

City of Plano – January 2019 – Ordinances and Resolutions

Resolution No. 2019-1-1(R): To review and approve the City's official Public Funds Investment Policy; and providing an effective date.

Ordinance No. 2019-1-2: To change the street name of Royal Syndey Court, a dedicated street within the City of Plano, Denton County, Texas, to Royal Sydney Court; providing for a change in the official records to reflect such action; and providing an effective date.

Ordinance No. 2019-1-3: To amend Section 21-154 of Article IV, Service Charges Generally, of Chapter 21, Utilities, of the Code of Ordinances of the City of Plano to change the hours that services may be scheduled; and providing a repealer clause; a severability clause; a savings clause and an effective date.

Ordinance No. 2019-1-4: To grant to Atmos Energy Corporation, a Texas and Virginia corporation, its successors and assigns, a Franchise to construct, maintain, and operate pipelines and equipment in the City of Plano, Collin and Denton County, Texas, for the transportation, delivery, sale, and distribution of gas in, out of, and through said City for all purposes; providing for the payment of a fee or charge for the use of the public rights-of-ways; and providing that such fee shall be in lieu of other fees and charges, excepting ad valorem taxes; and ratifying the month-to-month extension of the previous Franchise Agreement; and providing a repealer clause, a severability clause, a savings clause, and an effective date.

Resolution No. 2019-1-5(R): To support an application for nine percent (9%) housing tax credit (HTC) financing to the Texas Department of Housing and Community Affairs (TDHCA) for the proposed affordable residential development project located on 1.54± acres, at 1421 G Avenue, Plano, TX; designating the City Manager to certify this resolution to TDHCA; and declaring an effective date.

Resolution No. 2019-1-6(R): To support an application for nine percent (9%) housing tax credit (HTC) financing to the Texas Department of Housing and Community Affairs (TDHCA) for the proposed affordable residential development project located on 2.09± acres located at 1309 F Avenue, Plano, TX; designating the City Manager to certify this resolution to TDHCA; and declaring an effective date.

Ordinance No. 2019-1-7 (Zoning Case 2018-029): To amend the Comprehensive Zoning Ordinance of the City, Ordinance No. 2015-5-2, as heretofore amended, granting Specific Use Permit No. 93 for Indoor Gun Range on 2.8 acres of land located on the south side of Mapleshade Lane, 1,691 feet east of Ohio Drive, in the City of Plano, Collin County, Texas, presently zoned Corridor Commercial; directing a change accordingly in the official zoning map of the City; and providing a penalty clause, a repealer clause, a savings clause, a severability clause, a publication clause, and an effective date

Ordinance No. 2019-1-8 (Zoning Case 2018-032): To amend Subsection 11.700.5 (Certificate of Appropriateness) of Section 11.700 (Heritage Resource Overlay Districts) of Article 11 (Overlay Districts), Section 15.200 (Communications Antennas, Amateur and Commercial) of Article 15 (Use-specific Regulations), and related sections of the Comprehensive Zoning Ordinance of the City, Ordinance No. 2015-5-2, as heretofore amended, pertaining to various modifications to standards for communications antennas and equipment, and providing a penalty clause, a repealer clause, a savings clause, a severability clause, a publication clause, and an effective date.

Resolution No. 2019-1-9(R): To accept the findings and opinions of the Annual Audit; authorizing the City Manager, or in his absence the Director of Finance, to publish the results thereof; and providing an effective date.

Ordinance No. 2019-1-10 (Zoning Case 2018-027): To amend Section 1.900 (Design Standards and Specifications) of Article 1 (Legal Framework), Section 20.400 (Requirements for Refuse and Recycling Containers and Compactors) of Article 20 (Screening, Fence and Wall Regulations), and related sections of the Comprehensive Zoning Ordinance of the City, Ordinance No. 2015-5-2, as heretofore amended, pertaining to requirements for refuse and recycling containers and compactors; and providing a penalty clause, a repealer clause, a savings clause, a severability clause, a publication clause, and an effective date.

RESOLUTION NO. 2019-1-1(R)

A Resolution of the City of Plano, Texas, reviewing and approving the City's official Public Funds Investment Policy; and providing an effective date.

WHEREAS, Section 2256.005(e) of the Texas Government Code requires the governing body of an investing entity to adopt a written investment policy regarding the investment of its funds and funds under its control and to review said written investment policy on an annual basis; and,

WHEREAS, on November 27, 2017, by Resolution No. 2017-11-8(R), the City Council approved and adopted a written Investment Policy for the City of Plano regarding investment of public funds; and,

WHEREAS, the City Council has been presented the existing and duly approved Public Funds Investment Policy which contains investment strategies, a copy of which is attached hereto as Exhibit "A" and incorporated herein by reference; and,

WHEREAS, the City Council has reviewed the Public Funds Investment Policy attached hereto as Exhibit "A" and the investment strategies contained therein and finds that it is consistent with prudent fiscal policy.

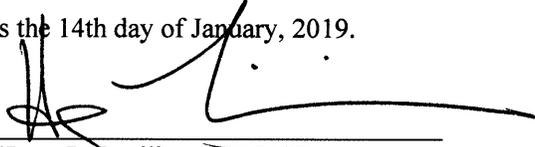
NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, THAT:

Section I. The City Council of the City of Plano, Texas has reviewed the Public Funds Investment Policy attached hereto as Exhibit "A" and the investment strategies contained therein.

Section II. The Public Funds Investment Policy as contained in Exhibit "A" attached hereto shall be the official policy of the City of Plano regarding investment of public funds.

Section III. This Resolution shall become effective immediately upon its passage.

DULY PASSED AND APPROVED this the 14th day of January, 2019.



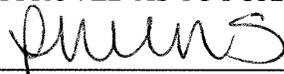
Harry LaBoscilere, MAYOR

ATTEST:



Lisa C. Henderson, CITY SECRETARY

APPROVED AS TO FORM:



Paige Mims, CITY ATTORNEY

City of Plano Investment Policy

The City of Plano (the "City") is required under the Public Funds Investment Act (the "PFIA") Chapter 2256, Texas Government Code, to adopt a written investment policy. The City is required to comply with the Investment Policy as approved by the City Council.

Statement of Intent

It is the Policy of the City to invest funds in a manner, which will insure maximum security and provide for the daily cash flow demands of the City, and conform to all State and local statutes governing the investment of public funds.

Scope

This Investment Policy applies to all financial assets of the City, except certain trust and pension funds contractually invested by outside managers, e.g. Retirement/Pension, and Employee Deferred Compensation.

This policy includes all funds listed and accounted for in the City's Comprehensive Annual Financial Report (CAFR) and include:

- General Fund
- Special Revenue Funds
- Debt Service Funds
- Capital Projects Funds
- Proprietary Funds
- Internal Service Funds
- Trust and Agency Fiduciary Funds, to the extent not required by law or existing contract to be kept segregated and managed separately;
- Component Units

Prudence

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

The standard of prudence to be used by Investment Officers shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. The Investment Officers, acting in accordance with written procedures and the Investment Policy, and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from

Exhibit "A" to Resolution No. 2019-1-1(R)

expectations are reported immediately upon knowledge of the deviation and appropriate action is taken to control adverse developments.

Investment Officers shall seek to act responsibly as custodians of the public trust. Investment Officers shall avoid any transaction that might impair public confidence in the City's ability to govern effectively.

Objectives

The primary objectives of the City's investment activities shall be as follows:

1. Safety of principal is the foremost objective of the City's investment program. Investment transactions of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that actual losses on individual securities do not exceed the income generated from the remainder of the portfolio.
2. The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements that can be reasonably anticipated.
3. The City's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the City's investment risk constraints of safety and liquidity needs.

Investment Strategy

The City intends to maintain a consolidated portfolio in which all funds under the City's control, as specified in this Policy, are pooled for investment purposes. One of the fund's primary objectives is to insure that anticipated cash flows are matched with investment maturities. Both short and longer-term maturities are laddered to meet general operating, capital project and debt service expenditures, based on known and projected cash flows.

Another primary objective of the fund is the preservation and safety of principal by insuring that all securities are of a sufficiently high quality and duration so as to limit exposure to credit and market risks. The portfolio should therefore experience minimal volatility during varying economic cycles. Securities of all types are purchased with the intention of holding until maturity.

Other objectives include maintaining liquidity, including the ability to reasonably meet unanticipated needs by purchasing securities with an active secondary/resale market. Diversification is maintained in order to minimize possible credit risk in a specific security type.

The final objective of obtaining a market rate of return while considering risk constraints and cash flow needs, is much less important than safety of principal and liquidity. The majority of investments are limited to low risk securities earning an equitable rate of return relative to the amount of risk.

Delegation of Authority

City employees authorized to engage in investment transactions and authorized as Investment Officers are the City Manager, the Director of Finance, the Treasurer and the Treasury Analyst. Management responsibility for the investment program is delegated from the City Manager to the Director of Finance who shall establish written procedures for the operation of the investment program consistent with this Investment Policy. Investment procedures should include reference to the following: safekeeping agreements, repurchase agreements, wire transfer agreements, collateral agreements, depository service contracts and agreements, broker/dealer selection criteria, and security bidding and purchase processes. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the Director of Finance. The Director of Finance shall be responsible for routine authorization of investments and the Controller shall be responsible for proper accounting of investments in order to maintain appropriate internal controls. The Director of Finance shall establish a system of controls to regulate the activities of subordinates.

Ethics and Conflict of Interest

1. Any Investment Officer of the City who has a personal business relationship with a business organization offering to engage in an investment transaction with the City, as described in Texas Government Code § 2256.005(i), shall file a statement disclosing that personal business interest with the Texas Ethics Commission and City Council.
2. Any investment officer of the City who is related within the second degree by affinity or consanguinity, as determined under Chapter 573 of the Texas Government Code, to an individual seeking to engage in an investment transaction with the City shall file a statement disclosing that relationship with the Texas Ethics Commission and City Council.

Depository Selection

A qualified depository shall be selected through the City's professional services contract process in compliance with state bidding requirements, and shall include a formal Competitive Sealed Bid. The centralization of depository services is designed to maximize investment capabilities while minimizing service costs as well as staff time spent on activities such as reconciliation.

The selection of a depository shall be based on the financial institution offering the most favorable terms and conditions at the best value, while adhering to the guidelines and provisions within the request for proposal. In selecting a depository, the City shall give consideration to the financial institution's credit characteristics, financial history, service capabilities, and costs for required services.

The City's depository contract shall be in compliance with State law. Specialized services may be contracted for by the City with another financial institution or company if the depository cannot provide such service or charges more for the same service with little or no appreciable benefit.

Authorized Securities Dealers

The Investment Committee will review and adopt annually a list of qualified securities dealers authorized to engage in investment transactions with the City. The City will provide any business organization offering to engage in an investment transaction with the City, including investment pools or investment management firms, with a copy of the City's Investment Policy.

A qualified representative of the business organization offering to engage in an investment transaction must execute a written statement acknowledging that the business organization has:

1. Received and reviewed the City's Investment Policy, and
2. Implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the City and the organization that are not authorized by this Investment Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio, requires an interpretation of subjective investment standards, or relates to the investment transactions of the City that are not made through accounts or other contractual arrangements over which the City has accepted discretionary investment authority.

All approved broker/dealer firms must submit a completed City Broker/Dealer Questionnaire, a written acknowledgment per above guidelines, an executed master repurchase agreement, if applicable, and a copy of current audited financial statements.

Investment Advisers

Investment Advisers shall adhere to the spirit, philosophy and specific term of the Investment Policy and shall invest within the same objectives. The Investment Officer shall establish criteria to evaluate Investment Advisers, including:

1. Adherence to the City's policies and strategies;
2. Investment strategy recommendations within accepted risk constraints;
3. Responsiveness to the City's request for services and information;
4. Understanding of the inherent fiduciary responsibility of investing public funds; and
5. Similarity in philosophy and strategy with the City's objectives.

Selected Investment Advisors must be registered under the Investment Advisers Act of 1940 or with the State Securities Board. A contract with an Investment Adviser may not be for a term longer than two years and any contract, renewal or extension must be approved by the City Council.

Authorized Investments

The City is authorized to invest in the following types of securities, as specified in the PFIA Eligible investments include the following:

1. Obligations of, or guaranteed by governmental entities including:
 - a) Obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Bank;
 - b) Direct obligations of the State of Texas or its agencies and instrumentalities;
 - c) Other obligations, the principal of and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of 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; and
 - e) Interest-bearing banking deposits that are guaranteed or insured by:
 - 1) The Federal Deposit Insurance Corporation or its successor; or
 - 2) The National Credit Union Share Insurance Fund or its successor.
2. Certificates of deposit, issued by a depository institution that has its main office or a branch office in this state:
 - a) And such certificates of deposits are:
 - 1) Guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or the National Credit Union Share Insurance Fund, or its successor;
 - 2) Secured by obligations that are described by the PFIA, which are intended to include all direct federal agency or instrumentality issued mortgage backed securities that have a market value of not less than 102% of the principal amount of the certificates or in any other manner and amount provided by law for deposits of the investing entities;
 - 3) Secured in accordance with Chapter 2257 or in any other manner and amount provided by law for deposits of the City.
 - b) Certificates of Deposit made with the following conditions:
 - 1) The funds are invested by an investing entity through
 - a. A broker that has its main office or a branch office in the state of Texas and is selected from a list adopted by the City as required by Section 2256.025; or
 - b. The broker or the depository institution selected by the City under Subdivision a) arranges for the deposit of the funds in certificates of deposit in one or more

- federally insured depository institutions, wherever located, for the account of the City;
 - c. The full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States;
 - d. The City appoints the depository institution selected depository institution under Subdivision a), or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 as custodian for the City with respect to the certificates of deposit issued for the account of the City.
- 3. Fully collateralized repurchase agreements having a defined termination date, secured by a combination of cash and obligations described by the PFIA, pledged to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third party selected and approved by the City, and is placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in this state;
- 4. Commercial Paper having a stated maturity of 270 days or fewer from the date of issuance and is rated not less than A-1 or P-1 or an equivalent rating by at least two nationally recognized credit rating agencies or one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state.
- 5. Mutual funds
 - a) A no-load money market mutual fund that is registered with and regulated by the Securities and Exchange Commission; provides the investing entity with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940; complies with federal Securities and Exchange Commission Rule 2a-7, promulgated by the Investment Company Act of 1940; or
 - b) A no-load mutual fund that it is registered with the Securities and Exchange Commission; has an average weighted maturity of less than two years; and either has a duration of one year or more and is invested exclusively in obligations approved by Chapter 2256, sections 9 through 16; or has a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities
 - c) The City is not authorized to:
 - 1) Invest in aggregate more than 15% of the City's monthly

- average fund balance, excluding bond proceeds, reserves, and debt service funds;
- 2) Invest any portion of bond proceeds, reserves, and debt service funds; and
 - 3) Invest its funds or funds under its control, including bond proceeds and reserves and other funds held for debt service, in any one mutual fund in an amount that exceeds 10% of the total assets or the mutual fund.
6. Local Government Investment Pools must follow the requirements of the PFIA and are required to provide the City a policy regarding holding deposits in cash. Also, any Pool that uses amortized cost or fair value accounting must mark its portfolio to market daily and seek a stable \$1.00 net asset value. The governing body of the Pool shall take action as necessary to eliminate or reduce to the extent reasonable any NAV values less than \$0.995 or greater than \$1.005 In addition, a Pool is to be authorized by a separate resolution, which meet the requirements of Chapter 2256.016 of the Public Funds Investment Act and are rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service. To become eligible, investment pools must be approved by City Council action.

Unauthorized Investments

The City's authorized investments are more restrictive than those allowed by State law. Not all investments authorized by State Law are authorized by this Policy. The City prohibits investments in all collateralized mortgage obligations. State law specifically prohibits investment in the following investment securities:

1. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pay no principal;
2. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;
3. Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years.

The City is not required to liquidate investments that were authorized investments at the time of purchase. The City will take prudent measures to liquidate any investment that loses its required minimum rating.

Competitive Selection of Investment Instruments

The City requires competitive bidding for all individual security purchases except for those transactions with MMMFs, LGIPs and for government securities purchased at issue

Exhibit "A" to Resolution No. 2019-1-1(R)

through an approved broker/dealer at the auction price. The Treasurer may rely not only on yield in selecting MMMFs and LGIPs but also on adherence to applicable Securities and Exchange Commission (SEC) guidelines for MMMFs and other criteria as determined.

At least three bids or offers must be solicited in all transactions involving individual securities. For those situations where it may be impractical or unreasonable to receive three bids for an agency transaction due to secondary market availability, bids may be considered comparable for agencies with comparable structures and having maturities within 15 calendar days before and after the requested security. Bids may be solicited in any manner provided by law. All bids received must be documented and filed for auditing purposes.

Collateralization

In order to anticipate market changes and provide a level of security for all funds, collateralization is required for all City funds held in the depository as available funds, in certificates of deposit, and for repurchase agreements. With the exception of deposits secured with irrevocable letters of credit at 100% of amount, the collateralization level will be 102% of market value of principal and accrued interest. Evidence of the pledged collateral shall be maintained by the Director of Finance, or a third party financial institution. Collateral shall be reviewed at least monthly to assure that the market value of the pledged securities is adequate. If upon review, the collateral is found to be of inadequate value, the City will notify the pledging financial institution to immediately provide additional collateral.

The City shall accept only the following as collateral:

1. FDIC insurance coverage;
2. A Bond, Bill, Certificate of Indebtedness, or Treasury Note of the United States, or other evidence of indebtedness of the United States that is guaranteed as to principal and interest by the United States;
3. Obligations, the principal and interest on which, are unconditionally guaranteed or insured by the State of Texas;
4. A Bond of the State of Texas or a county, city or other political subdivision of the State of Texas having been rated at no less than "A" or its equivalent by a nationally recognized rating agency with a remaining maturity of ten years or less;
5. Obligations of the United States' agencies and instrumentalities, limited to the FHLB, FNMA, FFCB and FHLMC; or
6. A letter of credit issued to the City by the Federal Home Loan Bank.

Collateral will be held by an independent third party with whom the entity will sign a custodial agreement. Safekeeping receipts must be supplied to the City and must be retained. All collateral shall be subject to inspection and audit by the Director of Finance or the City's independent auditors.

Additional collateral may be pledged as required, released when it is not needed, and

Exhibit "A" to Resolution No. 2019-1-1(R)

substituted, if necessary, with the written consent of the Director of Finance, or an authorized Investment Officer. Any financial institution requesting substitution must contact the Director of Finance for approval and settlement. The substituted security's value will be calculated and substitution approved if its value is equal to or greater than the required security level. The Director of Finance or designated Investment Officer must provide a written notification of the decision to the bank or the safekeeping agent holding the security prior to any security release. Substitution is allowable for all transactions, but should be limited, if possible, to minimize potential administrative problems and transfer expense.

Delivery vs. Payment, Safekeeping and Custody

All security transactions entered into by the City, with the exception of investment pools, and mutual funds, shall be conducted on a delivery-versus-payment (DVP) basis. Securities and collateral will be held by a third party custodian designated by the Investment Officer and Director of Finance, and held in the City's name as evidenced by safekeeping receipts of the institution with which the securities are deposited.

Diversification

The City will diversify the portfolio at all times to ensure the reduction of risk while still maintaining reasonable rates of return, and to ensure a certain degree of liquidity. The City will diversify its investments by security type in the following manner:

With the exception of United States Treasury securities and authorized pools, no more than 50% of the total investment portfolio will be invested in a single security type. (Such as FNMA, FHLB, FHLMC, CD's at one institution, etc.)

Risk of market price changes shall be controlled by avoiding over-concentration of assets in a specific maturity sector, limitation of average and final maturity, and avoidance of over-concentration of specific instruments.

Risk to liquidity due to cash flow complications shall be controlled by maintaining minimum bank, investment pool, and money market mutual fund balances.

Maximum Maturities

To the extent possible, the City will attempt to match its anticipated cash flow requirements with maturing investments. The City will not directly invest in securities maturing more than five years from the date of purchase. The portfolio's maximum average dollar-weighted maturity will be two and a half years based on the stated maturity date of the investment.

Performance Standards

The investment portfolio will be designed to obtain a market average rate of return during

unpredictable budgetary and economic cycles at the local and federal levels, taking into account the City's investment risk constraints and cash flow needs.

The City's investment strategy is primarily passive. Given this strategy, the basis, or benchmark, used by the Investment Officer to determine whether market yields are being achieved shall be the 3 month or 6 month Treasury Bill or 1 or 2 year Treasury Note, whichever is closest to the weighted average maturity of the portfolio.

Reporting

Monthly Reporting. The Director of Finance is responsible for providing monthly information on investment activity in the Comprehensive Monthly Finance Report, to include the size of the portfolio, the distribution by maturity, the distribution by market sector, interest income earned during the current month and fiscal year to date, and the current portfolio yield.

Quarterly Reporting. The Director of Finance shall submit a signed quarterly investment report, jointly prepared and signed by all Investment Officers, that summarizes current market conditions, economic developments and anticipated investment conditions. The report shall summarize investment strategies employed in the most recent quarter, and describe the portfolio in terms of investment securities, maturities, risk characteristics, and shall explain the total investment return for the quarter.

The quarterly investment report shall provide a status of the current investment portfolio and transactions made over the last quarter. The report will be provided not less than quarterly to the City Manager and City Council and include the following:

1. Describe in detail the investment position of the entity on the date of the report;
2. Contain a summary statement of each pooled fund group that states the:
 - a. Beginning market value for the reporting period;
 - b. Ending market value for the reporting period;
 - c. Fully accrued interest for the reporting period;
3. State the book value and market value of each separately invested asset at the end of the reporting period by the type of asset and fund type invested;
4. State the maturity date of each separately invested asset that has a maturity date;
5. State the account or fund or pooled group fund in the City for which each individual investment was acquired;
6. State the compliance of the investment portfolio of the City as it relates to:
 - a. the investment strategy expressed in the City's investment policy; and
 - b. relevant provisions of the chapter.
7. A statement of compliance of the City's investment portfolio with State law and the investment strategy and Policy approved by the City Council.

Quarterly reports must be formally reviewed at least annually by an independent auditor and reported to City Council.

Market Pricing

Market Value of the investment portfolio will be calculated monthly. Pricing information will come from Bloomberg, IDC, or any other source deemed reliable by the Director of Finance. If the price of a particular security is not available from any of these sources, the price may be estimated by analyzing similar securities' market values.

Investment Rating

Investment rating will be obtained monthly from broker-dealers on the City's approved list or from other independent third parties. Obligation of States (other than Texas), agencies, counties, cities and other political subdivisions must not be rated less than A or its equivalent by at least one nationally recognized investment rating firm. Mutual funds must not be rated less than AAA or its equivalent by at least one nationally recognized investment rating firm. Money market mutual funds (MMMMF's) are not required to be rated. Investment Pools must not be rated less than AAA or an equivalent by at least one nationally recognized investment rating firm. If an investment that was eligible at the time of purchase becomes ineligible during the holding period, consistent with the Public Funds Investment Act, Sec. 2256.017, the Treasurer is not required to liquidate the investment. The Treasurer shall take all prudent measures that are consistent with this Policy to analyze the investment and determine the most prudent course of action to minimize any potential loss.

Quality and Capability of Investment Management

Subject to availability of funds, the City shall provide periodic training in investments for Director of Finance, the Treasurer and any other authorized Investment Officer through courses and seminars offered by professional organizations and associations, in order to insure the quality and capability of the City's investment officers.

Training

The Director of Finance, the Treasurer and any other authorized Investment Officer must attend at least a 10 hour training session relative to their responsibilities under the PFIA within twelve months after taking office or assuming duties from an independent source approved by the Investment Committee. In addition, each must receive not less than 8 hours of instruction not less than once each two years relating to investment responsibilities from an independent source approved by the Investment Committee. Training must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with PFIA.

Internal Controls and Compliance Audit

The Director of Finance is responsible for establishing appropriate internal controls. The Investment Officers are responsible for executing investment transactions and the Accounting division is responsible for preparation of general ledger journal entries based on documentation prepared by the Investment Officers. The Investment Policy requires,

in conjunction with its annual audit, a compliance audit of management controls on investments and adherence to the City's established investment policies.

Investment Policy Review and Adoption

The City's Investment Policy shall be reviewed periodically by the Investment Committee and revised and recommended for Council approval, when necessary. In addition, the Policy must be reviewed not less than annually by the City Council. This review will include adoption of a written resolution stating that the Council has reviewed the Investment Policy and investment strategies and include any changes made to the Policy or strategies.

Investment Committee

An Investment Committee comprised of the City Manager, Director of Finance, and the Investment Officer(s) will meet on a quarterly basis. In addition to monthly and quarterly reporting to City Council, the Director of Finance will present a brief report of pertinent investment activities to the Investment Committee.

The primary objective of the Committee will be to review general strategies and policies, monitor investment program results, select independent training sources, and authorize securities dealers.

ORDINANCE NO. 2019-1-2

An Ordinance of the City of Plano, Texas, changing the street name of Royal Syndey Court, a dedicated street within the City of Plano, Denton County, Texas, to Royal Sydney Court; providing for a change in the official records to reflect such action; and providing an effective date.

WHEREAS, Royal Syndey Court is a dedicated public street within the City of Plano; and

WHEREAS, the street name Royal Syndey Court was adopted by plat in 1995; however, the U.S. Post Office, Denton County Appraisal District, and internet mapping systems use the spelling Royal Sydney Court; and

WHEREAS, the City Council has determined that to promote public safety, Royal Syndey Court should be renamed to Royal Sydney Court to standardize its spelling; and

WHEREAS, this street name change has been thoroughly reviewed by the Planning Department, the Police Department, the Fire Department, and the Public Safety Communications Department; and

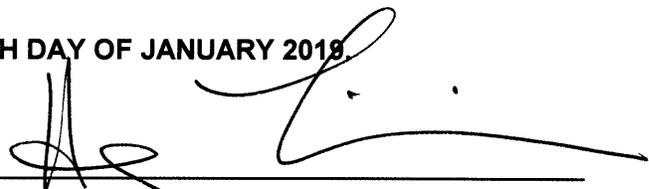
WHEREAS, the City Council, upon full consideration of the recommendation of city staff and all matters attendant and related thereto, is of the opinion and finds that Royal Syndey Court should be changed to Royal Sydney Court and that the official records of the city be amended to reflect this street name change.

IT IS, THEREFORE, ORDAINED BY THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, THAT:

Section I. Royal Syndey Court, a public street within the city limits of the City of Plano, Collin County, Texas, is hereby changed to Royal Sydney Court.

Section II. This Ordinance shall become effective immediately upon its passage.

PASSED AND APPROVED THIS THE 14TH DAY OF JANUARY 2019



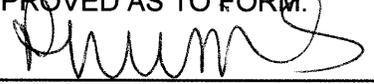
Harry LaRosiliere, MAYOR

ATTEST:



Lisa C. Henderson, CITY SECRETARY

APPROVED AS TO FORM:



Paige Mims, CITY ATTORNEY

ORDINANCE NO. 2019-1-3

An Ordinance of the City of Plano, Texas, amending Section 21-154 of Article IV, Service Charges Generally, of Chapter 21, Utilities, of the Code of Ordinances of the City of Plano to change the hours that services may be scheduled; and providing a repealer clause; a severability clause; a savings clause and an effective date.

WHEREAS, staff has reviewed the activity of calls for service made after 5:00 p.m. on Saturdays and holidays and determined that such calls have been minimal; and

WHEREAS, staff recommends that the Customer and Utility Services Department's hours to schedule services on Saturdays and holidays be set between 8:00 a.m. to 5:00 p.m.; and

WHEREAS, the City Council of the City of Plano having reviewed and considered the proposed modifications contained herein and is of the opinion that these amendments should be approved and adopted.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, THAT:

Section I. Section 21-154, Utility services fee, of Article IV, Service Charges Generally, of Chapter 21, Utilities, of the Code of Ordinances of the City of Plano, is hereby amended to read as follows:

“Sec. 21-154. - Utility services fee.

- (a) There is hereby established a utility service fee of twenty dollars (\$20.00) which shall be assessed for the following services:
 - (1) Initial commencement of service;
 - (2) Any request for transfer of service from one (1) name or address to another;
 - (3) Costs associated with collection of delinquent accounts;
 - (4) Reconnection of water service resulting from non-payment of bill;
 - (5) Lock-up or removal of meters for unauthorized use of water;
 - (6) Any other non-emergency service call made at the customer's request;
 - (7) Failure to make payment by the stated deadline after receiving an extension to pay.
- (b) Any customer requested modification to the initial request for service on the day of that service will result in an administrative fee of twenty dollars (\$20.00) being applied in addition to the utility service fees as described in subsection (c).
- (c) Utility service fees are nonrefundable fees to cover the cost of providing these services. The fees are "per account" for residential services and "per meter" for commercial services. The utility service fee shall be:

ORDINANCE NO. 2019-1-3

Service scheduled during normal city working hours\ \$20.00

Service scheduled outside normal city working hours*—Weekdays from 5:00 p.m. to 9:00 p.m. and Saturdays and holidays from 8:00 a.m. to 5:00 p.m.\ \$50.00

Service will not be scheduled weekdays from 9:00 p.m. to 8:00 a.m. or Saturdays and holidays after 5:00 p.m.; and will not be scheduled at all on Sundays.

Emergency disconnect of water services\ No charge

* Monday—Friday 8:00 a.m. to 5:00 p.m., excluding city holidays.

- (d) The utility services fee shall be paid by each applicant for service from the city water utilities at the time of submission of each request, shall be paid to the service representative at the time service is performed, or shall be added to the customer's account. Payment shall be made to "City of Plano Utilities."
- (e) Whenever a customer fails to keep an appointment for a utility service call and requests the service representative to make a return call to the same address(es), the customer shall be charged the applicable fee for the missed service call as well as the fee for the service call during which work was actually performed.
- (f) A twenty-five (\$25.00) dollar fee will be assessed for any returned checks and bank drafts."

Section II. All provisions of the Code of Ordinances of the City of Plano in conflict with the provisions of this Ordinance are hereby repealed, and all other provisions of the Code of Ordinances of the City of Plano, not in conflict with the provisions of this Ordinance, shall remain in full force and effect.

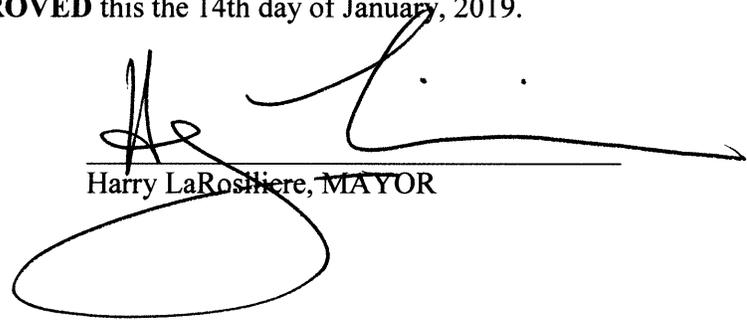
Section III. It is the intention of the City Council that this Ordinance, and every provision thereof, shall be considered severable, and the invalidity or unconstitutionality of any section, clause, provision or portion of this Ordinance shall not affect the validity or constitutionality of any other portion of this Ordinance.

Section IV. The repeal of any Ordinance or part of Ordinances effectuated by the enactment of this Ordinance shall not be construed as abandoning any action now pending under or by virtue of such Ordinance or as discontinuing, abating, modifying or altering any penalty accruing or to accrue, or as affecting any rights of the municipality under any section or provisions of any Ordinances at the time of passage of this Ordinance.

Section V. This Ordinance shall become effective January 14, 2019 upon its passage.

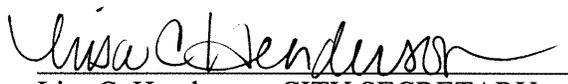
ORDINANCE NO. 2019-1-3

DULY PASSED AND APPROVED this the 14th day of January, 2019.



Harry LaRochere, MAYOR

ATTEST:



Lisa C. Henderson, CITY SECRETARY

APPROVED AS TO FORM:



Paige Mims, CITY ATTORNEY

ORDINANCE NO. 2019-1-4

An Ordinance of the City of Plano, Texas, granting to Atmos Energy Corporation, a Texas and Virginia corporation, its successors and assigns, a Franchise to construct, maintain, and operate pipelines and equipment in the City of Plano, Collin and Denton County, Texas, for the transportation, delivery, sale, and distribution of gas in, out of, and through said City for all purposes; providing for the payment of a fee or charge for the use of the public rights-of-ways; and providing that such fee shall be in lieu of other fees and charges, excepting ad valorem taxes; and ratifying the month-to-month extension of the previous Franchise Agreement; and providing a repealer clause, a severability clause, a savings clause, and an effective date.

WHEREAS, the City of Plano, Texas, (“City”) currently has a Franchise Agreement with Atmos Energy Corporation (“Grantee” or “Atmos Energy”) that expired on December 31, 2017, and said Franchise Agreement has been continued thereafter on a month-to-month basis; and,

WHEREAS, the City finds that it is in the best interest of the City to ratify the month-to-month extension of the previous franchise agreement and enter into a new Franchise Agreement with Atmos Energy to furnish and supply gas to the general public in the City of Plano, and for the transporting, delivery, sale, and distribution of gas in, out of, and through said municipality for all purposes.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, THAT:

SECTION I. GRANT OF AUTHORITY: The City hereby ratifies the month-to-month extension of the previous franchise agreement between the City and Atmos Energy from December 31, 2017, until the Effective Date (as defined below) and grants to Atmos Energy, its successors and assigns, consent to use and occupy the present and future streets, alleys, highways, public utility easements, public ways and other public places (“Public Rights-of-Way”), for the purpose of laying, maintaining, constructing, protecting, operating, and replacing therein and thereon pipelines and all other appurtenant equipment (the “System”) to deliver, transport, and distribute gas in, out of, and through City for persons, firms, and corporations, including all the general public, and to sell gas to persons, firms, and corporations, including all the general public, within the City corporate limits, as such limits may be amended from time to time during the term of this franchise, said consent being granted for a term to begin on the Effective Date (as defined below) and ending December 31, 2033. Unless written notice of its intent to renegotiate is provided by either the City or Atmos Energy at least 180 days prior to the expiration of any term, the franchise shall be extended for up to two (2) additional terms of five (5) years each on the same terms and conditions as set forth herein.

ORDINANCE NO. 2019-1-4

SECTION II. CONSTRUCTION, MAINTENANCE, OPERATION & RELOCATION OF ATMOS ENERGY FACILITIES:

- A. Atmos Energy shall lay, maintain, construct, operate, and replace its pipes, mains, laterals, and other equipment to minimize interference with traffic, shall place or cause to be placed appropriate barriers to mark excavations or obstructions, and shall restore to at its cost all Public Rights-of-Way that it may disturb to their approximate original condition. In determining the location of the facilities of the City and other users of Public Right-of-Way within City, City shall minimize interference with then existing facilities of Atmos Energy and shall require other users of Public Rights-of-Way to minimize interference with existing facilities of Atmos Energy. Likewise, in determining the location of facilities in the City, Atmos Energy shall minimize interference with then existing underground structures of the City or other utility franchisees. In the event of a conflict between the location of the proposed facilities of Atmos Energy and the location of the existing facilities of City or other users of Public Rights-of-Way within Public Rights-of-Way that cannot otherwise be resolved, City or an authorized agent of City shall resolve the conflict and determine the location of the respective facilities within the Public Rights-of-Way. Promptly after completion of any construction, installation replacement, or relocation of facilities, Atmos Energy will provide the City accurate and complete “as-built” plans showing the nature and specific location of all work done.

The location of Atmos Energy’s pipes, mains, laterals, and other equipment in the present and future Public Rights-of-Way in the City shall be fixed under the supervision of the City or an authorized agent appointed by the City as provided in the City’s Right-of-Way Management Ordinance and located in the Public Rights-of-Way in accordance with the Right-of-Way Management Ordinance. Atmos Energy shall comply with all permitting requirements as required in the Right-of-Way Management Ordinance, except that Atmos Energy or contractors working on behalf of Atmos Energy shall not be required to pay for street cutting, street excavation or other special permits related to excavations in Public Rights-of-Way in connection with Atmos Energy’s operations in Public Rights-of-Way.

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City shall provide Atmos Energy with its annual capital improvements plan as well as any updates or changes as soon as the plan, update, or change becomes available. City shall notify Atmos Energy as soon as reasonably possible of any projects that will affect Atmos Energy's facilities located in the Public Rights-of-Way. When required by City to remove or relocate its mains, laterals, and/or other facilities lying within Public Rights-of-Way, Atmos Energy shall do so as soon as practically possible with respect to the scope of the project. In no event shall Atmos Energy be required to remove or relocate its facilities in less than thirty (30) days from the time notice is given to Atmos Energy by City.

- B. If City, in constructing its sewers, drainage, water lines, streets, or utilities, should request that Atmos Energy remove or relocate its mains, laterals, and other facilities lying within Public Rights-of-Way, Atmos Energy shall do so at its own expense for facilities that are in conflict, unless such work is for the primary purpose of beautification or to accommodate a private developer. Facilities are deemed to be in conflict to the extent that the proposed City facilities are determined by Atmos Energy to be inconsistent with gas distribution industry standard safe operating practices for existing facilities. Atmos Energy shall not be required to relocate facilities to a depth of greater than four (4) feet unless prior agreement is obtained from Atmos Energy.

When Atmos Energy is required by City to remove or relocate its mains, laterals, and other facilities lying within Public Rights-of-Way to accommodate a request by City, and costs of utility removals or relocations are eligible under federal, state, county, local or other programs for reimbursement of costs and expenses incurred by Atmos Energy as a result of such removal or relocation, and such reimbursement is required to be handled through City, Atmos Energy costs and expenses shall be included in any application by City for reimbursement if Atmos Energy submits its cost and expense documentation to City prior to the filing of the application. City shall provide reasonable written notice to Atmos Energy of the deadline for Atmos Energy to submit documentation of the costs and expenses of such relocation to City. However, City shall have no obligation to independently identify such programs, and nothing in this agreement shall require City to make such application. Upon receipt of reimbursement from a federal or state agency, the City shall remit any portion owed to Atmos Energy within thirty (30) days.

If Atmos Energy is required by City to remove or relocate its mains, laterals, or other facilities lying within Public Rights-of-Way for any reason other than, the construction or reconstruction of sewers, drainage, water lines, streets or utilities by City, Atmos Energy shall be entitled to reimbursement from City or others of the cost and expense of such removal or relocation.

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- C. When Atmos Energy is required to remove or relocate its mains, laterals or other facilities to accommodate construction by City without reimbursement from City, Atmos Energy shall have the right to seek recovery of relocation costs as provided for in applicable state and/or federal law. Nothing herein shall be construed to prohibit, alter, or modify in any way the right of Atmos Energy to seek or recover a surcharge from customers for the cost of relocation pursuant to applicable state and/or federal law. City shall not oppose recovery of relocation costs when Company is required by City to perform relocation. City shall not require that Company document request for reimbursement as a pre-condition to recovery of such relocation costs.
- D. If City abandons any Public Rights-of-Way in which Atmos Energy has facilities, such abandonment shall be conditioned on Atmos Energy's right to maintain its use of the former Public Right-of-Way and on the obligation of the party to whom the Public Right-of-Way is abandoned to reimburse Atmos Energy for all removal or relocation expenses if Atmos Energy agrees to the removal or relocation of its facilities following abandonment of the Public Right-of-Way. If the party to whom the Public Right-of-Way is abandoned requests Atmos Energy to remove or relocate its facilities and Atmos Energy agrees to such removal or relocation, such removal or relocation shall be done within a reasonable time at the expense of the party requesting the removal or relocation. If relocation cannot practically be made to another Public Right-of-Way, the expense of any right-of-way acquisition shall be considered a relocation expense to be reimbursed by the party requesting the relocation.

SECTION III. INDEMNITY & INSURANCE:

- A. General Provisions. In the event of injury to any person or damage to any property by reason of Atmos Energy's construction, operation, maintenance, or replacement of Atmos Energy's pipeline system within Public Rights-of-Way, Atmos Energy shall defend, indemnify and hold harmless City, its agents, officers, officials, and employees from any and all claims, lawsuits, judgments, fines, penalties, costs and expenses for personal injury (including death), property damage, or other harm or violation for which recovery of damages, fines, or penalties is sought, suffered by any person or persons, except to the extent such injury or damage is attributable to the sole fault of the City, including, without limitation, the City's negligent or intentional acts or omissions. In the event of joint and concurrent negligence or fault of both Atmos Energy and the City, responsibility and indemnity, if any, shall be apportioned comparatively in

ORDINANCE NO. 2019-1-4

accordance with the laws of the State of Texas without, however, waiving any governmental immunity available to the City under Texas law and without waiving any of the defenses of the parties under Texas law. Atmos Energy's insurance of its obligations and risks undertaken pursuant to this franchise may be in the form of self-insurance to the extent permitted by applicable law, under an Atmos Energy plan of self-insurance maintained in accordance with sound accounting and risk-management practices. In the event that any action, suit, or proceeding is brought against City upon any liability arising out of the construction, operation, or maintenance of the system operated by Atmos Energy, City shall give notice in writing to Atmos Energy by certified mail. Upon receipt of such notice, Atmos Energy, at its own expense, shall defend such action and take all such steps as may be necessary or proper to prevent the obtaining of a Judgment against the City and/or to satisfy said Judgment. The City agrees to cooperate with Atmos Energy in connection with such defense. The provisions of this indemnity are solely for the benefit of the City and are not intended to create or grant any rights, contractual or otherwise, to Atmos Energy or any other entity.

- B. Insurance. Atmos Energy shall maintain adequate insurance covering its obligations of indemnity under this Franchise. Such insurance shall be at Atmos Energy's sole expense. Atmos Energy's insurance of its obligations and risks undertaken pursuant to this Franchise may be in the form of self-insurance to the extent permitted by applicable law, but in no instance shall such self-insurance be less than the commercial insurance coverages required in the Right-of-Way Management Ordinance. An insurance certificate shall be provided to the City initially and upon any substantial change in the nature of its coverage. A notice to the City must be submitted as of the effective date of this Franchise identifying the process for filing a claim. Such notice shall be updated immediately when changes occur in this process. This Franchise shall satisfy the requirements of the Right-of-Way Management Ordinance with respect to proof of appropriate insurance or other financial assurance required for receipt of a permit to perform work within the Public Right-of-Way.

SECTION IV. NON-EXCLUSIVE FRANCHISE: The rights, privileges, and franchises granted by this Ordinance are not to be considered exclusive, and City hereby expressly reserves the right to grant, at any time, like privileges, rights, and franchises as it may see fit to any other person or corporation for the purpose of transporting, delivering, distributing, or selling gas to and for City and the inhabitants thereof.

SECTION V. QUALITY OF SERVICE: Atmos Energy shall furnish adequate and efficient service to the public at fair, just, and reasonable rates and charges therefor; and Atmos Energy shall maintain its property, equipment, and appliances in good order and condition.

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SECTION VI. EXTENSION OF MAINS: Atmos Energy shall not be required to extend mains on any street more than one hundred (100) feet for any one consumer of gas; provided, however, if the anticipated connected load is calculated to prohibit Atmos Energy a reasonable return on its investment as may be allowed by statute, law, or regulation, Atmos Energy shall have no obligation to extend mains any distance unless such customer requires the extended main for unsupplemented space heating or water heating.

SECTION VII. PAYMENTS TO CITY:

- A. Atmos Energy, its successors and assigns, agrees to pay and City agrees to accept, on or before the 15th day of February 2019, and on or before the same day of each succeeding year during the life of this franchise, the last payment of the initial term being made on the 15th day of February, 2033, a sum of money which shall be equivalent to five percent (5%) of the Gross Revenues, as defined in VII(B) below, received by Company during the preceding calendar year.
- B. "Gross Revenues" shall mean:
- (1) All revenues received by Atmos Energy from the sale of gas to all classes of customers (excluding gas sold to another gas utility in the City for resale to its customers within City) within the City;
 - (2) All revenues received by Atmos Energy from the transportation of gas through the System of Atmos Energy within the City to customers located within the City (excluding any gas transported to another gas utility in City for resale to its customers within City);
 - (3) The value of gas transported by Atmos Energy for Transport Customers through the System of Atmos Energy within the City ("Third Party Sales")(excluding the value of any gas transported to another gas utility in City for resale to its customers within City), with the value of such gas to be established by utilizing Atmos Energy's monthly Weighted Average Cost of Gas charged to industrial customers in the Mid-Tex division, as reasonably near the time as the transportation service is performed; and
 - (4) "Gross Revenues" shall also include fees collected pursuant to this agreement and the following "miscellaneous charges": charges to connect, disconnect, or reconnect gas, charges to handle returned checks from consumers within the City, and contributions in aid of construction.

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- (5) “Gross Revenues” shall not include:
- (a) revenues billed but not ultimately collected or received by Atmos Energy;
 - (b) the revenue of any affiliate or subsidiary of Atmos Energy;
 - (c) sales tax paid to the City;
 - (d) interest or investment income earned by Atmos Energy; and
 - (e) monies received from the lease or sale of real or personal property, provided, however, that this exclusion does not apply to the lease of facilities within the City's right of way.

- C. The initial payment for the rights and privileges herein provided shall be for the privilege period January 1 through December 31, 2019, and each succeeding payment shall be for the privilege period of the calendar year in which the payment is made. The franchise fee amounts that are due based on CIAC shall be paid at least once annually on or before April 30 each year based on the total CIAC recorded during the preceding calendar year. The initial CIAC franchise fee amount will be paid on or before April 30, 2019 and will be based on the calendar year January 1 through December 31, 2018. The final CIAC franchise fee amount of the initial term will be paid on or before April 30, 2034 and will be based on the calendar year January 1 through December 31, 2033.

It is also expressly agreed that the aforesaid payments shall be in lieu of any and all other and additional occupation taxes, easement, franchise taxes or charges (whether levied as an ad valorem, special, or other character of tax or charge), municipal license, permit, and inspection fees, bonds, street taxes, and street or alley rentals or charges, and all other and additional municipal taxes, charges, levies, fees, and rentals of whatsoever kind and character that City may now impose or hereafter levy and collect from Atmos Energy or Atmos Energy’s agents, excepting only the usual general or special ad valorem taxes that City is authorized to levy and impose upon real and personal property. Should City not have the legal power to agree that the payment of the foregoing sums of money shall be in lieu of all charges for the use of the streets, alleys, and public ways of the City of Plano as outlined herein, the City agrees that it will apply so much of said sums of money paid as may be necessary to satisfy Grantee’s obligations, if any, to pay such charges.

ORDINANCE NO. 2019-1-4

D. Effect of Other Municipal Franchise Ordinance Fees Accepted and Paid by Atmos Energy.

If Atmos Energy should at any time after the effective date of this Ordinance agree to a new municipal franchise Ordinance, or renew an existing municipal franchise Ordinance, with another municipality in Atmos Energy's Mid-Tex Division, which municipal franchise Ordinance determines the franchise fee owed to that municipality for the use of its public rights-of-way in a manner that, if applied to the City, would result in a franchise fee greater than the amount otherwise due City under this Ordinance, then the franchise fee to be paid by Atmos Energy to City pursuant to this Ordinance may, at the election of the City, be increased so that the amount due and to be paid is equal to the amount that would be due and payable to City were the franchise fee provisions of that other franchise Ordinance applied to City. The City acknowledges that the exercise of this right is conditioned upon the City's acceptance of all terms and conditions of the other municipal franchise in toto. The City may request waiver of certain terms and Company may grant, in its sole reasonable discretion, such waiver.

E. Atmos Energy Franchise Fee Recovery Tariff

- (1) Atmos Energy may file with the City a tariff or tariff amendment(s) to provide for the recovery of the franchise fees under this agreement.
- (2) City agrees that (i) as regulatory authority, it will adopt and approve the Ordinance, rates or tariff which provide for 100% recovery of such franchise fees as part of Atmos Energy's rates; (ii) if the City intervenes in any regulatory proceeding before a federal or state agency in which the recovery of Atmos Energy's franchise fees is an issue, the City will take an affirmative position supporting 100% recovery of such franchise fees by Atmos Energy and; (iii) in the event of an appeal of any such regulatory proceeding in which the City has intervened, the City will take an affirmative position in any such appeals in support of the 100% recovery of such franchise fees by Atmos Energy.
- (3) City agrees that it will take no action, nor cause any other person or entity to take any action, to prohibit the recovery of such franchise fees by Atmos Energy.

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SECTION VIII. TRANSFER OF FRANCHISE:

- A. The rights granted by this Franchise inure to the benefit of the Atmos Energy. Atmos Energy may, without consent by City, transfer or assign the rights granted by this Franchise to a parent, subsidiary or affiliate, provided that such parent, subsidiary or affiliate assumes all obligations of Atmos Energy hereunder and is bound to the same extent as Atmos Energy hereunder, and has net capital and liquid assets reasonably equivalent to the Atmos Energy's as of the month immediately preceding the transfer or there are provided other guarantees or assurances of the transferee's or assignee's financial ability to perform this Franchise reasonably acceptable to the City. Atmos Energy shall give City written notice thirty (30) days prior to such assignment.
- B. City will have the right to approve the transfer or assignment of the Franchise, except as provided in Section VIII(A). City shall grant approval unless the assignee is materially weaker than Atmos Energy. For the purpose of this section, "materially weaker" means that the long term unsecured debt rating of the assignee is less than investment grade as rated by both S&P and Moody's. If the assignee is materially weaker, the City may request additional documents and information reasonably related to the transaction and the legal, financial, and technical qualifications of the assignee. City agrees that said approval shall not be unreasonably withheld or delayed. Any such assignment or transfer shall require that said assignee assume all obligations of Atmos Energy and be bound to the same extent as Atmos Energy hereunder. If within the first ninety (90) days after assignment to assignee, City identifies a failure to comply with a material provision of this Franchise, City shall have the right, after notice and opportunity for hearing before Council, to terminate this Franchise. No assignment to any person shall be effective until the assignee has filed with the City an instrument in writing, duly executed, reciting the fact of such assignment, accepting the terms of this Franchise, and agreeing to comply with all of the provisions herein.

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SECTION IX. CONFORMITY TO LAWS AND REGULATIONS:

- A. Notwithstanding Section IX(B) below, this Franchise is subject to applicable provisions of the Constitution and Laws of the United States and the State of Texas, the Charter of the City of Plano, and the City of Plano Code of Ordinances. This Franchise shall in no way affect or impair the rights, obligations, or remedies of the parties under the Public Utility Regulatory Act of Texas. Except as expressly provided herein, Atmos Energy shall not recover costs or expenses directly from the City (exclusive of charges related to the City's billings as a customer and reimbursable removals and relocations) for taking any actions mandated by this Franchise or by any order or request issued by authority of this Franchise.

- B. The City reserves the right to adopt, in addition to the provisions included in this Franchise, such additional reasonable regulations as it shall find necessary with respect to governing the use of its Public Rights-of-Way; provided, however, that if such regulations are in conflict with the privileges granted by this Franchise, Atmos Energy and City shall enter into good faith negotiations to determine the applicability of these laws, rules or Ordinances with respect to this Franchise. In the event there is conflict between the requirements of this Franchise and other lawful and generally applicable City Ordinances governing Atmos Energy's ability to use the Public Rights-of-Way, Atmos Energy and City agree to reserve their respective rights with respect to such conflict.

SECTION X. ACCEPTANCE OF FRANCHISE: In order to accept this franchise, Atmos Energy must file with the City Secretary its written acceptance of this franchise Ordinance within thirty (30) days after its final passage and approval by City. If such written acceptance of this franchise Ordinance is not filed by Atmos Energy, the franchise Ordinance shall be rendered null and void.

When this franchise Ordinance becomes effective, all previous Ordinances of City granting franchises for gas delivery purposes that were held by Atmos Energy shall be automatically canceled and annulled, and shall be of no further force and effect.

SECTION XI. PARAGRAPH HEADINGS. CONSTRUCTION: The paragraph headings contained in this Ordinance are for convenience only and shall in no way enlarge or limit the scope or meaning of the various and several paragraphs hereof. Both parties have participated in the preparation of this Ordinance and this Ordinance shall not be construed either more or less strongly against or for either party.

ORDINANCE NO. 2019-1-4

SECTION XII. REPEALER CLAUSE: All provisions of the Code of Ordinances of the City of Plano, codified or uncodified, in conflict with the provisions of this Ordinance are hereby repealed, and all other provisions of the Code of Ordinances of the City of Plano, codified or uncodified, not in conflict with the provisions of this Ordinance shall remain in full force and effect.

SECTION XIII. SEVERABILITY CLAUSE: It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses, and phrases of this Ordinance are severable, and if any phrase, clause, sentence, or section of this Ordinance shall be declared unconstitutional or invalid by any court of competent jurisdiction, such unconstitutionality or invalidity shall not affect any other remaining phrase, clause, sentence, paragraph or section of this Ordinance.

SECTION XIV. SAVINGS CLAUSE: The repeal of any Ordinance or part of Ordinances effectuated by the enactment of this Ordinance shall not be construed as abandoning any action now pending under or by virtue of such Ordinance or as discontinuing, abating, modifying or altering any penalty accruing or to accrue, or as affecting any rights of the municipality under any section or provisions at the time of passage of this Ordinance.

SECTION XV. PUBLIC HEARINGS: This Ordinance shall be read at two separate regular meetings of the City Council of the City of Plano, with the second meeting to be at least 30 days from the first reading, and the caption shall be published once each week for four consecutive weeks in the official newspaper of the City of Plano.

SECTION XVI. EFFECTIVE DATE: Upon and subject to the filing of the Grantee's written acceptance of the terms and conditions of the Franchise Agreement set forth herein, this Ordinance (A) shall become effective thirty (30) days after the final adoption of this Ordinance by the City (such date being the "Effective Date"), and (B) shall, as of the Effective Date, supersede and replace that certain Ordinance No. 92-11-50, passed and approved by the City Council of the City on November 23, 1992, as subsequently amended.

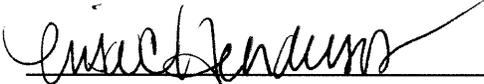
ORDINANCE NO. 2019-1-4

DULY PASSED AND APPROVED ON FIRST READING on this the 10th day of December, 2018.



Harry LaRosiliere, MAYOR

ATTEST:



Lisa C. Henderson, CITY SECRETARY

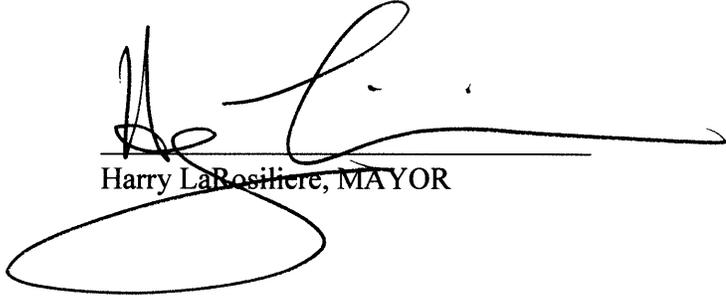
APPROVED AS TO FORM:



Paige Mims, CITY ATTORNEY

ORDINANCE NO. 2019-1-4

DULY PASSED AND APPROVED ON SECOND READING (which date is at least 30 days from the first reading) on this the 14th day of January, 2019.



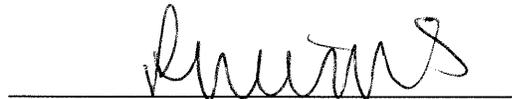
Harry LaRosiere, MAYOR

ATTEST:



Lisa C. Henderson, CITY SECRETARY

APPROVED AS TO FORM:



Paige Mims, CITY ATTORNEY

ACCEPTED BY ATMOS ENERGY CORPORATION

BY: _____

(Signature)

(Print Name)

(Title)

(Date)

RESOLUTION NO. 2019-1-5(R)

A Resolution of the City of Plano, Texas, supporting an application for nine percent (9%) housing tax credit (HTC) financing to the Texas Department of Housing and Community Affairs (TDHCA) for the proposed affordable residential development project located on 1.54± acres, at 1421 G Avenue, Plano, TX; designating the City Manager to certify this resolution to TDHCA; and declaring an effective date.

WHEREAS, DMA Development Company, LLC has proposed a development for affordable rental housing which will be named “The Park on 14th” and will include approximately 60 units on 1.54± acres located at 1421 G Avenue, in the City of Plano, Collin County; and

WHEREAS, DMA Development Company, LLC intends to submit an application to the Texas Department of Housing and Community Affairs (TDHCA) for 2019 Competitive 9% Housing Tax Credits for The Park on 14th development; and

WHEREAS, The Park on 14th development will include 12 market rate units and 48 units affordable to seniors with an income at or below 60% of the area median income; and

WHEREAS, DMA Development Company has submitted a housing tax credit resolution application to the City which satisfies the criteria established in Resolution No. 2016-11-4(R) and criteria amendments approved during the Preliminary Open City Council Meeting on November 12, 2018; and

WHEREAS, the proposed development is located within the Concerted Revitalization Plan area; and

WHEREAS, the applicant, DMA Development Company, is recognized as a 501(c)3 organization by the Internal Revenue Service; and

WHEREAS, the City of Plano Housing Infill Program encourages the development of real property for low and moderate income housing; and

WHEREAS, the 2015-2019 Consolidated Plan of Housing and Community Development Needs notes that low income renters within the City of Plano have unmet housing needs, mostly related to affordability; and

WHEREAS, this Resolution of Support is specifically related to potential financing only and makes no finding regarding either the suitability of the proposed development site or compliance with the city’s development regulations, and approval of this resolution will not be construed as a development permit or approval; and

WHEREAS, the City of Plano will waive a minimum of \$500 in fees for each development of which a Resolution of Support was adopted by the City Council; and

WHEREAS, it is in the public interest of the citizens of the City of Plano that the application be made for such funding.

RESOLUTION NO. 2019-1-5(R)

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

SECTION I. In accordance with Texas Government Code §2306.6710 and Texas Administrative Code Title 10, § 11.9(d)(1), the City of Plano, acting through its governing body, hereby confirms that it supports the proposed application for The Park on 14th, on 1.54± acres located at 1421 G Avenue, Plano, TX 75074, and that this formal action has been taken to put on record the opinion expressed by the City of Plano on January 14, 2019.

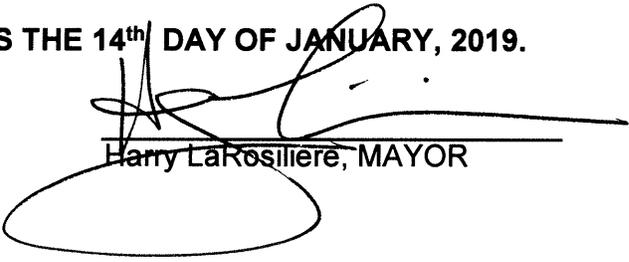
SECTION II. The Resolution of Support is based on the following information presented in the applications for The Park on 14th development:

1. The applications met four out of the five City of Plano Housing Tax Credit Resolution Application threshold questions; and
2. The Park on 14th development will include 12 market rate units and 48 units affordable to families with an income at or below 60% of the area median income.

SECTION III. The City Manager is hereby authorized, empowered, and directed to certify this resolution to the Texas Department of Housing and Community Affairs.

SECTION IV. This resolution shall take effect immediately upon its passage.

DULY PASSED AND APPROVED THIS THE 14th DAY OF JANUARY, 2019.



Harry LaRosiliere, MAYOR

ATTEST:



Lisa C. Henderson, CITY SECRETARY

Approved as to form:



Paige Mims, CITY ATTORNEY

RESOLUTION NO. 2019-1-6(R)

A Resolution of the City of Plano, Texas, supporting an application for nine percent (9%) housing tax credit (HTC) financing to the Texas Department of Housing and Community Affairs (TDHCA) for the proposed affordable residential development project located on 2.09± acres located at 1309 F Avenue, Plano, TX; designating the City Manager to certify this resolution to TDHCA; and declaring an effective date.

WHEREAS, Plano Housing Corporation has proposed a development for affordable rental housing which will be named “Patriot Park Seniors” and will include approximately 81 units on 2.09± acres located at 1309 F Avenue, in the City of Plano, Collin County; and

WHEREAS, Plano Housing Corporation intends to submit an application to the Texas Department of Housing and Community Affairs (TDHCA) for 2019 Competitive 9% Housing Tax Credits for the Patriot Park Seniors development; and

WHEREAS, Patriot Park Seniors development will include 17 market rate units and 64 units affordable to seniors with an income at or below 60% of the area median income; and

WHEREAS, Plano Housing Corporation has submitted a housing tax credit resolution application to the City which satisfies the criteria established in Resolution No. 2016-11-4(R) and criteria amendments approved during the Preliminary Open City Council Meeting on November 12, 2018; and

WHEREAS, the proposed development is located within the Concerted Revitalization Plan area and contributes to the concerted revitalization efforts of the City more than any other proposed nine percent housing tax credit applications; and

WHEREAS, the applicant, Plano Housing Corporation, is recognized as a 501(c)3 organization by the Internal Revenue Service; and

WHEREAS, the City of Plano Housing Infill Program encourages the development of real property for low and moderate income housing; and

WHEREAS, the 2015-2019 Consolidated Plan of Housing and Community Development Needs notes that low income renters within the City of Plano have unmet housing needs, mostly related to affordability; and

WHEREAS, this Resolution of Support is specifically related to potential financing only and makes no finding regarding either the suitability of the proposed development site or compliance with the city’s development regulations, and approval of this resolution will not be construed as a development permit or approval; and

WHEREAS, the City of Plano will waive a minimum of \$500 in fees for each development of which a Resolution of Support was adopted by the City Council; and

RESOLUTION NO. 2019-1-6(R)

WHEREAS, it is in the public interest of the citizens of the City of Plano that the application be made for such funding.

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

SECTION I. In accordance with Texas Government Code §2306.6710 and Texas Administrative Code Title 10, § 11.9(d)(1), the City of Plano, acting through its governing body, hereby confirms that it supports the proposed application for Patriot Park Seniors, on 2.09± acres located at 1309 F Avenue, Plano, TX 75074, and that this formal action has been taken to put on record the opinion expressed by the City of Plano on January 14, 2019.

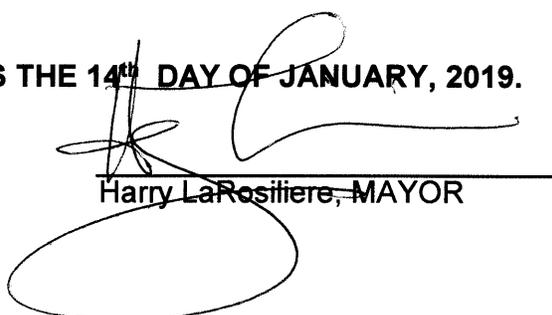
SECTION II. The Resolution of Support is based on the following information presented in the applications for Patriot Park Seniors development:

1. The applications met four out of the five City of Plano Housing Tax Credit Resolution Application threshold questions; and
2. Patriot Park Seniors development will include 17 market rate units and 64 units affordable to families with an income at or below 60% of the area median income.

SECTION III. The City Manager is hereby authorized, empowered, and directed to certify this resolution to the Texas Department of Housing and Community Affairs.

SECTION IV. This resolution shall take effect immediately upon its passage.

DULY PASSED AND APPROVED THIS THE 14th DAY OF JANUARY, 2019.



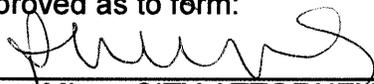
Harry LaRosiere, MAYOR

ATTEST:



Lisa C. Henderson, CITY SECRETARY

Approved as to form:



Paige Mims, CITY ATTORNEY

ORDINANCE NO. 2019-1-7

Zoning Case 2018-029

An Ordinance of the City of Plano, Texas, amending the Comprehensive Zoning Ordinance of the City, Ordinance No. 2015-5-2, as heretofore amended, granting Specific Use Permit No. 93 for Indoor Gun Range on 2.8 acres of land out of the Martha McBride Survey, Abstract No. 553, located on the south side of Mapleshade Lane, 1,691 feet east of Ohio Drive, in the City of Plano, Collin County, Texas, presently zoned Corridor Commercial; directing a change accordingly in the official zoning map of the City; and providing a penalty clause, a repealer clause, a savings clause, a severability clause, a publication clause, and an effective date.

WHEREAS, the City Secretary of Plano, Texas, directed that notices of a hearing be issued, as required by the Zoning Ordinance of the City of Plano and laws of the State of Texas, at a meeting of the City Council, to be held on the 14th day of January 2019, for the purpose of considering granting Specific Use Permit No. 93 for Indoor Gun Range on 2.8 acres of land out of the Martha McBride Survey, Abstract No. 553, located on the south side of Mapleshade Lane, 1,691 feet east of Ohio Drive, in the City of Plano, Collin County, Texas, presently zoned Corridor Commercial; and

WHEREAS, the City Secretary of the said City accordingly caused to be issued and published the notices required by its Zoning Ordinance and laws of the State of Texas applicable thereto, the same having been published in a paper of general circulation in the City of Plano, Texas, at least fifteen (15) days prior to the time set for such hearing; and

WHEREAS, the City Council of said City, pursuant to such notice, held its public hearing and heard all persons wishing to be heard both for and against the aforesaid change in the Zoning Ordinance, on the 14th day of January 2019; and

WHEREAS, the City Council is of the opinion and finds that the granting of Specific Use Permit No. 93 for Indoor Gun Range on 2.8 acres of land out of the Martha McBride Survey, Abstract No. 553, located on the south side of Mapleshade Lane, 1,691 feet east of Ohio Drive, in the City of Plano, Collin County, Texas, presently zoned Corridor Commercial, would not be detrimental or injurious to the public health, safety and general welfare, or otherwise offensive to the neighborhood; and

WHEREAS, the City Council is of the opinion and finds that such change will promote the best and most orderly development of the properties affected thereby, and to be affected thereby, in the City of Plano, and as well, the owners and occupants thereof, and the City generally.

IT IS, THEREFORE, ORDAINED BY THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, THAT:

ORDINANCE NO. 2019-1-7

Section I. The Comprehensive Zoning Ordinance No. 2015-5-2, as the same has been heretofore amended, is hereby further amended so as to grant Specific Use Permit No. 93 for Indoor Gun Range on 2.8 acres of land out of the Martha McBride Survey, Abstract No. 553, located on the south side of Mapleshade Lane, 1,691 feet east of Ohio Drive, in the City of Plano, Collin County, Texas, presently zoned Corridor Commercial, said property being more fully described on the legal description in Exhibit A attached hereto.

Section II. The change in Section I is granted subject to the following:

The subject property will fully conform to the performance standards located within Article 24 (Performance Standards) of the Zoning Ordinance.

Section III. It is directed that the official zoning map of the City of Plano (which is retained in electronic record format) be changed to reflect the zoning classification established by this Ordinance.

Section IV. All provisions of the ordinances of the City of Plano in conflict with the provisions of this Ordinance are hereby repealed, and all other provisions of the Ordinances of the City of Plano not in conflict with the provisions of this Ordinance shall remain in full force and effect.

Section V. The repeal of any ordinance or part of ordinances effectuated by the enactment of this Ordinance shall not be construed as abandoning any action now pending under or by virtue of such ordinance or as discontinuing, abating, modifying or altering any penalty accruing or to accrue, or as affecting any rights of the municipality under any section or provisions of any ordinance at the time of passage of this Ordinance.

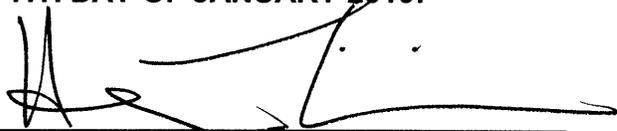
Section VI. Any violation of the provisions or terms of this ordinance by any person, firm or corporation shall be a misdemeanor offense and shall be subject to a fine in accordance with Section 1-4(a) of the City Code of Ordinances for each offense. Every day a violation continues shall constitute a separate offense.

Section VII. It is the intention of the City Council that this Ordinance, and every provision hereof, shall be considered severable, and the invalidity or partial invalidity of any section, clause or provision of this Ordinance shall not affect the validity of any other portion of this Ordinance.

Section VIII. This Ordinance shall become effective immediately upon its passage and publication as required by law.

ORDINANCE NO. 2019-1-7

PASSED AND APPROVED THIS THE 14TH DAY OF JANUARY 2019.



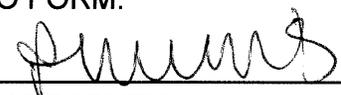
Harry LaRosiliere, MAYOR

ATTEST:



Lisa C. Henderson, CITY SECRETARY

APPROVED AS TO FORM:



Paige Mims, CITY ATTORNEY

Zoning Case 2018-029

Being that certain tract of land situated in the Martha McBride Survey, Abstract No. 553, in the City of Plano, Collin County, Texas, and being a portion of Lot 2, Block A, Pappy's Mapleshade Addition, an Addition to the City of Plano, Collin County, Texas, according to the plat thereof recorded in Instrument Number 20180525010002420, Official Public Records, Collin County, Texas, same being a portion of that certain tract of land to Wolverine Equities Company 2000 Highway 190 L.P., by Special Warranty Deed recorded in Volume 4880, Page 404, Deed Records, Collin County, Texas, and being more particularly described as follows;

Commencing at a 1/2 inch iron rod with "Peiser & Mankin SURV" red plastic cap set (hereinafter referred to as 1/2 inch iron rod set) for the most northerly corner of said Lot 2, same being the east corner of Lot 1, Block A, said Pappy's Mapleshade Addition, same being on the southwest right-of-way line of Mapleshade Lane (92 foot right-of-way), conveyed by deed recorded in Volume 5846, Page 1, Deed Records, Collin County, Texas;

Thence South 46 deg 41 min. 27 sec. East, along the common line of said Lot 2 and said Mapleshade Lane, a distance of 171.50 feet to a 1/2 inch iron rod set for the most northerly corner of the herein described tract, same being the Point of Beginning;

Thence South 46 deg 41 min. 27 sec. East, continuing along the common line of said Lot 2 and said Mapleshade Lane, a distance of 209.11 feet to a 1/2 inch iron rod set for the most easterly corner of the herein described tract;

Thence South 41 deg. 31 min. 30 sec. West, through the interior of said Lot 2, a distance of 481.40 feet to a 1/2 inch iron rod set for the most southerly corner of the herein described tract, same being in the southwesterly line of said Lot 2, same being in the northeasterly right-of-way line of President George Bush Turnpike (variable width right-of-way);

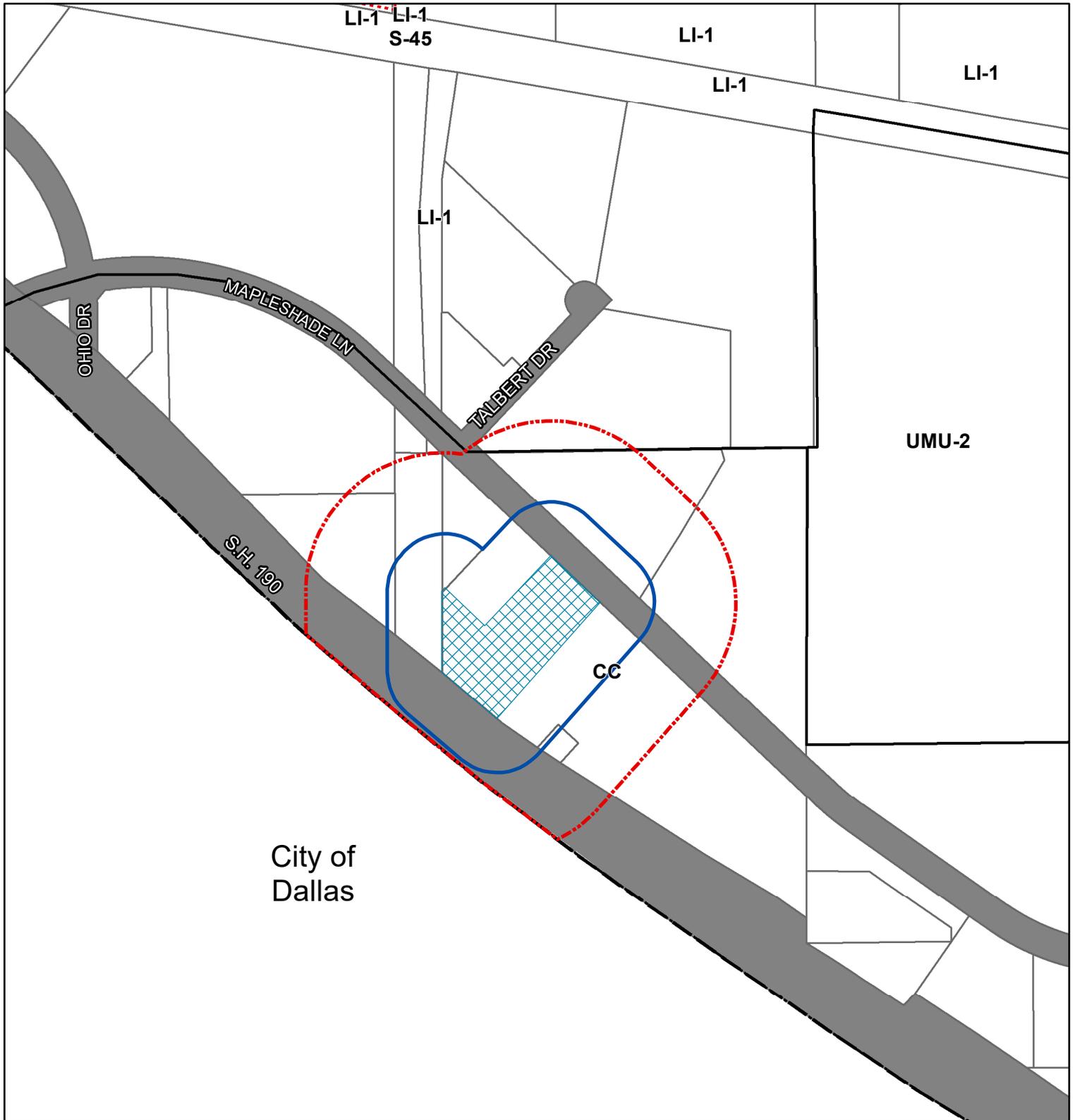
Thence North 49 deg. 37 min. 13 sec. West, along the common line of said Lot 2 and said President George Bush Turnpike, a distance of 223.81 feet to a 1/2 inch yellow capped iron rod stomped "BRITAIN & CRAWFORD" found for the southwest corner of said Lot 2, same being in the easterly line of that certain tract conveyed to Oncor Electric Delivery Company, recorded in Volume 869, Page 405, Deed Records, Collin County, Texas, from which a 1/2 inch iron rod found stamped "AB&A" bears South 53 deg. 13 min. East, 0.90 feet;

Thence North 00 deg. 07 min. 58 sec. West, along the common line of said Lot 2 and said Oncor tract, a distance of 250.25 feet to a 1/2 inch iron rod set for the west corner of said Lot 2, same being the south corner of aforesaid Lot 1;

Thence North 43 deg. 18 min. 33 sec. East, along the common line of said Lot 2 and said Lot 1, a distance of 13.51 feet to a 1/2 inch iron rod set for corner;

Thence through the interior of said Lot 2 as follows: South 46 deg. 41 min. 27 sec. East, a distance of 171.50 feet to a 1/2 inch iron rod set for internal corner;

North 43 deg. 18 min. 33 sec. East, a distance of 297.39 feet to the POINT OF BEGINNING and CONTAINING 123,352 square feet or 2.832 acres of computed land, more or less.

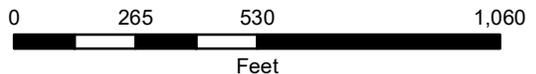
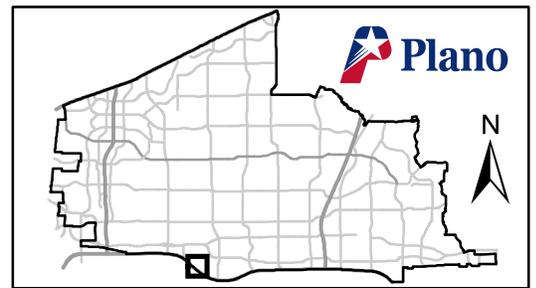


Zoning Case: 2018-029

Existing Zoning: Corridor Commercial (CC) and located within the 190 Tollway/Plano Parkway Overlay District

Proposed Zoning: Specific Use Permit for Indoor Gun Range

- 500' Courtesy Notification Buffer
- 200' Notification Buffer
- Subject Property
- Zoning Boundary Change/SUP
- City Limits
- Zoning Boundary
- Streets
- Specific Use Permit



Source: City of Plano

Zoning Case 2018-032

An Ordinance of the City of Plano, Texas, amending Subsection 11.700.5 (Certificate of Appropriateness) of Section 11.700 (Heritage Resource Overlay Districts) of Article 11 (Overlay Districts), Section 15.200 (Communications Antennas, Amateur and Commercial) of Article 15 (Use-specific Regulations), and related sections of the Comprehensive Zoning Ordinance of the City, Ordinance No. 2015-5-2, as heretofore amended, pertaining to various modifications to standards for communications antennas and equipment, and providing a penalty clause, a repealer clause, a savings clause, a severability clause, a publication clause, and an effective date.

WHEREAS, the City Secretary of Plano, Texas, directed that notices of a hearing be issued, as required by the Zoning Ordinance of the City of Plano and laws of the State of Texas, at a meeting of the City Council, to be held on the 14th day of January 2019, for the purpose of considering a change in the Zoning Ordinance; and

WHEREAS, the City Secretary of the said City accordingly caused to be issued and published the notices required by its Zoning Ordinance and laws of the State of Texas applicable thereto, the same having been published in a paper of general circulation in the City of Plano, Texas, at least fifteen (15) days prior to the time set for such hearing; and

WHEREAS, the City Council of said City, pursuant to such notice, held its public hearing and heard all persons wishing to be heard both for and against the aforesaid change in the Zoning Ordinance, on the 14th day of January 2019; and

WHEREAS, the City Council is of the opinion and finds that such change would not be detrimental to the public health, safety, or general welfare, and will promote the best and most orderly development of the properties affected thereby, and to be affected thereby, in the City of Plano, and as well, the owners and occupants thereof, and the City generally.

IT IS, THEREFORE, ORDAINED BY THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, THAT:

Section I. Subsection 11.700.5 (Certificate of Appropriateness) of Section 11.700 (Heritage Resource Overlay Districts) of Article 11 (Overlay Districts) of the Comprehensive Zoning Ordinance No. 2015-5-2, as the same has been heretofore amended, is hereby further amended, such subsection to read as follows:

11.700 Heritage Resource Overlay Districts

.5 Certificate of Appropriateness Review

- A. No person or entity shall carry out any construction, reconstruction, alteration, restoration, rehabilitation, stabilization, repair, site improvements, demolition, or relocation of any H or HD designated property which affects the exterior

ORDINANCE NO. 2019-1-8

appearance of any structure without obtaining a Certificate of Appropriateness by the Heritage Commission or Heritage Preservation Officer, or other designee of the Director of Planning, as appropriate, for the types of work described in Section 16-112 of the city's Code of Ordinances, as amended.

- B. No person or entity shall carry out any construction, installation, or erection of a network node in or within 300 feet of an H or HD designated property without obtaining a Certificate of Appropriateness from the Heritage Preservation Officer, or other designee of the Planning Director. The Heritage Preservation Officer or designee will review the application for such network node for consistency with associated published heritage district design guidelines or standards, as amended.
- C. Certificate of Appropriateness review procedures, criteria, exemptions, and other associated requirements are located in Article VI, Chapter 16, of the city's Code of Ordinances, as amended.

Section II. Amend Section 15.200 (Communications Antennas, Amateur and Commercial) of Article 15 (Use-specific Regulations) of the Comprehensive Zoning Ordinance No. 2015-5-2, as the same has been heretofore amended, is hereby further amended, such section to read in its entirety as follows:

15.200 Communications Antennas, Amateur and Commercial

.1 Purpose

These regulations are adopted for the following purposes:

- A. To protect and provide for the public health, safety, and general welfare of the city.
- B. To enhance the ability of the providers of telecommunications services to provide such services to the community safely, effectively, and efficiently.
- C. To provide regulations for antenna support structures and antennas that provide secure mounting and construction and prevent interference with public safety communications equipment.
- D. To encourage the users of large support structures to site share where possible and to locate all facilities, to the extent possible, in areas where adverse impact on the community is minimal.
- E. To protect and enhance the city's environmental and aesthetic quality.
- F. To identify standards in order to ensure equitable treatment of providers of functionally equivalent telecommunications services.
- G. To comply with applicable state and federal law.

.2 Applicability

- A. This article applies to all commercial and amateur antenna installations located outside of city right-of-way, unless exempted by Sec. 15.200.2.C.
- B. Applications for the location of antenna support structures on property owned, leased, or otherwise controlled by the City of Plano, and which comply with the requirements of Sec. 15.200.8, are subject to all applicable ordinances for such structures including, but not limited to Sec. 15.200.5.
- C. Direct broadcast satellite reception, multi-channel multi-point distribution (as defined by the FCC), television reception antennas, and amateur radio antennas meeting the following requirements do not require a permit unless mounted on a pole or mast that is 20 feet or more in height.
 - i. In any zoning district, antennas that are one meter (39 inches) or less in diameter.
 - ii. In the nonresidential zoning districts within Article 10 (Nonresidential Districts), antennas that are 2 meters or less in diameter.
 - iii. In any zoning district, antennas designed to receive television broadcasts.
 - iv. In any zoning district, amateur radio antennas concealed behind, on, or within attics, eaves, gutters, or roofing.
 - v. In any zoning district, amateur radio ground-mounted whips and wire antennas unless mounted on a pole or mast over 20 feet in height.
- D. An AM array shall be subject to these regulations. An AM array consisting of one or more support structure units and supporting ground equipment, which functions as one AM broadcasting antenna, shall be considered one support structure. Measurements for setbacks and separation distances shall be measured from the outer perimeter of the support structures, including the guide wires, in the array. Additional support structure units may be added within the perimeter of the AM array by right.

.3 Definitions

Alternative Antenna Support Structure

A clock tower, bell tower, steeple, human-initiated tree, light pole, or similar alternative-design mounting structure that camouflages or conceals the presence of antennas or support structures. The generic term “stealth” may also be applied to any method that would hide or conceal an antenna, supporting electrical or mechanical equipment, or any other support structure. Panel antennas and omni and yagi antennas attached to existing structures are considered to be alternative in design if they are integrated into the architectural features of the structure or are painted to match the support structure.

Amateur Radio Antenna

Any antenna which is used for the purpose of transmitting and receiving radio signals in conjunction with an amateur radio station licensed by the Federal Communications Commission.

Antenna

Any exterior transmitting or receiving device mounted on or within a support structure, building, or structure and used in communications that radiate or capture electromagnetic waves, digital signals, analog signals, radio frequencies (excluding radar signals), wireless telecommunications signals, television signals, or other communication signals.

Antenna Support Structure

The transmitting or receiving system, its supporting structures, and any appurtenances mounted thereon, including a freestanding structure built specifically to support or act as an antenna or a structure mounted on some other human-initiated object such as a building or bridge.

Backhaul Network

The lines that connect a communications provider's support structure/cell sites to one or more telephone switching offices and/or long distance providers, or the public switched telephone network.

Collocation

Mounting or installing an antenna facility on a preexisting structure, and/or modifying a structure for the purpose of mounting or installing an antenna facility on that structure.

Commercial Antenna

An antenna designed or used for commercial purposes. It includes but is not limited to network node antennas.

Decorative Pole

A streetlight pole specifically designed and placed for aesthetic purposes and on which no appurtenances or attachments, other than specifically designed informational or directional signage or temporary holiday or special event attachments, have been placed or are permitted to be placed according to the City of Plano Zoning Ordinance regulation of light pole banners, as may be further amended, and as defined in the City of Plano Right-of-Way Ordinance, as amended.

Design District

An area that is zoned or otherwise designated by city ordinance for which the city maintains and enforces unique design and aesthetic standards, as defined in the City of Plano Right-of-Way Ordinance, as amended.

FAA

The Federal Aviation Administration

Facilities

The plant, equipment, and property, including, but not limited to, lines, transport service, poles, mains, pipes, conduits, ducts, cables and wires located under or above the surface

of the ground within the public right-of-way and valves, and related facilities and equipment used or useful for the provision of utility services, wireless or network services, or communications to the public, as defined in the City of Plano Right-of-Way Ordinance, as amended.

FCC

The Federal Communications Commission

Guyed Lattice Support Structure

A guyed 3- or 4-sided, open steel frame structure used to support telecommunications equipment.

Height

The distance measured from the finished grade of the parcel to the highest point on the support structure or other structure including the base pad and any antenna.

Historic District

A geographic area that is zoned or otherwise designated as a historic or heritage district, resource, landmark, structure, marker, memorial, monument, or other notable designation under municipal, state or federal law.

Monopole

A structure composed of a single spire used to support telecommunications equipment.

Network Nodes

Type of telecommunications facility, also known as small wireless facility, as defined in the City of Plano Right-of-Way Ordinance, as amended.

Omni Antenna

A thin, vertical, whip-type antenna that delivers an omni-directional signal.

Plano Design Standard Support Structure (PDSS)

An alternative support structure or stealth design structure pre-approved for use in the type of location where the carrier wishes to locate. Applicants may submit designs for designation as a PDSS.

Pole

A service pole, utility pole, or utility service pole, as defined in the City of Plano Right-of-Way Ordinance, as amended.

Pre-Existing Support Structures and Pre-Existing Antennas

Any support structure or antenna for which a building permit or specific use permit has been properly issued prior to the effective date of this ordinance, including permitted support structures or antennas that have not yet been constructed so long as such approval is current and not expired.

Self-supporting Lattice Support Structure

A self-supporting, open steel frame structure used to support telecommunications equipment.

Site Sharing

The use of a single-support structure and/or site by more than one communications provider.

Telecommunications Facility

Any unmanned facility consisting of equipment for the transmission, switching, and/or receiving of wireless communications. Such facility may be elevated (either structure-mounted or ground-mounted) transmitting and receiving antennas, low-power mobile radio service base station equipment, and interconnection equipment. The categories of facility types include both roof and/or structure-mount facilities and telecommunications support structures.

Temporary Antenna

An antenna and supporting equipment used on a temporary basis in conjunction with a special event, emergency situation, or in case of equipment failure.

Transceiver Radio

Radio equipment rectangular in shape that attaches to lighting fixtures and/or utility poles and meets wind load requirements. Transceiver radios may have an attached omnidirectional whip antenna.

Utility Structure

An electrical transmission/distribution tower or elevated water storage tank.

Yagi Antenna

A horizontal beam-type, directional antenna with short vertical bars, generally used for micro cells.

.4 Application Requirements

- A. Applications for commercial antennas and antenna support structures shall include the following:
 - i. The distance between the proposed support structure and the nearest residential unit and/or residential zoning district boundary line.
 - ii. An inventory or map of the applicant's existing support structures, antennas, or sites previously approved for such, either owned or leased, both within the city and within one mile of the city limits, including specific information about the location, height, and design of each support structure. The separation distance between the proposed support structure or antenna and these support structures shall also be noted.
 - iii. Certification of the following:
 - a. That the applicant has sought and received all franchises or permits required by the city for the construction and operation of the communication system.

ORDINANCE NO. 2019-1-8

- b. Identification of the backhaul provider and connectivity locations for the installation. Applicants must notify the city of any change in site sharing or backhaul providers within 30 days of the change.
 - c. Certification of the structural engineering information.
 - d. Certification of whether the installation is a network node.
 - e. A notarized statement from the applicant that the proposed support structure can accommodate the site sharing of additional antennas.
 - iv. Information concerning the finished color, alternative design standards (if applicable), and method of fencing.
 - v. The application may require a site plan and landscape plan in accordance with this ordinance. Platting of the property may be required in accordance with the Subdivision Ordinance.
 - vi. The Director of Planning may establish procedures, forms, and standards with regards to application materials and information constituting a complete application for communications antenna, commercial and amateur.
- B. All commercial signs, flags, lights and attachments, other than those required for emergency identification, communications operations, structural stability, or as required for flight visibility by the FAA and FCC shall be prohibited on any antenna or antenna support structure. However, lights may remain or be replaced on light standards that are altered or replaced to serve as antenna support structures.
- C. All antennas must meet or exceed current standards and regulations of the FAA, the FCC, and any other state and federal agency with regulatory authority over support structures and antennas. If standards change, owners must comply within 6 months or as required by the regulating authority.
- D. A permit is required to erect or install an antenna, antenna support structure, and related equipment, unless the particular antenna is exempt from regulation, as stated in Sec. 15.200.2.C. All installations must comply with applicable state and local building codes and the standards published by the Electronic Industries Association.
- E. All support structures and antennas must be constructed and operated in a manner that does not create electromagnetic or other interference with the City of Plano's radio frequencies and public safety operations as required by the FCC.

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- F. No commercial antenna, antenna support structure, microwave reflector/antenna, or associated foundations or support wires, or ground equipment may be located within any required front, side, or rear yard setback.
- G. All antennas and antenna support structures owned and/or operated by a governmental entity shall be permitted by right in any district.
- H. All antennas and support structures must meet visibility requirements as defined in Sec. 13.500.2.K and Sec. 20.100.4 even if a permit is not required.
- I. Safeguards shall be utilized to prevent unauthorized access to an antenna support structure. Safeguards include those devices identified by the manufacturer of the antenna support structure utilized, a fence, climbing guard, or other commercially available safety device. Climbing spikes must be removed after use.
- J. Temporary antennas shall only be allowed in the following instances:
 - i. In conjunction with a festival, carnival, or other activity requiring a Special Event Permit from the City of Plano.
 - ii. In case of emergency as required by the city's Police or Fire Departments.
 - iii. When needed to restore service on a temporary basis after failure of an antenna installation. The city must be notified within 72 hours of the placement of a temporary antenna. If the temporary antenna is to be needed for more than 7 days, then the provider must acquire a permit for the use.

.5 General Requirements

- A. Antennas and support structures may be considered either principal or accessory uses.
- B. Antenna installations shall comply with all other requirements of the Zoning Ordinance with the exception of those specified within this section.
- C. Commercial antennas and antenna support structures are permissible in all zoning districts when the following requirements are met:
 - i. When totally enclosed within or integrated into the design of any building or building feature permitted in the zoning district. A commercial antenna may be mounted flush to the exterior of a building if it is painted and integrated into the overall architectural design.
 - ii. A commercial antenna may be mounted on or incorporated into flagpoles.

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- iii. Attached to a utility structure in any zoning district, except that if the communications antenna and antenna support structures exceed 60 feet in height, the antenna cannot extend more than 10 feet above the highest point of the utility structure. If the utility structure is 100 feet or more in height, the antenna cannot extend more than 15 feet above the utility structure.
 - iv. Attached to an existing street light, park ballfield lights, and parking lot light standards, or the light standard in any zoning district may be replaced to accommodate the antennas. The height of the light standard may be increased no more than 15 feet, up to a maximum of 60 feet, to accommodate the antennas.
 - v. In residential districts, only Omni, Yagi, network nodes, and small panel antennas not exceeding one foot in width by eight feet in length, mounted flush to the support structure, are allowed. Radio transceivers may also be used if the equipment box does not exceed 8" x 14" x 5".
- D. Commercial antennas and antenna support structures are permissible in nonresidential districts, when the following requirements are met:
- i. 60 feet or less in height is allowed by right.
 - ii. Greater than 60 feet in height is allowed with approval of a specific use permit.
 - iii. Must meet the setback requirements from residential districts as stated in Sec. 15.200.5.G.iv.
- E. Commercial antennas and antenna support structures are prohibited in residential districts on lots used or platted for single-family, two-family, or single-family attached purposes, unless the conditions of Sec. 15.200.2.C are met.
- F. In addition to the allowances for commercial antennas and antenna support structures, network nodes are permissible in all zoning districts when the following requirements are met:
- i. Network nodes are allowed by right if the support structure on which antenna facilities are mounted is no more than 10 percent taller than other adjacent structures, or the support structure on which antenna facilities are mounted is not extended to a height more than 10 percent above its preexisting height as a result of the collocation of new antenna facilities.
 - ii. Network nodes may be attached to a utility structure as described above if the antenna does not extend more than 10 percent above the preexisting height of the utility structure.

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- iii. Network nodes may be attached to the light standard if the antenna is no more than 10 percent taller than other adjacent structures or the equipment is not extended to a height of more than 10 percent above its preexisting height as a result of the new antenna facilities.
- iv. No single antenna may be larger than three cubic feet.
- v. Overhead facilities and overhead transport facilities cannot be installed overhead on private property if the property is adjacent to a park or is adjacent to a street or thoroughfare that is classified Class E+ or smaller. All transport facilities must be underground per the requirements of the City of Plano Right-of-Way and Subdivision Ordinances.
- vi. Network nodes in a Design or Historic District must meet the requirements of Sec. 11.700 and criteria in the City of Plano Right-of-Way Ordinance, as amended.

G. Setback, Separation, and Screening of Ground Equipment requirements:

- i. The height of a support structure is limited to 200 feet in the Light Industrial-1 and Light Industrial-2 zoning districts and is limited to 120 feet in all other nonresidential zoning districts, except that for network nodes, the structure on which the antenna facilities are mounted cannot be more than 10 percent taller than other adjacent structures or the structure on which antenna facilities are mounted cannot extend to a height of more than 10 percent above its preexisting height as a result of the collocation of new antenna facilities.
- ii. Support structures, except for network node poles, must be set back a minimum of 125% of the support structure height from public rights-of-way.
- iii. Equipment buildings must comply with the screening requirements specified in Sec. 15.200.7, unless the equipment is attached to the support structure itself or enclosed within another structure on the property.
- iv. Support structures, guy wires, and accessory buildings must satisfy the minimum zoning district setbacks requirements. Where the district does not specify a minimum front yard setback, the front yard setback must be 50 feet; where the district does not specify a minimum side yard setback, the side yard setback must be 10 feet; where the district does not specify a minimum rear yard setback, the rear yard setback must be 10 feet.
- v. The following separation distances between support structures must be maintained:

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	Lattice	Guyed	Monopole 75 Feet in Height or Greater	Monopole Less Than 75 Feet in Height	Network Node
Lattice	5,000	5,000	1,500	750	150
Guyed	5,000	5,000	1,500	750	150
Monopole 75 Feet in Height or Greater	1,500	1,500	1,500	750	150
Monopole Less Than 75 Feet in Height	750	750	750	750	150
Network Node	150	150	150	150	150

- vi. Alternative or stealth designs as defined by this ordinance are exempt from the above spacing requirements.
- vii. No commercial antenna support structure, other than a network node 60 feet or greater in height, shall be closer to any residential district boundary line than a distance equal to the sum of the required setback specified for the zoning district in which such structure is located, plus 25 feet, plus twice the height of the portion of the structure above 25 feet, or 125% of the height of the support structure, whichever is greater. Such distance shall be measured as the shortest possible distance in a straight line from the structure to the closest point of a residential district boundary line. Setbacks from residentially-zoned property do not apply to antennas, other than a network node, less than 60 feet in height or those attached to existing utility structures exceeding 60 feet in height, or to antennas placed wholly within a building or attached to a building; however, the building itself must meet all applicable setback requirements.

.6 Site Sharing

Site sharing shall be accomplished as follows:

- A. All new support structures over 60 feet in height must be constructed to support antennas for at least two carriers, unless the structure is an alternative or stealth design, or the support structure is replacing an existing utility structure or light standard. Sufficient area for associated structures and equipment must also be provided.
- B. A support structure which is modified or reconstructed to accommodate site sharing shall be of the same type or design as the existing structure and is subject to the following regulations:
 - i. The support structure may be modified or rebuilt to a height not to exceed 30 feet over the support structure’s existing height, with a maximum height of 120 feet. If a specific use permit issued for the support structure stipulated a maximum height, the support structure may not be modified unless the specific use permit is amended.

- ii. Distance separation from other support structures and residential zoning district boundaries are based on the original support structure and are not increased.
 - iii. The support structure may be moved on the same property within 50 feet of its existing location but may not be moved closer to residentially-zoned property. The new location must be within the boundaries of the specific use permit.
 - iv. The original support structure must be removed from the property within 90 days of the completion of the new support structure.
- C. Additional antennas attached to an existing support structure must comply with the design of the existing antenna on the support structure.

.7 Support Buildings and Equipment Storage

In order to minimize the effect on property values and to maintain the aesthetics of the area, support buildings and equipment storage areas or buildings must meet the following requirements:

- A. When mounted on rooftops, they must be screened by a parapet wall or other mechanical unit screening. Existing mechanical unit screening may be utilized if it provides screening in accordance with Sec. 20.300.
- B. When ground mounted, they must comply with the following:
 - i. Meet all applicable front, side, and rear yard setback requirements.
 - ii. Be of a neutral color and use exterior building materials that are compatible with surrounding structures.
 - iii. Be screened by an evergreen landscape screen with an initial planting size of 5 gallons and 4 feet in height, with an ultimate height of 6 feet or a solid masonry fence 6 feet in height. Landscaping must be irrigated and maintained in a living, growing condition. Wooden fences are prohibited and wrought iron or chain link may only be used in conjunction with a landscape screen.

.8 Antennas on City-Owned Property

Antennas owned by other than governmental entities may be located on property owned by the City of Plano under the following conditions:

- A. Antennas and support structures located within city right-of-way must comply with the City of Plano Right-of-Way Management Regulations, design manuals, and other ordinances.

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- B. The antennas and support structures outside of the right-of-way may only be attached to an existing improvement or replace an existing improvement and must follow the requirements of Sec. 15.200.5.
- C. Authorization for use of city property must be shown by a franchise, lease, license, permit, or other document duly executed by an authorized city representative and adopted in conformance with all applicable city regulations and guidelines for the property prior to submission of an application for review under this Section.

.9 Aesthetic and Alternative Design Requirements

- A. In order to preserve property values and to maintain the aesthetics of the area, all antennas and antenna support structures must meet the following requirements:
 - i. Support structures must have a galvanized steel finish or be painted a neutral color, unless other designs and colors are required by the Federal Aviation Administration for safety purposes.
 - ii. Antennas and supporting equipment installed on an existing structure other than a support structure must be of a neutral color that is compatible with the color of the supporting structure.
 - iii. Alternative or stealth designs are encouraged for all antenna support structures, antennas, and supporting equipment.

.10 Amateur Radio Antennas and Support Structures

- A. Amateur radio antennas that are owned and operated by a federally-licensed amateur radio station operator are allowed in any district. A building permit is required for antenna support structures of 20 feet or more in height. (See Sec. 15.200.2.C. for exemptions.)
- B. No amateur antenna support structure or antenna may be greater than 50 feet in height. However, the height of such antenna support structure or antenna may be increased up to 75 feet with the installation of a telescopic or crank-up support structure. Upon the issuance of a specific use permit, an amateur antenna support structure or antenna may be constructed to exceed these height limits.
- C. Amateur antenna support structures, antenna, or support wires must be located behind the face of the main building. No amateur antenna support structure, antenna, or support wires may be located in the required rear or side yard setback. For an amateur antenna support structure or antenna in excess of 35 feet, the setback from side setback lines must be increased one foot for every foot the height exceeds 35 feet.

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- D. The bottom section of an antenna support structure may not exceed 48 inches in width. An antenna support structure having a bottom section with a width exceeding 30 inches but not greater than 48 inches must be of a tapered design.
- E. Only one amateur radio support structure may be erected on a residential lot. Additional antenna support structures may be allowed with the approval of a specific use permit. Excluded from this provision are monopoles 4 inches or less in diameter used exclusively to support wire antennas as referenced in Sec. 15.200.2.C.v.
- F. Amateur radio antennas, antenna support structures, bases, masts, and poles in existence or for which a permit was issued prior to the effective date of this ordinance shall be considered legal nonconforming uses subject to the provisions specified in Article 7.

.11 Appeals

- A. An applicant may appeal a decision of the Director of Planning for an antenna installation that does not require a specific use permit, other than a network node installation, to the Planning & Zoning Commission by filing a Notice of Appeal within 10 days following the date the Director notifies the applicant of the decision. The Planning & Zoning Commission may approve, conditionally approve, table, or deny an appeal. Decisions of the Planning & Zoning Commission may be appealed to City Council in accordance with Article 4.
- B. Any applicant may appeal a decision of the Director of Planning to the City Manager for a network node installation if the applicant believes that the denial of a permit materially inhibits the provision of service, in violation of Sections 253 or 332 of the Telecommunication Act of 1996. The City Manager may adopt rules regulating the process and requirements for appeals. The City Manager must issue a decision within ten (10) business days of receipt of the written appeal. Decisions of the City Manager are final. Failure to render a decision constitutes a denial.
- C. Any entity that desires to erect or utilize telecommunications facilities that would be limited by the provisions of this ordinance may petition the Planning & Zoning Commission to modify the ordinance. In determining the need to initiate an amendment to the ordinance, the Commission shall consider the extent to which strict application of these regulations would prohibit or have the effect of prohibiting communications services.

Section III. All provisions of the ordinances of the City of Plano in conflict with the provisions of this Ordinance are hereby repealed, and all other provisions of the Ordinances of the City of Plano, not in conflict with the provisions of this Ordinance, shall remain in full force and effect.

ORDINANCE NO. 2019-1-8

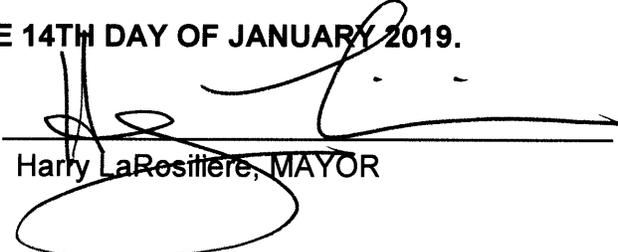
Section IV. The repeal of any ordinance or part of ordinances effectuated by the enactment of this Ordinance shall not be construed as abandoning any action now pending under or by virtue of such ordinance or as discontinuing, abating, modifying or altering any penalty accruing or to accrue, or as affecting any rights of the municipality under any section or provisions of any ordinance at the time of passage of this Ordinance.

Section V. Any violation of the provisions or terms of this ordinance by any person, firm or corporation shall be a misdemeanor offense and shall be subject to a fine in accordance with Section 1-4(a) of the City Code of Ordinances for each offense. Every day a violation continues shall constitute a separate offense.

Section VI. It is the intention of the City Council that this Ordinance, and every provision hereof, shall be considered severable and the invalidity or partial invalidity of any section, clause or provision of this Ordinance shall not affect the validity of any other portion of this Ordinance.

Section VII. This Ordinance shall become effective immediately upon its passage and publication as required by law.

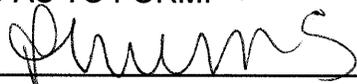
PASSED AND APPROVED THIS THE 14TH DAY OF JANUARY 2019.


Harry LaResitiere, MAYOR

ATTEST:


Lisa C. Henderson, CITY SECRETARY

APPROVED AS TO FORM:


Paige Mims, CITY ATTORNEY

RESOLUTION NO. 2019-1-9(R)

A Resolution of the City of Plano, Texas, accepting the findings and opinions of the Annual Audit; authorizing the City Manager, or in his absence the Director of Finance, to publish the results thereof; and providing an effective date.

WHEREAS, Section 3.14 of the City Charter requires that a complete audit be made by a duly licensed Public Accountant at the close of each fiscal year; and

WHEREAS, the City Council has been presented the Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2017-18, a copy of which has been filed with the City Secretary, available for public inspection, and incorporated herein by reference (hereinafter called "CAFR"); and

WHEREAS, upon full review and consideration of the CAFR, and the included opinion of the City's duly appointed auditors, Weaver and Tidwell, LLP, the City Council is of the opinion that the requirements of the Charter have been satisfied.

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

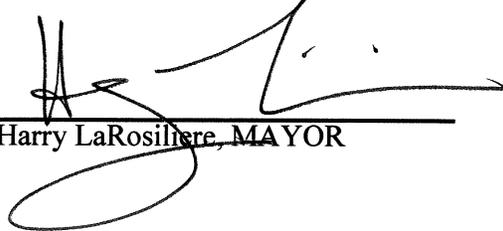
Section I. The findings and opinions of the CAFR have been reviewed by the City Council of the City of Plano, and are hereby in all things accepted.

Section II. The City Manager, or in his absence, the Director of Finance, is hereby instructed to publish the results of the CAFR and all other documents in connection therewith on behalf of the City of Plano, as provided in Section 3.14 of the City Charter.

RESOLUTION NO. 2019-1-9(R)

Section III. This Resolution shall become effective from and after its passage.

DULY PASSED AND APPROVED this the 28th day of January, 2019.



Harry LaRosiere, MAYOR

ATTEST:



Lisa C. Henderson, CITY SECRETARY

APPROVED AS TO FORM:



Paige Mims, CITY ATTORNEY

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2018
CITY OF PLANO, TEXAS





CITY OF PLANO, TEXAS

Comprehensive Annual Financial Report

FOR FISCAL YEAR ENDED SEPTEMBER 30, 2018

Prepared By:

Accounting Division

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Controller – Allison Friloux**

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CITY OF PLANO, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018
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INTRODUCTORY SECTION



FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2018
CITY OF PLANO, TEXAS







City of Plano
1520 K Avenue
Plano, TX 75074

P.O. Box 860358
Plano, TX 75086-0358
Tel: 972.941.7000
plano.gov

January 3, 2019

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

The Comprehensive Annual Financial Report (CAFR) of the City of Plano, Texas (the City or Plano), for the year ended September 30, 2018, is submitted in accordance with Section 3.14 in the City Charter.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls established for this purpose.

Weaver and Tidwell, L.L.P. has issued an unmodified (clean) opinion on the City's financial statements for the year ended September 30, 2018. The independent auditors' report is located in the beginning of the financial section of the CAFR.

This letter of transmittal is designed to complement Management's Discussion and Analysis (MD&A) and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements.

City of Plano Profile

The City of Plano is the largest city in Collin County, located in the southwest corner of the county, approximately 20 miles north of downtown Dallas. There are currently 72.1 square miles of land in the City's boundary.

The City was incorporated on June 2, 1873, under the provisions of H.B. 901 of the Texas Legislature. It was subsequently chartered on June 10, 1961, and operates under a Council-Manager form of government. The City Council is comprised of a Mayor and seven members and is responsible for enacting ordinances, resolutions, and regulations governing the City, as well as appointing the members of various statutory and advisory boards, the City Manager, City Attorney and a Municipal Judge. The City Manager is the chief administrative officer of the government and is responsible for the enforcement of laws and ordinances, the appointment and supervision of the Deputy City Managers and heads of departments, and the performance of functions within the municipal organization.

Financial reporting of the entity (the government) includes all the funds of the primary government (i.e., the City of Plano as legally defined, in addition to three blended component units as discussed in the accompanying footnotes), as well as the Tax Increment Financing District, a discretely presented component unit. Discretely presented component units are legally separate entities and are not part of the primary government's operations. The government provides a full range of services including police and fire protection, environmental health, sanitation services, community development, building inspection, traffic control, parks and libraries, the construction and operation of water, sewer, drainage, sustainability and environmental waste services, streets and infrastructure, and convention, tourism, and cultural events. The Plano Housing Authority, a related organization, is not a part of this report as the City's accountability does not extend beyond making the appointments of the Plano Housing Authority Board.

Local Economy

Plano is a community that offers exceptional housing, award-winning schools and a dynamic business climate, all of which are strong factors in the success of the City's economy. The City continues to benefit from other favorable conditions associated with Plano including a stable, diverse economic base and a desirable location for work and living.

Since 2015, Plano's population grew an estimated 3.3% to 282,700 in 2018. According to residential development projections by the City's planning department, it is projected to grow to 292,900 by 2028 and to 300,000 by 2038.

According to the *U.S. Census Bureau*, the median household income of Plano is \$85,085.

Plano is ranked #1 for Best Places to Live according to *Area Vibes*. Cities were ranked based upon amenities, cost of living, crime, education, employment, housing and weather.

WalletHub ranks Plano 5th in their "2018's Happiest Cities in America". According to *WalletHub*, their data team drew upon the various findings of positive-psychology research in order to determine which among 180 of the largest U.S. cities is home to the happiest people in America.

Southern Business and Development Magazine ranks Plano the #1 "Best Place in the South to Relocate Your Headquarters".

Niche.com ranks Plano the Best City to Buy a House in America in 2018. This ranking takes into account key factors of a location's housing market, including home values, taxes, crime rates, and quality of local schools.

Business Insider names Plano as the 2nd Most Affordable City in the US for Early Retirement. The criteria they considered were Plano's low housing costs relative to local income and Texas being a tax-friendly retirement state.

Niche.com ranks Plano #2 in "2018 Cities with the Best Public Schools".

According to the *TheStreet.com*, the American College of Sports Medicine ranks U.S. cities every year on the health of residents and how well the community environment supports better health. This annual Fitness Index report lists Plano as the #1 Healthiest City in Texas.

Wallethub ranks Plano as the 6th Best Place to find a job, comparing 180 U.S. cities across 26 key indicators of job-market strength. These factors range from job opportunities to employment growth to monthly average starting salary.

Militarytimes.com lists Plano as one of the Best Places for Veterans to live. This ranking takes into consideration veteran and military culture and services, economic indicators, and livability factors such as crime, health, school quality and traffic.

Niche.com ranks Plano the 9th Safest City in America, taking into account crime rates as well as resident reviews.

Niche.com ranks Plano as the 3rd Best Place to Raise a Family, comparing the 228 most populated U.S. cities across key factors such as: quality of local schools, safety, affordability and access to family amenities.

Plano remains one of only a few cities in the United States receiving an "AAA" bond rating, the highest possible bond rating from Moody's Investor Service, Standard & Poor's and Fitch, Inc. In issuing their ratings, they praised the City for its stable financial position driven by conservative budgeting as well as its large and diverse tax base and strong management practices.

Given Plano's continued pro-business attitude and enthusiastic accommodation of industry, the City continues to prosper economically. The following categories represent key factors that impact Plano's economic and financial success:

Property Tax Revenues

Property tax revenues are the City's largest source of funding. According to the Collin County and Denton County Appraisal Districts, the original certified property appraisals increased 13.7% for fiscal year 2018, with 30% of the increase coming from new property. This increase in values allowed for a one-cent decrease in the tax rate from 47.86 cents to 46.86 cents. Tax collections for fiscal year 2018 totaled \$178.0 million, an increase of 10.2% from the prior year.

Sales Tax Revenues

After property tax revenues, the General Fund's second largest revenue source is sales tax generated from a variety of businesses operating in the City. Sales tax collections are produced primarily from Plano's sizeable retail base, which includes numerous retail store facilities, Historic Downtown Plano with Dallas Area Rapid Transit (DART) light rail access, as well as hundreds of other specialty shops and major retailers.

Sales tax allocations to the City totaled \$85.6 million from October 2017 through September 2018, an increase of 5.0% compared to fiscal year 2017.

Employment

A strong business atmosphere, coupled with a highly educated and motivated workforce, continue to draw diverse companies to relocate to Plano. The four largest job industries are trade, transportation, and utilities; professional and business services; education and health services and government. According to the U.S. Census Bureau, 55.6% of Plano residents have a bachelor's degree or higher. The unemployment rate in Plano for fiscal year 2018 remained at 3.2 percent.

Plano's large businesses, employing 1,000+, include: Bank of America Home Loans, Capital One Finance, DXC Technology, Dr. Pepper Keurig, Ericsson, FedEx Office, Frito-Lay, J.C. Penney, Liberty Mutual Insurance Co., Medical Center of Plano, Nokia, NTT DATA, PepsiCo, Texas Health Presbyterian Hospital, JP Morgan Chase, Plano Toyota Motor North America, and McAfee. Employing 500-999, companies having significant operations in Plano include: AT&T, Baylor Scott & White Medical Center – Plano, Children's Health Plano, CROSSMARK, CVE Technologies Group, nThrive, Pizza Hut, U.S. Raytheon, Rent-A-Center, The Heart Hospital Baylor Plano, Cigna, Abbott, and Tyler Technologies. This type of environment creates a broad range of employment opportunities for Plano and area residents and creates a significant business component to the local tax base.

Job Growth

In fiscal year 2018, the following businesses announced relocation and expansion:

Samsung Electronics America, South Korea's largest electronics company, will bring over 1,000 jobs to Legacy Central, located on 6625 Declaration Drive. Legacy Central, previously the campus for Texas Instruments, was redeveloped into an 85-acre technology oriented mixed-used development. Samsung will occupy 216,000 square feet and anticipates moving in by the first quarter of 2019.

WorldVentures, a travel membership services company, expanded its headquarters located at 5100 Tennyson Parkway by signing an additional 25,000-square-foot lease at 5160 Tennyson Parkway. Combined, the company will occupy 125,000 square feet with the ability to add 150 employees to its existing staff of over 700.

General Dynamics Mission Systems, a Virginia-based aerospace and defense company, relocated its operation in March to a 104,000-square-foot facility located at 1000 Klein Road. Expected to bring 260 jobs, the company will have positions in the manufacturing, engineering, testing and administrative fields.

Varsity Spirit, a Memphis-based cheerleading and dance uniform manufacturing company, moved into a 78,000-square-foot facility located at 640 Shiloh Road. In Plano since March, the company will have 165 employees.

Wipro, an information technology company, opened its 45,000-square-foot Texas Technology Center, with a focus on new and emerging technologies. The facility, which opened in March, is located at 5445 Legacy Drive and will have at least 150 employees.

Peloton, a fitness equipment manufacturing company, opened its regional operations in Legacy Central, located at 6600 Chase Oaks Boulevard. Occupying over 27,000 square feet, this location houses over 400 employees and is the only support center outside of its headquarters in New York City. The company held a grand opening in October.

Roland Technology Group/The 20, signed a joint lease at Legacy Central in February, totaling 23,000 square feet, to house over 130 employees at 6600 Chase Oaks Boulevard. Roland Technology Group provides IT support services and The 20 provides business development services to the IT industry.

Connexions Loyalty, a provider of loyalty programs, expanded its operations to accommodate plans to add 70 technology professionals by the end of the year. Located on 5160 Tennyson Parkway, the company occupies over 17,000 square feet.

BRP, a Canada-based power sports vehicle manufacturer, opened its North American headquarters at 7300 Dallas Parkway. Occupying over 16,700 square feet, this location is the first and only office in the United States. The company anticipates adding over 100 employees by 2019.

Critical Start, a Plano-based cybersecurity services company, has expanded and moved its headquarters into 15,000 square feet at 6851 Communications Parkway. The new location, five times larger than their previous office, will house over 120 employees.

Long-Term Financial Planning

Long-term planning and reacting prudently to changing economic conditions remain key in maintaining the City's fiscal health. Economic forecasts for Plano and the North Texas region remain highly favorable; however, Plano faces a shrinking supply of undeveloped land and economic uncertainties at both the regional and national level, which remain factors taken into account when planning for the city's financial future.

Across all of Plano's operating funds in fiscal year 2019, appropriations equal \$578.4 million, a \$24.0 million or 4.3% increase from the fiscal year 2018 final budget. Projected at \$304.4 million in fiscal year 2019, General Fund revenues are expected to increase \$12.1 million from the fiscal year 2018 final budget, while fiscal year 2019 General Fund appropriations are set at \$317.3 million, which is an increase of \$8.8 million from the fiscal year 2018 final budget.

Resources have been diligently set aside on a pay-go basis for renovating, repairing and replacing existing infrastructure via the Capital Maintenance Fund, which has been a highlighted factor in maintaining the City's

AAA bond ratings. Capital Maintenance funding for fiscal year 2019 will be primarily supported by transfers of \$30.3 million from the General Fund, \$2.0 million from the Water and Sewer Fund, \$1.3 million from the Convention & Tourism Fund and \$500 thousand from the Municipal Drainage Fund.

The City of Plano will use bond authority approved by voters in May 2013 and May 2017 for the fiscal year 2019 Community Investment Program. Of the \$106.1 million budgeted for General Obligation capital expenditures in fiscal year 2018, \$64.9 million is for street improvements, \$31.5 million is dedicated for park improvements and recreation center projects, \$5.2 million for expansions at two Plano branch libraries and \$4.5 million for improvements to public infrastructure to support economic redevelopment.

Budgetary impacts are minimized by setting aside resources to purchase equipment and replace existing equipment which has reached the end of its useful life with the Equipment Replacement Fund. The fund collects regularly scheduled depreciation charges from City departments possessing vehicles and capital equipment, and then uses those funds for future purchases of new equipment on an as needed basis. In fiscal year 2019, the Equipment Replacement Fund's projected revenues total \$15.1 million, with depreciation charges of over \$10.3 million as the primary source of revenue. The fund is also expected to collect \$509 thousand from the auction of City equipment and \$175 thousand from interest earned on the fund's available balance.

The City has programed a General Obligation bond sale of \$64.0 million, and a Municipal Drainage Revenue bond sale of \$6.3 million to support capital projects in fiscal year 2019. The General Obligation sale will fund numerous street improvements, the continued development and renovation of Plano's park system, renovations and additions to recreation and library facilities and public infrastructure improvements. Municipal Drainage revenue bond sales will fund utility infrastructure construction and rehabilitation for Plano's municipal drainage utility system, chiefly drainage improvements and erosion control projects. Current plans call for the City of Plano to seek additional General Obligation authority of \$40+ million in May 2019 to undertake street, park and facility maintenance projects that were originally planned for the Capital Maintenance Fund. The rising cost of construction in the Dallas-Fort Worth area and the continued aging of existing assets has warranted the consideration of debt for maintenance and restoration projects with long term life expectancies.

On November 1, 2018 billing for water use was increased by 5.0% to help pay for a 5.0% increase in water related fees passed down from the North Texas Municipal Water District (NTMWD), Plano's water supplier. The NTMWD has raised rates 167% since 2010. In a continuing effort to minimize the overall effect of the increase, the City of Plano hired a water and sewer rate consultant in order to plan both short-term and long-term water and sewer rates to ensure sustainability of the water and sewer utility fund. The Plano City Council attempted to absorb the additional charges from NTMWD initially, but has since had to raise rates to both residents and non-residents to offset the increases. Plano City Council deemed it necessary to raise water and sewer rates for both residential and non-residential customers by variable rates depending on volumetric usage.

Relevant Financial Policies

Financial Policies. The City Council Finance Subcommittee developed written policies detailing financial goals and guidelines for the City. These included policies for accounting, budgeting, capital improvements, asset management, revenue management, risk management, investing, cash management and fund balance/reserve levels. The City Council adopted these policies and on a periodic basis, the financial policies are reviewed and updated.

Accounting Procedures and Budgetary Controls. The City's accounting records for governmental funds are maintained on a modified accrual basis, with revenues being recorded when available and measurable, and expenditures being recorded when the services or goods are received and the liabilities are incurred. Accounting records for the City's proprietary funds are maintained on the accrual basis.

In developing and maintaining the City's accounting system, consideration is given to the adequacy of the internal control structure. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets; and (3) compliance with all applicable rules, regulations and contractual requirements. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary control is maintained at the fund level, and encumbrances are entered at the time a purchase order is issued. Open encumbrances are recorded as assignments of fund balance as of September 30 of each year, and the subsequent year's budget is increased to reflect these encumbrances. Unspent and unencumbered appropriations lapse at the end of the fiscal year.

The budgetary process begins each year with the preparation of both current and proposed year revenue estimates by the City's financial management staff and expenditure estimates by each City department. Budgets are reviewed by the Budget Committee which consists of the City Manager, Deputy City Managers, Director of Budget, Director of Finance, and Director of Human Resources. The City Manager makes final decisions and submits a recommended budget, or "Program of Service," to the City Council. The proposed budget is reviewed extensively by the City Council, a process that includes a Charter-mandated public hearing, in addition to work sessions which are open to the public. The City Charter requires adoption of the City budget by no later than September 15 of each fiscal year.

While the budget is developed and controlled at the departmental level, appropriations are made at the fund level. An ordinance establishes the budget for operating expenditures, debt service payments, and interfund transfers, while a separate ordinance establishes the property tax rate.

As part of each year's budget development process, departments are required to update expenditure estimates for the current fiscal year. These estimates are reviewed by the Budget Committee and the City Council concurrent with review of the proposed budget. (The "re-estimated" current year budget is used as a working budget for the last half of the current fiscal year.) This re-estimated budget, or final budget, may require a supplemental appropriation and, if so, such supplemental appropriation is approved by ordinance adopted by the City Council prior to the end of the current fiscal year.

During the course of the fiscal year, expenditure controls are maintained by each department head with overall review exercised by the Budget Committee. Monthly departmental expenditure reports are generated by an automated management accounting system and provide expenditure totals and encumbrances at the line-item level for the most recently completed month, as well as a year-to-date total, and an actual versus planned rate of expenditure. Major expenditure requests are reviewed by the Budget and Research Department prior to the encumbrance of funds.

Constant review of revenue and expenditure trends is maintained with specific responsibility assigned to the Director of Budget. Recommendations for corrective action are made to the City Manager (and to the City Council, if appropriate) as needed to ensure the integrity of the adopted budget.

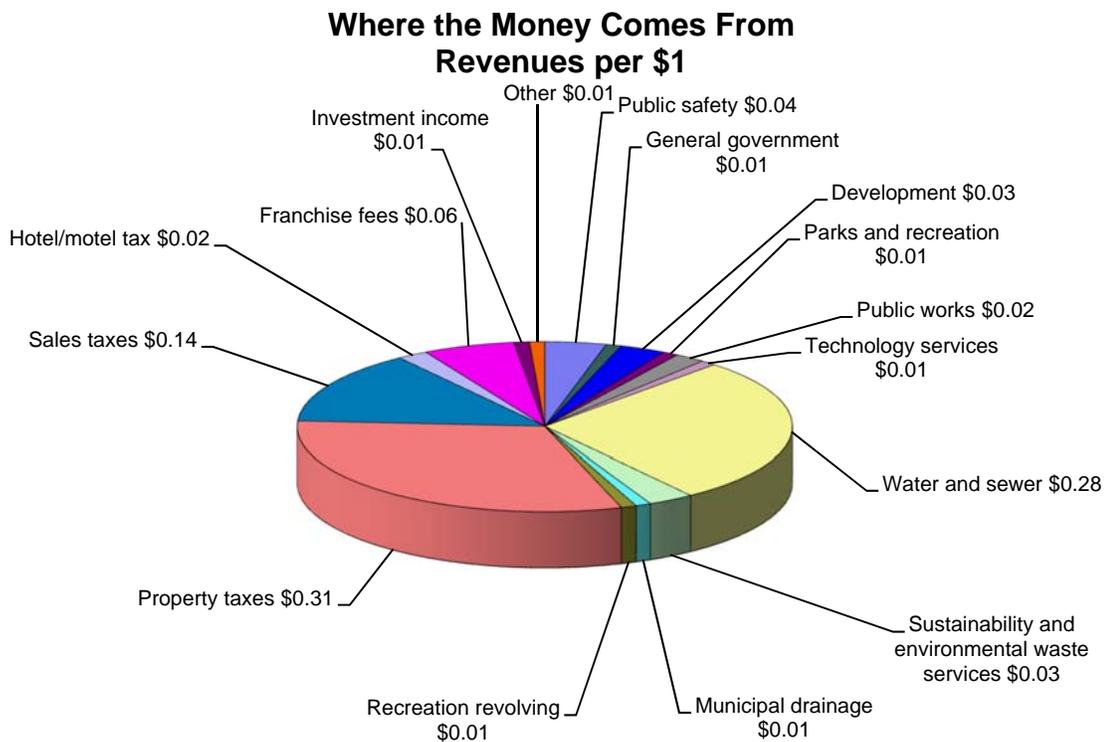
The City's Finance Department publishes a Comprehensive Monthly Financial Report (CMFR) directed at providing internal and external users with a general awareness of the City's financial positions and economic activity. The CMFR includes a Financial Summary section reporting the performances of the major operating funds, an Economic Analysis section summarizing key economic indicators and an in-depth review with graphic illustrations, and an Investment Report section describing investment activity, interest earnings and the City's portfolio. The CMFR is presented quarterly to the City Council.

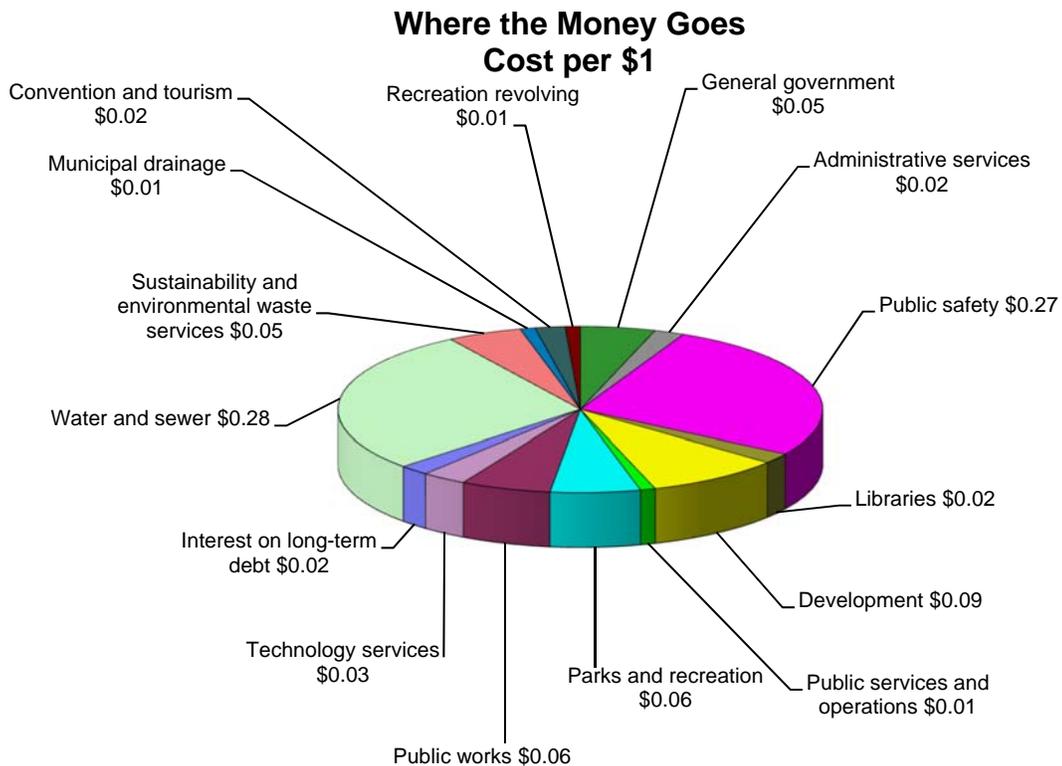
Major Initiatives

The fiscal year 2019 Community Investment Program (CIP) will continue to reflect the City’s commitment to enhancing and maintaining its infrastructure. Major facility projects from the fiscal year 2018 CIP included the majority of renovations to the Fire Station No. 1 and Fire Administration complex, the initial construction of an expansion to the Sam Johnson Recreation Center for Adults 50+ (formerly Plano Senior Recreation Center), and significant design work for the construction of a police substation and renovations at a recreation and tennis center facilities. Plano’s park and recreation system saw \$19.8 million in expenditures to improve parks and recreation centers, connect trails and obtain land for future park development, with the largest expenditure being the completion of the renovation of the south side of Carpenter Park in central Plano. Numerous major street projects were undertaken in fiscal year 2018, with a total of \$26.8 million spent to improve intersections, collector and residential streets, screening walls, sidewalks and alleys. Major sewer projects in fiscal year 2018 included completion of a lift station and force main to improve sanitary sewer capacity in northwest Plano, and ongoing inflow and infiltration repairs throughout Plano’s sanitary sewer system to prevent sewer overflows. These projects accounted for the majority of the \$5.2 million spent in fiscal year 2018 on sanitary sewer improvements. Water improvement projects totaled more than \$5.7 million, with the largest being the Plano East 1 Water Rehabilitation and Belleview & Ranch Estates Water Rehabilitation projects. Finally, nearly \$41.5 million was invested through the Capital Maintenance Fund in repairs, renovations and rehabilitation projects for City streets, facilities, and park assets with the goal of extending the useful life of those assets.

Plano also budgeted \$8.5 million for economic development incentives for fiscal year 2019 so that it remains competitive with surrounding neighboring cities. Fiscal year 2018 was the 12th year that two-cents from Plano’s property tax rate was devoted for these incentives. The Economic Development Incentive fund is used to attract and retain major business and employees to the City.

The following charts depict the sources and uses of the City’s financial breakout as of fiscal year-end 2018:





Awards and Acknowledgements

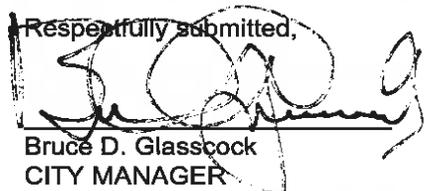
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended September 30, 2017. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. The City has received a Certificate of Achievement for the last 37 consecutive years (fiscal years ended 1981-2017). We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Many persons are responsible for the preparation of this report, and for the maintenance of records upon which it is based. Appreciation is expressed to the City employees throughout the organization, especially those employees of the Accounting Department who were instrumental in the successful completion of this report. Certain individuals worked many extra hours and exhibited extraordinary effort in ensuring the accuracy and timeliness of this report, and their contribution to this effort is greatly appreciated.

Our appreciation is also extended to the Mayor and members of the City Council for providing the resources necessary to maintain the integrity of the City's financial affairs.

Respectfully submitted,

Bruce D. Glasscock
CITY MANAGER


Denise Tacke, CPA
DIRECTOR OF FINANCE


Allison Friloux
CONTROLLER





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Plano
Texas**

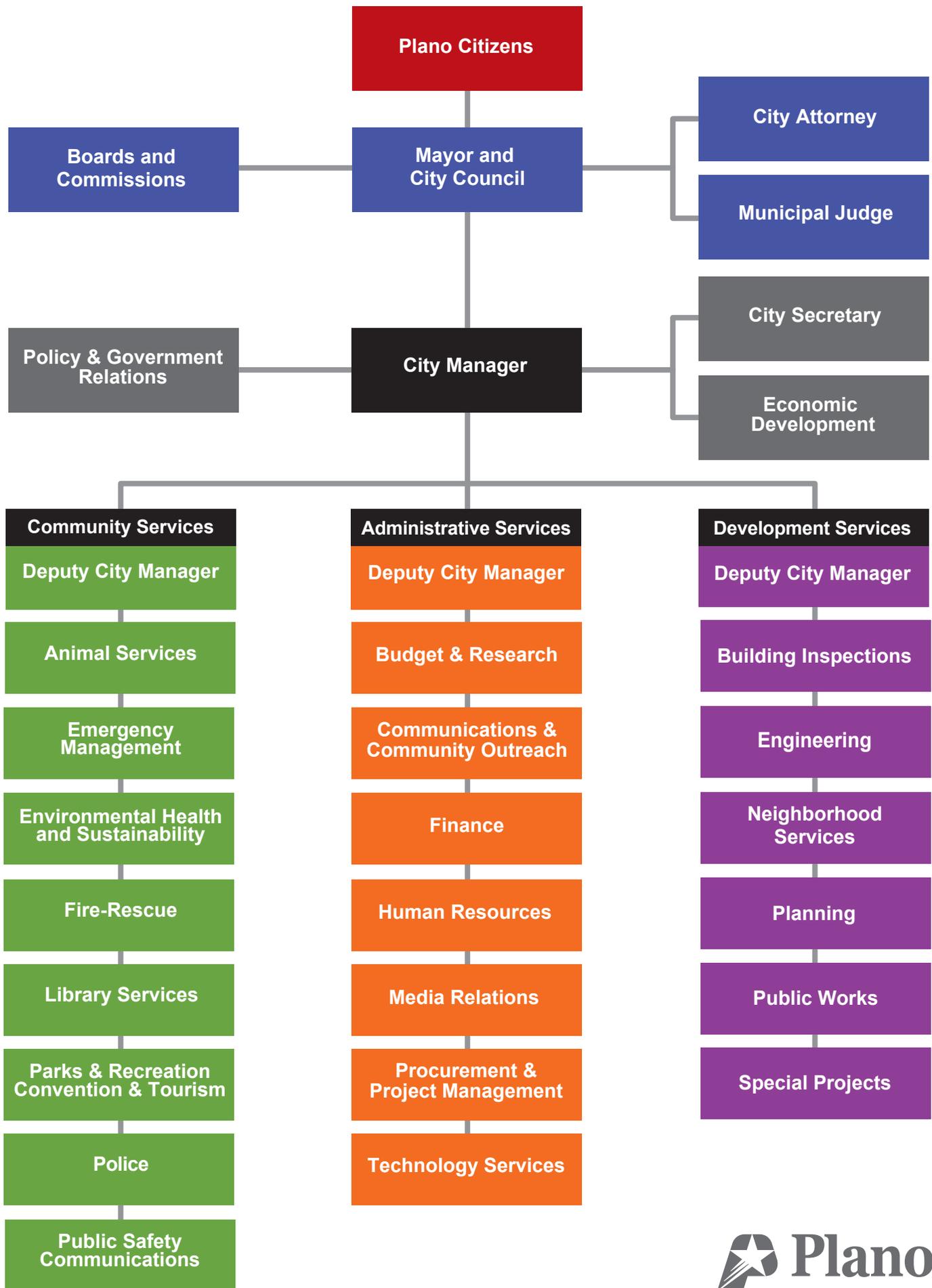
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2017

Christopher P. Morill

Executive Director/CEO

**CITY OF PLANO
ORGANIZATION CHART**



CITY OF PLANO, TEXAS
ELECTED OFFICIALS AND ADMINISTRATIVE OFFICERS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

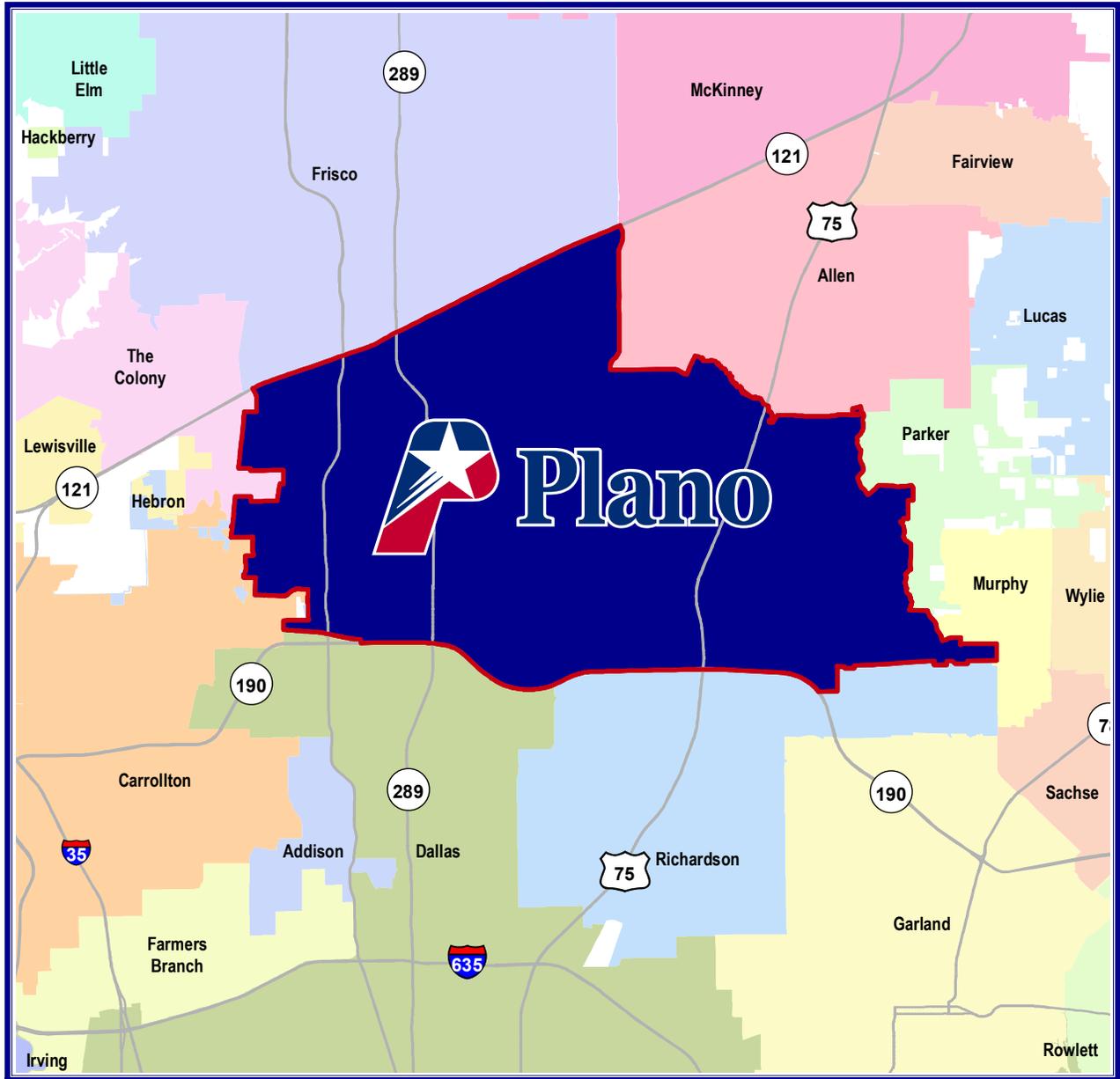
Elected Officials

<u>City Council</u>	<u>Term Expires</u>
Harry LaRosiliere Mayor Place 6	May 2021
Ron Kelley Mayor Pro Tem Place 5	May 2019
Angela Miner Deputy Mayor Pro Tem Place 1	May 2019
Anthony Ricciardelli Place 2	May 2021
Rick Grady Place 3	May 2019
Kayci Prince Place 4	May 2021
Tom Harrison Place 7	May 2019
Rick Smith Place 8	May 2021

Administrative Officers

<u>Name</u>	<u>Position</u>
Bruce D. Glasscock	City Manager
Denise Tacke, CPA	Director of Finance
Allison Friloux	Controller

The City of Plano and Surrounding Areas



FINANCIAL SECTION



FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2018
CITY OF PLANO, TEXAS







Independent Auditor's Report

The Honorable Mayor and Members of the City Council
The City of Plano, Texas

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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 as of September 30, 2018 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The Honorable Mayor and Members of the City Council
The City of Plano, Texas

Emphasis of Matter

As discussed in Note I.C. to the basic financial statements, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Beginning net position has been restated to reflect the change in accounting principle resulting from this statement. Our opinions are 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 and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and the individual fund budgetary comparison schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the individual fund budgetary comparison schedule 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 accompanying combining and individual nonmajor fund financial statements and the individual fund budgetary comparison schedule are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical section 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 it.

The Honorable Mayor and Members of the City Council
The City of Plano, Texas

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 3, 2019 on our consideration of the City's 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
January 3, 2019



MANAGEMENT'S DISCUSSION & ANALYSIS



FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2018
CITY OF PLANO, TEXAS





CITY OF PLANO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018

(unaudited)

Our discussion and analysis of the City's financial performance provides an overview and analysis of the City's financial activities for the fiscal year ended September 30, 2018. Please read it in conjunction with the accompanying transmittal letter and the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$1.5 billion (net position). Of this amount, \$1.2 billion (81.6 percent) is net investment in capital assets. The amount of net position restricted for a specific purpose is \$57.6 million (3.9 percent). The remaining \$215.1 million (14.5 percent) is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.
- The City's total net position increased by \$57.7 million. Property tax revenues are higher over prior year by \$18.2 million as a result of higher assessed property values in the current year. For fiscal year 2019, the total appraised value will include an increase in new property coming on-line of \$1.5 billion while existing property values are expected to increase by \$2.2 billion. Sales tax revenues increased over prior year by \$4.0 million partially due to the State of Texas Tax Amnesty Program, which allows for payment of delinquent sales tax without further penalty. Hotel/Motel tax revenues are higher over prior year by \$524 thousand primarily due to the addition of new hotels in the current year resulting in higher occupancy rates. Water and sewer service charges are higher over prior year by \$25.9 million attributable to increased water and sewer rates implemented November 1, 2017 in addition to increased consumption during the summer months. Economic Development Incentive fund expenditures are higher over prior year by \$11.0 million. The increase is attributed to payments made for incentive obligations which stimulate economic development for the City through usage of Chapter 380 agreements as authorized by the Texas Local Government Code.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$327.6 million, an increase of \$23.1 million in comparison with the prior year. Within this total, \$139.2 million (42.5 percent) is restricted by specific legal requirements and \$139.0 million (42.4 percent) has been committed and assigned to specific types of expenditures. Unassigned fund balance is \$46.0 million (14.1 percent) and can be used for any lawful purpose. The remaining \$3.4 million (1.0 percent) is nonspendable.
- The City's total debt increased by \$58.2 million primarily due to issuance in the current year of general obligation debt and waterworks and sewer system revenue bonds.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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 private-sector business. The Statement of Net Position presents

**City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2018
(unaudited)**

information on all of the City's assets, deferred outflows, liabilities and deferred inflows with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The Statement of Net Position combines and consolidates current financial resources (short-term spendable resources) with capital assets and long-term obligations of governmental and business-type funds. In order to assess the overall health or financial condition of the City, other non-financial factors should also be taken into consideration. These include changes in the City's property tax base and the condition of the City's infrastructure (i.e. roads, drainage improvements, storm and sewer lines, etc.).

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but not used vacation leave).

In the Statement of Net Position and the Statement of Activities, the City is divided into three types of activities:

- **Governmental activities** – Most of the City's basic services are reported here, including police, fire, libraries, development, public services and operations, parks and recreation, public works, technology services and general administration. Property taxes, sales taxes and franchise fees finance most of these activities. Additionally, the City has three blended component units that are detailed in the accompanying footnotes.
- **Business-type activities** – The City charges a fee to customers in order to cover all or most of the cost of certain services the City provides. The City's water and sewer system, sustainability and environmental waste system, municipal drainage system, convention and tourism, municipal golf course, recreation revolving and downtown center development are reported as business-type activities.
- **Component unit** – The City includes one separate legal entity in its report – Tax Increment Financing District (TIF) East Side. Although legally separate, the City is financially accountable for the TIF.

The government-wide financial statements can be found on pages 19-21 of this report.

Fund Financial Statements

A fund is a self-balancing set of accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide statements, it is useful to compare the 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

**City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2018
(unaudited)**

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

The City maintains twenty-three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, capital maintenance fund, street improvements fund, municipal facilities fund, park improvements fund and economic development incentive fund, all of which are considered to be major funds. Data from the other sixteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 22-28.

- **Proprietary funds.** The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer operations, sustainability and environmental waste services, municipal drainage, convention and tourism, golf course, recreation revolving centers and downtown development. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses its internal service funds to account for its fleet services, risk management, employee health and disability programs, municipal warehouse and its information systems. Because these services predominately benefit government rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City maintains seven individual enterprise funds. The proprietary fund financial statements provide separate information for the water and sewer, sustainability and environmental waste services and municipal drainage functions, as they are considered major funds. Data from the remaining four enterprise funds are combined into a single, aggregated presentation, as other Enterprise Funds. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 30-37 of this report.

- **Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 38 and 39 of this report.

- **Notes to the 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.

The notes to the financial statements can be found on pages 41-83 of this report.

- **Other information.** In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the general fund's budget

**City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2018
(unaudited)**

to actual performance and the City's progress in funding its obligation to provide pension and health benefits to its employees and retirees.

The required supplementary information can be found on pages 85-92 of this report.

The combining statements referred to earlier in connection with nonmajor governmental, nonmajor enterprise, internal service, agency, and component unit funds can be found on pages 93-133 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's combined net position was \$1.5 billion as of September 30, 2018. This analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities.

By far the largest portion of the City's net position (81.6 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

**Table 1
Net Position
(in Thousands)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 446,399	\$ 422,668	\$ 143,257	\$ 124,142	\$ 589,656	\$ 546,810
Capital assets	1,142,671	1,084,471	422,337	417,985	1,565,008	1,502,456
Total assets	1,589,070	1,507,139	565,594	542,127	2,154,664	2,049,266
Deferred outflows	38,659	73,775	4,606	8,114	43,265	81,889
Noncurrent liabilities	529,189	531,498	69,726	65,166	598,915	596,664
Other liabilities	36,367	30,403	18,897	19,606	55,264	50,009
Total liabilities	565,556	561,901	88,623	84,772	654,179	646,673
Deferred inflows	54,468	4,608	7,074	554	61,542	5,162
Net position:						
Invested in capital assets, net of related debt	831,253	790,688	378,270	377,622	1,209,523	1,168,310
Restricted	53,021	59,810	4,592	6,107	57,613	65,917
Unrestricted	123,431	163,907	91,641	81,186	215,072	245,093
Total net position	\$ 1,007,705	\$ 1,014,405	\$ 474,503	\$ 464,915	\$ 1,482,208	\$ 1,479,320

An additional portion of the City's net position (3.9 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (14.5 percent) may be used to meet the government's ongoing obligations to citizens and creditors.

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

**City of Plano, Texas
Management's Discussion and Analysis (continued)
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The City's net position increased by \$57.7 million during the current fiscal year. Property tax revenues are higher over prior year by \$18.2 million as a result of higher assessed property values in the current year and new property coming on-line. For fiscal year 2019, the total appraised value will include an increase in new property coming on-line of \$1.5 billion while existing property values are expected to increase by \$2.2 billion. Sales tax revenues increased over prior year by \$4.0 million partially due to the State of Texas Tax Amnesty Program, which allows for payment of delinquent sales tax without further penalty. Hotel/Motel tax revenues are higher over prior year by \$524 thousand primarily due to the addition of new hotels in the current year resulting in higher occupancy rates.

Water and sewer service charges are higher over prior year by \$25.9 million attributable to increased water and sewer rates implemented November 1, 2017 in addition to increased consumption during the summer months. This increase in revenue is offset by an increase in wastewater treatment and water supply expense of \$7.9 million due to increased contractual payments to North Texas Municipal Water District (NTMWD). Economic Development Incentive fund expenditures are higher over prior year by \$11.0 million. The increase is attributed to payments made for incentive obligations which stimulate economic development for the City through usage of Chapter 380 agreements as authorized by the Texas Local Government Code.

Governmental Activities

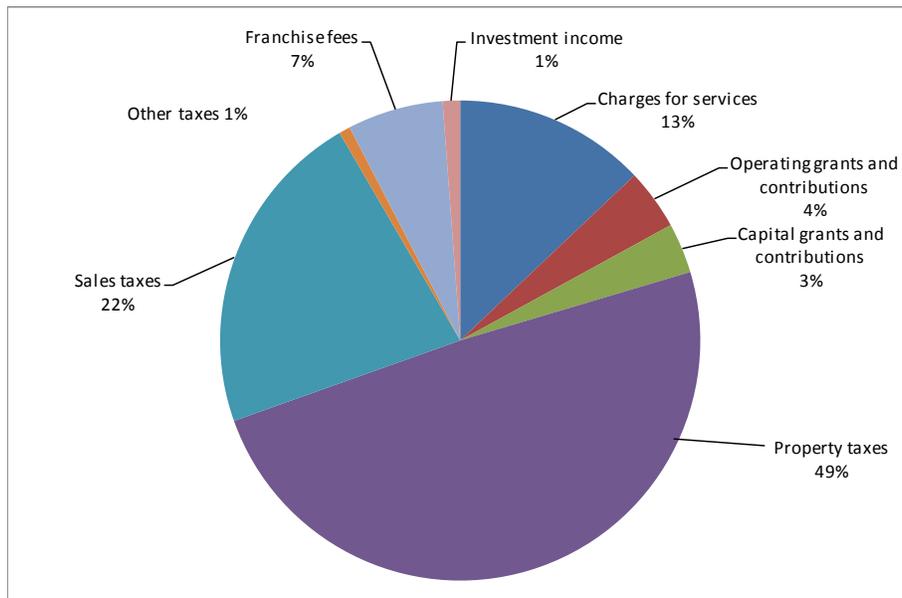
Governmental activities increased the City's net position by \$43.4 million. Key elements of this increase are as follows (Table 2):

**Table 2
Change in Net Position
(in Thousands)**

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 50,303	\$ 54,350	\$ 202,699	\$ 176,157	\$ 253,002	\$ 230,507
Operating grants and contributions	15,901	12,736	-	-	15,901	12,736
Capital grants and contributions	13,150	12,042	4,444	7,779	17,594	19,821
General revenues:						
Property taxes	191,237	173,005	-	-	191,237	173,005
Sales taxes	85,790	81,795	-	-	85,790	81,795
Other taxes	2,967	2,263	9,209	8,685	12,176	10,948
Franchise fees	25,088	24,553	8,631	8,754	33,719	33,307
Investment income	4,548	3,019	797	454	5,345	3,473
Total revenues	<u>388,984</u>	<u>363,763</u>	<u>225,780</u>	<u>201,829</u>	<u>614,764</u>	<u>565,592</u>
Expenses:						
General government	26,305	27,353	-	-	26,305	27,353
Administrative services	11,465	11,730	-	-	11,465	11,730
Police	90,322	88,408	-	-	90,322	88,408
Fire	61,043	63,105	-	-	61,043	63,105
Libraries	11,436	12,381	-	-	11,436	12,381
Development	47,861	38,018	-	-	47,861	38,018
Public services and operations	7,972	8,350	-	-	7,972	8,350
Parks and recreation	33,855	36,070	-	-	33,855	36,070
Public works	35,969	33,752	-	-	35,969	33,752
Technology services	19,216	18,193	-	-	19,216	18,193
Other	-	-	-	-	-	-
Interest on long-term debt	12,725	10,897	-	-	12,725	10,897
Water and sewer	-	-	153,118	144,380	153,118	144,380
Sustainability and environmental waste services	-	-	26,932	26,767	26,932	26,767
Municipal drainage	-	-	5,308	4,978	5,308	4,978
Convention and tourism	-	-	8,937	8,662	8,937	8,662
Municipal golf course	-	-	1,174	1,221	1,174	1,221
Recreation revolving	-	-	3,433	3,574	3,433	3,574
Downtown center development	-	-	27	17	27	17
Total expenses	<u>358,169</u>	<u>348,257</u>	<u>198,929</u>	<u>189,599</u>	<u>557,098</u>	<u>537,856</u>
Increase in net position before transfers	30,815	15,506	26,851	12,230	57,666	27,736
Transfers	12,560	13,573	(12,560)	(13,573)	-	-
Increase (decrease) in net position	43,375	29,079	14,291	(1,343)	57,666	27,736
Net position – October 1	-	985,326	-	466,258	-	1,451,584
Net position – October 1, as adjusted (Footnote I.C.)	964,330	-	460,212	-	1,424,542	-
Net position – September 30	<u>\$ 1,007,705</u>	<u>\$ 1,014,405</u>	<u>\$ 474,503</u>	<u>\$ 464,915</u>	<u>\$ 1,482,208</u>	<u>\$ 1,479,320</u>

**City of Plano, Texas
Management's Discussion and Analysis (continued)
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(unaudited)**

Revenues by Source – Governmental Activities



Program revenues were \$79.4 million, compared to \$79.1 million in fiscal year 2017. The breakdown of the increase is as follows:

- Charges for services for governmental activities decreased \$4.0 million. General government charges for services decreased over prior year by \$3.2 million primarily due to insurance receipts received in the prior year as the result of a severe storm in 2017. Development charges for services decreased \$1.7 million as building permit revenues declined due to higher valued permits issued for corporations relocating to Plano in the prior fiscal year.
- Operating grants and contributions increased \$3.2 million primarily due to Economic Development Incentive fund revenues being higher over prior year by \$928 thousand. This revenue is generated as a transfer from the general fund and is two-cents of the property tax rate dedicated for incentives. The Fire department also received increased reimbursement over prior year of \$511 thousand for deployments. Additionally, the City provided additional Resource Officers at Plano Independent School District facilities in the current fiscal year increasing revenue \$493 thousand.
- Capital grants increased \$1.1 million primarily due to increased contributions of \$7.6 million from external agencies related to streets projects. However, this increase is offset by a decrease in developers' contributions of \$7.0 million.

General revenues increased from \$284.6 million in fiscal year 2017 to \$309.6 million in fiscal year 2018. Property tax revenues increased by \$18.2 million due to an increase in assessed valuations. For fiscal year 2019, the total appraised value will include an increase in new property coming on-line of \$1.5 billion while existing property values are expected to increase by \$2.2 billion.

Overall, governmental activities expenses were \$358.2 million, an increase of \$9.9 million over the prior year primarily as a result of Economic Development Incentive fund expenditures being higher over prior year by \$11.0 million. The increase is attributed to payments made for incentive obligations, which stimulate economic development for the City through usage of Chapter 380 agreements as authorized by the Texas Local Government Code.

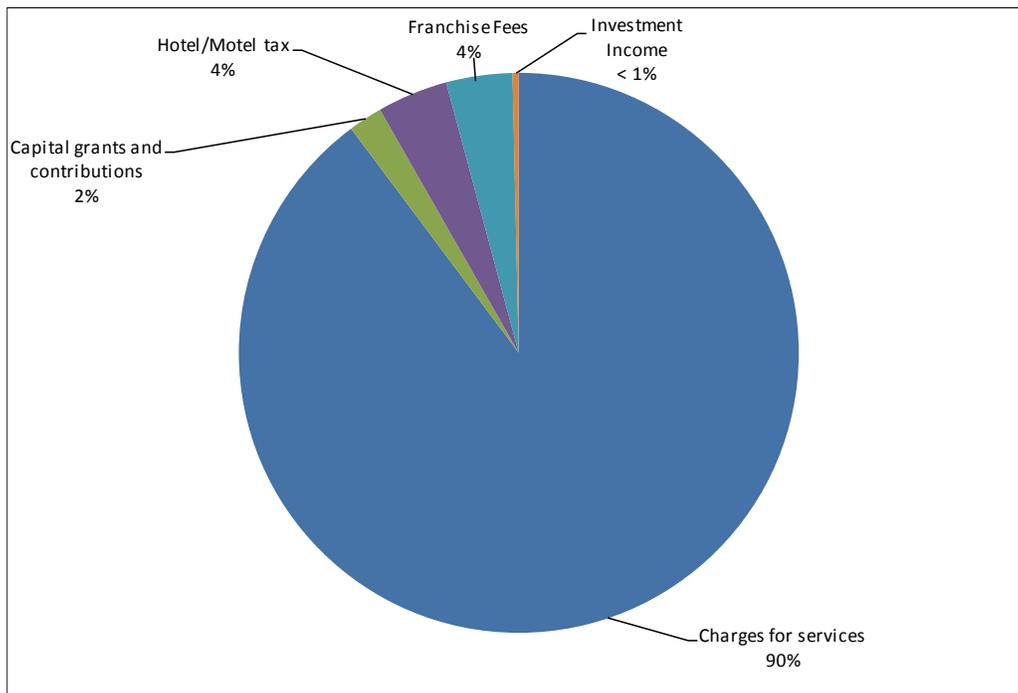
**City of Plano, Texas
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Business-Type Activities

Revenues of the City’s business-type activities were \$225.8 million for the fiscal year ended September 30, 2018. Revenues increased approximately \$24.0 million or 11.9 percent as compared to the prior fiscal year. Expenses for the City’s business-type activities increased \$9.3 million or 4.9 percent. The increase in net revenues is the result of several factors, including the following:

- The City’s water and sewer system recorded charges for services of \$169.9 million, an increase of \$25.9 million or 18.0 percent from the prior year primarily attributable to increased water and sewer rates implemented November 1, 2017 in addition to increased consumption during the summer months. The increase in revenue is offset by an increase in expense of \$8.7 million due to increased contractual payments to NTMWD as the result of a rate increase.
- The City’s sustainability and environmental waste services activities operated with program expenses exceeding program revenues by \$9.2 million compared to \$8.9 million in fiscal year 2017. Franchise fee revenue decreased \$122 thousand due to a change in the commercial franchise agreement.
- The City’s municipal drainage activity operated with charges for services exceeding expenses by \$2.3 million, compared to \$2.6 million in the prior year. The municipal drainage system recorded charges for services of \$7.6 million, which is comparable to the prior year as rates have remained constant.
- The City’s convention and tourism activity operated with expenses exceeding charges for services by \$6.2 million as compared to \$6.8 million in the prior fiscal year. Charges for services are reported at \$2.7 million, an increase of \$859 thousand, due to renovations completed at Plano Event Center resulting in increased reservations.

Revenues by Source – Business-Type Activities



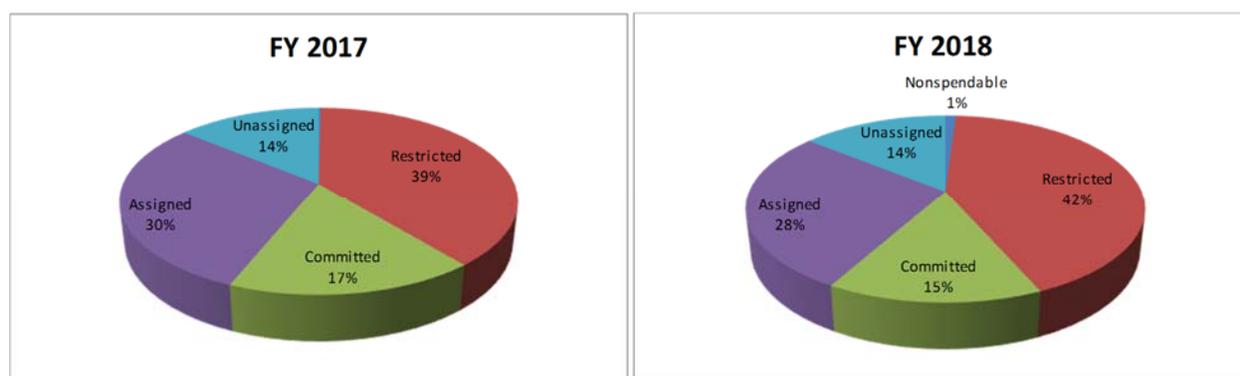
**City of Plano, Texas
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Financial Analysis of the City's Funds

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

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

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$327.6 million. Within this total \$139.2 million is restricted by specific legal requirements, such as by debt covenants, and \$139.0 million has been committed and assigned to specific types of expenditures. Unassigned fund balance is \$46.0 million and can be used for any lawful purpose. The remaining \$3.4 million is nonspendable.



The general fund is the chief operating fund of the City. The fund balance of the City's general fund increased by \$578 thousand during the current fiscal year. Key factors in this increase are as follows:

- Expenditures increased \$12.9 million primarily due to a 3% across the board pay increase for non-civil and civil service employees.
- The increases to expenditures are offset by increased revenue primarily related to higher property tax revenues of \$12.9 million as a result of increased property valuations.

The debt service fund has a total fund balance of \$6.6 million, all of which is restricted for the payment of debt service. The debt service fund increased by \$2.1 million primarily because of increased property tax revenues.

The capital maintenance fund balance of \$35.8 million is assigned for replacement and renewals of the City's infrastructure. The capital maintenance fund balance decreased \$10.2 million from the prior year as the result of capital outlay expenditures of \$41.5 million offset by \$29.8 million of transfers in.

The street improvements fund has a total balance of \$46.1 million, which has \$31.5 million in restricted and \$14.6 million in assigned fund balance. The street improvements fund balance decreased \$1.4 million primarily due to expenditures of \$26.9 million exceeding other financing sources related to debt issuance of \$20.1 million.

**City of Plano, Texas
Management's Discussion and Analysis (continued)
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The municipal facilities fund has a total balance of \$42.1 million, which has \$39.1 million in restricted and \$3.0 million in assigned fund balance. The municipal facilities fund balance increased \$17.3 million due to \$27.7 million in other financing sources related to debt issuance exceeding net expenditures of \$9.5 million.

The park improvements fund has a total fund balance of \$48.8 million, which has \$2.9 million in nonspendable, \$18.9 million in restricted and \$27.0 million in assigned fund balance. The park improvements fund balance increased over prior year \$17.4 million due to \$34.5 million in other financing sources related to debt issuance, as well as \$830 thousand transfer from the Municipal Facilities Fund and a \$1.0 million donation transferred from the Plano Improvement Corporation for construction of a new park. Net expenditures are reported at \$18.9 million in the current year.

The economic development incentive fund balance of \$48.2 million decreased over prior year by \$3.9 million as a result of expenditures being higher over prior year by \$11.0 million. The expenditure increase is attributed to payments made for incentive obligations which stimulate economic development for the City through usage of Chapter 380 agreements as authorized by the Texas Local Government Code. The portion of the fund balance obligated but unpaid for potential incentives on signed economic development agreements totals \$19.8 million.

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

- The City's Water and Sewer fund net position of \$418.3 million increased by \$12.7 million over the prior year. In the current fiscal year, total operating revenues are \$169.5 million while operating expenses are \$151.7 million. Revenue is higher primarily attributable to increased water and sewer rates implemented November 1, 2017 in addition to increased consumption during the summer months. Contractual payments to NTMWD are \$103.8 million of the total operating expense and increased compared to prior year.
- The City's Sustainability and Environmental Waste Services fund net position of \$365 thousand decreased by \$1.1 million over the prior year. Total operating expenses are \$27.7 million which exceed total operating revenues of \$26.5 million.
- The City's Municipal Drainage fund net position increased over the prior year by \$1.5 million. Drainage rates remained constant in fiscal year 2018 with revenues reported at \$7.6 million and operating expenses and transfers out of \$5.6 million.

General Fund Budgetary Highlights

During the current year, the actual expenditures on a budgetary basis were \$277.0 million compared to the final budget amount of \$281.9 million. Actual expenditures on a budgetary basis were \$71 thousand lower than the original budget and \$4.9 million lower as compared to the final budget. Decreases were due to continued prudent spending by the various departments, as well as salary savings.

For fiscal year 2018, the actual revenues on a budgetary basis were \$290.7 million as compared to the final budget amount and original budget amount of \$283.7 million and \$282.4 million, respectively. The primary reason for the variance in actual revenue compared to the final budget relates to a \$7.5 million overage in sales tax revenue. The City Council has capped the amount that can be budgeted for sales tax revenue based upon a rolling three-year average, which is \$78.1 million. Sales tax in excess on this cap is used for one-time expenditures or a transfer to the Capital Maintenance Fund.

The City has an actual budgetary basis general fund balance of \$47.1 million as of the fiscal year-end, compared to the final budget fund balance and original budget fund balance of \$35.4 million and \$38.8 million, respectively. The variance in fund balance is primarily due to the aforementioned variance in sales tax and continued prudent spending by the departments.

**City of Plano, Texas
 Management's Discussion and Analysis (continued)
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CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the fiscal year 2018, the City had \$1.6 billion invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads, bridges, and water and sewer lines (Table 3). This amount represents a net increase (including additions and deductions) of \$62.6 million over the prior fiscal year.

**Table 3
 Capital Assets at Year-end
 (Net of Depreciation, in Thousands)**

	Governmental Activities		Business-type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Land	\$ 153,331	\$ 152,099	\$ 6,771	\$ 6,765	\$ 160,102	\$ 158,864
Buildings and improvements	261,145	215,935	369,957	356,601	631,102	572,536
Equipment	50,218	48,384	1,056	786	51,274	49,170
Construction in progress	51,974	61,821	5,800	20,768	57,774	82,589
Public art	1,768	1,762	50	-	1,818	1,762
Infrastructure	624,235	604,470	-	-	624,235	604,470
Drainage improvements	-	-	38,703	33,065	38,703	33,065
Totals	\$ 1,142,671	\$ 1,084,471	\$ 422,337	\$ 417,985	\$ 1,565,008	\$ 1,502,456

This year's major capital outlay additions for governmental capital projects included (in millions):

Renovations to Fire Station No. 1	\$ 6.1
Construction of intersection improvements - Preston Road and Plano Parkway	3.3
Pavement maintenance	8.5
Expansion of the Sam Johnson Recreation Center	4.1
Renovation of Carpenter Recreation Center	4.2
Residential street and alley repair	4.8
Sidewalk repairs	3.6
Arterial concrete repairs	4.7
	<u>\$ 39.3</u>

The City's fiscal year 2019 general obligation capital budget includes \$106.1 million for capital projects, principally for four major categories: street improvements and enhancements, parks and recreation, municipal facilities and public infrastructure improvements. An additional \$64.0 million in general obligation bond proceeds will be required to support the entire 2018-2019 general obligation capital investment program.

**City of Plano, Texas
Management’s Discussion and Analysis (continued)
September 30, 2018
(unaudited)**

Street Improvements and Enhancements. The City plans to spend \$64.9 million on street improvements and enhancements including \$4.1 million for Park Boulevard corridor improvements, \$3.2 million for 18th Street and Rigsbee Drive rehabilitation, \$3.1 for Wood Park I and Dallas North Estates paving improvements, \$3.1 million for screening walls at Independence, Legacy, Coit and Rainier Roads, \$3.0 million for Dallas North Estates #2, \$3.0 million for arterial concrete street reconstruction, \$2.4 million for Legacy Drive corridor improvements, \$2.3 million at Spring Creek north and south service roads, \$2.3 million for Coit Road screening walls from Bonita to Malton, \$2.0 million for intersection improvements at Preston Road and State Highway 190, \$2.0 million City-wide signal retiming and \$2.0 million at West Plano Estates and Hunters Glen Phase I. The remaining funds for street improvements are for a variety of projects.

Parks and Recreation. Estimated expenditures for parks and recreation facilities are \$31.5 million including \$5.5 million for Carpenter Park renovations phase II, \$5.0 million for land acquisitions, \$4.4 million at High Point Tennis Center, \$4.2 million for artificial turf fields, \$2.9 million for High Point Park maintenance facility, \$2.5 million for Windhaven Meadows Park, \$2.2 million for maintenance facilities work, \$1.1 million for Liberty Recreation Center renovations, \$1.5 million for Windhaven Meadows Park development, \$1.1 million for Liberty Recreation Center renovations and \$1.0 million for Carpenter Park renovations. The remaining funds for park improvements are for a variety of projects.

Municipal Facilities. Estimated expenditures for municipal facilities are \$5.2 million including \$4.6 million for the Davis Library expansion and \$600 thousand for an expansion at Harrington Library.

Public Infrastructure Improvement. Estimated expenditures of \$4.5 million are to improve publicly owned infrastructure that serves commercial areas, such as streets, utilities and open spaces, in coordination with private development and reinvestment in commercial properties. Funds are intended to improve older areas of Plano by enhancing existing infrastructure so further economic development becomes attractive to private firms and investors.

More detailed information about the City’s capital asset activity is presented in Note 4 to the financial statements.

Debt

At year-end, the City had \$468.0 million in bonds and tax anticipation notes outstanding as compared to \$409.8 million at the end of the prior fiscal year, an increase of 14.2 percent – as shown in Table 4.

**Table 4
Outstanding Debt at Year-end
(in Thousands)**

	Governmental Activities		Business-type Activities		Totals	
	2018	2017	2018	2017	2018	2017
General obligation bonds and tax anticipation notes (backed by the City)	\$ 411,906	\$ 363,534	\$ -	\$ -	\$ 411,906	\$ 363,534
Revenue bonds (backed by fee revenues)	-	-	56,065	46,217	56,065	46,217
Totals	\$ 411,906	\$ 363,534	\$ 56,065	\$ 46,217	\$ 467,971	\$ 409,751

During the current fiscal year, the City issued \$77.9 million in new general obligation bonds. Additionally, the City issued \$11.4 million in water and sewer revenue bonds in fiscal year 2018.

**City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2018
(unaudited)**

The City's general obligation bonds and tax notes continue to carry an "AAA" rating issued by Moody's Investor Service, Standard & Poor's and Fitch, Inc., the highest rating possible. This rating has been assigned to the City's tax-supported debt since February 2000. The City's water and sewer revenue bonds carry an AAA rating, as assigned by two of the national rating agencies. The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt.

The City maintains a self-insurance program for general liability, public officials' errors and omission, police professional liability, property loss and workers' compensation. The City has claims and judgments of \$7.3 million outstanding at year-end compared with \$6.9 million at the end of the prior fiscal year. Claims and judgements of \$4.8 million relate to property/liability losses while \$2.5 million relate to health claims. Other obligations include accrued vacation pay and sick leave. More detailed information about the City's long-term liabilities and self-insurance is presented in Notes 6 and 11 to the financial statements.

ECONOMIC FACTORS AND NEXT YEARS BUDGETS AND RATES

In addition to the economy, the City's elected and appointed officials address a variety of factors, departmental requests and public input when setting the budget and tax rates for fiscal year 2019. Within our strategic goal to deliver outstanding operational analysis and effectiveness, the City of Plano is committed to providing exceptional city services at the greatest possible value. This is reinforced by consistently offering one of the lowest tax rates in the region, which includes a tax rate reduction of 0.83 cents from 46.86 cents to 46.03 cents per \$100 of assess property valuation. This is the third consecutive year the City Council has passed along a tax rate decrease. The 2018-19 Combined Budget solely includes enhancements to current services in response to continued growth in the City, which in turn places higher demands on service levels. No new programs are included in the adopted budget. The revenues available in 2018-19 as a result of increased property values presents the City an opportunity to increase funding to the City's Capital Maintenance Fund. This increase of funding is needed in order to offset escalating project construction costs and to continue the rehabilitation and maintenance of the city's aging infrastructure and facilities. If funding for this purpose is not increased and instead continues at this current level, Plano will face the difficult decision between delaying necessary projects to repair and maintain existing assets or increasing the use of debt to provide project funding.

In order to address rising construction costs and increased demands to maintain and renovate existing assets, a May 2019 bond referendum is currently under development. In this bond election, voters will decide whether or not to grant the City of Plano the ability to issue additional bonds for street maintenance, park maintenance and facility maintenance and renovation projects that were originally planned in the Capital Maintenance Fund with an expected life span of 20+ years.

The largest single revenue source in the fiscal year 2019 general fund Budget is property taxes, which account for 47.7% of total revenues. Assessed property values in Plano increased 9.4% from the prior year, including \$1.5 billion in new property entering the tax roll for the first time. As mentioned, the 2018-19 Budget does include a 0.83 cent tax rate decrease from 46.86 cents to 46.03 cents per \$100 of assessed property valuation in order to recognize taxpayers concerns over increasing assessed property values. Sales tax revenue remains the City's second largest revenue source, making up 26.0% of General Fund revenues.

The North Texas Municipal Water District (NTMWD) is projecting both water and sewer rate increases for 2018-19. Wholesale water purchased from the district is projected to increase by 5.0% per thousand gallons and is based on the full take-or-pay contract volume of 26.7 billion gallons. The increased costs are directly tied to payments for the NTMWD debt service associated with the pipeline that brings raw water from Lake Texoma to the Wylie treatment plant and the North Texas Municipal Lake (formerly known as Lower Bois d'Arc Creek Reservoir) project. With the expected increase from NTMWD in both water and sewer wholesale rates, the City of Plano remains committed to minimizing the financial impact to the citizen.

**City of Plano, Texas
Management's Discussion and Analysis (continued)
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A wastewater rate increase will also be required to offset the \$3.7 million in increased contract cost from NTMWD. The increase in the wastewater rate is to pay for increased NTMWD debt service costs along with requirements by the Environmental Protection Agency (EPA) for Capacity Management, Operations and Maintenance (CMOM).

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City's Accounting Office, at City of Plano, 1520 Avenue K, Suite 370, Plano, Texas 75074.



BASIC FINANCIAL STATEMENTS



FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2018
CITY OF PLANO, TEXAS





Exhibit "A" to Resolution No. 2019-1-9(R)

**CITY OF PLANO, TEXAS
GOVERNMENT-WIDE STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2018**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 99,095,681	\$ 20,358,413	\$ 119,454,094	\$ 2,451,232
Investments	322,764,145	62,408,487	385,172,632	8,101,354
Receivables (net of allowance for uncollectibles)	21,141,635	25,593,615	46,735,250	-
Internal balances	(14,327,194)	14,327,194	-	-
Due from other government	7,635,924	-	7,635,924	-
Inventories	1,200,248	279,956	1,480,204	-
Prepays and other assets	3,843,568	3,408,871	7,252,439	-
Restricted assets:				
Cash and cash equivalents	-	3,790,412	3,790,412	-
Investments	-	12,479,776	12,479,776	-
Receivables	-	47,591	47,591	-
Net pension asset	5,045,229	562,232	5,607,461	-
Capital assets:				
Nondepreciable	207,072,824	12,620,595	219,693,419	3,180,296
Depreciable (net)	935,598,197	409,716,539	1,345,314,736	-
Total assets	1,589,070,257	565,593,681	2,154,663,938	13,732,882
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows from pensions	28,633,405	3,823,592	32,456,997	-
Deferred outflows from other post employment benefits	3,144,024	510,542	3,654,566	-
Deferred charges on refunding	6,881,763	272,137	7,153,900	-
	<u>38,659,192</u>	<u>4,606,271</u>	<u>43,265,463</u>	<u>-</u>
LIABILITIES				
Accounts payable	5,764,377	7,241,104	13,005,481	2,700
Accrued liabilities	9,591,460	3,326,022	12,917,482	-
Accrued interest payable	1,518,951	845,867	2,364,818	-
Contracts payable	8,527,291	696,722	9,224,013	-
Customer deposits	-	3,974,203	3,974,203	-
Escrow liability	-	231,320	231,320	-
Unearned revenue	5,625,372	2,059,960	7,685,332	-
Due to other governments	2,651,209	-	2,651,209	-
Retainage payable	2,550,785	521,516	3,072,301	-
Seized assets payable	137,784	-	137,784	-
Noncurrent liabilities				
Due within one year:				
Compensated absences	4,907,767	525,383	5,433,150	-
Bonds and notes payable	35,292,194	3,743,545	39,035,739	-
Liability for insurance claims	7,319,554	-	7,319,554	-
Due in more than one year:				
Compensated absences	35,732,575	3,629,280	39,361,855	-
Bonds and notes payable	376,613,874	52,321,613	428,935,487	-
Net pension liability	58,972,098	7,825,536	66,797,634	-
Net other post employment benefit liability	10,350,804	1,680,818	12,031,622	-
Total liabilities	565,556,095	88,622,889	654,178,984	2,700
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows from pensions	35,588,632	4,007,791	39,596,423	-
Deferred inflows from other post employment benefits	18,879,754	3,065,793	21,945,547	-
	<u>54,468,386</u>	<u>7,073,584</u>	<u>61,541,970</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	831,253,007	378,270,126	1,209,523,133	3,180,296
Restricted for:				
Capital projects	4,547,109	-	4,547,109	-
Special revenue:				
Public safety	39,177,333	-	39,177,333	-
Public services and operations	1,880,193	-	1,880,193	-
Other	711,107	-	711,107	-
Component unit	133,637	-	133,637	10,549,886
Debt service	6,571,577	4,591,766	11,163,343	-
Unrestricted	123,431,005	91,641,587	215,072,592	-
Total net position	\$ 1,007,704,968	\$ 474,503,479	\$ 1,482,208,447	\$ 13,730,182

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

Exhibit "A" to Resolution No. 2019-1-9(R)

CITY OF PLANO, TEXAS
 GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

Function/Program Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 26,304,530	\$ 6,906,381	\$ 363,058	\$ 326,406
Administrative services	11,464,812	49,074	11,634	-
Police	90,322,013	17,637,778	2,556,563	151,994
Fire	61,042,750	6,138,787	1,125,987	-
Libraries	11,436,405	323,969	185,642	-
Development	47,861,153	7,588,183	10,877,259	-
Public services and operations	7,972,290	1,578,599	256,308	-
Parks and recreation	33,854,714	6,200,769	316,737	321,805
Public works	35,968,999	89,655	207,383	12,349,619
Technology services	19,215,958	3,789,685	-	-
Interest on long-term debt	12,725,258	-	-	-
Total governmental activities	358,168,882	50,302,880	15,900,571	13,149,824
Business-type Activities:				
Water and sewer	153,117,762	169,851,498	-	4,443,912
Sustainability and environmental waste services	26,932,415	17,707,463	-	-
Municipal drainage	5,308,525	7,618,351	-	-
Convention and tourism	8,937,082	2,720,286	-	-
Municipal golf course	1,173,724	977,664	-	-
Recreation revolving	3,432,942	3,728,889	-	-
Downtown center development	26,836	94,393	-	-
Total business-type activities	198,929,286	202,698,544	-	4,443,912
Total primary government	\$ 557,098,168	\$ 253,001,424	\$ 15,900,571	\$ 17,593,736
Component unit:				
TIF East Side	\$ 3,443,743	\$ -	\$ 50,000	\$ -

General revenues:
 Property taxes
 Sales taxes
 Mixed drink taxes
 Hotel/Motel tax
 Other taxes
 Franchise fees based upon gross receipts
 Investment income
 Transfers
 Total general revenues and transfers
 Change in net position
 Net position - beginning as adjusted
 (see Footnote I.C.)
 Net position - ending

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

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Unit
\$ (18,708,685)		\$ (18,708,685)	
(11,404,104)		(11,404,104)	
(69,975,678)		(69,975,678)	
(53,777,976)		(53,777,976)	
(10,926,794)		(10,926,794)	
(29,395,711)		(29,395,711)	
(6,137,383)		(6,137,383)	
(27,015,403)		(27,015,403)	
(23,322,342)		(23,322,342)	
(15,426,273)		(15,426,273)	
(12,725,258)		(12,725,258)	
<u>(278,815,607)</u>		<u>(278,815,607)</u>	
	\$ 21,177,648	21,177,648	
	(9,224,952)	(9,224,952)	
	2,309,826	2,309,826	
	(6,216,796)	(6,216,796)	
	(196,060)	(196,060)	
	295,947	295,947	
	67,557	67,557	
	<u>8,213,170</u>	<u>8,213,170</u>	
<u>(278,815,607)</u>	<u>8,213,170</u>	<u>(270,602,437)</u>	
			\$ (3,393,743)
191,237,106	-	191,237,106	2,036,092
85,790,057	-	85,790,057	-
2,322,487	-	2,322,487	-
-	9,209,353	9,209,353	-
644,540	-	644,540	-
25,088,152	8,631,271	33,719,423	-
4,548,178	797,183	5,345,361	-
12,559,897	(12,559,897)	-	-
<u>322,190,417</u>	<u>6,077,910</u>	<u>328,268,327</u>	<u>2,036,092</u>
43,374,810	14,291,080	57,665,890	(1,357,651)
964,330,158	460,212,399	1,424,542,557	15,087,833
<u>\$ 1,007,704,968</u>	<u>\$ 474,503,479</u>	<u>\$ 1,482,208,447</u>	<u>\$ 13,730,182</u>

Exhibit "A" to Resolution No. 2019-1-9(R)

**CITY OF PLANO, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2018**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Maintenance</u>	<u>Street Improvements</u>
ASSETS				
Cash and cash equivalents	\$ 12,604,837	\$ 1,521,192	\$ 9,196,392	\$ 12,028,725
Investments	41,437,343	5,008,461	30,278,737	39,604,073
Receivables (net of allowance for uncollectibles):				
Taxes	15,342,104	285,721	-	-
Accounts	1,656,072	-	-	-
Accrued interest	158,019	19,099	115,466	151,028
Assessments	-	-	-	1,366,121
Other	-	-	-	-
Due from other funds	1,046,573	-	108,000	-
Due from other governments	658,874	-	-	5,252,145
Inventories	116,045	-	-	-
Prepaid items and other assets	336,093	-	-	-
Total assets	<u>\$ 73,355,960</u>	<u>\$ 6,834,473</u>	<u>\$ 39,698,595</u>	<u>\$ 58,402,092</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 3,113,928	\$ -	\$ -	\$ -
Accrued liabilities	9,220,851	-	-	-
Contracts payable	-	-	2,992,748	2,267,834
Unearned revenue	228,097	-	-	4,940,601
Due to other funds	-	-	-	-
Due to other governments	211,599	-	-	-
Retainage payable	-	-	874,006	1,253,020
Seized assets payable	-	-	-	-
Total liabilities	<u>12,774,475</u>	<u>-</u>	<u>3,866,754</u>	<u>8,461,455</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	<u>8,367,961</u>	<u>262,896</u>	<u>-</u>	<u>3,889,645</u>
Fund Balance:				
Nonspendable:				
Prepaid items and inventories	452,138	-	-	-
Restricted for:				
Debt service	-	6,571,577	-	-
Street improvements	-	-	-	31,429,147
Municipal facilities	-	-	-	-
Park improvements	-	-	-	-
Special revenue	-	-	-	-
Blended component unit	-	-	-	-
Committed to:				
Economic development incentive	-	-	-	-
Assigned to:				
General government	117,523	-	-	-
Administrative services	275,089	-	-	-
Police	397,680	-	-	-
Fire	447,643	-	-	-
Libraries	172,395	-	-	-
Development	1,460,957	-	-	-
Public services and operations	25,108	-	-	-
Parks and recreation	1,120,841	-	-	-
Public works	1,116,644	-	-	-
Capital maintenance	-	-	35,831,841	-
Street improvements	-	-	-	14,621,845
Municipal facilities	-	-	-	-
Park improvements	-	-	-	-
Other capital projects	-	-	-	-
Other purposes	264,164	-	-	-
Unassigned	46,363,342	-	-	-
Total fund balance	<u>52,213,524</u>	<u>6,571,577</u>	<u>35,831,841</u>	<u>46,050,992</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 73,355,960</u>	<u>\$ 6,834,473</u>	<u>\$ 39,698,595</u>	<u>\$ 58,402,092</u>

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

Exhibit "A" to Resolution No. 2019-1-9(R)

<u>Municipal Facilities</u>	<u>Park Improvements</u>	<u>Economic Development Incentive</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 9,839,725	\$ 11,418,589	\$ 11,191,580	\$ 13,046,884	\$ 80,847,924
32,396,882	37,595,226	36,847,808	39,515,640	262,684,170
-	-	-	-	15,627,825
-	-	-	348,564	2,004,636
123,543	143,367	140,517	150,632	1,001,671
-	-	-	-	1,366,121
34,477	-	-	821,490	855,967
-	-	-	-	1,154,573
-	215,565	-	1,509,340	7,635,924
-	-	-	-	116,045
-	2,887,925	-	26,201	3,250,219
<u>\$ 42,394,627</u>	<u>\$ 52,260,672</u>	<u>\$ 48,179,905</u>	<u>\$ 55,418,751</u>	<u>\$ 376,545,075</u>
\$ -	\$ -	\$ -	\$ 1,177,325	\$ 4,291,253
-	-	-	53,396	9,274,247
276,273	2,918,061	-	72,375	8,527,291
-	-	-	1,822,795	6,991,493
-	-	-	1,046,573	1,046,573
-	-	-	2,439,610	2,651,209
36,349	361,897	-	25,513	2,550,785
-	-	-	137,784	137,784
<u>312,622</u>	<u>3,279,958</u>	<u>-</u>	<u>6,775,371</u>	<u>35,470,635</u>
-	215,565	-	693,316	13,429,383
-	2,887,925	-	26,201	3,366,264
-	-	-	-	6,571,577
-	-	-	-	31,429,147
39,119,360	-	-	1,759,523	40,878,883
-	18,852,235	-	-	18,852,235
-	-	-	41,377,370	41,377,370
-	-	-	124,277	124,277
-	-	48,179,905	-	48,179,905
-	-	-	-	117,523
-	-	-	-	275,089
-	-	-	-	397,680
-	-	-	-	447,643
-	-	-	-	172,395
-	-	-	-	1,460,957
-	-	-	-	25,108
-	-	-	-	1,120,841
-	-	-	-	1,116,644
-	-	-	-	35,831,841
-	-	-	-	14,621,845
2,962,645	-	-	-	2,962,645
-	27,024,989	-	-	27,024,989
-	-	-	5,018,829	5,018,829
-	-	-	-	264,164
-	-	-	(356,136)	46,007,206
<u>42,082,005</u>	<u>48,765,149</u>	<u>48,179,905</u>	<u>47,950,064</u>	<u>327,645,057</u>
<u>\$ 42,394,627</u>	<u>\$ 52,260,672</u>	<u>\$ 48,179,905</u>	<u>\$ 55,418,751</u>	<u>\$ 376,545,075</u>

**CITY OF PLANO, TEXAS
 RECONCILIATION OF THE BALANCE SHEET
 OF GOVERNMENTAL FUNDS
 TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
 AS OF SEPTEMBER 30, 2018**

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance per balance sheet	\$ 327,645,057
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,100,765,932
Deferred outflows represent a consumption of net position that applies to future periods and, therefore, will not be recognized as an outflow of resources until then. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.	6,881,763
Net pension asset and deferred outflows related to pensions and other post employment benefits.	36,822,658
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	1,366,121
Internal service funds are used by management to charge the costs of fleet management, property liability loss, health claims and municipal warehouse to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	97,988,801
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(453,403,459)
Deferred inflows represent an acquisition of net position that applies to future periods. The amount is unavailable and deferred at the fund level but recognized as revenue in the governmental activities.	13,429,383
Net pension other post employment benefit liability and deferred inflows related to pensions and other post employment benefits	(123,791,288)
Net position of governmental activities	<u><u>\$ 1,007,704,968</u></u>

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



**CITY OF PLANO, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Maintenance</u>	<u>Street Improvements</u>
REVENUES				
Taxes:				
Property taxes	\$ 132,974,743	\$ 45,071,476	\$ -	\$ -
Sales taxes	85,592,104	-	-	-
Other taxes	2,422,242	-	-	-
Franchise fees	24,354,134	-	-	-
Fines and forfeitures	6,304,020	-	-	-
Contributions	-	-	-	5,682
Rollback taxes	-	-	775,587	-
Licenses and permits	9,521,069	-	-	-
Intragovernmental	12,366,054	-	-	-
Intergovernmental	1,526,803	-	291,929	4,789,200
Fees for services	13,765,830	-	-	-
Assessed taxes	-	-	-	-
Loan repayments	-	-	-	-
Investment income	890,026	322,477	412,338	503,307
Miscellaneous	1,803,509	151,994	81,381	53,936
Total revenues	<u>291,520,534</u>	<u>45,545,947</u>	<u>1,561,235</u>	<u>5,352,125</u>
EXPENDITURES				
Current operating:				
General government	29,285,243	-	-	-
Administrative services	11,242,058	-	-	-
Police	82,593,694	-	-	-
Fire	60,502,261	-	-	-
Libraries	11,232,288	-	-	-
Development	33,470,968	-	-	-
Public services and operations	6,956,478	-	-	-
Parks and recreation	25,293,952	-	-	-
Public works	7,427,734	-	-	-
Technology services	1,000,000	-	-	-
Capital outlay	3,599,793	-	41,542,150	26,767,678
Interest and fiscal charges	-	-	-	141,760
Debt service:				
Principal retirement	-	28,765,000	-	-
Interest and fiscal charges	-	14,650,303	-	-
Total expenditures	<u>272,604,469</u>	<u>43,415,303</u>	<u>41,542,150</u>	<u>26,909,438</u>
Excess (deficiency) of revenues over (under) expenditures	<u>18,916,065</u>	<u>2,130,644</u>	<u>(39,980,915)</u>	<u>(21,557,313)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	19,057,111
Premium on sale of bonds	-	-	-	1,086,860
Transfers in	8,627,163	-	29,809,000	-
Transfers out	<u>(26,964,827)</u>	-	-	-
Total other financing sources (uses)	<u>(18,337,664)</u>	-	<u>29,809,000</u>	<u>20,143,971</u>
Net change in fund balances	578,401	2,130,644	(10,171,915)	(1,413,342)
Fund balances-beginning	51,635,123	4,440,933	46,003,756	47,464,334
Fund balances-ending	<u>\$ 52,213,524</u>	<u>\$ 6,571,577</u>	<u>\$ 35,831,841</u>	<u>\$ 46,050,992</u>

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

Exhibit "A" to Resolution No. 2019-1-9(R)

<u>Municipal Facilities</u>	<u>Park Improvements</u>	<u>Economic Development Incentive</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 178,046,219
-	-	-	-	85,592,104
-	-	-	-	2,422,242
-	-	-	-	24,354,134
-	-	-	7,165,196	13,469,216
34,477	-	7,729,679	1,494,905	9,264,743
-	-	-	-	775,587
-	-	-	-	9,521,069
-	-	-	-	12,366,054
-	6,240	-	3,211,957	9,826,129
-	-	-	3,466,364	17,232,194
-	-	-	79,560	79,560
-	-	-	26,190	26,190
356,153	391,068	481,170	456,245	3,812,784
-	100,000	558,014	8,900	2,757,734
<u>390,630</u>	<u>497,308</u>	<u>8,768,863</u>	<u>15,909,317</u>	<u>369,545,959</u>
-	-	-	-	29,285,243
-	-	-	-	11,242,058
-	-	-	8,477,695	91,071,389
-	-	-	957,584	61,459,845
-	-	-	114,698	11,346,986
-	-	12,666,375	2,221,924	48,359,267
-	-	-	981,459	7,937,937
-	-	-	-	25,293,952
-	-	-	-	7,427,734
-	-	-	-	1,000,000
9,735,341	19,180,024	-	1,578,967	102,403,953
194,991	242,835	-	-	579,586
-	-	-	-	28,765,000
-	-	-	-	14,650,303
<u>9,930,332</u>	<u>19,422,859</u>	<u>12,666,375</u>	<u>14,332,327</u>	<u>440,823,253</u>
<u>(9,539,702)</u>	<u>(18,925,551)</u>	<u>(3,897,512)</u>	<u>1,576,990</u>	<u>(71,277,294)</u>
26,213,057	32,644,832	-	-	77,915,000
1,494,976	1,861,791	-	-	4,443,627
-	1,830,000	-	552,897	40,819,060
(830,000)	-	-	(1,013,085)	(28,807,912)
<u>26,878,033</u>	<u>36,336,623</u>	<u>-</u>	<u>(460,188)</u>	<u>94,369,775</u>
17,338,331	17,411,072	(3,897,512)	1,116,802	23,092,481
24,743,674	31,354,077	52,077,417	46,833,262	304,552,576
<u>\$ 42,082,005</u>	<u>\$ 48,765,149</u>	<u>\$ 48,179,905</u>	<u>\$ 47,950,064</u>	<u>\$ 327,645,057</u>

**CITY OF PLANO, TEXAS
 RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 2018**

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

Net change in fund balance - total governmental funds	\$ 23,092,481
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	53,234,391
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	7,388,973
The issuance of long-term debt (e.g., bonds, tax anticipation notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(53,593,627)
Other long-term liabilities related to pension net expense and contributions, are not due and payable in the current period and, therefore, are not reported in governmental funds.	4,757,229
Other long-term liabilities related to pension net expense in internal service funds	260,375
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	133,431
Internal service funds are used by management to charge the costs of fleet management, property liability loss, health claims and municipal warehouse to individual funds. The net expenses of certain activities of internal service funds are reported within governmental activities.	7,864,143
Grant revenues included in the special revenue funds which are used for the benefit of business-type activities. The net expenses of certain activities are reported within the business-type activities.	237,414
Change in net position of governmental activities	<u>\$ 43,374,810</u>

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



CITY OF PLANO, TEXAS
 STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 AS OF SEPTEMBER 30, 2018

	Business-type Activities Enterprise Funds					Governmental Activities- Internal Service Funds
	Water and Sewer	Sustainability and Environmental Services	Municipal Drainage	Other Enterprise Funds	Total	
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 15,915,277	\$ 972,299	\$ 1,276,558	\$ 2,194,279	\$ 20,358,413	\$ 18,247,757
Investments	47,796,107	3,199,837	4,203,011	7,209,532	62,408,487	60,079,975
Receivables (net of allowance for uncollectibles):						
Accounts	21,307,271	1,291,047	824,210	575,495	23,998,023	56,404
Accrued interest	182,267	12,202	16,028	27,493	237,990	229,011
Other	9,994	1,330,252	-	17,356	1,357,602	-
Inventories	279,956	-	-	-	279,956	1,084,203
Prepaid expenses and other assets	2,468,756	472,220	270	467,625	3,408,871	593,349
Net pension asset	235,397	181,388	36,950	108,497	562,232	271,402
Restricted assets:						
Revenue bond debt service-						
Cash and cash equivalents	190,964	-	875,645	-	1,066,609	-
Investments	628,740	-	1,747,100	-	2,375,840	-
Accrued interest receivable	2,398	-	10,994	-	13,392	-
Revenue bond reserve fund-						
Investments	-	-	1,135,925	-	1,135,925	-
Revenue bond construction fund-						
Cash and cash equivalents	2,723,803	-	-	-	2,723,803	-
Investments	8,968,011	-	-	-	8,968,011	-
Accrued interest receivable	34,199	-	-	-	34,199	-
Total current assets	<u>100,743,140</u>	<u>7,459,245</u>	<u>10,126,691</u>	<u>10,600,277</u>	<u>128,929,353</u>	<u>80,562,101</u>
Capital assets:						
Land	3,657,667	-	121,030	2,992,154	6,770,851	62,522
Public art	-	-	-	50,000	50,000	-
Buildings	2,748,029	569,023	52,921	13,782,224	17,152,197	5,975,294
Improvements other than buildings	662,511,158	-	-	3,519,353	666,030,511	-
Equipment	111,445	470,301	15,048	1,785,307	2,382,101	43,203,658
Furniture and fixtures	129,460	2,448	4,421	269,974	406,303	316,835
Rolling equipment	2,417	-	-	-	2,417	57,907,241
Drainage improvements	-	-	48,844,338	-	48,844,338	-
Construction in progress	5,072,893	-	726,851	-	5,799,744	-
Less accumulated depreciation	(297,506,012)	(199,780)	(10,192,731)	(17,202,805)	(325,101,328)	(65,560,461)
Total capital assets (net of accumulated depreciation)	<u>376,727,057</u>	<u>841,992</u>	<u>39,571,878</u>	<u>5,196,207</u>	<u>422,337,134</u>	<u>41,905,089</u>
Total noncurrent assets	<u>376,727,057</u>	<u>841,992</u>	<u>39,571,878</u>	<u>5,196,207</u>	<u>422,337,134</u>	<u>41,905,089</u>
Total assets	<u>477,470,197</u>	<u>8,301,237</u>	<u>49,698,569</u>	<u>15,796,484</u>	<u>551,266,487</u>	<u>122,467,190</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows from pensions	1,846,464	1,040,786	340,999	595,343	3,823,592	1,707,757
Deferred outflows from other post employment benefits	232,065	153,857	39,469	85,151	510,542	164,091
Deferred charges on refunding	-	-	272,137	-	272,137	-
	<u>2,078,529</u>	<u>1,194,643</u>	<u>652,605</u>	<u>680,494</u>	<u>4,606,271</u>	<u>1,871,848</u>

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

(continued)

CITY OF PLANO, TEXAS
 STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 AS OF SEPTEMBER 30, 2018
 (continued)

	Business-type Activities Enterprise Funds				Total	Governmental Activities- Internal Service Funds
	Water and Sewer	Sustainability and Environmental Services	Municipal Drainage	Other Enterprise Funds		
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 6,761,667	\$ 108,232	\$ 149,689	\$ 221,516	\$ 7,241,104	\$ 1,473,124
Accrued liabilities	289,144	2,769,752	45,984	221,142	3,326,022	317,213
Unearned revenue	160	-	-	2,059,800	2,059,960	-
Due to other funds	-	-	-	-	-	108,000
Customer deposits	3,784,754	-	-	189,449	3,974,203	-
Escrow liability	231,320	-	-	-	231,320	-
Liability for compensated absences	255,573	205,661	59,136	5,013	525,383	165,937
Liability for insurance claims	-	-	-	-	-	7,319,554
Total current liabilities	<u>11,322,618</u>	<u>3,083,645</u>	<u>254,809</u>	<u>2,696,920</u>	<u>17,357,992</u>	<u>9,383,828</u>
Current liabilities payable from restricted assets:						
Contracts payable	696,722	-	-	-	696,722	-
Current portion of long-term debt	2,008,060	-	1,735,485	-	3,743,545	-
Accrued interest payable	594,246	-	251,621	-	845,867	-
Retainage payable	483,866	-	37,650	-	521,516	-
Total current liabilities payable from restricted assets	<u>3,782,894</u>	<u>-</u>	<u>2,024,756</u>	<u>-</u>	<u>5,807,650</u>	<u>-</u>
Total current liabilities	<u>15,105,512</u>	<u>3,083,645</u>	<u>2,279,565</u>	<u>2,696,920</u>	<u>23,165,642</u>	<u>9,383,828</u>
Noncurrent liabilities:						
Bonds payable	37,004,927	-	15,316,686	-	52,321,613	-
Net pension liability	3,729,021	2,175,716	658,024	1,262,775	7,825,536	3,403,407
Net other post employment benefit liability	764,008	506,531	129,942	280,337	1,680,818	540,220
Liability for compensated absences	1,509,015	1,184,982	189,150	746,133	3,629,280	495,965
Total noncurrent liabilities	<u>43,006,971</u>	<u>3,867,229</u>	<u>16,293,802</u>	<u>2,289,245</u>	<u>65,457,247</u>	<u>4,439,592</u>
Total liabilities	<u>58,112,483</u>	<u>6,950,874</u>	<u>18,573,367</u>	<u>4,986,165</u>	<u>88,622,889</u>	<u>13,823,420</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows from pensions	1,743,577	1,256,355	307,871	699,988	4,007,791	1,907,416
Deferred inflows from other post employment benefits	1,393,542	923,908	237,012	511,331	3,065,793	985,356
	<u>3,137,119</u>	<u>2,180,263</u>	<u>544,883</u>	<u>1,211,319</u>	<u>7,073,584</u>	<u>2,892,772</u>
NET POSITION						
Net investment in capital assets	349,440,083	841,992	22,791,844	5,196,207	378,270,126	41,905,089
Restricted for:						
Debt service	822,102	-	3,769,664	-	4,591,766	-
Unrestricted	68,036,939	(477,249)	4,671,416	5,083,287	77,314,393	65,717,757
Total net position	<u>\$ 418,299,124</u>	<u>\$ 364,743</u>	<u>\$ 31,232,924</u>	<u>\$ 10,279,494</u>	<u>\$ 460,176,285</u>	<u>\$ 107,622,846</u>

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

**CITY OF PLANO, TEXAS
RECONCILIATION OF THE STATEMENT OF NET POSITION
OF PROPRIETARY FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2018**

Amounts reported for business-type activities in the statement of net position are different because:

Total net position of proprietary funds \$ 460,176,285

Internal service funds are used by management to charge the costs of fleet management, property liability loss, health claims and municipal warehouse to individual funds.

The net receivable due from activities of the internal service funds which is reported within business-type activities. 14,327,194

Net position of business-type activities \$ 474,503,479

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



Exhibit "A" to Resolution No. 2019-1-9(R)

CITY OF PLANO, TEXAS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Business-type Activities Enterprise Funds				Total	Governmental Activities- Internal Service Funds
	Sustainability and Environmental Services		Municipal Drainage	Other Enterprise Funds		
	Water and Sewer	Environmental Services				
OPERATING REVENUES:						
Charges for sales and services:						
Service charges	\$ 167,908,267	\$ 14,192,229	\$ 7,567,719	\$ 7,416,865	\$ 197,085,080	\$ 84,138,355
Franchise fees	-	8,631,271	-	-	8,631,271	-
Compost products	-	2,469,513	-	-	2,469,513	-
Subrogation receipts	-	-	-	-	-	1,581,032
Intergovernmental	1,002,227	53,085	-	-	1,055,312	-
Contributions	-	109,733	-	-	109,733	-
Miscellaneous charges	616,887	1,082,378	-	65,890	1,765,155	107,594
Total operating revenues	<u>169,527,381</u>	<u>26,538,209</u>	<u>7,567,719</u>	<u>7,482,755</u>	<u>211,116,064</u>	<u>85,826,981</u>
OPERATING EXPENSES:						
Personnel services	11,301,764	7,460,436	2,583,419	5,086,734	26,432,353	10,935,613
Pension expense (net)	(314,190)	(217,249)	(53,593)	(120,005)	(705,037)	(260,375)
Contractual services	8,434,595	8,715,816	835,329	7,517,323	25,503,063	16,516,281
Supplies	1,279,735	667,866	229,020	976,244	3,152,865	9,053,818
Claims expense	-	-	-	-	-	33,923,553
Depreciation	15,846,714	36,548	914,037	382,435	17,179,734	9,469,632
Solid waste disposal	-	8,604,886	-	-	8,604,886	-
Wastewater treatment	31,430,015	-	-	-	31,430,015	-
Charges in lieu of taxes	10,126,729	2,239,325	-	-	12,366,054	-
Water supply	72,334,642	-	-	-	72,334,642	-
Miscellaneous	1,243,753	178,860	43,896	141,791	1,608,300	168,170
Total operating expenses	<u>151,683,757</u>	<u>27,686,488</u>	<u>4,552,108</u>	<u>13,984,522</u>	<u>197,906,875</u>	<u>79,806,692</u>
Operating income (loss)	<u>17,843,624</u>	<u>(1,148,279)</u>	<u>3,015,611</u>	<u>(6,501,767)</u>	<u>13,209,189</u>	<u>6,020,289</u>
NONOPERATING REVENUES (EXPENSES):						
Investment income	574,665	33,461	105,869	83,188	797,183	735,394
Loss on property disposition	-	-	-	(15,075)	(15,075)	993,181
Interest and fiscal charges	(1,248,722)	-	(651,381)	-	(1,900,103)	-
Hotel/Motel tax	-	-	-	9,209,353	9,209,353	-
Intergovernmental revenues	-	-	-	-	-	169,028
Miscellaneous	324,117	37,939	50,632	38,477	451,165	550,644
Total nonoperating revenue (expenses)	<u>(349,940)</u>	<u>71,400</u>	<u>(494,880)</u>	<u>9,315,943</u>	<u>8,542,523</u>	<u>2,448,247</u>
Income (loss) before contributions and transfers	<u>17,493,684</u>	<u>(1,076,879)</u>	<u>2,520,731</u>	<u>2,814,176</u>	<u>21,751,712</u>	<u>8,468,536</u>
Contributions from developers	4,443,912	-	-	-	4,443,912	-
Transfers in	-	-	-	-	-	798,749
Transfers out	(9,262,230)	-	(1,028,073)	(2,269,594)	(12,559,897)	(250,000)
Change in net position	12,675,366	(1,076,879)	1,492,658	544,582	13,635,727	9,017,285
Total net position-beginning as adjusted (Footnote I.C.)	<u>405,623,758</u>	<u>1,441,622</u>	<u>29,740,266</u>	<u>9,734,912</u>	<u>446,540,558</u>	<u>98,605,561</u>
Total net position-ending	<u>\$ 418,299,124</u>	<u>\$ 364,743</u>	<u>\$ 31,232,924</u>	<u>\$ 10,279,494</u>	<u>\$ 460,176,285</u>	<u>\$ 107,622,846</u>

**CITY OF PLANO, TEXAS
 RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENSES AND CHANGES IN NET POSITION OF PROPRIETARY FUNDS
 TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 2018**

Amounts reported for business-type activities in the statement of activities are different because:

Net change in net position - total proprietary funds	\$ 13,635,727
<p>Internal service funds are used by management to charge the costs of fleet management, property liability loss, health claims and municipal warehouse to individual funds.</p>	
The net revenues of certain activities of internal service funds are reported within business-type activities.	892,767
The net revenues of grant activities of special revenue funds are reported within business-type activities.	(237,414)
 Change in net position of business-type activities	 <u><u>\$ 14,291,080</u></u>

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

Exhibit "A" to Resolution No. 2019-1-9(R)

CITY OF PLANO, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Business-type Activities Enterprise Funds				Total	Governmental Activities- Internal Service Funds
	Water and Sewer	Sustainability and Environmental Services	Municipal Drainage	Other Enterprise Funds		
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers	\$ 168,686,877	\$ 17,735,853	\$ 7,553,004	\$ 9,203,208	\$ 203,178,942	\$ 84,411,596
Cash received from subrogation	-	-	-	-	-	1,581,032
Franchise fees	-	8,631,271	-	-	8,631,271	-
Charges in lieu of taxes	(10,126,729)	(2,239,325)	-	-	(12,366,054)	-
Cash payments to suppliers for goods and services	(116,043,616)	(18,995,019)	(1,579,393)	(8,508,441)	(145,126,469)	(59,819,791)
Cash paid to or on behalf of employees for services	(11,147,591)	(7,299,470)	(2,679,448)	(5,037,555)	(26,164,064)	(10,805,587)
Net cash provided (used) by operating activities	31,368,941	(2,166,690)	3,294,163	(4,342,788)	28,153,626	15,367,250
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Hotel/Motel tax	-	-	-	9,209,353	9,209,353	-
Transfers to other funds	(9,262,230)	-	(1,028,073)	(2,269,594)	(12,559,897)	(250,000)
Transfers from other funds	-	-	-	-	-	798,749
Intergovernmental receipts	-	-	-	-	-	169,028
Net cash provided (used) by noncapital financing activities	(9,262,230)	-	(1,028,073)	6,939,759	(3,350,544)	717,777
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and construction of capital assets	(13,317,321)	(39,243)	(5,693,213)	(387,114)	(19,436,891)	(10,872,516)
Bond proceeds	12,509,709	-	-	-	12,509,709	-
Bond issuance costs paid	(750)	-	(3,000)	-	(3,750)	-
Proceeds from sale of equipment	-	-	-	-	-	1,002,034
Principal paid on long-term debt	(855,000)	-	(1,840,000)	-	(2,695,000)	-
Interest and fees paid on long-term debt	(980,400)	-	(624,288)	-	(1,604,688)	-
Proceeds from insurance damages	324,117	37,939	50,632	38,477	451,165	550,644
Net cash used by capital and related financing activities	(2,319,645)	(1,304)	(8,109,869)	(348,637)	(10,779,455)	(9,319,838)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchases of investment securities	(57,392,858)	(3,199,837)	(7,086,036)	(7,209,532)	(74,888,263)	(60,079,975)
Proceeds from sale and maturities of investment securities	46,995,983	5,404,747	12,856,492	6,079,504	71,336,726	60,889,324
Interest on investments	554,623	44,124	133,238	81,416	813,401	763,983
Net cash provided (used) by investing activities	(9,842,252)	2,249,034	5,903,694	(1,048,612)	(2,738,136)	1,573,332
Net increase in cash and cash equivalents	9,944,814	81,040	59,915	1,199,722	11,285,491	8,338,521
Cash and cash equivalents - beginning of year	8,885,230	891,259	2,092,288	994,557	12,863,334	9,909,236
Cash and cash equivalents - end of year	\$ 18,830,044	\$ 972,299	\$ 2,152,203	\$ 2,194,279	\$ 24,148,825	\$ 18,247,757
Classified as:						
Current assets	\$ 15,915,277	\$ 972,299	\$ 1,276,558	\$ 2,194,279	\$ 20,358,413	\$ 18,247,757
Restricted assets	2,914,767	-	875,645	-	3,790,412	-
Total	\$ 18,830,044	\$ 972,299	\$ 2,152,203	\$ 2,194,279	\$ 24,148,825	\$ 18,247,757
Noncash disclosures:						
Developers' contributions	\$ 4,443,912	\$ -	\$ -	\$ -	\$ 4,443,912	\$ -
Premium amortization	183,060	-	55,485	-	238,545	-
Amortization of deferred charge on refunding	-	-	(89,410)	-	(89,410)	-
Loss on property disposition	-	-	-	(15,075)	(15,075)	(8,853)
Decrease in fair value of investments	(485,747)	(11,279)	(19,939)	(60,019)	(576,984)	(442,129)
Transfer in (out) of capital assets	(1,018)	(746,067)	(28,570)	(40)	(775,695)	3,483,536
Donated capital asset	-	-	-	-	-	92,663

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

(continued)

Exhibit "A" to Resolution No. 2019-1-9(R)

CITY OF PLANO, TEXAS
 STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2018
 (continued)

	Business-type Activities Enterprise Funds				Total	Governmental Activities- Internal Service Funds
	Water and Sewer	Sustainability and Environmental Services	Municipal Drainage	Other Enterprise Funds		
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss)	\$ 17,843,624	\$ (1,148,279)	\$ 3,015,611	\$ (6,501,767)	\$ 13,209,189	\$ 6,020,289
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	15,846,714	36,548	914,037	382,435	17,179,734	9,469,632
Change in assets and liabilities:						
(Increase) decrease in-						
Accounts receivable	(1,292,630)	(97,843)	(14,715)	464,765	(940,423)	(16,523)
Other accounts receivable	(4,747)	(73,242)	-	13,029	(64,960)	185,317
Due from other funds	-	-	-	-	-	53,853
Prepaid expenses and other assets	(1,531,119)	(448,142)	(270)	(171)	(1,979,702)	(141,701)
Inventories	(79,126)	-	-	-	(79,126)	(26,556)
Pensions	(314,190)	(217,249)	(53,593)	(120,005)	(705,037)	(260,375)
Increase (decrease) in-						
Accounts payable	289,369	(379,449)	(470,878)	114,059	(446,899)	(446,400)
Accrued liabilities	40,668	171,833	1,227	(35,605)	178,123	63,559
Due to other funds	-	-	-	(11,753)	(11,753)	(57,000)
Liability for compensated absences	113,505	(10,867)	(97,256)	84,784	90,166	66,467
Customer deposits	456,883	-	-	(75,023)	381,860	-
Unearned revenue	(10)	-	-	1,342,464	1,342,454	-
Liability for insurance claims	-	-	-	-	-	456,688
Total adjustments	<u>13,525,317</u>	<u>(1,018,411)</u>	<u>278,552</u>	<u>2,158,979</u>	<u>14,944,437</u>	<u>9,346,961</u>
Net cash provided (used) by operating activities	<u>\$ 31,368,941</u>	<u>\$ (2,166,690)</u>	<u>\$ 3,294,163</u>	<u>\$ (4,342,788)</u>	<u>\$ 28,153,626</u>	<u>\$ 15,367,250</u>

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

**CITY OF PLANO, TEXAS
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
AS OF SEPTEMBER 30, 2018**

	Pension and Other Employee Benefit Trust Funds	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 3,793,696	\$ 712,343
Investment pool	-	2,345,359
U.S. government obligations	24,655,868	-
Corporate bonds	16,330,546	-
Common stocks	112,934,525	-
Mutual funds	90,740,526	-
Accrued interest	377,614	8,943
Total assets	248,832,775	3,066,645
LIABILITIES		
Accounts payable	569,364	-
Developers' escrow liability	-	2,863,087
Unclaimed property payable	-	203,558
Total liabilities	569,364	3,066,645
NET POSITION		
Held in trust for pension benefits	158,416,677	
Held in trust for other postemployment benefits	89,846,734	
Total net position	\$ 248,263,411	

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



CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The City of Plano, Texas (City) was originally incorporated in 1873 and chartered on June 10, 1961, and is a municipal corporation incorporated under provisions of H.B. 901 of the Texas Legislature. The City operates under a Council-Manager form of government and provides such services as authorized by its charter to advance the welfare, health, comfort, safety and convenience of the City and its inhabitants.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America (GAAP) applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *State and Local Governments – Audit and Accounting Guide*. The significant accounting policies of the City are described below.

A. Financial Statement Presentation

The basic financial statements are prepared in conformity with GAAP, which requires the government-wide financial statements to be prepared using the accrual basis of accounting and the economic resources measurement focus. Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities, business-type activities and activities of its discretely presented component unit on the statement of net position and statement of activities. The City's statement of net position includes both noncurrent assets and noncurrent liabilities of the City. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets, including infrastructure.

In addition to the government-wide financial statements, the City has prepared fund financial statements, which use the modified accrual basis of accounting and the current financial resources measurement focus for the governmental funds. The accrual basis of accounting is utilized by proprietary fund types and the pension trust and postemployment benefits trust funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The Management's Discussion and Analysis provides an analytical overview of the City's financial activities. In addition, a budgetary comparison statement is presented that compares the original adopted and final amended General Fund and Debt Service Fund budgets with actual results. The City does not have any Special Revenue funds with legally adopted budgets.

B. Reporting Entity

The City is governed by an elected mayor and seven-member council. As required by GAAP, these financial statements present the City (the primary government) and its component unit, an entity for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations and data from these units are combined with data of the primary government. A discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the City. The criteria for including organizations as component units within the City's

**CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2018**

reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name);
- the City appoints a voting majority of the organization's board;
- the City is able to impose its will on the organization;
- the organization has the potential to impose a financial benefit/burden on the City; or
- there is fiscal dependency by the organization on the City.

Discretely Presented Component Unit.

The City has established a Tax Increment Financing district (TIF) for project improvements within the City. The TIF provides financing for public improvements associated with the future development of East Plano. The project was approved by the City Council in fiscal year 1999. The TIF is legally separate from the City, and the City appoints a majority of its governing board for the TIF; however, the entity is fiscally dependent on the City. All taxing entities, including the Plano Independent School District, Collin College and Collin County continued to participate through the initial term which expired December 31, 2014. In fiscal year 2014, the City passed an ordinance to extend the termination date for an additional 15 years. The additional 15-year term will include participation with the City, as well as Collin County. Financial reports may be obtained by request to the City's Accounting Department, 1520 Avenue K, Suite 370, Plano, Texas 75074.

Blended Component Units.

The City has established a Public Improvement District (PID) for project improvements and services for the Downtown Plano area, which benefits the primary government. The PID was approved in October 2014. The PID is utilized to provide additional improvements and services in Downtown Plano where funding is derived from a special assessment paid by downtown property owners and based on a property's taxable value. Chapter 372 of the Texas Local Government Code allows City Council to establish an advisory board for the PID, which has the responsibility of developing the improvement plan for the PID. The advisory board must consist of the property owners. Additionally, an executive committee is comprised of three property owners representing the greatest appraised property values, plus five other members to be elected by the entire advisory board. The executive committee shall prepare a service plan and assessment plan for consideration of the advisory board, whose recommendation shall be presented to the City Council for review and approval.

In fiscal year 2016, the Plano Improvement Corporation (PIC) was established as a 501(c)3 to serve as a non-profit corporation to facilitate real estate transactions and serve as an independent foundation for acceptance of donations. The City desired to create the PIC for the purpose of transfer of land and improvements that the City wants developed pursuant to Texas Local Government Code §272.001(b)(4). Occasionally, individuals, as well as charitable corporations and foundations desire to donate real and/or personal property to the City to further the charitable purposes of the person or entity and to benefit the citizens of Plano. The City provides all financial support to the PIC and because the services provided by the PIC exclusively benefit the City, it is blended into the City's financial statements in the Other Governmental Funds category.

In fiscal year 2017, the Transportation Management Association (TMA) was created as a 501(c)6 comprised of businesses and local governments dedicated to solving local transportation concerns, which benefits the primary government. The TMA is an organized group applying selected measures to facilitate the movement of people and goods within an area led by a Board of Directors, with public and private members with a common interest. The TMA represents and connects employers, employees and government agencies to mitigate mobility challenges. Additionally, the organization allows businesses to pool resources to support commuter transportation strategies, act in an advocacy role with local government and expand knowledge of alternatives to commuting in single occupancy vehicles. Currently,

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 NOTES TO BASIC FINANCIAL STATEMENTS (continued)
 SEPTEMBER 30, 2018**

membership is restricted to specific boundaries and derived from dues paid by contributing businesses in the area. In fiscal year 2017, the City of Plano applied for grant funding through the North Central Texas Council of Governments which will pass-through to the TMA by means of an agreement once finalized. The City will be involved in the initial implementation and establishment of the TMA organization through the life of the grant, which at that time operations will be conducted by the TMA Board.

Related Organization.

The City's mayor appoints the board of the Plano Housing Authority, but the City's accountability for this organization does not extend beyond making the appointments. Thus, it is not included in the primary government or as a discretely presented component unit.

The financial statements are formatted to allow the user to clearly distinguish between primary government and its discretely presented component unit.

C. Upcoming and Newly Implemented Accounting Pronouncements

During fiscal year 2018, the City adopted the following GASB Statements:

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes financial reporting standards for state and local governmental other post employment benefit plans (OPEB). The statement replaces Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. The adoption of Statement No. 74 has no impact on the City's financial statements. However, the separately issued OPEB report implemented GASB Statement No. 74 as of December 31, 2017.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*, addresses accounting and financial reporting by state and local governments for postemployment benefits other than pensions. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*.

With this implementation, the City's financial statements were restated to reflect the beginning net OPEB liability, deferred outflows and inflows of resources and the recognition of OPEB expense and contributions made between the start of the measurement period and the City's prior fiscal year. The restatement to beginning net position is noted below and reflected on the statements:

	Government-wide		Fund Level	
			Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	
	Governmental Activities	Business-type Activities	Business-type	Internal Service
Net position at 10/1/17	\$ 1,014,404,806	\$ 464,915,235	\$ 451,243,394	\$ 100,117,067
Change in reporting for OPEB	(50,074,648)	(4,702,836)	(4,702,836)	(1,511,506)
Net position restated at 10/1/17	<u>\$ 964,330,158</u>	<u>\$ 460,212,399</u>	<u>\$ 446,540,558</u>	<u>\$ 98,605,561</u>

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
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GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, pertains to a type of a giving agreement used by donors to provide resources to two or more beneficiaries, including governments. The adoption of Statement No. 81 has no impact on the City's financial statements.

GASB Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68 and No. 73*, addresses certain issues that have been raised with respect to these statements. It addresses issues regarding the presentation of payroll-related measures in required supplementary information, the selection of assumptions and the treatment of deviations from the guidance in and Actuarial Standard of Practice for financial reporting purposes, and the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The City implemented this Statement in the current fiscal year.

GASB Statement No. 85, *Omnibus 2017*, addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits for pensions and other postemployment benefits. The City implemented this Statement in the current fiscal year.

GASB Statement No. 86, *Certain Debt Extinguishments Issues*, improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources are placed in an irrevocable trust for the sole purpose of extinguishing debt. The adoption of Statement No. 86 has no impact on the City's financial statements.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurring before the end of a construction period. The City implemented this Statement in the current fiscal year.

The GASB has issued the following statements, which will be effective in future fiscal years as described below:

GASB Statement No. 83, *Certain Asset Retirement Obligations*, effective for periods beginning after June 15, 2018, addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets will recognize a liability based on the guidance in this Statement. The City is currently evaluating the impact of implementation of this Statement.

GASB Statement No. 84, *Fiduciary Activities*, establishes criteria for identifying fiduciary activities of governments and for identifying fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This statement is effective for periods beginning after December 15, 2018. The City is currently evaluating the impact of implementation of this Statement.

GASB Statement No. 87, *Leases*, will increase the usefulness of government financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The City is currently evaluating the impact of this Statement.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, will improve the information that is disclosed in notes to financial statements related to debt by requiring additional essential information. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The City is currently evaluating the impact of this Statement.

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NOTES TO BASIC FINANCIAL STATEMENTS (continued)
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GASB Statement No. 90, *Majority Equity Interests*, improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of information presented for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The City is currently evaluating the impact of this Statement.

D. Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements; the focus is either the City as a whole or major individual funds (within the fund financial statements). The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component unit. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. The exception to this general rule is interfund services provided by the internal service funds. Elimination of these charges would distort the direct costs reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (e.g., police, fire, public works, etc.) or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment, and (3) grants and contributions that are restricted to meeting the capital requirements of a particular function or segment. Taxes and other items properly excluded from program revenues are reported instead as general revenues.

The net cost (by function or business-type activity) is normally covered by general revenue (property and sales taxes, franchise fees and interest income).

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The major governmental funds are the general fund, debt service fund, capital maintenance fund, street improvements fund, municipal facilities fund, park improvements fund and economic development incentive fund. The major enterprise funds are the water and sewer fund, environmental waste services fund and municipal drainage fund. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category for the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a separate column in the fund financial statements.

Internal Service Funds, which traditionally provide services primarily to other funds of the government, are presented in the summary form as part of the proprietary fund financial statements. Because the principal users of the internal services are the City's governmental activities, financial statements of internal service funds are consolidated into the governmental column when presented at the government-wide level. To the extent possible, the cost of these services is reflected in the appropriate functional activity (e.g., police, fire, public works, etc.). The City's internal service funds consist of equipment maintenance and replacement, municipal warehouse, technology services, risk management and health claims funds.

**CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2018**

The City's fiduciary funds are presented in the fund financial statements by type. Since by definition these assets are being held for the benefit of a third-party (other local governments, individuals, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. The City's fiduciary funds consist of funds that account for the pension trust, postemployment benefits trust, developers' escrow and unclaimed property.

The government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal year. The focus of the fund financial statements is on the major individual funds of the governmental and proprietary categories, as well as the fiduciary funds (by category). Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

E. Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund statements. The economic resources measurement focus means all assets and liabilities (whether current or noncurrent) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services, which are accrued. Expenses are recognized at the time the liability is incurred.

Government fund level financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, in other words, as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the obligation has matured and is due and payable shortly after year-end as required by GASB Interpretation No. 6.

Ad valorem, franchise and sales tax revenues recorded in the General Fund and ad valorem tax revenues recorded in the Debt Service Fund are recognized under the susceptible to accrual concept.

Licenses and permits, charges for services, fines and forfeitures, contributions and miscellaneous revenues are recorded as revenues when received in cash, as the resulting receivable is not measurable. Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. Intergovernmental grant revenues are recognized when all eligibility requirements have been met. Additionally, funds received in advance for which all eligibility requirements have not been met are considered unearned revenue.

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

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2018

Paving assessments in the Street Improvements Fund are recorded as revenues when cash is received. The assessments are due in annual installments, including interest, over a four to eight year period. The assessments are measurable when assessed but are generally not available for use when assessed. Unallocated assessments are recorded as unearned revenue.

Business-type activities and all proprietary funds, and the pension trust and postemployment benefits trust funds, are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and deferred outflows, liabilities and deferred inflows associated with the operation of these funds are included on the balance sheet. Proprietary fund-type operating statements present increases (revenues) and decreases (expenses) in net total position. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's water and sewer, environmental waste services, municipal drainage, convention and tourism, municipal golf course, downtown center development and recreation revolving funds are charges to customers for sales and services. Operating expenses for the enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The following major funds are used by the City:

1. Governmental Funds:

The focus of governmental fund measurement (in the fund financial statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the major governmental funds of the City:

- a. The General Fund accounts for several of the City's primary services (e.g., police, fire, public works, libraries, parks and recreation, etc.) and is the primary operating unit of the City.
- b. The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.
- c. The Capital Maintenance Fund accounts for the financing of betterments and renewals to the City's infrastructure and for public improvements not requiring general obligation bond financing.
- d. The Street Improvements Fund accounts for the financing and acquisition of right of way and construction of streets, storm sewers and alleys. Funds are provided primarily through bond sales, paving assessments and interest earnings.
- e. The Municipal Facilities Fund accounts for the financing and construction of various City facilities. Funds are provided primarily through bond sales and interest earnings.
- f. The Park Improvements Fund accounts for the financing and construction of park projects. Funds are provided primarily through bond sales and interest earnings.
- g. The Economic Development Incentive Fund accounts for \$0.02 of ad valorem revenue designated by the City Council for stimulating economic development for the City through usage of Chapter 380 agreements as authorized by the Texas Local Government Code.
- h. Other Governmental Funds is a summarization of all of the nonmajor governmental funds.

**CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2018**

2. Enterprise Funds:

The focus of proprietary funds measurement is upon determination of operating income, changes in net position, financial position, and cash flows, which is similar to businesses. The following is a description of the major Enterprise Funds of the City:

- a. The Water and Sewer Fund accounts for the operation of the City's water and sewer utilities. Activities of the fund include administration, operation and maintenance of the water and sewer system and billing and collection activities. All costs are financed through charges made to utility customers with rates reviewed regularly and adjusted if necessary to ensure financial integrity of the fund.
- b. The Environmental Waste Services Fund accounts for the provision of environmental services to customers who are billed monthly at a rate sufficient to cover the cost of providing such services.
- c. The Municipal Drainage Fund accounts for the City's storm water management program.
- d. Other Enterprise Funds are a summarization of all of the nonmajor enterprise funds.

3. Other Fund Types:

The City additionally reports for the following fund types:

- a. Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, generally on a cost-reimbursement basis.
- b. Agency funds are used to account for assets held by the City in an agency capacity for individuals (Unclaimed property) or developers (Developers' escrow). Agency funds record only assets and liabilities and therefore have no measurement focus.
- c. Trust funds are used to account for the accumulation of resources to be used for the retirement benefit payments to employees of the City and for postemployment health benefits.

F. Cash, Cash Equivalents and Investments

Cash and cash equivalents include cash on hand, demand deposits, escrow cash with a fiscal agent and short-term investments with original maturities of three months or less from the date of acquisition.

Cash and cash equivalents for government-wide funds are combined into one bank account in order to maximize investment opportunities. Although individual funds may experience temporary overdraft liabilities, a positive balance is maintained in combined cash.

All investments are recorded at fair value based on quoted market prices, except for certificates of deposit and investments in government pools, which are recorded at amortized cost. Amortized cost approximates fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

**CITY OF PLANO, TEXAS
 NOTES TO BASIC FINANCIAL STATEMENTS (continued)
 SEPTEMBER 30, 2018**

G. Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either interfund advances or interfund receivable/payable. All other outstanding balances between funds are reported as due to/from other funds. 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, Prepaid Items and Other Assets

Inventories of supplies are maintained at the City warehouse for use by all City funds and are accounted for by the consumption method. They are valued at cost, which is determined using a weighted-average method. The cost of governmental fund type inventory is recorded as an expenditure when consumed rather than when purchased.

Prepaid items are for payments made by the City in the current year to receive services occurring in the subsequent fiscal year, utilizing the consumption method. Inventories and prepaid items are reflected as nonspendable fund balance in the governmental funds.

I. Interfund Transactions

Short-term advances between funds are accounted for in the appropriate interfund receivable and payable accounts. Long-term advances between funds are accounted for in the appropriate interfund receivable and payable accounts and fund balance is nonspendable for these amounts. All legally authorized transfers are appropriately treated as transfers and are included in the results of operations of both governmental and proprietary funds. Nonrecurring or nonroutine transfers of equity between funds – for example, contribution of capital assets to a proprietary fund or transfers of residual balances of discontinued funds to other funds – are accounted for as transfers.

J. Capital Assets

Property, plant and equipment purchased or acquired are carried at historical cost or estimated historical cost. Contributed capital assets are recorded at acquisition value at the time received. Public domain (infrastructure) capital assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems have been recorded at estimated historical cost. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings	15 - 40
Improvements other than buildings	20 - 50
Equipment	2 - 10
Furniture and fixtures	5 - 10
Drainage improvements	50
Meters	10
Storm/sanitary sewer	50
System infrastructure	30 - 50

**CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2018**

K. Compensated Absences

City employees are granted vacation and sick leave in varying amounts. Employees are required to utilize a minimum of 40 hours of vacation per year. Upon termination and completion of five years of service, an employee is reimbursed for accumulated vacation. Vacation leave is capped at 480 hours and leave in excess of 480 hours will not be reimbursed upon termination. Police and firefighters are reimbursed upon termination up to a maximum of 90 days accumulated sick leave as required by state civil service law. All other full-time City employees with five or more years of service are reimbursed up to 90 days accumulated sick leave upon termination. Sick leave in excess of 90 days is not paid upon termination, but will be paid only upon illness while in the employment of the City. Accumulated vacation and sick leave is accrued when incurred in the government-wide and proprietary financial statements.

L. Federal and State Grants

Grants and shared revenues are generally accounted for within the fund financed. Federal grants are accounted for within the Grant Fund (Special Revenue) and Street Improvements Fund (Capital Projects). Various state grants are also included in the Grant Fund and Street Improvements Funds. Grant revenues received for purposes normally financed through the general government are accounted for within the General Fund and those for specific purposes in the special revenue funds.

M. Retirement Plans

The City has two separate retirement plans, Texas Municipal Retirement System (TMRS) and Retirement Security Plan (RSP), covering substantially all employees. In addition, the City has a deferred compensation plan and a postemployment benefit plan (115 Trust). It is the City's policy to record the cost for such plans on the accrual basis (See Note 5).

N. Deferred Inflows/Outflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category.

- Difference in expected and actual experience for the TMRS pension plan – This difference is deferred and recognized over the estimated average remaining service lives of all members determined as of the measurement date.
- Changes in actuarial assumptions used to determine pension liability for the RSP plan – This difference is deferred and amortized over the estimated average remaining service lives of all members determined as of the measurement date.
- Pension and OPEB plans' employer contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Deferred charges on refunding – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2018

In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents 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 has the following items that qualify for reporting in this category.

- Unavailable revenue – These deferred inflows are reported on the governmental funds balance sheet as the funds are not received soon enough after year end to pay liabilities of the current period. These deferred inflows are reclassified to revenue on the governmental-wide financial statements.
- Difference in expected and actual experience for the pension and OPEB plans – This difference is deferred and recognized over the estimated average remaining service lives of all members determined as of the measurement date.
- Changes in actuarial assumptions used to determine liabilities for the TMRS pension and the OPEB plans – This difference is deferred and amortized over the estimated average remaining service lives of all members determined as of the measurement date.
- Difference in projected and actual investment earnings on pension and OPEB plans' assets – This difference is deferred and amortized over a closed five-year period.

O. Long-Term Debt

General obligation bonds issued for general government capital projects that are to be repaid from tax revenues of the City are recorded in the government-wide statement of net position. Tax anticipation notes have been issued to fund permanent public improvements related to public safety communications and network infrastructure. Such notes are to be repaid from tax revenues of the City and are recorded in the government-wide statement of net position. Revenue bonds issued for proprietary fund assets that are to be repaid by the proprietary fund are recorded in the proprietary funds.

Revenue bonds have been issued to fund capital projects of proprietary funds. Such bonds are to be repaid from the net revenues of the applicable proprietary fund. To date, revenue bonds have been issued for municipal drainage and waterworks and sewer system improvements.

Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective-interest method in the government-wide financial statements. Issuance costs are recognized as an expense in the period incurred. Bonds payable are reported net of the applicable bond premium or discount.

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

P. Net Position

In the government-wide and proprietary funds financial statements, the net position is reported in three components: (1) net investment in capital assets; (2) restricted; and (3) unrestricted. Net investment in capital assets represents the City's total investment in capital assets, net of depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvements of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

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 NOTES TO BASIC FINANCIAL STATEMENTS (continued)
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As a result of restatement of net position for GASB Statement No. 75, the Risk Management fund ended fiscal year 2018 with negative net position of \$(158,190). GASB Statement No. 75 does not establish requirements for funding but rather provides users with information of the effects of these transactions on the face of the financial statements. The Risk Management fund has positive cash and cash equivalents of \$1,162,049.

The Grant fund also reported negative fund balance of \$(356,097) at September 30, 2018, due to reimbursements not being received within 30 days and thus, not considered available to pay liabilities of the current period.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$(453,403,459) difference are as follows:

Bonds and tax anticipation notes payable	\$ (377,085,000)
Add: Premium	(34,821,068)
Accrued interest payable	(1,518,951)
Compensated absences	<u>(39,978,440)</u>
Net adjustment to fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ (453,403,459)</u>

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of the reconciliation explains, “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.” The details of the \$53,234,391 difference are as follows:

Capital outlay	\$ 102,403,953
Depreciation expense	(47,157,099)
Other capital-related transactions	<u>(2,012,463)</u>
Net adjustment to net change in fund balance - total governmental funds to arrive at change in net position of governmental activities	<u>\$ 53,234,391</u>

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Another element of the reconciliation states, "The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this \$(53,593,627) difference are as follows:

Bonds issued	\$ (77,915,000)
Premium	(4,443,627)
Principal payments	<u>28,765,000</u>
 Net adjustment to net change in fund balances - total governmental funds to arrive at change in net position of governmental activities	 <u><u>\$ (53,593,627)</u></u>

The reconciliation also states, "Some expenses reported in the statement of activities do not require the use of current financial resources, and, therefore are not reported as expenditures in governmental funds." The details of this \$133,431 difference are as follows:

Changes in:	
Compensated absences	\$ (1,791,614)
Accrued interest	(304,327)
Amortization of deferred charge on refunding	(2,992,233)
Amortization of bond premium	<u>5,221,605</u>
 Net adjustment to net change in fund balances - total governmental funds to arrive at change in net position of governmental activities	 <u><u>\$ 133,431</u></u>

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Legal Compliance - Budgets

The City Charter contains the following requirements, which are adhered to by the City Council, regarding preparation of the annual budget:

- The City Manager, between 60 and 90 days prior to October 1 of each fiscal year, shall submit to the Council a proposed budget. Such budget shall provide a complete financial plan for the fiscal year.
- At the meeting of the City Council at which the budget is submitted, the City Council shall fix the time and place of a public hearing on the budget and shall cause to be published in the official newspaper of the City, a notice of the hearing setting forth the time and place thereof at least five days before the date of such hearing.
- The budget shall be finally adopted no later than 15 days prior to the beginning of the fiscal year and should the City Council fail to so adopt a budget, the then existing budget together with its tax-levying ordinance and its appropriation ordinance, shall be deemed adopted for the ensuing fiscal year.

**CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2018**

The City Council approves annual appropriations for operations and interfund transfers for all operating and debt service funds. Only the General Fund and Debt Service Fund have legally adopted annual budgets. The City Manager has the authority to transfer unexpended balances between departmental budgets within appropriated funds. The City Council, however, must approve any increase in fund appropriations. The legal level of budgetary control is the fund level. During the year, there was an appropriation increase of \$973,288 for the General Fund. Funds with operating appropriations and interfund transfers set by ordinance include the General Fund and Debt Service Fund. During the year, appropriations are adjusted as a result of re-estimates by the departments. For budgetary purposes, unencumbered appropriations lapse at fiscal year-end.

Budgets and Budgetary Basis of Accounting

The Budgetary Comparison Statement, included in the required supplementary information section, presents a comparison of budgetary data to actual results of operations for the General Fund, for which an annual operating budget is legally adopted. This fund utilizes the same basis of accounting for both budgetary purposes and actual results, with the following exceptions:

- The portion of ad valorem tax revenues in the General Fund from “rolled back” tax payments (those taxes, up to five years back, on properties previously taxed at special use exemption values and currently changed to full values) are excluded from the budgetary basis tax revenues and from the general governmental expenditures.
- The General Fund encumbrances are added to the actual expenditures for budgetary comparison.

Nature and Purpose of Classifications of Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Fund balance should be reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provision or enabling legislation. Fund balance should be reported as committed when amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed fund balance also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. Fund balance should be reported as assigned for amounts that are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the governing body itself or a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. Unassigned fund balance is the residual classification for the general fund and includes amounts that are available for any purpose. Positive amounts are reported only in the general fund.

**CITY OF PLANO, TEXAS
 NOTES TO BASIC FINANCIAL STATEMENTS (continued)
 SEPTEMBER 30, 2018**

Open encumbrances are recorded as assignments of fund balance as of September 30 of each year, and the subsequent year's budget is increased to reflect these encumbrances. Unspent and unencumbered appropriations lapse at the end of the fiscal year. Below are details of encumbrances at September 30, which are classified as a portion of assigned fund balance:

Assigned to Encumbrances:	
Governmental Funds	
General	\$ 5,133,880
Capital maintenance	26,941,254
Street improvements	14,621,845
Municipal facilities	2,962,645
Park improvements	27,024,989
DART	15,570
	\$ 76,700,183

The City Council is the City's highest level of decision-making authority and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution approved by the City Council. This can also be done through adoption or amendment of the budget. The resolution must either be approved or rescinded, as applicable, prior to the last day of the fiscal year for which the commitment is made. The amount subject to the constraint may be determined in the subsequent period.

The City Council has authorized the City Manager as the official authorized to assign fund balance. Such assignments cannot exceed the available (spendable, unrestricted, and uncommitted) fund balance in any particular fund.

When multiple categories of fund balance are available for expenditure (for example, a construction project is being funded partly by a grant, funds set aside by the City Council, and unassigned fund balance), the City will start with the most restricted category and spend those funds first before the next category with available funds.

It is the desire of the City to maintain adequate general fund balance to maintain liquidity and in anticipation of economic downturns or natural disasters. The City Council has adopted a financial standard to maintain a general fund minimum unassigned fund balance of 30 days working capital.

IV. DETAILED NOTES ON ALL FUNDS

1. DEPOSITS AND INVESTMENTS:

Deposits

Pursuant to provisions of both the Texas Public Funds Investment Act (PFIA) and the Public Funds Investment Policy of the City, all deposits of the City that exceed the federal depository insurance coverage level are collateralized with an irrevocable letter of credit at 100% or by securities held by a third party custodian and pledged to the City in an amount not less than 102% (on a market value basis) of the City's deposit of public funds and any accrued interest.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2018

At September 30, 2018, the carrying amount of the City's demand deposits was \$43,544,549, which includes component unit deposits of \$879,681. The bank balance was \$46,571,655. Cash on hand totaled \$1,422,732. The carrying value and the bank balance of the City's non-negotiable certificates of deposit (CD) were \$36,956,684, which includes component unit deposits of \$730,911. Fixed term investment pool carrying value totaled \$25,000,000, which includes component unit deposits of \$494,438. The carrying value of cash held in trust by a bank trust department for the City's Postemployment Benefit Trust Fund and Retirement Security Plan were \$692,605 and \$3,555,135, respectively.

Investments – Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs or quoted prices in markets that are not active; and Level 3 inputs are significant unobservable inputs (the City does not value any of its investments using Level 3 inputs).

The City has the following recurring fair value measurements as of September 30, 2018:

- U.S. Agencies of \$154.7 million are valued using matrix pricing (Level 2 inputs)
- Municipal Bonds of \$191.4 million are valued using quoted market prices in markets that are not active (Level 2 inputs)

The Retirement Security Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The plan has the following recurring fair value measurements as of September 30, 2018:

- U.S. Government Obligations of \$24.7 million are valued using matrix pricing (Level 2 inputs)
- Corporate Bonds of \$16.3 million are valued using matrix pricing (Level 2 inputs)
- Equities of \$113.5 million are valued using quoted market prices (Level 1 inputs)

The Postemployment Benefit Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The plan has the following recurring fair value measurements as of September 30, 2018:

- Equities of \$90.1 million are valued using quoted market prices (Level 1 inputs)

**CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2018**

At September 30, 2018, the City's investment balances by fair value levels were as follows:

	<u>Fair Value Measurements Using</u>				Weighted Avg Maturity (Years)*
	9/30/2018	Quoted Prices in Active Markets for Identical Assets Primary Government (Level 1)	Significant Other Observable Inputs Primary Government (Level 2)	Significant Other Observable Inputs Component Unit (Level 2)	
Government-wide					
U.S. Agencies	\$ 154,696,066	\$ -	\$ 147,850,838	\$ 6,845,228	0.5632
Municipal Bonds	191,415,536	-	191,415,536	-	0.5672
Total Government-wide	<u>346,111,602</u>	<u>-</u>	<u>339,266,374</u>	<u>6,845,228</u>	1.1304
Investment Trust Funds					
Retirement Security Plan:					
U.S. Government obligations	24,655,868	-	24,655,868	-	4.3400
Corporate bonds	16,330,546	-	16,330,546	-	3.6200
Equities:					
Common stocks	100,190,751	100,190,751	-	-	NA
Mutual funds	13,355,835	13,355,835	-	-	NA
Postemployment Benefit:					
Equities:					
Common stocks	12,743,774	12,743,774	-	-	NA
Mutual funds	77,384,691	77,384,691	-	-	NA
Total Investment Trust Funds	<u>244,661,465</u>	<u>203,675,051</u>	<u>40,986,414</u>	<u>-</u>	
TOTAL INVESTMENTS	<u>\$ 590,773,067</u>	<u>\$ 203,675,051</u>	<u>\$ 380,252,788</u>	<u>\$ 6,845,228</u>	

*Fair-value basis

Equity securities are valued using prices in active markets and matrix pricing is used to value based on benchmarks

In addition, the City had investments in government pools at September 30, 2018 totaling \$81,017,591, which are recorded at amortized cost. These investments in government pools includes component unit deposits of \$1,602,328. GASB Statement No. 79, *Certain External Investment Pools and Pool Participants* establishes criteria for an external investment pool to qualify for making an election to measure all of its investments at amortized cost. The City does not have any limitations or restrictions on withdrawals.

Investments in both the Retirement Security Plan and the Postemployment Benefit Trust Fund are held by a bank trust department, apart from the overall City's cash and investments. The City has contracted with a bank trust department to manage the investment portfolio of the Retirement Security Plan and Postemployment Benefit Trust Fund. The investments are subject to the policies and guidelines established by the Retirement Security Plan and Postemployment Benefit Trust Fund committee members.

The City is authorized to invest in: (1) obligations of, or guaranteed by, governmental entities; (2) certificates of deposit, issued by a depository institution that has its main office or branch in Texas; (3) fully collateralized repurchase agreements having a defined termination date; (4) commercial paper having a stated maturity of 270 days or fewer and is rated not less than A-1 or P-1 or an equivalent rating by at least two nationally recognized credit rating agencies or one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state; (5) no-load money market mutual funds registered and regulated by the SEC having a dollar-weighted average stated maturity of 90 days or fewer; no-load mutual funds registered with the SEC, having an average weighted maturity of less than two years and continuously rated of not less than AAA or its equivalent; and (6) eligible investment pools that invest in instruments and follow practices allowed by current law as defined by PFIA, provided that each investment meets guidelines set forth by the City's investment policy.

**CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2018**

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from increasing interest rates, the City's investment policy establishes the portfolio's maximum average dollar-weighted maturity of no more than two and a half years. By policy, the City will not directly invest in securities maturing more than five years from the date of purchase.

Credit Risk. The City's investment policy, in conjunction with state law, specifies the type of credit rating of all authorized investments. The City's investments in U.S. Agency securities, including, Tennessee Valley Authority (TVA), Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), and First Federal Community Bank (FFCB), are rated AA+ by Standard and Poor's and Aaa by Moody's Investors Service. Although Federal Agricultural Mortgage Corporation (FAMC) does not have a rating from Standard & Poor's or Moody's, as a Government Sponsored Enterprise, it is backed by the full faith and credit of the United States Government. The investment in the Texas Local Government Pools (TexPool and Texas Daily) carried a credit rating of AAAM by Standard & Poor's as of September 30, 2018.

Custodial Credit Risk. Deposits and Investments. For deposits, custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy follows state statutes, which require that all deposits in financial institutions be fully collateralized or insured. For investments, custodial credit risk is the risk that in the event of the failure of a counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that all investments held by outside parties for safekeeping be held in the name of the City. The City was not exposed to any custodial credit risk during the year.

Concentration of Credit Risk. With the exception of U.S. Treasury securities, the City's investment policy limits the amount that may be invested in any one issuer to 50% of the total investment portfolio. As of September 30, 2018, five percent (5%) or more of the City's total investments are in: Municipal Bonds (36.0%), Federal Home Loan Mortgage Corporation securities (11.5%), Certificates of Deposits/Fixed Term Products (11.5%), Investment Pools (15.0%), Federal National Mortgage Association (7.8%) and Bank Accounts (8.6%), on a fair value basis.

2. PROPERTY TAXES:

The City's ad valorem or property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the City. The property taxes attach as an enforceable lien on property as of January 1. Appraised values are established by the Central Appraisal Districts of Collin and Denton Counties at 100% of estimated market value and certified by the Appraisal Review Boards. The original certified assessed value for the tax roll of January 1, 2017 was \$39,066,059,755. Subsequent adjustments decreased this value to \$38,264,101,152.

Taxes are due October 1 and become delinquent after the following January 31. Penalty and interest is charged at 7% on delinquent taxes beginning February 1, and increases each month to 18% on July 1.

Property taxes at the fund level are recorded as receivables and deferred revenues at the time the tax levy is billed. Current year revenues recognized are those ad valorem taxes collected within the current period or soon enough thereafter to pay current liabilities, generally thirty days after year-end. Current tax collections for the year ended September 30, 2018, were 99.8% of the tax levy.

**CITY OF PLANO, TEXAS
 NOTES TO BASIC FINANCIAL STATEMENTS (continued)
 SEPTEMBER 30, 2018**

The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The tax rate to finance general governmental services, including debt service, for the year ended September 30, 2018, was \$0.4686 (\$0.3500 for general government and \$0.1186 for debt service) per \$100 of assessed valuation. Thus, the City has a tax margin of \$2.0314 per \$100 and could have levied up to \$777,296,951 in additional taxes from the present assessed valuation.

In Texas, countywide central appraisal districts are required to assess all property within the appraisal district on the basis of 100% of its appraised value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every five years; however, the City, at its own expense, requires annual reviews of appraised values. The City may challenge appraised values established by the appraisal district through various appeals, and, if necessary, legal action. Under this system, the City sets tax rates on City property. However, if the effective tax rate, excluding tax rates for bonds and other contractual obligations, adjusted for new improvements, exceeds the rate for the previous year by more than 8%, qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than 8% above the tax rate of the previous year.

3. RECEIVABLES:

Receivables at September 30, 2018 for the government’s individual major funds and nonmajor, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, consist of the following:

	Property Taxes	Other Taxes	Accounts	Accrued Interest	Assessments	Other	Gross Receivables	Less: Allowance for Uncollectibles	Net Total Receivables
General	\$ 1,975,884	\$ 14,625,517	\$ 1,656,072	\$ 158,019	\$ -	\$ -	\$ 18,415,492	\$ (1,259,297)	\$ 17,156,195
Debt Service	788,243	-	-	19,099	-	-	807,342	(502,522)	304,820
Capital Maintenance	-	-	-	115,466	-	-	115,466	-	115,466
Street Improvements	-	-	-	151,028	1,366,121	-	1,517,149	-	1,517,149
Municipal Facilities	-	-	-	123,543	-	34,477	158,020	-	158,020
Park Improvements	-	-	-	143,367	-	-	143,367	-	143,367
Economic Development Incentive	-	-	-	140,517	-	-	140,517	-	140,517
Water and Sewer Sustainability and Environmental Services	-	-	21,552,525	218,864	-	9,994	21,781,383	(245,254)	21,536,129
Municipal Drainage	-	-	1,335,321	12,202	-	1,330,252	2,677,775	(44,274)	2,633,501
Nonmajor and Other Funds	-	-	835,824	27,022	-	-	862,846	(11,614)	851,232
	-	-	980,463	407,136	-	838,846	2,226,445	-	2,226,445
	<u>\$ 2,764,127</u>	<u>\$ 14,625,517</u>	<u>\$ 26,360,205</u>	<u>\$ 1,516,263</u>	<u>\$ 1,366,121</u>	<u>\$ 2,213,569</u>	<u>\$ 48,845,802</u>	<u>\$ (2,062,961)</u>	<u>\$ 46,782,841</u>

The enterprise fund accounts receivable includes unbilled charges for services of \$7,840,442 rendered at September 30, 2018.

**CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2018**

4. CAPITAL ASSETS:

Capital asset activity for the year ended September 30, 2018 was as follows:

Primary Government

	Balance at Beginning of Year	Additions and Transfers	Retirements and Transfers	Balance at End of Year
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 152,099,053	\$ 1,231,981	\$ -	\$ 153,331,034
Construction in progress	61,821,495	98,116,286	(107,963,566)	51,974,215
Public art	1,761,519	6,056	-	1,767,575
Total capital assets, not being depreciated	<u>215,682,067</u>	<u>99,354,323</u>	<u>(107,963,566)</u>	<u>207,072,824</u>
Capital assets, being depreciated:				
Buildings	234,503,618	26,281,627	-	260,785,245
Improvements other than buildings	217,418,368	35,011,865	-	252,430,233
Equipment	233,280,569	17,063,110	(22,820,777)	227,522,902
Infrastructure	1,205,159,308	47,145,930	-	1,252,305,238
Total capital assets being depreciated	<u>1,890,361,863</u>	<u>125,502,532</u>	<u>(22,820,777)</u>	<u>1,993,043,618</u>
Less accumulated depreciation for:				
Buildings	(133,752,548)	(9,814,091)	-	(143,566,639)
Improvements other than buildings	(102,234,504)	(6,269,005)	-	(108,503,509)
Equipment	(184,896,466)	(13,162,638)	20,754,208	(177,304,896)
Infrastructure	(600,689,380)	(27,380,997)	-	(628,070,377)
Total accumulated depreciation	<u>(1,021,572,898)</u>	<u>(56,626,731)</u>	<u>20,754,208</u>	<u>(1,057,445,421)</u>
Total capital assets, being depreciated, net	<u>868,788,965</u>	<u>68,875,801</u>	<u>(2,066,569)</u>	<u>935,598,197</u>
Governmental activities capital assets, net	<u>\$1,084,471,032</u>	<u>\$ 168,230,124</u>	<u>\$ (110,030,135)</u>	<u>\$ 1,142,671,021</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 6,764,537	\$ 6,314	\$ -	\$ 6,770,851
Construction in progress	20,768,140	16,677,020	(31,645,416)	5,799,744
Public Art	-	50,000	-	50,000
Total capital assets, not being depreciated	<u>27,532,677</u>	<u>16,733,334</u>	<u>(31,645,416)</u>	<u>12,620,595</u>
Capital assets, being depreciated:				
Buildings	17,112,954	39,243	-	17,152,197
Improvements other than buildings	636,498,034	29,532,477	-	666,030,511
Drainage improvements	42,294,731	6,549,607	-	48,844,338
Furniture and fixtures	406,303	-	-	406,303
Equipment	2,096,713	1,113,740	(825,935)	2,384,518
Total capital assets, being depreciated	<u>698,408,735</u>	<u>37,235,067</u>	<u>(825,935)</u>	<u>734,817,867</u>
Less accumulated depreciation for:				
Buildings	(15,472,060)	(274,851)	-	(15,746,911)
Improvements other than buildings	(281,538,108)	(15,940,893)	-	(297,479,001)
Drainage improvements	(9,229,904)	(911,391)	-	(10,141,295)
Furniture and fixtures	(237,194)	(425)	-	(237,619)
Equipment	(1,479,495)	(52,174)	35,167	(1,496,502)
Total accumulated depreciation	<u>(307,956,761)</u>	<u>(17,179,734)</u>	<u>35,167</u>	<u>(325,101,328)</u>
Total capital assets, being depreciated, net	<u>390,451,974</u>	<u>20,055,333</u>	<u>(790,768)</u>	<u>409,716,539</u>
Business-type activities capital assets, net	<u>\$ 417,984,651</u>	<u>\$ 36,788,667</u>	<u>\$ (32,436,184)</u>	<u>\$ 422,337,134</u>

**CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2018**

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 9,718,914
Administrative services	20,893
Police	610,643
Fire	289,382
Libraries	526,527
Development	168,831
Public services and operations	76,442
Parks and recreation	8,042,440
Public works	27,703,027
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	9,469,632
Total depreciation expense - governmental activities	<u>\$ 56,626,731</u>
Business-type activities:	
Water and sewer	\$ 15,846,714
Sustainability and environmental waste services	36,548
Convention and tourism	131,943
Municipal drainage	914,037
Municipal golf course	170,145
Recreation revolving	80,347
Total depreciation expense - business-type activities	<u>\$ 17,179,734</u>

Component Unit

	Balance at Beginning of Year	Additions and Transfers	Retirements and Transfers	Balance at End of Year
TIF East side activities:				
Capital Assets, not being depreciated:				
Land	\$ 1,579,168	\$ 1,601,128	\$ -	\$ 3,180,296
Total capital assets, not being depreciated	<u>1,579,168</u>	<u>1,601,128</u>	<u>-</u>	<u>3,180,296</u>
TIF East side activities capital assets	<u>\$ 1,579,168</u>	<u>\$ 1,601,128</u>	<u>\$ -</u>	<u>\$ 3,180,296</u>

Future expenditures for capital projects will be funded from federal and state grants as well as unexpended bond proceeds and additional general obligation or revenue bonds and operating revenues. In May 2009, \$128,622,500 of various purpose general obligation bonds were authorized and \$128,122,500 of the 2009 bonds have been issued. In May 2013, \$98,313,000 of various purpose general obligation bonds were authorized and \$85,313,000 have been issued. In May 2017, \$220,620,000 of various purpose general obligation bonds were authorized and \$57,999,500 have been issued.

**CITY OF PLANO, TEXAS
 NOTES TO BASIC FINANCIAL STATEMENTS (continued)
 SEPTEMBER 30, 2018**

5. EMPLOYEE BENEFIT PLANS:

In the current fiscal year, the City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*, that addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This statement establishes standards for recognizing and measuring liabilities, deferred outflows and inflows of resources, and pension expense. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans, which was implemented by the Plan on December 31, 2017. The Plan impacted by GASB Statements No. 74 and 75 is the 115 Trust. More detailed information related to OPEB is discussed later in this footnote.

A summary of the pension and OPEB net (asset)/liabilities, deferred outflows and inflows of resources and expenses are below and discussed in further detail in this footnote.

	Pension		OPEB	Total
	TMRS	RSP	115 Trust	
Net liability (asset)	\$ 66,797,634	\$ (5,607,461)	\$ 12,031,622	\$ 73,221,795
Deferred outflow	21,460,383	10,996,614	3,654,566	36,111,563
Deferred inflow	30,990,632	8,605,791	21,945,547	61,541,970
Expense (current year)	25,691,236	6,220,184	1,703,855	33,615,275

Summary of Significant Accounting Policies

For purposes of measuring the pension and OPEB net liabilities (asset), deferred outflows and inflows of resources and expense, information about the fiduciary net position of TMRS, RSP and 115 Trust and additions to/deductions from Plans' fiduciary net positions have been determined on the same basis as they are reported by the Plans. 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.

A. Texas Municipal Retirement System Plan

Plan Description

The City participates as one of 883 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by TMRS. TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of 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) where further information can be obtained at www.tmr.com.

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

**CITY OF PLANO, TEXAS
 NOTES TO BASIC FINANCIAL STATEMENTS (continued)
 SEPTEMBER 30, 2018**

Benefits Provided

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

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

Benefits depend upon the sum of the employee's contributions to the plan, with interest, and the City-financed monetary credits, with interest. At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percent (100%, 150% or 200%) of the employee's accumulated contributions. In addition, the City can grant, as often as annually, another type of monetary credit referred to as an updated service credit which is a theoretical amount, which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and City matching percent had always been in existence and if the employee's salary had always been the average of his or her salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

Plan provisions for the City were as follows:

Employee deposit rate	7%
Matching ratio (City to employee)	2 to 1
A member is vested after	5 years
Service retirement eligibility	20 years at any age, 5 years at age 60 and above

At the December 31, 2017 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	1,191
Inactive employees entitled to but not yet receiving benefits	983
Active employees	<u>2,346</u>
	<u><u>4,520</u></u>

Contributions and Funding Policy

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 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.

**CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2018**

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rate for the City from October 2017 through December 2017 was 18.11%, while January 2018 through September 2018 was 17.71%. The City's contributions to TMRS for fiscal year 2018, were \$28,953,129, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2017, and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The TPL in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation:	2.5% per year
Overall payroll growth:	3.0% per year
Investment rate of return:	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality 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 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males' rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2010 to December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the System adopted the Entry Age Normal actuarial cost method and a one-time change to the amortization policy. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2018

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, the actuary focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2018 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	17.50 %	4.55 %
International equity	17.50	6.35
Core fixed income	10.00	1.00
Non-core fixed income	20.00	3.90
Real return	10.00	3.80
Real estate	10.00	4.50
Absolute return	10.00	3.75
Private equity	5.00	7.50
Total	<u>100.00 %</u>	

Discount Rate

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

Changes in the Net Pension Liability

	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a) - (b)</u>
Balance at December 31, 2016	\$ 953,581,082	\$ 822,330,763	\$ 131,250,319
Changes for the year:			
Service cost	28,866,767	-	28,866,767
Interest (on the total pension liability)	64,180,007	-	64,180,007
Difference between expected and actual experience	(4,550,911)	-	(4,550,911)
Benefit payments, including refunds of employee contributions	(34,399,087)	(34,399,087)	-
Contributions - employer	-	28,535,854	(28,535,854)
Contributions - employee	-	11,029,878	(11,029,878)
Net investment income	-	114,003,401	(114,003,401)
Administrative expense	-	(590,653)	590,653
Other	-	(29,932)	29,932
Net changes	<u>54,096,776</u>	<u>118,549,461</u>	<u>(64,452,685)</u>
Balance at December 31, 2017	<u>\$ 1,007,677,858</u>	<u>\$ 940,880,224</u>	<u>\$ 66,797,634</u>

**CITY OF PLANO, TEXAS
 NOTES TO BASIC FINANCIAL STATEMENTS (continued)
 SEPTEMBER 30, 2018**

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

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

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
\$ 209,310,442	\$ 66,797,634	\$ (50,268,610)

Pension Plan Fiduciary Net Position

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

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

For the year ended September 30, 2018, the City recognized pension expense of \$25,691,236.

At September 30, 2018, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in expected and actual experience	\$ 604,508	\$ (6,482,009)
Difference in assumption changes	-	(308,019)
Difference in projected and actual investment earnings	-	(24,200,604)
Employer contributions subsequent to the measurement date	20,855,875	-
	<u>\$ 21,460,383</u>	<u>\$ (30,990,632)</u>

Deferred outflows of resources of \$20,855,875 related to employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for fiscal year 2019. Other amounts reported as deferred outflows and inflows of resources will be recognized in pension expense in the following fiscal years:

2019	\$ (1,438,918)
2020	(3,240,896)
2021	(12,956,375)
2022	(12,468,169)
2023	<u>(281,766)</u>
Total	<u>\$ (30,386,124)</u>

**CITY OF PLANO, TEXAS
 NOTES TO BASIC FINANCIAL STATEMENTS (continued)
 SEPTEMBER 30, 2018**

B. Retirement Security Plan

Plan Description

On January 1, 1983, the City withdrew from the Federal Social Security system and created the RSP, a single-employer, defined-benefit pension trust fund, to provide retirement benefits for all full-time employees of the City. The Plan is created by City ordinance and administered by a committee of five, which meets four times a year. Professional investment management is used and a custodial bank retains the assets and provides for administration of benefit payments.

The Plan issues a separate publicly available financial report that includes financial statements and required supplementary information. The financial report may be obtained by request to the City's Human Resources Department, 1520 Avenue K, Suite 130, Plano, Texas 75074.

As of the December 31, 2017 biennial actuarial valuation, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	818
Inactive employees entitled to but not yet receiving benefits	81
Active employees	<u>2,205</u>
	<u><u>3,104</u></u>

Retirement benefits become vested after five years of service. Members who terminate employment prior to completing five years of service are not eligible for any benefit and all contributions made on their behalf remain with the plan. Members are eligible to receive full retirement income benefits when they reach age 65 or reduced benefits when they reach a younger age and meet certain length-of-service requirements. Early retirement benefits are paid upon completion of 20 years of vesting service (TMRS credited service) or upon attaining age 60 with five years of vesting service. At least five years must be with the City. The RSP provides retirement income benefits, with annual cost-of-living adjustments, based on a member's years of service, average compensation (highest three years of last ten), and choice of single or joint-life monthly payments or a lump-sum payment as noted below.

For normal retirement, the monthly benefit payment is calculated as follows:

.007 X City of Plano credited service since January 1, 1983 (not to exceed 25 years) X average compensation (highest 3 years of last 10).

Early retirement benefits paid upon completion of 20 years of vesting (TMRS credited service) or upon attaining age 60 with 5 years of vesting service with the City are calculated as follows:

.007 X City of Plano credited service since January 1, 1983 (not to exceed 25 years) X average compensation (highest 3 years of last 10) X a reduction factor based on the number of years which the benefit start date precedes the normal retirement date. The benefit amount is reduced by one-fifteenth (1/15) for each of the first five years and one-thirtieth (1/30) for each of the next five years (and on an Actuarial Equivalent basis thereafter) by which the starting date of payments precedes the employee's normal retirement date.

**CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2018**

Benefits are paid as a monthly life annuity to the participant, with a guarantee that should the participant die prior to receiving 60 monthly payments, the payments will continue to a beneficiary for the balance of the 60-month period. There is no reduction factor if the participant waits until age 65 to begin drawing a monthly benefit.

A lump-sum payment option is available to eligible employees. Lump-sum payments follow these guidelines:

When lump-sum value is less than \$5,000, the benefit must be in form of a single lump-sum payment.

When lump-sum value is \$5,000 - \$25,000, participant has choice of single lump-sum payment or monthly annuity payments.

When lump-sum value exceeds \$25,000, the participant must receive monthly annuity payments.

Joint and survivor options are available. Additionally, benefits are available for members who become totally and permanently disabled. Each April 1, retirement benefits that have been paid for at least 12 months are adjusted to reflect changes in the U.S. Consumer Price Index (not to exceed 4%), as determined by the Plan's actuary. This cost of living adjustment is applied to only the participant's benefits; spouses or beneficiaries are excluded.

Contributions and Funding Policy

Contributions by the City are established as part of the City budget process and the actuarially determined percentage of each payroll. No employee contributions are required by the plan. The City contributed \$5,339,710 for the year ended September 30, 2018.

The contribution amount is a 17-year level percentage of pay funding with a 2.75% payroll growth assumption. This funding approach produces a contribution pattern that is intended to increase in amount from year to year but remain relatively constant as a percent of payroll. Administrative costs, including investment, custodial trustee, and actuarial services are charged to the plan.

Net Pension Asset

The City's net pension asset (NPA) was measured as of December 31, 2017 and the TPL used to calculate the NPA was determined by an actuarial valuation as of that date.

**CITY OF PLANO, TEXAS
 NOTES TO BASIC FINANCIAL STATEMENTS (continued)
 SEPTEMBER 30, 2018**

Actuarial Assumptions

The TPL was determined by an actuarial valuation as of December 31, 2017 using the following actuarial assumptions:

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method:	Entry Age Normal
Amortization method:	Level percentage of payroll, closed
Remaining amortization period:	17 years as of the valuation date
Asset valuation method:	5-year smoothed market; 20% corridor
Inflation:	2.50%
Salary increases:	8.00% to 2.75% including inflation
Investment rate of return:	7.00%
Retirement age:	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality:	RP-2000 mortality for combined healthy annuitants with blue-collar adjustment. Males rates are multiplied by 1.09 and female rates are multiplied by 1.03. Generational mortality improvements applied using Scale BB.

Notes Actuarially determined contribution rates are calculated as of December 31 of odd numbered years. The actuarially determined contribution rate determined by the valuation is effective for the biennium period beginning with the fiscal year following the valuation date.

Rate of Return

Asset Class	Long-Term Expected Arithmetic Real Rate of Return	Target Asset Allocation	Development of Long-Term Arithmetic Return for Investment
U.S. Government Obligations	1.80 %	18.00 %	0.32 %
Government Agency Obligations	1.80	2.00	4.00
Corporate Bonds	3.10	12.00	0.37
U.S. Large Cap Stocks	5.50	44.00	2.42
U.S. Mid Cap Stocks	7.10	10.00	0.71
U.S. Small Cap Stocks	7.10	3.00	0.21
Foreign Equities	6.60	8.00	0.53
Alternatives (REITS)	5.60	3.00	0.17
	Total Expected Arithmetic Real Return:		4.77 %
	Inflation Assumption for Actuarial Valuation:		2.50
	Total Expected Arithmetic Nominal Return:		7.27 %

Discount Rate

A single discount rate of 7.00% was used to measure the total pension liability for the measurement period ending December 31, 2017. This single discount rate was based on the expected rate of return on pension plan investments of 7.00%. Based on the stated assumptions and the projection of cash flows as of each year ending December 31, the pension plan's fiduciary net position and future contributions were sufficient to finance all the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of the projected benefit payments to determine the total pension liability.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2018

The projection of cash flows used to determine the single discount rate for the Plan assumed that the funding policy adopted by the RSP's Retirement Committee will remain in effect for all future years. Under this funding policy, the City of Plano will finance the unfunded actuarial accrued liability as a level percentage of payroll over the closed period ending September 30, 2035. Under this policy there are 17 years remaining in the amortization period.

Changes in the Net Pension (Asset)/Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset)/Liability (a) - (b)
Balance at December 31, 2016	\$ 132,651,136	\$ 126,698,362	\$ 5,952,774
Changes for the year:			
Service cost	5,073,946	-	5,073,946
Interest (on the total pension liability)	9,960,603	-	9,960,603
Difference between expected and actual experience	(3,005,892)	-	(3,005,892)
Assumption changes	2,989,199	-	2,989,199
Benefit payments	(4,760,146)	(4,760,146)	-
Contributions - employer	-	5,159,461	(5,159,461)
Net investment income	-	21,781,774	(21,781,774)
Administrative expense	-	(363,144)	363,144
Net changes	10,257,710	21,817,945	(11,560,235)
Balance at December 31, 2017	\$ 142,908,846	\$ 148,516,307	\$ (5,607,461)

Sensitivity of the Net Pension (Asset)/Liability to Changes in the Discount Rate

1% Decrease 6.00%	Current Single Rate Assumption 7.00%	1% Increase 8.00%
\$ 15,731,003	\$ (5,607,461)	\$ (23,077,430)

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

For the year ended September 30, 2018, the City recognized pension expense of \$6,220,184.

At September 30, 2018, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience	\$ -	\$ (3,301,804)
Difference in assumption changes	7,091,048	-
Difference in projected and actual investment earnings	-	(5,303,987)
Employer contributions subsequent to the measurement date	3,905,566	-
	\$ 10,996,614	\$ (8,605,791)

**CITY OF PLANO, TEXAS
 NOTES TO BASIC FINANCIAL STATEMENTS (continued)
 SEPTEMBER 30, 2018**

Deferred outflows of resources of \$3,905,566 related employer contributions subsequent to the measurement date will be recognized as an addition/reduction of the net pension asset/liability for fiscal year 2019. Other amounts reported as deferred outflows and inflows of resources will be recognized in pension expense in the following fiscal years:

2019	\$	326,225
2020		209,465
2021		(1,159,305)
2022		(1,714,020)
2023		741,588
Thereafter		<u>81,304</u>
Total	\$	<u>(1,514,743)</u>

C. Deferred Compensation Plan

The City offers its employees a deferred compensation plan, which is a defined-contribution benefit plan, created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with such amounts, and all income attributable to such amounts, property or rights are held in trust or under one or more annuity contracts described in Internal Revenue Code Section 401(f). Except as may otherwise be permitted or required by law, no assets or income of the plan shall be used for, or diverted to, purposes other than for the exclusive purpose of providing benefits for participants and their beneficiaries or defraying reasonable expenses of administration of the plan. Accordingly, the assets of the plan are not reported in the City’s basic financial statements.

D. Postemployment Benefits Trust Fund – Section 115 Trust

Plan Description

The City of Plano Section 115 Trust (115 Trust or the Plan) was established on March 1, 2008 to comply with the requirements of Governmental Accounting Standards Board Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions, for the purpose of funding and providing certain benefits to its eligible retirees and dependents, such as medical, dental and vision insurance benefits. It is a single-employer, defined-benefit other postemployment benefit plan (OPEB).

The 115 Trust was created by the City of Plano, Texas (the City) ordinance and is administered by the Risk Pool Trustees, (the Trustees) who meet at least four times a year. The Trustees consist of four City employees who are appointed by the City through the City Manager pursuant to the City of Plano Welfare Benefit Plan. The Trustees oversee the Plan and set policies for operations, including appointing management and directing investment decisions. Professional investment management and an investment consultant are used and a custodial bank retains the assets. Pursuant to Section 6.01 of the Welfare Benefit Plan and Resolution 2007-9-2(R), the City Council has set forth delegation to the City Manager, or his designee, the authority to amend each Plan in any and all respects, except for any amendment that would materially increase the costs of the Plan to the City.

**CITY OF PLANO, TEXAS
 NOTES TO BASIC FINANCIAL STATEMENTS (continued)
 SEPTEMBER 30, 2018**

The 115 Trust issued a separate publicly available financial report that includes financial statements and required supplementary information at the 115 Trust’s fiscal year-end which is December 31. Those financial reports may be obtained by request to the City’s Human Resources Department, 1520 Avenue K, Suite 130, Plano, Texas 75074.

Benefits Provided

The City offers its retired employees and their dependents under age 65 health insurance coverage under the same plan as the active employees and Medicare supplementary insurance for retirees 65 and older. The number of retired participants receiving health insurance coverage for 2018 was 561 of which 247 were on the same plan as the active employees and 314 on Medicare supplementary insurance. Premiums are paid by the retired employees and claims are processed by the City’s agent and paid through the Health Claims Fund. Expenditures for postretirement healthcare benefits are recognized as retirees’ report claims. Claims paid for retired employees for 2018 were \$3,507,950.

As of the December 31, 2017 biennial actuarial valuation, the Trust’s membership consisted of the following:

Retirees and dependents currently receiving benefits	339
Terminated members entitled to benefits, but not yet receiving them	132
Active members	<u>2,208</u>
	<u><u>2,679</u></u>

Contributions and Funding Policy

The City has the authority to establish and amend the Plan contributions by resolution of the City Council. The City transfers retiree and City contributions to the 115 Trust on a monthly basis. Contributions by the City are established as part of the City budget process and are based on amounts determined in the actuarial study prepared biennially. Retirees and their dependents currently receiving benefits are required to contribute specified amounts monthly toward the cost of health insurance premiums. Monthly retiree premiums contributed to the Plan are based on the benefit election of the Plan member and are as follows:

	<i>MEDICAL PLAN</i>	<i>DENTAL PLAN</i>	<i>VISION PLAN</i>
Retiree only	\$ 538.00	\$ 35.16	\$ 8.72
Retiree and spouse	1,392.00	69.60	13.94
Retiree and children	994.00	87.32	14.26
Retiree and family	2,006.00	132.80	22.94
Spouse only	854.00	35.16	8.72
Children only	456.00	52.16	8.72
Spouse and children only	1,468.00	97.64	14.22

Net OPEB Liability

The City’s net OPEB liability was measured as of December 31, 2017 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of October 1, 2017.

**CITY OF PLANO, TEXAS
 NOTES TO BASIC FINANCIAL STATEMENTS (continued)
 SEPTEMBER 30, 2018**

Actuarial Assumptions

The total OPEB liability in the October 1, 2017 actuarial valuation was determined using the following actuarial assumptions:

Actuarial cost method :	Entry Age Normal
Amortization method:	Level percentage, closed
Remaining amortization period:	19 years
Amortization growth:	2.75%
Asset valuation method:	Market value
Inflation:	2.50%
Salary increases:	2.75%
Discount rate:	6.75%
Healthcare cost trend rates:	4.30% for 2017, rising and then decreasing to an ultimate rate of 4.10% for 2076 and beyond
Dental cost trend rates:	4.74% for 2017, gradually decreasing to an ultimate rate of 3.83% for 2076 and beyond
Mortality:	
Active participants	Sex Distinct RP 2000 Combined Healthy Mortality Table with Blue Collar adjustment with rates multiplied by 0.545 (male) or 0.52 (female) and projected fully generationally using Scale BB.
Retired participants	Sex Distinct RP 2000 Combined Healthy Mortality Table with Blue Collar adjustment with rates multiplied by 1.09 (male) or 1.03 (female) and projected fully generationally using Scale BB.
Disabled participants	Sex Distinct RP 2000 Combined Healthy Mortality Table with Blue Collar adjustment with rates multiplied by 1.09 (male) or 1.03 (female) and projected fully generationally using Scale BB, with a minimum 3% mortality rate.

Rate of Return

The long-term rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of December 31, 2017.

Asset Class	Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
US Cash	1.00 %	0.82 %	0.81 %
US Core Fixed Income	22.00	2.75	2.61
US Mortgages	6.00	3.00	2.88
Non-US Bonds	5.00	1.07	0.51
US Large Caps	36.00	4.97	3.77
US Small Growth	2.00	7.34	4.86
US Small Value	3.00	5.64	3.90
US MidCap Growth	7.00	6.57	4.31
US MidCap Value	6.00	5.22	3.77
Non-US Equity	6.00	6.61	4.91
Emerging Markets Equity	25.00	8.76	5.50
US REITs	4.00	5.40	3.62
Assumed Inflation - Mean		2.50 %	2.50 %
Assumed Inflation - Standard Deviation		2.00	2.00
Portfolio Real Mean Return		4.51	3.87
Portfolio Nominal Mean Return		6.99	6.43
Portfolio Standard Deviation		11.12	
Long-Term Expected Rate of Return		6.75 %	

**CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2018**

Discount Rate

A single discount rate of 6.75% was used to measure the total OPEB liability. Based on the stated assumptions and the projection of cash flows as of each Plan year, the OPEB plan's fiduciary net position and future contributions were sufficient to finance all the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of the projected benefit payments to determine the total OPEB liability.

The discount rate as of December 2016 was 7.00%.

Changes in the Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at December 31, 2016	\$ 108,017,765	\$ 70,158,981	\$ 37,858,784
Changes for the year:			
Service cost	2,631,472	-	2,631,472
Interest (on the total OPEB liability)	7,587,712	-	7,587,712
Difference between expected and actual experience	(1,889,319)	-	(1,889,319)
Changes of assumptions	(17,339,980)	-	(17,339,980)
Benefit payments	(2,505,768)	(2,505,768)	-
Contributions - employer	-	5,585,470	(5,585,470)
Net investment income	-	11,242,528	(11,242,528)
Administrative expense	-	(10,951)	10,951
Net changes	(11,515,883)	14,311,279	(25,827,162)
Balance at December 31, 2017	<u>\$ 96,501,882</u>	<u>\$ 84,470,260</u>	<u>\$ 12,031,622</u>

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

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate 1-percentage point lower or 1-percentage point higher than the current discount rate.

1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
\$ 22,603,220	\$ 12,031,622	\$ 2,922,419

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rate.

1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
\$ 6,624,593	\$ 12,031,622	\$ 18,330,115

**CITY OF PLANO, TEXAS
 NOTES TO BASIC FINANCIAL STATEMENTS (continued)
 SEPTEMBER 30, 2018**

OPEB Plan Fiduciary Net Position

The Plan issues a separate financial report that includes financial statements and required supplementary information. The financial report may be obtained by request to the City's Human Resources Department, 1520 Avenue K, Suite 130, Plano, Texas 75074.

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

For the year ended September 30, 2018, the City recognized OPEB expense of \$1,703,855. At September 30, 2018, the City reported deferred outflows and inflows of resources related to OPEB from the following resources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in expected and actual experience	\$ -	\$ (1,666,838)
Difference in assumption changes	-	(15,298,061)
Difference in projected and actual investment earnings	-	(4,980,648)
Employer contributions subsequent to the measurement date	<u>3,654,566</u>	<u>-</u>
	<u>\$ 3,654,566</u>	<u>\$ (21,945,547)</u>

Deferred outflows of resources of \$3,654,566 related to employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for fiscal year 2019. Other amounts reported as deferred outflows and inflows of resources will be recognized in OPEB expense in the following fiscal years:

2019	\$ (3,509,563)
2020	(3,509,563)
2021	(3,509,563)
2022	(3,509,563)
2023	(2,264,401)
Thereafter	<u>(5,642,894)</u>
Total	<u>\$ (21,945,547)</u>

**CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2018**

6. LONG-TERM DEBT:

A summary of long-term debt transactions, including current portion, for the year ended September 30, 2018, is as follows (in thousands of dollars):

	Balance, Beginning of Year	Increase	Decrease	Balance, End of Year	Due Within One Year
Governmental Activities:					
General obligation bonds and certificates of obligation	\$ 311,095	\$ 77,915	\$ (25,935)	\$ 363,075	\$ 27,260
Tax anticipation notes	16,840	-	(2,830)	14,010	2,945
Deferred amounts:					
Premium	35,599	4,444	(5,222)	34,821	5,087
Total bonds and notes payable	363,534	82,359	(33,987)	411,906	35,292
Compensated absences	38,782	17,980	(16,122)	40,640	4,908
Liability for insurance claims	6,863	33,924	(33,467)	7,320	7,320
Net pension liability	122,319	(63,347)	-	58,972	-
Net OPEB liability	-	10,351	-	10,351	-
Governmental activities Long-term debt	<u>\$ 531,498</u>	<u>\$ 81,267</u>	<u>\$ (83,576)</u>	<u>\$ 529,189</u>	<u>\$ 47,520</u>
Business-Type Activities:					
Water and Sewer revenue bonds	\$ 23,845	\$ 11,350	\$ (855)	\$ 34,340	\$ 1,825
Municipal Drainage revenue bonds	17,955	-	(1,840)	16,115	1,680
Deferred amounts:					
Premium	4,417	1,277	(84)	5,610	239
Total bonds payable	46,217	12,627	(2,779)	56,065	3,744
Compensated absences	4,064	1,853	(1,762)	4,155	525
Net pension liability	14,884	(7,059)	-	7,825	-
Net OPEB liability	-	1,681	-	1,681	-
Business-type activities Long-term debt	<u>\$ 65,165</u>	<u>\$ 9,102</u>	<u>\$ (4,541)</u>	<u>\$ 69,726</u>	<u>\$ 4,269</u>

The compensated absences liability attributable to the governmental activities will be liquidated by several of the City's governmental and internal service funds. Approximately 96.5% has been paid by the General Fund, 0.7% by Special Revenue Funds and 2.8% by Internal Service Funds.

Pension and other postemployment benefit liabilities for governmental-type funds are recorded at the government-wide statement level and are primarily liquidated in the General Fund. Liabilities for the proprietary type activities are recorded and liquidated in the fund that incurs the liability.

The liability for insurance claims will be liquidated through a variety of funds. The General Fund bears approximately 84.6% of the claims and judgments liability. The Enterprise Funds bear approximately 12.1% of the claims and judgment liability, while the Internal Service and Special Revenue Funds bear approximately 3.0% and 0.3%, respectively.

**CITY OF PLANO, TEXAS
 NOTES TO BASIC FINANCIAL STATEMENTS (continued)
 SEPTEMBER 30, 2018**

Long-term debt at September 30, 2018 includes the following individual issues (not including the unamortized premium of \$34,821,068 and the unamortized deferred charge on refunding of \$6,881,763 of the General Obligation Bonds, and the unamortized premium of \$937,171 and unamortized deferred charges of \$272,137 of the Municipal Drainage Revenue Bonds and the unamortized premium of \$4,672,987 of the Water and Sewer Revenue Bonds).

	Interest Rate (%)	Issue Date	Maturity Date	Original Issue	Net Retirement	Outstanding
General Obligation Bonds:						
2009 Refunding and Improvements	2.25 - 4.75	1/15/2009	9/1/2029	\$ 35,330,000	\$ 30,125,000	\$ 5,205,000
2010 Refunding and Improvements	2.00 - 4.00	1/15/2010	9/1/2030	28,520,000	22,655,000	5,865,000
2011 Various purpose	2.50 - 4.75	1/15/2011	9/1/2031	21,400,000	19,495,000	1,905,000
2011 Refunding and Improvements	2.00 - 5.00	10/15/2011	9/1/2032	46,400,000	23,290,000	23,110,000
2013 Refunding and Improvements	2.00 - 5.00	2/15/2013	9/1/2033	61,925,000	7,525,000	54,400,000
2014 Refunding and Improvements	2.00 - 4.00	4/15/2014	9/1/2034	29,325,000	11,905,000	17,420,000
2015 Refunding and Improvements	2.00 - 5.00	5/1/2015	9/1/2035	75,685,000	30,860,000	44,825,000
2016 Refunding and Improvements	1.00 - 5.00	4/15/2016	9/1/2036	67,195,000	4,445,000	62,750,000
2017 Improvements	2.00 - 5.00	2/1/2017	9/1/2036	41,290,000	1,695,000	39,595,000
2017 Refunding	4.00 - 5.00	8/1/2017	9/1/2031	27,805,000	-	27,805,000
2018 Improvements	3.00 - 5.00	4/15/2018	9/1/2038	77,915,000	-	77,915,000
				<u>\$ 512,790,000</u>	<u>\$ 151,995,000</u>	<u>\$ 360,795,000</u>
Tax Anticipation Notes:						
2009 Tax anticipation notes	2.25 - 3.00	1/15/2009	9/1/2016	\$ 6,355,000	\$ 6,355,000	\$ -
2015 Tax anticipation notes	2.00 - 3.00	5/1/2015	9/1/2021	5,745,000	2,915,000	2,830,000
2017 Tax anticipation notes	4.50 - 5.00	2/1/2017	9/1/2023	13,450,000	2,270,000	11,180,000
				<u>\$ 25,550,000</u>	<u>\$ 11,540,000</u>	<u>\$ 14,010,000</u>
Certificates of Obligation:						
2010 Various purpose	2.00 - 4.00	1/15/2010	9/1/2022	\$ 9,660,000	\$ 7,380,000	\$ 2,280,000
				<u>\$ 9,660,000</u>	<u>\$ 7,380,000</u>	<u>\$ 2,280,000</u>
Water & Sewer Revenue Bonds:						
2016 Improvements	1.00 - 5.00	4/15/2016	5/1/2036	\$ 24,775,000	\$ 1,785,000	\$ 22,990,000
2018 Improvements	3.00 - 5.00	4/15/2018	5/1/2028	11,350,000	-	11,350,000
				<u>\$ 36,125,000</u>	<u>\$ 1,785,000</u>	<u>\$ 34,340,000</u>
Municipal Drainage Revenue Bonds:						
2009 Refunding and Improvements	3.00 - 3.50	1/15/2009	5/15/2029	\$ 4,790,000	\$ 4,160,000	\$ 630,000
2010 Refunding and Improvements	2.00 - 4.25	1/15/2010	5/15/2030	6,790,000	2,975,000	3,815,000
2015 Refunding	2.00 - 4.00	5/1/2015	5/15/2027	7,105,000	2,945,000	4,160,000
2017 Refunding and Improvements	2.00 - 5.00	2/1/2017	5/15/2036	8,035,000	525,000	7,510,000
				<u>\$ 26,720,000</u>	<u>\$ 10,605,000</u>	<u>\$ 16,115,000</u>

**CITY OF PLANO, TEXAS
 NOTES TO BASIC FINANCIAL STATEMENTS (continued)
 SEPTEMBER 30, 2018**

The annual requirements to amortize debt outstanding as of September 30, 2018, including interest payments of \$146,995,089 follow (noted in thousands).

Year Ended September 30	General Obligation, Tax Anticipation Notes & Certificates of Obligation		Water & Sewer		Municipal Drainage	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 30,205	\$ 17,355	\$ 1,825	\$ 1,446	\$ 1,680	\$ 578
2020	27,525	15,094	1,855	1,411	1,535	534
2021	27,830	13,797	1,935	1,337	1,580	483
2022	26,810	12,477	2,020	1,250	1,325	432
2023	26,925	11,174	2,110	1,158	1,365	390
2024-2028	112,390	38,174	12,240	4,112	4,965	1,301
2029-2033	79,355	17,383	7,265	1,913	2,405	512
2034-2038	46,045	4,169	5,090	413	1,260	102
Total	\$ 377,085	\$ 129,623	\$ 34,340	\$ 13,040	\$ 16,115	\$ 4,332

The City intends to retire all of its general long-term liabilities, plus interest, from ad valorem taxes and other current revenues. The proprietary fund type long-term debt will be repaid, plus interest, from the operating revenues of the Water and Sewer Fund and the Municipal Drainage Fund.

A. General Obligation Bonds and Certificates

The City is required by ordinance to create from ad valorem tax revenues a sinking fund sufficient to pay the current interest and principal installments as they become due. The Debt Service Fund has \$6,571,577 available to service the general obligation debt after all debt due in the current fiscal year has been paid.

There are a number of limitations and restrictions contained in the various general obligation bonds and certificate indentures. Management of the City believes it is in compliance with the significant limitations and restrictions at September 30, 2018.

Arbitrage provisions of the Internal Revenue Tax Act of 1986 require the City to rebate excess arbitrage earnings from bond proceeds to the federal government. Beginning in 1992, the City paid five-year rebates, as required. There are no future rebates estimated as of September 30, 2018. As provided for by the bond indentures, this amount has been recorded in the General Fund in "Due to other governments" for the benefit of the federal government and will be paid as required by applicable regulations.

In May 2018, the City issued \$77,915,000 in General Obligation improvements bonds, with interest rates ranging from 3.0% to 5.0%.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2018

B. Water and Sewer Revenue Bonds

The Water and Sewer Revenue Bonds are secured by the net revenues of the Water and Sewer Fund as defined in the respective bond indentures.

The bond indenture requires the City to make equal monthly installments to a debt service fund to pay principal and interest requirements as they become due. At September 30, 2018, \$822,102 is restricted within the Water and Sewer Fund for debt service requirements.

A reserve fund is not required so long as the net revenues equal or exceed 150% of the annual debt service requirements due and payable in the fiscal year.

In May 2018, the City issued \$11,350,000 in Water and Sewer revenue bonds, with interest ranging from 3.0% to 5.0%.

Bond proceeds since 1988 are covered by the arbitrage provisions of the Internal Revenue Tax Act of 1986. Accordingly, there were no excess arbitrage earnings estimated at September 30, 2018. The City is in compliance with all requirements of the bond ordinances for the year ended September 30, 2018.

Restricted assets of the Water and Sewer Fund at September 30, 2018 are as follows:

Cash and cash equivalents	\$	2,914,767
Investments		9,596,751
Accrued interest receivable		<u>36,597</u>
	\$	<u><u>12,548,115</u></u>

C. Municipal Drainage Revenue Bonds

These bonds are secured by a first lien on and pledge of the revenues of the Municipal Drainage Fund in accordance with the provisions of the bond indenture.

The bond indenture requires the City to make equal monthly installments to a debt service fund to pay principal and interest requirements as they become due. At September 30, 2018, \$2,633,739 is restricted within the Municipal Drainage Fund for debt service requirements.

In addition, the bond indenture requires a reserve equal to the average annual debt services requirement be maintained in order to pay any bond principal and interest should the debt service funds be insufficient. At September 30, 2018, the reserve required and restricted within the Municipal Drainage Fund is \$1,135,925.

Municipal Drainage revenue bonds are covered by the arbitrage provisions of the Internal Revenue Tax Act of 1986. Accordingly, there were no excess arbitrage earnings estimated at September 30, 2018. The City is in compliance with all requirements of the bond ordinance for the year ended September 30, 2018.

Restricted assets of the Municipal Drainage Fund at September 30, 2018 are as follows:

Cash and cash equivalents	\$	875,645
Investments		2,883,025
Accrued interest receivable		<u>10,994</u>
	\$	<u><u>3,769,664</u></u>

**CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2018**

7. INTERFUND TRANSACTIONS:

A summary of interfund receivables and payables at September 30, 2018 is as follows:

	<u>Due To Other Funds</u>		<u>Due From Other Funds</u>		
			General Fund	Capital Maintenance	Total
Nonmajor Governmental Funds	\$	1,046,573	\$	-	\$ 1,046,573
Internal Service		-		108,000	108,000
Total	\$	1,046,573	\$	108,000	\$ 1,154,573

Due to and due from entries are primarily used to account for cash owed between funds that are expected to be repaid within one year or less.

The City performs a calculation to determine the value of the charges in lieu of taxes to be paid to the General Fund. This calculation is reasonably equivalent to the value of the services provided to the Water and Sewer and Environmental Waste Services funds and is, therefore, appropriately reported as an expense as opposed to a transfer. During fiscal year 2018, charges in lieu of taxes were \$12,366,054.

Transfers between funds during the year were as follows:

	<u>Transfers Out</u>		<u>Transfers In</u>					Total
	General Fund	Capital Maintenance	Park Improvements	Internal Service	Blended Component Units	Nonmajor Governmental Funds		
General Fund	\$ -	\$ 25,869,000	\$ -	\$ 795,827	\$ 50,000	\$ 250,000	\$ 26,964,827	
Municipal Facilities	-	-	830,000	-	-	-	830,000	
Internal Service	-	-	-	-	-	250,000	250,000	
Water and Sewer	7,262,230	2,000,000	-	-	-	-	9,262,230	
Municipal Drainage	528,073	500,000	-	-	-	-	1,028,073	
Blended Component Units	7,266	-	1,000,000	2,922	-	-	1,010,188	
Nonmajor Governmental Funds	-	-	-	-	-	2,897	2,897	
Nonmajor Enterprise Funds	829,594	1,440,000	-	-	-	-	2,269,594	
Total	\$ 8,627,163	\$ 29,809,000	\$ 1,830,000	\$ 798,749	\$ 50,000	\$ 502,897	\$ 41,617,809	

The City performs a cost allocation to determine the portion of indirect expenses that will be reimbursed by the respective business-type activities to the General Fund. The City funds the Capital Maintenance fund by transferring amounts from the General Fund and Water and Sewer fund each year based on a portion of depreciation.

Transfers are primarily used to move funds to finance various programs in accordance with budgetary authorizations.

8. TAX ABATEMENTS AND ECONOMIC DEVELOPMENT INCENTIVES

The City enters into economic development agreements designed to promote development and redevelopment within the City, spur economic improvement, stimulate commercial activity, generate additional sales tax and enhance the property tax base and economic vitality of the City. These programs abate or rebate property and sales tax revenues. The City's economic development agreements are authorized under Chapter 380 of the Texas Local Government Code, Chapter 311 (Tax Increment Financing Act) and Chapter 312 (Property Redevelopment and Tax Abatement) of the Texas Tax Code. The economic development agreements are designed to support the creation of new businesses, the expansion and retention of existing businesses within the City, and the attraction of companies that offer high impact jobs and share the community's values. Recipients may be eligible to receive economic

**CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2018**

assistance based on the employment, economic or community impact of the project requesting assistance. Recipients generally commit to building or remodeling real property and related infrastructure, redeveloping properties, expanding operations or bringing targeted business to the City. Agreements generally contain recapture provisions which may require repayment or termination if recipients do not meet the required provisions of the economic incentives.

The City has the following categories of economic development agreements:

- **Tax Abatements** - The City of Plano offers tax abatement on improvements to real and business personal property as directed under Chapter 312 of the Texas Tax Code. The abatements allow the City to designate tax reinvestment zones and negotiate tax abatement agreements with applicants with underlying goals to further economic development in Plano. Real Property abatements are offered to applicants that pursue the construction of new or expanded facilities in which to house the applicable project. The abatement applies to the assessed value of the improvements made. Business Personal Property abatements are offered to applicants that pursue the purchase or long-term lease of existing facilities. The abatement applies to the assessed value of new personal property brought into the taxing jurisdiction. Property taxes abated under this program in fiscal year 2018 are \$1,983,698.
- **Economic Development** - In 2006, a property tax increase of two-cents per \$100 valuation was approved by City Council that is dedicated to economic development. Chapter 380 of the Texas Local Government Code allows municipalities to establish and provide programs to promote state or local economic development and to stimulate business and commercial activity. The City's economic development program offers incentives to provide a competitive advantage, foster relocation, encourage employment retention or growth and/or assist in public infrastructure improvements within the City. For fiscal year 2018, the City paid incentives of \$12,622,684.
- **Tax Increment Financing** - The City has a TIF zone under Chapter 311 of the State of Texas Code. The City enters into economic development and infrastructure reimbursement agreements which earmark TIF revenues for payment to developers and represent obligations over the life of the TIF or until all terms of the agreements have been met. These obligations are described in section I.B. of the footnotes. Additionally, the City enters into general economic development agreements under Chapter 380 of the Texas Local Government Code which are funded with TIF resources. The City paid \$3,443,743 in obligations in fiscal year 2018.

9. REGIONAL SYSTEMS FOR WATER SUPPLY, WASTEWATER TREATMENT AND SOLID WASTE DISPOSAL:

The City secures its water supply and sewer services from the North Texas Municipal Water District ("District"), a district authorized by the Texas Constitution, Article XVI, Section 59; created by the Texas Legislature, Article 8280-141; and authorized to act by the confirming vote of the majority of the qualified voters in each of the cities comprising the District. The District has police, taxation and eminent domain powers and is authorized to issue revenue and/or tax bonds upon approval by the Attorney General of the State of Texas and functions as a political subdivision of the State of Texas independent of the City. The District is governed by a 17-member board (the "Board"), the City being authorized by statute to appoint two of those members. The Board has full power and discretion to establish its budget and to set the rates for the services it provides by contracts with its member cities and customers. The Board is empowered by statute and contract, or otherwise permitted by law, to discontinue a facility or service in order to prevent an abuse or to enforce payment of an unpaid charge, fee or rental due to the District. Because of the factors mentioned above, the District is not included in the City's basic financial statements. A portion of the outstanding bonds of the District is contract revenue bonds based on contracts with certain member cities of the District. The City provides for the payment of its contractual obligations with the District from revenues generated by its waterworks and sewer systems. Such contractual payments provide for the payment of the principal and interest requirements, and the

**CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2018**

premium payment, if any, on specified indebtedness and associated operation and maintenance expenses of the District.

Water Supply

On December 12, 1953, the City entered into a contract with the District whereby the District agreed to provide water for the benefit of the City. In return for this service, the City agreed to pay the District at a rate per 1,000 gallon basis, subject to minimum annual payments. The City's annual payment for the year ended September 30, 2018 was \$72,334,642. The City has also contracted for water transmission facility improvements and pays the District for debt service for bonds issued to fund the improvements. For fiscal year 2018, this payment was \$222,525. There are no future payments to debt service as the City has fulfilled its commitment.

Wastewater Treatment

On October 1, 1975, the City entered into a contract for wastewater treatment services with the District. The District has been designated by the Texas Water Quality Board as the regional agency to provide and develop a Regional System for Wastewater Treatment in the general area of the East Fork of the Trinity River, which includes the City and other cities located in Collin, Dallas, Kaufman and Rockwall Counties, Texas. Relative thereto, the City and other cities have entered into wastewater system contracts with the District, which provide for the establishment, operation and maintenance of a Regional Wastewater System for the purpose of providing facilities to adequately receive, transport, treat and dispose of wastewater for the cities. In order to provide said services, the contract provides that (a) the District will acquire, design, construct and complete the system, repair, replace and/or extend the system to provide service to the cities; (b) in consideration of payments to be made under the contract, each of the cities shall have the right to discharge all its wastewater from its sewage system into the District's system, subject to certain quality requirements set forth in the contract; (c) the District will issue its bonds, in amounts and at times determined by the District, to provide for the wastewater treatment facilities; (d) each city agrees to pay its proportionate share of the annual requirement sufficient to pay or provide for the payment of an "Operation and Maintenance Component" and a "Bond Service Component;" (e) each city's proportionate share of the annual requirement shall be a percentage obtained by dividing such city's estimated contributing flow to the system by the total estimated contributing flow to the system by all cities during such fiscal year. No city will exercise oversight responsibility for the District and no city is liable for the District's debt. The City's payment for the year ended September 30, 2018 was \$31,430,015, net of payments to the City for facilities usage.

Solid Waste Disposal

On November 29, 1979, the City entered into a contract for services with the District, whereby the District agreed to provide a solid waste disposal system for the benefit of the City and other cities. Each city agreed to pay its share of an annual requirement for the operating expenses and debt service of the District to be calculated in the same manner as the wastewater contract. The City's annual payment for the year ended September 30, 2018 was \$8,604,886.

10. COMMITMENTS AND CONTINGENCIES:

The City has contractual commitments of \$73,901,353 in the Capital Projects Funds, \$7,928,250 in the Water and Sewer Fund, and \$2,338,322 in the Municipal Drainage Fund. These commitments are for construction of various projects and will be funded primarily from general obligation bond proceeds in the Capital Projects Funds, revenue bond proceeds in the Water and Sewer Fund and operating revenues in the Municipal Drainage Fund.

**CITY OF PLANO, TEXAS
 NOTES TO BASIC FINANCIAL STATEMENTS (continued)
 SEPTEMBER 30, 2018**

Various claims and lawsuits are pending in which the City is involved. Included among the various actions are those for which the discovery process is currently underway or which have yet to proceed to trial. It is the opinion of City management that the ultimate outcome of all other lawsuits will not have a material adverse effect on the City's financial position.

The City participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement that may arise as the result of these audits is not believed to be material.

11. SELF-INSURANCE:

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains a self-insurance program for general liability, public officials' errors and omission, police professional liability, property loss and workers' compensation. The Property/Liability Loss Fund (Internal Service) has been established to pay identified claims and judgments, maintain loss reserves and purchase insurance coverage as required.

Group medical benefits are paid from the Health Claims Fund (Internal Service), which has an annually negotiated stop loss provision. Revenues are recognized from payroll deductions for employee dependent coverage and from City contributions for employee coverage.

The liabilities for insurance claims reported in each of the funds are based on GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. These liabilities include an estimate for incurred but not reported claims. The claims payable also includes amounts to record flooding damage for City equipment estimated at \$265,000. Change in each fund's claims liability amount in fiscal years 2018 and 2017 was as follows:

Fund	Liability, Beginning of year	Current year Claims and Changes in Estimates	Claim Payments	Liability, End of year
2018				
Property/Liability Loss	\$ 4,308,359	\$ 5,997,560	\$ (5,514,920)	\$ 4,790,999
Health Claims	2,554,507	27,925,993	(27,951,945)	2,528,555
Total	\$ 6,862,866	\$ 33,923,553	\$ (33,466,865)	\$ 7,319,554
2017				
Property/Liability Loss	\$ 3,460,122	\$ 7,596,312	\$ (6,748,075)	\$ 4,308,359
Health Claims	2,437,658	26,798,358	(26,681,509)	2,554,507
Total	\$ 5,897,780	\$ 34,394,670	\$ (33,429,584)	\$ 6,862,866



REQUIRED SUPPLEMENTARY INFORMATION



FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2018
CITY OF PLANO, TEXAS





Exhibit "A" to Resolution No. 2019-1-9(R)

CITY OF PLANO, TEXAS
 REQUIRED SUPPLEMENTARY INFORMATION
 GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018
 (UNAUDITED)

	Budgeted Amounts		Actual	Adjustments- Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUES:						
Taxes:						
Property taxes	\$ 133,194,402	\$ 133,052,828	\$ 132,974,743	\$ (775,587)	\$ 132,199,156	\$ (853,672)
Sales taxes	77,478,415	78,129,630	85,592,104	-	85,592,104	7,462,474
Other taxes	2,134,951	2,298,822	2,422,242	-	2,422,242	123,420
Franchise fees	22,373,304	24,129,575	24,354,134	-	24,354,134	224,559
Fines and forfeitures	6,468,799	5,992,403	6,304,020	-	6,304,020	311,617
Licenses and permits	10,103,663	9,272,015	9,521,069	-	9,521,069	249,054
Intragovernmental	12,366,054	12,366,054	12,366,054	-	12,366,054	-
Intergovernmental	1,093,645	1,543,801	1,526,803	-	1,526,803	(16,998)
Fees for services	14,349,283	14,265,210	13,765,830	-	13,765,830	(499,380)
Investment income	900,000	750,000	890,026	-	890,026	140,026
Miscellaneous	1,923,068	1,871,835	1,803,509	-	1,803,509	(68,326)
Total revenues	<u>282,385,584</u>	<u>283,672,173</u>	<u>291,520,534</u>	<u>(775,587)</u>	<u>290,744,947</u>	<u>7,072,774</u>
EXPENDITURES:						
General government	31,767,254	29,167,768	29,285,243	(658,064)	28,627,179	540,589
Administrative services	11,505,205	12,146,899	11,242,058	225,089	11,467,147	679,752
Police	82,303,083	83,424,935	82,593,694	391,869	82,985,563	439,372
Fire	60,256,800	60,524,020	60,502,261	433,446	60,935,707	(411,687)
Libraries	11,003,512	11,537,624	11,232,288	40,177	11,272,465	265,159
Development	35,172,539	35,447,056	33,470,968	1,196,436	34,667,404	779,652
Public services and operations	6,970,615	7,292,239	6,956,478	25,108	6,981,586	310,653
Parks and recreation	28,163,997	28,518,169	25,293,952	586,185	25,880,137	2,638,032
Public works	7,318,314	7,490,043	7,427,734	116,644	7,544,378	(54,335)
Technology services	1,000,000	1,000,000	1,000,000	-	1,000,000	-
Capital outlay	1,572,020	5,341,261	3,599,793	2,001,403	5,601,196	(259,935)
Total expenditures	<u>277,033,339</u>	<u>281,890,014</u>	<u>272,604,469</u>	<u>4,358,293</u>	<u>276,962,762</u>	<u>4,927,252</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,352,245</u>	<u>1,782,159</u>	<u>18,916,065</u>	<u>(5,133,880)</u>	<u>13,782,185</u>	<u>12,000,026</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	8,475,911	8,619,897	8,627,163	-	8,627,163	7,266
Transfers out	(26,619,000)	(26,619,000)	(26,964,827)	-	(26,964,827)	(345,827)
Total other financing uses	<u>(18,143,089)</u>	<u>(17,999,103)</u>	<u>(18,337,664)</u>	<u>-</u>	<u>(18,337,664)</u>	<u>(338,561)</u>
Net change in fund balance	(12,790,844)	(16,216,944)	578,401	(5,133,880)	(4,555,479)	11,661,465
FUND BALANCE, October 1	<u>51,635,123</u>	<u>51,635,123</u>	<u>51,635,123</u>	<u>-</u>	<u>51,635,123</u>	<u>-</u>
FUND BALANCE, September 30	<u>\$ 38,844,279</u>	<u>\$ 35,418,179</u>	<u>\$ 52,213,524</u>	<u>\$ (5,133,880)</u>	<u>\$ 47,079,644</u>	<u>\$ 11,661,465</u>

**CITY OF PLANO, TEXAS
 REQUIRED SUPPLEMENTARY INFORMATION
 ADJUSTMENTS TO REVENUES, EXPENDITURES AND OTHER
 FINANCING USES FROM GAAP BASIS TO BUDGETARY BASIS
 FOR THE YEAR ENDED SEPTEMBER 30, 2018
 (UNAUDITED)**

	Net Change in Fund Balance
GAAP basis	\$ 578,401
Revenues:	
Decrease due to rolled back taxes	(775,587)
Expenditures:	
Increase due to encumbrances	(4,358,293)
Budgetary basis	<u>\$ (4,555,479)</u>

**CITY OF PLANO, TEXAS
 REQUIRED SUPPLEMENTARY INFORMATION
 TEXAS MUNICIPAL RETIREMENT SYSTEM
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
 LAST FOUR YEARS
 (UNAUDITED)**

Fiscal year ending December 31,	2014	2015	2016	2017
Total pension liability				
Service cost	\$ 22,556,087	\$ 25,341,004	\$ 27,113,143	\$ 28,866,767
Interest (on the total pension liability)	55,667,118	59,290,515	60,407,716	64,180,007
Difference between expected and actual experience	(122,591)	(6,117,445)	950,930	(4,550,911)
Change of assumptions	-	(685,185)	-	-
Benefit payments, including refunds of employee contributions	<u>(26,400,655)</u>	<u>(29,059,878)</u>	<u>(32,526,510)</u>	<u>(34,399,087)</u>
Net change in total pension liability	51,699,959	48,769,011	55,945,279	54,096,776
Total pension liability - beginning	<u>797,166,833</u>	<u>848,866,792</u>	<u>897,635,803</u>	<u>953,581,082</u>
Total pension liability - ending (a)	<u>848,866,792</u>	<u>897,635,803</u>	<u>953,581,082</u>	<u>1,007,677,858</u>
Plan fiduciary net position				
Contributions - employer	28,690,370	25,429,543	26,761,281	28,535,854
Contributions - employee	9,684,277	9,831,426	10,345,977	11,029,878
Net investment income	40,500,200	1,121,428	51,816,415	114,003,401
Benefit payments, including refunds of employee contributions	(26,400,655)	(29,059,878)	(32,526,510)	(34,399,087)
Administrative expense	(422,815)	(683,011)	(585,071)	(590,653)
Other	<u>(34,762)</u>	<u>(33,734)</u>	<u>(31,522)</u>	<u>(29,932)</u>
Net change in plan fiduciary net position	52,016,615	6,605,774	55,780,570	118,549,461
Plan fiduciary net position - beginning	<u>707,927,804</u>	<u>759,944,419</u>	<u>766,550,193</u>	<u>822,330,763</u>
Plan fiduciary net position - ending (b)	<u>759,944,419</u>	<u>766,550,193</u>	<u>822,330,763</u>	<u>940,880,224</u>
Net pension liability (a) - (b)	<u>\$ 88,922,373</u>	<u>\$ 131,085,610</u>	<u>\$ 131,250,319</u>	<u>\$ 66,797,634</u>
Plan fiduciary net position as a percentage of the total pension liability	89.52%	85.40%	86.24%	93.37%
Covered - employee payroll	\$ 138,229,574	\$ 140,393,376	\$ 147,755,548	\$ 157,569,687
Net pension liability as a percentage of covered employee payroll	64.33%	93.37%	88.83%	42.39%

Note: GASB 68 requires 10 fiscal years of data. As a result of the City implementing GASB 68 in fiscal year 2015, this schedule will be built to show the remaining reporting requirement.

**CITY OF PLANO, TEXAS
 REQUIRED SUPPLEMENTARY INFORMATION
 TEXAS MUNICIPAL RETIREMENT SYSTEM
 SCHEDULE OF CONTRIBUTIONS
 LAST FOUR YEARS
 (UNAUDITED)**

Fiscal year ending September 30,	2015	2016	2017	2018
Actuarially determined contributions	\$ 25,309,703	\$ 26,364,866	\$ 28,074,675	\$ 28,953,129
Contributions in relation to the actuarially determined contribution	28,309,703	26,364,866	28,074,675	28,953,129
Contribution deficiency (excess)	<u>\$ (3,000,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 138,720,040	\$ 145,557,931	\$ 155,007,834	\$ 162,477,475
Contributions as a percentage of covered employee payroll	20.41%	18.11%	18.11%	17.82%

Note: GASB 68 requires 10 fiscal years of data. As a result of the City implementing GASB 68 in fiscal year 2015, this schedule will be built to show the remaining reporting requirement.

Notes to Schedule of Contributions

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method: Entry age normal
 Amortization method: Level percentage of payroll, closed
 Remaining amortization period: 28 years
 Asset valuation method: 10 year smoothed market; 15% soft corridor
 Inflation: 2.5%
 Salary increases: 3.5% to 10.5% including inflation
 Investment rate of return: 6.75%
 Retirement age: Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2014.
 Mortality: RP2000 Combine Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

Other Information:

Notes There were no benefit changes during the year.

**CITY OF PLANO, TEXAS
 REQUIRED SUPPLEMENTARY INFORMATION
 RETIREMENT SECURITY PLAN
 SCHEDULE OF CHANGES IN NET PENSION (ASSET)/LIABILITY AND RELATED RATIOS
 LAST FOUR YEARS
 (UNAUDITED)**

Fiscal year ending December 31,	2014	2015	2016	2017
Total pension liability				
Service cost	\$ 3,674,544	\$ 3,803,153	\$ 4,716,387	\$ 5,073,946
Interest (on the total pension liability)	7,802,936	8,412,933	9,240,119	9,960,603
Difference between Expected and Actual Experience	-	(1,059,691)	-	(3,005,892)
Assumption Changes	-	7,094,524	-	2,989,199
Benefit payments	(3,518,902)	(3,822,305)	(4,297,533)	(4,760,146)
Net change in total pension liability	7,958,578	14,428,614	9,658,973	10,257,710
Total pension liability - beginning	100,604,971	108,563,549	122,992,163	132,651,136
Total pension liability - ending (a)	108,563,549	122,992,163	132,651,136	142,908,846
Plan Fiduciary Net Position				
Contributions - employer	4,037,995	3,959,196	4,133,463	5,159,461
Net investment income	8,012,049	2,076,698	6,276,782	21,781,774
Benefit payments	(3,518,902)	(3,822,305)	(4,297,533)	(4,760,146)
Administrative expense	(278,376)	(327,528)	(336,043)	(363,144)
Other	(22,051)	-	-	-
Net change in plan fiduciary net position	8,230,715	1,886,061	5,776,669	21,817,945
Plan fiduciary net position - beginning	110,804,917	119,035,632	120,921,693	126,698,362
Plan fiduciary net position - ending (b)	119,035,632	120,921,693	126,698,362	148,516,307
Net pension (asset)/liability (a) - (b)	\$ (10,472,083)	\$ 2,070,470	\$ 5,952,774	\$ (5,607,461)
Plan fiduciary net position as a percentage of the total pension liability	109.65%	98.32%	95.51%	103.92%
Covered - employee payroll	\$ 117,023,684	\$130,412,851	\$132,482,794	\$142,526,560
Net pension (asset)/liability as a percentage of covered employee payroll	(8.95)%	1.59%	4.49%	(3.93)%

Note: GASB 68 requires 10 fiscal years of data. As a result of the City GASB 68 in fiscal year 2015, this schedule will be built to show the remaining reporting requirement.

**CITY OF PLANO, TEXAS
 REQUIRED SUPPLEMENTARY INFORMATION
 RETIREMENT SECURITY PLAN
 SCHEDULE OF CONTRIBUTIONS
 LAST FOUR YEARS
 (UNAUDITED)**

Fiscal year ending September 30,	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Actuarially determined contributions	\$ 3,908,790	\$ 4,081,765	\$ 4,880,321	\$ 5,339,710
Contributions in relation to the actuarially determined contribution	<u>3,908,790</u>	<u>4,081,765</u>	<u>4,880,321</u>	<u>5,339,710</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 125,281,726	\$ 130,825,766	\$ 139,928,684	\$ 147,505,817
Contributions as a percentage of covered employee payroll	3.12%	3.12%	3.49%	3.62%

Note: GASB 68 requires 10 fiscal years of data. As a result of the City implementing GASB 68 in fiscal year 2015, this schedule will be built to show the remaining reporting requirement.

Notes to Schedule of Contributions

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 of odd numbered years. The actuarially determined contribution rate determined by the valuation is effective for the biennium period beginning with the fiscal year following the valuation date.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method:	Entry Age Normal
Amortization method:	Level percentage of payroll, closed
Remaining amortization period:	17 years as of the valuation date
Asset valuation method:	5-year smoothed market; 20% corridor
Inflation:	2.50%
Salary increases:	8.00% to 2.75% including inflation
Investment rate of return:	7.00%
Retirement age:	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality:	RP-2000 mortality for combined healthy annuitants with blue-collar adjustment. Males rates are multiplied by 1.09 and female rates are multiplied by 1.03. Generational mortality improvements applied using Scale BB.

**CITY OF PLANO, TEXAS
 REQUIRED SUPPLEMENTARY INFORMATION
 OTHER POST EMPLOYMENT BENEFITS 115 TRUST
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
 LAST YEAR
 (UNAUDITED)**

Fiscal year ending December 31,	<u>2017</u>
Total OPEB liability	
Service cost	\$ 2,631,472
Interest (on the total OPEB liability)	7,587,712
Effect of economic/demographic gains or losses	(1,889,319)
Change of assumptions	(17,339,980)
Benefit payments, including refunds of employee contributions	<u>(2,505,768)</u>
Net change in total OPEB liability	(11,515,883)
Total OPEB liability - beginning	<u>108,017,765</u>
Total OPEB liability - ending (a)	<u>96,501,882</u>
Plan fiduciary net position	
Contributions - employer	5,585,470
Net investment income	11,242,528
Benefit payments, including refunds of employee contributions	(2,505,768)
Administrative expense	<u>(10,951)</u>
Net change in plan fiduciary net position	14,311,279
Plan fiduciary net position - beginning	<u>70,158,981</u>
Plan fiduciary net position - ending (b)	<u>84,470,260</u>
Net OPEB liability (a) - (b)	<u>\$ 12,031,622</u>
Plan fiduciary net position as a percentage of the total OPEB liability	87.53%
Covered - employee payroll	\$ 148,694,595
Net OPEB liability as a percentage of covered employee payroll	8.09%

Note: GASB 75 requires 10 fiscal years of data. As a result of the City implementing GASB 75 in fiscal year 2018, this schedule will be built to show the remaining reporting requirement.

**CITY OF PLANO, TEXAS
 REQUIRED SUPPLEMENTARY INFORMATION
 OTHER POST EMPLOYMENT BENEFITS 115 TRUST
 SCHEDULE OF CONTRIBUTIONS
 LAST YEAR
 (UNAUDITED)**

Fiscal year ending September 30,	<u>2018</u>
Actuarially determined contributions	\$ 5,044,806
Contributions in relation to the actuarially determined contribution	<u>3,774,139</u>
Contribution deficiency (excess)	<u>\$ 1,270,667</u>
Covered employee payroll	\$ 152,783,696
Contributions as a percentage of covered employee payroll	2.47%

Note: GASB 75 requires 10 fiscal years of data. As a result of the City implementing GASB 75 in fiscal year 2018, this schedule will be built to show the remaining reporting requirement.

Notes to Schedule of Contributions

Valuation Date:

Notes The Actuarially Determined Contribution is the sum of the current year's normal cost plus an amount necessary to amortize the unfunded liability over a closed 19-year period. Actuarial valuations have been performed biennially as of October 1. The most recent valuation was performed as of October 1, 2017.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method:	Entry age normal
Amortization method:	Level percentage of payroll, closed
Remaining amortization period:	19 years
Asset valuation method:	Market value
Inflation:	2.5%
Salary increases:	2.75%
Investment rate of return:	6.75%
Healthcare cost trend rates:	4.30% for 2017, rising and then decreasing to an ultimate rate of 4.10% for 2076 and beyond
Dental cost trend rates:	4.74% for 2017, gradually decreasing to an ultimate rate of 3.83% for 2076 and beyond
Mortality:	
Active participants	Sex Distinct RP 2000 Combined Healthy Mortality Table with Blue Collar adjustment with rates multiplied by 0.545 (male) or 0.52 (female) and projected fully generationally using Scale BB.
Retired participants	Sex Distinct RP 2000 Combined Healthy Mortality Table with Blue Collar adjustment with rates multiplied by 1.09 (male) or 1.03 (female) and projected fully generationally using Scale BB.
Disabled participants	Sex Distinct RP 2000 Combined Healthy Mortality Table with Blue Collar adjustment with rates multiplied by 1.09 (male) or 1.03 (female) and projected fully generationally using Scale BB, with a minimum 3% mortality rate.

COMBINING FINANCIAL STATEMENTS



FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2018
CITY OF PLANO, TEXAS





NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS:

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

CRIMINAL INVESTIGATION FUND – to account for any monies taken into police custody as a result of police investigation. These monies are to be spent only on law enforcement activities as provided by state statute.

GRANT FUND – to account for monies received from other governmental agencies.

PLANO TELEVISION (PTV) FUND – to account for monies received for local access programming, under conditions contained within the franchise agreement with AT&T Broadband.

PUBLIC SAFETY COMMUNICATIONS – to account for 9-1-1 reserve fund monies received from wireless communication fees to be used for related 9-1-1 services; and intergovernmental radio fund fees collected under an interlocal agreement for a joint communication system between the cities of Plano, Allen and Frisco, the fees are used to pay maintenance expenses of the system; and wireline fees and reporting for 9-1-1 expenditures.

MUNICIPAL COURT – to account for building security fund monies received from conviction of misdemeanor fees to be used to provide for the security and housing of municipal courts; teen court fees collected from teens requesting teen court, these monies are used to cover the costs of administering teen court; municipal court technology state fees collected with each citation that has resulted from a conviction; judicial efficiency state fees collected for payment on any part of a judgment on or after the 31st date on which a judgment is entered where one-half is remitted to the state, four-tenths is retained locally with no restriction, while one-tenth is used for the purpose of improving judicial efficiency; juvenile case managers supervise youth under 17 years of age who have been charged with a crime, fees received are used to fund a portion of the juvenile case manager position; traffic safety fees collected in relation to motor vehicle code violations which are used for public safety purposes; child safety fees collected from \$1 for each registered vehicle, these fees are used to fund the school crossing guard program and other child safety related programs.

MEMORIAL LIBRARY FUND – to account for monies received in support of the City's library.

SEIZED ASSETS FUND – to account for the seizure and disposition of assets confiscated by local law enforcement agencies.

LIBRARIES – to account for library training lab monies received from the Bill and Melinda Gates Foundation for the establishment of a library training lab; and Sproles library fund monies received in support of the City's library.

ANIMAL SHELTER DONATIONS – to account for donations to assist the animal shelter.

COMMUNITY PARAMEDIC PROGRAM – to account for donations from local hospitals to increase the overall well-being of patients recently discharged from the hospital enabling paramedics to better assist Plano residents who frequently use the 9-1-1 system.

BLENDED COMPONENT UNITS:

PUBLIC IMPROVEMENT DISTRICT – organized to provide additional improvements and services in Downtown Plano where funding is derived from a special assessment paid by downtown property owners and based on a property's taxable value.

PLANO IMPROVEMENT CORPORATION – organized as a legally separate, nonprofit entity that serves the citizens of the City by facilitating real estate transactions and serve as an independent foundation for acceptance of donations.

LEGACY AREA TRANSPORTATION MANAGEMENT ASSOCIATION – organized to solve transportation concerns and funded through membership dues paid by contributing businesses in the area.

CAPITAL PROJECTS FUNDS:

The Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other government.

The City's nonmajor Capital Projects Funds are as follows:

DART – to account for the financing and construction of street modifications necessary to accommodate the public transportation system. Funds are provided through the DART Local Assistance Program.

PUBLIC INFRASTRUCTURE – to account for Improvements to City of Plano owned infrastructure related to existing commercial facilities, including streets, utilities, open space and other infrastructure.

PARK SERVICES – to account for building permit fees exclusively for the acquisition and development of new neighborhoods and parks.



Exhibit "A" to Resolution No. 2019-1-9(R)

CITY OF PLANO, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AS OF SEPTEMBER 30, 2018

	Special Revenue			
	Criminal Investigation	Grant	PTV	Public Safety Communications
ASSETS				
Cash and cash equivalents	\$ 1,074,166	\$ 1,003,827	\$ 445,077	\$ 4,183,054
Investments	3,536,646	252,782	1,465,396	13,772,529
Receivables (net of allowance for uncollectible)				
Accounts	-	225	-	12,217
Accrued interest	13,487	964	5,588	52,520
Other	-	821,490	-	-
Due from other governments	9,970	1,289,716	-	107,903
Prepaid items and other assets	-	39	1,080	-
Total assets	\$ 4,634,269	\$ 3,369,043	\$ 1,917,141	\$ 18,128,223
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 32,450	\$ 155,190	\$ 20,085	\$ 11,059
Accrued liabilities	9,276	9,665	16,863	-
Contracts payable	-	-	-	-
Unearned revenue	-	1,821,840	-	-
Due to other funds	-	1,046,573	-	-
Due to other governments	-	-	-	-
Retainage payable	-	-	-	-
Seized assets payable	-	-	-	-
Total liabilities	41,726	3,033,268	36,948	11,059
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	1,444	691,872	-	-
Fund Balances:				
Nonspendable:				
Prepaid items and other assets	-	39	1,080	-
Restricted for:				
Capital projects	-	-	-	-
Special revenue	4,591,099	-	1,879,113	18,117,164
Blended component unit	-	-	-	-
Assigned to:				
Capital projects	-	-	-	-
Unassigned				
Special revenue	-	(356,136)	-	-
Total fund balances	4,591,099	(356,097)	1,880,193	18,117,164
Total liabilities, deferred inflows, and fund balance	\$ 4,634,269	\$ 3,369,043	\$ 1,917,141	\$ 18,128,223

Special Revenue

Municipal Court	Memorial Library	Seized Assets	Libraries	Animal Shelter Donations	Community Paramedic Program
\$ 4,415,484	\$ 88,927	\$ 32,005	\$ 7,997	\$ 48,544	\$ 27,666
14,537,798	292,789	105,377	26,328	159,829	91,089
335,745	-	-	-	377	-
55,439	1,116	402	100	610	348
-	-	-	-	-	-
101,751	-	-	-	-	-
15,722	-	-	-	-	-
<u>\$ 19,461,939</u>	<u>\$ 382,832</u>	<u>\$ 137,784</u>	<u>\$ 34,425</u>	<u>\$ 209,360</u>	<u>\$ 119,103</u>
\$ 944,741	\$ -	\$ -	\$ -	\$ -	\$ -
12,915	-	-	-	-	4,677
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,439,610	-	-	-	-	-
-	-	-	-	-	-
-	-	137,784	-	-	-
<u>3,397,266</u>	<u>-</u>	<u>137,784</u>	<u>-</u>	<u>-</u>	<u>4,677</u>
-	-	-	-	-	-
15,722	-	-	-	-	-
-	-	-	-	-	-
16,048,951	382,832	-	34,425	209,360	114,426
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>16,064,673</u>	<u>382,832</u>	<u>-</u>	<u>34,425</u>	<u>209,360</u>	<u>114,426</u>
<u>\$ 19,461,939</u>	<u>\$ 382,832</u>	<u>\$ 137,784</u>	<u>\$ 34,425</u>	<u>\$ 209,360</u>	<u>\$ 119,103</u>

(continued)

Exhibit "A" to Resolution No. 2019-1-9(R)

CITY OF PLANO, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AS OF SEPTEMBER 30, 2018
 (continued)

	Blended Component Units		
	Public Improvement District	Plano Improvement Corporation	Transportation Management Association
ASSETS			
Cash and cash equivalents	\$ 4,633	\$ 106,685	\$ 11,300
Investments	15,314	-	-
Receivables (net of allowance for uncollectible)			
Accounts	-	-	-
Accrued interest	-	-	-
Other	-	-	-
Due from other governments	-	-	-
Prepaid items and other assets	-	9,360	-
Total assets	<u>\$ 19,947</u>	<u>\$ 116,045</u>	<u>\$ 11,300</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 75	\$ 12,625	\$ -
Accrued liabilities	-	-	-
Contracts payable	-	-	-
Unearned revenue	-	955	-
Due to other funds	-	-	-
Due to other governments	-	-	-
Retainage payable	-	-	-
Seized assets payable	-	-	-
Total liabilities	<u>75</u>	<u>13,580</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	-	-
Fund Balances:			
Nonspendable:			
Prepaid items and other assets	-	9,360	-
Restricted for:			
Capital projects	-	-	-
Special revenue	-	-	-
Blended component unit	19,872	93,105	11,300
Assigned to:			
Capital projects	-	-	-
Unassigned			
Special revenue	-	-	-
Total fund balances	<u>19,872</u>	<u>102,465</u>	<u>11,300</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 19,947</u>	<u>\$ 116,045</u>	<u>\$ 11,300</u>

Capital Projects			Total Nonmajor Governmental Funds
DART	Public Infrastructure	Park Services	
\$ 26,355	\$ 408,970	\$ 1,162,194	\$ 13,046,884
86,772	1,346,518	3,826,473	39,515,640
-	-	-	348,564
331	5,135	14,592	150,632
-	-	-	821,490
-	-	-	1,509,340
-	-	-	26,201
<u>\$ 113,458</u>	<u>\$ 1,760,623</u>	<u>\$ 5,003,259</u>	<u>\$ 55,418,751</u>
\$ -	\$ 1,100	\$ -	\$ 1,177,325
-	-	-	53,396
72,375	-	-	72,375
-	-	-	1,822,795
-	-	-	1,046,573
-	-	-	2,439,610
25,513	-	-	25,513
-	-	-	137,784
<u>97,888</u>	<u>1,100</u>	<u>-</u>	<u>6,775,371</u>
-	-	-	693,316
-	-	-	26,201
-	1,759,523	-	1,759,523
-	-	-	41,377,370
-	-	-	124,277
15,570	-	5,003,259	5,018,829
-	-	-	-
<u>15,570</u>	<u>1,759,523</u>	<u>5,003,259</u>	<u>(356,136)</u>
			<u>47,950,064</u>
<u>\$ 113,458</u>	<u>\$ 1,760,623</u>	<u>\$ 5,003,259</u>	<u>\$ 55,418,751</u>

**CITY OF PLANO, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Special Revenue			
	Criminal Investigation	Grant	PTV	Public Safety Communications
REVENUES				
Fines and forfeitures	\$ 654,141	\$ -	\$ -	\$ -
Contributions	-	-	-	-
Intergovernmental	37,117	2,966,115	-	115,200
Fees for services	-	-	734,018	1,617,464
Assessed taxes	-	-	-	-
Loan repayments	-	26,190	-	-
Investment income	-	13,966	17,512	172,701
Miscellaneous	8,900	-	-	-
Total revenues	<u>700,158</u>	<u>3,006,271</u>	<u>751,530</u>	<u>1,905,365</u>
EXPENDITURES				
Police	372,807	587,090	-	462,034
Fire	-	769,977	-	94,633
Libraries	-	114,422	-	-
Development	-	1,736,119	-	-
Public services and operations	-	-	955,369	23,895
Capital outlay	32,482	173,181	154,761	-
Total expenditures	<u>405,289</u>	<u>3,380,789</u>	<u>1,110,130</u>	<u>580,562</u>
Excess (deficiency) of revenues over (under) expenditures	<u>294,869</u>	<u>(374,518)</u>	<u>(358,600)</u>	<u>1,324,803</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	500,000	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>500,000</u>	<u>-</u>
Net change in fund balances	294,869	(374,518)	141,400	1,324,803
Fund balances-beginning	4,296,230	18,421	1,738,793	16,792,361
Fund balances-ending	<u>\$ 4,591,099</u>	<u>\$ (356,097)</u>	<u>\$ 1,880,193</u>	<u>\$ 18,117,164</u>

Special Revenue

Municipal Court	Memorial Library	Libraries	Animal Shelter Donations	Community Paramedic Program
\$ 6,511,055	\$ -	\$ -	\$ -	\$ -
-	9,856	-	62,616	132,343
-	-	-	-	-
975,080	-	-	-	-
-	-	-	-	-
-	-	-	-	-
177,891	3,730	337	2,506	999
-	-	-	-	-
<u>7,664,026</u>	<u>13,586</u>	<u>337</u>	<u>65,122</u>	<u>133,342</u>
7,055,764	-	-	-	-
-	-	-	-	92,974
-	276	-	-	-
-	-	-	-	-
-	-	-	2,195	-
196,093	6,356	-	100,000	25,000
<u>7,251,857</u>	<u>6,632</u>	<u>-</u>	<u>102,195</u>	<u>117,974</u>
412,169	6,954	337	(37,073)	15,368
-	2,897	-	-	-
-	-	(2,897)	-	-
-	2,897	(2,897)	-	-
412,169	9,851	(2,560)	(37,073)	15,368
15,652,504	372,981	36,985	246,433	99,058
<u>\$ 16,064,673</u>	<u>\$ 382,832</u>	<u>\$ 34,425</u>	<u>\$ 209,360</u>	<u>\$ 114,426</u>

(continued)

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018
(continued)

	Blended Component Units		
	Public Improvement District	Plano Improvement Corporation	Transportation Management Association
REVENUES			
Fines and forfeitures	\$ -	\$ -	\$ -
Contributions	-	1,288,790	1,300
Intergovernmental	-	-	-
Fees for services	-	-	-
Assessed taxes	79,560	-	-
Loan repayments	-	-	-
Investment income	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>79,560</u>	<u>1,288,790</u>	<u>1,300</u>
EXPENDITURES			
Police	-	-	-
Fire	-	-	-
Libraries	-	-	-
Development	144,862	223,333	-
Public services and operations	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>144,862</u>	<u>223,333</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(65,302)</u>	<u>1,065,457</u>	<u>1,300</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	50,000	-	-
Transfers out	-	(1,010,188)	-
Total other financing sources (uses)	<u>50,000</u>	<u>(1,010,188)</u>	<u>-</u>
Net change in fund balances	(15,302)	55,269	1,300
Fund balances-beginning	35,174	47,196	10,000
Fund balances-ending	<u>\$ 19,872</u>	<u>\$ 102,465</u>	<u>\$ 11,300</u>

Capital Projects			Total Nonmajor Governmental Funds
DART	Public Infrastructure	Park Services	
\$ -	\$ -	\$ -	\$ 7,165,196
-	-	-	1,494,905
93,525	-	-	3,211,957
-	-	139,802	3,466,364
-	-	-	79,560
-	-	-	26,190
1,545	15,846	49,212	456,245
-	-	-	8,900
<u>95,070</u>	<u>15,846</u>	<u>189,014</u>	<u>15,909,317</u>
-	-	-	8,477,695
-	-	-	957,584
-	-	-	114,698
-	117,610	-	2,221,924
-	-	-	981,459
258,394	-	632,700	1,578,967
<u>258,394</u>	<u>117,610</u>	<u>632,700</u>	<u>14,332,327</u>
<u>(163,324)</u>	<u>(101,764)</u>	<u>(443,686)</u>	<u>1,576,990</u>
-	-	-	552,897
-	-	-	(1,013,085)
-	-	-	(460,188)
(163,324)	(101,764)	(443,686)	1,116,802
178,894	1,861,287	5,446,945	46,833,262
<u>\$ 15,570</u>	<u>\$ 1,759,523</u>	<u>\$ 5,003,259</u>	<u>\$ 47,950,064</u>



Exhibit "A" to Resolution No. 2019-1-9(R)

CITY OF PLANO, TEXAS
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE – BUDGET AND ACTUAL
 DEBT SERVICE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 44,913,193	\$ 44,993,267	\$ 45,071,476	\$ 78,209
Investment income	200,000	262,000	322,477	60,477
Miscellaneous	151,994	151,994	151,994	-
Total revenues	45,265,187	45,407,261	45,545,947	138,686
EXPENDITURES:				
Principal retirement	28,765,000	28,765,000	28,765,000	-
Interest and fiscal charges	16,509,505	14,651,705	14,650,303	1,402
Total expenditures	45,274,505	43,416,705	43,415,303	1,402
Net change in fund balance	(9,318)	1,990,556	2,130,644	140,088
FUND BALANCE, October 1	4,440,933	4,440,933	4,440,933	-
FUND BALANCE, September 30	\$ 4,431,615	\$ 6,431,489	\$ 6,571,577	\$ 140,088



NONMAJOR ENTERPRISE FUNDS

Following are the nonmajor Enterprise Funds:

CONVENTION AND TOURISM FUND – to account for the convention and tourism activities of the City's Plano Event Center and Visit Plano operations.

MUNICIPAL GOLF COURSE FUND – to account for operation of the City's golf course, including administration, operation and maintenance. All costs are financed through fees charged to patrons.

DOWNTOWN CENTER DEVELOPMENT FUND – to account for improvements and activities in support of the City's downtown area.

RECREATION REVOLVING FUND – to account for recreational programs and activities that are offered to groups and individuals on a fee basis. Fees are adjusted periodically to cover the cost of providing each program.

**CITY OF PLANO, TEXAS
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
AS OF SEPTEMBER 30, 2018**

	Business-type Activities Enterprise Funds				Total Nonmajor Enterprise Funds
	Convention and Tourism	Municipal Golf Course	Downtown Center Development	Recreation Revolving	
ASSETS					
Cash and cash equivalents	\$ 1,311,788	\$ 6,816	\$ 149,267	\$ 726,408	\$ 2,194,279
Investments	4,303,969	22,441	491,456	2,391,666	7,209,532
Receivables:					
Accounts	489,721	9,069	17,120	59,585	575,495
Accrued interest	16,413	86	1,874	9,120	27,493
Other	16,564	-	-	792	17,356
Prepaid expenses and other assets	446,008	-	-	21,617	467,625
Net pension asset	76,110	14,934	-	17,453	108,497
Capital assets:					
Land	2,359,859	595,296	36,999	-	2,992,154
Public art	-	-	50,000	-	50,000
Buildings	11,354,841	2,427,383	-	-	13,782,224
Improvements other than buildings	790,021	1,247,352	-	1,481,980	3,519,353
Equipment	1,497,133	40,278	-	247,896	1,785,307
Furniture and fixtures	185,185	14,915	-	69,874	269,974
Less accumulated depreciation	(13,212,607)	(3,729,928)	-	(260,270)	(17,202,805)
Total capital assets (net of accumulated depreciation)	<u>2,974,432</u>	<u>595,296</u>	<u>86,999</u>	<u>1,539,480</u>	<u>5,196,207</u>
Total assets	<u>9,635,005</u>	<u>648,642</u>	<u>746,716</u>	<u>4,766,121</u>	<u>15,796,484</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows from pensions	428,172	95,142	-	72,029	595,343
Deferred outflows from other post employment benefits	57,377	13,156	-	14,618	85,151
	<u>485,549</u>	<u>108,298</u>	<u>-</u>	<u>86,647</u>	<u>680,494</u>
LIABILITIES					
Current liabilities:					
Accounts payable	184,066	5,417	15,000	17,033	221,516
Accrued liabilities	159,299	15,983	-	45,860	221,142
Unearned revenue	322,542	-	-	1,737,258	2,059,800
Customer deposits	-	-	-	189,449	189,449
Liability for compensated absences	4,079	-	-	934	5,013
Total current liabilities	<u>669,986</u>	<u>21,400</u>	<u>15,000</u>	<u>1,990,534</u>	<u>2,696,920</u>
Noncurrent liabilities:					
Net pension liability	919,426	195,691	-	147,658	1,262,775
Net other post employment benefit liability	188,897	43,314	-	48,126	280,337
Liability for compensated absences	487,853	140,370	-	117,910	746,133
Total noncurrent liabilities	<u>1,596,176</u>	<u>379,375</u>	<u>-</u>	<u>313,694</u>	<u>2,289,245</u>
Total liabilities	<u>2,266,162</u>	<u>400,775</u>	<u>15,000</u>	<u>2,304,228</u>	<u>4,986,165</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows from pensions	485,387	104,356	-	110,245	699,988
Deferred inflows from other post employment benefits	344,545	79,004	-	87,782	511,331
	<u>829,932</u>	<u>183,360</u>	<u>-</u>	<u>198,027</u>	<u>1,211,319</u>
NET POSITION					
Net investment in capital assets	2,974,432	595,296	86,999	1,539,480	5,196,207
Unrestricted	4,050,028	(422,491)	644,717	811,033	5,083,287
Total net position	<u>\$ 7,024,460</u>	<u>\$ 172,805</u>	<u>\$ 731,716</u>	<u>\$ 2,350,513</u>	<u>\$ 10,279,494</u>

**CITY OF PLANO, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Business-type Activities Enterprise Funds				Total Nonmajor Enterprise Funds
	Convention and Tourism	Municipal Golf Course	Downtown Center Development	Recreation Revolving	
Operating revenues:					
Charges for sales and services:					
Service charges	\$ 2,705,905	\$ 946,624	\$ 94,393	\$ 3,669,943	\$ 7,416,865
Miscellaneous charges	6,944	-	-	58,946	65,890
Total operating revenues	<u>2,712,849</u>	<u>946,624</u>	<u>94,393</u>	<u>3,728,889</u>	<u>7,482,755</u>
Operating expenses:					
Personnel services	3,085,774	659,159	-	1,341,801	5,086,734
Pension expense (net)	(81,925)	(18,133)	-	(19,947)	(120,005)
Contractual services	5,478,568	218,163	26,836	1,793,756	7,517,323
Supplies	665,129	103,476	-	207,639	976,244
Depreciation	131,943	170,145	-	80,347	382,435
Miscellaneous	105,408	2,003	-	34,380	141,791
Total operating expenses	<u>9,384,897</u>	<u>1,134,813</u>	<u>26,836</u>	<u>3,437,976</u>	<u>13,984,522</u>
Operating income (loss)	<u>(6,672,048)</u>	<u>(188,189)</u>	<u>67,557</u>	<u>290,913</u>	<u>(6,501,767)</u>
Nonoperating revenues (expenses):					
Investment income	49,645	-	6,126	27,417	83,188
Loss on property disposition	(15,075)	-	-	-	(15,075)
Hotel/motel tax	9,209,353	-	-	-	9,209,353
Miscellaneous	7,437	31,040	-	-	38,477
Total nonoperating revenue	<u>9,251,360</u>	<u>31,040</u>	<u>6,126</u>	<u>27,417</u>	<u>9,315,943</u>
Income (loss) before transfers	<u>2,579,312</u>	<u>(157,149)</u>	<u>73,683</u>	<u>318,330</u>	<u>2,814,176</u>
Transfers out	(2,011,539)	(50,409)	-	(207,646)	(2,269,594)
Change in net position	<u>567,773</u>	<u>(207,558)</u>	<u>73,683</u>	<u>110,684</u>	<u>544,582</u>
Total net position-beginning as adjusted (Footnote I.C.)	<u>6,456,687</u>	<u>380,363</u>	<u>658,033</u>	<u>2,239,829</u>	<u>9,734,912</u>
Total net position-ending	<u>\$ 7,024,460</u>	<u>\$ 172,805</u>	<u>\$ 731,716</u>	<u>\$ 2,350,513</u>	<u>\$ 10,279,494</u>

Exhibit "A" to Resolution No. 2019-1-9(R)

CITY OF PLANO, TEXAS
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Business-type Activities Enterprise Funds				Total Nonmajor Enterprise Funds
	Convention and Tourism	Municipal Golf Course	Downtown Center Development	Recreation Revolving	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 3,252,100	\$ 959,331	\$ 94,193	\$ 4,897,584	\$ 9,203,208
Cash payments to suppliers for goods and services	(6,135,209)	(329,162)	(11,836)	(2,032,234)	(8,508,441)
Cash paid to or on behalf of employees for services	(3,082,145)	(626,914)	-	(1,328,496)	(5,037,555)
Net cash provided (used) by operating activities	(5,965,254)	3,255	82,357	1,536,854	(4,342,788)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Hotel/Motel tax	9,209,353	-	-	-	9,209,353
Transfers to other funds	(2,011,539)	(50,409)	-	(207,646)	(2,269,594)
Net cash provided (used) by noncapital financing activities	7,197,814	(50,409)	-	(207,646)	6,939,759
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(118,361)	-	(50,000)	(218,753)	(387,114)
Proceeds from insurance damages	7,437	31,040	-	-	38,477
Net cash provided (used) by capital and related financing activities	(110,924)	31,040	(50,000)	(218,753)	(348,637)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investment securities	(4,303,969)	(22,441)	(491,456)	(2,391,666)	(7,209,532)
Proceeds from sale and maturities of investment securities	3,818,703	38,953	517,676	1,704,172	6,079,504
Interest on investments	49,388	79	6,442	25,507	81,416
Net cash provided (used) in investing activities	(435,878)	16,591	32,662	(661,987)	(1,048,612)
Net increase in cash and cash equivalents	685,758	477	65,019	448,468	1,199,722
Cash and cash equivalents, beginning of year	626,030	6,339	84,248	277,940	994,557
Cash and cash equivalents, end of year	\$ 1,311,788	\$ 6,816	\$ 149,267	\$ 726,408	\$ 2,194,279
Noncash disclosures:					
Loss on property disposition	\$ (15,075)	\$ -	\$ -	\$ -	\$ (15,075)
Decrease in fair value of investments	(34,756)	(73)	(3,505)	(21,685)	(60,019)
Transfer out of capital assets	-	-	-	(40)	(40)

(continued)

Exhibit "A" to Resolution No. 2019-1-9(R)

CITY OF PLANO, TEXAS
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2018
 (continued)

	Business-type Activities Enterprise Funds				Total Nonmajor Enterprise Funds
	Convention and Tourism	Municipal Golf Course	Downtown Center Development	Recreation Revolving	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	<u>\$ (6,672,048)</u>	<u>\$ (188,189)</u>	<u>\$ 67,557</u>	<u>\$ 290,913</u>	<u>\$ (6,501,767)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	131,943	170,145	-	80,347	382,435
Change in assets and liabilities:					
(Increase) decrease in:					
Accounts receivable	449,968	12,707	(200)	2,290	464,765
Other receivable	12,251	-	-	778	13,029
Prepaid expenses and other assets	5,217	-	-	(5,388)	(171)
Pensions	(81,925)	(18,133)	-	(19,947)	(120,005)
Increase (decrease) in:					
Accounts payable	96,428	(5,520)	15,000	8,151	114,059
Accrued liabilities	(52,298)	1,019	-	15,674	(35,605)
Due to other funds	(11,753)	-	-	-	(11,753)
Liability for compensated absences	55,927	31,226	-	(2,369)	84,784
Customer deposits	-	-	-	(75,023)	(75,023)
Unearned revenue	101,036	-	-	1,241,428	1,342,464
Total adjustments	<u>706,794</u>	<u>191,444</u>	<u>14,800</u>	<u>1,245,941</u>	<u>2,158,979</u>
Net cash provided (used) by operating activities	<u>\$ (5,965,254)</u>	<u>\$ 3,255</u>	<u>\$ 82,357</u>	<u>\$ 1,536,854</u>	<u>\$ (4,342,788)</u>



INTERNAL SERVICE FUNDS

Internal Service Funds account for the financing of goods or services provided by one department for another.

The City has five Internal Service Funds as follows:

EQUIPMENT MAINTENANCE FUND – to account for the cost of operating and maintaining automotive and other equipment used by City departments. Service charges are billed to departments on a monthly basis to cover all expenses of the fund, including depreciation of furniture and fixtures, machinery and equipment necessary to provide maintenance services and for replacement of the fleet.

MUNICIPAL WAREHOUSE FUND – to account for the operation of a central warehouse facility, which provides the capability of storing and distributing in volume supplies and materials used by City departments. An overhead charge is applied to the purchase price of all materials handled to cover the operating costs, including the cost of goods sold.

TECHNOLOGY SERVICES FUND – to account for the data processing and information systems. Charges for software, hardware and maintenance of the systems are billed to the user funds.

RISK MANAGEMENT FUND – to account for the operation of a self-insurance program for general liability, public officials' errors and omission, police professional liability, property loss and worker's compensation.

HEALTH CLAIMS FUND – to account for the self-insurance operation of group accident and health insurance coverage for all City employees. In addition to the basic insurance coverage provided, employees may purchase dependent coverage through payroll deductions. Coverage is financed by billings to the departments and through employee payroll deductions.

**CITY OF PLANO, TEXAS
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
AS OF SEPTEMBER 30, 2018**

	Equipment Maintenance	Municipal Warehouse	Technology Services
ASSETS			
Cash and cash equivalents	\$ 7,692,962	\$ 12,308	\$ 3,766,387
Investments	25,328,755	40,523	12,400,672
Receivables:			
Accounts	18,618	37,786	-
Accrued interest	96,589	155	47,289
Inventories	40,210	1,043,993	-
Prepaid items	-	580	227,709
Net pension asset	59,116	12,558	184,127
Capital assets:			
Land	51,515	-	11,007
Buildings	5,264,915	-	710,379
Equipment	20,413,459	-	22,362,513
Furniture and fixtures	250,986	9,413	55,625
Rolling equipment	57,907,241	-	-
Less accumulated depreciation	<u>(51,670,312)</u>	<u>(9,413)</u>	<u>(13,452,239)</u>
Total capital assets (net of accumulated depreciation)	32,217,804	-	9,687,285
Total assets	<u>65,454,054</u>	<u>1,147,903</u>	<u>26,313,469</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows from pensions	440,614	88,290	1,080,987
Deferred outflows from other post employment benefits	50,433	13,522	91,730
	<u>491,047</u>	<u>101,812</u>	<u>1,172,717</u>
LIABILITIES:			
Current liabilities:			
Accounts payable	781,845	235,225	352,034
Accrued liabilities	68,414	15,905	215,443
Due to other funds	-	108,000	-
Compensated absences	31,230	553	133,912
Liability for insurance claims	-	-	-
Total current liabilities	<u>881,489</u>	<u>359,683</u>	<u>701,389</u>
Noncurrent liabilities:			
Net pension liability	869,915	173,423	2,160,129
Net other post employment benefit liability	166,036	44,518	301,993
Compensated absences	86,284	54,764	330,958
Total liabilities	<u>2,003,724</u>	<u>632,388</u>	<u>3,494,469</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows from pensions	423,750	96,643	1,283,110
Deferred inflows from other post employment benefits	302,849	81,199	550,833
	<u>726,599</u>	<u>177,842</u>	<u>1,833,943</u>
NET POSITION			
Net investment in capital assets	32,217,804	-	9,687,285
Unrestricted	30,996,974	439,485	12,470,489
Total net position	<u>\$ 63,214,778</u>	<u>\$ 439,485</u>	<u>\$ 22,157,774</u>

Exhibit "A" to Resolution No. 2019-1-9(R)

<u>Risk Management</u>	<u>Health Claims</u>	<u>Total</u>
\$ 1,162,049	\$ 5,614,051	\$ 18,247,757
3,825,996	18,484,029	60,079,975
-	-	56,404
14,490	70,488	229,011
-	-	1,084,203
3,523	361,537	593,349
15,601	-	271,402
-	-	62,522
-	-	5,975,294
427,686	-	43,203,658
811	-	316,835
-	-	57,907,241
<u>(428,497)</u>	<u>-</u>	<u>(65,560,461)</u>
-	-	41,905,089
<u>5,021,659</u>	<u>24,530,105</u>	<u>122,467,190</u>
97,866	-	1,707,757
8,406	-	164,091
<u>106,272</u>	<u>-</u>	<u>1,871,848</u>
71,469	32,551	1,473,124
17,451	-	317,213
-	-	108,000
242	-	165,937
<u>4,790,999</u>	<u>2,528,555</u>	<u>7,319,554</u>
4,880,161	2,561,106	9,383,828
199,940	-	3,403,407
27,673	-	540,220
23,959	-	495,965
<u>5,131,733</u>	<u>2,561,106</u>	<u>13,823,420</u>
103,913	-	1,907,416
50,475	-	985,356
<u>154,388</u>	<u>-</u>	<u>2,892,772</u>
-	-	41,905,089
(158,190)	21,968,999	65,717,757
<u>\$ (158,190)</u>	<u>\$ 21,968,999</u>	<u>\$ 107,622,846</u>

**CITY OF PLANO, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>Equipment Maintenance</u>	<u>Municipal Warehouse</u>	<u>Technology Services</u>
OPERATING REVENUES:			
Charges for services	\$ 23,192,020	\$ 4,645,166	\$ 18,949,820
Subrogation receipts	-	-	-
Miscellaneous	103,860	3,734	-
Total operating revenues	<u>23,295,880</u>	<u>4,648,900</u>	<u>18,949,820</u>
OPERATING EXPENSES:			
Personnel services	2,472,823	666,443	7,250,124
Pension expense (net)	(70,349)	(17,988)	(158,161)
Contractual services	2,641,956	72,460	8,571,529
Supplies	3,453,059	3,942,623	1,635,807
Claims expense	-	-	-
Depreciation	8,889,435	-	580,197
Miscellaneous	37,219	64,414	42,428
Total operating expenses	<u>17,424,143</u>	<u>4,727,952</u>	<u>17,921,924</u>
Operating income (loss)	<u>5,871,737</u>	<u>(79,052)</u>	<u>1,027,896</u>
NONOPERATING REVENUES:			
Investment income	303,890	-	146,520
Gain on capital asset disposal	976,108	17,073	-
Intergovernmental revenues	-	-	169,028
Miscellaneous	533,589	14,700	2,355
Total nonoperating revenues	<u>1,813,587</u>	<u>31,773</u>	<u>317,903</u>
Income (loss) before contributions and transfers	<u>7,685,324</u>	<u>(47,279)</u>	<u>1,345,799</u>
Transfers in	288,934	-	502,922
Transfers out	-	-	(250,000)
Change in net position	<u>7,974,258</u>	<u>(47,279)</u>	<u>1,598,721</u>
Total net position-beginning as adjusted (Footnote I.C.)	<u>55,240,520</u>	<u>486,764</u>	<u>20,559,053</u>
Total net position-ending	<u>\$ 63,214,778</u>	<u>\$ 439,485</u>	<u>\$ 22,157,774</u>

Risk Management	Health Claims	Total
\$ 5,805,015	\$ 31,546,334	\$ 84,138,355
1,581,032	-	1,581,032
-	-	107,594
<u>7,386,047</u>	<u>31,546,334</u>	<u>85,826,981</u>
546,223	-	10,935,613
(13,877)	-	(260,375)
1,442,951	3,787,385	16,516,281
22,329	-	9,053,818
5,997,560	27,925,993	33,923,553
-	-	9,469,632
24,109	-	168,170
<u>8,019,295</u>	<u>31,713,378</u>	<u>79,806,692</u>
<u>(633,248)</u>	<u>(167,044)</u>	<u>6,020,289</u>
44,552	240,432	735,394
-	-	993,181
-	-	169,028
-	-	550,644
<u>44,552</u>	<u>240,432</u>	<u>2,448,247</u>
(588,696)	73,388	8,468,536
6,893	-	798,749
-	-	(250,000)
<u>(581,803)</u>	<u>73,388</u>	<u>9,017,285</u>
423,613	21,895,611	98,605,561
<u>\$ (158,190)</u>	<u>\$ 21,968,999</u>	<u>\$ 107,622,846</u>

**CITY OF PLANO, TEXAS
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>Equipment Maintenance</u>	<u>Municipal Warehouse</u>	<u>Technology Services</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 23,534,642	\$ 4,575,377	\$ 18,950,228
Cash received from subrogation	-	-	-
Cash payments to suppliers for goods and services	(6,380,552)	(4,006,658)	(10,705,669)
Cash paid to or on behalf of employees for services	<u>(2,470,272)</u>	<u>(655,779)</u>	<u>(7,139,153)</u>
Net cash provided (used) by operating activities	<u>14,683,818</u>	<u>(87,060)</u>	<u>1,105,406</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers to other funds	-	-	(250,000)
Transfers from other funds	288,934	-	502,922
Intergovernmental receipts	<u>-</u>	<u>-</u>	<u>169,028</u>
Net cash provided by noncapital financing activities	<u>288,934</u>	<u>-</u>	<u>421,950</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and construction of capital assets	(10,787,698)	-	(84,818)
Proceeds on sale of equipment	984,961	17,073	-
Proceeds from insurance damages	<u>533,589</u>	<u>14,700</u>	<u>2,355</u>
Net cash provided (used) by capital and related financing activities	<u>(9,269,148)</u>	<u>31,773</u>	<u>(82,463)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investment securities	(25,328,755)	(40,523)	(12,400,672)
Proceeds from sales and maturities of investment securities	23,231,751	92,782	12,530,660
Interest on investments	<u>305,586</u>	<u>237</u>	<u>152,244</u>
Net cash provided (used) by investing activities	<u>(1,791,418)</u>	<u>52,496</u>	<u>282,232</u>
Net increase (decrease) in cash and cash equivalents	3,912,186	(2,791)	1,727,125
Cash and cash equivalents, beginning of year	<u>3,780,776</u>	<u>15,099</u>	<u>2,039,262</u>
Cash and cash equivalents, end of year	<u>\$ 7,692,962</u>	<u>\$ 12,308</u>	<u>\$ 3,766,387</u>
Noncash disclosure:			
Loss on property disposition	\$ (8,853)	\$ -	\$ -
Decrease in fair value of investments	(200,232)	(5)	(91,467)
Transfer in (out) of capital assets	3,513,750	(30,100)	(114)
Donated capital asset	92,663	-	-

<u>Risk Management</u>	<u>Health Claims</u>	<u>Total</u>
\$ 5,805,015	\$ 31,546,334	\$ 84,411,596
1,581,032	-	1,581,032
(7,010,558)	(31,716,354)	(59,819,791)
<u>(540,383)</u>	<u>-</u>	<u>(10,805,587)</u>
<u>(164,894)</u>	<u>(170,020)</u>	<u>15,367,250</u>
-	-	(250,000)
6,893	-	798,749
<u>-</u>	<u>-</u>	<u>169,028</u>
<u>6,893</u>	<u>-</u>	<u>717,777</u>
-	-	(10,872,516)
-	-	1,002,034
<u>-</u>	<u>-</u>	<u>550,644</u>
<u>-</u>	<u>-</u>	<u>(9,319,838)</u>
(3,825,996)	(18,484,029)	(60,079,975)
4,383,980	20,650,151	60,889,324
<u>48,609</u>	<u>257,307</u>	<u>763,983</u>
<u>606,593</u>	<u>2,423,429</u>	<u>1,573,332</u>
448,592	2,253,409	8,338,521
<u>713,457</u>	<u>3,360,642</u>	<u>9,909,236</u>
<u>\$ 1,162,049</u>	<u>\$ 5,614,051</u>	<u>\$ 18,247,757</u>
\$ -	\$ -	\$ (8,853)
(25,281)	(125,144)	(442,129)
-	-	3,483,536
-	-	92,663

(continued)

**CITY OF PLANO, TEXAS
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2018
 (continued)**

	<u>Equipment Maintenance</u>	<u>Municipal Warehouse</u>	<u>Technology Services</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	<u>\$ 5,871,737</u>	<u>\$ (79,052)</u>	<u>\$ 1,027,896</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	8,889,435	-	580,197
Changes in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	-	(16,523)	-
Other receivable	184,909	-	408
Due from other funds	53,853	-	-
Prepaid items	-	(580)	(158,332)
Inventories	(4,152)	(22,404)	-
Pensions	(70,349)	(17,988)	(158,161)
Increase (decrease) in:			
Accounts payable	(244,166)	95,823	(297,573)
Accrued liabilities	8,131	2,060	48,463
Due to other funds	-	(57,000)	-
Compensated absences	(5,580)	8,604	62,508
Liability for insurance claims	-	-	-
Total adjustments	<u>8,812,081</u>	<u>(8,008)</u>	<u>77,510</u>
Net cash provided (used) by operating activities	<u>\$ 14,683,818</u>	<u>\$ (87,060)</u>	<u>\$ 1,105,406</u>

<u>Risk Management</u>	<u>Health Claims</u>	<u>Total</u>
<u>\$ (633,248)</u>	<u>\$ (167,044)</u>	<u>\$ 6,020,289</u>
-	-	9,469,632
-	-	(16,523)
-	-	185,317
-	-	53,853
(80)	17,291	(141,701)
-	-	(26,556)
(13,877)	-	(260,375)
(6,169)	5,685	(446,400)
4,905	-	63,559
-	-	(57,000)
935	-	66,467
<u>482,640</u>	<u>(25,952)</u>	<u>456,688</u>
<u>468,354</u>	<u>(2,976)</u>	<u>9,346,961</u>
<u>\$ (164,894)</u>	<u>\$ (170,020)</u>	<u>\$ 15,367,250</u>



FIDUCIARY FUNDS

PENSION AND OTHER POSTEMPLOYMENT BENEFIT TRUST FUNDS:

RETIREMENT SECURITY PLAN PENSION TRUST – to account for assets held for full-time employees as a substitute retirement plan to Social Security.

POSTEMPLOYMENT BENEFITS 115 TRUST – to account for assets held for the purpose of funding and providing certain benefits to its eligible retirees in accordance with the requirements of Governmental Accounting Standards Board Statement No. 45.

AGENCY FUNDS:

DEVELOPERS' ESCROW FUND – to account for escrow received from developers. The escrow will be used for construction of improvements to be made by the City.

UNCLAIMED PROPERTY FUND – to account for assets under \$100, which have been issued by the City but remain unclaimed. Disposition is made upon claim by rightful owners or escheatment to the State of Texas.

**CITY OF PLANO, TEXAS
 COMBINING STATEMENT OF NET POSITION
 PENSION AND OTHER POST EMPLOYMENT BENEFITS TRUST FUNDS
 AS OF SEPTEMBER 30, 2018**

	<u>Pension Trust Fund</u>	<u>Postemployment Benefits Trust Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 3,555,135	\$ 238,561	\$ 3,793,696
Investments:			
U.S. government obligations	24,655,868	-	24,655,868
Corporate bonds	16,330,546	-	16,330,546
Common stocks	100,190,751	12,743,774	112,934,525
Mutual funds	13,355,835	77,384,691	90,740,526
Accrued interest	328,542	49,072	377,614
Total assets	<u>158,416,677</u>	<u>90,416,098</u>	<u>248,832,775</u>
LIABILITIES			
Accounts payable	-	569,364	569,364
Total liabilities	<u>-</u>	<u>569,364</u>	<u>569,364</u>
NET POSITION			
Held in trust for pension benefits	158,416,677	-	158,416,677
Held in trust for other postemployment benefits	-	89,846,734	89,846,734
Total net position	<u>\$ 158,416,677</u>	<u>\$ 89,846,734</u>	<u>\$ 248,263,411</u>

**CITY OF PLANO, TEXAS
STATEMENT OF CHANGES IN NET POSITION
PENSION AND OTHER POST EMPLOYMENT BENEFITS TRUST FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>Pension Trust Fund</u>	<u>Postemployment Benefits Trust Fund</u>	<u>Total</u>
ADDITIONS			
Contributions:			
From employers	\$ 5,339,710	\$ 5,038,421	\$ 10,378,131
From retirees	-	2,118,395	2,118,395
Total contributions	<u>5,339,710</u>	<u>7,156,816</u>	<u>12,496,526</u>
Investment return:			
Net increase in fair value of investments	13,239,750	6,161,016	19,400,766
Interest	997,884	185,216	1,183,100
Dividends	1,964,085	1,586,094	3,550,179
Miscellaneous	2,652	-	2,652
Total investment return	<u>16,204,371</u>	<u>7,932,326</u>	<u>24,136,697</u>
Total additions	<u>21,544,081</u>	<u>15,089,142</u>	<u>36,633,223</u>
DEDUCTIONS			
Benefits	5,177,067	3,507,950	8,685,017
Administrative expenses	371,558	2,250,436	2,621,994
Miscellaneous expenses	7,141	12	7,153
Total deductions	<u>5,555,766</u>	<u>5,758,398</u>	<u>11,314,164</u>
Net increase	15,988,315	9,330,744	25,319,059
Net position held in trusts - beginning of year	<u>142,428,362</u>	<u>80,515,990</u>	<u>222,944,352</u>
Net position held in trusts - end of year	<u>\$ 158,416,677</u>	<u>\$ 89,846,734</u>	<u>\$ 248,263,411</u>

**CITY OF PLANO, TEXAS
 COMBINING STATEMENT OF ASSETS AND LIABILITIES
 AGENCY FUNDS
 AS OF SEPTEMBER 30, 2018**

	<u>Agency Funds</u>		<u>Total Agency Funds</u>
	<u>Developers' Escrow</u>	<u>Unclaimed Property</u>	
ASSETS			
Cash and cash equivalents	\$ 665,059	\$ 47,284	\$ 712,343
Investment pool	2,189,678	155,681	2,345,359
Accrued interest	8,350	593	8,943
Total Assets	<u>\$ 2,863,087</u>	<u>\$ 203,558</u>	<u>\$ 3,066,645</u>
LIABILITIES			
Developers' escrow liability	\$ 2,863,087	\$ -	\$ 2,863,087
Unclaimed property payable	-	203,558	203,558
Total Liabilities	<u>\$ 2,863,087</u>	<u>\$ 203,558</u>	<u>\$ 3,066,645</u>

**CITY OF PLANO, TEXAS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Balance September 30, 2017	Additions	Deductions	Balance September 30, 2018
Developers' Escrow				
ASSETS:				
Cash and cash equivalents	\$ 423,622	\$ 401,633	\$ 160,196	\$ 665,059
Investments	2,603,034	-	413,356	2,189,678
Accrued interest receivable	11,013	-	2,663	8,350
Total Assets	\$ 3,037,669	\$ 401,633	\$ 576,215	\$ 2,863,087
LIABILITIES:				
Developers' escrow liability	\$ 3,037,669	\$ 106,067	\$ 280,649	\$ 2,863,087
	\$ 3,037,669	\$ 106,067	\$ 280,649	\$ 2,863,087
Unclaimed Property				
ASSETS:				
Cash and cash equivalents	\$ 25,913	\$ 28,555	\$ 7,184	\$ 47,284
Investments	159,228	139	3,686	155,681
Accrued interest receivable	674	-	81	593
Total Assets	\$ 185,815	\$ 28,694	\$ 10,951	\$ 203,558
LIABILITIES:				
Unclaimed property payable	\$ 185,815	\$ 17,743	\$ -	\$ 203,558
Total Agency Funds				
ASSETS:				
Cash and cash equivalents	\$ 449,535	\$ 430,188	\$ 167,380	\$ 712,343
Investments	2,762,262	139	417,042	2,345,359
Accrued interest receivable	11,687	-	2,744	8,943
Total Assets	\$ 3,223,484	\$ 430,327	\$ 587,166	\$ 3,066,645
LIABILITIES:				
Developers' escrow liability	\$ 3,037,669	\$ 106,067	\$ 280,649	\$ 2,863,087
Unclaimed property payable	185,815	17,743	-	203,558
Total Liabilities	\$ 3,223,484	\$ 123,810	\$ 280,649	\$ 3,066,645



COMPONENT UNIT

TIF EAST SIDE – organized to account for a tax increment financing unit for improvements related to the future development of East Plano.

**CITY OF PLANO, TEXAS
STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNIT
AS OF SEPTEMBER 30, 2018**

	<u>TIF East Side</u>
ASSETS	
Current:	
Cash and cash equivalents	\$ 2,451,232
Investments	8,101,354
Noncurrent:	
Capital assets, net	<u>3,180,296</u>
Total assets	<u>13,732,882</u>
LIABILITIES	
Current:	
Accounts payable	<u>2,700</u>
Total liabilities	<u>2,700</u>
NET POSITION	
Net investment in capital assets	3,180,296
Restricted	<u>10,549,886</u>
Total net position	<u>\$ 13,730,182</u>

**CITY OF PLANO, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>TIF East Side</u>
EXPENSES	
Contractual services	<u>\$ 3,443,743</u>
Total operating expenses	<u>3,443,743</u>
Operating loss	(3,443,743)
NONOPERATING REVENUES	
Property taxes	2,036,092
Note repayment	<u>50,000</u>
Total nonoperating revenues	<u>2,086,092</u>
NET LOSS	<u>(1,357,651)</u>
Change in net position	(1,357,651)
Total net position-beginning	<u>15,087,833</u>
Total net position-ending	<u><u>\$ 13,730,182</u></u>

**CITY OF PLANO, TEXAS
STATEMENT OF CASH FLOWS
DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	TIF East Side
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash payments to suppliers for goods and services	\$ (3,451,523)
Net cash used by operating activities	<u>(3,451,523)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Property taxes	2,036,092
Note repayment	50,000
Net cash provided by noncapital financing activities	<u>2,086,092</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition and construction of capital assets	<u>(1,601,128)</u>
Net cash used by operating and related financing activities	<u>(1,601,128)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of investment securities	(8,101,354)
Proceeds from sales and maturities of investment securities	<u>11,633,814</u>
Net cash provided by investing activities	<u>3,532,460</u>
Net increase in cash and cash equivalents	565,901
Cash and cash equivalents - beginning of year	<u>1,885,331</u>
Cash and cash equivalents - end of year	<u><u>\$ 2,451,232</u></u>

**CITY OF PLANO, TEXAS
 STATEMENT OF CASH FLOWS
 DISCRETELY PRESENTED COMPONENT UNIT
 FOR THE YEAR ENDED SEPTEMBER 30, 2018
 (continued)**

	<u>TIF East Side</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:	
Operating loss	<u>\$ (3,443,743)</u>
Adjustments to reconcile operating loss to net cash used by operating activities:	
Changes in assets and liabilities:	
Increase in:	
Accounts payable	<u>(7,780)</u>
Total adjustments	<u>(7,780)</u>
Net cash used by operating activities	<u><u>\$ (3,451,523)</u></u>



STATISTICAL SECTION



FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2018
CITY OF PLANO, TEXAS





**STATISTICAL SECTION
(unaudited)**

Tables in the statistical section present detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the overall financial health of the City.

	<u>Pages</u>
<u>Financial Trends</u> - These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	136-141
<u>Revenue Capacity</u> - These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	142-145
<u>Debt Capacity</u> - 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.	146-151
<u>Demographic and Economic Information</u> - These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	152-153
<u>Operating Information</u> - 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.	154-158

**CITY OF PLANO, TEXAS
NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(unaudited)**

Table 1

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental activities:										
Net investment in capital assets	\$ 831,253,007	\$ 790,687,802	\$ 749,829,714	\$ 716,648,113	\$ 695,615,093	\$ 672,747,769	\$ 663,420,473	\$ 665,695,098	\$ 663,597,387	\$ 728,662,561
Restricted	53,020,956	59,809,891	68,249,570	47,465,237	32,097,048	51,536,304	50,707,627	46,410,136	1,182,560	3,270,626
Unrestricted	123,431,005	163,907,113	167,247,133	179,758,472	215,051,526	194,617,363	185,546,080	162,537,262	165,352,118	72,524,094
Total governmental activities net position	\$ 1,007,704,968	\$ 1,014,404,806	\$ 985,326,417	\$ 943,871,822	\$ 942,763,667	\$ 918,901,436	\$ 899,674,180	\$ 874,642,496	\$ 830,132,065	\$ 804,457,281
Business-type activities:										
Net investment in capital assets	\$ 378,270,126	\$ 377,622,087	\$ 374,462,834	\$ 370,220,021	\$ 360,960,813	\$ 362,997,446	\$ 363,340,513	\$ 362,757,006	\$ 367,024,467	\$ 383,531,217
Restricted	4,591,766	6,106,990	3,298,965	2,377,534	2,242,278	2,375,886	2,671,383	2,514,172	2,639,954	3,911,737
Unrestricted	91,641,587	81,186,158	88,495,857	88,328,906	89,364,337	88,538,490	78,609,397	81,237,936	57,584,753	25,620,288
Total business-type activities net position	\$ 474,503,479	\$ 464,915,235	\$ 466,257,656	\$ 460,926,461	\$ 452,567,428	\$ 453,911,822	\$ 444,621,293	\$ 446,509,114	\$ 427,249,174	\$ 413,063,242
Primary government:										
Net investment in capital assets	\$ 1,209,523,133	\$ 1,168,309,889	\$ 1,124,292,548	\$ 1,086,868,134	\$ 1,056,575,906	\$ 1,035,745,215	\$ 1,026,760,986	\$ 1,028,452,104	\$ 1,030,621,854	\$ 1,112,193,778
Restricted	57,612,722	65,916,881	71,548,535	49,842,771	34,339,326	53,912,190	53,379,010	48,924,308	3,822,514	7,182,363
Unrestricted	215,072,592	245,093,271	255,742,990	268,087,378	304,415,863	283,155,853	264,155,477	243,775,198	222,936,871	98,144,382
Total primary government net position	\$ 1,482,208,447	\$ 1,479,320,041	\$ 1,451,584,073	\$ 1,404,798,283	\$ 1,395,331,095	\$ 1,372,813,258	\$ 1,344,295,473	\$ 1,321,151,610	\$ 1,257,381,239	\$ 1,217,520,523

Source: Comprehensive Annual Financial Report

Exhibit "A" to Resolution No. 2019-1-9(R)

**CITY OF PLANO, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(unaudited)**

Table 2

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses										
Governmental activities:										
General government	\$ 26,304,530	\$ 27,352,742	\$ 27,017,457	\$ 27,636,869	\$ 22,837,719	\$ 22,902,283	\$ 23,945,434	\$ 17,854,055	\$ 18,468,819	\$ 14,360,212
Administrative services	11,464,812	11,729,785	10,635,244	9,555,715	9,004,302	8,715,712	7,925,435	7,595,755	7,799,815	8,294,111
Police	90,322,013	88,408,381	80,837,474	74,607,299	73,546,241	70,839,690	68,056,743	66,433,966	66,061,326	65,225,173
Fire	61,042,750	63,104,587	56,724,482	51,268,423	50,822,815	48,085,904	45,660,603	44,652,064	43,654,787	44,279,959
Libraries	11,436,405	12,381,069	12,107,913	10,646,832	11,152,367	10,268,273	9,765,576	10,136,834	10,295,418	11,104,945
Development	47,861,153	38,018,301	36,859,600	33,116,211	35,304,179	28,041,761	24,286,697	24,693,554	18,945,171	19,929,365
Public services and operations	7,972,290	8,350,096	7,638,382	6,575,756	7,350,378	6,372,030	5,469,346	5,602,338	5,662,869	5,645,771
Parks and recreation	33,854,714	36,069,542	32,462,901	30,933,825	32,444,929	28,605,874	26,999,247	25,773,639	27,219,522	26,170,315
Public works	35,968,999	33,751,984	32,287,926	30,531,725	29,653,914	31,256,009	32,261,282	30,868,916	34,002,485	28,025,006
Technology services	19,215,958	18,193,246	18,524,241	18,193,965	17,035,972	15,485,073	14,144,322	14,738,189	13,806,148	14,008,840
Other	-	-	-	-	-	-	-	-	1,963,496	5,480,962
Interest on long-term debt	12,725,258	10,897,222	10,309,486	8,887,609	11,454,975	16,606,292	13,546,098	13,821,383	14,089,411	14,640,081
Unallocated depreciation	-	-	-	-	-	-	-	-	111,959	96,934
Total governmental activities expenses	358,168,882	348,256,955	325,405,106	301,954,229	300,607,791	287,178,901	272,060,783	262,170,693	262,081,226	257,261,674
Business-type activities:										
Water and sewer	153,117,762	144,379,544	133,481,605	117,747,963	113,527,471	108,229,423	108,565,144	101,645,618	97,546,366	96,352,987
Sustainability and environmental waste services	26,932,415	26,767,335	25,354,273	22,043,523	22,664,437	22,343,541	23,342,162	23,431,488	21,163,351	21,354,795
Municipal drainage	5,308,525	4,977,428	4,933,219	4,613,572	4,475,230	4,475,248	4,223,993	3,952,974	4,051,080	3,843,011
Convention and tourism	8,937,082	8,661,450	7,402,651	9,093,255	6,547,215	6,287,787	6,098,248	5,889,739	6,393,145	7,331,173
Municipal golf course	1,173,724	1,220,462	1,198,346	1,789,341	1,017,816	1,021,602	965,133	231,640	718,046	870,436
Property management	-	-	-	-	-	-	-	-	59,678	32,053
Recreation revolving	3,432,942	3,574,034	3,295,974	3,349,987	3,215,117	3,326,229	3,226,272	3,176,716	3,216,311	3,191,594
Downtown center development	26,836	17,406	14,273	11,726	28,931	9,893	9,327	55,683	47,918	47,917
Total business-type activities expenses	198,929,286	189,597,659	175,680,341	158,649,367	151,577,217	145,693,723	146,430,279	138,383,858	133,195,895	133,023,966
Total primary government expenses	557,098,168	537,854,614	501,085,447	460,603,596	452,185,008	432,872,624	418,491,062	400,554,551	395,277,121	390,285,640
Program Revenues										
Governmental activities:										
Charges for services:										
General government	6,906,381	10,088,711	6,691,140	6,551,280	6,152,383	5,913,645	5,561,420	4,739,503	1,394,826	994,964
Administrative services	49,074	5,855	3,928	21,428	5,296	11,515	8,200	-	-	-
Police	17,637,778	18,608,424	17,981,734	17,361,393	16,615,952	16,518,724	16,242,970	15,458,080	15,429,740	15,344,518
Fire	6,138,787	5,941,980	5,798,677	5,496,159	4,898,085	4,549,906	4,461,129	3,630,026	3,882,667	4,161,383
Libraries	323,969	251,187	245,954	339,198	432,864	467,501	449,743	473,956	500,514	545,755
Development	7,588,183	9,335,464	12,573,047	10,206,808	6,492,386	6,129,225	5,274,987	4,833,730	3,990,274	3,175,176
Public services and operations	1,578,599	1,550,664	1,534,663	1,494,484	1,448,584	1,473,792	1,431,446	1,319,479	1,333,016	1,277,357
Parks and recreation	6,200,769	4,858,934	5,049,382	4,668,090	4,423,381	4,534,559	4,528,827	4,179,352	4,058,923	3,952,244
Public works	89,655	34,783	18,829	39,452	48,710	112,267	175,256	194,348	247,408	40,592
Technology services	3,789,685	3,673,689	3,862,930	3,297,065	3,044,377	2,930,541	2,796,312	2,626,768	2,870,243	2,882,354
Operating grants and contributions	15,900,571	12,735,876	13,846,703	18,586,476	15,264,041	14,058,293	10,244,037	5,624,013	6,858,965	7,430,737
Capital grants and contributions	13,149,824	12,042,196	16,642,121	19,043,456	11,542,543	8,576,392	5,158,140	13,736,398	20,765,810	10,939,098
Total governmental activities program revenues	79,353,275	79,127,763	84,249,108	87,105,289	70,368,602	65,276,360	56,332,467	56,815,653	61,332,386	50,744,178

(continued)

Exhibit "A" to Resolution No. 2019-1-9(R)

**CITY OF PLANO, TEXAS
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(unaudited)**

**Table 2
(continued)**

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Business-type activities:										
Charges for services:										
Water and sewer	\$ 169,851,498	\$ 143,957,017	\$ 140,654,894	\$ 132,067,317	\$ 114,554,767	\$ 121,115,371	\$ 114,415,670	\$ 128,109,639	\$ 116,516,442	\$ 108,076,125
Sustainability and environmental waste services	17,707,463	17,819,166	16,288,331	16,168,862	16,147,526	16,403,721	16,096,610	16,368,530	15,616,880	15,101,758
Municipal drainage	7,618,351	7,541,895	7,318,823	7,163,876	7,400,810	6,292,462	5,208,675	5,228,986	5,161,087	5,050,406
Convention and tourism	2,720,286	1,861,402	2,420,541	2,214,354	1,727,103	1,759,911	1,812,576	1,822,231	2,180,520	2,439,129
Municipal golf course	977,664	1,020,019	887,717	954,645	965,465	994,125	933,533	65,906	600,919	792,753
Property management	-	-	-	-	-	-	-	9,967	7,594	42,309
Recreation revolving	3,728,889	3,889,169	3,733,821	3,635,336	3,773,493	3,820,358	3,870,482	3,347,434	3,545,142	3,325,754
Downtown center development	94,393	68,678	73,206	147,789	93,896	67,928	67,828	68,128	68,128	68,127
Operating grants and contributions	-	-	1,041	60,980	-	358,588	1,070,468	1,568,388	60,194	339,804
Capital grants and contributions	4,443,912	7,778,571	4,451,393	5,548,273	3,463,123	4,254,902	2,078,980	1,377,582	3,721,845	5,128,295
Total business-type activities program revenues	207,142,456	183,935,917	175,829,767	167,961,432	148,126,183	155,067,366	145,554,822	157,966,791	147,478,751	140,364,460
Total primary government program revenues	286,495,731	263,063,680	260,078,875	255,066,721	218,494,785	220,343,726	201,887,289	214,782,444	208,811,137	191,108,638
Net (expense) revenue										
Governmental activities	(278,815,607)	(269,129,192)	(241,155,998)	(214,848,940)	(230,239,189)	(221,902,541)	(215,728,316)	(205,355,040)	(200,748,840)	(206,517,496)
Business-type activities	8,213,170	(5,661,742)	149,426	9,312,065	(3,451,034)	9,373,643	(875,457)	19,582,933	14,282,856	7,340,494
Total primary government net (expense)	(270,602,437)	(274,790,934)	(241,006,572)	(205,536,875)	(233,690,223)	(212,528,898)	(216,603,773)	(185,772,107)	(186,465,984)	(199,177,002)
General revenues and transfers										
Governmental activities:										
Property taxes	191,237,106	173,005,300	163,619,692	150,960,855	140,180,751	133,922,409	130,761,336	128,274,660	129,741,125	127,265,332
Sales taxes	85,790,057	81,795,481	76,948,348	76,326,156	74,468,963	68,831,243	70,355,058	62,441,697	58,652,787	56,064,538
Mixed drink taxes	2,322,487	2,048,388	1,930,054	1,761,817	1,659,703	1,277,913	1,061,390	1,140,818	1,103,815	997,051
Other taxes	644,540	213,020	145,579	131,642	164,195	398,357	167,773	206,389	77,968	118,580
Franchise fees	25,088,152	24,553,341	24,665,352	25,341,454	24,332,547	23,283,089	22,668,521	23,220,388	22,361,082	23,995,388
Investment income	4,548,178	3,018,751	3,180,298	3,096,190	1,396,949	973,519	2,926,435	4,756,044	3,473,366	4,632,949
Transfers	12,559,897	13,573,300	12,121,270	10,491,502	11,898,312	12,443,267	12,819,487	29,825,475	11,013,481	13,307,004
Total governmental activities	322,190,417	298,207,581	282,610,593	268,109,616	254,101,420	241,129,797	240,760,000	249,865,471	226,423,624	226,380,842
Business-type activities:										
Hotel/Motel tax	9,209,353	8,685,384	8,263,231	7,342,639	5,984,727	5,095,504	4,669,257	4,722,431	4,098,810	3,951,890
Franchise fees	8,631,271	8,753,718	8,499,964	7,957,587	7,570,258	7,068,059	6,498,108	6,761,347	6,286,201	6,198,973
Investment income	797,183	453,519	539,844	544,194	449,967	196,590	639,758	795,789	531,546	604,201
Transfers	(12,559,897)	(13,573,300)	(12,121,270)	(10,491,502)	(11,898,312)	(12,443,267)	(12,819,487)	(12,602,560)	(11,013,481)	(13,307,004)
Total business-type activities	6,077,910	4,319,321	5,181,769	5,352,918	2,106,640	(83,114)	(1,012,364)	(322,993)	(96,924)	(2,551,940)
Total primary government	328,268,327	302,526,902	287,792,362	273,462,534	256,208,060	241,046,683	239,747,636	249,542,478	226,326,700	223,828,902
Change in net position										
Governmental activities	43,374,810	29,078,389	41,454,595	53,260,676	23,862,231	19,227,256	25,031,684	44,510,431	25,674,784	19,863,346
Business-type activities	14,291,080	(1,342,421)	5,331,195	14,664,983	(1,344,394)	9,290,529	(1,887,821)	19,259,940	14,185,932	4,788,554
Total primary government	\$ 57,665,890	\$ 27,735,968	\$ 46,785,790	\$ 67,925,659	\$ 22,517,837	\$ 28,517,785	\$ 23,143,863	\$ 63,770,371	\$ 39,860,716	\$ 24,651,900

Source: Comprehensive Annual Financial Report

CITY OF PLANO, TEXAS
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(unaudited)

Table 3

	Fiscal year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Fund										
Nonspendable	\$ 452,138	\$ 426,935	\$ 455,431	\$ 506,576	\$ 793,454	\$ 152,616	\$ 189,920	\$ 176,588	\$ 2,321,839	\$ 6,976,517
Assigned	5,398,044	8,648,847	7,482,574	5,308,518	4,617,229	3,467,826	2,579,810	3,110,127	4,604,162	4,055,302
Unassigned	46,363,342	42,559,341	46,251,968	45,788,922	45,914,135	52,689,982	50,197,033	41,547,010	34,474,576	31,712,311
Total general fund	\$ 52,213,524	\$ 51,635,123	\$ 54,189,973	\$ 51,604,016	\$ 51,324,818	\$ 56,310,424	\$ 52,966,763	\$ 44,833,725	\$ 41,400,577	\$ 42,744,130
All Other Governmental Funds										
Nonspendable	\$ 2,914,126	\$ 203,063	\$ 350,071	\$ 200,110	\$ 64,510	\$ 22,830	\$ 905	\$ 4,405	\$ -	\$ 2,680
Restricted	139,233,489	118,218,632	110,520,152	83,521,364	87,225,859	94,919,165	93,888,376	80,004,218	61,975,246	85,435,605
Committed	48,179,905	52,076,874	45,745,697	41,176,158	34,066,858	26,320,350	20,280,369	16,052,538	-	-
Assigned	85,460,149	82,418,884	79,391,186	96,276,903	86,964,225	69,940,931	63,918,355	59,782,814	71,516,720	61,199,709
Unassigned	(356,136)	-	-	(441,228)	-	-	-	-	(374,071)	-
Total all other governmental funds	\$ 275,431,533	\$ 252,917,453	\$ 236,007,106	\$ 220,733,307	\$ 208,321,452	\$ 191,203,276	\$ 178,088,005	\$ 155,843,975	\$ 133,117,895	\$ 146,637,994

Source: Comprehensive Annual Financial Report

CITY OF PLANO, TEXAS
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (modified accrual basis of accounting)
 (unaudited)

Table 4

	Fiscal year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues:										
Taxes:										
Property taxes	\$ 178,046,219	\$ 161,637,414	\$ 152,476,517	\$ 139,784,392	\$ 130,387,583	\$ 124,453,986	\$ 121,496,666	\$ 117,691,853	\$ 121,312,517	\$ 119,568,563
Other taxes	88,014,346	83,724,225	78,390,614	78,708,945	75,793,144	70,185,140	71,089,176	63,851,345	59,176,584	57,577,341
Franchise fees	24,354,134	23,778,918	23,795,403	24,452,648	23,469,220	22,455,605	21,895,025	22,770,634	21,886,667	23,586,443
Fines and forfeitures	13,469,216	13,865,452	13,228,933	17,004,610	12,381,098	11,584,047	12,111,722	10,949,125	10,912,913	10,982,616
Contributions	11,864,743	8,275,401	16,065,928	14,451,847	14,386,075	7,912,545	7,195,450	7,161,721	10,691,912	5,206,878
Rollback taxes	775,587	1,083,768	2,080,324	1,705,253	593,756	704,467	896,012	172,594	63,296	263,577
Licenses and permits	9,521,069	11,096,275	13,864,396	11,521,327	8,464,559	8,514,993	6,976,693	6,619,204	5,763,535	4,786,291
Intragovernmental	12,366,054	10,272,023	9,845,021	9,073,068	8,839,577	9,246,857	8,354,150	8,879,036	8,211,958	7,739,588
Intergovernmental	7,226,129	3,294,983	8,600,986	8,762,083	6,861,157	8,378,604	5,695,397	12,269,550	7,236,142	7,118,445
Fees for services	17,232,194	17,591,060	17,476,570	17,235,709	16,093,966	15,626,146	15,654,770	13,535,139	13,769,089	13,808,677
Assessments	-	-	-	4,555	-	13,512	56,776	157,805	88,375	10,094
Assessed taxes	79,560	97,091	96,327	-	-	-	-	-	-	-
Loan repayments	26,190	44,326	52,553	-	-	-	-	-	-	-
Investment income	3,812,784	2,610,264	2,708,822	2,566,239	539,548	803,395	2,323,962	3,932,542	2,884,604	3,988,091
Insurance receipts	-	2,524,669	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	-	2,456,619
Miscellaneous	2,757,734	2,941,582	2,088,223	2,688,796	2,409,120	2,715,685	1,574,428	1,292,782	1,398,742	-
Total revenues	369,545,959	342,837,451	340,770,617	327,959,472	300,218,803	282,594,982	275,320,227	269,283,330	263,396,334	257,093,223
Expenditures:										
Current:										
General government	29,285,243	27,946,543	28,719,550	28,745,531	23,153,000	22,100,556	23,684,196	21,355,266	392,129	613,652
Administrative services	11,242,058	11,009,172	10,137,693	9,671,352	9,075,852	8,429,725	7,998,091	7,978,998	7,901,744	8,239,334
Police	91,071,389	85,173,812	77,750,758	76,345,150	72,624,201	69,419,105	66,547,202	65,618,061	65,289,730	63,987,283
Fire	61,459,845	59,067,134	53,993,731	51,601,545	48,671,045	45,723,609	44,454,375	43,239,799	42,984,135	43,080,441
Libraries	11,346,986	10,933,170	10,910,966	9,894,090	9,807,337	9,163,013	9,146,500	9,392,127	9,926,819	10,314,568
Development	48,359,267	35,587,723	35,279,126	33,168,506	35,721,485	27,163,001	24,417,148	24,830,560	19,694,309	19,924,444
Public services and operations	7,937,937	7,659,746	7,323,817	6,603,174	7,293,539	6,204,948	5,515,414	5,653,648	5,634,193	5,757,144
Parks and recreation	25,293,952	24,471,388	23,043,731	21,730,109	20,362,792	19,376,076	18,729,207	18,792,674	19,909,716	21,407,832
Sustainability and environmental waste services	-	-	877	51,856	-	664,613	875,569	1,284,956	88,202	300,339
Public works	7,427,734	6,488,697	6,328,770	5,945,885	5,817,124	5,931,011	5,327,481	5,538,454	5,592,600	5,840,246
Technology services	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	-	-
Other	-	-	-	-	-	-	-	-	27,809,863	27,609,726
Capital outlay	102,403,953	90,609,900	79,143,347	79,259,135	44,164,938	45,403,651	33,542,010	47,374,962	64,827,368	60,362,017
Interest and fiscal charges	579,586	204,212	267,002	273,480	100,335	175,051	105,385	-	-	-
Debt service:										
Principal retirement	28,765,000	27,145,000	28,540,000	29,430,000	28,135,000	30,335,000	28,990,000	28,405,000	27,650,000	25,645,000
Interest and fiscal charges	14,650,303	14,652,723	12,982,753	12,398,406	13,015,703	13,902,230	14,219,545	14,128,251	14,553,158	15,037,063
Total expenditures	440,823,253	401,949,220	375,422,121	366,118,219	318,942,351	304,991,589	284,552,123	294,592,756	312,253,966	308,119,089
Deficiency of revenues over expenditures	(71,277,294)	(59,111,769)	(34,651,504)	(38,158,747)	(18,723,548)	(22,396,607)	(9,231,896)	(25,309,426)	(48,857,632)	(51,025,866)

(continued)

CITY OF PLANO, TEXAS
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (modified accrual basis of accounting)
 (unaudited)

Table 4
 (continued)

	Fiscal year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Other financing sources:										
Proceeds from sale of bonds	\$ 77,915,000	\$ 54,740,000	\$ 33,610,000	\$ 30,130,000	\$ 20,680,000	\$ 22,175,000	\$ 25,860,000	\$ 21,400,000	\$ 22,615,000	\$ 29,315,000
Bond proceeds-refunding	-	27,805,000	33,585,000	51,300,000	8,645,000	39,750,000	20,540,000	-	16,633,613	12,370,000
Premium on sale of bonds	4,443,627	10,517,669	12,243,821	10,503,390	952,750	11,439,780	3,820,972	114,918	444,228	250,350
Discount on sale of bonds	-	-	-	-	-	-	(253,786)	-	-	-
Escrow payment-refunding	-	(32,589,261)	(39,339,873)	(57,298,532)	(11,373,354)	(48,059,266)	(22,783,832)	-	(16,777,204)	(12,428,331)
Capital receipt of land	-	-	650,000	-	-	-	-	-	-	-
Capital disposal of land	-	-	(650,000)	-	-	-	-	-	-	-
Sale of land	-	-	830,000	456,000	-	144,020	-	-	426,129	-
Disbursements from component unit	-	-	-	-	-	-	-	1,793,418	-	-
Transfer of assets from Plano Economic Development Board	-	-	-	-	-	-	-	16,052,538	-	-
Operating transfers in	40,819,060	38,680,903	36,271,298	38,735,713	33,629,949	26,993,051	23,893,031	24,366,126	21,898,253	25,390,773
Operating transfers out	(28,807,912)	(25,687,045)	(24,688,986)	(22,976,771)	(21,678,227)	(13,587,046)	(11,467,421)	(11,762,012)	(11,246,039)	(10,633,769)
Total other financing sources	94,369,775	73,467,266	52,511,260	50,849,800	30,856,118	38,855,539	39,608,964	51,964,988	33,993,980	44,264,023
Net change in fund balances	\$ 23,092,481	\$ 14,355,497	\$ 17,859,756	\$ 12,691,053	\$ 12,132,570	\$ 16,458,932	\$ 30,377,068	\$ 26,655,562	\$ (14,863,652)	\$ (6,761,843)
Debt service as a percentage of noncapital expenditures	12.9%	13.4%	14.0%	14.6%	15.0%	17.1%	17.2%	17.2%	17.1%	16.4%

**CITY OF PLANO, TEXAS
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF
 TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 (unaudited)**

Table 5

Fiscal Year	Estimated Market Value			Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property Residential	Real Property Non-Residential	Non-Real Property Personal			
2009	\$ 20,436,560,005	\$ 8,494,498,706	\$ 2,836,955,143	\$ 5,982,698,546	\$ 25,785,315,308	\$0.4735
2010	20,331,824,829	8,516,248,849	2,669,986,601	6,010,842,123	25,507,218,156	0.4886
2011	20,081,379,973	7,798,953,065	2,648,600,517	5,848,034,850	24,680,898,705	0.4886
2012	20,038,395,317	8,054,393,555	2,740,588,934	5,819,334,127	25,014,043,679	0.4886
2013	20,614,106,560	8,261,636,814	2,793,315,064	6,021,553,525	25,647,504,913	0.4886
2014	21,311,000,073	8,823,285,904	2,991,385,705	6,200,498,251	26,925,173,431	0.4886
2015	23,162,425,188	9,484,172,986	3,226,199,045	7,039,911,544	28,832,885,675	0.4886
2016	25,513,643,395	10,228,975,248	3,332,540,330	7,795,148,020	31,280,010,953	0.4886
2017	28,337,673,807	11,154,737,907	3,336,271,261	8,476,155,936	34,352,527,039	0.4786
2018	30,462,326,984	14,153,497,676	3,572,079,971	9,121,844,876	39,066,059,755	0.4686

Source: City of Plano Budget Department and Collin and Denton Central Appraisal Districts based on original tax roll.

Note: Real, Personal and Tax-Exempt breakout of Net Adjustments provided by Kenneth L. Maun, Tax Assessor/Collector, is unavailable.

**CITY OF PLANO, TEXAS
 PROPERTY TAX RATES (per \$100 of assessed valuation) -
 ALL DIRECT AND OVERLAPPING GOVERNMENTS
 LAST TEN FISCAL YEARS
 (unaudited)**

Table 6

Fiscal Year (1)	City Direct Rates			Overlapping Rates						
	General Fund	Debt Service Fund	Total	Plano School District	Allen School District	Collin County	Frisco School District	Lewisville School District	Denton County	Collin College
2009	\$0.3268	\$0.1467	\$0.4735	\$1.3030	\$1.47	\$0.243	\$1.37	\$1.3800	\$0.2360	\$0.0860
2010	0.3284	0.1602	0.4886	1.3284	1.54	0.243	1.39	1.4087	0.2500	0.0860
2011	0.3135	0.1751	0.4886	1.3534	1.54	0.240	1.39	1.4267	0.2739	0.0863
2012	0.3149	0.1737	0.4886	1.3734	1.67	0.240	1.42	1.4260	0.2774	0.0863
2013	0.3192	0.1694	0.4886	1.3734	1.67	0.240	1.46	1.4530	0.2829	0.0836
2014	0.3296	0.1590	0.4886	1.4530	1.67	0.235	1.46	1.4770	0.2849	0.0836
2015	0.3438	0.1448	0.4886	1.4390	1.64	0.225	1.46	1.4770	0.2849	0.0820
2016	0.3576	0.1310	0.4886	1.4390	1.61	0.225	1.46	1.4767	0.2620	0.0820
2017	0.3556	0.1230	0.4786	1.4390	1.59	0.192	1.46	1.4200	0.2484	0.0812
2018	0.3500	0.1186	0.4686	1.4390	1.57	0.192	1.46	1.4075	0.2378	0.0798

(1) For School Districts, fiscal years ended on August 31 and include the County Education District tax rate.

Sources: Representatives of the various taxing jurisdictions.

**CITY OF PLANO, TEXAS
PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(unaudited)**

Table 7

Name of Taxpayer	2018			2009		
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation
Legacy West Investors LP	\$ 340,861,050	1	0.89%	\$ -		
Toyota Motor North America Inc	322,918,519	2	0.84%			
JP Morgan Chase Bank NA	312,538,085	3	0.82%			
Silos Harvesting Partners LP	310,000,000	4	0.81%			
Oncor Electric Delivery Company	206,453,100	5	0.54%	167,917,665	1	0.65%
394 Pacific DCD LLC	187,235,847	6	0.49%			
Liberty Mutual Plano LLC	183,298,915	7	0.48%			
KBSIII Legacy Town Center LLC	163,915,077	8	0.43%			
UDR Legacy Village LLC	155,600,000	9	0.41%			
Texas Heart Hospital of the Southwest LLP	147,000,000	10	0.38%			
J C Penney Co Inc #9900-2				166,407,858	2	0.65%
Electronic Data Systems Corporation				134,919,916	3	0.53%
Willow Bend Shopping Center LP				116,500,000	4	0.45%
Shops at Legacy (Inland) LP				97,333,691	5	0.38%
Legacy Campus LP				95,000,000	6	0.37%
United Dominion Realty LP				94,264,315	7	0.37%
Tollway/121 Partners LTD				86,628,875	8	0.34%
Collin Creek Mall LP				84,261,381	9	0.33%
HSP Of Texas Inc				80,344,329	10	0.31%
	<u>\$ 2,329,820,593</u>		<u>6.09%</u>	<u>\$ 1,123,578,030</u>		<u>4.38%</u>

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Source: Collin County Appraisal District

**CITY OF PLANO, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(unaudited)**

Fiscal Year	Total Tax Levy	Collection Current Year's Taxes During Period	Collections Transferred to TIF Component Units	Total Current Year Collections	Percent of Levy Collected During Fiscal Period	Collections in Subsequent Years	Total Tax Collections	Ratio of Total Tax Collections to Current Levy
2009	\$ 121,434,014	\$ 118,459,942	\$ 2,205,306	\$ 120,665,248	99.37	\$ 1,108,621	\$ 121,773,869	100.28
2010	123,231,506	120,537,005	1,976,550	122,513,555	99.42	775,512	123,289,067	100.05
2011	* 119,311,553	117,076,366	1,740,962	118,817,328	99.59	615,487	119,432,815	100.10
2012	121,179,947	120,112,398	682,096	120,794,494	99.68	1,384,268	122,178,762	100.82
2013	124,539,135	123,491,655	765,800	124,257,455	99.77	962,331	125,219,786	100.55
2014	130,892,241	129,629,986	765,689	130,395,675	99.62	757,597	131,153,272	100.20
2015	139,575,321	137,952,646	866,051	138,818,697	99.46	1,831,746	140,650,443	100.77
2016	151,033,590	149,652,774	1,032,587	150,685,361	99.77	2,823,743	153,509,104	101.64
2017	161,973,421	160,230,498	1,467,896	161,698,394	99.83	1,406,953	163,105,347	100.70
2018	179,305,578	177,219,168	1,663,605	178,882,773	99.76	827,051	179,709,824	100.23

* 2011 Total Levy has been reduced by \$29,552 refund for tax abatement.

**CITY OF PLANO, TEXAS
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(unaudited)**

Table 9

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds, Certificates of Obligation, Tax Anticipation Notes	Water and Sewer Revenue Bonds	Municipal Drainage Revenue Bonds				
2009	\$ 349,122,792	\$ 3,895,000	\$ 23,834,830	\$ 376,852,622	3.49	\$ 1,426	
2010	342,254,729	1,955,000	26,060,884	370,270,613	3.77	1,397	
2011	334,358,571	695,000	24,200,916	359,254,487	3.53	1,370	
2012	332,298,643	365,000	22,210,947	354,874,590	3.49	1,345	
2013	330,423,813	-	20,150,978	350,574,791	3.19	1,318	
2014	319,362,266	-	18,016,010	337,378,276	3.06	1,249	
2015	322,852,271	-	16,367,610	339,219,881	2.92	1,240	
2016	332,366,608	28,210,692	14,279,894	374,857,194	3.19	1,355	
2017	363,534,046	27,276,451	18,940,154	409,750,651	3.39	1,468	
2018	411,906,068	39,012,987	17,052,171	467,971,226	3.57	1,655	

Note: See Table 15 for personal income and population data.

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**CITY OF PLANO, TEXAS
RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(unaudited)**

Table 10

Fiscal Year	General Obligation Bonds, Certificates of Obligation, Tax Anticipation Notes	Less: Amounts Available in Debt Service Fund	Net General Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita
2009	\$ 349,122,792	\$ 5,491,973	\$ 343,630,819	1.33	\$ 1,300
2010	342,254,729	1,175,155	341,079,574	1.34	1,287
2011	334,358,571	2,035,641	332,322,930	1.35	1,267
2012	332,298,643	2,224,744	330,073,899	1.32	1,251
2013	330,423,813	1,573,430	328,850,383	1.28	1,237
2014	319,362,268	3,340,771	316,021,497	1.17	1,170
2015	322,852,271	3,701,797	319,150,474	1.11	1,166
2016	332,366,608	3,925,760	328,440,847	1.05	1,187
2017	363,534,046	4,440,930	359,093,116	1.05	1,287
2018	411,906,068	6,571,577	405,334,491	1.04	1,434

Note: See Table 5 for property value data.

Note: See Table 15 for population data.

**CITY OF PLANO, TEXAS
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
SEPTEMBER 30, 2018
(unaudited)**

Table 11

Taxing Body	Debt Outstanding	Percentage of Debt Applicable to Area	City of Plano Share of Debt
City of Plano	\$ 411,906,068	100.00%	\$ 411,906,068
Total direct debt	411,906,068		411,906,068
Plano Independent School District	1,046,051,000	69.81%	730,248,203
Collin County	319,815,000	33.38%	106,754,247
Denton County	612,630,000	1.58%	9,679,554
Frisco Independent School District	2,137,073,341	12.99%	277,605,827
Allen Independent School District	629,244,570	0.65%	4,090,090
Lewisville Independent School District	1,661,325,223	4.08%	67,782,069
Collin College	262,281,469	33.38%	87,549,554
Total overlapping debt	6,668,420,603		1,283,709,544
Total direct and overlapping bonded debt	\$ 7,080,326,671		\$ 1,695,615,612
Ratio of overlapping bonded debt to taxable assessed valuation (valued at 100% of market value)			4.39%
Per capita overlapping bonded debt			\$ 5,998

Sources: For net bonded debt, representatives (business manager or finance officer) of the taxing jurisdictions. For percentage of debt applicable to City, the Municipal Advisory Council of Texas.

**CITY OF PLANO, TEXAS
COMPUTATION OF LEGAL DEBT MARGIN
SEPTEMBER 30, 2018
(unaudited)**

Table 12

As a home rule city, the City of Plano is not limited by the law in the amount of debt it may issue. The City's Charter (Section 9.18) states:

The City Council shall have the power under the provisions of the state law to levy, assess and collect an annual tax upon real and personal property within the City to the maximum provided by the Constitution and the general laws of the State of Texas. The City Council shall also have the power to levy occupation taxes on such occupations as consistent with the general laws of the State of Texas.

Article II, Section 5 of the State of Texas Constitution states in part:

...but no tax for any purpose shall ever be lawful for any one year, which shall exceed two and one-half percent of the taxable property of such city.

The tax rate at October 1, 2017 is \$0.4686 per \$100.00 with assessed valuation at 100% of market value.

**CITY OF PLANO, TEXAS
 SCHEDULE OF REVENUE BOND COVERAGE - WATER AND SEWER BONDS
 LAST TEN FISCAL YEARS
 (unaudited)**

Table 13

Fiscal Year	Total Operating Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Annual Debt Service Requirements			Coverage
				Principal	Interest	Total	
2009	\$ 107,388,857	\$ 77,222,182	\$ 30,166,675	\$ 994,468	\$ 73,915	\$ 1,068,383	28.24
2010	116,274,847	77,198,970	39,075,877	670,286	40,269	710,555	54.99
2011	127,990,851	80,214,600	47,776,251	362,609	22,122	384,731	124.18
2012	114,265,966	87,746,758	26,519,208	398,182	15,927	414,109	64.04
2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2016	140,225,993	109,031,127	31,194,866	930,000	985,050	1,915,050	1629%
2017	143,783,223	118,878,037	24,905,186	855,000	980,400	1,835,400	1357%
2018	169,527,381	126,024,504	43,502,877	1,825,000	1,446,070	3,271,070	1330%

Note: Direct operating expense excludes depreciation, charges in lieu of taxes, and net pension expense.
 For the 2016 bond issue, a reserve fund is not required so long as the net revenues equal or exceed 150% of the annual debt service requirements due and payable in the fiscal year.

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**CITY OF PLANO, TEXAS
SCHEDULE OF REVENUE BOND COVERAGE - MUNICIPAL DRAINAGE BONDS
LAST TEN FISCAL YEARS
(unaudited)**

Table 14

Fiscal Year	Gross Revenue	Operating and Maintenance Expense	Net Revenue Available for Debt Service	Gross Revenues Times Expense	Average Annual Debt Service Requirement			Coverage
					Principal	Interest	Total	
2009	\$ 5,250,108	\$ 2,444,101	\$ 2,806,007	2.15	\$ 1,250,250	\$ 436,656	\$ 1,686,906	1.66
2010	5,331,169	2,475,433	2,855,736	N/A	1,282,500	421,898	1,704,398	1.68
2011	5,432,677	2,411,295	3,021,382	N/A	1,253,421	387,407	1,640,828	1.84
2012	5,334,131	2,615,205	2,718,926	N/A	1,213,889	356,451	1,570,340	1.73
2013	6,327,655	2,524,631	3,803,024	N/A	1,165,588	325,751	1,491,339	2.55
2014	7,475,077	2,852,291	4,622,786	N/A	1,106,563	295,615	1,402,178	3.30
2015	7,256,952	3,350,309	3,906,643	N/A	1,053,667	230,741	1,284,408	3.04
2016	7,392,218	3,445,947	3,946,271	N/A	982,857	211,124	1,193,981	3.31
2017	7,507,296	3,297,572	4,209,724	N/A	945,000	260,839	1,205,839	3.49
2018	7,724,220	3,691,664	4,032,556	N/A	895,278	240,647	1,135,925	3.55

Note: Operating expense excludes depreciation and net pension expense.

NOTE: 1995 is the first Fiscal Year of coverage for the bonds. Bond ordinance requires that revenues are at least 1.25 times the average annual debt service for all outstanding bonds. Beginning in Fiscal Year 2010, the City no longer has the requirement related to gross revenues times expense.

**CITY OF PLANO, TEXAS
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS
 (unaudited)**

Table 15

DEMOGRAPHICS					
Fiscal Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	PISD School Enrollment	Unemployment Rate (%)
2009	264,250	\$ 10,813,110	\$ 40,920	54,203	7.6
2010	265,000	9,813,480	37,032	54,939	7.0
2011	262,200	10,167,592	38,778	55,570	7.4
2012	263,750	10,162,288	38,530	55,659	5.6
2013	265,900	11,004,272	41,385	54,735	5.6
2014	270,100	11,308,547	41,868	54,822	4.6
2015	273,600	11,604,197	42,413	54,689	3.5
2016	276,700	11,765,837	42,522	54,573	3.7
2017	279,100	12,083,914	43,296	54,173	3.2
2018	282,700	13,120,672	46,412	53,952	3.2

Sources: Population estimates were prepared by the City of Plano. Personal income estimates were obtained from the U.S. Census Bureau for the year 2014. School enrollment figures were provided by the Plano Independent School District (PISD). Unemployment rates were provided by the Texas Workforce Commission.

**CITY OF PLANO, TEXAS
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(unaudited)**

Table 16

2018			2009		
Employer	Employees	Percentage of Total City Employment	Employer	Employees	Percentage of Total City Employment
Capital One Finance	5,979	3.67	Bank of America Home Loans	9,410	6.86
Bank of America	5,029	3.09	J.C. Penney, Inc.	5,100	3.72
DXC Technology	4,000	2.46	Electronic Data Systems	5,000	3.64
Toyota Motor North America, Inc.	3,937	2.42	Perot Systems Corporation	2,697	1.97
Ericsson	2,713	1.67	Alcatel	2,023	1.47
Liberty Mutual Insurance Company	2,700	1.66	CHC Acquisition Corporation	2,000	1.46
J. C. Penney Company, Inc.	2,420	1.49	Frito-Lay	2,000	1.46
NTT Data, Inc.	2,133	1.31	Presbyterian Hospital of Plano	1,488	1.08
JP Morgan Chase	2,000	1.23	Capital One Auto Finance	1,415	1.03
PepsiCo	1,881	1.16	Medical Center of Plano	1,348	0.98
Total	32,792	20.16	Total	32,481	23.67

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Sources: Plano Economic Development Board
Sources: Texas Workforce Commission

**CITY OF PLANO, TEXAS
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
 LAST TEN FISCAL YEARS
 (unaudited)**

Table 17

	Fiscal year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General government	96.0	92.5	90.0	93.0	91.0	96.5	95.0	93.5	54.5	64.5
Administrative services	96.0	92.5	91.5	87.5	83.5	81.5	79.5	79.0	79.5	79.5
Police	692.5	669.5	628.0	611.0	625.5	616.0	606.0	604.5	620.0	651.5
Fire	400.0	397.0	362.5	365.0	359.0	349.0	335.0	334.0	335.0	334.0
Libraries	156.5	152.0	155.0	149.0	148.5	148.5	149.0	159.0	157.0	156.0
Development	184.5	184.5	180.0	167.0	155.5	147.5	148.0	148.0	149.5	159.5
Public services and operations	76.0	75.0	73.0	71.5	69.0	66.5	66.5	67.5	60.5	66.0
Parks and recreation	421.5	415.5	360.5	358.0	347.5	386.0	357.0	342.0	387.5	378.0
Public works	70.0	69.0	66.0	61.0	61.0	61.0	55.0	56.5	64.0	61.5
Technology services	59.0	54.0	58.0	55.0	57.0	50.0	46.0	47.0	49.0	50.0
Water and sewer	141.5	141.5	145.5	147.0	150.0	147.0	146.0	144.5	152.0	153.0
Environmental waste services	97.0	100.0	94.5	95.5	97.5	94.0	95.5	95.5	95.0	93.0
Municipal drainage	22.0	26.0	28.0	28.0	25.0	22.0	22.0	20.0	22.0	19.0
Civic center	40.0	41.0	39.5	40.0	42.0	40.0	40.5	43.0	48.5	50.0
Municipal golf course	7.0	8.0	8.0	8.0	9.5	8.0	8.5	7.0	6.0	7.0
Recreation revolving	128.5	143.5	149.5	126.5	138.5	139.0	160.5	159.0	160.5	169.0
Total	2,688.0	2,661.5	2,529.5	2,463.0	2,460.0	2,452.5	2,410.0	2,400.0	2,440.5	2,491.5

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**CITY OF PLANO, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(unaudited)**

Table 18

Function/Program	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Administrative Services										
Legal										
Ordinance/resolution review/preparation	129	141	226	194	226	237	240	258	266	552
Human Resources										
Full-time civilian employees	1,454	1,434	1,410	1,378	1,363	1,330	1,308	1,320	1,349	1,387
Accounting										
Payment requests processed	61,800	65,025	66,170	64,268	64,765	66,076	63,183	65,723	70,850	81,677
Police										
Employees (uniformed)	406	394	361	346	352	345	340	335	340	341
Citations	59,137	53,111	63,559	65,269	68,258	72,507	75,009	60,378	68,598	92,133
Public Safety Communications										
911 Calls*	156,865	161,310	159,795	166,304	164,299	160,196	150,508	150,614	157,277	234,876
911 Dispatches*	226,222	204,016	215,733	218,773	226,704	235,572	239,491	232,981	240,175	229,669
Fire										
Employees (uniformed)	380	377	343	347	341	333	316	315	313	323
Fire runs	27,890	26,570	25,005	24,618	22,615	21,801	20,342	21,040	19,893	20,235
EMS runs	17,667	15,760	15,689	15,462	14,521	14,155	13,293	12,902	12,782	13,693
Libraries										
Volumes in collection	691,466	795,654	770,701	786,982	803,074	811,941	807,343	798,347	757,837	793,073
Registered borrowers	188,470	188,787	181,131	200,369	203,478	205,512	206,550	204,234	200,386	196,093
Development										
Building Inspections										
Inspections (all construction)	64,632	71,069	65,230	59,384	56,014	62,479	58,217	53,890	50,790	52,805
New construction permits issued	755	765	825	1,070	810	818	854	1,885	1,010	825
Engineering										
New streets/alleys paved (miles)	1	5	4	4	5	5	2	4	3	2
New water lines installed (miles)	17	24	18	24	16	21	14	10	23	28
Public Services and Operations										
Environmental Health										
Inspections	6,242	7,417	6,482	5,929	6,087	5,898	5,478	4,489	4,554	3,931
Animal Control										
Animals impounded	6,383	6,891	6,947	7,687	8,302	9,152	9,388	7,591	9,616	8,728

(continued)

**CITY OF PLANO, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(unaudited)**

**Table 18
(continued)**

Function/Program	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Parks and Recreation										
Recreation attendance	2,332,667	2,295,266	2,561,438	2,420,165	2,356,309	2,393,394	2,447,363	2,169,763	2,361,390	2,377,182
Recreation center members	63,550	54,482	51,254	49,857	52,664	50,476	35,222	21,690	22,246	22,083
Public Works										
Streets										
Streets, alleys, and sidewalks										
Excavate/Replace (Sq Ft)	2,562,992	2,461,590	2,109,483	1,661,006	1,607,939	1,490,877	975,140	1,639,893	1,377,388	877,475
Water and Sewer										
Water customers	81,346	80,827	80,621	80,371	79,139	78,534	78,144	77,720	79,243	77,082
Average daily water consumption (gal)	59,734,375	48,909,020	56,517,827	49,676,000	73,200,000	80,928,294	80,284,182	61,740,731	63,893,260	62,645,000
Maximum storage capacity (gal)	85,500,000	85,500,000	85,500,000	85,500,000	88,000,000	88,000,000	88,000,000	88,000,000	88,000,000	88,000,000
Environmental Waste Services (residential)										
Refuse collected (tons)	61,227	58,319	60,287	58,703	57,154	57,191	57,810	62,078	59,530	60,670
Bulky waste pickups (tons)	6,157	6,470	6,535	5,095	4,925	4,600	4,194	5,544	5,142	5,264
Recyclables collected (tons)	17,698	17,489	18,406	18,627	18,623	18,816	18,882	19,216	19,435	19,632
Yard trimmings collected (tons)	18,540	19,540	21,199	20,840	24,299	21,108	19,614	21,139	21,704	21,465
Municipal Drainage										
Environmental assessment requests	100	132	171	207	133	92	74	70	65	54
Storm sewer inlets maintained	10,023	9,870	9,268	8,462	8,983	9,527	9,673	10,483	10,483	10,483
Civic Center										
Event days booked and serviced	300	150	246	275	247	249	693	883	834	1,145
Municipal Golf Course										
Rounds of golf played	48,155	52,746	48,982	45,223	50,447	53,324	50,759	4,902	41,592	54,109
Recreation Revolving										
Courses completed	6,999	6,512	6,971	7,137	6,966	7,172	6,810	6,924	7,046	6,822

Source: City Departments

Notes: *911 Calls and 911 dispatches include all calls to 911 which represent both police and fire.

Operating indicators are not available for the general government, technology services, property management or downtown center development functions.

**CITY OF PLANO, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(unaudited)**

Function/Program	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Police										
Number of stations	3	3	3	3	3	3	3	3	3	3
Number of patrol units	154	147	130	127	124	128	126	121	143	166
Number of motorcycle units	5	5	5	5	6	6	7	7	6	6
Fire										
Number of stations	13	13	13	13	13	13	13	13	12	11
Number of fire engines/trucks	23	22	22	22	22	22	22	22	22	22
Number of EMS trucks	11	11	11	10	10	10	10	10	10	7
Libraries										
Number of libraries	5	5	5	5	5	5	5	5	5	5
Development										
Planning										
Streets- paved (miles)	1,045	1,044	1,039	1,035	1,031	1,026	1,021	1,019	1,016	1,014
Alleys- paved (miles)	519	519	519	519	519	519	519	519	518	517
Public Services and Operations										
Animal Services										
Animal control trucks	8	8	8	8	8	8	8	8	8	8
Parks and Recreation										
Parks* (acres)	4,375	4,322	4,268	4,244	4,241	4,002	3,995	3,994	3,936	3,858
Athletic fields	163	161	171	179	179	179	179	179	179	179
Playgrounds	70	71	69	70	69	69	69	71	71	71
Recreation centers	4	5	5	4	4	4	4	4	4	5
Tennis centers	1	1	1	1	1	1	1	1	1	1
Senior centers	1	1	1	1	1	1	1	1	1	1
Aquatic/Natorium	9	9	8	7	8	9	9	9	9	9
Public Works										
Traffic signals	230	227	225	221	220	219	219	216	215	212

(continued)

**CITY OF PLANO, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

**Table 19
(continued)**

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Water and Sewer										
Water mains (miles)	1,436	1,427	1,414	1,405	1,391	1,384	1,373	1,367	1,362	1,351
Sanitary sewers (miles)	1,042	1,037	1,032	1,029	1,024	1,019	1,014	1,009	1,007	1,001
Fire hydrants	14,952	15,452	15,256	15,111	14,918	14,817	14,677	14,604	14,516	14,369
Environmental Waste Services										
Collection trucks	51	51	50	50	50	50	50	48	45	45
Municipal Drainage										
Storm sewers (miles)	697	694	688	682	677	673	668	665	662	656
Civic Center										
Civic Centers	1	1	1	1	1	1	1	1	1	1

Source: City Departments

Notes: N/A - Data not available.

*Includes Golf Course.

Capital asset indicators are not available for the general government, administrative services, property management, recreation revolving or downtown center development functions.

City of Plano, Texas

Single Audit Report

For the Fiscal Year Ended September 30, 2018

City of Plano
Single Audit Report
For the Fiscal Year Ended September 30, 2018
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**Independent Auditor's Report on Internal Control over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

The Honorable Mayor and Members of the City Council of the
City of Plano, 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 Plano, Texas (the City) as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 3, 2019.

Internal Control over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in the City's internal control over financial reporting 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's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

The Honorable Mayor and Members of the City Council of the
City of Plano, Texas

Purpose of this Report

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

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
January 3, 2019



**Independent Auditor's Report on Compliance for Each Major
Federal Program, Report on Internal Control over Compliance,
and Report on Schedule of Expenditures of Federal
and State Awards Required by the Uniform Guidance**

To the Honorable Mayor and Members of the City Council of the
City of Plano, Texas

Report on Compliance for Each Major Federal Program

We have audited the City of Plano, Texas (the City) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2018. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2018.

The Honorable Mayor and Members of the City Council of the
City of Plano, Texas

Report on Internal Control over Compliance

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

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

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

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

Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance

We have audited 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 as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic statements. We issued our report thereon dated January 3, 2019, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying

Exhibit "A" to Resolution No. 2019-1-9(R)

The Honorable Mayor and Members of the City Council of the
City of Plano, Texas

accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and state awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
January 3, 2019

City of Plano, Texas

Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended September 30, 2018

Federal Grantor/Pass-Through Grantor Program Title	CFDA Number	Grantor or Pass-Through Grantor's Number	Program Award Expenditures	Passed Through Subrecipients
U.S. DEPARTMENT OF HOMELAND SECURITY, FEDERAL EMERGENCY MANAGEMENT AGENCY				
Direct Programs:				
Assistance to Firefighters Grant	97.044	EMW-2016-FO-01296	\$ 53,182	\$ -
Passed through Texas Office of the Governor - Homeland Security Grants Division:				
Homeland Security Grant Program	97.067	2942702	22,108	-
Homeland Security Grant Program	97.067	3162201	14,475	-
Homeland Security Grant Program	97.067	3418601	84,724	-
Homeland Security Grant Program	97.067	3418701	42,720	-
Homeland Security Grant Program	97.067	3418901	24,194	-
Homeland Security Grant Program	97.067	3419001	13,713	-
Total CFDA 97.067			201,934	-
Total U.S. Department of Homeland Security, Federal Emergency Management Agency			255,116	-
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Direct Programs:				
Community Development Block Grants/Entitlement Grants	14.218	B-17-MC-48-0035	1,244,974	203,031
HOME Investment Partnerships Program	14.239	M-17-MC-480234	611,409	297,771
Total U.S. Department of Housing and Urban Development			1,856,383	500,802
U.S. DEPARTMENT OF THE INTERIOR, NATIONAL PARK SERVICE				
Passed through Texas Historical Commission:				
Historic Preservation Fund Grants-In-Aid	15.904	TX-17-027	35,000	-
Historic Preservation Fund Grants-In-Aid	15.904	TX-18-031	2,242	-
Total U.S. Department of the Interior, National Park Service			37,242	-
U.S. DEPARTMENT OF JUSTICE				
Direct Programs:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2017-DJ-BX-0573	28,983	28,983
Drug Enforcement Administration Task Force 2	16.UNK		3,531	-
Federal Bureau of Investigation Computer Crime Lab Task Force	16.UNK		19,906	-
Federal Bureau of Investigation Cyber Crime Task Force	16.UNK		14,963	-
Federal Bureau of Investigation Joint Terrorism Task Force	16.UNK		11,663	-
Total U.S. Department of Justice			79,046	28,983
U.S. DEPARTMENT OF TRANSPORTATION				
Passed through Dallas Area Rapid Transit:				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513		13,000	-
Passed through North Central Texas Council of Governments:				
Regional Traffic Signal Data Sharing Program	20.205	TRN4776	25,000	-
511 DFW/WAZE Data Sharing Program	20.205	TRN4759	25,000	-
Passed through Texas Department of Transportation:				
Windhaven - Spring Creek to West City	20.205	CSJ: 0918-24-143	123,903	-
Preston- Plano Parkway Intersection	20.205	CSJ: 0091-05-053	3,105,598	-
Spring Creek at Coit Intersection Improvements	20.205	CSJ: 0918-24-127	1,530,040	-
Cottonwood Creek Trail Extension	20.205	CSJ: 0918-24-214	215,565	-
Total Highway Planning and Construction Cluster			5,025,106	-
State and Community Highway Safety	20.600	2018-PlanoPD-S-1YG-0015	140,418	-
Total U.S. Department of Transportation			5,178,524	-
U.S. DEPARTMENT OF TREASURY				
Direct Programs:				
North Texas Financial Crimes Task Force	21.UNK	N/A	6,992	-
Department of the Treasury Equitable Sharing	21.016	N/A	363,735	-
Total U.S. Department of Treasury			370,727	-
INSTITUTE OF MUSEUM AND LIBRARY SERVICES				
Passed through Texas State Library and Archives Commission:				
Interlibrary Loan Lending Reimbursement Program	45.310	900776	71,759	-
Texas State Library and Archives Commission Special Projects Grant Program	45.310	478-17019	23,192	-
Texas State Library and Archives Commission Special Projects Grant Program	45.310	478-18017	61,085	-
Texas State Library and Archives Commission Impact Grant Program	45.310	475-18019	9,750	-
Texas State Library and Archives Commission Impact Grant Program	45.310	475-18012	10,000	-
Total Institute of Museum and Library Services			175,786	-
TOTAL FEDERAL ASSISTANCE			\$ 7,952,824	\$ 529,785

See accompanying Notes to the Schedule of Expenditures of Federal and State Awards.

City Of Plano, Texas

Schedule of Expenditures of Federal and State Awards – Continued
For the Fiscal Year Ended September 30, 2018

State Grantor/Pass-Through Grantor Program Title	Grantor or Pass-Through Grantor's Number	Program Award Expenditures
TEXAS DEPARTMENT OF TRANSPORTATION		
Direct Programs:		
Preston - Plano Parkway Intersection	CSJ: 0091-05-053	\$ 388,982
Preston Road Corridor Improvements	CSJ: 0091-05-057	15,282
Independence Corridor Improvements	CSJ: 0918-24-153	60,048
Spring Creek Parkway Corridor Improvements	CSJ: 0918-24-157	70,279
15th Street - G Ave to US 75	CSJ: 0918-24-144	28,916
Total Texas Department of Transportation		563,507
TEXAS DEPARTMENT OF STATE HEALTH SERVICES		
Passed through North Central Texas Trauma Regional Advisory Council, Inc.:		
EMS Trauma Care System Program	N/A	4,627
Total Texas Department of State Health Services		4,627
TEXAS OFFICE OF THE GOVERNOR - CRIMINAL JUSTICE DIVISION		
Direct Programs:		
Body Worn Camera Program	3225001	116,675
Total Texas Office of the Governor - Criminal Justice Division		116,675
ATTORNEY GENERAL OF TEXAS		
Direct Programs:		
Texas Crime Victims Compensation	N/A	17,743
Total Attorney General of Texas		17,743
CRIMINAL INVESTIGATION		
Direct Programs:		
State/Local Criminal Investigation	N/A	2,993
Total Criminal Investigation		2,993
TOTAL STATE ASSISTANCE		\$ 705,545

See accompanying Notes to the Schedule of Expenditures of Federal and State Awards.

City of Plano, Texas

Notes to the Schedule of Expenditures of Federal and State Awards

Note 1. General

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of the City of Plano, Texas (the City) and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The City's reporting entity is defined in Note 1 to the City's basic financial statements. Federal and state awards received directly from federal and state agencies as well as federal and state awards passed through other government agencies are included on the schedule.

Note 2. Loans

At September 30, 2018, the amount of loans outstanding related to the Community Development Block Grants and HOME Investment Partnerships Program was approximately \$754,817 and \$66,673, respectively.

Note 3. Indirect Cost Rate

The City has elected not to use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

City of Plano, Texas

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended September 30, 2018

Section 1. Summary of Auditor's Results

Financial Statements

An unmodified opinion was issued on the financial statements.

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? Yes None reported

Noncompliance material to the financial statements noted? Yes No

Federal Awards

An unmodified opinion was issued on compliance for the major program.

Internal control over major program:

- Material weakness(es) identified? Yes No
- Significant deficiencies identified that are not considered to be material weakness(es)? Yes None reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major programs:

CFDA Number
20.205

Name of Federal Program or Cluster
Highway Planning and Construction Cluster

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

Auditee qualified as low-risk auditee? Yes No

City of Plano, Texas

Schedule of Findings and Questioned Costs – Continued
For the Fiscal Year Ended September 30, 2018

Section 2. Financial Statement Findings

None

Section 3. Federal Award Findings and Questioned Costs

None

Section 4. Schedule of Prior Year Findings and Questioned Costs

None

ORDINANCE NO. 2019-1-10

Zoning Case 2018-027

An Ordinance of the City of Plano, Texas, amending Section 1.900 (Design Standards and Specifications) of Article 1 (Legal Framework), Section 20.400 (Requirements for Refuse and Recycling Containers and Compactors) of Article 20 (Screening, Fence and Wall Regulations), and related sections of the Comprehensive Zoning Ordinance of the City, Ordinance No. 2015-5-2, as heretofore amended, pertaining to requirements for refuse and recycling containers and compactors; and providing a penalty clause, a repealer clause, a savings clause, a severability clause, a publication clause, and an effective date.

WHEREAS, the City Secretary of Plano, Texas, directed that notices of a hearing be issued, as required by the Zoning Ordinance of the City of Plano and laws of the State of Texas, at a meeting of the City Council, to be held on the 28th day of January 2019, for the purpose of considering a change in the Zoning Ordinance; and

WHEREAS, the City Secretary of the said City accordingly caused to be issued and published the notices required by its Zoning Ordinance and laws of the State of Texas applicable thereto, the same having been published in a paper of general circulation in the City of Plano, Texas, at least fifteen (15) days prior to the time set for such hearing; and

WHEREAS, the City Council of said City, pursuant to such notice, held its public hearing and heard all persons wishing to be heard both for and against the aforesaid change in the Zoning Ordinance, on the 28th day of January 2019; and

WHEREAS, the City Council is of the opinion and finds that such change would not be detrimental to the public health, safety, or general welfare, and will promote the best and most orderly development of the properties affected thereby, and to be affected thereby, in the City of Plano, and as well, the owners and occupants thereof, and the City generally.

IT IS, THEREFORE, ORDAINED BY THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, THAT:

Section I. Section 1.900 (Design Standards and Specifications) of Article 1 (Legal Framework) of the Comprehensive Zoning Ordinance No. 2015-5-2, as the same has been heretofore amended, is hereby further amended, such section to read as follows:

The following design standards and specifications, as amended, are incorporated by reference into this ordinance:

Design Standards and Specifications

- Manual for the Design of Water & Sanitary Sewer Lines
- Standard Construction Details
- NCTCOG Standard Specifications for Public Works Construction with City of Plano Special Provisions
- Thoroughfare Standards, Rules & Regulations
- Flood Damage Prevention provisions in the city's Code of Ordinances (Chapter 16, Article VIII)
- Erosion and Sediment Control Manual Ordinance
- Storm Drainage Design Manual

ORDINANCE NO. 2019-1-10

Fire Code
Stormwater Quality Requirements
Engineering Construction Standards
Retail Corner Design Guidelines
Multifamily Design Guidelines
Subdivision Ordinance
Downtown Development Plan
Douglass Area Study
White Rock Creek and Tributaries Floodplain Management Study
Comprehensive Plan Design Studies Element
Spring Creekwalk Master Development Plan
Heritage Preservation Ordinance
Downtown Heritage Resource District Design Standards
Haggard Park Heritage Resource District Design Standards
Site Design Standards for Solid Waste Containers

Section II. Section 20.400 (Requirements for Refuse and Recycling Containers and Compactors) of Article 20 (Screening, Fence and Wall Regulations) of the Comprehensive Zoning Ordinance No. 2015-5-2, as the same has been heretofore amended, is hereby further amended, such section to read as follows:

20.400 Requirements for Solid Waste Collection

Nonresidential and multifamily developments must provide designated solid waste collection locations meeting adopted design standards. All solid waste collection locations must comply with both the Site Design Standards for Solid Waste Containers and the following section.

.1 Applicability

This section shall apply to property utilized for nonresidential or multifamily uses and shall not apply to the following:

- A.** Community recycling locations as permitted by the City of Plano.
- B.** Containers for onsite construction debris with a valid permit issued by the City of Plano Building Inspections Department.
- C.** Multifamily and nonresidential developments that comply with both of the following stipulations:
 - i. The development is authorized by the City of Plano Public Works Department for solid waste collection utilizing 95-gallon residential-type carts.
 - ii. The development is located within BG, UMU, or CB-1 zoning districts, or the development is within a planned development district that permits, by stipulation, the use of 95-gallon residential-type carts for solid waste collection.
- D.** Donation containers regulated through Subsection 13.900.4 (Donation Containers).

ORDINANCE NO. 2019-1-10

- E. Declared disasters in the City of Plano that create solid waste disposal issues until the disaster status is rescinded.
- F. Containers authorized through a Special Event permit.

.2 Provision of Locations for Solid Waste Containers

Space for solid waste containers, including compactors, must be provided as follows:

A. Quantity

A minimum of two containers per lot to accommodate both refuse and recycling. Additional container spaces may be required for nonresidential uses per the Site Design Standards for Solid Waste Containers.

B. Location

One or more required container locations may be offsite in a permanent easement within 150 feet of the building as determined sufficient through the site plan approval process.

.3 Screening and Site Design Standards

A. Screening and Placement

Screening and placement for solid waste containers must be consistent with the Site Design Standards for Solid Waste Containers.

B. Use

Enclosures for containers must only be used for purposes related to solid waste programs as authorized by the City of Plano's Code of Ordinances, as amended.

C. Maintenance

All screening devices must be continually maintained in a state of good repair. Living screens must be maintained in compliance with Section 17.400 (Landscape Compliance).

D. Parking Reduction

The number of required parking spaces in Article 16 may be reduced to accommodate commercial recycling and community recycling containers for sites developed prior to July 22, 2002. Required parking shall not be reduced without submittal and approval of an amended site plan.

.4 Site Plan Review

Solid waste container locations built to design standards shall be identified on preliminary site plans and site plans. Solid waste containers shall not be added to existing sites and/or to new site plans approved for future development without submittal and approval of an amended site plan.

ORDINANCE NO. 2019-1-10

Section III. All provisions of the ordinances of the City of Plano in conflict with the provisions of this Ordinance are hereby repealed, and all other provisions of the Ordinances of the City of Plano, not in conflict with the provisions of this Ordinance, shall remain in full force and effect.

Section IV. The repeal of any ordinance or part of ordinances effectuated by the enactment of this Ordinance shall not be construed as abandoning any action now pending under or by virtue of such ordinance or as discontinuing, abating, modifying or altering any penalty accruing or to accrue, or as affecting any rights of the municipality under any section or provisions of any ordinance at the time of passage of this Ordinance.

Section V. Any violation of the provisions or terms of this ordinance by any person, firm or corporation shall be a misdemeanor offense and shall be subject to a fine in accordance with Section 1-4(a) of the City Code of Ordinances for each offense. Every day a violation continues shall constitute a separate offense.

Section VI. It is the intention of the City Council that this Ordinance, and every provision hereof, shall be considered severable and the invalidity or partial invalidity of any section, clause or provision of this Ordinance shall not affect the validity of any other portion of this Ordinance.

Section VII. This Ordinance shall become effective immediately upon its passage and publication as required by law.

PASSED AND APPROVED THIS THE 28TH DAY OF JANUARY 2019.



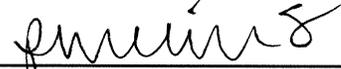
Harry LaRosiliere, MAYOR

ATTEST:



Lisa C. Henderson, CITY SECRETARY

APPROVED AS TO FORM:



Paige Mims, CITY ATTORNEY