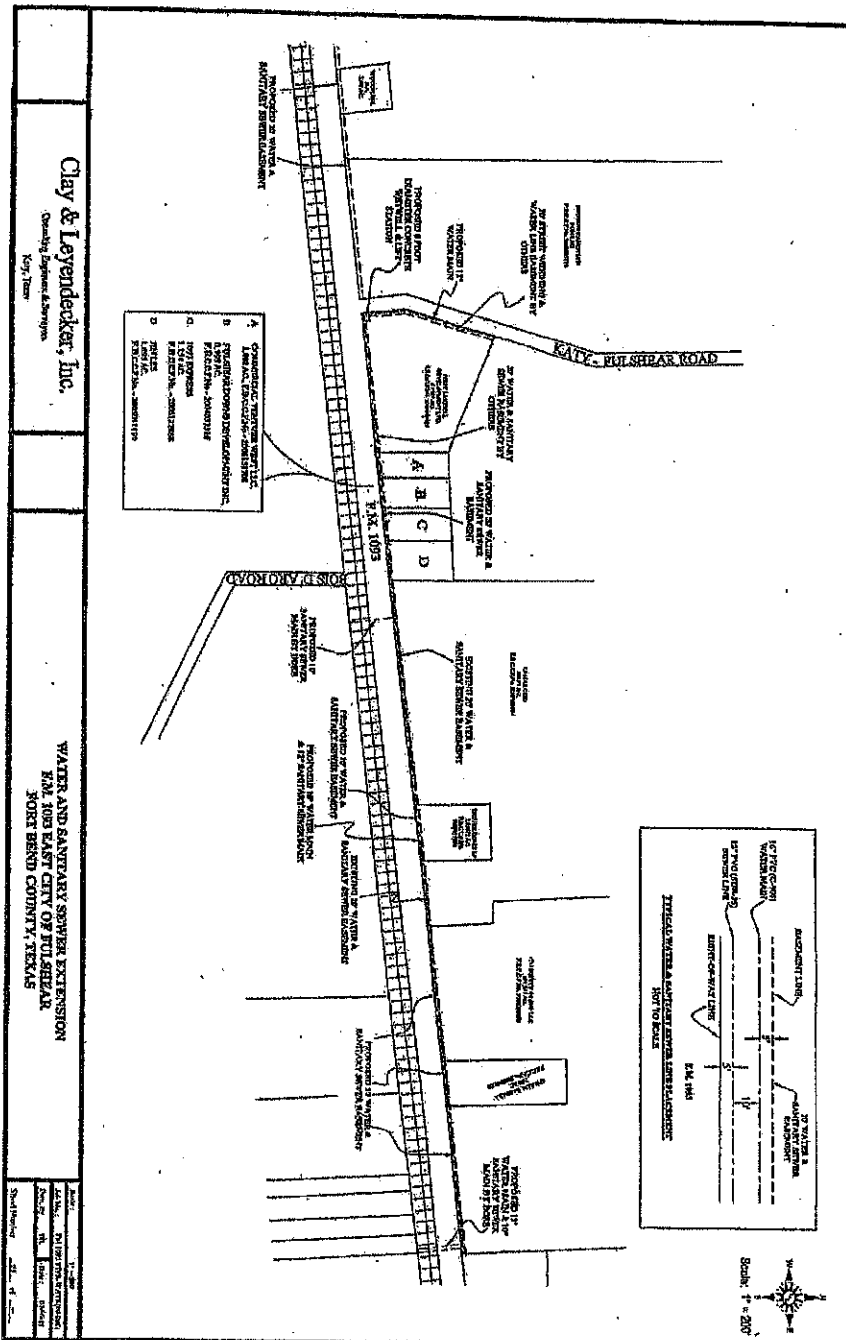


EXHIBIT "C"

STATE OF TEXAS

COUNTY OF FORT BEND

MUTUAL RELEASE

THIS AGREEMENT OF RELEASE is made on April 17, 2018 between the City of Fulshear and GM Equity Group, LLC.

RECITALS

1. The parties to this agreement have a dispute that arose as recited in that certain Compromise Settlement Agreement, attached hereto, of even date and as if repeated herein verbatim generally being a dispute of liability and damages that arose from breaking a fence and storage cost of livestock from the construction of utilities lines.
2. Each party to this agreement disputes the contentions of the other party.
3. The parties understand and agree that all of the claims asserted between them are doubtful and in dispute. The parties wish to settle their disputes and buy peace without admitting or conceding any matter.

RELEASE

Because of the facts set out in these recitals, the parties agree that in consideration of the promises and covenants set forth in this agreement, and for other good and valuable consideration acknowledged by their signatures on this agreement, each of the parties named in this agreement, and his or her or its predecessors, successors, assigns, heirs, executors, administrators, and legal representatives:

1. Releases and forever discharges the other party to this agreement and the other party's predecessors, successors, assigns, heirs, executors, administrators, and legal representatives.

2. Extends this release to all claims, demands, damages, actions, causes of action, or suits in equity, of any kind or nature, accruing before or after the date of this agreement and whether known or unknown on this date, for or because of any matter or thing done, omitted, or suffered to be done or omitted in any way directly or indirectly arising out of any of the events or circumstances recited in this release agreement.

3. Each party acknowledges that he, she, or it has read and understood the effect of this release agreement. Each party states that he, she, or it executes this agreement of his, her, or its own free will and accord, for the purposes and the considerations set forth in this agreement.

Mayor Jeff Roberts

GM Equity Group, LLC by its managing member

**AGENDA MEMO
BUSINESS OF THE CITY COUNCIL
CITY OF FULSHEAR, TEXAS**

AGENDA OF:	April 17, 2018	AGENDA ITEM:	G
DATE SUBMITTED:	April 12, 2018	DEPARTMENT:	Administration
PREPARED BY:	Grady Randle, City Attorney	PRESENTER:	Grady Randle, City Attorney
SUBJECT:	DISCUSSION AND POSSIBLE ACTION TO FILL THE VACANT CITY COUNCIL AT-LARGE #1 POSITION		
ATTACHMENTS:	1.) Log of Applications Received		
EXPENDITURE REQUIRED:	N/A		
AMOUNT BUDGETED:	N/A		
ACCOUNT NO.:	N/A		

EXECUTIVE SUMMARY

At the March 20th City Council meeting, City Council directed staff to request applications from interested citizens for consideration in filling this vacancy. Those applications have been received and distributed to City Council. A copy of the log of applications received is attached. A total of 7 applications were received, with one of those being withdrawn.

Per the City Charter, Council can choose to fill the vacancy created by Mr. Fatheree's by appointing someone to fill that position on Council and serve in that capacity for the duration of that term.

STAFF RECOMMENDATION

While City Staff has no formal recommendations for action, City Council may choose to appoint an individual to fill the vacancy if desired.

Applications for Vacant City Council “At-Large” Position (serving thru May 2019)

APPLICANT	DATE APPLIED
Kent Pool	3/23/2018
Ben Odom	3/26/2018 -withdrawn
Charles “Chuck” Stewart	3/27/2018
Jason Maklary	3/28/2018
Tyler Nelson	3/29/2018
Kevin White	4/2/2018
William Adams	4/2/2018