



Regular Session
Council Agenda Packet
March 4, 2021

CITY OF CROWLEY
CITY COUNCIL
Council Regular Session
March 4, 2021
ATTENDANCE SHEET

	<u>Worksession</u>	<u>Regular</u>
Council Member Johnny Shotwell, Place 1	_____	_____
Council Member Jerry Beck, Place 2	_____	_____
Council Member Jesse Johnson, Place 3	_____	_____
Mayor Pro Tem Carl Weber III, Place 4	_____	_____
Council Member Jimmy McDonald, Place 5	_____	_____
Council Member Christine Gilbreath, Place 6	_____	_____
Mayor Billy Davis	_____	_____
Staff:		
Robert Loftin, City Manager	_____	_____
Lori Watson, Finance Director/Asst City Mgr	_____	_____
Jack Thompson, EDC Director/Asst City Mgr	_____	_____
Rob Allibon, City Attorney	_____	_____
Carol Konhauser, City Secretary	_____	_____
Pleasant Brooks, Fire Chief	_____	_____
Kit Long, Chief of Police	_____	_____
Mike Rocamontes, Public Works Director	_____	_____
Rachel Roberts, Planning & Comm Dev Director	_____	_____
Cristina Winner, Community Services Director	_____	_____
Lisa Hansen, HR Administrator	_____	_____
Julie Hepler, Special Event Coordinator .	_____	_____
Jay Hinton, Media Relations	_____	_____



**AGENDA
CROWLEY CITY COUNCIL
MARCH 4, 2021
WORKSESSION - 6:30 p.m.**

**Crowley City Hall
201 E. Main Street
Crowley TX 76028**

Citizens may address the Council by filling out a blue "Citizen Participation" card to discuss any issue that is on the Agenda. Please turn in cards to the City Secretary. Speakers are limited to three minutes (if using a translator, the time limit will be doubled).

WORKSESSION - March 4, 2021 - 6:30 pm

I. CALL TO ORDER AND ROLL CALL

II. NON-ACTION ITEMS FOR DISCUSSION

1. Receive a presentation from Livable Plans and Code/Urbex regarding the review of the City's Development Regulations and receive input and guidance from City Council.

DISCUSSION OF ITEMS LISTED ON THE AGENDA

III. CONSENT AGENDA

All matters listed under the Consent Agenda are considered to be routine by the City Council and will be enacted by one motion. There will not be separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

1. Discuss and consider approving the minutes from the regular meeting held February 18, 2021.

IV. PUBLIC HEARINGS

1. None.

V. CITY BUSINESS

1. Consider and/or act upon acceptance of the annual audit report for the fiscal year ended September 30, 2020, as presented by George, Morgan & Sneed, P.C.
2. Discuss and consider approving Resolution R03-2021-349, authorizing continued participation with the Steering Committee of Cities served by ONCOR and authorizing the payment of six cents (\$0.06) per capita to the Steering Committee to fund regulatory and legal proceedings and activities related to ONCOR Electric Delivery Company, LLC.
3. Discuss and consider authorizing a consumer water credit for the February 2021 utility bill.

VI. ADJOURNMENT



**AGENDA
CROWLEY CITY COUNCIL
MARCH 4, 2021
REGULAR SESSION - 7:00 p.m.**

**Crowley City Hall
201 E. Main Street
Crowley TX 76028**

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REGULAR SESSION - March 4, 2021 - 7:00 pm

I. CALL TO ORDER AND ROLL CALL

II. INVOCATION

III. PLEDGE TO ALLEGIANCE TO THE AMERICAN AND TEXAS FLAGS

"I pledge allegiance to the flag of the United States of America and to the Republic for which it stands, one nation, under God, indivisible, with Liberty and Justice for all."

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

IV. PRESENTATIONS/PROCLAMATIONS

1. None.

V. CONSENT AGENDA

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3. Discuss and consider authorizing a consumer water credit for the February 2021 utility bill.

VIII. ADVISORY BOARDS AND COMMISSIONS

1. Reports

None

2. Appointments/Reappointments

None

IX. PUBLIC COMMENT

If you wish to make a public comment or discuss subjects not listed on the Agenda, please fill out a (yellow) Visitor's Participation card and submit to the City Secretary. There will be no formal actions taken on subjects presented during public comments. Please NOTE council may NOT address or converse with you regarding a NON-AGENDA ITEM. The public comment period will only allow members of the public to present ideas and information to the City Officials and Staff.

****An agenda information packet is available for public inspection in the Crowley Library and on the City website, under Agenda Packets****

X. ITEMS OF COMMUNITY INTEREST

Items of community interest include expressions of thanks, congratulations, or condolence; information regarding holiday schedules; honorary recognitions of city officials, employees or citizens; reminders about upcoming events sponsored by the city or other entity that is scheduled to be attended by a city official or employee; and announcements involving imminent threats to the public health and safety

XI. EXECUTIVE SESSION

Pursuant to Chapter 551, Texas Government Code, the Council reserves the right to convene in Executive Session(s), from time to time as deemed necessary during this meeting for any posted agenda item to receive advice from its attorney as permitted by law, or to discuss the following as permitted by Government Code:

- 1. Section 551.071 (Consultation with Attorney)**
- 2. Section 551.072 (Deliberations about Real Property)**
- 3. Section 551.074 (Personnel Matters)**
- 4. Section 551.087 (Business Prospect/Economic Development)**

XII. RECONVENE AND TAKE ACTION FROM EXECUTIVE SESSION

Reconvene into open session and take any necessary action resulting from items posted and legally discussed in Closed Session.

XIII. ADJOURNMENT

I, the undersigned authority, do hereby certify that this Agenda of the City Council Meeting to be held on Thursday, March 4, 2021, of the governing body of the City of Crowley is a true and correct copy posted on _____, 20____ at _____ am/ pm to the City Website and at Crowley City Hall, a place convenient and readily accessible to the public at all times.

City of Crowley

Carol C. Konhauser, City Secretary

THE CITY COUNCIL RESERVES THE RIGHT OF THE FOLLOWING:

1. ITEMS DO NOT HAVE TO BE CONSIDERED IN THE SAME ORDER AS SHOWN ON THIS AGENDA;
 2. THE COUNCIL MAY CONTINUE OR RECESS ITS DELIBERATIONS TO THE NEXT CALENDAR DAY IF IT DEEMS IT NECESSARY.
- The Crowley City Hall is wheelchair accessible and accessible parking spaces are available. Requests for accommodations must be made 48 hours prior to this meeting. Please contact the City Secretary's Office at (817) 297-2201 ext. 4000, or email ckonhauser@ci.crowley.tx.us for further information.

NOTICE: A quorum of the Crime Control and Prevention District Board of Directors and the Economic Development Board of Directors will be present at this meeting; however, neither Board will take action on any items on this posted agenda.



City of Crowley City Council **AGENDA REPORT**

Meeting Date: March 4, 2021

Agenda Item: II-1

Staff Contact: Rachel Roberts

E-mail: rroberts@ci.crowley.tx.us

Phone: 817/297-2201 x 3030

SUBJECT: Receive a presentation from Livable Plans and Code/Urbex regarding the review of the City's Development Regulations and receive input and guidance from City Council.

The consultants from Livable Plans & Code / Urbex have completed their review of the city's development regulations. Following a presentation about their findings, the consultants will be requesting input from the City Council. The presentation is based on their diagnostic report, which is included in the agenda packet. The report does the following:

- Provides a summary of the current zoning and development regulations;
- Identifies issues with the current zoning and development regulations;
- Establishes overarching guiding principles for the zoning and development regulations update process;
- Identifies key elements of the comprehensive plan that need to be implemented with the update;
- Discusses recommended regulatory approaches to some major elements in the zoning and development regulations; and
- Provides a recommended regulatory framework for the new zoning code.

City of Crowley

Diagnostic Report

Development Regulations

Livable Plans and Codes

Urbex Solutions

February 8, 2021

Planning and Zoning Commission

DRAFT

Table of Contents

1. INTRODUCTION

2. SUMMARY OF CURRENT REGULATIONS

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- General Development (Subdivision)

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5. KEY IMPLEMENTATION ELEMENTS OF THE COMPREHENSIVE PLAN

6. UPDATE RECOMMENDATIONS

1. INTRODUCTION

The basis for zoning in Crowley, much like the rest of the U.S, is a result of health, welfare, and safety concerns of cities during the early 1900s. Industrial uses and tenement housing during this time were major concerns for cities and zoning was seen as a way to address the ills of urbanization. State enabling legislation was adopted for zoning as a way to separate industrial uses from other uses within the city. In its current form, zoning is first and foremost based on separating and regulating uses. The second critical aspect of current zoning is development standards related to the automobile – parking, driveways, setbacks, etc. The last element is the standards for separating uses through the use of buffers and fences. Design, if addressed, is usually an afterthought and limited to major aesthetic elements such as building materials, façade articulation, landscaping, etc. Consequently, the resulting built environment is auto-oriented, low density, and the separation of land uses lacks in any cohesiveness.

Over the years, new ideas in zoning include the creation of overlays to regulate design and form-based zoning to implement mixed use, walkable development. Crowley’s zoning ordinance was first adopted in 1996 and has been amended periodically to address the changing needs of the community as well as changes in state law.

This diagnostic report is organized as follows:

- Provides a summary of the current zoning and development regulations (Section 2);
- Identifies issues with the current zoning and development regulations (Section 3);
- Establishes overarching guiding principles for this zoning and development regulations update process (Section 4) and identifies key elements of the comprehensive plan need to be implemented with this update (Section 5); and finally
- Discusses recommended regulatory approaches to some key identified major elements in the zoning and development regulations and a recommended regulatory framework for the new zoning code (Section 6).

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2. SUMMARY OF CURRENT REGULATIONS

Chapter 106, Zoning

The overarching reason for the establishment of zoning regulations is stated in Article I, Section 106-5 (a):

The purpose of this chapter is to establish zoning regulations and districts in accordance with the city comprehensive land use plan for the purpose of promoting health, safety, morals and the general welfare of the city.

Note the common language unifying the purpose of both the subdivision and zoning regulations. Regulatory authority is given to the City from the enabling legislation in the Local Government Code.

The existing zoning regulations (Chapter 106) is organized as follows:

- Article I, In General
- Article II, Administration
- Article III, Districts and District Regulations
- Article IV, Supplementary Regulations
- Article V, Off Street Parking and Loading Regulations
- Article VI, Screening Devices and Fence Regulations
- Article VII, Landscaping and Trees
- Article VIII, Antennas

The review of the Zoning Chapter (Chapter 106) summarizes the zoning processes first (Tables 1 and 2) and then summarizes the zoning district regulations (Table 3).

CHAPTER 106 ZONING

Table 1 - OVERVIEW of EXISTING PROCESS

Pre-Application meeting (informal)	Informal - Developers and/or residents call staff directly; Pre-application form on City website (Development Review and in Document Center) Not expressed in Ch 106; terminology preferred (pre-app mtg or pre-submittal conference?); schedule 5-40 days before application deadline
Development Review Committee (formal)	Every Tuesday
Application	Application form, fee and associated documents required; No expiration specified
Review Process	Not specified
Complete Application	Not specified
Notice	In accordance with State Law
Public Hearing	Planning and Zoning Commission; City Council; Zoning Board of Adjustment Additional information requested prior to public hearing to be included in agenda packet (on application form)
Building Permit	Refer to 106-247
Recording/Filing	Varies by type of entitlement (if includes an ordinance, then filed with City Secretary)
Expiration 106-39 (d)	Approved plat/plan expires after 2 years after approval date if no “progress has been made towards completion of the project” refer to LGC Ch 245

CHAPTER 106 ZONING

Table 2 - OVERVIEW by TYPE of APPLICATION

Type of Application:	Zoning Change/ Amendment Division 5 106-180+	Code Amendment Part of 106-180+	Specific Use Permit 106-209+	Special Exception 106-68 (2) & 106-71	Variance and Appeals 106-68 (3); 106-69	Site Plan Division 3 – 106-828+
Review Body	PZ/CC	PZ/CC	PZ/CC	ZBA	ZBA	Administrative; PZ/CC if SUP or PD
Notice/ publication/ posting	106-183	106-183	Same as Zoning Change 106-210	106-70	106-69 (e) and 106-70	Varies
Limit of Reapplication	106-185 12 months	NA	NA	NA	NA	NA
Decision Notification	Mayor	Mayor	Mayor			Mayor If part of Zoning Ordinance
Attest	City Secretary	City Secretary	City Secretary			City Secretary
Tax Certificate req'd with app	Yes	NA	Yes 106-211	Yes	NA	NA
Expiration	NA	NA	1 year 106-217	NA		NA
Public Hearing	Public Hearing	Public Hearing	Public Hearing	Public Hearing	Public Hearing	Public Hearing if goes to PZ/CC

DRC = Development Review Committee

PZ = Planning and Zoning Commission CC = City Council ZBA = Zoning Board of Adjustment

Table 3 – Zoning District Summaries

Zoning District <small>(map)</small>							Land Use	Future Land Use <small>(plan)</small>			
District		Maximum District Density	Minimum Lot Standards		Effective density* (du/ac)	Existing Acreage (approx)	Type of Use	Category		Target density* (du/ac)	Future Acreage (approx)
Acronym	Name	Dwelling Units / Acre	Area	Width x Depth				Acronym	Name		
AG	Agricultural		60,000 sf	200 x 300	0.5	1,344 ac	Agricultural	na	na		0
SF-20	Single Family	2.0 du/ac	20,000 sf	100 x 200	1.75		Residential	RR	Rural Residential	1-2 du/ac	217 ac
SF 9.6		3.0 du/ac	9,600 sf	80 x 120	3.6			LD	Low Density Residential	3-5 du/ac	1,492 ac
SF 8.4		4.0 du/ac	8,400 sf	70 x 120	4.5						
SF 7.2		4.5 du/ac	7,200 sf	60 x 100	4.8						
SF 6.0 INACTIVE		5.0 du/ac	6,000 sf	60 x 100	5.8						
High Density Residential: not applicable											
2F	Two-family	8.6 du/ac	8,000 sf	80 x 100	8.8						
MF	Multifamily					51 ac					
MH	Manufactured Housing					34 ac					
Mixed Use: not applicable - does not currently exist in Crowley Zoning Ordinance; Option = Planned Development or Downtown Overlay District							Mixed Use	MU-DT	Mixed Use Downtown West	10-20 du/ac, where applicable	24 ac
									Mixed Use Downtown East		36 ac
								MU-S	Mixed Use Suburban		154 ac
RC, Restricted	Restricted Commercial		7,200 sf	70 x 80		165 ac	Commercial	CC	Crowley Crossroads (Traditional Suburban commercial)		223 ac
GC, General	General Commercial		6,000 sf	60 x 80							
I	Industrial		6,000 sf	60 x 80		165 ac	Industrial	I	Industrial		127 ac
								LI	Light Industrial		18 ac
PD	Planned Development	Specific to Individual Developments as per approved zoning ordinance and plan					Planned Developments	na	Existing PDs to remain		--
DTO	Downtown Overlay			20 ft w min; 400 ft d max			Overlay Districts	Refer to MU-DT above	Included in LD-SF above		
IBO	Industrial Bypass Overlay							Refer to I above			
DRAFT – work in progress; intend to add existing acreage for each zoning category (Draft JER November 2020)											

* Density calculated using rule of thumb = 20% of acreage removed for streets, utilities, other required infrastructure and amenities; 80% of 43,560 sf/ac = 34,848 sf

- Notes:
- Check with City Atty regarding status of grandfathering of reqs for bldg materials if change DTO regs or boundary
 - Approximately 1,800+ acres of vacant land currently; however, most of NE and NW corners are in entitlement process (Karis, Mira Verde, Mira Verde South, Hunter’s Ridge, and new phases of Creekside).

Chapter 98, General Development

Commonly referred to as the “Subdivision Regulations”, Chapter 98, General Development codifies the creation of lots within the City of Crowley. Subdivision regulations are important tools that guide orderly development of land within the city. Often the first step involved in developing land, it typically includes splitting a piece of property into two or more properties for the purpose of selling and/or developing the site to include buildings, parking, landscaping, etc. Generally, the municipal role in the act of subdivision includes review and enforcement of:

- conformity with the municipal standards governing the lot and site development specifications, and
- confirmation of provision of adequate public infrastructure to serve the proposed lots.

As stated in Article I, Section 98-2,

The purpose of this chapter is to provide for the orderly, safe and healthful development within the city and to promote the health, safety and general welfare of the community.

Chapter 98, *General Development*, of the Crowley Municipal Code contains 6 Articles regulating the division of land, creation legal lots of record, and standards for public infrastructure.

- ☐ Article I, In General
- ☐ Article II, Plan Submittal and Approval Procedures
- ☐ Article III, Development Procedures
- ☐ Article IV, Public Improvements
- ☐ Article V, Appendices
- ☐ Article VI, Completeness Determination

Chapter 98 works in tandem with Chapter 106, Zoning. As stated in Section 98-6 (b) Every structure hereafter erected or altered shall be located on a lot of record as identified on a final plat for the property. Once a plat is officially recorded, the site may be developed in accordance with the regulations stated within Chapter 106, Zoning.

Most of Chapter 98 was adopted and in use since 1996 with few amendments and updates to specific paragraphs and sections to address new state laws and/or to clarify the development process. For example, Article VI is an addition included in response to the previous changes to state legislation regarding plat review process. Therefore, the update to the regulations will largely involve reformatting of the existing regulations in

order to make the codes easier to understand and administer and is discussed in further detail in Section 6 of this report. This section focuses on analysis and reporting of the current regulations and development process.

Chapter 98, General Development

Article I, In General

- Establishes the municipal authority, granted by the State, to adopt subdivision regulations within city limits and its extraterritorial jurisdiction (ETJ).
- Includes a typical list of subdivision terms and applicable definitions.
- Addresses relief measures (variances).
- Generally identifies when and where a plat is required prior to further development activities.

Article II, Plan Submittal and Approval Procedures

- Provides an overview of the typical process to subdivide vacant land and to replat existing additions.
- Identifies items required for plat application and submittal.
- Specifies the procedure and criteria for parkland dedication associated with residential development.
- Acknowledges phased development and build permits.

Article III, Development Procedures

- Addresses public infrastructure required for the development.
- Includes procedure for amending plats.
- Specifies requirements for the agreement provided by the developer to install public infrastructure.

Article IV, Public Improvements

- Provides an overview of construction plans, standards and procedure.
- Itemizes minimum standards for specific infrastructure and subdivision layout.
- Includes requirement for maintenance warranty.
- Regulates rough proportionality conditions and procedure.
- Addresses responsibilities of Homeowners' Associations.

Article V, Appendices

- Includes required informational elements of required on plats.
- Includes required signature blocks and certifications on face of plat.

Article VI, Completeness Determination

- Added in 2018.
- Regulates plat application submittal and approval process.

The Street Design Criteria table (Table 7 from Article IV, Section 98-5) (below) needs to be updated to match Master Thoroughfare Plan and proposed cross-sections. Update should include how to address existing thoroughfares that may have wide right-of-way.

Street Design Criteria Table					
	Street Classification				
	Residential	Collector (undivided)		Principal Arterial (undivided)	
Number of lanes	2	2	4	4	6
Width of pavement	31 feet (Back to Back [B-B])	37 feet (B-B)	49 feet (B-B)	25 feet (B-B) each direction	37 feet (B-B) each direction
Right-of-way width	50 feet	60 feet	80 feet	100 feet	120 feet
Design speed (mph)	25	30	40	50	50
Maximum degree of curvature/or minimum radius for design (centerline): (normal crown)	19 degrees/ 300 feet ⁽¹⁾	13 degrees/ 428 feet ⁽¹⁾	7 degrees/ 821 feet	4 degrees/ 1,389 feet	4 degrees/ 1,389 feet
Median Width				25 feet	23 feet
Parkway width	9.5 feet	11.5 feet	15.5 feet	12.5 feet	11.5 feet
Median opening spacing				400-600 feet	400-600 feet
Street intersection radius (curb)	25 feet	25 feet	30 feet	35 feet	35 feet
Corner clip right-of-way dedication	7.5 feet by 7.5 feet	7.5 feet by 7.5 feet	9.5 feet by 9.5 feet	10.5 feet by 10.5 feet	10.5 feet by 10.5 feet

CHAPTER 98, GENERAL DEVELOPMENT

(aka Subdivision Regulations)

Table 4 -OVERVIEW of EXISTING PROCESS

Pre-Submittal Conference 98-39 (a)	Informal process; typically held same day as DRC; also referred to as Pre-application meeting; Submit request on form available from Community Development webpage ; Developers and/or residents call staff directly; schedule 5-40 days before application deadline; Plat application
Development Review Committee 98-39 (b)	More formal review Every Tuesday
Application 98-39 (c)	Application form, fee and associated documents required; Applicant will be notified within 10 business days if application complete Expires after 45 days of no response by applicant
Review 98-39 (b)	Distributed/reviewed for conformity to adopted local, state, federal regulations; Comment letter itemizes plat/plan deficiencies, including citations to applicable regulations
Complete Application 98-140 and 141	Plat application and plat must be considered complete in order to be placed on a meeting agenda Plans should be considered correct conforming to all applicable regulations in order to be placed on public meeting/hearing agenda; Scheduled agenda will be within 30 days of completeness determination
Notice	In accordance with State Law varies by type of plat/plan
Public Hearing or Public Meeting	See chart below by plat or plan; 10 copies of complete plat required to be submitted 7 days prior to PZ Commission meeting to be included in agenda packet (on application form)
Construction Plans	Submit application, fee, all engineered construction documents and studies Approved construction plans required prior to application for Final Plat
Development Agreement 98-91	Requires approval of the City Council at a public meeting; Includes pro-rata arrangement
Surety 98-105	Financial guarantee that the public improvements will be constructed and maintained, as approved
Construction or Building Permit	Pre-construction meeting required (98-91 (e)) for projects which include installation of public infrastructure
Certification of Approval	Generally, plats will be certified by the Chair of the Planning and Zoning Commission and the City Mayor; Plans will be certified by the appropriate Administrative Official
Filing of Approved Plan/Plat	Varies by type of plat/plans: <ul style="list-style-type: none"> Plats filed with the Tarrant County Clerk Plans filed with appropriate city department as noted in chart on next page
Expiration 98-39 (d)	Approved plat/plans expires 2 years from the date of approval if no “progress has been made towards completion of the project” refer to LGC Ch 245

DRC = Development Review Committee

PZ = Planning and Zoning Commission CC = City Council ZBA = Zoning Board of Adjustment

CHAPTER 98, GENERAL DEVELOPMENT

DEVELOPMENT REVIEW PROCESS ON COMMUNITY DEVELOPMENT WEBPAGE

Table 5 - PROCESS by TYPE of PLAN and OTHER PLANS/AGREEMENTS

Type of Plan / Document	Development Plan	Engineering Site Plan 98-42	Parkland Dedication 98-41	Construction Plans 98-63 (d)	Development Agreement 98-67
Review Process:	CC Refer also to 106-828	CC Refer also to 106-828	Administrative – Community Development and Public Works	Administrative – Community Development and Public Works	City Mgr; CC if waiver, city \$, or credits
Certification 98-133 /Appendix	Face of plan	Face of plan	NA	City Engineer Public Works	City Mgr
Attest	NA	NA	NA	NA	City Secretary
Tax Certificate 98-8	NA	NA	NA	NA	NA
Public Meeting or Public Hearing	NA	NA	NA Reviewed with plat /plan Park Board approval prior to P&Z for land dedication	Public Meeting with plat	Public Meeting
Record or Filing	City Secretary Community Dev	City Secretary Community Dev	NA	Public Works (as-built plans)	City Secretary County Clerk
Expiration	2 years	2 years	NA	Expires with plat/plan	--
Notes	Typically: Concept at pre-application meeting Or Part of PD zoning request (Planned Development; refer to 106-727)	<ul style="list-style-type: none"> • 30 percent increase in floor area • Additional parking and/or fire protection to the site • Change in grading and/or drainage • New water or sanitary sewer 		Approval required prior to submittal of final plat application or receive letter from Director of Public Works	Applies to development which includes public infrastructure

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CHAPTER 98, GENERAL DEVELOPMENT

DEVELOPMENT REVIEW PROCESS ON COMMUNITY DEVELOPMENT WEBPAGE

Table 6 - PROCESS by TYPE of PLAT and VARIANCE

Type of Plat/ Document	Minor 98-962	Preliminary 98-63 (b)	Final 98-63 (c)	Amending 98-65	Replat 98-9	Variance(s) 98-10	Vacatin g LGC 212.013
Review Process:	Admin; Director of Comm Dev discretion	PZ CC	PZ; PZ/CC if waiver	Admin; Director of Comm Dev discretion	Admin or PZ/CC	CC – Engineering Site Plan; PZ/CC – Preliminary/ Final Plat	--
Certification 98-133 /Appendix	City Secretary	PZ Chair Mayor	PZ Chair Mayor	City Secretary	PZ Chair Mayor	Chair of PZ and Mayor	--
Attest	City Secretary					NA	--
Tax Certificate 98-8	Yes	NA	Yes	Yes	Yes	NA	--
Public Meeting or Public Hearing	If PZ, then Public Meeting	Public Meeting	If PZ/CC, then Public Meeting	If PZ, then Public Meeting	Public Hearing, as applicable	Public Meeting with plat	--
Record or Filing	County Clerk	City Secretary Comm Dev	County Clerk	County Clerk	County Clerk	City Secretary	--
Expiration 98-39 (d)	2 years	2 years	2 years	--		Expires with plat/plan	--
Notes	Title block 98-133	Title block 98-133	Title block 98-133	Title block 98-133	Title block 98-133	--	--

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3. ISSUES

Chapter 106, Zoning

Overarching Issues:

- Correct typos.
- Residential zoning districts are very similar with regards to density and predominance of single-family housing.
- Multi-family zoning only geared to deal with large developments.
- Two Family, 2F Zoning District permits large scale multifamily development and does not accommodate missing middle and smaller scale residential developments that allow for a range of housing between single-family and large multi-family developments.
- Attached residential dwelling units are not addressed in the current zoning regulations.
- Accessory Dwelling Units (ADUs) are currently prohibited. In addition, clarification between accessory buildings and accessory dwelling units will be necessary as part of the update.
- Sign regulations are addressed in a different Chapter of the Municipal Code with the exception of signage in the Downtown Overlay District (DTO). City Council has requested that the DTO sign regulations be amended to allow flexibility and reduce the requests for variances.
- Landscape regulations are located within Articles III and IV and include some vague language regarding “interior landscaping”.
- No regulations for mixed-use zoning districts as identified in *Crowley 2045* plan. New regulations will need to address context areas, such as suburban or downtown locations.
- Current Planned Development regulations do not promote site design and layout other than suburban style development, with large setbacks from the street and large surface parking lots.

Chapter 98, General Development

Overarching Issues:

- Consistent terminology with clear definitions.
- Terminology and definition synced with zoning regulations
- Reformat, as applicable, for clarity and ease of administration
- More illustrative graphics in coordination with zoning regulations.
- Update final plat requirements.
- Current street design requirements do not match vision of Master Thoroughfare Plan. The current regulations also do not layout a path to amend existing streets into form that includes active transportation (pedestrians, bicycles and/or trails).

4. GUIDING PRINCIPLES

As the city embarks on this zoning update process to implement the community's Comprehensive Plan vision, it will be important to use the following guiding principles (adapted from Don Elliott's book *A Better Way to Zone*):

1. **More flexible uses:** Reorganize the list of permitted uses with more generalized groupings of uses under broad categories. The uses should be mainly differentiated based on scale, impact on adjoining properties/transitions with adjoining properties, and whether they are auto-oriented or pedestrian-oriented. This should be applied especially in retail, service, and industrial uses. However, hot button uses (such as check cashing, plasma centers, massage parlors, pawn shops, bars, uses with drive-thrus, adult businesses, etc.) should be pulled out of these broader categories to ensure that they are regulated based on the specific impact these uses have on property values and adjoining uses.
2. **Streamline the Number of Zoning Districts:** This zoning update needs to streamline some of the zoning districts to the optimal number of categories needed to ensure that meaningful differences in development patterns are captured in order to implement the Future Land Use Plan categories. This should be based on minimizing the non-conformities created due to rezoning to any new streamlined districts. This may include recommendations for city-initiated rezoning of specific areas or neighborhoods to implement this streamlined zoning framework.
3. **Special Zoning District Standards:** The Comprehensive Plan identified mixed use areas and downtown with unique goals that need to be treated differently, and for which new zoning districts may be needed to address these contexts. In addition to the typical zoning district regulations, building and urban design standards that implement the vision for the character of these districts will be critical.
4. **Missing-Middle Housing:** Ensuring the availability of a range of affordable housing options for both renters and buyers is one of the critical goals of Crowley's Comprehensive Plan. To this end, the zoning ordinance standards should be evaluated based on eliminating any barriers to attainable housing and meeting the housing needs of different household types. This includes allowing for a range of "missing-middle" housing options that have to be calibrated to the context of the existing and adjoining neighborhoods. For example, within established single-family neighborhoods, this may be in the form of allowance of garage apartments or granny flats. Along neighborhood edges or minor corridors, it could be in the form of allowing townhomes, duplexes, and small apartment buildings. Within older shopping and commercial areas, it could be in the form of allowing small to medium sized apartments with appropriate amenities and pedestrian connections to commercial uses. In addition, standards such as

minimum home sizes, minimum lot and yard sizes and standards for manufactured housing neighborhoods and subdivision improvements will all have to be evaluated to ensure that they are not barriers to providing for a range of affordable housing options for current and future citizens of Crowley.

5. **Mature Area Standards and Non-Conformities:** Most zoning district and development standards (site design, parking, landscaping, screening and fencing, etc.) are created with new development in mind although they typically apply equally to existing and new development. Typically, non-conformities arise from zoning standards being amended over time without consideration on their impact on existing development. All existing development is typically “grandfathered”, i.e., allowed to remain as is without any significant modifications. Significant modifications (generally more than 50% increase in building area or value of improvement) typically have to meet the current zoning standards. Since a lot of the existing development in established neighborhoods, Downtown and surrounding areas, and older corridors pre-dates many of these development standards, they will never be able to comply with them. In addition, such standards create an added disincentive for reinvestment and redevelopment within these areas. The new zoning standards should acknowledge that the one-size-fits-all approach to development standards and standards applicable to non-conformities is not appropriate in Crowley’s context and tailored standards that implement the vision for these areas as identified in the Comprehensive Plan should be adopted. We recommend a strategy that not only tailors the standards for existing mature neighborhoods and corridors, but also establishing realistic nonconforming standards that allow people to reinvest in nonconforming structures and sites with the goal of getting closer to the established standard rather than having to meet all its specific standards. Such tailored standards could include off-street parking, lot sizes, density, transitions, setbacks, building types, mix of uses, street design, etc.
6. **Dynamic Development Standards:** Most often, zoning standards and regulations are static and require the recommending and legislative bodies to formally approve amendments to the standards to make any changes whatsoever. One emerging idea in zoning practice is the creation of some dynamic development standards based on the specific neighborhood context and evolving market conditions. Crowley should consider such standards in the following contexts:
 - Setbacks within downtown and mixed-use districts to allow for buildings to be incrementally brought closer to the street.
 - Allowing some missing middle housing types within established neighborhoods under certain conditions and criteria (for example: allowing accessory units if lot sizes, setbacks, and compatible design standards are established).

- Incremental height standard within Downtown and other mixed-use districts that allows building height to increase by one floor over the tallest building in that district. So as redevelopment moves the local real estate market, more density can be added, but in a way that is incremental over time.
 - Parking within Downtown and Mixed Use Districts needs to evolve over time based on densities, mix of uses, and operational improvements. In addition, the rise of ride-share services is changing the landscape of parking needs in communities all over the world. Identifying a way to embed such an evolving parking standard into the zoning ordinance rewrite will be critical to address an ever-changing parking environment.
 - Embedding densities and entitlement to be automatically scaled up to planned capital improvements will address typical NIMBY arguments such as traffic and parking capacity, drainage improvements, school capacity, etc., against infill development.
7. **Negotiated Large Developments:** Even with streamlined and more flexible zoning districts under the new Zoning Ordinance for Crowley, there is still going to be the need for allowing larger, master planned development under the Planned Unit Development framework the city currently uses. The goal with such a strategy is to ensure that developers clearly understand the benefits and requirements to go through a PUD approval process versus a straight zoning district. In addition, it will be important to not have the PUD process become a de-facto tool to circumvent or get around a few standards that one developer finds pesky. The PUD tool should clarify the outcomes desired and locations where such PUDs would be considered appropriate. Such outcomes should relate the goals in the Comprehensive Plan to provide more housing options, create new traditional neighborhoods, protect natural resources, encourage a diverse economic base, etc. The PUD tool should be tailored to different development type, scale, and design outcomes while providing flexibility to both the city and the developer.
8. **Administrative Approvals:** The new Zoning Ordinance should continue to keep the current process for final approvals through administrative approvals, especially for site plans. This will be especially critical in order to implement the vision for Downtown and the Mixed Use districts. The recently adopted Comprehensive Plan had included, and this process of creating the standards through the Zoning Ordinance update will include, significant public notice and input to ensure that citizens, property owners, elected officials, and staff clearly understand the development outcomes within a certain range of options. In other words, the goal of the zoning standards (especially for Downtown and the Mixed Use Districts) is to ensure that development within these areas is predictable for both developers, property owners, and adjoining neighborhoods. This is critical to ensure that the Zoning Ordinance update promotes good governance that is efficient, effective, and fair to everyone involved.

9. **Scheduled maintenance:** Finally, it is important not to just create and adopt this Zoning Update as a static document. As comprehensive as this ordinance update is, there will be areas that are overlooked or minor mistakes, or practical application lessons learned. It is important to keep a running list of these items and within six months to a year of the adoption, a thorough review should be undertaken in order to address any outstanding, missing, or confusing standards. Even so, there are going to be on-going issues that will require more amendments as time goes. It will be important to ensure that such amendments are made with the impact of the amendment on the overall Zoning Update. As such, zoning is a set of interrelated and cross-referenced set of regulations and often times changing one section may have an impact on another section. Periodic review of the ordinance should be undertaken every year or two years based on the urgency to ensure that the overall Zoning Ordinance still reads as a mostly seamless document as it was originally intended.

5. KEY IMPLEMENTATION ELEMENTS OF THE COMPREHENSIVE PLAN

State enabling legislation provides the City with the authority to establish development and land use regulations. Local Government Code Sec. 213.002.

Comprehensive Plan states:

- (a) *The **governing body** of a municipality may adopt a comprehensive plan for the long-range development of the municipality. A municipality may define the content and design of a comprehensive plan.*
- (b) *A comprehensive plan may:*
 - (1) *include but is not limited to provisions on **land use, transportation, and public facilities**;*
 - (2) *consist of a **single plan or a coordinated set of plans** organized by subject and geographic area; and*
 - (3) *be used to coordinate and guide the establishment of **development** regulations.*

Emphasis added in the blue font above directly correlates to the municipal authority granted to the city:

- The City Council is the governing body of the City of Crowley.
- Land use is regulated through Chapter 106, Zoning.
- The creation of lots and physical site development is regulated through Chapter 98, General Development.
- Transportation (streets) and public facilities (water and sewer) are both primarily regulated via the construction standards in Article VI of Chapter 98.
- Combined, both Chapters 98 and 106, organize development through the plat, district regulations, and construction document process.

Adopted in June 2020, the *Crowley 2045* comprehensive plan identifies 3 priorities for future development within the city.



IMPLEMENT FISCALLY SUSTAINABLE BUSINESS MODEL - Align city revenues with the current and future development patterns based on anticipated infrastructure and civic services and a funding structure and capital improvement program that residents support.



RESERVE, ENHANCE, AND DIVERSIFY NEIGHBORHOODS - Maintain and enhance existing neighborhoods, and build new development that expands housing types and price points, thereby, providing more housing options for existing and future residents

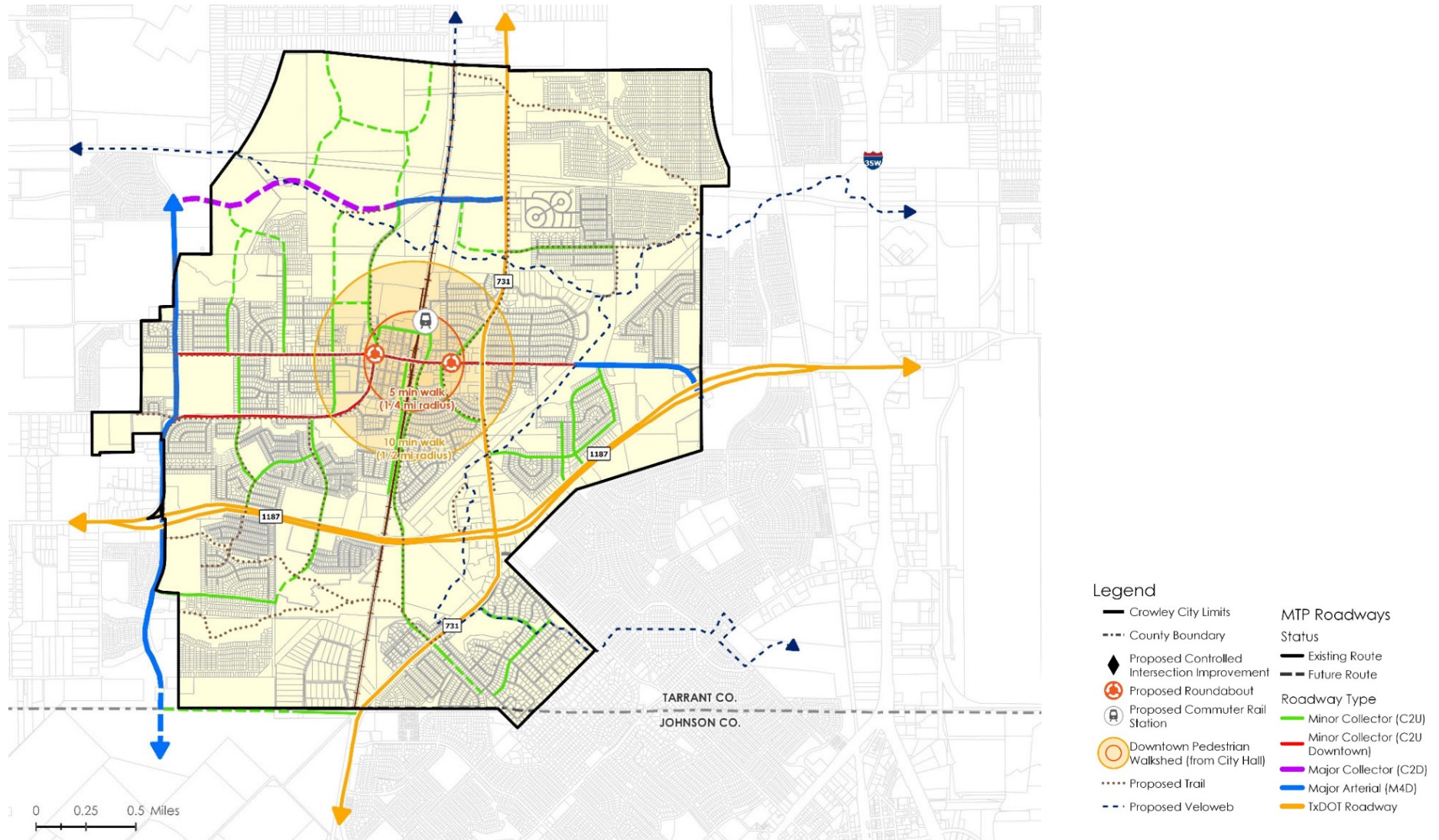


CULTIVATE A SELF-SUSTAINING LOCAL ECONOMY AND WORKFORCE - Identify, connect, develop, and support a network and environment focused on growing local businesses and jobs

Chapter 4, Implementation, of the *Crowley 2045* plan lists actions which will assist the city in creating the vision stated in the plan. Several tasks specifically relate to the update and revisions of the codes which regulate development. When complete, this project will accomplish the first action listed in the chart below. The following chart is taken from the comprehensive plan and is modified to include the actions which may be addressed by the code update. Items 2-9 may be addressed during the update of Chapters 98 and 106.

	<i>ACTION</i>	<i>CONTEXT AREA</i>	<i>CATEGORY</i>	<i>CHAMPION DEPARTMENT</i>
1	Review and update zoning and subdivision regulations to align with city vision	City	Regulatory	Planning
2	Adopt incentives which promote a variety of residential products - size and price point	City	Regulatory	Planning
3	Evaluate and revise parking requirements to align with land use, context, and updated development regulations	City	Regulatory	Planning
4	Perform land use/fiscal analysis of new and redeveloped properties	City	Policy	City Mgmt
5	Adopt iSWM regulations	City	Regulatory	Public Works
6	Revise Downtown Overlay District boundaries and regulations to include form-based codes for commercial development at different scales along West and East Main Street	Downtown	Regulatory	Planning
7	Codify and emphasize traditional neighborhood development	Downtown	Regulatory	Planning
8	Establish development guidelines for new large-scale commercial development	Crossroads	Regulatory	Planning
9	Update regulations regarding dumpster standards on multifamily property	Neighborhoods	Regulatory	Planning

Chapter 3.2 Master Thoroughfare Plan



Crowley 2045

Major Collector 2-lane Divided (C2D) Cross-Section

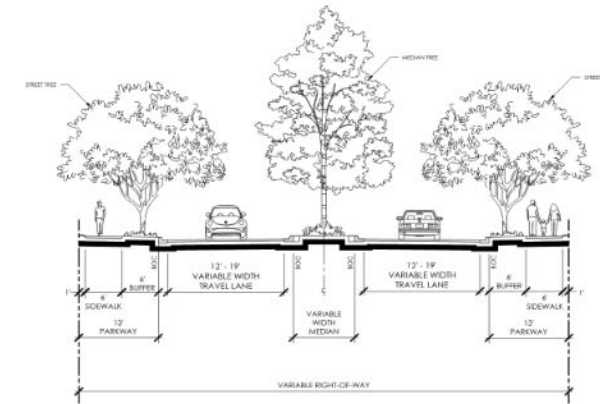
Location:

- Future Karis Blvd

Typical Facility Standards:

- Variable width right-of-way to accommodate unique layout of Karis development
- Maximum 80-foot right-of-way
- Roadway options include:
 - 12-18-foot travel lanes minimum
 - Variable width landscape median
- Parkway options include:
 - 6-foot sidewalk
 - Landscapes buffer area
 - 10-foot multi-purpose path (pedestrian and cyclist)

C2D

C2D - MAJOR COLLECTOR 2 LANE DIVIDED
NOT TO SCALE**Major Collector 2-lane Undivided (C2U) Cross-Section**

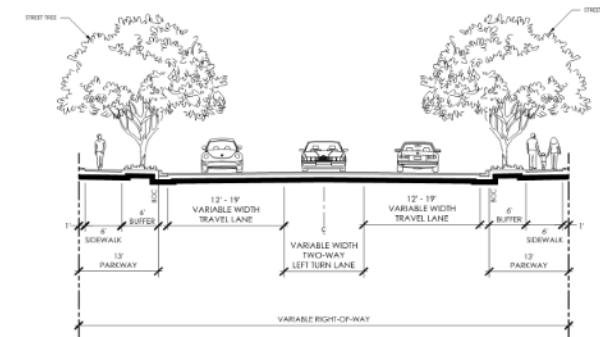
Location:

- Future Karis Blvd

Typical Facility Standards:

- Variable width right-of-way to accommodate unique layout of Karis development
- Maximum 80-foot right-of-way
- Roadway options include:
 - 12-18-foot travel lanes minimum
 - Variable width center travel
- Parkway options include:
 - 6-foot sidewalk
 - Landscapes buffer area
 - 10-foot multi-purpose path (pedestrian and cyclist)

C2U

C2U - MAJOR COLLECTOR 2 LANE UNDIVIDED
NOT TO SCALE

Crowley 2045

Typical Cross-Sections

Major Arterial 4-lane Divided (M4D) Cross-Sections

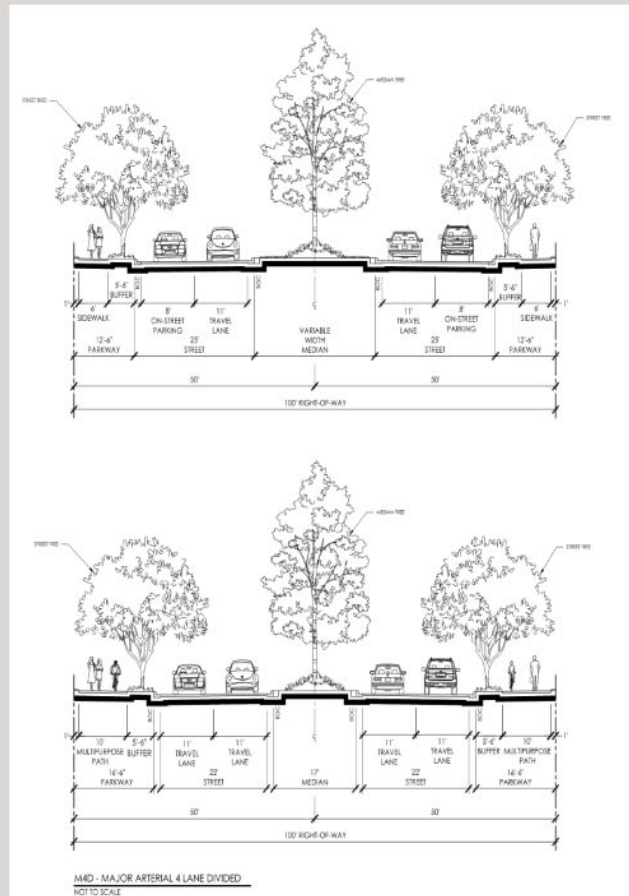
M4D

Location:

- McCart / Eagle Blvd
- East Main Street (between bridge at Centennial Park to SH 1187)
- Industrial Blvd (between N. Beverly to FM 731)

Typical Facility Standards:

- 100-foot right-of-way
- Roadway options include:
 - 8-foot on-street parking
 - 11-foot travel lanes minimum
 - Variable width landscape median
- Parkway options include:
 - 6-foot sidewalk
 - Landscapes buffer area
 - 10-foot multi-purpose path (pedestrian and cyclist)



Crowley 2045

**Minor Collector 2-lane Undivided:
Typical C2U Cross-Section**

Location:

- Throughout City (Refer to MTP)

Typical Facility Standards:

- 60-foot right-of-way
- Roadway options include:
 - 11-foot travel lanes minimum
 - Variable width landscape median
- Parkway options include:
 - 6-foot sidewalk
 - Landscapes buffer area
 - 10-foot multi-purpose path (pedestrian and cyclist)

C2U

**Minor Collector 2-lane Undivided:
C2U Downtown Cross-Section**

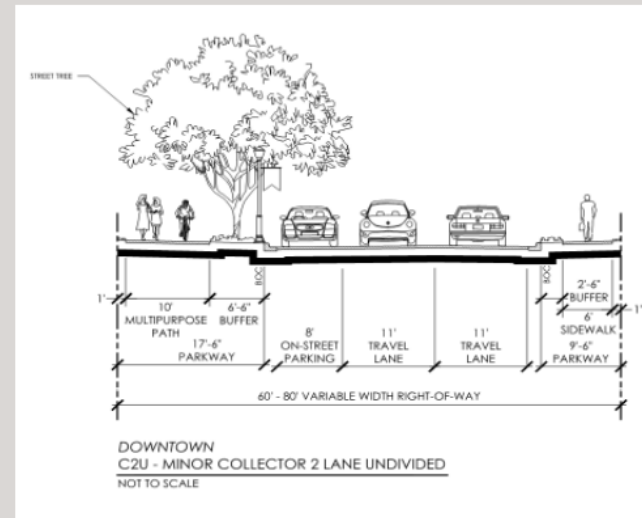
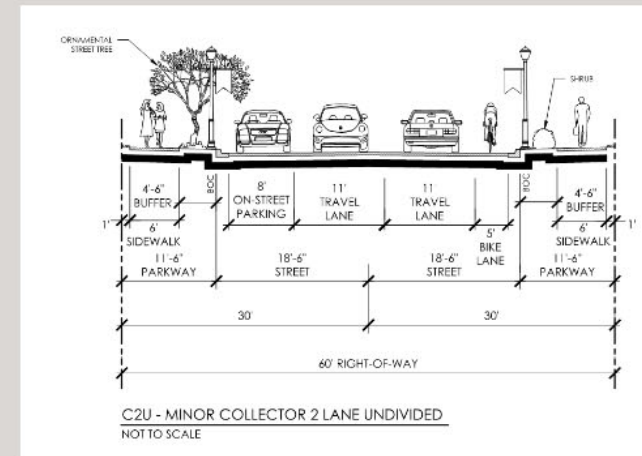
Location:

- Main Street
(west of Beverly Street)
- Main Street (east of FM 731 to bridge)
- S. Beverly
(from Main Street to Longhorn Trail)

Note: Main Street between Beverly Street and FM 731 improvements approved by City and TXDOT and under construction at adoption of this plan

Typical Facility Standards:

- Variable width right-of-way
- Roadway consists of:
 - 11-foot travel lanes
 - On-street parking (varies by location and segment)
- Parkway options include:
 - 6-8-foot sidewalk
 - Landscaped buffer area
 - 10-foot multi-purpose path (pedestrian and cyclist)

C2U
DT

6. UPDATE RECOMMENDATIONS

A. OVERVIEW: The recommendations pertaining to Zoning Ordinance update can be categorized into these major areas:

1. Organization and Readability: One of the current trends in zoning ordinance updates is to improve the readability and ease of usage of the document by adding illustrations and simplifying the language of the ordinance. In addition, consolidating standards for landscaping, parking, or design that apply across the board to all like zoning districts under individual sections with appropriate cross-references is recommended. For example, instead of the landscape standards duplicated under each zoning district requirements, landscape standards for all zoning districts should be consolidated into one section for easy reference and application. If there are substantive differences between landscape standards in different districts, those should be clearly laid out in the Landscape Standards section.
2. Streamline Process and Administration: Current Article II establishes the standards for Administration of the zoning ordinance which is fairly streamlined and consistent with best practices. The goal is to maintain most of the current administrative and review processes and update them to fit the new zoning ordinance language. More specifically:
 - The process and schedule for zoning changes and site plans could be more clearly defined. This does not need to occur entirely within the ordinance, much of it could be achieved on the website, but a table of the different processes and how each is processed would be helpful.
 - Review by the development review committee should be a required step in any application process which the zoning ordinance regulates.
3. Substantive Elements: There are two main areas of substantive requirements that the zoning ordinance update will focus on – the first area is the standards for the different zoning districts themselves such as density, lot size, height, uses, and setbacks; and the second is the standards that relate to site development such as landscaping, parking, building design, etc., that apply across the board to all zoning districts based on category (all commercial or all residential zoning districts or all mixed use districts). The goal with this update is to identify these major substantive elements and establish the framework for what, if any, the differences need to be in the approach to each of these elements based on the context of the zoning district. For example, do the parking standards need to be established based on the specific use on the lot or the context of the zoning district (single-use zoning district or mixed-use zoning district). The following sections explore specific recommendations for zoning within the context of implementing the following major goals of the Comprehensive Plan:
 - Alignment of zoning districts with the comprehensive plan categories
 - Downtown Redevelopment

- Encouraging new development and redevelopment that balances fiscal sustainability in the context of city's cost burdens.
- Ensure that some of the key development standards are based on context of the zoning district (single-use/suburban, downtown, or mixed use)

B. Alignment of Zoning with Comprehensive Plan

To align zoning districts with the vision established in the *Crowley 2045* plan, consider assigning new district names and rezoning certain properties within the City. If rezoning is not an activity considered by Council at this time, craft zoning district standards for new districts that incorporate existing standards to avoid excessive grandfathering of properties. For example, Low-Density Single-Family District could include a range of lot standards and setbacks that would incorporate standards for the three SF zoning categories.

<i>Current Zoning District</i>	<i>Future Land Use Category</i>	<i>New Zoning (PRELIMINARY RECOMMENDATIONS ONLY)</i>
<i>Agriculture (AG)</i>	Rural Single Family	Agricultural
<i>Single Family 20 (SF-20)</i>	Rural Single Family	Res. Single-Family 20 (min. 20,000 sq.ft. lot size)
<i>Single Family 9.6 (SF-9.6)</i>	Low Density Single Family	Combine into Res. Single-Family (min. 10,000 sq.ft. lot size)
<i>Single Family 8.4 (SF-8.4)</i>	Low Density Single Family	
<i>Single Family 7.2 (SF-7.2)</i>	Medium Density Single Family	Combine into Res. Single-Family (min. 5,000 sq.ft. lot size)
<i>Single Family 6.0 (SF-6.0)</i>	N/A	
<i>Two Family (2F)</i>	High Density Single Family	Mixed Residential (allows for 1 – 4 units)
<i>Multi Family (MF)</i>	Multi-Family	Multi-Family (more than 4 units per lot)
<i>Manufactured Homes (MH)</i>	Specific Use Permit	Manufactured Homes (MH)
<i>Restricted Commercial (RC)</i>	Mixed Use	Mixed Use District or PD
<i>General Commercial (GC)</i>	Trad. Suburban Commercial	General Commercial
<i>Industrial (I)</i>	Industrial	Industrial
<i>Planned Development</i>	N/A	PD
<i>Downtown Overlay District</i>	W Main & E Main Commercial	Downtown District
<i>Industrial Bypass District</i>	Light Industrial	Employment District

C. Downtown Redevelopment

Current Standards: Current zoning in Downtown is in the form of a Zoning Overlay. The Downtown Overlay has the following base zoning districts:

- GC – General Commercial (largest zoning area)
- RC – Restricted Commercial
- MF – Multi-family residential
- 2F - Two family residential
- I – Industrial
- SF-7.2 – Single Family Residential



The overlay boundary incorporates mostly commercial areas with some areas of residential. The comprehensive plan proposed expanding the boundary to include more adjacent residential areas.

As part of the rezoning effort, the zones should be consolidated into fewer zones that are based more on scale and form than on use. In general, the permitted uses should be more flexible and allow for horizontal and vertical mixed use. The following is a discussion of the specific recommendations based on the current standards in the Downtown Overlay District.

Division 22 – City of Crowley Downtown Overlay District

The Applicability and Intent and Purpose sections are well defined and appropriate for the district.

Sec.106-768 - Permitted Uses

Table 1 – Schedule of Uses revises the uses that are permitted by the base zoning. The table groups base zoning into General Commercial Areas and Residential

Zoned Areas. The table allows more non-residential uses in the residential zones and clarifies where residential uses are permitted in the commercial zones. In general, the revisions are positive and compatible with creating a vibrant, mixed-use environment.

- The use table essentially consolidates multiple zones into two new zones – General Commercial and Residential – but both allow a mixture of uses to some degree. The new zoning code should recognize these areas as distinct mixed-use zones that have their own site development and design standards.

Sec. 106-769 - Development Standards

Table: Site Orientation and Layout. The table modifies setbacks and building orientation and are generally compatible with good urban form. Some areas to consider for revision:

- Allow more flexibility on front setback (currently requires a build-to line at the ROW in commercial areas). Consider a 0-5ft setback to allow for expanded use of sidewalks.
- Possibly reduce the minimum setback in the residential area to 6-10ft.
- Minimum sidewalk width should be increased from 6ft to 8-10ft along Main St.

Sec 106-770 – Parking

Parking is required at a reduced ratio and is designated to occur on the side and rear of the properties. Street parking may be applied to required parking at a ratio of 1:2.

- Consider omitting parking requirements for downtown core, or at least for properties along Main Street. Shared parking should be the goal.
- In concurrence with eliminating parking requirements, consider allowing surface parking as a permitted use for properties not fronting on Main Street and with appropriate street screening. This will allow the private sector to fill the gap in parking demand.

Sec. 106-771 Design Standards

(a) Architectural Requirements

General comments: Overall, the design standards establish a good baseline design quality that supports the urban design vision of a mixed-use vibrant downtown district. There are some additional requirements that may be warranted as follows:

- Consider standards for roof forms that are compatible with the Main Street vision.
- Consider standards for multi-family buildings and how they interact with the street/sidewalk.

Materials: exterior materials are well-delineated and compatible with good urban character.

Façade Composition: minimum glazing standards are required for facades that face streets. The standards are compatible with good urban design.

Location on the Street: requires entrances to be properly oriented toward the street/sidewalk. Corner buildings may have chamfered entries on the building corner.

Pedestrian friendly building massing and scale: The intent to emulate incremental development is good.

- Review standards regarding the breaking up of the façade to avoid creating overly busy facades. Some re-calibration of the standards may be warranted.

Design of parking structures: In general, the standards are compatible with good urban design.

(b) Landscape, lighting, street furniture, and sidewalk requirements:

The standards focus on the type and quality of landscape materials.

- Review streetscape landscaping requirements. Some clarification needed to address the space between the sidewalk and building.

(c) Signage requirements: Standards for *attached* signage are compatible with creating a vibrant “Main Street” environment. Detached signage is generally not compatible with good urban character.

- Review standards for detached signage which is generally not compatible with urban character.

(d) Outside storage and outside display: In general, standards are compatible with good urban design.

(e) Mobile Food Vendors: In general, requirements are compatible with urban character.

(f) Minor Modifications: This section allows the Administrator some flexibility in the interpretation of the standards.

The current standards cover most of the basic components of good urban design and urban architecture. In general, they are clear and concise. Many elements of the current standards may be incorporated into the revised code. It is anticipated that there will be new zoning categories that formalize the current approach that establishes two primary overlay zones (General Commercial and Residential) but these will more clearly emphasize their mixed-use nature. In addition, other zones may be created to address areas that fall within the expanded downtown boundary.

D. Encouraging Development with a Focus on Fiscal Balance

Development patterns significantly impact a city's budget. The City of Crowley's comprehensive plan recognizes this impact and offers some policy guidance that the city can incorporate into its zoning ordinance. Some of the recommendations regarding achieving better fiscal balance through land use and zoning regulations include:

- Allowing and incentivizing higher density, compact development through requirements for a range of lot sizes and housing types within new greenfield development such as PUDs and Mixed-Use districts.
- Encourage infill and additional density along Main Street and the adjacent neighborhoods (i.e., Crowley's Downtown District).
- Allow the addition of Accessory Dwelling Units (ADUs) and modified street design standards to reduce pavement width and increase pedestrian safety and walkability within new neighborhoods.
- Building footprint: Many cities require a maximum building footprint or lot coverage, but Crowley should also consider incentives for higher building footprint in Downtown and mixed use areas.
- Parking: Consider a market-based approach with greater flexibility to transition surface parking lots into building sites as land values and rents increase.
- Building Height: Providing density and development incentives for a range of building types including multi-story structures but still based on market realities and transitions to adjoining neighborhoods should be considered.
- Lot shape and Size: New developments should provide for a range of housing and lot types (from multi-family to missing middle to single-family) to promote more efficient use of land while addressing the needs of a diverse market.

Altogether, these recommendations give clear guidance for updating the zoning ordinance. The updated ordinance needs to incorporate a form-based code to coordinate development within main street east, main street west, and central Crowley neighborhood areas described in the comprehensive plan as the

Downtown District, which is discussed later. The remaining districts should consider the following based on the comprehensive plan:

1. Allow for a range of lot width and sizes
2. Limit the use of cul-de-sacs to cases where grade and other physical barriers limit connectivity
3. Consider alternatives to the current use-based parking minimums
4. Allow accessory dwelling units
5. Where new parks and open spaces get developed the adjacent development should face onto the park or open space.

E. Framework for the recommended new Zoning Districts:

The tables in following pages lay out the general framework for the streamlined zoning districts with a focus on implementing the key recommendations in the Comprehensive Plan. There are two separate tables, one for the single-use, suburban zoning districts, and the other for the Downtown and Mixed Use zoning districts.

Recommended Zoning Framework – Single-Use/Suburban Zoning Districts			
New Zoning District Category → Development Standards	<i>Low Density Residential (SF-20) and Medium Density Residential (SF-10 and SF-5)</i>	<i>Mixed Residential & Multi-Family</i>	<i>Commercial</i>
Use Mix	<ul style="list-style-type: none"> Single-family detached residential Home occupations 	<ul style="list-style-type: none"> Single-family detached residential Single-family attached 1-4 DU/Lot (mixed residential) Multi-family (over 4 units/lot) (Multi-Family Zoning District only) Home occupations Small scale office and live-work uses Focus on housing/building types over density 	<ul style="list-style-type: none"> Mix of commercial uses with site specific standards for certain auto-related elements such as drive thrus, service bays, and gas station canopies Allow for multi-family and mixed residential uses in areas that are at mid-block locations or as transitions to existing residential neighborhoods (limit to no more than 30% of a site) Allow horizontal mixed use
• Accessory Dwelling Units	ADUs with specific criteria	ADUs permitted on single-family lots	ADUs permitted on single-family lots
Density/Lot Size	20,000 sq.ft. min. lot size (SF-20) 10,000 sq.ft. min lot size (SF-10) 5,000 sq.ft. min lot size (SF-5)	Density max. 20 DU/acre for Mixed Residential Density max, of 30 DU/acre for Multi-family Higher densities may be considered as part of a PUD	Density max. 20 DU/acre for Mixed Residential Density max, of 30 DU/acre for Multi-family Higher densities may be considered as part of a PUD or Mixed Use development
Height	Consistent with current standards	3 story max. for Mixed Residential 5 story max for Multi-family with 3 story transition to any adjoining existing single-family zoning districts	3 story max. for Mixed Residential 5 story max for Commercial and Multi-family with 3 story transition to any adjoining existing single-family zoning districts
Building Placement and Setbacks	Consistent with current standards (allow zero-lot line for SF-5)	10' – 20' min./max. setbacks Buildings placed close to the street (public or internal driveway)	Consistent with current standards along arterial roadways, but allow for shallower setbacks on internal streets or driveways when accommodating horizontal mixed use
Parking			
• Number of off-street parking spaces	Min. of 2 per unit; no additional parking req'd for ADU	Min. of 1.5 per unit which may be reduced to 1 per unit if on-street parking is accommodated/provided	Collapse the use-based parking requirements to the following general categories: <ul style="list-style-type: none"> Most retail and office uses Manufacturing and warehouse uses Lodging uses Hospital and nursing homes Congregate living facilities (like senior living) Assembly uses like churches and community centers. Multi-family residential uses Single-family residential uses.

Recommended Zoning Framework – Single-Use/Suburban Zoning Districts			
New Zoning District Category → Development Standards	<i>Low Density Residential (SF-20) and Medium Density Residential (SF-10 and SF-5)</i>	<i>Mixed Residential & Multi-Family</i>	<i>Commercial</i>
• Location of parking	For new development only: limit the front façade width dedicated to parking garage to no more than 50% and setback the garage from the front façade by 5' min.	For new development only: limit the front façade/lot width dedicated to parking garage or surface parking to no more than 40% and setback the parking from the front façade by 5' min.	Limit or disincentivize large surface parking lots Require more landscaping for parking lots that exceed the required parking by over 25%. Require a minimum percentage of surface parking to be permeable pavers or required the use of LID techniques.
Landscaping	For new development only: Canopy trees in the front yard or with the street scape as street trees (1 per 40' of linear width)	For new development only: Canopy trees in the front yard or with the street scape as street trees (1 per 40' of linear width)	Parking lot landscaping and landscaping/shade along the storefronts Higher landscaping requirements for exceeding the min. parking required by over 25%.
Building Design	For new development only: provide a palette of design elements to incorporate in the front façade (palette to include – porches, stoops, dormer, bay window, etc.)	For new development only: provide a palette of design elements to incorporate in the front façade (palette to include – prominent entrances, stoops, dormer, internal stair cases, façade rhythm, required min. fenestration, bay windows, etc.)	For new development only: provide a palette of design elements to incorporate for street facing façades (palette to include – prominent entrances, corner elements, façade articulation/rhythm, required min. fenestration, storefront design and shade required, etc.) Establish separate Industrial District design standards that are tailored to larger building footprints
Other	Park dedication or private open space requirement (10%) for new neighborhoods over a specific critical mass or size (10 Ac.). New neighborhoods with street stubs required to adjoining undeveloped property.	Private open space requirement and criteria for the design and frontage of the open space (limitation of credit for detention areas); Requirement for trails and connectivity per the city's trail plan.	Private open space requirement and criteria for the design and frontage of the open space (limitation of credit for detention areas); Requirement for trails and connectivity per the city's trail plan.

Recommended Zoning Framework – Downtown, Mixed Use, and Planned Development Zoning Districts						
New Zoning District Category →	<i>Downtown District</i>			<i>Mixed Use District</i>		<i>PD District</i>
Development Standards	<i>Core</i>	<i>Edge</i>	<i>Neighborhood</i>	<i>Core</i>	<i>Transition/ Neighborhood</i>	<i>Commercial, Residential, or Mixed Use</i>
Use Mix	Allow a range of retail sales, service, office, live-work, and urban living uses (multi-family) in the upper floors and along 'B' Streets	Allow a range of commercial (office, smaller retail, live-work), and a range of multi-family and missing-middle residential uses	Allow live-work, smaller professional office uses, and a range of missing middle and single-family detached uses Allow Accessory Dwelling Units by right	Applicant can propose a mix of retail sales, service, office, live-work, and urban living uses (multi-family) in the upper floors	Allow a range of commercial (office, smaller retail, live-work), and a range of multi-family, missing-middle, and single family residential uses	Applicant can propose a mix of retail sales, service, office, live-work, and urban living uses (multi-family) – horizontal mixed use or vertical mixed use
Density	No density min. or max. for residential uses	No density max. for residential uses; residential building types are regulated		No min. or max. for residential (but determined as part of the zoning application)	Range 24 – 30 DU/Ac	No min. or max. for residential (but determined as part of the zoning application)
Height	5 story max. (no min.)	3-story max.	3-story max.	5-story max. (taller buildings may be considered with additional public amenities)	3-story max. adjoining existing single-family neighborhoods	5-story max. (taller buildings may be considered with additional public amenities) 3-story max. adjoining existing single-family neighborhoods
Building Placement and Setbacks	<ul style="list-style-type: none"> Require new buildings or additions to existing buildings to be built at or close to a designated 'A' Street/Main Street to create a "street wall" definition and improve the pedestrian experience along the street. Limit the frontage of surface parking lots along an A Street. A "street wall" implies the creation of a "wall" with buildings placed immediately adjacent to the street/sidewalk. A street wall has a "void" if there is a surface parking lot adjacent to the sidewalk/street. Establish a "build-to line" or build-to zone" instead of a setback, especially along Main Street. A build-to line is the line at which the principal building's front and/or side façades are to be built. A build-to zone is the area within which the principal building's front and/or side façades are to be built. 			Applicant to provide based on a range and criteria specified in the Mixed Use district standards		Applicant to provide based on a range and criteria specified in the PD standards
Building Frontage	<ul style="list-style-type: none"> Require a minimum width of a block (more than 50%) along 'A' Streets to be occupied by a building, especially at street intersections. This then limits the frontage of surface parking along 'A' Streets, especially at street intersections. 			Applicant shall provide a standard per criteria established in the MU-D Standards		Applicant may provide a standard per criteria established in the PD Standards
Parking						

Recommended Zoning Framework – Downtown, Mixed Use, and Planned Development Zoning Districts						
New Zoning District Category →	Downtown District			Mixed Use District		PD District
Development Standards	Core	Edge	Neighborhood	Core	Transition/ Neighborhood	Commercial, Residential, or Mixed Use
<ul style="list-style-type: none">Number of off-street parking spaces	No min. or max. for all uses	All commercial uses: 1 space per 400 sq.ft. All residential uses: 0.5 space per unit	All commercial uses: 1 space per 300 sq.ft. All residential uses: 0.75 space per unit	Applicant may adopt the parking standards for commercial districts or propose alternative standards based on a parking study for the mix of uses proposed		Applicant may adopt the parking standards for commercial districts or propose alternative standards based on a parking study for the mix of uses proposed.
<ul style="list-style-type: none">Location of parking	Behind the principal structure on the lot	Behind or to the side of the principal structure on the lot		Behind the principal structure on the lot	Behind or to the side of the principal structure on the lot	Applicant shall specify standards with the PD application
Landscaping	<ul style="list-style-type: none">On-street and screening of surface parking and service functionsFocus on shade for pedestrian connections from parking to buildingClarify parking lot landscaping versus screening, versus streetscape landscaping.			Applicant can provide based on specific criteria for landscaping in the MU District Standards		Defaults to the city’s ordinance with modifications allowed based on the project context.
Building Design	<ul style="list-style-type: none">Establish building frontage requirements along designated Type A StreetsDoors and window requirements along street facing facadesStorefront design for retail buildingsFaçade articulation/rhythm requirementsBase, middle and topShade along sidewalk/building frontsStreet intersection/vista terminus/corner elementsOutdoor café and seating standardsSignage standards that prioritize pedestrian oriented signs			Applicant can provide based on specific criteria for building design in the MU District Standards		Defaults to the city’s ordinance with modifications allowed based on the project context.
Other	<ul style="list-style-type: none">Regulating plan – establishes the boundaries of the subdistricts (per the comprehensive plan) and the designation of the Type ‘A’ and ‘B’ Streets.			<ul style="list-style-type: none">Process- established a tiered planning and approval process with a framework plan required for a minimum acreage included in the MU category for the zoning change and subsequent approvals will require more detailed master plans and site plans in conjunction with platting.Establish criteria for delineation of the subdistricts such as the core and transitionEstablish design criteria for the street connectivity, block/lot, neighborhood layout, and integration of open space and trails.		<ul style="list-style-type: none">Process – will require a concept plan and development standards with zoning applicationConcept plan will show the specific areas for the different land uses, general location of buildings, parking, connectivity, etc.PD standards will include criteria for mix of uses, connectivity, open space, and parking.

F. Section Specific Recommendations:

Zoning Ordinance

Article I, In General

- Definitions will change with a more succinct use list. Defining each individual use becomes a headache for staff, can lead to confusion, and in the end isn't necessary. Create broad use districts, define them with examples, and then clarify in Sec 106-2 that the designated official can make the call on uses not specifically listed in the definitions. Appeals would go to ZBA.
- Uses might still be separated from the rest of the definitions
- Changes will address truck washes and provide clarity regarding different types of housing types such as SF detached and SF attached.

Article II, Administration

- Provide review criteria for City Council to consider zoning change applications based on comprehensive plan recommendations.

Article III, Districts and District Regulations

- Update use list to reflect a more succinct and more flexible use list.
- Simplify zoning districts and decrease overall number (see table in Section B for new recommended districts).
- Downtown Overlay – Update to a base zoning district (see recommendations in Section 6C of this report)
- Residential Districts – See framework table in Section 6E.

Article IV, Supplementary Regulations

- Update the use chart to reflect new use and district list
- Consider an administrative process with appeals to P&Z and Council for allowing new and unclassified uses within the land use table.

Article V, Off Street Parking and Loading Regulations

- Take a more flexible approach to parking required by creating a blended ratio for all commercial uses which will allow uses to transition over time as the market changes without having to add parking on a site. In Downtown and other Mixed Use areas, a different parking standard including no minimum requirement with standards for where parking is located on a lot or a different approach should be considered.

Article VI, Screening Devices and Fence Regulations

- Provide illustrations to clarify regulations

Article VII, Landscaping and Trees

- Create “required” and “prohibited” trees list.
- Vague criteria for tree preservation (add criteria).
 - Identify trees required for preservation – species or size
 - Add enforcement or violation fines for clear cutting.
- Add criteria for mitigation or remedy measures.
- See Table in 6E for additional recommendations

Article VIII, Antennas

- No suggestions at this time.

Chapter 98, General Development

Overarching Updates:

- Coordination with updated zoning regulations (layout and terminology).
- Clear sections that address plat requirements and process and public improvements policies, process requirements and standards.

Article I, In General

- Organization of article includes establishment of overarching regulatory authority but also includes specific regulations, such as variances.
- Create a separate article for definitions.
- Move relief measures to Article II.

Article II, Plan Submittal and Approval Procedures

- Regulations for specific types of plats are interspersed throughout the different sections.
- Create a subsection for each type of plat which:
 - Clearly identify steps in the process
 - Add cross-references to additional requirements in other Articles and/or zoning requirements that may be applicable (citation only)
- The engineering site plan regulations were set up in 1996 and causes some confusion between the site plan required in the zoning regulations associated with commercial development.

- Re-evaluation and update of the parkland dedication criteria has been noted by the development community. Specifically, review is anticipated for the parkland dedication required in multi-phased development.
- Move building permits to Article III.

Article III, Development Procedures

- Focus this section on only the requirements associated with required public infrastructure.
- Move requirements and procedure for amending plats to Article II.
- Move requirements for developers' agreement to Article IV.

Article IV, Public Improvements

- Fairly clear and focused article that would be improved with updates language and reordered for clarification
- Identifies minimum requirements for typical public infrastructure but only mentions where to find standard specifications
- Section 98-95 is unclear:
 - Labelled as "Easements" but includes street design criteria
 - Table 7 street standards do not match comprehensive plan (refer to graphics in the Comprehensive Plan)
 - Terminology
 - Number of lanes
 - Width of pavement
- Provide clear link to location of technical construction standards and details as identified in 98-91; identify if city has amended any of the NCTCOG specifications
- Create new subsection regarding Surety
 - Include existing developers' agreement from Article III
 - Incorporate Maintenance and warranty section
 - Identify standards and criteria for different types of surety acceptable to city
-
- Assist, as needed, city engineer to incorporate iSWM and/or add paragraph pointing to NCTCOG standards (will require adoption by City Council)

Article V, Appendices – Added in 2018 pertains to requirements in other articles

Article VI, Completeness Determination Added in 2018 pertains to Article II



Crowley City Council

AGENDA REPORT

Meeting Date: March 4, 2021

Agenda Item: V-1

Staff Contact: Carol C. Konhauser
City Secretary

E-mail: ckonhauser@ci.crowley.tx.us

Phone: 817-297-2201-X 4000

SUBJECT: Discuss and consider approving the minutes from the regular meeting held February 18, 2021.

BACKGROUND/DISCUSSION

Consider approval of minutes as presented.

FINANCIAL IMPACT

None

RECOMMENDATION

Staff recommends approval of the minutes as presented; council consideration is respectfully requested.

ATTACHMENTS

- Minutes

MINUTES OF THE CITY COUNCIL WORK SESSION HELD February 18, 2021. The City Council of the City of Crowley, Texas met in Work Session on Thursday, February 18, 2021, at 6:30 pm in the City Council Chambers, 201 East Main Street, Crowley City Hall, Crowley, Texas.

Present were Mayor Billy P. Davis
Council Member Johnny Shotwell, City Council Place 1
Council Member Jerry Beck, City Council Place 2
Council Member Jesse Johnson, City Council Place 3
Mayor Pro-Tem Carl T. Weber III, City Council Place 4
Council Member Jimmy McDonald, City Council Place 5
Council Member Christine Gilbreath, City Council Place 6

City staff included: Asst City Mngr/Finance Director, Lori Watson
Asst City Mngr/EDC Director, Jack Thompson
City Secretary, Carol Konhauser
Fire Chief, Pleasant Brooks
Public Works Director, Mike Rocamontes
Community Services Director, Cristina Winner

Absent: None

CALL TO ORDER/ ROLL CALL

Mayor Billy Davis called the Work Session to order at 6:00 p.m. City Secretary Carol Konhauser called roll and noted a quorum was present.

DISCUSSION OF NON-ACTION ITEMS

- 1. Receive a presentation from Livable Plans and Code/Urbex regarding the review of the City's Development Regulations and receive input and guidance from City Council.**

Due to the weather and road conditions, Livable Plans postponed the presentation.

- 2. Discuss construction and funding of Fire Station #1 and receive guidance from City Council.**

Assistant City Manager Jack Thompson explained that after hiring a contract to design the new Fire Station #1, it was determined that the cost to build a facility greatly exceed the bond amount issued. He explained that material costs have gone up since the debt was originally issued and additional needs such as structural foundation, upgraded metal/insulation walls, generator, fencing and upgraded bay doors were not included in the initial rough estimate. The initial project budget was in the amount of \$3,500,000. Mr Thompson explained the new estimated budget is \$4,700,342, which is an increase of \$1,200,342. He further explained that he was bringing this to council to request their guidance and to see if they would be in favor of proceeding with a budget increase, or if they would desire another option.

Mr David Dumas from Quorum came forward and discussed the various construction costs and explained that they looked at cutting back where ever possible, and just could not get it down to the \$3,500,000 budget.

Council Member Gilbreath stated that she was concerned that if council agreed to move forward with this increase, would staff come back later to request an additional increase? Mr Thompson and Mr Dumas both stated they did not believe that to be the case.

Assistant City Manager/Finance Director Lori Watson stated that interest rates are very low right now and there would probably be a likelihood of issuing more debt this summer, she also stated it could be funded out of reserve funds.

Council all voiced that they did not want to cut corners on the construction of a new Fire Station and they all desired to move forward with the increased budget.

3. Submission of our Annual Report and Racial Profiling Report for 2020.

Due to the weather and road conditions, Council was asked to review the report and if they have any questions, to please contact Chief Kit Long.

CONSENT AGENDA

All matters listed under the Consent Agenda are considered to be routine by the City Council and will be enacted by one motion. There will not be separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

1. Discuss and consider approving the minutes from the regular meeting held February 4, 2021.

No discussion.

PUBLIC HEARING

1. None.

CITY BUSINESS

1. Discuss and consider a bid award in the amount of \$191,580.00 to Tex-Pro Construction, LLC., for South Beverly and Race Street utility improvements and authorizing the City Manager to execute said contract.

No discussion.

2. Discuss and consider approving Resolution R02-2021-348, reappointing certain directors of the Karis Municipal Management District of Tarrant County.

No discussion

3. Discuss and consider approving Ordinance 02-2021-422, an Ordinance of the City of Crowley, abandoning a portion of Hampton Rd right-of-way, south of Blue Gill Ln.

No discussion

4. Discuss and consider the purchase and installation of a commemorative plaque for USS SHASTA AE-33 Anchor.

No discussion

ADJOURNMENT

As there was no further business to discuss, the work session was adjourned at 7:00 pm.

MINUTES OF THE CITY COUNCIL REGULAR SESSION HELD February 18, 2021. The City Council of the City of Crowley, Texas met in Regular Session on Thursday, February 18, 2021, at 7:00 pm in the City Council Chambers, 201 East Main Street, Crowley City Hall, Crowley, Texas.

Present were Mayor Billy P. Davis
Council Member Johnny Shotwell, City Council Place 1
Council Member Jerry Beck, City Council Place 2
Council Member Jesse Johnson, City Council Place 3
Mayor Pro-Tem Carl T. Weber III, City Council Place 4
Council Member Jimmy McDonald, City Council Place 5
Council Member Christine Gilbreath, City Council Place 6

City staff included: Asst City Mngr/Finance Director, Lori Watson
Asst City Mngr/EDC Director, Jack Thompson
City Secretary, Carol Konhauser
Fire Chief, Pleasant Brooks
Public Works Director, Mike Rocamontes
Community Services Director, Cristina Winner

Absent: None

CALL TO ORDER/ ROLL CALL

Mayor Billy Davis called the Regular Session to order at 7:00 p.m. City Secretary Carol Konhauser called roll and noted a quorum was present.

INVOCATION/PLEDGE OF ALLEGIANCE

Invocation was given by Council Member Jesse Johnson followed by the Pledge of Allegiance to the American and Texas Flags.

PRESENTATIONS/PROCLAMATIONS

1. **None.**

CONSENT AGENDA

All matters listed under the Consent Agenda are considered to be routine by the City Council and will be enacted by one motion. There will not be separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

1. **Discuss and consider approving the minutes from the regular meeting held February 4, 2021.**

Council Member Christine Gilbreath made the motion to approve the Consent Agenda item(s), second by Council Member Jimmy McDonald; council voted unanimously to approve the motion as presented. Motion carried 7-0.

PUBLIC HEARING

1. **None.**

CITY BUSINESS

1. **Discuss and consider a bid award in the amount of \$191,580.00 to Tex-Pro Construction, LLC., for South Beverly and Race Street utility improvements and authorizing the City Manager to execute said contract.**

Council Member Jesse Johnson made the motion to approve the bid award in the amount of \$191,580.00 to Tex-Pro Construction for the South Beverly and Race Street utility improvement project, second by Council Member Jerry Beck, council voted unanimously to approve the motion as presented. Motion carried 7-0.

2. Discuss and consider approving Resolution R02-2021-348, reappointing certain directors of the Karis Municipal Management District of Tarrant County.

Council Member Christine Gilbreath made the motion to approve Resolution R02-2021-348, second by Council Member Carl Weber, council voted unanimously to approve the motion as presented. Motion carried 7-0

3. Discuss and consider approving Ordinance 02-2021-422, an Ordinance of the City of Crowley, abandoning a portion of Hampton Rd right-of-way, south of Blue Gill Ln.

Council Member Jesse Johnson made the motion to approve Ordinance 02-2021-422, second by Council Member Jimmy McDonald, council voted unanimously to approve the motion as presented. Motion carried 7-0

4. Discuss and consider the purchase and installation of a commemorative plaque for USS SHASTA AE-33 Anchor.

Council Member Jesse Johnson made the motion to approve the installation of the commemorative plaque for the USS SHASTA AE-33 Anchor, second by Council Member Jimmy McDonald, council voted unanimously to approve the motion as presented. Motion carried 7-0

ADVISORY BOARDS AND COMMISSIONS

Reports/appointments or reappointments.

1. Reports:

None

2. Appointments/Reappointments:

None

PUBLIC COMMENT

Mayor Davis asked if there were any citizens or visitors wishing to speak.

Carol Hampton, 205 N Oak St, came forward and discussed her concerns regarding the recent winter storm emergency response and her desire to create an emergency response team. She stated that she hoped the community, along with the City, could form a "coalition" to respond during an unforeseen emergency.

Phil Hampton, 205 N Oak St, discussed his hopes that City Council would ensure they discussed the recent winter emergency with county and state legislature.

Mike Winterbanks, 213 Wilson, stated although he knew it was out of the City's control, had been without power for several days.

Terri Horn, Crowley Chamber of Commerce, stepped forward and recognized several citizens for their efforts in assisting others in need.

ITEMS OF COMMUNITY INTEREST

Mayor Davis then asked if there were any community interest items.

As there was no further business, Mayor Davis adjourned the meeting at 7:34 p.m.

ATTEST:

Billy Davis, Mayor

Carol C. Konhauser, City Secretary



Crowley City Council

AGENDA REPORT

Meeting Date: March 4, 2021

Agenda Item: VII-1

Staff

Contact:

E-mail:

Phone:

Heather Gwin

Asst. Finance Director

hgwin@ci.crowley.tx.us

817-297-2201-X 4850

SUBJECT: Consider and/or act upon acceptance of the annual audit report for the fiscal year ended September 30, 2020, as presented by George, Morgan & Sneed, P.C.

BACKGROUND/DISCUSSION

George, Morgan & Sneed, P.C. will present the audit and findings for fiscal year 2019-20.

FINANCIAL IMPACT

None

RECOMMENDATION

Staff respectfully requests City Council consideration and acceptance of the annual audit report for the fiscal year ended September 30, 2020, as presented by George, Morgan & Sneed, P.C., Certified Public Accountants. Please note that this is not an approval, merely an acceptance of the audit.

ATTACHMENTS

- Audit Report



February 9, 2021

Honorable Mayor and City Council Members
City of Crowley, Texas

Ladies and Gentlemen:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Crowley, Texas for the year ended September 30, 2020, and have issued our report thereon dated February 9, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated August 17, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Crowley, Texas are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2020. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The attached list of misstatements detected as a result of audit procedures were corrected by management.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 9, 2021.

Management Consultation with Other Independent Accountants

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

Other Audit Findings or Issues

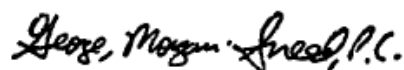
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses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

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and method of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

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

Very truly yours,

A handwritten signature in black ink that reads "George Morgan Sneed, P.C." in a cursive style.

GEORGE, MORGAN & SNEED, P.C.

Client: CITY OF CROWLEY
Current Period: 09/30/2020
Workpaper: Proposed Journal Entries

Account	Description	Debit	Credit	Net Income Effect
GMS01				
To record client entries submitted.				
10-00-11126	Gas Royalties Acct Rec	4,604.28	0.00	
10-00-44221	Gas Royalties	0.00	4,604.28	
10-00-11119	Cable Franchise Acct Rec	17,187.16	0.00	
10-00-41630	Cable Franchise Tax	0.00	17,187.16	
68-00-11610	Sales Tax Receivable State	95,166.24	0.00	
68-00-41510	Sales Tax	0.00	95,166.24	
10-00-11610	Sales Tax Receivable State	213,894.97	0.00	
10-00-41510	Sales Tax	0.00	213,894.97	
60-00-11610	Sales Tax Receivable	106,947.48	0.00	
60-00-41510	Sales Tax	0.00	106,947.48	
10-00-11126	Gas Royalties Acct Rec	4,441.54	0.00	
10-00-44221	Gas Royalties	0.00	4,441.54	
Total		442,241.67	442,241.67	442,241.67

GMS02

To adjust property tax receivable, deferred, allowance and revenue

10-00-11410	Property Tax Receivable	0.00	2,946.00	
10-00-11420	Allow.Property Tax Receivable	0.00	6,452.00	
10-00-21810	Deferred Revenue-Property Tax	9,398.00	0.00	
10-00-41010	Current Property Taxes	29,386.82	0.00	
10-00-41020	Delinquent Property Taxes	0.00	20,811.09	
10-00-41030	Penalty/Interest/Taxes	0.00	8,575.73	
20-00-11410	Property Tax Receivable	0.00	4,418.00	
20-00-11420	Allow.Property Tax Receivable	0.00	598.00	
20-00-21810	Deferred Revenue	5,016.00	0.00	
20-00-41010	Current Property Taxes	11,029.65	0.00	
20-00-41020	Delinquent Property Taxes	0.00	7,810.96	
20-00-41030	Penalty/Interest/Taxes	0.00	3,218.69	
Total		54,830.47	54,830.47	0.00

GMS03

To record 2019 Comb Tax & Ltd Pledge CO on GLTD and adjust related long-term debt accounts.

39-00-30030	Investment in Fixed Assets	3,000,000.00	0.00	
39-00-28291	2020 Comb Tax & CO Payable	0.00	3,000,000.00	
39-00-30030	Investment in Fixed Assets	16,747.00	0.00	
39-00-22020	Accrued Interest Payable	0.00	16,747.00	
39-00-28145	Current Long-Term Debt	2,060,000.00	0.00	
39-00-24000	Current Portion-Bonds Payable	0.00	165,000.00	
39-00-30030	Investment in Fixed Assets	0.00	1,895,000.00	
39-00-28300	Bond Premium Payable	32,172.00	0.00	
39-00-30030	Investment in Fixed Assets	0.00	32,172.00	
Total		5,108,919.00	5,108,919.00	0.00

GMS04

To adjust EMS Revenue, Receivable and Deferred

10-00-11135	Amerimed EMS Acct Rec	0.00	798,987.61	
10-00-11136	Allowance for EMS Rec	782,987.61	0.00	
10-00-21820	Deferred Amerimed EMS Revenue	0.00	72,107.58	
10-00-11137	Intermedix EMS Acct Rec	438,562.18	0.00	
10-00-11138	Allowance Intermedix EMS Rec	0.00	350,454.60	
Total		1,221,549.79	1,221,549.79	0.00

GMS05

To transfer 2019 CO Bond from Fund 51 to Fund 50.

51-00-26000	Accrued Bond Interest Payable	19,206.86	0.00	
51-00-28257	2019 CO Bond Payable	7,810,000.00	0.00	
51-00-28300	Bond Premium Payable	324,273.05	0.00	
51-03-56010	Bond Issuance Cost	0.00	134,273.05	
51-03-59150	Transfer Out	0.00	8,019,206.86	
50-00-49110	Transfer In	8,019,206.86	0.00	
50-01-56010	Bond Issuance Cost	134,273.05	0.00	
50-00-25257	2019 CO Bonds Payable	0.00	7,810,000.00	
50-00-26000	Accrued Bond Interest Payable	0.00	19,206.86	
50-00-28300	Bond Premium Payable	0.00	324,273.05	
50-00-26000	Accrued Bond Interest Payable	19,206.86	0.00	
50-01-56100	2019 CO Bond Interest	0.00	19,206.86	
50-00-28300	Bond Premium Payable	47,592.00	0.00	
50-01-60000	Interest Expense	0.00	47,592.00	
50-01-60000	Interest Expense	64,302.00	0.00	
50-00-22020	Interest Payable	0.00	64,302.00	
50-01-60000	Interest Expense	11,123.64	0.00	
50-00-11109	Def Charge - Debt Refunding	0.00	11,123.64	
Total		16,449,184.32	16,449,184.32	(8,626.78)

GMS06

To adjust freanchise tax receivable and deferred revenue

10-00-11117	Electric Franchise Acct Rec	130,089.51	0.00	
10-00-21815	Deferred Franchise Tax Revenue	0.00	130,089.51	
10-00-11121	Gas Franchise Acct Rec	0.00	8,602.27	
10-00-21815	Deferred Franchise Tax Revenue	8,602.27	0.00	
Total		138,691.78	138,691.78	0.00

GMS07

To reclassify principal payments and adjust current portion of long-term debt.

50-00-21640	2012A GO Ref Bonds Payables	205,000.00	0.00	
50-01-56900	2012 A Refunding GO Principal	0.00	205,000.00	
50-00-25257	2019 CO Bonds Payable	310,000.00	0.00	
50-01-56090	2019 CO Bond Principal	0.00	310,000.00	
50-00-28240	2011 CO Bonds Payable	105,000.00	0.00	
50-01-56840	2011 C.O. Principal	0.00	105,000.00	
50-00-28255	2016 Comb Tax CO Bonds Payable	160,000.00	0.00	
50-01-56920	2016 CO Bond Principal	0.00	160,000.00	
50-00-28256	2017 GO Refunding Bonds	155,000.00	0.00	
50-01-56980	2017 GO Refunding Principal	0.00	155,000.00	

50-00-21640	2012A GO Ref Bonds Payables	5,000.00	0.00	
50-00-25257	2019 CO Bonds Payable	285,000.00	0.00	
50-00-28240	2011 CO Bonds Payable	5,000.00	0.00	
50-00-28256	2017 GO Refunding Bonds	5,000.00	0.00	
50-00-24000	Current Portion-Long Term Debt	0.00	300,000.00	
Total		<u>1,235,000.00</u>	<u>1,235,000.00</u>	<u>935,000.00</u>

GMS08

To adjust pension and opeb items.

39-00-29110	Deferred Inflows-Pension	74,312.00	0.00	
39-00-28135	Net Pension Liability	845,153.00	0.00	
39-00-30000	Fund Balance	167,300.00	0.00	
39-00-13110	Deferred Outflows-Pension	0.00	1,086,765.00	
50-00-29110	Deferred Inflows-Pension	5,593.00	0.00	
50-00-28136	Net Pension Liability	81,869.00	0.00	
50-50-51420	TMRS	1,368.00	0.00	
50-55-51420	TMRS	3,209.00	0.00	
50-60-51420	TMRS	684.00	0.00	
50-00-13110	Deferred Outflows-Pension	0.00	92,723.00	
39-00-13121	Deferred Outflows-OPEB	33,697.00	0.00	
39-00-29120	Deferred Inflows-OPEB	14,861.00	0.00	
39-00-30000	Fund Balance	18,269.00	0.00	
39-00-28125	OPEB Liability	0.00	66,828.00	
50-00-13121	Deferred Outflows-OPEB	2,537.00	0.00	
50-00-29120	Deferred Inflows - OPEB	1,118.00	0.00	
50-50-51420	TMRS	358.00	0.00	
50-55-51420	TMRS	839.00	0.00	
50-60-51420	TMRS	179.00	0.00	
50-00-28137	OPEB Liability	0.00	5,030.00	
Total		<u>1,251,346.00</u>	<u>1,251,346.00</u>	<u>(6,637.00)</u>

GMS09

To record TIRZ receivable for Hospital

14-00-11110	Accounts Receivable	48,766.20	0.00	
14-00-41040	TIRZ Taxes	0.00	48,766.20	
Total		<u>48,766.20</u>	<u>48,766.20</u>	<u>48,766.20</u>

GMS10

To correct client JE# 27459 for covid expenses recorded in reverse.

10-00-11750	Due from Covid Fund	1,389,337.52	0.00	
10-35-51010	Full Time Salaries	0.00	1,008,081.02	
10-35-51100	Overtime	0.00	169,673.70	
10-35-51400	Medicare	0.00	16,723.08	
10-35-51410	Fica	0.00	71,506.34	
10-35-51420	TMRS	0.00	123,353.38	
Total		<u>1,389,337.52</u>	<u>1,389,337.52</u>	<u>1,389,337.52</u>

GMS11

To record receivable from TXDOT for 80% of construction cost related to the Main St construction.

31-00-11124	TxDot Project Receivable	703,860.00	0.00	
31-00-44000	TxDot Project Grant Reimbursement	0.00	703,860.00	

Total		<u>703,860.00</u>	<u>703,860.00</u>	<u>703,860.00</u>
GMS12				
To record client proposed entries related to covid expenses.				
10-00-11750	Due from Covid Fund	38,613.26	0.00	
10-35-51010	Full Time Salaries	0.00	27,356.47	
10-35-51100	Overtime	0.00	6,274.90	
10-35-51400	Medicare	0.00	480.02	
10-35-51410	Fica	0.00	2,052.45	
10-35-51420	TMRS	0.00	2,449.42	
75-02-5101.35	Full Time Salaries-Fire	27,356.47	0.00	
75-02-5110.35	Overtime-Fire	6,274.90	0.00	
75-02-5140.35	Medicare-Fire	480.02	0.00	
75-02-5141.35	Fica-Fire	2,052.45	0.00	
75-02-5142.35	TMRS-Fire	2,449.42	0.00	
75-00-25510	Due to General Fund	0.00	38,613.26	
75-02-5790.60	Crowley Care Grant Program	0.00	115,000.00	
75-00-25560	Due to EDC Fund	115,000.00	0.00	
10-00-11750	Due from Covid Fund	5,196.73	0.00	
10-02-53520	Attorney Fees	0.00	5,196.73	
Total		<u>197,423.25</u>	<u>197,423.25</u>	<u>120,196.73</u>
GMS13				
To adjust uncollectible accounts for water.				
50-02-53640	Bad Debt	12,921.21	0.00	
50-00-11130	Uncollectible Accounts	0.00	12,921.21	
Total		<u>12,921.21</u>	<u>12,921.21</u>	<u>(12,921.21)</u>
GMS14				
To record client proposed entries to correct Fund 94 transaction related to Canoe Way project.				
52-00-49110	Transfer In	225,924.00	0.00	
52-02-55820	Donation/Contribution Expense	0.00	225,924.00	
94-03-55870	Street Reconstruction	225,924.00	0.00	
94-03-59150	Transfer Out	0.00	225,924.00	
50-00-49110	Transfer In	16,505.90	0.00	
50-55-55820	Donation/Contribution Expense	0.00	16,505.90	
94-03-55870	Street Reconstruction	16,505.90	0.00	
94-03-59150	Transfer Out	0.00	16,505.90	
94-00-21994	Deferred Rev - Escrow Bridges Ph 4B	396,742.00	0.00	
94-03-55870	Street Reconstruction	0.00	396,742.00	
Total		<u>881,601.80</u>	<u>881,601.80</u>	<u>396,742.00</u>
GMS15				
To reclassify capital expenditures and record developer contribution for the Canoe Way project.				
52-00-15020	Systems	936,877.88	0.00	
52-02-5587.01	Harris Drive	0.00	936,877.88	
52-00-15020	Systems	225,924.00	0.00	
52-00-46296	Contribution/Donation	0.00	225,924.00	
50-55-55820	Donation/Contribution Expense	16,505.90	0.00	
50-00-46275	Capitol Grants & Contributions	0.00	16,505.90	
50-00-15040	Accumulated Depreciation	11,436.00	0.00	

50-55-55790	Depreciation	0.00	11,436.00	
38-00-15040	Accumulated Depreciation	1,159,422.09	0.00	
38-00-16990	Construction in Progress	0.00	563,700.91	
38-00-30030	Investment in Fixed Assets	0.00	595,721.18	
Total		<u>2,350,165.87</u>	<u>2,350,165.87</u>	<u>1,174,237.88</u>

GMS16

To record client entry to correct negative cash.

50-02-59150	Transfer Out	401,000.00	0.00	
50-00-10010	Claim on Pooled Cash	0.00	401,000.00	
51-00-10010	Claim on Pooled Cash	401,000.00	0.00	
51-00-49110	Transfer In	0.00	401,000.00	
60-00-10010	Claim on Pooled Cash	209,350.00	0.00	
60-04-59150	Transfer Out	0.00	209,350.00	
10-00-49110	Transfer In	209,350.00	0.00	
10-00-10010	Claim on Pooled Cash	0.00	209,350.00	
Total		<u>1,220,700.00</u>	<u>1,220,700.00</u>	<u>0.00</u>

GMS17

To correct beginning fund balances.

50-02-57100	Miscellaneous Exp	1,961.72	0.00	
50-00-30010	Fund Balance	0.00	1,961.72	
10-02-57100	Miscellaneous Expense	86.97	0.00	
10-00-30000	Fund Balance	0.00	86.97	
39-00-30000	Fund Balance	175,538.25	0.00	
39-00-11700	Bond Defeasement Costs	0.00	175,538.25	
Total		<u>177,586.94</u>	<u>177,586.94</u>	<u>(2,048.69)</u>

GMS18

To reclassify balance of covid money not spent as of 9/30/20.

75-00-43600	COVID-19 Grant Revenue	76,253.54	0.00	
75-00-21810	Unearned Revenue	0.00	76,253.54	
Total		<u>76,253.54</u>	<u>76,253.54</u>	<u>(76,253.54)</u>

GMS19

To record client entry for library grant reimbursement.

10-00-11118	Accounts Receivable-Misc.	2,921.74	0.00	
10-00-46200	Miscellaneous Income	0.00	2,921.74	
Total		<u>2,921.74</u>	<u>2,921.74</u>	<u>2,921.74</u>

GRAND TOTAL		<u>32,963,301.10</u>	<u>32,963,301.10</u>	<u>5,106,816.52</u>
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CITY OF CROWLEY, TEXAS

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED SEPTEMBER 30, 2020



CITY OF CROWLEY, TEXAS
Annual Financial Report
For the year ended September 30, 2020

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CITY OF CROWLEY, TEXAS
Annual Financial Report
For the year ended September 30, 2020

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant account 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, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison information, schedule of changes in net pension liability and related ratios, schedule of contributions and schedule of changes in total OPEB liability on pages 4 - 14 and pages 52 - 60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

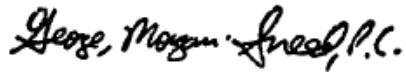
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards general accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

The other supplementary information listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements of the City. Such additional information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 9, 2021, on our consideration of the City of Crowley, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Crowley, Texas' internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "George Morgan Freed, P.C." in a cursive style.

Weatherford, Texas
February 9, 2021

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FINANCIAL SECTION

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of The City of Crowley, Texas, we offer readers of The City of Crowley's financial statements this narrative overview and analysis of the financial activities of The City of Crowley for the fiscal year ended September 30, 2020.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of Crowley exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$47,008,265 (*net position*) compared to \$41,424,784 for the prior year. Of this amount, \$13,072,860 (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$5,583,481. The City's governmental activities net position increased by \$3,504,418 and the business-type activities net position increased by \$2,079,063.
- As of the close of the current year, the City of Crowley's governmental funds reported combined ending fund balances of \$28,254,104 compared to \$27,337,130 for the prior year.
- At the end of the current year, unassigned fund balance for the general fund was \$10,054,817, or 79% of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

The City's annual financial report consists of three components (1) management's discussion and analysis, (2) the basic financial statements (government –wide financial statements, fund financial statements and notes to the financial statements) and (3) supplementary information.

Government-wide financial statements.

The government-wide financial statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how they have changed. Net position – the difference between the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources – are one way to measure the City's financial health or position.

- Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City, one needs to consider additional nonfinancial factors such as changes in the City's tax base.

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type

activities). All of the City's services are included here, such as general government, public works and safety, and community services in the governmental activities and stormwater utility and water and sewer services in the business-type or proprietary activities.

The government-wide financial statements can be found on Exhibits A-1 and B-1 of this report.

Fund financial statements.

The fund financial statements provide more detailed information about the City's most significant funds-not the City as a whole. Funds are used by the City to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The City Council establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Most of the City's basic services are included in governmental funds, which focus on (1) short-term inflows and outflows of spendable resources and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide a reconciliation that explains the relationship (or differences) between them.

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, debt service fund, economic development corporation and capital projects fund which are considered major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for the general fund, debt service fund, crime control and prevention district, economic development corporation and water and sewer fund. A budgetary comparison schedule has been provided for the general fund and economic development corporation to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on Exhibits C-1 through C-4 of this report.

Proprietary funds. Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information. The City maintains two types of proprietary funds. The City uses enterprise funds to account for its water and sewer and stormwater utility operations.

The basic proprietary fund financial statements can be found on Exhibits D-1 through D-3 of this report.

Notes to the financial statements provide additional information that is necessary for a complete understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25 – 52 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$47,008,265 as of September 30, 2020. Below is a summary of the City's Statement of Net Position.

Condensed Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 30,824,790	\$ 30,236,332	\$ 18,619,597	\$ 10,134,549	\$ 49,444,387	\$ 40,370,881
Capital assets	34,441,164	30,518,699	12,911,264	12,093,008	47,352,428	42,611,707
Total Assets	<u>65,265,954</u>	<u>60,755,031</u>	<u>31,530,861</u>	<u>22,227,557</u>	<u>96,796,815</u>	<u>82,982,588</u>
Deferred outflows of resources	<u>1,238,220</u>	<u>2,323,212</u>	<u>121,537</u>	<u>222,846</u>	<u>1,359,757</u>	<u>2,546,058</u>
Current liabilities	1,821,424	2,146,117	1,526,488	1,488,512	3,347,912	3,634,629
Noncurrent liabilities	32,514,833	32,179,454	14,652,229	7,560,562	47,167,062	39,740,016
Total liabilities	<u>34,336,257</u>	<u>34,325,571</u>	<u>16,178,717</u>	<u>9,049,074</u>	<u>50,514,974</u>	<u>43,374,645</u>
Deferred inflows of resources	<u>588,999</u>	<u>678,172</u>	<u>44,334</u>	<u>51,045</u>	<u>633,333</u>	<u>729,217</u>
Net position:						
Net investment in capital assets	13,766,357	13,249,609	9,328,866	7,284,775	23,095,223	20,534,384
Restricted	9,690,850	7,493,962	1,149,332	862,277	10,840,182	8,356,239
Unrestricted	8,121,711	7,330,929	4,951,149	5,203,232	13,072,860	12,534,161
Total net position	<u>\$ 31,578,918</u>	<u>\$ 28,074,500</u>	<u>\$ 15,429,347</u>	<u>\$ 13,350,284</u>	<u>\$ 47,008,265</u>	<u>\$ 41,424,784</u>

The largest portion of the City's net position (49%) reflects its investment in capital assets (e.g. land, buildings and improvements, infrastructure/utility systems and equipment and furniture); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

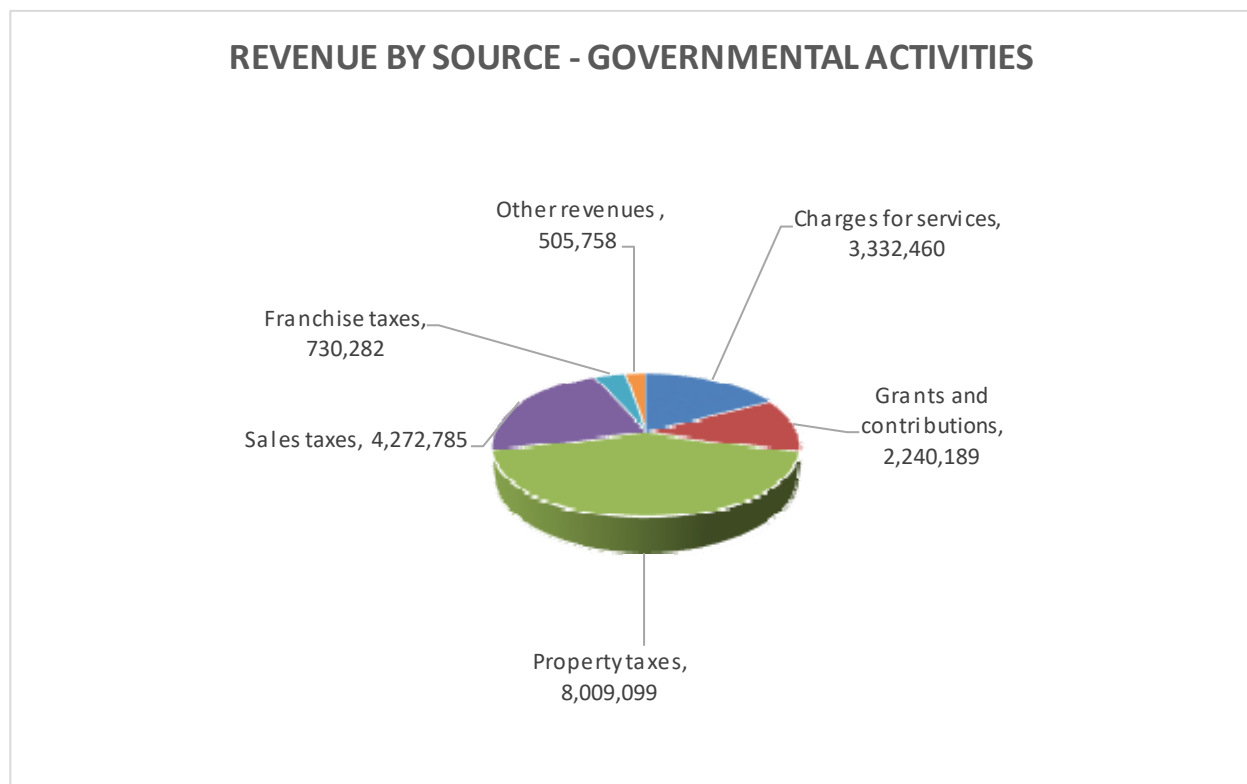
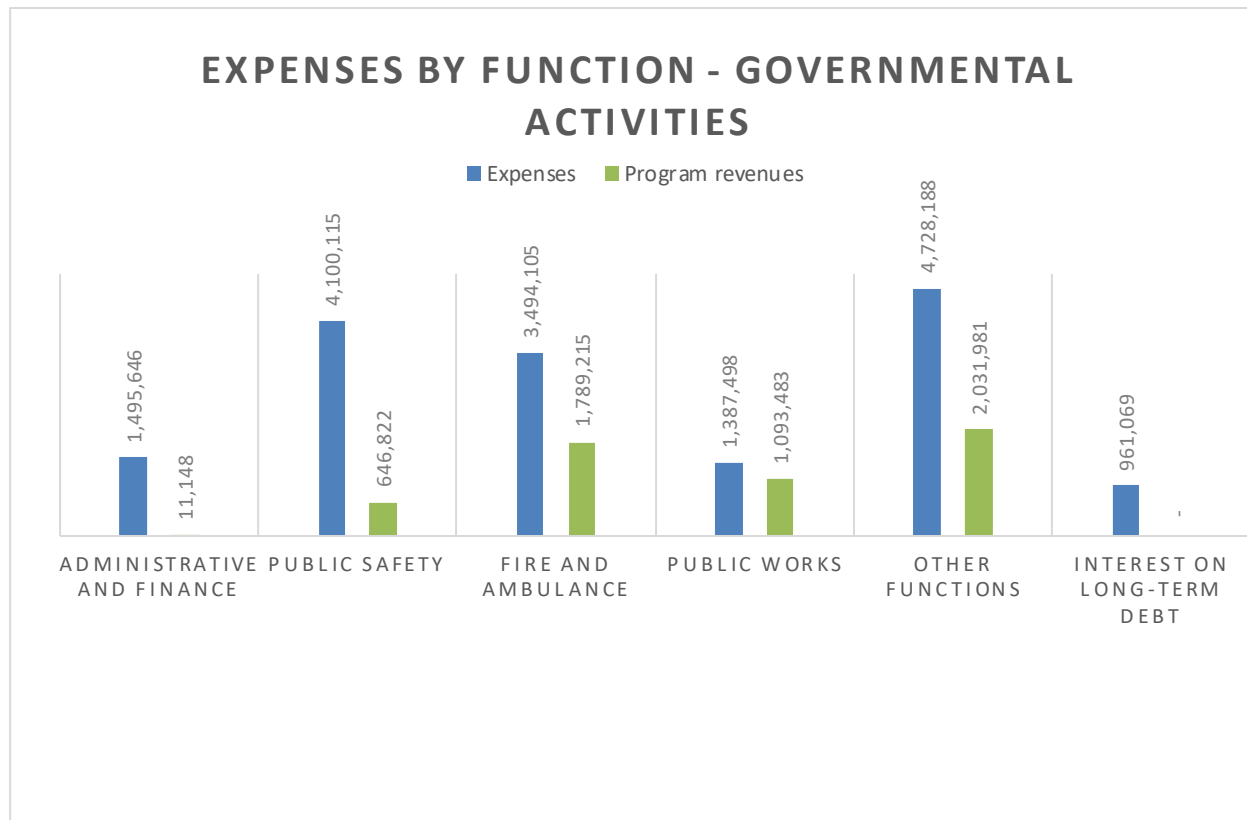
An additional portion of the City's net position (23%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$13,072,860 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

Below is a summary of the City's Statement of Activities.

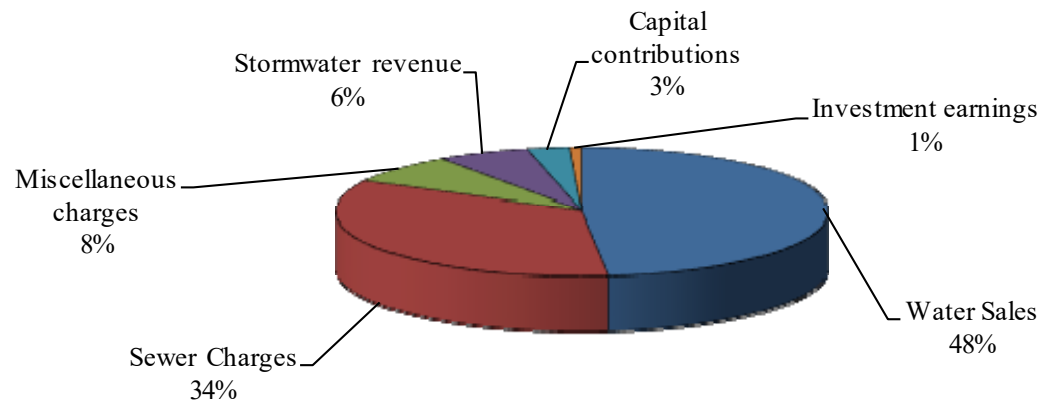
Changes in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 3,332,460	\$ 3,917,074	\$ 8,373,499	\$ 7,798,225	\$ 11,705,959	\$ 11,715,299
Operating grants and contributions	1,146,962	371,098	-	-	1,146,962	371,098
Capital grants and contributions	1,093,227	177,529	244,930	47,000	1,338,157	224,529
General revenues:						
Property taxes	8,009,099	6,635,854	-	-	8,009,099	6,635,854
Sales taxes	4,272,785	3,730,124	-	-	4,272,785	3,730,124
Franchise taxes	730,282	878,263	-	-	730,282	878,263
Oil & gas royalties	94,589	112,458	-	-	94,589	112,458
Investment earnings	309,620	715,288	68,268	68,067	377,888	783,355
Other revenue	100,025	46,868	-	-	100,025	46,868
Insurance recoveries	1,524	4,245	-	-	1,524	4,245
Total revenues	19,090,573	16,588,801	8,686,697	7,913,292	27,777,270	24,502,093
Expenses						
Administration and finance	1,495,646	1,325,346	-	-	1,495,646	1,325,346
Municipal court	256,789	256,117	-	-	256,789	256,117
Library	628,145	596,896	-	-	628,145	596,896
Senior citizens	24,625	39,663	-	-	24,625	39,663
Public safety	4,100,115	3,770,700	-	-	4,100,115	3,770,700
Fire and ambulance	3,494,105	3,178,615	-	-	3,494,105	3,178,615
Public works	1,387,498	1,052,432	-	-	1,387,498	1,052,432
Parks	535,932	558,221	-	-	535,932	558,221
Recreation center	764,345	804,249	-	-	764,345	804,249
Animal control	310,510	313,895	-	-	310,510	313,895
Code enforcement	66,979	65,768	-	-	66,979	65,768
Community development	545,362	508,391	-	-	545,362	508,391
Community center	3,871	-	-	-	3,871	-
Sanitation	890,514	798,908	-	-	890,514	798,908
Economic development	105,624	69,115	-	-	105,624	69,115
Nondepartmental	595,492	532,074	-	-	595,492	532,074
Interest and fiscal charges	961,069	885,474	-	-	961,069	885,474
Stormwater utility	-	-	32,129	34,345	32,129	34,345
Water and Sewer	-	-	5,995,039	6,059,395	5,995,039	6,059,395
Total expenses	16,166,621	14,755,864	6,027,168	6,093,740	22,193,789	20,849,604
Increase (decrease) in net position before transfers	2,923,952	1,832,937	2,659,529	1,819,552	5,583,481	3,652,489
Transfers	580,466	580,492	(580,466)	(580,492)	-	-
Increase (decrease) in net position	3,504,418	2,413,429	2,079,063	1,239,060	5,583,481	3,652,489
Net position-beginning	28,074,500	25,661,071	13,350,284	12,111,224	41,424,784	37,772,295
Net position-ending	\$ 31,578,918	\$ 28,074,500	\$ 15,429,347	\$ 13,350,284	\$ 47,008,265	\$ 41,424,784

Below are two graphs summarizing governmental revenues and expenses:

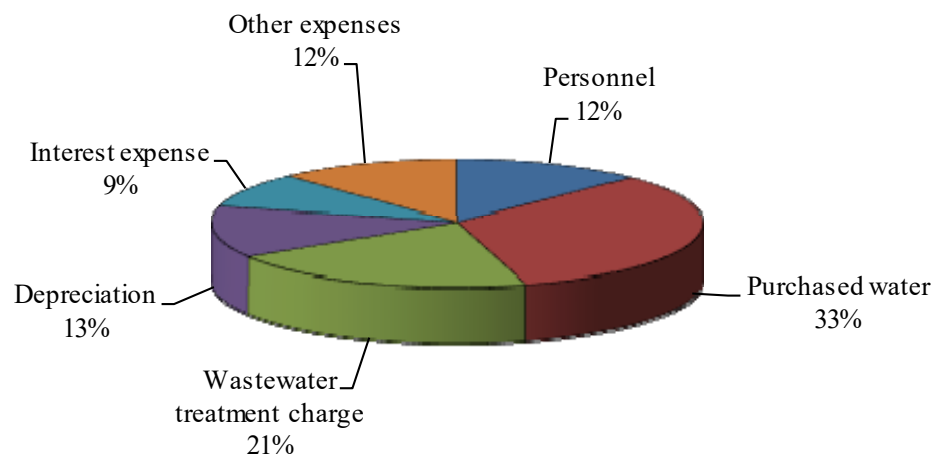


Below are two graphs summarizing business-type activities revenues and expenses:

Revenues by source - Business-type Activities



Expenses - Business-type Activities



Financial Analysis of the Government's Funds

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

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

At year end, the City's governmental funds reported combined ending fund balances of \$28,254,104. \$10,054,817 (36%) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is restricted and nonspendable.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$10,054,817. The fund balance of the general fund increased \$1,122,567 compared to an increase of \$1,513,800 in the prior year. Key factors contributing to the decrease in fund balance between the two fiscal years are highlighted below:

- Revenues increased \$855,174 (7%) primarily due to an increase in property tax revenue attributable to increase in property tax values of approximately \$196 million and a decrease in rate of \$.014871 and an increase in grants and contribution revenue due to grant money received under the CARES Act for the ongoing COVID-19 pandemic.
- Expenditures increased \$1,322,424 (12%) primarily due to an increase payroll costs for public safety and fire and ambulance and an increase in street projects in the current year

Below is a comparison of the general fund's net change in fund balance for 2020 and 2019.

	09/30/2020	09/30/2019	Increase (Decrease)	Percent Increase (Decrease)
REVENUES				
Taxes:				
Property	\$ 5,528,444	\$ 4,758,016	\$ 770,428	16%
Sales	2,176,697	1,911,651	265,046	14%
Franchise	761,778	793,131	(31,353)	-4%
Charges for service	2,046,763	2,096,010	(49,247)	-2%
Fees and Fines	373,708	461,043	(87,335)	-19%
Licenses and permits	772,454	1,264,566	(492,112)	-39%
Grants and contributions	1,095,383	319,312	776,071	243%
Oil & Gas Revenue	94,589	112,458	(17,869)	-16%
Investment Earnings	244,822	573,782	(328,960)	-57%
Other revenue	101,549	51,044	50,505	99%
Total revenues	<u>13,196,187</u>	<u>12,341,013</u>	<u>855,174</u>	<u>7%</u>
EXPENDITURES				
Administrative and finance	973,523	867,029	106,494	12%
Municipal court	221,374	225,763	(4,389)	-2%
Library	554,627	530,863	23,764	4%
Senior citizens	24,625	39,663	(15,038)	-38%
Public safety	3,336,475	2,967,647	368,828	12%
Fire and ambulance	3,253,953	2,966,046	287,907	10%
Public works	898,077	610,378	287,699	47%
Parks	362,312	371,825	(9,513)	-3%
Recreation Center	497,381	542,330	(44,949)	-8%
Animal Control	279,327	249,591	29,736	12%
Code enforcement	62,975	62,607	368	0%
Community development	418,518	498,908	(80,390)	-16%
Community center	3,871			
Sanitation	890,514	798,908	91,606	11%
Nondepartmental	637,607	532,074	105,533	20%
Capital outlay	238,927	64,160	174,767	0%
Total expenditures	<u>12,654,086</u>	<u>11,327,792</u>	<u>1,322,423</u>	<u>12%</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	580,466	580,466	-	
Transfers out	-	(79,887)	79,887	
NET CHANGE IN FUND BALANCE	<u>\$ 1,122,567</u>	<u>\$ 1,513,800</u>	<u>\$ (387,362)</u>	

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

Unrestricted net position of the proprietary funds at the end of the year amounted to \$4,951,149. Total net position increased \$2,079,063. Total revenues increased \$773,405 (10%) and total expenses decreased \$66,572 (1%). Key factors of these changes are as follows:

- Charges for services increased \$575,274. Water revenues and sewer revenues increased due to an increase in the number of customers as a result of a new subdivision built in the prior year and impact fees decreased due to a decrease in development from the prior year.

- Capital grants and contributions increased \$197,930 because of developer contributions of a drainage system in the current year.
- Purchased water increased \$246,930 primarily due to an increase in water costs and an increase in the number of customers.
- Wastewater treatment charges decreased \$188,590 because of a decrease in cost and a decrease in volume of wastewater being treated.
- Administrative expenses decreased \$543,689 primarily due to settlement of a lawsuit in the prior year.
- Interest expense increased \$206,208 and bond issuance costs increased \$134,273 due to the issuance of new bonds.

General Fund Budgetary Highlights

The City made amendments to the general fund original appropriations approved by the City Council. Overall these changes resulted in an increase in expenditures from the original budget of 6% or \$799,074.

Overall, general fund actual expenditures were under budget by \$656,895.

Capital Assets

The City's investment in capital assets for its governmental and business type activities as of September 30, 2020, amounts to \$47,352,428 (net of accumulated depreciation).

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

Governmental Activities:

- \$1,021,377 was spent on the new community center during the year.
- \$164,348 was spent on the fire station.
- \$1,291,943 was spent on Main St improvements.
- \$1,326,907 was spent on the Downtown Plaza.
- \$217,780 was spent on downtown parking.
- \$238,927 was spent on the purchase of property.
- \$765,000 was spent on a fire truck.
- \$128,961 was spent on police vehicles.

Business-type activities:

- \$348,186 was spent on a sewer vac truck.

- \$936,878 was spent on stormwater system improvements.

**The City of Crowley's Capital Assets
(Net of Depreciation)**

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 4,299,522	\$ 4,060,595	\$ 121,751	\$ 121,751	\$ 4,421,273	\$ 4,182,346
Construction in progress	3,857,674	1,376,390	83,202	45,598	3,940,876	1,421,988
Buildings and improvements	16,354,324	15,701,676	1,492,145	1,545,565	17,846,469	17,247,241
Infrastructure/utility system	7,356,913	7,478,153	10,615,804	10,004,068	17,972,717	17,482,221
Equipment and furniture	2,572,731	1,901,885	598,362	376,026	3,171,093	2,277,911
Total	<u>\$ 34,441,164</u>	<u>\$ 30,518,699</u>	<u>\$ 12,911,264</u>	<u>\$ 12,093,008</u>	<u>\$ 47,352,428</u>	<u>\$ 42,611,707</u>

Additional information on the City's capital assets can be found in the notes to the financial statements.

Debt Administration

At the end of the year, the City had a total bonded debt of \$43,591,414. Of this amount, \$9,572,184 are bonded debt backed by the full faith and credit of the government, \$32,147,697 are certificates of obligation secured by ad valorem taxes and surplus revenues and \$1,871,533 are revenue bonds secured by sales tax revenue. Outstanding at year-end are as follows:

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
General Obligation Bonds	\$ 7,162,548	\$ 8,362,000	\$ 2,409,636	\$ 2,792,924	\$ 9,572,184	\$ 11,154,924
Certificates of Obligation	20,153,898	17,746,479	11,993,799	4,458,830	32,147,697	22,205,309
Revenue Bonds	1,871,533	2,006,672	-	-	1,871,533	2,006,672
Total	<u>\$ 29,187,979</u>	<u>\$ 28,115,151</u>	<u>\$ 14,403,435</u>	<u>\$ 7,251,754</u>	<u>\$ 43,591,414</u>	<u>\$ 35,366,905</u>

The City's bond ratings are listed below:

	Standard & Poor's
General obligation bonds	AA-
Certificate of obligation bonds	AA-

No direct funded debt limitation is imposed on the City under current state law or the City's Home Rule Charter.

Additional information on the City's long-term debt can be found in Notes 8 through 9 to the financial statements.

Economic factors and the Next Year's Budgets and Rates

General fund revenues are budgeted to decrease 1% (\$144,209) in fiscal year 2020-2021 when compared to the 2019-2020 amended budget to \$12,327,544. The adopted tax rate is \$.699806 per \$100 assessed value. The largest increase in the revenue budget is on property tax revenue (\$576,600). The largest decreases are on charges for services (\$504,929) and permit fees (\$215,880).

General fund expenditures are budgeted to decrease 3% (\$408,941) when compared to the prior year amended appropriations to \$12,902,040. The largest increase is \$161,642 in fire and ambulance appropriations. The largest decreases are \$240,337 in police appropriations, \$202,190 in public works appropriations, and \$122,567 in nondepartmental appropriations.

Request for Information

This financial report is designed to provide our citizens, taxpayers, customers and all investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, you may contact the City Offices at 201 E Main St or by telephone at 817-297-2201.

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BASIC FINANCIAL STATEMENTS

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CITY OF CROWLEY
Statement of Net Position
September 30, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,905,612	\$ 2,188,925	\$ 4,094,537
Investments	26,261,910	4,224,542	30,486,452
Receivables (net of allowance for uncollectibles)			
Property taxes	117,748	-	117,748
Other taxes	983,571	-	983,571
Accounts	583,650	973,979	1,557,629
Miscellaneous	958,211	28,273	986,484
Inventory	14,088	1,873	15,961
Restricted assets			
Investments	-	11,202,005	11,202,005
Capital assets			
Nondepreciable	8,157,196	204,953	8,362,149
Depreciable, net of accumulated depreciation	26,283,968	12,706,311	38,990,279
Total Assets	65,265,954	31,530,861	96,796,815
Deferred Outflows of Resources			
Deferred outflow related to pension	1,047,766	67,941	1,115,707
Deferred outflow related to OPEB	46,840	3,526	50,366
Deferred charges on refunding	143,614	50,070	193,684
Total Deferred Outflows of Resources	1,238,220	121,537	1,359,757
LIABILITIES			
Accounts payable	1,201,909	758,454	1,960,363
Accrued payroll liabilities	231,415	16,402	247,817
Due to other governments	22,975	-	22,975
Unearned revenue	196,670	-	196,670
Interest payable	168,455	85,731	254,186
Customer deposits payable	-	665,901	665,901
Noncurrent liabilities:			
Due within one year	2,610,056	1,004,914	3,614,970
Due in more than one year	29,904,777	13,647,315	43,552,092
Total liabilities	34,336,257	16,178,717	50,514,974
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow related to TMRS pension	581,937	43,802	625,739
Deferred inflow related to OPEB	7,062	532	7,594
Total deferred inflows of resources	588,999	44,334	633,333
NET POSITION			
Net investment in capital assets	13,766,357	9,328,866	23,095,223
Restricted for:			
Capital improvements	-	1,149,332	1,149,332
Debt service	344,488	-	344,488
Public safety	1,246,250	-	1,246,250
Economic development	7,727,081	-	7,727,081
Grant program	71,570	-	71,570
Donations	72,102	-	72,102
Community program	229,359	-	229,359
Unrestricted	8,121,711	4,951,149	13,072,860
Total net position	\$ 31,578,918	\$ 15,429,347	\$ 47,008,265

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

CITY OF CROWLEY
Statement of Activities
For the Year Ended September 30, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
Administration and finance	\$ 1,495,646	\$ 123	\$ 11,025	\$ -
Municipal court	256,789	17,112	348	-
Library	628,145	6,902	5,921	-
Senior citizens	24,625	-	-	-
Public safety	4,100,115	618,994	27,828	-
Fire and ambulance	3,494,105	727,695	1,061,520	-
Public works	1,387,498	-	256	1,093,227
Parks	535,932	48,729	944	-
Recreation Center	764,345	77,629	2,923	-
Animal control	310,510	16,015	8,635	-
Code enforcement	66,979	-	-	-
Community development	545,362	825,161	-	-
Community center	3,871	-	107	-
Sanitation	890,514	948,303	-	-
Economic development	105,624	45,797	-	-
Nondepartmental	595,492	-	27,455	-
Interest and fiscal charges	961,069	-	-	-
Total governmental activities	16,166,621	3,332,460	1,146,962	1,093,227
Business-type activities:				
Water and sewer	5,995,039	7,837,836	-	19,006
Stormwater utility	32,129	535,663	-	225,924
Total business-type activities	6,027,168	8,373,499	-	244,930
Total primary government	\$ 22,193,789	\$ 11,705,959	\$ 1,146,962	\$ 1,338,157

General Revenues:

Taxes:

Property taxes, levied for general purposes

Property taxes, levied for debt service

Property taxes, levied for TIRZ #1

Sales taxes

Franchise

Oil and gas royalties

Investment earnings

Other revenue

Transfers

Insurance recoveries

Total general revenues and transfers

Change in net position

Net position - beginning

Net position - ending

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

Exhibit B-1

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (1,484,498)	\$ -	\$ (1,484,498)
(239,329)	-	(239,329)
(615,322)	-	(615,322)
(24,625)	-	(24,625)
(3,453,293)	-	(3,453,293)
(1,704,890)	-	(1,704,890)
(294,015)	-	(294,015)
(486,259)	-	(486,259)
(683,793)	-	(683,793)
(285,860)	-	(285,860)
(66,979)	-	(66,979)
279,799	-	279,799
(3,764)	-	(3,764)
57,789	-	57,789
(59,827)	-	(59,827)
(568,037)	-	(568,037)
(961,069)	-	(961,069)
(10,593,972)	-	(10,593,972)
-	1,861,803	1,861,803
-	729,458	729,458
-	2,591,261	2,591,261
\$ (10,593,972)	\$ 2,591,261	\$ (8,002,711)
\$ 5,523,745	\$ -	\$ 5,523,745
2,072,074	-	2,072,074
413,280	-	413,280
4,272,785	-	4,272,785
730,282	-	730,282
94,589	-	94,589
309,620	68,268	377,888
100,025	-	100,025
580,466	(580,466)	-
1,524	-	1,524
14,098,390	(512,198)	13,586,192
3,504,418	2,079,063	5,583,481
28,074,500	13,350,284	41,424,784
\$ 31,578,918	\$ 15,429,347	\$ 47,008,265

CITY OF CROWLEY
Balance Sheet
Governmental Funds
September 30, 2020

	General	Debt Service	Capital Projects	Economic Development Corporation	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 1,040,229	\$ 27,144	\$ -	\$ 367	\$ 837,872	\$ 1,905,612
Investments	9,389,339	298,519	8,311,186	6,998,880	1,263,986	26,261,910
Receivables (Net of allowances for uncollectibles)						
Property taxes	50,157	18,825	-	-	48,766	117,748
Other taxes	610,741	-	-	192,857	179,973	983,571
Accounts	583,650	-	-	-	-	583,650
Miscellaneous	254,313	-	703,860	-	38	958,211
Inventory	14,088	-	-	-	-	14,088
Due from other funds	209,350	-	-	-	-	209,350
Total assets	<u>12,151,867</u>	<u>344,488</u>	<u>9,015,046</u>	<u>7,192,104</u>	<u>2,330,635</u>	<u>31,034,140</u>
LIABILITIES						
Accounts payable	667,462	-	501,872	19,436	13,139	1,201,909
Accrued payroll liabilities	231,415	-	-	-	-	231,415
Interest payable	-	-	-	4,519	-	4,519
Unearned revenue	194,635	-	-	-	2,035	196,670
Due to other governments	22,975	-	-	-	-	22,975
Due to other funds	-	-	-	209,350	-	209,350
Total liabilities	<u>1,116,487</u>	<u>-</u>	<u>501,872</u>	<u>233,305</u>	<u>15,174</u>	<u>1,866,838</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	894,373	18,825	-	-	-	913,198
Total deferred inflows of resources	<u>894,373</u>	<u>18,825</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>913,198</u>
FUND BALANCES						
Nonspendable						
Inventory	14,088	-	-	-	-	14,088
Restricted	72,102	325,663	8,513,174	6,958,799	2,315,461	18,185,199
Unassigned	10,054,817	-	-	-	-	10,054,817
Total fund balances	<u>10,141,007</u>	<u>325,663</u>	<u>8,513,174</u>	<u>6,958,799</u>	<u>2,315,461</u>	<u>28,254,104</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 12,151,867</u>	<u>\$ 344,488</u>	<u>\$ 9,015,046</u>	<u>\$ 7,192,104</u>	<u>\$ 2,330,635</u>	<u>\$ 31,034,140</u>

CITY OF CROWLEY
Reconciliation of the Governmental Funds Balance Sheet
To the Statement of Net Position
September 30, 2020

Total fund balances - governmental funds		\$ 28,254,104
Capital assets used in governmental activities are not financial resources and therefore are reported in the governmental funds. The cost of these assets was \$65,618,036 and the accumulated depreciation was \$31,176,872. The net effect of including the ending balances of capital assets (net of depreciation) in the governmental activities is to increase net position.		34,441,164
Deferred charges on refunding related to governmental activity debt are not financial resources and, therefore, are not reported in the governmental funds.		143,614
Long-term liabilities, including \$29,187,979 bonds and \$603,563 compensated absences payable are not due and payable in the current period, and, therefore are not reported as liabilities in the fund financial statements.		(29,791,542)
Net pension liability and related deferred outflows and inflows of resources are reported in the Statement of Net Position of the governmental activities but are not reported in the governmental funds.		
Net pension liability	\$ (2,453,828)	
Deferred outflow related to pension	1,047,766	
Deferred inflow related to pension	<u>(581,937)</u>	(1,987,999)
Net OPEB liability and related deferred outflows of resources are reported in the Statement of Net Position of the governmental activities but are not reported in the governmental funds.		
Total OPEB liability	\$ (269,463)	
Deferred inflow related to OPEB	(7,062)	
Deferred outflow related to OPEB	<u>46,840</u>	(229,685)
Interest payable is not expected to be liquidated with available financial resources and is not reported as a liability in the fund financial statements.		(163,936)
Property taxes, franchise taxes, ems charges and municipal court fines and fees are not available soon enough to pay for the current period's expenditures and therefore are deferred revenue in the fund financial statements.		913,198
Net position of governmental activities		<u><u>\$ 31,578,918</u></u>

CITY OF CROWLEY
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2020

	General	Debt Service	Capital Projects	Economic Development Corporation	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Taxes						
Property	\$ 5,528,444	\$ 2,074,582	\$ -	\$ -	\$ 413,280	\$ 8,016,306
Sales	2,176,697	-	-	1,084,635	1,011,453	4,272,785
Franchise taxes	761,778	-	-	-	23,674	785,452
Charges for service	2,046,763	-	-	-	-	2,046,763
Fees and fines	373,708	-	-	-	15,067	388,775
Licenses and permits	772,454	-	-	-	-	772,454
Grants and contributions	1,095,383	-	703,860	-	51,579	1,850,822
Oil and gas revenue	94,589	-	-	-	-	94,589
Investment earnings	244,822	-	-	56,315	8,483	309,620
Other revenue	101,549	-	-	45,797	3,370	150,716
Total revenues	<u>13,196,187</u>	<u>2,074,582</u>	<u>703,860</u>	<u>1,186,747</u>	<u>1,526,906</u>	<u>18,688,282</u>
EXPENDITURES						
Current:						
Administrative and finance	973,523	-	-	218,675	15,897	1,208,095
Municipal court	221,374	-	-	-	29,913	251,287
Library	554,627	-	-	-	-	554,627
Senior citizens center	24,625	-	-	-	-	24,625
Public safety	3,336,475	-	-	-	494,133	3,830,608
Fire and ambulance	3,253,953	-	-	-	28,720	3,282,673
Public works	898,077	-	-	-	-	898,077
Parks	362,312	-	-	-	-	362,312
Recreation center	497,381	-	-	-	-	497,381
Animal control	279,327	-	-	-	-	279,327
Code enforcement	62,975	-	-	-	-	62,975
Community development	418,518	-	-	120,000	-	538,518
Community center	3,871	-	-	-	-	3,871
Sanitation	890,514	-	-	-	-	890,514
Economic development	-	-	-	1,914,033	-	1,914,033
Nondepartmental	637,607	-	-	-	-	637,607
Capital outlay	238,927	-	3,036,747	-	-	3,275,674
Debt service:						
Principal	-	1,395,000	-	260,000	240,000	1,895,000
Interest and fiscal charges	-	635,841	-	280,806	27,923	944,570
Bond issuance costs	-	-	-	79,351	-	79,351
Total expenditures	<u>12,654,086</u>	<u>2,030,841</u>	<u>3,036,747</u>	<u>2,872,865</u>	<u>836,586</u>	<u>21,431,125</u>
Excess (deficiency) of revenues over expenditures	<u>542,101</u>	<u>43,741</u>	<u>(2,332,887)</u>	<u>(1,686,118)</u>	<u>690,320</u>	<u>(2,742,843)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	580,466	-	-	-	-	580,466
Bond issuance proceeds	-	-	-	3,000,000	-	3,000,000
Bond Premium	-	-	-	79,351	-	79,351
Total other financing sources (uses)	<u>580,466</u>	<u>-</u>	<u>-</u>	<u>3,079,351</u>	<u>-</u>	<u>3,659,817</u>
Net change in fund balances	1,122,567	43,741	(2,332,887)	1,393,233	690,320	916,974
Fund balances - beginning	9,018,440	281,922	10,846,061	5,565,566	1,625,141	27,337,130
Fund balances - ending	<u>\$ 10,141,007</u>	<u>\$ 325,663</u>	<u>\$ 8,513,174</u>	<u>\$ 6,958,799</u>	<u>\$ 2,315,461</u>	<u>\$ 28,254,104</u>

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

CITY OF CROWLEY
Reconciliation of Statement of Revenues,
Expenditures and Changes in Fund Balances of
The Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2020

Total net change in fund balances - governmental funds	\$ 916,974
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including \$5,520,716 of capital outlays and \$1,895,000 of debt principal payments is to increase net position.	7,415,716
Current year proceeds from issuance of bonds are other financing sources in the fund financial statements. The net effect of the increase in certificates of obligation is a decrease in net position.	(3,079,351)
The net effect of various miscellaneous transaction involving capital assets (i.e. donations and disposal) is to increase net position.	389,367
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.	(1,987,618)
Revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenues in the funds.	12,924
GASB 68 required the City to recognize their net pension liability, deferred resource inflow related to pension, and deferred resource outflow related to pension. The changes in these balances decreased net position.	(167,300)
GASB 75 required the City to recognize their total OPEB liability and deferred resource inflow related to OPEB. The changes in these balances decreased net position.	(18,270)
Current year interest payable and compensated absences of the governmental funds are not due and payable in the current period, and, therefore are not reported as liabilities or assets in the funds. The \$16,747 increase in interest payable and \$40,876 increase in compensated absences and \$79,599 (net) amortization of deferred charges and premiums decreased net position.	21,976
Change in net position of governmental activities	\$ 3,504,418

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

CITY OF CROWLEY
Statement of Net Position
Proprietary Funds
September 30, 2020

	Water and Sewer Fund	Stormwater Utility	Totals
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 305,858	\$ 1,883,067	\$ 2,188,925
Investments	4,224,542	-	4,224,542
Receivables (Net of allowance for uncollectibles):			
Accounts	902,480	71,499	973,979
Miscellaneous	28,273	-	28,273
Inventory	1,873	-	1,873
Restricted Assets			
Investments	11,202,005	-	11,202,005
Total current assets	<u>16,665,031</u>	<u>1,954,566</u>	<u>18,619,597</u>
Noncurrent Assets:			
Capital assets, at cost			
Non-depreciable assets	204,953	-	204,953
Depreciable assets, net of accumulated depreciation	11,476,476	1,229,835	12,706,311
Total noncurrent assets	<u>11,681,429</u>	<u>1,229,835</u>	<u>12,911,264</u>
Total assets	<u>28,346,460</u>	<u>3,184,401</u>	<u>31,530,861</u>
Deferred Outflows of Resources			
Deferred outflows related to pension	67,941	-	67,941
Deferred outflows related to OPEB	3,526	-	3,526
Deferred charges on refunding	50,070	-	50,070
Total Deferred Outflows of Resources	<u>\$ 121,537</u>	<u>\$ -</u>	<u>\$ 121,537</u>
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 708,729	\$ 49,725	\$ 758,454
Accrued payroll liabilities	16,402	-	16,402
Compensated absences	31,547	-	31,547
Current portion of long-term liabilities	973,367	-	973,367
Interest payable	85,731	-	85,731
Current Liabilities Payable from Restricted Assets			
Customer deposits payable	665,901	-	665,901
Total current liabilities	<u>2,481,677</u>	<u>49,725</u>	<u>2,531,402</u>
Noncurrent Liabilities			
Compensated absences	12,268	-	12,268
Net pension liability	184,697	-	184,697
Total OPEB liability	20,282	-	20,282
Bonds payable	13,430,068	-	13,430,068
Total noncurrent liabilities	<u>13,647,315</u>	<u>-</u>	<u>13,647,315</u>
Total liabilities	<u>16,128,992</u>	<u>49,725</u>	<u>16,178,717</u>
Deferred Inflows of Resources			
Deferred inflow related to pension	43,802	-	43,802
Deferred inflow related to OPEB	532	-	532
Total Deferred Inflows of Resources	<u>44,334</u>	<u>-</u>	<u>44,334</u>
NET POSITION			
Net investment in capital assets	8,099,031	1,229,835	9,328,866
Restricted for impact fees for capital improvements (Expendable)	1,149,332	-	1,149,332
Unrestricted	3,046,308	1,904,841	4,951,149
Total net position	<u>\$ 12,294,671</u>	<u>\$ 3,134,676</u>	<u>\$ 15,429,347</u>

CITY OF CROWLEY
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended September 30, 2020

	Water and Sewer Fund	Stormwater Utility	Totals
Operating revenues			
Charges for services:			
Water Sales	\$ 4,191,575	\$ -	\$ 4,191,575
Sewer charges	2,992,939	-	2,992,939
Stormwater revenue	-	535,663	535,663
Miscellaneous water charges	653,322	-	653,322
Total operating revenue	<u>7,837,836</u>	<u>535,663</u>	<u>8,373,499</u>
Operating expenses			
Personnel services	759,667	-	759,667
Professional services	47,750	-	47,750
Purchased water	1,979,170	-	1,979,170
Wastewater treatment charge	1,244,127	-	1,244,127
Contractual services	261,165	-	261,165
Insurance	51,168	-	51,168
Administrative	26,514	8,135	34,649
Repairs and maintenance	266,850	-	266,850
Utilities	60,616	-	60,616
Depreciation	760,121	23,994	784,115
Total operating expenses	<u>5,457,148</u>	<u>32,129</u>	<u>5,489,277</u>
Operating income (loss)	<u>2,380,688</u>	<u>503,534</u>	<u>2,884,222</u>
Nonoperating revenues (expenses):			
Investment earnings	68,268	-	68,268
Interest expense	(403,618)	-	(403,618)
Debt issuance costs	(134,273)	-	(134,273)
Total nonoperating revenues (expenses)	<u>(469,623)</u>	<u>-</u>	<u>(469,623)</u>
Income (loss) before capital contributions and transfers	1,911,065	503,534	2,414,599
Capital contributions	19,006	225,924	244,930
Transfers out	<u>(580,466)</u>	<u>-</u>	<u>(580,466)</u>
Change in net position	1,349,605	729,458	2,079,063
Net position - beginning	10,945,066	2,405,218	13,350,284
Net position - ending	<u>\$ 12,294,671</u>	<u>\$ 3,134,676</u>	<u>\$ 15,429,347</u>

CITY OF CROWLEY
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2020

	Water and Sewer Fund	Stormwater Utility	Totals
Cash flows from operating activities:			
Cash received from customers	\$ 7,979,878	\$ 522,108	\$ 8,501,986
Cash paid to suppliers	(4,060,711)	41,418	(4,019,293)
Cash paid to employees	(760,385)	-	(760,385)
Net cash provided by operating activities	<u>3,158,782</u>	<u>563,526</u>	<u>3,722,308</u>
Cash flow from noncapital financing activities:			
Transfers to other funds	(580,466)	-	(580,466)
Net cash provided (used) by noncapital financing activities	<u>(580,466)</u>	<u>-</u>	<u>(580,466)</u>
Cash flow from capital and related financing activities:			
Principal payments on long-term debt	(935,000)	-	(935,000)
Proceeds from issuance of bonds	8,000,000	-	8,000,000
Capital grants and contributions	2,500	-	2,500
Capital outlay	(423,062)	(936,878)	(1,359,940)
Interest paid on capital debt	(375,784)	-	(375,784)
Net cash provided (used) by capital and related financing activities	<u>6,268,654</u>	<u>(936,878)</u>	<u>5,331,776</u>
Cash flow from investing activities:			
Purchase of investments	(9,551,550)	-	(9,551,550)
Investment earnings	68,268	-	68,268
Net cash provided (used) by investing activities	<u>(9,483,282)</u>	<u>-</u>	<u>(9,483,282)</u>
Net increase (decrease) in cash and cash equivalents	(636,312)	(373,352)	(1,009,664)
Cash and cash equivalents, beginning	<u>942,170</u>	<u>2,256,419</u>	<u>3,198,589</u>
Cash and cash equivalents, ending	<u>\$ 305,858</u>	<u>\$ 1,883,067</u>	<u>\$ 2,188,925</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities			
Operating income (loss)	<u>\$ 2,380,688</u>	<u>\$ 503,534</u>	<u>\$ 2,884,222</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	760,121	23,994	784,115
(Increase) decrease in accounts receivable	63,212	(13,555)	49,657
(Increase) decrease in miscellaneous receivables	3,276	-	3,276
(Increase) decrease in inventory	3,903	-	3,903
Increase (decrease) in accounts payable	(137,166)	49,553	(87,613)
Increase (decrease) in accrued payroll liabilities	(17,543)	-	(17,543)
Increase (decrease) in customer meter deposits	78,830	-	78,830
Increase (decrease) in net pension balances	5,261	-	5,261
Increase (decrease) in total OPEB balances	1,375	-	1,375
Increase (decrease) in compensated absences payable	16,825	-	16,825
Total adjustments	<u>778,094</u>	<u>59,992</u>	<u>838,086</u>
Net cash provided by operating activities	<u>\$ 3,158,782</u>	<u>\$ 563,526</u>	<u>\$ 3,722,308</u>
Contribution of capital assets from developers	<u>\$ 16,506</u>	<u>\$ 225,924</u>	<u>\$ 242,430</u>

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

CITY OF CROWLEY, TEXAS
Notes to Financial Statements
September 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Crowley, Texas (the City) is a Home Rule city which citizens elect the mayor and six council members at large. The City operates under the Council-Manager form of government and provides such services as are authorized by its charter to advance the welfare, health, comfort, safety, and convenience of the City and its inhabitants.

As required by generally accepted accounting principles, these financial statements present the City and its component units, entities for which the City is considered financially accountable or other organizations whose nature and significant relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The City is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial burden or benefit on the City. Based on these considerations, the Crowley Crime Control and Prevention District and the Crowley Economic Development Corporation have been included in the City's reporting entity as blended component units. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Both component units have September 30 year ends.

Blended Component Units

The *Crowley Crime Control and Prevention District* (the "Crime District") is an entity legally separate from the City and was created by resolution of the City Council with approval by vote of the residents of Crowley. The Crime District is funded with a one half percent sales tax. The City Council services as the board of directors of the Crime District. The day-to-day operations of the Crime District are performed by City employees. For financial reporting purposes, the Crime Control and Prevention District is reported as if it were a part of the City's operations because the Crime District's governing body is the same as that of the City.

The *Crowley Economic Development Corporation* (the "Corporation") is a nonprofit development corporation formed under the Development Corporation Act of 1979 and governed by Section 4B of the Act. The Corporation was created with approval of a vote of the residents of Crowley and is governed by a seven member board of directors appointed by the City Council. The Corporation is funded with a one half percent sales tax. The Corporation was created to promote economic development with the City and State of Texas in order to eliminate unemployment and under employment and to promote and encourage employment and the public welfare of, for, and on behalf of the City. The Corporation may finance and undertake any such project, subject to the regulations and limitations set forth in Section 4B of the Act and a special election held in the City on February 2, 2002. For financial reporting purposes, the Corporation is reported as if it were a part of the City's operations because it provides services entirely for the City.

CITY OF CROWLEY, TEXAS
Notes to Financial Statements
September 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. 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.

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. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures generally are recorded when the related fund liability is incurred, however, debt service expenditures and expenditures related to compensated absences and claims and judgments, are recognized when payment is due.

Property taxes, sales taxes, franchise taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. All other revenue items are considered to be measurable and available only when the government receives payment.

CITY OF CROWLEY, TEXAS
Notes to Financial Statements
September 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The City reports the following major governmental funds:

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

The *debt service fund* is used to account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The *general capital projects fund* accounts for the acquisition or construction of major capital assets and facilities financed by general obligation bonds or certificates of obligation of the governmental activities.

The *special revenue fund* (economic development corporation) is used to account for the proceeds of specific revenue sources requiring separate accounting because of legal or regulatory provisions or administrative actions.

The City reports the following major enterprise fund:

The *water and sewer fund* accounts for the provision of water and sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges and transfers between the governmental activities and the business-type activities, which cannot be eliminated.

Amounts reported as program revenues include 1) charges for customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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.

CITY OF CROWLEY, TEXAS
Notes to Financial Statements
September 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

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

1. *Cash and Investments*

The City pools cash resources of its various funds to maximize its investment program. Cash applicable to a particular fund is readily identifiable. Investment income from this internal pooling is allocated to the respective funds based upon the sources of funds invested.

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short term investments that are highly liquid with maturity within three months or less when purchased. Amounts invested in Tex-Pool public investment pools are not considered cash and cash equivalents. Assets reported as cash and cash equivalents are considered cash and cash equivalents for the statement of cash flows.

2. *Interfund Receivables and Payables*

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances".

3. *Unbilled Service*

Utility operating revenues (water and sewer) are billed on monthly cycles. The City records estimated revenues for services delivered during the fiscal year, which will be billed during the next fiscal year.

4. *Inventory*

The inventories of supplies are recorded under the purchase method. Under the purchase method the inventory is first recorded as an expense when purchased and then adjusted at the end of the year to reflect the value of inventory at that date. Inventories are valued at the lower of cost or market using the first-in-first-out ("FIFO") method.

CITY OF CROWLEY, TEXAS

Notes to Financial Statements

September 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. *Capital Assets*

Capital assets, which include property, plant, equipment and infrastructure, are reported in the applicable governmental activities or business-type activities columns in the government-wide financial statements and in the proprietary funds financial statements. The City defines capital assets 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 cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities and proprietary funds is included as part of the capitalized value of the assets constructed. The total interest expense incurred by the water and sewer fund during the current fiscal year was \$375,784.

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

Buildings and improvements	15 - 30 years
Infrastructure/utility systems	10 - 50 years
Equipment and furniture	2 - 15 years

6. *Compensated Absences*

It is the City's policy to permit employees to accumulate a limited amount of earned but unused vacation and sick pay benefits. The City pays up to 200 hours of accrued sick leave when an employee retires. Vacation and sick pay benefits are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

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 statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

CITY OF CROWLEY, TEXAS

Notes to Financial Statements

September 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

8. *Fund Balance – Governmental Funds*

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form (such as prepaids or inventory) or are legally or contractually required to be maintained intact (such as endowment funds).

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts constrained to specific purposes by a government itself, using its highest decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint (City Council ordinance or resolution).

Assigned – includes amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. The City has not yet adopted a policy designating who can assign amounts.

Unassigned – All amounts not included in other spendable classifications.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted fund balance to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been first spent out of committed funds, then assigned, and finally unassigned as needed.

CITY OF CROWLEY, TEXAS
Notes to Financial Statements
September 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The details of the fund balances of the governmental funds are as follows:

	General Fund	Debt Service Fund	Capital Projects	Economic Development Corporation	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable						
Inventory	\$ 14,088	\$ -	\$ -	\$ -	\$ -	\$ 14,088
Restricted						
Debt Service	-	325,663	-	-	-	325,663
Capital Projects	-	-	8,513,174	-	-	8,513,174
Public Safety - Police	-	-	-	-	1,204,336	1,204,336
Public Safety - Court	-	-	-	-	41,914	41,914
Economic Development	-	-	-	6,958,799	768,282	7,727,081
Grant programs	-	-	-	-	71,570	71,570
Public Education Grant	-	-	-	-	229,359	229,359
Donations	72,102	-	-	-	-	72,102
Unassigned	10,054,817	-	-	-	-	10,054,817
	<u>\$ 10,141,007</u>	<u>\$ 325,663</u>	<u>\$ 8,513,174</u>	<u>\$ 6,958,799</u>	<u>\$ 2,315,461</u>	<u>\$ 28,254,104</u>

9. *Net Position*

Net position represents the difference between assets and liabilities, deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The following is a reconciliation of restricted fund balance reported in the governmental fund financial statements to restricted net position of the governmental activities reported in the government-wide financial statements.

Restricted Fund Balance (Exhibit C-1)	\$ 18,185,199
Unspent proceeds from bonds reclassified to net investment in capital assets	(8,513,174)
Deferred tax revenue restricted for debt service	18,825
Restricted net position (Exhibit A-1)	<u>\$ 9,690,850</u>

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the City's policy is to apply restricted net position and then unrestricted net position.

10. *Use of Estimates*

The preparation of financial statements, in conformity with Generally Accepted Accounting Principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

CITY OF CROWLEY, TEXAS
Notes to Financial Statements
September 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. *Pensions*

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by Texas Municipal Retirement System (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.

NOTE 2: DEPOSITS AND INVESTMENTS

Substantially all operating cash and investments are maintained in consolidated cash and investment accounts. Investment income relating to consolidated investments is allocated to the individual funds monthly based on the funds' pro-rata share of total cash and investments.

The City's investment policy authorizes the City to invest in U.S. Treasury obligations, U.S. government agency and instrumentality obligations, certificates of deposit, investment-grade obligations of state, provincial and local governments and public authorities, money market mutual funds regulated by the SEC and local government investment pools wither state-administered or developed through joint powers statutes and other intergovernmental agreement legislation. During the year ended September 30, 2020, the City did not own any types of securities other than those permitted by statute.

The City invests in the TexPool, which is a local government investment pool in the State of Texas. All investments are stated at amortized cost, which is in most cases approximates the market value of the securities. The objective of TexPool is to maintain a stable \$1.00 net asset value; however, the \$1.00 net asset value is not guaranteed or insured by the State of Texas. All TexPool securities are marked to market daily.

The City's investments are as follows:

<u>Investment</u>	<u>Credit Rating (1)</u>	<u>Weighted Average Maturities</u>	<u>Percentage of Total Investments</u>	<u>Cost</u>	<u>Fair Value</u>
Investment in TexPool	AAAm	38 days	100.00%	<u>\$ 41,688,457</u>	<u>\$ 41,688,457</u>

(1) Per Standard and Poor's

CITY OF CROWLEY, TEXAS
Notes to Financial Statements
September 30, 2020

NOTE 2: DEPOSITS AND INVESTMENTS (Continued)

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City's funds are required to be deposited and invested under the terms of a depository contract. The City's deposits are required to be collateralized with securities held by the pledging institution's trust department or agent in the City's name. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") Insurance. At September 30, 2020, the City's deposits were covered by FDIC Insurance or collateralized with securities held by the bank's agent in the City's name.

Credit Risk– Investments

The City controls credit risk by limiting its investments to those instruments allowed by its investment policy.

Interest Rate Risk – Investments

In accordance with its investment policy, the City manages its exposure to declines in fair market values by structuring its investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and investing operating funds primarily in shorter-term securities, money market mutual funds or similar investment pools and limiting the average maturity of the portfolio.

The City's investments at September 30, 2020 included the following:

The following cash and investments in the water and sewer fund are restricted for the following purposes:

	<u>Investments</u>
Business-type Activities	
Customer deposits	\$ 665,901
Bonds construction accounts	10,536,104
Total	<u>\$ 11,202,005</u>

NOTE 3: PROPERTY TAX

The City's property tax is levied (assessed) each October 1, on the value listed as of the prior January 1, for all real property and personal property located in the City. Taxes are billed and due on October 1 of each year. The last date for payment without penalty is the following January 31. Delinquent penalties are added on February 1 with additional attorney fees being added on July 1. Lien attaches to properties on the January 1 following levy date. Tarrant County bills and collects the general property taxes for the City. In the governmental funds the City's property tax revenues are recognized when levied to the extent that they result in current receivables available for financing current operations. The remaining receivables are reflected in deferred revenue.

CITY OF CROWLEY, TEXAS
Notes to Financial Statements
September 30, 2020

NOTE 4: RECEIVABLES

All receivables are shown net of an allowance for uncollectible accounts. The allowances for uncollectible accounts are based upon historical experience. Property tax, EMS and municipal court allowances for uncollectible accounts are equal to approximately 58%, 66% and 85% of the outstanding balances, respectively, at September 30, 2020. The allowance for water, and sewer trade accounts receivable is equal to the accounts receivable that are inactive (final billed) as of September 30, 2020. Receivables as of year-end for the City's major and nonmajor funds, including the applicable allowances for uncollectible accounts are as follows:

	General	Debt Service	Capital Projects	Economic Development Corporation	Nonmajor Governmental	Water and Sewer	Stormwater Utility
Receivables:							
Property taxes	\$ 120,649	\$ 45,283	\$ -	\$ -	\$ 48,766	\$ -	\$ -
Other taxes	610,741	-	-	192,857	179,973	-	-
Accounts	1,647,886	-	-	-	-	1,151,450	71,499
Miscellaneous	984,334	-	703,860	-	38	28,273	-
Gross receivables	3,363,610	45,283	703,860	192,857	228,777	1,179,723	71,499
Less: allowance for uncollectibles	(1,864,749)	(26,458)	-	-	-	(248,970)	-
Net total receivables	<u>\$1,498,861</u>	<u>\$ 18,825</u>	<u>\$ 703,860</u>	<u>\$ 192,857</u>	<u>\$ 228,777</u>	<u>\$ 930,753</u>	<u>\$ 71,499</u>

NOTE 5: DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position and or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has only three items that qualify for reporting in this category, deferred charges on refunding bonds, deferred outflows related to pensions and deferred outflows related to OPEB reported in the government-wide statement of net position and proprietary fund statement of net position. A deferred charge on refunding results from the difference in the carrying value of the refunded debt and its acquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position and or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents acquisition of net position or fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The city has three types of items that qualifies for reporting in this category, unavailable revenues for governmental funds, deferred inflows related to pensions and deferred inflows related to OPEB in the government-wide statement of net position and proprietary fund statement of net position. At the end of the fiscal year the components of deferred inflows in the governmental funds were as follows:

CITY OF CROWLEY, TEXAS
Notes to Financial Statements
September 30, 2020

NOTE 5: DEFERRED INFLOWS OF RESOURCES (Continued)

	General	Debt Service	Total Governmental Funds
Deferred property tax revenue	\$ 50,157	\$ 18,825	\$ 68,982
Deferred franchise tax revenue	186,784	-	186,784
Deferred EMS charges revenue	528,593	-	528,593
Deferred municipal court fees and fines	128,839	-	128,839
	<u>\$ 894,373</u>	<u>\$ 18,825</u>	<u>\$ 913,198</u>

NOTE 6: INTERFUND RECEIVABLE, PAYABLES AND TRANSFERS

The composition of interfund balances for the City's individual major funds and nonmajor funds at September 30, 2020, is as follows:

Receivable Fund	Payable Fund	Amount	Purpose
General	Economic Development	\$ 209,350	Economic Development
Total governmental funds		<u>\$ 209,350</u>	

The composition of interfund transfers for the City's individual major funds and nonmajor funds at September 30, 2020, is as follows:

Transfer In	Transfer Out	Amount	Purpose
General	Water and sewer	\$ 580,466	Use unrestricted revenues collected in the water and sewer fund to finance various general fund programs in accordance with budgetary authorization.
Total governmental funds transfers in		<u>\$ 580,466</u>	

CITY OF CROWLEY, TEXAS
Notes to Financial Statements
September 30, 2020

NOTE 7: CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Transfers & Adjustments	Ending Balance
Governmental activities:					
Non - Depreciable Assets:					
Land	\$ 4,060,595	\$ 238,927	\$ -	\$ -	\$ 4,299,522
Construction in progress	1,376,390	4,022,354	-	(1,541,070)	3,857,674
Total non-depreciable assets	<u>5,436,985</u>	<u>4,261,281</u>	<u>-</u>	<u>(1,541,070)</u>	<u>8,157,196</u>
Depreciable Assets:					
Building and improvements	24,624,892	-	-	1,525,071	26,149,963
Infrastructure/utility system	20,379,224	426,728	-	-	20,805,952
Equipment and furniture	9,534,070	1,222,074	(267,218)	15,999	10,504,925
Total capital assets being depr	<u>54,538,186</u>	<u>1,648,802</u>	<u>(267,218)</u>	<u>1,541,070</u>	<u>57,460,840</u>
Accumulated Depreciation:					
Building and improvements	(8,923,216)	(872,423)	-	-	(9,795,639)
Infrastructure/utility system	(12,901,071)	(547,968)	-	-	(13,449,039)
Equipment and furniture	(7,632,185)	(567,227)	267,218	-	(7,932,194)
Total accumulated depreciation	<u>(29,456,472)</u>	<u>(1,987,618)</u>	<u>267,218</u>	<u>-</u>	<u>(31,176,872)</u>
Governmental activities capital assets, net	<u>\$ 30,518,699</u>	<u>\$ 3,922,465</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,441,164</u>

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

Governmental activities:	
General government	\$ 253,938
Court	1,132
Library	61,859
Public safety	391,211
Fire and ambulance	185,974
Public works	586,198
Parks	177,777
Recreation center	271,222
Animal control	58,307
Total depreciation expense - governmental activities	<u>\$ 1,987,618</u>

CITY OF CROWLEY, TEXAS
Notes to Financial Statements
September 30, 2020

NOTE 7: CAPITAL ASSETS (Continued)

	Beginning Balance	Increases	Decreases	Transfers & Adjustments	Ending Balance
Business-type activities:					
Non - Depreciable Assets:					
Land	\$ 121,751	\$ -	\$ -	\$ -	\$ 121,751
Construction in progress	45,598	37,604	-	-	83,202
Total non-depreciable assets	<u>167,349</u>	<u>37,604</u>	<u>-</u>	<u>-</u>	<u>204,953</u>
Depreciable Assets:					
Building and improvements	2,246,057	15,372	-	-	2,261,429
Infrastructure/utility system	19,343,885	1,201,208	-	-	20,545,093
Equipment and furniture	2,700,035	348,187	(44,894)	-	3,003,328
Total capital assets being depr	<u>24,289,977</u>	<u>1,564,767</u>	<u>(44,894)</u>	<u>-</u>	<u>25,809,850</u>
Accumulated Depreciation:					
Building and improvements	(700,492)	(68,792)	-	-	(769,284)
Infrastructure/utility system	(9,319,588)	(609,701)	-	-	(9,929,289)
Equipment and furniture	(2,344,238)	(105,622)	44,894	-	(2,404,966)
Total accumulated depreciation	<u>(12,364,318)</u>	<u>(784,115)</u>	<u>44,894</u>	<u>-</u>	<u>(13,103,539)</u>
Business-type activities capital assets, net	<u>\$ 12,093,008</u>	<u>\$ 818,256</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,911,264</u>

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

Business-type activities:	
Water and sewer	\$ 760,121
Stormwater utility	23,994
Total depreciation expense - business-type activities	<u>\$ 784,115</u>

NOTE 8: GOVERNMENTAL ACTIVITIES LONG-TERM DEBT

The general obligation bonds and certificates of obligation bonds principal and interest are paid by the debt service fund, economic development corporation and crime control and prevention district while the sales tax revenue bonds are paid solely by the economic development corporation. Repayment of principal and interest maturities is principally made from property and sales tax revenues. Also, for governmental activities, compensated absences, pension liability and other postemployment benefit liability are generally liquidated by the general fund.

CITY OF CROWLEY, TEXAS
Notes to Financial Statements
September 30, 2020

NOTE 8: GOVERNMENTAL ACTIVITIES LONG-TERM DEBT (continued)

As of September 30, 2020, the City had the following governmental activities long-term debt outstanding:

	<u>09/30/2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>09/30/2020</u>	<u>Due Within One Year</u>
General Obligation Bonds					
Direct Placements					
\$2,880,000; General Obligation Refunding Bonds, Series 2005 due in semi-annual installments from 2/1/2005; 3.92% until 2/1/2020.	\$ 115,000	\$ -	\$ 115,000	\$ -	\$ -
\$4,920,000; General Obligation Refunding Bonds, Series 2013, due in semi-annual installments from 2/1/2014; 2.19% until 2/1/2025.	2,635,000	-	450,000	2,185,000	460,000
Total	2,750,000	-	565,000	2,185,000	460,000
Not Direct Placements					
\$1,855,000; General Obligation Refunding Bonds, Series 2012; due in semi-annual installments from 2/1/2013; 2.00% - 3.00% until 2/1/2022.	290,000	-	100,000	190,000	95,000
Series 2012 unamortized bond premium	115,562	-	38,521	77,041	38,521
\$590,000; General Obligation Refunding Bonds, Series 2012A; due in semi-annual installments from 2/1/2014; 2.00% 3.00% until 2/1/2023.	260,000	-	60,000	200,000	65,000
Series 2012A unamortized bond premium	19,965	-	4,991	14,974	4,991
\$4,745,000; General Obligation Refunding Bonds, Series 2017, due in semi-annual installments from 2/1/2018; 3.00% until 2/1/2029.	4,720,000	-	410,000	4,310,000	425,000
Series 2017 unamortized bond premium	206,473	-	20,940	185,533	20,940
Total	5,612,000	-	634,452	4,977,548	649,452
Total General Obligation Bonds	<u>\$ 8,362,000</u>	<u>\$ -</u>	<u>\$ 1,199,452</u>	<u>\$ 7,162,548</u>	<u>\$ 1,109,452</u>

CITY OF CROWLEY, TEXAS
Notes to Financial Statements
September 30, 2020

NOTE 8: GOVERNMENTAL ACTIVITIES LONG-TERM DEBT (Continued)

	<u>09/30/2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>09/30/2020</u>	<u>Due Within One Year</u>
Certificates of Obligation					
\$4,890,000; Certificates of Obligation, Series 2012 due in semi-annual installments from 2/1/2013; 2.00% - 3.50% until 2/1/2032.	\$ 3,495,000	\$ -	\$ 220,000	\$ 3,275,000	\$ 225,000
Series 2012 unamortized premium	38,889	-	2,992	35,897	2,992
\$2,970,000; Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2016 due in annual installments from 2/1/17; 2.00% - 3.00% until 2/1/2025.	2,675,000	-	130,000	2,545,000	130,000
Series 2016 unamortized premium	61,769	-	3,633	58,136	3,633
\$11,080,000; Combination and Limited Pledge Revenue Certificates of Obligation, Series 2018 due in annual installments from 8/1/19; 3.50% - 5.00% until 8/1/2038.	10,900,000	-	285,000	10,615,000	480,000
Series 2018 unamortized premium	575,821	-	30,307	545,514	30,307
\$3,000,000; Combination and Limited Pledge Revenue Certificates of Obligation, Series 2020 due in annual installments from 2/1/21; 3.00% - 6.00% until 2/1/2040.	-	3,000,000	-	3,000,000	50,000
Series 2020 unamortized premium	-	79,351	-	79,351	3,968
Total Certificates of Obligation	<u>\$ 17,746,479</u>	<u>\$ 3,079,351</u>	<u>\$ 671,932</u>	<u>\$ 20,153,898</u>	<u>\$ 925,900</u>
Revenue Bonds					
\$2,180,000; Sales Tax Revenue Bonds, Taxable Series 2016 due in annual installments from 8/1/17; 3.00% - 5.00% until 8/1/2031.	\$ 1,885,000	\$ -	\$ 125,000	\$ 1,760,000	\$ 130,000
Series 2016 unamortized premium	121,672	-	10,139	111,533	10,139
Total Revenue Bonds	<u>\$ 2,006,672</u>	<u>\$ -</u>	<u>\$ 135,139</u>	<u>\$ 1,871,533</u>	<u>\$ 140,139</u>
Total OPEB liability	<u>\$ 202,635</u>	<u>\$ 66,828</u>	<u>\$ -</u>	<u>\$ 269,463</u>	<u>\$ -</u>
Net pension liability	<u>\$ 3,298,981</u>	<u>\$ -</u>	<u>\$ 845,153</u>	<u>\$ 2,453,828</u>	<u>\$ -</u>
Compensated absences	<u>\$ 562,687</u>	<u>\$ 446,011</u>	<u>\$ 405,135</u>	<u>\$ 603,563</u>	<u>\$ 434,565</u>
Total Governmental Activities	<u><u>\$ 32,179,454</u></u>	<u><u>\$ 3,592,190</u></u>	<u><u>\$ 3,256,811</u></u>	<u><u>\$ 32,514,833</u></u>	<u><u>\$ 2,610,056</u></u>

CITY OF CROWLEY, TEXAS
Notes to Financial Statements
September 30, 2020

NOTE 8: GOVERNMENTAL ACTIVITIES LONG-TERM DEBT (Continued)

The aggregate debt service payments to maturity of the governmental activities general obligation bonds (not direct placement), certificates of obligation bonds and sales tax revenue bonds are as follows:

Year Ending September 30,	General Obligation		Certificates of Obligation		Sales Tax Revenue Bonds		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2021	\$ 585,000	\$ 134,650	\$ 885,000	\$ 705,194	\$ 130,000	\$ 78,150	\$ 2,517,994
2022	595,000	116,950	850,000	666,644	135,000	74,250	2,437,844
2023	520,000	100,225	915,000	628,968	140,000	68,850	2,373,043
2024	460,000	85,525	965,000	588,019	145,000	63,250	2,306,794
2025	475,000	70,906	1,005,000	544,944	150,000	57,450	2,303,300
2026 - 2030	2,065,000	126,844	5,680,000	2,040,937	860,000	181,700	10,954,481
2031 - 2035	-	-	5,705,000	1,024,848	200,000	10,000	6,939,848
2036 - 2040	-	-	3,430,000	236,584	-	-	3,666,584
Total debt service requirements	4,700,000	635,100	19,435,000	6,436,138	1,760,000	533,650	33,499,888
Add: Unamortized premium	277,548	-	718,898	-	111,533	-	1,107,979
	<u>\$ 4,977,548</u>	<u>\$ 635,100</u>	<u>\$ 20,153,898</u>	<u>\$ 6,436,138</u>	<u>\$ 1,871,533</u>	<u>\$ 533,650</u>	<u>\$ 34,607,867</u>

Governmental bonds from direct placements include a provision that in the event the City defaults in the payments or performance of covenants, conditions, or obligations, the holders of the bonds shall be entitled to seek a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the governing body of the City to observe and perform the covenant, condition and obligation prescribed by the bond ordinance..

Payments to maturity on the direct placement bonds include the following:

Year Ending September 30,	General Obligation		Total
	Principal	Interest	
2021	\$ 460,000	\$ 42,815	\$ 502,815
2022	475,000	32,576	507,576
2023	485,000	22,064	507,064
2024	500,000	11,279	511,279
2025	265,000	2,902	267,902
Total debt service requirements	<u>\$ 2,185,000</u>	<u>\$ 111,636</u>	<u>\$ 2,296,636</u>

CITY OF CROWLEY, TEXAS
Notes to Financial Statements
September 30, 2020

NOTE 9: BUSINESS-TYPE LONG-TERM DEBT

	<u>09/30/2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>09/30/2020</u>	<u>Due Within One Year</u>
General Obligation Bonds					
\$1,945,000; General Obligation Refunding Bonds, Series 2012A; due in semi-annual installments from 2/1/2014; 2.00% 3.00% until 2/1/2023.	\$ 865,000	\$ -	\$ 205,000	\$ 660,000	\$ 210,000
Series 2012A unamortized bond premium	65,139	-	15,510	49,629	16,285
 \$1,800,000; General Obligation Refunding Bonds, Series 2017, due in semi-annual installments from 2/1/2018; 3.00% until 2/1/2029.	1,785,000	-	155,000	1,630,000	160,000
Series 2017 unamortized bond premium	77,785	-	7,778	70,007	7,778
Total General Obligation Bonds	<u>\$ 2,792,924</u>	<u>\$ -</u>	<u>\$ 383,288</u>	<u>\$ 2,409,636</u>	<u>\$ 394,063</u>
 Certificates of Obligation					
\$2,500,000; Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2011 due in annual installments from 2/1/2012; 2.00% - 4.50% until 2/1/2029.	\$ 1,590,000	\$ -	\$ 105,000	\$ 1,485,000	\$ 110,000
Series 2011 unamortized premium	47,445	-	4,265	43,180	4,265
 \$2,965,000; Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2016 due in annual installments from 2/1/17; 2.00% - 3.00% until 2/1/2025.	2,760,000	-	160,000	2,600,000	160,000
Series 2016 unamortized premium	61,385	-	3,825	57,560	3,825
 \$7,810,000; Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2019 due in annual installments from 2/1/20; 2.00% - 5.00% until 2/1/2039.	-	7,810,000	310,000	7,500,000	285,000
Series 2019 unamortized premium	-	324,273	16,214	308,059	16,214
Total Certificates of Obligation	<u>\$ 4,458,830</u>	<u>\$ 8,134,273</u>	<u>\$ 599,304</u>	<u>\$ 11,993,799</u>	<u>\$ 579,304</u>
 Total OPEB liability	<u>\$ 15,252</u>	<u>\$ 5,030</u>	<u>\$ -</u>	<u>\$ 20,282</u>	<u>\$ -</u>
 Net pension liability	<u>\$ 266,566</u>	<u>\$ -</u>	<u>\$ 81,869</u>	<u>\$ 184,697</u>	<u>\$ -</u>
 Compensated absences	<u>\$ 26,990</u>	<u>\$ 36,268</u>	<u>\$ 19,443</u>	<u>\$ 43,815</u>	<u>\$ 31,547</u>
 Total Business-Type Activities	<u>\$ 7,560,562</u>	<u>\$ 8,175,571</u>	<u>\$ 1,083,904</u>	<u>\$ 14,652,229</u>	<u>\$ 1,004,914</u>

CITY OF CROWLEY, TEXAS
Notes to Financial Statements
September 30, 2020

NOTE 9: BUSINESS-TYPE ACTIVITIES LONG-TERM DEBT (Continued)

The aggregate debt service requirements to maturity for business-type activities general obligation bonds and certificates of obligation outstanding as of September 30, 2020, are as follows:

Year Ending September 30,	General Obligation		Certificates of Obligation		Total
	Principal	Interest	Principal	Interest	
2021	\$ 370,000	\$ 64,075	\$ 555,000	\$ 335,557	\$ 1,324,632
2022	385,000	52,750	570,000	311,895	1,319,645
2023	400,000	40,975	600,000	287,070	1,328,045
2024	170,000	32,425	590,000	261,570	1,053,995
2025	180,000	26,950	610,000	240,745	1,057,695
2026 - 2030	785,000	47,863	3,395,000	874,703	5,102,566
2031 - 2035	-	-	3,180,000	415,892	3,595,892
2036 - 2040	-	-	2,085,000	94,571	2,179,571
Total debt service requirements	2,290,000	265,038	11,585,000	2,822,003	16,962,041
Add: Unamortized premium	119,636	-	408,799	-	528,435
	<u>\$ 2,409,636</u>	<u>\$ 265,038</u>	<u>\$ 11,993,799</u>	<u>\$ 2,822,003</u>	<u>\$ 17,490,476</u>

The various bond ordinances contain a number of limitations and restrictions. Management believes the City is in compliance with all significant limitation and restrictions at September 30, 2020.

NOTE 10: RISK MANAGEMENT

The City is exposed to various risk of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The City is a member of the Texas Municipal League and participates in the Intergovernmental Risk Pool insurance coverage and are 100% covered through third-party insurance policies. The City has maintained insurance coverage in all major categories of risk comparable to that of the prior year with not reduction in coverage. The amount of settlements during the past three years has not exceeded the insurance coverage.

CITY OF CROWLEY, TEXAS
Notes to Financial Statements
September 30, 2020

NOTE 11: DEFINED BENEFIT PENSION PLANS

Plan Description

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

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

Benefits Provided

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

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

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>Plan Year 2019</u>
Employee deposit rate	6%
Matching ratio (city to employee)	2-1
Years required for vesting	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20
Updated service credit	100%
Annuity increase (to retirees)	70% of CPI

CITY OF CROWLEY, TEXAS
Notes to Financial Statements
September 30, 2020

NOTE 11: DEFINED BENEFIT PENSION PLANS (continued)

Employees Covered by Benefit Terms

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

Active employees	114
Inactive employees or beneficiaries currently receiving benefits	59
Inactive employees entitled to but not yet receiving benefits	93
	<u>266</u>

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the 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 6% of their annual gross earnings during the fiscal year. The contribution rates for the City were 10.77% and 10.95% in calendar years 2019 and 2020, respectively. The city's contributions to TMRS for the year ended September 30, 2020, were \$811,200, and were equal to the required contributions.

Net Pension Liability

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

Actuarial Assumptions

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

Inflation	2.50% per year
Overall payroll growth	2.75% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

CITY OF CROWLEY, TEXAS
Notes to Financial Statements
September 30, 2020

NOTE 11: DEFINED BENEFIT PENSION PLANS (continued)

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

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2015 and first used in the December 31, 2019 actuarial valuation. The postretirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs to TMRS.

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

Assest Class	Target Allocation	Long-Term Expected Rate of Return (Arithmetic)
Global Equity	30.00%	5.30%
Core Fixed Income	10.00%	1.25%
Non-Core Fixed Income	20.00%	4.14%
Real Return	10.00%	3.85%
Real Estate	10.00%	4.00%
Absolute Return	10.00%	3.48%
Private Equity	10.00%	7.75%
Total	100.00%	

CITY OF CROWLEY, TEXAS
Notes to Financial Statements
September 30, 2020

NOTE 11: DEFINED BENEFIT PENSION PLANS (continued)

Discount Rate

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

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at 12/31/18	\$ 20,346,813	\$ 16,781,266	\$ 3,565,547
Changes for the year:			
Service cost	945,202	-	945,202
Interest	1,379,106	-	1,379,106
Changes in net benefit terms	-	-	-
Difference between expected and actual experience	331,400	-	331,400
Change of assumptions	106,850	-	106,850
Contributions - employer	-	713,371	(713,371)
Contributions - employee	-	397,422	(397,422)
Net investment income	-	2,593,887	(2,593,887)
Benefit payments, including refunds of employee contributions	(776,423)	(776,423)	-
Administrative expense	-	(14,659)	14,659
Other changes	-	(441)	441
Net changes	1,986,135	2,913,157	(927,022)
Balance at 12/31/19	<u>\$ 22,332,948</u>	<u>\$ 19,694,423</u>	<u>\$ 2,638,525</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's Net Pension Liability	\$6,404,272	\$2,638,525	(\$388,887)

CITY OF CROWLEY, TEXAS
Notes to Financial Statements
September 30, 2020

NOTE 11: DEFINED BENEFIT PENSION PLANS (continued)

Pension Plan Fiduciary Net Position

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

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

For the year ended September 30, 2020, the City recognized pension expense of \$983,762.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience	\$ 431,998	\$ 24,620
Difference in assumption changes	81,885	-
Difference in projected and actual earnings	-	601,119
Contributions subsequent to the measurement date	601,824	-
Total	<u>\$ 1,115,707</u>	<u>\$ 625,739</u>

\$601,824 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability for the 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:

Year ended September 30:	
2020	\$ (11,172)
2021	(2,410)
2022	165,287
2023	(263,561)
2024	-
Thereafter	-
	<u>\$ (111,856)</u>

CITY OF CROWLEY, TEXAS

Notes to Financial Statements

September 30, 2020

NOTE 12. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description

The City's defined benefit OPEB plan, Supplemental Death Benefits Fund (SDBF), provides OPEB for active employees and retirees. The SDBF is a single employer defined benefit plan administered by the Texas Municipal Retirement System (TMRS). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance benefit for their active members, including or not including retirees.

The City may terminate coverage and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1. No assets are accumulated in a trust that meets the criteria in paragraph 4 of *GASB Statement No. 75*.

Benefits Provided

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

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

Active employees	114
Inactive employees currently receiving benefits	37
Inactive employees entitled to but not yet receiving benefits	15
	<u>166</u>

Contributions

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

Total OPEB Liability

The City's Total OPEB Liability of \$289,745 was measured as of December 31, 2019 and was determined by an actuarial valuation as of that date.

CITY OF CROWLEY, TEXAS
Notes to Financial Statements
September 30, 2020

NOTE 12. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

Actuarial Assumptions and Other Inputs

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

Inflation	2.50% per year
Salary increases	3.50% to 11.50% including inflation
Discount rate*	2.75%
Retiree's share of benefit-related costs	\$0

* The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2019.

Mortality rates for service retirees were based on the 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.

Mortality rates for disabled retirees were based on the 2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by scale UMP to account for future mortality improvements subject to the floor.

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

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at 12/31/18	\$ 217,887
Changes for the year:	
Service cost	13,910
Interest	8,317
Changes in net benefit terms	-
Difference between expected and actual experience	(716)
Changes of assumptions or other inputs	51,672
Benefit payments**	<u>(1,325)</u>
Net changes	71,858
Balance at 12/31/19	<u>\$ 289,745</u>

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

CITY OF CROWLEY, TEXAS
Notes to Financial Statements
September 30, 2020

NOTE 12. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, calculated using the discount rate of 2.75%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.75%) or 1-percentage-point higher (3.75%) than the current rate:

	1% Decrease in Discount Rate (1.75%)	Discount Rate (2.75%)	1% Increase in Discount Rate (3.75%)
City's Total OPEB Liability	\$358,720	\$289,745	\$237,099

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

For the year ended September 30, 2020, the City recognized OPEB expense of \$28,665.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience	\$ -	\$ 7,594
Difference in assumption changes	42,671	-
Contributions subsequent to the measurement date	7,695	-
Total	<u>\$ 50,366</u>	<u>\$ 7,594</u>

Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30:

2020	\$ 6,438
2021	6,438
2022	6,438
2023	6,150
2024	3,951
Thereafter	5,662
	<u>\$ 35,077</u>

NOTE 13: CONTINGENT LIABILITIES

Federal and State Programs

Federal and state funding received related to various grant programs are based upon periodic reports detailing reimbursable expenditures made, in compliance with program guidelines, to the grantor agency.

CITY OF CROWLEY, TEXAS
Notes to Financial Statements
September 30, 2020

NOTE 13: CONTINGENT LIABILITIES (continued)

These programs are governed by various statutory rules and regulations of grantors. Amounts received and receivable under these various funding programs are subject to periodic audit and adjustment by the funding agencies. To the extent, if any, the City has not complied with all the rules and regulations with respect to performance, financial or otherwise, adjustment to or return of fund monies may be required.

As it pertains to other matters of compliance, in the opinion of the City's administration, there are no significant contingent liabilities relating to matters of compliance and accordingly, no provision has been made in the accompanying financial statements for such contingencies.

Litigation

Various claims and lawsuits are pending against the City. Although the outcome of these lawsuits is not presently determinable, it is the opinion of City management and legal counsel that the potential loss on all claims will be covered by the City's insurance policy or will not have a material adverse effect on the financial condition of the City.

NOTE 14: CONTRACTS AND COMMITMENTS

A. Water and Sewer Contracts

The City has separate contracts with the City of Fort Worth, Texas for the purchase of treated water and for the treatment of wastewater. The contracts require the City to pay varying amounts based on the costs associated with water purchased and treated. Purchases during 2020 of treated water were \$1,979,170 and for the treatment of wastewater were \$1,244,127.

B. Construction Contracts

The City entered into an \$8,237,558 construction contract for the Main Street renovation project. TxDOT will pay 80% of the costs up to \$4,500,000. Expenditures for the project as of September 30, 2020 were \$1,003,677.

NOTE 15: SUBSEQUENT EVENTS

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. However, the related financial impact on the City and the duration cannot be estimated at this time.

Subsequent events were evaluated through February 9, 2021, which is the date the financial statements were available to be issued.

CITY OF CROWLEY, TEXAS
Notes to Financial Statements
September 30, 2020

NOTE 16: FUTURE ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement is effective for reporting periods beginning after June 15, 2021. The City has not yet determined the effect of this statement will have on its financial reporting.

REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF CROWLEY, TEXAS
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Taxes:				
Property	\$ 5,274,544	\$ 5,560,044	\$ 5,528,444	\$ (31,600)
Sales	1,773,500	2,020,147	2,176,697	156,550
Franchise	809,562	809,562	761,778	(47,784)
Charges for service	2,253,529	2,253,529	2,046,763	(206,766)
Fees and fines	425,700	425,700	373,708	(51,992)
Licenses and permits	971,680	971,680	772,454	(199,226)
Grants and contributions	298,000	298,000	1,095,383	797,383
Oil & gas revenue	-	-	94,589	94,589
Investment earnings	110,000	110,000	244,822	134,822
Other revenue	33,000	33,000	101,549	68,549
Total revenues	<u>11,949,515</u>	<u>12,481,662</u>	<u>13,196,187</u>	<u>714,525</u>
EXPENDITURES				
Administrative and finance	945,339	950,325	973,523	(23,198)
Municipal court	232,435	232,435	221,374	11,061
Library	537,522	546,122	554,627	(8,505)
Senior center	27,167	27,167	24,625	2,542
Public safety	3,602,876	3,648,687	3,336,475	312,212
Fire and ambulance	3,254,595	3,331,464	3,253,953	77,511
Public works	651,118	891,426	898,077	(6,651)
Parks	324,039	384,149	362,312	21,837
Recreation Center	561,277	603,241	497,381	105,860
Animal Control	297,075	313,591	279,327	34,264
Code enforcement	55,945	55,945	62,975	(7,030)
Community development	573,209	573,209	418,518	154,691
Community center	7,787	7,787	3,871	3,916
Sanitation	801,792	801,792	890,514	(88,722)
Capital project	-	266,927	238,927	28,000
Nondepartmental	639,731	676,714	637,607	39,107
Total expenditures	<u>12,511,907</u>	<u>13,310,981</u>	<u>12,654,086</u>	<u>656,895</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(562,392)</u>	<u>(829,319)</u>	<u>542,101</u>	<u>1,371,420</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>580,466</u>	<u>580,466</u>	<u>580,466</u>	<u>-</u>
Total other financing sources (uses)	<u>580,466</u>	<u>580,466</u>	<u>580,466</u>	<u>-</u>
Net change in fund balances	18,074	(248,853)	1,122,567	1,371,420
Fund balance - beginning	<u>9,018,440</u>	<u>9,018,440</u>	<u>9,018,440</u>	<u>-</u>
Fund balance - ending	<u>\$ 9,036,514</u>	<u>\$ 8,769,587</u>	<u>\$ 10,141,007</u>	<u>\$ 1,371,420</u>

The accompanying notes to the required supplementay information are an integral part of this schedule.

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CITY OF CROWLEY, TEXAS
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Economic Development Corporation
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Sales tax	\$ 910,000	\$ 910,000	\$ 1,084,635	\$ 174,635
Other revenue	20,000	20,000	45,797	25,797
Investment earnings	8,000	8,000	56,315	48,315
Total revenues	938,000	938,000	1,186,747	248,747
EXPENDITURES				
Administrative	186,239	186,239	218,675	(32,436)
Community development	-	-	120,000	(120,000)
Economic development	69,000	69,000	1,914,033	(1,845,033)
Debt service				
Principal	260,000	260,000	260,000	-
Interest and fiscal charges	241,525	241,525	280,806	(39,281)
Bond issuance costs	-	-	79,351	(79,351)
Total expenditures	756,764	756,764	2,872,865	(2,116,101)
Excess (deficiency) of revenues over (under) expenditures	181,236	181,236	(1,686,118)	(1,867,354)
OTHER FINANCING SOURCES (USES)				
Bond issuance proceeds	-	-	3,000,000	3,000,000
Bond Premium	-	-	79,351	79,351
Total other financing sources (uses)	-	-	3,079,351	3,079,351
Net change in fund balances	181,236	181,236	1,393,233	1,211,997
Fund balance - beginning	5,565,566	5,565,566	5,565,566	-
Fund balance - ending	\$ 5,746,802	\$ 5,746,802	\$ 6,958,799	\$ 1,211,997

The accompanying notes to the required supplementay information are an integral part of this schedule.

CITY OF CROWLEY, TEXAS

Schedule of Changes in Net Pension Liability and Related Ratios

Last 10 Years (will ultimately be displayed)

	2014	2015	2016
Total Pension Liability			
Service cost	\$ 689,124	\$ 737,801	\$ 761,876
Interest (on the Total Pension Liability)	961,835	1,028,535	1,094,661
Changes in net benefit terms (TMRS Plan Participation)	-	-	-
Difference between expected and actual experience	(314,507)	199,815	(171,608)
Change of assumptions	-	22,670	-
Benefit payments, including refunds of employee contributions	(332,931)	(482,919)	(471,107)
Net change in total pension liability	1,003,521	1,505,902	1,213,822
Total pension liability - beginning	13,562,397	14,565,918	16,071,820
Total pension liability - ending	<u>\$ 14,565,918</u>	<u>\$ 16,071,820</u>	<u>17,285,642</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 509,970	\$ 560,076	\$ 547,783
Contributions - employee	301,460	316,426	320,340
Net investment income	679,713	19,225	906,744
Benefit payments, including refunds of employee contributions	(332,931)	(482,919)	(471,107)
Administrative expense	(7,095)	(11,712)	(10,251)
Other	(583)	(578)	(552)
Net change in plan fiduciary net position	1,150,534	400,518	1,292,957
Plan fiduciary net position - beginning	11,879,419	13,029,953	13,430,471
Plan fiduciary net position - ending	<u>\$ 13,029,953</u>	<u>\$ 13,430,471</u>	<u>\$ 14,723,428</u>
Net Pension Liability	<u>\$ 1,535,965</u>	<u>\$ 2,641,349</u>	<u>\$ 2,562,214</u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 89.46%	 83.57%	 85.18%
 Covered-employee Payroll	 \$ 5,024,334	 \$ 5,273,772	 \$ 5,339,006
 Net Pension Liability as a Percentage of Covered Employee Payroll	 30.57%	 50.08%	 47.99%

The accompanying notes to the required supplementay information are an integral part of this schedule.

Exhibit E-3

2017	2018	2019
\$ 809,245	\$ 885,458	\$ 945,202
1,165,642	1,262,609	1,379,106
-	-	-
143,078	234,189	331,400
-	-	106,850
(842,986)	(596,064)	(776,423)
1,274,979	1,786,192	1,986,135
17,285,642	18,560,621	20,346,813
18,560,621	20,346,813	22,332,948
\$ 612,770	\$ 658,211	\$ 713,371
341,694	371,521	397,422
2,039,047	(504,971)	2,593,887
(842,986)	(596,064)	(776,423)
(10,575)	(9,762)	(14,659)
(537)	(510)	(441)
2,139,413	(81,575)	2,913,157
14,723,428	16,862,841	16,781,266
\$ 16,862,841	\$ 16,781,266	\$ 19,694,423
\$ 1,697,780	\$ 3,565,547	\$ 2,638,525
90.85%	82.48%	88.19%
\$ 5,694,899	\$ 6,192,015	\$ 6,623,700
29.81%	57.58%	39.83%

CITY OF CROWLEY, TEXAS**Schedule of Contributions****Last 10 Fiscal Years (will ultimately be displayed)**

	2014	2015	2016
Actuarially Determined Contributions	\$ 518,829	\$ 554,893	\$ 543,837
Contributions in relation to the actuarially determined contributions	505,650	551,534	543,837
Contribution deficiency (excess)	\$ 13,179	\$ 3,359	\$ -
Covered employee payroll	\$ 4,987,378	\$ 5,257,985	\$ 5,248,757
Contributions as a percentage of covered employee payroll	10.14%	10.49%	10.36%

The accompanying notes to the required supplementary information are an integral part of this schedule.

Exhibit E-4

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 595,975	\$ 647,135	\$ 692,597	\$ 811,200
<u>595,975</u>	<u>647,135</u>	<u>692,597</u>	<u>811,200</u>
\$ -	\$ -	\$ -	\$ -
\$ 5,611,602	\$ 6,067,638	\$ 6,453,864	\$ 7,440,180
10.62%	10.67%	10.73%	10.90%

CITY OF CROWLEY
Schedule of Changes in Total OPEB Liability and Related Ratios
Last 10 Years (will ultimately be displayed)

	<u>2017</u>	<u>2018</u>	<u>2019</u>
Total OPEB Liability			
Service cost	\$ 11,390	\$ 14,242	\$ 13,910
Interest (on the Total OPEB Liability)	7,276	7,656	8,317
Changes in net benefit terms	-	-	-
Difference between expected and actual experience	-	(9,834)	(716)
Change of assumptions or other inputs	19,900	(17,734)	51,672
Benefit payments	(1,139)	(1,238)	(1,325)
Net change in total OPEB liability	37,427	(6,908)	71,858
Total OPEB liability - beginning	187,368	224,795	217,887
Total OPEB Liability	<u><u>\$ 224,795</u></u>	<u><u>\$ 217,887</u></u>	<u><u>\$ 289,745</u></u>
 Covered-employee payroll	 \$ 5,694,899	 \$ 6,192,015	 \$ 6,623,700
 Total OPEB liability as a percentage of covered employee payroll	 3.95%	 3.52%	 4.37%

The accompanying notes to the required supplementary information are an integral part of this schedule.

CITY OF CROWLEY
Notes to the Required Supplementary Information
For the Year Ended September 30, 2020

Budget

The City Council adopts an annual budget on a basis consistent with generally accepted accounting principles for the general fund, debt service fund and major special revenue funds. The water and sewer fund budget is adopted on the modified accrual basis of accounting which is not GAAP basis for enterprise funds. City management may transfer part or all of any unencumbered appropriation balance within specific programs; however, any revisions that alter the total expenditures of a program must be approved by the City Council. The legal level of control is at the fund level.

All unused appropriations, except appropriations for capital expenditures, lapse at the close of the fiscal year to the extent they have not been expended or encumbered. An appropriation for capital expenditures shall continue in force until the purpose for which it was made is accomplished or abandoned.

Excess of Expenditures over Appropriations

In the general fund, administrative and finance, library, public works, code enforcement, and sanitation exceeded appropriations by \$23,198, \$8,505, \$6,651, \$7,030, and \$88,722, respectively. Overall, total actual expenditures were under budget by \$656,895.

In the economic development corporation, administrative, community development, economic development, debt service interest, and bond issuance costs exceeded appropriations by \$32,436, \$120,000, \$1,845,033, \$39,281, and \$79,351, respectively. Overall, total actual expenditures were over budget by \$2,116,101. Economic development construction costs on the Downtown Plaza project were paid with proceeds from bonds issued in the current year in the amount of \$3,000,000.

Schedule of Contributions – Pensions

Valuation Date:

Notes

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	26 Years
Asset Valuation Method	10 Year smooth market, 12% soft corridor
Inflation	2.50% per year
Salary increases	3.50% to 11.50% including inflation

CITY OF CROWLEY
Notes to the Required Supplementary Information
For the Year Ended September 30, 2020

Schedule of Contributions – Pensions (continued)

Methods and Assumptions Used to Determine Contribution Rates (continued):

Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Schedule of Contributions – OPEB (Retiree-only portion of rate)

<u>Plan/ Calendar Year</u>	<u>Total SDB Contribution Rate</u>	<u>Retiree Portion of SDB Contribution (Rate)</u>
2017	0.14%	0.02%
2018	0.15%	0.02%
2019	0.13%	0.02%
2020	0.14%	0.02%

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

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

COMBINING FINANCIAL STATEMENTS
NONMAJOR GOVERNMENTAL FUNDS

CITY OF CROWLEY
Nonmajor Governmental Funds
Combining Balance Sheet
September 30, 2020

	Nonmajor		
	Court Technology & Security	Grant	LEOSE Training
Assets			
Cash and cash equivalents	\$ -	\$ 60,386	\$ 17,864
Investments	41,914	-	-
Receivables (Net of allowances for uncollectibles)			
Property taxes	-	-	-
Other taxes	-	-	-
Miscellaneous	-	13	-
Total assets	<u>\$ 41,914</u>	<u>\$ 60,399</u>	<u>\$ 17,864</u>
Liabilities			
Accounts payable	\$ -	\$ 4,249	\$ 409
Unearned revenue	-	2,035	-
Total liabilities	<u>-</u>	<u>6,284</u>	<u>409</u>
Fund balance			
Restricted	<u>41,914</u>	<u>54,115</u>	<u>17,455</u>
Total fund balances	<u>41,914</u>	<u>54,115</u>	<u>17,455</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 41,914</u>	<u>\$ 60,399</u>	<u>\$ 17,864</u>

Exhibit F-1

Governmental Funds				
Crime Control & Prevention District	TIRZ #1	Truancy	Public, Educational, and Government Access (PEG)	Total Nonmajor Funds
\$ - 1,034,294	\$ 719,491 -	\$ 2,267 -	\$ 37,864 187,778	\$ 837,872 1,263,986
-	48,766	-	-	48,766
176,256	-	-	3,717	179,973
-	25	-	-	38
<u>\$ 1,210,550</u>	<u>768,282</u>	<u>2,267</u>	<u>\$ 229,359</u>	<u>\$ 2,330,635</u>
\$ 8,481	\$ -	\$ -	\$ -	\$ 13,139
-	-	-	-	2,035
<u>8,481</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,174</u>
1,202,069	768,282	2,267	229,359	2,315,461
<u>1,202,069</u>	<u>768,282</u>	<u>2,267</u>	<u>229,359</u>	<u>2,315,461</u>
<u>\$ 1,210,550</u>	<u>\$ 768,282</u>	<u>\$ 2,267</u>	<u>\$ 229,359</u>	<u>\$ 2,330,635</u>

CITY OF CROWLEY**Nonmajor Governmental Funds****Combining Statement of Revenues, Expenditures and Changes in Fund Balance****For the Year Ended September 30, 2020**

	Nonmajor		
	Court Technology & Security	Grant	LEOSE Training
Revenues			
Sales tax	\$ -	\$ -	\$ -
Property taxes	-	-	-
Fees and fines	12,800	-	-
Franchise fees	-	-	-
Grants and contributions	-	51,579	-
Investment earnings	-	-	-
Other	-	-	3,370
Total revenue	<u>12,800</u>	<u>51,579</u>	<u>3,370</u>
Expenditures			
Current			
Administrative	-	-	-
Municipal court	29,913	-	-
Public safety	-	6,210	2,692
Fire and ambulance	-	28,720	-
Debt Service			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>29,913</u>	<u>34,930</u>	<u>2,692</u>
Net change in fund balances	(17,113)	16,649	678
Fund balances - beginning	<u>59,027</u>	<u>37,466</u>	<u>16,777</u>
Fund balances - ending	<u>\$ 41,914</u>	<u>\$ 54,115</u>	<u>\$ 17,455</u>

Governmental Funds				
Crime Control & Prevention District	TIRZ #1	Truancy	Public, Educational, and Government Access (PEG)	Total Nonmajor Funds
\$ 1,011,453	\$ -	\$ -	\$ -	\$ 1,011,453
-	413,280	-	-	413,280
-	-	2,267	-	15,067
-	-	-	23,674	23,674
-	-	-	-	51,579
8,027	456	-	-	8,483
-	-	-	-	3,370
<u>1,019,480</u>	<u>413,736</u>	<u>2,267</u>	<u>23,674</u>	<u>1,526,906</u>
-	-	-	15,897	15,897
-	-	-	-	29,913
485,231	-	-	-	494,133
-	-	-	-	28,720
240,000	-	-	-	240,000
27,923	-	-	-	27,923
<u>753,154</u>	<u>-</u>	<u>-</u>	<u>15,897</u>	<u>836,586</u>
266,326	413,736	2,267	7,777	690,320
935,743	354,546	-	221,582	1,625,141
<u>\$ 1,202,069</u>	<u>\$ 768,282</u>	<u>\$ 2,267</u>	<u>\$ 229,359</u>	<u>\$ 2,315,461</u>

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OTHER SUPPLEMENTARY INFORMATION

(Unaudited)

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CITY OF CROWLEY, TEXAS
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Debt Service Fund
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 2,040,121	\$ 2,040,121	\$ 2,074,582	\$ 34,461
Total revenues	<u>2,040,121</u>	<u>2,040,121</u>	<u>2,074,582</u>	<u>34,461</u>
EXPENDITURES				
Debt service				
Principal	1,395,000	1,395,000	1,395,000	-
Interest and fiscal charges	<u>636,130</u>	<u>636,130</u>	<u>635,841</u>	<u>289</u>
Total debt service	<u>2,031,130</u>	<u>2,031,130</u>	<u>2,030,841</u>	<u>289</u>
Total expenditures	<u>2,031,130</u>	<u>2,031,130</u>	<u>2,030,841</u>	<u>289</u>
Excess (deficiency) of revenues over expenditures	<u>8,991</u>	<u>8,991</u>	<u>43,741</u>	<u>34,750</u>
FUND BALANCE - BEGINNING	<u>281,922</u>	<u>281,922</u>	<u>281,922</u>	<u>-</u>
FUND BALANCE - ENDING	<u><u>\$ 290,913</u></u>	<u><u>\$ 290,913</u></u>	<u><u>\$ 325,663</u></u>	<u><u>\$ 34,750</u></u>

CITY OF CROWLEY
Schedule of Revenues, Expenses, and Changes in Fund Net Position - Budget and Actual
Water and Sewer Fund
For the Year Ended September 30, 2020

	Budget Amounts		Actual Amounts	Variance
	Original	Final	Budgetary Basis	Positive (Negative)
Operating revenues:				
Water sales	\$ 3,783,012	\$ 3,783,012	\$ 4,191,575	\$ 408,563
Sewer charges	2,708,500	2,708,500	2,992,939	284,439
Miscellaneous	530,642	530,642	653,322	122,680
Total operating revenue	7,022,154	7,022,154	7,837,836	815,682
Operating expenses:				
Personnel	815,628	815,628	759,667	55,961
Professional services	68,181	68,181	47,750	20,431
Purchased water	1,625,500	1,625,500	1,979,170	(353,670)
Wastewater treatment charge	1,465,500	1,465,500	1,244,127	221,373
Contractual services	187,481	187,481	261,165	(73,684)
Insurance	51,445	51,445	51,168	277
Administrative	79,741	79,741	26,514	53,227
Repairs and maintenance	275,740	275,740	266,850	8,890
Utilities	61,040	61,040	60,616	424
Capital outlay	400,786	400,786	423,062	(22,276)
Total operating expenses	5,031,042	5,031,042	5,120,089	(89,047)
Operating income (loss)	1,991,112	1,991,112	2,717,747	726,635
Nonoperating revenues (expenses):				
Investment earnings	28,000	28,000	68,268	40,268
Debt service - principal	(900,000)	(900,000)	(935,000)	(35,000)
Interest expense	(498,909)	(498,909)	(403,618)	95,291
Total nonoperating revenues (expenses)	(1,370,909)	(1,370,909)	(1,270,350)	100,559
Income (loss) before capital contributions and transfers	620,203	620,203	1,447,397	827,194
Capital contributions	-	-	2,500	2,500
Transfers out	(580,466)	(580,466)	(580,466)	-
Change in net position	39,737	39,737	869,431	829,694
Net position - beginning	10,945,066	10,945,066	10,945,066	-
Net position - ending	\$ 10,984,803	\$ 10,984,803	\$ 11,814,497	\$ 829,694
Reconciliation from Budgetary Basis to GAAP Basis:				
Bond issuance costs			(134,273)	
Capitalized expenditures			423,062	
Depreciation expense			(760,121)	
Noncash capital contributions			16,506	
Principal payments on long-term debt			935,000	
Net Position - ending (GAAP Basis)			\$ 12,294,671	

**OVERALL COMPLIANCE AND INTERNAL CONTROL
SECTION**

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

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

We have audited, in accordance with auditing standards general accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Crowley, Texas (the "City") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated February 9, 2021.

Internal Control over Financial Reporting

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

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

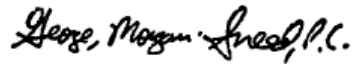
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of this Report

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



Weatherford, Texas
February 9, 2021

SINGLE AUDIT REPORT

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE**

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

Report on Compliance for Each Major Federal Program

We have audited the City of Crowley, Texas's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2020. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2020.

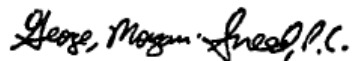
Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Weatherford, Texas
February 9, 2021

CITY OF CROWLEY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness identified? Yes X No

Significant deficiency identified that are not considered to be material weaknesses? Yes X None Reported

Noncompliance material to financial statements noted Yes X No

2. Federal Awards

Internal control over major programs:

Material weakness(es) identified? Yes X No

Significant deficiency(s) identified that are not considered to be material weaknesses? Yes X None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? Yes X No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.019	Coronavirus Relief Fund

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? X Yes No

B. Financial Statement Findings

None

C. Federal Award Findings and Questioned Costs

None

CITY OF CROWLEY, TEXAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED SEPTEMBER 30, 2020

None

CITY OF CROWLEY, TEXAS
CORRECTIVE ACTION PLAN
YEAR ENDED SEPTEMBER 30, 2020

Contact for Corrective Action Plan:

Robert Loftin
City Manager

Federal Statement Findings

None

Federal Award Findings and Questioned Costs

None

CITY OF CROWLEY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
<u>U.S. Department of Treasury</u>			
Passed Through from Tarrant County			
Coronavirus Relief Fund	21.019	39041249	\$ 778,446
Total U.S. Department of Treasury			<u>778,446</u>
<u>U.S. Department of Transportation</u>			
Passed Through Texas Department of Transportation			
Highway Planning and Construction	20.205	0902-90-089	703,860
Total U.S. Department of Transportation			<u>703,860</u>
<u>U.S. Department of National Endowment for the Humanities</u>			
Passed Through Texas State Library and Archives Commission			
Grants to States	45.310	LS-00-19-0044-19	2,922
Total U.S. Department of National Endowment for the Humanities			<u>2,922</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,485,228</u>

See accompanying notes to schedule of expenditures of federal awards.

CITY OF CROWLEY, TEXAS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Reporting Entity

The City of Crowley is a charter city in which the citizens elect the mayor at large and five council members by wards. The financial statements of the City of Crowley, Texas ("City") include all governmental activities, organizations, and functions of the City.

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal program activity of the City of Crowley, Texas and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

Indirect Cost Rate

The City has elected not to use the 10-percent de minimus indirect cost rate allowed under the Uniform guidance.



Crowley City Council

AGENDA REPORT

Meeting Date: March 4, 2021

Agenda Item: VII-2

Staff Contact: Carol C. Konhauser
City Secretary

E-mail: ckonhauser@ci.crowley.tx.us

Phone: 817-297-2201-X 4000

SUBJECT: Discuss and consider approving Resolution R03-2021-349, authorizing continued participation with the Steering Committee of Cities served by ONCOR and authorizing the payment of six cents (\$0.06) per capita to the Steering Committee to fund regulatory and legal proceedings and activities related to ONCOR Electric Delivery Company, LLC.

BACKGROUND/DISCUSSION

Purpose of the Resolution

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

Why this Resolution is Necessary

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

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

Explanation of “Be It Resolved” Paragraphs

I. The City is currently a member of the Steering Committee; this paragraph authorizes the continuation of the City’s membership.

II. This paragraph authorizes payment of the City's assessment to the Steering Committee in the amount of seven cents (\$0.06) per capita, based on the population figure for the City as shown in the latest TML Directory of City Officials.

III. This paragraph requires payment of the 2021 assessment be made and a copy of the resolution be sent to the Steering Committee.

Payment of Assessment

A copy of the resolution should be mailed with payment of the fee to Brandi Stigler, Steering Committee of Cities Served by Oncor, c/o City Attorney's Office, Mail Stop 63-0300, 101 S. Mesquite St., Suite 300, Arlington, Texas 76010. Checks should be made payable to: *Steering Committee of Cities Served by Oncor.*

FINANCIAL IMPACT

The assessment for 2021 was set at a per capita fee of \$0.06, which is a decrease of \$0.01 from 2020. The total membership cost for the City's 2021 Membership Assessment is \$987.60 based on a population of 16,460.

RECOMMENDATION

Staff recommends approval of the Resolution.

ATTACHMENTS

- OCSC Newsletter
- Resolution R03-2021-349

2020 OCSC NEWSLETTER

Steering Committee of
Cities Served by
Oncor

2020 YEAR IN REVIEW ISSUE

This past year was a busy one for OCSC. This annual review highlights the significant events of 2020 that impacted OCSC and what's on the horizon next year.

OCSC Has a Productive 2020

This past year was another active year for the Steering Committee of Cities Served by Oncor (OCSC). On behalf of its member cities and their residents, OCSC participated in numerous proceedings before the Public Utility Commission of Texas (PUC) and the Texas Legislature. This Year in Review highlights the significant events in 2020 that impacted OCSC and previews what is on the horizon for the coming year. Looking ahead, 2021 will likely be another busy year for OCSC at the PUC, the Electric Reliability Council of Texas, the Texas Legislature, and the courts.



Oncor DCRF Settles; Approved by PUC

In early April 2020, electric utilities filed applications with the Public Utility Commission (PUC or Commission) to amend their Distribution Cost Recovery Factors (DCRFs). Utilities file DCRF proceedings to update the DCRF Rider in their tariff to include additional distribution invested capital placed in service since their last full base rate case.

Oncor Electric Delivery Company, LLC (Oncor or Company) filed an Application to Amend its DCRF on April 3, 2020, seeking to increase Oncor's total distribution rates by \$75,889,531 annually (an approximately

\$0.88 increase to the average residential customer's bill). This is Oncor's third DCRF filing. OCSC intervened in the proceeding, hired consultants to review the filing, conducted discovery, and negotiated with the Company. Ultimately, the parties settled, resolving all issues in the docket. Under the settlement, Oncor reduced its request by \$6 million to a total DCRF annual revenue requirement increase of \$69.9 million.

On July 31, 2020 the Commission approved the settlement. The agreed rates for Oncor's DCRF became effective September 1, 2020.

PUC Approves Oncor EECRF

Oncor made its annual Energy Efficiency Cost Recovery Factor (EECRF) filing on May 29, 2020, to adjust its rates during the following year to reflect changes in program costs and performance bonuses. EECRF filings also true-up any prior energy efficiency costs over- or under-collected, pursuant to the Public Utility Regulatory Act (PURA) and PUC rules. Because EECRF proceedings are limited in scope and review, they proceed on an expedited schedule.

OCSC intervened, hired a consultant to review the filing, conducted discovery, and discussed the filing with the Company. Ultimately, OCSC confirmed that the Company's request was reasonable. Therefore, OCSC agreed to the Company's requested EECRF increase as filed.

Pursuant to the agreement, Oncor will collect \$64,782,106 in 2021, consisting of the following components: (1) \$51,620,521 in energy efficiency program costs projected to be incurred in 2021; (2) \$14,249,500 for its 2019 performance bonus; (3) allocation of \$1,833,844 for the over-recovery of costs in 2019; (4) \$735,989 in estimated expenses relating to the Commission's EM&V costs; and (5) \$9,940 in rate case expenses from 2019.

At the September 10, 2020 open meeting, the PUC approved the settlement agreement. The settlement's rates will go into effect on March 1, 2021.

PUC Takes Emergency Action to Combat the Impact of COVID-19

On March 16, 2020, the PUC held an emergency open meeting to adopt measures to address the threats presented by the coronavirus disease (COVID-19). The commissioners designated the COVID-19 threat as a public emergency, giving the PUC the authority to suspend the rules for different filing requirements and deadlines. The agency announced that its staff would be telecommuting, suspended its filing requirements for hard copies, and took its open meetings virtual, allowing the public to participate telephonically. As of the end of 2020, most of staff is still telecommuting, the PUC is contemplating permanent changes to filing requirements, and its open meetings are still being conducted virtually via online streaming.

On, March 26, 2020, the PUC exercised its emergency authority to issue three orders, detailed below:

Exceptions to PUC Rules and Requirement for REPs to Offer DPPs

The first Order provided exceptions to existing PUC rules for electric, water, and sewer utilities, prohibiting the assessment of late fees and disconnection of customers when they cannot pay their utility bills, and required electric utilities to provide eligible customers with deferred payment plans (DPPs).

Accounting Order, Establishing a Regulatory Asset

The Commission also approved an accounting order, authorizing an accounting mechanism and subsequent process through which regulated utilities may seek future recovery of expenses resulting from the effects of COVID-19. These expenses, considered "regulatory assets" can include non-payment of customer bills, as well as other costs, such as the cost to have facilities cleaned and disinfected. In future proceedings, the Commission will consider whether each utility's request for recovery of these regulatory assets is reasonable and necessary. The Commission will

also consider other issues at a future proceeding, such as the appropriate period of recovery for approved amounts.

The COVID-19 Electricity Relief Program

The third Order established the COVID-19 Electricity Relief Program (ERP), which is a mechanism that was designed to protect Texas citizens impacted by COVID 19 and provide certainty to the electric utilities and retail electric providers for recovery of unpaid utility bills.

The ERP helped customers that have been impacted by COVID-19 pay their past-due electric bills, and prevented utilities from disconnecting such customers. The ERP applied only to residential customers and only to those areas of the state with retail electric deregulation.

The ERP was originally scheduled to end July 17, but at its July 2 open meeting, the PUC directed Commission Staff to draft an order to continue the ERP until August 31.

The ERP is funded by a special charge of 0.033 cents per kilowatt hour added to electricity bills. That works out to about 40 cents for residential customers who use 1,200 kilowatt hours of electricity per month. According to the PUC, the program was "intended to help unemployed customers . . . by providing protection from disconnections for non-payment and offering bill payment assistance."

Nearly 595,000 were shielded from utility disconnections because of the program. Since March, it provided more than \$30 million in assistance for bills.

On October 1, 2020, the ERP ended, exposing protected residents to the potential for disconnections and late fees from utilities.

At the August 27, 2020 open meeting, the Commission issued an order requiring Retail Electric Providers and Transmission and Distribution Utilities to file a final ERP report to the Commission on or before January 15, 2021.

WETT STM Settlement Approved by PUC

On February 24, 2020, Wind Energy Transmission Texas, LLC (WETT), AxInfra US LP (AxInfra), Hotspur HoldCo 1 LLC (Hotspur 1), Hotspur HoldCo 2 LLC (Hotspur 2), and 730 Hotspur, LLC (730 Hotspur) (together Applicants) filed an application with the Public Utility Commission for approval of a sales transaction (STM) that would result in the transfer of ownership and control of WETT to AxInfra, an investment fund managed by Axium Infrastructure US, Inc. (Axium US) (Docket No. 50584).

OCSC intervened in the proceeding, because the proceeding impacts service in OCSC's member cities. Rates for all transmission providers are socialized (meaning that ratepayers will pay a portion of all transmission rates approved for all transmission providers). Additionally, the bankruptcy of Energy Future Holdings Corp., and three previous Oncor STMs, teach the importance of corporate structure, debt levels, and ring fencing in protecting consumers.

Under the application, AxInfra will ultimately control WETT. 730 Hotspur will acquire a non-controlling minority interest in Hotspur SPC, an Axium subsidiary that will have an upstream, indirect ownership interest in WETT.

The participating parties (the Applicant, TIEC, OCSC, and Commission Staff) filed a unanimous Stipulation, avoiding the June hearing on the merits.

In prior cases involving change of ownership—most notably the Oncor STMs involving Hunt and NextEra—there were serious debates over whether an application had to demonstrate meaningful savings or other benefits to customers to establish a public interest finding. WETT alleged modest savings in administrative costs by proposing a reduction in the size of its Board of Directors from five to three members—a mistake in governance that would nullify insignificant savings. The Stipulation corrects that mistake by requiring a five-member Board with two independent directors.

Other major concessions made by the Applicants to win the support of the parties include:

1. Dividend Restriction — WETT will not pay dividends, except for contractual tax payments, at any time that WETT's debt rating is below (BBB) or the equivalent with any one of the credit agencies rating WETT unless approved by the two disinterested board members of WETT Holdings;
2. Goodwill, Transaction & Transition Costs — WETT will not seek to include any transaction acquisition premium or Goodwill, transaction or transition costs in rates;
3. Capital Expenditures — Company will maintain capital expenditures consistent with the existing five-year plan; and
4. Stand Alone Credit — Owners agree to obtain stand-alone credit rating from at least one of Moody's, Fitch, or Standard & Poor's by the earlier of: (a) WETT's next base rate case, or (b) December 31, 2022.

On July 24, 2020 the Commission approved the Stipulation and issued its Final Order, finding that the transaction is in the public interest.

PUC Compares Electricity Utility Distribution Spending and Reliability

Each year, the Public Utility Commission releases a report tracking the reliability-related spending of investor-owned electric utilities (IOUs) providing distribution service across the state of Texas. This year's report covers the ten-year period from 2010-2019, providing data on (1) distribution system spending; (2) all investor-owned electric distribution utilities serving customers in Texas; (3) variations in spending and reliability data in graphical format; and (4) outage comparisons between utilities. Outage comparisons use the System Average Interruption Duration Index (SAIDI) and System Average Interruption Frequency Index (SAIFI) calculations to show the duration and frequency of interruptions.

Oncor's data is affected by its acquisition of Sharyland's distribution system in December 2016. Oncor is tracking SAIDI and SAIFI separately for the former Sharyland territory for ten years, whereas, starting in 2017, the vegetation management data is combined.

The size and operating environments of the IOUs in Texas are very diverse, which can make comparisons between IOUs misleading without careful consideration of these differences. Because of the range in IOU size, climate, topography, and other factors, an apples to apples comparison of IOU spending is not necessarily appropriate.

However, by comparing the cost per customer for each of the categories of IOU spending, we have some standards to gauge Oncor's spending.

In 2019, Oncor spent more than ever before on capital additions (around \$900 million) and Operations and Maintenance (O&M) (around \$250 million). Oncor's capital additions and O&M spending has climbed about 10-20% each year over the past 10 years.

Oncor's vegetation management (VM) spending rose slightly in 2019 compared to the previous two years, and is slightly above average for the past seven years. However, a large percentage of its VM spending is attributable to storms.

Oncor's SAIDI and SAIFI data reflects a rise in duration and frequency of interruptions in service that are attributable to major events. Further, over the last ten years, Oncor's percentage of SAIDI and SAIFI attributable to major events is much higher than other utilities.

Compared to other Texas Utilities, Oncor's SAIDI and SAIFI in roughly average.

The Commission's report can be found at:

http://interchange.puc.texas.gov/Documents/46735_26_1089530.PDF



2021 Legislative Session on the Horizon

The gavel drops, opening the 87th Texas Legislative Session on January 12, 2021. This session is sure to look different than years past. There will likely be occupancy limits and other limitations on how committee meetings will take place. Additionally, this session will be one of the toughest legislative sessions in recent years since members will have to address billions of dollars in shortfalls to the state budget, redraw the state's political maps, and navigate issues like health care and public education that have been a focus during the pandemic.

Since Lawmakers began prefiling bills on Monday, November 9, 2020, over 750 bills have already been filed in the House and over 200 bills have been filed in the Senate – including a dozen or so relating to energy and ratepayer issues. We have our eye on many of these bills, and will keep you apprised as they move through the legislative process.

Below, we listed several bills on our watch list, and explain briefly their purpose. However, keep in mind that inclusion on this list implies neither our support nor opposition. **We highlight these bills for informational purposes only.**

- **House Bill 427**, by state Rep. Ken King, would impose an additional \$200 fee for the registration of electric vehicles as well as a \$100 fee for the registration of hybrid vehicles.
- **House Bill 433**, also by state Rep. King, would impose a 1-cent per-kilowatt-hour tax on each kilowatt of electricity generated in Texas from any source other than natural gas.
- **House Resolution 9**, by state Rep. Richard Raymond, would direct the Texas Legislature to urge the U.S. Congress to order a cost-benefit analysis regarding the risks of climate change nationwide. The analysis should include a discussion of appropriate measures to address those risks.
- **House Bill 685**, by state Rep. Gary VanDeaver, would create a critical care program for veterinarians that depend upon electricity to maintain critical medical equipment for animals under their care. The Public Utility Commission would create disconnection protections for such veterinarian customers.
- **Senate Bill 170**, by state Sen. Cesar Blanco, calls for a study of the feasibility of expanding the state's renewable energy goals such that half the state's installed generating capacity by 2030 will come from renewable sources, and 100 percent of it would come from renewable sources by 2050.
- **Senate Bill 182**, by state Sen. Charles Schwertner, requires the Public Utility Commission to conduct a five-year look-back analysis of rates charged by municipal electric utilities. If the municipal rates are 10 percent higher than the five-year average of competitive rates paid in a similarly situated area with electric competition, then the municipal utility must transition to deregulation within one year.

We will provide updates as the 87th Legislature kicks off at the beginning of 2021.

Public Utility Commission Prepares for 2021 Legislative Session

The Public Utility Commission (PUC) has acknowledged that this is not the year for utility issues to take center stage at the Legislative Session, so it seems their expectations are low for any significant changes in 2021. In the PUC's Biennial Report to the 87th Legislature (filed on December 10, 2020 in Docket No. 50475), the PUC provides a report on significant actions taken over the past two years, describes emerging issues, and summarizes its recommendations to the Legislature for potential water, electric, and telecommunications legislation. Based on this report and comments made by the Commissioners at the open meeting on December 17, 2020, the PUC recommends legislation on the following:

- **Sale of Electricity at Charging Stations:** As the cost of electric vehicles has dropped, more consumers have purchased them, with sales rates doubling year-over-year. With increased adoption of electric vehicles over fuel-based vehicles, there is a growing need for public-use charging stations

to be located off of highways and in places such as large retail shopping centers or garages near office buildings. The sale of electricity through these charging stations could potentially bring the companies owning them under the definition of an "electric utility." The PUC proposes that the Legislature clarify that the use of an electric vehicle charging station is not an electric utility or a retail electric provider.

- **Filing Fees:** The Commission is requesting the statutory authority to charge fees to certain parties that make paper filings with the PUC at a level not to exceed the costs incurred by the agency.

We will provide updates on how the 87th Legislature acts on the PUC's recommendations in 2021.



2021 OCSC Meetings

March 4
May 6
August 12
December 9

2021 OCSC Officers

Paige Mims—Chair
Don Knight—Vice Chair
Adrienne Lothery—Secretary



For more questions or concerns regarding any OCSC matter or communication, please contact the following representative, who will be happy to provide assistance:

Thomas L. Brocato
Attorney

Direct : (512) 322-5857
Email: tbrocato@lglawfirm.com

RESOLUTION NO. R03-2021-349

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CROWLEY, TEXAS, AUTHORIZING CONTINUED PARTICIPATION WITH THE STEERING COMMITTEE OF CITIES SERVED BY ONCOR; AND AUTHORIZING THE PAYMENT OF SIX CENTS (\$0.06) PER CAPITA TO THE STEERING COMMITTEE TO FUND REGULATORY AND LEGAL PROCEEDINGS AND ACTIVITIES RELATED TO ONCOR ELECTRIC DELIVERY COMPANY, LLC.

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

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

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

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

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

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

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

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

SECTION I.

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

SECTION II.

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

SECTION III.

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

PRESENTED AND PASSED on this the 4th day of March, 2021, by a vote of _____ ayes and _____ nays at a regular meeting of the City Council of the City of Crowley, Texas.

Billy P. Davis, Mayor

ATTEST:

Carol C. Konhauser, City Secretary

APPROVED AS TO FORM:

Rob Allibon, City Attorney



Crowley City Council

AGENDA REPORT

Meeting Date: March 4, 2021

Agenda Item: VII-3

Staff Contact: Robert Loftin
City Manager

E-mail: rloftin@ci.crowley.tx.us

Phone: 817-297-2201

SUBJECT: Discuss and consider authorizing a consumer water credit for the February 2021 utility bill.

BACKGROUND/DISCUSSION

Staff was approached by members of City Council and asked to conduct a cost analysis on the possibility of issuing all residents within the City a credit to their water bill. The Feb 2021 winter storm wreaked havoc on many of our residents. Citizens left faucets running in an attempt to prevent damage due to frozen pipes and others suffered catastrophic loss from significant water leakages as a result of the deep freeze.

FINANCIAL IMPACT

Approximate cost to the City for a 2,000 gallon credit per account would be \$22,000.00.

RECOMMENDATION

Staff requests Council's guidance and consideration in the matter.

ATTACHMENTS

None