



**CITY OF LEON VALLEY  
CITY COUNCIL REGULAR MEETING**  
Leon Valley Conference Center  
6421 Evers Road, Leon Valley, Texas 78238  
Tuesday, February 02, 2016

**AGENDA**

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1. **7:00 P.M.** Call to order, Determine a Quorum is Present, Pledge of Allegiance.
2. **Citizens to Be Heard and Time for Objections to the Consent Agenda.** "Citizens to be heard" is for the City Council to receive information on issues that may be of concern to the public. The purpose of this provision of the Open Meetings Act is to ensure that the public is always given appropriate notice of the items that will be discussed by the Council. Should a member of the public bring an item to the Council, for which the subject was not posted on the agenda of that meeting, the Council may receive the information but cannot act upon it during the meeting. Council may direct staff to contact the requestor or ask that the issue be placed on a future agenda for discussion by the Council.

**Note:** City Council may not debate any non-agenda issue, nor may any action be taken on any non-agenda issue at this time; however City Council may present any factual response to items brought up by citizens. [Attorney General Opinion – JC 0169]

3. Presentation of the Monarch Butterfly Proclamation.
4. Presentation of the 2015 Achievement of Library Excellence Award by Waynette Ditto, Hewitt Library Director and current President of Texas Municipal Library Directors Association.
5. Presentation of the Fit Friendly Worksite Award to the Leon Valley Fire Department by the American Heart Association.

**CONSENT AGENDA**

6. Approval of City Council Minutes. **(S. Passailaigue)**
  - a) January 19, 2016 Special City Council Meeting
  - b) January 19, 2016 Regular City Council Meeting
7. Approval of bank signature cards and approval of a Resolution Amending the Authorized Representatives for TexPool. **M&C #2016-02-02-02 (V. Wallace).**
8. Discussion and possible action on Ordinance No. 16-003, an ordinance approving amendments to the General Fund of the City Of Leon Valley, Texas Municipal Budget for

Fiscal Year of 2015-2016 regarding the Kinman House renovations. **M&C #2016-02-02-03 (V. Wallace)**

## **REGULAR AGENDA**

9. Consideration and possible action on a sign variance request by Pastor Herman Price Jr., of St. John's Baptist Church, to allow a digital sign at 6800 Evers Road. **M&C #2016-02-02-04 (E. Carol).**
10. Approval of Comprehensive Annual Financial Report for Fiscal Year 2015. **M&C #2016-02-02-05 (V. Wallace).**
11. Consideration of Resolution No. 16-005R of the City Council of the City of Leon Valley ordering and establishing procedures for a General Election in the City of Leon Valley, Texas to elect three Council Members: (Places 2, 4 and for the Office of the Mayor) by the qualified voters of the City of Leon Valley; authorizing the City Manager to sign a joint election Agreement with the Bexar County Elections Administrator for the conduct of said election, and providing details relating to the conduct of holding the Election, authorizing the use of the Leon Valley City Council Meeting Room A121 for Early Voting (April 25, 2016 through May 03, 2016) and on the 7<sup>th</sup> day of May, 2016, for Election Day voting. **M&C #2016-02-02-06 (S.).**

Una resolución del consejo municipal de la ciudad de Leon Valley que ordena y establece los procedimientos para una elección general en la ciudad de Leon Valley, Texas, para elegir a tres miembros del consejo (lugares 2, 4, y para la oficina de la alcaldesa) ante los votantes habilitados de la ciudad de Leon Valley; autorizando al administrador de la ciudad a firmar un convenio de elecciones conjuntas con la administradora de elecciones del condado de Bexar para la conducción de dicha elección y disponiendo los detalles relativos a la celebración de la elección, autorizando el uso del salon de juntas a121 del consejo municipal de la ciudad para la votación anticipada (abril 25 del 2016 a mayo 03 del 2016) y en el dia 7 de mayo del 2016, para el dia de la elección.

12. Discussion and possible action on Ordinance No. 16-004, an ordinance approving amendments to the General Fund of the City Of Leon Valley, Texas Municipal Budget for Fiscal Year of 2015-2016 regarding unemployment insurance. **M&C #2016-02-02-07 (C. Caldera)**
13. Discussion and possible action to form a Forest Oaks Pool Committee. **M&C #2016-02-02-08 (K. Kuenstler)**
14. Discussion and possible action to form a Home Rule Charter Commission and begin the process to move Leon Valley from General Law to a Home Rule city. **M&C #2016-02-02-09 (Council Members Benny Martinez and Carmen Sanchez)**
15. Discussion and possible action to consider authorizing for the filing of a grant application with the Alamo Area Council of Governments (AACOG) for a regional solid waste grant. **M&C #2016-02-02-10 (D. Dimaline)**
16. Discussion and possible action to discuss future locations for the quarterly Coffee with the Mayor and Council. **(K. Kuenstler)**
17. City Manager's Report:

- a) Approved Minutes from Boards, Commissions and Committees
- b) Future Agenda Items:
  - Legislative Update by US Representative Joaquin Castro, February 16, 2016 at Regular City Council Meeting.
- c) Upcoming Important Events:
  - MPO Public Meeting, February 25, 2016 from 6:00 p.m. until 8:00 p.m. at the Conference Center
  - General Election Application Filing Period, January 20, 2016 until 5:00 p.m. February 19, 2016
  - 27<sup>th</sup> Annual Earthwise Living Day Event, March 5, 2016 from 9:00 a.m. until 2:00 p.m. at the Leon Valley Community Center and Conference Center.
  - Re-dedication of the Leon Valley City Hall and Police Station, April 2, 2016 at 10:00 a.m.
  - Volunteer Appreciation Dinner, Wednesday, April 6, 2016 at 6:00 p.m.
  - Coffee with the Mayor and City Council, April 23, 2016, from 9:00 a.m. to 11:00 a.m.
  - Annual Pet Parade, Saturday, April 30, 2016, 10:00 a.m. – noon.

18. Citizens to be heard.

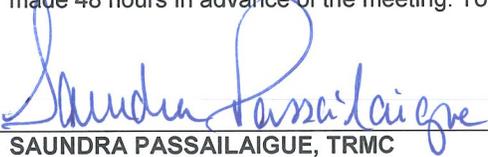
19. Announcements by the Mayor and Council Members. At this time, reports about items of community interest, which no action will be taken may be given to the public as per Chapter 551.0415 of the Government Code, such as: expressions of thanks, congratulations or condolence, information regarding holiday schedules, reminders of social, ceremonial, or community events organized or sponsored by the governing body or that was or will be attended by a member of the Leon Valley City Council or a City official.

20. Adjournment.

**Executive Session.** The City Council of the City of Leon Valley reserves the right to adjourn into Executive Session at any time during the course of this meeting to discuss any of the matters listed on the posted agenda, above, as authorized by the 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), and 551.087 (economic development).

**Attendance by Other Elected or Appointed Officials:** It is anticipated that members other City boards, commissions and/or committees may attend the open meeting in numbers that may constitute a quorum. Notice is hereby given that the meeting, to the extent required by law, is also noticed as a meeting of any other boards, commissions and/or committees of the City, whose members may be in attendance in numbers constituting a quorum. These members of other City boards, commissions, and/or committees may not deliberate or take action on items listed on the agenda. [Attorney General Opinion – No. GA-0957 (2012)].

I hereby certify that the above **NOTICE OF PUBLIC MEETING(S) AND AGENDA OF THE LEON VALLEY CITY COUNCIL** was posted at the Leon Valley Public Library, 6425 Evers Road, Leon Valley, Texas, on January 29, 2016 at 12:40 p.m. and remained posted until after the meeting(s) hereby posted concluded. This notice is posted on the City website at [www.leonvalleytexas.gov](http://www.leonvalleytexas.gov). This building is wheelchair accessible. Any request for sign interpretive or other services must be made 48 hours in advance of the meeting. To make arrangements, call (210) 684-1391, Extension 216.

  
SAUNDRA PASSAILAIGUE, TRMC

City Secretary





## PROCLAMATION

*WHEREAS, The monarch butterfly is an iconic North American species whose population has declined by more than 90% in the past two decades due to degradation and loss of summer breeding habitat in the U.S.; and*

*WHEREAS, Our community can do something to address the monarch butterfly decline such as provide habitat at public parks, community gardens, recreation centers, libraries, schools, homes, and businesses through simple landscaping practices and educating citizens about how and where to grow milkweed.*

*WHEREAS, on December 9, 2015, City of San Antonio Mayor Ivy Taylor signed the National Wildlife Federation's Mayors' Monarch Pledge and issued a proclamation which made San Antonio the first city in the country a Monarch Champion; and*

*WHEREAS, Bexar County Commissioners Court supports the monarch butterfly preservation efforts and will assist the City and their partners, UTSA, San Antonio Zoo, San Antonio River Authority, and the San Antonio Water System, to implement all 24 action items identified by the National Wildlife Federation.*

*NOW THEREFORE, I, Chris Riley, Mayor of the City of Leon Valley, Texas, together with the entire Leon Valley City Council, pledge to work alongside the City of San Antonio and their partners to raise awareness about the decline of the monarch butterfly and the species' need for habitat.*

*Signed by my hand on this the 2<sup>nd</sup> day of February, 2016.*

*Chris Riley*

Mayor Chris Riley





## **Mayors' Monarch Pledge**

The monarch butterfly is an iconic North American species whose multigenerational migration and metamorphosis from caterpillar to butterfly has captured the imagination of millions of Americans.

We, the undersigned Mayors and local government chief executives, are deeply concerned about the decline of the monarch butterfly population. Twenty years ago, more than one billion Eastern monarch butterflies migrated to Mexico. In the winter of 2014, only 60 million made the trip. The North American monarch population has declined by more than 90 percent in the past two decades. Monarch scientists attribute the decline to degradation and loss of summer breeding habitat in the U.S., and loss of winter habitat in Mexico. Western populations of monarch butterflies that overwinter in California are also in decline.

Cities, towns and counties have a critical role to play to help save the monarch butterfly. Municipalities in particular can provide habitat at public parks, median strips, community gardens and municipal buildings that serve as community hubs such as recreation centers and libraries. Schools, homes and businesses can all provide essential habitat for monarchs too. Simple changes in landscaping ordinances or school policies can make a big difference for the monarch. Educating citizens about how and where to grow milkweed is also a key piece of the puzzle. Creating habitat and educating citizens will benefit other pollinators that need healthy habitat as well.

When Mayors speak up and take a stand, citizens notice. Therefore, we hereby commit to help restore habitat for the monarch and encourage our citizens to do the same, so that these magnificent butterflies will once again flourish across the continent.

Sign the pledge at [www.nwf.org/mayorsmonarchpledge](http://www.nwf.org/mayorsmonarchpledge)

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## Mayors' Monarch Pledge Action Items

Mayors and local government chief executives who have taken the Mayors' Monarch Pledge must commit to implement at least three of the 25 following action items within a year of taking the pledge. At least one action must be taken from the "Program & Demonstration Gardens" section. Mayors and local government chief executives taking more than eight actions will receive special recognition as part of the National Wildlife Federation's Mayors' Monarch Leadership Circle. NWF will follow up with all mayoral points of contact with a quarterly survey (1/1, 4/1, 7/1, 10/1) to monitor progress. Please visit [www.nwf.org/mayorsmonarchpledge](http://www.nwf.org/mayorsmonarchpledge) to take the pledge and access resources.

### **Communications & Convening:**

- 1) Issue a Proclamation to raise awareness about the decline of the monarch butterfly and the species' need for habitat.
- 2) Launch a public communication effort to encourage citizens to plant monarch gardens at their homes or in their neighborhoods.
- 3) Communicate with community garden groups and urge them to plant native milkweeds and nectar-producing plants.
- 4) Convene city park and public works department staff and identify opportunities for revised mowing programs and milkweed / native nectar plant planting programs.
- 5) Convene a meeting with gardening leaders in the community to discuss partnerships to support monarch butterfly conservation.

### **Program & Demonstration Gardens:**

- 6) Host or support a native plant sale or milkweed seed giveaway event.
- 7) Facilitate or support a milkweed seed collection and propagation effort.
- 8) Plant a monarch-friendly demonstration garden at City Hall or another prominent location.
- 9) Convert abandoned lots to monarch habitat.
- 10) Plant milkweed and native nectar plants in medians and public rights-of-way.
- 11) Launch a program to plant native milkweeds and nectar plants in school gardens by engaging students, teachers and the community.
- 12) Earn recognition for being a wildlife-friendly city by expanding your action plan to include other wildlife and habitat conservation efforts through a program like the NWF Community Wildlife Habitat program
- 13) Create a monarch neighborhood challenge to engage neighborhoods and homeowners' associations within the city to create habitat for the monarch butterfly.
- 14) Initiate or support citizen-science efforts that help monitor monarch migration and health.
- 15) Add milkweed and nectar producing plants in community gardens.

- 16) Expand invasive species removal programs to make it possible to re-establish native milkweed and nectar plants to the landscape.
- 17) Host or support a city monarch butterfly festival.

**Systems Change:**

- 18) Remove milkweed from the list of noxious plants in city weed / landscaping ordinances (if applicable).
- 19) Change weed or mowing ordinances to allow for native prairie and plant habitats.
- 20) Increase the percentage of native plants, shrubs and trees that must be used in city landscaping ordinances and encourage use of milkweed where appropriate.
- 21) Direct city property managers to consider the use of native milkweed and nectar plants at city properties where appropriate.
- 22) Integrate monarch butterfly conservation into the city's Park Master Plan, Sustainability Plan, Climate Resiliency Plan or other city plans.
- 23) Change landscape ordinances to support integrated pest management and reduced use of pesticides and insecticides.
- 24) Ban the use of neonicotinoid pesticides, or plants and seeds treated with neonicotinoid pesticides, on city lands.
- 25) California Specific: Pass a resolution to protect over-wintering monarch butterfly habitat on public and private lands.



January 20, 2016

Ms. Kelly Kuenstler  
City Manager  
City of Leon Valley  
6400 El Verde Rd.  
Leon Valley, TX 78238

Dear Ms. Kuenstler,

Congratulations are in order to the Leon Valley Public Library. You have been awarded the 2015 Achievement of Library Excellence Award from the Texas Municipal Library Directors Association.

Of the 556 public library systems in the State of Texas, only 41 received the 2015 award. The Leon Valley Public Library has demonstrated excellence in all ten areas required to qualify.

Please accept our sincere congratulations to a library system that provides quality services and programs for the continued education and personal enrichment of its citizens.

Again, congratulations on this achievement.

Sincerely,

Cathy Ziegler, Plano Public Library System  
Achievement of Library Excellence Award Committee  
Texas Municipal Library Directors Association  
An Affiliate Organization of the Texas Municipal League

## MAYOR AND COUNCIL COMMUNICATION

M&C #2016-02-02-01a

**DATE:** February 2, 2016

**TO:** Mayor and City Council

**FROM:** Rick Sanchez, Fire Engineer  
Daniel Cano, Firefighter

**THROUGH:** Kelly Kuenstler, City Manager

**SUBJECT:** Presentation and award to the Leon Valley Fire Department from the American Heart Association as a Fit-Friendly Worksite.

### **PURPOSE**

In an effort to reduce the risk of heart disease and/or strokes among Leon Valley firefighters, the fire department has taken steps to improve its overall wellness through several initiatives. Heart attacks and strokes continue as the leading cause of death among firefighters.

Leon Valley Firefighters worked to implement new initiatives to improve the departments overall wellness. These initiatives include implementing annual physical fitness testing; annual nutritional consultations, promoting eating healthy habits in the firehouse, expanding our outreach to behavioral support through a local Fire Chaplain service, improvements in emergency alarm notifications through our dispatch partnership with the City of Helotes, team fitness challenges such as the Tower Climb event for the Cystic Fibrosis Foundation, and more. These efforts are being recognized by the American Heart Association as providing a *fitness friendly* work environment. Leon Valley Fire Department becomes the first fire department in Bexar County to receive this Gold Standard recognition, and the second fire department in the state of Texas (Dallas FD).

### **FISCAL IMPACT**

The overall goal of the department is to reduce the risk of heart disease and strokes among our firefighters, and to create a healthier work site with less insurance claims from injuries and/or preventable illnesses and creating a stronger and more efficient work force.

### **RECOMMENDATION**

None

**S.E.E. IMPACT STATEMENT**

Social Equity – Providing the citizens with good customer service and prompt services adds to the overall quality of life

Economic Development – Providing good customer service and healthy work force promotes a better image, which may attract businesses and new residents

Environmental Stewardship – Part of what is recognized is the department promotion and participation in ride sharing, finding alternative forms of commuting, and participates in the annual “Annual Walk and Roll challenge”.

APPROVED: \_\_\_\_\_

DISAPPROVED: \_\_\_\_\_

APPROVED WITH THE FOLLOWING AMENDMENTS:

\_\_\_\_\_  
\_\_\_\_\_

ATTEST:

\_\_\_\_\_  
**SAUNDRA PASSAILAGUE, TRMC**  
City Secretary



**CITY OF LEON VALLEY  
CITY COUNCIL SPECIAL MEETING**

Leon Valley Conference Center  
6421 Evers Road, Leon Valley, Texas 78238  
Tuesday, January 19, 2016

**MINUTES**

The City Council of the City of Leon Valley, Texas met on the 19<sup>th</sup> day of January, 2016 at the Leon Valley Conference Center located at 6421 Evers Road, Leon Valley, Texas for the purpose of the following business:

**SPECIAL CITY COUNCIL MEETING**

Mayor Riley called the Special City Council Meeting to order at 5:35 p.m.

Mayor Riley asked that the minutes reflect that the following members of City Council were present: Carmen Sanchez, Monica Alcocer, Benny Martinez and David Jordan. Council Member David Edwards was excused.

Also in attendance were:

City Manager Kelly Kuentler, ACM/HR Director Crystal Caldera, City Secretary Sandra Passailaigue, City Attorney Roxann Pais Cotroneo.

**The City Council shall meet in Executive Session under Texas Local Government Code Section 551.071 of the Texas Public Information Act to meet with its attorney on a matter in which the duty of the attorney to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Public Information Act, regarding employment issues. (Roxann Pais Cotroneo, City Attorney)**

The City Council went into Executive Session at 5:35 p.m.

**Reconvene into Open Session and take action on issues discussed in Executive Session if necessary.**

The City Council reconvened into Open Session at 6:35 p.m. No action was taken.

**Adjournment.**

Mayor Riley announced that the Special City Council Workshop that was scheduled for this evening would be rescheduled to a future City Council meeting.

A motion was made by Council Member Benny Martinez and seconded by Council Member Monica Alcocer to adjourn the January 19<sup>th</sup> Special City Council Meeting at 6:35 p.m. Upon a vote of four (4) for and zero (0) against, with Council Member Edwards being excused, Mayor Riley announced the motion carried.

**These minutes approved by the Leon Valley City Council on the 2<sup>nd</sup> of February, 2016.**

APPROVED

**CHRIS RILEY**  
MAYOR

ATTEST:

**SAUNDRA PASSAILAIGUE, TRMC**  
CITY SECRETARY



**CITY OF LEON VALLEY  
CITY COUNCIL REGULAR MEETING**

Leon Valley Conference Center  
6421 Evers Road, Leon Valley, Texas 78238  
Tuesday, January 19, 2016

**MINUTES**

The City Council of the City of Leon Valley, Texas met on the 19<sup>th</sup> day of January, 2016 at the Leon Valley Conference Center located at 6421 Evers Road, Leon Valley, Texas for the purpose of the following business:

**REGULAR CITY COUNCIL MEETING**

Mayor Riley called the Regular City Council Meeting to order at 7:03 p.m. and asked returning Finance Director Vickie Wallace to lead the Pledge of Allegiance.

Mayor Riley asked that the minutes reflect that the following members of City Council were present: Carmen Sanchez, Monica Alcocer, Benny Martinez and David Jordan. Council Member David Edwards was excused.

Also in attendance were:

City Manager Kelly Kuentler, ACM/HR Director Crystal Caldera, City Secretary Sandra Passailaigue, City Attorney Roxann Pais Cotroneo, Communication Director Darrick Green, Community Development Director Elizabeth Carol, Public Works Director Melinda Moritz, Fire Chief Luis Valdez, Police Chief Randall Wallace, and Finance Director Vickie Wallace.

**Citizens to Be Heard and Time for Objections to the Consent Agenda.**

Mayor Riley asked if any of the Council Members wished to pull any item from the Consent Agenda for discussion. There being no item pulled the Mayor proceeded to citizens to be heard.

- Carrie Macias, 6602 Huebner, told City Council that more attention is needed at 6607 Huebner to address the traffic, etc.
- Patti Manea, President, City of Leon Valley Economic Development Corporation (CoLVEDC), invited the members of City Council to attend the January 27<sup>th</sup> CoLVEDC meeting.

## **CONSENT AGENDA**

### **Approval of City Council Minutes. (S. Passailaigue)**

- a) October 20, 2015 Special and Regular City Council Meeting**
- b) December 15, 2015 Regular City Council Meeting**
- c) December 21, 2015 Special City Council Meeting**

### **Approval of Quarterly Investment Report for the quarter ended December 31, 2015. M&C #2016-01-19-02 (K. Kuenstler)**

### **Approval of Final Draft Town Hall Meeting Agenda with the addition of the “City Manager’s Report”**

A motion was made by Council Member Monica Alcocer and seconded by Council Member Carmen Sanchez, to approve Consent Agenda Item #3 (October 20<sup>th</sup>, December 15<sup>th</sup> and December 21<sup>st</sup>, 2015 City Council Minutes), Item #4 (Quarterly Investment Report) and Item #5 (Town Hall Meeting Agenda) as presented. Upon a vote of four (4) for and zero (0) against, with Council Member Edwards being excused, Mayor Riley announced the motion carried.

## **REGULAR AGENDA**

### **Discussion and possible action on Resolution No. 16-001R, a resolution of the City of Leon Valley, Texas to appoint Roxann Pais Cotroneo as the city attorney and city prosecutor for the City of Leon Valley, Texas effective immediately followed by the administration of the Oath of Office by Mayor Riley.**

A motion was made by Council Member Monica Alcocer and seconded by Council Member David Jordan, to adopt Resolution No. 16-001R as presented. Upon a vote of four (4) for and zero (0) against, with Council Member Edwards being excused, Mayor Riley announced the motion carried.

Mayor Riley administered the Oath of Office to City Attorney, Roxann Pais Cotroneo.

### **Discussion and possible action regarding new laws effective on January 1, 2016 regulating a citizen’s right to carry a handgun and the City’s option to regulate handguns in city facilities. M&C #2016-01-19-03 (R. Cotroneo).**

City Attorney Roxann Pais Cotroneo presented the item in an effort to discuss new laws effective on January 1, 2016 regulating a citizen’s right to carry a handgun and the City’s option to regulate handguns in city facilities. City Attorney Cotroneo informed the City Council that a city has very limited authority to prohibit a *license holder* from carrying in city facilities to which the general public has access. State law prohibits a license holder from carrying a handgun on the premises: 1) Of a polling place on the day of election or while voting is in progress; and 2) Any government court or offices utilized by the court, unless pursuant to written regulation or written authorization from the court; and in addition, a city has the option of posting a specific notice to prohibit a license holder from carrying in the room or rooms

where a meeting of the governmental entity is held and if the meeting is an open meeting subject to the Open Meetings Act.

City Attorney Cotroneo's recommendation is that City Council direct staff to prepare a resolution to designate offices essential to court operations; prohibit handguns during government open meetings; and post notice signs in accordance with state law and City Council actions. The only fiscal impact would be the cost of signs and installation.

Council Member Benny Martinez was opposed to this saying that the state already regulates it. All other members of City Council were in favor.

- Belinda Ealy, 7314 Canterfield, spoke in opposition to regulating open carry except in court.
- Jacob Middleton, Senator Menendez' office said they would assist with signage costs.

City Attorney Cotroneo said she would participate in an upcoming webinar on this topic as well as discuss it with other city attorneys, draft a resolution and come back to City Council to present and discuss further.

**Discussion and possible action to consider approval of a budget adjustment, with related Ordinance No. 16-001, from the Communications Department to the Fire and Public Works Departments, to fund one part-time employee at the Fire Department and two new employees in the Public Works Department. M&C #2016-01-19-04 (M. Moritz)**

Public Works Director Melinda Moritz presented this item to request an additional part-time Administrative Assistant position for the Fire Department and additional two full-time positions to the Public Works Department, with the related budget adjustment ordinance.

**Fire Department** - Currently, the Fire Station has one part-time receptionist that works from 8 am to 12 noon. The reception desk is left unstaffed in afternoons. If firefighters are out on a call, the phones are not answered and the public must leave a message for the Administrative Assistant, who returns the call the next business day. If the phones are being answered by firefighters, it interrupts their training and other tasks. The new stand-alone building needs a full-time receptionist. Two part-time positions will cover the full day and using part-time staff reduces the cost to the City, as the City would not have to pay any benefits to either person.

**Public Works** - In Public Works, the two new positions would be split between the Construction Crew (streets, sidewalks, curbs) and the Maintenance Crew (buildings, parks, grounds). The Public Works Department has not added any personnel since 1991. In addition, one employee was removed from Public Works and reassigned to the Library. The City has grown from a 1990 population of 9,581 to a 2010 population of 10,151. The City has also added additional duties for the Stormwater Program. The City owns more property, facilities, streets, and sidewalks since 1991 and will add more:

- Conference Center, Kinman House, Records Storage Facility, Fire Station, Library Children's Wing; and Huebner-Onion Natural Area, Shadow Mist, and Silo parks; LC-17 Phase III 36 acres to be deeded to City in 2017

- Streets/sidewalks in Pavona Place, The Ridge at Leon Valley, Shadow Mist, Brisa Estates, Linkwood Addition

The Construction Crew has 4 employees and the Maintenance crew has 8 persons, which is not sufficient to complete all tasks assigned, nor are they able to respond as promptly as we would like to citizen service requests. The Department currently contracts to have the Bandera Road right of way mowed and cleaned at a cost of \$28,000 per year. If one new Crewmember is added to Maintenance Crew, we could terminate the contract and perform the work in-house, using the savings to fund some of the new salaries. The Crew would be dedicated to mowing, trimming, and trash removal in right of ways and parks. We would add one new Crewmember to the Construction Crew to assist with street and sidewalk projects.

Public Works Director Moritz said staff is proposing to fund these positions in the current fiscal year from savings in the Communications Department due to the dissolution of the dispatch services. The Communications Department Personnel Services budget would be reduced \$43,230, and Fire Department Personnel budget would be increased by \$6,352 and the Public Works Department Personnel Department would be increased by \$36,878. Next year, we would split the Public Works new employee salaries with Water Department (Enterprise Fund). In Fiscal Year 2017, each department would need additional funds such as FICA, health insurance, salary, etc.

Staff recommends that City Council approve the request to add a part-time Administrative Assistant position for the Fire Department and to add two full-time positions to the Public Works Department, with related budget adjustment ordinance, using the savings from the Communications Department to pay the new salaries.

A motion was made by Council Member Benny Martinez and seconded by Council Member Carmen Sanchez, to adopt Ordinance No. 16-001 as presented. Upon a vote of four (4) for and zero (0) against, with Council Member Edwards being excused, Mayor Riley announced the motion carried.

**Discussion and possible action to consider a date for the re-dedication of the Leon Valley City Hall and Police Station. M&C #2016-01-19-05 (M. Moritz)**

Public Works Director Melinda Moritz presented the item to ask the City Council to finalize a date for the re-dedication of City Hall and the Police Station. The 2012 Municipal Bond Project is coming to completion and City staff will be moving back into City Hall the weekend of February 5, 2016. The Police Department has already moved in. In order to showcase the efforts of the City Council, the Bond Oversight Committee, City Staff, and the citizens, a re-dedication ceremony and Open House should be held. After speaking with the Construction Supervisor from Bartlett Cocke and the architect from LPA, Inc., any date after February 18<sup>th</sup> was deemed acceptable to all. By that date, all punch list items, and the testing and balancing of HVAC and other systems should be completed, and the building ready for an open house.

Public Works Director Moritz added that with the exception of some light refreshments, decorations, and invitations, there is no fiscal impact – the dedication plaque is included in the Bond project.

Staff has recommended the City Council approve a date after February 18, 2016, for the rededication of City Hall.

- Mike K. Davis, 6002 Forest Shadow, expressed his concern with waiting to hold the re-dedication off until April.

A motion was made by Council Member Monica Alcocer and seconded by Council Member Carmen Sanchez, to hold a re-dedication of the Leon Valley City Hall and Police Station on Saturday, April 02, 2016 at 10:00 a.m. Upon a vote of four (4) for and zero (0) against, with Council Member Edwards being excused, Mayor Riley announced the motion carried.

**Presentation and discussion on the savings from the Community Center Solar Panels. M&C #2016-01-19-06 (E. Carol)**

Community Development Director Elizabeth Carol presented the item at the request of City Council. In 2007 The City adopted a Strategic Plan that focused on three initiatives: Social Equity, Economic Development and Environmental Sustainability. The Strategic Plan led to the development of our S.E.E. values. As part of the Environmental Sustainability component, the City was able to install solar panels on the Community Center with a Department of Energy Efficiency and Conservation Block Grant. The City did not contribute financially to this program.

The City compared the kilowatt consumption 3 years before and after the installation. There was an average savings of 31,135 kilowatt per year, which means our electrical consumption dropped by 33%. This has resulted in an annual average savings of \$2,365. Since the implementation there have been two rate increases by CPS Energy. In 2010, CPS Energy raised their rates by 7.5% and again in 2013 by 4.25%. CPS Energy has projected a future rate increase of 5.25% in 2016, and 4.25% in 2018.

City Manager Kelly Kuenstler announced that she would be meeting with Solar Host SA this Friday in response to a submission of an application to Solar Host SA to provide solar energy to the municipal building within the City of Leon Valley.

No action was taken.

**Discussion and possible action on the Proposed Communication Policy. M&C #2016-01-19-07 (D. Green)**

Communications Director Darrick Green presented this item saying this policy sets forth the process for communication consistency within the City of Leon Valley organizational structure in order for staff and City Council to effectively and efficiently communicate with one another and the public. In addition, this policy establishes the framework with which staff and City Council will collect and disseminate information in a timely and proactive manner so that all citizens as well as City of Leon Valley employees and City Council remain knowledgeable on all information pertaining to the City.

Communications Director Green said the strategic goals were to 1) Increase public awareness and understanding of the City, the services that we provide our community, and our future prospects for growth; 2) Promote a positive public image of the City and the work we do to the audiences that are important to the City, which includes existing and prospective residents, employees and vendors, as well as government officials; 3) To be open and responsive to information requests from the media because they are among the many ways our residents and business partners build individual perceptions of the City of Leon Valley; and 4) To prevent the improper use of social media platforms by employees that may negatively impact the City of Leon Valley's reputation or departmental operations.

Staff recommends that City Council adopt the proposed Communication Policy for (Internal, External and Social Media)

- Carol Poss, 7201 Huebner Road, expressed her concerns with the Echo not covering Leon Valley as she feels it should and suggested that the City get a new newspaper.

A motion was made by Council Member Monica Alcocer and seconded by Council Member David Jordan, to approve the City of Leon Valley Communication Policy as presented. Upon a vote of four (4) for and zero (0) against, with Council Member Edwards being excused, Mayor Riley announced the motion carried.

**Discussion and possible action authorizing the City Manager to remodel the Kinman House for use as a restaurant. M&C #2016-01-19-08 (K. Kuenstler)**

City Manager Kelly Kuenstler presented this item seeking City Council authorization to remodel the Kinman House to accommodate a restaurant. The Kinman property was purchased in 1998 and the home was renovated in 2007 to house the Economic Development Department. The Economic Development Department moved out of the house in November of 2015. Since that time, it has been used for City Council coffees, temporary offices, and as an event dressing area. The bakery "El Sol" considered using the facility for their restaurant activities, but they were unable to secure financing. The building is currently vacant.

The Leon Valley Café is currently located next to City Hall on Bandera Road in a space that is rapidly becoming too small. They have expressed an interest in renting the Kinman House for use as a restaurant. Patrons would come from their existing customer base, catering for the renters of the Community and Conference Center, Park rentals, and the general public

The conversion of the home would be accomplished through the use of a few contractors and in-house Public Works labor. Outside services would be sought for foundation repair, the fire alarm system, electrical, gas relocation, and equipment purchase. In-house labor would be used for the construction and the installation of equipment. If the Leon Valley Café is not successful at this location and moves out, the building could be rented to another restaurant.

A portion of the work was already budgeted in Fiscal Year 2016, namely the fire alarm and roof repair at \$13,000. Other work to be performed includes minor interior reconfiguration, deck construction, and the purchase of commercial kitchen equipment such as a range/oven, ansul

venthood system, 3 compartment sink, walk-in cooler and freezer, fryer, griddle, heat lamp, planetary mixer, etc.

Funding for this project could be taken from the General Fund or CIED funds. Furthermore, a request could be made from the Leon Valley Economic Development Corporation for funds associated with this project. The work would take approximately 2½ months to complete. The cost for remodeling and equipment purchase would total \$72,100.

City Manager Kuenstler and staff recommend the City Council authorize the City Manager to pursue this project and approve the associated budget adjustments and/or request a portion of this project from the Leon Valley Economic Development Corporation.

City Manager Kuenstler will go to the City of Leon Valley Economic Development Corporation to present the idea.

- Mike K. Davis, 6002 Forest Shadow, said he was opposed to the City of Leon Valley “going into the restaurant business” and asked if anyone had looked at the books of the proposed restaurant.
- Lynn Joseph, Trotter Lane, responded to Mr. Davis saying that the restaurant was doing “well.”
- Irene Baldrige, 6368 Parsley Hill, spoke in favor of the idea.

A motion was made by Council Member Monica Alcocer and seconded by Council Member Carmen Sanchez, to approve with the proviso that we first try to do it with the City of Leon Valley Economic Development Corporation (CoLVEDC).

A motion was made by Council Member Monica Alcocer and seconded by Council Member Carmen Sanchez, made a friendly amendment to the previous motion to approve with the proviso that we first try to do it with the City of Leon Valley Economic Development Corporation (CoLVEDC) and to authorize the City Manager to expend up to \$20,000 immediately to repair the chimney and foundation at the Kinman House. Upon a vote of four (4) for and zero (0) against, with Council Member Edwards being excused, Mayor Riley announced the motion carried.

Mayor Riley announced that the next three items would be discussed at one time.

**Discussion and possible action on Resolution No. 16-002R, supporting specific 2016 San Antonio Chamber of Commerce federal legislative efforts relating to aerospace. M&C #2016-01-19-09 (K. Kuenstler)**

City Manager Kuenstler presented by saying that approval of this resolution is sought in an effort to support the federal legislative efforts of the San Antonio Chamber of Commerce in conjunction with the San Antonio Suburban Cities Coalition. Coalition members joined the San Antonio Chamber of Commerce in an effort to corroborate federal, state and local initiatives and to demonstrate a regional approach to problem solving in the area. The support of a Resolution regarding aerospace supports an increase in non-stop service from the San

Antonio International Airport to key cities and it supports long term reauthorization of the Federal Aviation Authority (FAA) including increased funding and flexibility for the Airport Improvement Program (AIP) and an increase in the cap of the Passenger Facility Charge.

A motion was made by Council Member Monica Alcocer and seconded by Council Member David Jordan, to approve Resolution No. 16-002R, Resolution No. 16-003R and Resolution No. 16-004R as presented. Upon a vote of four (4) for and zero (0) against, with Council Member Edwards being excused, Mayor Riley announced the motion carried.

**Discussion and possible action on Resolution No. 16-003R, supporting specific 2016 San Antonio Chamber of Commerce federal legislative efforts relating to transportation. M&C #2016-01-19-10 (K. Kuenstler)**

City Manager Kuenstler presented by saying that approval of this resolution is sought in an effort to support the federal legislative efforts of the San Antonio Chamber of Commerce in conjunction with the San Antonio Suburban Cities Coalition. Coalition members joined the San Antonio Chamber of Commerce in an effort to corroborate federal, state and local initiatives and to demonstrate a regional approach to problem solving in the area. The passage of a Resolution regarding transportation supports the Corridors of National Significance Program for the Loan Star Rail District, VIA Metropolitan Transit projects, the Congestion Mitigation & Air Quality (CMAQ) Program, the Surface Transportation Program, the National Highway Performance Program (NHPP) and the Transportation Alternatives Program (TAP).

A motion was made by Council Member Monica Alcocer and seconded by Council Member David Jordan, to approve Resolution No. 16-002R, Resolution No. 16-003R and Resolution No. 16-004R as presented. Upon a vote of four (4) for and zero (0) against, with Council Member Edwards being excused, Mayor Riley announced the motion carried.

**Discussion and possible action on Resolution No. 16-004R, supporting specific 2016 San Antonio Chamber of Commerce federal legislative efforts relating to water and environment. M&C #2016-01-19-11 (K. Kuenstler)**

City Manager Kuenstler presented by saying that approval of this resolution approval is sought in an effort to support the federal legislative efforts of the San Antonio Chamber of Commerce in conjunction with the San Antonio Suburban Cities Coalition. Coalition members joined the San Antonio Chamber of Commerce in an effort to corroborate federal, state and local initiatives and to demonstrate a regional approach to problem solving in the area. The passage of a Resolution regarding water and the environment seeks to secure funding for FY 16 and FY 17 with the US Army Corp of Engineers for reimbursing Bexar County for advancing \$61.3 million of the federal share of the San Antonio Channel Improvement Project and to monitor legislative initiatives regarding the Environmental Protection Agency (EPA) and US Army Corps of Engineers implementation of the proposed rule entitled "Waters of the United States" under the Clean Water Act.

A motion was made by Council Member Monica Alcocer and seconded by Council Member David Jordan, to approve Resolution No. 16-002R, Resolution No. 16-003R and Resolution No. 16-004R as presented. Upon a vote of four (4) for and zero (0) against, with Council Member Edwards being excused, Mayor Riley announced the motion carried.

**Discussion and possible action regarding the Contribution and Content Policy for the Lion's Roar. M&C #2016-01-19-12 (K. Kuenstler)**

City Manager Kuenstler presented this item to update the Newsletter Content Policy dated March 1, 2011 and amendment dated January 12, 2015 and to discuss the removal of number 8 on the content policy. The updated policy makes inconsequential changes as follows: Changes Neighborhood News to Publisher, publisher content policy removed (our current publisher does not have a content policy), and submittal to IT Specialist instead of the Community Development Department.

Number eight on the content policy reads as follows: "Newsletter article contributions by any elected official may not be submitted within 120-days prior to the election". Some inquiries have been made to 1) remove the item all together 2) amend the number to allow only those that are running for office or reelection 3) Reducing the number to 90 days instead of 120 days. The law continuously prohibits the use of public funds and internal mail system for the purpose of political advertising, unless the communication factually describes the purposes of a measure and if the communication does not advocate passage or defeat of a measure (*Election Code Title 15 Chapter 255*).

City Manager Kuenstler's recommendation is to update the content policy with the inconsequential changes and to delete number 8 from the content policy.

A motion was made by Council Member Benny Martinez and seconded by Council Member Monica Alcocer, to approve the update as recommended by City Manager Kuenster. Upon a vote of four (4) for and zero (0) against, with Council Member Edwards being excused, Mayor Riley announced the motion carried.

**Discussion to form a Home Rule Charter Commission and begin the process to move Leon Valley from General Law to a Home Rule city. M&C #2016-01-19-13 (Council Members Benny Martinez and Carmen Sanchez)**

Council Member Carmen Sanchez and Council Member Benny Martinez spoke in favor of creating a Home Rule Charter Commission to begin the process of taking the City of Leon Valley from a Home Rule city to a Home Rule Charter city.

Council Member Monica Alcocer and Council Member David Jordan spoke in in opposition of creating a Home Rule Charter Commission to begin the process of taking the City of Leon Valley from a Home Rule city to a Home Rule Charter city at this time.

ACM/HR Director Crystal Caldera will let the Council know what the total expenditure was in 2015 when this was done.

- Lynn Joseph, Trotter Lane, asked if any other cities had problems with legislative changes and enforcement as Home Rule cities.

There was a consensus among Council Members to place on the next agenda with possible action.

**Discussion and possible action on Ordinance No. 16-002, an ordinance approving amendments to the General Fund of the City Of Leon Valley, Texas Municipal Budget for Fiscal Year of 2015-2016. M&C #2016-01-19-14 (C. Caldera)**

ACM/HR Director Crystal Caldera was present to answer questions.

A motion was made by Council Member Benny Martinez and seconded by Council Member David Jordan, to adopt Ordinance No. 16-002 as presented. Upon a vote of four (4) for and zero (0) against, with Council Member Edwards being excused, Mayor Riley announced the motion carried.

**City Manager's Report:**

**a) Approved Minutes from Boards, Commissions and Committees**

**b) Future Agenda Items:**

- **Call of the May 2016 General Election , February 2, 2016**

**c) Upcoming Important Events:**

- **Town Hall Meeting, Conference Center, January 23, 2016 from 8:30 a.m. until 12:30 p.m.**
- **General Election Application Filing Period, January 20, 2016 until 5:00 p.m. February 19, 2016**
- **Volunteer Appreciation Dinner, Wednesday, April 6, 2016 at 6:00 p.m.**
- **Annual Pet Parade, Saturday, April 30, 2016, 10:00 a.m. – noon.**

City Manager Kuenstler reminded everyone of the upcoming agenda items as well as upcoming City events.

**Citizens to be heard.**

- Mike K. Davis, 6002 Forest Shadow, spoke on Item #8 of this agenda asking why the current part time Fire Department employee had not been offered a full time position instead of creating a position for another part time employee.
  - Mayor Riley responded that the current employee does not wish to work full time.
- Jacob Middleton, invited everyone to the 2<sup>nd</sup> Community Gathering hosted by Senator Menendez' on January 30<sup>th</sup> from 9:00 a.m. to 11:00 a.m. at 8650 Fredericksburg Road.
- Vickie Jamvold, 7203 Poss Road, asked that the City be proactive and said she feels "slighted".
- Belinda Ealy, 7314 Canterfield, said that the savings the City would have seen a bigger savings from the solar panels on the Community Center if the panels were cleaned. Ms. Ealy also reminded everyone of the Earthwise Living Event on March 5<sup>th</sup>.

**Announcements by the Mayor and Council Members.**

Council Member Carmen Sanchez wished everyone a happy new year.

Council Member Monica Alcocer thanked everyone for coming and for their comments.

Council Member Benny Martinez announced that the next Leon Valley Area Chamber of Commerce monthly meeting would be held next Thursday at 11:30 a.m. at Native Wings.

Council Member David Jordan invited everyone to come out to the Annual Town Hall meeting Saturday, January 23<sup>rd</sup>.

Mayor Riley thanked Council Member Sanchez for filling in for her in her absence and to Council Member Benny Martinez for filling in for her at the Suburban Mayors Meeting. Mayor Riley then listed the items that will be discussed at the Annual Town Hall meeting.

**Adjournment.**

Mayor Riley announced the meeting adjourned at 10:12 p.m.

**These minutes approved by the Leon Valley City Council on the 2<sup>nd</sup> of January, 2016.**

APPROVED

**CHRIS RILEY**  
MAYOR

ATTEST:  
**SAUNDRA PASSAILAIGUE, TRMC**  
CITY SECRETARY

**MAYOR AND COUNCIL COMMUNICATION**

**DATE:** February 2, 2016 **M&C # 2016-02-02-02**  
**TO:** Mayor and Council  
**FROM:** Vickie Wallace, Finance Director  
**THROUGH:** Kelly Kuenstler, City Manager  
**SUBJECT:** Approval of bank signature cards and approval of a Resolution Amending the Authorized Representatives for TexPool

**PURPOSE**

The City needs to update bank signature cards for Frost Bank and approve a resolution amending the authorized representatives for TexPool. The City requires two signatures. The following individuals are the authorized signers for these functions:

Kelly Kuenstler, City Manager  
Saundra Passailaigue, City Secretary  
Vickie Wallace, Finance Director  
Chris Riley, Mayor

**SEE LEON VALLEY**

Social – N/A  
Economic – N/A  
Environmental – N/A

**FISCAL IMPACT**

None.

**STRATEGIC GOALS**

N/A

**RECOMMENDATION**

Authorize the change to the authorized signers for the City of Leon Valley.

APPROVE: \_\_\_\_\_ DISAPPROVE: \_\_\_\_\_

APPROVE WITH THE FOLLOWING AMENDMENTS:

\_\_\_\_\_  
\_\_\_\_\_

ATTEST:

\_\_\_\_\_  
**SAUNDRA PASSAILAIGUE, TRMC**  
City Secretary



# Resolution Amending Authorized Representatives

Please use this form to amend or designate Authorized Representatives.

This document supersedes all prior Authorized Representative forms.

\* Required Fields

## 1. Resolution

WHEREAS,

City of Leon Valley

Participant Name\*

7 7 1 0 6

Location Number\*

("Participant") is a local government of the State of Texas and is empowered to delegate to a public funds investment pool the authority to invest funds and to act as custodian of investments purchased with local investment funds; and

WHEREAS, it is in the best interest of the Participant to invest local funds in investments that provide for the preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act; and

WHEREAS, the Texas Local Government Investment Pool ("TexPool/ Texpool Prime"), a public funds investment pool, were created on behalf of entities whose investment objective in order of priority are preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act.

NOW THEREFORE, be it resolved as follows:

- A. That the individuals, whose signatures appear in this Resolution, are Authorized Representatives of the Participant and are each hereby authorized to transmit funds for investment in TexPool / TexPool Prime and are each further authorized to withdraw funds from time to time, to issue letters of instruction, and to take all other actions deemed necessary or appropriate for the investment of local funds.
- B. That an Authorized Representative of the Participant may be deleted by a written instrument signed by two remaining Authorized Representatives provided that the deleted Authorized Representative (1) is assigned job duties that no longer require access to the Participant's TexPool / TexPool Prime account or (2) is no longer employed by the Participant; and
- C. That the Participant may by Amending Resolution signed by the Participant add an Authorized Representative provided the additional Authorized Representative is an officer, employee, or agent of the Participant;

List the Authorized Representative(s) of the Participant. Any new individuals will be issued personal identification numbers to transact business with TexPool Participant Services.

1. Mickie Wallace

Name

Finance Director

Title

210-684-1391/210-684-4476/v.wallace@leonvalleytexas.gov

Phone/Fax/Email

Signature

2. Kelly Kuenstler

Name

City Manager

Title

210-684-1391/210-684-4476/k.kuenstler@leonvalleytexas.gov

Phone/Fax/Email

Signature

**1. Resolution (continued)**

3.   
 Name  
  
 Title  
  
 Phone/Fax/Email  
  
 Signature

4.   
 Name  
  
 Title  
  
 Phone/Fax/Email  
  
 Signature

List the name of the Authorized Representative listed above that will have primary responsibility for performing transactions and receiving confirmations and monthly statements under the Participation Agreement.

Name

In addition and at the option of the Participant, one additional Authorized Representative can be designated to perform only inquiry of selected information. This limited representative cannot perform transactions. If the Participant desires to designate a representative with inquiry rights only, complete the following information.

Name  
  
 Title  
  
 Phone/Fax/Email

D. That this Resolution and its authorization shall continue in full force and effect until amended or revoked by the Participant, and until TexPool Participant Services receives a copy of any such amendment or revocation. This Resolution is hereby introduced and adopted by the Participant at its regular/special meeting held on the \_\_\_\_ day \_\_\_\_\_, 20 \_\_\_\_.

**Note: Document is to be signed by your Board President, Mayor or County Judge and attested by your Board Secretary, City Secretary or County Clerk.**

Name of Participant\*

**SIGNED**

Signature\*  
  
 Printed Name\*  
  
 Title\*

**ATTEST**

Signature\*  
  
 Printed Name\*  
  
 Title\*

**2. Mailing Instructions**

The completed Resolution Amending Authorized Representatives can be faxed to TexPool Participant Services at 1-866-839-3291, and mailed to:

TexPool Participant Services  
1001 Texas Avenue, Suite 1400  
Houston, TX 77002

**ORIGINAL SIGNATURE AND DOCUMENT REQUIRED**

**TEX-REP**

**2 OF 2**

**MAYOR AND COUNCIL COMMUNICATION**

**DATE:** February 2, 2016

**M&C #2016-02-02-03**

**TO:** Mayor and City Council

**FROM:** Vickie Wallace, Finance Director

**THROUGH:** Kelly Kuenstler, City Manager

**SUBJECT:** Approval of an Ordinance for a budget adjustment in the amount of \$20,000 to remodel the Kinman House for Use as a Restaurant. Council approved the budget adjustment on January 16, 2016. However, an Ordinance was not attached. In order to properly execute the budget adjustment approved, an Ordinance is needed. This item is a house keeping item only.

**PURPOSE**

At the Council meeting on January 16, 2016, Council authorized the remodel of the Kinman House to accommodate a restaurant and approved a related budget adjustment in the amount of \$20,000. However, there was no Ordinance attached. This item is a house keeping item only so that the proper documents can be executed to authorize the adjustment to the budget.

**FISCAL IMPACT**

Funding for this project will come from the General Fund.

**RECOMMENDATION**

Council approved a budget adjustment in the amount of \$20,000. However, an Ordinance is needed to properly execute the budget adjustment.

**S.E.E. IMPACT STATEMENT**

Social Equity – Provides an opportunity for a small business to grow.

Economic Development – This project is compatible with the City Council’s goal of business retention and economic growth.

Environmental Stewardship – Provides for the reuse/recycling of an existing structure.

APPROVED: \_\_\_\_\_ DISAPPROVED: \_\_\_\_\_

APPROVED WITH THE FOLLOWING AMENDMENTS:

\_\_\_\_\_  
\_\_\_\_\_

ATTEST:

\_\_\_\_\_  
**SAUNDRA PASSAILAGUE, TRMC**  
City Secretary

**AN ORDINANCE APPROVING AMENDMENTS THE GENERAL FUND OF THE CITY OF LEON VALLEY, TEXAS MUNICIPAL BUDGET FOR FISCAL YEAR OF 2015-2016.**

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**Whereas** on September 22, 2015 the City Council of the City of Leon Valley adopted the 2015-2016 fiscal year budget: and

**Whereas** Texas Local Government Code Section 102.010 provides that a municipality is not prohibited from making changes to a budget for municipal purposes: and

**Whereas** the Leon Valley City Council hereby finds and determines, that the amendments adopted under this ordinance are for a municipal purpose.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LEON VALLEY, TEXAS, THAT:**

**SECTION I**

That the City Council of the City of Leon Valley hereby amends the fiscal year 2013-2014 budget as provided for in the attached Exhibit "A", said Exhibit to incorporated herein as if fully set forth herein.

**SECTION II  
SEVERABILITY**

It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs, and sections of this ordinance are severable, and if any phrase, clause sentence, paragraph or section of this ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this ordinance, since the same would have been enacted by the City Council without the incorporation in this ordinance of any such unconstitutional phrase, clause, sentence, paragraph or section.

**SECTION III.  
REPEALER CLAUSE**

Any provisions of any prior ordinance of the City which are in conflict with any provision of the Ordinance, are hereby repealed to the extent of the conflict, but all other provisions of the ordinances of the City which are not in conflict with the provisions of this Ordinance, shall remain in full force and effect.

**SECTION IV.  
EFFECTIVE DATE**

This Ordinance shall become effective and shall be in full force and effect on and after its passage and publication as required by state law.

**SECTION V.  
PROPER NOTICE AND MEETING**

It is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public and that public notice of the time, place and purpose of said meeting was given as required by the Open Meetings Act, Chapter 551, of the Texas Government Code. Notice was also provided as required by Chapter 52 of the Texas Local Government Code.

**PASSED, ADOPTED AND APPROVED** by the City Council of the City of Leon Valley this the 2nd day of February, 2016.

**APPROVED**

\_\_\_\_\_  
**CHRIS RILEY**  
MAYOR

Attest:

\_\_\_\_\_  
**SAUNDRA PASSAILAIGUE, TRMC**  
City Secretary

Approved as to Form:

\_\_\_\_\_  
**ROXANN PAIS COTRONEO**  
City Attorney



**CITY OF LEON VALLEY, TEXAS  
BUDGET ADJUSTMENT  
FISCAL YEAR 2015-2016**

Request Submitted By: _____	Date: _____
Department Head	
Approved By: _____	Date: _____
Finance Director	
Approved By: _____	Date: _____
City Manager	

<b>TYPE OF TRANSFER:</b>	<b><u>DEPARTMENT:</u></b>
<input type="checkbox"/> Inter-Departmental Transfer	
<input type="checkbox"/> Intra-Departmental Transfer	
<input checked="" type="checkbox"/> Supplemental Appropriation	

**FROM:**

FUND	ACCOUNT NO.	DESCRIPTION	AMOUNT
<b>100</b>	<b>Reserve</b>	<b>Kinman House Renovations</b>	<b>\$20,000</b>

**TO:**

FUND	ACCOUNT NO.	DESCRIPTION	AMOUNT
<b>100</b>	<b>Expense</b>	<b>Kinman House Renovations</b>	<b>\$20,000</b>

## **MAYOR AND COUNCIL COMMUNICATION**

**DATE:** February 2, 2016 **M&C # 2016-02-2-04**

**TO:** Mayor and Council

**FROM:** Elizabeth Carol, Community Development Director

**THROUGH:** Kelly Kuenstler, City Manager

**SUBJECT:** Consideration and possible action on a sign variance request by Pastor Herman Price Jr., of St. John's Baptist Church, to allow a digital sign at 6800 Evers Road.

### **PURPOSE**

To consider a sign variance this would allow the congregation of St. John's Baptist Church to remove the old sign on their newly acquired property and replace the sign to enhance their presence in the community with a dynamic digital sign. The congregation's property is at the corner of Huebner and Evers Road, and the church moved onto the site in 2006.

Chapter 3.04.014(12) of the Leon Valley Code of Ordinances and Chapter 14 Appendix C, Section G(2)(j)(iv) identify digital signs as prohibited in Leon Valley. The applicant was denied their permit. As part of their variance request, the applicant noted that they lacked visibility from Huebner Road.

### **S.E.E. LEON VALLEY**

Social – It is equitable for the City to assist the applicant in resolving this matter.

Economic – Provides a consistent and dependable, public hearing process

Environmental –N/A

### **FISCAL IMPACT**

The applicant paid \$100 for consideration of their variance requests. If the request is approved the applicant will pay \$75.00 for their sign permit.

### **RECOMMENDATION**

Staff recommends that the applicant be granted a variance due to the proposed reduction in sign area. Variances are at the discretion of the City Council, and Staff has noted several alternatives:

1. Grant a variance; or

2. Approve, with condition; or
3. Deny the sign variance.

To grant a variance to the sign ordinance, the City Council must find that strict enforcement of these requirements of this article, due to special conditions wherein a literal enforcement of this article would result in unnecessary hardship, and so that the spirit of this article is observed and substantial justice is done.

APPROVED: \_\_\_\_\_ DISAPPROVED: \_\_\_\_\_

APPROVED WITH THE FOLLOWING AMENDMENTS:

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ATTEST:

\_\_\_\_\_  
**SAUNDRA PASSAILAIGUE, TRMC**  
City Secretary



Developing Godly People Dedicated To A Life Of Service.

January 11, 2016

The Honorable Mayor Chris Riley and City Council Members  
6502 Bandera Road, Suite 112  
Leon Valley, TX. 78238

Re: Digital Sign Variance Request

Our sign contractor requested that we submit a letter justifying our need for a digital sign on Huebner Road. This request is based on Hardship, Image, Convenience, and Safety.

**HARDSHIP:** As a long-term member in the Leon Valley community, we want the residents to know we are here to serve them. Our church is located on Evers Rd., and cannot be seen from Huebner Rd. The LED Signage will let the community and drivers on Huebner know, we are here and not a church that's, "coming soon!" The LED Signage is the cutting edge technology of the twenty-first century used to draw families to our churches or businesses. The LED Signage will allow St. John Baptist Church to keep pace with other progressive churches in the faith community. Studies have shown that LED signs can contribute 10% to the church's growth.

**IMAGE:** Society has come a long ways due to the world of information and digital display. We desire to project a contemporary image to the community to demonstrate we are in tune with the needs of the twenty-first century church goers.

**CONVENIENCE:** This digital sign will give us the ability to let the community know about classes, ministries, and events we offer that's open to the community. Last year our monthly Food Drive gave away food to 1249 people. The digital signage will allow us to reach hundreds more in need of food in the community.

**SAFETY:** The sign also ensures no accidents or safety issues can occur from needing to manually update messaging.

Your favorable consideration and approval of this request is greatly appreciated. We look forward to future collaborations with the Leon Valley Community.

Sincerely,

Rev. Herman Price Jr., Pastor

Rev. Herman Price, Jr., PASTOR

6800 Evers Road Leon Valley, TX 78240 PHONE 210.822.3559 FAX 210.822.5592

**Leon Valley Code of Ordinances  
Chapter 3 Sign**

**Sec. 3.04.008 Variances and appeals**

(a) Persons wishing to erect signs not in conformance with this article or any person aggrieved by any decision of the city in the administration of this article may appeal such decision to the city council. The city council shall only hear and decide the following:

- (1) An appeal that alleges error in an order, requirement, decision, or determination made by an administrative official in the enforcement of this article; or
- (2) A request for variance(s) from the strict enforcement of the requirements of this article due to special conditions wherein a literal enforcement of this article would result in unnecessary hardship, and so that the spirit of this article is observed and substantial justice is done.

(b) The application must be accompanied by a drawing or other artistic representation to accurate scale showing the exact sign proposed, its size and message (textural or pictorial), color, shape, whether lighted or unlighted, location on said property or business, materials of which it is to be made, how it is to be made and how it is to be fastened. Granting of the variance requires approval from the designated city official(s), who shall determine whether the proposed sign is acceptable under the conditions established in this article and applicable building codes. Upon approval from the designated city official(s), the variance request will be heard by the city council.

(c) The city manager or designee is authorized to approve a variance to three specific types of regulations in this article: sign area, sign height, and distance between signs. This authorization shall be restricted to variance of one (1) of type of regulation not to exceed 10% of the specified dimension for one (1) existing nonconforming sign per platted property. This staff variance provision does not apply to any of the properties required to file a master sign plan.

**Sec. 3.04.014 Prohibited signs**

The following signs shall be prohibited in the city:

- (1) Any sign constructed or located in such a manner that it is or becomes an immediate hazard or danger to persons or property because of being in an unsafe condition, or which obstructs any window, door, or fire escape of any building.
- (2) Illegal signs or any other sign constructed after the enactment of this article which is not in compliance with the terms of this article.
- (3) Illuminated, highly reflective signs or spotlights which hamper the vision of motorists or bicyclists.
- (4) Any sign, banner or display placed on any public right-of-way, utility pole, traffic-control device, curb, sidewalk, post, pole, hydrant, bridge, tree, or other surface located on, over, or across any public street or right-of-way (other than a government sign or allowed sign as per [section 3.04.010](#)).
- (5) Any banner placed on stakes on a property, unless otherwise permitted.

(6) Portable signs. Any sign not permanently attached to the ground or other permanent structure, including those signs which may be transported to the site on wheels, on skids or on a truck; signs constructed as or converted to a T-frame sign; or umbrellas used for advertising purposes. Such sign, whether or not bolted or cemented to the ground, shall nonetheless be deemed to be a portable sign.

(7) Signs which contain or are an imitation of an official traffic sign or signal, or which are of a size, location, movement, content, coloring, or manner of illumination which may be confused with or construed as a traffic-control device, or which may hide from view any traffic or street sign or signal.

(8) Snipe/parasite signs.

(9) Temporary signage, except as permitted in [section 3.04.013](#).

(10) Vehicle signs. Signs placed on or affixed to vehicles and/or trailers that are parked on a public right-of-way, public property, or private property so as to be visible from a public right-of-way where the apparent purpose is to advertise a product, or direct people to a business or activity located on the same or nearby property, shall be prohibited. However, this is not intended in any way to prohibit signs placed on or affixed to vehicles and trailers where the sign is incidental to the primary use of the vehicle or trailer and where the vehicle is being operated in the normal course of business, is in operable condition, and carries a current and valid license plate and state inspection tag.

(11) Any sign placed on a property without the permission of the property owner.

(12) Light emitting diode (LED) and static electronic digital display signs, except as allowed on-premises for freestanding, multitenant, window and door signs (only one per storefront) and government signs as regulated and defined in this article.

(13) Wind-waver flags.

(14) Portable or vehicle driven digital or LED signs.

## Chaper 14 Overlay District, Appendix C

### Sec. G(2)(j) Prohibited signs

- i. Roof Signs[.]
- ii. Pole Signs not located adjacent to Loop 410 and the Flyover.
- iii. Animated, moving, flashing, blinking, reflecting, revolving, or any similar signs, except time/temperature devices and barber shops.
- iv. Electronic reader board signs, except time/temperature devices.

# **City of Leon Valley City Council**

St. John's Baptist Church

Sign Variance Request

M&C#2016-02-02-04

February 2, 2016

# Leon Valley Code of Ordinances

- 3.04.014 (12) Signs Permit Leon Valley Code of Ordinances and the Sustainability Overlay District G(2)(j) prohibits LED Signs.
- Applicant applied for a permit and was denied.
  - Applicant must demonstrate a hardship
  - Written request must be submitted

# Project History

- Church founded in 1910 in Olmos Park
- Church relocated to Leon Valley in 2006
- Current sign is a painted freestanding sign
- Recently acquired additional property and submitted request new sign
- Sign permit denied, due to prohibition of LED
- January 11<sup>th</sup> applicant applied for a sign variance

## **Applicant's Request:**

- Applicant/Owner: St. John's Baptist Church
- Location: 6800 Evers Road
- Allow a digital sign
- Applicant has identified their hardship as a lack of visibility from Huebner Road



# Existing Conditions



# Existing Conditions



# Proposed Sign



# Fiscal Impact

- Sign Variance
  - \$100 variance consideration
  - \$75 sign permit, if variance is approved

# S.E.E. Statement

- **Social Equity** – it is equitable for the City to assist applicants in resolving their concerns,
- **Economic Development** – Provides a consistent and dependable, public hearing process
- **Environmental Stewardship** – N/A

# Recommendation

- Staff recommends that the sign variance be approved
- Other options:
  - Grant a variance with conditions
  - Deny variance request

# **City of Leon Valley City Council**

St. John's Baptist Church

Sign Variance Request

M&C#2016-02-02-04

February 2, 2016

**MAYOR AND COUNCIL COMMUNICATION**

**DATE:** February 2, 2016 **M&C #2016-02-02-05**  
**TO:** Mayor and City Council  
**FROM:** Kelly Kuentler, City Manager  
**SUBJECT:** Approval of Comprehensive Annual Financial Report for Fiscal Year 2015.

**PURPOSE**

Approve the attached Comprehensive Annual Financial Report for Fiscal Year 2015.

**SEE LEON VALLEY**

Social - The Comprehensive Annual Financial Report provides transparency in government for the citizens of Leon Valley.

Economic – The Comprehensive Annual Financial Report of this municipality shows our compliance with the accounting requirements promulgated by the Governmental Accounting Standards Board (GASB) and it shows our financial condition. This information is important in making sound, economic decisions for Leon Valley.

Environmental - N/A

**FISCAL IMPACT**

None.

**STRATEGIC GOALS**

N/A

**RECOMMENDATION**

Approve the Comprehensive Annual Financial Report for Fiscal Year 2015

APPROVED: \_\_\_\_\_ DISAPPROVED: \_\_\_\_\_

APPROVED WITH THE FOLLOWING AMENDMENTS:

\_\_\_\_\_  
\_\_\_\_\_

ATTEST:

\_\_\_\_\_  
**SAUNDRA PASSAILAIGUE, TRMC**  
City Secretary

CITY OF LEON VALLEY, TEXAS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED SEPTEMBER 30, 2015

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**INTRODUCTORY SECTION**

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February 2, 2016

The Honorable Mayor, Members of City Council  
and Citizens of the City of Leon Valley:

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended September 30, 2015.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive frame-work of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The City of Leon Valley financial statements have been audited by ABIP, P.C., a firm of licensed certified public accountants. They have issued an unmodified "clean" opinion on the City of Leon Valley's financial statements for the year ended September 30, 2015. The independent report is located at the front of the financial section of this report.

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

#### PROFILE OF THE GOVERNMENT

The City, incorporated in 1952, is a residential community located in south central Texas in the northwest portion of the San Antonio Metropolitan Statistical Area. The City is located in Bexar County, Texas. Bexar County's economy is based on military, tourism, agriculture, limestone mining, medical facilities, and manufacturing. The City has a land area of 3.5 square miles and is surrounded on all sides by the City of San Antonio. Most City residents are employed within the greater San Antonio Metropolitan Statistical Area. A full range of services is provided to residents and businesses, including police and fire protection, construction and maintenance of streets and infrastructure, recreational activities, and water and sewer utilities. The City population based upon the 2010 census is 10,866. The City is empowered to levy a property tax on both real and personal property located within its boundaries. The City's property tax rate is average compared to the rest of Bexar County.

The City is operated under the council-manager form of government. Policy making and legislative authority are vested in the City Council, which consists of a Mayor and a five-member Council.

The Council is elected on a non-partisan basis at large. Council members are elected to two-year staggered terms. The Mayor is elected at large to a two-year term. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and the hiring of a City Manager. The City Manager is responsible for carrying out the policies and ordinances of the governing Council, overseeing the day-to-day operations of the City, and appointing the heads of the City's departments.

The City maintains extensive budgetary controls. The objective of these controls is to ensure the proper safeguarding of City assets, compliance with State budgetary statutes and compliance with legal provisions embodied in the annual budget approved by the City Council. Activities of the General Fund, Debt Service Fund, Water and Sewer (Enterprise) Fund, Community Center Fund, Building Security Fund, Child Safety Fund, Municipal Court Technology Fund, Street Maintenance Tax Fund, Police Forfeiture Fund, Grant Fund, CIED Fund, Crime Control and Prevention District, and Capital Project Fund are included in the City's annual budget. The Capital Projects Fund activities are expected to extend beyond one or more fiscal years, and are therefore budgeted on a project-by-project basis. Federal, State, and local grants are budgeted for at the time of grant acceptance.

The annual budget serves as the foundation for the City of Leon Valley's financial planning and control. Generally the City has a policy of funding current year operating expenditures with current operating revenues. Capital purchases are funded from the Unassigned Fund Balance. All agencies of the City of Leon Valley are required to submit requests for appropriation to the City Manager on or before the first week in May each year. The City Manager then presents this proposed budget to the Council for review in July. The Council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than September 30, the close of Leon Valley's fiscal year.

The City has adopted financial policies for budgetary control that is stricter than is required by law. The appropriated budget is prepared by fund, department (e.g. police), and function (e.g. patrol). Department heads may make transfers of appropriations within a department. Transfers of appropriations between departments, however, require the special approval of the Council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on pages 50-52 as required supplemental information for the governmental funds.

#### LOCAL ECONOMY

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Leon Valley operates.

The City of Leon Valley has experienced an economic upturn as far as sales tax over the past few fiscal years and property values are demonstrating an increase in value.

The region's leading industries, in terms of gross sales for the City, are auto dealers/gasoline service stations and food stores; a significant portion of sales for these businesses is not subject to local sales taxes.

## LONG-TERM FINANCIAL PLANNING

In FY 2011 the City implemented GASB 54 Fund Balance Reporting and Governmental Fund Type Definitions and formally adopted a Fund Balance Policy. The Fund Balance Policy adopted by the City will be the framework upon which consistent operations may be built and sustained. For man-made or natural disaster emergencies the City will strive to have a Committed Fund Balance that is equal to three months operating expenses based on the current operating budget. For the fiscal year that ended September 30, 2015, this Committed Fund Balance was \$900,000. Each January the policy will be reviewed and the Committed Fund Balance will be adjusted up or down based on the annual operating budget, available funds and necessity.

The City also maintains a five-year Capital Acquisition Plan (CAP) to provide for capital outlay expenditures. Each fiscal year, the CAP is reviewed and analyzed by the City Manager and City staff to determine needs for office and other machinery and equipment, vehicles, buildings and building improvements, land, and other improvements. The five-year CAP is authorized by City Council during the City's annual budget adoption process. As items are funded only when deemed necessary, capital outlay details and amounts vary between budget years. The plan is funded from the Unassigned Fund Balance.

## AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Leon Valley for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2014 with the highest standards for the preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to GFOA.

We would like to extend our sincere thanks and appreciation to the finance department, and all City staff and department heads who helped in the preparation of this report. A special thanks goes to our Mayor and City Council for their strong leadership and support, their sense of civic duty and responsibility, and their diligence in conducting the operations of the City in a responsible and progressive manner.

Respectfully submitted,

---

Kelly Kuenstler  
City Manager

---

Vickie Wallace  
Finance Director

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GFOA CERTIFICATE

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CITY OF LEON VALLEY, TEXAS  
LIST OF PRINCIPAL OFFICERS  
YEAR ENDED SEPTEMBER 30, 2015

Elected Officials

Chris Riley, Mayor

Councilmember Place 1  
Councilmember Place 2  
Councilmember Place 3  
Councilmember Place 4  
Councilmember Place 5

David Edwards  
Carmen Sanchez  
Monica Alcocer  
Benny Martinez  
David Jordan

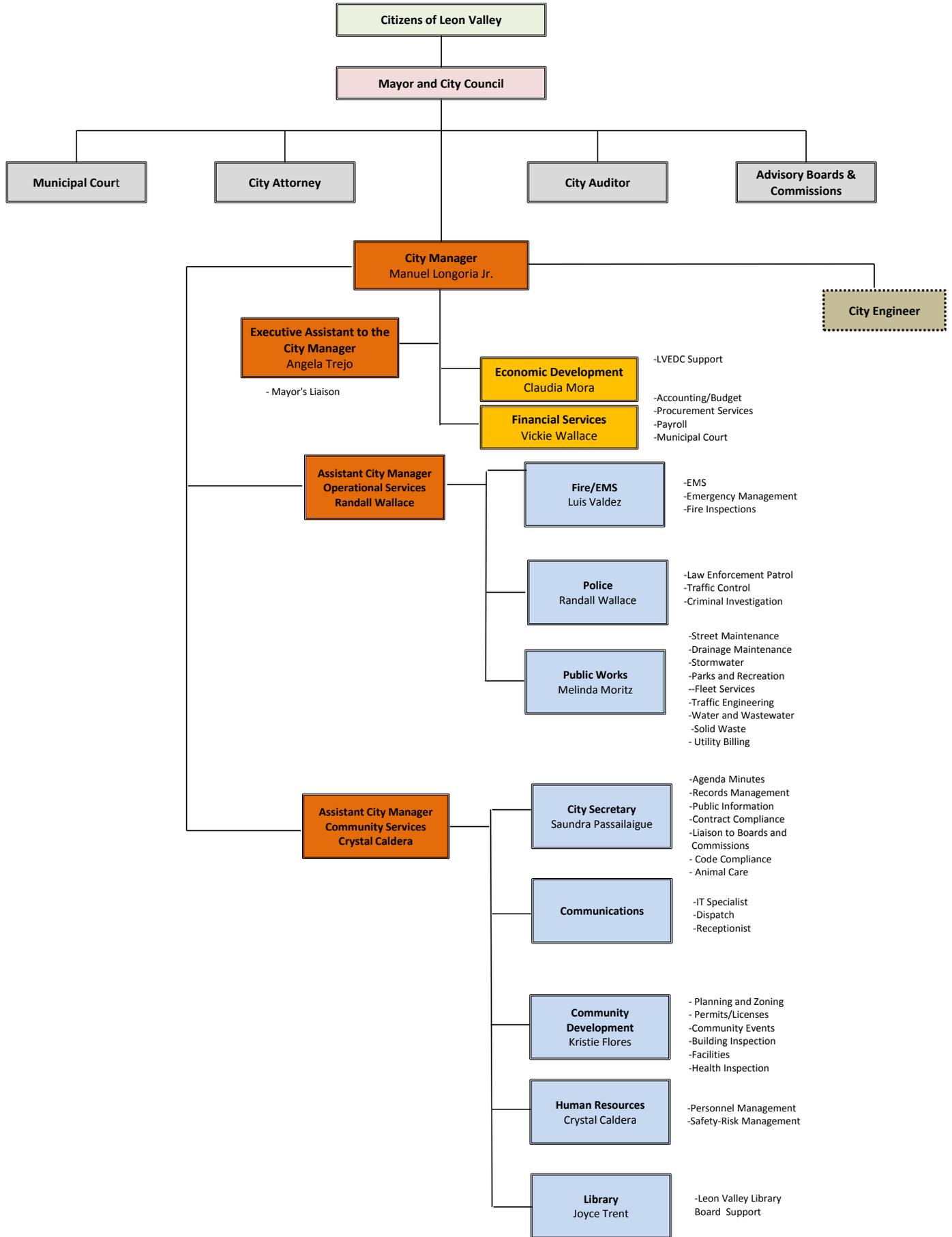
City Officials

Kelly Kuenstler City Manager

City Secretary  
Finance Director  
Community Development Director  
Economic Development Director  
Police Chief  
Fire Chief  
Librarian  
Public Works Director  
Human Resource Director  
City Attorney

Sandra Passailaigue  
Vickie Wallace  
Elizabeth Carol  
Claudia Mora  
Randall Wallace  
Luiz Valdez  
Sandra Underwood  
Melinda Moritz  
Crystal Caldera  
Patrick Bernal

# City of Leon Valley Organizational Chart



**FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and  
Members of the City Council  
City of Leon Valley, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Leon Valley, Texas, as of and for the year ended September 30, 2015, 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**

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

### **Auditor's Responsibility**

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

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Leon Valley, Texas, as of September 30, 2015, 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.

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**Emphasis of Matter**

As described in Note 1T to the financial statements, in 2015, the City of Leon Valley, Texas adopted new accounting guidance, GASB Statement No. 68, Accounting and Reporting for Pensions. Our opinion is not modified with respect to this matter.

**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, and schedules related to TMRS on pages 5 through 14 and pages 51 through 56, respectively, 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 an opinion on the financial statements that collectively comprise the City of Leon Valley, Texas's basic financial statements. The introductory section, combining and individual non-major fund financial statements and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 9, 2015, on our consideration of the City of Leon Valley, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Leon Valley, Texas' internal control over financial reporting and compliance.

DRAFT

Certified Public Accountants  
San Antonio, Texas

February 9, 2016

CITY OF LEON VALLEY, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2015

As management of the City of Leon Valley, Texas (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the financial statements provided in this report.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at September 30, 2015 by \$18,118,413 (net position). Of this amount, \$4,190,522 (unrestricted net position), may be used to meet the government's ongoing obligations to citizens and creditors.
- Governmental Accounting Standards Board Statement (GASB) No. 68, Accounting and Financial Reporting for Pensions, went into effect for the 2014-2015 fiscal year. The major effects of the implementation were as follows:
  1. A decrease of Government-wide net position of \$2,290,007 as a prior period restatement, reflecting the effect of the new standard to the City's September 30, 2014 net position;
  2. An increase to noncurrent liabilities of \$2,261,518;
  3. An increase to deferred outflow of resources of \$925,583;
  4. An increase to deferred inflows of resources of \$609,380;
  5. A decrease to government-wide expenses of \$344,691.

More information regarding the change to pension reporting can be found in Note 8 to the financial statements.

- The general fund reported a fund balance this year of \$3,876,177, an increase of \$49,719.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as the introduction of the City of Leon Valley, Texas' basic financial statements which are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements and required supplementary information.

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

The statement of net position is a presentation of the City's assets and liabilities, including capital and infrastructure assets, and long-term liabilities. This statement reports the difference between assets and liabilities as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information regarding increases and decreases to the government's net position for the fiscal year. Changes in net position are recorded when the underlying event giving rise to the change occurs regardless of the timing of cash flows.

Therefore, revenues and expenses reported in this statement for some items will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused personal leave). Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees or charges (business-type activities). Governmental activities include general government, public safety, public works, parks and recreation, library, and community development. The business-type activities of the City are water and sewer. The City has one component unit which is a 4B Economic Development Corporation.

**Fund Financial Statements** – The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements are used to present financial information detailing resources that have been identified for specific activities. The focus of the fund financial statements is on the City's major funds, although non-major funds are also presented in aggregate and further detailed in the supplementary statements. The City uses fund accounting to ensure and demonstrate compliance with requirements placed on resources. Funds are divided into three types: governmental, proprietary, and fiduciary. However, the City does not have any fiduciary funds.

***Governmental Funds*** – Governmental funds are used for essentially the same functions reported in the 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 available for current spending, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

As 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.

***Proprietary Funds*** – The City maintains one type of proprietary fund. Enterprise funds are used to report the functions presented in business-type activities in the government-wide financial statements. The City uses the enterprise fund to account for the provision of water and sewer services to residents.

Proprietary fund financial statements provide separate and more detailed information for the water and sewer fund. The water and sewer fund is considered a major fund of the City.

**Notes to the Basic Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information on the City's general fund budget, which is adopted on an annual basis. A budgetary comparison statement has been provided for this fund in order to demonstrate budgetary compliance with this budget.

#### GOVERNMENT-WIDE FINANCIAL ANALYSIS

Below is a comparative summary of the governmental activities and business-type activities as required by GASB Statement No. 34:

#### STATEMENT OF NET POSITIONS AS OF SEPTEMBER 30, 2015 (With Comparative Totals for September 30, 2014)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2015	2014	2015	2014	2015	2014
<b>ASSETS</b>						
Current Assets	\$ 8,539,446	\$ 11,285,726	\$ 2,924,033	\$ 3,105,926	\$ 11,463,479	\$ 14,391,652
Long-Term Assets	15,162,979	12,508,941	4,246,327	4,057,126	19,409,306	16,566,067
<b>TOTAL ASSETS</b>	<b>23,702,425</b>	<b>23,794,667</b>	<b>7,170,360</b>	<b>7,163,052</b>	<b>30,872,785</b>	<b>30,957,719</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
	770,666	-	154,917	-	925,583	-
<b>LIABILITIES</b>						
Current Liabilities	\$ 1,464,496	\$ 1,101,999	\$ 235,419	\$ 180,554	\$ 1,699,915	\$ 1,282,553
Long-Term Liabilities	10,490,666	9,020,714	431,629	58,981	10,922,295	9,079,695
<b>Total Liabilities</b>	<b>11,955,162</b>	<b>10,122,713</b>	<b>667,048</b>	<b>239,535</b>	<b>12,622,210</b>	<b>10,362,248</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
	507,387	-	101,993	-	609,380	-
<b>NET POSITION</b>						
Net Investment in Capital Assets	\$ 7,696,092	\$ 7,414,439	\$ 4,113,942	\$ 4,057,126	\$ 11,810,034	\$ 11,471,565
Restricted Net Position	1,657,517	90,494	908,705	993,268	2,566,222	1,083,762
Unrestricted Net Position	2,656,933	6,167,021	1,533,589	1,873,123	4,190,522	8,040,144
<b>Total Net Position</b>	<b>\$ 12,010,542</b>	<b>\$ 13,671,954</b>	<b>\$ 6,556,236</b>	<b>\$ 6,923,517</b>	<b>\$ 18,566,778</b>	<b>\$ 20,595,471</b>

The largest portion of the City's net position, \$11,810,034 represents its investment in capital assets (e.g., land, construction in progress, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The City of Leon Valley, Texas uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Of the other net position, \$2,566,222 represents resources that are subject to external restrictions on how they may be used. The remaining \$4,190,522 represents unrestricted net position, which can be used to meet the government's ongoing obligations to citizens and creditors.

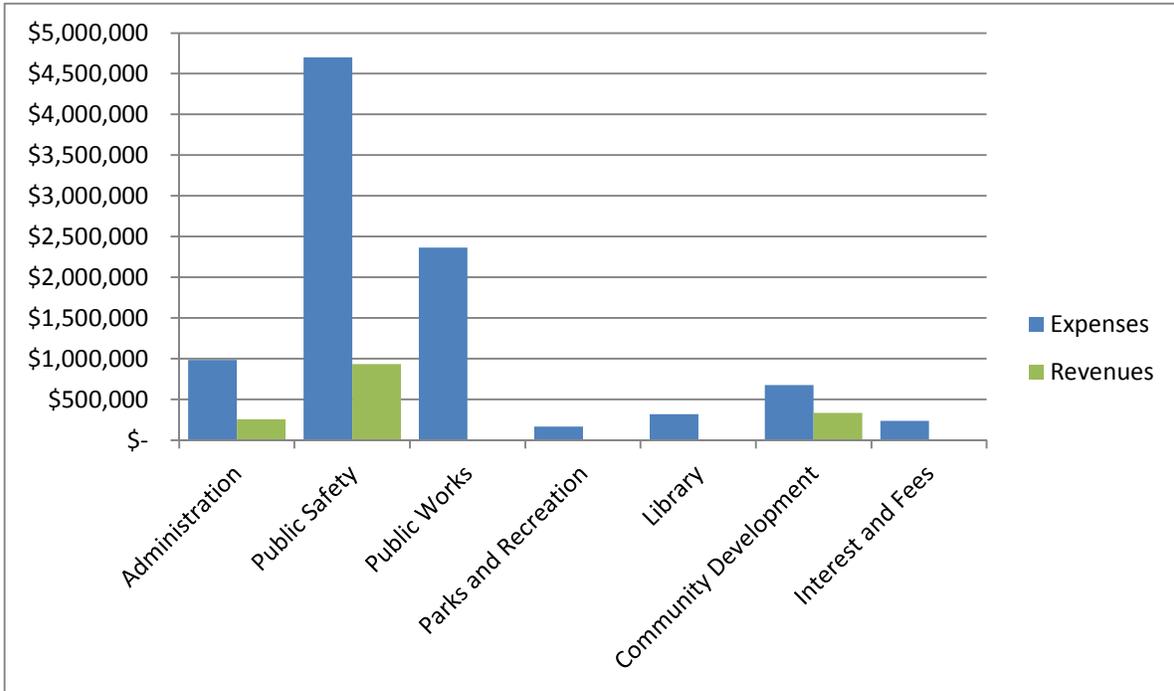
**Governmental Activities.** Governmental activities increased net position by \$432,364 which is attributable to fluctuations in program revenues and expenses. Key elements of this increase are as follows:

CHANGE IN NET POSITION  
FOR THE YEAR ENDED SEPTEMBER 30, 2015  
(With Comparative Totals for September 30, 2014)

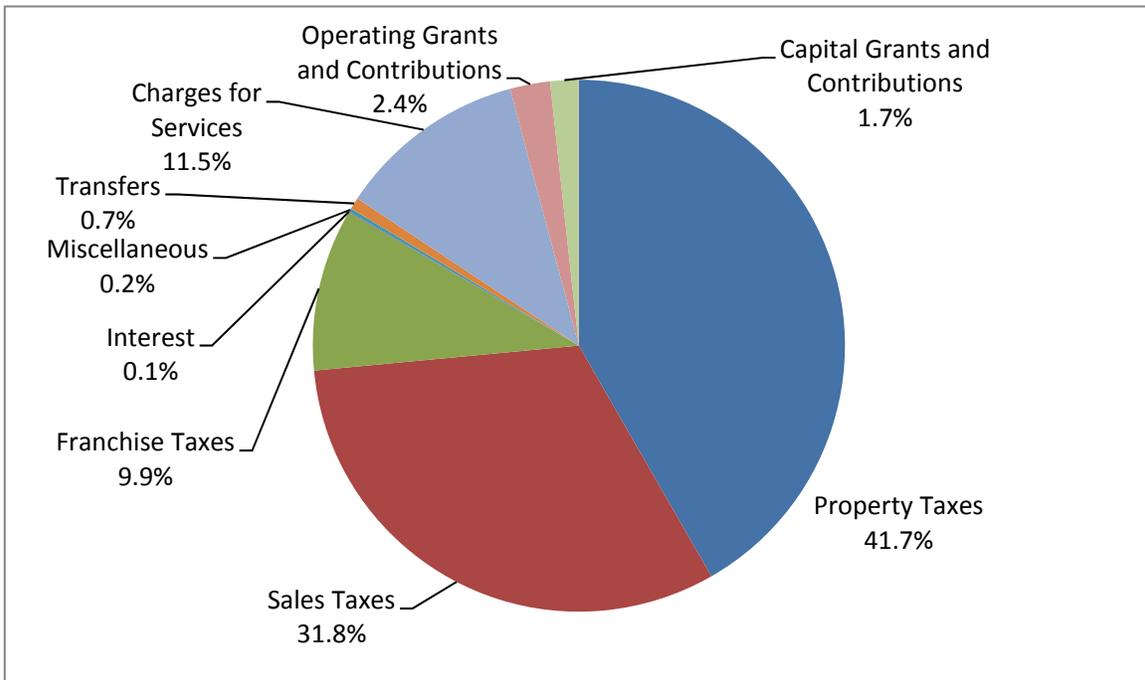
	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2015	2014	2015	2014	2015	2014
<u>PROGRAM REVENUES</u>						
Charges for Services	\$ 1,136,837	\$ 1,274,794	\$ 3,481,570	\$ 3,275,292	\$ 4,618,407	\$ 4,550,086
Operating Grants and Contributions	240,763	95,028	-	-	240,763	95,028
Capital Grants and Contributions	170,747	-	-	-	170,747	-
General Revenues						
Property Taxes	4,122,721	4,021,701	-	-	4,122,721	4,021,701
Sales Tax	3,145,614	3,009,369	-	-	3,145,614	3,009,369
Franchise Taxes	974,361	895,174	-	-	974,361	895,174
CIED	-	-	-	-	-	-
Interest	4,678	4,277	1,270	889	5,948	5,166
Miscellaneous	21,896	26,879	84,682	144,390	106,578	171,269
Total Revenues	<u>9,817,617</u>	<u>9,327,222</u>	<u>3,567,522</u>	<u>3,420,571</u>	<u>13,385,139</u>	<u>12,747,793</u>
<u>EXPENSES</u>						
Administration	983,952	828,573	-	-	983,952	828,573
Public Safety	4,701,582	4,536,351	-	-	4,701,582	4,536,351
Public Works	2,363,083	1,650,987	-	-	2,363,083	1,650,987
Parks and Recreation	169,947	186,386	-	-	169,947	186,386
Library	320,572	302,721	-	-	320,572	302,721
Community Development	676,880	641,724	-	-	676,880	641,724
Utility	-	-	3,481,521	3,365,772	3,481,521	3,365,772
Interest and Fiscal Agent Fees	239,237	248,324	-	-	239,237	248,324
Total Expenses	<u>9,455,253</u>	<u>8,395,066</u>	<u>3,481,521</u>	<u>3,365,772</u>	<u>12,936,774</u>	<u>11,760,838</u>
Excess (Deficiency) of Revenues Over (Under) Expenses	<u>362,364</u>	<u>932,156</u>	<u>86,001</u>	<u>54,799</u>	<u>448,365</u>	<u>986,955</u>
<u>OTHER FINANCING SOURCES (USES)</u>						
Transfer Out	-	-	(70,000)	(20,000)	(70,000)	(20,000)
Transfer In	70,000	20,000	-	-	70,000	20,000
Total Other Financing Sources (Uses)	<u>70,000</u>	<u>20,000</u>	<u>(70,000)</u>	<u>(20,000)</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Net Position	432,364	952,156	16,001	34,799	448,365	986,955
<u>NET POSITION AT BEGINNING OF YEAR</u>	<u>13,671,954</u>	<u>13,027,279</u>	<u>6,923,517</u>	<u>6,763,718</u>	<u>20,595,471</u>	<u>19,790,997</u>
RESTATEMENT OF NET POSITION	(2,093,776)	(307,481)	(383,282)	125,000	(2,477,058)	(182,481)
<u>NET POSITION AT BEGINNING OF YEAR - RESTATED</u>	<u>11,578,178</u>	<u>12,719,798</u>	<u>6,540,235</u>	<u>6,888,718</u>	<u>18,118,413</u>	<u>19,608,516</u>
NET POSITION AT END OF YEAR	<u>\$ 12,010,542</u>	<u>\$ 13,671,954</u>	<u>\$ 6,556,236</u>	<u>\$ 6,923,517</u>	<u>\$ 18,566,778</u>	<u>\$ 20,595,471</u>

Revenue for governmental activities for the fiscal year ended September 30, 2015 totaled \$9,817,617, an increase of \$490,395 from fiscal year 2014 total revenues of \$9,327,222. The main cause of the increase relates to sales and property taxes.

EXPENSES AND PROGRAM REVENUES – GOVERNMENTAL ACTIVITIES



REVENUES BY SOURCE – GOVERNMENTAL ACTIVITIES

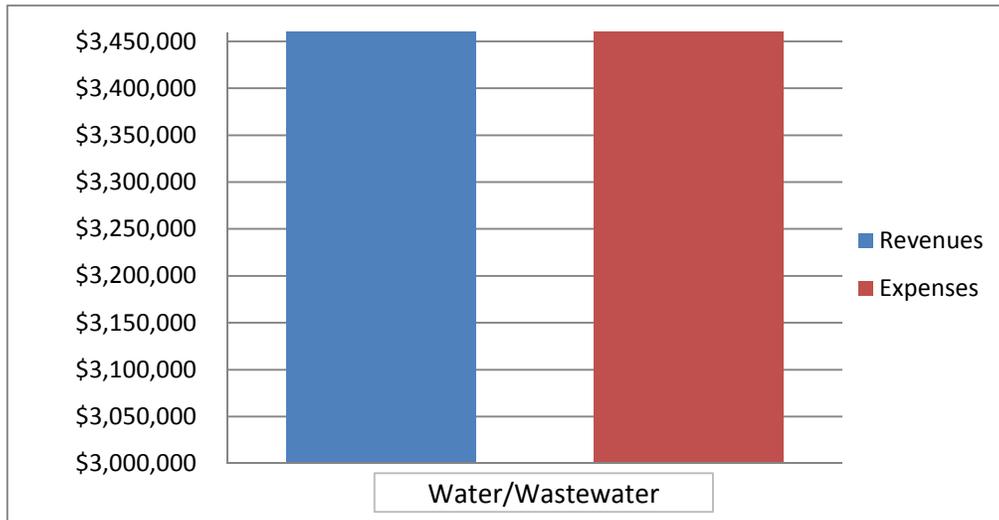


Expenses for governmental activities totaled \$9,455,253, an increase of \$1,060,187 over fiscal year 2014. The main cause for this increase relates to the use of bond proceeds for constructing the new City’s municipal complex.

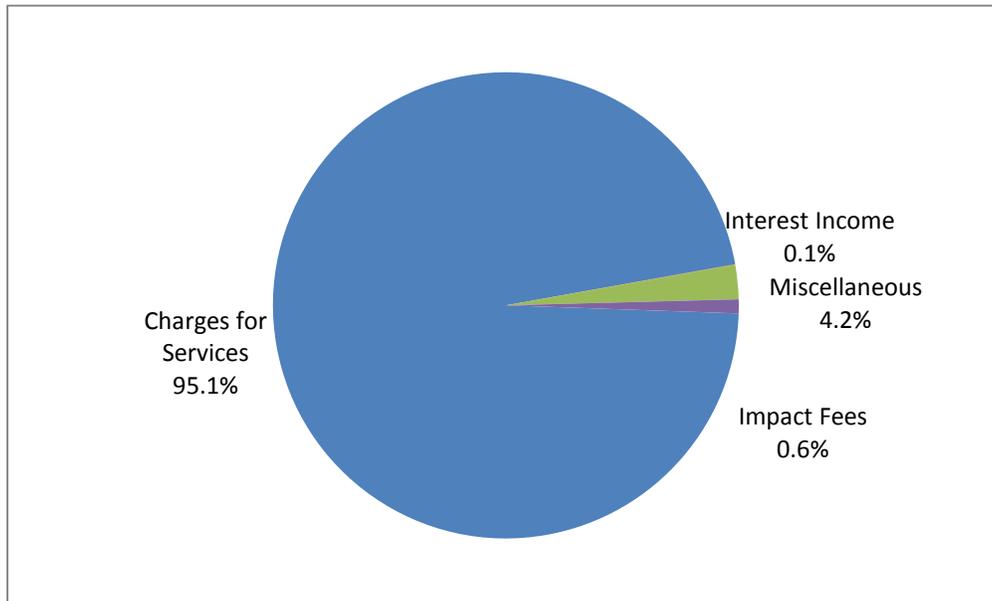
**Business-Type Activities.** Business-type activities increased net position by \$16,001. Key elements of this increase are as follows:

- Utility expenses for business-type activities increased by \$115,749, which is attributable to an increase in personnel costs.

EXPENSES AND PROGRAM REVENUES – BUSINESS-TYPE ACTIVITIES



REVENUES BY SOURCE – BUSINESS-TYPE ACTIVITIES



**FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS**

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

**Governmental Funds** – Activities of the primary government’s general fund, capital projects fund, special revenue funds and debt service funds are considered general government functions. The general fund is the City’s general operating fund. The capital projects fund is used to account for financial activity related to the acquisition and construction of major capital facilities. Special revenue funds are used to account for proceeds of specific sources that are legally restricted as to expenditures. The debt service funds are used to account for financial activity related to the City’s general bonded indebtedness, as well as long-term obligations.

As of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$7,529,090, a decrease of \$3,062,461 in comparison with fiscal year 2014. The general fund which is the chief operating fund of the City, at the end of the current fiscal year, had a committed fund balance of \$900,000. The committed fund balance is used only for man-made or natural disaster emergencies.

For the fiscal year ended September 30, 2015, the fund balance of the City’s general fund increased by \$49,719. Key factors in the increase are as follows:

- Ad valorem and sales taxes were higher than budgeted.
- Personnel vacancies.

The capital projects fund has a total fund balance of \$1,332,387, a decrease of \$2,816,303 in comparison with fiscal year 2014, all of which is legally restricted for construction projects. This decrease was primarily due to construction of the municipal complex during the fiscal year.

The debt service fund has a total fund balance of \$286,736, all of which is reserved for the payment of debt service. The net increase in the fund balance during the current year in the debt service fund was \$30,490.

**Proprietary Funds** – The City’s proprietary fund provided the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the water and sewer fund at the end of the year amounted to \$1,533,589. The total increase in net position for the water and sewer fund was \$16,001. Other factors concerning the finances of this fund have already been addressed in the discussion of the business-type activities.

#### GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the City revised its budget (including transfers out) for a total increase of \$172,659. The following are the main components of the increase.

- \$50,000 supplemental appropriation for construction and renovations of the City’s Municipal Complex;
- \$59,576 supplemental appropriation for personnel salaries.
- \$63,083 supplemental appropriations for contractual obligations.

## CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital Assets** – The City’s investment in capital assets for its governmental and business-type activities as of September 30, 2015 amounted to \$19,276,921 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements, machinery and equipment, park facilities, and roads. The City’s investment in capital assets for the current fiscal year increased by \$2,897,905 from fiscal year 2014.

<u>GOVERNMENTAL ACTIVITIES</u>	<u>CAPITAL ASSETS</u> <u>(Net of Depreciation)</u>			
	<u>BALANCE</u> <u>9/30/2014</u>	<u>RECLASS AND</u> <u>ADDITIONS</u>	<u>RECLASS AND</u> <u>DISPOSALS</u>	<u>BALANCE</u> <u>9/30/2015</u>
<u>Capital Assets - Not Depreciated</u>				
Land	\$ 817,346	\$ -	\$ -	\$ 817,346
Construction in Progress	3,037,014	3,398,408	-	6,435,422
Total Capital Assets -Not Depreciated	<u>3,854,360</u>	<u>3,398,408</u>	<u>-</u>	<u>7,252,768</u>
<u>Capital Assets - Depreciated</u>				
Buildings	3,872,271	-	-	3,872,271
Transportation and Equipment	5,527,139	10,393	(165,644)	5,371,888
Infrastructure	11,079,412	-	-	11,079,412
Total Capital Assets - Depreciated	<u>20,478,822</u>	<u>10,393</u>	<u>(165,644)</u>	<u>20,323,571</u>
<u>Less: Accumulated Depreciation</u>				
Buildings	(1,557,111)	(67,687)	-	(1,624,798)
Transportation and Equipment	(3,758,138)	(330,267)	165,644	(3,922,761)
Infrastructure	(6,696,043)	(169,758)	-	(6,865,801)
	<u>(12,011,292)</u>	<u>(567,712)</u>	<u>165,644</u>	<u>(12,413,360)</u>
<u>ASSETS BEING DEPRECIATED - NET</u>	<u>8,467,530</u>	<u>(557,319)</u>	<u>-</u>	<u>7,910,211</u>
TOTAL CAPITAL ASSETS - NET	<u>\$ 12,321,890</u>	<u>\$ 2,841,089</u>	<u>\$ -</u>	<u>\$ 15,162,979</u>

CAPITAL ASSETS (CONTINUED)  
(Net of Depreciation)

<u>BUSINESS-TYPE ACTIVITIES</u>	<u>BALANCE</u> <u>9/30/2014</u>	<u>RECLASS AND</u> <u>ADDITIONS</u>	<u>RECLASS AND</u> <u>DISPOSALS</u>	<u>BALANCE</u> <u>9/30/2015</u>
<u>Capital Assets - Not Depreciated</u>				
Land	\$ 113,227	\$ -	\$ -	\$ 113,227
Water Rights	<u>1,313,803</u>	<u>217,869</u>	<u>-</u>	<u>1,531,672</u>
Total Capital Assets - Not Depreciated	<u>1,427,030</u>	<u>217,869</u>	<u>-</u>	<u>1,644,899</u>
<u>Capital Assets - Depreciated</u>				
Buildings	25,403	-	-	25,403
Improvements other than Buildings	6,730,299	-	-	6,730,299
Transportation and Equipment	<u>640,029</u>	<u>7,895</u>	<u>-</u>	<u>647,924</u>
Total Capital Assets - Depreciated	<u>7,395,731</u>	<u>7,895</u>	<u>-</u>	<u>7,403,626</u>
<u>Less: Accumulated Depreciation</u>				
Buildings	(19,117)	(410)	-	(19,527)
Improvements other than Buildings	(4,241,509)	(135,813)	-	(4,377,322)
Transportation and Equipment	<u>(505,009)</u>	<u>(32,725)</u>	<u>-</u>	<u>(537,734)</u>
	<u>(4,765,635)</u>	<u>(168,948)</u>	<u>-</u>	<u>(4,934,583)</u>
<u>ASSETS BEING DEPRECIATED - NET</u>	<u>2,630,096</u>	<u>(161,053)</u>	<u>-</u>	<u>2,469,043</u>
 TOTAL CAPITAL ASSETS - NET	 <u>\$ 4,057,126</u>	 <u>\$ 56,816</u>	 <u>\$ -</u>	 <u>\$ 4,113,942</u>

Additional information of the City of Leon Valley's capital assets can be found in Note 6 of this report.

**Long-Term Debt** – For the fiscal year ended September 30, 2015, the City had a total bonded debt outstanding of \$8,565,000.

OUTSTANDING DEBT LONG-TERM DEBT

	<u>BALANCE</u> <u>9/30/2014</u>	<u>ADDITIONS</u>	<u>PAYMENTS</u>	<u>BALANCE</u> <u>9/30/2015</u>	<u>DUE WITHIN</u> <u>ONE YEAR</u>
<u>Governmental Activities</u>					
General Obligation Refunding Bonds Original Amount of \$2,575,000 Interest Rate 3.12%	\$ 1,240,000	\$ -	\$ (295,000)	\$ 945,000	\$305,000
Public Property Finance Contracts Original Amount of \$1,060,000 Interest Rate 4.42%	870,000	-	(45,000)	825,000	45,000
General Obligation Refunding Bonds Original Amount of \$7,000,000 Interest Rate 1.25-3.25%	6,885,000	-	(90,000)	6,795,000	95,000
Issuance Premium	124,096	-	(6,959)	117,137	6,959
Subtotal	9,119,096	-	(436,959)	8,682,137	\$451,959
Compensated Absences	451,436	164,736	(112,859)	503,313	125,828
	<u>\$ 9,570,532</u>	<u>\$ 164,736</u>	<u>\$ (549,818)</u>	<u>\$ 9,185,450</u>	<u>\$ 577,787</u>
<u>Business-Type Activities</u>					
Compensated Absences	<u>\$ 78,641</u>	<u>\$ 11,838</u>	<u>\$ (19,660)</u>	<u>\$ 70,819</u>	<u>\$ 19,660</u>

Additional information of the City of Leon Valley's long term debt can be found in Note 7 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

For fiscal year 2015, sales tax was budgeted with a 7.1% increase. The City adopted a tax rate of \$0.561615, which is \$0.013892 higher than the fiscal year 2015 tax rate of \$0.575507. Overall tax revenues are anticipated to rise with the increase in property values within the City.

Expenditures for the general fund are budgeted at \$8,422,427. The largest increase comes from personnel costs and contractual services.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Director, 6400 El Verde Road, Leon Valley, Texas 78238.

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**BASIC FINANCIAL STATEMENTS**

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CITY OF LEON VALLEY, TEXAS  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2015

	PRIMARY GOVERNMENT			COMPONENT UNIT
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
<u>ASSETS</u>				
<u>CURRENT ASSETS</u>				
Cash and Cash Equivalents	\$ 7,506,323	\$ 2,526,072	\$ 10,032,395	\$ 325,850
Receivables - Net of Allowances for Uncollectibles:				
Property Taxes	151,744	-	151,744	-
Special Assessment	11,744	-	11,744	-
Other	282,064	388,362	670,426	-
Due from Other Governments	529,139	-	529,139	47,311
Inventories	46,005	-	46,005	-
Prepaid Items	12,427	9,599	22,026	-
Total Current Assets	<u>8,539,446</u>	<u>2,924,033</u>	<u>11,463,479</u>	<u>373,161</u>
<u>NONCURRENT ASSETS</u>				
Restricted Cash, Customer Deposits	-	132,385	132,385	-
Capital Assets, Net				
Land	817,346	113,227	930,573	-
Construction in Progress	6,435,422	-	6,435,422	-
Water Rights	-	1,531,672	1,531,672	-
Buildings	2,247,473	5,876	2,253,349	-
Water/Wastewater System-Plant	-	2,352,977	2,352,977	-
Transportation and Equipment	1,449,127	110,190	1,559,317	-
Infrastructure	4,213,611	-	4,213,611	-
Total Noncurrent Assets	<u>15,162,979</u>	<u>4,246,327</u>	<u>19,409,306</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 23,702,425</u>	<u>\$ 7,170,360</u>	<u>\$ 30,872,785</u>	<u>\$ 373,161</u>
<u>DEFERRED OUFLOWS OF RESOURCES</u>				
Deferred Outflows of Resources - TMRS	770,666	154,917	925,583	-
<u>LIABILITIES</u>				
<u>CURRENT LIABILITIES</u>				
Accounts Payable	\$ 594,912	\$ 67,370	\$ 662,282	\$ -
Accrued Expenses	224,194	17,959	242,153	6,328
Accrued Interest Payable	39,841	-	39,841	-
Payable from Restricted Assets, Customer Deposits	-	132,385	132,385	-
Deposits Payable	27,762	-	27,762	-
Current Portion of Accrued Leave	577,787	17,705	595,492	-
Total Current Liabilities	<u>1,464,496</u>	<u>235,419</u>	<u>1,699,915</u>	<u>6,328</u>
<u>NONCURRENT LIABILITIES</u>				
Due in More Than One Year	8,607,663	53,114	8,660,777	-
Net Pension Liability	1,883,003	378,515	2,261,518	-
Total Noncurrent Liabilities	<u>10,490,666</u>	<u>431,629</u>	<u>10,922,295</u>	<u>-</u>
TOTAL LIABILITIES	<u>11,955,162</u>	<u>667,048</u>	<u>12,622,210</u>	<u>6,328</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Inflows of Resources - TMRS	507,387	101,993	609,380	-
<u>NET POSITION</u>				
Net investment in Capital Assets	7,696,092	4,113,942	11,810,034	-
Restricted for				
Parks	326	-	326	-
Public Education Grants	114,636	-	114,636	-
Debt Service	286,736	-	286,736	-
Special Revenue	1,255,819	-	1,255,819	-
Water Supply	-	55,060	55,060	-
Storm Water Fee	-	853,645	853,645	-
Unrestricted Net Position	2,656,933	1,533,589	4,190,522	366,833
Total Net Position	<u>12,010,542</u>	<u>6,556,236</u>	<u>18,566,778</u>	<u>366,833</u>

(The Accompanying Notes are an Integral Part of these Financial Statements)

CITY OF LEON VALLEY, TEXAS  
STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2015

<u>FUNCTIONS AND PROGRAMS</u>	<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>
<u>Governmental Activities</u>				
Administration	\$ 983,952	\$ 258,388	\$ -	\$ -
Public Safety	4,701,582	694,303	240,763	-
Public Works	2,363,083	-	-	-
Parks and Recreation	169,947	13,850	-	-
Library	320,572	3,521	-	-
Community Development	676,880	166,775	-	170,747
Interest and Fees	239,237	-	-	-
Total Governmental Activities	<u>9,455,253</u>	<u>1,136,837</u>	<u>240,763</u>	<u>170,747</u>
<u>Business-Type Activities</u>				
Water/Wastewater	<u>3,481,521</u>	<u>3,481,570</u>	<u>-</u>	<u>-</u>
Total Government	<u>\$ 12,936,774</u>	<u>\$ 4,618,407</u>	<u>\$ 240,763</u>	<u>\$ -</u>
<u>Component Unit</u>				
Leon Valley Economic Development Corporation	<u>\$ 559,306</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues

## Taxes:

Property Taxes

Sales Taxes

Franchise Taxes

Interest

Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position at Beginning of YearRestatement of Net PositionNet Position at Beginning of Year - Restated

NET POSITION AT END OF YEAR

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL PRIMARY GOVERNMENT	COMPONENT UNIT
\$ (725,564)	\$ -	\$ (725,564)	
(3,766,516)	-	(3,766,516)	
(2,363,083)	-	(2,363,083)	
(156,097)	-	(156,097)	
(317,051)	-	(317,051)	
(339,358)	-	(339,358)	
<u>(239,237)</u>	<u>-</u>	<u>(239,237)</u>	
<u>(7,906,906)</u>	<u>-</u>	<u>(7,906,906)</u>	
<u>-</u>	<u>49</u>	<u>49</u>	
<u>(7,906,906)</u>	<u>49</u>	<u>(7,906,857)</u>	
			<u>\$ 559,306</u>
4,122,721	-	4,122,721	-
3,145,614	-	3,145,614	274,866
974,361	-	974,361	-
4,678	1,270	5,948	163
21,896	84,682	106,578	-
<u>70,000</u>	<u>(70,000)</u>	<u>-</u>	<u>-</u>
8,339,270	15,952	8,355,222	275,029
432,364	16,001	448,365	(284,277)
<u>13,671,954</u>	<u>6,923,517</u>	<u>20,595,471</u>	<u>651,110</u>
<u>(2,093,776)</u>	<u>(383,282)</u>	<u>(2,477,058)</u>	<u>-</u>
<u>11,578,178</u>	<u>6,540,235</u>	<u>18,118,413</u>	<u>651,110</u>
<u>\$ 12,010,542</u>	<u>\$ 6,556,236</u>	<u>\$ 18,566,778</u>	<u>\$ 366,833</u>

CITY OF LEON VALLEY, TEXAS  
BALANCE SHEET – GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2015

	<u>GENERAL FUND</u>	<u>CAPITAL PROJECTS FUND</u>	<u>OTHER NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 3,620,500	\$ 1,836,597	\$ 2,049,226	\$ 7,506,323
Receivables - Net of Allowances for Uncollectibles				
Property Taxes	128,387	-	23,357	151,744
Special Assessment	-	-	11,744	11,744
Other	95,426	-	186,638	282,064
Due from Other Governments	389,753	-	139,386	529,139
Prepaid Items	44,015	-	1,990	46,005
Inventories	<u>12,427</u>	<u>-</u>	<u>-</u>	<u>12,427</u>
 TOTAL ASSETS	 <u>\$ 4,290,508</u>	 <u>\$ 1,836,597</u>	 <u>\$ 2,412,341</u>	 <u>\$ 8,539,446</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 79,581	\$ 504,210	\$ 11,121	\$ 594,912
Accrued Expenditures	205,403	-	18,791	224,194
Deposits Payable	<u>960</u>	<u>-</u>	<u>26,802</u>	<u>27,762</u>
Total Liabilities	<u>285,944</u>	<u>504,210</u>	<u>56,714</u>	<u>846,868</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unearned Revenues - Taxes	<u>128,387</u>	<u>-</u>	<u>35,101</u>	<u>163,488</u>
<u>FUND BALANCES</u>				
Nonspendable	56,442	-	1,990	58,432
Restricted:				
Capital Projects	-	1,332,387	-	1,332,387
Public Education Grants	114,636	-	-	114,636
Park Bucks	326	-	-	326
Debt Service	-	-	286,736	286,736
Special Revenue	-	-	1,255,819	1,255,819
Committed:				
Disaster Emergencies	900,000	-	-	900,000
CIED	-	-	664,842	664,842
Assigned:				
Tree Mitigation and Replacement	25,275	-	-	25,275
Community and Conference Center	-	-	111,139	111,139
Unassigned:	<u>2,779,498</u>	<u>-</u>	<u>-</u>	<u>2,779,498</u>
Total Fund Balances	<u>3,876,177</u>	<u>1,332,387</u>	<u>2,320,526</u>	<u>7,529,090</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	 <u>\$ 4,290,508</u>	 <u>\$ 1,836,597</u>	 <u>\$ 2,412,341</u>	 <u>\$ 8,539,446</u>

CITY OF LEON VALLEY, TEXAS  
RECONCILIATION OF BALANCE SHEET  
GOVERNMENTAL FUNDS TO STATEMENT OF NET POSITION  
SEPTEMBER 30, 2015

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS		\$ 7,529,090
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		15,162,979
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred inflows of resources in the funds.		163,488
Accrued vacation leave payable is not due and payable in the current period and, therefore, is not reported in the funds.		(503,313)
Long-term liabilities, including bonds payable and related premiums are not due and payable in the current period and therefore are not reported as liabilities in the funds:		
Bonds Payable	\$ (8,565,000)	
Bond Premiums	<u>(117,137)</u>	<u>(8,682,137)</u>
Accrued interest payable on bonded debt is not reported in the funds.		(39,841)
Recognition of the City's net pension liability required by GASB 68 and the changes in deferred outflows and inflows of resources related to the TMRS pension liability:		
Net Pension Liability	(1,883,003)	
Deferred Inflows of Resources - TMRS	(507,387)	
Deferred Outflows of Resources - TMRS	<u>770,666</u>	<u>(1,619,724)</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES		<u>\$ 12,010,542</u>

CITY OF LEON VALLEY, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
YEAR ENDED SEPTEMBER 30, 2015

	GENERAL FUND	CAPITAL PROJECTS FUND	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>REVENUES</u>				
Property Taxes	\$ 3,434,382	\$ -	\$ 708,686	\$ 4,143,068
Sales Taxes	2,242,189	-	903,425	3,145,614
Franchise Taxes	898,466	-	75,895	974,361
Licenses, Permits, Fees and Fines	885,450	-	264,043	1,149,493
Grants	5,583	-	3,269	8,852
Rent	-	-	86,661	86,661
Interest	2,486	1,302	890	4,678
Miscellaneous	154,490	-	170,747	325,237
Total Revenues	<u>7,623,046</u>	<u>1,302</u>	<u>2,213,616</u>	<u>9,837,964</u>
<u>EXPENDITURES</u>				
Current				
Administration	890,042	-	61,079	951,121
Public Safety	4,340,161	-	268,915	4,609,076
Public Works	1,147,619	-	1,091,045	2,238,664
Parks and Recreation	142,794	-	-	142,794
Library	317,049	-	-	317,049
Community Development	467,790	-	156,934	624,724
Capital Outlay	10,393	3,398,408	-	3,408,801
Debt Service				
Principal	-	-	430,000	430,000
Interest	-	-	245,946	245,946
Fiscal Agent Fees and Bond Issue Costs	-	-	2,250	2,250
Total Expenditures	<u>7,315,848</u>	<u>3,398,408</u>	<u>2,256,169</u>	<u>12,970,425</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>307,198</u>	<u>(3,397,106)</u>	<u>(42,553)</u>	<u>(3,132,461)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	-	580,803	10,000	590,803
Transfers Out	(257,479)	-	(263,324)	(520,803)
Total Other Financing Sources (Uses)	<u>(257,479)</u>	<u>580,803</u>	<u>(253,324)</u>	<u>70,000</u>
Net Change in Fund Balances	49,719	(2,816,303)	(295,877)	(3,062,461)
<u>FUND BALANCES AT</u>				
<u>BEGINNING OF YEAR</u>	<u>3,826,458</u>	<u>4,148,690</u>	<u>2,616,403</u>	<u>10,591,551</u>
FUND BALANCES AT END OF YEAR	<u>\$ 3,876,177</u>	<u>\$ 1,332,387</u>	<u>\$ 2,320,526</u>	<u>\$ 7,529,090</u>

CITY OF LEON VALLEY, TEXAS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2015

Net Change in Fund Balances - Total Governmental Funds	\$ (3,062,461)
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 are capitalized.	3,408,801
Capital assets are not recorded in government funds and are not therefore depreciated. However, in the statement of activities, these assets are depreciated over their estimated useful lives. This is the amount of the 2015 depreciation.	(567,712)
Revenues in the statement of activities that do not provide current financial resources and are not reported as revenues in the funds.	
Property Taxes	(20,347)
The change in net pension liability and deferred inflows and outflows related to the City's TMRS pension liability.	287,001
Premiums on the issuance of debt are expended in the governmental activities, but are amortized over the life of the bond in the statement of activities. This is the amortization for 2015.	6,959
Repayment of bond principal is an expenditure in the funds but is not an expense in the statement of activities.	430,000
Certain long-term liabilities are accrued at the government-wide level but not at the fund level. This is the current year change in those liabilities, reported as expense in the statement of activities (accrued interest).	2,000
Amounts to be expended for long-term employee leave is not recorded as an expenditure in the funds, but is an expense in the statement of activities. This is the change in compensated absences for 2015.	<u>(51,877)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 432,364</u>

CITY OF LEON VALLEY, TEXAS  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
SEPTEMBER 30, 2015

	<u>BUSINESS-TYPE ACTIVITY WATER AND WASTEWATER</u>
<u>ASSETS</u>	
<u>CURRENT ASSETS</u>	
Cash and Cash Equivalents	\$ 2,526,072
Accounts Receivable, Net of Allowance for Uncollectible	388,362
Prepaid Items	<u>9,599</u>
Total Current Assets	<u>2,924,033</u>
<u>NONCURRENT ASSETS</u>	
Restricted Cash and Cash Equivalents for Customer Deposits	132,385
Capital Assets (Net)	
Land	113,227
Water Rights	1,531,672
Buildings	5,876
Water and Wastewater System - Plant	2,352,977
Equipment	<u>110,190</u>
Total Noncurrent Assets	<u>4,246,327</u>
TOTAL ASSETS	<u>\$ 7,170,360</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred Outflows of Resources - TMRS	<u>154,917</u>
<u>LIABILITIES</u>	
<u>CURRENT LIABILITIES</u>	
Accounts Payable	\$ 67,370
Accrued Expenses	17,959
Current Portion of Accrued Leave	<u>17,705</u>
Total Current Liabilities	<u>103,034</u>
<u>NONCURRENT LIABILITIES</u>	
Accrued Leave	53,114
Payable from Restricted Assets:	
Customer Deposits Payable	132,385
Net Position Liability	<u>378,515</u>
Total Noncurrent Liabilities	<u>564,014</u>
Total Liabilities	<u>667,048</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred Inflows of Resources - TMRS	<u>101,993</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	<u>4,113,942</u>
Restricted Net Position	
Water Supply Fee Reserve	55,060
Storm Water Fee Reserve	853,645
Unrestricted Net Position	
Appropriated for Capital Outlay	1,183,589
Unrestricted Unappropriated Net Position	<u>350,000</u>
Total Net Position	<u>\$ 6,556,236</u>

(The Accompanying Notes are an Integral Part of these Financial Statements)

CITY OF LEON VALLEY, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUND  
YEAR ENDED SEPTEMBER 30, 2015

	<u>BUSINESS-TYPE ACTIVITY</u> <u>WATER AND WASTEWATER</u>
<u>OPERATING REVENUES</u>	
Metered Water Sales	\$ 811,408
Wastewater Sales Charges	1,871,412
Storm Water Fees	391,250
Connection and Platting	314,937
Customer Penalties	32,280
Customer Disconnect Fees	6,740
Tap Fees	<u>18,818</u>
Total Operating Revenues	<u>3,446,845</u>
<u>OPERATING EXPENSES</u>	
General and Administrative	669,354
Water System	911,259
Wastewater System	1,394,312
Stormwater System	337,648
Depreciation	<u>168,948</u>
Total Operating Expenses	<u>3,481,521</u>
Operating Income (Loss)	<u>(34,676)</u>
<u>NONOPERATING REVENUES</u>	
Interest Income	1,270
Miscellaneous	84,682
Impact Fees	<u>34,725</u>
Total Nonoperating Revenues	<u>120,677</u>
Net Income Before Transfers	86,001
Transfer Out	<u>(70,000)</u>
Change in Net Position	16,001
<u>NET POSITION AT BEGINNING OF YEAR</u>	<u>6,923,517</u>
RESTATEMENT OF NET POSITION	(383,282)
<u>NET POSITION AT BEGINNING OF YEAR - RESTATED</u>	<u>6,540,235</u>
NET POSITION AT END OF YEAR	<u>\$ 6,556,236</u>

CITY OF LEON VALLEY, TEXAS  
STATEMENT OF CASH FLOWS  
YEAR ENDED SEPTEMBER 30, 2015

<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Payments Received from Customers	\$ 3,414,019
Payments to Suppliers for Goods and Services	(2,118,465)
Payments for Salaries and Benefits	<u>(1,210,794)</u>
Net Cash Provided (Used) by Operating Activities	<u>84,760</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>	
Acquisition of Capital Assets	(225,764)
Impact and Service Fees	<u>119,407</u>
Net Cash Used by Capital and Related Financing Activities	<u>(106,357)</u>
<u>CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES</u>	
Transfer to Other Funds	<u>(70,000)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Interest Received	<u>1,270</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(90,327)</u>
<u>CASH AND CASH EQUIVALENTS - BEGINNING</u>	
Cash and Cash Equivalents	2,623,859
Restricted Cash and Cash Equivalents	<u>124,925</u>
CASH AND CASH EQUIVALENTS - BEGINNING	<u>\$ 2,748,784</u>
<u>CASH AND CASH EQUIVALENTS - ENDING</u>	
Cash and Cash Equivalents	\$ 2,526,072
Restricted Cash and Cash Equivalents	<u>132,385</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 2,658,457</u>
<u>RECONCILIATION OF UTILITY OPERATING INCOME TO NET CASH</u>	
<u>PROVIDED BY OPERATING ACTIVITIES</u>	
Operating Income (Loss)	\$ (34,676)
Depreciation	168,948
(Increase) Decrease in Assets	
Accounts Receivable	(40,286)
Prepaid Expense	(533)
Increase (Decrease) in Liabilities	
Accounts Payable	54,147
Accrued Expenses	(12,609)
Customer Deposits	7,460
Net Pension Liability	(57,691)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 84,760</u>
<u>Schedule of Noncash Activities</u>	
Actuarial Calculation of Net Pension Liability	\$ 43,233

CITY OF LEON VALLEY, TEXAS  
BALANCE SHEET - COMPONENT UNIT  
SEPTEMBER 30, 2015

	<u>COMPONENT UNIT</u> <u>ECONOMIC DEVELOPMENT CORPORATION</u>
<u>ASSETS</u>	
Cash and Cash Equivalents	\$ 325,850
Due from Other Governments	<u>47,311</u>
TOTAL ASSETS	<u>\$ 373,161</u>
<u>LIABILITIES AND FUND BALANCE</u>	
<u>LIABILITIES</u>	
Accrued Expenses	<u>6,328</u>
<u>FUND BALANCE</u>	
Unassigned	<u>366,833</u>
Total Fund Balance	<u>366,833</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 373,161</u>

CITY OF LEON VALLEY, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
COMPONENT UNIT  
YEAR ENDED SEPTEMBER 30, 2015

	<u>COMPONENT UNIT</u> <u>ECONOMIC DEVELOPMENT CORPORATION</u>
<u>REVENUES</u>	
Sales Taxes	\$ 274,866
Interest	<u>163</u>
Total Revenues	<u>275,029</u>
 <u>OPERATING EXPENSES</u>	
General and Administrative	<u>559,306</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	  <u>(284,277)</u>
<u>FUND BALANCE AT BEGINNING OF YEAR</u>	<u>651,110</u>
FUND BALANCE AT END OF YEAR	<u>\$ 366,833</u>

**NOTES TO BASIC FINANCIAL STATEMENTS**

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CITY OF LEON VALLEY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Leon Valley, Texas, was incorporated in 1952. The City operates under a council-manager form of government and provides the following services as authorized by its charter: police and fire protection, maintenance of streets, planning and zoning, parks and recreation, general administrative services, water, and sewer services.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Proprietary type funds apply all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, APB Opinions, and ARB pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The more significant of the City's accounting policies are described below:

A. Reporting Entity

In evaluating how to define the government, for financial purposes, management has considered all potential component units and associated component units. The decision to include a potential component unit or associated component unit in the reporting entity was made by applying the criteria set forth in GASB Statement 14, *The Financial Reporting Entity* and GASB Statement 39 *Determining Whether Certain Organizations are Component Units*. The definition of the reporting entity is based primarily on the concept of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. Based on the criteria of GASB Nos. 14 and 39, the Leon Valley Economic Development Corporation (LVEDC) is considered to be a discretely presented component unit. The LVEDC is financially accountable to the City because City Council approves the LVEDC budget and must approve any debt issuance. The component unit's board is appointed by City Council and its activities benefit the City by promoting growth and development opportunities. Separate financial statements are not issued for the LVEDC.

B. Government-Wide Fund Financial Statements

The government-wide financial statements include the statement of net position and statement of activities. Government-wide statements report information on all of the activities of the City. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. The values of interfund services provided and used are not eliminated in the government-wide financial statements, as elimination of those charges would distort the direct costs reported for the various functions. Governmental activities are supported mainly by taxes and intergovernmental revenues. Business-type activities are financed whole or in part by fees charged to external parties for goods and services. The City has no fiduciary funds.

CITY OF LEON VALLEY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide Fund Financial Statements (Continued)

The statement of activities reflects the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

Separate fund financial statements are provided for governmental funds and proprietary funds. The general fund and capital projects fund meet the criteria as major governmental funds. The combined amounts for all nonmajor funds are reflected in a single column in the fund balance sheet and statement of revenues, expenditures, and changes in fund balances. Detailed statements for nonmajor funds are presented within combining and individual fund statements and schedules.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. This measurement focus is also used for the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash revenue types, which have been accrued, revenue from the investments, intergovernmental revenue and charges for services. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are met.

Revenues are classified as program revenues and general revenues. Program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. General revenues include all taxes, grants not restricted to specific programs and investment earnings.

Governmental fund level financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Measurable and available revenues include revenues expected to be received within 60 days after the fiscal year ends. Receivables which are measurable but not collectible within 60 days after the end of the fiscal period are reported as deferred inflow of resources. Property taxes which are levied prior to September 30, 2014, and became due October 1, 2014 have been assessed to finance the budget of the fiscal year beginning October 1, 2014 and, accordingly, have been reflected as deferred inflow of resources and taxes receivable in the fund financial statement at September 30, 2015.

CITY OF LEON VALLEY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Sales taxes, franchise taxes, hotel/motel taxes, and fees associated with the current fiscal year are considered to be susceptible to accrual and so have been recognized as revenue in the current fiscal period. All other revenue items received by the government are considered to be measurable and available only when the cash is received by the City.

Expenditures generally are recorded when a fund liability is incurred; however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the liability has matured and payment is due.

The government reports the following major governmental funds:

**General fund** is the general operating fund of the City and is always classified as a major fund. The general fund is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include property taxes, charges for services, intergovernmental revenues and investment of idle funds. Primary expenditures are for general administration, public safety, public service and capital acquisition.

**Capital Projects fund** accounts for financial resources to be used for the acquisition and construction of major capital facilities and is principally financed by the sale of general obligation bonds.

Nonmajor funds include special revenue funds and debt service funds.

**Proprietary fund** level financial statements are used to account for activities, which are similar to those found in the private sector. The measurement focus is upon determination of net income, financial position and cash flows. The City's proprietary fund is the water/wastewater fund (used to account for the provisions of water and sewer services to residents).

The proprietary fund is accounted for using the accrual basis of accounting as follows:

- Revenues are recognized when earned, and expenses are recognized when liabilities are incurred.
- Current-year contributions, administrative expenses and benefit payments, which are not received or paid until the subsequent year, are accrued.

Proprietary funds distinguish operating revenues and expenses from non-operating. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

CITY OF LEON VALLEY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash and Cash Equivalents

For purposes of the statement of cash flows, the enterprise fund (water and wastewater fund) considers all highly liquid investments including cash in banks, cash on hand, money market accounts, deposits in local government investment pools, and restricted cash and temporary investments to be cash equivalents.

E. Investments

State statutes authorize the City to invest in (1) obligations of the United States or its agencies and instrumentalities; (b) direct obligations of the State of Texas or its agencies; (c) other obligations, the principal and interest of which are unconditionally guaranteed or insured by the State of Texas or the United States; (d) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (e) certificates of deposit by state and national banks domiciled in this state that are (i) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, (ii) secured by obligations that are described by (a) – (d). Statutes allow investing in local government investment pools organized and rated in accordance with the Interlocal Cooperation Act, whose assets consist exclusively of the obligations of the United States or its agencies and instrumentalities and repurchase assessments involving those same obligations.

Investments are stated at fair value (plus accrued interest) except for money market investments and participating interest-earning investment contracts (U.S. Treasuries) that have a remaining maturity at time of purchase of one year or less. Those investments are stated at amortized cost. Likewise, certificates of deposit are stated at amortized cost.

F. Accounts Receivable

Property taxes are levied based on taxable value at January 1 prior to September 30 and become due October 1, 2014 and past due after January 31, 2015. Accordingly, receivables and revenues for property taxes are reflected on the government-wide statement based on the full accrual method of accounting.

Accounts receivable from other governments include amounts due from grantors for approved grants for specific programs and reimbursements for services performed by the City. Program grants are recorded as receivables and revenues at the time all eligibility requirements established by the provider have been met.

Reimbursements for services performed are recorded as receivables and revenues when they are earned in the government-wide statements. Included are fines and costs assessed by the court action and billable services for certain contracts. Revenues received in advance of the costs being incurred are recorded as deferred inflows of resources in the fund statements. Receivables are shown net of an allowance for uncollectibles.

CITY OF LEON VALLEY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on fund statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

H. Inventories and Prepaid Items

The City accounts for inventories using the consumption method. Inventories consist primarily of supplies and are valued at cost determined by the average cost method. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid Items of governmental funds are recorded as expenditures when consumed rather than when purchased.

I. Budget

An operating budget is adopted each fiscal year for all City governmental funds. The budget is adopted on the GAAP basis of accounting.

J. Restricted Assets

Certain enterprise fund revenues are collected for a specific purpose by state law and city ordinances such as impact fees for infrastructure improvements and the purchase of future water rights. These funds are classified as restricted assets on the statement of net position and balance sheet because their use is limited by law.

Also, considered as restricted assets, are deposits of water/sewer customers and performance bond deposits pending refund to the customer.

K. Capital Assets

Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets are reported in the applicable governmental or business type activities column in the government-wide financial statements. Capital assets such as equipment are defined as assets with a cost of \$5,000 or more. Infrastructure assets include city-owned streets, sidewalks, curbs and bridges. Capital assets are recorded at historical costs if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Interest has not been capitalized during the construction period on property plant and equipment.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

CITY OF LEON VALLEY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Capital Assets (Continued)

<u>ASSET</u>	<u>YEARS</u>
Buildings	50 Years
Transportation and Equipment	3-30 Years
Infrastructure	50 Years
Improvements other than Buildings	50 Years

L. Compensated Absences

Vested or accumulated vacation leave and compensatory time that is expected to be liquidated with expendable available resources is reported as an expenditure and fund liability of the governmental fund that will pay for it. Amounts of vested or accumulated vacation leave and compensatory time that are not expected to be liquidated with expendable available financial resources are reported in the government wide statements. Vested or accumulated vacation leave and compensatory time of the enterprise fund is recorded as an expense and liability of that fund as the benefits accrue to employees. Accumulated vacation pay and compensatory time at September 30, 2015 of \$70,819 and \$503,313 has been recorded in accrued liabilities of the enterprise fund and government-wide statements, respectively. Compensated absences are reported in the governmental funds only if they have matured (i.e., unused reimbursable leave outstanding following an employee's resignation or retirement). The general fund is the governmental fund that has typically been used in prior years to liquidate the liability for compensated absences.

M. Deferred Inflows/Outflows of Resources

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deduction 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.

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. The City's only item arises under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenues, are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

CITY OF LEON VALLEY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities under governmental activities or proprietary fund type statement of net position. On new bond issues, bond premium and discounts are deferred and amortized over the life of the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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.

O. Net Position

Net Position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The City has elected to appropriate net position of its business type activity. Such appropriations reflect the intended use of the net position.

P. Interfund Transactions

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both governmental and proprietary funds.

Q. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise. For the City, those revenues are charges for electric, water, and sewer services. Operating expenses are necessary costs incurred to provide the service that is the primary activity. Revenues and expenses not meeting these definitions are reported as nonoperating.

R. Use of Estimates

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

CITY OF LEON VALLEY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Fund Balance Classification Policies

The City adopted Governmental Accounting Standards Board Statement Number 54 (GASB 54) *Fund Balance Reporting and Governmental Fund Type Definitions*. The statement provides guidance for fund balance categories and classifications and governmental fund type definitions. GASB 54 changed the way we look at fund balances, specifically reporting what fund balances, by major governmental fund type, are or are not available for public purposes. Five categories of fund balances were created and defined by GASB 54. These five categories are as follows:

- **Non-spendable** – These funds are not available for expenditures based on legal or contractual requirements. An example might be inventories and prepaid expenditures.
- **Restricted** – These funds are governed by externally enforceable restrictions.
- **Committed** – Fund balances in this category are limited by the government’s highest level of decision making (in this case the City Council). Any changes of this designation must be done in the same manner that it was implemented. For example, if funds are committed by resolution, the commitment could only be released with another resolution.
- **Assigned** – For funds to be assigned, there must be an intended use which can be established by the City Council or an official delegated by the council, such as a city administrator or finance director. Assigned fund balance is delegated by the City Council to the City Manager.
- **Unassigned** – This classification is the default for all funds that do not fit into the other categories.

Restricted amounts are considered to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available. The City’s policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year.

T. Change in Accounting Policy

During fiscal year 2015, the City changed accounting policies related to reporting of net pension liability, deferred outflows of resources, and deferred inflows of resources in a statement of net financial position by adopting GASB Statement No. 68 “Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27”. Accordingly, the effect of the accounting change is reported on the statement of net position, and the statement of activities for the current year.

CITY OF LEON VALLEY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2015

NOTE 2: CASH AND CASH EQUIVALENTS

The City's funds are required to be deposited and invested under the terms of the depository contract. The depository bank deposits for safekeeping and trust with the City's agent bank approved pledge securities in an amount sufficient to protect City funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

A. Cash

At September 30, 2015, the carrying amount of the City's cash on hand was \$1,400, deposits in the bank were \$2,287,977 and the book balance was \$2,043,121. The City's cash was fully collateralized. The component unit's bank deposits were \$361,961 and the book balance was \$311,872. This balance was fully collateralized.

B. Investments

The City is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date of the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposits.

The Act determines the types of investments which are allowable for the City. These include, with certain restrictions, (1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) securities lending program, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investments pools, (9) guaranteed investment contracts, and (10) commercial paper.

The City's cash, and cash equivalents at September 30, 2015 are as shown below:

	REPORTED AND FAIR VALUE	WEIGHTED AVERAGE MATURITY	RATING	
			MOODY'S	S & P
TexPool	\$ 8,446,109	n/a	Aaa	AAAm
Cash on Hand	1,400	n/a	n/a	n/a
Bank Deposits	<u>2,043,121</u>	n/a	n/a	n/a
 TOTAL CASH, CASH EQUIVALENTS, AND INVESTMENTS	 <u>\$ 10,490,630</u>			
 Unrestricted	 <u>10,358,245</u>			
 RESTRICTED	 <u>\$ 132,385</u>			

CITY OF LEON VALLEY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2015

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

C. Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the City was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. City investment policy follows state guidelines. The City policy allows investments in certificates of deposit with banks in Texas, investments in U.S. Treasuries and Agencies, and investment pools that invest in obligations of the United States or its agencies and instrumentalities to name a few.

At September 30, 2015, the City's investments were in TexPool, a public funds investment pool where all securities held maintain a continuous rating of no lower than Aaa or AAAM or an equivalent rating by at least one nationally recognized rating service.

*Custodial Credit Risk.* Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name.

At year end and per City policy all funds were in the City's name and collateralized with securities that maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service. The City was not exposed to custodial credit risk.

*Concentration of Credit Risk.* This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. All City funds are in the external investment pool as allowed by the City's investment policy, and the investment pool invests in hundreds of authorized securities that minimize concentrations of credit risk. At year end, the City was not exposed to concentration of credit risk.

*Interest Rate Risk.* This is the risk that changes in interest rates will adversely affect the fair market value of an investment. At year end, the City was not exposed to interest rate risk due to investment in an external investment pool as authorized by the City's investment policy.

*Foreign Currency Risk.* This is the risk that exchange rates will adversely affect the fair value of an investment. The City's policy does not allow investment in foreign currency. At year end the City was not exposed to foreign currency risk.

CITY OF LEON VALLEY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2015

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

D. Investment Policy

The City's general policy is to report money market investments and short-term participating interest-earning investment contracts as amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

E. Public Funds Investment Pools

Public funds investment pools in Texas are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires pools to: (1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; (2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and (3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

NOTE 3: RECEIVABLES

A. Special Assessments

The City levied special assessments in 1986 against various property owners benefiting from public improvements completed in 1987. In accordance with the provisions of the assessment certificates issued for the property owners, assessments are due and payable at the time of completion. All assessments receivable as of September 30, 2012, are considered delinquent. These public improvements were funded through a note payable at the City's depository bank. Collections from assessment accounts were insufficient to cover the required note payments and therefore, the City's general fund paid the note in full through a transfer. Accordingly, current and future principal and interest collections on these delinquent accounts will be used to reimburse the City's general fund. The related assessments receivable, revenues, deferred revenue, and debt payments are reported in the debt service fund.

CITY OF LEON VALLEY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2015

NOTE 3: RECEIVABLES (CONTINUED)

B. Other Receivables

Other receivables consist of the following:

	<u>AMOUNT</u>	<u>ALLOWANCE FOR DOUBTFUL</u>	<u>NET RECEIVABLE</u>
Property Taxes	\$ 178,522	\$ (26,778)	\$ 151,744
EMS Receivables	209,384	(209,384)	-
Special Assessment	11,744	-	11,744
Accounts	282,064	-	282,064
Utility	403,011	(14,649)	388,362

NOTE 4: PROPERTY TAX CALENDAR

The City's property tax is levied and becomes collectible each October 1 based on the assessed values listed as of prior January 1, which is the date a lien attaches to all taxable property in the City. Assessed values are established by the Bexar County Appraisal District at 100% of estimated market value. Assessed values are reduced by lawful exemptions to arrive at taxable values. A revaluation of all property is required to be completed every four (4) years. The total taxable value as of January 1, 2014, upon which the fiscal 2015 levy was based, was \$740,061,497 (market value less exemptions).

The City is permitted by the Constitution of the State of Texas to levy taxes up to \$2.50 per \$100 of taxable assessed valuation for all governmental purposes. Pursuant to a decision of the Attorney General of the State of Texas, up to \$1.50 per \$100 of assessed valuation may be used for the payment of long-term debt. The combined tax rate to finance general governmental services, including the payment of principal and interest on long-term debt, for the year ended September 30, 2015 was \$0.575507 per \$100 of assessed value, which means that the City has a tax margin of \$1.924493 for each \$100 value. The City may not, however, adopt a tax rate that exceeds the rollback rate or the effective rate, whichever is lower, without first having two public hearings. If the City adopts a tax rate that exceeds the rollback tax rate, registered voters may petition the City for an election on the tax increase. A successful election limits the City's current tax rate to the rollback rate.

Property taxes are recorded as receivables and deferred inflows of resources at the time the taxes are assessed. In governmental funds, revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in the time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with generally accepted accounting principles have been recognized as revenue. In the government wide financial statements, the entire levy is recognized as revenue, net of estimated uncollectible amounts (if any), at the levy date.

CITY OF LEON VALLEY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2015

NOTE 5: INTERFUND TRANSACTIONS

Transfers consisted of the following:

		PURPOSE
Capital Projects		
Transfers from General Fund	\$ (247,479)	Program Supplement
Transfers from CIED Fund	(163,324)	Program Supplement
Transfers from Court Technology Fund	( 30,000)	Program Supplement
Transfers from Community Center	( 20,000)	Program Supplement
Transfers from Water and Wastewater Fund	( 70,000)	Program Supplement
Transfers from Police Forfeiture	<u>( 50,000)</u>	Program Supplement
TOTAL CAPITAL PROJECTS FUND	(580,803)	
Building Security Fund		
Transfers from General Fund	<u>( 10,000)</u>	Program Supplement
TOTAL TRANSFERS	<u>\$ (590,803)</u>	

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CITY OF LEON VALLEY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2015

NOTE 6: CAPITAL ASSETS

Governmental and Business-type capital asset activity for the year ended September 30, 2015 was as follows:

	<u>BEGINNING BALANCE</u>	<u>RECLASS AND ADDITIONS</u>	<u>RECLASS AND DELETIONS</u>	<u>ENDING BALANCE</u>
<u>Governmental Activities</u>				
Capital Assets not being Depreciated				
Land	\$ 817,346	\$ -	\$ -	\$ 817,346
Construction in Progress	3,037,014	3,398,408	-	6,435,422
Total Capital Assets not being Depreciated	<u>3,854,360</u>	<u>3,398,408</u>	<u>-</u>	<u>7,252,768</u>
Capital Assets being Depreciated				
Buildings	3,872,271	-	-	3,872,271
Transportation and Equipment Infrastructure	5,527,139	10,393	(165,644)	5,371,888
	<u>11,079,412</u>	<u>-</u>	<u>-</u>	<u>11,079,412</u>
Total Capital Assets being Depreciated	<u>20,478,822</u>	<u>10,393</u>	<u>(165,644)</u>	<u>20,323,571</u>
Less Accumulated Depreciation:				
Buildings	(1,557,111)	(67,687)	-	(1,624,798)
Transportation and Equipment Infrastructure	(3,758,138)	(330,267)	165,644	(3,922,761)
	<u>(6,696,043)</u>	<u>(169,758)</u>	<u>-</u>	<u>(6,865,801)</u>
Total Accumulated Depreciation	<u>(12,011,292)</u>	<u>(567,712)</u>	<u>165,644</u>	<u>(12,413,360)</u>
Total Capital Assets being Depreciated - Net	<u>8,467,530</u>	<u>(557,319)</u>	<u>-</u>	<u>7,910,211</u>
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS - NET	<u>\$ 12,321,890</u>	<u>\$ 2,841,089</u>	<u>\$ -</u>	<u>\$ 15,162,979</u>
<u>Business-Type Activities</u>				
Capital Assets not being Depreciated				
Land	\$ 113,227	\$ -	\$ -	\$ 113,227
Water Rights	1,313,803	217,869	-	1,531,672
Total Capital Assets not being Depreciated	<u>1,427,030</u>	<u>217,869</u>	<u>-</u>	<u>1,644,899</u>
Capital Assets being Depreciated				
Buildings	25,403	-	-	25,403
Improvements Other than Buildings	6,730,299	-	-	6,730,299
Transportation and Equipment	640,029	7,895	-	647,924
Total Capital Assets being Depreciated	<u>7,395,731</u>	<u>7,895</u>	<u>-</u>	<u>7,403,626</u>
Less Accumulated Depreciation				
Buildings	(19,117)	(410)	-	(19,527)
Improvements Other than Buildings	(4,241,509)	(135,813)	-	(4,377,322)
Transportation and Equipment	(505,009)	(32,725)	-	(537,734)
Total Accumulated Depreciation	<u>(4,765,635)</u>	<u>(168,948)</u>	<u>-</u>	<u>(4,934,583)</u>
Total Capital Assets being Depreciated - Net	<u>2,630,096</u>	<u>(161,053)</u>	<u>-</u>	<u>2,469,043</u>
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS - NET	<u>\$ 4,057,126</u>	<u>\$ 56,816</u>	<u>\$ -</u>	<u>\$ 4,113,942</u>

CITY OF LEON VALLEY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2015

NOTE 6: CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to the governmental functions as follows:

Governmental Activities

Administration	\$ 60,169
Public Safety	230,400
Public Works	167,047
Parks and Recreation	32,283
Community Development	61,293
Library	<u>16,520</u>

TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES \$ 567,712

Business-Type Activities

Water and Wastewater Utilities	<u>\$ 168,948</u>
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NOTE 7: LONG-TERM DEBT

Long-term debt and obligations payable at September 30, 2015 were comprised of the following individual issues:

	<u>BALANCE</u> <u>9/30/2014</u>	<u>ADDITIONS</u>	<u>PAYMENTS</u>	<u>BALANCE</u> <u>9/30/2015</u>	<u>DUE WITHIN</u> <u>ONE YEAR</u>
<u>Governmental Activities</u>					
General Obligation Refunding Bonds, Series 2009 Original Amount of \$2,575,000 Interest Rate 3.12%	\$ 1,240,000	\$ -	\$ (295,000)	\$ 945,000	\$305,000
Public Property Finance Contract, 2009 Original Amount of \$1,060,000 Interest Rate of 4.42%	870,000	-	(45,000)	825,000	45,000
General Obligation Bonds, Series 2012 Original Amount of \$7,000,000 Interest Rate 1.25-3.25%	6,885,000	-	(90,000)	6,795,000	95,000
Issuance Premium	<u>124,096</u>	<u>-</u>	<u>(6,959)</u>	<u>117,137</u>	<u>6,959</u>
Subtotal	9,119,096	-	(436,959)	8,682,137	\$451,959
Compensated Absences	<u>451,436</u>	<u>164,736</u>	<u>(112,859)</u>	<u>503,313</u>	<u>125,828</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 9,570,532</u>	<u>\$ 164,736</u>	<u>\$ (549,818)</u>	<u>\$ 9,185,450</u>	<u>\$ 577,787</u>
<u>Business-Type Activities</u>					
Compensated Absences	<u>\$ 78,641</u>	<u>\$ 11,838</u>	<u>\$ (19,660)</u>	<u>\$ 70,819</u>	<u>\$ 19,660</u>

In the past, the general fund and the water and wastewater fund were used to liquidate compensated absences.

CITY OF LEON VALLEY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2015

NOTE 7: LONG-TERM DEBT (CONTINUED)

The General Obligation Refunding Bonds, Series 2009 were issued to refund the 1998 Certificates of Obligation and the 2000 Tax Notes which were for capital improvements and equipment. The 2009 Public Property Finance Contract was used to purchase a fire truck. The General Obligation Bonds, Series 2012 were issued for construction of new City facilities.

The annual requirements to amortize all long-term debt and obligations outstanding as of September 30, 2015, including interest payments, are as follows:

YEAR ENDING SEPTEMBER 30,	PRINCIPAL	INTEREST	TOTAL
2016	\$ 445,000	\$ 233,370	\$ 678,370
2017	460,000	219,505	679,505
2018	475,000	203,810	678,810
2019	440,000	193,498	633,498
2020	450,000	183,741	633,741
2021-2025	2,405,000	758,528	3,163,528
2026-2030	2,715,000	424,956	3,139,956
2031-2032	<u>1,175,000</u>	<u>57,525</u>	<u>1,232,525</u>
	<u>\$ 8,565,000</u>	<u>\$ 2,274,933</u>	<u>\$ 10,839,933</u>

NOTE 8: EMPLOYEES' RETIREMENT SYSTEM

A. Plan Description

The City participates as one of 860 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at [www.tmr.com](http://www.tmr.com).

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

B. Benefits Provided

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

CITY OF LEON VALLEY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2015

NOTE 8: EMPLOYEES' RETIREMENT SYSTEM (CONTINUED)

B. Benefits Provided (Continued)

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

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Members are eligible to retire at age sixty (60) and above with five (5) or more years of service or with twenty-five (25) years of service regardless of age. A member is vested after five (5) years. The contribution rate for the employees is 6%, and the City matching percent is currently 2 to 1.

**Employees Covered by Benefit Terms**

At the December 31, 2014 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	-
Inactive employees entitled to but not yet receiving benefits	-
Active employees	15

C. Contributions

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

Employees for the City were required to contribute 6% of their annual gross earnings during the fiscal year. The contribution rates for the City were 16.56% and 15.88% for calendar years 2014 and 2015 respectively. The City's contributions to TMRS for the year ended September 30, 2015 were \$736,316, and were equal to the required contributions.

D. Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2014, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

CITY OF LEON VALLEY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2015

NOTE 8: EMPLOYEES' RETIREMENT SYSTEM (CONTINUED)

D. Net Pension Liability (Continued)

**Actuarial Assumptions:**

The Total Pension Liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.0% per year
Overall Payroll Growth	3.0% per year
Investment Rate of Return	7.0%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Table is used, with slight adjustments.

Actuarial assumptions used in the December 31, 2014, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period January 1, 2006 through December 31, 2009, first used in the December 31, 2010 valuation. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation.

The long-term expected rate of return on pension plan investments is 7.0%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. 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.

CITY OF LEON VALLEY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2015

NOTE 8: EMPLOYEES' RETIREMENT SYSTEM (CONTINUED)D. Net Pension Liability (Continued)

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

<u>ASSET CLASS</u>	<u>TARGET ALLOCATION</u>	<u>LONG-TERM EXPECTED REAL RATE OF RETURN (ARITHMETIC)</u>
Domestic Equity	17.5%	4.80%
International Equity	17.5%	6.05%
Core Fixed Income	30.0%	1.50%
Non-Core Fixed Income	10.0%	3.50%
Real Return	5.0%	1.75%
Real Estate	10.0%	5.25%
Absolute Return	5.0%	4.25%
Private Equity	5.0%	8.50%
Total	<u>100.0%</u>	

**Discount Rate**

The discount rate used to measure the Total Pension Liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

**Changes in the Net Pension Liability**

	<u>Total Pension Liability (a)</u>	<u>Increase (Decrease) Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a) - (b)</u>
Balance at December 31, 2013	\$ 36,144,116	\$ 33,279,600	\$ 2,864,516
Changes for the year:			
Service Cost	645,011	-	645,011
Interest	2,491,971	-	2,491,971
Change of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	(806,336)	-	(806,336)
Changes of Assumptions	-	-	-
Contributions - Employer	-	769,208	(769,208)
Contributions - Employee	-	282,279	(282,279)
Net Investment Income	-	1,903,667	(1,903,667)
Benefit Payments, Including Refunds			
of Employee Contributions	(1,734,074)	(1,734,074)	-
Administrative Expense	-	(19,877)	19,877
Other Changes	-	(1,633)	1,633
Net Changes	<u>596,572</u>	<u>1,199,570</u>	<u>(602,998)</u>
Balance at December 31, 2014	<u>\$ 36,740,688</u>	<u>\$ 34,479,170</u>	<u>\$ 2,261,518</u>

CITY OF LEON VALLEY, TEXAS  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 SEPTEMBER 30, 2015

NOTE 8: EMPLOYEES' RETIREMENT SYSTEM (CONTINUED)

D. Net Pension Liability (Continued)

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

The following presents the net pension liability of the City, calculated using the discount rate of 7.0%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

	<u>1% Decrease in Discount Rate (6.0%)</u>	<u>Discount Rate (7.0%)</u>	<u>1% Increase in Discount Rate (8.0%)</u>
City's Net Pension Liability	\$ 7,276,971	\$ 2,261,518	\$ (1,867,884)

**Pension Plan Fiduciary Net Position**

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

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

For the year ended September 30, 2015, the City recognized a decrease in pension expense of \$344,691.

At September 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Difference Between Expected and Actual Economic Experience	\$ -	\$ (609,380)
Changes in Actuarial Assumptions	-	-
Difference Between Projected and Actual Investment Earnings	584,859	-
Contributions Subsequent to the Measurement Date	<u>340,724</u>	<u>-</u>
Total	<u>\$ 925,583</u>	<u>\$ (609,380)</u>

CITY OF LEON VALLEY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2015

NOTE 8: EMPLOYEES' RETIREMENT SYSTEM (CONTINUED)

E. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The City reported \$925,583 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2015. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2015	\$	(111,775)
2016		(111,775)
2017		(111,775)
2018		66,669
2019		-
Thereafter		-
Total	\$	(268,656)

F. Supplemental Death Benefits Fund

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

G. 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); retired employees are insured for \$7,500; this coverage is an "other post-employment benefit" or OPEB.

H. Contributions

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

The City's contributions to the TMRS SDBF for the years ended 2015, 2014, and 2013 were \$10,339, \$9,739, and \$11,927, respectively, which equaled the required contributions each year.

CITY OF LEON VALLEY, TEXAS  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 SEPTEMBER 30, 2015

NOTE 9: FUND BALANCE CATEGORIES

	GENERAL FUND	OTHER GOVERNMENTAL FUNDS	TOTAL
Non-Spendable			
Prepaid Expenditures	\$ 44,015	\$ 1,990	\$ 46,005
Inventory	12,427	-	12,427
	<u>56,442</u>	<u>1,990</u>	<u>58,432</u>
Restricted			
Capital Projects	-	1,332,387	1,332,387
Public Education Grants	114,636	-	114,636
Park Bucks Program	326	-	326
Debt Service	-	286,736	286,736
State Police Forfeiture	-	3,465	3,465
Federal Police Forfeiture	-	337,513	337,513
Building Security	-	1,482	1,482
Court Technology	-	5,808	5,808
Child Safety	-	12,566	12,566
Crime Control and Prevention District	-	248,112	248,112
Street Maintenance Tax	-	646,873	646,873
	<u>114,962</u>	<u>2,874,942</u>	<u>2,989,904</u>
Committed			
Natural or Man-Made Disasters	900,000	-	900,000
CIED	-	664,842	664,842
	<u>900,000</u>	<u>664,842</u>	<u>1,564,842</u>
Assigned			
Library Construction	25,275	-	25,275
Community and Conference Center	-	111,139	111,139
	<u>25,275</u>	<u>111,139</u>	<u>136,414</u>
Unassigned	<u>2,779,498</u>	-	<u>2,779,498</u>
TOTALS	<u>\$ 3,876,177</u>	<u>\$ 3,652,913</u>	<u>\$ 7,529,090</u>

City Council established a policy where by \$900,000 may only be spent for natural or man-made disasters. That amount is reported as committed fund balance.

NOTE 10: CONTINGENCIES

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

CITY OF LEON VALLEY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2015

NOTE 11: RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; injuries to employees; employee health benefits; and other claims of various natures. The City contracts with the Texas Municipal League (TML) to provide insurance coverage for property and casualty, and workers compensation. TML is a multi-employer group that provides for a combination of risk sharing among pool participants and stop loss coverage. Contributions are set annually by the provider. Liability by the City is generally limited to the contribution amounts. During the past three years, no settlements have exceeded insurance coverage.

NOTE 12: RESTATEMENT OF NET POSITION

Governmental and Business Type Activities

The beginning net position of the governmental activities has been restated to record a prior period adjustment to correct a capital asset disposal for \$(187,051).

Additionally, the City adopted GASB Statement No. 68, Accounting and Reporting for Pensions. With the adoption of this standard, the City is required to recognize their specific pension amounts, which include net pension liability (NPL), deferred outflows and inflows of resources, and pension expense. Adoption of GASB No. 68 required a prior period adjustment to report the effect of GASB 68 retroactively. The amount of the prior period adjustment for the governmental and business type activities is \$(1,906,725) and \$(383,282), respectively. The restated net position for the governmental and business type activities is \$11,578,178 and \$6,540,235, respectively. A reconciliation is as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Beginning Net Position	\$ 13,671,954	\$ 6,923,517
Capital Asset Disposal in a Prior Period	(187,051)	-
Restatement for Net Pension Liability - GASB 68	<u>(1,906,725)</u>	<u>(383,282)</u>
Beginning Fund Balance, Net Position as Restated	<u>\$ 11,578,178</u>	<u>\$ 6,540,235</u>

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## **REQUIRED SUPPLEMENTARY INFORMATION**

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule – General Fund
- Schedule of Changes in Net Pension Liability and Related Ratios – Last 10 years
- Schedule of Contributions – Last 10 Fiscal Years

**CITY OF LEON VALLEY, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**YEAR ENDED SEPTEMBER 30, 2015**  
**(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)**

	BUDGET AMOUNTS		2015 ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)	2014 ACTUAL
	ORIGINAL	FINAL			
<b>REVENUES</b>					
Property Taxes	\$ 3,316,280	\$ 3,316,280	\$ 3,434,382	\$ 118,102	\$ 3,286,957
Sales Taxes	2,124,190	2,124,190	2,242,189	117,999	2,245,559
Franchise Fees	840,098	840,098	898,466	58,368	857,932
Licenses, Permits, Fees and Fines	997,375	997,375	885,450	(111,925)	966,172
Grants	-	-	5,583	5,583	5,323
Other	160,637	160,637	156,976	(3,661)	196,256
Total Revenues	<u>7,438,580</u>	<u>7,438,580</u>	<u>7,623,046</u>	<u>184,466</u>	<u>7,558,199</u>
<b>EXPENDITURES</b>					
<b>Administration</b>					
Business Office					
Personnel Services	79,471	79,471	77,675	1,796	67,247
Supplies	9,130	9,130	9,145	(15)	6,954
Contracted Services	76,552	76,552	56,202	20,350	52,562
Total Business Office	<u>165,153</u>	<u>165,153</u>	<u>143,022</u>	<u>22,131</u>	<u>126,763</u>
Finance and Accounting					
Personnel Services	142,822	142,822	142,661	161	132,923
Supplies	5,600	5,600	5,092	508	5,624
Contracted Services	71,705	71,705	66,431	5,274	66,943
Total Finance and Accounting	<u>220,127</u>	<u>220,127</u>	<u>214,184</u>	<u>5,943</u>	<u>205,490</u>
Council and Manager					
Personnel Services	255,684	275,260	259,917	15,343	218,692
Supplies	42,440	42,440	23,248	19,192	14,522
Contracted Services	191,148	231,148	249,671	(18,523)	178,197
Capital Outlay	-	-	10,393	(10,393)	-
Total Council and Manager	<u>489,272</u>	<u>548,848</u>	<u>543,229</u>	<u>5,619</u>	<u>411,411</u>
Total Administration	<u>874,552</u>	<u>934,128</u>	<u>900,435</u>	<u>33,693</u>	<u>743,664</u>
<b>Public Safety</b>					
Law Enforcement Administration					
Personnel Services	331,812	331,812	266,891	64,921	293,587
Supplies	7,250	7,250	24,852	(17,602)	3,675
Contracted Services	69,228	69,228	56,743	12,485	64,860
Capital Outlay	18,300	18,300	-	18,300	-
Total Law Enforcement Administration	<u>426,590</u>	<u>426,590</u>	<u>348,486</u>	<u>78,104</u>	<u>362,122</u>
Law Enforcement Patrol					
Personnel Services	1,193,154	1,193,154	1,155,661	37,493	1,135,696
Supplies	84,000	84,000	95,042	(11,042)	73,440
Contracted Services	29,400	29,400	15,063	14,337	5,060
Total Law Enforcement Patrol	<u>1,306,554</u>	<u>1,306,554</u>	<u>1,265,766</u>	<u>40,788</u>	<u>1,214,196</u>
Law Enforcement Communications					
Personnel Services	288,019	288,019	271,461	16,558	228,049
Supplies	2,200	2,200	1,058	1,142	1,256
Contracted Services	3,300	3,300	10,951	(7,651)	1,576
Total Law Enforcement Communications	<u>293,519</u>	<u>293,519</u>	<u>283,470</u>	<u>10,049</u>	<u>230,881</u>

CITY OF LEON VALLEY, TEXAS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL- GENERAL FUND (CONTINUED)  
 YEAR ENDED SEPTEMBER 30, 2015  
 (WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

	BUDGET AMOUNTS		2015 ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)	2014 ACTUAL
	ORIGINAL	FINAL			
<u>EXPENDITURES (CONTINUED)</u>					
Public Safety (Continued)					
Law Enforcement Investigations					
Personnel Services	\$ 231,246	\$ 231,246	\$ 164,354	\$ 66,892	\$ 261,033
Supplies	2,700	2,700	2,375	325	676
Contracted Services	5,350	5,350	541	4,809	914
Total Law Enforcement Investigations	<u>239,296</u>	<u>239,296</u>	<u>167,270</u>	<u>72,026</u>	<u>262,623</u>
Law Enforcement Narcotics					
Personnel Services	77,974	77,974	72,678	5,296	73,765
Contracted Services	136	136	109	27	109
Total Law Enforcement Narcotics	<u>78,110</u>	<u>78,110</u>	<u>72,787</u>	<u>5,323</u>	<u>73,874</u>
Fire Protection Administration					
Personnel Services	224,354	224,354	218,760	5,594	201,667
Supplies	4,914	4,914	57,271	(52,357)	5,520
Contracted Services	36,223	36,223	27,030	9,193	33,444
Capital Outlay	51,300	51,300	-	51,300	-
Total Fire Protection Administration	<u>316,791</u>	<u>316,791</u>	<u>303,061</u>	<u>13,730</u>	<u>240,631</u>
Fire Protection Operations					
Personnel Services	1,694,975	1,694,975	1,676,299	18,676	1,527,928
Supplies	31,237	31,237	31,194	43	35,905
Contracted Services	70,830	76,413	86,131	(9,718)	76,939
Capital Outlay	9,400	9,400	-	9,400	170,737
Total Fire Protection Operations	<u>1,806,442</u>	<u>1,812,025</u>	<u>1,793,624</u>	<u>18,401</u>	<u>1,811,509</u>
Emergency Medical Services					
Supplies	39,610	39,610	40,390	(780)	27,641
Contracted Services	68,576	68,576	65,307	3,269	77,804
Capital Outlay	-	-	-	-	7,280
Total Emergency Medical Services	<u>108,186</u>	<u>108,186</u>	<u>105,697</u>	<u>2,489</u>	<u>112,725</u>
Total Public Safety	<u>4,575,488</u>	<u>4,581,071</u>	<u>4,340,161</u>	<u>240,910</u>	<u>4,308,561</u>
Public Works					
Public Works					
Personnel Services	742,935	742,935	739,868	3,067	659,706
Supplies	145,500	145,500	164,266	(18,766)	140,811
Contracted Services	269,215	276,915	243,485	33,430	258,439
Capital Outlay	20,000	20,000	-	20,000	102,876
Total Public Works	<u>1,177,650</u>	<u>1,185,350</u>	<u>1,147,619</u>	<u>37,731</u>	<u>1,161,832</u>
Parks and Recreation					
Personnel Services	88,146	88,146	63,115	25,031	78,277
Supplies	15,000	15,000	28,859	(13,859)	62,314
Contracted Services	60,590	60,590	50,820	9,770	17,052
Capital Outlay	20,000	20,000	-	20,000	46,380
Total Parks and Recreation	<u>183,736</u>	<u>183,736</u>	<u>142,794</u>	<u>40,942</u>	<u>204,023</u>

CITY OF LEON VALLEY, TEXAS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)  
 YEAR ENDED SEPTEMBER 30, 2015  
 (WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

	BUDGET AMOUNTS		2015 ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)	2014 ACTUAL
	ORIGINAL	FINAL			
<u>EXPENDITURES (CONTINUED)</u>					
Library					
Personnel Services	\$ 268,630	\$ 268,630	\$ 247,120	\$ 21,510	\$ 210,324
Supplies	24,314	24,314	30,876	(6,562)	32,641
Contracted Services	46,249	46,249	39,053	7,196	45,906
Capital Outlay	20,000	20,000	-	20,000	-
Total Library	<u>359,193</u>	<u>359,193</u>	<u>317,049</u>	<u>42,144</u>	<u>288,871</u>
Development Activities					
Community Development/Events					
Personnel Services	110,882	110,882	96,624	14,258	102,514
Supplies	5,400	5,400	5,173	227	2,869
Contracted Services	96,378	103,878	115,812	(11,934)	95,878
Capital Outlay	-	-	-	-	-
Total Community Development/Events	<u>212,660</u>	<u>220,160</u>	<u>217,609</u>	<u>2,551</u>	<u>201,261</u>
Special Events					
Personnel Services	12,118	12,118	8,850	3,268	10,188
Supplies	85,450	85,450	55,515	29,935	62,888
Contracted Services	-	-	30,000	(30,000)	-
Total Special Events	<u>97,568</u>	<u>97,568</u>	<u>94,365</u>	<u>3,203</u>	<u>73,076</u>
Economic Development					
Personnel Services	127,082	127,082	113,709	13,373	110,632
Supplies	4,700	4,700	3,989	711	2,228
Contracted Services	13,993	56,293	38,118	18,175	10,654
Capital Outlay	-	-	-	-	24,049
Total Economic Development	<u>145,775</u>	<u>188,075</u>	<u>155,816</u>	<u>32,259</u>	<u>147,563</u>
Total Development Activities	<u>456,003</u>	<u>505,803</u>	<u>467,790</u>	<u>38,013</u>	<u>421,900</u>
Total Expenditures	<u>7,626,622</u>	<u>7,749,281</u>	<u>7,315,848</u>	<u>433,433</u>	<u>7,128,851</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(188,042)</u>	<u>(310,701)</u>	<u>307,198</u>	<u>617,899</u>	<u>429,348</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers Out	(207,479)	(257,479)	(257,479)	-	(129,997)
Total Other Financing Sources (Uses)	<u>(207,479)</u>	<u>(257,479)</u>	<u>(257,479)</u>	<u>-</u>	<u>(129,997)</u>
Net Change in Fund Balance	(395,521)	(568,180)	49,719	617,899	299,351
FUND BALANCE - BEGINNING	<u>3,826,458</u>	<u>3,826,458</u>	<u>3,826,458</u>	<u>-</u>	<u>3,652,107</u>
RESTATEMENT OF FUND BALANCE	-	-	-	-	(125,000)
FUND BALANCE - BEGINNING RESTATED	<u>3,826,458</u>	<u>3,826,458</u>	<u>3,826,458</u>	<u>-</u>	<u>3,527,107</u>
FUND BALANCE - ENDING	<u>\$ 3,430,937</u>	<u>\$ 3,258,278</u>	<u>\$ 3,876,177</u>	<u>\$ 617,899</u>	<u>\$ 3,826,458</u>

CITY OF LEON VALLEY, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
AND RELATED RATIOS - LAST 10 YEARS

	2014
<b>Total Pension Liability</b>	
Service Cost	\$ 645,011
Interest (on the Total Pension Liability)	2,491,971
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	(806,336)
Change of Assumptions	-
Benefit Payments, Including Refunds of Employee Contributions	(1,734,074)
Net Change in Total Pension Liability	596,572
Total Pension Liability - Beginning	36,144,116
Total Pension Liability - Ending (a)	\$ 36,740,688
<b>Plan Fiduciary Net Position</b>	
Contributions - Employer	\$ 769,208
Contributions - Employee	282,279
Net Investment Income	1,903,667
Benefit Payments, Including Refunds of Employee Contributions	(1,734,074)
Administrative Expense	(19,877)
Other	(1,634)
Net Change in Plan Fiduciary Net Position	1,199,569
Plan Fiduciary Net Position - Beginning	33,279,600
Plan Fiduciary Net Position - Ending (b)	\$ 34,479,169
Net Pension Liability (a) - (b)	\$ 2,261,519
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	93.84%
Covered Employee Payroll	4,704,649
Net Pension Liability as a Percentage of Total Covered Employee Payroll	48.07%

CITY OF LEON VALLEY, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS - LAST 10 YEARS

	<u>2014</u>	<u>2015</u>
Actuarially Determined Contributions	\$ 755,270	\$ 779,557
Contributions in Relation to the Actuarially Determined Contributions	<u>755,270</u>	<u>779,557</u>
Contribution Deficiency (Excess)	-	-
Covered Employee Payroll	4,586,581	4,923,162
Contributions as a Percentage of Covered Employee Payroll	16.47%	15.83%

CITY OF LEON VALLEY, TEXAS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED SEPTEMBER 30, 2015

NOTE 1: BUDGETARY INFORMATION

The budget for the general fund is adopted on a basis consistent with generally accepted accounting principles. Annual appropriations lapse at fiscal year end.

Budgetary preparation and control is exercised at the fund level. The city manager is authorized to transfer budget amounts between accounts within a department. These transfers cannot increase the overall budgeted expenditures.

NOTE 2: SCHEDULE OF CONTRIBUTIONS

**Valuation Date:**

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

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 Years
Asset Valuation Method	10 Year Smoothed Market, 15% Soft Corridor
Inflation	3.00%
Salary Increases	3.5% to 12.00% Including Inflation
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2010 valuation pursuant to an experience study of the period 2005 - 2009. RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.
Mortality	

**Other Information:**

There were no benefit changes during the year.

## OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes combining nonmajor individual fund statements which are not required by the GASB, nor a part of the basic financial statements.

### FUND DESCRIPTIONS

#### SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues and expenditures that are legally restricted for a specific purpose.

- **Community Center** – Accounts for hotel occupancy tax revenues and expenditures, funding mainly the community and conference centers.
- **Grants Fund** – Accounts for grant revenues received from other governments and the related expenditures.
- **Crime Control and Prevention District** – Accounts for sales tax collection for public safety operations. This special district tax was approved by voters in May 2014.
- **Child Safety Fund** – Accounts for the drug awareness and prevention program, school crossing guards, and other child safety programs.
- **State Police Forfeiture Fund** – Accounts for revenues from seized assets and the allowed expenditure of that revenue.
- **Federal Police Forfeiture Fund** – Accounts for revenues from seized assets in federal cases and the allowed expenditure of that revenue.
- **Building Security Fund** – Accounts a for portion of municipal fines that are allocated to building security and the allowed expenditures.
- **Court Technology** – Accounts for a portion of municipal fines that are allocated to court technology and the allowed expenditures.
- **CIED Fund** – Accounts for CPS Energy collections to be used for ongoing City operations.
- **Street Maintenance Fund** – Accounts for sales tax collections for street maintenance. This special tax was approved by voters in November 2007.

#### DEBT SERVICE FUND

The debt service fund is used to account for the accumulation of resources and the related disbursement for the retirement of long-term debt.

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CITY OF LEON VALLEY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2015

	<u>COMMUNITY CENTER</u>	<u>GRANTS</u>	<u>CRIME CONTROL AND PREVENTION DISTRICT</u>	<u>CHILD SAFETY</u>	<u>STATE POLICE FORFEITURE</u>
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 125,374	\$ 521	\$ 207,901	\$ 11,729	\$ 3,465
Accounts Receivable - Net of Allowance					
Property Taxes	-	-	-	-	-
Special Assessment	-	-	-	-	-
Other	14,839	-	-	1,052	-
Prepaid Items	819	-	1,171	-	-
Due from Other Governments	-	-	44,765	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL ASSETS	<u>\$ 141,032</u>	<u>\$ 521</u>	<u>\$ 253,837</u>	<u>\$ 12,781</u>	<u>\$ 3,465</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 1,709	\$ -	\$ 7	\$ -	\$ -
Accrued Expenditures	1,084	-	4,547	215	-
Deposits Payable	26,802	-	-	-	-
Total Liabilities	<u>29,595</u>	<u>-</u>	<u>4,554</u>	<u>215</u>	<u>-</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Unearned Revenue - Taxes	-	-	-	-	-
<u>FUND BALANCES</u>					
Nonspendable	819	-	1,171	-	-
Restricted	-	-	248,112	12,566	3,465
Committed	-	-	-	-	-
Assigned	110,618	521	-	-	-
Total Fund Balances	<u>111,437</u>	<u>521</u>	<u>249,283</u>	<u>12,566</u>	<u>3,465</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 141,032</u>	<u>\$ 521</u>	<u>\$ 253,837</u>	<u>\$ 12,781</u>	<u>\$ 3,465</u>

<u>FEDERAL POLICE FORFEITURE</u>	<u>BUILDING SECURITY</u>	<u>COURT TECHNOLOGY</u>	<u>CIED</u>	<u>STREET MAINTENANCE TAX</u>	<u>DEBT SERVICE SERVICE</u>	<u>TOTALS</u>
\$ 346,423	\$ 1,773	\$ 5,823	\$ 665,321	\$ 394,160	\$ 286,736	\$ 2,049,226
-	-	-	-	-	23,357	23,357
-	-	-	-	-	11,744	11,744
-	-	-	-	170,747	-	186,638
-	-	-	-	-	-	1,990
-	-	-	-	<u>94,621</u>	-	<u>139,386</u>
<u>\$ 346,423</u>	<u>\$ 1,773</u>	<u>\$ 5,823</u>	<u>\$ 665,321</u>	<u>\$ 659,528</u>	<u>\$ 321,837</u>	<u>\$ 2,412,341</u>
\$ 8,910	\$ 1	\$ 15	\$ 479	\$ -	\$ -	\$ 11,121
-	290	-	-	12,655	-	18,791
-	-	-	-	-	-	26,802
<u>8,910</u>	<u>291</u>	<u>15</u>	<u>479</u>	<u>12,655</u>	<u>-</u>	<u>56,714</u>
-	-	-	-	-	35,101	35,101
-	-	-	-	-	-	1,990
337,513	1,482	5,808	-	646,873	286,736	1,542,555
-	-	-	664,842	-	-	664,842
-	-	-	-	-	-	111,139
<u>337,513</u>	<u>1,482</u>	<u>5,808</u>	<u>664,842</u>	<u>646,873</u>	<u>286,736</u>	<u>2,320,526</u>
<u>\$ 346,423</u>	<u>\$ 1,773</u>	<u>\$ 5,823</u>	<u>\$ 665,321</u>	<u>\$ 659,528</u>	<u>\$ 321,837</u>	<u>\$ 2,412,341</u>

CITY OF LEON VALLEY, TEXAS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED SEPTEMBER 30, 2015

	COMMUNITY CENTER	GRANTS	CRIME CONTROL AND PREVENTION DISTRICT	CHILD SAFETY	STATE POLICE FORFEITURE
<u>REVENUES</u>					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	95,573	-	258,121	-	-
Franchise Fees	-	-	-	-	-
Fines and Forfeitures	-	-	-	13,621	-
Grants	-	3,269	-	-	-
Rent	86,661	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	<u>182,234</u>	<u>3,269</u>	<u>258,121</u>	<u>13,621</u>	<u>-</u>
<u>EXPENDITURES</u>					
Current					
Administration	-	-	-	-	-
Public Safety	-	2,748	123,350	13,709	-
Public Works	-	-	-	-	-
Community Development	156,934	-	-	-	-
Capital Outlay	-	-	-	-	-
Bond Issue Costs	-	-	-	-	-
Debt Service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Fiscal Agent Fees	-	-	-	-	-
Total Expenditures	<u>156,934</u>	<u>2,748</u>	<u>123,350</u>	<u>13,709</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	25,300	521	134,771	(88)	-
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers In	-	-	-	-	-
Transfers Out	(20,000)	-	-	-	-
Total Other Financing Sources (Uses)	<u>(20,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	5,300	521	134,771	(88)	-
FUND BALANCES AT BEGINNING OF YEAR	<u>106,137</u>	<u>-</u>	<u>114,512</u>	<u>12,654</u>	<u>3,465</u>
FUND BALANCES AT END OF YEAR	<u>\$ 111,437</u>	<u>\$ 521</u>	<u>\$ 249,283</u>	<u>\$ 12,566</u>	<u>\$ 3,465</u>

FEDERAL POLICE FORFEITURE	BUILDING SECURITY	COURT TECHNOLOGY	CIED	STREET MAINTENANCE TAX	DEBT SERVICE SERVICE	TOTALS
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 708,686	\$ 708,686
-	-	-	-	549,731	-	903,425
-	-	-	75,895	-	-	75,895
231,910	7,940	10,572	-	-	-	264,043
-	-	-	-	-	-	3,269
-	-	-	-	-	-	86,661
122	-	-	414	354	-	890
-	-	-	-	170,747	-	170,747
<u>232,032</u>	<u>7,940</u>	<u>10,572</u>	<u>76,309</u>	<u>720,832</u>	<u>708,686</u>	<u>2,213,616</u>
-	-	17,264	43,815	-	-	61,079
107,884	21,224	-	-	-	-	268,915
-	-	-	-	1,091,045	-	1,091,045
-	-	-	-	-	-	156,934
-	-	-	-	-	-	-
-	-	-	-	-	430,000	430,000
-	-	-	-	-	245,946	245,946
-	-	-	-	-	2,250	2,250
<u>107,884</u>	<u>21,224</u>	<u>17,264</u>	<u>43,815</u>	<u>1,091,045</u>	<u>678,196</u>	<u>2,256,169</u>
124,148	(13,284)	(6,692)	32,494	(370,213)	30,490	(42,553)
-	10,000	-	-	-	-	10,000
(50,000)	-	(30,000)	(163,324)	-	-	(263,324)
<u>(50,000)</u>	<u>10,000</u>	<u>(30,000)</u>	<u>(163,324)</u>	<u>-</u>	<u>-</u>	<u>(253,324)</u>
74,148	(3,284)	(36,692)	(130,830)	(370,213)	30,490	(295,877)
<u>263,365</u>	<u>4,766</u>	<u>42,500</u>	<u>795,672</u>	<u>1,017,086</u>	<u>256,246</u>	<u>2,616,403</u>
<u>\$ 337,513</u>	<u>\$ 1,482</u>	<u>\$ 5,808</u>	<u>\$ 664,842</u>	<u>\$ 646,873</u>	<u>\$ 286,736</u>	<u>\$ 2,320,526</u>

CITY OF LEON VALLEY, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
COMMUNITY CENTER FUND  
YEAR ENDED SEPTEMBER 30, 2015  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

	ORIGINAL BUDGET	FINAL BUDGET	2015 ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	2014 ACTUAL AMOUNTS
<u>REVENUES</u>					
Hotel/Motel Taxes	\$ 85,000	\$ 85,000	\$ 95,573	\$ 10,573	\$ 95,479
Rent	75,470	75,470	86,661	11,191	91,125
Total Revenues	<u>160,470</u>	<u>160,470</u>	<u>182,234</u>	<u>21,764</u>	<u>186,604</u>
<u>EXPENDITURES</u>					
Current					
Community Development	151,063	163,163	156,934	6,229	185,217
Total Expenditures	<u>151,063</u>	<u>163,163</u>	<u>156,934</u>	<u>6,229</u>	<u>185,217</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers Out	<u>(20,000)</u>	<u>(20,000)</u>	<u>(20,000)</u>	-	<u>(20,000)</u>
Net Change In Fund Balance	(10,593)	(22,693)	5,300	15,535	(18,613)
<u>FUND BALANCE - BEGINNING</u>	<u>106,137</u>	<u>106,137</u>	<u>106,137</u>	-	<u>124,750</u>

CITY OF LEON VALLEY, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GRANTS FUND  
YEAR ENDED SEPTEMBER 30, 2015  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>2015 ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>	<u>2014 ACTUAL AMOUNTS</u>
<u>REVENUES</u>				
Grants	\$ 2,761	\$ 3,269	\$ 508	\$ -
<u>EXPENDITURES</u>				
Current				
Public Safety	2,781	2,748	33	-
Net Change In Fund Balance	(20)	521	541	-
<u>FUND BALANCE - BEGINNING</u>	-	-	-	-
FUND BALANCE - ENDING	<u>\$ (20)</u>	<u>\$ 521</u>	<u>\$ 541</u>	<u>\$ -</u>

CITY OF LEON VALLEY, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
CHILD SAFETY FUND  
YEAR ENDED SEPTEMBER 30, 2015  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>2015 ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>	<u>2014 ACTUAL AMOUNTS</u>
<u>REVENUES</u>				
Fines and Forfeitures	\$ 13,190	\$ 13,621	\$ 431	\$ 13,089
<u>EXPENDITURES</u>				
Current				
Public Safety	14,605	13,709	896	10,453
Net Change in Fund Balance	(1,415)	(88)	1,327	2,636
<u>FUND BALANCE - BEGINNING</u>	<u>12,654</u>	<u>12,654</u>	<u>-</u>	<u>10,018</u>
FUND BALANCE - ENDING	<u>\$ 11,239</u>	<u>\$ 12,566</u>	<u>\$ 1,327</u>	<u>\$ 12,654</u>

CITY OF LEON VALLEY, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
STATE POLICE FORFEITURE FUND  
YEAR ENDED SEPTEMBER 30, 2015  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>2015 ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>	<u>2014 ACTUAL AMOUNTS</u>
<u>REVENUES</u>				
Miscellaneous	\$ -	\$ -	\$ -	\$ 3,465
<u>EXPENDITURES</u>				
Current				
Public Safety	-	-	-	-
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers Out	-	-	-	(38,198)
Net Change In Fund Balance	-	-	-	(34,733)
<u>FUND BALANCE - BEGINNING</u>	<u>3,465</u>	<u>3,465</u>	<u>-</u>	<u>38,198</u>
FUND BALANCE - ENDING	<u>\$ 3,465</u>	<u>\$ 3,465</u>	<u>\$ -</u>	<u>\$ 3,465</u>

CITY OF LEON VALLEY, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FEDERAL POLICE FORFEITURE FUND  
YEAR ENDED SEPTEMBER 30, 2015  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

	ORIGINAL BUDGET	FINAL BUDGET	2015 ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	2014 ACTUAL AMOUNTS
<u>REVENUES</u>					
Fines and Forfeitures	\$ -	\$ -	\$ 231,910	\$ 231,910	\$ 86,925
Interest	-	-	122	122	100
Miscellaneous	-	-	-	-	5,802
Total Revenues	-	-	<u>232,032</u>	<u>232,032</u>	<u>92,827</u>
<u>EXPENDITURES</u>					
Current					
Public Safety	83,908	124,963	107,884	17,079	93,808
Capital Outlay	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>117,690</u>
Total Expenditures	<u>108,908</u>	<u>149,963</u>	<u>107,884</u>	<u>42,079</u>	<u>211,498</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers Out	-	-	(50,000)	(50,000)	-
Net Change In Fund Balance	(108,908)	(149,963)	74,148	139,953	(118,671)
<u>FUND BALANCE - BEGINNING</u>	<u>263,365</u>	<u>263,365</u>	<u>263,365</u>	<u>-</u>	<u>382,036</u>
FUND BALANCE - ENDING	<u>\$ 154,457</u>	<u>\$ 113,402</u>	<u>\$ 337,513</u>	<u>\$ 139,953</u>	<u>\$ 263,365</u>

CITY OF LEON VALLEY, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
BUILDING SECURITY FUND  
YEAR ENDED SEPTEMBER 30, 2015  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>2015 ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>	<u>2014 ACTUAL AMOUNTS</u>
<u>REVENUES</u>				
Fines and Forfeitures	<u>\$ 11,300</u>	<u>\$ 7,940</u>	<u>\$ (3,360)</u>	<u>\$ 11,703</u>
<u>EXPENDITURES</u>				
Current				
Public Safety	<u>23,275</u>	<u>21,224</u>	<u>2,051</u>	<u>20,459</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>13,000</u>
Net Change in Fund Balance	<u>(1,975)</u>	<u>(3,284)</u>	<u>(1,309)</u>	<u>4,244</u>
<u>FUND BALANCE - BEGINNING</u>	<u>4,766</u>	<u>4,766</u>	<u>-</u>	<u>522</u>
FUND BALANCE - ENDING	<u>\$ 2,791</u>	<u>\$ 1,482</u>	<u>\$ (1,309)</u>	<u>\$ 4,766</u>

CITY OF LEON VALLEY, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
COURT TECHNOLOGY FUND  
YEAR ENDED SEPTEMBER 30, 2015  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

	ORIGINAL AND FINAL BUDGET	2015 ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	2014 ACTUAL AMOUNTS
<u>REVENUES</u>				
Fines and Forfeitures	\$ 15,130	\$ 10,572	\$ (4,558)	\$ 15,591
<u>EXPENDITURES</u>				
Current				
Administration	20,000	17,264	2,736	23,628
Total Expenditures	20,000	17,264	2,736	23,628
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers Out	(30,000)	(30,000)	-	-
Net Change In Fund Balance	(34,870)	(36,692)	(7,294)	(8,037)
<u>FUND BALANCE - BEGINNING</u>	42,500	42,500	-	50,537
FUND BALANCE - ENDING	<u>\$ 7,630</u>	<u>\$ 5,808</u>	<u>\$ (7,294)</u>	<u>\$ 42,500</u>

CITY OF LEON VALLEY, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
CIED FUND  
YEAR ENDED SEPTEMBER 30, 2015  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

	ORIGINAL AND FINAL BUDGET	2015 ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	2014 ACTUAL AMOUNTS
<u>REVENUES</u>				
Franchise Fees	\$ 66,000	\$ 75,895	\$ 9,895	\$ 37,242
Contributions	1,200,000	-	(1,200,000)	-
Interest	-	414	414	386
Total Revenues	<u>1,266,000</u>	<u>76,309</u>	<u>(1,189,691)</u>	<u>37,628</u>
<u>EXPENDITURES</u>				
Current				
Administration	1,908,692	43,815	1,864,877	2,550
Capital Outlay	-	-	-	506,422
Total Expenditures	<u>1,908,692</u>	<u>43,815</u>	<u>1,864,877</u>	<u>508,972</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers Out	<u>(163,324)</u>	<u>(163,324)</u>	<u>-</u>	<u>(12,575)</u>
Net Change In Fund Balance	(806,016)	(130,830)	(3,054,568)	(483,919)
<u>FUND BALANCE - BEGINNING</u>	<u>795,672</u>	<u>795,672</u>	<u>-</u>	<u>1,279,591</u>
FUND BALANCE - ENDING	<u>\$ (10,344)</u>	<u>\$ 664,842</u>	<u>\$ (3,054,568)</u>	<u>\$ 795,672</u>

CITY OF LEON VALLEY, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
STREET MAINTENANCE TAX FUND  
YEAR ENDED SEPTEMBER 30, 2015  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

	ORIGINAL AND FINAL BUDGET	2015 ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	2014 ACTUAL AMOUNTS
<u>REVENUES</u>				
Sales Taxes	\$ 523,472	\$ 549,731	\$ 26,259	\$ 553,819
Interest	-	354	354	196
Miscellaneous	-	170,747	170,747	-
Total Revenues	<u>523,472</u>	<u>720,832</u>	<u>197,360</u>	<u>554,015</u>
<u>EXPENDITURES</u>				
Current				
Public Works	<u>1,393,806</u>	<u>1,091,045</u>	<u>302,761</u>	<u>403,791</u>
Net Change In Fund Balance	(870,334)	(370,213)	500,121	150,224
<u>FUND BALANCE - BEGINNING</u>	<u>1,017,086</u>	<u>1,017,086</u>	<u>-</u>	<u>866,862</u>
FUND BALANCE - ENDING	<u>\$ 146,752</u>	<u>\$ 646,873</u>	<u>\$ 500,121</u>	<u>\$ 1,017,086</u>

CITY OF LEON VALLEY, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
DEBT SERVICE FUND  
YEAR ENDED SEPTEMBER 30, 2015  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

	ORIGINAL AND FINAL BUDGET	2015 ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	2014 ACTUAL AMOUNTS
<u>REVENUES</u>				
Property Taxes	\$ 683,397	\$ 708,686	\$ 25,289	\$ 725,476
<u>EXPENDITURES</u>				
Debt Service				
Principal	430,000	430,000	-	420,000
Interest	245,947	245,946	1	257,121
Fiscal Agent Fees	2,250	2,250	-	1,500
Total Expenditures	<u>678,197</u>	<u>678,196</u>	<u>1</u>	<u>678,621</u>
Net Change In Fund Balance	5,200	30,490	25,290	46,855
<u>FUND BALANCE - BEGINNING</u>	<u>256,246</u>	<u>256,246</u>	<u>-</u>	<u>209,391</u>
FUND BALANCE - ENDING	<u>\$ 261,446</u>	<u>\$ 286,736</u>	<u>\$ 25,290</u>	<u>\$ 256,246</u>

CITY OF LEON VALLEY, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
CAPITAL PROJECTS FUND  
YEAR ENDED SEPTEMBER 30, 2015  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

	ORIGINAL AND FINAL BUDGET	2015 ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	2014 ACTUAL AMOUNTS
<u>REVENUES</u>				
Interest	\$ 2,000	\$ 1,302	\$ (698)	\$ 2,062
<u>EXPENDITURES</u>				
Capital Outlay	5,615,570	3,398,408	2,217,162	2,933,727
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	580,803	580,803	-	207,770
Net Change In Fund Balance	(5,032,767)	(2,816,303)	(2,217,860)	(2,723,895)
<u>FUND BALANCE - BEGINNING</u>	<u>4,148,690</u>	<u>4,148,690</u>	<u>-</u>	<u>6,872,585</u>
FUND BALANCE - ENDING	<u>\$ (884,077)</u>	<u>\$ 1,332,387</u>	<u>\$ (2,217,860)</u>	<u>\$ 4,148,690</u>

**STATISTICAL SECTION**

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## STATISTICAL SECTION

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

### Contents

### Tables

#### **Financial Trends**

1 through 5

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

#### **Revenue Capacity**

6 through 11

These schedules contain information to help the reader assess the City's most significant revenue sources.

#### **Debt Capacity**

12 through 16

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

#### **Demographic and Economic Information**

17 through 18

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

#### **Operating Information**

19 through 20

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

CITY OF LEON VALLEY, TEXAS  
NET POSITION, BY COMPONENT  
LAST TEN FISCAL YEARS

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<u>GOVERNMENTAL ACTIVITIES</u>					
Net Investment in Capital Assets	\$ 5,179,075	\$ 5,740,687	\$ 5,926,527	\$ 6,147,970	\$ 6,213,549
Restricted	681,139	201,168	264,984	193,145	132,581
Unrestricted	<u>2,357,840</u>	<u>2,904,940</u>	<u>3,644,114</u>	<u>3,707,802</u>	<u>4,180,108</u>
 TOTAL GOVERNMENTAL ACTIVITIES NET POSITION	 <u>\$ 8,218,054</u>	 <u>\$ 8,846,795</u>	 <u>\$ 9,835,625</u>	 <u>\$ 10,048,917</u>	 <u>\$ 10,526,238</u>
<u>BUSINESS-TYPE ACTIVITIES</u>					
Net Investment in Capital Assets	\$ 3,666,494	\$ 3,783,149	\$ 3,645,700	\$ 3,635,029	\$ 3,897,305
Restricted	351,923	296,316	183,614	323,508	339,733
Unrestricted	<u>1,040,140</u>	<u>1,175,101</u>	<u>1,699,540</u>	<u>1,982,058</u>	<u>2,147,223</u>
 TOTAL BUSINESS-TYPE ACTIVITIES NET POSITION	 <u>\$ 5,058,557</u>	 <u>\$ 5,254,566</u>	 <u>\$ 5,528,854</u>	 <u>\$ 5,940,595</u>	 <u>\$ 6,384,261</u>
<u>PRIMARY GOVERNMENT</u>					
Net Investment in Capital Assets	\$ 8,845,569	\$ 9,523,836	\$ 9,572,227	\$ 9,782,999	\$ 10,110,854
Restricted	1,033,062	497,484	448,598	516,653	472,314
Unrestricted	<u>3,397,980</u>	<u>4,080,041</u>	<u>5,343,654</u>	<u>5,689,860</u>	<u>6,327,331</u>
 TOTAL PRIMARY GOVERNMENT NET POSITION	 <u>\$ 13,276,611</u>	 <u>\$ 14,101,361</u>	 <u>\$ 15,364,479</u>	 <u>\$ 15,989,512</u>	 <u>\$ 16,910,499</u>

TABLE 1

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 5,639,798	\$ 5,934,633	\$ 6,374,117	\$ 7,414,439	\$ 7,696,092
101,101	101,677	157,074	90,494	1,657,517
<u>4,686,001</u>	<u>4,708,814</u>	<u>6,496,088</u>	<u>6,167,021</u>	<u>2,656,933</u>
<u>\$ 10,426,900</u>	<u>\$ 10,745,124</u>	<u>\$ 13,027,279</u>	<u>\$ 13,671,954</u>	<u>\$ 12,010,542</u>
\$ 4,138,854	\$ 3,998,041	\$ 3,867,460	\$ 4,057,126	\$ 4,113,942
568,056	762,316	1,066,500	993,268	908,705
<u>2,137,671</u>	<u>1,966,216</u>	<u>1,829,758</u>	<u>1,873,123</u>	<u>1,533,589</u>
<u>\$ 6,844,581</u>	<u>\$ 6,726,573</u>	<u>\$ 6,763,718</u>	<u>\$ 6,923,517</u>	<u>\$ 6,556,236</u>
\$ 9,778,652	\$ 9,932,674	\$ 10,241,577	\$ 11,471,565	\$ 11,810,034
669,157	863,993	1,223,574	1,083,762	2,566,222
<u>6,823,672</u>	<u>6,675,030</u>	<u>8,325,846</u>	<u>8,040,144</u>	<u>4,190,522</u>
<u>\$ 17,271,481</u>	<u>\$ 17,471,697</u>	<u>\$ 19,790,997</u>	<u>\$ 20,595,471</u>	<u>\$ 18,566,778</u>

CITY OF LEON VALLEY, TEXAS  
CHANGE IN NET POSITION  
LAST TEN FISCAL YEARS

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<u>EXPENSES</u>				
<u>Governmental Activities</u>				
Administration	\$ 1,190,047	\$ 765,492	\$ 779,729	\$ 805,391
Public Safety	3,878,951	4,231,521	4,193,145	4,439,516
Public Works	1,308,385	1,299,599	1,163,379	1,535,333
Parks and Recreation	144,467	86,603	128,203	100,777
Library	254,557	251,388	249,227	281,725
Community Development	118,381	604,406	583,206	680,352
Capital Outlay	-	-	-	-
Interest on Long-Term Debt	211,851	165,231	154,669	187,862
Total Governmental Activities	<u>7,106,639</u>	<u>7,404,240</u>	<u>7,251,558</u>	<u>8,030,956</u>
<u>Business-Type Activities</u>				
Water and Wastewater Utilities	<u>2,113,195</u>	<u>2,211,014</u>	<u>2,367,414</u>	<u>2,357,800</u>
Total Primary Government Expenses	<u>9,219,834</u>	<u>9,615,254</u>	<u>9,618,972</u>	<u>10,388,756</u>
<u>PROGRAM REVENUES</u>				
<u>Governmental Activities</u>				
Charges for Service				
Administration	281,274	206,565	171,923	333,606
Public Safety	1,314,782	1,281,684	1,566,669	1,265,691
Parks and Recreation	10,363	11,110	12,375	12,145
Library	3,508	2,911	2,936	2,358
Community Development	194,989	127,078	112,260	133,177
Operating Grants and Contributions	304,252	70,218	-	127,151
Capital Grants and Contributions	-	552,430	-	59,499
Total Governmental Activities Program Revenues	<u>2,109,168</u>	<u>2,251,996</u>	<u>1,866,163</u>	<u>1,933,627</u>
<u>Business-Type Activities</u>				
Charges for Service				
Water and Wastewater Utilities	<u>2,297,797</u>	<u>2,227,540</u>	<u>2,508,220</u>	<u>2,638,172</u>
Total Primary Government Program Revenues	<u>4,406,965</u>	<u>4,479,536</u>	<u>4,374,383</u>	<u>4,571,799</u>
<u>Net (Expense) Revenues</u>				
Governmental Activities	\$ (4,997,471)	\$ (5,152,244)	\$ (5,385,395)	\$ (6,097,329)
Business-Type Activities	<u>184,602</u>	<u>16,526</u>	<u>140,806</u>	<u>280,372</u>
Total Primary Government Net Expenses	<u>(4,812,869)</u>	<u>(5,135,718)</u>	<u>(5,244,589)</u>	<u>(5,816,957)</u>
<u>GOVERNMENTAL REVENUES AND OTHER CHANGES IN NET POSITION</u>				
<u>Governmental Activities</u>				
Taxes				
Property Taxes	2,922,878	3,112,736	3,427,337	3,573,352
Franchise Taxes	1,602,192	607,967	639,332	656,329
Sales Taxes	596,851	1,781,223	1,927,881	2,045,615
Interest and Investment Earnings	152,920	204,546	128,903	35,325
Miscellaneous	102,648	74,513	164,229	-
Transfers	-	-	-	-
Total Governmental Activities	<u>5,377,489</u>	<u>5,780,985</u>	<u>6,287,682</u>	<u>6,310,621</u>
<u>Business-Type Activities</u>				
Interest and Investment Earnings	42,340	73,948	44,841	14,634
Miscellaneous	12,582	15,634	53,137	32,953
Impact Fees	154,614	89,901	35,504	83,782
Transfers	-	-	-	-
Total Business-Type Activities	<u>209,536</u>	<u>179,483</u>	<u>133,482</u>	<u>131,369</u>
<u>CHANGES IN NET POSITION</u>				
Governmental Activities	380,018	628,741	902,287	213,292
Business-Type Activities	<u>394,138</u>	<u>196,009</u>	<u>274,288</u>	<u>411,741</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 774,156</u>	<u>\$ 824,750</u>	<u>\$ 1,176,575</u>	<u>\$ 625,033</u>

TABLE 2

2010	2011	2012	2013	2014	2015
\$ 940,156	\$ 849,230	\$ 764,140	\$ 910,636	\$ 828,573	\$ 983,952
4,525,947	4,502,741	4,344,695	4,335,920	4,536,351	4,701,582
1,624,573	1,715,642	1,714,581	1,140,612	1,650,987	2,363,083
144,742	135,728	117,840	113,792	186,386	169,947
274,701	264,260	322,688	322,587	302,721	320,572
664,712	666,326	610,394	566,113	641,724	676,880
-	-	-	-	-	-
122,184	117,639	107,645	275,120	248,324	239,237
<u>8,297,015</u>	<u>8,251,566</u>	<u>7,981,983</u>	<u>7,664,780</u>	<u>8,395,066</u>	<u>9,455,253</u>
<u>2,631,544</u>	<u>2,796,812</u>	<u>3,218,973</u>	<u>3,282,774</u>	<u>3,365,772</u>	<u>3,481,521</u>
<u>10,928,559</u>	<u>11,048,378</u>	<u>11,200,956</u>	<u>10,947,554</u>	<u>11,760,838</u>	<u>12,936,774</u>
330,541	288,791	595,568	298,947	284,034	258,388
1,589,362	1,082,149	849,832	833,662	803,036	694,303
15,010	16,790	16,186	15,544	15,586	13,850
1,987	3,102	2,329	1,972	3,490	3,521
97,399	118,723	119,382	97,193	168,648	166,775
9,953	49,602	117,275	82,626	95,028	240,763
<u>218,790</u>	<u>81,683</u>	<u>-</u>	<u>372,585</u>	<u>-</u>	<u>170,747</u>
<u>2,263,042</u>	<u>1,640,840</u>	<u>1,700,572</u>	<u>1,702,529</u>	<u>1,369,822</u>	<u>1,548,347</u>
<u>2,840,701</u>	<u>3,115,598</u>	<u>3,039,389</u>	<u>3,291,009</u>	<u>3,275,292</u>	<u>3,481,570</u>
<u>5,103,743</u>	<u>4,756,438</u>	<u>4,739,961</u>	<u>4,993,538</u>	<u>4,645,114</u>	<u>5,029,917</u>
\$ (6,033,973)	\$ (6,610,726)	\$ (6,281,411)	\$ (5,962,251)	\$ (7,025,244)	\$ (7,906,906)
<u>209,157</u>	<u>318,786</u>	<u>(179,584)</u>	<u>8,235</u>	<u>(90,480)</u>	<u>49</u>
<u>(5,824,816)</u>	<u>(6,291,940)</u>	<u>(6,460,995)</u>	<u>(5,954,016)</u>	<u>(7,115,724)</u>	<u>(7,906,857)</u>
3,552,821	3,522,321	3,550,430	3,834,233	4,021,701	4,122,721
2,207,901	728,548	708,434	701,468	895,174	974,361
677,001	2,253,347	2,327,969	3,675,763	3,009,369	3,145,614
8,546	7,172	6,795	12,804	4,277	4,678
11,025	-	6,007	20,138	26,879	21,896
54,000	-	-	-	20,000	70,000
<u>6,511,294</u>	<u>6,511,388</u>	<u>6,599,635</u>	<u>8,244,406</u>	<u>7,977,400</u>	<u>8,339,270</u>
4,444	3,827	3,374	2,579	889	1,270
44,575	56,453	35,609	5,914	144,390	84,682
239,490	81,254	22,593	20,417	-	-
(54,000)	-	-	-	(20,000)	(70,000)
<u>234,509</u>	<u>141,534</u>	<u>61,576</u>	<u>28,910</u>	<u>125,279</u>	<u>15,952</u>
477,321	(99,338)	318,224	2,282,155	952,156	432,364
<u>443,666</u>	<u>460,320</u>	<u>(118,008)</u>	<u>37,145</u>	<u>34,799</u>	<u>16,001</u>
<u>\$ 920,987</u>	<u>\$ 360,982</u>	<u>\$ 200,216</u>	<u>\$ 2,319,300</u>	<u>\$ 986,955</u>	<u>\$ 448,365</u>

CITY OF LEON VALLEY, TEXAS  
FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<u>GENERAL FUND</u>					
Reserved	\$ 100,730	\$ 99,626	\$ 163,442	\$ 192,916	\$ 132,581
Unreserved	2,544,748	2,557,994	2,713,567	3,930,887	3,066,450
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL GENERAL FUND	<u>\$ 2,645,478</u>	<u>\$ 2,657,620</u>	<u>\$ 2,877,009</u>	<u>\$ 4,123,803</u>	<u>\$ 3,199,031</u>
<u>ALL OTHER GOVERNMENTAL FUNDS</u>					
Reserved	\$ 81,739	\$ 101,542	\$ 131,748	\$ 154,429	\$ 165,926
Unreserved, Reported in:					
Special Revenue Funds	509,282	707,371	1,251,752	1,047,443	1,272,358
Capital Project Funds	961	-	-	-	-
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL ALL OTHER GOVERNMENTAL FUNDS	<u>\$ 591,982</u>	<u>\$ 808,913</u>	<u>\$ 1,383,500</u>	<u>\$ 1,201,872</u>	<u>\$ 1,438,284</u>

Note: In 2011 the City implemented GASB 54 *Fund Balance Reporting and Governmental Fund Type Definitions*. The information for previous years has not been restated.

TABLE 3

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
50,745	51,278	54,278	54,631	56,442
49,551	49,642	101,977	90,494	114,962
800,000	800,000	900,000	900,000	900,000
56,642	14,135	139,135	25,275	25,275
<u>2,352,926</u>	<u>2,400,386</u>	<u>2,456,717</u>	<u>2,756,058</u>	<u>2,779,498</u>
<u>\$ 3,309,864</u>	<u>\$ 3,315,441</u>	<u>\$ 3,652,107</u>	<u>\$ 3,826,458</u>	<u>\$ 3,876,177</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
805	757	819	1,310	1,990
1,245,121	8,136,892	8,419,977	5,862,738	2,874,942
-	-	-	795,672	664,842
-	-	-	105,373	111,139
<u>73,307</u>	<u>486,730</u>	<u>1,413,694</u>	<u>-</u>	<u>-</u>
<u>\$ 1,319,233</u>	<u>\$ 8,624,379</u>	<u>\$ 9,834,490</u>	<u>\$ 6,765,093</u>	<u>\$ 3,652,913</u>

CITY OF LEON VALLEY, TEXAS  
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<u>REVENUES</u>				
Property Taxes	\$ 2,923,544	\$ 3,134,228	\$ 3,432,977	\$ 3,552,049
Nonproperty Taxes	2,295,549	1,781,223	1,927,881	2,045,615
Grants/Intergovernmental	31,936	1,151,487	1,302,881	1,395,492
Licenses, Permits, Fees and Fines	1,838,194	1,085,494	1,277,505	992,486
CIED	-	-	-	-
Other	<u>355,136</u>	<u>985,829</u>	<u>298,795</u>	<u>226,942</u>
Total Revenues	<u>7,444,359</u>	<u>8,138,261</u>	<u>8,240,039</u>	<u>8,212,584</u>
<u>EXPENDITURES</u>				
Administrative	1,163,175	712,894	739,653	706,874
Public Safety	3,760,073	4,082,514	4,113,988	4,142,609
Public Works	1,276,101	1,235,456	1,092,333	1,427,627
Parks and Recreation	107,713	109,259	101,383	111,614
Library	239,354	233,607	241,305	256,967
Community Development	92,582	579,800	554,418	622,721
Capital Outlay	179,678	522,089	177,273	173,202
Debt Service				
Principal	260,000	265,000	275,000	580,000
Interest	196,690	167,569	155,710	111,090
Fiscal Agent Fees and Bond Issue Costs	<u>2,300</u>	<u>1,000</u>	<u>1,000</u>	<u>119,361</u>
Total Expenditures	<u>7,277,666</u>	<u>7,909,188</u>	<u>7,452,063</u>	<u>8,252,065</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>166,693</u>	<u>229,073</u>	<u>787,976</u>	<u>(39,481)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Proceeds from Sale of Assets	-	-	6,000	10,360
Transfers In	13,000	18,000	318,000	10,000
Transfers Out	(13,000)	(18,000)	(318,000)	(10,000)
Proceeds from Tax Notes	475,000	-	-	-
Proceeds from Bonds	-	-	-	1,060,000
Bond Premium	-	-	-	44,287
Proceeds from Refunding Bonds	-	-	-	2,575,000
Payments to Refunding Bonds	-	-	-	(2,585,000)
Escrow Agent	<u>(447,752)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>27,248</u>	<u>-</u>	<u>6,000</u>	<u>1,104,647</u>
NET CHANGE IN FUND BALANCES	<u>\$ 193,941</u>	<u>\$ 229,073</u>	<u>\$ 793,976</u>	<u>\$ 1,065,166</u>
Debt Service as a Percentage of Noncapital Expenditures	6.43%	5.86%	5.92%	8.55%

TABLE 4

2010	2011	2012	2013	2014	2015
\$ 3,505,728	\$ 3,546,031	\$ 3,544,081	\$ 3,809,355	\$ 4,012,433	\$ 4,143,068
2,207,900	2,253,347	2,327,969	2,503,411	3,009,369	3,145,614
228,508	89,868	6,122	4,523	8,104	8,852
2,642,310	2,154,692	1,860,659	1,858,150	1,988,654	2,123,854
-	-	379,918	1,172,352	-	-
<u>88,796</u>	<u>131,999</u>	<u>175,109</u>	<u>456,679</u>	<u>299,392</u>	<u>416,576</u>
<u>8,673,242</u>	<u>8,175,937</u>	<u>8,293,858</u>	<u>9,804,470</u>	<u>9,317,952</u>	<u>9,837,964</u>
919,564	817,259	713,738	870,697	769,842	951,121
5,246,693	4,228,132	4,177,616	4,116,594	4,258,045	4,609,076
1,446,744	1,542,290	1,552,725	972,484	1,462,747	2,238,664
153,947	102,914	91,824	86,802	157,643	142,794
266,327	259,858	310,725	267,588	288,871	317,049
629,371	610,750	566,914	554,087	583,068	624,724
337,443	209,674	155,265	772,922	3,909,161	3,408,801
265,000	300,000	310,000	345,000	420,000	430,000
140,513	112,278	242,502	270,019	257,121	245,946
<u>10,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,500</u>	<u>1,500</u>	<u>2,250</u>
<u>9,415,602</u>	<u>8,184,155</u>	<u>8,122,309</u>	<u>8,257,693</u>	<u>12,107,998</u>	<u>12,970,425</u>
<u>(742,360)</u>	<u>(8,218)</u>	<u>171,549</u>	<u>1,546,777</u>	<u>(2,790,046)</u>	<u>(3,132,461)</u>
-	-	-	-	-	-
72,000	18,000	18,000	237,216	220,770	590,803
(18,000)	(18,000)	(18,000)	(237,216)	(200,770)	(520,803)
-	-	-	-	-	-
-	-	7,000,000	-	-	-
-	-	139,174	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>54,000</u>	<u>-</u>	<u>7,139,174</u>	<u>-</u>	<u>20,000</u>	<u>70,000</u>
<u>\$ (688,360)</u>	<u>\$ (8,218)</u>	<u>\$ 7,310,723</u>	<u>\$ 1,546,777</u>	<u>\$ (2,770,046)</u>	<u>\$ (3,062,461)</u>
4.47%	5.17%	6.93%	8.22%	8.26%	7.07%

CITY OF LEON VALLEY, TEXAS  
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS

TABLE 5

<u>FISCAL YEAR</u>	<u>PROPERTY</u>	<u>SALES AND USE</u>	<u>OCCUPANCY</u>	<u>FRANCHISE</u>	<u>TOTAL REVENUE</u>
2006	\$ 2,923,544	\$ 1,602,192	\$ 96,507	\$ 596,851	\$ 5,219,094
2007	3,134,228	1,781,223	98,973	607,967	5,622,391
2008	3,432,977	1,927,881	92,357	639,332	6,092,547
2009	3,552,048	1,979,928	65,688	656,329	6,253,993
2010	3,505,728	2,141,199	66,701	677,001	6,390,629
2011	3,546,031	2,253,347	74,287	728,548	6,602,213
2012	3,544,081	2,327,969	82,409	708,434	6,662,893
2013	3,809,355	2,503,411	83,470	701,468	7,097,704
2014	4,012,433	3,009,369	91,125	895,174	8,008,101
2015	4,143,068	3,145,614	86,661	974,361	8,349,704

Note: Occupancy tax revenues have decreased due to the conversion of one hotel to apartments in 2004.

CITY OF LEON VALLEY, TEXAS  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS

TABLE 6

FISCAL YEAR ENDED SEPTEMBER 30,	RESIDENTIAL PROPERTY	COMMERCIAL PROPERTY	INDUSTRIAL PROPERTY	LESS: TAX-EXEMPT PROPERTY	TOTAL TAXABLE ASSESSED VALUE	TOTAL DIRECT TAX RATE
2006	\$ 334,283,756	\$ 246,833,519	\$ 1,965,230	\$ 40,042,855	\$ 543,039,650	0.537400
2007	380,457,461	252,192,158	1,774,770	53,686,457	580,737,932	0.537400
2008	436,832,864	272,798,655	4,728,530	67,753,134	646,606,915	0.527400
2009	454,788,574	281,431,232	5,600,760	66,158,755	675,661,811	0.527400
2010	468,647,503	281,076,061	5,246,600	62,354,128	692,616,036	0.527400
2011	456,646,017	280,720,343	5,025,705	66,555,963	675,836,102	0.527400
2012	455,927,780	266,406,857	5,103,401	50,361,878	677,076,160	0.535510
2013	460,768,403	265,776,360	5,426,124	50,092,305	681,878,582	0.574282
2014	473,221,531	278,323,833	6,158,319	50,285,171	707,418,512	0.582915
2015	504,499,829	288,913,043	5,574,551	58,925,926	740,061,497	0.575507

Source: Bexar Appraisal District

Note: Property is assessed at the actual value; therefore the assessed values are equal to actual values.

Tax rates are per \$100 of assessed value.

CITY OF LEON VALLEY, TEXAS  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS

TABLE 7

FISCAL YEAR	CITY DIRECT RATES			OVERLAPPING RATES	
	GENERAL FUND	DEBT SERVICE	TOTAL DIRECT	SCHOOL DISTRICT	BEXAR COUNTY
2006	0.459560	0.077840	0.537400	1.775000	0.331190
2007	0.459560	0.077840	0.537400	1.592500	0.331190
2008	0.456560	0.070840	0.527400	1.262500	0.326866
2009	0.461560	0.065840	0.527400	1.302500	0.326866
2010	0.464029	0.063371	0.527400	1.337500	0.326866
2011	0.464029	0.063371	0.527400	1.365500	0.326866
2012	0.472701	0.062809	0.535510	1.375500	0.326866
2013	0.476752	0.097530	0.574282	1.375500	0.326866
2014	0.476752	0.106163	0.582915	1.375500	0.326866
2015	0.476752	0.098755	0.575507	1.375500	0.314500

Source: Information furnished by respective tax assessor.

CITY OF LEON VALLEY, TEXAS  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT AND NINE YEARS AGO

TABLE 8

TAXPAYER	2015			2006		
	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL CITY TAXABLE ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL CITY TAXABLE ASSESSED VALUE
Ancira-Winton Chevrolet	\$ 22,771,680	1	3.08%	\$16,514,670	2	3.02%
H.E.B. Grocery	20,050,000	2	2.71%	-		-
Vista Del Rey	16,600,000	3	2.24%	12,709,090	3	2.32%
Shadow Valley Apartments	12,850,100	4	1.74%	9,171,650	6	1.68%
Omninet Towers LP	11,308,206	5	1.53%	-		-
Leors Holdings	11,308,206	6	1.53%	-		-
Barcelona Lofts LLC	11,100,000	7	1.50%	-		-
Leon SA Income Partners	6,500,000	8	0.88%	-		-
Forest Green Association	6,410,000	9	0.87%	-		-
SA West Loop II Investors	5,645,000	10	0.76%	-		-
Principal Life Insurance	-	-	-	19,758,390	1	3.61%
Southwestern Bell	-	-	-	11,194,930	4	2.05%
SCIC San Antonio	-	-	-	7,800,000	7	1.43%
Fiesta Linclon Mercury	-	-	-	7,727,147	8	1.41%
Gunn, CC	-	-	-	5,513,150	9	1.01%
Ramsey Loop Realty	-	-	-	5,184,000	10	0.95%
	<u>\$ 124,543,192</u>		<u>16.84%</u>	<u>\$ 95,573,027</u>		<u>17.48%</u>

Source: Bexar County Appraisal District

CITY OF LEON VALLEY, TEXAS  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS

TABLE 9

FISCAL YEAR ENDED SEPTEMBER 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE	
		AMOUNT	PERCENTAGE OF LEVY		AMOUNT	PERCENTAGE OF LEVY
2006	\$ 2,918,741	\$ 2,877,326	98.58%	\$ 22,548	\$ 2,899,874	99.35%
2007	3,121,053	3,081,888	98.75%	28,636	3,110,524	99.66%
2008	3,411,529	3,374,003	98.90%	13,805	3,387,808	99.30%
2009	3,563,440	3,364,408	94.41%	27,257	3,391,665	95.18%
2010	3,570,525	3,450,690	96.64%	70,192	3,520,882	98.61%
2011	3,485,988	3,437,057	98.60%	29,241	3,466,298	99.44%
2012	3,553,034	3,485,684	98.10%	17,175	3,502,859	98.59%
2013	3,817,953	3,755,784	98.37%	27,768	3,783,552	99.10%
2014	4,023,348	3,940,694	97.95%	66,174	4,006,868	99.59%
2015	4,130,740	4,050,446	98.06%	-	\$ 4,050,446	98.06%

Source: Bexar County Tax Assessor Collector (TC168) and City of Leon Valley Finance Department.

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CITY OF LEON VALLEY, TEXAS  
WATER SOLD BY TYPE OF CUSTOMER  
LAST TEN FISCAL YEARS

<u>TYPE OF CUSTOMER</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Residential	225,793,960	156,780,956	208,492,994	215,785,825
Commercial	<u>141,720,115</u>	<u>124,891,408</u>	<u>144,510,811</u>	<u>136,065,390</u>
TOTAL	<u>367,514,075</u>	<u>281,672,364</u>	<u>353,003,805</u>	<u>351,851,215</u>
TOTAL DIRECT RATE PER 1,000 GALLONS	<u>\$ 0.91</u>	<u>\$ 0.91</u>	<u>\$ 0.93</u>	<u>\$ 0.96</u>

Source: City of Leon Valley Water Department

TABLE 10

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
178,416,148	228,768,000	201,840,600	189,931,000	184,014,000	176,710,000
<u>129,071,600</u>	<u>133,301,040</u>	<u>122,936,377</u>	<u>123,088,895</u>	<u>120,423,155</u>	<u>131,218,294</u>
<u>307,487,748</u>	<u>362,069,040</u>	<u>324,776,977</u>	<u>313,019,895</u>	<u>304,437,155</u>	<u>307,928,294</u>
<u>\$ 0.99</u>	<u>\$ 1.02</u>	<u>\$ 1.05</u>	<u>\$ 1.08</u>	<u>\$ 1.08</u>	<u>\$ 1.08</u>

CITY OF LEON VALLEY, TEXAS  
WATER AND SEWER RATES  
LAST TEN FISCAL YEARS

TABLE 11

<u>FISCAL YEAR</u>	<u>WATER</u>		<u>SEWER</u>	
	<u>MONTHLY BASE RATE</u>	<u>RATE PER 1,000 GALLONS</u>	<u>MONTHLY BASE RATE</u>	<u>RATE PER 1,000 GALLONS</u>
2006	7.62	0.91	11.03	3.94
2007	7.85	0.91	11.36	4.06
2008	8.08	0.93	11.70	4.18
2009	8.32	0.96	12.05	4.31
2010	8.57	0.99	12.41	4.43
2011	8.83	1.02	12.78	4.57
2012	9.09	1.05	13.16	4.70
2013	9.36	1.08	13.55	5.27
2014	9.36	1.08	13.55	5.27
2015	9.36	1.08	14.36	5.59

Note: Rates are based on 5/8" meter, which is the standard household meter size.

CITY OF LEON VALLEY, TEXAS  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS

TABLE 12

FISCAL YEAR	GOVERNMENTAL ACTIVITIES					BUSINESS-TYPE ACTIVITY		TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME*	PER CAPITA*
	GENERAL OBLIGATION BONDS	PRIVATE PROPERTY FINANCE CONTRACTS	CERTIFICATES OF OBLIGATION	TAX NOTES	CAPITAL LEASES	REVENUE BONDS	CERTIFICATES OF OBLIGATION			
2006	\$ 3,705,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,705,000	1.84%	\$ 401
2007	3,440,000	-	-	-	-	-	-	3,440,000	1.71%	372
2008	3,165,000	-	-	-	-	-	-	3,165,000	1.58%	343
2009	2,575,000	1,060,000	-	-	-	-	-	3,635,000	1.81%	393
2010	2,340,000	1,030,000	-	-	-	-	-	3,370,000	1.68%	365
2011	2,080,000	990,000	-	-	-	-	-	3,070,000	1.12%	279
2012	8,810,000	950,000	-	-	-	-	-	9,760,000	3.60%	898
2013	8,505,000	910,000	-	-	-	-	-	9,415,000	3.47%	866
2014	8,125,000	870,000	-	-	-	-	-	8,995,000	3.32%	828
2015	7,740,000	825,000	-	-	-	-	-	8,565,000	3.16%	788

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

\*Population and personal income data can be found in Table 16.

CITY OF LEON VALLEY, TEXAS  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS

TABLE 13

FISCAL YEAR	GENERAL BONDED DEBT OUTSTANDING			ACTUAL TAXABLE VALUE OF PROPERTY	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA*
	GENERAL OBLIGATION BONDS	PRIVATE PROPERTY FINANCE CONTRACTS	TOTAL			
2006	\$ 3,705,000	\$ -	\$ 3,705,000	\$ 543,039,650	0.68%	\$ 401
2007	3,440,000	-	3,440,000	580,737,932	0.59%	372
2008	3,165,000	-	3,165,000	646,606,915	0.49%	343
2009	2,575,000	1,060,000	3,635,000	675,661,811	0.54%	393
2010	2,340,000	1,030,000	3,370,000	692,616,036	0.49%	365
2011	2,080,000	990,000	3,070,000	675,836,102	0.45%	302
2012	8,810,000	950,000	9,760,000	677,076,160	1.44%	898
2013	8,505,000	910,000	9,415,000	681,878,582	1.38%	866
2014	8,125,000	870,000	8,995,000	707,418,512	1.27%	828
2015	7,740,000	825,000	8,565,000	740,061,497	1.16%	788

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

\*Population data can be found in Table 16.

CITY OF LEON VALLEY, TEXAS  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
LAST TEN FISCAL YEARS

TABLE 14

<u>GOVERNMENTAL UNIT</u>	<u>DEBT OUTSTANDING</u>	<u>ESTIMATED PERCENTAGE APPLICABLE*</u>	<u>ESTIMATED SHARE OF OVERLAPPING DEBT</u>
Debt repaid with property taxes			
Alamo CCD	\$ 521,241,291	0.75%	\$ 3,909,310
Bexar County	514,034,876	0.75%	3,855,262
Bexar County Hospital District	722,025,892	0.75%	5,415,194
Northside Independent School District	1,790,178,184	2.05%	36,698,653
San Antonio RA	30,680,000	0.65%	<u>199,420</u>
Subtotal, Overlapping Debt			50,077,838
Leon Valley Direct Debt			<u>8,565,000</u>
TOTAL DIRECT AND OVERLAPPING DEBT			<u><u>\$ 58,642,838</u></u>

Source: Municipal Advisory Council of Texas.

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

\* The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the County’s taxable assessed value that is within Leon Valley’s boundaries and divided it by the County’s total taxable assessed value.

CITY OF LEON VALLEY, TEXAS  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS

LEGAL DEBT MARGIN CALCULATION FOR FISCAL YEAR 2015

Assessed Value	\$ 740,061,497
*Debt Limit (10% of Assessed Value)	74,006,150
Bonds and Certificates of Obligation	8,565,000
Less: Amount Set Aside for Repayment of General Obligation Debt	<u>209,392</u>

Total Net Debt Applicable to Limit 8,774,392

ECONOMIC DEBT MARGIN \$ 65,231,758

	FISCAL			
	2006	2007	2008	2009
Debt Limit	\$ 54,303,965	\$ 58,073,793	\$ 64,660,692	\$ 67,561,181
Total Net Debt Applicable to Limit	<u>3,840,998</u>	<u>3,338,457</u>	<u>3,063,457</u>	<u>3,480,571</u>
LEGAL DEBT MARGIN	<u>\$ 50,462,967</u>	<u>\$ 54,735,336</u>	<u>\$ 61,597,235</u>	<u>\$ 64,080,610</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	7.07%	5.75%	4.74%	5.15%

\* Texas statutes do not prescribe a debt limit: However, by custom a practical debt limit of 10% of the assessed valuation is used.

TABLE 15

YEAR					
2010	2011	2012	2013	2014	2015
\$ 69,261,604	\$ 67,583,610	\$ 67,707,616	\$ 68,187,858	\$ 70,741,851	\$ 74,006,150
<u>3,200,964</u>	<u>3,191,096</u>	<u>9,579,375</u>	<u>9,624,392</u>	<u>9,204,392</u>	<u>8,774,392</u>
<u>\$ 66,060,640</u>	<u>\$ 64,392,514</u>	<u>\$ 58,128,241</u>	<u>\$ 58,563,466</u>	<u>\$ 61,537,459</u>	<u>\$ 65,231,758</u>
4.62%	4.72%	14.21%	14.11%	13.01%	11.86%

CITY OF LEON VALLEY, TEXAS  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS

TABLE 16

<u>YEAR</u>	<u>POPULATION</u>	<u>PERSONAL INCOME (THOUSANDS OF DOLLARS)</u>	<u>PER CAPITA PERSONAL INCOME</u>	<u>MEDIAN AGE</u>	<u>SCHOOL ENROLLMENT</u>	<u>UNEMPLOYMENT RATE</u>
2006	9,239	\$ 200,883,577	\$ 21,743	38.10	3,181	4.5%
2007	9,239	200,883,577	21,743	38.10	3,784	4.0%
2008	9,239	200,883,577	21,743	38.10	3,790	5.0%
2009	9,239	200,883,577	21,743	38.10	3,850	7.0%
2010	9,239	200,883,577	21,743	38.10	3,850	7.0%
2011	10,866	270,954,576	24,936	40.00	3,752	7.3%
2012	10,866	270,954,576	24,936	40.00	4,130	6.0%
2013	10,866	270,954,576	24,936	40.00	4,130	6.0%
2014	10,866	270,954,576	24,936	40.00	4,130	6.0%
2015	10,866	270,954,576	24,936	40.00	4,130	6.0%

Sources: Population, Per Capita Income and Median Age information provided by the United States Census Bureau. School enrollment information provided by the Northside Independent School District. Unemployment rate provided by the Texas Workforce Commission.

CITY OF LEON VALLEY, TEXAS  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO

TABLE 17

EMPLOYER	2015			2006		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT
Lackland Air Force Base	37,097	1	3.64%	-		0.00%
Fort Sam Houston-U.S. Army	32,000	2	3.14%	-		0.00%
H-E-B Food Stores	20,000	3	1.96%	9,942	2	1.15%
USAA	17,000	4	1.67%	13,773	1	1.59%
Northside I.S.D.	12,751	5	1.25%	-		0.00%
Randolph Air Force Base	11,068	6	1.09%	-		0.00%
North East I.S.D.	10,052	7	0.99%	-		0.00%
City of San Antonio	9,145	8	0.90%	-		0.00%
Methodist Healthcare System	8,118	9	0.80%	-		0.00%
Baptist Health System	6,498	10	0.64%	-		0.00%
H.B. Zachry Cfo.	-		0.00%	8,000	3	9.30%
SBC Communications	-		0.00%	7,000	4	0.81%
Southwestern Bell	-		0.00%	4,589	5	0.53%
Frost Bank	-		0.00%	3,290	6	0.38%
West Telemarking	-		0.00%	3,087	7	0.36%
Taco Cabana	-		0.00%	3,000	8	0.35%
Valero	-		0.00%	2,857	9	0.33%
QVC Network	-		0.00%	2,034	10	0.24%
TOTAL	<u>163,729</u>		<u>16.08%</u>	<u>57,572</u>		<u>15.04%</u>

The City of Leon Valley is surrounded by the City of San Antonio and no data is available for the employers in Leon Valley. The above data is for San Antonio.

Source: San Antonio Economic Development Foundation

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CITY OF LEON VALLEY, TEXAS  
FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION  
FISCAL YEAR ENDED SEPTEMBER 30,

TABLE 18

Full-Time Equivalent Employees as of September 30,

<u>FUNCTION</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Government										
Business Office	3.40	3.10	3.10	2.80	2.80	2.75	1.75	1.60	1.60	1.60
Finance	2.80	2.80	2.80	2.40	2.40	2.20	2.20	2.00	2.00	2.00
Manager and Council	2.80	2.80	2.80	2.40	2.40	2.30	2.30	2.00	3.00	3.00
*Police										
Officers	23.00	23.00	23.00	23.00	23.00	23.00	24.00	23.00	23.00	24.00
Civilians	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	9.90	3.90
*Fire										
Civilians	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Firefighters and Officers	27.00	27.00	27.00	27.00	27.00	27.00	27.00	26.00	26.00	26.00
Public Works	15.25	15.25	14.75	14.75	14.75	14.05	13.09	12.60	12.60	12.60
Community Development	3.90	3.20	4.00	4.00	4.00	3.92	3.52	3.35	1.60	1.60
Economic Development	-	1.20	1.20	1.20	1.50	1.65	2.00	2.00	2.00	2.00
Parks	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Library	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	4.50
Communications	-	-	-	-	-	-	-	-	-	6.00
Community Center	1.55	1.60	2.10	2.10	2.10	1.85	0.60	1.60	1.60	1.60
Water and Sewer	11.75	12.05	12.96	12.96	12.96	14.88	16.04	18.35	18.70	18.20
TOTAL	<u>104.95</u>	<u>105.50</u>	<u>107.21</u>	<u>106.11</u>	<u>106.41</u>	<u>107.10</u>	<u>106.00</u>	<u>106.00</u>	<u>107.50</u>	<u>109.00</u>

Source: City Annual Budget  
\*Does not include reserves.

CITY OF LEON VALLEY, TEXAS  
OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS

FUNCTION	2006	2007	2008	FISCAL 2009
Police				
Traffic Violations	14,033	12,408	15,397	11,459
Arrests	1,489	1,230	1,355	1,194
Fire				
Fire Calls	703	805	821	793
EMS Calls	960	961	953	1,028
Inspections	1,094	1,282	1,299	1,167
Public Works				
Street Resurfacing (Miles)	5.0	0.5	-	5.9
Sidewalk Construction (Feet)	700	500	500	500
Library				
Reference Questions	3,142	3,142	6,056	6,083
Internet Sessions	6,336	6,336	6,320	7,483
Library Acquisitions	1,281	1,281	1,857	3,487
Water				
Service Connections	2,177	2,255	2,369	2,444
Average Daily Consumption	1,006,096	1,011,527	967,133	963,975
Sewer				
Service Connections	2,098	2,272	2,440	2,306
Average Daily Treatment of Gallons	748,112	664,496	863,347	793,443

Source: Various city departments.

TABLE 19

YEAR 2010	2011	2012	2013	2014	2015
11,611	10,278	8,204	4,559	4,190	3,098
1,279	1,050	837	635	629	722
786	931	765	712	890	1,183
1,051	1,062	1,038	1,174	1,151	1,136
1,351	1,290	1,256	1,022	1,009	480
5.4	8.4	-	7.7	8.0	5.0
1,463	682	1,621	682	687	1,304
6,000	6,897	5,868	5,287	7,000	6,485
7,354	7,226	18,242	16,882	6,266	6,437
4,861	3,323	2,953	2,912	2,176	1,823
2,469	2,508	2,523	2,526	2,544	2,561
842,432	1,005,747	889,800	857,588	962,846	843,639
2,387	2,428	2,551	2,441	2,457	2,456
989,705	748,356	705,557	687,267	700,672	703,607

CITY OF LEON VALLEY, TEXAS  
CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS

TABLE 20

FUNCTION	FISCAL YEAR									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police										
Stations	1	1	1	1	1	1	1	1	1	1
* Officers	25	24	24	24	24	24	23	23	23	24
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Firefighters	27	27	27	27	27	27	26	26	26	26
Culture and Recreation										
Community Centers	2	2	2	2	2	2	2	2	2	2
Parks	1	1	1	1	1	1	1	1	1	1
Park Acreage	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0
Libraries	1	1	1	1	1	1	1	1	1	1
Tennis Courts	1	1	1	1	1	1	1	1	1	1
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Public Works										
Miles of Streets	39.5	39.5	39.5	39.5	39.5	39.5	39.5	39.5	39.5	39.5
Water										
Miles of Water Mains	39.5	39.5	39.5	39.5	39.5	39.5	39.5	39.5	39.5	39.5
Number of Hydrants	208	208	208	208	208	208	208	208	208	208
Sewer										
Miles of Sanitary Sewers	47.5	47.5	47.5	47.5	47.5	47.5	47.5	47.5	47.5	47.5
Feet of Storm Sewers	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000

Source: Various City departments.

\* Includes Warrants Officer(s) from the Court.

**COMPLIANCE SECTION**

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

To the Honorable Mayor and Members  
of the City Council  
City of Leon Valley, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Leon Valley, Texas, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City of Leon Valley, Texas', basic financial statements and have issued our report thereon dated February 2, 2016.

Internal Control Over Financial Reporting

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

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

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

#### Compliance and Other Matters

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

#### Purpose of this Report

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

**DRAFT**

Certified Public Accountants  
San Antonio, Texas

February 2, 2016

CITY OF LEON VALLEY, TEXAS  
LETTER OF CONDUCT ON AUDIT  
SEPTEMBER 30, 2015

To the Honorable Mayor and Members of the City Council  
City of Leon Valley, Texas

We have audited the financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Leon Valley, Texas, for the year ended September 30, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you in our engagement letter dated July 20, 2015. Professional standards also require that we communicate to you the following information related to our audit.

I. Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. As described in Note I-T to the financial statements, the City adopted GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27. Accordingly, the cumulative effect of the accounting change is reported on the Statement of Net Position and the Statement of Activities. 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. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements include the net position liability, deferred inflow and outflow related to the Texas Municipal Retirement System (TMRS), the allowance for uncollectible tax revenues, the accumulated depreciation, depreciation expense, and the related estimated useful lives of capital assets. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

### *Financial Statement Disclosures*

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements is the disclosure of Net Pension Liability and the restatement of net position in Notes 8 and 12, respectively related to the City's Net Pension Liability of TMRS.

#### II. Difficulties Encountered in Performing the Audit

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

#### III. 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. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

#### IV. Disagreements with Management

For purpose 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 auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### V. Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 2, 2016.

#### VI. 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 auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### VII. Other Audit 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.

#### VIII. Other Matters

We applied certain limited procedures to Management's Discussion and Analysis and general fund budgetary schedules, which is required supplementary information (RSI) that 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 response 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 the individual, combining and individual non-major fund financial statements and schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information accompanying the financial statements, 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.

We were not engaged to report on the introductory and statistical information, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

#### IV. Other Comment

##### *Compliance with Public Funds Investment Act*

The Public Funds Investment Act (the Act) requires that we include, as part of our audit, procedures to determine if the City complied with the provisions of the Act. We found, as a result of our tests, that the City complied, in all material respects, with the provisions of the Act.

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

We would like to take this opportunity to acknowledge the courtesy and assistance extended to us by the personnel of the City during the course of our audit.

# DRAFT

Certified Public Accountants  
San Antonio, Texas

February 2, 2016



**A B I P**

**CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS**

**City of Leon Valley  
Comprehensive Annual  
Financial Report  
Year Ended September 30, 2015**



# What's in the Comprehensive Annual Financial Report (CAFR)

- Introduction
- Independent Auditor's Report
- Management Discussion & Analysis
- Government-wide Financial Statements
- Fund Financial Statements
- Notes to the Financial Statements
- Required Supplemental Information
- Supplemental Combining & Individual Financial Statements & Schedules
- Statistical Tables



# Independent Auditor's Report

- Audit Standards to follow
  - Generally Accepted Auditing Standards
  - Government Auditing Standards
- Purpose
  - To form an independent opinion on whether the financial statements are presented in accordance with Generally Accepted Accounting Principles (GAAP).
- Independent opinion on the financial statements
  - Audit is “unmodified”
    - This is the best opinion that can be given for an independent audit. It means we have no modifying statements in our opinion letter.



# Management Discussion & Analysis

- Financial Highlights
- Overview of the Financial Statements
- Government-wide Financial Analysis
- Financial Analysis of the City's Funds
- Budgetary Highlights
- Capital Assets and Debt
- Requests for Information



# Financial Highlights

- Government-Wide Financial Statements
  - Assets of the City exceeded its liabilities by \$12 million at September 30, 2015.
  - Governmental activities net position increased by \$432,364.
  - Government Accounting Standards Board Statement No. 68 – Accounting and Financial Reporting for Pensions
    - Resulted in an Prior Period Adjustment of \$2.4 million at September 30, 2014
    - Unrestricted Net Position decreased \$4 million from September 2014.



# Financial Highlights (Continued)

	PRIMARY GOVERNMENT			COMPONENT UNIT
	GOVERNMENTAL	BUSINESS-TYPE	TOTAL	
	ACTIVITIES	ACTIVITIES		
<u>NET POSITION</u>				
Net investment in				
Capital Assets	7,696,092	4,113,942	11,810,034	-
Restricted for				
Parks	326	-	326	-
Public Education Grants	114,636	-	114,636	-
Debt Service	286,736	-	286,736	-
Special Revenue	1,255,819	-	1,255,819	-
Water Supply	-	55,060	55,060	-
Storm Water Fee	-	853,645	853,645	-
Unrestricted Net Position	<u>2,656,933</u>	<u>1,533,589</u>	<u>4,190,522</u>	<u>366,833</u>
Total Net Position	<u>12,010,542</u>	<u>6,556,236</u>	<u>18,566,778</u>	<u>366,833</u>



# Financial Highlights (Continued)

- Fund Financial Statements
  - The General Fund's fund balance at the end of the 2015 fiscal year was \$3,876,177 and the combined fund balance for all funds was \$7,529,090
  - Fund balance for the general fund increased \$49,719. The increase is the result of higher than expected ad valorem collections, contributions for capital improvements and personnel vacancies.
  - The combined fund balance decreased by \$3 million; mainly due to the construction of the municipal complex.



# Financial Highlights (Continued)

	GENERAL FUND	CAPITAL PROJECTS FUND	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>FUND BALANCES</u>				
Nonspendable	56,442	-	1,990	58,432
Restricted:				
Capital Projects	-	1,332,387	-	1,332,387
Public Education Grants	114,636	-	-	114,636
Park Bucks	326	-	-	326
Debt Service	-	-	286,736	286,736
Special Revenue	-	-	1,255,819	1,255,819
Committed:				
Disaster Emergencies	900,000	-	-	900,000
CIED	-	-	664,842	664,842
Assigned:				
Tree Mitigation and Replacement	25,275	-	-	25,275
Community and Conference Center	-	-	111,139	111,139
Unassigned:	<u>2,779,498</u>	<u>-</u>	<u>-</u>	<u>2,779,498</u>
Total Fund Balances	<u>3,876,177</u>	<u>1,332,387</u>	<u>2,320,526</u>	<u>7,529,090</u>



# Financial Highlights (Continued)

- Fund Financial Statements
  - The water and sewer fund net position increased by \$16,001
  - Increase to net position is the result of donations and rebates received during the year.

	BUSINESS-TYPE ACTIVITY WATER AND WASTEWATER
<u>NET POSITION</u>	
Net Investment in Capital Assets	4,113,942
Restricted Net Position	
Water Supply Fee Reserve	55,060
Storm Water Fee Reserve	853,645
Unrestricted Net Position	
Appropriated for Capital Outlay	1,183,589
Unrestricted Unappropriated Net Position	<u>350,000</u>
Total Net Position	<u>\$ 6,556,236</u>



# Letter on Conduct of Audit

- Accounting Policies – New GASB No. 68
- Accounting Estimates
- Difficulties
- Misstatements
- Disagreements
- Management Representations
- Consultations with other Independent Accountants
- Compliance with the Public Funds Investment Act



# QUESTIONS?

## CONTACT INFORMATION

Janet Pitman, CPA

[jpitman@abipcpa.com](mailto:jpitman@abipcpa.com)

(210) 341-2581

Or

Jeremy Barbatto, CPA

[jbarbatto@abipcpa.com](mailto:jbarbatto@abipcpa.com)

(210) 341-2581



## MAYOR AND COUNCIL COMMUNICATION

**DATE:** February 02, 2016 **M&C # 2016-02-02-06**

**TO:** Mayor and Council

**FROM:** Sandra Passailaigue, City Secretary

**THROUGH:** Kelly Kuenstler, City Manager

**SUBJECT:** Consideration of Resolution No. 16-005R of the City Council of the City of Leon Valley ordering and establishing procedures for a General Election in the City of Leon Valley, Texas to elect three Council Members: (Places 2, 4 and for the Office of the Mayor) by the qualified voters of the City of Leon Valley; authorizing the City Manager to sign a joint election Agreement with the Bexar County Elections Administrator for the conduct of said election, and providing details relating to the conduct of holding the Election, authorizing the use of the Leon Valley City Council Meeting Room A121 for Early Voting (April 25, 2016 through May 03, 2016) and on the 7<sup>th</sup> day of May, 2016, for Election Day voting.

### **PURPOSE**

A resolution ordering a General Election in the City of Leon Valley, Texas, to be held on May 7, 2016 for the election of a three Council Members: Places 2, 4 and for the Office of the Mayor to be held for the City of Leon Valley; and designating Jacquelyn F. Callanen, Bexar County Elections Administrator, as the Election Administrator to conduct such election.

### **BACKGROUND**

The City may contract with Bexar County to participate in the Joint Election, which will make the voting process more convenient for the citizens of Leon Valley and also significantly reduce the cost to the City for conducting the election.

In a Joint Election situation, the City will appoint Jacquelyn F. Callanen, Bexar County Elections Administrator, as the Election Administrator of the election in the resolution ordering the Election. The County will conduct both Early Voting and Election Day operations. During the Early Voting period, citizens of Leon Valley will be able to vote at any designated Bexar County polling place for the elections of the City. The election staff, voting forms, and equipment will be provided by the Bexar County Elections Division. The City will still be responsible for producing the required documents, notifications and reporting and canvassing of the election results.

Participating members of the Joint Election are charged for Bexar County Elections Division services and equipment on a pro-rata basis. The process to determine the cost per city is as follows:

- The total number of voting precincts for the participating entities is determined.
- The number of voting precincts for each participant is divided by the total number of voting precincts.
- The number obtained is the percentage of the total cost of the election that the entity pays.

If the candidates for the three positions on the ballot are unopposed in the coming election, the City would cancel the election and would automatically be eliminated from the Joint Election group at no cost to the City.

As provided by the City Charter, the term of such offices to be for two years terminating when their successors are elected and qualified. Interested qualified candidates may pick up candidate packet information and file with the City Secretary beginning January 20, 2016 through 5:00 p.m. on February 19, 2016.

The City Secretary will be responsible for posting all public notices in connection with the Joint Election. The Bexar County Elections Administrator shall be responsible for publishing a Notice of Election in a newspaper of general circulation in the territory as required of all the Entities under § 4.003 of the Election Code.

The City Council is required by state law to order a General Election for City officials. Staff considers the Joint Election a much more convenient and efficient method to conduct City elections.

### **SEE LEON VALLEY**

Social – The electoral process enables residents of Leon Valley who are qualified voters to engage in the promotion and provision of a superior quality of life through the determination of its elected leadership.

Economic – *Not applicable*

Environmental – *Not applicable.*

### **FISCAL IMPACT**

The City will see a cost savings by participating in the Joint Election. Cost of this election is authorized in the current Fiscal Year Budget.

### **ATTACHMENTS**

Attachment A – Resolution – Order and Notice

Attachment B – Proposed Agreement

Attachment C – Early Voting Calendar

### **RECOMMENDATION**

City staff recommends the City Council adopt the attached Resolution No. 16-005R, ordering a General Election in the City of Leon Valley, Texas, to be held jointly with Bexar County for the Joint, General and other elections on the 7<sup>th</sup> day of May, 2016 which is the first Saturday in May 2016 for the purpose of electing three Council Members: (Places 2, 4 and for the Office of the Mayor) by the qualified voters of the City of Leon Valley; authorizing the City Manager to sign a joint election Agreement with the Bexar County Elections Administrator for the conduct of said election, and providing details relating to the conduct of holding the Election, authorizing the use of either the

Leon Valley City Council Meeting Room A121 for Early Voting Or the Leon Valley Conference Center (April 25, 2016 through May 03, 2016) and on the 7<sup>th</sup> day of May, 2016, for Election Day voting.

APPROVED: \_\_\_\_\_ DISAPPROVED: \_\_\_\_\_

APPROVED WITH THE FOLLOWING AMENDMENTS:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ATTEST:

\_\_\_\_\_  
**SAUNDRA PASSAILAIGUE, TRMC**  
City Secretary

**RESOLUTION No. 16-005R**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY COUNCIL OF THE CITY OF LEON VALLEY ORDERING AND ESTABLISHING PROCEDURES FOR A GENERAL ELECTION IN THE CITY OF LEON VALLEY, TEXAS TO ELECT THREE COUNCIL MEMBERS: (PLACES 2, 4 AND FOR THE OFFICE OF THE MAYOR) BY THE QUALIFIED VOTERS OF THE CITY OF LEON VALLEY; AUTHORIZING THE CITY MANAGER TO SIGN A JOINT ELECTION AGREEMENT WITH THE BEXAR COUNTY ELECTIONS ADMINISTRATOR FOR THE CONDUCT OF SAID ELECTION, AND PROVIDING DETAILS RELATING TO THE CONDUCT OF HOLDING THE ELECTION, AUTHORIZING THE USE OF THE LEON VALLEY CITY COUNCIL MEETING ROOM A121 FOR EARLY VOTING (APRIL 25, 2016 THROUGH MAY 03, 2016) AND ON THE 7<sup>TH</sup> DAY OF MAY, 2016, FOR ELECTION DAY VOTING.**

---

**WHEREAS**, the laws of the State of Texas and the City of Leon Valley, provide that on May 07, 2016 there shall be elected three members of Council for this City in Places 2, 4 and for the Office of the Mayor; and

**WHEREAS**, the laws of the State of Texas further provide that Section 3.001 of the Election Code of the State of Texas is applicable to said elections, and in order to comply with said Code, an Order should be passed ordering said election and establishing the procedure to be followed in said election, and designating the voting place for said election; and

**WHEREAS**, the laws of the State of Texas provide that the Election Code of the State of Texas is applicable to said election, and to comply with said Code, a resolution should be passed establishing the procedure to be followed in said election, and designating the voting places for said election.

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED BY THE CITY COUNCIL OF THE CITY OF LEON VALLEY, TEXAS:**

The City of Leon Valley, Texas City Council hereby orders an election for the positions of three City Council Members, Places 2, 4 and for the Office of the Mayor:

That all candidates at the election to be held on Saturday May 7, 2016 for the above mentioned offices file their applications to become candidates with the City Secretary, or designee at City Hall, 6400 El Verde Rd., Leon Valley, Texas 78238 on or after 7:30 a.m. on Wednesday, January 20, 2016 and before 5:00 p.m. on Friday, February 19, 2016, and that all applications be on a form as prescribed by Section 141.031 of the Election Code of the State of Texas.

The polling place at which said elections shall be held is at the Leon Valley City Hall, 6400 El Verde Road, Leon Valley, Texas and the polls at the above designated polling place shall on said Election Day be open from 7:00 a.m. to 7:00 p.m.

Voting at such elections shall be by ES&S iVotronic Touchscreen System and paper ballot to be in compliance with Texas' Help America Vote Act.

The Bexar County Elections Department shall conduct, supervise, and administer said elections. Bexar County Elections Administrator Jacquelyn F. Callanen is appointed as Elections Administrator and shall appoint the election officials including the Presiding Judge and Clerks.

The City Secretary designates Bexar County Elections Administrator Jacquelyn F. Callanen as Early Voting Clerk. The Early Voting Clerk may appoint Deputy Clerks. The Early Voting Clerk's mailing address is as follows: Jacquelyn F. Callanen, Early Voting Clerk, Bexar County Elections Administrator, 1103 S. Frio, Suite 100, San Antonio, Texas 78207.

The Early Voting Clerk shall designate individuals to serve as the Early Voting Ballot Board, which will canvass all early voting.

Early voting by personal appearance for the above designated general elections (the "election") shall be at the Leon Valley City Hall Meeting Room A121, 6400 El Verde Road, Texas, 78238, and said place of early voting shall remain open on: April 25, 2016 through April 29, 2016 from 8:00 a.m. to 6:00 p.m.; Saturday, April 30, 2016 from 10:00 a.m. to 6:00 p.m.; and Monday, May 2, 2016 and Tuesday, May 3, 2016 from 8:00 a.m. to 8:00 p.m. The above place for early voting by personal appearance is not the Early Voting Clerk's address to which ballot applications and ballots voted by mail must be sent.

The Bexar County Elections Administrator and/or Commissioners Court may designate additional early voting locations and times throughout Bexar County. Voting shall be by ES&S Direct Electronic Recording (DRE) iVotronic and mail ballots shall be by paper ballot to be in compliance with Texas' Help America Vote Act.

Said elections shall be held in accordance with the Election Code of this State, and only resident qualified voters of said City shall be eligible to vote in said elections.

The Mayor shall give notice of these elections as directed by the provisions of Sections 4.004, 83.310, 85.004 and 85.007 of the Election Code and other applicable law, and all necessary orders and writs for said elections shall be issued by proper authority. Returns of said elections shall be made to the City Council members immediately after the closing of the polls and counting is completed.

A City Council meeting will be called to meet Tuesday, May 17, 2016 at 6:30 p.m. to canvass the ballots. The City Secretary shall post written notice of the date, place and subject of this meeting at the City Hall, in a place convenient and readily accessible to the public, and said notice having been so posted and remaining posted continuously for at least 72 hours proceeding the scheduled time of said meeting. A copy of the return of said posting shall be

attached to the minutes of this meeting and shall be made a part thereof for all intents and purposes.

**PASSED, ADOPTED AND APPROVED** by the City Council of the City of Leon Valley this the 2<sup>nd</sup> day of February, 2016.

**A P P R O V E D**

\_\_\_\_\_  
**CHRIS RILEY**  
MAYOR

Attest:

\_\_\_\_\_  
**SAUNDRA PASSAILAIGUE, TRMC**  
City Secretary

Approved as to Form:

\_\_\_\_\_  
**ROXANN PAIS COTRONEO**  
City Attorney

Proposed

# **ORDER OF ELECTIONS FOR THE CITY OF LEON VALLEY, TEXAS**

An election is hereby ordered to be held on Saturday, May 7, 2016 for the purpose of:

## **Electing Three Members to City Council (Places 2, 4 and for the Office of the Mayor)**

Early voting by personal appearance will be conducted each weekday at:

### **The City of Leon Valley City Hall at 6400 El Verde Rd., Leon Valley, Texas 78238**

#### **Hours of early voting are:**

April 25, 2016 through April 29, 2016 from 8:00 a.m. to 6:00 p.m.;  
Saturday, April 30, 2016 from 10:00 a.m. to 6:00 p.m.;  
Monday, May 2, 2016 and Tuesday, May 3, 2016 from 8:00 a.m. to 8:00 p.m.

#### **Applications for ballot by mail shall be mailed to:**

Jacquelyn F. Callanen  
Early Voting Clerk, Bexar County Elections Administrator  
1103 S. Frio, Suite 100  
San Antonio, Texas 78207

**Applications for ballots by mail must be received no later than the close of business  
on April 22, 2016**

**[SIGNATURE PAGE TO FOLLOW]**

**Issued this the 2nd day of February, 2016**

\_\_\_\_\_  
Signature of Mayor

\_\_\_\_\_  
Signature of Council Member Place 1

\_\_\_\_\_  
Signature of Council Member Place 2

\_\_\_\_\_  
Signature of Council Member Place 3

\_\_\_\_\_  
Signature of Council Member Place 4

\_\_\_\_\_  
Signature of Council Member Place 5

PROPOSED

## **RESOLUCIÓN Nro. 16-005R**

**UNA RESOLUCIÓN DEL CONSEJO MUNICIPAL DE LA CIUDAD DE LEON VALLEY QUE ORDENA Y ESTABLECE LOS PROCEDIMIENTOS PARA UNA ELECCIÓN GENERAL EN LA CIUDAD DE LEON VALLEY, TEXAS, PARA ELEGIR A TRES MIEMBROS DEL CONSEJO (LUGARES 2, 4, Y PARA LA OFICINA DE LA ALCALDESA) ANTE LOS VOTANTES HABILITADOS DE LA CIUDAD DE LEON VALLEY; AUTORIZANDO AL ADMINISTRADOR DE LA CIUDAD A FIRMAR UN CONVENIO DE ELECCIONES CONJUNTAS CON LA ADMINISTRADORA DE ELECCIONES DEL CONDADO DE BEXAR PARA LA CONDUCCIÓN DE DICHA ELECCIÓN Y DISPONIENDO LOS DETALLES RELATIVOS A LA CELEBRACIÓN DE LA ELECCIÓN, AUTORIZANDO EL USO DEL SALON DE JUNTAS A121 DEL CONSEJO MUNICIPAL DE LA CIUDAD PARA LA VOTACIÓN ANTICIPADA (ABRIL 25 DEL 2016 A MAYO 03 DEL 2016) Y EN EL DIA 7 DE MAYO DEL 2016, PARA EL DIA DE LA ELECCIÓN.**

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**EN VISTA DE QUE**, las leyes del Estado de Texas y de la Ciudad de Leon Valley, establecen que el 7 de mayo del 2016 deben elegirse tres miembros del Consejo para esta Ciudad, en los Lugares 2, 4 y para la oficina de la Alcaldesa; y

**EN VISTA DE QUE**, las leyes del Estado de Texas establecen que la Sección 3.001 del Código Electoral del Estado de Texas es aplicable a dichas elecciones, y para estar en cumplimiento de dicho Código, se aprobará una Orden que ordene dicha elección y establezca los procedimientos a seguir en dicha elección, y designe un sitio de votación para dicha elección; y

**EN VISTA DE QUE**, las leyes del Estado de Texas establecen que el Código Electoral del Estado de Texas es aplicable a dichas elecciones, y para estar en cumplimiento de dicho Código, se aprobará una Resolución y establezca los procedimientos a seguir en dicha elección, y designe un sitio de votación para dicha elección.

**AHORA, POR LO TANTO, EL CONSEJO MUNICIPAL DE LA CIUDAD DE LEON VALLEY, TEXAS, ORDENA Y RESUELVE:**

El Consejo Municipal de la Ciudad de Leon Valley, Texas, ordena por medio de la presente una elección para tres miembros del Consejo Municipal Lugares 2, 4 y para la oficina de la Alcaldesa:

Que todos los candidatos en la elección a realizarse el sábado 7 de mayo del 2016 para los cargos mencionados anteriormente, presenten sus solicitudes para candidatura a la Secretaria de la Ciudad, o a la persona designada en el Gobierno Municipal, en 6400 El Verde Rd., Leon Valley, Texas 78238, en o después de las 7:30 a.m. del miércoles 20 de enero del 2016 y

antes de las 5:00 p.m. del viernes 19 de febrero del 2016, y que todas las solicitudes sean en un formulario como el que indica la Sección 141.031 del Código Electoral del Estado de Texas.

El sitio de votación en el que se celebrarán dichas elecciones está ubicado en el Gobierno Municipal de Leon Valley, 6400 El Verde Road, Leon Valley, Texas, y las casillas electorales en el sitio de votación designado anteriormente estarán abiertas de 7:00 a.m. a 7:00 p.m. el día de Elección.

La votación en dichas elecciones será a través del sistema de pantalla táctil ES&S iVotronic y con boletas de papel para cumplir con la Ley de Ayuda a América a Votar.

El Departamento de Elecciones del Condado de Bexar realizará, supervisará y administrará dichas elecciones. La Administradora de Elecciones del Condado de Bexar, Jacquelyn F. Callanen, es designada como Administradora de las Elecciones y designará a los funcionarios de la elección incluido al juez presidente y a los secretarios.

La Secretaria de la Ciudad designa a la Administradora de Elecciones del Condado de Bexar, Jacquelyn F. Callanen, como Secretaria de Votación Anticipada. La Secretaria de Votación Anticipada puede designar a los secretarios asistentes. La dirección de la Secretaria de Votación Anticipada es la siguiente: Jacquelyn F. Callanen, Early Voting Clerk, Bexar County Elections Administrator, 1103 S. Frio, Suite 100, San Antonio, Texas 78207.

La Secretaria de Votación Anticipada designará personas para que sirvan como el Consejo de Boletas de Votación Anticipada, el cual organizará toda la votación anticipada.

La votación anticipada en persona para las elecciones general y especial mencionadas anteriormente (las "elecciones") será en el salón de conferencia del Gobierno Municipal de Leon Valley, salón A121, 6400 El Verde Road, Texas, 78238 y dicho sitio de votación anticipada permanecerá abierto desde el: 25 de abril del 2016 al 29 de abril del 2016 de 8:00 a.m. a 6:00 p.m.; sábado, 30 de abril del 2016 de 10:00 a.m. a 6:00 p.m.; lunes mayo 2 del 2016 y martes, mayo 3 del 2016 de 8:00 a.m. a 8:00 p.m. Dicho sitio de votación anticipada en persona no es la dirección de la Secretaria de Votación Anticipada a la que se tienen que enviar las solicitudes de boletas y los votos emitidos.

La Administradora de Elecciones del Condado de Bexar y/o el Tribunal de Comisionados pueden designar sitios y horarios adicionales de votación anticipada en el Condado de Bexar. La votación se realizará a través del sistema de Grabación Electrónica Directa (DRE) ES&S iVotronic y las boletas por correo serán boletas de papel para cumplir con la Ley de Ayuda a América a Votar.

Dichas elecciones se realizarán en conformidad al Código Electoral del Estado y solo los votantes residentes calificados de dicha ciudad serán elegibles para votar en dichas elecciones.

La Alcaldesa dará notificación de dichas elecciones como se indica en las disposiciones de las Secciones 4.004, 83.310, 85.004 y 85.007 del Código Electoral y de otras leyes aplicables, y todas las órdenes y mandatos para dichas elecciones serán emitidos por la autoridad apropiada. Los resultados de dichas elecciones se presentarán a los miembros del Consejo Municipal inmediatamente después del cierre de las casillas electorales y una vez completado el conteo.

Se convocará a una asamblea Especial del Consejo Municipal el martes, 17 de mayo del 2016 a las 6:30 p.m., para hacer el escrutinio de votos. La Secretaria de la Ciudad colocará en City Hall un aviso escrito con la fecha, lugar y asunto a tratar de la asamblea, el cual será colocado en un lugar conveniente y de fácil acceso al público, y una vez colocado, dicho aviso permanecerá continuamente colocado por lo menos por 72 horas posteriores a dicha asamblea. Una copia de los resultados de dicho documento se agregará al acta de dicha reunión y será parte de la misma para todos los fines y propósitos.

**PASADA, ADOPTADA Y APROBADA** por el Consejo Municipal de la Ciudad de Leon Valley, este día 2 de Febrero del 2016.

**A P R O B A D A**

---

**CHRIS RILEY**  
ALCALDESA

Atestigua:

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**SAUNDRA PASSAILAIGUE, TRMC**  
Secretaria de la Ciudad

Aprobado su Contenido:

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**ROXANN PAIS COTRONEO**  
Abogada de la Ciudad

# **ORDEN DE ELECCIONES PARA LA CIUDAD DE LEON VALLEY, TEXAS**

A través de la presente se ordena la celebración de una elección el sábado 7 de mayo del 2016, con el fin de:

## **Elegir a tres miembros del Consejo Municipal (Lugares 2, 4 y para la oficina de la Alcaldesa)**

La votación anticipada en persona se realizará cada día de la semana en:

## **El Gobierno Municipal de la Ciudad de Leon Valley en 6400 El Verde., Leon Valley, Texas 78238**

### **El horario de votación anticipada es:**

Del 25 de abril del 2016 al 29 de abril del 2016 de 8:00 a.m. a 6:00 p.m.;  
Sábado, 30 de abril del 2016 de 10:00 a.m. a 6:00 p.m.;  
Lunes, 2 de mayo del 2016 y martes, 3 de mayo del 2016 de 8:00 a.m. a 8:00 p.m.

### **Las solicitudes de boletas por correo deben ser enviadas a:**

Jacquelyn F. Callanen  
Early Voting Clerk, Bexar County Elections Administrator  
1103 S. Frio, Suite 100  
San Antonio, Texas 78207

**Las solicitudes de boletas de votación por correo deben ser recibidas a más tardar al cierre del horario de oficina para el 22 de abril del 2016.**

**[CONTINUACIÓN- PÁGINA DE FIRMAS]**

**Emitida este día 2 de Febrero del 2016.**

\_\_\_\_\_  
Firma de la Alcaldesa

\_\_\_\_\_  
Firma de Miembro del Consejo Municipal,  
Lugar 1

\_\_\_\_\_  
Firma de Miembro del Consejo Municipal,  
Lugar 2

\_\_\_\_\_  
Firma de Miembro del Consejo Municipal,  
Lugar 3

\_\_\_\_\_  
Firma de Miembro del Consejo Municipal,  
Lugar 4

\_\_\_\_\_  
Firma de Miembro del Consejo Municipal,  
Lugar 5

Proposed

## JOINT ELECTION AGREEMENT

This Agreement is entered into by and between Bexar County Elections Administrator (“ADMINISTRATOR”), acting on behalf of Bexar County; with Alamo Community College District (“ACCD”); Alamo Heights Independent School District (“AHISD”); East Central Independent School District (“ECISD”); North East Independent School District (“NEISD”); Southside Independent School District (“SSISD”); Trinity Glen Rose Ground Water Conservation District (“TGRGCD”); the City of Alamo Heights (“COAH”); the City of Balcones Heights (“COBH”); the City of Castle Hills (“COCH”); the City of Fair Oaks Ranch (“COFOR”); the City of Grey Forest (“COGF”); the City of Helotes (“COH”); the City of Hill Country Village (“COHCV”); the Town of Hollywood Park (“TOHP”); the City of Kirby (“COK”); the City of Leon Valley (“COLV”); the City of Live Oak (“COLO”); the City of Olmos Park (“COOP”); the City of Shavano Park (“COSP”); the City of Somerset (“COS”); the City of Terrell Hills (“COTH”); and the City of Universal City (“COUC”) and they may also be referred to, individually, as an “Entity” or, collectively, as the “Entities,” acting by and through their duly appointed and qualified representatives, pursuant to Texas Election Code Section 271.002(a), for the May 7, 2016 election.

**WHEREAS**, ACCD will conduct a general and special election on Saturday, May 7, 2016; and

**WHEREAS**, AHISD will conduct a general and bond election on Saturday, May 7, 2016; and

**WHEREAS**, ECISD will conduct a bond election on Saturday, May 7, 2016; and

**WHEREAS**, NEISD will conduct a general election on Saturday, May 7, 2016; and

**WHEREAS**, SSISD will conduct a general election on Saturday, May 7, 2016; and

**WHEREAS**, TGRGCD will conduct a general election on Saturday, May 7, 2016; and

**WHEREAS**, COAH will conduct a general and special election on Saturday, May 7, 2016; and

**WHEREAS**, COBH will conduct a general and special election on Saturday, May 7, 2016; and

**WHEREAS**, COCH will conduct a general and special election on Saturday, May 7, 2016; and

**WHEREAS**, COFOR will conduct a general election on Saturday, May 7, 2016; and

**WHEREAS**, COGF will conduct a general and special election on Saturday, May 7, 2016; and

**WHEREAS**, COHCV will conduct a general election on Saturday, May 7, 2016; and

**WHEREAS**, COH will conduct a general and a special election on Saturday, May 7, 2016; and

**WHEREAS**, TOHP will conduct a general election on Saturday, May 7, 2016; and

**WHEREAS**, COK will conduct a general election on Saturday, May 7, 2016; and

**WHEREAS**, COLV will conduct a general election on Saturday, May 7, 2016; and

**WHEREAS**, COLO will conduct a general and bond election on Saturday, May 7, 2016; and

**WHEREAS**, COOP will conduct a general election on Saturday, May 7, 2016; and

**WHEREAS**, SAMUD will conduct a general election on Saturday, May 7, 2016; and

**WHEREAS**, COSP will conduct a general and special election on Saturday, May 7, 2016; and

**WHEREAS**, COS will conduct a general and bond election on Saturday, May 7, 2016; and

**WHEREAS**, COTH will conduct a general and special election on Saturday, May 7, 2016; and

**WHEREAS**, COUC will conduct a general and special election on Saturday, May 7, 2016; and

**WHEREAS**, BCWCID#10 will conduct a general election on Saturday, May 7, 2016; and

**WHEREAS**, Section 271.002(a) of the Texas Election Code authorizes two or more political subdivisions to enter into an agreement to hold elections jointly in the election precincts that can be served by common polling places; and

**WHEREAS**, the Entities desire that a joint election be held in order to provide a convenient, simple, and cost-saving election to the voters in their respective jurisdictions; and

**WHEREAS**, the Entities desire to enter into an agreement setting out their respective duties and responsibilities for the May 7, 2016 election;

**NOW THEREFORE**, it is agreed that the Entities will hold a joint election on Saturday, May 7, 2016 (the "Joint Election") under the following terms and conditions:

**I.**

The Entities are each required to enter into their own separate contract with ADMINISTRATOR for election services and will hold elections jointly with other Entities in the election precincts that can be served by common polling places, using joint election officer and clerks as ADMINISTRATOR determines is necessary and appropriate.

**II.**

The Entities agree to conduct early voting jointly. ADMINISTRATOR will arrange for and handle early voting in person and by mail for the Joint Election in accordance with her contracts with those Entities.

**III.**

The Entities agree that a single ballot, containing all the measures and offices to be voted on at a particular polling place, shall be used in this Joint Election.

**IV.**

Each Entity is responsible for its own posting of public notices in connection with the Joint Election. ADMINISTRATOR shall be responsible for publishing a Notice of Election in a newspaper of general circulation in the territory as required of all the Entities under Section 4.003 of the Election Code, and each Entity shall pay ADMINISTRATOR its proportionate share of the publishing cost.

**V.**

Each Entity is responsible for paying ADMINISTRATOR for any and all other election costs, as applicable to the specific Entity and agreed upon by separate contract for election services between each Entity and ADMINISTRATOR.

**VI.**

ADMINISTRATOR will tabulate the ballots and provide a set of copies of the affidavit page of each return along with the returns of the election, as agreed upon by separate contract between each Entity and ADMINISTRATOR.

**VII.**

Each Entity will be responsible for canvassing its respective precinct returns for the Joint Election.

**VIII.**

The Entities agree to comply with any and all applicable state and federal record retention statutes. Each Entity shall be the custodian of its respective election records.

**IX.**

If an Entity determines not to participate in the Joint Election to be held on Saturday, May 7, 2016, because it has no contested positions, the nonparticipating Entity shall promptly notify ADMINISTRATOR and the other Entities, and this Agreement shall be automatically amended to delete the nonparticipating Entity as a party to the Agreement.

**X.**

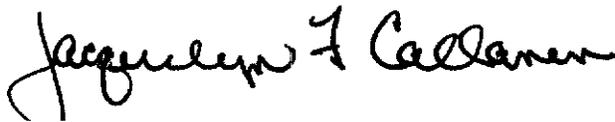
The undersigned persons are the duly authorized signatories of their Entities, and their signatures represent acceptance of the terms and conditions of this Agreement, as passed and approved by their respective governing bodies.

**XI.**

This Agreement may be executed in two or more counterparts. Together the counterparts shall be deemed an executed original instrument. The Entities may execute this Agreement and exchange counterparts of the signature pages by means of facsimile transmission, and the receipt of executed counterparts by facsimile transmission shall be binding on the Entities. Following a facsimile exchange, the Entities shall promptly exchange original signature pages.

SIGNED and AGREED this 2nd day of February, 2016.

**BEXAR COUNTY ELECTIONS ADMINISTRATOR**



\_\_\_\_\_  
Jacquelyn F. Callanen

ENTITY: City of Leon Valley

BY: \_\_\_\_\_

TITLE: Mayor

ENTITY: City of Leon Valley

BY: \_\_\_\_\_

TITLE: City Manager

ENTITY: City of Leon Valley

BY: \_\_\_\_\_

TITLE: City Secretary

# City of Leon Valley

Ordering the General Election, and Appointing  
Jacquelyn F. Callanen, Bexar County Elections  
Administrator as Election Administrator.

City Council Meeting

Tuesday, February 02, 2016

# Summary

- Consideration of Resolution No. 16-005R Ordering a General Election on May 7, 2016 to elect three Council Members: (Places 2, 4 and for the Office of the Mayor) .
- Option to participate with Bexar County in a Joint Election and appointing Jacquelyn Callanen, Bexar County Elections Administrator, as Election Administrator.

# Background

- The City has an option to participate in the Bexar County Joint Election to increase convenience to citizens and reduce expenses.
  - Bexar County conducts both Early Voting and Election Day Activities
  - Bexar County provides election staff, equipment and supplies
  - Participating entities are charged on a pro-rata basis
  - If election is cancelled, City drops out and owes nothing to Bexar County

# Background (cont'd)

- Early Voting
  - Citizens will be able to vote at any designated Bexar County polling location for the City. There are 2 options for this site:
    - Leon Valley City Hall Meeting Room A121, 6400 El Verde Road, Leon Valley, Texas and a list of other poll sites within the County will be available on the City's website; ***Or***
    - Leon Valley Conference Center, 6421 Evers Road, Leon Valley, Texas and a list of other poll sites within the County will be available on the City's website.
      - April 25, 2016 – May 3, 2016
- Election Day Voting
  - Citizens will be able to vote at the Leon Valley City Hall Meeting Room A121, 6400 El Verde Road, Leon Valley, Texas.
    - May 7, 2016 (which is the FIRST Saturday in May this year)

# Background (cont'd)

- General Voting Information
  - Publication
    - *San Antonio Express News*
    - *La Prensa*
    - ENews
    - Lion's Roar
    - City's Website
- Voting Opportunities.
  - Ballot by Mail
  - Curbside Voting
    - Please call 210-335-0362 to request curbside voting by appointment or arrival
  - Early Voting
  - Election Day

# Candidate Information

- Qualifications
  - **MUST** be a citizen of the United States.
  - **MUST** be at least 18 years old.
  - **MUST** be a qualified voter of the City of Leon Valley.
  - **MUST NOT** have been determined mentally incapacitated by a final judgment of a court.
  - **MUST NOT** have been finally convicted of a felony (unless pardoned or otherwise released from the resulting disabilities).
  - **MUST** have lived in Texas continuously for one year.
  - **MUST** have lived in Leon Valley continuously for at least one year

# Candidate Information (cont'd)

- Candidate Filing Period
  - **January 20, 2016 through February 19, 2016**
- Candidate packets are available at City Hall 6400 El Verde Road during the hours of: M-Thurs. 7:30 a.m. – 5:30 p.m. and Fri. 7:30 a.m. – 11:30 a.m.; also available on the City's website.
- Submit packets directly to the City Secretary at City Hall.

# Fiscal Impact

- City will see a cost savings by participating in this Joint Election.
- Cost of this election is authorized in the current Fiscal Year.

# S.E.E. IMPACT STATEMENT

- Social Equity – The electoral process enables residents of Leon Valley who are qualified voters to engage in the promotion and provision of a superior quality of life through the determination of its elected leadership.
- Economic Development – *Not applicable*
- Environmental Stewardship – *Not applicable*

# Recommendation

- City staff recommends the City Council adopt the attached Resolution No. 16-005R, ordering a General Election in the City of Leon Valley, Texas, to be held jointly with Bexar County for the Joint, General and other elections on the 7<sup>th</sup> day of May, 2016 which is the first Saturday in May 2016 for the purpose of electing three Council Members: (Places 2, 4 and for the Office of the Mayor) by the qualified voters of the City of Leon Valley; authorizing the City Manager to sign a joint election Agreement with the Bexar County Elections Administrator for the conduct of said election, and providing details relating to the conduct of holding the Election, authorizing the use of either the Leon Valley City Council Meeting Room A121 for Early Voting Or the Leon Valley Conference Center (April 25, 2016 through May 03, 2016) and on the 7<sup>th</sup> day of May, 2016, for Election Day voting.

# City of Leon Valley

Ordering the General and Special Election, and  
Appointing Jacquelyn F. Callanen, Bexar County  
Elections Administrator as Election Administrator.

City Council Meeting

Tuesday, February 02, 2016

**MAYOR AND COUNCIL COMMUNICATION**

**DATE:** February 02, 2016 **M&C #2016-02-02-07**

**TO:** Mayor and City Council

**FROM:** Crystal Caldera, Human Resources Director

**THROUGH:** Kelly Kuenstler, City Manager

**SUBJECT:** Consideration and Action of an ordinance authorizing a budget adjustment to the General Fund in order for the City to have adequate funds to cover the cost of unemployment benefits for Manuel Longoria, Jr. and John Krause.

**PURPOSE**

The City of Leon Valley is a reimbursing employer. Taxed employers pay taxes every quarter. Reimbursing employers, which include certain non-profit and government employers, pay no taxes but must repay Texas Workforce Commission for unemployment benefits paid to eligible former employees. For the quarter covering October, November and December 2015, the City owes \$4,818.00 to the Texas Workforces Commission for benefits issued to Manuel Longoria, Jr. and Janie Willman.

Manuel Longoria Jr. -	\$465.00
John Krause -	\$4,353.00

This was not an expected expenditure for Fiscal Year 2016 budget; therefore, a budget adjustment is needed to cover the cost of the unemployment benefits.

**FISCAL IMPACT**

Funding for the \$4,818.00 will come from the from General Fund reserve.

**RECOMMENDATION**

Staff recommends approval.

APPROVED: \_\_\_\_\_ DISAPPROVED: \_\_\_\_\_

APPROVED WITH THE FOLLOWING AMENDMENTS:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ATTEST:

\_\_\_\_\_  
**SAUNDRA PASSAILAIGUE, TRMC**  
City Secretary

**AN ORDINANCE APPROVING AMENDMENTS TO THE GENERAL FUND OF THE CITY OF LEON VALLEY, TEXAS MUNICIPAL BUDGET FOR FISCAL YEAR OF 2015-2016.**

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**Whereas** in September 2015 the City Council of the City of Leon Valley adopted the 2015-2016 fiscal year budget: and

**Whereas** Texas Local Government Code Section 102.010 provides that a municipality is not prohibited from making changes to a budget for municipal purposes: and

**Whereas** the Leon Valley City Council hereby finds and determines, that the amendments adopted under this ordinance are for a municipal purpose.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LEON VALLEY, TEXAS, THAT:**

**SECTION I**

That the City Council of the City of Leon Valley hereby amends the fiscal year 2015-2016 budget as provided for in the attached Exhibit "A", said Exhibit to incorporated herein as if fully set forth herein.

**SECTION II  
SEVERABILITY**

It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs, and sections of this ordinance are severable, and if any phrase, clause sentence, paragraph or section of this ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this ordinance, since the same would have been enacted by the City Council without the incorporation in this ordinance of any such unconstitutional phrase, clause, sentence, paragraph or section.

**SECTION III.  
REPEALER CLAUSE**

Any provisions of any prior ordinance of the City which are in conflict with any provision of the Ordinance, are hereby repealed to the extent of the conflict, but all other provisions of the ordinances of the City which are not in conflict with the provisions of this Ordinance, shall remain in full force and effect.

**SECTION IV.  
EFFECTIVE DATE**

This Ordinance shall become effective and shall be in full force and effect on and after its passage and publication as required by state law.

**SECTION V.  
PROPER NOTICE AND MEETING**

It is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public and that public notice of the time, place and purpose of said meeting was given as required by the Open Meetings Act, Chapter 551, of the Texas Government Code. Notice was also provided as required by Chapter 52 of the Texas Local Government Code.

**PASSED, ADOPTED AND APPROVED** by the City Council of the City of Leon Valley this the 2nd day of February, 2016.

**APPROVED**

\_\_\_\_\_  
**CHRIS RILEY**  
MAYOR

Attest:

\_\_\_\_\_  
**SAUNDRA PASSAILAIGUE, TRMC**  
City Secretary

Approved as to Form:

\_\_\_\_\_  
**ROXANN PAIS COTRONEO**  
City Attorney



**MAYOR AND COUNCIL COMMUNICATION**

**M&C #2016-02-02-08**

**DATE:** February 2, 2016  
**TO:** Mayor and City Council  
**FROM:** Kelly Kuenstler, City Manager  
**SUBJECT:** Appointment of a Forrest Oaks Pool Committee

**PURPOSE**

This M & C is to consider the appointment of a committee to determine the feasibility of the city owning, operating and maintaining the Forest Oaks Pool and its other assets. The committee should include community stakeholders, citizens, the City Recreation Supervisor, a representative of the Public Works Department, a representative of the Parks Commission, a representative of the Economic Development Corporation, and a representative of the Beautification Committee.

**FISCAL IMPACT**

- **There is no fiscal impact in the formation of a committee.**

**RECOMMENDATION**

It is recommended the City Council each appoint a committee member and that the City Manager appoint the city government representatives listed above.

**S.E.E. IMPACT STATEMENT**

Social Equity – Provides an opportunity for another “quality of life” facility in Leon Valley.  
Economic Development – This project is compatible with the City Council’s goal of economic growth.  
Environmental Stewardship – Provides for the continued use of an existing structure.

APPROVED: \_\_\_\_\_ DISAPPROVED: \_\_\_\_\_

APPROVED WITH THE FOLLOWING AMENDMENTS:

\_\_\_\_\_  
\_\_\_\_\_

ATTEST:

\_\_\_\_\_  
**Sandra Passailaigue, TRMC**  
City Secretary

**MAYOR AND COUNCIL COMMUNICATION**

**DATE:** February 02, 2016 **M&C # 2016-02-02-09**  
**TO:** Mayor and Council  
**FROM:** Sandra Passailaigue, City Secretary  
**THROUGH:** Kelly Kuentler, City Manager  
**SUBJECT:** Discussion and possible action to form a Home Rule Charter Commission and begin the process to move Leon Valley from General Law to a Home Rule city.

**PURPOSE**

This item was placed on the City Council agenda at the request of Council Member Benny Martinez and Council Member Carmen Sanchez pursuant to Resolution No. 14-017R.

The intent of the item is to discuss and possibly take action to form a Home Rule Charter Commission and begin the process to move Leon Valley from General Law to a Home Rule city. This item was on the January 19, 2016 agenda where there was a consensus of the City Council to bring back to the February 02, 2016 agenda with a possibility of action.

**SEE LEON VALLEY**

Social – N/A  
Economic – N/A  
Environmental – N/A

**FISCAL IMPACT**

N/A

**RECOMMENDATION**

None

APPROVED: \_\_\_\_\_ DISAPPROVED: \_\_\_\_\_

APPROVED WITH THE FOLLOWING AMENDMENTS:

\_\_\_\_\_  
\_\_\_\_\_

ATTEST:

\_\_\_\_\_  
**SAUNDRA PASSAILAIGUE, TRMC**

City Secretary

## MAYOR AND COUNCIL COMMUNICATION

**M&C #2016-02-02-10**

**DATE:** February 2, 2016  
**TO:** MAYOR AND COUNCIL  
**FROM:** David Dimaline, Assistant Public Works Director  
**THROUGH:** Kelly Kuenstler, City Manager  
**SUBJECT:** Resolution authorizing the filing of a grant application with the Alamo Area Council of Governments (AACOG)

### **PURPOSE**

The purpose of this item is to consider authorizing for the filing of a grant application with the Alamo Area Council of Governments (AACOG) for a regional solid waste grant.

The 2016-2017 Regional Solid Waste Grant Program is administered by AACOG. AACOG is receiving grant applications and the attached Resolution authorizes the City Manager to apply for grant funding.

The City of Leon Valley is applying for grant funds to purchase a new 12" capacity brush chipper. This is consistent with AACOG's goal to provide for recovery of material resources by emphasizing reuse, reduction, waste minimization and recycling. If the City of Leon Valley is selected for grant funding, these funds will be utilized to purchase the machinery.

### **SEE LEON VALLEY**

Social Equity - this project adds to the general quality of life for all citizens.

Environmental Stewardship – these projects will reduce the amount of brush and limbs from entering into the landfill. The material will be used for mulch for our Parks and made available for residents. Using mulching material around the base of trees and flower beds reduces the amount of water needed for irrigation.

Economic Development – N/A

### **FISCAL IMPACT**

The project total is \$35,630 and the City would provide a 15% match, or \$5,345. Funds for the match will come from the Public Works Department – General Fund.

**STRATEGIC GOALS**

#5 Environmental Sustainability – The project will support environmental efforts by mulching brush material and providing for reuse.

#7 Parks, Recreational Green Space and Cultural Opportunities – The project will enhance our maintenance capabilities for our Park System for citizens to use.

**RECOMMENDATION**

Recommend approval of the Resolution.

APPROVED: \_\_\_\_\_ DISAPPROVED: \_\_\_\_\_

APPROVED WITH THE FOLLOWING AMENDMENTS: \_\_\_\_\_

\_\_\_\_\_

ATTEST:

\_\_\_\_\_  
**SAUNDRA PASSAILAIGUE, TRMC**  
City Secretary

**RESOLUTION No. 16-006R**

**RESOLUTION OF CITY OF LEON VALLEY AUTHORIZING THE FILING OF A GRANT APPLICATION WITH THE ALAMO AREA COUNCIL OF GOVERNMENTS (AACOG) FOR A REGIONAL SOLID WASTE GRANTS PROGRAM GRANT; AUTHORIZING THE CITY MANAGER TO ACT ON BEHALF OF THE CITY OF LEON VALLEY IN ALL MATTERS RELATED TO THE APPLICATION; AND PLEDGING THAT IF A GRANT IS RECEIVED THE CITY OF LEON VALLEY WILL COMPLY WITH THE GRANT REQUIREMENTS OF THE ALAMO AREA COUNCIL OF GOVERNMENTS, THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY (TCEQ), AND THE STATE OF TEXAS.**

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**WHEREAS**, AACOG is directed by the Texas Commission on Environmental Quality (TCEQ) to administer solid waste grant funds for implementation the COG's adopted regional solid waste management plan; and

**WHEREAS**, the City of Leon Valley in the State of Texas is qualified to apply for grant funds under the Request for Applications;

**NOW, THEREFORE, BE IT RESOLVED BY CITY OF LEON VALLEY IN LEON VALLEY, TEXAS;**

1. That Kelly Kuentler, City Manager is authorized to request grant funding under AACOGs' Request for Applications of the Regional Solid Waste Grants Program and act on behalf of the City of Leon Valley in all matters related to the grant application and any subsequent grant contract and grant project that may result.
2. That if the project is funded, the City of Leon Valley will comply with the grant requirements of AACOG, TCEQ, and the State of Texas.
3. The grant funds and any grant-funded equipment or facilities will be used only for the purposes for which they are intended under the grant.
4. That activities will comply with and support the adopted regional and local solid waste management plans adopted for the geographical area in which the activities are performed.

**PASSED, ADOPTED AND APPROVED** by the City Council of the City of Leon Valley this the 2<sup>nd</sup> day of February, 2016.

**A P P R O V E D**

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**CHRIS RILEY**  
MAYOR

Attest:

\_\_\_\_\_  
**SAUNDRA PASSAILAIGUE, TRMC**  
City Secretary

Approved as to Form:

\_\_\_\_\_  
**ROXANN PAIS COTRONEO**  
City Attorney

\_\_\_\_\_  
(Signature of Authorized Official)

**Notary:**

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Typed or Printed Name)

\_\_\_\_\_  
(Typed or Printed Name)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Commission Expires)

Proposed

# Resolution – AACOG Solid Waste Grant

City Council Meeting  
February 2, 2016

# Background

- Resolution authorizing the filing of a grant application with Alamo Area Council of Governments (AACOG) for a Regional Solid Waste Grant
- Under eligible activities for the grant, the City would apply for grant funding for a brush chipper

# Background

- The grant application is consistent with goal to provide for recovery of material resources by emphasizing re use, reduction, waste minimization and recycling.
- If awarded the grant, funds will be used to purchase a brush chipper
- Mulch will be used for our Park System, and made available for free to residents

# Fiscal Impact

- Total amount for the machinery is \$35,630
- City would provide a 15% match or \$5,345
- Funds for the match would come from the Public Works Department – General Fund

# S.E.E. Statement

- **Social Equity** – Adds to general quality of life for all citizens.
- **Environmental Stewardship** – Potential projects reduce the amount of brush and limbs from entering into the landfill. Recycled material will be used for mulch within our Park System and available for residents. Mulching material around the base of trees and flower beds reduces the amount of water needed for irrigation.
- **Economic Development** – N/A

# Strategic Goals Statement

- #5 Environmental Sustainability – This project will support this effort by mulching material and providing for Reuse.
- #7 Parks, Recreational Green Space and Cultural Opportunities – This project will enhance our maintenance capabilities for our Park System.

# Staff Recommendation

- Recommend Approval of Resolution No. 16-006R

# Questions

# Resolution – AACOG Solid Waste Grant

City Council Meeting  
February 2, 2016

BEAUTIFICATION COMMITTEE MEETING  
City of Leon Valley

16 December 2015

SUBJECT: Minutes of Meeting

1. OPENING OF MEETING: In the absence of the Chair and Co-Chair, the Secretary, opened the meeting at 5:37 p.m. on 16 December 2015 at the Leon Valley Fire Department.
2. ATTENDANCE:  
Members Present: Donna Charles, Lupe Carpio, Carolyn Diaz, Jean Johnson, Shirley Jonas, Carrie Macias, Jerry Perales  
Members Absent: Belinda Ealy, Lyn Joseph, Chris Riley  
Guests: None
3. APPROVAL OF MINUTES: The minutes of the last meeting, 18 November 2015, were approved with corrections.
4. AGENDA ITEMS:
  - WREATHS FOR MONUMENTS-Four holiday wreaths were purchased to be placed on each side of the monuments. Once up, it was evident that the wreaths were not as visible as intended. These wreaths will be paid for out of the General Fund and be used for City Hall next year. Four additional 48" green wreaths, gold, green, and red balls, and a red ribbon for each were purchased for next year out of the Beautification Committee's funds. The cost was just over \$280.00.
  - BEAUTIFICATION AWARDS AND CRITERIA-Discussed the evaluation form which was sent with the minutes last month. It was acceptable to the members. Ms. Johnson stated that she had spoken with the members of the Gardening Volunteers of South Texas. They are willing to serve as judges for this activity but asked that the Beautification Committee provide exact details of the process since there are 19 communities and all the businesses to be considered.
  - CLEAN UP FIX UP DAY PRESENTATION AT TOWN HALL MEETING-Mr. Perales stated that the Mayor, the City Secretary and he will meet after the holidays to gather information for the presentation which will be given at the Town Hall Meeting scheduled for 23 January 2016.
  - BEAUTIFICATION PROJECTS PRESENTATION TO THE CHAMBER OF COMMERCE-Ms. Charles will contact the Chamber to schedule a presentation at an upcoming meeting.

5. GENERAL DISCUSSION:

- Ms. Charles informed the members that there are 8 bags of soil to be used when the Planted Pot Project resumes in early spring and are being stored at the Public Works Department.
- Mr. Perales discussed the removal of graffiti and the members provided information about the likelihood of donated paint for this purpose.
- The members agreed to hold the next meeting at Cha Cha's on Bandera. Ms. Jonas will make the reservations for 20 January 2016 with gathering at 5:00 p.m. and meeting beginning at 5:30 p.m. Mr. Perales will notify the Fire Department of the change.
- Ms. Charles expressed concern that the article regarding the Planted Pot Project has never been published and that the article regarding to Beautification Awards Program which is to be submitted in February may not be published in a timely manner. Mr. Fimble has been emailed about this concern but no response has been given to date. Mr. Perales offered to follow-up with Mr. Fimble.

6. MEMBERS' EMAILS: (Note changes in Johnson and Macias)

Lupe Carpio	<a href="mailto:dcarpio65@att.net">dcarpio65@att.net</a>
Donna Charles	<a href="mailto:donna.charles@sbcglobal.net">donna.charles@sbcglobal.net</a>
Carolyn Diaz	<a href="mailto:CJD44@hotmail.com">CJD44@hotmail.com</a>
Belinda Ealy	<a href="mailto:msg8111@msn.com">msg8111@msn.com</a>
Jean Johnson	<a href="mailto:satjean1@earthlink.net">satjean1@earthlink.net</a>
Shirley Jonas	<a href="mailto:shirleyjonas1961@yahoo.com">shirleyjonas1961@yahoo.com</a>
Lyn Joseph	<a href="mailto:lynjille@aol.com">lynjille@aol.com</a>
Carolina Macias	<a href="mailto:macias.carrie@icloud.com">macias.carrie@icloud.com</a>
Jerry Perales	<a href="mailto:j.perales@leonvalleytexas.gov">j.perales@leonvalleytexas.gov</a>
Chris Riley	<a href="mailto:mayorriley@leonvalleytexas.gov">mayorriley@leonvalleytexas.gov</a>

7. ADJOURNMENT: The meeting adjourned at 6:20 p.m. The next meeting is scheduled for 20 January 2016 at 5:00 p.m. at Cha Cha's Restaurant on Bandera Road, across from HEB.

  
DONNA J. CHARLES  
Secretary

The Earthwise Living Committee of the City of Leon Valley, Texas met on the 13<sup>th</sup> day of January, 2016 at 5:30 p.m. at the Leon Valley Public Service Center, at 6427 Evers Road, Leon Valley, Texas, for the purpose of the following business, to-wit:

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**REGULAR MEETING OF THE CITY OF LEON VALLEY  
EARTHWISE LIVING COMMITTEE, 5:30 P.M.**

**1. Call the City of Leon Valley Regular Earthwise Living Committee Meeting to Order and Determine a Quorum is Present.**

The meeting was called to order at 5:41pm. Present were Committee members Burnside, Ealy, Gomez, Hendricks, Key and Mayor Riley. Also present was Staff member Acuna.

**2. Review and Consider Approval of the December 9, 2015 Regular Meeting Minutes.**

Member Hendricks made a motion to approve the minutes. The motion was seconded by member Gomez, and the motion passed unanimously.

**3. Discussion Regarding Monarch Butterflies**

It was agreed to postpone this agenda item.

**4. Discussion Regarding the March 5, 2016 Earthwise Living Day Event**

Staff member Acuna reported:

- The cost for 2 or 3 banners for over the streets was discussed and it was suggested that the difference could be spent on TV spots. The committee members decided on 2 banners. Member Key suggested to place signs near the restrooms at the park. She also suggested contacting Ancira to have the EWL event information placed on their electric sign. The LV Chamber of Commerce will be contacted in regards to displaying the EWL flyer or larger sign in the windows of businesses.
- List of paid sponsors and vendors was reviewed. The list of vendors who had not been sent forms was reviewed and it was decided which vendors would be asked to participate this year. Great NW will be contacted regarding recycling at the event.
- An essential oil company will be a vendor.
- The Aquarium will be sent a sponsor form. Valero will be sent a sponsor form.
- The rough draft of the flyer was presented. All members are asked to review it and send Staff member Acuna any changes.

Member Burnside stated locations for the clothing recycle bins would be distributed at EWL. The locations will be across from City Hall, at the pool and at Public Works. She also suggested that members start to collect items for Spare Parts.

Mayor Riley suggested that the VIA Bus be invited and she had not had a reply from the Express News. She asked that a member write an article about recycling for the Lion's Roar and Member Ealy volunteered to write it.

Member Key stated her grandchildren could model in the Goodwill style show.

Member Hendricks to send event information to Kidsville and Helotes Highlights for their monthly calendar. Y100 radio station is another possibility for free publicity.  
Member Ealy stated the Mayor of Marshall is unavailable to attend. She reported that the owner of The

Cove is opening a new location and may provide yoga and meditation for the event.  
The list of possible speakers was reviewed.

It was suggested to ask Annette Ramirez if the Girl Scouts would be available to volunteer at the event. Member Hendricks reported that the Forest Oaks Garden Club members plan to volunteer. Member Ealy said Trevor may have some volunteers.

The budget was reviewed. It was suggested that Rosemary plants could be a possible gift for speakers. Member Hendricks will ask Rainbow Gardens for plants to be used as decorations.  
Transportation and parking was discussed. Will there be a shuttle utilizing a taxi?

**5. Adjourn**

Member Burnside moved to adjourn the meeting and the motion was seconded by member Key. The meeting was adjourned without objection at 7:23 p.m. The next meeting will be held on February 3, 2016 at 5:30p.m.

Belinda Ealy  
Co-Chair

Jan. 25, 2016  
Date



6400 El Verde Road, Leon Valley, TX 78238

## **MINUTES OF THE MEETING OF THE LEON VALLEY TREE ADVISORY BOARD**

Meeting of the Leon Valley Tree Advisory Board (TAB) at 6:00 PM, on Thursday, December 17, 2015, in the Leon Valley Conference Center, at 6421 Evers Road, Leon Valley, Texas.

### **I. Poll for Attendance and Determination of a Quorum.**

- Staff Liaison: Elizabeth Carol (Present)
- TAB Forester: Mark Kroeze, Alamo Region Urban Forester (Present)
- Members Present: Irene Baldrige, Thomas Benavides, Denise Berger, Melinda Dawson, Mary Key, Diana Sarfin, and Rich Sarfin
- Guest: Roger Christensen (Chairman of the Leon Valley Park Commission)

### **II. Approval of Minutes - October 19, 2015.**

- Minutes were approved as written.

### **III. Discussion/recap Arbor Day 2015**

- A total of three hundred and fifty trees were adopted-out. Two hundred and eighty went to residential homes and seventy went to the City of Leon Valley (planted at Silo Park by Public Service).
- Lessons learned/comments:
  - An agenda of the event should be posted at various locations to eliminate confusion.
  - Holding Arbor Day in conjunction with the Leon Valley Library Halloween Party and the Northwest Seniors Trash & Treasure Sale allowed for more people to stop by our event helping us to adopt-out a larger number of trees.
  - Security needs to be improved. There were some people getting behind the tables amongst the volunteers and the trees. It would be best to cordon-off these areas.
  - The tables should be organized like in prior years to help out the flow.
  - A stage for the speakers would have been helpful.
  - Background music could add more to the event.
- Next Arbor Day will be held on Saturday, October 29, 2016.

### **IV. Discussion on Tree City USA and Tree City Growth Award Application.**

- Ms. Carol completed both the Tree City USA and Tree City Growth Award applications which will be submitted by December 31, 2015.
  - TAB members acknowledged Ms. Carol's diligence and hard work that went into these applications.

### **V. Leon Valley Wildfire Protection Plan.**

- Ms. Carol provided a hard copy of the LV Wildfire Protection Plan for TAB members to review for next meeting. She will resend a softcopy as well.
- This topic will be re-scheduled for next month's meeting.

### **VI. Recap of the meeting with the Park Commission on December 8, 2015.**

- Ms. Carol and Mr. Benavides provided a draft copy of the "Tree" section to be added to the "Environment Component" chapter of the Leon Valley Master Plan to the Park Commission. Its goals, objectives, and strategies still need to be finalized by the TAB before it is sent to City Council for approval.
- The following information was also provided to the commission:
  - TAB goal is to plant 10,000 trees by 2020.
  - TAB is ready to work with the Park Commission in planting trees in the zones already identified by the Park Commission during their meeting on May 16, 2015.
  - TAB Forester (Mark Kroeze, Alamo Region Urban Forester) is ready to evaluate zones for planting.
- Mr. Christensen, Chairman of the Leon Valley Park Commission, attended our meeting this evening to address the TAB. His input is as follows:

- The Park Commission would like to see a "planting plan" detailing; site preparation, how trees and brush will be removed to include disposition (i.e., remove, stack, or burn), type of irrigation to be used, species of trees to be planted, types of plantings to include under-story, individual, and groves, how the San Antonio Water System easement and creek channel will handled/protected, and expense/budget requirements.
- The natural area is officially a park. It is the Huebner-Onion Natural Area Park (adjacent to Raymond Rimkus Park).
- Parks to be developed at this time include Silo Park, Shadow Mist Park, and the LC-17 Park (un-named at this time).

**VII. Discussion and Planning Earth Wise Living.**

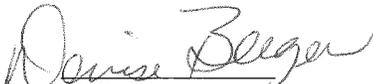
- Earth Wise Living Day will be held on Saturday, March 5, 2016.
- Ms. Carol will contact CPS Energy to inquire on their sponsorship of the Tree Adoption at Earth Wise.

**VIII. Future Agenda Items.**

- **How to improve tree focus.**
  - To be discussed at the next TAB meeting.
- **Website updates.**
  - To be discussed at the next TAB meeting.
- **Neighborwood program.**
  - This topic will be revisited in 2016.
- **Strategic Tree planting goals.**
  - To be discussed at the next TAB meeting.
- **Other Topics.**
  - TAB members discussed the development of a "General Tree Plan" that can be used as a template. Members will begin working on an outline for the next meeting. Among other attributes, it will include the following:
    - Strategy.
    - Flexibility.
    - Diversity.
    - Identification of native tree species suited for Leon Valley.

**IX. Adjourn.**

- Meeting adjourned at 7:15 PM.
- The next meeting of the TAB is tentatively scheduled for Monday, January 25, 2016, at 6:00 PM, at the Leon Valley Conference Center.

  
Chairperson