



AGENDA
REGULAR CITY COUNCIL MEETING
MONDAY, MARCH 22, 2021 - 6:00 PM
CITY HALL COUNCIL CHAMBERS
209 S. WASHINGTON STREET
KAUFMAN, TEXAS 75142
AND VIA VIDEOCONFERENCE/TELECONFERENCE

**This meeting will be held using
videoconferencing/teleconferencing
technology with public access via:
WWW.ZOOM.US/JOIN OR
(888)788-0099 (TOLL FREE)
MEETING/WEBINAR ID: 839 1880 7526
PASSWORD: 708614**

PLEDGE OF ALLEGIANCE

CALL MEETING TO ORDER Mayor calls the Meeting to order, states the date and time, state Councilmembers present, and declares a quorum present.**

CITIZENS COMMENTS / REQUEST TO SPEAK ON AGENDA ITEMS (5 MINUTES) Comments about any of the Council agenda items may be taken into consideration at this time or during the agenda item. Comments are limited to five (5) minutes per individual unless additional time is otherwise required by law for translation. Speaking time is not transferable. Citizens may address the City Council on any subject but must first complete a Request to Speak Form so that the Mayor may call your name to speak at the appropriate time on the Agenda. Comments must be directed to the Council as a whole. **When addressing the Council, please step forward to the speaker's podium, state your name and address, and direct your comments to the Mayor and City Council.**

CONSENT AGENDA

1. Consider and take appropriate action on the Minutes of the February 22, 2021, Regular City Council Meeting, and the March 4, 2021, Special City Council Meeting.
2. Consider and take appropriate action on Resolution R-16-21, a resolution of the City Council of the City of Kaufman, Texas, opposing Senate Bill 234, Senate Bill 10, and House Bill 749 advocating for the ending of taxpayer-funded lobbying; and providing an effective date.
3. Consider and take appropriate action regarding Resolution R-17-21, a resolution of the City of

Kaufman, Texas, authorizing continued participation with the Steering Committee of Cities Served by Oncor; authorizing the payment of six cents per capita to the steering committee to fund regulatory and legal proceedings and activities related to Oncor Electric Delivery Company, LLC; and providing an effective date.

END OF CONSENT AGENDA

PRESENTATION

4. Presentation By Yeldell, Wilson, Wood, & Reeve and the acceptance of the City of Kaufman Fiscal Year 2019-2020 Financial Audit Report; discussion of the same.

PUBLIC HEARING

5. Conduct a public hearing and consider and take appropriate action on Ordinance O-09-21, an ordinance of the City Council of the City of Kaufman, Texas amending Ordinance No. O-02-07 and Chapter 118, "Zoning" of the Kaufman Code of Ordinances and the Official Zoning Map of the City to authorize a Specific Use Permit 44 (SUP-44) to permit a detached garage with an accessory dwelling unit in conjunction with a single family residence on an approximate 0.51 acre tract of land (Property ID 25059) located at 304 Melody Circle, on Lot 9R, Harmony Estates, City of Kaufman, Kaufman County Texas; providing for rescission; providing a penalty for violation; and providing an effective date. (Case No Z-01-21)
 - a. Presentation.
 - b. PUBLIC HEARING.
 - c. Consider and take appropriate action on Ordinance O-09-21.
6. Conduct a public hearing and consider and take appropriate action on Ordinance O-10-21, an ordinance of the City Council of the City of Kaufman, Texas, annexing the hereinafter described property consisting of approximately 7.9 acres out of a 45 acre tract of land, located at 1900 East Highway 175 (being a portion of PID 56874), platted as Lot 1, Kaufman County Law Enforcement Center Addition, situated in the D. Falcon Survey, Abstract 151; into the City of Kaufman, Kaufman County, Texas and extending the boundary limits of said City so as to include the described property within the City limits; granting to all the inhabitants of the Property all the rights and privileges of other citizens and binding the inhabitants by all of the ordinances, resolutions, acts and regulations of the City; adopting a written services agreement; providing instructions for correcting the official map and boundaries of said City; and providing an effective date. (Case No. A-01-21)

- a. Presentation.
- b. PUBLIC HEARING.
- c. Consider and take appropriate action on Ordinance O-10-21.

7. Conduct a public hearing and consider and take appropriate action on Ordinance O-11-21, an ordinance of the City Council of the City of Kaufman, Texas, annexing the hereinafter described property consisting of approximately 16.72 acres generally located directly west of the Kaufman County Law Enforcement Center (PIDs 5438 & 5525), situated in the D. Falcon Survey, Abstract 151, into the City of Kaufman, Kaufman County, Texas and extending the boundary limits of said City so as to include the described property within the City limits; granting to all the inhabitants of the Property all the rights and privileges of other citizens and binding the inhabitants by all of the ordinances, resolutions, acts and regulations of the City, adopting a written services agreement; providing instructions for correcting the official map and boundaries of said City; and providing an effective date. (Case No. A-02-21)

- a. Presentation.
- b. PUBLIC HEARING.
- c. Consider and take appropriate action on Ordinance O-11-21.

8. Conduct a public hearing and consider and take appropriate action on Ordinance O-12-21, an ordinance of the City Council of the City of Kaufman, Texas, annexing the hereinafter described property of approximately 73.491 acres, located at 2121 Ola Road and East State Highway 243 (PID 213307), situated in the William Peters Survey, Abstract 407, into the City of Kaufman, Kaufman County, Texas and extending the boundary limits of said City so as to include the described property within the City limits; granting to all the inhabitants of the Property all the rights and privileges of other citizens and binding the inhabitants by all of the ordinances, resolutions, acts and regulations of the City, adopting a written services agreement; providing instructions for correcting the official map and boundaries of said City; and providing an effective date. (Case No. A-03-21)

- a. Presentation.
- b. PUBLIC HEARING.
- c. Consider and take appropriate action on Ordinance O-12-21.

9. Conduct a public hearing and consider and take appropriate action on Ordinance O-13-21, an ordinance of the City Council of the City of Kaufman, Texas, annexing the hereinafter described property of approximately 85.234 acres generally located at the northwest corner of East State Highway 243 and Farm to Market Road No. 2727 (PIDs 187223 & 51233), situated in the William Peters Survey, Abstract 407, into the City of Kaufman, Kaufman County, Texas and extending the boundary limits of said City so as to include the described property within the City limits; granting to all the inhabitants of the Property all the rights and privileges of other citizens and binding the inhabitants by all of the ordinances, resolutions, acts and regulations of the City, adopting a written services agreement; providing instructions for correcting the official map and boundaries of said City; and providing an effective date. (Case No. A-04-21)
 - a. Presentation.
 - b. PUBLIC HEARING.
 - c. Consider and take appropriate action on Ordinance O-13-21.

DISCUSSION/ACTION ITEMS

10. Consider and take appropriate action on Ordinance O-14-21, an ordinance of the City Council of the City of Kaufman, Texas, amending the City's Personnel Policies Manual, adopted as Section 2-62, "Personnel Policies; Job Classification", of Article III, "Officers and Employees", of Chapter 2, "Administration", of the Code of Ordinances of the City by: (1) adopting a new section, Section 5.12, "Hazard Duty Pay"; and to incorporate updates to the existing Personnel Policies Manual; and providing an effective date.
11. Consider and take appropriate action on Ordinance O-15-21, an ordinance of the City Council of the City of Kaufman, Texas, amending the Code of Ordinances of the City of Kaufman to repeal Chapter 34, "Courts", in its entirety to add a new Chapter 34, to be entitled, "Municipal Court of Record", to establish the Kaufman Municipal Court as a court of record; and providing an effective date.
12. Consider and take appropriate action on Ordinance O-16-21, an ordinance of the City Council of the City of Kaufman, Texas, repealing provisions of the City's ordinances and Council declaration and resolutions related to COVID-19 in conflict with Governor Abbott's recent executive order (GA-34); encouraging continued disaster mitigation efforts; requiring face covering within City facilities; and providing an effective date.
13. Consider and take appropriate action on Resolution R-18-21, a resolution of the City Council of the City of Kaufman, Texas, authorizing the award for professional services provider for the

2021 Texas Community Development Block Grant Planning and Capacity Building Fund application and project implementation; and providing an effective date.

14. Consider and take appropriate action on Resolution R-19-21, a resolution of the City Council of the City of Kaufman, Texas, authorizing the submission of a Texas Community Development Block Grant Program Application to the Texas Department of Agriculture for the community development fund; authorizing the mayor and City Manager to act as the City's executive officers and authorized representatives in all matters pertaining to the city's participation in the Texas Community Development Block Grant Program; and providing an effective date.
15. Consider and take appropriate action on the award of bid and contract for code compliance abatement for lawn mowing and authorizing the Mayor or his designee to execute necessary documents.
16. Presentation, consider and take appropriate action on a partnership with CEIS to design and construction digital monument signs for the City of Kaufman.

APPOINTMENT

17. Consider and take appropriate action on the appointment of two (2) members to the Keep Kaufman Beautiful Board for a two (2) year term to expire March 2023.
18. Consider and take appropriate action on the appointment of three (3) members to the Parks and Recreation Board for a two (2) year term to expire March 2023.

ANNOUNCEMENTS AND REPORTS FROM CITY MANAGER

19. Receive an update and discussion regarding the following:
 - a. Sale Tax Update
 - b. Easter Bunny Trail Event- March 27
 - c. Council Retreat- April 12 & 13
 - d. Discussion Items Report (DIR)
 - e. STAR Transit Ridership Report- February 2021

- f. Careflite Compliance Report- February 2021
- g. Fire Department Monthly Report- February 2021
- h. Monthly Calendars Attached

EXECUTIVE SESSION

20. The City Council will recess into Executive Session pursuant to Texas Government Code for an executive session regarding the following:
- a. Texas Government Code §551.072: Deliberation regarding Real Property, to deliberate the purchase, exchange, lease, or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person:
 - i Kaufman Lake
 - ii Potential land swap
 - iii South Pointe Development
 - b. Texas Government Code § 551.071(1) and (2): Consultation with Attorney. To seek the advice of the City's Attorney about pending or contemplated litigation or a settlement offer (§551.071(1)); and to consult with City's Attorney on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act (§551.071(2)):
 - i Platting & development, zoning, and ETJ & City utilities
 - ii Brown vs. Crow, et al and Those I-30, Case No. 3-21-CV-0368-S, (U.S. District C Northern District of Texas, Dallas Division)
 - iii City-wide high-speed internet

RECONVENE INTO OPEN SESSION In accordance with Texas Government Code, Chapter 551, the City Council will reconvene into Regular Session.

21. Consider and take appropriate action, if any, on matters discussed in Executive Session.

ADJOURNMENT

I, JESSIE HANKS, CITY SECRETARY, DO HEREBY CERTIFY THAT THIS NOTICE OF MEETING WAS POSTED ON THE WINDOW AT KAUFMAN MUNICIPAL COMPLEX, 209 S. WASHINGTON, KAUFMAN, TEXAS, A PLACE CONVENIENT AND READILY ACCESSIBLE TO THE GENERAL PUBLIC AT ALL TIMES AND SAID NOTICE WAS POSTED AT THE KAUFMAN MUNICIPAL COMPLEX, 209 S. WASHINGTON, KAUFMAN, TEXAS AT 4:30 P.M. ON FRIDAY, MARCH 19, 2021, AND REMAINED SO POSTED CONTINUOUSLY FOR AT LEAST 72 HOURS PRECEDING THE SCHEDULE TIME OF SAID MEETING.


JESSIE HANKS
CITY SECRETARY



THE 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 THE TEXAS GOVERNMENT CODE. SECTION 551.071 (CONSULTATION WITH ATTORNEY).

****PURSUANT TO SECTION 551.127, TEXAS GOVERNMENT CODE, ONE OR MORE COUNCILMEMBERS OR EMPLOYEES MAY ATTEND THIS MEETING REMOTELY USING VIDEOCONFERENCING TECHNOLOGY. THE VIDEO AND AUDIO FEED OF THE VIDEOCONFERENCING EQUIPMENT CAN BE VIEWED AND HEARD BY THE PUBLIC BY ACCESSING WWW.ZOOM.US/JOIN OR (888)788-0099 (TOLL FREE) MEETING /WEBINAR ID: 839 1880 7526 PASSWORD: 708614**

THE BUILDING IN WHICH THE ABOVE MEETING WILL BE CONDUCTED IS WHEELCHAIR ACCESSIBLE AND PARKING SPACES FOR THE MOBILITY IMPAIRED ARE AVAILABLE. PERSONS WITH DISABILITIES WHO PLAN TO ATTEND THIS MEETING AND WHO MAY NEED AUXILIARY AIDS OR SERVICES SUCH AS INTERPRETERS FOR PERSONS WHO ARE DEAF OR HEARING IMPAIRED, READERS, OR LARGE PRINT ARE REQUESTED TO CONTACT THE CITY SECRETARY'S OFFICE AT 972-932-2216 AT LEAST TWO (2) WORKING DAYS PRIOR TO THE TIME OF THE MEETING SO THAT APPROPRIATE ARRANGEMENTS CAN BE MADE.



**MINUTES OF THE
CITY COUNCIL MEETING
MONDAY, FEBRUARY 22, 2021 -
5:30 PM
CITY HALL COUNCIL CHAMBERS
209 S. WASHINGTON STREET
KAUFMAN, TEXAS 75142**

PLEDGE OF ALLEGIANCE

CALL MEETING TO ORDER

TIRZ #1: Chairman calls the Meeting to order, states the date and time, state members present, and declares a quorum present.**

TIRZ #2: Chairman calls the Meeting to order, states the date and time, state members present, and declares a quorum present.**

Chairman Jordan called the TIRZ #1 to order at 5:35 PM. Board members present were Jeff Jordan, Matt Phillips, Barry Ratcliffe, Board Members Charles Gillenwater, and Mike Hunt were absent. Chairman Jordan declared a quorum present.

Chairman Jordan called the TIRZ #2 to order at 5:35 PM. Board members present were Jeff Jordan, Matt Phillips, Barry Ratcliffe, Carole Aga, Patty Patterson, and Jeff Council. Board Member Lisa Parker joined to meeting at 5:47 PM. Board Members Ken Cates, and Mike Hunt were absent. Chairman Jordan declared a quorum present.

TIRZ #1 ITEMS

1. Consider and make a recommendation to the City Council on the FY-20 Tax Increment Reinvestment Zone #1 Annual Report.

Mr. Slye gave a presentation reviewing the FY-20 Tax Increment Reinvestment Zone #1 Annual Report.

Board Member Ratcliffe made a motion to recommend approval of the FY-20 Tax Increment Reinvestment Zone #1 Annual Report as presented. The motion was seconded by Board Member Phillips and passed 3/0.

TIRZ #1 ADJOURNMENT

There being no further business, Chairman Jordan adjourned the TIRZ #1 meeting at 5:47 PM.

TIRZ #2 ITEMS

2. Consider and make a recommendation to the City Council on the FY-20 Tax Increment Reinvestment Zone #2 Annual Report.

Mr. Slye gave a presentation reviewing the FY-20 Tax Increment Reinvestment Zone #2 Annual Report.

Board Member Aga made a motion to recommend approval of the FY-20 Tax Increment Reinvestment Zone #2 Annual Report. The motion was seconded by Board Member Ratcliffe and passed 7/0.

TIRZ #2 ADJOURNMENT

There being no further business, Chairman Jordan adjourned the meeting at 5:49 PM.

CALL MEETING TO ORDER Mayor calls the Meeting to order, states the date and time, state Councilmembers present, and declares a quorum present.**

Mayor Jordan called the City Council meeting to order at 5:49 PM. Councilmembers present were Jeff Jordan, Patty Patterson, Barry Ratcliffe, Jeff Council, Matt Phillips, Lisa Parker, and Carole Aga. Mayor Jordan declared a quorum present. Also present were City Manager Mike Slye, Assistant City Manager Mike Holder, City Attorney Patricia Adams, City Secretary Jessie Hanks, Development Services Director Marcy Ratcliff, and Police Chief Dana Whitaker.

CITIZENS COMMENTS / REQUEST TO SPEAK ON AGENDA ITEMS (5 MINUTES) Comments about any of the Council agenda items may be taken into consideration at this time or during the agenda item. Comments are limited to five (5) minutes per individual unless additional time is otherwise required by law for translation. Speaking time is not transferable. Citizens may address the City Council on any subject but must first complete a Request to Speak Form so that the Mayor may call your name to speak at the appropriate time on the Agenda. Comments must be directed to the Council as a whole. **When addressing the Council, please step forward to the speaker's podium, state your name and address, and direct your comments to the Mayor and City Council.**

No comments were given.

PRESENTATION

3. Consider and take appropriate action on Resolution R-13-21, a resolution of the City Council of the City of Kaufman, Texas, commending and recognizing Community Life Church of Kaufman for providing warming services to the City of Kaufman and its residents during recent unprecedented winter weather; and providing an effective date.

Mr. Slye expressed his appreciation to Community Life Church and First Baptist Church of Kaufman for providing warming services to the City of Kaufman and Kaufman County. They provided these services on their own accord.

Mayor Jordan made a motion to approve Resolution R-13-21 and R-14-21 as presented. The motion was seconded by Councilmember Council and passed 7/0.

4. Consider and take appropriate action on Resolution R-14-21, a resolution of the City Council of the City of Kaufman, Texas, commending the First Baptist Church of Kaufman for providing warming services to the City of Kaufman and its residents during recent unprecedented winter weather; and providing an effective date.

CONSENT AGENDA

5. Consider and take appropriate action on the Minutes of the January 25, 2021, Regular City

Council Meeting.

6. Consider and take appropriate action on Resolution No. R-06-21, a resolution of the City Council of the City of Kaufman, Texas, authorizing continued participation with the Atmos Cities Steering Committee; authorizing the payment of five cents per capita to the Atmos Cities Steering Committee to fund regulatory and related activities related to Atmos Energy Corporation; and providing an effective date.
7. Consider and take appropriate action on the FY-20 Tax Increment Reinvestment Zone #1 Annual Report.
8. Consider and take appropriate action on the FY-20 Tax Increment Reinvestment Zone #2 Annual Report.
9. Consider and take appropriate action on Resolution R-15-21, a resolution of the City Council of the City of Kaufman, Texas, officially naming an art piece commissioned for the Civic Center; and providing an effective date.

Councilmember Council made a motion to approve Consent Agenda items 5 through 9 as presented. The motion was seconded by Councilmember Aga and passed 7/0.

END OF CONSENT AGENDA

PUBLIC HEARING

10. Conduct and continue a public hearing, and consider and take appropriate action on Ordinance O-04-21, an ordinance of the City Council of the City of Kaufman, Texas, amending the City of Kaufman Subdivision Ordinance O-24-99, as amended, codified as Chapter 94 of the City of Kaufman Code of Ordinances, for the adoption of parkland dedication requirements and related fees in order to provide adequate neighborhood and community parks and recreation facilities. (Case No. SO-01-21)
 - a. Presentation.

Ms. Ratcliff informed Council about the proposed amendments to the Subdivision Ordinance to update the Park Land Dedication Ordinance. The Planning and Zoning Commission recommended approval on January 5, 2021 were reviewed again to determine if the cost per dwelling unit could be reduced. Staff requested park consultant Dennis Sims of Dunkin Sims Stoffels, Inc. to review and reduce the opinion of probable parkland costs. Mr. Sims original opinion was revised from \$1,344,749 per acre to \$825,482 per acre. Staff requested separate fees be developed for single family and multi-family units. The existing market value per acre was reduced from \$47,000 to \$16,370, which is a \$30,630 difference. The new market value per acre was based on the City's recent acquisition of 73 acres on Ola Road. Even with all the cost cutting measures staff was able to procure, the proposed fees were not competitive with the surrounding cities in Kaufman County. Therefore to make the fees competitive, the proposed single-family residential fees were reduced by 28% and the multi-family residential fees were reduced by 12%. This reduction is reflected in the proposed ordinance.

b. PUBLIC HEARING.

Mayor Jordan opened and continued to public hearing at 6:01 PM

With no speakers presents, Mayor Jordan closed the public hearing at 6:02 PM

c. Consider and take appropriate action on Ordinance O-04-21.

Councilmember Ratcliffe made a motion to approve Ordinance O-04-21 as presented. The motion was seconded by Mayor Pro-Tem Patterson and passed 7/0.

DISCUSSION/ACTION ITEMS

11. Consider and take appropriate action on Ordinance No. O-06-21, an ordinance of the City Council of the City of Kaufman, Texas amending Chapter 70, "Parks and Recreation" by adding a new article, Article VII, to be entitled, "Civic Center", to provide a fee schedule for rentals of the Kaufman Civic Center; and providing an effective date.

Mr. Slye informed Council about the proposed update to the fee schedule for the Civic Center.

Councilmember Aga made a motion to approve Ordinance O-06-21 as presented. The motion was seconded by Mayor Pro-Tem Patterson and passed 7/0.

12. Consider and take appropriate action on Resolution R-07-21, a resolution of the City Council of the City of Kaufman, Texas, approving a lease agreement between the City and PNC Equipment Finance, LLC regarding a fire engine; and providing an effective date.

Mr. Slye stated this resolution is for the purpose of authorizing the lease agreement with PNC Equipment Finance regarding the Fire Engine that was previously discussed.

Councilmember Council made a motion to approve Resolution R-07-21 as presented. The motion was seconded by Councilmember Ratcliffe and passed 7/0.

13. Consider and take appropriate action on Resolution R-08-21, a resolution of the City Council of the City of Kaufman, Texas, granting a petition requesting annexation by the Landowner, Kaufman County, Texas, of approximately 7.9 acres out of a 45 acre tract of land located at 1900 East State Highway 175 (PID 56874); authorizing and directing publication of notice of a public hearing; directing the preparation and execution of a written services agreement with Landowner; and providing an effective date. (Case #A-01-21)

Ms. Ratcliff presented the proposed annexation requested by Kaufman County.

Councilmember Aga made a motion to approve Resolution R-08-21 as presented. The motion was seconded by Mayor Pro-Tem Patterson and passed 7/0.

14. Consider and take appropriate action on Resolution R-09-21, a resolution of the City Council of the City of Kaufman, Texas, granting a petition requesting annexation by the Landowner, City of Kaufman, Texas, owner of approximately 16.72 acres of land generally located directly west of the Kaufman County Law Enforcement Center (PIDs 5438 & 5525); authorizing and directing publication of notice of a public hearing; directing the preparation and execution of a

written services agreement with the Landowner; and providing an effective date. (Case #A-02-21)

Ms. Ratcliff presented the proposed annexation requested by the City of Kaufman.

Councilmember Council made a motion to approve Resolution R-09-21 as presented. The motion was seconded by Councilmember Parker and passed 7/0.

15. Consider and take appropriate action on Resolution R-10-21, a resolution of the City Council of the City of Kaufman, Texas, granting a petition requesting annexation by the Landowner, City of Kaufman, Texas, owner of approximately 73.491 acres of land located at 2121 Ola Road and East State Highway 243 (PID 213307); finding that pursuant to Local Government Code Section 43.057, it is in the public interest to leave certain areas of the City's extraterritorial jurisdiction un-annexed while surrounding those properties by annexed areas; authorizing and directing publication of notice of a public hearing; directing the preparation and execution of a written services agreement with the Landowner; directing the preparation of a development agreement and authorizing staff to offer such agreement to Landowner; and providing an effective date. (Case #A-03-21)

Ms. Ratcliff presented the proposed annexation requested by the City of Kaufman.

Councilmember Aga made a motion to approve Resolution R-10-21 as presented. The motion was seconded by Mayor Pro-Tem Patterson and passed 7/0.

16. Consider and take appropriate action on Resolution R-11-21, a resolution of the City Council of the City of Kaufman, Texas, granting the petition requesting annexation by the Landowner, Kaufman Independent School District, owner of approximately 85.234 acres of land generally located at the northwest corner of East State Highway 243 and Farm to Market Road No. 2727 (PIDs 187223 & 51233); authorizing and directing publication of notice of a public hearing; directing the preparation and execution of a written services agreement with the Landowner; directing the preparation of a development agreement and authorizing staff to offer such agreement to Landowner; and providing an effective date. (Case #A-04-21)

Ms. Ratcliff presented the proposed annexation requested by Kaufman Independent School Distri.

Councilmember Ratcliffe made a motion to approve Resolution R-11-21 as presented. The motion was seconded by Councilmember Council and passed 7/0.

17. Consider and take appropriate action on Resolution R-12-21, a resolution of the City Council of the City of Kaufman, Texas, selecting an engineering firm in conjunction with the submittal of the City's 2021-2022 Texas Department of Agriculture, Texas Community Development Block Grant (TxCDBG) to provide application assistance and project implementation, if awarded; and providing an effective date.

Mr. Slye informed Council staff solicited Request for Proposal's for engineering services for the 2021 CDBG grant application for the rehab of the North elevated water tower. He stated the city received 4 proposals from 4 very qualified engineering firms. After the staff committee review of all proposals, the 'best qualified' firm is Teague, Nall and Perkins. TNP is the city's engineering firm of record and has a

very successful history with the City of Kaufman.

Councilmember Aga made a motion to approve Resolution R-12-21 as presented. The motion was seconded by Mayor Pro-Tem Patterson and passed 7/0.

ANNOUNCEMENTS AND REPORTS FROM CITY MANAGER

18. Receive an update and discussion regarding the following:
 - a. Emergency Weather Update
 - b. Human Resources Update
 - c. Council Retreat- March 4 & 5, 2021
 - d. Discussion Items Report (DIR)
 - e. STAR Transit Ridership Report- January 2021
 - f. Fire Department Monthly Report- January 2021
 - g. Monthly Calendars Attached

Mr. Slye gave an update on the above-stated items.

EXECUTIVE SESSION

Mayor Jordan recessed into Executive Session regarding the following items at 6:40 PM

19. The City Council will recess into Executive Session pursuant to Texas Government Code for an executive session regarding the following:
 - a. Texas Government Code §551.072: Deliberation regarding Real Property, to deliberate the purchase, exchange, lease, or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person: Kaufman Lake and Kaufman Estates

RECONVENE INTO OPEN SESSION In accordance with Texas Government Code, Chapter 551, the City Council will reconvene into Regular Session.

Mayor Jordan reconvened into open session at 7:09 PM

20. Consider and take appropriate action, if any, on matters discussed in Executive Session.

There is no action required.

ADJOURNMENT

There being no further business, Mayor Jordan adjourned the meeting at 7:10 PM.

ATTEST:

JEFF JORDAN
MAYOR

JESSIE HANKS
CITY SECRETARY



**MINUTES OF THE
CITY COUNCIL MEETING
THURSDAY, MARCH 4, 2021 - 10:00 AM
CITY HALL COUNCIL CHAMBERS
209 S. WASHINGTON STREET
KAUFMAN, TEXAS 75142**

CALL MEETING TO ORDER Mayor calls the Meeting to order, states the date and time, state Councilmembers present, and declares a quorum present.**

Mayor Jordan called the City Council meeting to order at 10:00 AM. Councilmembers present were Jeff Council, Carole Aga, Jeff Jordan, Barry Ratcliffe, Patty Patterson, and Matt Phillips. Council member Lisa Parker was absent. Mayor Jordan declared a quorum present. Also present were City Manager Mike Slye, Assistant City Manager Mike Holder, City Attorney Emily Bowlin, City Secretary Jessie Hanks, Development Services Director Marcy Ratcliff, and Police Chief Dana Whitaker.

CITIZENS COMMENTS / REQUEST TO SPEAK ON AGENDA ITEMS (5 MINUTES) Comments about any of the Council agenda items may be taken into consideration at this time or during the agenda item. Comments are limited to five (5) minutes per individual unless additional time is otherwise required by law for translation. Speaking time is not transferable. Citizens may address the City Council on any subject but must first complete a Request to Speak Form so that the Mayor may call your name to speak at the appropriate time on the Agenda. Comments must be directed to the Council as a whole. **When addressing the Council, please step forward to the speaker's podium, state your name and address, and direct your comments to the Mayor and City Council.**

No comments were given.

DISCUSSION/ACTION ITEMS

1. Consider and take appropriate action on Ordinance O-07-21, an ordinance of the City Council of the City of Kaufman, Texas, confirming and extending a local disaster due to winter weather emergency; providing for modified City regulations; and providing an effective date.

Mr. Slye outlined the relief that approving and extending the local disaster due to the winter weather emergency would provide for the residents and businesses in Kaufman.

Councilmember Council made a motion to approve Ordinance O-07-21, confirming and extending a local disaster declaration due to winter weather emergency. The motion was seconded by Mayor Pro-Tem Patterson and passed 6/0.

2. Conduct a Public Hearing and consider and take appropriate action on Ordinance O-08-21, an ordinance of the City Council of the City of Kaufman, Texas, amending Section V., "Improvements Required Prior to Acceptance of the Subdivision by the City", of the Subdivision Regulations of the City, Ordinance O-24-99, as amended, by adding a new section, Section 5.12, "Tree Preservation Requirements", to provide for tree preservation requirements throughout the City; establishing a tree mitigation fund; establishing a tree mitigation fee; and providing an effective date.
 - a. Presentation.

Mr. Slye introduced the tree mitigation ordinance and how it would protect our environment.

- b. Conduct a Public Hearing.

Mayor Jordan opened the public hearing at 10:14 a.m.

There being no one present to speak, mayor Jordan closed the public hearing at 10:15 a.m.

- c. Consider and take appropriate action on Ordinance O-08-21.

Councilmember Ratcliffe made a motion to approve Ordinance O-08-21 as presented. The motion was seconded by Councilmember Aga and passed 6/0.

ADJOURNMENT

There being no further business, Mayor Jordan adjourned the meeting at 10:17 a.m.

ATTEST:

JEFF JORDAN
MAYOR

JESSIE HANKS
CITY SECRETARY



Meeting

Date: 3/22/2021

Date: 3/9/2021

Item #: 2.

Dept.: Administration

Consent Agenda

SUBJECT:

Consider and take appropriate action on Resolution R-16-21, a resolution of the City Council of the City of Kaufman, Texas, opposing Senate Bill 234, Senate Bill 10, and House Bill 749 advocating for the ending of taxpayer-funded lobbying; and providing an effective date.

BACKGROUND:

On March 16, 2020, City Council passed Resolution R-09-20 opposing Proposition 3 that was approved at the March 3, 2020 Statewide Election. This proportion advocated for the end of taxpayer-funded lobbying. Again this legislative session various bills have been implemented to continue to try to restrict local government from using public money for lobbying efforts at the Texas Legislature. Our Senator (Bob Hall) authored Senate Bill 234, Senator Paul Bettencourt sponsored Senate Bill 10, and Representative Mayes Middleton introduced House Bill 749.

All governmental agencies in Kaufman County will be considering a similar Resolution and all that are approved will be forwarded to the state.

Author:

Mike Slye, City Manager

Reviewed:

Mike Slye, City Manager

Cost:

Funds Available:

Source:

Recommendation: Staff recommends approval of Resolution R-16-21 as presented.

Safe & Secure	Business Friendly/Economic Development	Partnership & Community Involvement	Healthy & Environmentally Cons. Comm.	Financial & OPS Stewardship
☐	☐	☐	☐	☐

RESOLUTION NO. R-16-21

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KAUFMAN, TEXAS, OPPOSING SENATE BILL 234, SENATE BILL 10 AND HOUSE BILL 749 ADVOCATING FOR THE ENDING OF TAXPAYER-FUNDED LOBBYING; PROVIDING FOR THE INCORPORATION OF PREMISES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Senate Bill 234, authored and introduced by Senator Bob Hall (District 2); Senate Bill 10 sponsored by Senator Paul Bettencourt (District 7) and HB 749 introduced by Representative Mayes Middleton (District 23) provide for the ban using public funds to effectively prevent governmental entities from advocating at the State Capitol over matters significant to City government, City residents, and other local governmental entities; and

WHEREAS, in the 86th Legislative session, similar legislation passed the Senate (SB 29), but failed by 18 votes in the House of Representatives; and

WHEREAS, Proposition 3 on the ballot at the most recent statewide election provided that “Texas should ban the practice of taxpayer-funded lobbying, which allows your tax dollars to be spent on lobbyists who work against the taxpayer”, (“Proposition 3”), and as worded, Proposition 3 was overly broad and completely misleading to the voters; and

WHEREAS, Proposition 3 was approved by the voters at the March 3, 2020 election; therefore, the same issues set forth in Senate Bill 234 and 10/HB 749 will be considered again in the current Texas Legislative session, and if acted upon, Proposition 3 will effectively prevent a City and members of its City Council from advocating at the Capitol over matters significant to City residents; and

WHEREAS, Proposition 3 has been used as a basis for Senate Bill 234, Senate Bill 10 and House Bill 749 to again consider regulations similar to those in failed Senate Bill 29, and it will operate to prevent political subdivisions throughout the state from spending public money to join their respective professional associations; and

WHEREAS, professional associations for municipalities, counties and independent school districts (TML, TAC, TASB, ATMOS Steering Committee, ONCOR Steering Committee, TCAP – Texas Coalition for Affordable Power, and others) provide much more assistance to political subdivisions than lobbying efforts that occur every two years, and

WHEREAS, smaller political subdivisions across the state, do not have the resources to represent themselves during the legislative session(s), or the other very important ancillary services (legal services, training, risk pool insurance protection, etc.) rendered by these professional associations.

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

SECTION 1. That the foregoing recitals are findings of the City Council of the City of Kaufman, are true and correct, and are incorporated into this Resolution as if fully set forth hereinbelow.

SECTION 2. That the City Council of the City of Kaufman strongly opposes any legislation that would serve to “limit the governing body of a political subdivision to spend public money to directly or indirectly influence or attempt to influence the outcome of any legislation pending before the legislature related to: taxation; bond elections; tax-supported debt; and ethics and transparency of public servants” as proposed by Senate Bill 234, Senate Bill 10 and House Bill 749. Any effort to eliminate the City’s ability to spend public monies to join their various professional associations simply because of ancillary lobbying efforts of those associations provided during the biennial Legislative sessions would severely restrict the efficiency and effectiveness of the City’s local governance.

SECTION 3. The City of Kaufman City Council supports the right of any institution or entity, whether public or private, to engage expert and professional assistance to exercise its constitutional right to petition the government for causes that would serve to improve the quality of life or standing of its members. Recognizing that both private entities and local governmental entities should have equal access to professional assistance in dealing with the complexities of state government.

SECTION 4. That the Kaufman City Council hereby expresses its desire to maintain and fund with public moneys its memberships with the various professional associations and statewide municipal steering committees that provide much needed direction and specialized assistance related to day-to-day City operations, regardless of the other activities of such professional associations.

SECTION 5. This Resolution shall become effective immediately upon its passage.

PASSED AND APPROVED this 22nd day of March, 2021.

JEFF JORDAN
MAYOR

ATTEST:

JESSIE HANKS
CITY SECRETARY

APPROVED AS TO FORM:

PATRICIA A. ADAMS
CITY ATTORNEY



Meeting

Date: 3/22/2021

Date: 3/9/2021

Item #: 3.

Dept.: Administration

Consent Agenda

SUBJECT:

Consider and take appropriate action regarding Resolution R-17-21, a resolution of the City of Kaufman, Texas, authorizing continued participation with the Steering Committee of Cities Served by Oncor; authorizing the payment of six cents per capita to the steering committee to fund regulatory and legal proceedings and activities related to Oncor Electric Delivery Company, LLC; and providing an effective date.

BACKGROUND:

The City of Kaufman is a member of a 162-member city coalition known as the Steering Committee of Cities Served by Oncor (Steering Committee). The resolution approves the assessment of a six cent (\$0.06) per capita fee to fund the activities of the Steering Committee.

The Steering Committee undertakes activities on behalf of municipalities for which it needs funding support from its members. Municipalities have original jurisdiction over the electric distribution rates and services within the city. The Steering Committee has been in existence since the late 1980s. It took on a formal structure in the early 1990s. Empowered by city resolutions and funded by per capita assessments, the Steering Committee has been the primary public interest advocate before the Public Utility Commission, ERCOT, the courts, and the Legislature on electric utility regulation matters for over three decades.

The Steering Committee is actively involved in rate cases, appeals, rulemakings, and legislative efforts impacting the rates charged by Oncor Electric Delivery Company, LLC within the City. Steering Committee representation is also strong at ERCOT. It is possible that additional efforts will be necessary on new issues that arise during the year, and it is important that the Steering Committee be able to fund its participation on behalf of its member cities. A per capita assessment has historically been used, and is a fair method for the members to bear the burdens associated with the benefits received from that membership.

Author:

Mike Slye, City Manager

Reviewed:

Mike Slye, City Manager

Cost:

Funds Available:

Source:

Recommendation: Staff recommends approval of Resolution R-17-21 as presented.

Safe & Secure	Business Friendly/Economic Development	Partnership & Community Involvement	Healthy & Environmentally Cons. Comm.	Financial & OPS Stewardship
☐	☐	☐	☐	☐

RESOLUTION NO. R-17-21

A RESOLUTION AUTHORIZING CONTINUED PARTICIPATION WITH THE STEERING COMMITTEE OF CITIES SERVED BY ONCOR; AUTHORIZING THE PAYMENT OF SIX CENTS PER CAPITA TO THE STEERING COMMITTEE TO FUND REGULATORY AND LEGAL PROCEEDINGS AND ACTIVITIES RELATED TO ONCOR ELECTRIC DELIVERY COMPANY, LLC; PROVIDING FOR THE INCORPORATION OF PREMISES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Kaufman is a regulatory authority under the Public Utility Regulatory Act (PURA) and has exclusive original jurisdiction over the rates and services of Oncor Electric Delivery Company, LLC (Oncor) within the municipal boundaries of the City; and

WHEREAS, the Steering Committee of Cities Served By Oncor (Steering Committee) has historically intervened in Oncor rate proceedings and electric utility related rulemakings to protect the interests of municipalities and electric customers residing within municipal boundaries; and

WHEREAS, the Steering Committee is participating in Public Utility Commission dockets and projects, as well as court proceedings and legislative activity, affecting transmission and distribution utility rates; and

WHEREAS, the City is a member of the Steering Committee; and

WHEREAS, the Steering Committee functions under the direction of an Executive Committee which sets an annual budget and directs interventions before state and federal agencies, courts and legislatures, subject to the right of any member to request and cause its party status to be withdrawn from such activities; and

WHEREAS, the Steering Committee at its December 2020 meeting set a budget for 2021 that compels an assessment of six cents (\$0.06) per capita; and

WHEREAS, in order for the Steering Committee to continue its participation in these activities, which affects the provision of electric utility service and the rates to be charged, it must assess its members for such costs.

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

SECTION 1. The above and foregoing premises are true and correct and are incorporated herein and made a part hereof for all purposes.

SECTION 2. That the City is authorized to continue its membership with the Steering Committee of Cities Served by Oncor to protect the interests of the City of Kaufman and protect the interests of the customers of Oncor Electric Delivery Company, LLC residing and conducting business within the City limits.

SECTION 3. The City is further authorized to pay its assessment to the Steering Committee of six cents (\$0.06) per capita based on the population figures for the City shown in the latest TML Directory of City Officials.

SECTION 4. A copy of this Resolution and the assessment payment check made payable to "*Steering Committee of Cities Served by Oncor*" shall be sent to Brandi Stigler, Steering Committee of Cities Served by Oncor, c/o City Attorney's Office, Mail Stop 63-0300, 101 S. Mesquite St., Suite 300, Arlington, Texas 76010.

SECTION 5. This Resolution shall become effective immediately upon its passage and approval.

PRESENTED AND PASSED on this the 22nd day of March, 2021, by a vote of _____ ayes and _____ nays at a regular meeting of the City Council of the City of Kaufman, Texas.

JEFF JORDAN
MAYOR

ATTEST:

JESSIE HANKS
CITY SECRETARY

APPROVED AS TO FORM:

PATRICIA A. ADAMS
CITY ATTORNEY

City of Arlington, c/o Oncor Cities
Steering Committee
Attn: Brandi Stigler
101 S. Mesquite St., Ste. 300
MS # 63-0300
Arlington, TX 76010

Invoice

Date	Invoice #
2/23/2021	21-78

Bill To
City of Kaufman

Item	Population	Per Capita	Amount
2021 Membership Assessment	7,788	0.06	467.28
Please make check payable to: Oncor Cities Steering Committee and mail to Oncor Cities Steering Committee, Attn: Brandi Stigler, Arlington City Attorney's Office, 101 S. Mesquite St., Ste. 300, MS #63-0300, Arlington, Texas 76010		Total	\$467.28



Meeting
Date: 3/22/2021

Date: 3/9/2021

Item #: 4.

Dept.: Finance

Action Item

SUBJECT:

Presentation By Yeldell, Wilson, Wood, & Reeve and the acceptance of the City of Kaufman Fiscal Year 2019-2020 Financial Audit Report; discussion of the same.

BACKGROUND:

The Home Rule Charter for the City of Kaufman, Section 7.19 - Independent Audit, says that annually "the City Council shall call for an independent audit to be made of all accounts of the City by a certified public account." This presentation is for the Fiscal Year 2020 Consolidated Annual Financial Report.

Author:
Mary Wennerstrom, Finance Director

Reviewed:
Mike Slye, City Manager

Cost: \$0.00

Funds Available: N/A

Source: N/A

Recommendation: Staff recommends acceptance of the 2019-2020 Financial Audit Report.

Safe & Secure	Business Friendly/Economic Development	Partnership & Community Involvement	Healthy & Environmentally Cons. Comm.	Financial & OPS Stewardship
☐	☐	☐	☐	☒



Comprehensive Annual Financial Report

Fiscal Year Ended September 30, 2020



CITY OF KAUFMAN, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended

September 30, 2020

DRAFT

Issued By:

City Manager
Michael T. Slye

Director of Finance
Mary Wennerstrom

CITY OF KAUFMAN, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2020

TABLE OF CONTENTS

	<u>PAGE</u>
INTRODUCTORY SECTION	
Letter of Transmittal	2-8
GFOA Certificate of Achievement	9
Organizational Chart	10
List of Elected City Officials and Administrators	11
FINANCIAL SECTION	
Independent Auditor's Report	13-15
Management's Discussion and Analysis (Unaudited)	16-25
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	27
Statement of Activities	28
Fund Financial Statements:	
Balance Sheet – Governmental Funds	29
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	30
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	31
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	32
Statement of Net Position - Proprietary Funds	33

CITY OF KAUFMAN, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2020

TABLE OF CONTENTS (continued)

	<u>PAGE</u>
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	34
Statement of Cash Flows - Proprietary Funds	35
Notes to the Financial Statements	36-77
 Required Supplementary Information:	
Schedule of Revenues and Expenditures - Budget and Actual - General Fund	79
Schedule of Revenues and Expenditures - Budget and Actual - Grants Fund	80
Schedule of Changes in Net Pension Liability and Related Ratios	81
Schedule of Contributions	82
Schedule of Changes in Total OPEB Liability and Related Ratios	83
 Combining and Individual Fund Financial Statements and Schedules:	
Combining Balance Sheet – Nonmajor Special Revenue Funds	86
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds	87
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Hotel/Motel Fund	88
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Law Enforcement Fund	89
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Court Technology Fund	90
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Court Security Fund	91
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Impact Fees Fund	92

CITY OF KAUFMAN, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2020

TABLE OF CONTENTS (continued)

	<u>PAGE</u>
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Tax Increment Reinvestment Zone Fund	93
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Street Maintenance	94
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Debt Service Fund	96
Schedule of Operating Revenues and Operating Expenses - Budget and Actual - Enterprise Fund - Utility	98
Schedule of Operating Revenues and Operating Expenses - Budget and Actual - Enterprise Fund - Drainage	99
 STATISTICAL SECTION (Unaudited)	
Financial Trends:	
Net Position by Component	101
Changes in Net Position	102-103
Fund Balances of Governmental Funds	104
Changes in Fund Balances of Governmental Funds	105
Revenue Capacity:	
Assessed Value and Estimated Actual Value of Taxable Property	106
Property Tax Rates – Direct and Overlapping Governments	107
Principal Property Taxpayers	108
Property Tax Levies and Collections	109
Debt Capacity:	
Ratios of Outstanding Debt by Type	110

CITY OF KAUFMAN, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2020

TABLE OF CONTENTS (continued)

	<u>PAGE</u>
Ratios of General Bonded Debt Outstanding	111
Direct and Overlapping Governmental Activities Debt	112
Pledged-Revenue Coverage	113
Demographic and Economic Information:	
Demographic and Economic Statistics	114
Principal Employers	115
Operating Information:	
Full-Time Equivalent City Government Employees by Function	116
Operating Indicators by Function	117
Capital Asset Statistics by Function	118
OTHER REPORT	
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 <i>Government Auditing Standards</i>	120-122

INTRODUCTORY SECTION

DRAFT



March 19, 2021

Citizens of Kaufman, Honorable Mayor Jeff Jordan
Members of the City Council
City of Kaufman, Texas:

The Comprehensive Annual Financial Report (Annual Report) for fiscal year ended September 30, 2020 is hereby submitted as required by § 7.19 of the Kaufman City Charter. This report was prepared through the cooperative effort of the Finance Department and the City's independent auditors. The purpose of this report is to provide the City Council, management, staff, the public, bondholders and other interested parties information that reflects the City's financial condition and activities of the City government.

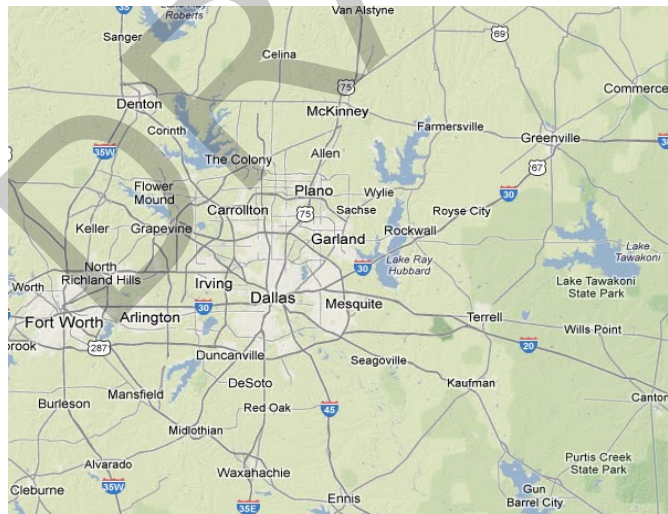
Full responsibility for both the accuracy and reliability of the data contained herein, and the completeness and fairness of the presentation, including all disclosures, rests with City management. The City is responsible for establishing and maintaining internal controls designed to ensure that the assets of the government are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles ("GAAP"). Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. To the best of our knowledge and belief, the enclosed data is accurate, in all material respects, and is reported in a manner that presents fairly the financial position and activity of the City of Kaufman. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Beginning with the fiscal year 2003 report, the City complied with Governmental Accounting Standards Board ("GASB") Statement No. 34. In addition to the basic financial statements and supplementary information, you will also find Management's Discussion and Analysis ("MD&A"). The MD&A section of the Annual Report presents only objective information, or currently known facts, known by the City's financial managers as of the date of the auditor's report. The objective is to provide a much broader and detailed analysis of the City's financial condition and operating results. Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of MD&A. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

The Kaufman City Charter requires an annual audit by independent certified public accountants. The accounting firm of YWRD, P.C., Waxahachie, Texas, was selected by the City Council to complete the required audit. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2020, and that they are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

PROFILE OF THE GOVERNMENT

Location The City of Kaufman, established in 1853, is located just southeast of the Dallas / Fort Worth Metroplex, in Kaufman County, in the North-Central region of the State of Texas. The Dallas/Fort Worth Metroplex ranks as the top growth area in the State of Texas and one of the top growth areas in the United States. Kaufman currently has a land area of 9 ½ square miles and a population of 8,101 (per the North Central Texas Council of Governments). The City is empowered to levy a property tax on both real and personal property located within its boundaries. The City also has the power by state statute to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the City Council. There is no new City Council action planned for additional annexations, but there are areas that could be considered for annexation in the future.



Council members are elected to two-year staggered terms with three Council members elected every two years. The Mayor is also elected to two-year terms, while all Council members are elected at-large, on a plurality basis.

Services Provided The City of Kaufman provides a full range of municipal services including police and fire protection; water, sewer, and solid waste services; recreational and cultural activities; land planning and zoning/community development; building/code enforcement; and the construction and maintenance of streets and infrastructure. The City also is financially accountable for a legally separate economic development corporation, which is reported separately within the City's financial statements. Additional information on this legally separate entity can be found in **Note 1** in the notes to the financial statements.

Mission Statement Our goal is to enhance the quality of life of our citizens by providing a safe, clean environment through efficient delivery of public services.

Budgetary Controls The City maintains acceptable budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual budget approved by the City Council. Activities of the general fund, debt service fund and enterprise funds are included in the annual appropriated budget. Project-length budgets are adopted for capital project funds. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level.

As demonstrated by the statements and schedules included in the financial section of this report, the City of Kaufman continues to meet its responsibility for sound financial management.

FACTORS AFFECTING FINANCIAL CONDITION

A history of property values shows moderate growth trends from fiscal year 2013, when the City began to rebound from the impacts of the 2008 nationwide recession, through the current fiscal year. In fiscal year 2013, property values increased by \$8.4 million, bringing the values back to 2009 levels. In fiscal year 2014, Walmart opened, which further improved the City's tax base, and has continuously spurred ongoing new development within that area. From fiscal year 2014 to fiscal year 2020, property values increased by \$149.8 million (certified fiscal year 2014, 267,485,910 to certified fiscal year 2020, 417,289,219). As new businesses and residential development continue to open and gain permits surrounding the strip centers near the Walmart development, the State Highway 34 Bypass, and the newly developed Kingsfort Parkway extension, property values have continued to improve and are expected to continue improving into the future.

Sales tax collections also began to recover from the 2008 nationwide recession in fiscal year 2010, as several new retail outlets opened, resulting in a 9.4% increase in sales tax revenue from fiscal year 2010 to 2012, and an average of 15% increase per year from fiscal year 2013 through fiscal year 2015. In fiscal year 2016, sales tax revenue increased 9% over 2015, 2017 increased 2.8% over 2016, 2018 increased 11% over 2017, 2019 increased 3% over 2018, and 2020 increased 6.5% over 2019. Despite the previously forecasted impacts of COVID-19 on sales tax revenue, fiscal year 2020 fared well beyond expectations due to more people staying home and shopping local versus commuting to the Dallas/Fort Worth Metroplex. Area market indicators continue to point toward positive growth in sales tax for the City of Kaufman during fiscal year 2021 and beyond.

Tax Rates All eligible property within the City is subject to assessment, levy, and collection by the City of a continuing, direct ad valorem tax sufficient to provide for the payment of principal and interest on outstanding bonds within the limits prescribed by law, and the payment of operation and maintenance costs as approved by the City Council. The City's tax rate history as adopted by the City Council is shown below:

Fiscal Year	Tax Rate
2015-2016	0.702490
2016-2017	0.777255
2017-2018	0.899368
2018-2019	0.898651
2019-2020	0.848650

The City continued to monitor revenue and expenditures during the year and make adjustments as necessary. In fiscal year 2020, the City funded a 3%, 5%, or 10% COLA for most of the organization. The intent was to "true up" the lower paid employees as much as the restrictive budget would allow. Certified Police Officers, excluding the Police Chief and Captain, did not receive a COLA increase as their salaries were adjusted at mid-year of 2019 to remain competitive in the area. In addition, the city added a full-time Administrative/HR Assistant, a full-time Event Coordinator/Youth Program/Civic Center Manager, a Fire Lieutenant promotion, a part-time Accountant, and four new Summer Hire positions (for maintenance of parks), as well as additional park maintenance funds to affect the significant improvements within our park system, and \$15,000 for janitorial services for our new Municipal Complex and future Civic Center. Fiscal year 2020, also continued to fund chapter 380 agreement commitments, including KLLM, funded the Texas Municipal Retirement System Consumer Price Index participation at 50% Repeating, funded a 5-year lease of nine police vehicles and four public works vehicles, funded the schematic design and construction budget for the Community Center, funded \$150,000 Street Maintenance/Rehab (primarily dedicated to curb & sidewalk repair), and funded \$389,000 from the Street Maintenance Fund (from the sales tax reallocation of 1/4 cent Sales Tax to street rehabilitation). Retail utility rates were increased 9.43% to accommodate the increase in bulk water purchases, provide additional revenue to service \$2.71 million in Wastewater Treatment Plant upgrades, complete the requisite sanitary sewer improvements mandated by Texas Commission on Environmental Quality (TCEQ), and accommodate increased operational costs. Fiscal Year 2020, also continued to fund the Storm Drainage Fund dedicated exclusively to storm drainage improvements at an increased rate of \$4 per ERU (equivalent residential unit), effective January 2020. The rate was increased \$1 per ERU to service a \$3 million Certificate of Obligation for Storm Drainage Improvements.

During fiscal year 2016, City Council called a May Bond Election that included two propositions, a \$4,200,000 Street Bond Program that passed with a resounding 92% margin and a \$6,630,000 Joint Municipal Complex (City Hall/Police Department Complex) that passed with a 77% margin. The City also purchased a building that will become a future Community Center with certificate of obligation funds that were issued in May 2016. In 2017, an additional \$1,000,000 General Obligation Bond was issued and construction began on Houston and Fourth Streets. In 2018, Austin and Fair Streets were added to the existing Houston and Fourth Street Project, and construction was completed in June 2020.

The street improvement program included an average allotment of \$220,000 for fiscal years 2011 through 2015 for street repair and overlays. In fiscal year 2016, no major street repairs were planned and the budget was decreased to \$65,000. In 2017, the City issued and began utilizing 2016 General Obligation proceeds designated for the Street Bond Project to start repairs on both Houston and Fourth Streets. In 2017, an additional \$1,000,000 General Obligation Bond was issued to provide the additional funds needed to complete Phase 1 of the Street Bond Project that included Houston, Fourth, Austin, and Fair Streets. Phase 1 of the Street Bond Project was completed in June 2020. Phase 2 of the Street Bond Project includes street repairs on Ninth, Main, and Circle Drive which began in fiscal year 2020 was completed in fiscal year 2021. In May of 2019, the citizens of Kaufman voted and approved a sales tax reallocation of 1/4 cent Sales Tax revenue to a street rehabilitation/street maintenance fund. The street maintenance fund was established beginning with the first sales tax revenue payment being deposited in December of 2019. The 2020 Street Maintenance Program began in July of 2020, allocating \$356,000 for street rehabilitation in the Windsor Park neighborhood. The Windsor Park project was completed in November of 2020. In addition, \$408,000 is budgeted for fiscal year 2021, which will include rehabilitation to the following streets: Hickory, Alton, Monroe, South Jackson, Blain, Tabor Parkway at Kingsfort, and Buckingham.

Community Development Issues During fiscal year 2020, a total of 439 building permits were issued with a combined construction value of \$17,998,163. New Structures - The 50 combined new building permits has the combined square footage of 126,158 of building area and is valued at \$13,262,129. Included within that number was one commercial permit for 3,010 square feet of new building area valued at \$800,000; 39 new single family permits for a total of 106,844 square feet valued at \$10,002,129; and 10 new duplex unit permits for a total of 17,104 square feet valued at \$2,460,000; Remodel/Repair Structures - The combined construction value of the 28 remodeling building permits issued was \$3,028,007. Included within that number were 14 commercial permits for 7,728 square feet of new building area valued at \$2,734,082. Also, included within that same number were 14 remodel single family permits for a total of 1,481 square feet valued at \$293,925. There was no commercial demolition permits and one residential demolition permits valued at \$5,500. There were 360 additional permits valued at \$1,702,527. The additional permits include electrical, fences, foundations/approaches, mechanical, plumbing, signs, storage and garages, swimming pools and miscellaneous permits.

The City of Kaufman was awarded a \$390,900 Transportation Enhancement Program for the beautification and improvement of the sidewalks around the square. In addition, the City of Kaufman invested approximately \$1,100,000 to complete the work around the square, plus the sidewalks on the streets one block off of the square. This project was a multi-stage project that took approximately 15 months to complete. The Downtown Streetscape Project was completed and accepted by Council in December 2019.

The City recently submitted an application for a Community Development Block Grant for Drainage Improvement along Dallas Street from Mulberry Street, SH34, and FM243 to 9th street. Construction will begin in Spring of 2019, and was completed and accepted by Council in November 2019.

The City issued a 2019 Certificate of Obligation in the amount of \$3,455,000 for constructing, installing, acquiring, and equipping renovations and improvements to a City owned building to be used as a civic and community center, and related infrastructure for such improvements, and for

constructing, acquiring, installing, and equipping municipal park and recreation improvements and related infrastructure for such improvements. Construction began in March 2020, and was completed in January of 2021.

Several small utility-related capital improvement projects are currently under construction, or have just been completed, including a major sewer line extension and increasing the capacity of the storm water basin at the wastewater treatment plant. The City of Kaufman's utility systems have been deteriorating for many years and an aggressive, comprehensive program is in place to make necessary improvements to the utility systems. The City recently submitted an application for a Texas Water Development Board Loan for \$2.71 million for Improvements to the Wastewater Treatment Plant, and the City agreed to set aside an additional \$498,500. The contract amount for the improvements was \$2,977,203. The project began August 15, 2020 and is expected to be completed in September 2021.

Compensation Plan/Personnel Overall staff budget during fiscal year 2020 was 68 full-time personnel, 2 part-time personnel, and one temporary hire. Total fiscal year 2020 budgeted payroll with benefits was \$5,087,415. A generous benefit package is provided to employees including vacation, holiday, sick pay and 100% employer paid health insurance plan for employees. The total dollar funded by the City per employee per month for health insurance plans is \$640. In fiscal year 2007, health reimbursement accounts (HRA) were established for full time employees and funded by the City at the level of \$30 per month for each employee. Funding of the HRA accounts continued at the same level until fiscal year 2010 when it was increased to \$60 per month. The current HRA accounts available range from an expense to the employee per month of \$54.94 or a credit of \$108.32 to their HRA flex spending monthly allowance depending on the consumer choice plan and optional eligible insurance chosen by the employee. In fiscal year 2015, two additional health savings accounts (HSA) were established for full time employees and funded by the City. The current HSA amount funded for the employee can range from an expense to the employee per month of \$4.78 or a credit of \$138.80 to their HSA flex spending monthly allowance depending on the consumer choice plan and optional eligible insurance chosen by the employee. The City also provides for retirement in the Texas Municipal Retirement System (TMRS) to their employees, with a contribution rate of 7% (effective October 2007), two to one match, five year vesting, updated service credits and a 20-year retirement plan.

Cash Management Cash temporarily idle during the year was invested in demand deposits, certificates of deposit, and TexPool investment pool. The average yield on investments, except for the pension trust fund, at September 30, 2019 was .10% on pooled bank accounts (88.25% of portfolio), 1.084% on certificates of deposit (8.87% of portfolio) and 1.9953% on investment pool (2.88% of portfolio).

The City's investment policy complies with the Public Funds Investment Act. The policy, updated in 2020, is designed to ensure the safety of its principal in the overall portfolio as the foremost objective. Accordingly, deposits are either insured by federal depository insurance or collateralized. The investment policy is reviewed and updated annually, as applicable. The City Council considered proposals for banking services in January 2016. Staff reviewed the proposals and determined the best cost of banking services for the City. As recommended, American National Bank of Texas was awarded the City's depository contract for five years, with a 90 day extension. It is anticipated the city will consider proposals for banking services again in April, 2021.

Risk Management The City currently maintains third party insurance coverage to minimize all financial risks. Risk management programs are in place to minimize risk in the areas of workers' compensation, general liability, public officials and employees' liability, police officer liability and property and fleet/equipment liability and damage.

Pension Benefits The City provides pension benefits to all of its full-time employees through a nontraditional, joint contributory, defined contribution plan in the state-wide Texas Municipal Retirement System, an agent multiple-employment public employee retirement system. The pension plan is administered and accounted for by TMRS rather than by the City.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Kaufman for its comprehensive annual financial report for the fiscal year ended September 30, 2019. This was the twenty-first consecutive year that the government achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the comprehensive annual financial report was made possible by the dedicated services of the entire staff of YWRD, P.C. and the Finance Department of the City of Kaufman.

In closing, the members of the City Council are to be commended for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Sincerely,

Mike Slye
City Manager

Jessie Hanks
City Secretary

Mary Wennerstrom
Director of Finance



Government Finance Officers Association

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

Presented to

**City of Kaufman
Texas**

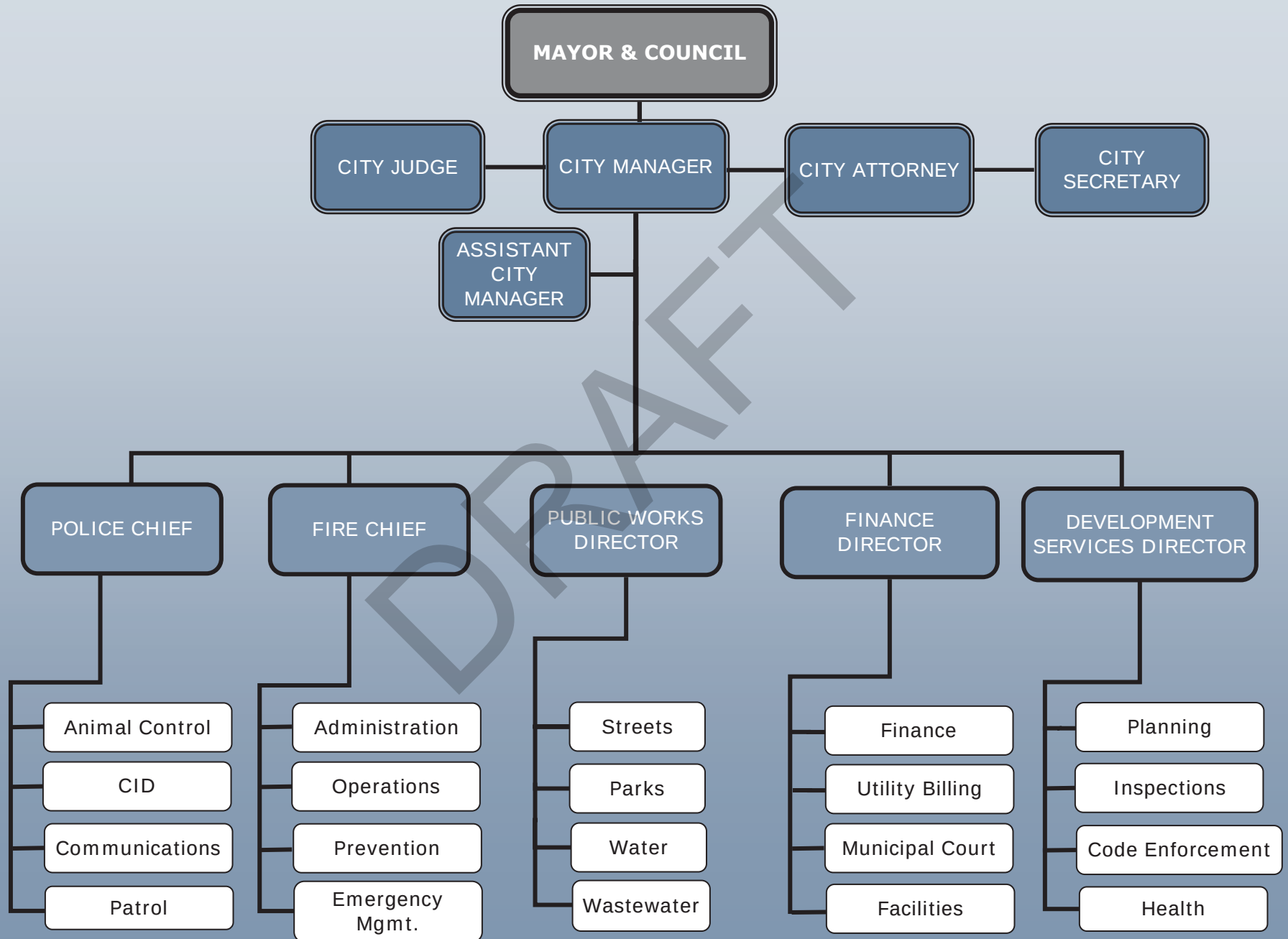
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

Executive Director/CEO

CITY OF KAUFMAN ORGANIZATIONAL CHART



CITY OF KAUFMAN, TEXAS
LIST OF ELECTED CITY OFFICIALS AND ADMINISTRATORS
September 30, 2020

ELECTED CITY OFFICIALS

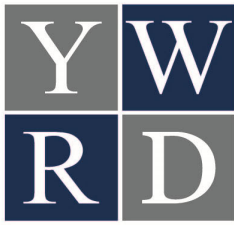
Mayor	Jeff Jordan
Mayor Pro Tem	Patty Patterson
Council Member	Carole Aga
Council Member	Jeff Council
Council Member	Lisa Parker
Council Member	Matt Phillips
Council Member	Barry Ratcliffe

ADMINISTRATION

City Manager	Michael T. Slye
Assistant City Manager	Mike Holder
City Secretary	Jessie Hanks
Director of Finance	Mary Wennerstrom

FINANCIAL SECTION

DRAFT



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council of
City of Kaufman, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Kaufman, Texas, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Kaufman, Texas, as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, net pension liability information, and total OPEB liability information on pages 16-25 and 79-84 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2021, on our consideration of the City of Kaufman, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 of Kaufman, Texas' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Kaufman, Texas' internal control over financial reporting and compliance.

YWRD, P.C.
Certified Public Accountants

Waxahachie, Texas
March 19, 2021



MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As management of the City of Kaufman, Texas, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the letter of transmittal, which can be found on pages 2-8 of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$30,816,906 (*net position*).
- The City's total net position increased by \$3,609,865.
- As of the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$5,024,353, an increase of \$1,149,457 in comparison with the prior year. Approximately 37.67% of this amount (\$1,892,770) is available for spending at the City's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$2,804,126, or approximately 46.1% of the total general fund expenditures.

Overview of the Financial Statements

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

Government-wide 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, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference 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 compensated absences).

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, public works, public services and operations, and parks and recreation. The business-type activities of the City include utility and drainage operations.

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 is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. Complete financial statements for the component unit are available from the City's Finance Director upon request.

The government-wide financial statements can be found on pages 27-28 of this report.

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

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in 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 twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Grants Fund, Debt Service Fund, and Capital Improvements, which are considered to be major funds. Data from the other seven governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 29-32 of this report.

Proprietary Funds. The City maintains one type of proprietary fund. The *enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses the enterprise funds to account for its utility and drainage operations.

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 Utility fund and Drainage fund which are considered to be major funds of the City.

The basic proprietary fund financial statements can be found on pages 33-35 of this report.

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. The notes to the financial statements can be found on pages 36-77 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City's Schedule of Revenues and Expenditures - Budget and Actual - General Fund, Schedule of Revenues and Expenditures - Budget and Actual - Grants Fund, the Schedule of Changes in Net Pension Liability and Related Ratios, the Schedule of Contributions, and the Schedule of Changes in Total OPEB Liability and Related Ratios. Required supplementary information can be found on pages 79-83 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions. Combining fund statements and schedules can be found on pages 86-99 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. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$30,816,906, at the close of the most recent fiscal year.

CITY OF KAUFMAN'S NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 16,775,188	\$ 16,332,540	\$ 8,509,898	\$ 6,699,224	\$ 25,285,086	\$ 23,031,764
Capital assets	35,324,069	30,971,243	18,493,473	14,510,811	53,817,542	45,482,054
Total assets	52,099,257	47,303,783	27,003,371	21,210,035	79,102,628	68,513,818
Total deferred outflows of resources	353,575	800,147	232,924	381,768	586,499	1,181,915
Long term liabilities	32,443,502	30,886,291	14,038,197	9,681,001	46,481,699	40,567,292
Other liabilities	1,535,606	1,241,025	352,680	630,956	1,888,286	1,871,981
Total liabilities	33,979,108	32,127,316	14,390,877	10,311,957	48,369,985	42,439,273
Total deferred inflows of resources	352,754	47,042	149,482	2,377	502,236	49,419
Net position:						
Net investment in capital assets	19,010,417	18,956,703	10,178,024	9,196,069	29,188,441	28,152,772
Restricted	1,668,844	1,153,109	353,588	285,204	2,022,432	1,438,313
Unrestricted (deficit)	(2,558,291)	(4,180,240)	2,164,324	1,796,196	(393,967)	(2,384,044)
Total net position	\$ 18,120,970	\$ 15,929,572	\$ 12,695,936	\$ 11,277,469	\$ 30,816,906	\$ 27,207,041

By far, the largest portion of the City's net position (94.7%) reflects its investment in capital assets (e.g., land, construction in progress, buildings, improvements, machinery and equipment, and infrastructure), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (6.56%) represents resources that are subject to external restrictions on how they may be used.

The City's total net investment in capital assets increased as the additions from capital outlays and work-in-progress exceeded depreciation and retirements.

The City's overall net position increased \$3,609,865 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

CITY OF KAUFMAN'S CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 768,182	\$ 754,889	\$ 4,841,704	\$ 4,465,227	\$ 5,609,886	\$ 5,220,116
Operating grants and contributions	734,245	48,464	-	-	734,245	48,464
Capital grants and contributions	847,033	1,197,213	1,579,072	180,918	2,426,105	1,378,131
General revenues:						
Property taxes	3,631,892	3,213,811	-	-	3,631,892	3,213,811
Sales taxes	3,079,254	2,354,351	-	-	3,079,254	2,354,351
Franchise taxes	423,057	432,662	-	-	423,057	432,662
Hotel occupancy taxes	42,492	45,445	-	-	42,492	45,445
Alcoholic beverage taxes	9,673	10,749	-	-	9,673	10,749
Investment earnings	10,667	12,545	15,500	20,528	26,167	33,073
Gain on sale of capital assets	21,025	10,321	1,800	6,545	22,825	16,866
Miscellaneous	400,248	152,026	-	1,880	400,248	153,906
Total revenues	9,967,768	8,232,476	6,438,076	4,675,098	16,405,844	12,907,574
Expenses:						
General government	1,608,805	1,250,680	-	-	1,608,805	1,250,680
Public safety	2,881,999	2,552,968	-	-	2,881,999	2,552,968
Public works	1,583,450	1,557,214	-	-	1,583,450	1,557,214
Public services and operations	484,396	465,988	-	-	484,396	465,988
Parks and recreation	532,166	493,476	-	-	532,166	493,476
Interest on long-term debt	859,089	752,700	-	-	859,089	752,700
Utility	-	-	4,678,519	4,144,684	4,678,519	4,144,684
Drainage	-	-	167,555	104,554	167,555	104,554
Total expenses	7,949,905	7,073,026	4,846,074	4,249,238	12,795,979	11,322,264
Increase in net position before transfers	2,017,863	1,159,450	1,592,002	425,860	3,609,865	1,585,310
Transfers	173,535	41,388	(173,535)	(41,388)	-	-
Change in net position	2,191,398	1,200,838	1,418,467	384,472	3,609,865	1,585,310
Net position - beginning	15,929,572	14,728,734	11,277,469	10,892,997	27,207,041	25,621,731
Net position - ending	\$ 18,120,970	\$ 15,929,572	\$ 12,695,936	\$ 11,277,469	\$ 30,816,906	\$ 27,207,041

Governmental Activities. During the current fiscal year, net position for governmental activities increased \$2,191,398 from the prior fiscal year for an ending balance of \$18,120,970. Revenues increased \$1,735,292 with grants and contributions, property tax, and sales tax contributing to the majority of this change. Expenses increased \$876,879 with increases in pension and general government expenses being primarily responsible for the change.

Business-type Activities. For the City's business-type activities, the results for the current fiscal year resulted in a net increase in net position to an ending balance of \$12,695,936. The total increase in net position for business-type activities (water, sewer, and drainage operations) was \$1,418,467 or 12.58% of prior fiscal year. Total expenses before transfers increased by 12.88%.

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, 2020, the City's governmental funds reported combined fund balances of \$5,024,353, an increase of \$1,149,457 in comparison with the prior year. Approximately 37.7% of this amount (\$1,892,770) constitutes *unassigned fund balance*, which is available for spending at the City's discretion. The remainder of the fund balance is either *nonspendable* or *restricted* to indicate that it is 1) not in spendable form (\$81,768), 2) restricted for particular purposes (\$2,730,763), or 3) assigned for particular purposes (\$319,052).

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 \$2,804,126, while total fund balance increased to \$3,204,946. 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 46.1 percent of total general fund expenditures, while total fund balance represents approximately 52.7 percent of that same amount.

The fund balance of the City's general fund increased by \$953,258 during the current fiscal year. Property tax increased approximately 21% while sales tax increased approximately 12%. Total expenditures increased 5% over 2019 with the general government and public safety departments increasing 16% and 12%, respectively.

The grant fund, a major fund, had an increase in fund balance during the current year of \$139,443 to bring the year end fund balance (deficit) to (\$875,403). This increase is the result of a decrease in expenditures during the current fiscal year.

The debt service fund, a major fund, had a decrease in fund balance during the current year of \$45,161 to bring the year end fund balance to \$465,419. This decrease is the result of increased debt service payments in the current fiscal year.

The capital improvements fund, a major fund, had a \$486,475 decrease in fund balance during the current fiscal year which decreased total fund balance to \$1,061,919. This decrease is primarily the result of bond proceeds being spent during the year.

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 Utility fund at the end of the year was \$1,937,396. The total increase in net position was \$811,651. Operating revenues increased in 2020 by \$307,493 (7.23%). Operating expenses increased by 12.35% while capital contributions increased \$788,197.

Unrestricted net position of the Drainage fund at the end of the year was \$226,928. The total increase in net position was \$606,816. Operating revenues increased in 2020 by \$68,984 (32.16%). Operating expenses increased by 60.26% while capital contributions increased \$609,957.

General Fund Budgetary Highlights

Original budget compared to final budget. During the year, the City increased total estimated revenues and transfers in by \$272,702 with increases to sales tax comprising \$200,334 of this increase. Total expenditures and transfers out were increased by \$272,681 with increases to general government expenditures comprising \$207,509 of this increase.

Final budget compared to actual results. General budgeted revenues of \$6,960,182 exceeded actual revenues of \$6,919,148 by \$41,034. The main component that experienced a decrease was sales tax. This shortfall totaled \$35,258.

Budgeted general fund expenditures of \$6,001,909 exceeded actual expenditures of \$5,946,608. This \$55,301 positive variance was achieved through a series of expenditure restrictions imposed during the year. Following are the main components that experienced an increase or decrease of actual expenditures compared to actual expenditures:

- General government budgeted expenditures exceeded actual by \$170,852 primarily due to unspent budgetary reserves.
- Public Safety actual expenditures exceeded budget by \$220,365 primarily due to capital lease purchases.

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, 2020, amounts to \$53,817,542 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements, machinery and equipment, and infrastructure. The total increase in capital assets for the current fiscal year was approximately 18.33%.

City of Kaufman's Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 1,593,114	\$ 1,593,114	\$ 549,375	\$ 549,375	\$ 2,142,489	\$ 2,142,489
Construction in progress	3,858,702	4,922,168	3,116,496	4,205,787	6,975,198	9,127,955
Buildings	8,582,027	8,835,877	1,663,925	1,881,869	10,245,952	10,717,746
Improvements	-	-	12,695,374	7,315,518	12,695,374	7,315,518
Machinery and equipment	1,279,197	1,083,926	468,303	558,262	1,747,500	1,642,188
Infrastructure	20,011,029	14,536,158	-	-	20,011,029	14,536,158
Total	\$ 35,324,069	\$ 30,971,243	\$ 18,493,473	\$ 14,510,811	\$ 53,817,542	\$ 45,482,054

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

- Construction in progress additions of approximately \$7,656,000 consisting of street improvements, community center, water and sewer improvements, and drainage improvements.
- Approximately \$9,809,000 of construction in progress was completed during the year.
- Improvements of approximately \$1,752,000 for water and sewer lines and drainage improvements.
- Machinery and equipment additions of approximately \$452,000.

Additional information on the City's capital assets can be found in Note 3.G on pages 50-51 of this report.

Long-term Debt. At the end of the current fiscal year, the City had total long-term debt outstanding of \$43,716,023.

City of Kaufman's Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Certificates of obligation	\$ 5,335,000	\$ 1,970,000	\$ 12,005,000	\$ 7,535,000	\$ 17,340,000	\$ 9,505,000
General obligations						
bonds	10,730,000	11,080,000	825,000	995,000	11,555,000	12,075,000
Pass through bonds	7,000,000	7,325,000	-	-	7,000,000	7,325,000
Notes payable	7,106,535	7,623,560	-	-	7,106,535	7,623,560
Tax anticipation note	125,000	185,000	-	-	125,000	185,000
Development						
agreements payable	-	-	105,000	120,000	105,000	120,000
Capital leases	411,044	316,534	73,444	72,065	484,488	388,599
Total	\$ 30,707,579	\$ 28,500,094	\$ 13,008,444	\$ 8,722,065	\$ 43,716,023	\$ 37,222,159

The City's total debt increased by \$6,493,864 (17.4 percent) during the current fiscal year. The reason for the increase is primarily the result of new debt issues exceeding scheduled debt payments.

The City's General Obligation and Combination Tax and Revenue Certificates of Obligation ratings are listed below.

	Moody's	Standard's & Poor's
General Obligation Bonds	A3	AA
Certificates of Obligation	A3	AA

Additional information on the City's long term-debt can be found in Note 3.M on pages 57-63 of this report.

Economic Factors and Next Year's Budgets and Rates

In the fiscal year 2021 budget, the General Fund revenues are budgeted to increase by \$410,333 or 5.6% from the fiscal year 2020 budget. General property taxes, currently the second largest revenue source for the General Fund, make up about \$2,423,537 or 31.6% of anticipated general fund revenues. Property values show an increase of \$46,919,370 or 11.2% over the prior year primarily as a result of the overall improvement in the local economy, home values, and an increase in the number of new homes and businesses, including Georgetown at Kingsfort Development, Kingsfort business corridor expansion, Burger King, Starbucks, Panda Express, and Verizon Wireless. This increase is part of a trend the City has experienced over the last five years, strengthening what the City identifies as a turn-around in appraised values locally. The City Council adopted the tax rate of \$0.8216760 per \$100 assessed valuation which is a decrease to the prior year's rate. The debt service portion of the tax rate increased by \$0.0170504, from \$0.3007071 to \$0.3177758 per \$100 of net assessed valuation. The maintenance and operations portion of the tax rate decreased by \$0.0440249, from \$0.5479431 to \$0.5039182 per \$100 assessed valuation.

Sales tax, currently the largest revenue source for the General Fund, is budgeted at \$2,452,140 or 31.9% of anticipated General Fund revenue. Wal-Mart, along with continued construction and opening of several new retail outlets along the Kingsfort business corridor continues to positively impact sales tax revenue.

Other major revenue sources include \$2,678,200 from water sales, \$1,683,630 from sewer services, and \$683,599 from franchise agreements. In fiscal year 2021, retail utility rates were not increased and remained flat. Storm Drainage fees also remained flat at a rate \$4 per ERU.

The fiscal year 2021 budget adopted by the City Council includes an increase of \$399,366 or 5.5% in the expenditures in the General Fund operating budget and an increase of \$358,942 or 7.7% in the business-type fund operating budget when compared to previous year's budget. The 2021 budget includes a 3% COLA across the organization as well as a senior management payment adjustment to bring them competitive with their peers, effective January 2021, assuming a return of normal operations, comparable to previous quarter one of fiscal year 2020. In addition, the city added four new Summer Hire positions (for maintenance of parks), as well as a full-time building official. Fiscal year 2021, also continued to fund chapter 380 agreement commitments, including KLLM, funded the Texas Municipal Retirement System Consumer Price Index participation at 50% Repeating, funded a 5-year lease of eleven vehicles, four police vehicles, four public works vehicles, two fire vehicles, and one code enforcement vehicle. The city also funded new playground equipment, a Disc Golf Course, and an exterior fence replacement at City Lakes Park, \$50,000 in Street Maintenance/Rehab (primarily dedicated to curb & sidewalk repair), \$408,690 from the Street Maintenance Fund (from the sales tax reallocation of 1/4 penny Sales Tax to street rehabilitation), as well as, additional Park Maintenance funds to affect significant improvements within our park system.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest 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 Finance Department, 3003 S. Washington, Kaufman, Texas 75142.

DRAFT

BASIC FINANCIAL STATEMENTS

DRAFT

CITY OF KAUFMAN, TEXAS
STATEMENT OF NET POSITION
September 30, 2020

	Primary Government			Component Unit
	Governmental	Business-type		Kaufman
	Activities	Activities	Total	Economic Development Corporation
ASSETS				
Cash and cash equivalents	\$ 5,430,939	\$ 1,690,611	\$ 7,121,550	\$ 990,045
Receivables (net of allowance for uncollectibles)	892,837	712,707	1,605,544	110,000
Intergovernmental receivables	9,857,004	-	9,857,004	-
Due from component unit	1,000,000	-	1,000,000	-
Due from primary government	-	-	-	201,479
Internal balances	(487,360)	487,360	-	-
Inventories	-	90,494	90,494	-
Prepaid items	81,768	5,577	87,345	625
Restricted cash and cash equivalents	-	5,523,149	5,523,149	-
Capital assets:				
Non-depreciable	5,451,816	3,665,871	9,117,687	571,603
Depreciable (net of accumulated depreciation)	29,872,253	14,827,602	44,699,855	7,681
Total Assets	52,099,257	27,003,371	79,102,628	1,881,433
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	-	89,419	89,419	-
Deferred outflows of resources related to pension	318,852	130,307	449,159	-
Deferred outflows of resources related to OPEB	34,723	13,198	47,921	-
Total Deferred Outflows of Resources	353,575	232,924	586,499	-
LIABILITIES				
Accounts payable	1,185,821	16,873	1,202,694	21,015
Accrued payroll payable	38,530	12,916	51,446	-
Accrued interest payable	109,776	44,793	154,569	-
Customer deposits payable	-	116,675	116,675	-
Due to component unit	201,479	-	201,479	-
Liabilities payable from restricted assets	-	161,423	161,423	-
Noncurrent liabilities:				
Due within one year	1,514,833	710,705	2,225,538	100,000
Due in more than one year	30,928,669	13,327,492	44,256,161	900,000
Total Liabilities	33,979,108	14,390,877	48,369,985	1,021,015
DEFERRED INFLOWS OF RESOURCES				
Deferred charges on refunding	23,738	-	23,738	-
Deferred inflows of resources related to pension	310,706	142,383	453,089	-
Deferred inflows of resources related to OPEB	18,310	7,099	25,409	-
Total Deferred Inflows of Resources	352,754	149,482	502,236	-
NET POSITION				
Net investment in capital assets	19,010,417	10,178,024	29,188,441	579,284
Restricted for:				
Infrastructure improvements	-	165,862	165,862	-
Public safety	127,581	-	127,581	-
Public works	1,021,887	-	1,021,887	-
Parks and recreation	53,208	-	53,208	-
Debt service	465,419	187,726	653,145	-
Economic development	-	-	-	281,134
Unrestricted (deficit)	(2,558,291)	2,164,324	(393,967)	-
Total Net Position (deficit)	\$ 18,120,970	\$ 12,695,936	\$30,816,906	\$ 860,418

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

CITY OF KAUFMAN, TEXAS
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2020

Net (Expense) Revenue and Changes in Net Position

	Program Revenues				Primary Government			Component Unit Kaufman Economic Development Corporation
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Governmental Activities	Business-type Activities	Total	
Expenses								
Function/Programs:								
Primary government:								
Governmental activities:								
General government	\$ 1,608,805	\$ 325,461	\$ 139,614	\$ -	\$ (1,143,730)	\$ -	\$ (1,143,730)	\$ -
Public safety	2,881,999	88,611	336,069	-	(2,457,319)	-	(2,457,319)	-
Public works	1,583,450	353,810	-	847,033	(382,607)	-	(382,607)	-
Public services and operations	484,396	-	-	-	(484,396)	-	(484,396)	-
Parks and recreation	532,166	300	258,562	-	(273,304)	-	(273,304)	-
Interest on long-term debt	859,089	-	-	-	(859,089)	-	(859,089)	-
Total governmental activities	7,949,905	768,182	734,245	847,033	(5,600,445)	-	(5,600,445)	-
Business-type activities:								
Utility	4,678,519	4,558,234	-	969,115	-	848,830	848,830	-
Drainage	167,555	283,470	-	609,957	-	725,872	725,872	-
Total business-type activities	4,846,074	4,841,704	-	1,579,072	-	1,574,702	1,574,702	-
Total primary government	\$ 12,795,979	\$ 5,609,886	\$ 734,245	\$ 2,426,105	(5,600,445)	1,574,702	(4,025,743)	-
Component unit:								
Kaufman Economic Development Corporation	\$ 366,773	\$ -	\$ 103,000	\$ -				(263,773)
Total component unit	\$ 366,773	\$ 103,000	\$ 103,000	\$ -				(263,773)
General revenues:								
Property taxes					3,631,892	-	3,631,892	-
Sales taxes					3,079,254	-	3,079,254	440,035
Franchise taxes					423,057	-	423,057	-
Hotel occupancy taxes					42,492	-	42,492	-
Alcoholic beverage taxes					9,673	-	9,673	-
Investment earnings					10,667	15,500	26,167	507
Gain on sale of capital asset					21,025	1,800	22,825	13,923
Miscellaneous					400,248	-	400,248	-
Transfers					173,535	(173,535)	-	-
Total general revenues					7,791,843	(156,235)	7,635,608	454,465
Change in net position					2,191,398	1,418,467	3,609,865	190,692
Net position - beginning					15,929,572	11,277,469	27,207,041	669,726
Net position - ending					\$ 18,120,970	\$ 12,695,936	\$ 30,816,906	\$ 860,418

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

CITY OF KAUFMAN, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2020

	General	Grants	Debt Service	Capital Improvements	Total Nonmajor Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 2,563,608	\$ -	\$ 464,575	\$ 1,298,042	\$ 1,104,714	\$ 5,430,939
Receivables (net of allowance for uncollectibles)	847,254	-	33,618	-	11,965	892,837
Intergovernmental receivables	332,860	914,102	8,293,980	316,062	-	9,857,004
Due from component unit	1,000,000	-	-	-	-	1,000,000
Due from other funds	24,764	-	-	487,360	88,479	600,603
Prepaid items	81,768	-	-	-	-	81,768
Total assets	<u>\$ 4,850,254</u>	<u>\$ 914,102</u>	<u>\$ 8,792,173</u>	<u>\$ 2,101,464</u>	<u>\$ 1,205,158</u>	<u>\$ 17,863,151</u>
LIABILITIES						
Accounts payable	\$ 256,085	\$ -	\$ -	\$ 917,045	\$ 12,691	\$ 1,185,821
Accrued payroll payable	38,299	-	-	-	231	38,530
Due to other funds	88,479	974,720	-	-	24,764	1,087,963
Due to component unit	201,479	-	-	-	-	201,479
Total liabilities	<u>584,342</u>	<u>974,720</u>	<u>-</u>	<u>917,045</u>	<u>37,686</u>	<u>2,513,793</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-property taxes	60,966	-	32,774	-	-	93,740
Unavailable revenue-grants	-	814,785	-	122,500	-	937,285
Unavailable revenue-other	1,000,000	-	8,293,980	-	-	9,293,980
Total deferred inflows of resources	<u>1,060,966</u>	<u>814,785</u>	<u>8,326,754</u>	<u>122,500</u>	<u>-</u>	<u>10,325,005</u>
FUND BALANCES						
Nonspendable:						
Prepaid items	81,768	-	-	-	-	81,768
Restricted:						
Capital projects	-	-	-	1,061,919	-	1,061,919
General government	-	-	-	-	749	749
Public safety	-	-	-	-	127,581	127,581
Public works	-	-	-	-	1,021,887	1,021,887
Public service and operations	-	-	-	-	53,208	53,208
Debt service	-	-	465,419	-	-	465,419
Assigned:						
Capital outlay	319,052	-	-	-	-	319,052
Unassigned						
	2,804,126	(875,403)	-	-	(35,953)	1,892,770
Total fund balances	<u>3,204,946</u>	<u>(875,403)</u>	<u>465,419</u>	<u>1,061,919</u>	<u>1,167,472</u>	<u>5,024,353</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,850,254</u>	<u>\$ 914,102</u>	<u>\$ 8,792,173</u>	<u>\$ 2,101,464</u>	<u>\$ 1,205,158</u>	<u>\$ 17,863,151</u>

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

CITY OF KAUFMAN, TEXAS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
September 30, 2020

Amounts reported for governmental activities in the statement of net position (page 27) are different because:

Total fund balances - governmental funds (page 29)		\$ 5,024,353
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		35,324,069
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		10,325,005
Deferred outflows of resources are not reported in the governmental funds:		
Deferred outflows of resources related to pension	\$ 318,852	
Deferred outflows of resources related to OPEB	<u>34,723</u>	353,575
Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in the governmental funds balance sheet.		(109,776)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
Due within one year	(1,514,833)	
Due in more than one year	<u>(30,928,669)</u>	(32,443,502)
Deferred inflows of resources are not reported in the governmental funds:		
Deferred charges on refunding	(23,738)	
Deferred inflows of resources related to pension	(310,706)	
Deferred inflows of resources related to OPEB	<u>(18,310)</u>	(352,754)
Net position of governmental activities (page 27)		<u>\$ 18,120,970</u>

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

CITY OF KAUFMAN, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2020

	General	Grants	Debt Service	Capital Improvements	Total Nonmajor Funds	Total Governmental Funds
REVENUES						
Property taxes	\$2,298,050	\$ -	\$1,327,718	\$ -	\$ -	\$ 3,625,768
Sales taxes	2,639,467	-	-	-	439,787	3,079,254
Franchise taxes	423,057	-	-	-	-	423,057
Hotel occupancy taxes	-	-	-	-	42,492	42,492
Alcoholic beverage taxes	9,673	-	-	-	-	9,673
Licenses and permits	325,461	-	-	-	-	325,461
Fines and forfeitures	84,157	-	-	-	4,454	88,611
Charges for services	354,110	-	-	-	-	354,110
Investment earnings	6,373	152	-	2,494	1,648	10,667
Miscellaneous	87,048	-	-	-	313,200	400,248
Intergovernmental	519,025	158,246	683,344	443,563	52,708	1,856,886
Contributions and donations	700	-	-	-	-	700
Total revenues	6,747,121	158,398	2,011,062	446,057	854,289	10,216,927
EXPENDITURES						
Current:						
General government	1,369,830	-	-	-	153,793	1,523,623
Public safety	2,919,336	5,980	-	-	45,976	2,971,292
Public works	715,660	300	-	-	127,609	843,569
Public services and operations	444,329	-	-	-	32,461	476,790
Parks and recreation	439,875	-	-	-	-	439,875
Debt service:						
Principal retirement	176,410	-	1,342,025	-	25,845	1,544,280
Interest and fiscal charges	12,637	-	814,947	-	-	827,584
Bond issuance costs	-	-	-	51,399	-	51,399
Capital outlay:						
Public works	-	-	-	4,432,532	-	4,432,532
Total expenditures	6,078,077	6,280	2,156,972	4,483,931	385,684	13,110,944
Excess (deficiency) of revenues over (under) expenditures	669,044	152,118	(145,910)	(4,037,874)	468,605	(2,894,017)
OTHER FINANCING SOURCES (USES)						
Transfers in	459,335	-	100,750	-	122,740	682,825
Transfers out	(196,146)	(12,675)	(296,765)	(750)	(2,954)	(509,290)
Certificates of obligation issued	-	-	-	3,455,000	-	3,455,000
Premium on bonds issued	-	-	-	97,149	-	97,149
Capital leases	-	-	296,765	-	-	296,765
Sale of capital assets	21,025	-	-	-	-	21,025
Total other financing sources (uses)	284,214	(12,675)	100,750	3,551,399	119,786	4,043,474
Net change in fund balances	953,258	139,443	(45,160)	(486,475)	588,391	1,149,457
Fund balances-beginning	2,251,688	(1,014,846)	510,579	1,548,394	579,081	3,874,896
Fund balances-ending	\$3,204,946	\$ (875,403)	\$ 465,419	\$ 1,061,919	\$1,167,472	\$ 5,024,353

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

CITY OF KAUFMAN, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2020

Amounts reported for governmental activities in the statement of activities (page 28) are different because:

Net Change in Fund Balances - total governmental funds (page 31)		\$ 1,149,457
Governmental funds report capital outlay as expenditures. However, in the government-wide statement of activities and changes in net position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital outlay recorded as capital assets in the current period.		4,840,683
The net effect of various miscellaneous transactions involving capital assets (i.e., capital contributions) is to increase net position.		724,533
Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditure in governmental funds.		(1,212,390)
The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas 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.		
Certificates of obligation issued	\$ (3,455,000)	
Certificates of obligation retirement	90,000	
General obligation bonds retirement	350,000	
Pass through bond retirement	325,000	
Premium on bonds issued	(97,149)	
Amortization of bond premiums/discounts	(50)	
Amortization of deferred charge on refunding	14,994	
Note payable retirement	517,025	
Tax anticipation note retirement	60,000	
Capital lease issued	(296,765)	
Capital lease retirement	202,255	(2,289,690)
Accrued interest expense on long-term debt is reported in the government-wide statement of activities and changes in net position, but does not require the use of current financial resources; therefore, accrued interest expense is not reported as expenditures in governmental funds. Change in accrued interest.		(6,671)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(994,719)
Pension and OPEB contributions are recorded as expenditures in the governmental funds. However, in the statement of activities, these contributions are converted to the full accrual pension and OPEB amounts.		
Deferred outflows/inflows of resources related to pension	(766,788)	
Deferred outflows/inflows of resources related to pension OPEB	(490)	(767,278)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Compensated absences	1,222	
Net pension liability	757,708	
OPEB liability	(11,457)	747,473
Change in net position of governmental activities (page 28)		<u>\$ 2,191,398</u>

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

CITY OF KAUFMAN, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2020

	Business-type Activities - Enterprise		
	Utility	Drainage	Total Enterprise Funds
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 1,426,212	\$ 264,399	\$ 1,690,611
Restricted cash and cash equivalents	100,695	60,728	161,423
Receivables (net of allowance for uncollectibles)	688,048	24,659	712,707
Due from other funds	487,360	-	487,360
Inventories	90,494	-	90,494
Prepaid items	5,577	-	5,577
Total current assets	2,798,386	349,786	3,148,172
Noncurrent Assets:			
Restricted cash and cash equivalents	1,224,041	4,137,685	5,361,726
Capital assets (net, where applicable of accumulated depreciation)	15,337,547	3,155,926	18,493,473
Total noncurrent assets	16,561,588	7,293,611	23,855,199
Total assets	19,359,974	7,643,397	27,003,371
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	89,419	-	89,419
Deferred outflows of resources related to pension	119,936	10,371	130,307
Deferred outflows of resources related to OPEB	12,252	946	13,198
Total deferred outflows of resources	221,607	11,317	232,924
LIABILITIES			
Current Liabilities:			
Accounts payable	16,873	-	16,873
Accrued payroll payable	12,916	-	12,916
Compensated absences	22,788	2,830	25,618
Customer deposits payable	116,675	-	116,675
Bonds payable	465,000	160,000	625,000
Capital lease payable	45,087	-	45,087
Development agreement payable	15,000	-	15,000
Accrued interest payable	25,755	19,038	44,793
Current liabilities payable from restricted assets:			
Accounts payable	27,366	24,454	51,820
Retainage payable	73,329	36,274	109,603
Total current liabilities	820,789	242,596	1,063,385
Noncurrent Liabilities:			
Bonds payable	6,554,790	6,054,772	12,609,562
Capital lease payable	28,357	-	28,357
Development agreement payable	90,000	-	90,000
Net pension liability	497,967	41,107	539,074
OPEB liability	55,887	4,612	60,499
Total noncurrent liabilities	7,227,001	6,100,491	13,327,492
Total liabilities	8,047,790	6,343,087	14,390,877
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pension	137,064	5,319	142,383
Deferred inflows of resources related to OPEB	6,558	541	7,099
Total deferred inflows of resources	143,622	5,860	149,482
NET POSITION			
Net investment in capital assets	9,099,185	1,078,839	10,178,024
Restricted for infrastructure improvements	165,862	-	165,862
Restricted for debt service	187,726	-	187,726
Unrestricted	1,937,396	226,928	2,164,324
Total net position	\$ 11,390,169	\$ 1,305,767	\$ 12,695,936

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

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

For the Fiscal Year Ended September 30, 2020

	Business-type Activities - Enterprise		
	Utility	Drainage	Total Enterprise Funds
Operating revenues:			
Water revenue	\$ 2,847,363	\$ -	\$ 2,847,363
Sewer revenue	1,636,534	-	1,636,534
Drainage revenue	-	283,470	283,470
Rental	24,951	-	24,951
Miscellaneous	49,386	-	49,386
Total operating revenues	<u>4,558,234</u>	<u>283,470</u>	<u>4,841,704</u>
Operating expenses:			
Personnel services	1,200,431	130,883	1,331,314
Supplies and materials	57,926	-	57,926
Maintenance and repair	244,402	-	244,402
Contractual services	1,844,897	-	1,844,897
Depreciation	1,000,391	36,672	1,037,063
Total operating expenses	<u>4,348,047</u>	<u>167,555</u>	<u>4,515,602</u>
Operating income	<u>210,187</u>	<u>115,915</u>	<u>326,102</u>
Nonoperating revenue (expenses):			
Investment earnings	15,151	349	15,500
Gain on sale of capital asset	1,800	-	1,800
Interest expense	(212,529)	(54,454)	(266,983)
Bond issuance costs	-	(63,489)	(63,489)
Total nonoperating revenue (expenses)	<u>(195,578)</u>	<u>(117,594)</u>	<u>(313,172)</u>
Income (loss) before contributions and transfers	14,609	(1,679)	12,930
Capital contributions	969,115	609,957	1,579,072
Transfer in	-	12,675	12,675
Transfer out	<u>(172,073)</u>	<u>(14,137)</u>	<u>(186,210)</u>
Change in net position	811,651	606,816	1,418,467
Net position-beginning	<u>10,578,518</u>	<u>698,951</u>	<u>11,277,469</u>
Net position-ending	<u>\$ 11,390,169</u>	<u>\$ 1,305,767</u>	<u>\$ 12,695,936</u>

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

CITY OF KAUFMAN, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2020

	Business-type Activities - Enterprise		
	Utility	Drainage	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 4,540,375	\$ 275,312	\$ 4,815,687
Payments to suppliers and service providers	(2,311,197)	(33,702)	(2,344,899)
Payments to employees for salaries and benefits	(1,156,788)	(120,343)	(1,277,131)
Net cash provided by (used for) operating activities	1,072,390	121,267	1,193,657
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Advances to other funds	(487,360)	-	(487,360)
Transfers from other funds	-	12,675	12,675
Transfers to other funds	(172,073)	(14,137)	(186,210)
Net cash provided by (used for) noncapital financing activities	(659,433)	(1,462)	(660,895)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(2,666,947)	(890,842)	(3,557,789)
Capital contributions	80,691	-	80,691
Proceeds from sale of capital assets	1,800	-	1,800
Proceeds from sale of bonds	-	5,064,238	5,064,238
Bond issuance costs	-	(63,489)	(63,489)
Principal paid on bond maturities	(440,000)	(45,000)	(485,000)
Interest and fiscal charges paid on bonds	(205,818)	(44,068)	(249,886)
Principal paid on development agreement	(15,000)	-	(15,000)
Principal paid on leased assets	(42,180)	-	(42,180)
Interest paid on leased assets	(2,620)	-	(2,620)
Net cash provided by (used for) capital and related financing activities	(3,290,074)	4,020,839	730,765
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	15,151	349	15,500
Net cash provided by investing activities	15,151	349	15,500
Net increase (decrease) in cash and cash equivalents	(2,861,966)	4,140,993	1,279,027
Cash and cash equivalents October 1 (including \$3,966,875 reported in restricted accounts)	5,612,914	321,819	5,934,733
Cash and cash equivalents September 30 (including \$5,523,149 reported in restricted accounts)	\$ 2,750,948	\$ 4,462,812	\$ 7,213,760
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 210,187	\$ 115,915	\$ 326,102
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and amortization	1,000,391	36,672	1,037,063
(Increase) decrease in accounts receivable	(14,144)	(8,158)	(22,302)
(Increase) decrease in inventory	(23,102)	-	(23,102)
(Increase) decrease in prepaid items	1,117	-	1,117
(Increase) decrease in pension related deferred outflows/inflows	264,598	16,776	281,374
(Increase) decrease in OPEB related deferred outflows/inflows	(27)	(49)	(76)
Increase (decrease) in accounts payable	(141,987)	(33,702)	(175,689)
Increase (decrease) in accrued payroll payable	(26,772)	(3,590)	(30,362)
Increase (decrease) in compensated absences	(2,538)	668	(1,870)
Increase (decrease) in customer deposits	(3,715)	-	(3,715)
Increase (decrease) in net pension liability	(197,350)	(4,905)	(202,255)
Increase (decrease) in net OPEB liability	5,732	1,640	7,372
Total adjustments	862,203	5,352	867,555
Net cash provided by (used for) operating activities	\$ 1,072,390	\$ 121,267	\$ 1,193,657
Schedule of non-cash transactions:			
Capital assets purchased on account	\$ 100,695	\$ 60,728	\$ 161,423
Capital contributions	\$ 888,424	\$ 609,957	\$ 1,498,381
Capital assets purchased with lease payable	\$ 43,559	\$ -	\$ 43,559

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

CITY OF KAUFMAN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of government-wide financial statements

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

B. Reporting entity

The City of Kaufman, Texas (the "City") was incorporated in 1853, and operates under a Council-Manager form of government. The accompanying financial statements present the City and its component unit, an entity for which the City is considered to be financially accountable. The City (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the City. Additionally, the City is required to consider other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The financial statements are formatted to allow the user to clearly distinguish between the primary government and its component unit.

Discretely presented component unit. The Corporation described below is included in the City's reporting entity because the City appoints the governing body and the Corporation is fiscally dependent on the City. The Corporation is reported as a discretely presented component unit since the governing body is not substantively the same as the governing body of the City, and they provides services to the citizens of Kaufman and the surrounding area as opposed to only the primary government. To emphasize that it is separate from the City, it is reported in a separate column in the financial statements.

The *Kaufman Economic Development Corporation* (the "Corporation") is responsible for collecting and disbursing the one-half percent sales tax to be used for economic development within the City. The members of the Corporation's board are appointed by the City. The City can impose its will on the Corporation by significantly influencing the program, projects, activities, or level of service performed by the Corporation. The Corporation is presented as a governmental fund type and has a September 30 year end.

CITY OF KAUFMAN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Reporting entity (continued)

Separately issued financial reports are available for the Corporation. This report may be obtained by contacting the following office.

City of Kaufman
3003 S. Washington
Kaufman, Texas 75142

C. Basis of presentation – 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, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

As discussed earlier, the City has a discretely presented component unit. The Economic Development Corporation is considered to be a major component unit and is shown in a separate column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's utility function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

D. Basis of presentation – fund financial statements

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

The City reports the following major governmental funds:

The *general fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

CITY OF KAUFMAN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of presentation – fund financial statements (continued)

The *grants fund* accounts for grants received from the federal, state and local governments.

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

The City reports the following major enterprise fund:

The *utility fund* accounts for the activities of the sewage treatment plant, sewage pumping stations and collection systems, and the water distribution system.

The *drainage fund* accounts for the drainage operations that are to be self-supporting through user charges.

During the course of operations the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to 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 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.

E. 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.

CITY OF KAUFMAN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Measurement focus and basis of accounting (continued)

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 City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. 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 if 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 City.

The proprietary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

CITY OF KAUFMAN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

1. Cash and cash equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposit and short-term investments with original maturities of one year or less from the date of acquisition.

2. Investments

Investments for the City are reported at fair value (generally based on quoted market prices) except for the position in TexPool. In accordance with state law, TexPool operates 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, TexPool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. TexPool is subject to regulatory oversight by the State Treasurer, although it is not registered with the SEC.

The State Comptroller of Public Accounts oversees TexPool. Federated Investors is the full service provider to the pools managing the assets, providing participant services, and arranging for all custody and other functions in support of the pools operations under a contract with the Comptroller.

TexPool is managed conservatively to provide a safe, efficient, and liquid investment alternative to Texas governments. The pools seek to maintain a \$1.00 value per share as required by the Texas Public Funds Investment Act. TexPool investments consist exclusively of U.S. Government securities, repurchase agreements collateralized by U.S. Government securities, and AAA-rated no-load money market mutual funds. TexPool is rated AAAm by Standard & Poor's, the highest rating a local government investment pool can achieve. The weighted average maturities of the pools cannot exceed 60 days, with the maximum maturity of any investment limited to 13 months. TexPool, like its participants, is governed by the Texas Public Funds Investment Act, and is in full compliance with the Act.

CITY OF KAUFMAN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)

3. *Restricted assets*

Certain proceeds of the City's enterprise funds general obligation bonds are classified as restricted assets on the statement of net position because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The "revenue bond current debt service" account is used to segregate resources accumulated for debt service payments over the next twelve months. The "revenue bond construction" account is used to report those proceeds of revenue bond issuances that are restricted for use in construction. The "infrastructure improvements" account is used to segregate resources from impact fees for infrastructure improvements.

4. *Inventories and prepaid items*

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies and vehicle repair parts. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

5. *Capital assets*

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years.

As the government constructs or acquires additional capital assets each period, 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 acquisition value at the date of donation.

CITY OF KAUFMAN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)

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
Improvements	7-30
Machinery and equipment	5-15
Infrastructure	30-50

6. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources reported in this year's financial statements include (1) deferred outflows of resources for contributions made to the City's defined benefit pension plan and OPEB plan between the measurement date of the net pension liabilities from that plan and the end of the City's fiscal year, (2) a deferred outflow of resources related to the changes in actuarial assumptions of the City's defined benefit pension and OPEB plan, and (3) deferred charge on refunding. Deferred outflows for pension contributions will be recognized in the subsequent fiscal year. Deferred outflows for changes in actuarial assumptions is attributed to pension expense over a total of 2.96 years and OPEB expense over a period of 5.17 years. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. No deferred outflows of resources affect the governmental funds financial statements in the current year.

CITY OF KAUFMAN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)

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. Deferred inflows of resources are reported in the City's various statements of net position for (1) the difference between expected and actual experience data used by the actuary for the pension and OPEB plan, (2) a deferred inflow of resources related to the differences between the projected and actual investment earnings for the City's multiple-employer defined benefit pension plan, and (3) deferred charge on refunding. Deferred inflows of resources for the difference between expected and actual experience data is attributed to pension expense over a total of 2.96 years and OPEB expense over a total of 5.17 years. The differences between the projected and actual investment earnings are attributed to pension expense over a total of 5 years, including the current year. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. In its governmental funds, the only deferred inflow of resources is for revenues that are not considered available. The City will not recognize the related revenues until they are available (collected not later than 60 days after the end of the City's fiscal year) under the modified accrual basis of accounting. Accordingly, unavailable revenue from property taxes and grants are reported in the governmental funds balance sheet.

7. Long-term obligations

In the government-wide financial statements, and proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

CITY OF KAUFMAN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)

8. Net position flow assumption

Net position represent the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources on the government-wide financial statements. Net positions are classified in the following categories:

Net investment in capital assets —This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.

Restricted net position —This amount is restricted by creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted net position —This amount is the net position that does not meet the definition of “net investment in capital assets” or “restricted net position”.

Sometimes the City 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 City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

9. Fund balance flow assumption

The governmental fund financial statements present fund balance categorized based on the nature and extent of the constraints placed on the specific purposes for which a government's funds may be spent. The following classifications describe the relative strength of the spending constraints:

Nonspendable fund balance —amounts that are not in spendable form (such as inventories and prepaid items) or are required to be maintained intact.

Restricted fund balance —amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

CITY OF KAUFMAN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)

Committed fund balance—amounts constrained to specific purposes by the City itself, using its highest level of decision-making authority (i.e., City Council). To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest level action to remove or change the constraint.

Assigned fund balance—amounts the City intends to use for a specific purpose. Intent can be expressed by the City Council or by an official or body to which the City Council delegates the authority.

Unassigned fund balance— amounts that represent fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. Other governmental funds might report a negative balance in this classification, as the result of overspending for specific purposes for which amounts had been restricted, committed, or assigned. Positive balances are reported only in the general fund.

Sometimes the City 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 City'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.

It is the long-term goal of the City to maintain a minimum unassigned fund balance in the General Fund equal to three months of the annually budgeted expenditures. The City will appropriate one percent (1%) of each year's General Fund budgeted expenditures until the identified goal is met.

10. Deficit fund equity

As of September 30, 2020, the Court Technology fund, a nonmajor governmental fund, has a deficit net position of \$21,403.

As of September 30, 2020, the Tax Increment Reinvestment Zone fund, a nonmajor governmental fund, has a deficit net position of \$14,550.

CITY OF KAUFMAN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The City's property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and personal property. Appraised values are established by the Kaufman County Appraisal District as market value and assessed at 100% of appraised value. Property taxes attach as an enforceable lien on property as of January 1. The Kaufman County Tax Assessor/Collector bills and collects the City's property taxes, which are due October 1. Full payment can be made prior to the next January 31 to avoid penalty and interest charges. Over time substantially all property taxes are collected.

3. Compensated absences

The City's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from City service. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable. Vacation leave shall be taken during the year following its accumulation.

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 utility and nonmajor enterprise funds are charges to customers for sales and services. The utility fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise funds includes 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.

CITY OF KAUFMAN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Revenues and expenditures/expenses (continued)

5. *Pensions and Other Post Employment Benefits (OPEB)*

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

GASB 75 requires recognition of the Total OPEB Liability (TOL), deferred (inflows)/outflows of resources, and total OPEB expense on the face of the employer's financial statements. The TOL is calculated by the System's actuary in accordance with the provisions of GASB 75. The OPEB expense and deferred (inflows)/outflows of resources related to OPEB, which are required to be reported by an employer, primarily result from changes in the components of the TOL. Most changes in the TOL will be included in OPEB expense in the period of the change. For example, changes in the TOL resulting from current-period service cost, interest on the TOL, and changes of benefit terms are required to be included in OPEB expense immediately. Changes in the TOL that have not been included in OPEB expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to OPEB.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Excess of actual expenditures/expenses over budget in individual fund

The Court Security fund had an excess of actual expenditures over budget by \$6,999. This excess was funded by existing fund balance.

The Tax Increment Reinvestment Zone fund had an excess of actual expenditures over budget by \$11,876. This excess was funded by transfers in.

The Street Maintenance fund had an excess of actual expenditures over budget by \$127,609. This excess was funded by Sales tax.

The Drainage fund had an excess of actual expenses over budget by \$117,505. This excess was funded by existing net position.

CITY OF KAUFMAN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 3 - 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 City's deposits may not be returned to it. State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or obligations of Texas and its agencies that have a market value of not less than the principal amount of the deposits. The City's deposits were fully insured or collateralized as required by State statutes at September 30, 2020. At year end, the bank balance of the City's deposits was \$13,419,811. Of the bank balance, \$500,000 was covered by federal depository insurance and the remaining balance, \$12,919,811, was covered by collateral pledged in the City's name. The collateral was held in the City's name by the safekeeping department of the pledging bank's agent and had a fair value of approximately \$14,397,000.

B. Investments

Public funds of the City may be invested in 1) obligations of the United States of America, its agencies and instrumentalities; 2) certificates of deposit; 3) fully collateralized direct repurchase agreements with a defined termination date secured by obligations of the United States or its agencies and instrumentalities; 4) money market mutual funds; and 5) local government investment pools.

The State Treasurer's Investment Pool (TexPool) 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 1.F.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. TexPool invests in a high quality portfolio of debt securities investments legally permissible for municipalities and school districts in the state.

<u>Investment Type</u>	<u>Fair Value</u>
TexPool	<u>\$ 397,581</u>

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. As of September 30, 2020, the City's investment in TexPool was rated AAA by Standard & Poor's and Aaa by Moody's Investors Service.

Concentration of credit risk. The City's investment policy contains no limitations on the amount that can be invested in any one issuer.

TexPool is considered a cash equivalent on the Government-wide Statement of Net Position and on the Balance Sheets of the Fund Financial Statements.

CITY OF KAUFMAN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 3 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

C. Restricted assets

The balances of the restricted asset accounts in the Utility fund are as follows:

	Utility	Drainage	Total
Revenue bond current debt service account	\$ 187,726	\$ -	\$ 187,726
Revenue bond construction	971,148	4,198,413	5,169,561
Infrastructure improvements	165,862	-	165,862
	<u>\$ 1,324,736</u>	<u>\$ 4,198,413</u>	<u>\$ 5,523,149</u>

D. Receivables

Amounts are aggregated into a single accounts receivable (net of allowance for uncollectibles) line for certain funds and aggregated columns. Below is the detail of receivables for the general, debt service, nonmajor governmental, utility, and nonmajor enterprise funds, including the applicable allowances for uncollectible accounts:

Receivables:	General	Debt Service	Nonmajor Governmental	Utility	Drainage	Total
Taxes	\$ 842,563	\$ 47,594	\$ 10,463	\$ -	\$ -	\$ 900,620
Accounts	50,815	-	-	713,923	26,006	790,744
Other	30	-	1,502	-	-	1,532
Gross receivables	<u>893,408</u>	<u>47,594</u>	<u>11,965</u>	<u>713,923</u>	<u>26,006</u>	<u>1,692,896</u>
Less: allowance for uncollectibles	(46,154)	(13,976)	-	(25,875)	(1,347)	(87,352)
Net total receivables	<u>\$ 847,254</u>	<u>\$ 33,618</u>	<u>\$ 11,965</u>	<u>\$ 688,048</u>	<u>\$ 24,659</u>	<u>\$ 1,605,544</u>

E. Intergovernmental receivables

The Texas Department of Transportation ("TxDOT") has entered into a contract with the City to reimburse the City for a portion of the costs associated with the State Highway 34 re-alignment project ("SH34"). The maximum amount to be reimbursed totals \$11,047,887. The City issued debt in the amount of \$8,250,000 to fund these highway improvements. After completion of the work, the State of Texas shall be responsible for the maintenance of the state highway system, therefore, the costs associated with the SH34 have been expensed rather than capitalized by the City. The balance due as of September 30, 2020 was \$8,293,980.

Kaufman County ("County") has entered into a contract with the City to reimburse the City for costs associated with the County Road 151 utility and road improvements. Under the agreement, the County agreed to reimburse the City for construction costs. The balance due as of September 30, 2020 was \$193,562.

CITY OF KAUFMAN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 3 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

E. Intergovernmental receivables (continued)

Kaufman County ("County") has entered into a contract with the City to reimburse the City for costs associated with the Tabor Road improvements. Under the agreement, the County agreed to reimburse the City for construction costs. The balance due as of September 30, 2020 was \$122,500.

F. Kaufman Economic Development Corporation receivables

On May 19, 2015, the City entered into an agreement with the Kaufman Economic Development Corporation (Corporation) to provide for the construction of the State Highway 34 re-alignment. Under the agreement the Corporation agrees to pay \$100,000 per year beginning in fiscal year 2015 for a total of sixteen payments towards the project. The funds to be repaid at September 30, 2020 totaled \$1,000,000.

G. Capital assets

Capital asset activity for the year ended September 30, 2020, was as follows:

Governmental activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 1,593,114	\$ -	\$ -	\$ 1,593,114
Construction in progress	4,922,168	4,432,043	(5,495,509)	3,858,702
Total capital assets not being depreciated	6,515,282	4,432,043	(5,495,509)	5,451,816
Capital assets being depreciated:				
Buildings	10,429,962	-	-	10,429,962
Machinery and equipment	3,152,783	408,340	(168,706)	3,392,417
Infrastructure	18,075,142	6,220,342	-	24,295,484
Totals capital assets being depreciated	31,657,887	6,628,682	(168,706)	38,117,863
Less accumulated depreciation for:				
Buildings	(1,594,085)	(253,850)	-	(1,847,935)
Machinery and equipment	(2,068,857)	(213,069)	168,706	(2,113,220)
Infrastructure	(3,538,984)	(745,471)	-	(4,284,455)
Total accumulated depreciation	(7,201,926)	(1,212,390)	168,706	(8,245,610)
Total capital assets, being depreciated, net	24,455,961	5,416,292	-	29,872,253
Governmental activities capital assets, net	<u>\$ 30,971,243</u>	<u>\$ 9,848,335</u>	<u>\$ (5,495,509)</u>	<u>\$ 35,324,069</u>

CITY OF KAUFMAN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 3 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

G. Capital assets (continued)

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

Governmental activities:

General government	\$ 86,940
Public safety	216,303
Public works	773,667
Parks and recreational	135,480
Total depreciation expense - governmental activities	<u>\$ 1,212,390</u>

Business-type activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 549,375	\$ -	\$ -	\$ 549,375
Construction in progress	4,205,787	3,224,161	(4,313,452)	3,116,496
Total capital assets not being depreciated	<u>4,755,162</u>	<u>3,224,161</u>	<u>(4,313,452)</u>	<u>3,665,871</u>
Capital assets being depreciated:				
Buildings	7,968,972	-	-	7,968,972
Improvements	15,362,496	6,065,457	-	21,427,953
Machinery and equipment	1,473,062	43,559	(12,654)	1,503,967
Total capital assets being depreciated	<u>24,804,530</u>	<u>6,109,016</u>	<u>(12,654)</u>	<u>30,900,892</u>
Less accumulated depreciation for:				
Buildings	(6,087,103)	(217,944)	-	(6,305,047)
Improvements	(8,046,978)	(685,601)	-	(8,732,579)
Machinery and equipment	(914,800)	(133,518)	12,654	(1,035,664)
Total accumulated depreciation	<u>(15,048,881)</u>	<u>(1,037,063)</u>	<u>12,654</u>	<u>(16,073,290)</u>
Total capital assets being depreciated, net	<u>9,755,649</u>	<u>5,071,953</u>	<u>-</u>	<u>14,827,602</u>
Business-type capital assets, net	<u>\$ 14,510,811</u>	<u>\$ 8,296,114</u>	<u>\$ (4,313,452)</u>	<u>\$ 18,493,473</u>

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

Business-type activities:

Utility	\$ 1,000,391
Drainage	36,672
	<u>\$ 1,037,063</u>

CITY OF KAUFMAN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 3 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

H. Construction commitments

The City has active construction projects as of September 30, 2020. The projects include street improvements, community center, water and sewer improvements, and drainage improvements. At year end, the City's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Street improvements	\$ 2,013,347	\$ 1,308,135
Community center	1,762,575	2,077,369
Water and sewer improvements	2,193,081	128,270
Drainage improvements	799,801	234,528
	<u>\$ 6,768,804</u>	<u>\$ 3,748,302</u>

The street improvements and community center are commitments of the City's Capital Improvement and Grants funds. The projects are being funded by general obligation bonds, certificates of obligation, and grant proceeds.

The water and sewer improvements and drainage improvements are commitments of the City's Utility fund and Drainage fund. The projects are being funded by general obligation bonds, certificates of obligation, and grant proceeds.

I. Other significant commitments

The City entered into a contract with the North Texas Municipal Water District on July 24, 2014. The City agreed to take or pay for at least 440,188,000 gallons of water annually. The rate paid for the fiscal year ended September 30, 2020 was 3.04 cents per thousand gallons. The contract shall continue in force and effect for twenty years.

Actual payments for the year ended September 30, 2020 were \$1,398,367.

The City has entered into a contract with the Greater Texoma Utility Authority (GTUA) to obtain wastewater treatment services, an additional supply of water to the City, and certain water supply facilities in order to store and transport water to the City. In the contract, the GTUA agreed to acquire and construct a wastewater treatment system to serve the City.

CITY OF KAUFMAN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 3 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

I. Other significant commitments (continued)

The City is responsible for the system's annual operation, maintenance and debt service costs for the term of the contract. A current schedule of estimated future contractual payments due to the Authority is shown below:

<u>Year Ending September 30</u>	<u>Amount</u>
2021	\$ 112,587
2022	112,587
2023	112,587
2024	112,587
2025	93,895
2026-2030	469,472
2031-2035	469,454
2036-2040	467,897
2041-2045	462,416
2046-2049	373,929
	<u><u>\$ 2,787,411</u></u>

Actual payments for the year ended September 30, 2020 were \$98,935.

The payments to be received from the City of Kaufman, Texas are used as collateral for the bonds issued by GTUA to construct the facility.

The City created a tax increment reinvestment zone (the "Zone") to fund a series of infrastructure improvements, which are needed to incentivize and accelerate the rate of development in the Zone. On April 24, 2017, the City authorized the execution of a development agreement with JWS Land, Ltd. ("Company"). Under the agreement (Public Improvements TIF Agreement) the Company is to design and construct public improvements in the Zone. Following completion of the public improvements with funding provided by the Company, the City shall acquire the public improvements and reimburse the acquisition funding by the use of tax increment reinvestment zone funds. As of September 30, 2020 the unreimbursed costs due the Company totaled \$7,731,0597.

On December 18, 2017, the City authorized the execution of a development agreement with JWS Land, Ltd. ("Company"). Under the agreement (TIF Purchase Agreement) the Company has agreed to sell to the City a 4.51 acre tract of real property located within the Zone. Payments shall be made to the Company through the use of tax increment reinvestment zone funds. As of September 30, 2020 the unreimbursed costs due the Company totaled \$664,178.

CITY OF KAUFMAN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 3 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

I. Other significant commitments (continued)

On December 18, 2017, the City authorized the execution of a development agreement with Georgetown KF, Ltd. ("Company"). Under the agreement (Developer Reimbursement Agreement) the Company has agree to develop and construct a subdivision within the Zone. Following completion of the subdivision the City shall reimburse the Developer for approved project costs through the use of tax increment reinvestment zone funds. As of September 30, 2020 the unreimbursed costs due the Company totaled \$2,100,094.

On November 13, 2018, the City authorized the execution of a development agreement with Georgetown KF, Ltd. ("Developer"). Under the agreement (Park Improvement Fee Reimbursement Agreement) the Developer has agree to pay a one-time Park Improvement Fee to the City in the amount of \$1,470,750. The City shall reimburse the Developer for the fee through the use of tax increment reinvestment zone funds. As of September 30, 2020 the unreimbursed amounts due the Company totaled \$0.

Under the terms of the agreements, disbursement of tax increment reinvestment zone funds shall be made for the following purposes and in the following priority: (1) to reimburse the City for administrative costs; (2) to reimburse the Developer under the Developer Reimbursement Agreement; (3) to reimburse the Developer under the Public Improvements TIF Agreement; (4) to pay the Developer under the TIF Purchase Agreement; and (5) to reimburse the Developer under the Park Improvement Fee Reimbursement Agreement.

On May 28, 2019, the City authorized the execution of a development agreement with Lions Den Self Storage, LLC-Highway 175 Series ("Developer"). Under the agreement the Developer has agree to construct public improvements within the Zone. Following completion of the improvements the City shall reimburse the Developer for approved project costs through the use of tax increment reinvestment zone funds. As of September 30, 2020 the unreimbursed costs due the Company totaled \$318,815.

On November 13, 2018, the City authorized the creation a Kaufman Public Improvement District No.1 (the "District") to fund a series of infrastructure improvements, which are needed to incentivize and accelerate the rate of development in the District. On August 5, 2019, the City authorized the execution of a development agreement with Georgetown KF, Ltd. ("Developer"). Under the agreement the Developer is to design and construct public improvements in the District. Following completion of the public improvements with funding provided by the Developer, the City shall acquire the public improvements and reimburse the Developer for budgeted public improvement construction costs in the amount of \$3,380,000 with the use of bond proceeds. As of September 30, 2020 the no reimbursements were due to the Developer.

CITY OF KAUFMAN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 3 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

I. Other significant commitments (continued)

The City entered into a contract with Kaufman County to operate and maintain a consolidated county-wide public health and safety communication facility. Population from census data is used to calculate the City's annual projected cost. The term of the agreement extends to September 30, 2020 but shall continue in full force and effect thereafter, provided the City may withdraw on one year notice. Actual payments for the year ended September 30, 2020 were \$110,000.

J. Tax abatements

The City has two programs through which tax abatements are provided:

The City is authorized by Texas Tax Code Chapter 312 Property Redevelopment and Tax Abatement Act (Tax Abatement Act) to enter into property tax abatement agreements as an economic development tool available to cities to attract new industries and to encourage the retention and development of existing businesses through property tax exemptions or reductions. Tax abatements up to one-hundred percent of property tax on the value of the property improvement with a duration of up to ten years, may be established upon property within the City or the extra-territorial jurisdiction of the City. The threshold criteria used for the abatement include adding a minimum of ten full-time employees and adding at least \$1,000,000 to the tax rolls. The City recaptures any and all property tax revenue lost as a result of the agreement if the owner of the property fails to complete, make, and maintain the threshold criteria. The City Council establishes the criteria and guidelines that govern all tax abatement agreements including the percentage amount and duration of the tax abatement, which is not to exceed ten years. The market value of the property is reduced by the exempted amount under the agreement to arrive at the taxable value used to bill the property owner.

<u>Tax Abatement Program</u>	<u>Amount Abated</u>
Tax Abatement Act	<u><u>\$ 6,049</u></u>

On August 9, 2016, the City entered into a performance agreement to make annual grant payments equal to eighty percent of the ad valorem property tax paid by KLLM Transport Services, LLC., for a period of ten years to relocate their transportation business to the City of Kaufman. The incentive period began for the tax year 2018. The abatement amount totaled \$120,737 for the fiscal year ended September 30, 2020.

CITY OF KAUFMAN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 3 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

K. Risk management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The City maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

L. Lease obligations

1. Capital lease (as lessee)

The City is currently purchasing equipment under lease purchase agreements. The interest on the leases range from 1.90-4.75%.

The assets acquired through capital leases are as follows:

<u>Asset</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Machinery and equipment	\$ 918,733	\$ 183,750
Less: accumulated depreciation	(273,026)	(109,553)
Total	<u>\$ 645,707</u>	<u>\$ 74,197</u>

Annual debt service requirements to maturity are as follows –

<u>Year Ending September 30</u>	<u>Capital Lease Obligations</u>			
	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 161,369	\$ 13,775	\$ 45,087	\$ 1,569
2022	130,403	8,171	8,687	387
2023	46,742	3,405	8,827	247
2024	48,340	1,806	8,970	105
2025	24,190	338	1,873	5
	<u>\$ 411,044</u>	<u>\$ 27,495</u>	<u>\$ 73,444</u>	<u>\$ 2,313</u>

CITY OF KAUFMAN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 3 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

M. Long-term liabilities

Certificates of Obligation

The City issues certificates of obligation to provide funds for the acquisition, construction and maintenance of major capital facilities. Certificates of obligation have been issued for governmental and business-type activities. Certificates of obligation are direct obligations and pledge the full faith and credit of the government. Certificates of obligation outstanding at September 30, 2020 are as follows:

Governmental Activities:

Series	Issue Amount	Maturity Date	Interest Rate	Year-end Balances
2014	\$ 1,045,000	2/15/2034	2.0-4.0	\$ 795,000
2016B	1,250,000	2/15/2036	2.75-4.0	1,085,000
2019	3,455,000	2/15/2039	2.25-4.0	3,455,000
Total				<u>\$ 5,335,000</u>

Business-type Activities:

Series	Issue Amount	Maturity Date	Interest Rate	Year-end Balances
2011	\$ 880,000	2/15/2027	2.0-3.0	\$ 530,000
2016A	3,990,000	2/15/2036	2.0-3.0	3,365,000
2016B	880,000	2/15/2036	2.75-4.0	765,000
2018	1,430,000	2/15/2038	3.25-5.0	1,410,000
2018	1,240,000	2/15/2038	3.25-5.0	1,150,000
2020	4,785,000	2/15/1940	1.5-3.5	4,785,000
Total				<u>\$12,005,000</u>

The debt service requirements for the City's certificates of obligation are as follows:

Year Ending September 30	Certificates of Obligation			
	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2021	\$ 225,000	\$ 158,283	\$ 445,000	\$ 329,598
2022	235,000	150,346	460,000	319,218
2023	245,000	142,896	540,000	303,343
2024	255,000	134,646	575,000	285,318
2025	260,000	125,464	610,000	266,143
2026-2030	1,475,000	480,372	3,245,000	1,029,029
2031-2035	1,665,000	245,937	3,615,000	559,533
2036-2040	975,000	48,175	2,515,000	122,298
	<u>\$ 5,335,000</u>	<u>\$ 1,486,119</u>	<u>\$12,005,000</u>	<u>\$ 3,214,480</u>

CITY OF KAUFMAN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 3 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

M. Long-term liabilities (continued)

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition, construction and maintenance of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds outstanding at September 30, 2020 are as follows:

Governmental Activities:

Series	Issue Amount	Maturity Date	Interest Rate	Year-end Balances
2011 - Refunding	\$ 1,275,000	2/15/2022	2.0-2.5	\$ 210,000
2016 - Refunding	275,000	2/15/2022	1.5-2.15	95,000
2016	1,000,000	2/15/2036	2.75	920,000
2017	3,200,000	2/15/2037	3.7	3,125,000
2017A	6,630,000	2/15/2057	2.375	6,380,000
Total				<u>\$10,730,000</u>

Business-type Activities:

Series	Issue Amount	Maturity Date	Interest Rate	Year-end Balances
2011 - Refunding	\$ 600,000	2/15/2022	3.0	\$ 110,000
2016 - Refunding	1,180,000	2/15/2027	1.5-2.15	715,000
Total				<u>\$ 825,000</u>

The debt service requirements for the City's general obligation bonds are as follows:

Year Ending September 30	General Obligation Bonds			
	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2021	\$ 355,000	\$ 294,998	\$ 180,000	\$ 15,233
2022	360,000	285,724	175,000	11,408
2023	290,000	276,697	125,000	8,720
2024	290,000	268,351	130,000	5,720
2025	305,000	258,990	135,000	3,070
2026-2030	1,705,000	1,146,643	80,000	1,720
2031-2035	2,270,000	842,012	-	-
2036-2040	1,530,000	513,346	-	-
2041-2045	925,000	377,013	-	-
2046-2050	1,025,000	261,190	-	-
2051-2055	1,170,000	131,056	-	-
2056-2057	505,000	12,119	-	-
	<u>\$ 10,730,000</u>	<u>\$ 4,668,139</u>	<u>\$ 825,000</u>	<u>\$ 45,871</u>

CITY OF KAUFMAN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 3 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

M. Long-term liabilities (continued)

Pass-Through Toll Revenue and Limited Tax Bonds

The City issues pass-through toll revenue and limited tax bonds to provide funds for the design, development, construction and relocation of SH 34. Pass-through toll revenue and limited tax bonds have been issued for the governmental activities. Pass-through toll revenue and limited tax bonds outstanding at September 30, 2020 are as follows:

Governmental Activities:

<u>Series</u>	<u>Issue Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Year-end Balances</u>
2014	\$ 8,255,000	8/15/2036	2.0-4.0	<u>\$ 7,000,000</u>

The debt service requirements for the City's pass through bonds are as follows:

<u>Year Ending September 30</u>	<u>Pass Through Bonds</u>	
	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 330,000	\$ 244,806
2022	340,000	236,556
2023	345,000	228,056
2024	360,000	217,706
2025	365,000	206,906
2026-2030	2,010,000	856,150
2031-2035	2,375,000	490,000
2036	875,000	35,000
	<u>\$ 7,000,000</u>	<u>\$ 2,515,180</u>

Notes Payable

Notes payable currently outstanding and reported as a liability of the City's governmental activities are:

The City received a loan from State Infrastructure Bank for \$4,500,000 to fund the City's portion of the State Highway 34 re-alignment project in July 2014. The loan will be repaid in 17 annual installments, with the first principal payment due in July 2018. Interest payments are to be made annually beginning July 2015 at an interest rate of 3%. The balance due at September 30, 2020 was \$3,789,827.

CITY OF KAUFMAN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 3 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

M. Long-term liabilities (continued)

The City entered into an agreement with Kaufman County ("County") to help pay for the State Highway 34 re-alignment project. The City is to be reimbursed by the Texas Department of Transportation ("TxDOT") for 80% of the cost of the project and has agreed to reimburse the County 39.99% of the amount received from TxDOT. The balance due at September 30, 2020 was \$3,316,708.

The payment of this note will not begin until the project is completed and traffic flows on the roadway. The monies from TxDOT will be based on the number of vehicles that use the roadway; therefore, the payment amount to the County will be calculated on the monies received. At this time, there is not a timeline of payments to be expected to be made by TxDOT or the City.

The debt service requirements for the City's notes payable are as follows:

Year Ending September 30	Notes Payable **	
	Governmental Activities	
	Principal	Interest
2021	\$ 251,068	\$ 113,695
2022	258,600	106,163
2023	266,358	98,405
2024	274,349	90,414
2025	282,579	82,184
2026-2030	1,545,258	278,555
2031-2033	911,615	51,373
	<u>\$ 3,789,827</u>	<u>\$ 820,789</u>

** Does not include note payable in the amount of \$3,316,708 that does not have a repayment schedule.

Tax Anticipation Note

Tax anticipation note payable currently outstanding and reported as a liability of the City's governmental activities consist of:

The Tax Anticipation Note, Series 2015, with an interest rate of 2.00 percent, was issued on December 22, 2015, for \$365,000, and matures on February 15, 2022. The proceeds were utilized for the public purpose of paying costs of constructing, installing and equipping municipal park improvements, acquiring computer equipment and software for the Development Services department and vehicles and equipment for the Public Works and Police Departments, renovation to existing municipal buildings including City Hall and Police building and Fire Department building, street and road improvements and improvements, storm drainage improvements, extensions and additions to the City's waterworks and sewer system (the "Project"), and to pay the costs of issuance incurred in connection with the issuance of the Note.

CITY OF KAUFMAN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 3 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

M. Long-term liabilities (continued)

The debt service requirements for the City's tax anticipation note payable is as follows:

Year Ending September 30	Tax Anticipation Note	
	Governmental Activities	
	Principal	Interest
2021	\$ 60,000	\$ 1,900
2022	65,000	650
	<u>\$ 125,000</u>	<u>\$ 2,550</u>

Development Agreements Payable

Development agreements payable currently outstanding and reported as a liability of the City's business-type activities consist of:

A Chapter 380 Partnership Agreement with the First Baptist Church of Kaufman for the construction of public improvements to the City's water system. Under the agreement the City agreed to reimburse the Church \$150,000 for construction of these improvements over ten years. Payments will commence on the first day of the first month following the first anniversary date of the issuance of the first certificate of occupancy and continue for a total of ten years.

The development agreements payable currently outstanding and reported as a liability of the City's business-type activities at September 30, 2020 totaled \$105,000. The amount due within one year totals \$15,000.

The debt service requirements for the City's development agreements payable are as follows:

Year Ending September 30	Development Agreement Payable
	Business- Type Activities
	Principal
2021	\$ 15,000
2022	15,000
2023	15,000
2024	15,000
2025	15,000
2026-2027	30,000
	<u>\$ 105,000</u>

CITY OF KAUFMAN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 3 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

M. Long-term liabilities (continued)

Compensated Absences

Compensated absences represent the estimated liability for employees' paid time off benefits for which employees are entitled to be paid upon termination. The retirement of this liability is paid from the General Fund, Utility Fund and nonmajor enterprise fund based on the assignment of an employee at termination.

Net Pension Liability

The net pension liability represents the liability for employees' for projected pension benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service less the amount of the pension plan's fiduciary net position.

Other Post-Employment Benefit Liability (OPEB)

The total OPEB liability represents the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service in conformity with the requirements of GASB Statement No. 75.

Changes in Long-term Liabilities

Changes in the City's long-term liabilities for the year ended September 30, 2020 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
Certificates of obligation	\$ 1,970,000	\$ 3,455,000	\$ (90,000)	\$ 5,335,000	\$ 225,000
General obligation bonds	11,080,000	-	(350,000)	10,730,000	355,000
Pass through bonds	7,325,000	-	(325,000)	7,000,000	330,000
Less deferred amounts:					
For issuance discounts	(29,524)	-	1,814	(27,710)	-
For issuance premium	2,192	97,149	(1,764)	97,577	-
Total bonds payable	20,347,668	3,552,149	(764,950)	23,134,867	910,000
Notes payable	7,623,560	-	(517,025)	7,106,535	251,068
Tax anticipation note	185,000	-	(60,000)	125,000	60,000
Capital leases	316,534	296,765	(202,255)	411,044	161,369
Compensated absences	133,618	99,244	(100,466)	132,396	132,396
Net pension liability	2,135,334	-	(757,708)	1,377,626	-
OPEB liability	144,577	11,457	-	156,034	-
Governmental activity					
Long-term liabilities	<u>\$ 30,886,291</u>	<u>\$ 3,959,615</u>	<u>\$ (2,402,404)</u>	<u>\$ 32,443,502</u>	<u>\$ 1,514,833</u>

CITY OF KAUFMAN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 3 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

M. Long-term liabilities (continued)

Certificates of obligation, general obligation bonds, pass through bonds, notes payable and tax anticipation note payable issued for governmental activity purposes are liquidated by the debt service fund. Governmental capital lease obligations, compensated absences, net pension liability and OPEB liability will be liquidated by the general fund. Vacation leave is expected to be taken during the year following its accumulation.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Bonds payable:					
Certificates of obligation	\$ 7,535,000	\$ 4,785,000	\$ (315,000)	\$ 12,005,000	\$ 445,000
General obligation bonds	995,000	-	(170,000)	825,000	180,000
Less deferred amounts:					
For issuance premiums	136,992	279,239	(11,669)	404,562	-
Total bonds payable	8,666,992	5,064,239	(496,669)	13,234,562	625,000
Development agreement payable	120,000	-	(15,000)	105,000	15,000
Capital lease	72,065	43,559	(42,180)	73,444	45,087
Compensated absences	27,488	13,447	(15,317)	25,618	25,618
Net pension liability	741,329	-	(202,255)	539,074	-
OPEB liability	53,127	7,372	-	60,499	-
Business-type activity					
Long-term liabilities	<u>\$ 9,681,001</u>	<u>\$ 5,128,617</u>	<u>\$ (771,421)</u>	<u>\$ 14,038,197</u>	<u>\$ 710,705</u>

Certificate of obligation, general obligation bonds, development agreements payable, capital lease obligations, compensated absences, net pension liability and OPEB liability issued for business-type activities are repaid from the utility and drainage funds.

N. Interfund receivables and payables

The composition of interfund balances as of September 30, 2020 is as follows:

Receivable Fund	Payable Fund	Amounts
General	Nonmajor governmental funds	\$ 24,764
Capital improvements	Grants	487,360
Nonmajor governmental funds	General	88,479
Utility	Grants	487,360
		<u>\$ 1,087,963</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.

CITY OF KAUFMAN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 3 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

O. Interfund transfers

The composition of interfund transfers as of September 30, 2020 is as follows:

Transfer out:	Transfer In				Total
	General	Debt Service	Nonmajor Governmental	Drainage	
General	\$ -	\$ 100,000	\$ 96,146	\$ -	\$ 196,146
Grant	-	-	-	12,675	12,675
Debt Service	270,920	-	25,845	-	296,765
Construction	-	750	-	-	750
Nonmajor					
Governmental	2,205	-	749	-	2,954
Utility	172,073	-	-	-	172,073
Drainage	14,137	-	-	-	14,137
Total	\$ 459,335	\$ 100,750	\$ 122,740	\$ 12,675	\$ 695,500

Transfers are primarily used to move debt proceeds to the General Fund. Repayments of a long-term receivable received by the General Fund were transferred to the Debt Service Fund. Transfers from the Utility Fund to the General Fund for administrative services. Transfers from the Grant Fund to the Drainage Fund for capital project funding.

P. Discretely presented component units

1. Kaufman Economic Development Corporation (Corporation)

Cash deposits with financial institutions

At year-end, the Corporation's bank balance was \$994,625. Of the bank balance, \$250,000 was covered by federal depository insurance and the remaining balance, \$744,625 was covered by collateral pledged in the Corporation's name. The collateral was held in the Corporation's name by the safekeeping departments of the pledging bank's agent and had a fair value of approximately \$1,323,000.

Loan Receivable

The Corporation has an outstanding loan receivable at zero percent interest totaling \$110,000 at fiscal year end due from a Company as part of an economic development agreement. The loan shall be repaid by the Company by making \$10,000 per year payments to the Corporation each year for fifteen years. Management feels that collectability of the loan is certain. Accordingly, no allowance for doubtful accounts has been recorded for the loan receivable.

CITY OF KAUFMAN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 3 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

P. Discretely presented component units (continued)

Capital assets

Capital asset activity for the Corporation for the year ended September 30, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 603,745	\$ -	\$ (32,142)	\$ 571,603
Total capital assets not being depreciated	603,745	-	(32,142)	571,603
Capital assets being depreciated:				
Infrastructure	25,453	-	-	25,453
Machinery and equipment	9,278	-	-	9,278
Totals capital assets being depreciated	34,731	-	-	34,731
Less accumulated depreciation				
Infrastructure	(16,075)	(1,697)	-	(17,772)
Machinery and equipment	(9,278)	-	-	(9,278)
Total accumulated depreciation	(25,353)	(1,697)	-	(27,050)
Total capital assets being depreciated, net	9,378	(1,697)	-	7,681
Corporation capital assets, net	<u>\$ 613,123</u>	<u>\$ (1,697)</u>	<u>\$ (32,142)</u>	<u>\$ 579,284</u>

Commitments

On June 11, 2019, the Corporation entered into a professional services agreement with Retail Strategies, LLC (Consultant). The Consultant agrees to provide consulting services for a period of three years commencing on July 1, 2019 and terminating on July 1, 2022. In consideration for providing these services, the Corporation agrees to pay the Consultant a consulting fee in the amount of \$45,000 in 2019, \$40,000 in 2020, and \$40,000 in 2021. The Corporation may terminate this agreement without cause by providing at least sixty day written notice of termination. Expenditures incurred as of September 30, 2020 were \$43,750.

On August 13, 2019, the Corporation entered into an agreement with the Kaufman Chamber of Commerce (Chamber). The Chamber agrees to provide CEO services, general administrative services, and strategic plan services. The agreement may be terminated at any time by either party providing at least sixty day written notice of termination. The agreement will remain in effect until September 30, 2020 at a monthly payment of \$5,227. Actual payments for the year ended September 30, 2020 were \$62,724.

CITY OF KAUFMAN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 3 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

P. Discretely presented component units (continued)

Long-term liabilities

Economic Development agreements

On May 19, 2015, the Corporation entered into an agreement with the City of Kaufman, Texas to provide for the construction of the Highway 34 by-pass project. Under the agreement the Corporation agrees to pay \$100,000 per year beginning in fiscal year 2015 for a total of sixteen payments towards the project. The funds to be repaid at September 30, 2020 totaled \$1,000,000. The amount due within one year totals \$100,000.

Changes in long-term liabilities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Corporation					
Economic development agreements	\$ 1,100,000	\$ -	\$ (100,000)	\$ 1,000,000	\$ 100,000
Long-term liabilities	\$ 1,100,000	\$ -	\$ (100,000)	\$ 1,000,000	\$ 100,000

	Component Unit Economic Development Agreement Principal
Year Ending September 30	
2021	\$ 100,000
2022	100,000
2023	100,000
2024	100,000
2025	100,000
2026-2029	500,000
	<u>\$ 1,000,000</u>

Subsequent events

Subsequent to year end the Corporation:

- Approved funding approximately \$72,500 for the installation of a lift station.

Related party transactions

The significant transactions between the component unit and primary government during the year ended September 30, 2020 consisted of financial services contract payments and miscellaneous reimbursement in the amount of \$2,950, economic development agreement payments in the amount of \$100,00 (see note 2.F), and contributions to the Corporation by the City of \$103,000.

CITY OF KAUFMAN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 3 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

Q. Contingencies

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

R. Subsequent events

Subsequent to year end the City:

- Approved construction contract for approximately \$2,352,000.
- Approved the issuance of Special Assessment Revenue Bonds, Series 2021 in the amount of \$3,380,000.
- Approved the purchase of a fire truck with a capital lease payable over 7 years for approximately \$515,000.
- Approved a TIRZ reimbursement agreement for infrastructure improvements for \$72,500.
- Approved the sale of property for approximately \$511,000 and the purchase of property for approximately \$139,000.

NOTE 4 - DEFINED BENEFIT PENSION PLANS

A. Plan description

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

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

CITY OF KAUFMAN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 4 - DEFINED BENEFIT PENSION PLANS (continued)

B. Benefits provided

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

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

	Plan Provisions
Employee deposit rate	7%
Municipal current matching ratio	2 - 1
Updated service credits:	
Rate (%)	100 T
Year effective	2008R
Increase benefits to retirees:	
Rate (%) ⁽¹⁾	50
Year effective	2019R
Military service credit effective date	10-01
Buyback effective date	
Vesting	5 yrs
Service retirement eligibilities	5 yrs/age 60, 20 yrs/any age
Restricted prior service credit effective date	6-97
Supplemental death benefits:	
Employees	Yes
Retirees	Yes
Statutory maximum (%)	Removed

⁽¹⁾ For years prior to 1982, the rate is the actual percentage in annuities. For 1982 and later, the rate is the percentage of the change in the CPI-U since retirement date, granted to each annuitant as an increase of the original annuity.

T — Includes Transfer Credits.

R — Annually Repeating. Ordinance automatically renews effective January 1 of each successive year.

CITY OF KAUFMAN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 4 - DEFINED BENEFIT PENSION PLANS (continued)

B. Benefits provided (continued)

Employees covered by benefit terms

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

Inactive employees or beneficiaries currently receiving benefits	54
Inactive employees entitled to but not yet receiving benefits	47
Active employees	63
	164

C. Contributions

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

Employees for the City of Kaufman, Texas were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Kaufman, Texas were 13.92% and 14.78% in calendar years 2019 and 2020, respectively. The City's contributions to TMRS for the year ended September 30, 2020, were \$523,170, and were equal to the required contributions.

D. Net pension liability

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

CITY OF KAUFMAN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 4 - DEFINED BENEFIT PENSION PLANS (continued)

D. Net pension liability (continued)

Actuarial assumptions

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

Inflation	2.5% per year
Overall payroll growth	3.5% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including

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

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 healthy annuitants and Annuity Purchase Rates (APRs) are based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

CITY OF KAUFMAN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 4 - DEFINED BENEFIT PENSION PLANS (continued)

D. Net pension liability (continued)

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, the actuary focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected
Global Equity	30.0%	5.30%
Core Fixed Income	10.0%	1.25%
Non-Core Fixed	20.0%	4.14%
Real Return	10.0%	3.85%
Real Estate	10.0%	4.00%
Absolute Return	10.0%	3.48%
Private Equity	10.0%	7.75%
Total	100%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

CITY OF KAUFMAN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 4 - DEFINED BENEFIT PENSION PLANS (continued)

D. Net pension liability (continued)

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2018	\$ 14,703,473	\$ 11,826,810	\$ 2,876,663
Changes for the year:			
Service cost	547,402	-	547,402
Interest	989,119	-	989,119
Difference between expected and actual experience	(65,199)	-	(65,199)
Changes of assumptions	63,899	-	63,899
Contributions - employer	-	450,345	(450,345)
Contributions - employee	-	226,467	(226,467)
Net investment income	-	1,829,013	(1,829,013)
Benefit payments, including refunds of employee contributions	(647,110)	(647,110)	-
Administrative expense	-	(10,331)	10,331
Other changes	-	(310)	310
Net Changes	\$ 888,111	\$ 1,848,074	\$ (959,963)
Balance at 12/31/2019	\$ 15,591,584	\$ 13,674,884	\$ 1,916,700

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:

	1.0% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1.0% Increase in Discount Rate (7.75%)
City's net pension liability	\$ 4,082,207	\$ 1,916,700	\$ 139,895

Pension Plan Fiduciary Net Position

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

Payables to the Pension Plan - Legally required contributions outstanding at the end of the year totaled \$56,491.

CITY OF KAUFMAN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 4 - DEFINED BENEFIT PENSION PLANS (continued)

E. Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions

For the year ended September 30, 2020, the City recognized pension expense of \$611,369.

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

	Deferred Outflows of Resources	
	Governmental Activities	Business-Type Activities
Changes in actuarial assumptions	\$ 26,478	\$ 15,833
Contributions subsequent to the measurement date	276,083	108,033
Differences between expected and actual economic experience	16,291	6,441
Total	<u>\$ 318,852</u>	<u>\$ 130,307</u>

	Deferred Inflow of Resources	
	Governmental Activities	Business-Type Activities
Differences between expected and actual economic experience	\$ 32,628	\$ 13,709
Difference between projected and actual investment earnings	278,078	128,674
Total	<u>\$ 310,706</u>	<u>\$ 142,383</u>

\$384,116 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 asset for the year ending September 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31</u>	
2020	\$ (99,231)
2021	(120,149)
2022	37,472
2023	(206,138)
Total	<u><u>\$(388,046)</u></u>

CITY OF KAUFMAN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 5 - OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATIONS

A. Plan description

Texas Municipal Retirement System ("TMRS") administers a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund ("SDBF"). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. The SDBF covers both active and retiree benefits with no segregation of assets, and therefore doesn't meet the definition of a trust under GASB No. 75 (i.e., no assets are accumulated for OPEB) and as such the SDBF is considered to be an unfunded OPEB plan. For purposes of reporting under GASB 75, the retiree portion of the SDBF is not considered a cost sharing plan and is instead considered a single-employer, defined benefit OPEB plan. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmr.com.

B. Benefits provided

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

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.

C. Employees covered by benefit terms

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

Inactive employees currently receiving benefits	33
Inactive employees entitled to but not yet receiving benefits	5
Active employees	63
	101

D. Total OPEB liability

The City's total OPEB liability of \$216,533 was measured as of December 31, 2019, and was determined by an actuarial valuation as of that date.

CITY OF KAUFMAN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 5 – OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATIONS (continued)

Actuarial assumptions and other inputs

The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.50% to 11.50%, including inflation
Discount rate*	2.75%
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
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 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 discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2019.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

CITY OF KAUFMAN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 5 – OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATIONS (continued)

D. Total OPEB liability (continued)

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/2018	\$ 197,704
Changes for the year:	
Service cost	10,029
Interest	7,497
Difference between expected and actual experience	(31,504)
Changes in assumptions or other inputs	34,102
Benefit payments**	(1,294)
Net Changes	<u>\$ 18,830</u>
Balance at 12/31/2019	<u>\$ 216,534</u>

** Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

Sensitivity of the total OPEB liability to changes in the discount rate -

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

	1% Decrease (1.75%)	Current Discount Rate (2.75%)	1% Increase (3.75%)
Total OPEB liability	\$ 261,447	\$ 216,534	\$ 181,475

CITY OF KAUFMAN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 5 – OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATIONS (continued)

E. OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB

For the year ended September 30, 2020, the City recognized OPEB expense of \$24,964. At September 30, 2020, the City reported deferred outflows of resources and related to OPEB from the following sources:

Deferred Outflows of Resources			
	Governmental Activities		Business-Type Activities
Changes of assumptions	\$ 18,674	\$	7,402
City contributions subsequent to the measurement date	5,560		2,155
Differences between expected and actual economic experience	10,489		3,641
Total	<u>\$ 34,723</u>	<u>\$</u>	<u>13,198</u>

Deferred Inflow of Resources			
	Governmental Activities		Business-Type Activities
Differences between expected and actual economic experience	\$ 18,310	\$	7,099
Total	<u>\$ 18,310</u>	<u>\$</u>	<u>7,099</u>

\$7,715 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 total OPEB liability for the year ending September 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended December 31</u>	
2020	\$ 4,517
2021	4,517
2022	3,813
2023	1,630
2024	320
Total	<u>\$ 14,797</u>

F. Payable to the OPEB plan

At September 30, 2020, the City reported a payable of \$840 for the outstanding amount of contributions to the Plan required for the year ended September 30, 2020.

REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF KAUFMAN, TEXAS
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget
	Original	Final				
REVENUES						
Property taxes	\$ 2,280,425	\$ 2,304,425	\$ 2,298,050	\$ 2,128	\$ 2,300,178	\$ (4,247)
Sales taxes	2,335,371	2,535,705	2,639,467	(139,020)	2,500,447	(35,258)
Franchise taxes	450,800	437,014	423,057	2,570	425,627	(11,387)
Alcoholic beverage taxes	12,000	9,962	9,673	-	9,673	(289)
Licenses and permits	331,650	320,005	325,461	-	325,461	5,456
Fines and forfeitures	116,801	80,304	84,157	-	84,157	3,853
Charges for services	303,700	353,213	354,110	(1,619)	352,491	(722)
Investment earnings	2,160	6,580	6,373	2	6,375	(205)
Miscellaneous	45,865	42,765	87,048	(42,518)	44,530	1,765
Intergovernmental	806,274	869,509	519,025	350,484	869,509	-
Contributions and donations	1,350	700	700	-	700	-
Total revenues	6,686,396	6,960,182	6,747,121	172,027	6,919,148	(41,034)
EXPENDITURES						
Current:						
General government	1,236,202	1,443,711	1,369,830	(96,971)	1,272,859	(170,852)
Public safety	2,761,666	2,691,227	2,919,336	(7,744)	2,911,592	220,365
Public works	752,835	701,514	715,660	822	716,482	14,968
Public services and operations	564,683	482,543	444,329	454	444,783	(37,760)
Parks and recreation	506,156	486,089	439,875	793	440,668	(45,421)
Debt service:						
Principal retirement	186,063	182,084	176,410	(30,829)	145,581	(36,503)
Interest and fiscal charges	10,573	14,741	12,637	2,006	14,643	(98)
Total expenditures	6,018,177	6,001,909	6,078,077	(131,469)	5,946,608	(55,301)
Excess (deficiency) of revenues over (under) expenditures	668,218	958,273	669,044	172,027	972,540	14,267
OTHER FINANCING SOURCES (USES)						
Transfers in	188,082	186,998	459,335	(40,440)	418,895	231,897
Transfers out	(856,005)	(1,144,954)	(196,146)	(683,344)	(879,490)	265,464
Sale of capital assets	-	-	21,025	-	21,025	21,025
Total other financing sources (uses)	(667,923)	(957,956)	284,214	(723,784)	(439,570)	518,386
Net change in fund balances	\$ 295	\$ 317	\$ 953,258	\$ (551,757)	\$ 532,970	\$ 532,653

NOTES TO BUDGETARY INFORMATION

1. Budgetary basis of accounting

An annual budget is adopted on the budgetary basis of accounting. Appropriations lapse at the end of the fiscal year. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

CITY OF KAUFMAN, TEXAS
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
GRANTS FUND
For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget
	Original	Final				
REVENUES						
Investment earnings	\$ 1,500	\$ 150	\$ 152	\$ -	\$ 152	\$ 2
Intergovernmental	323,670	298,149	158,246	62,477	220,723	(77,426)
Total revenues	325,170	298,299	158,398	62,477	220,875	(77,424)
EXPENDITURES						
Current:						
Public safety	184,200	7,175	5,980	-	5,980	(1,195)
Public works	247,000	12,975	300	12,675	12,975	-
Total expenditures	431,200	20,150	6,280	12,675	18,955	(1,195)
Excess (deficiency) of revenues over (under) expenditures	(106,030)	278,149	152,118	49,802	201,920	(76,229)
OTHER FINANCING SOURCES (USES)						
Transfers out	-	-	(12,675)	12,675	-	-
Total other financing sources (uses)	-	-	(12,675)	12,675	-	-
Net change in fund balances	\$ (106,030)	\$ 278,149	\$ 139,443	\$ 62,477	\$ 201,920	\$ (76,229)

NOTES TO BUDGETARY INFORMATION

1. Budgetary basis of accounting

An annual budget is adopted on the budgetary basis of accounting. Appropriations lapse at the end of the fiscal year. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

CITY OF KAUFMAN, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
 Last 10 Calendar Years (will ultimately be displayed)

	2014	2015	2016	2017	2018	2019
Total pension liability						
Service Cost	\$ 405,637	\$ 491,919	\$ 499,848	\$ 466,908	\$ 503,803	\$ 547,402
Interest (on the Total Pension Liability)	777,889	732,140	730,703	919,527	938,944	989,119
Changes of benefit terms	-	(1,159,659)	(691,158)	1,959,761	(655,526)	-
Difference between expected and actual experience	(330,714)	(8,006)	96,318	177,714	(7,891)	(65,199)
Changes of assumptions	-	261,150	-	-	-	63,899
Benefit payments, including refunds of employee contributions	(378,062)	(401,635)	(446,215)	(499,294)	(779,534)	(647,110)
Net Change in Total Pension Liability	474,750	(84,091)	189,496	3,024,616	(204)	888,111
Total Pension Liability - Beginning	11,098,906	11,573,656	11,573,656	11,679,061	14,703,677	14,703,473
Total Pension Liability - Ending (a)	\$ 11,573,656	\$ 11,489,565	\$ 11,763,152	\$ 14,703,677	\$ 14,703,473	\$ 15,591,584
Plan Fiduciary Net Position						
Contributions - Employer	\$ 399,817	\$ 431,985	\$ 311,064	\$ 277,314	\$ 280,961	\$ 450,345
Contributions - Employee	187,080	202,674	214,527	215,449	210,796	226,467
Net Investment Income	529,502	14,738	691,376	1,523,670	(374,531)	1,829,013
Benefit payments, including refunds of employee contributions	(378,062)	(401,635)	(446,215)	(499,294)	(779,534)	(647,110)
Administrative Expense	(5,527)	(8,976)	(7,805)	(7,892)	(7,235)	(10,331)
Other	(454)	(443)	(420)	(400)	(379)	(310)
Net Change in Plan Fiduciary Net Position	732,356	238,343	762,527	1,508,847	(669,922)	1,848,074
Plan Fiduciary Net Position - Beginning	9,254,659	9,987,015	9,987,015	10,987,885	12,496,732	11,826,810
Plan Fiduciary Net Position - Ending (b)	\$ 9,987,015	\$ 10,225,358	\$ 10,749,542	\$ 12,496,732	\$ 11,826,810	\$ 13,674,884
Net Pension Liability - Ending (a) - (b)	\$ 1,586,641	\$ 1,264,207	\$ 1,013,610	\$ 2,206,945	\$ 2,876,663	\$ 1,916,700
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	86.29%	89.00%	91.38%	84.99%	80.44%	87.71%
Covered Payroll	2,672,571	2,895,343	3,064,670	3,077,841	3,011,372	3,235,239
Net Pension Liability as a Percentage of Covered Payroll	59.37%	43.66%	33.07%	71.70%	95.53%	59.24%

Notes to Schedule:

N/A

CITY OF KAUFMAN, TEXAS
SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years (will ultimately be displayed)

	2015	2016	2017	2018	2019	2020
Actuarially Determined Contribution	\$ 387,392	\$ 347,168	\$ 285,723	\$ 279,762	\$ 392,490	\$ 523,170
Contributions in relation to the actuarially determined contribution	387,392	347,168	285,723	279,762	392,490	523,170
Contribution deficiency (excess)	-	-	-	-	-	-
Covered payroll	2,558,729	3,029,037	3,061,302	3,028,970	3,106,585	3,597,839
Contributions as a percentage of covered payroll	15.14%	11.46%	9.33%	9.24%	12.63%	14.54%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date:

Notes

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	26 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
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 generation basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used from 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 KAUFMAN, TEXAS
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
Last 10 Calendar Years (will ultimately be displayed)

	2017	2018	2019
Total OPEB liability			
Service Cost	\$ 8,310	\$ 9,335	\$ 10,029
Interest (on the Total OPEB Liability)	5,709	5,908	7,497
Difference between expected and actual experience	-	21,748	(31,504)
Changes of assumptions and other inputs	13,828	(12,655)	34,102
Benefit payments	(923)	(903)	(1,294)
Net Change in Total OPEB Liability	26,924	23,433	18,830
Total OPEB Liability - Beginning	147,347	174,271	197,704
Total OPEB Liability - Ending	<u>\$ 174,271</u>	<u>\$ 197,704</u>	<u>\$ 216,534</u>
 Covered Payroll	 3,077,841	 3,011,372	 3,235,239
 OPEB Liability as a Percentage of Covered Payrol	 5.66%	 6.57%	 6.69%

Notes to Schedule:

Note 1 - No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

Note 2 - The actuarial assumptions and other inputs used to calculate the total OPEB liability are described in note 5.D to the financial statements.

Note 3 - Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

SUPPLEMENTARY INFORMATION

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Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenue sources that are restricted, committed, or assigned to expenditures for particular purposes.

Hotel/Motel Fund - This fund is used to account for the Hotel/Motel Occupancy Tax levied on all hotels and motels in the City. Funds are used for attracting and promoting tourism and the convention and hotel industry as authorized by statute.

Law Enforcement Fund - This fund is used to account for seized property to be used for official purposes as provided by Article 59.06 Texas Code of Criminal Procedure.

Court Technology Fund - This fund is used to accounts for monies received to purchase technological enhancements for the municipal court.

Court Security Fund - This fund is used to accounts for monies received to secure the municipal court.

Impact Fees Fund - This fund is used to account for revenues from impact fees assessed to be used for infrastructure improvements.

Tax Increment Reinvestment Zone Fund - This fund is used to account for funds received and expended within the City's Tax Increment Reinvestment Zone.

Public Improvements District Fund - This fund is used to account for funds received and expended within the City's Public Improvements District.

Street Maintenance Fund - This fund is used to account for the 1/4 cent Street Maintenance Tax revenues and expenditures devoted to street repair, mill and overlay, and reconstruction projects.

CITY OF KAUFMAN, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2020

	Hotel/ Motel	Law Enforcement	Court Technology	Court Security	Impact Fees	Tax Increment Reinvestment Zone	Public Improvements District	Street Maintenance	Totals
ASSETS									
Cash and cash equivalents	\$ 42,976	\$ 96,066	\$ -	\$ 31,515	\$ 709,709	\$ -	\$ 749	\$ 223,699	\$ 1,104,714
Receivables	10,463	-	-	-	-	-	1,502	-	11,965
Due from other funds	-	-	-	-	-	-	-	88,479	88,479
Total assets	<u>\$ 53,439</u>	<u>\$ 96,066</u>	<u>\$ -</u>	<u>\$ 31,515</u>	<u>\$ 709,709</u>	<u>\$ -</u>	<u>\$ 2,251</u>	<u>\$ 312,178</u>	<u>\$ 1,205,158</u>
LIABILITIES									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,375	\$ 1,316	\$ -	\$ 12,691
Accrued payroll payable	231	-	-	-	-	-	-	-	231
Due to other funds	-	-	21,403	-	-	3,175	186	-	24,764
Total liabilities	<u>231</u>	<u>-</u>	<u>21,403</u>	<u>-</u>	<u>-</u>	<u>14,550</u>	<u>1,502</u>	<u>-</u>	<u>37,686</u>
FUND BALANCE									
Restricted:									
General government	-	-	-	-	-	-	749	-	749
Public safety	-	96,066	-	31,515	-	-	-	-	127,581
Public works	-	-	-	-	709,709	-	-	312,178	1,021,887
Public services and operations	53,208	-	-	-	-	-	-	-	53,208
Unassigned:	-	-	(21,403)	-	-	(14,550)	-	-	(35,953)
Total fund balance	<u>53,208</u>	<u>96,066</u>	<u>(21,403)</u>	<u>31,515</u>	<u>709,709</u>	<u>(14,550)</u>	<u>749</u>	<u>312,178</u>	<u>1,167,472</u>
Total liabilities and fund balances	<u>\$ 53,439</u>	<u>\$ 96,066</u>	<u>\$ -</u>	<u>\$ 31,515</u>	<u>\$ 709,709</u>	<u>\$ -</u>	<u>\$ 2,251</u>	<u>\$ 312,178</u>	<u>\$ 1,205,158</u>

CITY OF KAUFMAN, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended September 30, 2020

	Hotel/ Motel	Law Enforcement	Court Technology	Court Security	Impact Fees	Tax Increment Reinvestment Zone	Public Improvements District	Street Maintenance	Totals
REVENUES									
Sales taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 439,787	\$ 439,787
Hotel occupancy taxes	42,492	-	-	-	-	-	-	-	42,492
Fines and forfeitures	-	-	2,247	2,207	-	-	-	-	4,454
Investment earnings	-	-	-	-	1,648	-	-	-	1,648
Miscellaneous	-	-	-	-	273,401	-	39,799	-	313,200
Intergovernmental	8,862	-	-	-	-	43,846	-	-	52,708
Total revenues	<u>51,354</u>	<u>-</u>	<u>2,247</u>	<u>2,207</u>	<u>275,049</u>	<u>43,846</u>	<u>39,799</u>	<u>439,787</u>	<u>854,289</u>
EXPENDITURES									
Current:									
General government	-	-	-	-	-	153,793	-	-	153,793
Public safety	-	38,977	-	6,999	-	-	-	-	45,976
Public works	-	-	-	-	-	-	-	127,609	127,609
Public services and operations	32,461	-	-	-	-	-	-	-	32,461
Debt service:									
Principal retirement	-	25,845	-	-	-	-	-	-	25,845
Total expenditures	<u>32,461</u>	<u>64,822</u>	<u>-</u>	<u>6,999</u>	<u>-</u>	<u>153,793</u>	<u>-</u>	<u>127,609</u>	<u>385,684</u>
Excess (deficiency) of revenues over (under) expenditures	<u>18,893</u>	<u>(64,822)</u>	<u>2,247</u>	<u>(4,792)</u>	<u>275,049</u>	<u>(109,947)</u>	<u>39,799</u>	<u>312,178</u>	<u>468,605</u>
OTHER FINANCING SOURCES (USES)									
Transfers in	-	25,845	-	-	-	96,146	749	-	122,740
Transfers out	-	-	-	(2,205)	-	(749)	-	-	(2,954)
Total other financing sources (uses)	<u>-</u>	<u>25,845</u>	<u>-</u>	<u>(2,205)</u>	<u>-</u>	<u>95,397</u>	<u>749</u>	<u>-</u>	<u>119,786</u>
Net change in fund balances	18,893	(38,977)	2,247	(6,997)	275,049	(14,550)	40,548	312,178	588,391
Fund balances (deficit)-beginning	<u>34,315</u>	<u>135,043</u>	<u>(23,650)</u>	<u>38,512</u>	<u>434,660</u>	<u>-</u>	<u>(39,799)</u>	<u>-</u>	<u>579,081</u>
Fund balances (deficit)-ending	<u>\$ 53,208</u>	<u>\$ 96,066</u>	<u>\$ (21,403)</u>	<u>\$ 31,515</u>	<u>\$ 709,709</u>	<u>\$ (14,550)</u>	<u>\$ 749</u>	<u>\$ 312,178</u>	<u>\$ 1,167,472</u>

CITY OF KAUFMAN, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HOTEL/MOTEL FUND
For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget
	Original	Final				
REVENUES						
Hotel occupancy taxes	\$ 35,500	\$ 45,028	\$ 42,492	\$ 2,536	\$ 45,028	\$ -
Intergovernmental	-	8,862	8,862	-	8,862	-
Total revenues	35,500	53,890	51,354	2,536	53,890	-
EXPENDITURES						
Current:						
Public services and operations	37,558	38,573	32,461	-	32,461	(6,112)
Total expenditures	37,558	38,573	32,461	-	32,461	(6,112)
Net change in fund balances	(2,058)	15,317	18,893	2,536	21,429	6,112
Fund balances-beginning	35,242	35,242	34,315	-	34,315	(927)
Fund balances-ending	\$ 33,184	\$ 50,559	\$ 53,208	\$ 2,536	\$ 55,744	\$ 5,185

CITY OF KAUFMAN, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LAW ENFORCEMENT FUND
For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget
	Original	Final				
REVENUES						
Fines and forfeitures	\$ 6,500	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	6,500	-	-	-	-	-
EXPENDITURES						
Current:						
Public safety	2,800	44,297	38,977	-	38,977	(5,320)
Debt service:						
Principal retirement	-	-	25,845	(25,845)	-	-
Total expenditures	2,800	44,297	64,822	(25,845)	38,977	(5,320)
Excess (deficiency) of revenues over (under) expenditures	3,700	(44,297)	(64,822)	25,845	(38,977)	5,320
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	25,845	(25,845)	-	-
Sale of capital assets	7,000	-	-	-	-	-
Total other financing sources (uses)	7,000	-	25,845	(25,845)	-	-
Net change in fund balances	10,700	(44,297)	(38,977)	-	(38,977)	5,320
Fund balances-beginning	140,840	140,840	135,043	-	135,043	(5,797)
Fund balances-ending	\$ 151,540	\$ 96,543	\$ 96,066	\$ -	\$ 96,066	\$ (477)

CITY OF KAUFMAN, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COURT TECHNOLOGY FUND
For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget
	Original	Final				
REVENUES						
Fines and forfeitures	\$ 4,000	\$ 2,130	\$ 2,247	\$ -	\$ 2,247	\$ 117
Investment earnings	40	-	-	-	-	-
Total revenues	<u>4,040</u>	<u>2,130</u>	<u>2,247</u>	<u>-</u>	<u>2,247</u>	<u>117</u>
EXPENDITURES						
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	4,040	2,130	2,247	-	2,247	117
Fund balances (deficit)-beginning	<u>(28,352)</u>	<u>(28,352)</u>	<u>(23,650)</u>	<u>-</u>	<u>(23,650)</u>	<u>4,702</u>
Fund balances (deficit) -ending	<u>\$ (24,312)</u>	<u>\$ (26,222)</u>	<u>\$ (21,403)</u>	<u>\$ -</u>	<u>\$ (21,403)</u>	<u>\$ 4,819</u>

CITY OF KAUFMAN, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COURT SECURITY FUND
For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget
	Original	Final				
REVENUES						
Fines and forfeitures	\$ 3,000	\$ 2,070	\$ 2,207	\$ -	\$ 2,207	\$ 137
Total revenues	3,000	2,070	2,207	-	2,207	137
EXPENDITURES						
Current:						
Public safety	-	-	6,999	-	6,999	6,999
Total expenditures	-	-	6,999	-	6,999	6,999
Excess (deficiency) of revenues over (under) expenditures	3,000	2,070	(4,792)	-	(4,792)	(6,862)
OTHER FINANCING SOURCES (USES)						
Transfers out	(3,000)	(2,070)	(2,205)	-	(2,205)	(135)
Total other financing sources (uses)	(3,000)	(2,070)	(2,205)	-	(2,205)	(135)
Net change in fund balances	-	-	(6,997)	-	(6,997)	(6,997)
Fund balances-beginning	38,512	38,512	38,512	-	38,512	-
Fund balances-ending	\$ 38,512	\$ 38,512	\$ 31,515	\$ -	\$ 31,515	\$ (6,997)

CITY OF KAUFMAN, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
IMPACT FEES FUND
For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget
	Original	Final				
REVENUES						
Investment earnings	\$ 2,000	\$ 1,650	\$ 1,648	\$ -	\$ 1,648	\$ (2)
Miscellaneous	65,800	265,650	273,401	-	273,401	7,751
Total revenues	67,800	267,300	275,049	-	275,049	7,749
EXPENDITURES	-	-	-	-	-	-
Net change in fund balances	67,800	267,300	275,049	-	275,049	7,749
Fund balances-beginning	440,268	440,268	434,660	-	434,660	(5,608)
Fund balances-ending	<u>\$ 508,068</u>	<u>\$ 707,568</u>	<u>\$ 709,709</u>	<u>\$ -</u>	<u>\$ 709,709</u>	<u>\$ 2,141</u>

CITY OF KAUFMAN, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TAX INCREMENT REINVESTMENT ZONE
For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget
	Original	Final				
REVENUES						
Intergovernmental	\$ 15,000	\$ 43,846	\$ 43,846	\$ -	\$ 43,846	\$ -
Total revenues	15,000	43,846	43,846	-	43,846	-
EXPENDITURES						
Current:						
General government	67,131	141,917	153,793	-	153,793	11,876
Total expenditures	67,131	141,917	153,793	-	153,793	11,876
Excess (deficiency) of revenues over (under) expenditures	(52,131)	(98,071)	(109,947)	-	(109,947)	(11,876)
OTHER FINANCING SOURCES (USES)						
Transfers in	52,131	96,146	96,146	-	96,146	-
Transfers out	-	-	(749)	-	(749)	(749)
Total other financing sources (uses)	52,131	96,146	95,397	-	95,397	(749)
Net change in fund balances	-	(1,925)	(14,550)	-	(14,550)	(12,625)
Fund balances-beginning	-	-	-	-	-	-
Fund balances-ending	\$ -	\$ (1,925)	\$ (14,550)	\$ -	\$ (14,550)	\$ (12,625)

CITY OF KAUFMAN, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STREET MAINTENANCE
For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget
	Original	Final				
REVENUES						
Sales taxes	\$ 389,228	\$ 356,000	\$ 439,787	\$ (88,479)	\$ 351,308	\$ (4,692)
Total revenues	389,228	356,000	439,787	(88,479)	351,308	(4,692)
EXPENDITURES						
Current:						
Public works	-	-	127,609	-	127,609	127,609
Total expenditures	-	-	127,609	-	127,609	127,609
Net change in fund balances	389,228	356,000	312,178	(88,479)	223,699	(132,301)
Fund balances-beginning	-	-	-	-	-	-
Fund balances-ending	\$ 389,228	\$ 356,000	\$ 312,178	\$ (88,479)	\$ 223,699	\$ (132,301)

Debt Service Fund

The debt service fund is used to account for the accumulation of resources for the payment of principal and interest on general long-term debt.

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CITY OF KAUFMAN, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DEBT SERVICE FUND
For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget
	Original	Final				
REVENUES						
Property taxes	\$ 1,284,444	\$ 1,284,444	\$ 1,327,718	\$ 1,878	\$ 1,329,596	\$ 45,152
Intergovernmental	-	-	683,344	(683,344)	-	-
Total revenues	<u>1,284,444</u>	<u>1,284,444</u>	<u>2,011,062</u>	<u>(681,466)</u>	<u>1,329,596</u>	<u>45,152</u>
EXPENDITURES						
Debt service:						
Principal retirement	1,350,234	1,342,025	1,342,025	-	1,342,025	-
Interest and fiscal charges	838,084	815,732	814,947	-	814,947	(785)
Bond issuance costs	-	51,399	-	51,399	51,399	-
Total expenditures	<u>2,188,318</u>	<u>2,209,156</u>	<u>2,156,972</u>	<u>51,399</u>	<u>2,208,371</u>	<u>(785)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(903,874)</u>	<u>(924,712)</u>	<u>(145,910)</u>	<u>(732,865)</u>	<u>(878,775)</u>	<u>45,937</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	803,874	783,344	100,750	682,594	783,344	-
Transfers out	-	(3,500,000)	(296,765)	(3,433,713)	(3,730,478)	(230,478)
Certificates of obligation issued	-	3,455,000	-	3,455,000	3,455,000	-
Premium on bonds issued	-	97,149	-	97,149	97,149	-
Capital leases	-	-	296,765	(66,287)	230,478	230,478
Total other financing sources (uses)	<u>803,874</u>	<u>835,493</u>	<u>100,750</u>	<u>734,743</u>	<u>835,493</u>	<u>-</u>
Net change in fund balances	<u>(100,000)</u>	<u>(89,219)</u>	<u>(45,160)</u>	<u>1,878</u>	<u>(43,282)</u>	<u>45,937</u>
Fund balances-beginning	<u>499,528</u>	<u>499,528</u>	<u>510,579</u>	<u>-</u>	<u>510,579</u>	<u>11,051</u>
Fund balances-ending	<u>\$ 399,528</u>	<u>\$ 410,309</u>	<u>\$ 465,419</u>	<u>\$ 1,878</u>	<u>\$ 467,297</u>	<u>\$ 56,988</u>

Proprietary Funds

Enterprise Funds

Utility Fund - This fund is used to account for the water and sewer utility operations.

Drainage Fund - This fund is used to account for the drainage operations that are to be self-supporting through user charges.

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CITY OF KAUFMAN, TEXAS
SCHEDULE OF OPERATING REVENUES AND OPERATING EXPENSES
BUDGET AND ACTUAL
ENTERPRISE FUND - UTILITY
For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual	Adjustments	Actual	Variance with
	Original	Final	GAAP	Budget	Budget	Final Budget
			Basis	Basis	Basis	
OPERATING REVENUES						
Water revenue	\$ 2,867,000	\$ 2,878,616	\$ 2,847,363	\$ (7,314)	\$ 2,840,049	\$ (38,567)
Sewer revenue	1,708,880	1,654,033	1,636,534	24,825	1,661,359	7,326
Rental	30,000	30,000	24,951	-	24,951	(5,049)
Miscellaneous	51,100	39,085	49,386	-	49,386	10,301
Total operating revenues	<u>4,656,980</u>	<u>4,601,734</u>	<u>4,558,234</u>	<u>17,511</u>	<u>4,575,745</u>	<u>(25,989)</u>
OPERATING EXPENSES						
Personnel services	1,218,092	1,135,718	1,200,431	(70,416)	1,130,015	(5,703)
Supplies and materials	132,250	281,205	57,926	3,929	61,855	(219,350)
Maintenance and repair	5,057,490	2,878,444	244,402	2,616,873	2,861,275	(17,169)
Contractual services	1,856,209	1,888,370	1,844,897	-	1,844,897	(43,473)
Total operating expenses before depreciation	<u>8,264,041</u>	<u>6,183,737</u>	<u>3,347,656</u>	<u>2,550,386</u>	<u>5,898,042</u>	<u>(285,695)</u>
Depreciation	-	-	1,000,391	(1,000,391)	-	-
Total operating expenses	<u>8,264,041</u>	<u>6,183,737</u>	<u>4,348,047</u>	<u>1,549,995</u>	<u>5,898,042</u>	<u>(285,695)</u>
Operating income (loss)	<u>\$ (3,607,061)</u>	<u>\$ (1,582,003)</u>	<u>\$ 210,187</u>	<u>\$ (1,532,484)</u>	<u>\$ (1,322,297)</u>	<u>\$ 259,706</u>

CITY OF KAUFMAN, TEXAS
SCHEDULE OF OPERATING REVENUES AND OPERATING EXPENSES
BUDGET AND ACTUAL
ENTERPRISE FUND - DRAINAGE
For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget
	Original	Final				
OPERATING REVENUES						
Drainage revenue	\$ 358,936	\$ 284,885	\$ 283,470	\$ (737)	\$ 282,733	\$ (2,152)
Total operating revenues	358,936	284,885	283,470	(737)	282,733	(2,152)
OPERATING EXPENSES						
Personnel services	121,435	120,913	130,883	(14,130)	116,753	(4,160)
Maintenance and repair	680,000	786,345	-	871,338	871,338	84,993
Total operating expenses before depreciation	801,435	907,258	130,883	857,208	988,091	80,833
Depreciation	-	-	36,672	-	36,672	36,672
Total operating expenses	801,435	907,258	167,555	857,208	1,024,763	117,505
Operating income (loss)	<u>\$ (442,499)</u>	<u>\$ (622,373)</u>	<u>\$ 115,915</u>	<u>\$ (857,945)</u>	<u>\$ (742,030)</u>	<u>\$ (119,657)</u>

STATISTICAL SECTION

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

Contents	Page
Financial Trends <i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	101-105
Revenue Capacity <i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	106-109
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the government's ability to issue additional debt in the future.</i>	110-113
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	114-115
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	116-118

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

CITY OF KAUFMAN, TEXAS
NET POSITION BY COMPONENT
 Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	\$ 2,280,578	\$ 2,469,014	\$ 2,846,779	\$ 788,591	\$ 4,133,424	\$ 4,190,990	\$ 5,037,515	\$ 17,491,826	\$ 18,956,703	\$ 19,010,417
Restricted	355,713	369,700	647,308	11,514,811	1,455,330	267,446	1,646,430	1,191,219	1,153,109	1,668,844
Unrestricted (deficit)	2,479,843	2,432,807	2,368,657	1,652,765	692,891	(1,235,329)	(1,910,878)	(3,954,311)	(4,180,240)	(2,558,291)
Total governmental activities net position	<u>\$ 5,116,134</u>	<u>\$ 5,271,521</u>	<u>\$ 5,862,744</u>	<u>\$ 13,956,167</u>	<u>\$ 6,281,645</u>	<u>\$ 3,223,107</u>	<u>\$ 4,773,067</u>	<u>\$ 14,728,734</u>	<u>\$ 15,929,572</u>	<u>\$ 18,120,970</u>
Business-type activities										
Net investment in capital assets	\$ 8,536,149	\$ 7,358,938	\$ 8,180,720	\$ 8,148,142	\$ 9,277,027	\$ 9,156,309	\$ 9,247,153	\$ 9,487,320	\$ 9,196,069	\$ 10,178,024
Restricted	246,088	176,116	183,269	189,208	221,555	270,622	290,212	234,130	285,204	353,588
Unrestricted	1,302,882	2,526,400	1,766,054	1,691,884	1,023,920	1,479,868	1,623,436	1,171,547	1,796,196	2,164,324
Total business-type activities net position	<u>\$ 10,085,119</u>	<u>\$ 10,061,454</u>	<u>\$ 10,130,043</u>	<u>\$ 10,029,234</u>	<u>\$ 10,522,502</u>	<u>\$ 10,906,799</u>	<u>\$ 11,160,801</u>	<u>\$ 10,892,997</u>	<u>\$ 11,277,469</u>	<u>\$ 12,695,936</u>
Primary government										
Net investment in capital assets	\$ 10,816,727	\$ 9,827,952	\$ 11,027,499	\$ 8,936,733	\$ 13,410,451	\$ 13,347,299	\$ 14,284,668	\$ 26,979,146	\$ 28,152,772	\$ 29,188,441
Restricted	601,801	545,816	830,577	11,704,019	1,676,885	538,068	1,936,642	1,425,349	1,438,313	2,022,432
Unrestricted (deficit)	3,782,725	4,959,207	4,134,711	3,344,649	1,716,811	244,539	(287,442)	(2,782,764)	(2,384,044)	(393,967)
Total primary government net position	<u>\$ 15,201,253</u>	<u>\$ 15,332,975</u>	<u>\$ 15,992,787</u>	<u>\$ 23,985,401</u>	<u>\$ 16,804,147</u>	<u>\$ 14,129,906</u>	<u>\$ 15,933,868</u>	<u>\$ 25,621,731</u>	<u>\$ 27,207,041</u>	<u>\$ 30,816,906</u>

Source: Comprehensive Annual Financial Report

Note 1: The City implemented GASB Statement No. 68 in fiscal year 2015. The amounts for all prior fiscal years have not been restated for the effects of this standard.

Note 2: The City implemented GASB Statement No. 75 in fiscal year 2018. The amounts for all prior fiscal years have not been restated for the effects of this standard.

CITY OF KAUFMAN, TEXAS
CHANGES IN NET POSITION
 Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental Activities:										
General government	\$ 713,661	\$ 785,132	\$ 752,655	\$ 1,038,186	\$ 890,648	\$ 795,430	\$ 889,202	\$ 1,203,419	\$ 1,250,680	\$ 1,608,805
Public safety	1,952,397	2,012,451	2,185,030	2,173,310	2,183,520	1,965,831	2,369,520	3,538,527	2,552,968	2,881,999
Public works	642,185	664,620	617,511	3,721,180	11,557,777	5,152,645	998,534	1,491,850	1,557,214	1,583,450
Public services and operations	269,726	300,000	296,982	373,393	435,194	336,920	324,759	613,769	465,988	484,396
Parks and recreational	325,739	314,967	297,587	379,839	322,998	466,463	503,986	593,384	493,476	532,166
Interest on long-term debt	83,546	48,569	44,454	167,236	620,218	571,583	645,093	699,605	752,700	859,089
Total governmental activities expenses	<u>3,987,254</u>	<u>4,125,739</u>	<u>4,194,219</u>	<u>7,853,144</u>	<u>16,010,355</u>	<u>9,288,872</u>	<u>5,731,094</u>	<u>8,140,554</u>	<u>7,073,026</u>	<u>7,949,905</u>
Business-type Activities:										
Utilities	3,023,158	3,124,159	3,205,722	3,260,804	3,515,919	3,767,304	3,816,367	4,771,558	4,144,684	4,678,519
Drainage	-	-	-	-	-	118,100	71,999	103,555	104,554	167,555
Total business-type activities expenses	<u>3,023,158</u>	<u>3,124,159</u>	<u>3,205,722</u>	<u>3,260,804</u>	<u>3,515,919</u>	<u>3,885,404</u>	<u>3,888,366</u>	<u>4,875,113</u>	<u>4,249,238</u>	<u>4,846,074</u>
Total primary government expenses	<u>\$ 7,010,412</u>	<u>\$ 7,249,898</u>	<u>\$ 7,399,941</u>	<u>\$ 11,113,948</u>	<u>\$ 19,526,274</u>	<u>\$ 13,174,276</u>	<u>\$ 9,619,460</u>	<u>\$ 13,015,667</u>	<u>\$ 11,322,264</u>	<u>\$ 12,795,979</u>
Program Revenues										
Governmental Activities:										
Charges for services:										
General government	\$ 314,635	\$ 324,060	\$ 597,204	\$ 508,092	\$ 403,294	\$ 265,178	\$ 288,218	\$ 255,191	\$ 319,138	\$ 325,461
Public safety	206,375	330,417	157,387	231,171	274,775	219,331	195,061	243,904	101,723	88,611
Public works	-	-	-	-	32,865	265,714	295,618	307,105	333,688	353,810
Public services and operations	55,310	52,826	57,610	43,181	47,557	-	-	-	-	-
Parks and recreational	3,523	2,871	767	1,560	725	1,105	1,870	1,225	340	300
Operating grants and contributions	29,373	2,575	39,601	11,084,663	7,928,705	32,720	48,395	417,325	48,464	734,245
Capital grants and contributions	75,700	199,433	401,341	100,000	1,529,071	742,919	1,401,852	10,997,630	1,197,213	847,033
Total Governmental Activities Program Revenues	<u>684,916</u>	<u>912,182</u>	<u>1,253,910</u>	<u>11,968,667</u>	<u>10,216,992</u>	<u>1,526,967</u>	<u>2,231,014</u>	<u>12,222,380</u>	<u>2,000,566</u>	<u>2,349,460</u>
Business-type Activities:										
Charges for services:										
Utilities	3,095,161	2,944,416	3,245,608	3,129,605	3,242,295	3,953,166	3,886,217	4,282,739	4,250,741	4,558,234
Drainage	-	-	-	-	-	131,043	197,761	204,023	214,486	283,470
Operating grants and contributions	-	-	-	-	-	-	20,191	-	-	-
Capital grants and contributions	147,753	-	-	-	420,000	177,372	33,813	202,065	180,918	1,579,072
Total Business-type Activities Program Revenues	<u>\$ 3,242,914</u>	<u>\$ 2,944,416</u>	<u>\$ 3,245,608</u>	<u>\$ 3,129,605</u>	<u>\$ 3,662,295</u>	<u>\$ 4,261,581</u>	<u>\$ 4,137,982</u>	<u>\$ 4,688,827</u>	<u>\$ 4,646,145</u>	<u>\$ 6,420,776</u>
Total Primary Government Program Revenues	<u>\$ 3,927,830</u>	<u>\$ 3,856,598</u>	<u>\$ 4,499,518</u>	<u>\$ 15,098,272</u>	<u>\$ 13,879,287</u>	<u>\$ 5,788,548</u>	<u>\$ 6,368,996</u>	<u>\$ 16,911,207</u>	<u>\$ 6,646,711</u>	<u>\$ 8,770,236</u>
NET (EXPENSE)/REVENUE										
Governmental Activities:	\$ (3,302,338)	\$ (3,213,557)	\$ (2,940,309)	\$ 4,115,523	\$ (5,793,363)	\$ (7,761,905)	\$ (3,500,080)	\$ 4,081,826	\$ (5,072,460)	\$ (5,600,445)
Business-type Activities:	219,756	(179,743)	39,886	(131,199)	146,376	376,177	249,616	(186,286)	396,907	1,574,702
Total Primary Government Program Net Expenses	<u>\$ (3,082,582)</u>	<u>\$ (3,393,300)</u>	<u>\$ (2,900,423)</u>	<u>\$ 3,984,324</u>	<u>\$ (5,646,987)</u>	<u>\$ (7,385,728)</u>	<u>\$ (3,250,464)</u>	<u>\$ 3,895,540</u>	<u>\$ (4,675,553)</u>	<u>\$ (4,025,743)</u>

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities:										
Property taxes	\$ 1,777,109	\$ 1,772,204	\$ 1,743,664	\$ 1,807,255	\$ 1,990,159	\$ 2,114,025	\$ 2,370,809	\$ 3,015,217	\$ 3,213,811	\$ 3,631,892
Sales taxes	1,104,523	1,193,154	1,351,409	1,594,892	1,842,273	2,022,782	2,070,430	2,314,065	2,354,351	3,079,254
Franchise taxes	483,935	399,268	374,933	417,416	397,783	403,640	425,130	425,109	432,662	423,057
Hotel occupancy taxes	35,819	21,780	28,802	31,387	20,196	33,420	31,825	43,746	45,445	42,492
Alcoholic beverage taxes	8,044	5,267	3,567	5,802	6,914	8,042	8,028	12,114	10,749	9,673
Investment earnings	5,477	4,346	4,107	12,446	17,360	6,170	5,214	11,134	12,545	10,667
Donations	5,774	-	-	-	-	-	-	-	-	-
Gain on sale of capital assets	-	-	-	-	-	20,487	-	-	10,321	21,025
Miscellaneous	75,566	40,045	33,149	56,364	54,397	91,801	115,475	98,122	152,026	400,248
Transfers	(34,328)	173,051	18,902	25,338	(284,430)	3,000	23,129	57,656	41,388	173,535
Total Governmental Activities	<u>3,461,919</u>	<u>3,609,115</u>	<u>3,558,533</u>	<u>3,950,900</u>	<u>4,044,652</u>	<u>4,703,367</u>	<u>5,050,040</u>	<u>5,977,163</u>	<u>6,273,298</u>	<u>7,791,843</u>
Business-type Activities:										
Investment earnings	5,230	18,195	14,311	12,725	12,278	11,120	11,985	13,376	20,528	15,500
Gain on sale of capital assets	-	-	-	-	-	-	14,679	-	6,545	1,800
Miscellaneous	6,077	3,286	33,296	43,002	74,786	-	851	1,013	1,880	-
Transfers	34,328	(173,051)	(18,902)	(25,338)	284,430	(3,000)	(23,129)	(57,656)	(41,388)	(173,535)
Total Business-type Activities	<u>45,635</u>	<u>(151,570)</u>	<u>28,705</u>	<u>30,389</u>	<u>371,494</u>	<u>8,120</u>	<u>4,386</u>	<u>(43,267)</u>	<u>(12,435)</u>	<u>(156,235)</u>
Total Primary Government	<u>\$ 3,507,554</u>	<u>\$ 3,457,545</u>	<u>\$ 3,587,238</u>	<u>\$ 3,981,289</u>	<u>\$ 4,416,146</u>	<u>\$ 4,711,487</u>	<u>\$ 5,054,426</u>	<u>\$ 5,933,896</u>	<u>\$ 6,260,863</u>	<u>\$ 7,635,608</u>
CHANGE IN NET POSITION										
Governmental activities	\$ 159,581	\$ 395,558	\$ 618,224	\$ 8,066,423	\$ (1,748,711)	\$ (3,058,538)	\$ 1,549,960	\$ 10,058,989	\$ 1,200,838	\$ 2,191,398
Business-type activities	265,391	(331,313)	68,591	(100,810)	517,870	384,297	254,002	(229,553)	384,472	1,418,467
Total primary government	<u>\$ 424,972</u>	<u>\$ 64,245</u>	<u>\$ 686,815</u>	<u>\$ 7,965,613</u>	<u>\$ (1,230,841)</u>	<u>\$ (2,674,241)</u>	<u>\$ 1,803,962</u>	<u>\$ 9,829,436</u>	<u>\$ 1,585,310</u>	<u>\$ 3,609,865</u>

Source: Comprehensive Annual Financial Report

Note 1: The City implemented GASB Statement No. 68 in fiscal year 2015. The amounts for all prior fiscal years have not been restated for the effects of this standard.

Note 2: The City implemented GASB Statement No. 75 in fiscal year 2018. The amounts for all prior fiscal years have not been restated for the effects of this standard.

CITY OF KAUFMAN, TEXAS
FUND BALANCES OF GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General fund										
Nonspendable	\$ 18,981	\$ 2,923	\$ 13,868	\$ 18,400	\$ 74,913	\$ 28,127	\$ 60,472	\$ 60,990	\$ 65,050	\$ 81,768
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	96,818	96,985	100,476	34,526	36,085	319,052
Unassigned	2,029,082	1,968,406	1,841,869	1,539,800	928,996	1,399,264	1,523,945	1,780,866	2,150,553	2,804,126
Total general fund	<u>\$2,048,063</u>	<u>\$1,971,329</u>	<u>\$1,855,737</u>	<u>\$1,558,200</u>	<u>\$ 1,100,727</u>	<u>\$ 1,524,376</u>	<u>\$ 1,684,893</u>	<u>\$ 1,876,382</u>	<u>\$ 2,251,688</u>	<u>\$ 3,204,946</u>
All other governmental funds										
Nonspendable	\$ 150	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	355,563	370,023	674,773	436,648	2,215,242	3,045,274	10,211,061	4,722,424	2,701,503	2,730,763
Assigned	480,263	555,578	694,585	1,031,484	439,247	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	(6,712)	(1,078,295)	(911,356)
Total all other governmental funds	<u>\$ 835,976</u>	<u>\$ 925,601</u>	<u>\$1,369,358</u>	<u>\$1,468,132</u>	<u>\$ 2,654,489</u>	<u>\$ 3,045,274</u>	<u>\$10,211,061</u>	<u>\$ 4,715,712</u>	<u>\$ 1,623,208</u>	<u>\$ 1,819,407</u>

Source: Comprehensive Annual Financial Report

CITY OF KAUFMAN, TEXAS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
REVENUES										
Property taxes	\$ 1,804,279	\$ 1,759,924	\$ 1,752,725	\$ 1,815,219	\$ 1,941,275	\$ 2,160,878	\$ 2,323,203	\$ 2,963,053	\$ 3,298,235	\$ 3,625,768
Sales taxes	1,104,523	1,193,154	1,351,409	1,594,892	1,842,273	2,022,782	2,070,430	2,314,065	2,354,351	3,079,254
Franchise fees	483,935	399,268	374,933	417,416	397,783	403,640	425,130	425,109	432,662	423,057
Hotel occupancy taxes	35,819	21,780	28,802	31,387	29,799	33,420	31,825	43,746	45,445	42,492
Alcoholic beverage taxes	8,044	5,267	3,567	5,802	6,914	8,042	8,028	12,114	10,749	9,673
Licenses and permits	87,478	95,864	122,192	108,529	171,781	265,178	288,218	255,191	319,138	325,461
Fines and forfeitures	217,618	345,313	176,882	207,263	264,801	219,332	195,063	243,905	101,723	88,611
Charges for current services	268,845	253,656	260,414	267,302	252,951	266,819	297,488	308,330	334,028	354,110
Impact fees	1,520	2,839	251,714	165,161	32,864	-	-	-	-	-
Grants	-	-	1,341	2,755	4,366	-	-	-	-	-
Investment earnings	5,477	4,346	4,106	12,447	17,360	6,166	5,213	11,133	12,545	10,667
Miscellaneous	105,073	59,540	400,000	100,000	55,927	91,806	115,474	98,120	152,026	400,248
Intergovernmental	80,876	40,045	33,149	56,365	16,093,021	774,130	1,022,142	3,104,374	1,593,990	1,856,886
Contributions and donations	5,774	623	4,548	2,372	1,256	1,510	2,263	42,818	3,263	700
Total revenues	4,209,261	4,181,619	4,765,782	4,786,910	21,112,371	6,253,703	6,784,477	9,821,958	8,658,155	10,216,927
EXPENDITURES										
Current:										
General government	684,238	737,287	731,811	1,037,749	875,001	847,136	892,264	977,146	1,218,020	1,523,623
Public safety	1,830,633	1,831,677	1,961,215	2,010,423	2,235,392	2,452,185	2,565,841	3,302,819	2,616,004	2,971,292
Public works	528,899	551,452	503,324	3,492,612	11,287,061	4,948,322	676,340	698,911	2,345,705	843,569
Public services and operations	268,517	301,051	297,551	373,629	329,880	412,349	318,491	497,534	479,060	476,790
Parks and recreational	208,609	198,975	181,909	245,390	297,773	2,036,212	385,809	418,815	377,836	439,875
Debt service:										
Principal retirement	128,171	155,863	152,554	195,346	602,711	618,456	1,326,415	1,694,358	1,723,817	1,544,280
Interest and fiscal charges	84,826	40,585	49,405	136,088	556,638	530,831	573,135	793,833	787,324	827,584
Bond issuance charges	-	-	-	-	-	57,936	55,169	-	-	51,399
Capital outlay	392,505	345,515	578,747	2,290,910	427,720	466,551	3,475,387	8,127,008	1,986,602	4,432,532
Total expenditures	4,126,398	4,162,405	4,456,516	9,782,147	16,612,176	12,369,978	10,268,851	16,510,424	11,534,368	13,110,944
Excess (deficiency) of revenues over (under) expenditures	82,863	19,214	309,266	(4,995,237)	4,500,195	(6,116,275)	(3,484,374)	(6,688,466)	(2,876,213)	(2,894,017)
OTHER FINANCING SOURCES (USES)										
Transfers in	-	173,051	18,902	14,019,214	2,623,944	3,074,491	575,559	2,230,272	626,852	682,825
Transfers out	(34,329)	-	-	(13,994,489)	(2,908,374)	(3,071,491)	(552,430)	(2,172,616)	(585,464)	(509,290)
Certificates of obligation issued	-	-	-	1,045,000	-	1,250,000	-	-	-	3,455,000
General obligation bonds issued	-	-	-	-	-	1,000,000	9,830,000	-	-	-
Refunding bonds issued	-	-	-	-	-	275,000	-	-	-	-
Tax anticipation note issued	-	-	-	-	-	365,000	-	-	-	-
Pass through bonds issued	-	-	-	8,255,000	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	(277,515)	-	-	-	-
Premium on bonds issued	-	-	-	-	-	1,248	-	-	-	97,149
Note payable issued	-	-	-	4,500,000	4,438,669	-	-	-	-	-
Capital lease proceeds	-	-	-	527,799	-	-	136,423	-	107,305	296,765
Sale of capital assets	-	12,502	-	35,750	35,289	20,487	23,447	-	10,321	21,025
Total other financing sources (uses)	(34,329)	185,553	18,902	14,388,274	4,189,528	2,637,220	10,012,999	57,656	159,014	4,043,474
Net change in fund balances	\$ 48,534	\$ 204,767	\$ 328,168	\$ 9,393,037	\$ 8,689,723	\$(3,479,055)	\$ 6,528,625	\$(6,630,810)	\$(2,717,199)	\$ 1,149,457
Debt service as a percentage of noncapital expenditures	5.70%	5.15%	5.21%	4.42%	7.16%	11.95%	30.97%	32.70%	32.07%	32.11%

Source: Comprehensive Annual Financial Report

CITY OF KAUFMAN, TEXAS
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 Last Ten Fiscal Years

Fiscal Year Ended September 30	Estimated Actual Value		Less: Tax-Exempt Property	Total Taxable Assessed Value	Taxable Assessed Value as a Percentage of Estimated Actual Value	Estimated Actual Taxable Value	Total Direct Rate
	Real Property	Personal Property					
2011	\$ 333,616,219	\$ 38,556,450	\$ 100,510,922	\$ 271,661,747	72.99%	\$ 372,172,669	\$0.64040
2012	326,261,068	39,926,850	99,740,725	266,447,193	72.76%	366,187,918	0.64539
2013	323,747,199	41,637,470	99,243,200	266,141,469	72.84%	365,384,669	0.65249
2014	328,703,417	45,524,420	99,621,127	274,606,710	73.38%	374,227,837	0.65249
2015	338,385,382	47,963,990	103,979,495	282,369,877	73.09%	386,349,372	0.70249
2016	365,457,870	60,754,710	130,166,145	296,046,435	69.46%	426,212,580	0.70249
2017	375,220,983	60,500,840	134,968,935	300,752,888	69.02%	435,721,823	0.77726
2018	389,763,658	79,031,250	133,077,698	335,717,210	71.61%	468,794,908	0.89937
2019	494,627,469	72,226,600	149,564,850	417,289,219	73.61%	566,854,069	0.89865
2020	544,663,186	78,166,870	158,621,467	464,208,589	74.53%	622,830,056	0.84865

Source: City Administration Office.

Note: Property is reassessed annually. Property is assessed at actual value; therefore, the assessed values are equal to actual value.
 Tax rates are per \$100 of assessed value.

CITY OF KAUFMAN, TEXAS
PROPERTY TAX RATES
DIRECT AND OVERLAPPING¹ GOVERNMENTS
Last Ten Fiscal Years

Fiscal Year	City of Kaufman			Overlapping Rates			Total Direct and Overlapping Rates
	Operating / General Rate	General Obligation Debt Service	Total Direct	Kaufman Independent School District	Kaufman County	Trinity Valley Community College	
2011	\$ 0.56200	\$ 0.07840	\$0.64040	\$ 1.30000	\$0.50770	\$ 0.07750	\$ 2.44810
2012	0.56659	0.07880	0.64539	1.30000	0.49910	0.08150	2.44449
2013	0.57698	0.07551	0.65249	1.30000	0.55650	0.08900	2.50899
2014	0.57896	0.07353	0.65249	1.30000	0.55650	0.09600	2.50899
2015	0.49769	0.20480	0.70249	1.30000	0.57620	0.10360	2.57869
2016	0.50735	0.19514	0.70249	1.46000	0.57620	0.12674	2.73869
2017	0.50735	0.26991	0.77726	1.53000	0.58870	0.13567	2.89596
2018	0.50735	0.39202	0.89937	1.55000	0.58870	0.13854	3.03807
2019	0.53504	0.36361	0.89865	1.55000	0.58870	0.13854	3.03735
2020	0.54794	0.30071	0.84865	1.44830	0.53711	0.13854	2.83406

Source: City Administration Office

¹ Overlapping rates are those of local and county governments that apply to property owners within the City of Kaufman, Texas.

CITY OF KAUFMAN, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago

Taxpayer	2020 ¹			2011 ²		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
ITS Equipment Leasing & Maintenance LLC	\$ 16,496,280	1	3.55%	\$ -	-	-
JWS Land Ltd.	12,094,380	2	2.61%	-	-	-
Wal-Mart Real Estate Business Trust	8,635,972	3	1.86%	-	-	-
Mica Steelworks, Inc./Falcon Steel Inc.	7,328,530	4	1.58%	5,494,280	1	2.02%
Kolder Inc.	6,503,520	5	1.40%	3,125,320	4	1.15%
BWR Apartments LP	6,175,610	6	1.33%	-	-	-
Tables Manufacturing Inc.	4,619,098	7	1.00%	2,353,130	5	0.87%
Wal-Mart Stores	4,078,640	8	0.88%	-	-	-
Brookshire Grocery Co.	3,881,820	9	0.84%	2,254,160	6	0.83%
KLLM Transport	3,154,470	10	0.68%	-	-	-
Oncor Electric Delivery Co.	-	-	-	1,866,870	9	0.69%
Abox Paperboard	-	-	-	5,374,950	2	1.98%
Centeramerica Capital Partnership	-	-	-	1,914,670	8	0.70%
2M Properties, LTD	-	-	-	1,977,690	7	0.73%
BW Ranch, Inc.	-	-	-	4,819,880	3	1.77%
Cates Steel Products, Inc.	-	-	-	1,787,540	10	0.66%
Total	<u>\$ 72,968,320</u>		<u>15.72%</u>	<u>\$ 30,968,490</u>		<u>11.40%</u>

Source: ¹ www.kaufman-cad.net

² City Administration Office.

CITY OF KAUFMAN, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
 Last Ten Fiscal Years

109

Fiscal Year Ended September 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		
		Amount Collected	Percentage of Levy		Amount Collected	Percentage of Levy	
2011	\$ 1,739,722	\$ 1,689,601	97.12	\$ 47,353	\$ 1,736,954	99.84	%
2012	1,733,400	1,687,208	97.34	41,302	1,728,510	99.72	
2013	1,736,415	1,684,211	96.99	47,961	1,732,172	99.76	
2014	1,769,535	1,742,183	98.45	22,743	1,764,926	99.74	
2015	1,983,620	1,906,266	96.10	68,876	1,975,142	99.57	
2016	2,081,279	2,040,636	98.05	31,948	2,072,584	99.58	
2017	2,336,670	2,244,619	96.06	82,864	2,327,483	99.61	
2018	3,086,895	2,939,233	95.22	133,356	3,072,589	99.54	
2019	3,264,706	3,213,590	98.43	31,075	3,244,665	99.39	
2020	3,714,078	3,647,045	98.20	-	3,647,045	98.20	

Source: Kaufman County Tax Office

CITY OF KAUFMAN, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
 Last Ten Fiscal Years

Fiscal Year	Governmental Activities						
	Certificates of Obligation	General Obligation Bonds	Pass Through Bonds	Notes Payable	Tax Anticipation Note	Development Agreement Payable	Capital Leases
2011	\$ 1,890,606	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2012	547,504	1,251,200	-	-	-	-	-
2013	449,350	1,201,092	-	-	-	-	-
2014	1,475,647	1,056,754	8,221,846	4,500,000	-	1,695,000	490,553
2015	1,425,850	917,072	8,223,382	8,938,669	-	1,356,000	416,042
2016	2,220,116	2,054,378	8,224,918	8,917,995	365,000	1,017,000	340,761
2017	2,140,394	11,692,909	7,921,454	8,644,726	305,000	678,000	399,238
2018	2,055,672	11,407,278	7,612,989	8,141,695	245,000	339,000	286,511
2019	1,965,950	11,082,192	7,299,526	7,623,560	185,000	-	316,534
2020	5,427,297	10,731,508	6,976,062	7,106,535	125,000	-	411,044

Fiscal Year	Business- Activities						
	Certificates of Obligation	General Obligation Bonds	Development Agreement Payable	Capital Leases	Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
2011	\$ 2,232,393	\$ 1,520,000	\$ 399,263	\$ -	\$ 5,950,360	2.28%	\$ 854
2012	2,376,495	1,748,800	399,263	-	6,175,000	2.31%	882
2013	2,201,650	1,358,179	399,263	60,772	21,459,664	8.44%	3,066
2014	2,065,350	907,143	399,263	46,310	24,695,081	9.55%	3,568
2015	1,916,150	436,107	549,263	31,557	26,073,245	9.56%	3,644
2016	5,747,495	1,551,299	404,916	16,302	39,501,733	14.23%	5,501
2017	5,534,902	1,371,788	404,916	140,191	37,539,942	13.50%	5,127
2018	7,970,637	1,185,677	135,000	106,606	37,870,682	11.84%	5,072
2019	7,667,627	999,365	120,000	72,065	37,331,819	11.67%	5,000
2020	12,405,908	828,654	105,000	73,444	44,190,452	10.79%	5,455

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

¹ Personal income data and population data can be found in the Schedule of Demographic and Economic Statistics on page 114.

CITY OF KAUFMAN, TEXAS
RATIOS OF GENERAL BONDED DEBT OUTSTANDING ¹
Last Ten Fiscal Years

Fiscal Year	Certificates of Obligation	General Obligation Bonds	Tax Anticipation Note	Development Agreement Payable	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value² of Property	Per Capita³
2011	\$ 4,122,999	\$ 1,520,000	\$ -	\$ 399,263	\$ 34,506	\$ 6,007,756	2.21%	\$ 883
2012	2,923,999	3,000,000	-	399,263	38,201	6,285,061	2.36%	902
2013	2,651,000	2,559,271	-	399,263	45,605	5,563,929	2.09%	795
2014	3,540,997	1,963,897	-	2,094,263	45,195	7,553,962	2.75%	1,079
2015	3,342,000	1,353,179	-	1,905,263	118,828	6,481,614	2.30%	936
2016	7,967,611	3,605,677	365,000	1,421,916	124,819	13,235,385	4.47%	1,850
2017	7,675,296	13,064,697	305,000	1,082,916	271,861	21,856,048	7.27%	3,044
2018	10,026,309	12,592,955	245,000	474,000	385,644	22,952,620	6.84%	3,135
2019	9,633,577	12,081,557	185,000	120,000	507,966	21,512,168	5.16%	2,881
2020	17,833,205	11,560,162	125,000	105,000	464,575	29,158,792	6.28%	3,599

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

¹ General Bonded Debt Outstanding does not include notes payable that will not be repaid with general government resources.

² See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 106 for property value data.

³ Population data can be found in the Schedule of Demographic and Economic Statistics on page 114.

CITY OF KAUFMAN, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
September 30, 2020

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable¹	Amounts Applicable to Primary Government
Debt repaid with property taxes: Kaufman County	\$ 106,514,166	4.48%	\$ 4,771,835
Debt repaid with property taxes: School District	71,280,000	44.91%	32,011,848
Subtotal, overlapping debt			36,783,683
City of Kaufman, Texas direct debt			30,777,446
Total direct and overlapping debt			<u>\$ 67,561,129</u>

Source: Texas Municipal Reports

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of outstanding debt of those overlapping governments that is borne by the property taxes of the City of Kaufman, Texas. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxes should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

¹ The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county and school district's taxable assessed value that is within the city's boundaries and dividing it by the county and school district's total taxable assessed value.

CITY OF KAUFMAN, TEXAS
PLEDGED-REVENUE COVERAGE
Last Ten Fiscal Years

Waterworks and Sewer System Revenue Bonds						
Fiscal Year	Total Revenues¹	Less Operating Expenses²	Net Available Revenue	Debt Service		Times Coverage
				Principal	Interest	
2011	\$ 3,254,220	\$ 2,152,934	\$ 1,101,286	\$ 511,834	\$ 142,072	1.68
2012	2,945,309	2,258,624	686,685	570,446	150,266	0.95
2013	3,278,904	2,351,745	927,159	586,956	111,667	1.33
2014	3,172,607	2,464,632	707,975	635,030	91,330	0.97
2015	3,191,532	2,621,892	569,640	619,800	89,400	0.80
2016	3,942,046	2,670,799	1,271,247	154,363	154,349	4.12
2017	3,874,232	2,767,539	1,106,693	383,800	131,734	2.15
2018	4,269,363	3,587,127	682,236	420,400	188,713	1.12
2019	4,271,269	2,929,045	1,342,224	480,600	230,814	1.89
2020	4,575,185	3,347,656	1,227,529	440,000	212,529	1.88

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

¹ Includes operating and nonoperating revenues.

² Includes operating expenses minus depreciation.

CITY OF KAUFMAN, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Fiscal Years

Fiscal Year	Estimated Population¹	Personal Income¹	Per Capita Personal Income²	Median Age²	School Enrollment³	Unemployment Rate⁴
2011	6,805	\$ 246,912,620	\$ 36,284 **	30.3	3,820	9.0 %**
2012	6,969	261,553,965	37,531 **	30.3	3,737	6.6
2013	7,000	266,903,000	38,129	32.0	3,752	6.5 ⁵
2014	7,000	254,275,000	36,325	32.0	3,798	6.8
2015	6,922	258,522,856	37,348	37.0	3,844	4.9
2016	7,156	272,686,536	38,106	34.0	3,851	3.6
2017	7,181	277,624,641	38,661	34.6	3,931	3.1
2018	7,322	278,074,916	37,978	35.6	4,002	3.2
2019	7,467	319,863,879	42,837	35.4	4,018	3.8
2020	8,101	409,716,176	50,576	33.9	4,055	5.9

Sources:

¹ North Central Texas Council of Governments

² U.S. Department of Commerce - Bureau of Economic Analysis

³ Kaufman Independent School District

⁴ Texas Workforce Commission

⁵ www.citydata.com

** Estimated

CITY OF KAUFMAN, TEXAS
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

Employer	2020			2011		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Kaufman County	609	1	14.90%	567	1	13.22%
Kaufman ISD	516	2	12.62%	514	2	11.99%
Walmart	300	3	7.34%	-		-
Texas Health Presbyterian	200	4	4.89%	260	3	6.06%
Trinity Valley Electric Cooperative	157	5	3.84%	147	5	3.43%
Numo Manufacturing	154	6	3.77%	115	7	2.68%
Advanced Tabco / Tables Mfg. Inc.	149	7	3.64%	100	10	2.33%
Mica Steelworks, Inc./Falcon Steel Inc	115	8	2.81%	172	4	4.01%
Brookshire's Grocery Company	108	9	2.64%	130	6	3.03%
Sunflower Nursing Home	105	10	2.57%	100	9	2.33%
Abox Packaging	-		-	110	8	2.57%
Total	<u>2,413</u>		<u>59.03%</u>	<u>2,215</u>		<u>51.66%</u>

Source: City Administration Office.

CITY OF KAUFMAN, TEXAS
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

Function	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Administrative Services										
Administration	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0	3.0
City Secretary	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Secretary/Admin Assistant	1.0	1.0	1.0	1.0	1.0	1.0	1.0	-	-	1.0
Financial Services										
Finance	5.0	5.0	5.0	6.0	6.0	5.0	5.0	5.0	5.0	5.0
Municipal Court	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Municipal Court Judge	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Public Safety										
Police	26.0	26.0	26.0	25.0	25.0	25.0	24.0	24.0	23.0	21.0
Development Services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Fire	4.0	4.0	4.0	6.0	6.0	6.0	6.0	6.0	7.0	7.0
Streets	10.0	10.0	10.0	12.0	10.0	10.0	12.0	12.0	7.0	6.0
Parks									5.0	6.0
Water and Sewer Systems	13.0	13.0	13.0	12.0	14.0	14.0	13.0	13.0	13.0	13.0
Total	64.0	66.0	66.0	66.0	69.0	69.0	68.0	68.0	68.0	68.0

Source: City Administration Office.

CITY OF KAUFMAN, TEXAS
OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

Function	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police										
UCR - Reported Crimes	144	134	155	132	209	200	230	201	175	187
Number of Violations (Citations)	3,396	5,504	4,074	2,977	6,995	5,845	6,933	4,872	5,198	1,989
Judicial										
Municipal Court Fines	\$ 217,618	\$ 257,964	\$ 224,673	\$ 258,077	\$ 289,161	\$ 211,091	\$ 172,099	\$ 114,402	\$ 91,687	\$ 84,158
Fire										
Fire Calls	910	940	735	880	1,156	1,569	1,974	2,271	2,414	2,352
Fire Loss	\$ 309,100	unavailable	unavailable	unavailable	unavailable	unavailable	unavailable	unavailable	unavailable	unavailable
Inspection										
Permits Issued (Units)	1	6	3	3	485	431	572	522	512	439
Permit Value	\$ 550,000	\$ 1,233,000	\$ 10,309,526	\$ 1,470,000	\$ 14,036,494	\$ 56,041,030	\$ 14,769,321	\$ 18,776,255	\$ 14,549,894	\$ 17,998,163
Streets										
Miles of Streets Maintained	35.31	35.36	35.31	35.81	35.81	35.81	35.81	37.31	37.31	37.74
117 Health										
Animals Impounded	282	276	269	245	226	279	164	203	190	265
Cultural and Recreational										
Parks										
Parks Maintained	5	5	5	5	5	5	5	5	5	5
Sanitation Service										
Refuse Customers	1,835	1,833	1,835	1,788	1,686	1,859	2,245	1,784	1,932	1,928
Water										
Number of Water Customers	2,480	2,463	2,451	2,447	2,374	2,551	2,480	2,651	2,639	2,680
Estimated Gallons Billed (in thousands)	420,491	427,433	341,270	324,422	299,781	328,672	289,399	261,916	284,801	212,782
Sewer										
Number of Wastewater Customers	2,345	2,126	2,142	2,108	2,111	2,190	2,104	1,974	2,254	2,248

Sources: Various city departments.

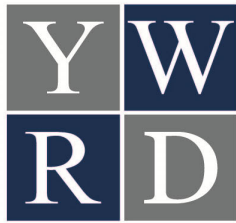
CITY OF KAUFMAN, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION
 Last Ten Fiscal Years

Function	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Fire										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Fire Hydrants	265	300	300	312	362	364	456	456	456	484
Streets										
Miles of Streets	35.31	35.31	35.31	35.81	35.81	35.81	35.81	37.31	37.31	37.74
Cultural and Recreational										
Parks Maintained	5	5	5	5	5	5	5	5	5	5
Water										
Water Storage Capacity (gallons)	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Sewer										
Sewer Plant Capacity (million gallons per day)	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20

Sources: Various city departments.

OTHER REPORT

DRAFT



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

To the Honorable Mayor and City Council
City of Kaufman, 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Kaufman, Texas, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Kaufman, Texas' basic financial statements, and have issued our report thereon dated March 19, 2021.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described below, that we consider to be a material weakness.

FINDING

Preparation of Financial Statements – We were requested to draft the audited financial statements and related footnote disclosures as part of our regular audit services. Auditing standards require auditors to communicate this situation to the Board as an internal control deficiency. Ultimately, it is management's responsibility to provide for the preparation of your statements and footnotes, and the responsibility of the auditor to determine the fairness of presentation of those statements. However, based on current auditing standards, it is our responsibility to inform you that this deficiency could result in a material misstatement to the financial statements that could have been prevented or detected by your management. Essentially, the auditors cannot be part of your internal control process.

From a practical standpoint, we prepare the statements and determine the fairness of the presentation at the same time in connection with our audit. This is not unusual for us to do with a governmental entity of your size.

The effectiveness of the internal control system relies on enforcement by management. The effect of deficiencies in internal controls can result in undetected errors. We have instructed management to review a draft of the auditor prepared financials in detail for accuracy and we have answered any questions that management might have. We are satisfied that the appropriate steps have been taken to provide you with the completed financial statements.

Under the circumstances, the most effective controls lie in management's knowledge of the Corporation's financial operations. It is the responsibility of management and those charged with governance to make the decisions whether to accept the degree of risk associated with this condition because of cost and other considerations. Regarding the specific situation listed above, we would offer the following specific recommendations: 1) Utilize a disclosure checklist to ensure all required disclosures are present and agree to work papers, and 2) Agree your accounting information to the amounts reported in the financial statements.

RESPONSE

Procedures will be implemented by the City to review the financial statements and related footnote disclosures and to agree the District's accounting information to the amounts reported in the financial statements and related footnote disclosures.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Kaufman, Texas' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

YWRD, P.C.
Certified Public Accountants

Waxahachie, TX
March 19, 2021



Meeting
Date: 3/22/2021

Date: 3/8/2021

Item #: 5.

Dept.: Development
Services

Action Item

SUBJECT:

Conduct a public hearing and consider and take appropriate action on Ordinance O-09-21, an ordinance of the City Council of the City of Kaufman, Texas amending Ordinance No. O-02-07 and Chapter 118, "Zoning" of the Kaufman Code of Ordinances and the Official Zoning Map of the City to authorize a Specific Use Permit 44 (SUP-44) to permit a detached garage with an accessory dwelling unit in conjunction with a single family residence on an approximate 0.51 acre tract of land (Property ID 25059) located at 304 Melody Circle, on Lot 9R, Harmony Estates, City of Kaufman, Kaufman County Texas; providing for rescission; providing a penalty for violation; and providing an effective date. (Case No Z-01-21)

BACKGROUND:

See the attached Planning and Zoning Commission report dated March 2, 2021.

Staff received one property owner response on 03-18-2021 from Tommy Pool at 301 Melody Circle in favor of the request. See the attachment.

Author:

Marcy Ratcliff, Development Services Director

Reviewed:

Mike Slye, City Manager

Cost: N/A

Funds Available: N/A

Source: N/A

Recommendation: The Planning and Zoning on March 2, 2021 recommended approval of Z-01-21, a specific use permit request for a detached garage with a second story accessory dwelling unit at 304 Melody Circle (PID 25059), Lot 9R, Harmony Estates, by a vote of 6 to 0.

Safe & Secure	Business Friendly/Economic Development	Partnership & Community Involvement	Healthy & Environmentally Cons. Comm.	Financial & OPS Stewardship
☒	☒	☒	☐	☐



Meeting Date: March 2, 2021

Consent: No

Discussion/Action: Yes

SUBJECT: Conduct a public hearing and make a recommendation to City Council on a request by Shane Appleby on a 0.51-acre lot located at 304 Melody Circle (PID# 25059), Lot 9R, Harmony Estates for a specific use permit to allow a detached garage with an accessory dwelling unit in conjunction with a single-family residence. (Case No. Z-01-21)

BACKGROUND/SUMMARY:

Mr. Shane Appleby, owner of 304 Melody Circle, requested a building permit in December 2019 to construct a 16-foot by 16-foot accessory storage building (256 SF) on a lot containing approximately 22,645 SF (0.51 acre). The property is zoned Single Family Residential-6 (SF-6) which requires a minimum lot size of 6,000 SF. A second floor was added to the storage building during construction without revising the permit. He assumed because the footprint of the building was not changing and no plumbing was being added that a revision to the permit was not necessary. The purpose for the second floor was for a small game room, a craft area, and a sleeping area for occasional guests.

During the construction, City staff requested the construction work stop after he completed installation of the roof and could then talk further with the Planning staff. It was explained to Mr. Appleby that only one-story accessory buildings are allowed. Further, the only two-story accessory building allowed in this zoning district is a detached garage with an accessory dwelling unit, but a specific use permit (SUP) would have to be approved by City Council first.

Mr. Appleby is now requesting a specific use permit to allow a detached garage with a second-floor accessory dwelling unit. Mr. Appleby proposes the following:

1. The first-floor storage building will be converted to a garage by adding a garage door on the left side of the building.
2. The existing interior stairs to the second floor will be removed.
3. A French door will be added on the right side of the building on the second floor to open out onto a new exterior pressure treated 16-foot by 18-foot deck (288 SF).
4. The deck and the dwelling unit area will be accessed by an exterior flight of stairs.

DETERMINATIONS NECESSARY FOR CONSIDERING SUP'S

Sec 30.2. – SPECIFIC USE PERMIT REGULATIONS:

A. In recommending that a Specific Use Permit for the premises under consideration be granted, the City shall determine that such uses are harmonious and adaptable to building structures

and uses of abutting property and other property in the vicinity of the premises under consideration, and shall make recommendations as to requirements for the paving of streets, alleys and sidewalks, means of ingress and egress to public streets, provisions for drainage, adequate off-street parking, screening, and open space, heights of structures, and compatibility of buildings. In approving a requested SUP, the Planning and Zoning Commission and City Council may consider any or all of the following:

1. The use is harmonious and compatible with surrounding existing uses or proposed uses;
 2. The activities requested by the applicant are normally associated with the permitted uses in the base district;
 3. The nature of the use is reasonable;
 4. Any negative impact on the surrounding area has been mitigated; and/or
 5. That any additional conditions specified to ensure that the intent of the district is being upheld.
- B. In granting a Specific Use Permit, the Planning and Zoning Commission and City Council may impose conditions which shall be complied with by the owner or grantee before a certificate of occupancy may be issued by the Building Official, or his designee, for use of the building on such property pursuant to such Specific Use Permit and such conditions precedent to the granting of the certificate of occupancy. Any special conditions shall be set forth in writing by the City Council prior to issuance of the Certificate of Occupancy, and shall be incorporated into the amending ordinance establishing the SUP.
- C. No Specific Use Permit shall be granted unless the applicant, owner, and grantee of the Specific Use Permit shall be willing to accept and agree to be bound by and comply with the written requirements or conditions of the Specific Use Permit, as incorporated into the amending ordinance establishing the SUP, and as reviewed by the Planning and Zoning Commission and approved by the City Council.

SURROUNDING ZONING AND EXISTING LAND USES:

Zoning Map

	Zoning	Existing Land Use
Left:	SF -6	Existing house
Right:	SF-6	Existing house
Rear:	A/O	Undeveloped
Front:	SF-6	Existing house.



COMPREHENSIVE PLAN:

Land Use Plan:

The 2009 Future Land Use Plan designated the land use of the subject property as a Future Residential – Medium Density. The existing SF-6 zoning complies with the 2014 Future Land Use Plan because of the minimum residential lot sizes allowed. Remember, future land use areas are generally located on a map and are not like specific zoning districts. Future land use plan maps are typically for planning at least 20 years out into the future.



Thoroughfare Plan:

Melody Circle is not a designated thoroughfare.

PROPERTY OWNER RESPONSES:

The City of Kaufman mailed out notification letters to 31 property owners within 300' of 304 Melody Circle. The results are as follows:

- Property owners returned letters in opposition to the request: 0.
- Property owners returned the letter in agreement with the request: 0.
- Property owners who have not responded: 31.

If 20% of the area within 200 feet of the request objects to the application, then a favorable vote of $\frac{3}{4}$ of all members of the City Council (which is 6 members) shall be required to approve any change in zoning. The 20% rule is a State law.

RECOMMENDATIONS:

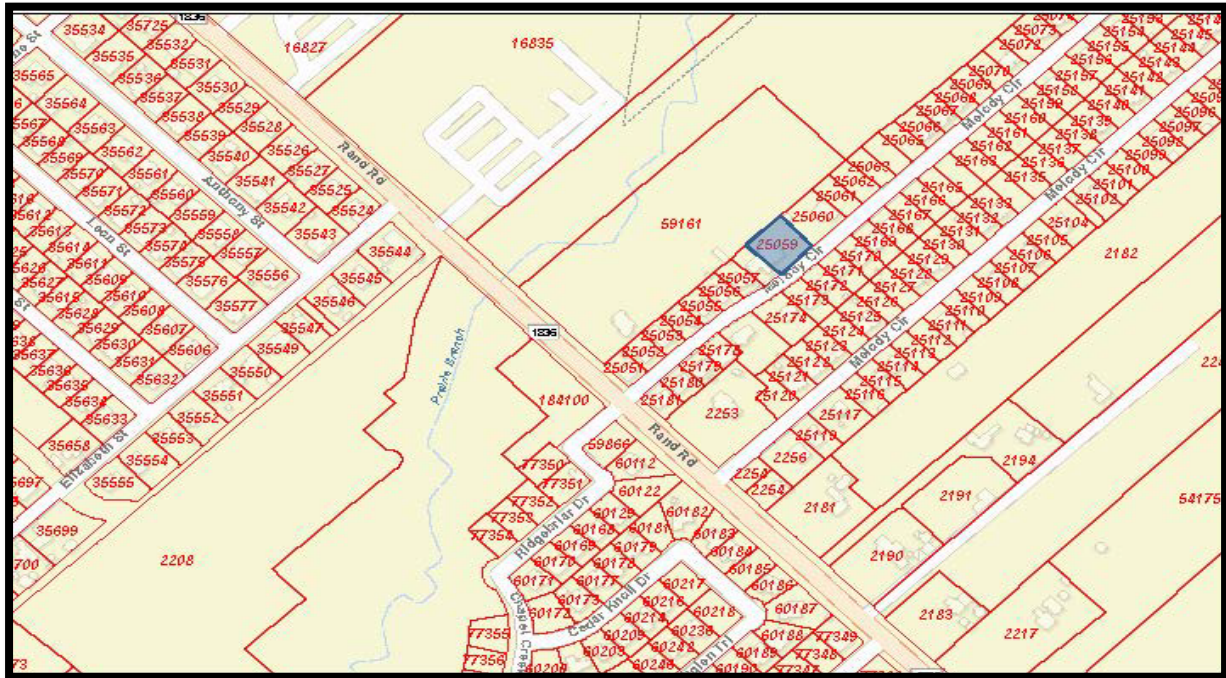
Staff recommends approval of Z-01-21, a request for a specific use permit to allow a two-story garage/accessory dwelling unit on an approximately 0.51-acre lot in a Single Family Residential -6 District (SF-6) at 304 Melody Circle since there are no adverse impacts to any adjacent properties.

ATTACHMENTS:

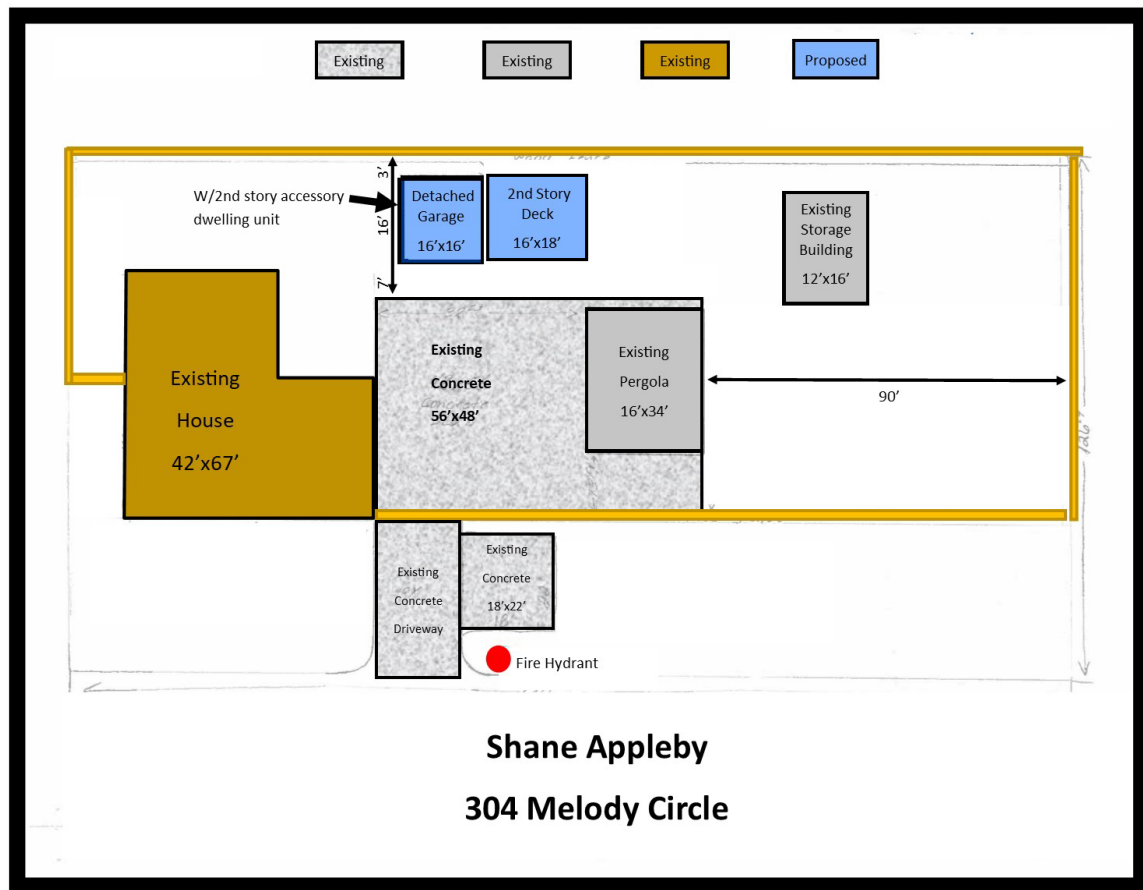
1. Location map
2. Site plan
3. Applicant's letter & proposed elevations
4. Pictures at time of discovery

Marcy Ratcliff
Development Services
972-932-2216 ext. 117
Kaufmanplanning@kaufmantx.org

Location Map



Site Plan



The home located at 304 Melody Circle is the home I grew up in. My Dad, Grandpa, and two uncles bought the home plus two extra lots when I was 12 years old. The property contains approximately 0.51 acres. I have lived at this address for over 37 years. The neighborhood is very nice and I have nothing but really great memories here. I have known my neighbors directly across the street from me the entire 37 years that I've been here and they are just like family to me. I plan on living at this address for the rest of my life and that's why I keep my property nice and clean.

In December 2019 I got a permit for a 16-foot x 16-foot accessory storage building. I didn't start construction until March 2020. During construction, I decided to add a second floor to the accessory storage building, which was unfortunately done without a permit. Since I was not increasing the footprint of the building or adding any plumbing, I did not think I needed a revised permit. During the construction, I was notified by City staff that only one-story accessory buildings were allowed. Also, the only two-story accessory structure allowed is a detached garage with an accessory dwelling unit. I was told to speak with the Planning Division, so I stopped working on the structure as requested. I am now requesting a specific use permit to turn the partially constructed accessory storage building into a detached accessory garage with a second floor accessory dwelling unit so that I may use it for the following three reasons.

1. A game room with a small pool table and a flat-screen TV
2. A craft room for my girlfriend to enjoy her hobby or making things
3. A guest area with a pull-out couch for friends and family to sleep on when they come to visit on the occasional weekends, holidays, and special get-togethers

I would like to run electrical to the structure for all the lights upstairs and the downstairs area and a mini-split heat/air-conditioning unit that uses 220 volts for the upstairs area. I am proposing to remove the existing interior stairs so the second floor will have an area of 16 feet by 16 feet to have room for the three uses listed above. I am proposing to add French doors on the right side of the structure that will open out onto a new exterior pressure treated deck (16 feet x 18 feet) with exterior stairs for access to the second floor. The deck will provide an area for exterior patio furniture to enjoy with family and friends. I intend to paint the accessory garage the same color as the main house and the existing accessory storage building so that everything matches. I put two dormers on the accessory storage building so it would match the five dormers on the house and the two dormers on the accessory storage building.

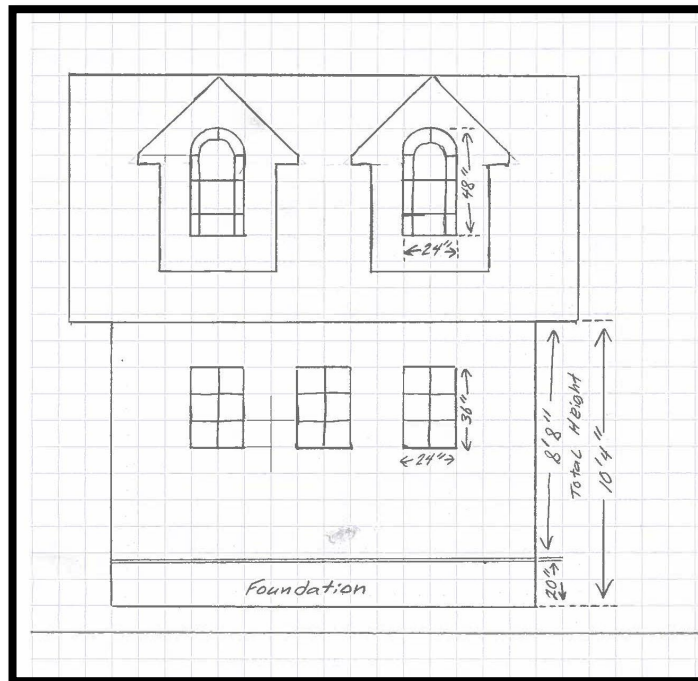
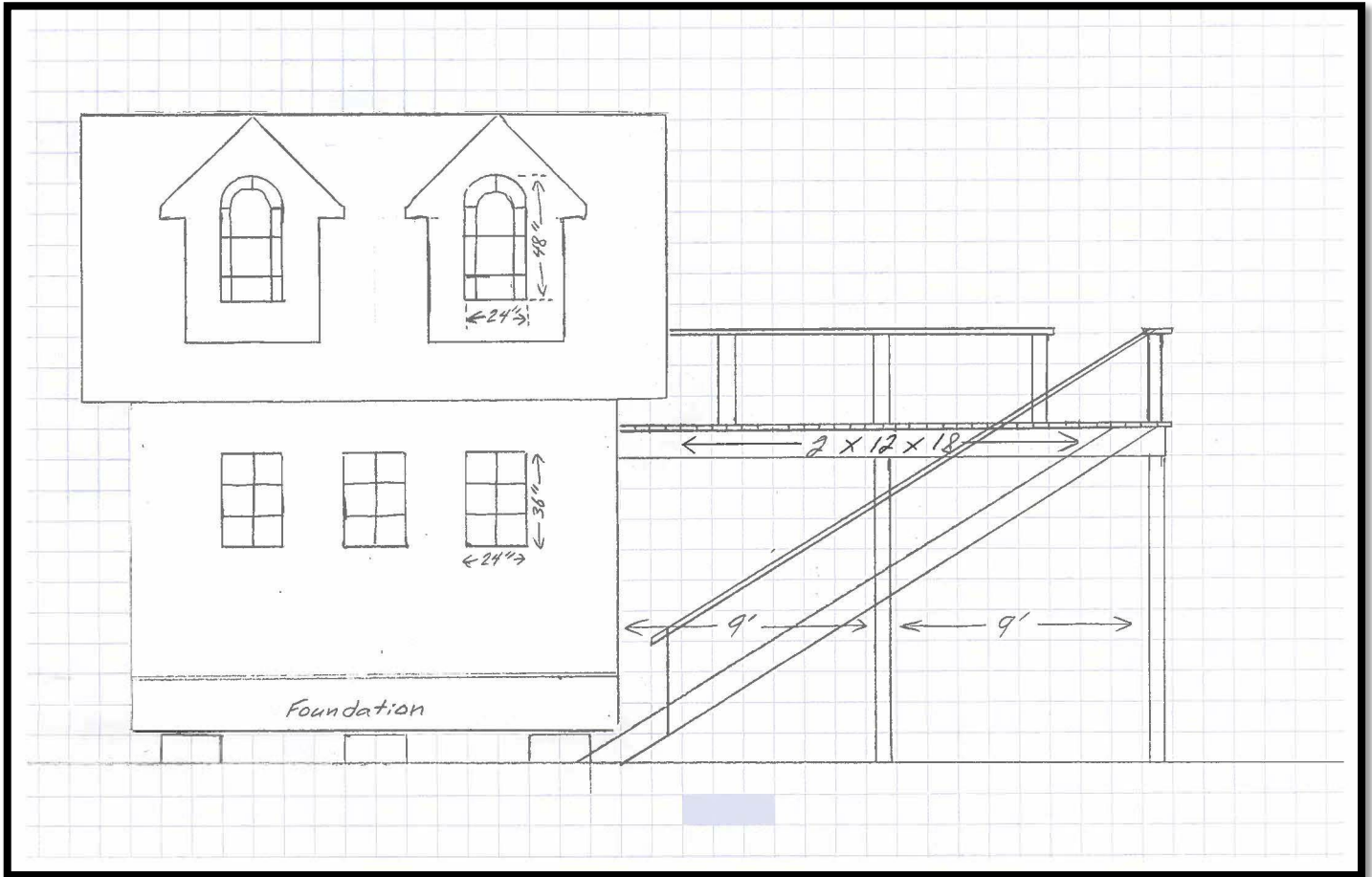
My goal is to make my home and property even nicer. I will not be renting the accessory dwelling unit and I understand I'm not allowed to do so. The proposed accessory garage with the upstairs accessory dwelling unit will only be for personal use. I appreciate your help and consideration for approval of the specific use permit for the detached garage with the second story accessory dwelling unit.

Sincerely,

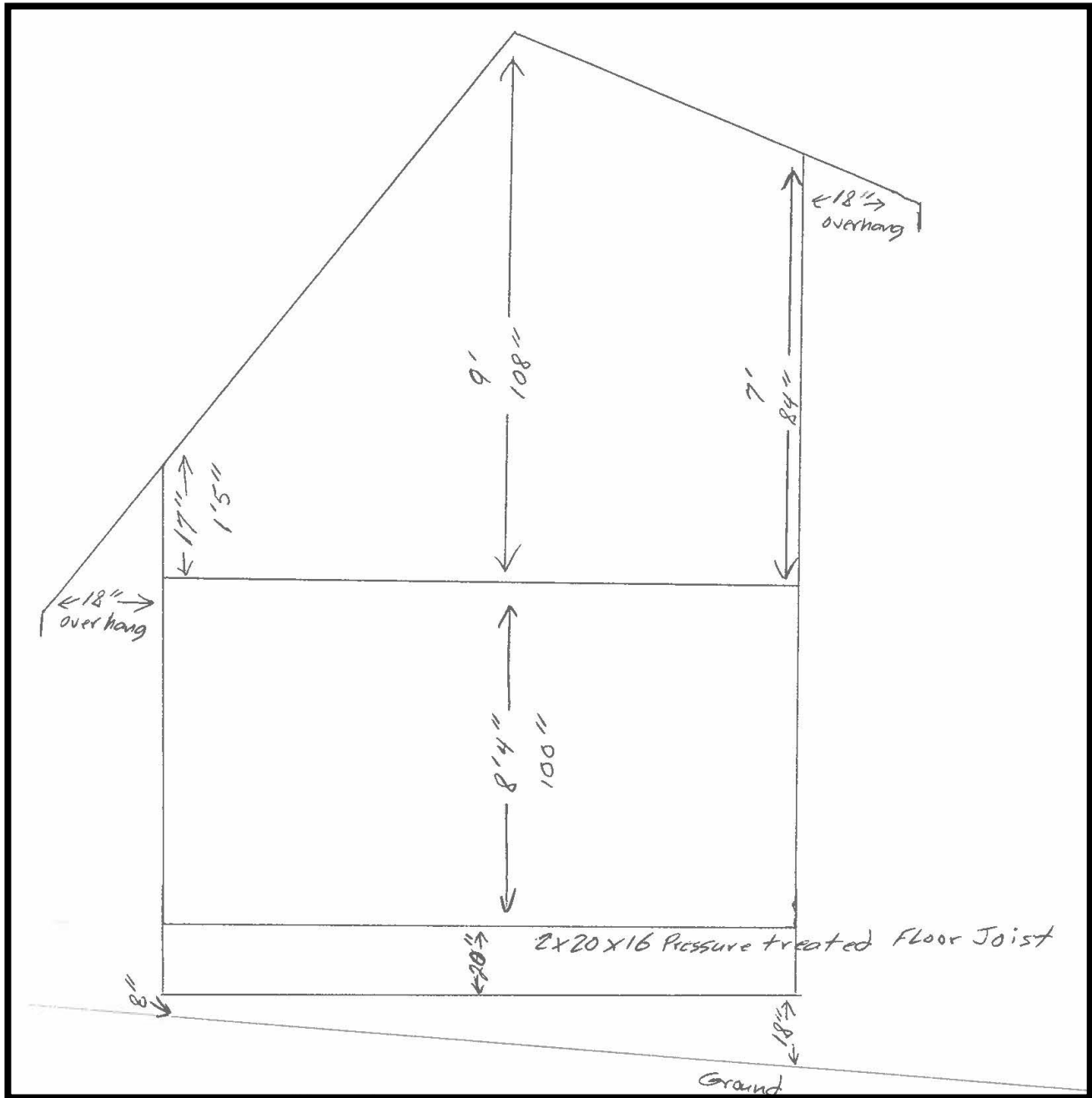


Shane Appleby
304 Melody Circle
Kaufman, TX 75142

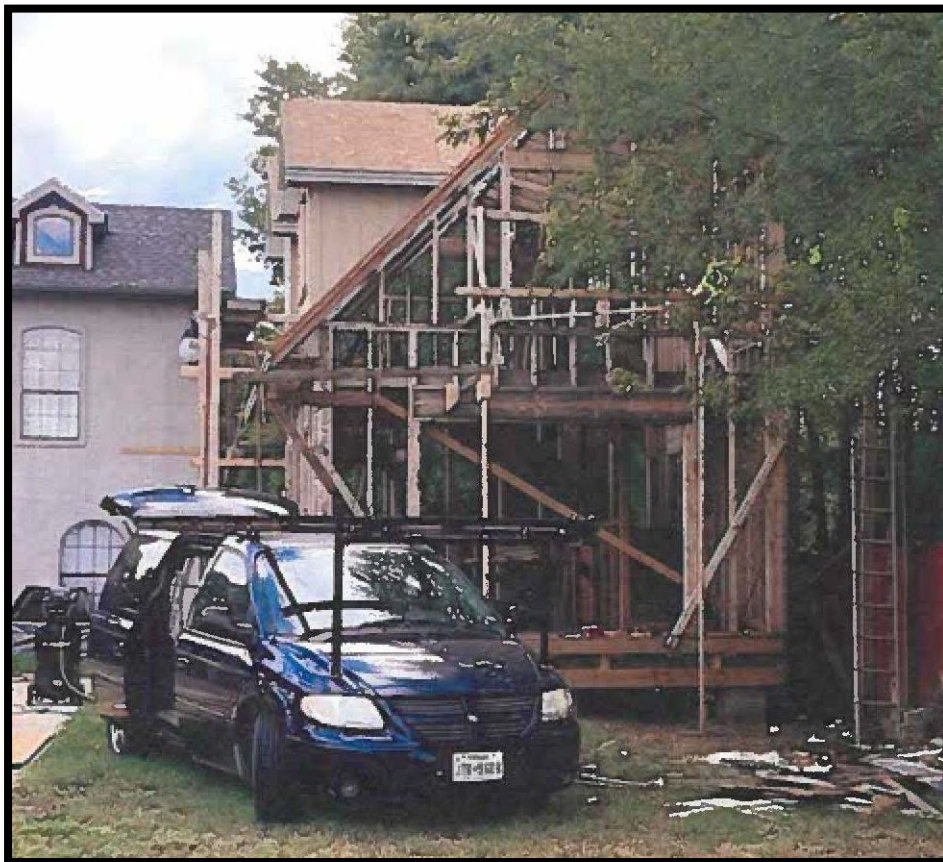
Proposed Front Elevation

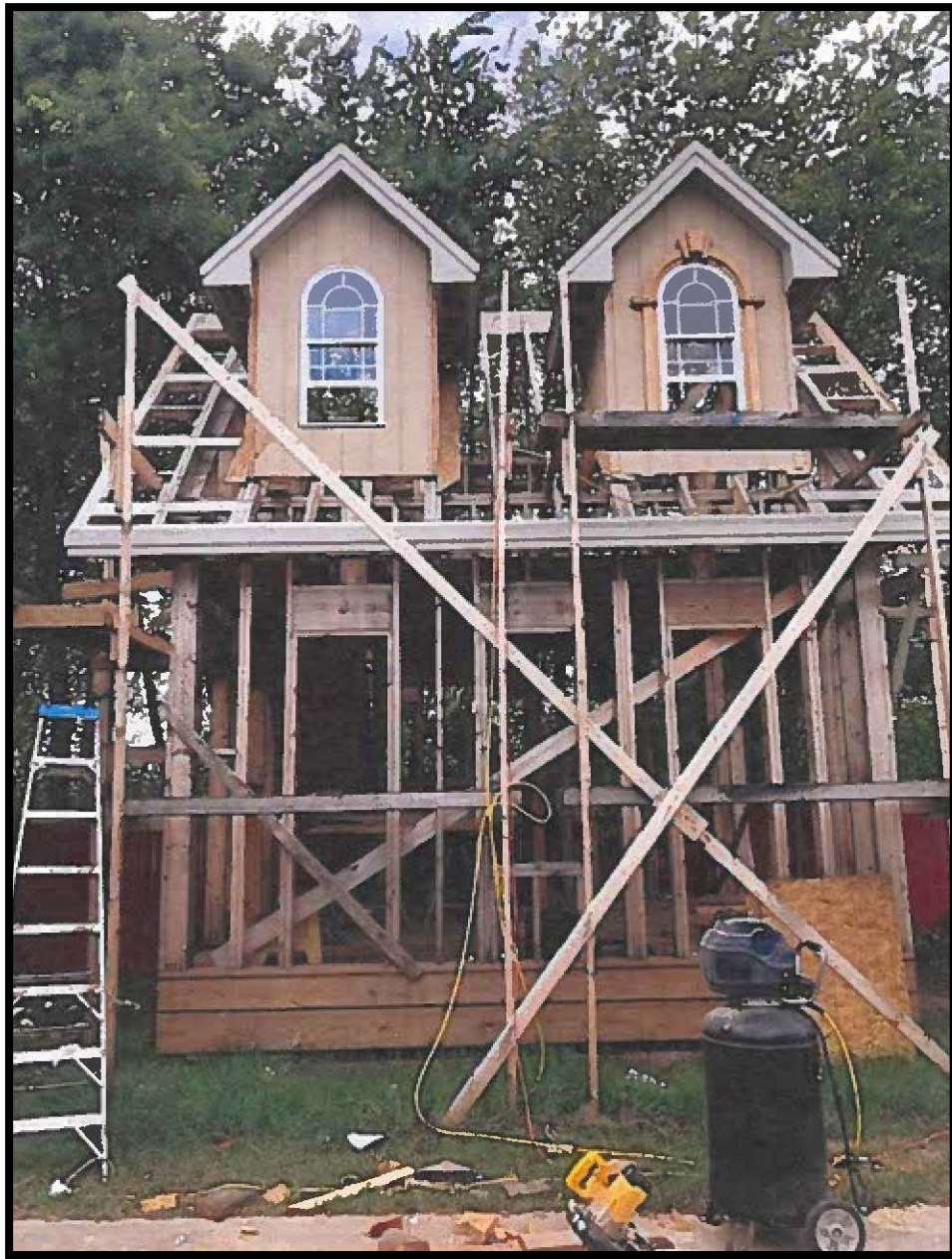


Proposed North Elevation



304 Melody Circle







Date: March 1, 2021

Name: Tommy Pool

Address: 301 Melody Cir.

City & State: Kanham TX
75142

Phone #: 626 354-1030

COMMENTS:

none

RE: Conduct a public hearing and make a recommendation to City Council on a request by Shane Appleby on a 1.56 acre lot located at 304 Melody Circle (PID# 25059), Lot 9R, Harmony Estates for a specific use permit to allow a detached garage with an accessory dwelling unit in conjunction with a single family residence. (Case No. Z-01-21)



I AM IN FAVOR



I OBJECT

Email Address:

none

Tommy C. Pool

NAME PRINTED

Tommy C. Pool

SIGNATURE

ORDINANCE NO. O-09-21

AN ORDINANCE OF THE CITY OF KAUFMAN, TEXAS, AMENDING ORDINANCE NO. 0-02-07 AND CHAPTER 118, "ZONING", OF THE CODE OF ORDINANCES OF THE CITY OF KAUFMAN, COLLECTIVELY, "THE COMPREHENSIVE ZONING ORDINANCE AND THE OFFICIAL ZONING MAP" OF THE CITY, APPROVING SPECIFIC USE PERMIT NO. FORTY-FIVE, ("SUP-44"), AND ITS SITE PLAN, TO PERMIT A DETACHED GARAGE WITH A SECOND FLOOR ACCESSORY DWELLING UNIT IN CONJUNCTION WITH A SINGLE FAMILY RESIDENCE, ON AN APPROXIMATE 0.51-ACRE TRACT OF LAND (PID 25059) ZONED SINGLE FAMILY RESIDENTIAL-6, "SF-6", SUCH PROPERTY BEING GENERALLY LOCATED AT 304 MELODY CIRCLE, ON LOT 9R, HARMONY ESTATES, IN THE CITY OF KAUFMAN, KAUFMAN COUNTY, TEXAS; PROVIDING FOR THE INCORPORATION OF PREMISES; PROVIDING AMENDMENTS AND ZONING MAP AMENDMENTS; PROVIDING ASSIGNABILITY AND EXPIRATION/RECISSION OF SUP-44; PROVIDING LAND USE REGULATIONS; PROVIDING A CUMULATIVE REPEALER CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING A PENALTY IN AN AMOUNT NOT TO EXCEED TWO THOUSAND DOLLARS (\$2,000.00) FOR EACH OFFENSE, AND A SEPARATE OFFENSE SHALL BE DEEMED COMMITTED UPON EACH DAY DURING OR ON WHICH A VIOLATION OCCURS OR CONTINUES; AND PROVIDING PUBLICATION AND AN EFFECTIVE DATE.

WHEREAS, after having given the requisite notices by publication and as otherwise required by law, at its regular meeting held on the 2nd day of March 2021, the Planning and Zoning Commission held a public hearing, afforded a full and fair opportunity to all property owners generally and to all persons interested in this regard, and thereafter considered and made a recommendation to City Council for approval of SUP-44, and its Site Plan, to allow a detached garage with a second-floor accessory dwelling unit in conjunction with a single-family residence, on an approximate 0.51-acre tract of land (PID 25059) zoned Single Family Residential -6 "SF-6", generally located at 304 Melody Circle, Lot 9R, Harmony Estates, City of Kaufman, Kaufman County, Texas, (the "Property"), (Case No. Z-01-21); and

WHEREAS, after having given the requisite notices by publication and as otherwise required by law, at its regular meeting held on the 22nd day of March, 2021, the City Council held a public hearing to consider approving SUP-44, and its Site Plan, to allow a detached garage with a second floor accessory dwelling unit in conjunction with a single family residence, and: (1) determined that all legal requirements of notice and hearings were met; (2) considered the recommendations of the Planning and Zoning Commission; (3) provided the public an opportunity to provide input; (4) considered public input; (5) considered the compatibility of the proposed SUP-44 zoning with surrounding properties and the goals and objectives of the Comprehensive Zoning Ordinance and Zoning Map of the City; and (6) determined that the proposed amendment to the Zoning Ordinance and Zoning Map of the City set forth herein below is consistent with the goals of land development as set forth in the Comprehensive Plan of the City, would allow orderly development of the Property which

would serve the best interest of the health safety, and general welfare of the public. (Case No. Z-01-21)

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KAUFMAN, TEXAS:

SECTION 1. INCORPORATION OF PREMISES. The above and foregoing premises are true and correct and are incorporated herein and made a part hereof for all purposes.

SECTION 2. AMENDMENT. That Ordinance No. 0-02-07 and Chapter 118, "Zoning", of the Code of Ordinances of the City of Kaufman, Texas, collectively, "The Comprehensive Zoning Ordinance and The Official Zoning Map" of the City, is hereby amended to reflect the change in zoning authorized by SUP-44 to allow a detached garage with a second-floor accessory dwelling unit in conjunction with a single-family residence, on an approximate 0.51-acre tract of land (PID 25059) zoned Single Family Residential-6 "SF-6", generally located at 304 Melody Circle, on Lot 9R, Harmony Estates, City of Kaufman, Kaufman County, Texas.

SECTION 3. ZONING MAP AMENDMENT. In addition, the Official Zoning Map of the City of Kaufman, Texas shall be amended and annotated to show the change in zoning status of the Property from Single Family Residential-6 to Single Family Residential -6 with Specific Use Permit -44 ("SUP-44"), thereon, and the updated map shall be on file with the office of the City Secretary.

SECTION 4. SITE PLAN. The Site Plan for SUP-44, attached hereto and incorporated as if set forth fully herein as **Exhibit "A"**, is hereby approved by the City Council. The approved Site Plan meeting the requirements of this section shall be adhered to in its entirety for the duration of the uses authorized by SUP-44.

SECTION 5. ASSIGNABILITY; TERMINATION/RECISSION. SUP-44 is non-transferrable. SUP-44 shall expire or terminate when the Planning and Zoning Commission and the City Council take proper zoning action to rescind the SUP, with appropriate publication notification and public hearing, pursuant to Section 30.1 of the City's Comprehensive Zoning Ordinance.

SECTION 6. LAND USE REGULATIONS. The regulations contained in the City's Comprehensive Zoning Ordinance, as amended, shall be adhered to except as shown on "**Exhibit A**". In the event of conflict between the provisions of "**Exhibit A**" and any other provisions contained in the Comprehensive Zoning Ordinance, the provisions of "**Exhibit A**" control.

SECTION 7. CUMULATIVE REPEALER. This Ordinance shall be cumulative of all other Ordinances and shall not repeal any of the provisions of such Ordinances except for those instances where there are direct conflicts with the provisions of this Ordinance. Ordinances or parts thereof in force at the time this Ordinance shall take effect and that are inconsistent with this Ordinance are hereby repealed to the extent that they are inconsistent with this Ordinance. Provided, however, that any complaint, action, claim, or lawsuit, which has been initiated or has arisen under or pursuant to such Ordinance on the date of adoption

of this Ordinance shall continue to be governed by the provisions of that Ordinance and for that purpose, the Ordinance shall remain in full force and effect.

SECTION 8. SEVERABILITY. If any section, subsection, clause, phrase, or provision of this Ordinance, or any application thereof to any person or circumstance, shall to any extent be held by a court of competent jurisdiction to be invalid, void or unconstitutional, the remaining sections, subsections, clauses, phrases and provisions of this Ordinance, or any application thereof to any person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

SECTION 9. SAVINGS. All rights and remedies of the City of Kaufman, Texas are expressly saved as to any and all violations of the provisions of any other ordinance affecting zoning for the Property which have secured at the time of the effective date of this Ordinance; and, as to such accrued violations and all pending litigation, both civil and criminal, whether pending in court or not, under such ordinances same shall not be affected by this Ordinance but may be prosecuted until final disposition by the court.

SECTION 10. PENALTY. Any person who violates any provision of this Ordinance, upon conviction, shall be deemed guilty of a misdemeanor and shall be fined a sum not to exceed two thousand dollars (\$2,000.00) for each offense, and a separate offense shall be deemed committed upon each day during or on which a violation occurs or continues.

SECTION 11. PUBLICATION AND EFFECTIVE DATE. This Ordinance shall become effective immediately upon its passage and publication as required by law and Charter.

PASSED AND ADOPTED this 22nd day of March 2021.

JEFF JORDAN
MAYOR

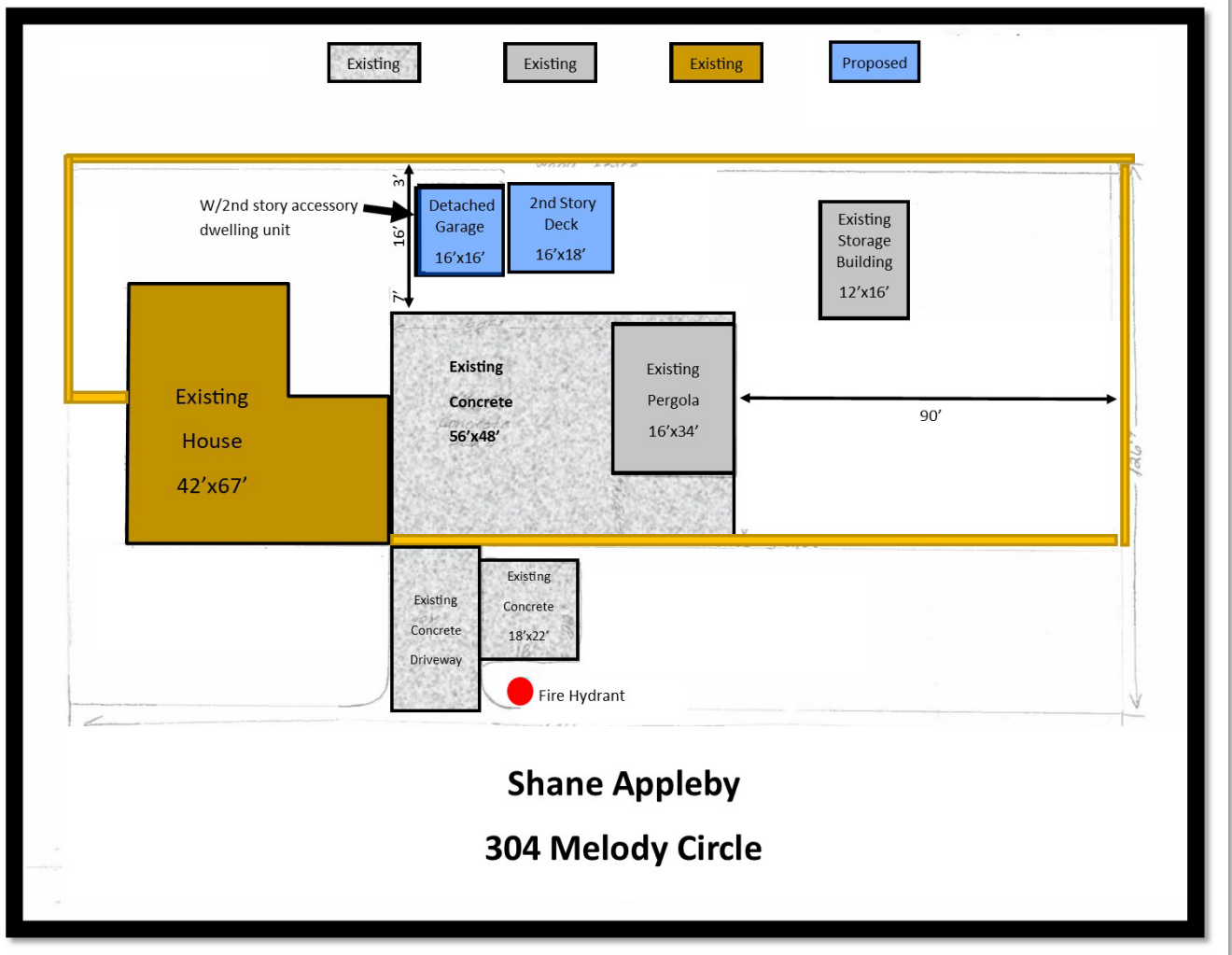
ATTEST:

JESSIE HANKS
CITY SECRETARY

APPROVED AS TO FORM:

PATRICIA A. ADAMS
CITY ATTORNEY

Exhibit A – Site Plan
304 Melody Circle – Lot 9R, Harmony Estates





Meeting
Date: 3/22/2021

Date: 3/10/2021

Item #: a.

Dept.: Development
Services

Presentation

SUBJECT:

Presentation.

BACKGROUND:

Author:

Reviewed:

Mike Slye, City Manager

Cost:

Funds Available:

Source:

Recommendation:

Safe & Secure	Business Friendly/Economic Development	Partnership & Community Involvement	Healthy & Environmentally Cons. Comm.	Financial & OPS Stewardship
☐	☐	☐	☐	☐



Meeting
Date: 3/22/2021

Date: 3/10/2021

Item #: 6.

Dept.: Development
Services

Ordinance

SUBJECT:

Conduct a public hearing and consider and take appropriate action on Ordinance O-10-21, an ordinance of the City Council of the City of Kaufman, Texas, annexing the hereinafter described property consisting of approximately 7.9 acres out of a 45 acre tract of land, located at 1900 East Highway 175 (being a portion of PID 56874), platted as Lot 1, Kaufman County Law Enforcement Center Addition, situated in the D. Falcon Survey, Abstract 151; into the City of Kaufman, Kaufman County, Texas and extending the boundary limits of said City so as to include the described property within the City limits; granting to all the inhabitants of the Property all the rights and privileges of other citizens and binding the inhabitants by all of the ordinances, resolutions, acts and regulations of the City; adopting a written services agreement; providing instructions for correcting the official map and boundaries of said City; and providing an effective date. (Case No. A-01-21)

BACKGROUND:

Kaufman County requested to annex approximately 7.9 acres of their 45 acre platted lot into the city limits. This annexation will tie into the annexation request A-02-21 submitted by the City of Kaufman and along with the two 2019 approved annexations located south southeast of the County's property to enable the future development of a Type B minor arterial thoroughfare. This annexation will enable the Kaufman County Law Enforcement and Justice Centers future access to the development of a future Type B minor arterial that will eventually provide a connection between the State Highway 34 Bypass and Fair Road.

Author:

Marcy Ratcliff, Development Services Director

Reviewed:

Mike Slye, City Manager

Cost: N/A

Funds Available: N/A

Source: N/A

Recommendation: Staff recommends approval of the Written Services Agreement and Ordinance O-10-21 for Case No. A-01-21, a petition requesting annexation by the landowner, Kaufman County for approximately 7.9 acres, located at 1900 East Highway 175 (being a portion of PID 56874).

Safe & Secure	Business Friendly/Economic Development	Partnership & Community Involvement	Healthy & Environmentally Cons. Comm.	Financial & OPS Stewardship
☒	☒	☒	☐	☐

ORDINANCE O-10-21

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KAUFMAN, TEXAS, ANNEXING THE HEREINAFTER DESCRIBED PROPERTY CONSISTING OF APPROXIMATELY 7.9 ACRES OUT OF A 45 ACRE TRACT OF LAND LOCATED AT 1900 EAST HIGHWAY 175 (BEING A PORTION OF PID 56874) INTO THE CITY OF KAUFMAN, KAUFMAN COUNTY, TEXAS, AND EXTENDING THE BOUNDARY LIMITS OF SAID CITY SO AS TO INCLUDE THE DESCRIBED PROPERTY WITHIN THE CITY LIMITS; GRANTING TO ALL THE INHABITANTS OF THE PROPERTY ALL THE RIGHTS AND PRIVILEGES OF OTHER CITIZENS AND BINDING THE INHABITANTS BY ALL OF THE ORDINANCES, RESOLUTIONS, ACTS AND REGULATIONS OF THE CITY; ADOPTING A MUNICIPAL SERVICES AGREEMENT; PROVIDING FOR THE INCORPORATION OF PREMISES; FINDING AND DETERMINING THAT ALL REQUIREMENTS FOR ANNEXATION INCLUDING PUBLIC HEARINGS, NOTICES AND OPEN MEETINGS HAVE BEEN MET ACCORDING TO LAW; PROVIDING INSTRUCTIONS FOR FILING THIS ORDINANCE AND FOR CORRECTING THE OFFICIAL MAP AND BOUNDARIES OF SAID CITY; PROVIDING SEVERABILITY AND CUMULATIVE CLAUSES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Kaufman, Texas, ("City"), is authorized, pursuant to Chapter 43 of the Texas Local Government Code, to annex property and extend the corporate limits of the City, subject to state law; and

WHEREAS, the City desires to annex the certain property described herein (the "Property") and described and depicted in Exhibits A-1 and A-2, attached hereto and incorporated as if set forth fully herein; and

WHEREAS, on February 22, 2021, the City Council passed Resolution No. R-08-21, which granted the petition of Kaufman County, as submitted by Hal Richards Kaufman County Judge, property owner of the described property, requesting annexation into the City of Kaufman (A-01-21), attached hereto and incorporated as if set forth fully herein as Exhibit B; and

WHEREAS, all of the Property described herein is contiguous to and within the exclusive extraterritorial jurisdiction of the City; and

WHEREAS, all required notices, all public hearings, and all requirements for such annexation have been provided, held, and met in accordance with applicable law; and

WHEREAS, in accordance with Chapter 43 of the Texas Local Government Code, a written services agreement for the area to be annexed was prepared and

made available to the public and is attached hereto and incorporated as if set forth fully herein as Exhibit C; and

WHEREAS, an offer of a development agreement pursuant to Section 43.016 and Section 212.172 of the Texas Local Government Code has been made and rejected; and

WHEREAS, the City Council of the City of Kaufman finds and determines that annexation of the property hereinafter described as requested by the property owner is in the best interests of the citizens of the City of Kaufman and the owners and residents of the area.

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KAUFMAN, TEXAS:

SECTION 1. Findings. It is hereby officially determined that the findings and recitations contained above in the preamble of this Ordinance are true and correct and are incorporated herein by reference.

SECTION 2. Annexation. That the following described property, to wit:

Being a 7.9-acre portion of Kaufman CAD Property ID 56874, located at 1900 East Highway 175 and being platted as Lot 1, Kaufman County Law Enforcement Center Addition, situated in the D. Falcon Survey, Abstract No. 151, Kaufman County, Texas, such tract being more particularly described in Exhibits A-1 and A-2, each of which are attached to this Ordinance

be and the same is hereby annexed into the City of Kaufman, Kaufman County, Texas, and that the boundary limits of the City of Kaufman, Texas, be and the same are hereby extended to include the above-described property within the city limits of the City of Kaufman, and that same shall hereafter be included within the territorial limits of said City and said land and the inhabitants thereof shall be hereafter entitled to all rights and privileges of all other citizens of the City of Kaufman, Texas, and shall be bound by the ordinances, resolutions, acts, and regulations of the City, including bearing their pro-rata share of the taxes levied by the City.

SECTION 3. Written Services Agreement. A Written Services Agreement and Municipal Service Plan prepared in accordance with the applicable provision of state law pertaining to annexation is attached hereto as Exhibit C and is hereby incorporated herein by reference and adopted as part of this Ordinance and the same shall govern the delivery of municipal services to the annexed property.

SECTION 4. Official Map. The official map and boundaries of the City, previously adopted, are amended to include the Property as part of the City of Kaufman. The City Secretary is directed and authorized to perform or cause to be performed all acts necessary to correct the official map of the City to add the annexed Property as required by applicable law.

SECTION 5. City Manager Authorization. The City Manager is hereby directed and authorized to perform or cause to be performed all acts necessary to effectuate this Ordinance, including any corrections to the official map of the City to add the property hereby annexed as required by law.

SECTION 6. Severability Clause. It is hereby declared by the City Council of the City of Kaufman that if any of the sections, paragraphs, sentences, clauses, phrases, words, or provisions of this Ordinance should be declared unconstitutional or otherwise invalid for any reason, such event shall not affect any remaining sections, paragraphs, sentences, clauses, phrases, words, or provisions of this Ordinance.

SECTION 7. Cumulative Clause. This Ordinance shall be cumulative of all provisions of ordinances of the City of Kaufman except where the provisions of this Ordinance are in direct conflict with the provisions of such ordinances, in which event the conflicting provisions of such ordinances are hereby repealed.

SECTION 8. Public Meeting. It is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public as required by law.

SECTION 9. Filing Instructions. The City Secretary is hereby directed to file a certified copy of this Ordinance with the County Clerk of Kaufman County, Texas, and with other appropriate officials and agencies as required by state and federal law.

SECTION 10. Effective Date. This Ordinance shall be in full force and effect immediately upon its passage and approval by the City Council of the City of Kaufman, Texas.

PASSED AND APPROVED this 22nd day of March 2021.

JEFF JORDAN
MAYOR

ATTEST:

JESSIE HANKS
CITY SECRETARY

APPROVED AS TO FORM:

PATRICIA A. ADAMS
CITY ATTORNEY

**Exhibit A-1
Legal Description**

PART OF THE
D. FALCON SURVEY, ABSTRACT NO. 151
KAUFMAN COUNTY, TEXAS

All that certain lot, tract or parcel of land, part of the D. Falcon Survey, Abstract No. 151, Kaufman County, Texas, part of that certain called 45.000 acre tract conveyed to Kaufman County, Texas, recorded in Vol. 1945 page 299 of the Deed Records of Kaufman County, Texas and being more completely described as follows, to-wit:

BEGINNING at a point at the South corner of the above mentioned 45.000 acre tract and being in the Northwest line of the Kaufman Economic Development Corporation 42.68 acre tract, recorded in Vol. 3744 page 182 of the Deed Records of Kaufman County, Texas.

THENCE, in a Northerly direction with the West line of said 45.000 acre tract, a distance of 1282.20 ft. more or less to a point at the intersection of same with the existing Southwest city limits line of Kaufman Texas.

THENCE, in a Southeasterly direction with said city limits line, a distance of 1014.11 ft. more or less to a point at the P.C. of a curve to the right.

THENCE, continuing in a Southeasterly direction with said city limits line and with said curve to right, a distance of 53.97 ft. more or less to a point at the intersection of same with the Southeast line of the above mentioned 45.000 acre tract and being in the Northwest line of the above mentioned 42.68 acre tract.

THENCE, in a Southwesterly direction with the Southeast line of said 45.000 acre tract and with the Northwest line of said 42.68 acre tract, a distance of 642.29 ft. more or less to the point of beginning, containing 7.9 more or less acres of land.

I, Greg Sjerven, Registered Professional Land Surveyor No. 5244, do hereby certify that the above field notes and companion plat were prepared from the Deed Records of Kaufman County, Texas and in no way should be construed as based on an on the ground survey.

GIVEN UNDER MY HAND AND SEAL this the 1st day of June, 2020.



REGISTERED PROFESSIONAL LAND SURVEYOR NO. 5244
city.wv2



Exhibit A-2 Depiction

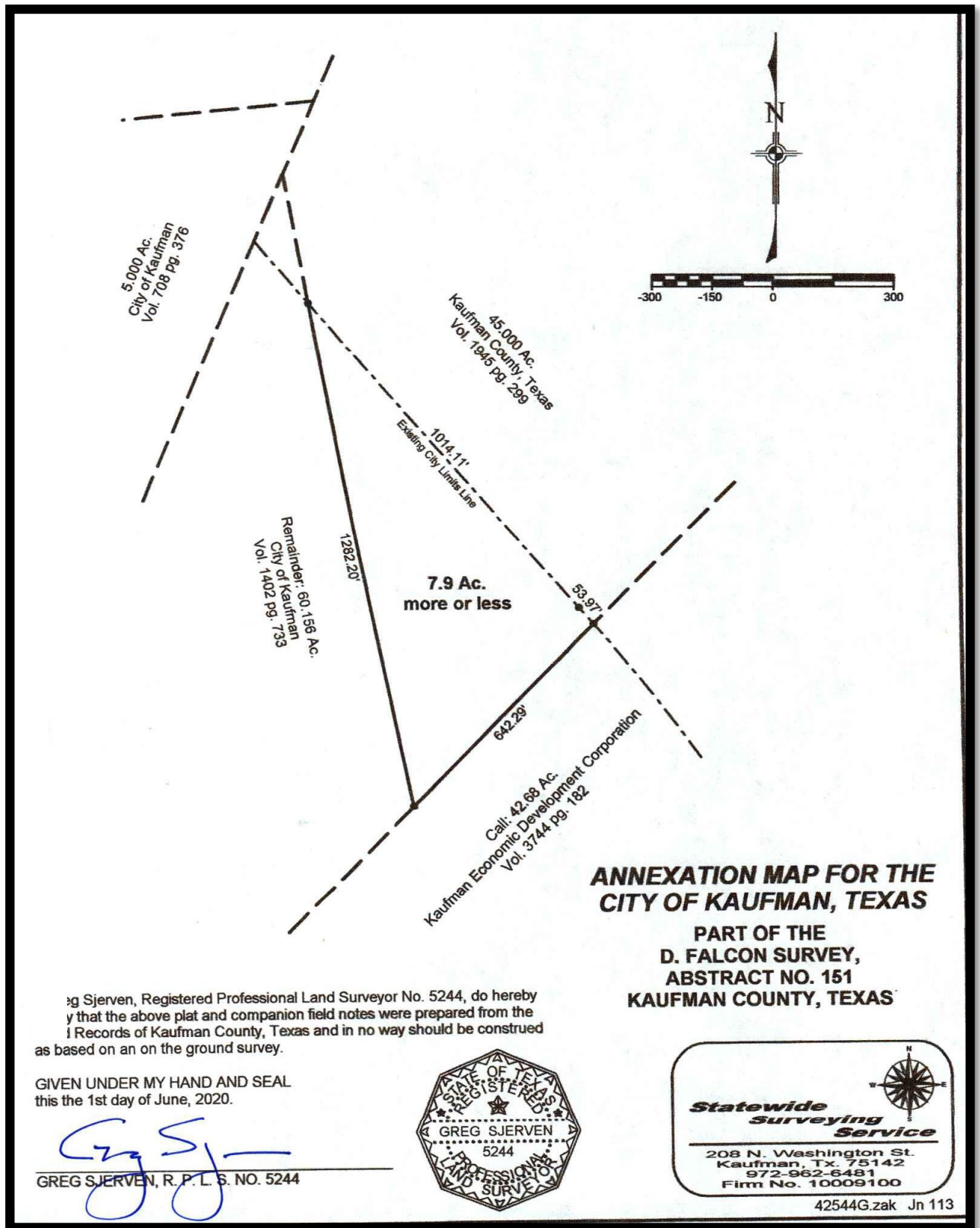


Exhibit B
Kaufman County Annexation Petition

Case Number: A- A-01-21



VOLUNTARY ANNEXATION APPLICATION

1. **Site Location:**
General Street Location: Highway 175 PID: 56874
Street Address: 1900 Hwy 175 Kaufman, TX 75142
Lot, Block, & Subdivision Name: N/A
2. **Applicant:**
Name: Hal Richards County Judge
Address: 100 W. Mulberry St.
City/State: Kaufman, TX Zip: 75142
Office #: County Judge Cell #: 469-376-4139 Fax #: N/A
Email Address: judgerichards@kaufmancounty.net
3. **Property Owner:**
Name: Hal Richards County Judge
Address: 100 W. Mulberry St.
City/State: Kaufman, TX Zip: 75142
Office #: County Judge Cell #: 469-376-4139 Fax #: N/A
Email Address: judgerichards@kaufmancounty.net
4. **Attach Exhibit:** Metes and bounds, a boundry map, and location map of the subject property.

I UNDERSTAND THAT IT IS NECESSARY FOR ME OR MY AGENT TO BE PRESENT AT THE CITY COUNCIL MEETING.

I hereby authorize the undersigned applicant to act as my agent for the representation and/or presentation of the request.

209 SOUTH WASHINGTON • PO Box 1168 • KAUFMAN, TEXAS 75142 • (972) 932-2216 • FAX (972) 932-6288
g:\development services\email & forms\originals for inhouse use only\annexation application & guidelines.docx Updated: 3/26/2019

Exhibit B
Kaufman County Annexation Petition

The undersigned owners of the hereinafter described tract of land which is vacant and without residents, or on which less than three (3) qualified voters reside, hereby petition your honorable body to extend the present municipal limits so as to include and annex as part of the City of Kaufman, Texas, the property described by metes and bounds on the attached Exhibit "A", which is incorporated herein for all purposes. We certify that this Petition is signed and acknowledged by each and every corporation and person owning said land or having an interest in any part thereof.

Applicant Name (print or type): Hal Richards, Kaufman County Judge

Applicant signature: Hal Richards

Owner Name (print or type): _____

Owner signature: _____

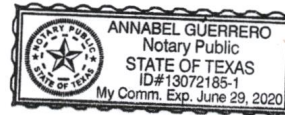
BEFORE ME, the undersigned, a Notary Public in and for said State of Texas, on this day personally appeared Hal Richard, Kaufman County Judge, known to me to be the person whose name are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 26th day of May, 2020.

Annabel Guerrero

Notary Public

My Commission expires: June 29, 2020



Date Received _____ Date Paid _____ Receipt Number _____

209 SOUTH WASHINGTON • PO Box 1168 • KAUFMAN, TEXAS 75142 • (972) 932-2216 • FAX (972) 932-6288
g:\development services\email & forms\originals for inhouse use only\annexation application & guidelines.docx Updated: 3/26/2019

Exhibit C
Written Services Agreement and Municipal Service Plan
A-01-21

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

STATE OF TEXAS §
 §
COUNTY OF KAUFMAN §

CHAPTER 43 TEXAS LOCAL GOVERNMENT CODE
MUNICIPAL SERVICES AGREEMENT

This Municipal Services Agreement ("Agreement") is entered into pursuant to Section 43.0672 of the Texas Local Government Code by and between the City of Kaufman, Texas (the "City") and the undersigned property owner(s) (the "Owner"). The term "Owner" includes all owners of the Property. City and Owner may be referred individually as a "Party" and collectively referred to as the "Parties."

WHEREAS, the Owner owns a parcel of real property (the "Property") in Kaufman County, Texas, generally located at 1900 East Highway 175 (being a portion of PID 56874) and platted as Lot 1, Kaufman County Law Enforcement Center Addition and more particularly described on **Exhibit A** attached hereto; and

WHEREAS, the Parties desire to enter into this Agreement pursuant to Section 43.0672 of the Texas Local Government Code in order to address the provision of municipal services to be offered to the Property on the date of annexation, and a schedule that includes the period within which the City will provide any municipal service that is not provided on the effective date of annexation, as shown in **Exhibit B** attached hereto; and

WHEREAS, the Owner and the City acknowledge that this Agreement is binding upon the City and the Owner and their respective successors and assigns for the term (defined below) of this Agreement; and

WHEREAS, this Agreement is to be recorded in the Real Property Records of Kaufman County.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Parties hereto agree as follows:

Section 1. The City acknowledges and agrees that it shall provide the municipal services listed in **Exhibit B** to the Property pursuant to Chapter 43 of Texas Local Government Code upon annexation of the Property.

Exhibit C
Written Services Agreement and Municipal Service Plan
A-01-21

Section 2. The Owner acknowledges that each and every owner of the Property must sign this Agreement in order for the Agreement to take full effect, and **the Owner who signs this Agreement covenants and agrees, jointly and severably, to indemnify, hold harmless, and defend the City against any and all legal claims, by any person claiming an ownership interest in the Property who has not signed the Agreement,** arising in any way from the City's reliance on this Agreement.

Section 3. The Owner agrees and stipulates that such annexation of the Property is voluntary, and the Owner has submitted a petition for such annexation to the City. Furthermore, the Owner hereby waives any and all vested rights and claims that they may have under Section 43.002(a)(2) and Chapter 245 of the Texas Local Government Code that would otherwise exist by virtue of any actions Owner has taken. Owner acknowledges and stipulates that this Agreement is not a permit, as defined in Texas Local Government Code, Section 245.001(1), required by the City.

Section 4. The Parties acknowledge and agree that nothing in this Agreement shall require the City to provide a uniform level of full municipal services to each area of the City, including the annexed Property, if different characteristics of topography, land use, and population density are considered a sufficient basis for providing different levels of municipal service. Furthermore, the Parties acknowledge and agree that this Agreement will not provide any fewer services, and it will not provide a lower level of services, than were in existence in the annexed area at the time immediately preceding the annexation process.

Section 5. The Owner acknowledges that the City's codes, ordinances, regulations, and policies ("Regulations") that apply throughout the City, including the Property, may be reviewed at City Hall and at <https://z2.franklinlegal.net/franklin/Z2Browser2.html?showset=kaufmanset> and shall apply to all such regulations in the development of the Property.

Section 6. This Agreement shall be valid for a term of ten (10) years. Renewal of the Agreement shall be at the discretion of the City Council and must be approved by ordinance. The Owner agrees that this Agreement may be amended without the written consent or knowledge of the Owner if the City Council determines at a public hearing that changed conditions or subsequent occurrences make this Agreement unworkable or obsolete. Furthermore, the Owner acknowledges and agrees that the City Council may amend the services provided under this Agreement without the written consent of the Owner in order to conform to the changed conditions, subsequent occurrences, or any other legally sufficient circumstances existing pursuant to the Local Government Code or other Texas or Federal laws that make this Agreement unworkable, obsolete or unlawful.

Section 7. Any notice provided or permitted to be given under this Agreement must be in writing and may be served by depositing same in the United States mail, addressed to the Party to be notified, postage pre-paid and registered or certified

Exhibit C
Written Services Agreement and Municipal Service Plan
A-01-21

with return receipt requested, or by delivering the same in person to such Party via facsimile or a hand-delivery service, Federal Express or any courier service that provides a return receipt showing the date of actual delivery of same to the addressee thereof. Notice given in accordance herewith shall be effective upon receipt at the address of the addressee. For purposes of notice, the addresses of the Parties shall be as follows:

To City:
City of Kaufman
Attn: Marcy Ratcliff
209 S Washington St.
Kaufman, TX 75142

With Copy to:

Messer, Fort & McDonald PLLC
Attn: Patricia Adams
6371 Preston Road, Suite 200
Frisco, Texas 75034

To Owner:

Kaufman County Texas
Attn: County Judge Hal Richards
100 West Mulberry Street
Kaufman, Texas 75142

Section 8. A certified copy of this Agreement shall be recorded in the real property records of Kaufman County, Texas, and this Agreement shall constitute a covenant that runs with the Property.

Section 9. If a court of competent jurisdiction determines that any covenant of this Agreement is void or unenforceable, including the covenants regarding involuntary annexation, then the remainder of this Agreement shall remain in full force and effect.

Section 10. This Agreement may be enforced by any Owner or the City by any proceeding at law or in equity. Failure to do so shall not be deemed a waiver to enforce the provisions of this Agreement thereafter. Notwithstanding the preceding terms of this section, the City does not waive immunity from suit or liability. Owner acknowledges and agrees that the only recourse against the City for breach or default of the Agreement is disannexation for failure to provide services pursuant to Chapter 43 of the Texas Local Government Code.

Section 11. Owner and City acknowledge and expressly agree that no subsequent change in the law regarding annexation shall affect the enforceability of this

Exhibit C
Written Services Agreement and Municipal Service Plan
A-01-21

Agreement or the City's ability to annex the properties covered herein pursuant to the terms of this Agreement.

Section 12. The validity of this Agreement and any of its terms and provisions, as well as the rights and duties of the Parties, shall be governed by the laws of the State of Texas; and venue for any action concerning this Agreement shall be only in Kaufman County, Texas.

Section 13. This Agreement may be separately executed in individual counterparts and, upon execution, shall constitute one and the same instrument.

Section 14. This Agreement shall survive its termination to the extent necessary for the implementation of the provisions of Sections 2, 3, 4, and 10 herein.

Section 15. This Agreement embodies the complete agreement of the Parties hereto, superseding all oral or written, previous and contemporary agreements between the Parties and relating to the matters in this Agreement and except as otherwise provided herein, cannot be modified without the written agreement of the Parties to be attached to and made a part of this Agreement.

Section 16. The determinations recited and declared in the preambles to this Agreement are hereby incorporated herein as part of this Agreement.

Section 17. All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

Entered into this ____ day of _____ 2021.

SIGNATURES ON FOLLOWING PAGE(S)

Exhibit C
Written Services Agreement and Municipal Service Plan
A-01-21

CITY OF KAUFMAN TEXAS

By: _____
Name: Michael T. Slye
Title: City Manager
Date: _____

THE STATE OF TEXAS §
 §
COUNTY OF KAUFMAN §

This instrument was acknowledged before me on _____, 2021, by Michael T. Slye, City Manager of the City of Kaufman, Texas on behalf of said City.

Notary Public in and for the State of TEXAS

KAUFMAN COUNTY TEXAS

By: _____
Name: Hal Richards
Title: Kaufman County Judge
Date: _____

THE STATE OF TEXAS §
 §
COUNTY OF KAUFMAN §

This instrument was acknowledged before me on _____, 2021, by Hal Richards, County Judge of Kaufman County Texas, owner of said Property.

Notary Public in and for the State of TEXAS

Exhibit C
Written Services Agreement and Municipal Service Plan
A-01-21

EXHIBIT "A"
Property Description and Depiction

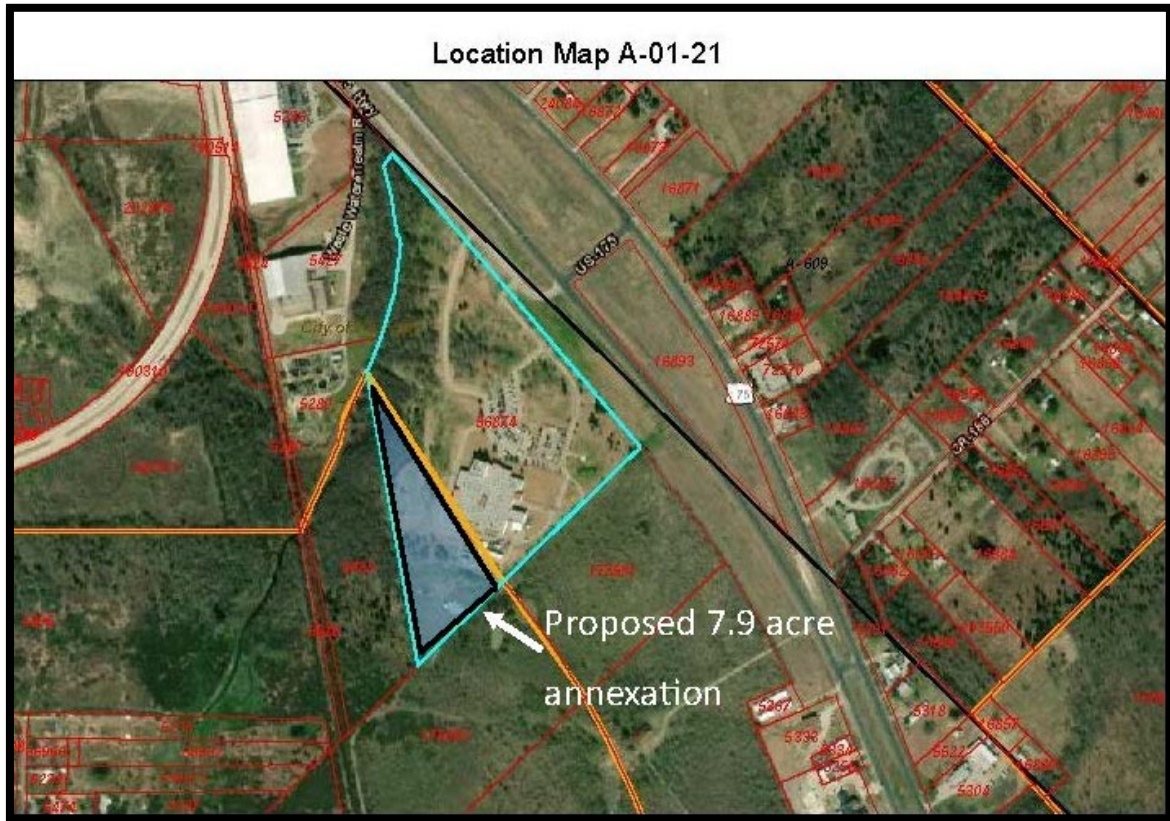


Exhibit C
Written Services Agreement and Municipal Service Plan
A-01-21

EXHIBIT "A"
Property Description and Depiction

PART OF THE
D. FALCON SURVEY, ABSTRACT NO. 151
KAUFMAN COUNTY, TEXAS

All that certain lot, tract or parcel of land, part of the D. Falcon Survey, Abstract No. 151, Kaufman County, Texas, part of that certain called 45.000 acre tract conveyed to Kaufman County, Texas, recorded in Vol. 1945 page 299 of the Deed Records of Kaufman County, Texas and being more completely described as follows, to-wit:

BEGINNING at a point at the South corner of the above mentioned 45.000 acre tract and being in the Northwest line of the Kaufman Economic Development Corporation 42.68 acre tract, recorded in Vol. 3744 page 182 of the Deed Records of Kaufman County, Texas.

THENCE, in a Northerly direction with the West line of said 45.000 acre tract, a distance of 1282.20 ft. more or less to a point at the intersection of same with the existing Southwest city limits line of Kaufman Texas.

THENCE, in a Southeasterly direction with said city limits line, a distance of 1014.11 ft. more or less to a point at the P.C. of a curve to the right.

THENCE, continuing in a Southeasterly direction with said city limits line and with said curve to right, a distance of 53.97 ft. more or less to a point at the intersection of same with the Southeast line of the above mentioned 45.000 acre tract and being in the Northwest line of the above mentioned 42.68 acre tract.

THENCE, in a Southwesterly direction with the Southeast line of said 45.000 acre tract and with the Northwest line of said 42.68 acre tract, a distance of 642.29 ft. more or less to the point of beginning, containing 7.9 more or less acres of land.

I, Greg Sjerven, Registered Professional Land Surveyor No. 5244, do hereby certify that the above field notes and companion plat were prepared from the Deed Records of Kaufman County, Texas and in no way should be construed as based on an on the ground survey.

GIVEN UNDER MY HAND AND SEAL this the 1st day of June, 2020.


REGISTERED PROFESSIONAL LAND SURVEYOR NO. 5244
city.wp2



Exhibit C
Written Services Agreement and Municipal Service Plan
A-01-21

EXHIBIT "A"
Property Description and Depiction

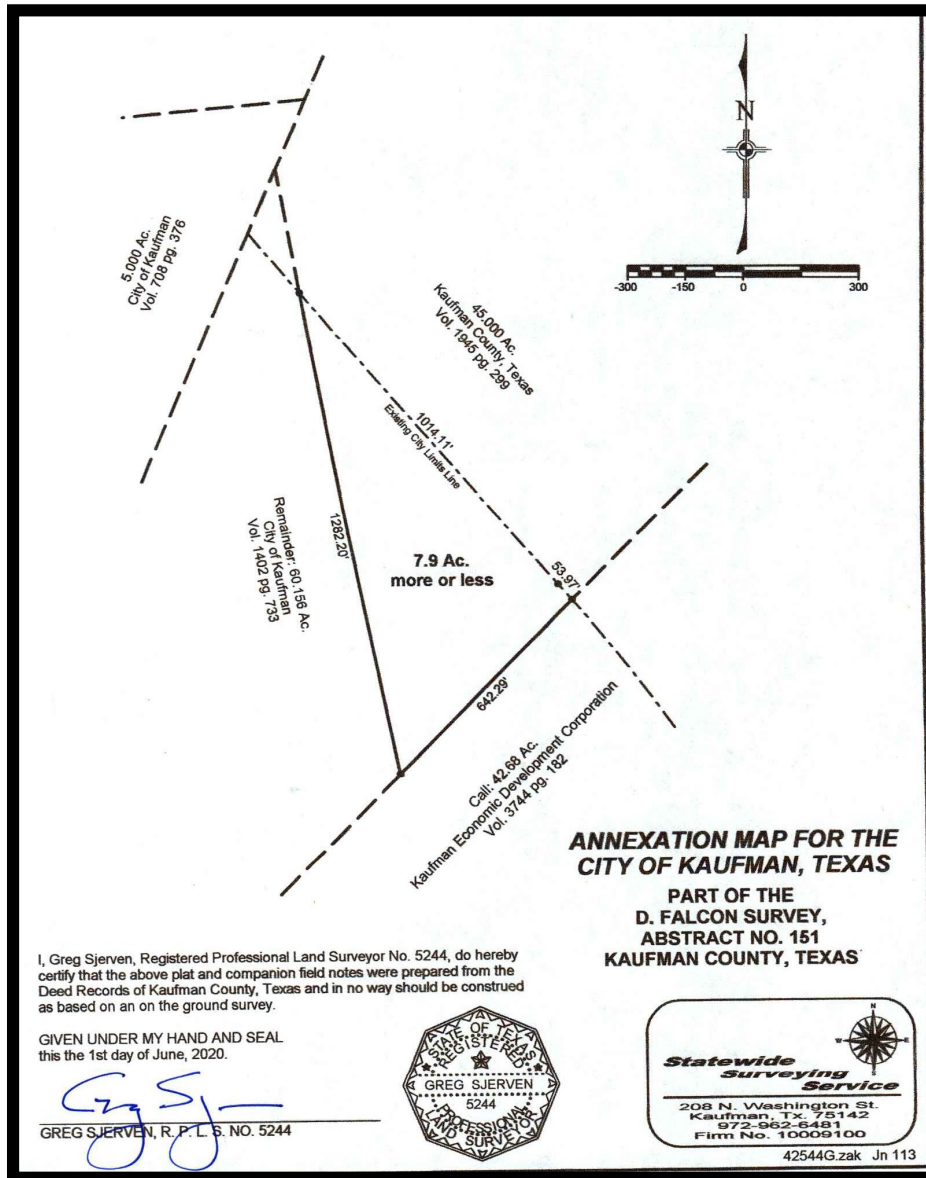


Exhibit C
Written Services Agreement and Municipal Service Plan
A-01-21

EXHIBIT “B”
Municipal Service Plan

A) SERVICE PLAN GENERALLY

- 1) This service plan has been prepared in accordance with the Texas Local Government Code (“LGC”), Section 43.0672. Municipal facilities and services to the annexed area will be provided or made available on behalf of the City of Kaufman (the “City”) in accordance with the following plan. Unless, otherwise indicated, the City will provide the following services to the annexed property within two and one-half years unless certain services cannot be reasonably provided within that time and the City proposes a schedule to provide services within four and one-half years. The City shall provide the annexed tract the levels of service, infrastructure, and infrastructure maintenance that are comparable to the levels of service, infrastructure, and infrastructure maintenance available in other parts of the City with similar topography, land use, and population density.
- 2) For purposes of this service plan, to “provide” services includes having services provided by any method or means by which the City provides municipal services to any other areas of the City, and may include causing or allowing private utilities, governmental entities, and other public service organizations to provide such services by contract or right, in whole or in part, and may include duties on part of the private landowner with regard to such services.

B) EMERGENCY SERVICES

- 1) Police Protection
 - a) Police protection from the City of Kaufman Police Department shall be immediately provided to the annexed area at a level consistent with current methods and procedures presently provided to similar areas on the effective date of the annexation ordinance. Some of these services include:
 - i) Routine patrol and responses;
 - ii) Dispatch responses to emergency and non-emergency service calls;
 - iii) Handling of complaints and incident reports;
 - iv) Special units, such as traffic enforcement and investigations;
 - v) Coordination with other public safety support agencies; and
 - vi) Animal control services.
 - b) As development commences in these areas, enough police protection, including personnel and equipment will be provided to furnish these areas with

Exhibit C
Written Services Agreement and Municipal Service Plan
A-01-21

the level of police services consistent with the characteristics of topography, land utilization, and population density of the areas.

- c) Upon ultimate development, police protection will be provided at a level consistent with other similarly situated areas within the city limits.

2) Fire Protection and Emergency Medical Services

- a) The City of Kaufman Fire Department will continue to provide emergency medical services and fire prevention services to the annexed area. These services include, but are not limited to:
 - i) Fire suppression and rescue;
 - ii) Pre-hospital medical services including triage, treatment, and transport by Careflite EMS ambulances;
 - iii) Hazardous materials response and mitigation;
 - iv) Emergency prevention and public education efforts;
 - v) Technical rescue response; and
 - vi) Constriction Plan Review and required inspections.
- b) Fire protection and emergency medical services from the City shall be provided to the annexed area at a level consistent with current methods and procedures presently provided to similar areas of the City on the effective date of the annexation ordinance.
- c) As development commences in these areas, sufficient, fire protection and emergency medical services, including personnel and equipment will be provided to furnish these areas with the level of services consistent with the characteristics of topography, land utilization, and population density of the areas. It is anticipated that fire stations planned to service areas currently with the City will be sufficient to serve the annexed area.
- d) Upon ultimate development, fire protection and emergency medical services will be provided at a level consistent with similarly situated areas within the city limits.

C) SOLID WASTE

- 1) The City will provide fee-based waste collection services to the Property, contracting with a provider. Notification to the provider to expand the service area will be made upon council approval of the annexation.

D) SANITARY SEWER

- 1) Sanitary sewer service to the area will be provided in the same manner that such service is provided to the other similarly situated areas within the corporate limits

Exhibit C
Written Services Agreement and Municipal Service Plan
A-01-21

of the City and in accordance with applicable codes and departmental policy. As property develops in the area, sanitary sewer service shall be provided in accordance with the standard extension ordinances, regulations, and rules, subject to and consistent with the City's participation policies.

E) WATER FACILITIES

- 1) Water service to the area will be provided by the CCN holder in the same manner that such service is provided to the other similarly situated areas within the corporate limits of the City.

F) ROAD AND STREETS

- 1) Maintenance of roads and streets, including street lighting, if any, will be maintained in the same manner as provided to other similarly situated areas within the corporate limits of the City.

G) CODE ENFORCEMENT & INSPECTION SERVICES

- 1) Code enforcement services will be available on the effective date of annexation. Code enforcement services include the response, investigation, and potential abatement of property maintenance issues, nuisance issues, sanitation issues, illegal signs, abandoned or inoperable vehicles, and other zoning violations.
- 2) Upon the effective date of annexation, the City will provide building permits and inspection services to the Property. This service will be made available to the Property on the same basis and at the same level of service as similar facilities throughout the City.

H) PLANNING AND ZONING SERVICES

- 1) The Planning and zoning jurisdiction of the City will extend to this area upon the effective date of the annexation ordinance. City planning will thereafter encompass this property, and it shall be entitled to consideration for zoning in accordance with the City's Zoning Ordinance and Comprehensive Plan.

I) PARKS, PLAYGROUNDS, LIBRARIES, SWIMMING POOLS

- 1) Residents within the annexed area may utilize all existing park and recreation facilities, on the effective date of this ordinance. Fees for such usage shall be in accordance with current fees established by ordinance.
- 2) As development commences in the area, additional park and recreation facilities shall be constructed based on park policies defined in the Park Master Plan and as specified in the Park Dedication Ordinance. The general planned locations and classifications of parks will ultimately serve residents from the current City limits and residents from areas being considered for annexation.

Exhibit C
Written Services Agreement and Municipal Service Plan
A-01-21

J) PUBLICLY OWNED FACILITIES

- 1) The City is aware of a publicly owned facility associated with the Property and municipal services shall be provided to such facility immediately upon annexation of the Property.

K) OTHER SERVICES

- 1) Other services that may be provided by the City, such as municipal and general administration will be made available on the effective date of the annexation. The City shall provide levels of service, infrastructure, and infrastructure maintenance, enforcement of all zoning ordinances, building codes, and miscellaneous penal ordinances including but not limited to regulation of animals, roads and streets, fireworks, alcoholic beverages, firearms, littering, and dumping that are comparable to the levels of services available in other parts of the City with similar topography, land use, and population density similar to those reasonably contemplated or projected in the area.



Meeting
Date: 3/22/2021

Date: 3/10/2021

Item #: 7.

Dept.: Development
Services

Ordinance

SUBJECT:

Conduct a public hearing and consider and take appropriate action on Ordinance O-11-21, an ordinance of the City Council of the City of Kaufman, Texas, annexing the hereinafter described property consisting of approximately 16.72 acres generally located directly west of the Kaufman County Law Enforcement Center (PIDs 5438 & 5525), situated in the D. Falcon Survey, Abstract 151, into the City of Kaufman, Kaufman County, Texas and extending the boundary limits of said City so as to include the described property within the City limits; granting to all the inhabitants of the Property all the rights and privileges of other citizens and binding the inhabitants by all of the ordinances, resolutions, acts and regulations of the City, adopting a written services agreement; providing instructions for correcting the official map and boundaries of said City; and providing an effective date. (Case No. A-02-21)

BACKGROUND:

The City of Kaufman has owned this property since 1999. The proposed annexation came about due to two 2019 annexations located south southeast of the property by the Kaufman Economic Development Corporation and Mr. Arlton White and the current request for annexation by Kaufman County for the rear portion of the Law Enforcement Center, not located in the city limits. This annexation will enable the future development of a Type B minor arterial thoroughfare running along the western side of the property to eventually provide a connection between the State Highway 34 Bypass and Fair Road.

Author:

Marcy Ratcliff, Development Services Director

Reviewed:

Mike Slye, City Manager

Cost: N/A

Funds Available: N/A

Source: N/A

Recommendation: Staff recommends approval of the Written Services Agreement and Ordinance O-11-21 for Case No. A-02-21, a petition requesting annexation by the landowner, City of Kaufman for approximately 16.72 acres, generally located directly west of the Kaufman County Law Enforcement Center (PIDs 5438 & 5525), .

Safe & Secure	Business Friendly/Economic Development	Partnership & Community Involvement	Healthy & Environmentally Cons. Comm.	Financial & OPS Stewardship
☒	☒	☒	☐	☐

ORDINANCE O-11-21

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KAUFMAN, TEXAS, ANNEXING THE HEREINAFTER DESCRIBED PROPERTY CONSISTING OF APPROXIMATELY 16.72 ACRES TRACT OF LAND LOCATED DIRECTLY WEST OF THE KAUFMAN COUNTY LAW ENFORCEMENT CENTER (PIDs 5438 and 5525) INTO THE CITY OF KAUFMAN, KAUFMAN COUNTY, TEXAS, AND EXTENDING THE BOUNDARY LIMITS OF SAID CITY SO AS TO INCLUDE THE DESCRIBED PROPERTY WITHIN THE CITY LIMITS; AND GRANTING TO ALL THE INHABITANTS OF THE PROPERTY ALL THE RIGHTS AND PRIVILEGES OF OTHER CITIZENS AND BINDING THE INHABITANTS BY ALL OF THE ORDINANCES, RESOLUTIONS, ACTS AND REGULATIONS OF THE CITY; ADOPTING A MUNICIPAL SERVICES AGREEMENT; PROVIDING FOR THE INCORPORATION OF PREMISES; FINDING AND DETERMINING THAT ALL REQUIREMENTS FOR ANNEXATION INCLUDING PUBLIC HEARINGS, NOTICES AND OPEN MEETINGS HAVE BEEN MET ACCORDING TO LAW; PROVIDING INSTRUCTIONS FOR FILING THIS ORDINANCE AND FOR CORRECTING THE OFFICIAL MAP AND BOUNDARIES OF SAID CITY; PROVIDING SEVERABILITY AND CUMULATIVE CLAUSES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Kaufman, Texas, ("City"), is authorized, pursuant to Chapter 43 of the Texas Local Government Code, to annex property and extend the corporate limits of the City, subject to state law; and

WHEREAS, the City desires to annex the certain property described herein (the "Property") and described and depicted in Exhibits A-1 and A-2, attached hereto and incorporated as if set forth fully herein; and

WHEREAS, on February 22, 2021, the City Council passed Resolution No. R-09-21 which granted the petition of the City of Kaufman, as submitted by Michael T. Slye, City Manager, property owner of the described property, requesting annexation into the City of Kaufman (A-02-21)), attached hereto and incorporated as if set forth fully herein as Exhibit B; and

WHEREAS, all of the Property described herein is contiguous to and within the exclusive extraterritorial jurisdiction of the City; and

WHEREAS, all required notices, all public hearings, and all requirements for such annexation have been provided, held, and met in accordance with applicable law; and

WHEREAS, in accordance with Chapter 43 of the Texas Local Government Code, a written services agreement for the area to be annexed was prepared and

made available to the public and is attached hereto and incorporated as if set forth fully herein as Exhibit C; and

WHEREAS, an offer of a development agreement pursuant to Section 43.016 and Section 212.172 of the Texas Local Government Code has been made and rejected; and

WHEREAS, the City Council of the City of Kaufman finds and determines that annexation of the property hereinafter described as requested by the property owner is in the best interests of the citizens of the City of Kaufman and the owners and residents of the area.

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KAUFMAN, TEXAS:

SECTION 1. Findings. It is hereby officially determined that the findings and recitations contained above in the preamble of this Ordinance are true and correct and are incorporated herein by reference.

SECTION 2. Annexation. That the following described property, to wit:

Kaufman CAD Property IDs 5438 & 5525, generally located directly west of the Kaufman County Law Enforcement Center and being an approximate 16.72-acre tract of land, situated in the D. Falcon Survey, Abstract No. 151, Kaufman County, Texas, such tract being more particularly described in Exhibits “A-1” and “A-2,” each of which are attached to this Ordinance.

be and the same is hereby annexed into the City of Kaufman, Kaufman County, Texas, and that the boundary limits of the City of Kaufman, Texas, be and the same are hereby extended to include the above-described property within the city limits of the City of Kaufman, and that same shall hereafter be included within the territorial limits of said City and said land and the inhabitants thereof shall be hereafter entitled to all rights and privileges of all other citizens of the City of Kaufman, Texas, and shall be bound by the ordinances, resolutions, acts, and regulations of the City, including bearing their pro-rata share of the taxes levied by the City.

SECTION 3. Written Services Agreement. A Written Services Agreement and Municipal Service Plan prepared in accordance with the applicable provision of state law pertaining to annexation is attached hereto as **Exhibit C** and is hereby incorporated herein by reference and adopted as part of this Ordinance and the same shall govern the delivery of municipal services to the annexed property.

SECTION 4. Official Map. The official map and boundaries of the City, previously adopted, are amended to include the Property as part of the City of Kaufman. The City Secretary is directed and authorized to perform or cause to be

performed all acts necessary to correct the official map of the City to add the annexed Property as required by applicable law.

SECTION 5. City Manager Authorization. The City Manager is hereby directed and authorized to perform or cause to be performed all acts necessary to effectuate this Ordinance, including any corrections to the official map of the City to add the property hereby annexed as required by law.

SECTION 6. Severability Clause. It is hereby declared by the City Council of the City of Kaufman that if any of the sections, paragraphs, sentences, clauses, phrases, words, or provisions of this Ordinance should be declared unconstitutional or otherwise invalid for any reason, such event shall not affect any remaining sections, paragraphs, sentences, clauses, phrases, words, or provisions of this Ordinance.

SECTION 7. Cumulative Clause. This Ordinance shall be cumulative of all provisions of ordinances of the City of Kaufman except where the provisions of this Ordinance are in direct conflict with the provisions of such ordinances, in which event the conflicting provisions of such ordinances are hereby repealed.

SECTION 8. Public Meeting. It is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public as required by law.

SECTION 9. Filing Instructions. The City Secretary is hereby directed to file a certified copy of this Ordinance with the County Clerk of Kaufman County, Texas, and with other appropriate officials and agencies as required by state and federal law.

SECTION 10. Effective Date. This Ordinance shall be in full force and effect immediately upon its passage and approval by the City Council of the City of Kaufman, Texas.

PASSED AND APPROVED this 22nd day of March 2021.

**JEFF JORDAN
MAYOR**

ATTEST:

**JESSIE HANKS
CITY SECRETARY**

APPROVED AS TO FORM:

PATRICIA A. ADAMS
CITY ATTORNEY

**Exhibit A-1
Legal Description**

EXHIBIT A

PART OF THE
D. FALCON SURVEY, ABSTRACT NO. 151
KAUFMAN COUNTY, TEXAS

All that certain lot, tract or parcel of land, part of the D. Falcon Survey, Abstract No. 151, Kaufman County, Texas, part of that certain called 60.156 acre tract and all of that certain called 1.56 acre tract conveyed to City of Kaufman, recorded in Vol. 1402 page 733 of the Deed Records of Kaufman County, Texas and being more completely described as follows, to-wit:

BEGINNING at a point at the South corner of the above mentioned 1.56 acre tract, at the West corner of the Kaufman Economic Development Corporation 42.68 acre tract, recorded in Vol. 3744 page 182 of the Deed Records of Kaufman County, Texas and being in the centerline of the abandoned T. & N. O. Railroad.

THENCE in a Northerly direction with the centerline of said abandoned railroad, a distance of 1341.39 more or less to a point at the intersection of same with the centerline of a creek and being at the West corner of said 1.56 acre tract.

THENCE, in a Northeasterly direction with said creek, a distance of 607.06 ft. more or less to a point at the intersection of same with the existing city limits line.

THENCE in a Southeasterly direction with said existing city limits line, a distance of 207.78 ft. more or less to a point at the intersection of same with the Southwest line of the Kaufman County, Texas 45.000 acre tract, recorded in Vol. 1945 page 299 of the Deed Records of Kaufman County, Texas.

THENCE in a Southerly direction with the West line of said 45.000 acre tract, a distance of 1282.20 ft. more or less to a point at the South corner of same and being in the Northwest line of the above mentioned 42.68 acre tract.

THENCE in a Southwesterly direction with the Northwest line said 42.68 acre tract, a distance of 605.35 ft. more or less to the point of beginning, containing 16.3 more or less acres of land.

I, Greg Sjerven, Registered Professional Land Surveyor No. 5244, do hereby certify that the above field notes and companion plat were prepared from the Deed Records of Kaufman County, Texas and in no way should be construed as based on an on the ground survey.

GIVEN UNDER MY HAND AND SEAL this the 28th day of July, 2020.


REGISTERED PROFESSIONAL LAND SURVEYOR NO. 5244
city1.wp2



**Exhibit A-2
Depiction**

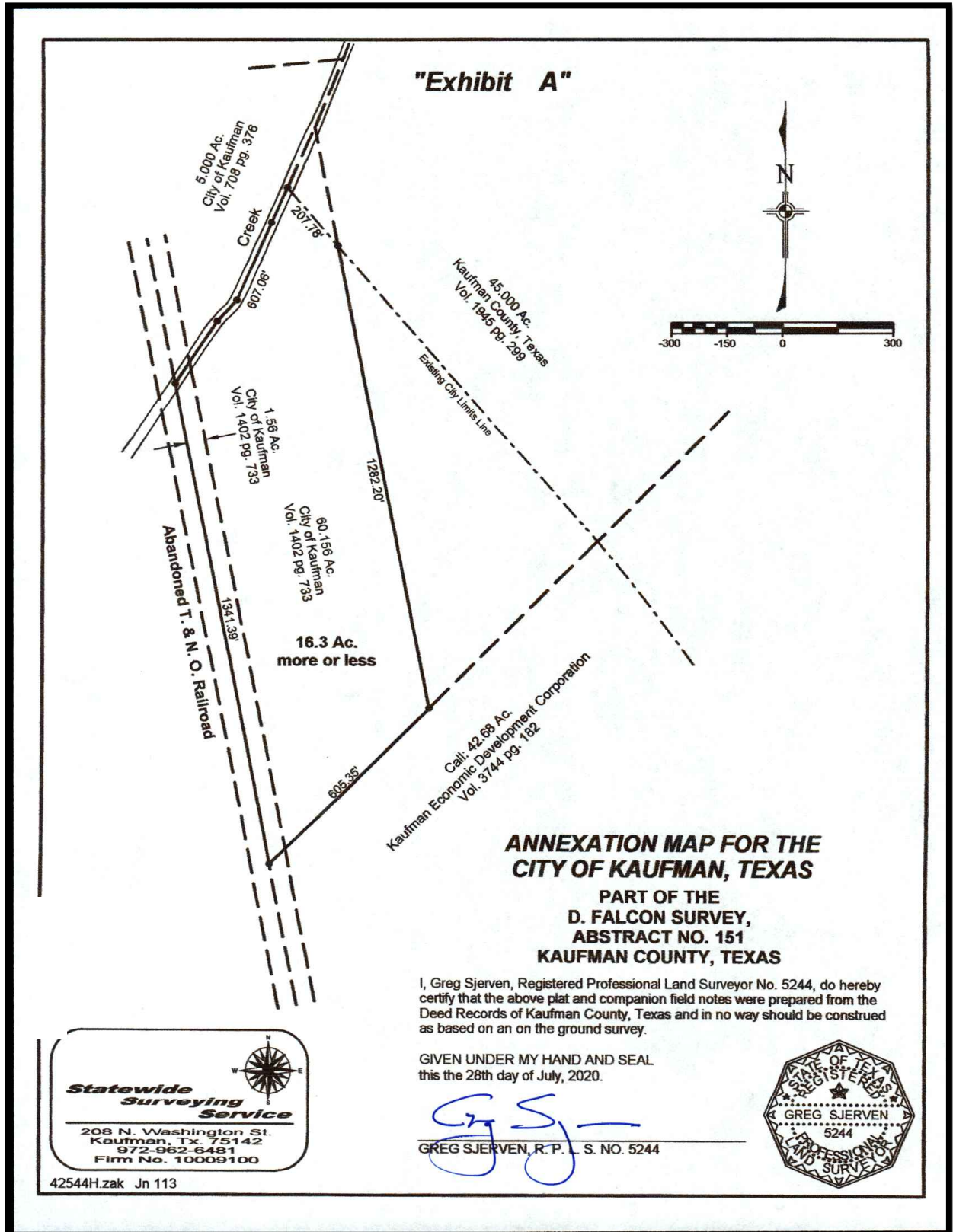


Exhibit B
City of Kaufman Annexation Petition

Case Number: A-02-21



VOLUNTARY ANNEXATION APPLICATION

1. Site Location:

General Street Location: E Hwy 175 behind the KC Law Enforcement Ctr PID: 5438 & 5525

Street Address: Property has no street frontage

Lot, Block, & Subdivision Name: N/A

2. Applicant:

Name: City of Kaufman - Development Services

Address: 209 S. Washington

City/ State: Kaufman, Texas Zip: 75142

Office #: 972-932-2216 Cell #: _____ Fax #: _____

Email Address: kaufmanplanning@kaufmantx.org

3. Property Owner:

Name: City of Kaufman

Address: PO Box 1168

City/ State: Kaufman, Texas Zip: 75142

Office #: 972-932-2216 Cell #: _____ Fax #: _____

Email Address: kaufmanplanning@kaufmantx.org

4. Attach Exhibit: Metes and bounds, a boundry map, and location map of the subject property.

I UNDERSTAND THAT IT IS NECESSARY FOR ME OR MY AGENT TO BE PRESENT AT THE CITY COUNCIL MEETING.

I hereby authorize the undersigned applicant to act as my agent for the representation and/or presentation of the request.

209 SOUTH WASHINGTON • PO Box 1168 • KAUFMAN, TEXAS 75142 • (972) 932-2216 • FAX (972) 932-6288

g:\development services\email & forms\originals for inhouse use only\annexation application & guidelines.docx Updated: 3/26/2019

Exhibit B
City of Kaufman Annexation Petition

The undersigned owners of the hereinafter described tract of land which is vacant and without residents, or on which less than three (3) qualified voters reside, hereby petition your honorable body to extend the present municipal limits so as to include and annex as part of the City of Kaufman, Texas, the property described by metes and bounds on the attached Exhibit "A", which is incorporated herein for all purposes. We certify that this Petition is signed and acknowledged by each and every corporation and person owning said land or having an interest in any part thereof.

Applicant Name (print or type): Michael T. Slye, City Manager

Applicant signature: _____

Owner Name (print or type): Michael T. Slye, City Manager

Owner signature: _____

BEFORE ME, the undersigned, a Notary Public in and for said State of Texas, on this day personally appeared _____, known to me to be the person whose name are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the _____ day of _____, 20____.

Notary Public

My Commission expires: _____, _____

Date Received 02-01-2021 Date Paid N/A Receipt Number _____

209 SOUTH WASHINGTON • PO Box 1168 • KAUFMAN, TEXAS 75142 • (972) 932-2216 • FAX (972) 932-6288
g:\development services\email & forms\originals for inhouse use only\annexation application & guidelines.docx Updated: 3/26/2019

Exhibit C
Written Services Agreement and Municipal Service Plan
A-02-21

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

STATE OF TEXAS §
 §
COUNTY OF KAUFMAN §

CHAPTER 43 TEXAS LOCAL GOVERNMENT CODE
MUNICIPAL SERVICES AGREEMENT

This Municipal Services Agreement ("Agreement") is entered into pursuant to Section 43.0672 of the Texas Local Government Code by and between the City of Kaufman, Texas (the "City") and the undersigned property owner(s) (the "Owner"). The term "Owner" includes all owners of the Property. City and Owner may be referred individually as a "Party" and collectively referred to as the "Parties."

WHEREAS, the Owner owns a parcel of real property (the "Property") in Kaufman County, Texas, generally located directly west of the Kaufman County Law Enforcement Center (PID 5438 and 5525), situated in the D. Falcon Survey, Abstract No. 151, and more particularly described on **Exhibit A** attached hereto; and

WHEREAS, the Parties desire to enter into this Agreement pursuant to Section 43.0672 of the Texas Local Government Code in order to address the provision of municipal services to be offered to the Property on the date of annexation, and a schedule that includes the period within which the City will provide any municipal service that is not provided on the effective date of annexation, as shown in **Exhibit B** attached hereto; and

WHEREAS, the Owner and the City acknowledge that this Agreement is binding upon the City and the Owner and their respective successors and assigns for the term (defined below) of this Agreement; and

WHEREAS, this Agreement is to be recorded in the Real Property Records of Kaufman County.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Parties hereto agree as follows:

Section 1. The City acknowledges and agrees that it shall provide the municipal services listed in **Exhibit B** to the Property pursuant to Chapter 43 of Texas Local Government Code upon annexation of the Property.

Exhibit C
Written Services Agreement and Municipal Service Plan
A-02-21

Section 2. The Owner acknowledges that each and every owner of the Property must sign this Agreement in order for the Agreement to take full effect, and **the Owner who signs this Agreement covenants and agrees, jointly and severably, to indemnify, hold harmless, and defend the City against any and all legal claims, by any person claiming an ownership interest in the Property who has not signed the Agreement,** arising in any way from the City's reliance on this Agreement.

Section 3. The Owner agrees and stipulates that such annexation of the Property is voluntary, and the Owner has submitted a petition for such annexation to the City. Furthermore, the Owner hereby waives any and all vested rights and claims that they may have under Section 43.002(a)(2) and Chapter 245 of the Texas Local Government Code that would otherwise exist by virtue of any actions Owner has taken. Owner acknowledges and stipulates that this Agreement is not a permit, as defined in Texas Local Government Code, Section 245.001(1), required by the City.

Section 4. The Parties acknowledge and agree that nothing in this Agreement shall require the City to provide a uniform level of full municipal services to each area of the City, including the annexed Property, if different characteristics of topography, land use, and population density are considered a sufficient basis for providing different levels of municipal service. Furthermore, the Parties acknowledge and agree that this Agreement will not provide any fewer services, and it will not provide a lower level of services, than were in existence in the annexed area at the time immediately preceding the annexation process.

Section 5. The Owner acknowledges that the City's codes, ordinances, regulations and policies ("Regulations") that apply throughout the City, including the Property, may be reviewed at City Hall and at <https://z2.franklinlegal.net/franklin/Z2Browser2.html?showset=kaufmanset> and shall apply to all such regulations in the development of the Property.

Section 6. This Agreement shall be valid for a term of ten (10) years. Renewal of the Agreement shall be at the discretion of the City Council and must be approved by ordinance. The Owner agrees that this Agreement may be amended without the written consent or knowledge of the Owner if the City Council determines at a public hearing that changed conditions or subsequent occurrences make this Agreement unworkable or obsolete. Furthermore, the Owner acknowledges and agrees that the City Council may amend the services provided under this Agreement without the written consent of the Owner in order to conform to the changed conditions, subsequent occurrences, or any other legally sufficient circumstances existing pursuant to the Local Government Code or other Texas or Federal laws that make this Agreement unworkable, obsolete or unlawful.

Section 7. Any notice provided or permitted to be given under this Agreement must be in writing and may be served by depositing same in the United States mail, addressed to the Party to be notified, postage pre-paid and registered or certified

Exhibit C
Written Services Agreement and Municipal Service Plan
A-02-21

with return receipt requested, or by delivering the same in person to such Party via facsimile or a hand-delivery service, Federal Express or any courier service that provides a return receipt showing the date of actual delivery of same to the addressee thereof. Notice given in accordance herewith shall be effective upon receipt at the address of the addressee. For purposes of notice, the addresses of the Parties shall be as follows:

To City:
City of Kaufman
Attn: Marcy Ratcliff
209 S Washington St.
Kaufman, TX 75142

With Copy to:

Messer, Fort & McDonald PLLC
Attn: Patricia Adams
6371 Preston Road, Suite 200
Frisco, Texas 75034

To Owner:

City of Kaufman
Attn: City Manager Michael T Slye
209 South Washington Street
Kaufman, Texas 75142

Section 8. A certified copy of this Agreement shall be recorded in the real property records of Kaufman County, Texas, and this Agreement shall constitute a covenant that runs with the Property.

Section 9. If a court of competent jurisdiction determines that any covenant of this Agreement is void or unenforceable, including the covenants regarding involuntary annexation, then the remainder of this Agreement shall remain in full force and effect.

Section 10. This Agreement may be enforced by any Owner or the City by any proceeding at law or in equity. Failure to do so shall not be deemed a waiver to enforce the provisions of this Agreement thereafter. Notwithstanding the preceding terms of this section, the City does not waive immunity from suit or liability. Owner acknowledges and agrees that the only recourse against the City for breach or default of the Agreement is disannexation for failure to provide services pursuant to Chapter 43 of the Texas Local Government Code.

Exhibit C
Written Services Agreement and Municipal Service Plan
A-02-21

Section 11. Owner and City acknowledge and expressly agree that no subsequent change in the law regarding annexation shall affect the enforceability of this Agreement or the City's ability to annex the properties covered herein pursuant to the terms of this Agreement.

Section 12. The validity of this Agreement and any of its terms and provisions, as well as the rights and duties of the Parties, shall be governed by the laws of the State of Texas; and venue for any action concerning this Agreement shall be only in Kaufman County, Texas.

Section 13. This Agreement may be separately executed in individual counterparts and, upon execution, shall constitute one and the same instrument.

Section 14. This Agreement shall survive its termination to the extent necessary for the implementation of the provisions of Sections 2, 3, 4, and 10 herein.

Section 15. This Agreement embodies the complete agreement of the Parties hereto, superseding all oral or written, previous and contemporary agreements between the Parties and relating to the matters in this Agreement and except as otherwise provided herein, cannot be modified without the written agreement of the Parties to be attached to and made a part of this Agreement.

Section 16. The determinations recited and declared in the preambles to this Agreement are hereby incorporated herein as part of this Agreement.

Section 17. All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

Entered into this ____ day of _____ 2021.

SIGNATURES ON FOLLOWING PAGE(S)

Exhibit C
Written Services Agreement and Municipal Service Plan
A-02-21

CITY OF KAUFMAN TEXAS

By: _____
Name: Michael T. Slye
Title: City Manager
Date: _____

THE STATE OF TEXAS §
 §
COUNTY OF KAUFMAN §

**This instrument was acknowledged before me on _____, 2021,
by Michael T. Slye, City Manager of the City of Kaufman, Texas on behalf of
said City.**

Notary Public in and for the State of TEXAS

CITY OF KAUFMAN

By: _____
Name: Michael T. Slye
Title: City Manager
Date: _____

THE STATE OF TEXAS §
 §
COUNTY OF KAUFMAN §

**This instrument was acknowledged before me on _____, 2021,
by Michael T. Slye, City Manager of the City of Kaufman Texas, owner of
said Property.**

Notary Public in and for the State of TEXAS

Exhibit C
Written Service Agreement and Municipal Service Plan
A-02-21

EXHIBIT "A"
Property Description and Depiction

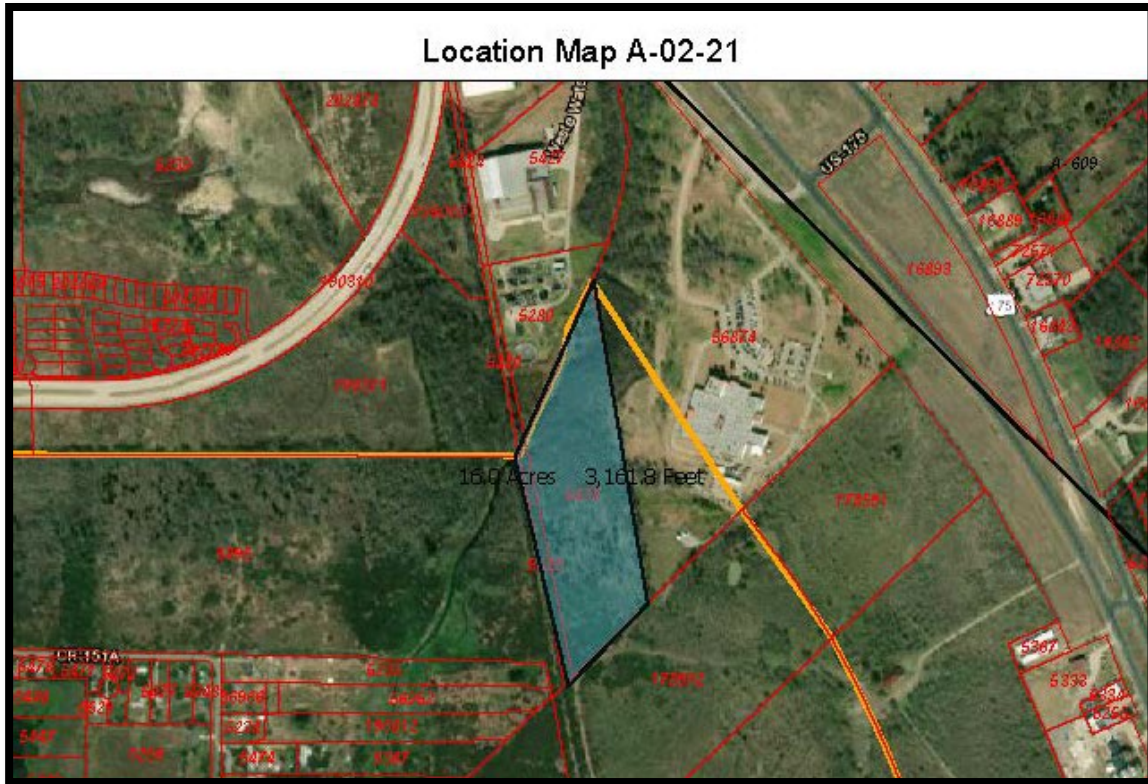


Exhibit C
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A-02-21

EXHIBIT "A"
Property Description and Depiction

EXHIBIT A

PART OF THE
D. FALCON SURVEY, ABSTRACT NO. 151
KAUFMAN COUNTY, TEXAS

All that certain lot, tract or parcel of land, part of the D. Falcon Survey, Abstract No. 151, Kaufman County, Texas, part of that certain called 60.156 acre tract and all of that certain called 1.56 acre tract conveyed to City of Kaufman, recorded in Vol. 1402 page 733 of the Deed Records of Kaufman County, Texas and being more completely described as follows, to-wit:

BEGINNING at a point at the South corner of the above mentioned 1.56 acre tract, at the West corner of the Kaufman Economic Development Corporation 42.68 acre tract, recorded in Vol. 3744 page 182 of the Deed Records of Kaufman County, Texas and being in the centerline of the abandoned T. & N. O. Railroad.

THENCE in a Northerly direction with the centerline of said abandoned railroad, a distance of 1341.39 more or less to a point at the intersection of same with the centerline of a creek and being at the West corner of said 1.56 acre tract.

THENCE, in a Northeasterly direction with said creek, a distance of 607.06 ft. more or less to a point at the intersection of same with the existing city limits line.

THENCE in a Southeasterly direction with said existing city limits line, a distance of 207.78 ft. more or less to a point at the intersection of same with the Southwest line of the Kaufman County, Texas 45.000 acre tract, recorded in Vol. 1945 page 299 of the Deed Records of Kaufman County, Texas.

THENCE in a Southerly direction with the West line of said 45.000 acre tract, a distance of 1282.20 ft. more or less to a point at the South corner of same and being in the Northwest line of the above mentioned 42.68 acre tract.

THENCE in a Southwesterly direction with the Northwest line said 42.68 acre tract, a distance of 605.35 ft. more or less to the point of beginning, containing 16.3 more or less acres of land.

I, Greg Sjerven, Registered Professional Land Surveyor No. 5244, do hereby certify that the above field notes and companion plat were prepared from the Deed Records of Kaufman County, Texas and in no way should be construed as based on an on the ground survey.

GIVEN UNDER MY HAND AND SEAL this the 28th day of July, 2020.

REGISTERED PROFESSIONAL LAND SURVEYOR NO. 5244
city1.wp2



Exhibit C
Written Service Agreement and Municipal Service Plan
A-02-21

EXHIBIT "A"
Property Description and Depiction

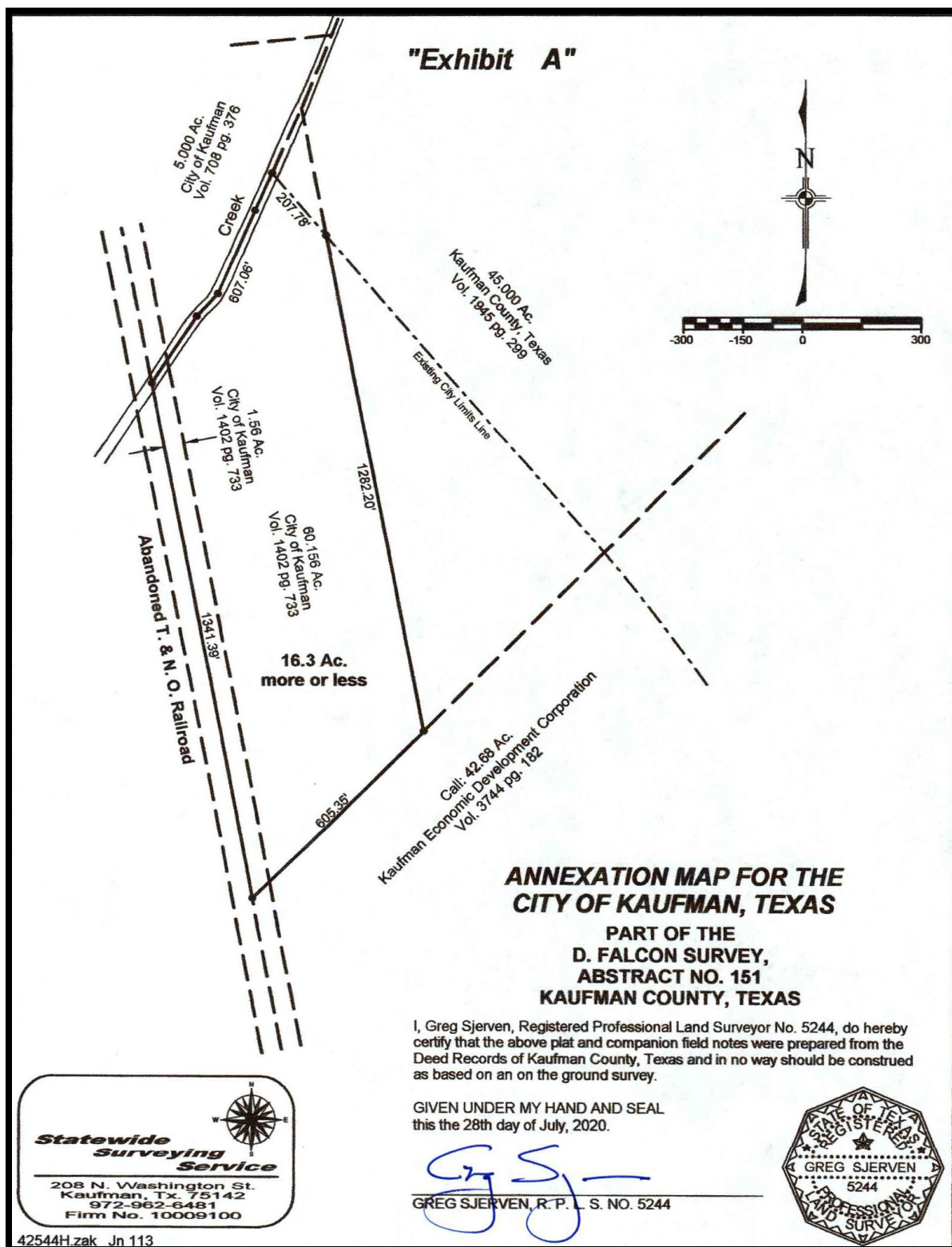


Exhibit C
Written Service Agreement and Municipal Service Plan
A-02-21

Exhibit “B”
Municipal Service Plan

A) SERVICE PLAN GENERALLY

- 1) This service plan has been prepared in accordance with the Texas Local Government Code (“LGC”), Section 43.0672. Municipal facilities and services to the annexed area will be provided or made available on behalf of the City of Kaufman (the “City”) in accordance with the following plan. Unless, otherwise indicated, the City will provide the following services to the annexed property within two and one-half years unless certain services cannot be reasonably provided within that time and the City proposes a schedule to provide services within four and one-half years. The City shall provide the annexed tract the levels of service, infrastructure, and infrastructure maintenance that are comparable to the levels of service, infrastructure, and infrastructure maintenance available in other parts of the City with similar topography, land use, and population density.
- 2) For purposes of this service plan, to “provide” services includes having services provided by any method or means by which the City provides municipal services to any other areas of the City, and may include causing or allowing private utilities, governmental entities, and other public service organizations to provide such services by contract or right, in whole or in part, and may include duties on part of the private landowner with regard to such services.

B) EMERGENCY SERVICES

- 1) Police Protection
 - a) Police protection from the City of Kaufman Police Department shall be immediately provided to the annexed area at a level consistent with current methods and procedures presently provided to similar areas on the effective date of the annexation ordinance. Some of these services include:
 - i) Routine patrol and responses;
 - ii) Dispatch responses to emergency and non-emergency service calls;
 - iii) Handling of complaints and incident reports;
 - iv) Special units, such as traffic enforcement and investigations;
 - v) Coordination with other public safety support agencies; and
 - vi) Animal control services.
 - b) As development commences in these areas, enough police protection, including personnel and equipment will be provided to furnish these areas with the level of police services consistent with the characteristics

Exhibit C
Written Service Agreement and Municipal Service Plan
A-02-21

of topography, land utilization, and population density of the areas.

- c) Upon ultimate development, police protection will be provided at a level consistent with other similarly situated areas within the city limits.

2) Fire Protection and Emergency Medical Services

- a) The City of Kaufman Fire Department will continue to provide emergency medical services and fire prevention services to the annexed area. These services include, but are not limited to:

- i) Fire suppression and rescue;
- ii) Pre-hospital medical services including triage, treatment, and transport by Careflite EMS ambulances;
- iii) Hazardous materials response and mitigation;
- iv) Emergency prevention and public education efforts;
- v) Technical rescue response; and
- vi) Constriction Plan Review and required inspections.

- b) Fire protection and emergency medical services from the City shall be provided to the annexed area at a level consistent with current methods and procedures presently provided to similar areas of the City on the effective date of the annexation ordinance.

- c) As development commences in these areas, sufficient, fire protection and emergency medical services, including personnel and equipment will be provided to furnish these areas with the level of services consistent with the characteristics of topography, land utilization, and population density of the areas. It is anticipated that fire stations planned to service areas currently with the City will be sufficient to serve the annexed area.

- d) Upon ultimate development, fire protection and emergency medical services will be provided at a level consistent with similarly situated areas within the city limits.

C) SOLID WASTE

- 1) The City will provide fee-based waste collection services to the Property, contracting with a provider. Notification to the provider to expand the service area will be made upon council approval of the annexation.

D) SANITARY SEWER

- 1) Sanitary sewer service to the area will be provided in the same manner that such service is provided to the other similarly situated areas within the corporate limits of the City and in accordance with applicable codes and departmental policy. As property develops in the area, sanitary sewer service shall be provided in accordance with the standard extension ordinances, regulations, and rules, subject to and consistent with the City's participation policies.

Exhibit C
Written Service Agreement and Municipal Service Plan
A-02-21

E) WATER FACILITIES

- 1) Water service to the area will be provided by the CCN holder in the same manner that such service is provided to the other similarly situated areas within the corporate limits of the City.

F) ROAD AND STREETS

- 1) Maintenance of roads and streets, including street lighting, if any, will be maintained in the same manner as provided to other similarly situated areas within the corporate limits of the City.

G) CODE ENFORCEMENT & INSPECTION SERVICES

- 1) Code enforcement services will be available on the effective date of annexation. Code enforcement services include the response, investigation, and potential abatement of property maintenance issues, nuisance issues, sanitation issues, illegal signs, abandoned or inoperable vehicles, and other zoning violations.
- 2) Upon the effective date of annexation, the City will provide building permits and inspection services to the Property. This service will be made available to the Property on the same basis and at the same level of service as similar facilities throughout the City.

H) PLANNING AND ZONING SERVICES

- 1) The Planning and zoning jurisdiction of the City will extend to this area upon the effective date of the annexation ordinance. City planning will thereafter encompass this property, and it shall be entitled to consideration for zoning in accordance with the City's Zoning Ordinance and Comprehensive Plan.

I) PARKS, PLAYGROUNDS, LIBRARIES, SWIMMING POOLS

- 1) Residents within the annexed area may utilize all existing park and recreation facilities, on the effective date of this ordinance. Fees for such usage shall be in accordance with current fees established by ordinance.
- 2) As development commences in the area, additional park and recreation facilities shall be constructed based on park policies defined in the Park Master Plan and as specified in the Park Dedication Ordinance. The general planned locations and classifications of parks will ultimately serve residents from the current City limits and residents from areas being considered for annexation.

J) PUBLICLY OWNED FACILITIES

- 1) The City is aware of a publicly owned facility associated with the Property and municipal services shall be provided to such facility immediately upon annexation of the Property.

K) OTHER SERVICES

- 1) Other services that may be provided by the City, such as municipal and general administration will be made available on the effective date of the

Exhibit C
Written Service Agreement and Municipal Service Plan
A-02-21

annexation. The City shall provide levels of service, infrastructure, and infrastructure maintenance, enforcement of all zoning ordinances, building codes, and miscellaneous penal ordinances including but not limited to regulation of animals, roads and streets, fireworks, alcoholic beverages, firearms, littering, and dumping that are comparable to the levels of services available in other parts of the City with similar topography, land use, and population density similar to those reasonably contemplated or projected in the area.



Meeting
Date: 3/22/2021

Date: 3/10/2021

Item #: 8.

Dept.: Development
Services

Ordinance

SUBJECT:

Conduct a public hearing and consider and take appropriate action on Ordinance O-12-21, an ordinance of the City Council of the City of Kaufman, Texas, annexing the hereinafter described property of approximately 73.491 acres, located at 2121 Ola Road and East State Highway 243 (PID 213307), situated in the William Peters Survey, Abstract 407, into the City of Kaufman, Kaufman County, Texas and extending the boundary limits of said City so as to include the described property within the City limits; granting to all the inhabitants of the Property all the rights and privileges of other citizens and binding the inhabitants by all of the ordinances, resolutions, acts and regulations of the City, adopting a written services agreement; providing instructions for correcting the official map and boundaries of said City; and providing an effective date. (Case No. A-03-21)

BACKGROUND:

The City of Kaufman purchased the approximate 73.491 acres on October 22, 2020 for the purpose of expanding City Lakes Park.

Author:

Marcy Ratcliff, Development Services Director

Reviewed:

Mike Slye, City Manager

Cost: N/A

Funds Available: N/A

Source: N/A

Recommendation: Staff recommends approval of Case No. A-03-21, a petition requesting annexation by the landowner, City of Kaufman for approximately 73.491 acres, located at 2121 Ola Road (PID 213307), the Written Services Agreement and Ordinance O-12-21.

Safe & Secure	Business Friendly/Economic Development	Partnership & Community Involvement	Healthy & Environmentally Cons. Comm.	Financial & OPS Stewardship
☒	☒	☒	☐	☐

ORDINANCE O-12-21

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KAUFMAN, TEXAS, ANNEXING THE HEREINAFTER DESCRIBED PROPERTY CONSISTING OF AN APPROXIMATELY 73.491-ACRE TRACT OF LAND LOCATED AT 2121 OLA ROAD (PID 213307) INTO THE CITY OF KAUFMAN, KAUFMAN COUNTY, TEXAS, AND EXTENDING THE BOUNDARY LIMITS OF SAID CITY SO AS TO INCLUDE THE DESCRIBED PROPERTY WITHIN THE CITY LIMITS; GRANTING TO ALL THE INHABITANTS OF THE PROPERTY ALL THE RIGHTS AND PRIVILEGES OF OTHER CITIZENS AND BINDING THE INHABITANTS BY ALL OF THE ORDINANCES, RESOLUTIONS, ACTS, AND REGULATIONS OF THE CITY; ADOPTING A MUNICIPAL SERVICES AGREEMENT; PROVIDING FOR THE INCORPORATION OF PREMISES; FINDING AND DETERMINING THAT ALL REQUIREMENTS FOR ANNEXATION INCLUDING PUBLIC HEARINGS, NOTICES AND OPEN MEETINGS HAVE BEEN MET ACCORDING TO LAW; PROVIDING INSTRUCTIONS FOR FILING THIS ORDINANCE AND FOR CORRECTING THE OFFICIAL MAP AND BOUNDARIES OF SAID CITY; PROVIDING SEVERABILITY AND CUMULATIVE CLAUSES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Kaufman, Texas, ("City"), is authorized, pursuant to Chapter 43 of the Texas Local Government Code, to annex property and extend the corporate limits of the City, subject to state law; and

WHEREAS, the City desires to annex the certain property described herein (the "Property") and described and depicted in Exhibits A-1 and A-2, attached hereto and incorporated as if set forth fully herein; and

WHEREAS, on February 22, 2021, the City Council passed Resolution No. R-10-21, which granted the petition of the City of Kaufman, as submitted by Michael T. Slye, City Manager, property owner of the described property, requesting to be annexation into the City of Kaufman (A-03-21), attached hereto and incorporated as if set forth fully herein as Exhibit B; and

WHEREAS, all of the Property described herein is contiguous to and within the exclusive extraterritorial jurisdiction of the City; and

WHEREAS, the City Council has determined that it is in best interest of the public to leave the tract of land shown in Exhibit D, attached hereto and incorporated as if set forth fully herein, which primarily consists of pasture land, un-annexed into the City limits at this time and to create a "donut hole" of unincorporated area; and

WHEREAS, all required notices, all public hearings, and all requirements for such annexation have been provided, held, and met in accordance with applicable law; and

WHEREAS, in accordance with Chapter 43 of the Texas Local Government Code, a written services agreement for the area to be annexed was prepared and made available to the public and is attached hereto and incorporated as if set forth fully herein as Exhibit C; and

WHEREAS, an offer of a development agreement pursuant to Section 43.016 and Section 212.172 of the Texas Local Government Code has been made and rejected; and

WHEREAS, the City Council of the City of Kaufman finds and determines that annexation of the property hereinafter described as requested by the property owner is in the best interests of the citizens of the City of Kaufman and the owners and residents of the area.

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KAUFMAN, TEXAS:

SECTION 1. Findings. It is hereby officially determined that the findings and recitations contained above in the preamble of this Ordinance are true and correct and are incorporated herein by reference.

SECTION 2. Annexation. That the following described property, to wit:

Kaufman CAD Property ID 213307, located at 2121 Ola Road and East State Highway 243 and being an approximate 73.491-acre tract of land situated in the William Peters Survey, Abstract No. 407, Kaufman County, Texas, such tract being more particularly described in Exhibits “A-1” and “A-2,” each of which are attached to this Ordinance.

be and the same is hereby annexed into the City of Kaufman, Kaufman County, Texas, and that the boundary limits of the City of Kaufman, Texas, be and the same are hereby extended to include the above-described territory within the city limits of the City of Kaufman, and that same shall hereafter be included within the territorial limits of said City and said land and the inhabitants thereof shall be hereafter entitled to all rights and privileges of all other citizens of the City of Kaufman, Texas, and shall be bound by the ordinances, resolutions, acts, and regulations of the City, including bearing their pro-rata share of the taxes levied by the City.

SECTION 3. Written Services Agreement. A Written Services Agreement and Municipal Service Plan prepared in accordance with the applicable provision of state law pertaining to annexation is attached hereto as **Exhibit C** and is hereby incorporated herein by reference and adopted as part of this Ordinance and the same shall govern the delivery of municipal services to the annexed territory.

SECTION 4. Official Map. The official map and boundaries of the City, previously adopted, are amended to include the Property as part of the City of Kaufman. The City Secretary is directed and authorized to perform or cause to be performed all acts necessary to correct the official map of the City to add the annexed Property as required by applicable law.

SECTION 5. City Manager Authorization. The City Manager is hereby directed and authorized to perform or cause to be performed all acts necessary to effectuate this Ordinance, including any corrections to the official map of the City to add the territory hereby annexed as required by law.

SECTION 6. Severability Clause. It is hereby declared by the City Council of the City of Kaufman that if any of the sections, paragraphs, sentences, clauses, phrases, words, or provisions of this Ordinance should be declared unconstitutional or otherwise invalid for any reason, such event shall not affect any remaining sections, paragraphs, sentences, clauses, phrases, words, or provisions of this Ordinance.

SECTION 7. Cumulative Clause. This Ordinance shall be cumulative of all provisions of ordinances of the City of Kaufman except where the provisions of this Ordinance are in direct conflict with the provisions of such ordinances, in which event the conflicting provisions of such ordinances are hereby repealed.

SECTION 8. Public Meeting. It is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public as required by law.

SECTION 9. Filing Instructions. The City Secretary is hereby directed to file a certified copy of this Ordinance with the County Clerk of Kaufman County, Texas, and with other appropriate officials and agencies as required by state and federal law.

SECTION 10. Effective Date. This Ordinance shall be in full force and effect immediately upon its passage and approval by the City Council of the City of Kaufman, Texas.

PASSED AND APPROVED this 22nd day of March 2021.

JEFF JORDAN
MAYOR

ATTEST:

JESSIE HANKS
CITY SECRETARY

APPROVED AS TO FORM:

PATRICIA A. ADAMS
CITY ATTORNEY

Exhibit A-1 Legal Description

ALL THAT CERTAIN LOT, TRACT, OR PARCEL OF LAND, PART OF THE WILLIAM PETERS SURVEY, ABSTRACT NO. 407, KAUFMAN COUNTY, TEXAS, ALL OF THAT CERTAIN CALLED 73.027 ACRE TRACT CONVEYED TO RUTH JACKSON BY JOHN THOMAS NALLS, ET UX ON APRIL 30, 1971, RECORDED IN VOLUME 547, PAGE 928 OF THE DEED RECORDS OF KAUFMAN COUNTY, TEXAS, AND BEING A CALLED 0.098 ACRE TRACT ACCESS EASEMENT DESCRIBED AS DESCRIBED AS TRACT TWO IN WARRANTY DEED RECORDED IN VOLUME 1180, PAGE 523, OFFICIAL PUBLIC RECORDS OF KAUFMAN COUNTY, TEXAS AND BEING MORE COMPLETELY DESCRIBED AS FOLLOWS:

BEGINNING AT A 5/8 INCH IRON ROD FOUND AT THE WEST CORNER OF THE ABOVE MENTIONED 73.027 ACRE TRACT, IN THE SOUTHWEST LINE OF THE WILLIAM PETERS SURVEY AND BEING AT THE SOUTH CORNER OF THAT CERTAIN 74.38 ACRE TRACT CONVEYED TO LARRY DON BAKER, RECORDED IN VOLUME 3821, PAGE 18 OF THE DEED RECORDS OF KAUFMAN COUNTY, TEXAS;

THENCE NORTH 43 DEGREES 45 MINUTES 04 SECONDS EAST, WITH THE WESTERLY NORTHWEST LINE OF SAID 73.0287 ACRE TRACT, 2,002.10 FEET TO A 6 INCH WOOD FENCE POST AT THE EAST CORNER OF THE ABOVE MENTIONED BAKER TRACT AND BEING IN THE SOUTHWEST LINE OF THAT CERTAIN CALLED 126.00 ACRE TRACT CONVEYED TO THE CITY OF KAUFMAN, TEXAS, RECORDED IN VOLUME 91, PAGE 618 OF THE DEED RECORDS OF KAUFMAN COUNTY, TEXAS;

THENCE SOUTH 47 DEGREES 50 MINUTES 34 SECONDS EAST, 208.06 FEET TO A 3/8 INCH IRON ROD FOUND AT THE SOUTH CORNER OF SAID 126.00 ACRE TRACT AND BEING AN ELL CORNER OF SAID 73.027 ACRE TRACT;

THENCE NORTH 43 DEGREES 41 MINUTES 59 SECONDS EAST, WITH THE NORTHERLY NORTHWEST LINE OF SAID 73.027 ACRE TRACT, 1,682.78 FEET TO A 6 INCH WOOD FENCE CORNER AT THE NORTH CORNER OF SAME AND BEING AT THE WEST CORNER OF THAT CERTAIN 28.19 ACRE TRACT CONVEYED TO THE CITY OF KAUFMAN, TEXAS, RECORDED IN VOLUME 250, PAGE 288 OF THE DEED RECORDS OF KAUFMAN COUNTY, TEXAS;

THENCE SOUTH 46 DEGREES 28 MINUTES 04 SECONDS EAST, WITH THE NORTHEAST LINE OF SAID 73.027 ACRE TRACT, 909.85 FEET TO A 8 INCH WOOD FENCE CORNER AT THE EAST CORNER OF SAME AND AT THE SOUTH CORNER OF THE ABOVE MENTIONED 28.19 ACRE TRACT;

THENCE SOUTH 43 DEGREES 10 MINUTES 10 SECONDS WEST, WITH THE NORTHERLY SOUTHEAST LINE OF SAID 73.027 ACRE TRACT, 2,071.96 FEET TO A FOUND 1/2 INCH IRON ROD FOR CORNER;

THENCE NORTH 45 DEGREES 27 MINUTES 29 SECONDS WEST, 305.31 FEET TO A 1/2 INCH IRON ROD FOUND AT AN ELL CORNER OF SAID 73.027 ACRE TRACT;

THENCE SOUTH 42 DEGREES 00 MINUTES 18 SECONDS WEST, WITH THE SOUTHERLY SOUTHEAST LINE OF SAID 73.027 ACRE TRACT, 1,278.80 FEET TO A 3/8 INCH IRON ROD FOUND AT THE SOUTH CORNER OF SAME AND BEING AT THE EAST CORNER OF THAT CERTAIN 3.318 ACRE TRACT CONVEYED TO LENARD AND CAROLYN MIZE RECORDED IN VOLUME 1180, PAGE 523 OF THE DEED RECORDS OF KAUFMAN COUNTY, TEXAS;

THENCE CONTINUING SOUTH 42 DEGREES 00 MINUTES 18 SECONDS WEST, 194.89 FEET TO A SET 1/2 INCH IRON ROD;

THENCE SOUTH 71 DEGREES 45 MINUTES 43 SECONDS WEST, 37.24 FEET TO A SET 1/2 INCH IRON ROD;

THENCE NORTH 41 DEGREES 34 MINUTES 59 SECONDS EAST, 230.87 FEET TO A SET 1/2 INCH IRON ROD;

THENCE NORTH 37 DEGREES 45 MINUTES 37 SECONDS WEST, WITH THE NORTHEAST LINE OF SAID 3.318 ACRE TRACT, 215.97 FEET TO A 1/2 INCH IRON ROD SET AT AN ANGLE IN SAME;

THENCE SOUTH 86 DEGREES 17 MINUTES 34 SECONDS WEST, CONTINUING WITH THE NORTHEAST LINE OF SAID 3.318 ACRE TRACT, 324.10 FEET TO A 5/8 INCH IRON ROD FOUND AT THE NORTH CORNER OF SAME AND BEING AT THE EAST CORNER OF THAT CERTAIN TRACT CONVEYED TO MALHI, RECORDED IN VOLUME 5794, PAGE 513 OF THE DEED RECORDS OF KAUFMAN COUNTY, TEXAS;

THENCE NORTH 65 DEGREES 18 MINUTES 29 SECONDS WEST, CONTINUING WITH THE SOUTHWEST LINE OF SAID 73.027 ACRE TRACT, 442.25 FEET TO THE PLACE OF BEGINNING AND CONTAINING 73.491 ACRES OF LAND.

Ordinance O-12-21

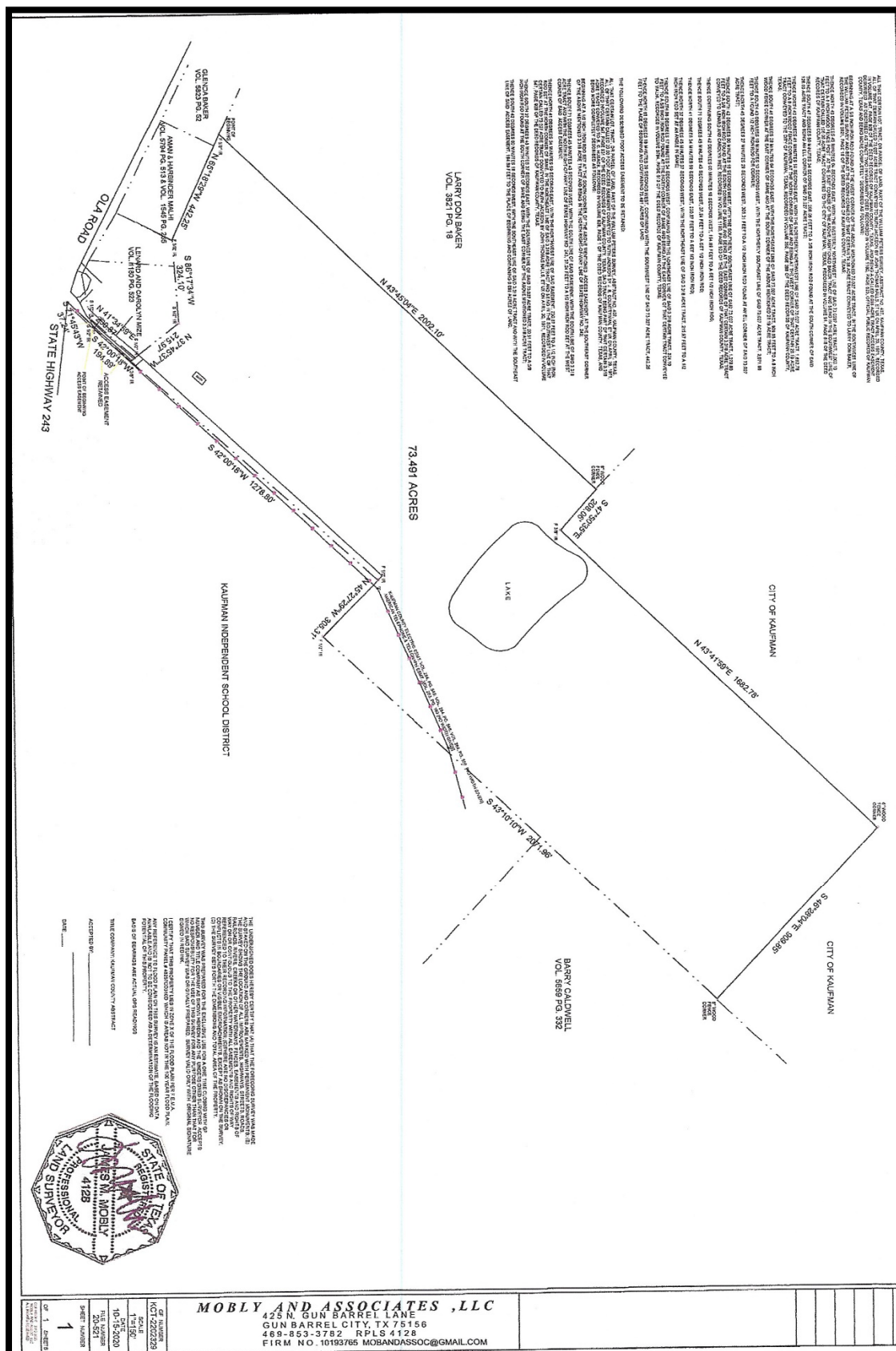


Exhibit B
City of Kaufman Annexation Petition

Case Number: A-03-21



VOLUNTARY ANNEXATION APPLICATION

1. Site Location:

General Street Location: 2121 Ola Road & E. Hwy 243 PID: 213307

Street Address: 2121 Ola Road

Lot, Block, & Subdivision Name: N/A

2. Applicant:

Name: City of Kaufman - Development Services

Address: 209 S. Washington

City/State: Kaufman, Texas Zip: 75142

Office #: 972-932-2216 Cell #: _____ Fax #: _____

Email Address: kaufmanplanning@kaufmantx.org

3. Property Owner:

Name: City of Kaufman

Address: PO Box 1168

City/State: Kaufman, Texas Zip: 75142

Office #: 972-932-2216 Cell #: _____ Fax #: _____

Email Address: kaufmanplanning@kaufmantx.org

4. Attach Exhibit: Metes and bounds, a boundry map, and location map of the subject property.

I UNDERSTAND THAT IT IS NECESSARY FOR ME OR MY AGENT TO BE PRESENT AT THE CITY COUNCIL MEETING.

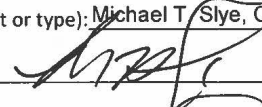
I hereby authorize the undersigned applicant to act as my agent for the representation and/or presentation of the request.

209 SOUTH WASHINGTON • PO Box 1168 • KAUFMAN, TEXAS 75142 • (972) 932-2216 • FAX (972) 932-6288
g:\development services\email & forms\originals for inhouse use only\annexation application & guidelines.docx Updated: 3/26/2019

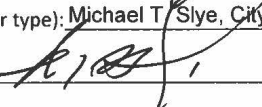
Exhibit B
City of Kaufman Annexation Petition

The undersigned owners of the hereinafter described tract of land which is vacant and without residents, or on which less than three (3) qualified voters reside, hereby petition your honorable body to extend the present municipal limits so as to include and annex as part of the City of Kaufman, Texas, the property described by metes and bounds on the attached Exhibit "A", which is incorporated herein for all purposes. We certify that this Petition is signed and acknowledged by each and every corporation and person owning said land or having an interest in any part thereof.

Applicant Name (print or type): Michael T. Slye, City Manager

Applicant signature: 

Owner Name (print or type): Michael T. Slye, City Manager

Owner signature: 

BEFORE ME, the undersigned, a Notary Public in and for said State of Texas, on this day personally appeared _____, known to me to be the person whose name are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the _____ day of _____, 20____,

Notary Public

My Commission expires: _____, _____

Date Received 02-01-2021 Date Paid N/A Receipt Number _____

209 SOUTH WASHINGTON • PO Box 1168 • KAUFMAN, TEXAS 75142 • (972) 932-2216 • FAX (972) 932-6288
g:\development services\email & forms\originals for inhouse use only\annexation application & guidelines.docx Updated: 3/26/2019

Exhibit C
Written Service Agreement and Municipal Service Plan
A-03-21

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

STATE OF TEXAS §
 §
COUNTY OF KAUFMAN §

CHAPTER 43 TEXAS LOCAL GOVERNMENT CODE
MUNICIPAL SERVICES AGREEMENT

This Municipal Services Agreement ("Agreement") is entered into pursuant to Section 43.0672 of the Texas Local Government Code by and between the City of Kaufman, Texas (the "City") and the undersigned property owner(s) (the "Owner"). The term "Owner" includes all owners of the Property. City and Owner may be referred individually as a "Party" and collectively referred to as the "Parties."

WHEREAS, the Owner owns a parcel of real property (the "Property") in Kaufman County, Texas, located at 2121 Ola Road (PID 213307), situated in the William Peters Survey, Abstract No. 407, and more particularly described on **Exhibit A** attached hereto; and

WHEREAS, the Parties desire to enter into this Agreement pursuant to Section 43.0672 of the Texas Local Government Code in order to address the provision of municipal services to be offered to the Property on the date of annexation, and a schedule that includes the period within which the City will provide any municipal service that is not provided on the effective date of annexation, as shown in **Exhibit B** attached hereto; and

WHEREAS, the Owner and the City acknowledge that this Agreement is binding upon the City and the Owner and their respective successors and assigns for the term (defined below) of this Agreement; and

WHEREAS, this Agreement is to be recorded in the Real Property Records of Kaufman County.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Parties hereto agree as follows:

Section 1. The City acknowledges and agrees that it shall provide the municipal services listed in **Exhibit B** to the Property pursuant to Chapter 43 of Texas Local Government Code upon annexation of the Property.

Section 2. The Owner acknowledges that each and every owner of the Property must sign this Agreement in order for the Agreement to take full effect, and **the**

Exhibit C
Written Service Agreement and Municipal Service Plan
A-03-21

Owner who signs this Agreement covenants and agrees, jointly and severably, to indemnify, hold harmless, and defend the City against any and all legal claims, by any person claiming an ownership interest in the Property who has not signed the Agreement, arising in any way from the City's reliance on this Agreement.

Section 3. The Owner agrees and stipulates that such annexation of the Property is voluntary, and the Owner has submitted a petition for such annexation to the City. Furthermore, the Owner hereby waives any and all vested rights and claims that they may have under Section 43.002(a)(2) and Chapter 245 of the Texas Local Government Code that would otherwise exist by virtue of any actions Owner has taken. Owner acknowledges and stipulates that this Agreement is not a permit, as defined in Texas Local Government Code, Section 245.001(1), required by the City.

Section 4. The Parties acknowledge and agree that nothing in this Agreement shall require the City to provide a uniform level of full municipal services to each area of the City, including the annexed Property, if different characteristics of topography, land use, and population density are considered a sufficient basis for providing different levels of municipal service. Furthermore, the Parties acknowledge and agree that this Agreement will not provide any fewer services, and it will not provide a lower level of services, than were in existence in the annexed area at the time immediately preceding the annexation process.

Section 5. The Owner acknowledges that the City's codes, ordinances, regulations and policies ("Regulations") that apply throughout the City, including the Property, may be reviewed at City Hall and at <https://z2.franklinlegal.net/franklin/Z2Browser2.html?showset=kaufmanset> and shall apply to all such regulations in the development of the Property.

Section 6. This Agreement shall be valid for a term of ten (10) years. Renewal of the Agreement shall be at the discretion of the City Council and must be approved by ordinance. The Owner agrees that this Agreement may be amended without the written consent or knowledge of the Owner if the City Council determines at a public hearing that changed conditions or subsequent occurrences make this Agreement unworkable or obsolete. Furthermore, the Owner acknowledges and agrees that the City Council may amend the services provided under this Agreement without the written consent of the Owner in order to conform to the changed conditions, subsequent occurrences, or any other legally sufficient circumstances existing pursuant to the Local Government Code or other Texas or Federal laws that make this Agreement unworkable, obsolete or unlawful.

Section 7. Any notice provided or permitted to be given under this Agreement must be in writing and may be served by depositing same in the United States mail, addressed to the Party to be notified, postage pre-paid and registered or certified with return receipt requested, or by delivering the same in person to such Party via facsimile or a hand-delivery service, Federal Express or any courier service that

Exhibit C
Written Service Agreement and Municipal Service Plan
A-03-21

provides a return receipt showing the date of actual delivery of same to the addressee thereof. Notice given in accordance herewith shall be effective upon receipt at the address of the addressee. For purposes of notice, the addresses of the Parties shall be as follows:

To City:
City of Kaufman
Attn: Marcy Ratcliff
209 S Washington St.
Kaufman, TX 75142

With Copy to:

Messer, Fort & McDonald PLLC
Attn: Patricia Adams
6371 Preston Road, Suite 200
Frisco, Texas 75034

To Owner:

City of Kaufman
Attn: City Manager Michael T Slye
209 South Washington Street
Kaufman, Texas 75142

Section 8. A certified copy of this Agreement shall be recorded in the real property records of Kaufman County, Texas, and this Agreement shall constitute a covenant that runs with the Property.

Section 9. If a court of competent jurisdiction determines that any covenant of this Agreement is void or unenforceable, including the covenants regarding involuntary annexation, then the remainder of this Agreement shall remain in full force and effect.

Section 10. This Agreement may be enforced by any Owner or the City by any proceeding at law or in equity. Failure to do so shall not be deemed a waiver to enforce the provisions of this Agreement thereafter. Notwithstanding the preceding terms of this section, the City does not waive immunity from suit or liability. Owner acknowledges and agrees that the only recourse against the City for breach or default of the Agreement is disannexation for failure to provide services pursuant to Chapter 43 of the Texas Local Government Code.

Section 11. Owner and City acknowledge and expressly agree that no subsequent change in the law regarding annexation shall affect the enforceability of this

Exhibit C
Written Service Agreement and Municipal Service Plan
A-03-21

Agreement or the City's ability to annex the properties covered herein pursuant to the terms of this Agreement.

Section 12. The validity of this Agreement and any of its terms and provisions, as well as the rights and duties of the Parties, shall be governed by the laws of the State of Texas; and venue for any action concerning this Agreement shall be only in Kaufman County, Texas.

Section 13. This Agreement may be separately executed in individual counterparts and, upon execution, shall constitute one and the same instrument.

Section 14. This Agreement shall survive its termination to the extent necessary for the implementation of the provisions of Sections 2, 3, 4, and 10 herein.

Section 15. This Agreement embodies the complete agreement of the Parties hereto, superseding all oral or written, previous and contemporary agreements between the Parties and relating to the matters in this Agreement and except as otherwise provided herein, cannot be modified without the written agreement of the Parties to be attached to and made a part of this Agreement.

Section 16. The determinations recited and declared in the preambles to this Agreement are hereby incorporated herein as part of this Agreement.

Section 17. All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

Entered into this ____ day of _____ 2021.

SIGNATURES ON FOLLOWING PAGE(S)

Exhibit C
Written Service Agreement and Municipal Service Plan
A-03-21

CITY OF KAUFMAN TEXAS

By: _____
Name: Michael T. Slye
Title: City Manager
Date: _____

THE STATE OF TEXAS §
 §
COUNTY OF KAUFMAN §

**This instrument was acknowledged before me on _____, 2021,
by Michael T. Slye, City Manager of the City of Kaufman, Texas on behalf of
said City.**

Notary Public in and for the State of TEXAS

CITY OF KAUFMAN

By: _____
Name: Michael T. Slye
Title: City Manager
Date: _____

THE STATE OF TEXAS §
 §
COUNTY OF KAUFMAN §

**This instrument was acknowledged before me on _____, 2021,
by Hal Richards, County Judge of Kaufman County Texas, owner of said
Property.**

Notary Public in and for the State of TEXAS

A-03-21

Property Description and Depiction

A-03-21 Location Map

Exhibit C
Written Service Agreement and Municipal Service Plan
A-03-21

EXHIBIT "A"
Property Description and Depiction

ALL THAT CERTAIN LOT, TRACT, OR PARCEL OF LAND, PART OF THE WILLIAM PETERS SURVEY, ABSTRACT NO. 407, KAUFMAN COUNTY, TEXAS, ALL OF THAT CERTAIN CALLED 73.027 ACRE TRACT CONVEYED TO RUTH JACKSON BY JOHN THOMAS NALLS, ET UX ON APRIL 30, 1971, RECORDED IN VOLUME 547, PAGE 928 OF THE DEED RECORDS OF KAUFMAN COUNTY, TEXAS, AND BEING A CALLED 0.098 ACRE TRACT ACCESS EASEMENT DESCRIBED AS DESCRIBED AS TRACT TWO IN WARRANTY DEED RECORDED IN VOLUME 1180, PAGE 523, OFFICIAL PUBLIC RECORDS OF KAUFMAN COUNTY, TEXAS AND BEING MORE COMPLETELY DESCRIBED AS FOLLOWS:

BEGINNING AT A 5/8 INCH IRON ROD FOUND AT THE WEST CORNER OF THE ABOVE MENTIONED 73.027 ACRE TRACT, IN THE SOUTHWEST LINE OF THE WILLIAM PETERS SURVEY AND BEING AT THE SOUTH CORNER OF THAT CERTAIN 74.38 ACRE TRACT CONVEYED TO LARRY DON BAKER, RECORDED IN VOLUME 3821, PAGE 18 OF THE DEED RECORDS OF KAUFMAN COUNTY, TEXAS;

THENCE NORTH 43 DEGREES 45 MINUTES 04 SECONDS EAST, WITH THE WESTERLY NORTHWEST LINE OF SAID 73.0287 ACRE TRACT, 2,002.10 FEET TO A 6 INCH WOOD FENCE POST AT THE EAST CORNER OF THE ABOVE MENTIONED BAKER TRACT AND BEING IN THE SOUTHWEST LINE OF THAT CERTAIN CALLED 126.00 ACRE TRACT CONVEYED TO THE CITY OF KAUFMAN, TEXAS, RECORDED IN VOLUME 91, PAGE 618 OF THE DEED RECORDS OF KAUFMAN COUNTY, TEXAS;

THENCE SOUTH 47 DEGREES 50 MINUTES 34 SECONDS EAST, 208.06 FEET TO A 3/8 INCH IRON ROD FOUND AT THE SOUTH CORNER OF SAID 126.00 ACRE TRACT AND BEING AN ELL CORNER OF SAID 73.027 ACRE TRACT;

THENCE NORTH 43 DEGREES 41 MINUTES 59 SECONDS EAST, WITH THE NORTHERLY NORTHWEST LINE OF SAID 73.027 ACRE TRACT, 1,682.78 FEET TO A 6 INCH WOOD FENCE CORNER AT THE NORTH CORNER OF SAME AND BEING AT THE WEST CORNER OF THAT CERTAIN 28.19 ACRE TRACT CONVEYED TO THE CITY OF KAUFMAN, TEXAS, RECORDED IN VOLUME 250, PAGE 288 OF THE DEED RECORDS OF KAUFMAN COUNTY, TEXAS;

THENCE SOUTH 46 DEGREES 28 MINUTES 04 SECONDS EAST, WITH THE NORTHEAST LINE OF SAID 73.027 ACRE TRACT, 909.85 FEET TO A 8 INCH WOOD FENCE CORNER AT THE EAST CORNER OF SAME AND AT THE SOUTH CORNER OF THE ABOVE MENTIONED 28.19 ACRE TRACT;

THENCE SOUTH 43 DEGREES 10 MINUTES 10 SECONDS WEST, WITH THE NORTHERLY SOUTHEAST LINE OF SAID 73.027 ACRE TRACT, 2,071.96 FEET TO A FOUND 1/2 INCH IRON ROD FOR CORNER;

THENCE NORTH 45 DEGREES 27 MINUTES 29 SECONDS WEST, 305.31 FEET TO A 1/2 INCH IRON ROD FOUND AT AN ELL CORNER OF SAID 73.027 ACRE TRACT;

THENCE SOUTH 42 DEGREES 00 MINUTES 18 SECONDS WEST, WITH THE SOUTHERLY SOUTHEAST LINE OF SAID 73.027 ACRE TRACT, 1,278.80 FEET TO A 3/8 INCH IRON ROD FOUND AT THE SOUTH CORNER OF SAME AND BEING AT THE EAST CORNER OF THAT CERTAIN 3.318 ACRE TRACT CONVEYED TO LENARD AND CAROLYN MIZE RECORDED IN VOLUME 1180, PAGE 523 OF THE DEED RECORDS OF KAUFMAN COUNTY, TEXAS;

THENCE CONTINUING SOUTH 42 DEGREES 00 MINUTES 18 SECONDS WEST, 194.89 FEET TO A SET 1/2 INCH IRON ROD;

THENCE SOUTH 71 DEGREES 45 MINUTES 43 SECONDS WEST, 37.24 FEET TO A SET 1/2 INCH IRON ROD;

THENCE NORTH 41 DEGREES 34 MINUTES 59 SECONDS EAST, 230.87 FEET TO A SET 1/2 INCH IRON ROD;

THENCE NORTH 37 DEGREES 45 MINUTES 37 SECONDS WEST, WITH THE NORTHEAST LINE OF SAID 3.318 ACRE TRACT, 215.97 FEET TO A 1/2 INCH IRON ROD SET AT AN ANGLE IN SAME;

THENCE SOUTH 86 DEGREES 17 MINUTES 34 SECONDS WEST, CONTINUING WITH THE NORTHEAST LINE OF SAID 3.318 ACRE TRACT, 324.10 FEET TO A 5/8 INCH IRON ROD FOUND AT THE NORTH CORNER OF SAME AND BEING AT THE EAST CORNER OF THAT CERTAIN TRACT CONVEYED TO MALHI, RECORDED IN VOLUME 5794, PAGE 513 OF THE DEED RECORDS OF KAUFMAN COUNTY, TEXAS;

THENCE NORTH 65 DEGREES 18 MINUTES 29 SECONDS WEST, CONTINUING WITH THE SOUTHWEST LINE OF SAID 73.027 ACRE TRACT, 442.25 FEET TO THE PLACE OF BEGINNING AND CONTAINING 73.491 ACRES OF LAND.

Exhibit C
Written Service Agreement and Municipal Service Plan
A-03-21

EXHIBIT "A"
Property Description and Depiction

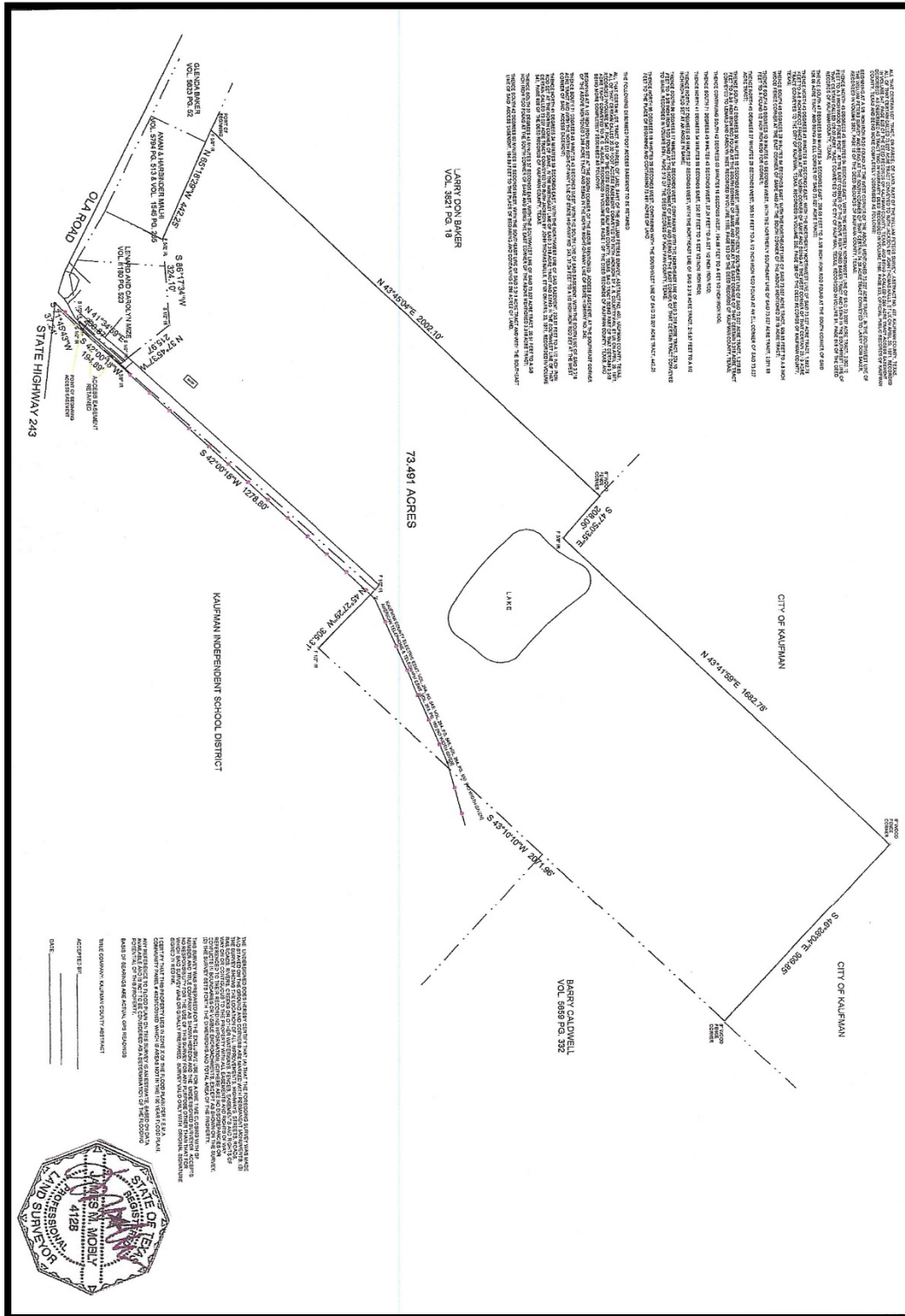


Exhibit C
Written Service Agreement and Municipal Service Plan
A-03-21

EXHIBIT “B”
Municipal Service Plan

A) SERVICE PLAN GENERALLY

- 1) This service plan has been prepared in accordance with the Texas Local Government Code (“LGC”), Section 43.0672. Municipal facilities and services to the annexed area will be provided or made available on behalf of the City of Kaufman (the “City”) in accordance with the following plan. Unless, otherwise indicated, the City will provide the following services to the annexed property within two and one-half years unless certain services cannot be reasonably provided within that time and the City proposes a schedule to provide services within four and one-half years. The City shall provide the annexed tract the levels of service, infrastructure, and infrastructure maintenance that are comparable to the levels of service, infrastructure, and infrastructure maintenance available in other parts of the City with similar topography, land use, and population density.
- 2) For purposes of this service plan, to “provide” services includes having services provided by any method or means by which the City provides municipal services to any other areas of the City, and may include causing or allowing private utilities, governmental entities, and other public service organizations to provide such services by contract or right, in whole or in part, and may include duties on part of the private landowner with regard to such services.

B) EMERGENCY SERVICES

- 1) Police Protection
 - a) Police protection from the City of Kaufman Police Department shall be immediately provided to the annexed area at a level consistent with current methods and procedures presently provided to similar areas on the effective date of the annexation ordinance. Some of these services include:
 - i) Routine patrol and responses;
 - ii) Dispatch responses to emergency and non-emergency service calls;
 - iii) Handling of complaints and incident reports;
 - iv) Special units, such as traffic enforcement and investigations;
 - v) Coordination with other public safety support agencies; and
 - vi) Animal control services.
 - b) As development commences in these areas, enough police protection, including personnel and equipment will be provided to furnish these areas with the level of police services consistent with the characteristics

Exhibit C
Written Service Agreement and Municipal Service Plan
A-03-21

of topography, land utilization, and population density of the areas.

- c) Upon ultimate development, police protection will be provided at a level consistent with other similarly situated areas within the city limits.

2) Fire Protection and Emergency Medical Services

- a) The City of Kaufman Fire Department will continue to provide emergency medical services and fire prevention services to the annexed area. These services include, but are not limited to:

- i) Fire suppression and rescue;
- ii) Pre-hospital medical services including triage, treatment, and transport by Careflite EMS ambulances;
- iii) Hazardous materials response and mitigation;
- iv) Emergency prevention and public education efforts;
- v) Technical rescue response; and
- vi) Constriction Plan Review and required inspections.

- b) Fire protection and emergency medical services from the City shall be provided to the annexed area at a level consistent with current methods and procedures presently provided to similar areas of the City on the effective date of the annexation ordinance.

- c) As development commences in these areas, sufficient, fire protection and emergency medical services, including personnel and equipment will be provided to furnish these areas with the level of services consistent with the characteristics of topography, land utilization, and population density of the areas. It is anticipated that fire stations planned to service areas currently with the City will be sufficient to serve the annexed area.

- d) Upon ultimate development, fire protection and emergency medical services will be provided at a level consistent with similarly situated areas within the city limits.

C) SOLID WASTE

- 1) The City will provide fee-based waste collection services to the Property, contracting with a provider. Notification to the provider to expand the service area will be made upon council approval of the annexation.

D) SANITARY SEWER

- 1) Sanitary sewer service to the area will be provided in the same manner that such service is provided to the other similarly situated areas within the corporate limits of the City and in accordance with applicable codes and departmental policy. As property develops in the area, sanitary sewer service shall be provided in accordance with the standard extension ordinances, regulations, and rules, subject to and consistent with the City's participation policies.

Exhibit C
Written Service Agreement and Municipal Service Plan
A-03-21

E) WATER FACILITIES

- 1) Water service to the area will be provided by the CCN holder in the same manner that such service is provided to the other similarly situated areas within the corporate limits of the City.

F) ROAD AND STREETS

- 1) Maintenance of roads and streets, including street lighting, if any, will be maintained in the same manner as provided to other similarly situated areas within the corporate limits of the City.

G) CODE ENFORCEMENT & INSPECTION SERVICES

- 1) Code enforcement services will be available on the effective date of annexation. Code enforcement services include the response, investigation, and potential abatement of property maintenance issues, nuisance issues, sanitation issues, illegal signs, abandoned or inoperable vehicles, and other zoning violations.
- 2) Upon the effective date of annexation, the City will provide building permits and inspection services to the Property. This service will be made available to the Property on the same basis and at the same level of service as similar facilities throughout the City.

H) PLANNING AND ZONING SERVICES

- 1) The Planning and zoning jurisdiction of the City will extend to this area upon the effective date of the annexation ordinance. City planning will thereafter encompass this property, and it shall be entitled to consideration for zoning in accordance with the City's Zoning Ordinance and Comprehensive Plan.

I) PARKS, PLAYGROUNDS, LIBRARIES, SWIMMING POOLS

- 1) Residents within the annexed area may utilize all existing park and recreation facilities, on the effective date of this ordinance. Fees for such usage shall be in accordance with current fees established by ordinance.
- 2) As development commences in the area, additional park and recreation facilities shall be constructed based on park policies defined in the Park Master Plan and as specified in the Park Dedication Ordinance. The general planned locations and classifications of parks will ultimately serve residents from the current City limits and residents from areas being considered for annexation.

J) PUBLICLY OWNED FACILITIES

- 1) The City is aware of a publicly owned facility associated with the Property and municipal services shall be provided to such facility immediately upon annexation of the Property.

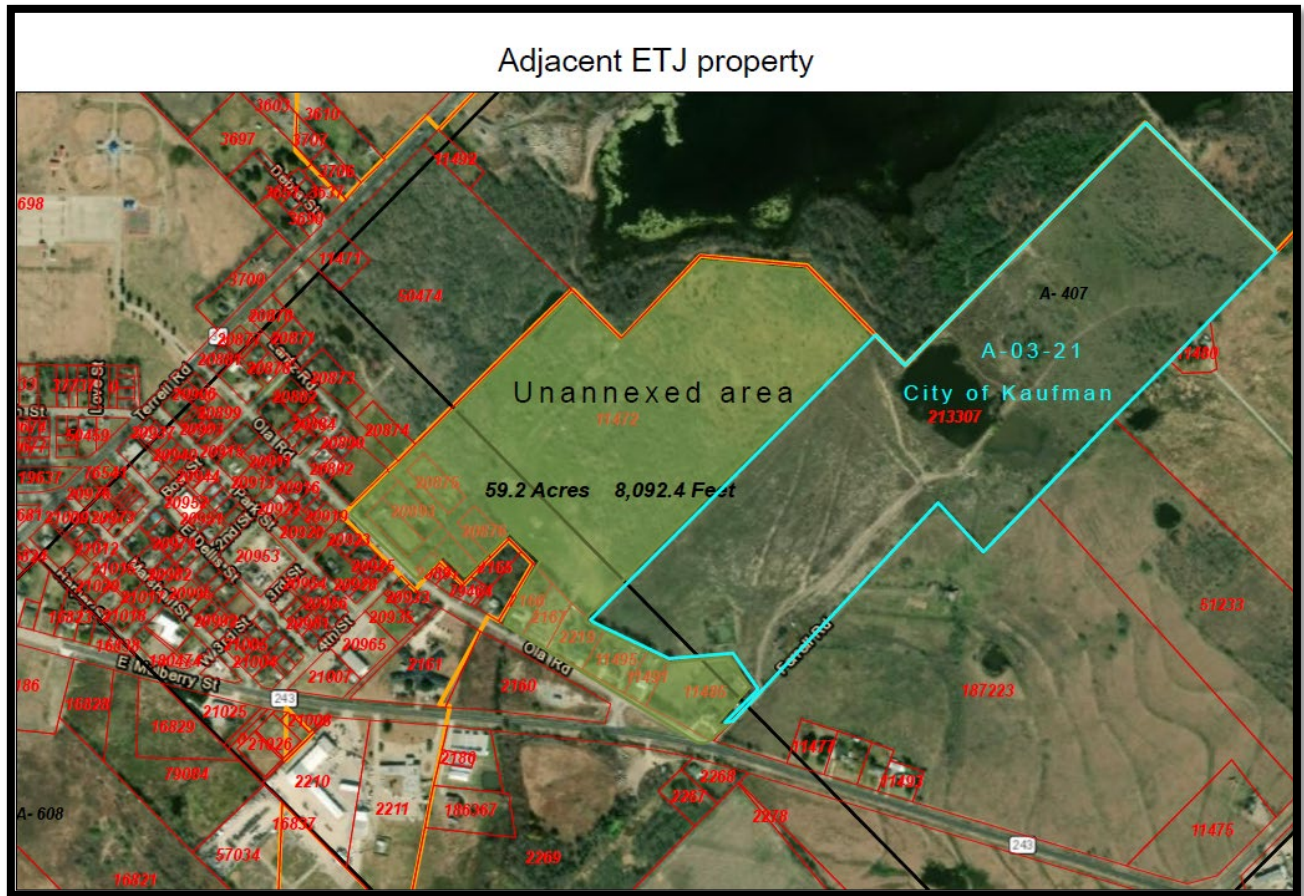
K) OTHER SERVICES

- 1) Other services that may be provided by the City, such as municipal and general administration will be made available on the effective date of the

Exhibit C
Written Service Agreement and Municipal Service Plan
A-03-21

annexation. The City shall provide levels of service, infrastructure, and infrastructure maintenance, enforcement of all zoning ordinances, building codes, and miscellaneous penal ordinances including but not limited to regulation of animals, roads and streets, fireworks, alcoholic beverages, firearms, littering, and dumping that are comparable to the levels of services available in other parts of the City with similar topography, land use, and population density similar to those reasonably contemplated or projected in the area.

Exhibit D





Meeting
Date: 3/22/2021

Date: 3/10/2021

Item #: 9.

Dept.: Development
Services

Ordinance

SUBJECT:

Conduct a public hearing and consider and take appropriate action on Ordinance O-13-21, an ordinance of the City Council of the City of Kaufman, Texas, annexing the hereinafter described property of approximately 85.234 acres generally located at the northwest corner of East State Highway 243 and Farm to Market Road No. 2727 (PIDs 187223 & 51233), situated in the William Peters Survey, Abstract 407, into the City of Kaufman, Kaufman County, Texas and extending the boundary limits of said City so as to include the described property within the City limits; granting to all the inhabitants of the Property all the rights and privileges of other citizens and binding the inhabitants by all of the ordinances, resolutions, acts and regulations of the City, adopting a written services agreement; providing instructions for correcting the official map and boundaries of said City; and providing an effective date. (Case No. A-04-21)

BACKGROUND:

The Kaufman Independent School District (KISD) has owned this property sine January 1, 2018. They were unable to request annexation prior to now because their property was not contiguous to the city limit line. If the City of Kaufman's annexation request A-03-21 is approved then the KISD property will be contiguous to the city limit.

Author:

Marcy Ratcliff, Development Services Director

Reviewed:

Mike Slye, City Manager

Cost: N/A

Funds Available: N/A

Source: N/A

Recommendation: Staff recommends approval of Case No. A-04-21, a petition requesting annexation by the landowner, Kaufman Independent School District for approximately 85.234 acres, generally located at the northwest corner of East State Highway 243 and Farm to Market Road No. 2727 (PIDs 187223 & 51233), the Written Services Agreement and Ordinance O-13-21.

Safe & Secure	Business Friendly/Economic Development	Partnership & Community Involvement	Healthy & Environmentally Cons. Comm.	Financial & OPS Stewardship
☒	☒	☒	☐	☐

ORDINANCE O-13-21

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KAUFMAN, TEXAS, ANNEXING THE HEREINAFTER DESCRIBED PROPERTY CONSISTING OF APPROXIMATELY 85.234-ACRE TRACT OF LAND GENERALLY LOCATED AT THE NORTHWEST CORNER OF EAST STATE HIGHWAY 243 AND FARM TO MARKET ROAD NO. 2727 (PIDs 187223 & 51233) INTO THE CITY OF KAUFMAN, KAUFMAN COUNTY, TEXAS, AND EXTENDING THE BOUNDARY LIMITS OF SAID CITY SO AS TO INCLUDE THE DESCRIBED PROPERTY WITHIN THE CITY LIMITS; GRANTING TO ALL THE INHABITANTS OF THE PROPERTY ALL THE RIGHTS AND PRIVILEGES OF OTHER CITIZENS AND BINDING THE INHABITANTS BY ALL OF THE ORDINANCES, RESOLUTIONS, ACTS, AND REGULATIONS OF THE CITY; ADOPTING A MUNICIPAL SERVICES AGREEMENT; PROVIDING FOR THE INCORPORATION OF PREMISES; FINDING AND DETERMINING THAT ALL REQUIREMENTS FOR ANNEXATION INCLUDING PUBLIC HEARINGS, NOTICES AND OPEN MEETINGS HAVE BEEN MET ACCORDING TO LAW; PROVIDING INSTRUCTIONS FOR FILING THIS ORDINANCE AND FOR CORRECTING THE OFFICIAL MAP AND BOUNDARIES OF SAID CITY; PROVIDING SEVERABILITY AND CUMULATIVE CLAUSES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Kaufman, Texas, ("City"), is authorized, pursuant to Chapter 43 of the Texas Local Government Code, to annex property and extend the corporate limits of the City, subject to state law; and

WHEREAS, the City desires to annex the certain property described herein (the "Property") and described and depicted in Exhibits A-1 and A-2, attached hereto and incorporated as if set forth fully herein; and

WHEREAS, on February 22, 2021, the City Council passed Resolution No. R-11-21, which granted the petition of the Kaufman Independent School District, as submitted by Dr. Lori Blaylock, School Superintendent, property owner of the described property, requesting annexation into the City of Kaufman (A-04-21), attached hereto and incorporated as if set forth fully herein as Exhibit B; and

WHEREAS, all of the Property described herein is contiguous to and within the exclusive extraterritorial jurisdiction of the City; and

WHEREAS, all required notices, all public hearings, and all requirements for such annexation have been provided, held, and met in accordance with applicable law; and

WHEREAS, in accordance with Chapter 43 of the Texas Local Government Code, a written services agreement for the area to be annexed was prepared and

made available to the public and is attached hereto and incorporated as if set forth fully herein as Exhibit C; and

WHEREAS, an offer of a development agreement pursuant to Section 43.016 and Section 212.172 of the Texas Local Government Code has been made and rejected; and

WHEREAS, the City Council of the City of Kaufman finds and determines that annexation of the property hereinafter described as requested by the property owner is in the best interests of the citizens of the City of Kaufman and the owners and residents of the area.

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KAUFMAN, TEXAS:

SECTION 1. Findings. It is hereby officially determined that the findings and recitations contained above in the preamble of this Ordinance are true and correct and are incorporated herein by reference.

SECTION 2. Annexation. That the following described property, to wit:

Kaufman CAD Property IDs 187223 & 51233, generally located at the northwest corner of East State Highway 243 and Farm to Market Road No. 2727 being an approximate 85.234-acre tract of land situated in the William Peters Survey, Abstract No. 407, Kaufman County, Texas, such tract being more particularly described in Exhibits “A-1” and “A-2,” each of which are attached to this Ordinance.

be and the same is hereby annexed into the City of Kaufman, Kaufman County, Texas, and that the boundary limits of the City of Kaufman, Texas, be and the same are hereby extended to include the above-described property within the city limits of the City of Kaufman, and that same shall hereafter be included within the territorial limits of said City and said land and the inhabitants thereof shall be hereafter entitled to all rights and privileges of all other citizens of the City of Kaufman, Texas, and shall be bound by the ordinances, resolutions, acts, and regulations of the City, including bearing their pro-rata share of the taxes levied by the City.

SECTION 3. Written Services Agreement. A Written Service Agreement and Municipal Services Plan prepared in accordance with the applicable provision of state law pertaining to annexation is attached hereto as **Exhibit C** and is hereby incorporated herein by reference and adopted as part of this Ordinance and the same shall govern the delivery of municipal services to the annexed property.

SECTION 4. Official Map. The official map and boundaries of the City, previously adopted, are amended to include the Property as part of the City of Kaufman. The City Secretary is directed and authorized to perform or cause to be

performed all acts necessary to correct the official map of the City to add the annexed Property as required by applicable law.

SECTION 5. City Manager Authorization. The City Manager is hereby directed and authorized to perform or cause to be performed all acts necessary to effectuate this Ordinance, including any corrections to the official map of the City to add the property hereby annexed as required by law.

SECTION 6. Severability Clause. It is hereby declared by the City Council of the City of Kaufman that if any of the sections, paragraphs, sentences, clauses, phrases, words, or provisions of this Ordinance should be declared unconstitutional or otherwise invalid for any reason, such event shall not affect any remaining sections, paragraphs, sentences, clauses, phrases, words, or provisions of this Ordinance.

SECTION 7. Cumulative Clause. This Ordinance shall be cumulative of all provisions of ordinances of the City of Kaufman except where the provisions of this Ordinance are in direct conflict with the provisions of such ordinances, in which event the conflicting provisions of such ordinances are hereby repealed.

SECTION 8. Public Meeting. It is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public as required by law.

SECTION 9. Filing Instructions. The City Secretary is hereby directed to file a certified copy of this Ordinance with the County Clerk of Kaufman County, Texas, and with other appropriate officials and agencies as required by state and federal law.

SECTION 10. Effective Date. This Ordinance shall be in full force and effect immediately upon its passage and approval by the City Council of the City of Kaufman, Texas.

PASSED AND APPROVED this 22nd day of March 2021.

**JEFF JORDAN
MAYOR**

ATTEST:

**JESSIE HANKS
CITY SECRETARY**

APPROVED AS TO FORM:

PATRICIA A. ADAMS
CITY ATTORNEY

**Exhibit A-1
Legal Description**

ALL THAT CERTAIN LOT, TRACT OR PARCEL OF LAND, PART OF THE WM. PETERS SURVEY, ABSTRACT NO. 407, KAUFMAN COUNTY, TEXAS, ALL OF THAT CERTAIN CALLED 30.4095 ACRE TRACT CONVEYED TO HOWELL & ASSOCIATES, INC. BY WILLIAM SCOTT HUNSAKER ON DECEMBER 23, 1999, RECORDED IN VOL. 1419 PAGE 27 OF THE DEED RECORDS OF KAUFMAN COUNTY, TEXAS AND PART OF THAT CERTAIN CALLED 91.2285 ACRES, SAVE AND EXCEPT 1.000 ACRE AND 30.4095 ACRES, CONVEYED TO HOWELL & ASSOCIATES, INC. BY WANDA LYNN HOWELL AND RONALD DEAN HUNSAKER ON OCTOBER 19, 2009, RECORDED IN VOL. 3674 PAGE 626 OF THE DEED RECORDS OF KAUFMAN COUNTY, TEXAS, BEING MORE COMPLETELY DESCRIBED AS FOLLOWS, TO-WIT:

BEGINNING AT A 3/8" IRON ROD FOUND AT THE EAST CORNER OF THE ABOVE MENTIONED 30.4095 ACRE TRACT, AT THE SOUTH CORNER OF THE NETA DEAN MASSEY 57.9215 ACRE THIRD TRACT, RECORDED IN VOL. 590 PAGE 10 OF THE DEED RECORDS OF KAUFMAN COUNTY, TEXAS AND BEING IN THE NORTHWEST RIGHT OF WAY LINE OF FARM TO MARKET ROAD NO. 2727.

THENCE S 46 DEG. 29 MIN. 06 SEC. W, WITH THE NORTHWEST RIGHT OF WAY LINE OF FARM TO MARKET ROAD NO. 2727, A DISTANCE OF 829.66 FT. TO A 3/8" IRON ROD SET FOR CORNER.

THENCE N 36 DEG. 15 MIN. 27 SEC. W, A DISTANCE OF 358.79 FT. TO A 3/8" IRON ROD SET FOR CORNER.

THENCE S 46 DEG. 29 MIN. 06 SEC. W, A DISTANCE OF 743.28 FT. TO A 3/8" IRON ROD SET IN THE NORTH RIGHT OF WAY LINE OF STATE HIGHWAY NO. 243.

THENCE N 71 DEG. 36 MIN. 27 SEC. W, WITH THE NORTH RIGHT OF WAY LINE OF STATE HIGHWAY NO. 243, A DISTANCE OF 1092.17 FT. TO A 5/8" IRON ROD FOUND AT THE SOUTHEAST CORNER OF THE MATTHEW BARNARD 0.636 ACRE TRACT, RECORDED IN VOL. 2796 PAGE 40 OF THE DEED RECORDS OF KAUFMAN COUNTY, TEXAS.

THENCE N 20 DEG. 49 MIN. 31 SEC. E, WITH THE EAST LINE OF SAID 0.636 ACRE TRACT, A DISTANCE OF 152.89 FT. TO A 3/8" IRON ROD FOUND AT THE NORTHEAST CORNER OF SAME.

THENCE N 69 DEG. 52 MIN. 28 SEC. W, WITH THE NORTH LINE OF SAID 0.636 ACRE TRACT, A DISTANCE OF 179.04 FT. TO A 3/8" IRON ROD SET AT THE NORTHWEST CORNER OF SAME AND BEING IN THE EAST LINE OF THE DOROTHY WANDA HUNSAKER 0.559 ACRE TRACT, RECORDED IN VOL. 590 PAGE 10 OF THE DEED RECORDS OF KAUFMAN COUNTY, TEXAS.

THENCE N 20 DEG. 24 MIN. 38 SEC. E, WITH THE EAST LINE OF SAID 0.559 ACRE TRACT, A DISTANCE OF 53.45 FT. TO A 3/8" IRON ROD FOUND AT THE NORTHEAST CORNER OF SAME.

THENCE N 70 DEG. 25 MIN. 07 SEC. W, WITH THE NORTH LINE OF SAID 0.559 ACRE TRACT, PASSING THE NORTHWEST CORNER OF SAME, CONTINUING A TOTAL DISTANCE OF 490.52 FT. TO A 3/8" IRON ROD FOUND AT THE NORTHWEST CORNER OF THE KIMBERLY LYNN HOWELL ZABY, ET VIR 1.000 ACRE TRACT, RECORDED IN VOL. 716 PAGE 638 OF THE DEED RECORDS OF KAUFMAN COUNTY, TEXAS.

**Exhibit A-1
Legal Description**

THENCE S 18 DEG. 20 MIN. 28 SEC. W, WITH THE WEST LINE OF SAID 1.000 ACRE TRACT, A DISTANCE OF 221.76 FT. TO A 3/8" IRON ROD SET AT THE SOUTHWEST CORNER OF SAME AND BEING IN THE NORTH RIGHT OF WAY LINE OF STATE HIGHWAY NO. 243.

THENCE N 71 DEG. 36 MIN. 27 SEC. W, WITH THE NORTH RIGHT OF WAY LINE OF STATE HIGHWAY NO. 243, A DISTANCE OF 114.59 FT. TO A 3/8" IRON ROD SET AT THE P.C. OF A CURVE TO THE RIGHT, THE RADIUS POINT OF WHICH BEARS N 18 DEG. 23 MIN. 33 SEC. E- 2815.24 FT.

THENCE, CONTINUING WITH SAID RIGHT OF WAY LINE AND WITH SAID CURVE TO THE RIGHT, THE ANGLE OF WHICH IS 3 DEG. 33 MIN. 55 SEC., THE RADIUS IS 2815.24 FT. AND THE TANGENT IS 87.62 FT., A DISTANCE OF 175.18 FT. TO A 3/8" IRON ROD SET FOR CORNER.

THENCE N 6 DEG. 01 MIN. 14 SEC. E, CONTINUING WITH SAID RIGHT OF WAY LINE, A DISTANCE OF 109.88 FT. TO A 3/8" IRON ROD SET AT A CORNER IN THE SOUTHEAST LINE OF THE LEONARD G. MIZE AND CAROLYN L. MIZE 2.32 ACRE TRACT 1, RECORDED IN VOL. 2547 PAGE 291 OF THE DEED RECORDS OF KAUFMAN COUNTY, TEXAS AND BEING IN THE CENTERLINE OF A GRAVEL DRIVE.

THENCE N 45 DEG. 17 MIN. 36 SEC. E, WITH THE SOUTHEAST LINE OF SAID 2.32 ACRE TRACT, PASSING THE EAST CORNER OF SAME, CONTINUING A TOTAL DISTANCE OF 1473.54 FT. TO A 2" IRON PIPE FOUND AT AN ELL CORNER OF THE LEONARD C. MIZE, ET UX 73.050 ACRE TRACT ONE, RECORDED IN VOL. 1180 PAGE 523 OF THE DEED RECORDS OF KAUFMAN COUNTY, TEXAS.

THENCE S 42 DEG. 36 MIN. 03 SEC. E, WITH THE EASTERLY SOUTHWEST LINE OF SAID 73.050 ACRE TRACT, A DISTANCE OF 306.16 FT. TO A OLD FENCE CORNER POST FOUND AT THE EASTERLY SOUTH CORNER OF SAME.

THENCE N 45 DEG. 41 MIN. 50 SEC. E, WITH THE EASTERLY SOUTHEAST LINE OF SAID 73.050 ACRE TRACT, A DISTANCE OF 919.57 FT. TO A 3/8" IRON ROD FOUND AT THE WEST CORNER OF THE ABOVE MENTIONED 57.9215 ACRE TRACT.

THENCE S 43 DEG. 54 MIN. 03 SEC. E, WITH THE SOUTHWEST LINE OF SAID 57.9215 ACRE TRACT, A DISTANCE OF 1968.97 FT. TO THE POINT OF BEGINNING, CONTAINING 85.234 ACRES OF LAND.

Note: The Company is prohibited from insuring the area or quantity of the land described herein. Any statement in the above legal description of the area or quantity of land is not a representation that such area or quantity is correct, but is made only for informational and/or identification purposes and does not override Item 2 of Schedule B hereof.

A.P.N. 187223

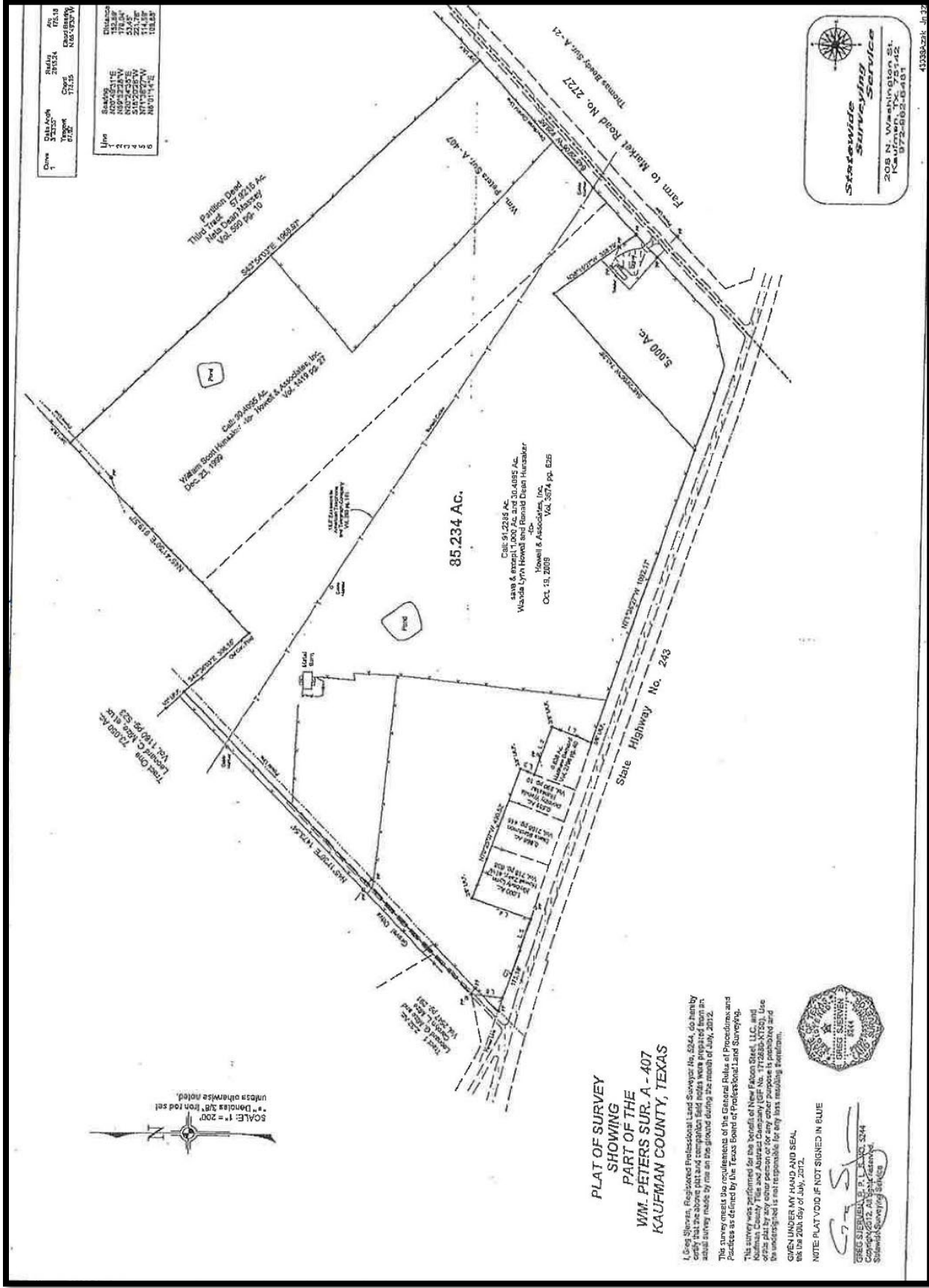


Exhibit B
Kaufman County Annexation Petition

Case Number: A-04-21



VOLUNTARY ANNEXATION APPLICATION

1. Site Location:

General Street Location: State Hwy. 243 + CR 2727 PID: _____

Street Address: 0000 County Road 2727, KAUFMAN, TX 75142

Lot, Block, & Subdivision Name: Wm. Peters Survey; Subdivision A0407

2. Applicant:

Name: DR. LORI BLAYLOCK

Address: 1000 S. Houston St.

City/State: Kaufman, TX 75142 Zip: 75142

Office #: 972-932-2622 Cell #: 903-316-2878 Fax #: 972-932-3325

Email Address: lblaylock@Kaufman-isd.net

3. Property Owner:

Name: KAUFMAN ISD Board President: Byron Gregg

Address: 1000 S. Houston St.

City/State: Kaufman, TX Zip: 75142

Office #: 972-932-2622 Cell #: 903-316-2878 Fax #: 972-932-3325

Email Address: lblaylock@Kaufman-isd.net

4. Attach Exhibit: Metes and bounds, a boundry map, and location map of the subject property.

I UNDERSTAND THAT IT IS NECESSARY FOR ME OR MY AGENT TO BE PRESENT AT THE CITY COUNCIL MEETING.

I hereby authorize the undersigned applicant to act as my agent for the representation and/or presentation of the request.

209 SOUTH WASHINGTON • PO Box 1168 • KAUFMAN, TEXAS 75142 • (972) 932-2216 • FAX (972) 932-6288

g:\development services\email & forms\originals for inhouse use only\annexation application & guidelines.docx Updated: 3/26/2019

Exhibit B
Kaufman County Annexation Petition

The undersigned owners of the hereinafter described tract of land which is vacant and without residents, or on which less than three (3) qualified voters reside, hereby petition your honorable body to extend the present municipal limits so as to include and annex as part of the City of Kaufman, Texas, the property described by metes and bounds on the attached Exhibit "A", which is incorporated herein for all purposes. We certify that this Petition is signed and acknowledged by each and every corporation and person owning said land or having an interest in any part thereof.

Applicant Name (print or type): DR. LORI BLAYLOCK

Applicant signature: Lori Blaylock

Owner Name (print or type): Byron Gregg, Board President

Owner signature: Byron Gregg

BEFORE ME, the undersigned, a Notary Public in and for said State of Texas, on this day personally appeared Lori Blaylock and Byron Gregg, known to me to be the person whose name are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 4th day of February, 2021.

Kathie Fivecoat

Notary Public

My Commission expires: May 9, 2024



Date Received _____ Date Paid _____ Receipt Number _____

209 SOUTH WASHINGTON • PO Box 1168 • KAUFMAN, TEXAS 75142 • (972) 932-2216 • FAX (972) 932-6288

g:\development services\email & forms\originals for inhouse use only\annexation application & guidelines.docx Updated: 3/26/2019

Exhibit C
Written Service Agreement and Municipal Service Plan
A-04-21

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

STATE OF TEXAS §
 §
COUNTY OF KAUFMAN §

CHAPTER 43 TEXAS LOCAL GOVERNMENT CODE
MUNICIPAL SERVICES AGREEMENT

This Municipal Services Agreement ("Agreement") is entered into pursuant to Section 43.0672 of the Texas Local Government Code by and between the City of Kaufman, Texas (the "City") and the undersigned property owner(s) (the "Owner"). The term "Owner" includes all owners of the Property. City and Owner may be referred individually as a "Party" and collectively referred to as the "Parties."

WHEREAS, the Owner owns a parcel of real property (the "Property") in Kaufman County, Texas, generally located at the northwest corner of East State Highway 243 and Farm to Market Road No. 2727 (PIDs 187223 and 51233), situated in the William Peters Survey, Abstract No. 407, and more particularly described on **Exhibit A** attached hereto; and

WHEREAS, the Parties desire to enter into this Agreement pursuant to Section 43.0672 of the Texas Local Government Code in order to address the provision of municipal services to be offered to the Property on the date of annexation, and a schedule that includes the period within which the City will provide any municipal service that is not provided on the effective date of annexation, as shown in **Exhibit B** attached hereto; and

WHEREAS, the Owner and the City acknowledge that this Agreement is binding upon the City and the Owner and their respective successors and assigns for the term (defined below) of this Agreement; and

WHEREAS, this Agreement is to be recorded in the Real Property Records of Kaufman County.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Parties hereto agree as follows:

Section 1. The City acknowledges and agrees that it shall provide the municipal services listed in **Exhibit B** to the Property pursuant to Chapter 43 of Texas Local Government Code upon annexation of the Property.

Exhibit C
Written Service Agreement and Municipal Service Plan
A-04-21

Section 2. The Owner acknowledges that each and every owner of the Property must sign this Agreement in order for the Agreement to take full effect, and **the Owner who signs this Agreement covenants and agrees, jointly and severably, to indemnify, hold harmless, and defend the City against any and all legal claims, by any person claiming an ownership interest in the Property who has not signed the Agreement,** arising in any way from the City's reliance on this Agreement.

Section 3. The Owner agrees and stipulates that such annexation of the Property is voluntary, and the Owner has submitted a petition for such annexation to the City. Furthermore, the Owner hereby waives any and all vested rights and claims that they may have under Section 43.002(a)(2) and Chapter 245 of the Texas Local Government Code that would otherwise exist by virtue of any actions Owner has taken. Owner acknowledges and stipulates that this Agreement is not a permit, as defined in Texas Local Government Code, Section 245.001(1), required by the City.

Section 4. The Parties acknowledge and agree that nothing in this Agreement shall require the City to provide a uniform level of full municipal services to each area of the City, including the annexed Property, if different characteristics of topography, land use, and population density are considered a sufficient basis for providing different levels of municipal service. Furthermore, the Parties acknowledge and agree that this Agreement will not provide any fewer services, and it will not provide a lower level of services, than were in existence in the annexed area at the time immediately preceding the annexation process.

Section 5. The Owner acknowledges that the City's codes, ordinances, regulations and policies ("Regulations") that apply throughout the City, including the Property, may be reviewed at City Hall and at <https://z2.franklinlegal.net/franklin/Z2Browser2.html?showset=kaufmanset> and shall apply to all such regulations in the development of the Property.

Section 6. This Agreement shall be valid for a term of ten (10) years. Renewal of the Agreement shall be at the discretion of the City Council and must be approved by ordinance. The Owner agrees that this Agreement may be amended without the written consent or knowledge of the Owner if the City Council determines at a public hearing that changed conditions or subsequent occurrences make this Agreement unworkable or obsolete. Furthermore, the Owner acknowledges and agrees that the City Council may amend the services provided under this Agreement without the written consent of the Owner in order to conform to the changed conditions, subsequent occurrences, or any other legally sufficient circumstances existing pursuant to the Local Government Code or other Texas or Federal laws that make this Agreement unworkable, obsolete or unlawful.

Section 7. Any notice provided or permitted to be given under this Agreement must be in writing and may be served by depositing same in the United States mail, addressed to the Party to be notified, postage pre-paid and registered or certified

Exhibit C
Written Service Agreement and Municipal Service Plan
A-04-21

with return receipt requested, or by delivering the same in person to such Party via facsimile or a hand-delivery service, Federal Express or any courier service that provides a return receipt showing the date of actual delivery of same to the addressee thereof. Notice given in accordance herewith shall be effective upon receipt at the address of the addressee. For purposes of notice, the addresses of the Parties shall be as follows:

To City:
City of Kaufman
Attn: Marcy Ratcliff
209 S Washington St.
Kaufman, TX 75142

With Copy to:

Messer, Fort & McDonald PLLC
Attn: Patricia Adams
6371 Preston Road, Suite 200
Frisco, Texas 75034

To Owner:

City of Kaufman
Attn: City Manager Michael T Slye
209 South Washington Street
Kaufman, Texas 75142

Section 8. A certified copy of this Agreement shall be recorded in the real property records of Kaufman County, Texas, and this Agreement shall constitute a covenant that runs with the Property.

Section 9. If a court of competent jurisdiction determines that any covenant of this Agreement is void or unenforceable, including the covenants regarding involuntary annexation, then the remainder of this Agreement shall remain in full force and effect.

Section 10. This Agreement may be enforced by any Owner or the City by any proceeding at law or in equity. Failure to do so shall not be deemed a waiver to enforce the provisions of this Agreement thereafter. Notwithstanding the preceding terms of this section, the City does not waive immunity from suit or liability. Owner acknowledges and agrees that the only recourse against the City for breach or default of the Agreement is disannexation for failure to provide services pursuant to Chapter 43 of the Texas Local Government Code.

Exhibit C
Written Service Agreement and Municipal Service Plan
A-04-21

Section 11. Owner and City acknowledge and expressly agree that no subsequent change in the law regarding annexation shall affect the enforceability of this Agreement or the City's ability to annex the properties covered herein pursuant to the terms of this Agreement.

Section 12. The validity of this Agreement and any of its terms and provisions, as well as the rights and duties of the Parties, shall be governed by the laws of the State of Texas; and venue for any action concerning this Agreement shall be only in Kaufman County, Texas.

Section 13. This Agreement may be separately executed in individual counterparts and, upon execution, shall constitute one and the same instrument.

Section 14. This Agreement shall survive its termination to the extent necessary for the implementation of the provisions of Sections 2, 3, 4, and 10 herein.

Section 15. This Agreement embodies the complete agreement of the Parties hereto, superseding all oral or written, previous and contemporary agreements between the Parties and relating to the matters in this Agreement and except as otherwise provided herein, cannot be modified without the written agreement of the Parties to be attached to and made a part of this Agreement.

Section 16. The determinations recited and declared in the preambles to this Agreement are hereby incorporated herein as part of this Agreement.

Section 17. All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

Entered into this ____ day of _____ 2021.

SIGNATURES ON FOLLOWING PAGE(S)

Exhibit C
Written Service Agreement and Municipal Service Plan
A-04-21

CITY OF KAUFMAN TEXAS

By: _____
Name: Michael T. Slye
Title: City Manager
Date: _____

THE STATE OF TEXAS §
 §
COUNTY OF KAUFMAN §

**This instrument was acknowledged before me on _____, 2021,
by Michael T. Slye, City Manager of the City of Kaufman, Texas on behalf of
said City.**

Notary Public in and for the State of TEXAS

KAUFMAN INDEPENDENT SCHOOL DISTRICT

By: _____
Name: Dr. Lori Blaylock
Title: School Superintendent
Date: _____

THE STATE OF TEXAS §
 §
COUNTY OF KAUFMAN §

**This instrument was acknowledged before me on _____, 2021,
by Dr. Lori Blaylock, School Superintendent of Kaufman Independent
School District, Kaufman Texas, owner of said Property.**

Notary Public in and for the State of TEXAS

Exhibit C
Written Service Agreement and Municipal Service Plan
A-04-21

EXHIBIT "A"
Property Description and Depiction

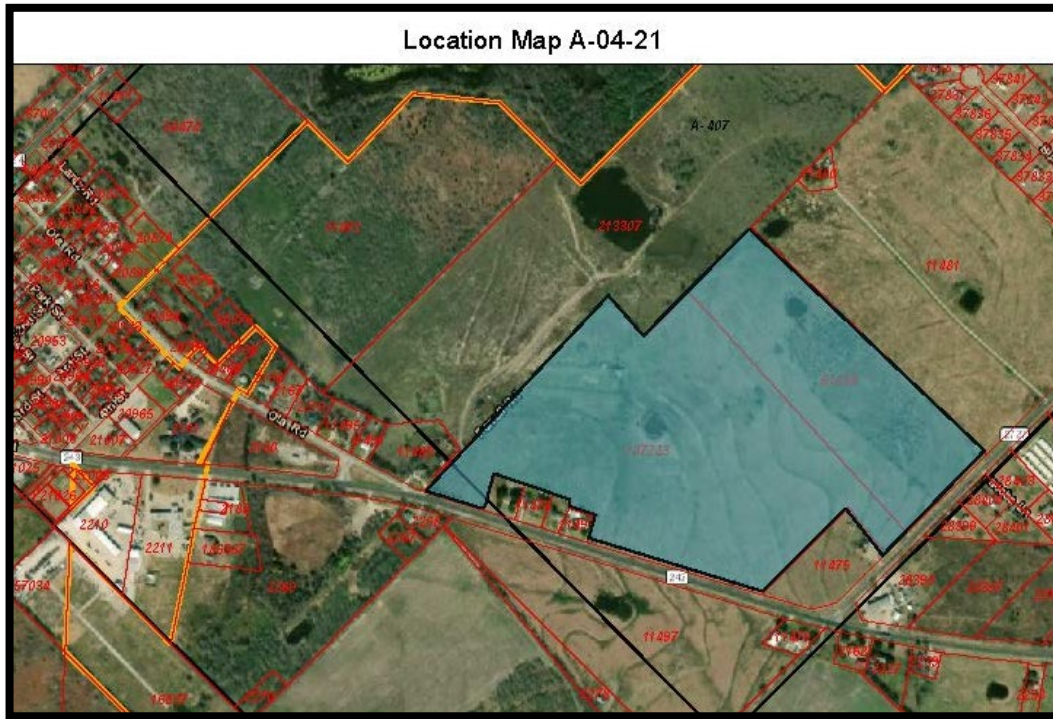


Exhibit C
Written Service Agreement and Municipal Service Plan
A-04-21

EXHIBIT "A"
Property Description and Depiction

File No.: KCT-2200422 (PS)
Property: 0000 Co. Rd. 2727, Kaufman, TX 75142

ALL THAT CERTAIN LOT, TRACT OR PARCEL OF LAND, PART OF THE WM. PETERS SURVEY, ABSTRACT NO. 407, KAUFMAN COUNTY, TEXAS, ALL OF THAT CERTAIN CALLED 30.4095 ACRE TRACT CONVEYED TO HOWELL & ASSOCIATES, INC. BY WILLIAM SCOTT HUNSAKER ON DECEMBER 23, 1999, RECORDED IN VOL. 1419 PAGE 27 OF THE DEED RECORDS OF KAUFMAN COUNTY, TEXAS AND PART OF THAT CERTAIN CALLED 91.2285 ACRES, SAVE AND EXCEPT 1.000 ACRE AND 30.4095 ACRES, CONVEYED TO HOWELL & ASSOCIATES, INC. BY WANDA LYNN HOWELL AND RONALD DEAN HUNSAKER ON OCTOBER 19, 2009, RECORDED IN VOL. 3674 PAGE 626 OF THE DEED RECORDS OF KAUFMAN COUNTY, TEXAS, BEING MORE COMPLETELY DESCRIBED AS FOLLOWS, TO-WIT:

BEGINNING AT A 3/8" IRON ROD FOUND AT THE EAST CORNER OF THE ABOVE MENTIONED 30.4095 ACRE TRACT, AT THE SOUTH CORNER OF THE NETA DEAN MASSEY 57.9215 ACRE THIRD TRACT, RECORDED IN VOL. 590 PAGE 10 OF THE DEED RECORDS OF KAUFMAN COUNTY, TEXAS AND BEING IN THE NORTHWEST RIGHT OF WAY LINE OF FARM TO MARKET ROAD NO. 2727.

THENCE S 46 DEG. 29 MIN. 06 SEC. W, WITH THE NORTHWEST RIGHT OF WAY LINE OF FARM TO MARKET ROAD NO. 2727, A DISTANCE OF 829.66 FT. TO A 3/8" IRON ROD SET FOR CORNER.

THENCE N 36 DEG. 15 MIN. 27 SEC. W, A DISTANCE OF 358.79 FT. TO A 3/8" IRON ROD SET FOR CORNER.

THENCE S 46 DEG. 29 MIN. 06 SEC. W, A DISTANCE OF 743.28 FT. TO A 3/8" IRON ROD SET IN THE NORTH RIGHT OF WAY LINE OF STATE HIGHWAY NO. 243.

THENCE N 71 DEG. 36 MIN. 27 SEC. W, WITH THE NORTH RIGHT OF WAY LINE OF STATE HIGHWAY NO. 243, A DISTANCE OF 1092.17 FT. TO A 5/8" IRON ROD FOUND AT THE SOUTHEAST CORNER OF THE MATTHEW BARNARD 0.636 ACRE TRACT, RECORDED IN VOL. 2796 PAGE 40 OF THE DEED RECORDS OF KAUFMAN COUNTY, TEXAS.

THENCE N 20 DEG. 49 MIN. 31 SEC. E, WITH THE EAST LINE OF SAID 0.636 ACRE TRACT, A DISTANCE OF 152.89 FT. TO A 3/8" IRON ROD FOUND AT THE NORTHEAST CORNER OF SAME.

THENCE N 69 DEG. 52 MIN. 28 SEC. W, WITH THE NORTH LINE OF SAID 0.636 ACRE TRACT, A DISTANCE OF 179.04 FT. TO A 3/8" IRON ROD SET AT THE NORTHWEST CORNER OF SAME AND BEING IN THE EAST LINE OF THE DOROTHY WANDA HUNSAKER 0.559 ACRE TRACT, RECORDED IN VOL. 590 PAGE 10 OF THE DEED RECORDS OF KAUFMAN COUNTY, TEXAS.

THENCE N 20 DEG. 24 MIN. 38 SEC. E, WITH THE EAST LINE OF SAID 0.559 ACRE TRACT, A DISTANCE OF 53.45 FT. TO A 3/8" IRON ROD FOUND AT THE NORTHEAST CORNER OF SAME.

THENCE N 70 DEG. 25 MIN. 07 SEC. W, WITH THE NORTH LINE OF SAID 0.559 ACRE TRACT, PASSING THE NORTHWEST CORNER OF SAME, CONTINUING A TOTAL DISTANCE OF 490.52 FT. TO A 3/8" IRON ROD FOUND AT THE NORTHWEST CORNER OF THE KIMBERLY LYNN HOWELL ZABY, ET VIR 1.000 ACRE TRACT, RECORDED IN VOL. 716 PAGE 638 OF THE DEED RECORDS OF KAUFMAN COUNTY, TEXAS.

KCT-2200422

1 of 2

Exhibit C
Written Service Agreement and Municipal Service Plan
A-04-21

EXHIBIT "A"
Property Description and Depiction

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THENCE N 71 DEG. 36 MIN. 27 SEC. W, WITH THE NORTH RIGHT OF WAY LINE OF STATE HIGHWAY NO. 243, A DISTANCE OF 114.59 FT. TO A 3/8" IRON ROD SET AT THE P.C. OF A CURVE TO THE RIGHT, THE RADIUS POINT OF WHICH BEARS N 18 DEG. 23 MIN. 33 SEC. E-2815.24 FT.

THENCE, CONTINUING WITH SAID RIGHT OF WAY LINE AND WITH SAID CURVE TO THE RIGHT, THE ANGLE OF WHICH IS 3 DEG. 33 MIN. 55 SEC., THE RADIUS IS 2815.24 FT. AND THE TANGENT IS 87.62 FT., A DISTANCE OF 175.18 FT. TO A 3/8" IRON ROD SET FOR CORNER.

THENCE N 6 DEG. 01 MIN. 14 SEC. E, CONTINUING WITH SAID RIGHT OF WAY LINE, A DISTANCE OF 109.88 FT. TO A 3/8" IRON ROD SET AT A CORNER IN THE SOUTHEAST LINE OF THE LEONARD G. MIZE AND CAROLYN L. MIZE 2.32 ACRE TRACT 1, RECORDED IN VOL. 2547 PAGE 291 OF THE DEED RECORDS OF KAUFMAN COUNTY, TEXAS AND BEING IN THE CENTERLINE OF A GRAVEL DRIVE.

THENCE N 45 DEG. 17 MIN. 36 SEC. E, WITH THE SOUTHEAST LINE OF SAID 2.32 ACRE TRACT, PASSING THE EAST CORNER OF SAME, CONTINUING A TOTAL DISTANCE OF 1473.54 FT. TO A 2" IRON PIPE FOUND AT AN ELL CORNER OF THE LEONARD C. MIZE, ET UX 73.050 ACRE TRACT ONE, RECORDED IN VOL. 1180 PAGE 523 OF THE DEED RECORDS OF KAUFMAN COUNTY, TEXAS.

THENCE S 42 DEG. 36 MIN. 03 SEC. E, WITH THE EASTERLY SOUTHWEST LINE OF SAID 73.050 ACRE TRACT, A DISTANCE OF 306.16 FT. TO A OLD FENCE CORNER POST FOUND AT THE EASTERLY SOUTH CORNER OF SAME.

THENCE N 45 DEG. 41 MIN. 50 SEC. E, WITH THE EASTERLY SOUTHEAST LINE OF SAID 73.050 ACRE TRACT, A DISTANCE OF 919.57 FT. TO A 3/8" IRON ROD FOUND AT THE WEST CORNER OF THE ABOVE MENTIONED 57.9215 ACRE TRACT.

THENCE S 43 DEG. 54 MIN. 03 SEC. E, WITH THE SOUTHWEST LINE OF SAID 57.9215 ACRE TRACT, A DISTANCE OF 1968.97 FT. TO THE POINT OF BEGINNING, CONTAINING 85.234 ACRES OF LAND.

Note: The Company is prohibited from insuring the area or quantity of the land described herein. Any statement in the above legal description of the area or quantity of land is not a representation that such area or quantity is correct, but is made only for informational and/or identification purposes and does not override Item 2 of Schedule B hereof.

A.P.N. 187223

EXHIBIT "A"
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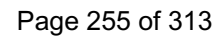


Exhibit C
Written Service Agreement and Municipal Service Plan
A-04-21

EXHIBIT “B”
Municipal Service Plan

A) SERVICE PLAN GENERALLY

- 1) This service plan has been prepared in accordance with the Texas Local Government Code (“LGC”), Section 43.0672. Municipal facilities and services to the annexed area will be provided or made available on behalf of the City of Kaufman (the “City”) in accordance with the following plan. Unless, otherwise indicated, the City will provide the following services to the annexed property within two and one-half years unless certain services cannot be reasonably provided within that time and the City proposes a schedule to provide services within four and one-half years. The City shall provide the annexed tract the levels of service, infrastructure, and infrastructure maintenance that are comparable to the levels of service, infrastructure, and infrastructure maintenance available in other parts of the City with similar topography, land use, and population density.
- 2) For purposes of this service plan, to “provide” services includes having services provided by any method or means by which the City provides municipal services to any other areas of the City, and may include causing or allowing private utilities, governmental entities, and other public service organizations to provide such services by contract or right, in whole or in part, and may include duties on part of the private landowner with regard to such services.

B) EMERGENCY SERVICES

- 1) Police Protection
 - a) Police protection from the City of Kaufman Police Department shall be immediately provided to the annexed area at a level consistent with current methods and procedures presently provided to similar areas on the effective date of the annexation ordinance. Some of these services include:
 - i) Routine patrol and responses;
 - ii) Dispatch responses to emergency and non-emergency service calls;
 - iii) Handling of complaints and incident reports;
 - iv) Special units, such as traffic enforcement and investigations;
 - v) Coordination with other public safety support agencies; and
 - vi) Animal control services.
 - b) As development commences in these areas, enough police protection, including personnel and equipment will be provided to furnish these areas with the level of police services consistent with the characteristics

Exhibit C
Written Service Agreement and Municipal Service Plan
A-04-21

of topography, land utilization, and population density of the areas.

- c) Upon ultimate development, police protection will be provided at a level consistent with other similarly situated areas within the city limits.

2) Fire Protection and Emergency Medical Services

- a) The City of Kaufman Fire Department will continue to provide emergency medical services and fire prevention services to the annexed area. These services include, but are not limited to:

- i) Fire suppression and rescue;
- ii) Pre-hospital medical services including triage, treatment, and transport by Careflite EMS ambulances;
- iii) Hazardous materials response and mitigation;
- iv) Emergency prevention and public education efforts;
- v) Technical rescue response; and
- vi) Constriction Plan Review and required inspections.

- b) Fire protection and emergency medical services from the City shall be provided to the annexed area at a level consistent with current methods and procedures presently provided to similar areas of the City on the effective date of the annexation ordinance.

- c) As development commences in these areas, sufficient, fire protection and emergency medical services, including personnel and equipment will be provided to furnish these areas with the level of services consistent with the characteristics of topography, land utilization, and population density of the areas. It is anticipated that fire stations planned to service areas currently with the City will be sufficient to serve the annexed area.

- d) Upon ultimate development, fire protection and emergency medical services will be provided at a level consistent with similarly situated areas within the city limits.

C) SOLID WASTE

- 1) The City will provide fee-based waste collection services to the Property, contracting with a provider. Notification to the provider to expand the service area will be made upon council approval of the annexation.

D) SANITARY SEWER

- 1) Sanitary sewer service to the area will be provided in the same manner that such service is provided to the other similarly situated areas within the corporate limits of the City and in accordance with applicable codes and departmental policy. As property develops in the area, sanitary sewer service shall be provided in accordance with the standard extension ordinances, regulations, and rules, subject to and consistent with the City's participation policies.

Exhibit C
Written Service Agreement and Municipal Service Plan
A-04-21

E) WATER FACILITIES

- 1) Water service to the area will be provided by the CCN holder in the same manner that such service is provided to the other similarly situated areas within the corporate limits of the City.

F) ROAD AND STREETS

- 1) Maintenance of roads and streets, including street lighting, if any, will be maintained in the same manner as provided to other similarly situated areas within the corporate limits of the City.

G) CODE ENFORCEMENT & INSPECTION SERVICES

- 1) Code enforcement services will be available on the effective date of annexation. Code enforcement services include the response, investigation, and potential abatement of property maintenance issues, nuisance issues, sanitation issues, illegal signs, abandoned or inoperable vehicles, and other zoning violations.
- 2) Upon the effective date of annexation, the City will provide building permits and inspection services to the Property. This service will be made available to the Property on the same basis and at the same level of service as similar facilities throughout the City.

H) PLANNING AND ZONING SERVICES

- 1) The Planning and zoning jurisdiction of the City will extend to this area upon the effective date of the annexation ordinance. City planning will thereafter encompass this property, and it shall be entitled to consideration for zoning in accordance with the City's Zoning Ordinance and Comprehensive Plan.

I) PARKS, PLAYGROUNDS, LIBRARIES, SWIMMING POOLS

- 1) Residents within the annexed area may utilize all existing park and recreation facilities, on the effective date of this ordinance. Fees for such usage shall be in accordance with current fees established by ordinance.
- 2) As development commences in the area, additional park and recreation facilities shall be constructed based on park policies defined in the Park Master Plan and as specified in the Park Dedication Ordinance. The general planned locations and classifications of parks will ultimately serve residents from the current City limits and residents from areas being considered for annexation.

J) PUBLICLY OWNED FACILITIES

- 1) The City is aware of a publicly owned facility associated with the Property and municipal services shall be provided to such facility immediately upon annexation of the Property.

K) OTHER SERVICES

- 1) Other services that may be provided by the City, such as municipal and general administration will be made available on the effective date of the

Exhibit C
Written Service Agreement and Municipal Service Plan
A-04-21

annexation. The City shall provide levels of service, infrastructure, and infrastructure maintenance, enforcement of all zoning ordinances, building codes, and miscellaneous penal ordinances including but not limited to regulation of animals, roads and streets, fireworks, alcoholic beverages, firearms, littering and dumping that are comparable to the levels of services available in other parts of the City with similar topography, land use, and population density similar to those reasonably contemplated or projected in the area.



Meeting
Date: 3/22/2021

Date: 3/9/2021

Item #: 10.

Dept.: Administration

Ordinance

SUBJECT:

Consider and take appropriate action on Ordinance O-14-21, an ordinance of the City Council of the City of Kaufman, Texas, amending the City's Personnel Policies Manual, adopted as Section 2-62, "Personnel Policies; Job Classification", of Article III, "Officers and Employees", of Chapter 2, "Administration", of the Code of Ordinances of the City by: (1) adopting a new section, Section 5.12, "Hazard Duty Pay"; and to incorporate updates to the existing Personnel Policies Manual; and providing an effective date.

BACKGROUND:

Staff routinely reviews the personnel policy manual to ensure all policies are up to date and in compliance. Navigating the on-going pandemic brought to staff's attention the need for a policy related to Hazardous Duty Pay. A majority of the City of Kaufman employees have been front-line workers as it relates to the COVID-19 outbreak.

The City has taken numerous precautions to protect our employees but could not consider additional compensation because of the lack of an approved policy. The draft policy provided details on the circumstances where additional compensation may be considered and what positions would qualify. The draft policy differs from some traditional Hazardous Duty Policies by including employees in positions other than Public Safety if they meet the established criteria. The draft policy ensures that Hazardous Duty Pay would only be allocated if approved by the City Council. Staff recommends adding Section 5.12 to address this matter.

Author:
Lexie Hanson, Communications

Reviewed:
Mike Slye, City Manager

Cost:

Funds Available:

Source:

Recommendation: Staff recommends amending these sections to align with state law.

Safe & Secure	Business Friendly/Economic Development	Partnership & Community Involvement	Healthy & Environmentally Cons. Comm.	Financial & OPS Stewardship
☐	☐	☐	☐	☐

ORDINANCE NO. O-14-21

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KAUFMAN, TEXAS, AMENDING THE CITY OF KAUFMAN PERSONNEL POLICIES MANUAL, CODIFIED AS SECTION 2-62 OF ARTICLE III, "OFFICERS AND EMPLOYEES", OF CHAPTER 2, "ADMINISTRATION", OF THE CODE OF ORDINANCES OF THE CITY OF KAUFMAN TO ADOPT A NEW SECTION, SECTION 5.12 TO BE ENTITLED, "HAZARD PAY DUTY"; PROVIDING FOR THE INCORPORATION OF PREMISES; PROVIDING FOR CUMULATIVE REPEALER, SAVINGS AND SEVERABILITY CLAUSES; PROVIDING FOR READINGS AND PUBLICATION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Section 4.06 of the City of Kaufman Home Rule Charter provides that the City Manager shall prepare personnel rules and the City Council may, by ordinance, adopt them without amendment; and

WHEREAS, Section 4.06 further provides that the rules shall provide for the classification of all City positions, based upon duties, authority and responsibility of each position, provision for reclassification of any position, and a pay plan for all City positions; and

WHEREAS, Section 2-62 of Article III, "Officers and Employees", of Chapter 2, "Administration", of the Code of Ordinances of the City currently provides for the adoption of the City of Kaufman Personnel Policies Manual; and

WHEREAS, the City's Personnel Policies Manual has since been amended via Ordinance Nos. O-14-20 and O-27-20; and

WHEREAS, upon review of the current Personnel Policies Manual, the City Manager determined that amendments to the Manual as provided for herein are necessary to provide needed updates to hazard pay, overtime, and leave taken policies, and hereby presents this Ordinance to the City Council for approval; and

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KAUFMAN, TEXAS:

Section 1: Incorporation of Premises. That all of the above premises are found to be true and correct and are incorporated into the body of this Ordinance as if copied in their entirety.

Section 2: Amendments.

2.1. That the City of Kaufman Personnel Policies Manual, codified as Section 2.62 of Article III of Chapter 2 of the City's Code of Ordinances, is hereby amended to add a new section, Section 5.12, "Hazard Pay", which shall be and read in its entirety as follows:

5.12 Hazard Duty Pay

The City of Kaufman is committed to providing a safe and effective workplace for all employees. The Hazard Duty Pay policy is designed to recognize that certain essential personnel functions face higher risks to hazards such as COVID-19 or other Federal or State Emergency Declarations. Employees meeting the established criteria may be eligible for Hazard Duty Pay Compensation at a level approved by the City Council.

This policy applies to general full-time city employees including civilian and sworn members of the Police and Fire Departments who meet the eligibility criteria identified below.

- A. Employees who perform hazardous duty or work as defined by a public declaration by the Federal or State Government and/or by the City Council that brings them in direct contact with the public or the hazardous work environment on a daily or very frequent basis.
- B. Employees whose duties are substantially dedicated to mitigating or responding directly to the COVID-19 public health emergency as defined by public orders or rulings.

Managers and supervisors who oversee employees who qualify for Hazard Duty Pay will not be eligible unless their work directly fits the eligibility criteria established above.

Employees who are not regularly assigned to the performance of duties that entail a higher risk of exposure will not be eligible, unless recommended for eligibility by the employee's supervisor or manager because of a temporary assignment or other factors relating to the nature and risk of hazardous work.

The City Manager will make the final determination regarding eligibility for Hazard Duty Pay using the criteria established above or by the City Council.

The City Council will determine the rate of compensation in accordance with eligible funding and/or that meets any limits established by a grant or reimbursement disbursement provided by a Federal, State or County program.

Section 3. Amendment and Maintenance of Personnel Policies Manual. The Kaufman City Secretary or designee is directed to update the City of Kaufman Personnel Policies Manual to reflect the amendments adopted by this Ordinance. An updated copy

of the Personnel Manual shall remain on file in the office of the City Secretary of the City of Kaufman.

Section 4. Cumulative Repealer/Savings. This Ordinance shall be cumulative of all other Ordinances of the City of Kaufman and shall not repeal any of the provisions of such Ordinances except for those instances where there are direct conflicts with the provisions of this Ordinance. Ordinances or parts thereof in force at the time this Ordinance shall take effect and that are inconsistent with this Ordinance are hereby repealed to the extent that they are inconsistent with this Ordinance. Provided, however, that any complaint, action, claim or lawsuit which has been initiated or has arisen under or pursuant to such Ordinance on the date of adoption of this Ordinance is saved and shall continue to be governed by the provisions of that Ordinance and for that purpose the Ordinance shall remain in full force and effect.

Section 5. Severability. If any section, article, paragraph, sentence, clause, phrase or word in this Ordinance or application thereof to any person or circumstance is held invalid or unconstitutional by a Court of competent jurisdiction, such holdings shall not affect the validity of the remaining portions of this Ordinance, and the City Council hereby declares it would have passed such remaining portions of this Ordinance despite such invalidity, which remaining portions shall remain in full force and effect.

Section 6. Readings and Publication. In accordance with the City Charter, this Ordinance has been read at a City Council meeting properly noticed and open to the public as required by law. The City Secretary of the City of Kaufman is hereby directed to publish the Caption of this Ordinance or to publish this Ordinance or a summary as required by state law and Charter.

Section 7. Effective Date. That this Ordinance shall become effective on and after its passage and adoption.

PASSED AND APPROVED this 22nd day of March, 2021.

JEFF JORDAN
MAYOR

ATTEST:

JESSIE HANKS
CITY SECRETARY

APPROVED AS TO FORM:

PATRICIA A. ADAMS
CITY ATTORNEY



Meeting
Date: 3/22/2021

Date: 3/11/2021

Item #: 11.

Dept.: Administration

Ordinance

SUBJECT:

Consider and take appropriate action on Ordinance O-15-21, an ordinance of the City Council of the City of Kaufman, Texas, amending the Code of Ordinances of the City of Kaufman to repeal Chapter 34, "Courts", in its entirety to add a new Chapter 34, to be entitled, "Municipal Court of Record", to establish the Kaufman Municipal Court as a court of record; and providing an effective date.

BACKGROUND:

Establishing a Court of Record for our Municipal Court will require the court to record all of its activity. Appeals, thereafter, will be heard by the Municipal Court. Currently appeals are forwarded to the County Courts for disposition. This action will streamline and judicial process for all municipal-related citations and offenses.

Author:
Mike Slye, City Manager

Reviewed:
Mike Slye, City Manager

Cost:

Funds Available:

Source:

Recommendation: Staff recommends approval of Ordinance O-15-21 as presented.

Safe & Secure	Business Friendly/Economic Development	Partnership & Community Involvement	Healthy & Environmentally Cons. Comm.	Financial & OPS Stewardship
☐	☐	☐	☐	☐

ORDINANCE O-15-21

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KAUFMAN, TEXAS, AMENDING THE CODE OF ORDINANCES OF THE CITY OF KAUFMAN TO REPEAL CHAPTER 34, "COURTS", IN ITS ENTIRETY AND TO ADD A NEW CHAPTER 34 TO BE ENTITLED, "MUNICIPAL COURT OF RECORD", TO ESTABLISH THE KAUFMAN MUNICIPAL COURT AS A MUNICIPAL COURT OF RECORD; PROVIDING FOR THE INCORPORATION OF PREMISES; PROVIDING FOR AMENDMENTS; PROVIDING A SAVINGS CLAUSE; PROVIDING A REPEALER CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council is authorized to establish a municipal court of record pursuant to Chapter 30 of the Texas Government Code; and

WHEREAS, the City Council has determined that the creation of a municipal court of record is necessary in order to provide a more efficient process in the disposition of Municipal Court cases that arise within the City and to enforce ordinances of the City more effectively; and

WHEREAS, the City Council deems it in the public interest to establish a municipal court of record pursuant to Chapter 30 of the Texas Government Code, to be known as the Municipal Court of Record in the City of Kaufman.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KAUFMAN, TEXAS:

SECTION 1. Incorporation of Premises. The above and foregoing premises are true and correct and are incorporated herein and made a part hereof for all purposes.

SECTION 2. Amendments.

- 2.01 Chapter 34, "Courts", of the Code of Ordinances of the City of Kaufman, Texas, is hereby repealed in its entirety.
- 2.02 A new Chapter 34 entitled, "Municipal Court of Record", is hereby adopted into the Code of Ordinances of the City of Kaufman and shall be and read in its entirety as follows:

CHAPTER 34 – MUNICIPAL COURT OF RECORD

34.01. Court Established.

The City Council hereby establishes the Kaufman Municipal Court as a municipal court of record in order to provide a more efficient disposition of cases arising in the City, and in order to enforce the ordinances of the City more effectively. The Kaufman Municipal Court shall become a court of record from and after the effective date of this Ordinance, and shall be known as "The Municipal Court of Record in the City of Kaufman".

34.02. Municipal Court Judge.

The judge of the municipal court of record in the City of Kaufman shall be appointed by the City Council by ordinance for a term of two (2) years. The municipal judge must be a licensed attorney in good standing in the State of Texas, and must have two (2) or more years of experience in the practice of law in Texas. The judge must be a citizen of the United States and the State of Texas. The City Council shall establish the salary of the judge, which shall not be based directly or indirectly on fines or costs collected by the court. Such salary may not be diminished during the term for which the judge is appointed.

34.03. Appointment of Court Clerk and Court Personnel.

The City Manager shall appoint a clerk of the municipal court of record who shall perform duties in accordance with state law and City ordinance. During the proceedings of the Court, the clerk and other court personnel shall serve at the direction of the municipal court judge. At all other times they shall serve at the direction and supervision of the City Manager who shall have the authority to remove the court clerk or other personnel according to the rules set forth in the City's personnel policies. The clerk of the municipal court of record shall keep the records of the municipal court of record and issue, process, and perform the duties described in Section 30.00009 of the Texas Government Code.

The City shall require the court clerk, before entering upon the duties of the office, to execute a good and sufficient surety company bond, in such amount as the City may demand, payable to the City and conditioned for the faithful performance of the duties of the office. The premium of such bond is to be paid by the City.

34.04. Vacancies; Associate Judge.

If a vacancy occurs in the office of a municipal judge of a court of record, the City Council shall by ordinance appoint a qualified person to fill the office for the remainder of the unexpired term. The City Council may appoint more than one qualified person as an associate judge to be available to serve for a municipal judge who is temporarily absent due to illness, family death, continuing legal or judicial education programs, or any other reason. The municipal judge shall select one of the qualified persons appointed by the

City Council to serve during the absence of the municipal judge. The associate judge, while serving as a municipal judge, has all the powers and shall discharge all the duties of a municipal judge. An associate judge must meet the qualifications prescribed for the municipal judge. The City Council shall set the compensation for the associate judge.

34.05. Fines.

All monies received as court-imposed fines or penalties shall be paid into the general fund of the City treasury, unless otherwise required by State law.

34.06. Municipal Court Jurisdiction.

The municipal court of record has the jurisdiction provided by Chapter 30 of the Government Code for municipal courts of record.

34.07. Terms of Government Code Adopted.

The municipal court of record is established pursuant to the authority granted in Subchapter A, Chapter 30, of the Government Code of the State of Texas, known as the Uniform Municipal Courts of Record Act, and the terms set forth therein are hereby adopted governing the operation of said court.

34.08. Court Reporter.

The proceedings of trials in municipal court of record shall be recorded by a good quality electronic recording device and kept for a period of twenty-one (21) days after the last day of the court proceedings, trial, or denial of a motion for a new trial, whichever occurs last. If the case is appealed, the proceedings shall be transcribed from the recording by an official court reporter.

34.09. Jury.

The court clerk shall supervise the selection of persons for jury service in the municipal court of record.

34.10. Transcript Preparation Fee.

In the event of an appeal, the appellant shall pay a transcript preparation fee in the amount of \$25. The transcript preparation fee does not include the fee for an actual transcript of the proceedings, which the appellant must pay. The clerk shall note the payment of the fee on the docket of the court. If the case is reversed on appeal, the fee for the actual transcript of the proceedings and statement of facts must be paid by the appellant.

SECTION 3. This Ordinance shall be cumulative of all other Ordinances and shall not repeal any of the provisions of such Ordinances except for those instances where

there are direct conflicts with the provisions of this Ordinance. Ordinances or parts thereof in force at the time this Ordinance shall take effect and that are inconsistent with this Ordinance are hereby repealed to the extent that they are inconsistent with this Ordinance. Provided however, that any complaint, action, claim or lawsuit which has been initiated or has arisen under or pursuant to such Ordinance on the date of adoption of this Ordinance shall continue to be governed by the provisions of that Ordinance and for that purpose the Ordinance shall remain in full force and effect.

SECTION 4. If any section, subsection, clause, phrase or provision of this Ordinance, or any application thereof to any person or circumstance, shall to any extent be held by a court of competent jurisdiction to be invalid, void or unconstitutional, the remaining sections, subsections, clauses, phrases and provisions of this Ordinance, or any application thereof to any person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

SECTION 5. This Ordinance shall become effective immediately upon its passage and adoption in accordance with state law and Charter.

PASSED AND APPROVED this 22nd day of March, 2021.

JEFF JORDAN
MAYOR

ATTEST:

JESSIE HANKS
CITY SECRETARY

APPROVED AS TO LEGAL FORM:

PATRICIA A. ADAMS
CITY ATTORNEY



Meeting
Date: 3/22/2021

Date: 3/9/2021

Item #: 12.

Dept.: Administration

Action Item

SUBJECT:

Consider and take appropriate action on Ordinance O-16-21, an ordinance of the City Council of the City of Kaufman, Texas, repealing provisions of the City's ordinances and Council declaration and resolutions related to COVID-19 in conflict with Governor Abbott's recent executive order (GA-34); encouraging continued disaster mitigation efforts; requiring face covering within City facilities; and providing an effective date.

BACKGROUND:

This ordinance provides for the City Council's direction related to GA-34 from the Governor's office related to the conduct of COVID-19 restrictions. The new Governor's order basically opens the state up to allow for individuals/businesses to institute their own levels of pandemic protection. This ordinance details what restrictions/recommendations that will be enforced related to city-owned facilities within the city limits of Kaufman.

Author:
Mike Slye, City Manager

Reviewed:
Mike Slye, City Manager

Cost:

Funds Available:

Source:

Recommendation: Staff recommends approval of Ordinance O-16-21 as presented.

Safe & Secure	Business Friendly/Economic Development	Partnership & Community Involvement	Healthy & Environmentally Cons. Comm.	Financial & OPS Stewardship
☐	☐	☐	☐	☐

ORDINANCE NO. O-16-21

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KAUFMAN, TEXAS, REPEALING PROVISIONS OF THE CITY'S ORDINANCES AND COUNCIL DECLARATIONS RELATED TO COVID-19 IN CONFLICT WITH GOVERNOR ABBOTT'S RECENT EXECUTIVE ORDER (GA-34); ENCOURAGING CONTINUED DISASTER MITIGATION EFFORTS RELATED TO COVID-19; REQUIRING FACE COVERINGS WITHIN CITY FACILITIES; PROVIDING FOR THE INCORPORATION OF PREMISES; PROVIDING SEVERABILITY; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, beginning in December 2019, Coronavirus Disease (COVID-19), spread throughout the world and was declared a global pandemic by the World Health Organization; and

WHEREAS, on March 13, 2020, Texas Governor Greg Abbott declared a statewide public health disaster due to COVID-19; and

WHEREAS, the Mayor of Kaufman determined it necessary to declare a local state of disaster due to public health emergency on March 16, 2020, and rather than exercising his authority to issue a declaration of local disaster for a seven-day period and seek extension or continuation by City Council, the Mayor presented a Council Order Declaring Local State of Disaster Due to Public Health Emergency to the City Council, which took effect at 12:01 p.m. on March 17, 2020, and remains in effect until modified by the City Council; and

WHEREAS, the Mayor of Kaufman serves as the Director of the Office of Emergency Management, has designated the Kaufman Fire Chief, Ronnie Davis, as the coordinator and delegated to the coordinator the authority for execution of his duties and responsibilities as set forth in Article II, Emergency Management, of the Code of Ordinances of the City of Kaufman, Texas ("Article II"); and

WHEREAS, the City Council amended its Order Declaring Local State of Disaster Due to Public Health Emergency via Ordinance No. O-15-20 on July 6, 2020, to authorize the Mayor to amend, revoke, or modify any provisions of the Council declarations to maintain consistency with federal, state or local directives or mandates related to COVID-19; and

WHEREAS, on March 2, 2021, Governor Greg Abbott issued Executive Order GA-34, which rescinded his previous executive orders related to mandates on face coverings and restrictions on gathering, but continued to permit business owners and other establishments to require employees and customers to wear face coverings; and

WHEREAS, the City of Kaufman has the authority to issue an order that is not inconsistent with the Governor's order; and

WHEREAS, in order to be consistent with other state and local directives issued by Governor Abbott and Kaufman County, the City Council has determined it necessary to adopt this Ordinance to repeal any provisions of previous Council ordinances, resolutions, or declarations inconsistent with GA-34 to require City employees to wear face coverings in certain instances and to encourage continued mitigation efforts; and

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KAUFMAN, TEXAS:

SECTION 1. INCORPORATION OF PREMISES.

- 1.01. Recitals. The premises set forth above are the stated findings of the City Council of the City of Kaufman, serve as the basis for and are incorporated into this Ordinance as if written word for word.
- 1.02. Executive Orders of Governor Abbott. All declarations and orders issued by Governor Abbott and the Kaufman County Judge relative to the COVID-19 disaster are incorporated herein to the extent applicable for receipt of federal and state funds to mitigate the costs of COVID-19 incurred by the City of Kaufman, including expenditures of such funds to facilitate the delivery of City services remotely.
- 1.03. Council Actions Repealed. City Council disaster declarations related to COVID-19 are hereby repealed to the extent the regulations provided for within are in conflict with GA-34 or this Ordinance.

SECTION 2. CITY FACILITIES/MITIGATION EFFORTS.

- 2.01 City facilities, including City Hall, are open to the public during normal hours of operation as posted on the City of Kaufman's website.

Public. Within City owned facilities, it is required that all persons of the public 10 years or older wear a face covering, according to the CDC guidelines, over their nose and mouth when in a building or other space open to the public.

City Employees. All City of Kaufman employees are required to wear face coverings when transacting business with customers or outside their specific office, according to the CDC guidelines, over their nose and mouth, when in City facilities and are to abide by applicable personnel policies.

- 2.02 Face coverings are a secondary strategy to other mitigation efforts. Face coverings are not a replacement for social distancing, frequent handwashing, quarantining, and self-isolation when sick. People are encouraged to maintain the following habits while in public: washing hands before you leave home and when you return, staying at least six feet away from others, avoiding touching nose or face, not using disposable masks more than three times, and washing reusable cloth masks regularly to prevent the spread of the COVID-19.

SECTION 3. PUBLICATION. This Ordinance shall be given prompt and general publicity and shall be filed promptly with the City Secretary.

SECTION 4. SEVERABILITY. If any subsection, sentence, clause, phrase, or word of this Ordinance or application of it to any person, structure, gathering, or circumstance is held to be invalid or unconstitutional by a decision of a court of competent jurisdiction, then such decision will not affect the validity of the remaining portions of applications of this Ordinance.

SECTION 5. EXECUTIVE ORDERS. To the greatest extent possible, this Ordinance shall be interpreted as consistent with and supplemental to any executive order issued by the Governor of Texas. All provisions of the executive orders of the Governor of Texas either existing or subsequently issued, and which are made applicable to all jurisdictions by law, shall be automatically incorporated into and constitute terms of this Order, and shall be enforceable as if set forth herein without the necessity for the issuance of any further orders.

SECTION 6. CONTINUATION AND EFFECTIVE DATE. This Ordinance shall become effective immediately upon passage.

DULY PASSED AND APPROVED by the City Council of the City of Kaufman this 22nd day of March, 2021.

APPROVED:

**JEFF JORDAN
MAYOR**

ATTEST:

**JESSIE HANKS
CITY SECRETARY**

APPROVED AS TO FORM:

**PATRICIA A. ADAMS
CITY ATTORNEY**



Meeting
Date: 3/22/2021

Date: 3/9/2021

Item #: 13.

Dept.: Administration

Resolution

SUBJECT:

Consider and take appropriate action on Resolution R-18-21, a resolution of the City Council of the City of Kaufman, Texas, authorizing the award for professional services provider for the 2021 Texas Community Development Block Grant Planning and Capacity Building Fund application and project implementation; and providing an effective date.

BACKGROUND:

On February 18, 2021, staff put out a Request for Proposal for planning services for a 2021 CDBG Planning and Capacity Building Fund application and project implementation. This is for the purpose of getting funding to conduct various studies in a variety of areas including basic planning activities, street condition study, water system study, wastewater system study, capital improvement program, thoroughfares study, and central business district study.

Staff received two proposals from Traylor & Associates and Grantworks. The committee reviewed the proposals and recommends Traylor and Associates be awarded the planning provider for the 2021 Texas Community Development Block Grant Planning and Capacity Building Fund application and project implementation. Both proposals were equally qualified, however, Traylor and Associates has significant, successful history managing past CDBG grants with the City of Kaufman.

Author:
Mike Slye, City Manager

Reviewed:
Mike Slye, City Manager

Cost:

Funds Available:

Source:

Recommendation: Staff recommends approval of Resolution R-08-21 as presented.

Safe & Secure	Business Friendly/Economic Development	Partnership & Community Involvement	Healthy & Environmentally Cons. Comm.	Financial & OPS Stewardship
☐	☐	☐	☐	☐

RESOLUTION R-18-21

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KAUFMAN, TEXAS, AUTHORIZING THE AWARD OF PROFESSIONAL SERVICES PROVIDER CONTRACTS FOR THE 2021 COMMUNITY DEVELOPMENT BLOCK GRANT PLANNING AND CAPACITY BUILDING FUND PROJECT; PROVIDING FOR THE INCORPORATION OF PREMISES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the 2021 Texas Community Development Block Grant Planning and Capacity Building Fund Contract requires implementation by professionals experienced in completion of federally-funded planning services; and

WHEREAS, it is necessary and in the best interests of the City of Kaufman to apply for funding under the Texas Community Development Block Grant Planning and Capacity Building Fund Program, ("2021-2022 TxCDBG Planning and Capacity Building Fund Application") to receive funding to complete various necessary studies including water, wastewater, thoroughfare plan, and more; and

WHEREAS, the City of Kaufman has sought proposals for Grant Administrator services for application preparation and project implementation in conjunction with the 2021-2022 TxCDBG Planning and Capacity Building Fund Application; and

WHEREAS, the proposals received by the due date have been reviewed to determine the most qualified and responsive providers for the professional service.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KAUFMAN, TEXAS, AS FOLLOWS:

SECTION 1. The premises set forth above are the stated findings of the City Council of the City of Kaufman, serve as the basis for and are incorporated into this Ordinance as if written word for word.

SECTION 2. The City Council has reviewed and hereby formally selects the firm of Traylor & Associates be awarded a contract to provide Texas CDBG application and project-related planning services for the 2021 Planning and Capacity Building Fund Project.

SECTION 3. That any and all contracts or commitments made with the above-named service provider are dependent on the successful negotiation of a contract with the service provider.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF KAUFMAN, TEXAS,
on this 22nd day of March, 2021.

JEFF JORDAN
MAYOR

ATTEST:

JESSIE HANKS
CITY SECRETARY

APPROVED AS TO LEGAL FORM:

PATRICIA A. ADAMS
CITY ATTORNEY



Meeting
Date: 3/22/2021

Date: 3/18/2021

Item #: 14.

Dept.: Administration

Resolution

SUBJECT:

Consider and take appropriate action on Resolution R-19-21, a resolution of the City Council of the City of Kaufman, Texas, authorizing the submission of a Texas Community Development Block Grant Program Application to the Texas Department of Agriculture for the community development fund; authorizing the mayor and City Manager to act as the City's executive officers and authorized representatives in all matters pertaining to the city's participation in the Texas Community Development Block Grant Program; and providing an effective date.

BACKGROUND:

This resolution is for the purpose of authorizing Traylor & Associates to submit the 2021 CDBG Program Application for the purpose of rehabilitating the north elevated water tower.

Author:
Mike Slye, City Manager

Reviewed:
Mike Slye, City Manager

Cost:

Funds Available:

Source:

Recommendation: Staff recommends approval of Resolution R-19-21 as presented.

Safe & Secure	Business Friendly/Economic Development	Partnership & Community Involvement	Healthy & Environmentally Cons. Comm.	Financial & OPS Stewardship
☐	☐	☐	☐	☐

RESOLUTION R-19-21

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KAUFMAN, TEXAS, AUTHORIZING THE SUBMISSION OF A TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM APPLICATION TO THE TEXAS DEPARTMENT OF AGRICULTURE FOR THE COMMUNITY DEVELOPMENT FUND; AUTHORIZING THE MAYOR AND CITY MANAGER TO ACT AS THE CITY'S EXECUTIVE OFFICERS AND AUTHORIZED REPRESENTATIVES IN ALL MATTERS PERTAINING TO THE CITY'S PARTICIPATION IN THE TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM; PROVIDING A COMMITMENT FROM THE CITY'S WATER FUND; PROVIDING FOR THE INCORPORATION OF PREMISES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Kaufman desires to develop a viable community, including affordable housing, a suitable living environment and expanding economic opportunities, principally for persons of low-to-moderate income; and

WHEREAS, it is necessary and in the best interests of the City of Kaufman to apply for funding under the Texas Community Development Block Grant Program to effectuate the goals listed above.

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

SECTION 1. That the above and foregoing premises are true and correct and are incorporated herein and made a part hereof for all purposes.

SECTION 2. That a Texas Community Development Block Grant Program application for the Community Development Fund is hereby authorized to be filed by the City Manager on behalf of the City with the Texas Department of Agriculture.

SECTION 3. That the City's application be placed in competition for funding under the Community Development Fund.

SECTION 4. That the City's application be for \$350,000.00 of grant funds for refurbishing, including painting, of the City elevated water storage tank located on Hickory Street.

SECTION 5. That the City Council directs and designates the following to act in all matters in connection with this application and the City's participation in the Texas Community Development Block Grant Program:

- The Mayor and City Manager shall serve as the City's Chief Executive Officer and Authorized Representative to execute the application and any subsequent contractual documents;

- The Mayor and City Manager are authorized to execute environmental review documents between the Texas Department of Agriculture and the City; and
- If this application is funded, the Mayor, City Manager, and Assistant City Manager are authorized to execute the Request for Payment Form documents and/or other forms required for requesting funds to reimburse project costs.

SECTION 6. That all funds will be used in accordance with all applicable federal, state, local and programmatic requirements including but not limited to procurement, environmental review, labor standards, real property acquisition, and civil rights requirements.

SECTION 7. That it further be stated that the City of Kaufman is committing \$190,000.00 from its water fund as a cash contribution toward the construction, engineering and administration activities of this water project.

SECTION 8. This Resolution shall become effective immediately upon its passage.

Passed and approved this 22nd day of March, 2021.

JEFF JORDAN
MAYOR

ATTEST:

JESSIE HANKS
CITY SECRETARY

APPROVED AS TO LEGAL FORM:

PATRICIA A. ADAMS
CITY ATTORNEY

CITY OF KAUFMAN

2021-2022 CDBG Application for Rehabilitation Elevated Water Storage Tank Hickory Street

Proposed Grant Budget (Grant Funds and Local Funds)

	<u>Grant Funds</u>	<u>Local Funds</u>	<u>Total</u>
Construction	\$350,000.00	\$50,000.00	\$400,000.00
Engineering	-0-	\$50,000.00	\$50,000.00
Administration	-0-	\$40,000.00	\$40,000.00
Total	\$350,000.00	\$140,000.00	\$490,000.00



Meeting
Date: 3/22/2021

Date: 3/11/2021

Item #: 15.

Dept.: Development
Services

Action Item

SUBJECT:

Consider and take appropriate action on the award of bid and contract for code compliance abatement for lawn mowing and authorizing the Mayor or his designee to execute necessary documents.

BACKGROUND:

Development Services mailed thirty-six requests for proposals to abate code compliance for unsightly matter that includes high weeds, grass, and brush for residential and commercial properties. The bid submittal was extended from February 16, 2021 to February 23, 2021 due to the extreme weather conditions. City Council approved the \$10,000 2020-2021 fiscal year mowing budget. During the time period between October and December 2020, \$1,290 was spent on end of the season mowing, leaving a balance of \$8,710. Last year \$8,748 was expended to remove unsightly matter.

Two (2) bids were returned for consideration by John Beasley of Trinity Claims Service, LLC and by Waylon Jones of Jones Lawn Care. Both bidders submitted the required documentation. The proposed contract is initially for two (2) years with the option to extend the contract for a one (1) year period for a maximum of two (2) additional years. See the attachments for a breakdown of the proposed bids and the proposed contract.

Author:

Marcy Ratcliff, Development Services Director

Reviewed:

Mike Slye, City Manager

Cost: Per Contract

Funds Available: \$8,710

Source: 01-5361-194

Recommendation: Staff recommends awarding the bid and contract to John Beasley of Trinity Claims Service, LLC, because he proposed a flat fee bid for code compliance abatement lawn mowing.

Safe & Secure	Business Friendly/Economic Development	Partnership & Community Involvement	Healthy & Environmentally Cons. Comm.	Financial & OPS Stewardship
☒	☒	☒	☒	☐

2021 Mowing Bid Comparisons

	Proposal Basis	Trinity Claims Service	Jones Lawn Care		
A.	Base price for mowing and weed eating of properties that are <u>over 16"</u> in height on average, includes clean up and disposal of small debris.	\$55.00 up to .25 Acre (up to 10,890 sf) "Small Lot"	\$50.00 up to .25 Acre (up to 10,890 sf) "Small Lot" 19" to 24"	\$100.00 up to .25 Acre (up to 10,890 sf) "Small Lot" 24" to 35"	\$150.00 up to .25 Acre (up to 10,890 sf) "Small Lot" 36" to 42"
B.	Base price for mowing and weed eating of properties that are <u>over 16"</u> in height on average, includes clean up and disposal of small debris.	\$110.00 .26 to .50 Acre (10,891 sf to 21,780 sf) "Medium Lot"	\$60.00 .26 to .50 Acre (10,891 sf to 21,780 sf) "Medium Lot" 19" to 24"	\$120.00 .26 to .50 Acre (10,891 sf to 21,780 sf) "Medium Lot" 24" to 35"	\$180.00 .26 to .50 Acre (10,891 sf to 21,780 sf) "Medium Lot" 36" to 42"
C.	Base price for mowing and weed eating of properties that are <u>over 16"</u> in height on average, includes clean up and disposal of small debris.	\$165.00 .51 to 1.0 Acre (21,781 sf to 43,560sf) "Large Lot"	\$75.00 .51 to 1.0 Acre (21,781 sf to 43,560sf) "Large Lot" 19" to 24"	\$150.00 .51 to 1.0 Acre (21,781 sf to 43,560sf) "Large Lot" 24" to 35"	\$225.00 .51 to 1.0 Acre (21,781 sf to 43,560sf) "Large Lot" 36" to 42"
D.	Base price for mowing and weed eating of properties that are <u>over 16"</u> in height on average, includes clean up and disposal of small debris.	\$200.00 per acre for lots greater than 1.0 Acre (43,561 sf or greater) *Based on that portion (area) of the lot to be mowed.	\$150.00 per acre for lots greater than 1.0 Acre (43,561 sf or greater) *Based on that portion (area) of the lot to be mowed. 19" to 24"	\$300.00 per acre for lots greater than 1.0 Acre (43,561 sf or greater) *Based on that portion (area) of the lot to be mowed. 24" to 35"	\$450.00 per acre for lots greater than 1.0 Acre (43,561 sf or greater) *Based on that portion (area) of the lot to be mowed. 36" to 42"
E.	Strip – Thirty (30') wide mow strip price per 100 feet of perimeter.	\$50.00 per 100 feet	\$50.00 per 100 feet 19" to 24"	\$100.00 per 100 feet 24" to 35"	\$150.00 per 100 feet 36" to 42"
The acreage will be determined by the Kaufman Appraisal District. Any not show will be calculated by the Director of Development Services by multiplying the lot width x lot depth.					

CITY OF KAUFMAN

CONTRACT FOR CODE COMPLIANCE

ABATEMENT FOR LAWN MOWING

AGREEMENT made this 23rd day of March 2021, between the CITY OF KAUFMAN and TRINITY CLAIMS SERVICE, LLC.

The City of Kaufman desires to engage the services of Trinity Claims Services, LLC to assist in the abatement of high grass and weeds on assigned lots: and, to render services on the terms and conditions as provided in this agreement.

THEREFORE, the City of Kaufman hereby engages the services of Trinity Claims Services, LLC and in consideration of the mutual promises herein contained, the parties agree as follow:

TERMS

This Agreement shall commence on the 1st day of April 2021, which is and shall be secure until the 30th day of March 2023. This Agreement may be terminated by either party by giving 90 days written notice to the other party.

SERVICES

Trinity Claims Services, LLC shall provide the services of abatement of high grass and weeds on assigned lots.

USE OF AGENTS OR ASSISTANTS

The City of Kaufman Code Compliance Division receives and responds to complaints regarding tall grasses, weeds or vegetation which exceed nine (9") inches in height on average. The City desires for a contractor to supply mowing services for properties which fail to be mowed by the property owner after a notice of violation.

The contractor will be responsible to provide mowing services to the City of Kaufman for properties requested by the Code Compliance Division during the 2021 to 2023 growing seasons.

3. Description of the work to be performed

The work includes mowing of all established grasses and vegetation (excluding shrubs, trees and heavily wooded areas) on properties requested by the Code Compliance Division. Each property will be identified by address (where available) and parcel ID number with any special circumstances noted.

Job Expectations:

- The contractor will be expected to complete the job within 4 days of notification, weather permitting. No additional fees are to be charged if it is not mowed within the 4 days.
- MyGov
 - The contractor must use the MyGov software.
 - The contractor will be required to use a digital camera to take a time and date stamped pictures of each parcel.
 - Before and after pictures are to be uploaded after the completion of the work performed for each parcel.
 - Digital files of images are to be uploaded into the MyGov software system in a jpeg format.
 - Computers, smartphones and tablets are compatible with the MyGov system and pictures can be posted from any of those formats.
 - Completing billing information for the work performed shall also be filed through the MyGov system.
- City reserves the right to withhold payment on all unauthorized or incomplete work.

Requirements – The Contractor Must:

- Be prepared to complete a large number of mowing jobs in a timely manner on a per call basis.
- Be able to handle some jobs consisting of extremely tall grass/weeds.
- Light Duty Mowing - Have the equipment, personnel and skills needed for cutting residential and commercial properties consisting of grass/weed heights in excess of nine (9") inches in height.
- Heavy Duty Mowing - Have the equipment, personnel and skills needed for cutting residential and commercial properties consisting of grass/weed heights up to approximately forty-eight (48") inches in height.
- Be capable of mowing ungraded lots or steep slopes.
- Identify possible hazards including garbage, debris, and miscellaneous junk that may be present in grass.
- Minor trash and debris is to be removed prior to mowing.
- Mowed vegetation should be cut to a uniform height of three (3") inches.
- Weed eat or trim vegetation in and around structures (example: houses, swing set), walkways, trees, and fences, to a neat appearance with the grass height of three (3") inches or less.
- Be capable of getting equipment through fence openings of a minimum of thirty (30") inches to mow rear yards.
- It is the Contractor's responsibility to properly dispose of any trash and debris removed from the parcel site.
- Clear sidewalks, alley ways, or adjacent public right of ways of clippings following mowing.
- The award does not include any shrubbery, plant trimming or pruning, tree trimming or pruning or watering.
- The Contractors will not be responsible for any edging, blowing, mulching, or grass clean-up from shrubbery, plants, natural areas, or any other item, except for grass clean-up from the City streets and/or sidewalks caused by the mowing of the lot. No grass trimmings will be left on the city streets.

- The Contractor shall operate the equipment in a safe manner and at such times so as not to create a hazard to the public. Mowers are to be equipped with shield to prevent foreign objects from being thrown out from the cutting unit enclosures.
- All equipment utilized in the performance of this contract must be furnished by the Contractor.

4. Contract Termination:

The City of Kaufman may, by written notice, and at any time, terminate the agreement if, in the judgment of the City, the contractor has failed to comply with the terms of the agreement. In the event of such termination, the contractor shall be entitled to payment for work performed through the date notice is delivered to Contractor. No sums shall be owed to the contractor for work performed after such notice is delivered.

Failure to comply with the terms of the agreement may include, but are not limited to, failing to begin the work within the time specified; failing to perform the work with sufficient workmen and equipment; has insufficient materials to insure the completion of the work within the contract time; work performance is unsuitable; neglects or refuses to remove materials; discontinues work without authority; becomes insolvent or declares bankruptcy.

This contract award cannot be subcontract to any other Contractor or individual without the approval in writing by the City of Kaufman. Contractors subcontracting work without the written approval will terminate the agreement.

5. Bidder Qualifications and Proposals:

The City request that contractors interested in submitting proposals:

1. Bid the following to provide all of the services described in the Proposal specification section of the RFP for the 2021to 2023 growing seasons:

A.	Small Lot - <u>Flat price</u> for mowing and weed eating of properties that are <u>over 16"</u> in height on average, includes clean up and disposal of small debris.	\$55.00 up to .25 Acre (up to 10,890 sf) ¼ of an acre
B.	Medium Lot - <u>Flat price</u> for mowing and weed eating of properties that are <u>over 16"</u> in height on average, includes clean up and disposal of small debris.	\$110.00 .26 to .50 Acre (10,891 sf to 21,780 sf) ¼ of an acre to ½ acre
C.	Large Lot - <u>Flat price</u> for mowing and weed eating of properties that are <u>over 16"</u> in height on average, includes clean up and disposal of small debris.	\$165.00 .51 to 1.0 Acre (21,781 sf to 43,560 sf) ½ of an acre to 1 acre
D.	Acreage Lot – <u>Formula price</u> for mowing and weed eating of properties that are <u>over 16"</u> in height on average, includes clean up and disposal of small debris. <i>Example: bid is for \$50.00 per acre and you mow 1-1/2 acres, you would get paid \$75.00.</i>	\$200.00 per acre, or portion of an acre, for lots over 1 acre (43,560 sf or greater) *Based on that portion (area) of the lot to be mowed.

E.	Strip – Thirty (30') wide mow strip price per 100 feet of perimeter.	\$50.00 per 100 feet
The acreage will be determined by the Kaufman Appraisal District. Any not shown will be calculated by the Director of Development Services by multiplying the lot width by the lot depth.		

2. Provide a certificate of liability insurance and automobile/mowing equipment insurance. (The contractor(s) will need to name the City as additional insured and meet the following liability limits if awarded a contract: \$500,000 per claimant and \$1 million per occurrence).
3. Submit a written summary of their company's qualifications, years in business, and experience providing the level and type of service specified in the RFP.
4. Provide a list of three references of clients that have a current contract for services with their company.
5. Provide the companies tax identification number or the individual's social security number for tax purposes.
6. Confirmation that neither the contractor nor any employee would be in a conflict of interest with respect to the proposal if the contractor were selected to perform the services required.

6. Term of Contract:

The initial term of this contract shall be for two (2) years, commencing on March 23, 2021 and expiring on December 31, 2023. The term of this agreement may be extended for one-year periods for a maximum of two (2) additional years, if approved and accepted in writing by both the contractor and the city prior to December 1st of each year.

7. Payments:

Payments will be made upon submittal of weekly itemized invoice, showing:

- Your company name, address and phone number
- The date the property was mowed
- Address or parcel ID number of the property mowed
- Amount of the individual charges
- Total amount of the invoice

Invoices must be received by the City of Kaufman, Code Compliance Division for payment to be processed. Payments are made upon approval by the City Finance Department and may take 30 days to pay from the date the invoice is submitted.

BY:

JOHN BEASLEY
TRINITY CLAIMS SERVICE LLC

DATE:

MIKE SLYE
CITY MANAGER

DATE:



Meeting
Date: 3/22/2021

Date: 3/11/2021

Item #: 16.

Dept.: Administration

Action Item

SUBJECT:

Presentation, consider and take appropriate action on a partnership with CEIS to design and construction digital monument signs for the City of Kaufman.

BACKGROUND:

The City has the opportunity to enter into a contract with CEIS for the construction of digital monument signs on City Property. The signs will be at no cost to the City and CEIS will dedicate an agreed upon percentage of time for City messaging. Time not allotted to the City will be offered to businesses for commercial advertising with proceeds going to CEIS. In addition, the City will have the ability to place emergency messages on the signs in real time.

CEIS will design, construct and maintain the signs and surrounding landscaping at no cost to the City.

Staff is seeking direction from the City Council on whether or not to proceed with this project and if the City Council has preferred sign design.

Staff has a draft contract that has a 10-year term. CEIS has stated that their ROI is 8 years which is why they are requesting the longer than normal contract term.

This project will also require an amendment to the City's current sign ordinance. Staff has a draft ordinance that will be presented to the Planning and Zoning Board in April and will then be placed on the April City Council Agenda along with the contract for consideration.

Author:
Mike Holder, Assistant City Manager

Reviewed:
Mike Slye, City Manager

Cost: \$0.00

Funds Available: N/A

Source: N/A

Recommendation: Staff is seeking direction from Council of the preference of design for the signs.

Safe & Secure	Business Friendly/Economic Development	Partnership & Community Involvement	Healthy & Environmentally Cons. Comm.	Financial & OPS Stewardship
☐	☒	☒	☐	☐

OPERATING AGREEMENT

THIS OPERATING AGREEMENT, (“Agreement”), is entered into by and between the City of Kaufman, Texas, a home rule municipal corporation operating under the laws of the State of Texas and its home rule charter, (“City”), and CEIS, LLC, a Texas Limited Liability Company, (“CEIS”), each referred to as a “Party” and collectively the “Parties” herein.

RECITALS

WHEREAS, City recognizes the need for gateway signage within the City to communicate information of interest to residents, including Amber Alerts and other emergency public safety messages;

WHEREAS, CEIS desires to operate gateway signs within the City for such purposes; and

WHEREAS, the Parties mutually desire to enter into this Agreement to leverage their strengths and meet their goals.

THEREFORE, in light of the foregoing and based upon the exchange of valuable consideration by and between the Parties to this Agreement, the Parties hereby agree as follows:

At its own expense, CEIS shall take all reasonably necessary steps to construct one (1) gateway sign at the corner of S. Washington St. and Old Kemp Highway within the corporate limits of the City, at a specific location subject to the City’s written approval, and pursuant to a site plan agreed upon in writing by the Parties that includes requirements related to landscaping, lighting, and engineering of the sign. CEIS shall complete construction of the first gateway sign pursuant to this Agreement within 18 (eighteen) months from the date of execution of this Agreement. If CEIS fails to complete construction of the first sign within 18 (eighteen) months, the City may terminate this Agreement with sixty (60) days written notice to CEIS.

Additionally, CEIS may construct up to three (3) additional gateway signs on other roads and locations within the corporate limits of the City, as agreed upon in writing by the Parties, subject to mutually agreed upon site plans for each sign approved in writing by the City.

The gateway signs shall comply with all City ordinances and regulations, including without limitation the City’s sign ordinance, zoning ordinance, subdivision regulations and applicable adopted Codes, and shall possess the following minimum characteristics:

- Each sign shall include a static and permanent portion of the sign face that displays the message “Welcome to the City of Kaufman” or other similar branding as required by City; and
- Each sign face may utilize electronic LED-type technology at the discretion of CEIS and at CEIS’ expense; and
- Changeable sign face display area shall not exceed 200 square feet; and

- Sign structures on non-freeway roads shall not exceed twenty-five (25) feet in height as measured from grade or road grade, whichever is greater. Sign structures on freeway roads shall not exceed sixty (60) feet in height as measured from grade or road grade, whichever is greater.

All costs, expenses, and liabilities incurred in conjunction with the construction of the gateway signs, including the installation of mutually agreeable landscaping surrounding the signs, shall be paid entirely by CEIS who shall remain the owner of the signs at all times.

Subject to the approval and execution of a right of way agreement, license agreement, or other written instrument of City providing the authorization for CEIS to locate its signage upon City owned or controlled property and/or CEIS securing a sign lease upon private property located within the City, each in accordance with the terms of this Agreement, the City grants to CEIS the exclusive right for a term of ten (10) years to construct, operate and maintain the signs authorized by this Agreement. During this ten (10)-year term, CEIS shall be responsible for operating and maintaining the signs. All costs associated with the operation of the signs during the 10-year term shall be paid by CEIS. This Agreement may be renewed by agreement of the Parties for two (2) additional term of ten (10) years. Within sixty (60) days of the City's execution hereof, City Staff agrees to submit any amendments to City ordinances and regulations necessary for the signage proposed under this Agreement to be constructed and utilized within the City of Kaufman to the Kaufman City Council for consideration. City Staff makes no guarantees or representations regarding Council approval of such amendments, and failure of the City Council to approve such amendments shall mean that CEIS may place and operate signage in accordance with the terms of this Agreement only to the extent that the terms of this Agreement are not in conflict with applicable City ordinances and regulations. City shall not be liable to CEIS for damages incurred as a result of the failure of the Kaufman City Council to approve any such amendments.

CEIS agrees to operate the gateway signs in accordance with the following conditions:

- All portions and components of the signs shall be kept in working order and in an attractive and well-maintained state consistent with the requirements of applicable City ordinances and regulations; however, all landscaping surrounding any sign on City property shall be maintained by the City; and
- City shall waive any fees or charges associated with obtaining permits such as zoning, building or electrical; and
- If City supplied power is accessible to sign, such as traffic, streetlights or other, CEIS, at its sole cost and expense, shall have the option to tap into City power so long as CEIS timely reimburses City for its usage. If CEIS fails to reimburse City for such usage, the City may terminate this Agreement with sixty (60) days written notice to CEIS provided overdue power costs are not reimbursed to City by CEIS within thirty (30) days of mailing of the notice; and
- Any electronic messages on the signs shall change no more frequently than every six (6) seconds, with message changes being accomplished in two (2) seconds or less.

In consideration for City's agreement to allow the signage in accordance with the terms of this Agreement, each month during the term of this Agreement, CEIS shall donate, at no cost to the City, at least ten (10%) percent of the available space in the signs' advertising rotation for messages of the City's choosing.

The City shall be allowed the following for the entire tenure of CEIS' operation of the signs; provided however, that the City cannot receive any type of compensation, either monetarily or through barter for use of City's message slots:

- At no cost to the City, CEIS shall reasonably assist the City in designing up to six (6) digital images each calendar year per sign location for use as the City's messages on the signs; and
- CEIS shall display requested emergency notifications on the signs which shall be made available as soon as possible after receiving notice from any City law enforcement agency for display of emergency public safety messages, to include Amber Alerts for missing children or persons, pandemic information, disaster evacuation guidance, or other emergency situations. Such messages shall be promptly included in the advertising rotation and shall remain in effect for twenty-four (24) hours after initial display or such lesser time as requested by law enforcement; and
- CEIS agrees not to display or contract with third parties to display or contain foul language or other indecent or obscene material nor advertise any adult-oriented material, tobacco products, liquor brands, medical and recreational cannabis or dispensaries selling the same (excluding CBD products), or political messaging. The City shall not otherwise restrict the content of the signs, which may advertise nonprofit/charitable causes, commercial messages, governmental and non-commercial messages, and other copy of CEIS' choosing.

The City agrees not to erect or allow any signs, buildings, structures, or blockages of any kind which will obstruct or hinder the sign's visibility to motorists or obstruct CEIS' ingress or egress to the signs. In the event that City-controlled trees or vegetation grow to visually obscure or obstruct access to the signs, CEIS shall notify City of such obstruction and upon City approval of a remediation plan, CEIS is authorized to trim or remove such new growth at its own expense in accordance with the approved remediation plan.

CEIS shall obtain and keep in full force and effect at all times during the term of this agreement, a policy of general liability insurance, with an insurer satisfactory to the City, for the protection of the Parties against liability arising out of or related to the signs or their operations. The liability limits of the policy shall be a general liability insurance policy in the amount of at least \$3,000,000. This policy shall name the City, its officials, officers, employees, contractors, agents and representatives as an additional insured and shall provide a waiver of subrogation in favor of the City.

In the event that any signs are taken by eminent domain, the affected sign shall be relocated to a location of comparable or better traffic as agreed upon by the Parties. Moreover, if any signs are damaged by any circumstance, CEIS shall be permitted to repair the damage at CEIS's sole cost and expense in accordance with the terms of this Agreement.

CEIS shall be entitled to replace the electronic faces due to wear or to upgrade them with newer technology so long as the height and size of the signs' faces are not increased and so long as the signs continue to comply with the terms of this Agreement and applicable City Ordinances and regulations, except that electronic, changeable message sign face technology shall become a permitted non-conforming (grandfathered) use if an amendment to the City ordinances preclude their legal use in the future throughout the term of this agreement or its renewal.

During the term of this Agreement, should the use of one or more of the signs be prohibited, limited, restricted, or blocked in any manner that CEIS determines to be an economic hardship, CEIS, at CEIS' option, may terminate this Agreement by giving the City sixty (60) days' notice in writing of its election to do so and shall remove such signs and return the property where the signs were located to the same or better condition than when the signs were originally placed.

These terms shall be binding on all successors or assigns of CEIS. This Agreement shall not be assigned by CEIS to an outdoor advertising company without equal or more years of outdoor advertising experience without the express written consent of City, of which consent shall not be unreasonably withheld; however, CEIS may assign or use as collateral all or a portion of the revenue stream that it receives as a result of the signs without the consent of City.

The Parties further agree that: (i) this instrument may be executed in separate counterparts and shall become effective when such separate counterparts have been executed by the parties; (ii) no presumption against or in favor of any person or Party shall apply due to the drafting of this document; (iii) this Agreement constitutes the entire agreement between the Parties and this Agreement shall not be modified by either Party by oral representation made before or after the execution of this Agreement; and (iv) all modifications of this Agreement must be in writing and signed by the Parties.

The Parties acknowledge that the terms of this Agreement have been read, that its provisions are fully understood, that it has been approved by each of them, and that same has been fully signed by them as their free act, by individuals who have the requisite authority to do so, and shall be binding upon all Parties upon execution.

REVIEWED, APPROVED, AND ACCEPTED BY:

DATED: _____, 2021. By: _____
On Behalf of City

Its: _____

REVIEWED, APPROVED, AND ACCEPTED BY:

DATED: _____, 2021. By: _____
On Behalf of CEIS

Its: _____





CITY OF KAUFMAN PRESENTS

Bunny Trail

JOIN US ON

FREE EVENT

March 27, 2021

Drive through Event

SPECIAL APPEARANCE BY THE EASTER BUNNY.

Pictures and Goodie Bags

10AM

12 PM

Made with PosterMyWall.com



Houston Street Bunny Trail

FOR MORE DETAILS PLEASE CALL (972)-932-2216

or visit www.kaufmantx.org



DISCUSSION ITEMS REPORT (DIR)

Project Title	Department	Agenda Date	Entered Date	Status/Notes	Strategy Map
Splash Pad	Parks & Rec	TBD	10/23/2018	TDPW Grant/Parks Master Plan/South Pointe Dev	2,3,4
Thoroughfare Plan Update	Development Serv	TBD	10/23/2018		2,5
Bldg Standards Commission Ordinance	Development Serv	9/1/2019	10/23/2018	BSC to review	4
Marlow Development	Development Serv	4/22/2019	10/23/2018	Accept Utilities	2
South Pointe	Development Serv		2/3/2021	Waiting on applicant to submit PP in March 2021	2,3,4
Park Dedication Ordinance	Development Serv	1/25/2021	10/23/2018	PH continued to 2/22/2021	4,5
Recodification of City Ordinances	Admin	11/13/2018	10/23/2018	Franklin Review	5
Subdivision Ordinance Update	Development Serv	1/27/2020	10/23/2018	TNP, Staff & City Attorney reviewing rough draft	5
Citizens Academy	Admin/Public Safety		11/27/2018	Planning Phase	1,3
Kaufman Lake	Admin/PW		1/8/2019	Offer	2,4,5
Downtown Parking	Admin		1/16/2019	Input from Downtown Advisory Committee	2
Kaufman Estates	PW/Admin	10/28/2019		Council Action to Amend CCN	5
Summer Youth Program	Admin/Parks	TBD	7/16/2019	COVID Postponement	1,3,4
Digital Gateway Signage	Admin	TBD	8/17/2020	Negotiating Contract Agreement/ROW	2,3
City Lakes Emer Action Plan	Public Works	TBD	8/7/2019		5
Disc Golf Course	Admin/PW	TBD	8/23/2019	Planning Phase	2,3,4
Washington Street Utility Relocation	Admin/PW	TBD	10/1/2019	SUE forwarded to TxDOT	2,5
Kaufman Square Speakers	Admin/PW	TBD	10/22/2019	Scheduling	2,3
TPW Grant for City Lake Park	Parks & Rec	TBD	12/10/2019	Submitted	4,5
CareFlight Facility	Admin	TBD	3/9/2020	Discussions regarding relocation	1,3
COVID - 19	Admin/Public Safety	TBD	3/11/2020	Action Plan in Place	4,5
Greenlight City/EDC Marketing	Admin/EDC		6/16/2020	Greenlight Retainer	1,2
TIRZ #2	Admin		8/6/2020	PPFP Approved 082420	2,3,4
Comprehensive Plan	Admin		8/26/2020	Need to update plan	2,3,4,5
Fire Department 5 Year Plan	FD		8/26/2020	In progress	2,5
Fire Engine Replacement	FD	1/25/2021	1/25/2021	Lease Approved	1,5
Website Update	Admin		1/26/2021	Planning Phase	2,3
Street Maintenance Program	Public Works		1/29/2021	Budget Approved, Phase 1 complete. Start Phase 2.	2,4,5
Storm Drainage Projects	Public Works		1/29/2021	Budget Approved	2,4,5
Police Department Server	PD		1/29/2021	Ordered thru TSM	1,5
North & South Water Tower Rehab	Public Works		1/29/2021	North for engineering design, requesting CDBG grant for South	4,5
Body Cameras	PD		2/2/2021	Possible Grant Opportunity	1,3,5
Tree Mitigation Ordinance	Development Serv		2/24/2021	Planning Phase	4,5
Annual Report	Admin		2/24/2021	Planning Phase	3

DISCUSSION ITEMS REPORT (DIR)

Project Title	Project Lead	Agenda Date	Entered Date	Status/Notes
PID Creation Resolution	Dev Svc/Admin	11/13/2018	10/24/2018	Complete
TIRZ Creation Ordinance Amendment	Dev Svc/Admin	11/13/2018	10/24/2018	Complete
TIRZ Project Reprioritization Resolution	Dev Svc/Admin	11/13/2018	10/24/2018	Complete
Home Improvement Incentive Program	Development Serv	11/13/2018	10/23/2018	Complete
Budget Book Submission to GFOA	Finance		10/23/2018	Complete
Interlocal Agreement w/County for PID	Finance		10/30/2018	PID Assessment for Georgetown in 2020
WWTP Priority Project List	Public Works	11/13/2018	10/23/2018	Mark Hill - Consultant
2600 Commerce Way Permit Ready	Development Serv	NA	11/6/2018	Complete Permit Issued 11/26/2018
600 N Nash KC Street Barn Permit Issued	Development Serv	NA	11/6/2018	Complete Finaled 01/04/2019
Rev Ch 22 & 46 7500SF F Sprinkler Req	Development Serv	01/28/2019 02/25/2019	1/21/2019	Complete 02/25/2019
Realtor PID Training	Admin	NA		Complete 4/23/2019
Fee Schedule Update	Development Serv		6/4/2019	Approved by Council
Bureau Veritas Contract Update	Development Serv		6/4/2019	Approved by Council
Park Master Plan Update	Parks & Rec	8/5/2019	10/23/2018	Approved by Council
34/243 Signal Installation	Public Works		10/23/2018	Complete
HR Coordinator	Admin		12/17/2018	Admin/HR Assistant Full-Time Sept. 30
Agenda Software Installation/Training	Admin		10/23/2018	Complete
5 Year CIP	Admin	11/25/2019	11/25/2019	Work Session 12/16/19
Water & Street Impact Fee Update	Development Serv		6/10/2019	Council approved 12/16/19
Intern Program	HR	TBD	12/10/2019	Policy to Council 3/30/20
WWTP Finance Application	Finance	11/13/2018	10/23/2018	GTUA Approval
PD/FD Safety Equipment Grant	Public Safety	TBD	3/3/2020	Application Submitted
Street Maintenance Priorities	PW/Admin		2/27/2019	List Presented to Council/Incorporated into 5 Year CIP
Traffic Signal 1388@34 ByPass	Admin		1/28/2020	Final Construction Underway
Solid Waste RFP	Admin	TBD	5/18/2020	Contract Finanlized and Approved
PD Body Camera Grant	PD	4/27/2020	5/19/2020	Grant not awarded
Civic Center	Admin	7/22/2019		Accepted 01/25/21
Phase II - Street Bond	Public Works	10/28/2019	10/23/2018	Accepted 01/25/21
TxDOT Turnback	Admin	12/17/2018	11/6/2018	Accepted 01/25/21
City Lakes Park Fence	Public Works		1/26/2021	Complete
Building Official	Development Serv		12/10/2020	Hired
54-Acre Development	Development Serv	5/18/2020	10/23/2018	PD to Council 05/18/2020
Building Code Update	Development Serv	10/28/2019	6/4/2019	Approved O-28-19

March 9, 2021

To: City of Kaufman

From: Kim Britton on behalf of Ashley Berryhill, Finance Director

Re: February 2021 Demand and Response Ridership Report

TRIP INFORMATION:

	S	O	N	D	J	F	M	A	M	J	J	A	TOTAL
Trips	289	233	267	194	237	212							1,432
No. Service Days	21	22	19	21	19	14							116
Avg. Daily Trips	13	11	14	9	13	15							12

Bad Weather Days: 11th, 16th – 19thHoliday: 15th

NO. OF TRIPS	PURPOSE
0	Education
2	Government
28	Medicaid
91	Medical
0	Nutrition (Senior Center)
12	Other (adult-day care, beauty salon, friend's homes, etc.)
35	Shopping
44	Work
0	Contract Services
0	Vaccination

ELDERLY AND DISABLED RIDERSHIP	
24	Disabled Trips
131	Elderly (&/or Dis) Trips

154 E & D Total Rides

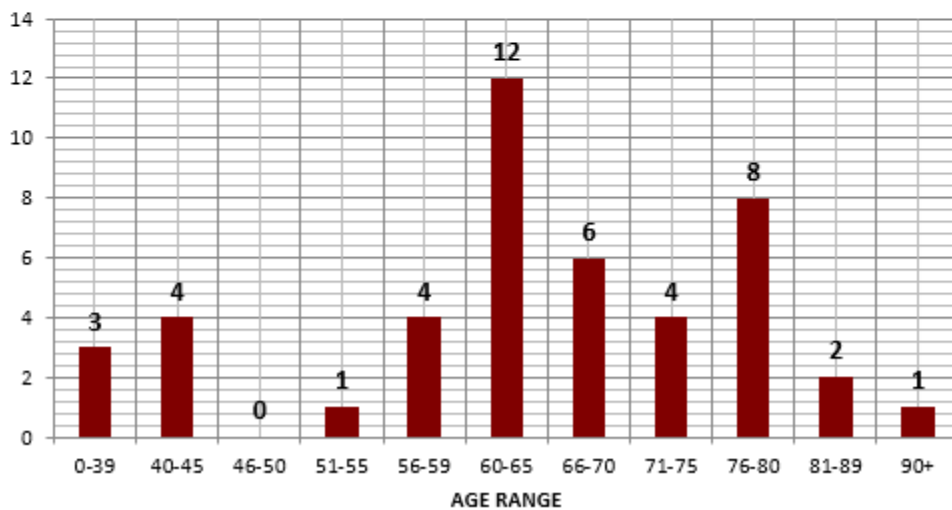
E & D Percent of Total Trips – 73%

FEBRUARY UNDUPLICATED PASSENGERS
45
YEAR TO DATE UNDUPLICATED PASSENGERS
110



	Trip Total
KAUFMAN TO KAUFMAN	142
KAUFMAN TO OUTSIDE	42
OUTSIDE TO KAUFMAN	28
	212
NOSHOW/CANCEL	425
DENIALS	4
Month to Month Unduplicated	45
YTD Unduplicated	110
February 2021 Total D & R Trips	212

Unduplicated Passengers By Age



March 9, 2021

To: Kaufman County

From: Kim Britton on behalf of Ashley Berryhill, Finance Director

Re: February 2021 Demand and Response Ridership Report

TRIP INFORMATION:

	S	O	N	D	J	F	M	A	M	J	J	A	TOTAL
Trips	1,641	1,665	1,483	1,451	1,391	1,184							8,815
Service Days	20	22	19	21	19	14							115
Average Daily Trip	82	75	78	69	73	85							77

Bad Weather Days: 11th, 16th – 19th

Holiday: 15th

	Trip Origin Total
COTTONWOOD	0
COMBINE	0
CRANDALL	29
FORNEY	233
GRAYS PRARIE	0
GUN BARRELL	0
HEARTLAND	1
KAUFMAN	212
KEMP	45
MABANK	30
OAK GROVE	0
OAK RIDGE	0
POST OAK	0
ROSSER	0
SCURRY	9
TERRELL	625
<i>Subtotal</i>	<i>1,184</i>

Terrell Senior Terraces	34
Terrell State Hospital	0

KAUFMAN COUNTY TOTALS	
TOTAL TRIPS	1,218
NO SHOW & CANCELS	1,516



D/R-KAUFMAN COUNTY (UPT) Unlinked Passenger T	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	TOTALS	Avg
	1,641	1,665	1,483	1,451	1,391	1,149	0	0	0	0	0	0	8,780	1,463
COTTONWOOD	0	0	0	0	0	0							0	0
COMBINE	0	0	0	0	0	0							0	0
CRANDALL	48	40	36	51	50	29							254	43
FORNEY	253	229	255	265	264	233							1,499	250
GRAYS PRARIE	0	0	0	3	0	0							3	1
GUN BARRELL	0	0	0	0	0	0							0	0
HEARTLAND	23	28	11	0	1	1							64	11
KAUFMAN	289	233	267	194	237	212							1,432	239
KEMP	54	61	59	49	66	45							334	56
MABANK	43	51	52	60	37	30							273	46
OAK GROVE	0	4	2	0	1	0							7	1
OAK RIDGE	0	0	0	0	0	0							0	0
POST OAK	0	0	0	0	0	0							0	0
ROSSER	2	0	0	0	0	0							2	0
SCURRY	36	38	31	38	27	9							173	30
TERRELL	893	981	770	791	708	625							4,768	795
	1,641	1,665	1,483	1,451	1,391	1,184	0	0	0	0	0	0	8,815	755
KAUF DR TOTAL (+TSH, Charter)	1,641	1,665	1,483	1,451	1,391	1,184	0	0	0	0	0	0	8,815	755
CONTRACTED SERVICES	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	TOTALS	Avg
Charter	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Terrell State Hospital	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Terrell Senior Terraces	36	35	33	61	38	34	0	0	0	0	0	0	237	30
Medicaid	167	131	129	157	116	116	0	0	0	0	0	0	816	66
AAA-Title III B - Kaufman	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nursing Home Contracts	203	166	162	218	154	150	0	0	0	0	0	0	1,053	86
	406	332	324	436	308	300	0	0	0	0	0	0	2,106	176
Adjusted Trip Total	1,235	1,333	1,159	1,015	1,083	884	0	0	0	0	0	0	6,709	559
*Trip Totals without Contracted Services														
ELDERLY AND DISABLED	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	TOTALS	
>= 60	125	148	131	114	164	147	0	0	0	0	0	0	829	
DIS <60	1,129	1,163	1,063	1,076	1,006	837	0	0	0	0	0	0	6,274	
E & D	1,254	1,311	1,194	1,190	1,170	984	0	0	0	0	0	0	7,103	
	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	TOTALS	
GENERAL PUBLIC	406	332	324	436	308	300	0	0	0	0	0	0	2,106	
% of Adjusted Total	33%	25%	28%	43%	28%	34%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		
Can/NoShow	217	193	169	147	152	152	0	0	0	0	0	0	1,030	
Advanced Cancel	2,411	1,387	1,430	1,481	1,367	1,364	0	0	0	0	0	0	9,500	
DENIALS	138	39	119	74	65	41	0	0	0	0	0	0	476	



March 9, 2021

To: Kaufman County

From: Kim Britton on behalf of Ashley Berryhill, Finance Director

Re: February **2021 STARNow** – Kaufman County Ridership Report

FY2021 TRIP INFORMATION:

	S	O	N	D	J	F	M	A	M	J	J	A	TOTAL
Trips	750	899	851	913	989	698							5,100
Service Days	21	22	19	21	19	14							116
Avg. Daily Trips	36	41	45	44	52	50							45

Bad Weather Days: 11th, 16th – 19th

Holiday: 15th

Completed Boardings ⓘ	Avg. Boardings Per Service Hr.	Boarding Cancellations ⓘ	Boarding Cancellations (No Show) ⓘ	Cancellation Percentage	Cancellation Percentage (No Show)	
698	4.28	148	18	17.49 %	2.13 %	
Total Requests ⓘ	Completed Requests ⓘ	No Drivers Available Requests ⓘ	Cancelled Requests ⓘ	Cancelled Requests (No Show) ⓘ	Avg. # of Trips per Rider	
711	589	0	122	15	8.02	
Avg. Travel Duration ⓘ	Avg. Travel Distance ⓘ	Avg. Wait Time ⓘ	Median Wait Time ⓘ	Bookings from Admin Portal ⓘ	Bookings from Rider Application ⓘ	Flag Down Bookings ⓘ
10.19 min	2.9 mi	21.59 min	12.62 min	54.44 %	45.27 %	0.29 %

Response Summary:

	Responses	Transports	Exceptions	Compliance %	Transport %
Priority 1 <8:59	27	20	6	78%	74%
Priority 2 <11:59	70	35	1	99%	50%
Priority 3 <14:59	29	12	0	100%	41%
Emergency Transfers<0:29:59	82	79	29	65%	96%
Non-Emergency Transfers<0:15	70	66	9	87%	94%
Helicopter	23	23			
Totals	301	235		94.44%	55.15%

Transport Summary:

	Number	Percentage
Baylor Scott and White Dallas	3	1%
Baylor Scott and White Sunnyvale	5	2%
Baylor Scott and White Lakepointe Rowlett	0	0%
Baylor Scott and White Lakepointe Forney	0	0%
Childrens Medical Center	7	3%
Dallas Regional Medical Center	0	0%
Medical City Dallas	1	0%
Parkland	2	1%
Texas Health-Dallas	53	25%
Texas Health- Kaufman	53	25%
Texas Health -Plano	1	0%
Texas Health-Rockwall	1	0%
UT Health- Athens	1	0%
UT Health- Tyler	1	0%
UT Health- Cedar Creek	0	0%
VA Medical Center Dallas	1	0%
Other Hospitals	30	14%
Nursing home, residence, other	53	25%
	212	100%

	Number	% of Total
Patient Refusal/Treat No Transport	25	38%
Pt is DOS	0	0%
Cancellation- No Patient	41	62%
	66	100%

Average Response Time

City Wide--Emergency Calls

0:05:59

	Responses	Exceptions	
Last 100 Calls			
Priority 1	100	11	89%
Priority 2	100	1	99%
Priority 3	100	2	98%



COUNCIL MONTHLY UPDATE

FEBRUARY 2021

In February the Kaufman Fire Department responded to 232 calls for service.

In Feb. 2020 we responded to 197 calls for service

Covid 19 testing was conducted twice at the Fire station by State and will continue.

Performed inspections on new Plumtree apartment fire sprinklers Hydro test and visual inspections, buildings 2 and 3.

Performed 37 emergency water shut offs

Had street dept. clear Hospital drive for emergency use.

Conducted 2 animal rescues on frozen ponds in county (Dog and Horse)

DEPARTMENT

SNAPSHOT February

15 Personnel received their second round of the Covid 19 vaccine.

Opened up fire station to citizens needing drinking water as we filled containers for them to take home. We also gave each a case of bottled drinking water.

Fire and water dept. crews took lists of all water shut offs and gave each a case of water if needed.

There were 3 calls that we were unable to respond to due to being tied up on other calls (accidents/ medicals) and no additional personnel were available to respond. Luckily all were medical emergencies and EMS was available to get to them within 15 minutes.

Training:

**(Fire Ce's)
Sprinkler systems and pre plans**

**(EMS Ce's)
Pediatric airway emergency's**

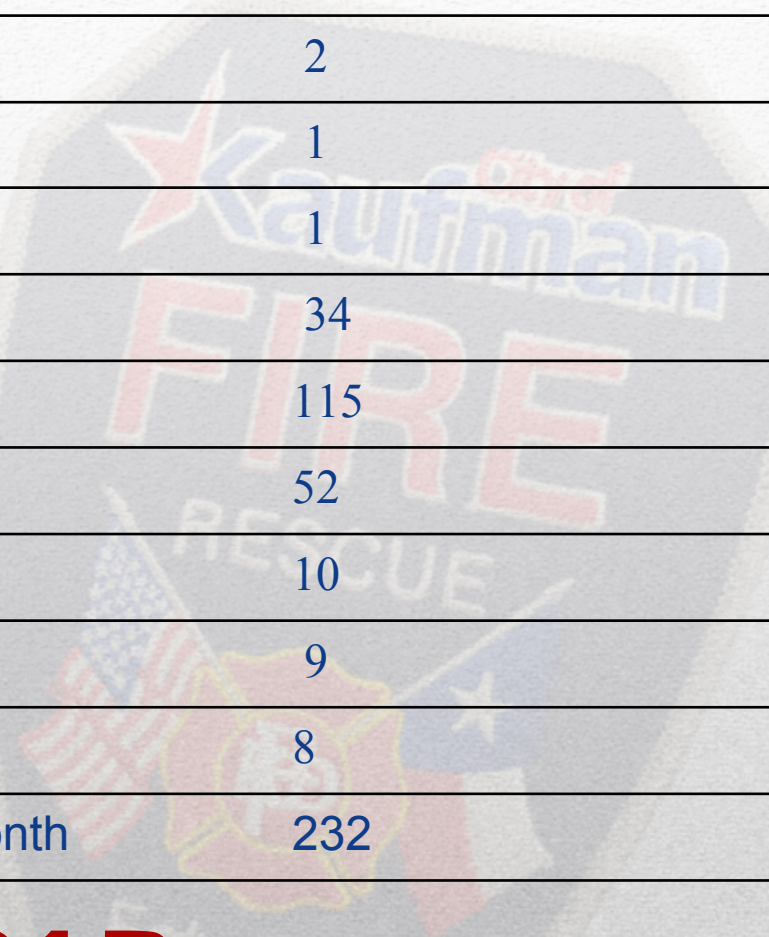
DEPARTMENT SNAPSHOT February 21

- **Incident Response Time
Monthly Average**

- **Feb. 2021 Monthly
Average Response
Time 6 Minutes 26
Seconds (6.26)**
- **Feb. 2020 Monthly
Average Response
Time 5 Minutes 10
Seconds (5.10)**

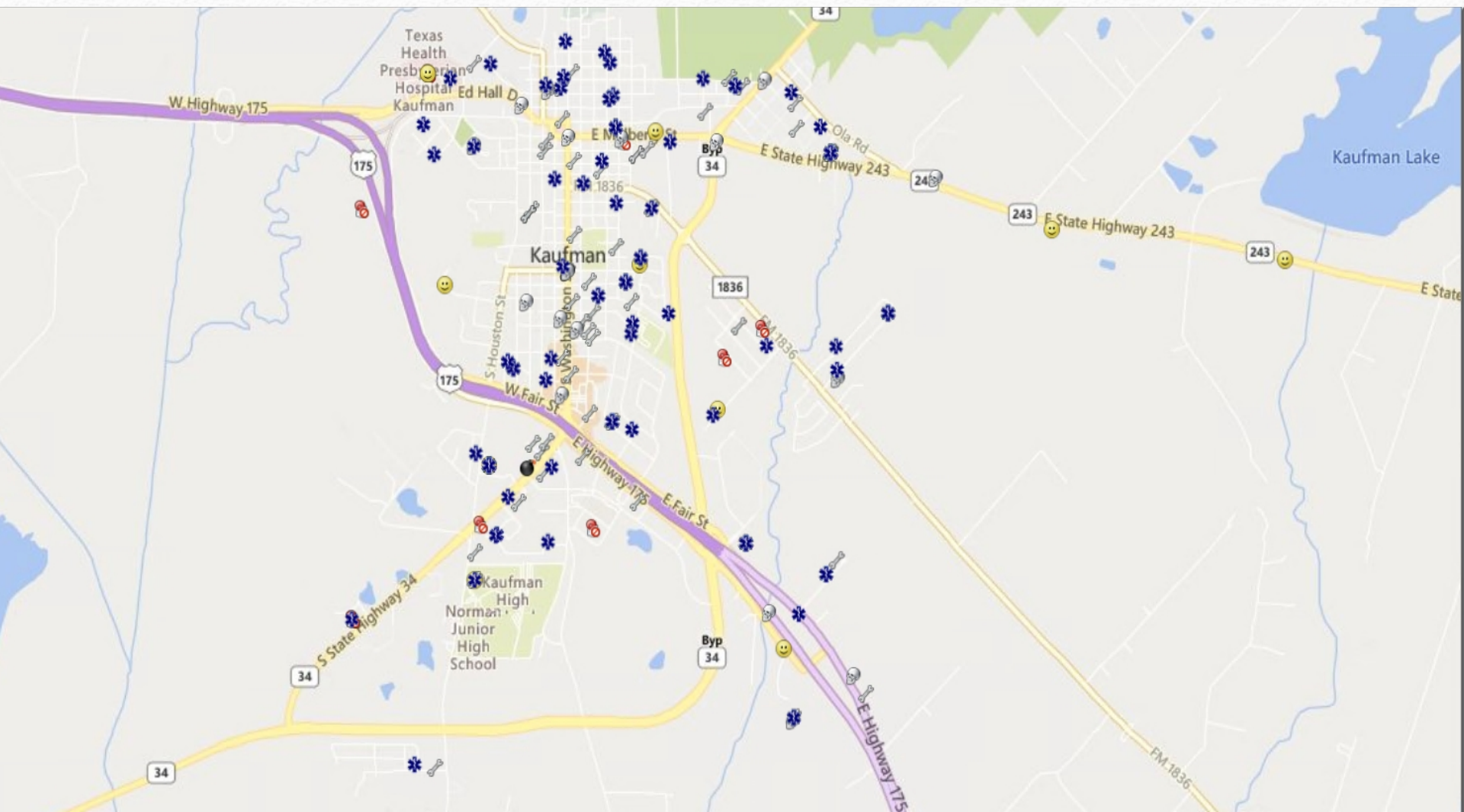


DEPARTMENT SNAPSHOT



Inspections	18
Structure Fires	2
Grass/Trash	1
Automobiles	1
Accidents	34
Emergency Medical Calls	115
Haz / Smoke Calls	52
False Alarms	10
Mutual Aid	9
Public Assist Unlocks	8
Total Responses for Month	232

Feb. 2021 Responses



INCIDENT LOCATION MAP

RED=FIRE INCIDENTS/ACCIDENTS

BLUE= MEDICAL INCIDENTS

MARCH 2021

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1	2 Planning & Zoning Meeting	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18 Parks & Rec Meeting	19	20
21	22 Regular City Council Meeting	23	24	25	26	27 EASTER Bunny Trail Event
28	29	30	31			

APRIL 2021

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1	2	3
4	5	6 Planning & Zoning Meeting	7	8	9	10
11	12 Council Retreat 12 p.m.	13 KEDC Council Retreat 8 a.m.	14	15 Parks & Rec Meeting	16	17
18	19	20	21	22	23	24
25	26 Regular City Council Meeting	27	28	29	30	

MAY 2021

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
						1
2	3	4 Planning & Zoning Meeting	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20 Parks & Rec Meeting	21	22
23	24 Regular City Council Meeting	25	26	27	28	29
30	31					