



CITY OF FULSHEAR
DEVELOPMENT CORPORATION
A Type "A" Economic Development Sales Tax Corporation

PO Box 279 / 30603 FM 1093 · Fulshear, Texas 77441
281-346-1796
www.fulsheartexas.gov

JOINT MEETING AGENDA

THE STATE OF TEXAS · CITY OF FULSHEAR · COUNTY OF FORT BEND

Notice is hereby given of a meeting of the City of Fulshear Development Corporation (CDC) to be **held by videoconference** on Monday, April 13, 2020 at 5:30 p.m. to consider the below stated items. **Audio, and to the extent feasible, video of the meeting, will be available to the public via the following free-of-charge videoconference link:**

<https://global.gotomeeting.com/join/309475109>

The above videoconference link allows for two-way communication with members of the public; however, to avoid disruption of the meeting by channel noise, audio feedback loops, or excessive background noise, members of the public may be muted by the presiding officer or the officer's designee except during the citizen's comments and public hearing portions of the agenda, if applicable. A recording of the meeting will be made available to the public.

The Board of Directors of the City of Fulshear Development Corporation reserves the right to meet in closed/executive session for any of the below listed items should the need arise, and if authorized under the provisions of Title 5, Chapter 551, of the Texas Government Code including, but not limited to, Sections 551.071 (consultation with attorney), 551.072 (deliberations about real property), 551.073 (deliberations about gifts and donations), 551.074 (personnel matters), 551.076 (deliberations about security devices), and 551.087 (economic development negotiations).

Incidental Meeting Notice: A quorum of the City of Fulshear City Council, Planning & Zoning Commission, City of Fulshear Development Corporation (Type A), Fulshear Development Corporation (Type B), Parks & Recreation Commission, Historic Preservation & Museum Commission, Zoning Board of Adjustment, or any or all of these, may be in attendance at the meeting specified in the foregoing notice, which attendance may constitute a meeting of such governmental body or bodies as defined by the Texas Open Meetings Act, Chapter 551, Texas Government Code. Therefore, in addition to the foregoing notice, notice is hereby given of a meeting of each of the above-named governmental bodies, the date, hour, place, and subject of which is the same as specified in the foregoing notice.

1. Call to Order
2. Citizen's Comments – Citizens who desire to address the Corporation regarding matters on the agenda will be received at this time. The number of speakers will be limited to the first ten (10) speakers and each speaker is limited to three (3) minutes. Comments or discussion by directors will only be made at the time the subject is scheduled for consideration.

Joint Corporation Business:

3. Public hearing on specific project being proposed by the Corporation for Fiscal Year 2019-2020 being expenditures for creation of an innovation hub strategy for the City of Fulshear found by the Board of Directors to promote new or expanded business development, the amount of which is approximately \$6,000. Comments or discussion by the Board of Directors will only be made at the time the agenda item is taken up for deliberation by the board.
4. Consideration and action on Agreement with The Cannon regarding creation of an Innovation Hub Strategy for the City of Fulshear

5. Consideration and action on budget allocation for creation of an Innovation Hub Strategy for the City of Fulshear
6. Consideration and action on Resolution CDC 2020-01, a resolution of the CDC declaring a specific project of the Corporation for Fiscal Year 2019-2020
7. Review and discuss Economic Development Strategic Plan implementation specific to Corporations' priorities and next steps
8. Discuss impacts on Fulshear businesses related COVID-19, and economic development programs related thereto, and take action as necessary to direct staff
9. Consideration and action on Resolution CDC 2020-02, a resolution of the CDC requesting Governor Abbott temporarily waive or suspend certain statutes, orders, or rules that limit Economic Development Corporations (EDCs) from utilizing EDC sales tax revenues as a form of financial disaster relief to support local businesses impacted by COVID-19
10. Consideration and action on board member recommendation to purchase advertising space in the Explore Fulshear publication
11. Consideration and action on budget allocation for advertising in the Explore Fulshear publication
12. Consideration and action on minutes of the Corporation for the February 17, 2020 Special Joint Meeting
13. Consideration and action on financials and payables for the Corporation for the period ending January 31 and February 29, 2020
14. Consideration and action on Corporation Budget Amendment No. 1 for Fiscal Year 2019-2020 (FY20)
15. Hear update from City Council liaison
16. Economic development update including: City and Economic Development projects, certificates of occupancy, conferences and meetings attended, upcoming meetings and events, business contacts and announcements, and economic indicators
17. Future agenda items
18. Announcements
19. Adjournment

Note: In compliance with the American Disabilities Act, and to the extent applicable, this facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive service must be made at least 48 business hours prior to this meeting. Please contact the City Secretary's office at 281-346-1796 for further information.

I, Angela Fritz, Economic Development Director, do hereby certify that the above Notice of Meeting and Agenda for the City of Fulshear Development Corporation of the City of Fulshear, Texas was posted on **Thursday, April 9, 2020 before 5:00 PM,** in a place convenient and readily accessible at all times to the general public, in compliance with Chapter 551, TEXAS GOVERNMENT CODE.

Approved for posting by:



Angela Fritz, Economic Development Director



Jack Harper, City Manager



FULSHEAR
DEVELOPMENT CORPORATION
A Type "B" Economic Development Sales Tax Corporation

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Corporation Business:

3. Consideration and possible action to elect a President Pro-Tem
4. Consideration of and possible action on election of officers of the Corporation in accordance with the Corporation Bylaws, to include the positions of: President, Vice-President, Secretary, and Treasurer

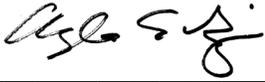
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Approved for posting by:



Angela Fritz, Economic Development Director



Jack Harper, City Manager



**FULSHEAR DEVELOPMENT CORPORATION
(B) COMMUNICATION FORM
April 13, 2020**

ITEM	TITLE
	Elect President Pro-Tem
ITEM/MOTION	
Consideration and possible action to elect a President Pro-Tem	
ESTIMATED EXPENDITURE:	BUDGET ACCOUNT:

SUBMITTED BY:

SUPPORTING DOCUMENTS:

Angela E. Fritz
Economic Development Director

EXECUTIVE SUMMARY

There is currently a vacancy in the Corporation President and Vice President positions. In this instance, the Bylaws require the election of a President Pro-Tem at the meeting in which the absence occurs, with the election of same limited to the duration of that meeting.

In order to do so, the Secretary (or in their absence, the Treasurer) will call the meeting to order and preside until a President Pro-Tem can be elected by the board. The President Pro-Tem will then preside over the remainder of the meeting, including its adjournment, at which point the elected president Pro-Tem's service will end.



**FULSHEAR DEVELOPMENT CORPORATION (B)
COMMUNICATION FORM
April 13, 2020**

ITEM	TITLE
	Election of Officers
ITEM/MOTION	
Consideration of and possible action on election of officers of the Corporation in accordance with the Corporation Bylaws, to include the positions of: President, Vice President, Secretary, and Treasurer	
ESTIMATED EXPENDITURE:	BUDGET ACCOUNT:

SUBMITTED BY:

Angela E. Fritz
Economic Development Director

SUPPORTING DOCUMENTS:

1. Corporation Bylaws Excerpt
2. Meeting Minutes Excerpt – June 17, 2019
3. City of Fulshear Resolution 2020-456 – February 18, 2020

EXECUTIVE SUMMARY

The board needs to hold an officer election to fill vacancies left by recent board resignations. Staff has included the item for the board's consideration in accordance with the Corporation Bylaws.

Current board officers are as follows:

- **President:** ~~Wes Wauson (elected June 17, 2019)~~ **VACANT**
- **Vice President:** ~~Mike Hopfe (elected June 17, 2019)~~ **VACANT**
- **Secretary:** Carol Riggs (elected June 17, 2019)
- **Treasurer:** ~~Ryan Kudlacek (elected June 17, 2019)~~ **VACANT**

**CORPORATE BYLAWS
OF THE
FULSHEAR DEVELOPMENT CORPORATION**

These Bylaws shall govern the affairs of the FULSHEAR DEVELOPMENT CORPORATION (the Corporation), a public instrumentality and a non-profit corporation created under Section 4B of the Development Corporation Act of 1979, as amended (the Act).

**ARTICLE I
PURPOSE**

Sect. 1: The Corporation acts on behalf of the City of Fulshear, Texas in the furtherance of the public purpose of aiding, promoting, and furthering the economic development of the City of Fulshear, Texas, (City) and may engage in any activities authorized by the Act.

**ARTICLE II
POWERS**

Sect. 1: The Corporation shall have all the powers, both express and implied, granted to corporations governed by Sect. 4B of the Act.

**ARTICLE III
OFFICE AND AGENT**

Sect. 1: Principal Office - The principal office of the Corporation is City Hall, currently located at 30603 FM 1093, Fulshear, Texas. The Corporation may provide for additional offices, or change the location of any office, principal or otherwise, with the approval of the City Council of Fulshear, Texas (the Council).

Sect. 2: Registered Office and Agent - The Corporation shall have and continuously maintain in the State of Texas a registered office and a registered agent whose office is identical with such registered office, as required by the Act. The Board of Directors may from time to time change the registered office and/or agent with the approval of Council, and provided that proper notification of such change(s) is given to the Office of the Secretary of State of the State of Texas.

**ARTICLE IV
BOARD OF DIRECTORS**

Sect. 1: Management - The property and affairs of the Corporation shall be managed and controlled by a Board of Directors (the Board) subject to the restrictions imposed by law, by the Articles of Incorporation, these bylaws, and by the Council.

Sect. 2: Number - The Board shall consist of seven (7) directors who shall be appointed by the Council, and shall at all times serve at the will of Council, irrespective of terms. No more than four (4) of the directors shall be Council members, officers of the City, or employees of the City.

Sect. 3: Term - The directors shall be appointed for a term not to exceed two (2) years. The initial term of three (3) of the directors shall terminate June 1, 2008. The initial term of four (4) of the directors shall terminate June 1, 2009. The term of any Council member(s) serving as director(s) shall terminate at such time that they cease to be a member of the Council.

Sect. 4: Qualifications - Directors shall be at least eighteen (18) years of age and residents of Fulshear, Texas and/or Fort Bend County, Texas. The Council shall consider an individual's experience, profession, accomplishments, and education in appointing directors. Such considerations shall serve the purpose of providing the Board with a varied representation that would best enable it to accomplish its goals and missions. The Board may make recommendations to the Council of individuals for appointment to the Board.

Sect. 5: Compensation - Directors shall not receive a salary or any other compensation for their service as directors. However, directors may be reimbursed for their actual and reasonable expenses incurred in the performance of their duties.

Sect. 6: Duties - Directors shall exercise ordinary business judgment in managing the affairs of the Corporation. In acting in their official capacity as directors of the Corporation, directors shall act in good faith, and take actions they reasonably believe to be in the best interest of the Corporation, and the City, and which are not unlawful, or unethical. The Board shall be accountable to the Council for all activities undertaken by them, or on their behalf, whether discharged directly by the Board, or by a person, firm, corporation, agency, association, or other entity acting on behalf to the Board.

A. The directors acting as a Board shall be responsible for, but not limited to, the following:

1. Developing and implementing strategies to bolster the business climate throughout the City
2. Developing and implementing strategies which fully utilize their assets for the economic development of the City
3. Utilizing public, private, and academic resources to develop and enhance economic opportunities for the City's citizens and its businesses
4. At all times being prepared to provide an accounting of all monies expended by the Corporation
5. Providing to Council such reports on the activities of the Corporation as the Council may from time to time request

Sect. 7: Ex-Officio Directors – Council may from time to time appoint ex-officio directors to the Board. The term of office of any appointed ex-officio directors shall expire two years from the date of appointment. Ex-officio directors shall be accorded all the rights and privileges accorded directors with the exception of a voting privilege.

Sect. 8: Attendance – Directors should make every effort to attend all regular or special called meetings of the Board. The Council may remove directors absent from meetings on a regular basis.

Sect. 9: Vacancies – The Council shall fill any vacancy occurring on the Board. Any such appointment shall be for the unexpired term of the vacated position.

Sect. 10: Conflicts of Interest – The directors are local public officials within the meaning of the Texas Government Code. If a director has a substantial interest in a business entity or real property that is the subject of deliberation by the Board, the director shall file an affidavit with the secretary of the Corporation stating the nature and extent of the interest. Such affidavits shall be filed prior to any vote or decision upon the matter by the Board, and the interested director shall abstain from any vote or decision upon the matter, and may be asked to refrain from participation in discussions of the matter before the Board for consideration.

Sect. 11: Removal – The Board of Directors and each member thereof serves at the pleasure of the Council which may remove any director at any time, either with or without cause, and irrespective of terms.

ARTICLE V OFFICERS

Sect. 1: Offices – The officers of the Corporation shall be a president, a vice president, a secretary, and a treasurer, all of whom shall be members of the Board. The Board may create additional officer positions, define the authorities and duties of such additional positions, and appoint persons to fill such positions. No person may hold more than one office in the Corporation.

Sect. 2: Election and Term – The officers of the Corporation shall be elected by the Board at the Corporation’s organizational meeting, and thereafter annually at the regular annual meeting. Each officer shall hold office until a successor is duly elected, or the officer vacates his position on the Board for whatever reason. An officer may be elected to succeed himself or herself in the same office.

Sect. 3: Vacancies – A vacancy in any office will be filled by the Board for the unexpired portion of the officer’s term.

Sect. 4: Removal – Any officer may be removed by the Board at any time, with or without cause. The removal of an officer does not constitute removal of such person as a director of the Corporation.

Sect. 5: President – The president shall be the chief executive officer of the Corporation. He shall preside at all Board meetings and generally supervise and control the business affairs of the Corporation. The president shall execute all documents and agreements affecting the Corporation, except where such power is expressly delegated to another officer of the Corporation. The president shall appoint the members of all committees previously approved by the Council, and all committee chairs. The president shall perform other duties that may from time to time be prescribed by the Board, and all duties incident to the office of president.

Sect. 6: Vice President – When the president is absent, is unable to act, or refuses to act, the vice president shall perform the duties of the president. When acting in place of the president, the vice president shall have all the powers, privileges, and duties of president, and be subject to all of the limitations and restrictions placed upon the president.

Sect. 7: Secretary – The secretary shall be the custodian of the corporate records. The secretary shall record and keep all the votes and minutes of the meetings of the Board. The secretary shall give notice of all meetings of the Board and its committees. The Board may delegate to another party the duties of recording of votes and minutes, and the posting of meeting notices. The secretary shall authenticate corporate documents and affix the seal of the Corporation as may be required. The secretary shall also perform all duties incident to the office of secretary, and other duties as may from

time to time be assigned by the Board. In the absence of the president and vice president, the secretary shall call a meeting to order and preside until the election of a president pro tem.

Sect. 8: Treasurer – The treasurer shall, if required by the Board or the Council, provide bond for the faithful discharge of his/her duties in such a form and amount as the Board or Council may require. The cost of such bond shall be paid by the Corporation, or the City. In the absence of the president, vice president, and secretary, the treasurer shall call a meeting to order, and presided until the election of a president pro-tem.

Additionally, the treasurer shall:

1. Have charge and custody of, and be responsible for all funds and securities of the Corporation
2. Receive and give receipts for monies due and payable to the Corporation from any source
3. Deposit all monies in the name of the Corporation in banks, trust companies, or other depositories
4. Maintain the financial books and records of the Corporation
5. Prepare financial reports at least annually, or on a schedule prescribed by the Board or Council
6. Perform other duties as assigned by the Board
7. Perform all duties incident to the office of treasurer

The Board may from time to time delegate to another party those duties of the treasurer it deems appropriate for delegation.

Sect. 9: Personnel – The Corporation may establish full-time and/or part-time personnel positions. The Council shall first approve personnel positions so created, as well as the salary and other forms of compensation for any such positions.

Sect. 10: Executive Director – The Board may employ an Executive Director to serve as General Manager and Chief Administrative Officer of the Corporation. The Executive Director shall be subject to the supervision of the Board of Directors and shall perform duties specifically delegated to him by the Board. The Executive Director shall serve as an ex-officio member of the Board and any other committees created by the Board. The Council shall first approve the employment of an Executive Director, as well as the salary, other forms of compensation and terms of employment of an Executive Director.

ARTICLE VI MEETINGS

Sect. 1: Notice – The Board shall be considered a “governmental body” within the meaning of Texas Government Code, Sect. 551.001, and all meetings, notices of meetings, and deliberations shall be called, convened, held, conducted, and given in accordance with the provisions of Texas Government Code, Chapter 551 (The Texas Open Meetings Act). In addition to the posting of a meeting notice in accordance with these bylaws and the Texas Open Meetings Act, a copy of each regular or annual meeting notice shall be delivered to each Director not less than seventy-two (72) hours before the time of the meeting. A meeting notice may be delivered in person or by mail. A notice by mail shall be deemed delivered when deposited in the United States mail addressed to the director at his/her address as it appears on the records of the Corporation. A director may waive such notice in writing at

any time before the time of a meeting. Notices for special meetings will likewise be required and may be issued to directors by mail or in person in accordance with the above given provisions at least seventy-two (72) hours before the date of the meeting, and shall include who called the meeting and the purpose of the meeting. The City shall be notified of any meetings either by way of email, phone, fax, or mail.

Sect. 2: Regular Meetings – The Board shall provide for at least four (4) regular meetings annually. The regular meetings shall be convened and adjourned within the City of Fulshear, Texas at the principal office of the Corporation, or at such other locations as the Board may designate so long as such meetings are likewise convened and adjourned within the City of Fulshear, Texas.

Sect. 3: Special Meetings – Special meetings of the Board may be called at the request of the president or any three (3) directors. A person or persons calling the meeting shall fix the time, date, and location of the meeting. Special meetings shall be convened and adjourned within the City. The person or persons calling the meeting shall notify the secretary of the Corporation of the information required to be included in the notice of the meeting.

Sect. 4: Annual Meeting – The annual meeting of the Corporation shall be held during the month of June of each year. The Board shall designate the time and location of the annual meeting.

Sect. 5: Quorum – Four (4) directors shall constitute a quorum for the transaction of business at any meeting of the Board. The presence of a director may not be established by proxy. No business shall be conducted, nor shall any action be taken by the Board, in the absence of a quorum.

Sect. 6: Proxy Voting – A director may not vote by proxy.

Sect. 7: Actions of the Board – The vote of a majority of directors present at a duly convened meeting at which a quorum is present shall be sufficient to constitute an act of the Board.

ARTICLE VII COMMITTEES

Sect. 1: Authorization – Upon approval of the Council, the president may appoint persons to serve on standing or ad hoc committees. The Council shall likewise approve a committee's membership. Further, a committee's membership shall contain no less than one (1), or more than three (3) directors, and may also include members who are not directors of the Corporation. Committees may be charged with specific duties and/or authority, but shall in no case take any action, or assume any authority, not specifically granted to them by the Board. The Board or City may terminate any committee, or remove any member at any time, either with or without cause.

Sect. 2: Term – Members of standing committees shall serve until successors are appointed, the committee is terminated, or a member is removed or resigns. Vacancies will be filled in the same manner as the original appointment

Sect. 3: Rules

- A. Each committee may adopt rules for its own operation consistent with the bylaws and any rules adopted by the Board.

- B. In such cases as a committee serves only as an advisory body, it shall not be subject to the Open Meetings Act or Open Records Act. Should the committee be empowered with decision making authority, or it's advice and/or recommendations be deemed tantamount to Board action, it shall then become subject to the Texas Open Meetings Act and the Texas Open Records Act.
- C. Each committee shall keep regular minutes of its meetings and report the same to the Board and the Council.

ARTICLE VIII FISCAL YEAR

Sect. 1: The fiscal year of the Corporation shall begin on the first day in October, and end on the last day in September.

ARTICLE IX FINANCIAL ADMINISTRATION

Sect. 1: Investments

- A. Corporate funds shall be deposited and maintained in a manner compliant with the provisions of Chapter 2256, Public Funds Investment Act, of the Texas Government Code.
- B. The Corporation shall adopt an investment policy in compliance with the provisions of Chapter 2256, Public Funds Investment Act, of the Texas Government Code. Such policy shall be approved by the Council. Likewise, any amendments to the policy shall require approval of the Council.

Sect. 2: Checks and Drafts – All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation shall be signed by two (2) original signatures. Authorized signatories shall be the directors of the Corporation, and additionally, authorized signatories for checks may include, in addition to the directors, an individual(s) approved by the Board as an authorized signatory(ies) for Corporate checks.

Sect. 3: Budget – By August 1st of each year the Corporation shall adopt a proposed annual budget of anticipated revenues and proposed expenditures for the coming fiscal year. The budget shall contain such classifications, and be in such a form, as may from time to time be prescribed by Council. The Corporation's budget shall be approved by the Council prior to the expenditure of any budgetary funds.

Sect 4: Records and Reports – The Corporation shall at all times maintain financial records of its revenues and expenditures, including receipts of all expenditures made. The Corporation shall provide the Council with monthly reports of revenues and expenditures, along with monthly check register documentation. Additionally, the Corporation shall, within ninety (90) days after the end of its fiscal year, provide the Council with an Annual Statement of Revenues and Expenditures, along with a summary of all its assets.

Sect. 5: Limitation on Expenditures – Council approval will not be required for singular un-budgeted expenditures so long as such singular expenditures do not exceed two percent (2%) of the Corporation’s budgeted revenues for the fiscal year during which such expenditures are made. No purchase of goods or services on behalf of the Corporation shall be made unless previously approved by the Board, or authority has been expressly granted by the Board to make purchase on behalf of the Corporation.

Additionally, singular expenditures in excess of ten thousand dollars (\$10,000.00) shall first be approved by the Council, and such Council approval may only be given after two separate readings of an authorizing resolution by Council.

Sect. 6: Bonds – Any bonds issued by the Corporation shall be in accordance with the Act, and shall not be issued without prior approval of the Council. Likewise, the Corporation shall seek and take into consideration the advice of the City’s bond counsel, and or, financial advisor(s).

Sect. 7: Gifts – The Board may accept on behalf of the Corporation any gift or bequest. Special funds shall be established for any funds from government contracts, grants, or gifts that were designated by the donor for a specific purpose. All other funds shall be general funds.

Sect. 8: Audits – The Corporation shall cause its books, records, accounts, and financial statements, and all other financial activities to be audited annually. Such audit shall be conducted by an outside independent certified public accounting firm. Further, any such audit shall be performed in accordance with generally accepted auditing procedures (GAAP), and shall include a written management letter that details any suggested management controls and operation efficiencies.

Sect. 9: Conflicts of Interest – No Board member, officer, or employee of the Corporation or City, or member of Council may lend money to, or borrow money from, the Corporation.

ARTICLE X TRANSACTIONS

Sect. 1: Contracts

- A. The Board may, by official action, authorize any officer or agent of the Corporation to enter into a contract, or execute and deliver any instrument in the name of, or on behalf of the Corporation. This authority may be limited to a specific contract or instrument, or it may extend to any number and type of possible contracts and instruments.
- B. The Corporation may contract with the City, or other entities, or persons for financial, administrative, legal, and other services.

ARTICLE XI BOOKS AND RECORDS

Sect. 1: Required – The Corporation shall keep and properly maintain correct and complete books and records of account. Such books and records shall be kept at City Hall. The Corporation’s books and records shall include, but not be limited to, the following:

- A. A file-endorsed copy of all documents filed with the Texas Secretary of State's office along with originals of all documents received from the Texas Secretary of State's office
- B. A copy of the Corporation's bylaws, and any amended versions
- C. Minutes of the proceedings of the Board
- D. Corporate agendas and postings
- E. Books, records, accounts, and financial statements pertaining to corporate funds
- F. Rulings, letters, and other documents relating to the Corporation's federal, state, and local tax status
- G. Any and all contracts or agreements entered into by the Corporation
- H. A current list of names and addresses of the directors, ex-officio directors, and officers of the Corporation

Sect. 2: Inspection – The Corporation shall be considered a “governmental body” within the meaning of the Texas Government Code, and all records of the Corporation shall be made available to the public for inspection or reproduction in accordance with the requirements of the Texas Government Code (Open Records Act).

ARTICLE XII INDEMNIFICATION

Sect. 1: Corporation to Indemnify – The Corporation shall indemnify any current or former director, officer, employee, or agent of the Corporation for expenses and costs, including attorney's fees, actually and necessarily incurred by the director, officer, employee, or agent in connection with any claim asserted against the director, officer, employee, or agent by action in court, or otherwise, by reason of the person being, or having been, a director, officer, employee, or agent of the Corporation, except in relation to matters as to which the person shall have been guilty of negligence or misconduct in respect of the matter in which indemnity is sought.

Sect. 2: Insurance – The Corporation may purchase and maintain insurance on behalf of any person who is, or was, a director, officer, employee, or agent of the Corporation to insure such person against any liability asserted against the person by reason of the person being, or having been, a director, officer, employee, or agent of the Corporation. The premiums for such insurance shall be paid by the Corporation.

ARTICLE XIII MISCELLANEOUS PROVISIONS

Sect. 1: Seal – The Corporation may provide for a corporate seal.

Sect. 2: Parliamentary Authority – Robert's Rules of Order, the latest version, shall be the parliamentary authority for all matters of procedure not specifically covered by the bylaws, or any specific rules of procedure that may from time to time be adopted by the Board.

Sect. 3: Legal Authority – The bylaws shall be construed in accordance with the laws of the State of Texas. All references in the bylaws to statutes, regulations, or other sources of legal authority shall refer to the authorities cited, or their successors, as they may be amended from time to time. It is expressly provided that the provisions of the Development Corporation Act of 1979 applicable to corporations governed under Sec. 4B of that Act are incorporated within these bylaws by inference. In the event of any conflict between the applicable provisions of such Act, State statute, or regulation and these bylaws, the applicable provisions of such Act, State statute, or regulation shall control.

Sect. 4: Legal Construction – If any provision is held to be invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability shall not affect other provisions of the bylaws. The bylaws shall be construed as if the invalid, illegal, or unenforceable provision had not been included in the bylaws.

Sect. 5: Headings – The headings used in the bylaws are used for convenience and shall not be considered in construing the terms of the bylaws.

Sect. 6: Amendment – The bylaws may be amended, altered, or repealed by the Council. Additionally, the bylaws may be amended, altered, or repealed by the Board, with the approval of the Council.

Sect. 7: Parties Bound – The bylaws shall be binding upon and inure to the benefit of the directors, officers, employees, and agents of the Corporation and their respective heirs, executors, administrators, legal representatives, successors, and assigns except as otherwise provided in the bylaws.

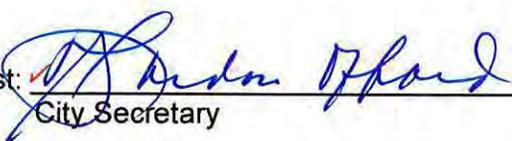
Sect. 8: Dissolution – Upon dissolution for any reason, all of the Corporation's assets shall be conveyed to the City after satisfaction of all outstanding obligations of the Corporation.

Sect. 9: Effective Date – These bylaws, and any subsequent amendments hereto, shall be effective on and from the date upon which approval has been given by both the Board and the Council.

CERTIFICATION

This is to certify that the foregoing is a true and correct copy of the bylaws of the Development Corporation of Fulshear, and that such bylaws were duly approved by the City Council of the City of Fulshear, Texas on the date set forth below.

Approved by the City Council of the City of Fulshear, Texas on this 16 day of OCTOBER, 2007.

Attest:  _____
City Secretary

This is to certify that the foregoing is a true and correct copy of the bylaws of the Development Corporation of Fulshear, and that such bylaws were duly adopted by the Board of Directors of the Development Corporation of Fulshear on the date set forth below.

Adopted by the Board of Directors of the Fulshear Development Corporation on this 31st day of JANUARY, 2008.

Attest:  _____
Secretary of the Corporation

4. Consideration of and possible action on election of officers of the Corporation in accordance with the Corporation Bylaws, to include the positions of:

- a) President**
- b) Vice-President**
- c) Secretary**
- d) Treasurer**

Board directors submitted nominations for the positions. Mr. Wauson was nominated for President. Mr. Hopfe was nominated for Vice-President. Ms. Riggs was nominated for Secretary. Mr. Kudlacek was nominated for Treasurer.

Motion to approve the nomination for President, Vice-President, Secretary and Treasurer as presented; the board then voted for election of new officers – Mangum; Second – Kudlacek
Ayes: 5 Nays: 0 Abstentions: 0

5. Consideration of and possible action on minutes of the Corporation for the May 20, 2019 Regular Meeting

Motion to approve the minutes as presented – Mangum; Second – Riggs
Ayes: 5 Nays: 0 Abstentions: 0

6. Consideration of and possible action on financials and payables for the Corporation for the period ending April 30, 2019

Ms. Fritz provided a summary of the EDC Sales Tax report, financials and payables.

Motion to approve the payables as presented for the reimbursement under the Administrative Services Agreement in the amount of \$13,747.27 – Mangum; Second – Hopfe
Ayes: 5 Nays: 0 Abstentions: 0

7. Economic Development update including:

- a) City and Economic Development Projects**
- b) Certificates of Occupancy**
- c) Conferences and Meetings Attended**
- d) Upcoming Meetings and Events**
- e) Business Contacts and Announcements**
- f) Legislative Updates**
- g) Economic Indicators**

Ms. Fritz provided a brief overview of economic development projects underway, as well as mentioned a new state law regarding regulation of building materials to be effective September 1 and announced the City's upcoming Freedom Fest to be held on July 4.

Mr. Marks provided brief overview of the business program.

RESOLUTION No. 2020-456

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FULSHEAR, TEXAS APPOINTING DIRECTORS TO THE BOARD OF THE FULSHEAR DEVELOPMENT CORPORATION, A TYPE "B" ECONOMIC DEVELOPMENT SALES TAX CORPORATION

WHEREAS, the City appreciates the volunteer service and dedication of board members past and present; and

WHEREAS, certain directors have submitted their resignation from the board or effectively communicated the same to the Mayor; and

WHEREAS, City Council of the City of Fulshear, Texas wishes to make appointments to the Fulshear Development Corporation to fill these vacancies; and

WHEREAS, the City Council of the City of Fulshear, Texas has considered the merits of such appointments and finds the persons listed below as competent and eligible for service;

NOW, THEREFORE BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF FULSHEAR, TEXAS that appointments for the Fulshear Development Corporation are as follows, that directors no longer listed below are removed from the board, and that those named to serve as directors for the terms designated are expected to duly execute the responsibilities of said positions:

Directors with terms expiring in 2020

John Kelly
Lisa Martin
Stacy Mangum
Ray Kerlick

Term expires: June 1, 2020
Term expires: June 1, 2020
Term expires: June 1, 2020
Term expires: June 1, 2020

Directors with terms expiring in 2021

Jason Maklary
Carol Riggs
Ryan Kudlacek
Don McCoy (Ex Officio)

Term expires: June 1, 2021
Term expires: June 1, 2021
Term expires: June 1, 2021
Term expires: June 1, 2021

This resolution duly passed this 18th day of February, 2020.

ATTEST:

Kimberly Kopecky
Kimberly Kopecky, City Secretary
City of Fulshear, Texas



Aaron Groff
Aaron Groff, Mayor
City of Fulshear, Texas



**FULSHEAR ECONOMIC DEVELOPMENT
COMMUNICATION FORM
April 13, 2020**

ITEM	TITLE
	Public Hearing – Innovation Hub Strategy Creation Project
ITEM/MOTION	
<p>Public hearing on specific project being proposed by the Corporation for Fiscal Year 2019-2020 being expenditures for creation of an innovation hub strategy for the City of Fulshear found by the Board of Directors to promote new or expanded business development, the amount of which is approximately \$6,000.</p> <p>Comments or discussion by the Board of Directors will only be made at the time the agenda item is taken up for deliberation by the board.</p>	
ESTIMATED EXPENDITURE:	BUDGET ACCOUNT:

SUBMITTED BY:

SUPPORTING DOCUMENTS:

Angela E. Fritz
Economic Development Director

EXECUTIVE SUMMARY
<p>A public hearing is required by statute for Type B projects to provide members of the public an opportunity to comment on the board's proposed projects.</p> <p>Comments or discussion by the Board of Directors will only be made at the time the agenda item is taken up for deliberation by the board.</p>



**FULSHEAR ECONOMIC DEVELOPMENT
COMMUNICATION FORM
April 13, 2020**

ITEM	TITLE
	Agreement – Innovation Hub Strategy Creation

ITEM/MOTION

Consideration and possible action on agreement with The Cannon regarding creation of an Innovation Hub Strategy for the City of Fulshear

ESTIMATED EXPENDITURE:

BUDGET ACCOUNT:

SUBMITTED BY:

SUPPORTING DOCUMENTS:

1. Final Statement of Work and Agreement for Services –
“Developing an Innovation Hub Strategy for Fulshear” –
01/13/2020 v.3

Angela E. Fritz
Economic Development Director

EXECUTIVE SUMMARY

This item and the associated items (public hearing, project declaration, and budget allocation) is a carryover from the March 16 meeting that was cancelled due to COVID-19.

Since the February EDC meeting, staff continued to work with representatives of [The Cannon](#) to finalize a Statement of Work and Agreement for Services to provide for the creation of a Fulshear-specific Innovation Strategy in alignment with recommendations in the Economic Development Strategic Plan (EDSP), as well as The Cannon’s [recently completed “Developing a Network of Innovation Hubs in Fort Bend County” Strategic Report for the Fort Bend County Economic Development Council \(FBEDC\)](#) which recommends a location in the general Fulshear area. The Fulshear “playbook” is intended to be provider-agnostic, and to present a clearer picture of the market and potential financial models for future potential partnerships.

A copy of the final Statement of Work (SOW) and accompanying Agreement is included for the boards’ consideration. The Agreement includes standard terms and was prepared on the EDC’s behalves by the City’s purchasing coordinator in conjunction with legal counsel.

The final draft SOW includes clarifications and additional information regarding questions posed by staff and board members the boards as part of the review process following last month’s meeting. The Cannon has accepted the final amended Statement of Work and Agreement, and has also agreed to lower the total proposed fee to \$12,000 from \$15,000. Lawson Gow, Founder and President of The Cannon plans to attend the meeting to answer any questions the boards may have about the work proposed.

Items to hold public hearings, approve the necessary budget allocations, and declare the project, are included on this meeting agenda in order that they may be brought forward to City Council at their April 21 meeting for the final necessary statutory approvals required before expenditures may be made.



Developing an Innovation Hub Strategy for Fulshear

A proposal for the Economic Development Corporations of the City of Fulshear to build a strategy around the launch and growth of an impactful entrepreneurial hub in Fulshear

The Cannon | 1/13/2020 v. 3

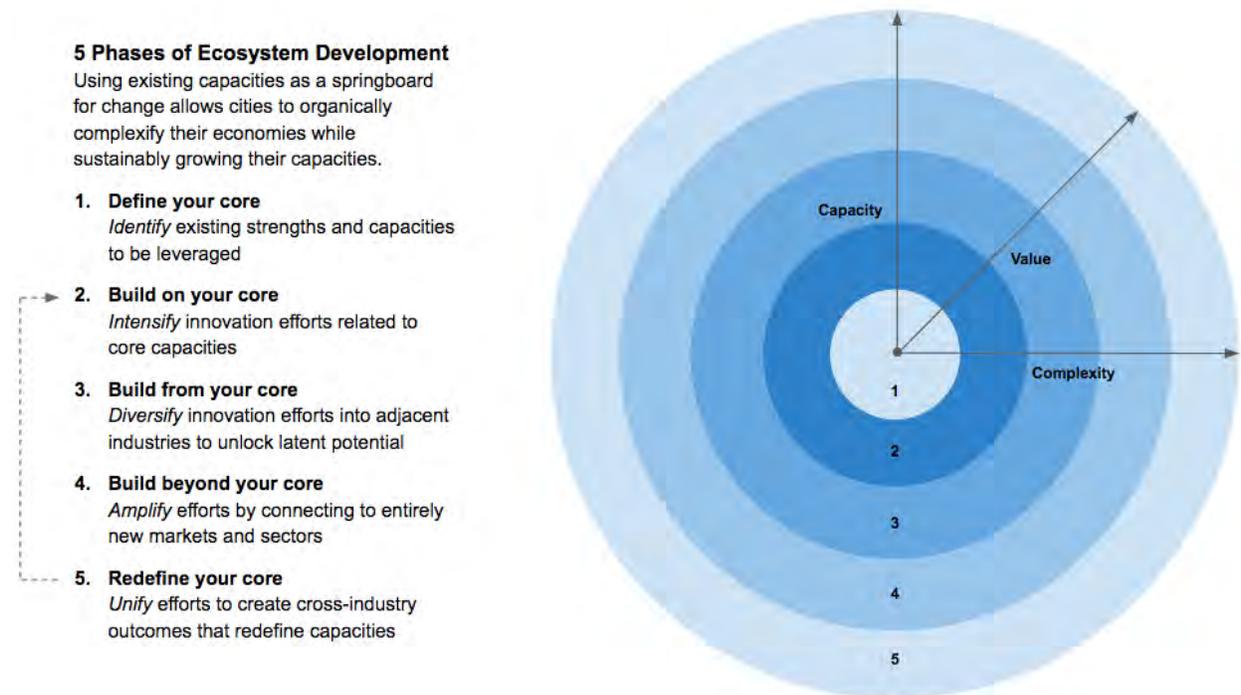
Introduction

The Economic Development Strategy for the City of Fulshear, developed by TIP Strategies, defined the economic development vision as follows: “Fulshear is a top destination for talent and businesses in the Greater Houston region, maintaining a small-town feel and a strong connection to nature balanced with high-quality, well-planned, and diversified development.” Our team believes that developing a programmatically-rich, centralized hub for The City’s entrepreneurs will be an essential ingredient in the realization of this economic vision. Innovation hubs focused on providing education, resources, and support to local entrepreneurs and their businesses have proven to be powerful agents of new business development and growth. These types of ‘incubators’ of startup companies serve as community epicenters of innovative activity that proliferates throughout the area and fuels business and job creation for cities.

Although innovation is most often associated with firm-level or state-level activities, municipal governments have a vital role to play in creating the conditions for innovation. Just as cities are responsible for building and maintaining their physical infrastructure, so too should they be responsible for participating in the development and cultivation of innovation infrastructure. Creating a thriving urban innovation ecosystem—that is, the community that emerges from the innovation-related interaction between all the people, programs, platforms, and partnerships in a given city—requires cities to build on existing strengths and capacities, but in a way that leverages the status quo to transform it, thereby increasing industry diversity while fostering economic resiliency (see Figures 1). It requires city leaders to look beyond their borders, adopting a regional and global approach that allows them to import new value into the local economy. It requires initiatives be unified yet decentralized, authentic yet inclusive, strategic yet organic, guided yet open. Above all, successful ecosystems include a cross-section of stakeholders, from municipal agencies to large enterprises, from entrepreneurs to intrapreneurs, from angel investors to institutions, from civic leaders to average citizens. As American urban theorist Jane Jacobs once wrote, “Cities have the capability of providing something for everybody, only because, and only when they are created by everybody.”¹

¹ See Jane Jacobs, *The Death and Life of Great American Cities* (1961).

Figure 1: 5 Phases of The Cannon Ecosystem Development



When building innovation ecosystems, we caution against over-simplifying initiatives down to a focus on a single industry, a single district, or a single priority. We believe that the strength of an ecosystem is directly proportional to the complexity of interactions between various actors, where actors are individuals, groups, or organizations, an interaction is any exchange of ideas, knowledge, capital, goods, or services between actors, and complexity is the product of the breadth (diversity) and depth (intensity) of the interactions. Moreover, we believe that the value created by an innovation ecosystem is a function of the complexity of the system and the robustness of its capacities. Because the process of innovation is non-linear and equifinal, we don't believe there is one right way to increase a city's economic capacities and complexity of interactions. Nevertheless, there are a number of philosophies that we incorporate into our recommendations, including the belief that the best ecosystems are:

- Organically-grown, i.e. they are built with a bottom-up perspective, even when led from the top-down, to ensure inclusivity and authenticity;
- Capacity-driven, i.e. they leverage a city's endemic capabilities, which not only includes existing strengths in particular industries, but potential strengths yet to be realized;²

²"Growing Cities that Work for All A Capability-Based Approach to Regional Economic Competitiveness," Brookings (2019).

- Socially-supported, i.e. they convene like-minds and diverse ideas to offer inclusive social support systems that connect innovators to each other and the common good;
- Commercially-viable, i.e. they have to make economic sense for private sector players and help generate new commercial value for those involved;
- Resiliently-designed, i.e. they are robust and are capable of not only surviving disruption, but learning and improving from it.

Over the past decade in particular, The City of Fulshear has experienced explosive growth, evolving from a rural farming area of roughly 1,000 people to a full-fledged Houston suburb of 14,000 people. The Economic Development Strategy reports that “Fulshear is the fastest-growing city in the Houston metropolitan statistical area and in the state of Texas, overall.” The City also has many advantages and strengths including highly rated schools, award-winning master-planned communities, a young, wealthy and highly educated population, etc. However, as noted in the report, “The City of Fulshear faces important challenges that it will need to address and manage to secure its future.” One of these challenges is that The City is becoming a ‘bedroom community,’ with most of its employed residents commuting outside city limits for work. In order for The City to continue its growth, it will need to take an active role in managing its business environment and encouraging local job and business creation.

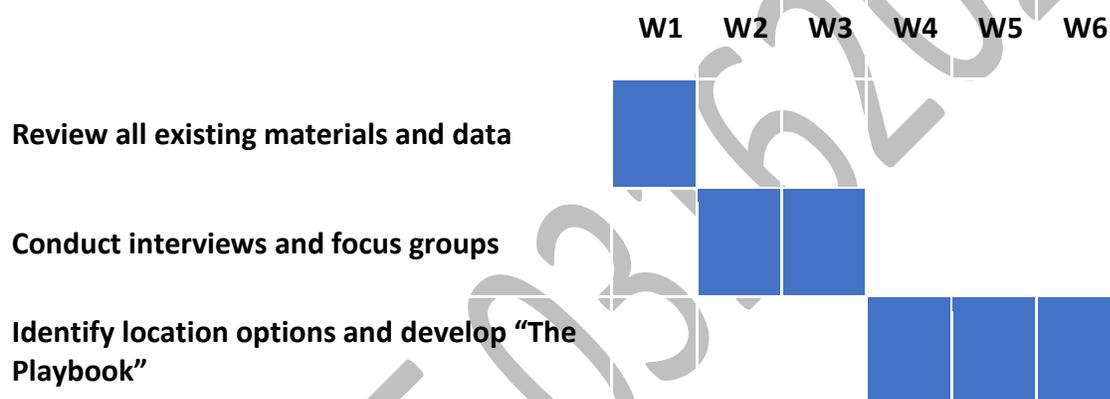
The City’s Economic Development Strategy recognizes that a major opportunity for Fulshear is to develop a regional employment center via a business district and/or office space. Although the Strategy does a thorough job of comprehensively establishing an economic development vision for Fulshear and laying out guiding principles, goals, and strategies, it was not intended to go as far as to outline specific strategies for the creation of such a district. This specific type of specialized economic development is precisely the kind of the work that The Cannon does with cities. Our team builds solutions for local governments that include all of the components needed to launch and operate catalytic centers of innovation. Projects of similar size and scope we are currently engaged in include The City of Pearland, Conroe Economic Development Council (CEDC), and Frisco Economic Development Council (FEDC).

The Cannon concentrates exclusively on the development and management of innovation hubs and startup incubators for cities, and on how to leverage a city’s endemic strengths, align with its cultural preferences, and respond to its unique concerns. The proposal below outlines our approach to helping the Client, the City of Fulshear Economic Development Corporations (EDCs), conceptualize and build an incubator that can unlock value for entrepreneurs, startups, and citizens. If approached strategically, we believe this undertaking will have tremendously positive long-term benefits for the City, and our team is enthusiastic about the opportunity to work with Fulshear on this meaningful project.

Objectives

1. Demonstrate the feasibility of establishing a startup incubator in Fulshear that can position the City as a leader in small business development and innovation.
2. Develop a strategy for building and launching an incubator that can help catalyze entrepreneurial activity in Fulshear.
3. Assist in identifying qualifying candidates to provide the space, along with criteria for selection, and define the business model, financial model, strategic partners, programs, and full-time team necessary to launch and support the incubator.

Overview of Six Week Project



Note: This timeline is subject to change and may be impacted by scheduling conflicts, fundraising, and/or securing a physical location.

Scope of Work

1) Review of Existing Materials and Data

Given the research and thinking that has already taken place on the economic development strategy of Fulshear and on the innovation strategy of Fort Bend County, we envision this phase being fast and efficient. Our team will study all of the existing demographic and economic research on the City, including strategic plans, development plans, demographic data, and other research studies that can be made available to us. This will take the understandings we have about Fort Bend County as a whole, and begin to identify specific strengths, weaknesses, and opportunities of Fulshear which will inform the overall strategy.

2) Conduct Interviews

To ensure our recommendations create maximum value for the City, we will study the aspirations, needs, challenges, culture, and expectations of its citizens. Our team will use the information gathered in the first phase as a foundational layer upon which we will add the qualitative content collected through discussions with local business and city leaders and other stakeholders in Fulshear. Although this work will occur prior to the formal solicitation of potential members of the space, throughout this process and by way of these conversations, we will begin to socialize the message of a coming hub to residents of Fulshear and informally start to identify interested parties. Some portion of these may be members in existing Cannon locations whom we know to be residents of Fulshear or nearby areas. We request that the Client designate a primary contact who can help organize meetings to expedite this process, which will consist of the following:

- **Up to 3 focus group sessions** with key private and public sector influencers (5-7 participants at a site in Fulshear)
- **5-6 additional one-on-one interviews** with prominent political and business leaders, as well as property owners who could potentially provide space for a physical space

3) Identify Potential Sites and Develop “The Playbook”

Once we have collected all of the quantitative and qualitative information needed to define an innovation strategy, our team will work with the Client and other stakeholders to identify potential site locations for the incubator. Through this process we will apply our learnings to develop a “Playbook” for the development of a city-wide innovation strategy centralized around the incubation hub. In addition to the detailing of the business model and financial forecast for the space itself, the Playbook will outline the following:

An Analysis of Findings & Recommendations of Key Strategies

We will review and analyze our findings, extracting insights and forming conclusions that will shape our thinking, help us determine the feasibility of the initiative, and inform our recommendations on how to build and implement the incubator successfully. This will include a background on innovation hubs in general and explanations of how best practices can be applied to what we know about the City of Fulshear as it develops its own physical epicenter of entrepreneurialism.

The report will include recommended approaches specific to the needs of Fulshear – approaches to capitalize on existing strengths and to leverage inherent strategic assets of the City, and to address gaps and weaknesses from an innovation perspective. The final deliverable will be a “work made for hire” for the Client and can serve as a guidebook for how to design, implement, and operate the hub. It will not assume that The Cannon will operate the space, but rather, will be an operator agnostic strategic plan.

The Space

As noted, the project assists in the identification of potential sites as well as the business structure associated with the ongoing operations of the space. The Playbook will include our philosophies on the types of space most conducive to creative output and collaborative engagement. In addition, it will include specific financial models for each proposed potential location (for a maximum of 3 potential locations) based on site specific market and monetary considerations for both a building owner/Cannon partnership model and a public-private partnership (P3) model. The models will outline a pricing structure, square footage breakdowns, ongoing operational costs, and community growth projections. In the case of a P3 arrangement, the playbook will also pose a couple of specific ways this could be structured. Assuming there is an interest, our team will also conduct tours of existing Cannon spaces for Fulshear stakeholders. These models will outline the economic viability/sustainability of the space in both the private partnership and P3 scenarios, specifically taking into account the buildout expenditures, local market rent rates, and rent stabilization assumptions.

Programs and Partners

The Playbook will include an overview of the kinds of programs that have been successful in other Cannon projects and concepts for types of programs specific to the needs of Fulshear. We will outline the key areas of focus for the City and the corresponding programs needed to address these areas. The program recommendations will likely be both hub-specific and city-wide and will include recommendations on how to develop these types of offerings for Fulshear's entrepreneurs and innovators. Similarly, the report will identify potential strategic partners and recommendations on how to engage with these organizations.

Staffing and Operational Overview

The Playbook will include a high-level overview of the ongoing operations needed to sustain the incubator space. Based on the findings and recommended areas of focus, it will also outline a specific staffing structure. If The Cannon is to ultimately be the operator, it will be the responsibility of our team to hire, train, and manage the employees associated with running the hub. These discussions too will include both hub-related and city-wide staffing strategies.

Launch and Marketing Overview

The Playbook will include best practices of launching and growing these types of spaces. Our team will outline our experiences with communications, marketing, and advertising as they relate to the development of vibrant entrepreneurial centers and how Fulshear might also achieve a city-wide alignment and engagement around their efforts.

Capital Requirements

The Playbook will also detail the capital requirements associated with launching and sustaining Fulshear's innovation strategy. These capital needs will include those related to the physical hub as well as those tied to other innovation development efforts throughout the City.

Measures of Success

Prior to the completion of the study, it is difficult to anticipate the number of individuals and companies that can be expected to become members of the hub in Fulshear. Clarity on this will evolve throughout the process of this study and upon the opening and growth of the hub. Anecdotally, we know there to be some significant demand from residents in Fulshear as well as nearby areas, but this remains qualitative. Upon the start of the project, our team will communicate with members of existing Cannon locations, whom we know to be residents or close residents, that a space will be opening in the Fulshear area. Cannon members who chose to move their businesses to the new Cannon location in Fulshear will have their memberships transferred over.

It is also impossible for us to quantify the impact that any specific space will have on member companies and on a region, as we are not ultimately directly in control of the companies and their activity. Rather, it is our responsibility to, as best we can, provide support, resources, connections, education, and other helpful programs that help optimize the chances of success. However, we do know in what ways other locations have made an impact and we can anticipate and track these success metrics ongoing in the Fulshear location. Specifically, these spaces lead to 1. An increase in small business retention locally, as early-stage companies tend to utilize the hub as their headquarters rather than commuting beyond the local region, 2. An increase in support for and engagement with startups and small businesses by mentors, corporations, and other organizations, 3. An increase in corporate partnership programs to foster the growth of young companies, 4. An increase in investor interest, deal flow, and in the amount of outside capital raised by local businesses, 5. An increase in the rate at which early-stage companies reach the maturity level needed to sign long term commercial office leases, 6. An increase in local small business job creation, 7. An increase in customer traction by startups and small businesses, 8. An increase in press coverage and startup/tech/small business events in the region, 9. An increase in engagement of and participation by academic institutions, 10. A general increase in education around startups and small businesses by entrepreneurs and investors. And while some of these success metrics are more difficult to specifically quantify than others, our organization will track these outcomes on an ongoing basis in the Fulshear location.

Fees & Terms

Service	Fee
Playbook Research & Development	\$12,000

Terms

Upon the completion of the study, our team will host a work session to present our report and discuss our conclusions and recommendations. At this meeting we will also discuss next steps and, if appropriate, the implementation work needed to launch the space. We will make up to 2 rounds of minor revisions (e.g. pertaining to language, framing, structure, etc.) to the final report prior to concluding the project.

The client will incur a 10% late payment penalty per month for any fees outstanding for more than 30 days.

Our team is optimistic about the potential that Fulshear has to develop an impactful, transformative center of innovation and we are excited about the opportunity to collaborate on this project. Thank you for your consideration and we look forward to hearing from you soon.

About The Cannon

The Cannon is a firm that develops and operates innovation hubs for local government and city development organizations. The company is building a global network of innovation hubs, starting with a multi-city ecosystem spread across the Greater Houston Area, one of the fastest growing regions in the United States. With over 150,000 square feet of incubator and coworking space under management, a growing investor network, a robust roster of programs for entrepreneurs and intrapreneurs, partnerships with an increasing number of Fortune 500 companies and prestigious startup accelerators, we are quickly becoming a global model for private and public sector-driven innovation infrastructure initiatives.

Across all of our physical locations, we have re-imagined the typical incubator and coworking experience. For example, we strategically curate members to surround startups with access to prospective investors, service providers, and accomplished mentors. In our newest location, The Cannon Tower in Downtown Houston, we're co-locating disparate groups to create a 'vertical village' of innovation that includes incubator and coworking space, dedicated space for accelerators, and large event spaces spread across four floors. We also provide exceptional amenities for our members. Our flagship location in Houston's Energy Corridor, for instance, boasts a gallery-style auditorium, a luxury movie theater, cafe, showers, and a coding bootcamp. Around this facility, we're creating a live-work-play district that caters to the interests and needs of entrepreneurs.

Over the next year, we plan on expanding our footprint to include over 10 locations across the region and beyond to develop an interconnected network of hubs that can facilitate the exchange of ideas, talent, capital, and unlock value greater than the sum of its parts for each community in which we operate.

Project Team

Lawson Gow

Lawson is the Founder and President of The Cannon. Prior to founding The Cannon, Lawson worked for KPMG Capital, the venture capital arm of the global consulting firm KPMG. After studying various innovation initiatives around the world, he realized Houston was lacking the infrastructure and resources startups needed to thrive. To address this problem, Lawson founded The Cannon in 2017, followed by the Cannon's investor network in 2018. He is a graduate of Rice University and an alumnus of Williams College. In 2019, he was recognized as one of Houston Business Journal's 40 Under 40 for his work in advancing the city's innovation ecosystem. He currently sits on innovation committees for the Greater Houston Partnership, Fort Bend County, and others, where he advises public sector and economic development leaders on urban innovation strategy.

Remington Tonar

Remington is Managing Director of The Cannon and serves as the company's expert on innovation systems and urban theory. Prior to The Cannon, Remington worked in innovation and corporate culture consulting in New York City, where he helped executives at Fortune 500 companies, global NGOs, and top 10 universities set strategic innovation priorities, develop new business models and offerings, and create cultures of intrapreneurship. He is a Forbes.com contributor covering urban innovation, and is an advisor to startups around the world. He holds Master's degrees from New York University and Loyola University Chicago, with his postgraduate research focusing on the interplay between cultural belief systems, technology, and economics. He frequently speaks at industry conferences and in classrooms on topics ranging from startup management to ethnographic research to digital media's impact on culture.

Hilary Zanoni

Hilary is The Cannon's Director of Partnerships and the company's public policy expert. Prior to joining The Cannon, she helped a unicorn startup enter the Houston market and ran operations at a marketing and advertising agency. She holds a Master's degree in Public Policy from Loyola University Chicago and three Bachelor's degrees with summa cum laude honors from the University of Wisconsin - Green Bay. Her expertise includes fostering sustainable local economic development and working with private and public sector stakeholders to build economically sustainable communities.

Taylor Anne Adams

Taylor Anne is The Cannon's Director of Strategy and Business Development, and an expert in brand strategy and communications. She previously worked in digital media and entertainment in Los Angeles and New York City, and has worked with numerous startups in the consumer goods space. She is also a longtime advocate for women entrepreneurs and advises female founders from coast to coast. She graduated Cum Laude from Wake Forest University with a degree in Communication and Sociology. Her expertise includes branding and marketing, image and reputation management, and talent scouting and management.

SERVICES AGREEMENT
#2020-28
Consulting Services for Developing an Innovation Hub Strategy

THIS AGREEMENT (“Agreement”), effective **the date of last signature of this agreement** (“Effective Date”), is entered into by and between the City of Fulshear Development Corporation and the Fulshear Development Corporation (collectively, “Client”) with offices located at 30603 FM 1093, Fulshear, Texas 77441, and

The Cannon
1334 Brittmoore Rd
Houston, TX 77043
Attn: Lawson Gow, President
lgow@thecannonhouston.com
(713) 332-1299

hereinafter referred to as “CONTRACTOR”.

ARTICLE I
RETENTION OF THE CONTRACTOR

1.1 The CONTRACTOR is being retained to provide services described below to the CITY based on the CONTRACTOR’s demonstrated competence and requisite qualifications to perform the scope of the services described herein. The CONTRACTOR has special knowledge and expertise that is of interest to the CITY. CITY agrees to and hereby does retain the CONTRACTOR, as an independent CONTRACTOR, and the CONTRACTOR agrees to provide the service to the CITY, in accordance with the terms and conditions provided in this Agreement.

ARTICLE II
SCOPE OF SERVICES

2.1 The CONTRACTOR will provide **consulting services** described within the Statement of Work in Appendix A (collectively, “Services”) which is hereby incorporated by this reference and made a part of this Agreement, and shall be subject to the terms and conditions in this Agreement. In the event of a conflict between any term or provision in this Agreement and any term or provision in a Statement of Work, the term or provision in this Agreement shall control unless the conflicting term or provision in this Agreement is referenced, and expressly stated not to apply, in such Statement of Work.

2.2 Any agreed-upon changes to a Statement of Work shall be set forth in an Amended Statement of Work. CONTRACTOR will not implement any changes or any new services until an Amended Statement of Work has been duly executed by the CITY. CITY shall not be liable for any amounts not included in a duly executed Statement of Work or Amended Statement of Work.

2.3 All Services rendered under this Agreement will be performed by the CONTRACTOR: i) with due care; ii) in accordance with generally prevailing industry standards; and iii) in compliance with all applicable laws, government regulatory requirements.

CONTRACTOR shall commence the Services immediately upon receiving a notice to proceed from the City; shall diligently pursue completion of the Services; and, subject to section 8.4 hereof, shall complete the Services no later than sixty (60) days after receiving the notice to proceed.

**ARTICLE III
TERM**

- 3.1 **Term.** This Agreement will commence on the effective date and shall remain in effect until completion of the Services, unless earlier terminated as provided herein.
- 3.2 **Termination.** Either Party may terminate this Agreement or any Statement of Work at any time, with or without cause, upon thirty (30) days' prior written notice. Upon its receipt of notice of termination of this Agreement or Statement of Work, CONTRACTOR shall follow any instructions of CITY respecting work stoppage. CONTRACTOR shall cooperate with CITY and CITY's designees to provide for an orderly conclusion of the Services. CONTRACTOR shall use its best efforts to minimize the amount of any non-cancelable obligations and shall assign any contracts related thereto to CITY, or CITY's designee, at its request. If CITY elects to continue any activities underlying a terminated Statement of Work after termination, CONTRACTOR shall cooperate with CITY to provide for an orderly transfer of CONTRACTOR's responsibilities with respect to such Statements of Work to CITY or its designee. Upon the effective date of any such termination, the CONTRACTOR shall submit a final invoice for payment in accordance with Article IV, and CITY shall pay such amounts as are due to CONTRACTOR through the effective date of termination. CITY shall only be liable for payment of services rendered before the effective date of termination. If Agreement is terminated, certain reporting requirements identified in this Agreement shall survive termination of this Agreement.

**ARTICLE IV
COMPENSATION**

- 4.1 **Fees.** In consideration for the Services rendered by CONTRACTOR to CITY under this Agreement, and for each duly executed Statement of Work, CITY will pay CONTRACTOR the **fees as stated in Appendix A**. The total fees paid under this agreement shall not exceed **\$15,000.00**.
- 4.2 **Invoices.** CONTRACTOR shall submit an invoice every month, or as otherwise stated in a Statement of Work, for Services provided. CITY shall pay undisputed amounts in such invoice within thirty (30) days of receipt. Invoices should be submitted to:

City of Fulshear
Attn: Accounting
PO Box 279
Fulshear, TX 77441
(281) 346-1796
Email: accounting@fulsheartexas.gov
CC: ecodev@fulsheartexas.gov

Costs incurred prior to execution of this Agreement are not eligible for reimbursement. There shall be no obligation whatsoever to pay for performance of this Agreement from the monies of the CITY, other than from the monies designated for this Agreement.

The City will only pay for services rendered and shall not pre-pay for work that has not been performed.

If CITY disputes any invoice CITY shall timely pay the undisputed portion and promptly notify CONTRACTOR in writing of the nature of the dispute as to the remainder, and the parties will use their best efforts to resolve the dispute expeditiously. In the event the dispute is not resolved within thirty (30) days after receipt by CONTRACTOR of the notice of such dispute, CONTRACTOR may suspend performance of the Services, without limitation or waiver of any other right or remedy available under this Agreement or at law.

**ARTICLE V
RELATIONSHIP BETWEEN THE PARTIES**

5.1 **Independent Contractor.** It is understood and agreed that the relationship described in this Agreement between the Parties is contractual in nature and is not to be construed to create a partnership or joint venture or agency relationship between the parties. Neither party shall have the right to act on behalf of the other except as expressly set forth in this Agreement. CONTRACTOR will be solely responsible for and will pay all taxes related to the receipt of payments hereunder. No CONTRACTOR personnel shall obtain the status of or otherwise be considered a CITY employee by virtue of their activities under this Agreement. For the avoidance of doubt, in no event will CITY pay, reimburse, or otherwise be responsible, financially or otherwise, for any insurance, health care, or similar costs or benefits relating to CONTRACTOR, its affiliates, or any of their employees, subcontractors, or agents. The rights and obligations of CITY under this Agreement may be exercised or performed on its behalf by one or more of its affiliates.

**ARTICLE VI
REPRESENTATION AND WARRANTIES**

6.1 **Representations and Warranties.** CONTRACTOR represents and warrants that:

6.1.1 As of the Effective Date of this Agreement, it is not a party to any oral or written contract or understanding with any third party that is inconsistent with this Agreement or would affect the CONTRACTOR's performance under this Agreement or that will in any way limit or conflict with its ability to fulfill the terms of this Agreement. The CONTRACTOR further represents that it will not enter into any such agreement during the Term of this Agreement;

6.1.2 CONTRACTOR will provide to CITY, with each deliverable to be provided under this Agreement, a written summary sheet listing any third party software or other intellectual property contained within the deliverable, if any, together with licenses permitting CITY to use such third-party software and intellectual property in connection with its use of the deliverable and the terms, conditions, and status of the license of such software and intellectual property. Except for the third-party software and intellectual property described in the written summary provided to CITY in connection with the preceding sentence, the CONTRACTOR warrants and represents that all work product created under this Agreement shall be original work of the CONTRACTOR or in the public domain and shall not infringe any copyright, trademark, trade secret, patent or other Intellectual Property right of any third party;

6.1.3 CONTRACTOR and its employees and subcontractors have all of the necessary qualifications, licenses, permits, and registrations to perform the Services in accordance with the terms and conditions of this Agreement, and at all times during the Term, all such qualifications, licenses, permits, and registrations shall be current and in good standing; and

6.1.4 CONTRACTOR shall, and shall cause its representatives to, comply with all municipal, state, and federal laws, rules, and regulations applicable to the performance of the CONTRACTOR's obligations under this Agreement.

**ARTICLE VII
CONFIDENTIAL INFORMATION AND OWNERSHIP**

7.1 **Confidential Information.** CONTRACTOR acknowledges that any information it or its employees, agents, or subcontractors obtain regarding the operation of CITY, its products, services, data, policies, customers, personnel, and other aspect of its operation ("Confidential Information") is proprietary and confidential, and shall not be revealed, sold, exchanged, traded, or disclosed to any person, company, or other entity during the period of the

CONTRACTOR's retention hereunder or at any time thereafter without the express written permission of CITY. CONTRACTOR shall use commercially reasonable means to secure CITY's Confidential Information.

Notwithstanding anything in this Agreement to the contrary, CONTRACTOR shall have no obligation of confidentiality with respect to information that (i) is or becomes part of the public domain through no act or omission of CONTRACTOR; (ii) was in CONTRACTOR's lawful possession prior to the disclosure and had not been obtained by CONTRACTOR either directly or indirectly from the CITY; (iii) is lawfully disclosed to CONTRACTOR by a third party without restriction on disclosure; (iv) is independently developed by CONTRACTOR without use of or reference to the CITY's Confidential Information; or (v) is required to be disclosed by law or judicial, arbitral or governmental order or process, provided CONTRACTOR gives the CITY prompt written notice of such requirement to permit the CITY to seek a protective order or other appropriate relief. CONTRACTOR acknowledges that CITY must strictly comply with the Public Information Act, Chapter 552, Texas Government Code, in responding to any request for public information. This obligation supersedes any conflicting provisions of this Agreement. In the event a request for public information is made, a determination on whether information is confidential or proprietary will be made by the Office of the Attorney General of the State of Texas.

- 7.2 **Ownership.** All final documents, reports, information, or materials are and shall at all times be and remain, upon payment of CONTRACTOR's invoices, the property of CITY and shall not be subject to any restriction or limitation on their future use by, or on behalf of, CITY, except otherwise provided herein.
- 7.3 **Texas Government Code 552, Subchapter J:** Effective January 1, 2020, the requirements of Subchapter J, Chapter 552, Texas Government Code, may apply to this Agreement and the CONTRACTOR agrees that this Agreement can be terminated if the CONTRACTOR knowingly or intentionally fails to comply with a requirement of that subchapter.

**ARTICLE VIII
GENERAL PROVISIONS**

8.1 **Notices.** All notices from one Party to another Party regarding this Agreement shall be in writing and delivered to the addresses shown below:

If to CITY:	City of Fulshear Attn: Purchasing Office PO Box 279 Fulshear, TX 77441 (281) 346-8812 coberrender@fulsheartexas.gov
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If to CONTRACTOR:	The Cannon 1334 Brittmoore Rd Houston, TX 77043 Attn: Lawson Gow, President (713) 332-1299 lgow@thecannonhouston.com
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The above contact information may be modified without requiring an amendment to the Agreement, provided that written notification of such modification is provided to the other party no less than ten (10) days before such modification is to become effective.

8.2 **Limitation of Liability.** In no event shall either party be liable for special, consequential, incidental, indirect or punitive loss, damages or expenses arising out of or relating to this Agreement, whether arising from a breach of

contract or warranty, or arising in tort, strict liability, by statute or otherwise, even if it has been advised of their possible existence or if such loss, damages or expenses were reasonably foreseeable.

Notwithstanding any provision hereof to the contrary, neither party's liability shall be limited by this Article with respect to claims arising from breach of any confidentiality obligation, arising from such party's infringement of the other party's intellectual property rights, covered by any express indemnity obligation of such party hereunder, arising from or with respect to injuries to persons or damages to tangible property, or arising out of the gross negligence or willful misconduct of the party or its employees.

- 8.3 **Conflict of Interest.** During the term of this Agreement, and all extensions hereto and for a period of one (1) year thereafter, neither party, shall, without the prior written consent of the other, directly or indirectly, whether for its own account or with any other persons or entity whatsoever, employ, solicit to employ or endeavor to entice away any person who is employed by the other party.
- 8.4 **Force Majeure.** In the event that either party hereto is prevented from or delayed in the performance of any of its obligations hereunder by reason of force majeure, defined as acts of God, war, riots, storms, fires or any other cause whatsoever beyond the reasonable control of the party, the party so prevented or delayed shall be excused from the performance of any such obligation to the extent and during the period of such prevention or delay. The period of time applicable to such requirement shall be extended for a period of time equal to the period of time such Party was delayed. Each Party must inform the other in writing within reasonable time of the existence of such force majeure.
- 8.5 **Ability to Perform.** CONTRACTOR agrees promptly to inform CITY of any event or change in circumstances which may reasonably be expected to negatively affect the CONTRACTOR's ability to perform its obligations under this Agreement in the manner contemplated by the parties.
- 8.6 **Availability of Funding.** This Agreement and all claims, suits, or obligations arising under or related to this Agreement are subject to and limited by the receipt and availability of funds which are received from the funding agencies by CITY dedicated for the purposes of this Agreement.
- 8.7 **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the State of Texas, United States of America. The mandatory and exclusive venue for the adjudication or resolution of any dispute arising out of this Agreement shall be in Fort Bend County, Texas.
- 8.8 **Waiver.** Failure by either party to insist on strict adherence to any one or more of the terms or conditions of this Agreement, or on one or more occasions, will not be construed as a waiver, nor deprive that party of the right to require strict compliance with the same thereafter.
- 8.9 **Entire Agreement.** This Agreement contains the entire agreement of the parties and supersedes all other agreements, discussions, representations or understandings between the parties with respect to the subject matter hereof. No amendments hereto, or waivers or releases of obligations hereunder, shall be effective unless agreed to in writing by the parties hereto.
- 8.10 **Assignment.** This Agreement may not be assigned by either Party without the prior written consent of the other Party.
- 8.11 **Severability.** In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision(s) hereof, and this Agreement shall be revised so as to cure such invalid, illegal, or unenforceable provision(s) to carry out as near as possible the original intents of the Parties.
- 8.12 **Amendments.** This Agreement may be amended only by a written amendment executed by both Parties, except that any alterations, additions, or deletions to the terms of this Agreement, which are required by changes in Federal and

State law or regulations or required by the funding source, are automatically incorporated into this Agreement without written amendment hereto and shall become effective on the date designated by such law or regulation.

- 8.13 **Dispute Resolution.** The parties to this Agreement agree to the extent possible and not in contravention of any applicable State or Federal law or procedure established for dispute resolution, to attempt to resolve any dispute between them regarding this Agreement informally through voluntary mediation, arbitration or any other local dispute mediation process before resorting to litigation.
- 8.14 **Funding.** The Parties understand and acknowledge that the funding of this Agreement is contained in the City's annual budget and is subject to the approval of the City in each fiscal year. The Parties further agree that should the governing body of the City fail to approve a budget that includes sufficient funds for the continuation of this Agreement, or should the governing body of the City fail to certify funds for any reason, then and upon the occurrence of such event, this Agreement shall automatically terminate as to the City and the City shall then have no further obligation to the other Party. When the funds budgeted or certified during any fiscal year by the City to discharge its obligations under this Agreement are expended, the other Party's *sole and exclusive remedy* shall be to terminate this Agreement.
- 8.15 **Public Information.** This Agreement is public information. To the extent, if any, that any provision of this Agreement is in conflict with Texas Government Code Chapter 552, as amended (the "Texas Public Information Act"), such provision shall be void and have no force or effect.
- 8.16 **No Indemnification by City.**
The Parties expressly acknowledge that the City's authority to indemnify and hold harmless any third party is governed by Article XI, Section 7 of the Texas Constitution, and any provision that purports to require indemnification by the City is invalid. Nothing in this Agreement requires that the City incur debt, assess or collect funds, or create a sinking fund.

ARTICLE IX ADDITIONAL REQUIREMENTS

- 9.1 **Equal Employment Opportunity.** CONTRACTOR shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, sexual orientation, gender identity, or national origin. CONTRACTOR shall take affirmative actions to ensure that applicants are employed, and that employees are treated, during their employment, without regard to their race, religion, color, sex, sexual orientation, gender identity, or national origin. Such actions shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.
- 9.2 **House Bill 89 Certification**
Conditioned upon its requirements, the undersigned certifies that the Company named above, under the provisions of Subtitle F, title 10, Government Code Chapter 2271:

Does not boycott Israel currently; and
Will not boycott Israel during the term of the contract.

APPENDIX A – Statement of Work



**FULSHEAR ECONOMIC DEVELOPMENT
COMMUNICATION FORM
April 13, 2020**

ITEM	TITLE
	Budget Allocation – Innovation Hub Strategy Creation
ITEM/MOTION	
Consideration and possible action on budget allocation for creation of an Innovation Hub Strategy for the City of Fulshear	
ESTIMATED EXPENDITURE:	BUDGET ACCOUNT:

SUBMITTED BY:

SUPPORTING DOCUMENTS:

Angela E. Fritz
Economic Development Director

EXECUTIVE SUMMARY			
There is adequate funding budgeted in each Corporation’s projects funds under the “Eco Dev Strat Plan Implementation” line item. This item is included to allow for the specific allocation of \$6,000 per EDC from same for innovation hub strategy development to be undertaken in FY20.			
Projects Fund Line Item	Requested Allocation	Total FY20 Budget	Remaining FY20 Budget
601-5-000-5600-12 (ED Strat Plan Impl.)	\$6,000	\$125,000	\$119,000
701-5-000-5600-12 (ED Strat Plan Impl.)	\$6,000	\$125,000	\$119,000



**FULSHEAR ECONOMIC DEVELOPMENT
COMMUNICATION FORM
April 13, 2020**

ITEM	TITLE
	Project Declaration – Innovation Hub Strategy Development

ITEM/MOTION

Consideration and possible action on Resolution CDC 2020-01 a resolution of the CDC declaring a specific project of the Corporation for Fiscal Year 2019-2020

Consideration and possible action on Resolution FDC 2020-01 a resolution of the FDC declaring a specific project of the Corporation for Fiscal Year 2019-2020

ESTIMATED EXPENDITURE:

BUDGET ACCOUNT:

SUBMITTED BY:

SUPPORTING DOCUMENTS:

1. Resolution CDC 2020-01 w/Res. CDC 19-01 as backup
2. Resolution FDC 2020-01 w/Res. FDC 19-01 as backup

Angela E. Fritz
Economic Development Director

EXECUTIVE SUMMARY

This item allows the Corporations to consider designating a specific project for Fiscal Year 2019-2020.

Following each Corporation's actions on their respective Resolutions, the projects declaration will be presented to City Council for consideration at their upcoming meeting (4/21). Once City Council approves a Resolution on two separate readings authorizing the project, funds related to the specific projects may be expended by the Corporations.

RESOLUTION NO. CDC 2020-01

A RESOLUTION OF THE CITY OF FULSHEAR DEVELOPMENT CORPORATION (CDC), A "TYPE A" ECONOMIC DEVELOPMENT SALES TAX CORPORATION, DECLARING A SPECIFIC PROJECT TO BE UNDERTAKEN BY THE CORPORATION FOR FISCAL YEAR 2019-2020.

WHEREAS, the CITY OF FULSHEAR DEVELOPMENT CORPORATION (the "Corporation") was created by the City of FULSHEAR, Texas (the "City") pursuant to Chapter 504 of the Development Corporation Act, Texas local Government Code, as amended (the "Act");

WHEREAS, the City of Fulshear adopted Ordinance No. 2011-1046 on October 1, 2011, in accordance with Section 504.171 of the Texas Local Government Code approving the participation of the Corporation in projects previously authorized only for "Type B" development corporations;

WHEREAS, the Corporation adopted a general type of project for Fiscal Year 2019-2020 on July 8, 2019, being land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements found by the Board of Directors to promote new or expanded business development in an estimated total amount of \$825,612 and

WHEREAS, the Corporation wishes to participate in a specific project during Fiscal Year 2019-2020, being expenditures for creation of an innovation hub strategy for the City of Fulshear found by the Board of Directors to promote new or expanded business development;

WHEREAS, the estimated total amount of expenditures for such projects in fiscal year 2019-2020 is \$6,000;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CORPORATION THAT:

Section 1. The Board hereby proposes to undertake a specific project during Fiscal Year 2019-2020 being expenditures for creation of an innovation hub strategy for the City of Fulshear found by the Board of Directors to promote new or expanded business development.

Section 3. The Board hereby finds that the funds expended will be used for eligible "costs" of "projects" as defined in the Act.

PASSED AND APPROVED this ____ DAY OF _____, 2020.

ATTEST:

Andrew Van Chau, President
City of Fulshear Development Corporation

Jason Maklary, Secretary
City of Fulshear Development Corporation

RESOLUTION NO. CDC 19-01

A RESOLUTION OF THE CITY OF FULSHEAR DEVELOPMENT CORPORATION (CDC), A "TYPE A" ECONOMIC DEVELOPMENT SALES TAX CORPORATION, DECLARING THE PROJECTS TO BE UNDERTAKEN BY THE CORPORATION FOR FISCAL YEAR 2019-2020, DIRECTING STAFF TO PUBLISH NOTICE OF SAME, AND SETTING A PUBLIC HEARING.

WHEREAS, the CITY OF FULSHEAR DEVELOPMENT CORPORATION (the "Corporation") was created by the City of FULSHEAR, Texas (the "City") pursuant to Chapter 504 of the Development Corporation Act, Texas local Government Code, as amended (the "Act");

WHEREAS, the City of Fulshear adopted Ordinance No. 2011-1046 on October 1, 2011, in accordance with Section 504.171 of the Texas Local Government Code approving the participation of the Corporation in projects previously authorized only for "Type B" development corporations;

WHEREAS, the Corporation wishes to participate in a general type of projects during Fiscal Year 2019-2020, being land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements found by the Board of Directors to promote new or expanded business development;

WHEREAS, the estimated total amount of expenditures for such types of general projects in fiscal year 2019-2020 is \$825,612; and

WHEREAS, the Corporation wishes to participate in specific projects during Fiscal Year 2019-2020, being expenditures for capital projects found by the Board of Directors to promote new or expanded business development;

WHEREAS, the estimated expenditures for such projects in fiscal year 2019-2020 are:

- \$37,500 for Community Events
- \$25,000 for City of Fulshear CIP Project W18K: Water Master Plan Project 2
- \$28,750 for City of Fulshear CIP Project ST20X2: Katy-Fulshear & Huggins Road Improvements
- \$100,000 for City of Fulshear CIP Project D20X1: Downtown Drainage Improvements (East)

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CORPORATION THAT:

Section 1. The Board hereby proposes to undertake a general type of project during Fiscal Year 2019-2020, being land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements found by the Board of Directors to promote new or expanded business development.

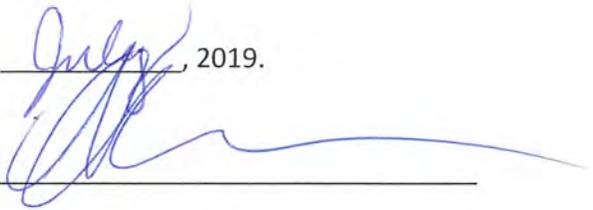
Section 2. The Board hereby proposes to undertake specific projects during Fiscal Year 2019-2020 being expenditures for capital projects found by the Board of Directors to promote new or expanded business development.

Section 3. The Board hereby finds that the funds expended will be used for eligible "costs" of "projects" as defined in the Act.

Section 4. The Board hereby directs staff to publish public notice as required by the Act.

Section 5. The Board hereby sets a public hearing for one or more of such projects on Monday, August 12, 2019, at 6:00 p.m. at Fulshear City Hall, 39603 FM 1093, Fulshear, Texas 77441.

PASSED AND APPROVED this 8th DAY OF July, 2019.



Andrew Van Chau, President
City of Fulshear Development Corporation

ATTEST:



Jason Maklary, Secretary
City of Fulshear Development Corporation

RESOLUTION NO. FDC 2020-01

A RESOLUTION OF THE FULSHEAR DEVELOPMENT CORPORATION (FDC), A "TYPE B" ECONOMIC DEVELOPMENT SALES TAX CORPORATION, DECLARING THE A SPECIFIC PROJECT TO BE UNDERTAKEN BY THE CORPORATION FOR FISCAL YEAR 2019-2020.

WHEREAS, the FULSHEAR DEVELOPMENT CORPORATION (the "Corporation") was created by the City of FULSHEAR, Texas (the "City") pursuant to Chapter 505 of the Development Corporation Act, Texas local Government Code, as amended (the "Act");

WHEREAS, the Corporation adopted a general type of project for Fiscal Year 2019-2020 on July 15, 2019, being land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements found by the Board of Directors to promote new or expanded business development in an estimated total amount of \$808,644; and

WHEREAS, the Corporation wishes to participate in a specific project during Fiscal Year 2019-2020, being expenditures for creation of an innovation hub strategy for the City of Fulshear found by the Board of Directors to promote new or expanded business development;

WHEREAS, the estimated total amount of expenditures for such projects in fiscal year 2019-2020 is \$6,000;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CORPORATION THAT:

Section 1. The Board hereby proposes to undertake a specific project during Fiscal Year 2019-2020 being expenditures for creation of an innovation hub strategy for the City of Fulshear found by the Board of Directors to promote new or expanded business development.

Section 3. The Board hereby finds that the funds expended will be used for eligible "costs" of "projects" as defined in the Act.

PASSED AND APPROVED this ____ DAY OF _____, 2020.

, President Pro-Tem
Fulshear Development Corporation

ATTEST:

Carol Riggs, Secretary
Fulshear Development Corporation

RESOLUTION NO. FDC 19-01

A RESOLUTION OF THE FULSHEAR DEVELOPMENT CORPORATION (FDC), A "TYPE B" ECONOMIC DEVELOPMENT SALES TAX CORPORATION, DECLARING THE PROJECTS TO BE UNDERTAKEN BY THE CORPORATION FOR FISCAL YEAR 2019-2020, DIRECTING STAFF TO PUBLISH NOTICE OF SAME, AND SETTING A PUBLIC HEARING.

WHEREAS, the FULSHEAR DEVELOPMENT CORPORATION (the "Corporation") was created by the City of FULSHEAR, Texas (the "City") pursuant to Chapter 505 of the Development Corporation Act, Texas local Government Code, as amended (the "Act");

WHEREAS, the Corporation wishes to participate in a general type of projects during Fiscal Year 2019-2020, being land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements found by the Board of Directors to promote new or expanded business development;

WHEREAS, the estimated total amount of expenditures for such types of general projects in fiscal year 2019-2020 is \$808,644; and

WHEREAS, the Corporation wishes to participate in specific projects during Fiscal Year 2019-2020, being expenditures for capital projects found by the Board of Directors to promote new or expanded business development;

WHEREAS, the estimated expenditures for such projects in fiscal year 2019-2020 are:

- \$14,693 for Holiday Decorating Services
- \$37,500 for Community Events
- \$25,000 for City of Fulshear CIP Project W18K: Water Master Plan Project 2
- \$28,750 for City of Fulshear CIP Project ST20X2: Katy-Fulshear & Huggins Road Improvements
- \$100,000 for City of Fulshear CIP Project D20X1: Downtown Drainage Improvements (East)

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CORPORATION THAT:

Section 1. The Board hereby proposes to undertake a general type of project during Fiscal Year 2019-2020, being land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements found by the Board of Directors to promote new or expanded business development.

Section 2. The Board hereby proposes to undertake specific projects during Fiscal Year 2019-2020 being expenditures for holiday decorating services, community events, and capital projects found by the Board of Directors to promote new or expanded business development.

Section 3. The Board hereby finds that the funds expended will be used for eligible "costs" of "projects" as defined in the Act.

Section 4. The Board hereby directs staff to publish public notice as required by the Act.

Section 5. The Board hereby sets a public hearing for one or more of such projects on Monday, August 19, 2019, at 6:30 p.m. at Fulshear City Hall, 39603 FM 1093, Fulshear, Texas 77441.

PASSED AND APPROVED this 15th DAY OF July, 2019.

J. W. Wauson, President

J. W. Wauson, President
Fulshear Development Corporation

ATTEST:

Carol Riggs

Carol Riggs, Secretary
Fulshear Development Corporation

IMPLEMENTATION MATRIX

	Status	Responsible Party	Timeframe			
			Ongoing	Short-term (Years 1)	Mid-Term (Years 2 & 3)	Long-Term (Years 4 & 5)
GOAL 1. BUSINESS DEVELOPMENT						
1.1. TOOLS. Develop a toolbox to support economic development efforts.						
1.1.1. Adopt a customer relationship management (CRM) system to document stakeholder (businesses, prospects, landowners, developers) interactions.				■		
1.1.2. Design and launch a Fulshear economic development website to facilitate information sharing and communication with current and potential stakeholders.				■		
1.1.3. Maintain subscriptions to key data sources and continue to fund relevant studies that can aid in data-driven decision-making.			■			
1.1.4. Establish a policy and procedure to guide the City's use of economic development incentives.				■		
1.2. PROSPECT AND PROJECT MANAGEMENT. Serve as the primary point of contact and project manager for high-impact business development deals and transformative projects to ensure these projects advance to completion after they are evaluated to meet the City's criteria.						
1.2.1. Conduct an initial intake interview to determine if the project meets the City's economic development investment criteria.				■		
1.2.2. For the projects selected to advance, follow the procedure established as part of Strategy 2.4.				■		
1.2.3. Provide staff support to advance the City's transformative projects.				■		
1.2.4. Coordinate with other City staff to ensure the City presents a unified team, provides timely input, and communicates clearly and consistently with relevant stakeholders.				■		
1.2.5. Track and report progress as the projects move from initiation to planning to execution to completion.				■		
1.3. PARTNERSHIPS. Forge strong partnerships with regional economic development organizations, local governments, and key service providers to create a support network for current and future businesses in Fulshear.						
1.3.1. Establish a lead generation network through participation in regional initiatives of Katy Area EDC, Fort Bend EDC, Waller County Economic Development Partnership (EDP), and Greater Houston Partnership to help identify businesses looking to locate in communities such as Fulshear.			■			
1.3.2. Assemble a portfolio of small business support service providers, such as the Fort Bend County Small Business Development Center, SCORE, the Houston Community College Office of Entrepreneurial Initiatives, the Houston Women's Business Enterprise Alliance, and local chambers of commerce.					■	
1.3.3. Encourage and enhance the creation of an ecosystem to support entrepreneurs in Fulshear through partnerships with organizations such as Houston Exponential, the University of Houston Wolf Center for Entrepreneurship, the Cannon coworking space, and Station Houston.					■	
1.3.4. Partner with Workforce Solutions, local school districts, and nearby community colleges to help Fulshear-based businesses connect with any needed workforce development services or with specific training programs.					■	
1.3.5. Continue to strengthen working relationships with landowners and developers and grow the City's reputation as a willing partner in high-impact projects.			■			
1.4. BUSINESS FORMATION, RETENTION, AND EXPANSION. Keep a pulse on the new and existing business community and help connect businesses with resources they need.						
1.4.1. Continue to develop and maintain a database of Fulshear-based businesses.			■			
1.4.2. Establish a visitation protocol, a list of information to be collected during each visit, and a goal of how many businesses to visit each year.				■		
1.4.3. Maintain detailed notes on visits in the CRM system to document the relationships over time.			■			
1.4.4. For any needs or challenges identified, help address the problems to the extent possible or refer the business to the appropriate resource(s).			■			
1.4.5. Identify solutions or assistance for needs or challenges shared across multiple businesses.			■			
1.4.6. Compile information collected from visits to track trends among employers and distribute these findings to the EDCs, the City manager, and the City Council in an annual report and presentation.					■	
1.5. BUSINESS RECRUITMENT. Selectively recruit new businesses to Fulshear.						
1.5.1. Establish criteria or attributes of "ideal" businesses that Fulshear would like to attract to the City. This could include specific industries, wages, a job creation threshold, and/or spin-off activity potential.						■
1.5.2. Adopt the set of "best fit industries" as described in Appendix 4 (See "Best-Fit Industries") to be the focus of any target marketing efforts undertaken to recruit new business to Fulshear.				■		
1.5.3. Have an established protocol for hosting prospects with on-site visits and community tours, including routes for a community tour, individuals who would be part of the tour, primary sales points or talking points, etc.						■
1.5.4. Through the lead generation network, monitor requests for proposals (RFP) and requests for information (RFI) from businesses that are looking for a location in the area.			■			

	Status	Responsible Party	Timeframe			
			Ongoing	Short-tem (Years 1)	Mid-Term (Years 2 & 3)	Long-Term (Years 4 & 5)
1.5.5. For leads that fit the established criteria, prepare a response to the RFP and the RFI.			■			
1.5.6. Evaluate projects and prospects as outlined in Strategy 2.4.					■	
GOAL 2. STRATEGIC INVESTMENT						
2.1 TARGET INVESTMENT. Designate opportunity areas as targeted investment zones and coordinate investments into these areas.						
2.1.1. Engage key stakeholders in each of the opportunity areas.					■	
2.1.2. Develop investment strategies for each of the opportunity areas.						■
2.1.3. Create and maintain an online investment prospectus that includes a vision, relevant datapoints, any relevant planning initiatives, projects underway, and incentives that could be available to support projects in the opportunity areas.						■
2.1.4. Market these opportunity areas to potential developers.						■
2.2. INFRASTRUCTURE INVESTMENT. Identify and prioritize infrastructure projects that direct and foster growth in opportunity areas of the City.						
2.2.1. Continue to proactively plan for growth and align infrastructure investments around these plans.			■			
2.2.2. Evaluate the infrastructure needs of the opportunity areas and prioritize these infrastructure projects.				■		
2.2.3. Coordinate these investments with the City's CIP.				■		
2.2.4. Pursue a strategy to secure investments in 10-gigabit broadband and 5G wireless to ensure state-of-the-art telecommunications technology in the City, particularly in the designated opportunity areas.					■	
2.2.5. Look for opportunities to improve infrastructure, aesthetics (streetscape and utility), and service quality during any infrastructure construction project.			■			
2.2.6. Collaborate with relevant public sector partners to support and fund priority projects.			■			
2.2.7. Annually, convene a group of major employers, local governments, utility providers, and area real estate developers/brokers to identify gaps or deficiencies in Fulshear's infrastructure that act as a barrier to the growth of existing employers and recruitment of new companies.					■	
2.3. LAND ACQUISITION AND UTILIZATION. Secure control of strategic land parcels that can catalyze commercial development or support business growth in Fulshear's primary opportunity areas.						
2.3.1. Meet with Fort Bend County leaders to explore options for the City to gain control over future (re)development of the library.				■		
2.3.2. Open lines of communication with major landowners in opportunity areas to forge positive relationships and seek opportunities to collaborate on priority projects and other potential catalysts.			■			
2.3.3. Work closely with Fort Bend County, school districts, and other public sector entities to identify any underutilized properties in their real estate portfolios that could be positioned for public or private real estate development in the opportunity areas.						■
2.3.4. Be prepared to acquire strategic parcels where the opportunity exists and where there is a clear investment strategy and role for the City or the EDCs to play.			■			
2.4 DIRECT PROJECT SUPPORT. Support select projects that promote the City of Fulshear's economic development vision, guiding principles, and desired outcomes.						
2.4.1. Package a set of incentives that can be selectively used to encourage and support priority projects and strategic investments in partnership with the private sector				■		
2.4.2. Establish a clear policy, a transparent procedure, and a predictable process to govern the use of incentives and specific community benefits that must be realized to qualify for incentives.				■		
2.4.3. Conduct thorough due diligence on each qualifying project to verify its viability and the track record of associated senior leadership.			■			
2.4.4. Continue to use Impact DataSource to perform economic and fiscal impact analyses on any project that passes the due diligence phase to ensure a net positive return on investment for the City.			■			
2.4.5. Structure agreements that protects the City's interests, clearly outlines performance requirements and expected outcomes, and provides for the necessary clawbacks and statutory assurances.			■			
2.4.6. Monitor the agreements and regularly report the outcomes and performance of the parties involved in the agreements.			■			
GOAL 3. TRANSFORMATIVE PROJECTS						
3.1. PROJECT REALIZATION. Advance the top priority projects.						
3.1.1. Assemble a collaborative team for each priority project that is composed of key experts and/or stakeholders with an Economic Development Department staff member as the project manager.				■		
3.1.2. Establish a vision for each priority project.					■	
3.1.3. Identify any barriers that could be a challenge for project implementation and possible solutions to address them.					■	

	Status	Responsible Party	Ongoing	Timeframe		
				Short-tem (Years 1)	Mid-Term (Years 2 & 3)	Long-Term (Years 4 & 5)
3.1.4. Create conditions that support each priority project through planning and infrastructure investment.						■
3.1.5. Identify and implement catalysts that will attract additional private investments to the project.						■
3.1.6. Create an investment prospectus that outlines the project vision, documents relevant information, and highlights any tools or incentives that could be leveraged. Use this prospectus to help cultivate interest in the project.					■	
3.1.7. Regularly monitor and report progress on the project.			■			
3.2. PROJECT IDENTIFICATION AND PRIORITIZATION. Create a structure for identifying and prioritizing future transformative projects on a regular basis.						
3.2.1. Incorporate educational programming into EDC board meetings that informs board members and City staff of relevant trends on the distant horizon.						■
3.2.2. Organize an annual or biannual visitation trip to another city to provide a hands-on learning experience for board members, City staff, and key stakeholders.						■
3.2.3. Conduct a community survey every 3 to 5 years to generate project ideas.						■
3.2.4. With this input, identify short-term and long-term projects with high-impact potential on an annual or biannual basis.						■
3.2.5. Bring projects to a joint City Council-EDC workshop, as needed, to prioritize projects against the City's economic development vision, guiding principles, and desired outcomes.						■
GOAL 4: ORGANIZATIONAL ALIGNMENT						
4.1. STREAMLINE. Reorganize the oversight and governance structure to enhance coordination and communication by consolidating EDCs into a single Type B corporation.						
4.1.1. Over the next 12 to 24 months, seek necessary legal counsel to determine the statutory procedure required to repeal the Type A tax, increase the Type B tax, and potentially dedicate a new tax to meet the City's budgetary/fiscal needs.				■		
4.1.2. As positions on the Type A or Type B become available, use them as opportunities to increase overlap of the two boards.			■			
4.1.3. Hold an election for a joint ballot proposition to revise the local economic development sales tax structure.					■	
4.2. UPDATE. Maintain current economic development staffing and organizational structure but align economic development programs, the requirements of the ASA, and the job duties/responsibilities with the strategic plan.						
4.2.1. Review legacy programs and allocations, such as community events and the Type B community grant program in light of the economic development vision and strategic priorities of this plan and the growth in population that will restrict allowable projects in the near future.				■		
4.2.2. Revise the ASA to incorporate the strategies of Goal 1: Business Development.				■		
4.2.3. Update the job duties and responsibilities of the Economic Development Department staff to be consistent with the ASA and incorporate the strategies of Goal 1: Business Development.				■		
4.2.4. Create a document that specifies the responsibilities and roles of the EDCs according to the strategic plan, fiduciary oversight, and the statutory oversight.				■		
4.3. FORMALIZE. Define and establish the process by which businesses and developers seek City (including EDC) participation or investment.						
4.3.1. Create a small, working group charged with developing procedures and criteria for screening leads and evaluating prospects that centralizes intake through the Economic Development Department.					■	
4.3.2. Publish the screening procedures and criteria on the City's economic development webpage and eventually its website to make it available for any lead to view and also for transparency.					■	
4.4. INTEGRATE. Create a structure and build a culture that infuses economic development in decision-making across the City organization.						
4.4.1. Conduct a series of City staff, council, and board member workshops to discuss ways to integrate economic development into decision-making across the City organization and to promote a common understanding of economic development.					■	
4.4.2. Continue to utilize economic development staff as technical experts and resources for economic development issues and opportunities across the City organization.			■			
4.4.3. Seek a pilot project to demonstrate how intentional decision-making through an economic development lens can amplify the economic development impact of investments the City is already making with marginal additional costs.					■	



**FULSHEAR ECONOMIC DEVELOPMENT
COMMUNICATION FORM
April 13, 2020**

ITEM	TITLE
	DISCUSSION ON FULSHEAR COVID-19 BUSINESS IMPACTS & SUPPORT
ITEM/MOTION	
Discuss impacts on Fulshear businesses related to COVID-19, and economic development programs related thereto, and take action as necessary to direct staff	
ESTIMATED EXPENDITURE: N/A	BUDGET ACCOUNT: N/A

SUBMITTED BY:

SUPPORTING DOCUMENTS:

Angela E. Fritz
Economic Development Director

EXECUTIVE SUMMARY

The purpose of this item is to allow the EDCs an opportunity to brainstorm and discuss potential program and services that may related to various stages of the COVID-19 pandemic and its effects on our local businesses and economy, so that we may have a more clear and unified direction as we work through the immediate, short, and long-term effects, and so we can keep a strategic eye on Fulshear's future. This is new territory for everyone, every business, and every community, and a real opportunity to come together to shape Fulshear's future in a manner that is resilient and strong.

Out of the approximately 223 businesses known to normally operate in Fulshear, it has been determined that at least 73 businesses effectively have very limited or no operations as a result of COVID-19 through April 9, 2020. Of those 73 businesses, at least 23 businesses are temporarily, fully closed, and at least 50 businesses are operating on extremely limited bases. This accounts for approximately one-third of our business community, and these are just those that we have been able to make contact with. For context, a general breakout of those 223 Fulshear businesses follows on the next page.

Staff will provide an overview of actions that have been taken and that are underway relative to local business support and specific to COVID-19, including [a business resource page](#) and [local business listing](#) among other items. We have also provided an update below based on our contacts over the last three weeks about how many businesses have been directly affected by COVID-19 closures, social distancing, etc.

We have also included a few links following the business break out information to stories on programs other communities are rolling out, to give you a general sense of what and how these are run, and what local business needs they are intended to address.

CONTINUED ON NEXT PAGE...

Breakout of Fulshear Businesses through April 9, 2020

Restaurants and Bars	29	13.00%
Retail, Grocery and Fuel Stations	29	13.00%
Healthcare Providers, Pharmacies and Veterinary Care	25	11.21%
Banks, Personal and Professional Services	49	21.97%
Real Estate and Title	16	7.17%
Fitness and Recreation	12	5.38%
Childcare, Education, Dance, and Arts	10	4.48%
Health and Beauty Services	12	5.38%
Manufacturing and Construction	15	6.73%
Apartments, Storage, Miscellaneous	26	11.66%
TOTAL	223	

Examples of some COVID-19 specific programs in other Texas communities:

[Georgetown](#)

[Texas City and La Marque](#)

[College Station](#)

[Brazos Valley](#)

[Harris County](#)

[Bexar County](#)

[Corpus Christi](#)

[Cedar Park](#)

[Buda](#)



**FULSHEAR ECONOMIC DEVELOPMENT
COMMUNICATION FORM
April 13, 2020**

ITEM	TITLE
	Resolution Requesting Governor Abbott Temporarily Suspend Certain Rules

ITEM/MOTION

Consideration and action on Resolution CDC 2020-02, a resolution of the CDC requesting Governor Abbott temporarily waive and/or suspend certain rules that limit Economic Development Corporations (EDCs) from utilizing EDC sales tax revenues as a form of financial disaster relief to support local businesses impacted by COVID-19

Consideration and action on Resolution FDC 2020-02, a resolution of the FDC requesting Governor Abbott temporarily waive and/or suspend certain rules that limit Economic Development Corporations (EDCs) from utilizing EDC sales tax revenues as a form of financial disaster relief to support local businesses impacted by COVID-19

ESTIMATED EXPENDITURE: N/A

BUDGET ACCOUNT: N/A

SUBMITTED BY:

Angela E. Fritz
Economic Development Director

SUPPORTING DOCUMENTS:

1. DRAFT Resolution CDC 2020-02
2. DRAFT Resolution FDC 2020-02

EXECUTIVE SUMMARY

Under current state law, for a Type B Economic Development Corporation to provide assistance directly to business, the business would be required to enter into a performance agreement ([Section 501.158](#)) that must: "(1) provide, at a minimum, for a schedule of additional payroll or jobs to be created or retained and capital investment to be made as consideration for any direct incentives provided or expenditures made by the corporation under the agreement; and (2) specify the terms under which repayment must be made if the business enterprise does not meet the performance requirements specified in the agreement." The code specifically limits the use of funds provided directly to businesses.

Because Fulshear is less than 20,000 in population, our EDCs are already allowed some dispensation ([Section 505.158](#)) regarding the use of funds for certain projects that include "land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements found by the corporation's board of directors to promote new or expanded business development." This dispensation, however, comes with added statutory requirements on top of the aforementioned performance agreement requirements, which include a public hearing, and City Council approval (x2) for expenditures of more than \$10,000. Furthermore, both of these provisions only allow for the direct expenditure of funds relative to **additional payroll or jobs and additional capital investment**, or to promote **new or expanded business development**, neither of which generally applies to the local businesses who need assistance due to COVID-19.

CONTINUED ON NEXT PAGE...

The Governor has the ability to waive any restrictions contained in the State statutes governing economic development sales tax proceeds during this time. Attached is a resolution requesting Governor Abbott waive State

of Texas requirements for economic development sales tax corporations during this pandemic/public health emergency to allow more flexibility to aid local businesses during the declared emergency.

Staff recommends approval of Corporation Resolutions 2020-02, resolutions of the EDCs requesting Governor Abbott temporarily waive and/or suspend certain rules that limit Economic Development Corporations (EDCs) from utilizing EDC sales tax revenues as a form of financial disaster relief to support local businesses impacted by COVID-19.

City Council will consider City of Fulshear Resolution No. 2020-461 at their April 21, 2020 meeting which mimics these Resolutions.

RESOLUTION NO. CDC 2020-02

**A RESOLUTION OF THE CITY OF FULSHEAR DEVELOPMENT CORPORATION (CDC),
REQUESTING GOVERNOR ABBOTT TEMPORARILY WAIVE OR SUSPEND CERTAIN
STATUTES, ORDERS, OR RULES THAT LIMIT ECONOMIC DEVELOPMENT
CORPORATIONS (“EDCS”) FROM UTILIZING EDC SALES TAX REVENUES AS A
FORM OF FINANCIAL DISASTER RELIEF TO SUPPORT LOCAL BUSINESSES
IMPACTED BY COVID-19**

WHEREAS, the CITY OF FULSHEAR DEVELOPMENT CORPORATION (the "Corporation") was created by the City of FULSHEAR, Texas (the "City") pursuant to Chapter 504 of the Development Corporation Act, Texas Local Government Code, as amended (the "Act");

WHEREAS, the City of Fulshear adopted Ordinance No. 2011-1046 on October 1, 2011, in accordance with Section 504.171 of the Texas Local Government Code approving the participation of the Corporation in projects previously authorized only for “Type B” development corporations;

WHEREAS, on March 13, 2020, Governor Greg Abbott declared a State of Disaster for the State of Texas associated with the imminent threat and public health emergency resulting from the spread of COVID-19; and

WHEREAS, on March 19, 2020, Mayor Aaron Groff signed a Declaration of Local Disaster determining that extraordinary measures must be taken to contain COVID-19 and prevent its spread by supporting efforts of Local Health Authorities designed to mitigate the imminent threat and public health emergency resulting from COVID-19, and City Council consented to the continuation or renewal of this declaration on March 24, 2020; and

WHEREAS, COVID-19 poses a substantial threat to the viability of local businesses, and the ability to provide local disaster relief assistance using EDC sales tax revenues will help fulfill the legislative purpose of the Act; and

WHEREAS, EDCs are authorized by the Act to support the existence, development, and expansion of businesses to support the economic growth of the State and encourage employment; and

WHEREAS, the Act currently contains limitations that effectively restrict the use of EDC tax revenue as a form of financial relief aid to support local businesses that are impacted by the novel coronavirus (COVID-19);

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CORPORATION THAT:

Section 1. The Corporation hereby requests that Governor Abbott temporarily waive or suspend certain statutes, orders, or rules that limit EDCs from utilizing EDC sales tax revenue as a form of financial disaster relief to support local businesses impacted by COVID-19.

PASSED AND APPROVED this 13TH DAY OF APRIL, 2020.

ATTEST:

Andrew Van Chau, President
City of Fulshear Development Corporation

Jason Maklary, Secretary
City of Fulshear Development Corporation

DRAFT

RESOLUTION NO. FDC 2020-02

**A RESOLUTION OF THE FULSHEAR DEVELOPMENT CORPORATION (FDC),
REQUESTING GOVERNOR ABBOTT TEMPORARILY WAIVE OR SUSPEND CERTAIN
STATUTES, ORDERS, OR RULES THAT LIMIT ECONOMIC DEVELOPMENT
CORPORATIONS (“EDCS”) FROM UTILIZING EDC SALES TAX REVENUES AS A
FORM OF FINANCIAL DISASTER RELIEF TO SUPPORT LOCAL BUSINESSES
IMPACTED BY COVID-19**

WHEREAS, the FULSHEAR DEVELOPMENT CORPORATION (the "Corporation") was created by the City of FULSHEAR, Texas (the "City") pursuant to Chapter 505 of the Development Corporation Act, Texas Local Government Code, as amended (the "Act");

WHEREAS, on March 13, 2020, Governor Greg Abbott declared a State of Disaster for the State of Texas associated with the imminent threat and public health emergency resulting from the spread of COVID-19; and

WHEREAS, on March 19, 2020, Mayor Aaron Groff signed a Declaration of Local Disaster determining that extraordinary measures must be taken to contain COVID-19 and prevent its spread by supporting efforts of Local Health Authorities designed to mitigate the imminent threat and public health emergency resulting from COVID-19, and City Council consented to the continuation or renewal of this declaration on March 24, 2020; and

WHEREAS, COVID-19 poses a substantial threat to the viability of local businesses, and the ability to provide local disaster relief assistance using EDC sales tax revenues will help fulfill the legislative purpose of the Act; and

WHEREAS, EDCs are authorized by the Act to support the existence, development, and expansion of businesses to support the economic growth of the State and encourage employment; and

WHEREAS, the Act currently contains limitations that effectively restrict the use of EDC tax revenue as a form of financial relief aid to support local businesses that are impacted by the novel coronavirus (COVID-19);

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CORPORATION THAT:

Section 1. The Corporation hereby requests that Governor Abbott temporarily waive or suspend certain statutes, orders, or rules that limit EDCs from utilizing EDC sales tax revenue as a form of financial disaster relief to support local businesses impacted by COVID-19.

PASSED AND APPROVED this 13TH DAY OF APRIL, 2020.

ATTEST:

_____, President
Fulshear Development Corporation

Carol Riggs, Secretary
Fulshear Development Corporation

DRAFT



**FULSHEAR ECONOMIC DEVELOPMENT
COMMUNICATION FORM
April 13, 2020**

ITEM	TITLE
	Explore Fulshear Advertising

ITEM/MOTION

Consideration of and possible action on board member recommendation to purchase advertising space in the Explore Fulshear publication

ESTIMATED EXPENDITURE:

BUDGET ACCOUNT:

REQUESTED BY:

Tommy Kuykendall
City of Fulshear Development Corporation

SUPPORTING DOCUMENTS:

1. Kuykendall email and supporting documentation –
March 12, 2020

EXECUTIVE SUMMARY

This item is a carryover from March 16.

A Corporation board member Tommy Kuykendall had requested this item to discuss possible action to purchase advertising to promote the downtown Fulshear area following the construction of FM 1093.

A supplementary budget allocation agenda item has been included for consideration of funding for this item.

These items have been included as a joint EDC agenda items to allow the B Corporation to consider participation if they are so inclined.

From: [Thomas C. Kuykendall, Jr., PE](#)
To: [Angela Fritz](#)
Cc: [Andrew Van Chau](#); [Tommy Kuykendall](#); [Jack Harper](#); [Chandler Marks](#)
Subject: Fulshear Downtown Business Support Ad
Date: Thursday, March 12, 2020 2:02:43 PM
Attachments: [image002.png](#)
[EXPLORE FULSHEAR RATES AND SERVICES.pdf](#)
[Fulshear Downtown Business Support 200312.docx](#)

Angela –

Please see the information I was able to draft in order to better lay out the idea I would like our board to consider. I do not have any aversion to the 4B participating with us, but I do not know who is in charge of their group. Also, this is time sensitive. We miss this meeting and I do not believe we can do it now without an additional special meeting.

Please advise of any questions or issues you may see with this idea.

Thanks,
Tommy

Thomas C. Kuykendall, Jr., PE

Vice President

Office: [832.252.8100 x223](#) | **Mobile:** [832.594.8780](#)

[P.O. Box 1029 | 29255 FM 1093, #7A | Fulshear, TX 77441](#)

[TBPE #10283 | TBPLS #10193783](#)



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3/12/20020

Subject: Downtown Fulshear Existing Business Support

The Texas Department of Transportation and Fort Bend County Commissioner Andy Meyers developed a plan for the expansion of FM 1093 from SH 99 to James Lane with input from the City of Fulshear. The reconstruction and expansion project has been underway for approximately the past five years. TxDOT took bids for the segment from Cross Creek Ranch through downtown Fulshear to James Lane in July 2018. The construction has progressed ahead of schedule. However, during construction our local downtown businesses felt the impacts due to possible customer inconveniences. We have had at least two business closures during that period. Construction impacts may or may not have contributed to those closures. Part of the mission of the City of Fulshear Economic Development Corporation includes business retention and support of existing businesses through available means and opportunities.

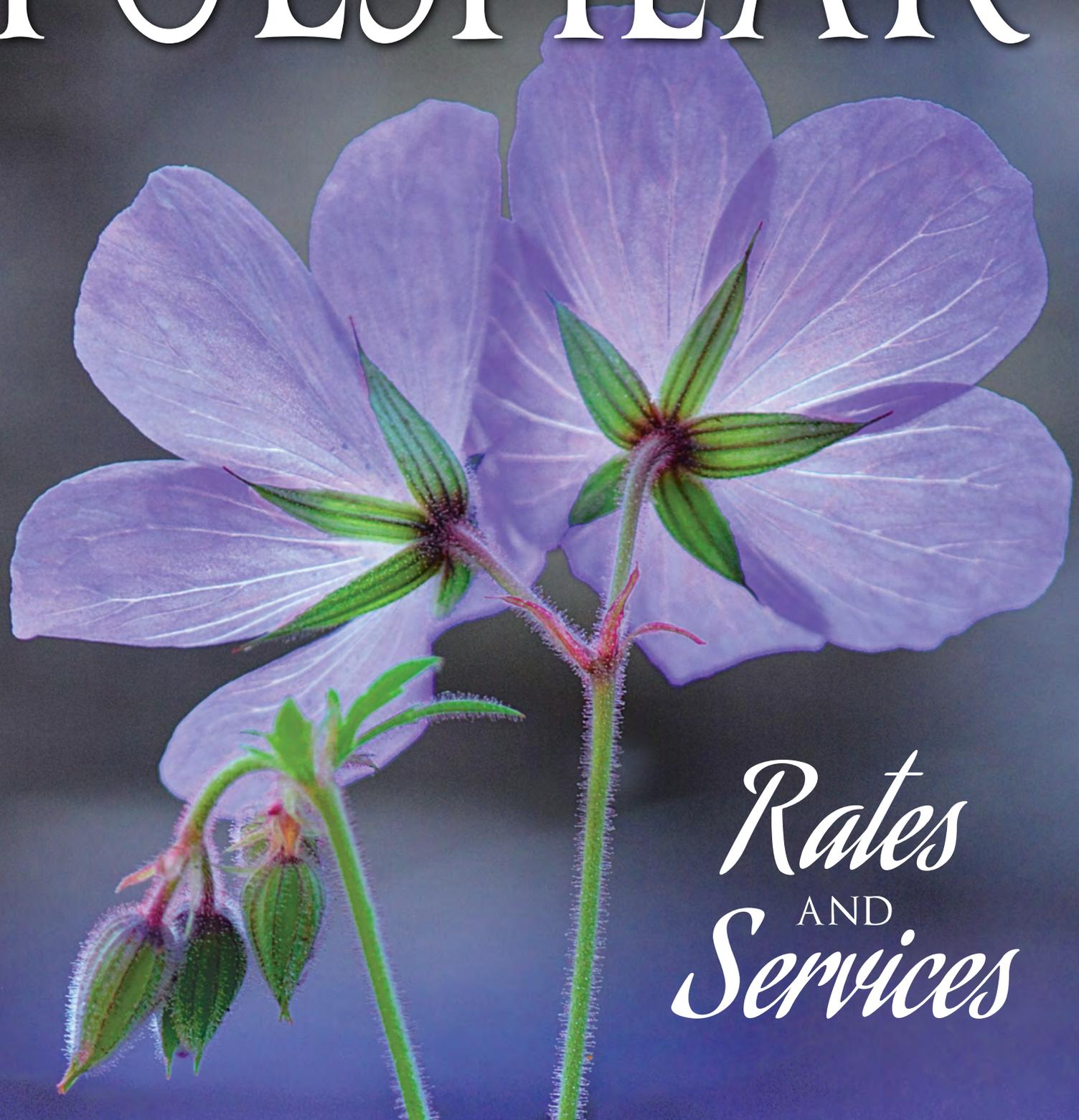
Explore Fulshear magazine (formerly Fulshear Magazine) has an anticipated publication in April 2020. The publication schedule was uncertain, but it appears to be in the near future. Also, TxDOT, Fort Bend County, SER Construction and the City of Fulshear have progressed the FM 1093 project to reopen the eastbound and westbound lanes in each direction. The roadway capacity has been expanded from 2-lanes to 4-lanes. While some additional work remains in the medians and at the intersections to get the traffic signals working in their permanent condition, access into and out of downtown has been relieved. The timing appears good to make an effort to support our local downtown businesses by advertising that FM 1093 is substantially complete and our businesses who have weathered the construction process would appreciate their business.

Explore Fulshear has ad space available for the City of Fulshear Economic Development Council (CDC-4A) to place an ad to support our local downtown businesses. *Explore Fulshear* with an approximate circulation of 15,000 homes is a high-quality publication that residents use and keep on their tables for months. A two-page ad would cost a maximum of \$3,540 (first page) plus \$1,500 (second page) for a total of \$4,950. *Explore Fulshear* would develop the layout with the City's approval. An ad could congratulate TxDOT, Fort Bend County Commissioner Andy Meyers, SER Construction and the City of Fulshear for completing the through lanes of the project ahead of schedule and then list each downtown business using their own logo or a generic graphic. Businesses along FM 1093 from Cross Creek Ranch west to downtown would also be included as they have had similar experiences during the construction period. Also, a statement from the CDC-4A acknowledging authorship and financial backing of the ad and appreciation and support of our local businesses could be included.

Tommy Kuykendall would like to recommend the CDC-4A provide financial support in the amount of \$4,950 for a 2-page ad supporting our local downtown businesses as described above.

Explore

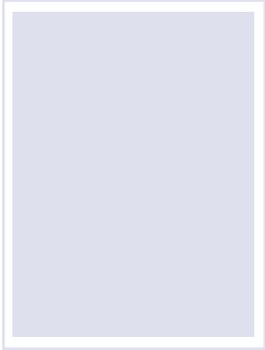
FULSHEAR



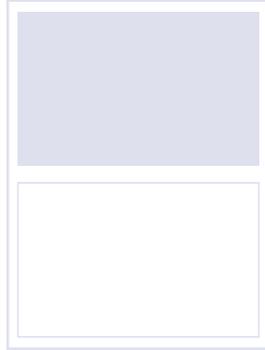
Rates
AND
Services

ADVERTISING

Rates & Specifications



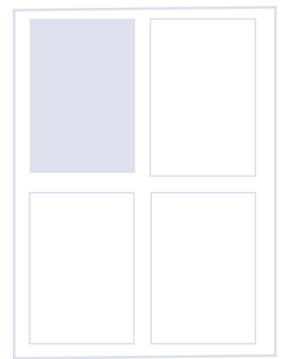
FULL PAGE AD
(8.25"x11.25")
(9.25"x12.25" w/bleed)



1/2 PAGE AD
(8.25"x5.50")



1/3 PAGE AD
(8.25"x3.50")



1/4 PAGE AD
(4.00"x5.50")

*Rates**

Specifications

SIZE	RATE*
Back Cover	\$4000
Inside Front Cover or Facing Page	\$3850
Page Facing Contents	\$3750
Page Facing Publisher's Letter	\$3750
Full Page Ad	\$3450
Advertorial Page <i>Requires Full Page Ad or Long-term Agreement</i>	\$1500
1/2 Page Ad	\$1850
1/3 Page Ad	\$1295
1/4 Page Ad	\$935
Preferred Placement + \$500	

* RATES ARE NET

MAGAZINE INFORMATION:

The magazine is a 9" x 12" full color magazine. Trim size is 9" x 12". Add 1/8" (.125") all around for a full page bleed size (9.25" x 12.25").

ADVERTISING ART REQUIREMENTS:

The magazine is printed in full color on beautiful paper, for optimal enhancement of ads and photos. Ads and photos need to be CMYK high resolution (at least 300dpi) PDFs, JPGs, Tiffs, or EPS files. Please embed fonts or convert text to outlines and make sure submitted files are of press quality (camera-ready).

NEED DESIGN ASSISTANCE?

Ad design services are available at reasonable rates. If you need production or design work on your ad, feel free to contact us.

SUBMITTING MATERIALS VIA E-MAIL:

Send all advertising materials via email or transfer files through DropBox, Hightail, WeTransfer, etc.

ADVERTISING DEADLINE:

All artwork is due for submission the month prior to magazine publication.

CONTACT US WITH ANY QUESTIONS BY CALLING **281-973-0633**

Editorial CATEGORIES

Look for interesting and entertaining articles covering a wide range of community-centric topics!

CITY/GOVERNMENT

A peek on the inside of the engine that drives the community

COMMUNITY OUTREACH

Features on how the community supports its own

PHILANTHROPY

Local foundations and how they support community growth

HUMAN INTEREST

Local personalities, Brenham celebrity profiles, etc.

SPORTS/RECREATION

From youth sports to hunting and fishing, we will uncover unique stories

ENTERTAINMENT

Where to go ... what to see ... and do

HEALTH/WELLNESS

Tips for healthier living, eating, and cooking

PROGRESS/DEVELOPMENT

We will keep the reader informed of new developments and businesses that are helping the City prosper

LOCAL BUSINESS PROFILES

Read about businesses that have been serving the community for decades, as well as a new breed of businesses that are changing the face of Fulshear

REACH THE *audience*

THAT SEEKS YOUR SERVICES

The magazine is not a "shopper" publication, nor is it an "advertorial only" magazine. This magazine will contain real stories that are relevant to the reader and beautiful photography of the town and the surrounding area. We will uncover interesting and little known facts about the history of our great community, as well as feature entrusting people that have made a difference in the community. All of this adds up to an extended shelf life, and great pass along readership.

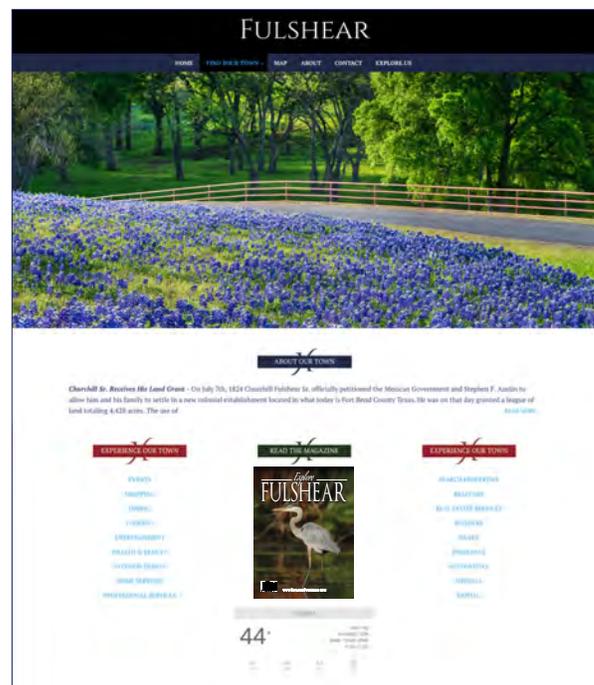
The magazine will be mailed to over 20,000 of the area's finest homes and over 2,000 of the city's most prominent businesses. In addition, the magazine will be prominently displayed on major newsstands throughout the state with heavy concentration within the city's ETJ.

Benefits QUALITY, CONTENT & DISTRIBUTION

- Market Planning Advice
- Cost Effective Options For All Business Sizes
- Ad Design Consultation
- Help Reaching Your Target Market
- Ad Placement Options
- Web Integration Strategies
- Outbound Newsletters
- Social Media Connections
- Mini Magazines For Use In Email Signatures, E-Broadcasts
- Broadly Targeted, Seasonally Timed Distribution
- Online Archive For Extended Ad Presence
- Print & Electronic Connection

Magazine DIGITAL FEATURED ON

WWW.EXPLOREFULSHEAR.COM



CONTACT US WITH ANY QUESTIONS BY CALLING 281-973-0633

Explore.US

WWW.EXPLOREFULSHEAR.COM



**FULSHEAR ECONOMIC DEVELOPMENT
COMMUNICATION FORM
April 13, 2020**

ITEM	TITLE
	Explore Fulshear Advertising Budget Allocation
ITEM/MOTION	
Consideration of and possible action on budget allocation for advertising in the Explore Fulshear publication	
ESTIMATED EXPENDITURE: TBD	BUDGET ACCOUNT: 601-5-000-5470-02 701-5-000-5470-02

REQUESTED BY:

SUPPORTING DOCUMENTS:

1. EDCs Projects Funds Detail Working Sheets – FY20

EXECUTIVE SUMMARY

This item is a carryover from March 16.

A Corporation board member Tommy Kuykendall had requested this item to discuss possible action to purchase advertising to promote the downtown Fulshear area following the construction of FM 1093 (previous agenda item).

Should the advertising purchase be approved, this agenda item allows for the necessary budget allocation from the EDCs' Projects Funds Promotional Line Items.

07/03/2019

601-5-000-5470-01 (Projects Fund – Incentives)

	CDC_A Amount	Project Notice Category	Budgeted
FY17 Allocation	\$33,850		
FY18 Allocation	\$40,320		
FY19 Allocation	\$61,778		
FY20 Proposed Budget	\$83,262	General	
Remaining Unallocated PF Targeted Incentives Balance 10/1/2019	\$219,210		

601-5-000-5470-02 (Projects Fund – Promotional)

	CDC_A Amount	Project Notice Category	Budgeted
Rollover from FY 17	\$ 21,982.00		\$33,850
Rollover from FY 18	\$ 29,280.00		\$40,320
FY 19 Budgeted	\$ 61,778.00		\$61,778
Total Amount Available 10/1/2018	\$ 113,040.00		
Subtotal FY19 Expenditures To-date	\$ 11,238.50		
Remaining Balance	\$ 101,801.50		
Potential Upcoming FY19			
ICSC booth reservation	\$ 795.00	\$ 397.50	
	Subtotal	\$ 397.50	
	ESTIMATED TOTAL FY19 EXP	\$ 11,636.00	
	ESTIMATED ROLLOVER AMOUNT (Remaining FY19)	\$ 101,404.00	
	FY20 Proposed Budget	\$ 83,262.00	General
	Total Amount Available 10/1/2019	\$ 184,666.00	

FY 19 Expenditure Working Notes

	Total Est. Cost	EDC portion
GHP ED Guide	\$ 3,580.00	\$ 1,790.00
GHP ED Guide ad rework (if necessary)	\$ 400.00	\$ 200.00
Fort Bend Marketing Program Oversight Board	\$ 12,500.00	\$ 6,250.00
State of Texas ED Publication - TWO4B	\$ 6,000.00	\$ 3,000.00
State of Texas ED Publication ad rework (if necessary)	\$ 600.00	\$ 300.00
General 180 ED Marketing 100-5-180-5440-00 (including marketing collateral development/production & booth development/production) - retail recruitment services costs would be budgeted out of PF studies line item if emerges as priority in ED Strat Plan implementation	\$ 32,500.00	\$ 16,250.00
Targeted marketing development for Strat Plan identified priorities (website, collateral, digital ads, etc.)	\$ 40,000.00	\$ 20,000.00
	FY 20 Proposed Expenditures	\$ 47,790.00
	Remaining Unallocated Promotional Balance	\$ 136,876.00

601-5-000-5470-04 (Projects Fund – Studies)

	CDC_A Amount	Project Notice Category	Budgeted
Rollover from FY 17	\$ 44,654.00		\$50,000
Rollover from FY 18	\$ 50,000.00		\$50,000
FY 19 Budgeted	\$ -		\$0
Total Amount Available 10/1/2018	\$ 94,654.00		
Total Est. FY19 Expenditures	\$ 50,000.00		
Remaining Balance	\$ 44,654.00		
ESTIMATED ROLLOVER AMOUNT (Remaining FY19)	\$ 44,654.00		
	FY20 Proposed Budget	\$ 125,000.00	General
	Total Amount Available 10/1/2019	\$ 169,654.00	

FY 20 Expenditure Working Notes*

	Total Est. Cost	EDC portion
ED Strat Plan Implementation	\$ 100,000.00	\$ 50,000.00
Livable Center Implementation	\$ 100,000.00	\$ 50,000.00
1093 II Enhancement Plan	\$ 50,000.00	\$ 25,000.00
*any expenditure \$10,000 requires Council X 2 approval (and consequently, board approval)		
	FY20 Proposed Expenditures	\$ 125,000.00
	Remaining Unallocated PF Studies Balance	\$ 44,654.00

Subtotal General \$ 291,524.00

07/10/2019

701-5-000-5470-01 (Projects Fund – Incentives)

	FDC_B Amount	Project Notice Category	Budgeted
FY17 Budget	\$33,850		
FY18 Budget	\$40,320		
FY19 Budget	\$61,778		
FY20 Proposed Budget	\$83,262	General	
Remaining Unallocated PF Targeted Incentives Balance 10/1/2019	\$219,210		

701-5-000-5470-02 (Projects Fund – Promotional)

	FDC_B Amount	Project Notice Category	Budgeted
Rollover from FY17	\$ (6,155.00)		\$33,850
Rollover from FY18	\$ 12,417.50		\$40,320
FY19 Budget	\$ 61,778.00		\$61,778
Total Amount Available 10/1/2018	\$ 68,040.50		
Subtotal FY19 Expenditures To-date	\$ 30,256.50		
Remaining Balance	\$ 37,784.00		

Potential Upcoming FY19

ICSC booth reservation

\$ 795.00	\$ 397.50		
Subtotal	\$ 397.50		
ESTIMATED TOTAL FY19 EXP.	\$ 30,654.00		
ESTIMATED ROLLOVER AMOUNT (Remaining FY19)	\$ 37,386.50		
FY20 Proposed Budget	\$ 83,262.00	General - \$68,569	
Total Amount Available 10/1/2019	\$ 120,648.50		

FY 20 Expenditure Working Notes

	Total Est. Cost	EDC portion	
Xmas Decorations Labor/Rental for Install & Maintenance	\$ 14,693.00	\$ 14,693.00	Specific
GHP ED Guide	\$ 3,580.00	\$ 1,790.00	
GHP ED Guide ad rework (if necessary)	\$ 400.00	\$ 200.00	
Fort Bend Marketing Program Oversight Board	\$ 12,500.00	\$ 6,250.00	
State of Texas ED Publication - TWO4B	\$ 6,000.00	\$ 3,000.00	
State of Texas ED Publication ad rework (if necessary)	\$ 600.00	\$ 300.00	
General 180 ED Marketing 100-5-180-5440-00 (including marketing collateral development/production & booth development/production) - retail recruitment services costs would be budgeted out of PF studies line item if emerges as priority in ED Strat Plan implementation	\$ 32,500.00	\$ 16,250.00	
Targeted marketing development for Strat Plan identified priorities (website, collateral, digital ads, etc.)	\$ 40,000.00	\$ 20,000.00	
FY 20 Proposed Expenditures	\$ 62,483.00		
Remaining Unallocated PF Promotional Balance	\$ 58,165.50		

701-5-000-5470-03 (Projects Fund – Studies)

	FDC_B Amount	Project Notice Category	Budgeted
Rollover from FY17	\$ 44,654.00		\$50,000
Rollover from FY18	\$ 50,000.00		\$50,000
FY19 Budget	\$ -		\$0
Total Amount Available 10/1/2018	\$ 94,654.00		
Est. FY19 Subtotal	\$ 50,000.00		
Remaining Balance	\$ 44,654.00		
ESTIMATED ROLLOVER AMOUNT (Remaining FY19)	\$ 44,654.00		
FY20 Proposed Budget	\$ 125,000.00	General	
Total Amount Available 10/1/2019	\$ 169,654.00		

FY 20 Expenditure Working Notes*

	Total Est. Cost	EDC portion	
ED Strat Plan Implementation	\$ 100,000.00	\$ 50,000.00	
Livable Center Implementation	\$ 100,000.00	\$ 50,000.00	
1093 II Enhancement Plan	\$ 50,000.00	\$ 25,000.00	
*any expenditure \$10,000 requires Council X 2 approval (and consequently, board approval)			
FY20 Proposed Expenditures	\$ 125,000.00		Subtotal General \$ 276,831.00
Remaining Unallocated PF Studies Balance	\$ 44,654.00		Subtotal Specific \$ 14,693.00
			\$ 291,524.00



CITY OF FULSHEAR DEVELOPMENT CORPORATION (A)
COMMUNICATION FORM
April 13, 2020

ITEM	TITLE
	Minutes
ITEM/MOTION	
Consideration of and possible action on minutes of the Corporation for the February 17, 2020 Special Joint Meeting	
ESTIMATED EXPENDITURE:	BUDGET ACCOUNT:

SUBMITTED BY:

Chandler Marks
Economic Development Coordinator

SUPPORTING DOCUMENTS:

1. DRAFT Minutes – February 17, 2020 Special Joint Meeting

EXECUTIVE SUMMARY
Draft minutes are attached for the board's consideration.



CITY OF FULSHEAR DEVELOPMENT CORPORATION

A Type "A" Economic Development Sales Tax Corporation

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

Meeting Minutes February 17, 2020 5:30 PM

Board Members Present: Andrew Van Chau, Tommy Kuykendall, Jason Maklary, Randy Etheridge, Rev. Jackie Gilmore (arrived at 5:41 p.m.)

Board Members Absent: None

Staff & City Council Liaison: John Kelly (Council Liaison) (arrived at 5:51 p.m.), Jack Harper, Angela Fritz, Chandler Marks, Byron Brown, William Henry (security)

Attendees: Aaron Groff, Kaye Kahlich, Lisa Martin, Kent Pool, Joel Patterson, Kevin White (arrived at 5:35 p.m.), Alysia Cook (Opportunity Strategies), Tajana Surlan, Bryan Thomas

1. Call to Order

There being a quorum of the board present, Andrew Van Chau, President, called the meeting to order at 5:35 p.m.

2. Citizen's Comments

None

Joint Workshop with City Council:

3. Facilitated discussion on City Council direction regarding implementation of Economic Development Strategic Plan Goal 4: Organizational Alignment, Strategy 4.1: Streamline

Ms. Fritz introduced Alysia Cook of Opportunity Strategies. Ms. Cook facilitated the discussion with City Council and the economic development boards.

Mr. Van Chau called recess at 7:28 p.m.

Mr. Ray Kerlick (FDC – B) called the meeting back into session at 7:36 p.m.

Joint Corporation Business:

4. Review and discuss Economic Development Strategic Plan implementation

The economic development boards discussed the need for prioritization of goals and responsibilities, before presenting those to City Council at a later meeting.

5. Consideration and possible action on agreement with The Cannon regarding creation of an Innovation Hub Strategy for the City of Fulshear

Ms. Fritz provided a brief overview of the attached draft proposal by The Cannon regarding creation of an Innovation Hub Strategy for Fulshear.

Mr. Van Chau provided a brief overview of the recent main campus tour (with some City staff, EDCs' members, and City Councilmembers).

Boards' members should reply to the Economic Development Director with questions and comments regarding the proposal by Wednesday, February 19.

No action taken

6. Consideration and possible action on budget allocation for creation of an Innovation Hub Strategy for the City of Fulshear

Mr. Brown recommended tabling items #6 and #7 with a vote of the board, then proceeding with the public hearing specific to an innovation hub strategy (item #8).

Motion to table items 6 & 7 – Kuykendall; Second – Maklary

Ayes: 5 Nays: 0 Abstentions: 0

7. Consideration and possible action on Resolution CDC 19-04 a resolution of the CDC declaring a specific project of the Corporation for Fiscal Year 2019-2020

Item tabled, per motion made.

8. Public hearing on specific project being proposed by the Corporation for Fiscal Year 2019-2020 being expenditures for creation of an innovation hub strategy for the City of Fulshear found by the Board of Directors to promote new or expanded business development, the amount of which is approximately \$7,500

Mr. Van Chau opened the public hearing at 8:15 p.m.

Ms. Tajana Surlan (member of the public) asked for clarification of the project. Mr. Brown indicated that there was not enough information to provide a sufficient answer at this time.

Mr. Van Chau closed the public hearing at 8:17 p.m.

Corporation Business:

9. Consideration of and possible action on minutes of the Corporation for the January 27, 2020 Special Joint Meeting

Mr. Marks noted a correction in the draft minutes, that Mr. Harper was present for the meeting but Mr. Marks was not.

Motion to approve the minutes as presented, with the correction noted – Kuykendall; Second – Etheridge
Ayes: 5 Nays: 0 Abstentions: 0

10. Consideration of and possible action on financials and payables for the Corporation for the period ending December 31, 2019, and January 31, 2020

Ms. Fritz provided an overview.

Motion to approve the payables in the amount of \$8,318.92 – Gilmore; Second – Maklary
Ayes: 5 Nays: 0 Abstentions: 0

11. Hear update from City Council liaison

Mr. Kelly and Ms. Martin (liaison for FDC – B) provided updates.

Additionally, Ms. Fritz announced that there would be another City Council meeting the following night, February 18.

12. Economic Development update including:

- a) City and Economic Development Projects**
- b) Certificates of Occupancy**
- c) Conferences and Meetings Attended**
- d) Upcoming Meetings and Events**
- e) Business Contacts and Announcements**
- f) Economic Indicators**

Ms. Fritz provided an update.

Board members agreed with the FDC – B board members to move forward with joint meetings of the EDCs on the third Monday of each month until further notice.

13. Future agenda items

None

14. Announcements

Mr. McCoy (ex-officio, FDC – B) announced that on April 24, Gov. Abbott would be the speaker for the Fulshear-Katy Area Chamber of Commerce’s *Salute to Business* event.

15. Adjournment

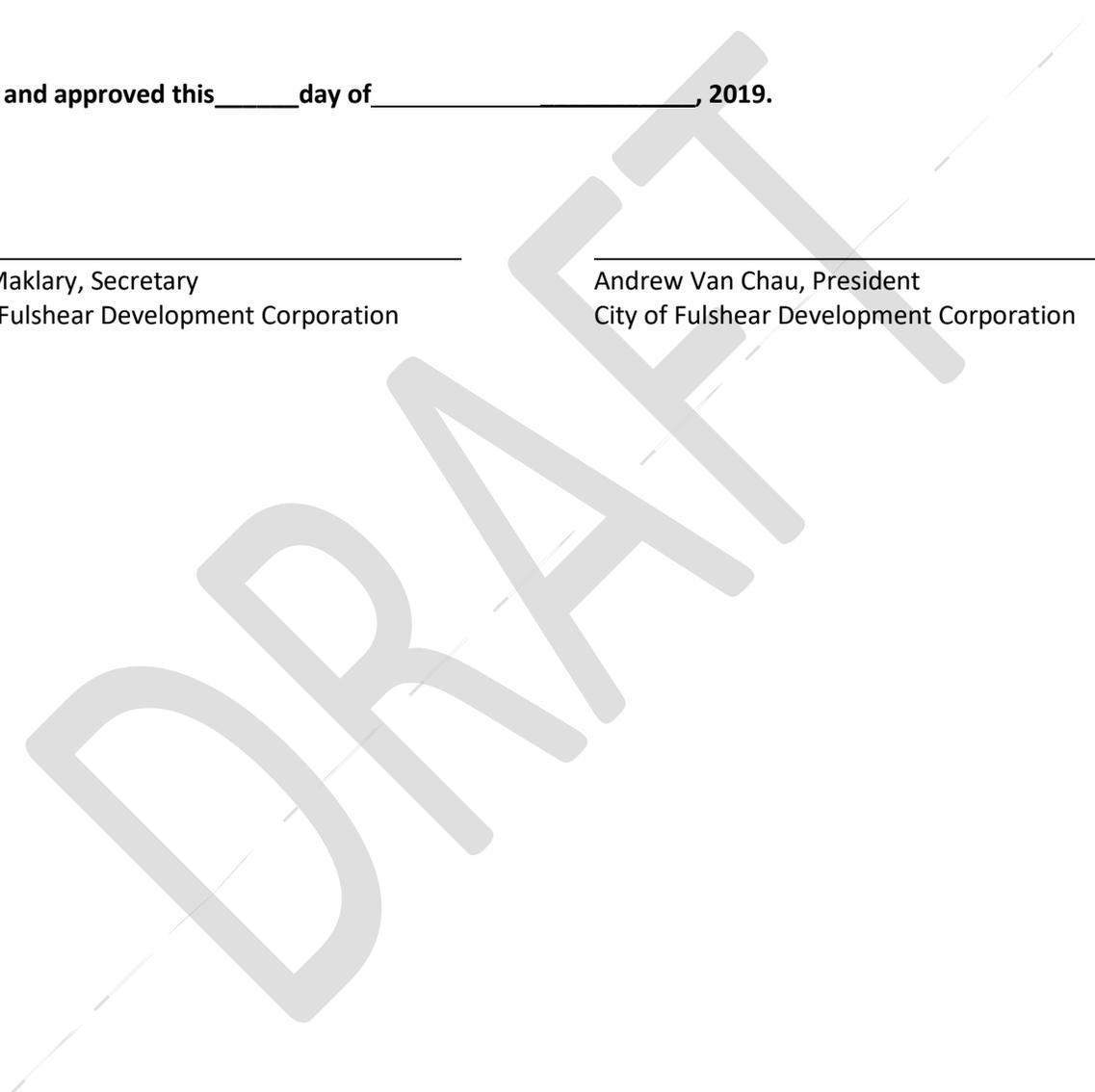
Motion to adjourn – Maklary @ 8:47 p.m.; Second – Etheridge

Ayes: 5 Nays: 0 Abstentions: 0

Passed and approved this _____ day of _____, 2019.

Jason Maklary, Secretary
City of Fulshear Development Corporation

Andrew Van Chau, President
City of Fulshear Development Corporation





**FULSHEAR DEVELOPMENT CORPORATION (B)
COMMUNICATION FORM
April 13, 2020**

ITEM	TITLE
	Minutes
ITEM/MOTION	
Consideration of and possible action on minutes of the Corporation for the February 17, 2020 Special Joint Meeting	
ESTIMATED EXPENDITURE:	BUDGET ACCOUNT:

SUBMITTED BY:

Chandler Marks
Economic Development Coordinator

SUPPORTING DOCUMENTS:

1. DRAFT Minutes – February 17, 2020 Special Joint Meeting

EXECUTIVE SUMMARY

Draft minutes, as originally prepared by Carol Riggs, Secretary, are attached for the board's consideration.



FULSHEAR DEVELOPMENT CORPORATION

A Type "B" Economic Development Sales Tax Corporation

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

Meeting Minutes February 17, 2020 5:30 PM

Board Members Present: Ray Kerlick, Carol Riggs, Stacy Mangum, Ryan Kudlacek, Don McCoy (ex-officio)
Board Members Absent: Wes Wauson, Mike Hopfe, Recie Medlock
Staff & Council Liaison: Lisa Martin (Council Liaison) (arrived at 5:51 p.m.), Jack Harper, Angela Fritz, Chandler Marks, Byron Brown, William Henry (security)
Attendees: Aaron Groff, Kaye Kahlich, John Kelly, Kent Pool, Joel Patterson, Kevin White (arrived at 5:35 p.m.), Alysia Cook (Opportunity Strategies), Tajana Surlan, Bryan Thomas

1. Call to Order.

There being a quorum of the Board present, Carol Riggs, Secretary, called the meeting to order at 5:33 p.m.

2. Citizen's Comments.

None

Corporation Business

3. Consideration of and possible action to elect a President Pro-Tem

Motion to elect Ray Kerlick as President Pro-Tem – Riggs; Second – Mangum

Ayes: 4 Nays: 0 Abstentions: 0

Joint Workshop with City Council:

4. Facilitated discussion on City Council direction regarding implementation of Economic Development Strategic Plan Goal 4: Organizational Alignment; 4.1 Streamline

Alysia Cook with Opportunity Strategies led a facilitated discussion in which she conveyed the Council's desired outcomes as they pertain to organizational alignment goals.

Consensus was reached by both CDC – A and FDC – B corporations and Council that the Council is the governing body of the corporations.

In the meantime, both corporations will begin meeting at the same time and place; vacant places on both boards will be filled whenever possible by members of the other corporation; and members of all boards, council, and city staff will speak with one voice as to the direction of Economic Development in the City of Fulshear.

Not an action item

Mr. Andrew Van Chau (CDC – A) called recess at 7:28 p.m.

Mr. Kerlick called the meeting back into session at 7:36 p.m.

Joint Corporation Business:

5. Review and discuss Economic Development Strategic Plan

The economic development boards discussed the need for prioritization of goals and responsibilities. As such, City staff will provide additional framework to the plan including current status and responsibility to each of the steps. CDC – A and FDC – B will meet to assign their priorities prior to meeting with Council.

Not an action item

6. Consideration of and possible action on agreement with The Cannon regarding creation of an Innovation Hub Strategy for the City of Fulshear

Ms. Fritz provided a brief overview of the attached draft proposal by The Cannon regarding creation of an Innovation Hub Strategy for Fulshear.

Mr. Van Chau (CDC – A) provided a brief overview of the recent main campus tour (with some City staff, EDCs' members, and City Councilmembers).

City staff have begun reading the proposed agreement and will send out to boards with their comments. Board members should reply back to Economic Development Director with additional questions and comments by EOB Wednesday, February 19.

No action taken

7. Consideration of and possible action on budget allocation for creation of an Innovation Hub Strategy for the City of Fulshear

Mr. Brown recommended tabling items #7 and #8 with a vote of the board, then proceeding with the public hearing specific to an innovation hub strategy (item #9).

Motion to table items 7 & 8 – Kudlacek; Second – Mangum*

Ayes: 4 Nays: 0 Abstentions: 0

- 8. Consideration of and possible action on Resolution FDC 19-04 a resolution of the FDC declaring a specific project of the Corporation for Fiscal Year 2019 -2020.**

Item tabled, per motion made

- 9. Public Hearing on specific project being proposed by the Corporation for Fiscal Year 2019- 2020 being expenditures for creation of an innovation hub strategy for the City of Fulshear found by the Board of Directors to promote new or expand business development , the amount of which is approximately \$7,500**

Mr. Kerlick opened the public meeting at 8:15 p.m.

There was one question from a citizen, Ms. Tajana Surlan, as to clarification of the project.

Neither of the boards nor city staff have enough information to answer at this time, hence agenda items 7 and 8 have been tabled. Another Public Meeting will be held once more information is obtained.

Mr. Kerlick closed the public meeting at 8:17 p.m.

Corporation Business:

- 10. Consideration of and possible action on minutes of the Corporation for the January 27, 2020 Special Joint Meeting**

Motion to approve the minutes as presented – Mangum; Second – Kudlacek

Ayes: 4 Nays: 0 Abstentions: 0

- 11. Consideration of and possible action on financials and payables for the Corporation for the period ending December 31, 2019 and January 31, 2020**

Ms. Fritz provided a summary of the EDC Sales Tax report, financials and payables.

Motion to approve the payables as presented for the reimbursement under the Administrative Services Agreement in the amount of \$8,318.92 – Riggs; Second – Kudlacek

Ayes: 4 Nays: 0 Abstentions: 0

- 12. Update from City Council Liaison**

Council members Martin and Kelly provided an update of various items being considered by Council.

Additionally, Ms. Fritz announced that there would be another City Council meeting the following night, February 18.

Not an action item

13. Economic Development Update including:

- a) **City and Economic Development Projects**
- b) **Certificates of Occupancy**
- c) **Conferences and Meetings Attended**
- d) **Upcoming Meetings and Events**
- e) **Business Contacts and Announcements**
- f) **Economic Indicators**

Ms. Fritz provided an update of various items of interest to Economic Development.

Board members agreed with the CDC – A board members to move forward with joint meetings of the EDCs and City Council on the third Monday of each month until further notice.

Not an Action Item

14. Future Agenda Items

None

15. Announcements

Mr. McCoy announced that Governor Abbott will be speaking at the Fulshear-Katy Area Chamber of Commerce's *Salute to Business*, at the Gerald Young Pavilion in Katy on April 24.

16. Adjournment

Motion to adjourn – Riggs @ 8:48 p.m.; Second – Kerlick
Ayes: 4 Nays: 0 Abstentions: 0

Passed and approved this ___ day of _____, 2019.

Carol Riggs, Secretary
Fulshear Development Corporation

_____, President Pro-Tem
Fulshear Development Corporation



**CITY OF FULSHEAR DEVELOPMENT CORPORATION (A)
COMMUNICATION FORM
April 13, 2020**

ITEM	TITLE
	CDC_A Financials and Payables
ITEM/MOTION	
Consideration and possible action on financials and payables for the Corporation for the period ending January 31, and February 29, 2020	
EXPENDITURE: \$10,476.90 (Jan)	BUDGET ACCOUNT/S: 600-5-900-5900-10
EXPENDITURE: \$13,183.69 (Feb)	BUDGET ACCOUNT/S: 600-5-900-5900-10

SUBMITTED BY:

Angela E. Fritz
Economic Development Director

SUPPORTING DOCUMENTS:

- **EDC Sales Tax Revenue Report as of April 9, 2020**
- **Financials as of January 31 & February 29, 2020**
 - Vela Memo (x2)
 - Operating (x2)
 - Projects (X2)
 - Quarterly Investment Report (x1)
 - FY19 Comprehensive Annual Financial Report (x1)
- **Payables**
 - City Reimbursement – January 2020 - \$10,476.90
 - City Reimbursement – February 2020 - \$13,183.69

EXECUTIVE SUMMARY

Sales Tax

Sales tax revenues received in March (**January 2020** remittances) were **up 32%** from the same period the previous year. Sales tax revenues received in April (**February 2020** remittances) **down 1%** from the same period the previous year. Overall, the Corporation's **sales tax revenues total \$381,736.19** for FY20 or 46% of budget with 42% of periods reported.

Financials

Operating Fund (600) expenditures for January include meeting security fees and the quarterly transfer to the City for the Shared Services fee under the ASA. **Operating Fund** (600) expenditures for February include meeting security fees and legal. There were no **Projects Fund** (601) expenditures reported for either January or February.

Payables

The **reimbursement** register for **January** for the Board's consideration includes funds to be paid to the City for expenditures (100) pursuant to the Administrative Services Agreement amounting to **\$10,476.90**. There was one annual expenditure for membership in the Greater Houston Partnership in the amount of \$1,050 reflected in the report, along with legal expenditures of \$1,999 for items related to the Broadband Discovery Project.

CONTINUED ON NEXT PAGE...

Payables Continued

The **reimbursement** register for **February** for the Board's consideration includes funds to be paid to the City for expenditures (100) pursuant to the Administrative Services Agreement amounting to **\$13,183.69**. There was

one annual expenditure for membership in the Fulshear Katy Area Chamber in the amount of \$5,000 reflected in the report, along with several annual staff professional memberships amounting to \$825.91.

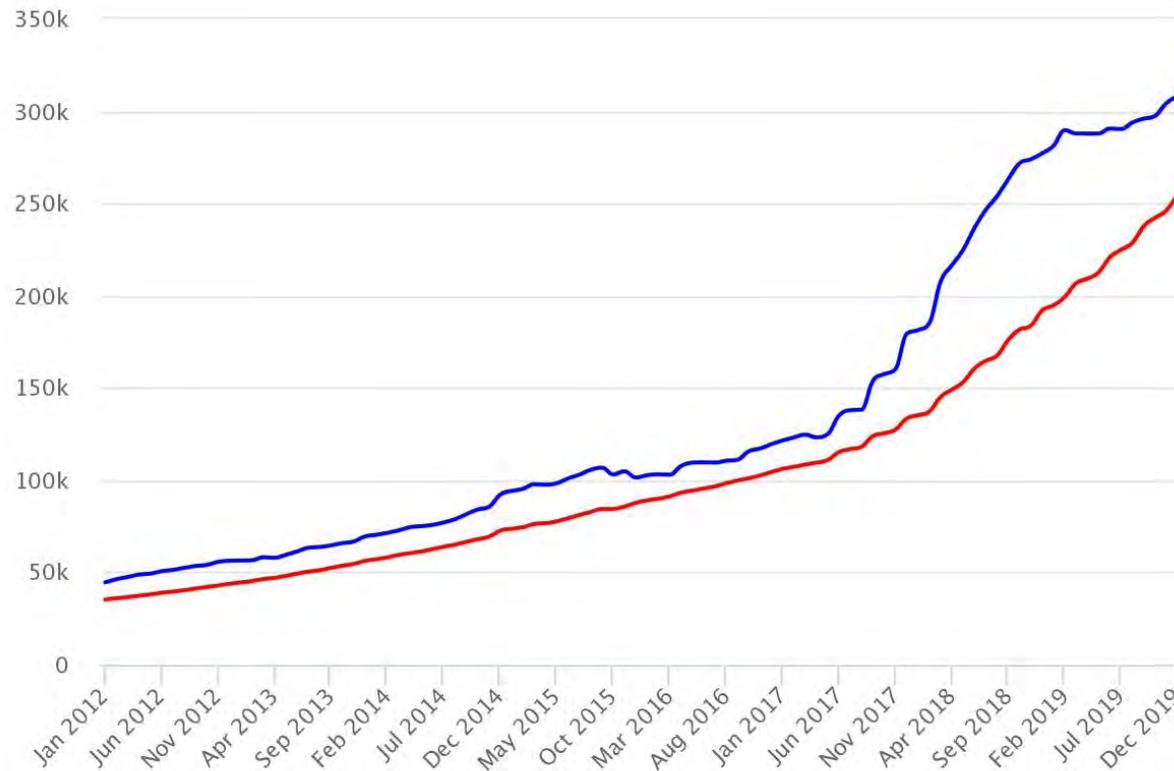
Fiscal Year 2018-2019 (FY19) Comprehensive Annual Financial Report (CAFR)

The FY19 CAFR is provided to the EDCs following its presentation to and acceptance by City Council on March 17, 2020. [A video of the City Council presentation may be accessed here \(select Business Item B.\)](#)

The auditors issued a clean, unmodified opinion which is the highest level of assurance auditors can provide. The financial statements were free of any material misstatements and included all the required disclosures in accordance with GAAP.

The EDCs are included in the City's FY19 CAFR as Component Units. For quick reference, accounting for EDC funds may be found on pages 28-29, and 90-93 of the CAFR (pgs. 33-34, and 95-98) which are bookmarked in the CAFR document linked above.

12m over 36m Moving Averages – November 2019 | ZacTax



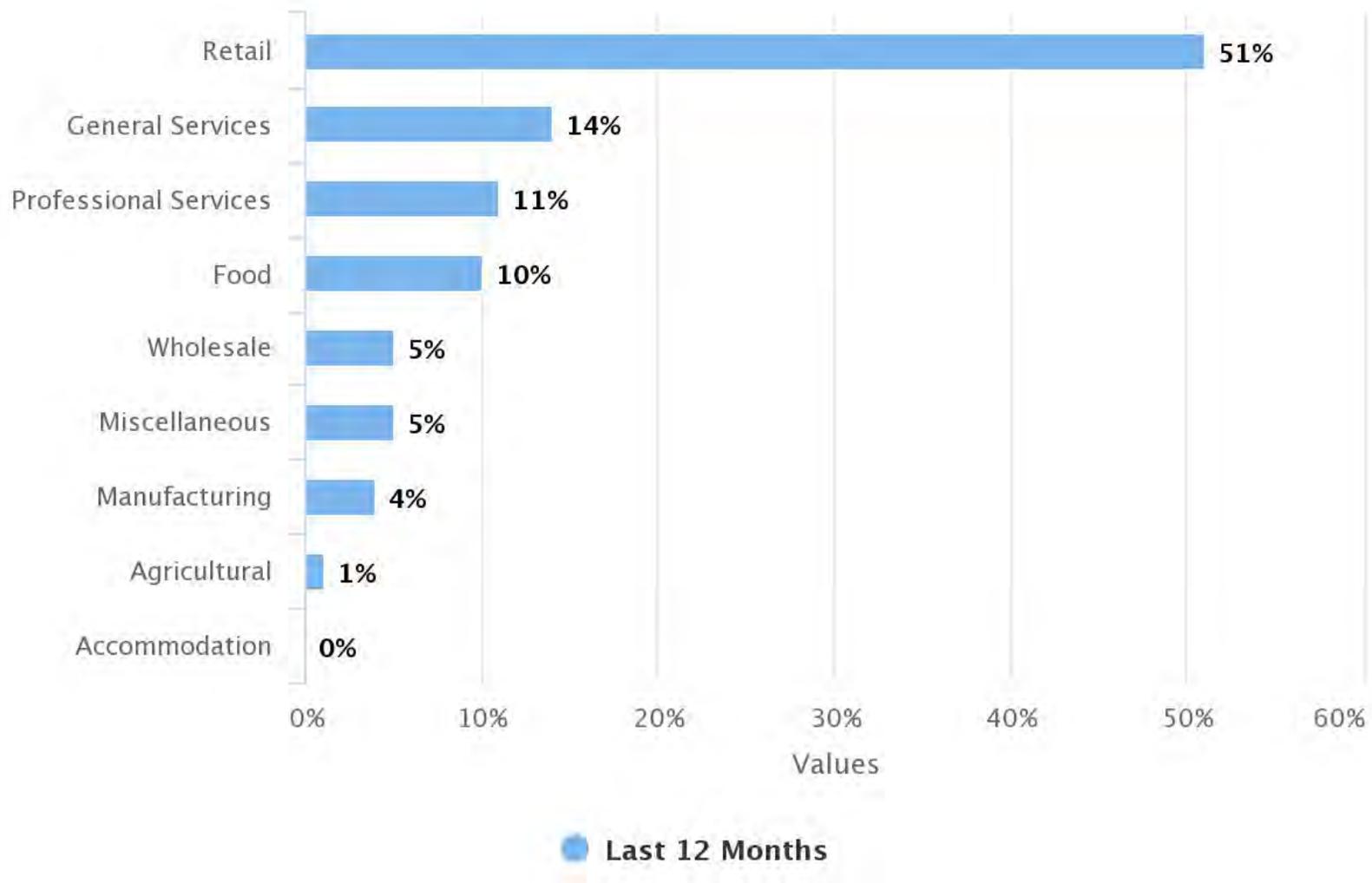
12 month moving average: December: \$308,239.57

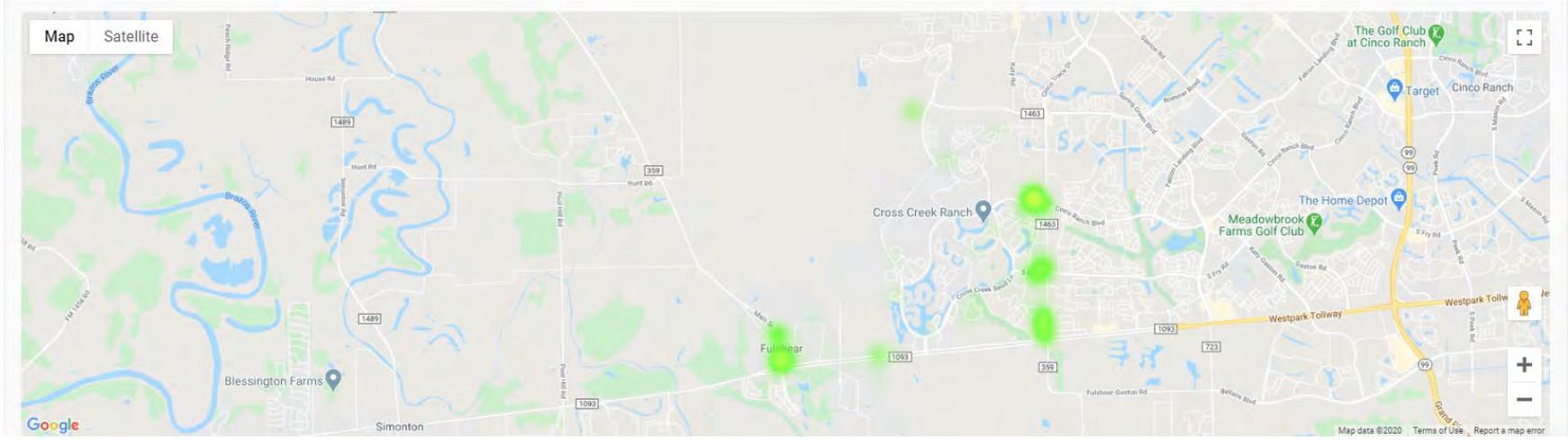
(November: \$304,371.27; October: \$295,979.13; September: \$295,979.13; August: \$293,940.86; July: \$290,318.90; June: \$290,589.08; May: \$287,896.61; April: \$287,868.79; March: \$287,950.68; February: \$289,683.30; January: \$281,257.48; December: \$277,217.46; **November: \$273,964.07**; October: \$271,832; September: \$263,277; August: \$253,923)

36 month moving average: December: \$254,932.17

(November: \$246,204.06; October: \$237,708.66; September: \$237,708.66; August: \$228,726.43; July: \$224,959.69; June: \$220,840.41; May: \$212,658.55; April: \$209,240.66; March: \$206,778.18; February: \$199,364.59; January: \$194,778.14; December: \$192,064.97; **November: \$183,823.28**; October: \$181,716; September: \$176,100; August: \$167,625)

Industry Percentages - December

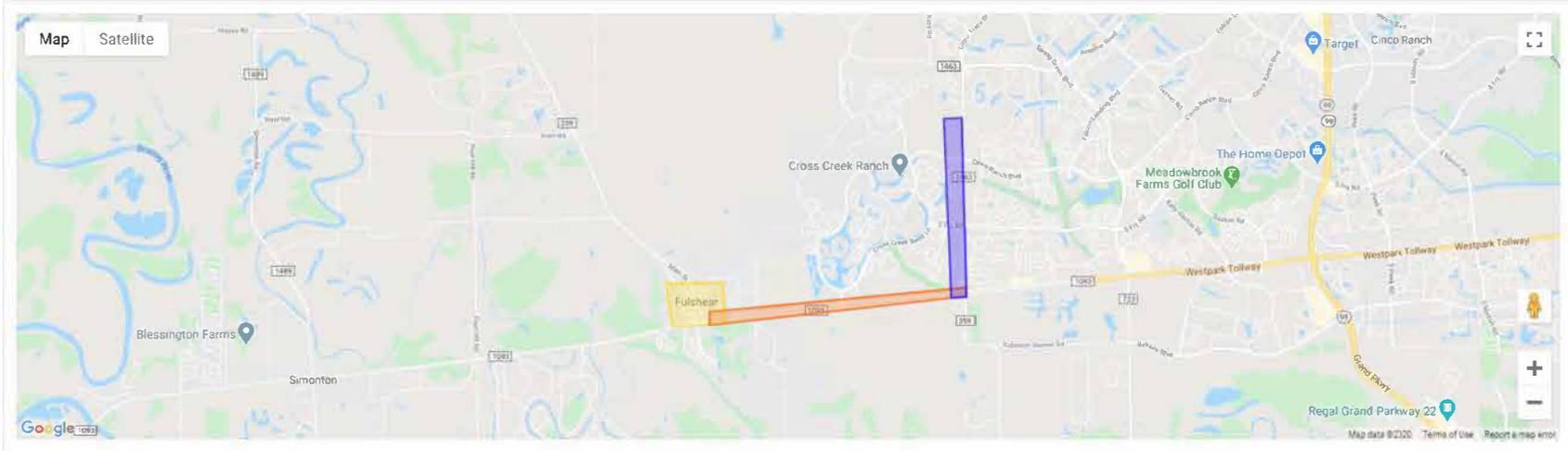




Geographic Regions

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Region	# Outlets	YTD	% Change	FYTD	% Change	12m Average	% Change
Downtown	29	\$297,747	3.33%	\$71,778	(-3.93%)	\$24,812	3.33%
FM 1093	13	\$36,236	(-30.38%)	\$8,972	(-15.97%)	\$3,020	(-30.38%)
FM 1463	48	\$818,480	20.74%	\$228,548	19.76%	\$68,207	20.74%
City Wide		\$3,698,875	11.19%	\$1,024,518	16.77%	\$308,240	



CITY OF FULSHEAR

Finance Department

PO Box 279 / 29378 McKinnon, Suite A
Fulshear, Texas 77441
www.fulsheartexas.gov

MEMORANDUM

To: Type A Corp - Development Corporation
From: Wes Vela, Chief Financial Officer, City of Fulshear
Date: February 26, 2020
Subject: Monthly Financial Reports

Attached you will find the Type A Corp Development Corp. Financial Reports for the period **October 1, 2019 through January 31, 2020** for both the operating fund and capital projects fund. This period represents **33%** of the operating period.

Also, included is the "Quarterly Investment Report 19-4" recently accepted by the City Council for your consideration and acceptance.

If you have any questions, please don't hesitate to call me at 281.346.8805.

CITY OF FULSHEAR
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: JANUARY 31ST, 2020

600-4/A Operating Fund

FINANCIAL SUMMARY

33.33% OF YEAR COMP.

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<u>REVENUE SUMMARY</u>					
TAX & FRANCHISE FEES	832,624.00	65,252.58	134,315.49	16.13	698,308.51
INTEREST EARNED	<u>32,000.00</u>	<u>5,643.18</u>	<u>13,723.86</u>	<u>42.89</u>	<u>18,276.14</u>
TOTAL REVENUES	864,624.00	70,895.76	148,039.35	17.12	716,584.65
	=====	=====	=====	=====	=====
<u>EXPENDITURE SUMMARY</u>					
Administrative	22,125.00	75.54	725.95	3.28	21,399.05
Transfers Out	<u>994,738.00</u>	<u>8,750.00</u>	<u>832,997.18</u>	<u>83.74</u>	<u>161,740.82</u>
TOTAL EXPENDITURES	1,016,863.00	8,825.54	833,723.13	81.99	183,139.87
	=====	=====	=====	=====	=====
REVENUES OVER/(UNDER) EXPENDITURES	(152,239.00)	62,070.22	(685,683.78)		533,444.78

CITY OF FULSHEAR
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: JANUARY 31ST, 2020

600-4/A Operating Fund

33.33% OF YEAR COMP.

Administrative

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<u>SUPPLIES</u>					
600-5-100-5311-00 Supplies	250.00	0.00	0.00	0.00	250.00
TOTAL SUPPLIES	250.00	0.00	0.00	0.00	250.00
<u>CONTRACTUAL SERVICES</u>					
600-5-100-5411-00 Admin Prof. Serv. - Legal	10,000.00	0.00	0.00	0.00	10,000.00
600-5-100-5411-10 Professional Svcs - Consulting	2,900.00	0.00	0.00	0.00	2,900.00
600-5-100-5413-00 Meeting Security	3,000.00	75.54	192.20	6.41	2,807.80
600-5-100-5421-04 Admin - Indemnity Insurance	475.00	0.00	0.00	0.00	475.00
TOTAL CONTRACTUAL SERVICES	16,375.00	75.54	192.20	1.17	16,182.80
<u>OTHER CHARGES</u>					
600-5-100-5526-00 Admin - Public Notices	500.00	0.00	0.00	0.00	500.00
600-5-100-5528-00 Travel & Training	0.00	0.00	544.12	0.00	(544.12)
600-5-100-5528-05 Continuing Education	5,000.00	0.00	(10.37)	0.21	5,010.37
TOTAL OTHER CHARGES	5,500.00	0.00	533.75	9.70	4,966.25
TOTAL Administrative	22,125.00	75.54	725.95	3.28	21,399.05

CITY OF FULSHEAR
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: JANUARY 31ST, 2020

600-4/A Operating Fund

33.33% OF YEAR COMP.

Transfers Out

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<hr/>					
<u>TRANSFERS</u>					
600-5-900-5900-10 XFER OUT - Gen Fund 100	176,963.00	0.00	32,722.18	18.49	144,240.82
600-5-900-5900-11 XFER OUT - Community Events	37,500.00	0.00	37,500.00	100.00	0.00
600-5-900-5900-61 XFER OUT 4/A Project Fund 601	745,275.00	0.00	745,275.00	100.00	0.00
600-5-900-5901-10 Xfer Out GF 100-shared service	<u>35,000.00</u>	<u>8,750.00</u>	<u>17,500.00</u>	<u>50.00</u>	<u>17,500.00</u>
TOTAL TRANSFERS	994,738.00	8,750.00	832,997.18	83.74	161,740.82
<hr/>					
TOTAL Transfers Out	994,738.00	8,750.00	832,997.18	83.74	161,740.82
<hr/>					
TOTAL EXPENDITURES	1,016,863.00	8,825.54	833,723.13	81.99	183,139.87
<hr/>					
REVENUES OVER/(UNDER) EXPENDITURES	(152,239.00)	62,070.22	(685,683.78)		533,444.78

*** END OF REPORT ***

CITY OF FULSHEAR
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: JANUARY 31ST, 2020

601-4/A - Projects Fund
 FINANCIAL SUMMARY

33.33% OF YEAR COMP.

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<u>REVENUE SUMMARY</u>					
INTEREST EARNED	8,000.00	2,303.36	5,890.47	73.63	2,109.53
TRANSFERS	<u>745,275.00</u>	<u>0.00</u>	<u>745,275.00</u>	<u>100.00</u>	<u>0.00</u>
TOTAL REVENUES	753,275.00	2,303.36	751,165.47	99.72	2,109.53
	=====	=====	=====	=====	=====
<u>EXPENDITURE SUMMARY</u>					
Non-Departmental	1,068,580.00	0.00	0.00	0.00	1,068,580.00
Transfers Out	<u>412,500.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>412,500.00</u>
TOTAL EXPENDITURES	1,481,080.00	0.00	0.00	0.00	1,481,080.00
	=====	=====	=====	=====	=====
REVENUES OVER/(UNDER) EXPENDITURES	(727,805.00)	2,303.36	751,165.47		(1,478,970.47)

CITY OF FULSHEAR
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: JANUARY 31ST, 2020

601-4/A - Projects Fund

33.33% OF YEAR COMP.

Non-Departmental

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
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CONTRACTUAL SERVICES

601-5-000-5470-01 Targeted Incentives	219,210.00	0.00	0.00	0.00	219,210.00
601-5-000-5470-02 Promotional Expenses	185,065.00	0.00	0.00	0.00	185,065.00
601-5-000-5470-03 Studies expense	<u>173,180.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>173,180.00</u>
TOTAL CONTRACTUAL SERVICES	577,455.00	0.00	0.00	0.00	577,455.00

CAPITAL OUTLAY

601-5-000-5600-09 Katy-Fulshear/Huggins Rd-ST20B	100,000.00	0.00	0.00	0.00	100,000.00
601-5-000-5600-10 Texas Heritage Pkwy Proj-ST20C	91,125.00	0.00	0.00	0.00	91,125.00
601-5-000-5600-11 Livable Center Implement (EDC)	125,000.00	0.00	0.00	0.00	125,000.00
601-5-000-5600-12 Ec Dev Strat Plan Implem (EDC)	125,000.00	0.00	0.00	0.00	125,000.00
601-5-000-5600-13 Gateway, Corridor and Placemak	<u>50,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>50,000.00</u>
TOTAL CAPITAL OUTLAY	491,125.00	0.00	0.00	0.00	491,125.00

TRANSFERS

TOTAL Non-Departmental	1,068,580.00	0.00	0.00	0.00	1,068,580.00
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CITY OF FULSHEAR
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: JANUARY 31ST, 2020

601-4/A - Projects Fund

33.33% OF YEAR COMP.

Transfers Out

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<u>TRANSFERS</u>					
601-5-900-5900-30 XFER OUT -#300 ST20D FM1093	87,500.00	0.00	0.00	0.00	87,500.00
601-5-900-5900-51 XFER Out - #501 WMP-W18K	50,000.00	0.00	0.00	0.00	50,000.00
601-5-900-5901-30 XFER OUT - #300 FPT19A Parks	50,000.00	0.00	0.00	0.00	50,000.00
601-5-900-5901-51 XFER OUT-#5010D20B-Dntown Drng	100,000.00	0.00	0.00	0.00	100,000.00
601-5-900-5902-30 XFER OUT - #300 FPT19B Livab	50,000.00	0.00	0.00	0.00	50,000.00
601-5-900-5902-51 XFER OUT - #501 WMP-WW18E	<u>75,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>75,000.00</u>
TOTAL TRANSFERS	412,500.00	0.00	0.00	0.00	412,500.00
<hr/>					
TOTAL Transfers Out	412,500.00	0.00	0.00	0.00	412,500.00
<hr/>					
TOTAL EXPENDITURES	1,481,080.00	0.00	0.00	0.00	1,481,080.00
<hr/>					
REVENUES OVER/(UNDER) EXPENDITURES	(727,805.00)	2,303.36	751,165.47		(1,478,970.47)

*** END OF REPORT ***

City of Fulshear
Quarterly Investment Report
19-4

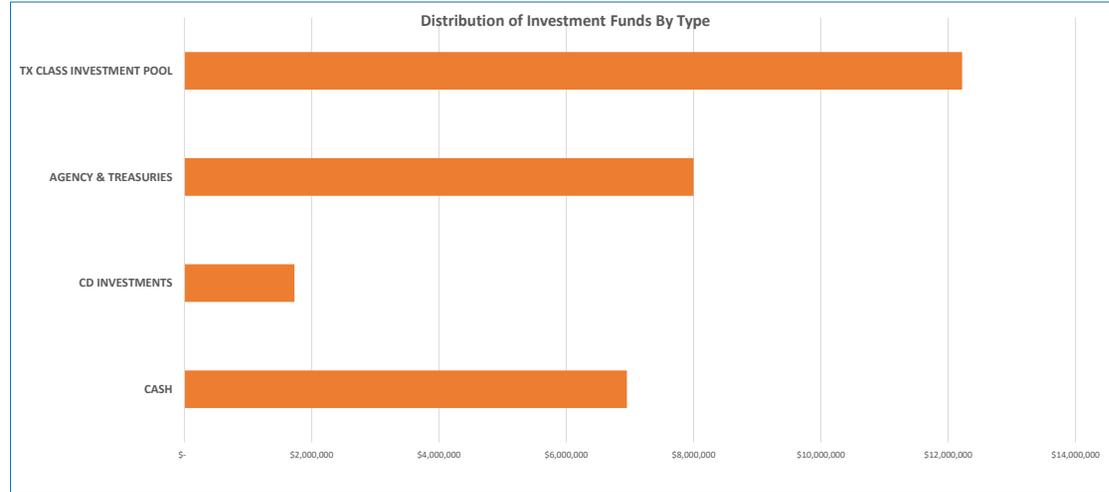
Account Type	Purchase Date	Maturity	Yield	Beginning Book Value 10/01/19	Beginning Market Value	PURCHASES/ ADDITIONS	SALES/ REDUCTIONS	Ending Book Value 12/31/19	Increases (Decreases)	Quarterly Interest	Market Value	Yield	Current Month Interest Earned
CASH ACCOUNTS													
Wells Fargo General Operating		1 day	0.00%	\$ 85,788.00	\$ 170,640.00	\$13,301,920.50	-\$13,338,023.50	\$49,685.00	-\$36,103.00	\$0.00	\$49,685.00	0.00%	\$ -
Wells Fargo StageCoach Sweep			2.01%	\$ 11,914,777.52	\$ 11,276,950.93	\$2,470,121.08	-\$7,482,517.18	\$6,902,381.42	-\$5,012,396.10	\$48,354.29	\$6,902,381.42	2.01%	\$ 14,438.17
CASH TOTALS				\$ 12,000,565.52	\$ 11,447,590.93	\$15,772,041.58	-\$20,820,540.68	\$6,952,066.42	-\$5,048,499.10	\$48,354.29	\$6,952,066.42		\$ 14,438.17
INVESTMENTS - CD'S													
Dime Community Bank CD 25432JAE3	5/18/2018	2/19/2019	2.40%	\$ 250,000.00	\$ 250,000.00	\$0.00	\$0.00	\$250,000.00	\$0.00	\$3,569.08	\$251,242.75	2.40%	\$ 3,024.66
Morgan Stanley 61690Ubk5060	11/15/2018	11/16/2020	3.10%	\$ 250,000.00	\$ 250,000.00	\$0.00	\$0.00	\$250,000.00	\$0.00	\$3,906.85	\$253,143.25	3.10%	\$ -
Wells Fargo Bank - 949763XP6	2/21/2019	2/16/2021	2.65%	\$ 250,000.00	\$ 250,000.00	\$0.00	\$0.00	\$250,000.00	\$0.00	\$1,107.19	\$252,742.50	2.65%	\$ 544.52
Goldman Sachs Bank USA 38149MLH4	12/13/2019	12/20/2021	1.75%	\$ -	\$ -	\$245,000.00	\$0.00	\$245,000.00	\$245,000.00	\$0.00	\$245,191.59	1.75%	\$ -
Morgan Stanley 61760A4H9	12/19/2019	12/20/2021	1.75%	\$ -	\$ -	\$245,000.00	\$0.00	\$245,000.00	\$245,000.00	\$0.00	\$245,191.59	1.75%	\$ -
Sallie Mae 7954505Y7	12/19/2019	12/20/2021	1.75%	\$ -	\$ -	\$245,000.00	\$0.00	\$245,000.00	\$245,000.00	\$0.00	\$245,191.59	1.75%	\$ -
Wells Fargo Bank 949495AK1	12/30/2019	12/30/2021	1.75%	\$ -	\$ -	\$245,000.00	\$0.00	\$245,000.00	\$245,000.00	\$0.00	\$244,265.00	1.75%	\$ -
CD'S TOTALS				\$ 750,000.00	\$ 750,000.00	\$980,000.00	\$0.00	\$1,730,000.00	\$980,000.00	\$8,583.12	\$1,736,968.27		\$ 3,569.18
INVESTMENTS - BONDS													
Fannie Mae 3135GOT60	12/13/2019	7/30/2020	1.50%	\$ -	\$ -	\$2,000,000.00	\$0.00	\$4,000,000.00	\$4,000,000.00	\$0.00	\$3,998,920.00	1.50%	\$ -
United States Treasury Note	12/13/2019	1/31/2021	2.50%	\$ -	\$ -	\$2,000,000.00	\$0.00	\$4,000,000.00	\$4,000,000.00	\$0.00	\$4,036,720.00	2.50%	\$ -
BOND'S TOTALS				\$ -	\$ -	\$4,000,000.00	\$0.00	\$8,000,000.00	\$8,000,000.00	\$0.00	\$8,035,640.00		\$ -
TX CLASS INVESTMENT POOL													
TXClass General Fund		1 day	0.83%	\$ 11,280,231.23	\$ 11,281,913.40	\$938,939.20	\$0.00	\$12,219,170.43	\$1,734,222.92	\$56,897.34	\$12,219,170.43	2.34%	\$ 18,749.29
TXClass - Peg Restricted		1 day	0.83%	\$ 556.76	\$ 556.76	\$0.00	\$0.00	\$556.76	\$0.00	\$2.79	\$556.76	2.34%	\$ 0.93
TX CLASS TOTALS				\$ 11,280,787.99	\$ 11,282,470.16	\$938,939.20	\$0.00	\$12,219,727.19	\$1,734,222.92	\$56,900.13	\$12,219,727.19		\$ 18,750.22
PORTFOLIO TOTALS				\$ 24,031,353.51	\$ 23,480,061.09	\$21,690,980.78	-\$20,820,540.68	\$28,901,793.61	\$5,665,723.82	\$113,837.54	\$28,944,401.88	1.99%	\$ 36,757.57

Portfolio as of October 1, 2019

Beginning Book Value	\$ 24,031,353.51
Beginning Market Value	\$ 23,480,061.09
Unrealized Gain/(Loss)	\$ (551,292.42)
Weighted Average Maturity (days)	41.72

Portfolio as December 31 2019

Ending Book Value	\$28,901,793.61
Ending Market Value	\$28,944,401.88
Unrealized Gain/(Loss)	\$42,608.27
Weighted Average Maturity (days)	78.89
Investment Income for the period	\$113,837.54
Change in Unrealized Gain/(Loss)	\$593,900.69
Average Yield to Maturity for period	1.99%



The investment portfolio detailed in this report includes all investment transactions made during the above referenced period. The investment portfolio and all related transactions comply with the investment policy of the investment policy of the City of Fulshear, Texas, the Investment Act of the State of Texas and with the Government code Chapter 2256.

Investment Officer: Wes Vela
Wes Vela, Chief Financial Officer



CITY OF FULSHEAR

Finance Department

PO Box 279 / 29378 McKinnon, Suite A
Fulshear, Texas 77441
www.fulsheartexas.gov

MEMORANDUM

To: Type A Corp - Development Corporation
From: Wes Vela, Chief Financial Officer, City of Fulshear
Date: April 1, 2020
Subject: Monthly Financial Reports

Attached you will find the Type A Corp Development Corp. Financial Reports for the period **October 1, 2019 through February 29, 2020** for both the operating fund and capital projects fund. This period represents **47%** of the operating period.

At its last Regular City Council Meeting the City Council accepted the Comprehensive Annual Financial Report for the period ended September 30, 2019.

If you have any questions, please don't hesitate to call me at 281.346.8805.

CITY OF FULSHEAR
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: FEBRUARY 29TH, 2020

600-4/A Operating Fund

FINANCIAL SUMMARY

41.67% OF YEAR COMP.

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<u>REVENUE SUMMARY</u>					
TAX & FRANCHISE FEES	832,624.00	121,814.02	256,129.51	30.76	576,494.49
INTEREST EARNED	<u>32,000.00</u>	<u>1,311.87</u>	<u>15,035.73</u>	<u>46.99</u>	<u>16,964.27</u>
TOTAL REVENUES	864,624.00	123,125.89	271,165.24	31.36	593,458.76
	=====	=====	=====	=====	=====
<u>EXPENDITURE SUMMARY</u>					
Administrative	22,125.00	283.13	1,009.08	4.56	21,115.92
Transfers Out	<u>994,738.00</u>	<u>0.00</u>	<u>824,678.26</u>	<u>82.90</u>	<u>170,059.74</u>
TOTAL EXPENDITURES	1,016,863.00	283.13	825,687.34	81.20	191,175.66
	=====	=====	=====	=====	=====
REVENUES OVER/(UNDER) EXPENDITURES	(152,239.00)	122,842.76	(554,522.10)		402,283.10

CITY OF FULSHEAR
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: FEBRUARY 29TH, 2020

600-4/A Operating Fund

41.67% OF YEAR COMP.

Administrative

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<u>SUPPLIES</u>					
600-5-100-5311-00 Supplies	250.00	0.00	0.00	0.00	250.00
TOTAL SUPPLIES	250.00	0.00	0.00	0.00	250.00
<u>CONTRACTUAL SERVICES</u>					
600-5-100-5411-00 Admin Prof. Serv. - Legal	10,000.00	195.00	195.00	1.95	9,805.00
600-5-100-5411-10 Professional Svcs - Consulting	2,900.00	0.00	0.00	0.00	2,900.00
600-5-100-5413-00 Meeting Security	3,000.00	88.13	280.33	9.34	2,719.67
600-5-100-5421-04 Admin - Indemnity Insurance	475.00	0.00	0.00	0.00	475.00
TOTAL CONTRACTUAL SERVICES	16,375.00	283.13	475.33	2.90	15,899.67
<u>OTHER CHARGES</u>					
600-5-100-5526-00 Admin - Public Notices	500.00	0.00	0.00	0.00	500.00
600-5-100-5528-00 Travel & Training	0.00	0.00	544.12	0.00	(544.12)
600-5-100-5528-05 Continuing Education	5,000.00	0.00	(10.37)	0.21	5,010.37
TOTAL OTHER CHARGES	5,500.00	0.00	533.75	9.70	4,966.25
TOTAL Administrative	22,125.00	283.13	1,009.08	4.56	21,115.92

CITY OF FULSHEAR
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: FEBRUARY 29TH, 2020

600-4/A Operating Fund

41.67% OF YEAR COMP.

Transfers Out

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<hr/>					
<u>TRANSFERS</u>					
600-5-900-5900-10 XFER OUT - Gen Fund 100	176,963.00	0.00	24,403.26	13.79	152,559.74
600-5-900-5900-11 XFER OUT - Community Events	37,500.00	0.00	37,500.00	100.00	0.00
600-5-900-5900-61 XFER OUT 4/A Project Fund 601	745,275.00	0.00	745,275.00	100.00	0.00
600-5-900-5901-10 Xfer Out GF 100-shared service	<u>35,000.00</u>	<u>0.00</u>	<u>17,500.00</u>	<u>50.00</u>	<u>17,500.00</u>
TOTAL TRANSFERS	994,738.00	0.00	824,678.26	82.90	170,059.74
<hr/>					
TOTAL Transfers Out	994,738.00	0.00	824,678.26	82.90	170,059.74
<hr/>					
TOTAL EXPENDITURES	1,016,863.00	283.13	825,687.34	81.20	191,175.66
<hr/>					
REVENUES OVER/(UNDER) EXPENDITURES	(152,239.00)	122,842.76	(554,522.10)		402,283.10

*** END OF REPORT ***

CITY OF FULSHEAR
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: FEBRUARY 29TH, 2020

601-4/A - Projects Fund
 FINANCIAL SUMMARY

41.67% OF YEAR COMP.

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<u>REVENUE SUMMARY</u>					
INTEREST EARNED	8,000.00	1,690.95	7,581.42	94.77	418.58
TRANSFERS	<u>745,275.00</u>	<u>0.00</u>	<u>745,275.00</u>	<u>100.00</u>	<u>0.00</u>
TOTAL REVENUES	753,275.00	1,690.95	752,856.42	99.94	418.58
	=====	=====	=====	=====	=====
<u>EXPENDITURE SUMMARY</u>					
Non-Departmental	1,068,580.00	0.00	0.00	0.00	1,068,580.00
Transfers Out	<u>412,500.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>412,500.00</u>
TOTAL EXPENDITURES	1,481,080.00	0.00	0.00	0.00	1,481,080.00
	=====	=====	=====	=====	=====
REVENUES OVER/(UNDER) EXPENDITURES	(727,805.00)	1,690.95	752,856.42		(1,480,661.42)

CITY OF FULSHEAR
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: FEBRUARY 29TH, 2020

601-4/A - Projects Fund

41.67% OF YEAR COMP.

Non-Departmental

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<u>CONTRACTUAL SERVICES</u>					
601-5-000-5470-01 Targeted Incentives	219,210.00	0.00	0.00	0.00	219,210.00
601-5-000-5470-02 Promotional Expenses	185,065.00	0.00	0.00	0.00	185,065.00
601-5-000-5470-03 Studies expense	<u>173,180.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>173,180.00</u>
TOTAL CONTRACTUAL SERVICES	577,455.00	0.00	0.00	0.00	577,455.00
<u>CAPITAL OUTLAY</u>					
601-5-000-5600-09 Katy-Fulshear/Huggins Rd-ST20B	100,000.00	0.00	0.00	0.00	100,000.00
601-5-000-5600-10 Texas Heritage Pkwy Proj-ST20C	91,125.00	0.00	0.00	0.00	91,125.00
601-5-000-5600-11 Livable Center Implement (EDC)	125,000.00	0.00	0.00	0.00	125,000.00
601-5-000-5600-12 Ec Dev Strat Plan Implem (EDC)	125,000.00	0.00	0.00	0.00	125,000.00
601-5-000-5600-13 Gateway, Corridor and Placemak	<u>50,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>50,000.00</u>
TOTAL CAPITAL OUTLAY	491,125.00	0.00	0.00	0.00	491,125.00
<u>TRANSFERS</u>					
TOTAL Non-Departmental	1,068,580.00	0.00	0.00	0.00	1,068,580.00

CITY OF FULSHEAR
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: FEBRUARY 29TH, 2020

601-4/A - Projects Fund

41.67% OF YEAR COMP.

Transfers Out

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<u>TRANSFERS</u>					
601-5-900-5900-30 XFER OUT -#300 ST20D FM1093	87,500.00	0.00	0.00	0.00	87,500.00
601-5-900-5900-51 XFER Out - #501 WMP-W18K	50,000.00	0.00	0.00	0.00	50,000.00
601-5-900-5901-30 XFER OUT - #300 FPT19A Parks	50,000.00	0.00	0.00	0.00	50,000.00
601-5-900-5901-51 XFER OUT-#5010D20B-Dntown Drng	100,000.00	0.00	0.00	0.00	100,000.00
601-5-900-5902-30 XFER OUT - #300 FPT19B Livab	50,000.00	0.00	0.00	0.00	50,000.00
601-5-900-5902-51 XFER OUT - #501 WMP-WW18E	<u>75,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>75,000.00</u>
TOTAL TRANSFERS	412,500.00	0.00	0.00	0.00	412,500.00
<hr/>					
TOTAL Transfers Out	412,500.00	0.00	0.00	0.00	412,500.00
<hr/>					
TOTAL EXPENDITURES	1,481,080.00	0.00	0.00	0.00	1,481,080.00
<hr/>					
REVENUES OVER/(UNDER) EXPENDITURES	(727,805.00)	1,690.95	752,856.42		(1,480,661.42)

*** END OF REPORT ***

CITY OF FULSHEAR, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended September 30, 2019



***COMPREHENSIVE
ANNUAL FINANCIAL REPORT***

of the

CITY OF FULSHEAR, TEXAS

For the Year Ended
September 30, 2019

**Prepared by
Finance Department**

Jack Harper, City Manager

Wes Vela, Chief Financial Officer

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CITY OF FULSHEAR, TEXAS

TABLE OF CONTENTS

September 30, 2019

Page

INTRODUCTORY SECTION

Letter of Transmittal	3
Organizational Chart	7
List of Elected and Appointed Officials	9

FINANCIAL SECTION

Independent Auditors' Report	13
Management's Discussion and Analysis (Required Supplementary Information)	17

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements	
Statement of Net Position	26
Statement of Activities	28

Fund Financial Statements

Governmental Funds Financial Statements

Balance Sheet – Governmental Funds	31
Reconciliation of the Governmental Fund's Balance Sheet to the Statement of Net Position	33
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	35
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	37

Proprietary Funds Financial Statements

Statement of Net Position	39
Statement of Revenues, Expenses, and Changes in Net Position	41
Statement of Cash Flows	42

Notes to Financial Statements	45
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REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	71
Schedule of Changes in Net Pension Liability and Related Ratios – Texas Municipal Retirement System (TMRS)	73
Schedule of Contributions – Texas Municipal Retirement System	74

CITY OF FULSHEAR, TEXAS

TABLE OF CONTENTS (Continued)

September 30, 2019

Page

COMBINING STATEMENTS AND SCHEDULES

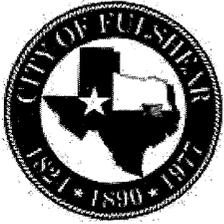
Combining Balance Sheet – Nonmajor Governmental Funds	80
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	82
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:	
Special Revenue Funds	
Regional Park	85
Fort Bend County Assistant District #7	85
Municipal Court Technology	86
Municipal Court Security	86
Judicial Efficiency	87
Child Safety	87
Police Department Donation	88
Federal Seizure	88
Capital Projects Fund	89
Combining Statement of Net Position – Discretely Presented Component Units	90
Combining Statement of Revenues, Expenses, and Changes in Net Position	92

STATISTICAL SECTION

Net Position by Component	96
Changes in Net Position	100
Fund Balances, Governmental Funds	102
Changes in Fund Balances, Governmental Funds	104
Assessed Value and Estimated Actual Value of Taxable Property	106
Property Tax Rates – Direct and Overlapping Governments	108
Principal Property Taxpayers	111
Property Tax Levies and Collections	112
Taxable Sales by Category	114
Direct and Overlapping Governmental Activities Debt	117
Demographic and Economic Statistics	119
Principal Employers	121
Full-Time Equivalent Employees by Function	123
Operating Indicators by Function	124
Capital Asset Statistics by Function	126

INTRODUCTORY SECTION

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CITY OF FULSHEAR

PO Box 279 /
Fulshear, Texas 77441
www.fulsheartexas.gov

February 28, 2020

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

It is with great pleasure that we present to you a copy of the Comprehensive Annual Financial Report (CAFR) of the City of Fulshear, Texas (the "City") for the fiscal year ended September 30, 2019. The responsibility for both the accuracy of the presented information and the completeness and fairness of the presentation of the data, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the results of operations of the various funds of the City, as well as the fund balances. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The CAFR is presented in three sections: Introductory, Financial, and Statistical. The Introductory Section includes this transmittal letter, the City's organizational chart, and a list of principal officials, elected and appointed. The Financial Section includes Management's Discussion and Analysis (MD&A), Basic Financial Statements, Required Supplementary Information, Combining and Individual Fund Financial Statements and Schedules, as well as the independent auditors' report. The Statistical Section includes selected financial and demographic information generally presented on a multi-year basis.

MD&A immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter and should be read in conjunction with it.

Profile of the Government

The City, incorporated on November 7, 1977, is located in northern Fort Bend County west of Houston, Texas, in a rapidly growing area of the County. The City currently occupies a land area of 12 square miles and serves an estimated population of 16,187. The City of Fulshear is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs when deemed appropriate by the governing council.

The City has operated under the Council-manager form of government since December 2015. Policy-making and legislative authority are vested in a governing council consisting of the Mayor and seven (7) Council members, two (2) of which shall be elected at large by majority vote, and five (5) of which shall be elected by majority vote of a single-member district in which they must reside. The governing council is responsible for, among other things, passing ordinances; adopting the budget; appointing committees; and hiring the City Manager, City Attorney, and Municipal Judge. The City Manager is responsible for carrying out the policies and ordinances of the governing Council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments.

The City provides a full range of services, including police protection, public improvements, sanitation, repair and maintenance of infrastructure, recreation, and general administrative services. As an independent political subdivision of the State of Texas governed by an elected Mayor and seven (7) Council members, the City is considered a primary government. In accordance with standards established by the Governmental Accounting Standards Board, the City reports all funds for which the City, as the primary government, is accountable.

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit requests for appropriation to the Chief Financial Officer. These requests serve as a starting point for developing a proposed budget. The Chief Financial Officer provides the information to the City Manager who then presents this proposed budget to the Council for review. The Council is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 30, the close of the City's fiscal year. The appropriated budget is prepared by fund and department. Department heads may make requests to the City Manager for transfers of appropriations within a department. Transfers of appropriations between departments also require the approval of the City Manager while transfer of appropriations between funds require the approval of the Council. The legal level of control is the fund level. Budget-to-actual comparisons, by function, are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on Page 71 as part of required supplementary information. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the nonmajor governmental fund subsection of this report, which starts on Page 85.

Factors Affecting Financial Condition

The information presented in the financial statements is better understood when it is considered from the broader perspective of the specific environment within which the City of Fulshear operates.

Local Economy

The first hill west of Houston is located in the heart of Fulshear, the fastest growing city in Texas according to 2016 population estimates. Fulshear has a highly educated, affluent demographic, with nearly 64% of the population holding a bachelor's degree or higher and earning a median household income of \$167,700.

Taxable values for Fiscal Year (FY) 2020 reflect an increase of 20.93 percent to \$1.87 billion. This property value increase is the result of continued development within the City including both residential and commercial construction.

Sales tax revenues increased 11.7 percent during fiscal year 2019. At this writing, for fiscal year 2020, sales taxes are 16 percent higher than the first four months of fiscal year 2019. New residential and commercial development continues to increase through the City and the surrounding area.

Economic Outlook

The largest revenue sources in the General Fund are property tax, sales tax, and building fees. These are all driven and sustained by continued growth of commercial and residential construction. The City has experienced significant commercial and retail growth over the last several years and expects the growth to continue based on preliminary development plans presented by various developers.

In the first three months of FY2020, building permits, building inspections, and plan reviews have seen an increase of \$232,000 or 72 percent compared to the first three month of FY2019.

Within the next 12 months, we will see new residential development activity to the west and north of downtown Fulshear. In addition, new sections in Polo Ranch, Fulshear Run, Fulbrook on Fulshear Creek, Cross Creek Ranch, Jordan Ranch, and Tamarron will be coming online. Commercial construction activity continues to rapidly pick up with a new business park at Rogers Road., multiple day-cares, Brazos Valley School Credit Union, Bank of America, and more. Shopping centers such as the Marcel Town Center, Shoppes at Cross Creek Ranch, and Market at Cross Creek Ranch, are under construction right now and have already brought forth tenants such as Shipley's Donuts, Molina's Mexican Kitchen, Local Table, Main Squeeze Juice Company, a dental office and doctor's office, and much more. Downtown Fulshear continues to draw varied development and redevelopment interest on the heels of the approved Livable Center Study. A large development is on the horizon as well for the area just east of downtown, with plans for a walkable, commercial district with high-density residential housing. In the Multi-Family sector, the pace of growth is quickening, as well with Parklane at Fulshear being completed, the Tamarron Multi-Family project

under construction now, and two more multi-family projects already slated in Cross Creek Ranch, one of which is to be age restricted.

Financial Information

The City's management team is responsible for establishing and maintaining internal controls designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of the controls should not exceed the benefits likely to be derived and (2) the valuation of cost and benefits requires estimates and judgments to be made by management.

Budgeting Controls

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the General Fund, Special Revenue Fund (excluding the State Seizure Fund), Utility Funds, and the Internal Service Fund are included in the annual operating budget. The City of Fulshear Development Corporation and the Fulshear Development Corporation, component units of the City, are budgeted separately but approved by the City Council as a component of the Annual Budget. A capital improvement plan is approved each year by the City Council and funded through a separate Capital Projects Fund. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is established at the Fund level. As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

Debt Administration

Currently, the City has issued no General Obligation Bonds or Certificates of Obligation. The City may issue General Obligation Bonds that are approved by voters in a capital improvements plan.

Lapse of Appropriations

Every appropriation, except an appropriation for a capital expenditure, shall lapse at the close of the fiscal year to the extent that it has not been expended or encumbered. An appropriation for a capital expenditure shall continue in force until the purpose for which it was made has been accomplished or abandoned.

Awards

The City will be submitting this report to the Government Finance Officers' Association (GFOA) for the Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2019. In order to be awarded the Certificate of Achievement, the City published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfies both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement is held for a period of one year only.

The City received the Distinguished Budget Presentation Award for the fiscal year beginning October 1, 2016 and 2017. The City has submitted the annual budget for fiscal year beginning October 1, 2019 to the GFOA for consideration of award for the third year. The award is made to those cities whose budget presentations meet very stringent presentation guidelines. The budget document must be of the very highest quality that reflects both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA's recommended practices on budgeting.

Acknowledgements

The preparation of this report would not have been possible without the efficient and dedicated services of the administrative staff of the City and the members of the Finance Department. We also would like to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report. Credit must also be given to the Mayor and the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Fulshear's finances.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Wes Vela", with a long horizontal flourish extending to the right.

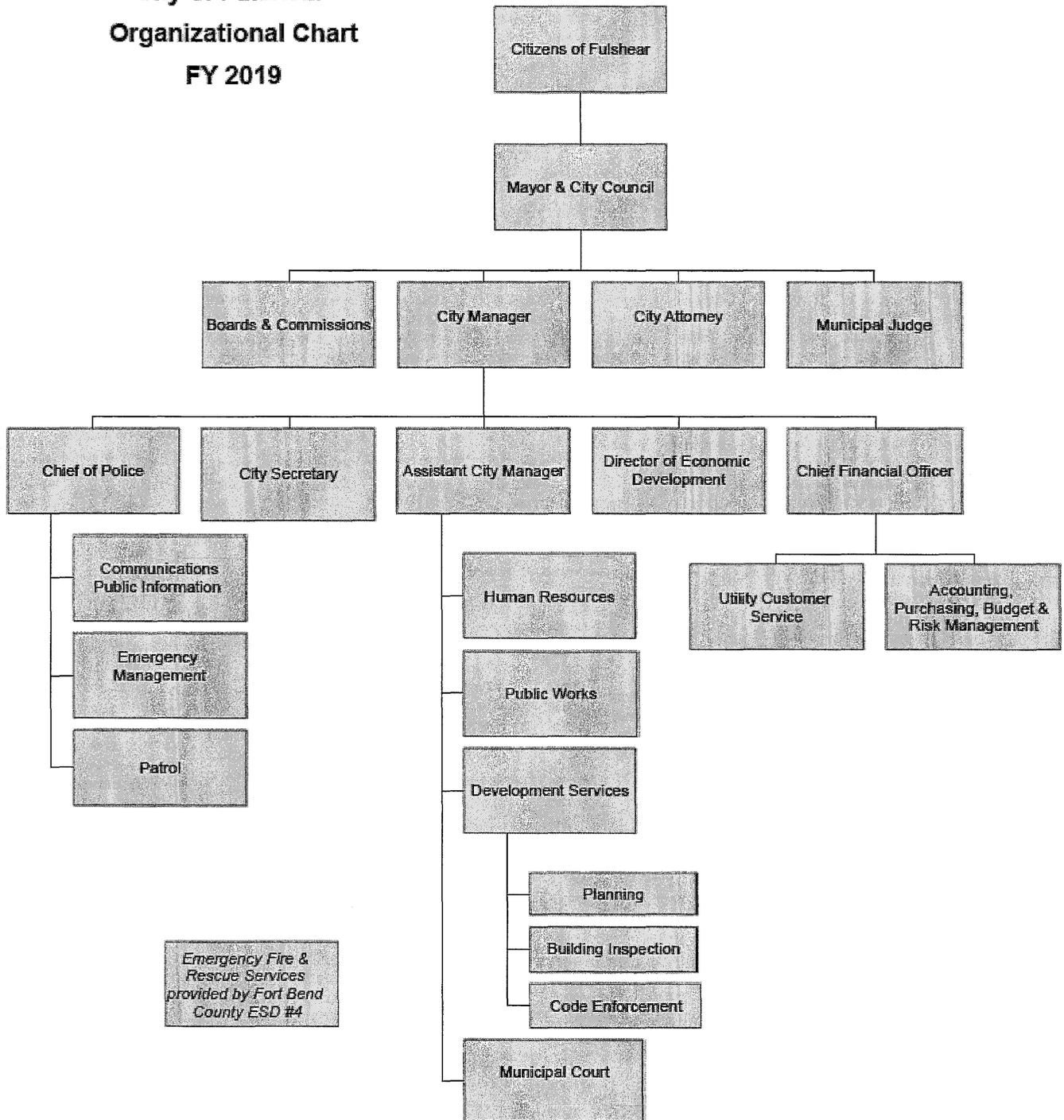
Wes Vela, CPA, CPM
Chief Financial Officer

CITY OF FULSHEAR, TEXAS

ORGANIZATIONAL CHART

September 30, 2019

City of Fulshear Organizational Chart FY 2019



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CITY OF FULSHER, TEXAS
LIST OF ELECTED AND APPOINTED OFFICIALS
September 30, 2019

Elected Officials	Position
Aaron Groff	Mayor
Kaye Kahlich	Mayor Pro-Tem and Council Member
Kent Pool	Council Member
John Kelly	Council Member
Kevin White	Council Member
Debra Cates	Council Member
Lisa Kettler Martin	Council Member
Joel M. Patterson	Council Member

Principal Officials	Position
Jack Harper	City Manager
Kim Kopecky	City Secretary
Wes Vela	Chief Financial Officer
J. Grandy Randle	City Attorney

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Fulshear, Texas (the "City"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' 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 auditors' 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 City'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 City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
February 28, 2020

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

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CITY OF FULSHEAR, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2019

occurs, regardless of the timing of related cash flows – the accrual method rather than modified accrual that is used in the fund level statements.

The Statement of Net Position and the Statement of Activities divide the City's financials into two classes of activities:

1. *Governmental Activities* – The City's tax-supported services are reported here including police and emergency management (public safety), sanitation and recycling, streets, drainage (public works), community services, and general administrative services (general government). Interest payments on the City's tax-supported debt are also reported here. Property tax, sales tax, franchise fees, municipal court fines, public improvement fees, sanitation and recycling fees, and permit fees finance most of these activities.
2. *Business-Type Activities* – Services involving a fee for those services are reported here. These services include the City's water and wastewater services.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate economic development corporations for which the City is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself. The City's two discretely presented component units consist of the Fulshear Development Corporation and The City of Fulshear Development Corporation.

The government-wide financial statements can be found after the MD&A.

FUND FINANCIAL STATEMENTS

Funds may be considered as operating companies of the parent corporation, which is the City. They are usually segregated for specific activities or objectives. The City 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 revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains 11 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, which is always considered to be a major fund for reporting purposes.

CITY OF FULSHEAR, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2019

The City adopts an annual appropriated budget for its general fund, Regional Park fund, Fort Bend County Assistant District #7 fund, municipal court technology fund, municipal court building security fund, judicial efficiency fund, child safety fund, police department donation fund, federal seizure fund, and capital project fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget.

Proprietary Funds

The City maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water distribution and wastewater collection/treatment operations. The proprietary fund financial statements provide separate information for the City of Fulshear Facility and the Cross Creek Ranch Facility. The basic proprietary fund financial statements can be found in the basic financial statements of this report.

The City also uses an internal service fund to collect and allocate costs for vehicle and equipment replacement. This internal service fund has been included within governmental activities in the government-wide financial statements.

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 basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The RSI includes a budgetary comparison schedule for the general fund and schedule of changes in net pension liability and related ratios and schedule of contributions for the Texas Municipal Retirement System. RSI can be found after the notes to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. Assets and deferred outflows of resources exceed liabilities by \$130,391,753 as of September 30, 2019 for the primary government. This compares with \$121,881,876 from the prior fiscal year. The largest portion of the City's net position, 86 percent, reflects its investments in capital assets (e.g., land, buildings and improvements, equipment, construction in progress, and infrastructure), less any outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

CITY OF FULSHEAR, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2019

Statement of Net Position

The following table reflects the condensed Statement of Net Position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 11,505,278	\$ 9,117,817	\$ 8,642,985	\$ 6,216,618	\$ 20,148,263	\$ 15,334,435
Capital assets, net	50,990,452	47,690,398	61,497,793	61,057,346	112,488,245	108,747,744
Total Assets	62,495,730	56,808,215	70,140,778	67,273,964	132,636,508	124,082,179
Deferred outflows - pensions	337,778	258,431	-	-	337,778	258,431
Long-term liabilities	457,494	424,576	-	-	457,494	424,576
Other liabilities	946,484	841,184	1,071,041	1,145,092	2,017,525	1,986,276
Total Liabilities	1,403,978	1,265,760	1,071,041	1,145,092	2,475,019	2,410,852
Deferred inflows - pensions	107,514	47,882	-	-	107,514	47,882
Net Position:						
Net investment in capital assets	50,990,452	47,690,398	61,497,793	61,057,346	112,488,245	108,747,744
Restricted	1,725,467	927,779	4,482,831	-	6,208,298	927,779
Unrestricted	8,606,097	7,134,827	3,089,113	5,071,526	11,695,210	12,206,353
Total Net Position	\$ 61,322,016	\$ 55,753,004	\$ 69,069,737	\$ 66,128,872	\$ 130,391,753	\$ 121,881,876

A portion of the primary government's net position, \$6,208,298 or 5 percent, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$11,695,210 or 9 percent, may be used to meet the City's ongoing obligation to citizens and creditors.

The City's total net position increased by \$8,509,877 during the current fiscal year, an increase of seven percent in comparison to the prior year net position. Total current and other assets increased \$4,813,828 as a result of operating surpluses in both the governmental and enterprise funds. Explanations for the increases in revenues are noted in subsequent paragraphs. Liabilities were comparable to the prior year increasing \$64,167 due to an increase in outstanding invoices at fiscal year-end related to various projects, an increase in the net pension liability, and an increase in unused vacation and compensatory time (i.e. compensated absences). Capital assets increased \$3,740,501 primarily due to the purchase of police vehicles and infrastructure contributions received from developers.

CITY OF FULSHEAR, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2019

Statement of Activities

The following table provides a summary of the City's changes in net position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues:						
Charges for services	\$ 5,318,362	\$ 5,217,135	\$ 8,407,022	\$ 7,115,884	\$ 13,725,384	\$ 12,333,019
Operating grants and contributions	500,238	267,975	60,235	-	560,473	267,975
Capital grants and contributions	5,253,705	4,469,274	2,181,719	1,481,332	7,435,424	5,950,606
General revenues:						
Ad valorem taxes	2,452,597	2,155,867	-	-	2,452,597	2,155,867
Sales taxes	2,068,489	1,552,395	-	-	2,068,489	1,552,395
Franchise fees	706,927	647,039	-	-	706,927	647,039
Investment earnings	217,509	107,636	158,651	77,531	376,160	185,167
Other revenues	525,421	532,474	66,205	138,496	591,626	670,970
Total Revenues	17,043,248	14,949,795	10,873,832	8,813,243	27,917,080	23,763,038
Expenses						
General government	3,450,668	2,605,264	-	-	3,450,668	2,605,264
Permits and inspections	929,161	957,063	-	-	929,161	957,063
Public safety	2,550,149	2,688,730	-	-	2,550,149	2,688,730
Public works	5,145,507	3,547,933	-	-	5,145,507	3,547,933
Planning and development	276,116	401,682	-	-	276,116	401,682
Water and sewer	-	-	7,055,602	6,193,256	7,055,602	6,193,256
Total Expenses	12,351,601	10,200,672	7,055,602	6,193,256	19,407,203	16,393,928
Increase in Net Position Before Transfers	4,691,647	4,749,123	3,818,230	2,619,987	8,509,877	7,369,110
Transfers	877,365	1,183,575	(877,365)	(1,183,575)	-	-
Change in Net Position	5,569,012	5,932,698	2,940,865	1,436,412	8,509,877	7,369,110
Beginning net position	55,753,004	49,820,306	66,128,872	64,692,460	121,881,876	114,512,766
Ending Net Position	\$ 61,322,016	\$ 55,753,004	\$ 69,069,737	\$ 66,128,872	\$ 130,391,753	\$ 121,881,876

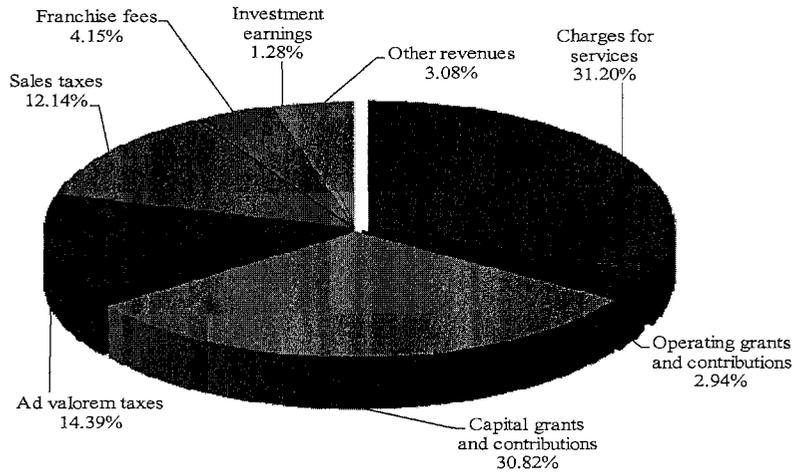
For the year ended September 30, 2019, revenues from governmental activities totaled \$17,043,248, an increase of \$2,093,453, compared to the prior year. Operating grants and contributions mainly increased from proceeds received for a Federal Emergency Management Agency grant relating to reimbursement for Hurricane Harvey expenses. Capital grants contributions increased due to contributions received from developers for street and storm sewer additions. Property tax revenue increased compared to the prior year as a result of an increase in the assessed value of properties and property tax rate. Sales tax revenue increased compared to the prior year due to an increase in economic activity and growth within the City. Charges for services increased related to an increase in customers. Investment earnings increased from an increase in both funds invested and interest rates.

For the year ended September 30, 2019, expenses from governmental activities totaled \$12,351,601, an increase of \$2,150,929, compared to the prior year. General government expenses increased largely due to an increase in personnel-related expenses and an increase property tax rebates paid to developers per a contract agreement. The increase in property tax rebates can be contributed to the increase in assessed property values and property tax rate. Public works expenses increased primarily due to an increase in depreciation expense, an increase in contracted sanitation services, small equipment purchases, an increase in utilities, and the purchase of an asset and work management software.

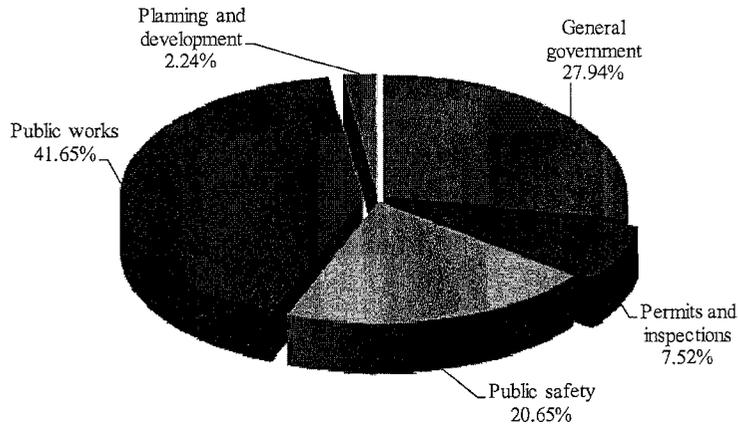
CITY OF FULSHEAR, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2019

Graphic presentations of selected data from the summary tables follow to assist in the analysis of the City's activities.

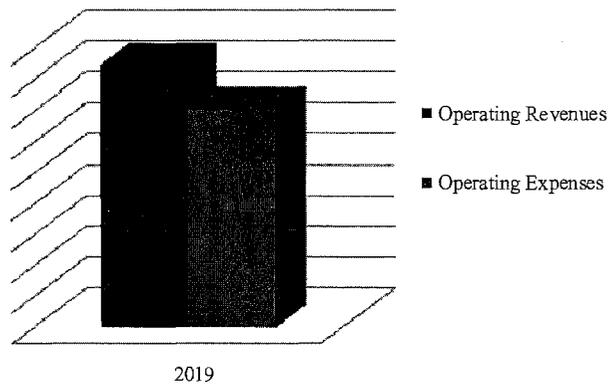
Governmental Revenues



Governmental Expenses



Business-Type Activities



CITY OF FULSHEAR, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2019

For the year ended September 30, 2019, revenues from business-type activities totaled \$10,873,832, an increase of \$2,060,589, compared to the prior year. Charges for services increased as a result of increased water and sewer consumption. Capital grants and contributions increased due to contributions from developers for additions to water and sewer system.

For the year ended September 30, 2019, expenses from business-type activities totaled \$7,055,602, an increase of \$862,346, compared to the prior year. Water and sewer expenses increased in depreciation, water pumpage and tapping fees, and water and sewer system maintenance.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

The City's governmental funds reflect a combined fund balance of \$10,256,046. Of this, \$1,725,467 is restricted, \$676,915 is assigned, and \$7,853,664 is unassigned.

The general fund is the chief operating fund of the City. At the end of the current year, total fund balance reached \$7,854,216. Of this, \$552 is restricted for public, education, and governmental (PEG) fees and \$7,853,664 is unassigned. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 80 percent of total general fund expenditures.

There was an increase in the combined fund balance of \$2,148,089 over the prior year. Fund balance in the general fund increased by \$1,532,950. Revenues increased \$1,045,969 compared to the prior year largely due to increases in property tax revenues from an increase in both the tax rate and assessed values of properties, sales tax revenues from an increase in taxable sales within the City, contracted public improvement fees collected, charges for services related to an increase in sanitation and recycling customers, and intergovernmental revenues. Expenditures increased \$1,523,832 compared to the prior year primarily due to increases in personnel-related expenditures, sanitation contract service rates, utilities, and property tax rebates paid to developers. The remainder of the increase in governmental fund balances stemmed from the positive net change in fund balances for the nonmajor funds.

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

GENERAL FUND BUDGETARY HIGHLIGHTS

The City passed a balanced budget planning for no changes in fund balance in the general fund. The net change in fund balance increased \$1,532,950, resulting in a positive variance of \$1,238,492.

Actual general fund revenues were greater than the amended budgeted revenues by \$1,666,688 during the fiscal year. The largest positive variances were from sales tax revenue, public improvement fees revenue, and charges for services. Actual expenditures were less than the amended budget by \$147,229. The largest positive variances were in the public safety and planning and development functions.

CITY OF FULSHEAR, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2019

CAPITAL ASSETS

At the end of fiscal year 2019, the City's governmental and business-type activities had invested \$112,488,245 in a variety of capital assets and infrastructure (net of accumulated depreciation). This represents a net increase of \$3,740,501.

Major capital asset events during the year included the following:

- Developer contributions of infrastructure in the amount of \$5,253,705 for governmental activities and \$2,181,719 for business-type activities.
- Two police vehicles for the police department in the amount of \$86,036
- A boom mower to the public works department in the amount of \$28,802

More detailed information about the City's capital assets is presented in note III. C to the financial statements.

LONG-TERM DEBT

At the end of the current year, the City reported long-term liabilities that consisted of \$161,254 in compensated absences and \$296,240 in net pension liability.

More detailed information about the City's long-term liabilities is presented in note III. D to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City Council has adopted the City's 2020 budget. The approval of the budget provides funding for the City's operating and capital costs for the 2020 fiscal year. The City anticipates a 13 percent increase in expected total revenues and a 31 percent increase in expected total expenditures. The main contributor to the revenue increase is from ad valorem tax and sales tax generated by increased property value and commercial business through growth.

The increases in expenditures are generated from the addition of police and purchasing personnel, and the funding of capital improvement projects.

The growth in residential and commercial building is expected to continue for the foreseeable future as the City is experiencing phenomenal growth as part of the Houston region. The City's population has grown from 916 to around 16,000 in 2019. The FM 1093 corridor continues to grow with new development in Polo Ranch, and other tracts west of downtown Fulshear. In addition, new sections in Fulshear Run, Fulbrook on Fulshear Creek, Cross Creek Ranch, Jordan Ranch and Tamarron are coming online. Commercial business activity continues with new restaurants; two banks; and a junior high school, a middle school, and a high school are near completion; and give positive strong indications of future growth. The City's sales tax is growing and is expected to continue to climb because of the new residential and apartment units being constructed. Texas and the U.S. economy are healthy and are also indicators of a vibrant and healthy future for our community.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

CITY OF FULSHEAR, TEXAS

STATEMENT OF NET POSITION

September 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Cash and equity in pooled cash	\$ 10,023,710	\$ 3,209,401	\$ 13,233,111
Investments	772,467	-	772,467
Receivables, net	684,801	712,231	1,397,032
Restricted cash and equity in pooled cash	24,300	4,721,353	4,745,653
Capital assets:			
Nondepreciable	3,210,109	526,082	3,736,191
Net depreciable capital assets	47,780,343	60,971,711	108,752,054
Total Assets	62,495,730	70,140,778	132,636,508
<u>Deferred Outflows of Resources</u>			
Deferred outflows - pensions	337,778	-	337,778
<u>Liabilities</u>			
Accounts payable and accrued liabilities	922,184	832,519	1,754,703
Customer deposits	24,300	238,522	262,822
Noncurrent liabilities:			
Due within one year	145,130	-	145,130
Due in more than one year	312,364	-	312,364
Total Liabilities	1,403,978	1,071,041	2,475,019
<u>Deferred Inflows of Resources</u>			
Deferred inflows - pensions	107,514	-	107,514
<u>Net Position</u>			
Net investment in capital assets	50,990,452	61,497,793	112,488,245
Restricted for:			
Regional Park	989,770	-	989,770
County Assistance District #7	503,216	-	503,216
Enabling legislation	106,609	-	106,609
Public safety	125,320	-	125,320
PEG fees	552	-	552
Economic development	-	-	-
Capital projects	-	4,482,831	4,482,831
Unrestricted	8,606,097	3,089,113	11,695,210
Total Net Position	\$ 61,322,016	\$ 69,069,737	\$ 130,391,753

See Notes to Financial Statements.

Component Units

Fulshear Development Corporation	City of Fulshear Development Corporation
\$ 2,404,411	\$ 2,297,209
-	-
181,967	179,856
-	-
-	-
-	-
<u>2,586,378</u>	<u>2,477,065</u>
-	-
-	-
2,969	1,491
-	-
-	-
-	-
-	-
-	-
-	-
-	-
2,583,409	2,475,574
-	-
-	-
<u>\$ 2,583,409</u>	<u>\$ 2,475,574</u>

CITY OF FULSHEAR, TEXAS

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 3,450,668	\$ -	\$ 386,486	\$ -
Permits and inspections	929,161	4,302,675	-	-
Public safety	2,550,149	349,532	113,752	-
Public works	5,145,507	666,155	-	5,253,705
Planning and development	276,116	-	-	-
Total Governmental Activities	12,351,601	5,318,362	500,238	5,253,705
Business-Type Activities				
Water and sewer	7,055,602	8,407,022	60,235	2,181,719
Total Business-Type Activities	7,055,602	8,407,022	60,235	2,181,719
Total Primary Government	\$ 19,407,203	\$ 13,725,384	\$ 560,473	\$ 7,435,424
Component Units				
Fulshear Development Corporation	\$ 281,107	\$ -	\$ -	\$ -
City of Fulshear Development Corporation	258,894	-	-	-
Total Component Units	\$ 540,001	\$ -	\$ -	\$ -

General Revenues:

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

Transfers

Total General Revenues and Transfers

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			Component Units	
Governmental Activities	Business-Type Activities	Total	Fulshear Development Corporation	City of Fulshear Development Corporation
\$ (3,064,182)	\$ -	\$ (3,064,182)	\$ -	\$ -
3,373,514	-	3,373,514	-	-
(2,086,865)	-	(2,086,865)	-	-
774,353	-	774,353	-	-
(276,116)	-	(276,116)	-	-
<u>(1,279,296)</u>	<u>-</u>	<u>(1,279,296)</u>	<u>-</u>	<u>-</u>
-	3,593,374	3,593,374	-	-
-	3,593,374	3,593,374	-	-
<u>(1,279,296)</u>	<u>3,593,374</u>	<u>2,314,078</u>	<u>-</u>	<u>-</u>
-	-	-	(281,107)	-
-	-	-	-	(258,894)
-	-	-	<u>(281,107)</u>	<u>(258,894)</u>
2,452,597	-	2,452,597	-	-
2,068,489	-	2,068,489	887,937	887,937
706,927	-	706,927	-	-
217,509	158,651	376,160	49,481	47,015
525,421	66,205	591,626	-	-
877,365	(877,365)	-	-	-
<u>6,848,308</u>	<u>(652,509)</u>	<u>6,195,799</u>	<u>937,418</u>	<u>934,952</u>
5,569,012	2,940,865	8,509,877	656,311	676,058
55,753,004	66,128,872	121,881,876	1,927,098	1,799,516
<u>\$ 61,322,016</u>	<u>\$ 69,069,737</u>	<u>\$ 130,391,753</u>	<u>\$ 2,583,409</u>	<u>\$ 2,475,574</u>

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CITY OF FULSHEAR, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2019

	General	Nonmajor Governmental Funds	Total Governmental Funds
<u>Assets</u>			
Cash and equity in pooled cash	\$ 7,354,761	\$ 2,394,001	\$ 9,748,762
Investments	772,467	-	772,467
Receivables, net	605,563	79,238	684,801
Restricted cash and equity in pooled cash	24,300	-	24,300
Total Assets	\$ 8,757,091	\$ 2,473,239	\$ 11,230,330
<u>Liabilities</u>			
Accounts payable	\$ 700,454	\$ 71,409	\$ 771,863
Accrued expenditures	150,321	-	150,321
Customer deposits	24,300	-	24,300
Total Liabilities	875,075	71,409	946,484
<u>Deferred Inflows of Resources</u>			
Unavailable revenue - property taxes	27,800	-	27,800
<u>Fund Balances</u>			
Restricted for:			
Regional Park	-	989,770	989,770
County Assistance District #7	-	503,216	503,216
Enabling legislation	-	106,609	106,609
Public safety	-	125,320	125,320
PEG fees	552	-	552
Assigned to:			
Capital projects	-	676,915	676,915
Unassigned	7,853,664	-	7,853,664
Total Fund Balances	7,854,216	2,401,830	10,256,046
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 8,757,091	\$ 2,473,239	\$ 11,230,330

See Notes to Financial Statements.

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CITY OF FULSHEAR, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
September 30, 2019

Total fund balances for governmental funds		\$ 10,256,046
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.		
Capital assets - nondepreciable	3,210,109	
Capital assets - depreciable	47,780,343	
		50,990,452
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the governmental funds.		
		27,800
Long-term liabilities and deferred outflows and deferred inflows related to the net pension liability are deferred in the governmental funds.		
Net pension liability	(296,240)	
Deferred outflows - pensions	337,778	
Deferred inflows - pensions	(107,514)	
		(65,976)
An internal service fund is used by management to account for the cost of vehicle and equipment replacement. The assets and liabilities of the internal service fund are included in the governmental activities in the Statement of Net Position		
Internal service fund net position	352,438	
Capital assets accounted for in capital assets used in governmental activities.	(77,490)	
		274,948
Some liabilities, such as compensated absences, are not reported as liabilities in the governmental funds.		
Noncurrent liabilities due in one year	(145,130)	
Noncurrent liabilities due in more than one year	(16,124)	
		(161,254)
Net Position of Governmental Activities		\$ 61,322,016

See Notes to Financial Statements.

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CITY OF FULSHEAR, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended September 30, 2019

	General	Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
Property taxes	\$ 2,494,667	\$ -	\$ 2,494,667
Sales taxes	1,794,257	274,232	2,068,489
Franchise fees	706,927	-	706,927
Public improvement fees	519,551	-	519,551
Licenses and permits	2,201,606	-	2,201,606
Fines and forfeitures	325,190	24,342	349,532
Charges for services	2,071,531	-	2,071,531
Investment earnings	172,802	44,707	217,509
Intergovernmental	500,238	44,975	545,213
Other revenue	7,296	473,150	480,446
Total Revenues	10,794,065	861,406	11,655,471
Expenditures			
Current:			
General government	3,177,750	-	3,177,750
Permit and inspections	830,779	-	830,779
Public safety	2,524,209	21,641	2,545,850
Public works	2,791,761	-	2,791,761
Planning and development	276,522	-	276,522
Capital Outlay	212,459	549,626	762,085
Total Expenditures	9,813,480	571,267	10,384,747
Excess of Revenues Over Expenditures	980,585	290,139	1,270,724
Other Financing Sources (Uses)			
Transfers in	877,365	325,000	1,202,365
Transfers (out)	(325,000)	-	(325,000)
Total Other Financing Sources	552,365	325,000	877,365
Net Change in Fund Balances	1,532,950	615,139	2,148,089
Beginning fund balances	6,321,266	1,786,691	8,107,957
Ending Fund Balances	\$ 7,854,216	\$ 2,401,830	\$ 10,256,046

See Notes to Financial Statements.

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CITY OF FULSHEAR, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2019

Net changes in fund balances - total governmental funds	\$ 2,148,089
Amounts reported for governmental activities in the Statement of Activities are different because:	
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.	
Depreciation	(2,001,803)
Capital outlay, net of disposals	67,524
Capital contributions by developers are not recorded in governmental funds as the contributions do not represent current financial resources.	
	5,253,705
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	
	(42,070)
Governmental funds report the payment of pension contributions as an expenditure; whereas, these payments are treated as reduction in the net pension liability on the Statement of Activities.	
Change in net pension liability	(8,591)
Change in deferred outflows - pensions	127,229
Change in deferred inflows - pensions	(107,514)
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	(24,327)
An internal service fund is used by management to account for the cost of vehicle and equipment replacement. The net revenue is reported with governmental activities.	
	156,770
Change in Net Position of Governmental Activities	\$ 5,569,012

See Notes to Financial Statements.

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CITY OF FULSHEAR, TEXAS

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

September 30, 2019

	Business-Type Activities			Governmental Activities
	City of Fulshear Facility	Cross Creek Ranch Facility	Total	Vehicle Replacement
<u>Assets</u>				
Current assets:				
Cash and equity in pooled cash	\$ 2,273,692	\$ 935,709	\$ 3,209,401	\$ 274,948
Receivables, net	226,984	485,247	712,231	-
Restricted cash and equity in pooled cash	34,993	4,686,360	4,721,353	-
Total Current Assets	2,535,669	6,107,316	8,642,985	274,948
Noncurrent assets:				
Capital assets:				
Land	60,292	465,790	526,082	-
Buildings	110,372	-	110,372	-
Utility system	11,614,302	59,359,115	70,973,417	-
Machinery and equipment	237,617	25,276	262,893	96,862
Less accumulated depreciation	(2,382,937)	(7,992,034)	(10,374,971)	(19,372)
Total Capital Assets,	9,639,646	51,858,147	61,497,793	77,490
Net of Accumulated Depreciation	9,639,646	51,858,147	61,497,793	77,490
Total Noncurrent Assets	9,639,646	51,858,147	61,497,793	77,490
Total Assets	12,175,315	57,965,463	70,140,778	352,438
<u>Liabilities</u>				
Current liabilities:				
Accounts payable	190,226	642,293	832,519	-
Customer deposits	34,993	203,529	238,522	-
Total Current Liabilities	225,219	845,822	1,071,041	-
Total Liabilities	225,219	845,822	1,071,041	-
<u>Net Position</u>				
Net investment in capital assets	9,639,646	51,858,147	61,497,793	77,490
Restricted for capital projects	-	4,482,831	4,482,831	-
Unrestricted	2,310,450	778,663	3,089,113	274,948
Total Net Position	\$ 11,950,096	\$ 57,119,641	\$ 69,069,737	\$ 352,438

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

For the Year Ended September 30, 2019

	Business-Type Activities			Governmental Activities
	City of Fulshear Facility	Cross Creek Ranch Facility	Total	Vehicle Replacement
<u>Operating Revenues</u>				
Charges for services	\$ 3,088,603	\$ 5,318,419	\$ 8,407,022	\$ 158,967
Other revenues	19,925	46,280	66,205	-
Total Operating Revenues	3,108,528	5,364,699	8,473,227	158,967
<u>Operating Expenses</u>				
Supplies	7,493	37,146	44,639	-
Contractual services	274,225	975,459	1,249,684	-
Utilities	76,227	264,935	341,162	-
Repairs and maintenance	642,046	511,379	1,153,425	-
Other operating expenses	663,439	1,861,983	2,525,422	-
Depreciation	278,651	1,462,619	1,741,270	19,372
Total Operating Expenses	1,942,081	5,113,521	7,055,602	19,372
Operating Income	1,166,447	251,178	1,417,625	139,595
<u>Nonoperating Revenues</u>				
Investment earnings	35,104	123,547	158,651	3,825
Sale of capital asset	-	-	-	13,350
Intergovernmental	-	60,235	60,235	-
Total Nonoperating Revenues	35,104	183,782	218,886	17,175
Income Before Contributions and Transfers	1,201,551	434,960	1,636,511	156,770
<u>Contributions and Transfers</u>				
Capital contributions	697,500	1,484,219	2,181,719	-
Transfers in	170,000	-	170,000	-
Transfers (out)	(131,600)	(915,765)	(1,047,365)	-
Total Contributions and Transfers	735,900	568,454	1,304,354	-
Change in Net Position	1,937,451	1,003,414	2,940,865	156,770
Beginning net position	10,012,645	56,116,227	66,128,872	195,668
Ending Net Position	\$ 11,950,096	\$ 57,119,641	\$ 69,069,737	\$ 352,438

See Notes to Financial Statements.

CITY OF FULSHEAR, TEXAS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS (Page 1 of 2)

For the Year Ended September 30, 2019

	Business-Type Activities			Governmental Activities
	City of Fulshear Facility	Cross Creek Ranch Facility	Total Enterprise Funds	Vehicle Replacement
<u>Cash Flows from Operating Activities</u>				
Receipts from customers and users	\$ 3,029,078	\$ 5,339,739	\$ 8,368,817	\$ 158,967
Payments to suppliers	(1,736,007)	(3,694,981)	(5,430,988)	-
Net Cash Provided by Operating Activities	1,293,071	1,644,758	2,937,829	158,967
<u>Cash Flows from Noncapital Financing Activities</u>				
Transfers in	170,000	-	170,000	-
Transfers (out)	(131,600)	(915,765)	(1,047,365)	-
Net Cash Provided (Used) for Financing Activities	38,400	(915,765)	(877,365)	-
<u>Cash Flows from Capital and Related Financing Activities</u>				
Intergovernmental grant	-	60,235	60,235	-
Sales of capital assets	-	-	-	13,350
Net Cash Provided by Capital and Related Financing Activities	-	60,235	60,235	13,350
<u>Cash Flows from Investing Activities</u>				
Interest on investments	35,104	123,547	158,651	3,825
Net Cash Provided by Investing Activities	35,104	123,547	158,651	3,825
Net Increase in Cash and Cash Equivalents	1,366,575	912,775	2,279,350	176,142
Beginning cash and cash equivalents	942,110	4,709,294	5,651,404	98,806
Ending Cash and Cash Equivalents	\$ 2,308,685	\$ 5,622,069	\$ 7,930,754	\$ 274,948
Unrestricted cash and equity in pooled cash	\$ 2,273,692	935,709	3,209,401	\$ 274,948
Restricted cash and equity in pooled cash	34,993	4,686,360	4,721,353	-
Total Cash and Equity in Pooled Cash	\$ 2,308,685	\$ 5,622,069	\$ 7,930,754	\$ 274,948

CITY OF FULSHEAR, TEXAS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS (Page 2 of 2)

For the Year Ended September 30, 2019

	Business-Type Activities			Governmental Activities
	City of Fulshear Facility	Cross Creek Ranch Facility	Total Enterprise Funds	Vehicle Replacement
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income	\$ 1,166,447	\$ 251,178	\$ 1,417,625	\$ 139,595
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	278,651	1,462,619	1,741,270	19,372
Changes in Operating Assets and Liabilities:				
(Increase) Decrease in:				
Accounts receivable	(89,270)	(57,747)	(147,017)	-
Increase (Decrease) in:				
Accounts payable and accrued liabilities	(72,577)	(44,079)	(116,656)	-
Customer deposits	9,820	32,787	42,607	-
Net Cash Provided by Operating Activities	\$ 1,293,071	\$ 1,644,758	\$ 2,937,829	\$ 158,967
Noncash Capital Activities:				
Capital assets contributed during the year	\$ 697,500	\$ 1,484,219	\$ 2,181,719	\$ -

See Notes to Financial Statements.

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CITY OF FULSHEAR, TEXAS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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 component units listed below are considered discretely presented component units and are part of the reporting entity. No other entities have been included in the City’s reporting entity. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

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

Discretely Presented Component Units

City of Fulshear Development Corporation

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

CITY OF FULSHEAR, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

Fulshear Development Corporation

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

The component units are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the City. In the event of dissolution, net position of the CDC and the FDC shall be conveyed back to the City. Separate financial statements are not available for the CDC and FDC.

B. 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 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.

C. Basis of Presentation – Government-Wide Financial Statements

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

As 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 City's water and wastewater functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

D. Basis of Presentation – Fund Financial Statements

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

CITY OF FULSHEAR, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

The City reports the following governmental funds:

The *general fund* is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues include local property taxes, sales taxes and franchise fees, public improvement fees, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, permits and inspections, public safety, public works, and planning and development. The general fund is always considered a major fund for reporting purposes.

The *special revenue funds* are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The special revenue funds are considered nonmajor funds for reporting purposes.

The *capital projects fund* is used to account for the expenditures of resources accumulated for capital improvement projects. The capital projects fund is considered a nonmajor fund for reporting purposes.

The City reports the following enterprise fund:

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

Additionally, the City reports the following fund type:

Internal service funds account for services provided to other departments of the primary government on a cost reimbursement basis. The City's internal service fund is used to account for vehicle and equipment replacement.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds 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 the internal service fund) 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 internal balances in the business-type activities column.

CITY OF FULSHEAR, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

E. Measurement Focus and Basis of Accounting

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

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

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

Property taxes, sales taxes, franchise fees, 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 City.

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

1. Cash and Cash Equivalents

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

The City maintains a pooled cash account. Each fund whose monies are deposited in the pooled cash account has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at the previous month end. Amounts on deposit in interest bearing accounts and other investments are displayed on the combined balance sheet as "cash and equity in pooled cash." For cash management purposes, the City has a sweep arrangement with the bank to transfer cash balances to a money market mutual fund account each day. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the City's investments.

CITY OF FULSHEAR, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

2. Investments

Investments, except for certain investment pools and money market funds are reported at fair value based on quoted market prices. The City categorizes fair value measurements of its investments based on the hierarchy established by GAAP. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost. Money market funds, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations and commercial paper that have a remaining maturity of one year or less upon acquisition, are reported at amortized cost. Investments in nonparticipating interest earning contracts, such as certificates of deposit, are reported at cost.

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

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

3. Restricted Assets

Certain proceeds of bonds, as well as other resources set aside for specific purposes, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants or contractual agreements.

4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, infrastructure has been capitalized retroactively. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition 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.

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.

CITY OF FULSHEAR, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful years:

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

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension activities are amortized over the average of the expected service lives of pension, except for the net differences between the projected and actual investment earnings on the pension plan assets, which are amortized over a period of five years.
- For employer pension plan contributions that were made subsequent to the measurement date through the end of the City’s fiscal year, the amount is deferred and recognized as a reduction to the net pension during the measurement period in which the contributions were made.

At the fund level, the City has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

6. Compensated Employee Absences

It is the City’s policy to permit employees to accumulate earned but unused vacation, compensatory, and sick pay benefits. Vacation and compensatory amounts accumulated, up to certain amounts, may be paid to employees upon termination of employment. Vacation and compensatory pay is accrued in the Statement of Net Position when incurred in governmental activities. A liability for those amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignation and retirement. Vacation can be accumulated up to 240 hours. Sick leave, which can accrue up to 480 hours, and personal time must be taken within the fiscal year.

CITY OF FULSHEAR, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

7. Long-Term Obligations

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

8. Net Position Flow Assumption

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

9. Fund Balance Flow Assumptions

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

10. Fund Balance Policies

Fund balances of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact are classified as nonspendable fund balance. Amounts that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions are classified as restricted.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City 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 City for specific purposes but do not meet the criteria to be classified as committed. The City 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.

CITY OF FULSHEAR, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

11. 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, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

12. Pensions

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

13. Other Postemployment Benefits

The City participates in a single-employer, unfunded, defined benefit group-term life insurance plan operated by 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 funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. Benefit payments are treated as being equal to the employer's yearly contributions for retirees. Benefit payments and refunds are due and payable in accordance with the benefit terms. Information about the City's total OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense is provided by TMRS from reports prepared by their consulting actuary.

G. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Property Taxes

Property taxes are levied during October of each year and are due upon receipt of the City's tax bill. Taxes become delinquent, with an enforceable lien on property, on February 1 of the following year.

3. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund and internal service fund are charges to customers for sales and services. The

CITY OF FULSHEAR, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

enterprise fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise fund and internal service fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles except the capital projects fund, which adopts a project length budget. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of control in the approved budget, as defined by the charter, is at the fund level for all funds. Appropriations lapse at the end of the year, excluding capital project budgets.

Encumbrances represent the estimated amount of expenditures ultimately to result when unperformed contracts (in progress at year end) are completed. Such encumbrances do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Deposits and Investments

As of September 30, 2019, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Certificates of deposit	\$ 757,863	1.14
Money market funds	11,914,777	0.00
Texas CLASS	11,301,246	0.00
Total Fair Value	\$ 23,973,886	
Portfolio weighted average maturity		0.04

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

Credit risk. The City’s policy requires that investment pools must be rated no lower than ‘AAA’ or ‘AAA-m’. As of September 30, 2019, the City’s investments in Texas CLASS were rated ‘AAAm’ by Standard & Poor’s.

Custodial credit risk – deposits. In the case of deposits, this is the risk that the City’s deposits may not be returned in the event of a bank failure. The City’s investment policy requires funds on deposit at the depository bank to be collateralized by securities. As of September 30, 2019, fair market values of pledged securities and FDIC coverage exceeded bank balances for both the City and the discretely presented component units.

Custodial credit risk – investments. For an investment, this is the risk that 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 in the event of the failure of the counterparty. The City’s investment policy requires that it will seek to safekeep securities at financial institutions, avoiding physical possession. Further, all trades,

CITY OF FULSHEAR, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

where applicable, shall be conducted on a delivery versus payment basis or commercial book entry system as utilized by the Federal Reserve and shall be protected through the use of a third-party custody/safekeeping agent.

Texas CLASS

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

CLASS is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, CLASS must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity, and diversification requirements within CLASS. CLASS transacts at a net asset value of \$1.00 per share, has weighted average maturities of 60 days or less, and weighted average lives of 120 days or less. The City’s balance is considered the fair value of their investment in CLASS.

B. Receivables

Amounts are aggregated into a single accounts receivable line (net of allowance for uncollectibles) for certain funds and aggregated columns. Below is the detail of receivables for the general fund, the nonmajor governmental funds in the aggregate, the enterprise funds, and the discretely presented component units including the applicable allowances for uncollectible accounts:

	General	Nonmajor Funds	City of Fulshear Facility	Cross Creek Ranch Facility	Total
Property taxes	\$ 27,800	\$ -	\$ -	\$ -	\$ 27,800
Other taxes	364,341	78,102	-	-	442,443
Accounts	216,898	-	233,252	767,628	1,217,778
Other	-	1,136	-	-	1,136
Less allowance	(3,476)	-	(6268.00)	(282380.00)	(292,124)
	<u>\$ 605,563</u>	<u>\$ 79,238</u>	<u>\$ 226,984</u>	<u>\$ 485,248</u>	<u>\$ 1,397,033</u>

	Fulshear Development Corporation	City of Fulshear Development Corporation
Other taxes	\$ 179,694	\$ 179,694
Other	2,273	162
	<u>\$ 181,967</u>	<u>\$ 179,856</u>

CITY OF FULSHEAR, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

C. Capital Assets

The following is a summary of changes in capital assets for governmental activities for the year end:

	Primary Government			Ending Balance
	Beginning Balance	Increases	Reclassifications (Decreases)	
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 3,210,109	\$ -	\$ -	\$ 3,210,109
Total capital assets not being depreciated	<u>3,210,109</u>	<u>-</u>	<u>-</u>	<u>3,210,109</u>
Other capital assets				
Infrastructure	51,353,911	5,253,705	-	56,607,616
Buildings and improvements	998,232	-	-	998,232
Machinery and equipment	1,275,289	130,774	(63,250)	1,342,813
Total other capital assets	<u>53,627,432</u>	<u>5,384,479</u>	<u>(63,250)</u>	<u>58,948,661</u>
Less accumulated depreciation for:				
Infrastructure	(7,787,239)	(1,882,109)	-	(9,669,348)
Buildings and improvements	(582,722)	(28,289)	-	(611,011)
Machinery and equipment	(777,182)	(174,027)	63,250	(887,959)
Total accumulated depreciation	<u>(9,147,143)</u>	<u>(2,084,425)</u>	<u>63,250</u>	<u>(11,168,318)</u>
Other capital assets, net	<u>44,480,289</u>	<u>3,300,054</u>	<u>-</u>	<u>47,780,343</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 47,690,398</u>	<u>\$ 3,300,054</u>	<u>\$ -</u>	<u>50,990,452</u>
Net Investment in Capital Assets				<u>\$ 50,990,452</u>

Depreciation was charged to governmental functions as follows:

General government	\$ 69,633
Permits and inspections	95,650
Public safety	22,384
Public works	1,896,758
Total Governmental Activities Depreciation Expense	<u>\$ 2,084,425</u>

CITY OF FULSHEAR, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

The following is a summary of changes in capital assets for business-type activities for the year end:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Reclassifications (Decreases)</u>	<u>Ending Balance</u>
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 526,082	\$ -	\$ -	\$ 526,082
Total capital assets not being depreciated	<u>526,082</u>	<u>-</u>	<u>-</u>	<u>526,082</u>
Other capital assets				
Water and sewer system	68,791,699	2,181,718	-	70,973,417
Buildings and improvements	110,372	-	-	110,372
Machinery and equipment	262,893	-	-	262,893
Total other capital assets	<u>69,164,964</u>	<u>2,181,718</u>	<u>-</u>	<u>71,346,682</u>
Less accumulated depreciation for:				
Water and sewer system	(8,463,252)	(1,719,958)	-	(10,183,210)
Buildings and improvements	(83,132)	(2,759)	-	(85,891)
Machinery and equipment	(87,316)	(18,554)	-	(105,870)
Total accumulated depreciation	<u>(8,633,700)</u>	<u>(1,741,271)</u>	<u>-</u>	<u>(10,374,971)</u>
Other capital assets, net	<u>60,531,264</u>	<u>440,447</u>	<u>-</u>	<u>60,971,711</u>
Business-Type Activities Capital Assets, Net	<u>\$ 61,057,346</u>	<u>\$ 440,447</u>	<u>\$ -</u>	<u>61,497,793</u>
Net Investment in Capital Assets				<u>\$ 61,497,793</u>

Depreciation was charged to business-type functions as follows:

City of Fulshear Facility fund	\$ 278,651
Cross Creek Ranch Facility fund	1,462,620
Total Business-Type Activities Depreciation Expense	<u>\$ 1,741,271</u>

D. Long-Term Debt

The following is a summary of changes in the City's total governmental long-term liabilities for the year end:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Compensated absences	\$ 136,927	\$ 133,965	\$ (109,638)	\$ 161,254	\$ 145,130
Net pension liability	287,649	8,591	-	296,240	-
Total Governmental Activities	<u>\$ 424,576</u>	<u>\$ 142,556</u>	<u>\$ (109,638)</u>	<u>\$ 457,494</u>	<u>\$ 145,130</u>
Long-term debt due in more than one year				<u>\$ 312,364</u>	

CITY OF FULSHEAR, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

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

E. Interfund Receivables, Payables, and Transfers

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

<u>Transfer Out</u>	<u>Transfer In</u>	<u>Amounts</u>
General	Nonmajor governmental	\$ 325,000
City of Fulshear Facility	General	131,600
Cross Creek Ranch Facility	General	745,765
Cross Creek Ranch Facility	City of Fulshear Facility	170,000
		<u>\$ 1,372,365</u>

The general fund made transfers to nonmajor governmental funds to provide financing for miscellaneous capital projects. The City of Fulshear Facility and Cross Creek Ranch Facility provided monies to the general fund for reimbursement of administrative costs related to the support of the water and wastewater system. The Cross Creek Ranch Facility provided monies to the City of Fulshear Facility for costs related to various projects.

F. Restricted Assets

The balances of the restricted cash accounts recognized by the City are as follows:

	<u>General</u>	<u>City of Fulshear Facility</u>	<u>Cross Creek Ranch Facility</u>
Restricted for:			
Customer deposits	\$ 24,300	\$ 34,993	\$ 203,529
Contractual capital reserve	-	-	4,482,831
Total Restricted Assets	<u>\$ 24,300</u>	<u>\$ 34,993</u>	<u>\$ 4,686,360</u>

G. Fund Equity

As of September 30, 2019, \$106,609 of the City's total fund balance/net position is restricted by enabling legislation.

CITY OF FULSHEAR, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

H. Restatement of Net Position and Fund Balance

The City has restated beginning net position for the City of Fulshear Facility and Cross Creek Ranch facility to correct beginning balances for accumulated depreciation. The City restated beginning net position for the City of Fulshear Facility to correct accounts payable and customer receivables. The City has also restated beginning net position for governmental activities and fund balance for Fort Bend County Assistance District #7 for the prior year recognition of September's sales tax revenue.

	<u>City of Fulshear Facility</u>	<u>Cross Creek Ranch Facility</u>	<u>Business-Type Activities</u>
Beginning net position as reported	\$ 8,978,538	\$ 57,208,022	\$ 66,186,560
Restate accumulated depreciation	1,091,795	(1,091,795)	-
Restate accounts payable	91,921	-	91,921
Restate customer receivables	(149,609)	-	(149,609)
Restated Beginning Net Position	<u>\$ 10,012,645</u>	<u>\$ 56,116,227</u>	<u>\$ 66,128,872</u>

	<u>Fort Bend County Assistance District #7</u>	<u>Governmental Activities</u>
Beginning fund balance/net position as reported	\$ 196,651	\$ 55,727,607
Restate accounts receivable	25,397	25,397
Restated Beginning Fund Balance/Net Position	<u>\$ 222,048</u>	<u>\$ 55,753,004</u>

IV. 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 2,617 other entities in the Texas Municipal League's Intergovernmental Risk Pools (the "Pool"). The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool, outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

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.

CITY OF FULSHEAR, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

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. No claim liabilities are reported at year end.

C. Pension Plan

Texas Municipal Retirement System

Plan Description

The City participates as one of 887 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by TMRS. TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the "TMRS Act") as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of TMRS with a six-member Board of Trustees (the "Board"). 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 that can be obtained at www.tmr.com.

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

Benefits Provided

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

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the City-financed monetary credits, with interest, were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment 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 percent 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. Plan provisions for the City were as follows:

	<u>2019</u>	<u>2018</u>
Employee deposit rate	7.00%	7.00%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service requirement eligibility (expressed as age/yrs of service)	60/5, 0/20	60/5, 0/20
Updated service credit	0%	0%
Annuity increase (to retirees)	0% of CPI	0% of CPI

CITY OF FULSHEAR, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

Employees Covered by Benefit Terms

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	2	
Inactive employees entitled to, but not yet receiving, benefits	21	
Active employees	46	
Total	69	

Contributions

The contribution rates for employees in TMRS are either five percent, six percent, or seven percent of employee gross earnings, and the City-matching percentages are either 100 percent, 150 percent, or 200 percent, 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 were required to contribute seven percent of their annual gross earnings during the fiscal year. The contribution rates for the City were 7.93 percent and 7.62 percent in calendar years 2019 and 2018, respectively. The City’s contributions to TMRS for the fiscal year ended September 30, 2019 were \$270,698, which were greater than the required contributions.

Net Pension Liability

The City’s Net Pension Liability (NPL) was measured as of December 31, 2018 and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The TPL in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year	
Overall payroll growth	3.00% 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 percent and female rates multiplied by 103 percent. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109 percent and female rates multiplied by 103 percent with a three-year set-forward for both males and females. In addition, a three percent 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 three percent floor.

CITY OF FULSHEAR, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

Actuarial assumptions used in the December 31, 2015 valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the EAN actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation. After the Asset Allocation Study analysis and experience investigation study, the Board amended the long-term expected rate of return on pension plan investments from 7.00 percent to 6.75 percent. 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, the actuary focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Domestic Equity	17.5%	4.30%
International Equity	17.5%	6.10%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.39%
Real Return	10.0%	3.78%
Real Estate	10.0%	4.44%
Absolute Return	10.0%	3.56%
Private Equity	5.0%	7.75%
Total	100.0%	

Discount Rate

The discount rate used to measure the TPL was 6.75 percent. 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 TPL.

CITY OF FULSHEAR, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

Changes in the NPL

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(A)	(B)	(A) - (B)
Changes for the year:			
Service cost	\$ 426,439	\$ -	\$ 426,439
Interest	104,412	-	104,412
Changes in current period benefits	-	-	-
Difference between expected and actual experience	(115,830)	-	(115,830)
Changes in assumptions	-	-	-
Contributions - employer	-	229,320	(229,320)
Contributions - employee	-	210,661	(210,661)
Net investment income	-	(32,888)	32,888
Benefit payments, including refunds of employee contributions	(90,991)	(90,991)	-
Administrative expense	-	(632)	632
Other changes	-	(31)	31
Net Changes	324,030	315,439	8,591
Balance at December 31, 2017	1,379,123	1,091,474	287,649
Balance at December 31, 2018	\$ 1,703,153	\$ 1,406,913	\$ 296,240

Sensitivity of the NPL to Changes in the Discount Rate

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's Net Pension Liability	\$ 587,388	\$ 296,240	\$ 57,974

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.

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

For the fiscal year ended September 30, 2019, the City recognized pension expense of \$261,394.

CITY OF FULSHEAR, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 55,598	\$ 107,514
Changes in actuarial assumptions	14,720	-
Difference between projected and actual investment earnings	58,898	-
Contributions subsequent to the measurement date	208,562	-
Total	\$ 337,778	\$ 107,514

\$208,562 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the NPL for the fiscal year ending September 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended September 30	Pension Expense
2020	\$ 13,787
2021	9,744
2022	9,774
2023	17,784
2024	(6,955)
Thereafter	(22,432)
Total	\$ 21,702

D. Other Postemployment Benefits

TMRS – Supplemental Death Benefit

Plan Description

The City participates in an OPEB plan administered by TMRS. TMRS administers the defined benefit group-term life insurance plan known as the SDBF. This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. Employers may terminate coverage under, and discontinue participation in, the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The member city contributes to the SDBF at a contractually required rate (based on the covered payroll of employee members) 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. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75). As such, the SDBF is considered to be a single-employer unfunded OPEB defined benefit plan with benefit payments treated as being equal to the employer's yearly contributions for retirees.

CITY OF FULSHEAR, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

The contributions to the SDBF are pooled for investment purposes with those of the Pension Trust Fund (PTF). The TMRS Act requires the PTF to allocate a five percent interest credit from investment income to the SDBF on an annual basis each December 31 based on the mean balance in the SDBF during the year.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an OPEB and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e., no assets are accumulated).

The City's contributions to the OPEB plan for the fiscal year 2019 was \$263, which equaled the required contribution amount.

Based on the net position effect of \$38,751 (total OPEB liability of \$35,449 as of the measurement date of December 31, 2018), management has determined the effects of GASB 75 are not material to the financial statements and the amounts have not been recorded in the government-wide financial statements.

E. Developer Agreement/Municipal Utility District Contracts

The City has entered into multiple developer agreements and related utility agreements with several Municipal Utility Districts (MUD's), MUD's created by the developers, whose boundaries overlap the boundaries of the City. The MUD's construct water, sanitary sewer, public streets, and drainage facilities to serve the areas within the MUD's and issue bonds to finance such facilities. The MUD's release their security interests in the facilities to the City, and the City operates and maintains the systems via contracted third parties. The City's original agreement with these MUD's state that the City is to rebate all property tax revenue collected but \$0.10 per \$100 valuation of the property tax rate. On July 16, 2019 all agreements for tax rebate payments were amended to a percentage of the property tax rate. The rebate percentage is as follows:

<u>Property Tax Rate Per \$200 of Assessed Value</u>	<u>Tax Rebate Percentage</u>
\$0.219999 or less	0.62510%
\$0.22 - \$0.239999	0.07%
\$0.24 - \$0.259999	0.08%
\$0.26 - \$0.279999	0.09%
\$0.28 - \$0.299999	0.10%
\$0.30 or higher	0.11%

As part of the agreements, the City had to deposit \$4,716,250 into a "CCR Reserve Account". The funds will be used solely to pay each work item that exceeds \$5,000 for repair, replacement, or rehabilitation of City water, sanitary sewer, storm sewer, and street facilities located within the "project" per the agreements. Funds may only be payable to independent contractors of the City and shall not be used for City costs of overhead, administration, or employee salaries or benefits. The City is not required to deposit any funds into the CCR Reserve Account, and all interest and investment earnings accrued on the funds in the CCR Reserve Account shall solely be used for the permitted costs noted above. As of September 30, 2019, the CCR Reserve Account had a balance of \$4,482,831.

CITY OF FULSHEAR, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

Per Article 11, Section 5, of the Texas Constitution and Section 26.012(7) of the Texas Tax Code the annual payments constitute a “debt” of the City. Beginning with tax year 2019, fiscal year 2020, the City agreed to adopt and levy an interest and sinking tax rate sufficient to make annual payments.

The schedule below shows the MUD’s with active utility agreements currently receiving rebates from the City along with the final year each agreement term ends:

<u>Entity</u>	<u>Final Year of Agreement Term*</u>	<u>Fiscal Year 2019 Expenditures</u>
Fulshear MUD No. 1	2048	\$ 77,269
Fort Bend County MUD No. 170	2045	87,439
Fort Bend County MUD No. 171	2040	188,689
Fort Bend County MUD No. 172	2044	307,672
Fort Bend County MUD No. 173	2047	143,025
		<u>\$ 804,094</u>

* The City shall not be required to pay the annual payment to the District once the District no longer owes any District debt service.

F. Regional Park Fund

During 2004, the City entered into an agreement with Firethorne LTD. (the “Developer”) whereby the Developer would pay regional park fee for every lot per plat the Developer finalized. The terms of the agreement state that the regional park fees, plus interest earned, must be utilized in the development of a regional park within five years from the date the fees are paid to the City. Similar agreements were signed with TMI, Inc., Fulshear Land Investment Partners, LTD., and Tamarron, L.P., excluding the five-year utilization clause. During the fiscal year ended September 30, 2019, the City received \$473,150 in regional park fees.

G. Strategic Partnership Agreement

Effective June 21, 2016, the City and Waller County Road Improvement District No. 1 (the “District”) entered into a Strategic Partnership Agreement (the “Agreement”) under which the City annexed a tract of land within the boundaries of the District for the limited purposes of levying a sales and use tax on commercial activities within such tract. The District continues to exercise all powers and functions of a road improvement district as provided by law with respect to the tract. As consideration for the District providing services as detailed in the Agreement, the City agreed to remit a portion of sales tax payments by the City and the District agreed to continue to develop, own, and to operate a water, wastewater, and drainage system within the District. The City agreed it will not annex the District for full purposes or commence any action to annex the District during the term of the Agreement, which is through December 31, 2046. During the current year, the City remitted \$239,839 in sales tax revenue related to the Agreement.

H. Chapter 380 Economic Incentive Agreements

Highland Homes - - Houston, Ltd.

On April 1, 2015 the City entered into an economic development incentive agreement (the “Agreement”) with Highland Homes - - Houston, Ltd. (the “Company”) in accordance with Chapter 380 of the Texas Local Government Code. The term of the agreement is 10 years ending on March

CITY OF FULSHEAR, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

31, 2025. The City has agreed to rebate 100% of the sales and use tax collections generated by the Company on a semi-annual basis. The Company will be engaged in the business of purchasing building materials for its use within the City. The Company will purchase items using a Texas Direct Payment Permit and generate local use tax revenue for the City. During fiscal year 2019, the City recognized expenditures of \$17,361 related to this agreement.

Perry Homes, LLC

On January 1, 2018 the City entered into an economic development incentive agreement (the “Agreement”) with Perry Homes, LLC (the “Company”) in accordance with Chapter 380 of the Texas Local Government Code. The term of the agreement is 10 years ending on December 31, 2028. The City has agreed to rebate 100% of the sales and use tax collections generated by the Company on a semi-annual basis. The Company will be engaged in the business of purchasing building materials for its use within the City. The Company will purchase items using a Texas Direct Payment Permit and generate local use tax revenue for the City. During fiscal year 2019, the City recognized expenditures of \$48,975 related to this agreement.

I. Subsequent Events

Chapter 380 Economic Incentive Agreements

Thomas Blackburn

In November 2019, the City approved an economic development incentive agreement (the “Agreement”) with Thomas Blackburn (the “Landowner”) in accordance with Chapter 380 of the Texas Local Government Code. The term of the Agreement is 30 years. The Landowner proposed to develop a mixed-use office space and commercial property that will include mixed use, retail space, and/or restaurants. The Landowner will convey land to the City for the purposes of the realignment and construction of Huggins Drive and parking and public access. In return the City has agreed to make annual “grant” payments and provide a fee credit not to exceed a combined maximum reimbursement amount of \$1,350,000. The fee credit, up to a maximum amount of \$75,000, may be used by the Landlord to cover capital recovery fees and standard tap fees associated with initial development for new construction. The initial “grant” payment will be \$278,348 and is due within 45 calendar days of the effective date of the Agreement.

The minimum annual “grant” payment will be equal to the greater of i) \$20,000 or ii) the combined total of the annual sales and use tax payment and the annual property tax increment payment each according to the schedule below:

<u>Calendar Year</u>	<u>Percentage Amount</u>
2020	50%
2021	50%
2022	70%
2023	70%
2024	70%
2025-2050	85%

The City also agrees that if the roadway paving and appurtenant utilities are not installed and open to the public between FM359 and Katy Fulshear Road within 48 months of the effective date of the Agreement, then interest in and to the roadway property shall automatically revert back to the Landowner; provided however, that the Agreement shall continue in full force and effect; provided,

CITY OF FULSHEAR, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

however, that if the roadway property reverts back to the Landowner, the maximum reimbursement amount will be reduced to 50% of the original maximum reimbursement amount. The City agrees that if the roadway property reverts back to the Landowner, then the City shall either, at its sole discretion, i) pay the Landowner, within 45 days, an additional “grant” payment of \$278,348; or ii) cause the title of the property to be transferred back to the Landowner free and clear of all liens.

WSS-15 Fulshear Marketplace, LLC

In November 2019, the City approved an economic development incentive agreement (the “Agreement”) with WSS-15 Fulshear Marketplace, LLC (the “Developer”) in accordance with Chapter 380 of the Texas Local Government Code. The term of the Agreement is 30 years. The Developer proposed to develop a mixed-use residential and commercial property that will include mixed-use, retail space, and/or restaurants and will also reserve approximately 0.5 acre site for a future City Hall site. The Developer will convey land to the City for the purposes of the realignment and construction of Huggins Drive and providing regional drainage and an adjacent trail. In return the City has agreed to make annual “grant” payments and provide a fee credit not to exceed a combined maximum reimbursement amount of \$2,500,000. The fee credit, up to a maximum amount equal to 285 standard connections multiplied by the standard connection fee to cover capital recovery fees and standard tap fees associated with initial development for new construction.

The minimum annual “grant” payment will be equal to the greater of i) \$20,000 or ii) the combined total of the annual sales and use tax payment and the annual property tax increment payment each according to the schedule below:

<u>Calendar Year</u>	<u>Percentage Amount</u>
2020	50%
2021	50%
2022	70%
2023	70%
2024	70%
2025-2050	85%

The City also agrees that if the roadway paving and appurtenant utilities are not installed and open to the public between FM359 and Katy Fulshear Road within 48 months of the effective date of the Agreement, then interest in and to the roadway property shall automatically revert back to the Developer; provided however, that the Agreement shall continue in full force and effect; provided, however, that if the roadway property reverts back to the Developer, the maximum reimbursement amount will be reduced by the Developer’s cost basis of the road property, which amount is equal to \$2.50 per square foot of land.

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REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF FULSHEAR, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended September 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Budget as Amended</u>		
<u>Revenues</u>				
Property taxes	\$ 2,446,841	\$ 2,446,841	\$ 2,494,667	\$ 47,826
Sales taxes	1,253,559	1,253,559	1,794,257	540,698
Franchise fees	690,400	690,400	706,927	16,527
Public improvement fees	263,000	263,000	519,551	256,551
Licenses and permits	2,092,400	2,092,400	2,201,606	109,206
Fines and forfeitures	215,000	215,000	325,190	110,190
Charges for services	1,645,675	1,645,675	2,071,531	425,856
Investment earnings	55,002	55,002	172,802	117,800
Intergovernmental	465,200	465,200	500,238	35,038
Other revenue	300	300	7,296	6,996
Total Revenues	<u>9,127,377</u>	<u>9,127,377</u>	<u>10,794,065</u>	<u>1,666,688</u>
<u>Expenditures</u>				
Current:				
General government	3,208,220	3,208,220	3,177,750	30,470
Permits and inspection	814,217	814,217	830,779	(16,562)
Public safety	2,776,983	2,776,983	2,524,209	252,774
Public works	2,444,073	2,444,073	2,791,761	(347,688)
Planning and development	477,356	477,356	276,522	200,834
Capital outlay	239,860	239,860	212,459	27,401
Total Expenditures	<u>9,960,709</u>	<u>9,960,709</u>	<u>9,813,480</u>	<u>147,229</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(833,332)</u>	<u>(833,332)</u>	<u>980,585</u>	<u>1,519,459</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	1,457,832	1,457,832	877,365	(580,467)
Transfers (out)	(625,000)	(625,000)	(325,000)	300,000
Sale of capital asset	500	500	-	(500)
Total Other Financing Sources	<u>833,332</u>	<u>833,332</u>	<u>552,365</u>	<u>(280,967)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>1,532,950</u>	<u>\$ 1,238,492</u>
Beginning fund balance			<u>6,321,266</u>	
Ending Fund Balance			<u>\$ 7,854,216</u>	

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

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CITY OF FULSHEAR, TEXAS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

TEXAS MUNICIPAL RETIREMENT SYSTEM

For the Year Ended September 30, 2019

	Measurement Year*				
	2014	2015	2016	2017	2018
Total Pension Liability					
Service cost	\$ 93,711	\$ 156,945	\$ 231,217	\$ 294,849	\$ 426,439
Interest (on the total pension liability)	23,662	36,771	51,368	75,604	104,412
Changes in benefit terms	-	-	-	60,200	-
Difference between expected and actual experience	47,654	(9,944)	(795)	47,429	(115,830)
Change in assumptions	-	25,851	-	-	-
Benefit payments, including refunds of employee contributions	(3,334)	(15,416)	(6,702)	(22,793)	(90,991)
Net Change in Total Pension Liability	161,693	194,207	275,088	455,289	324,030
Beginning total pension liability	292,846	454,539	648,746	923,834	1,379,123
Ending Total Pension Liability	\$ 454,539	\$ 648,746	\$ 923,834	\$ 1,379,123	\$ 1,703,153
Plan Fiduciary Net Position					
Contributions - employer	\$ 51,713	\$ 80,804	\$ 117,152	\$ 162,285	\$ 229,320
Contributions - employee	68,767	85,950	118,817	148,613	210,661
Net investment income	9,644	436	30,293	98,192	(32,888)
Benefit payments, including refunds of employee contributions	(3,334)	(15,416)	(6,702)	(22,793)	(90,991)
Administrative expense	(101)	(265)	(341)	(507)	(632)
Other	(8)	(13)	(18)	(27)	(31)
Net Change in Plan Fiduciary Net Position	126,681	151,496	259,201	385,763	315,439
Beginning plan fiduciary net position	168,333	295,014	446,510	705,711	1,091,474
Ending Plan Fiduciary Net Position	\$ 295,014	\$ 446,510	\$ 705,711	\$ 1,091,474	\$ 1,406,913
Net Pension Liability	\$ 159,525	\$ 202,236	\$ 218,123	\$ 287,649	\$ 296,240
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	64.90%	68.83%	76.39%	79.14%	82.61%
Covered Payroll	\$ 1,375,366	\$ 1,718,999	\$ 2,376,331	\$ 2,972,266	\$ 3,009,448
Net Pension Liability as a Percentage of Covered Payroll	11.60%	11.76%	9.18%	9.68%	9.84%

*Only five years of information is currently available. The City will build this schedule over the next five-year period.

CITY OF FULSHEAR, TEXAS
SCHEDULE OF CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM
For the Year Ended September 30, 2019

	Fiscal Year*			
	2011	2012	2013	2014
Actuarially determined contribution	\$ 22,882	\$ 11,801	\$ 8,826	\$ 39,619
Contributions in relation to the actuarially determined contribution	22,882	11,801	8,826	39,619
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 542,238	\$ 583,368	\$ 703,095	\$ 870,232
Contributions as a percentage of covered payroll	4.22%	2.02%	1.26%	4.55%

*Only nine years of information is currently available. The City will build this schedule over the next one-year period.

Notes to Required Supplementary Information:

1. Valuation Date:

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

2. 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 2018 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.

3. Other Information:

There were no benefit changes during the year.

Fiscal Year*				
<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 69,687	\$ 105,268	\$ 148,255	\$ 201,087	\$ 270,698
<u>69,687</u>	<u>105,268</u>	<u>148,255</u>	<u>201,087</u>	<u>270,698</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,568,017	\$ 2,155,862	\$ 2,779,644	\$ 3,025,711	\$ 3,445,477
4.44%	4.88%	5.33%	6.65%	7.86%

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***COMBINING STATEMENTS
AND SCHEDULES***

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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

The **Regional Park Fund** provides for the accounting of restricted funds for park land and park development.

The **Fort Bend County Assistance District #7 Fund** provides additional sales tax revenues from unincorporated areas of the City's extraterritorial jurisdiction area (ETA). These funds are collected via the State Comptroller and distributed to Fort Bend County and the County remits one-half of the remittance to the City on a quarterly basis. The funds are required to be spent on projects in the area covered by the District #7 or projects that benefit the District #7.

The **Municipal Court Technology Fund** is used to account for fees collected by the court for future improvements to the technology of the court facilities.

The **Municipal Court Building Security Fund** is used to account for fees collected by the court for future improvements to the security of the court facilities.

The **Judicial Efficiency Fund** is used to account for fees collected by the court that are to be used for the purpose of improving the efficiency of the administration of justice.

The **Child Safety Fund** is used to account for fees collected by the court that are to be used for the purpose of providing child safety.

The **Police Department Donation Fund** is used to account for donations collected that are to be used for the purpose of providing products and services for police operations.

The **Federal Seizure Fund** and the **State Seizure Fund** are used to account for seized funds collected that are to be used for the purpose of providing products and services for police activities that do not supplant operation budget.

Capital Projects Fund

The **Capital Projects Fund** is used to account for the Capital Improvement Program projects that are detailed in the program and funded either by the issuing of debt or annual budget allocations.

CITY OF FULSHEAR, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

September 30, 2019

	Special Revenue Funds			
	Regional Park	Fort Bend County Assistance District #7	Municipal Court Technology	Municipal Court Building Security
Assets				
Cash and cash equivalents	\$ 988,634	\$ 425,114	\$ 54,105	\$ 40,122
Account receivables	1,136	78,102	-	-
Total Assets	\$ 989,770	\$ 503,216	\$ 54,105	\$ 40,122
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Total Liabilities	-	-	-	-
Fund Balances				
Restricted for:				
Regional Park	989,770	-	-	-
County Assistance District #7	-	503,216	-	-
Enabling legislation	-	-	54,105	40,122
Public safety	-	-	-	-
Assigned to:				
Capital projects	-	-	-	-
Total Fund Balances	989,770	503,216	54,105	40,122
Total Liabilities and Fund Balances	\$ 989,770	\$ 503,216	\$ 54,105	\$ 40,122

Special Revenue Funds

Judicial Efficiency	Child Safety	Police Department Donation	Federal Seizure	State Seizure	Capital Projects	Total Nonmajor Governmental Funds
\$ 3,806	\$ 8,576	\$ 9,160	\$ 108,454	\$ 7,706	\$ 748,324	\$ 2,394,001
-	-	-	-	-	-	79,238
<u>\$ 3,806</u>	<u>\$ 8,576</u>	<u>\$ 9,160</u>	<u>\$ 108,454</u>	<u>\$ 7,706</u>	<u>\$ 748,324</u>	<u>\$ 2,473,239</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 71,409	\$ 71,409
-	-	-	-	-	71,409	71,409
-	-	-	-	-	-	989,770
-	-	-	-	-	-	503,216
3,806	8,576	-	-	-	-	106,609
-	-	9,160	108,454	7,706	-	125,320
-	-	-	-	-	676,915	676,915
<u>3,806</u>	<u>8,576</u>	<u>9,160</u>	<u>108,454</u>	<u>7,706</u>	<u>676,915</u>	<u>2,401,830</u>
<u>\$ 3,806</u>	<u>\$ 8,576</u>	<u>\$ 9,160</u>	<u>\$ 108,454</u>	<u>\$ 7,706</u>	<u>\$ 748,324</u>	<u>\$ 2,473,239</u>

CITY OF FULSHEAR, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2019

	Special Revenue Funds			
	Regional Park	Fort Bend County Assistance District #7	Municipal Court Technology	Municipal Court Building Security
Revenues				
Sales tax	\$ -	\$ 274,232	\$ -	\$ -
Fines and forfeitures	-	-	9,626	8,978
Investment earnings	17,859	6,936	1,124	768
Intergovernmental	-	-	-	-
Other revenue	473,150	-	-	-
Total Revenues	<u>491,009</u>	<u>281,168</u>	<u>10,750</u>	<u>9,746</u>
Expenditures				
Public safety	-	-	-	-
Capital outlay	52,722	-	-	-
Total Expenditures	<u>52,722</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>438,287</u>	<u>281,168</u>	<u>10,750</u>	<u>9,746</u>
Other Financing Sources				
Transfers in	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	438,287	281,168	10,750	9,746
Beginning fund balances	551,483	222,048	43,355	30,376
Ending Fund Balances	<u>\$ 989,770</u>	<u>\$ 503,216</u>	<u>\$ 54,105</u>	<u>\$ 40,122</u>

Special Revenue Funds

Judicial Efficiency	Child Safety	Police Department Donation	Federal Seizure	State Seizure	Capital Projects	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 274,232
262	5,476	-	-	-	-	24,342
143	149	199	2,110	115	15,304	44,707
-	-	4,500	32,884	7,591	-	44,975
-	-	-	-	-	-	473,150
<u>405</u>	<u>5,625</u>	<u>4,699</u>	<u>34,994</u>	<u>7,706</u>	<u>15,304</u>	<u>861,406</u>
-	-	1,641	20,000	-	-	21,641
-	-	-	-	-	496,904	549,626
-	-	<u>1,641</u>	<u>20,000</u>	-	<u>496,904</u>	<u>571,267</u>
405	5,625	3,058	14,994	7,706	(481,600)	290,139
-	-	-	-	-	325,000	325,000
-	-	-	-	-	325,000	325,000
405	5,625	3,058	14,994	7,706	(156,600)	615,139
3,401	2,951	6,102	93,460	-	833,515	1,786,691
<u>\$ 3,806</u>	<u>\$ 8,576</u>	<u>\$ 9,160</u>	<u>108,454</u>	<u>\$ 7,706</u>	<u>\$ 676,915</u>	<u>\$ 2,401,830</u>

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CITY OF FULSHEAR, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2019

<u>Regional Park</u>				
	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>				
Investment earnings	\$ 4,000	\$ 4,000	\$ 17,859	\$ 13,859
Other revenue	150,000	150,000	473,150	323,150
Total Revenues	<u>154,000</u>	<u>154,000</u>	<u>491,009</u>	<u>337,009</u>
<u>Expenditures</u>				
Capital Outlay	645,000	645,000	52,722	592,278
Net Change in Fund Balance	<u>\$ (491,000)</u>	<u>\$ (491,000)</u>	438,287	<u>\$ 929,287</u>
Beginning fund balance			<u>551,483</u>	
		Ending Fund Balance	<u>\$ 989,770</u>	

<u>Fort Bend County Assistance District #7</u>				
	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>				
Sales tax	\$ 250,000	\$ 250,000	\$ 274,232	\$ 24,232
Investment earnings	1,500	1,500	6,936	5,436
Total Revenues	<u>251,500</u>	<u>251,500</u>	<u>281,168</u>	<u>29,668</u>
<u>Expenditures</u>				
Capital outlay	1,000	1,000	-	1,000
<u>Other Financing Sources (Uses)</u>				
Transfers (out)	(375,000)	(375,000)	-	375,000
Net Change in Fund Balance	<u>\$ (124,500)</u>	<u>\$ (124,500)</u>	281,168	<u>\$ 405,668</u>
Beginning fund balance			<u>222,048</u>	
		Ending Fund Balance	<u>\$ 503,216</u>	

CITY OF FULSHEAR, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
For the Year Ended September 30, 2019

Municipal Court Technology

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Fines and forfeitures	\$ 4,000	\$ 4,000	\$ 9,626	\$ 5,626
Investment earnings	400	400	1,124	724
Total Revenues	<u>4,400</u>	<u>4,400</u>	<u>10,750</u>	<u>6,350</u>
Net Change in Fund Balance	<u>\$ 4,400</u>	<u>\$ 4,400</u>	10,750	<u>\$ 6,350</u>
Beginning fund balance			<u>43,355</u>	
		Ending Fund Balance	<u>\$ 54,105</u>	

Municipal Court Building Security

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Fines and forfeitures	\$ 3,200	\$ 3,200	\$ 8,978	\$ 5,778
Investment earnings	300	300	768	468
Total Revenues	<u>3,500</u>	<u>3,500</u>	<u>9,746</u>	<u>6,246</u>
Net Change in Fund Balance	<u>\$ 3,500</u>	<u>\$ 3,500</u>	9,746	<u>\$ 6,246</u>
Beginning fund balance			<u>30,376</u>	
		Ending Fund Balance	<u>\$ 40,122</u>	

CITY OF FULSHEAR, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS (Continued)

For the Year Ended September 30, 2019

Judicial Efficiency				Variance
	Original Budgeted Amounts	Final Budgeted Amounts	Actual	with Final Budget Positive (Negative)
Revenues				
Fines and forfeitures	\$ 100	\$ 100	\$ 262	\$ 162
Investment earnings	50	50	143	93
Total Revenues	150	150	405	255
Net Change in Fund Balance	\$ 150	\$ 150	405	\$ 255
Beginning fund balance			3,401	
		Ending Fund Balance	\$ 3,806	

Child Safety				Variance
	Original Budgeted Amounts	Final Budgeted Amounts	Actual	with Final Budget Positive (Negative)
Revenues				
Fines and forfeitures	\$ 1,500	\$ 1,500	\$ 5,476	\$ 3,976
Investment earnings	80	80	149	69
Total Revenues	1,580	1,580	5,625	4,045
Net Change in Fund Balance	\$ 1,580	\$ 1,580	5,625	\$ 4,045
Beginning fund balance			2,951	
		Ending Fund Balance	\$ 8,576	

CITY OF FULSHEAR, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS (Continued)

For the Year Ended September 30, 2019

Police Department Donation

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Investment earnings	\$ 75	\$ 75	\$ 199	\$ 124
Intergovernmental revenues	2,000	2,000	4,500	2,500
Total Revenues	<u>2,075</u>	<u>2,075</u>	<u>4,699</u>	<u>2,624</u>
Expenditures				
Public safety	8,000	8,000	1,641	6,359
Net Change in Fund Balance	<u>\$ (5,925)</u>	<u>\$ (5,925)</u>	3,058	<u>\$ 8,983</u>
Beginning fund balance			6,102	
		Ending Fund Balance	<u>\$ 9,160</u>	

Federal Seizure

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Investment earnings	\$ 500	\$ 500	\$ 2,110	\$ 1,610
Intergovernmental revenues	-	-	32,884	32,884
Total Revenues	<u>500</u>	<u>500</u>	<u>34,994</u>	<u>34,494</u>
Expenditures				
Public safety	20,000	20,000	20,000	-
Net Change in Fund Balance	<u>\$ (19,500)</u>	<u>\$ (19,500)</u>	14,994	<u>\$ 34,494</u>
Beginning fund balance			93,460	
		Ending Fund Balance	<u>\$ 108,454</u>	

CITY OF FULSHEAR, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
For the Year Ended September 30, 2019

		<u>Capital Project</u>			Variance with Final Budget Positive (Negative)
		Original Budgeted Amounts	Final Budgeted Amounts	Actual	(Negative)
<u>Revenues</u>					
Investment earnings		\$ 1,000	\$ 1,000	\$ 15,304	\$ 14,304
Total Revenues		<u>1,000</u>	<u>1,000</u>	<u>15,304</u>	<u>14,304</u>
<u>Expenditures</u>					
Capital outlay		8,519,313	8,519,313	496,904	8,022,409
<u>Other Financing Sources (Uses)</u>					
Bond proceeds		6,500,000	6,500,000	-	(6,500,000)
Transfer in		1,317,500	1,317,500	325,000	(1,317,500)
Total Other Financing Sources		<u>7,817,500</u>	<u>7,817,500</u>	<u>325,000</u>	<u>(7,492,500)</u>
Net Change in Fund Balance		<u>\$ (700,813)</u>	<u>\$ (700,813)</u>	(156,600)	<u>\$ 544,213</u>
Beginning fund balance				<u>833,515</u>	
	Ending Fund Balance			<u>\$ 676,915</u>	

CITY OF FULSHEAR, TEXAS
COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS

September 30, 2019

		Fulshear Development Corporation		
		General	Capital Projects	Total Governmental Funds
<u>Assets</u>				
Current Assets:				
Cash and cash equivalents		\$ 1,717,264	\$ 687,147	\$ 2,404,411
Receivables, net		181,967	-	181,967
Total Current Assets		1,899,231	687,147	2,586,378
<u>Liabilities</u>				
Current Liabilities:				
Accounts payable and accrued liabilities		2,807	162	2,969
Total Current Liabilities		2,807	162	2,969
<u>Net Position</u>				
Restricted for:				
Economic Development		1,896,424	686,985	2,583,409
Total Net Position		\$ 1,896,424	\$ 686,985	\$ 2,583,409

City of Fulshear Development Corporation

General	Capital Projects	Total Governmental Funds
\$ 1,544,201	\$ 753,008	\$ 2,297,209
179,694	162	179,856
<u>1,723,895</u>	<u>753,170</u>	<u>2,477,065</u>
1,491	-	1,491
<u>1,491</u>	<u>-</u>	<u>1,491</u>
1,722,404	753,170	2,475,574
<u>\$ 1,722,404</u>	<u>\$ 753,170</u>	<u>\$ 2,475,574</u>

CITY OF FULSHEAR, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
For the Year Ended September 30, 2019

	<u>Fulshear Development Corporation</u>		
	<u>General</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>			
Sales tax	\$ 887,937	\$ -	\$ 887,937
Investment earnings	40,166	9,315	49,481
Total Revenues	<u>928,103</u>	<u>9,315</u>	<u>937,418</u>
<u>Expenses</u>			
General government	204,375	76,732	281,107
Total Expenses	<u>204,375</u>	<u>76,732</u>	<u>281,107</u>
Income (Loss) Before Transfers	<u>723,728</u>	<u>(67,417)</u>	<u>656,311</u>
<u>Transfers</u>			
Transfer in	-	411,056	411,056
Transfer (out)	(411,056)	-	(411,056)
Total Transfers	<u>(411,056)</u>	<u>411,056</u>	<u>-</u>
Net Change in Net Position	312,672	343,639	656,311
Beginning net position	<u>1,583,752</u>	<u>343,346</u>	<u>1,927,098</u>
Total Net Position	<u>\$ 1,896,424</u>	<u>\$ 686,985</u>	<u>\$ 2,583,409</u>

City of Fulshear Development Corporation

<u>General</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
\$ 887,937	\$ -	\$ 887,937
36,194	10,821	47,015
<u>924,131</u>	<u>10,821</u>	<u>934,952</u>
201,180	57,714	258,894
<u>201,180</u>	<u>57,714</u>	<u>258,894</u>
722,951	(46,893)	676,058
-	411,056	411,056
(411,056)	-	(411,056)
<u>(411,056)</u>	<u>411,056</u>	<u>-</u>
311,895	364,163	676,058
1,410,509	389,007	1,799,516
<u>\$ 1,722,404</u>	<u>\$ 753,170</u>	<u>\$ 2,475,574</u>

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STATISTICAL SECTION

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and Required Supplementary Information says about the City's overall financial health.

Contents	Page
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Financial Trends	96
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These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity	106
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These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity	117
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These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information	119
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information	123
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These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

CITY OF FULSHEAR, TEXAS

NET POSITION BY COMPONENT

Last Ten Years
(accrual basis of accounting)

	Fiscal Year			
	2010	2011	2012	2013
Governmental Activities				
Net investment in capital assets	\$ 838,399	\$ 768,821	\$ 836,979	\$ 18,260,633
Restricted	151,929	228,005	369,611	709,984
Unrestricted	1,436,991	2,230,981	2,451,299	3,179,338
Total Governmental Activities Net Position	\$ 2,427,319	\$ 3,227,807	\$ 3,657,889	\$ 22,149,955
Business-Type Activities				
Net investment in capital assets	\$ 9,497,601	\$ 9,768,635	\$ 10,798,612	\$ 23,563,837
Restricted	324,919	326,991	389,861	326,961
Unrestricted	(220,281)	170,624	363,227	1,076,677
Total Business-Type Activities Net Position	\$ 9,602,239	\$ 10,266,250	\$ 11,551,700	\$ 24,967,475
Primary Government				
Net investment in capital assets	\$ 10,336,000	\$ 10,537,456	\$ 11,635,591	\$ 41,824,470
Restricted	476,848	554,996	759,472	1,036,945
Unrestricted	1,216,710	2,401,605	2,814,526	4,256,015
Total Primary Government Net Position	\$ 12,029,558	\$ 13,494,057	\$ 15,209,589	\$ 47,117,430

Source: City's Annual Financial Report or Comprehensive Annual Financial Report

Note: Fiscal year 2018 is the first year for Comprehensive Annual Financial Report.

Fiscal Year

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 23,797,616	\$ 25,705,433	\$ 40,176,704	\$ 44,707,835	\$ 47,690,398	\$ 50,990,452
1,156,792	1,515,599	1,564,928	539,487	927,779	1,725,467
4,560,523	5,475,094	4,575,158	4,572,984	7,134,827	8,606,097
<u>\$ 29,514,931</u>	<u>\$ 32,696,126</u>	<u>\$ 46,316,790</u>	<u>\$ 49,820,306</u>	<u>\$ 55,753,004</u>	<u>\$ 61,322,016</u>
\$ 30,581,919	\$ 32,998,255	\$ 40,999,464	\$ 60,024,809	\$ 61,057,346	\$ 61,497,793
1,755,008	1,223,225	727,922	-	-	4,482,831
2,692,052	3,908,853	3,127,505	4,817,260	5,071,526	3,089,113
<u>\$ 35,028,979</u>	<u>\$ 38,130,333</u>	<u>\$ 44,854,891</u>	<u>\$ 64,842,069</u>	<u>\$ 66,128,872</u>	<u>\$ 69,069,737</u>
\$ 54,379,535	\$ 58,703,688	\$ 81,176,168	\$ 104,732,644	\$ 108,747,744	\$ 112,488,245
2,911,800	2,738,824	2,292,850	539,487	927,779	6,208,298
7,252,575	9,383,947	7,702,663	9,390,244	12,206,353	11,695,210
<u>\$ 64,543,910</u>	<u>\$ 70,826,459</u>	<u>\$ 91,171,681</u>	<u>\$ 114,662,375</u>	<u>\$ 121,881,876</u>	<u>\$ 130,391,753</u>

CITY OF FULSHEAR, TEXAS

CHANGES IN NET POSITION

Last Ten Years

(accrual basis of accounting)

	Fiscal Year			
	2010	2011	2012	2013
Expenses				
Governmental activities				
General government	\$ 704,426	\$ 775,237	\$ 791,786	\$ 550,662
Permits and inspections	-	-	-	187,965
Public safety	610,587	577,650	479,595	672,355
Public works	149,765	237,907	438,217	1,444,102
Planning and development	-	-	-	-
Interest and fiscal agent fees	2,971	3,127	1,789	1,674
Total Governmental Activities Expenses	<u>1,467,749</u>	<u>1,593,921</u>	<u>1,711,387</u>	<u>2,856,758</u>
Business-Type Activities				
Utilities	886,736	1,165,997	1,493,238	2,254,075
Total Business-Type Activities Expenses	<u>886,736</u>	<u>1,165,997</u>	<u>1,493,238</u>	<u>2,254,075</u>
Total Expenses	<u>\$ 2,354,485</u>	<u>\$ 2,759,918</u>	<u>\$ 3,204,625</u>	<u>\$ 5,110,833</u>
Program Revenues				
Governmental activities				
Charges for services:				
Permits and inspections	\$ -	\$ -	\$ -	\$ 2,088,983
Public safety	443,256	553,044	760,037	124,058
Public works	451,193	557,235	708,010	40,858
Operating grants and contributions	36,822	-	-	5,000
Capital grants and contributions	20,980	21,711	51,514	1,745,415
Total Governmental Activities Program Revenues	<u>952,251</u>	<u>1,131,990</u>	<u>1,519,561</u>	<u>4,004,314</u>
Business-Type Activities				
Charges for services:				
Utilities	663,596	1,268,549	1,432,910	2,242,322
Operating grants and contributions	-	-	-	-
Capital grants and contributions	260,000	239,860	358,700	3,741,326
Total Business-Type Activities Program Revenues	<u>923,596</u>	<u>1,508,409</u>	<u>1,791,610</u>	<u>5,983,648</u>
Total Program Revenues	<u>\$ 1,875,847</u>	<u>\$ 2,640,399</u>	<u>\$ 3,311,171</u>	<u>\$ 9,987,962</u>
Net (Expense)/Revenue				
Governmental activities	\$ (515,498)	\$ (461,931)	\$ (191,826)	\$ 1,147,556
Business-type activities	36,860	342,412	298,372	3,729,573
Total Net Revenue (Expense)	<u>\$ (478,638)</u>	<u>\$ (119,519)</u>	<u>\$ 106,546</u>	<u>\$ 4,877,129</u>

Source: City's Annual Financial Report or Comprehensive Annual Financial Report

Note: Fiscal year 2018 is the first year for Comprehensive Annual Financial Report.

Fiscal Year

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 1,256,952	\$ 2,039,436	\$ 2,579,727	\$ 2,381,636	\$ 2,605,264	\$ 3,450,668
376,897	528,461	322,415	814,579	957,063	929,161
941,346	1,427,578	1,669,998	2,156,611	2,688,730	2,550,149
1,001,930	1,249,674	2,150,127	3,366,308	3,547,933	5,145,507
-	-	-	-	401,682	276,116
292	-	-	-	-	-
<u>3,577,417</u>	<u>5,245,149</u>	<u>6,722,267</u>	<u>8,719,134</u>	<u>10,200,672</u>	<u>12,351,601</u>
<u>2,573,262</u>	<u>3,106,400</u>	<u>4,671,213</u>	<u>4,189,671</u>	<u>6,193,256</u>	<u>7,055,602</u>
<u>2,573,262</u>	<u>3,106,400</u>	<u>4,671,213</u>	<u>4,189,671</u>	<u>6,193,256</u>	<u>7,055,602</u>
<u>\$ 6,150,679</u>	<u>\$ 8,351,549</u>	<u>\$ 11,393,480</u>	<u>\$ 12,908,805</u>	<u>\$ 16,393,928</u>	<u>\$ 19,407,203</u>
\$ 2,418,323	\$ 2,570,046	\$ 2,396,980	\$ 2,811,853	\$ 3,985,701	\$ 4,302,675
149,468	193,757	170,117	216,794	305,589	349,532
71,922	371,686	666,506	747,132	925,845	666,155
30,259	29,246	28,133	268,355	267,975	500,238
6,595,732	2,798,155	15,565,852	4,791,180	4,469,274	5,253,705
<u>9,265,704</u>	<u>5,962,890</u>	<u>18,827,588</u>	<u>8,835,314</u>	<u>9,954,384</u>	<u>11,072,305</u>
3,271,568	3,395,191	4,468,483	5,203,537	7,115,884	8,407,022
-	-	-	-	-	60,235
<u>9,085,540</u>	<u>2,806,881</u>	<u>5,642,980</u>	<u>18,860,007</u>	<u>1,481,332</u>	<u>2,181,719</u>
<u>12,357,108</u>	<u>6,202,072</u>	<u>10,111,463</u>	<u>24,063,544</u>	<u>8,597,216</u>	<u>10,648,976</u>
<u>\$ 21,622,812</u>	<u>\$ 12,164,962</u>	<u>\$ 28,939,051</u>	<u>\$ 32,898,858</u>	<u>\$ 18,551,600</u>	<u>\$ 21,721,281</u>
\$ 5,688,287	\$ 717,741	\$ 12,105,321	\$ 116,180	\$ (246,288)	\$ (1,279,296)
9,783,846	3,095,672	5,440,250	19,873,873	2,403,960	3,593,374
<u>\$ 15,472,133</u>	<u>\$ 3,813,413</u>	<u>\$ 17,545,571</u>	<u>\$ 19,990,053</u>	<u>\$ 2,157,672</u>	<u>\$ 2,314,078</u>

CITY OF FULSHEAR, TEXAS

CHANGES IN NET POSITION (Continued)

Last Ten Years

(accrual basis of accounting)

	Fiscal Year			
	2010	2011	2012	2013
General Revenues and Other Changes in Net Position				
Governmental activities				
Property taxes	\$ 329,368	\$ 434,664	\$ 572,879	\$ 732,475
Franchise fees	69,672	123,906	128,454	173,011
Sales tax	193,461	242,167	333,383	404,418
Investment earnings	21,197	12,858	9,838	7,112
Other revenues	56,552	71,953	178,746	41,914
Transfers	(37,000)	376,871	(585,456)	-
Total Governmental Activities	<u>633,250</u>	<u>1,262,419</u>	<u>637,844</u>	<u>1,358,930</u>
Business-type activities				
Investment earnings	4,223	3,077	2,543	1,334
Other revenues	-	379,488	2,179	897
Transfers	37,000	(376,871)	585,456	-
Total Business-Type Activities	<u>41,223</u>	<u>5,694</u>	<u>590,178</u>	<u>2,231</u>
Total Primary Government	<u>\$ 674,473</u>	<u>\$ 1,268,113</u>	<u>\$ 1,228,022</u>	<u>\$ 1,361,161</u>
Change in Net Position				
Governmental activities	\$ 117,752	\$ 800,488	\$ 446,018	\$ 2,506,486
Business-type activities	78,083	348,106	888,550	3,731,804
Total Change in Net Position	<u>\$ 195,835</u>	<u>\$ 1,148,594</u>	<u>\$ 1,334,568</u>	<u>\$ 6,238,290</u>

Source: City's Annual Financial Report or Comprehensive Annual Financial Report

Note: Fiscal year 2018 is the first year for Comprehensive Annual Financial Report.

Fiscal Year

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 943,721	\$ 1,273,932	\$ 1,574,219	\$ 1,834,115	\$ 2,155,867	\$ 2,452,597
197,620	380,718	384,885	514,470	647,039	706,927
522,563	665,127	689,508	827,480	1,552,395	2,068,489
7,993	9,527	21,867	47,221	107,636	217,509
184,860	222,988	115,358	244,036	532,474	525,421
(257,644)	-	(1,270,494)	(79,986)	1,183,575	877,365
<u>1,599,113</u>	<u>2,552,292</u>	<u>1,515,343</u>	<u>3,387,336</u>	<u>6,178,986</u>	<u>6,848,308</u>
3,044	5,682	13,814	33,319	77,531	158,651
16,970	-	-	-	138,496	66,205
257,644	-	1,270,494	79,986	(1,183,575)	(877,365)
<u>277,658</u>	<u>5,682</u>	<u>1,284,308</u>	<u>113,305</u>	<u>(967,548)</u>	<u>(652,509)</u>
<u>\$ 1,876,771</u>	<u>\$ 2,557,974</u>	<u>\$ 2,799,651</u>	<u>\$ 3,500,641</u>	<u>\$ 5,211,438</u>	<u>\$ 6,195,799</u>
\$ 7,287,400	\$ 3,270,033	\$ 13,620,664	\$ 3,503,516	\$ 5,932,698	\$ 5,569,012
10,061,504	3,101,354	6,724,558	19,987,178	1,436,412	2,940,865
<u>\$ 17,348,904</u>	<u>\$ 6,371,387</u>	<u>\$ 20,345,222</u>	<u>\$ 23,490,694</u>	<u>\$ 7,369,110</u>	<u>\$ 8,509,877</u>

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

	Fiscal Year			
	2010	2011	2012	2013
General Fund				
Nonspendable	\$ -	\$ -	\$ 100	\$ 100
Restricted	5,940	-	-	131,733
Unassigned	1,390,339	1,785,765	2,328,542	3,094,550
Total General Fund	<u>\$ 1,396,279</u>	<u>\$ 1,785,765</u>	<u>\$ 2,328,642</u>	<u>\$ 3,226,383</u>
All Other Governmental Funds				
Restricted	\$ 145,989	\$ 228,005	\$ 369,611	\$ 578,251
Assigned	-	377,075	83,724	65,750
Total All Other Governmental Funds	<u>\$ 145,989</u>	<u>\$ 605,080</u>	<u>\$ 453,335</u>	<u>\$ 644,001</u>

Note : In conforming to provisions of GASB Statement No. 54, fund balances of prior periods were restated to the new fund balance classifications.

Source: City's Annual Financial Report or Comprehensive Annual Financial Report
Note: Fiscal year 2018 is the first year for Comprehensive Annual Financial Report.

Fiscal Year

2014	2015	2016	2017	2018	2019
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
131,733	131,733	-	-	-	552
4,303,085	5,307,210	3,206,004	3,579,243	6,321,266	7,853,664
<u>\$ 4,434,818</u>	<u>\$ 5,438,943</u>	<u>\$ 3,206,004</u>	<u>\$ 3,579,243</u>	<u>\$ 6,321,266</u>	<u>\$ 7,854,216</u>
\$ 1,025,059	\$ 1,383,866	\$ 1,564,928	\$ 392,134	\$ 953,176	\$ 1,724,915
270,908	271,113	1,440,178	1,274,680	833,515	676,915
<u>\$ 1,295,967</u>	<u>\$ 1,654,979</u>	<u>\$ 3,005,106</u>	<u>\$ 1,666,814</u>	<u>\$ 1,786,691</u>	<u>\$ 2,401,830</u>

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

	Fiscal Year			
	2010	2011	2012	2013
Revenues				
Property taxes	\$ 313,702	\$ 415,340	\$ 581,481	\$ 747,961
Sales taxes	193,461	242,167	333,383	404,418
Franchise fees	69,672	123,906	128,454	173,011
Public improvement fees	78,082	78,362	74,263	181,628
Licenses and permits	384,107	482,847	661,739	1,503,252
Fines and forfeitures	59,149	70,197	98,298	129,108
Charges for services	373,111	478,873	633,747	461,282
Intergovernmental	-	-	-	-
Capital grant and contributions	36,822	21,711	21,000	-
Investment earnings	21,197	12,858	9,838	7,112
Other revenues	56,552	67,125	178,371	275,384
Total Revenues	1,585,855	1,993,386	2,720,574	3,883,156
Expenditures				
General government	664,149	741,775	788,429	972,303
Permits and inspections	-	-	-	185,015
Public safety	583,838	551,206	476,212	639,517
Public works	147,046	197,739	399,239	198,683
Planning and development	-	-	-	-
Capital outlay	92,944	-	645,940	778,667
Debt service				
Principal	32,818	32,661	42,686	19,240
Interest	2,971	3,127	1,789	1,324
Total Expenditures	1,523,766	1,526,508	2,354,295	2,794,749
Excess (Deficiency) of Revenues Over (Under) Expenditures	62,089	466,878	366,279	1,088,407
Other Financing Sources (Uses)				
Issuance of debt				
Capital leases	44,185	-	24,478	-
Sale of capital assets	-	4,828	375	-
Transfers in	-	376,871	275,000	525,370
Transfers out	(37,000)	-	(275,000)	(525,370)
Total Other Financing Sources (Uses)	7,185	381,699	24,853	-
Net Change in Fund Balances	\$ 69,274	\$ 848,577	\$ 391,132	\$ 1,088,407
Debt service as a percentage of noncapital expenditures	2.50%	2.34%	2.60%	1.02%

Source: City's Annual Financial Report or Comprehensive Annual Financial Report
Note: Fiscal year 2018 is the first year for Comprehensive Annual Financial Report.

Fiscal Year

	2014	2015	2016	2017	2018	2019
\$	966,619	\$ 1,264,271	\$ 1,556,311	\$ 1,857,472	\$ 2,137,299	\$ 2,494,667
	522,563	665,127	689,508	827,480	1,526,998	2,068,489
	197,620	380,718	361,528	514,470	647,039	706,927
	531,303	345,803	216,099	232,276	353,186	519,551
	1,401,279	1,872,346	1,731,465	1,993,927	2,759,307	2,201,606
	159,109	193,957	170,292	214,685	305,589	349,532
	574,811	744,125	1,129,918	1,344,285	1,800,981	2,071,531
	-	-	-	255,917	236,838	545,213
	-	-	-	-	-	-
	7,993	9,529	21,867	46,505	106,854	217,509
	608,248	578,740	381,027	383,996	366,797	480,446
	<u>4,969,545</u>	<u>6,054,616</u>	<u>6,258,015</u>	<u>7,671,013</u>	<u>10,240,888</u>	<u>11,655,471</u>
	1,215,147	2,014,649	2,712,933	2,430,917	2,683,837	3,177,750
	406,484	517,507	297,752	791,896	540,513	830,779
	880,686	1,382,908	1,579,291	2,157,402	2,367,813	2,545,850
	341,709	466,294	740,437	1,872,025	2,218,008	2,791,761
	-	-	-	-	401,682	276,522
	76,363	310,121	539,920	1,303,840	376,107	762,085
	8,045	-	-	-	-	-
	642	-	-	-	-	-
	<u>2,929,076</u>	<u>4,691,479</u>	<u>5,870,333</u>	<u>8,556,080</u>	<u>8,587,960</u>	<u>10,384,747</u>
	2,040,469	1,363,137	387,682	(885,067)	1,652,928	1,270,724
	-	-	-	-	-	-
	-	-	-	-	-	-
	23,218	42,650	1,707,760	1,140,928	1,378,575	1,202,365
	(280,862)	(42,650)	(2,978,254)	(1,220,914)	(195,000)	(325,000)
	<u>(257,644)</u>	<u>-</u>	<u>(1,270,494)</u>	<u>(79,986)</u>	<u>1,183,575</u>	<u>877,365</u>
\$	<u>1,782,825</u>	<u>\$ 1,363,137</u>	<u>\$ (882,812)</u>	<u>\$ (965,053)</u>	<u>\$ 2,836,503</u>	<u>\$ 2,148,089</u>
	0.30%	0.00%	0.00%	0.00%	0.00%	0.00%

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

	Fiscal Year			
	2010	2011	2012	2013
One-Three Family Residences	\$ 73,192,190	\$ 110,208,430	\$ 179,105,310	\$ 265,605,630
Agriculture Value	87,663,810	76,557,470	80,912,780	78,310,890
Commercial Property	104,244,640	100,204,290	98,477,920	104,186,000
Personal Property Value	7,919,236	7,126,552	7,083,434	8,654,622
Less: Tax Exempt Property	118,753,600	106,880,821	120,119,059	132,046,664
Total Taxable Assessed Valuation	\$ 154,266,276	\$ 187,215,921	\$ 245,460,385	\$ 324,710,478
Total Direct Tax Rate	\$ 0.20592	\$ 0.20592	\$ 0.20592	\$ 0.20366

The value is the appraised value at original certification and fluctuates due to property owner protests and preliminary appraisal values at the time of certification.

All properties are assessed at 100% of actual taxable value. The difference between market value is the value of exemptions given for statutory purposes.

Tax rates are per \$100 of assessed value.

Source: County Tax/Assessor Reports

Fiscal Year

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 343,235,210	\$ 551,206,916	\$ 816,201,256	\$ 926,516,590	\$ 1,149,298,638	\$ 1,577,410,200
92,420,620	86,252,280	82,898,180	107,753,270	122,805,510	131,838,530
126,424,910	172,331,340	209,501,120	269,791,580	456,557,613	611,963,722
12,562,884	12,094,152	14,580,274	36,613,901	38,591,624	38,483,298
158,539,541	195,581,525	241,737,243	287,313,916	421,315,214	532,103,783
<u>\$ 416,104,083</u>	<u>\$ 626,303,163</u>	<u>\$ 881,443,587</u>	<u>\$ 1,053,361,425</u>	<u>\$ 1,345,938,171</u>	<u>\$ 1,827,591,967</u>
\$ 0.19713	\$ 0.17829	\$ 0.16163	\$ 0.15690	\$ 0.15869	\$ 0.16251

CITY OF FULSHEAR, TEXAS
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Years

	Fiscal Year			
	2010	2011	2012	2013
City of Fulshear:				
Operating tax rate	\$ 0.205920	\$ 0.205920	0.205920	\$ 0.203660
Total Direct Rates	<u>\$ 0.205920</u>	<u>\$ 0.205920</u>	<u>\$ 0.205920</u>	<u>\$ 0.203660</u>
Lamar Consolidated School District	\$ 1.297650	\$ 1.364550	\$ 1.390050	\$ 1.390050
Katy Independent School District	1.526600	1.526600	1.526600	1.526600
Fort Bend County	0.479000	0.480160	0.480960	0.480760
Total Direct and Overlapping Rates	<u>\$ 3.509170</u>	<u>\$ 3.577230</u>	<u>\$ 3.603530</u>	<u>\$ 3.601070</u>

Overlapping rates are those of local and county governments that apply within the City of Fulshear.

Not all overlapping rates apply to all City of Fulshear property owners (e.g., the county rates apply only to the porportion of the City's property owners whose property is located within the geographic boundaries of the specific county).

Tax rates per \$100 of assessed valuation

Source: Tax department records of the various governments.

Fiscal Year

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 0.197130	\$ 0.178290	\$ 0.161630	\$ 0.156900	\$ 0.158690	\$ 0.162510
<u>\$ 0.197130</u>	<u>\$ 0.178290</u>	<u>\$ 0.161630</u>	<u>\$ 0.156900</u>	<u>\$ 0.158690</u>	<u>\$ 0.162510</u>
\$ 1.390050	\$ 1.390050	\$ 1.390050	\$ 1.390050	\$ 1.390050	\$ 1.390050
1.526600	1.526600	1.516600	1.516600	1.516600	1.516600
0.484760	0.472760	0.465000	0.458000	0.453000	0.445000
<u>\$ 3.598540</u>	<u>\$ 4.890300</u>	<u>\$ 4.872540</u>	<u>\$ 4.865540</u>	<u>\$ 4.860540</u>	<u>\$ 4.852540</u>

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CITY OF FULSHEAR, TEXAS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and One Year Ago*

Property Taxpayer	2019			2018		
	Taxable Assessed Valuation	Rank	% of Total Assessed Valuation	Taxable Assessed Valuation	Rank	% of Total Assessed Valuation
CCR 21 LLC	\$ 27,273,491	1	1.49%	\$ -	N/A	-
CCR Loan Subsidiary 1 LP	12,772,950	2	0.70%	21,094,050	2	1.57%
HEB Grocery Company LP	11,796,540	3	0.65%	-	N/A	-
Trendmaker Homes Inc	10,261,890	4	0.56%	12,655,470	4	0.94%
DHK Fulshear LP	8,238,820	5	0.45%	14,357,210	3	1.07%
Cross Creek Commons-Partnership A LP	7,600,171	6	0.42%	-	N/A	-
Taylor Morrison of Texas INC	7,174,720	7	0.39%	-	N/A	-
H-E-B LP	7,001,180	8	0.38%	-	N/A	-
Rk CCR Pase 1 LLC	6,556,190	9	0.36%	-	N/A	-
Century Land Holdings of Texas LLC	6,388,310	10	0.35%	-	N/A	-
Texas Petroleum Group LLC	-	N/A	-	5,374,450	10	0.40%
TLM-CCR Phase II LLC	-	N/A	-	7,413,590	7	0.55%
CCOC LLC	-	N/A	-	42,799,809	1	3.18%
Landmark Industries	-	N/A	-	12,202,394	5	0.91%
CCR Texas Holding LP	-	N/A	-	7,037,120	8	0.52%
A-S 132 S Fry Road-FM 1463 LP	-	N/A	-	6,971,660	9	0.52%
Subtotal	105,064,262		5.75%	129,905,753		9.65%
Other Taxpayers	1,722,527,705		94.25%	1,216,032,418		90.35%
Total	\$ 1,827,591,967		100.00%	\$ 1,345,938,171		100.00%

*Data from nine years ago is not available. Latest data available is for fiscal year 2018 (tax year 2017).

Taxable assessed value equals appraised value after exemptions.

Source: Fort Bend County Appraisal District

Note: Fiscal year 2018 is the first year for Comprehensive Annual Financial Report.

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

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Tax Rate</u>	<u>Total Tax Levy for Fiscal Year</u>	<u>Year of the Levy</u>	
				<u>Amount Collected</u>	<u>Percentage of Levy</u>
2010	2009	\$ 0.205920	\$ 319,812	\$ 294,680	92.14%
2011	2010	\$ 0.205920	\$ 414,794	\$ 393,244	94.80%
2012	2011	\$ 0.205920	\$ 538,621	\$ 521,640	96.85%
2013	2012	\$ 0.203660	\$ 661,375	\$ 657,447	99.41%
2014	2013	\$ 0.197130	\$ 829,012	\$ 821,104	99.05%
2015	2014	\$ 0.178290	\$ 1,197,031	\$ 1,192,635	99.63%
2016	2015	\$ 0.161630	\$ 1,513,831	\$ 1,499,858	99.08%
2017	2016	\$ 0.156900	\$ 1,840,239	\$ 1,824,840	99.16%
2018	2017	\$ 0.158690	\$ 2,102,986	\$ 2,086,847	99.23%
2019	2018	\$ 0.162510	\$ 2,441,889	\$ 2,431,495	99.57%

Tax rate per \$100 assessed valuation

Source: City Finance Department and Fort Bend County Tax Office

	Subsequent	Total Collections to Date	
	Amount Collected	Amount Collected	Percentage of Levy
\$	17,529	\$ 312,209	97.62%
\$	19,571	\$ 412,815	99.52%
\$	15,102	\$ 536,742	99.65%
\$	3,126	\$ 660,573	99.88%
\$	7,074	\$ 828,178	99.90%
\$	3,729	\$ 1,196,364	99.94%
\$	12,550	\$ 1,512,408	99.91%
\$	12,074	\$ 1,836,914	99.82%
\$	11,761	\$ 2,098,608	99.79%
\$	-	\$ 2,431,495	99.57%

CITY OF FULSHEAR, TEXAS

TAXABLE SALES BY CATEGORY

Last Ten Calendar Years

(In Thousands of Dollars)

	Calendar Year			
	2010	2011	2012	2013
Public Administration	\$ -	\$ -	\$ -	\$ -
Admin/Support/Waste Mgmt/Remediation	558,332	440,142	356,696	512,242
Retail Trade	5,031,419	4,795,280	5,244,862	6,258,550
Construction	5,446	65,447	134,059	84,428
Manufacturing	24,554	215,628	570,401	532,885
Mining/Quarrying/Oil and Gas Exstraction	13,500	-	-	42,875
Wholesale Trade	-	-	-	-
Transportation/Wharehousing	-	-	8,181	-
Information	-	-	-	40,235
Arts/Entertainment/Recreation	-	-	7,886	10,496
Real Estate/Rental/Leasing	-	-	-	6,959
Other Services (except Public Administration)	538,816	666,252	698,929	647,901
Accommodation/Food Services	3,268,597	3,724,970	6,484,729	8,810,293
Professional/Scientific/Technical Services	53,364	64,195	67,472	103,953
Total Taxable Sales	\$ 9,494,028	\$ 9,971,914	\$ 13,573,215	\$ 17,050,817
City direct sales tax rate	1.00%	1.00%	1.00%	1.00%

The City direct sales tax rate includes the City only.

Note: Taxable sales for calender year 2019 were not available at the date of this report.

Source: State Comproller's Office

Calendar Year

2014	2015	2016	2017	2018	2019
\$ -	\$ -	\$ -	\$ 565,074	\$ 898,342	\$ N/A
736,591	717,120	717,120	797,500	836,334	N/A
25,154,631	45,332,799	45,332,799	49,982,542	67,978,562	N/A
594	3,213,700	3,213,700	2,696,718	4,219,686	N/A
847,415	821,844	821,844	1,154,776	1,168,178	N/A
-	-	-	-	1,092	N/A
-	-	-	901,333	3,485,625	N/A
13,988	28,541	28,541	35,725	38,839	N/A
20,036	-	-	-	-	N/A
6,689	122,357	122,357	492,043	-	N/A
497,675	825,650	825,650	995,769	1,164,401	N/A
908,401	1,178,494	1,178,494	1,905,629	2,277,977	N/A
9,984,358	11,857,090	11,857,090	13,417,178	15,784,354	N/A
457,417	272,884	272,884	353,454	648,247	N/A
<u>\$ 38,627,795</u>	<u>\$ 64,370,479</u>	<u>\$ 64,370,479</u>	<u>\$ 73,297,741</u>	<u>\$ 98,501,637</u>	<u>\$ N/A</u>
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

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CITY OF FULSHEAR, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
September 30, 2019

<u>Government Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable*</u>	<u>Amount Applicable to Primary Government</u>
Katy Independent School District	\$ 1,824,334,942	7.270%	\$ 132,629,150
Lamar Consolidated Independent School District	\$ 1,177,030,000	3.480%	40,960,644
Fort Bend County	\$ 593,614,527	21.000%	124,659,051
Fort Bend County MUD #170	\$ 14,825,000	100.000%	14,825,000
Fort Bend County MUD #171	\$ 13,760,000	100.000%	13,760,000
Fort Bend County MUD #172	\$ 30,830,000	100.000%	30,830,000
Fort Bend County MUD #173	\$ 56,352,837	100.000%	56,352,837
Fulshear MUD#1	\$ 21,970,000	100.000%	21,970,000
Subtotal, overlapping debt			435,986,682
City Direct Debt		100.000%	\$ -
Total Direct and Overlapping Debt			<u>\$ 435,986,682</u>
Ratio of Total Direct and Overlapping Net Debt to Assessed Valuation (1)			<u>23.86%</u>
Direct and Overlapping Debt Per Capita (2)			<u>\$ 30,831</u>

Source: Texas Municipal Advisory Council

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire burden borne by the property taxpayers should be taken into account.

(1) See Schedule of Assessed Value and Estimated Actual Value of Taxable Property for valuation data.

(2) See the Schedule of Demographic and Economic Statistics for population data.

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CITY OF FULSHEAR, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Years

Fiscal Year Ended Sept. 30	Population⁽¹⁾	Personal Income⁽²⁾	Per Capita Personal Income⁽²⁾	Median Age⁽⁶⁾	Public School Enrollment⁽³⁾	Unemployment Rate⁽⁴⁾	Education Level in Years of Formal Schooling⁽⁵⁾
2010	1,134	\$ N/A	\$ N/A	40.0	N/A	9.1%	14
2011	1,177	\$ N/A	\$ N/A	41.0	N/A	8.5%	14
2012	1,886	\$ N/A	\$ N/A	39.0	N/A	7.8%	14
2013	2,948	\$ N/A	\$ 56,203	36.0	N/A	6.6%	14
2014	4,287	\$ N/A	\$ 56,203	36.0	N/A	5.7%	14
2015	5,849	\$ N/A	\$ 56,203	35.0	N/A	5.0%	14
2016	7,914	\$ N/A	\$ 56,203	34.0	N/A	4.7%	14
2017	10,044	\$ N/A	\$ 56,203	34.0	N/A	4.1%	14
2018	11,174	\$ N/A	\$ 56,203	34.0	7,139	3.9%	14
2019	14,141	\$ N/A	\$ 56,203	34.4	9,034	4.0%	14

Data sources:

- (1) United States Census Bureau, Public Data
- (2) Data to compute not available
- (3) United States Census Bureau
- (4) United States Census Bureau, American Fact Finder (some data not available)
- (5) Katy Independent School District & Lamar Consolidated ISD
- (6) Texas Workforce Commission (Data for Fort Bend County)

Note: Personal income is a total for the year. Unemployment rate information is an adjusted yearly average. School enrollment is based on the start of the school year.

CITY OF FULSHEAR, TEXAS

PRINCIPAL EMPLOYERS

Current Year and One Year Ago*

Employer	2019			2018		
	Employees	Percentage of Total Employment	Rank	Employees	Percentage of Total Employment	Rank
Lamar Consolidated ISD	381	17.66%	1	368	35.45%	1
HEB #65	348	16.13%	2	325	31.31%	2
Katy ISD	201	9.31%	3	201	19.36%	3
City of Fulshear	56	2.59%	4	56	5.39%	4
Civil Corp	20	0.93%	5	20	1.93%	5
Emergency Services District #4	20	0.93%	6	20	-	5
Ace Hardware	14	0.65%	7	14	-	7
Pier 36	14	0.65%	8	14	-	7
Doziers	12	0.56%	9	12	-	9
Wagontail Pet Ranch	8	0.37%	10	8	-	10
Other	1084	50.23%		-	-	
	<u>2,158</u>	<u>100.00%</u>		<u>1,038</u>	<u>93.45%</u>	

*Data from nine years ago is not available. Latest data available is for fiscal year 2018.

Source: Personnel department of each employer above

Note: Fiscal year 2018 is the first year for Comprehensive Annual Financial Report.

CITY OF FULSHEAR, TEXAS
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION
 Last Ten Years

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<u>Governmental Activities:</u>										
Administrative	-	1	1	4	4	4	5	5	7	6
Human Resources	-	-	-	-	-	-	-	-	-	1
Municipal Court	1	1	1	1	1	1	2	2	2	2
City Secretary	1	1	1	1	1	2	2	2	2	4
Finance	1	1	1	1	1	3	2	2.5	3	3
Economic Development	-	-	-	-	1	1	2	2	2	2
Public safety	10	12	14	15	16	17	18	22	23.5	26
Development Services	-	-	-	-	1	1	1	1	1	10
Building Inspection	4	4	4	6	6	6	6	7	9	0
Code Enforcement	-	-	-	-	-	1	1	1	1	1
Public Works	1	1	1	2	2	2	3	3	3	4
<u>Business-Type Activities:</u>										
Utilities	-	-	-	-	1	1	2	2.5	2.5	3
Total City Positions	18	21	23	30	34	39	44	50.0	56.0	62

Source: City Finance Department

Note: City council are not full-time paid employees and fire services are provided by the Emergency Medical District.

CITY OF FULSHEAR, TEXAS

OPERATING INDICATORS BY FUNCTION

Last Ten Years

Function	Fiscal Year			
	2010	2011	2012	2013
Police				
Arrests	-	27	68	116
Parking violations	-	-	1	-
Traffic violations	-	2,457	3,448	3,454
Highways and streets				
Street resurfacing (miles)	-	4	-	1
Potholes repaired	8	6	6	6
Water				
Average daily consumption (thousands of gallons)	-	-	631	656
Water main breaks	-	-	1	3
New connections	-	92	197	263
Wastewater				
Average daily effluent treated (thousands of gallons)	-	-	182	212

Source: Various City departments

Note: Some indicators are not available for the general government function

Fiscal Year						
2014	2015	2016	2017	2018	2019	
172	449	273	403	381	268	
1	1	22	5	6	15	
5,624	5,633	6,069	9,300	9,708	10,753	
-	-	-	1	-	-	
6	5	7	4	10	35	
895	904	1,046	1,224	1,328	1,468	
5	7	2	2	4	2	
381	479	569	688	-	751	
247	329	416	548	789	1,099	

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

Function	Fiscal Year			
	2010	2011	2012	2013
Public safety				
Police				
Stations	-	-	-	-
Patrol units	2	3	4	4
Highways and streets				
Streets (lane miles)	75	75	80	80
Streetlights	-	-	-	-
Culture and recreation				
Park acreage developed	-	5	5	5
Water				
Water wells	3	3	3	4
Water mains (miles)	34	35	40	43
Fire hydrants	446	455	520	558
Maximum daily capacity (thousands of gallons)	655	655	655	1075
Sewer				
Sanitary sewers (miles)	33	34	36	39
Storm sewers (miles)	21	22	25	27
Maximum daily treatment capacity (thousands of gallons)	500	750	750	2,100

Source: Various City departments

Note: No capital asset indicators are available for the general government function

Fiscal Year

2014	2015	2016	2017	2018	2019
-	1	1	1	1	1
4	7	10	12	12	12
80	80	89	89	89	89
-	0	0	146	146	-
5	5	25	25	25	25
4	4	4	4	4	6
45	48.2	49.2	49.2	49.2	54.1
588	626	641	641	641	706
1075	1075	1745	1745	1745	1765
41	42.8	45.1	45.1	45.1	49.6
29	31.2	33.5	33.5	33.5	37.0
2,100	2,100	2,100	2,100	2,100	2,100

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: JANUARY 31ST, 2020

100-General Fund

33.33% OF YEAR COMP.

Economic Development

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<u>PERSONNEL COSTS</u>					
100-5-180-5210-00 Salaries	167,199.00	12,861.40	51,445.61	30.77	115,753.39
100-5-180-5210-03 Auto Allowance	4,800.00	369.24	1,476.96	30.77	3,323.04
100-5-180-5230-00 Payroll Tax Expense	12,791.00	1,012.14	4,535.72	35.46	8,255.28
100-5-180-5235-00 Employee Health Benefits	17,714.00	1,737.58	6,195.21	34.97	11,518.79
100-5-180-5238-00 Retirement Contribution	12,298.00	1,035.96	4,748.42	38.61	7,549.58
100-5-180-5239-00 Workers Compensation	<u>403.00</u>	<u>0.00</u>	<u>403.00</u>	<u>100.00</u>	<u>0.00</u>
TOTAL PERSONNEL COSTS	215,205.00	17,016.32	68,804.92	31.97	146,400.08
<u>SUPPLIES</u>					
100-5-180-5311-00 Supplies	2,500.00	0.00	16.23	0.65	2,483.77
100-5-180-5314-00 Publications/Ref Material	730.00	0.00	165.00	22.60	565.00
100-5-180-5316-00 Minor Tools & Equipment	2,000.00	0.00	0.00	0.00	2,000.00
100-5-180-5381-00 Meeting Expenses	<u>2,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>2,000.00</u>
TOTAL SUPPLIES	7,230.00	0.00	181.23	2.51	7,048.77
<u>CONTRACTUAL SERVICES</u>					
100-5-180-5411-10 Prof. Services - Consulting	25,000.00	0.00	0.00	0.00	25,000.00
100-5-180-5411-14 Prof. Service Legal & Engineer	10,000.00	1,999.10	1,999.10	19.99	8,000.90
100-5-180-5434-00 Telecommunications	2,200.00	138.07	342.93	15.59	1,857.07
100-5-180-5440-00 Marketing	32,500.00	239.14	1,239.14	3.81	31,260.86
100-5-180-5472-00 Business Devlpmnt & Retention	<u>7,500.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>7,500.00</u>
TOTAL CONTRACTUAL SERVICES	77,200.00	2,376.31	3,581.17	4.64	73,618.83
<u>OTHER CHARGES</u>					
100-5-180-5520-00 Printing	2,500.00	0.00	0.00	0.00	2,500.00
100-5-180-5527-00 Dues & Memberships	2,325.00	455.00	512.50	22.04	1,812.50
100-5-180-5527-01 Dues & Memberships - Org.	17,250.00	1,050.00	1,050.00	6.09	16,200.00
100-5-180-5528-00 Travel & Training	14,500.00	0.00	3,901.00	26.90	10,599.00
100-5-180-5530-00 Technology Maintenance	51,000.00	0.00	0.00	0.00	51,000.00
100-5-180-5531-00 Mileage	<u>1,500.00</u>	<u>56.16</u>	<u>157.08</u>	<u>10.47</u>	<u>1,342.92</u>
TOTAL OTHER CHARGES	89,075.00	1,561.16	5,620.58	6.31	83,454.42
TOTAL Economic Development	388,710.00	20,953.79	78,187.90	20.11	310,522.10

CDC_A: 600-5-900-5900-10 \$10,476.90

approved:

date:

FDC_B: 700-5-900-5900-10 \$10,476.90

approved:

date:

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: FEBRUARY 29TH, 2020

100-General Fund

41.67% OF YEAR COMP.

Economic Development

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
PERSONNEL COSTS					
100-5-180-5210-00 Salaries	167,199.00	12,861.40	64,307.01	38.46	102,891.99
100-5-180-5210-03 Auto Allowance	4,800.00	369.24	1,846.20	38.46	2,953.80
100-5-180-5230-00 Payroll Tax Expense	12,791.00	1,012.14	5,547.86	43.37	7,243.14
100-5-180-5235-00 Employee Health Benefits	17,714.00	2,977.45	9,172.66	51.78	8,541.34
100-5-180-5238-00 Retirement Contribution	12,298.00	1,035.96	5,784.38	47.04	6,513.62
100-5-180-5239-00 Workers Compensation	<u>403.00</u>	<u>0.00</u>	<u>403.00</u>	<u>100.00</u>	<u>0.00</u>
TOTAL PERSONNEL COSTS	215,205.00	18,256.19	87,061.11	40.45	128,143.89
SUPPLIES					
100-5-180-5311-00 Supplies	2,500.00	217.16	233.39	9.34	2,266.61
100-5-180-5314-00 Publications/Ref Material	730.00	40.00	205.00	28.08	525.00
100-5-180-5316-00 Minor Tools & Equipment	2,000.00	0.00	0.00	0.00	2,000.00
100-5-180-5381-00 Meeting Expenses	<u>2,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>2,000.00</u>
TOTAL SUPPLIES	7,230.00	257.16	438.39	6.06	6,791.61
CONTRACTUAL SERVICES					
100-5-180-5411-10 Prof. Services - Consulting	25,000.00	0.00	0.00	0.00	25,000.00
100-5-180-5411-14 Prof. Service Legal & Engineer	10,000.00	331.50	2,330.60	23.31	7,669.40
100-5-180-5434-00 Telecommunications	2,200.00	137.51	480.44	21.84	1,719.56
100-5-180-5440-00 Marketing	32,500.00	586.38	1,825.52	5.62	30,674.48
100-5-180-5472-00 Business Devlpmnt & Retention	<u>7,500.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>7,500.00</u>
TOTAL CONTRACTUAL SERVICES	77,200.00	1,055.39	4,636.56	6.01	72,563.44
OTHER CHARGES					
100-5-180-5520-00 Printing	2,500.00	0.00	0.00	0.00	2,500.00
100-5-180-5527-00 Dues & Memberships	2,325.00	825.91	1,338.41	57.57	986.59
100-5-180-5527-01 Dues & Memberships - Org.	17,250.00	5,000.00	6,050.00	35.07	11,200.00
100-5-180-5528-00 Travel & Training	14,500.00	972.73	4,873.73	33.61	9,626.27
100-5-180-5530-00 Technology Maintenance	51,000.00	0.00	0.00	0.00	51,000.00
100-5-180-5531-00 Mileage	<u>1,500.00</u>	<u>0.00</u>	<u>157.08</u>	<u>10.47</u>	<u>1,342.92</u>
TOTAL OTHER CHARGES	89,075.00	6,798.64	12,419.22	13.94	76,655.78
TOTAL Economic Development	388,710.00	26,367.38	104,555.28	26.90	284,154.72

CDC_A: 600-5-900-5900-10 \$13,183.69

approved:

date:

FDC_B: 700-5-900-5900-10 \$13,183.69

approved:

date:



FULSHEAR DEVELOPMENT CORPORATION (B)
COMMUNICATION FORM
April 13, 2020

ITEM	TITLE
	Financials and Payables
ITEM/MOTION	
Consideration and possible action on financials and payables for the Corporation for the period ending January 31, and February 29, 2020	
EXPENDITURE: \$10,476.90 (Jan)	BUDGET ACCOUNT/S: 700-5-900-5900-10
EXPENDITURE: \$13,183.69 (Feb)	BUDGET ACCOUNT/S: 700-5-900-5900-10

SUBMITTED BY:

Angela E. Fritz
 Economic Development Director

SUPPORTING DOCUMENTS:

- **EDC Sales Tax Revenue Report as of April 9, 2020**
- **Financials as of January 31 & February 29, 2020**
 - Vela Memo (x2)
 - Operating (x2)
 - Projects (X2)
 - Quarterly Investment Report (x1)
 - FY19 Comprehensive Annual Financial Report (x1)
- **Payables**
 - City Reimbursement – January 2020 - \$10,476.90
 - City Reimbursement – February 2020 - \$13,183.69

EXECUTIVE SUMMARY

Sales Tax

Sales tax revenues received in March (**January 2020** remittances) were **up 32%** from the same period the previous year. Sales tax revenues received in April (**February 2020** remittances) **down 1%** from the same period the previous year. Overall, the Corporation's **sales tax revenues total \$381,736.19** for FY20 or 46% of budget with 42% of periods reported.

Financials

Operating Fund (700) expenditures for January include meeting security fees and the quarterly transfer to the City for the Shared Services fee under the ASA. **Operating Fund** (700) expenditures for February include meeting security fees and legal. There were no **Projects Fund** (701) expenditures reported for either January or February.

Payables

The **reimbursement** register for **January** for the Board's consideration includes funds to be paid to the City for expenditures (100) pursuant to the Administrative Services Agreement amounting to **\$10,476.90**. There was one annual expenditure for membership in the Greater Houston Partnership in the amount of \$1,050 reflected in the report, along with legal expenditures of \$1,999 for items related to the Broadband Discovery Project.

CONTINUED ON NEXT PAGE...

Payables Continued

The **reimbursement** register for **February** for the Board's consideration includes funds to be paid to the City for expenditures (100) pursuant to the Administrative Services Agreement amounting to **\$13,183.69**. There was

one annual expenditure for membership in the Fulshear Katy Area Chamber in the amount of \$5,000 reflected in the report, along with several annual staff professional memberships amounting to \$825.91.

Fiscal Year 2018-2019 (FY19) Comprehensive Annual Financial Report (CAFR)

The FY19 CAFR is provided to the EDCs following its presentation to and acceptance by City Council on March 17, 2020. [A video of the City Council presentation may be accessed here \(select Business Item B.\)](#)

The auditors issued a clean, unmodified opinion which is the highest level of assurance auditors can provide. The financial statements were free of any material misstatements and included all the required disclosures in accordance with GAAP.

The EDCs are included in the City's FY19 CAFR as Component Units. For quick reference, accounting for EDC funds may be found on pages 28-29, and 90-93 of the CAFR (pgs. 33-34, and 95-98) which are bookmarked in the CAFR document linked above.



CITY OF FULSHEAR

Finance Department

PO Box 279 / 29378 McKinnon, Suite A
Fulshear, Texas 77441
www.fulsheartexas.gov

MEMORANDUM

To: Type B Corp - Development Corporation
From: Wes Vela, Chief Financial Officer, City of Fulshear
Date: February 26, 2020
Subject: Monthly Financial Reports

Attached you will find the Type B- Development Corp. Financial Reports for the period **October 1, 2019 through January 31, 2020** for both the operating fund and capital projects fund. This period represents **33%** of the operating period.

Also, included is the "Quarterly Investment Report 19-4" recently accepted by the City Council for your consideration and acceptance.

If you have any questions, please don't hesitate to call me at 281.346.8805.

CITY OF FULSHEAR
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: JANUARY 31ST, 2020

700-4/B Operating Fund
 FINANCIAL SUMMARY

33.33% OF YEAR COMP.

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<u>REVENUE SUMMARY</u>					
TAX & FRANCHISE FEES	832,624.00	65,252.58	134,315.46	16.13	698,308.54
INTEREST EARNED	35,500.00	6,160.88	15,051.29	42.40	20,448.71
TRANSFERS	<u>0.00</u>	<u>0.00</u>	<u>745,275.00</u>	<u>0.00</u>	(<u>745,275.00</u>)
TOTAL REVENUES	868,124.00	71,413.46	894,641.75	103.05	(26,517.75)
	=====	=====	=====	=====	=====
<u>EXPENDITURE SUMMARY</u>					
Administrative	19,850.00	75.53	2,838.20	14.30	17,011.80
Community Development	10,000.00	0.00	0.00	0.00	10,000.00
Transfers Out	<u>994,738.00</u>	<u>8,750.00</u>	<u>832,997.18</u>	<u>83.74</u>	<u>161,740.82</u>
TOTAL EXPENDITURES	1,024,588.00	8,825.53	835,835.38	81.58	188,752.62
	=====	=====	=====	=====	=====
REVENUES OVER/(UNDER) EXPENDITURES	(156,464.00)	62,587.93	58,806.37		(215,270.37)

CITY OF FULSHEAR
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: JANUARY 31ST, 2020

700-4/B Operating Fund

33.33% OF YEAR COMP.

Administrative

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<u>SUPPLIES</u>					
700-5-100-5311-00 Supplies	250.00	0.00	0.00	0.00	250.00
TOTAL SUPPLIES	250.00	0.00	0.00	0.00	250.00
<u>CONTRACTUAL SERVICES</u>					
700-5-100-5411-00 Admin Prof. Service - Legal	7,500.00	0.00	0.00	0.00	7,500.00
700-5-100-5413-00 Meeting Security	3,000.00	75.53	104.07	3.47	2,895.93
700-5-100-5421-04 Admin - Indemnity Insurance	600.00	0.00	0.00	0.00	600.00
TOTAL CONTRACTUAL SERVICES	11,100.00	75.53	104.07	0.94	10,995.93
<u>OTHER CHARGES</u>					
700-5-100-5526-00 Public Notices	500.00	0.00	0.00	0.00	500.00
700-5-100-5528-00 Travel & Training	8,000.00	0.00	2,734.13	34.18	5,265.87
TOTAL OTHER CHARGES	8,500.00	0.00	2,734.13	32.17	5,765.87
TOTAL Administrative	19,850.00	75.53	2,838.20	14.30	17,011.80

CITY OF FULSHEAR
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: JANUARY 31ST, 2020

700-4/B Operating Fund

33.33% OF YEAR COMP.

Community Development

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<hr/>					
<u>CONTRACTUAL SERVICES</u>					
700-5-400-5471-00 Community Grants	<u>10,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>10,000.00</u>
TOTAL CONTRACTUAL SERVICES	10,000.00	0.00	0.00	0.00	10,000.00
<hr/>					
TOTAL Community Development	10,000.00	0.00	0.00	0.00	10,000.00

CITY OF FULSHEAR
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: JANUARY 31ST, 2020

700-4/B Operating Fund

33.33% OF YEAR COMP.

Transfers Out

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<hr/>					
<u>TRANSFERS</u>					
700-5-900-5900-10 Xfer Out - Gen Fund 100	176,963.00	0.00	32,722.18	18.49	144,240.82
700-5-900-5900-11 Community Events	37,500.00	0.00	37,500.00	100.00	0.00
700-5-900-5901-10 XFER Out GF 100 shared service	35,000.00	8,750.00	17,500.00	50.00	17,500.00
700-5-900-5901-71 Xfer Out 4/B Project Fund 701	<u>745,275.00</u>	<u>0.00</u>	<u>745,275.00</u>	<u>100.00</u>	<u>0.00</u>
TOTAL TRANSFERS	994,738.00	8,750.00	832,997.18	83.74	161,740.82
<hr/>					
TOTAL Transfers Out	994,738.00	8,750.00	832,997.18	83.74	161,740.82
<hr/>					
TOTAL EXPENDITURES	1,024,588.00	8,825.53	835,835.38	81.58	188,752.62
=====					
REVENUES OVER/(UNDER) EXPENDITURES	(156,464.00)	62,587.93	58,806.37		(215,270.37)

*** END OF REPORT ***

CITY OF FULSHEAR
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: JANUARY 31ST, 2020

701-4/B Projects Fund
FINANCIAL SUMMARY

33.33% OF YEAR COMP.

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<u>REVENUE SUMMARY</u>					
INTEREST EARNED	6,650.00	2,057.06	5,296.55	79.65	1,353.45
TRANSFERS	<u>745,275.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>745,275.00</u>
TOTAL REVENUES	751,925.00	2,057.06	5,296.55	0.70	746,628.45
	=====	=====	=====	=====	=====
<u>EXPENDITURE SUMMARY</u>					
Non-Departmental	1,170,935.00	0.00	14,693.00	1.25	1,156,242.00
Transfers Out	<u>412,500.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>412,500.00</u>
TOTAL EXPENDITURES	1,583,435.00	0.00	14,693.00	0.93	1,568,742.00
	=====	=====	=====	=====	=====
REVENUES OVER/(UNDER) EXPENDITURES	(831,510.00)	2,057.06	(9,396.45)		(822,113.55)

CITY OF FULSHEAR
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: JANUARY 31ST, 2020

701-4/B Projects Fund

33.33% OF YEAR COMP.

Non-Departmental

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<u>CONTRACTUAL SERVICES</u>					
701-5-000-5470-01 Targeted Incentives	219,210.00	0.00	0.00	0.00	219,210.00
701-5-000-5470-02 Promotional Expenses	121,046.00	0.00	14,693.00	12.14	106,353.00
701-5-000-5470-03 Studies expense	<u>173,179.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>173,179.00</u>
TOTAL CONTRACTUAL SERVICES	513,435.00	0.00	14,693.00	2.86	498,742.00
<u>CAPITAL OUTLAY</u>					
701-5-000-5600-09 Katy-Fulshear/Huggins Rd-ST20B	57,500.00	0.00	0.00	0.00	57,500.00
701-5-000-5600-11 Livable Center Implement (EDC)	250,000.00	0.00	0.00	0.00	250,000.00
701-5-000-5600-12 Ec Dev Strat Plan Implement (EDC)	250,000.00	0.00	0.00	0.00	250,000.00
701-5-000-5600-13 Gateway, Corridor, Placemaking	<u>100,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>100,000.00</u>
TOTAL CAPITAL OUTLAY	657,500.00	0.00	0.00	0.00	657,500.00
<u>TRANSFERS</u>					
TOTAL Non-Departmental	1,170,935.00	0.00	14,693.00	1.25	1,156,242.00

CITY OF FULSHEAR
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: JANUARY 31ST, 2020

701-4/B Projects Fund

33.33% OF YEAR COMP.

Transfers Out

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<u>TRANSFERS</u>					
701-5-900-5900-30 Xfer Out #300 ST19D FM1093	87,500.00	0.00	0.00	0.00	87,500.00
701-5-900-5900-51 Xfer Out #501 WMP-W18K	50,000.00	0.00	0.00	0.00	50,000.00
701-5-900-5901-30 Xfer Out #300 FPT19A Parks	50,000.00	0.00	0.00	0.00	50,000.00
701-5-900-5901-51 Xfer Out - #501 WMP-WW18E	75,000.00	0.00	0.00	0.00	75,000.00
701-5-900-5902-30 Xfer Out-#300 FPT19B Livab	50,000.00	0.00	0.00	0.00	50,000.00
701-5-900-5902-51 Xfer Out #501 D20B Dntwn Drain	<u>100,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>100,000.00</u>
TOTAL TRANSFERS	412,500.00	0.00	0.00	0.00	412,500.00
<hr/>					
TOTAL Transfers Out	412,500.00	0.00	0.00	0.00	412,500.00
<hr/>					
TOTAL EXPENDITURES	1,583,435.00	0.00	14,693.00	0.93	1,568,742.00
<hr/>					
REVENUES OVER/(UNDER) EXPENDITURES	(831,510.00)	2,057.06	(9,396.45)		(822,113.55)

*** END OF REPORT ***



CITY OF FULSHEAR

Finance Department

PO Box 279 / 29378 McKinnon, Suite A
Fulshear, Texas 77441
www.fulsheartexas.gov

MEMORANDUM

To: Type B Corp - Development Corporation
From: Wes Vela, Chief Financial Officer, City of Fulshear
Date: April 1 29, 2020
Subject: Monthly Financial Reports

Attached you will find the Type B- Development Corp. Financial Reports for the period **October 1, 2019 through February 29, 2020** for both the operating fund and capital projects fund. This period represents **47%** of the operating period.

At its last Regular City Council Meeting the City Council accepted the Comprehensive Annual Financial Report for the period ended September 30, 2019.

If you have any questions, please don't hesitate to call me at 281.346.8805.

CITY OF FULSHEAR
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: FEBRUARY 29TH, 2020

700-4/B Operating Fund
 FINANCIAL SUMMARY

41.67% OF YEAR COMP.

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
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REVENUE SUMMARY

TAX & FRANCHISE FEES	832,624.00	121,814.01	256,129.47	30.76	576,494.53
INTEREST EARNED	35,500.00	2,322.73	17,374.02	48.94	18,125.98
TRANSFERS	<u>0.00</u>	<u>0.00</u>	<u>745,275.00</u>	<u>0.00</u>	<u>(745,275.00)</u>
TOTAL REVENUES	868,124.00	124,136.74	1,018,778.49	117.35	(150,654.49)
	=====	=====	=====	=====	=====

EXPENDITURE SUMMARY

Administrative	19,850.00	283.12	3,121.32	15.72	16,728.68
Community Development	10,000.00	0.00	0.00	0.00	10,000.00
Transfers Out	<u>994,738.00</u>	<u>0.00</u>	<u>841,316.10</u>	<u>84.58</u>	<u>153,421.90</u>
TOTAL EXPENDITURES	1,024,588.00	283.12	844,437.42	82.42	180,150.58
	=====	=====	=====	=====	=====

REVENUES OVER/(UNDER) EXPENDITURES	(156,464.00)	123,853.62	174,341.07		(330,805.07)
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CITY OF FULSHEAR
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: FEBRUARY 29TH, 2020

700-4/B Operating Fund

41.67% OF YEAR COMP.

Administrative

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<u>SUPPLIES</u>					
700-5-100-5311-00 Supplies	250.00	0.00	0.00	0.00	250.00
TOTAL SUPPLIES	250.00	0.00	0.00	0.00	250.00
<u>CONTRACTUAL SERVICES</u>					
700-5-100-5411-00 Admin Prof. Service - Legal	7,500.00	195.00	195.00	2.60	7,305.00
700-5-100-5413-00 Meeting Security	3,000.00	88.12	192.19	6.41	2,807.81
700-5-100-5421-04 Admin - Indemnity Insurance	600.00	0.00	0.00	0.00	600.00
TOTAL CONTRACTUAL SERVICES	11,100.00	283.12	387.19	3.49	10,712.81
<u>OTHER CHARGES</u>					
700-5-100-5526-00 Public Notices	500.00	0.00	0.00	0.00	500.00
700-5-100-5528-00 Travel & Training	8,000.00	0.00	2,734.13	34.18	5,265.87
TOTAL OTHER CHARGES	8,500.00	0.00	2,734.13	32.17	5,765.87
TOTAL Administrative	19,850.00	283.12	3,121.32	15.72	16,728.68

CITY OF FULSHEAR
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: FEBRUARY 29TH, 2020

700-4/B Operating Fund

41.67% OF YEAR COMP.

Community Development

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<hr/>					
<u>CONTRACTUAL SERVICES</u>					
700-5-400-5471-00 Community Grants	<u>10,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>10,000.00</u>
TOTAL CONTRACTUAL SERVICES	10,000.00	0.00	0.00	0.00	10,000.00
<hr/>					
TOTAL Community Development	10,000.00	0.00	0.00	0.00	10,000.00

CITY OF FULSHEAR
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: FEBRUARY 29TH, 2020

700-4/B Operating Fund

41.67% OF YEAR COMP.

Transfers Out

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<hr/>					
<u>TRANSFERS</u>					
700-5-900-5900-10 Xfer Out - Gen Fund 100	176,963.00	0.00	41,041.10	23.19	135,921.90
700-5-900-5900-11 Community Events	37,500.00	0.00	37,500.00	100.00	0.00
700-5-900-5901-10 XFER Out GF 100 shared service	35,000.00	0.00	17,500.00	50.00	17,500.00
700-5-900-5901-71 Xfer Out 4/B Project Fund 701	<u>745,275.00</u>	<u>0.00</u>	<u>745,275.00</u>	<u>100.00</u>	<u>0.00</u>
TOTAL TRANSFERS	994,738.00	0.00	841,316.10	84.58	153,421.90
<hr/>					
TOTAL Transfers Out	994,738.00	0.00	841,316.10	84.58	153,421.90
<hr/>					
TOTAL EXPENDITURES	1,024,588.00	283.12	844,437.42	82.42	180,150.58
=====					
REVENUES OVER/(UNDER) EXPENDITURES	(156,464.00)	123,853.62	174,341.07		(330,805.07)

*** END OF REPORT ***

CITY OF FULSHEAR
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: FEBRUARY 29TH, 2020

701-4/B Projects Fund
 FINANCIAL SUMMARY

41.67% OF YEAR COMP.

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<u>REVENUE SUMMARY</u>					
INTEREST EARNED	6,650.00	761.91	6,058.46	91.10	591.54
TRANSFERS	<u>745,275.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>745,275.00</u>
TOTAL REVENUES	751,925.00	761.91	6,058.46	0.81	745,866.54
	=====	=====	=====	=====	=====
<u>EXPENDITURE SUMMARY</u>					
Non-Departmental	1,170,935.00	0.00	14,693.00	1.25	1,156,242.00
Transfers Out	<u>412,500.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>412,500.00</u>
TOTAL EXPENDITURES	1,583,435.00	0.00	14,693.00	0.93	1,568,742.00
	=====	=====	=====	=====	=====
REVENUES OVER/(UNDER) EXPENDITURES	(831,510.00)	761.91	(8,634.54)		(822,875.46)

CITY OF FULSHEAR
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: FEBRUARY 29TH, 2020

701-4/B Projects Fund

41.67% OF YEAR COMP.

Non-Departmental

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<u>CONTRACTUAL SERVICES</u>					
701-5-000-5470-01 Targeted Incentives	219,210.00	0.00	0.00	0.00	219,210.00
701-5-000-5470-02 Promotional Expenses	121,046.00	0.00	14,693.00	12.14	106,353.00
701-5-000-5470-03 Studies expense	<u>173,179.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>173,179.00</u>
TOTAL CONTRACTUAL SERVICES	513,435.00	0.00	14,693.00	2.86	498,742.00
<u>CAPITAL OUTLAY</u>					
701-5-000-5600-09 Katy-Fulshear/Huggins Rd-ST20B	57,500.00	0.00	0.00	0.00	57,500.00
701-5-000-5600-11 Livable Center Implement (EDC)	250,000.00	0.00	0.00	0.00	250,000.00
701-5-000-5600-12 Ec Dev Strat Plan Implement (EDC)	250,000.00	0.00	0.00	0.00	250,000.00
701-5-000-5600-13 Gateway, Corridor, Placemaking	<u>100,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>100,000.00</u>
TOTAL CAPITAL OUTLAY	657,500.00	0.00	0.00	0.00	657,500.00
<u>TRANSFERS</u>					
TOTAL Non-Departmental	1,170,935.00	0.00	14,693.00	1.25	1,156,242.00

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: FEBRUARY 29TH, 2020

701-4/B Projects Fund

41.67% OF YEAR COMP.

Transfers Out

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<u>TRANSFERS</u>					
701-5-900-5900-30 Xfer Out #300 ST19D FM1093	87,500.00	0.00	0.00	0.00	87,500.00
701-5-900-5900-51 Xfer Out #501 WMP-W18K	50,000.00	0.00	0.00	0.00	50,000.00
701-5-900-5901-30 Xfer Out #300 FPT19A Parks	50,000.00	0.00	0.00	0.00	50,000.00
701-5-900-5901-51 Xfer Out - #501 WMP-WW18E	75,000.00	0.00	0.00	0.00	75,000.00
701-5-900-5902-30 Xfer Out-#300 FPT19B Livab	50,000.00	0.00	0.00	0.00	50,000.00
701-5-900-5902-51 Xfer Out #501 D20B Dntwn Drain	<u>100,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>100,000.00</u>
TOTAL TRANSFERS	412,500.00	0.00	0.00	0.00	412,500.00
<hr/>					
TOTAL Transfers Out	412,500.00	0.00	0.00	0.00	412,500.00
<hr/>					
TOTAL EXPENDITURES	1,583,435.00	0.00	14,693.00	0.93	1,568,742.00
<hr/>					
REVENUES OVER/(UNDER) EXPENDITURES	(831,510.00)	761.91	(8,634.54)		(822,875.46)

*** END OF REPORT ***

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: JANUARY 31ST, 2020

100-General Fund

33.33% OF YEAR COMP.

Economic Development

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<u>PERSONNEL COSTS</u>					
100-5-180-5210-00 Salaries	167,199.00	12,861.40	51,445.61	30.77	115,753.39
100-5-180-5210-03 Auto Allowance	4,800.00	369.24	1,476.96	30.77	3,323.04
100-5-180-5230-00 Payroll Tax Expense	12,791.00	1,012.14	4,535.72	35.46	8,255.28
100-5-180-5235-00 Employee Health Benefits	17,714.00	1,737.58	6,195.21	34.97	11,518.79
100-5-180-5238-00 Retirement Contribution	12,298.00	1,035.96	4,748.42	38.61	7,549.58
100-5-180-5239-00 Workers Compensation	<u>403.00</u>	<u>0.00</u>	<u>403.00</u>	<u>100.00</u>	<u>0.00</u>
TOTAL PERSONNEL COSTS	215,205.00	17,016.32	68,804.92	31.97	146,400.08
<u>SUPPLIES</u>					
100-5-180-5311-00 Supplies	2,500.00	0.00	16.23	0.65	2,483.77
100-5-180-5314-00 Publications/Ref Material	730.00	0.00	165.00	22.60	565.00
100-5-180-5316-00 Minor Tools & Equipment	2,000.00	0.00	0.00	0.00	2,000.00
100-5-180-5381-00 Meeting Expenses	<u>2,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>2,000.00</u>
TOTAL SUPPLIES	7,230.00	0.00	181.23	2.51	7,048.77
<u>CONTRACTUAL SERVICES</u>					
100-5-180-5411-10 Prof. Services - Consulting	25,000.00	0.00	0.00	0.00	25,000.00
100-5-180-5411-14 Prof. Service Legal & Engineer	10,000.00	1,999.10	1,999.10	19.99	8,000.90
100-5-180-5434-00 Telecommunications	2,200.00	138.07	342.93	15.59	1,857.07
100-5-180-5440-00 Marketing	32,500.00	239.14	1,239.14	3.81	31,260.86
100-5-180-5472-00 Business Devlpmnt & Retention	<u>7,500.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>7,500.00</u>
TOTAL CONTRACTUAL SERVICES	77,200.00	2,376.31	3,581.17	4.64	73,618.83
<u>OTHER CHARGES</u>					
100-5-180-5520-00 Printing	2,500.00	0.00	0.00	0.00	2,500.00
100-5-180-5527-00 Dues & Memberships	2,325.00	455.00	512.50	22.04	1,812.50
100-5-180-5527-01 Dues & Memberships - Org.	17,250.00	1,050.00	1,050.00	6.09	16,200.00
100-5-180-5528-00 Travel & Training	14,500.00	0.00	3,901.00	26.90	10,599.00
100-5-180-5530-00 Technology Maintenance	51,000.00	0.00	0.00	0.00	51,000.00
100-5-180-5531-00 Mileage	<u>1,500.00</u>	<u>56.16</u>	<u>157.08</u>	<u>10.47</u>	<u>1,342.92</u>
TOTAL OTHER CHARGES	89,075.00	1,561.16	5,620.58	6.31	83,454.42
TOTAL Economic Development	388,710.00	20,953.79	78,187.90	20.11	310,522.10

CDC_A: 600-5-900-5900-10 \$10,476.90

approved:

date:

FDC_B: 700-5-900-5900-10 \$10,476.90

approved:

date:

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: FEBRUARY 29TH, 2020

100-General Fund

41.67% OF YEAR COMP.

Economic Development

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
PERSONNEL COSTS					
100-5-180-5210-00 Salaries	167,199.00	12,861.40	64,307.01	38.46	102,891.99
100-5-180-5210-03 Auto Allowance	4,800.00	369.24	1,846.20	38.46	2,953.80
100-5-180-5230-00 Payroll Tax Expense	12,791.00	1,012.14	5,547.86	43.37	7,243.14
100-5-180-5235-00 Employee Health Benefits	17,714.00	2,977.45	9,172.66	51.78	8,541.34
100-5-180-5238-00 Retirement Contribution	12,298.00	1,035.96	5,784.38	47.04	6,513.62
100-5-180-5239-00 Workers Compensation	<u>403.00</u>	<u>0.00</u>	<u>403.00</u>	<u>100.00</u>	<u>0.00</u>
TOTAL PERSONNEL COSTS	215,205.00	18,256.19	87,061.11	40.45	128,143.89
SUPPLIES					
100-5-180-5311-00 Supplies	2,500.00	217.16	233.39	9.34	2,266.61
100-5-180-5314-00 Publications/Ref Material	730.00	40.00	205.00	28.08	525.00
100-5-180-5316-00 Minor Tools & Equipment	2,000.00	0.00	0.00	0.00	2,000.00
100-5-180-5381-00 Meeting Expenses	<u>2,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>2,000.00</u>
TOTAL SUPPLIES	7,230.00	257.16	438.39	6.06	6,791.61
CONTRACTUAL SERVICES					
100-5-180-5411-10 Prof. Services - Consulting	25,000.00	0.00	0.00	0.00	25,000.00
100-5-180-5411-14 Prof. Service Legal & Engineer	10,000.00	331.50	2,330.60	23.31	7,669.40
100-5-180-5434-00 Telecommunications	2,200.00	137.51	480.44	21.84	1,719.56
100-5-180-5440-00 Marketing	32,500.00	586.38	1,825.52	5.62	30,674.48
100-5-180-5472-00 Business Devlpmnt & Retention	<u>7,500.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>7,500.00</u>
TOTAL CONTRACTUAL SERVICES	77,200.00	1,055.39	4,636.56	6.01	72,563.44
OTHER CHARGES					
100-5-180-5520-00 Printing	2,500.00	0.00	0.00	0.00	2,500.00
100-5-180-5527-00 Dues & Memberships	2,325.00	825.91	1,338.41	57.57	986.59
100-5-180-5527-01 Dues & Memberships - Org.	17,250.00	5,000.00	6,050.00	35.07	11,200.00
100-5-180-5528-00 Travel & Training	14,500.00	972.73	4,873.73	33.61	9,626.27
100-5-180-5530-00 Technology Maintenance	51,000.00	0.00	0.00	0.00	51,000.00
100-5-180-5531-00 Mileage	<u>1,500.00</u>	<u>0.00</u>	<u>157.08</u>	<u>10.47</u>	<u>1,342.92</u>
TOTAL OTHER CHARGES	89,075.00	6,798.64	12,419.22	13.94	76,655.78
TOTAL Economic Development	388,710.00	26,367.38	104,555.28	26.90	284,154.72

CDC_A: 600-5-900-5900-10 \$13,183.69

approved:

date:

FDC_B: 700-5-900-5900-10 \$13,183.69

approved:

date:



**FULSHEAR ECONOMIC DEVELOPMENT
COMMUNICATION FORM
April 13, 2020**

ITEM	TITLE
	FY20 Budget Amendment No. 1
ITEM/MOTION	
Consideration and possible action on Fiscal Year 2019-2020 Budget Amendment No. 1 for the City of Fulshear Development Corporation (Type A)	
Consideration and possible action on Fiscal Year 2019-2020 Budget Amendment No. 1 for the Fulshear Development Corporation (Type B)	
ESTIMATED EXPENDITURE: \$5,000 per EDC BUDGET ACCOUNT: see detail below	

SUBMITTED BY:

SUPPORTING DOCUMENTS:

Angela E. Fritz
Economic Development Director

EXECUTIVE SUMMARY

Staff has prepared a budget amendment to allow for an increase in the Economic Development Department operating budget for the “Professional Services – Legal and Engineering” line item to cover anticipated costs for remainder of FY20.

The shortage is due to collaborative work and projects undertaken by the EDCs in alignment with implementation of the Strategic Plan, and unforeseen expenditures relative to COVID19. The budget amendments require approval by City Council before taking effect.

Proposed budget amendment No. 1 for CDC_A includes the following line item adjustments:

<u>Account No.</u>	<u>Description</u>	<u>FY20 Budget</u>	<u>Adjustment</u>	<u>FY20 Amended Budget</u>
600-5-100-5411-00	Prof. Service – Legal	\$10,000	(\$5,000)	\$5,000
600-5-900-5900-10	Xfer Out - Gen Fund 100	\$176,963	\$5,000	\$181,963

Proposed budget amendment No. 1 for FDC_B includes the following line item adjustments:

<u>Account No.</u>	<u>Description</u>	<u>FY20 Budget</u>	<u>Adjustment</u>	<u>FY20 Amended Budget</u>
700-5-100-5411-00	Prof. Service – Legal	\$7,500	(\$5,000)	\$2,500
700-5-900-5900-10	Xfer Out - Gen Fund 100	\$176,963	\$5,000	\$181,963

Proposed budget amendment No. 1 for the General Fund ED Operating includes the following line item adjustment:

<u>Account No.</u>	<u>Description</u>	<u>FY20 Budget</u>	<u>Adjustment</u>	<u>FY20 Amended Budget</u>
100-5-180-5411-14	Professional Services – Legal & Engineer	\$10,000	\$10,000	\$20,000



**FULSHEAR ECONOMIC DEVELOPMENT
COMMUNICATION FORM**
April 13, 2020

ITEM	TITLE
	City Council Liaison Update
ITEM/MOTION	
Hear update from City Council liaisons	
ESTIMATED EXPENDITURE:	BUDGET ACCOUNT:

SUBMITTED BY:

Angela E. Fritz
Economic Development Director

SUPPORTING DOCUMENTS:

EXECUTIVE SUMMARY

This will be a regular, recurring agenda item to allow for City Council liaisons (Councilmember Kelly – “A”; Councilmember Martin – “B”) to provide an update on relevant topics.



**FULSHEAR ECONOMIC DEVELOPMENT
COMMUNICATION FORM
April 13, 2020**

ITEM	TITLE
	Economic Development Update
ITEM/MOTION	
Economic Development update including: City and Economic Development Projects, certificates of occupancy, conferences and meetings attended, upcoming meetings and events, business contacts and announcements, and economic indicators	
ESTIMATED EXPENDITURE:	BUDGET ACCOUNT:

SUBMITTED BY:

SUPPORTING DOCUMENTS:

EXECUTIVE SUMMARY
Staff will provide an update during the meeting.



**FULSHEAR ECONOMIC DEVELOPMENT
COMMUNICATION FORM**
April 13, 2020

ITEM	TITLE
	Future Agenda Items
ITEM/MOTION	
Future agenda items	
ESTIMATED EXPENDITURE:	BUDGET ACCOUNT:

SUBMITTED BY:

SUPPORTING DOCUMENTS:

Chandler Marks
Economic Development Coordinator

EXECUTIVE SUMMARY
<p>This item allows the boards to request items for future discussion. Discussion regarding the particular items requested is not allowed at this time, as the items must be properly noticed for discussion at a future public meeting.</p>