

**CITY OF GONZALES, TEXAS**  
**CITY COUNCIL MEETING**  
**GONZALES MUNICIPAL BUILDING 820 ST. JOSEPH STREET**  
**VIA TELEPHONE CONFERENCE**  
**AGENDA –APRIL 9, 2020 6:00 P.M.**

NOTICE is hereby given that, pursuant to Section 551.045 of the Texas Government Code and the March 16, 2020 order by the Governor of the State of Texas, the City Council will hold its regular meeting on Thursday, April 9, 2020 at 6:00 p.m., via teleconference in accordance with Governor Abbott’s order.

This meeting notice, agenda and agenda packet are posted online at [www.gonzales.texas.gov](http://www.gonzales.texas.gov).

*On March 16, 2020, Governor Abbott suspended several provisions of the Texas Open Meetings Act for the duration of his statewide declaration of disaster, including the new requirement (added by H.B. 2840 last legislative session) that the public has a right to speak on agenda items. This DOES NOT apply to statutorily-mandated public hearings, such as zoning and similar hearings.*

*This meeting will be closed to in person attendance by the public. A temporary suspension of certain provisions of the Open Meetings Act to allow telephone or videoconference public meetings has been granted by Governor Greg Abbott. These actions are being taken to mitigate the spread of COVID-19 by avoiding meetings that bring people into a group setting and in accordance with Section 418.016 of the Texas Government Code.*

The public toll-free dial in number to participate in the telephone conference is hosted through FreeConferenceCall.com.

Toll-free call in number: **1-844-854-2222**

When asked for an access code enter **348787#**

It is not necessary to announce yourself when you join the teleconference.

A recording of the telephone conference will be made, and will be available to the public in accordance with the Open Meetings Act upon written request.

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**CALL TO ORDER, INVOCATION, AND PLEDGES OF ALLEGIANCE**

**CITY EVENTS AND ANNOUNCEMENTS**

- Announcements of upcoming City Events
- Announcements and recognitions by the City Manager
- Announcements and recognitions by the Mayor
- Recognition of actions by City employees
- Recognition of actions by community volunteers

**HEARING OF RESIDENTS**

Temporarily suspended as noted above.

**PROCLAMATIONS**

- 1.1 Fair Housing Month
- 1.2 National Sexual Assault Awareness and Prevention Month

## PRESENTATIONS

- 2.1 Discuss, Consider & Possible Action on **Resolution #2020-35** Acknowledging Receipt and Presentation of the Comprehensive Annual Financial Report for the Fiscal Year Ending September 30, 2019.

## CONSENT AGENDA ITEMS

The Consent Agenda is considered self-explanatory and will be enacted by the Council with one motion. There will be no separate discussion of these items unless they are removed from the Consent Agenda upon the request of the Mayor or a Councilmember.

- 3.1 **Minutes** - Approval of the minutes for the Regular Meeting of March 12, 2020, Special Called Meeting on March 16, 2020 and Emergency Meeting on March 20, 2020.
- 3.2 **Absences**-Approval of any council absences for the second quarter of fiscal year 2019-20.
- 3.3 Discuss, Consider & Possible Action on **Resolution #2020-36** Declaring Certain City Property Surplus and Authorizing the Sale and/or Donation of Said Property in the manner most advantageous to the City of Gonzales.
- 3.4 Discuss, Consider & Possible Action on **Resolution #2020-37** Affirming the City of Gonzales does not Discriminate in the Provision of any Program Based on the Race, Color, National Origin, Age, Religion, Gender, Handicap Status, Veteran Status or Any Other Protected Status.
- 3.5 Discuss, Consider & Possible Action on **Resolution #2020-38** Authorizing Designated Signators for Contractual and Financial Documents for the Texas General Land Office Community Development Block Grant Disaster Recovery Program.

## RESOLUTIONS

- 4.1 Discuss, Consider & Possible Action Approving **Resolution #2020-39** Accepting the Proposals and Awarding the Contract for the roof replacement and repairs at Gonzales Memorial Museum and Amphitheatre to RYCARS Construction.
- 4.2 Conduct second reading of a resolution and action on a resolution authorizing certain financial assistance up to \$500,000.00 by the GEDC to be used as a line of credit or other financial assistance for businesses located within the City of Gonzales, Texas.
- 4.3 Discuss, Consider & Possible Action on the GEDC's action to extend all existing loan payments for 90 days and waiving late fees due to COVID-19.
- 4.4 Discuss, Consider & Possible Action Approving **Resolution #2020-40** Appointing a Board Member to the Gonzales Economic Development Corporation.
- 4.5 Discuss, Consider & Possible Action on **Resolution #2020-41** Denying Texas Gas Service Company's Requested Rate Increase.

## ORDINANCES

- 5.1 Discuss, Consider and Possible Action on **Ordinance #2020-09** Authorizing Budget Amendments for the 2019-2020 Fiscal Year
- 5.2 Discussion and possible action on an ordinance amending and possibly extending the public health emergency declaration regarding precautionary measures in reference to the COVID-19 virus.

## **STAFF/BOARD REPORTS**

- 6.1 Financial Report for the Month of March 2020
- 6.2 City Manager, Tim Patek will update the City Council on the following: Jim Price Clean-Up, Tank #2 Rehab at Water Plant

## **CLOSED SESSION**

- 7.1 (a) Pursuant to Section 551.071 of the Texas Government Code, the City of Gonzales will consult in closed session with its attorney to receive legal advice regarding pending or contemplated litigation, a settlement offer, or matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter”, to include the following matters:
  1. In Re Estate of J. B. Wells litigation
  2. Patricia Bennett and Gloria Knight v. City of Gonzales, Texas Cause No. 27,500
  3. A Guerra Enterprise LLC D/B/A Holiday Inn Express & Suites Cause No. 27,591

## **RETURN TO OPEN SESSION**

- 8.1 Discuss and Consider any Action Resulting from Closed Session as Necessary

## **CITY COUNCIL REQUESTS AND ANNOUNCEMENTS**

- Requests by Mayor and Councilmembers for items on a future City Council agenda
- Announcements by Mayor and Councilmembers
- City and community events attended and to be attended
- Continuing education events attended and to be attended

## **ADJOURN**

EXECUTIVE SESSION: The City Council reserves the right to discuss any of the above items in Executive Closed Session if they meet the qualifications in Sections 551.071, 551.072, 551.073, 551.074, 551.076, 551.087, of Chapter 551 of the Government Code of the State of Texas.

CERTIFIED as posted by 3:45 p.m. on March 25, 2020. I further certify that the following News Media were properly notified of the above stated meeting: Gonzales Inquirer.

*Kristi Gilbert*

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Kristi Gilbert, Interim City Secretary



# City of Gonzales, Texas

# Proclamation

**GREETINGS:** Know ye all men by these presents, that:

## FAIR HOUSING MONTH

### APRIL 2020

**WHEREAS**, Title VIII of the Civil rights Act of 1968, as amended, prohibits discrimination in housing and declares it a national policy to provide, within constitutional limits, for fair housing in the United States; and

**WHEREAS**, the principle of Fair Housing is not only national law and national policy, but a fundamental human concept and entitlement for all Americans; and

**WHEREAS**, the anniversary of this national Fair Housing Law, during the month of April, provides an opportunity for all Americans to recognize that complete success in the goal of equal housing opportunity can only be accomplished with the help and cooperation of all Americans

**NOW, THEREFORE**, I Connie L. Kacir, Mayor of the City of Gonzales, Texas, do hereby proclaim April as Fair Housing Month in Gonzales, Texas, and do hereby urge all the citizens of this locality to become aware of and support the Fair Housing law.

**IN WITNESS WHEREOF**, I have hereunto set my hand and caused the Seal of the City of Gonzales, Texas,

Signed this \_\_\_\_\_ day of \_\_\_\_\_

\_\_\_\_\_  
Mayor of the City of Gonzales, Texas  
April 9, 2020 Council Packet 4 of 250





# City of Gonzales, Texas

# Proclamation

**GREETINGS: Know ye all men by these presents, that:**

**NATIONAL SEXUAL ASSAULT AWARENESS MONTH  
APRIL 2020**

**WHEREAS**, every 73 seconds another person in the United States is sexually assaulted, and in Texas 2 in 5 women and 1 in 5 men are victims of sexual assault AND from April 2019-March 2020, the Guadalupe Valley Family Violence Shelter rendered 907 services to 106 survivors of sexual violence;

**WHEREAS**, according to a study conducted by the Texas Association Against Sexual Assault and the University of Texas at Austin School of Social Work, approximately 6.3 million Texans have been sexually victimized;

**WHEREAS**, most victims are sexually assaulted by someone they know and 91 percent of victims did not report to police;

**WHEREAS**, it is appropriate to salute the more than 20,000,000 victims who have survived sexual assault in the United States and the efforts of victims, volunteers, and professionals who combat sexual assault;

**WHEREAS**, national and community organizations and private sector supporters should be recognized and applauded for their work in promoting awareness about sexual assault;

**WHEREAS**, police, forensic workers, and prosecutors should be recognized and commended for their hard work and innovative strategies to increase the percentage of sexual assault cases that resolve in the prosecution and incarceration of the offenders;

**WHEREAS**, sexual violence is a persistent and pervasive problem in our society, one that requires attention year-round and in order to foster healthy communities, all citizens must support the effort to end sexual violence every month of the year; and,

**WHEREAS**, national and community organizations, businesses in the private sector, and the media are urged, through *National Sexual Assault Awareness* of sexual violence and strategies to decrease the incidence of sexual assault.

**NOW, THEREFORE**, I, Connie L. Kacir, Mayor of the city of Gonzales, do hereby proclaim the month of April as "*National Sexual Assault Awareness and Prevention Month*" in Gonzales and urge all citizens to observe this month by supporting the goals and ideas of victims and those working toward awareness and prevention, and by participating in community efforts.

**IN WITNESS WHEREOF**, I have hereunto set my hand and caused the Seal of the City of Gonzales, Texas,

Signed this \_\_\_\_\_ day of \_\_\_\_\_

\_\_\_\_\_  
Mayor of the City of Gonzales, Texas  
April 9, 2020 Council Packet 5 of 250



**COUNCIL AGENDA  
ITEM BRIEFING DATA**



**AGENDA ITEM**

Discuss, Consider & Possible Action on Resolution #2020-35 Acknowledging Receipt and Presentation of the Comprehensive Annual Financial Report for the Fiscal Year ending September 30, 2019

**DATE: April 9, 2020**

**TYPE AGENDA ITEM:**

Resolution

**BACKGROUND:**

The City's Auditor Jon Watson from BrooksWatson & Co., PLLC has completed the annual audit for the fiscal year ending September 30, 2019. The Comprehensive Annual Financial Report is presented to Council after the completion of the audit of all City of Gonzales Funds.

**POLICY CONSIDERATIONS:**

This is consistent with what has been done in the past.

**FISCAL IMPACT:**

N/A

**STAFF RECOMMENDATION:**

Staff recommends approval of receipt and completion of Financial Audit of Records.

**RESOLUTION 2020-35**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GONZALES, TEXAS ACKNOWLEDGING RECEIPT AND PRESENTATION OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDING SEPTEMBER 30, 2019; AND ESTABLISHING AN EFFECTIVE DATE.**

**WHEREAS**, Texas Local Government Code Section 103.001 states that a municipality shall have its records audited annually and shall have an annual financial statement prepared based on the audit; and

**WHEREAS**, the City's Auditor Jon Watson from BrooksWatson & Co., PLLC has completed the annual audit for the fiscal year ending September 30, 2019; and

**WHEREAS**, the Comprehensive Annual Financial Report is presented to Council after the completion of audit of all City of Gonzales Funds; and

**WHEREAS**, the annual financial statement including the auditor's opinion on the statement, shall be filed in the office of the municipal secretary or clerk within 180 days after the last day of the municipality's fiscal year; and

**WHEREAS**, the City Council hereby acknowledges receipt of the comprehensive annual financial report for fiscal year ending September 30, 2019; and

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

Section 1. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the City Council.

Section 2. The City Council of the City of Gonzales, Texas hereby acknowledges the receipt and presentation of the comprehensive annual financial report for fiscal year ending September 30, 2019.

Section 3. That it is officially found, determined and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this ordinance, was given, all as required by Chapter 551, as amended, Texas Government Code.

Section 4. This Resolution shall be effective upon its approval.

Section 5. This Resolution shall not be construed to require or allow any act which is prohibited by an Ordinance.

**PASSED, APPROVED and ADOPTED by the City Council of the City of Gonzales, Texas, on this 9<sup>th</sup> day of April 2020.**

**CITY OF GONZALES**

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Connie Kacir, Mayor

**ATTEST:**

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Kristi Gilbert, Interim City Secretary



**BROOKSWATSON & CO.**  
CERTIFIED PUBLIC ACCOUNTANTS

March 30, 2020

To the Honorable Mayor,  
Members of the City Council  
and management  
City of Gonzales, Texas

In planning and performing our audit of the financial statements of the City of Gonzales, Texas (the "City"), as of and for the year ended September 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified deficiencies in internal controls that we consider to be a material weakness and other deficiencies that we consider to be significant deficiencies.

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

**1. CLOSING PROCESS**

**Finding**

As a part of our audit we encountered some accounts that required adjustment to be consistent with Generally Accepted Accounting Policies "GAAP". These adjustments are listed in the audit communication letter provided to City Council.

## **Recommendation**

We recommend that management review the existing policies, procedures, and controls over these areas to ensure that all information is recorded and reported properly.

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. We consider the following deficiencies in the entity's internal control to be significant deficiencies:

### **1. DEFICIT FUND BALANCE**

#### **Finding**

At the end of the year, the fund had an ending fund balance deficit of \$138,174. The general fund will need to continue to cover deficits until the JB Wells can become self-sufficient.

#### **Recommendation**

The City should monitor this fund and consider the operating results when creating future budgets to fund transfers into this fund to eliminate the deficit.

### **2. UNINSURED DEPOSITS**

#### **Finding**

The EDC and City currently have certain cash and certificates of deposit accounts that are in excess of FDIC and bank collateral pledged agreements. This would result in a loss to the EDC or City in the event of a bank failure.

The EDC's operating checking account was undercollateralized by \$27,759.

The City's account at Randolph Brooks Federal Credit Union was undercollateralized by \$25,301.

#### **Recommendation**

The City should review all cash accounts with their depositories to ensure they are adequately covered by FDIC or collateral pledged by the bank.

### **3. OUTSTANDING CHECKS**

#### **Finding**

The City has uncleared checks greater than three years old.

**Recommendation**

We recommend the City investigate all old outstanding items to determine whether they are actually outstanding or represent duplicates of transactions or other errors. For any bookkeeping errors, we suggest the City correct those errors. For any amounts that are outstanding we suggest the City escheat these balances to the proper jurisdiction and remove them from their bank reconciliation when this is done.

**4. BUDGET DOCUMENT PROCESS**

**Finding**

During our review of the original budget passed by the City, we noted that the total expenditures for the general fund - 104 department was shown as \$576,230, which differed from the total of the line items for the department that was equal to \$606,230, a difference of \$30,000. The budget summary document uses the \$576,230 amount, which appears to have a summing error.

**Recommendation**

We suggest the City implement controls to assure the calculations within the budget are accurate to assure all totals are properly calculated.

**5. PURCHASING POLICY**

**Finding**

The City's purchasing policy requires that "All purchases over \$2,500 are to be pre-approved and pre-authorized by the City Manager". We observed that it was not strictly being practiced within some departments. This requirement ensures that departments are exercising proper budgetary control and streamlines the process of paying vendors in a more timely fashion.

The City's purchasing also policy requires that three quotes from three separate vendors be obtained for all purchases greater than \$10,000 and under \$50,000 for a single item. We noted during our interim audit that not all departments were complying with this requirement. This requirement ensures that the City obtains items at a reasonable price and that funds are being disbursed at their best use.

**Recommendation**

We recommend that these procedures are strictly followed or the City revises their policies to be consistent with practice.

## 6. BID PROCESS

### Finding

During our audit, we noted that the City did not follow the public bid process for their employee healthcare insurance. The City used a broker to solicit healthcare quotes. It didn't appear that this broker followed the local government code for the bid process.

### Recommendation

We recommend that the city follow the public bid process for all non-exempt purchases, and determine if any recourse measures are necessary related to this purchase.

## 7. SEARCH AND SEIZURES PETTY CASH

### Finding

The City does not review and reconcile the petty cash box to the ledger on a regular basis.

### Recommendation

We recommend that the City performs a count and reconciliation of the petty cash box on a monthly basis.

Other matters are any additional noteworthy items that are unrelated to internal control such as compliance with laws and regulations. In addition, we noted other matters involving the internal control and its operation:

### 1. SPECIAL REVENUE FUND

#### Finding

The City currently consolidates all special revenue funds into one fund. This makes it difficult to segregate funds as well as track the activity separately.

#### Recommendation

The City should consider creating a new fund for each special revenue fund source.

### 2. DOCUMENT CONTROL – EDC NOTE RECEIVABLE

#### Finding

During our audit, we noted an amended note agreement between the Economic Development Corporation "EDC" and Hotel Alcade to defer principal payments for a period of time and make those deferred principal payments a balloon payment at the end

of the note term rather than monthly installments. The amortization schedule within the amended note agreement is inconsistent with the text of the amended agreement. The borrower's amortization schedule provided by the borrower is closer to being correct, but excludes interest on the balloon principal amount, which was not conceded by the EDC in the amendment agreement.

**Recommendation**

We suggest the organization pass an amendment with an amortization schedule that is consistent with itself and clarifies this discrepancy.

**3. INVESTMENT POLICY**

**Finding**

During our audit, we noted that the City's investment policy was approved within the City's budget and therefore was indirectly approved by council through approval of the budget. The City should approve the investment policy directly.

**Recommendation**

We recommend that the City directly approve the investment policy separate from the budget.

**4. 2019 SERIES COO REPAYMENT**

**Finding**

During our review of the 2020 budget, we noted that repayment of the 2019 COO is being made from property taxes and transfers from the wastewater, water, and electric funds. The electric fund is not utilizing any of the proceeds from the debt offering and therefore shouldn't be a part of the repayment plan.

**Recommendation**

We recommend the City budget repayment of the COO from the property taxes and those utility funds using the proceeds from the debt offering.

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

Respectfully,

A handwritten signature in black ink that reads "Brooks Watson & Co." in a cursive, slightly stylized font.

BrooksWatson & Co., PLLC  
14950 Heathrow Forest Pkwy | Ste 530  
Houston, TX 77032

***COMPREHENSIVE  
ANNUAL FINANCIAL REPORT***

**of the**

**City of Gonzales, Texas**

**For the Year Ended  
September 30, 2019**

**Prepared by the Finance Department**

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# City of Gonzales, Texas

## TABLE OF CONTENTS

September 30, 2019

### INTRODUCTORY SECTION

Letter of Transmittal	1
List of Principal Officials	6
GFOA Certificate of Achievement for Excellence in Financial Reporting	7
Organizational Chart	9

### FINANCIAL SECTION

Independent Auditor's Report	11
Management's Discussion and Analysis	17

#### Basic Financial Statements

##### **Government-Wide Financial Statements**

Statement of Net Position	30
Statement of Activities	34

##### **Fund Financial Statements**

###### **Governmental Funds:**

Balance Sheet	36
Reconciliation of the Balance Sheet to the Statement of Net Position	41
Statement of Revenues, Expenditures, and Changes in Fund Balance- Governmental Funds	42
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	47

###### **Proprietary Funds:**

Statement of Net Position	48
Statement of Revenues, Expenses, and Changes in Fund Net Position	50
Statement of Cash Flows	52

<b>Notes to Financial Statements</b>	<b>57</b>
--------------------------------------	-----------

### Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balances- Budget and Actual - General Fund	101
Schedule of Revenues, Expenditures, and Changes in Fund Balances- Budget and Actual - JB Wells Fund	102
Schedule of Revenues, Expenditures, and Changes in Fund Balances-	

Budget and Actual – Special Revenue Fund	103
Schedule of Changes in Net Pension Liability and Related Ratios-Texas Municipal Retirement System	104
Schedule of Employer Contributions to Pension Plan- Texas Municipal Retirement System	106
Schedule of Changes in Net Pension Liability and Related Ratios-Texas Emergency Services Retirement System	108
Schedule of Employer Contributions to Pension Plan- Texas Emergency Services Retirement System	110
Schedule of Changes in OPEB and Related Ratios- Texas Municipal Retirement System	112

**Other Supplementary Information**

Schedule of Revenues, Expenditures, and Changes in Fund Balance- Budget and Actual – Debt Service Fund	115
---	-----

**Statistical Section**

Net Position by Component	118
Changes in Net Position	120
Fund Balances, Government Funds	124
Changes in Fund Balance, Governmental Funds	126
Assessed Value and Estimated Actual Value of Taxable Property	128
Property Tax Rates – Direct and Overlapping Governments	130
Principal Property Taxpayers	133
Property Tax Levies and Collections	134
Sales Tax Rates – Direct and Overlapping Governments	136
Ratios of Outstanding Debt by Type	138
Ratio of General Bonded Debt Outstanding	140
Direct and Overlapping Governmental Activities Debt	143
Legal Debt Margin Information	144
Pledged Revenue Coverage (Utility Funds)	146
Demographic and Economic Statistics	148
Principal Employers	151
Full-Time Equivalent City Employees by Function/Program	152
Operating Indicators by Function/Program	154
Capital Asset Statistics by Function/Program	156

***INTRODUCTORY SECTION***

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# CITY OF GONZALES

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COME AND TAKE IT

820 St. Joseph Street  
P.O. Drawer 547  
Gonzales, Texas 78629  
Phone (830) 672-2815  
[www.gonzales.texas.gov](http://www.gonzales.texas.gov)

March 30, 2020

The Honorable Mayor and City Council  
of the City of Gonzales:

The Texas Local Government Code states that a municipality shall have its records and accounts audited annually and shall have annual financial statements prepared based on the audit. The Code also states that the annual financial statements, including the auditor's opinion on the statements, shall be filed in the office of the municipal secretary or clerk within 180 days after the last day of the municipality's fiscal year. The Comprehensive Annual Financial Report (CAFR) of the City of Gonzales, Texas (the City) for the year ended September 30, 2019, is hereby submitted to fulfill that requirement.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to gain an understanding of the City's financial affairs have been included. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

BrooksWatson & Co., PLLC, has issued an unmodified ("clean") opinion on the City of Gonzales' financial statements for the year ended September 30, 2019. The independent auditor's report is located at the front of the financial section of this report.

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

*In God We Trust*

## **PROFILE OF THE CITY OF GONZALES**

The City of Gonzales, founded in 1825, is located 62 miles south of Austin, 70 miles east of San Antonio, and 60 miles north of Victoria. According to the U.S. Census Bureau the estimated population of the City of Gonzales is 7,606 as of July 1, 2018 and serves as the county seat of Gonzales County. Gonzales is a Home Rule Charter City and operates under the Council-Manager form of government. The elected body is made up of a Mayor elected at large and four Council members elected by district. Length of office for all Council members and the Mayor are three-year terms. The City Council appoints the City Manager, the City Attorney, and the Municipal Court Judge. All other staff members work either directly or indirectly under the direction of the City Manager.

The Combined Financial Statements of the City of Gonzales include all government activities, organizations, and functions for which the City exercises significant oversight responsibility. The criteria considered in determining governmental activities to be reported within the City's combined financial statements are based upon and consistent with those set forth in GASB Statement No. 61, "The Financial Reporting Entity". Based on this criterion the Gonzales Economic Development Corporation is included in this report.

The City Council appoints several boards and commissions, which do not meet the established criteria for inclusion in the reporting entity and are therefore excluded from this report. They are the following:

1. Library Board
2. Housing Authority Board
3. Zoning Commission
4. Zoning Board of Adjustments / Sign Control Board
5. Main Street Advisory Board
6. Community Empowerment Board
7. Airport Zoning Board

The City provides services to its citizens that are considered necessary and meaningful and that can be provided by the City at a reasonable cost. Major services provided under general government and enterprise functions are: police and fire protection, electric, water, wastewater and solid waste, park and recreational facilities, library services, street upkeep and maintenance, and general administrative services. Other services include code enforcement, building inspection, animal control, museum, cemetery, airport, and economic development. The City operates a municipal court as established by the City's charter.

## **LOCAL ECONOMY:**

The City of Gonzales, the South Central Texas Region, and the State of Texas have experienced steady economic growth over the last several years with continued expansion expected. In the State of Texas, Gonzales County ranks in the top five counties in the state for both poultry production and

volume of beef cows. Businesses within the City that support agricultural production, including feed mills, feed stores, machinery supply and repair businesses, have continued to benefit from the local economy. Through the downtown revitalization efforts, tourism has become a developing industry for the area. As a result, restaurants, convenience stores, motels, and bed and breakfasts have increased sales. The City's major sources of revenue are sales and ad valorem property taxes and have fluctuated according to prevailing business conditions.

According to the Bureau of Labor Statistics, the September 2019 average for Gonzales County's unemployment rate was 2.6%. One area of concern is the lack of a skilled work force. The City as well as the area's economic development groups have combined efforts to make Gonzales a better place to live and work. The Economic Development Corporation is committed to marketing the City's assets and encouraging small business and entrepreneurial activity. With such projects as Victoria College Gonzales Center and J. B. Wells Park the quality of life as well as the economy will enjoy a boost. The community of Gonzales is growing slowly but steadily, and management sees this as a long-term trend.

#### **FACTORS AFFECTING FINANCIAL CONDITION**

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

#### **LONG-TERM FINANCIAL PLANNING**

The fund balance reserves of the General Fund and Proprietary Funds are continually improving, but not where the City would like for them to be. The City continues to take steps to correct this and will continue to monitor the balance month by month. Monitoring is accomplished through continual refinement of long-range fund projections.

A major goal for the year ending September 30, 2019, was to maintain and upgrade municipal facilities in order to continue to provide a reliable service to the public.

#### **MAJOR INITIATIVES**

Projects undertaken in this fiscal year include:

- ◆ Purchase and replace equipment needed for efficient operation of Fire and Police department
- ◆ Purchase and replace equipment needed for efficient operation of various departments
- ◆ Bank stabilization project in the Independence Park with the USDA
- ◆ Street improvements
- ◆ Wastewater line repairs
- ◆ Water line repairs
- ◆ Drainage improvements and repairs
- ◆ Hydro plant improvements and repairs
- ◆ New electric poles and street lights

Projects planned for the future include:

- ◆ Purchase and replace equipment needed for efficient operation of various departments
- ◆ Paving and seal coating of selected streets
- ◆ Water line improvements and repairs
- ◆ Wastewater line improvements and repairs
- ◆ Electrical line improvements and repairs
- ◆ New electric poles and street lights.
- ◆ Hydro plant improvements and repairs
- ◆ Water plant improvements and repairs
- ◆ Demolition of the old library
- ◆ Updating the inside of the Golf Club House
- ◆ Installation of new roof on the Memorial Museum

#### **FINANCIAL PROCEDURES AND INTERNAL CONTROLS**

The City's accounting records for all governmental funds are maintained on the modified accrual basis of accounting. This method recognizes revenue when it is measurable and available and expenditures when goods or services are received. All proprietary funds are accounted for using the accrual basis of accounting; revenue is recognized when it is earned, and expenses are recognized when they are incurred. Management of the City is responsible for establishing and maintaining an internal control structure. This structure is designed to provide reasonable, but not absolute, assurance that: (1) City assets are protected from loss, theft or misuse; and (2) City financial records and data are accurate and reliable. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from it, and that the evaluation of cost and benefits requires estimates and judgments by management.

#### **BUDGETARY CONTROLS**

Each year, on or before September 30<sup>th</sup>, the City Council adopts an annual operating budget for the ensuing fiscal year. The operating budget includes anticipated revenues and expenditures for the General Fund, Special Revenue Funds, Debt Service Fund, and Proprietary Funds. The budget is a planning device that defines the type, quality, and quantity of City goods and services that will be provided to our citizens. The budget is also a control device that serves as a system of "checks and balances" between levels of City government. The budgetary system is designed to ensure that individual departments contain their expenditures within limitations set by City management, and that City management contains expenditures for the entire City within limitations set by the City Council. After adoption, changes to a departmental budget may be made through the use of line item transfers, initiated by a department head, and approved by the City Manager and Finance Director. Any changes to the budget outside of an individual department can only be made by a City Council ordinance. Any revisions that alter the total expenditures of any fund must be adopted by the City Council.

OTHER INFORMATION

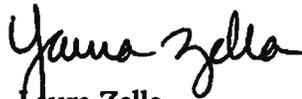
**Acknowledgments:**

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff. I would like to express my appreciation to all members of the departments who assisted and contributed to the preparation of this report. Due credit is also given to the Mayor and City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Timothy W. Patek  
City Manager



Laura Zella  
Director of Finance

# City of Gonzales, Texas

## LIST OF PRINCIPAL OFFICIALS

September 30, 2019

<b><u>Title</u></b>	<b><u>Name</u></b>
<b>Elected:</b>	
Mayor	Connie L. Kacir
Council Member District 1	Gary A. Schroeder
Council Member District 2	Tommy Schurig
Council Member District 3	Bobby O'Neal
Mayor Pro-Tem District 4	Dan Blakemore
<b>Administrative:</b>	
City Manager	Timothy W. Patek
Finance Director	Laura Zella
City Secretary	Kristina Vega
Building Official	Derrick Smith
Electric Department Director	Nicolas DeLeon
Street Department Director	Todd Remschel
Water & Wastewater Superintendent	Marland Mercer
Water & Wastewater Plant Operator	Ryan Wilkerson
Police Chief	Tim Crow
Parks & Recreation Director / Arena Operations Manager	Anne Dollery
Fire Chief	Keith Schmidt
Economic Development Director	Genora Young
Main Street Administrator	Barbara Friedrich
City Attorney	Daniel Santee
Municipal Judge	Deidra Voigt



**Government Finance Officers Association**

**Certificate of  
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**Presented to**

**City of Gonzales  
Texas**

**For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended**

**September 30, 2018**

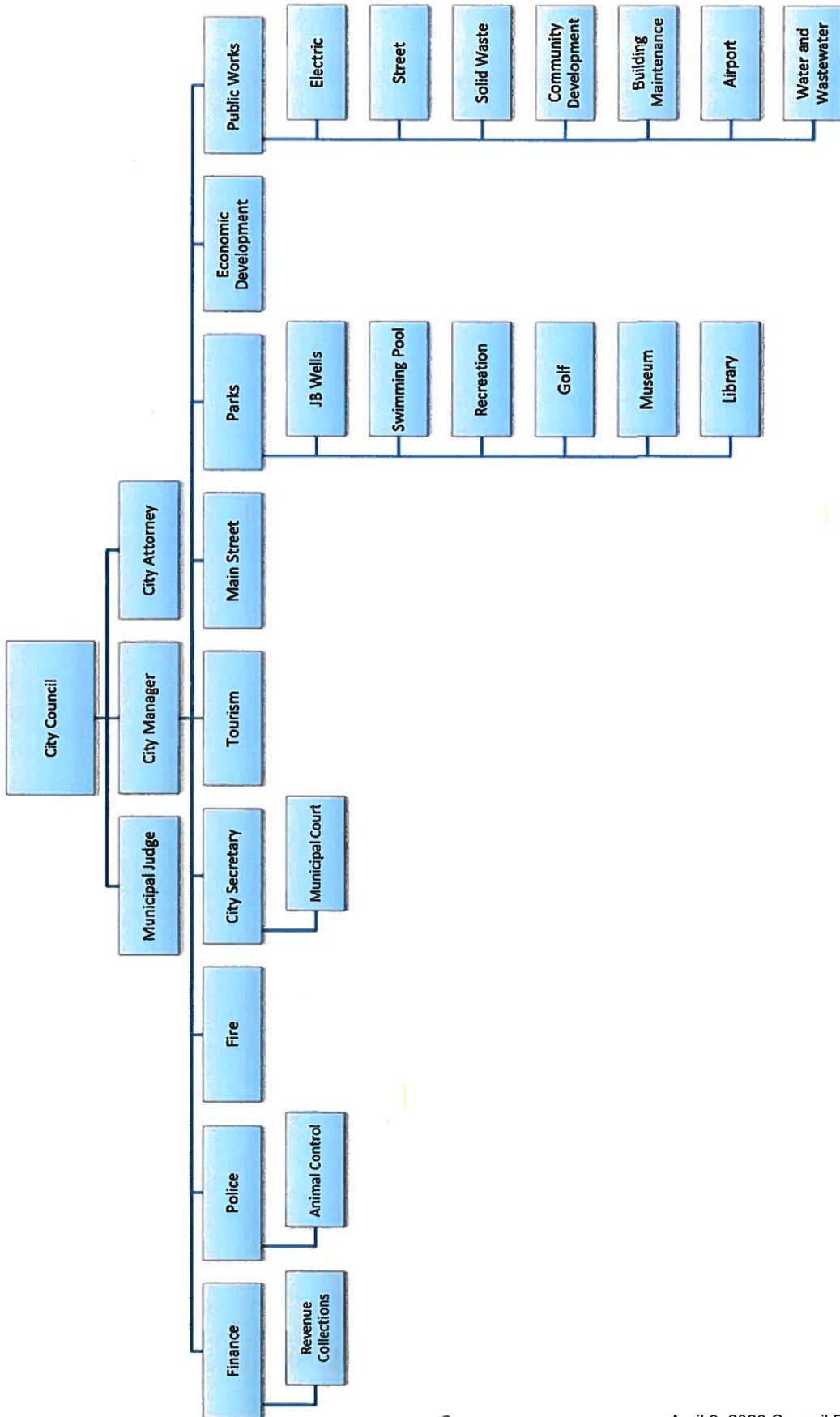
*Christopher P. Morill*

**Executive Director/CEO**

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# CITY OF GONZALES

## ORGANIZATIONAL CHART



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## ***INDEPENDENT AUDITOR'S REPORT***

To the Honorable Mayor and  
Members of the City Council  
City of Gonzales, 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, and each major fund of the City of Gonzales, Texas (the "City"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

The City's 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 opinion.

### *Opinion*

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, and each major fund of City of Gonzales, Texas, as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Emphasis of Matter*

As disclosed in Note V.I., due to accounting errors, the City restated its beginning net position within governmental activities and business-type activities and the wastewater fund to properly reflect correction of these errors. Our opinion is not modified with respect to these matters.

### *Other Matters*

#### *Required Supplementary Information*

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

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise City of Gonzales, Texas's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

This accompanying supplementary 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. 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 supplementary information is 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 express no opinion or provide any assurance on them.

*Brooks Watson & Co.*

Brooks Watson & Co., PLLC  
Certified Public Accountants  
Houston, Texas  
March 30, 2019

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

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# City of Gonzales, Texas

## MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

September 30, 2019

As management of the City of Gonzales, Texas (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2019.

### **Financial Highlights**

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources (net position) at September 30, 2019 by \$34,027,927.
- The City's total net position increased by \$2,195,903 during the year. The majority of the City's net position is invested in capital assets.
- The City's governmental funds reported combined ending fund balances of \$5,320,697 at September 30, 2019, an increase of \$3,073,286 from the prior fiscal year; this includes an increase of \$794,725 in the general fund, a decrease of \$155,542 in the debt service fund, an increase of \$50,919 in the JB Wells fund, an increase of \$2,224,674 in the capital projects fund, and an increase of \$158,510 in the special revenue fund.
- At the end of the fiscal period, unassigned fund balance for the general fund was \$1,823,427 or 23% of total annualized general fund expenditures.
- The total bonds payable at the close of the fiscal year were \$14,400,000.
- Net pension liabilities totaled \$3,710,701 as of year end.

### **Overview of the Financial Statements**

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

### **Government-Wide Statements**

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

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

**City of Gonzales, Texas**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**September 30, 2019**

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 related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety (police & fire); municipal court; and elected officials. The business-type activities of the City include electric, water, wastewater, and solid waste operations.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also the legally separate Gonzales Economic Development Corporation for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 30 through 35 of this report.

## FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related 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 two categories: governmental and proprietary 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 assessing a government's near-term financing requirements.

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

**City of Gonzales, Texas**  
*MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued*  
September 30, 2019

The City maintains five 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, JB Wells, capital projects, debt service, and special revenue funds. All these funds are considered to be major funds for reporting purposes.

The City adopts an annual appropriated budget for all government and enterprise funds. The City did not adopt a budget for the capital projects fund in the current year. A budgetary comparison statement/schedule has been provided for the governmental funds with adopted budgets to demonstrate compliance with their budget.

The basic governmental fund financial statements can be found on pages 36 through 43 of this report.

**Proprietary Funds**

The City maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for its electric, water, wastewater and solid waste operations. All activities associated with providing such services are accounted for in this fund, including administration, operation, maintenance, debt service, capital improvements, meter maintenance, billing and collection. The City's intent is that costs of providing the services to the general public on a continuing basis is financed through user charges in a manner similar to a private enterprise.

Proprietary financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the electric, water, wastewater and solid waste funds since they are considered to be major funds of the City.

The basic proprietary fund financial statements can be found on pages 46 through 53 of this report.

**Component Unit**

The City maintains the accounting and financial statements for one component unit. The Gonzales Economic Development Corporation is reported as a discretely presented component unit on the government-wide financial statements.

**Notes to Financial Statements**

The notes provide additional information that is necessary to acquire 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 55 through 95 of this report.

**City of Gonzales, Texas**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued***  
**September 30, 2019**

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits to its employees and budgetary comparison for the general fund and special revenue funds. Required supplementary information can be found on page 99 through 110 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted previously, net position may serve over time as a useful indicator of the City's financial position. For the City of Gonzales, assets exceed liabilities by \$34,027,927 as of September 30, 2019, in the primary government.

The largest portion of the City's net position, \$28,003,273, reflects its investments in capital assets (e.g., land, city hall, police station, streets, and drainage systems, as well as the public works facilities), less any debt used to acquire those assets that are 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 assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (3.5%) represents resources that are subject to external restrictions on how they may be used.

**City of Gonzales, Texas**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**September 30, 2019**

**Statement of Net Position:**

The following table reflects the condensed Statement of Net Position as of September 30, 2019 and 2018:

	2019			2018		
	Governmental	Business-Type	Total	Governmental	Business-Type	Total
	Activities	Activities		Activities	Activities	
Current and other assets	\$ 4,253,079	\$ 13,455,668	\$ 17,708,747	\$ 2,874,493	\$ 7,925,068	\$ 10,799,561
Capital assets, net	18,626,194	19,296,109	37,922,303	18,378,771	17,562,069	35,940,840
Internal balances	2,122,313	(2,122,313)	-	(51,676)	51,676	-
<b>Total Assets</b>	<b>25,001,586</b>	<b>30,629,464</b>	<b>55,631,050</b>	<b>21,201,588</b>	<b>25,538,813</b>	<b>46,740,401</b>
Deferred outflows of resources	899,170	251,486	1,150,656	300,178	84,652	384,830
Other liabilities	1,038,312	1,422,060	2,460,372	459,961	924,830	1,384,791
Long-term liabilities	15,560,654	4,332,938	19,893,592	11,129,178	2,384,706	13,513,884
<b>Total Liabilities</b>	<b>16,598,966</b>	<b>5,754,998</b>	<b>22,353,964</b>	<b>11,589,139</b>	<b>3,309,536</b>	<b>14,898,675</b>
Deferred inflows of resources	316,142	83,673	399,815	312,183	82,349	394,532
Net Position:						
Net investment in capital assets	8,439,810	19,563,463	28,003,273	9,756,018	15,868,532	25,624,550
Restricted	1,183,583	-	1,183,583	1,162,218	-	1,162,218
Unrestricted	(637,745)	5,478,816	4,841,071	(1,317,792)	6,363,048	5,045,256
<b>Total Net Position</b>	<b>\$ 8,985,648</b>	<b>\$ 25,042,279</b>	<b>\$ 34,027,927</b>	<b>\$ 9,600,444</b>	<b>\$ 22,231,580</b>	<b>\$ 31,832,024</b>

Current and other assets of governmental activities were \$4,253,079 and \$2,874,493 as of September 30, 2019 and September 30, 2018, respectively. The increase of \$1,378,586 or 48% was due primarily to an increase in current assets as a result of the certificate of obligation issue in the current year. Current and other assets of business-type activities were \$13,455,668 and \$7,925,068 as of September 30, 2019 and September 30, 2018, respectively. The increase of \$5,530,600 or 70% was due primarily to an increase in cash on hand as a result of the certificate of obligation issue in the current year.

Long-term liabilities were \$19,893,592 and \$13,513,884 as of September 30, 2019 and September 30, 2018, respectively. The increase of \$6,379,708 or 47% was due primarily to the certificate of obligation issued in the current year.

**City of Gonzales, Texas**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**September 30, 2019**

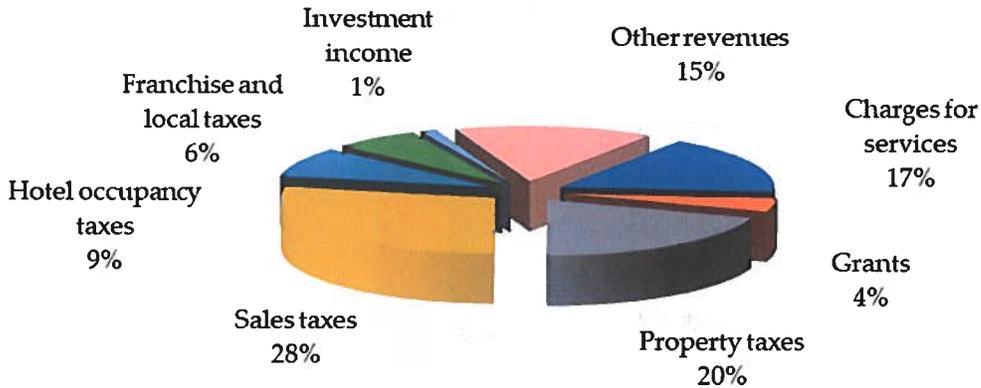
**Statement of Activities:**

	September 30, 2019			September 30, 2018		
	Governmental	Business-Type	Total	Governmental	Business-Type	Total
	Activities	Activities	Primary Government	Activities	Activities	Primary Government
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 1,083,514	\$ 13,939,920	\$ 15,023,434	\$ 992,000	\$ 14,969,058	\$ 15,961,058
Grants	261,773	-	261,773	1,312,218	-	1,312,218
General revenues:						
Property taxes	1,293,584	-	1,293,584	1,171,717	-	1,171,717
Sales taxes	1,816,922	-	1,816,922	1,780,877	-	1,780,877
Hotel occupancy taxes	553,814	-	553,814	394,578	-	394,578
Franchise and local taxes	423,478	-	423,478	422,333	-	422,333
Investment income	79,361	80,809	160,170	35,979	52,122	88,101
Other revenues	979,305	72,158	1,051,463	1,164,297	-	1,164,297
<b>Total Revenues</b>	6,491,751	14,092,887	20,584,638	7,273,999	15,021,180	22,295,179
<b>Expenses</b>						
General government	2,660,628	-	2,660,628	2,771,522	-	2,771,522
Public safety and courts	3,530,282	-	3,530,282	3,483,984	-	3,483,984
Parks and recreation	1,831,801	-	1,831,801	1,565,511	-	1,565,511
Streets	755,325	-	755,325	777,485	-	777,485
Interest and fiscal charges	278,011	100,254	378,265	283,208	45,511	328,719
Electric	-	6,365,966	6,365,966	-	6,720,405	6,720,405
Water	-	928,128	928,128	-	1,024,926	1,024,926
Wastewater	-	1,127,892	1,127,892	-	964,924	964,924
Solid waste	-	810,448	810,448	-	783,679	783,679
<b>Total Expenses</b>	9,056,047	9,332,688	18,388,735	8,881,710	9,539,445	18,421,155
<b>Change in Net Position</b>						
<b>Before Transfers</b>	(2,564,296)	4,760,199	2,195,903	(1,607,711)	5,481,735	3,874,024
Transfers	1,949,500	(1,949,500)	-	(825,859)	825,859	-
<b>Total</b>	1,949,500	(1,949,500)	-	(825,859)	825,859	-
<b>Change in Net Position</b>	(614,796)	2,810,699	2,195,903	(2,433,570)	6,307,594	3,874,024
Beginning Net Position	9,600,444	22,231,580	31,832,024	12,034,014	15,923,986	27,958,000
<b>Ending Net Position</b>	\$ 8,985,648	\$ 25,042,279	\$ 34,027,927	\$ 9,600,444	\$ 22,231,580	\$ 31,832,024

**City of Gonzales, Texas**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**September 30, 2019**

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

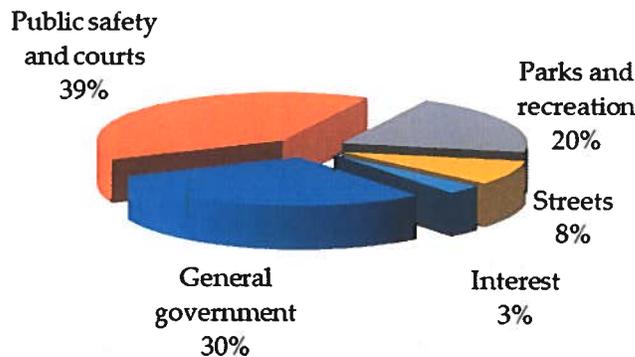
**Governmental Activities - Revenues**



For the year ended September 30, 2019, revenues from governmental activities totaled \$6,491,751. Sales taxes and property taxes are the City's largest general revenue sources. Grant revenues decreased by \$1,050,445 due to nonrecurring capital grants received in the prior year. Property taxes increased by \$121,867 due to an increase in the property tax rate. Sales taxes, hotel occupancy taxes, and franchise taxes increased by \$36,045, \$159,236, and \$1,145, respectively. These increases were a direct result of continued economic growth within the City. Investment income increased by \$43,382 due primarily to increased interest-bearing cash accounts. Other revenues decreased by \$184,992 or 16% primarily due to proceeds received from the sale of land in the prior year.

This graph shows the governmental function expenses of the City:

**Governmental Activities - Expenses**

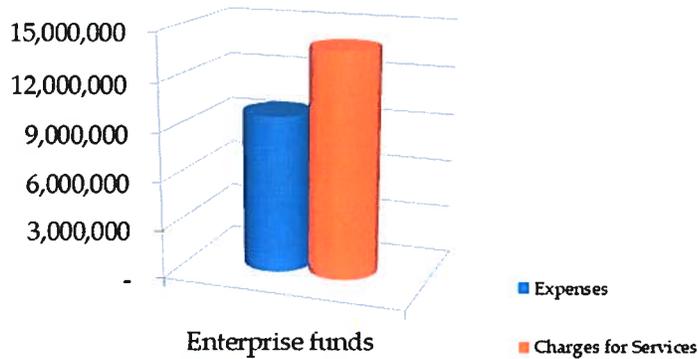


For the year ended September 30, 2019, expenses for governmental activities totaled \$9,056,047. This represents a decrease of \$174,337 or 2% from the year ended September 30, 2018. Parks and recreation expenses increased by \$266,290 primarily due to increases in personnel expenses in the current year.

**City of Gonzales, Texas**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**September 30, 2019**

Business-type activities are shown comparing operating costs to revenues generated by related services.

**Business-Type Activities - Revenues  
and Expenses**



For the year ended September 30, 2019, charges for services by business-type activities totaled \$13,939,920. This was a decrease of \$1,029,138, or 7% from the year ended September 30, 2018. The decrease was primarily due to a decrease in consumption compared to prior year and a decrease in electric rates.

Total expenses decreased \$206,757 when compared to prior year. Water expenses decreased by \$96,798 or 9%. The decrease primarily results from declining personnel, maintenance, and depreciation expenses. Electric expenses decreased by \$354,439 or 5%. The decrease was due to decreases in fuel costs and personnel costs due to contracting with a third-party service provider during the year. Wastewater expenses increased by \$162,968 or 17%. The increase was primarily due to increases in personnel and engineering expenses in the current year. Interest and fiscal charges increased by \$54,743 or 120% due to an increase in debt outstanding during the year. All other expenses remained relatively consistent.

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

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

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

As of the end of the year the general fund reflected a fund balance of \$2,115,747. Of this, \$62,185 is assigned for airport improvement and \$53,306 is restricted for PEG fees and \$11,827 is restricted for

**City of Gonzales, Texas**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**September 30, 2019**

library activities. Unassigned fund balance in the general fund totaled \$1,823,427. The fund balance for the general fund increased by \$794,725 during the year. The increase is primarily due to current year revenues and other financing sources exceeding expenditures. The fund is reliant on transfers from other funds to stay solvent currently, and these transfers in led to the current year surplus.

The debt service fund reflected a fund balance of \$59,174. The decrease in the fund balance of \$155,542 is a result of current year debt service expenditures exceeding revenues. During the prior year the City changed the debts being serviced by this fund, which impacted the net change this year with an increase in the negative net change.

The capital projects fund reflected a fund balance of \$2,224,674. The increase of \$2,224,674 in the fund balance is a result of the current year bond issued and proceeds not yet expended for capital improvements.

The JB Wells Park fund had an increase in fund balance of \$50,919. The City placed effort into increasing revenues and reducing expenses for this fund, and through additional revenue and a reduction in expenses produced its first surplus since the fund was established.

The special revenue fund balance reflected a fund balance of \$1,059,276, an increase of \$158,510 from the prior year. This fund is heavily reliant upon hotel occupancy taxes, which can be very volatile year over year. The current year collections improved compared to prior year, which led to the current year surplus.

There was an increase in governmental fund balance of \$3,073,286 from the prior period primarily due to transfers from proprietary funds and the current year bond issuance.

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

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The City increased budgeted revenues compared to the original budget by \$693,597 during the year. These increases were made based on revised information available indicating increases in property tax revenue and intergovernmental revenue. The City increased budgeted expenditures compared to the original budget by \$607,572 during the year. These increases were made based on increases in the capital outlay expenditures anticipated as more funds were anticipated to be available for necessary capital improvements.

Total general fund budgeted revenues exceeded actual revenues by \$370,814 during the 2019 fiscal year. The City experienced a shortfall in fines, forfeitures, and intergovernmental revenue.

**City of Gonzales, Texas**  
*MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued*  
September 30, 2019

Total expenditures were less than budgeted amounts by \$1,245,569 for the year. The City's public safety and general government functions came in well under budget due to conservative expense management during the year.

Total budgeted other financing uses were less than actual other financing uses by \$221,362 during the 2019 fiscal year. The primary reason for the budgetary difference was sale of capital assets generating less than expected, and transfers in being less than expected.

These variances combined for a net positive overall variance of \$653,393 for the year ended September 30, 2019.

**CAPITAL ASSETS**

As of the end of the year, the City's governmental activities funds had invested \$18,626,194 in a variety of capital assets and infrastructure, net of accumulated depreciation. Depreciation is included with the governmental capital assets as required by GASB Statement No. 34. The City's business-type activities funds had invested \$19,296,109 in a variety of capital assets and infrastructure, net of accumulated depreciation.

Major capital asset events during the current period include the following:

- Street and drainage construction in progress totaling \$101,558.
- Gonzales Hydro Station renovation and re-licensing totaling \$1,528,000.
- Wastewater utility improvement construction in progress totaling \$114,025.
- Repairs and improvements to the library roof for \$122,100.
- Independence Park streambank protection improvements for \$342,065.
- Street improvements and drain replacement for \$416,540.
- New Chevrolet Tahoe for fire department for \$46,248.
- Sludge hauler truck for the wastewater department for \$191,513.
- SCBA equipment purchased for \$87,213.
- Police equipment purchased for \$92,543.

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

**LONG-TERM DEBT**

At the end of the current year, the City had total bonds and capital leases outstanding of \$14,794,670. The combination tax and revenue bonds had a balance of \$14,400,000. The remaining amount was

**City of Gonzales, Texas**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued***  
**September 30, 2019**

comprised of total capital leases owed for \$782,609. During the year, the City paid \$490,000 on the bonds and \$231,747 on the capital leases. During the year, the City issued the Series 2019 tax and revenue certificate of obligation. This resulted in new debt of \$5,660,000, and net proceeds received by the City of \$6,200,000.

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

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The Mayor and City Council are committed to maintaining and improving the overall wellbeing of the City of Gonzales and improving services provided to their public citizens. Prior to the COVID 19 national disaster declaration, the City had budgeted for growth in the upcoming year. The City is in the midst of dealing with this issue and may adjust the plan after more clarity to the situation is available.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the City of Gonzales' finances for all those with an interest in the City's finances. Questions concerning this report or requests for additional financial information should be directed to the City Finance Director, 820 Saint Joseph Street, Gonzales, Texas 78629.

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***FINANCIAL STATEMENTS***

**City of Gonzales, Texas**  
**STATEMENT OF NET POSITION (Page 1 of 2)**  
**September 30, 2019**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b><u>Assets</u></b>			
Current assets:			
Cash and cash equivalents	\$ 3,325,697	\$ 4,295,599	\$ 7,621,296
Investments	275,301	541,288	816,589
Current portion of notes receivable, net	-	-	-
Receivables, net	611,062	2,290,460	2,901,522
Inventories	-	186,768	186,768
Other assets	41,019	11,130	52,149
Restricted cash and cash equivalents	-	6,130,423	6,130,423
Internal balances	2,122,313	(2,122,313)	-
<b>Total Current Assets</b>	<b>6,375,392</b>	<b>11,333,355</b>	<b>17,708,747</b>
Notes receivable, net	-	-	-
Capital assets - non-depreciable	2,478,947	2,505,244	4,984,191
Capital assets - net depreciable	16,147,247	16,790,865	32,938,112
<b>Total Noncurrent Assets</b>	<b>18,626,194</b>	<b>19,296,109</b>	<b>37,922,303</b>
<b>Total Assets</b>	<b>25,001,586</b>	<b>30,629,464</b>	<b>55,631,050</b>
<b><u>Deferred Outflows of Resources</u></b>			
Pension contributions	282,000	79,539	361,539
OPEB contributions	2,253	454	2,707
Pension (gains) losses	614,917	171,493	786,410
<b>Total Deferred Outflows of Resources</b>	<b>899,170</b>	<b>251,486</b>	<b>1,150,656</b>

See Notes to Financial Statements.

<b>GEDC</b>	
<b>Component</b>	<b>Unit</b>
\$	2,809,411
	-
	146,027
	152,801
	-
	-
	-
	-
	<u>3,108,239</u>
	951,109
	39,375
	245,855
	<u>1,236,339</u>
	<u>4,344,578</u>
	-
	-
	-
	-
	-

# City of Gonzales, Texas

## STATEMENT OF NET POSITION (Page 2 of 2) September 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Liabilities</b>			
Current liabilities:			
Accounts payable and accrued liabilities	866,117	1,204,898	2,071,015
Customer deposits	24,494	177,185	201,679
Accrued interest payable	46,762	16,834	63,596
Compensated absences, current	100,939	23,143	124,082
Debt - due within one year	596,387	85,000	681,387
<b>Total Current Liabilities</b>	<b>1,634,699</b>	<b>1,507,060</b>	<b>3,141,759</b>
Noncurrent liabilities:			
Net pension liability	2,906,129	804,572	3,710,701
OPEB liability	232,251	46,858	279,109
Compensated absences, noncurrent	11,215	2,570	13,785
Debt - due in more than a year	11,814,672	3,393,938	15,208,610
<b>Total Noncurrent Liabilities</b>	<b>14,964,267</b>	<b>4,247,938</b>	<b>19,212,205</b>
<b>Total Liabilities</b>	<b>16,598,966</b>	<b>5,754,998</b>	<b>22,353,964</b>
<b>Deferred Inflows of Resources</b>			
Pension deferred inflows	311,513	82,738	394,251
OPEB deferred inflows	4,629	935	5,564
<b>Total Deferred Inflows of Resources</b>	<b>316,142</b>	<b>83,673</b>	<b>399,815</b>
<b>Net Position</b>			
Net investment in capital assets	8,439,810	19,563,463	28,003,273
Restricted for:			
Tourism	841,891	-	841,891
Debt service	59,174	-	59,174
Economic development	-	-	-
Other purposes	282,518	-	282,518
Unrestricted	(637,745)	5,478,816	4,841,071
<b>Total Net Position</b>	<b>\$ 8,985,648</b>	<b>\$ 25,042,279</b>	<b>\$ 34,027,927</b>

See Notes to Financial Statements.

**GEDC**  
**Component**  
**Unit**

---

68,149

2,500

-

-

-

---

70,649

---

-

-

-

-

---

70,649

---

-

-

-

285,230

-

-

3,988,699

-

-

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\$ 4,273,929

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# City of Gonzales, Texas

## STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
<b>Governmental Activities</b>				
General government	\$ 2,660,628	\$ 65,586	\$ 261,773	\$ -
Public safety and courts	3,530,282	101,594	-	-
Parks and recreation	1,831,801	916,334	-	-
Streets	755,325	-	-	-
Interest and fiscal charges	278,011	-	-	-
<b>Total Governmental Activities</b>	<b>9,056,047</b>	<b>1,083,514</b>	<b>261,773</b>	<b>-</b>
<b>Business-Type Activities</b>				
Electric	6,457,248	9,839,594	-	-
Water	932,614	1,971,227	-	-
Wastewater	1,132,378	1,198,337	-	-
Solid Waste	810,448	930,762	-	-
<b>Total Business-Type Activities</b>	<b>9,332,688</b>	<b>13,939,920</b>	<b>-</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 18,388,735</b>	<b>\$ 15,023,434</b>	<b>\$ 261,773</b>	<b>\$ -</b>
<b>Component Unit</b>				
Gonzales EDC	\$ 711,547	\$ 15,500	\$ -	\$ -

**General Revenues:**

Taxes

Property taxes

Sales taxes

Hotel occupancy taxes

Franchise and local taxes

Investment income

Other revenues

Transfers

**Total General Revenues and Transfers**

**Change in Net Position**

Beginning Net Position

**Ending Net Position**

See Notes to Financial Statements.

**Net (Expense) Revenue and Changes in Net Position**

Primary Government			GEDC
Governmental Activities	Business-Type Activities	Total	Component Unit
\$ (2,333,269)	\$ -	\$ (2,333,269)	\$ -
(3,428,688)	-	(3,428,688)	-
(915,467)	-	(915,467)	-
(755,325)	-	(755,325)	-
(278,011)	-	(278,011)	-
<u>(7,710,760)</u>	<u>-</u>	<u>(7,710,760)</u>	<u>-</u>
-	3,382,346	3,382,346	-
-	1,038,613	1,038,613	-
-	65,959	65,959	-
-	120,314	120,314	-
-	<u>4,607,232</u>	<u>4,607,232</u>	-
<u>(7,710,760)</u>	<u>4,607,232</u>	<u>(3,103,528)</u>	-
			\$ (696,047)
1,293,584	-	1,293,584	-
1,816,922	-	1,816,922	908,509
553,814	-	553,814	-
423,478	-	423,478	-
79,361	80,809	160,170	99,711
979,305	72,158	1,051,463	2,809
1,949,500	(1,949,500)	-	-
<u>7,095,964</u>	<u>(1,796,533)</u>	<u>5,299,431</u>	<u>1,011,029</u>
(614,796)	2,810,699	2,195,903	314,982
9,600,444	22,231,580	31,832,024	3,958,947
<u>\$ 8,985,648</u>	<u>\$ 25,042,279</u>	<u>\$ 34,027,927</u>	<u>\$ 4,273,929</u>

# City of Gonzales, Texas

## BALANCE SHEET (Page 1 of 2)

### GOVERNMENTAL FUNDS

September 30, 2019

	General	Debt Service Fund
<b><u>Assets</u></b>		
Cash and cash equivalents	\$ 2,248,518	\$ 59,174
Investments	275,301	-
Receivables, net	527,306	29,386
Advances to other funds	124,483	-
Due from other funds	-	-
Prepaid assets	40,519	-
Other Assets	500	-
<b>Total Assets</b>	<b>\$ 3,216,627</b>	<b>\$ 88,560</b>
<b><u>Liabilities</u></b>		
Accounts payable and accrued liabilities	\$ 830,655	\$ -
Customer deposits	24,494	-
Advances from other funds	-	-
Due to other funds	111,033	-
<b>Total Liabilities</b>	<b>966,182</b>	<b>-</b>
<b><u>Deferred Inflows of Resources</u></b>		
Unavailable revenue - property taxes	134,698	29,386

See Notes to Financial Statements.

<b>Capital Projects Fund</b>	<b>Special Revenue Fund</b>	<b>JB Wells Fund</b>	<b>Total Governmental Funds</b>
\$ -	\$ 1,018,005	\$ -	\$ 3,325,697
-	-	-	275,301
-	54,370	-	611,062
-	-	-	124,483
2,224,674	8,672	-	2,233,346
-	-	-	40,519
-	-	-	500
<u>\$ 2,224,674</u>	<u>\$ 1,081,047</u>	<u>\$ -</u>	<u>\$ 6,610,908</u>
\$ -	\$ 21,771	\$ 13,691	\$ 866,117
-	-	-	24,494
-	-	124,483	124,483
-	-	-	111,033
<u>-</u>	<u>21,771</u>	<u>138,174</u>	<u>1,126,127</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>164,084</u>

# City of Gonzales, Texas

*BALANCE SHEET (Page 2 of 2)*

## GOVERNMENTAL FUNDS

September 30, 2019

	General	Debt Service Fund
<b><u>Fund Balances</u></b>		
Assigned for:		
Airport improvement	\$ 62,185	\$ -
Independence park	-	
Nonspendable:		
Prepays	40,519	-
Advances	124,483	-
Restricted for:		
Debt service	-	59,174
Capital projects	-	-
PEG	53,306	-
Public safety	-	-
Municipal court	-	-
Museum	-	-
Tourism	-	-
Library	11,827	-
Unassigned reported in:		
General fund	1,823,427	-
JB Wells	-	-
<b>Total Fund Balances</b>	2,115,747	59,174
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	\$ 3,216,627	\$ 88,560

See Notes to Financial Statements.

<b>Capital Projects Fund</b>	<b>Special Revenue Fund</b>	<b>JB Wells Fund</b>	<b>Total Governmental Funds</b>
\$ -	\$ -	\$ -	\$ 62,185
-	-	-	-
-	-	-	40,519
-	-	-	124,483
-	-	-	59,174
2,224,674	-	-	2,224,674
-	-	-	53,306
-	26,850	-	26,850
-	54,368	-	54,368
-	17,970	-	17,970
-	841,891	-	841,891
-	118,197	-	130,024
-	-	-	1,823,427
-	-	(138,174)	(138,174)
<u>2,224,674</u>	<u>1,059,276</u>	<u>(138,174)</u>	<u>5,320,697</u>
<u>\$ 2,224,674</u>	<u>\$ 1,081,047</u>	<u>\$ -</u>	<u>\$ 6,610,908</u>



# City of Gonzales, Texas

## RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION GOVERNMENTAL FUNDS

September 30, 2019

<b>Fund Balances - Total Governmental Funds</b>	<b>\$</b>	<b>5,320,697</b>
 <b>Adjustments for the Statement of Net Position:</b>		
Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.		
Capital assets - non-depreciable		2,478,947
Capital assets - net depreciable		16,147,247
 Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.		
		164,084
 Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and is not recognized as an outflow of resources (expense/expenditure) until then.		
Pension contributions		282,000
Pension experience		(293,407)
Pension gains (losses)		614,917
Pension proportion changes		(18,106)
OPEB contributions		2,253
OPEB gains (losses)		(4,629)
 Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds.		
Accrued interest		(46,762)
Non-current liabilities due in one year		(596,387)
Non-current liabilities due in more than one year		(11,814,672)
Net pension liability		(2,906,129)
Compensated absences		(112,154)
OPEB liability		(232,251)
<b>Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>8,985,648</u></b>

See Notes to Financial Statements.

# City of Gonzales, Texas

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

### GOVERNMENTAL FUNDS (Page 1 of 2)

For the Year Ended September 30, 2019

	General	Debt Service Fund	Capital Projects Fund	Special Revenue Fund
<b>Revenues</b>				
Property tax	\$ 839,895	\$ 435,641	\$ -	\$ -
Sales tax	1,816,922	-	-	-
Hotel occupancy taxes	-	-	-	553,814
Franchise and local taxes	423,478	-	-	-
License and permits	65,586	-	-	-
Intergovernmental	131,804	113,550	-	-
Parks	213,929	-	-	-
Grants and contributions	-	-	-	16,419
Fines and forfeitures	88,955	-	-	12,639
Investment income	47,328	6,904	-	25,129
Other revenue	783,926	-	-	90,945
<b>Total Revenues</b>	<b>4,411,823</b>	<b>556,095</b>	<b>-</b>	<b>698,946</b>
<b>Expenditures</b>				
Current:				
General government	1,872,441	8,012	-	13,029
Public safety	3,260,972	-	-	12,602
Municipal court	150,169	-	-	25,226
Parks and recreation	802,676	-	-	-
Street	464,935	-	-	-
Library	243,846	-	-	-
Airport	61,673	-	-	-
Museum	72,829	-	-	-
Tourism	-	-	-	264,048
Debt service:				
Principal	231,747	400,000	-	-
Interest	17,504	270,425	-	-
Issuance cost	-	-	91,758	-
Capital outlay	759,708	-	-	117,000
<b>Total Expenditures</b>	<b>7,938,500</b>	<b>678,437</b>	<b>91,758</b>	<b>431,905</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(3,526,677)</b>	<b>(122,342)</b>	<b>(91,758)</b>	<b>267,041</b>

See Notes to Financial Statements.

<u>JB Wells</u>	<u>Total Governmental Funds</u>
\$ -	\$ 1,275,536
-	1,816,922
-	553,814
-	423,478
-	65,586
-	245,354
702,405	916,334
-	16,419
-	101,594
-	79,361
-	874,871
702,405	6,369,269

-	1,893,482
-	3,273,574
-	175,395
605,686	1,408,362
-	464,935
-	243,846
-	61,673
-	72,829
-	264,048
-	631,747
-	287,929
-	91,758
48,293	925,001
653,979	9,794,579
48,426	(3,425,310)

# City of Gonzales, Texas

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

### GOVERNMENTAL FUNDS (Page 2 of 2)

For the Year Ended September 30, 2019

	General	Debt Service Fund	Capital Projects Fund	Special Revenue Fund
<b>Other Financing Sources (Uses)</b>				
Bond issued - principal	-	-	3,973,780	-
Bond issued - premium	-	-	470,882	-
Sale of capital assets	66,143	-	-	-
Insurance recoveries	35,798	-	-	-
Transfers in	4,224,480	113,550	-	5,019
Transfers (out)	(5,019)	(146,750)	(2,128,230)	(113,550)
<b>Other Financing Sources (Uses)</b>	<b>4,321,402</b>	<b>(33,200)</b>	<b>2,316,432</b>	<b>(108,531)</b>
<b>Net Change in Fund Balances</b>	<b>794,725</b>	<b>(155,542)</b>	<b>2,224,674</b>	<b>158,510</b>
Beginning fund balances	1,321,022	214,716	-	900,766
<b>Ending Fund Balances</b>	<b>\$ 2,115,747</b>	<b>\$ 59,174</b>	<b>\$ 2,224,674</b>	<b>\$ 1,059,276</b>

See Notes to Financial Statements.

<u>JB Wells</u>	<u>Total Governmental Funds</u>
-	3,973,780
-	470,882
1,913	68,056
580	36,378
-	4,343,049
-	(2,393,549)
<u>2,493</u>	<u>6,498,596</u>
50,919	3,073,286
(189,093)	2,247,411
<u>\$ (138,174)</u>	<u>\$ 5,320,697</u>

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# City of Gonzales, Texas

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2019

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

Net changes in fund balances - total governmental funds	\$	3,073,286
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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.

Capital outlay		1,371,841
Depreciation expense		(1,124,418)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		18,048
--	--	--------

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.

Accrued interest		(16,171)
Pension expense		(114,079)
OPEB expense		(27,729)
Compensated absences		(8,748)

The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when they are 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.

Principal payments		631,747
Bond issuance		(4,444,662)
Amortization of premium		26,089

<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b>(614,796)</b>
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See Notes to Financial Statements.

# City of Gonzales, Texas

## STATEMENT OF NET POSITION PROPRIETARY FUNDS

September 30, 2019

	Electric	Water	Wastewater
<b><u>Assets</u></b>			
<b><u>Current Assets</u></b>			
Cash and cash equivalents	\$ 2,796,017	\$ 503,050	\$ 941,253
Investments	270,177	-	271,111
Receivables, net	1,605,493	356,049	180,431
Due from other funds	102,361	2,825,890	-
Inventories	116,780	63,719	6,269
Prepays	11,130	-	-
Restricted cash and cash equivalents	102,853	15,254	6,012,316
<b>Total Current Assets</b>	<b>5,004,811</b>	<b>3,763,962</b>	<b>7,411,380</b>
<b><u>Noncurrent Assets</u></b>			
Capital assets:			
Non-depreciable	1,966,376	67,450	185,231
Net depreciable capital assets	731,878	2,881,362	13,093,627
<b>Total Noncurrent Assets</b>	<b>2,698,254</b>	<b>2,948,812</b>	<b>13,278,858</b>
<b>Total Assets</b>	<b>7,703,065</b>	<b>6,712,774</b>	<b>20,690,238</b>
<b><u>Deferred Outflows of Resources</u></b>			
Pension contributions	31,242	23,482	21,010
OPEB contributions	146	107	171
Pension (gains) losses	67,360	50,630	45,299
<b>Total Deferred Outflows of Resources</b>	<b>98,748</b>	<b>74,219</b>	<b>66,480</b>
<b><u>Liabilities</u></b>			
<b><u>Current Liabilities</u></b>			
Accounts payable and accrued liabilities	692,483	54,148	379,074
Customer deposits	161,930	15,255	-
Due to other funds	-	-	5,050,564
Accrued interest	4,414	5,394	5,394
Compensated absences, current	5,196	5,702	10,901
Long-term liabilities - due in one year	85,000	-	-
<b>Total Current Liabilities</b>	<b>949,023</b>	<b>80,499</b>	<b>5,445,933</b>
<b><u>Noncurrent Liabilities</u></b>			
Net pension liability	316,024	237,534	212,525
OPEB liability	15,098	11,008	17,657
Compensated absences, noncurrent	577	634	1,211
Long-term debt due in more than one year	1,509,722	942,094	942,122
<b>Total Liabilities</b>	<b>2,790,444</b>	<b>1,271,769</b>	<b>6,619,448</b>
<b><u>Deferred Inflows of Resources</u></b>			
Pension experience	32,498	24,427	21,855
OPEB experience	213	156	250
OPEB change in assumptions	88	64	102
<b>Total Deferred Inflows of Resources</b>	<b>32,799</b>	<b>24,647</b>	<b>22,207</b>
<b><u>Net Position</u></b>			
Net investment in capital assets	1,073,586	4,832,607	13,287,085
Unrestricted	3,904,984	657,970	827,978
<b>Total Net Position</b>	<b>\$ 4,978,570</b>	<b>\$ 5,490,577</b>	<b>\$ 14,115,063</b>

See Notes to Financial Statements.

<u>Solid Waste</u>	<u>Total</u>
\$ 55,279	\$ 4,295,599
-	541,288
148,487	2,290,460
-	2,928,251
-	186,768
-	11,130
-	6,130,423
<u>203,766</u>	<u>16,383,919</u>
286,187	2,505,244
83,998	16,790,865
<u>370,185</u>	<u>19,296,109</u>
<u>573,951</u>	<u>35,680,028</u>
3,805	79,539
30	454
8,204	171,493
<u>12,039</u>	<u>251,486</u>
79,193	1,204,898
-	177,185
-	5,050,564
1,632	16,834
1,344	23,143
-	85,000
<u>82,169</u>	<u>6,557,624</u>
38,489	804,572
3,095	46,858
148	2,570
-	3,393,938
<u>123,901</u>	<u>10,805,562</u>
3,958	82,738
44	663
18	272
<u>4,020</u>	<u>83,673</u>
370,185	19,563,463
87,884	5,478,816
<u>\$ 458,069</u>	<u>\$ 25,042,279</u>

# City of Gonzales, Texas

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

For the Year Ended September 30, 2019

	Electric	Water	Wastewater
<b><u>Operating Revenues</u></b>			
Charges for services	\$ 9,817,806	\$ 1,945,590	\$ 1,185,337
Other services	-	25,637	-
Other revenue	21,788	-	13,000
<b>Total Operating Revenues</b>	<b>9,839,594</b>	<b>1,971,227</b>	<b>1,198,337</b>
<b><u>Operating Expenses</u></b>			
Cost of sales	6,237,082	666,130	732,806
Depreciation	128,884	261,998	394,216
Other	-	-	870
<b>Total Operating Expenses</b>	<b>6,365,966</b>	<b>928,128</b>	<b>1,127,892</b>
<b>Operating Income (Loss)</b>	<b>3,473,628</b>	<b>1,043,099</b>	<b>70,445</b>
<b><u>Nonoperating Revenues (Expenses)</u></b>			
Investment income	22,739	11,905	43,566
Bond issuance costs	-	(19,468)	(19,468)
Gain on sale of capital assets	66,645	2,160	3,353
Interest expense	(52,346)	(4,486)	(4,486)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>37,038</b>	<b>(9,889)</b>	<b>22,965</b>
<b>Income (Loss) Before Transfers</b>	<b>3,510,666</b>	<b>1,033,210</b>	<b>93,410</b>
Transfers in	222,943	1,902,355	225,874
Transfers (out)	(3,134,110)	(937,181)	(194,174)
	<b>(2,911,167)</b>	<b>965,174</b>	<b>31,700</b>
<b>Change in Net Position</b>	<b>599,499</b>	<b>1,998,384</b>	<b>125,110</b>
Beginning net position	4,379,071	3,492,193	13,989,953
<b>Ending Net Position</b>	<b>\$ 4,978,570</b>	<b>\$ 5,490,577</b>	<b>\$ 14,115,063</b>

See Notes to Financial Statements.

<b>Solid Waste</b>	<b>Total</b>
\$ 895,589	\$ 13,844,322
35,173	60,810
-	34,788
<u>930,762</u>	<u>13,939,920</u>
799,783	8,435,801
10,500	795,598
165	1,035
<u>810,448</u>	<u>9,232,434</u>
<u>120,314</u>	<u>4,707,486</u>
2,599	80,809
-	(38,936)
-	72,158
-	(61,318)
<u>2,599</u>	<u>52,713</u>
122,913	4,760,199
-	2,351,172
<u>(35,207)</u>	<u>(4,300,672)</u>
<u>(35,207)</u>	<u>(1,949,500)</u>
87,706	2,810,699
370,363	22,231,580
<u>\$ 458,069</u>	<u>\$ 25,042,279</u>

**City of Gonzales, Texas**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS (Page 1 of 2)**  
**For the Year Ended September 30, 2019**

	<u>Electric</u>	<u>Water</u>	<u>Wastewater</u>
<b><u>Cash Flows from Operating Activities</u></b>			
Receipts from customers	\$ 9,993,635	\$ 1,916,807	\$ 1,197,962
Payments to employees	(325,249)	(247,276)	(379,287)
Payments to suppliers	(5,780,370)	(400,221)	(25,765)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>3,888,016</b>	<b>1,269,310</b>	<b>792,910</b>
<b><u>Cash Flows from Noncapital Financing Activities</u></b>			
Transfer in	222,943	1,902,355	225,874
(Lending) repayments from other funds	-	(2,825,890)	-
Borrowing (repayments) to other funds	-	-	5,050,564
Transfers (out)	(3,134,110)	(937,181)	(194,174)
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>(2,911,167)</b>	<b>(1,860,716)</b>	<b>5,082,264</b>
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>			
Capital purchases	(1,594,121)	(169,466)	(766,050)
Proceeds from debt issuance	-	943,003	943,029
Principal paid on debt	(90,000)	-	-
Proceeds from sale of capital assets	66,645	2,160	3,353
Bond issuance costs paid	-	(19,468)	(19,468)
Interest paid on debt	(56,749)	-	-
<b>Net Cash (Used) by Capital and Related Financing Activities</b>	<b>(1,674,225)</b>	<b>756,229</b>	<b>160,864</b>
<b><u>Cash Flows from Investing Activities</u></b>			
Purchase of investments	-	-	-
Interest on investments	18,963	11,905	37,709
<b>Net Cash Provided by Investing Activities</b>	<b>18,963</b>	<b>11,905</b>	<b>37,709</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(678,413)</b>	<b>176,728</b>	<b>6,073,747</b>
Beginning cash and cash equivalents	3,577,283	341,576	879,822
<b>Ending Cash and Cash Equivalents</b>	<b>\$ 2,898,870</b>	<b>\$ 518,304</b>	<b>\$ 6,953,569</b>

See Notes to Financial Statements.

<u>Solid Waste</u>	<u>Total</u>
\$ 929,093	\$ 14,037,497
(85,616)	(1,037,428)
(704,905)	(6,911,261)
<u>138,572</u>	<u>6,088,808</u>
-	2,351,172
-	(2,825,890)
(50,685)	4,999,879
(35,207)	(4,300,672)
<u>(85,892)</u>	<u>224,489</u>
-	(2,529,637)
-	1,886,032
-	(90,000)
-	72,158
-	(38,936)
-	(56,749)
<u>-</u>	<u>(757,132)</u>
-	-
2,599	71,176
<u>2,599</u>	<u>71,176</u>
55,279	5,627,341
-	4,798,681
<u>\$ 55,279</u>	<u>\$ 10,426,022</u>

**City of Gonzales, Texas**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS (Page 2 of 2)**  
**For the Year Ended September 30, 2019**

	<u>Electric</u>	<u>Water</u>	<u>Wastewater</u>
<b><u>Reconciliation of Operating Income (Loss)</u></b>			
<b><u>to Net Cash Provided by Operating Activities</u></b>			
Operating Income (Loss)	\$ 3,473,628	\$ 1,043,099	\$ 70,445
Adjustments to reconcile operating income to net cash provided:			
Depreciation	128,884	261,998	394,216
<b>Changes in Operating Assets and Liabilities:</b>			
<b>(Increase) Decrease in:</b>			
Accounts receivable	161,907	(55,921)	(75)
Inventory	2,002	(3,073)	3,758
Prepaid expenses	(554)	-	-
Deferred pension inflows/outflows	(65,490)	(50,295)	(44,999)
Deferred OPEB inflows/outflows	445	1,403	1,334
<b>Increase (Decrease) in:</b>			
Accounts payable and accrued liabilities	125,315	18,532	314,123
Customer deposits	(7,866)	1,501	(300)
Net pension liability	79,280	59,590	53,316
OPEB liability	(9,535)	(7,524)	1,092
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 3,888,016</b>	<b>\$ 1,269,310</b>	<b>\$ 792,910</b>

See Notes to Financial Statements.

<u>Solid Waste</u>	<u>Total</u>
\$ 120,314	\$ 4,707,486
10,500	795,598
(1,669)	104,242
-	2,687
-	(554)
(7,908)	(168,692)
-	3,182
7,578	465,548
-	(6,665)
9,656	201,842
101	(15,866)
<u>\$ 138,572</u>	<u>\$ 6,088,808</u>

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**City of Gonzales, Texas**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2019**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The City of Gonzales, Texas (the "City") was incorporated in August 1825 and operates under a Council-Manager form of government. The City provides: police; fire; code enforcement; public works; street repair and maintenance; general administrative services; electricity; water; wastewater; and solid waste. Additional services include parks, museum, library, cemetery, airport, swimming pool, and animal control.

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

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

**Discretely Presented Component Unit**

**Gonzales Economic Development Corporation**

The Gonzales Economic Development Corporation ("GEDC") was incorporated by the City on March 17, 1997, under the Development Corporation Act of 1979, as amended, Article 5190.6 Vernon's Annotated Civil Statutes, Section 4B, as amended (the Act). The GEDC serves all citizens of the City and is governed by a seven member board of directors appointed by

**City of Gonzales, Texas**  
**NOTES TO FINANCIAL STATEMENTS, *Continued***  
**September 30, 2019**

the Gonzales City Council. An Executive Director is appointed by the GEDC seven member board to carry out the Board's administrative and policy initiatives. The purpose of the GEDC is to promote economic development within the City and the State of Texas in order to enhance the employment and the public welfare for, and on behalf of, the City in a manner and purpose authorized by Section 4B of the Act.

The GEDC is considered a component unit of the City based on the determination that it is financially accountable to the City. This determination was based on the ability of the City to impose its will on the GEDC through the appointment of members of the board of directors and its authority over the budget and management of the GEDC.

The GEDC uses the same fiscal year as the City. Copies of the GEDC's financial statements may be obtained from the City's Director of Finance. The GEDC's financial statements are presented discretely as a part of the financial statements of the City. Although the City is financially accountable for the GEDC, none of the criteria for blending the activities with the City apply. Therefore, the GEDC is discretely presented.

**B. Government-Wide and Fund Financial Statements**

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

As discussed earlier, the government has one discretely presented component unit and is shown in separate columns in the government-wide financial statements.

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

**Governmental Funds**

Governmental funds are those funds through which most governmental functions are typically financed.

**General Fund**

The general fund is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues include local property taxes, sales and

# City of Gonzales, Texas

## NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2019

franchise taxes, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, public safety, municipal court, parks and recreation, street, library, airport, museum, and capital outlay.

### **Debt Service Fund**

The City accounts for the accumulation of resources for the payments of principal, interest and related costs on general long-term debt paid from taxes levied by the City. The debt service fund is considered to be a major fund for reporting purposes.

### **Capital Projects Fund**

The City accounts for the accumulation of resources for the payments for significant capital asset additions of governmental activities through the capital projects fund. The capital projects fund is considered to be a major fund for reporting purposes.

### **Special Revenue Fund**

The special revenue fund is used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes such as hotel/motel tax, restricted fines and forfeitures, museum & library donations, forfeitures, and grant expenditures. The special revenue fund is considered to be a major fund for reporting purposes.

### **JB Wells Fund**

The JB Wells fund is used to account for proceeds generated by the services and sales provided by the JB Wells Park. The JB Wells fund is considered to be a major fund for reporting purposes.

### **Proprietary Fund Types**

Proprietary funds are used to account for activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and transfers relating to the government's business activities are accounted for through proprietary funds. The measurement focus is on determination of net income, financial position, and cash flows. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues include charges for services. Operating expenses include costs of materials, contracts, personnel, and depreciation. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Proprietary fund types follow GAAP prescribed by the Governmental Accounting Standards Board (GASB) and all financial Accounting Standards Board's standards. The proprietary fund types used by the City include enterprise funds.

**City of Gonzales, Texas**  
*NOTES TO FINANCIAL STATEMENTS, Continued*  
September 30, 2019

The government reports the following major enterprise funds:

**Electric Fund**

This fund is used to account for the provision of electric services to the residents of the City. Activities of the fund include administration, operations and maintenance of the electrical system and billing and collection activities for all utility functions. The fund also accounts for the accumulation of resources for and the payment of long-term debt. All costs are financed through charges to utility customers.

**Water Fund**

This fund is used to account for the provision of water services to the residents of the City. Activities of the fund include administration, operations and maintenance of the water production and distribution system. The fund also accounts for the accumulation of resources for and the payment of long-term debt. All costs are financed through charges to utility customers.

**Wastewater Fund**

This fund is used to account for the provision of sewer services to the residents of the City. Activities of the fund include administration, operations and maintenance of the water collection and treatment systems. The fund also accounts for the accumulation of resources for and the payment of long-term debt. All costs are financed through charges to utility customers.

**Solid Waste Fund**

This fund is used to account for the provision of garbage and brush removal services to the residents of the City. Activities of the fund include administration, operations and maintenance and contract garbage services. The fund also accounts for the accumulation of resources for and the payment of long-term debt. All costs are financed through charges to utility customers.

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

**City of Gonzales, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2019**

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

**C. Measurement Focus and Basis of Accounting**

The government-wide statements of net position and statements of activities and all proprietary funds are accounted for on a flow of economic resources measurement focus, accrual basis of accounting. With this measurement focus, all assets and all liabilities associated with the operations of these activities are included on the balance sheet. Proprietary fund equity consists of net position. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and component units are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing resources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The City utilizes the modified accrual basis of accounting in the governmental fund type and component units. Under the modified accrual basis of accounting, revenues are recognized in the accounting period when they are susceptible to accrual (i.e., when they are measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues available if they are collected within 60 days of the end of the current period. Revenues susceptible to accrual include charges for services and interest on temporary investments.

Property taxes, sales taxes, franchise taxes, and interest associated with the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. Other receipts and other taxes become measurable and available when cash is received by the government and are recognized as revenue at that time.

Under modified accrual accounting, expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for interest on general long-term debt, which is recognized when due.

The accrual basis of accounting is used for the proprietary fund types. This basis of accounting recognizes revenues in the accounting period in which they are earned and

**City of Gonzales, Texas**  
*NOTES TO FINANCIAL STATEMENTS, Continued*  
September 30, 2019

become measurable, and expenses in the accounting period in which they are incurred and become measurable.

The statements of net position, statements of activities, and financial statements of proprietary fund types are presented on the accrual basis of accounting. Under this method of accounting, revenues are recognized in the accounting period in which they are earned, and expenses in the accounting period in which they are incurred.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

**1. Deposits and Investments**

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

In accordance with GASB Statement No. 31, *Accounting and Reporting for Certain Investments and External Investment Pools*, the City reports all investments at fair value, except for "money market investments" and "2a7-like pools." Money market investments, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations, are reported at amortized costs. Investment positions in external investment pools that are operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, such as TexPool, are reported using the pools' share price.

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

- Direct obligations of the U.S. Government
- Fully collateralized certificates of deposit and money market accounts
- Statewide investment pools

**2. Fair Value**

The City has applied Governmental Accounting Standards Board ("GASB") Statement No. 72, *Fair Value Measurement and Application*. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.

**City of Gonzales, Texas**  
*NOTES TO FINANCIAL STATEMENTS, Continued*  
September 30, 2019

**3. Receivables and Interfund Transactions**

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds" in the fund financial statements. If the transactions are between the primary government and its component unit, these receivables and payables are classified as "due to/from component unit/primary government." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds are offset by a fund balance reserve account in the applicable governmental fund to indicate they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of any allowance for uncollectible amounts.

**4. Property Taxes**

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. All taxing entities in Gonzales County allow taxpayers to pay one-half of their taxes on or before November 30 and the other half on or before June 30, without incurring any late fees. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period.

**5. Inventories and Prepaid Items**

The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred, (i.e., the purchase method). The inventories held by the City are used primarily as supplies for repairs and maintenance. This inventory is carried at historical cost using the first-in/first-out method. Certain payments to vendors reflect costs applicable to future accounting periods (prepaid expenditures) are recognized as expenditures when utilized.

**6. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets

**City of Gonzales, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2019**

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 one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art, historical treasures and similar assets, and capital assets that a government receives in a service concession arrangement are recorded at the acquisition value on the acquisition date. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Interest costs incurred in connection with construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful years.

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Vehicles	2 to 15 years
Furniture and equipment	3 to 15 years
Infrastructure	30 years
Water and sewer system	30 to 40 years
Buildings and improvements	20 to 50 years

**7. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. An example is a deferred charge on refunding reported in the government-wide statement of net position. 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.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds

**City of Gonzales, Texas**  
*NOTES TO FINANCIAL STATEMENTS, Continued*  
September 30, 2019

report unavailable revenues from one source: property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

**8. Net Position Flow Assumption**

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

**9. Fund Balance Flow Assumption**

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

Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

**10. Fund Balance Policies**

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

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the

**City of Gonzales, Texas**  
*NOTES TO FINANCIAL STATEMENTS, Continued*  
September 30, 2019

fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

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

The general fund balance should be at least 15% of the general fund annual expenditures. This percentage is the equivalent of 55 days expenditures. As of September 30, 2019, the general fund balance was less than 18% of the general fund annual expenditures. Debt service fund reserves are maintained at a level to support interest and principal payments in the event of a delay in property tax collections. The City should set aside resources to fund a reserve for years of decline and/or to fund capital out of current funds for projects that would have otherwise been funded by debt financing.

The utility fund working capital should be maintained at a minimum of 20-25% of the total operating expenditures or the equivalent of 75 days.

#### **11. Compensated Absences**

The liability for compensated absences reported in the government-wide and proprietary fund statements consist of unpaid, accumulated vacation balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. Vested or accumulated vacation leave and compensated leave of government-wide and proprietary funds are recognized as an expense and liability of those funds as the benefits accrue to employees.

It is the City's policy to liquidate compensated absences with future revenues rather than with currently available expendable resources. Accordingly, the City's governmental funds recognize accrued compensated absences when it is paid.

#### **12. Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of

**City of Gonzales, Texas**  
*NOTES TO FINANCIAL STATEMENTS, Continued*  
September 30, 2019

net position. The long-term debt consists primarily of bonds payable and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and payments of principal and interest reported as expenditures. In the governmental fund types, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. However, claims and judgments paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources.

Long-term debt and other obligations, financed by proprietary funds, are reported as liabilities in the appropriate funds. For proprietary fund types, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are expensed as incurred.

Assets acquired under the terms of capital leases are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, capital lease transactions are recorded as other financing sources and as capital outlay expenditures in the general fund. Lease payments representing both principal and interest are recorded as expenditures in the general fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

**13. Estimates**

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

**14. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) & Texas Emergency Services Retirement System (TESRS) and additions to/deductions from TMRS and TESRS Fiduciary Net Positions have been determined on the same basis as they are reported by TMRS & TESRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are

**City of Gonzales, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2019**

legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**15. Other Postemployment Benefits (“OPEB”)**

The City has implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This statement applies to the individual employers (TMRS cities) in the TMRS Supplemental Death Benefits (SDB) plan, with retiree coverage. The TMRS SDBF covers both active and retiree benefits with no segregation of assets, and therefore doesn’t meet the definition of a trust under GASB No. 75 (i.e., no assets are accumulated for OPEB) and as such the SDBF is considered to be an unfunded OPEB plan. For purposes of reporting under GASB 75, the retiree portion of the SDBF is not considered a cost sharing plan and is instead considered a single employer, defined benefit OPEB plan. The death benefit for active employees provides a lump-sum payment approximately equal to the employee’s annual salary, calculated based on the employee’s actual earnings on which TMRS deposits are made, for the 12-month period preceding the month of death. The death benefit amount for retirees is \$7,500. GASB No. 75 requires the liability of employers and nonemployer contributing entities to employees for defined benefit OPEB (net OPEB liability) to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees’ past periods of service (total OPEB liability), less the amount of the OPEB plan’s fiduciary net position.

**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 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 notes payable, are not due and payable in the current period and, therefore, are not reported in the funds.

**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 states that, “the issuance of long-term debt (e.g., bonds) 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. Also, governmental funds report the effect of premiums, discounts, and similar items

**City of Gonzales, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2019**

when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.”

**III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the general fund, debt service fund, JB Wells fund, and special revenue fund. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of control as defined by the City Charter is the function level. No funds can be transferred or added to a budgeted item without Council approval. Appropriations lapse at the end of the year.

**A. Expenditures in Excess of Appropriations**

For the year ended, expenditures exceeded appropriations at the legal level of control as follows:

General Fund:		
Transfers (out)	\$	5,019
Debt service – principal	\$	58,197
Debt service – interest	\$	4,145
Debt Service Fund:		
General government	\$	8,012
Transfers out	\$	146,750

**B. Deficit Fund Equity**

The JB Wells fund had a deficit fund balance of \$138,174 as of September 30, 2019 due to cumulative park expenditures exceeding cumulative revenues and transfers in received.

**City of Gonzales, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2019**

**IV. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

As of September 30, 2019, the primary government had the following investments:

<u>Investment Type</u>	<u>Carrying Value</u>	<u>Weighted Average Maturity (Years)</u>
Certificates of deposit	\$ 816,589	0.53
External investment pools	9,746,676	0.09
Total value	<u>\$ 10,563,265</u>	
Portfolio weighted average maturity		0.13

*Interest rate risk.* In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average of maturity not to exceed five years; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations; monitoring credit ratings of portfolio position to assure compliance with rating requirements imposed by the Public Funds Investment Act; and invest operating funds primarily in short-term securities or similar government investment pools.

*Credit risk.* The City's investment policy limits investments in money market mutual funds rated as to investment quality not less than AAA by Standard & Poor's. As of September 30, 2019, the City's investments consisted solely of bank certificates of deposit.

*Custodial credit risk – deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require that all deposits in financial institutions be insured or fully collateralized by U.S. government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. As of September 30, 2019, a portion of the City's certificate of deposit balances exceeded the market values of pledged securities and FDIC by \$25,301. As of September 30, 2019, the component unit deposit balances exceeded the market values of pledged securities and FDIC by \$27,759.

*Custodial credit risk – investments.* For an investment, this is the risk that, in the event of the failure of the 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 it will seek to safekeeping securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, are executed by delivery versus payment to ensure that securities are deposited in the City's safekeeping account prior to the release of funds.

**City of Gonzales, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2019**

**TexPool**

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rate TexPool AAAM. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review. There were no limitations or restrictions on withdrawals.

**B. Receivables**

The following comprise receivable balances of the primary government at year end:

	<u>General</u>	<u>Special Revenue</u>	<u>Electric</u>	<u>Water</u>
Property taxes	\$ 134,698	\$ -	\$ -	\$ -
Sales taxes	305,601	-	-	-
Franchise taxes	63,476	-	-	-
Hotel taxes	-	54,370	-	-
Accounts	-	-	1,611,967	390,617
Other	319,068	-	-	-
Allowance	(295,537)	-	(6,474)	(34,568)
<b>Total</b>	<b>\$ 527,306</b>	<b>\$ 54,370</b>	<b>\$ 1,605,493</b>	<b>\$ 356,049</b>

	<u>Debt Service</u>	<u>Wastewater</u>	<u>Solid Waste</u>	<u>Total</u>
Property taxes	\$ 29,386	\$ -	\$ -	\$ 164,084
Sales taxes	-	-	-	305,601
Franchise taxes	-	-	-	63,476
Hotel taxes	-	-	-	54,370
Accounts	-	168,354	148,487	2,319,425
Other	-	12,077	-	331,145
Allowance	-	-	-	(336,579)
<b>Total</b>	<b>\$ 29,386</b>	<b>\$ 180,431</b>	<b>\$ 148,487</b>	<b>\$ 2,901,522</b>

**City of Gonzales, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2019**

The following comprise receivable balances of the component unit at year end:

	<b>Component Unit</b>
Sales tax	\$ 152,801
Notes receivable	1,094,224
Interest receivable	2,912
	\$ 1,249,937

A summary of the notes receivable held by the Component Unit is as follows:

	9/30/2018	Additions	Payments	Forgiven	9/30/2019	Current
Sleep Inn	\$ 38,424	\$ -	\$ (9,454)	\$ -	\$ 28,970	\$ -
Holiday Inn	216,822	-	(26,541)	-	190,281	-
Tropical Fusion	259,727	-	(6,220)	-	253,507	6,144
Winbin Ventures	73,023	-	(13,620)	-	59,403	15,449
Hotel Alcade	310,793	-	(49,186)	-	261,607	46,599
Come & Take It Properties	307,285	-	(31,477)	-	275,808	31,536
Come & Take It-forgivable	45,772	-	(3,769)	-	42,003	3,769
Come & Take It Properties - 2	16,673	-	(4,958)	-	11,715	5,109
Baker Boys BBQ	69,130	-	(9,757)	-	59,373	9,942
Storey Jewelers	90,215	-	(11,401)	-	78,814	11,719
Come & Take It Bar & Grill	123,503	-	(15,760)	-	107,743	15,760
Total	1,551,367	-	(182,143)	-	1,369,224	\$ 146,027
Allowance	(275,000)	-	-	-	(275,000)	
Net	\$ 1,276,367	\$ -	\$ (182,143)	\$ -	\$ 1,094,224	

On July 2008, the Corporation issued a \$200,000 note receivable to Sleep Inn & Suites. Payments of \$1,774 are due each month and bear an interest rate of 2%.

On January 29th, 2013, the Corporation issued a note receivable of \$200,000 to Holiday Inn. In March of 2015, the Corporation issued another \$160,000 to Holiday Inn. The total amount issued under this note was \$360,000. Payments of \$3,353 are due monthly. The note is due on demand and bears an interest rate of 2% and a default interest rate of prime plus 4%.

On August 17th, 2012, the Corporation issued a note receivable of \$300,000 to Tropical Fusions, Inc. Payments of \$1,000 are due monthly for the first 120 installments and \$2,246 thereafter. The note is due on demand and bears an interest rate of 2.25% and a default interest rate of prime plus 4%.

On May 1, 2013, the Corporation issued a note receivable to Winbin Ventures, LLC for the construction of a Microtel Inn and Suites hotel. Payments of \$1,397 are due each month and

**City of Gonzales, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2019**

bear an interest rate of 2.25%. The term of note is five years with a final balloon payment of \$79,062.

On January 1, 2014, the Corporation issued a \$455,670 note receivable to Hotel Alcade, Inc. Payments of \$4,296 are due each month and bear an interest rate of 2.5%. The term of the note is ten years.

On February 5, 2014, the Corporation issued a \$450,000 note receivable to Come And Take It Properties, LLC. Payments of \$3,172 are due each month and bear an interest rate of 2.25%. The term of the note is twelve years. A portion of the note up to \$50,000 is forgivable upon performance of certain measures within the note agreement. If not forgiven, this balance will bear interest at an interest rate of 4%.

On December 6, 2016, the Corporation issued at \$25,000 note receivable to Come & Take It Properties, LLC. Payments of \$449 are due each month and bear an interest rate of 3.00%. The term of the note is 5 years.

On June 3, 2014, the Corporation issued a \$400,000 note receivable to JMOS Realty Company, LLC. Payments of \$7,099 are due each month and bear an interest rate of 2.5%. The term of the note is five years. The final year of payments is forgivable upon performance of certain measures within the note agreement. During the year, \$104,633 of payments were forgiven.

On March 2, 2015, the Corporation issued a \$100,000 note receivable to Baker Boys BBQ. Payments of \$931 are due each month and bear an interest rate of 2.25%. The term of the note is 10 years.

On December 4, 2015, the Corporation issued a \$120,000 note receivable to Storey Jewelers. Payments of \$1,145 are due each month and bear an interest rate of 2.75%. The term of the note is 10 years.

On February 29, 2016, the Corporation issued a \$160,000 note receivable to Come & Take It Bar & Grill. Payments of \$1,527 are due each month and bear an interest rate of 2.75%. The term of the note is 10 years.

**City of Gonzales, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2019**

**C. Capital Assets**

A summary of changes in governmental activities capital assets for the year end was as follows:

<b>Governmental Activities:</b>	<b>Beginning Balances</b>	<b>Increases</b>	<b>Decreases/ Reclassifications</b>	<b>Ending Balances</b>
Capital assets, not being depreciated:				
Land	\$ 2,377,389	\$ -	\$ -	\$ 2,377,389
Construction in progress	-	101,558	-	101,558
<b>Total capital assets not being depreciated</b>	<b>2,377,389</b>	<b>101,558</b>	<b>-</b>	<b>2,478,947</b>
Capital assets, being depreciated:				
Infrastructure	12,039,330	777,528	-	12,816,858
Buildings and improvements	9,429,391	144,446	-	9,573,837
Equipment	6,247,848	348,309	(273,529)	6,322,628
<b>Total capital assets being depreciated</b>	<b>27,716,569</b>	<b>1,270,283</b>	<b>(273,529)</b>	<b>28,713,323</b>
Less accumulated depreciation				
Infrastructure	(4,331,838)	(442,803)	-	(4,774,641)
Buildings and improvements	(3,150,443)	(256,196)	-	(3,406,639)
Equipment	(4,232,906)	(425,419)	273,529	(4,384,796)
<b>Total accumulated depreciation</b>	<b>(11,715,187)</b>	<b>(1,124,418)</b>	<b>273,529</b>	<b>(12,566,076)</b>
Net capital assets being depreciated	16,001,382	145,865	-	16,147,247
<b>Total Capital Assets</b>	<b>\$ 18,378,771</b>	<b>\$ 247,423</b>	<b>\$ -</b>	<b>\$ 18,626,194</b>

Depreciation was charged to governmental functions as follows:

General government	\$ 26,926
Public safety	246,939
Streets	317,797
Parks and recreation	422,620
Library	51,690
Airport	50,170
Museum	7,706
Tourism	570
<b>Total Governmental Activities Depreciation Expense</b>	<b>\$ 1,124,418</b>

**City of Gonzales, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2019**

A summary of changes in business-type activities capital assets for the year end was as follows:

<b>Business-Type Activities:</b>	<b>Beginning Balances</b>	<b>Increases</b>	<b>Decreases/ Reclassifications</b>	<b>Ending Balances</b>
Capital assets, not being depreciated:				
Land	\$ 766,674	\$ 1,738,570	\$ -	\$ 2,505,244
Total capital assets not being depreciated	<u>766,674</u>	<u>1,738,570</u>	<u>-</u>	<u>2,505,244</u>
Capital assets, being depreciated:				
Distribution systems	35,621,272	491,458	-	36,112,730
Equipment	2,916,447	299,609	(80,322)	3,135,734
Furniture and fixtures	281,676	-	-	281,676
Buildings	294,453	-	-	294,453
Total capital assets being depreciated	<u>39,113,848</u>	<u>791,067</u>	<u>(80,322)</u>	<u>39,824,593</u>
Less accumulated depreciation				
Distribution systems	(19,279,960)	(672,329)	-	(19,952,289)
Equipment	(2,470,996)	(120,768)	80,322	(2,511,442)
Furniture and fixtures	(277,968)	(2,119)	-	(280,087)
Buildings	(289,528)	(382)	-	(289,910)
Total accumulated depreciation	<u>(22,318,452)</u>	<u>(795,598)</u>	<u>80,322</u>	<u>(23,033,728)</u>
Net capital assets being depreciated	<u>16,795,396</u>	<u>(4,531)</u>	<u>-</u>	<u>16,790,865</u>
<b>Total Capital Assets</b>	<b>\$ <u>17,562,070</u></b>	<b>\$ <u>1,734,039</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>19,296,109</u></b>

Depreciation was charged to business-type activities as follows:

Electric	\$ 128,884
Water	261,998
Wastewater	394,216
Solid waste	10,500
<b>Total Business-Type Activities Depreciation Expense</b>	<b>\$ <u>795,598</u></b>

**City of Gonzales, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2019**

A summary of changes in component unit activities capital assets for the year end was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases/ Reclassifications</u>	<u>Ending Balances</u>
Capital assets, not being depreciated:				
Land	\$ -	\$ 39,375	\$ -	\$ 39,375
Total capital assets not being depreciated	<u>-</u>	<u>39,375</u>	<u>-</u>	<u>39,375</u>
Capital assets, being depreciated:				
Buildings - Lynn Theater	246,000	-	-	246,000
Flags and Flagpole Project	44,950	-	-	44,950
Equipment	-	35,050	-	35,050
Software	-	25,000	-	25,000
Total capital assets being depreciated	<u>290,950</u>	<u>60,050</u>	<u>-</u>	<u>351,000</u>
Less accumulated depreciation				
Buildings - Lynn Theater	(80,770)	(9,840)	-	(90,610)
Flags and Flagpole Project	(7,492)	(2,997)	-	(10,489)
Equipment	-	(3,213)	-	(3,213)
Software	-	(833)	-	(833)
Total accumulated depreciation	<u>(88,262)</u>	<u>(16,883)</u>	<u>-</u>	<u>(105,145)</u>
Net capital assets being depreciated	<u>202,688</u>	<u>43,167</u>	<u>-</u>	<u>245,855</u>
<b>Total Capital Assets</b>	<b>\$ <u>202,688</u></b>	<b>\$ <u>82,542</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>285,230</u></b>

Current year depreciation expense was \$16,883.

**City of Gonzales, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2019**

**D. Long-term Debt**

The following is a summary of changes in the City's total governmental long-term liabilities for the year ended September 30, 2019. In general, the City uses the debt service fund to liquidate governmental long-term liabilities.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due within One Year</u>
<b>Governmental Activities:</b>					
Bonds, notes and other payables:					
Tax and revenue bonds	\$ 7,660,000	\$ 3,973,780	\$ (400,000)	\$ 11,233,780	\$ 415,000
Issuance premium	337,816	470,882	(26,089)	782,609	-
Capital leases	626,417	-	(231,747)	394,670	181,387
<b>Total Governmental Activities</b>	<u>\$ 8,624,233</u>	<u>\$ 4,444,662</u>	<u>\$ (657,836)</u>	<u>\$ 12,411,059</u>	<u>\$ 596,387</u>
<b>Long-term liabilities due in more than one year</b>				<u>\$ 11,814,672</u>	
<b>Business-Type Activities:</b>					
Tax and revenue bonds	\$ 1,570,000	\$ 1,686,220	\$ (90,000)	\$ 3,166,220	\$ 85,000
Issuance premium	123,539	199,812	(10,633)	312,718	-
<b>Total Business-Type Activities</b>	<u>\$ 1,693,539</u>	<u>\$ 1,886,032</u>	<u>\$ (100,633)</u>	<u>\$ 3,478,938</u>	<u>\$ 85,000</u>
<b>Long-term liabilities due in more than one year</b>				<u>\$ 3,393,938</u>	

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. The general fund normally liquidates compensated absences for all governmental funds. The electric, water, wastewater, and solid waste each liquidate their own portion of compensated absences.

During the year, the City issued a \$5,660,000 combination tax and revenue certificate of obligation, Series 2019. The issuance resulted in proceeds received of \$6,200,000 based on a bond premium of \$670,694 and net of bond issuance costs of \$130,694. The debt is required to be repaid through 2039, and bears interest at 4% per annum.

**City of Gonzales, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2019**

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

Description	Interest Rates	Original Balance	Current Balance
<b>Governmental Activities:</b>			
Combination tax and revenue bonds			
Series 2011	2-4%	\$ 6,255,000	\$ 4,525,000
Series 2015	2-4%	3,175,000	2,735,000
Series 2019	4.00%	3,973,780	3,973,780
Total		<u>13,403,780</u>	<u>11,233,780</u>
Capital leases			
Wheel loader	3.5%	148,010	7,940
Motor grader	3.5%	199,510	10,826
Pumper/Tanker	2.7%	700,000	315,676
Radio equipment	3.5%	118,424	60,228
Total		<u>1,165,944</u>	<u>394,670</u>
<b>Business-type Activities:</b>			
Combination tax and revenue bonds			
Series 2017	3-4%	1,635,000	1,480,000
Series 2019	4%	1,686,220	1,686,220
Total		<u>3,321,220</u>	<u>3,166,220</u>
<b>Total Long-Term Debt</b>		<u>\$ 17,890,944</u>	<u>\$ 14,794,670</u>

**City of Gonzales, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2019**

The annual requirements to amortize debt issues outstanding at year ending were as follows:

Combination tax and revenue bonds

Year Ending September 30	Governmental Activities			Business-type Activities		
	Combination Tax and Revenue Bonds			Combination Tax and Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 415,000	\$ 327,979	\$ 742,979	\$ 85,000	\$ 123,279	\$ 208,279
2021	512,750	403,403	916,153	132,250	118,147	250,397
2022	531,260	386,848	918,108	138,740	113,702	252,442
2023	549,770	369,521	919,291	140,230	109,123	249,353
2024	568,280	350,616	918,896	146,720	103,884	250,604
2025	581,790	330,365	912,155	153,210	97,885	251,095
2026	600,300	309,542	909,842	159,700	91,627	251,327
2027	628,810	286,391	915,201	161,190	85,209	246,399
2028	655,830	260,698	916,528	169,170	78,602	247,772
2029	674,340	234,094	908,434	175,660	71,706	247,366
2030	707,850	206,451	914,301	182,150	64,549	246,699
2031	734,870	177,596	912,466	190,130	57,104	247,234
2032	763,380	147,631	911,011	201,620	52,169	253,789
2033	541,960	121,524	663,484	143,040	42,376	185,416
2034	566,000	99,365	665,365	149,000	36,535	185,535
2035	590,040	76,244	666,284	154,960	30,456	185,416
2036	379,080	56,862	435,942	160,920	24,138	185,058
2037	396,630	41,348	437,978	168,370	17,552	185,922
2038	410,670	25,202	435,872	174,330	10,698	185,028
2039	425,170	8,494	433,664	179,830	3,606	183,436
<b>Total</b>	<b>\$ 11,233,780</b>	<b>\$ 4,220,174</b>	<b>\$ 15,453,954</b>	<b>\$ 3,166,220</b>	<b>\$ 1,332,347</b>	<b>\$ 4,498,567</b>

Capital leases

Year Ending September 30	Governmental Activities		
	Capital Leases		
	Principal	Interest	Total
2020	\$ 181,387	\$ 10,877	\$ 192,264
2021	105,200	5,846	111,046
2022	108,083	2,963	111,046
<b>Total</b>	<b>\$ 394,670</b>	<b>\$ 19,686</b>	<b>\$ 414,356</b>

The carrying value of the equipment being paid for with the above payments was \$767,372 as of September 30, 2019.

**City of Gonzales, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2019**

Tax and revenue bonds are direct obligations of the City for which its full faith and credit are pledged. Repayment of tax and revenue bonds are from taxes levied on all taxable property located within the City and revenues earned from the enterprise funds. Capital leases are collateralized by the underlying assets acquired with the respective leases. If the lease were to default the lender would have a right to seize the related assets as a remedy.

**E. Other Long-term Liabilities**

The following is a summary of changes in the City's other long-term liabilities for the year ended. In general, the City uses the general and enterprise funds to liquidate compensated absences.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities:</b>					
Compensated Absences	\$ 103,406	\$ 8,748	\$ -	\$ 112,154	\$ 100,939
<b>Total Governmental Activities</b>	<b>\$ 103,406</b>	<b>\$ 8,748</b>	<b>\$ -</b>	<b>\$ 112,154</b>	<b>\$ 100,939</b>
<b>Business-Type Activities:</b>					
Compensated Absences	\$ 25,713	\$ -	\$ -	\$ 25,713	\$ 23,143
<b>Total Business-Type Activities</b>	<b>\$ 25,713</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 25,713</b>	<b>\$ 23,143</b>

**F. Interfund Transactions**

Transfers between the primary government funds during the 2019 period were as follows:

Transfer Out:	Transfer In:						Total
	General	Electric	Water	Debt Service	Special Revenue	Sewer	
General	\$ -	\$ -	\$ -	\$ -	\$ 5,019	\$ -	\$ 5,019
Electric	3,134,110	-	-	-	-	-	3,134,110
Water	890,516	46,665	-	-	-	-	937,181
Wastewater	164,646	29,528	-	-	-	-	194,174
Solid Waste	35,207	-	-	-	-	-	35,207
Debt service	-	146,750	-	-	-	-	146,750
Special Revenue	-	-	-	113,550	-	-	113,550
Capital Projects	1	-	1,902,355	-	-	225,874	2,128,230
<b>Total</b>	<b>\$ 4,224,480</b>	<b>\$ 222,943</b>	<b>\$ 1,902,355</b>	<b>\$ 113,550</b>	<b>\$ 5,019</b>	<b>\$ 225,874</b>	<b>\$ 6,694,221</b>

Amounts transferred between funds relate to amounts collected by general and enterprise funds for various governmental expenditures, capital expenditures and debt payments.

**City of Gonzales, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2019**

The compositions of interfund balances as of year-end were as follows:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amounts</u>
Capital projects	Wastewater	\$ 2,224,674
Water	Wastewater	2,825,890
Electric	General	102,361
Special Revenue	General	8,672
		<u>\$ 5,161,597</u>

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

The composition of interfund advances to/from balances as of the year ended September 30, 2019 were as follows:

<u>Advances to:</u>	<u>Advances from:</u> <u>General</u>	<u>Total</u>
JB Wells	\$ 124,483	\$ 124,483
<b>Total</b>	<u>\$ 124,483</u>	<u>\$ 124,483</u>

The amounts payable relate to working capital loans from the general fund to the JB Wells fund. None of the balance of the working capital loans is scheduled to be collected in the subsequent year.

**V. OTHER INFORMATION**

**A. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; and natural disasters for which the City participates along with over 2,800 other entities in the Texas Municipal League's Intergovernmental Risk Pools. The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

**B. Contingent Liabilities**

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

**City of Gonzales, Texas**  
*NOTES TO FINANCIAL STATEMENTS, Continued*  
September 30, 2019

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors.

The City is involved in a lawsuit relating to the property donated and used for the JB Wells park. The plaintiff, Estate of J.B. Wells, Jr., claims that the City's use of the funds for the park are inconsistent with the directive within the will of the deceased donor. The City is defending their position and a likely outcome is not estimable at this time. The City's attorney anticipates a potential trial wouldn't start until after September 30, 2020.

**C. Arbitrage**

The Tax Reform Act of 1986 instituted certain arbitrage consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed correctly, a substantial liability to the City could result. The City does anticipate that it will have an arbitrage liability and performs monthly calculations to estimate this potential liability. The City will also engage an arbitrage consultant to perform the calculations in accordance with Internal Revenue Service's rules and regulations if indicated.

**D. Defined Benefit Pension Plans**

**1. Plan Description**

The City of Gonzales, Texas participates as one of 887 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at [www.tmr.com](http://www.tmr.com).

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

**City of Gonzales, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2019**

**2. Benefits Provided**

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

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

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

	<u>Plan Year 2017</u>	<u>Plan Year 2018</u>
Employee deposit rate	5.0%	5.0%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age / years of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% Repeating Transfers	100% Repeating Transfers
Annuity increase (to retirees)	70% of CPI Repeating	70% of CPI Repeating

**Employees covered by benefit terms**

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

Inactive employees or beneficiaries currently receiving benefits	57
Inactive employees entitled to but not yet receiving benefits	115
Active employees	99
<b>Total</b>	<b>271</b>

**3. Contributions**

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

**City of Gonzales, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2019**

finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City of Gonzales were required to contribute 5% of their annual gross earnings during the fiscal year. The contribution rates for the City of Gonzales were 10.69% and 10.68% in calendar years 2018 and 2019, respectively. The City's contributions to TMRS for the year ended September 30, 2019, were \$472,117, equal to the required contributions.

**4. Net Pension Liability**

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

**Actuarial assumptions:**

The Total Pension Liability in the December 31, 2018 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 Tables with Blue Collar Adjustment, 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 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

**City of Gonzales, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2019**

with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class 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	17.5%	4.55%
International Equity	17.5%	6.35%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.90%
Real Return	10.0%	3.80%
Real Estate	10.0%	4.50%
Absolute Return	10.0%	3.75%
Private Equity	<u>5.0%</u>	7.50%
<b>Total</b>	<b>100.0%</b>	

**Discount Rate:**

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

**City of Gonzales, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2019**

**Changes in the Net Pension Liability:**

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) – (b)</b>
<b>Balance at 12/31/17</b>	\$ 17,756,681	\$ 15,017,011	\$ 2,739,670
Changes for the year:			
Service Cost	500,645	-	500,645
Interest (on the Total Pension Liab.)	1,181,323	-	1,181,323
Difference between expected and actual experience	(526,858)	-	(526,858)
Changes of assumptions	-	-	-
Contributions – employer	-	474,458	(474,458)
Contributions – employee	-	221,917	(221,917)
Net investment income (loss)	-	(449,575)	449,575
Benefit payments, including refunds of emp. contributions	(1,011,838)	(1,011,838)	-
Administrative expense	-	(8,694)	8,694
Other changes	-	(454)	454
Net changes	143,272	(774,186)	917,458
<b>Balance at 12/31/18</b>	<b>\$ 17,899,953</b>	<b>\$ 14,242,825</b>	<b>\$ 3,657,128</b>

**Sensitivity of the net pension liability to changes in the discount rate:**

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

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
\$ 6,207,427	\$ 3,657,128	\$ 1,589,472

**Pension Plan Fiduciary Net Position:**

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

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

For the year ended September 30, 2019, the City recognized pension expense of \$615,222.

**City of Gonzales, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2019**

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

	<b>Deferred Outflows (Inflows) of Resources</b>	<b>Deferred Outflows (Inflows) of Resources</b>
Difference between projected and investment earnings	\$ 779,512	\$ -
Differences between expected and actual economic experience	-	376,079
Contributions subsequent to the measurement date	361,539	-
<b>Total</b>	<b>\$ 1,141,051</b>	<b>\$ 376,079</b>

The City reported \$361,539 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the year ending September 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended December 31:</b>	
2019	\$ 157,548
2020	(74,353)
2021	27,593
2022	292,645
2023	-
Thereafter	-
	<b>\$ 403,433</b>

**Other Postemployment Benefits**

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

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit," or OPEB.

**City of Gonzales, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2019**

The City offers supplemental death to:	Plan Year 2017	Plan Year 2018
Active employees (yes or no)	Yes	Yes
Retirees (yes or no)	Yes	Yes

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

**Employees covered by benefit terms**

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

Inactive employees or beneficiaries currently receiving benefits	43
Inactive employees entitled to but not yet receiving benefits	16
Active employees	99
<b>Total</b>	<b>158</b>

The City's contributions to the TMRS SDBF for the years ended 2019, 2018, and 2017 were \$3,536, \$3,521, and \$3,298, respectively, which equaled the required contributions each year.

The City's retiree contribution rates to the TMRS SDBF for the years ended 2019, 2018, and 2017 are as follows:

Plan/ Calendar Year	Annual Required Contribution (Rate)	Actual Contribution Made (Rate)	Percentage of ARC Contributed
2017	0.07%	0.07%	100.0%
2018	0.08%	0.08%	100.0%
2019	0.08%	0.08%	100.0%

**Total OPEB Liability**

The City's Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2018, and the Total OPEB Liability was determined by an actuarial valuation as of that date.

**City of Gonzales, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2019**

**Actuarial assumptions:**

The Total OPEB Liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.5% to 10.5%, including inflation per year
Discount rate	3.71%
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% 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.

**Discount Rate:**

The discount rate used to measure the Total OPEB Liability was 3.71%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2018.

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

The following presents the total OPEB liability of the City, calculated using the discount rate of 3.71%, as well as what the City's total OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (2.71%) or 1-percentage-point higher (4.71%) than the current rate:

<u>1% Decrease (2.71%)</u>	<u>Current Single Rate Assumption 3.71%</u>	<u>1% Increase (4.71%)</u>
<u>\$ 328,755</u>	<u>\$ 279,109</u>	<u>\$ 240,425</u>

**City of Gonzales, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2019**

**Changes in the Total OPEB Liability:**

	<b>Total OPEB Liability</b>
<b>Balance at 12/31/17</b>	<b>\$ 285,105</b>
Changes for the year:	
Service Cost	11,096
Interest	9,562
Difference between expected and actual experience	(4,774)
Changes of assumptions	(18,329)
Benefit payments	(3,551)
Net changes	(5,996)
<b>Balance at 12/31/18</b>	<b>\$ 279,109</b>

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

For the year ended September 30, 2019, the City recognized OPEB expense of \$20,245.

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual economic experience	\$ -	\$ 3,945
Contributions subsequent to measurement date	2,707	-
Changes in assumptions	-	1,619
<b>Total</b>	<b>\$ 2,707</b>	<b>\$ 5,564</b>

The City reported \$2,707 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the year ending September 30, 2020.

**City of Gonzales, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2019**

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

Year ended December 31:		
2019	\$	(413)
2020		(413)
2021		(413)
2022		(1,276)
2023		(3,049)
Thereafter		-
	\$	(5,564)

**Texas Emergency Services Retirement System**

**1. Plan Description**

The Fire Fighter’s Pension Commissioner is the administrator of the Texas Emergency Services Retirement System (TESRS), a cost-sharing multiple employer pension system established and administered by the State of Texas to provide pension benefits for emergency services personnel who serve without significant monetary remuneration. At August 31, 2019, there were 237 member fire or emergency services departments actively participating in TESRS. Eligible participants include volunteer emergency services personnel who are members in good standing of a participating department.

At August 31, 2019, TESRS membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	3,649
Terminated Participants Entitled to Benefits but Not Yet Receiving Them	1,842
Active Participants (Vested and Nonvested)	<u>3,702</u>
Total	9,193

Senate Bill 411, 65th Legislature, Regular Session (1977), created TESRS and established the applicable benefit provisions. The 79th Legislature, Regular Session (2005), recodified the provisions and gave the TESRS Board of Trustees authority to establish vesting requirements, contribution levels, benefit formulas, and eligibility requirements by board rule. The benefit provisions include retirement benefits as well as death and disability benefits. Members are 50% vested after the tenth year of service, with the vesting percent increasing 10% for each of the next five years of service so that a member becomes 100% vested with 15 years of service.

**City of Gonzales, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2019**

Upon reaching age 55, each vested member may retire and receive a monthly pension equal to his vested percent multiplied by six times the governing body's average monthly contribution over the member's years of qualified service. For years of service in excess of 15 years, this monthly benefit is increased at the rate of 6.2% compounded annually.

On and off-duty death benefits and on-duty disability benefits are dependent on whether or not the member was engaged in the performance of duties at the time of death or disability. Death benefits include a lump sum amount and continuing monthly payments to a member's surviving spouse and dependent children.

**2. Funding Policy**

Contributions are made by governing bodies for the participating departments. No contributions are required from the individuals who are members of the System, nor are they allowed. The governing bodies of each participating department are required to make contributions for each month a member performs emergency services for a department (this minimum contribution is \$36 per member and the department may make a higher monthly contribution for its members). This is referred to as a Part One contribution, which is the legacy portion of the System contribution that directly impacts future retiree annuities.

The state is required to contribute an amount necessary to make the System "actuarially sound" each year, which may not exceed one-third of the total of all contributions made by participating governing bodies in a particular year.

The board rule defining contributions was amended effective July 27, 2014 to add the potential for actuarially determined Part Two contributions that would be required only if the expected future annual contributions from the state are not enough with the Part One contributions to provide an adequate contribution arrangement as determined by the most recent actuarial valuation. This Part Two portion, which is actuarially determined as a percent of the Part One portion (not to exceed 15%), is to be actuarially adjusted every two years based on the most recent actuarial valuation. Based on the actuarial valuation as of August 31, 2016, the Part Two contributions were established by the board to be 2% of the Part One contributions beginning September 1, 2017.

Additional contributions may be made by governing bodies within two years of joining the System, to grant up to ten years of credit for service per member. Prior service purchased must have occurred before the department began participation in the System.

A small subset of participating departments have a different contribution arrangement which is being phased out over time. In this arrangement, contributions made in addition to the monthly contributions for active members, are made by local governing bodies on a pay-as-you-go basis for members who were pensioners when their respective departments merged into the System. There is no actuarial impact associated with this arrangement as the

**City of Gonzales, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2019**

**4. 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 8/31/18	\$ 259,902	\$ 218,983	\$ 40,919
Changes for the year:			
Service Cost	3,527	-	3,527
Interest (on the Total Pension Liab.)	19,945	-	19,945
Contributions – members	-	6,578	(6,578)
Contributions – state	-	2,512	(2,512)
Net investment income	-	2,156	(2,156)
Benefit payments, including refunds of emp. contributions	(12,156)	(12,156)	-
Administrative expense	-	(428)	428
Net changes	<u>11,316</u>	<u>(1,338)</u>	<u>12,654</u>
Balance at 8/31/19	<u>\$ 271,218</u>	<u>\$ 217,645</u>	<u>\$ 53,573</u>

**Sensitivity of the net pension liability to changes in the discount rate**

The following presents the net pension liability of the City, calculated using the discount rate of 7.75%, 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 (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

1% Decrease 6.75%	Current Single Rate Assumption 7.75%	1% Increase 8.75%
\$ 95,218	\$ 53,573	\$ 25,697

**Pension Plan Fiduciary Net Position:**

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

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

For the year ended September 30, 2019, the City recognized pension expense of \$12,695.

**City of Gonzales, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2019**

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between projected and investment earnings	\$ 6,898	\$ -
Proportion changes	-	18,106
Differences between expected and actual economic experience	-	66
<b>Total</b>	<b>\$ 6,898</b>	<b>\$ 18,172</b>

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended August 31:</b>	
2020	\$ 305
2021	(387)
2022	546
2023	1,772
2024	(1,150)
Thereafter	(12,360)
	<u>\$ (11,274)</u>

**G. Tax Abatement Disclosures**

The City of Gonzales negotiates sales and property tax abatement agreements on an individual basis. The City had the following tax abatement agreement as of September 30, 2019:

<u>Purpose</u>	<u>Percentage of Taxes Abated during the Fiscal Year</u>	<u>Amount of Taxes Abated during the Fiscal Year Sales Tax</u>
Action Properties; owners of: Dollar Tree, Hibbett Sports, and Factory Connection, includes GEDC reimbursement	90%	\$ 21,037
Avalon Park	80%	7,431
<b>Total</b>		<b>\$ 28,468</b>

**City of Gonzales, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2019**

pay-as-you-go contributions made by these governing bodies are always equal to benefit payments paid by the System.

**3. Contributions**

The contribution requirement per active emergency services personnel member per month is not actuarially determined. Rather, the minimum contribution provisions were set by board rule. For the fiscal year ending August 31, 2019, total contributions (dues and prior service) of \$3,480,509 were paid into TESRS by the political subdivisions served by the member volunteer emergency services personnel. The state appropriated \$1,329,224 for the fiscal year ending August 31, 2019.

The purpose of the biennial actuarial valuation is to test the adequacy of the contribution arrangement to determine if it is adequate to pay the benefits that are promised. The actuarial valuation as of August 31, 2019 concluded that the system has an adequate contribution arrangement.

To the best of our knowledge, the actuarial information supplied in this section is complete, accurate and in compliance with GASB Statement No. 25. In our opinion, the assumptions used are reasonably related to the experience of the System and to reasonable expectations. The assumptions represent a reasonable estimate of anticipated experience of the System over the long-term future, and their selection complies with the appropriate actuarial standards of practice.

Valuation Date	<u>August 31, 2014</u>	<u>August 31, 2016</u>	<u>August 31, 2018</u>
Actuarial Cost Method	Entry Age	Entry Age	Entry Age
Amortization Method	Level dollar, open	Level dollar, open	Level dollar, open
Amortization	Infinity	30 years	24 years
Asset Valuation Method	Market value smoothed by a 5-year deferred recognition method with a 80%/120% corridor on market value	Market value smoothed by a 5-year deferred recognition method with a 80%/120% corridor on market value	Market value smoothed by a 5-year deferred recognition method with a 80%/120% corridor on market value
 Actuarial Assumptions:			
Investment Rate of Return *	7.75% per year, net of investment expenses	7.75% per year, net of investment expenses	7.75% per year, net of investment expenses
Projected Salary Increases *	N/A	N/A	N/A
* Includes Inflation at	3.50%	3.50%	3.00%
Cost-of-Living Adjustments	None	None	None

The target allocation for each major asset class is summarized in the following table:

**City of Gonzales, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2019**

Asset Class	Target Allocation	Long-Term Expected Net Real Rate of Return
Equities:		
Large cap domestic	32%	5.81%
Small cap domestic	15%	5.92%
Developed international	15%	6.21%
Emerging markets	5%	7.18%
Master limited partnership	5%	7.61%
Real Estate	5%	4.46%
Fixed income	23%	1.61%
Cash	0%	0%
Total	100.0%	5.01%

**Discount Rate:**

The discount rate used to measure the Total Pension Liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

**City of Gonzales, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2019**

These agreement were negotiated under Article III, Section 52-a, Texas Constitution, and Chapter 380, Texas Local Gov't Code, stating that the City may establish and provide for the administration of a program for making loans and grants of public money to promote state or local economic development and to stimulate business and commercial activity in the municipality. The agreement is in accordance with Section 501.103, Texas Local Gov't Code. Taxes were abated through a rebate of taxes received. Recipients of the sales tax abatements agree to operate within the City limits through the term of their agreement.

The City has not made any commitments as part of the agreements other than to reduce taxes. The City is not subject to any tax abatement agreements entered into by other governmental entities. The City has chosen to disclose information about its tax abatement agreements individually.

**H. Restatement**

The City restated its beginning net position within governmental activities and business-type activities to adjust for accounting errors related to unbilled utility receivables and an unrecorded capital lease.

The below tables summarize the changes to net position as a result of these changes.

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>	<u>Wastewater</u>
Prior year ending net position as reported	\$ 22,241,978	\$ 9,601,924	\$ 14,000,351
Record net impact of capital lease	-	(1,480)	-
Adjust unbilled recievable	(10,398)	-	(10,398)
Restated beginning net position	<u>\$ 22,231,580</u>	<u>\$ 9,600,444</u>	<u>\$ 13,989,953</u>

**I. Subsequent Events**

There were no material subsequent events through March 30, 2020, the date the financial statements were available to be issued.



***REQUIRED SUPPLEMENTARY INFORMATION***

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**City of Gonzales, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**

For the Year Ended September 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b><u>Revenues</u></b>				
Property tax	\$ 560,960	\$ 788,200	\$ 839,895	\$ 51,695
Sales tax	1,700,000	1,700,000	1,816,922	116,922
Franchise and local taxes	425,308	425,308	423,478	(1,830)
License and permits	57,021	57,021	65,586	8,565
Parks	167,325	167,325	213,929	46,604
Intergovernmental revenue	200,000	666,357	131,804	(534,553)
Fines and forfeitures	196,182	196,182	88,955	(107,227)
Investment income	13,000	13,000	47,328	34,328
Other revenue	769,244	769,244	783,926	14,682
<b>Total Revenues</b>	<b>4,089,040</b>	<b>4,782,637</b>	<b>4,411,823</b>	<b>(370,814)</b>
<b><u>Expenditures</u></b>				
Current:				
General government	2,073,942	2,156,943	1,872,441	284,502
Public safety	3,729,893	3,763,384	3,260,972	502,412
Municipal court	197,041	197,041	150,169	46,872
Parks and recreation	910,719	910,719	802,676	108,043
Street	519,686	519,686	464,935	54,751
Library	250,488	250,488	243,846	6,642
Airport	69,912	69,912	61,673	8,239
Museum	80,062	80,062	72,829	7,233
Debt service - principal	73,889	173,550	231,747	(58,197) *
Debt service - interest	1,975	13,359	17,504	(4,145) *
Capital Outlay	668,890	1,048,925	759,708	289,217
<b>Total Expenditures</b>	<b>8,576,497</b>	<b>9,184,069</b>	<b>7,938,500</b>	<b>1,245,569</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(4,487,457)</b>	<b>(4,401,432)</b>	<b>(3,526,677)</b>	<b>874,755</b>
<b><u>Other Financing Sources (Uses)</u></b>				
Sale of capital assets	198,500	198,500	66,143	(132,357)
Insurance recoveries	-	-	35,798	35,798
Transfers in	4,344,264	4,344,264	4,224,480	(119,784)
Transfers (out)	(3,000)	-	(5,019)	(5,019) *
<b>Total Other Financing Sources</b>	<b>4,539,764</b>	<b>4,542,764</b>	<b>4,321,402</b>	<b>(221,362)</b>
<b>Net Change in Fund Balance</b>	<b>\$ 52,307</b>	<b>\$ 141,332</b>	<b>794,725</b>	<b>\$ 653,393</b>
Beginning fund balance			1,321,022	
<b>Ending Fund Balance</b>			<b>\$ 2,115,747</b>	

Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- \* 2. Expenditures exceeded appropriations at the legal level of control.

**City of Gonzales, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**

**JB WELLS**

**For the Year Ended September 30, 2019**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b><u>Revenues</u></b>				
Parks	\$ 608,573	\$ 608,573	\$ 702,405	\$ 93,832
<b>Total Revenues</b>	608,573	608,573	702,405	93,832
<b><u>Expenditures</u></b>				
Current:				
Parks	629,880	629,880	605,686	24,194
Capital outlay	61,000	61,000	48,293	12,707
<b>Total Expenditures</b>	690,880	690,880	653,979	36,901
<b><u>Other Financing Sources (Uses)</u></b>				
Sale of capital assets	-	-	1,913	1,913
Insurance recoveries	-	-	580	580
<b>Total Other Financing Sources</b>	-	-	2,493	2,493
<b>Net Change in Fund Balance</b>	\$ (82,307)	\$ (82,307)	50,919	\$ 133,226
Beginning fund balance			(189,093)	
<b>Ending Fund Balance</b>			\$ (138,174)	

Notes to Required Supplementary Information

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

**City of Gonzales, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b><u>Revenues</u></b>				
Hotel occupancy tax	\$ 276,000	\$ 276,000	\$ 553,814	\$ 277,814
Fines and forfeitures	10,000	10,000	12,639	2,639
Investment income	8,520	8,520	25,129	16,609
Donations	13,500	13,500	16,419	2,919
Other revenue	90,945	90,945	90,945	-
<b>Total Revenues</b>	<u>398,965</u>	<u>398,965</u>	<u>698,946</u>	<u>299,981</u>
<b><u>Expenditures</u></b>				
Current:				
General government	8,000	18,000	13,029	4,971
Public safety	17,000	17,000	12,602	4,398
Municipal court	13,000	28,185	25,226	2,959
Tourism	330,879	342,279	264,048	78,231
Capital outlay	91,750	139,350	117,000	22,350
<b>Total Expenditures</b>	<u>460,629</u>	<u>544,814</u>	<u>431,905</u>	<u>112,909</u>
<b><u>Other Financing Sources</u></b>				
Transfers in	13,000	13,000	5,019	(7,981)
Transfers (out)	(113,550)	(113,550)	(113,550)	-
<b>Total Other Financing Sources</b>	<u>(100,550)</u>	<u>(100,550)</u>	<u>(108,531)</u>	<u>(7,981)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (162,214)</u>	<u>\$ (246,399)</u>	158,510	<u>\$ 404,909</u>
Beginning fund balance			900,766	
<b>Ending Fund Balance</b>			<u>\$ 1,059,276</u>	

Notes to Required Supplementary Information

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

# City of Gonzales, Texas

## SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - TMRS

Years Ended December 31,

	2018	2017	2016
<b>Total pension liability</b>			
Service cost	\$ 500,645	\$ 521,851	\$ 544,213
Interest (on the Total Pension Liability)	1,181,323	1,140,874	1,077,558
Differences between expected and actual experience	(526,858)	(149,433)	303,052
Changes of assumptions	-	-	-
Benefit payments, including refunds of participant contributions	(1,011,838)	(795,043)	(1,156,225)
<b>Net change in total pension liability</b>	<u>143,272</u>	<u>718,249</u>	<u>768,598</u>
<b>Total pension liability - beginning</b>	<u>17,756,681</u>	<u>17,038,432</u>	<u>16,269,834</u>
<b>Total pension liability - ending (a)</b>	\$ 17,899,953	\$ 17,756,681	\$ 17,038,432
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 474,458	\$ 480,311	\$ 503,386
Contributions - members	221,917	232,347	240,802
Net investment income	(449,575)	1,838,300	866,444
Benefit payments, including refunds of participant contributions	(1,011,838)	(795,043)	(1,156,225)
Administrative expenses	(8,694)	(9,532)	(9,790)
Other	(454)	(482)	(528)
<b>Net change in plan fiduciary net position</b>	<u>(774,186)</u>	<u>1,745,901</u>	<u>444,089</u>
<b>Plan fiduciary net position - beginning</b>	<u>15,017,011</u>	<u>13,271,110</u>	<u>12,827,021</u>
<b>Plan fiduciary net position - ending (b)</b>	\$ 14,242,825	\$ 15,017,011	\$ 13,271,110
<b>Fund's net pension liability - ending (a) - (b)</b>	<u>\$ 3,657,128</u>	<u>\$ 2,739,670</u>	<u>\$ 3,767,322</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	79.57%	84.57%	77.89%
<b>Covered payroll</b>	\$ 4,438,340	\$ 4,646,934	\$ 4,816,048
<b>Fund's net pension liability as a percentage of covered payroll</b>	82.40%	58.96%	78.22%

**Notes to schedule:**

1) This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

<u>2015</u>	<u>2014</u>	<sup>1</sup>
\$ 519,559	\$ 423,436	
1,080,379	1,011,186	
(227,544)	230,389	
67,955	-	
<u>(689,434)</u>	<u>(759,772)</u>	
750,915	905,239	
<u>15,518,919</u>	<u>14,613,680</u>	
\$ 16,269,834	\$ 15,518,919	
\$ 528,049	\$ 597,844	
235,735	231,903	
18,808	686,330	
(689,434)	(759,772)	
(11,456)	(7,166)	
(566)	(589)	
<u>81,136</u>	<u>748,550</u>	
12,745,885	11,997,335	
<u>\$ 12,827,021</u>	<u>\$ 12,745,885</u>	
<u>\$ 3,442,813</u>	<u>\$ 2,773,034</u>	
78.84%	82.13%	
\$ 4,714,692	\$ 4,638,061	
73.02%	59.79%	

# City of Gonzales, Texas

## SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN-TMRS

Years Ended September 30:

	2019	2018	2017
Actuarially determined employer contributions	\$ 472,117	\$ 481,662	\$ 487,483
Contributions in relation to the actuarially determined contribution	\$ 472,117	\$ 481,662	\$ 487,768
Contribution deficiency (excess)	\$ -	\$ -	\$ (285)
Annual covered payroll	\$ 4,419,605	\$ 4,544,120	\$ 4,712,103
Employer contributions as a percentage of covered payroll	10.68%	10.60%	10.35%

1) This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

### NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

**Valuation Date:**

Notes

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

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	27 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.5%
Salary Increases	3.50% 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 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB

**Other Information:**

Notes

There were no benefit changes during the year.

<u>2016</u>	<u>2015</u>	<sup>1</sup>
\$ 511,532	\$ 567,731	
\$ 511,532	\$ 574,002	
\$ -	\$ (6,271)	
\$ 4,801,592	\$ 4,866,400	
10.65%	11.80%	

# City of Gonzales, Texas

## SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - TESRS

Years Ended:

	<u>8/31/2019</u>	<u>8/31/2018</u>	<u>8/31/2017</u>	<u>8/31/2016</u>
<b>Total pension liability</b>				
Service cost	\$ 3,527	\$ 3,107	\$ 3,760	\$ 4,795
Interest (on the Total Pension Liability)	19,945	19,313	22,340	25,193
Changes in benefit terms	-	5,509	-	2,043
Differences between expected and actual experience	-	(176)	-	183
Changes of assumptions	-	-	-	2,519
Benefit payments, including refunds of participant contributions	(12,156)	(11,387)	(11,873)	(13,306)
<b>Net change in total pension liability</b>	<u>11,316</u>	<u>16,366</u>	<u>14,227</u>	<u>21,427</u>
<b>Total pension liability - beginning</b>	<u>259,902</u>	<u>251,787</u>	<u>290,432</u>	<u>326,924</u>
<b>Total pension liability - ending (a)</b>	\$ 271,218	\$ 268,153	\$ 304,659	\$ 348,351
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 6,578	\$ 7,993	\$ 11,826	\$ 9,802
Contributions - state	2,512	2,592	3,737	4,482
Net investment income	2,156	22,062	23,067	14,028
Benefit payments, including refunds of participant contributions	(12,156)	(11,387)	(11,873)	(13,306)
Administrative expenses	(428)	(309)	(434)	(472)
<b>Net change in plan fiduciary net position</b>	(1,338)	20,951	26,323	14,534
<b>Plan fiduciary net position - beginning</b>	<u>218,983</u>	<u>204,984</u>	<u>221,705</u>	<u>251,385</u>
<b>Plan fiduciary net position - ending (b)</b>	\$ 217,645	\$ 225,935	\$ 248,028	\$ 265,919
<b>Fund's net pension liability - ending (a) - (b)</b>	<u>\$ 53,573</u>	<u>\$ 42,218</u>	<u>\$ 56,631</u>	<u>\$ 82,432</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	80.2%	84.3%	81.4%	76.3%
<b>Number of active members</b>	3,649	3,927	4,046	3,634
<b>System's Net Pension Liability per Active Member</b>	\$ 15	\$ 11	\$ 14	\$ 23
<b>City's proportional share of total net pension liability</b>	0.1950%	0.1950%	0.2359%	0.2830%

**Notes to schedule:**

- 1) This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.
- 2) Determined from the end of year total pension liability using the roll back procedure allowed for the initial year of implementing GASB 67.
- 3) There is no compensation for active members, so number of active members is used instead.

<u>8/31/2015</u>	<u>8/31/2014</u> <sup>1</sup>
\$ 4,998	\$ 5,556
24,989	24,476
-	-
-	-
-	-
(13,271)	(12,671)
<u>16,716</u>	<u>17,361</u>
<u>324,072</u>	<u>316,598</u> <sup>2</sup>
\$ 340,788	\$ 333,959
\$ 10,371	\$ 12,697
4,830	4,652
(9,714)	36,202
(13,271)	(12,671)
(637)	(504)
(8,421)	40,376
270,465	238,341
<u>\$ 262,044</u>	<u>\$ 278,717</u>
<u>\$ 78,744</u>	<u>\$ 55,242</u>
76.9%	83.5%
4,036	4,036 <sup>3</sup>
\$ 20	\$ 14
0.2950%	0.2830%

# City of Gonzales, Texas

## SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN-*TESRS*

Years Ended August 31,

	2019	2018	2017	2016
Actuarially determined employer contributions	\$ 9,090	\$ 9,327	\$ 11,412	\$ 12,960
Contributions in relation to the actuarially determined contribution	\$ 9,090	\$ 9,327	\$ 11,412	\$ 12,960
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Number of active members	3,927	3,927	4,046	3,634

1) This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

2) Determined from the end of year total pension liability using the roll back procedure allowed for the initial year of implementing GASB 67.

### NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

**Valuation Date:**

Notes August 31, 2019

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

Actuarial Cost Method	Entry Age Normal
Remaining Amortization Period	30 years
Inflation	3%
Salary Increases	N/A
Investment Rate of Return	7.75%
Retirement Age	Retirement ages ranging from 55 - 70
Mortality	RP2000 Combined Healthy Lives Mortality Tables for males and females projected to 2024 by scale AA

**Other Information:**

Notes There were no benefit changes during the year.

<u>2015</u>	<u>2014</u> <sup>1</sup>
\$ 13,932	\$ 13,788
<u>\$ 13,932</u>	<u>\$ 13,788</u>
\$ -	\$ -
4,036	4,036 <sup>2</sup>

# City of Gonzales, Texas

## SCHEDULE OF CHANGES IN POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) LIABILITY AND RELATED RATIOS TEXAS MUNICIPAL RETIREMENT SYSTEM SUPPLEMENTAL DEATH BENEFITS PLAN

Years Ended

	12/31/2018	12/31/2017	<sup>1</sup>
Total OPEB liability			
Service cost	\$ 11,096	\$ 10,223	
Interest	9,562	9,503	
Changes in benefit terms	-	-	
Differences between expected and actual experience	(4,774)	-	
Changes of assumptions	(18,329)	20,725	
Benefit payments, including refunds of participant contributions	(3,551)	(3,252)	
<b>Net change in total OPEB liability</b>	<b>(5,996)</b>	<b>37,199</b>	
<b>Total OPEB liability - beginning</b>	<b>285,105</b>	<b>247,906</b>	
<b>Total OPEB liability - ending (a)</b>	<b>\$ 279,109</b>	<b>\$ 285,105</b>	<sup>2</sup>
<b>Covered payroll</b>	<b>\$ 4,438,340</b>	<b>\$ 4,646,934</b>	
<b>City's total OPEB liability as a percentage of covered payroll</b>	<b>6.29%</b>	<b>6.14%</b>	

**Notes to schedule:**

<sup>1</sup> This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

<sup>2</sup> No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 to pay related benefits.

***OTHER SUPPLEMENTARY INFORMATION***

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**City of Gonzales, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**DEBT SERVICE FUND**  
**For the Year Ended September 30, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>				
Property taxes	\$ 630,234	\$ 402,800	\$ 435,641	\$ 32,841
Intergovernmental	113,550	113,550	113,550	-
Investment income	650	650	6,904	6,254
<b>Total Revenues</b>	<u>744,434</u>	<u>517,000</u>	<u>556,095</u>	<u>39,095</u>
<b>Expenditures</b>				
Current:				
General government	-	-	8,012	(8,012) *
Debt service:				
Principal	546,188	490,000	400,000	90,000
Interest	311,147	327,175	270,425	56,750
<b>Total Expenditures</b>	<u>857,335</u>	<u>817,175</u>	<u>678,437</u>	<u>138,738</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	113,550	113,550	113,550	-
Transfers out	-	-	(146,750)	(146,750) *
<b>Total Other Financing Sources</b>	<u>113,550</u>	<u>113,550</u>	<u>(33,200)</u>	<u>(146,750)</u>
<b>Net Change in Fund Balance</b>	<u>\$ 649</u>	<u>\$ (186,625)</u>	<u>(155,542)</u>	<u>\$ 31,083</u>
Beginning fund balance			<u>214,716</u>	
<b>Ending Fund Balance</b>			<u>\$ 59,174</u>	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- \* 2. Expenditures exceeded appropriations at the legal level of control.

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## STATISTICAL SECTION

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

<b>Contents</b>	<b>Page</b>
-----------------	-------------

Financial Trends	118
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*These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.*

Revenue Capacity	128
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*These schedules contain information to help the reader assess the City's most significant local revenue source, sales and property tax.*

Debt Capacity	138
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*These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.*

Demographic and Economic Information	148
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*These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.*

Operating Information	152
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*These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.*

# City of Gonzales, Texas

## NET POSITION BY COMPONENT

Last Ten Fiscal Years  
(accrual basis of accounting)

	2010	2011	2012	2013 (1)
<b>Governmental activities</b>				
Net investment in capital assets	\$ 10,126,254	\$ 9,801,104	\$ 10,378,942	\$ 10,989,630
Restricted	171,315	164,271	124,470	522,863
Unrestricted	1,915,562	2,126,574	2,726,546	1,933,287
<b>Total governmental activities Net Position</b>	<b>\$ 12,213,131</b>	<b>\$ 12,091,949</b>	<b>\$ 13,229,958</b>	<b>\$ 13,445,780</b>
 <b>Business-type activities</b>				
Net investment in capital assets	\$ 13,603,574	\$ 13,638,610	\$ 13,666,094	\$ 13,303,699
Restricted	-	-	-	-
Unrestricted	2,614,746	3,438,104	4,491,403	5,943,588
<b>Total business-type activities Net Position</b>	<b>\$ 16,218,320</b>	<b>\$ 17,076,714</b>	<b>\$ 18,157,497</b>	<b>\$ 19,247,287</b>
 <b>Primary government</b>				
Net investment in capital assets	\$ 23,729,828	\$ 23,439,714	\$ 24,045,036	\$ 24,293,329
Restricted	171,315	164,271	124,470	522,863
Unrestricted	4,530,308	5,564,678	7,217,949	7,963,572
<b>Total primary government Net Position</b>	<b>\$ 28,431,451</b>	<b>\$ 29,168,663</b>	<b>\$ 31,387,455</b>	<b>\$ 32,779,764</b>

(1) First year of fiscal year-end change from March 31 to September 30. Balances presented for the six-month period ended September 30, 2013 due to the fiscal year-end change.

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 12,024,366	\$ 13,001,908	\$ 13,068,932	\$ 13,068,932	\$ 9,756,018	\$ 8,439,810
903,103	662,600	724,882	724,882	1,162,218	1,183,583
<u>(1,081,957)</u>	<u>(1,366,640)</u>	<u>(1,044,851)</u>	<u>(1,044,851)</u>	<u>(1,317,792)</u>	<u>(637,745)</u>
<u>\$ 11,845,512</u>	<u>\$ 12,297,868</u>	<u>\$ 12,748,963</u>	<u>\$ 12,748,963</u>	<u>\$ 9,600,444</u>	<u>\$ 8,985,648</u>
\$ 13,643,242	\$ 13,028,944	\$ 13,354,574	\$ 13,354,574	\$ 15,868,532	\$ 19,563,463
-	-	-	1,162,218	-	-
<u>4,222,783</u>	<u>3,421,733</u>	<u>2,442,718</u>	<u>2,442,718</u>	<u>6,363,048</u>	<u>5,478,816</u>
<u>\$ 17,866,025</u>	<u>\$ 16,450,677</u>	<u>\$ 15,797,292</u>	<u>\$ 16,959,510</u>	<u>\$ 22,231,580</u>	<u>\$ 25,042,279</u>
\$ 25,667,608	\$ 25,330,852	\$ 26,423,506	\$ 26,423,506	\$ 25,624,550	\$ 28,003,273
903,103	662,600	724,882	724,882	1,162,218	1,183,583
<u>3,140,826</u>	<u>2,103,896</u>	<u>1,397,867</u>	<u>1,397,867</u>	<u>5,045,256</u>	<u>4,841,071</u>
<u>\$ 29,711,537</u>	<u>\$ 28,097,348</u>	<u>\$ 28,546,255</u>	<u>\$ 28,546,255</u>	<u>\$ 31,832,024</u>	<u>\$ 34,027,927</u>

# City of Gonzales, Texas

## CHANGES IN NET POSITION

Last Ten Fiscal Years

(accrual basis of accounting)

	2010	2011	2012	2013 (1)
<b>Expenses</b>				
Governmental activities:				
General government	\$ 1,457,539	\$ 1,501,133	\$ 1,446,039	\$ 2,001,074
Public safety and courts	1,973,477	2,070,487	2,359,838	2,797,093
Parks and recreation	1,672,890	1,613,387	1,753,739	1,957,620
Streets	590,245	608,849	615,163	686,814
<b>Total governmental activities expenses</b>	5,694,151	5,793,856	6,174,779	7,442,601
Business-type activities:				
Electric	7,510,738	6,828,900	7,346,445	6,578,556
Water	1,301,703	1,229,729	1,377,994	1,086,317
Wastewater	776,140	871,834	797,674	786,204
Solid waste	1,006,148	1,013,423	1,107,820	1,160,580
Interest and fiscal charges	-	3,809	104,266	168,159
<b>Total business-type activities expenses</b>	10,594,729	9,947,695	10,734,199	9,779,816
<b>Total primary government expenses</b>	\$ 16,288,880	\$ 15,741,551	\$ 16,908,978	\$ 17,222,417
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
Licenses and permits	\$ 22,106	\$ 43,421	\$ 78,499	\$ 112,293
Intergovernmental payments	454,498	103,988	-	150,000
Parks and recreation fees	570,842	807,990	1,157,814	1,042,247
Court fees and fines	78,497	67,414	94,007	80,971
Other activities	26,347	50,719	-	-
Operating grants and contributions	174,657	103,988	67,459	-
Capital grants and contributions	367,199	40,172	-	-
<b>Total governmental activities program revenue</b>	1,694,146	1,217,692	1,397,779	1,385,511
Business-type activities:				
Charges for services:				
Electric	8,169,137	7,992,807	8,432,605	8,060,945
Water	1,688,983	1,683,160	2,270,746	2,478,759
Wastewater	1,140,586	1,204,927	1,255,605	1,401,861
Solid waste	991,208	996,387	1,062,714	1,165,334
Capital grants and contributions	-	409,445	-	-
<b>Total business-type activities program revenue</b>	11,989,914	12,286,726	13,021,670	13,106,899
<b>Total primary government program revenue</b>	\$ 13,684,060	\$ 13,504,418	\$ 14,419,449	\$ 14,492,410
<b>Net (Expense)/Revenue</b>				
Governmental activities	\$ (4,000,005)	\$ (4,576,164)	\$ (4,777,000)	\$ (6,057,090)
Business-type activities	1,395,185	2,339,031	2,287,471	3,327,083
<b>Total primary government net expense</b>	\$ (2,604,820)	\$ (2,237,133)	\$ (2,489,529)	\$ (2,730,007)

(1) Year presented is for the fiscal year ended March 31, 2013. The fiscal year-end was later changed to September 30.

(2) First full year after fiscal year-end

	<u>2014 (2)</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$	2,547,783	\$ 2,886,384	\$ 2,976,420	\$ 3,068,223	\$ 3,054,730	\$ 2,938,639
	2,906,582	3,230,681	3,717,234	3,698,351	3,483,984	3,530,282
	2,025,433	1,898,763	1,880,436	1,816,090	1,565,511	1,831,801
	761,097	1,010,085	847,200	631,444	777,485	755,325
	<u>8,240,895</u>	<u>9,025,913</u>	<u>9,421,290</u>	<u>9,214,108</u>	<u>8,881,710</u>	<u>9,056,047</u>
	7,785,315	7,956,661	6,530,385	6,588,098	6,720,405	6,365,966
	1,187,515	1,564,926	1,196,087	1,139,656	1,024,926	928,128
	1,179,007	901,159	983,380	899,891	964,924	1,127,892
	1,297,022	998,443	765,550	819,655	783,679	810,448
	188,057	182,222	177,173	269,148	45,511	100,254
	<u>11,636,916</u>	<u>11,603,411</u>	<u>9,652,575</u>	<u>9,716,448</u>	<u>9,539,445</u>	<u>9,332,688</u>
\$	<u>19,877,811</u>	<u>\$ 20,629,324</u>	<u>\$ 19,073,865</u>	<u>\$ 18,930,556</u>	<u>\$ 18,421,155</u>	<u>\$ 18,388,735</u>
\$	107,799	\$ 89,967	\$ 58,503	\$ 48,938	\$ 88,583	\$ 65,586
	139,517	43,569	2,353,248	-	-	-
	774,665	742,975	745,129	779,805	767,283	916,334
	160,787	173,042	186,290	238,181	136,134	101,594
	-	-	-	-	-	-
	-	-	-	295,213	187,386	261,773
	-	-	-	146,145	1,124,832	-
	<u>1,182,768</u>	<u>1,049,553</u>	<u>3,343,170</u>	<u>1,508,282</u>	<u>2,304,218</u>	<u>1,345,287</u>
	8,793,461	9,306,353	8,716,804	9,526,968	10,789,959	9,839,594
	2,204,466	2,230,017	1,809,064	2,001,499	2,011,020	1,971,227
	1,235,360	1,237,028	1,113,626	1,165,179	1,278,964	1,198,337
	1,389,846	1,017,410	700,779	737,749	889,115	930,762
	-	-	-	-	-	-
	<u>13,623,133</u>	<u>13,790,808</u>	<u>12,340,273</u>	<u>13,431,395</u>	<u>14,969,058</u>	<u>13,939,920</u>
\$	<u>14,805,901</u>	<u>\$ 14,840,361</u>	<u>\$ 15,683,443</u>	<u>\$ 14,939,677</u>	<u>\$ 17,273,276</u>	<u>\$ 15,285,207</u>
\$	(7,058,127)	\$ (7,976,360)	\$ (6,078,120)	\$ (7,705,826)	\$ (6,577,492)	\$ (7,710,760)
	1,986,217	2,187,397	2,687,698	3,714,947	5,429,613	4,607,232
\$	<u>(5,071,910)</u>	<u>\$ (5,788,963)</u>	<u>\$ (3,390,422)</u>	<u>\$ (3,990,879)</u>	<u>\$ (1,147,879)</u>	<u>\$ (3,103,528)</u>

**City of Gonzales, Texas**  
**CHANGES IN NET POSITION (Continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013 (1)</u>
<b>General Revenues and Other</b>				
<b>Changes in Net Position</b>				
Governmental activities:				
Taxes:				
Property taxes	\$ 769,421	\$ 792,613	\$ 760,242	\$ 754,213
Sales taxes	886,192	963,596	1,425,900	1,553,271
Hotel occupancy taxes	554,486	689,990	247,992	384,390
Franchise and local taxes	511,834	636,914	992,312	210,645
Investment earnings	15,370	6,683	5,518	6,788
Other income	159,743	249,364	498,660	674,092
Transfers, net	1,184,988	1,239,996	1,912,076	2,553,689
<b>Total governmental activities</b>	<u>4,082,034</u>	<u>4,579,156</u>	<u>5,842,700</u>	<u>6,137,088</u>
Business-type activities:				
Investment earnings	10,908	10,293	38,244	11,730
Other Income	-	-	-	-
Transfers, net	(1,184,988)	(1,239,996)	(1,912,076)	(2,553,689)
<b>Total business-type activities</b>	<u>(1,174,080)</u>	<u>(1,229,703)</u>	<u>(1,873,832)</u>	<u>(2,541,959)</u>
<b>Total primary government</b>	<u>\$ 2,907,954</u>	<u>\$ 3,349,453</u>	<u>\$ 3,968,868</u>	<u>\$ 3,595,129</u>
<b>Change in Net Position</b>				
Governmental activities	\$ 82,029	\$ 2,992	\$ 1,065,700	\$ 79,998
Business-type activities	221,105	1,109,328	413,639	785,124
<b>Total primary government</b>	<u>\$ 303,134</u>	<u>\$ 1,112,320</u>	<u>\$ 1,479,339</u>	<u>\$ 865,122</u>

(1) Year presented is for the fiscal year ended March 31, 2013. The fiscal year was later changed to September 30. from March 31 to September 30.

<u>2014 (2)</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 665,703	\$ 664,616	\$ 675,559	\$ 738,354	\$ 1,171,717	\$ 1,293,584
1,874,823	1,898,902	1,448,172	1,508,489	1,780,877	1,816,922
700,988	574,719	240,503	227,767	394,578	553,814
254,482	288,900	319,741	311,656	422,333	423,478
9,185	7,282	17,085	12,834	35,979	79,361
548,200	689,362	837,978	595,021	1,164,297	979,305
2,932,968	3,604,935	3,470,765	3,596,756	(825,859)	1,949,500
<u>6,986,349</u>	<u>7,728,716</u>	<u>7,009,803</u>	<u>6,990,877</u>	<u>4,143,922</u>	<u>7,095,964</u>
10,068	2,190	6,274	18,901	52,122	80,809
-	837,978	-	-	-	72,158
(2,932,968)	(3,604,935)	(3,470,765)	(3,596,756)	825,859	(1,949,500)
<u>(2,922,900)</u>	<u>(2,764,767)</u>	<u>(3,464,491)</u>	<u>(3,577,855)</u>	<u>877,981</u>	<u>(1,796,533)</u>
<u>\$ 4,063,449</u>	<u>\$ 4,963,949</u>	<u>\$ 3,545,312</u>	<u>\$ 3,413,022</u>	<u>\$ 5,021,903</u>	<u>\$ 5,299,431</u>
\$ (71,778)	\$ (247,644)	\$ 931,683	\$ (714,949)	\$ (2,433,570)	\$ (614,796)
(936,683)	(577,370)	(776,793)	137,092	6,307,594	2,810,699
<u>\$ (1,008,461)</u>	<u>\$ (825,014)</u>	<u>\$ 154,890</u>	<u>\$ (577,857)</u>	<u>\$ 3,874,024</u>	<u>\$ 2,195,903</u>

**City of Gonzales, Texas**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**Last Ten Years**  
**(modified accrual basis of accounting)**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013 (1)</u>
General fund:				
Nonspendable	\$ -	\$ 95,838	\$ 42,044	\$ -
Assigned	171,315	164,271	397,909	426,491
Restricted	-	-	-	29,179
Unassigned	1,438,541	1,663,131	2,221,566	2,163,270
Total general fund	<u>\$ 1,609,856</u>	<u>\$ 1,827,402</u>	<u>\$ 2,661,519</u>	<u>\$ 2,618,940</u>
All other governmental funds:				
Restricted	\$ 41,589	\$ 43,819	\$ 124,470	\$ 493,684
Unassigned, reported in:				
Special revenue funds	-	-	(54,555)	(61,037)
Total all other governmental funds	<u>\$ 41,589</u>	<u>\$ 43,819</u>	<u>\$ 69,915</u>	<u>\$ 432,647</u>

from March 31 to September 30. Balances presented for the six-month period ended

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ -	\$ -	\$ -	\$ -	\$ 46,903	\$ 40,519
228,828	26,305	19,087	72,052	34,662	62,185
37,949	37,949	37,949	80,276	228,673	189,616
1,398,453	585,166	355,769	124,687	1,010,784	1,823,427
<u>1,665,230</u>	<u>\$ 649,420</u>	<u>\$ 412,805</u>	<u>\$ 277,015</u>	<u>\$ 1,321,022</u>	<u>\$ 2,115,747</u>
\$ 865,154	\$ 2,908,591	\$ 1,082,162	\$ 378,111	\$ 1,115,482	\$ 3,343,124
(583,118)	(1,232)	(19,776)	(122,443)	(189,093)	(138,174)
<u>\$ 282,036</u>	<u>\$ 2,907,359</u>	<u>\$ 1,062,386</u>	<u>\$ 255,668</u>	<u>\$ 926,389</u>	<u>\$ 3,204,950</u>

**City of Gonzales, Texas**  
**CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS**  
**Last Ten Years**  
**(modified accrual basis of accounting)**

	2010	2011	2012	2013 (1)
<b>Revenues</b>				
Taxes	\$ 2,730,914	\$ 2,861,684	\$ 3,432,817	\$ 2,902,519
Licenses and permits	22,106	42,576	78,499	112,293
Intergovernmental	821,697	513,357	-	150,000
Charges for services	570,842	807,990	1,157,814	-
Parks	-	-	-	1,042,247
Fines and forfeitures	81,468	76,844	94,007	80,971
Investment income	15,370	6,683	5,518	6,788
Miscellaneous	190,320	132,206	498,660	674,092
Grant revenues	174,657	103,988	67,459	-
<b>Total Revenues</b>	<u>4,607,374</u>	<u>4,545,328</u>	<u>5,334,774</u>	<u>4,968,910</u>
<b>Expenditures</b>				
General government	1,133,911	1,154,871	1,235,987	1,486,835
Public safety courts	2,314,674	2,087,679	2,206,436	2,310,259
Municipal court				267,419
Parks and recreation	1,630,340	1,498,223	1,521,116	1,701,763
Street	692,368	589,624	452,091	480,224
Memorial building	52,691	84,210	-	-
Library	141,813	154,861	162,149	160,167
Airport	149,754	36,696	49,350	190,038
Museum	-	-	-	-
Tourism	-	-	-	-
Capital outlay	-	-	1,337,534	978,303
Debt service				
Issuance costs	-	-	-	-
Interest	-	-	-	-
Principal	-	-	-	-
<b>Total Expenditures</b>	<u>6,115,551</u>	<u>5,606,164</u>	<u>6,964,663</u>	<u>7,575,008</u>
<b>Excess of Revenues</b>				
<b>Over (Under) Expenditures</b>	(1,508,177)	(1,060,836)	(1,629,889)	(2,606,098)
<b>Other Financing Sources (Uses)</b>				
Bond issued	-	-	-	-
Capital leases issued	-	-	-	-
Sale of capital assets	-	-	-	-
Insurance recoveries	-	-	-	-
Transfers in	1,085,326	1,184,988	1,239,996	2,553,689
Transfers (out)	-	-	-	-
<b>Total Other Financing Sources</b>	<u>1,085,326</u>	<u>1,184,988</u>	<u>1,239,996</u>	<u>2,553,689</u>
<b>Net Change in Fund Balances</b>	<u>\$ (422,851)</u>	<u>\$ 124,152</u>	<u>\$ (389,893)</u>	<u>\$ (52,409)</u>
<b>Ratio of total debt service expenditures to noncapital</b>	0.00%	0.00%	0.00%	0.00%

(1) Year presented is for the fiscal year ended March 31, 2013. The fiscal year-end was later changed to September 30.

(2) First full year after fiscal year-end change from March 31 to September 30.

	2014 (2)	2015	2016	2017	2018	2019
\$	3,515,263	\$ 3,447,970	\$ 2,683,975	\$ 2,771,841	\$ 3,759,577	\$ 4,069,750
	107,799	89,967	58,503	48,938	88,583	65,586
	139,517	43,569	2,353,248	113,525	171,751	245,354
	-	-	-	-	-	-
	774,665	742,975	745,129	779,805	767,283	916,334
	160,787	173,042	186,290	238,181	136,134	101,594
	9,185	7,282	17,085	12,834	35,979	79,361
	548,200	689,362	523,497	569,252	733,369	874,871
	-	-	-	181,688	15,635	16,419
	<u>5,255,416</u>	<u>5,194,167</u>	<u>6,567,727</u>	<u>4,716,064</u>	<u>5,708,311</u>	<u>6,369,269</u>
	2,990,394	1,992,639	2,282,627	1,870,595	1,801,068	1,893,482
	2,758,161	3,083,671	3,465,995	3,029,016	3,016,851	3,273,574
	143,845	170,691	157,571	165,326	176,799	175,395
	1,952,657	1,680,868	1,557,125	1,314,351	1,301,047	1,408,362
	586,573	783,821	551,961	472,633	464,210	464,935
	-	-	-	-	-	-
	183,452	208,496	215,103	357,723	214,512	243,846
	120,254	38,105	132,069	54,249	63,883	61,673
	-	-	-	64,134	71,041	72,829
	-	-	-	264,130	268,595	264,048
	599,999	2,821,921	4,045,790	1,274,980	609,084	925,001
	-	91,633	-	-	-	91,758
	-	48,337	229,696	130,730	299,669	287,929
	-	8,561	187,639	283,230	558,265	631,747
	<u>9,335,335</u>	<u>10,928,743</u>	<u>12,825,576</u>	<u>9,281,097</u>	<u>8,845,024</u>	<u>9,794,579</u>
	(4,079,919)	(5,734,576)	(6,257,849)	(4,565,033)	(3,136,713)	(3,425,310)
	-	3,391,633	-	-	-	4,444,662
	-	347,520	705,496	-	-	-
	-	-	-	175	422,748	68,056
	-	-	-	25,594	8,180	36,378
	2,942,894	4,460,010	3,631,387	3,918,549	4,956,456	4,343,049
	(9,926)	(855,075)	(160,622)	(321,793)	(535,943)	(2,393,549)
	<u>2,932,968</u>	<u>7,344,088</u>	<u>4,176,261</u>	<u>3,622,525</u>	<u>4,851,441</u>	<u>6,498,596</u>
\$	<u>(1,146,951)</u>	<u>\$ 1,609,512</u>	<u>\$ (2,081,588)</u>	<u>\$ (942,508)</u>	<u>\$ 1,714,728</u>	<u>\$ 3,073,286</u>
	0.00%	0.70%	4.75%	5.17%	10.42%	10.37%

**City of Gonzales, Texas**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**Last Ten Fiscal Years**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Real estate	\$ 52,019,730	\$ 52,566,270	\$ 50,492,970	\$ 54,623,030
Improved real estate	213,463,930	222,612,640	224,807,100	235,425,520
Personal property	31,620,980	29,905,710	29,589,430	28,578,080
Other Property	36,206,140	36,465,140	43,215,840	58,244,680
Total taxable assessed value	<u>\$ 333,310,780</u>	<u>\$ 341,549,760</u>	<u>\$ 348,105,340</u>	<u>\$ 376,871,310</u>
Less: tax-exempt property	(35,971,880)	(45,269,180)	(43,927,580)	(48,709,210)
Taxable value	<u>\$ 297,338,900</u>	<u>\$ 296,280,580</u>	<u>\$ 304,177,760</u>	<u>\$ 328,162,100</u>
Total direct property tax rate	0.25770	0.26030	0.25180	0.2329

(1) Assessed valuations are considered to be 100 percent of actual valuations.

Source: Gonzales County Tax Appraisal District

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 64,048,360	\$ 66,010,960	\$ 67,227,750	\$ 69,949,627	\$ 76,335,530	\$ 75,982,090
244,391,970	291,124,750	304,490,260	312,674,733	323,227,290	347,840,880
35,299,300	46,574,720	46,433,070	43,382,300	42,196,140	39,749,250
63,647,060	64,415,820	68,902,660	67,411,750	73,572,720	74,574,490
<u>\$ 407,386,690</u>	<u>\$ 468,126,250</u>	<u>\$ 487,053,740</u>	<u>\$ 493,418,410</u>	<u>\$ 515,331,680</u>	<u>\$ 538,146,710</u>
(53,159,770)	(65,456,100)	(66,214,520)	(77,416,710)	(70,230,600)	(98,987,760)
<u>\$ 354,226,920</u>	<u>\$ 402,670,150</u>	<u>\$ 420,839,220</u>	<u>\$ 416,001,700</u>	<u>\$ 445,101,080</u>	<u>\$ 439,158,950</u>
0.1845	0.1845	0.1595	0.1769	0.275	0.305

# City of Gonzales, Texas

## PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Years

	2010	2011	2012	2013
City of Gonzales	\$ 0.2577	\$ 0.2603	\$ 0.2518	\$ 0.2329
Emergency Services District	0.0620	0.0660	0.0875	0.0510
Rural Fire District	0.0225	0.0240	0.0240	0.0142
Gonzales County	0.6450	0.6450	0.6268	0.3554
Gonz. Cty Underground Water District	0.0114	0.0114	0.0114	0.0099
Gonzales Healthcare Systems	0.1984	0.1975	0.1975	0.1975
Gonzales ISD	1.1115	1.1083	1.0400	1.1055
<b>Total Direct and Overlapping Rates</b>	<b>\$ 2.3085</b>	<b>\$ 2.3125</b>	<b>\$ 2.2390</b>	<b>\$ 1.9664</b>

Tax rates per \$100 of assessed valuation

Source: Gonzales County Tax Assessor/Collector

	<u>2014</u>	<u>2014</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$	0.1845	\$ 0.1628	\$ 0.1595	\$ 0.1769	\$ 0.2750	\$ 0.3050
	0.0280	0.0184	0.0298	0.0463	0.0470	0.0506
	0.0084	0.0059	0.0132	0.0190	0.0300	0.0299
	0.2708	0.3045	0.3449	0.5086	0.4785	0.4784
	0.0050	0.0045	0.0060	0.0072	0.0068	0.0066
	0.1975	0.1975	0.2800	0.2800	0.3400	0.3600
	0.9677	1.1248	1.1633	1.1800	1.1600	1.1800
<u>\$</u>	<u>1.6619</u>	<u>\$ 1.8184</u>	<u>\$ 1.9967</u>	<u>\$ 2.2180</u>	<u>\$ 2.3373</u>	<u>\$ 2.4105</u>

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**City of Gonzales, Texas**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**Current Year and Nine Years Ago**

Property Tax Payer	2019			2010		
	Taxable Assessed Value	Rank	% of Taxable Assessed Value	Taxable Assessed Value	Rank	% of Taxable Assessed Value
BYK USA INC. / fka SOUTHERN CLAY	\$ 46,862,900	1	10.53%	\$ 15,414,950	1	5.56%
WAL-MART	12,614,690	2	2.83%	3,119,930	9	1.13%
ADAMS EXTRACT & SPICE, LLC.	7,897,700	3	1.77%	4,764,760	4	1.72%
PURINA MILLS DBA LAND O LAKES	7,328,770	4	1.65%	6,161,250	3	2.22%
GVEC	7,261,850	5	1.63%	4,050,850	8	1.46%
HEB	6,741,000	6	1.51%			
TYSON FOODS INC. A GUERRA	4,967,960	8	1.12%	6,685,290	2	2.41%
ENTERPRISES	6,700,570	7	1.51%	2,732,190	10	0.99%
KRISHNA GONZALES, LLC / fka HCNRC	4,566,590	9	1.03%	4,593,480	5	1.66%
TOUCHSTONE REALTY-GONZALES LLC	3,739,770	10	0.84%	n/a	n/a	n/a
CINCO J INVESTMENTS	n/a	n/a	n/a	4,502,780	6	1.62%
NATIONAL DYNAMICS	n/a	n/a	n/a	4,393,430	7	1.59%
<b>Total</b>	<b>\$ 108,681,800</b>		<b>24.42%</b>	<b>\$ 56,418,910</b>		<b>20.36%</b>

Source: Gonzales County Appraisal District

**City of Gonzales, Texas**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**Last Ten Fiscal Years**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Tax levy	\$ 745,439	\$ 744,712	\$ 752,134	\$ 753,110
Current tax collected	\$ 720,581	\$ 712,545	\$ 646,408	\$ 723,580
Percent of current tax collections	96.67%	95.68%	85.9%	96.1%
Delinquent tax collections	\$ 19,081	\$ 26,401	\$ 99,592	\$ 22,532
Total tax collections	\$ 739,662	\$ 738,946	\$ 746,000	\$ 746,112
Total collections as a percentage of levy	99.23%	99.23%	99.2%	99.1%

Source: Gonzales County Tax Assessor/Collector

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 655,052	\$ 651,382	\$ 670,905	\$ 733,685	\$ 1,145,051	\$ 1,272,902
\$ 635,200	\$ 638,166	\$ 649,366	\$ 701,004	\$ 1,107,155	\$ 1,218,729
97.0%	98.0%	96.8%	95.5%	96.7%	95.7%
\$ 15,157	\$ 8,038	\$ 13,910	\$ 17,944	\$ 20,341	\$ -
\$ 650,357	\$ 646,204	\$ 663,276	\$ 718,948	\$ 1,127,496	\$ 1,218,729
99.3%	99.2%	98.9%	98.0%	98.5%	95.7%

**City of Gonzales, Texas**  
**DIRECT AND OVERLAPPING SALES TAX RATES**  
**Last Ten Fiscal Years**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
City of Gonzales, Texas	1.00%	1.00%	1.00%	1.00%
City's Economic Development Rate	0.50%	0.50%	0.50%	0.50%
Gonzales County Rate	0.50%	0.50%	0.50%	0.50%
State of Texas	6.25%	6.25%	6.25%	6.25%
<b>Total Direct and Overlapping Rates</b>	<u>8.25%</u>	<u>8.25%</u>	<u>8.25%</u>	<u>8.25%</u>

Source: Texas Comptroller of Public Accounts

<b>2014</b>	<b>2014</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
6.25%	6.25%	6.25%	6.25%	6.25%	6.25%
8.25%	8.25%	8.25%	8.25%	8.25%	8.25%

**City of Gonzales, Texas**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**Last Ten Fiscal Years**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Governmental activities:</b>				
Notes payable	\$ -	\$ -	\$ 400,000	\$ 400,000
Tax and revenue certificates of obligation	-	-	-	-
Capital leases				
<b>Business-type activities:</b>				
Water revenue bonds	\$ -	\$ -	\$ -	\$ -
Tax and revenue certificates of obligation	-	-	6,255,000	6,075,000
Capital leases	85,462	58,655	30,202	-
<b>Total primary government</b>	<u>\$ 85,462</u>	<u>\$ 58,655</u>	<u>\$ 6,685,202</u>	<u>\$ 6,475,000</u>
Percentage of personal income (1)	0.04%	0.02%	2.44%	2.59%
Per capita (1)	\$ 12	\$ 8	\$ 868	\$ 887

(1) Personal income and population information for per capita are disclosed on page 126

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 400,000	\$ 400,000	\$ -	\$ -	\$ -	\$ -
-	3,391,633	3,310,801	3,179,969	7,997,816	12,016,389
	999,183	839,487	676,258	626,417	394,670
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5,830,000	5,766,609	5,500,632	6,997,012	1,693,539	3,478,938
-	-	-	-	-	-
<u>\$ 6,230,000</u>	<u>\$ 10,557,425</u>	<u>\$ 9,650,920</u>	<u>\$ 10,853,239</u>	<u>\$ 10,317,772</u>	<u>\$ 15,889,997</u>
2.40%	4.07%	3.73%	3.76%	3.58%	5.07%
\$ 841	\$ 1,425	\$ 1,279	\$ 1,417	\$ 1,353	\$ 2,083

**City of Gonzales, Texas**  
**RATIO OF GENERAL BONDED DEBT OUTSTANDING**  
**Last Ten Fiscal Years**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>NET TAXABLE ASSESSED VALUE</b>				
All property	\$ 297,338,900	\$ 296,280,580	\$ 304,177,760	\$ 328,162,100
<b>NET BONDED DEBT</b>				
Gross bonded debt	-	-	6,255,000	6,075,000
Less debt service funds	-	-	-	-
<b>Net Bonded Debt</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,255,000</u>	<u>\$ 6,075,000</u>
<b>RATIO OF NET BONDED DEBT TO ASSESSED VALUE</b>	-	-	2.1%	1.9%
<b>POPULATION</b>	7,202	7,344	7,237	7,302
<b>NET BONDED DEBT PER CAPITA</b>	\$ -	\$ -	\$ 864	\$ 832

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 354,226,920	\$ 402,670,150	\$ 420,839,220	\$ 416,001,700	\$ 445,101,080	\$ 439,158,950
5,830,000	8,755,000	8,811,433	10,176,981	9,691,355	15,495,327
-	-	-	-	-	-
<u>\$ 5,830,000</u>	<u>\$ 8,755,000</u>	<u>\$ 8,811,433</u>	<u>\$ 10,176,981</u>	<u>\$ 9,691,355</u>	<u>\$ 15,495,327</u>
1.6%	2.2%	2.1%	2.4%	2.2%	3.5%
7,410	7,410	7,544	7,660	7,628	7,628
\$ 787	\$ 1,182	\$ 1,168	\$ 1,329	\$ 1,270	\$ 2,031

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# City of Gonzales, Texas

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

September 30, 2019

Governmental Unit	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Gonzales ISD	\$ 20,995,000	7.28%	\$ 1,528,436
Gonzales County	465,000	15.30%	71,145
Gonzales Healthcare Systems	905,000	8.79%	79,550
Subtotal, overlapping debt			1,679,131
<b>City direct debt</b>	<b>\$ 12,411,059</b>	<b>100%</b>	<b>12,411,059</b>
<b>Total direct and overlapping debt</b>			<b>\$ 14,090,190</b>

Source: Assessed value data used to estimate applicable percentages provided by the Gonzales County Appraisal District.

Debt outstanding data provided by each governmental unit.

**City of Gonzales, Texas**  
**LEGAL DEBT MARGIN INFORMATION**  
**Last Ten Fiscal Years**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Debt limit	\$ 6,528,022	\$ 6,635,796	\$ 7,604,444	\$ 8,204,053
Total net debt applicable to limit	-	-	-	-
Legal debt margin	<u>\$ 6,528,022</u>	<u>\$ 6,635,796</u>	<u>\$ 7,604,444</u>	<u>\$ 8,204,053</u>
Total net debt applicable to the limit as a percentage of debt limit	-	-	-	-

**Legal Debt Margin Calculation for the Current Fiscal Year**

Assessed value	\$ 439,158,950
Debt Limit (a)	10,978,974
Debt Applicable to Limit:	
General Bonded Debt	-
Less: Amount Set Aside for Repayment of General Obligation Debt	-
Total Net Debt Applicable to Limit	<u>-</u>
Debt limit	<u>\$ 10,978,974</u>

**Legal Debt Margin**

(a) Texas Statutes do not impose a legal debt limit for cities; however, statutes limit the maximum amount a city can levy for all purposes to \$2.50 per \$100 of valuation

The debt limit is calculated as the remaining amount of taxes that can be assessed prior to reaching the \$2.50 per \$100 valuation threshold.

Source: Gonzales County Appraisal District

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 8,855,673	\$ 10,066,754	\$ 10,520,981	\$ 10,400,043	\$ 11,127,527	\$ 10,978,974
-	-	-	-	-	-
<u>\$ 8,855,673</u>	<u>\$ 10,066,754</u>	<u>\$ 10,520,981</u>	<u>\$ 10,400,043</u>	<u>\$ 11,127,527</u>	<u>\$ 10,978,974</u>

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**City of Gonzales, Texas**  
**PLEDGED REVENUE COVERAGE - UTILITY FUNDS**  
**Last Ten Years**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013 (3)</u>
<b>Gross utility revenues (1)</b>	\$ 11,989,914	\$ 11,877,281	\$ 13,021,670	\$ 13,106,899
<b>Operating expenses (2)</b>	\$ 9,905,128	\$ 9,180,450	\$ 9,700,545	\$ 8,773,412
<b>Net revenues available for Debt Service</b>	\$ 2,084,786	\$ 2,696,831	\$ 3,321,125	\$ 4,333,487
<b>DEBT SERVICE REQUIREMENTS</b>				
<b>Principal</b>	\$ -	\$ -	\$ -	\$ 180,000
<b>Interest</b>	-	-	-	168,159
<b>Total</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 348,159</u>
<b>Coverage</b>	-	-	-	12.45

(1) Total revenues excluding interest and grants

(2) Total operating expenses less depreciation

(3) Year presented is for the fiscal year ended March 31, 2013. The fiscal year-end was later changed to September 30.

(4) First full year after fiscal year-end change from March 31 to September 30.

<u>2014 (4)</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 13,623,133	\$ 13,790,808	\$ 12,340,273	\$ 13,431,395	\$ 14,969,058	\$ 13,939,920
\$ 10,552,526	\$ 10,477,478	\$ 8,457,672	\$ 9,662,450	\$ 8,631,071	\$ 8,436,836
\$ 3,070,607	\$ 3,313,330	\$ 3,882,601	\$ 3,768,945	\$ 6,337,987	\$ 5,503,084
\$ 245,000	\$ -	\$ 250,000	\$ 283,230	\$ 558,265	\$ 631,747
188,057	1,822,222	177,173	130,730	299,669	287,929
<u>\$ 433,057</u>	<u>\$ 1,822,222</u>	<u>\$ 427,173</u>	<u>\$ 413,960</u>	<u>\$ 857,934</u>	<u>\$ 919,676</u>
7.09	1.82	9.09	9.10	7.39	5.98

**City of Gonzales, Texas**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**Last Ten Fiscal Years**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Population	7,202	7,344	7,237	7,302
Median household income	\$ 33,177	\$ 34,613	\$ 35,583	\$ 34,287
Personal income	\$ 238,940,754	\$ 254,197,872	\$ 257,514,171	\$ 250,363,674
Median age (1)	-	34.7	42.0	35.0
Unemployment %	6.1	6.1	5.2	4.8

Sources: Population is provided by the US Census Bureau, State Department of Planning.  
 Unemployment data is provided by the Texas Workforce Commission.

- (1) The City does not track this information and only 2011-2015 were available from other sources.
- (2) The City was unable to obtain this information, and used 2017 year as a result.

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
7,410	7,461	7,544	7,660	7,628	7,628
\$ 35,027	\$ 33,417	\$ 34,271	\$ 37,674	\$ 40,282	\$ 44,207
\$ 259,550,070	\$ 249,324,237	\$ 258,540,424	\$ 288,582,840	\$ 288,582,840	\$ 313,641,400
34.7	38.0	37.3	34.8	35.1	39.0
2.8	3.1	3.1	3.2	3.0	2.6

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**City of Gonzales, Texas**  
**PRINCIPAL EMPLOYERS**  
**Current Fiscal Year and Nine Years Ago**

Employer	2019			2010 (1)		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Gonzales ISD	436	1	12.5%	-	-	-
GVEC, Gonzales location	117	9	3.4%	-	-	-
Gonzales Healthcare System	280	2	8.0%	-	-	-
City of Gonzales	104	10	3.0%	-	-	-
Adams Extract	154	6	4.4%	-	-	-
BYK USA, Inc.	156	5	4.5%	-	-	-
Gonzales County	166	3	4.8%	-	-	-
Walmart	160	4	4.6%	-	-	-
Tyson Foods	128	8	3.7%	-	-	-
HEB	143	7	4.1%	-	-	-
<b>Total</b>	<b>1,844</b>		<b>52.87%</b>	<b>-</b>		<b>-</b>

Source: City Economic Development Division

(1) This information is not tracked by the City and is not available from other sources.

# City of Gonzales, Texas

## FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION/PROGRAM

Last Ten Fiscal Years

	2010	2011	2012	2013
<b>Governmental funds:</b>				
General government				
Management services	3	3	3	4
Finance	2	2	2	3
Mainstreet planning	1	1	1	1
Economic development	1	1	1	1
Tourism	-	-	-	-
Code enforcement	2	2	2	2
Building	-	-	-	-
Other	6	6	6	4
Parks, recreation, and culture	14	14	14	14
Police				
Officers	17	17	17	16
Civilians	6	7	7	7
Fire				
Firefighters and officers	7	7	9	8
Street	7	8	8	7
Library	3.5	3.5	3	3
Memorial building	1	1	1	1
<b>Total governmental funds</b>	<b>71</b>	<b>73</b>	<b>74</b>	<b>71</b>
<b>Enterprise funds:</b>				
Electric	6	6	7	7
Water	7.5	4	8	6
Wastewater	4.5	2	4	5
Solid waste	2	2	2	2
<b>Total enterprise funds</b>	<b>20</b>	<b>14</b>	<b>21</b>	<b>20</b>
<b>Total</b>	<b>90.5</b>	<b>86.5</b>	<b>95</b>	<b>91</b>

Source: City Finance Department

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
4	4	4	4	4	3
3	3	3	3	3	3
1	1	1	1	1	1
1	1	1	1	1	1
-	-	-	1	1	1
2	2	3	3	2	3
3	2	3	3	3	3
6	8	2	4	1	1
17	20	24	21	18	18
19	19	20	22	21	21
7	7	8	7	7	6
11	9	14	10	10	10
8	7	8	8	7	7
3	3	5	3	4	4
1	1	2	2	2	2
<u>86</u>	<u>87</u>	<u>98</u>	<u>93</u>	<u>85</u>	<u>84</u>
8	10	13	9	6	6
7	7	7	7	6	5
7	6	6	7	6	7
2	2	2	2	2	2
<u>24</u>	<u>25</u>	<u>28</u>	<u>25</u>	<u>20</u>	<u>20</u>
<u>110</u>	<u>112</u>	<u>126</u>	<u>118</u>	<u>105</u>	<u>104</u>

**City of Gonzales, Texas**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**Last Ten Fiscal Years**

<b>Function/program</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
General Government			
Building permits issued	94	112	235
Building inspections conducted	188	230	425
Police:			
Physical arrests	715	564	513
Parking violations	47	32	75
Traffic violations	3,071	4,284	3,997
Fire:			
Emergency responses	639	612	443
Fires extinguished	143	157	132
Inspections	52	48	36
Other Public Works;			
Street resurfacing (miles)	4	4	1.8
Potholes repaired	1,860	1,620	1,804
Library:			
Volumes in collection	32,086	32,698	33,508
Total volumes borrowed	114	114	52,746
Water:			
New connections	-	50	16
Average daily water usage (thousands of gallons)	2.25	1.87	1.31
Wastewater:			
Average daily sewer treatment (thousands of gallons)	0.74	1.06	1.07

Data source: Various City departments.

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
324	885	269	181	366	538	615
1134	544	346	905	1830	2690	1845
442	567	674	697	677	426	456
27	8	27	5	3	2	3
1,183	1,622	1,231	1,045	1,134	756	448
606	449	385	338	420	393	480
116	87	104	83	124	100	105
93	120	100	75	50	50	50-75
0.4	3.5	3.0	1.0	0.0	0.0	0.88
1,750	2,250	1,900	4,500	2,500	2,500	1,500
34,861	35,288	36,616	36,620	35,396	36,795	37,003
52,281	49,461	50,078	53,016	45,167	45,239	40,583
19	55	34	25	20	10	15
1.68	1.89	1.92	1.60	1.42	1.23	1.80
1.21	1.35	1.55	1.23	1.01	1.06	1.13

**City of Gonzales, Texas**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**Last Ten Fiscal Years**

Function/program	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Police:</b>				
Stations	1	1	1	1
Patrol units	14	13	14	15
 Fire stations	 1	 1	 1	 1
 <b>Other public works:</b>				
Streets (miles)	35	35	35	35
Streetlights	2	2	2	2
 <b>Parks and recreation:</b>				
Acreage	550	550	550	550
Playgrounds	3	3	3	3
Baseball/softball feilds	7	7	7	7
Soccer/football fields	1	1	1	1
 <b>Water:</b>				
Water mains (miles)	88	89	89	89
Fire hydrants	397	398	398	398
Storage capacity (thousands of gallons)	5,600	5,600	5,600	5,600
 <b>Wastewater</b>				
Sanitary sewers (miles)	42	42	42	42
Storm sewers (miles)	36	36	36	36
Treatment capacity (thousands of gallons)	1,500	1,500	1,500	1,500

Data source: Various City departments.

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
1	1	1	1	1	1
15	15	18	18	14	14
1	1	1	1	1	1
35	35	35	35	35	36
2	2	2	2	2	2
550	675	675	675	675	675
3	3	3	3	3	3
7	7	7	7	7	7
1	7	7	7	7	7
89	89	89	90	90	90
398	398	398	400	438	447
5,600	5,600	5,600	5,200	5,200	5,200
42	42	42	42	42	42
36	36	36	36	36	36
1,500	1,500	1,500	2,250	2,250	2,250

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**CITY OF GONZALES, TEXAS  
CITY COUNCIL MEETING  
AGENDA –MARCH 12, 2020**

The Regular Meeting of the City Council was held on **March 12, 2020** at 6:00 p.m. at the Gonzales Municipal Building, 820 St. Joseph Street. This was an OPEN MEETING, open to the public, subject to the open meeting laws of the State of Texas and, as required by law, was duly posted, at the Gonzales Municipal Building, giving notice of time, date, place, and agenda thereof.

**CALL TO ORDER, INVOCATION, AND PLEDGES OF ALLEGIANCE**

Mayor Kacir called the meeting to order at 6:01 p.m. and certified a quorum.

<b>Attendee Name</b>	<b>Title</b>	<b>Status</b>
Connie L. Kacir	Mayor	Present
Gary Schroeder	Council Member, District 1	Present
Tommy Schurig	Council Member, District 2	Present
Bobby O’Neal	Council Member, District 3	Present
Dan Blakemore	Mayor Pro Tem/Council Member, District 4	Present

**STAFF PRESENT:**

City Manager Tim Patek, City Attorney Dan Santee, Interim City Secretary Kristi Gilbert, Finance Director Laura Zella, Tourism Director Ashley Simper, Captain Gayle Autry, Parks and Recreation Director Anne Dollery, Street Supervisor Todd Remschel, City Engineer Keith Schauer

**CITY EVENTS AND ANNOUNCEMENTS**

- Announcements of upcoming City Events
- Announcements and recognitions by the City Manager
- Announcements and recognitions by the Mayor:
  - Next Q&A with the Mayor will be on Tuesday, March 17<sup>th</sup> at 10am at the library and will be sponsored by local motels.
  - Commend the Tourism Director, the Convention and Visitor Bureau, Historical Commission and Ms. Crozier for working with the young Texians for Texas Independence Week.
  - The quarterly meeting with business owners will be in April in conjunction with the Chamber of Commerce and Tourism Director on upcoming events.
  - First Airport Advisory Board meeting was conducted on Monday, March 9<sup>th</sup>
- Recognition of actions by City employees
- Recognition of actions by community volunteers

**HEARING OF RESIDENTS**

This time is set aside for any person who wishes to address the City Council. Each person should fill out the speaker’s register prior to the meeting. Presentations should be limited to no more than 3 minutes.

The following individuals made a presentation to the City Council:

Lori Steindorf introduced herself as the new reporter for the Gonzales Inquirer and introduced herself to the City Council.

## **OTHER BUSINESS**

1.1 Mayor Kacir administered the Oath of Office to Officer Jason Hinds.

## **CONSENT AGENDA ITEMS**

2.1 **Minutes** - Approval of the minutes for the Regular Meeting of February 13, 2020 and the Q&A with the Mayor of February 11, 2020.

2.2 **Absences**-Approval of any council absences for the first quarter of fiscal year 2019-20

2.3 Discuss, Consider & Possible Action on **Resolution #2020-27** Authorizing the City Manager to Execute an Agreement with Gonzales Inquirer for the Street Closures, Consumption of Alcohol on Public Property and the Recommendation for Funding from the Gonzales Convention and Visitor Bureau in the amount of \$5,000.00 for the Come and Taste It on April 24-25, 2020

2.4 Discuss, Consider and Possible Action on **Resolution #2020-28** Authorizing the Gonzales Convention and Visitors Bureau to provide funding assistance for the purchase of a new stage that will be owned by the City of Gonzales and utilized by all departments; and specifically, Main Street

### **ACTION: Item 2.1 through 2.2**

**APPROVED**

Mayor Kacir stated she was pulling Items 2.3 and 2.4 for further discussion.

Councilmember O'Neal moved to approve the consent agenda Items 2.1 and 2.2 as presented. Mayor Pro Tem Blakemore seconded the motion. Mayor Kacir called for a roll call vote. For: Unanimous. The motion passed 5 to 0.

### **ACTION: Item 2.3**

**APPROVED**

Mayor Kacir stated she asked Mr. Fitzwater to add to the agreement notification of downtown business owners affected by the street closures and the closure of the square. Mr. Fitzwater agreed. Mayor Pro Tem Blakemore moved to approve the Resolution 2020-27 as amended. Councilmember Schurig seconded the motion. Mayor Kacir called for a roll call vote. For: Unanimous. The motion passed 5 to 0.

Mayor stated there was a savings of \$63,250 by sending the item back to Convention and Visitors Bureau for consideration of funding and obtain additional bids.

### **ACTION: Item 2.4**

**APPROVED**

Councilmember Schurig moved to approve the Resolution 2020-28 as present. Councilmember Schroeder seconded the motion. Mayor Kacir called for a roll call vote. For: Unanimous. The motion passed 5 to 0.

## **RESOLUTIONS**

- 3.1 Discuss, Consider & Possible Action on Resolution #2020-29 Accepting the Proposals and Awarding the Contract for the Country Village Electric System Replacement Project to Greenstone Electrical Services, LLC.

Mayor Kacir stated City Engineer Keith Schauer recommended awarding the contract to Greenstone Electrical Services, LLC.

**ACTION: Item 3.1**

**APPROVED**

Councilmember Schurig moved to approve **Resolution #2020-29** as presented. Councilmember Schroeder seconded the motion. Mayor Kacir called for a roll call vote. For: Unanimous. The motion passed 5 to 0.

- 3.2 Discuss, Consider & Possible Action on Resolution #2020-30 Accepting the Proposals and Awarding the Contract for the 2020 Street Improvement Plans to Tierra Lease Service, LLC.

Mayor Kacir stated the project is for the rehabilitation of Larry Drive and portions of Independence Park Road, as well as the road next to the city swimming pool.

**ACTION: Item 3.2**

**APPROVED**

Councilmember O'Neal moved to approve **Resolution #2020-30** as presented. Mayor Pro Tem Blakemore seconded the motion. Mayor Kacir called for a roll call vote. For: Unanimous. The motion passed 5 to 0.

- 3.3 Discuss, Consider & Possible Action Approving Resolution #2020-31 Authorizing the City Manager to Execute a License Agreement with Texas Lou's Canoes Incorporated Granting them the use of Independence Park for a Concession Site for the Rental of Non-Motorized Watercraft, Sales of Fishing Bait and Sales of Business Industry Related Accessories.

Mayor stated she was proud to have Lou's Canoes in the City of Gonzales.

**ACTION: Item 3.3**

**APPROVED**

Councilmember O'Neal moved to approve **Resolution #2020-31** as presented. Councilmember Schurig seconded the motion. Mayor Kacir called for a roll call vote. For: Unanimous. The motion passed 5 to 0.

- 3.4 Discuss, Consider & Possible Action Approving Resolution #2020-32 Appointing a Board Member to the Gonzales Economic Development Corporation.

**ACTION: Item 3.4**

**APPOINTMENT**

Councilmember Schurig moved to approve **Resolution #2020-32** appointed Meena Patel to the vacant position. Councilmember Schroeder seconded the motion. Mayor Kacir called for a roll call vote. For: Unanimous. The motion passed 5 to 0.

- 3.5 Discuss, Consider & Possible Action Approving Resolution #2020-33 Approving the Creation of Job Descriptions, Amending Position Classification and Amending the Annual Budget Personnel Request Summary to include a Part Time Hydro Plant Station Technician.

**ACTION: Item 3.5**

**APPROVED**

Councilmember O’Neal moved to approve **Resolution #2020-33** with the request that contract labor also be considered. Mayor Pro Tem Blakemore seconded the motion. Mayor Kacir called for a roll call vote. For: Unanimous. The motion passed 5 to 0.

- 3.6 Discuss, Consider & Possible Action on Resolution #2020-34 Authorizing the Appointment of the Election Judge and Workers for the May 2, 2020 General Election. Interim City Secretary Kristi Gilbert stated an amended version of the resolution had been provided, but no new names, outside of employees, had been added.

**ACTION: Item 3.6**

**APPROVED**

Councilmember Blakemore moved to approve **Resolution #2020-34** as amended. Councilmember O’Neal seconded the motion. Mayor Kacir called for a roll call vote. For: Unanimous. The motion passed 5 to 0.

**ORDINANCES:**

- 4.1 Discuss, Consider & Possible Action on Ordinance #2020-06 Amending Chapter 6, Health and Sanitation, Article 6.100 Garbage and Trash.

**ACTION: Item 4.1**

**NO ACTION**

City Attorney Dan Santee stated Frontier Waste did not provide any amendments, so no action was needed.

**STAFF/BOARD REPORTS:**

- 5.1 Financial Report for the Month of February 2020  
Mayor Kacir stated the decrease in fund balance was due to payment on Certificates of Obligation in February.
- 5.2 City Manager, Tim Patek updated the City Council on the Community Development Block Grant in the amount of \$852,000 stating that meetings had been conducted and items for Council approval are forthcoming with a completion date of April 2022. Mr. Patek stated demolition of the old library had been awarded to Fred’s Contract Services, LLC and will start demolition on March 31<sup>st</sup> after utilities are all disconnected, and air conditioning units are removed. The expected timeframe for demolition is set at three weeks.

**CONVENE INTO CLOSED SESSION:**

The Council convened into executive session at 6:32 pm.

PURSUANT TO TEXAS GOVERNMENT CODE, ANNOTATED, CHAPTER 551, SUBCHAPTER D:

- 6.1 (a) Pursuant to Section 551.071 of the Texas Government Code, the City of Gonzales will consult in closed session with its attorney to receive legal advice regarding pending or contemplated litigation, a settlement offer, or matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter”, to include the following matters:
1. In Re Estate of J. B. Wells litigation
  2. Patricia Bennett and Gloria Knight v. City of Gonzales, Texas Cause No. 27,500
  3. A Guerra Enterprise LLC D/B/A Holiday Inn Express & Suites Cause No. 27,591
  4. Unopened City Streets: H.C. Schmidt and Michael Tuch
- (b) Pursuant to Section 551.074 of the Texas Government Code, the City of Gonzales will meet in closed session to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee.
1. Economic Development Corporation Board Member(s)

**RETURN TO OPEN SESSION**

Reconvene into Open Meeting at 6:58 pm.

- 7.1 Discuss and Consider any Action Resulting from Closed Session as Necessary

**ACTION: Item 7.1**

**POLICY REQUESTED**

Councilmember O’Neal moved to direct the City Attorney to prepare a policy for license agreements on unopened streets. Councilmember Schroeder seconded the motion. Mayor Kacir called for a roll call vote. For: Unanimous. The motion passed 5 to 0.

- 7.2 Discussion and Direction on future consideration and adoption of an ordinance regarding vexatious requestors pursuant to the Texas Public Information Act.

City Attorney Dan Santee explained the provisions regarding vexatious requestors. Discussion was held with regard to the City Attorney bringing back an ordinance.

**ACTION: Item 7.2**

**NO ACTION**

No action was taken as a result of closed session.

**CITY COUNCIL REQUESTS AND ANNOUNCEMENTS**

**RECEIVE REQUESTS FROM COUNCIL MEMBERS/STAFF FOR ITEMS TO BE PLACED ON NEXT MEETING AGENDA** *(discussion under this item must be limited to whether or not the Council wishes to include a potential agenda item on a future agenda)*

- Requests by Mayor and Councilmembers for items on a future City Council agenda  
The Mayor Update and presentation on oil and gas leases, staff confer with Jeff Moore, EDC Attorney for comparison of an EDC and an MDD
  - Announcements by Mayor and Councilmembers
  - City and community events attended and to be attended
  - Continuing education events attended and to be attended
- Mayor Pro Tem Blakemore asked to be kept apprised of any action needed as far as event cancellation or closures.

**ADJOURN**

The meeting was adjourned at 7:15 p.m.

Approved this 9<sup>th</sup> day of April 2020.

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Connie Kacir, Mayor

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Kristi Gilbert, Interim City Secretary

DRAFT

**CITY OF GONZALES, TEXAS  
SPECIAL CITY COUNCIL MEETING  
AGENDA –MARCH 16, 2020**

The Special Meeting of the City Council was held on **March 16, 2020** at 5:30 p.m. at the Gonzales Municipal Building, 820 St. Joseph Street. This was an OPEN MEETING, open to the public, subject to the open meeting laws of the State of Texas and, as required by law, was duly posted, at the Gonzales Municipal Building, giving notice of time, date, place, and agenda thereof.

**CALL TO ORDER, INVOCATION, AND PLEDGES OF ALLEGIANCE**

Mayor Kacir called the meeting to order at 5:31 p.m. and certified a quorum.

<b>Attendee Name</b>	<b>Title</b>	<b>Status</b>
Connie L. Kacir	Mayor	Present
Gary Schroeder	Council Member, District 1	Present
Tommy Schurig	Council Member, District 2	Present
Bobby O’Neal	Council Member, District 3	Present
Dan Blakemore	Mayor Pro Tem/Council Member, District 4	Present

**STAFF PRESENT:**

City Manager Tim Patek and Finance Director Laura Zella

**HEARING OF RESIDENTS**

This time is set aside for any person who wishes to address the City Council. Each person should fill out the speaker’s register prior to the meeting. Presentations should be limited to no more than 3 minutes.

No residents spoke.

1. Discussion and possible action on an ordinance extending a public health emergency declaration regarding precautionary measures in reference to the COVID-19 virus.

Mayor Kacir reviewed the emergency order that was posted on Friday evening that has to be modified or extended upon approval of the City Council. Mayor Kacir stated the emergency declaration was issued after consulting with multiple officials based on the fatality rate of the COVID-19 virus.

Dr. Hisey, Chief of Staff of Gonzales Memorial Hospital, explained the COVID-19 virus including transmission. Dr. Hisey discussed and answered Council questions.

Jimmy Harless, Emergency Management Coordinator for Gonzales County and the City of Gonzales, addressed the City Council and stated he was in contact with the state on a daily basis. Mr. Harless briefed the Council on the mitigation measures that are in place.

Discussion was held with regard to the definition of mass gatherings, social distancing and excepting places of worship from mass gatherings.

Mayor Kacir called for a recess at 6:40 p.m.

Mayor Kacir reconvened the meeting at 6:56 p.m.

**ACTION: Item 1**

**EMERGENCY DECLARATION**

Mayor Pro Tem Blakemore moved to reinstate the current emergency declaration extending it to April 9, 2020 with the modification of limiting mass gatherings to 50 and add Exhibit 1 as discussed with the exception in Number 4 to strike the school district and allow places of worship with social distancing as recommended by the CDC and all other items of Number 4 to be adopted. Councilmember Schroeder seconded. Mayor Kacir called for a roll call vote. For: Unanimous. The motion passed 5 to 0.

**ADJOURN**

Councilmember Schroeder moved to adjourn the meeting. Councilmember O’Neal seconded the motion. For: Unanimous. The meeting was adjourned at 7:29 p.m.

Approved this 9<sup>th</sup> day of April 2020.

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Connie Kacir, Mayor

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Kristi Gilbert, Interim City Secretary

**CITY OF GONZALES, TEXAS  
EMERGENCY CITY COUNCIL MEETING  
AGENDA –MARCH 16, 2020**

The Emergency Meeting of the City Council was held on **March 20, 2020** at 2:00 p.m. via teleconference **pursuant to Section 551.045 of the Texas Government Code and in accordance with the March 16, 2020 order by the Governor of the State of Texas.**

An urgent public necessity exists requiring immediate action of the City Council due to an imminent threat to public health and safety arising from the COVID-19 pandemic.

The meeting notice, agenda and agenda packet were posted online at [www.gonzales.texas.gov](http://www.gonzales.texas.gov).

The public was offered a toll-free dial in number to participate in the telephone conference hosted through FreeConferenceCall.com.

**CALL TO ORDER AND INVOCATION**

Mayor Kacir called the meeting to order at 2:05 p.m. and certified a quorum.

<b>Attendee Name</b>	<b>Title</b>	<b>Status</b>
Connie L. Kacir	Mayor	Present via phone
Gary Schroeder	Council Member, District 1	Present via phone
Tommy Schurig	Council Member, District 2	Present in person
Bobby O’Neal	Council Member, District 3	Present in person
Dan Blakemore	Mayor Pro Tem/Council Member, District 4	Present via phone

**STAFF PRESENT:**

City Manager Tim Patek, Interim City Secretary Kristi Gilbert and Finance Director Laura Zella

**HEARING OF RESIDENTS**

This time is set aside for any person who wishes to address the City Council. Each person should fill out the speaker’s register prior to the meeting. Presentations should be limited to no more than 3 minutes.

Mayor Kacir stated the Council would consider Item 2. related to the postponement of the general election first.

The following individuals made a presentation to the City Council:

Reed Means with the Long Branch Saloon stated that instituting an immediate closure of restaurants this evening it will drastically affect businesses that were planning to be open tonight.

2. Discussion and possible action on an ordinance postponing the May 2, 2020 General Election to November 3, 2020 for the protection of the health and safety of the general public.

Mayor Kacir stated the purpose of the item was based on an executive order issued by the Governor. The Mayor stated concerns included some election workers are in a higher

risk category, sanitization of election equipment may be difficult, managing the numbers and distancing of voters may be difficult, the campaigning would be difficult as door-to-door visits or rallies would be limited.

Councilmember Schroeder inquired as to the continued placement of political signs and allowing for an extension of political sign placement. The Mayor advised this item was to consider the emergency postponement only.

**ACTION: Item 2**

**POSTPONE ELECTION**

Councilmember Schurig moved to adopt an ordinance postponing the May 2, 2020 General Election to November 3, 2020 for the protection of the health and safety of the general public. Councilmember Schroeder seconded the motion. Mayor Kacir called for a roll call vote. For: Unanimous. The motion passed 5 to 0.

1. Discussion and possible action on an ordinance extending a public health emergency declaration regarding precautionary measures in reference to the COVID-19 virus.

Mayor Kacir clarified the original public health declaration and the emergency declaration the Council adopted on March 16, 2020 included language that automatically included amendments based on the Center for Disease Control (CDC) recommendations. Mayor Kacir stated the City was already limited to no more than 10 individuals in an area based on the CDC recommendation issued earlier in the week.

Mayor Kacir stated enforcement action had been taken on one business earlier in the day. Council held discussion with regard to timing of limiting the 10 individuals and the closure of restaurants.

Councilmember Schroeder stated he felt businesses should be allowed to have up to 50 people in a building until 11:59pm this evening.

Mayor Pro Tem Blakemore stated, since the ordinance had already been enforced at 10 individuals, the City should be consistent and keep it at a maximum of 10. Councilmembers O'Neal and Schurig concurred with Mayor Pro Tem Blakemore.

**ACTION: Item 1**

**EMERGENCY DECLARATION**

Mayor Pro Tem Blakemore moved to leave the emergency declaration the same. Councilmember Schurig seconded the motion. Mayor Kacir called for a roll call vote. For: Blakemore, Schurig, O'Neal and Kacir. Against: Schroeder. The motion passed 4 to 1.

**ADJOURN**

The meeting was adjourned at 2:59 p.m.

Approved this 9<sup>th</sup> day of April 2020.

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Connie Kacir, Mayor

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Kristi Gilbert, Interim City Secretary

DRAFT

## COUNCIL AGENDA ITEM BRIEFING DATA



## AGENDA ITEM

**Absences**-Approval of any council absences for the second quarter of fiscal year 2019-20

**DATE:** April 9, 2020

### **TYPE AGENDA ITEM:**

Consent

### **BACKGROUND:**

Section 3.02 of the City of Gonzales Charter states that if the mayor or any councilmember shall be absent from three consecutive regularly scheduled meetings, special meetings or council workshop meetings without valid excuse, the city council must at its next regular meeting declare a vacancy to exist and shall fill said vacancy as set forth in [Section 3.06](#) of this charter.

The Charter is not specific as to what constitutes a valid excuse. Only the City Council as a body may judge the validity of an absence by a member of the City Council. As such, absences will be brought for the City Council as a consent agenda item along with the reason provided for the absence, and a presumption that the absence is excused. Council may remove the item from consent for further discussion, debate and individual consideration of an absence if deemed merited. In the absence of such, the absence will be deemed excused upon approval of the consent agenda.

Below are the meetings conducted in the second quarter of fiscal year 2019-20.

Regular Meeting – January 9, 2020 – no absences

Called Meeting – January 23, 2020 – Bobby O’Neal (working out of town)

Regular Meeting – February 13, 2020 – no absences

Regular Meeting – March 12, 2020 – no absences

Called Meeting – March 16, 2020 – no absences

Emergency Meeting – March 20, 2020 – no absences

### **POLICY CONSIDERATIONS:**

N/A

### **FISCAL IMPACT:**

N/A

### **ATTACHMENTS:**

N/A

### **STAFF RECOMMENDATION:**

Staff respectfully recommends the council take the action they deem necessary.

## **COUNCIL AGENDA ITEM BRIEFING DATA**



## **AGENDA ITEM**

Discuss, Consider & Possible Action on Resolution #2020-36 Declaring Certain City Property Surplus and Authorizing the Sale and/or Donation of Said Property in the manner most advantageous to the City of Gonzales

**DATE: April 9, 2020**

### **TYPE AGENDA ITEM:**

Consent

### **BACKGROUND:**

In 2013 the Council approved a policy whereby the Council would declare property that staff determined to be of no further use to the City to be surplus. The policy also states that Council will recommend the disposal method of the property.

The attached properties listed have been determined to no longer have a use for the City of Gonzales and staff respectfully requests it to be declared surplus.

### **POLICY CONSIDERATIONS:**

Approval of this resolution would be consistent with the policy approved in 2013.

### **FISCAL IMPACT:**

The dollar amount that the surplus property is sold for will increase the general fund revenues.

### **STAFF RECOMMENDATION:**

Staff respectfully recommends the approval of this resolution.

**RESOLUTION NO. 2020-36**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GONZALES, TEXAS DECLARING CERTAIN CITY PROPERTY SURPLUS AND AUTHORIZING THE SALE AND DONATION OF SAID PROPERTY IN THE MANNER MOST ADVANTAGEOUS TO THE CITY OF GONZALES; AND ESTABLISHING AN EFFECTIVE DATE.**

**WHEREAS**, in 2013 the Council approved a policy whereby the Council would declare property that staff determined to be of no further use to the City to be surplus; and,

**WHEREAS**, the policy states that Council will recommend the disposal method of the property; and

**WHEREAS**, the attached properties listed have been determined to no longer have a use for the City of Gonzales and staff respectfully requests it to be declared surplus; and

**WHEREAS**, the surplus property identified in Exhibit “A” are law enforcement radios that will be sold back to companies or donated to local law enforcement regulations in in a manner in which to be the most advantageous to the City of Gonzales.

**WHEREAS**, the surplus vehicles identified in Exhibit “B” will be sold via governmental auction in a manner in which to be the most advantageous to the City of Gonzales.

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

**Section 1.** That the recitals contain in the preamble hereto are hereby found to be true and such recitals are hereby made a part of this Ordinance for all purposes and are adopted as a part of the judgment and findings of the Council.

**Section 2.** The City Council of the City of Gonzales, Texas hereby declares the attached Exhibit A as surplus property and authorizes the sale or donation of said property in accordance with the forgoing legislative findings.

**Section 3.** The City Council of the City of Gonzales, Texas hereby declares the attached Exhibit B as surplus property and authorizes the sale of said property in accordance with the forgoing legislative findings.

**Section 3.** The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the City Council.

**Section 4.** That it is officially found, determined and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this ordinance, was given, all as required by Chapter 551, as amended, Texas Government Code.

**Section 5.** This Resolution shall be effective upon its approval.

**Section 6.** This Resolution shall not be construed to require or allow any act which is prohibited by an Ordinance.

**PASSED, APPROVED and ADOPTED by the City Council of the City of Gonzales, Texas, on this 9<sup>th</sup> day of April, 2020.**

**CITY OF GONZALES**

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Connie Kacir, Mayor

ATTEST:

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Kristi Gilbert, Interim City Secretary

**EXHIBIT "A"**

**Radio's**

**Radio's**

**Motorola MT500**

NLN4184A

NLN8367A

P80F6N

NLN5827A

CC3541

ONE LAPEL

8 BASES

**Kenwood**

TK-250 60900060

TK-250 71201249

TK-250 80200400

2 Base Units

**Motorola XTS 1500**

687CJH1935 W/MIC

687CJH1936 W/MIC

687CJH1938 W/MIC

687CKP3717 W/MIC

687CJR4102 W/MIC

Radio's

687CLF0409 W/MIC

687CPP0888 W/MIC

687CPP0889 W/MIC

687CJH1929 W/MIC

687CNZ2269 W/MIC

687CNZ2268

687CJH1934

687CKP3716

687CKP3718

687CKP3719

687CJH1931

11 Base Chargers

3 Lapels

Motorola XTS 2500

407CFR0010

Motorola Radius P1225

475VDS0214

**EXHIBIT "B"**

**Units**

**Chevy Caprice's**

**2012 Vin # 6G1MK5U21CL611450**

**2012 Vin # 6G1MK5U27CL608620**

## **COUNCIL AGENDA ITEM BRIEFING DATA**



## **AGENDA ITEM**

Discuss, Consider & Possible Action on Resolution #2020-37 Affirming the City of Gonzales does not Discriminate in the Provision of any Program Based on the Race, Color, National Origin, Age, Religion, Gender, Handicap Status, Veteran Status or Any Other Protected Status.

**DATE: April 9, 2020**

### **TYPE AGENDA ITEM:**

Consent

### **BACKGROUND:**

In August of 2017, the City of Gonzales suffered damage to wastewater lines as a result of Hurricane Harvey. The State of Texas General Land Office (GLO) through the Golden Crescent Council of Governments allocated \$852,300 in CDBG – DR (Disaster Recovery Funding) to the City of Gonzales for infrastructure improvements as a result of disaster declaration DR-4332-2017. Public comment was taken on this application from July 1, 2019 – July 31, 2019 and any comments and responses are incorporated into the grant application. The grant application was due to the General Land Office by August 31, 2019. At the December 12, 2019, the City Council amended the resolution authorizing the application to include the dollar amount of the city's contribution, which is \$69,756.00 out of the Wastewater Department.

On February 10, 2020, the City was awarded the CDBG-DR grant through the GLO. Approval of the resolution is required as part of the grant award.

### **POLICY CONSIDERATIONS:**

This is consistent with current policy.

### **FISCAL IMPACT:**

There will be an expenditure of \$69,756.00 that will be funded out of the Wastewater Department.

### **ATTACHMENTS:**

[Citizen Participation Plan \(separate cover\)](#)

[Use of Force Policy \(separate cover\)](#)

[Personnel Policy \(separate cover\)](#)

### **STAFF RECOMMENDATION:**

Staff respectfully recommends the approval of this Resolution.

**RESOLUTION NO. 2020-37**

**A RESOLUTION OF THE CITY OF GONZALES, TEXAS, AFFIRMING CONCURRENCE WITH TITLE VI OF THE CIVIL RIGHTS ACT OF 1964; 24 C.F.R. Part 1, "NONDISCRIMINATION IN FEDERALLY ASSISTED PROGRAMS OF THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT"; TITLE VII OF THE CIVIL RIGHTS ACT OF 1964, AS AMENDED BY THE EQUAL EMPLOYMENT OPPORTUNITY ACT OF 1972; Title VIII OF THE CIVIL RIGHTS ACT OF 1968, "THE FAIR HOUSING ACT OF 1968", AS AMENDED; EXECUTIVE ORDER 11063, AS AMENDED BY EXECUTIVE ORDER 12259, AND 24 C. F.R. Part 107, "NONDISCRIMINATION AND EQUAL OPPORTUNITY IN HOUSING UNDER EXECUTIVE ORDER 11063"; THE AGE DISCRIMINATION ACT OF 1975; SECTION 504 OF THE REHABILITATION ACT OF 1973, AND AMERICANS WITH DISABILITIES ACT OF 1990 (ADA), INCLUDING THE ADA AMENDMENTS ACT OF 2008 ; THE ARCHITECTURAL BARRIERS ACT OF 1968, INCLUDING THE USE OF A TELECOMMUNICATIONS DEVICE FOR PERSONS WHO ARE DEAF (TDDs) OR AN EQUALLY EFFECTIVE COMMUNICATION SYSTEM; SECTION 3 OF THE HOUSING AND URBAN DEVELOPMENT ACT OF 1968; THE CITY OF GONZALES "USE OF FORCE POLICY"; AND FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW**

**WHEREAS,** the City of Gonzales has received Community Development Block Grant Disaster Recovery (CDBG-DR) award through the Texas General Land Office (GLO) to provide wastewater line improvements; and

**WHEREAS,** the City of Gonzales affirms that it does not discriminate in the provision of any program based on the race, color, national origin, age, religion, gender, handicap status, veteran status, or any other protected status, of any individual; and

**WHEREAS,** the City of Gonzales has adopted a Citizen Participation Plan (attached) for soliciting and receiving resident input on federally assisted programs; and

**WHEREAS,** the City of Gonzales has adopted a "Use of Force Policy" (attached) establishing procedures whereby the City of Gonzales Police Department will use only the force necessary to achieve lawful objectives; and

**WHEREAS,** the City of Gonzales has adopted Personnel Policies (attached), that affirm that the City has and will continue to provide equal employment opportunity to all qualified persons and reaffirms its commitment that there shall be no discrimination against, or harassment of, applicants or employees because of race, color, sex, religion, national origin, age, genetic information, disability, veteran status or any other protected status.

**WHEREAS,** the City of Gonzales affirms when work is to be performed under a Section-3 applicable contract, to the greatest extent feasible, opportunities for training and

employment will be given lower income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in the area or owned in substantial part by persons residing in the area of the project, per the Section 3 Plan (attached); and

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GONZALES, TEXAS, AS FOLLOWS:**

**Section 1.** That the recitals contain in the preamble hereto are hereby found to be true and such recitals are hereby made a part of this Ordinance for all purposes and are adopted as a part of the judgment and findings of the Council.

**Section 2.** The City Council of the City of Gonzales hereby adopts the Section 3 Plan and authorizes the City Manager to enforce all certifications and assurances arising from this Plan; and

**Section 3.** The City Council of the City of Gonzales affirms the civil rights of all residents and directs and designates City Manager as the City's Authorized Representative to act in all matters in connection with the aforementioned policies; and

**Section 4.** That it is officially found, determined and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this ordinance, was given, all as required by Chapter 551, as amended, Texas Government Code.

**Section 5.** This Resolution shall be effective upon its approval.

**Section 6.** This Resolution shall not be construed to require or allow any act which is prohibited by an Ordinance.

**PASSED, APPROVED and ADOPTED by the City Council of the City of Gonzales, Texas, on this 9<sup>th</sup> day of April, 2020.**

**CITY OF GONZALES**

\_\_\_\_\_  
Connie Kacir, Mayor

ATTEST:

\_\_\_\_\_  
Kristi Gilbert, Interim City Secretary

## **COUNCIL AGENDA ITEM BRIEFING DATA**



## **AGENDA ITEM**

Discuss, Consider & Possible Action on Resolution #2020-38 Authorizing Designated Signators for Contractual and Financial Documents for the Texas General Land Office Community Development Block Grant Disaster Recovery Program.

**DATE: April 9, 2020**

### **TYPE AGENDA ITEM:**

Consent

### **BACKGROUND:**

In August of 2017, the City of Gonzales suffered damage to wastewater lines as a result of Hurricane Harvey. The State of Texas General Land Office (GLO) through the Golden Crescent Council of Governments allocated \$852,300 in CDBG – DR (Disaster Recovery Funding) to the City of Gonzales for infrastructure improvements as a result of disaster declaration DR-4332-2017. Public comment was taken on this application from July 1, 2019 – July 31, 2019 and any comments and responses are incorporated into the grant application. The grant application was due to the General Land Office by August 31, 2019. At the December 12, 2019, the City Council amended the resolution authorizing the application to include the dollar amount of the city's contribution, which is \$69,756.00 out of the Wastewater Department.

On February 10, 2020, the City was awarded the CDBG-DR grant through the GLO. Approval of the resolution is required as part of the grant award.

### **POLICY CONSIDERATIONS:**

This is consistent with current policy.

### **FISCAL IMPACT:**

There will be an expenditure of \$69,756.00 that will be funded out of the Wastewater Department.

### **ATTACHMENTS:**

N/A

### **STAFF RECOMMENDATION:**

Staff respectfully recommends the approval of this Resolution.

**RESOLUTION NO. 2020-38**

**A RESOLUTION OF THE CITY OF GONZALES, TEXAS, AUTHORIZING DESIGNATED SIGNATORS FOR CONTRACTUAL AND FINANCIAL DOCUMENTS FOR THE TEXAS GENERAL LAND OFFICE (GLO) COMMUNITY DEVELOPMENT BLOCK GRANT DISASTER RECOVERY (CDBG-DR) PROGRAM CONTRACT 20-065-075-C203; DESIGNATING THE CITY MANAGER AS THE CITY'S AUTHORIZED REPRESENTATIVE TO ACT IN ALL MATTERS IN CONNECTION WITH SAID GRANT; AND FINDING AND DETERMINING THAT THE MEETIN AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW**

**WHEREAS,** the City of Gonzales has received Community Development Block Grant Disaster Recovery (CDBG-DR) award through the Texas General Land Office (GLO) to provide wastewater line improvements; and

**WHEREAS,** it is necessary to appoint persons to execute contractual and financial documents to request funds from the GLO; and

**WHEREAS,** an original signed copy of the Depository/Authorized Signatories Designation Form is to be submitted with a copy of this Resolution; and

**WHEREAS,** the City of Gonzales acknowledges that in the event that an authorized signatory of the City changes (elections, illness, resignations etc), the City must provide the GLO with the following: (1) a Resolution stating the new authorized signatory (not required if this Resolution states only the title and not the name of the signatory) (2) a revised Depository/Authorized Signatories Designation Form.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GONZALES, TEXAS, AS FOLLOWS:**

Section 1. That the recitals contain in the preamble hereto are hereby found to be true and such recitals are hereby made a part of this Ordinance for all purposes and are adopted as a part of the judgment and findings of the Council.

Section 2. The City Council of the City of Gonzales hereby authorizes the Mayor and City Manager to execute contractual documents between the Texas General Land Office and City for the Community Development Block Grant Disaster Recovery (CDBG-DR) Program project.

Section 3. The City Council of the City of Gonzales hereby authorizes the City Manager and Finance Director to execute all financial documents required for the requesting of funds approved in the GLO CDBG-DR Program project.

Section 4. The City Council directs and directs and designates City Manager as the City's Authorized Representative to act in all matters in connection with the GLO CDBG-DR Program contract 20-065-075-C203.

Section 5. That it is officially found, determined and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this ordinance, was given, all as required by Chapter 551, as amended, Texas Government Code.

Section 6. This Resolution shall be effective upon its approval.

Section 7. This Resolution shall not be construed to require or allow any act which is prohibited by an Ordinance.

**PASSED, APPROVED and ADOPTED by the City Council of the City of Gonzales, Texas, on this 9<sup>th</sup> day of April 2020.**

**CITY OF GONZALES**

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Connie Kacir, Mayor

**ATTEST:**

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Kristi Gilbert, Interim City Secretary

## **COUNCIL AGENDA ITEM BRIEFING DATA**



## **AGENDA ITEM**

Discuss, Consider & Possible Action  
Approving Resolution #2020-39 Accepting the  
Proposals and Awarding the Contract for the  
roof replacement and repairs at Gonzales  
Memorial Museum and Amphitheatre to  
RYCARS Construction

**DATE: April 9, 2020**

### **TYPE AGENDA ITEM:**

Resolution

### **BACKGROUND:**

On January 16, 2020, City staff requested permission to issue a Request for Proposals for roof replacement and repairs at the Gonzales Memorial Museum and Amphitheatre. The RFP was advertised for two consecutive weeks beginning on January 23, 2020 with a mandatory pre bid conference to be held January 30, 2020 at 9:00 am at the Gonzales Memorial Museum, there were 10 roofing companies present with staff. The proposals were due February 13, 2020 by 2:00 pm. There were seven proposals received by RYCARS Construction, Rain Seal Master Roofing & Sheet Metal, Bravo Roofing, Atrium Roofing, American Roofing & Metal Co., Inc. L.D. Tebben Company, Inc., Advantage USAA, Inc. The low bidder was RYCARS Construction, LLC with a base bid of \$99,250.00

### **POLICY CONSIDERATIONS:**

This is consistent with what has been done in the past.

### **FISCAL IMPACT:**

The fiscal impact if City Council chooses the lowest bid the City of Gonzales received for the repair/replacement of the Museum and Amphitheatre roof would be \$99,250.00. When the budget was adopted, the City had budgeted \$55,000.00 in Capital Improvements GL account 100-7-660.640, \$20,000.00 in Hotel/Motel GL account 500-7-811.526, and \$6,000.00 in Museum Restricted GL account 500-7-812.640. The City also budgeted revenue in the amount of \$30,000.00 for the Texas Historical Commission Texas Preservation Trust Fund Grant Award that the City received for replacing the roof on the Museum and Amphitheatre. The total amount of expenditures that were budgeted was \$81,000 and the revenue for the grant was \$30,000. Since the bid came in higher than what was budgeted for the expense, a budget amendment is being presented at this meeting under a separate item to increase the Capital Improvements GL account 100-7-660.640 by \$18,250 (\$99,250-\$81,000). This amount will come from the fund balance of the General Fund.

### **ATTACHMENTS:**

Pre-bid meeting guest list and sign in sheet, bid evaluation and summary

### **STAFF RECOMMENDATION:**

Staff respectfully recommends awarding the contract to the lowest qualified bidder.

**RESOLUTION NO. 2020-39**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GONZALES, TEXAS ACCEPTING THE PROPOSALS AND AWARDING THE CONTRACT FOR THE ROOF REPLACEMENT FOR THE GONZALES MEMORIAL TO RYCARS CONSTRUCTION, LLC; AND ESTABLISHING AN EFFECTIVE DATE.**

**WHEREAS**, the Capital Improvement Plan for Fiscal Year Budget 2019-2020 included \$55,000 from the Capital Improvements account, \$20,000 from the Hotel/Motel account, \$6,000 in the Museum Restricted account for the roof replacement to be competitively bid as per Chapter 252 of the Local Government Code; and,

**WHEREAS**, the City was awarded a \$30,000 Texas Historical Commission Texas Preservation Trust Fund Grant for the roof replacement; and

**WHEREAS**, a budget amendment to increase the Capital Improvements GL expenditures by \$18,250 will be necessary to complete the project; and

**WHEREAS**, the advertisements for the Request for Proposals were published in the newspaper for two consecutive weeks beginning January 23, 2020; and,

**WHEREAS**, the proposals were due to be received by the City of Gonzales on February 13, 2020 at 2:00 p.m.; and,

**WHEREAS**, proposals were received from seven companies including RYCARS Construction, LLC, by the due date published; and,

**WHEREAS**, Local Government Code Section 252.043(a) states that the if the competitive bidding requirement applies to the contract for goods or services, the contract must be awarded to the lowest responsible bidder or to the bidder who provides goods and services at the best value for the municipality; and,

**WHEREAS**, the City evaluated the proposals and recommends awarding the contract to RYCARS Construction, LLC who is the lowest responsible bidder with a base bid amount of \$99,250.00; and,

**WHEREAS**, the City Council finds that entering into an agreement for the roof replacement for the Gonzales Memorial Museum is in the best interest of the City and its citizens and will further promote the public health, safety, and general welfare of the City.

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

Section 1. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the City Council.

Section 2. The City Council of the City of Gonzales hereby awards the contract for the Gonzales Memorial Museum Roof Replacement Project to RYCARS Construction, LLC and authorizes the City Manager to execute the agreement.

Section 3. That it is officially found, determined and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this ordinance, was given, all as required by Chapter 551, as amended, Texas Government Code.

Section 4. This Resolution shall be effective upon its approval.

Section 5. This Resolution shall not be construed to require or allow any act which is prohibited by an Ordinance.

**PASSED AND APPROVED this 9<sup>th</sup> day of April, 2020.**

**CITY OF GONZALES**

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Mayor, Connie L. Kacir

ATTEST:

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Kristi Gilbert, Interim City Secretary

## **COUNCIL AGENDA ITEM BRIEFING DATA**



## **AGENDA ITEM**

Conduct second reading of a resolution and action on a resolution authorizing certain financial assistance up to \$500,000.00 by the GEDC to be used as a line of credit or other financial assistance for businesses located within the City of Gonzales, Texas.

**DATE: April 9, 2020**

### **TYPE AGENDA ITEM:**

Resolution

### **BACKGROUND:**

At the March 25, 2020 Emergency Council Meeting the City Council conducted the first of two readings of a resolution authorizing certain financial assistance up to \$500,000 by the Gonzales Economic Development Corporation (GEDC) to be used as a line of credit or other financial assistance for businesses located within the City of Gonzales. The GEDC held a special called meeting on March 30, 2020 to consider the City Council's request and authorized a maximum of \$500,000 to be allocated and appointed a committee to determine the rules and process for seeking loans or grants. The GEDC is scheduled to hold another meeting on Monday, April 6, 2020 to discuss items related to the project.

### **POLICY CONSIDERATIONS:**

This item is brought forth at the request of the City Council.

### **FISCAL IMPACT:**

Currently, the \$500,000 is planned to be funded by the GEDC.

### **STAFF RECOMMENDATION:**

This is a second reading of the resolution.

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GONZALES, TEXAS, APPROVING A TYPE B ECONOMIC DEVELOPMENT PROJECT AUTHORIZED BY SECTION 505.158 OF THE TEXAS LOCAL GOVERNMENT CODE, AUTHORIZING CERTAIN FINANCIAL ASSISTANCE UP TO \$500,000.00 AS A LINE OF CREDIT OR OTHER FORM OF FINANCIAL ASSISTANCE TO BE USED FOR BUSINESSES LOCATED WITHIN THE CITY OF GONZALES, TEXAS; AND PROVIDING FOR AN IMMEDIATE EFFECTIVE DATE.**

**WHEREAS**, on March 13, 2020, the President of the United States declared the COVID-19 outbreak a national health emergency beginning on March 1, 2020; and

**WHEREAS**, on March 13, 2020, the Governor of the State of Texas declared a state of disaster for all counties in Texas in response to the COVID-19 outbreak; and

**WHEREAS**, the Gonzales Economic Development Corporation (hereinafter referred to as the “GEDC”) is a Type B Economic development corporation, created pursuant to Chapter 505 of the Texas Local Government Code, as amended; and

**WHEREAS**, Section 505.158 of the Texas Local Government Code provides that “[f]or a Type B corporation authorized to be created by a municipality with a population of 20,000 or less, “project” also includes the land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements found by the corporation’s board of directors to promote new or expanded business development.” Further, the statute provides that “[a] Type B corporation may not undertake a project authorized by this section that requires an expenditure of more than \$10,000 until the governing body of the corporation’s authorizing municipality adopts a resolution authorizing the project after giving the resolution at least two separate readings”; and

**WHEREAS**, the City Council of the City of Gonzales, Texas, finds and determines that providing a line of credit or other form of financial assistance in an amount not to exceed **Five Hundred Thousand and No/100 Dollars (\$500,000.00)** for businesses located within the City of Gonzales, Texas, is consistent with and meets the definition of “project” as that term is defined in Section 505.158 of the Act; and the definition of “cost” as that term is defined by Section 501.152 of the Act; and

**WHEREAS**, the City Council of the City of Gonzales, Texas, finds and determines that providing a line of credit or other form of financial assistance in an amount not to exceed **Five Hundred Thousand and No/100 Dollars (\$500,000.00)** for businesses located within the City of Gonzales, Texas, is consistent with Act, nonetheless the GEDC must still following the requirements of the Act including the following: the public hearing requirement mandated by Section 505.159 of the Act; the 60-day wait requirement pursuant to Section 505.160 of the Act; and the performance agreement requirement required by Section 501.158 of the Act, unless said requirements are subsequently waived or suspended by the Governor of the State of Texas due to the COVID-19 outbreak.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GONZALES, TEXAS, AS FOLLOWS:**

**Section 1.** That the foregoing recitals are hereby found to be true and correct findings of the City of Gonzales, Texas, and are fully incorporated into the body of this Resolution.

**Section 2.** That the City Council of the City of Gonzales, Texas, finds and determines that providing a line of credit or other form of financial assistance in an amount not to exceed **Five Hundred Thousand and No/100 Dollars (\$500,000.00)** for businesses located within the City of Gonzales, Texas, will promote new and expanded business development, and is otherwise consistent with Section 505.158 of the Texas Local Government Code.

**Section 3.** The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the City Council.

**Section 4.** That it is officially found, determined and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.

**Section 5.** This Resolution shall be effective upon its approval.

**Section 6.** This Resolution shall not be construed to require or allow any act which is prohibited by an Ordinance.

**PASSED, APPROVED and ADOPTED by the City Council of the City of Gonzales, Texas, on this 9<sup>th</sup> day of April, 2020.**

**CITY OF GONZALES**

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Connie Kacir, Mayor

ATTEST:

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Kristi Gilbert, Interim City Secretary

## **COUNCIL AGENDA ITEM BRIEFING DATA**



## **AGENDA ITEM**

Discuss, Consider & Possible Action  
Approving Resolution #2020-40 Appointing a  
Board Member to the Gonzales Economic  
Development Corporation

**DATE: April 9, 2020**

### **TYPE AGENDA ITEM:**

Resolution

### **BACKGROUND:**

As per the Charter the City Council shall have the power to appoint the members of all boards and commissions. Such boards and commissions shall have all powers and duties created by the charter, by city ordinance or by law.

Mr. Dewey Smith was originally appointed to the EDC in 2016 and was most recently reappointed for a two-year term commencing on October 1, 2019. His current term ends September 30, 2021. Mr. Smith submitted his resignation effective immediately on April 9, 2020, leaving one vacancy on the EDC. Attached under separate cover are applications received last fiscal year from interested individuals.

### **POLICY CONSIDERATIONS:**

This is consistent with past operations.

### **FISCAL IMPACT:**

N/A

### **STAFF RECOMMENDATION:**

Staff respectfully requests City Council action deemed appropriate

**RESOLUTION NO. 2020-40**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GONZALES, TEXAS APPOINTING A BOARD MEMBER TO THE GONZALES ECONOMIC DEVELOPMENT CORPORATION; ESTABLISHING AN EFFECTIVE DATE.**

**WHEREAS**, the City Council shall have the power to appoint the members of all boards and commissions; and,

**WHEREAS**, the boards and commissions shall have all powers and duties created by the charter, city ordinance or by law; and,

**WHEREAS**, on December 12, 2019 the City Council reappointed Dewey Smith to the Gonzales Economic Development Corporation for a two-year term ending September 30, 2021; and,

**WHEREAS**, on March 20, 2020 Mr. Dewey Smith resigned from the Economic Development Corporation effective immediately; and,

**WHEREAS**, the City Council hereby appoints \_\_\_\_\_to the Gonzales Economic Development Corporation filling an unexpired term ending on September 30, 2021.

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

Section 1. The City Council of the City of Gonzales, Texas hereby appoints \_\_\_\_\_ to the Gonzales Economic Development Corporation filling an unexpired term ending on September 30, 2021.

Section 2. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the City Council.

Section 3. All resolutions or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 4. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 5. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this Resolution would have been enacted without such invalid provision.

Section 6. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, Texas Government Code, as amended.

Section 7. This Resolution shall be in force and effect from and after its final passage, and it is so resolved.

**PASSED AND APPROVED this 9<sup>th</sup> day of April, 2020.**

**CITY OF GONZALES, TEXAS**

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Mayor, Connie L. Kacir

ATTEST:

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Kristi Gilbert, Interim City Secretary

## **COUNCIL AGENDA ITEM BRIEFING DATA**



## **AGENDA ITEM**

Discuss, Consider & Possible Action on  
**Resolution #2020-41** Denying Texas Gas Service  
Company's Requested Rate Increase.

**DATE: April 9, 2020**

### **TYPE AGENDA ITEM:**

Consent

### **BACKGROUND:**

From the Staff Report law firm representing the Central Texas Service Area Cities:

On December 20, 2019, Texas Gas Service Company, a Division of ONE Gas, Inc., ("TGS" or "Company"), pursuant to Gas Utility Regulatory Act § 104.102, filed its Statement of Intent to change gas rates in all municipalities exercising original jurisdiction within the City of Beaumont, the Central Texas Service Area, and Gulf Coast Service Area and to consolidate these Service Areas into the proposed Central-Gulf Coast Service Area, effective February 6, 2020.

In a prior City action, TGS's rate request was suspended from taking effect for 90 days, the fullest extent permissible under the law, until May 6, 2020. This time period has permitted the City, through its participation in the CTSA Cities and GCSA Cities, to determine that the proposed rate increase and consolidation are unreasonable. Consistent with the recommendations of experts engaged by CTSA Cities and GCSA Cities, TGS's request for a rate increase and consolidation of service areas should be denied.

Accordingly, the purpose of the Resolution is to deny the rate change application proposed by TGS.

### **Explanation of "Be It Resolved" Sections:**

Section 2. This section finds that the Company's application is unreasonable and should be denied.

Section 3. This section requires TGS to maintain its existing rates within the City.

Section 4. This section states that City's reasonable rate case expenses, through the CTSA Cities and GCSA Cities, shall be reimbursed by TGS within 30 days of presentation of an invoice to TGS.

Section 5. This section provides that the City will notify counsel for TGS and counsel for CTSA Cities and GCSA Cities of the City's action by sending a copy of the approved and signed Resolution to each counsel.

Section 6. This section recites that the Resolution was passed at a meeting that was open to the public and that the consideration of the Resolution was properly noticed.

**POLICY CONSIDERATIONS:**

This is consistent with current policy.

**ATTACHMENTS:**

N/A

**STAFF RECOMMENDATION:**

Staff respectfully recommends the approval of this Resolution.

**RESOLUTION NO. 2020-41**

**RESOLUTION OF THE CITY OF GONZALES, TEXAS DENYING TEXAS GAS SERVICE COMPANY'S REQUESTED RATE INCREASE; REQUIRING THE COMPANY TO REIMBURSE THE CITY'S REASONABLE RATEMAKING EXPENSES; FINDING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW; REQUIRING NOTICE OF THIS RESOLUTION TO THE COMPANY AND THE CITY'S LEGAL COUNSEL**

**WHEREAS**, the City of Gonzales, Texas ("City") is a gas utility customer of Texas Gas Service Company, a Division of ONE Gas, Inc., ("TGS" or "Company"), and is a regulatory authority under the Gas Utility Regulatory Act ("GURA"), and under Chapter 104, § 104.001 et seq. of GURA has exclusive original jurisdiction over TGS's rates, operations, and services within the City; and

**WHEREAS**, the City cooperated with a coalition of similarly situated cities served by the Company that have joined together to facilitate the review and response to natural gas issues affecting rates charged in TGS's Central Texas Service Area and Gulf Coast Service Area ("CTSA Cities" and "GCSA Cities"); and

**WHEREAS**, on or about December 20, 2019, the Company filed a Statement of Intent with the City to increase rates in all municipalities exercising original jurisdiction within the City of Beaumont, the Central Texas Service Area, and the Gulf Coast Service Area by \$15,670,445, and to consolidate these Service Areas into the proposed Central-Gulf Coast Service Area; and

**WHEREAS**, TGS proposed February 6, 2020 as the effective date for its requested increase in rates; and

**WHEREAS**, the City passed resolution No. 2020-09 to suspend the effective date of TGS's requested rate increase for the maximum period allowed by law, until May 6, 2020; and

**WHEREAS**, the CTSA Cities and GCSA Cities hired and directed legal counsel and consultants to prepare a common response to the Company's requested system-wide rate increase and proposed consolidation of service areas, which resulted in a conclusion that TGS's rates are not reasonable, the proposed consolidation of services areas is not reasonable, and a recommendation that the rate request and consolidation be denied; and

**WHEREAS**, the GURA § 103.022 provides that costs incurred by CTSA Cities and GCSA Cities in ratemaking activities are to be reimbursed by the regulated utility.

**THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GONZALES, TEXAS:**

**Section 1.** That the recitals contain in the preamble hereto are hereby found to be true and such recitals are hereby made a part of this Ordinance for all purposes and are adopted as a part of the judgment and findings of the Council.

**Section 2.** That the rates proposed by TGS to be recovered through its gas rates charged to customers located within the City limits are hereby found to be unreasonable and shall be denied.

**Section 3.** That the Company shall continue to charge its existing rates to customers within the City and that said existing rates are reasonable.

**Section 4.** That the City's reasonable rate case expenses shall be reimbursed by the Company.

**Section 5.** A copy of this Resolution shall be sent to TGS, care of Stephanie G. Houle, Texas Gas Service Company, Barton Skyway IV, 1301 S. Mopac, Suite 400, Austin, Texas 78746 (Stephanie.Houle@onegas.com), and to Thomas Brocato at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701 ([tbrocato@lglawfirm.com](mailto:tbrocato@lglawfirm.com)).

**Section 6.** That it is officially found, determined and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this ordinance, was given, all as required by Chapter 551, as amended, Texas Government Code.

**Section 7.** This Resolution shall be effective upon its approval.

**Section 8.** This Resolution shall not be construed to require or allow any act which is prohibited by an Ordinance.

**PASSED, APPROVED and ADOPTED by the City Council of the City of Gonzales, Texas, on this 9<sup>th</sup> day of April, 2020.**

**CITY OF GONZALES**

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Mayor, Connie L. Kacir

ATTEST:

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Kristi Gilbert, Interim City Secretary

# COUNCIL AGENDA ITEM BRIEFING DATA



## AGENDA ITEM

Discuss, Consider and Possible Action on Ordinance #2020-09 Authorizing Budget Amendments for the 2019-2020 Fiscal Year

**DATE: April 9, 2020**

### **TYPE AGENDA ITEM:**

Ordinance

### **BACKGROUND:**

On September 12, 2019 the City Council of the City of Gonzales Approved the Operating Budget for the City of Gonzales for the Fiscal Year Beginning October 1, 2019 and ending September 30, 2020.

#### **Budget Amendment #1**

The City Council of the City of Gonzales approved Resolution 2020-22 Authorizing Approval of the proposal from Mark Metzler Welding, LLC and to provide direction as to funding of Project in the amount of \$43,500.00. There is currently \$85,000 that was budgeted for this project in Vehicles/Equipment GL Account 100-7-105.608, but Council asked the Gonzales Main Street to take the funding request to the Gonzales Convention and Visitor Bureau to see if they could give any funding assistance for the custom stage. The Gonzales Convention and Visitor Bureau met on Thursday, February 20, 2020 and voted to pay for one-half of the stage. Staff is requesting a Budget Amendment in the amount of \$21,750 for Account #500-7-811.415 which is Hotel/Motel Taxes and will come from the fund balance of the Hotel/Motel Fund.

Main Street	500-7-811.415	\$21,750.00
Vehicles/Equipment	100-7-105.608	-\$21,750.00

#### **Budget Amendment #2**

The City Council of the City of Gonzales approved Resolution 2018-94 Accepting the Proposals and Authorizing the City Manager to Execute an Agreement for the Hydro Station Renovation. On that same day, City Council of the City of Gonzales Accepted the Proposals and Authorized the City Manager to Execute an Agreement for the Gonzales Hydro-Mechanical/Electrical Renovations. In addition to those Contracts, the City of Gonzales had to purchase a Raw Water Intake Pump, have a tree removed as per FERQ's request that was close to the Dam, and the purchase of miscellaneous parts and tools to get the hydro in working condition. The City of Gonzales is still incurring engineering fees while Schneider is working on fully getting the plant de-registered with ERCOT. Staff also felt that it was in the best interest of the City to have cameras installed at the Hydro which will cause the City to incur a monthly fee for internet access to the Hydro. Staff is requesting a Budget Amendment for several GL accounts and these

funds will come from the fund balance of the Electric Fund.

Special Contracts	210-7-809.411	\$ 400.00
Engineering	210-7-809.423	\$17,000.00
Capital Improvement	210-7-809.640	\$86,000.00
Internet Access	210-7-710.405	\$ 1,100.00

**Budget Amendment #3**

The City Council of the City of Gonzales approved Resolution 2020-33 Approving the Creation of Job Descriptions, Amending Position Classification and Amending the Annual Budget Personnel Request Summary to Include a Part-Time Hydro Plant Station Technician. The fiscal impact for that position will be no more than \$16,483.49 which includes taxes, unemployment and workers comp for a part time employee working no more than 1,000 hours a year. Staff is requesting a Budget Amendment for several GL accounts and these funds will come from the fund balance of the Electric Fund.

Part-Time Salaries	210-7-710.103	\$15,000.00
FICA	210-7-710.110	\$ 1,147.50
Unemployment	210-7-710.111	\$ 85.50
Workers Comp	210-7-710.113	\$ 250.49

**Budget Amendment #4**

When the 2019-2020 budget was adopted on September 12, 2019, there were no funds budgeted in the City Council Department for cell phones for City Council members. A few of the Council members have expressed interest in getting a City issued cell phone to be used for all City business. Staff is requesting a Budget Amendment for the following GL Account which will come from the fund balance of the General Fund.

Cell Phones	100-7-101.404	\$1,000.00
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**Budget Amendment #5**

City Staff requested proposals for roof replacement and repairs at the Gonzales Memorial Museum and Amphitheatre. They received seven proposals and the low bidder was RYCARS Construction, LLC with a base bid of \$99,250. The total amount of expenditures that were budgeted was \$81,000 and the revenue for the grant was \$30,000. Since the bid came in higher than what was budgeted for the expense, a budget amendment is being presented to increase the Capital Improvements GL account 100-7-660.640 by \$18,250 (\$99,250-\$81,000). This amount will come from the fund balance of the General Fund.

Capital Improvements	100-7-660.640	\$18,250.00
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**POLICY CONSIDERATIONS:**

Approval of these budget amendments is consistent with current policy.

**FISCAL IMPACT:**

This Ordinance will amend the budget.

**ATTACHMENTS:**

Please see Exhibit “A” for a listing of the budget amendments.

**STAFF RECOMMENDATION:**

Staff respectfully recommends the approval of this ordinance.

**ORDINANCE NO. 2020-09**

**AN ORDINANCE OF THE CITY OF GONZALES, TEXAS, APPROVING A BUDGET AMENDMENT TO THE OPERATING BUDGET FOR THE CITY OF GONZALES FOR FISCAL YEAR OCTOBER 1, 2019 AND ENDING SEPTEMBER 30, 2020; ESTABLISHING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, an annual operating budget for the fiscal year October 1, 2019 through September 30, 2020, was approved and adopted by the City Council on September 12, 2019; and,

**WHEREAS**, amendments to said budget have been deemed necessary as itemized in "Exhibit A" attached hereto and made a part hereof; and

**WHEREAS**, said full and final consideration of said budget amendments have been held in a legally posted public meeting of the City Council, and it is the consensus of opinion that the budget amendments as submitted, should be approved and adopted.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GONZALES, TEXAS:**

Section 1. The City Council of the City of Gonzales, Texas hereby amends the budget for the 2019-20 fiscal year as set forth in the Attached "Exhibit A", which is fully incorporated herein by reference.

Section 2. That this Ordinance shall be cumulative of all provisions of the City of Gonzales, Texas, except where the provisions of this Ordinance are in direct conflict with the provisions of such ordinances, in which event the more restrictive shall apply.

Section 3. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Ordinance for all purposes and are adopted as a part of the judgment and findings of the City Council.

Section 4. All ordinances or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters resolved herein.

Section 5. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 6. If any provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this Ordinance would have been enacted without such invalid provision.

Section 7. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Chapter 551, Texas Government Code, as amended.

Section 8. This Ordinance shall be in force and effect from and after its final passage, and it is so resolved.

**PASSED AND APPROVED this 9<sup>th</sup> day of April, 2020.**

---

Mayor, Connie L. Kacir

ATTEST:

---

Kristi Gilbert, Interim City Secretary

**EXHIBIT “A”**

**Budget Amendment #1**

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Capital Improvements	100-7-660.640	\$18,250.00
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## **COUNCIL AGENDA ITEM BRIEFING DATA**



## **AGENDA ITEM**

Discussion and possible action on an ordinance amending and possibly extending the public health emergency declaration regarding precautionary measures in reference to the COVID-19 virus.

**DATE: April 9, 2020**

### **TYPE AGENDA ITEM:**

Ordinance

### **BACKGROUND:**

On March 15, 2020 Mayor Kacir issued a disaster declaration in response to COVID-19 which was subsequently extended by the City Council at their March 16, 2020 Special meeting to April 9<sup>th</sup>. Since the March 16, 2020 meeting, President Trump, the Center for Disease Control and Prevention, Governor Abbott and the City Council have amended the disaster declarations for more restrictive measures. The most recent City Council action was taken on March 25, 2020 and Governor Abbott issued Executive Order GA-14 on March 31, 2020 extending the disaster declaration through April 30, 2020.

(Information current as of March 31, 2020)

### **POLICY CONSIDERATIONS:**

This item is being presented to council for their approval and to ensure transparency for the use of these funds.

### **FISCAL IMPACT:**

Unknown at this time.

### **ATTACHMENTS:**

Ordinance 20-08 Amending and Superseded the Prior Declaration of Local Disaster (adopted March 25, 2020)

Executive Order GA-14 Issued by Governor Abbott on March 31, 2020.

### **STAFF RECOMMENDATION:**

Staff respectfully recommends that City Council take the action they deem necessary.

**ORDINANCE 2020-08**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GONZALES AMENDING AND SUPERSEDING THE PRIOR DECLARATION OF LOCAL DISASTER; ESTABLISHING RULES AND REGULATIONS FOR THE DURATION OF THE DISASTER; ESTABLISHING ECONOMIC DEVELOPMENT PROGRAMS; RESTRICTING CERTAIN ACTIVITIES; ESTABLISHING PENALTIES FOR VIOLATIONS.**

**WHEREAS**, in December 2019 a novel coronavirus, now designated COVID-19, was detected in Wuhan City, Hubei Province, China. Symptoms of COVID-19 include fever, cough, and shortness of breath. Outcomes have ranged from mild to severe illness, and in some cases death; and

**WHEREAS**, on January 30, 2020, the World Health Organization Director General declared the outbreak of COVID-19 as a Public Health Emergency of International Concern (PHEIC), advising countries to prepare for the containment, detection, isolation and case management, contact tracing and prevention of onward spread of the disease; and

**WHEREAS**, on March 5, 2020, the World Health Organization Director General urged aggressive preparedness and activation of emergency plans to aggressively change the trajectory of this epidemic; and

**WHEREAS**, on March 11, 2020, the World Health Organization declared that the COVID-19 outbreak should be characterized as pandemic; and

**WHEREAS**, the Center for Disease Control and Prevention is closely monitoring the growing number of COVID-19 cases that have spread into the United States; and

**WHEREAS**, over 55,330 cases of COVID-19 have been reported in the United States, including 804 deaths; and

**WHEREAS**, President Trump declared a national emergency on March 13, 2020; and

**WHEREAS**, Governor Greg Abbott declared a public health disaster on March 13, 2020; and

**WHEREAS**, reports received as of March 24, 2020, report more than 803 cases in Texas, and 9 fatalities; and

**WHEREAS**, Covid-19 is more contagious than seasonal influenza once symptoms appear, it may be possible to control by testing widely and quickly isolating those who have the disease; and

**WHEREAS**, DSHS, the Texas Division of Emergency Management, and other state agencies continue their ongoing preparations so that all of state government is working together to limit the spread of the virus and protect Texans; and



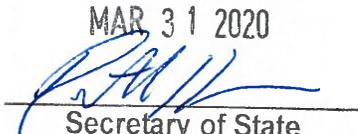
GOVERNOR GREG ABBOTT

March 31, 2020

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE

2 PM O'CLOCK

MAR 31 2020

  
Secretary of State

The Honorable Ruth R. Hughs  
Secretary of State  
State Capitol Room 1E.8  
Austin, Texas 78701

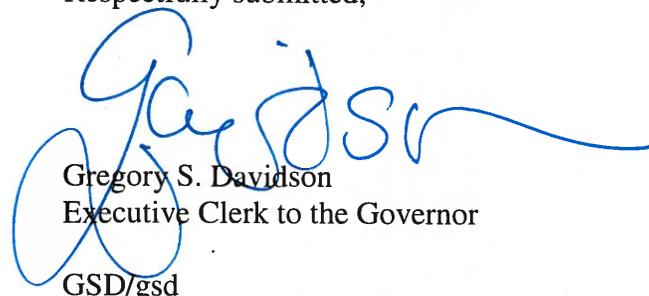
Dear Secretary Hughs:

Pursuant to his powers as Governor of the State of Texas, Greg Abbott has issued the following:

Executive Order No. GA-14 relating to statewide continuity of essential services  
and activities during the COVID-19 disaster.

The original executive order is attached to this letter of transmittal.

Respectfully submitted,

  
Gregory S. Davidson  
Executive Clerk to the Governor

GSD/gsd

Attachment

POST OFFICE BOX 12428 AUSTIN, TEXAS 78711 512-463-2000 (VOICE) DIAL 7-1-1 FOR RELAY SERVICES

# *CITY OF GONZALES FINANCIALS*

*April 9, 2020*

FINANCIAL REPORTS FOR FUNDS

CASH & INVESTMENT BY FUND

CITY OF GONZALES  
 FINANCIAL STATEMENT  
 AS OF: MARCH 31ST, 2020

100-GENERAL FUND

	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	% OF BUDGET	Y-T-D ENCUMB.	BUDGET BALANCE
<b>REVENUE SUMMARY</b>						
401-TAX REVENUE	2,731,386.00	166,654.67	1,721,253.90	63.02	0.00	1,010,132.10
402-FRANCHISE REVENUE	1,948,150.00	39,914.86	793,976.88	40.76	0.00	1,154,173.12
403-LICENSE/FEE/PERMITS	59,500.00	3,632.14	32,591.41	54.78	0.00	26,908.59
404-PARKS FEES REVENUE	193,850.00	22,818.65	84,835.33	43.76	0.00	109,014.67
405-MUNICIPAL COURT REVEN	116,932.00	8,284.90	32,326.11	27.65	0.00	84,605.89
406-MISCELLANEOUS REVENUE	763,852.00	366,110.82	465,548.57	60.95	0.00	298,303.43
407-STREET ASSESSMENT INC	0.00	0.00	0.00	0.00	0.00	0.00
408-INTEREST REVENUES	45,000.00	585.49	15,560.17	34.58	0.00	29,439.83
409-OTHER FINANCING REVEN	518,273.00	1,796.37	359,170.90	69.30	0.00	159,102.10
410-TRANSFERS	2,436,066.00	173,114.61	1,226,133.28	50.33	0.00	1,209,932.72
<b>*** TOTAL REVENUES ***</b>	<b>8,813,009.00</b>	<b>782,912.51</b>	<b>4,731,396.55</b>	<b>53.69</b>	<b>0.00</b>	<b>4,081,612.45</b>
<b>EXPENDITURE SUMMARY</b>						
101-CITY COUNCIL DEPARTME	87,359.00	9,401.00	38,825.39	44.44	0.00	48,533.61
102-CITY MANAGER DEPART	242,406.24	16,189.14	114,303.09	47.15	0.00	128,103.15
103-COMMUNITY DEVELOPMENT	236,666.36	15,322.28	88,002.01	37.18	0.00	148,664.35
104-NON-DEPARTMENTAL	776,632.00	26,809.70	210,210.40	27.23	1,290.75	565,130.85
105-MAIN STREET DEPARTMEN	177,226.12	10,370.21	53,473.81	30.17	0.00	123,752.31
106-ECONOMIC DEVELOPMENT	0.00	0.00	9.90	0.00	0.00	( 9.90)
107-BUILDING MAINTENANCE	227,722.36	13,973.50	95,552.98	41.96	0.00	132,169.38
108-CITY SECRETARY DEP	135,304.12	9,476.04	56,968.61	42.10	0.00	78,335.51
109-FINANCE DEPARTMENT	259,025.36	26,718.55	135,705.14	52.39	0.00	123,320.22
110-HOTEL/MOTEL	0.00	0.00	116.12	0.00	0.00	( 116.12)
201-PARKS DEPARTMENT	718,492.08	38,572.63	296,542.45	41.27	0.01	421,949.62
202-SWIMMING POOL DEPARTM	37,249.00	0.00	521.40	1.40	0.00	36,727.60
204-RECREATION DEPARTMENT	12,194.00	0.00	163.66	1.34	0.00	12,030.34
206-INDEPENDENCE GOLF CO	271,250.24	14,826.63	126,869.61	47.51	2,000.00	142,380.63
301-FIRE DEPARTMENT	1,535,368.20	68,282.39	823,222.42	53.77	2,348.10	709,797.68
501-POLICE DEPARTMENT	2,498,981.24	162,871.47	1,239,464.28	50.03	10,740.00	1,248,776.96
504-ANIMAL CONTROL DEPART	157,030.12	9,831.01	67,148.13	42.76	0.00	89,881.99
550-MUNICIPAL COURT DEPT.	188,836.24	6,242.21	56,723.20	30.04	0.00	132,113.04
602-AIRPORT DEPARTMENT	92,100.00	2,889.86	46,315.06	50.29	0.00	45,784.94
603-STREETS DEPARTMENT	929,778.86	35,000.81	422,276.69	71.08	238,644.04	268,858.13
650-LIBRARY DEPARTMENT	276,791.48	18,209.75	131,589.21	47.54	0.00	145,202.27
660-MUSEUM DEPARTMENT	144,695.12	4,974.24	43,736.26	30.23	0.00	100,958.86
<b>*** TOTAL EXPENDITURES ***</b>	<b>9,005,108.14</b>	<b>489,961.42</b>	<b>4,047,739.82</b>	<b>47.78</b>	<b>255,022.90</b>	<b>4,702,345.42</b>
<b>** REVENUES OVER(UNDER) EXPENDITURES **</b>	<b>( 192,099.14)</b>	<b>292,951.09</b>	<b>683,656.73</b>	<b>223.13-</b>	<b>( 255,022.90)</b>	<b>( 620,732.97)</b>

CITY OF GONZALES  
 FINANCIAL STATEMENT  
 AS OF: MARCH 31ST, 2020

203-JB WELLS PARK FUND

	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	% OF BUDGET	Y-T-D ENCUMB.	BUDGET BALANCE
<b>REVENUE SUMMARY</b>						
404-PARKS FEES REVENUE	643,143.00	31,685.00	212,190.10	32.99	0.00	430,952.90
406-MISCELLANEOUS REVENUE	7,968.00	0.00	0.00	0.00	0.00	7,968.00
<b>*** TOTAL REVENUES ***</b>	<b>651,111.00</b>	<b>31,685.00</b>	<b>212,190.10</b>	<b>32.59</b>	<b>0.00</b>	<b>438,920.90</b>
<b>EXPENDITURE SUMMARY</b>						
203-JB WELLS PARK	705,673.72	45,741.32	254,353.80	36.04	0.00	451,319.92
<b>*** TOTAL EXPENDITURES ***</b>	<b>705,673.72</b>	<b>45,741.32</b>	<b>254,353.80</b>	<b>36.04</b>	<b>0.00</b>	<b>451,319.92</b>
<b>** REVENUES OVER(UNDER) EXPENDITURES **</b>	<b>( 54,562.72)</b>	<b>( 14,056.32)</b>	<b>( 42,163.70)</b>	<b>77.28</b>	<b>0.00</b>	<b>( 12,399.02)</b>

CITY OF GONZALES  
 FINANCIAL STATEMENT  
 AS OF: MARCH 31ST, 2020

210-ELECTRIC FUND

	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	% OF BUDGET	Y-T-D ENCUMB.	BUDGET BALANCE
<b>REVENUE SUMMARY</b>						
710-ELECTRIC DEPARTMENT	10,939,850.00	709,455.22	4,745,027.81	43.37	0.00	6,194,822.19
750-REVENUE COLLECTION	221,727.00	64.49	102,425.01	46.19	0.00	119,301.99
809-HYDRO PLANT CONST.	100.00	0.00	85.84	85.84	0.00	14.16
<b>*** TOTAL REVENUES ***</b>	<b>11,161,677.00</b>	<b>709,519.71</b>	<b>4,847,538.66</b>	<b>43.43</b>	<b>0.00</b>	<b>6,314,138.34</b>
<b>EXPENDITURE SUMMARY</b>						
710-ELECTRIC DEPARTMENT	10,736,260.24	191,965.79	3,732,814.35	35.22	48,757.00	6,954,688.89
750-REVENUE COLLECTIONS	257,769.48	16,699.42	119,081.20	46.20	0.00	138,688.28
809-HYDRO PLANT CONST.	225,000.00	1,927.50	315,877.67	140.39	0.00	( 90,877.67)
<b>*** TOTAL EXPENDITURES ***</b>	<b>11,219,029.72</b>	<b>210,592.71</b>	<b>4,167,773.22</b>	<b>37.58</b>	<b>48,757.00</b>	<b>7,002,499.50</b>
<b>** REVENUES OVER(UNDER) EXPENDITURES **</b>	<b>( 57,352.72)</b>	<b>498,927.00</b>	<b>679,765.44</b>	<b>100.22-</b>	<b>( 48,757.00)</b>	<b>( 688,361.16)</b>

CITY OF GONZALES  
 FINANCIAL STATEMENT  
 AS OF: MARCH 31ST, 2020

220-WATER FUND

	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	% OF BUDGET	Y-T-D ENCUMB.	BUDGET BALANCE
REVENUE SUMMARY						
720-WATER PRODUCTION DEPT	2,166,600.00	143,258.58	971,950.56	44.86	0.00	1,194,649.44
*** TOTAL REVENUES ***	2,166,600.00	143,258.58	971,950.56	44.86	0.00	1,194,649.44
EXPENDITURE SUMMARY						
720-WATER PRODUCTION DEPT	2,151,712.60	77,619.37	903,736.27	42.77	16,632.96	1,231,343.37
722-SERIES 2011 DEBT SERV	0.00	0.00	0.00	0.00	0.00	0.00
*** TOTAL EXPENDITURES ***	2,151,712.60	77,619.37	903,736.27	42.77	16,632.96	1,231,343.37
** REVENUES OVER (UNDER) EXPENDITURES **	14,887.40	65,639.21	68,214.29	346.48	( 16,632.96)	( 36,693.93)

CITY OF GONZALES  
 FINANCIAL STATEMENT  
 AS OF: MARCH 31ST, 2020

230-WASTEWATER FUND

	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	% OF BUDGET	Y-T-D ENCUMB.	BUDGET BALANCE
REVENUE SUMMARY						
730-WASTEWATER COLLECTION	1,454,000.00	97,870.85	607,365.82	41.77	0.00	846,634.18
*** TOTAL REVENUES ***	1,454,000.00	97,870.85	607,365.82	41.77	0.00	846,634.18
EXPENDITURE SUMMARY						
730-WASTEWATER COLLECTION	1,523,927.56	62,282.95	664,868.62	43.63	0.00	859,058.94
*** TOTAL EXPENDITURES ***	1,523,927.56	62,282.95	664,868.62	43.63	0.00	859,058.94
** REVENUES OVER (UNDER) EXPENDITURES **	( 69,927.56)	35,587.90	( 57,502.80)	82.23	0.00	( 12,424.76)

CITY OF GONZALES  
 FINANCIAL STATEMENT  
 AS OF: MARCH 31ST, 2020

240-SOLID WASTE FUND

	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	% OF BUDGET	Y-T-D ENCUMB.	BUDGET BALANCE
REVENUE SUMMARY						
740-SOLID WASTE DEPARTMEN	908,850.00	75,479.51	460,530.11	50.67	0.00	448,319.89
*** TOTAL REVENUES ***	908,850.00	75,479.51	460,530.11	50.67	0.00	448,319.89
EXPENDITURE SUMMARY						
740-SOLID WASTE DEPARTMEN	864,354.24	10,031.80	376,933.76	43.61	0.00	487,420.48
*** TOTAL EXPENDITURES ***	864,354.24	10,031.80	376,933.76	43.61	0.00	487,420.48
** REVENUES OVER(UNDER) EXPENDITURES **	44,495.76	65,447.71	83,596.35	187.87	0.00	( 39,100.59)

CITY OF GONZALES  
 FINANCIAL STATEMENT  
 AS OF: MARCH 31ST, 2020

300-CAPITAL PROJECTS

	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	% OF BUDGET	Y-T-D ENCUMB.	BUDGET BALANCE
REVENUE SUMMARY						
300-CAPITAL PROJECTS	125,000.00	0.00	40,043.91	32.04	0.00	84,956.09
*** TOTAL REVENUES ***	125,000.00	0.00	40,043.91	32.04	0.00	84,956.09
EXPENDITURE SUMMARY						
301-STREETS	2,194,800.00	0.00	84,554.96	3.85	0.00	2,110,245.04
302-WASTEWATER	1,134,000.00	0.00	43,425.00	3.83	0.00	1,090,575.00
303-ELECTRIC	0.00	0.00	0.00	0.00	0.00	0.00
304-WATER	2,367,629.00	142,419.95	515,643.41	21.78	0.00	1,851,985.59
*** TOTAL EXPENDITURES ***	5,696,429.00	142,419.95	643,623.37	11.30	0.00	5,052,805.63
** REVENUES OVER (UNDER) EXPENDITURES **	{ 5,571,429.00 }	{ 142,419.95 }	{ 603,579.46 }	10.83	0.00	{ 4,967,849.54 }

CITY OF GONZALES  
 FINANCIAL STATEMENT  
 AS OF: MARCH 31ST, 2020

400-DSF GOVERNMENT ACTIVITIES

	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	% OF BUDGET	Y-T-D ENCUMB.	BUDGET BALANCE
REVENUE SUMMARY						
400-DSF GOVERNMENT ACT.	1,047,510.00	5,484.87	899,174.10	85.84	0.00	148,335.90
*** TOTAL REVENUES ***	<u>1,047,510.00</u>	<u>5,484.87</u>	<u>899,174.10</u>	<u>85.84</u>	<u>0.00</u>	<u>148,335.90</u>
EXPENDITURE SUMMARY						
400-DSF GOVERNMENT ACT.	1,046,860.00	0.00	779,585.00	74.47	0.00	267,275.00
*** TOTAL EXPENDITURES ***	<u>1,046,860.00</u>	<u>0.00</u>	<u>779,585.00</u>	<u>74.47</u>	<u>0.00</u>	<u>267,275.00</u>
** REVENUES OVER (UNDER) EXPENDITURES **	<u>650.00</u>	<u>5,484.87</u>	<u>119,589.10</u>	<u>398.32</u>	<u>0.00</u>	<u>( 118,939.10)</u>

CITY OF GONZALES  
 FINANCIAL STATEMENT  
 AS OF: MARCH 31ST, 2020

500-RESTRICTED USE FUNDS

	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	% OF BUDGET	Y-T-D ENCUMB.	BUDGET BALANCE
<b>REVENUE SUMMARY</b>						
410-TRANSFERS	0.00	0.00	0.00	0.00	0.00	0.00
810-JB WELLS EXPO CENTER	0.00	0.00	0.00	0.00	0.00	0.00
811-HOTEL/MOTEL	360,000.00	15,827.47	200,842.09	55.79	0.00	159,157.91
812-MEMORIAL MUSEUM	12,440.00	212.93	5,186.19	41.69	0.00	7,253.81
813-FORFEITURES	10,650.00	16.22	2,045.04	19.20	0.00	8,604.96
814-MUNICIPAL COURT	6,600.00	314.58	1,894.79	28.71	0.00	4,705.21
815-ROBERT L BROTHERS	93,745.00	69.89	9,540.91	10.18	0.00	84,204.09
<b>*** TOTAL REVENUES ***</b>	<b>483,435.00</b>	<b>16,441.09</b>	<b>219,509.02</b>	<b>45.41</b>	<b>0.00</b>	<b>263,925.98</b>
<b>EXPENDITURE SUMMARY</b>						
810-JB WELLS EXPO CENTER	0.00	0.00	0.00	0.00	0.00	0.00
811-HOTEL MOTEL	458,445.12	15,608.58	181,166.12	39.52	0.00	277,279.00
812-MEMORIAL MUSEUM	25,000.00	0.00	2,448.29	9.79	0.00	22,551.71
813-FORFEITURES	17,000.00	0.00	3,000.00	17.65	0.00	14,000.00
814-MUNICIPAL COURT	19,000.00	0.00	0.00	0.00	0.00	19,000.00
815-ROBERT L BROTHERS	43,700.00	546.84	15,128.15	34.62	0.00	28,571.85
<b>*** TOTAL EXPENDITURES ***</b>	<b>563,145.12</b>	<b>16,155.42</b>	<b>201,742.56</b>	<b>35.82</b>	<b>0.00</b>	<b>361,402.56</b>
<b>** REVENUES OVER(UNDER) EXPENDITURES **</b>	<b>( 79,710.12)</b>	<b>285.67</b>	<b>17,766.46</b>	<b>22.29-</b>	<b>0.00</b>	<b>( 97,476.58)</b>

CITY OF GONZALES  
 FINANCIAL STATEMENT  
 AS OF: MARCH 31ST, 2020

700-GONZALES ECONOMIC DEV

	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	% OF BUDGET	Y-T-D ENCUMB.	BUDGET BALANCE
REVENUE SUMMARY						
700-ECONOMIC DEVELOPMENT	1,033,000.00	82,310.30	506,491.73	49.03	0.00	526,508.27
*** TOTAL REVENUES ***	1,033,000.00	82,310.30	506,491.73	49.03	0.00	526,508.27
EXPENDITURE SUMMARY						
700-ECONOMIC DEVELOPMENT	1,323,216.12	45,794.80	466,765.63	35.28	0.00	856,450.49
*** TOTAL EXPENDITURES ***	1,323,216.12	45,794.80	466,765.63	35.28	0.00	856,450.49
** REVENUES OVER(UNDER) EXPENDITURES **	( 290,216.12)	36,515.50	39,726.10	13.69-	0.00	( 329,942.22)

FUND-ACCT. NO.	ACCOUNT NAME	CASH	INVESTMENTS
<u>100-GENERAL FUND</u>			
<u>CASH</u>			
100 1-001.000	CASH - GENERAL FUND	1,021,729.55	
100 1-101.505	CASH - AIRPORT IMPROVEMENT	56,901.25	
100 1-101.702	CASH - IND PARK IMPT OIL	0.00	
TOTAL CASH		1,078,630.80	
<u>INVESTMENTS</u>			
100 1-103.409	RBFCU-SAVINGS ACCOUNT		0.00
100 1-103.410	CERT OF DEPOSIT-RANDOLPH BROOK		276,517.53
100 1-103.413	MILLER EST. OIL & GAS ROYALTY		14,056.39
100 1-103.419	LIBRARY RESTRICTED USE-DONATIO		0.00
100 1-103.702	IND PARK IMPROVE OIL - INVEST.		0.00
TOTAL INVESTMENTS			290,573.92
<u>POOLED INVESTMENTS</u>			
100 1-104.000	TEXPOOL - GENERAL FUND		0.00
100 1-104.002	TEXPOOL- GENERAL FUND		1,269,717.62
100 1-104.604	TEXPOOL - ARMORY LEASE		0.00
100 1-104.702	TEXPOOL - IND PARK IMPT OIL		0.00
100 1-104.703	TEXPOOL - LEWIS PROPERTY		0.00
TOTAL POOLED INVESTMENTS			1,269,717.62
TOTAL 100-GENERAL FUND		1,078,630.80	1,560,291.54

203-JB WELLS FUND

<u>CASH</u>			
203 1-001.000	CASH - JB WELLS	( 178,614.82)	
TOTAL CASH		( 178,614.82)	
TOTAL 203-JB WELLS PARK FUND		( 178,614.82)	0.00

210-ELECTRIC FUND

<u>CASH</u>			
210 1-001.000	CASH - ELECTRIC FUND	1,333,282.52	
210 1-001.499	CASH -HYDRO CO'S	0.00	
210 1-001.500	CASH - HYDRO BOND I & S	0.00	
210 1-001.600	CONFIDENTIALITY FEE	0.00	

FUND-ACCT. NO.	ACCOUNT NAME	CASH	INVESTMENTS
210 1-001.606	CASH CUSTOMER METER DEPOSIT	170,483.45	
TOTAL CASH		1,503,765.97	
<u>INVESTMENTS</u>			
210 1-103.000	AGENCY SECURITIES - ELECTRIC		0.00
210 1-103.403	CERT OF DEPOSIT - I&S BOND RES		0.00
210 1-103.410	CERT OF DEP - SOUTH STAR BANK		272,355.52
210 1-103.411	CERT OF DEPOSIT - RBFCU		0.00
210 1-103.606	CUSTOMER METER DEPOSITS - INVT		0.00
210 1-103.706	ELEC CAPITAL IMPROVEMENT-INST.		0.00
TOTAL INVESTMENTS			272,355.52
<u>POOLED INVESTMENTS</u>			
210 1-104.000	TEXPOOL- UNDESIGNATED		0.00
210 1-104.001	TEXPOOL-HYDRO CO'S		0.00
210 1-104.002	TEXPOOL- ELECTRIC FUND		1,777,702.10
210 1-104.606	TEXPOOL - CUSTOMER METER DEP		0.00
210 1-104.706	TEXPOOL - JOHNSON ST PROP		0.00
TOTAL POOLED INVESTMENTS			1,777,702.10
TOTAL 210-ELECTRIC FUND		1,503,765.97	2,050,057.62

220-WATER FUND

<u>CASH</u>			
220 1-001.000	CASH - WATER FUND	519,274.67	
220 1-001.606	CASH CUSTOMER METER DEPOSITS	15,254.00	
TOTAL CASH		534,528.67	
<u>INVESTMENTS</u>			
220 1-103.403	CERT OF DEPOSIT - I&S BOND RES		0.00
220 1-103.411	CERTIFICATE OF DEPOSIT-SAGE		0.00
220 1-103.606	CUSTOMER METER DEPOSITS - INVT		0.00
TOTAL INVESTMENTS			0.00
<u>POOLED INVESTMENTS</u>			
220 1-104.000	TEXPOOL - WATER FUND		0.00
220 1-104.001	TEXPOOL CONSTRUCTION		0.00
220 1-104.002	TEXPOOL- WATER FUND		101,583.04
220 1-104.606	CUSTOMER METER DEPOSIT - TXPOL		0.00
TOTAL POOLED INVESTMENTS			101,583.04
TOTAL 220-WATER FUND		534,528.67	101,583.04

FUND-ACCT. NO.	ACCOUNT NAME	CASH	INVESTMENTS
<b>230-WASTEWATER FUND</b>			
<b>-----</b>			
<u>CASH</u>			
230 1-001.000	CASH - WASTEWATER FUND	260,762.31	
230 1-001.606	CASH CUSTOMER METER DEPOSIT	0.00	
		-----	
TOTAL CASH		260,762.31	
<u>INVESTMENTS</u>			
230 1-103.000	INVESTMENTS AGENCY SECURITIES		0.00
230 1-103.403	CERT OF DEPOSIT - I&S BOND RES		0.00
230 1-103.411	CERT. OF DEP - SOUTH STAR BANK		274,166.37
			-----
TOTAL INVESTMENTS			274,166.37
<u>POOLED INVESTMENTS</u>			
230 1-104.000	TEXPOOL - WASTEWATER		0.00
230 1-104.002	TEXPOOL- WASTEWATER FUND		507,914.97
			-----
TOTAL POOLED INVESTMENTS			507,914.97
		-----	-----
TOTAL 230-WASTEWATER FUND		260,762.31	782,081.34

<b>240-SOLID WASTE</b>			
<b>-----</b>			
<u>CASH</u>			
240 1-001.000	CASH - SOLID WASTE FUND	79,823.14	
240 1-001.606	CASH CUSTOMER GARBAGE DEP	0.00	
		-----	
TOTAL CASH		79,823.14	
<u>INVESTMENTS</u>			
240 1-103.000	INVESTMENTS AGENCY SECURITIES		0.00
240 1-103.402	INVESTMENTS - I & S REVENUE BD		0.00
240 1-103.403	INVESTMENTS - I & S BOND RES		0.00
			-----
TOTAL INVESTMENTS			0.00
<u>POOLED INVESTMENTS</u>			
240 1-104.000	TEXPOOL - SOLID WASTE FUND		0.00
240 1-104.100	TEXASTERM		0.00
240 1-104.402	TEXPOOL - I & S REVENUE BOND		0.00
240 1-104.403	TEXPOOL - I & S BOND RESERVE		0.00
			-----
TOTAL POOLED INVESTMENTS			0.00
		-----	-----
TOTAL 240-SOLID WASTE FUND		79,823.14	0.00

FUND-ACCT. NO.	ACCOUNT NAME	CASH	INVESTMENTS
<b>250-DSF PROPRIETARY</b>			
-----			
<u>CASH</u>			
250 1-001.000	CASH-DSF PROPRIETARY	0.00	
	TOTAL CASH	0.00	
	TOTAL 250-DSF PROPRIETARY	0.00	0.00
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<b>300-CAPITAL PROJECTS</b>			
-----			
<u>CASH</u>			
300 1-001.000	CASH CONTROL - CAPITAL PROJ	0.00	
300 1-101.301	BOND - CIP	0.00	
	TOTAL CASH	0.00	
<u>POOLED INVESTMENTS</u>			
300 1-104.101	CASH-CO SERIES 2019 CIP STREET		2,130,803.12
300 1-104.102	CASH-CO SERIES 2019 CIP W/W		1,101,205.04
300 1-104.103	CASH-CO SERIES 2019 CIP WATER		1,900,139.55
300 1-104.104	CASH-CO SERIES 2019 CIP GEN.		84,041.53
	TOTAL POOLED INVESTMENTS		5,216,189.24
	TOTAL 300-CAPITAL PROJECTS	0.00	5,216,189.24
<hr/>			
<b>400-DSF GOVERNMENTAL ACTI</b>			
-----			
<u>CASH</u>			
400 1-001.000	CASH - CONTROL ACCT	0.00	
400 1-001.101	CASH-DSF GOV. ACTIVITIES	178,764.32	
	TOTAL CASH	178,764.32	
	TOTAL 400-DSF GOVERNMENT ACTIVITIES	178,764.32	0.00
<hr/>			
<b>500-RESTRICTED USE FUNDS</b>			
-----			
<u>CASH</u>			
500 1-001.000	CASH - CONTROL ACCT	6.50	
500 1-001.501	CASH - TEXAS CAPITAL	0.00	
500 1-001.502	CASH - HOTEL MOTEL TAX	804,971.15	
500 1-001.503	CASH - MUSEUM FUNDS	20,707.74	

FUND-ACCT. NO.	ACCOUNT NAME	CASH	INVESTMENTS
500 1-001.504	CASH - FORFEITURES	25,894.62	
500 1-001.505	CASH - MUN CRT CHILD SAFETY	16,766.45	
500 1-001.506	CASH - MUN CRT SECURITY	26,756.19	
500 1-001.507	CASH - MUN CRT TECH	4,526.17	
500 1-001.508	CASH - SPECIAL EXPENSE	6,631.81	
500 1-001.509	CASH - AIRPORT IMPT	0.00	
500 1-001.510	PEG FRANCHISE (RESTRICTED USE)	0.00	
500 1-001.511	ROBERT LEE BROTHERS JR LIBRARY	111,167.59	
		-----	
TOTAL CASH		1,017,415.22	
		-----	
TOTAL 500-RESTRICTED USE FUNDS		1,017,415.22	0.00
			-----

700-COMPONENT UNIT

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CASH

700 1-001.000	CASH -CONTROL ACCOUNT	( 4.50)	
700 1-001.101	CASH - ECONOMIC DEV CORP	2,904,808.49	
		-----	
TOTAL CASH		2,904,803.99	

INVESTMENTS

700 1-103.411	CERT OF DEPOSIT -FNB GONZALES		0.00
700 1-103.412	CERT OF DEPOSIT-SAGE CAPITAL		0.00
700 1-103.419	RBFCU- BASIC BUSINESS CHECKING		0.00
700 1-103.420	RBFCU - MONEY MARKET ACCT		0.00
700 1-103.430	SAVINGS ACCT - RBFCU		0.00
			-----
TOTAL INVESTMENTS			0.00

POOLED INVESTMENTS

700 1-104.000	TEXPOOL - ECONOMIC DEV		0.00
			-----
TOTAL POOLED INVESTMENTS			0.00
			-----
TOTAL 700-GONZALES ECONOMIC DEV		2,904,803.99	0.00
			-----

FUND TOTAL OTHER INVESTMENTS			837,095.81
FUND TOTAL POOLED INVESTMENTS			8,873,106.97
			-----

TOTAL CASH AND INVESTMENTS		7,379,879.60	9,710,202.78
			-----

\*\*\* END OF REPORT \*\*\*

# Executive Order

BY THE  
GOVERNOR OF THE STATE OF TEXAS

Executive Department  
Austin, Texas  
March 31, 2020

## EXECUTIVE ORDER GA 14

*Relating to statewide continuity of essential services and activities  
during the COVID-19 disaster.*

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WHEREAS, I, Greg Abbott, Governor of Texas, issued a disaster proclamation on March 13, 2020, certifying under Section 418.014 of the Texas Government Code that the novel coronavirus (COVID-19) poses an imminent threat of disaster for all counties in the State of Texas; and

WHEREAS, the Commissioner of the Texas Department of State Health Services (DSHS), Dr. John Hellerstedt, has determined that COVID-19 represents a public health disaster within the meaning of Chapter 81 of the Texas Health and Safety Code; and

WHEREAS, I have issued numerous executive orders and suspensions of Texas laws in response to the COVID-19 disaster, aimed at protecting the health and safety of Texans and ensuring an effective response to this disaster; and

WHEREAS, I issued Executive Order GA-08 on March 19, 2020, mandating certain obligations for Texans in accordance with the President's Coronavirus Guidelines for America, as promulgated by President Donald J. Trump and the Centers for Disease Control and Prevention (CDC) on March 16, 2020, which called upon Americans to take actions to slow the spread of COVID-19 for 15 days; and

WHEREAS, Executive Order GA-08 is subject to expiration at 11:59 p.m. on April 3, 2020, absent further action by the governor; and

WHEREAS, on March 29, 2020, to avoid scenarios that could lead to hundreds of thousands of deaths, the President announced that, based on advice from Dr. Anthony Fauci and Dr. Deborah Birx, the restrictive social-distancing Guidelines should extend through April 30, 2020; and

WHEREAS, DSHS Commissioner Dr. Hellerstedt and White House Coronavirus Response Coordinator Dr. Birx say that the spread of COVID-19 can be reduced by minimizing social gatherings; and

WHEREAS, on March 28, 2020, the U.S. Department of Homeland Security issued its Guidance on the Essential Critical Infrastructure Workforce, Version 2.0, which provides an advisory list of critical-infrastructure sectors, workers, and functions that should continue during the COVID-19 response; and

WHEREAS, for state agencies and their employees and agents, the Office of the Attorney General of Texas has advised that local restrictions issued in response to the COVID-19 disaster do not apply to restrict the conduct of state business; and

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MAR 31 2020

WHEREAS, all government entities and businesses should be allowed to continue providing essential services during the COVID-19 disaster, and all critical infrastructure should be allowed to remain operational; and

WHEREAS, the “governor is responsible for meeting ... the dangers to the state and people presented by disasters” under Section 418.011 of the Texas Government Code, and the legislature has given the governor broad authority to fulfill that responsibility; and

WHEREAS, under Section 418.012, the “governor may issue executive orders ... hav[ing] the force and effect of law;” and

WHEREAS, under Section 418.016(a), the “governor may suspend the provisions of any regulatory statute prescribing the procedures for conduct of state business ... if strict compliance with the provisions ... would in any way prevent, hinder, or delay necessary action in coping with a disaster;” and

WHEREAS, under Section 418.017(a), the “governor may use all available resources of state government and of political subdivisions that are reasonably necessary to cope with a disaster;” and

WHEREAS, under Section 418.018(c), the “governor may control ingress and egress to and from a disaster area and the movement of persons and the occupancy of premises in the area;” and

WHEREAS, under Section 418.173, failure to comply with any executive order issued during the COVID-19 disaster is an offense punishable by a fine not to exceed \$1,000, confinement in jail for a term not to exceed 180 days, or both fine and confinement.

NOW, THEREFORE, I, Greg Abbott, Governor of Texas, by virtue of the power and authority vested in me by the Constitution and laws of the State of Texas, do hereby order the following on a statewide basis effective 12:01 a.m. on April 2, 2020, and continuing through April 30, 2020, subject to extension based on the status of COVID-19 in Texas and the recommendations of the CDC and the White House Coronavirus Task Force:

In accordance with guidance from DSHS Commissioner Dr. Hellerstedt, and to achieve the goals established by the President to reduce the spread of COVID-19, every person in Texas shall, except where necessary to provide or obtain essential services, minimize social gatherings and minimize in-person contact with people who are not in the same household.

“Essential services” shall consist of everything listed by the U.S. Department of Homeland Security in its Guidance on the Essential Critical Infrastructure Workforce, Version 2.0, plus religious services conducted in churches, congregations, and houses of worship. Other essential services may be added to this list with the approval of the Texas Division of Emergency Management (TDEM). TDEM shall maintain an online list of essential services, as specified in this executive order and in any approved additions. Requests for additions should be directed to TDEM at [EssentialServices@tdem.texas.gov](mailto:EssentialServices@tdem.texas.gov) or by visiting [www.tdem.texas.gov/essentialservices](http://www.tdem.texas.gov/essentialservices).

In providing or obtaining essential services, people and businesses should follow the Guidelines from the President and the CDC by practicing good hygiene, environmental cleanliness, and sanitation, implementing social distancing, and working from home if possible. In particular, all services should be provided through remote telework from

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home unless they are essential services that cannot be provided through remote telework. If religious services cannot be conducted from home or through remote services, they should be conducted consistent with the Guidelines from the President and the CDC by practicing good hygiene, environmental cleanliness, and sanitation, and by implementing social distancing to prevent the spread of COVID-19.

In accordance with the Guidelines from the President and the CDC, people shall avoid eating or drinking at bars, restaurants, and food courts, or visiting gyms, massage establishments, tattoo studios, piercing studios, or cosmetology salons; provided, however, that the use of drive-thru, pickup, or delivery options for food and drinks is allowed and highly encouraged throughout the limited duration of this executive order.

This executive order does not prohibit people from accessing essential services or engaging in essential daily activities, such as going to the grocery store or gas station, providing or obtaining other essential services, visiting parks, hunting or fishing, or engaging in physical activity like jogging or bicycling, so long as the necessary precautions are maintained to reduce the transmission of COVID-19 and to minimize in-person contact with people who are not in the same household.

In accordance with the Guidelines from the President and the CDC, people shall not visit nursing homes, state supported living centers, assisted living facilities, or long-term care facilities unless to provide critical assistance as determined through guidance from the Texas Health and Human Services Commission.

In accordance with the Guidelines from the President and the CDC, schools shall remain temporarily closed to in-person classroom attendance and shall not recommence before May 4, 2020.

This executive order shall supersede any conflicting order issued by local officials in response to the COVID-19 disaster, but only to the extent that such a local order restricts essential services allowed by this executive order or allows gatherings prohibited by this executive order. I hereby suspend Sections 418.1015(b) and 418.108 of the Texas Government Code, Chapter 81, Subchapter E of the Texas Health and Safety Code, and any other relevant statutes, to the extent necessary to ensure that local officials do not impose restrictions inconsistent with this executive order, provided that local officials may enforce this executive order as well as local restrictions that are consistent with this executive order.

This executive order supersedes Executive Order GA-08, but not Executive Orders GA-09, GA-10, GA-11, GA-12, or GA-13, and shall remain in effect and in full force until April 30, 2020, unless it is modified, amended, rescinded, or superseded by the governor.



Given under my hand this the 31st day of  
March, 2020.

Handwritten signature of Greg Abbott in black ink.

GREG ABBOTT  
Governor

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ATTESTED BY:

  
\_\_\_\_\_  
RUTH R. HUGHS  
Secretary of State

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**WHEREAS**, the Center for Disease Control recommends the use of videoconferencing for meetings when possible, and adjusting or postponing large meetings or gatherings; and

**WHEREAS**, the Center for Disease Control recommends citizens stay home if they are feeling sick or when they have a sick family member in their home; and

**WHEREAS**, households with vulnerable seniors and those with underlying health conditions should conduct themselves as if they were a significant risk to the person with underlying conditions; and

**WHEREAS**, pursuant to the Texas Disaster Act of 1975, the mayor is designated as the emergency management director of the City of Gonzales, and may exercise the powers granted to the governor on an appropriate local scale; and

**WHEREAS**, a declaration of local disaster and public health emergency includes the ability to reduce the possibility of exposure to disease, control the risk, promote health, compel persons to undergo additional health measures that prevent or control the spread of disease, including isolation, surveillance, quarantine, or placement of persons under public health observation, including the provision of temporary housing or emergency shelters for persons misplaced or evacuated and request assistance from the governor of state resources; and

**WHEREAS**, the COVID-19 virus spreads between people who are in close contact with one another through respiratory droplets produced when an infected person coughs or sneezes; and

**WHEREAS**, the continued worldwide spread of COVID-19 presents an imminent threat of widespread illness, which requires emergency action; and

**WHEREAS**, a declaration of local disaster includes the ability to take measures to reduce the possibility of exposure to disease, control the risk, and promote the health and safety of Gonzales residents; and

**WHEREAS**, the City of Gonzales will work collaboratively with Gonzales County to ensure that all appropriate and necessary measures are taken to limit the development, contraction and spread of COVID-19; and

**WHEREAS**, by a Declaration of Public Health Emergency, all rules and regulations that may inhibit or prevent prompt response to this threat are suspended for the duration of the incident; and

**WHEREAS**, pursuant to the authority granted to the Mayor under the Texas Disaster Act of 1975, the use of all available resources of state government and political subdivisions to assist in the City's response to this situation are authorized; and

**WHEREAS**, Connie Kacir, the Mayor of the City of Gonzales, Texas has determined, and the City Council has affirmed, that extraordinary and immediate measures must be taken to respond quickly, prevent and alleviate the suffering of people exposed to and those infected with the virus, as well as those that could potentially be infected or impacted by COVID-19.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GONZALES, TEXAS:**

- Section 1. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Ordinance for all purposes and are adopted as a part of the judgment and findings of the City Council.
- Section 2. That the local state of disaster and public health emergency declared by Mayor Kacir for the City of Gonzales pursuant to §418.108(a) of the Texas Government Code and as renewed and extended for a period of 24 days until the April 9<sup>th</sup> meeting of the City Council by the Gonzales City Council through the adoption of Ordinance 20-06 pursuant to §418.108(b) of the Government Code, is hereby superseded and amended, including all rules and regulation, as attached hereto as Exhibit A.
- Section 3. Pursuant to §418.108(c) of the Government Code, this declaration of a local state of disaster and public health emergency shall be given prompt and general publicity and shall be filed promptly with the City Clerk.
- Section 4. Pursuant to §418.108(d) of the Government Code, this declaration of a local state of disaster and public health emergency activates the City of Gonzales's participation in any city, county or state emergency management plan.
- Section 5. Pursuant to §418.020(c) of the Government Code, this declaration authorizes the City to commandeer or use any private property, temporarily acquire, by lease or other means, sites required for temporary housing units or emergency shelters, subject to compensation requirements.
- Section 6. Pursuant to §122.006 of the Health and Safety Code, this declaration authorizes the City to take any actions necessary to promote health and suppress disease, including quarantine, examining and regulating hospitals, regulating ingress and egress from the City, and fining those who do not comply with the City's rules.
- Section 7. All ordinances or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters herein.
- Section 8. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.
- Section 9. If any provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this Ordinance would have been enacted without such invalid provision.
- Section 10. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting,

including this Ordinance, was given, all as required by Chapter 551, Texas Government Code, as amended.

Section 11. The City Manager is authorized to postpone utility cut-offs during this emergency and to make necessary payment plans for those needing extensions of time for payments.

Section 12. The Mayor of the City of Gonzales is authorized to update restrictions set out in this Exhibit as necessary and upon the advice of Dr. Commie Hisey as the designated Director of Health for the City of Gonzales, to respond to the evolving circumstances of this outbreak during the duration.

Section 13. Because of the economic impact on local businesses as a direct result of the public health emergency related to COVID-19, the City Council DIRECTS the Gonzales Economic Development Corporation and Gonzales Main Street to review all unencumbered funds and develop economic development programs for immediate approval of the City Council. The focus of these programs shall be for the retention and diversification of the existing local businesses impacted by this crisis. Said programs must retain existing employees and shall be in the form of grants and/or low interest loans of varying amounts and shall be on the City Council agenda on April 9<sup>th</sup> for final approval.

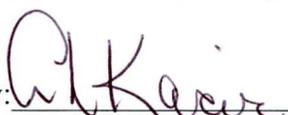
Section 14. Any person, firm, corporation or agent who shall violate a provision of this ordinance, or fail to comply therewith, or with any other requirements thereof, shall be guilty of a Class C misdemeanor. Such person shall be considered guilty of a separate offense for each and every day or portion thereof during which any violation of any of the provisions of this article is committed or continued, and upon conviction of any such violation, such person shall be punished by a fine not to exceed \$1,000.00.

Any peace officer or other person with lawful authority is further authorized to enforce the provisions of the Ordinance in accordance with the authority granted under the Texas Disaster Act of 1975, as applicable, which allows a fine not to exceed \$1000.00 and confinement not to exceed 180 days as set forth in Texas Government Code §418.173.

Section 15. This Ordinance shall be in force and effect from and after its final passage, and any publication required by law.

**PASSED, ADOPTED, APPROVED, AND EFFECTIVE THE 25<sup>th</sup> DAY of MARCH, 2020.**

CITY OF GONZALES, TEXAS

By:  \_\_\_\_\_  
Connie Kadir, Mayor

ATTEST:

  
\_\_\_\_\_  
Kristi Gilbert, Interim City Secretary

**EXHIBIT A**  
**PUBLIC HEALTH EMERGENCY RULES AND REGULATIONS**

**I. All public places:**

- a. Requested to provide sanitation outside of their business and post notice to the public:  
*All persons are required to sanitize prior to entry and exit of their building*
- b. Public places are to sanitize all public areas every hour
- c. All public and private gatherings and public spaces are limited to an occupancy of 10 persons maximum effectively immediately, as set forth in more detail below.

**II. City Facilities:**

- a. All municipal buildings shall be disinfected daily.
- b. In person payments shall not be accepted. Online, drop box, drive-thru and mail-in payments ONLY at City Hall.
- c. Municipal Court settings for the next 30 days shall be continued and reset, and no in person pleas will be accepted.
- d. Playground equipment and splash pad in the city parks are closed until further notice.
- e. All events scheduled to be held at J.B. Wells within the next 30 days shall be rescheduled.

**III. Rules Regarding Public and Private Gatherings:**

- a. This Exhibit "A" incorporates and adopts, except as where noted below, the Centers for Disease Control ("CDC") Interim Guidance for Coronavirus Disease 2019 (COVID-19) dated March 15, 2019 and any Orders of the Texas Governor.
- b. The virus that causes COVID-19 is easily transmitted, especially in group settings, and it is essential that the spread of the virus be slowed to protect the ability of public and private health care providers to handle an influx of patients and safeguard public health and safety.
- c. Because of the risk of the rapid spread of the virus, and the need to protect the most vulnerable members of the community, **ALL INDOOR PUBLIC AND PRIVATE GATHERINGS AND OUTDOOR GATHERINGS OF TEN (10) PERSONS OR MORE ANYWHERE IN THE CITY OF GONZALES BEGINNING AT 11:59 P.M. ON MARCH 26, 2020 AND CONTINUING TO APRIL 9, 2020 UNLESS FURTHER EXTENDED AND RENEWED CITY COUNCIL ON OR PRIOR TO THIS DATE, ARE PROHIBITED.**