



CITY OF WEST LAKE HILLS, TEXAS  
NOTICE OF CITY COUNCIL REGULAR MEETING  
Wednesday, March 13, 2024 at 7:00 PM

Notice is hereby given that the City Council of the City of West Lake Hills, Texas, will hold a Regular Meeting on the 13th day of March 2024 at 7:00 p.m., in the Council Chambers, Municipal Building, 911 Westlake Drive, West Lake Hills, Texas, at which time the following items will be discussed, to-wit:

**REMOTE ACCESS** - Join Zoom Meeting at <https://us02web.zoom.us/j/3499549035>  
Or via telephone: Dial (346) 248-7799  
Meeting ID: 349 954 9035

If you wish to speak during the meeting or provide written comments, please email your name, phone number, comments, and the item number you wish to speak/comment on to [citysec@westlakehills.gov](mailto:citysec@westlakehills.gov) by 1:00 P.M. on March 13, 2024.

1. Call to Order
2. Citizen Communications The City Council welcomes public comments at this point on any issue. If the issue is listed on the agenda, the speaker may choose to comment during the Public Comment period or when the specific agenda item is taken up by the Council later in the meeting. The Council cannot respond to or discuss matters not listed on the agenda. The Council may provide factual information, refer the item to a staff member, or request the item be added to a future meeting agenda. Speakers shall limit their comments to five (5) minutes each.
3. Consent Agenda All Consent Agenda items listed are considered to be routine by the City Council and will be enacted by one (1) motion. No separate discussion or action on any of the items is necessary unless requested by a Council Member.
  - a. Approval of the February 28, 2024 Regular Meeting Minutes.
4. Finance Discuss and consider acceptance of the FY 2022-23 Financial Audit.
5. Administration **110 Westlake Drive** - Discuss and consider action on a vacation of the For By Grace Confirming plat (Section 36.01.004 of the West Lake Hills Code). Applicant: Landon McClellan, Malone Wheeler.

6. Administration **4010 Bee Cave Road** - Discuss and consider action on a replat of Barton Springs Estates portions of Lots 35 and 36, to create one lot, 35A (Section 36.01.004 of the West Lake Hills Code). Applicant: Landon McClellan, Malone Wheeler.
7. Administration Discuss and consider approving a proposal from Netronix for the provisioning of cameras and access controls in the new municipal complex at 4010 Bee Cave Road and authorizing the city administrator to execute required documents.
8. Executive Session In accordance with Texas Government Code, Section 551.001, et seq, the City Council will recess into Executive Session (closed meeting) to discuss the following:
  - a. Section 551.071 - Consultation with the attorney regarding pending or contemplated litigation, or settlement offer; or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act, re: City of West Lake Hills v. the following:
    1. Jaffe - 1405 Wildcat Hollow;
    2. Alvarez - 1505 Wildcat Hollow;
    3. Lambert - 1600 Westlake Drive; and
    4. 1836 Real Estate, LLC - 707 Butler Cove.
9. Executive Session Reconvene into Open Session and take action if and as deemed appropriate in the City Councils' discretion regarding consultation with attorney.
10. Adjournment

Approved by: Linda Anthony, Mayor

Certificate

I certify that the above Notice of the March 13, 2024 City Council Regular Meeting was posted on the bulletin board at the Municipal Building, 911 Westlake Drive, West Lake Hills, Texas on Friday, March 8, 2024 by 5:00 pm. and will remain posted continuously until said meeting is convened.

Signed by: Terry Blanchard, City Secretary

*The City of West Lake Hills is committed to compliance with the Americans with Disabilities Act. Reasonable accommodation and equal access to communications will be provided upon request.*

*All items on the agenda are for discussion and/or action. City Council reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices), and 551.086 (Economic Development).*

CITY OF WEST LAKE HILLS, TEXAS  
MINUTES OF A CITY COUNCIL REGULAR MEETING  
Wednesday, February 28, 2024 at 7:00 PM

1. Call to Order

**With a quorum present, Mayor Anthony called the meeting to order at 7:02 p.m.**

**CITY COUNCIL PRESENT:**

Mayor Linda Anthony  
Mayor Pro Tem Gordon Bowman  
Jim O'Connor  
Brian Plunkett  
Beth South  
Darin Walker

**CITY STAFF PRESENT:**

City Administrator Trey Fletcher  
City Secretary Terry Blanchard  
Director of BDS Jennifer Bills  
Chief of Police Scott Gerdes  
City Attorney Josh Brockman-Weber

2. Citizen Communications The City Council welcomes public comments at this point on any issue. If the issue is listed on the agenda, the speaker may choose to comment during the Public Comment period or when the specific agenda item is taken up by the Council later in the meeting. The Council cannot respond to or discuss matters not listed on the agenda. The Council may provide factual information, refer the item to a staff member, or request the item be added to a future meeting agenda. Speakers shall limit their comments to five (5) minutes each.

- Mayor Anthony congratulated newly elected officials James Vaughan and Dana Harmon.
- Mayor stated that Item 7 for the license plate reader cameras was being pulled from the agenda. Since the item will potentially require policy changes, she felt it would be more appropriate for the incoming Council to make any decisions regarding the cameras.
- Hearing no further discussion, the public comment section was closed.

3. Consent Agenda All Consent Agenda items listed are considered to be routine by the City Council and will be enacted by one (1) motion. No separate discussion or action on any of the items is necessary unless requested by a Council Member.

- a. Approval of the February 14, 2024 Regular Meeting Minutes.
- b. Approval of a resolution suspending the April 9, 2024 effective date of the proposal by Texas Gas Service Company to implement interim GRIP rate adjustments for gas utility investment in 2023.
- c. Approval of the Trinity Episcopal School monument sign at 950 Westbank Drive.
- d. Approval of an amendment to the Villages at Westlake Uniform Sign Agreement for the UPS Store at 701 S. Capital of Texas Highway, Suite D-420 and a new comprehensive Uniform Sign Agreement to eliminate future amendments for individual signs.

**MOTION: Upon a motion made by Councilmember Bowman and a second by Councilmember O'Connor, the Council voted five (5) for and none (0) opposed to approve the Consent Agenda as presented. Motion carried.**

4. Administration Discuss and consider action on the approval of an ordinance canceling the May 4, 2024 General and Special Elections and declaring the unopposed candidates for the offices of Mayor, Council Member Place 2, Council Member Place 4, and Council Member Place 1 (for an unexpired term) as elected.

**MOTION: Upon a motion made by Councilmember Bowman and a second by Councilmember O'Connor, the Council voted five (5) for and none (0) opposed to approve the ordinance as presented. Motion carried.**

5. Administration Discussion and possible action on direction regarding policy on Building Permit and Application Expirations.

Director Bills gave a brief summary. Mayor Anthony gave a history of the timeline requirements in the current code. The Council and staff discussed the following:

- Building permits, fence/screening permits, and demolition permits.
- Currently, dormant permit applications do not limit the number of reviews.
- Expiration terms for various permits need to be realistic and consistent.
- Need a definition for "commencement" or "starting" of projects.
- Need more discussion regarding the establishment of a fee for "Work without Permit."

Staff will prepare an ordinance amendment for Chapter 22 and provide to the Council for review/approval.

6. Administration Discuss and consider approving Amendment #3 to the professional services agreement with Brinkley Sargent Wiginton, Inc.

City Administrator Fletcher and Mayor Anthony gave a brief summary.

**MOTION: Upon a motion made by Councilmember Bowman and a second by Councilmember O'Connor, the Council voted five (5) for and none (0) opposed to authorize the City Administrator to execute Amendment #3 with BSW as presented. Motion carried.**

7. Police Discuss and consider the implementation of license plate reader cameras.

Item pulled from the agenda by Mayor Anthony.

8. Administration Discussion and possible action to authorize the City Administrator to execute an amendment to the CMaR Contract with SpawGlass for the new municipal complex amending the insurance requirements and formalizing the previous City Council action regarding the Guaranteed Maximum Price (GMP) proposal.



City Administrator Fletcher gave a summary. Stephen Karp reviewed recommendations with the Council.

**MOTION: Upon a motion made by Councilmember Plunkett and a second by Councilmember O'Connor, the Council voted five (5) for and none (0) opposed to approve the amendment to the CMaR Contract with SpawGlass as presented. Motion carried.**

9. Executive Session In accordance with Texas Government Code, Section 551.001, et seq, the City Council will recess into Executive Session (closed meeting) to discuss the following:
  - a. Section 551.071 - Consultation with the attorney regarding pending or contemplated litigation, or settlement offer; or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act, re: City of West Lake Hills v. the following:
    1. Jaffe - 1405 Wildcat Hollow;
    2. Alvarez - 1505 Wildcat Hollow;
    3. Lambert - 1600 Westlake Drive; and
    4. 1836 Real Estate, LLC - 707 Butler Cove.

**Council convened into Executive Session at 7:59 p.m.**

10. Executive Session Reconvene into Open Session and take action if and as deemed appropriate in the City Councils' discretion regarding consultation with attorney.

**Council reconvened in Open Session at 8:26 p.m. No action was taken.**

11. Adjournment

**MOTION: Upon a motion made by Councilmember Walker and a second by Councilmember South, the Council voted five (5) for and none (0) opposed to adjourn the meeting at 8:27 p.m. Motion carried.**

Respectfully submitted,

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LINDA ANTHONY, MAYOR

ATTEST:

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Terry Blanchard, TRMC  
City Secretary

These minutes were approved on March 13, 2024.



# City of West Lake Hills City Council

## AGENDA REPORT

|               |                                                                                                                                          |                  |     |
|---------------|------------------------------------------------------------------------------------------------------------------------------------------|------------------|-----|
| Meeting Date: | March 13, 2024                                                                                                                           | Item Number:     | 4   |
| Department:   | Finance                                                                                                                                  |                  |     |
| Prepared By:  | Vonda Ragsdale<br>FY2022-23 Annual<br>Financial Report (Audit),<br>Letter to the Governing<br>Body & Management<br>Representation Letter | Cost / Budget:   | N/A |
| Exhibits:     |                                                                                                                                          | Source of Funds: | N/A |

### Subject

FY2021-22 Annual Financial Report (Audit)

### Recommendation

Accept Auditor Opinion of *Unmodified* – the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of West Lake Hills, Texas, as of September 30, 2023.

### Discussion

#### Financial Highlights

- The City's net position for governmental activities increased by \$2,022,360 to end at \$15,720,584 primarily due to higher than originally budgeted sales tax.
- The City's fund balance in the General Fund increased by \$752,124 to end at \$11,300,438.
- The City's fund balance in the Wastewater Funds increased by \$767,577 to end at \$4,854,915.

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DISCUSSION  
PURPOSES ONLY

CITY OF WEST LAKE HILLS, TEXAS  
ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2023



SINGLETON, CLARK  
& COMPANY, PC CERTIFIED PUBLIC ACCOUNTANTS



CITY OF WEST LAKE HILLS, TEXAS  
ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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CITY OF WEST LAKE HILLS, TEXAS  
ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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## FINANCIAL SECTION

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council of  
City of West Lake Hills, Texas

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of West Lake Hills, Texas (the "City"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis section which precedes the basic financial statements and the pension and other post-employment benefits liabilities related schedules following the notes to the financial statements be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Singleton, Clark & Company, PC*

Singleton, Clark & Company, PC  
Cedar Park, Texas

February 16, 2024

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## Management's Discussion and Analysis

The Management's Discussion and Analysis section of the City of West Lake Hills, Texas's (hereafter the "City") Annual Financial Report offers readers this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2023. Please read it in conjunction with the independent auditor's report beginning on page 1 of this report and the City's basic financial statements which follow this section.

## Financial Highlights

- The City's net position for governmental activities increased by \$2,022,360 as a result of this year's current operations, to end at \$15,720,584.
- The City's fund balance in the General Fund increased by \$752,124 to end at \$11,300,438.
- The City's net position in the Wastewater Fund increased by \$767,577 to end at \$4,854,915.

## Overview of the Financial Statements

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, health & welfare, and public works. The business-type activities of the City include wastewater utility operation.

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

**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 City's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds as applicable.

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

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

The City maintains three 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 balance for the General Fund.

The City adopts an annual appropriated budget for its General Fund and its Debt Service Fund. A budgetary comparison statement has been provided for the General Fund and Debt Service Fund to demonstrate compliance with these budgets.

**Proprietary Funds.** The City has the option of maintaining two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for its wastewater utility operation. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among a city's functions. The City is not currently utilizing an internal service fund. Because the services provided by internal service funds predominantly benefit governmental rather than business-type functions, they are usually included within *governmental activities* in the government-wide financial statements.

Proprietary funds 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 wastewater utility, which is considered to be a major fund of the City.

**Basis of Reporting.** The government-wide statements and the fund-level proprietary statements are reported using the full accrual basis of accounting. The governmental funds are reported using the modified accrual basis of accounting.



CITY OF WEST LAKE HILLS, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

DRAFT - FOR  
DISCUSSION  
PURPOSES ONLY

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

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City's progress in funding its obligation to provide pension and OPEB benefits to its employees. Required supplementary information can be found on pages 56-67 of this report.

**Government-wide Overall Financial Analysis**

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. For the year ended, the City's total assets and deferred outflows of resources exceeded total liabilities and deferred inflows by \$20,575,499 (which is total net position).

**Condensed Statement of Net Position  
As of September 30**

|                                  | Governmental Activities |               | Business-Type Activities |              | Total         |               |
|----------------------------------|-------------------------|---------------|--------------------------|--------------|---------------|---------------|
|                                  | 2023                    | 2022          | 2023                     | 2022         | 2023          | 2022          |
| Current assets                   | \$ 39,498,708           | \$ 30,094,147 | \$ 4,284,498             | \$ 3,844,766 | \$ 43,783,206 | \$ 33,938,913 |
| Capital assets                   | 13,845,343              | 11,675,414    | 11,828,925               | 12,423,157   | 25,674,268    | 24,098,571    |
| Total assets                     | 53,344,051              | 41,769,561    | 16,113,423               | 16,267,923   | 69,457,474    | 58,037,484    |
| Deferred outflows of resources   | 1,571,960               | 459,486       | -                        | -            | 1,571,960     | 459,486       |
| Current liabilities              | 1,553,201               | 1,558,809     | 658,508                  | 600,585      | 2,211,709     | 2,159,394     |
| Noncurrent liabilities           | 37,084,467              | 26,190,496    | 10,600,000               | 11,580,000   | 47,684,467    | 37,770,496    |
| Total liabilities                | 38,637,668              | 27,749,305    | 11,258,508               | 12,180,585   | 49,896,176    | 39,929,890    |
| Deferred inflows of resources    | 557,759                 | 781,518       | -                        | -            | 557,759       | 781,518       |
| Net position:                    |                         |               |                          |              |               |               |
| Net investment in capital assets | (21,017,136)            | (13,660,975)  | 1,228,925                | 843,157      | (19,788,211)  | (12,817,818)  |
| Restricted                       | 28,219,172              | 18,168,761    | -                        | -            | 28,219,172    | 18,168,761    |
| Unrestricted                     | 8,518,548               | 9,190,438     | 3,625,990                | 3,244,181    | 12,144,538    | 12,434,619    |
| Total net position               | \$ 15,720,584           | \$ 13,698,224 | \$ 4,854,915             | \$ 4,087,338 | \$ 20,575,499 | \$ 17,785,562 |

A large portion of the City's net position reflects resources that are subject to external restrictions on how they may be used. Of the \$28,219,172 restricted amount, 99% is restricted for capital projects. Because the City's investment in capital assets are reported net of debt, this category of net position currently has a negative balance of (\$19,788,211) due to current unspent debt proceeds. An additional portion of the City's net position, \$12,144,538, represents unrestricted resources that may be used to meet the government's ongoing obligations to its citizens and creditors.

CITY OF WEST LAKE HILLS, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

DRAFT - FOR  
DISCUSSION  
PURPOSES ONLY

The City's total net position increased by \$2,789,937 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

**Governmental Activities.** During the current fiscal year, net position for governmental activities increased by \$2,022,360 from the prior fiscal year for an ending balance of \$15,720,584. The increase in the overall net position of governmental activities was primarily due to lower than appropriated expenditures.

**Condensed Statement of Activities  
For the Years Ended September 30**

|                                                              | Governmental Activities |              | Business-Type Activities |              | Total        |              |
|--------------------------------------------------------------|-------------------------|--------------|--------------------------|--------------|--------------|--------------|
|                                                              | 2023                    | 2022         | 2023                     | 2022         | 2023         | 2022         |
| Program Revenues:                                            |                         |              |                          |              |              |              |
| Charges for services                                         | \$ 748,624              | \$ 828,348   | \$ 2,487,217             | \$ 2,390,570 | \$ 3,235,841 | \$ 3,218,918 |
| Operating grants &                                           | 139,879                 | 58,008       | -                        | -            | 139,879      | 58,008       |
| General Revenues:                                            |                         |              |                          |              |              |              |
| Property taxes                                               | 4,633,921               | 2,042,423    | -                        | -            | 4,633,921    | 2,042,423    |
| Other taxes                                                  | 4,096,940               | 3,854,948    | -                        | -            | 4,096,940    | 3,854,948    |
| Grants and contributions not restricted to specific programs | 426,970                 | 404,841      | -                        | -            | 426,970      | 404,841      |
| Other                                                        | 1,702,754               | 443,666      | 34,845                   | 12,013       | 1,737,599    | 455,679      |
| Total revenue                                                | 11,749,088              | 7,632,234    | 2,522,062                | 2,402,583    | 14,271,150   | 10,034,817   |
| Expenses:                                                    |                         |              |                          |              |              |              |
| General government                                           | 1,478,047               | 1,298,664    | -                        | -            | 1,478,047    | 1,298,664    |
| Public safety                                                | 2,959,150               | 2,545,254    | -                        | -            | 2,959,150    | 2,545,254    |
| Public Works                                                 | 4,074,949               | 1,712,802    | -                        | -            | 4,074,949    | 1,712,802    |
| Interest on long-term debt                                   | 1,214,582               | -            | -                        | -            | 1,214,582    | -            |
| Wastewater Fund                                              | -                       | -            | 1,754,485                | 1,578,491    | 1,754,485    | 1,578,491    |
| Total expenses                                               | 9,726,728               | 5,556,720    | 1,754,485                | 1,578,491    | 11,481,213   | 7,135,211    |
| Increase (decrease) in net position                          | 2,022,360               | 2,075,514    | 767,577                  | 824,092      | 2,789,937    | 2,899,606    |
| Net position - beginning                                     | 13,698,224              | 11,622,710   | 4,087,338                | 3,263,246    | 17,785,562   | 14,885,956   |
| Net position - ending                                        | \$15,720,584            | \$13,698,224 | \$ 4,854,915             | \$ 4,087,338 | \$20,575,499 | \$17,785,562 |

**Business-type Activities.** For the City of West Lake Hills, Texas's business-type activities, the results for the current fiscal year were positive in that overall net position increased to reach an ending balance of \$4,854,915. The total increase in net position for business-type activities was \$767,577 or 18.8% from the prior fiscal year.

**Financial Analysis of Governmental Funds**

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

**Governmental Funds.** The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City's Council.

At September 30, 2023, the City's governmental funds reported combined fund balances of \$38,050,013 an increase of \$9,538,215 in comparison with the prior year. Approximately 8% of this amount \$3,062,228 constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is either *restricted*, *committed*, or *assigned* to indicate that it is 1) restricted for particular purposes \$28,212,537; 2) committed for particular purposes \$6,500,000; or 3) assigned for particular purposes \$275,248.

The fund balance of the City's General Fund increased by \$752,124 during the current fiscal year with an ending fund balance of \$11,300,438. As discussed earlier in connection with governmental activities, the increase was primarily due to higher than anticipated revenues as well as lower than appropriated expenditures.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$3,062,228. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 40% of total noncapital general fund expenditures, while total fund balance represents approximately 148% of that same amount.

The Debt Service Fund, the remaining major governmental fund, had a decrease in fund balance during the current year of \$2,458 to bring the year end fund balance to \$8,124.

The Capital Projects fund, a major fund, had a \$8,788,549 increase in fund balance during the current fiscal year which put the overall fund balance at \$26,741,451. The increase in fund balance for the year is related to newly issued bonds.

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

Unrestricted net position of the Wastewater Fund at the end of the year was \$3,625,990. The total growth in net position for the fund was \$767,577.

### **General Fund Budgetary Highlights**

**Original budget compared to final budget.** Over the course of the year, the City Council generally revises the City's budget based on financial updates provided by management. These amendments involve moving funds from functions that did not need all the resources originally appropriated to them to functions with resource needs, or to budget for new revenues or new estimated costs. The budget amendments made to the Police, Highways and Streets, and Capital Outlay Functions during the year were considered significant.

CITY OF WEST LAKE HILLS, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

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**Capital Assets and Debt Administration**

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities as of September 30, 2023, amounts to \$25,674,268 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery, equipment, vehicles, park facilities, roads, highways, bridges, and the water treatment plant. The total increase in capital assets (net of accumulated depreciation) for the current fiscal year was approximately 6%.

**Capital Assets, Net of Accumulated Depreciation**

|                                     | Governmental<br>Activities<br>2023 | Governmental<br>Activities<br>2022 | Change       |
|-------------------------------------|------------------------------------|------------------------------------|--------------|
| Land                                | \$ 6,722,075                       | \$ 6,722,075                       | \$ -         |
| Buildings                           | 1,694,092                          | 1,690,502                          | 3,590        |
| Furniture and equipment             | 2,125,443                          | 1,976,307                          | 149,136      |
| Infrastructure                      | 3,962,515                          | 3,957,708                          | 4,807        |
| Construction in progress            | 4,242,678                          | 1,901,112                          | 2,341,566    |
| Total                               | 18,746,803                         | 16,247,704                         | 2,499,099    |
| Less accumulated depreciation       | (4,901,460)                        | (4,572,290)                        | (329,170)    |
| Capital assets, net of depreciation | \$ 13,845,343                      | \$ 11,675,414                      | \$ 2,169,929 |

|                                     | Business-Type<br>Activities<br>2023 | Business-Type<br>Activities<br>2022 | Change       |
|-------------------------------------|-------------------------------------|-------------------------------------|--------------|
| Land                                | \$ 420,000                          | \$ 420,000                          | \$ -         |
| Furniture and equipment             | 36,754                              | 36,754                              | -            |
| Construction in progress            | -                                   | 7,682                               | (7,682)      |
| Infrastructure                      | 18,059,980                          | 18,026,120                          | 33,860       |
| Total                               | 18,516,734                          | 18,490,556                          | 26,178       |
| Less accumulated depreciation       | (6,687,809)                         | (6,067,399)                         | (620,410)    |
| Capital assets, net of depreciation | \$ 11,828,925                       | \$ 12,423,157                       | \$ (594,232) |

Additional information on the City's capital assets can be found in Note III.D on pages 41-42 of this report.

**Long-term Debt.** At the end of the current fiscal year, the City had total bonded debt outstanding of \$47,684,467. Of this amount, \$9,688,182 represents newly issued bonds and premiums, \$235,913 represents the City's liability for compensated absences earned by employees as of year end and \$2,164,504 represents the City's net pension and OPEB liabilities. The remaining \$10,600,000 of the City long-term liabilities represent bonds payable in the Wastewater Fund.

CITY OF WEST LAKE HILLS, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

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**Outstanding Debt**

|                                  | Governmental<br>Activities<br>2023 | Governmental<br>Activities<br>2022 | Change               |
|----------------------------------|------------------------------------|------------------------------------|----------------------|
| General obligation bonds         | \$ 32,795,000                      | \$ 23,825,000                      | \$ 8,970,000         |
| Premium on bonds                 | 1,889,050                          | 1,469,654                          | 419,396              |
| Net pension and OPEB liabilities | 2,164,504                          | 665,114                            | 1,499,390            |
| Compensated absences             | 235,913                            | 230,728                            | 5,185                |
| Total                            | <u>\$ 37,084,467</u>               | <u>\$ 26,190,496</u>               | <u>\$ 10,893,971</u> |

|               | Business-Type<br>Activities<br>2023 | Business-Type<br>Activities<br>2022 | Change              |
|---------------|-------------------------------------|-------------------------------------|---------------------|
| Revenue bonds | \$ 10,600,000                       | \$ 11,580,000                       | \$ (980,000)        |
| Total         | <u>\$ 10,600,000</u>                | <u>\$ 11,580,000</u>                | <u>\$ (980,000)</u> |

The City's total governmental debt increased by \$10,893,971 during the current fiscal year. This increase is due to the debt issuance in the fiscal year. The City's revenue bonds decreased by \$980,000 during the current fiscal year related to a regular, scheduled principal payment. The City's compensated absences increased related to the owed paid time off. The City's net pension and OPEB balances increased related to pension and OPEB valuations.

**Economic Factors and Next Year's Budgets and Rates**

The City considered many factors when setting the fiscal year 2023-2024 budget. The City's General Fund budget for fiscal year 2023-2024 includes expenditures of \$8,811,242 which is an increase of \$2.2M from fiscal year 2022-2023 total adopted expenditures. The city increased the tax rate for 2023-2024 to \$0.1178 for the General Fund and to \$0.0608 for the Debt Service Fund. The overall total tax rate increased to \$0.1786 per \$100 valuation.

**Requests for Information**

This financial report is designed to provide a general overview of the City's finances for all those interested in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City's Finance Director at the City of West Lake Hills, 911 Westlake Drive, West Lake Hills, Texas 78746-4599 or by calling (512) 327-3628. Financial information is also available on the City's website at [www.westlakehills.org](http://www.westlakehills.org).

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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CITY OF WEST LAKE HILLS, TEXAS  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2023

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|                                          | Primary Government         |                             |               |
|------------------------------------------|----------------------------|-----------------------------|---------------|
|                                          | Governmental<br>Activities | Business-Type<br>Activities | Total         |
| <b>ASSETS</b>                            |                            |                             |               |
| Cash and cash equivalents                | \$ 37,028,725              | \$ 5,586,432                | \$ 42,615,157 |
| Taxes receivable - delinquent            | 89,453                     | -                           | 89,453        |
| Allowance for uncollectible taxes        | (44,730)                   | -                           | (44,730)      |
| Accounts receivable, net                 | 181,917                    | 248,066                     | 429,983       |
| Intergovernmental receivable             | 693,343                    | -                           | 693,343       |
| Internal balances                        | 1,550,000                  | (1,550,000)                 | -             |
| Capital assets, not being depreciated:   |                            |                             |               |
| Land                                     | 6,722,075                  | 420,000                     | 7,142,075     |
| Construction in progress                 | 4,242,678                  | -                           | 4,242,678     |
| Capital assets, being depreciated:       |                            |                             |               |
| Buildings and improvements               | 1,694,092                  | -                           | 1,694,092     |
| Machinery, equipment, and vehicles       | 2,125,443                  | -                           | 2,125,443     |
| Infrastructure                           | 3,962,515                  | 18,096,734                  | 22,059,249    |
| Accumulated depreciation                 | (4,901,460)                | (6,687,809)                 | (11,589,269)  |
| Total assets                             | 53,344,051                 | 16,113,423                  | 69,457,474    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>    |                            |                             |               |
| Deferred outflows of resources -NPL/OPEB | 1,571,960                  | -                           | 1,571,960     |
| Total deferred outflows of resources     | 1,571,960                  | -                           | 1,571,960     |
| <b>LIABILITIES</b>                       |                            |                             |               |
| Accounts payable                         | 448,829                    | 98,153                      | 546,982       |
| Accrued salaries and benefits            | 91,806                     | 302                         | 92,108        |
| Accrued interest payable                 | 149,229                    | 19,285                      | 168,514       |
| Unearned revenue                         | 551,859                    | 300                         | 552,159       |
| Other current liabilities                | 311,478                    | -                           | 311,478       |
| Customer deposits                        | -                          | 540,468                     | 540,468       |
| Noncurrent liabilities:                  |                            |                             |               |
| Due within one year                      | 810,000                    | 1,070,000                   | 1,880,000     |
| Due in more than one year                | 36,274,467                 | 9,530,000                   | 45,804,467    |
| Total liabilities                        | 38,637,668                 | 11,258,508                  | 49,896,176    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>     |                            |                             |               |
| Deferred inflows of resources -NPL/OPEB  | 557,759                    | -                           | 557,759       |
| Total deferred inflows of resources      | 557,759                    | -                           | 557,759       |
| <b>NET POSITION</b>                      |                            |                             |               |
| Net investment in capital assets         | (21,017,136)               | 1,228,925                   | (19,788,211)  |
| Restricted for court security            | 71,868                     | -                           | 71,868        |
| Restricted for court technology          | 21,465                     | -                           | 21,465        |
| Restricted for child safety              | 91,454                     | -                           | 91,454        |
| Restricted for LEOSE                     | 41,335                     | -                           | 41,335        |
| Restricted for debt service              | 14,759                     | -                           | 14,759        |
| Restricted for capital projects          | 27,978,291                 | -                           | 27,978,291    |
| Unrestricted                             | 8,518,548                  | 3,625,990                   | 12,144,538    |
| Total net position                       | \$ 15,720,584              | \$ 4,854,915                | \$ 20,575,499 |

The notes to the financial statements are an integral part of this statement.

CITY OF WEST LAKE HILLS, TEXAS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

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| Functions/Programs:             | Expenses             | Program Revenues        |                                          |
|---------------------------------|----------------------|-------------------------|------------------------------------------|
|                                 |                      | Charges for<br>Services | Operating<br>Grants and<br>Contributions |
| <b>Primary Government:</b>      |                      |                         |                                          |
| Governmental activities:        |                      |                         |                                          |
| General government              | \$ 1,478,047         | \$ 542,379              | \$ 82,730                                |
| Public safety                   | 2,959,150            | 184,213                 | 51,795                                   |
| Public Works                    | 4,074,949            | 22,032                  | -                                        |
| Health and welfare              | -                    | -                       | 5,354                                    |
| Interest and bank fees          | 1,214,582            | -                       | -                                        |
| Total governmental activities:  | <u>9,726,728</u>     | <u>748,624</u>          | <u>139,879</u>                           |
| Business-type activities:       |                      |                         |                                          |
| Wastewater Funds                | 1,754,485            | 2,487,217               | -                                        |
| Total business-type activities: | <u>1,754,485</u>     | <u>2,487,217</u>        | <u>-</u>                                 |
| Total primary government        | <u>\$ 11,481,213</u> | <u>\$ 3,235,841</u>     | <u>\$ 139,879</u>                        |

General revenues:

Property taxes  
Sales taxes  
Franchise taxes  
Investment earnings  
Gain (Loss) on sale of capital assets  
Miscellaneous  
Total general revenues

Change in net position

Net position - beginning

Net position - ending

| Net (Expense) Revenue and Changes in Net Position |                            |               |
|---------------------------------------------------|----------------------------|---------------|
| Primary Government                                |                            |               |
| Governmental<br>Activities                        | Business-Type<br>Activites | Total         |
| \$ (852,938)                                      | \$ -                       | \$ (852,938)  |
| (2,723,142)                                       | -                          | (2,723,142)   |
| (4,052,917)                                       | -                          | (4,052,917)   |
| 5,354                                             | -                          | 5,354         |
| (1,214,582)                                       | -                          | (1,214,582)   |
| (8,838,225)                                       | -                          | (8,838,225)   |
| -                                                 | 732,732                    | 732,732       |
| -                                                 | 732,732                    | 732,732       |
| (8,838,225)                                       | 732,732                    | (8,105,493)   |
| 4,633,921                                         | -                          | 4,633,921     |
| 4,096,940                                         | -                          | 4,096,940     |
| 426,970                                           | -                          | 426,970       |
| 1,541,721                                         | 27,045                     | 1,568,766     |
| 27,949                                            | -                          | 27,949        |
| 133,084                                           | 7,800                      | 140,884       |
| 10,860,585                                        | 34,845                     | 10,895,430    |
| 2,022,360                                         | 767,577                    | 2,789,937     |
| 13,698,224                                        | 4,087,338                  | 17,785,562    |
| \$ 15,720,584                                     | \$ 4,854,915               | \$ 20,575,499 |

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FUND BASIS FINANCIAL STATEMENTS

CITY OF WEST LAKE HILLS, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2023

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|                                                        | General<br>Fund      | Debt<br>Service<br>Fund | Capital<br>Projects<br>Fund | Total<br>Governmental<br>Funds |
|--------------------------------------------------------|----------------------|-------------------------|-----------------------------|--------------------------------|
| <b>ASSETS</b>                                          |                      |                         |                             |                                |
| Cash and cash equivalents                              | \$ 10,091,571        | \$ 8,124                | \$ 26,929,030               | \$ 37,028,725                  |
| Taxes receivable - delinquent                          | 76,182               | 13,271                  | -                           | 89,453                         |
| Allowance for uncollectible delinquent taxes           | (38,094)             | (6,636)                 | -                           | (44,730)                       |
| Accounts receivable                                    | 181,917              | -                       | -                           | 181,917                        |
| Intergovernmental receivable                           | 693,343              | -                       | -                           | 693,343                        |
| Due from other funds                                   | 1,550,000            | -                       | -                           | 1,550,000                      |
| Total assets                                           | <u>\$ 12,554,919</u> | <u>\$ 14,759</u>        | <u>\$ 26,929,030</u>        | <u>\$ 39,498,708</u>           |
| <b>LIABILITIES</b>                                     |                      |                         |                             |                                |
| Accounts payable                                       | \$ 261,250           | \$ -                    | \$ 187,579                  | \$ 448,829                     |
| Accrued payroll                                        | 91,806               | -                       | -                           | 91,806                         |
| Unearned revenue                                       | 551,859              | -                       | -                           | 551,859                        |
| Other current liabilities                              | 311,478              | -                       | -                           | 311,478                        |
| Total liabilities                                      | <u>1,216,393</u>     | <u>-</u>                | <u>187,579</u>              | <u>1,403,972</u>               |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                   |                      |                         |                             |                                |
| Unavailable revenue                                    | 38,088               | 6,635                   | -                           | 44,723                         |
| <b>FUND BALANCES</b>                                   |                      |                         |                             |                                |
| Restricted:                                            |                      |                         |                             |                                |
| Fund balance - restricted for court security           | 71,868               | -                       | -                           | 71,868                         |
| Fund balance - restricted for court technology         | 21,465               | -                       | -                           | 21,465                         |
| Fund balance - restricted for child safety             | 91,454               | -                       | -                           | 91,454                         |
| Fund balance - restricted for LEOSE                    | 41,335               | -                       | -                           | 41,335                         |
| Fund balance - restricted for debt service             | -                    | 8,124                   | -                           | 8,124                          |
| Fund balance - restricted for capital projects         | 1,236,840            | -                       | 26,741,451                  | 27,978,291                     |
| Committed:                                             |                      |                         |                             |                                |
| Committed for City Hall reserve                        | 3,000,000            | -                       | -                           | 3,000,000                      |
| Committed for stabilization                            | 2,500,000            | -                       | -                           | 2,500,000                      |
| Committed for legal counsel                            | 300,000              | -                       | -                           | 300,000                        |
| Committed for contingency                              | 500,000              | -                       | -                           | 500,000                        |
| Committed for brush pickup                             | 200,000              | -                       | -                           | 200,000                        |
| Assigned:                                              |                      |                         |                             |                                |
| Assigned for Tree Fund                                 | 275,248              | -                       | -                           | 275,248                        |
| Unassigned                                             | 3,062,228            | -                       | -                           | 3,062,228                      |
| Total fund balances                                    | <u>11,300,438</u>    | <u>8,124</u>            | <u>26,741,451</u>           | <u>38,050,013</u>              |
| Total liabilities, deferred inflows, and fund balances | <u>\$ 12,554,919</u> | <u>\$ 14,759</u>        | <u>\$ 26,929,030</u>        | <u>\$ 39,498,708</u>           |

The notes to the financial statements are an integral part of this statement.

CITY OF WEST LAKE HILLS, TEXAS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2023

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

|                                                                                                                                                            |                      |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| Total fund balance of all governmental funds                                                                                                               | \$ 38,050,013        |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.                                  | 13,845,343           |
| Other long-term assets, such as uncollected property taxes, are not available to pay for and, therefore, are reported as unavailable revenue in the funds. | 44,723               |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.               | (35,069,192)         |
| Additional long-term liabilities related to the recognition of the net pension liability and the net OPEB liability are not reported in the funds.         | (1,150,303)          |
| Net position of governmental activities                                                                                                                    | <u>\$ 15,720,584</u> |

The notes to the financial statements are an integral part of this statement.

CITY OF WEST LAKE HILLS, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

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|                                                   | General<br>Fund      | Debt<br>Service<br>Fund | Capital<br>Projects<br>Fund | Total<br>Governmental<br>Funds |
|---------------------------------------------------|----------------------|-------------------------|-----------------------------|--------------------------------|
| <b>REVENUES</b>                                   |                      |                         |                             |                                |
| Property taxes                                    | \$ 3,235,995         | \$ 1,353,156            | \$ -                        | \$ 4,589,151                   |
| Sales taxes                                       | 4,096,940            | -                       | -                           | 4,096,940                      |
| Franchise taxes                                   | 426,970              | -                       | -                           | 426,970                        |
| Penalties and interest on taxes                   | 26,882               | -                       | -                           | 26,882                         |
| Licenses and permits                              | 344,291              | -                       | -                           | 344,291                        |
| Intergovernmental revenues                        | 139,879              | -                       | -                           | 139,879                        |
| Charges for services                              | 137,697              | -                       | -                           | 137,697                        |
| Fines                                             | 184,213              | -                       | -                           | 184,213                        |
| Investment earnings                               | 565,851              | 518                     | 975,352                     | 1,541,721                      |
| Rents and royalties                               | 82,423               | -                       | -                           | 82,423                         |
| Miscellaneous revenue                             | 129,789              | -                       | -                           | 129,789                        |
| Total revenues                                    | <u>9,370,930</u>     | <u>1,353,674</u>        | <u>975,352</u>              | <u>11,699,956</u>              |
| <b>EXPENDITURES</b>                               |                      |                         |                             |                                |
| Current:                                          |                      |                         |                             |                                |
| General government                                | 1,164,575            | -                       | 180,175                     | 1,344,750                      |
| Police                                            | 2,345,499            | -                       | -                           | 2,345,499                      |
| Municipal Court                                   | 345,291              | -                       | -                           | 345,291                        |
| Highways and streets                              | 3,805,850            | -                       | -                           | 3,805,850                      |
| Debt service:                                     |                      |                         |                             |                                |
| Bond principal                                    | -                    | 240,000                 | -                           | 240,000                        |
| Interest - bonds                                  | -                    | 1,124,139               | -                           | 1,124,139                      |
| Capital outlay                                    | 985,540              | -                       | 1,686,803                   | 2,672,343                      |
| Total expenditures                                | <u>8,646,755</u>     | <u>1,364,139</u>        | <u>1,866,978</u>            | <u>11,877,872</u>              |
| Excess (deficiency) of revenues over expenditures | <u>724,175</u>       | <u>(10,465)</u>         | <u>(891,626)</u>            | <u>(177,916)</u>               |
| <b>OTHER FINANCING SOURCES (USES)</b>             |                      |                         |                             |                                |
| Sale of general capital assets                    | 27,949               | -                       | -                           | 27,949                         |
| General obligation bonds issued                   | -                    | -                       | 9,210,000                   | 9,210,000                      |
| Premium on bonds issued                           | -                    | 8,007                   | 470,175                     | 478,182                        |
| Total other financing sources (uses)              | <u>27,949</u>        | <u>8,007</u>            | <u>9,680,175</u>            | <u>9,716,131</u>               |
| Net change in fund balance                        | 752,124              | (2,458)                 | 8,788,549                   | 9,538,215                      |
| Fund balance - beginning                          | 10,548,314           | 10,582                  | 17,952,902                  | 28,511,798                     |
| Fund balance - ending                             | <u>\$ 11,300,438</u> | <u>\$ 8,124</u>         | <u>\$ 26,741,451</u>        | <u>\$ 38,050,013</u>           |

The notes to the financial statements are an integral part of this statement.



CITY OF WEST LAKE HILLS, TEXAS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

DRAFT - FOR  
DISCUSSION  
PURPOSES ONLY

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

|                                                          |              |
|----------------------------------------------------------|--------------|
| Net change in fund balances for total governmental funds | \$ 9,538,215 |
|----------------------------------------------------------|--------------|

|                                                                                                                                                                                                                                                                                                                   |           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period. | 2,169,929 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|

|                                                                                                                                    |        |
|------------------------------------------------------------------------------------------------------------------------------------|--------|
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | 17,888 |
|------------------------------------------------------------------------------------------------------------------------------------|--------|

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. | (9,543,810) |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|

|                                                                                                                                           |           |
|-------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| The net effect of various transactions involving the net pension liability <b>and</b> the net OPEB liability is to decrease net position. | (159,862) |
|-------------------------------------------------------------------------------------------------------------------------------------------|-----------|

|                                                    |                                                                                                               |
|----------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| Change in net position for governmental activities | <div style="border-top: 1px solid black; border-bottom: 3px double black; padding: 2px 0;">\$ 2,022,360</div> |
|----------------------------------------------------|---------------------------------------------------------------------------------------------------------------|

The notes to the financial statements are an integral part of this statement.

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CITY OF WEST LAKE HILLS, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-  
BUDGET AND ACTUAL – GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

DRAFT- FOR  
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PURPOSES ONLY

|                                                      | Budgeted Amounts |               |               | Variance With |
|------------------------------------------------------|------------------|---------------|---------------|---------------|
|                                                      | Original         | Final         | Actual        | Final Budget  |
| <b>REVENUES</b>                                      |                  |               |               |               |
| Property taxes                                       | \$ 3,263,628     | \$ 3,263,628  | \$ 3,235,995  | \$ (27,633)   |
| Sales and mixed beverage taxes                       | 3,298,000        | 4,098,000     | 4,096,940     | (1,060)       |
| Franchise taxes                                      | 390,000          | 416,969       | 426,970       | 10,001        |
| Penalties and interest on taxes                      | 7,500            | 26,373        | 26,882        | 509           |
| Permits                                              | 250,400          | 347,074       | 344,291       | (2,783)       |
| Grants                                               | 75,000           | 138,682       | 139,879       | 1,197         |
| Fees                                                 | 130,000          | 120,285       | 137,697       | 17,412        |
| Fines                                                | 150,650          | 183,983       | 184,213       | 230           |
| Investment earnings                                  | 52,000           | 565,851       | 565,851       | -             |
| Leases                                               | 58,560           | 81,424        | 82,423        | 999           |
| Miscellaneous revenue                                | 25,200           | 144,644       | 129,789       | (14,855)      |
| Total revenues                                       | 7,700,938        | 9,386,913     | 9,370,930     | (15,983)      |
| <b>EXPENDITURES</b>                                  |                  |               |               |               |
| Current:                                             |                  |               |               |               |
| General government                                   | 1,168,203        | 1,152,665     | 1,164,575     | (11,910)      |
| Police                                               | 2,490,482        | 2,368,831     | 2,345,499     | 23,332        |
| Municipal Court                                      | 330,217          | 349,627       | 345,291       | 4,336         |
| Highways and Streets                                 | 1,832,501        | 3,803,759     | 3,805,850     | (2,091)       |
| Capital outlay                                       | 780,325          | 1,062,319     | 985,540       | 76,779        |
| Total Expenditures                                   | 6,601,728        | 8,737,201     | 8,646,755     | 90,446        |
| Excess (deficiency) of revenues<br>over expenditures | 1,099,210        | 649,712       | 724,175       | 74,463        |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                  |               |               |               |
| Sale of general capital assets                       | -                | 27,949        | 27,949        | -             |
| Total other financing sources (uses)                 | -                | 27,949        | 27,949        | -             |
| Net change in fund balances                          | 1,099,210        | 677,661       | 752,124       | 74,463        |
| Fund balance - beginning                             | 10,548,314       | 10,548,314    | 10,548,314    | -             |
| Fund balance - ending                                | \$ 11,647,524    | \$ 11,225,975 | \$ 11,300,438 | \$ 74,463     |

The notes to the financial statements are an integral part of this statement.

CITY OF WEST LAKE HILLS, TEXAS  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2023

DRAFT - FOR  
DISCUSSION  
PURPOSES ONLY

|                                   | Business-Type<br>Activities |
|-----------------------------------|-----------------------------|
|                                   | Wastewater<br>Fund          |
| <b>ASSETS</b>                     |                             |
| Current Assets:                   |                             |
| Cash and cash equivalents         | \$ 5,586,432                |
| Accounts receivable, net          | 248,066                     |
| Total current assets              | <u>5,834,498</u>            |
| Noncurrent Assets:                |                             |
| Land                              | 420,000                     |
| Infrastructure                    | 18,096,734                  |
| Accumulated depreciation          | (6,687,809)                 |
| Total noncurrent assets           | <u>11,828,925</u>           |
| Total assets                      | <u>17,663,423</u>           |
| <b>LIABILITIES</b>                |                             |
| Current liabilities:              |                             |
| Accounts payable                  | 98,153                      |
| Compensated absences payable      | 302                         |
| Due to other funds                | 1,550,000                   |
| Accrued interest payable          | 19,285                      |
| Unearned revenue                  | 300                         |
| Bonds and notes payable - current | 1,070,000                   |
| Customer deposits                 | 540,468                     |
| Total current liabilities         | <u>3,278,508</u>            |
| Noncurrent Liabilities:           |                             |
| Bonds payable                     | 9,530,000                   |
| Total noncurrent liabilities      | <u>9,530,000</u>            |
| Total liabilities                 | <u>12,808,508</u>           |
| <b>NET POSITION</b>               |                             |
| Net investment in capital assets  | 1,228,925                   |
| Unrestricted                      | 3,625,990                   |
| Total net position                | <u>\$ 4,854,915</u>         |

The notes to the financial statements are an integral part of this statement.

CITY OF WEST LAKE HILLS, TEXAS  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

DRAFT - FOR  
DISCUSSION  
PURPOSES ONLY

|                                        | Business-Type<br>Activities |
|----------------------------------------|-----------------------------|
|                                        | Wastewater<br>Fund          |
| <b>REVENUES</b>                        |                             |
| Operating revenues:                    |                             |
| Charges for services:                  |                             |
| Wastewater/sewer                       | \$ 2,411,044                |
| Other charges                          | 76,173                      |
| Miscellaneous revenue                  | 7,800                       |
| Total operating revenues               | <u>2,495,017</u>            |
| <b>EXPENSES</b>                        |                             |
| Operating expenses:                    |                             |
| Salaries and wages                     | 7,549                       |
| Purchased services                     | 446,520                     |
| Purchased property services            | 373,587                     |
| Other purchased services               | 57,678                      |
| Other operating expenses               | 38,509                      |
| Depreciation                           | 620,411                     |
| Total operating expenses               | <u>1,544,254</u>            |
| Operating income (loss)                | 950,763                     |
| Nonoperating revenues (expenses)       |                             |
| Investment earnings                    | 27,045                      |
| Interest expense                       | (210,231)                   |
| Total nonoperating revenues (expenses) | <u>(183,186)</u>            |
| Change in net position                 | 767,577                     |
| Net position-beginning                 | 4,087,338                   |
| Net position-ending                    | <u><u>\$ 4,854,915</u></u>  |

The notes to the financial statements are an integral part of this statement.

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CITY OF WEST LAKE HILLS, TEXAS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2023

DRAFT - FOR  
DISCUSSION  
PURPOSES ONLY

|                                                                                                           | Business-Type<br>Activities |
|-----------------------------------------------------------------------------------------------------------|-----------------------------|
|                                                                                                           | Wastewater<br>Fund          |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                               |                             |
| Receipts from customers                                                                                   | \$ 2,506,113                |
| Receipts from interfund charges for services                                                              | 58,182                      |
| Receipt (return) of customer deposits                                                                     | 7,800                       |
| Payments to suppliers and service providers                                                               | (916,555)                   |
| Payments to employees for salaries and benefits                                                           | (7,549)                     |
| Net cash provided by (used for) operating activities                                                      | <u>1,647,991</u>            |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                                           |                             |
| Acquisition and construction of capital assets                                                            | (26,178)                    |
| Principal paid on capital debt                                                                            | (979,999)                   |
| Interest paid on capital debt                                                                             | (210,231)                   |
| Net cash provided by (used for) capital and related financing activities                                  | <u>(1,216,408)</u>          |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                                               |                             |
| Purchases of investments                                                                                  |                             |
| Proceeds from sale of investments                                                                         |                             |
| Interest on investments                                                                                   | 27,045                      |
| Net cash provided by investing activities                                                                 | <u>27,045</u>               |
| Net increase (decrease) in cash and cash equivalents                                                      | 458,628                     |
| Cash and cash equivalents-beginning                                                                       | <u>5,127,804</u>            |
| Cash and cash equivalents-ending                                                                          | <u><u>\$ 5,586,432</u></u>  |
| <b>Reconciliation of operating income (loss) to net cash provided (used for) operating activities:</b>    |                             |
| Operating income (loss)                                                                                   | <u>\$ 950,763</u>           |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: |                             |
| Depreciation expense                                                                                      | 620,410                     |
| (Increase) decrease in accounts receivable                                                                | 18,896                      |
| (Decrease) increase in deposits payable                                                                   | 58,182                      |
| (Decrease) increase in accounts payable                                                                   | (261)                       |
| Total adjustments                                                                                         | <u>697,227</u>              |
| Net cash provided by (used for) operating activities                                                      | <u><u>\$ 1,647,990</u></u>  |

The notes to the financial statements are an integral part of this statement.

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NOTES TO THE FINANCIAL STATEMENTS

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## **I. Summary of Significant Accounting Policies**

This section describes the significant accounting and reporting guidelines of the City.

### **A. Reporting Entity**

The City of West Lake Hills, Texas (the “City”) was founded and incorporated as a village on September 9, 1953. The City Council (the “Council”), a six member group, has governance responsibilities over all activities related to the City. The Council is elected by the public and has the exclusive power and duty to govern and oversee the management of the City. The City receives funding from local, state, and federal government sources and must comply with the requirements of those funding entities.

The City’s primary activities include police protection, court and general administrative services, public works, and wastewater service.

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 the considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the City’s financial 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.

### **B. Government-Wide Financial Statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government’s enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

### **C. Fund Financial Statements**

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

The government reports the following major governmental funds:

The General Fund is the government’s primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The Capital Projects Fund accounts for the acquisition and construction of the government’s major capital facilities, other than those financed by proprietary funds.

The Debt Service Fund is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.

The government reports the following major enterprise funds:

The Wastewater Fund accounts for the revenues, expenses, and residual equity related to the operation of the City's wastewater services.

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

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

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

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

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

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

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

Proprietary, pension and other postemployment benefit trust, and private-purpose trust funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Trust funds have no measurement focus but utilize the *accrual basis of accounting* for reporting its assets and liabilities.

## **E. Budgetary Information**

### ***1. Budgetary basis of accounting***

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, Debt Service Fund, and the proprietary fund. Currently, the City does not utilize any other funds which are not aggregated with the General Fund, Capital Projects Fund or the Wastewater Funds for reporting purposes.

The appropriated budget is prepared by fund and department. The government's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

### ***2. Excess of expenditures over appropriations***

For the year ended September 30, 2023, expenditures did not significantly exceed appropriations in any of the City's legally adopted budgets.

## **F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

### ***1. Cash and cash equivalents***

The government'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.

## **2. Investments**

Investments for the government are reported at fair value (generally based on quoted market prices) except for positions in Local Government Investment Pools (LoneStar and LOGIC) when applicable. In accordance with state law, these investment pools operate in conformity with all of the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended. Accordingly, the pools qualify as 2a7-like pools and are reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. The pools are subject to regulatory oversight by the State Treasurer, although it is not registered with the SEC.

## **3. Inventories and prepaid items**

The City does not report inventories of supplies or consumable items due to the unused amount of these items on hand at any given time being immaterial. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

## **4. Capital assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets, except for infrastructure assets, are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life of more than one year.

As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated fair value at the date of donation.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated using the straight line method over the following estimated useful lives:

| Capital asset classes     | Lives  |
|---------------------------|--------|
| Buildings                 | 10-50  |
| Machinery and equipment   | 5-20   |
| Vehicles                  | 5-10   |
| Improvements              | 10-20  |
| Infrastructure            | 75-100 |
| Water distribution system | 75-100 |

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

#### **6. *Net position flow assumption***

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

#### **7. *Fund balance flow assumptions***

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

#### **8. *Fund balance policies***

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed.

## **G. Revenues and Expenditures/Expenses**

### ***1. Program revenues***

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

### ***2. Property taxes***

Property taxes are considered available when collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The City levies its taxes on October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid by February 1 of the year following the October 1 levy date. The assessed value of the property tax roll of January 1, 2022, upon which the levy for the 2022-2023 fiscal year was based, was \$3,095,178,059. Taxes are delinquent if not paid by February 1st of the following calendar year. Delinquent taxes are subject to both penalty and interest charges plus 15% delinquent collection fees for attorney costs.

The tax rates assessed for the year ended September 30, 2023, to finance General Fund and Debt Service Fund operations were \$0.1061 and \$0.0443, respectively, for a total tax rate of \$0.1504 per \$100 valuation. The total tax levy for the General Fund and Debt Service Fund for the 2022-2023 fiscal year was \$4,655,148. Tax collections, including collections of prior year delinquent balances, for the year ended September 30, 2023, were approximately 99% of the year end adjusted tax levy. Delinquent taxes are prorated between maintenance and debt service based on rates for the year of the levy. Allowances for uncollectible taxes within the General and Debt Service Funds are based on historical experience in collecting taxes.

### ***3. Compensated absences***

The City maintains formal programs for vacation, holiday and sick leave. The City's personnel policy provides employees with annual vacation, holiday and sick leave after satisfactory completion of their six month probationary period. Temporary employees, after six months of employment, also receive paid vacation time in proportion to hours worked (based on a 40 hour workweek). Paid vacations are earned as follows: one to ten years of service receive 96 hours with a maximum accrual of 208 hours, 11 to 20 years of service receive 120 hours with a maximum accrual of 256 hours, and 21 or more years of service receive 144 hours with maximum accrual of 304 hours. On September 1, all unused vacation time in excess of maximum accruals will be cancelled. Sick leave for permanent employees is earned at the rate of one working day for each full month of continuous service. Sick leave may be accumulated to a maximum of 288 hours. On September 1 of each fiscal year all accumulated sick leave in excess of maximum accrual will be cancelled. Paid holidays are determined by the City, and currently may be accrued if the employee is required to work on said holiday.

Upon termination, the City will pay the employee for properly accrued vacation, comp and holiday hours as well as one half of accrued sick leave. As a result, the City has accrued a liability for compensated absences in the amount of \$235,913 as a long-term obligation.



#### ***4. Proprietary funds operating and nonoperating revenues and expenses***

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water fund and electric fund are charges to customers for sales and services. The water fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

## **II. Stewardship, Compliance and Accountability**

### **A. Violations of Legal or Contractual Provisions**

No violations of legal or contractual provisions were noted during the current year.

### **B. Deficit Fund Equity**

For the year ended September 30, 2023 there were no funds reported with deficit fund equity.

## **III. Detailed Notes on All Activities and Funds**

### **A. Cash Deposits with Financial Institutions**

*Custodial credit risk-deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of September 30, 2023, the government's bank balance was \$2,702,014 and \$0 of that amount was exposed to custodial credit risk. \$0 was exposed to custodial credit risk because the City's bank deposits at September 30, 2023 and during the year then ended were entirely covered by the Federal Deposit Insurance Corporation (FDIC) insurance or by pledged collateral held by the City's agent bank in the City's name.

### **B. Investments**

The State Treasurer's Investment Pool (Pool) operates in accordance with state law, which requires it to meet all of the requirements of Rule 2a-7 of the Securities and Exchange Commission. See note I.G.2, *Investments*, for a discussion of how the shares in the Pool are valued. The Pool has a credit rating of AAA from Standard & Poor's Financial Services. Local government investment pools in this rating category meet the highest standards for credit quality, conservative investment policies, and safety of principal. The Pool invests in a high quality portfolio of debt securities investments legally permissible for municipalities and school districts in the state. The government utilizes a pooled investment concept for all its funds to maximize its investment program. Investment income from this internal pooling is allocated to the respective funds based upon the sources of funds invested. State statutes authorize the government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool.

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As of September 30, 2023, the government had the following investments:

| Investment Type                   | Maturity Time in Years<br>Less than<br>1 |
|-----------------------------------|------------------------------------------|
| Local government investment pools |                                          |
| Lone Star                         | \$ 9,472,850                             |
| LOGIC                             | 30,704,352                               |
| Total investments                 | <u>\$ 40,177,202</u>                     |

\*Investments are presented as cash and cash equivalents.

*Interest rate risk.* In accordance with its investment policy, the government manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than ten months.

*Credit risk.* State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). It is the government's policy to limit its investments in these investment types to the top rating issued by NRSROs. As of September 30, 2022, the City's investments in TexPool and TexSTAR investment pools and were rated AAAM by Standard & Poor's and the City's investments in custody holdings were rated AAA by Moody's.

*Concentration of credit risk.* The government's investment policy does not allow for an investment in any one issuer that is in excess of 5 percent of the government's total investments. This restriction however does not apply to government investment pools due to the low risk nature of this type of investment.

*Custodial credit risk-investments.* For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

### C. Receivables

Amounts are aggregated into a single accounts receivable (net of allowance for uncollectibles) line for certain funds and aggregated columns. Below is a detail of receivables for the major and nonmajor funds of both the governmental and proprietary funds of the government, including the applicable allowances for uncollectible accounts:

Governmental Funds:

| Receivables                        | General<br>Fund   | Debt Service<br>Fund | Total<br>Governmental<br>Funds |
|------------------------------------|-------------------|----------------------|--------------------------------|
| Property taxes                     | \$ 76,182         | \$ 13,271            | \$ 89,453                      |
| Accounts receivable                | 181,917           | -                    | 181,917                        |
| Sales taxes                        | 693,343           | -                    | 693,343                        |
| Gross receivables                  | 951,442           | 13,271               | 964,713                        |
| Less: Allowance for uncollectibles | (38,094)          | (6,636)              | (44,730)                       |
| Net receivables                    | <u>\$ 913,348</u> | <u>\$ 6,635</u>      | <u>\$ 919,983</u>              |

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Proprietary Funds:

| Receivables                        | Wastewater<br>Fund |
|------------------------------------|--------------------|
| Accounts receivable                | \$ 271,193         |
| Gross receivables                  | 271,193            |
| Less: Allowance for uncollectibles | (23,127)           |
| Net receivables                    | <u>\$ 248,066</u>  |

**D. Capital Assets**

Capital assets activity for the year ended September 30, 2023, was as follows:

**Governmental Activities:**

|                                             | Balance<br>10/1/22   | Increases           | Decreases        | Balance<br>9/30/23   |
|---------------------------------------------|----------------------|---------------------|------------------|----------------------|
| Capital assets, not being depreciated:      |                      |                     |                  |                      |
| Land                                        | \$ 6,722,075         | \$ -                | \$ -             | \$ 6,722,075         |
| Construction in progress                    | 1,901,112            | 2,341,566           | -                | 4,242,678            |
| Total capital assets, not being depreciated | <u>8,623,187</u>     | <u>2,341,566</u>    | <u>-</u>         | <u>10,964,753</u>    |
| Capital assets, being depreciated:          |                      |                     |                  |                      |
| Buildings and improvements                  | 1,690,502            | 3,590               | -                | 1,694,092            |
| Machinery, equipment, and vehicles          | 1,976,307            | 322,380             | (173,244)        | 2,125,443            |
| Infrastructure                              | 3,957,708            | 4,807               | -                | 3,962,515            |
| Total capital assets, being depreciated     | <u>7,624,517</u>     | <u>330,777</u>      | <u>(173,244)</u> | <u>7,782,050</u>     |
| Less accumulated depreciation for:          |                      |                     |                  |                      |
| Buildings and improvements                  | (1,220,868)          | (26,420)            | -                | (1,247,288)          |
| Machinery, equipment, and vehicles          | (1,619,738)          | (177,133)           | 173,244          | (1,623,627)          |
| Infrastructure                              | (1,731,684)          | (298,861)           | -                | (2,030,545)          |
| Total accumulated depreciation              | <u>(4,572,290)</u>   | <u>(502,414)</u>    | <u>173,244</u>   | <u>(4,901,460)</u>   |
| Total capital assets being depreciated, net | <u>3,052,227</u>     | <u>(171,637)</u>    | <u>-</u>         | <u>2,880,590</u>     |
| Governmental activities capital assets, net | <u>\$ 11,675,414</u> | <u>\$ 2,169,929</u> | <u>\$ -</u>      | <u>\$ 13,845,343</u> |

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**Business-Type Activities:**

|                                              | Balance<br>10/1/22 | Increases    | Decreases | Balance<br>9/30/23 |
|----------------------------------------------|--------------------|--------------|-----------|--------------------|
| Capital assets, not being depreciated:       |                    |              |           |                    |
| Land                                         | \$ 420,000         | \$ -         | \$ -      | \$ 420,000         |
| Construction in progress                     | 7,682              | -            | (7,682)   | -                  |
| Total capital assets, not being depreciated  | 427,682            | -            | (7,682)   | 420,000            |
| Capital assets, being depreciated:           |                    |              |           |                    |
| Machinery, equipment, and vehicles           | 36,754             | -            | -         | 36,754             |
| Infrastructure                               | 18,026,120         | 26,178       | 7,682     | 18,059,980         |
| Total capital assets, being depreciated      | 18,062,874         | 26,178       | 7,682     | 18,096,734         |
| Less accumulated depreciation for:           |                    |              |           |                    |
| Machinery, equipment, and vehicles           | -                  | (429)        | -         | (429)              |
| Infrastructure                               | (6,067,399)        | (619,981)    | -         | (6,687,380)        |
| Total accumulated depreciation               | (6,067,399)        | (620,410)    | -         | (6,687,809)        |
| Total capital assets being depreciated, net  | 11,995,475         | (594,232)    | 7,682     | 11,408,925         |
| Business-type activities capital assets, net | \$ 12,423,157      | \$ (594,232) | \$ -      | \$ 11,828,925      |

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

**Governmental activities:**

|                                                      |                   |
|------------------------------------------------------|-------------------|
| General government                                   | \$ 86,161         |
| Public safety                                        | 172,405           |
| Public Works                                         | 243,848           |
| Total depreciation expense - governmental activities | <u>\$ 502,414</u> |

**E. Defined Benefit Pension Plan**

*Plan Description*

The City participates as one of more than 919 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan 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 employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at [tmrs.com](http://tmrs.com).

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

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*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 Member's benefit is calculated based on the sum of the Member's contributions, with interest, and the city-financed monetary credits with interest. The retiring Member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the total Member contributions and interest.

*Employees Covered by Benefit Terms*

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

|                                                                  |           |
|------------------------------------------------------------------|-----------|
| Inactive employees or beneficiaries currently receiving benefits | 37        |
| Inactive employees entitled to but not yet receiving benefits    | 35        |
| Active employees                                                 | 27        |
|                                                                  | <u>99</u> |

*Contributions*

Member contribution rates in TMRS are either 5%, 6%, or 7% of Member's total compensation, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The city's contribution rate is based on the liabilities created from the benefit plan options selected by the city and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 7% of their annual compensation during the fiscal year. The contribution rates for the City were 16.05% and 16.08% in calendar years 2022 and 2023, respectively. The City's contributions to TMRS for the year ended September 30, 2023 were \$366,540, and were equal to the required contributions.

*Net Pension Liability*

The City's Net Pension Liability (NPL) was measured as of December 31, 2022, 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, 2022 actuarial valuation was determined using the following actuarial assumptions:

|                           |                                                                    |
|---------------------------|--------------------------------------------------------------------|
| Inflation                 | 2.50% per year                                                     |
| Overall payroll growth    | 2.75% per year                                                     |
| Investment rate of return | 6.75%, net of pension plan investment expense, including inflation |

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates for real rates of return for each major asset class in fiscal year 2023 are summarized in the following table:

| Asset Class                    | Target<br>Allocation | Long-Term<br>Expected Real<br>Rate of Return<br>(Arithmetic) |
|--------------------------------|----------------------|--------------------------------------------------------------|
| Global Public Equity           | 35.0%                | 7.70%                                                        |
| Core Fixed Income              | 6.0%                 | 4.90%                                                        |
| Non-Core Fixed Income          | 20.0%                | 8.70%                                                        |
| Other Public & Private Markets | 12.0%                | 8.10%                                                        |
| Real Estate                    | 12.0%                | 5.80%                                                        |
| Hedge Funds                    | 5.0%                 | 6.90%                                                        |
| Private Equity                 | 10.0%                | 11.80%                                                       |
| Total                          | 100%                 |                                                              |

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*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 Member and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive 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.

|                                                        | Increase (Decrease)        |                                |                          |
|--------------------------------------------------------|----------------------------|--------------------------------|--------------------------|
|                                                        | Total Pension<br>Liability | Plan Fiduciary<br>Net Position | Net Pension<br>Liability |
|                                                        | (a)                        | (b)                            | (a) - (b)                |
| Balance at 12/31/2021                                  | \$ 10,848,807              | \$ 10,350,883                  | \$ 497,924               |
| Changes for the year:                                  |                            |                                |                          |
| Service cost                                           | 400,353                    | -                              | 400,354                  |
| Interest                                               | 729,304                    | -                              | 729,304                  |
| Difference between expected and actual experience      | 165,223                    | -                              | 165,223                  |
| Contributions - employer                               | -                          | 347,521                        | (347,521)                |
| Contributions - employee                               | -                          | 151,567                        | (151,567)                |
| Net investment income                                  | -                          | (755,994)                      | 755,994                  |
| Benefit payments, including refunds of employee contr. | (488,972)                  | (488,972)                      | -                        |
| Administrative expense                                 | -                          | (6,538)                        | 6,538                    |
| Other changes                                          | -                          | 7,802                          | (7,802)                  |
| Net changes                                            | 805,908                    | (744,614)                      | 1,550,523                |
| Balance at 12/31/2022                                  | <u>\$ 11,654,715</u>       | <u>\$ 9,606,269</u>            | <u>\$ 2,048,447</u>      |

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

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

|                              | 1% Decrease in<br>Discount Rate 5.75% | Current<br>Discount Rate 6.75% | 1% Increase in<br>Discount Rate 7.75% |
|------------------------------|---------------------------------------|--------------------------------|---------------------------------------|
| City's net pension liability | \$ 3,767,259                          | \$ 2,048,447                   | \$ 662,981                            |

*Pension Plan Fiduciary Net Position*

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

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

For the year ended September 30, 2023, the city recognized pension expense of \$167,809.

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At September 30, 2023, the city reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|                                                              | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|--------------------------------------------------------------|-----------------------------------|----------------------------------|
| Differences between projected and actual investment earnings | \$ 1,163,742                      | \$ 502,415                       |
| Differences between expected and actual economic experience  | 120,787                           | -                                |
| Contributions subsequent to the measurement date             | 262,805                           | -                                |
| Total                                                        | <u>\$ 1,547,334</u>               | <u>\$ 502,415</u>                |

\$262,805 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| Measurement Year<br>Ended Dec 31st: | Net Deferred<br>Outflows<br>(Inflows) of<br>Resources |
|-------------------------------------|-------------------------------------------------------|
| 2023                                | \$ 107,250                                            |
| 2024                                | 207,938                                               |
| 2025                                | 175,992                                               |
| 2026                                | 290,934                                               |
| Total                               | <u>\$ 782,114</u>                                     |

#### F. Other Post-Employment Benefit (OPEB) Obligations

##### *Benefits Provided*

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 another post-employment benefit, or OPEB.



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*Employees Covered by Benefit Terms*

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

|                                                               |           |
|---------------------------------------------------------------|-----------|
| Inactive employees currently receiving benefits               | 22        |
| Inactive employees entitled to but not yet receiving benefits | 11        |
| Active employees                                              | 27        |
|                                                               | <u>60</u> |

*Contributions*

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

The City's contributions to the TMRS SDBF for the years September 30, 2023 and 2022 were \$10,035 and \$9,500 respectively, which equaled the required contributions each year.

*Plan Assets*

At the December 31, 2022 valuation and measurement date, there are no assets accumulated in trust.

*Actuarial Assumptions*

The Total OPEB Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

|                                  |                                                               |
|----------------------------------|---------------------------------------------------------------|
| Inflation                        | 2.50% per year                                                |
| Salary increases                 | 3.50%-11.50% including inflation                              |
| Discount rate                    | 4.05% based on Fidelity Index's 20-year Municipal GO AA Index |
| Retirees' share of benefit costs | \$0                                                           |

All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements of GASB Statement No. 68. Mortality rates – service retirees 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Mortality rates – disabled retirees 2019Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor. The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

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*Schedule of Changes in the Total OPEB Liability*

|                                                        | Increase (Decrease)     |                                |                       |
|--------------------------------------------------------|-------------------------|--------------------------------|-----------------------|
|                                                        | Total OPEB<br>Liability | Plan Fiduciary<br>Net Position | Net OPEB<br>Liability |
|                                                        | (a)                     | (b)                            | (a) - (b)             |
| Balance at 12/31/2021                                  | \$ 167,190              | \$ -                           | \$ 167,190            |
| Changes for the year:                                  |                         |                                |                       |
| Service cost                                           | 6,712                   | -                              | 6,712                 |
| Interest                                               | 3,070                   | -                              | 3,070                 |
| Difference between expected and actual experience      | 7,652                   | -                              | 7,652                 |
| Changes of assumptions                                 | (61,205)                | -                              | (61,205)              |
| Benefit payments, including refunds of employee contr. | (7,362)                 | -                              | (7,362)               |
| Net changes                                            | (51,133)                | -                              | (51,133)              |
| Balance at 12/31/2022                                  | <u>\$ 116,057</u>       | <u>\$ -</u>                    | <u>\$ 116,057</u>     |

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

The following presents the net OPEB liability of the City, calculated using the discount rate of 4.05%, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower 3.05% or 1-percentage-point higher 5.05% than the current rate:

|                           | 1% Decrease in<br>Discount Rate 3.05% | Current<br>Discount Rate 4.05% | 1% Increase in<br>Discount Rate 5.05% |
|---------------------------|---------------------------------------|--------------------------------|---------------------------------------|
| City's net OPEB liability | \$ 139,180                            | \$ 116,057                     | \$ 98,406                             |

*Pension Plan Fiduciary Net Position*

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

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

For the year ended September 30, 2023, the city recognized OPEB expense of (\$4,652).

At September 30, 2023, the city reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|                                                             | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|-------------------------------------------------------------|-----------------------------------|----------------------------------|
| Differences between expected and actual economic experience | \$ 5,966                          | \$ 7,621                         |
| Difference in assumption changes                            | 11,469                            | 47,723                           |
| Contributions subsequent to the measurement date            | 7,191                             | -                                |
| Total                                                       | <u>\$ 24,626</u>                  | <u>\$ 55,344</u>                 |

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\$7,191 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the year ending September 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in OPEB expense as follows:

| Measurement Year<br>Ended Dec 31st: | Net Deferred<br>Outflows<br>(Inflows) of<br>Resources |
|-------------------------------------|-------------------------------------------------------|
| 2023                                | \$ (7,825)                                            |
| 2024                                | (11,636)                                              |
| 2025                                | (12,079)                                              |
| 2026                                | (6,369)                                               |
| Total                               | <u>\$ (37,909)</u>                                    |

## G. Risk Management

The government is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. During the year, the City purchased commercial insurance to cover general liabilities. There are no significant reductions in coverage in the past fiscal year and no settlements exceeding insurance coverage for each of the past three fiscal years.

## H. Long-Term Liabilities

### General Obligation Bonds

The government issues general obligation bonds and certificates of obligation to provide funds for the acquisition and construction of major capital facilities. General obligation bonds and certificates of obligation have been issued for both governmental and business-type activities. These long-term debt instruments are direct obligations and pledge the full faith and credit of the government. General obligation bonds and certificates of obligation generally are issued with repayment scheduled to occur as equal amounts of principal maturing each year with maturities that range from 5 to 20 years.

Details of long-term debt obligations outstanding at September 30, 2023 are as follows:

#### Governmental Activities:

| Type                                         | Sale<br>Date | Original<br>Borrowing | Interest<br>Rates to<br>Maturity | Final<br>Maturity | Outstanding<br>9/30/23 |
|----------------------------------------------|--------------|-----------------------|----------------------------------|-------------------|------------------------|
| <b>General Obligation Bonds:</b>             |              |                       |                                  |                   |                        |
| General Obligation Bonds, Series 2022        | 2022         | \$23,825,000          | 2.25-5%                          | 2047              | \$ 23,585,000          |
| CoO Combination Tax and Revenue, Series 2023 | 2023         | \$ 9,210,000          | 3.74%                            | 2048              | 9,210,000              |
| Total Bonds Payable                          |              |                       |                                  |                   | <u>\$ 32,795,000</u>   |

CITY OF WEST LAKE HILLS, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

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Business-type Activities:

| Type                                 | Sale Date | Original Borrowing | Interest Rates to Maturity | Final Maturity | Outstanding 9/30/23  |
|--------------------------------------|-----------|--------------------|----------------------------|----------------|----------------------|
| <b>General Obligation Bonds:</b>     |           |                    |                            |                |                      |
| Revenue Refunding Bonds, Series 2019 | 2019      | \$ 14,060,000      | 1.83%                      | 2032           | \$ 10,600,000        |
| Total General Obligation Bonds       |           |                    |                            |                | <u>\$ 10,600,000</u> |

Changes in Long-Term Liabilities

Changes in the government's long-term liabilities for the year ended September 30, 2023 are as follows:

Governmental Activities:

| Description                                   | Balance 10/1/22      | Additions            | Deletions           | Balance 9/30/23      | Due in One Year   |
|-----------------------------------------------|----------------------|----------------------|---------------------|----------------------|-------------------|
| Bonds Payable                                 |                      |                      |                     |                      |                   |
| General Obligation Bonds, Series 2022         | \$ 23,825,000        | \$ -                 | \$ (240,000)        | \$ 23,585,000        | \$ 605,000        |
| CoO Comb. Tax & Revenue, Series 2023          | -                    | 9,210,000            | -                   | 9,210,000            | 205,000           |
| Premium, Series 2022                          | 1,469,654            | -                    | (58,786)            | 1,410,868            | -                 |
| Premium, Series 2023                          | -                    | 478,182              | -                   | 478,182              | -                 |
| Total bonds payable                           | <u>25,294,654</u>    | <u>9,688,182</u>     | <u>(298,786)</u>    | <u>34,684,050</u>    | <u>810,000</u>    |
| Compensated absences                          | 230,728              | 5,185                | -                   | 235,913              | -                 |
| Net pension liability                         | 497,924              | 1,550,523            | -                   | 2,048,447            | -                 |
| Net OPEB liability                            | 167,190              | -                    | (51,133)            | 116,057              | -                 |
| Governmental activities long-term liabilities | <u>\$ 26,190,496</u> | <u>\$ 11,243,890</u> | <u>\$ (349,919)</u> | <u>\$ 37,084,467</u> | <u>\$ 810,000</u> |

Business-type Activities:

| Description                                   | Balance 10/1/22      | Additions   | Deletions           | Balance 9/30/23      | Due in One Year     |
|-----------------------------------------------|----------------------|-------------|---------------------|----------------------|---------------------|
| Bonds Payable                                 |                      |             |                     |                      |                     |
| Revenue Refunding Bonds, Series 2019          | \$ 11,580,000        | \$ -        | \$ (980,000)        | \$ 10,600,000        | \$ 1,070,000        |
| Governmental activities long-term liabilities | <u>\$ 11,580,000</u> | <u>\$ -</u> | <u>\$ (980,000)</u> | <u>\$ 10,600,000</u> | <u>\$ 1,070,000</u> |

.CITY OF WEST LAKE HILLS, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

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The debt service requirements for the government's bonds, loans, and notes are as follows:

Governmental Activities:

| Year Ended<br>September 30, | Governmental Activities<br>Bonds Payable |                      |
|-----------------------------|------------------------------------------|----------------------|
|                             | Principal                                | Interest             |
| 2024                        | \$ 810,000                               | \$ 1,155,550         |
| 2025                        | 840,000                                  | 1,122,219            |
| 2026                        | 880,000                                  | 1,079,219            |
| 2027                        | 930,000                                  | 1,033,969            |
| 2028                        | 975,000                                  | 986,344              |
| 2029-2033                   | 5,670,000                                | 4,146,194            |
| 2034-2038                   | 6,865,000                                | 2,955,791            |
| 2039-2043                   | 7,945,000                                | 1,873,244            |
| 2044-2048                   | 7,880,000                                | 568,763              |
| Totals                      | <u>\$ 32,795,000</u>                     | <u>\$ 14,921,293</u> |

Business-type Activities:

| Year Ended<br>September 30, | Business-Type Activities<br>Bonds Payable |                   |
|-----------------------------|-------------------------------------------|-------------------|
|                             | Principal                                 | Interest          |
| 2024                        | \$ 1,070,000                              | \$ 193,980        |
| 2025                        | 1,115,000                                 | 174,399           |
| 2026                        | 1,135,000                                 | 153,995           |
| 2027                        | 1,160,000                                 | 133,224           |
| 2028                        | 1,180,000                                 | 111,996           |
| 2029-2032                   | 4,940,000                                 | 228,110           |
| Totals                      | <u>\$ 10,600,000</u>                      | <u>\$ 995,704</u> |

**I. Interfund Receivables and Payables**

The composition of interfund balances as of September 30, 2023 is as follows:

Due to/from other funds:

| Receivable Fund | Payable Fund    | Amount              |
|-----------------|-----------------|---------------------|
| General Fund    | Wastewater Fund | \$ 1,550,000        |
| Total           |                 | <u>\$ 1,550,000</u> |

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

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**J. Contingencies**

The government participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the government's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the government anticipates such amounts, if any, will be immaterial.

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the government.

**K. Subsequent Events**

As of February 16, 2024, there were no subsequent events noted requiring recording and/or disclosure.

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REQUIRED SUPPLEMENTARY INFORMATION  
OTHER REPORTING

CITY OF WEST LAKE HILLS, TEXAS  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

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|                                                                                                  | Measurement<br>Year 2022 | Measurement<br>Year 2021 | Measurement<br>Year 2020 | Measurement<br>Year 2019 |
|--------------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>A. Total pension liability</b>                                                                |                          |                          |                          |                          |
| 1. Service cost                                                                                  | \$ 400,353               | \$ 385,685               | \$ 353,095               | \$ 354,293               |
| 2. Interest (on the Total Pension Liability)                                                     | 729,304                  | 684,701                  | 650,121                  | 613,357                  |
| 3. Changes of benefit terms                                                                      | -                        | -                        | -                        | -                        |
| 4. Difference between expected and actual experience                                             | 165,223                  | 58,473                   | (25,286)                 | 20,066                   |
| 5. Changes of assumptions                                                                        | -                        | -                        | -                        | 20,532                   |
| 6. Benefit payments, including refunds of employee contributions                                 | (488,972)                | (461,843)                | (502,016)                | (423,986)                |
| 7. Net change in total pension liability                                                         | \$ 805,908               | \$ 667,016               | \$ 475,914               | \$ 584,262               |
| 8. Total pension liability - beginning                                                           | 10,848,807               | 10,181,791               | 9,705,877                | 9,121,615                |
| 9. Total pension liability - ending                                                              | <u>\$ 11,654,715</u>     | <u>\$ 10,848,807</u>     | <u>\$ 10,181,791</u>     | <u>\$ 9,705,877</u>      |
| <b>B. Plan fiduciary net position</b>                                                            |                          |                          |                          |                          |
| 1. Contributions - employer                                                                      | \$ 347,520               | \$ 346,640               | \$ 320,056               | \$ 304,272               |
| 2. Contributions - employee                                                                      | 151,567                  | 147,934                  | 136,632                  | 133,264                  |
| 3. Net investment income                                                                         | (755,994)                | 1,191,165                | 648,094                  | 1,142,280                |
| 4. Benefit payments, including refunds of employee contributions                                 | (488,972)                | (461,843)                | (502,016)                | (423,986)                |
| 5. Administrative expense                                                                        | (6,538)                  | (5,509)                  | (4,192)                  | (6,451)                  |
| 6. Other changes                                                                                 | 7,802                    | 38                       | (164)                    | (194)                    |
| 7. Net change in plan fiduciary net position                                                     | \$ (744,615)             | \$ 1,218,425             | \$ 598,410               | \$ 1,149,185             |
| 8. Plan fiduciary net position - beginning                                                       | 10,350,883               | 9,132,458                | 8,534,048                | 7,384,863                |
| 9. Plan fiduciary net position - ending                                                          | <u>\$ 9,606,268</u>      | <u>\$ 10,350,883</u>     | <u>\$ 9,132,458</u>      | <u>\$ 8,534,048</u>      |
| <b>C. Net pension liability [A.9 - B.9]</b>                                                      | <u>\$ 2,048,447</u>      | <u>\$ 497,924</u>        | <u>\$ 1,049,333</u>      | <u>\$ 1,171,829</u>      |
| <b>D. Plan fiduciary net position as a percentage of the total pension liability [B.9 / A.9]</b> | 82.42%                   | 95.41%                   | 89.69%                   | 87.93%                   |
| <b>E. Covered-employee payroll</b>                                                               | \$ 2,165,238             | \$ 2,113,345             | \$ 1,951,880             | \$ 1,903,776             |
| <b>F. Net position as a percentage of covered employee payroll [C / E]</b>                       | 94.61%                   | 23.56%                   | 53.76%                   | 61.55%                   |

| Measurement<br>Year 2018 | Measurement<br>Year 2017 | Measurement<br>Year 2016 | Measurement<br>Year 2015 | Measurement<br>Year 2014 |
|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| \$ 319,587               | \$ 359,177               | \$ 387,702               | \$ 366,088               | \$ 292,506               |
| 574,103                  | 559,813                  | 517,647                  | 515,199                  | 474,597                  |
| -                        | -                        | -                        | -                        | 114,583                  |
| 95,886                   | (259,027)                | 121,309                  | (215,000)                | 159,918                  |
| -                        | -                        | -                        | 48,707                   | -                        |
| (426,784)                | (430,156)                | (345,269)                | (488,614)                | (278,948)                |
| \$ 562,792               | \$ 229,807               | \$ 681,389               | \$ 226,380               | \$ 762,656               |
| 8,558,823                | 8,329,016                | 7,647,627                | 7,421,247                | 6,658,591                |
| \$ 9,121,615             | \$ 8,558,823             | \$ 8,329,016             | \$ 7,647,627             | \$ 7,421,247             |

|              |              |              |              |              |
|--------------|--------------|--------------|--------------|--------------|
| \$ 291,472   | \$ 310,165   | \$ 321,199   | \$ 320,175   | \$ 229,502   |
| 118,554      | 128,016      | 139,731      | 135,302      | 127,358      |
| (228,812)    | 929,376      | 417,428      | 9,156        | 331,762      |
| (426,784)    | (430,156)    | (345,269)    | (488,614)    | (278,948)    |
| (4,420)      | (4,814)      | (4,713)      | (5,576)      | (3,463)      |
| (232)        | (244)        | (254)        | (275)        | (285)        |
| \$ (250,222) | \$ 932,343   | \$ 528,122   | \$ (29,832)  | \$ 405,926   |
| 7,635,085    | 6,702,742    | 6,174,620    | 6,204,453    | 5,798,527    |
| \$ 7,384,863 | \$ 7,635,085 | \$ 6,702,742 | \$ 6,174,621 | \$ 6,204,453 |
| \$ 1,736,752 | \$ 923,738   | \$ 1,626,274 | \$ 1,473,006 | \$ 1,216,794 |

|              |              |              |              |              |
|--------------|--------------|--------------|--------------|--------------|
| 80.96%       | 89.21%       | 80.47%       | 80.74%       | 83.60%       |
| \$ 1,693,625 | \$ 1,828,801 | \$ 1,950,212 | \$ 1,932,885 | \$ 1,819,396 |
| 102.55%      | 50.51%       | 83.39%       | 76.21%       | 66.88%       |

CITY OF WEST LAKE HILLS, TEXAS  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
NET PENSION LIABILITY  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

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PURPOSES ONLY

|                                                                         | Fiscal Year      |                  |                  |                  |
|-------------------------------------------------------------------------|------------------|------------------|------------------|------------------|
|                                                                         | <u>2023</u>      | <u>2022</u>      | <u>2021</u>      | <u>2020</u>      |
| Actuarially Determined Contribution                                     | \$ 366,540       | \$ 338,058       | \$ 327,207       | \$ 310,206       |
| Contributions in relation to the actuarially<br>determined contribution | <u>(366,540)</u> | <u>(338,058)</u> | <u>(327,207)</u> | <u>(310,206)</u> |
| Contribution deficiency (excess)                                        | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      |
| Covered employee payroll                                                | \$ 2,165,238     | \$ 2,113,345     | \$ 1,995,167     | \$ 1,901,601     |
| Contributions as a percentage of covered<br>employee payroll            | 16.93%           | 16.00%           | 16.40%           | 16.31%           |

| Fiscal Year  |              |              |              |              |
|--------------|--------------|--------------|--------------|--------------|
| <u>2019</u>  | <u>2018</u>  | <u>2017</u>  | <u>2016</u>  | <u>2015</u>  |
| \$ 318,664   | \$ 289,489   | \$ 456,198   | \$ 340,749   | \$ 308,585   |
| (318,664)    | (289,489)    | (456,198)    | (340,749)    | (308,585)    |
| <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  |
| \$ 1,961,816 | \$ 1,687,657 | \$ 2,708,328 | \$ 2,141,822 | \$ 2,214,426 |
| 16.24%       | 17.15%       | 16.84%       | 15.91%       | 13.94%       |

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CITY OF WEST LAKE HILLS, TEXAS  
NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS  
NET PENSION LIABILITY  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

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**Valuation Date:**

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

**Methods and Assumptions Used to Determine Contribution Rates:**

|                               |                                                                                                                                                                                                                                                                                                                                                           |
|-------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Actuarial cost method         | Entry Age Normal                                                                                                                                                                                                                                                                                                                                          |
| Amortization method           | Level Percentage of Payroll, Closed                                                                                                                                                                                                                                                                                                                       |
| Remaining amortization period | 23 years                                                                                                                                                                                                                                                                                                                                                  |
| Asset valuation method        | 10 Year smoothed market; 12% soft corridor                                                                                                                                                                                                                                                                                                                |
| Inflation                     | 2.50% per year                                                                                                                                                                                                                                                                                                                                            |
| Salary increases              | 3.50% to 11.50%, including inflation                                                                                                                                                                                                                                                                                                                      |
| Investment rate of return     | 6.75%                                                                                                                                                                                                                                                                                                                                                     |
| Retirement age                | Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018.                                                                                                                                                                          |
| Mortality                     | Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.<br>Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP. |

**Other Information:**

Notes There were no benefit changes during the year.

CITY OF WEST LAKE HILLS, TEXAS  
SCHEDULE OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

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|                                                                       | Measurement<br>Year 2022 | Measurement<br>Year 2021 | Measurement<br>Year 2020 | Measurement<br>Year 2019 |
|-----------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>A. Total pension liability</b>                                     |                          |                          |                          |                          |
| 1. Service cost                                                       | \$ 6,712                 | \$ 6,974                 | \$ 4,489                 | \$ 3,236                 |
| 2. Interest on Total OPEB Liability                                   | 3,070                    | 3,381                    | 4,042                    | 4,765                    |
| 3. Changes of benefit terms                                           | -                        | -                        | -                        | -                        |
| 4. Difference between expected & actual experience                    | 7,652                    | (10,167)                 | (5,290)                  | (9,559)                  |
| 5. Changes of assumptions                                             | (61,205)                 | 5,656                    | 23,279                   | 22,362                   |
| 6. Benefit payments                                                   | (7,362)                  | (8,453)                  | (2,928)                  | (2,856)                  |
| 7. Net changes                                                        | \$ (51,133)              | \$ (2,609)               | \$ 23,592                | \$ 17,948                |
| 8. Total OPEB Liability - beginning of the year                       | 167,190                  | 169,799                  | 146,207                  | 128,259                  |
| 9. Total OPEB Liability - end of the year                             | <u>\$ 116,057</u>        | <u>\$ 167,190</u>        | <u>\$ 169,799</u>        | <u>\$ 146,207</u>        |
| <br><b>E. Covered-employee payroll</b>                                | <br>\$ 2,165,238         | <br>\$ 2,113,345         | <br>\$ 1,951,880         | <br>\$ 1,903,776         |
| <br><b>F. Total OPEB Liability as a Percentage of Covered Payroll</b> | <br>5.36%                | <br>7.91%                | <br>8.70%                | <br>7.68%                |



| Measurement<br>Year 2018 | Measurement<br>Year 2017 |
|--------------------------|--------------------------|
| \$ 3,218                 | \$ 3,109                 |
| 4,528                    | 4,582                    |
| -                        | -                        |
| (5,142)                  | -                        |
| (8,510)                  | 9,759                    |
| (2,032)                  | (1,829)                  |
| <u>\$ (7,938)</u>        | <u>\$ 15,621</u>         |
| 136,197                  | 120,576                  |
| <u>\$ 128,259</u>        | <u>\$ 136,197</u>        |

|              |              |
|--------------|--------------|
| \$ 1,693,625 | \$ 1,828,801 |
|--------------|--------------|

7.57%

7.45%

CITY OF WEST LAKE HILLS, TEXAS  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
NET OPEB LIABILITY  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

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|                                                                      | Fiscal Year  |              |              |              |
|----------------------------------------------------------------------|--------------|--------------|--------------|--------------|
|                                                                      | 2023         | 2022         | 2021         | 2020         |
| Actuarially Determined Contribution                                  | \$ 10,035    | \$ 9,500     | \$ 8,777     | \$ 4,043     |
| Contributions in relation to the actuarially determined contribution | (10,035)     | (9,500)      | (8,777)      | (4,043)      |
| Contribution Deficiency (Excess)                                     | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  |
| Covered employee payroll                                             | \$ 2,165,238 | \$ 2,113,345 | \$ 1,995,167 | \$ 1,901,601 |
| Contributions as a percentage of covered employee payroll            | 0.46%        | 0.45%        | 0.44%        | 0.21%        |

| Fiscal Year  |              |              |
|--------------|--------------|--------------|
| 2019         | 2018         | 2017         |
| \$ 4,042     | \$ 4,234     | \$ 5,700     |
| (4,042)      | (4,234)      | (5,700)      |
| <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  |
| \$ 1,961,816 | \$ 1,687,657 | \$ 2,708,328 |
| 0.21%        | 0.25%        | 0.21%        |

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CITY OF WEST LAKE HILLS, TEXAS  
NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS  
NET OPEB LIABILITY  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

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PURPOSES ONLY

**Summary of Actuarial Assumptions:**

|                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Inflation                                | 2.50%                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Salary increases                         | 3.50% to 11.50%; including inflation                                                                                                                                                                                                                                                                                                                                                                                                       |
| Discount rate*                           | 4.05%                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Retirees' share of benefit-related costs | \$0                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Administrative expenses                  | All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements of GASB Statement No. 68.                                                                                                                                                                                                                                                                                                    |
| Mortality rates - service retirees       | 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.                                                                                                                                                                                                                                                                                                                   |
| Mortality rates - disabled retirees      | 2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor. |

**Other Information:**

|       |                                                                                                                                                                                                                                                                                                                      |
|-------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Notes | <p>*The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2022.</p> <p>The Actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.</p> |
|-------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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CITY OF WEST LAKE HILLS, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - FOR  
BUDGET AND ACTUAL – DEBT SERVICE FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

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|                                                      | Budgeted Amounts |              |              | Variance With |
|------------------------------------------------------|------------------|--------------|--------------|---------------|
|                                                      | Original         | Final        | Actual       | Final Budget  |
| <b>REVENUES</b>                                      |                  |              |              |               |
| Property taxes                                       | \$ 1,364,139     | \$ 1,364,139 | \$ 1,353,156 | \$ (10,983)   |
| Investment earnings                                  | -                | 500          | 518          | 18            |
| Total revenues                                       | 1,364,139        | 1,364,639    | 1,353,674    | (10,965)      |
| <b>EXPENDITURES</b>                                  |                  |              |              |               |
| Current:                                             |                  |              |              |               |
| Debt service:                                        |                  |              |              |               |
| Bond principal                                       | 240,000          | 240,000      | 240,000      | -             |
| Interest - bonds                                     | 1,124,139        | 1,124,139    | 1,124,139    | -             |
| Total Expenditures                                   | 1,364,139        | 1,364,139    | 1,364,139    | -             |
| Excess (deficiency) of revenues<br>over expenditures | -                | 500          | (10,465)     | (10,965)      |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                  |              |              |               |
| Premium on bonds issued                              | -                | 8,007        | 8,007        | -             |
| Total Other Financing Sources (Uses)                 | -                | 8,007        | 8,007        | -             |
| Net Change in Fund Balances                          | -                | 8,507        | (2,458)      | (10,965)      |
| Fund balance - beginning                             | 10,582           | 10,582       | 10,582       | -             |
| Fund balance - ending                                | \$ 10,582        | \$ 19,089    | \$ 8,124     | \$ (10,965)   |

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor, Members of the City Council and Citizens of  
the City of West Lake Hills, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of West Lake Hills, Texas (the "City"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated February 16, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Singleton, Clark & Company, PC*

Singleton, Clark & Company, PC  
Cedar Park, Texas

February 16, 2024

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CITY OF WEST LAKE HILLS, TEXAS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

DRAFT - FOR  
DISCUSSION  
PURPOSES ONLY

---

**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

**FINANCIAL STATEMENTS**

Type of auditor’s report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiencies identified that are not considered to be material weaknesses? ☐ Yes ☒ None reported

Noncompliance material to financial statements noted?

☐ Yes ☒ No

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

Findings Related to Financial Statements Which are Required to be Reported in Accordance with Government Auditing Standards:

No findings or questioned costs required to be reported in accordance with *Government Auditing Standards* for the years ended September 30, 2023 and 2022.

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**SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

Not applicable.



February 16, 2024

To the Honorable Mayor and Members of the City Council  
Of the City of West Lake Hills, Texas

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of West Lake Hills, Texas (the “City”), for the year ended September 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 1, 2023. Professional standards also require that we communicate to you the following information related to our audit.

#### Opinion on the Financial Statements

The primary purpose of a financial audit is for the auditor to render an opinion as to whether the financial statements of the audited organization appear to be free from material misstatement and adhere to generally accepted accounting principles. This opinion must be based on a systematic review of the evidence supporting the financial statement amounts. In conjunction with the audit, the auditor must also consider internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion on internal control.

Our opinion on the financial statements appears within the Independent Auditor’s Report on page 1 of the Annual Financial Report. This opinion is classified as *Unmodified*.

#### Significant Audit Matters

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements.

During the year the District implemented *Governmental Accounting Standards Board Statement No. 96 – Subscription-Based Information Technology Arrangements* (GASB 96) which provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's 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 significantly from those expected. The most sensitive estimate(s) affecting the City's financial statements were:

Management's estimate of the net pension liability and other post-employment liability is based on actuarial studies of the pension and post-employment benefit plans prepared by independent actuaries contracted by the Teacher Retirement System of Texas. We evaluated the key factors and assumptions used within these actuarial studies in determining that the resulting net pension liability and other post-employment benefit liability are reasonable in relation to the financial statements taken as a whole.

Management's estimate of current year and accumulated depreciation on long-term capital assets is based on the historical cost of these assets and estimates of their useful lives. We evaluated the recorded asset values, estimated useful lives, and accumulated depreciation amounts to determine that they appear reasonable in relation to the financial statements taken as a whole.

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

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated February 16, 2024.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Fund Balance of the General Fund*

The General Fund is the main operating fund of the District and contains the primary financial resources available to provide for ongoing District operations. The ending fund balance level of the General Fund is therefore a good indicator of the financial health of the District. A commonly accepted best practice for fund balance is to maintain an ending fund balance level of at least 25% of annual noncapital General Fund expenditures. As of September 30, 2023, the fund balance of the General Fund was \$11,300,438 in total, which represented 67.80% of noncapital General Fund expenditures for the year.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Audit Findings, Internal Control, and Compliance Related Matters

*Government Auditing Standards* and the federal Uniform Guidance require an auditor to report material weaknesses and significant deficiencies found in the internal control of an organization, as well as material noncompliance with certain provisions of laws, regulations, contracts, and grant agreements.

A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A regular *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet potentially more consequential than a regular deficiency and important enough to merit attention by those charged with governance.

Material noncompliance with provisions of laws, regulations, contracts, and grant agreements occurs when the noncompliance is to a large enough degree that there could be a material effect on the determination of financial statement amounts or consequences severe enough to potentially affect the organization's operations.

No matters came to our attention during the audit that would require reporting in accordance with the above criteria.

### Other Matters

We applied certain limited procedures to management's discussion and analysis section preceding the financial statements and the pension and post-employment benefit liability schedules that follow the notes to the financial statements, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

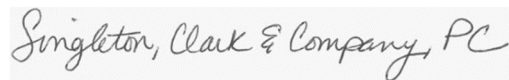


We were engaged to report on other supplementary information such as the combining statements which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the Board of Trustees and management of the City of West Lake Hills, Texas and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script that reads "Singleton, Clark & Company, PC". The signature is written in dark ink on a light-colored background.

Singleton, Clark & Company, PC  
Cedar Park, Texas



# City of West Lake Hills

911 Westlake Drive  
West Lake Hills, TX 78746  
(512) 327-3628 [www.westlakehills.org](http://www.westlakehills.org)

February 16, 2024

Singleton, Clark & Company, PC  
1130 Cottonwood Creek Trail, Building B4  
Cedar Park, Texas 78613

This representation letter is provided in connection with your audit of the financial statements of City of West Lake Hills, Texas, which comprise the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered to be material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of February 16, 2024, the following representations made to you during your audit.

## Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 1, 2023 including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.

- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

**Information Provided**

- 11) We have provided you with:
  - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
  - b) Additional information that you have requested from us for the purpose of the audit.
  - c) Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.
  - d) Minutes of the meetings of governing body or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the District and involves—
  - Management,
  - Employees who have significant roles in internal control, or
  - Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
- 17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 18) We have disclosed to you the names of the District's related parties and all the related party relationships and transactions, including any side agreements.

**Government-specific**

- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) We have taken timely and appropriate steps to remedy identified and suspected fraud or noncompliance with provisions of laws, regulations, contracts, and grant agreements that you have reported to us, if any
- 21) We have a process to track the status of audit findings and recommendations, if any.

- 22) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- 23) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- 24) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report, if any such matters have been reported.
- 25) The District has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 26) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 27) We have appropriately disclosed all information for conduit debt obligations in accordance with [GASBS No. 91](#) .
- 28) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
- 29) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 30) As part of your audit, you assisted with preparation of the financial statements. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures.
- 31) The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 32) The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 33) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 34) The financial statements include all fiduciary activities required by [GASBS No. 84](#) , as amended.
- 35) The financial statements properly classify all funds and activities in accordance with [GASBS No. 34](#) , as amended.
- 36) All funds that meet the quantitative criteria in [GASBS Nos. 34](#) and [37](#) for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 37) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 38) Investments, derivative instrument transactions, and land and other real estate held by endowments are properly valued.
- 39) Provisions for uncollectible receivables have been properly identified and recorded.

- 40) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 41) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 42) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 43) Special and extraordinary items are appropriately classified and reported, if applicable.
- 44) Deposits and investment securities and derivative instrument transactions are properly classified as to risk and are properly disclosed.
- 45) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 46) We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 47) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 48) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 49) With respect to the combining and individual fund statements -
  - a) We acknowledge our responsibility for presenting the combining and individual fund statements in accordance with accounting principles generally accepted in the United States of America, and we believe that this information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the combining and individual fund statements have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
  - b) If the combining and individual fund statements are not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

Signature: Vonda Riggsdale  
Title: FINANCE DIRECTOR

Signature: M. J. Johnson  
Title: City Administrator

Client: 20-0015.0 - City of West Lake Hills, Texas  
Engagement: Audit 23 - City of West Lake Hills, Texas  
Period Ending: 9/30/2023  
Trial Balance: 3600.01 - Annual Trial Balance - 2 Year  
Workpaper: 3700.02 - RJE Report (2 RJE's at 2.1.2024)

| Account                                                                                                                                                                                                                                                    | Description                    | W/P Ref | Debit            | Credit           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|---------|------------------|------------------|
| <b>Reclassifying Journal Entries</b>                                                                                                                                                                                                                       |                                |         |                  |                  |
| <b>Reclassifying Journal Entries JE # 1001</b>                                                                                                                                                                                                             |                                |         |                  |                  |
| 7100.03                                                                                                                                                                                                                                                    |                                |         |                  |                  |
| To adjust ending balance sheet amounts related to delinquent property taxes.                                                                                                                                                                               |                                |         |                  |                  |
| 01-12000                                                                                                                                                                                                                                                   | EST. UNCOLLECTIBLE PROP. TAXES |         | 6,632.38         |                  |
| 01-20900                                                                                                                                                                                                                                                   | DEFERRED REVENUE               |         | 6,638.39         |                  |
| 21-11150                                                                                                                                                                                                                                                   | Property Tax AR                |         | 13,271.00        |                  |
| 01-11150                                                                                                                                                                                                                                                   | PROPERTY TAXES RECEIVABLE      |         |                  | 13,270.77        |
| 21-12000                                                                                                                                                                                                                                                   | Est Uncollectible Prop Tax     |         |                  | 6,636.00         |
| 21-20900                                                                                                                                                                                                                                                   | Deferred Revenue Prop Tax      |         |                  | 6,635.00         |
| <b>Total</b>                                                                                                                                                                                                                                               |                                |         | <b>26,541.77</b> | <b>26,541.77</b> |
| <b>Reclassifying Journal Entries JE # 1002</b>                                                                                                                                                                                                             |                                |         |                  |                  |
| 3600.01                                                                                                                                                                                                                                                    |                                |         |                  |                  |
| Based on the A/R Aging for wastewater the 120+ past due balance is \$23,126.68. GAAP requires bad debt be calculated and allowed for based on percentage of sales or aging. We've passed on adjusting in the past. Adjusting in the CY with offset to A/R. |                                |         |                  |                  |
| 02-12000                                                                                                                                                                                                                                                   | WASTEWATER ACCNTS RECEIVABLE   |         | 20,924.19        |                  |
| 02-12100                                                                                                                                                                                                                                                   | ESTIMATED UNCOLLECTIBLE ACCNTS |         |                  | 20,924.19        |
| <b>Total</b>                                                                                                                                                                                                                                               |                                |         | <b>20,924.19</b> | <b>20,924.19</b> |
| <b>Total Reclassifying Journal Entries</b>                                                                                                                                                                                                                 |                                |         | <b>47,465.96</b> | <b>47,465.96</b> |
| <b>Total All Journal Entries</b>                                                                                                                                                                                                                           |                                |         | <b>47,465.96</b> | <b>47,465.96</b> |





# City of West Lake Hills City Council

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## AGENDA REPORT

|               |                        |                  |      |
|---------------|------------------------|------------------|------|
| Meeting Date: | March 13, 2024         | Item Number:     | 5    |
|               | Building & Development |                  |      |
| Department:   | Services               |                  |      |
| Prepared By:  | Jennifer C. Bills      | Cost / Budget:   | None |
| Exhibits:     | See Attached           | Source of Funds: | N/A  |

### Subject

**110 Westlake Dr:** Discuss and consider action on a vacation of the For By Grace Confirming plat (Section 36.01.004 of the West Lake Hills Code).

Applicants: Landon McClellan, Malone Wheeler

### Recommendation

Staff recommends approval of the vacation of the For By Grace Plat.

The Zoning and Planning Commission consider the item at the regular meeting on February 21, 2024 and recommended approval by a vote of 4-0.

### Discussion

#### Property Information, Zoning & Site Characteristics:

Owner: City of West Lake Hills

Legal Description: For By Grace

Lot Size: 2.468 acres

Zoning: GUI – Governmental, Utility, and Institutional

The properties surrounding the subject property are zoned R-1 One-Family, R-2 Multi-Family, and B-2 Business 2.

#### Background & Analysis:

The applicant is proposing to vacate the For By Grace Plat (previous item) and replat portions Lots 35 and 36 of the Barton Springs Estates Subdivision into one lot. The For By Grace Confirming Plat was recorded September 23, 1994. With the vacation, any restrictions present on the plat (building lines) are then removed, so they will not encumber the new replat, combining with the lot at 4010 Bee Cave Road. The five-foot PUE on the south property line will be re-dedicated on the Barton Springs Estates, portions of 35 and 36 replat as the applicant has not gone through the process to remove the easement.

Attachments for review:

1. Attachment 1 – For By Grace Confirming Plat 1994
2. Attachment 2 – Vacation Instrument
3. Attachment 3 – Draft ZAPCO minutes 2-21-24



**Chapter 36 Subdivision****Section 36.01.004 Vacation of plan or plat; recording replat or resubdivision without vacation:**

A replat or plat vacation, as defined by chapter 212.014 (of the Texas Local Government Code), shall meet all of the informational and procedural requirements set forth for a final plat.

**Sec. 212.013. VACATING PLAT.**

- (a) The proprietors of the tract covered by a plat may vacate the plat at any time before any lot in the plat is sold. The plat is vacated when a signed, acknowledged instrument declaring the plat vacated is approved and recorded in the manner prescribed for the original plat.  
*The lot has been sold to the City of West Lake Hills.*
- (b) If lots in the plat have been sold, the plat, or any part of the plat, may be vacated on the application of all the owners of lots in the plat with approval obtained in the manner prescribed for the original plat.  
*The plat consists of one lot so it only requires the approval of the one owner. The previous approval process included ZAPCO and City Council review, which is the manner being followed for the vacation.*
- (c) The county clerk shall write legibly on the vacated plat the word "Vacated" and shall enter on the plat a reference to the volume and page at which the vacating instrument is recorded.  
*The vacating instrument will be submitted to the County Clerk's office once approved by City Council.*
- (d) On the execution and recording of the vacating instrument, the vacated plat has no effect.  
*Once vacated, the portions of Lots 35 and 36 of the Barton Springs Estates Subdivision will be replatted with a portion of Lot 35 to the south and that new plat will be in effect for future development.*

**Compliance with Adopted Building Codes**

The property and future construction will have to comply with all applicable City codes.

**Subdivision**

The vacation is in compliance with all requirements of Chapter 36 of the Code of Ordinance and Chapter 212 of the Local Government Code.

**Comprehensive Planning Analysis**

The request is in conformance with the City of West Lake Hills Master Plan.

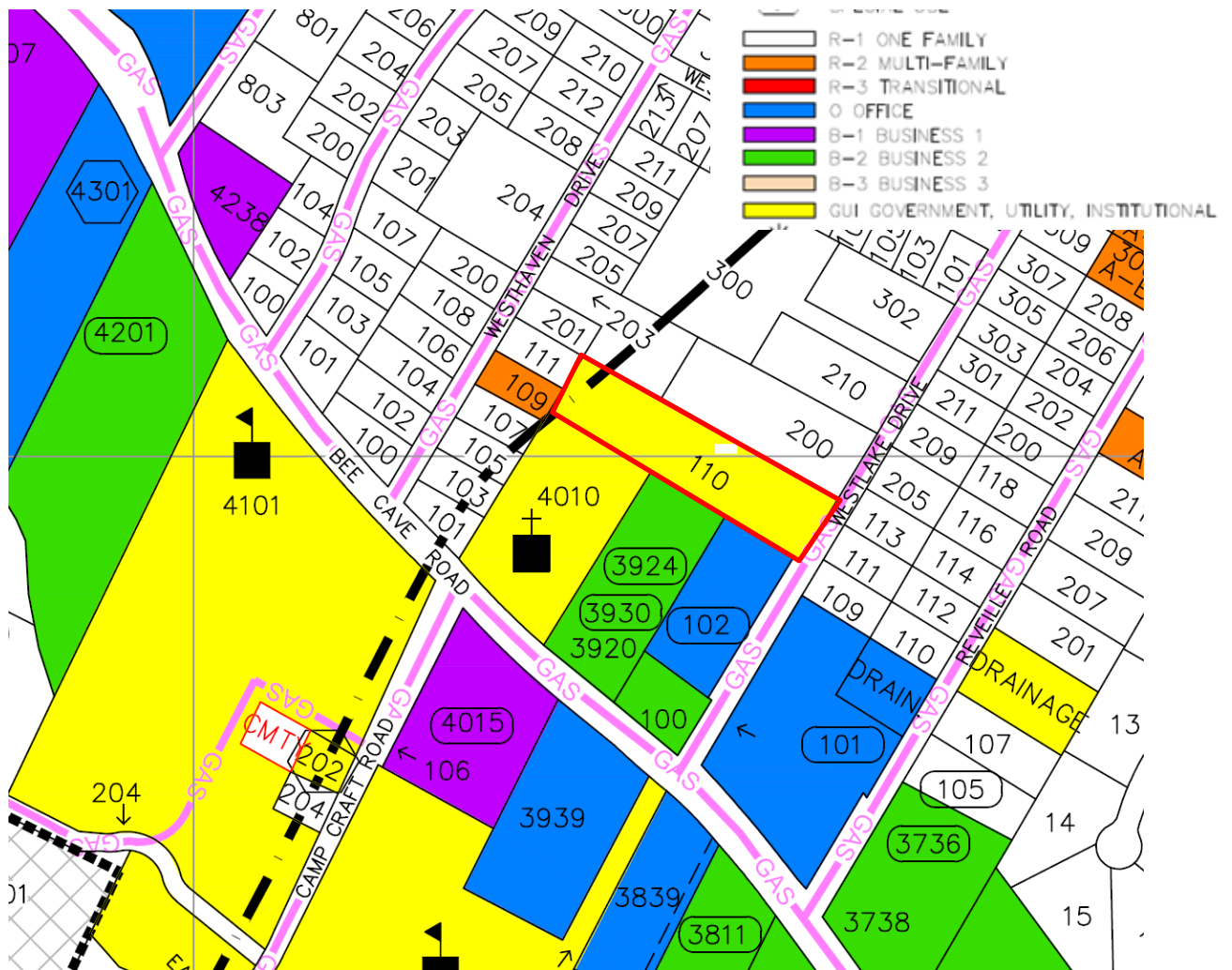
**Links to Relevant Code:**

[Section 36.01.004\(f\): Vacation of plan or plat; recording replat or resubdivision without vacation.](#)

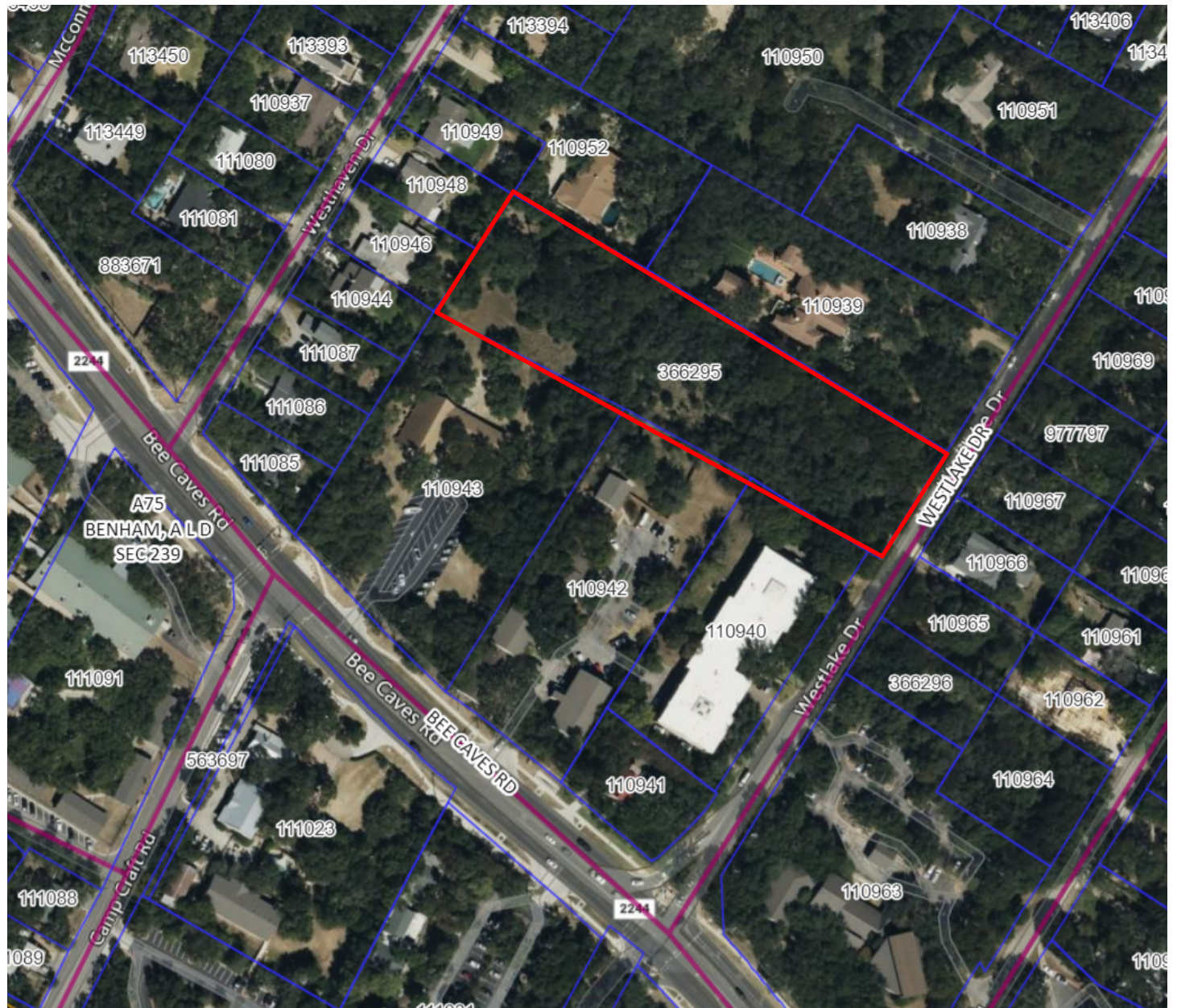
[Section 36.01.006: Preliminary and final plat filing procedure.](#)

[Local Government Code Section 212.03 Vacating Plat](#)

# Zoning:



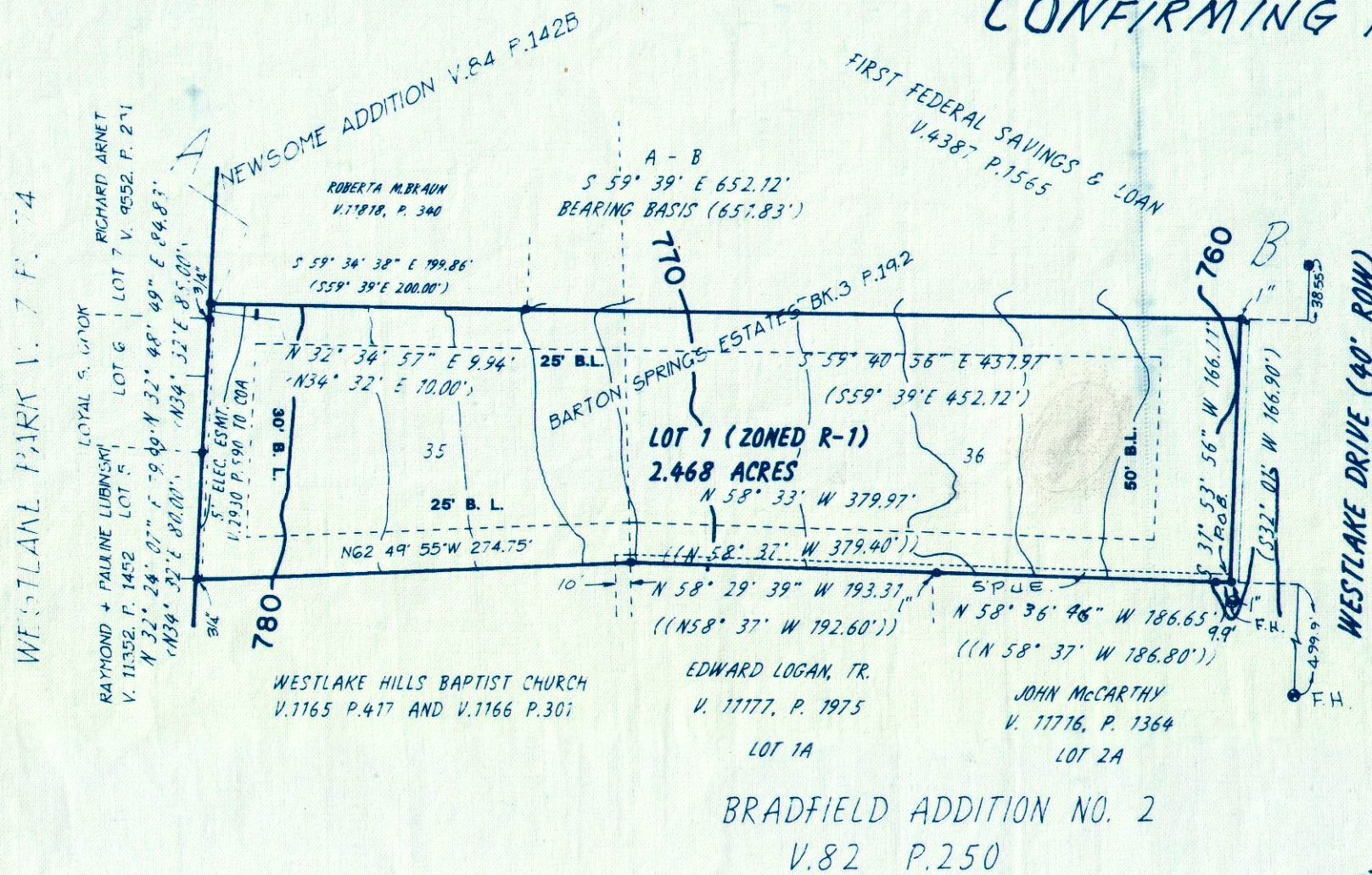
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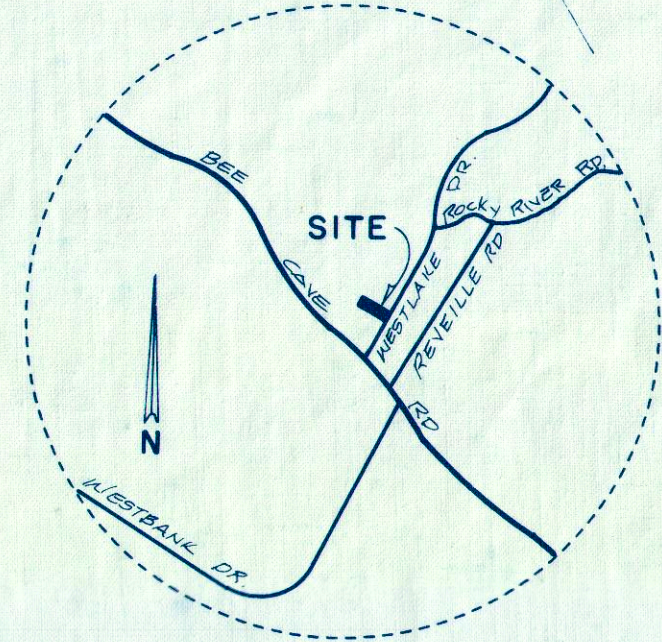


# FOR BY GRACE CONFIRMING PLAT

SCALE: 1" = 100'



- LEGEND
- 1/2" REBAR FOUND
  - IRON PIPE FOUND (AS NOTED)
  - WOOD FENCE
  - CHAIN-LINK FENCE
  - UTILITY LINE
  - UTILITY POLE
  - RECORD PER:
    - ( ) V. 1165 P.417
    - ( ) B.7, P.74
    - ( ) V.82, P.252
  - PLAT RECORDS
  - P&B. POINT OF BEGINNING



VICINITY MAP  
N.T.S.

STATE OF TEXAS )  
COUNTY OF TRAVIS )

WHEREAS, GEORGE RUSSELL, RANKIN KENNEDY AND CLINTON WILLMAN, TRUSTEES FOR THE WESTLAKE HILLS BAPTIST CHURCH OF AUSTIN, TEXAS, THE OWNER OF 5.024 ACRES OF LAND OUT OF THE L.P. SUNDBERG SURVEY, NO. 71 AND THE A.L.D. BENHAM SURVEY NO. 239, IN TRAVIS COUNTY, TEXAS, BEING FURTHER DESCRIBED AS PORTIONS OF LOTS 35 AND 36, BARTON SPRINGS ESTATES, A SUBDIVISION IN TRAVIS COUNTY, TEXAS, AS RECORDED IN PLAT BOOK 3, PAGE 192 OF THE TRAVIS COUNTY PLAT RECORDS, AS CONVEYED TO IT BY DEED RECORDED IN VOLUME 2889, PAGE 447 OF THE TRAVIS COUNTY DEED RECORDS;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

THAT WESTLAKE HILLS BAPTIST CHURCH, THE UNDERSIGNED OWNER OF THE LAND SHOWN ON THIS PLAT, ACTING HEREIN, BY AND THROUGH KENNETH T. HARRELL, CHAIRMAN, BOARD OF DEACONS, AND DESIGNATED HEREIN AS THE "FOR BY GRACE..." SUBDIVISION OF THE CITY OF WEST LAKE HILLS, TRAVIS COUNTY, TEXAS, AND WHOSE NAME IS SUBSCRIBED HERETO, HEREBY SUBDIVIDES 2.468 ACRES OF LAND OUT OF SAID 5.024 ACRE TRACT OF LAND TO BE KNOWN AS THE "FOR BY GRACE..." SUBDIVISION AND IT DOES HEREBY DEDICATE TO THE USE OF THE PUBLIC FOREVER ALL STREETS, ALLEYS, PARKS, WATER COURSES, DRAINS, PUBLIC EASEMENTS, AND PUBLIC PLACES THEREON SHOWN FOR THE PURPOSES AND CONSIDERATION THEREIN EXPRESSED.

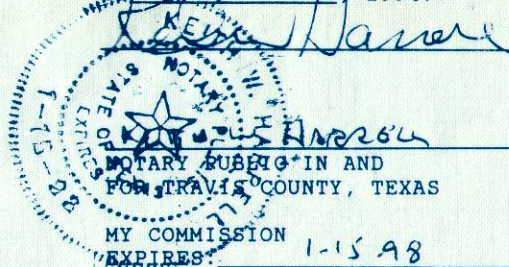
WITNESS MY HAND THIS 15 DAY OF July, 1994.

Kenneth T. Harrell  
CHAIRMAN, BOARD OF DEACONS...  
WESTLAKE HILLS BAPTIST CHURCH  
4010 BEE CAVES ROAD  
AUSTIN, TEXAS 78746

STATE OF TEXAS )  
COUNTY OF TRAVIS )

BEFORE ME, THE UNDERSIGNED AUTHORITY, ON THIS DAY PERSONALLY APPEARED KENNETH T. HARRELL, CHAIRMAN, BOARD OF DEACONS, WESTLAKE HILLS BAPTIST CHURCH, KNOWN TO ME TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE FOREGOING INSTRUMENT, AND ACKNOWLEDGED TO ME THAT HE EXECUTED THE SAME FOR THE PURPOSES AND CONSIDERATION THEREIN EXPRESSED.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS 15 DAY OF July, 1994.



THE TRACT OF LAND DESCRIBED ON THIS PLAT IS WITHIN THE BOUNDARIES OF TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT (WCID) NO. 10 AND HAS WATER SERVICE AVAILABLE.

DATED: 14 SEP 94

CLIF DRUMMOND  
PRESIDENT OF THE BOARD  
WCID NO. 10

I THE UNDERSIGNED, CITY INSPECTOR/PLANNER OF THE CITY OF WEST LAKE HILLS, TEXAS, HEREBY CERTIFY THAT THIS SUBDIVISION PLAT CONFORMS TO ALL REQUIREMENTS OF THE SUBDIVISION REGULATIONS OF THE CITY FOR WHICH MY APPROVAL IS REQUIRED.

DATED: Aug 17, 1994

R. Dan Sims  
CITY INSPECTOR/PLANNER  
CITY OF WEST LAKE HILLS, TEXAS

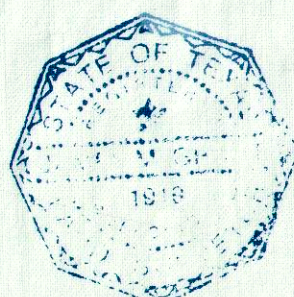
STATE OF TEXAS )  
COUNTY OF TRAVIS )

I, THE UNDERSIGNED, A REGISTERED PROFESSIONAL LAND SURVEYOR, IN THE STATE OF TEXAS, HEREBY CERTIFY THAT THIS PLAT IS TRUE AND CORRECT AND PREPARED FROM THE ACTUAL SURVEY OF THE PROPERTY MADE UNDER MY SUPERVISION ON THE GROUND.

DATED: 7-15-94

JAMES M. GRANT, RPLS 1919  
RALPH HARRIS SURVEYOR, INC.  
1406 HETHER  
AUSTIN, TEXAS 78704

NO PORTION OF THIS TRACT IS WITHIN THE BOUNDARIES OF THE 100 YEAR FLOOD PLAIN ACCORDING TO DATA FROM THE FEDERAL FLOOD INSURANCE ADMINISTRATION FIRM PANEL #4845300205E DATED 06-16-93 FOR TRAVIS COUNTY, TEXAS, AND THE TRACT HAS A 0 TO 5% SLOPE.



I, H. W. CURINGTON, AM AUTHORIZED UNDER THE LAWS OF THE STATE OF TEXAS TO PRACTICE THE PROFESSION OF ENGINEERING, AND HEREBY CERTIFY THAT THIS PLAT IS FEASIBLE FROM AN ENGINEERING STANDPOINT, IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.



H. W. CURINGTON, P.E. 6575  
DATE: 7/16/94  
1406 HETHER  
AUSTIN, TEXAS 78704

THIS PLAT HAS BEEN SUBMITTED TO AND CONSIDERED BY THE ZONING AND PLANNING COMMISSION (ZAPCO) OF THE CITY OF WEST LAKE HILLS, TEXAS, AND IS HEREBY RECOMMENDED FOR APPROVAL BY THE CITY COUNCIL.

DATED THIS 17 DAY OF August, 1994.

RICHARD W. SCOTT  
ZAPCO CHAIRPERSON

APPROVED AND AUTHORIZED FOR RECORD BY THE CITY COUNCIL OF THE CITY OF WEST LAKE HILLS, TEXAS.

DATED THIS 24 DAY OF August, 1994.

MELTON H. KUNZE, MAYOR  
LINDA WINN  
CITY SECRETARY

ATTEST:  
Linda Winn  
CITY SECRETARY

NOTES: (1) "SEPTIC SYSTEMS: EVERY LOT WITHIN THE CITY'S MUNICIPAL BOUNDARIES IN THIS SUBDIVISION IS SUBJECT TO THE CITY OF WEST LAKE HILLS' SANITATION ORDINANCE 108, AS AMENDED. NO SEPTIC SYSTEM OR OTHER PRIVATE SEWAGE FACILITY MAY BE CONSTRUCTED ON THOSE IN CITY LOTS UNTIL THE CITY OF WEST LAKE HILLS HAS ISSUED A PERMIT FOR THEIR CONSTRUCTION. NO PRIVATE SEWAGE FACILITY IN THE CITY LIMITS MAY BE USED UNTIL THE FACILITY HAS BEEN APPROVED AND LICENSED BY THE CITY. LOT SIZE REQUIREMENTS FOR RESIDENTIAL AND COMMERCIAL PRIVATE SEWAGE FACILITIES SHALL CONFORM TO CONSTRUCTION AND DEVELOPMENT LIMITATIONS IN THE SANITATION ORDINANCE 108, AS AMENDED."

(2) SITE CLEARANCE, SITE DISTURBANCE, OR IMPERVIOUS COVER: EVERY LOT IN THIS SUBDIVISION IS SUBJECT TO THE CITY OF WEST LAKE HILLS' SITE CLEARANCE PROCEDURES. NO SITE CLEARANCE, EXCAVATION, GRADING OR LANDFILL SHALL COMMENCE UNLESS A PERMIT SHALL HAVE FIRST BEEN ISSUED FOR SUCH WORK IN ACCORDANCE WITH THE PROVISIONS OF APPLICABLE ORDINANCES. IMPERVIOUS COVER SHALL NOT EXCEED THE MAXIMUM PERCENTAGE PERMITTED UNDER CITY ORDINANCE.

(3) STREETS, ROADS AND OTHER PUBLIC THOROUGHFARES SHOWN ON PLAT: THE BUILDING OF ALL STREETS, ROADS AND OTHER PUBLIC THOROUGHFARES SHOWN ON THIS PLAT AND ANY BRIDGES OR CULVERTS NECESSARY TO BE CONSTRUCTED OR PLACED IN SUCH STREETS, ROADS OR OTHER PUBLIC THOROUGHFARES OR IN CONNECTION THEREWITH, SHALL BE THE RESPONSIBILITY OF THE OWNER AND/OR DEVELOPER OF THE TRACT OF LAND COVERED BY THIS PLAT IN ACCORDANCE WITH THE PLANS AND SPECIFICATIONS PRESCRIBED BY THE CITY COUNCIL OF THE CITY OF WEST LAKE HILLS, TRAVIS COUNTY, TEXAS, IF SAID PLAT IS WITHIN THE CITY LIMITS OF THE CITY OF WEST LAKE HILLS, TEXAS. THE CITY OF WEST LAKE HILLS, TEXAS ASSUMES NO RESPONSIBILITY TO BUILD ANY OF THE STREETS, ROADS OR OTHER PUBLIC THOROUGHFARES SHOWN ON THIS PLAT OR ANY BRIDGES OR CULVERTS IN CONNECTION THEREWITH. ALL CURB CUTS, ENTRANCES AND EXITS ONTO PUBLIC STREETS OR HIGHWAYS SHALL FIRST BE APPROVED BY THE CITY OF WEST LAKE HILLS, TEXAS.

(4) RECHARGE ZONE: LOTS IN THIS SUBDIVISION ARE LOCATED OVER THE EDWARDS AQUIFER RECHARGE ZONE AND SUBJECT TO THE TEXAS NATURAL RESOURCE CONSERVATION COMMISSION EDWARDS RULES 31, TEXAS ADMINISTRATIVE CODE (TAC) 313, AS AMENDED. NO BUILDING PERMIT WILL BE ISSUED BY THE CITY OF WEST LAKE HILLS UNTIL THE REQUIREMENTS OF THE EDWARDS RULES TAC CHAPTER 313 ARE FULLY COMPLIED WITH. THE APPLICANT FOR A BUILDING PERMIT IS RESPONSIBLE TO FURNISH THE CITY WRITTEN COMPLIANCE TO THE EDWARDS AQUIFER RULES FROM THE TEXAS NATURAL RESOURCE CONSERVATION COMMISSION.

(5) RESTRICTIONS OR COVENANTS; NONE OF RECORD.

STATE OF TEXAS )  
COUNTY OF TRAVIS )

I, DANA DEBEAUVOIR, CLERK OF THE COUNTY COURT OF TRAVIS COUNTY, TEXAS, HEREBY CERTIFY THAT THE FOREGOING INSTRUMENT WITH ITS CERTIFICATION OF AUTHENTICATION WAS FILED IN MY OFFICE AT 9:00 O'CLOCK A.M. THIS THE 23rd DAY OF SEPT. 1994, AND DULY RECORDED AT 9:00 O'CLOCK A.M. ON THE 23rd DAY OF SEPT. 1994, IN THE PLAT RECORDS OF TRAVIS COUNTY, TEXAS, IN BOOK 93, AT PAGE 344 THROUGH

WITNESS MY HAND AND SEAL OF THE COURT OF TRAVIS COUNTY, TEXAS THIS 23rd DAY OF SEPT. A.D. 1994.

CLERK OF THE COUNTY COURT  
TRAVIS COUNTY, TEXAS

BY: V. LEAL  
DEPUTY

STATE OF TEXAS )  
COUNTY OF TRAVIS )

FILED FOR RECORD THIS 23rd DAY OF Sept. 1994  
AT 9:00 O'CLOCK A.M.

CLERK OF THE COUNTY COURT  
TRAVIS COUNTY, TEXAS

BY: V. LEAL  
DEPUTY





**VACATION OF SUBDIVISION, TO WIT:  
FOR BY GRACE CONFIRMING PLAT**

THE STATE OF TEXAS

COUNTY OF TRAVIS

WHEREAS, The Westlake Hills Baptist Church of Austin, Texas, did heretofore subdivide the same into the subdivision designated For By Grace Confirming Plat, the plat of which is recorded in Cabinet 93, Slide 344 which is recorded in the Travis County Texas Plat Records; and

WHEREAS, the following said lots in said subdivision are now owned by the parties indicated, to wit:

City of West Lake Hills  
911 Westlake Drive  
West Lake Hills, TX 78746

WHEREAS, The City of West Lake Hills, who collectively constitutes the current owners of all original, intact lots in the For By Grace Confirming Plat, desires to vacate said subdivision plat in its entirety, said subdivision plat being For By Grace Confirming Plat (Cabinet 93 Slides 344) so as to destroy the force and effect of the recording of each particular lot within such subdivision plat insofar and only insofar as the same pertains to the following totaling : 2.468 acres in the Austin L.D. Benham Survey No 239 Abstract No. 75.

NOW, THEREFORE:

The City of West Lake Hills, for and in consideration of the premises and pursuant to the provisions of Chapter 212.013 of the Local Government Code, does hereby vacate the following subdivision plat: For By Grace Confirming Plat totaling 2.468 acres in the Austin L.D. Benham Survey No 239 Abstract No. 75.

EXECUTED, this \_\_\_\_\_ day of \_\_\_\_\_, 2024 A.D.

\_\_\_\_\_  
City of West Lake Hills, TX

\_\_\_\_\_  
Trey Fletcher  
City Administrator

THE STATE OF TEXAS  
COUNTY OF TRAVIS

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared Trey Fletcher, City Administrator known to me to be the person whose name is subscribed to the foregoing instrument on behalf of the owner of For By Grace Confirming Plat, totaling 2.468 acres in the Austin L.D. Benham Survey No 239 Abstract No. 75 on behalf of City of West Lake Hills, Texas, a municipal corporation, and they acknowledged to me that they executed the same for the purpose and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL of office this the \_\_\_\_ day of \_\_\_\_\_, 2024 A.D.

\_\_\_\_\_  
Printed name: \_\_\_\_\_  
Notary Public in and for the State of  
Texas

My commission expires: \_\_\_\_\_

APPROVAL OF PLAT VACATION - ZAPCO

THE STATE OF TEXAS

COUNTY OF TRAVIS

BE IT KNOWN, that on the \_\_\_\_ day of \_\_\_\_, 2024, the Zoning & Planning Commission of the City of West Lake Hills, TX at its regular meeting, did recommend the vacation of For By Grace Confirming Plat, in conjunction with a (Lot 35 – Barton Springs Estates Replat of portions of Lots 35 and 36 of the Travis County Plat Records, upon application therefore by all of the owners of all of the lots in said subdivision.

EXECUTED, this \_\_\_\_\_ day of \_\_\_\_\_, 2024 A.D..

\_\_\_\_\_  
Robert Meisel, Chairman  
Zoning & Planning Commission  
City of West Lake Hills

Travis County, Texas

ATTEST:

\_\_\_\_\_  
Joel Sherrouse, Recording Secretary

THE STATE OF TEXAS

COUNTY OF TRAVIS

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared Robert Meisel, known to be the person whose name is subscribed to the foregoing instrument as Chair of the ZAPCO of the City of West Lake Hills, Texas, a municipal corporation, and they acknowledged to me that they executed the same for the purpose and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2024 A.D..

\_\_\_\_\_  
Printed name: \_\_\_\_\_  
Notary Public in and for the State of  
Texas

My commission expires: \_\_\_\_\_

**APPROVAL OF PLAT VACATION – CITY COUNCIL**

BE IT KNOWN, that on the \_\_\_\_ day of \_\_\_\_, 2024, the City Council of the City of West Lake Hills, TX at its regular meeting, did approve the vacation of the For By Grace Confirming Plat, in conjunction with the approval of Lot 35A – Barton Springs Estates Replat of portions of Lots 35 and 36, upon application therefore by all of the owners of all of the lots in said subdivision.

EXECUTED, this \_\_\_\_\_ day of \_\_\_\_\_, 2024 A.D..

\_\_\_\_\_  
Linda Anthony, Mayor  
City of West Lake Hills  
Travis County, Texas

ATTEST:

\_\_\_\_\_  
Terry Blanchard, Recording Secretary

THE STATE OF TEXAS  
COUNTY OF TRAVIS

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared Linda Anthony, known to be the person whose name is subscribed to the foregoing instrument as Mayor of the City of West Lake Hills, Texas, a municipal corporation, and they acknowledged to me that they executed the same for the purpose and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2024 A.D..

\_\_\_\_\_  
Printed name: \_\_\_\_\_  
Notary Public in and for the State of  
Texas

My commission expires: \_\_\_\_\_

# CITY OF WEST LAKE HILLS, TEXAS

## MINUTES OF A ZONING & PLANNING COMMISSION (ZAPCO) REGULAR MEETING

Wednesday, February 21, 2024 at 6:30 PM

1. Call to Order: Chairman Robert Meisel.

1. Meeting begins at 6:30pm

2. Roll Call

i. Chair Robert Meisel: Present

ii. Vice-Chair Jim Pledger: Not Present

iii. Commissioner Julia Webber: Present

iv. Commissioner Karen Bartoletti: Present

v. Commissioner Patrick Stewart: Present

vi. Commissioner Laurie Maccini: Present

REMOTE ACCESS: Any citizens or applicants that wish to speak at the meeting are

encouraged to attend virtually, as the number of people in the chambers will be limited due

to physical distancing.

**Join Zoom Meeting:** <https://us02web.zoom.us/j/3499549035>

**Meeting ID: 349 954 9035**

If you wish to listen to the meeting via telephone:

Dial **(346) 248-7799**

Meeting ID: **349 954 9035**.

If you wish to speak during the meeting or provide written comments, please provide your name, phone number, comments, and the item number you wish to speak on to [planner@westlakehills.gov](mailto:planner@westlakehills.gov) by 1:00 P.M. on February 21, 2024

2. Citizen Communications: The Commission welcomes public comments at this point on any issue. If the issue is listed on the agenda, the speaker may choose to comment during the Public Comment period or when the specific agenda item is taken up by the Commission later in the meeting. The Commission cannot respond to or discuss matters not listed on the agenda. The Commission may provide factual information, refer the item to a staff member, or request the item be added to a future meeting agenda. Speakers shall limit their comments to five (5) minutes each.

a. No speakers present in-person or online



3. Consent Agenda: The following items are considered to be self-explanatory by the Commission and will be enacted with one motion. There will be no separate discussion of these item/s unless a Commission Member or citizen so requests.

1. Minutes from the January 17, 2024 regular Zoning & Planning Commission Meeting.
2. Report of Previous ZAPCO cases acted on by the BOA/City Council.

- a. **Action**: Commissioner Stewart moves that all items be approved
- Commissioner Maccini Seconds
  - Motion carries 4:0

4. Deliberation/Action 110 Westlake Dr: Discuss and make recommendation on a vacation of the For By Grace Confirming plat (Section 36.01.004 of the West Lake Hills Code): Building and Development Director Jennifer Bills

**Applicant**: Landon McClellan, Malone Wheeler

- a. Staff Report: Director Bills delivers briefing on plat vacation
- b. Public Comments: No speakers
  - Chair Meisel closes public Hearing
- c. **Action**: Commissioner Bartoletti moves that the plat vacation be forwarded to City Council with a recommendation of approval
  - Commissioner Webber Seconds
  - Motion Carries 4:0

**Recommendation will be forwarded to City Council on March 13, 2024**

5. Deliberation/Action: 4010 Bee Cave Rd: Discuss and make recommendation on a replat of Barton Springs Estates portions of Lots 35 and 36, to create one lot, 35A (Section 36.01.004 of the West Lake Hills Code): Building and Development Director Jennifer Bills

**Applicant**: Landon McClellan, Malone Wheeler

- a. Staff Report: Director Bills delivers briefing on Replat
- b. Public Comments: No speakers
  - Chair Meisel closes public Hearing
- c. **Action**: Commissioner Maccini moves that the plat vacation be forwarded to City Council with a recommendation of approval
  - Commissioner Stewart Seconds
  - Motion Carries 4:0

**Recommendation will be forwarded to City Council on March 13, 2024**

6. Staff Briefing: Presentation on Updates to City Development Process:  
Development Coordinator Joel Sherrouse
  - a. Staff Report: Development Coordinator Sherrouse delivers report on existing and future updates to building and development application, review, and permitting processes.
7. **Adjournment**: Chairman Robert Meisel.
  - a. Meeting Adjourned at 7:12pm

Respectfully submitted,

---

ROBERT MEISEL, CHAIRMAN

ATTEST:

---

Development Coordinator Joel Sherrouse

These minutes were approved on \_\_\_\_\_, 2024.



# City of West Lake Hills

## Zoning and Planning Commission

# AGENDA REPORT

|               |                        |                  |      |
|---------------|------------------------|------------------|------|
| Meeting Date: | March 13, 2024         | Item Number:     | 6    |
|               | Building & Development |                  |      |
| Department:   | Services               |                  |      |
| Prepared By:  | Jennifer C. Bills      | Cost / Budget:   | None |
| Exhibits:     | See Attached           | Source of Funds: | N/A  |

### Subject

**4010 Bee Cave Rd:** Discuss and make recommendation on a replat of Barton Springs Estates portions of Lots 35 and 36, to create one lot, 35A (Section 36.01.004 of the West Lake Hills Code).

Applicant: Landon McClellan, Malone Wheeler

### Recommendation

Staff recommend approval of the proposed replat.

The Zoning and Planning Commission consider the item at the regular meeting on February 21, 2024 and recommended approval with conditions by a vote of 4-0. The conditions have been met by the applicant on the attached plat.

### Discussion

#### Property Information, Zoning & Site Characteristics:

Owner: City of West Lake Hills

Legal Description: Barton Springs Estates, portions of Lots 35 and 36

Lot Size: 4.8945 acres

Zoning: GUI – Governmental, Utility, and Institutional

The properties surrounding the subject property are zoned R-1 One-Family, R-2 Multi-Family, and B-2 Business 2.

#### Background & Analysis:

The applicant is proposing to vacate the For By Grace Plat (previous item) and replat portions Lots 35 and 36 of the Barton Springs Estates Subdivision into one lot. The Barton Springs Estates plat was recorded April 11, 1932. No new public improvements (streets and drainage) are necessary to serve the additional lot. The required right-of-way width for Westlake Drive is 60 feet. The current ROW width adjacent to the property is 40 feet. Properties on either side of the ROW are required to dedicate half the remaining required width when platting, which in this case is 10 feet. The 10-foot dedication is shown on the plat and lines up with the property line of 102 Westlake Drive.

At ZAPCO, two conditions were required:

1. The 5-foot PUE on the south property line of the northern arm is being vacated with the For By Grace Plat. The recording reference needs to be removed (as it will be vacated prior to the recordation of this plat) and the PUE will need to be dedicated on this plat to restore it (Section 36.01.007(f)(2)(F)(i)).  
**The reference was removed and the 5-foot easement is dedicated on this plat. The City can abandon the easement by separate instrument in the future if the easement is not in use.**
2. Reflect new Austin Energy Electric easement on west property line (Section 36.01.007(f)(2)(F)(i)).  
**A new easement has been dedicated to Austin Energy for the future infrastructure, but until the existing infrastructure is removed (existing service to the church), the easement must remain. It will be abandoned by separate instruments once construction is complete.**

Attachments for review:

1. Exhibit A – Proposed replat of Barton Springs Estates portions of Lots 35 and 36
2. Attachment 1 – Barton Springs Estates Subdivision 1932
3. Attachment 3 – Draft ZAPCO minutes 2-21-24

### **Chapter 36 Subdivision**

#### **Section 36.01.004 Replat or resubdivision without vacation:**

A replat or plat vacation, as defined by chapter 212.014 (of the Texas Local Government Code), shall meet all of the informational and procedural requirements set forth for a final plat.

Sec. 212.014. REPLATTING WITHOUT VACATING PRECEDING PLAT. A replat of a subdivision or part of a subdivision may be recorded and is controlling over the preceding plat without vacation of that plat if the replat:

(1) is signed and acknowledged by only the owners of the property being replatted;  
*The owners of the property have requested the replat.*

(2) is approved by the municipal authority responsible for approving plats; and  
*Under the West Lake Hills Code of Ordinances, the Zoning & Planning Commission provides a recommendation to the City Council. The City Council is the responsible authority for the approval of plats.*

(3) does not attempt to amend or remove any covenants or restrictions.  
*Plat restrictions from the Barton Springs Estates are noted on the replat.*

#### **Compliance with Adopted Building Codes**

The property and future construction will have to comply with all applicable City codes.

#### **Subdivision**

For the reasons stated in the within this report, once the conditions are met the plat will meet requirements of Chapter 36.

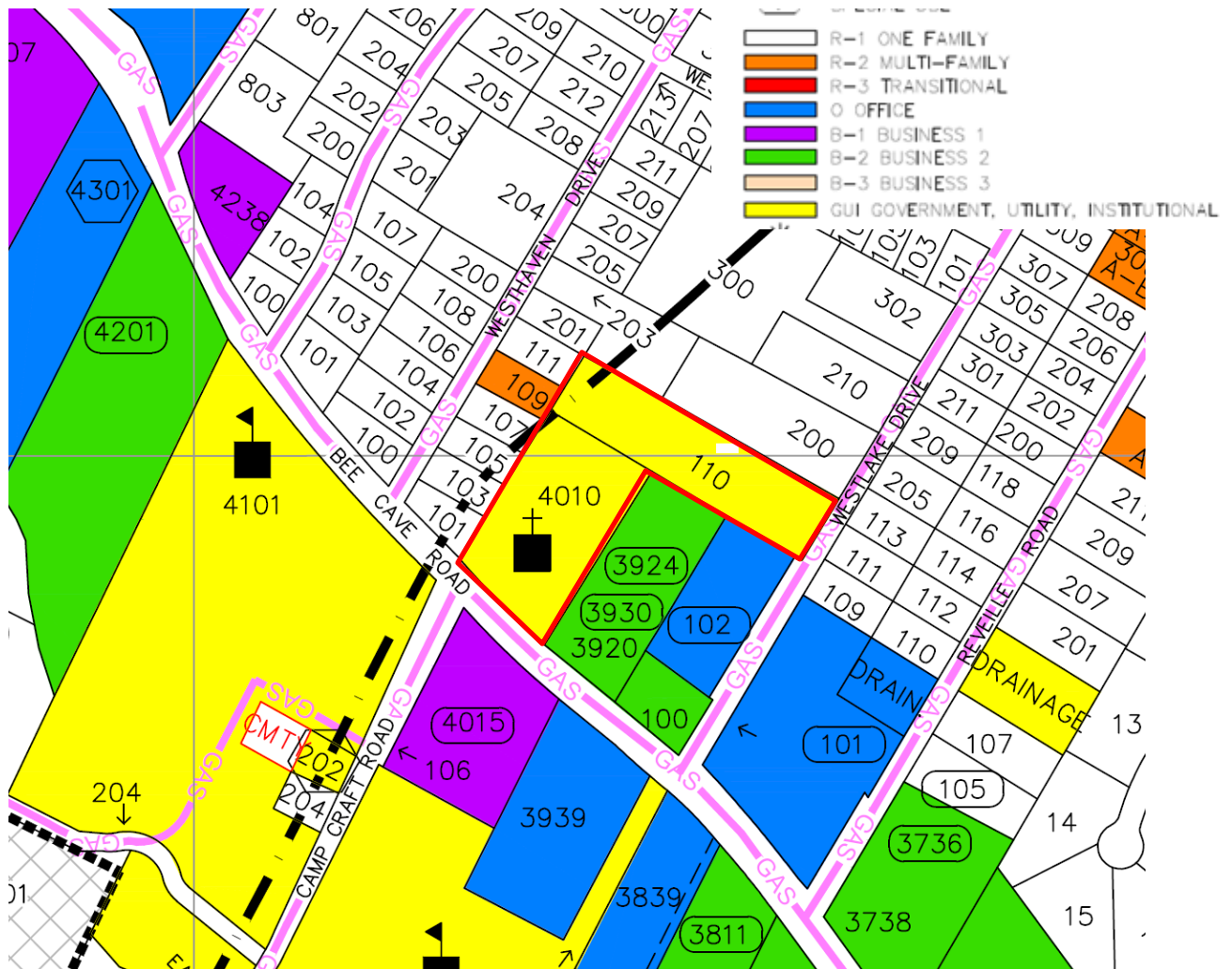
#### **Comprehensive Planning Analysis**

The request is in conformance with the City of West Lake Hills Master Plan.

**Links to Relevant Code:**

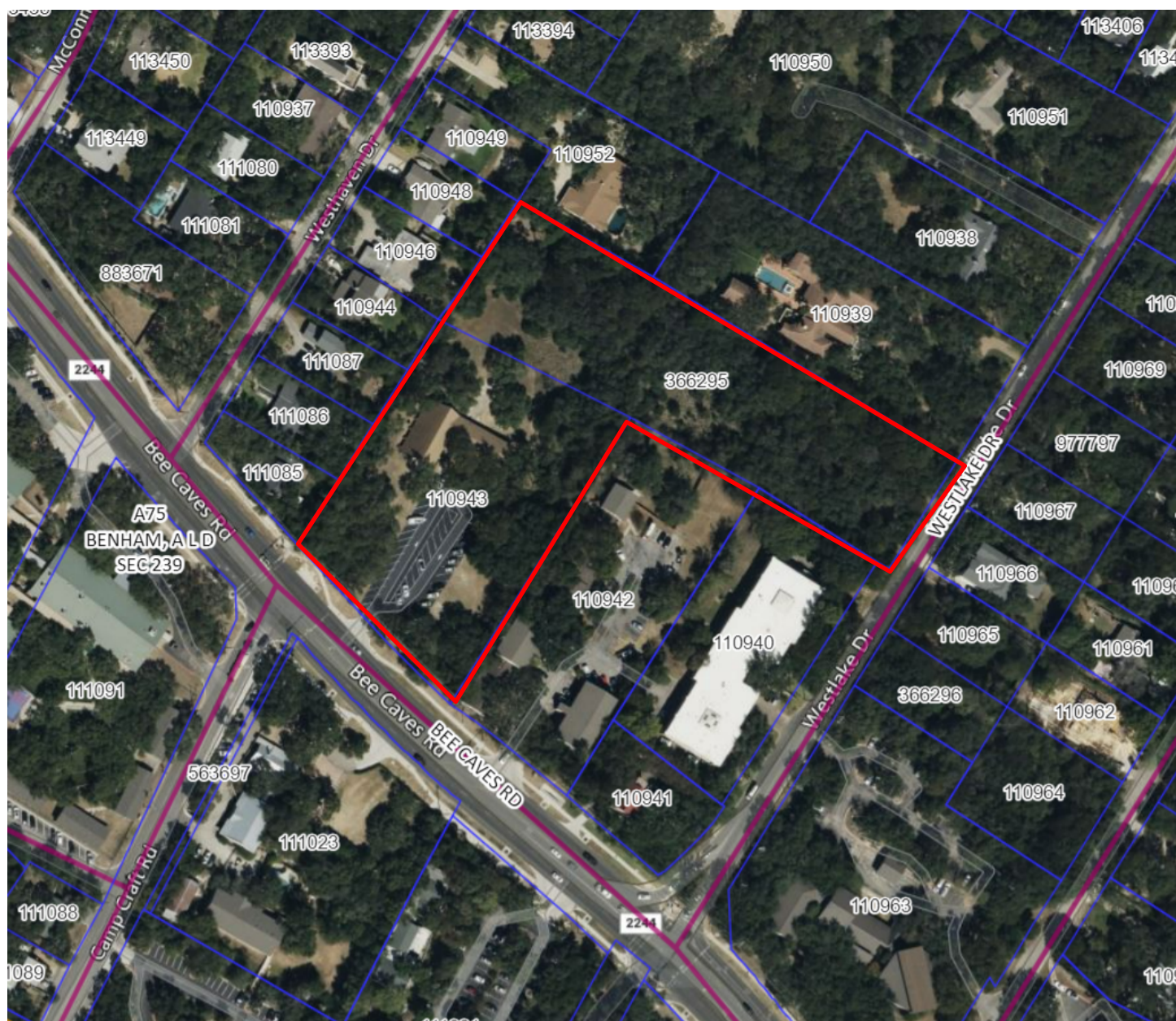
[Section 36.01.004\(f\): Vacation of plan or plat; recording replat or resubdivision without vacation.](#)

[Section 36.01.006: Preliminary and final plat filing procedure.](#)

**Zoning:**



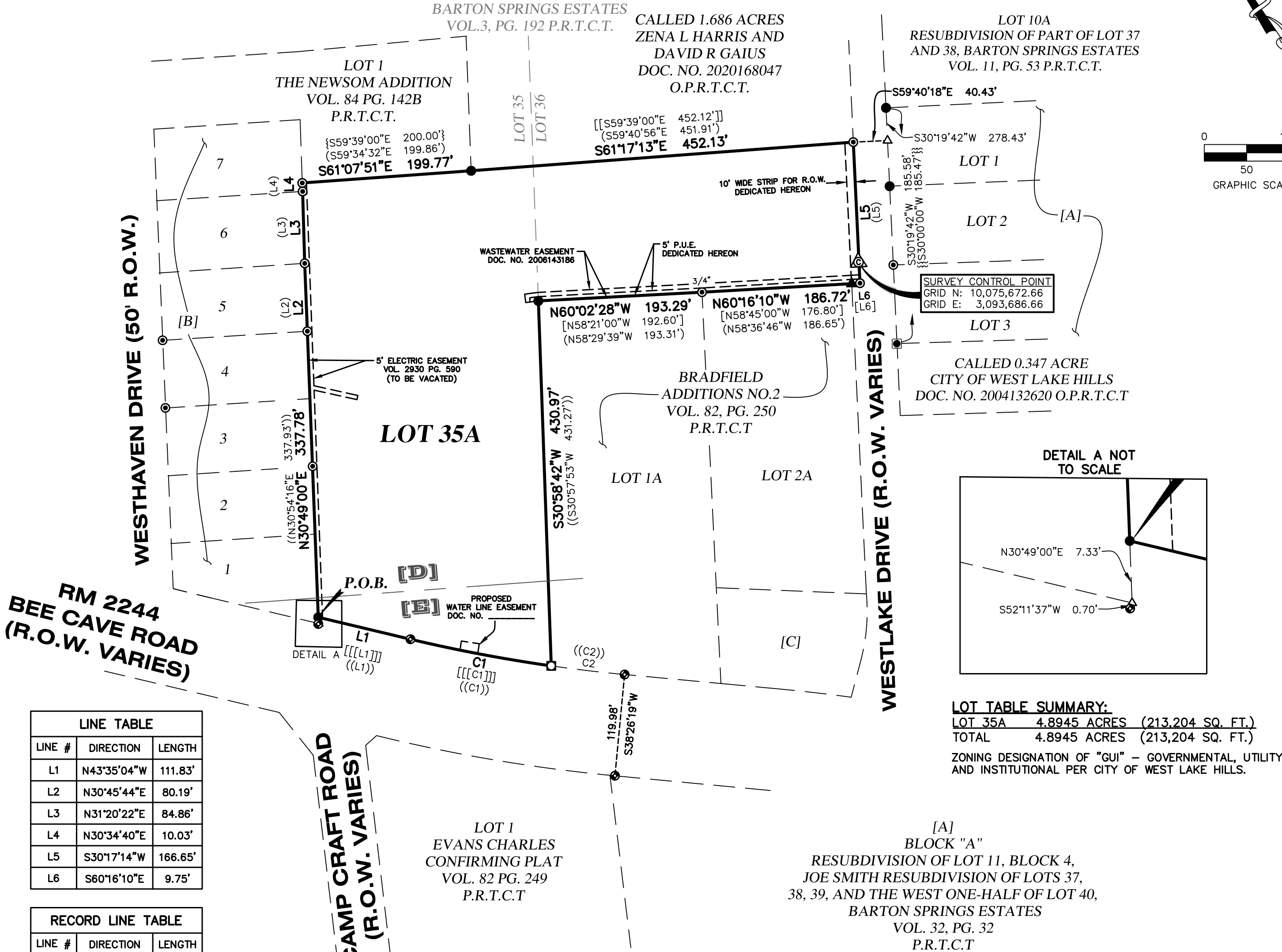
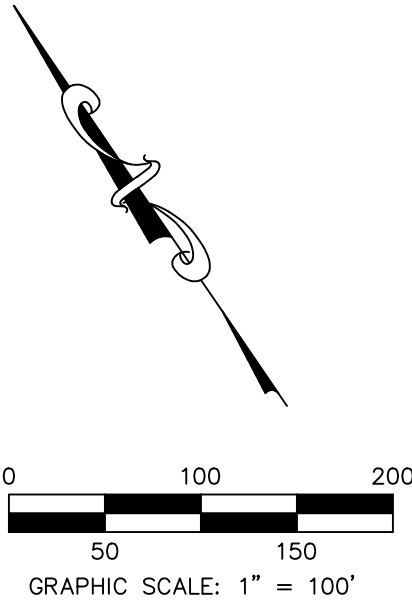
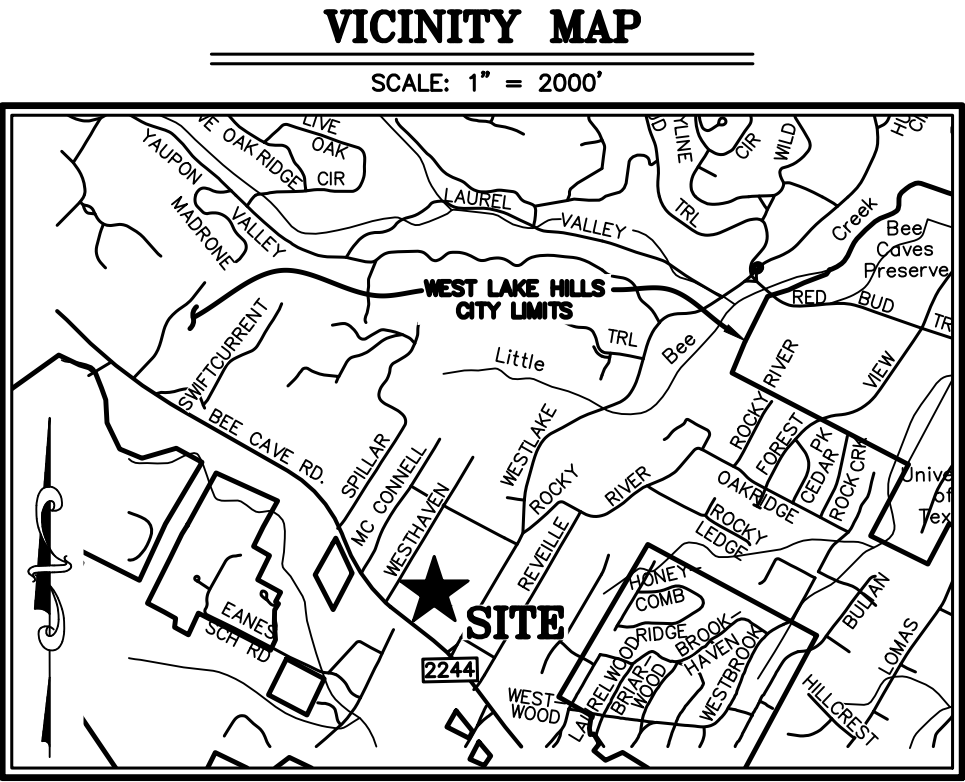
**Aerial:**



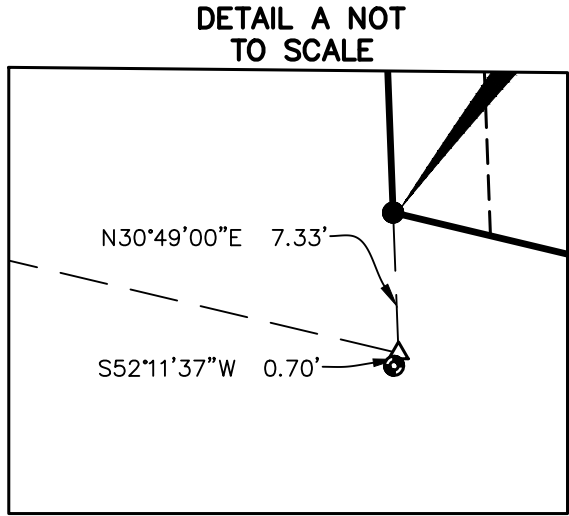


LOT 35A - BARTON SPRINGS ESTATES  
REPLAT OF PORTIONS OF LOTS 35 AND 36

[D]  
AUSTIN L.D. BENHAM SURVEY NO. 239  
ABSTRACT NO. 75  
[E]  
LAWRENCE SUNDBERG SURVEY NO. 71  
ABSTRACT NO. 723



| LEGEND |                                                          |                                                 |
|--------|----------------------------------------------------------|-------------------------------------------------|
| —      | PROPERTY LINE                                            | VOL./PG.                                        |
| - - -  | EXISTING PROPERTY LINES                                  | R.P.R.T.C.T.                                    |
| - - -  | EXISTING EASEMENTS                                       | REAL PROPERTY RECORDS, TRAVIS COUNTY, TEXAS     |
| △      | CALCULATED POINT                                         | P.R.T.C.T.                                      |
| ▲      | NAIL FOUND AS NOTED                                      | PLAT RECORDS, TRAVIS COUNTY, TEXAS              |
| ●      | 1/2" IRON ROD FOUND (UNLESS NOTED)                       | O.P.R.T.C.T.                                    |
| ⊙      | 1/2" IRON PIPE FOUND (UNLESS NOTED)                      | OFFICIAL PUBLIC RECORDS, TRAVIS COUNTY, TEXAS   |
| ⊙      | IRON ROD WITH "SURVEYOR" CAP FOUND (UNLESS NOTED)        | DOC. NO.                                        |
| ■      | TXDOT TYPE I CONCRETE MONUMENT FOUND (UNLESS NOTED)      | DOCUMENT NUMBER                                 |
| ⊙      | TXDOT TYPE II BRASS DISC FOUND (UNLESS NOTED)            | (.....)                                         |
| ⊙      | TXDOT TYPE III 5/8" ALUMINUM CAPPED FOUND (UNLESS NOTED) | RECORD INFORMATION PER PLAT VOL. 93 PG. 344     |
| ⊙      | SURVEY CONTROL POINT                                     | [.....]                                         |
| P.U.E. | PUBLIC UTILITY EASEMENT                                  | RECORD INFORMATION PER PLAT VOL. 82 PG. 250     |
|        |                                                          | {.....}                                         |
|        |                                                          | RECORD INFORMATION PER PLAT VOL. 84 PG. 142B    |
|        |                                                          | [[.....]]                                       |
|        |                                                          | RECORD INFORMATION PER DEED DOC. NO. 2020168047 |
|        |                                                          | ((.....))                                       |
|        |                                                          | RECORD INFORMATION PER DEED DOC 2022092245      |
|        |                                                          | {.....}                                         |
|        |                                                          | RECORD INFORMATION PER PLAT VOL. 32 PG. 32      |
|        |                                                          | [[[.....]]]                                     |
|        |                                                          | RECORD INFORMATION PER DEED DOC 2013212249      |



LOT TABLE SUMMARY:  
LOT 35A 4.8945 ACRES (213,204 SQ. FT.)  
TOTAL 4.8945 ACRES (213,204 SQ. FT.)  
ZONING DESIGNATION OF "GUI" - GOVERNMENTAL, UTILITY AND INSTITUTIONAL PER CITY OF WEST LAKE HILLS.

**SURVEY CONTROL:**  
STATE PLANE GRID CONTROL FOR THIS SURVEY IS BASED ON A 1/2" IRON ROD WITH "4WARD CONTROL" CAP SET, GRID COORDINATES AND ELEVATIONS SHOWN HEREON WERE DERIVED FROM (THE TEXAS COOPERATIVE NETWORK ON DATE 2017-05-08, GPS STATIC OBSERVATIONS ON MAY 10, 2017, STATIC DATA PROCESSED BY O.P.U.S.)

**BEARING BASIS:**  
ALL BEARINGS ARE BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM, GRID NORTH, CENTRAL ZONE, (4203), NAD83 (CORS), ALL DISTANCES WERE ADJUSTED TO SURFACE USING A COMBINED SCALE FACTOR OF 1.000040221617713.

**FLOODPLAIN NOTE:**  
THIS PROPERTY IS LOCATED WITHIN ZONE 'X', AREAS DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOOD HAZARD, AS SHOWN ON F.I.R.M. PANEL NO. 48453C0445K, TRAVIS COUNTY, TEXAS DATED JANUARY 22, 2020.

THIS FLOOD STATEMENT DOES NOT IMPLY THAT THE PROPERTY AND/OR THE STRUCTURES THEREON WILL BE FREE FROM FLOODING OR FLOOD DAMAGE. THIS FLOOD STATEMENT SHALL NOT CREATE LIABILITY ON THE PART OF THE SURVEYOR OR ENGINEER.

**EASEMENT NOTE:**  
THIS PROPERTY IS SUBJECT TO THE EASEMENT RECORDED IN DOCUMENT NO. 2023133984 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS.

| LINE TABLE |             |         |
|------------|-------------|---------|
| LINE #     | DIRECTION   | LENGTH  |
| L1         | N43°35'04"W | 111.83' |
| L2         | N30°45'44"E | 80.19'  |
| L3         | N31°20'22"E | 84.86'  |
| L4         | N30°34'40"E | 10.03'  |
| L5         | S30°17'14"W | 166.65' |
| L6         | S60°16'10"E | 9.75'   |

| RECORD LINE TABLE |             |         |
|-------------------|-------------|---------|
| LINE #            | DIRECTION   | LENGTH  |
| ((L1))            | N43°35'57"W | 112.07' |
| [[[L1]]]          | S43°38'51"E | 111.94' |
| (L2)              | N32°24'01"E | 79.99'  |
| ((L2))            | N34°30'00"E | 80.00'  |
| (L3)              | N32°48'49"E | 84.83'  |
| ((L3))            | N34°32'00"E | 85.00'  |
| (L4)              | N32°34'57"E | 9.94'   |
| ((L4))            | N34°32'00"E | 10.00'  |
| (L5)              | S31°53'56"W | 166.71' |
| {L5}              | S30°00'00"W | 185.47' |
| [L6]              | S58°45'00"W | 10.00'  |

| CURVE TABLE |         |           |          |             |          |
|-------------|---------|-----------|----------|-------------|----------|
| CURVE #     | LENGTH  | RADIUS    | DELTA    | BEARING     | DISTANCE |
| C1          | 169.13' | 1,856.87' | 5°13'08" | N46°17'02"W | 169.07'  |
| C2          | 87.11'  | 1,842.88' | 2°42'30" | S50°17'13"E | 87.10'   |

| RECORD CURVE TABLE |         |           |          |             |          |
|--------------------|---------|-----------|----------|-------------|----------|
| CURVE #            | LENGTH  | RADIUS    | DELTA    | BEARING     | DISTANCE |
| ((C1))             | 169.25' | 1,842.88' | 5°15'45" | N46°13'49"W | 169.21'  |
| [[[C1]]]           | 169.01' | 1,842.88' | 5°15'17" | S46°16'33"E | 168.95'  |
| ((C2))             | 86.98'  | 1,842.88' | 2°42'15" | S50°15'16"E | 86.97'   |

[A]  
BLOCK "A"  
RESUBDIVISION OF LOT 11, BLOCK 4,  
JOE SMITH RESUBDIVISION OF LOTS 37,  
38, 39, AND THE WEST ONE-HALF OF LOT 40,  
BARTON SPRINGS ESTATES  
VOL. 32, PG. 32  
P.R.T.C.T.

[B]  
WESTLAKE PARK  
VOL. 7, PG. 74  
P.R.T.C.T.

[C]  
COLCORD PROPERTIES, LTD.  
DOC. NO. 2001019028  
O.P.R.T.C.T.  
LEE'S CORNER CONFIRMING PLAT  
VOL. 80, PG. 289  
P.R.T.C.T.

PO Box 90876, Austin Texas 78709  
WWW.4WARDLS.COM (512) 537-2384  
TBPLS FIRM #10174300

Date: 3/6/2024  
Project: 00604  
Scale: 1" = 100'  
Reviewer: PG  
Tech: DK  
Field Crew: MW/AC  
Survey Date: MAR. 2023  
Sheet: 1 OF 2



STATE OF TEXAS §  
COUNTY OF TRAVIS §

KNOW ALL MEN BY THESE PRESENTS: THE CITY OF WEST LAKE HILLS, OWNER OF LOT 1, FOR BY GRACE SUBDIVISION, A SUBDIVISION IN TRAVIS COUNTY, TEXAS, RECORDED IN VOLUME 93 PAGE 344 OF THE PLAT RECORDS OF TRAVIS COUNTY, TEXAS, AS CONVEYED IN GENERAL WARRANTY DEED RECORDED IN DOCUMENT NUMBER 2002140511, OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, AND A CALLED 2.427 ACRES OF LAND DESCRIBED IN DOCUMENT NUMBER 2022092245, OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, SAME BEING A PORTION OF LOT 35 BARTON SPRINGS ESTATES, A SUBDIVISION IN TRAVIS COUNTY, TEXAS, RECORDED IN VOLUME 3 PAGE 192, PLAT RECORDS TRAVIS COUNTY, TEXAS, DO HEREBY SUBDIVIDE 4.8945 ACRES, SAID RESUBDIVISION TO BE KNOWN AS

LOT 35A – BARTON SPRINGS ESTATES REPLAT OF PORTIONS OF  
LOTS 35 AND 36

AND DO HEREBY DEDICATE TO THE PUBLIC, THE USE OF THE STREETS AND EASEMENTS SHOWN HEREON, SUBJECT TO ANY EASEMENTS AND/OR RESTRICTIONS HERETOFORE GRANTED AND NOT RELEASED.

WITNESS MY HAND, THIS THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_ A.D.

CITY OF WEST LAKE HILLS  
911 WESTLAKE DRIVE  
WEST LAKE HILLS, TX 78746

STATE OF TEXAS §  
COUNTY OF TRAVIS §

BEFORE ME, THE UNDERSIGNED AUTHORITY, ON THIS DAY PERSONALLY APPEARED \_\_\_\_\_ CITY OF WEST LAKE HILLS, KNOWN TO ME TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE FOREGOING INSTRUMENT OF WRITING, AND HE ACKNOWLEDGED TO ME THAT HE EXECUTED THE SAME FOR THE PURPOSES AND CONSIDERATIONS THEREIN EXPRESSED AND IN THE CAPACITY THEREIN STATED.

WITNESS MY HAND AND SEAL OF OFFICE, THIS THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_ A.D.

NOTARY PUBLIC FOR \_\_\_\_\_ COUNTY, TEXAS.

WITNESS MY HAND, THIS THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_ A.D.

ENGINEER'S CERTIFICATION:

I, LONDON M. MCCLELLAN, AM AUTHORIZED UNDER THE LAWS OF THE STATE OF TEXAS TO PRACTICE THE PROFESSION OF ENGINEERING, AND HEREBY CERTIFY THAT THIS PLAT IS FEASIBLE FROM AN ENGINEERING STANDPOINT AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

LONDON M. MCCLELLAN, P.E. DATE  
TEXAS REGISTRATION NO. 142710  
MALONE/WHEELER, INC.  
5113 SOUTHWEST PARKWAY, STE 260  
AUSTIN, TEXAS 78735  
TEXAS P.E. FIRM NO. F–786

SURVEYOR'S CERTIFICATION:

I, PAUL N. GUERRERO, AM AUTHORIZED UNDER THE LAWS OF THE STATE OF TEXAS TO PRACTICE THE PROFESSION OF LAND SURVEYING, AND HEREBY CERTIFY THAT THIS PLAT IS TRUE AND CORRECT, AND WAS PREPARED FROM AN ACTUAL ON THE GROUND SURVEY OF THE PROPERTY MADE UNDER MY SUPERVISION. INTERIOR LOT CORNERS SHALL BE SET AFTER FINAL GRADING IS COMPLETE.

PAUL N. GUERRERO, R.P.L.S. DATE  
TEXAS REGISTRATION NO. 5992

GENERAL NOTES:

1. SITE CLEARANCE, SITE DISTURBANCE, OR IMPERVIOUS COVER: EVERY LOT OR UNIT IN THIS SUBDIVISION IS SUBJECT TO THE CITY OF WEST LAKE HILLS' SITE CLEARANCE PROCEDURES. NO SITE CLEARANCE, EXCAVATION, GRADING OR LANDFILL SHALL COMMENCE UNLESS A PERMIT SHALL HAVE FIRST BEEN ISSUED FOR SUCH WORK IN ACCORDANCE WITH THE PROVISIONS OF APPLICABLE ORDINANCES. IMPERVIOUS COVER SHALL NOT EXCEED THE MAXIMUM PERCENTAGE PERMITTED UNDER CITY ORDINANCE.
2. FLOOD HAZARD: THE FEDERAL INSURANCE ADMINISTRATION MAP PANEL 48453C 0445K, FOR THE CITY OF WEST LAKE HILLS, TEXAS, INDICATE THAT THE PROPERTY SHOWN HEREON LIES WITHIN ZONE "X", AREAS DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOOD HAZARD AS DEFINED BY SAID MAP DATED JANUARY 22, 2020.
3. STREETS, ROADS AND OTHER PUBLIC THOROUGHFARES SHOWN ON PLAT: THE BUILDING OF ALL STREETS, ROADS AND OTHER PUBLIC THOROUGHFARES SHOWN ON THIS PLAT, AND ANY BRIDGES OR CULVERTS NECESSARY TO BE CONSTRUCTED OR PLACED IN SUCH STREETS, ROADS OR OTHER PUBLIC THOROUGHFARES OR IN CONNECTION THEREWITH, SHALL BE THE RESPONSIBILITY OF THE OWNER AND/OR DEVELOPER OF THE TRACT OF LAND COVERED BY THIS PLAT IN ACCORDANCE WITH THE PLANS AND SPECIFICATIONS PRESCRIBED BY THE CITY COUNCIL OF THE CITY OF WEST LAKE HILLS, TRAVIS COUNTY, TEXAS, IF SAID PLAT IS WITHIN THE CITY LIMITS OF THE CITY OF WEST LAKE HILLS, TEXAS. THE CITY OF WEST LAKE HILLS, TEXAS ASSUMES NO RESPONSIBILITY TO BUILD ANY OF THE STREETS, ROADS OR OTHER PUBLIC THOROUGHFARES SHOWN ON THIS PLAT OR ANY BRIDGES OR CULVERTS IN CONNECTION THEREWITH. ALL CURB CUTS, ENTRANCES AND EXITS ONTO PUBLIC STREETS OR HIGHWAYS SHALL FIRST BE APPROVED BY THE CITY OF WEST LAKE HILLS, TEXAS.
4. LOTS IN THIS SUBDIVISION ARE LOCATED OVER THE EDWARDS AQUIFER RECHARGE ZONE AND SUBJECT TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY EDWARDS RULES 31, TEXAS ADMINISTRATIVE CODE (TAC) 313, AS AMENDED. NO BUILDING PERMIT WILL BE ISSUED BY THE CITY OF WEST LAKE HILLS UNTIL THE REQUIREMENTS OF THE EDWARDS RULES TAC CHAPTER 313 ARE FULLY COMPLIED WITH. THE APPLICANT FOR A BUILDING PERMIT IS RESPONSIBLE TO FURNISH THE CITY WRITTEN COMPLIANCE TO THE EDWARDS AQUIFER RULES FROM THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY.
5. PRIOR TO CONSTRUCTION ON THE LOT IN THIS SUBDIVISION, DRAINAGE PLANS ARE TO BE SUBMITTED TO THE CITY OF WEST LAKE HILLS FOR REVIEW DEMONSTRATING THAT RAINFALL RUN–OFF AMOUNTS WILL BE HELD TO NO GREATER THAN THE AMOUNT EXISTING AT THE CURRENTLY DEVELOPED STATUS THROUGH THE USE OF PONDS OR OTHER APPROVED METHONDS.
6. EVERY LOT WITHIN THE CITY'S MUNICIPAL BOUNDARIES IN THIS SUBDIVISION IS SUBJECT TO THE CITY OF WEST LAKE HILLS SANITATION ORDINANCE, AS AMENDED IN CHAPTER 86, ARTICLE III, DIVISION 2, OF THE CITY CODE. NO SEPTIC SYSTEM OR OTHER ON–SITE SEWAGE FACILITY MAY BE CONSTRUCTED ON THOSE CITY LOTS UNTILL THE CITY OF WEST LAKE HILLS HAS ISSUED A PERMIT FOR THEIR CONSTRUCTION. NO ON–SITE SEWAGE FACILITY IN THE CITY LIMITS MAY BE USED UNTIL THE FACILITY HAS BEEN APPROVED AND LICENSED BY THE CITY. LOT SIZE REQUIREMENTS FOR RESIDENTIAL AND COMMERCIAL ON–SITE SEWAGE FACILITIES SHALL CONFORM TO CONSTRUCTION AND DEVELOPMENT LIMITATIONS IN THE SANITATION ORDINACE 108, AS AMENDED IN CHAPTER 86, ARTICLE III, DIVISION 2, OF THE CITY CODE.
7. A PORTION OF THE PROPERTY IS SUBJECT TO CERTAIN RESTRICTIONS RECORDED IN VOLUME 534, PAGES 440–441 FILED IN TRAVIS COUNTY DEED RECORDS.
8. ALL RESTRICTIONS FROM BARTON SPRINGS ESTATES, RECORDED IN VOLUME 3, PAGE 192 OF THE PLAT RECORDS OF TRAVIS COUNTY, TEXAS REMAIN IN EFFECT.
9. THE BENCHMARKS USED ARE: TBM # 2 – SQUARE CUT ON TOP OF CONCRETE RIBBON CURB ON THE WEST SIDE OF WEST LAKE DRIVE, BEING APPROXIMATELY 500 FEET NORTHEAST OF THE INTERSECTION OF WEST LAKE DRIVE AND BEE CAVE ROAD; ELEVATION = 759.66 FEET. TBM # 3 – SQUARE CUT IN SIDEWALK NEAR WEST SIDE OF DRIVEWAY AT ADDRESS 4010 BEE CAVE ROAD; ELEVATION = 771.16 FEET.
10. WATER SERVICE IS PROVIDED BY TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT # 10.
11. WASTEWATER SERVICE IS PROVIDED BY CITY OF WEST LAKE HILLS.
12. ELECTRIC SERVICE IS PROVIDED BY AUSTIN ENERGY.
13. ALL SUBDIVISION PERMITS SHALL CONFORM TO THE CITY OF WEST LAKE HILLS CODE OF ORDINANCES, PUBLIC IMPROVEMENT STANDARDS, AND GENERALLY ACCEPTED ENGINEERING PRACTICES.
14. CONSTRUCTION PLANS AND SPECIFICATION FOR ALL SUBDIVISION IMPROVEMENTS SHALL BE REVIEWED AND ACCEPTED BY THE CITY OF WEST LAKE HILLS PRIOR TO ANY CONSTRUCTION WITHIN THE SUBDIVISION.
15. THE OWNER OF THIS SUBDIVISION, AND HIS OR HER SUCCESSORS AND ASSIGNS, ASSUMES SOLE RESPONSIBILITY FOR PLANS FOR CONSTRUCTION OF SUBDIVISION IMPROVEMENTS WHICH COMPLY WITH APPLICABLE CODES AND REQUIREMENTS OF THE CITY OF WEST LAKE HILLS. THE OWNER UNDERSTANDS AND ACKNOWLEDGES THAT PLAT VACATION OR RE–PLATING MAY BE REQUIRED, AT THE OWNER'S SOLE EXPENSE, IF PLANS TO CONSTRUCT THIS SUBDIVISION DO NOT COMPLY WITH SUCH CODES AND REQUIREMNTS.
16. NO LOT IN THIS SUBDIVISION SHALL BE OCCUPIED UNTIL CONNECTED TO THE APPROVED WATER DISTRIBUTION AND WASTEWATER CONNECTION FACILITIES.
17. WASTEWATER AND WATER SYSTEMS SHALL CONFORM TO TEXAS COMMISSION ON ENVIRONMENTAL QUALITY (TCEQ).
18. ALL NEW UTILITIES WILL BE UNDERGROUND UNLESS OTHERWISE APPROVED.
19. DEVELOPER OR PROPERTY OWNER SHALL BE SOLELY RESPONSIBLE FOR ALL RELOCATION AND MODIFICATIONS TO EXISTING UTILITIES.
20. PROPERTY OWNER SHALL PROVIDE FOR ACCESS TO ALL EASEMENTS AS MAY BE NECESSARY AND SHALL NOT PROHIBIT ACCESS BY GOVERNMENT AUTHORITIES.
21. NO BUILDING, FENCES, LANDSCAPING OR OTHER STRUCTURES ARE PERMITTED WITHIN DRAINAGE EASEMENTS SHOWN, EXCEPT AS APPROVED BY THE CITY OF WEST LAKE HILLS.
22. ALL EASEMENTS ON PRIVATE PROPERTY SHALL BE MAINTAINED BY THE PROPERTY OWNER OR HIS OR HER ASSIGNEES.
23. EROSION AND SEDIMENTATION CONTROLS CONSTRUCTED IN ACCORDANCE WITH THE CODE OF ORDINANCES OF THE CITY OF WEST LAKE HILLS ARE REQUIRED FOR ALL CONSTRUCTION ON EACH LOT.
24. PUBLIC UTILITY AND DRAINAGE EASEMENTS WHERE SHOWN AND/OR DESCRIBED HEREON ARE INTENDED TO INDICATE AN EASEMENT FOR CONSTRUCTION, OPERATION, AND MAINTENANCE OF PUBLIC UTILITIES AND DRAINAGE WAYS; INCLUDING, BUT NOT LIMITED TO, SANITARY SEWERS, FORCE MAINS, WATER LINES, TELEPHONE SIGNAL CONDUITS, ELECTRIC CONDUCTORS, DRAINAGE PIPES, AND NATURAL GAS LINES.
25. FOR SUBDIVISIONS WITHIN THE CITY LIMITS OF THE CITY OF WEST LAKE HILLS: STREETS, ROADS AND OTHER PUBLIC THOROUGHFARES SHOWN ON PLAT: THE BUILDING OF ALL STREETS, ROADS AND OTHER PUBLIC THOROUGHFARES SHOWN ON THIS PLAT, AND ANY BRIDGES OR CULVERTS NECESSARY TO BE CONSTRUCTED OR PLACED IN SUCH STREETS, ROADS OR OTHER PUBLIC THOROUGHFARES OR IN CONNECTION THEREWITH, SHALL BE THE RESPONSIBILITY OF THE OWNER AND/OR DEVELOPER OF THE TRACT OF LAND COVERED BY THIS PLAT IN ACCORDANCE WITH THE PLANS AND SPECIFICATIONS PRESCRIBED BY THE CITY COUNCIL OF THE CITY OF WEST LAKE HILLS, TRAVIS COUNTY, TEXAS, IF SAID PLAT IS WITHIN THE CITY LIMITS OF THE CITY OF WEST LAKE HILLS, TEXAS. THE CITY OF WEST LAKE HILLS, TEXAS ASSUMES NO RESPONSIBILITY TO BUILD ANY OF THE STREETS, ROADS OR OTHER PUBLIC THOROUGHFARES SHOWN ON THIS PLAT OR ANY BRIDGES OR CULVERTS IN CONNECTION THEREWITH. ALL CURB CUTS, ENTRANCES AND EXITS ONTO PUBLIC STREETS OR HIGHWAYS SHALL FIRST BE APPROVED BY THE CITY OF WEST LAKE HILLS, TEXAS.
26. SETBACK LINES SHALL BE IN ACCORDANCE WITH THE ORDINANCES OF THE CITY OF WEST LAKE HILLS.
27. ALL OF THE LAND DEPICTED ON THIS SUBDIVISION PLAT IS/IS NOT LOCATED WITHIN THE FULL PURPOSE MUNICIPAL BOUNDARIES OF THE CITY OF WEST LAKE HILLS ON THIS THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_AD.
28. ALL RESTRICTIONS AND NOTES FROM THE PREVIOUS EXISTING SUBDIVISION, FOR BY GRACE, RECORDED IN BOOK 93, PAGE 344, PLAT RECORDS, TRAVIS COUNTY, TEXAS SHALL APPLY TO THIS PLAT.
29. BY APPROVING THIS PLAT, THE CITY OF WEST LAKE HILLS ASSUMES NO OBLIGATION TO CONSTRUCT ANY INFRASTRUCTURE IN CONNECTION WITH THIS SUBDIVISION. ANY SUBDIVISION INFRASTRUCTURE REQUIRED FOR THE DEVELOPMENT OF THE LOTS IN THIS SUBDIVISION IS THE SOLE RESPONSIBILITY OF THE DEVELOPER AND/OR THE OWNERS OF THE LOTS. FAILURE TO CONSTRUCT ANY REQUIRED INFRASTRUCTURE TO CITY STANDARDS MAY BE JUST CAUSE FOR THE CITY TO DENY APPLICATIONS FOR CERTAIN DEVELOPMENT PERMITS INCLUDING BUILDING PERMITS, SITE PLAN APPROVALS AND/OR CERTIFICATE OF OCCUPANCY.

CERTIFICATION BY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 10.

THE TRACT OF LAND DESCRIBED ON THIS PLAT IS WITHIN THE BOUNDARIES OF TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT (WCID) NO. 10 AND HAS WATER SERVICE AVAILABLE.

PRESIDENT OF THE BOARD DATE  
WCID NO. 10

CERTIFICATION BY THE CITY ADMINISTRATOR.

I, THE UNDERSIGNED, CITY ADMINISTRATOR OF THE CITY OF WEST LAKE HILLS, TEXAS, HEREBY CERTIFY THAT THIS SUBDIVISION PLAT CONFORMS TO ALL REQUIREMENTS OF THE SUBDIVISION REGULATIONS OF THE CITY FOR WHICH MY APPROVAL IS REQUIRED.

CITY ADMINISTRATOR DATE  
CITY OF WEST LAKE HILLS, TEXAS

RECOMMENDATION BY THE ZONING AND PLANNING COMMISSION (ZAPCO) OF THE CITY.

THIS PLAT HAS BEEN SUBMITTED TO AND CONSIDERED BY THE ZONING AND PLANNING COMMISSION (ZAPCO) OF THE CITY OF WEST LAKE HILLS, TEXAS.

ZAPCO CHAIRPERSON DATE  
CITY OF WEST LAKE HILLS, TEXAS

APPROVAL BY THE CITY COUNCIL.

APPROVED AND AUTHORIZED FOR RECORD BY THE CITY COUNCIL OF THE CITY OF WEST LAKE HILLS, TEXAS.

DATED THIS \_\_\_\_\_DAY OF \_\_\_\_\_, 20\_\_\_\_.

MAYOR  
CITY OF WEST LAKE HILLS, TEXAS

ATTEST:

CITY SECRETARY

STATE OF TEXAS §  
COUNTY OF TRAVIS §

THAT I, DYANA LIMON–MERCADO, CLERK OF TRAVIS COUNTY, TEXAS, DO HEREBY CERTIFY THAT THE FOREGOING INSTRUMENT OF WRITING AND ITS CERTIFICATE OF AUTHENTICATION WAS

FILED FOR RECORD IN MY OFFICE ON THE \_\_\_\_\_ DAY OF

\_\_\_\_\_, 20\_\_\_\_ A.D., AT \_\_\_\_\_ O'CLOCK \_\_\_\_ M.,

AND DULY RECORDED ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_ A.D.,

AT \_\_\_\_\_ O'CLOCK \_\_\_\_ M., IN THE PLAT RECORDS OF

SAID COUNTY IN DOCUMENT NO. \_\_\_\_\_ OF THE OFFICIAL PUBLIC

RECORDS OF TRAVIS COUNTY, TEXAS.

WITNESS MY HAND AND SEAL OF OFFICE OF THE COUNTY COURT OF SAID COUNTY,

THIS THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_ A.D.

DYANA LIMON–MERCADO, CLERK OF TRAVIS COUNTY, TEXAS

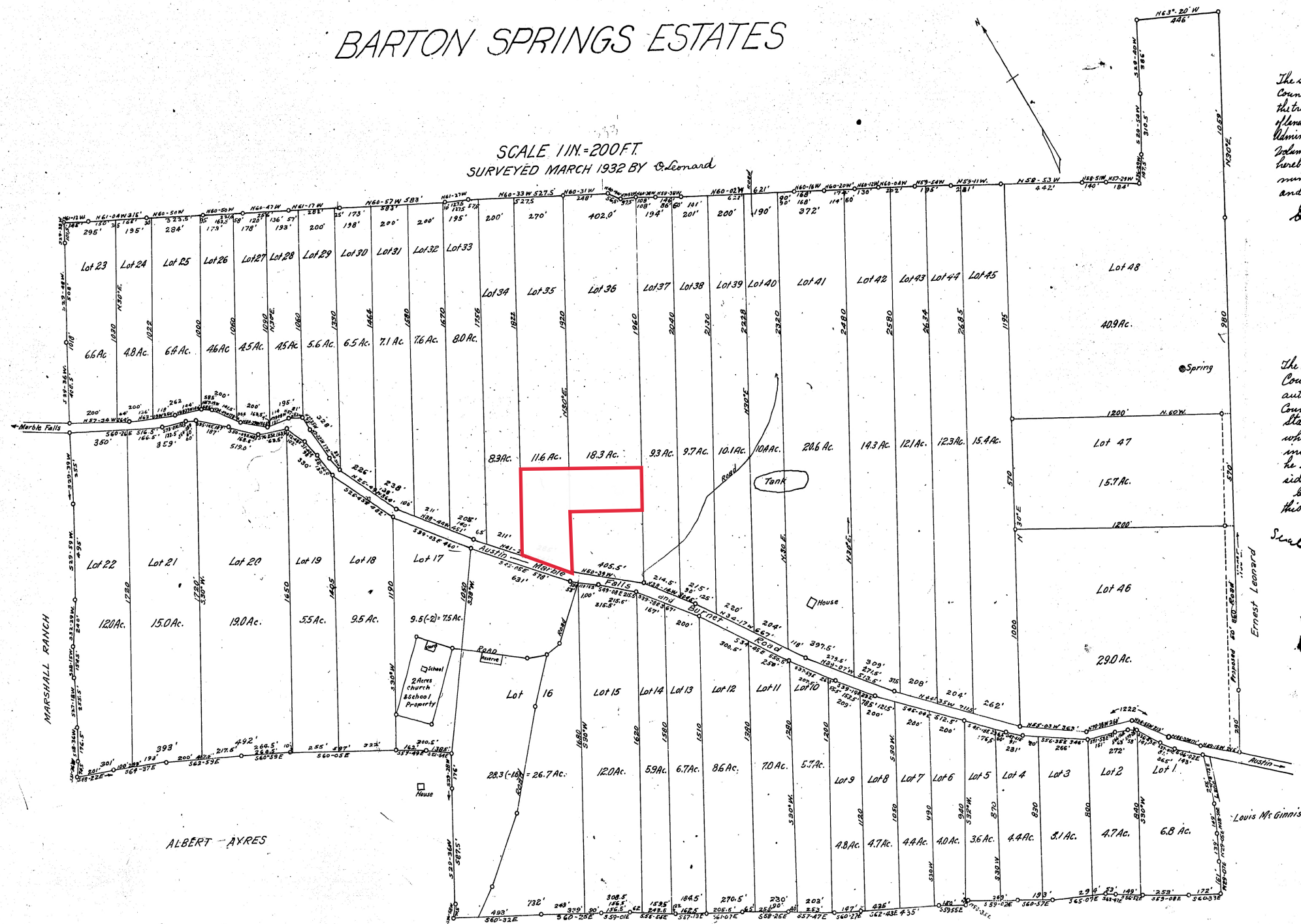
BY: DEPUTY, COUNTY CLERK  
TRAVIS COUNTY, TEXAS

|                                                                                                                                                                                                                    |              |           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-----------|
| <br>A Limited Liability Company<br>PO Box 90876, Austin Texas 78709<br>WWW.4WARDLS.COM (512) 537-2384<br>TBPLS FIRM #10174300 | Date:        | 3/6/2024  |
|                                                                                                                                                                                                                    | Project:     | 00604     |
|                                                                                                                                                                                                                    | Scale:       | 1" = 100' |
|                                                                                                                                                                                                                    | Reviewer:    | PG        |
|                                                                                                                                                                                                                    | Tech:        | DK        |
|                                                                                                                                                                                                                    | Field Crew:  | MW/AC     |
|                                                                                                                                                                                                                    | Survey Date: | MAR. 2023 |
|                                                                                                                                                                                                                    | Sheet:       | 2 OF 2    |



# BARTON SPRINGS ESTATES

SCALE 1 IN. = 200 FT.  
SURVEYED MARCH 1932 BY O. Leonard



The State of Texas }  
County of Travis } I, Stark Washington, sole owner of  
the tract containing approximately five hundred (500) acres  
of land being the land described in deed from R.E. Berry,  
Administrator, to me, dated December 2nd, 1931, recorded in  
Volume 475, page 563, Travis County Deed Records, do  
hereby subdivide the same into the following lots,  
numbered from 1 to 48, inclusive, with the notes  
and bounds shown on this plat.  
Stark Washington

The State of Texas }  
County of Travis } Before me, the undersigned  
authority a Notary Public in and for Travis  
County, Texas, on this day personally appeared  
Stark Washington, known to me to be the person  
whose name is subscribed to the foregoing  
instrument, and acknowledged to me that  
he executed the same for the purposes and con-  
sideration therein expressed.  
Given under my hand and seal of office  
this 11 day of April, A.D. 1932.  
Seal. Emilie Linberg  
Notary Public in and for Travis County, Texas.

Filed for Record April 8, 1932 - 2 PM.  
Recorded 4:00 PM, April 11, 1932

for app. of O. Leonard  
see Deed Book 786 pg. 538

# CITY OF WEST LAKE HILLS, TEXAS

## MINUTES OF A ZONING & PLANNING COMMISSION (ZAPCO) REGULAR MEETING

Wednesday, February 21, 2024 at 6:30 PM

1. Call to Order: Chairman Robert Meisel.

1. Meeting begins at 6:30pm

2. Roll Call

i. Chair Robert Meisel: Present

ii. Vice-Chair Jim Pledger: Not Present

iii. Commissioner Julia Webber: Present

iv. Commissioner Karen Bartoletti: Present

v. Commissioner Patrick Stewart: Present

vi. Commissioner Laurie Maccini: Present

REMOTE ACCESS: Any citizens or applicants that wish to speak at the meeting are

encouraged to attend virtually, as the number of people in the chambers will be limited due

to physical distancing.

**Join Zoom Meeting:** <https://us02web.zoom.us/j/3499549035>

**Meeting ID: 349 954 9035**

If you wish to listen to the meeting via telephone:

Dial **(346) 248-7799**

Meeting ID: **349 954 9035**.

If you wish to speak during the meeting or provide written comments, please provide your name, phone number, comments, and the item number you wish to speak on to [planner@westlakehills.gov](mailto:planner@westlakehills.gov) by 1:00 P.M. on February 21, 2024

2. Citizen Communications: The Commission welcomes public comments at this point on any issue. If the issue is listed on the agenda, the speaker may choose to comment during the Public Comment period or when the specific agenda item is taken up by the Commission later in the meeting. The Commission cannot respond to or discuss matters not listed on the agenda. The Commission may provide factual information, refer the item to a staff member, or request the item be added to a future meeting agenda. Speakers shall limit their comments to five (5) minutes each.

a. No speakers present in-person or online

3. Consent Agenda: The following items are considered to be self-explanatory by the Commission and will be enacted with one motion. There will be no separate discussion of these item/s unless a Commission Member or citizen so requests.

1. Minutes from the January 17, 2024 regular Zoning & Planning Commission Meeting.
2. Report of Previous ZAPCO cases acted on by the BOA/City Council.

- a. **Action**: Commissioner Stewart moves that all items be approved
- Commissioner Maccini Seconds
  - Motion carries 4:0

4. Deliberation/Action 110 Westlake Dr: Discuss and make recommendation on a vacation of the For By Grace Confirming plat (Section 36.01.004 of the West Lake Hills Code): Building and Development Director Jennifer Bills

**Applicant**: Landon McClellan, Malone Wheeler

- a. Staff Report: Director Bills delivers briefing on plat vacation
- b. Public Comments: No speakers
  - Chair Meisel closes public Hearing
- c. **Action**: Commissioner Bartoletti moves that the plat vacation be forwarded to City Council with a recommendation of approval
  - Commissioner Webber Seconds
  - Motion Carries 4:0

**Recommendation will be forwarded to City Council on March 13, 2024**

5. Deliberation/Action: 4010 Bee Cave Rd: Discuss and make recommendation on a replat of Barton Springs Estates portions of Lots 35 and 36, to create one lot, 35A (Section 36.01.004 of the West Lake Hills Code): Building and Development Director Jennifer Bills

**Applicant**: Landon McClellan, Malone Wheeler

- a. Staff Report: Director Bills delivers briefing on Replat
- b. Public Comments: No speakers
  - Chair Meisel closes public Hearing
- c. **Action**: Commissioner Maccini moves that the plat vacation be forwarded to City Council with a recommendation of approval
  - Commissioner Stewart Seconds
  - Motion Carries 4:0

**Recommendation will be forwarded to City Council on March 13, 2024**

6. Staff Briefing: Presentation on Updates to City Development Process:  
Development Coordinator Joel Sherrouse
  - a. Staff Report: Development Coordinator Sherrouse delivers report on existing and future updates to building and development application, review, and permitting processes.
7. **Adjournment**: Chairman Robert Meisel.
  - a. Meeting Adjourned at 7:12pm

Respectfully submitted,

---

ROBERT MEISEL, CHAIRMAN

ATTEST:

---

Development Coordinator Joel Sherrouse

These minutes were approved on \_\_\_\_\_, 2024.



# City of West Lake Hills City Council

## AGENDA REPORT

|                      |                       |                         |                              |
|----------------------|-----------------------|-------------------------|------------------------------|
| <b>Meeting Date:</b> | <u>March 13, 2024</u> | <b>Item Number:</b>     | <u>7</u>                     |
| <b>Department:</b>   | <u>Administration</u> |                         |                              |
| <b>Prepared By:</b>  | <u>Trey Fletcher</u>  | <b>Cost / Budget:</b>   | <u>\$300,896.87</u>          |
| <b>Exhibits:</b>     | <u>Proposal</u>       | <b>Source of Funds:</b> | <u>Bond &amp; ARPA Funds</u> |

### Subject

Discuss and consider approving a proposal from Netronix for the provisioning of cameras and access controls in the new municipal complex at 4010 Bee Cave Road and authorizing the city administrator to execute required documents.

### Recommendation

Staff recommend approval.

### Discussion

Staff have been vetting appropriate cameras and access controls to be installed in the new municipal complex. This scope of work is typically owner furnished and owner installed (OFOI). Utilization of this vendor and equipment enables compatibility with access systems used by Eanes ISD.

Division 27 of the Municipal Complex project manual includes the provision of all Cat6 cabling for IP Network cameras, Access controllers and IP intercom devices. Netronix will provide all equipment to manufacture specifications for Access, Video and Intercom systems. The scope of work for Netronix included in this proposal is \$300,896.87 and to the extent possible qualifies for the use of ARPA funds.

The terms of the proposal utilize a cooperative purchasing contract through HGAC Buy Contract # SE05-20 in which West Lake Hills is a member of the coop.

**City of West Lake Hills**  
**911 Westlake Drive**  
**West Lake Hills, Texas 78746**

**Date: 02/23/2024**

**Prepared By:** Dean Scoggins  
[dscoggins@netonixint.com](mailto:dscoggins@netonixint.com)

**Project:** Municipal Complex Genetec  
Genetec Security Center, Synergis Access Control & Omnicast Video Surveillance

**Place of Performance:**  
4010 Bee Caves Rd., West Lake Hills, Texas 78746, United States

### SCOPE OF WORK

Division 27 will provide all Cat6 cabling for IP Network cameras, Access controllers and IP intercom devices. Netronix will provide all equipment to manufacture specifications for Access, Video and Intercom systems

#### Level 1 – Camera Number Sequence

- 1.01 Ext Corner Conf/Jury 1011  
iPRO WV-S8563L 3x6MP(18MP) Outdoor Multi-Directional camera  
Genetec camera support license  
PACA4W Corner Mount Adaptor Bracket  
PWM25W Gooseneck Wall Mount  
WV-QSR503F1-W Pendant Cap  
Cat6 Data Drop
- 1.02 Rm 1011 Work/Conf/Jury  
iPRO WV-S2236L 2MP Indoor Dome w/AI  
Genetec camera support license  
Ceiling Support box  
Cat6 Data Drop
- 1.03 Corr. 1009  
iPRO WV-S2236L 2MP Indoor Dome w/AI  
Genetec camera support license  
Ceiling Support box  
Cat6 Data Drop
- 1.04 Corr. 1013  
iPRO WV-S2236L 2MP Indoor Dome w/AI  
Genetec camera support license  
Ceiling Support box  
Cat6 Data Drop
- 1.05 Rm 1005 Multi-purpose Rear  
iPRO WV-S8543 3x4MP(12MP) Multi-Directional camera w/AI  
Genetec Camera support license  
Ceiling Support box  
Cat6 Data Drop





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- 1.06 Ext SE Corner Multipurpose 1005  
iPRO WV-S8563L 3x6MP(18MP) Outdoor Multi-Directional camera  
Genetec camera support license  
PACA4W Corner Mount Adaptor Bracket  
PWM25W Gooseneck Wall Mount  
WV-QSR503F1-W Pendant Cap  
Cat6 Data Drop
  
  - 1.07 Rm 1005 Multi-purpose Front Entry  
iPRO WV-S8543 3x4MP(12MP) Multi-Directional camera w/AI  
Genetec camera support license  
Ceiling Support box  
Cat6 Data Drop
  
  - 1.08 Lobby 1002 Corner looking @ Waiting 1020  
iPRO WV-S2236L 2MP Indoor Dome w/AI  
Genetec Camera support license  
Ceiling Support box  
Cat6 Data Drop
  
  - 1.10 Vest. 1001 Rear Wall  
iPRO WV-S2236L 2MP Indoor Dome w/AI  
Genetec camera support license  
Ceiling Support box  
Cat6 Data Drop
  
  - 1.12 Lobby 1002 Above CC Window  
iPRO WV-S8543 3x4MP(12MP) Multi-Directional camera w/AI  
Genetec camera support license  
Ceiling Support box  
Cat6 Data Drop
  
  - 1.13 Elevator iPRO WV-S2236L 2MP Indoor Dome w/AI  
Genetec camera support license  
Cat6 Data Drop
  
  - 1.14 Corr. 1017  
iPRO WV-S2236L 2MP Indoor Dome w/AI  
Genetec camera support license  
Ceiling Support box  
Cat6 Data Drop
  
  - 1.15 Rm 1028 IT  
iPRO WV-S2236L 2MP Indoor Dome w/AI  
Genetec camera support license  
Ceiling Support box  
Cat6 Data Drop
  
  - 1.16 Rm 1029 Police IT  
iPRO WV-S2236L 2MP Indoor Dome w/AI  
Genetec camera support license  
Ceiling Support box  
Cat6 Data Drop
  
  - 1.17 ST-02 1<sup>st</sup> Floor Landing  
iPRO WV-S8543 3x4MP(12MP) Multi-Directional camera w/AI  
Genetec camera support license  
Ceiling Support box  
Cat6 Data Drop



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- 1.18 Rm 1040 Conf  
iPRO WV-S2236L 2MP Indoor Dome w/AI  
Camera support license  
Ceiling Support box  
Cat6 Data Drop
  
  - 1.19 Rm 1032 Armory  
iPRO WV-S2236L 2MP Indoor Dome w/AI  
Genetec camera support license  
Ceiling Support box  
Cat6 Data Drop
  
  - 1.20 Rm 1031 Clean  
iPRO WV-S2236L 2MP Indoor Dome w/AI  
Genetec camera support license  
Ceiling Support box  
Cat6 Data Drop
  
  - 1.21 Rm 1038 Soft Interview 1  
iPRO WV-S2236L 2MP Indoor Dome w/AI  
Genetec camera support license  
Ceiling Support box  
Cat6 Data Drop
  
  - 1.22 Rm 1038 Soft Interview 2  
iPRO WV-S2236L 2MP Indoor Dome w/AI  
Genetec camera support license  
Ceiling Support box  
Cat6 Data Drop
  
  - 1.23 ST-02 iPRO Stairwell Mid Landing  
iPRO WV-S85402-V2L Multi-Directional Dual camera w/AI  
Genetec camera support license  
Ceiling Support box  
Cat6 Data Drop
  
  - 1.24 Rm 1033 Quartermaster  
iPRO WV-S2236L 2MP Indoor Dome w/AI  
Genetec camera support license  
Ceiling Support box  
Cat6 Data Drop
  
  - 1.25 Rm 1066 Interrogation  
iPRO WV-S2236L 2MP Indoor Dome w/AI  
Genetec camera support license  
Ceiling Support box  
Cat6 Data Drop
  
  - 1.26 Rm 1066 Interrogation  
iPRO WV-S2236L 2MP Indoor Dome w/AI  
Genetec camera support license  
Ceiling Support box  
Cat6 Data Drop
  
  - 1.27 Corr.1019 Outside Lt door  
iPRO WV-S85402-V2L Multi-Directional Dual camera w/AI  
Genetec camera support license  
Ceiling Support box  
Cat6 Data Drop



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- 1.28      Corr. 1019 Middle  
iPRO WV-S8543 3x4MP(12MP) Multi-Directional camera w/AI  
Genetec camera support license  
Ceiling Support box  
Cat6 Data Drop
- 1.29      RM 1050 Drug  
iPRO WV2236L 2MP Indoor Dome w/AI  
Genetec camera support license  
Ceiling Support box  
Cat6 Data Drop
- 1.30      RM 1049 Prop Evid Storage  
iPRO WV-S2236L 2MP Indoor Dome w/AI  
Genetec camera support license  
Ceiling Support box  
Cat6 Data Drop
- 1.31      RM 1051 Prop Evid Work  
iPRO WV-S2236L 2MP Indoor Dome w/AI  
Genetec camera support license  
Ceiling Support box  
Cat6 Data Drop
- 1.32      RM 1052 Patrol Processing  
iPRO WV-S2236L 2MP Indoor Dome w/AI  
Genetec camera support license  
Ceiling Support box  
Cat6 Data Drop
- 1.33      RM 1053/1054 Super Glue  
iPRO WV-S2236L 2MP Indoor Dome w/AI  
Genetec camera support license  
Ceiling Support box  
Cat6 Data Drop
- 1.34      Ext Pedestrian Gate/Rm 1054  
iPRO WV-S8563L 3x6MP(18MP) Outdoor Multi-Directional camera  
Genetec camera support license  
PACA4W Corner Mount Adaptor Bracket  
PWM25W Gooseneck Wall Mount  
WV-QSR503F1-W Pendant Cap  
Cat6 Data Drop
- 1.35      Rm 1055 P Vestibule  
iPRO WV-S2236L 2MP Indoor Dome w/AI  
Genetec camera support license  
Ceiling Support box  
Cat6 Data Drop
- 1.36      Corr. 1019 / Outside Rm 1051  
iPRO WV-S85402-V2L Multi-Directional Dual camera w/AI  
Genetec camera support license  
Ceiling Support box  
Cat6 Data Drop



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- 1.38 Ext Corner Exercise 1061  
iPRO WV-S8563L 3x6MP(18MP) Outdoor Multi-Directional camera  
Genetec camera support license  
PACA4W Corner Mount Adaptor Bracket  
PWM25W Gooseneck Wall Mount  
WV-QSR503F1-W Pendant Cap  
Cat6 Data Drop
- 1.39 ST-01 1<sup>st</sup> Mid Landing up & downstairs  
iPRO WV-S85402-V2L Multi-Directional Dual camera w/AI  
Genetec camera support license  
Ceiling Support box  
Cat6 Data Drop
- 1.44 Corr. 2002 / Outside 2003  
iPRO WV-S8543 3x4MP(12MP) Multi-Directional camera w/AI  
Genetec camera support license  
Ceiling Support box  
Cat6 Data Drop
- 1.47 Corr. 2002 Roof Door  
iPRO WV-S2236L 2MP Indoor Dome w/AI  
Genetec camera support license  
Ceiling Support box  
Cat6 Data Drop
- 1.51 1071 Asset North  
iPRO WV-S2236L 2MP Indoor Dome w/AI  
Genetec camera support license  
WV-QJB500-W Junction Box  
WV-QLW500-W Wall Mount Bracket  
Cat6 Data Drop
- 1.52 1072 Asset North  
iPRO WV-S2236L 2MP Indoor Dome w/AI  
Genetec camera support license  
WV-QJB500-W Junction Box  
WV-QLW500-W Wall Mount Bracket  
Cat6 Data Drop
- 1.53 1071 Asset South  
iPRO WV-S2236L 2MP Indoor Dome w/AI  
Genetec camera support license  
WV-QJB500-W Junction Box  
WV-QLW500-W Wall Mount Bracket  
Cat6 Data Drop
- 1.54 1072 Asset South  
iPRO WV-S2236L 2MP Indoor Dome w/AI  
Genetec camera support license  
WV-QJB500-W Junction Box  
WV-QLW500-W Wall Mount Bracket  
Cat6 Data Drop



- 1.55 Ext North Corner @ OH 1071D  
iPRO WV-S8563L 3x6MP(18MP) Outdoor Multi-Directional camera  
Genetec camera support license  
PACA4W Corner Mount Adaptor Bracket  
PWM25W Gooseneck Wall Mount  
WV-QSR503F1-W Pendant Cap  
Cat6 Data Drop
- 1.56 Ext South Corner @ Door 1074A  
iPRO WV-S8563L 3x6MP(18MP) Outdoor Multi-Directional camera  
Genetec camera support license  
PACA4W Corner Mount Adaptor Bracket  
PWM25W Gooseneck Wall Mount  
WV-QSR503F1-W Pendant Cap  
Cat6 Data Drop
- 1.57 Ext South Corner @ 2 Car Sally Port  
iPRO WV-S8563L 3x6MP(18MP) Outdoor Multi-Directional camera  
Genetec camera support license  
PACA4W Corner Mount Adaptor Bracket  
PWM25W Gooseneck Wall Mount  
WV-QSR503F1-W Pendant Cap  
Cat6 Data Drop
- 1.58 Ext Parking Lot Pole Mount Camera  
iPRO WV-S8563L 4x6MP(24MP) Outdoor Multi-Directional camera  
Genetec camera support license  
PACA4W Corner Mount Adaptor Bracket  
PWM25W Gooseneck Wall Mount  
WV-QSR503F1-W Pendant Cap  
Cat6 Data Drop
- 1.59 Ext Pole Bee Caves Entry Vehicle Gate  
iPRO WV-S25700-V2LN 4K Outdoor Dome w/AI  
Genetec camera support license  
PAPM Pole Mount Bracket  
PWM485W Wall Mount and Pendant Cap  
Cat6 Data Drop
- 1.60 Ext Pole West Lake Entry Vehicle Gate  
iPRO WV-S25700-V2LN 4K Outdoor Dome w/AI  
Genetec camera support license  
PAPM Pole Mount Bracket  
PWM485W Wall Mount and Pendant Cap  
Cat6 Data Drop

All Exterior will have Plenum Cable drop to the exterior penetration of the building junction box. Junction box will contain DTK-MRJPOE power over Ethernet Surge Protector

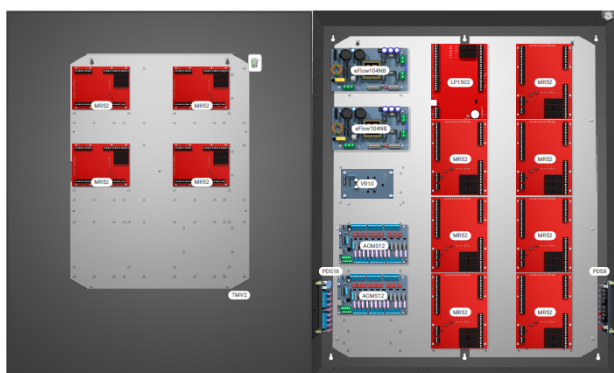


## Level 2 Genetec Headend - IT Room 2012 MDF

All fire rated plywood will be provided and installed by the general contractor  
All patch panels, patch cables, PoE switches, network racks, data drops, etc. provide and installed by Division 27  
Genetec Security Center and Synergis Virtual Machine Active Directory provided by the city  
Genetec Omnicast Video Archiver Server to be install in rack provide Division 27  
Altronix/Genetec Trove3M3 24 Door Enclosure (2) installed on wall to be determined  
Genetec Network Cloud Link  
Altronix/Genetec Trove1M1 2 Door Enclosure Asset Building

### Trove3M3 – Panel One

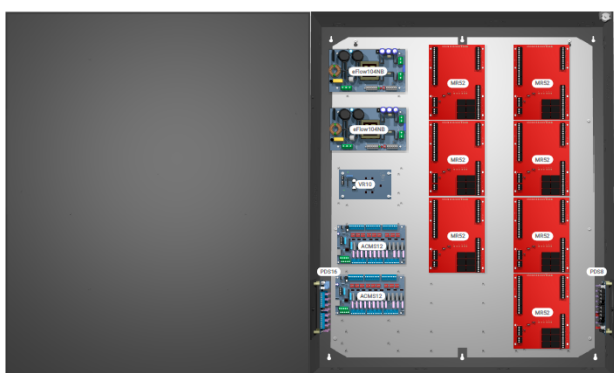
SY-LP1502 Network Controller Board (1)  
SY-MR52-S3 Reader Interface Board (12)  
Genetec Network Cloudlink  
eFlow104NB 24VDC 10 Amp Lock Power Supply (2)  
Vr10 12VDC 10 Amp Power Supply (1)  
ACMS12 Dual Input Power Controller w/Fire Alarm Interface (2)  
PDS16 Dual Input Power Distribution Module (1)  
RSB2 AC Power Rocker Switch (1)  
PS4100 12VDC 10 Amp Battery (5)



6x6x6 Wire Raceway wire can with cover to be installed between enclosures up to ceiling

### Trove3M3 – Panel Two

SY-MR52-S3 Reader Interface Board (7)  
eFlow104NB 24VDC 10 Amp Lock Power Supply (2)  
Vr10 12VDC 10 Amp Power Supply (1)  
ACMS12 Dual Input Power Controller w/Fire Alarm Interface (2)  
PDS16 Dual Input Power Distribution Module (1)  
RSB2 AC Power Rocker Switch (1)  
PS4100 12VDC 10 Amp Battery (5)







### **Bosch Duress Alarm Monitored System**

B8512G IP Intrusion Control Panel (1)  
B921C 2 Line LCD 32 Character Keypad (1)  
B208 8 Point Expansion Module (1)  
D9002-5 G Series Controller Mounting Plate (1)  
T1656 Open Frame Transformer (1)  
PS4100 12VDC 10 Amp Battery (1)

### **Trove1M1 – Panel Three Asset Building**

SY-MR52-S3 Reader Interface Board (2)  
eFlow6NB 12VDC 6 Amp Power Supply (1)  
VR6 24VDC to 12VDC Voltage regulator (1)  
ACM4 Input Power Controller (1)  
PD4ULCB Input Power Distribution Module (1)  
RSB1 AC Power Rocker Switch (1)



## **1<sup>st</sup> FLOOR ACCESS**

Door # 1001B – CR-1 Mullion

Integration with Electrified HW Set – C714AX

Pedestal Pro Stainless Steel ADA-SS-TWR 47x4x6-2

ADA Active Door Button

Signo Mullion Card Reader – 20NKS-00-000000

Door Contact 1" Recessed – 199-12WG (2)

Windy City Wire 4 Composite Cable – 4461030

Door # 1004 – CR-2

Integration with Electrified HW Set – C714AX

ADA Active Door Button

Signo Card Reader – 40NKS-00-000000

Door Contact 1" Recessed – 199-12WG (2)

Windy City Wire 4 Composite Cable – 4461030

Door # 1009 – CR-3

Integration with Electrified HW Set – C201 with REX

Signo Card Reader – 40NKS-00-000000

Door Contact 1" Recessed – 199-12WG

Windy City Wire 4 Composite Cable – 4461030



Door # 1011 – In/Out CR-4 & 5  
Integration with Electrified HW Set – Fail Safe Asylum Lock  
Signo Card Reader – 40NKS-00-000000  
Door Contact 1" Recessed – 199-12WG  
Windy City Wire 4 Composite Cable – 4461030

Door # 1017 – CR-6 Door – Moved back room 1026  
Integration with Electrified HW Set – C701C with REX  
Signo Card Reader – 40NKS-00-000000  
Door Contact 1" Recessed – 199-12WG  
Windy City Wire 4 Composite Cable – 4461030  
Door # 1019A – CR-7  
Integration with Electrified HW Set – C201 with REX  
Signo Card Reader – 40NKS-00-000000  
Door Contact 1" Recessed – 199-12WG  
Windy City Wire 4 Composite Cable – 4461030

Door # 1019B – CR-8  
Integration with Electrified HW Set – C201 with REX  
Signo Card Reader – 40NKS-00-000000  
Door Contact 1" Recessed – 199-12WG  
Windy City Wire 4 Composite Cable – 4461030

Door # 1023 CR-9  
Integration with Electrified HW Set – C201 with REX  
Signo Card Reader – 40NKS-00-000000  
Door Contact 1" Recessed – 199-12WG  
Windy City Wire 4 Composite Cable – 4461030

Door # 1025 – CR-10  
Integration with Electrified HW Set – C207 with REX  
Signo Card Reader – 40NKS-00-000000  
Door Contact 1" Recessed – 199-12WG  
Windy City Wire 4 Composite Cable – 4461030

Door # 1028 – CR-11  
Integration with Electrified HW Set – C201 with REX  
Signo Card Reader – 40NKS-00-000000  
Door Contact 1" Recessed – 199-12WG  
Windy City Wire 4 Composite Cable – 4461030

Door # 1029 – CR-12  
Integration with Electrified HW Set – JCE201 with REX  
Signo Card Reader – 40NKS-00-000000  
Door Contact 1" Recessed – 199-12WG  
Request to Exit -DS160  
Windy City Wire 4 Composite Cable – 4461030

Door # 1032 CR-13  
Integration with Electrified HW Set – C201 with REX  
Signo Card Reader – 40NKS-00-000000  
Door Contact 1" Recessed – 199-12WG  
Windy City Wire 4 Composite Cable – 4461030

Door # 1033 CR-14  
Integration with Electrified HW Set – C201 with REX  
Signo Card Reader – 40NKS-00-000000  
Door Contact 1" Recessed – 199-12WG  
Windy City Wire 4 Composite Cable – 4461030



Door # 1043 CR-15 Mullion  
Integration with Electrified HW Set – C201 with REX  
Signo Mullion Card Reader – 20NKS-00-000000  
Door Contact 1" Recessed – 199-12WG  
Windy City Wire 4 Composite Cable – 4461030

Door # 1044 CR-16  
Integration with Electrified HW Set – C201 with REX  
Signo Card Reader – 40NKS-00-000000  
Door Contact 1" Recessed – 199-12WG  
Windy City Wire 4 Composite Cable – 4461030

Door # 1045 CR-17  
Integration with Electrified HW Set – C201 with REX  
Signo Card Reader – 40NKS-00-000000  
Door Contact 1" Recessed – 199-12WG  
Windy City Wire 4 Composite Cable – 4461030

Door # 1046 CR-18  
Integration with Electrified HW Set – C201 with REX  
Signo Card Reader – 40NKS-00-000000  
Door Contact 1" Recessed – 199-12WG  
Windy City Wire 4 Composite Cable – 4461030

Door # 1047 CR-19  
Integration with Electrified HW Set – C201 with REX  
Signo Card Reader – 40NKS-00-000000  
Door Contact 1" Recessed – 199-12WG  
Windy City Wire 4 Composite Cable – 4461030

Door # 1048 CR-20  
Integration with Electrified HW Set – C201 with REX  
Signo Card Reader – 40NKS-00-000000  
Door Contact 1" Recessed – 199-12WG  
Windy City Wire 4 Composite Cable – 4461030

Door # 1049 CR-21  
Integration with Electrified HW Set – C201 with REX  
Signo Card Reader – 40NKS-00-000000  
Door Contact 1" Recessed – 199-12WG  
Windy City Wire 4 Composite Cable – 446103

Door # 1050 CR-22  
Integration with Electrified HW Set – C201 with REX  
Signo Card Reader – 40NKS-00-000000  
Door Contact 1" Recessed – 199-12WG  
Windy City Wire 4 Composite Cable – 4461030

Door # 1051 CR-23  
Integration with Electrified HW Set – C207 with REX  
Signo Card Reader – 40NKS-00-000000  
Door Contact 1" Recessed – 199-12WG  
Windy City Wire 4 Composite Cable – 4461030

Door # 1055A CR-24  
Integration with Electrified HW Set – C715 with REX  
Signo Card Reader – 40NKS-00-000000  
Door Contact 1" Recessed – 199-12WG  
Windy City Wire 4 Composite Cable – 4461030



Door # 1055B CR-25  
Integration with Electrified HW Set – C701 with REX  
Signo Card Reader – 40NKS-00-000000  
Door Contact 1" Recessed – 199-12WG  
Windy City Wire 4 Composite Cable – 4461030

Door # 1057 CR-26  
Integration with Electrified HW Set – C207 with REX  
Signo Card Reader – 40NKS-00-000000  
Door Contact 1" Recessed – 199-12WG  
Windy City Wire 4 Composite Cable – 4461030

Door # 1061B CR-27  
Integration with Electrified HW Set – C201 with REX  
Signo Card Reader – 40NKS-00-000000  
Door Contact 1" Recessed – 199-12WG  
Windy City Wire 4 Composite Cable – 4461030

Door # 1066 CR-28  
Integration with Electrified HW Set – C201 with REX  
Signo Card Reader – 40NKS-00-000000  
Door Contact 1" Recessed – 199-12WG  
Windy City Wire 4 Composite Cable – 4461030

Door # ST-02A CR-29 1<sup>st</sup> FL Exterior  
Integration with Electrified HW Set – C715R with REX  
Signo Card Reader – 40NKS-00-000000  
Door Contact 1" Recessed – 199-12WG  
Windy City Wire 4 Composite Cable – 4461030

## **2<sup>ND</sup> FLOOR ACCESS**

Door # 2001 CR-30 Waiting  
Integration with Electrified HW Set – C201C with REX  
Signo Card Reader – 40NKS-00-000000  
Door Contact 1" Recessed – 199-12WG  
Windy City Wire 4 Composite Cable – 4461030

Door # 2012 CR-31 2<sup>nd</sup> FL IT  
Integration with Electrified HW Set – C201 with REX  
Signo Card Reader – 40NKS-00-000000  
Door Contact 1" Recessed – 199-12WG  
Windy City Wire 4 Composite Cable – 4461030

Pedestrian Security Man gate CR-32  
Integration with Electrified HW Set – C205 with REX  
Signo Card Reader – 40NKS-00-000000  
Door Contact 1" Recessed – 199-12WG  
Windy City Wire 4 Composite Cable – 4461030

## **West Lake Drive Gate**

Pedestal Pro HD-100 Black Heavy Duty Pedestal Single Gang Mount  
Pedestal Pro MC-CS-10-E Black 12x12 Housing  
Pedestal Pro L-Bolt-625 L-Bolt Mounting Kit  
Aiphone IX-DV Surface Mount IP Video Intercom Station – Direct Burial Cat6 Data Drop  
CR-33 HID Signo 40NKS-00-000000 Card reader Keypad - Direct Burial Shielded 22-6 Stranded Cable  
Gate Motor Integration – Direct Burial 22-4 Stranded Cable  
CR-34 HID Signo 40NKS-00-000000 Card reader Keypad - Direct Burial Shielded 22-6 Stranded Conductor



## Bee Caves Road Gate

Pedestal Pro HD-100 Black Heavy Duty Pedestal Single Gang Mount  
Pedestal Pro MC-CS-10-E Black 12x12 Housing  
Pedestal Pro L-Bolt-625 L-Bolt Mounting Kit  
Aiphone IX-DV Surface Mount IP Video Intercom Station – Direct Burial Cat6 Data Drop  
CR-35 HID Signo 40KNKS-00-000000 Card reader Keypad – Direct Burial Shielded 22-6 Stranded Cable  
Gate Motor Integration – Direct Burial 22-4 Stranded Cable  
CR-36 HID Signo 40KNKS-00-000000 Card reader Keypad - Direct Burial Shielded 22-6 Stranded Conductor

## Asset Building Access

Door # 1071A CR-37  
Integration with Electrified HW Set – C205 with REX  
Signo Card Reader – 40NKS-00-000000  
Door Contact 1" Recessed – 199-12WG  
Windy City Wire 4 Composite Cable – 4461030

Door # 1071B CR-38  
Integration with Electrified HW Set – C205 with REX  
Signo Card Reader – 40NKS-00-000000  
Door Contact 1" Recessed – 199-12WG  
Windy City Wire 4 Composite Cable – 4461030

Door # 1074A CR-39  
Integration with Electrified HW Set – C205 with REX  
Signo Card Reader – 40NKS-00-000000  
Door Contact 1" Recessed – 199-12WG  
Windy City Wire 4 Composite Cable – 4461030

The following exterior non-access doors will be monitored by door contacts:

|                                        |                                |
|----------------------------------------|--------------------------------|
| Corridor 1013 Exterior Door/Prewire CR | Asset Bldg 1071C Overhead Door |
| Corridor 1017 Exterior Door/Prewire CR | Asset Bldg 1071D Overhead Door |
| Corridor 2002 Roof Access              | Asset Bldg 1072B Overhead Door |
| 1059 Sprinkler Control Room            | Asset Bldg 1074B Overhead Door |

The following will be monitored by Bosch G Series Intrusion Communicator Controller for Duress 269R Panic button Alarm

|                             |                      |
|-----------------------------|----------------------|
| 1005 Multi-Purpose Room (9) | 1023 Zapco/Sec (1)   |
| 1025 CC Window (1)          | 1041 AD. Sec/Rec (1) |

## Project Scope Baseline:

### General

This Proposal shall be honored by Netronix for 30 days. Netronix will perform the Scope of Work in accordance with the terms, conditions and clarifications set forth herein. Upon execution, this Proposal, including all terms, conditions, exhibits and attachments, shall serve as the binding agreement between Netronix and you (the "Customer") for the services described (this "Agreement").

### Changes to Contract Scope

Additional work requested by your organization that is not included in the Scope of Work will require a written Change Order to this Agreement with the appropriate compensation and time adjustments for the change in scope. All changes to this Agreement will be controlled and negotiated in writing to ensure all involved parties fully understand any technical, cost, and schedule impacts that may result.

### Changes to Contract Schedule

The typical project installation starts approximately 2-3 weeks after receipt of your authorization to begin performance. If this schedule needs to be updated or rushed, please advise us immediately as additional fees may be incurred by you for expediting material. To best facilitate your requested completion date, Netronix requests your purchase order or documented authorization be delivered to Netronix 28 days prior to the desired completion date (this may vary depending on overall size of project or other factors).



### **Project Organization:**

The Netronix certified technician team will be responsible for project installation and Customer satisfaction. The Project Manager will be responsible for the day-to-day management of the project, which includes the coordination between all contractors onsite.

The Netronix team will also ensure that all work performed is to the quality standards specified and that all safety requirements are met in accordance with this Agreement.

Netronix technicians will perform on-site installation of the field equipment as well as head-end terminations and programming, system, testing, startup, commissioning, and contract closeout. Netronix may utilize subcontract labor to provide installation services of the security cable and devices to reduce your costs.

### **Testing and Commissioning:**

Netronix technicians will test and verify the proper operation of each system and the sequences of operation, including all hardware and software provided and installed by Netronix. Netronix will adjust field equipment, adjust all control parameters including camera call-ups, and verify data communications before the system is placed on-line as part of our service. One camera adjustment is included in the scope when cameras and installation are included in the scope.

Netronix will provide one revision of as-built record drawings after review, if necessary, upon completion of the project. Upon completion of the work, Netronix will deliver operation and maintenance information, and written certification to you that the system has been tested, calibrated, and is ready for operation.

| Bill of Materials |                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |    |             |             |
|-------------------|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|-------------|-------------|
|                   |                | Genetec Synergis Access Equipment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |    |             |             |
| Genetec           | GSC-Base-P     | Security Center 5.11 Genetec Security Center (GSC) Base Professional Package. Includes Synergis Professional Package with 2 Access Managers, Remote Security Desk, and Badge Designer. Includes Omnicast Professional Package with Archiving support, Media Router, Audio, Remote Security Desk, Camera Sequences, Camera Blocking, Camera Dewarping, Time Zone, Edge recording, trickling and archive transfer, Keyboard and Joystick Support. Includes AutoVu Standard Package. Other features included: Threat Level module, Plan Manager Advanced for GIS Map servers with unlimited entities, a Standard package for Restricted Security Area Surveillance, Active Directory Integration, an authentication role, and an Active Directory Federation services connection. Limited to 256 readers, 2 Access Managers, 10 clients, 250 cameras, 10 clients, and 20 Archivers. Genetec™ Advantage required with system purchase. | 1  | \$ 1,500.00 | \$ 1,500.00 |
| Genetec           | ADV-RDR-P-2Y   | Genetec™ Advantage for 1 Synergis™ Pro Reader – 2 year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 39 | \$ 23.40    | \$ 912.60   |
| Genetec           | SY-CLOUDLINKG2 | Synergis™ Cloud Link with 4GB of RAM, 16GB Flash, second generation, installed with Synergis™ access control firmware, four RS-485 ports, PoE.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 1  | \$ 1,330.00 | \$ 1,330.00 |
| Genetec           | SY-LP1502      | Mercury Intelligent Controller, Linux Based, 8In/4Out/2Rd                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 2  | \$ 1,805.00 | \$ 3,610.00 |





|              |                     |                                                                                                           |    |             |             |
|--------------|---------------------|-----------------------------------------------------------------------------------------------------------|----|-------------|-------------|
| Genetec      | SY-MR52-S3          | Mercury MR52 2-reader interface module Series 3 (8 inputs, 6 relays)                                      | 18 | \$ 870.00   | \$15,660.00 |
| Altronix     | TROVE3M3-474        | Trove2 enclosure with Altronix/Mercury backplane. Includes cam lock, tamper switch and mounting hardware. | 2  | \$ 1,414.67 | \$ 2,829.34 |
| Altronix     | TMV2-474            | Door Backplane for Trove2 Enclosures. Includes Mounting Hardware.                                         | 1  | \$ 126.47   | \$ 126.47   |
| Altronix     | Vr10-474            | 12VDC @ 6 amp or 24VDC @ 6 amp                                                                            | 2  | \$ 61.84    | \$ 123.68   |
| Altronix     | eFlow104NB-474      | 24VDC @ 10 amp                                                                                            | 4  | \$ 232.58   | \$ 930.32   |
| Altronix     | ACMS12-474          | Dual Input Power Controller with Fire Alarm Interface. 8 Fuse protected outputs                           | 4  | \$ 179.06   | \$ 716.24   |
| Altronix     | RSB2-474            | Dual Rocker Switch Bracket                                                                                | 2  | \$ 26.47    | \$ 52.94    |
| Altronix     | BL3-474             | 18" Pair of Battery Leads                                                                                 | 5  | \$ 2.50     | \$ 12.50    |
| Altronix     | BL4-474             | 8" Battery Lead                                                                                           | 3  | \$ 2.04     | \$ 6.12     |
| Altronix     | WM25-474            | Magnetic Cable Tie Mounts                                                                                 | 2  | \$ 72.31    | \$ 144.62   |
| Altronix     | WM-5-474            | Magnetic Cable Tie Mounts                                                                                 | 2  | \$ 16.54    | \$ 33.08    |
| Altronix     | MM8-474             | Equipment Mounting Magnets                                                                                | 1  | \$ 25.70    | \$ 25.70    |
| Altronix     | Trove1M1-474        | Trove1 enclosure with Altronix/Mercury backplane. Includes cam lock, tamper switch and mounting hardware. | 1  | \$ 295.09   | \$ 295.09   |
| Altronix     | eFlow6NB-474        | 24VDC @ 3 amp                                                                                             | 1  | \$ 201.46   | \$ 201.46   |
| Altronix     | VR6-474             | Voltage Regulator. Converts 24VDC input into 5VDC or 12VDC output.                                        | 1  | \$ 50.61    | \$ 50.61    |
| Altronix     | ACM4CB-474          | Four (4) PTC protected outputs. Fire Alarm Interface.                                                     | 1  | \$ 57.24    | \$ 57.24    |
| Altronix     | RSB1-474            | Single Rocker Switch Bracket                                                                              | 1  | \$ 24.46    | \$ 24.46    |
| Power Sonic  | PW-PS4100           | Rechargeable Battery, Sealed lead acid (SLA), 12VDC, 10AH                                                 | 10 | \$ 19.99    | \$ 199.90   |
| HID          | SY-20NKS-00-000000  | Signo 20 Mullion Mount Card Reader                                                                        | 2  | \$ 283.98   | \$ 567.96   |
| HID          | SY-40KNKS-00-000000 | Signo 40 Single Gang Card Reader/Keypad                                                                   | 4  | \$ 456.63   | \$ 1,826.52 |
| HID          | SY-40NKS-00-000000  | Signo 40 Single Gang Card Reader                                                                          | 33 | \$ 292.58   | \$ 9,655.14 |
| HID          | 2000PGGMN-37        | iClass 2K/2, Programmed, F&B Gloss, Matching #, No Slot with 37 Bit Format H10302 (Box of 100)            | 1  | \$ 372.50   | \$ 372.50   |
| GRI          | GI-E19912WGG        | 1" Recessed Door Contact                                                                                  | 45 | \$ 17.50    | \$ 787.50   |
| GRI          | GI-20036HD          | Industrial Overhead Door Switch                                                                           | 4  | \$ 33.74    | \$ 134.96   |
| GRI          | GI-8297             | Industrial Gate Mount Kit                                                                                 | 1  | \$ 58.74    | \$ 58.74    |
| Netronix     | NET-INTEGRATION     | Labor for Electrified Lock integration to access system                                                   | 39 | \$ -        | \$ -        |
| Essex        | HET-S-ADA           | Hand-E-Tap Programmable Touch Switch, ADA Wheelchair Icon, Stainless Bezel                                | 1  | \$ 191.25   | \$ 191.25   |
| Pedestal Pro | ADA-SS-TWR-47X4X6-2 | 47 X 4 X 6-2 Stainless Tower with 2 single gang cutouts included on the front                             | 1  | \$ 774.46   | \$ 774.46   |
| Pedestal Pro | 72-DSP-3-04-04      | 72" Low Profile Dual Height Pedestal for Semi Trucks                                                      | 2  | \$ 472.81   | \$ 945.62   |



|                        |                 |                                                                                                                            |    |             |             |
|------------------------|-----------------|----------------------------------------------------------------------------------------------------------------------------|----|-------------|-------------|
| Pedestal Pro           | LANDO-CS-10X8-E | 10X8 Steel Housing - Lower Reader & Video Intercom                                                                         | 2  | \$ 177.71   | \$ 355.42   |
| Pedestal Pro           | MC-CS-06-E      | 6X6 Steel Housing - Upper reader                                                                                           | 2  | \$ 135.31   | \$ 270.62   |
| Aiphone                | IX-EA           | IP Video Door Station 1 Gang Surface Mount                                                                                 | 2  | \$ 953.91   | \$ 1,907.82 |
| Aiphone                | IX-MV7-HB       | IP Video Master Station, With 7" Touchscreen, Privacy Handset, Black                                                       | 2  | \$ 1,306.30 | \$ 2,612.60 |
| Netronix               | NET-INTEGRATION | Labor for Gate access integration to access system                                                                         | 2  | \$ -        | \$ -        |
| WindyCityWire          | 4461030-500     | Cable, Composite, 4 Element, Plenum, 22-3P, OAS+2204+2202+1804,                                                            | 11 | \$ 548.65   | \$ 6,035.15 |
| WindyCityWire          | 4843830AL       | 22 AWG 2 Conductor Non-Shielded Plenum Yellow                                                                              | 1  | \$ 190.54   | \$ 190.54   |
| WindyCityWire          | 416310WBT       | 22 AWG 4 Conductor Shielded Non-Plenum Water Block                                                                         | 2  | \$ 356.76   | \$ 713.52   |
| WindyCityWire          | 416400WBT       | 22 AWG 6 Conductor Shielded Non-Plenum Water Block                                                                         | 3  | \$ 433.94   | \$ 1,301.82 |
| Specified Technologies | FS400           | 4" Ready Sleeve Firestop Kit, Includes Escutcheon Plates, Gaskets, and Putty                                               | 2  | \$ 127.49   | \$ 254.98   |
| Netronix               | NET-MISC        | Misc. Hardware, Fasteners, Conduit, Connectors, Couplings, Electronic Terminal Connectors, J-Hooks, Wire Ties & Fire Caulk | 1  | \$ 2,625.00 | \$ 2,625.00 |
|                        |                 | <b>Duress Alarm Detection</b>                                                                                              | 1  | \$ -        | \$ -        |
| Bosch                  | B8512G          | IP Intrusion control panel, 8 areas, 99 points                                                                             | 1  | \$ 380.63   | \$ 380.63   |
| Bosch                  | B921C           | 2-line LCD display with up to 32-character point intrusion keypad                                                          | 1  | \$ 126.25   | \$ 126.25   |
| Bosch                  | B208            | Expansion module, SDI2, 8-input                                                                                            | 1  | \$ 88.13    | \$ 88.13    |
| Bosch                  | D9002-5         | G Series Intrusion Controller Mounting Plate                                                                               | 1  | \$ 23.06    | \$ 23.06    |
| Altronix               | T1656-474       | Open Frame 16 VAC Transformer                                                                                              | 1  | \$ 38.26    | \$ 38.26    |
| Honeywell              | 269R            | Under Counter Duress Hold-Up Button                                                                                        | 12 | \$ 29.99    | \$ 359.88   |
| Power Sonic            | PW-PS4100       | Rechargeable Battery, Sealed lead acid (SLA), 12VDC, 10AH                                                                  | 1  | \$ 19.99    | \$ 19.99    |
| WindyCityWire          | 4843830AL       | 22 AWG 2 Conductor Non-Shielded Plenum Yellow                                                                              | 2  | \$ 190.54   | \$ 381.08   |
| Genetec                | GSC-1AP-Bosch   | 1 Bosch B/G Serie intrusion control panel connection                                                                       | 1  | \$ 328.13   | \$ 328.13   |
| Netronix               | NET-MONITORING  | Duress Alarm Detection Monitoring 2Y                                                                                       | 24 | \$ 20.00    | \$ 480.00   |

#### Pricing

|                             |               |
|-----------------------------|---------------|
| MATERIALS TOTAL             | \$ 62,649.90  |
| SHIPPING AND HANDLING       | \$ 6,891.49   |
| SALES TAX                   | \$ -          |
| LABOR, PM, ENGINEERING, CAD | \$ 76,592.00  |
| SUBCONTRACTOR/RENTAL EQUIP. | \$ -          |
| PARKING                     | \$ -          |
| TOTAL                       | \$ 146,133.39 |



| Bill of Materials |                          |                                                                                                                                                                                                                                                                                             |    |             |              |
|-------------------|--------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|-------------|--------------|
|                   |                          | <b>Genetec Omnicast VMS Surveillance</b>                                                                                                                                                                                                                                                    |    |             |              |
| Genetec           | SV-2040E-R28-252T-12-416 | Video Archiver 2U 28-Bay Appliance<br>252TB Raw RAID 6 1x Xeon Gold 5416S<br>32GB RAM 2x 480GB M.2 SSD 21x 12TB<br>3.5" Enterprise HDDs 2x 1GbE RJ45 2x<br>1400W PSU Windows Server Standard<br>5YR NBD KYHD Warranty - Genetec™<br>Security Center pre-installed. License sold separately. | 1  | \$33,220.00 | \$ 33,220.00 |
| Genetec           | SV-2030E-R6SD480-336     | Video management server 1U 6-Bay<br>Multi-Purpose Appliance 1x Xeon E-2336<br>16GB RAM 2x 480GB SSD 2x 1GbE<br>RJ45 2x 600W PSU Windows Server<br>Standard 5YR NBD KYHD Warranty -<br>Genetec™ Security Center pre-installed.<br>License sold separately.                                   | 1  | \$ 7,179.33 | \$ 7,179.33  |
| Genetec           | GSC-OM-P-1C              | 1 camera connection                                                                                                                                                                                                                                                                         | 48 | \$ 230.00   | \$ 11,040.00 |
| Genetec           | ADV-CAM-P-2Y             | Genetec™ Advantage for 1 Omnicast™<br>Pro Camera – 2 year                                                                                                                                                                                                                                   | 48 | \$ 74.00    | \$ 3,552.00  |
| iPro              | WV-S25700-V2LN           | 4K Vandal Resistant Outdoor Dome<br>Network Camera                                                                                                                                                                                                                                          | 2  | \$ 1,170.73 | \$ 2,341.46  |
| iPro              | PAPM4W                   | Pole Mount Bracket                                                                                                                                                                                                                                                                          | 2  | \$ 64.29    | \$ 128.58    |
| iPro              | PWM485W                  | Wall Mount and Shroud                                                                                                                                                                                                                                                                       | 2  | \$ 98.54    | \$ 197.08    |
| iPro              | WV-S8564L                | 360° 4x6MP(24MP) Outdoor Multi-<br>Directional Network Camera with AI<br>Engine                                                                                                                                                                                                             | 1  | \$ 2,516.49 | \$ 2,516.49  |
| iPro              | PAPM4W                   | Pole Mount Bracket                                                                                                                                                                                                                                                                          | 1  | \$ 64.29    | \$ 64.29     |
| iPro              | PWM25AW                  | Wall Mount Gooseneck                                                                                                                                                                                                                                                                        | 1  | \$ 43.36    | \$ 43.36     |
| iPro              | WV-QSR503F1-W            | Pendant Cap                                                                                                                                                                                                                                                                                 | 1  | \$ 42.20    | \$ 42.20     |
| iPro              | WV-S8563L                | 270° 3x6MP(18MP) Outdoor Multi-<br>Directional Network Camera with AI<br>Engine                                                                                                                                                                                                             | 7  | \$ 2,228.55 | \$ 15,599.85 |
| iPro              | PACA4W                   | Corner Mount Adaptor                                                                                                                                                                                                                                                                        | 7  | \$ 86.50    | \$ 605.50    |
| iPro              | PWM25AW                  | Wall Mount Gooseneck                                                                                                                                                                                                                                                                        | 7  | \$ 43.36    | \$ 303.52    |
| iPro              | WV-QSR503F1-W            | Pendant Cap                                                                                                                                                                                                                                                                                 | 7  | \$ 42.20    | \$ 295.40    |
| iPro              | WV-S8543L                | 270° 3x4MP(12MP) indoor Multi-<br>Directional camera w/AI                                                                                                                                                                                                                                   | 6  | \$ 1,940.64 | \$ 11,643.84 |
| iPro              | WV-S85402-V2L            | Multi-Directional Dual camera w/AI                                                                                                                                                                                                                                                          | 4  | \$ 1,161.80 | \$ 4,647.20  |
| iPro              | WV-S2236L                | 2MP Indoor Dome w/AI                                                                                                                                                                                                                                                                        | 28 | \$ 585.98   | \$ 16,407.44 |
| iPro              | WV-QJB500-W              | Junction Back Box                                                                                                                                                                                                                                                                           | 4  | \$ 49.56    | \$ 198.24    |
| iPro              | WV-QWL500-W              | Interior Wall Mount Bracket                                                                                                                                                                                                                                                                 | 4  | \$ 44.51    | \$ 178.04    |
| Ditek             | DTK-MRJPOES              | Power Over Ethernet Surge Protector                                                                                                                                                                                                                                                         | 10 | \$ 79.83    | \$ 798.30    |



|          |          |                                                                                                                            |   |             |             |
|----------|----------|----------------------------------------------------------------------------------------------------------------------------|---|-------------|-------------|
| Netronix | NET-MISC | Misc. Hardware, Fasteners, Conduit, Connectors, Couplings, Electronic Terminal Connectors, J-Hooks, Wire Ties & Fire Caulk | 1 | \$ 2,687.50 | \$ 2,687.50 |
|----------|----------|----------------------------------------------------------------------------------------------------------------------------|---|-------------|-------------|

#### Pricing

|                             |    |            |
|-----------------------------|----|------------|
| MATERIALS TOTAL             | \$ | 113,689.62 |
| SHIPPING AND HANDLING       | \$ | 12,505.86  |
| SALES TAX                   | \$ | -          |
| LABOR, PM, ENGINEERING, CAD | \$ | 28,568.00  |
| SUBCONTRACTOR/RENTAL EQUIP. | \$ | -          |
| PARKING                     | \$ | -          |
| TOTAL                       | \$ | 154,763.48 |

#### Total Pricing

|                                       |    |            |
|---------------------------------------|----|------------|
| GENETEC ACCESS CONTROL & DURESS ALARM | \$ | 146,133.39 |
| GENETEC SURVEILLANCE SYSTEM           | \$ | 154,763.48 |
| TOTAL                                 | \$ | 300,896.87 |

#### Terms & Conditions

##### General Terms and Conditions:

- 1. Installation Responsibility:** This Agreement is based upon the use of straight time labor only unless specifically stated in the Scope of Work. Plastering, patching, painting, 120VAC Power, conduit, raceway or other electrical panels, back boxes and additional fire alarm devices/interfaces are excluded unless specifically stated in the Scope of Work. Any equipment and/or labor not listed in the Bill of Materials or Scope of Work for this project are excluded. Customer agrees to provide NETRONIX with required field utilities (electricity, toilets, drinking water, project hoist, and elevator service, etc.) without charge. Netronix agrees to keep the job site clean of debris arising out of its own operations. Customer shall not back charge Netronix for any costs or expenses without NETRONIX's prior written consent. Unless specifically noted in the Scope of Work, NETRONIX's obligations expressly exclude any work or service of any nature associated or connected with the identification, abatement, clean up, control, removal or disposal of hazardous or dangerous materials, to include but not be limited to asbestos or PCBs, discovered in or on the premises. Any language or provision of this Agreement elsewhere contained which may authorize or empower Customer to change, modify, or alter the Scope of Work or services to be performed by NETRONIX shall not operate to compel NETRONIX to perform any work without NETRONIX's express written consent.
- 2. System Programming and Customer Training:** NETRONIX will be responsible for all hardware devices' programming and testing, and for Customer training on the use of the new equipment as specified herein. Loading of any database, including definition of access levels, alarm points, time zones, or any other user defined data is the responsibility of the Customer, except as specifically stated in the Scope of Work.
- 3. Change Orders:** All changes to this Agreement shall require a Change Order executed by the parties, which shall modify the Scope of Work, Pricing, and timeline of the project.
- 4. Warranty:** NETRONIX warrants that the equipment provided AND installed by it shall be free from defects in material and workmanship arising from normal usage for a period of one (1) year from delivery and installation of said equipment (the "Warranty Period"). During the Warranty Period, for equipment installed by NETRONIX, if Customer provides written notice to NETRONIX of any such defect within thirty (30) days after the appearance or discovery of such defect, NETRONIX shall, at its option, repair or replace the defective equipment. During the Warranty Period, for equipment not installed by NETRONIX, if Customer returns the defective equipment to Netronix within thirty (30) days after appearance or discovery of such defect, NETRONIX shall, at its option, repair or replace the defective equipment and return said equipment to Customer. All transportation charges incurred in connection with the warranty for equipment not installed by NETRONIX shall be borne by Customer. These warranties do not extend to any equipment which has been repaired by others, abused, altered, misused, or has not been properly and reasonably maintained. THESE WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THOSE OF MERCHANTABILITY AND FITNESS FOR A SPECIFIC PURPOSE.



5. **Project Commencement:** No work shall proceed without an acceptable purchasing document to NETRONIX from Customer, along with a signed copy of this Agreement containing these terms and conditions.
6. **Mobilization:** Upon execution of this Agreement, NETRONIX shall submit a mobilization invoice for 25% of the total price to Customer, and Customer shall pay this invoice to NETRONIX within 10 business days. This mobilization invoice includes costs for administrative processing, engineering, drafting, equipment procurement, and shipping and receiving.
7. **Confidential Information:** Each party may make available to the other access to certain trade secrets and other confidential technical, business, and financial information, including the contents of this Agreement and the Exhibits thereto (collectively, "Confidential Information"). So long as and to the extent that Confidential Information is marked "Confidential" or "Proprietary" (if in tangible form) or is not generally available to the public from other sources, each party shall safeguard such Confidential Information in the manner in which it safeguards its own confidential information, and shall not disclose Confidential Information to its employees, contractors and agents, except to the extent necessary to enable it to fulfill its obligations under this Agreement. The obligations of this Section 7 shall survive for two (2) years after the termination or expiration of this Proposal. Customer shall indemnify Netronix from third party liability arising from any unintended use or unauthorized disclosure.
8. **Termination or Alteration:** Either party may terminate this Agreement for cause, by first providing written notice of all deficiencies to the other party, and the other party shall then have 30 days to cure such deficiencies. Either party may terminate this Agreement for convenience with seven (7) days prior notice. If Customer terminates for convenience, then Netronix shall be paid for all products purchased and services performed up to the effective date of termination, plus reasonable costs associated with the orderly close-out of the contract, and all anticipated profit based upon the original contract amount and any Change Orders executed prior to termination.
9. **Intellectual Property:** This Agreement and all accompanying materials, and the original information, designs, concepts, and ideas represented herein are the exclusive property of NETRONIX and may not be reproduced or copied in any manner without the express written authorization of NETRONIX. This Agreement and all associated materials, drawings, and documents must be returned promptly upon demand.
10. **Compliance with Laws:** NETRONIX shall comply with all applicable federal, state, and local laws and regulations and shall obtain all temporary licenses and permits required for the prosecution of the work. Licenses and permits of a permanent nature shall be procured and paid for by the Customer.
11. **Limitation of Liability:** Except as otherwise permitted by this Agreement, in no event shall either party be liable to the other for any consequential, indirect, incidental, punitive or liquidated damages resulting from any losses sustained under this Agreement, even if a party has been advised of the possibility of such losses. In no event shall NETRONIX's liability under this Agreement exceed the total amount paid to Netronix by Customer in the preceding 12 months.
12. **Debris Disposal:** NETRONIX will dispose of debris created by our work in Customer-furnished trash bins or containers at the site.
13. **Invoicing & Payment:** NETRONIX will invoice Customer monthly for all materials delivered to the job site or to an off-site storage facility, and for all work performed on-site and off-site. Customer shall pay NETRONIX within 30 days of the date of invoice submission. However, Netronix reserves the right at any time to require information from Customer sufficient for Netronix to make a determination of the proper payment terms based upon Customer's creditworthiness. If Netronix, in its sole discretion, deems Customer's creditworthiness unsatisfactory, then Customer hereby consents to Netronix's issuance of a unilateral modification to this Agreement stating the revised payment terms. Twenty-five (25%) of the contract price is for engineering, drafting and other mobilization costs incurred prior to installation, and shall be included in NETRONIX's initial invoice (see Section 6); the remaining balance shall be paid monthly to Netronix on a progress basis. Waivers of lien will be furnished upon request, as the work progresses to the extent payments are received. Final payment shall be due upon the completion of the project for the remaining balance of the Agreement, including taxes as required by law. No provisions of this Agreement shall serve to void NETRONIX's entitlement to timely payment for properly performed work or suitably stored material, nor void any of NETRONIX's rights under Mechanics' Lien Laws. Any disputed invoice amount shall be promptly resolved by senior management of the parties, and once resolved, shall be paid by Customer within ten days of the date of resolution. If NETRONIX's invoice is not paid within 30 days of its submission to Customer, it is considered delinquent and a penalty of 1.50% (of the total invoice) per month shall be assessed until the delinquent amount is paid in full. If a delinquent invoice is forwarded to collections, Customer agrees to pay any collection fees associated with the collection of delinquent invoices, and the amount of the original invoice. All late payments shall bear interest at the rate of 1.50% at the time payment is due. Nothing in this Agreement shall be construed to require NETRONIX to continue performance of work if Customer fails to timely pay for properly performed work or stored materials. NETRONIX retains title to all equipment until installation is complete and reserves the right to retake possession of the same or any part thereof at the Customer's cost if Customer defaults on its payment obligations. NETRONIX does not accept any back charges that have not previously been agreed to in writing.
14. **Taxes:** The Pricing of this Agreement includes estimated sales, use, excise, or other similar taxes, required by federal, state, or local law. Customer shall pay taxes at the current tax rate at the date of invoice. Alternatively, the Customer may provide NETRONIX with acceptable tax exemption certificates. If Customer pays Netronix from outside of the U.S., then Customer agrees to pay all applicable withholding taxes, whether included in this Proposal or subsequent work authorizations.
15. **Parking and Storage:** Customer shall furnish and make available to NETRONIX, at the site reasonable storage and parking facilities, and convenient delivery access to our work.





**16. Scheduling, Hours and Delays:** The schedule of any other contractors involved in this project shall be made in consultation with NETRONIX, and unless otherwise agreed to, shall provide time for NETRONIX to perform our work on an 8-hour day, 40-hour week basis. This Agreement does not include any provision for Netronix to perform overtime work for delays not caused by Netronix. An additional charge shall be made for any mutually agreed upon overtime. NETRONIX shall not be responsible for delays or defaults that are occasioned by causes of any kind that are beyond NETRONIX's control, including but not limited to the acts, omissions, delays or defaults of Customer, architects, owners, contractors, subcontractors and other third parties, civil disorders, labor disputes, fires, conditions of the premises, and Acts of God. NETRONIX shall be entitled to equitable adjustments for delays caused by any reason beyond NETRONIX's control.

**17. Materials:** If the materials or equipment included in this Agreement become temporarily or permanently unavailable for reasons beyond the control and without the fault of NETRONIX, then in the case of such temporary unavailability, the time for performance of the work shall be extended to the extent thereof, and in the case of permanent unavailability, NETRONIX shall (a) be excused from furnishing said materials or equipment, and (b) be reimbursed by Customer for the difference between the cost of the materials or equipment permanently unavailable and the cost of a reasonably available substitute therefore.

**18. Insurance:** Insurance coverage more than NETRONIX's standard limits will be furnished when requested and required. No credit will be given, or premium paid by NETRONIX for insurance afforded by others.

**19. Indemnity:** Each party shall indemnify and hold harmless the other party, from and against claims, damages, losses and expenses, arising out of or resulting from the performance of the Work, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or injury to or destruction of tangible property (other than the Work itself), but only to the extent caused by the negligent acts or omissions of the indemnifying party, their other contractors or subcontractors, or anyone directly or indirectly employed by or anyone for whose acts they may be liable.

**20. Disputes:** In the event of an unresolved dispute, the parties shall first engage in good-faith mediation for 30 days. If mediation fails, the parties agree to participate in binding arbitration with a neutral arbitrator chosen by Netronix. The laws of the state of California shall govern this Agreement, and the venue of any dispute resolution shall be Santa Clara County, California. The prevailing party shall be entitled to reasonable attorney's fees incurred in arbitration.

**21. NDAA Section 889 Compliance.** By execution of this Agreement, each party represents and warrants that it is in compliance with the National Defense Authorization Act (NDAA) Section 889, as amended, and does not use any equipment, system, or service that uses any covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system, as defined. Neither party shall have any liability under this section for the use of any covered telecommunications equipment or services that, at the time of delivery or installation hereunder are lawful, but subsequently are banned.

**22. Occupational Safety and Health:** The parties hereto agree to notify each other immediately upon becoming aware of an inspection under, or any alleged violation of the Occupational Safety and Health Act relating in any way to the project or project site.

**23. Entire Agreement:** This Agreement, upon acceptance, shall constitute the entire agreement between the parties and supersedes any prior representations or understandings. Any terms contained in a Customer's PO or other authorizing document that are different or conflict with those in this Agreement shall be void and have no effect. Except as otherwise provided herein, modifications to this Agreement must be signed by both parties.

By signature below, the parties execute this Agreement, effective as of the date of last signature.

Customer

Netronix Integration, Inc.

Name:

Title:

Date:

Dean Scoggins

Account Manager

02/23/2024