



Regular Council Meeting Agenda

Tuesday, March 15, 2022 at 6:30 PM
8301 Westview Drive, Houston, Texas 77055

Notice is hereby given of a Regular Council Meeting of the City of Hilshire Village, Texas Council to be held on Tuesday, March 15, 2022 at 6:30 PM in the City Hall Council Chambers at 8301 Westview, Houston, Texas 77055

The meeting will be in person and social distancing is requested. Face Mask are recommended.

Any person may participate and address the City Council at the meeting or public hearing by Zoom, telephone, personal appearance at City Hall, or by writing.

Zoom Information for those attending via Zoom

<https://zoom.us/j/93810822226?pwd=cTRqTi8wTDBaMIRFYIBmVUE0U1JuUT09>

Meeting ID: 938 1082 2226

Passcode: 279946

One tap mobile

+13462487799,,93810822226#,,,,*279946# US (Houston)

Dial by your location

+1 346 248 7799 US (Houston)

Meeting ID: 938 1082 2226

Passcode: 279946

This written notice, the meeting agenda, and the agenda packet, are posted online at <http://www.hilshirevillagetexas.com>.

The public will be permitted to offer public comments in person or electronically as provided by the agenda and as permitted by the presiding officer during the meeting.

IF YOU WOULD LIKE TO SEND YOUR COMMENTS PRIOR TO THE MEETING PLEASE SEND TO susan.blevins@hilshirevillagetexas.com.

A recording of the telephonic meeting will be made, and will be available to the public in accordance with the Open Meetings Act upon written request. The matters to be discussed and acted on at the meeting are shown on the agenda below: If you need extra instructions for the use of Zoom please call prior to one (1) hour before meeting (713-973-1779).

1. **CALL TO ORDER**

- 1.A. Invocation - Council Member Maddock
- 1.B. Pledge of Allegiance
- 1.C. Roll Call

2. **CITIZEN'S COMMENTS**

This is an opportunity for citizens to speak to Council relating to agenda and non- agenda items. Comments are limited up to three minutes. If the topic the speaker wishes to address is on the agenda, the speaker can either speak at this time or defer comments until such time the item is discussed.

Speakers are required to address council at the microphone and give their name and address prior to voicing their concerns.

Note: To comply with provisions of the Open Meetings Act, the City Council may not deliberate on items discussed under this agenda item. Items that cannot be referred to the City staff for action may be placed on a future City Council agenda. A copy of any prepared remarks or notes to be used and/or distributed by the speaker must be presented to the City Secretary prior to the beginning of the meeting.

3. **REPORTS TO COUNCIL**

- 3.A.** Police Report
- 3.B.** Building Official Report
- 3.C.** Engineer Report:
 - 1302 Friarcreek Lane
 - 1238 Glourie Drive
 - 1334 Glourie Drive
 - 8201 Mallie Court
 - 7906 N. Villa Court
 - 2 Pine Creek Lane
 - 12 Pine Creek Lane
 - 1122 Ridgeley Drive Ditch Area Improvements
 - 1310 Ridgeley
 - Street Sign Replacement
 - Wirt Road Safety Project/City of Houston Interlocal Agreement

4. **DISCUSSION AND POSSIBLE ACTION**

- 4.A.** Discussion and Possible Approval of Ordinance Number 820-2022 amending the City's General Budget for Fiscal Year Ending 2021
- 4.B.** Discussion and Possible Approval of the City of Hilshire Village's Fiscal Year Ending 2021 Audit
- 4.C.** Discussion and Consideration of improvement to the ditch area at 1122 Ridgeley to allow for construction of a parking pad to allow for daytime and overnight parking for the safety of the residents and drivers along the street curve on Ridgeley Drive

- [4.D.](#) Discussion and Possible direction to staff regarding clean up of the Right of Way at Pine Chase Grove
- [4.E.](#) Discussion and Possible Approval of Resolution Number 2022-226 of the City Council of the City of Hilshire Village, Texas, requesting Municipalities Waste Disposal Council of Harris County, Texas, appoint Robert Swanson to the Board of Directors of the Gulf Coast Authority.
- [4.F.](#) Discussion on the need for a new coordinator for the Hilshire Village Community Emergency Response Team (HV-CERT)
- [4.G.](#) Discussion and Possible Direction to staff regarding parking issues on Pine Creek Lane

5. **REPORTS TO COUNCIL**

- [5.A.](#) Fire Commissioner's Report (Commissioner Byrne)
- [5.B.](#) Mayor Herron's Report
- [5.C.](#) City Administrator's Report: (City Administrator Blevins)
Complaint Log
Consent Agenda
CenterPoint Energy Resources Corp Franchise Agreement
Investment Policy
- [5.D.](#) City Treasurer's Report (City Administrator Blevins)

6. **DISCUSSION AND POSSIBLE ACTION**

- [6.A.](#) Discussion and Possible Approval of an allocation of \$2,400.00 to the Village Fire Department to supplement their fixed meal allowance due to unforeseen cost of living expenses

7. **CONSENT AGENDA**

- [7.A.](#) Approve Disbursements
- [7.B.](#) Approve Resolution 2022-227 approving the City Investment Policy for 2022
- [7.C.](#) Approve Minutes from the Regular Council Meeting of February 15, 2022
- [7.D.](#) Approve Check Registers
- [7.E.](#) Approve Proclamation recognizing the Spring Event to be held on April 3, 2022 on Pine Chase Grove

- 8. CLOSED EXECUTIVE SESSION: City Council reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters on this agenda as authorized by Texas Government Code, Sections**

551.071 (Consultation with Attorney) Sections 551.074 (Personnel Matters) and Sections (Security Devices or Security Audits).

8.A. Diliberate the appointment, employment and duties of a public employee

9. DISCUSSION AND POSSIBLE ACTION

9.A. Discussion and Possible Approval of a change in the City's medical benefits for Employees

9.B. Discussion and Possible Approval of an offer for employment for a City Clerk/Permit Clerk

10. ADDITIONAL COUNCIL COMMENTS

11. FUTURE AGENDA TOPICS

12. ANNOUNCEMENTS

13. ADJOURNMENT

NOTE: Agenda items may not necessarily be considered in the order that they appear. With regard to any item, Council may take various actions, including but not limited to rescheduling an item in its entirety or for particular action at a future date or time.

NOTE: IN THE EVENT A QUORUM OF THE CITY COUNCIL IS NOT PRESENT, THE REPORTING MEMBERS WHO ARE PRESENT WILL MEET AS A SUB-COMMITTEE, FOR DISCUSSION PURPOSE ONLY, REGARDING THE ABOVE AGENDA ITEM(S).

City Council reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above as authorized by Texas Government Code, Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices), 551.087 (Economic Development), and 551.086 (Certain Public Power Utilities: Competitive Matters). Following the executive session, if any, City Council may act in open session on any item discussed in the executive session.

I, Susan Blevins, do hereby certify that the above Notice of Meeting and Agenda for the City Council of the City of Hilshire Village was posted in a place convenient and readily accessible March 11, 2022 at 4:00 p.m.

This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretative service must be made 48 hours prior to this meeting. Please contact the City Hall at 713-973-1779 or FAX -713-973-7793 for further information.

SPRING VALLEY POLICE DEPARTMENT

Calls - By Type

02\01\2022
thru 02\28\2022
Zone is: HILSHIRE VILLAGE

Type	Description	# Of Calls
6	ACCIDENT	1
22	ALARM	5
23	AMBULANCE CALL	3
135	BUSINESS CHECK	375
70	INFORMATION	2
81	OPEN DOOR	1
86	PUBLIC RELATIONS	75
96	SOLICITOR	2
97	SPECIAL ASSIGNMENT	1
104	SUSPICIOUS PERSON	1
105	SUSPICIOUS VEHICLE	5
11	TRAFFIC STOP	1
111	VEHICLE BLOCKING ROADWAY	7
42	WARRANT SERVICE	1
	Total	480

BUILDING REPORT SUMMARY

for the month of
February 2022

Plan Review:

1. 12 Pine Creek Lane – New Construction & Drainage

Permits:

30-Day Dumpster	1
Remodel	1
Demolition	2
Driveway/Flatwork	2
Fence	1
Plumbing	4
Roof	1
Tree Removal	2

Total: 14

Change of Occupancy Use:

- None

Extended Permit Request:

- None

Inspections:

Pass	35
Fail	3
Cancelled	0

Total: 38

Red Tag / Stop Work Orders Issued:

- 14 Pine Creek Lane – site maintenance

Building Finals / Certificates of Occupancy:

- None

Plan Review and Permit Log

	Date	Permit Number	Address	Issued To	Amount Received	Description / Scope
1	Tue 2/1/22	HV-22-004DEMO	1315 Friarcreek Ln	(Dennis Clooney)	\$ 330.00	Demolition
	Thu 2/10/22	HV-22-018B	12 Pine Creek Ln	McHugh Homes	\$ 3,182.65	Plan Review - New Construction
	Thu 2/10/22	HV-22-018D	12 Pine Creek Ln	McHugh Homes	\$ 1,800.00	Plan Review - Drainage
2	Wed 2/2/22	HV-22-020V	1019 Ridgeley Dr	Paver Connection	\$ 240.00	Driveway Replacement
3	Mon 2/21/22	HV-22-021DEMO	8001 Bromley Rd	Dennis Williams Co, Inc	\$ 330.00	Demolition of SFR
4	Mon 2/21/22	HV-22-021P	8001 Bromley Rd	Coastal Bend Plumbing	\$ 180.00	Plumbing - Sewer Disconnect
5	Mon 2/7/22	HV-22-022F	8213 Mallie CT	Rio Grande Fence	\$ 175.00	Fence
6	Tue 2/8/22	HV-22-023V	1238 Glourie Drive	Andrew Steffen (homeowner)	\$ 240.00	Driveway Expansion & Parking Pad
7	Fri 2/4/22	HV-22-006B	1 Pine Creek Ln	Nicholas Yu	\$ 270.00	Building - Interior Renovation
8	Thu 2/10/22	HV-22-024P	3 Hickory Shadows Dr	Courtesy Plumbing	\$ 180.00	Plumbing - Repipe
9	Fri 2/18/22	HV-22-025T	1310 Ridgeley Drive	RF Tree Service	\$ 25.00	Tree Removal Permit
10	Fri 2/18/22	HV-22-026D30	1240 Archley Drive	Bin There Dump That	\$ 25.00	30-Day Dumpster
11	Mon 2/21/22	HV-22-027P	1257 Archley Drive	EPW Services LLC	\$ 180.00	Plumbing - Repipe
12	Mon 2/21/22	HV-22-028P	6 Hickory Shadows	Benjamin Franklin Plumbing	\$ 180.00	Plumbing - Water Heater
13	Tue 2/22/22	HV-22-029R	10 Pine Creek Ln	Precision Roof Crafters	\$ 240.00	Roof
14	Fri 2/18/22	HV-22-031T	8210 Burkhart	Anderson Arbor Services	\$ -	Tree Removal - Dead

Inspection Log

	Log #	Address	Permit #	Request Type	Pass or Fail	Date	Inspector
1	22-022	7902 Hilshire Green	HV-22-008R	Roofing Final	Pass	2/1/22	BBG
2	22-023	7907 Hilshire Green	HV-21-045E	Electrical Rough-In	Pass	2/1/22	BBG
3	22-024	7907 Hilshire Green	HV-21-045M	HVAC Cover	Fail	2/2/22	BBG
4	22-025	7915 S Villa Circle	HV-21-080SPE	Electrical Rough-In & Underground for Pool	Pass	2/3/22	BBG
5	22-026	7907 Hilshire Green	HV-21-045E	Electrical Rough In	Pass	2/3/22	BBG
6	22-027	1 Pine Creek Ln	HV-22-006P	Plumbing Top-Out	Pass	2/4/22	BBG
7	22-028	1 Pine Creek Ln	HV-22-006P	Gas Test	Pass	2/4/22	BBG
8	22-029	7907 Hilshire Green	HV-21-045M	HVAC Cover	Pass	2/8/22	BBG
9	22-030	7907 Hilshire Green	HV-21-045E	Electrical Underground	Pass	2/8/22	BBG
10	22-031	7907 Hilshire Green	HV-21-045P	Shower Pan	Pass	2/8/22	BBG
11	22-032	1315 Pine Chase Dr	HV-22-016SP	Spa Rebar	Pass	2/9/22	BBG
12	22-033	8213 Mallie Ct	HV-22-022F	Fence Final	Pass	2/9/22	BBG
13	22-034	1242 Ridgeley Dr	HV-22-012P	Ground & Gas Test	Pass	2/10/22	BBG
14	22-035	1315 Friarcreek Ln	HV-22-004DEMO	Pre-Demo Inspection	Fail	2/10/22	BBG
15	22-036	1302 Friarcreek Ln	HV-22-010GE	Electrical Underground & Meter Release for Generator	Pass	2/11/22	BBG
16	22-037	1339 Friarcreek	HV-22-003GE	Generator Slab Pre-Pour	Pass	2/15/22	BBG
17	22-038	1326 Glourie Drive	HV-20-099M	HVAC Rough In	Pass	2/15/22	BBG
18	22-039	1226 Glourie Dr	HV-21-109DEMO	Demo Final	Pass	2/15/22	BBG
19	22-040	7907 Hilshire Green	HV-21-045P	Plumbing rough-in	Fail	2/15/22	BBG
20	22-041	1240 Archley Dr	HV-21-083G	Generator Final - Electrical & Gas	Pass	2/16/22	BBG
21	22-042	3 Hickory Shadows	HV-22-024P	Plumbing Re-pipe Final	Pass	2/16/22	BBG
22	22-043	1302 Friarcreek Ln	HV-22-010GP	Generator Gas	Pass	2/18/22	BBG
23	22-044	1326 Glourie	HV-20-099B	Framing	Pass	2/18/22	BBG
24	22-045	7915 S Villa Circle	HV-21-105GE	Pre-Pour Inspection - Generator Pad	Pass	2/22/22	BBG
25	22-046	1 Pine Creek Ln	HV-22-006E	Electrical Rough-In	Pass	2/22/22	BBG
26	22-047	1257 Archley	HV-22-027P	Plumbing Re-pipe Final	Pass	2/22/22	BBG
27	22-048	7907 Hilshire Green	HV-21-045P	Plumbing rough-in Reinspection	Pass	2/22/22	BBG
28	22-049	1019 Ridgeley Dr	HV-22-020V	Driveway Layout - Pavers	Pass	2/23/22	BBG
29	22-050	14 Pine Creek In	HV-21-078E	Electrical Rough In	Pass	2/23/22	BBG
30	22-051	7907 Hilshire Green	HV-21-045FS	Fire Sprinkler Cover & Hydro	Pass	2/22/22	Rusty Kattner

Inspection Log

31	22-052	8373 Westview Drive	HV-21-016M	HVAC Final	Pass	2/25/22	BBG
32	22-053	8373 Westview Drive	HV-21-016B	Interior Renovation Final	Pass	2/25/22	BBG
33	22-054	1123 Guinea Dr	HV-21-061P	Plumbing - (2) additional drains	Pass	2/25/22	BBG
34	22-055	1334 Glourie Dr	HV-21-014P	Plumbing Final	Pass	2/28/22	BBG
35	22-056	1334 Glourie Dr	HV-21-014M	HVAC Vent Hood & Final	Pass	2/28/22	BBG
36	22-057	1334 Glourie Dr	HV-21-014E	Electrical Final	Pass	2/28/22	BBG
37	22-058	1310 Ridgeley Dr	HV-21-047EC	Erosion Control Pre-Construction	Pass	2/28/22	Javier Vasquez
38	22-062	8201 Mallie Ct	HV-22-032V	Parking Pad	Pass	2/28/22	Javier Vasquez



March 11, 2022

Mayor and City Council
City of Hilshire Village
8301 Westview Drive
Houston, Texas 77055

Re: Engineer's Report for March 15, 2022 Council Meeting
HDR Job No. 10281855

Dear Mayor and Council Members:

HDR Engineering, Inc. (HDR) is pleased to submit this report on engineering related issues from February 11, 2022 to March 11, 2022.

1. On-Going Services (10336207):

a. 1302 Friarcreek Lane –

- On March 3, 2022, HDR reviewed and returned the Erosion Control Plan Resubmittal for 1302 Friarcreek Lane. The erosion control plan was approved with exceptions noted.

b. 1238 Glourie Drive –

- On February 21, 2022, HDR provided inspection of parking pad installed at 1238 Glourie Drive. The parking pad was approved with exceptions noted.

c. 1334 Glourie Drive –

- On March 1, 2022, HDR received an As-Built Drainage Plan Submittal for 1334 Glourie Drive. HDR is currently reviewing the as-built drainage plan.
- On March 4, 2022 HDR provided an As-Built Drainage inspection for 1334 Glourie Drive. The inspection results are currently being coordinated with review of the as built drainage plan.

hdrinc.com 4828 Loop Central Drive, Suite 800
Houston, Texas 77081
T 713-622-9264 F 713-622-9265
Texas Registered Engineering Firm F-754

- d. 8201 Mallie Court –
 - On February 28, 2022, HDR provided an inspection for a parking pad installed at 8201 Mallie Court. The parking pad was approved with exceptions noted.

- e. 7906 N. Villa Court –
 - On February 21, 2022 HDR provided an As-Built Drainage inspection for 7906 N. Villa Ct. The inspection results are currently being coordinated with review of the as built drainage plan
 - On March 9, 2022, HDR received a complete submittal for review of the As Built Drainage Plan for the property at 7906 N. Villa Court. HDR is currently reviewing the as built drainage plan submittal.

- f. 2 Pine Creek Lane –
 - On February 17, 2022 the City provided a stop work order for work activities taking place on the creek portion of the property until coordination was made for submitting the necessary plan documents for permitting the proposed improvements.
 - On March 9, 2022, HDR coordinated requirements previously noted for installation of an Erosion Control Project at 2 Pine Creek Lane. HDR is currently awaiting coordination from the Property Owner for revisions to the proposed erosion control plan for review in order for permitting of the proposed work.

- g. 12 Pine Creek Lane –
 - On March 7, 2022, HDR received a Drainage Plan Resubmittal for 12 Pine Creek Lane for construction of a new home on the lot. HDR is currently reviewing the proposed drainage plan.

- h. 1310 Ridgeley Drive –
 - On February 28, 2022, HDR performed a pre-construction inspection at 1310 Ridgeley Drive for installation of and Erosion Control Project on the lot. The inspection was approved with exceptions noted.

- i. Street Sign Replacement –
 - HDR is currently working with Contractor on the field installation portion of the project. Utility locates for the proposed sign installation locations has been completed and installation of the signs is currently pending.

- j. Wirt Road Safety Project/City of Houston Interlocal Agreement –
 - HDR has been working on finalizing the Draft Interlocal Agreement between the City of Houston and the City of Hilshire Village for the Wirt Road Safety Project.

- k. 1122 Ridgley Drive Ditch Area Improvements (Action Item) –
 - HDR met Councilmember Byrne onsite at 1122 Ridgley Drive to review the area for potential improvements to the ditch area to allow for a parking pad to be constructed in front of the property.

 - The area was reviewed to verify improvements such as the installation and extension of the existing driveway culvert and ditch regrading can be completed in order to allow for installation of a parking pad by the resident that would allow for a vehicle to be parked completely off the street. The existing site conditions appeared to allow for the improvements; however, it would need to be verified by survey to determine elevations for the proposed culvert extension and regrading of the ditch. (See attached exhibit)

 - Pending approval of any proposed improvements of the ditch, the Resident at 1122 Ridgley Drive would be required to submit a permit for installation of a parking pad in this area and would require approval for daytime and overnight use of the parking pad.

 - The existing “No Parking” area along the east side of the Ridgley curve would be proposed to extend further north and terminating at the approximate limits of 60-ft north of the Mallie Court intersection at Ridgley Drive.

 - By completing these improvements, the objective would be to improve the sight distance along the curve to provide safety for residents and drivers that traverse along this portion of Ridgley Drive.

If there are any questions concerning the information contained in this report, we will be glad to discuss them with you.

Sincerely,

HDR Engineering, Inc.

A handwritten signature in black ink, appearing to read 'Javier Vasquez', written in a cursive style.

Javier Vasquez, P.E., CFM
Civil Engineer

cc: Files (10336207)

O R D I N A N C E N O. 820-2022

AN ORDINANCE AMENDING THE CITY OF HILSHIRE VILLAGE, TEXAS, ORDINANCE NUMBER 801-2020 PASSED AND APPROVED SEPTEMBER 21, 2020, SAME BEING AN ORDINANCE APPROVING AND ADOPTING THE CITY’S GENERAL BUDGET FOR FISCAL YEAR ENDING 2021, BY APPROVING “BUDGET AMENDMENT NO. 2” TO THE “ORIGINAL GENERAL BUDGET OF THE CITY OF HILSHIRE VILLAGE, TEXAS, FOR THE FISCAL YEAR ENDING 2021”; PROVIDING FOR SUPPLEMENTAL APPROPRIATION AND/OR TRANSFER OF CERTAIN FUNDS; PROVIDING FOR SEVERABILITY; AND PROVIDING OTHER MATTERS RELATED TO THE SUBJECT.

* * * * *

WHEREAS, by Ordinance No. 801-2020, the City Council of the City of Hilshire Village, Texas adopted its “Original General Budget for Fiscal Year Ending 2021”, and

WHEREAS, by Ordinance No. 818-2022, the City Council of the City of Hilshire Village, Texas adopted its “Amendment 1 to the Original General Budget for Fiscal Year Ending 2021”, and

WHEREAS, the City Council has determined that revenues and/or reserves are available for supplemental appropriation, and/or that the transfer of certain funds interdepartmentally is economically feasible and in the best interest of prudent budgeting; and

WHEREAS, the City Council desires to amend said Original General Budget to reflect such supplemental appropriation and/or transfer in the Fiscal Year Ending 2021; now therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HILSHIRE, STATE OF TEXAS:

Section 1. The facts and matters set forth in the preamble of this Ordinance are hereby found to be true and correct.

Section 2. The “Original General Budget of the City of Hilshire Village, Texas, for the Fiscal Year Ending 2021,” is hereby amended as shown on “Budget Amendment No.2” to the “Original Budget of the City of Hilshire Village, Texas, for the Fiscal Year Ending 2021”. Said Budget Amendment No. 2, shall be attached to and made a part of such Original General Budget by the City Secretary and shall be filed as required by state law, a true and correct copy of which is attached hereto as Exhibits “A,” and made a part hereof for all purposes.

Section 3. In the event any clause, phrase, provision, sentence, or part of this ordinance or the application of the same to any person or circumstance shall for any reason be

adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this ordinance as a whole or any part or provision hereof other than the part

declared to be invalid or unconstitutional; and the City Council of the City of Hilshire Village, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, whether there be one or more parts.

PASSED, APPROVED, and ADOPTED this 15th day of March, 2022.

Russell Herron, Mayor

ATTEST:

Susan Blevins, City Secretary



City of Hilshire Village, Texas -
ORDINANCE 820-2022
BUDGET AMENDMENT
NUMBER 2 OF ORDINANCE 801-2020
FYE 2021

**CITY OF HILSHIRE VILLAGE
ORDINANCE NUMBER 820-2022**

AMENDMENT NO. 2 FYE 2021

AMENDING ORDINANCE 801-2020

ALONG WITH AMENDMENT NO. 1 ORDINANCE NUMBER 818-2022

	Year to Date Actuals	Year to Date Budget	Year to Date Difference	Amendment 1	Amendment 2	Amended Budget
DESCRIPTION/PURPOSE: RECLASSIFY BUDGET LINE ITEMS						
General Revenue						
Property Taxes - Current	1,145,314.93	1,107,036.00	38,278.93		(6,000.00)	1,101,036.00
Property Taxes - Delinquent	1,906.27	0.00	1,906.27			0.00
Franchise tax	56,391.08	55,000.00	1,391.08	1,391.08		56,391.08
City Sales Tax	53,800.52	54,000.00	(199.48)	(199.48)		53,800.52
Interest Income - C o O	0.00	918.00	(918.00)	(918.00)		0.00
Int. Income(CD-Gen. Fund)	657.74	0.00	657.74			0.00
Int. Income-Gen funds	23.17	0.00	23.17			0.00
Int. Income-Taxes	5,895.73	3,850.00	2,045.73	1,622.57		5,472.57
Alarm Permits and Misc. Fees	1,670.00	1,800.00	(130.00)			1,800.00
Pet Permits	0.00	0.00	0.00			0.00
Other Income	5,586.08	400.00	5,186.08	5,186.08		5,586.08
Court Fees	3,520.69	3,608.00	(87.31)	(87.31)		3,520.69
Garbage Income	82,277.77	84,444.00	(2,166.23)	(2,166.23)		82,277.77
Sales Tax Discount Income	45.07	33.00	12.07			33.00
Ambulance Income	0.00	0.00	0.00			0.00
Building Permits	62,906.04	65,000.00	(2,093.96)	(2,093.96)		62,906.04
Plan Check for Construction	22,615.25	25,000.00	(2,384.75)	(2,384.75)		22,615.25
Plan Check for Drainage	10,150.00	10,500.00	(350.00)	(350.00)		10,150.00
Grant - Covid	30,689.02	0.00	30,689.02			0.00
Budget transfer to Expenses	0.00	0.00	0.00			0.00
Transfer to DSF	6,000.00	0.00	6,000.00	0.00	6,000.00	6,000.00
Total General Revenues	1,489,449.36	1,411,589.00	77,860.36	(0.00)	0.00	1,411,589.00

City of Hilshire Village, Texas -
ORDINANCE 820-2022
BUDGET AMENDMENT
NUMBER 2 OF ORDINANCE 801-2020
FYE 2021

	Year to Date Actuals	Year to Date Budget	Year to Date Difference	Amendment 1	Amendment 2	Amended Budget
General Expense						
Police Protection/Court	522,030.00	522,030.00	0.00			522,030.00
Police - Council Meetings	0.00	0.00	0.00			0.00
Fire Protection	205,490.45	215,490.45	(10,000.00)			215,490.45
Fire Station Rennovtion	10,000.00	15,000.00	(5,000.00)			15,000.00
Cert Supplies	0.00	1,000.00	(1,000.00)			1,000.00
Trash Service	81,595.08	84,035.00	(2,439.92)			84,035.00
Mosquito Spraying	3,655.00	3,000.00	655.00	655.00		3,655.00
Street Lights	5,846.90	6,887.00	(1,040.10)			6,887.00
Tax Collection Fees	12,141.00	13,728.00	(1,587.00)			13,728.00
Audit Fees	17,850.00	17,850.00	0.00			17,850.00
Single Audit Fees		2,500.00	(2,500.00)			2,500.00
Legal Fees	12,984.50	17,000.00	(4,015.50)			17,000.00
Legal Fees - Zoning	2,008.00	3,000.00	(992.00)			3,000.00
Wages,Taxes,Benefits	149,779.44	149,584.00	195.44	195.44		149,779.44
FICA Tax	9,286.32	9,274.00	12.32	12.32		9,286.32
Medicare Tax	2,171.85	2,169.00	2.85	2.85		2,171.85
SUTA Tax	519.40	774.00	(254.60)			774.00
Medical & Life Insurance	23,613.87	28,195.00	(4,581.13)			28,195.00
Retirement	15,230.09	14,162.00	1,068.09	1,068.09		15,230.09
Grant Covid	28,946.08	0.00	28,946.08	28,946.08		28,946.08
Board of Adjustment	0.00	3,500.00	(3,500.00)			3,500.00
Insurance	4,012.08	5,000.00	(987.92)			5,000.00
Education	1,716.46	5,000.00	(3,283.54)			5,000.00
City Hall Exterior	0.00	0.00	0.00			0.00
City Hall Operations	16,515.14	14,000.00	2,515.14	2,515.14		16,515.14
City Hall Maintenance	4,456.20	3,000.00	1,456.20	1,456.20		4,456.20
City Hall Interior Paint	0.00	10,000.00	(10,000.00)	(10,000.00)		0.00
City Hall Interior Flooring	0.00	15,000.00	(15,000.00)	(15,000.00)		0.00
Web Hosting & Maintenance	1,500.00	1,500.00	0.00			1,500.00
Bank Charges	2,697.11	2,000.00	697.11	697.11		2,697.11
Dues	1,387.90	2,000.00	(612.10)			2,000.00
Public Notices	1,660.00	5,000.00	(3,340.00)			5,000.00
Office Supplies	3,301.66	4,000.00	(698.34)			4,000.00
Election/Voting Machine Rent	(20.00)	3,800.00	(3,820.00)			3,800.00
City Hall Equipment/Furnishing	6,011.49	6,000.00	11.49	11.49		6,011.49
Misc. /Contingencies	0.00	15,000.00	(15,000.00)	(14,466.03)		533.97
Village Independence Festival	0.00	3,000.00	(3,000.00)			3,000.00

City of Hilshire Village, Texas -
ORDINANCE 820-2022
BUDGET AMENDMENT
NUMBER 2 OF ORDINANCE 801-2020
FYE 2021

	Year to Date Actuals	Year to Date Budget	Year to Date Difference	Amendment 1	Amendment 2	Amended Budget
Books for Library	250.00	250.00	0.00			250.00
Miscellaneous	170.58	4,000.00	(3,829.42)			4,000.00
Mayor/Council/Administrator	1,741.98	3,000.00	(1,258.02)			3,000.00
Mayor's Telecom	0.00	0.00	0.00			0.00
Codification	2,464.75	4,000.00	(1,535.25)			4,000.00
Bldg. Permit Administration	36,524.52	38,000.00	(1,475.48)			38,000.00
Inspection	760.00	2,000.00	(1,240.00)			2,000.00
Generator Maintenance	0.00	1,245.00	(1,245.00)			1,245.00
Engineering for Grant Funds	0.00	3,000.00	(3,000.00)			3,000.00
Engineering Plan Checking	37,206.22	60,500.00	(23,293.78)		(6,000.00)	54,500.00
Non-Metro Engineering Services	53,906.31	50,000.00	3,906.31	3,906.31		53,906.31
Hazard Mitigation Projects	0.00	5,000.00	(5,000.00)			5,000.00
Transfer from General	6,000.00	0.00	6,000.00	0.00	6,000.00	6,000.00
Total General Expense	1,285,410.38	1,374,473.45	(89,063.07)	0.00	0.00	1,374,473.45
NO CHANGE IN BUDGET						

RECAP

REVENUES

2020 Adopted Budget Revenues	1,411,589.00
Amendment #1	0.00
Amendment #2	0.00
NO CHANGE IN BUDGET JUST RECLASIFICATION	1,411,589.00

EXPENSES

2020 Adopted Budget Expenses	1,374,473.45
Amendment #1	0.00
Amendment #2	0.00
NO CHANGE IN BUDGET JUST RECLASIFICATION	1,374,473.45

City of Hilshire Village, Texas -
ORDINANCE 820-2022
BUDGET AMENDMENT
NUMBER 2 OF ORDINANCE 801-2020
FYE 2021

	Year to Date Actuals	Year to Date Budget	Year to Date Difference	Amendment 1	Amendment 2	Amended Budget
OPERATING REVENUES						
Water Revenues	\$ 291,391.24	311,719.00	(20,327.76)			311,719.00
Sewer Revenues	136,677.35	139,020.00	(2,342.65)			139,020.00
Maintenance Revenue	42,019.06	41,880.00	139.06			41,880.00
Garbage	0.00	0.00	0.00			0.00
Sales Tax - Garbage	0.00	0.00	0.00			0.00
Utility Services Income	1,550.04	3,712.00	(2,161.96)			3,712.00
Meter Installation	14,671.39	3,000.00	11,671.39			3,000.00
Transfer from Fund Balance	0.00	0.00	0.00			0.00
Transfer/Surpluses	0.00	0.00	0.00			0.00
Interest	15.11	0.00	15.11			0.00
Interest-Utility Billing	2,176.04	2,452.00	(275.96)			2,452.00
TOTAL						
OPERATING REVENUES	488,500.23	501,783.00	(13,282.77)	0.00		501,783.00
OPERATING EXPENSES						
City Water Supply (COH)	193,984.59	202,253.00	(8,268.41)	(8,268.41)		193,984.59
Wastewater Disposal (COH)	93,445.98	93,891.00	(445.02)			93,891.00
Utilities -Lift Station	3,625.13	3,295.00	330.13	330.13		3,625.13
Utilities - Lift Station	0.00	0.00	0.00			0.00
Utilities- Pine Chase Grove	0.00	166.00	(166.00)			166.00
Bad Debt Expense	0.00	2,000.00	(2,000.00)			2,000.00
Bank Charges	7.50	0.00	7.50	7.50		7.50
Repairs to Water Lines	70,776.01	45,000.00	25,776.01	25,776.02		70,776.02
Repairs to Sewer Lines	11,821.75	15,000.00	(3,178.25)	(2,944.55)		12,055.45
Repairs to Water Vaults	0.00	0.00	0.00			0.00
Repairs to Lift Station	12,062.24	12,000.00	62.24	62.64		12,062.64
Meter Replacement	110.97	4,550.00	(4,439.03)	(4,439.03)		110.97
Pump Replacement	0.00	0.00	0.00			0.00
New Construction Meter Install	9,983.27	3,000.00	6,983.27	6,983.27		9,983.27
Utility Line Locator Services	6,571.73	6,000.00	571.73	571.73		6,571.73
Engineering for Water Vault	0.00	5,000.00	(5,000.00)	(5,000.00)		0.00
Water/Sewer System Upgrades	0.00	0.00	0.00			0.00
Engineer-CDBG	0.00	0.00	0.00			0.00
HCFC - tceq	395.38	395.00	0.38	0.38		395.38

City of Hilshire Village, Texas -
ORDINANCE 820-2022
BUDGET AMENDMENT
NUMBER 2 OF ORDINANCE 801-2020
FYE 2021

	Year to Date Actuals	Year to Date Budget	Year to Date Difference	Amendment 1	Amendment 2	Amended Budget
TCEQ Equipment	0.00	0.00	0.00			0.00
Legal	0.00	3,000.00	(3,000.00)	(3,000.00)		0.00
TCEQ-Engineering	3,965.31	4,000.00	(34.69)	(34.69)		3,965.31
Meter Reader	3,502.50	3,458.00	44.50			3,458.00
Water Quality Testing	28,842.72	25,228.00	3,614.72	3,614.72		28,842.72
Utility Billing Costs	6,810.63	7,209.00	(398.37)			7,209.00
Office Supplies & Postage	0.00	600.00	(600.00)			600.00
Mayor & Council Expenses	0.00	125.00	(125.00)			125.00
Depreciation Expense	0.00	0.00	0.00			0.00
Miscellaneous- Contingency	0.00	5,000.00	(5,000.00)	(5,000.00)		0.00
Utility Engr. On-Call Services	5,069.29	13,729.00	(8,659.71)	(8,659.71)		5,069.29
TOTAL						
OPERATING EXPENSES	450,975.00	454,899.00	(3,924.00)	0.00		454,899.00

RECAP	
REVENUES	
2021 Adopted Budget Revenues	501,783.00
Amendment #1	0.00
Amendment #2	0.00
NO CHANGE IN BUDGET JUST RECLASIFICATION	501,783.00
EXPENSES	
2021 Adopted Budget Expenses	454,899.00
Amendment #1	0.00
Amendment #2	0.00
NO CHANGE IN BUDGET JUST RECLASIFICATION	454,899.00

City of Hilshire Village, Texas -
ORDINANCE 820-2022
BUDGET AMENDMENT
NUMBER 2 OF ORDINANCE 801-2020
FYE 2021

	Year to Date Actuals	Year to Date Budget	Year to Date Difference	Amendment 1	Amendment 2	Amended Budget
Debt Tax & Cert of Obligations Revenue						
Property Taxes-Debt-Current	358,912.04	359,938.00	(1,025.96)	0.00	(1,025.96)	358,912.04
Property tax-debt-delinquent	734.82	0.00	734.82	0.00	0.00	0.00
Int. Income-Debt Taxes	1,839.22	0.00	1,839.22	0.00	1,025.96	1,025.96
Int. Income-Anticipation Note	2.76	0.00	2.76	0.00	0.00	0.00
Total Debt Tax Revenue	361,488.84	359,938.00	1,550.84	0.00	0.00	359,938.00
Debt Tax & Cert of Obligations Expense						
Transfer out to Metro	0.00	0.00	0.00	0.00	0.00	0.00
Principal Tax Ant. Note	320,000.00	320,000.00	0.00	0.00	0.00	320,000.00
Tax Ant. Note Interest	36,968.91	36,939.00	29.91	0.00	30.00	36,969.00
Expenses for Certificates	0.00	0.00	0.00	0.00	0.00	0.00
Total Debt Tax Expense	356,968.91	356,939.00	29.91	0.00	30.00	356,969.00
Total Debt Tax	4,519.93	2,999.00	1,520.93	0.00	30.00	2,969.00

RECAP	
REVENUES	
2021 Adopted Budget Revenues	359,938.00
Amendment #2	0.00
NO CHANGE	359,938.00
EXPENSES	
2021 Adopted Budget Expenses	356,939.00
Amendment #2	30.00
ADDITION TO EXPENSE BUT NO NEED FOR CHANGE IN REVENUE	356,969.00



Management Letter

March 14, 2022

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

The American Institute of Certified Public Accountants Statement on Auditing Standards No. 115, *Communicating Internal Control Related Matters Identified in an Audit* (SAS 115), provides guidance to auditors on communicating internal control matters to management and the governing body, board of directors, or equivalent body.

It is important to note when reviewing findings reported within this letter that classification of the findings is based on the definitions required by SAS 115 as further discussed below. Please note that these classifications are based on the potential impact to the financial statements, not necessarily the likelihood of actual loss to the City. Accordingly, the City's assessment of the "significance" or ranking of severity will likely be substantially different based on a number of factors including, but not limited to, its assessment of risk and the cost benefit of making the change.

Our report is as follows:

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, the discretely presented component units, and each major fund of the City of Hilshire Village, Texas (the "City") as of and for the year ended September 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be an other matter. There is a new pronouncement we wanted to bring to your attention.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our findings and additional comments are as follows:

CURRENT YEAR MATTER

Future Matters That May Subsequently Warrant Attention:

2021.001 IMPLEMENTATION OF GASB STANDARD NO. 87 – LEASES

Background

Governmental Accounting Standards Board Statement 87, *Leases* (GASB 87), is effective for the year ending September 30, 2022 and, accordingly, the City has less than one year to implement GASB 87. GASB 87 essentially requires that all leases that finance the right to use an underlying asset should be reported on the balance sheet for both the lessor and lessee. Unlike many new accounting standards, GASB 87 may require preplanning and changes in the way the City does business. Implementation of GASB 87 will generally require centralized lease document management; in-depth review of lease documents; recording and tracking of multiple data points per lease, which may necessitate new software based on the volume of leases; and development of new controls, reconciliations, and policies and procedures.

Recommendation

The City needs to begin making initial assessments immediately to determine the lead time and resources needed. The City needs to identify all leases as both the lessor (leasing to someone-landlord-receivable) and lessee (leasing from someone-tenant-payable) in which the term initially exceeded 12 months. Based on the aggregate value of leases and materiality, the City should determine a cutoff for exclusion of insignificant leases. Based on the implementation items noted above, new software may be required. The City should establish the goal of being fully implemented 60 days prior to year end to provide for a sufficient buffer to safeguard against delay in issuing the City's September 30, 2022 financial statements.

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

We would like to thank the City Council and the City's management for their cooperation during the course of our audit. Please feel free to contact us at your convenience to discuss this report or any other concerns that you may have.

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas



Required Auditor Disclosure Letter

March 14, 2022

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, and each major fund of the City of Hilshire Village, Texas (the “City”) for the year ended September 30, 2021. Professional standards require that we provide the City Council (the “governing body”) with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit.

I. Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated March 9, 2021, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with the governing body’s oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve the governing body or management of its responsibilities.

II. Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to the governing body in our engagement letter dated March 9, 2021.

III. Significant Audit Findings

1. *Qualitative Aspects of Accounting Practices*

- A. Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. 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.

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

Management's estimate of the useful lives of capital assets is based on industry standards relating to capital assets. We evaluated the key factors and assumptions used to develop the useful lives of capital assets in determining that they are reasonable in relation to the financial statements taken as a whole.

Estimates are used in the calculation of the net pension and total other postemployment benefits liability and the required annual contributions. The Texas Municipal Retirement System (TMRS) hires a licensed actuary to make key assumptions and to perform calculations, as well as an independent auditor to review those assumptions and calculations. We evaluated the reasonableness of the employee data provided by the City to TMRS.

- C. The financial statement disclosures are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of long-term debt in the financial statements is significant to financial statement users because it discloses the City's long-term financial obligations.

2. Difficulties Encountered in Performing the Audit

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

3. Corrected and Uncorrected Misstatements

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

4. Disagreements with Management

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

5. Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 14, 2022.

6. Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the City’s financial statements or a determination of the type of auditors’ 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.

7. Other Audit Findings or Issues

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

IV. Other Matters

We applied certain limited procedures to the Required Supplementary Information (RSI), as identified on the table of contents, which supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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

V. Restrictions on Use

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

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas

Client: **City of Hilshire Village, Texas**
 Engagement: **4.1 - Hilshire 9/30/21**
 Period Ending: **9/30/2021**
 Trial Balance: **2.2.01 - TB**
 Workpaper: **2.5.06 - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 1				
To accrue sales tax revenue collection for the months of October 2021 and November 2021.				
01-11213	A/R Sales Tax		12,984.58	
01-44000	City Sales Tax			12,984.58
Total			12,984.58	12,984.58
Adjusting Journal Entries JE # 2				
To correct beginning fund balance.				
01-32000	Retained Earnings		51,861.63	
01-31000	Fund Bal-Unres (Undesignated)			49,340.02
01-31250	Fund Balance-Reserved (DSF)			421.61
01-55500	Miscellaneous test			2,100.00
Total			51,861.63	51,861.63
Adjusting Journal Entries JE # 3				
To post transfer.				
01-41018	Transfer to DSF		6,000.00	
01-41019	Transfer from General			6,000.00
Total			6,000.00	6,000.00
Adjusting Journal Entries JE # 5				
To adjust depreciation expense and capital assets per WSF capital assets schedule.				
02-11021	Water System		1,859.00	
02-11022	Sewer System		1,113.84	
02-56550	Depreciation Expense		132,459.11	
02-11050	Accumulated Depreciation			132,459.11
02-55502	Repairs to Sewer Lines			1,113.84
02-55507	New Construction Meter Install			1,859.00
Total			135,431.95	135,431.95
Adjusting Journal Entries JE # 6				
To move grant to utility fund.				
01-41600	TDEM - Grant		100,105.53	
02-11261	Utility - Due to General Fund		100,105.53	
01-11255	Due to/from Utility Fund			100,105.53
02-21401	Deferred Revenue - TDEM Grant			100,105.53
Total			200,211.06	200,211.06
Total Adjusting Journal Entries			406,489.22	406,489.22
Total All Journal Entries			406,489.22	406,489.22

ANNUAL FINANCIAL REPORT

of the

**CITY OF
HILSHIRE VILLAGE, TEXAS**

**For the Year Ended
September 30, 2021**

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CITY OF HILSHIRE VILLAGE, TEXAS

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, and each major fund of the City of Hilshire Village, Texas (the "City"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, and each major fund of the City as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
March 14, 2022

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

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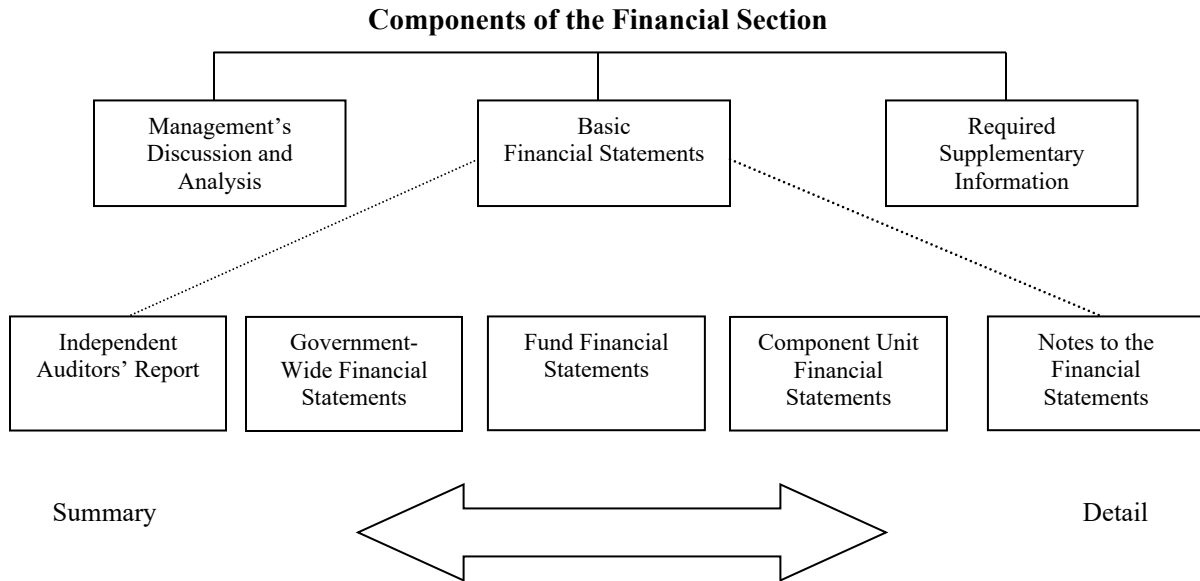
CITY OF HILSHIRE VILLAGE, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended September 30, 2021

The purpose of the Management's Discussion and Analysis (MD&A) is to give the readers an objective and easily readable analysis of the financial activities of the City of Hilshire Village, Texas (the "City") for the year ending September 30, 2021. The analysis is based on currently known facts, decisions, or economic conditions. It presents short- and long-term analyses of the City's activities, compares current year results with those of the prior year, and discusses the positive and negative aspects of that comparison. Please read the MD&A in conjunction with the City's financial statements, which follow this section.

THE STRUCTURE OF OUR ANNUAL REPORT



The City's basic financial statements include (1) government-wide financial statements, (2) individual fund financial statements, and (3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Statements

The government-wide statements report information for the City as a whole. These statements include transactions and balances relating to all assets, including infrastructure capital assets. These statements are designed to provide information about cost of services, operating results, and financial position of the City as an economic entity. The Statement of Net Position and the Statement of Activities, which appear first in the City's financial statements, report information on the City's activities that enable the reader to understand the financial condition of the City. These statements are prepared using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account even if cash has not yet changed hands.

The Statement of Net Position presents information on all of the City's assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other nonfinancial factors, such as the City's property tax base and the condition of the City's infrastructure, need to be considered to assess the overall health of the City.

CITY OF HILSHIRE VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2021

The Statement of Activities presents information showing how the City's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows – the accrual method rather than the modified accrual method that is used in the fund level statements.

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

1. *Governmental Activities* – Most of the City's basic services are reported here including public safety (police and fire), public works (sanitation and street maintenance), and general government. Interest payments, sales taxes, property taxes, franchise fees, intergovernmental revenue, and permit fees finance most of these activities.
2. *Business-Type Activities* – Services involving a fee for those services are reported here. These services include the City's water distribution and wastewater collection.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate cultural education facilities finance corporation and higher education finance corporation for which the City is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

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

FUND FINANCIAL STATEMENTS

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

Governmental Funds

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

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

The City maintains three governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, the debt service fund, and the METRO fund, which are considered to be major funds for reporting purposes.

CITY OF HILSHIRE VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2021

The City adopts an annual appropriated budget for the general fund, the debt service fund, and the METRO fund. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with the budgets.

Proprietary Funds

The City maintains one type of proprietary fund, an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its water and wastewater operations. The proprietary fund financial statements can be found in the basic financial statements of this report.

Notes to Financial Statements

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

Other Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. Assets and deferred outflows of resources exceed liabilities and deferred inflows by \$10,375,410 as of September 30, 2021 for the primary government. This compares to the prior year's balance of \$10,082,584. The largest portion of the City's net position (79 percent) reflects its investments in capital assets (e.g., land, City hall, and streets), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

CITY OF HILSHIRE VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2021

Statement of Net Position

The following table reflects the condensed Statement of Net Position:

	2021			2020		
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
Current and other assets	\$ 1,908,612	\$ 542,501	\$ 2,451,113	\$ 1,553,826	\$ 424,980	\$ 1,978,806
Capital assets, net	6,838,596	2,547,256	9,385,852	7,108,747	2,634,114	9,742,861
Total Assets	8,747,208	3,089,757	11,836,965	8,662,573	3,059,094	11,721,667
Deferred outflows - pensions	12,355	-	12,355	14,200	-	14,200
Deferred outflows - OPEB	1,641	-	1,641	1,003	-	1,003
Total Deferred Outflows of Resources	13,996	-	13,996	15,203	-	15,203
Long-term liabilities	1,241,858	-	1,241,858	1,568,665	-	1,568,665
Other liabilities	26,519	203,092	229,611	1,319	80,470	81,789
Total Liabilities	1,268,377	203,092	1,471,469	1,569,984	80,470	1,650,454
Deferred inflows - pensions	3,766	-	3,766	3,572	-	3,572
Deferred inflows - OPEB	316	-	316	260	-	260
Total Deferred Inflows of Resources	4,082	-	4,082	3,832	-	3,832
Net position:						
Net investment in capital assets	5,608,596	2,547,256	8,155,852	5,558,747	2,634,114	8,192,861
Restricted	345,383	-	345,383	224,047	-	224,047
Unrestricted	1,534,766	339,409	1,874,175	1,321,166	344,510	1,665,676
Total Net Position	\$ 7,488,745	\$ 2,886,665	\$ 10,375,410	\$ 7,103,960	\$ 2,978,624	\$ 10,082,584

A portion of the City's net position, \$345,383 or 3 percent, represents resources that are subject to external restriction on how they may be used.

CITY OF HILSHIRE VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2021

Statement of Activities

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

	<u>For the Year Ended September 30, 2021</u>			<u>For the Year Ended September 30, 2020</u>		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Primary Government</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Primary Government</u>
Revenues						
Program revenues:						
Charges for services	\$ 189,654	\$ 486,309	\$ 675,963	\$ 191,877	\$ 484,282	\$ 676,159
Operating grants	133,689	-	133,689	103,000	-	103,000
General revenues:						
Property taxes	1,519,252	-	1,519,252	1,428,660	-	1,428,660
Sales taxes	66,830	-	66,830	70,127	-	70,127
Franchise fees	56,391	-	56,391	56,957	-	56,957
Investment income	2,560	2,193	4,753	10,487	2,818	13,305
Total Revenues	<u>1,968,376</u>	<u>488,502</u>	<u>2,456,878</u>	<u>1,861,108</u>	<u>487,100</u>	<u>2,348,208</u>
Expenses						
General government	363,845	-	363,845	359,804	-	359,804
Police protection	522,030	-	522,030	501,845	-	501,845
Fire protection	215,490	-	215,490	246,425	-	246,425
Public works	442,846	-	442,846	519,533	-	519,533
Long-term debt interest	39,380	-	39,380	46,955	-	46,955
Water and sewer	-	580,461	580,461	-	527,041	527,041
Total Expenses	<u>1,583,591</u>	<u>580,461</u>	<u>2,164,052</u>	<u>1,674,562</u>	<u>527,041</u>	<u>2,201,603</u>
Change in Net Position	384,785	(91,959)	292,826	186,546	(39,941)	146,605
Beginning net position	<u>7,103,960</u>	<u>2,978,624</u>	<u>10,082,584</u>	<u>6,917,414</u>	<u>3,018,565</u>	<u>9,935,979</u>
Ending Net Position	<u>\$ 7,488,745</u>	<u>\$ 2,886,665</u>	<u>\$ 10,375,410</u>	<u>\$ 7,103,960</u>	<u>\$ 2,978,624</u>	<u>\$ 10,082,584</u>

Overall governmental activity revenues increased by \$107,268, or 6 percent, over the prior year, mainly due to the increase in property taxes and the addition of grants related to COVID-19. Governmental expenses decreased by \$90,971, or 5 percent, compared to the prior year mainly due to a decrease in expenditures related to fire protection, public works, and long-term debt interest.

Revenues from business-type activities totaled \$488,502, which is an increase of \$1,402 from the prior year. Business-type activities expenses increased by \$53,420, which is an increase of 10 percent from the prior year.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

CITY OF HILSHIRE VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2021

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, the unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the year.

The City's general fund reflects a fund balance of \$1,502,983, of which \$7,778 is restricted for child safety and \$1,495,205 is unassigned. There was an increase in the fund balance for the general fund of \$211,951 from the prior year. Unassigned fund balance for the general fund is approximately 14 months of operating expenditures based on the 2021 fiscal year expenditures.

The City's debt service fund reflects a fund balance of \$20,040. There was an increase in the fund balance of \$10,520 from the prior year. The fund balance is restricted for debt service payments.

The City's METRO fund reflects a fund balance of \$317,565, which is restricted for METRO-related street maintenance and improvement. The METRO fund reported an increase in fund balance of \$103,038 from prior year primarily due to a decrease in public works expenditures.

GENERAL FUND BUDGETARY HIGHLIGHTS

For the year, the general fund's actual revenues exceeded budgeted revenues by \$84,923. This net variance includes a positive variances of \$40,608 in property taxes, \$30,769 in charges for services and \$12,996 in sales tax. General fund expenditures were less than the final budget by \$95,912. This was due to a positive variance of \$65,717 in general government expenditures.

CAPITAL ASSETS

At the end of the year, the City's governmental and business-type activities had invested \$9,385,852, net of depreciation, in a variety of capital assets and infrastructure. This represents a net decrease of \$357,009 due to depreciation exceeding capital asset additions.

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

LONG-TERM DEBT

At the end of the year, the City's long-term debt consisted of certificates of obligation and a tax maintenance note with an outstanding balance of \$1,230,000.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The primary function of government is to provide for the health, safety, and wellbeing of the community. All of the duties of the City administration are guided by these three responsibilities. Other activities are imposed on the administration by requests of citizens, state government, and others. This work consists of maintaining infrastructure (streets, drainage, water, sewer) and other more routine functions such as construction permits and inspections; citizen requests and complaints; utility metering and billing; City Council meetings; preparing, recording and codifying ordinances; legal matters; and budget preparation and management. The following sections provide further detail on the governmental, business-type, and capital improvement activities for the City.

CITY OF HILSHIRE VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2021

Governmental Activities

To ensure that fire protection, law enforcement, and trash removal services are sustained, the City must make sure that they are adequately funded. The City continues to charge a trash collection fee to recover all associated costs of trash removal. Essential services from the Fire and Police departments, the City's largest expenditures, continue to be funded by ad valorem and sales tax revenue.

The general fund, used for its governmental activities, is at a healthy level. This is attributable to careful budgeting and diligent fiscal management. The City Council approved the 2021 tax rate to fund the operating budget for fiscal year 2022. The total tax rate was increased by \$0.012194 to fund the anticipated expenses in fiscal year 2022 and for the payment of the City's Tax Anticipation Notes. The Village Fire Department will complete their remodeling of their facilities in the first half of 2022. The City does not anticipate that the Fire Department will need any additional funding. However, if funding is required to complete the project, the City will use a portion of its fiscal year 2022 Operating Budget Reserve.

The City collects minimal funds via sales tax revenue. There has been a slight increase in sales tax revenue over the past few years.

Business-Type Activities

An existing policy is in effect to review the City of Houston's water rates each year and to adjust the City's water rates accordingly. The City increased the water rate by \$0.25 per 1,000 gallons in fiscal year 2021 to continue maintaining its reserve for water system maintenance while minimizing the impact on residents. In the budget adoption process for fiscal year 2022, the City studied the proposed water rate increase by the City of Houston to establish new rates for the City.

Capital Infrastructure Improvements

The City did not budget any new paving, drainage, water, or sanitary sewer rehabilitation projects for the 2021 nor the 2022 budget time frame. The City will be planning the next infrastructure project in the beginning of fiscal year 2022.

The City's intent is to continually maintain and replace the City's infrastructure to avoid costly emergency repairs in the future.

City Office – COVID-19

The City office continues to operate with safety first and foremost for its employees, Council, residents, and visitors. The City staff established remote access to office programs and accounting software in order to conduct City business during quarantine periods. The Council resumed in-person meetings in September, but the City continued to offer a virtual environment for attendees who were interested. The City established methods for issuing construction permits remotely and accepting credit cards online. The City will continue to make the necessary adjustments to remain operational while providing a safe environment for all.

Grants

The City Administrator continues to seek grants to help fund projects to benefit the City. A grant was awarded to improve technology from the Coronavirus Relief Fund and the City was also awarded \$200,211 from the American Rescue Plan to be used on utility infrastructure.

CITY OF HILSHIRE VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2021

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City's finances. Questions concerning this report or requests for additional financial information should be directed to Susan Blevins, City Administrator, City Hall, 8301 Westview, Houston, TX, 77055, telephone (713) 973-1779. You may also visit the City's website at www.hilshirevillagetexas.com for additional information.

BASIC FINANCIAL STATEMENTS

CITY OF HILSHIRE VILLAGE, TEXAS

STATEMENT OF NET POSITION

September 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Cash and cash equivalents	\$ 1,944,295	\$ 317,069	\$ 2,261,364
Receivables, net	63,291	117,452	180,743
Prepaid expenses	1,132	7,874	9,006
Due from other funds	-	100,106	100,106
Nondepreciable capital assets	115,896	-	115,896
Net depreciable capital assets	6,722,700	2,547,256	9,269,956
Total Assets	8,747,208	3,089,757	11,836,965
<u>Deferred Outflows of Resources</u>			
Deferred outflows - pensions	12,355	-	12,355
Deferred outflows - OPEB	1,641	-	1,641
Total Deferred Outflows of Resources	13,996	-	13,996
<u>Liabilities</u>			
Accounts payable and accrued liabilities	26,519	23,261	49,780
Customer deposits	-	79,725	79,725
Unearned revenue	-	100,106	100,106
Noncurrent liabilities:			
Due within one year	330,000	-	330,000
Due in more than one year	911,858	-	911,858
Total Liabilities	1,268,377	203,092	1,471,469
<u>Deferred Inflows of Resources</u>			
Deferred inflows - pensions	3,766	-	3,766
Deferred inflows - OPEB	316	-	316
Total Deferred Inflows of Resources	4,082	-	4,082
<u>Net Position</u>			
Net investment in capital assets	5,608,596	2,547,256	8,155,852
Restricted	345,383	-	345,383
Unrestricted	1,534,766	339,409	1,874,175
Total Net Position	\$ 7,488,745	\$ 2,886,665	\$ 10,375,410

See Notes to Financial Statements.

CITY OF HILSHIRE VILLAGE, TEXAS

STATEMENT OF ACTIVITIES For the Year Ended September 30, 2021

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government			
Governmental Activities			
General government	\$ 363,845	\$ 928	\$ 30,689
Police protection	522,030	3,521	-
Fire protection	215,490	-	-
Public works	442,846	185,205	103,000
Long-term debt interest and fiscal agent fees	39,380	-	-
Total Governmental Activities	1,583,591	189,654	133,689
Business-Type Activities			
Water and sewer	580,461	486,309	-
Total Business-Type Activities	580,461	486,309	-
Total Primary Government	\$ 2,164,052	\$ 675,963	\$ 133,689

General Revenues:

Taxes:

Property taxes

Sales taxes

Franchise fees

Investment income

Total General Revenues

Change in Net Position

Beginning net position

Ending Net Position

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total	HVCEFFC	HVHEFC
\$ (332,228)	\$ -	\$ (332,228)	\$ -	\$ -
(518,509)	-	(518,509)	-	-
(215,490)	-	(215,490)	-	-
(154,641)	-	(154,641)	-	-
(39,380)	-	(39,380)	-	-
<u>(1,260,248)</u>	<u>-</u>	<u>(1,260,248)</u>	<u>-</u>	<u>-</u>
-	(94,152)	(94,152)	-	-
-	(94,152)	(94,152)	-	-
<u>(1,260,248)</u>	<u>(94,152)</u>	<u>(1,354,400)</u>	<u>-</u>	<u>-</u>
1,519,252	-	1,519,252	-	-
66,830	-	66,830	-	-
56,391	-	56,391	-	-
2,560	2,193	4,753	-	-
<u>1,645,033</u>	<u>2,193</u>	<u>1,647,226</u>	<u>-</u>	<u>-</u>
384,785	(91,959)	292,826	-	-
7,103,960	2,978,624	10,082,584	576	965
<u>\$ 7,488,745</u>	<u>\$ 2,886,665</u>	<u>\$ 10,375,410</u>	<u>\$ 576</u>	<u>\$ 965</u>

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CITY OF HILSHIRE VILLAGE, TEXAS

BALANCE SHEET GOVERNMENTAL FUNDS September 30, 2021

	General	Debt Service	METRO	Total Governmental Funds
<u>Assets</u>				
Cash and cash equivalents	\$ 1,606,690	\$ 20,040	\$ 317,565	\$ 1,944,295
Receivables	53,606	9,685	-	63,291
Prepaid expenses	1,132	-	-	1,132
Total Assets	\$ 1,661,428	\$ 29,725	\$ 317,565	\$ 2,008,718
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 23,894	\$ -	\$ -	\$ 23,894
Due to other funds	100,106	-	-	100,106
Total Liabilities	124,000	-	-	124,000
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - property taxes	34,445	9,685	-	44,130
<u>Fund Balances</u>				
Restricted for METRO	-	-	317,565	317,565
Restricted for debt service	-	20,040	-	20,040
Restricted for child safety	7,778	-	-	7,778
Unassigned	1,495,205	-	-	1,495,205
Total Fund Balances	1,502,983	20,040	317,565	1,840,588
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,661,428	\$ 29,725	\$ 317,565	

Adjustments for the Statement of Net Position:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.

Nondepreciable capital assets	115,896
Depreciable capital assets	10,369,799
Accumulated depreciation	(3,647,099)

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.

Deferred revenue	44,130
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Accrued interest payable	(2,625)
Deferred outflows - pensions	12,355
Deferred inflows - pensions	(3,766)
Deferred outflows - OPEB	1,641
Deferred inflows - OPEB	(316)
Noncurrent liabilities due within one year	(330,000)
Noncurrent liabilities due in more than one year	(911,858)

Net Position of Governmental Activities	\$ 7,488,745
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See Notes to Financial Statements.

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CITY OF HILSHIRE VILLAGE, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

For the Year Ended September 30, 2021

	General	Debt Service	METRO	Total Governmental Funds
<u>Revenues</u>				
Property taxes	\$ 1,153,117	\$ 359,647	\$ -	\$ 1,512,764
Sales taxes	66,830	-	-	66,830
Franchise fees	56,391	-	-	56,391
Licenses and permits	102,927	-	-	102,927
Investment income	680	1,842	38	2,560
Intergovernmental revenue	-	-	103,000	103,000
Charges for services	117,416	-	-	117,416
Total Revenues	1,497,361	361,489	103,038	1,961,888
<u>Expenditures</u>				
Current:				
General government	359,602	-	-	359,602
Police protection	522,030	-	-	522,030
Fire protection	215,490	-	-	215,490
Public works	182,288	-	-	182,288
Debt Service:				
Principal	-	320,000	-	320,000
Interest	-	36,969	-	36,969
Total Expenditures	1,279,410	356,969	-	1,636,379
Excess of Revenues Over Expenditures	217,951	4,520	103,038	325,509
<u>Other Financing Sources Proceeds (Uses)</u>				
Transfers in (out)	(6,000)	6,000	-	-
Total Other Financing Sources Proceeds (Uses)	(6,000)	6,000	-	-
Net Change in Fund Balances	211,951	10,520	103,038	325,509
Beginning fund balances	1,291,032	9,520	214,527	1,515,079
Ending Fund Balances	\$ 1,502,983	\$ 20,040	\$ 317,565	\$ 1,840,588

See Notes to Financial Statements.

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CITY OF HILSHIRE VILLAGE, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2021

Net change in fund balances - governmental funds \$ 325,509

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Depreciation expense (270,151)

Revenues that do not provide current financial resources are not reported as revenues in the funds.

6,488

Net pension and total other postemployment benefits (OPEB) liability and related deferred outflows/inflows are reported in the governmental funds.

Net pension liability	8,289
Total OPEB liability	(1,482)
Deferred outflows - pensions	(1,845)
Deferred inflows - pensions	(194)
Deferred outflows - OPEB	638
Deferred inflows - OPEB	(56)

The issuance of long-term debt (e.g., bonds, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the Statement of Activities.

Principal payment	320,000
Accrued interest	(2,411)

Change in Net Position of Governmental Activities \$ 384,785

See Notes to Financial Statements.

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CITY OF HILSHIRE VILLAGE, TEXAS

STATEMENT OF NET POSITION

PROPRIETARY FUND

September 30, 2021

	<u>Business-Type Activities</u>
	<u>Enterprise Fund</u>
Assets:	
Cash and cash equivalents	\$ 317,069
Accounts receivable, net	117,452
Prepaid items	7,874
Due from other funds	100,106
Total Current Assets	<u>542,501</u>
Capital assets:	
Water	2,587,695
Sewer	1,693,889
Less: accumulated depreciation	<u>(1,734,328)</u>
Total Capital Assets,	
Net of Accumulated Depreciation	<u>2,547,256</u>
Total Noncurrent Assets	<u>2,547,256</u>
Total Assets	<u>3,089,757</u>
Liabilities:	
Accounts payable and accrued liabilities	23,261
Customer deposits	79,725
Unearned revenue	100,106
Total Current Liabilities	<u>203,092</u>
Total Liabilities	<u>203,092</u>
Net Position:	
Net investment in capital assets	2,547,256
Unrestricted	339,409
Total Net Position	<u>\$ 2,886,665</u>

See Notes to Financial Statements.

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CITY OF HILSHIRE VILLAGE, TEXAS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUND

For the Year Ended September 30, 2021

	<u>Business-Type Activities</u>
	<u>Enterprise Fund</u>
<u>Operating Revenues</u>	
Water and sewer charges	\$ 486,309
Total Operating Revenues	<u>486,309</u>
<u>Operating Expenses</u>	
Water services	317,840
Sewer services	119,841
Administrative	10,321
Depreciation	132,459
Total Operating Expenses	<u>580,461</u>
Operating (Loss)	<u>(94,152)</u>
<u>Nonoperating Revenues (Expenses)</u>	
Investment income	<u>2,193</u>
Total Nonoperating Revenues	<u>2,193</u>
Change in Net Position	(91,959)
Beginning net position	2,978,624
Ending Net Position	<u>\$ 2,886,665</u>

See Notes to Financial Statements.

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CITY OF HILSHIRE VILLAGE, TEXAS

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

For the Year Ended September 30, 2021

	Business-Type Activities
	Enterprise Fund
<u>Cash Flows from Operating Activities</u>	
Receipts from customers	\$ 363,799
Payments to suppliers	(439,641)
Net Cash (Used) by Operating Activities	(75,842)
<u>Cash Flows from Noncapital and Related Financing Activities</u>	
Due from other funds	100,106
Net Cash Provided by Noncapital and Related Financing Activities	100,106
<u>Cash Flows from Capital and Related Financing Activities</u>	
Capital purchases	(45,601)
Net Cash (Used) by Capital and Related Financing Activities	(45,601)
<u>Cash Flows from Investing Activities</u>	
Interest on investments	2,193
Net Cash Provided by Investing Activities	2,193
Net (Decrease) in Cash and Cash Equivalents	(19,144)
Beginning cash and cash equivalents	336,213
Ending Cash and Cash Equivalents	\$ 317,069
Reconciliation of Operating Income (Loss)	
to Net Cash Provided (Used) by Operating Activities	
Operating (loss)	\$ (94,152)
Adjustments to reconcile operating (loss) to net cash (used) by operating activities:	
Depreciation	132,459
Changes in Operating Assets and Liabilities:	
(Increase) Decrease in:	
Accounts receivable	(14,155)
Prepaid items	(7,874)
Due from other funds	(100,106)
Increase (Decrease) in:	
Accounts payable	22,891
Due to other funds	(14,530)
Customer deposits	(375)
Net Cash Provided by Operating Activities	\$ (75,842)

See Notes to Financial Statements.

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CITY OF HILSHIRE VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Hilshire Village, Texas (the “City”) was organized as the Town of Hilshire Village, Texas, and incorporated in 1955 as a General Law Village under Chapter 11, Title 28, Acts of the Texas Legislature, 1925 as amended (the “Act”). The incorporation papers were amended in 1973 to permit operation as a Type A General Law City under the authority of chapters one through ten of the above Act and the name changed to its present name.

The City’s primary activities include general administration, police protection, fire protection, and public works including water, sewer, and solid waste disposal services.

The City is an independent political subdivision of the State of Texas (the “State”) governed by an elected council and a mayor and is considered a primary government. As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the City’s financial reporting entity. The component units as listed below, although legally separate, are considered part of the reporting entity. No other entities have been included in the City’s reporting entity. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

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

Discretely Presented Component Units

Hilshire Village Cultural Education Facilities Finance Corporation

The Hilshire Village Cultural Education Facilities Finance Corporation (HVCEFFC) has been included in the reporting entity as a discretely presented component unit.

The HVCEFFC was created by the City in 2006 under the Cultural Education Facilities Finance Corporation Act, Article 1528m, Vernon’s Texas Civil Statutes, for the purpose of benefiting and accomplishing public purposes on behalf of the City. The Board of Directors is appointed by and serves at the discretion of the City Council. City Council approval is required for annual budgets and bonded debt issuance. In the event of dissolution, net position shall be conveyed to the City.

CITY OF HILSHIRE VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2021

Hilshire Village Higher Education Finance Corporation

The Hilshire Village Higher Education Finance Corporation (HVHEFC) has been included in the reporting entity as a discretely presented component unit.

The HVHEFC was created by the City in 2015 under Section 53.35(b) of the Texas Education Code for the purpose of benefiting and accomplishing public purposes on behalf of the City. The Board of Directors is appointed by and serves at the discretion of the City Council.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all activities of the primary government. 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 to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

C. Basis of Presentation – Government-Wide Financial Statements

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's water and wastewater functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

D. Basis of Presentation – Fund Financial Statements

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

The City reports the following governmental funds:

The *general fund* is the City's primary operating fund. It accounts for all financial resources of the City, except those to be accounted for in another fund. The general fund is always considered a major fund for reporting purposes.

The *debt service fund* is used to account for the payment of interest and principal on all general obligation debt of the City. The primary source of revenue for debt service is local property taxes. The debt service fund is considered a major fund for reporting purposes.

The *special revenue fund* is used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The METRO fund is considered a major fund for reporting purposes.

CITY OF HILSHIRE VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2021

The City reports the following enterprise fund:

The *enterprise fund* is used to account for the City's water and wastewater operations. The services are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis will be financed or recovered primarily through user charges. The enterprise fund is considered a major fund for reporting purposes.

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

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

E. Measurement Focus and Basis of Accounting

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

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

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

CITY OF HILSHIRE VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2021

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

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

1. Cash and Cash Equivalents

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

2. Investments

Investments, except for certain investment pools, are reported at fair value. The investment pool operates in accordance with appropriate state laws and regulations and is reported at amortized cost. Investments in nonparticipating interest earning contracts, such as certificates of deposits, are reported at cost.

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

- Direct obligations of the U.S. government
- Repurchase agreements
- Fully collateralized certificates of deposit
- Savings and loan association deposits backed by FSLIC
- Mutual funds of a specific type
- Statewide investment pools

3. Prepaid Items

Certain payments to vendors reflect costs applicable to a future accounting period (prepaid expenditures) are recognized as expenditures when utilized.

4. Capital Assets

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

CITY OF HILSHIRE VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2021

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest costs incurred in connection with the construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements.

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

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

Asset Description	Estimated Useful Life
Water and sewer system	10 to 45 years
Buildings and improvements	10 to 45 years
Furniture and equipment	3 to 20 years
Vehicles	3 to 10 years
Infrastructure	20 years

5. Deferred Outflows/Inflows of Resources

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

Deferred outflows/inflows of resources are amortized as follows:

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

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

6. Long-Term Obligations

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

CITY OF HILSHIRE VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2021

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

The property tax rate is allocated each year between the general and debt service funds. The full amount estimated to be required for debt service on general obligation debt is provided by the tax along with the interest earned in the debt service fund.

7. Net Position Flow Assumption

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

8. Fund Balance Flow Assumptions

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

9. Fund Balance Policies

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

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

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

CITY OF HILSHIRE VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2021

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

10. Estimates

The preparation of financial statements, in conformity with GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

11. Pensions

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

12. Other Postemployment Benefits

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

G. Revenues and Expenditures/Expenses

1. Program Revenues

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

CITY OF HILSHIRE VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2021

2. Property Taxes

Property taxes are levied during September of each year and are due upon receipt of the City's tax bill and become delinquent on February 1 of the following year. The City's tax lien exists from January 1 (the assessment date) each year until the taxes are paid. The procedure for collection on delinquent taxes is to send delinquent notices and a letter and then refer the delinquent accounts to the tax attorney for legal action. A penalty of seven percent is added to delinquent taxes on February 1 and increases two percent each month through September. An additional penalty of 15 percent is added in July for attorney costs. There are no discounts allowed on taxes.

3. Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, the debt service fund, and the METRO fund. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of control is the object and purpose stated in the approved budget.

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Deposits and Investments

As of September 30, 2021, the City had the following investments:

<u>Investment Type</u>	<u>Value</u>	<u>Weighted Average Maturity (Years)</u>
Certificates of deposit	\$ 1,000,485	0.19
TexPool	57,080	0.10
Total Value	<u>\$ 1,057,565</u>	
Portfolio weighted average maturity		0.01

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

Credit risk. The City's policy requires that investment pools must be rated no lower than 'AAA' or 'AAA-m'. As of September 30, 2021, the City's investments in TexPool was rated 'AAAm' by Standard & Poor's.

CITY OF HILSHIRE VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2021

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City’s investment policy requires funds on deposit at the depository bank to be collateralized by securities and/or FDIC insurance. As of September 30, 2021, the City’s bank balances were covered by FDIC insurance and market values of pledged securities.

TexPool

TexPool was established as a trust company with the Treasurer of the State as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor’s rates TexPool “AAAm”. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor’s, as well as to the office of the Comptroller of Public Accounts for review.

TexPool is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, TexPool must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity, and diversification requirements within TexPool. TexPool transacts at a net asset value of \$1.00 per share, has weighted average maturities of 60 days or less, and weighted average lives of 120 days or less. Investments held are highly rated by nationally recognized statistical rating organizations, have no more than five percent of portfolio with one issuer (excluding U.S. government securities), and can meet reasonably foreseeable redemptions. TexPool has a redemption notice period of one day and may redeem daily. TexPool’s authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium, or national state of emergency that affects TexPool’s liquidity.

B. Receivables

The following comprises receivable balances at year end:

	<u>General</u>	<u>Debt Service</u>	<u>Enterprise</u>
Property taxes	\$ 34,445	\$ 9,685	\$ -
Other taxes	12,985	-	-
Other receivables	6,176	-	-
Accounts	-	-	117,452
Total Receivables	<u>\$ 53,606</u>	<u>\$ 9,685</u>	<u>\$ 117,452</u>

CITY OF HILSHIRE VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

C. Capital Assets

A summary of changes in capital assets at year end is as follows:

	Beginning Balance	Increases	(Decreases)	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 115,896	\$ -	\$ -	\$ 115,896
Total capital assets not being depreciated	115,896	-	-	115,896
Other capital assets:				
Buildings and improvements	276,379	-	-	276,379
Infrastructure	10,093,420	-	-	10,093,420
Total other capital assets	10,369,799	-	-	10,369,799
Less accumulated depreciation for:				
Buildings and improvements	(162,004)	(9,593)		(171,597)
Infrastructure	(3,214,944)	(260,558)	-	(3,475,502)
Total accumulated depreciation	(3,376,948)	(270,151)	-	(3,647,099)
Other capital assets, net	6,992,851	(270,151)	-	6,722,700
Governmental Activities Capital Assets, Net	\$ 7,108,747	\$ (270,151)	\$ -	6,838,596
			Less related debt	(1,230,000)
			Net Investment in Capital Assets	\$ 5,608,596

Depreciation was charged to governmental functions as follows:

General government	\$ 9,593
Public works	260,558
Total Governmental Activities Depreciation Expense	\$ 270,151

CITY OF HILSHIRE VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2021

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

	Beginning Balance	Increases	(Decreases)	Ending Balance
Business-Type Activities:				
Capital assets:				
Water system	\$ 2,580,570	\$ 7,125	\$ -	\$ 2,587,695
Sewer system	1,655,413	38,476	-	1,693,889
Total other capital assets	4,235,983	45,601	-	4,281,584
Less accumulated depreciation for:				
Water system	(921,733)	(80,558)	-	(1,002,291)
Sewer system	(680,136)	(51,901)	-	(732,037)
Total accumulated depreciation	(1,601,869)	(132,459)	-	(1,734,328)
Other capital assets, net	2,634,114	(86,858)	-	2,547,256
Business-Type Activities Capital Assets, Net	\$ 2,634,114	\$ (86,858)	\$ -	\$ 2,547,256

Depreciation was charged to business-type functions as follows:

Water	\$ 80,558
Sewer	51,901
Total Business-Type Activities Depreciation Expense	\$ 132,459

D. Long-Term Debt

In general, the City uses the debt service fund to liquidate governmental long-term liabilities. The following is a summary of changes in the City's long-term liabilities for the year ended September 30, 2021:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Governmental Activities					
Bonds, notes, and other payables:					
Certificates of obligation, series 2014	\$ 555,000	\$ -	\$ 135,000	\$ 420,000	* \$ 135,000
Tax anticipation note, series 2018	995,000	-	185,000	810,000	*
Other liabilities:					
Net pension liability	10,854	-	8,289	2,565	-
Total OPEB liability	7,811	1,482	-	9,293	-
Total Governmental Activities	\$ 1,568,665	\$ 1,482	\$ 328,289	\$ 1,241,858	\$ 330,000
Long-term liabilities due in more than one year				\$ 911,858	
* Debt associated with capitals assets				\$ 1,230,000	

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

CITY OF HILSHIRE VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2021

Long-term debt at year end was comprised of the following debt issue:

	Amounts Outstanding	Interest Rate	Maturity Interest Pmt. Dates
Certificates of obligation, series 2014	\$ 420,000	2.19%	Mar 1, Sep 1
Tax anticipation note, series 2018	810,000	2.91%	Mar 1, Sep 1
	\$ 1,230,000		

As of September 30, 2021, the debt service requirements on the debt outstanding is as follows:

Fiscal Year Ending Sept. 30	Principal Due	Interest Due	Total Due
2022	\$ 330,000	\$ 28,453	\$ 358,453
2023	340,000	19,695	359,695
2024	350,000	10,682	360,682
2025	210,000	3,055	213,055
Total	\$ 1,230,000	\$ 61,885	\$ 1,291,885

The City is not obligated in any manner for special assessment debt.

Federal Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed, or are not performed correctly, a substantial liability to the City could result. The City periodically engages an arbitrage consultant to perform the calculations in accordance with the rules and regulations of the IRS.

E. Interfund Transactions

The composition of interfund balances was as follows:

Receivable Fund	Payable Fund	Amount
Enterprise fund	General fund	\$ 100,106

Amounts recorded as due to/from are considered to be temporary loans and will be repaid during the following year.

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

Transfer Out	Transfer In	Amount
General fund	Debt Service	\$ 6,000

CITY OF HILSHIRE VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2021

F. Fund Equity

The City entered into an interlocal street maintenance agreement with the Metropolitan Transit Authority of Harris County, Texas (METRO) in 1992 for the purpose of improving the street network throughout the METRO region of the City. Additional expanded sales tax funding was also dedicated for street maintenance and improvement. Money received from METRO is recognized as intergovernmental revenue. The City's METRO fund has a restricted fund balance of \$317,565.

IV. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City participates along with 2,617 other entities in the Texas Municipal League's Intergovernmental Risk Pool (the "Pool"). The Pool purchases commercial insurance at a group rate for participants in the Pool. The City has no additional risk or responsibility to the Pool, outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements that exceeded coverage amounts for the past three years.

B. Contingent Liabilities

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

Liabilities are reported when it is probable a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and social factors. No claim liabilities are reported at year end.

The continued spread of the COVID-19 pandemic has given a rise in uncertainties that may have a significant negative impact on the operating activities and results of the City. The occurrence and extent of such impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) the effects on the financial markets, and (iv) the effects on the economy overall, all of which are uncertain.

C. Pension Plan

Texas Municipal Retirement System

Plan Description

The City participates as one of 895 plans in the defined benefit cash-balance plan administered by TMRS. TMRS is a statewide public retirement plan created by the State and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the "TMRS Act") as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member,

CITY OF HILSHIRE VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2021

Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State. TMRS issues a publicly available Annual Comprehensive Financial Report that can be obtained at www.tmrs.com.

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

Benefits Provided

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

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

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

	2021	2020
Employee deposit rate	5.00%	5.00%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service requirement eligibility (expressed as age/yrs of service)	60/5, 20/0	60/5, 20/0
Updated service credit	100% Repeating, Transfers	100% Repeating, Transfers
Annuity increase (to retirees)	70% of CPI	70% of CPI

Employees Covered by Benefit Terms

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	1	
Active employees	2	
Total	3	

Contributions

The contribution rates for employees in TMRS are either five percent, six percent, or seven percent of employee gross earnings, and the City-matching percentages are either 100 percent, 150 percent, or 200 percent, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary using the Entry Age Normal (EAN) actuarial cost method. The City's contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

CITY OF HILSHIRE VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2021

Employees for the City were required to contribute five percent of their annual gross earnings during the fiscal year. The contribution rates for the City were 11.22 percent and 9.97 percent in 2020 and 2021, respectively. The City's contributions to TMRS for the fiscal year ended September 30, 2021 were \$15,066, which were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2020 and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The TPL in the December 31, 2020 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

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

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The postretirement mortality assumption for annuity purchase rates 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 of TMRS.

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

CITY OF HILSHIRE VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2021

The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	30%	5.30%
Core Fixed Income	10%	1.25%
Non-Core Fixed Income	20%	4.14%
Real Return	10%	3.85%
Real Estate	10%	4.00%
Absolute Return	10%	3.48%
Private Equity	10%	7.75%
Total	100%	

Discount Rate

The discount rate used to measure the TPL was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the TMRS fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

Changes in the NPL

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(A)	(B)	(A) - (B)
Changes for the year:			
Service cost	\$ 14,995	\$ -	\$ 14,995
Interest	9,425	-	9,425
Difference between expected and actual experience	(255)	-	(255)
Contributions - employer	-	15,871	(15,871)
Net investment income	-	9,416	(9,416)
Benefit payments, including refunds of employee contributions	(3,563)	(3,563)	-
Administrative expense	-	(60)	60
Other changes	-	(3)	3
Net Changes	20,602	28,891	(8,289)
Balance at December 31, 2019	133,913	123,059	10,854
Balance at December 31, 2020	\$ 154,515	\$ 151,950	\$ 2,565

CITY OF HILSHIRE VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2021

Sensitivity of the NPL to Changes in the Discount Rate

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's Net Pension Liability	\$ 20,265	\$ 2,565	\$ (12,306)

Pension Plan Fiduciary Net Position

Detailed information about the TMRS fiduciary net position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

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

For the fiscal year ended September 30, 2021, the City recognized pension expense of \$8,809.

At September 30, 2021, the City reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 443	\$ (224)
Changes in actuarial assumptions	973	-
Net difference between projected and actual investment earnings	-	(3,542)
Contributions subsequent to the measurement date	10,939	-
Total	\$ 12,355	\$ (3,766)

\$10,939 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the NPL for the fiscal year ending September 30, 2022. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended September 30	Pension Expense
2022	\$ (261)
2023	(83)
2024	(1,785)
2025	(221)
Total	\$ (2,350)

CITY OF HILSHIRE VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2021

D. Other Postemployment Benefits

TMRS Supplemental Death Benefit

Plan Description

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

The member city contributes to the SDBF at a contractually required rate (based on the covered payroll of employee members) as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75). As such, the SDBF is considered to be a single-employer unfunded OPEB defined benefit plan with benefit payments treated as being equal to the employer's yearly contributions for retirees.

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

Benefits

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an OPEB and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e., no assets are accumulated). Participation in the SDBF as of December 31, 2020 is summarized below:

Inactive employees or beneficiaries currently receiving benefits	1
Active employees	2
Total	<u>3</u>

Total OPEB Liability

The City's total OPEB liability of \$9,293 was measured as of December 31, 2020 and was determined by an actuarial valuation as of that date.

CITY OF HILSHIRE VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2021

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Discount rate	2.00%*
Retirees' share of benefit-related costs	Zero
Administrative expenses	All administrative expenses are paid through the PTF and accounted for under reporting requirements under GASB 68.
Mortality rates-service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates-disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a four-year set-forward for males and a three-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

* The discount rate is based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2020.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the period December 31, 2010 to December 31, 2014.

Changes in the Total OPEB Liability

	Total OPEB Liability
Changes for the year:	
Service cost	\$ 390
Interest	219
Difference between expected and actual experience	(183)
Changes of assumptions	1,114
Benefit payments*	(58)
Net Changes	1,482
Beginning balance	7,811
Ending Balance	\$ 9,293

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

There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

CITY OF HILSHIRE VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2021

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

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

	1% Decrease in Discount Rate (1.00%)	Discount Rate (2.00%)	1% Increase in Discount Rate (3.00%)
City's Total OPEB Liability	\$ 11,100	\$ 9,293	\$ 7,851

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

For the year ended September 30, 2021, the City recognized OPEB expense of \$1,005. The City reported deferred outflows/inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in actuarial assumptions	\$ 1,551	\$ -
Difference between expected and actual experience	-	(316)
Contributions subsequent to the measurement date	90	-
Total	\$ 1,641	\$ (316)

\$90 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the fiscal year ending September 30, 2022.

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

Fiscal Year Ended September 30	OPEB Expense
2022	\$ 355
2023	357
2024	400
2025	123
Total	\$ 1,235

E. Related Organizations and Joint Ventures

Police Protection

Police protection is provided to the City through the City of Spring Valley Village, Texas for a fixed amount due in monthly installments.

CITY OF HILSHIRE VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2021

Fire Protection

On December 20, 1978, the City entered into an interlocal cooperation agreement (the “Agreement”) with the cities of Bunker Hill Village, Hedwig Village, Hunters Creek Village, Piney Point Village, and Spring Valley Village, Texas, creating the Village Fire Department (VFD). The Agreement ran for a period of 12 years beginning January 1, 1979 and ended December 31, 1990. Effective January 1, 1991, the Agreement automatically renewed for a period of five years and will continue to renew on each expiration date unless terminated by at least one of the contracting cities. Under the terms of this Agreement, the City is liable for three percent of VFD’s approved budget.

Consolidated financial information extracted from the VFD’s audited financial statements for the year ended December 31, 2020, on which the VFD’s auditors expressed an unqualified opinion, is as follows:

	VFD Total		City's Portion (3%)	
	Net Position	Balance Sheet	Net Position	Balance Sheet
Total assets and deferred outflows	\$ 8,581,916	\$ 4,505,112	\$ 257,457	\$ 135,153
Total liabilities and deferred inflows	1,762,750	645,679	52,883	19,370
Total Participants' Equity	\$ 6,819,166	\$ 3,859,433	\$ 204,574	\$ 115,783
	Change in Net Position	Revenues and Expenditures	Change in Net Position	Revenues and Expenditures
Total revenues	\$ 8,671,058	\$ 8,750,463	\$ 260,132	\$ 262,514
Total expenditures/expenses	6,158,092	8,879,749	184,743	266,392
Revenues over/(under) expenditures	2,512,966	(129,286)	75,389	(3,879)
Other financing sources	-	67,395	-	2,022
Beginning participants' equity	4,306,200	3,921,324	129,186	117,640
Ending Participants' Equity	\$ 6,819,166	\$ 3,859,433	\$ 204,575	\$ 115,783

F. Conduit Debt

To accomplish its purposes, the HVCEFFC, with the approval of the City, is empowered to issue bonds for financing or refinancing of “cultural facilities” as defined by the act under which the HVCEFFC was created for the benefit of separate legal entities. The bonds are secured by a pledge of the monies to be received from the entities pursuant to the agreements. The bonds are payable solely for revenues pledged to their payment and shall not be considered as general obligations of HVCEFFC or the City. This debt, referred to as conduit debt, is not included in the City’s or HVCEFFC’s financial statements.

Two conduit debt instruments of HVCEFFC have been issued. The total amount of conduit debt outstanding at year end was \$5,517,273, which was issued on behalf of South Texas College of Law and St. Francis Episcopal Day School.

To accomplish its purposes, the HVHEFC is empowered to issue revenue bonds on behalf of authorized open-enrollment charter schools for the acquisition, construction, repair, or renovation of educational facilities of those schools as defined by the act under which the HVHEFC was created for the benefit of separate legal entities. The bonds are secured by a pledge of the monies to be received from the entities pursuant to the agreements. The bonds are payable solely for revenues pledged to their payment and shall not be considered as general obligations of HVHEFC or the City.

CITY OF HILSHIRE VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2021

This debt, referred to as conduit debt, is not included in the City's or HVHEFC's financial statements.

One conduit debt instrument of HVHEFC has been issued. The total amount of conduit debt outstanding at year end was \$3,078,000, which was issued on behalf of Kipp Austin Public Schools, Inc.

REQUIRED SUPPLEMENTARY INFORMATION

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

For the Year Ended September 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Property taxes	\$ 1,110,886	\$ 1,106,509	\$ 1,153,117	\$ 46,608
Sales taxes	54,033	53,834	66,830	12,996
Franchise fees	55,000	56,391	56,391	-
Licenses and permits	102,700	103,057	102,927	(130)
Investment income	918	-	680	680
Charges for services	88,901	86,647	117,416	30,769
Total Revenues	<u>1,412,438</u>	<u>1,406,438</u>	<u>1,497,361</u>	<u>90,923</u>
Expenditures				
Current:				
General government	429,880	419,319	359,602	59,717
Police protection	522,030	522,030	522,030	-
Fire protection	231,490	231,490	215,490	16,000
Public works				
Sanitation	84,035	84,035	81,595	2,440
Street (Non METRO projects)	64,887	69,448	63,408	6,040
Street (METRO projects)	3,000	3,000	-	3,000
Inspections	40,000	40,000	37,285	2,715
Total Public Works	<u>191,922</u>	<u>196,483</u>	<u>182,288</u>	<u>14,195</u>
Total Expenditures	<u>1,375,322</u>	<u>1,369,322</u>	<u>1,279,410</u>	<u>89,912</u>
Excess of Revenues Over Expenditures	<u>37,116</u>	<u>37,116</u>	<u>217,951</u>	<u>180,835</u>
Other Financing Sources (Uses)				
Transfers (out)	-	(6,000)	(6,000)	-
Total Other Financing (Uses)	<u>-</u>	<u>(6,000)</u>	<u>(6,000)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 37,116</u>	<u>\$ 31,116</u>	<u>211,951</u>	<u>\$ 180,835</u>
Beginning fund balance			<u>1,291,032</u>	
Ending Fund Balance			<u>\$ 1,502,983</u>	

Notes to Required Supplementary Information:

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

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CITY OF HILSHIRE VILLAGE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
METRO FUND

For the Year Ended September 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Investment income	\$ -	\$ -	\$ 38	\$ 38
Intergovernmental	103,000	103,000	103,000	-
Total Revenues	<u>103,000</u>	<u>103,000</u>	<u>103,038</u>	<u>38</u>
Expenditures				
Current:				
Public works				
Street (METRO projects)	103,000	103,000	-	103,000
Total Expenditures	<u>103,000</u>	<u>103,000</u>	<u>-</u>	<u>103,000</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 103,038</u>	<u>\$ 103,038</u>
Beginning fund balance			<u>214,527</u>	
Ending Fund Balance			<u>\$ 317,565</u>	

Notes to Required Supplementary Information:

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

CITY OF HILSHIRE VILLAGE, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
For the Year Ended September 30, 2021

	Measurement Year*			
	2014	2015	2016	2017
Total Pension Liability				
Service cost	\$ 978	\$ 6,151	\$ 8,675	\$ 9,597
Interest (on the total pension liability)	3,077	3,542	4,416	5,471
Changes of benefit terms	43,472	-	-	2,641
Difference between expected and actual experience	-	961	124	(215)
Change of assumptions	-	3,004	-	-
Benefit payments, including refunds of employee contributions	-	-	(197)	(1,184)
Net Change in Total Pension Liability	<u>47,527</u>	<u>13,658</u>	<u>13,018</u>	<u>16,310</u>
Beginning total pension liability	-	47,527	61,185	74,203
Ending Total Pension Liability	<u>\$ 47,527</u>	<u>\$ 61,185</u>	<u>\$ 74,203</u>	<u>\$ 90,513</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 1,638	\$ 10,630	\$ 13,721	\$ 16,193
Contributions - employee	628	3,948	5,395	6,051
Net investment income	-	3	1,144	5,138
Benefit payments, including refunds of employee contributions	-	-	(197)	(1,184)
Administrative expense	-	(2)	(13)	(27)
Other	-	-	(1)	(1)
Net Change in Plan Fiduciary Net Position	<u>2,266</u>	<u>14,580</u>	<u>20,049</u>	<u>26,171</u>
Beginning plan fiduciary net position	-	2,266	16,846	36,895
Ending Plan Fiduciary Net Position	<u>\$ 2,266</u>	<u>\$ 16,846</u>	<u>\$ 36,895</u>	<u>\$ 63,066</u>
Net Pension Liability	<u>\$ 45,261</u>	<u>\$ 44,339</u>	<u>\$ 37,308</u>	<u>\$ 27,447</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	4.77%	27.53%	49.72%	69.68%
Covered Payroll	\$ 12,551	\$ 78,961	\$ 107,899	\$ 121,027
Net Pension Liability as a Percentage of Covered Payroll	360.62%	56.15%	34.58%	22.68%

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

Measurement Year*		
2018	2019	2020
\$ 13,355	\$ 14,352	\$ 14,995
6,520	7,864	9,425
-	-	-
723	785	(255)
-	2,169	-
(1,184)	(1,184)	(3,563)
<u>19,414</u>	<u>23,986</u>	<u>20,602</u>
90,513	109,927	133,913
<u>\$ 109,927</u>	<u>\$ 133,913</u>	<u>\$ 154,515</u>
\$ 20,373	\$ 17,554	\$ 15,871
6,206	6,757	7,230
(1,902)	13,490	9,416
(1,184)	(1,184)	(3,563)
(37)	(76)	(60)
(2)	(2)	(3)
<u>23,454</u>	<u>36,539</u>	<u>28,891</u>
63,066	86,520	123,059
<u>\$ 86,520</u>	<u>\$ 123,059</u>	<u>\$ 151,950</u>
<u>\$ 23,407</u>	<u>\$ 10,854</u>	<u>\$ 2,565</u>
78.71%	91.89%	98.34%
\$ 124,114	\$ 135,137	\$ 144,605
18.86%	8.03%	1.77%

CITY OF HILSHIRE VILLAGE, TEXAS

SCHEDULE OF CONTRIBUTIONS

TEXAS MUNICIPAL RETIREMENT SYSTEM

For the Year Ended September 30, 2021

	Fiscal Year*			
	2015	2016	2017	2018
Actuarially determined contribution	\$ 9,754	\$ 12,666	\$ 15,584	\$ 18,677
Contributions in relation to the actuarially determined contribution	9,754	12,666	15,584	18,677
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 72,248	\$ 99,079	\$ 117,679	\$ 122,619
Contributions as a percentage of covered payroll	13.50%	12.78%	13.24%	15.23%

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

Notes to Required Supplementary Information:

1. Valuation Date:

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

2. Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	6 years
Asset valuation method	10 year smoothed market; 12% soft corridor
Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2020 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 the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

3. Other Information:

There were no benefit changes during the year.

Fiscal Year*		
2019	2020	2021
\$ 18,130	\$ 16,400	\$ 15,066
18,130	16,400	15,066
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 132,270	\$ 142,815	\$ 149,780
13.71%	11.48%	10.06%

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CITY OF HILSHIRE VILLAGE, TEXAS
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
For the Year Ended September 30, 2021

	Measurement Year*			
	2017	2018	2019	2020
Total OPEB Liability				
Service cost	\$ 254	\$ 298	\$ 270	\$ 390
Interest (on the total OPEB liability)	211	216	235	219
Difference between expected and actual experience	-	(255)	(148)	(183)
Change of assumptions	464	(398)	1,290	1,114
Benefit payments**	-	(37)	(54)	(58)
Net Change in Total OPEB Liability	929	(176)	1,593	1,482
Beginning total OPEB liability	5,465	6,394	6,218	7,811
Ending Total OPEB Liability	\$ 6,394	\$ 6,218	\$ 7,811	\$ 9,293
Covered Payroll	\$ 121,027	\$ 124,114	\$ 135,137	\$ 144,605
Total OPEB Liability as a Percentage of Covered Payroll	5.28%	5.01%	5.78%	6.43%

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

** 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.

Notes to Required Supplementary Information:

1. Valuation Date:

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

2. Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Discount rate	2.00%
Administrative expenses	All administrative expenses are paid through the PTF and accounted for under reporting requirements under GASB Statement No. 68.
Mortality - service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3.0% 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.

3. Other Information:

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

The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2020.

The actuarial assumptions used in the December 21, 2020 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

There were no benefit changes during the year.

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SCHEDULE

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CITY OF HILSHIRE VILLAGE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
For the Year Ended September 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>				
Property taxes	\$ 359,938	\$ 358,912	\$ 359,647	\$ 735
Investment income	-	1,026	1,842	816
Total Revenues	<u>359,938</u>	<u>359,938</u>	<u>361,489</u>	<u>1,551</u>
<u>Expenditures</u>				
Principal	320,000	320,000	320,000	-
Interest and fiscal charges	36,939	36,969	36,969	-
Total Expenditures	<u>356,939</u>	<u>356,969</u>	<u>356,969</u>	<u>-</u>
Excess of Revenue Over Expenditures	<u>2,999</u>	<u>2,969</u>	<u>4,520</u>	<u>1,551</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	-	-	6,000	6,000
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>6,000</u>	<u>6,000</u>
Net Change in Fund Balance	<u>\$ 2,999</u>	<u>\$ 2,969</u>	<u>10,520</u>	<u>\$ 7,551</u>
Beginning fund balance			<u>9,520</u>	
Ending Fund Balance			<u>\$ 20,040</u>	

Notes to Required Supplementary Information:

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

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[REDACTED]
[REDACTED]

█ [REDACTED]

█ [REDACTED]
[REDACTED]
[REDACTED]

k. 1122 Ridgley Drive Ditch Area Improvements (Action Item) –

- HDR met Councilmember Byrne onsite at 1122 Ridgley Drive to review the area for potential improvements to the ditch area to allow for a parking pad to be constructed in front of the property.
- The area was reviewed to verify improvements such as the installation and extension of the existing driveway culvert and ditch regrading can be completed in order to allow for installation of a parking pad by the resident that would allow for a vehicle to be parked completely off the street. The existing site conditions appeared to allow for the improvements; however, it would need to be verified by survey to determine elevations for the proposed culvert extension and regrading of the ditch. (See attached exhibit)
- Pending approval of any proposed improvements of the ditch, the Resident at 1122 Ridgley Drive would be required to submit a permit for installation of a parking pad in this area and would require approval for daytime and overnight use of the parking pad.
- The existing “No Parking” area along the east side of the Ridgley curve would be proposed to extend further north and terminating at the approximate limits of 60-ft north of the Mallie Court intersection at Ridgley Drive.
- By completing these improvements, the objective would be to improve the sight distance along the curve to provide safety for residents and drivers that traverse along this portion of Ridgley Drive.

Approximate limits of proposed ditch improvements at 1122 Ridgeley to allow for a parking pad area



Looking south towards Mallie Court intersection





Driveway at 1122 Ridgeley Drive in relation to existing parking pad at 1125 Ridgeley



Existing parking pad at 1125 Ridgeley









PINE CHASE GROVE EASEMENT AREA

ITEMS TO DISCUSS

Area needs maintaining

Trees and shrubs need addressing, roots coming out of ground, vines growing wild - hazard

Erosion problems created by flushing

Methods for flushing – Underground drainage, hoses (decisions to be made)

Remove electrical box (Requested City of Houston to remove)

Vault area unlocked (Requested City of Houston to provide a method to lock the vaults)

Back Flow Area – Line has a leak (Requested City of Houston address)

Hose bib area where flushing is done has a leak (Requested Inframark address)

Parking Area has eroded and there is only dirt or mud

Bench (Will have it removed)

Hose Bibs (a protective cage needs to be installed (Requested Inframark look into)

Erosion of neighbor's property continues

Area needs some type of screening

City of Houston spray painted lids – looks horrible

RESOLUTION # 2022-226

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HILSHIRE VILLAGE, REQUESTING THE MUNICIPALITIES WASTE DISPOSAL COUNCIL OF HARRIS COUNTY, TEXAS APPOINT ROBERT SWANSON TO THE BOARD OF DIRECTORS OF THE GULF COAST AUTHORITY

WHEREAS, the Gulf Coast Authority (“GCA”) was created by the Texas Legislature in 1969 with the broad charge to protect the waters of the State of Texas, and in particular the Galveston Bay watershed; and

WHEREAS, pursuant to GCA’s enabling statute, the Municipalities Waste Disposal Council of Harris County appoints one member to the nine- member board of directors of GCA; and

WHEREAS, the City of Hilshire Village (the “City”) is a member of the Municipalities Waste Disposal Council of Harris County; and

WHEREAS, the City recommends Robert Swanson as the Municipalities Waste Disposal Council of Harris County’s appointment to the Board of Directors of the GCA; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HILSHIRE VILLAGE

Section 1. That the facts and recitations set forth in the preamble of this resolution be, and they are hereby, adopted, ratified, and confirmed.

Section 2. That the City of Hilshire Village does request the appointment of Robert Swanson as the Municipalities Waste Disposal Council of Harris County’s representative to the Board of Directors of the Gulf Coast Authority.

Section 3. That the mayor be, and he is hereby, authorized and directed to deliver or cause to be delivered an executed or certified copy of this resolution to the Municipalities Waste Disposal Council of Harris County.

PASSED AND APPROVED this 15th day of March, 2022.

Russell Herron, Mayor

ATTEST:

Susan Blevins, City Secretary

RESOLUTION NO. 2018-174

RESOLUTION AUTHORIZING AND APPROVING THE FORMATION OF A VOLUNTEER COMMITTEE TO BE CALLED THE HILSHIRE VILLAGE COMMUNITY EMERGENCY RESPONSE TEAM (HV-CERT)

WHEREAS, in order to promote and carry out the public purposes set forth in this Committee, the City Council of the City has determined that it is in the best interest of the City, its residents and the public to approve the creation of the Hilshire Village Community Emergency Response Team.

NOW, THEREFORE, BE IT RESOLVED. BY THE CITY COUNCIL OF THE CITY OF HILSHIRE VILLAGE, TEXAS, THAT:

Section 1. The City Council of the City hereby declares that it is in the best interest of the City, its residents and the public to approve the formation of the Hilshire Village Community Emergency Response Team (HVCERT).

Section 2. The City Council of the City designates Robert Belt to coordinate the Team.

Section 3. HVCERT will be made of volunteers wishing to assist the City, Residents, Village Fire Department and Spring Valley Police Department during an emergency situation.

Section 4. the Team's primary goal is to attempt to mitigate damage to the City's infrastructure, resident's property, and personal injury during a significant event. The HVCERT is not intended to replace the Fire or Police Department and does not represent themselves as those personnel.

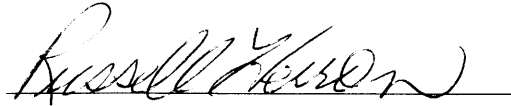
Section 5. HVCERT will work with the City Administrator, Village Fire Department, Spring Valley Police Department, the Village's EOC during a significant event.

Section 6. HVCERT will keep the City Administrator informed of all information regarding the HVCERT.

Section 7. The City Council of the City hereby declares that it is the purpose, intent and desire of the City in approving the creation of this Team.


BE IT RESOLVED, by the Mayor and City Council of the City of Hilshire Village, Texas, that a volunteer committee called the Hilshire Village Community Emergency Response Team be formed to assist the City during a significant event.

PASSED AND APPROVED by the City Council of the City of Hilshire Village this 25th of September, 2018



Russell Herron, Mayor

ATTEST:


Susan Blevins, City Secretary


Richard Raines, 9 Pine Creek Lane, said he submitted proposed language not to change the intention of the ordinance, but to make it clearer. He said **he has talked to multiple officers who are unable to determine if the ordinance is being violated or not.**

City Attorney Bounds said ultimately it is a value judgement by the officer and disputes should be taken to court. He stated that if there is a provision in the ordinance that states you cannot park with a certain distance of any driveway then that area, starting from the edges of the driveway, must be kept clear. **Council Member Gordy** said that he is not against changing the language in the ordinance to clarify that vehicles are not to be parked across the street, within a certain distance, of a driveway. He said the street width will need to be considered when determining the specific distance from a driveway.

Administrator Blevins asked if this language would apply only to Pine Creek Lane or the entire City. Mayor Herron said during the initial research for this ordinance it was found that there would be virtually no parking because there is something across from driveways throughout the City. Council Member Byrne said Pine Creek Lane is unique, being narrow with curb and gutters, and that the one size ordinance doesn't fit all. He said there are problems elsewhere in the City, but he is not prepared to change the ordinance to affect the entire City at this time. Council Member Byrne said he supports clarity for those who have to enforce the law.

Mayor Pro Tem Maddock said that the increasing size of vehicles should not dictate the size of the City's streets.

City Attorney Bounds said the State Statute for fire station driveways can be used as a model for the language.

A	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
		Total Number of Incidents 2022			Life Threatening (LT) EMS Incidents				Life Threatening (LT) Fire Incidents						
		Fire	EMS	Total	# LT EMS	Natl Stand. 6:30 1st Resp. Time	of 90%	Natl. Stand 10:30 ALS Resp Time	of 90%	# LT Fire	Natl Stand. 6:50 Response Time	of 90%	% of 2021 Calls are: Fire	EMS	Fire Alarms
Bunker Hill Village	33	22	55	11	3:50	100%	6:23	100%	5	5:14	100%	60%	40%	17	52%
Hedwig Village	35	34	69	22	2:56	100%	3:02	100%	6	3:07	100%	51%	49%	17	49%
Hilshire Village	7	8	15	5	3:47	100%	4:46	100%	0	0:00		47%	53%	3	0%
Hunters Creek Village	38	26	64	15	4:35	100%	5:47	100%	5	2:30		59%	41%	22	58%
Piney Point Village	33	16	49	10	4:38	100%	4:50	100%	3	3:27	100%	67%	33%	18	55%
Spring Valley Village	26	39	65	18	3:11	100%	4:22	100%	5	4:12	100%	40%	60%	6	23%
Houston	14	0	14												
Totals	186	145	331	81	3:49	100%	4:51	100%	24	3:25	100%	56%	44%	83	39%

Notes: ALL Response Time categories include from the receipt of the call at the Primary Dispatch to arrival on location of the responding units.

Column 1: Reflects the cities listed within the chart.

Column 2: Reflects the year to date number of "fire" type calls within each jurisdiction. Includes: fires, vehicle collisions, gas leaks, rescues, tree in roadways, and others.

Column 3: Reflects the year to date number of "EMS" calls within each jurisdiction.

Column 4: Reflects the year to date, total number of all calls within each jurisdiction.

Column 5: Reflects the year to date, number of "life threatening EMS" calls within each jurisdiction. Includes: heart attacks, strokes, seizures, cardiac arrest, seizures and others.

Column 6, Row A: Reflects the "National Standard for total response time for life threatening EMS Calls of 6 minutes 30 seconds.

Column 6: Reflects the year to date, first responder's response times for each jurisdiction.

Column 7, Row A, Reflects the National Standard of the percentage of calls which the national standard should be met: 90%

Column 7: Reflects the year to date, percentage of calls which the national standard is met during life threatening EMS calls.

Column 8 Row A: Reflects the National Standard for total response time for life threatening EMS calls for arrival of Advanced Life Support Equipment and Personnel: 10 minutes 30 seconds.

Column 8: Reflects the year to date, Advanced Life Support equipment and personnel response time for life threatening calls within each jurisdiction.

Column 9 Row A, Reflects the National Standard of the percentage of calls which the ALS standard should be met: 90%

Column 9: Reflects the year to date, percentage of calls, which the national standards is met of ALS response for each jurisdiction.

Column 10: Reflects the year to date, number of life threatening "Fire Type" calls within each jurisdiction.

Column 11: Reflects the year to date, average total response time to fire type calls within each jurisdiction.

Column 12: Reflects the year to date, percentage of life threatening fire type calls which meet or exceed the National Standard.

Column 13: Reflects the year to date, percentage of calls which are "fire type" calls.

Column 14: Reflects the year to date, percentage of call which are "EMS" calls.

Column 15: Reflects the year to date number of Fire Alarms within each jurisdiction.

Column 16: Reflects the percentage of fire type calls which are fire alarms.

CITY OF HILSHIRE VILLAGE
COMPLAINT FORM

Date Notified	Person Taking Call	Resident Reporting Problem	Complaint/Issue	Address of Concern	Action	Results	Date Resolved
11/4/21	Cassie Stephens	Cassie Stephens	Construction materials visible on a lot that is no longer pending development. Also asked the current property owners to remove the large pots at the front of the ravine.	1210 Ridgeley	Property owner responded that they will have the items removed.	12/3 The pots were removed but the stacked wood remains. 2/10 The property was sold to a new owner. Cassie sent him a message to move the lumber or offer it to citizens to pick up on their own. The owner responded that they are happy to let citizens take it. Cassie spoke with Robert Byrne who suggested active boy scout family the Griffiths who will check out what's there. Another call was made and the wood was removed.	2/24/2022
11/18/21	Cassie Stephens	Russell Herron	Dead trees	1231 Wirt Rd	Cassie sent an email to the church office.	The church responded that they will have the trees inspected. 1/11/22 Cassie sent follow up email to the church board. They responded that they are waiting on one more quote then approval from the board. Trees were removed, permit complete.	2/25/2022
1/10/22	Cassie Stephens		Cement bump in front of the parking pad could be a trip hazard.	1306 Pine Chase Dr	Cassie sent a message to the property owner asking him to remove the extra concrete.	Owner said he would take a look.	2/15/2022
1/25/22	Susan Blevins	Paul Maddock	Culvert appears to be clogged.	1030 Glourie Circle	Susan spoke with the property owner who said the culverts are clear and during rain events water flows easily. He said they only mow every other week and allow the leaves to stay on the lawn to retain moisture because they don't have an irrigation system.	Cassie drove by and took a photo of the north end of the culvert under their driveway. There is an accumulation of leaves however it is not preventing the culvert from draining. Will continue to watch area 3/11/22 Cassie went by the site again, conditions are the same. Will monitor the area to be sure that water is able to flow freely as the owner has expressed.	
1/31/22	Susan Blevins	Paul Maddock	There appears to be a clogged inlet.	1025 Ridgeley	Susan sent Inframark technician Mickayla to investigate.	Mickayla removed the leaves and debris from the City's asset.	2/24/2022
2/14/22	Susan Blevins	Weltzien	Irrigation system has been off since November, but now there is billing showing usage. Also, the account is being billed for sewer and garbage rates erroneously.	1107 Glourie	Susan sent Inframark technician Mickayla to investigate.	Mickayla found that the address has two meters and the billing has been mixed up. She provided the readings for both meters. The customer does have a leak on the irrigation system and has been informed. Susan will corrected the billing issue with Inframark and a credit for undue charges was applied.	2/15/2022
2/14/22	Susan Blevins	Alex Martinez	Trash is blowing down the street from the construction site.	14 Pine Creek	Susan informed BBG Consulting to inspect the site for proper maintenance and issue a warning if needed.	Warning and red tag were issued.	2/25/2022

CITY OF HILSHIRE VILLAGE
COMPLAINT FORM

Date Notified	Person Taking Call	Resident Reporting Problem	Complaint/Issue	Address of Concern	Action	Results	Date Resolved
2/15/22	Cassie Stephens	Kuehler	Street light out, pole # 297580	15 Hickory Shadows	Reported to CenterPoint, tracking number 1405546889	CenterPoint replaced the light.	2/17/2022
2/15/22	Cassie Stephens	Kuehler	Tree covering street light	13 Hickory Shadows	Reported to CenterPoint	CenterPoint checked the area.	2/17/2022
2/22/22	Cassie Stephens	Allan Torregossa	The irrigation system for the grassy area along Wirt Road had a leak at the vacuum breaker so the water was turned off at the meter. The repair has been made but the valve is so tight he can't open it.	Hickory Shadows	Cassie notified Inframark technician Mickayla to turn it on when she is in the area.	Mickayla opened the valve, system is working.	2/24/2022
2/22/22	Cassie Stephens	Knope	AT&T contractor cut limbs and did not remove the debris. It is too much for her to pick up.	1322 Glourie Dr	Cassie was unable to reach anyone at AT&T to confirm the trimming.	The homeowner will move a little at a time and have their lawn care company help.	3/1/2022
2/24/22	Cassie Stephens	Cassie Stephens	Sign in the right-of-way.	1217 Pine Chase	Cassie emailed the property owner instructing to move the sign behind the ditch.	Sign was moved then removed.	2/25/2022
2/25/22	Susan Blevins	Javier Vasquez	Water valve covers are too high	7906 N Villa Ct	Susan informed Inframark to repair.		
3/2/22	Susan Blevins	Brock Griffiths	Drainage issues in the right-of-way caused by hydrant flushing.	1324 Pine Chase Grove	Area was reported on 11/13/19 and addressed by DonMar Grading on 10/20/20.	Susan, Javier and Council Member Byrne met at the site. A plan is being prepared to address the direction of flushing, landscaping for the area and safety measures for the equipment.	
3/4/22	Susan Blevins	John Roche	A tree in the drainage area next to his house has erosion at the roots and has become a hazard.	1305 Ridgeley Dr	Susan contacted CenterPoint to see if they can remove the tree. The area is small partial piece of property that appears to have been conveyed to Harris County Flood Control	CenterPoint arborist will do a jobsite visit	



**CITY OF HILSHIRE VILLAGE
8301 WESTVIEW
HOUSTON, TEXAS 77055
713 973 1779 OFFICE
713 973 7793 FAX**

PURCHASE ORDER

DATE: 02/25/22

PURCHASE ORDER # **HV-SB-22-106**

TO: GENRG Power Solutions LLC
Dbas Generators of Houston
6106 Milwee Street
Houston, TX 77092

BILL: City of Hillshire Village
8301 Westview
Houston, Texas 77055
(713) 973-1779

TAX EXEMPT -74-2162965 – on file

JOB LOCATION: City of Hilshire Village
Lift Station
1018 Ridgeley Drive
Houston, Texas 77018

Provide (turnkey) QTA25, a 25 KW Industrial Life Safety Generac Industrial Natural Gas, water cooled, generator with level 1 aluminum enclosure including but not limited to 120v power for the duplex control panel, automatic transfer switch, generator pad, gas service lines, meters and regulators, warranty and maintenance for 2 years per the general specifications.

Provide design build on the electrical and generator portion of the project. Drawing will need to be stamped and sealed by a Texas Professional Engineer and submitted prior to installation for approval.

The unit will have all the features required for meeting a Life Safety Level II Generator

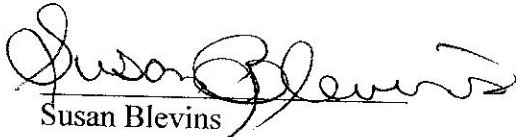
Installation to be performed per the original request per quotation (see attachment).

Permits to be pulled at no cost with the City of Hilshire Village and all inspections to be approved by the building official.

Vendor will supply approximate date of release of equipment from factory prior to 10 days out for processing 40% payment

ORIGINAL QUOTE DATE: January 24, 2022 by Dan Tragni
Resubmitted on February 25, 2022 by Dan Tragni

TOTAL CONTRACT \$33,510.00



Susan Blevins
City Administrator/City Secretary
City of Hillshire Village Texas

Funds Approved by City Council on February 15, 2022

TEXAS SALES AND USE TAX EXEMPTION CERTIFICATION

Name of purchaser, firm or agency CITY OF HILSHIRE VILLAGE	
Address (Street & number, PO Box or Route number) 8301 WEST VIEW	Phone (Area code and number) 713 973 1779
City, State, Zip HOUSTON, TEXAS 77055	

I, the purchaser named above, claim an exemption from payment of sales and use taxes for the purchase of taxable items described below or on the attached order or invoice form:

Seller: GENRG Power Solutions LLC Db a Generators of Houston
Street Address: 6106 Milwee Street Houston, TX 77092

Description of items to be purchased or on the attached order or invoice:
LABOR AND MATERIAL FOR INSTALLATION FOR A GENERATOR

Purchaser claims this exemption for the following reason:
**Because the purchaser is an incorporated City Exempt
Under Art. 20.04 (H) (4), Title 122A, Taxation-General
V.T.C.S. FEI # 74-2162965**

I understand that I will be liable for payment of sales and use taxes which may become due for failure to comply with the provisions of the Tax Code: Limited Sales, Excise, and Use Tax Act; Municipal Sales and Use Tax; Sales and Use Taxes for Special Purpose Taxing Authorities; County Sales and Use Tax Act; County Health Services Sales and Use Tax; The Texas Health and Safety Code; Special Provisions Relating to Hospital Districts, Emergency Services Districts, and Emergency Service Districts in counties with a population of 125, 000 or less.

I understand that it is a criminal offense to give an exemption certificate to the seller for taxable items that I know, at the time of purchase, will be used in a manner other than expressed in this certificate and , depending on the amount of tax evaded, the offense may range from Class C misdemeanor to a felony of the second degree.

Purchaser sign here 	Title CITY ADMINISTRATOR	Date 2/25/2022
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CITY OF HILSHIRE VILLAGE



8301 Westview
Houston, Texas 77055

hilshire@hilshirevillage.texas.com

Phone 713-973-1779 Fax 713-973-7793

REQUEST FOR QUOTATION: Back-up water-cooled generator for a City of Hilshire Village wastewater lift station.

PURPOSE: Purchase, installation and maintenance of a standby emergency generator and automatic transfer switch (ATS) for a Hilshire Village wastewater lift station.

WORK: Evaluate, design, install and maintain for two (2) years an emergency generator at a City of Hilshire wastewater lift station sufficient to operate the lift station in event of failure of the primary electrical service.

EVALUATION: The City of Hilshire Village reserves the right to accept or reject in part or in whole any proposal submitted and to waive any technicalities for the best interest of the City. The City reserves the right to determine "or equal" status.

AWARD OF CONTRACT: The City may award a contract for the bidder's goods and services if the City determines that the bidder's proposal is in the best interest of the City and is the best value of the proposals received. In determining the best value, the City may consider:

1. The purchase price;
2. The reputation of the bidder and of the bidder's goods or services;
3. The quality of the bidder's goods and services;
4. The extent to which the goods or services meet the City's needs; and
5. The total long-term cost to the City to acquire the bidder's goods or services

If part of a Texas cooperative purchasing program or certified HUB vendor, please provide identification number.

INSURANCE: Vendor/Supplier shall furnish the City a "Certificate of Insurance" showing a minimum coverage in effect of \$1 million general liability insurance, commercial automotive insurance, and workers compensation insurance.

Deadline: Deadline for response to this Request for Quotation is January 25, 2022 @ 10:00 a.m.

EPA, STATE LAWS: Vendor/Supplier shall conform to all EPA, federal, state, and local code regulations.

PERMITS: The City requires that the vendor apply for a permit for the work to be performed. However, the applicable permit fees will be waived. Electrician and plumber contractor working on project will need to provide the appropriate licenses to work in the City of Hilshire Village.

INVOICES: Invoices must be submitted by the vendor/supplier to the City of Hilshire Village. Any contract awarded will be subject to the provisions of the Texas Prompt Payment Act.

Schedule of values shall be provided and approved by the City of Hilshire Village prior to invoicing.

TAXES: The City of Hilshire Village is exempt from Federal Manufacturers Excise and State Sales Tax. Tax must not be included in quote. Tax exemption certificates will be executed by the City and furnished upon request.

GENERAL SPECIFICATIONS:

GENERATOR:

A 25KW Generac Industrial Natural Gas Generator, or equal. The Vendor/Supplier shall determine the generator and model needed to provide power to the City's existing lift station. Also, the location of placement – Site Map is Attached

The existing lift stations electrical service is 230V, 3 Phase, 60HZ.

The lift station has two ABS submersible pumps, each rated at 2.95 HP, 9.2 A (FLA-full load amp), 230 V, 3 Phase, 60Hz.

The lift station also requires 120v power for the duplex control panel, which includes the pump controls, cabinet cooling fans, FleetZoom monitoring system, etc.

AUTOMATIC TRANSFER SWITCH: Contactor shall design and provide an automatic transfer switch (ATS) required for the Generator's operation.

WARRANTY AND MAINTENANCE: 2 year limited standby system warranty required.

NATURAL GAS SUPPLY: Contractor shall coordinate with CenterPoint Gas, arrange and provide all gas service lines, meters, regulators and gas plumbing required for the Generator's operation.

LOCATION OF INSTALLATION: 1018 Ridgeley Drive, Houston, Texas 77055. Located in the City of Hilshire Village off Wirt Road

INSTALLATION & REMOVAL: Contractor shall provide lifting services for the placement of the new generator. The new generator shall be mounted to a concrete pad to be provided by the Contractor. All conduit required will be supplied by the Contractor. Generator will be wired to the Lift Station by the Contractor. The new unit will be tested at startup to ensure that it meets the specifications required and that it is operational. A load bank test will be performed and documentation will be provided to the City of the successful test. The initial startup date will be scheduled at a later date. After confirmation that the new unit is functioning as specified then the Contractor will perform a simulated loss of power to check the transfer operations.

COST: Total cost of Generator Installation \$ 33,510.00

PAYMENT: Terms for payment required by vendor/supplier are zero down - 40% on release of equipment from i
/ balance net 15 day after installation

NAME OF COMPANY: GENRG Power Solutions LLC dba Generators of Houston

COMPANY ADDRESS: 6106 Milwee St Houston TX 77092

PHONE: 713-485-8930

EMAIL: CSR@generatorsofhouston.com dan.tragni@generatorsofhouston.com

PRINTED NAME OF AUTHORIZED REPRESENTATIVE: Dan Tragni Vice President

SIGNATURE OF AUTHORIZED REPRESENTATIVE: Dan Tragni

CITY CONTACT FOR TECHNICAL QUESTIONS:

dan.tragni@cityofhouston.com

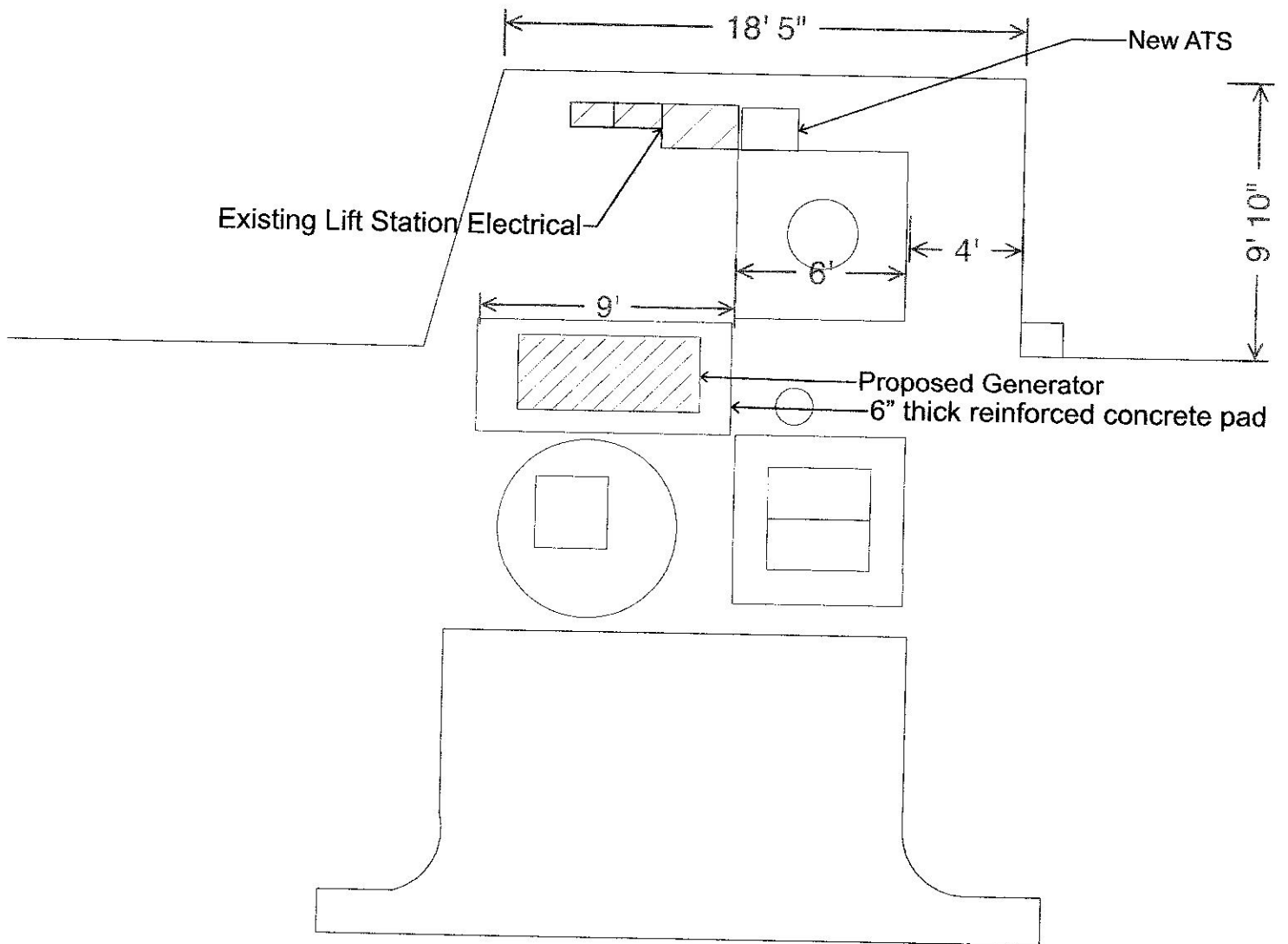
DELIVER, E-MAIL, OR MAIL RESPONSES TO:

City of Hilshire Village

City of Hilshire Village

8301 Westview

Houston, Texas 77055





CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
12/16/2021

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Galveston Insurance Associates 6025 Heards Ln P.O. Box 16767 Galveston TX 77552-6767		CONTACT NAME: Marie Baker PHONE (A/C, No, Ext): (409)740-1251 E-MAIL ADDRESS: marie.baker@gia-tx.com FAX (A/C, No): (409)740-0513	
INSURED GENRG Power Solutions, LLC DBA: Generators of Houston 6106 Milwee Street Houston TX 77092		INSURER(S) AFFORDING COVERAGE INSURER A: United Fire Group INSURER B: Texas Mutual Insurance Company INSURER C: INSURER D: INSURER E: INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** CL21121618674 **REVISION NUMBER:**


THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD	WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:			85324060	11/14/2021	11/14/2022	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 Employee Benefits \$ 1,000,000 COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY <input type="checkbox"/> AUTOS ONLY			85324060	11/14/2021	11/14/2022	BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 0			85324060	11/14/2021	11/14/2022	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	0001298674	12/20/2021	12/20/2022	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A	INLAND MARINE			85324060	11/14/2021	11/14/2022	Installation Floater Limit \$750,000 Leased Rented Frm Othr \$101,000 Deductible \$1,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CG2001 0113 PRIMARY & NONCONTRIBUTORY-OTHER INSURANCE FOR GL
 CG7208 0717 TX-EXTENDED ULTRA LIAB PLUS ENDT
 CG0205 1204 GL BLANKET 30 DAY NOTICE OF CANCELLATION
 CA7109 0117 BUSINESS AUTO ULTRA ENDT
 CA7334 0915 PRIMARY & NONCONTRIBUTORY-OTHER INSURANCE CONDITION FOR AUTO
 CA7133 1210 TX CANCELLATION PROVISION OR COVERAGE CHANGE ENDORSEMENT (30 DAY NOC)
 IL7105 1014 PRIMARY & NONCONTRIBUTORY-OTHER INSURANCE CONDITION FOR UMBRELLA

CERTIFICATE HOLDER**CANCELLATION**

City of Hilshire Village 8301 Westview Dr. Houston TX 77055	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE  President
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**CITY OF HILSHIRE VILLAGE
ORDINANCE NO. 821-2022**

AN ORDINANCE GRANTING TO CENTERPOINT ENERGY RESOURCES CORP., DBA CENTERPOINT ENERGY TEXAS GAS OPERATIONS, THE RIGHT, PRIVILEGE AND FRANCHISE TO CONSTRUCT, INSTALL, EXTEND, REMOVE, REPLACE, ABANDON, OPERATE AND MAINTAIN ITS FACILITIES WITHIN THE PUBLIC RIGHTS-OF-WAY OF THE CITY OF HILSHIRE VILLAGE, TEXAS FOR THE TRANSPORTATION, DELIVERY, SALE AND DISTRIBUTION OF NATURAL GAS; CONTAINING OTHER PROVISIONS RELATING TO THE FOREGOING SUBJECT; PROVIDING FOR SEVERABILITY AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HILSHIRE VILLAGE

Section 1. GRANT OF AUTHORITY. Subject to the terms, conditions and provisions of this ordinance, the right, privilege and franchise is hereby granted to CenterPoint Energy Resources Corp., DBA CenterPoint Energy Texas Gas Operations, hereinafter called “Company”, to construct, install, extend, remove, replace, abandon, operate and maintain its facilities within the Public Rights-of-Way of the City of Hilshire Village, Texas for the transportation, delivery, sale and distribution of natural gas within the corporate limits of the City of Hilshire Village, as the same are now and as the same may from time to time be extended.

Section 2. DEFINITIONS.

- A. “City” shall mean the City of Hilshire Village, Texas.
- B. “Company” shall mean CenterPoint Energy Resources Corp., DBA CenterPoint Energy Texas Gas Operations, a Delaware Corporation, and shall not mean any of its affiliates and subsidiaries who shall have no right, privilege or franchise granted hereunder.
- C. “Facilities” shall mean pipes, pipelines, natural gas mains, laterals, feeders, regulators, meters, fixtures, connections and attachments and other instrumentalities and appurtenances, used in or incident to providing transportation, distribution, supply and sales of natural gas for heating, lighting, power and any other purposes for which natural gas may now or hereafter be used.
- D. “Public Rights-of-Way” shall mean the areas in, under, upon, over, across, and along any and all of the present and future Streets or streams now or hereafter owned or controlled by City.
- E. “Street” shall mean the surface and the space above and below any public street, road, highway, alley, bridge, sidewalk, or other public place or way.

Section 3. TERM OF FRANCHISE. This Franchise shall become effective on the Effective Date described in Section 21 and shall be in full force and effect for a term of thirty (30) years. This franchise shall automatically renew itself for successive five (5) year periods following the primary term unless either the City or Company provides notice to the contrary to the other at least ninety (90) days prior to the expiration of the primary term or any succeeding five (5) year renewal term.

Section 4. CONSTRUCTION AND MAINTENANCE OF NATURAL GAS DISTRIBUTION SYSTEM. All Facilities installed by Company shall be of sound material and good quality, and shall be laid so that they will not interfere with the artificial drainage of the City or its underground fixtures, or with navigation in or the natural drainage of any stream. All Facilities shall be installed in accordance with applicable Federal and State regulations and in the absence of such regulations in accordance with accepted industry practice. Within the Public Rights-of-Way, the location and route of the Facilities by the Company shall be subject to the reasonable and proper regulation, direction and control of the City or the City official to whom such duties have been delegated. Such regulation shall include, but not be limited to, the right to require in writing to the extent provided in Section 13 the relocation of Company's Facilities at Company's cost within the Public Rights-of-Way of the City whenever such relocation shall be reasonably necessary to accommodate the widening, change of grade, or relocation by City of Streets or Public Rights-of-Way, or construction or relocation by City of City utility lines or drainage facilities. Company shall keep current and up-to-date maps showing the physical location of Company's facilities and make available for inspection by the City at no cost during normal working hours.

Section 5. STREETS TO BE RESTORED TO GOOD CONDITION. Company and its contractors shall give City reasonable notice, of the dates, location and nature of all work to be performed on its Facilities within the Public Rights-of-Way. This Franchise shall constitute a permit to perform all work on Company's Facilities within the Public Rights-of-Way and to park vehicles in the Streets and other Public Rights-of-Way when necessary for the installation, replacement, abandonment, operation or maintenance of Company's Facilities. Company and contractors performing work for Company shall not be required to obtain any permits in addition to the Franchise or to pay any fee in addition to the franchise fee in order to perform work on Company's Facilities, or park within the Streets and other Public Rights-of-Way. Following completion of work in the Public Rights-of-Way, Company shall repair the affected Public Rights-of-Way as soon as possible, but in all cases Company shall comply with all City ordinances governing time periods and standards relating to excavating in the Public Rights-of-Way. No street, alley, highway or public place shall be encumbered for a longer period than shall be necessary to execute the work.

Section 6. QUALITY OF SERVICE. The service furnished hereunder to the City and its inhabitants shall be in accordance with the quality of service rules of the Railroad Commission of Texas, state and federal regulations. Company shall furnish the grade of service to its customers as provided by its rate schedules and shall maintain its system in reasonable operating condition during the continuance of this Franchise. An exception to this requirement is automatically in effect, but only for so long as is necessary, when caused by a shortage in materials, supplies and equipment beyond the control of the Company as a result of fires, strikes, riots, storms, floods and other casualties, governmental regulations, limitations and restrictions as to the use and availability of materials, supplies and equipment and as to the use of the services, and unforeseeable and unusual demands for service. In any of such events the Company shall do all things reasonably within its power to restore normal service as quickly as practicable.

Section 7. PAYMENT TO THE CITY. In consideration of the rights and privileges herein granted, the administration of the Franchise by the City, the temporary interference with the use of Public Rights-of-Way and cost and obligations undertaken by the city in relation thereto and in lieu of any license, charge, fee, street or alley rental or other character of charge for use and occupancy of the Streets, alleys, and public places of the City, and in lieu of any inspection fee, the Company agrees to pay to the City franchise fees in the amount and manner described herein.

Company agrees to pay to the City quarterly during the continuance of this Franchise a sum of money equal to five percent (5%) of the Company's gross receipts for the preceding calendar quarter received by the Company from the sale of gas within the corporate limits of the City plus seven cents (7¢) per Mcf for natural gas transported by Company for its Transport Customers during such quarter. "Transport Customer" means any person or entity for whom Company transports gas through the distribution system of Company within the corporate limits of City for consumption within the corporate limits of City. The franchise fees hereunder shall be calculated for the calendar quarters ending March 31, June 30, September 30, and December 31 and shall be payable on or before the fifteenth day of May, August, November, and February following the quarter for which payment is made, beginning with the first such date following the Effective Date of this Franchise and each August 15th, November 15th, February 15th, and May 15th thereafter; provided, however, the first such payment shall be prorated as necessary to reflect only those gross receipts received and transportation volumes delivered by Company after the Effective Date of this Franchise. In no event shall the Company be required to remit to the City franchise fee amounts that for any reason whatsoever are not fully recoverable from its customers. Upon receipt of the above amount of money, the City Secretary shall deliver to the Company a receipt for such amount. If any payment due date required herein falls on a weekend or bank holiday, payment shall be made on or before the close of business of the first working day after the payment due date.

Section 8. ANNEXATIONS BY CITY. This Franchise shall extend to and include any and all territory that is annexed by the City during the term of this Franchise. Within sixty (60) days from the receipt of notice from the City of any such annexation, the Company shall assure that any and all customers within such annexed territory are included and shown on its accounting system as being within the corporate limits of the City of Hilshire Village. After such sixty (60) day period the payment provisions specified in Section 7 of this Franchise shall apply to gross receipts and transport fees received by the Company from customers located within such annexed territory. Company shall true-up its map of City boundaries to the City's map on an annual basis.

Section 9. NON-EXCLUSIVE FRANCHISE. Nothing contained in this Franchise shall ever be construed as conferring upon the Company any exclusive rights or privileges of any nature whatsoever.

Section 10. COMPLIANCE AND REMEDIES. (a) In the event the Company by act or omission violates any material term, condition or provision of this Franchise, the City shall notify the Company in writing of such violation. Should the Company fail or refuse to correct any such violation within thirty (30) days from the date of City's notice, the City shall, upon written notification to the Company, have the right to terminate this agreement. Any such termination and cancellation shall be by ordinance adopted by City Council; provided, however, before any such ordinance is adopted, the Company must be given at least sixty (60) days' advance written notice. Such notice shall set forth the causes and reasons for the proposed termination and cancellation, shall advise the Company that it will be provided an opportunity to be heard by City Council regarding such proposed action before any such action is taken and shall set forth the time, date and place of the hearing.

(b) Other than its failure, refusal or inability to pay its debts and obligations, including, specifically, the payments to the City required by this Franchise, the Company shall not be declared in default or be subject to any sanction under any provision of this Franchise in those cases in which performance of such provision is prevented by reasons beyond its control.

(c) The rights and remedies of City and Company set forth herein shall be in addition to, and not in limitation of, any other rights and remedies provided at law or in equity and City's exercise of any particular remedy shall not constitute a waiver of its rights to exercise any other remedy.

Section 11. RESERVE OF POWERS. Except as otherwise provided in this Franchise, the City by the granting of this Franchise does not surrender or to any extent lose, waive, impair or lessen the lawful powers, claims and rights, now or hereafter vested in the City under the Constitution and statutes of the State of Texas and under the Charter and Ordinances of the City of Hilshire Village or other applicable law, to regulate public utilities within the City and to regulate the use of the Streets by the Company; and the Company by its acceptance of this Franchise agrees that, except as otherwise provided in this Franchise, all lawful powers and rights, whether regulatory or otherwise, as are or as may be from time to time vested in or reserved to the City, shall be in full force and effect and subject to the exercise thereof by the City at any time and from time to time.

SECTION 12. INDEMNITY. THE COMPANY, ITS SUCCESSORS AND ASSIGNS, SHALL PROTECT AND HOLD THE CITY AND ITS OFFICERS, AGENTS, AND EMPLOYEES (COLLECTIVELY REFERRED TO IN THIS SECTION AS "THE CITY") HARMLESS AGAINST ANY AND ALL CLAIMS OR DEMANDS FOR DAMAGES TO ANY PERSON OR PROPERTY BY REASON OF THE CONSTRUCTION AND MAINTENANCE OF THE COMPANY'S NATURAL GAS DISTRIBUTION SYSTEM, OR IN ANY WAY GROWING OUT OF THE RIGHTS GRANTED BY THIS FRANCHISE, EITHER DIRECTLY OR INDIRECTLY, OR BY REASON OF ANY ACT, NEGLIGENCE OR NONFEASANCE OF THE COMPANY OR THE CONTRACTORS, AGENTS OR EMPLOYEES OF THE COMPANY OR ITS SUCCESSORS AND ASSIGNS, AND SHALL REFUND TO THE CITY ALL SUMS WHICH THE CITY MAY BE ADJUDGED TO PAY ON ANY SUCH CLAIM, OR WHICH MAY ARISE OR GROW OUT OF THE EXERCISE OF THE RIGHTS AND PRIVILEGES HEREBY GRANTED OR BY THE ABUSE THEREOF, AND THE COMPANY OR ITS SUCCESSORS AND ASSIGNS SHALL INDEMNIFY AND HOLD THE CITY HARMLESS FROM AND ON ACCOUNT OF ALL DAMAGES, COSTS, EXPENSES, ACTIONS, AND CAUSES OF ACTION THAT MAY ACCRUE TO OR BE BROUGHT BY, A PERSON, PERSONS, COMPANY OR COMPANIES AT ANY TIME HEREAFTER BY REASON OF THE EXERCISE OF THE RIGHTS AND PRIVILEGES HEREBY GRANTED, OR OF THE ABUSE THEREOF.

Section 13. RELOCATION OF FACILITIES. The Company shall, upon written request of the City, relocate its Facilities within Public Rights-of-Way at Company's own expense, exclusive of Facilities installed for service directly to City, whenever such shall be reasonably necessary on account of the widening, change of grade, or relocation by City of Streets or Public Rights-of-Way, or construction or relocation by City of City utility lines or drainage facilities. City shall bear the costs of all relocations of Facilities installed for service directly to City and of any relocation of other Facilities requested by City for reasons other than the widening, change of grade, or relocation by City of Streets or Public Rights-of-Way, or construction or relocation by the City of City utility lines or drainage facilities.

Section 14. GOVERNMENTAL FUNCTION. All of the regulations and activities required by this Franchise are hereby declared to be governmental and for the health, safety and welfare of the general public.

Section 15. RECORDS AND REPORTS. (a) Books of Account. The Company shall keep complete and accurate books of accounts and records of its business and operations under and in connection with this Franchise. All such books of accounts and records shall be kept at the company's principal office in Houston, Texas.

(b) Access by City. The City may conduct an audit or other inquiry or may pursue a cause of action in relation to the payment of the franchise fee only if such audit, inquiry, or pursuit of a cause of action concerns a payment made less than three (3) years before the commencement of such audit, inquiry, or pursuit of a cause of action. Each party shall bear its own costs of any such audit or inquiry. Upon receipt of a written request from the City, all books and records related to Company's operations under this Franchise shall be made available for inspection and copying no later than thirty (30) days from receipt of such request.

(c) Interest on Underpayments and Overpayments. (1) Amounts due to City for late payments shall include interest, compounded daily equal to the return on equity plus three percent (3%) granted to the Company in its most recent proceeding fixing rates applicable to customers within the corporate limits of the City. (2) If the City identifies, as a result of a franchise fee compliance review, amounts owed by the Company from prior periods or prior underpayments, then the Company shall pay simple interest on such amounts equal to the return on equity granted to the Company in its most recent proceeding fixing rates applicable to customers within the corporate limits of the City. Said interest shall be payable on such sums from the date the initial payment was due until it is paid and shall not be billed to customers. (3) Amounts due Company for past overpayments shall include simple interest equal to the return on equity granted to the Company in its most recent proceeding fixing rates applicable to customers within the corporate limits of the City; provided, however, if there is a change in the approved return on equity during the time period subject to the City's audit or inquiry, then for each time period during which there was an overpayment, the approved return on equity in effect during such time period shall be used in calculating interest under this subparagraph (c). Interest payable on such sums shall be credited to customers.

Section 16. EASEMENT. In consideration for the compensation set forth in Section 7, City agrees that if City sells, conveys, or surrenders possession of any portion of the Public Right-of-Way that is being used by Company pursuant to this Franchise, City, to the maximum extent of its right to do so, shall first grant Company an easement for such use and the sale, conveyance, or surrender of possession of the Public Right-of-Way shall be subject to the right and continued use of Company.

Section 17. ORIGINAL JURISDICTION OVER RATES AND SERVICES. Pursuant to Section 103.003 of the Gas Utility Regulatory Act, the City hereby elects to surrender to the Railroad Commission of Texas the City's exclusive original jurisdiction over the rates, operations and services of the Company effective as of the Effective Date of this Franchise and for the term of this Franchise. Notwithstanding the above surrender of the City's exclusive original jurisdiction over the rates, operations and services of the Company, such surrender shall not affect in any manner the City's rights and privileges pursuant to the provisions of the Gas Utility Regulatory Act as currently enacted, or as amended, or in any successor legislation, or as otherwise provided at law for the City to both participate in any ratemaking proceeding at the Railroad Commission of Texas which affects the City's gas rates, and to recover from the Company any reasonable expenses incurred by the City in its participation in such a ratemaking proceeding as provided for in law.

Section 18. ACCEPTANCE. The Company shall, within thirty (30) days following the final passage and approval of this Franchise, file with the City Secretary of the City of Hilshire Village either 1) a written statement signed in its name and behalf in the following form or 2) this document duly executed below by the Vice President of Regional Operations:

“To the Honorable Mayor: and City Council of the City of Hilshire Village:

CenterPoint Energy Resources Corp., DBA CenterPoint Energy Texas Gas Operations, its successors and assigns, hereby accepts the attached Franchise Ordinance and agrees to be bound by all of its terms and provisions.”

CENTERPOINT ENERGY RESOURCES CORP.,
DBA CENTERPOINT ENERGY TEXAS GAS
OPERATIONS

By:

Tal R. Centers Jr., Division Vice President,
Regional Operations

Dated this _____ day of _____ 2022.

Section 19. SEVERABILITY. If any provision, section, subsection, sentence, clause or phrase of this Franchise is for any reason held to be unconstitutional, void, or invalid or for any reason unenforceable, the validity of the remaining portions of this Franchise shall not be affected thereby, it being the intent the City of Hilshire Village in adopting this Franchise that no portion hereof or provision hereof shall become inoperative or fail by reason of any unconstitutionality or invalidity of any other portion, provision or regulation and, to this end, all provisions of this ordinance are declared to be severable.

Section 20. NOTICES. Every notice, order, petition, documents or other direction or communication to be served upon the City or the Company shall be deemed sufficiently given if sent by registered or certified mail, return receipt requested. Every such communication to the Company shall be sent to:

CenterPoint Energy Resources Corp.
Vice President Regulatory Relations
PO Box 4567
Houston, TX 77210-4567

With a copy to:

General Counsel, Gas Division
PO Box 2628
Houston, TX 77252-2628

Every such communication to the City or the City Council shall be sent to the:

Mayor, City of Hilshire Village

Hilshire Village, Texas

With a Copy to:

City Secretary

Hilshire Village, Texas

Section 21. PUBLICATION, PASSAGE AND EFFECTIVE DATE. This Franchise, having been published, if required, shall take effect and be in force from and after the first day of the month following thirty days after receipt by the Company’s acceptance filed pursuant to Section 18 (“Effective Date”). The Company shall pay the cost of those publications.

Section 22. REPEAL OF PREVIOUS ORDINANCES. This Franchise replaces the franchise agreement with the Company, dated **May 30, 2006**, granted by City of Hilshire Village, Texas Ordinance No. **584** which ordinance is hereby repealed as of the effective date of this Franchise. Any claims of City or Company thereunder are hereby waived.

Section 23. COMPLIANCE WITH CHARTER AND ORDINANCES. This Franchise, the rights granted hereby, and the operations and activities performed by Company pursuant hereto shall be subject to applicable provisions of the Charter of the City of Hilshire Village, Texas. Except to the extent otherwise expressly provided herein, the Franchise and rights granted hereby and the operations and activities performed by Company pursuant hereto, shall be subject to all valid ordinances and regulations of the City insofar as such ordinances and regulations (a) do not shorten the term hereof or terminate, abrogate, or materially and adversely affect the Franchise and right granted to Company hereby, (b) do not conflict with or are not inconsistent with the terms and provisions contained in this ordinance, (c) do not modify, preempt, or cause Company to violate the terms of a tariff approved by the Railroad Commission of Texas, Railroad Commission Rules, or the Gas Utility Regulatory Act, or (d) do not unreasonably regulate the Company’s operations and activities in the City Right of Way. If Company believes a future Ordinance unreasonably regulates its operations and activities in the City Right-of-Way, City and Company shall meet and reach a mutually agreeable solution.

Read in full and passed on first and final reading at a regular meeting of the City Council of Hilshire Village, Texas, on the _____ day of _____, 2022 and approved by the Mayor.

APPROVED:

Russell Herron, Mayor
City of Hilshire Village, Texas

ATTEST:

Susan Blevins, City Secretary
City of Hilshire Village, Texas

DRAFT

THE STATE OF TEXAS §
 §
COUNTY HARRIS §

I, the duly appointed, qualified and acting City Secretary of Hilshire Village, Texas, do hereby certify that the above and foregoing ordinance was read on first reading at a regular meeting of the City Council of said Hilshire Village, Texas, held on the ____ day of _____, 2022; that written notice of the date, place and subject of said meeting was posted on a bulletin board located at a place convenient to the public in the City Hall for at least 72 hours preceding the day of said meeting; that the Mayor _____, and _____ Council members:

- 1. _____
- 2. _____
- 3. _____
- 4. _____
- 5. _____

were present at said meeting and acted as the Council throughout; that the same has been signed and approved by the Mayor and is duly attested by the City Secretary; and that the same has been duly filed with the City Secretary and recorded by the City Secretary in full in the books for the purpose of recording the ordinances of the City of Hilshire Village, Texas.

EXECUTED under my hand and the official seal of the City of _____, Texas at said City, this ____ day of _____, 2022.

Susan Blevins, City Secretary
City of Hilshire Village, Texas

[SEAL]

CDARS DETAIL ACCOUNT OVERVIEW

ACCOUNT	DATE	TERM	MATURITY DATE	AMOUNT	RATE	INTEREST
1025470156	12/9/2021	4 WEEK	1/6/2022	\$1,000,598.60	0.01%	
	12/31/2021					6.28
	1/6/2022					1.41
						<u>\$1,000,606.29</u>
			MATURED AND DEPOSITED INTO SAVINGS			<u>\$ (1,000,606.29)</u>

ACCOUNT	DATE	TERM	MATURITY DATE	AMOUNT	RATE	INTEREST
1025553698	1/6/2022	4 WEEK	2/2/2022	\$1,000,606.29	0.01%	
	1/31/2022					7.12
	2/3/2022					0.57
						<u>\$1,000,613.98</u>
			MATURED AND DEPOSITED INTO SAVINGS			<u>\$ (1,000,613.98)</u>

ACCOUNT	DATE	TERM	MATURITY DATE	AMOUNT	RATE	INTEREST
1025628922	2/3/2022	4 WEEK	3/3/2022	\$1,000,613.98	0.01%	
	2/28/2022					7.12
						<u>\$1,000,621.10</u>

RESOLUTION 2022-227

A RESOLUTION OF THE CITY COUNCIL STATING THAT THE COUNCIL HAS REVIEWED THE CITY OF HILSHIRE VILLAGE'S INVESTMENT POLICY AND INVESTMENT STRATEGIES IN ACCORDANCE WITH CHAPTER 2256 OF THE TEXAS GOVERNMENT CODE.

WHEREAS, the City of Hilshire Village (the "Village") is a general law municipality and local government of the State of Texas; and

WHEREAS, the management and control of the Village is vested in its City Council (the "Council"); and

WHEREAS, the City Council has been presented with and has reviewed its Investment Policy and Investment Strategies as required by Chapter 2256 of the Texas Government Code (the "Public Funds Investment Act");

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HILSHIRE VILLAGE, TEXAS, that:

Section 1. That the recitals to these resolutions are hereby approved by the City Council and incorporated into this resolution.

Section 2. That the City Council has reviewed, and hereby authorizes and confirms the adoption and amendment of the Authority's Investment Policy, attached hereto as Exhibit "A", in which the amendments are shown by red-line.

PASSED AND ADOPTED this 15th day of March, 2022.

Russell Herron, Mayor



ATTEST:

Susan Blevins, City Secretary



SECTION 8-14 Policy Book

CITY OF HILSHIRE VILLAGE
INVESTMENT POLICY AND STRATEGIES FOR PUBLIC FUNDS
(Approved by Council on _____)

- I. **SCOPE:** The purpose of this investment policy is to set regulations and other policies concerning the investment of City of Hilshire Village public funds. See Texas Government Code Chapters 2256 and 2257.

- II. **OBJECTIVE:** The primary objectives, in priority order, of investment activities shall be:
 1. **Safety:** Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.
 - A. **Credit Risk:** Credit risk is a loss due to the failure of the security issuer or backer. Credit risk shall be mitigated by:
 - Limiting investments to U.S. Government and U.S. Government Agency securities insured by FSCIC or FDIC.
 - The entire portfolio should be so diversified so that potential losses on individual securities will be minimized.

 - B. **Interest Rate Risk:** Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in general interest rates. Interest rate risk should be mitigated by:
 - The investment portfolio should be secured 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.
 - Investments also should be primarily in shorter-term securities not to exceed two years in term.

2. **Liquidity:** The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to met anticipated demands. Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist of securities with active markets.
3. **Yield:** The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on the investment is of least importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

Securities shall not be sold prior to maturity with the following exceptions:

- 1) *a security swap would improve the yield, or target duration in the portfolio; or*
- 2) *liquidity needs of the portfolio require that the security be sold.*

III. INVESTMENT OFFICER; STANDARDS OF CARE

1. **Prudence:** The standard of prudence to be used by investment officials shall be the “prudent person” and shall be applied in the context of managing an overall portfolio. Officers acting in accordance with City ordinances and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investments, considering the probable safety of their capital as well as probable income to be derived.

2. **Ethics and Conflicts of Interest:** Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions in which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of their entity.
3. **Delegation of Authority:** Authority to manage the investment program is granted to the City Treasurer and/or appointee, who shall set and carry out established

written procedures and internal controls for the operation of the investment program consistent with the investment policy. Procedures should include references to: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, collateral/depository agreements and banking service contracts. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established. The City Treasurer and/or appointee, shall be responsible for all transactions undertaken and shall establish a system of controls to regulate and monitor the investments and should report to the City Council and Mayor as requested.

4. **Training.** The investment officers of the City shall attend at least ten (10) hours training session relative to the investment officer's responsibilities within twelve months of taking office or assuming duties as an investment officer, and attend and receive not less than ten (10) hours of instruction in every two-year period that begins on the first day of the City's fiscal year after that date.
5. **Certifications from Sellers of Investments.** The investment officer shall present this policy to any business organization offering to enter into an investment transaction with the City and obtain from such business organization a policy certificate in form acceptable to the City; provided, however, that no certificate is required from a business organization that the City has not employed to use discretionary investment authority. Provided, further, an investment pool used by the City shall provide to the City the pool's policy regarding holding deposits in cash.

IV. SAFEKEEPING AND CUSTODY:

1. **Authorized Financial Dealer and Institution:** Financial institutions authorized to provide investment services must be appointed by the City and have a minimum capital requirement of \$10,000,000 and at least five years of operation and must be registered with the Securities and Exchange Commission and be insured by the Security Investors Protection Corporation.

All financial institutions and brokers/dealers who desire to become qualified bidders for investment transactions must supply the following as appropriate:

- audited financial statements.
- proof of National Association of Securities Dealers (NASD) certification
- proof of state registration.
- completed broker/dealer questionnaire.
- certification of having read the City of Hilshire Villages' Investment policy.

An annual review of the financial condition and registration of qualified bidders will be conducted by the City Treasurer and/or appointee.

2. **Internal Controls:** The City Treasurer and/or appointee is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City of Hilshire Village are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of the control should not exceed the benefits likely to be derived; and (2) the valuation of the cost and benefits require estimates and judgments by management.

Accordingly, the City Treasurer and/or appointee shall establish a process for annual independent review by an external auditor in conjunction with the City's year-end audit to assure compliance with policies and procedures. The internal controls should address the following points:

- A. **Control of Collusion:** Collusion is a situation where two employees are working in conjunction to defraud their employer.
 - B. **Custodial safekeeping:** Securities purchased from any bank or dealer including appropriate collateral (as defined by State Law) shall be placed with an independent third party for custodial safekeeping.
 - C. **Avoidance of physical delivery securities:** Book entry securities are much easier to transfer and account for since actual delivery of a document never takes place. Delivered securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with physically delivered securities.
 - D. **Written confirmation or telephone transactions for investments and wire transfers:** Due to the potential for error and improprieties arising from telephone transactions, all telephone transaction should be supported by written communications and approved by the City Treasurer and/or appointee. Written communications may be via fax if on letterhead and the safekeeping institution has a list of authorized signatures. The City Secretary and/or appointee should receive a copy of all confirms and statements.
 - E. **Development of a wire transfer agreement with the lead bank or third-party custodian:** This agreement should outline the various controls, security provisions and delineate responsibilities of each party making and receiving wire transfers.
3. **Delivery vs. Payment:** All trades where applicable will be executed by Delivery vs. Payment (DVP). This ensures that securities are deposited in the eligible financial institution prior to the release of funds. Securities will be held by a third-party custodian as evidenced by safekeeping receipts.

V. SUITABLE AND AUTHORIZED INVESTMENTS

1. **Investment Types:** The following investments will be permitted by this policy and are those defined by State Law where applicable:
 - A. U.S. Government obligations, U.S. Government Agency obligations and U.S. Government instrumentality obligations.
 - B. Repurchase agreements.
 - C. Certificates of Deposit (backed by full FDIC).
 - D. Savings and loan association deposits (backed by FSLIC).
 - E. Money market mutual funds regulated by Securities and Exchange Commission and whose portfolios consist only of Government securities.
 - F. Statewide investment pools.

The use of Derivatives is prohibited.

2. **Collateralization:** Full collateralization will be required on two types of investments: certificates and repurchase agreements.
3. **Solicitation of Bids for Certificates of Deposit.** Bids for certificates of deposit may be solicited orally, in writing, electronically, or in any combination of these methods.

VI. INVESTMENT PARAMETERS

1. **Diversification:** The investments will be diversified by security type and institution.
2. **Maximum Maturities:** All maturities should be limited to maturities of two years unless specific authority is given to exceed.

VII. REPORTING

1. **Methods:** The City Treasurer and/or appointee shall prepare an investment report at least quarterly, including a succinct management summary that provides a clear picture of the status of the current investment portfolio and transactions made over the last quarter. This management summary will be prepared in a manner which will allow the entity to ascertain whether investment activities during the reporting period have conformed to investment policy.

The report should be provided to the Mayor and City Council. The report shall include the following:

- A. A listing of individual securities held at the end of the reporting period.
- B. Unrealized gains or losses resulting from appreciation or depreciation by listing the cost and market value of securities over one-year duration that are not intended to be held until maturity.
- C. Average weighted yield to maturity of portfolio on entity investments as compared to applicable benchmarks.
- D. Listing of investment by maturity date.
- E. The percentage of the total portfolio which each type of investment represents.

2. **Performance Standards:** The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. Portfolio performance should be compared to appropriate benchmarks on a regular basis.

3. **Marking to Market:** A statement of the market value of the portfolio shall be issued at least quarterly. This will ensure that the minimal amount of review has been performed on the investment portfolio in terms of value and subsequent price volatility.

VIII. POLICY: This policy shall be reviewed on an annual basis. Any changes must be approved by the City Council of Hilshire Village.

Russell Herron, Mayor

ATTEST:

Susan Blevins, City Secretary



Regular Council Meeting Minutes

Tuesday, February 15, 2022 at 6:30 PM
8301 Westview Drive, Houston, Texas 77055

This meeting was held in person at City Hall with remote attendees present.

1. CALL TO ORDER Mayor Pro Tem Maddock called to order the Regular Council Meeting at 6:30 P.M.

1.A. **Invocation** was given by Council Member Gordy.

1.B. **Pledge of Allegiance**

1.C. **PRESENT**

Mayor Russell Herron*
Council Member Mike Gordy
Council Member Robert Byrne
Council Member Andy Carey
Mayor Pro Tem Paul Maddock
Council Member David Schwarz**

Also Present: City Attorney Bounds, Spring Valley Captain Schulze, Spring Valley Captain Lane*, City Engineer Him*, City Engineer Vasquez*, and Assistant City Secretary Stephens

*Present and visible remotely

**Present remotely

3. REPORTS TO COUNCIL OUT OF ORDER

3.A. **Police Report:** Captain Lane said in the month of January there were 310 calls for service, among those were 43 business checks, 160 public relations, 44 traffic stops and 10 information reports.

Captain Lane said the citations for **overnight street parking** have slowed down. He stated that there were thirteen (13) citations issued for parking, five (5) for failure to stop at the Ridgeley and Glourie intersection, and one (1) license plate citation since last month's meeting.

Council Member Gordy said there is a big problem with **fictitious paper license plates**, and asked Captain Lane how the department is reacting. Captain Lane stated that Harris County Commissioners put together a task force dedicated to fake paper license plates. He added that if a license plate reader camera takes a photo of a vehicle and no record is found for the license plate, then an alert is sent to dispatch and they send an officer. He said that officers are receiving training to

identify fictitious paper license plates on the scene. Captain Lane stated that license plates on stolen vehicles and vehicles involved in reported incidents will also alert dispatch. Captain Lane said the Flock license plate reader camera system helped solve a catalytic converter theft and just today dispatch received a hit on a stolen license plate and officers were able to respond within three (3) minutes.

Council Member Gordy asked how the department is alerted. Captain Schulze said dispatch gets an audible alarm from the computer software and an email, and Police Captains also receive a text message alert.

Captain Schulze said even though the Flock camera system is a license plate reader, it will also take a picture of vehicles without license plates which is shared with other agencies. He stated that the cameras do not perform facial recognition nor take a photo of people unless there is a vehicle passing at the same time.

Captain Schulze said Chief Evans met with Commissioner Ramsey and other law enforcement agencies to tow vehicles with fictitious license plates so that in order to retrieve it, the owner must provide documentation. Captain Schulze also said there is now a limit on the number of temporary plates that a dealership can issue.

Council Member Byrne asked what happens to the occupants if a vehicle is towed. Captain Schulze said if they aren't arrested then they can be given a courtesy ride to an open business or safe space.

- 3.B. **Building Official's Report:** Administrator Blevins said there were 25 permits issued, (1) demolition and (1) remodel and the rest were miscellaneous. She stated that there were no red tags.

2. CITIZEN'S COMMENTS

Nancy Friedman, 1313 Pine Chase Drive, said that the generator that caught fire was at her house. She stated that they did have a permit for the installation and it was serviced and maintained. Mrs. Friedman stated that the city's general election is coming up and the applications upon submittal are public information. She asked why applications received are not on the city's website. Mrs. Friedman requested that the Mayor join the Mayor's United Against Antisemitism Initiative by the American Jewish Committee.

Richard Raines, 9 Pine Creek Lane, asked when the filing deadline is for a place on the ballot.

Bill Bristow, 1233 Pine Chase Drive, said that Verizon installed a new telephone pole in his side yard which is leaking creosote. He stated that Verizon contractors have already been out and cleaned it up once, adding a collar to absorb seepage, but it is still leaking. Mr. Bristow also said that the proposed location for the Verizon cell node furniture cabinet is next to his gas meter.

Mr. Bristow said that he appreciates the tear down of 1226 Glourie Drive.

He also stated that the construction projects proposed on Wirt Road will cause traffic much like what is currently going on at Wirt Road with the turning lane extension.

3. REPORTS TO COUNCIL - Continued

- 3.C. **Engineer's Report:** Council Member Gordy asked when the Water Meter Vault Upgrades would be complete. Administrator Blevins said that a City of Houston Public Works employee informed her that the meters have been replaced. Council Member Gordy said that he hasn't noticed any improvement. Engineer Him said the

City of Houston Public Works department needs to make sure that all of the valves are open and double check that the work is complete.

Council Member Byrne asked if the **Lift Station Generator** specification of 35kw but now there is a recommendation of a 25kw. Engineer Him said the a 25kw generator is more than large enough to handle the pumps and equipment at the lift station and meets the minimum requirements. He said the original submittal from the contractor included the larger 35kw, but after visiting the site with Council Member Gordy and Administrator Blevins, the contractor revised to the 25kw. Engineer Him said one of the items he was concerned with was the level one enclosure but a Level 2 enclosure will also reduce noise when the generator is in operation. He said that it is desirable to have the decibels lower than 80 while running. Engineer Him said he would suggest a 35kw if a proper enclosure cannot be obtained for the smaller 25kw, and if the 9-foot pad required for a 35kw can fit within the area.

4. DISCUSSION AND POSSIBLE ACTION

- 4.A. **Discussion and Possible Authorization to staff to accept the quote from Generators of Houston for a life safety generator to be used at the City's lift station**
Motion made by Council Member Gordy, Seconded by Council Member Byrne.

Council Member Gordy said the RFQ was based on the 25kw generator. He said the original suggestion was for a 35kw with a level one enclosure. Council Member Gordy stated that the reason they are not going smaller than a 25kw is that it is the smallest water-cooled emergency generator on the market that meets code. Council Member Gordy said the issue at this time is sound transmission considering the neighbors nearby.

Council Member Gordy stated that approval is needed from the Council to order the generator, which has a 6-month lead time, with room in the budget to decide on the size and enclosure materials. He said the bid received includes engineering, equipment and installation. Council Member Gordy stated that it also includes the plumbing from the meter to the generator, the City will need to have a new meter installed. Engineer Him said there is also a two-year service agreement included. Administrator Blevins said the lift station vent will be redirected.

Council Member Gordy amended the motion to authorize Council Member Gordy to make changes to the contract for the installation of a life safety generator to be used at the City's lift station with a not to exceed cost of \$50,000.

Voting Yea to the Amended Motion: Council Member Gordy, Council Member Byrne, Council Member Carey, Mayor Pro Tem Maddock
The motion passed unanimously.

- 4.B. **Discussion and Possible Authorization to HDR to write a proposal for engineering for a Capital Improvement Project for the Rehabilitation of Water, Sewer, Paving and Drainage on Hilshire Green using Grant Funds provided by**

the American Rescue Plan

Motion made by Council Member Byrne, seconded by Council Member Carey.

Engineer Him said the design and construction management budget for Hilshire Green is roughly \$150,000. Administrator Blevins asked how long the engineering design is valid for before construction begins. Engineer Him stated that the utility signatures are only valid for six (6) months, so a delay in commencement would require new drawing and signatures. He stated that the design can be prepared without those signatures then held until the project is ready to start, then adjustments can be made and signatures obtained.

Voting Yea: Council Member Gordy, Council Member Byrne, Council Member Carey, Mayor Pro Tem Maddock
The motion passed unanimously.

- 4.C. **Discussion and Possible Approval of Resolution Number 2022-225 of the City of Hilshire Village authorizing the Mayor to execute an amendment to the Verizon Agreement to match GPS coordinates and a street address**
Motion made by Council Member Gordy, Seconded by Council Member Byrne.

Bill Bristow, 1233 Pine Chase Drive, asked what this is about and who is responsible for the error. Mayor Pro Tem Maddock said Verizon provided GPS coordinates for a cell node with an incorrect address.

Voting Yea: Council Member Gordy, Council Member Byrne, Council Member Carey, Mayor Pro Tem Maddock
The motion passed unanimously.

- 4.D. **Discussion and Possible Approval of Ordinance Number 819-2022 of the City of Hilshire Village Code of Ordinance amending Chapter 10, Traffic Regulations to allow certain parking on the east side of Glenhilshire Drive**
Motion made by Council Member Byrne, Seconded by Council Member Gordy.

Robert Shaw, 1319 Glenhilshire Drive, asked why the parking zone needs to be on the east side of the street instead of the west side where their house is. He said there is room to access the fire hydrant and still get into the cul-de-sac even if a car is parked on the street.

Council Member Byrne said the fire hydrant is on the west side of the street, and there is always going to be a risk of a vehicle parked on that side. He said when the fire department arrives, they are going to connect to the hydrant valve facing the street and they will have to maneuver the hose around vehicles parked in the street. Council Member Byrne said the city has considered the request and has made accommodations, he will not support parking on the same side of the street as the residential homes and fire hydrant.

Mayor Herron said the overnight street parking ordinance was written to keep the city streets, which belong to the public, from being claimed as private parking for residents.

Council Member Gordy said the Council has offered relief to Mr. Shaw by allowing him to park on the street in a designated area. He stated that he will not support parking on the west side of the street due to the concern of emergency access.

Voting Yea: Council Member Gordy, Council Member Byrne, Council Member Carey, Mayor Pro Tem Maddock
The motion passed unanimously.

4.E. Discussion and Possible Action on other parking area problems

Administrator Blevins said that Richard Raines, 9 Pine Creek Lane, and the citizens at 1122 Ridgeley Drive are having parking difficulties.

Administrator Blevins said the narrow driveway at **1122 Ridgeley Drive** is steep and it is difficult to see the main road when backing out. Council Member Byrne said he would like to see a site plan of the lot to explore possibilities of expanding their parking area, possibly with a parking pad large enough for all four wheels to fit.

Administrator Blevins said a survey was sent to Pine Creek Lane citizens regarding street parking. She said the responses were not indicating that the issue was widespread.

Richard Raines, 9 Pine Creek Lane, said he submitted proposed language not to change the intention of the ordinance, but to make it clearer. He said he has talked to multiple officers who are unable to determine if the ordinance is being violated or not.

City Attorney Bounds said ultimately it is a value judgement by the officer and disputes should be taken to court. He stated that if there is a provision in the ordinance that states you cannot park with a certain distance of any driveway then that area, starting from the edges of the driveway, must be kept clear. Council Member Gordy said that he is not against changing the language in the ordinance to clarify that vehicles are not to be parked across the street, within a certain distance, of a driveway. He said the street width will need to be considered when determining the specific distance from a driveway.

Administrator Blevins asked if this language would apply only to Pine Creek Lane or the entire City. Mayor Herron said during the initial research for this ordinance it was found that there would be virtually no parking because there is something across from driveways throughout the City. Council Member Byrne said Pine Creek Lane is unique, being narrow with curb and gutters, and that the one size ordinance doesn't fit all. He said there are problems elsewhere in the City, but he is not prepared to change the ordinance to affect the entire City at this time. Council Member Byrne said he supports clarity for those who have to enforce the law.

Mayor Pro Tem Maddock said that the increasing size of vehicles should not dictate the size of the City's streets.

City Attorney Bounds said the State Statute for fire station driveways can be used as a model for the language.

4.F. Discussion and Possible Approval of the change in location for one of the flock cameras

Motion made by Council Member Gordy, Seconded by Council Member Carey

Captain Schulze said in the original contract one (1) of the cameras was to be placed at Ridgeley and Westview but due to tree coverage, the camera will be

moved to the northern intersection of Archley and Ridgeley near the existing speed limit sign. He said this location excludes roughly twelve (12) houses from coverage by the camera. Captain Schulze said there is an option to run electrical to the cameras instead of using a solar panel. Council Member Carey asked if the camera is moved further from Westview will it affect the ability of the camera to function? Captain Schulze said the camera would still work; it just won't cover the houses that are behind it. Council Member Byrne said the camera should cover as much area as possible and supports electrical lines if needed. Council Member Gordy and Council Member Carey agreed with Council Member Byrne. Administrator Blevins said she would speak with CenterPoint about options. Council Member Byrne said he also wants to research the potential of adding lights to the City's entrance markers.

Council Member Gordy amended his motion to table the item to next month's meeting.

- 4.G. **Discussion and Possible Approval of Resolution # 2022-224 of the City of Hilshire Village approving Amendment Number 6 of the Village Fire Department Interlocal Agreement reinstating the City of Bunker Hill Village Motion made by Council Member Carey, Seconded by Council Member Byrne.**

Council Member Byrne said Bunker Hill is requesting to rejoin the interlocal agreement with support from the fire commission. City Attorney Bounds said that the agreement has been reviewed by attorneys at Olson & Olson.

Voting Yea: Council Member Gordy, Council Member Byrne, Council Member Carey, Mayor Pro Tem Maddock
The motion passed unanimously.

- 4.H. **Discussion and Possible Approval of Ordinance Number 818-2022 amending the City of Hilshire Village, Texas Ordinance Number 801-2020 adopting the City's General Budget for Fiscal Year Ending 2021**
Motion made by Council Member Gordy, Seconded by Council Member Byrne

Administrator Blevins said this is approving a transfer of funds from one account to another to balance the budget.

Voting Yea: Council Member Gordy, Council Member Byrne, Council Member Carey, Mayor Pro Tem Maddock
The motion passed unanimously.

- 4.I. **Discussion and Possible approval of changes to benefits for the city employees**
Motion made by Council Member Gordy, Seconded by Council Member Byrne

Administrator Blevins said that the City is not competitive when it comes to employee benefits and staff are having a hard time finding qualified applicants. Administrator Blevins presented comparison data for other Memorial Villages, the Village Fire Department and other comparable cities who offer varying percentages of dependent coverage. Administrator Blevins added that the City is included in the

Memorial Villages Insurance Coop which includes the Memorial Villages Fire Department, Memorial Villages Water Authority, Spring Valley Police Department and other Memorial Village Cities. She said there have been a lot of claims among the participating entities and the rates may be inflated because of that.

Council Member Byrne added that the City's job descriptions need to be clearly defined so that the Council knows what to expect from the City employees.

Council Member Gordy amended the motion to table the item until a cost can be presented.

5. REPORTS TO COUNCIL

- 5.A. **Fire Commissioner's Report:** Commissioner Byrne stated that in the month of January there were three (3) fire calls but zero (0) EMS, and response times remain within the national standard.

Commissioner Byrne said a new office staff member was hired at the department. He stated that the **Fire Station Renovation** is still underway; the overhead doors are not installed yet.

- 5.B. **Mayor Herron's Report:** Mayor Herron said he has not heard back from the lighting consultant. Administrator Blevins said she spoke with him and he confirmed he would respond to the email. Council Member Carey stated that he has also reached out to a few companies but has not heard back either.
- 5.C. **City Administrator's Report:** Administrator Blevins said that most of the complaints are about Wirt Road construction traffic which should last about two (2) more weeks. Council Member Gordy said this project is the response from Commissioner Ramsey about the traffic and backup at the intersection of Wirt Road and I-10.

- 5.D. **City Treasurer's Report**

6. CONSENT AGENDA

Motion made by Council Member Gordy, Seconded by Council Member Carey.

- 6.A. Disbursements
- 6.B. Minutes from the Regular Council Meeting of January 18, 2022
- 6.C. Check Registers
- 6.D. Approval of Resolution # 2022-223 of the City of Hilshire Village authorizing the Mayor to execute Endo Tx Subdivision Release Forms with Endo Health Solutions Inc., Endo Pharmaceuticals Inc., Endo International PLC, Par Pharmaceutical, Inc., and Par Pharmaceutical Companies, Inc. and TEVA for the national opioid settlement
- 6.E. Proclamation in memory of Robert Sommer

**Voting Yea: Council Member Gordy, Council Member Byrne, Council Member Carey,
Mayor Pro Tem Maddock**
The motion passed unanimously.

7. CLOSED EXECUTIVE SESSION: The Council convened into Executive Session as authorized by Texas Government Code, Sections 551.071 at 8:43 PM.

7.A. Deliberate the employment and duties of a public employee.

The Council reconvened the Regular Council Meeting at 9:30 PM.

No action was taken from the Executive Session

8. ADDITIONAL COUNCIL COMMENTS: None

9. FUTURE AGENDA TOPICS: None

10. ANNOUNCEMENTS: None

11. ADJOURNMENT

Motion made by Council Member Gordy, Seconded by Council Member Carey.

**Voting Yea: Council Member Gordy, Council Member Byrne, Council Member Carey,
Mayor Pro Tem Maddock, Council Member Schwarz**

The motion passed unanimously.

The meeting was adjourned at 9:32 P.M.

Paul Maddock, Mayor Pro Tem

ATTEST:

Susan Blevins, City Secretary

CITY OF HILSHIRE VILLAGE
Check Register
For the Period From Feb 1, 2022 to Feb 28, 2022

Filter Criteria includes: Report order is by Check Number.

Check #	Date	Payee	Cash Account	Amount
8647	2/1/22	GFL Environmental	11114	6,799.59
8648	2/1/22	Village Fire Department	11114	18,633.62
8649	2/1/22	Villages Mutual Insurance	11114	4,913.30
8650	2/7/22	Sanchez Landscaping	11114	320.00
8651	2/7/22	Power Now LLC	11114	145.00
8652	2/15/22	BBG Consulting	11114	2,750.00
8653	2/15/22	Olson & Olson, Attys at L	11114	1,166.00
8654	2/15/22	Petty Cash	11114	38.93
8655	2/15/22	Municipal Code Corporati	11114	1,195.00
8656	2/15/22	Amegy Bank	11114	853.97
8657	2/15/22	OFFICE DEPOT	11114	79.18
8658	2/15/22	Hour Messenger Service	11114	19.38
8659	2/15/22	Hudson Energy Services L	11114	531.98
8660	2/15/22	A T & T	11114	116.98
8661	2/15/22	Houston Chronicle	11114	93.00
8661V	2/15/22	Houston Chronicle	11114	-93.00
8662	2/15/22	Centerpoint-Energy	11114	52.54
8663	2/15/22	Mark Schulze	11114	200.00
8664	2/24/22	HDR	11114	9,513.93
8665	2/24/22	Houston Chapter of Int Co	11114	30.00
ACH 02-07-22	2/7/22	A T & T	11114	372.01
ACH 02-15-22	2/15/22	Susan N. Blevins	11114	3,161.02
ACH 02-24-22	2/24/22	Harris County Appraisal	11114	2,814.00
ACH 02-28-22	2/28/22	Susan N. Blevins	11114	3,161.02
ACH 02-28-22	2/28/22	Sprg.Valley GenFund- Pol	11114	46,511.84
ACH1 02-15-22	2/15/22	Cassandra L. Stephens	11114	1,771.05
ACH1 02-28-22	2/28/22	Cassandra L. Stephens	11114	1,463.75
ANT NOTE 1051	2/15/22	The Independent Bankers	11117	139,599.00
ANT NOTE 1052	2/15/22	Amergy Bank	11117	206,785.50
ELECTRONIC 02-	2/28/22	Internal Revenue Service	11117	1,811.23
METRO1 2113	2/25/22	Houston Plumbing Special	11120	275.00
Total				<u>455,084.82</u>

CITY OF HILSHIRE VILLAGE - UTILITY FUND

Check Register

For the Period From Feb 1, 2022 to Feb 28, 2022

Filter Criteria includes: Report order is by Check Number.

Check #	Date	Payee	Cash Account	Amount
3760V	2/15/22	Chad Meacham	11012	-28.99
4116	2/1/22	Inframark, LLC	11012	1,827.90
4117	2/1/22	Inframark, LLC	11012	2,000.00
4118	2/7/22	A T & T	11012	350.07
4119	2/15/22	Texas Excavation Safety S	11012	32.30
4120	2/15/22	USIC Locating Services	11012	1,193.50
4121	2/15/22	Hudson Energy Services L	11012	20.12
4122	2/15/22	City of Houston, Public W	11012	7,281.78
4123	2/15/22	City of Houston, Public W	11012	7,824.23
4124	2/15/22	Taylor Tran	11012	435.16
4125	2/15/22	Mark Bodron	11012	115.39
4126	2/15/22	Jayne Garner	11012	497.33
4127	2/15/22	Tyler Killion	11012	476.13
4128	2/15/22	David Alexander	11012	144.62
4129	2/15/22	Deborah Luik	11012	287.01
4130	2/15/22	Chad Meacham	11012	28.99
4131	2/24/22	HDR	11012	1,059.52
4132	2/24/22	Inframark, LLC	11012	5,779.02
4133	2/24/22	Inframark, LLC	11012	2,567.84
Total				<u>31,891.92</u>



*A PROCLAMATION RECOGNIZING THE SPRING EVENT
SUNDAY, APRIL 3, 2022 5:00 PM TO 7:00 PM*

WHEREAS, the Hilshire Village Civic Club is sponsoring a unique, Spring Family Event, Sunday, April 3, 2022

WHEREAS, the Spring Event provides an opportunity for residents to enjoy visiting with one another and enjoy the small city atmosphere

WHEREAS, it is essential that all citizens of Hilshire Village, Texas be aware of the importance of pedestrian safety and social distances

WHEREAS, police-community partnerships and neighborhood safety and awareness and cooperation are important themes, and

FURTHER, LET IT BE PROCLAIMED, the Hilshire Village Civic Club is sponsoring a Springtime Bavarian Garden for the Spring Event in the Pine Chase Grove Circle from 5:00 to 7:00 P.M. Pine Chase Grove Circle will have limited access for this event, during these hours.

Russell Herron, Mayor

ATTEST:

Susan Blevins, City Secretary

HILSHIRE VILLAGE – OFFICE

Procedure Manual	Policy Date	Policy Number
Title: CITY-PERMIT CLERK	9-1-16	Sec. 15-2

POLICY

City Clerk responsibilities will be under the supervision of the City Administrator/City Secretary (referred to as City Administrator hereafter).

PURPOSE

To assist the City Administrator with office related duties ensuring quality service to constituents and to cover City of Hilshire Village office when City Administrator is absent.

1. Assist Mayor, Council, and other Officials of the city as needed.
2. Assist City Administrator with office work as needed.
3. Covers office when City Administrator is absent.
4. Answers incoming calls, answers questions, operates all office machines, and orders office supplies. Opens and distributes mail.
5. Receptionist.
6. Construction Permits: Handles construction permit issuance, including registrations, collecting fees, job file maintenance, maintain logs and reports and assure that all insurance and licenses are up to date. Send emails to contractors to notify of problems, expired insurance and licenses, and holidays. Handles request for construction inspections and sends proper paper work to the company handling the City's inspections by keeping a log and then forwarding the request for inspection to the company handling the City's inspections. Checks jobs on a routine basis to ensure all inspections required are performed. Makes sure jobs are moving along. Invoices and collects re-inspection fees when required.

7. Generate the Building Official, Complaint and Issues and Consent Agenda Report for Council Books. Assist City Administrator with copying and preparing Council Packets.
8. Types letters each year for alarm and animal registration. Maintain files, collect money, send out notifications of expired registrations, false alarms, and alarms at homes with no permits. Keeps spreadsheet by address of residents with alarms and those with false alarms reported by police.
9. Type and file forms, reports, letter and memos as needed for City Administrator
10. Assist City Administrator with data entry. Enter all job numbers, payments for permits, pets and alarms. Show job data for BBG and HDR payments. Print off all Accounts Reconciliation reports and files them appropriately.
11. Keeps logs of false alarms, electricity, water consumption by address and update logs concerning same.
12. Go through all file cabinets on a yearly basis and type list of items to be destroyed and give list to City Administrator to approve for destruction based on State of Texas Retention List
13. Filing
14. Fields complaints and updates complaint log. Resolves complaints when appropriate.
15. Assist City Administrator to assure residents are being billed for the proper utility services.
16. Assist as Election Clerk during early voting for City elections. Puts books together for candidates.
17. Update Civic Club and City's records of new residents. Send out welcome letters.
18. Notary for City Residences and Council (the City will pay for if not already a notary).

HILSHIRE VILLAGE – OFFICE

Procedure Manual	Policy Date	Policy Number
Guidelines – City Secretary - City Administrator	10/15	Sec. 15-4

ACCOUNTING

- Bank Deposits
- Posting all deposits
- Manage different funds and what disbursements get paid from what funds
- Payroll, 941 Deposits, Quarterly Reports and W-2's
- A/P
- Review all invoices for accuracy (engineering and utilities fees)
- A/R – Re-inspection Fees, utilities
- Bank Reconciliations (13 accounts)
- Work with Bankers with any questions and problems
- Record all General Ledger journals for interest, utilities, taxes, etc;
- Audit Petty Cash Monthly
- Prepare financial statements in Peachtree
- Convert Peachtree financials into Excel for Council
- Prepare Year End information for Audit
- Work with Auditors to supply all year end audit requirements
- Balance the budget at year end and prepare a budget amendment if needed
- Prepare Annually a Proposed Budget for Mayor to finalize and submit to City Council
- Set up Budget Workshops and Meetings to adopt the Budget and new Tax rate
- Set up Budget in the Accounting Software for new year
- Administer the City Budget

TAXES

- Work with SBISD and the Mayor on setting tax rate
- Set up Public Hearings
- Advertise in paper, post on website and at City Hall
- Work with SBISD on delinquent accounts
- Audit monthly reports from tax office
- Fill out Quarterly Survey of Property Tax Collections for U.S. Census Bureau

OFFICE

- Manage Office to insure a constant flow of operations
- Maintain email data base and send out emails
- Negotiate contracts and supply information to Council for approval
- Supervise City Clerk
- Maintain computers and office equipment work with outside vendor when solutions are not found
- Answer phones and emails
- Respond promptly to address and resolve citizen inquiries and complaints.
- Handle emergency situations when they arise (working closely with the Mayor)
- Field complaints when City Clerk is not in. Log solutions and reports to council
- Communicate with the Mayor regarding major events in the Village that happen
- Work with volunteers giving them assignments

UTILITIES AND RIGHT OF WAY ISSUES

- Make sure all water and sewer infrastructure problems are handled
- Work with Severn Trent and Residents to clear up water billing problems
- Keep records of deposits for new residents
- Keep records of move-ins-and outs
- Make sure all Residents are billed properly
- Cut refund checks for deposits
- Issue Credit Reports for leaving residents for their new water company
- Call email or send out letters on past due residents to keep them from having water turned off
- Supply sewer accounts for the City of Houston monthly
- Report to Centerpoint any utility outage (streetlights, etc)
- Fill out all TCEQ Reports
- Water & Wastewater Utility Cost Survey
- Complete yearly CCR report
- Keep a running log of all issues and work to solve issues with vendors, franchises and residents
- Setup lab testing to meet TCEQ requirements

CITY SECRETARY

- Maintain all Official City Records including Contracts, Ordinances, Resolutions, Bids, Minutes, Agendas and Insurance Policies
- Work with the Mayor, Council, City Engineers, City Official, City Inspector, City Attorney, and other Cities and Villages
- Work with the Mayor to prepare Agenda for Council and Special Meetings
- Attend and Record all Council Meetings and Public Hearings
- Prepare Minutes from all City Council Meetings and other Public Gatherings

- Prepare Ordinances, Resolutions and Proclamations. Maintain a log of all and Codify all Ordinances. Advertise any Ordinance that has a fee
- Coordinate all special meetings with Mayor, Council and Attorney
- Keep Website Updated
- Post all Notices in Newspapers
- Handle all Requests for Open Records requested by vendors, residences, city's, and anyone who might think they need information
- Attest to Official Documents and Licenses
- Conduct General Election following guidelines of the State. Handle all early Voting Procedures and be available in the City Secretary's Office on Election Day
- Keep up with the calendar for City Hall
- Fill out all Government Census
- Notary for City Residences and Council
- Prepare correspondence for the City Secretary's Office, as well as the Mayor, City Council, City's Building Official

PERMITS

- Answer questions and supply information to contractors and residents on working in the City
- Answer questions from residents, contractors, architects regarding building in the City
- Work with City Official, City Inspectors and City Clerk to assure that all permit issues are handled professional and timely
- Coordinate with City Engineer on all drainage issues including, questions from residents and contractors
- Meet with Contractor, Home Owner, Architect prior to development
- Work with City Official on creating and updating all permits and requirements
- Make sure records are maintained properly
- Issue permits and handle inspections when City Clerk is not in.
- Supply Harris County Appraisal District information on permits
- Fill out monthly US Census Bureau form on Residential Building Permits

GENERAL DUTIES

- Keep City Hall in a professional manner
- Take Trash and recycling out
- Keep refrigerator stocked with drinks for Council and City Officials
- Committee Member for the Village Independence Festival
- Maintain City Hall building

CITY ADMINISTRATOR

- In cooperation with the City Attorney, ensure that all state laws and City Ordinances are effectively enforced.
- Coordinate infrastructure projects with public works department and consulting engineers (as appropriate) including the design, construction and planning of infrastructure projects.
- Support the Emergency Management Coordinator
- Prepare recommendations to the City Council on matters requiring legislative action.
- Represent the City to other elected officials and outside agencies, and coordinate activities between departments and among outside agencies and organizations.
- Administer all contracts with the City to ensure faithful execution.
- Perform related duties and responsibilities as may be presented by the laws of the State of Texas governing Type A General Law Cities or required by the City Council consistent with City Ordinances.
- Develop and recommend policies and procedures to City Council and implement changes or new policies and procedures. Administer policies and procedures as adopted by City Council.
- Set up and administer Pre-Development Meetings for new Construction

OTHER COMMITTEES

Work closely with any Council appointed committees

Board of Adjustment

- Answer questions on all inquiries – determine if a meeting needs to be set up
- Schedule meeting with Board
- Prepare Agenda and post
- Prepare ad and advertise
- Send emails to residents
- Set up meeting
- Keep up with records

HVCEFFC and HVHEFC

- Answer questions on all inquiries
- Work with Finance and Legal to prepare documents
- Determine if a meeting needs to be set up
- Schedule meeting with Board
- Assist with preparing Agenda and post
- Send emails to residents
- Keep up with records

MEDICAL PLANS – CURRENT & 2022 RATES – BLUE CROSS BLUE SHIELD

INSURANCE

2021 RATES – BCBS

2022 RATES – BCBS

Major Medical

2021- PPO MTBCP011

2022-PPO MTBCP011

Employee Only

	\$ 818.48	\$ 860.06
Employee + Spouse	1882.50	1978.13
Employee + Child(ren)	1473.26	1548.10
Employee + Family	2537.28	2666.18

2021-PPO MTBCP014

2022-PPO MTBCP014

Employee Only

	\$ 787.63	\$ 827.88
Employee + Spouse	1811.54	1904.13
Employee + Child(ren)	1417.73	1490.19
Employee + Family	2441.65	2566.44

2021-HMO MTBEE011

2022-HMO MTBEE011

Employee Only

	\$ 753.24	\$ 785.81
Employee + Spouse	1732.45	1807.36
Employee + Child(ren)	1355.83	1414.45
Employee + Family	2335.04	2436.00

MTBCP011: Ded. Ind/Fam: \$1000/\$3000; Out -of-Pocket Max: Ind/Fam: \$4000/\$12000; Co-Ins:20%; ER: \$500 plus Deductible plus 20%; Urgent Care \$75; PCP Copay: \$30; Specialist: \$60; Pharmacy: \$0/\$10/\$50/\$100/\$150/\$250

Out-of-Network: Ded: Ind/Fam: \$2000/\$6000

MTBCP014: Ded. Ind/Fam: \$1500/\$4500; Out -of-Pocket Max: Ind/Fam: \$4500/\$13500; Co-Ins:20%; ER: \$500 plus Deductible plus 20%; Urgent Care \$75; PCP Copay: \$35; Specialist: \$70; Pharmacy: \$0/\$10/\$50/\$100/\$150/\$250

Out-of-Network: Ded: Ind/Fam: \$3000/\$9000

MTBEE011: Ded. Ind/Fam: \$1000/\$3000; Out -of-Pocket Max: Ind/Fam: \$4000/\$12000; Co-Ins:20%; ER: \$500 plus Deductible plus 20%; Urgent Care \$75; PCP Copay: \$30; Specialist: \$60; Pharmacy: \$0/\$10/\$50/\$100/\$150/\$250

Out-of-Network: **No Coverage.**

DENTAL PLANS – 2022 RATES – GUARDIAN

***The plans and rates remain unchanged**

Guardian

Managed Dental Care

(This works like an HMO)

DHMO Plan

Employee Only	\$ 9.88
Employee + Spouse	16.93
Employee + Child(ren)	25.79
Employee + Family	30.52

PPO

Plan 2 Value Plan

Employee Only	\$ 27.96
Employee + Spouse	55.52
Employee + Child(ren)	65.95
Employee + Family	93.51

PPO

Plan 3 NAP Plan

Employee Only	\$ 37.00
Employee + Spouse	73.46
Employee + Child(ren)	96.10
Employee + Family	132.54

Managed Dental Care (DHMO): This is an In-Network only plan where all services are based on Copays.

*Must enroll with a dentist that is In-Network.

PPO Value Plan: Ded. Ind/Fam: \$50/\$150; Preventive Care: 0%, ded. waived; Basic care: 20% after ded.;

Major care: 50% after ded.; Orthodontics: N/A; Annual benefit max: \$1500 per person

PPO NAP Plan: Ded. Ind/Fam: \$50/\$150; Preventive Care: 0%, ded. waived; Basic care: 20% after ded.;

Major care: 50% after ded.; Orthodontics: 50% ded. waived, \$1000 lifetime max; Annual benefit max: \$1500 per person

VISION PLAN – 2022 Rates – Superior Vision

***The plan and rates remain unchanged**

Superior Vision

Employee Only	\$ 6.40
Employee + Spouse	12.80
Employee + Child(ren)	14.70
Employee + Family	22.64

*Benefits: **In-Network** – Exam (Ophthalmologist or Optometrist) \$10 Copay; Frames: \$25 Copay, \$150 Allowance plus 20% Off; Lenses (Standard) Per Pair – Single \$25 Copay; Bifocal \$25 Copay; Trifocal \$25 Copay; Contact Lens Fitting: \$25/\$50 Copay; Contact Lenses: \$150 Allowance; Medically Necessary Contact Lenses: Covered in Full*

VOLUNTARY LIFE PLAN – 2022 Rates – LINCOLN

***The plan and rates remain unchanged.**

Supplemental Life

Employee Age:	Rate per \$10,000:
0 – 29	\$ 1.20
30 – 34	\$ 1.30
35 – 39	\$ 1.60
40 – 44	\$ 2.40
45 – 49	\$ 3.70
50 – 54	\$ 7.20
55 – 59	\$ 11.50
60 – 64	\$ 16.00
65 – 69	\$ 17.29
70 – 74	\$ 17.64
75 – 79	\$ 11.03

Spouse Age:	Rate per \$5,000:
0 – 29	\$ 0.60
30 – 34	\$ 0.65
35 – 39	\$ 0.80
40 – 44	\$ 1.20
45 – 49	\$ 1.85
50 – 54	\$ 3.60
55 – 59	\$ 5.75
60 – 64	\$ 8.00
65 – 69	\$ 8.65

Dependent Child: \$ 1.62/month