



AGENDA

CITY COUNCIL MEETING

FEBRUARY 12, 2019 @ 7:00 P.M.

Notice is hereby given the City Council for the City of Parker will meet in a Special Meeting on Tuesday, February 12, 2019 at 7:00 P.M. at the Parker City Hall, 5700 E. Parker Road, Parker, Texas, 75002.

CALL TO ORDER – Roll Call and Determination of a Quorum

PLEDGE OF ALLEGIANCE

AMERICAN PLEDGE: I pledge allegiance to the flag of the United States of America; and to the republic for which it stands, one nation under God, indivisible with liberty and justice for all.

TEXAS PLEDGE: Honor the Texas flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible.

PUBLIC COMMENTS The City Council invites any person with business before the Council to speak to the Council. No formal action may be taken on these items at this meeting. Please keep comments to 3 minutes.

ITEMS OF COMMUNITY INTEREST

- Parker's 50th Anniversary, Saturday, March 30, 2019, from 2:00 to 4:30 p.m.
- Saturday, May 4, 2019 – General Election (EV and ED Info)

| Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday |
|--------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Apr 21 | Apr 22 Early Voting 8am – 5pm | Apr 23 Early Voting 8am – 5pm | Apr 24 Early Voting 8am – 5pm | Apr 25 Early Voting 8am – 7pm | Apr 26 Early Voting 8am – 5pm | Apr 27 Early Voting 8am – 5pm |
| Apr 28 | Apr 29 Early Voting 7am – 7pm | Apr 30 Early Voting 7am – 7pm | May 1 | May 2 | May 3 | May 4 Election Day 7am - 7pm |

- Projected 2019 Tax Rate Planning Calendar

CONSENT AGENDA Routine Council business. Consent Agenda is approved by a single majority vote. Items may be removed for open discussion by a request from a Councilmember or member of staff.

1. APPROVAL OF MEETING MINUTES FOR JANUARY 15, 2019. [SCOTT GREY]
2. APPROVAL OF MEETING MINUTES FOR JANUARY 30, 2019. [SCOTT GREY]
3. CONSIDERATION AND/OR ANY APPROPRIATE ACTION ON CANCELING THE FEBRUARY 19, 2018 REGULAR MEETING. [PETTLE]

4. INVESTMENT QUARTERLY REPORT. [SAVAGE]
5. CONSIDERATION AND/OR ANY APPROPRIATE ACTION, ACCEPTING THE 2018 RACIAL PROFILING REPORT. [BROOKS]
6. CONSIDERATION AND/OR ANY APPROPRIATE ACTION ON RESOLUTION NO. 2019-596, APPROVING THE HENLEY/JOHNSTON & ASSOCIATES PROPOSAL FOR CONSTRUCTION MATERIALS TESTING SERVICES RELATED TO THE PARKER ROAD UTILITY RELOCATIONS. [OLSON/MACHADO]

INDIVIDUAL CONSIDERATION ITEMS

7. CONSIDERATION AND/OR ANY APPROPRIATE ACTION ON ANNUAL AUDIT REPORT. [SAVAGE]
8. CONSIDERATION AND/OR ANY APPROPRIATE ACTION ON ORDINANCE NO. 774 CALLING FOR AN ELECTION TO BE HELD ON SATURDAY, MAY 4, 2019 TO ELECT THREE (3) CITY COUNCIL MEMBERS AT-LARGE; PROVIDING FOR EARLY VOTING; AUTHORIZING THE MAYOR TO EXECUTE A GENERAL ELECTION CONTRACT FOR ELECTION SERVICES WITH COLLIN COUNTY; PROVIDING FOR THE ORDER AND NOTICE OF THE ELECTION; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW. [SHELBY]
9. CONSIDERATION AND/OR ANY APPROPRIATE ACTION ON THE JOINT ELECTION AGREEMENT BETWEEN THE CITY COUNCIL OF THE CITY OF PARKER (THE CITY), THE BOARD OF TRUSTEES OF THE PLANO INDEPENDENT SCHOOL DISTRICT (PISD), KNOWN AS (THE SCHOOL), AND THE BOARD OF TRUSTEES OF COLLIN COLLEGE DISTRICT (THE COLLEGE). [SHELBY]
10. DISCUSSION/CONSIDERATION AND/OR ANY APPROPRIATE ACTION ON HOME RULE CHARTER COMMISSION (HRCC) GOAL FOR SELECTION OF HOME RULE COMMITTEE. [PETTLE]

ROUTINE ITEMS

11. FUTURE AGENDA ITEMS

UPDATE(S):

- UNITED POSTAL SERVICE UPDATE (OLSON)

REMINDER(S)

- AN EMAIL REQUESTING VACATION SCHEDULES WILL BE SENT SOON.
HAVE YOUR SCHEDULE READY!

12. ADJOURN

In addition to any specifically identified Executive Sessions, Council may convene into Executive Session at any point during the open meeting to discuss any item posted on this Agenda. The Open Meetings Act provides specific exceptions that require that a meeting be open. Should Council elect to convene into Executive Session, those exceptions will be specifically identified and announced. Any subsequent action, as a result of this Executive Session, will be taken and recorded in open session.

I certify that this Notice of Meeting was posted on or before February 8, 2019 by 5:00 p.m. at the Parker City Hall, and as a courtesy, this Agenda is also posted to the City of Parker Website at www.parkertexas.us.

Date Notice Removed

Patti Scott Grey
City Secretary

The Parker City Hall is Wheelchair accessible. Sign interpretations or other special assistance for disabled attendees must be requested 48 hours in advance by contacting the City Secretary's Office at 972 442 6811.

DRAFT

CITY OF PARKER

2019 PLANNING CALENDAR



| | |
|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>April - May</u> | Mailing of "Notices of Appraised Value" by Chief Appraiser. |
| <u>April 30</u> | The Chief Appraiser prepares and certifies to the Tax Assessor for each county, municipality, and school district participating in the appraisal district an estimate of the taxable value. |
| <u>May 15</u> | Deadline for submitting Appraisal Records to ARB. |
| <u>July 20</u> | Deadline for ARB to approve Appraisal Records. |
| <u>July 25</u> | Deadline for Chief Appraiser to certify Appraisal Rolls to each Taxing Unit. |
| <u>Aug</u> | Certification of anticipated collection rate by collector. |
| <u>July 25 - Aug.</u> | Calculation of Effective and Rollback Tax Rates. |
| <u>July 25 - Aug.</u> | Submission of Effective and Rollback Tax Rates to governing body from the Tax Office. |
| <u>Aug. 2, 2019</u> | 72 Hour Notice for Meeting (Open Meetings Notice). |
| <u>Aug. 6, 2019</u> | Meeting of Governing Body to Discuss Tax Rates. If proposed tax rate will exceed the Rollback Rate or the Effective Tax Rate (whichever is lower), take record vote and schedule two Public Hearings. |
| <u>Aug. 12, 2019</u> | Publish the "Notice of 2019 Property Tax Rates" by September 1. Notice must be published at least seven (7) days before first Public Hearing. Notice must also be posted on the municipality's website. |
| <u>Aug. 16, 2019</u> | 72 Hour Notice for First Public Hearing (Open Meetings Notice). |
| <u>Aug. 20, 2019</u> | First Public Hearing At least 7 days after publication of "Notice of 2019 Property Tax Rates. |
| <u>Aug. 23, 2019</u> | 72 Hour Notice for Second Public Hearing (Open Meetings Notice). |
| <u>Aug. 27, 2019</u> | Second Public Hearing May not be earlier than 3 days after first Public Hearing. Schedule and announce meeting to adopt tax rate three to fourteen (3 - 14) days from this date. |
| <u>Aug. 30, 2019</u> | 72 Hour Notice for Meeting at which Governing Body will Adopt Tax Rate (Open Meetings Notice). Meeting to Adopt 2019 Tax Rate. Meeting to adopt must be no later than September 18, 2019. |
| <u>Sept. 3, 2019</u> | Schedule meeting three to fourteen (3 to 14) days <u>after</u> second Public Hearing. |
| Noon on September 18 | Deadline to submit the Tax Rate Ordinance to the Collin County Tax Office. |

Tax Code Section 81.06 directs that if a date falls on a weekend, the deadline is extended to the following regular business day.
Advice of taxing unit legal counsel should be sought to determine how to fulfill the requirements of Section 140.010 Local Code (SB 1510).

**Please provide a copy of the Ordinance adopting the 2019 Tax Rate to the Tax Office by
Noon on September 18, 2019.**



Council Agenda Item

Item 1
C'Sec Use Only

| | |
|-------------------------------------|------------------------------------------|
| Budget Account Code: | Meeting Date: February 12, 2019 |
| Budgeted Amount: | Department/ Requestor: City Secretary |
| Fund Balance-before expenditure: | Prepared by: City Secretary Scott Grey |
| Estimated Cost: | Date Prepared: January 18, 2019 |
| Exhibits: | <u>Proposed Minutes</u> |

AGENDA SUBJECT

APPROVAL OF MEETING MINUTES FOR JANUARY 15, 2019. [SCOTT GREY]

SUMMARY

Please review the attached minutes. If you have any questions, comments, and/or corrections, please contact the City Secretary at PGrey@parkertexas.us prior to the City Council meeting.

POSSIBLE ACTION

City Council may direct staff to take appropriate action.

| Inter – Office Use | | | |
|--------------------------------|-------------------------|-------|------------|
| Approved by: | | | |
| Department Head/ Requestor: | <i>Patti Scott Grey</i> | Date: | 02/07/2019 |
| City Attorney: | | Date: | |
| Acting City Administrator: | <i>Luke B. Olson</i> | Date: | 02/08/2019 |

MINUTES
CITY COUNCIL MEETING
JANUARY 15, 2019

CALL TO ORDER – Roll Call and Determination of a Quorum

The Parker City Council met in a regular meeting on the above date at Parker City Hall, 5700 E. Parker Road, Parker, Texas, 75002.

Mayor Lee Pettle called the meeting to order at 7:00 p.m. Councilmembers Cindy Meyer, Cleburne Raney, Edwin Smith, Ed Standridge and Patrick Taylor were present.

Staff Present: City Administrator Luke Olson, Asst. City Administrator/City Secretary Patti Scott Grey, Finance/H.R. Manager Grant Savage, City Attorney Brandon Shelby, Fire Chief Mike Sheff (was called out at 7:03 p.m. and returned a few minutes later), Police Chief Richard Brooks and Public Works Director Gary Machado

PLEDGE OF ALLEGIANCE

AMERICAN PLEDGE: Diana Abraham led the pledge.

TEXAS PLEDGE: Randy Kercho led the pledge.

PUBLIC COMMENTS The City Council invites any person with business before the Council to speak. No formal action may be taken on these items at this meeting. Please keep comments to 3 minutes.

Martha Wilson, 4012 Pecan Orchard Drive, asked about drainage issues near her home (Pecan Orchard Drive and Sycamore Lane). Ms. Wilson noted on August 7, 2018, she brought pictures to the City Council meeting on a compact disk (CD) and voiced her drainage concerns. She said she had not been given an update but did acknowledge she is aware of continuing repairs occurring on Sycamore Lane and said she hoped those repairs would include her drainage issues.

Mayor Pettle read Andy Redmond's email into the record. Mr. Redmond, 7275 Moss Ridge Road, voiced concern regarding the CoServe Ltd. d/b/a CoServe Gas Franchise. (See Exhibit 1 – Andy Redmond's email, dated January 15, 2019.)

CONSENT AGENDA Routine Council business. Consent Agenda is approved by a single majority vote. Items may be removed for open discussion by a request from a Councilmember or member of staff.

1. APPROVAL OF MEETING MINUTES FOR DECEMBER 4, 2018. [SCOTT GREY]
2. DEPARTMENT REPORTS-ANIMAL CONTROL, BUILDING, COURT, AND POLICE
3. CONSIDERATION AND/OR ANY APPROPRIATE ACTION ON ACCEPTING A DONATION IN THE AMOUNT OF \$1,000.00 FROM JAMIE AND LEANN TURRENTINE FOR THE PARKER POLICE DEPARTMENT. [BROOKS/SAVAGE]
4. CONSIDERATION AND/OR ANY APPROPRIATE ACTION ON ORDINANCE NO. 773, AMENDING ORDINANCE NO. 488 TO EXTEND THE TERM OF THE FRANCHISE GRANTED TO "COSERV LTD. D/B/A COSERVE GAS" FOR THE PURPOSE OF CONSTRUCTING, MAINTAINING AND OPERATING ITS GAS

UTILITY SYSTEM IN PUBLIC STREETS, ALLEYS AND RIGHTS OF WAY IN THE CITY; PROVIDING FOR ACCEPTANCE OF THE FRANCHISE; PROVIDING A REPEALING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE. [SAVAGE/SHELBY]

MOTION: Councilmember Taylor moved to approve consent agenda items 1 through 4 as presented. Councilmember Standridge seconded.

Councilmember Meyer clarified consent agenda item #4, Ordinance No. 773, would amend Ordinance No. 488, extending the CoServ Ltd. d/b/a CoServe Gas Franchise agreement with no increase.

Councilmembers Meyer, Raney, Smith, Standridge, and Taylor voting for the motion. Motion carried 5-0.

INDIVIDUAL CONSIDERATION ITEMS

5. CONSIDERATION AND/OR ANY APPROPRIATE ACTION ON RESOLUTION NO. 2019-594, REGARDING HOME RULE. [RANEY/SHELBY] [TABLED – 12042018]

Mayor and City Council discussed and approved minimum criteria required to serve on the Home Rule Charter Commission (HRCC) and the HRCC application, with the noted addition of the word “Charter” to the proposed application. (See Exhibit 2 – Updated HRCC Application.) Per the application, the minimum criteria required are as follows: U.S. Citizenship, registered voter in the City of Parker, Texas, and be a Parker resident for at least one year. Applications will be accepted by City Secretary Patti Scott Grey at pgrey@parkertexas.us from January 30, 2019 through March 1, 2019. HRCC selection criteria will be developed and discussed at the February City Council meeting(s). The goal is for the HRCC to be representative of all Parker residents.

MOTION: Councilmember Taylor moved to approve Resolution No. 2019-594, regarding Home Rule. Councilmember Standridge seconded with Councilmembers Raney, Smith, Standridge, and Taylor voting for the motion and Councilmember Meyer voting against the motion. Motion carried 4-1.

6. CONSIDERATION AND/OR ANY APPROPRIATE ACTION ON KINGSBRIDGE PHASE II PRELIMINARY PLAT. [MACHADO]

Public Works Director Machado reviewed the Kingsbridge Phase II Preliminary Plat, noting the Planning and Zoning (P&Z) Commission recommended approval of the preliminary plat 5-0. P&Z reviewed City Engineer Craig M Kerkhoff, P.E., C.F.M., with Birkhoff, Hendricks & Carter, LLP, Professional Engineers, letter, dated November 28, 2018, which states the plat and plans were in general compliance with the City of Parker’s development requirements and good engineering practice. Mr. Kerkhoff had no further objections to the Kingsbridge Phase II Preliminary Plat and engineering plans as submitted to the City of Parker. With that, Mr. Machado recommended approval.

MOTION: Councilmember Taylor moved to approve Kingsbridge Phase II Preliminary Plat. Councilmember Smith seconded with Councilmembers Meyer, Raney, Smith, Standridge, and Taylor voting for the motion. Motion carried 5-0.

7. CONSIDERATION AND/OR ANY APPROPRIATE ACTION ON AESTHETICA PRELIMINARY PLAT. [MACHADO]

Public Works Director Machado reviewed Aesthetica Preliminary Plat, noting the Planning and Zoning (P&Z) Commission recommended approval of the preliminary plat 5-0. P&Z reviewed City Engineer Craig M Kerkhoff, P.E., C.F.M., with Birkhoff, Hendricks & Carter, LLP, Professional Engineers, letter, dated November 21, 2018, which states the plat and plans were in general compliance with the City of Parker's development requirements and good engineering practice. Mr. Kerkhoff had no further objections to the Aesthetica Preliminary Plat and engineering plans as submitted to the City of Parker. Mr. Machado recommended approval with the condition that property owner/developer Munzer Haque agreed each home would have a fire suppression/sprinkler system. Mr. Machado also noted Mr. Haque had a Stormwater Maintenance Agreement on this property.

Chief Sheff also recommended each home have a fire suppression/sprinkler system.

Property owner/developer Munzer Haque agreed to the condition that each home would have a fire suppression/sprinkler system and a notation was placed the Construction Plans. (See Exhibit 3 – Aesthetica Construction Plans, dated December 2017, noting the suppression system and a signed Aesthetica Stormwater Maintenance Agreement, dated January 11, 2019.)

MOTION: Councilmember Taylor moved to approve Aesthetica Preliminary Plat with the condition each home would have a fire suppression/sprinkler system. Councilmember Smith seconded with Councilmembers Meyer, Raney, Smith, Standridge, and Taylor voting for the motion. Motion carried 5-0.

8. CONSIDERATION AND/OR ANY APPROPRIATE ACTION ON RESOLUTION NO. 2019-595, ACCEPTING THE ECQA SERVICES, LLC CONTRACT/PROPOSAL FOR CONSTRUCTION, INSPECTION AND OBSERVATION SERVICES RELATED TO THE PARKER ROAD UTILITY RELOCATIONS. [OLSON/MACHADO]

City Administrator Olson reviewed the item, stating former City Administrator Jeff Flanigan started this project and Texas Department of Transportation (TxDot) took the project over. This project is a TxDot reimbursable item and as noted City Engineer John Birkhoff's email, dated November 27, 2018, the contract needed to be executed by the Mayor and City Council.

MOTION: Councilmember Taylor moved to approve Resolution No. 2019-595, awarding a contract to ECQA Services LLC, for construction, inspection and observation services related to Parker Road Utility Relocations, in amount not to exceed \$105,600. Councilmember Standridge seconded with Councilmembers Meyer, Raney, Smith, Standridge, and Taylor voting for the motion. Motion carried 5-0.

City Attorney Shelby asked that the Henley/Johnston proposal, included in the packet, be tabled. The Mayor and City Council agreed and asked that an item be placed on the future agenda items.

ROUTINE ITEMS

9. FUTURE AGENDA ITEMS

UPDATE(S):

- ACCEPTANCE OF CITY OF PARKER FIRE DEPARTMENT (\$500.00) DONATION FOR THE RECORD (PAUL & NANCY VERMEER)

As required by Resolution No. 2016-520, Mayor Pettle accepted Paul And Nancy Vermeer's \$500.00 donation to the City of Parker Fire Department for the record. The Mayor, City Council, and staff thanked the Vermeers for their generous donation.

Mayor Lee Pettle asked if there were any items to be added to the future agenda items. She noted the Henley/Johnston proposal and U.S. Postal Service update needed to be added; she encouraged everyone to please email her any additional requests; and finally, she noted the next regularly scheduled meeting would be Tuesday, February 5, 2019.

10. ADJOURN

Mayor Lee Pettle adjourned the meeting at 7:41 p.m.

APPROVED:

Mayor Lee Pettle

ATTESTED:

Patti Scott Grey, City Secretary

Approved on the 12th day
of February, 2019.

From: [Patti Grey](#)
To: ["andy redmond"](#)
Cc: ["LPettle@aol.com"](#); [Luke Olson](#); [Grant Savage](#); [Cleburne Raney](#)
Subject: RE: Comment for City Council
Date: Tuesday, January 15, 2019 9:12:00 AM
Importance: High

Thank you for your input and it will be read, but you do realize this is a renewal, no increase.

Patti

From: andy redmond <redmonde@tx.rr.com>
Sent: Tuesday, January 15, 2019 8:45 AM
To: Patti Grey <PGrey@parkertexas.us>
Subject: Comment for City Council

Please read to the record my following comments.

I'm Andy Redmond of 7275 Moss Ridge Road.

Proposed Franchise tax increase: ([CoServ](#)) [Ordinance 773, Amending Ord. #488](#).

This is a tax increase on citizens; however, at the utility bill level each billing cycle vs. a per-se City tax increase (electric utility pass thru to customer). [Vote no!](#)

Best regards,

Andy

APPLICATION FOR
HOME RULE CHARTER COMMISSION



All questions are to be directed to City Secretary Patti Scott Grey at 972-442-6811 or by email at pgrey@parkertexas.us.

Please complete the application thoroughly and print legibly in ink or type.

Home Rule Charter Commission Requirements:

- Must be a US Citizen
- Must be a registered voter at Parker address
- Minimum 12-month residency in Parker

Name: _____ Phone: _____

Home Address: _____ Spouse's Name (Optional): _____

Email Address: _____ Best Method to Contact You: _____

Length of Residency in Parker (Months/Years): _____ Subdivision/area: _____

Are you related to any City employee and/or City Councilmember? YES NO

If yes, please provide the name and position: _____

Your Occupation:

Work Experience and/or Special Knowledge including anything applicable to this Commission:

Previous/Current Volunteer Experience for the City of Parker:

Previous Volunteer Experience (Religious, Civic, Youth, etc.):

Did you attend either of the two Parker Home Rule Town Hall Meetings? Yes No

Have you attended any meetings of Parker City Council/Boards/Commissions? If so, please indicate approximate number of times and timeframe

Please tell us briefly why you wish to serve as a volunteer on this commission, including anything from your past volunteer/ business / work experience that would be an asset:

Please attach a resume, if you wish to provide additional information.

In the event, I am placed as a volunteer on this Commission, I understand I will be required to comply with City's rules, policies and regulations. I fully understand if my services are no longer needed, or my performance is not acceptable, for any reason, the City of Parker has the right to terminate my appointment at any time, with or without notice.

Signature: _____ Date: _____

Please return to City of Parker, City Secretary, 5700 E. Parker Road, Parker, Texas 75002, Fax 972-442-2894 or Email pgrey@parkertexas.us .

Note: Information on this application is subject to the Texas Public Information Act.

Individuals appointed to serve on a board/commission/committee will be required to complete two hours of training relative to the Texas Open Meetings Act and Public Information Act.

Exhibit 3

16. A MINIMUM 10 FEET OF HORIZONTAL CLEARANCE SHALL BE MAINTAINED BETWEEN SANITARY SEWER MAINS AND WATER MAINS. WHENEVER CONDITIONS PREVENT LATERAL SEPARATION OF 10 FEET TO A WATER MAIN, THE SEWER LINE SHALL BE LAID IN A SEPARATE TRENCH AND THE ELEVATION OF THE CROWN OF THE SEWER SHALL BE AT LEAST 18 INCHES BELOW THE INVERT OF THE WATER MAIN.
17. DOMESTIC WATER SERVICE SHALL BE ENDOT ENDPURE POLY WITH TRACER WIRE AND SHALL BE INSTALLED IN ACCORDANCE TO CITY OF PARKER STANDARD SPECIFICATIONS. ALL FORD CTS CORPS AND ANGLE STOPS SHALL BE INSTALLED. ALL FIRE HYDRANTS SHALL BE WATEROUS FIRE HYDRANTS.
18. PRESSURE AND LEAKAGE TESTING, DISINFECTION, AND FLUSHING OF WATER LINES SHALL BE PERFORMED IN ACCORDANCE TO THE CITY OF PARKER STANDARD SPECIFICATIONS. CONTRACTOR SHALL BE RESPONSIBLE FOR ALL COSTS ASSOCIATED WITH UTILITY TESTS, FLUSHING, DISINFECTION, AND INSPECTION AS REQUIRED BY CITY OF PARKER INSPECTOR. PRESSURE TESTING IS NOT TO EXCEED PIPE MANUFACTURER'S SUGGESTED TIME DURATION AT THE TEST PRESSURE. IF DEFECTS ARE NOTED, REPAIRS SHALL BE MADE AND THE TEST REPEATED UNTIL ALL PARTS OF THE LINE WITHSTAND THE TEST PRESSURE.
19. ALL SERVICE LINES SHALL BE COMPLETED PRIOR TO TESTING, AND ARE SUBJECT TO THE SAME TESTING REQUIREMENTS AS THE MAIN LINE.
20. NO LEAKAGE IS ALLOWED IN EXPOSED PIPING, BURIED PIPING WITH FLANGED, THREADED, OR WELDED JOINTS OR BURIED NON-POTABLE PIPING IN CONFLICT WITH POTABLE WATER LINES.
21. TESTED SECTIONS OF BURIED PIPING WITH SLIP-TYPE OR MECHANICAL JOINTS WILL NOT BE ACCEPTED IF IT HAS A LEAKAGE RATE IN EXCESS OF THAT RATE DETERMINED BY THE FORMULA $L = SDP/136200$ (AWWA C-600 DUCTILE IRON MAINS), OR $L = NDP/7400$ (AWWA MANUAL NO. M-23 - PVC MAIN); WHERE L = MAXIMUM PERMISSIBLE LEAKAGE RATE, IN GALLONS PER HOUR, THROUGHOUT THE ENTIRE LENGTH OF LINE BEING TESTED; S = LENGTH OF LINE TESTED (IN FEET); D = NOMINAL INTERNAL DIAMETER (IN INCHES) OF THE PIPE; AND P = THE SQUARE ROOT OF THE ACTUAL PRESSURE IN PSIG ON ALL JOINTS IN THE TESTED PORTION OF THE LINE. THIS ACTUAL PRESSURE SHALL BE DETERMINED BY FINDING THE DIFFERENCE BETWEEN THE AVERAGE ELEVATION OF ALL TESTED PIPE JOINTS AND THE ELEVATION OF THE PRESSURE GAUGE AND ADDING THE DIFFERENCE IN ELEVATION HEAD TO THE AUTHORIZED TEST PRESSURE.
22. ALL APPARENT LEAKS DISCOVERED WITHIN ONE YEAR FROM THE DATE OF FINAL ACCEPTANCE OF THE WORK BY THE OWNER SHALL BE LOCATED AND REPAIRED BY CONTRACTOR, REGARDLESS OF THE TOTAL LINE LEAKAGE RATE.
23. DISINFECT ALL POTABLE WATER LINES, VALVES, FITTINGS, AND HYDRANTS.
24. ALL DISINFECTION WORK SHALL BE ACCEPTABLE TO THE LOCAL AND STATE HEALTH AUTHORITY. IF ANY REQUIREMENTS OF THIS SECTION ARE IN CONFLICT WITH REQUIREMENTS OF THE AUTHORITY FOR DISINFECTION, THOSE OF THE AUTHORITY SHALL GOVERN. THE WATER MAIN DISINFECTION AND BACTERIOLOGICAL SAMPLING AND METHODS OF DISINFECTION FOR ALL WATER CONTAINMENT DEVICES AND PIPING SYSTEMS SHALL CONFORM TO AWWA C651.
25. CONTRACTOR SHALL BE RESPONSIBLE TO PROVIDE AS-BUILT PLANS CIRY OF PARKER REQUIREMENTS. THE AS-BUILT INFORMATION SHALL INCLUDE, BUT NOT BE LIMITED TO, THE FOLLOWING:
 - A) LOCATION OF ALL VALVES, FITTINGS, HYDRANTS AND SERVICES;
 - B) LOCATION OF THE MAINS TIED HORIZONTALLY TO THE BACK OF CURB OR EDGE OF PAVEMENT;
 - C) CERTIFICATION AS TO THE SYSTEM MEETING THE MINIMUM COVER REQUIREMENTS.
26. ALL BUILDING STRUCTURES SHALL BE FIRE SPRINKLED.



| | | | |
|------------------------------------------------------------------------------------------------------|-----|---------|----------|
| FIRM REGISTRATION F-10158 | | | |
| CITY OF PARKER, TX | | | |
| AESTHETICA SITE 4306 E. PARKER RD. PARKER, TEXAS 75002 | | | |
| GENERAL NOTES | | | |
| MAZIDJI GROUP | | | |
| CIVIL ENGINEERING AND ENVIRONMENTAL PROFESSIONAL 11105 FERNALD AVE. DALLAS, TX 75218 214-663-1068 | | | |
| DESIGNED | CNM | SCALE: | AS SHOWN |
| DRAWN | SOM | DATE: | DEC 2017 |
| CHECKED | CNM | JOB NO. | MC263 |
| | | C-2 | |

Prepared By:

City or County Planning Board File #

Date: 11/5/2018

STORMWATER MAINTENANCE AGREEMENT

This agreement is between Munzer Haque's Living Trust, DBA Aesthetica and the City of Parker, TX. Whereas Aesthetica with office at 2413 San Gabriel Drive, Plano, TX 75074, Munzer Haque's Living Trust is the owner of the premises designated as Lot(s) 1, 2, 3, and 4 Block(s).....
Current Aesthetica Property address is 4306 East Parker Road, Parker, TX

Whereas, as condition of approval of the site plan and/or subdivision granted by the City of Parker, said approval datedand said approval requires filing of this Restrictive Covenant for the Storm Water Maintenance Agreement.

Owner(s) of Aesthetica or occupants agree to maintain any detention and/or retention pond(s) on the premises as shown in the platting map submitted by Munzer Haque and his civil engineer Costa Mazidji, P.E.

Whereas, the city is not responsible for the pond maintenance.

Now, Therefore, in consideration of the promises, covenants, conditions and other good valuable considerations; of the site plan and/or subdivision application entitled (the complete Title Block of the Approved Plans)Aesthetica.....and dated 11/5/2018....Lots(s) 1, 2, 3 & 4.....Blocks(s) 9.76 Acre (totl).....
herein the above description, shall be held, sold and conveyed subject to the following restriction, covenants, conditions and easements which shall run with the land and be binding upon all parties who have any right, title or interest in the land, or any part thereof, their heirs,

executors, administrators, successors and assigns and shall insure to their benefit, and the benefit of the City of Parker.

1. After the completion of the storm water drainage system and any and all drainage swales/ detention/ retention/ drywells/ recharge facilities by the owner, the owner of the premises as they may from time to time be, shall be responsible for the continuing and perpetual maintenance of the storm water detention basis and related facilities and piping located on its premises in accordance with the site plan and/or subdivision plans for the proposed building of said, lot(s) 1, 2, 3, 4 as shown on the Tax Map of Collin County, TX
2. In the event that the owner shall fail to maintain storm water drainage system and any and all drainage swales / detention / retention / drywells / recharge facilities in reasonable order and condition, as may be determined periodically by a designee of the City of Parker may serve a written notice to the owner setting forth the manner in which the owner has failed to maintain the storm water drainage system and any and all drainage swales / detention / retention / drywells / recharge facilities in reasonable condition and said notice shall include a demand that such deficiencies of maintenance be cured within sixty (60) days thereof. If the deficiencies set forth in the original notice or in the modification thereof shall not be corrected within said sixty (60) days or any permitted extension thereof, the City of Parker, in order to preserve the storm water drainage system and any and all drainage swales / detention / retention / drywells / recharge facilities and maintain the same, may enter upon and maintain same for such period of time as the City may determine in its sole Judgment.

IF, the City enters upon or maintains the storm water drainage facilities at its discretion, then any cost and expenses including fee from Counsel in the above noted process shall be at the sole cost and expense of the owner of the property. The City and/or its agents and/or its designees shall be held harmless and free of any liability of any kind whatsoever by the owner from any and all acts taken under the authority of the Restrictive Covenant in the form of a Storm Water Maintenance Agreement, if such actions are taken in good faith.

In Witness Whereof, MUNZER HAQUE has signed, sealed and delivered this Restrictive Covenant in the form of a Storm Water Maintenance Agreement on 5th day of November 2018

Applicant's Signature Munzer Hague Date 11/5/2018

Applicant's Name: MUNZER HAQUE

State of: Texas County of: Collin

On 11/05/2018, before me, Munzer Hague,

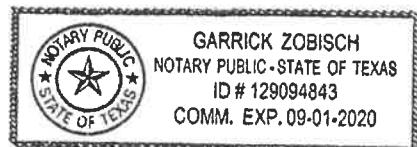
Personally appeared, Who is,

Personally, known to me OR Proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and has hereby acknowledged to me that he/she/they have executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

Notary Signature Garrick Zobisch

Notary Print Name GARRICK ZOBISCH

Notary Seal Below



City of Parker official Signature Gary Machado

City of Parker official Name Gary Machado Date: 01/11/19

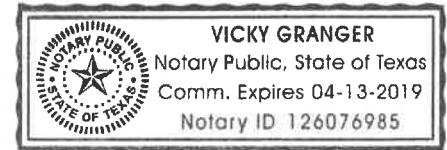
State of: Texas County of: Collin

On 01/11/2019, before me, Vicky Granger,
Personally appeared, Gary Machado,

Personally, known to me OR Proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and has hereby acknowledged to me that he/she/they have executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

Notary Signature Vicky Granger
Notary Print Name Vicky Granger

Notary Seal Below





Council Agenda Item

Item 2
C'Sec Use Only

| | |
|-------------------------------------|------------------------------------------|
| Budget Account Code: | Meeting Date: February 12, 2019 |
| Budgeted Amount: | Department/ Requestor: City Secretary |
| Fund Balance-before expenditure: | Prepared by: City Secretary Scott Grey |
| Estimated Cost: | Date Prepared: January 31, 2019 |
| Exhibits: | <u>Proposed Minutes</u> |

AGENDA SUBJECT

APPROVAL OF MEETING MINUTES FOR JANUARY 30, 2019. [SCOTT GREY]

SUMMARY

Please review the attached minutes. If you have any questions, comments, and/or corrections, please contact the City Secretary at PGrey@parkertexas.us prior to the City Council meeting.

POSSIBLE ACTION

City Council may direct staff to take appropriate action.

| Inter – Office Use | | | |
|--------------------------------|-------------------------|-------|------------|
| Approved by: | | | |
| Department Head/ Requestor: | <i>Patti Scott Grey</i> | Date: | 02/07/2019 |
| City Attorney: | | Date: | |
| Acting City Administrator: | <i>Luke B. Olson</i> | Date: | 02/08/2019 |

MINUTES
CITY COUNCIL MEETING
JANUARY 30, 2019

CALL TO ORDER – Roll Call and Determination of a Quorum

The Parker City Council met in a special meeting on the above date at Parker City Hall, 5700 E. Parker Road, Parker, Texas, 75002.

Mayor Lee Pettle called the meeting to order at 6:00 p.m. Councilmembers Cindy Meyer, Cleburne Raney, Edwin Smith, Ed Standridge and Patrick Taylor were present.

Staff Present: City Administrator Luke Olson, Asst. City Administrator/City Secretary Patti Scott Grey, City Attorney Brandon Shelby, and Police Chief Richard Brooks

EXECUTIVE SESSION 6:00 P.M. TO END. – Pursuant to the provisions of Chapter 551, Texas Government Code the City Council may hold a closed meeting.

1. RECESS TO CLOSED EXECUTIVE SESSION IN ACCORDANCE WITH THE AUTHORITY CONTAINED IN:
 - a. Government Code Section 551.074 Personnel—To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee.
 - b. Government Code Section 551.071(1)—Consultation with City Attorney concerning Pending or Contemplated Litigation

Mayor Lee Pettle recessed the regular meeting at 6:01 p.m.

2. RECONVENE REGULAR MEETING.

Mayor Lee Pettle reconvened the regular meeting at 7:08 p.m.

3. ANY APPROPRIATE DELIBERATION AND/OR ACTION ON ANY OF THE EXECUTIVE SESSION SUBJECTS LISTED ABOVE.

No action was taken.

4. ADJOURN

Mayor Lee Pettle adjourned the meeting at 7:08 p.m.

APPROVED:

Mayor Lee Pettle

ATTESTED:

Approved on the 12th day
of February, 2019.

Patti Scott Grey, City Secretary



Council Agenda Item

Item 3
C'Sec Use Only

| | | |
|--------------------------------------|---------------------------|---------------------------|
| Budget Account Code: | Meeting Date: | February 12, 2019 |
| Budgeted Amount: | Department/ Requestor: | City Council |
| Fund Balance- before expenditure: | Prepared by: | City Secretary Scott Grey |
| Estimated Cost: | Date Prepared: | February 7, 2019 |
| Exhibits: | None | |

AGENDA SUBJECT

CONSIDERATION AND/OR ANY APPROPRIATE ACTION ON CANCELING THE FEBRUARY 19, 2018 REGULAR MEETING. [PETTLE]

SUMMARY

Please consider canceling the regular February 19, 2019 City Council meeting.

POSSIBLE ACTION

Council may direct staff to take appropriate action.

| Inter – Office Use | | | |
|--------------------------------|-------------------------|-------|------------|
| Approved by: | | | |
| Department Head/ Requestor: | <i>Patti Scott Grey</i> | Date: | 02/07/2019 |
| City Attorney: | | Date: | |
| City Administrator: | <i>Luke B. Olson</i> | Date: | 02/08/2019 |



Quarterly Investment Report

Period ending December 31, 2018

Grant Savage
Finance Manager



To: Mayor and City Council
From: Grant Savage, Finance Manager
Re: City Council Meeting – February 12, 2019
Date: February 1, 2019

Agenda Item:

Quarterly Investment Report for period ending December 31, 2018

Description of Agenda Item:

It is the objective of the City of Parker to invest public funds in a manner which will provide maximum security and the best commensurate yield while meeting the daily cash flow demands of the City and conforming to all federal, state and local statutes, rules, and regulations governing the investment of public funds. In November 2018, the City revised an investment policy which serves to satisfy the statutory requirements of defining and adopting a formal investment policy. The investment policy states that not less than quarterly, Investment Officials shall submit to the City Council and Investment Committee a written report of the City's investment transactions within forty-five (45) days of the preceding reporting period. Quarterly reports will generally be presented to the City Council as follows:

| End of Reporting Period | Quarterly Report Date |
|-------------------------|-----------------------|
| March 31 | May |
| June 30 | August |
| September 30 | November |
| December 31 | February |

The current depository bank for the City of Parker is American National Bank. The current agreement with American National Bank specifies the city to maintain an amount of liquid funds in American National to offset any and all bank service charges; therefore, the City does not earn any interest on the funds kept at American National Bank. The City invests funds in the public investment pool – TexSTAR, which had an average monthly rate of 2.3069% in December 2018. The City also invests in 3 year BOKF CDARS with interest rates ranging from 1.05% to 2.9% and American National Bank Certificates of Deposit with an interest rate of .25%. The City does not

carry any security instruments (investment type) on its books that are traded on the open market; therefore all investments are listed at 100% of market value. All funds on deposit with American National Bank, TexSTAR and BOKF are fully secured and safeguarded. Total interest earned for the quarter ending December 31, 2018 was \$68,526.75. Total cash and investments for the period ending December 31, 2018 was \$15,992,084.30 compared to \$15,486,812.29 on September 30, 2018, a net increase of \$505,272.01.

The attached Quarterly Investment Report for the Period Ending December 31, 2018 includes the following documents:

- **Investment Portfolio Summary – Cash & Investments**
- **General Fund Investment Portfolio**
- **Proprietary Fund Investment Portfolio**
- **Bond Fund Investment Portfolio**
- **Investments by Instrument Type**
- **American National Bank Account Balance Statement as of December 31, 2018**
- **American National Bank Pledge Security Listing as of December 31, 2018**
- **Weighted Average Maturity**



City of Parker Quarterly Investment Report

(period ending December 31, 2018)

Quarterly Investment Report

According to the Public Funds Investment Act and the City of Parker Investment Policy, a quarterly investment report shall be presented to the City Council.

CITY OF PARKER
INVESTMENT PORTFOLIO SUMMARY
FOR THE QUARTER ENDED DECEMBER 31, 2018

| ACCOUNT | BALANCE AS OF 9/30/2018 | DEPOSITS | WITHDRAWALS | INTEREST EARNED | ENDING BALANCE AS OF 12/31/2018 |
|----------------------------|----------------------------|------------------------|------------------------|-----------------|------------------------------------|
| CASH: | | | | | |
| American National Bank | | | | | |
| Operating Account | \$ 1,385,366.97 | \$ 2,485,998.68 | \$ 2,741,028.13 | \$ - | \$ 1,130,337.52 |
| Operating Account II | \$ 341,246.75 | \$ 74,866.16 | \$ - | \$ - | \$ 416,112.91 |
| Volunteer Fire Department | \$ 125,336.15 | \$ 1,140.00 | \$ - | \$ - | \$ 126,476.15 |
| Capital Improvements | \$ 104,268.25 | \$ - | \$ - | \$ - | \$ 104,268.25 |
| Water Capital Improvement | \$ 704,026.47 | \$ 54,000.00 | \$ 2,000.00 | \$ - | \$ 756,026.47 |
| Water Impact Fees | \$ 645,987.91 | \$ 102,412.75 | \$ 3,938.95 | \$ - | \$ 744,461.71 |
| I&S Fund | \$ 168,114.09 | \$ 248,774.72 | \$ 1,369.88 | \$ - | \$ 415,518.93 |
| Water I&S Fund | \$ 1,204.10 | \$ 222,532.97 | \$ 1,891.47 | \$ - | \$ 221,845.60 |
| Court Security | \$ 33,665.35 | \$ 603.60 | \$ - | \$ - | \$ 34,268.95 |
| Court Technology | \$ 7,388.19 | \$ 804.78 | \$ 4,159.97 | \$ - | \$ 4,033.00 |
| Police Seizures | \$ 1,003.02 | \$ - | \$ - | \$ - | \$ 1,003.02 |
| Police Awarded | \$ 274.77 | \$ - | \$ - | \$ - | \$ 274.77 |
| Police Holding | \$ 2,406.33 | \$ - | \$ - | \$ - | \$ 2,406.33 |
| State Training Funds | \$ 4,430.48 | \$ - | \$ - | \$ - | \$ 4,430.48 |
| TOTAL CASH ACCOUNTS | \$ 3,524,718.83 | \$ 3,191,133.66 | \$ 2,754,388.40 | \$ - | \$ 3,961,464.09 |

| ACCOUNT | BALANCE AS OF 9/30/2018 | DEPOSITS | WITHDRAWALS | INTEREST EARNED | ENDING BALANCE AS OF 12/31/2018 |
|----------------------------------|----------------------------|------------------------|------------------------|---------------------|------------------------------------|
| INVESTMENTS: | | | | | |
| TexSTAR | \$ 9,536,180.01 | \$ - | \$ - | \$ 53,670.41 | \$ 9,589,850.42 |
| BOKF - CDARS | \$ 2,359,157.33 | \$ 1,009,900.55 | \$ 1,009,900.55 | \$ 14,806.78 | \$ 2,373,964.11 |
| American National Bank CD | \$ 66,756.12 | \$ - | \$ - | \$ 49.56 | \$ 66,805.68 |
| TOTAL INVESTMENT ACCOUNTS | \$ 11,962,093.46 | \$ 1,009,900.55 | \$ 1,009,900.55 | \$ 68,526.75 | \$ 12,030,620.21 |

TOTAL CASH & INVESTMENTS AS OF DECEMBER 31, 2018 **\$ 15,992,084.30**

This report is in compliance with the investment policy and strategies as approved by the Public Funds Investment Act.

Grant Savage, Finance Manager

Patrick Taylor, Chief Investment Officer

Lee Pettle, Mayor

CITY OF PARKER
GENERAL FUND
INVESTMENT PORTFOLIO
FOR THE QUARTER ENDED DECEMBER 31, 2018

| ACCOUNT | BALANCE AS OF 9/30/2018 | DEPOSITS | WITHDRAWALS | INTEREST EARNED | ENDING BALANCE AS OF 12/31/2018 |
|------------------------------------------------------------------------|----------------------------|------------------------|------------------------|---------------------|------------------------------------|
| INVESTMENTS: | | | | | |
| TexSTAR - Operating | \$ 1,363,548.74 | - | - | 7,674.19 | \$ 1,371,222.93 |
| TexSTAR - Escrow | \$ 25,621.57 | - | - | 144.23 | \$ 25,765.80 |
| BOKF - CDARS (8908) | \$ 1,000,000.00 | - | 1,009,900.55 | 9,900.55 | \$ - |
| BOKF - CDARS (6345) | \$ - | 1,009,900.55 | - | 4,906.23 | \$ 1,014,806.78 |
| BOKF - CDARS (7525) | \$ 1,025,756.26 | - | - | - | \$ 1,025,756.26 |
| BOKF - CDARS (9396) | \$ 333,401.07 | - | - | - | \$ 333,401.07 |
| ANB CD - Parker Volunteer FD (8698) | \$ 36,005.15 | - | - | 22.44 | \$ 36,027.59 |
| ANB CD - Parker Volunteer FD (2616) | \$ 30,750.97 | - | - | 27.12 | \$ 30,778.09 |
| TOTAL INVESTMENT ACCOUNTS | \$ 3,815,083.76 | \$ 1,009,900.55 | \$ 1,009,900.55 | \$ 22,674.76 | \$ 3,837,758.52 |
| TOTAL GENERAL FUND INVESTMENT PORTFOLIO AS OF DECEMBER 31, 2018 | | | | | \$ 3,837,758.52 |

**CITY OF PARKER
PROPRIETARY FUND
INVESTMENT PORTFOLIO
FOR THE QUARTER ENDED DECEMBER 31, 2018**

| ACCOUNT | BALANCE AS OF 9/30/2018 | DEPOSITS | WITHDRAWALS | INTEREST EARNED | ENDING BALANCE AS OF 12/31/2018 |
|------------------------------------------------------------------------|----------------------------|-------------|-------------|--------------------|------------------------------------|
| INVESTMENTS: | | | | | |
| TexSTAR - Operating | \$ 312,591.58 | - | - | 1,759.30 | \$ 314,350.88 |
| TexSTAR - Water Improvement | \$ 494,682.08 | - | - | 2,784.12 | \$ 497,466.20 |
| TOTAL INVESTMENT ACCOUNTS | \$ 807,273.66 | \$ - | \$ - | \$ 4,543.42 | \$ 811,817.08 |
| TOTAL GENERAL FUND INVESTMENT PORTFOLIO AS OF DECEMBER 31, 2018 | | | | | \$ 811,817.08 |

CITY OF PARKER
BOND FUND
INVESTMENT PORTFOLIO
FOR THE QUARTER ENDED DECEMBER 31, 2018

| ACCOUNT | BALANCE AS OF 9/30/2018 | DEPOSITS | WITHDRAWALS | INTEREST EARNED | ENDING BALANCE AS OF 12/31/2018 |
|-----------------------------------------------------------------------------|-------------------------------|--------------------|--------------------|----------------------------|------------------------------------|
| INVESTMENTS: | | | | | |
| TexSTAR - Bond Fund | 7,339,736.04 | - | - | 41,308.57 | 7,381,044.61 |
| TOTAL INVESTMENT ACCOUNTS | <u>\$ 7,339,736.04</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 41,308.57</u> | <u>\$ 7,381,044.61</u> |
| TOTAL DEBT SERVICE FUND INVESTMENT PORTFOLIO AS OF DECEMBER 31, 2018 | | | | | |
| | | | | | <u>\$ 7,381,044.61</u> |

| City of Parker | | | | |
|-------------------------------------|-----------------|--------------------------|------------------|-----------------------|
| Investments by Instrument Type | | | | |
| For the Period Ending: | 12/31/2018 | | | |
| Instrument Type | Current Balance | Current % | Max % Per Policy | In compliance (Y) (N) |
| Certificates of Deposits | 66,805.68 | 0.56% | 25.00% | YES |
| Local Government Investment Pools | 9,589,850.42 | 79.71% | 90.00% | YES |
| CDAR's Program | 2,373,964.11 | 19.73% | 100.00% | YES |
| Total Investments | 12,030,620.21 | | | |
| | Current Balance | Pledged Securities Value | % | % Required per policy |
| American National Bank - Cash Accts | 3,961,464.09 | 5,370,000.00 | 135.56% | 102.00% |



AMERICAN NATIONAL BANK
OF TEXAS

Member FDIC

CITY OF PARKER ACCOUNT BALANCES AS OF DECEMBER 31, 2018

| <u>DESCRIPTION</u> | <u>ACCOUNT #</u> | <u>MATURITY DATE</u> | <u>BALANCES</u> |
|-----------------------------------------------|------------------|----------------------|-----------------------|
| CITY OF PARKER VOLUNTEER FIRE DEPARTMENT | 701002961 | | \$ 126,476.15 |
| CITY OF PARKER | | | |
| PARKER VOLUNTEER FIRE DEPARTMENT | 701004344 | | \$ 416,112.91 |
| PARKER VOLUNTEER FIRE DEPARTMENT | CD # 9358698 | .25% | 09/15/19 |
| PARKER VOLUNTEER FIRE DEPARTMENT | CD # 9602616 | .35% | 01/11/20 |
| CITY OF PARKER SECURITY FUND | 700023880 | | \$ 36,027.59 |
| CITY OF PARKER TECHNOLOGY FUND | 700023872 | | \$ 30,778.09 |
| CITY OF PARKER CAPITAL IMPROVEMENTS | 700023864 | | \$ 34,268.95 |
| CITY OF PARKER I & S FUND | 700023856 | | \$ 4,033.00 |
| CITY OF PARKER WATER I & S FUND | 700023849 | | \$ 104,268.25 |
| CITY OF PARKER OPERATING ACCOUNT | 700023302 | | \$ 415,518.93 |
| CITY OF PARKER WATER CAPITAL IMPROVEMENT | 700025398 | | \$ 221,845.60 |
| CITY OF PARKER POLICE SEIZURES | 700024946 | | \$ 1,130,337.52 |
| CITY OF PARKER STATE TRAINING FUNDS | 4600072104 | | \$ 756,026.47 |
| CITY OF PARKER WATER IMPACT FEES | 4600279527 | | \$ 1,003.02 |
| CITY OF PARKER POLICE FUNDS – HOLDING ACCOUNT | 4600344859 | | \$ 4,430.48 |
| CITY OF PARKER POLICE FUNDS – AWARDED FUNDS | 4600344875 | | \$ 744,461.71 |
| | | | \$ 2,406.33 |
| | | | \$ 274.77 |
| | | | TOTAL |
| | | | \$4,028,269.77 |

American National Bank of Texas
Terrell, TX

Pledge Security Listing

December 31, 2018

| ID | CUSIP | Description | Safekeeping Location | Safekeeping Receipt | Coupon | Maturity Date | Call Date | Moody | S&P | Fitch | ASC 320 | Face Amount | Current Par | Current Book Value | Market Value | Gain/(Loss) |
|---------------------------------|------------|--------------------------|----------------------|---------------------|--------|---------------|------------|-------|-----|-------|---------|------------------|---------------------|---------------------|---------------------|---------------------|
| 648 | 345712WV1 | FORREST HILL TX | FHLB - Dallas | 1021601493 | 1.60 | 02/01/2019 | | NR | AA | NR | AFS | 505,000 | 360,000.00 | 365,784.00 | 365,150.25 | 365,150.25 |
| 1341 | 120006GB2 | CALDWELL CO TX RTDFG | FHLB - Dallas | 1021010044 | 2.75 | 02/01/2024 | 02/01/2023 | NR | AA- | NR | AFS | 505,000 | 505,000.00 | 510,822.65 | 508,801.15 | 508,801.15 |
| 1427 | 650785ME4 | NEEDHAM TIN ISD | FHLB - Dallas | 1021021144 | 1.60 | 08/15/2015 | 08/15/2024 | Aaa | AAA | NR | AFS | 250,000 | 250,000.00 | 251,342.55 | 241,110.50 | 241,110.50 |
| 1670 | 592795JS3 | MEXIA TK ISD SCH BLDG S | FHLB - Dallas | 1021001469 | 4.00 | 08/15/2027 | 08/15/2025 | NR | AAA | NR | AFS | 250,000 | 290,000.00 | 290,000.00 | 318,246.00 | 318,246.00 |
| 1701 | 720525HFS1 | ROBINSON TX CFPS CHIC | FHLB - Dallas | 1021001413 | 4.00 | 08/15/2027 | 08/15/2024 | NR | AA- | NR | AFS | 380,000 | 380,000.00 | 385,691.03 | 419,111.00 | 419,111.00 |
| 1833 | 88266FHJR9 | TEXAS ST SOUTHERNCLT CGL | FHLB - Dallas | 1021001548 | 3.50 | 02/15/2026 | 02/15/2025 | NR | AA- | AA- | AFS | 395,000 | 395,000.00 | 395,000.00 | 405,694.25 | 405,694.25 |
| 1911 | 021582826 | REINHOLD TX WTR AUTH WWD | FHLB - Dallas | 1021001670 | 3.00 | 12/01/2024 | 06/01/2026 | NR | AA- | NR | AFS | 150,000 | 150,000.00 | 153,591.01 | 131,165.50 | 131,165.50 |
| 1927 | 892773S10 | TEXAS TAXABLE PUB FIN A | FHLB - Dallas | 1021001677 | 3.00 | 10/01/2026 | 10/01/2025 | Aaa | AAA | NR | AFS | 730,000 | 730,000.00 | 730,000.00 | 716,867.00 | 716,867.00 |
| 1928 | 802773SM4 | TEXAS TAXABLE PUB FIN A | FHLB - Dallas | 1021001699 | 3.25 | 10/01/2027 | 10/01/2025 | Aaa | AAA | NR | AFS | 500,000 | 500,000.00 | 500,000.00 | 492,325.00 | 492,325.00 |
| 1935 | 0777495C9 | SILSLECE TX ISD | FHLB - Dallas | 1021001705 | 3.00 | 03/15/2022 | | Aaa | NR | NR | AFS | 1,157,000 | 1,325,000.00 | 1,449,546.25 | 1,412,631.75 | 1,412,631.75 |
| 1954 | 922633KED | WHIMBERLEY TX ISD RUE SC | FHLB - Dallas | 1021001729 | 4.00 | 08/15/2026 | | NR | AAA | NR | AFS | 265,000 | 265,000.00 | 320,171.05 | 314,647.04 | 314,647.04 |
| Total for CITY OF PARKER | | | | | | | | | | | | 5,370,000 | 5,370,000.00 | 5,576,225.75 | 5,457,699.00 | 5,457,699.00 |

Although the implementation of this project has been at the cost from principles to be adhered to by individuals, it is a very clear-cut example of

Section 11.1: Frequency Distributions

147-23

12/12/2012 12:20:44 PM

1775-1800

City of Parker**Weighted Average Maturity****Report Date: 12/31/2018**

Using the Current Date and Maturity Date: Weighted Average Maturity (WAM) =

The overall sum of each security's par amount multiplied by its number of days to maturity, divided by the total of all investments.

| Security Description | Investment Amount | Current Date | Maturity Date | Mat. in Days (DTM) | WAM |
|------------------------|----------------------|--------------|---------------|--------------------|---------------|
| TexStar | 9,589,850.42 | 12/31/18 | 01/01/19 | 1 | 0.80 |
| ANB - VFD CD | 36,027.59 | 12/31/18 | 09/15/19 | 255 | 0.76 |
| ANB - VFD CD | 30,778.09 | 12/31/18 | 01/11/20 | 371 | 0.95 |
| BOKF CDARS - 3 Yr Term | 1,014,806.78 | 12/31/18 | 10/14/21 | 1,004 | 84.69 |
| BOKF CDARS - 3 Yr Term | 1,025,756.26 | 12/31/18 | 10/17/19 | 287 | 24.47 |
| BOKF CDARS - 3 Yr Term | 333,401.07 | 12/31/18 | 11/12/20 | 672 | 18.62 |
| Total | 12,030,620.21 | | | | 130.29 |

WAM Calculations that are based on Floating Rate and Variable Rate securities use the reset date in the calculations.



Council Agenda Item

Item 5
C'Sec Use Only

| | |
|-------------------------------------|-------------------------------------------------------------------------------------------------------|
| Budget Account Code: | Meeting Date: February 12, 2019 |
| Budgeted Amount: | Department/ Requestor: Police Chief Brooks |
| Fund Balance-before expenditure: | Prepared by: City Secretary Scott Grey |
| Estimated Cost: | Date Prepared: January 14, 2019 |
| Exhibits: | <ul style="list-style-type: none">• <u>Racial Profiling Report 2018</u> |

AGENDA SUBJECT

CONSIDERATION AND/OR ANY APPROPRIATE ACTION, ACCEPTING THE 2018 RACIAL PROFILING REPORT. [BROOKS]

SUMMARY

Please review the attached 2018 Racial Profiling Report. By reporting this information to City Council and TCOLE (Texas Commission on Law Enforcement) this will fulfill the totality of our obligation as required by the Texas Code of Criminal Procedure and State House Bill 3389. Should City Council have any questions, suggestions, or in need of any clarification, please contact Chief Richard Brooks or Captain Kenneth Price.

POSSIBLE ACTION

Council may direct staff to take appropriate action.

| Inter – Office Use | | | |
|--------------------------------|--------------------------|-------|----------------------|
| Approved by: | | | |
| Department Head/ Requestor: | <i>Richard D. Brooks</i> | Date: | 01/14/2019 via email |
| City Attorney: | | Date: | |
| City Administrator: | <i>Luke B. Olson</i> | Date: | 02/08/2019 |

Racial Profiling Report | Full report

Agency Name: Parker Police Department
Reporting Date: 01/14/2019
TCOLE Agency Number: 85217
Chief Administrator: Richard Brooks
Agency Contact Information:
Phone: 972-442-0333
Email: kprice@parkertexas.us
Mailing Address: 5700 E. Parker Road
Parker Tx 75002

This Agency filed a full report

Parker Police Department has adopted a detailed written policy on racial profiling. Our policy:

- 1.) clearly defines acts constituting racial profiling;
- 2.) strictly prohibit peace officers employed by the Parker Police Department from engaging in racial profiling;
- 3.) implements a process by which an individual may file a complaint with the Parker Police Department if the individual believes that a peace officer employed by the Parker Police Department has engaged in racial profiling with respect to the individual;
- 4.) provides public education relating to the agency's complaint process;
- 5.) requires appropriate corrective action to be taken against a peace officer employed by the Parker Police Department who, after an investigation, is shown to have engaged in racial profiling in violation of the Parker Police Department's policy adopted under this article;
- 6.) require collection of information relating to motor vehicle stops in which a citation is issued and to arrests made as a result of those stops, including information relating to:
 - a.) the race or ethnicity of the individual detained;
 - b.) whether a search was conducted and, if so, whether the individual detained consented to the search; and
 - c.) whether the peace officer knew the race or ethnicity of the individual detained before

detaining that individual; and

7.) require the chief administrator of the agency, regardless of whether the administrator is elected, employed, or appointed, to submit an annual report of the information collected under Subdivision(6) to:

- a.) the Commission on Law Enforcement; and
- b.) the governing body of each county or municipality served by the agency, if the agency is an agency of a county, municipality, or other political subdivision of the state.

Executed by: Richard Brooks

Chief Administrator

Parker Police Department

Date: 01/14/2019

Total stops: 984

Gender

Female: 392

Male: 592

Race or ethnicity

Black: 140

Asian/Pacific Islander: 165

White: 491

Hispanic/Latino: 188

Alaska Native/American Indian: 0

Was race or ethnicity known prior to stop?

Yes: 0

No: 984

Reason for stop?

Violation of law: 266

Pre existing knowledge: 0

Moving traffic violation: 1327

Vehicile traffic violation: 221

Street address or approximate location of the stop

City street: 984

US highway: 0

State highway: 0

County road: 0

Private property or other: 0

Was a search conducted?

Yes: 11

No: 973

Reason for Search?

Consent: 2

Contraband: 0

Probable cause: 8

Inventory: 1

Incident to arrest: 0

Was Contraband discovered?

Yes: 4

No: 7

Description of contraband

Drugs: 4

Currency: 1

Weapons: 1

Alcohol: 0

Stolen property: 0

Other: 0

Result of the stop

Verbal warning: 0

Written warning: 507

Citation: 984

Written warning and arrest: 0

Citation and arrest: 0

Arrest: 2

Arrest Total

Total: 0

Arrest based on

Violation of Penal Code: 1

Violation of Traffic Law: 0

Violation of City Ordinance: 0

Outstanding Warrant 1

Was physical force resulting in bodily injury used during stop

Yes: 0

No: 984

Submitted electronically to the



The Texas Commission on Law Enforcement

2018

Parker
Police Department
Racial Profiling
Annual REPORT



www.texasracialprofiling.com



dcconsulting@sbcglobal.net

January 11, 2019

Parker City Council
5700 E. Parker Road
Parker, Texas 75002

Dear Distinguished Members of the City Council,

The Texas Legislature, with the intent of addressing the issue of racial profiling in policing, enacted in 2001, the Texas Racial Profiling Law. During the past year, the Parker Police Department, in accordance with the law, has collected and reported traffic and motor vehicle-related contact data for the purpose of identifying and addressing (if necessary) areas of concern regarding racial profiling practices. In the 2009 Texas legislative session, the Racial Profiling Law was modified and additional requirements were implemented. Moreover, in 2017, the Sandra Bland Act was passed and signed into law (along with HB 3051 which introduced new racial and ethnic designations). The Sandra Bland Law requires that law enforcement agencies in the state collect additional data and provide a more detailed analysis. All of these requirements have been met by the Parker Police Department and are included in this report.

This particular report contains three sections with information on motor vehicle- related contact data. In addition, when appropriate, documentation is also a component of this report, aiming at demonstrating the manner in which the Parker Police Department has complied with the Texas Racial Profiling Law. In section 1, you will find the table of contents in addition to the Texas Senate Bill (SB1074); which later became the Texas Racial Profiling Law. Further, you will find the Texas HB 3389, which, in 2009, introduced new requirements relevant to racial profiling as well as the Sandra Bland Act. Also, in this section, a list of requirements relevant to the Racial Profiling Law as established by TCOLE (Texas Commission on Law Enforcement) is included. In addition, you will find, in sections 2 and 3 documentation which demonstrates compliance by the Parker Police Department relevant to the requirements as established in the Texas Racial Profiling Law. That is, you will find documents relevant to the implementation of an institutional policy banning racial profiling, the incorporation of a racial profiling complaint process and the training administered to all law enforcement personnel.

The last section of this report includes statistical data relevant to contacts, made during the course of motor vehicle stops and in accordance with the law, between 1/1/18 and 12/31/18. In addition, this section contains the TCOLE Tier 2 form, which is required to be submitted to this particular organization by March 1st of each year. The data in this report has been analyzed and compared to data derived from the U.S. Census Bureau's Fair Roads Standard. The final analysis and recommendations are also included in this report. The findings in this report serve as evidence of the Parker Police Department's commitment to comply with the Texas Racial Profiling Law.

Sincerely,

Alex del Carmen, Ph.D.
Del Carmen Consulting, LLC

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TCOLE GUIDELINES

Guidelines for Compiling and Reporting Data under Senate Bill 1074

Background

Senate Bill 1074 of the 77th Legislature established requirements in the Texas Code of Criminal Procedure (TCCP) for law enforcement agencies. The Commission developed this document to assist agencies in complying with the statutory requirements.

The guidelines are written in the form of standards using a style developed from accreditation organizations including the Commission on Accreditation for Law Enforcement Agencies (CALEA). The standards provide a description of *what* must be accomplished by an agency but allows wide latitude in determining *how* the agency will achieve compliance with each applicable standard.

Each standard is composed of two parts: the standard statement and the commentary. The *standard statement* is a declarative sentence that places a clear-cut requirement, or multiple requirements, on an agency. The commentary supports the standard statement but is not binding. The commentary can serve as a prompt, as guidance to clarify the intent of the standard, or as an example of one possible way to comply with the standard.

Standard 1

Each law enforcement agency has a detailed written directive that:

- clearly defines acts that constitute racial profiling;
- strictly prohibits peace officers employed by the agency from engaging in racial profiling;
- implements a process by which an individual may file a complaint with the agency if the individual believes a peace officer employed by the agency has engaged in racial profiling with respect to the individual filing the complaint;
- provides for public education relating to the complaint process;
- requires appropriate corrective action to be taken against a peace officer employed by the agency who, after investigation, is shown to have engaged in racial profiling in violation of the agency's written racial profiling policy; and
- requires the collection of certain types of data for subsequent reporting.

Commentary

Article 2.131 of the TCCP prohibits officers from engaging in racial profiling, and article 2.132 of the TCCP now requires a written policy that contains the elements listed in this standard. The article also specifically defines a law enforcement agency as it applies to this statute as an “agency of the state, or of a county, municipality, or other political subdivision of the state, that employs peace officers who make traffic stops in the routine performance of the officers’ official duties.”

The article further defines race or ethnicity as being of “a particular descent, including Caucasian, African, Hispanic, Asian, or Native American.” The statute does not limit the required policies to just these ethnic groups.

This written policy is to be adopted and implemented no later than January 1, 2002.

Standard 2

Each peace officer who stops a motor vehicle for an alleged violation of a law or ordinance regulating traffic, or who stops a pedestrian for any suspected offense reports to the employing law enforcement agency information relating to the stop, to include:

- a physical description of each person detained, including gender and the person's race or ethnicity, as stated by the person, or, if the person does not state a race or ethnicity, as determined by the officer's best judgment;
- the traffic law or ordinance alleged to have been violated or the suspected offense;
- whether the officer conducted a search as a result of the stop and, if so, whether the person stopped consented to the search;
- whether any contraband was discovered in the course of the search, and the type of contraband discovered;
- whether probable cause to search existed, and the facts supporting the existence of that probable cause;
- whether the officer made an arrest as a result of the stop or the search, including a statement of the offense charged;
- the street address or approximate location of the stop; and
- whether the officer issued a warning or citation as a result of the stop, including a description of the warning or a statement of the violation charged.

Commentary

The information required by 2.133 TCCP is used to complete the agency reporting requirements found in Article 2.134. A peace officer and an agency may be exempted from this requirement under Article 2.135 TCCP Exemption for Agencies Using Video and Audio Equipment. An agency may be exempt from this reporting requirement by applying for the funds from the Department of Public Safety for video and audio equipment and the State does not supply those funds. Section 2.135 (a)(2) states, "the governing body of the county or municipality served by the law enforcement agency, in conjunction with the law enforcement agency, certifies to the Department of Public Safety, not later than the date specified by rule by the department, that the law enforcement agency needs funds or video and audio equipment for the purpose of installing video and audio equipment as described by Subsection (a) (1) (A) and the agency does not receive from the state funds for video and audio equipment sufficient, as determined by the department, for the agency to accomplish that purpose."

Standard 3

The agency compiles the information collected under 2.132 and 2.133 and analyzes the information identified in 2.133.

Commentary

Senate Bill 1074 from the 77th Session of the Texas Legislature created requirements for law enforcement agencies to gather specific information and to report it to each county or municipality served. New sections of law were added to the Code of Criminal Procedure regarding the reporting of traffic and pedestrian stops. Detained is defined as when a person stopped is not free to leave.

Article 2.134 TCCP requires the agency to compile and provide and analysis of the information collected by peace officer employed by the agency. The report is provided to the governing body of the municipality or county no later than March 1 of each year and covers the previous calendar year.

There is data collection and reporting required based on Article 2.132 CCP (tier one) and Article 2.133 CCP (tier two).

The minimum requirements for “tier one” data for traffic stops in which a citation results are:

- 1) the race or ethnicity of individual detained (race and ethnicity as defined by the bill means “a particular descent, including Caucasian, African, Hispanic, Asian, or Native American”);
- 2) whether a search was conducted, and if there was a search, whether it was a consent search or a probable cause search; and
- 3) whether there was a custody arrest.

The minimum requirements for reporting on “tier two” reports include traffic and pedestrian stops. Tier two data include:

- 1) the detained person’s gender and race or ethnicity;
- 2) the type of law violation suspected, e.g., hazardous traffic, non-hazardous traffic, or other criminal investigation (the Texas Department of Public Safety publishes a categorization of traffic offenses into hazardous or non-hazardous);
- 3) whether a search was conducted, and if so whether it was based on consent or probable cause;
- 4) facts supporting probable cause;
- 5) the type, if any, of contraband that was collected;
- 6) disposition of the stop, e.g., arrest, ticket, warning, or release;
- 7) location of stop; and
- 8) statement of the charge, e.g., felony, misdemeanor, or traffic.

Tier one reports are made to the governing body of each county or municipality served by the agency an annual report of information if the agency is an agency of a county, municipality, or other political subdivision of the state. Tier one and two reports are reported to the county or municipality not later than March 1 for the previous calendar year beginning March 1, 2003. Tier two reports include a comparative analysis between the race and ethnicity of persons detained to see if a differential pattern of treatment can be discerned based on the disposition of stops including searches resulting from the stops. The reports also include information relating to each complaint filed with the agency alleging that a peace officer employed by the agency has engaged in racial profiling. An agency may be exempt from the tier two reporting requirement by applying for the funds from the Department of Public Safety for video and audio equipment and the State does not supply those funds [See 2.135 (a)(2) TCCP].

Reports should include both raw numbers and percentages for each group. Caution should be exercised in interpreting the data involving percentages because of statistical distortions caused by very small numbers in any particular category, for example, if only one American Indian is stopped and searched, that stop would not provide an accurate comparison with 200 stops among Caucasians with 100 searches. In the first case, a 100% search rate would be skewed data when compared to a 50% rate for Caucasians.

Standard 4

If a law enforcement agency has video and audio capabilities in motor vehicles regularly used for traffic stops, or audio capabilities on motorcycles regularly used to make traffic stops, the agency:

- adopts standards for reviewing and retaining audio and video documentation; and
- promptly provides a copy of the recording to a peace officer who is the subject of a complaint on written request by the officer.

Commentary

The agency should have a specific review and retention policy. Article 2.132 TCCP specifically requires that the peace officer be promptly provided with a copy of the audio or video recordings if the officer is the subject of a complaint and the officer makes a written request.

Standard 5

Agencies that do not currently have video or audio equipment must examine the feasibility of installing such equipment.

Commentary

None

Standard 6

Agencies that have video and audio recording capabilities are exempt from the reporting requirements of Article 2.134 TCCP and officers are exempt from the reporting requirements of Article 2.133 TCCP provided that:

- the equipment was in place and used during the proceeding calendar year; and
- video and audio documentation is retained for at least 90 days.

Commentary

The audio and video equipment and policy must have been in place during the previous calendar year. Audio and video documentation must be kept for at least 90 days or longer if a complaint has been filed. The documentation must be retained until the complaint is resolved. Peace officers are not exempt from the requirements under Article 2.132 TCCP.

Standard 7

Agencies have citation forms or other electronic media that comply with Section 543.202 of the Transportation Code.

Commentary

Senate Bill 1074 changed Section 543.202 of the Transportation Code requiring citations to include:

- race or ethnicity, and
- whether a search of the vehicle was conducted and whether consent for the search was obtained.

The Texas Law on Racial Profiling

AN ACT

relating to the prevention of racial profiling by certain peace officers.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF
TEXAS:

SECTION 1. Chapter 2, Code of Criminal Procedure, is amended by adding Articles 2.131 through 2.138 to read as follows:

Art. 2.131. RACIAL PROFILING PROHIBITED. A peace officer may not engage in racial profiling.

Art. 2.132. LAW ENFORCEMENT POLICY ON RACIAL
PROFILING. (a) In this article:

(1) "Law enforcement agency" means an agency of the state, or of a county, municipality, or other political subdivision of the state, that employs peace officers who make traffic stops in the routine performance of the officers' official duties.

(2) "Race or ethnicity" means of a particular descent, including Caucasian, African, Hispanic, Asian, or Native American descent.

(b) Each law enforcement agency in this state shall adopt a detailed written policy on racial profiling. The policy must:

(1) clearly define acts constituting racial profiling;

(2) strictly prohibit peace officers employed by the agency from engaging in racial profiling;

(3) implement a process by which an individual may file a complaint with the agency if the individual believes that a peace officer employed by the agency has engaged in racial profiling with respect to the individual;

(4) provide public education relating to the agency's complaint process;

(5) require appropriate corrective action to be taken against a peace officer employed by the agency who, after an investigation, is shown to have engaged in racial profiling in violation of the agency's policy adopted under this article;

(6) require collection of information relating to traffic stops in which a citation is issued and to arrests resulting from those traffic stops, including information relating to:

(A) the race or ethnicity of the individual detained; and

(B) whether a search was conducted and, if so, whether the person detained consented to the search; and

(7) require the agency to submit to the governing body of each county or municipality served by the agency an annual report of the information collected under Subdivision (6) if the agency is an agency of a county, municipality, or other political subdivision of the state.

(c) The data collected as a result of the reporting requirements of this article shall not constitute *prima facie* evidence of racial profiling.

(d) On adoption of a policy under Subsection (b), a law enforcement agency shall examine the feasibility of installing video camera and transmitter-activated equipment in each agency law enforcement motor vehicle regularly used to make traffic stops and transmitter-activated equipment in each agency law enforcement motorcycle regularly used to make traffic stops. If a law enforcement agency installs video or audio equipment as provided by this subsection, the policy adopted by the agency under Subsection (b) must include standards for reviewing video and audio documentation.

(e) A report required under Subsection (b)(7) may not include identifying information about a peace officer who makes a traffic stop or about an individual

who is stopped or arrested by a peace officer. This subsection does not affect the collection of information as required by a policy under Subsection (b)(6).

(f) On the commencement of an investigation by a law enforcement agency of a complaint described by Subsection (b)(3) in which a video or audio recording of the occurrence on which the complaint is based was made, the agency shall promptly provide a copy of the recording to the peace officer who is the subject of the complaint on written request by the officer.

Art. 2.133. REPORTS REQUIRED FOR TRAFFIC AND PEDESTRIAN STOPS. (a) In this article:

(1) "Race or ethnicity" has the meaning assigned by Article 2.132(a).

(2) "Pedestrian stop" means an interaction between a peace officer and an individual who is being detained for the purpose of a criminal investigation in which the individual is not under arrest.

(b) A peace officer who stops a motor vehicle for an alleged violation of a law or ordinance regulating traffic or who stops a pedestrian for any suspected offense shall report to the law enforcement agency that employs the officer information relating to the stop, including:

(1) a physical description of each person detained as a result of the stop, including:

(A) the person's gender; and

(B) the person's race or ethnicity, as stated by the person or, if the person does not state the person's race or ethnicity, as determined by the officer to the best of the officer's ability;

(2) the traffic law or ordinance alleged to have been violated or the suspected offense;

(3) whether the officer conducted a search as a result of the stop and, if so, whether the person detained consented to the search;

(4) whether any contraband was discovered in the course of the search and the type of contraband discovered;

(5) whether probable cause to search existed and the facts supporting the existence of that probable cause;

(6) whether the officer made an arrest as a result of the stop or the search, including a statement of the offense charged;

(7) the street address or approximate location of the stop; and

(8) whether the officer issued a warning or a citation as a result of the stop, including a description of the warning or a statement of the violation charged.

Art. 2.134. COMPILED AND ANALYSIS OF INFORMATION COLLECTED. (a) In this article, "pedestrian stop" means an interaction between a peace officer and an individual who is being detained for the purpose of a criminal investigation in which the individual is not under arrest.

(b) A law enforcement agency shall compile and analyze the information contained in each report received by the agency under Article 2.133. Not later than March 1 of each year, each local law enforcement agency shall submit a report containing the information compiled during the previous calendar year to the governing body of each county or municipality served by the agency in a manner approved by the agency.

(c) A report required under Subsection (b) must include:

(1) a comparative analysis of the information compiled under Article 2.133 to:

(A) determine the prevalence of racial profiling by peace officers employed by the agency; and

(B) examine the disposition of traffic and pedestrian stops made by officers employed by the agency, including searches resulting from the stops; and

(2) information relating to each complaint filed with the agency alleging that a peace officer employed by the agency has engaged in racial profiling.

(d) A report required under Subsection (b) may not include identifying information about a peace officer who makes a traffic or pedestrian stop or about an individual who is stopped or arrested by a peace officer. This subsection does not affect the reporting of information required under Article 2.133(b)(1).

(e) The Commission on Law Enforcement Officer Standards and Education shall develop guidelines for compiling and reporting information as required by this article.

(f) The data collected as a result of the reporting requirements of this article shall not constitute prima facie evidence of racial profiling.

Art. 2.135. EXEMPTION FOR AGENCIES USING VIDEO AND AUDIO EQUIPMENT. (a) A peace officer is exempt from the reporting requirement under Article 2.133 and a law enforcement agency is exempt from the compilation, analysis, and reporting requirements under Article 2.134 if:

(1) during the calendar year preceding the date that a report under Article 2.134 is required to be submitted:

(A) each law enforcement motor vehicle regularly used by an officer employed by the agency to make traffic and pedestrian stops is equipped with video camera and transmitter-activated equipment and each law enforcement motorcycle regularly used to make traffic and pedestrian stops is equipped with transmitter-activated equipment; and

(B) each traffic and pedestrian stop made by an officer employed by the agency that is capable of being recorded by video and audio or audio equipment, as appropriate, is recorded by using the equipment; or

(2) the governing body of the county or municipality served by the law enforcement agency, in conjunction with the law enforcement agency, certifies to the Department of Public Safety, not later than the date specified by rule by the department, that the law enforcement agency needs funds or video and audio equipment for the purpose of installing video and audio equipment as described by Subsection (a)(1)(A) and the agency does not receive from the state funds or video and audio equipment sufficient, as determined by the department, for the agency to accomplish that purpose.

(b) Except as otherwise provided by this subsection, a law enforcement agency that is exempt from the requirements under Article 2.134 shall retain the video and audio or audio documentation of each traffic and pedestrian stop for at least 90 days after the date of the stop. If a complaint is filed with the law enforcement agency alleging that a peace officer employed by the agency has engaged in racial profiling with respect to a traffic or pedestrian stop, the agency shall retain the video and audio or audio record of the stop until final disposition of the complaint.

(c) This article does not affect the collection or reporting requirements under Article 2.132.

Art. 2.136. LIABILITY. A peace officer is not liable for damages arising from an act relating to the collection or reporting of information as required by Article 2.133 or under a policy adopted under Article 2.132.

Art. 2.137. PROVISION OF FUNDING OR EQUIPMENT. (a) The Department of Public Safety shall adopt rules for providing funds or video and audio equipment to law enforcement agencies for the purpose of installing video and audio equipment as described by Article 2.135(a)(1)(A), including specifying criteria to prioritize funding or equipment provided to law enforcement agencies. The criteria may include consideration of tax

effort, financial hardship, available revenue, and budget surpluses. The criteria must give priority to:

(1) law enforcement agencies that employ peace officers

whose primary duty is traffic enforcement;

(2) smaller jurisdictions; and

(3) municipal and county law enforcement agencies.

(b) The Department of Public Safety shall collaborate with an

institution of higher education to identify law enforcement agencies that need funds or video and audio equipment for the purpose of installing video and audio equipment as described by Article 2.135(a)(1)(A). The collaboration may include the use of a survey to assist in developing criteria to prioritize funding or equipment provided to law enforcement agencies.

(c) To receive funds or video and audio equipment from the state for the purpose of installing video and audio equipment as described by Article 2.135(a)(1)(A), the governing body of a county or municipality, in conjunction with the law enforcement agency serving the county or municipality, shall certify to the Department of Public Safety that the law enforcement agency needs funds or video and audio equipment for that purpose.

(d) On receipt of funds or video and audio equipment from the state for the purpose of installing video and audio equipment as described by Article 2.135(a)(1)(A), the governing body of a county or municipality, in conjunction with the law enforcement agency serving the county or municipality, shall certify to the Department of Public Safety that the law enforcement agency has installed video and audio equipment as described by Article 2.135(a)(1)(A) and is using the equipment as required by Article 2.135(a)(1).

Art. 2.138. RULES. The Department of Public Safety may adopt rules to implement Articles 2.131-2.137.

SECTION 2. Chapter 3, Code of Criminal Procedure, is amended by adding Article 3.05 to read as follows:

Art. 3.05. RACIAL PROFILING. In this code, "racial profiling" means a law enforcement-initiated action based on an individual's race, ethnicity, or national origin rather than on the individual's behavior or on information identifying the individual as having engaged in criminal activity.

SECTION 3. Section 96.641, Education Code, is amended by adding Subsection (j) to read as follows:

(j) As part of the initial training and continuing education for police chiefs required under this section, the institute shall establish a program on racial profiling. The program must include an examination of the best practices for:

(1) monitoring peace officers' compliance with laws and internal agency policies relating to racial profiling;

(2) implementing laws and internal agency policies relating to preventing racial profiling; and

(3) analyzing and reporting collected information.

SECTION 4. Section 1701.253, Occupations Code, is amended by adding Subsection (e) to read as follows:

(e) As part of the minimum curriculum requirements, the commission shall establish a statewide comprehensive education and training program on racial profiling for officers licensed under this chapter. An officer shall complete a program established under this subsection not later than the second anniversary of the date the officer is licensed under this chapter or the date the officer applies for an intermediate proficiency certificate, whichever date is earlier.

SECTION 5. Section 1701.402, Occupations Code, is amended by adding Subsection (d) to read as follows:

(d) As a requirement for an intermediate proficiency certificate, an officer must complete an education and training program on racial profiling established by the commission under Section 1701.253(e).

SECTION 6. Section 543.202, Transportation Code, is amended to read as follows:

Sec. 543.202. FORM OF RECORD. (a) In this section, "race or ethnicity" means of a particular descent, including Caucasian, African, Hispanic, Asian, or Native American descent.

(b) The record must be made on a form or by a data processing method acceptable to the department and must include:

(1) the name, address, physical description, including race or ethnicity, date of birth, and driver's license number of the person charged;

(2) the registration number of the vehicle involved;

(3) whether the vehicle was a commercial motor vehicle as defined by Chapter 522 or was involved in transporting hazardous materials;

(4) the person's social security number, if the person was operating a commercial motor vehicle or was the holder of a commercial driver's license or commercial driver learner's permit;

(5) the date and nature of the offense, including whether the offense was a serious traffic violation as defined by Chapter 522;

(6) whether a search of the vehicle was conducted and whether consent for the search was obtained;

(7) the plea, the judgment, and whether bail was forfeited;

(8) [(7)] the date of conviction; and

(9) [(8)] the amount of the fine or forfeiture.

SECTION 7. Not later than January 1, 2002, a law enforcement agency shall adopt and implement a policy and begin collecting information under the policy as required by Article 2.132, Code of Criminal Procedure, as added by this Act. A local law enforcement agency shall first submit information to the governing body of each county or municipality served by the agency as required by Article 2.132, Code of Criminal Procedure, as

added by this Act, on March 1, 2003. The first submission of information shall consist of information compiled by the agency during the period beginning January 1, 2002, and ending December 31, 2002.

SECTION 8. A local law enforcement agency shall first submit information to the governing body of each county or municipality served by the agency as required by Article 2.134, Code of Criminal Procedure, as added by this Act, on March 1, 2004. The first submission of information shall consist of information compiled by the agency during the period beginning January 1, 2003, and ending December 31, 2003.

SECTION 9. Not later than January 1, 2002:

(1) the Commission on Law Enforcement Officer Standards and Education shall establish an education and training program on racial profiling as required by Subsection (e), Section 1701.253, Occupations Code, as added by this Act; and

(2) the Bill Blackwood Law Enforcement Management Institute of Texas shall establish a program on racial profiling as required by Subsection (j), Section 96.641, Education Code, as added by this Act.

SECTION 10. A person who on the effective date of this Act holds an intermediate proficiency certificate issued by the Commission on Law Enforcement Officer Standards and Education or has held a peace officer license issued by the Commission on Law Enforcement Officer Standards and Education for at least two years shall complete an education and training program on racial profiling established under Subsection (e), Section 1701.253, Occupations Code, as added by this Act, not later than September 1, 2003.

SECTION 11. An individual appointed or elected as a police chief before the effective date of this Act shall complete a program on racial profiling established under Subsection (j), Section 96.641, Education Code, as added by this Act, not later than September 1, 2003.

SECTION 12. This Act takes effect September 1, 200

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 1074 passed the Senate on April 4, 2001, by the following vote: Yeas 28, Nays 2; May 21, 2001, Senate refused to concur in House amendments and requested appointment of Conference Committee; May 22, 2001, House granted request of the Senate; May 24, 2001, Senate adopted Conference Committee Report by a viva-voce vote.

Secretary of the Senate

I hereby certify that S.B. No. 1074 passed the House, with amendments, on May 15, 2001, by a non-record vote; May 22, 2001, House granted request of the Senate for appointment of Conference Committee; May 24, 2001, House adopted Conference Committee Report by a non-record vote.

Chief Clerk of the House

Approved:

Date

Governor

Modifications to the Original Law (H.B. 3389)

Amend CSHB 3389 (Senate committee report) as follows:

(1) Strike the following SECTIONS of the bill:

(A) SECTION 8, adding Section 1701.164, Occupations Code (page 4, lines 61-66);

(B) SECTION 24, amending Article 2.132(b), Code of Criminal Procedure (page 8, lines 19-53);

(C) SECTION 25, amending Article 2.134(b), Code of Criminal Procedure (page 8, lines 54-64);

(D) SECTION 28, providing transition language for the amendments to Articles 2.132(b) and 2.134(b), Code of Criminal Procedure (page 9, lines 40-47).

(2) Add the following appropriately numbered SECTIONS to the bill and renumber subsequent SECTIONS of the bill accordingly:

SECTION ____. Article 2.132, Code of Criminal Procedure, is amended by amending Subsections (a), (b), (d), and (e) and adding Subsection (g) to read as follows:

(a) In this article:

(1) "Law enforcement agency" means an agency of the state, or of a county, municipality, or other political subdivision of the state, that employs peace officers who make motor vehicle [traffie] stops in the routine performance of the officers' official duties.

(2) "Motor vehicle stop" means an occasion in which a peace officer stops a motor vehicle for an alleged violation of a law or ordinance.

(3) "Race or ethnicity" means of a particular descent, including Caucasian, African, Hispanic, Asian, [or] Native American, or Middle Eastern descent.

(b) Each law enforcement agency in this state shall adopt a detailed written policy on racial profiling. The policy must:

(1) clearly define acts constituting racial profiling;

(2) strictly prohibit peace officers employed by the agency from engaging in racial profiling;

(3) implement a process by which an individual may file a complaint with the agency if the individual believes that a peace officer employed by the agency has engaged in racial profiling with respect to the individual;

(4) provide public education relating to the agency's complaint process;

(5) require appropriate corrective action to be taken against a peace officer employed by the agency who, after an investigation, is shown to have engaged in racial profiling in violation of the agency's policy adopted under this article;

(6) require collection of information relating to motor vehicle [traffie] stops in which a citation is issued and to arrests made as a result of [resulting from] those [traffie] stops, including information relating to:

(A) the race or ethnicity of the individual detained; and

(B) whether a search was conducted and, if so, whether the individual [person] detained consented to the search; and

(C) whether the peace officer knew the race or ethnicity of the individual detained before detaining that individual; and

(7) require the chief administrator of the agency,

regardless of whether the administrator is elected, employed, or appointed, to submit [to the governing body of each county or municipality served by the agency] an annual report of the information collected under Subdivision (6) to:

(A) the Commission on Law Enforcement Officer Standards and Education; and

(B) the governing body of each county or municipality served by the agency, if the agency is an agency of a county, municipality, or other political subdivision of the state.

(d) On adoption of a policy under Subsection (b), a law enforcement agency shall examine the feasibility of installing video camera and transmitter-activated equipment in each agency law enforcement motor vehicle regularly used to make motor vehicle [traffic] stops and transmitter-activated equipment in each agency law enforcement motorcycle regularly used to make motor vehicle [traffic] stops. If a law enforcement agency installs video or audio equipment as provided by this subsection, the policy adopted by the agency under Subsection (b) must include standards for reviewing video and audio documentation.

(e) A report required under Subsection (b)(7) may not include identifying information about a peace officer who makes a motor vehicle [traffic] stop or about an individual who is stopped or arrested by a peace officer. This subsection does not affect the collection of information as required by a policy under Subsection (b)(6).

(g) On a finding by the Commission on Law Enforcement Officer Standards and Education that the chief administrator of a law enforcement agency intentionally failed to submit a report required under Subsection (b)(7), the commission shall begin disciplinary procedures against the chief administrator.

SECTION _____. Article 2.133, Code of Criminal Procedure, is amended to read as follows:

Art. 2.133. REPORTS REQUIRED FOR MOTOR VEHICLE [TRAFFIC AND PEDESTRIAN] STOPS. (a) In this article, "race" [+]

[-(1) "Race" or ethnicity] has the meaning assigned by Article 2.132(a).

[-(2) "Pedestrian stop" means an interaction between a peace officer and an individual who is being detained for the purpose of a criminal investigation in which the individual is not under arrest.]

(b) A peace officer who stops a motor vehicle for an alleged violation of a law or ordinance [regulating traffic or who stops a pedestrian for any suspected offense] shall report to the law enforcement agency that employs the officer information relating to the stop, including:

(1) a physical description of any [each] person operating the motor vehicle who is detained as a result of the stop, including:

(A) the person's gender; and

(B) the person's race or ethnicity, as stated by the person or, if the person does not state the person's race or ethnicity, as determined by the officer to the best of the officer's ability;

(2) the initial reason for the stop [traffic law or ordinance alleged to have been violated or the suspected offense];

(3) whether the officer conducted a search as a result of the stop and, if so, whether the person detained consented to the

search;

(4) whether any contraband or other evidence was discovered in the course of the search and a description [the type] of the contraband or evidence [discovered];

(5) the reason for the search, including whether:

(A) any contraband or other evidence was in plain view;

(B) any probable cause or reasonable suspicion existed to perform the search; or

(C) the search was performed as a result of the towing of the motor vehicle or the arrest of any person in the motor vehicle [existed and the facts supporting the existence of that probable cause];

(6) whether the officer made an arrest as a result of the stop or the search, including a statement of whether the arrest was based on a violation of the Penal Code, a violation of a traffic law or ordinance, or an outstanding warrant and a statement of the offense charged;

(7) the street address or approximate location of the stop; and

(8) whether the officer issued a written warning or a citation as a result of the stop[, including a description of the warning or a statement of the violation charged].

SECTION _____. Article 2.134, Code of Criminal Procedure, is amended by amending Subsections (a) through (e) and adding Subsection (g) to read as follows:

(a) In this article:

(1) "Motor vehicle[, "pedestrian] stop" has the meaning assigned by Article 2.132(a) [means an interaction between a peace officer and an individual who is being detained for the purpose of a criminal investigation in which the individual is not under arrest].

(2) "Race or ethnicity" has the meaning assigned by Article 2.132(a).

(b) A law enforcement agency shall compile and analyze the information contained in each report received by the agency under Article 2.133. Not later than March 1 of each year, each [local] law enforcement agency shall submit a report containing the incident-based data [information] compiled during the previous calendar year to the Commission on Law Enforcement Officer Standards and Education and, if the law enforcement agency is a local law enforcement agency, to the governing body of each county or municipality served by the agency [in a manner approved by the agency].

(c) A report required under Subsection (b) must be submitted by the chief administrator of the law enforcement agency, regardless of whether the administrator is elected, employed, or appointed, and must include:

(1) a comparative analysis of the information compiled under Article 2.133 to:

(A) evaluate and compare the number of motor vehicle stops, within the applicable jurisdiction, of persons who are recognized as racial or ethnic minorities and persons who are not recognized as racial or ethnic minorities [determine the prevalence of racial profiling by peace officers employed by the agency]; and

(B) examine the disposition of motor vehicle

~~[traffic and pedestrian]~~ stops made by officers employed by the agency, categorized according to the race or ethnicity of the affected persons, as appropriate, including any searches resulting from [the] stops within the applicable jurisdiction; and

(2) information relating to each complaint filed with the agency alleging that a peace officer employed by the agency has engaged in racial profiling.

(d) A report required under Subsection (b) may not include identifying information about a peace officer who makes a motor vehicle ~~[traffic or pedestrian]~~ stop or about an individual who is stopped or arrested by a peace officer. This subsection does not affect the reporting of information required under Article 2.133(b)(1).

(e) The Commission on Law Enforcement Officer Standards and Education, in accordance with Section 1701.162, Occupations Code, shall develop guidelines for compiling and reporting information as required by this article.

(g) On a finding by the Commission on Law Enforcement Officer Standards and Education that the chief administrator of a law enforcement agency intentionally failed to submit a report required under Subsection (b), the commission shall begin disciplinary procedures against the chief administrator.

SECTION _____. Article 2.135, Code of Criminal Procedure, is amended to read as follows:

Art. 2.135. PARTIAL EXEMPTION FOR AGENCIES USING VIDEO AND AUDIO EQUIPMENT. (a) A peace officer is exempt from the reporting requirement under Article 2.133 and the chief administrator of a law enforcement agency, regardless of whether the administrator is elected, employed, or appointed, is exempt from the compilation, analysis, and reporting requirements under Article 2.134 if:

(1) during the calendar year preceding the date that a report under Article 2.134 is required to be submitted:

(A) each law enforcement motor vehicle regularly used by an officer employed by the agency to make motor vehicle ~~[traffic and pedestrian]~~ stops is equipped with video camera and transmitter-activated equipment and each law enforcement motorcycle regularly used to make motor vehicle ~~[traffic and pedestrian]~~ stops is equipped with transmitter-activated equipment; and

(B) each motor vehicle ~~[traffic and pedestrian]~~ stop made by an officer employed by the agency that is capable of being recorded by video and audio or audio equipment, as appropriate, is recorded by using the equipment; or

(2) the governing body of the county or municipality served by the law enforcement agency, in conjunction with the law enforcement agency, certifies to the Department of Public Safety, not later than the date specified by rule by the department, that the law enforcement agency needs funds or video and audio equipment for the purpose of installing video and audio equipment as described by Subsection (a)(1)(A) and the agency does not receive from the state funds or video and audio equipment sufficient, as determined by the department, for the agency to accomplish that purpose.

(b) Except as otherwise provided by this subsection, a law enforcement agency that is exempt from the requirements under Article 2.134 shall retain the video and audio or audio documentation of each motor vehicle ~~[traffic and pedestrian]~~ stop

for at least 90 days after the date of the stop. If a complaint is filed with the law enforcement agency alleging that a peace officer employed by the agency has engaged in racial profiling with respect to a motor vehicle [traffic or pedestrian] stop, the agency shall retain the video and audio or audio record of the stop until final disposition of the complaint.

(c) This article does not affect the collection or reporting requirements under Article 2.132.

(d) In this article, "motor vehicle stop" has the meaning assigned by Article 2.132(a).

SECTION _____. Chapter 2, Code of Criminal Procedure, is amended by adding Article 2.1385 to read as follows:

Art. 2.1385. CIVIL PENALTY. (a) If the chief administrator of a local law enforcement agency intentionally fails to submit the incident-based data as required by Article 2.134, the agency is liable to the state for a civil penalty in the amount of \$1,000 for each violation. The attorney general may sue to collect a civil penalty under this subsection.

(b) From money appropriated to the agency for the administration of the agency, the executive director of a state law enforcement agency that intentionally fails to submit the incident-based data as required by Article 2.134 shall remit to the comptroller the amount of \$1,000 for each violation.

(c) Money collected under this article shall be deposited in the state treasury to the credit of the general revenue fund.

SECTION _____. Subchapter A, Chapter 102, Code of Criminal Procedure, is amended by adding Article 102.022 to read as follows:

Art. 102.022. COSTS ON CONVICTION TO FUND STATEWIDE REPOSITORY FOR DATA RELATED TO CIVIL JUSTICE. (a) In this article, "moving violation" means an offense that:

(1) involves the operation of a motor vehicle; and
(2) is classified as a moving violation by the Department of Public Safety under Section 708.052, Transportation Code.

(b) A defendant convicted of a moving violation in a justice court, county court, county court at law, or municipal court shall pay a fee of 10 cents as a cost of court.

(c) In this article, a person is considered convicted if:
(1) a sentence is imposed on the person;
(2) the person receives community supervision, including deferred adjudication; or
(3) the court defers final disposition of the person's case.

(d) The clerks of the respective courts shall collect the costs described by this article. The clerk shall keep separate records of the funds collected as costs under this article and shall deposit the funds in the county or municipal treasury, as appropriate.

(e) The custodian of a county or municipal treasury shall:
(1) keep records of the amount of funds on deposit collected under this article; and

(2) send to the comptroller before the last day of the first month following each calendar quarter the funds collected under this article during the preceding quarter.

(f) A county or municipality may retain 10 percent of the funds collected under this article by an officer of the county or municipality as a collection fee if the custodian of the county or

municipal treasury complies with Subsection (e).

(g) If no funds due as costs under this article are deposited in a county or municipal treasury in a calendar quarter, the custodian of the treasury shall file the report required for the quarter in the regular manner and must state that no funds were collected.

(h) The comptroller shall deposit the funds received under this article to the credit of the Civil Justice Data Repository fund in the general revenue fund, to be used only by the Commission on Law Enforcement Officer Standards and Education to implement duties under Section 1701.162, Occupations Code.

(i) Funds collected under this article are subject to audit by the comptroller.

SECTION _____. (a) Section 102.061, Government Code, as reenacted and amended by Chapter 921 (H.B. 3167), Acts of the 80th Legislature, Regular Session, 2007, is amended to conform to the amendments made to Section 102.061, Government Code, by Chapter 1053 (H.B. 2151), Acts of the 80th Legislature, Regular Session, 2007, and is further amended to read as follows:

Sec. 102.061. ADDITIONAL COURT COSTS ON CONVICTION IN STATUTORY COUNTY COURT: CODE OF CRIMINAL PROCEDURE. The clerk of a statutory county court shall collect fees and costs under the Code of Criminal Procedure on conviction of a defendant as follows:

(1) a jury fee (Art. 102.004, Code of Criminal Procedure) . . . \$20;

(2) a fee for services of the clerk of the court (Art. 102.005, Code of Criminal Procedure) . . . \$40;

(3) a records management and preservation services fee (Art. 102.005, Code of Criminal Procedure) . . . \$25;

(4) a security fee on a misdemeanor offense (Art. 102.017, Code of Criminal Procedure) . . . \$3;

(5) a juvenile delinquency prevention and graffiti eradication fee (Art. 102.0171, Code of Criminal Procedure) . . . \$50 [§5]; [and]

(6) a juvenile case manager fee (Art. 102.0174, Code of Criminal Procedure) . . . not to exceed \$5; and

(7) a civil justice fee (Art. 102.022, Code of Criminal Procedure) . . . \$0.10.

(b) Section 102.061, Government Code, as amended by Chapter 1053 (H.B. 2151), Acts of the 80th Legislature, Regular Session, 2007, is repealed. Section 102.061, Government Code, as reenacted and amended by Chapter 921 (H.B. 3167), Acts of the 80th Legislature, Regular Session, 2007, to reorganize and renumber that section, continues in effect as further amended by this section.

SECTION _____. (a) Section 102.081, Government Code, as amended by Chapter 921 (H.B. 3167), Acts of the 80th Legislature, Regular Session, 2007, is amended to conform to the amendments made to Section 102.081, Government Code, by Chapter 1053 (H.B. 2151), Acts of the 80th Legislature, Regular Session, 2007, and is further amended to read as follows:

Sec. 102.081. ADDITIONAL COURT COSTS ON CONVICTION IN COUNTY COURT: CODE OF CRIMINAL PROCEDURE. The clerk of a county court shall collect fees and costs under the Code of Criminal Procedure on conviction of a defendant as follows:

(1) a jury fee (Art. 102.004, Code of Criminal Procedure) . . . \$20;

(2) a fee for clerk of the court services (Art. 102.005, Code of Criminal Procedure) . . . \$40;
(3) a records management and preservation services fee (Art. 102.005, Code of Criminal Procedure) . . . \$25;
(4) a security fee on a misdemeanor offense (Art. 102.017, Code of Criminal Procedure) . . . \$3;
(5) a juvenile delinquency prevention and graffiti eradication fee (Art. 102.0171, Code of Criminal Procedure) . . . \$50 [\$5]; [and]
(6) a juvenile case manager fee (Art. 102.0174, Code of Criminal Procedure) . . . not to exceed \$5; and
(7) a civil justice fee (Art. 102.022, Code of Criminal Procedure) . . . \$0.10.

(b) Section 102.081, Government Code, as amended by Chapter 1053 (H.B. 2151), Acts of the 80th Legislature, Regular Session, 2007, is repealed. Section 102.081, Government Code, as amended by Chapter 921 (H.B. 3167), Acts of the 80th Legislature, Regular Session, 2007, to reorganize and renumber that section, continues in effect as further amended by this section.

SECTION _____. Section 102.101, Government Code, is amended to read as follows:

Sec. 102.101. ADDITIONAL COURT COSTS ON CONVICTION IN JUSTICE COURT: CODE OF CRIMINAL PROCEDURE. A clerk of a justice court shall collect fees and costs under the Code of Criminal Procedure on conviction of a defendant as follows:

(1) a jury fee (Art. 102.004, Code of Criminal Procedure) . . . \$3;
(2) a fee for withdrawing request for jury less than 24 hours before time of trial (Art. 102.004, Code of Criminal Procedure) . . . \$3;
(3) a jury fee for two or more defendants tried jointly (Art. 102.004, Code of Criminal Procedure) . . . one jury fee of \$3;
(4) a security fee on a misdemeanor offense (Art. 102.017, Code of Criminal Procedure) . . . \$4;
(5) a fee for technology fund on a misdemeanor offense (Art. 102.0173, Code of Criminal Procedure) . . . \$4;
(6) a juvenile case manager fee (Art. 102.0174, Code of Criminal Procedure) . . . not to exceed \$5;
(7) a fee on conviction of certain offenses involving issuing or passing a subsequently dishonored check (Art. 102.0071, Code of Criminal Procedure) . . . not to exceed \$30; [and]
(8) a court cost on conviction of a Class C misdemeanor in a county with a population of 3.3 million or more, if authorized by the county commissioners court (Art. 102.009, Code of Criminal Procedure) . . . not to exceed \$7; and
(9) a civil justice fee (Art. 102.022, Code of Criminal Procedure) . . . \$0.10.

SECTION _____. Section 102.121, Government Code, is amended to read as follows:

Sec. 102.121. ADDITIONAL COURT COSTS ON CONVICTION IN MUNICIPAL COURT: CODE OF CRIMINAL PROCEDURE. The clerk of a municipal court shall collect fees and costs on conviction of a defendant as follows:

(1) a jury fee (Art. 102.004, Code of Criminal Procedure) . . . \$3;
(2) a fee for withdrawing request for jury less than 24 hours before time of trial (Art. 102.004, Code of Criminal

Procedure) . . . \$3;

(3) a jury fee for two or more defendants tried jointly (Art. 102.004, Code of Criminal Procedure) . . . one jury fee of \$3;

(4) a security fee on a misdemeanor offense (Art. 102.017, Code of Criminal Procedure) . . . \$3;

(5) a fee for technology fund on a misdemeanor offense (Art. 102.0172, Code of Criminal Procedure) . . . not to exceed \$4; [and]

(6) a juvenile case manager fee (Art. 102.0174, Code of Criminal Procedure) . . . not to exceed \$5; and

(7) a civil justice fee (Art. 102.022, Code of Criminal Procedure) . . . \$0.10.

SECTION _____. Subchapter D, Chapter 1701, Occupations Code, is amended by adding Section 1701.164 to read as follows:

Sec. 1701.164. COLLECTION OF CERTAIN INCIDENT-BASED DATA

SUBMITTED BY LAW ENFORCEMENT AGENCIES. The commission shall collect and maintain incident-based data submitted to the commission under Article 2.134, Code of Criminal Procedure, including incident-based data compiled by a law enforcement agency from reports received by the law enforcement agency under Article 2.133 of that code. The commission in consultation with the Department of Public Safety, the Bill Blackwood Law Enforcement Management Institute of Texas, the W. W. Caruth, Jr., Police Institute at Dallas, and the Texas Police Chiefs Association shall develop guidelines for submitting in a standard format the report containing incident-based data as required by Article 2.134, Code of Criminal Procedure.

SECTION _____. Subsection (a), Section 1701.501, Occupations Code, is amended to read as follows:

(a) Except as provided by Subsection (d), the commission shall revoke or suspend a license, place on probation a person whose license has been suspended, or reprimand a license holder for a violation of:

(1) this chapter;

(2) the reporting requirements provided by Articles 2.132 and 2.134, Code of Criminal Procedure; or

(3) a commission rule.

SECTION _____. (a) The requirements of Articles 2.132, 2.133, and 2.134, Code of Criminal Procedure, as amended by this Act, relating to the compilation, analysis, and submission of incident-based data apply only to information based on a motor vehicle stop occurring on or after January 1, 2010.

(b) The imposition of a cost of court under Article 102.022, Code of Criminal Procedure, as added by this Act, applies only to an offense committed on or after the effective date of this Act. An offense committed before the effective date of this Act is covered by the law in effect when the offense was committed, and the former law is continued in effect for that purpose. For purposes of this section, an offense was committed before the effective date of this Act if any element of the offense occurred before that date.

Racial and Ethnic Designations

(H.B. 3051)

AN ACT

relating to the categories used to record the race or ethnicity of persons stopped for or convicted of traffic offenses.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Article 2.132(a)(3), Code of Criminal Procedure, is amended to read as follows:

(3) "Race or ethnicity" means the following categories:

(A) Alaska native or American Indian;

(B) [of a particular descent, including Caucasian, African, Hispanic,] Asian or Pacific Islander;

(C) black;

(D) white; and

(E) Hispanic or Latino [Native American, or Middle Eastern descent].

SECTION 2. Section 543.202(a), Transportation Code, is amended to read as follows:

(a) In this section, "race or ethnicity" means the following categories:

(1) Alaska native or American Indian;

(2) [of a particular descent, including Caucasian, African, Hispanic,] Asian or Pacific Islander;

(3) black;

(4) white; and

(5) Hispanic or Latino [~~, or Native American descent~~].

SECTION 3. This Act takes effect September 1, 2017.

President of the Senate

Speaker of the House

I certify that H.B. No. 3051 was passed by the House on May 4, 2017, by the following vote: Yeas 143, Nays 2, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 3051 was passed by the Senate on May 19, 2017, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor

The Sandra Bland Act

(S.B. 1849)

S.B. No. 1849

AN ACT

relating to interactions between law enforcement and individuals detained or arrested on suspicion of the commission of criminal offenses, to the confinement, conviction, or release of those individuals, and to grants supporting populations that are more likely to interact frequently with law enforcement.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

ARTICLE 1. SHORT TITLE

SECTION 1.01. SHORT TITLE. This Act shall be known as the Sandra Bland Act, in memory of Sandra Bland.

ARTICLE 2. IDENTIFICATION AND DIVERSION OF AND SERVICES FOR PERSONS SUSPECTED OF HAVING A MENTAL ILLNESS, AN INTELLECTUAL DISABILITY, OR A SUBSTANCE ABUSE ISSUE

SECTION 2.01. Article 16.22, Code of Criminal Procedure, is amended to read as follows:

Art. 16.22. EARLY IDENTIFICATION OF DEFENDANT SUSPECTED OF HAVING MENTAL ILLNESS OR INTELLECTUAL DISABILITY [MENTAL RETARDATION]. (a)(1) Not later than 12 [72] hours after receiving credible information that may establish reasonable cause to believe that a defendant committed to the sheriff's custody has a mental illness or is a person with an intellectual disability [mental retardation], including observation of the defendant's behavior immediately before, during, and after the defendant's arrest and the results of any previous assessment of the defendant, the sheriff shall provide written or electronic notice of the information to the magistrate. On a determination that there is reasonable cause to believe that the defendant has a mental illness or is a person with an intellectual disability [mental retardation], the magistrate, except as provided by Subdivision

(2), shall order the local mental health or intellectual and developmental disability [mental retardation] authority or another qualified mental health or intellectual disability [mental retardation] expert to:

(A) collect information regarding whether the defendant has a mental illness as defined by Section 571.003, Health and Safety Code, or is a person with an intellectual disability [mental retardation] as defined by Section 591.003, Health and Safety Code, including information obtained from any previous assessment of the defendant; and

(B) provide to the magistrate a written assessment of the information collected under Paragraph (A).

(2) The magistrate is not required to order the collection of information under Subdivision (1) if the defendant in the year preceding the defendant's applicable date of arrest has been determined to have a mental illness or to be a person with an intellectual disability [mental retardation] by the local mental health or intellectual and developmental disability [mental retardation] authority or another mental health or intellectual disability [mental retardation] expert described by Subdivision (1). A court that elects to use the results of that previous determination may proceed under Subsection (c).

(3) If the defendant fails or refuses to submit to the collection of information regarding the defendant as required under Subdivision (1), the magistrate may order the defendant to submit to an examination in a mental health facility determined to be appropriate by the local mental health or intellectual and developmental disability [mental retardation] authority for a reasonable period not to exceed 21 days. The magistrate may order a defendant to a facility operated by the Department of State Health

Services or the Health and Human Services Commission [Department of Aging and Disability Services] for examination only on request of the local mental health or intellectual and developmental disability [mental retardation] authority and with the consent of the head of the facility. If a defendant who has been ordered to a facility operated by the Department of State Health Services or the Health and Human Services Commission [Department of Aging and Disability Services] for examination remains in the facility for a period exceeding 21 days, the head of that facility shall cause the defendant to be immediately transported to the committing court and placed in the custody of the sheriff of the county in which the committing court is located. That county shall reimburse the facility for the mileage and per diem expenses of the personnel required to transport the defendant calculated in accordance with the state travel regulations in effect at the time.

(b) A written assessment of the information collected under Subsection (a)(1)(A) shall be provided to the magistrate not later than the 30th day after the date of any order issued under Subsection (a) in a felony case and not later than the 10th day after the date of any order issued under that subsection in a misdemeanor case, and the magistrate shall provide copies of the written assessment to the defense counsel, the prosecuting attorney, and the trial court. The written assessment must include a description of the procedures used in the collection of information under Subsection (a)(1)(A) and the applicable expert's observations and findings pertaining to:

- (1) whether the defendant is a person who has a mental illness or is a person with an intellectual disability [mental retardation];
- (2) whether there is clinical evidence to support a

belief that the defendant may be incompetent to stand trial and should undergo a complete competency examination under Subchapter B, Chapter 46B; and

- (3) recommended treatment.
- (c) After the trial court receives the applicable expert's written assessment relating to the defendant under Subsection (b) or elects to use the results of a previous determination as described by Subsection (a)(2), the trial court may, as applicable:
 - (1) resume criminal proceedings against the defendant, including any appropriate proceedings related to the defendant's release on personal bond under Article 17.032;
 - (2) resume or initiate competency proceedings, if required, as provided by Chapter 46B or other proceedings affecting the defendant's receipt of appropriate court-ordered mental health or intellectual disability [mental retardation] services, including proceedings related to the defendant's receipt of outpatient mental health services under Section 574.034, Health and Safety Code; or
 - (3) consider the written assessment during the punishment phase after a conviction of the offense for which the defendant was arrested, as part of a presentence investigation report, or in connection with the impositions of conditions following placement on community supervision, including deferred adjudication community supervision.
- (d) This article does not prevent the applicable court from, before, during, or after the collection of information regarding the defendant as described by this article:
 - (1) releasing a defendant who has a mental illness [mentally ill] or is a person with an intellectual disability [mentally retarded defendant] from custody on personal or surety

bond; or

- (2) ordering an examination regarding the defendant's competency to stand trial.

SECTION 2.02. Chapter 16, Code of Criminal Procedure, is amended by adding Article 16.23 to read as follows:

Art. 16.23. DIVERSION OF PERSONS SUFFERING MENTAL HEALTH CRISIS OR SUBSTANCE ABUSE ISSUE. (a) Each law enforcement agency shall make a good faith effort to divert a person suffering a mental health crisis or suffering from the effects of substance abuse to a proper treatment center in the agency's jurisdiction if:

(1) there is an available and appropriate treatment center in the agency's jurisdiction to which the agency may divert the person;

(2) it is reasonable to divert the person;

(3) the offense that the person is accused of is a misdemeanor, other than a misdemeanor involving violence; and

(4) the mental health crisis or substance abuse issue is suspected to be the reason the person committed the alleged offense.

(b) Subsection (a) does not apply to a person who is accused of an offense under Section 49.04, 49.045, 49.05, 49.06, 49.065, 49.07, or 49.08, Penal Code.

SECTION 2.03. Section 539.002, Government Code, is amended to read as follows:

Sec. 539.002. GRANTS FOR ESTABLISHMENT AND EXPANSION OF COMMUNITY COLLABORATIVES. (a) To the extent funds are appropriated to the department for that purpose, the department shall make grants to entities, including local governmental entities, nonprofit community organizations, and faith-based community organizations, to establish or expand community

collaboratives that bring the public and private sectors together to provide services to persons experiencing homelessness, substance abuse issues, or [and] mental illness. [The department may make a maximum of five grants, which must be made in the most populous municipalities in this state that are located in counties with a population of more than one million.] In awarding grants, the department shall give special consideration to entities:

(1) establishing [a] new collaboratives; or
(2) establishing or expanding collaboratives that serve two or more counties, each with a population of less than 100,000 [collaborative].

(b) The department shall require each entity awarded a grant under this section to:

(1) leverage additional funding from private sources in an amount that is at least equal to the amount of the grant awarded under this section; [and]
(2) provide evidence of significant coordination and collaboration between the entity, local mental health authorities, municipalities, local law enforcement agencies, and other community stakeholders in establishing or expanding a community collaborative funded by a grant awarded under this section; and

(3) provide evidence of a local law enforcement policy to divert appropriate persons from jails or other detention facilities to an entity affiliated with a community collaborative for the purpose of providing services to those persons.

SECTION 2.04. Chapter 539, Government Code, is amended by adding Section 539.0051 to read as follows:

Sec. 539.0051. PLAN REQUIRED FOR CERTAIN COMMUNITY COLLABORATIVES. (a) The governing body of a county shall develop and make public a plan detailing:

(1) how local mental health authorities, municipalities, local law enforcement agencies, and other community stakeholders in the county could coordinate to establish or expand a community collaborative to accomplish the goals of Section 539.002;

(2) how entities in the county may leverage funding from private sources to accomplish the goals of Section 539.002 through the formation or expansion of a community collaborative; and

(3) how the formation or expansion of a community collaborative could establish or support resources or services to help local law enforcement agencies to divert persons who have been arrested to appropriate mental health care or substance abuse treatment.

(b) The governing body of a county in which an entity that received a grant under Section 539.002 before September 1, 2017, is located is not required to develop a plan under Subsection (a).

(c) Two or more counties, each with a population of less than 100,000, may form a joint plan under Subsection (a).

ARTICLE 3. BAIL, PRETRIAL RELEASE, AND COUNTY JAIL STANDARDS
SECTION 3.01. The heading to Article 17.032, Code of Criminal Procedure, is amended to read as follows:

Art. 17.032. RELEASE ON PERSONAL BOND OF CERTAIN [MENTALLY ILL] DEFENDANTS WITH MENTAL ILLNESS OR INTELLECTUAL DISABILITY.

SECTION 3.02. Articles 17.032(b) and (c), Code of Criminal Procedure, are amended to read as follows:

(b) A magistrate shall release a defendant on personal bond unless good cause is shown otherwise if the:

(1) defendant is not charged with and has not been previously convicted of a violent offense;

(2) defendant is examined by the local mental health or intellectual and developmental disability [mental retardation] authority or another mental health expert under Article 16.22 [of this code];

(3) applicable expert, in a written assessment submitted to the magistrate under Article 16.22:

(A) concludes that the defendant has a mental illness or is a person with an intellectual disability [mental retardation] and is nonetheless competent to stand trial; and

(B) recommends mental health treatment or intellectual disability treatment for the defendant, as applicable; and

(4) magistrate determines, in consultation with the local mental health or intellectual and developmental disability [mental retardation] authority, that appropriate community-based mental health or intellectual disability [mental retardation] services for the defendant are available through the [Texas] Department of State [Mental] Health Services [and Mental Retardation] under Section 534.053, Health and Safety Code, or through another mental health or intellectual disability [mental retardation] services provider.

(c) The magistrate, unless good cause is shown for not requiring treatment, shall require as a condition of release on personal bond under this article that the defendant submit to outpatient or inpatient mental health or intellectual disability [mental retardation] treatment as recommended by the local mental health or intellectual and developmental disability [mental retardation] authority if the defendant's:

(1) mental illness or intellectual disability [mental retardation] is chronic in nature; or

(2) ability to function independently will continue to deteriorate if the defendant is not treated.

SECTION 3.03. Article 25.03, Code of Criminal Procedure, is amended to read as follows:

Art. 25.03. IF ON BAIL IN FELONY. When the accused, in case of felony, is on bail at the time the indictment is presented, [it is not necessary to serve him with a copy, but] the clerk shall [on request] deliver a copy of the indictment [same] to the accused or the accused's [his] counsel[,] at the earliest possible time.

SECTION 3.04. Article 25.04, Code of Criminal Procedure, is amended to read as follows:

Art. 25.04. IN MISDEMEANOR. In misdemeanors, the clerk shall deliver a copy of the indictment or information to the accused or the accused's counsel at the earliest possible time before trial [it shall not be necessary before trial to furnish the accused with a copy of the indictment or information; but he or his counsel may demand a copy, which shall be given as early as possible]

SECTION 3.05. Section 511.009(a), Government Code, as amended by Chapters 281 (H.B. 875), 648 (H.B. 549), and 688 (H.B. 634), Acts of the 84th Legislature, Regular Session, 2015, is reenacted and amended to read as follows:

(a) The commission shall:

(1) adopt reasonable rules and procedures establishing minimum standards for the construction, equipment, maintenance, and operation of county jails;

(2) adopt reasonable rules and procedures establishing minimum standards for the custody, care, and treatment of prisoners;

(3) adopt reasonable rules establishing minimum standards for the number of jail supervisory personnel and for

programs and services to meet the needs of prisoners;

(4) adopt reasonable rules and procedures establishing minimum requirements for programs of rehabilitation, education, and recreation in county jails;

(5) revise, amend, or change rules and procedures if necessary;

(6) provide to local government officials consultation on and technical assistance for county jails;

(7) review and comment on plans for the construction and major modification or renovation of county jails;

(8) require that the sheriff and commissioners of each county submit to the commission, on a form prescribed by the commission, an annual report on the conditions in each county jail within their jurisdiction, including all information necessary to determine compliance with state law, commission orders, and the rules adopted under this chapter;

(9) review the reports submitted under Subdivision (8) and require commission employees to inspect county jails regularly to ensure compliance with state law, commission orders, and rules and procedures adopted under this chapter;

(10) adopt a classification system to assist sheriffs and judges in determining which defendants are low-risk and consequently suitable participants in a county jail work release program under Article 42.034, Code of Criminal Procedure;

(11) adopt rules relating to requirements for segregation of classes of inmates and to capacities for county jails;

(12) require that the chief jailer of each municipal lockup submit to the commission, on a form prescribed by the commission, an annual report of persons under 17 years of age

securely detained in the lockup, including all information necessary to determine compliance with state law concerning secure confinement of children in municipal lockups;

(13) at least annually determine whether each county jail is in compliance with the rules and procedures adopted under this chapter;

(14) require that the sheriff and commissioners court of each county submit to the commission, on a form prescribed by the commission, an annual report of persons under 17 years of age securely detained in the county jail, including all information necessary to determine compliance with state law concerning secure confinement of children in county jails;

(15) schedule announced and unannounced inspections of jails under the commission's jurisdiction using the risk assessment plan established under Section 511.0085 to guide the inspections process;

(16) adopt a policy for gathering and distributing to jails under the commission's jurisdiction information regarding:

(A) common issues concerning jail administration;

(B) examples of successful strategies for maintaining compliance with state law and the rules, standards, and procedures of the commission; and

(C) solutions to operational challenges for jails;

(17) report to the Texas Correctional Office on Offenders with Medical or Mental Impairments on a jail's compliance with Article 16.22, Code of Criminal Procedure;

(18) adopt reasonable rules and procedures establishing minimum requirements for jails to:

(A) determine if a prisoner is pregnant; and
(B) ensure that the jail's health services plan addresses medical and mental health care, including nutritional requirements, and any special housing or work assignment needs for persons who are confined in the jail and are known or determined to be pregnant;

(19) provide guidelines to sheriffs regarding contracts between a sheriff and another entity for the provision of food services to or the operation of a commissary in a jail under the commission's jurisdiction, including specific provisions regarding conflicts of interest and avoiding the appearance of impropriety; **[and]**

(20) adopt reasonable rules and procedures establishing minimum standards for prisoner visitation that provide each prisoner at a county jail with a minimum of two in-person, noncontact visitation periods per week of at least 20 minutes duration each;

(21) **[(20)]** require the sheriff of each county to:

(A) investigate and verify the veteran status of each prisoner by using data made available from the Veterans Reentry Search Service (VRSS) operated by the United States Department of Veterans Affairs or a similar service; and
(B) use the data described by Paragraph (A) to assist prisoners who are veterans in applying for federal benefits or compensation for which the prisoners may be eligible under a program administered by the United States Department of Veterans Affairs;

(22) **[(20)]** adopt reasonable rules and procedures regarding visitation of a prisoner at a county jail by a guardian, as defined by Section 1002.012, Estates Code, that:

(A) allow visitation by a guardian to the same extent as the prisoner's next of kin, including placing the guardian on the prisoner's approved visitors list on the guardian's request and providing the guardian access to the prisoner during a facility's standard visitation hours if the prisoner is otherwise eligible to receive visitors; and

(B) require the guardian to provide the sheriff with letters of guardianship issued as provided by Section 1106.001, Estates Code, before being allowed to visit the prisoner; and

(23) adopt reasonable rules and procedures to ensure the safety of prisoners, including rules and procedures that require a county jail to:

(A) give prisoners the ability to access a mental health professional at the jail through a telemental health service 24 hours a day;

(B) give prisoners the ability to access a health professional at the jail or through a telehealth service 24 hours a day or, if a health professional is unavailable at the jail or through a telehealth service, provide for a prisoner to be transported to access a health professional; and

(C) if funding is available under Section 511.019, install automated electronic sensors or cameras to ensure accurate and timely in-person checks of cells or groups of cells confining at-risk individuals.

SECTION 3.06. Section 511.009, Government Code, is amended by adding Subsection (d) to read as follows:

(d) The commission shall adopt reasonable rules and procedures establishing minimum standards regarding the continuity of prescription medications for the care and treatment of

prisoners. The rules and procedures shall require that a qualified medical professional shall review as soon as possible any prescription medication a prisoner is taking when the prisoner is taken into custody.

SECTION 3.07. Chapter 511, Government Code, is amended by adding Sections 511.019, 511.020, and 511.021 to read as follows:

Sec. 511.019. PRISONER SAFETY FUND. (a) The prisoner safety fund is a dedicated account in the general revenue fund.

(b) The prisoner safety fund consists of:

(1) appropriations of money to the fund by the legislature; and

(2) gifts, grants, including grants from the federal government, and other donations received for the fund.

(c) Money in the fund may be appropriated only to the commission to pay for capital improvements that are required under Section 511.009(a)(23).

(d) The commission by rule may establish a grant program to provide grants to counties to fund capital improvements described by Subsection (c). The commission may only provide a grant to a county for capital improvements to a county jail with a capacity of not more than 96 prisoners.

Sec. 511.020. SERIOUS INCIDENTS REPORT. (a) On or before the fifth day of each month, the sheriff of each county shall report to the commission regarding the occurrence during the preceding month of any of the following incidents involving a prisoner in the county jail:

- (1) a suicide;
- (2) an attempted suicide;
- (3) a death;
- (4) a serious bodily injury, as that term is defined by

Section 1.07, Penal Code;

- (5) an assault;
- (6) an escape;
- (7) a sexual assault; and
- (8) any use of force resulting in bodily injury, as

that term is defined by Section 1.07, Penal Code.

- (b) The commission shall prescribe a form for the report required by Subsection (a).
- (c) The information required to be reported under Subsection (a)(8) may not include the name or other identifying information of a county jailer or jail employee.
- (d) The information reported under Subsection (a) is public information subject to an open records request under Chapter 552.

Sec. 511.021. INDEPENDENT INVESTIGATION OF DEATH OCCURRING IN COUNTY JAIL. (a) On the death of a prisoner in a county jail, the commission shall appoint a law enforcement agency, other than the local law enforcement agency that operates the county jail, to investigate the death as soon as possible.

- (b) The commission shall adopt any rules necessary relating to the appointment of a law enforcement agency under Subsection (a), including rules relating to cooperation between law enforcement agencies and to procedures for handling evidence.

SECTION 3.08. The changes in law made by this article to Article 17.032, Code of Criminal Procedure, apply only to a personal bond that is executed on or after the effective date of this Act. A personal bond executed before the effective date of executed, and the former law is continued in effect for that purpose.

SECTION 3.09. Not later than January 1, 2018, the Commission on Jail Standards shall:

(1) adopt the rules and procedures required by Section 511.009(d), Government Code, as added by this article, and the rules required by Section 511.021(b), Government Code, as added by this article; and

(2) prescribe the form required by Section 511.020(b), Government Code, as added by this article.

SECTION 3.10. Not later than September 1, 2018, the Commission on Jail Standards shall adopt the rules and procedures required by Section 511.009(a)(23), Government Code, as added by this article. On and after September 1, 2020, a county jail shall comply with any rule or procedure adopted by the Commission on Jail Standards under that subdivision.

SECTION 3.11. To the extent of any conflict, this Act prevails over another Act of the 85th Legislature, Regular Session, 2017, relating to nonsubstantive additions to and corrections in enacted codes.

ARTICLE 4. PEACE OFFICER AND COUNTY JAILER TRAINING

SECTION 4.01. Chapter 511, Government Code, is amended by adding Section 511.00905 to read as follows:

Sec. 511.00905. JAIL ADMINISTRATOR POSITION; EXAMINATION REQUIRED. (a) The Texas Commission on Law Enforcement shall develop and the commission shall approve an examination for a person assigned to the jail administrator position overseeing a county jail.

(b) The commission shall adopt rules requiring a person, other than a sheriff, assigned to the jail administrator position overseeing a county jail to pass the examination not later than the 180th day after the date the person is assigned to that position. The rules must provide that a person who fails the examination may be immediately removed from the position and may not be reinstated

until the person passes the examination.

(c) The sheriff of a county shall perform the duties of the jail administrator position at any time there is not a person available who satisfies the examination requirements of this section.

(d) A person other than a sheriff may not serve in the jail administrator position of a county jail unless the person satisfies the examination requirement of this section.

SECTION 4.02. Section 1701.253, Occupations Code, is amended by amending Subsection (j) and adding Subsection (n) to read as follows:

commission shall require an officer to complete a 40-hour statewide education and training program on de-escalation and crisis intervention techniques to facilitate interaction with persons with mental impairments. An officer shall complete the program not later than the second anniversary of the date the officer is licensed under this chapter or the date the officer applies for an intermediate proficiency certificate, whichever date is earlier. An officer may not satisfy the requirements of this subsection [section] or Section 1701.402(g) by taking an online course on de-escalation and crisis intervention techniques to facilitate interaction with persons with mental impairments.

(n) As part of the minimum curriculum requirements, the commission shall require an officer to complete a statewide education and training program on de-escalation techniques to facilitate interaction with members of the public, including techniques for limiting the use of force resulting in bodily injury.

SECTION 4.03. Section 1701.310(a), Occupations Code, is amended to read as follows:

(a) Except as provided by Subsection (e), a person may not be appointed as a county jailer, except on a temporary basis, unless the person has satisfactorily completed a preparatory training program, as required by the commission, in the operation of a county jail at a school operated or licensed by the commission. The training program must consist of at least eight hours of mental health training approved by the commission and the Commission on Jail Standards.

SECTION 4.04. Section 1701.352(b), Occupations Code, is amended to read as follows:

(b) The commission shall require a state, county, special district, or municipal agency that appoints or employs peace officers to provide each peace officer with a training program at least once every 48 months that is approved by the commission and consists of:

(1) topics selected by the agency; and
(2) for an officer holding only a basic proficiency certificate, not more than 20 hours of education and training that contain curricula incorporating the learning objectives developed by the commission regarding:

(A) civil rights, racial sensitivity, and cultural diversity;
(B) de-escalation and crisis intervention techniques to facilitate interaction with persons with mental impairments; **[and]**
(C) de-escalation techniques to facilitate interaction with members of the public, including techniques for limiting the use of force resulting in bodily injury; and
(D) unless determined by the agency head to be inconsistent with the officer's assigned duties:

(i) the recognition and documentation of cases that involve child abuse or neglect, family violence, and sexual assault; and

(ii) issues concerning sex offender characteristics.

SECTION 4.05. Section 1701.402, Occupations Code, is amended by adding Subsection (n) to read as follows:

(n) As a requirement for an intermediate proficiency certificate or an advanced proficiency certificate, an officer must complete the education and training program regarding de-escalation techniques to facilitate interaction with members of the public established by the commission under Section 1701.253(n).

SECTION 4.06. Not later than March 1, 2018, the Texas Commission on Law Enforcement shall develop and the Commission on Jail Standards shall approve the examination required by Section 511.00905, Government Code, as added by this article.

SECTION 4.07. (a) Not later than March 1, 2018, the Texas Commission on Law Enforcement shall establish or modify training programs as necessary to comply with Section 1701.253, Occupations Code, as amended by this article.

(b) The minimum curriculum requirements under Section 1701.253(j), Occupations Code, as amended by this article, apply only to a peace officer who first begins to satisfy those requirements on or after April 1, 2018.

SECTION 4.08. (a) Section 1701.310, Occupations Code, as amended by this article, takes effect January 1, 2018.

(b) A person in the position of county jailer on September 1, 2017, must comply with Section 1701.310(a), Occupations Code, as amended by this article, not later than August 31, 2021.

ARTICLE 5. MOTOR VEHICLE STOPS, RACIAL PROFILING, AND ISSUANCE OF

CITATIONS

SECTION 5.01. Article 2.132, Code of Criminal Procedure, is amended by amending Subsections (b) and (d) and adding Subsection (h) to read as follows:

(b) Each law enforcement agency in this state shall adopt a detailed written policy on racial profiling. The policy must:

(1) clearly define acts constituting racial profiling;

(2) strictly prohibit peace officers employed by the agency from engaging in racial profiling;

(3) implement a process by which an individual may file a complaint with the agency if the individual believes that a peace officer employed by the agency has engaged in racial profiling with respect to the individual;

(4) provide public education relating to the agency's compliment and complaint process, including providing the telephone number, mailing address, and e-mail address to make a compliment or complaint with respect to each ticket, citation, or warning issued by a peace officer;

(5) require appropriate corrective action to be taken against a peace officer employed by the agency who, after an investigation, is shown to have engaged in racial profiling in violation of the agency's policy adopted under this article;

(6) require collection of information relating to motor vehicle stops in which a ticket, citation, or warning is issued and to arrests made as a result of those stops, including information relating to:

(A) the race or ethnicity of the individual detained;

(B) whether a search was conducted and, if so, whether the individual detained consented to the search; [and]

(C) whether the peace officer knew the race or ethnicity of the individual detained before detaining that individual;

(D) whether the peace officer used physical force that resulted in bodily injury, as that term is defined by Section 1.07, Penal Code, during the stop;

(E) the location of the stop; and

(F) the reason for the stop; and

(7) require the chief administrator of the agency, regardless of whether the administrator is elected, employed, or appointed, to submit an annual report of the information collected under Subdivision (6) to:

(A) the Texas Commission on Law Enforcement; and

(B) the governing body of each county or municipality served by the agency, if the agency is an agency of a county, municipality, or other political subdivision of the state.

(d) On adoption of a policy under Subsection (b), a law enforcement agency shall examine the feasibility of installing video camera and transmitter-activated equipment in each agency law enforcement motor vehicle regularly used to make motor vehicle stops and transmitter-activated equipment in each agency law enforcement motorcycle regularly used to make motor vehicle stops. The agency also shall examine the feasibility of equipping each peace officer who regularly detains or stops motor vehicles with a body worn camera, as that term is defined by Section 1701.651, Occupations Code. If a law enforcement agency installs video or audio equipment or equips peace officers with body worn cameras as provided by this subsection, the policy adopted by the agency under

Subsection (b) must include standards for reviewing video and audio documentation.

(h) A law enforcement agency shall review the data collected under Subsection (b)(6) to identify any improvements the agency could make in its practices and policies regarding motor vehicle stops.

SECTION 5.02. Article 2.133, Code of Criminal Procedure, is amended by amending Subsection (b) and adding Subsection (c) to read as follows:

(b) A peace officer who stops a motor vehicle for an alleged violation of a law or ordinance shall report to the law enforcement agency that employs the officer information relating to the stop, including:

(1) a physical description of any person operating the motor vehicle who is detained as a result of the stop, including:

(A) the person's gender; and
(B) the person's race or ethnicity, as stated by the person or, if the person does not state the person's race or ethnicity, as determined by the officer to the best of the officer's ability;

(2) the initial reason for the stop;
(3) whether the officer conducted a search as a result of the stop and, if so, whether the person detained consented to the search;

(4) whether any contraband or other evidence was discovered in the course of the search and a description of the contraband or evidence;

(5) the reason for the search, including whether:
(A) any contraband or other evidence was in plain view;

- (B) any probable cause or reasonable suspicion existed to perform the search; or
- (C) the search was performed as a result of the towing of the motor vehicle or the arrest of any person in the motor vehicle;

(6) whether the officer made an arrest as a result of the stop or the search, including a statement of whether the arrest was based on a violation of the Penal Code, a violation of a traffic law or ordinance, or an outstanding warrant and a statement of the offense charged;

(7) the street address or approximate location of the stop; **[and]**

(8) whether the officer issued a verbal or written warning or a ticket or citation as a result of the stop; and

(9) whether the officer used physical force that resulted in bodily injury, as that term is defined by Section 1.07, Penal Code, during the stop.

(c) The chief administrator of a law enforcement agency, regardless of whether the administrator is elected, employed, or appointed, is responsible for auditing reports under Subsection (b) to ensure that the race or ethnicity of the person operating the motor vehicle is being reported.

SECTION 5.03. Article 2.134(c), Code of Criminal Procedure, is amended to read as follows:

(c) A report required under Subsection (b) must be submitted by the chief administrator of the law enforcement agency, regardless of whether the administrator is elected, employed, or appointed, and must include:

(1) a comparative analysis of the information compiled

under Article 2.133 to:

(A) evaluate and compare the number of motor vehicle stops, within the applicable jurisdiction, of persons who are recognized as racial or ethnic minorities and persons who are not recognized as racial or ethnic minorities; [and]

(B) examine the disposition of motor vehicle stops made by officers employed by the agency, categorized according to the race or ethnicity of the affected persons, as appropriate, including any searches resulting from stops within the applicable jurisdiction; and

(C) evaluate and compare the number of searches resulting from motor vehicle stops within the applicable jurisdiction and whether contraband or other evidence was discovered in the course of those searches; and

(2) information relating to each complaint filed with the agency alleging that a peace officer employed by the agency has engaged in racial profiling.

SECTION 5.04. Article 2.137, Code of Criminal Procedure, is amended to read as follows:

Art. 2.137. PROVISION OF FUNDING OR EQUIPMENT. (a) The Department of Public Safety shall adopt rules for providing funds or video and audio equipment to law enforcement agencies for the purpose of installing video and audio equipment in law enforcement motor vehicles and motorcycles or equipping peace officers with body worn cameras [as described by Article 2.135(a)(1)(A)], including specifying criteria to prioritize funding or equipment provided to law enforcement agencies. The criteria may include consideration of tax effort, financial hardship, available revenue, and budget surpluses. The criteria must give priority to:

(1) law enforcement agencies that employ peace

officers whose primary duty is traffic enforcement;

- (2) smaller jurisdictions; and
- (3) municipal and county law enforcement agencies.

(b) The Department of Public Safety shall collaborate with an institution of higher education to identify law enforcement agencies that need funds or video and audio equipment for the purpose of installing video and audio equipment in law enforcement motor vehicles and motorcycles or equipping peace officers with body worn cameras [as described by Article 2.135(a)(1)(A)]. The collaboration may include the use of a survey to assist in developing criteria to prioritize funding or equipment provided to law enforcement agencies.

(c) To receive funds or video and audio equipment from the state for the purpose of installing video and audio equipment in law enforcement motor vehicles and motorcycles or equipping peace officers with body worn cameras [as described by Article 2.135(a)(1)(A)], the governing body of a county or municipality, in conjunction with the law enforcement agency serving the county or municipality, shall certify to the Department of Public Safety that the law enforcement agency needs funds or video and audio equipment for that purpose.

(d) On receipt of funds or video and audio equipment from the state for the purpose of installing video and audio equipment in law enforcement motor vehicles and motorcycles or equipping peace officers with body worn cameras [as described by Article 2.135(a)(1)(A)], the governing body of a county or municipality, in conjunction with the law enforcement agency serving the county or municipality, shall certify to the Department of Public Safety that the law enforcement agency has taken the necessary actions to use and is using [installed] video and audio equipment and body worn

cameras for those purposes [as described by Article 2.135(a)(1)(A) and is using the equipment as required by Article 2.135(a)(1)].

SECTION 5.05. Article 2.1385(a), Code of Criminal Procedure, is amended to read as follows:

(a) If the chief administrator of a local law enforcement agency intentionally fails to submit the incident-based data as required by Article 2.134, the agency is liable to the state for a civil penalty in an [the] amount not to exceed \$5,000 [of \$1,000] for each violation. The attorney general may sue to collect a civil penalty under this subsection.

SECTION 5.06. Article 2.135, Code of Criminal Procedure, is repealed.

SECTION 5.07. Articles 2.132 and 2.134, Code of Criminal Procedure, as amended by this article, apply only to a report covering a calendar year beginning on or after January 1, 2018.

SECTION 5.08. Not later than September 1, 2018, the Texas Commission on Law Enforcement shall:

(1) evaluate and change the guidelines for compiling and reporting information required under Article 2.134, Code of Criminal Procedure, as amended by this article, to enable the guidelines to better withstand academic scrutiny; and

(2) make accessible online:

(A) a downloadable format of any information submitted under Article 2.134(b), Code of Criminal Procedure, that is not exempt from public disclosure under Chapter 552, Government Code; and

(B) a glossary of terms relating to the information to make the information readily understandable to the public.

this Act takes effect September 1, 2017.

President of the
Senate Speaker of the House

I hereby certify that S.B. No. 1849 passed the Senate on May 11, 2017, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 1849 passed the House on May 20, 2017, by the following vote: Yeas 137, Nays 0, one present not voting.

ARTICLE 6. EFFECTIVE DATE

SECTION 6.01. Except as otherwise provided by this Act,
Approved:

Date

Governor

Chief Clerk of the House

(II) Responding to the Law

Institutional Policy on Racial Profiling



Parker Police Department
General Orders

Title: Racial Profiling

Number: 112.001

Effective Date: January 12, 2018

Review Date:

TPCA Recognition Standards: 2.01

I. PURPOSE

The purpose of this order is to reaffirm the City of Parker Police Department's commitment to unbiased policing in all its encounters with any person; to reinforce procedures that serve to ensure public confidence and mutual trust through the provision of services in a fair and equitable fashion; and to protect our officers from unwarranted accusations of misconduct when they act within the dictates of departmental policy and the law.

II. POLICY

- A. It is the policy of this department to police in a proactive manner and to aggressively investigate suspected violations of the law. Officer shall actively enforce local, state and federal laws in a responsible and professional manner without regard to race, ethnicity, gender, sexual orientation, religion status, age, cultural group, or any other identifiable group rather than on the individual's behavior or on information identifying the individual as having engaged in criminal activity. Racial profiling pertains to persons who are viewed as suspects or potential suspects of criminal behavior. The term is not relevant as it pertains to witnesses, complainants, persons needing assistance, or other citizen contacts. [\(TPCA Standard 2.01\)](#)
- B. This General Order is adopted in compliance with the requirements of Articles 2.131 through 2.136, Texas Code of Criminal Procedures, which prohibits Texas peace officers from engaging in racial profiling. [\(TPCA Standard 2.01\)](#)

III. DEFINITIONS

- A. **Racial Profiling** – a law enforcement-initiated action based on an individual's face, ethnicity, gender, sexual orientation, religion, economic status, age, cultural group, or any other identifiable group rather than on the individual's behavior or on information identifying the individual as having engaged in criminal activity. Racial



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profiling pertains to persons who are viewed as suspects or potential suspects of criminal behavior. The term is not relevant as it pertains to witnesses, complainants, persons needing assistance, or other citizen contacts.

- B. Race or Ethnicity – persons of a particular descent, including Caucasian, African, Hispanic, Asian, Middle Eastern or Native American descent.
- C. Acts Constituting Racial Profiling – acts initiating law enforcement action, such as a traffic stop, a detention, a search, issuance of a citation, or an arrest based solely upon an individual's race, ethnicity, gender sexual orientation, religion, economic status, age, culture group, or any other identifiable group rather than upon the individual's behavior, information identifying the individual as having possibly engaged in criminal activity, or other lawful reasons for the law enforcement action.
- D. Motor Vehicle Stop – means an occasion in which a peace officer stops a motor vehicle for an alleged violation of a law or ordinance.
- E. Motor Vehicle Contacts – includes stops for alleged violation of a law or ordinance, tickets/citations, and verbal and written warnings.

IV. PROHIBITION

Officers of the Parker Police Department are strictly prohibited from engaging in racial profiling. The prohibition against racial profiling does not preclude the use of race, ethnicity or national origin as factors in a detention decision by an officer. Race ethnicity origin may be legitimate factors in such a decision when used as part of a description of a suspect or witness for whom an officer is searching.

V. COMPLAINT PROCESS

- A. No person shall be discouraged, intimidated or coerced from filing a complaint, or be discriminated against because they have filed a complaint.
- B. Any person who believes that a peace officer employed by the Parker Police Department has engaged in racial profiling with respect to that person, may file a complaint in accordance with the provisions of General Order 300, Discipline/Complaints against Police Personnel.



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1. An employee who is contacted regarding a complaint against an officer shall follow the procedures set forth in General Order 300, Section X, Investigation of Externally Originated Complaints.
2. Citizens who appear in person wishing to file a complaint shall be directed to the Internal Affairs Investigator and provided with a departmental brochure, "How to File a Complaint." Brochures are maintained in the Parker Police Department lobby, and at Parker City Hall. Citizens may also be directed to the Departmental website to file a complaint.
- C. Any Officer or Investigator who becomes aware of an alleged or suspected violation of this General Order shall report the alleged violation in accordance with General Order 300, Discipline, Section XI, Investigation or Internally Originated Complaints.
- D. Complaints of racial profiling shall be classified as a level I complaint, and shall be investigated by the office of the Chief of Police or the Internal Affairs Investigator as directed by the Chief of Police. A log of all Racial Profiling Complaints will be maintained by the Internal Affairs Unit.

VI. DISCIPLINARY AND CORRECTIVE ACTIONS

Any officer of this Department who is found, after investigation, to have engaged in racial profiling in violation of this General Order may be subject to disciplinary action, up to and including termination. Disciplinary or corrective actions may include diversity, sensitivity or other appropriate training or counseling, as determined by the Chief of Police.

VII. PUBLIC EDUCATION

This department shall provide education to the public concerning the racial profiling complaint process. The primary method of public education shall be through a brochure, "How to File a Complaint" which are maintained in the lobby of the Parker Police Department, and at the Parker City Hall. These brochures are available in both English and Spanish versions. Other education methods may be utilized to inform the public, including news media, civic presentations, the internet, public meetings, newsletters, email, phone or by mail. The Department will disclose to others the phone number, name of person and address where a complaint or complement can be filed.



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VIII. COLLECTION OF INFORMATION AND ANNUAL REPORT OF MOTOR VEHICLE STOPS
(TPCA Standard 2.01)

A. For each motor vehicle stop and for each arrest resulting from a motor vehicle stop, an officer involved in the stop shall collect the following information:

1. A physical description of any person operating the motor vehicle, who is detained as a result of the stop, including:
 - a. The person's gender.
 - b. The person's race or ethnicity, as stated by the person, or if the person does not state, the person's race or ethnicity, as determined by the officer to the best of his or her ability. Officers will not ask the individual to identify their race or ethnicity;
 - c. Information identifying the race or ethnicity of the individual detained will be documented using the following codes:

W – White

B – Black

H – Hispanic or Latino

A – Asian or Pacific Islander

I – Alaska Native or American Indian

2. Whether the officer knew the race or ethnicity of the individual detained before detaining that individual.
3. The initial reason for the stop.
 - a. Violation of the law.
 - b. Pre-existing knowledge (i.e. warrant)
 - c. Moving Traffic Violation.
 - d. Vehicle Traffic Enforcement (Equipment, Inspection or Registration).



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4. Whether the officer conducted a search as a result of the stop, and, if so, whether or not the person detained consented to the search verbally or by signing the form (PPD-020).
5. Whether any contraband or other evidence was discovered in the course of the search and a description of the contraband or evidence.
 - a. Illegal drugs/drug paraphernalia.
 - b. Currency
 - c. Weapons
 - d. Alcohol
 - e. Stolen Property
 - f. Other
6. The reason for the search, including whether.
 - a. Consent.
 - b. Any contraband or other evidence was in plain view.
 - c. Any probable cause of reasonable suspicion existed to perform the search.
 - d. The search was performed as a result of an impound of the motor vehicle.
 - e. Incident to arrest or arrest by warrant.
7. Whether the officer made an arrest as a result of the stop or the search, including a statement of whether the arrest was based on a violation of Penal Code, a violation of traffic law or City ordinance or an outstanding warrant and a statement of the offense charged.



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8. The street address or approximate location of the stop. Including type of roadway,
 - a. City Street
 - b. US Highway
 - c. County Road
 - d. Private Property or other.
9. Whether the officer issued a citation or a written or verbal warning as a result of the stop.
10. Whether the person contacted is a resident or non-resident of the City of Parker.
11. Whether the peace officer used physical force that resulted in bodily injury. As that term is defined by Section 1.07, Penal Code during the stop.
 - a. The location of the stop.
 - b. The reason for the stop.

B. The primary mechanism for collecting this data will be the Brazos eCitation reporting system. The modules of "eCitation" (Citations and Written Warnings) and "Stop Data" (Verbal Warnings) shall be used. Should this method fail, all required data should be reported to the Commander of the Administrative Services Division using Racial Profiling form PPD-008.

C. The Internal Affairs Investigator shall ensure all Racial Profiling Data is collected and reported to the Chief of Police. The data collected shall be compiled in an annual report covering the period of January 1 through December 31 of each year, shall be submitted to the governing body of the City of Parker no later than March 1 of the following year. The report will include:

1. A breakdown of citations by race or ethnicity.



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2. Number of citations that resulted in a search.
3. Number of searches that were consensual.
4. Number of citations that resulted in custodial arrest.
5. Public education efforts concerning the racial profiling complaint process.
6. A comparative analysis of the information compiled (under Article 2.133):
 - a. Evaluate and compare the number of motor vehicle stops, with the City of Parker, of persons who are recognized as racial or ethnic minorities and persons who are not recognized as racial or ethnic minorities;
 - b. Examine the disposition of motor vehicle stops made by officers employed by Parker Police Department, categorized according to race or ethnicity of the affected persons, as appropriate, including any searches resulting from stops with the City of Parker;
 - c. Evaluate and compare the number of searches resulting from motor vehicle stops within the City of Parker and whether contraband or other evidence was discovered in the course of those searches.
7. Information related to each complaint filed with the Parker Police Department alleging that a peace officer employed by the Parker Police Department has engaged in racial profiling.
8. Total number of officers who knew or did not know, the race/ethnicity of the individual before being detained.

D. The chief administrator of a law enforcement agency, regardless of whether the administrator is elected, employed, or appointed, is responsible for auditing reports under Subsection VIII C. 7. to ensure that the race or ethnicity of the person operating the motor vehicle is being reported.

E. If the chief administrator of a local law enforcement agency intentionally fails to submit the incident-based data as required by Article 2.134, the agency is liable to



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the State for a civil penalty in an amount not to exceed \$5,000.00 for each violation.

The Attorney General may be used to collect a civil penalty under this subsection.

- F. The annual report shall not include identifying information about any individual stopped or arrested, and shall not include identifying information about any peace officer involved in a traffic stop or arrest.
- G. Racial Profiling Data will also be reported to the Texas Commission on Law Enforcement (TCOLE) by March 1 of each year, following the Commission prescribed format.

IX. AUDIO AND VIDEO EQUIPMENT

- A. Each motor vehicle regularly used by this department to make motor vehicle stops shall be equipped with a mobile camera system capable of recording video and audio and each officer shall be equipped as well with a synced Digital Media Recorder (DMR).
- B. For procedures for the proper use of audio and video equipment refer to General Order 112.013 Computer and Electronic Equipment Usage and Data Security Section VII. (Mobile Video Recording Systems) and Section VIII. {Digital Media Recorders (DMR)(Body Worn Camera)}
- C. A supervisor shall have the authority to assign units with malfunctioning or inoperable mobile video equipment when situations dictate. Officers assigned to such units shall collect and document the information listed above for each motor vehicle stop on the Racial Profiling form (PPD-008). All documentation must be submitted to the Commander of the Administrative Services Division prior to the end of that tour of duty.

X. REVIEW OF VIDEO AND AUDIO DOCUMENTATION (TPCA Standard 2.01)

- A. Each audio and video recording shall be retained for a minimum period of one hundred eighty (180) days, unless a complaint is filed alleging that an officer engaged in racial profiling with response to a motor vehicle stop. The Internal Affairs Investigator shall ensure that all audio and recordings are properly stored and retained in accordance with applicable laws and this General Order.



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- B. If a complaint is received alleging that an officer has engaged in racial profiling, the audio / video recording shall be forwarded to the office of the Chief of Police who shall retain the video until final disposition of the complaint has been made.
- C. The Uniformed Services Division Commander or his designee shall review a randomly selected sampling of video and audio recordings, made recently by officers employed by the Department, in order to determine if patterns of racial profiling exist. These reviews shall be conducted monthly and documented on the appropriate form (PPD-009)
 - 1. Written documentation shall include:
 - a. The name of the offices whose stops were reviewed.
 - b. The date(s) of the videos reviewed.
 - c. The date the actual review was conducted.
 - d. The name of the person conducting the review.
 - 2. The Uniformed Division Commander shall forward the required documentation to the Office of the Chief of Police.
 - 3. The Internal Affairs Investigator shall maintain a file of all video review documentation performed, in compliance with this General Order.
- D. In reviewing audio and video recordings, Uniformed Services Commander or his designee, shall seek to determine if the officer(s) reviewed have engaged in a pattern of racial profiling, that includes multiple acts constituting racial profiling for which there is no reasonable, credible explanation based on established police and law enforcement procedures.

XI. TRAINING (TPCA Standard 2.01)

- A. Each peace officer employed by the department shall complete the comprehensive education and training program on racial profiling established by the Texas Commission on Law Enforcement (TCOLE) not later than the second anniversary of



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the date the officer was licensed, or the date the officer applies for an intermediate proficiency certificate, whichever date is earlier. A person who on September 1, 2001, held a TCOLE intermediate proficiency certificate, or who had held a peace officer license issued by TCOLE for at least two years, shall complete a TCOLE training and education program on racial profiling.

- B. The Chief of Police shall, in completing the training required by Section 96.641, Texas Education Code, complete the program on racial profiling established by the Bill Blackwood Law Enforcement Management Institute of Texas (LEMIT).

XIII EFFECTIVE DATE

- A. Any previous directive, rule, order or regulation that pertains to this subject matter and its amendments shall remain in full force and effect for any violation(s) which occur prior to the effective date of this General Order.
- B. If any section, sentence, clause or phrase of this General Order is, for any reason, held to be invalid, such decision shall not affect the validity of the remaining portions of this General Order.
- C. All training in this General Order will be in accordance with General Order 101.001, Written Directive System, Chapter VIII, Training.
- D. The effective date is stated in the header block of this General Order.

Public Education on Filing Compliments and Complaints

Informing the Public on the Process of Filing a Compliment or Complaint with the Parker Police Department

The Texas Racial Profiling Law requires that police agencies provide information to the public regarding the manner in which to file a compliment or racial profiling complaint. In an effort to comply with this particular component, the Parker Police Department launched an educational campaign aimed at informing the public on issues relevant to the racial profiling complaint process.

The police department made available, in the lobby area and on its web site, information relevant to filing a compliment and complaint on a racial profiling violation by a Parker Police officer. In addition, each time an officer issues a citation, ticket or warning, information on how to file a compliment or complaint is given to the individual cited. This information is in the form of a web address (including in the document issued to the citizen), which has instructions and details specifics related to the compliment or complaint processes.

It is believed that through these efforts, the community has been properly informed of the new policies and the complaint processes relevant to racial profiling.

Racial Profiling Training

Racial Profiling Training

All Parker Police officers have been instructed, as specified in the Texas Racial Profiling Law, to adhere to all Texas Commission on Law Enforcement (TCOLE) training and the Law Enforcement Management Institute of Texas (LEMIT) requirements. To date, all sworn officers of the Parker Police Department have completed the TCOLE basic training on racial profiling. The main outline used to train the officers of Parker has been included in this report.

It is important to recognize that the Chief of the Parker Police Department has also met the training requirements, as specified by the Texas Racial Profiling Law, in the completion of the LEMIT program on racial profiling. The satisfactory completion of the racial profiling training by the sworn personnel of the Parker Police Department fulfills the training requirement as specified in the Education Code (96.641) of the Texas Racial Profiling Law.

Racial Profiling
Course Number 3256
Texas Commission on Law Enforcement
September 2001

Racial Profiling 3256

Instructor's Note:

You may wish to teach this course in conjunction with Asset Forfeiture 3255 because of the related subject matter and applicability of the courses. If this course is taught in conjunction with Asset Forfeiture, you may report it under Combined Profiling and Forfeiture 3257 to reduce data entry.

Abstract

This instructor guide is designed to meet the educational requirement for racial profiling established by legislative mandate: 77R-SB1074.

Target Population: Licensed law enforcement personnel in Texas

Prerequisites: Experience as a law enforcement officer

Length of Course: A suggested instructional time of 4 hours

Material Requirements: Overhead projector, chalkboard and/or flip charts, video tape player, handouts, practical exercises, and demonstrations

Instructor Qualifications: Instructors should be very knowledgeable about traffic stop procedures and law enforcement issues

Evaluation Process and Procedures

An examination should be given. The instructor may decide upon the nature and content of the examination. It must, however, sufficiently demonstrate the mastery of the subject content by the student.

Reference Materials

Reference materials are located at the end of the course. An electronic copy of this instructor guide may be downloaded from our web site at <http://www.tcleose.state.tx.us>.

Racial Profiling 3256

1.0 RACIAL PROFILING AND THE LAW

1.1 UNIT GOAL: The student will be able to identify the legal aspects of racial profiling.

1.1.1 LEARNING OBJECTIVE: The student will be able to identify the legislative requirements placed upon peace officers and law enforcement agencies regarding racial profiling.

Racial Profiling Requirements:

Racial profiling CCP 3.05

Racial profiling prohibited CCP 2.131

Law enforcement policy on racial profiling CCP 2.132

Reports required for traffic and pedestrian stops CCP 2.133

Liability CCP 2.136

Racial profiling education for police chiefs Education Code 96.641

Training program Occupations Code 1701.253

Training required for intermediate certificate Occupations Code 1701.402

Definition of "race or ethnicity" for form Transportation Code 543.202

A. Written departmental policies

1. Definition of what constitutes racial profiling

2. Prohibition of racial profiling

3. Complaint process

4. Public education

5. Corrective action

6. Collection of traffic-stop statistics

7. Annual reports

B. Not prima facie evidence

C. Feasibility of use of video equipment

D. Data does not identify officer

E. Copy of complaint-related video evidence to officer in question

F. Vehicle stop report

1. Physical description of detainees: gender, race or ethnicity

2. Alleged violation

3. Consent to search

4. Contraband

5. Facts supporting probable cause

6. Arrest

7. Warning or citation issued

G. Compilation and analysis of data

H. Exemption from reporting – audio/video equipment

I. Officer non-liability

J. Funding

K. Required training in racial profiling

1. Police chiefs

2. All holders of intermediate certificates and/or two-year-old licenses as of 09/01/2001 (training to be completed no later than 09/01/2003) – see legislation 77R-SB1074

1.1.2 LEARNING OBJECTIVE: The student will become familiar with Supreme Court decisions and other court decisions involving appropriate actions in traffic stops.

A. Whren v. United States, 517 U.S. 806, 116 S.Ct. 1769 (1996)

1. Motor vehicle search exemption
2. Traffic violation acceptable as pretext for further investigation
3. Selective enforcement can be challenged

B. Terry v. Ohio, 392 U.S. 1, 88 S.Ct. 1868 (1968)

1. Stop & Frisk doctrine
2. Stopping and briefly detaining a person
3. Frisk and pat down

C. Other cases

1. Pennsylvania v. Mimms, 434 U.S. 106, 98 S.Ct. 330 (1977)
2. Maryland v. Wilson, 117 S.Ct. 882 (1997)
3. Graham v. State, 119 MdApp 444, 705 A.2d 82 (1998)
4. Pryor v. State, 122 Md.App. 671 (1997) cert. denied 352 Md. 312, 721 A.2d 990 (1998)
5. Ferris v. State, 355 Md. 356, 735 A.2d 491 (1999)
6. New York v. Belton, 453 U.S. 454 (1981)

2.0 RACIAL PROFILING AND THE COMMUNITY

2.1 UNIT GOAL: The student will be able to identify logical and social arguments against racial profiling.

2.1.1 LEARNING OBJECTIVE: The student will be able to identify logical and social arguments against racial profiling.

- A. There are appropriate reasons for unusual traffic stops (suspicious behavior, the officer's intuition, MOs, etc.), but police work must stop short of cultural stereotyping and racism
- B. Racial profiling would result in criminal arrests, but only because it would target all members of a race randomly – the minor benefits would be far outweighed by the distrust and anger towards law enforcement by minorities and the public as a whole
- C. Racial profiling is self-fulfilling bad logic: if you believed that minorities committed more crimes, then you might look for more minority criminals, and find them in disproportionate numbers
- D. Inappropriate traffic stops generate suspicion and antagonism towards officers and make future stops more volatile – a racially-based stop today can throw suspicion on tomorrow's legitimate stop
- E. By focusing on race, you would not only be harassing innocent citizens, but overlooking criminals of all races and backgrounds – it is a waste of law enforcement resources

3.0 RACIAL PROFILING VERSUS REASONABLE SUSPICION

3.1 UNIT GOAL: The student will be able to identify the elements of both inappropriate and appropriate traffic stops.

3.1.1 LEARNING OBJECTIVE: The student will be able to identify elements of a racially motivated traffic stop.

- A. Most race-based complaints come from vehicle stops, often since race is used as an inappropriate substitute for drug courier profile elements
- B. "DWB" – "Driving While Black" – a nickname for the public perception that a Black person may be stopped solely because of their race (especially with the suspicion that they are a drug courier), often extended to other minority groups or activities as well ("Driving While Brown," "Flying While Black," etc.)
- C. A typical traffic stop resulting from racial profiling
 1. The vehicle is stopped on the basis of a minor or contrived traffic violation which is used as a pretext for closer inspection of the vehicle, driver, and passengers
 2. The driver and passengers are questioned about things that do not relate to the traffic violation
 3. The driver and passengers are ordered out of the vehicle
 4. The officers visually check all observable parts of the vehicle
 5. The officers proceed on the assumption that drug courier work is involved by detaining the driver and passengers by the roadside

6. The driver is asked to consent to a vehicle search – if the driver refuses, the officers use other procedures (waiting on a canine unit, criminal record checks, license-plate checks, etc.), and intimidate the driver (with the threat of detaining him/her, obtaining a warrant, etc.)

3.1.2 LEARNING OBJECTIVE: The student will be able to identify elements of a traffic stop which would constitute reasonable suspicion of drug courier activity.

A. Drug courier profile (adapted from a profile developed by the DEA)

1. Driver is nervous or anxious beyond the ordinary anxiety and cultural communication styles
2. Signs of long-term driving (driver is unshaven, has empty food containers, etc.)
3. Vehicle is rented
4. Driver is a young male, 20-35
5. No visible luggage, even though driver is traveling
6. Driver was over-reckless or over-cautious in driving and responding to signals
7. Use of air fresheners

B. Drug courier activity indicators by themselves are usually not sufficient to justify a stop

3.1.3 LEARNING OBJECTIVE: The student will be able to identify elements of a traffic stop which could constitute reasonable suspicion of criminal activity.

A. Thinking about the totality of circumstances in a vehicle stop

B. Vehicle exterior

1. Non-standard repainting (esp. on a new vehicle)
2. Signs of hidden cargo (heavy weight in trunk, windows do not roll down, etc.)
3. Unusual license plate suggesting a switch (dirty plate, bugs on back plate, etc.)
4. Unusual circumstances (pulling a camper at night, kids' bikes with no kids, etc.)

C. Pre-stop indicators

1. Not consistent with traffic flow
2. Driver is overly cautious, or driver/passengers repeatedly look at police car
3. Driver begins using a car- or cell-phone when signaled to stop
4. Unusual pull-over behavior (ignores signals, hesitates, pulls onto new street, moves objects in car, etc.)

D. Vehicle interior

1. Rear seat or interior panels have been opened, there are tools or spare tire, etc.
2. Inconsistent items (anti-theft club with a rental, unexpected luggage, etc.)

Resources

Proactive Field Stops Training Unit – Instructor's Guide, Maryland Police and Correctional Training Commissions, 2001. (See Appendix A.)

Web address for legislation 77R-SB1074:

<http://tlo2.tlc.state.tx.us/tlo/77r/billtext/SB01074F.htm>

Report on Compliments and Racial Profiling Complaints

Report on Compliments

The Parker Police Department has received a total of 0 compliments on police officers during the time period of 1/1/18---12/31/18.

Report on Complaints

The following table contains data regarding officers that have been the subject of a complaint, during the time period of 1/1/18---12/31/18, based on allegations outlining possible violations related to the Texas Racial Profiling Law. The final disposition of the case is also included.

X

A check above indicates that the Parker Police Department has not received any complaints, on any members of its police force, for having violated the Texas Racial Profiling Law during the time period of 1/1/18 ---- 12/31/18.

Complaints Filed for Possible Violations of The Texas Racial Profiling Law

| Complaint No. | Alleged Violation | Disposition of the Case |
|------------------|-------------------|-------------------------|
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Additional Comments:

Tables Illustrating Motor Vehicle- Related Contacts

Tier 2 Data

Total stops: 984

1. Gender

1.1 Female: 392

1.2 Male: 592

2. Race or ethnicity

2.1 Black: 140

2.2 Asian/Pacific Islander: 165

2.3 White: 491

2.4 Hispanic/Latino: 188

2.5 Alaska Native/American Indian: 0

3. Was race or ethnicity known prior to stop?

3.1 Yes: 0

3.2 No: 984

4. Reason for stop?

4.1 Violation of law: 266

4.2 Pre-existing knowledge: 0

4.3 Moving traffic violation: 1,327

4.4 Vehicle traffic violation: 221

5. Street address or approximate location of the stop

5.1 City street: 984

5.2 US highway: 0

5.3 County road: 0

5.4 State Highway: 0

5.5 Private property or other: 0

6. Was a search conducted?

6.1 Yes: 11

6.2 No: 973

7. Reason for Search?

7.1 Consent: 2

7.2 Contraband in plain view: 0

7.3 Probable cause: 8

7.4 Inventory: 1

7.5 Incident to arrest: 0

8. Was Contraband discovered?

8.1 Yes: 4

8.2 No: 7

9. Description of contraband

9.1 Drugs: 4

9.2 Currency: 1

9.3 Weapons: 1

9.4 Alcohol: 0

9.5 Stolen property: 0

9.6 Other: 0

10. Result of the stop

10.1 Verbal warning: 0

10.2 Written warning: 507

10.3 Citation: 984

10.4 Written Warning and Arrest: 0

10.5 Citation and Arrest: 0

10.6 Arrest: 2

11. Arrest based on

11.1 Violation of Penal Code: 1

11.2 Violation of Traffic Law: 0

11.3 Violation of City Ordinance: 0

11.4 Outstanding Warrant: 1

12. Was physical force resulting in bodily injury used during stop?

12.1 Yes: 0

12.2 No: 984



Table 1. (Motor Vehicle Contacts Including Tickets, Citations and Warnings)
(1/18-12/31/18)

| Race/Ethnicity | All Motor Vehicle Contacts* | Tickets or Citations | | Verbal Warnings | | Written Warnings | | |
|----------------------------------|-----------------------------|----------------------|-----|-----------------|---|------------------|-----|-----|
| | N | % | N | % | N | % | N | % |
| White | 788 | 53 | 491 | 50 | 0 | 0 | 297 | 59 |
| Black | 215 | 14 | 140 | 14 | 0 | 0 | 75 | 15 |
| Hispanic or Latino | 244 | 16 | 188 | 19 | 0 | 0 | 56 | 11 |
| Asian or Pacific Islander | 244 | 16 | 165 | 17 | 0 | 0 | 79 | 15 |
| Alaska Native or American | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Middle Eastern** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 1,491 | 100 | 984 | 100 | 0 | 100 | 507 | 100 |

*Includes stops for alleged violation of a law or ordinance, tickets/citations, and verbal and written warnings

“N” represents “number” of all motor vehicle-related contacts

**Race/Ethnicity is defined by HB 3051.

**Not Required Racial/Ethnic Components

Tier 2 Data (Motor Vehicle Contacts in Percentages)

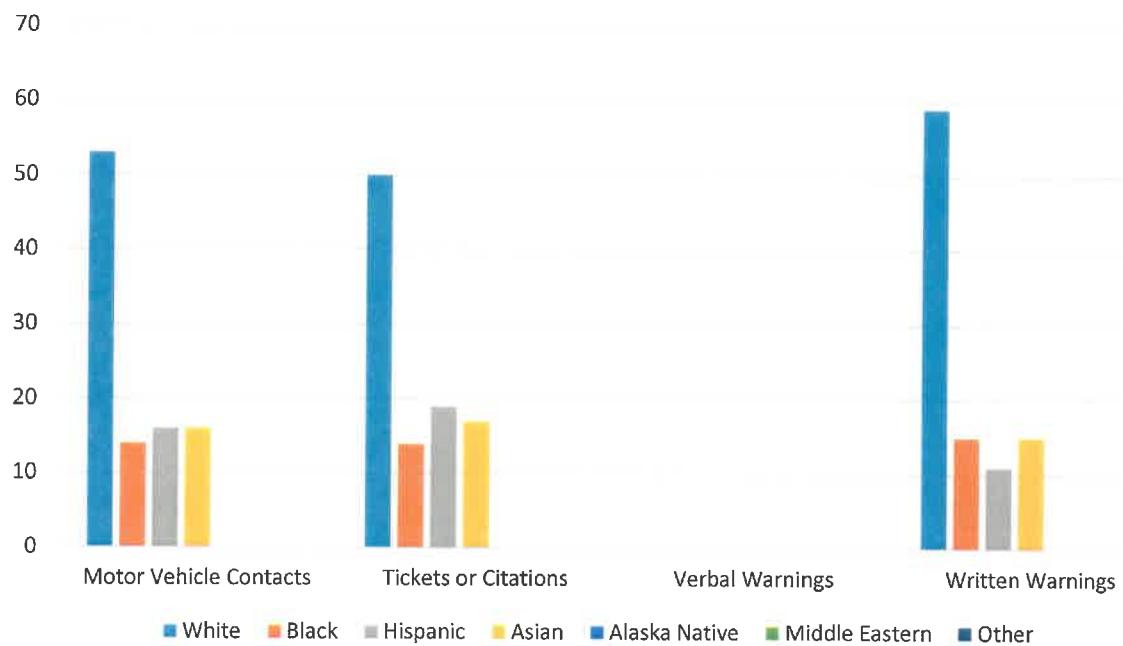


Table 2. Motor Vehicle-Contacts and Fair Roads Standard Comparison

Comparison of motor vehicle-related contacts with households in DFW that have vehicle access (in percentages). (1/1/18—12/31/18)

| Race/Ethnicity* | Contacts (in percentages) | Households with vehicle access (in percentages) |
|---------------------------------------------|------------------------------|----------------------------------------------------|
| White | 53 | 60 |
| Black | 14 | 14 |
| Hispanic or Latino | 16 | 19 |
| Asian or Pacific Islander | 16 | 5 |
| Alaska Native or American Indian | 0 | N/A |
| Middle Eastern** | 0 | N/A |
| Other** | 0 | N/A |
| Total | 100 | 98** |

“N” represents “number” of all motor vehicle-related contacts

**Race/Ethnicity is defined by HB 3051.

**Not Required Racial/Ethnic Components

Motor Vehicle Contacts and Households (Percentages) 2018

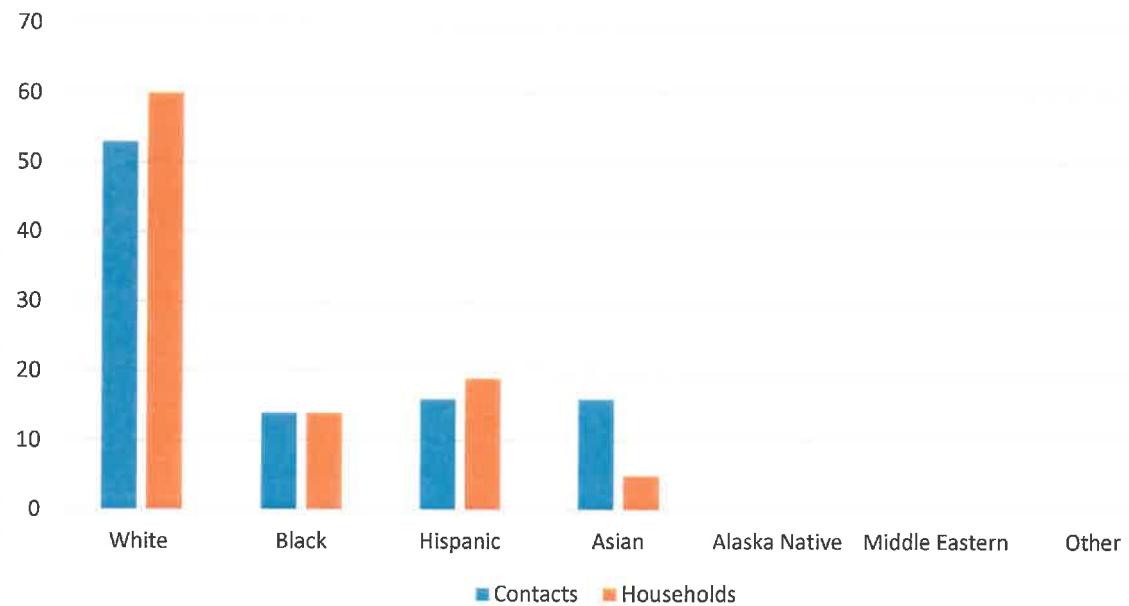


Table 3. (Motor Vehicle Searches and Arrests)
(1/1/18-12/31/18)

| Race/Ethnicity* | Searches | | Consensual Searches | | Custody Arrests | |
|-----------------------------------------|----------|-----|---------------------|-----|-----------------|-----|
| | N | % | N | % | N | % |
| White | 2 | 18 | 2 | 100 | 1 | 50 |
| Black | 1 | 9 | 0 | 0 | 1 | 50 |
| Hispanic or Latino | 6 | 55 | 0 | 0 | 0 | 0 |
| Asian or Pacific Islander | 2 | 18 | 0 | 0 | 0 | 0 |
| Alaska Native or American Indian | 0 | 0 | 0 | 0 | 0 | 0 |
| Middle Eastern** | 0 | 0 | 0 | 0 | 0 | 0 |
| Other** | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 11 | 100 | 2 | 100 | 2 | 100 |

“N” represents “number” of all motor vehicle-related contacts

**Race/Ethnicity is defined by HB 3051.

**Not Required Racial/Ethnic Components

Tier 2 Data (Frequency of Searches and Arrests)

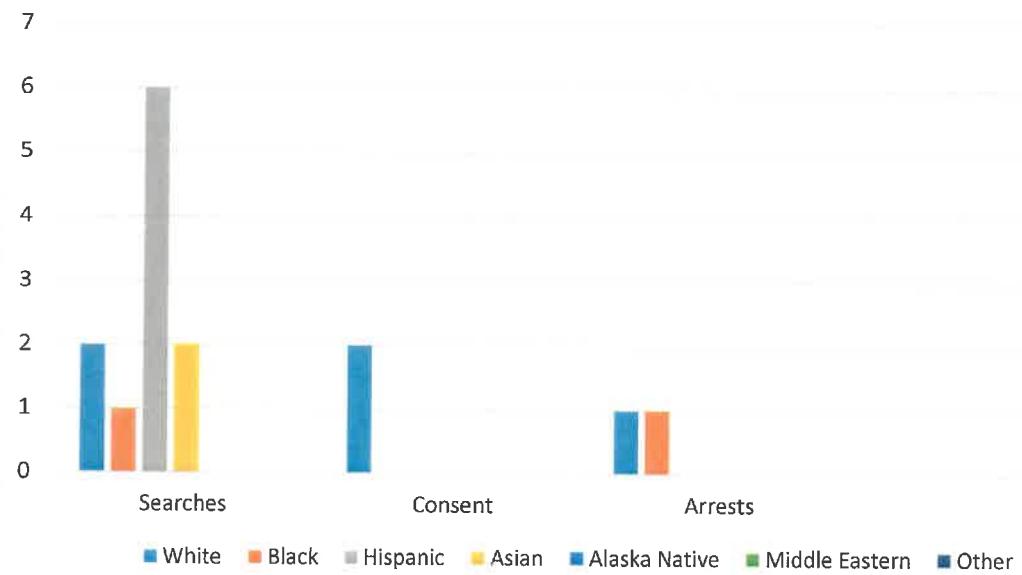
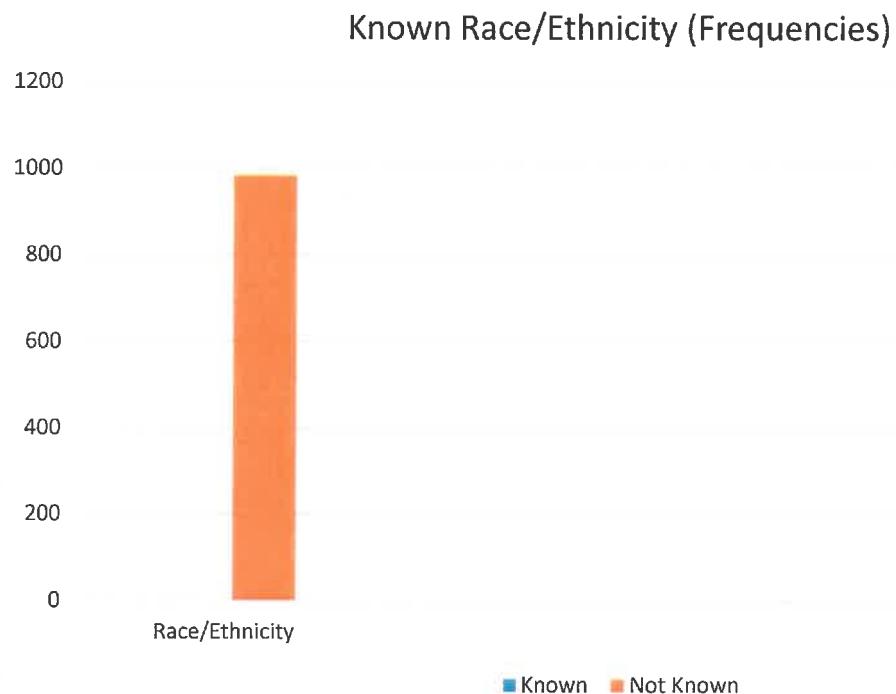


Table 4. Total Number of Instances where Officers Knew/did not Know Race/Ethnicity of Individuals Before Being Detained (1/1/18-12/31/18)

| Total Number of Instances where Officers <u>Knew</u> Race and Ethnicity of Individuals Before Being Detained | Total Number of Instances where Officers <u>Did Not Know</u> the Race and Ethnicity of Individuals Before Being Detained |
|--------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| 0 | 984 |



**Table 5. Instances Where Peace Officers Used Physical Force that Resulted in Bodily Injury
(1/1/18-12/31/18)**

| Instance Where Peace Officer Used Physical Force that Resulted in Bodily Injury | Location of the Stop | Reason for the Stop |
|---------------------------------------------------------------------------------|----------------------|---------------------|
| 0 | 0 | 0 |
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Table 6. Search Data

(1/1/18-12/31/18)

| Race/Ethnicity* | Searches | | Contraband/ Evidence Found | | Contraband/Evidence Not Found | | Arrests | |
|---------------------------------------------|----------|-----|-------------------------------|-----|----------------------------------|-----|---------|----|
| | N | % | N | % | N | % | N | % |
| White | 2 | 18 | 1 | 12 | 1 | 33 | 1 | 50 |
| Black | 1 | 9 | 1 | 12 | 0 | 0 | 1 | 50 |
| Hispanic or Latino | 6 | 55 | 5 | 63 | 1 | 33 | 0 | 0 |
| Asian or Pacific Islander | 2 | 18 | 1 | 12 | 1 | 33 | 0 | 0 |
| Alaska Native or American Indian | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Middle Eastern* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 11 | 100 | 8 | 100 | 3 | 100 | 2 | 0 |

*“N” represents “number” of all motor vehicle-related contacts

**Race/Ethnicity is defined by HB 3051.

***Not Required Racial/Ethnic Components

Table 7. Report on Audits

The following table contains data regarding the number and outcome of required data audits completed during the period 1/1/18---12/31/18.

Data Audits on Racial Profiling Data (1/1/18—12/31/18)

| Number of Data Audits Completed | Date of Completion | Outcome of Audit |
|---------------------------------|--------------------|-------------------------------------|
| 3 | 2018 | Data reviewed is valid and reliable |
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Additional Comments:

Analysis and Interpretation of Data

Analysis

In order to understand the analysis provided in this report, it is imperative that the evolution of the Texas Racial Profiling Law and its requirements, is discussed. That is, in 2001, the Texas legislature passed Senate Bill 1074 which became the Texas Racial Profiling Law. Thus, the law came into effect on January 1, 2002 and required all police departments in Texas, to collect traffic-related data and report this information to their local governing authority by March 1st of each year. In 2009, the racial profiling law was modified to include the collection and reporting of all motor vehicle related contacts where a citation was issued or arrest made. In addition, the modification to the law further requires that all police officers indicate whether or not they knew the race or ethnicity of the individual before detaining them. Further, it was required that agencies report motor vehicle related data to their local governing authority and to the Texas Commission on Law Enforcement (TCOLE) by March 1st of each year. The purpose in collecting and presenting this information is to determine if police officers in a particular municipality are engaging in the practice of racially profiling minority motorists.

The Texas Racial Profiling Law also requires police departments to interpret motor vehicle-related data. Even though most researchers would probably agree with the fact that it is within the confines of good practice for police departments to be accountable to the citizenry while carrying a transparent image before the community, it is very difficult to determine if individual police officers are engaging in racial profiling, from a review and analysis of aggregate/institutional data. In other words, it is challenging for a reputable researcher to identify specific "individual" racist behavior from aggregate-level "institutional" data on traffic or motor vehicle-related contacts.

As stated previously, in 2009, the Texas Legislature passed House Bill 3389, which modified the Racial Profiling Law by adding new requirements; this took effect on January 1st, 2010. These changes included, but are not limited to, the re-definition of a contact to include motor vehicles where a citation was issued or an arrest made. In addition, it required police officers to indicate if they knew the race or ethnicity of the individual before detaining them. Also, the 2009 law required adding "middle eastern" to the racial and ethnic category and submitting the annual data report to TCOLE before March 1st of each year.

In 2017, the Texas Legislators passed H.B. 3051 which removed the Middle Eastern data requirement but standardized the racial and ethnic categories relevant to the individuals that came in contact with the police. In addition, the Sandra Bland Act (S.B. 1849) was passed and became law. Thus, the most significant legislative act in Texas history regarding data requirements on law enforcement contacts, became law and took effect on January 1, 2018. The Sandra Bland Act not only requires the extensive collection of data relevant to police motor vehicle contacts, but it also mandates for the data to be analyzed while addressing the following:

1. *A comparative analysis of the information compiled (under Article 2.133):*
 - a. *Evaluate and compare the number of motor vehicle stops, within the applicable jurisdiction, of persons who are recognized as racial*

or ethnic minorities and persons who are not recognized as racial or ethnic minorities;

- b. Examine the disposition of motor vehicle stops made by officers employed by the agency, categorized according to the race or ethnicity of the affected persons, as appropriate, including any searches resulting from stops within the applicable jurisdiction;*
- c. Evaluate and compare the number of searches resulting from motor vehicle stops within the applicable jurisdiction and whether contraband or other evidence was discovered in the course of those searches.*

- 2. Information related to each complaint filed with the agency alleging that a peace officer employed by the agency has engaged in racial profiling.*

In an effort to comply with The Texas Racial Profiling/Sandra Bland Law, the Parker Police Department commissioned the analysis of its 2018 contact data. Thus, two different types of data analyses were performed. The first of these involved a careful evaluation of the 2018 motor vehicle-related data. This particular analysis measured, as required by the law, the number and percentage of Whites, Blacks, Hispanics or Latinos, Asians and Pacific Islanders, Alaska Natives and American Indians (Middle Easterners and individuals belonging to the “other” category, as optional categories), that came in contact with the police in the course of a motor vehicle related contact, and were either issued a ticket, citation, warning were issued or an arrest was made. Also, included in this data were instances where a motor vehicle contact took place for an alleged violation of the law or ordinance. The Tier 2 data analysis included, but was not limited to, information relevant to the number and percentage of contacts by race/ethnicity, gender, reason for the stop, location of stop, searches while indicating the type of search performed, result of stop, basis of an arrest and use of physical force resulting in bodily injury,

The additional data analysis performed was based on a comparison of the 2018 motor vehicle contact data with a specific baseline. When reviewing this particular analysis, it should be noted that there is disagreement, in the literature, regarding the appropriate baseline to be used when analyzing motor vehicle-related contact information. Of the baseline measures available, the Parker Police Department opted to adopt, as a baseline measure, the Fair Roads Standard. This particular baseline is based on data obtained through the U.S. Census Bureau (2010) relevant to the number of households that have access to vehicles while controlling for the race and ethnicity of the heads of households.

It is clear that census data presents challenges to any effort made at establishing a fair and accurate racial profiling analysis. That is, census data contains information on all residents of a particular community, regardless of the fact they may or may not be among the driving population. Further, census data, when used as a baseline of comparison, presents the challenge that it captures information related to city residents only. Thus, excluding individuals who may have come in contact with the Parker Police Department in 2018 but live outside city limits. In some cases, the percentage of the population that comes in contact with the police but lives outside city limits represents a substantial volume of all motor vehicle-related contacts made in a given year.

Since 2002, several civil rights groups in Texas expressed their desire and made recommendations to the effect that all police departments should rely, in their data analysis, on the Fair Roads Standard. This source contains census data specific to the number of “households” that have access to vehicles. Thus, proposing to compare “households” (which may have multiple residents and only a few vehicles) with “contacts” (an individual-based count). This, in essence, constitutes a comparison that may result in ecological fallacy. Despite this, the Parker Police Department accepted the recommendation to utilize this form of comparison (i.e., census data relevant to households with vehicles) in an attempt to demonstrate its “good will” and “transparency” before the community. Thus, the Fair Roads Standard data obtained and used in this study is specifically relevant to the Dallas Fort-Worth (DFW) Metroplex.

Tier 2 (2018) Motor Vehicle-Related Contact Analysis

When analyzing the enhanced Tier 2 data collected in 2018, it was evident that most motor vehicle-related contacts were made with males and most of the contacts were made with White drivers. This was followed by Hispanic and Asian drivers. In most instances, police officers report not knowing the race or ethnicity prior to the stop. Further, they cite as the primary reason for the stop to have been a “moving traffic violation”. This was followed by “violation of the law”.

In 2018, all of the contacts made took place in city streets. The Parker Police Department cites that most contacts did not result in a search. Of those searches made, most were based on probable cause. The second most significant reason for a search was “consent”. In addition, contraband was not found as a result of most searches. Of the contraband found, in most instances, drugs were cited as the most frequent contraband found.

The data also shows that the majority of stops resulted in a citation. This was followed by “written warnings”. When an arrest was made, the most frequent reason provided was a violation of the penal code and outstanding warrant. Also, none of the contacts resulted in the use of physical force which caused bodily injury.

Comparative Analysis

The data analysis of motor vehicle contacts to the census data relevant to the number of “households” in DFW who indicated, in the 2010 census, that they had access to vehicles, produced interesting findings. Specifically, the percentage of Asians that came in contact with the police was higher than the percentage of Asian households in DFW that claimed, in the 2010 census, to have access to vehicles. With respect to Whites, Blacks and Hispanics, at the same or a lower percentage of contacts were detected. That is, the percentage of White, Black and

Hispanic drivers that came in contact with the police in 2018 was the same or lower than the percentage of White, Black and Hispanic households in DFW with access to vehicles.

The analysis of the searches performed shows that most searches did not produce contraband. This is consistent with national law enforcement trends. However, of those searches that produced contraband, the majority of them involved Hispanic contacts.

Summary of Findings

The most recent Texas Racial Profiling Law requires that police department perform data audits in order to validate the data being reported. Consistent with this requirement, the Parker Police Department has engaged del Carmen Consulting, LLC in order to perform these audits in a manner consistent with normative statistical practices. As shown in table 7, the audits performed have shown that the data is valid and reliable. Further, as required by law, this report also includes an analysis on the searches performed. This analysis includes information on whether contraband was found as a result of the search while controlling for race/ethnicity. The search analysis demonstrates that the police department is engaging in search practices consistent with national trends in law enforcement.

While considering the findings made in this analysis, it is recommended that the Parker Police Department should continue to collect and evaluate additional information on motor vehicle contact data (i.e., reason for probable cause searches, contraband detected) which may prove to be useful when determining the nature of the contacts police officers are making with all individuals.

As part of this effort, the Parker Police Department should continue to:

- 1) Perform an independent analysis on contact and search data in future years.
- 2) Commission data audits in 2019 in order to assess data integrity; that is, to ensure that the data collected is consistent with the data being reported.

The comprehensive analysis of the data included in this report demonstrates that the Parker Police Department has complied with the Texas Racial Profiling Law and all of its requirements. Further, the report demonstrates that the police department has incorporated a comprehensive racial profiling policy, currently offers information to the public on how to file a compliment or complaint, commissions quarterly data audits in order to ensure validity and reliability, collects and commissions the analysis of tier 2 data, and ensures that the practice of racial profiling is not tolerated.

(III) Summary

Checklist



Checklist

The following requirements were met by the Parker Police Department in accordance with The Texas Racial Profiling Law:

- Implement a Racial Profiling Policy citing act or actions that constitute racial profiling.
- Include in the racial profiling policy, a statement indicating prohibition of any peace officer employed by the Parker Police Department from engaging in racial profiling.
- Implement a process by which an individual may file a complaint regarding racial profiling violations.
- Provide public education related to the compliment and complaint process.
- Implement disciplinary guidelines for officers found in violation of the Texas Racial Profiling Law.
- Collect, report and analyze motor vehicle data (Tier 2).
- Commission Data Audits and a Search Analysis.
- Indicate total number of officers who knew and did not know, the race/ethnicity of individuals before being detained.
- Produce an annual report on police contacts (Tier 2) and present this to the local governing body and TCOLE by March 1, 2019.
- Adopt a policy, if video/audio equipment is installed, on standards for reviewing video and audio documentation.

Contact Information

Contact Information

For additional questions regarding the information presented in this report, please contact:

Del Carmen Consulting, LLC
817.681.7840
www.texasracialprofiling.com
www.delcarmenconsulting.com

Disclaimer: The author of this report, Alejandro del Carmen/del Carmen Consulting, LLC, is not liable for any omissions or errors committed in the acquisition, analysis, or creation of this report. Further, Dr. del Carmen/del Carmen Consulting is not responsible for the inappropriate use and distribution of information contained in this report. Further, no liability shall be incurred as a result of any harm that may be caused to individuals and/or organizations as a result of the information contained in this report.

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Council Agenda Item

Item 6
C'Sec Use Only

| | |
|-------------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| Budget Account Code: | Meeting Date: February 12, 2019 |
| Budgeted Amount: | Department/ Requestor: City Administrator Olson |
| Fund Balance-before expenditure: | Prepared by: Public Works Director Machado |
| Estimated Cost: | Date Prepared: January 16, 2019 |
| Exhibits: | <ol style="list-style-type: none">1. Proposed Resolution2. Proposal |

AGENDA SUBJECT

CONSIDERATION AND/OR ANY APPROPRIATE ACTION ON RESOLUTION NO. 2019-596, APPROVING THE HENLEY/JOHNSTON & ASSOCIATES PROPOSAL FOR CONSTRUCTION MATERIALS TESTING SERVICES RELATED TO THE PARKER ROAD UTILITY RELOCATIONS. [OLSON/MACHADO]

SUMMARY

City Engineer Birkhoff has requested the attached proposal for Parker Road Utility Relocation construction materials testing services with Henley/Johnston & Associates, be reviewed and acted upon by the City of Parker. This is a Texas Department of Transportation (TxDot) reimbursable item.

POSSIBLE ACTION

City Council may direct staff to take appropriate action.

| Inter – Office Use | | | |
|--------------------------------|----------------------|-------|------------|
| Approved by: | | | |
| Department Head/ Requestor: | <i>Gary Machado</i> | Date: | 01/31/2019 |
| City Attorney: | | Date: | |
| City Administrator: | <i>Luke B. Olson</i> | Date: | 02/08/2019 |

RESOLUTION NO. 2019-596
(Parker Road Utility Relocations)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PARKER, COLLIN COUNTY, TEXAS, AWARDING THE BID FOR CONSTRUCTION MATERIALS TESTING SERVICES RELATED TO THE PARKER ROAD UTILITY RELOCATIONS TO HENLEY-JOHNSTON & ASSOCIATES, INC.

WHEREAS, the City of Parker desires to protect the health, safety and welfare of its citizens; and

WHEREAS, the Parker City Council deems it in the best interest of the citizens of the City of Parker to accept a bid from Henley-Johnston & Associates, Inc. for construction materials testing services related to the Parker Road Utility Relocations; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PARKER, COLLIN COUNTY, TEXAS, AS FOLLOWS:

SECTION 1. The bid of Henley-Johnston & Associates, Inc., in the total amount of \$39,010.00 is approved, and is in conformance with the requirements for such approval.

SECTION 2. The Parker City Council authorizes the Mayor to execute the Contract with Henley-Johnston & Associates, Inc., and all other necessary documents in connection therewith on behalf of the City of Parker. A copy of the Contract is attached to this Resolution as Exhibit A.

DULY RESOLVED by the City Council of the City of Parker, Collin County, Texas on this the 12th day of February, 2019, effective this date.

APPROVED:
CITY OF PARKER

Lee Pettle, Mayor

ATTEST:

Patti Scott Grey, City Secretary

APPROVED AS TO FORM:

Brandon Shelby, City Attorney



HENLEY | JOHNSTON
& ASSOCIATES

geotechnical and construction materials consultants

September 11, 2018
Proposal No. 7017

City of Parker
5700 East Parker Road
Parker, Texas 75002

Care of

Birkhoff, Hendricks & Carter L.L.P.
11910 Greenville Ave #600
Dallas, Texas 75243
ATTN: Mr. John W. Birkhoff P.E.
Phone: 214-361-7900
Email: JBirkhoff@BHCLLP.COM

**Proposal for Construction Materials Testing Services
Parker Road (F.M. 2514)
Utility Relocation
City of Parker, Texas**

In response to your request, Henley-Johnston & Associates, Inc. is pleased to submit this proposal for Construction Materials Testing Services related to construction of the above referenced project. In this letter, we provide our estimated total cost based on the provided information and previous experience on projects of this type and size.

The following documents were used in developing the proposed quantities and number of tests:

- Civil drawings prepared Birkhoff, Hendrick & Carter, L.L.P. (BHC Project No. 2016-138) dated March 2018.

This proposal and budget estimate covers standard testing and concrete sampling and testing. All services will be on an on-call basis, scheduled by your site representatives. Actual quantities will vary.

Following are our estimated quantities and tests:

EARTHWORK

- Sample materials proposed for use as subgrade, trench backfill. Prepare and test the samples for Atterberg Limits (ASTM D4318), Percent Finer than No. 200 Sieve (ASTM D1140), and Moisture Density Relationship (ASTM D698).
- Perform field moisture and density test using the nuclear method (ASTM D6938) to determine the in-place moisture content and percent compaction of soil materials, and observation of the earthwork installation

| Item Description | Unit Rate | Quantity | Total |
|----------------------------------------------|-----------|----------|-------------|
| Trip Charge, each | \$35.00 | 50 | \$1,750.00 |
| Engineering Technician, hour | \$50.00 | 200 | \$10,000.00 |
| Proctor Sample 4" (ASTM D698), each | \$175.00 | 8 | \$1,400.00 |
| Atterberg Limits (D4318), each | \$55.00 | 8 | \$440.00 |
| Material Finer than #200 Sieve (D1140), each | \$45.00 | 8 | \$360.00 |
| Field Density Test, each (Min. 3 per trip) | \$15.00 | 1200 | \$18,000.00 |
| Clerical | \$65.00 | 15 | \$975.00 |
| Project Manager, hour | \$95.00 | 20 | \$1,900.00 |
| | Subtotal | | \$34,825.00 |

CONCRETE

- Henley-Johnston & Associates will staff project with ACI Certified technicians as specified in ACI 318. Concrete will be sampled in accordance with ASTM C172. Slump (ASTM C143), Air Content (ASTM C231), Temperature (ASTM C1064) and Unit Weight (ASTM C138) will be tested each time concrete is sampled.
- Concrete samples will be cast and stored on site in accordance with ASTM C31. After proper transportation to the lab, test cylinders will be tested in accordance with ASTM C617, C39, if needed, concrete cores will be obtained from the field in accordance with ASTM C42.
- If 6x12 Cylinders are required on this project and/or any particular concrete mix design a \$20 per cylinder charge will apply

| Item Description | Unit Rate | Quantity | Total |
|-----------------------------------------|-----------|----------|------------|
| Trip Charge, each | \$35.00 | 10 | \$350.00 |
| Concrete Technician, hour | \$50.00 | 40 | \$2,000.00 |
| Concrete Cylinders, each (Sets of Five) | \$15.00 | 50 | \$750.00 |
| Clerical | \$65.00 | 5 | \$325.00 |
| Project Manager, hour | \$95.00 | 8 | \$760.00 |
| | Subtotal | | \$4,185.00 |

The estimated total cost for this project is \$ 39,010.00.

This cost does not include failed tests, cancellations after arrival on site, stand-by time due to test locations not being ready when scheduled, or delays in the referenced construction schedule. This unit fees are valid for the duration of this project.

Additional services such as fire proofing, water proofing and maturity meters can be provided upon request.

It should be recognized that variations in construction schedules, weather, amount of re-testing, additional testing by our client, etc., could result in differences between the actual and estimated testing cost. Although efforts will be made to maintain the testing costs within the estimated amount, charges will be computed based on actual services rendered.

Unit rates are for local services portal to portal from our Dallas office, between our normal hours of 7:00 am and 5:00 pm, Monday through Friday. Overtime will be charged at the rate of 1.50 times the normal rate for hours worked on the project outside normal working hours, or over eight hours per day, including travel time. Only those services requested and authorized will be provided.

Services can be scheduled directly through the dispatcher at 214-536-0208. A minimum of 24-hours notice for scheduling of all services is required.

Please note that all quantities have been estimated and presented at fixed unit prices to provide you with an estimated expenditure for budgetary considerations. Please be assured that as the project progresses we will make every effort to provide our services in the most efficient and economical manner consistent with prudent engineering judgment. In order to remain current as the project progresses we request to be placed on the distribution list for all revised plans, drawings and RFI's. Services will be invoiced on a monthly basis with payment expected within 30 calendar days of receipt of the invoice.

Clarifications:

1. All field services will be charged portal to portal. There is a minimum four-hour charge for all site visits except trips for sample pick-up. Visits to the jobsite to pick up construction material samples will be billed a two-hour minimum or portal to portal, whichever is greater.
2. Vehicle Charges pertain to all site visits.
3. Each type of service will be billed independently, and the minimum charge will apply to each.
4. The turnaround time for proctors (ASTM D 698) is three business days. Please allow enough time for lab testing prior to scheduling field density test.
5. Reinforcement steel inspections must be scheduled in a manner that allows enough time for completion prior to concrete placement. Please take into consideration the amount or reinforcing and the size of placement when scheduling. Henley-Johnston is not responsible for any cost associated with placing concrete prior to a reinforcing steel inspection being complete.
6. HJA does not assume the responsibility for verifying that all required test are performed. If desired, testing frequencies and test locations can be monitored to assure that the required amount of testing is being performed, at an additional cost.
7. Allowances given in this proposal for project management and review include:
Attending construction meetings upon request.
Coordinate field and laboratory testing.

Communication with field technicians, Contractors, Consultants and Owner's representative.

Review of laboratory and field reports.

Manage project budget and invoicing.

8. Per project specifications, HJA will not accept or revoke any portion of the work.
9. In keeping with OSHA Safety regulation, HJA employees will not enter a trench that is not in compliance with current OSHA regulations. Delays or cancellation caused by waiting for trench(s) to be brought into compliance will be invoiced on an hourly basis and are not included in the cost estimate.
10. HJA does not assume the responsibility for verifying that all failed tests have been re-tested. If needed, site visits for re-inspection or testing can be scheduled through our dispatcher.

Authorization to proceed may be made by returning an executed copy of the proposal acceptance form to us.

We appreciate the opportunity to propose on this project and look forward to working with you. Please call us at 214-941-3808 if you have any questions or comments regarding any aspect of this proposal.

Sincerely,
Henley-Johnston & Associates, Inc.


Carlos Cordero
Project Manager
ccordero@hja-eng.com
Texas Firm Registration No. F-1238


Robert Ray
CMT Department Manager
ray@hja-eng.com



Council Agenda Item

Item 7
C'Sec Use Only

| | | | |
|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|-----------------------------|
| Budget Account Code: | N/A | Meeting Date: | February 12, 2019 |
| Budgeted Amount: | N/A | Department/ Requestor: | Finance |
| Fund Balance-before expenditure: | N/A | Prepared by: | Finance/H.R. Manager Savage |
| Estimated Cost: | N/A | Date Prepared: | January 11, 2019 |
| Exhibits: | <ul style="list-style-type: none">1. <u>Audit Presentation – September 30, 2018</u>2. <u>Annual Financial Report – Year Ended September 30, 2018</u> | | |

AGENDA SUBJECT

CONSIDERATION AND/OR ANY APPROPRIATE ACTION ON ANNUAL AUDIT REPORT. [SAVAGE]

SUMMARY

Jon Watson with BrooksWatson, PLLC will present the final audit results to Council.

POSSIBLE ACTION

Council may direct staff to take appropriate action.

| Inter – Office Use | | | |
|--------------------------------|----------------------|-------|------------|
| Approved by: | | | |
| Department Head/ Requestor: | <i>Grant Savage</i> | Date: | 02/07/2019 |
| City Attorney: | | Date: | |
| City Administrator: | <i>Luke B. Olson</i> | Date: | 02/08/2019 |



Parker, Texas Audit Presentation September 30, 2018

Presented By: Jon Watson, CPA
February 12, 2019



BW&G

CERTIFIED PUBLIC ACCOUNTANTS

OVERVIEW OF THE AUDIT PROCESS

Audit Planning and Risk Assessment

- Preliminary analytics – changes year over year
- Internal controls – gain understanding
- Assessing financial and fraud risk
- Designing audit procedures – Risk Based Approach

OVERVIEW OF THE AUDIT PROCESS

Audit Fieldwork & Completion and Reporting

Typical audit procedures as part of our audit fieldwork include:

- Agreeing financial statements to underlying records and activity
- Inspection of documents, inquiry of individuals providing information
- Confirmations – cash, debt, receivables, revenue, grants, etc.
- Analytical procedures – comparing actual results to expectations

Audit Completion and Reporting Procedures Include:

- Evaluate the sufficiency and appropriateness of audit evidence obtained.
- Perform an overall analytical review.
- Evaluate and conclude on the results of audit procedures.
- Prepare or assist in the preparation of the City's Annual Financial Report.
- Issue the Auditor's Opinion (report).

COMPONENTS OF THE ANNUAL FINANCIAL REPORT

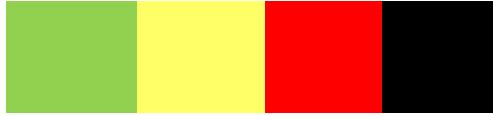
- ❖ Auditor's Opinion
- ❖ Management's Discussion and Analysis
- ❖ Basic Financial Statements
- Government-Wide Statements
 - Fund Level Statements
 - Notes to the Financial Statements
- ❖ Required Supplementary Information
 - Budget to Actual – General Fund
 - TMRS Pension Schedules
 - TMRS OPEB Schedule

INDEPENDENT AUDITOR'S REPORT

REFERENCE AFR – PAGE 2

❖ Four possible outcomes

- Unmodified
- Modified
- Disclaimed
- Adverse



- ❖ The City received an unmodified opinion
- ❖ Highest level of assurance

FINANCIAL HIGHLIGHTS

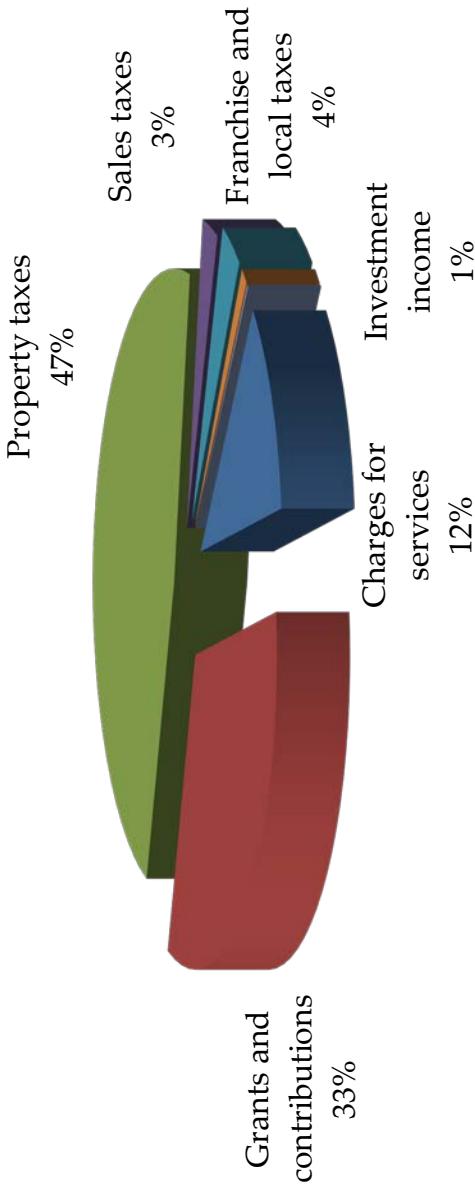
REFERENCE AFR – PAGE 7

- ❖ Total assets exceeded total liabilities by \$59,003,055.
- ❖ City's governmental funds reported a combined ending fund balance of \$5,768,891, an increase of \$244,139.
- ❖ Unassigned fund balance in the general fund was \$4,493,461 or 121% of annual general fund expenditures.
- ❖ The City had an overall increase in net position of \$5,379,093 for the year.

City Revenues – Governmental Activities

GOVERNMENTAL ACTIVITIES – YEAR ENDING 9/30/18 - REFERENCE AFR PAGES 20 & 21

Governmental Activities - Revenues



- ❖ Total governmental revenues were \$6,657,904
- ❖ Total charges for services were \$780,123
- ❖ Total grants and contributions were \$2,175,459
- ❖ Total property taxes were \$3,168,535
- ❖ Total sales taxes were \$200,467
- ❖ Total franchise and local taxes were \$246,961

STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS – YEAR ENDING 9/30/18 - REFERENCE AFR PAGES 26 & 27

| | Debt General | Service Revenue | Capital Projects | (Nonmajor) Volunteer FD | Total |
|----------------------------------------|---------------------|--------------------|---------------------|----------------------------|---------------------|
| <u>Revenues</u> | \$ 3,944,649 | \$ 527,996 | \$ 37,462 | \$ 10,774 | \$ 4,520,881 |
| <u>Expenditures</u> | <u>3,724,575</u> | <u>505,250</u> | <u>-</u> | <u>46,917</u> | <u>4,276,742</u> |
| | | | | | |
| Excess (Deficiency) | 220,074 | 22,746 | 37,462 | (36,143) | 244,139 |
| | | | | | |
| Net Change in Fund Balances | 220,074 | 22,746 | 37,462 | (36,143) | 244,139 |
| | | | | | |
| Beginning fund balances | 4,419,712 | 145,368 | 731,891 | 227,781 | 5,524,752 |
| Ending Fund Balances | \$ 4,639,786 | \$ 168,114 | \$ 769,353 | \$ 191,638 | \$ 5,768,891 |

SCHEDULE OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCE (Budget & Actual)

GENERAL FUND – YEAR ENDING 9/30/18 - REFERENCE AFR PAGE 71

| | | Variance with Final Budget | |
|---------------------|------------------------------------|-------------------------------|------------------|
| | | Positive | (Negative) |
| | | Final Budget | Actual |
| <u>Revenues</u> | | | |
| | Total Revenues | <u>3,846,323</u> | <u>3,944,649</u> |
| <u>Expenditures</u> | | | |
| | Total Expenditures | <u>4,087,407</u> | <u>3,724,575</u> |
| | Revenues Over (Under) Expenditures | <u>(241,084)</u> | <u>220,074</u> |
| | Net Change in Fund Balance | \$ <u>(241,084)</u> | 220,074 |
| | Beginning fund balance | | |
| | Ending Fund Balance | | <u>461,158</u> |
| | | <u>4,419,712</u> | |
| | | \$ <u>4,639,786</u> | |

STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN NET POSITION

PROPRIETARY FUND – YEAR ENDING 9/30/18 - REFERENCE AFR PAGE 31

| | |
|-------------------------------------------|-----------------------------------|
| Operating Revenues | Water, Sewer & Sanitation Fund |
| | <u>4,895,871</u> |
| Operating Expenses | Total Operating Expenses |
| | <u>3,137,134</u> |
| Nonoperating Revenues (Expenses) | Operating Income (Loss) |
| Total Nonoperating Revenues (Expenses) | <u>1,758,737</u> |
| Income Before Developer Contributions | |
| Contributed capital assets from developer | <u>2,285,750</u> |
| Change in Net Position | 3,838,667 |
| Beginning net position | <u>14,496,665</u> |
| Ending Net Position | <u>\$ 18,335,332</u> |

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

YEARS ENDING DECEMBER 31 - REFERENCE AFR PAGE 72

| | 2017 | 2016 | 2015 | 2014 |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Total pension liability | | | | |
| Service cost | \$ 177,420 | \$ 169,837 | \$ 142,149 | \$ 113,443 |
| Interest | 226,154 | 207,380 | 196,185 | 189,492 |
| Difference in experience | 19,112 | 52,583 | (2,192) | (43,077) |
| Change in assumptions | - | - | 81,015 | - |
| Benefit payments | (146,144) | (164,770) | (157,911) | (199,299) |
| Net change in total pension liability | 276,542 | 265,030 | 259,246 | 60,559 |
| Total pension liability - beginning | 3,334,798 | 3,069,768 | 2,810,522 | 2,749,963 |
| Total pension liability - ending | 3,611,340 | 3,334,798 | 3,069,768 | 2,810,522 |
| Plan fiduciary net position | | | | |
| Contributions | \$ 240,473 | \$ 216,389 | \$ 200,749 | \$ 171,627 |
| Net investment income | 332,048 | 148,469 | 3,182 | 118,262 |
| Benefit payments | (146,144) | (164,770) | (157,911) | (199,299) |
| Admin expenses and other | (1,810) | (1,769) | (2,034) | (1,337) |
| Plan fiduciary net position - change | 424,567 | 198,319 | 43,986 | 89,253 |
| Total pension liability - beginning | 2,398,763 | 2,200,444 | 2,156,458 | 2,067,205 |
| Total pension liability - ending | 2,823,330 | 2,398,763 | 2,200,444 | 2,156,458 |
| Net pension liability | \$ 788,010 | \$ 936,035 | \$ 869,324 | \$ 654,064 |

- ❖ The City's current funded ratio is 78%. Prior year was 72%. 70% is considered adequate by Fitch Ratings. Less than 60% is considered weak
- ❖ The City's contribution rates for three years (2018–2016) were 12.50%, 12.47 %, 11.40 %

CONCLUSION

Other Communications and Questions

Presented By: Jon Watson, CPA
February 12, 2019

ANNUAL FINANCIAL REPORT

of the

City of Parker, Texas

**For the Year Ended
September 30, 2018**

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City of Parker, Texas

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September 30, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Parker, Texas:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Emphasis of Matter

As discussed in Note V.G. the City has restated beginning fund balance/net position within governmental and business-type activities due to the implementation of GASB No. 75. In addition, the City also restated beginning net position/fund balance within governmental activities and business-type activities to correct accounting errors. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability and related ratios, schedule of employer contributions to pension plan, schedule of changes in other postemployment benefits liability and related ratios, and general fund budgetary comparison information 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.

A handwritten signature in black ink that reads "Brooks Watson & Co." The signature is fluid and cursive, with "Brooks" on the first line and "Watson & Co." on the second line.

BrooksWatson & Co., PLLC
Certified Public Accountants
Houston, Texas
January 10, 2019

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***MANAGEMENT'S DISCUSSION
AND ANALYSIS***

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City of Parker, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

September 30, 2018

As management of the City of Parker, Texas (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2018.

Financial Highlights

- The City's total combined net position is \$59,003,055 at September 30, 2018. Of this, \$6,605,005 (unrestricted net position) may be used to meet the City's ongoing obligations to its citizens and creditors.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$5,768,891, an increase of \$244,139.
- As of the end of the year, the unassigned fund balance of the general fund was \$4,493,461 or 121% of total general fund expenditures.
- The City had an overall increase in net position of \$5,379,093, which is primarily due to capital assets contributed by a developer during the year.
- The City budgeted a deficit to fund balance for the general fund of \$241,084 for the year. The actual activity resulted in an increase in the fund balance for the general fund of \$220,074. This resulted in a positive overall variance between budget to actual of \$461,158.

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 Statements

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

The *statement of net position* presents information on all of the City's assets, liabilities, and deferred inflows/outflows 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. Other non-financial factors, such as the City's property tax base and the condition of the City's infrastructure, need to be considered in order to assess the overall health of the City.

City of Parker, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

September 30, 2018

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, culture and recreation, and community development. The business-type activities of the City include water, sewer and sanitation operations.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also the legally separate Parker Volunteer Fire Department for which the City is financially accountable. Although legally separate, the Fire Department functions for all practical purposes as a department of the City and therefore has been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 18 through 21 of this report.

FUND FINANCIAL STATEMENTS

Funds may be considered as operating companies of the parent corporation, which is the City of Parker. They are usually segregated for specific activities or objectives. The City of Parker uses fund accounting to ensure and demonstrate compliance with finance-related legal reporting requirements. The two categories of City funds are governmental and proprietary.

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 year. Such information may be useful in evaluating the City's near-term financing requirements.

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

City of Parker, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

September 30, 2018

revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Parker maintains four 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, debt service, and capital projects funds which are considered to be major funds.

The City of Parker adopts an annual appropriated budget for its general, debt service, capital projects, and utility funds. A budgetary comparison schedule has been provided to demonstrate compliance with the general fund budget.

Proprietary Funds

The City maintains one type of proprietary fund which is considered an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water distribution, wastewater collection/treatment, water construction operations and sanitation services. The proprietary fund financial statements provide separate information for the water distribution, wastewater collection/treatment fund, and sanitation funds. The basic proprietary fund financial statements can be found in the basic financial statements of this report.

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are the last section of the basic financial statements.

Other Information

In addition to the basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The RSI that GASB Statement No. 34 requires includes a budgetary comparison schedule for the general fund and schedule of changes in net pension liability and related ratios for Texas Municipal Retirement System. The RSI can be found after the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, net position may serve over time as a useful indicator of the City's financial position. For the City of Parker, assets exceeded liabilities by \$59,003,055 as of September 30, 2018, in the primary government.

City of Parker, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

September 30, 2018

The largest portion of the City's net position, \$51,996,241, reflects its investments in capital assets (e.g., land, city hall, police station, streets, and drainage systems, as well as the public works facilities), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

Capital assets of Governmental Activities as of September 30, 2018 and September 30, 2017 were \$38,331,967 and \$37,423,603, respectively. The increase of \$908,364, net of depreciation expense, was primarily attributable to street developments contributed by a developer for \$2,162,805. Long-term liabilities of Governmental Activities as of September 30, 2018 and September 30, 2017 were \$3,143,405 and \$3,679,887, respectively. The decrease of \$536,482 is primarily due to principal payments made during the current year.

Capital assets of Business-Type Activities as of September 30, 2018 and September 30, 2017 were \$17,638,610 and \$14,314,860, respectively. The increase of \$3,323,750, net of depreciation expense, was primarily attributable to water system developments contributed by a developer for \$2,285,750. Current assets of Business-Type Activities as of September 30, 2018 and September 30, 2017 were \$9,990,724 and \$2,766,305, respectively. The increase of \$7,224,419 was primarily related to the issuance of \$6,075,000 combination tax and revenue bonds in the current year. Long-term liabilities of Business-Type Activities as of September 30, 2018 and September 30, 2017 were \$8,591,540 and \$2,382,067, respectively. The increase of \$6,209,473 was primarily due to the aforementioned bond issuance in the current year.

City of Parker, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2018

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

| | 2018 | | | 2017 | | |
|---------------------------------------|-------------------------|----------------------|--------------------------|-------------------------|----------------------|--------------------------|
| | Governmental Activities | | Business-Type Activities | Governmental Activities | | Business-Type Activities |
| | | | Total | | | Total |
| Current and other assets | \$ 6,289,500 | \$ 9,990,724 | \$ 16,280,224 | \$ 5,921,583 | \$ 2,766,305 | \$ 8,687,888 |
| Capital assets, net | 38,331,967 | 17,638,610 | 55,970,577 | 37,423,603 | 14,314,860 | 51,738,463 |
| Total Assets | 44,621,467 | 27,629,334 | 72,250,801 | 43,345,186 | 17,081,165 | 60,426,351 |
| Deferred Outflows of Resources | 210,650 | 95,232 | 305,882 | 286,993 | 120,078 | 407,071 |
| Other liabilities | 964,871 | 782,139 | 1,747,010 | 824,995 | 322,511 | 1,147,506 |
| Long-term liabilities | 3,143,405 | 8,591,540 | 11,734,945 | 3,679,887 | 2,382,067 | 6,061,954 |
| Total Liabilities | 4,108,276 | 9,373,679 | 13,481,955 | 4,504,882 | 2,704,578 | 7,209,460 |
| Deferred Inflows of Resources | 56,118 | 15,555 | 71,673 | - | - | - |
| Net Position: | | | | | | |
| Net investment in capital assets | 36,365,084 | 15,631,157 | 51,996,241 | 35,049,355 | 12,325,166 | 47,374,521 |
| Restricted | 401,809 | - | 401,809 | 411,146 | - | 411,146 |
| Unrestricted | 3,900,830 | 2,704,175 | 6,605,005 | 3,666,796 | 2,171,499 | 5,838,295 |
| Total Net Position | \$ 40,667,723 | \$ 18,335,332 | \$ 59,003,055 | \$ 39,127,297 | \$ 14,496,665 | \$ 53,623,962 |

City of Parker, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2018

Statement of Activities:

The following table provides a summary of the City's changes in net position:

| | For the Year Ended September 30, 2018 | | | For the Year Ended September 30, 2017 | | |
|-------------------------------|---------------------------------------|--------------------------|----------------------|---------------------------------------|--------------------------|----------------------|
| | | | Total | | | Total |
| | Governmental Activities | Business-Type Activities | Primary Government | Governmental Activities | Business-Type Activities | Primary Government |
| Revenues | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 780,123 | \$ 4,603,275 | \$ 5,383,398 | \$ 551,181 | \$ 3,335,129 | \$ 3,886,310 |
| Grants and contributions | 2,175,459 | 2,578,346 | 4,753,805 | 2,538,775 | 1,153,003 | 3,691,778 |
| General revenues: | | | | | | |
| Property taxes | 3,168,535 | - | 3,168,535 | 2,880,063 | - | 2,880,063 |
| Sales taxes | 200,467 | - | 200,467 | 165,955 | - | 165,955 |
| Franchise and local taxes | 246,961 | - | 246,961 | 234,695 | - | 234,695 |
| Investment income | 75,006 | 12,306 | 87,312 | 40,325 | 5,566 | 45,891 |
| Other revenues | 11,353 | - | 11,353 | 46,897 | - | 46,897 |
| Total Revenues | 6,657,904 | 7,193,927 | 13,851,831 | 6,457,891 | 4,493,698 | 10,951,589 |
| Expenses | | | | | | |
| General government | 788,270 | - | 788,270 | 837,090 | - | 837,090 |
| Public safety | 2,049,444 | - | 2,049,444 | 1,690,941 | - | 1,690,941 |
| Transportation | 2,178,853 | - | 2,178,853 | 1,938,875 | - | 1,938,875 |
| Culture and recreation | 10,619 | - | 10,619 | 10,618 | - | 10,618 |
| Interest and fiscal charges | 90,292 | 218,126 | 308,418 | 100,874 | 74,350 | 175,224 |
| Water, sewer, & sanitation | - | 3,137,134 | 3,137,134 | - | 2,998,395 | 2,998,395 |
| Total Expenses | 5,117,478 | 3,355,260 | 8,472,738 | 4,578,398 | 3,072,745 | 7,651,143 |
| Change in Net Position | 1,540,426 | 3,838,667 | 5,379,093 | 1,879,493 | 1,420,953 | 3,300,446 |
| Beginning Net Position | 39,127,297 | 14,496,665 | 53,623,962 | 37,247,804 | 13,075,712 | 50,323,516 |
| Ending Net Position | \$ 40,667,723 | \$ 18,335,332 | \$ 59,003,055 | \$ 39,127,297 | \$ 14,496,665 | \$ 53,623,962 |

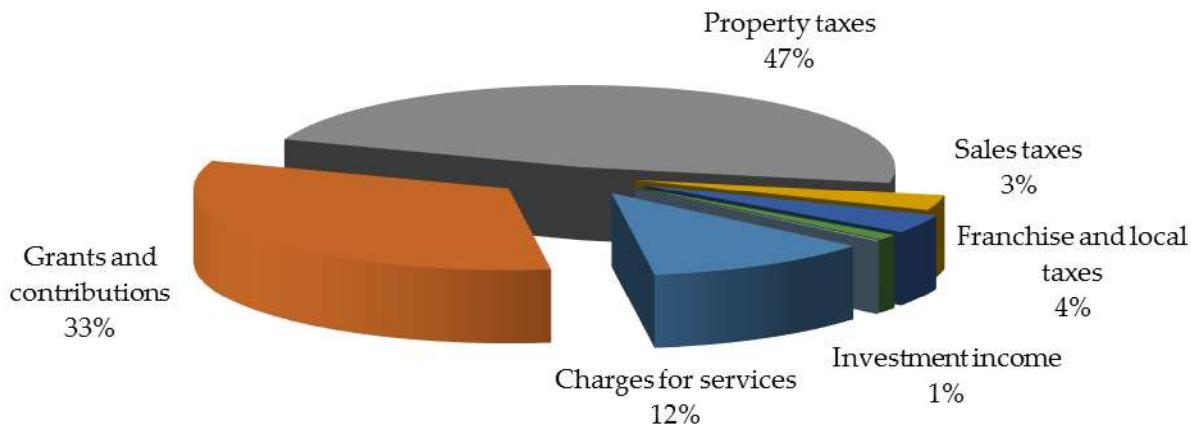
City of Parker, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

September 30, 2018

Graphic presentations of selected data from the summary tables are displayed below to assist in the analysis of the City's activities.

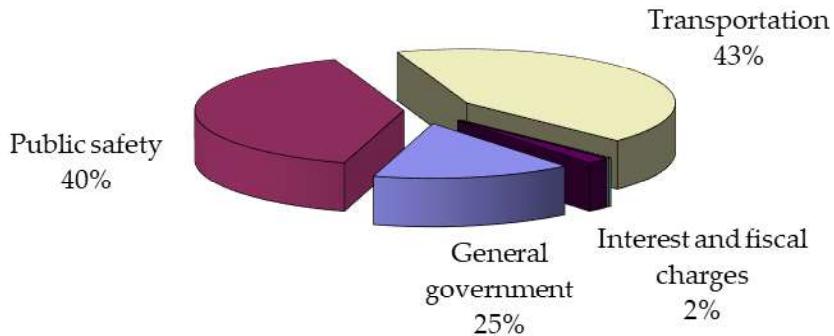
Governmental Activities - Revenues



For the year ended September 30, 2018, revenues from governmental activities totaled \$6,657,904. Property tax and grants and contributions are the City's largest revenue sources. Property tax increased \$288,472 or 10% due to an increase to the taxable appraisal value of properties. Grants and contributions decreased \$363,316 or 14% due to more significant streets development contributions received in the prior year. Sales tax and franchise tax revenues increased \$34,512 or 21% and \$12,266 or 5%, respectively, due to increased economic growth. Other revenues decreased \$35,544 or 76% due to supplemental insurance reimbursements received for hail damage in the prior year. All other revenues remained relatively stable when compared to the previous year.

This graph shows the governmental function expenses of the City:

Governmental Activities - Expenses



City of Parker, Texas

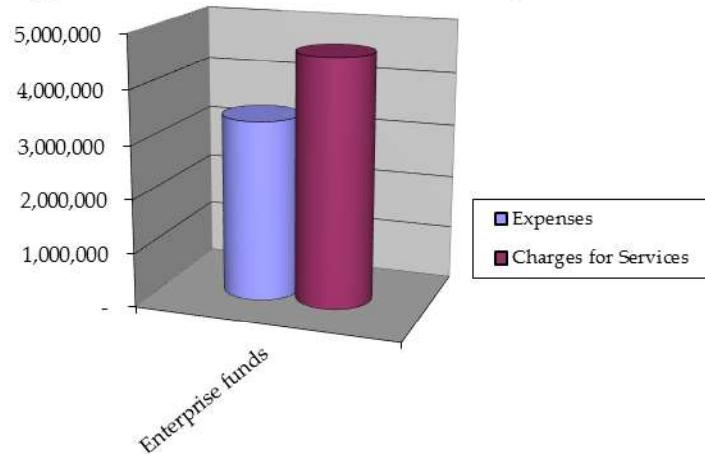
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

September 30, 2018

For the year ended September 30, 2018, expenses for governmental activities totaled \$5,117,478. This represents an increase of \$539,080 or 12% from the prior year. The City's largest functional expense is transportation for \$2,178,853, which is primarily depreciation of transportation related assets. Transportation expenses increased by \$239,978 or 12% from prior year. The increase was primarily a result of additional depreciation on capital assets put into service during the year. General government expenses increased by \$48,820 or 6% primarily due to increased wages, stipend pay, and employee benefits. Public safety expenses increased by \$358,503 or 21% primarily due to new hires of part-time firefighters and a police officer, and depreciation on additional capital assets acquired.

Business-type activities are shown comparing operating costs to revenues generated by related services.

Business-Type Activities - Revenues and Expenses



For the year ended September 30, 2018, charges for services by business-type activities totaled \$4,603,275. This is an increase of \$1,268,146, or 38% from the previous year. This increase directly relates to increases in the water rates and consumption, as new housing developments were built in the City.

Total expenses for business-type activities increased \$282,515 or 9% due primarily to the recognition of bond issuance costs, as the City issued combination tax and revenue bonds in the current year. In addition, the cost of garbage and sewer services increased compared to the prior year. All other expenses remained relatively consistent.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

City of Parker, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

September 30, 2018

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

As of the end of the year the general fund reflected a total fund balance of \$4,639,786. Of this, \$41,054 is restricted for municipal court, \$1,003 is restricted for police seizures, and \$104,268 is committed for capital improvements. The unassigned fund balance totaled \$4,493,461 as of yearend.

As of September 30, 2018, the debt service fund reflected a fund balance of \$168,114, an increase of \$22,746 from the prior year. The fund experienced an increase primarily due to property tax revenues exceeding debt service expenses.

As of September 30, 2018, the capital projects fund reflected a fund balance of \$769,353, an increase of \$37,462 from the prior year. This increase is primarily due to the lack of capital outlay expenditures incurred in the current year.

There was an increase in governmental fund balance of \$244,139 from the prior year. The increase was primarily related to greater than anticipated general fund revenues and less than anticipated general fund expenditures.

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

GENERAL FUND BUDGETARY HIGHLIGHTS

There was a total positive budget variance of \$461,158 in the general fund. This was primarily the result of positive expenditure variances totaling \$362,832. All expenditures were less than budgeted.

CAPITAL ASSETS

As of the end of the year, the City's governmental activities funds had invested \$38,331,967 in a variety of capital assets and infrastructure, net of accumulated depreciation. Depreciation is included with the governmental capital assets as required by GASB Statement No. 34. The City's business-type activities funds had invested \$17,638,610 in a variety of capital assets and infrastructure, net of accumulated depreciation.

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

- Water system developments contributed by developer for \$2,285,750.
- Streets developments contributed by developer for \$2,162,805.

City of Parker, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

September 30, 2018

- Streets improvements of \$444,378.
- Purchase of general government and public safety vehicles and equipment for \$344,426.
- Water line improvements of \$1,436,623.
- Sensus system upgrade for \$52,324.

More detailed information about the City's capital assets is presented in note IV. D. to the financial statements.

LONG-TERM DEBT

At the end of the current year, the City had total bonds outstanding of \$10,610,081. The City issued \$6,075,000 of combination tax and revenue bonds in the current year. During the year, principal payments totaling \$699,919 were made. More detailed information about the City's long-term liabilities is presented in note IV. E. to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Mayor and City Council are committed to maintaining and improving the overall wellbeing of the City of Parker and improving services provided to their public citizens. The City is budgeting for growth in the upcoming year.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City of Parker's finances for all those with an interest in the City's finances. Questions concerning this report or requests for additional financial information should be directed to the City Administrator, 5700 East Parker Road, Parker, Texas 75002.

FINANCIAL STATEMENTS

City of Parker, Texas
STATEMENT OF NET POSITION (Page 1 of 2)
September 30, 2018

| | Primary Government | | |
|---------------------------------------|---------------------------------------------|-------------------------------------|-------------------|
| | Governmental Activities | Business-Type Activities | Total |
| | | | |
| Assets | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 10,134,935 | \$ 2,850,924 | \$ 12,985,859 |
| Investments | 2,425,890 | - | 2,425,890 |
| Receivables, net | 146,875 | 361,838 | 508,713 |
| Grant receivables | - | 355,605 | 355,605 |
| Prepaid expenses | - | 4,157 | 4,157 |
| Internal balances | (6,418,200) | 6,418,200 | - |
| | Total Current Assets | 6,289,500 | 9,990,724 |
| | | | 16,280,224 |
| Capital assets: | | | |
| Non-depreciable | 889,669 | 1,670,058 | 2,559,727 |
| Net depreciable capital assets | 37,442,298 | 15,968,552 | 53,410,850 |
| | Total Assets | 38,331,967 | 55,970,577 |
| | | 44,621,467 | 72,250,801 |
| Deferred Outflows of Resources | | | |
| Pension contributions | 98,283 | 27,242 | 125,525 |
| OPEB contributions | 160 | 44 | 204 |
| Pension experience vs. assumptions | 52,832 | 14,644 | 67,476 |
| OPEB experience vs. assumptions | 2,328 | 645 | 2,973 |
| Deferred charge on refunding | 57,047 | 52,657 | 109,704 |
| | Total Deferred Outflows of Resources | 210,650 | 95,232 |
| | | 305,882 | |

City of Parker, Texas
STATEMENT OF NET POSITION (Page 2 of 2)
September 30, 2018

| | Primary Government | | |
|---------------------------------------------|------------------------------------|-------------------------------------|----------------------|
| | Governmental Activities | Business-Type Activities | Total |
| | | | |
| <u>Liabilities</u> | | | |
| Current liabilities: | | | |
| Accounts payable and accrued liabilities | 333,187 | 845,688 | 1,178,875 |
| Customer deposits | 110,000 | - | 110,000 |
| Accrued interest payable | 11,165 | 36,772 | 47,937 |
| Unearned revenue | 23,776 | - | 23,776 |
| Noncurrent liabilities due within one year | 486,743 | 310,361 | 797,104 |
| | <u>964,871</u> | <u>1,192,821</u> | <u>2,157,692</u> |
| Noncurrent liabilities: | | | |
| Due in more than one year | 2,491,663 | 8,000,210 | 10,491,873 |
| Net pension liability | 616,993 | 171,017 | 788,010 |
| OPEB liability | 34,749 | 9,631 | 44,380 |
| | <u>3,143,405</u> | <u>8,180,858</u> | <u>11,324,263</u> |
| Total Liabilities | <u>4,108,276</u> | <u>9,373,679</u> | <u>13,481,955</u> |
| <u>Deferred Inflows of Resources</u> | | | |
| Pension investment earnings | 56,118 | 15,555 | 71,673 |
| <u>Net Position</u> | | | |
| Net investment in capital assets | 36,365,084 | 15,631,157 | 51,996,241 |
| Restricted | 401,809 | - | 401,809 |
| Unrestricted | 3,900,830 | 2,704,175 | 6,605,005 |
| Total Net Position | <u>\$ 40,667,723</u> | <u>\$ 18,335,332</u> | <u>\$ 59,003,055</u> |

See Notes to Financial Statements.

City of Parker, Texas

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2018

| Functions/Programs | Expenses | Program Revenues | | | |
|---------------------------------------|---------------------|----------------------|------------------------------------|----------------------------------|--|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| Primary Government | | | | | |
| Governmental Activities | | | | | |
| General government | \$ 788,270 | \$ 556,018 | \$ 1,554 | \$ - | |
| Public safety | 2,049,444 | 224,105 | - | 11,100 | |
| Transportation | 2,178,853 | - | - | 2,162,805 | |
| Culture and recreation | 10,619 | - | - | - | |
| Interest and fiscal charges | 90,292 | - | - | - | |
| Total Governmental Activities | 5,117,478 | 780,123 | 1,554 | 2,173,905 | |
| Business-Type Activities | | | | | |
| Water, Sewer, & Sanitation | 3,355,260 | 4,603,275 | - | 2,578,346 | |
| Total Business-Type Activities | 3,355,260 | 4,603,275 | - | 2,578,346 | |
| Total Primary Government | \$ 8,472,738 | \$ 5,383,398 | \$ 1,554 | \$ 4,752,251 | |

General Revenues:

Taxes
 Property taxes
 Sales taxes
 Franchise and local taxes
 Investment income
 Other revenues

Total General Revenues

Change in Net Position

Beginning Net Position

Ending Net Position

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position

| Primary Government | | | |
|--------------------------------|---------------------------------|----------------------|--|
| Governmental Activities | Business-Type Activities | Total | |
| \$ (230,698) | \$ - | \$ (230,698) | |
| (1,814,239) | - | (1,814,239) | |
| (16,048) | - | (16,048) | |
| (10,619) | - | (10,619) | |
| (90,292) | - | (90,292) | |
| (2,161,896) | - | (2,161,896) | |
| | | | |
| | 3,826,361 | 3,826,361 | |
| | 3,826,361 | 3,826,361 | |
| (2,161,896) | 3,826,361 | 1,664,465 | |
| | | | |
| 3,168,535 | - | 3,168,535 | |
| 200,467 | - | 200,467 | |
| 246,961 | - | 246,961 | |
| 75,006 | 12,306 | 87,312 | |
| 11,353 | - | 11,353 | |
| 3,702,322 | 12,306 | 3,714,628 | |
| | | | |
| 1,540,426 | 3,838,667 | 5,379,093 | |
| 39,127,297 | 14,496,665 | 53,623,962 | |
| \$ 40,667,723 | \$ 18,335,332 | \$ 59,003,055 | |

City of Parker, Texas

BALANCE SHEET GOVERNMENTAL FUNDS September 30, 2018

| | General | Debt Service | Capital Projects |
|-------------------------------------------------------------------------------|----------------------------|--------------------------|----------------------------|
| Assets | | | |
| Cash and cash equivalents | \$ 2,501,749 | \$ 168,114 | \$ 7,339,736 |
| Investments | 2,359,157 | - | - |
| Receivables, net | 141,331 | 5,544 | - |
| Due from other funds | 35,092 | - | - |
| Total Assets | <u>\$ 5,037,329</u> | <u>\$ 173,658</u> | <u>\$ 7,339,736</u> |
| Liabilities | | | |
| Accounts payable and accrued liabilities | \$ 215,665 | \$ - | \$ 117,091 |
| Customer deposits | 110,000 | - | - |
| Unearned revenue | 23,776 | - | - |
| Due to other funds | - | - | 6,453,292 |
| Total Liabilities | <u>349,441</u> | <u>-</u> | <u>6,570,383</u> |
| Deferred Inflows of Resources | | | |
| Unavailable revenue - property taxes | 24,751 | 5,544 | - |
| Unavailable revenue - franchise taxes | 23,351 | - | - |
| Total Deferred Inflows of Resources | <u>48,102</u> | <u>5,544</u> | <u>-</u> |
| Fund Balances | | | |
| Restricted for: | | | |
| Municipal court | 41,054 | - | - |
| Police seizures | 1,003 | - | - |
| Debt service | - | 168,114 | - |
| Capital projects | - | - | 769,353 |
| Fire department | - | - | - |
| Committed for: | | | |
| Capital improvements | 104,268 | - | - |
| Unassigned reported in: | | | |
| General fund | 4,493,461 | - | - |
| Total Fund Balances | <u>4,639,786</u> | <u>168,114</u> | <u>769,353</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 5,037,329</u> | <u>\$ 523,099</u> | <u>\$ 1,118,794</u> |

See Notes to Financial Statements.

| Nonmajor Volunteer Fire Department | Total Governmental Funds |
|---------------------------------------------------|-----------------------------------------|
| \$ 125,336 | \$ 10,134,935 |
| 66,733 | 2,425,890 |
| - | 146,875 |
| - | 35,092 |
| <u>\$ 192,069</u> | <u>\$ 12,742,792</u> |

| | |
|-------------------|-------------------------|
| \$ 431 | \$ 333,187 |
| - | 110,000 |
| - | 23,776 |
| - | 6,453,292 |
| <u>431</u> | <u>6,920,255</u> |
| - 30,295 | - 23,351 |
| <u>-</u> | <u>53,646</u> |

| | |
|--------------------------|----------------------------|
| - | 41,054 |
| - | 1,003 |
| - | 168,114 |
| - | 769,353 |
| 191,638 | 191,638 |
| - 104,268 | - 4,493,461 |
| <u>-</u> | <u>5,768,891</u> |
| <u>\$ 541,079</u> | <u>\$ 6,171,978</u> |

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City of Parker, Texas

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION GOVERNMENTAL FUNDS

September 30, 2018

| | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| Fund Balances - Total Governmental Funds | \$ 5,768,891 |
| Adjustments for the Statement of Net Position: | |
| Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds. | |
| Capital assets - non-depreciable | 889,669 |
| Capital assets - net depreciable | 37,442,298 |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds. | |
| Property taxes | 30,295 |
| Franchise taxes | 23,351 |
| Deferred outflows of resources, represent a consumption of net position that applies to a future period(s) and is not recognized as an outflow of resources (expense/ expenditure) until then. | |
| Deferred charge on refunding | 57,047 |
| Pension contributions | 98,283 |
| OPEB contributions | 160 |
| Pension experience vs. assumptions | 52,832 |
| OPEB experience vs. assumptions | 2,328 |
| Deferred inflows of resources, represents an acquisition of net position that applies to a future(s) and is not recognized as an inflow of resources (revenues) until then. | |
| Pension investment earnings | (56,118) |
| Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds. | |
| Accrued interest | (11,165) |
| Bond premium | (59,817) |
| Net pension liability | (616,993) |
| OPEB liability | (34,749) |
| Non-current liabilities due in one year | (486,743) |
| Non-current liabilities due in more than one year | (2,431,846) |
| Net Position of Governmental Activities | \$ 40,667,723 |

See Notes to Financial Statements.

City of Parker, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS

For the Year Ended September 30, 2018

| | General | Debt Service | Capital Projects |
|-----------------------------------------------------|---------------------|-------------------|---------------------|
| Revenues | | | |
| Property tax | \$ 2,654,355 | \$ 527,996 | \$ - |
| Sales tax | 200,467 | - | - |
| Franchise and local taxes | 249,597 | - | - |
| License and permits | 556,018 | - | - |
| Contributions and donations | 600 | - | - |
| Intergovernmental | 1,554 | - | - |
| Fines and forfeitures | 224,105 | - | - |
| Investment income | 46,700 | - | 28,132 |
| Other revenue | 11,253 | - | 9,330 |
| Total Revenues | 3,944,649 | 527,996 | 37,462 |
| Expenditures | | | |
| Current: | | | |
| General government | 671,640 | - | - |
| Police department | 1,227,665 | - | - |
| Municipal court | 177,400 | - | - |
| Fire department | 585,391 | - | - |
| Building and code enforcement | 133,764 | - | - |
| Public works | 767,532 | - | - |
| City property | 95,637 | - | - |
| Capital outlay | 65,546 | - | - |
| Debt Service: | | | |
| Principal | - | 410,714 | - |
| Interest and fiscal charges | - | 94,536 | - |
| Total Expenditures | 3,724,575 | 505,250 | - |
| Excess of Revenues Over (Under) Expenditures | 220,074 | 22,746 | 37,462 |
| Net Change in Fund Balances | 220,074 | 22,746 | 37,462 |
| Beginning fund balances | 4,419,712 | 145,368 | 731,891 |
| Ending Fund Balances | \$ 4,639,786 | \$ 168,114 | \$ 769,353 |

See Notes to Financial Statements.

| <u>Nonmajor</u> <u>Volunteer Fire</u> <u>Department</u> | <u>Total</u> <u>Governmental</u> <u>Funds</u> |
|---------------------------------------------------------------|-----------------------------------------------------|
| \$ - | \$ 3,182,351 |
| - | 200,467 |
| - | 249,597 |
| - | 556,018 |
| 10,500 | 11,100 |
| - | 1,554 |
| - | 224,105 |
| 174 | 75,006 |
| 100 | 20,683 |
| <u>10,774</u> | <u>4,520,881</u> |

| | |
|---------------|------------------|
| 580 | 672,220 |
| - | 1,227,665 |
| - | 177,400 |
| 46,337 | 631,728 |
| - | 133,764 |
| - | 767,532 |
| - | 95,637 |
| - | 65,546 |
| - | 410,714 |
| - | 94,536 |
| <u>46,917</u> | <u>4,276,742</u> |

| | |
|-------------------|---------------------|
| (36,143) | 244,139 |
| (36,143) | 244,139 |
| <u>227,781</u> | <u>5,524,752</u> |
| <u>\$ 191,638</u> | <u>\$ 5,768,891</u> |

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City of Parker, Texas

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended September 30, 2018

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

| | |
|---------------------------------------------------------|------------|
| Net changes in fund balances - total governmental funds | \$ 244,139 |
|---------------------------------------------------------|------------|

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

| | |
|-------------------------------------------|-------------|
| Capital outlay | 837,989 |
| Depreciation expense | (2,083,100) |
| Adjustment for disposal of capital assets | (9,330) |

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

| | |
|-------------------------------------------|-----------|
| Property and franchise taxes | (16,452) |
| Capital assets contributed from developer | 2,162,805 |

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 governmental funds.

| | |
|----------------------|----------|
| Compensated absences | 6,597 |
| Accrued interest | 1,637 |
| Pension expense | (13,195) |
| OPEB liability | (3,985) |

The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) 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 issuance costs, premiums, discounts, and similar items when they are 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.

| | |
|-----------------------------------------------|---------|
| Amortization of deferred charges on refunding | (5,704) |
| Amortization of premium | 8,311 |
| Principal payments | 410,714 |

| | |
|----------------------------------------------------------|---------------------|
| Change in Net Position of Governmental Activities | \$ 1,540,426 |
|----------------------------------------------------------|---------------------|

See Notes to Financial Statements.

City of Parker, Texas
STATEMENT OF NET POSITION
PROPRIETARY FUND
September 30, 2018

| | Water, Sewer & Sanitation |
|----------------------------------------------|---------------------------------------------|
| <u>Assets</u> | |
| <u>Current Assets</u> | |
| Cash and cash equivalents | \$ 2,850,924 |
| Receivables, net | 361,838 |
| Grant receivables | 355,605 |
| Due from other funds | 6,418,200 |
| Prepaid expenses | 4,157 |
| | Total Current Assets |
| | 9,990,724 |
| <u>Noncurrent Assets</u> | |
| Capital assets: | |
| Non-depreciable | 1,670,058 |
| Net depreciable capital assets | 15,968,552 |
| | Total Noncurrent Assets |
| | 17,638,610 |
| | Total Assets |
| | 27,629,334 |
| <u>Deferred Outflows of Resources</u> | |
| Pension contributions | 27,242 |
| Pension actual experience vs. assumptions | 14,644 |
| OPEB contributions | 44 |
| OPEB actual experience vs. assumptions | 645 |
| Deferred charge on refunding | 52,657 |
| | Total Deferred Outflows of Resources |
| | 95,232 |
| <u>Liabilities</u> | |
| <u>Current Liabilities</u> | |
| Accounts payable and accrued liabilities | 606,832 |
| Payable to Collin County | 238,856 |
| Accrued interest | 36,772 |
| Noncurrent liabilities due within one year | 310,361 |
| | Total Current Liabilities |
| | 1,192,821 |
| <u>Noncurrent Liabilities</u> | |
| Due in more than one year | 8,000,210 |
| Net pension liability | 171,017 |
| OPEB liability | 9,631 |
| | Total Liabilities |
| | 9,373,679 |
| <u>Deferred Inflows of Resources</u> | |
| Pension investment earnings | 15,555 |
| <u>Net Position</u> | |
| Net investment in capital assets | 15,631,157 |
| Unrestricted | 2,704,175 |
| | Total Net Position |
| | \$ 18,335,332 |

See Notes to Financial Statements.

City of Parker, Texas

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS

For the Year Ended September 30, 2018

| | <u>Water, Sewer & Sanitation</u> |
|------------------------------------------------|------------------------------------------|
| <u>Operating Revenues</u> | |
| Water sales | \$ 3,626,545 |
| Sewer revenue | 269,207 |
| Garbage collection | 335,425 |
| Meter installations | 253,000 |
| Grant revenue | 292,596 |
| Other revenue | 119,098 |
| Total Operating Revenues | 4,895,871 |
| <u>Operating Expenses</u> | |
| Cost of water | 2,118,276 |
| Cost of sewer | 257,904 |
| Cost of garbage | 310,007 |
| Depreciation | 450,947 |
| Total Operating Expenses | 3,137,134 |
| Operating Income (Loss) | 1,758,737 |
| <u>Nonoperating Revenues (Expenses)</u> | |
| Investment income | 12,306 |
| Interest expense | (89,685) |
| Bond issuance costs | (128,441) |
| Contributed capital assets from developer | 2,285,750 |
| Total Nonoperating Revenues (Expenses) | 2,079,930 |
| Change in Net Position | 3,838,667 |
| Beginning net position | 14,496,665 |
| Ending Net Position | \$ 18,335,332 |

See Notes to Financial Statements.

City of Parker, Texas
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (Page 1 of 2)
For the Year Ended September 30, 2018

| | Water, Sewer & Sanitation |
|------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| <u>Cash Flows from Operating Activities</u> | |
| Receipts from customers | \$ 4,372,997 |
| Payments to suppliers and employees | (2,080,228) |
| | Net Cash Provided by Operating Activities |
| | <u>2,292,769</u> |
| <u>Cash Flows from Noncapital Financing Activities</u> | |
| Short-term borrowing between funds | (6,418,200) |
| | Net Cash (Used) Provided by Noncapital Financing Activities |
| | <u>(6,418,200)</u> |
| <u>Cash Flows from Capital and Related Financing Activities</u> | |
| Purchase of capital assets | (1,488,947) |
| Proceeds from capital debt | 6,548,938 |
| Principal paid on debt | (289,205) |
| Interest paid on debt | (70,028) |
| Bond issuance costs on debt | (128,441) |
| | Net Cash (Used) Provided by Capital and Related Financing Activities |
| | <u>4,572,317</u> |
| <u>Cash Flows from Investing Activities</u> | |
| Interest on investments | 12,306 |
| | Net Cash Provided by Investing Activities |
| | <u>12,306</u> |
| | Net Increase in Cash and Cash Equivalents |
| | <u>459,192</u> |
| Beginning cash and cash equivalents | 2,391,732 |
| | Ending Cash and Cash Equivalents |
| | <u>\$ 2,850,924</u> |

See Notes to Financial Statements.

City of Parker, Texas
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (Page 2 of 2)
For the Year Ended September 30, 2018

| | Water, Sewer & Sanitation |
|------------------------------------------------------------------|------------------------------------------|
| <u>Reconciliation of Operating Income (Loss)</u> | |
| <u>to Net Cash Provided by Operating Activities</u> | |
| Operating Income (Loss) | \$ 1,758,737 |
| Adjustments to reconcile operating income to net cash provided: | |
| Depreciation | 450,947 |
| Changes in Operating Assets and Liabilities: | |
| (Increase) Decrease in: | |
| Accounts receivable | 8,578 |
| Grant receivables | (355,605) |
| Increase (Decrease) in: | |
| Accounts payable and accrued liabilities | 367,011 |
| Payable to Collin County | 238,856 |
| Compensated absences | (4,670) |
| Unearned revenue | (175,847) |
| Deferred outflows of resources - pension contributions | (1,990) |
| Deferred inflows of resources - pension investment earnings | 37,103 |
| Deferred outflows of resources - experience vs. assumptions | 669 |
| Deferred outflows of resources - OPEB contributions | (3) |
| Deferred outflows of resources - OPEB experience vs. assumptions | (645) |
| Net pension liability | (32,125) |
| OPEB liability | 1,753 |
| Net Cash Provided by Operating Activities | \$ 2,292,769 |

Schedule of Non-Cash Capital and Related Financing Activities

| | |
|-----------------------------------------|--------------|
| Capital assets contributed by developer | \$ 2,285,750 |
|-----------------------------------------|--------------|

See Notes to Financial Statements.

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City of Parker, Texas

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

I. 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 Parker, Texas (the "City") was incorporated on March 22, 1969 and operates under a Council-Manager form of government. The City provides: police; fire; code enforcement; public works; street repair and maintenance; parks; general administrative services; water; wastewater; and sanitation.

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

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

City of Parker, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2018

Blended Component Unit

Parker Volunteer Fire Department

The Parker Volunteer Fire Department (the "VFD") was created by City ordinance on February 22, 1983. The purpose of the VFD is to provide fire protection to the citizens of the City. The Fire Chief is the executive officer of the department and is appointed by the Mayor of the City.

C. Basis of Presentation Government-Wide and Fund 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 government's enterprise funds. Separate financial statements are provided for governmental funds and the proprietary funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water and transit functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The fund financial statements provide information about the government's funds, including its blended component units. 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 government reports the following governmental funds:

Governmental Funds

Governmental funds are those funds through which most governmental functions are typically financed.

General Fund

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

City of Parker, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2018

Expenditures include general government, police and fire departments, public works, building and code enforcement, and city property. The general fund is considered a major fund for reporting purposes.

Debt Service Fund

The debt service fund is used to account for the payment of interest and principal on all general obligation bonds and other long-term debt of governmental funds. The primary source of revenue for debt service is local property taxes. The debt service fund is considered a major fund for reporting purposes.

Capital Projects Fund

The City's capital projects fund accounts for the acquisition and construction of the government's major capital facilities, other than those financed by proprietary funds. The capital projects fund is considered a major fund for reporting purposes.

Volunteer Fire Department Fund

The volunteer fire department fund (the "VFD") is used to account for contributions and grants that are contributed to the VFD for fire protection. The VFD is considered a nonmajor fund for reporting purposes. The VFD is reported as a blended component unit because it has no separate board from City Council, and it is financially accountable to the City.

Proprietary Fund Types

Proprietary funds are used to account for activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and transfers relating to the government's business activities are accounted for through proprietary funds. The measurement focus is on determination of net income, financial position, and cash flows. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues include charges for services. Operating expenses include costs of materials, contracts, personnel, and depreciation. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Proprietary fund types follow GAAP prescribed by the Governmental Accounting Standards Board (GASB) and all financial Accounting Standards Board's standards issued prior to November 30, 1989. Subsequent to this date, the City accounts for its enterprise funds as presented by GASB. The proprietary fund types used by the City include enterprise funds.

City of Parker, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2018

The government reports the following major enterprise fund:

Water, Sewer, & Sanitation Fund

This fund is used to account for the provision of water, sewer & garbage services to the residents of the City. Activities of the fund include administration, operations and maintenance of the water production and distribution system, water collection and treatment systems, and contract garbage services. The fund also accounts for the accumulation of resources for and the payment of long-term debt. All costs are financed through charges to utility customers.

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

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

D. Measurement Focus and Basis of Accounting

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

City of Parker, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2018

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

City of Parker, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2018

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

1. Deposits and Investments

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

In accordance with GASB Statement No. 31, *Accounting and Reporting for Certain Investments and External Investment Pools*, the City reports all investments at fair value, except for "money market investments" and "2a7-like pools." Money market investments, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations, are reported at amortized costs. Investment positions in external investment pools that are operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, such as TexSTAR, are reported using the pools' share price.

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

- Direct obligations of the U.S. Government
- Fully collateralized certificates of deposit and money market accounts
- Statewide investment pools

2. Fair Value

The City has applied Governmental Accounting Standards Board ("GASB") Statement No. 72, Fair Value Measurement and Application. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.

3. Receivables and Interfund Transactions

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds" in the fund financial statements. If the transactions are between the primary government and its component unit, these receivables and payables are classified as "due to/from component unit/primary government." Any residual balances

City of Parker, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2018

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

Advances between funds are offset by a fund balance reserve account in the applicable governmental fund to indicate they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of any allowance for uncollectible amounts.

4. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. Penalties are calculated after February 1 up to the date collected by the government at the rate of 6% for the first month and increased 1% per month up to a total of 12%. Interest is calculated after February 1 at the rate of 1% per month up to the date collected by the government. Under state law, property taxes levied on real property constitute a lien on the real property which cannot be forgiven without specific approval of the State Legislature. The lien expires at the end of twenty years. Taxes levied on personal property can be deemed uncollectible by the City.

5. Inventories and Prepaid Items

The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred, (i.e., the purchase method). The inventories are valued at the lower of cost or market using the first-in/first-out method. Certain payments to vendors reflect costs applicable to future accounting periods (prepaid expenditures) are recognized as expenditures when utilized.

6. 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 government, as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Interest costs incurred in connection with construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements.

City of Parker, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2018

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful years.

| Asset Description | Estimated Useful Life |
|----------------------------|----------------------------------|
| Vehicles | 5 to 20 years |
| Furniture and equipment | 5 to 10 years |
| Infrastructure | 20 - 40 years |
| Water and sewer system | 40 years |
| Buildings and improvements | 40 years |

7. 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. An example is a deferred charge on refunding reported in the government-wide statement of net position. 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 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. An example which arises only under a modified accrual basis of accounting, relates to the accounting for uncollected property taxes. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources can also occur at the government wide level due to differences between investment gains and losses realized on pension investments compared to assumptions used within the pension actuarial valuation model.

8. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the

City of Parker, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2018

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.

9. Fund Balance Flow Assumptions

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

10. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing body (council) has by resolution authorized the finance director to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

11. Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consist of unpaid, accumulated vacation balances. The liability has been

City of Parker, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued* September 30, 2018

calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. Vested or accumulated vacation leave and compensated leave of government-wide and proprietary funds are recognized as an expense and liability of those funds as the benefits accrue to employees.

It is the City's policy to liquidate compensated absences with future revenues rather than with currently available expendable resources. Accordingly, the City's governmental funds recognize accrued compensated absences when it is paid.

12. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. The long-term debt consists primarily of bonds payable, net pension liability, and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and payments of principal and interest reported as expenditures. In the governmental fund types, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. However, claims and judgments paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources.

Long-term debt and other obligations, financed by proprietary funds, are reported as liabilities in the appropriate funds. For proprietary fund types, bond premiums, and discounts are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are expensed as incurred in accordance with GASB statement no. 65.

The net pension liability is included within long term debt. This liability is valued using an actuarial model and represents the difference between the plan fiduciary net position and the net pension liability consistent with GASB statement no. 68. The portion of this liability presented as a current liability is based on actuarially calculations for estimated future payments of benefits and refunds over the twelve months following yearend.

Assets acquired under the terms of capital leases are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, capital lease transactions are recorded as other financing sources and as capital outlay expenditures in the general fund.

City of Parker, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2018

Lease payments representing both principal and interest are recorded as expenditures in the general fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

13. Pensions

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

14. Other Postemployment Benefits ("OPEB")

The City has implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This statement applies to the individual employers (TMRS cities) in the TMRS Supplemental Death Benefits (SDB) plan, with retiree coverage. The TMRS 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. 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 on which TMRS deposits are made, for the 12-month period preceding the month of death. The death benefit amount for retirees is \$7,500. GASB No. 75 requires the liability of employers and nonemployer contributing entities to employees for defined benefit OPEB (net OPEB liability) to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position.

15. Estimates

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

City of Parker, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes reconciliation between *fund balance-total governmental funds* and *net position-governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds, are not due and payable in the current period and, therefore, are not reported in the funds.

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental funds that, “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. 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.”

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, debt service fund, and water, sewer, & sanitation fund. Capital projects fund budgets are appropriated on a project-length basis.

The appropriated budget is prepared by fund, function, and department. The legal level of control as defined by the City Charter is the function level. No funds can be transferred or added to a budgeted item without Council approval. Appropriations lapse at the end of the year.

City of Parker, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of September 30, 2018, the primary government had the following investments:

| Investment Type | Carrying Value | Average Maturity (Years) | Credit Rating |
|-------------------------------------|----------------------|-----------------------------|---------------|
| Certificates of deposit | \$ 2,425,890 | 0.78 | N/A |
| External investment pools | 9,536,180 | 0.12 | AAAm |
| Total carrying value | <u>\$ 11,962,070</u> | | |
| Portfolio weighted average maturity | | 0.25 | |

Interest rate risk – In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average of maturity not to exceed five years; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations; monitoring credit ratings of portfolio position to assure compliance with rating requirements imposed by the Public Funds Investment Act; and invest operating funds primarily in short-term securities or similar government investment pools.

Credit risk – The City's investment policy limits investments to obligations of the United States, State of Texas, or their agencies and instrumentalities with an investment quality rating of not less than "A" or its equivalent, by a nationally recognized investment rating firm. Other obligations must be unconditionally guaranteed (either express or implied) by the full faith and credit of the United States Government or the issuing U.S. agency and investment pools with an investment quality not less than AAA or AAA-m, or equivalent, by at least one nationally recognized rating service. As of September 30, 2018, the City's investment in TexSTAR was rated AAAm by Standard & Poor's.

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 insured or fully collateralized by U.S. government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. As of September 30, 2018, the market values of pledged securities and FDIC exceeded bank balances.

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

City of Parker, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued* September 30, 2018

TexSTAR

The Texas Short Term Asset Reserve Fund ("TexSTAR") is a local government investment pool organized under the authority of the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 2256, Texas Government Code. TexSTAR was created in April 2002 by contract among its participating governmental units and is governed by a board of directors. JPMorgan Fleming Asset Management (USA), Inc. and First Southwest Asset Management, Inc. act as co-administrators, providing investment management services, participant services, and marketing, respectively. JPMorgan Chase Bank and/or its subsidiary, J.P. Morgan Investor Services, Inc., provide custodial, transfer agency, fund accounting, and depository services.

TexSTAR operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexSTAR uses amortized cost rather than fair value to report net position to compute share prices. Accordingly, the fair value of the position in TexSTAR are the same as the value of TexSTAR shares. There were no limitations or restrictions on withdrawals.

B. Fair Value Measurement

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy. The investments of the City consist of certificates of deposit and investment pool assets, which are both exempted from presentation within a fair value hierarchy table. As a result, no such table is presented.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The City's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

City of Parker, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

C. Receivables

The following comprise receivable balances of the primary government at year end:

| | Water, Sewer | | | |
|-------------------------|--------------------------|------------------------|--------------------------|--------------------------|
| | General | Debt Service | & Sanitation | Total |
| Property taxes | \$ 24,751 | \$ 5,544 | \$ - | \$ 30,295 |
| Sales tax | 39,228 | - | - | 39,228 |
| Franchise & local taxes | 56,243 | - | - | 56,243 |
| Accounts | - | - | 361,838 | 361,838 |
| Other | 21,109 | - | - | 21,109 |
| | <u>\$ 141,331</u> | <u>\$ 5,544</u> | <u>\$ 361,838</u> | <u>\$ 508,713</u> |

D. Capital Assets

A summary of changes in governmental activities capital assets for the year end was as follows:

| | Beginning Balances | Increases | Decreases/ Reclassifications | Ending Balances |
|--------------------------------------------|-------------------------------|--------------------------|-----------------------------------------|-----------------------------|
| Capital assets, not being depreciated: | | | | |
| Land | \$ 843,484 | \$ - | \$ - | \$ 843,484 |
| Construction in progress | - | 46,185 | - | 46,185 |
| Total capital assets not being depreciated | <u>843,484</u> | <u>46,185</u> | <u>-</u> | <u>889,669</u> |
| Capital assets, being depreciated: | | | | |
| Land improvements | 212,367 | - | - | 212,367 |
| Buildings and improvements | 2,616,328 | - | - | 2,616,328 |
| Vehicles and equipment | 2,553,299 | 344,426 | - | 2,897,725 |
| Infrastructure | 48,757,807 | 2,610,183 | (9,330) | 51,358,660 |
| Total capital assets being depreciated | <u>54,139,801</u> | <u>2,954,609</u> | <u>(9,330)</u> | <u>57,085,080</u> |
| Less accumulated depreciation | | | | |
| Land improvements | 60,798 | 10,618 | - | 71,416 |
| Buildings and improvements | 716,776 | 65,450 | - | 782,226 |
| Vehicles and equipment | 1,852,265 | 172,363 | - | 2,024,628 |
| Infrastructure | 14,929,843 | 1,834,669 | - | 16,764,512 |
| Total accumulated depreciation | <u>17,559,682</u> | <u>2,083,100</u> | <u>-</u> | <u>19,642,782</u> |
| Net capital assets being depreciated | 36,580,119 | 871,509 | (9,330) | 37,442,298 |
| Total Capital Assets | <u>\$ 37,423,603</u> | <u>\$ 917,694</u> | <u>\$ (9,330)</u> | <u>\$ 38,331,967</u> |

City of Parker, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

Depreciation was charged to governmental functions as follows:

| | |
|-----------------------------------------------------------|----------------------------|
| General government | \$ 51,988 |
| Public safety | 163,510 |
| Public works | 1,856,983 |
| Culture and recreation | 10,619 |
| Total Governmental Activities Depreciation Expense | <u>\$ 2,083,100</u> |

A summary of changes in business-type activities capital assets for the year end was as follows:

| | Beginning Balances | Increases | Decreases/ Reclassifications | Ending Balances |
|--------------------------------------------|-------------------------------|----------------------------|-----------------------------------------|-----------------------------|
| Capital assets, not being depreciated: | | | | |
| Land | \$ 107,417 | \$ 206,515 | \$ - | \$ 313,932 |
| Construction in progress | 126,018 | 1,230,108 | - | 1,356,126 |
| Total capital assets not being depreciated | <u>233,435</u> | <u>1,436,623</u> | <u>-</u> | <u>1,670,058</u> |
| Capital assets, being depreciated: | | | | |
| Water and sewer system | 18,205,638 | 2,338,074 | - | 20,543,712 |
| Vehicles and equipment | 283,027 | - | - | 283,027 |
| Total capital assets being depreciated | <u>18,488,665</u> | <u>2,338,074</u> | <u>-</u> | <u>20,826,739</u> |
| Less accumulated depreciation | | | | |
| Water and sewer system | 4,145,734 | 444,211 | - | 4,589,945 |
| Vehicles and equipment | 261,506 | 6,736 | - | 268,242 |
| Total accumulated depreciation | <u>4,407,240</u> | <u>450,947</u> | <u>-</u> | <u>4,858,187</u> |
| Net capital assets being depreciated | 14,081,425 | 1,887,127 | - | 15,968,552 |
| Total Capital Assets | <u>\$ 14,314,860</u> | <u>\$ 3,323,750</u> | <u>\$ -</u> | <u>\$ 17,638,610</u> |

Depreciation was charged to business-type activities as follows:

| | |
|------------------------------------------------------------|--------------------------|
| Water | \$ 445,531 |
| Sewer | 5,416 |
| Total Business-Type Activities Depreciation Expense | <u>\$ 450,947</u> |

City of Parker, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

E. Long-term Debt

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

| | <u>Beginning Balance</u> | | <u>Additions</u> | | <u>Reductions</u> | <u>Ending Balance</u> | | <u>Amounts Due within One Year</u> |
|--------------------------------------------------------|------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|---------------------------|--|--------------------------------------------|
| Governmental Activities: | | | | | | | | |
| Bonds, notes and other payables: | | | | | | | | |
| General Obligation Refunding Bonds | \$ 2,042,940 | \$ - | \$ (270,714) | \$ 1,772,226 | \$ 278,015 | | | |
| Premium | 68,128 | - | (8,311) | 59,817 | | | | |
| Certificate of Obligation | 1,210,000 | - | (140,000) | 1,070,000 | | | | 140,000 |
| Other liabilities: | | | | | | | | |
| Compensated Absences | 82,960 | 76,363 | (82,960) | 76,363 | | | | 68,728 |
| Total Governmental Activities | <u>\$ 3,404,028</u> | <u>\$ 76,363</u> | <u>\$ (501,985)</u> | <u>\$ 2,978,406</u> | | | | <u>\$ 486,743</u> |
| Long-term liabilities due in more than one year | | | | | <u>\$ 2,491,663</u> | | | |
| Business-Type Activities: | | | | | | | | |
| Bonds, notes and other payables: | | | | | | | | |
| General Obligation Refunding Bonds | \$ 1,982,060 | \$ - | \$ (289,205) | \$ 1,692,855 | \$ 296,985 | | | |
| Premium | 65,557 | 473,938 | (11,641) | 527,854 | | | | |
| Combination Tax and Revenue Bonds | - | 6,075,000 | - | 6,075,000 | | | | |
| Other liabilities: | | | | | | | | |
| Compensated Absences | 19,532 | 19,076 | (23,746) | 14,862 | | | | 13,376 |
| Total Business-Type Activities | <u>\$ 2,067,149</u> | <u>\$ 6,568,014</u> | <u>\$ (324,592)</u> | <u>\$ 8,310,571</u> | | | | <u>\$ 310,361</u> |
| Long-term liabilities due in more than one year | | | | | <u>\$ 8,000,210</u> | | | |

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

City of Parker, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

Long-term debt at year end was comprised of the following debt issues:

| Description | Interest Rates | Original Balance | Current Balance |
|-----------------------------------------------|---------------------------|-----------------------------|----------------------------|
| Governmental Activities: | | | |
| 2010 General obligation refunding bonds (41%) | 2.00 - 3.5% | \$ 735,950 | \$ 73,800 |
| 2011 General obligation refunding bonds (52%) | 2.00 - 4.00% | 2,959,825 | 1,698,426 |
| 2015 Certificate of obligation (100%) | 2.09% | <u>1,485,000</u> | <u>1,070,000</u> |
| Total Governmental Activities | \$ 5,180,775 | | \$ 2,842,226 |
| Business-type Activities: | | | |
| 2010 General obligation refunding bonds (59%) | 2.00 - 3.5% | \$ 1,059,050 | \$ 106,200 |
| 2011 General obligation refunding bonds (48%) | 2.00 - 4.00% | 2,765,175 | 1,586,655 |
| 2018 Combination tax & revenue bonds (100%) | 3.00 - 4.00% | <u>6,075,000</u> | <u>6,075,000</u> |
| Total Business-Type Activities | \$ 9,899,225 | | \$ 7,767,855 |
| Total Long-Term Debt | | | |
| 2010 General obligation refunding bonds | 2.00 - 3.5% | \$ 1,795,000 | \$ 180,000 |
| 2011 General obligation refunding bonds | 2.00 - 4.00% | 5,725,000 | 3,285,081 |
| 2015 Certificate of obligation | 2.09% | 1,485,000 | 1,070,000 |
| 2018 Combination tax & revenue bonds (100%) | 3.00 - 4.00% | <u>6,075,000</u> | <u>6,075,000</u> |
| Total | \$ 15,080,000 | | \$ 10,610,081 |

City of Parker, Texas

NOTES TO FINANCIAL STATEMENTS, Continued *September 30, 2018*

The annual requirements to amortize governmental activities debt issues outstanding at year ending were as follows:

| Year ending September 30, | Governmental Activities | | | | | |
|------------------------------|-------------------------|-----------------|---------------------|-------------------|---------------------|------------------|
| | 2010 G.O. Bonds | | 2011 G.O. Bonds | | 2015 C.O.O. Bonds | |
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2019 | \$ 73,800 | \$ 2,583 | \$ 204,215 | \$ 59,567 | \$ 140,000 | \$ 20,900 |
| 2020 | - | - | 211,970 | 53,325 | 150,000 | 17,870 |
| 2021 | - | - | 217,140 | 45,802 | 150,000 | 14,735 |
| 2022 | - | - | 224,895 | 36,962 | 155,000 | 11,547 |
| 2023 | - | - | 237,820 | 27,707 | 155,000 | 8,308 |
| 2024 | - | - | 155,100 | 19,849 | 160,000 | 5,016 |
| 2025 | - | - | 134,420 | 14,294 | 160,000 | 1,672 |
| 2026 | - | - | 100,815 | 10,001 | - | - |
| 2027 | - | - | 103,400 | 6,170 | - | - |
| 2028 | - | - | 108,651 | 2,090 | - | - |
| Total | \$ 73,800 | \$ 2,583 | \$ 1,698,426 | \$ 275,767 | \$ 1,070,000 | \$ 80,048 |

2010 general obligation refunding bonds issued February 11, 2010, due in annual installments through July 15, 2019, bearing interest ranging from 2.0% to 3.5% payable January 15 and July 15. The governmental activities portion is 41% or \$735,950 of the total \$1,795,000 issue.

2011 general obligation refunding bonds issued July 13, 2011, due in annual installments through February 15, 2028, bearing interest ranging from 2.0% to 4.0% payable February 15 and August 15. The governmental activities portion is 52% or \$2,959,825 of the total \$5,725,000 issue.

2015 certificate of obligation bonds issued August 20, 2015, due in annual installments through February 15, 2025, bearing interest ranging from 2.09% payable February 15 and August 15. The governmental activities portion is 100% of the total issue of \$1,485,000.

City of Parker, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2018

The annual requirements to amortize business-type activities debt issues outstanding at year ending were as follows:

| Year ending September 30, | Business-Type Activities | | | | | |
|------------------------------|--------------------------|-----------------|---------------------|-------------------|---------------------|---------------------|
| | 2010 G.O. Bonds | | 2011 G.O. Bonds | | 2018 C.O.O. Bonds | |
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2019 | \$ 106,200 | \$ 3,717 | \$ 190,785 | \$ 55,650 | - | 233,394 |
| 2020 | - | - | 198,030 | 49,818 | 75,000 | 236,600 |
| 2021 | - | - | 202,860 | 42,790 | 80,000 | 234,650 |
| 2022 | - | - | 210,105 | 34,531 | 85,000 | 232,175 |
| 2023 | - | - | 222,180 | 25,885 | 80,000 | 229,700 |
| 2024 | - | - | 144,900 | 18,544 | 170,000 | 225,950 |
| 2025 | - | - | 125,580 | 13,354 | 200,000 | 219,400 |
| 2026 | - | - | 94,185 | 9,343 | 245,000 | 210,500 |
| 2027 | - | - | 96,600 | 5,765 | 255,000 | 200,500 |
| 2028 | - | - | 101,430 | 1,953 | 265,000 | 190,100 |
| 2029 & Thereafter | - | - | - | - | 4,620,000 | 984,600 |
| Total | \$ 106,200 | \$ 3,717 | \$ 1,586,655 | \$ 257,632 | \$ 6,075,000 | \$ 3,197,569 |

2010 general obligation refunding bonds issued February 11, 2010, due in annual installments through July 15, 2019, bearing interest ranging from 2.0% to 3.5% payable January 15 and July 15. The business-type activities portion is 59% or \$1,059,050 of the total \$1,795,000 issue.

2011 general obligation refunding bonds issued July 13, 2011, due in annual installments through February 15, 2028, bearing interest ranging from 2.0% to 4.0% payable February 15 and August 15. The business-type activities portion is 48% or \$2,765,175 of the total \$5,725,000 issue.

2018 combination tax and revenue bonds issued August 21, 2018, due in annual installments through February 15, 2038, bearing interest at 3.0% to 4.0% payable February 15 and August 15. The business-type activities portion is 100% or \$6,075,000 of the total \$6,075,000 issue.

City of Parker, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

The annual requirements to amortize total government-wide debt issues outstanding at year ending were as follows:

| Year ending September 30, | Governmental Activities | | Business-Type Activities | | Total | |
|------------------------------|-------------------------|-------------------|--------------------------|---------------------|----------------------|---------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2019 | \$ 418,015 | \$ 83,050 | \$ 296,985 | \$ 292,761 | \$ 715,000 | \$ 375,811 |
| 2020 | 361,970 | 71,195 | 273,030 | 286,418 | 635,000 | 357,613 |
| 2021 | 367,140 | 60,537 | 282,860 | 277,440 | 650,000 | 337,977 |
| 2022 | 379,895 | 48,509 | 295,105 | 266,706 | 675,000 | 315,215 |
| 2023 | 392,820 | 36,015 | 302,180 | 255,585 | 695,000 | 291,600 |
| 2024 | 315,100 | 24,865 | 314,900 | 244,494 | 630,000 | 269,359 |
| 2025 | 294,420 | 15,966 | 325,580 | 232,754 | 620,000 | 248,720 |
| 2026 | 100,815 | 1,001 | 339,185 | 219,843 | 440,000 | 220,844 |
| 2027 | 103,400 | 6,170 | 351,600 | 206,265 | 455,000 | 212,435 |
| 2028 | 108,570 | 2,090 | 366,430 | 192,053 | 475,000 | 194,143 |
| 2029 & after | - | - | 4,620,000 | 984,600 | 4,620,000 | 984,600 |
| Total | \$ 2,842,145 | \$ 349,398 | \$ 7,767,855 | \$ 3,458,919 | \$ 10,610,000 | \$ 3,808,317 |

General obligation bonds are direct obligations of the City for which its full faith and credit are pledged. Repayment of general obligation bonds are from taxes levied on all taxable property located within the City. The City is not obligated in any manner for special assessment debt.

Collin County agreed to issue a grant amounting to \$367,247 and lend up to \$975,506 to the City to relocate water utilities along FM 2514. The payable is owed back to the County 30 days after the City receives the grant money from TX DOT or letter from TX DOT that no grant will be issued. As of September 30, 2017, the City received \$238,856 from the County related to this agreement. This amount was considered to be a part of the \$367,247 grant portion of the agreement. As of September 30, 2017, the City expended \$126,018 related to this project and therefore realized grant revenue equal to one half due to the matching requirement from the County, \$63,009. The unearned portion of the grant was recorded as a liability for \$175,847, and will be recognized as revenue when the City expends additional funds on the project.

During September 30, 2018, TX DOT indicated that their approval for this project on a 100% reimbursement basis. With this approval the City owes back the funds received from Collin County for \$238,856. As of September 30, 2018, the City had a receivable for this grant of \$355,605 from TX DOT.

F. Deferred Charge on Refunding

A deferred charge resulting from the issuance of the 2010 and 2011 general obligation refunding bonds has been recorded as a deferred outflow of resources and is being

City of Parker, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2018

amortized to interest expense over the term of the refunded debt. Current year balances for governmental and business-type activities totaled \$57,047 and \$52,657, respectively. Current year amortization expense for governmental and business-type activities totaled \$5,704 and \$5,266, respectively.

G. Customer Deposits

The City had customer deposits of \$110,000 in the general fund as of yearend. The City requires a \$1,000 refundable deposit for all new home building permits. This amount will be refunded upon completion of the project and by meeting certain criteria set by the City.

H. Interfund Transactions

The compositions of interfund due to/from balances as of the year ended September 30, 2018 were as follows:

| Payable fund | Receivable fund | |
|---------------------|------------------------|-------------------|
| | General | Enterprise |
| Capital projects | \$ 35,092 | \$ 6,418,200 |

The City records fund balance restrictions on the fund level to indicate that a portion of the fund balance is legally restricted for a specific future use or to indicate that a portion of the fund balance is not available for expenditures.

The following is a list of fund balances restricted/committed by the City:

| | Restricted | Committed |
|------------------|---------------------|-------------------|
| Municipal court | * \$ 41,054 | \$ - |
| Police seizures | 1,003 | - |
| Debt service | 168,114 | - |
| Fire safety | 191,638 | - |
| Capital projects | 769,353 | 104,268 |
| Total | \$ 1,171,162 | \$ 104,268 |

*Restricted by enabling legislation.

J. Lease Obligations

In the prior year, the government entered into an operating lease agreement as lessee for an office building to be used by the police department. The term of the lease is 60 months beginning on July 12, 2016. The monthly lease payment is \$2,200. Total lease expense for the year ended September 30, 2018 totaled \$30,030.

City of Parker, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2018

Future minimum payments for this lease are as follows:

| Year ended September 30: | |
|---------------------------------|------------------|
| 2019 | \$ 26,400 |
| 2020 | 26,400 |
| 2021 | 22,000 |
| Thereafter | - |
| | \$ 74,800 |

V. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; and natural disasters for which the City participates along with 2,800 other entities in the Texas Municipal League's Intergovernmental Risk Pools. The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

B. Contingent Liabilities

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

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors.

C. Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years for applicable bond issues. Accordingly, there is

City of Parker, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2018

the risk that if such calculations are not performed correctly, a substantial liability to the City could result. The City does anticipate that it will have an arbitrage liability and performs annual calculations to estimate this potential liability. The City will also engage an arbitrage consultant to perform the calculations in accordance with Internal Revenue Service's rules and regulations if indicated.

D. Defined Benefit Pension Plans

1. Plan Description

The City of Parker participates as one of 883 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.com.

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

2. 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.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

City of Parker, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2018

Plan provisions for the City were as follows:

| | <u>Plan Year 2017</u> | <u>Plan Year 2016</u> |
|----------------------------------------------------------------------|--------------------------|--------------------------|
| Employee deposit rate | 6.0% | 6.0% |
| Matching ratio (city to employee) | 2 to 1 | 2 to 1 |
| Years required for vesting | 5 | 5 |
| Service retirement eligibility (expressed as age / years of service) | 60/5, 0/25 | 60/5, 0/25 |
| Updated service credit | 100% Repeating Transfers | 100% Repeating Transfers |
| Annuity increase (to retirees) | 0% of CPI | 0% of CPI |

Employees covered by benefit terms

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

| | |
|------------------------------------------------------------------|-----------|
| Inactive employees or beneficiaries currently receiving benefits | 7 |
| Inactive employees entitled to but not yet receiving benefits | 12 |
| Active employees | 23 |
| Total | 42 |

3. 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 Parker were required to contribute 6% of their annual gross earnings during the fiscal year. The contribution rates for the City of Parker were 12.23% and 12.33% in calendar years 2017 and 2018, respectively. The City's contributions to TMRS for the year ended September 30, 2018, were \$170,493, and were equal to the required contributions.

4. Net Pension Liability

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

City of Parker, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued* September 30, 2018

Actuarial assumptions:

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

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

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with 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, 2010 to December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the System adopted the Entry Age Normal actuarial cost method and a one-time change to the amortization policy. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

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

City of Parker, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2018

The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2018 are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return (Arithmetic) |
|-----------------------|-------------------|-----------------------------------------------------|
| Domestic Equity | 17.5% | 4.55% |
| International Equity | 17.5% | 6.35% |
| Core Fixed Income | 10.0% | 1.00% |
| Non-Core Fixed Income | 20.0% | 3.90% |
| Real Return | 10.0% | 3.80% |
| Real Estate | 10.0% | 4.50% |
| Absolute Return | 10.0% | 3.75% |
| Private Equity | 5.0% | 7.50% |
| Total | 100.0% | |

Discount Rate:

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

City of Parker, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

Changes in the Net Pension Liability:

| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a) – (b) |
|--------------------------------------------------------------|----------------------------------------|--------------------------------------------|--------------------------------------------|
| Balance at 12/31/16 | \$ 3,334,798 | \$ 2,398,763 | \$ 936,035 |
| Changes for the year: | | | |
| Service Cost | 177,420 | - | 177,420 |
| Interest | 226,154 | - | 226,154 |
| Difference between expected and actual experience | 19,112 | - | 19,112 |
| Changes of assumptions | - | - | - |
| Contributions – employer | - | 161,326 | (161,326) |
| Contributions – employee | - | 79,147 | (79,147) |
| Net investment income | - | 332,048 | (332,048) |
| Benefit payments, including refunds of emp. contributions | (146,144) | (146,144) | - |
| Administrative expense | - | (1,723) | 1,723 |
| Other changes | - | (87) | 87 |
| Net changes | 276,542 | 424,567 | (148,025) |
| Balance at 12/31/17 | \$ 3,611,340 | \$ 2,823,330 | \$ 788,010 |

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

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

| 1% Decrease 5.75% | Current Single Rate Assumption 6.75% | 1% Increase 7.75% |
|------------------------------|-------------------------------------------------|------------------------------|
| \$ 1,249,617 | \$ 788,010 | \$ 401,113 |

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.

City of Parker, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

5. Pension Expense and Deferred Outflows and (Inflows) of Resources Related to Pensions

Pension expense for the year ended September 30, 2018 was \$187,343.

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

| | <u>Deferred Outflows of Resources</u> | <u>Deferred (Inflows) of Resources</u> |
|-------------------------------------------------------------|-------------------------------------------|--------------------------------------------|
| Difference between projected and investment earnings | \$ - | \$ (71,673) |
| Differences between expected and actual economic experience | 67,476 | - |
| Contributions subsequent to the measurement date | 125,525 | - |
| Total | \$ 193,001 | \$ (71,673) |

The City reported \$125,525 as deferred outflows and (inflows) of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the year ending September 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ended December 31: | | |
|--------------------------------|-------------------|--|
| 2018 | \$ 23,062 | |
| 2019 | 23,245 | |
| 2020 | (21,320) | |
| 2021 | (30,462) | |
| 2022 | 1,278 | |
| Thereafter | - | |
| | \$ (4,197) | |

E. Postemployment Benefits Other Than Pensions

1. Supplemental Death Benefits Plan

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

City of Parker, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2018

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

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

Employees covered by benefit terms

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

| | |
|------------------------------------------------------------------|----|
| Inactive employees or beneficiaries currently receiving benefits | 5 |
| Inactive employees entitled to but not yet receiving benefits | 2 |
| Active employees | 23 |
| Total | 30 |

The City's retiree contribution rates to the TMRS SDBF for the years ended 2018, 2017 and 2016 are as follows:

| Plan/ Calendar Year | Annual Required Contribution (Rate) | Actual Contribution Made (Rate) | Percentage of ARC Contributed |
|------------------------|----------------------------------------------|------------------------------------------|-------------------------------------|
| 2016 | 0.01% | 0.01% | 100.0% |
| 2017 | 0.02% | 0.02% | 100.0% |
| 2018 | 0.02% | 0.02% | 100.0% |

The City's contributions to the TMRS SDBF for the years ended 2018, 2017 and 2016 were \$277, \$259, and \$119, respectively, which equaled the required contributions each year.

Total OPEB Liability

The City's Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2017, and the Total OPEB Liability was determined by an actuarial valuation as of that date.

City of Parker, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

Actuarial assumptions:

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

| | |
|------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|
| Inflation | 2.5% per year |
| Overall payroll growth | 3.5% to 10.5%, including inflation per year |
| Discount rate | 3.31% |
| 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 |

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%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Discount Rate:

The discount rate used to measure the Total OPEB Liability was 3.31%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2017.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

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

| 1% Decrease (2.31%) | Current Single Rate Assumption 3.31% | 1% Increase (4.31%) |
|--------------------------------------|-------------------------------------------------------|--------------------------------------|
| \$ 53,039 | \$ 44,380 | \$ 37,486 |

City of Parker, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

Changes in the Total OPEB Liability:

| | Total OPEB Liability |
|----------------------------|---------------------------------|
| Balance at 12/31/16 | \$ 36,303 |
| Changes for the year: | |
| Service Cost | 3,430 |
| Interest | 1,432 |
| Changes of assumptions | 3,479 |
| Benefit payments | (264) |
| Net changes | 8,077 |
| Balance at 12/31/17 | \$ 44,380 |

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

For the year ended September 30, 2018, the City recognized OPEB expense of \$5,368.

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

| | Deferred Outflows of Resources |
|-------------------------------------------------------------|-------------------------------------------|
| Differences between expected and actual economic experience | \$ 2,973 |
| Contributions subsequent to measurement date | 204 |
| Total | \$ 3,177 |

The City reported \$204 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the year ending September 30, 2019.

City of Parker, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

| Year ended December 31: | |
|--------------------------------|-------------|
| 2018 | \$ 506 |
| 2019 | 506 |
| 2020 | 506 |
| 2021 | 506 |
| 2022 | 506 |
| Thereafter | 443 |
| | <hr/> <hr/> |
| | \$ 2,973 |

F. Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Service Code, Section 457. The plan permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until retirement, termination, death, or unforeseeable emergencies.

Federal law requires all assets and income of Section 457 plans to be held in trust, custodial accounts, or annuity contracts for the exclusive benefit of the participants and their beneficiaries. The City's deferred compensation plan is administered by a private corporation under contract with the City. Total participant contributions were approximately \$2,625 for the year ended September 30, 2018. The City does not contribute to the plan.

G. Restatement

Due to the implementation of GASB No. 75, the City restated its beginning net position within governmental activities and business-type activities to properly reflect the total OPEB liability and related deferred outflows and inflows of resources, as prescribed by this accounting standard. This adjustment was recorded at the fund level for proprietary funds only, and recorded at the government-wide level for both governmental and business-type activities. In addition, the City also restated beginning net position/fund balance within governmental activities and business-type activities to correct accounting errors related to franchise taxes and capital assets, respectively.

City of Parker, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

The restatement of beginning net position/fund balance is as follows:

| | Governmental | |
|---------------------------------------------------------|-----------------------------|----------------------------|
| | Activities | General |
| Prior year ending net position/fund balance as reported | \$ 39,223,445 | \$ 4,443,952 |
| Impact of implementation of GASB 75 | (28,276) | - |
| Correction to franchise taxes | (67,872) | (24,240) |
| Restated beginning net position/fund balance | <u><u>\$ 39,127,297</u></u> | <u><u>\$ 4,419,712</u></u> |

| | Business-Type | Water, Sewer & Sanitation |
|---------------------------------------------------------|-----------------------------|--------------------------------------|
| | Activities | |
| Prior year ending net position/fund balance as reported | \$ 14,378,484 | \$ 14,378,484 |
| Impact of implementation of GASB 75 | (7,837) | (7,837) |
| Correction to capital asset balances | 126,018 | 126,018 |
| Restated beginning net position/fund balance | <u><u>\$ 14,496,665</u></u> | <u><u>\$ 14,496,665</u></u> |

H. Subsequent Events

There were no material subsequent events through January 10, 2019, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

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City of Parker, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended September 30, 2018

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|-----------------------------------|----------------------------|---------------------|---------------------|---------------------------------------|
| | | | | Positive (Negative) |
| Revenues | | | | |
| Property tax | 2,611,523 | \$ 2,611,523 | \$ 2,654,355 | \$ 42,832 |
| Sales tax | 150,000 | 150,000 | 200,467 | 50,467 |
| Franchise and local taxes | 256,200 | 256,200 | 249,597 | (6,603) |
| License and permits | 560,300 | 560,300 | 556,018 | (4,282) |
| Contributions and donations | - | - | 600 | 600 |
| Intergovernmental | 9,300 | 9,300 | 1,554 | (7,746) |
| Fines and forfeitures | 207,000 | 207,000 | 224,105 | 17,105 |
| Investment income | 30,000 | 30,000 | 46,700 | 16,700 |
| Other revenue | 22,000 | 22,000 | 11,253 | (10,747) |
| Total Revenues | 3,846,323 | 3,846,323 | 3,944,649 | 98,326 |
| Expenditures | | | | |
| Current: | | | | |
| General government | 811,483 | 754,423 | 671,640 | 82,783 |
| Police department | 1,315,447 | 1,315,447 | 1,227,665 | 87,782 |
| Municipal court | 173,987 | 185,957 | 177,400 | 8,557 |
| Fire department | 542,308 | 602,308 | 585,391 | 16,917 |
| Building and code enforcement | 141,679 | 141,679 | 133,764 | 7,915 |
| Public works | 928,593 | 883,593 | 767,532 | 116,061 |
| City property | 124,000 | 124,000 | 95,637 | 28,363 |
| Capital outlay | 50,000 | 80,000 | 65,546 | 14,454 |
| Total Expenditures | 4,087,497 | 4,087,407 | 3,724,575 | 362,832 |
| Revenues Over (Under) | (241,174) | (241,084) | 220,074 | 461,158 |
| Net Change in Fund Balance | (241,174) | \$ (241,084) | 220,074 | \$ 461,158 |
| Beginning fund balance | | | 4,419,712 | |
| Ending Fund Balance | | | \$ 4,639,786 | |

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of Parker, Texas

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS Years Ended December 31,

| | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|-----------------------------------------------------------------------------------|---------------------|---------------------|---------------------|
| Total pension liability | | | |
| Service cost | \$ 177,420 | \$ 169,837 | \$ 142,149 |
| Interest | 226,154 | 207,380 | 196,185 |
| Differences between expected and actual experience | 19,112 | 52,583 | (2,192) |
| Changes of assumptions | - | - | 81,015 |
| Benefit payments, including refunds of participant contributions | (146,144) | (164,770) | (157,911) |
| Net change in total pension liability | <u>276,542</u> | <u>265,030</u> | <u>259,246</u> |
| Total pension liability - beginning | <u>3,334,798</u> | <u>3,069,768</u> | <u>2,810,522</u> |
| Total pension liability - ending (a) | <u>3,611,340</u> | <u>3,334,798</u> | <u>3,069,768</u> |
| Plan fiduciary net position | | | |
| Contributions - employer | \$ 161,326 | \$ 140,906 | \$ 132,625 |
| Contributions - members | 79,147 | 75,483 | 68,124 |
| Net investment income | 332,048 | 148,469 | 3,182 |
| Benefit payments, including refunds of participant contributions | (146,144) | (164,770) | (157,911) |
| Administrative expenses | (1,723) | (1,679) | (1,938) |
| Other | (87) | (90) | (96) |
| Net change in plan fiduciary net position | <u>424,567</u> | <u>198,319</u> | <u>43,986</u> |
| Plan fiduciary net position - beginning | <u>2,398,763</u> | <u>2,200,444</u> | <u>2,156,458</u> |
| Plan fiduciary net position - ending (b) | <u>\$ 2,823,330</u> | <u>\$ 2,398,763</u> | <u>\$ 2,200,444</u> |
| Fund's net pension liability - ending (a) - (b) | <u>\$ 788,010</u> | <u>\$ 936,035</u> | <u>\$ 869,324</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 78.18% | 71.93% | 71.68% |
| Covered employee payroll | \$ 1,319,109 | \$ 1,258,049 | \$ 1,136,281 |
| Fund's net position as a percentage of covered employee payroll | 59.74% | 74.40% | 76.51% |

Notes to schedule:

- 1) This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

2014

¹

\$ 113,443
189,492

(43,077)

-

(199,299)

60,559

2,749,963

2,810,522

\$ 108,296
63,331
118,262

(199,299)

(1,235)

(102)

89,253

2,067,205

\$ 2,156,458

\$ 654,064

76.73%

\$ 1,055,519

61.97%

City of Parker, Texas

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Years Ended December 31,

| | <u>9/30/2018</u> | <u>9/30/2017</u> | <u>9/30/2016</u> | <u>9/30/2015</u> |
|----------------------------------------------------------------------|------------------|------------------|------------------|------------------|
| Actuarially determined employer contributions | \$ 170,493 | \$ 154,623 | \$ 134,731 | \$ 126,757 |
| Contributions in relation to the actuarially determined contribution | \$ 170,493 | \$ 154,623 | \$ 134,731 | \$ 126,757 |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - |
| Annual covered employee payroll | \$ 1,385,733 | \$ 1,293,066 | \$ 1,191,182 | \$ 1,116,212 |
| Employer contributions as a percentage of covered employee payroll | 12.30% | 11.96% | 11.31% | 11.36% |

1) This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Valuation Date:

Methods and Assumptions Used to Determine Contribution Rates:

| | |
|-------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Actuarial Cost Method | Entry Age Normal |
| Amortization Method | Level Percentage of Payroll, Closed |
| Remaining Amortization Period | 25 years |
| Asset Valuation Method | 10 Year smoothed market; 15% soft corridor |
| Inflation | 2.5% |
| Salary Increases | 3.5% to 10.5% including inflation |
| Investment Rate of Return | 6.75% |
| Retirement Age | Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010 - 2014 |
| Mortality | RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB |

Other Information:

Notes There were no benefit changes during the year.

City of Parker, Texas

SCHEDULE OF CHANGES IN POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) LIABILITY AND RELATED RATIOS *TEXAS MUNICIPAL RETIREMENT SYSTEM*

Year Ended December 31

| | 2017 | 1 |
|-------------------------------------------------------------------------|------------------|---|
| Total OPEB liability | | |
| Service cost | \$ 3,430 | |
| Interest | 1,432 | |
| Differences between expected and actual experience | - | |
| Changes of assumptions | 3,479 | |
| Benefit payments, including refunds of participant contributions | (264) | |
| Net changes | 8,077 | |
| Total OPEB liability - beginning | 36,303 | |
| Total OPEB liability - ending (a) | \$ 44,380 | 2 |
| Covered employee payroll | \$ 1,319,109 | |
| Total OPEB Liability as a percentage of covered employee payroll | 3.36% | |

Notes to schedule:

¹ This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

² No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 to pay related benefits.

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Council Agenda Item

| | |
|----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Budget Account Code: | Meeting Date: February 12, 2019 |
| Budgeted Amount: | Department/ Requestor: City Council |
| Fund Balance-before expenditure: | Prepared by: City Attorney Shelby |
| Estimated Cost: | Date Prepared: February 5, 2019 |
| Exhibits: | <ul style="list-style-type: none">1. <u>Proposed Ordinance</u>2. <u>Order and Notice of General Election (English/Spanish)</u>3. <u>Election contract for election services with Collin County</u>4. <u>Cost Estimate</u> |

AGENDA SUBJECT

CONSIDERATION AND/OR ANY APPROPRIATE ACTION ON ORDINANCE NO. 774 CALLING FOR AN ELECTION TO BE HELD ON SATURDAY, MAY 4, 2019 TO ELECT THREE (3) CITY COUNCIL MEMBERS AT-LARGE; PROVIDING FOR EARLY VOTING; AUTHORIZING THE MAYOR TO EXECUTE A GENERAL ELECTION CONTRACT FOR ELECTION SERVICES WITH COLLIN COUNTY; PROVIDING FOR THE ORDER AND NOTICE OF THE ELECTION; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW. [SHELBY]

SUMMARY

TIME FOR ORDERING THE ELECTION

General election. A city must order its general election not later than the 78th day before Election Day, whether the election is held on the May or November uniform election date [Texas Election Code - ELEC § 3.005. Time for Ordering Election (c)]. For our May 4, 2019 election, that translates to February 15 as the statutory last day for ordering the election.

The ordinance authorizes the Mayor to execute a General Election contract for election services with Collin County and provides for the order and notice of the May 4, 2019 election.

POSSIBLE ACTION

City Council may direct staff to take appropriate action.

| Inter – Office Use | | | |
|--------------------------------|--------------------------|-------|----------------------|
| Approved by: | | | |
| Department Head/ Requestor: | | Date: | |
| City Attorney: | <i>Brandon S. Shelby</i> | Date: | 02/05/2019 via email |
| City Administrator: | <i>Luke B. Olson</i> | Date: | 02/08/2019 |

ORDINANCE NO. 774
{Calling Regular Election}

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PARKER, TEXAS, CALLING FOR THE GENERAL ELECTION TO BE HELD ON SATURDAY, MAY 4, 2019 TO ELECT THREE (3) CITY COUNCIL MEMBERS AT-LARGE; AUTHORIZING THE MAYOR TO EXECUTE A GENERAL ELECTION CONTRACT FOR ELECTION SERVICES WITH COLLIN COUNTY; PROVIDING FOR THE ORDER AND NOTICE OF THE ELECTION; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PARKER, TEXAS:

SECTION 1. That, in accordance with the laws and the Constitution of the State of Texas, an election may be and the same is hereby called and ordered for the first Saturday in May, 2019, the same being the 4th day of said month, at which election all qualified voters may vote for the purpose of electing a three (3) city council members at-large for full terms, as defined in the statutes of the State of Texas.

SECTION 2. That said election shall be held pursuant to a General Election Contract with Collin County, Texas which the Mayor is hereby authorized to execute.

SECTION 3. That the County Elections Administrator shall prepare electronic ballots for early and election day voting and paper ballots for mail ballots and provisional ballots to be used in said election and shall label same "*Official Ballot*", on which ballot shall be printed the names of the candidates and the positions that are up for election.

SECTION 4. That no person's name shall be placed upon the official ballot as a candidate for the position of Council Member unless such person has filed his/her sworn application, as provided by the laws of the State, with the City Secretary at least seventy-eight (78) days prior to the election date, and it must also appear on the face of said application the position the candidate is seeking.

SECTION 5. That any Council Member candidate receiving the greatest number of the qualified votes cast for the position for which he is a candidate shall be elected to such position. In the event a tie vote occurs, the City Council of said City, immediately after canvass, shall issue a call for Special Election, as required by law, to be held not less than twenty (20) nor more than forty-five (45) days after the results of the Regular Election shall have been declared, at which election the candidates receiving a tie vote for any such position or positions in the regular election shall again be voted. If needed, a run-off election will be held in accordance with State law.

SECTION 6. That the polls shall be kept open from seven o'clock (7:00) a.m. until seven o'clock (7:00) p.m. on Election Day, and that due return shall be made to the City Council showing the number of votes cast for each candidate for each position of Council Member, respectively.

SECTION 7. That notice of said election shall be given by the Mayor of the City of Parker by causing an election notice to be posted at City Hall not later than the twenty-first day before election day, and by publishing this ordinance at least one time not more than thirty days nor less

than ten days prior to the election date, in the newspaper of record for the City of Parker in accordance with the provisions of the Election Code of the State of Texas, as amended.

SECTION 8. That the polling place for Election Day shall be as follows:

| Precincts | Location | Address | City |
|---------------|------------------|---------------------|--------|
| “VOTE CENTER” | Parker City Hall | 5700 E. Parker Road | Parker |

*City voters may vote at any of the additional Election Day Vote Centers open under full contract services with the Collin County Elections Administration.

SECTION 9. That the qualified voters, eligible to cast their ballots early under the laws of this State, shall be permitted to so cast their vote as set forth below:

| Polling Place | | | Address | | City | |
|---------------------------------------------------------------|-----------------------|-----------------------|-------------------------|-----------------------|-----------------------|------------------------------------|
| Collin County Election Office (Main Early Voting Location) | | | 2010 Redbud Blvd., #102 | | McKinney | |
| Parker City Hall | | | 5700 E. Parker Road | | Parker | |
| Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday |
| April 21 | April 22 8am – 5pm | April 23 8am – 5pm | April 24 8am – 5pm | April 25 8am - 7pm | April 26 8am - 5pm | April 27 8am - 5pm |
| April 28 | April 29 7am – 7pm | April 30 7am – 7pm | May 1 | May 2 | May 3 | May 4 7am – 7pm Election Day |

* City voters may vote at any of the additional Early Voting locations open under full contract services with the Collin County Elections Administration.

SECTION 10. That, in accordance with the General Election Contract, the County Elections Administrator shall arrange for appointment, notification (including writ of election), training and compensation of all presiding judges, alternate judges, the judge of the Central Counting Station and judge of the Early Voting Ballot Board.

SECTION 11. That the City Secretary is hereby authorized and directed to publish and/or post, in the time and manner prescribed by law, all notices required to be so published and/or posted in connection with this election.

SECTION 12. That the said election will be conducted in accordance with the Texas Election Code and only resident qualified voters of the City of Parker will be entitled to vote.

SECTION 13. That the canvass of the Election Returns will be held in the Council Chambers of City Hall, 5700 E. Parker Road, Parker, Texas, at the Regular Council Meeting of May 14, 2019.

SECTION 14. That it is hereby officially found and determined that the meeting at which this ordinance is passed is open to the public and that public notice of the time, place, and purpose of said meeting was given as required by law.

SECTION 15. That all Ordinances or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provision of this Ordinance shall be and remain controlling as to the matters ordered herein.

INTRODUCED on this the 12th day of February, 2019.

ADOPTED on this the 12th day of February, 2019.

EFFECTIVE DATE on this the 12th day of February, 2019.

CITY OF PARKER, TEXAS

BY: LEE PETTLE, MAYOR

ATTEST:

BY: PATTI SCOTT GREY,
CITY SECRETARY

APPROVED AS TO FORM
AND CONTENT:

BY: BRANDON S. SHELBY,
CITY ATTORNEY

CITY OF PARKER, TEXAS
CIUDAD DE PARKER, TEXAS

ORDER AND NOTICE OF GENERAL ELECTION
(ORDEN Y AVISO DE ELECCION GENERAL)

To the Registered Voters of Parker, Texas: *(A los votantes registrados del Parker Texas;)*

An election is hereby ordered to be held on May 4, 2019 for the purpose to elect three (3) Councilmembers-at-Large. *(Por la presente se ordena que se llevara a cabo una eleccion el 4 de Mayo de 2019 con el proposito para elegir tres (3) miembro del concilio.)*

Notice is hereby given that the polling places listed below will be open from 7:00 a.m. to 7:00 p.m., on May 4, 2019, for voting in a general election, to elect three (3) Councilmembers-at-Large.

(Notifquese, por las presente, que las casillas electorales citados abajo se abriran desde las 7:00 a.m. hasta las 7:00 p.m. el 4 de Mayo de 2019 para votar en la Eleccion General para elegir tres (3) miembro del concilio.)

LOCATION(S) OF POLLING PLACES
(DIRECCION(ES) DE LAS CASILLAS ELECTORALES)

| Precincts | Location | Address | City |
|-----------------|------------------|---------------------|--------|
| “VOTE CENTERS”* | Parker City Hall | 5700 E. Parker Road | Parker |

* City voters may vote at any of the additional Election Day Vote Centers open under full contract services with the Collin County Elections Administration.

(Ciudad los electores pueden votar en cualquiera de los adicionales elecciones día votación centros abiertos bajo contrato completo de servicios con la administración de elecciones del Condado de Collin.)*

EARLY VOTING BY PERSONAL APPEARANCE WILL BE CONDUCTED EACH WEEKDAY AT
(LA VOTACION ADELANTADA EN PERSONA SE LLEVARA A CABO DE LUNES A VIERNES EN)

| Polling Place* | Address | City |
|---------------------------------------------------------------|-------------------------|----------|
| Collin County Election Office (Main Early Voting Location) | 2010 Redbud Blvd., #102 | McKinney |
| Parker City Hall | 5700 E. Parker Road | Parker |

| Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday |
|-----------------|------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|
| <i>April 21</i> | <i>April 22</i> <i>Early Voting</i> 8am – 5pm | <i>April 23</i> <i>Early Voting</i> 8am – 5pm | <i>April 24</i> <i>Early Voting</i> 8am – 5pm | <i>April 25</i> <i>Early Voting</i> 8am - 7pm | <i>April 26</i> <i>Early Voting</i> 8am - 5pm | <i>April 27</i> <i>Early Voting</i> 8am - 5pm |
| <i>April 28</i> | <i>April 29</i> <i>Early Voting</i> 7am – 7pm | <i>April 30</i> <i>Early Voting</i> 7am – 7pm | <i>May 1</i> | <i>May 2</i> | <i>May 3</i> | <i>May 4</i> Election Day 7am – 7pm |

* City voters may vote at any of the additional Early Voting locations open under full contract services with the Collin County Elections Administration.

(Ciudad los electores pueden votar en cualquiera de los lugares de votación anticipada adicionales abiertos bajo contrato completo de servicios con la administración de elecciones del Condado de Collin.)*

Applications for ballot by mail shall be mailed to:

(Las solicitudes para boletas que se votaran en ausencia por correo deberan enviarse a:)

COLLIN COUNTY ELECTIONS ADMINISTRATION OFFICE

(Name of Early Voting Clerk –Bruce Sherbet) (Nombre del Secretario de la Votacion En Adelantada)

2010 REDBUD BLVD., SUITE 102, MCKINNEY, TEXAS 75069

(Address) (Direccion)

(City) (Ciudad)

(Zip Code) (Zona Postal)

Applications for ballots by mail must be received no later than the close of business on April 23, 2019.

(Las solicitudes de boletas por correo deben ser recibidas a más tardar al cierre de los negocios el)

(date) (fecha) : 23 abril de 2019.)

Issued this the 12th day of February, 2019.

(Esitada este dia 12 de febrero, 2019.)

Mayor Lee Pettle

Firma Del Alcalde

Instruction Note: A copy of this election order must be delivered to the County Clerk/Elections Administrator and Voter Registrar not later than 60 days before Election Day.

Nota de instrucción: Se deberá entregar una copia de esta orden de elección al/a la Secretario(a) del Condado/Administrador(a) de Elecciones y el/la Registrador(a) de Votantes a más tardar 60 días antes del día de elección.

May 4, 2019
General Election
Contract for Election Services
City of Parker

May 4, 2019 General Election

Table of Contents

| | |
|----------|--------------------------------------------|
| I..... | Duties and Services of Contracting Officer |
| II..... | Duties and Services of City |
| III..... | Cost of Election |
| IV..... | General Provisions |

Exhibits

| | |
|----------------|-------------------------------------|
| Exhibit A..... | Early Voting Schedule and Locations |
| Exhibit B..... | Election Day Vote Centers |
| Exhibit C..... | Cost of Services |

**THE STATE OF TEXAS
COUNTY OF COLLIN
CITY OF PARKER**

**CONTRACT FOR
§
ELECTION SERVICES**

BY THE TERMS OF THIS CONTRACT made and entered into by and between the CITY OF PARKER, hereinafter referred to as the "CITY," and BRUCE SHERBET, Elections Administrator of Collin County, Texas, hereinafter referred to as "Contracting Officer," pursuant to the authority in Subchapter D, Section 31.092, of Chapter 31, of the Texas Election Code, agree to the following particulars in regard to coordination, supervision and running of the City's May 4, 2019 General Election and a City Runoff Election, if necessary, on June 8, 2019. An additional cost estimate, early voting calendar, and Election Day polling place schedule will be prepared should a Runoff Election be necessary.

THIS AGREEMENT is entered into in consideration of the mutual covenants and promises hereinafter set out. **IT IS AGREED AS FOLLOWS:**

I. DUTIES AND SERVICES OF CONTRACTING OFFICER. The Contracting Officer shall be responsible for performing the following duties and shall furnish the following services and equipment:

A. The Contracting Officer shall arrange for appointment, notification (including writ of election), training and compensation of all presiding judges, alternate judges, the judge of the Central Counting Station and judge of the Early Voting Ballot Board.

a. The Contracting Officer shall be responsible for notification of each Election Day and Early Voting presiding judge and alternate judge of his or her appointment. The recommendations of the City will be the accepted guidelines for the number of clerks secured to work in each Vote Center. The presiding election judge of each Vote Center, however, will use his/her discretion to determine when additional manpower is needed during peak voting hours. The Contracting Officer will determine the number of clerks to work in the Central Counting Station and the number of clerks to work on the Ballot Board. Election judges shall be secured by the Contracting Officer with the approval of the City.

- b. Election judges shall attend the Contracting Officer's school of instruction (Elections Seminar); calendar will be provided.
- c. Election judges shall be responsible for picking up from and returning election supplies to the county election warehouse located at 2010 Redbud Blvd., Suite 102, McKinney. Compensation for this pickup and delivery of supplies will be \$25.00.
- d. The Contracting Officer shall compensate each election judge and worker. Each judge shall receive \$12.00 per hour for services rendered. Each alternate judge and clerk shall receive \$10.00 per hour for services rendered. Overtime will be paid to each person working over 40 hours per week.

- B. The Contracting Officer shall procure, prepare, and distribute voting machines, election kits and election supplies.
 - a. The Contracting Officer shall secure election kits which include the legal documentation required to hold an election and all supplies including locks, pens, magic markers, etc.
 - b. The Contracting Officer shall secure all tables, chairs, and legal documentation required to run the Central Counting Station.
 - c. The Contracting Officer shall provide all lists of registered voters required for use on Election Day and for the early voting period required by law.
 - d. The Contracting Officer shall procure and arrange for the distribution of all election equipment and supplies required to hold an election.
 - 1. Equipment includes the rental of voting machines, ADA compliance headphones and keypads (1 per site), transfer cases, voting signs and election supply cabinets.

2. Supplies include smart cards, sample ballots, provisional forms, maps, labels, pens, tape, markers, etc.

C. The Contracting Officer, Bruce Sherbet, shall be appointed the Early Voting Clerk by the City.

a. The Contracting Officer shall supervise and conduct Early Voting by mail and in person and shall secure personnel to serve as Early Voting Deputies.

b. Early Voting by personal appearance for the City's May 4, 2019, General Election shall be conducted during the time period and at the locations listed in Exhibit "A", attached and incorporated by reference into this contract.

c. All applications for an Early Voting mail ballot shall be received and processed by the Collin County Elections Administration Office, 2010 Redbud Blvd., Suite 102, McKinney, Texas 75069.

1. Application for mail ballots erroneously mailed to the City shall immediately be faxed to the Contracting Officer for timely processing. The original application shall then be forwarded to the Contracting Officer for proper retention.

2. All Federal Post Card Applicants (FPCA) will be sent a mail ballot. No postage is required.

d. All Early Voting ballots (those cast by mail and those cast by personal appearance) shall be prepared for count by the Early Voting Ballot Board in accordance with Section 87.000 of the Texas Election Code. The presiding judge of this Board shall be appointed by the Contracting Officer.

D. The Contracting Officer shall arrange for the use of all Election Day Vote Centers. The City shall assume the responsibility of remitting the cost of all employee services required to provide access, provide security or provide custodial services for the Vote Centers. The Election Day Vote Centers are listed in Exhibit "B", attached and incorporated by reference into this contract.

E. The Contracting Officer shall be responsible for establishing and operating the Central Counting Station to receive and tabulate the voted ballots in accordance with Section 127.001 of the Election Code and of this agreement. Counting Station Manager and Central Count Judge shall be Bruce Sherbet. The Tabulation Supervisor shall be Patty Seals.

a. The Tabulation Supervisor shall prepare, test and run the county's tabulation system in accordance with statutory requirements and county policies, under the auspices of the Contracting Officer.

b. The Public Logic and Accuracy Test of the electronic voting system shall be conducted.

c. Election night reports will be available to the City at the Central Counting Station on election night. Provisional ballots will be tabulated after election night in accordance with law.

d. The Contracting Officer shall prepare the unofficial canvass report after all precincts have been counted, and will provide a copy of the unofficial canvass to the City as soon as possible after all returns have been tallied.

e. The Contracting Officer shall be appointed the custodian of the voted ballots and shall retain all election material for a period of 22 months.

1. Pending no litigation and as prescribed by law, the voted ballots shall be shredded 22 months after the election.

2. The City can obtain the list of registered voters from the Elections Administration Office after this retention period.

Pending no litigation and if the City does not request the lists, the Contracting Officer shall destroy them.

f. The Contracting Officer shall conduct a manual count as prescribed by Section 127.201 of the Texas Election Code and submit a written report to the City in a timely manner. The Secretary of State may waive this requirement. If applicable, a written report shall be submitted to the Secretary of State as required by Section 127.201(E) of the aforementioned code.

II. DUTIES AND SERVICES OF THE CITY. The City shall assume the following responsibilities:

A. The City shall prepare the election orders, resolutions, notices, official canvass and other pertinent documents for adoption by the appropriate office or body. The City assumes the responsibility of posting all notices and likewise promoting the schedules for Early Voting and Election Day.

B. The City shall provide the Contracting Officer with an updated map and street index of their jurisdiction in an electronic (shape file preferred) or printed format as soon as possible but no later than Friday, March 8, 2019.

C. The City shall procure and provide the Contracting Officer with the ballot layout and Spanish interpretation in an electronic format.

a. The City shall deliver to the Contracting Officer as soon as possible, but no later than 5:00 PM Thursday, February 21, 2019, the official wording for the City's May 4, 2019, General Election.

b. The City shall approve the "blue line" ballot format prior to the final printing.

D. The City shall post the publication of election notice by the proper methods with the proper media.

E. The City shall compensate the Contracting Officer for any additional verified cost incurred in the process of running this election or for a manual count this election may require, consistent with charges and hourly rates shown on Exhibit "C" for required services.

F. The City shall pay the Contracting Officer 90% of the estimated cost to run the said election prior to Friday, April 5, 2019. The Contracting Officer shall place the funds in a "contract fund" as prescribed by Section 31.100 of the Texas Election Code. The Deposit should be delivered within the mandatory time frame to:

**Collin County Treasury
2300 Bloomdale Rd. #3138
McKinney, Texas 75071**

Made payable to: "Collin County Treasury" with the note "for election services" included with check documentation.

G. The City shall pay the cost of conducting said election, less partial payment, including the 10% administrative fee, pursuant to the Texas Election Code, Section 31.100, within 30 days from the date of final billing.

III. COST OF SERVICES. See Exhibit "C."

IV. GENERAL PROVISIONS.

A. Nothing contained in this contract shall authorize or permit a change in the officer with whom or the place at which any document or record relating to the City's May 4, 2019, General Election is to be filed or the place at which any function is to be carried out, or any nontransferable functions specified under Section 31.096 of the Texas Election Code.

B. Upon request, the Contracting Officer will provide copies of all invoices and other charges received in the process of running said election for the City.

C. If the City cancels their election pursuant to Section 2.053 of the Texas Election Code, the Contracting Officer shall be paid a contract preparation fee of \$75. An entity canceling an election will not be liable for any further costs incurred by the Contracting Officer in conducting the May 4, 2019, General Election. Tabulation and

programming costs shall be shared equally between the number of entities holding and election. Centralized costs will be determined based on voter registration per jurisdiction holding a May 4, 2019, General Election.

D. The Contracting Officer shall file copies of this contract with the County Judge and the County Auditor of Collin County, Texas.

WITNESS BY MY HAND THIS THE _____ DAY OF _____ 2019.

Bruce Sherbet
Collin County, Texas

WITNESS BY MY HAND THIS THE _____ DAY OF _____ 2019.

By: _____

Lee Pettle, Mayor
City of Parker

Attest: _____

Luke B. Olson, City Administrator
City of Parker

Exhibit “A”

MAY 4, 2019

GENERAL ELECTION

**Early Voting Location and Hours
City of Parker**

| Polling Place | | | Address | | City | |
|---------------------------------------------------------------|------------------|------------------|-------------------------|------------------|------------------|-------------------------------------------------|
| Collin County Election Office (Main Early Voting Location) | | | 2010 Redbud Blvd., #102 | | McKinney | |
| Parker City Hall | | | 5700 E. Parker Road | | Parker | |
| Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday |
| <i>April 21</i> | <i>April 22</i> | <i>April 23</i> | <i>April 24</i> | <i>April 25</i> | <i>April 26</i> | <i>April 27</i> |
| | 8am – 5pm | 8am – 5pm | 8am – 5pm | 8am - 7pm | 8am - 5pm | 8am - 5pm |
| <i>April 28</i> | <i>April 29</i> | <i>April 30</i> | <i>May 1</i> | <i>May 2</i> | <i>May 3</i> | May 4 7am – 7pm Election Day |
| | 7am – 7pm | 7am – 7pm | | | | |

* City voters may vote at any of the additional Early Voting locations open under full contract services with the Collin County Elections Administration.

Exhibit “B”

MAY 4, 2019

GENERAL ELECTION

Election Day Vote Center – City of Parker

| Precincts | Location | Address | City |
|------------------|------------------|---------------------|-------------|
| “VOTE CENTER” | Parker City Hall | 5700 E. Parker Road | Parker |

*City voters may vote at any of the additional Election Day Vote Centers open under full contract services with the Collin County Elections Administration.

SUMMARY OF COSTS FOR CITY OF PARKER

| | |
|-------------------------------------|-------------------|
| SUPPLY COST | \$99.85 |
| EQUIPMENT RENTAL COST | \$1,475.33 |
| EARLY VOTING | \$3,364.40 |
| ELECTION DAY | \$204.33 |
| ADMINISTRATIVE EXPENSES | \$13.00 |
| TABULATION/PROGRAMMING COSTS | \$1,087.14 |
| CENTRALIZED COSTS | \$161.60 |
| | |
| Total | \$6,405.65 |
| 10% Administrative Fee | <u>\$640.57</u> |
| | |
| Grand Total | \$7,046.22 |
| | |
| 90% Deposit due by 4/05/19 | \$6,341.59 |



Council Agenda Item

| | |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Budget Account Code: | Meeting Date: February 12, 2019 |
| Budgeted Amount: | Department/ Requestor: City Council |
| Fund Balance-before expenditure: | Prepared by: City Attorney Shelby |
| Estimated Cost: | Date Prepared: February 5, 2019 |
| Exhibits: | <ul style="list-style-type: none"> • <u>Joint Election Agreement with Plano Independent School District (PISD) and the Board of Trustees of Collin College District (the College)</u> |

AGENDA SUBJECT

CONSIDERATION AND/OR ANY APPROPRIATE ACTION ON THE JOINT ELECTION AGREEMENT BETWEEN THE CITY COUNCIL OF THE CITY OF PARKER (THE CITY), THE BOARD OF TRUSTEES OF THE PLANO INDEPENDENT SCHOOL DISTRICT (PISD), KNOWN AS (THE SCHOOL), AND THE BOARD OF TRUSTEES OF COLLIN COLLEGE DISTRICT (THE COLLEGE). [SHELBY]

SUMMARY

This joint election agreement between the City, Plano Independent School District (PISD) and the Board of Trustees of Collin College District authorizes the Mayor to execute said agreement for a joint election on May 4, 2019.

POSSIBLE ACTION

City Council may direct staff to take appropriate action.

| Inter – Office Use | | | |
|--------------------------------|--------------------------|-------|----------------------|
| Approved by: | | | |
| Department Head/ Requestor: | | Date: | |
| City Attorney: | <i>Brandon S. Shelby</i> | Date: | 02/07/2019 via email |
| City Administrator: | <i>Luke B. Olson</i> | Date: | 02/08/2019 |

JOINT ELECTION AGREEMENT

between

The City Council of the City of Parker (the City), the Board of Trustees of the Plano Independent School District (PISD), known as (the School), and the Board of Trustees of Collin College District (the College).

BY THE TERMS OF THIS AGREEMENT, the City, the School and the College, do hereby agree, pursuant to the provisions of the Texas Election Code, to hold a joint election for the General Election and Special Election should it be called, of the City and the General Election and Special Election should it be called, of the School District and the College to be held on Saturday, May 4, 2019. The entities have contracted with the Collin County Elections Administrator (Election Administrator) to perform various duties and responsibilities on their behalf.

The City, PISD and the College shall share equally in shared expenses applicable for the Election Day Vote Center at Parker City Hall. Expenses include polling location costs, election officials, supplies, ballots and any other and all necessary expenses for the election upon receipt of satisfactory billing and invoices reflecting the total of such election.

Tabulation and programming costs shall be shared equally between the number of entities holding an election on May 4, 2019. Centralized costs will be determined based on voter registration per jurisdiction. An entity canceling an election pursuant to Section 2.053 of the Texas Election Code will not be liable for costs incurred by the Elections Administrator in conducting the May 4, 2019, Joint General & Special Election of the City, the School District and the College; they will be liable only for the contract preparation fee of \$75.00.

APPROVED BY THE CITY COUNCIL OF THE CITY OF PARKER, TEXAS in its meeting held the _____ day of _____, 2019, and executed by its authorized representative.

By: _____
Lee Pettle, Mayor
City of Parker

Attest: _____
Luke B. Olson, City Administrator
City of Parker

APPROVED BY THE TRUSTEES OF THE PLANO INDEPENDENT SCHOOL DISTRICT in its meeting held the _____ day of _____, 2019, and executed by its authorized representative.

By: _____
Sara Bonser, Superintendent
Plano Independent School District

Attest: _____
Missy Bender, Board President
Plano Independent School District

APPROVED BY THE TRUSTEES OF THE COLLIN COLLEGE DISTRICT in its meeting held the _____ day of _____, 2019, and executed by its authorized representative.

By: _____
H. Neil Matkin, Ed.D. District President
Collin College

Attest: _____
Kim Davison, Chief of Staff
Collin College



Council Agenda Item

Item 10
C'Sec Use Only

| | |
|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Budget Account Code: | Meeting Date: February 12, 2019 |
| Budgeted Amount: | Department/ Requestor: City Council |
| Fund Balance-before expenditure: | Prepared by: Mayor Pro Tem Raney City Attorney Shelby |
| Estimated Cost: | Date Prepared: February 5, 2019 |
| Exhibits: | <ul style="list-style-type: none">• <u>City Attorney Brandon S. Shelby's HRCC Dual Office Holding Memo, dated February 6, 2019</u> |

AGENDA SUBJECT

DISCUSSION/CONSIDERATION AND/OR ANY APPROPRIATE ACTION ON HOME RULE CHARTER COMMISSION (HRCC) GOAL FOR SELECTION OF HOME RULE COMMITTEE. [PETTLE]

SUMMARY

The City of Parker is to have a diverse committee that is representative of its citizens. This will consist of a year or greater of residency, be a manageable group size, and a representation of Parker citizens.

POSSIBLE ACTION

City Council may direct staff to take appropriate action.

| Inter – Office Use | | | |
|--------------------------------|--------------------------|-------|----------------------|
| Approved by: | | | |
| Department Head/ Requestor: | | Date: | |
| City Attorney: | <i>Brandon S. Shelby</i> | Date: | 02/07/2019 via email |
| City Administrator: | <i>Luke B. Olson</i> | Date: | 02/08/2019 |



515 NORTH TRAVIS | PO BOX 1316
SHERMAN, TEXAS 75091
WWW.SHELBYLAWPLLC.COM
PHONE 903.357.5101

Memorandum

DATE: February 6, 2019

TO: Luke Olson

RE: Dual Office Holding – Home Rule Charter Commission

Chapter 9 of the Local Government Code outlines the process of creating a home rule charter commission (HRCC). The Code is silent on the necessary qualifications for a HRCC member and provides no guidance as to whether or not HRCC members may be citizens who also serve on another City board or commission.

The Texas Constitution prohibits public officials from simultaneously serving on more than one “office of emolument.” An emolument is a benefit that is received as compensation for services and includes salaries, fees of office, or other compensation—not including the reimbursement of actual expenses. The HRCC members will not receive any type of compensation for their service; therefore, the Constitution’s prohibition regarding offices of emolument would not preclude service on the HRCC and other City boards or commissions.

Dual office holding is also prohibited if the two positions are incompatible. The doctrine of incompatibility—which applies to all public offices, whether paid or unpaid—heeds the mandate that no person can serve two masters; full allegiance is required to one or the other. Whether or not two offices are incompatible must be examined on a case by case basis. That said, because of the nature of the HRCC, it is unlikely that a position on another board or commission would be incompatible.

Lastly, serving on multiple boards or commissions may be prohibited by City policy or ordinance. Interestingly, dual service is one of the many things that could be addressed in the charter of a home rule city. In 2016, the City Council passed Resolution 2016-505 defining the selection policy for City boards and commissions. This resolution specifically prohibits simultaneous membership on more than one city board or commission. The policy does not prohibit a council member from serving on another board or commission. Council should adhere to this policy or pass a new resolution amending or repealing Resolution 2016-505.

| MEETING DATE | ITEM DESCRIPTION | CONTACT | Notes |
|--------------------------|-------------------------------------------------|---------------------|---------------------------------------------------|
| 2019 | | | |
| TBD | Municipal Complex Update | Raney | General Update from time to time |
| TBD | Transportation Update | Standridge | |
| TBD | Home Rule | Raney | |
| TBD | Unregistered/False Alarms | Olson | Ord. 358/Fee Schedule |
| TBD | Bulk Trash reflecting city split | Staff | 0317 Ord725 2015 Bulk and Brush |
| TBD | International Building Codes | Machado | 2018 0920 PWD GM working toward update |
| TBD | Staff Contract Policy | Shelby/Olson | 10/08/2018 CC Mtg |
| TBD | Drainage Committee Update | Taylor/Machado | |
| TBD | Comprehensive Plan | Council | discussion requested 3/17 |
| TBD | Annual Codification Supplement | C'Sec | March |
| TBD | Alarm Ord. | | 3/1/16 Email C. Pettie |
| TBD | 2019 City Fee Schedule | | |
| TBD | Solicitors' Permit Ord. | | 3/1/16 Email C. Pettie |
| Jan., Apr., July., Oct., | Republic Waste Report | | 20161018 REQUIRED PER ORDINANCE AND AGREEMENT. |
| Jan., Apr., July, Oct. | Fire Dept. Report | Sheff/Miller/Fowers | |
| Jan., Apr., July, Oct. | Investment Report | Savage | |
| February | CABS OMA & PIA Training & Social Events Notices | Shelby/Olson | May 18, 2018 |

| MEETING DATE | ITEM DESCRIPTION | CONTACT | Notes |
|-------------------|------------------------------------------------------------------------------|-----------------------|--------------------------------------------|
| February | Legislative Issues | Pettle/Olson | 20181003 M/CA Discussion |
| February 19, 2019 | 2016 Hazard Mitigation Action Plan | | Talbed 12062016 |
| February 19, 2019 | ORDINANCE NO. 769, UPDATING ORDINANCE NO. 284 (POLICE RESERVE FORCE) | Pettle/Shelby/Br oaks | Moved to 2/19 by MLP |
| February 19, 2019 | ORDINANCE NO. 770, UPDATING ORDINANCE NO. 498 (POLICE DEPARTMENT OPERATIONS) | Pettle/Shelby/Br oaks | Moved to 2/19 by MLP |
| Feb/Mar | Budget Admendment - Parker Road Relocation - TxDot Reimbursement | Grant/Olsn | 2019 0122 CALO |
| Feb/Mar | Budget Admendment - Software | Grant/Olsn | 2019 0204 CALO |
| Feb/Mar | Budget Admendment - Gregory/Grey Lane | Grant/Olsn | 2019 0204 CALO |
| March | Planning Session | Pettle/Olson | 9/18 M/CC disc. |
| March | Annual and REPUBLIC SERVICES RECYCLE INCREASE | Olson | 2019 0122 CALO moved |
| March | Atmos Settlement - Ord. | | Res. No. 2018-564 - 03202018 |
| March | FINANCIAL STATEMENT | | 2018 1119 after software or temp |
| March | Res. Updating maps, e.g. Zoning, Annexation, Waterline, etc. | Gary | 20190116 working with Ken, w/CEJB's office |
| March | 2018-2019 ANNUAL ROAD MAINTENANCE PROJECT or any other bids | Gary | Gary checking with Birkhoff |
| March/April | Surplus | Savage/Machado | 2018 1119 Grant pushed to Feb. o |
| April 2, 2019 | Parks & Rec. Discussion/Ord | Pettle | 20190128 moved from Feb to April |
| April | Cancel 5/7, Reschedule 5/14 CC Mtg - due to Canvass | | Period of Official Canvass 5/7-15 |