



# City of Round Rock

## City Council

### Meeting Agenda

Alan McGraw, Mayor  
Craig Morgan, Mayor Pro-Tem, Place 1  
Rene Flores, Place 2  
Frank Leffingwell, Place 3  
Will Peckham, Place 4  
Writ Baese, Place 5  
Kris Whitfield, Place 6

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Thursday, March 9, 2017

7:00 PM

City Council Chambers, 221 East Main St.

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**A. CALL REGULAR SESSION TO ORDER – 7:00 P.M.**

**B. ROLL CALL**

**C. PLEDGES OF ALLEGIANCE**

**D. CITIZEN COMMUNICATION**

*Any citizen wishing to speak during citizen communication regarding an item on or off the agenda may do so after completing the required registration card. All comments must be no more than 3 minutes in length. Any comments regarding items not on the posted agenda may not be discussed or responded to by the City Council. The Mayor may deny any presenter the opportunity to address the City Council if the presentation or comments offered is substantially repetitive of those previous made, per §2-26(b)(d), of the Round Rock Code of Ordinances, 2010 Edition.*

**E. PROCLAMATIONS:**

- E.1 [2017-4282](#) [Consider proclaiming March 2017 as "Youth Art Month" in the City of Round Rock.](#)

**F. CONSENT AGENDA:**

*All items listed under the Consent Agenda are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless requested by a Council member in which event, the item will be removed from the consent agenda and considered separately.*

- F.1 [2017-4272](#) [Consider approval of the minutes for the February 22, 2017 Special Called meeting and the February 23, 2017 Special Called and Regular City Council meetings.](#)
- F.2 [2017-4187](#) [Consider an ordinance designating the intersection of Hermitage Drive and Chaparral Drive as an all-way stop intersection. \(Second Reading\)](#)

- F.3     [2017-4237](#)     [Consider a resolution authorizing the Mayor to execute a Geospatial Data Interlocal Contract with CAPCOG for orthoimagery services.](#)

**G.     PUBLIC HEARINGS:**

- G.1     [2017-4258](#)     [Consider public testimony regarding the Community Development Block Grant \(CDBG\) 2017-2018 Annual Action Plan.](#)

**H.     RESOLUTIONS:**

- H.1     [2017-4223](#)     [Consider a resolution authorizing the Mayor to execute Quantity Adjustment/Change Order No. 5 with Capital Excavation for the Creek Bend Boulevard Extension Project.](#)
- H.2     [2017-4262](#)     [Consider a resolution authorizing the Mayor to execute a Consulting Services Agreement with Ramundsen Public Sector, LLC for an upgrade to the City's Land Management Software System.](#)
- H.3     [2017-4256](#)     [Consider a resolution accepting the City's Comprehensive Annual Financial Report for fiscal year October 1, 2015 to September 30, 2016.](#)
- H.4     [2017-4259](#)     [Consider a resolution expressing official intent to reimburse certain project expenditures from the proceeds of a future Certificates of Obligation bond sale.](#)
- H.5     [2017-4242](#)     [Consider public testimony regarding, and a revised resolution expressing no objection to the creation of an affordable multifamily housing complex known as the Shadow Ridge Apartments.](#)
- H.6     [2017-4243](#)     [Consider a resolution authorizing the Mayor to execute an amended Development Agreement with Pedcor Investments, LLC regarding the development of an affordable multifamily housing development known as the Shadow Ridge Apartments.](#)

**I.     ORDINANCES:**

- I.1     [2017-4231](#)     [Consider public testimony regarding, and an ordinance amending Chapter 46, Code of Ordinances \(2010 Edition\), regarding nonresidential building design standards. \(First Reading\)\(Requires Two Readings\)](#)
- I.2     [2017-4232](#)     [Consider public testimony regarding, and an ordinance amending Chapter 36, Code of Ordinances \(2010 Edition\), regarding connectivity requirements for new residential subdivisions. \(First Reading\)\(Requires Two Readings\)](#)
- I.3     [2017-4233](#)     [Consider public testimony regarding, and an ordinance amending Chapter 43, Code of Ordinances \(2010 Edition\), regarding requirements for tree protection and preservation. \(First Reading\)\(Requires Two Readings\)](#)

I.4      [2017-4244](#)      [Consider public testimony regarding, and an ordinance amending Chapter 36, Section 36-180, Code of Ordinances \(2010 Edition\), regarding on-site detention facilities. \(First Reading\)\(Requires Two Readings\)](#)

I.5      [2017-4235](#)      [Consider an ordinance vacating a street and/or alleyway in the Washington Anderson Subdivision. \(First Reading\)\\*](#)

**J.      COUNCIL COMMENTS REGARDING ITEMS OF COMMUNITY INTEREST**

**K.      EXECUTIVE SESSION**

K.1      [2017-4283](#)      [Consider Executive Session as authorized by §551.087, Government Code, to deliberate the offer of a financial or other incentive to business prospects considering Round Rock as a location for new businesses that would bring economic development to the City.](#)

**L.      ADJOURNMENT**

*\*Pursuant to the terms of Section 3.13 of the Round Rock Home Rule Charter, the second reading of this ordinance may be dispensed with by an affirmative vote of all the City Council members present.*

*In addition to any executive session already listed above, the City Council for the City of Round Rock reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code for the following purposes:*

*§551.071 Consultation with Attorney*

*§551.072 Deliberations regarding Real Property*

*§551.073 Deliberations regarding Gifts and Donations*

*§551.074 Personnel Matters*

*§551.076 Deliberations regarding Security Devices*

*§551.087 Deliberations regarding Economic Development Negotiations*

**POSTING CERTIFICATION**

*I certify that this notice of the Round Rock City Council Meeting was posted on the 3rd day of March 2017 at 5:00 p.m. as required by law in accordance with Section 551.043 of the Texas Government Code.*

*/ORIGINAL SIGNED/*

*Sara L. White, TRMC, City Clerk*



# City of Round Rock

## Agenda Item Summary

**Agenda Number: E.1**

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**Title:** Consider proclaiming March 2017 as "Youth Art Month" in the City of Round Rock.

**Type:** Proclamation

**Governing Body:** City Council

**Agenda Date:** 3/9/2017

**Dept Director:** Sara White, City Clerk

**Cost:**

**Indexes:**

**Attachments:**

**Department:** City Clerk's Office

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### Text of Legislative File 2017-4282

**WHEREAS**, Youth Art Month has been observed nationally and in many foreign countries since 1961 and has been a focus of the Round Rock ISD Visual Arts Program for 28 years and has gained wide acceptance; and

**WHEREAS**, childhood is the time to develop interests, skills, and aptitudes that will last a lifetime; and

**WHEREAS**, through meaningful art activities, children develop initiative, self-expression, creative ability, self-assessment, discipline, and a heightened appreciation of their environment; and

**WHEREAS**, the importance of art education and recreation is widely recognized;

**NOW, THEREFORE, I, ALAN MCGRAW**, Mayor of the City of Round Rock, do hereby proclaim March 2017 as

### **"YOUTH ART MONTH"**

in the City of Round Rock and urge all citizens to become interested in and give full support to quality school art programs for children and youth produced in Round Rock Independent School District.

**PROCLAIMED** this 9th day of March 2017.





# City of Round Rock

## Agenda Item Summary

**Agenda Number: F.1**

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**Title:** Consider approval of the minutes for the February 22, 2017 Special Called meeting and the February 23, 2017 Special Called and Regular City Council meetings.

**Type:** Resolution

**Governing Body:** City Council

**Agenda Date:** 3/9/2017

**Dept Director:** Sara White, City Clerk

**Cost:**

**Indexes:**

**Attachments:** 022217 Draft Speical Called Minutes, 022317 Draft Special Called Minutes, 022317 Draft Minutes

**Department:** City Clerk's Office

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**Text of Legislative File 2017-4272**

# City of Round Rock

## Meeting Minutes - Draft

### City Council Work Session

Wednesday, February 22, 2017

#### CALL SESSION TO ORDER

*The Round Rock City Council met in a special work session on February 22, 2017 in the Police Department Training Room, located at 2701 N. Mays Street in Round Rock. Mayor McGraw called the meeting to order at 12:40 p.m.*

#### ROLL CALL

**Present:** 7 - Mayor Alan McGraw  
Mayor Pro-Tem Craig Morgan  
Councilmember Rene Flores  
Councilmember Frank Leffingwell  
Councilmember Will Peckham  
Councilmember Writ Baese  
Councilmember Kris Whitfield

**Absent:** 0

#### DISCUSSION:

**C.1** Consider general discussion regarding the City of Round Rock strategic plan, goal setting, and items related to fiscal year 2017-18.

Lyle Sumek, facilitator reviewed the goals set at the previous sessions and finalized the strategic plan with the City Council.

#### ADJOURNMENT

*There being no further business, Mayor McGraw adjourned the meeting at 3:51 p.m.*

*Respectfully Submitted,*

*Sara L. White, City Clerk*



# City of Round Rock

## Meeting Minutes - Draft

### City Council

#### Special Called Meeting

Thursday, February 23, 2017

#### CALL SESSION TO ORDER

*The Round Rock City Council met in special session on February 23, 2017 in the City Council chambers at 221 E. Main Street. Mayor McGraw called the meeting to order at 6:30 pm.*

#### ROLL CALL

**Present:** 7 - Mayor Alan McGraw  
Mayor Pro-Tem Craig Morgan  
Councilmember Frank Leffingwell  
Councilmember Rene Flores  
Councilmember Will Peckham  
Councilmember Writ Baese  
Councilmember Kris Whitfield

**Absent:** 0

#### EXECUTIVE SESSION:

- C.1** [2017-4230](#) Consider Executive Session as authorized by §551.087, Government Code, to deliberate the offer of a financial or other incentive to business prospects considering Round Rock as a location for new businesses that would bring economic development to the City.

*The City Council recessed to executive session. Mayor McGraw called the session to order at 6:31 p.m. and adjourned it at 6:55 p.m.*

#### ADJOURNMENT

*There being no further business, Mayor McGraw adjourned the meeting at 7:04 pm.*

*Respectfully Submitted,*

*Sara L. White, City Clerk*



# City of Round Rock

## Meeting Minutes - Draft City Council

Thursday, February 23, 2017

### CALL SESSION TO ORDER

*The Round Rock City Council met in regular session on February 23, 2017 in the City Council chambers at 221 E. Main Street. Mayor McGraw called the meeting to order at 7:05 pm.*

### ROLL CALL

<b>Present:</b>	7 - Mayor Alan McGraw Mayor Pro-Tem Craig Morgan Councilmember Frank Leffingwell Councilmember Rene Flores Councilmember Will Peckham Councilmember Writ Baese Councilmember Kris Whitfield
<b>Absent:</b>	0

### PLEDGES OF ALLEGIANCE

*Mayor McGraw led the following Pledges of Allegiance: United States and Texas*

### CITIZEN COMMUNICATION

*Ken Wood, spoke to the City Council regarding an upcoming event at the Baca Center.*  
*Shirley Marquardt spoke to the City Council regarding the Stagecoach Inn.*  
*Micki Ross, of Georgetown spoke to the City Council about the Williamson Museum's event on April 1st.*  
*Karen Thompson, spoke to the City Council regarding the Stage Coach Inn.*

### PROCLAMATIONS AND SPECIAL PRESENTATIONS:

- E.1**    [2017-4255](#)    Consider proclaiming 2017 as the 150th Anniversary of the Chisholm Trail in Round Rock.
- Mayor McGraw read the proclamation and presented it to Shirley Marquardt and members of the Round Rock Preservation organization and the Historic Preservation Commission.*

**E.2**    [2017-4203](#)

Consider a presentation regarding the Stagecoach Inn Relocation Feasibility Study performed by Architexas.

*Brad Wiseman, Planning and Development Services Director made a brief introduction and representatives from ArchiTexas presented their findings on the feasibility of moving the Stagecoach Inn from its current location.*

**APPROVAL OF MINUTES:****F.1**    [2017-4198](#)

Consider approval of the minutes for the January 30, January 31, February 1, and February 9, 2017 Special Called meetings and the February 9, 2017 Regular City Council meeting.

**A motion was made by Councilmember Baese, seconded by Councilmember Whitfield, that the minutes be approved. The motion carried by the following vote:**

**Aye:**    7 -    Mayor McGraw  
                 Mayor Pro-Tem Morgan  
                 Councilmember Leffingwell  
                 Councilmember Flores  
                 Councilmember Peckham  
                 Councilmember Baese  
                 Councilmember Whitfield

**Nay:**    0

**Absent:**    0

**RESOLUTIONS:****G.1**    [2017-4228](#)

Consider a resolution authorizing the Mayor to execute a Joint Election Agreement and Contract for Election Services with Williamson County and Participating Entities.

*Sara White, City Clerk, made the staff presentation.*

**A motion was made by Councilmember Baese, seconded by Councilmember Flores, that this resolution be approved. The motion carried by the following vote:**

**Aye:**    7 -    Mayor McGraw  
                 Mayor Pro-Tem Morgan  
                 Councilmember Leffingwell  
                 Councilmember Flores  
                 Councilmember Peckham  
                 Councilmember Baese  
                 Councilmember Whitfield

**Nay:**    0

**Absent:**    0

**G.2**    [2017-4227](#)

Consider a resolution authorizing the Mayor to execute an Agreement with Technology for Education, LLC (TFE) for an Audio-Video System at the Multipurpose Complex.

*Brian Stillman, Sports Facilities & Operations Manager, made the staff presentation.*

**A motion was made by Councilmember Whitfield, seconded by Councilmember Peckham, that this resolution be approved. The motion carried by the following vote:**

**Aye:**    7 -    Mayor McGraw  
                 Mayor Pro-Tem Morgan  
                 Councilmember Leffingwell  
                 Councilmember Flores  
                 Councilmember Peckham  
                 Councilmember Baese  
                 Councilmember Whitfield

**Nay:**     0

**Absent:**   0

**G.3**    [2017-4193](#)

Consider public testimony regarding, and a resolution expressing the Council's support for the acquisition and rehabilitation of the affordable multifamily housing complex known as the Round Rock Oakgrove Apartments.

*Brad Wiseman, Planning and Development Services Director, made the staff presentation.*

*Mayor McGraw opened the hearing for public testimony.  
There being none, the public hearing was closed.*

**A motion was made by Mayor Pro-Tem Morgan, seconded by Councilmember Whitfield, that this resolution be approved. The motion carried by the following vote:**

**Aye:**    7 -    Mayor McGraw  
                 Mayor Pro-Tem Morgan  
                 Councilmember Leffingwell  
                 Councilmember Flores  
                 Councilmember Peckham  
                 Councilmember Baese  
                 Councilmember Whitfield

**Nay:**     0

**Absent:**   0

**G.4**    [2017-4222](#)

Consider a resolution authorizing the Texas Housing Foundation to exercise its powers in the City of Round Rock and authorizing the Mayor to execute a Cooperation Agreement regarding the Round Rock Oakgrove Apartments.

*Brad Wiseman, Planning and Development Services Director made the staff presentation.*

**A motion was made by Councilmember Baese, seconded by Councilmember Peckham, that this resolution be approved. The motion carried by the following vote:**

**Aye:**    7 -    Mayor McGraw  
                 Mayor Pro-Tem Morgan  
                 Councilmember Leffingwell  
                 Councilmember Flores  
                 Councilmember Peckham  
                 Councilmember Baese  
                 Councilmember Whitfield

**Nay:**    0

**Absent:**    0

**G.5**    [2017-4207](#)

Consider a resolution accepting the City's Quarterly Financial and Investment Report for the quarter ending December 31, 2016.

*Susan Morgan, CFO, made the staff presentation.*

**A motion was made by Councilmember Leffingwell, seconded by Councilmember Whitfield, that this resolution be approved. The motion carried by the following vote:**

**Aye:**    7 -    Mayor McGraw  
                 Mayor Pro-Tem Morgan  
                 Councilmember Leffingwell  
                 Councilmember Flores  
                 Councilmember Peckham  
                 Councilmember Baese  
                 Councilmember Whitfield

**Nay:**    0

**Absent:**    0

**G.6**    [2017-4218](#)

Consider a resolution authorizing the Mayor to execute a Municipal Lease Agreement with TCF Equipment Finance to lease golf carts for the Forest Creek Golf Club.

*Susan Morgan, CFO, made the staff presentation.*

**A motion was made by Mayor Pro-Tem Morgan, seconded by Councilmember Peckham, that this resolution be approved. The motion carried by the following vote:**

**Aye:** 7 - Mayor McGraw  
Mayor Pro-Tem Morgan  
Councilmember Leffingwell  
Councilmember Flores  
Councilmember Peckham  
Councilmember Baese  
Councilmember Whitfield

**Nay:** 0

**Absent:** 0

**G.7**    [2017-4216](#)

Consider a resolution authorizing the Mayor to execute a Contract for Engineering Services with Freese and Nichols for the West Wastewater Treatment Plant Force Main Project.

*Michael Thane, Utilities and Environmental Services Director made the staff presentation.*

**A motion was made by Councilmember Whitfield, seconded by Councilmember Flores, that this resolution be approved. The motion carried by the following vote:**

**Aye:** 7 - Mayor McGraw  
Mayor Pro-Tem Morgan  
Councilmember Leffingwell  
Councilmember Flores  
Councilmember Peckham  
Councilmember Baese  
Councilmember Whitfield

**Nay:** 0

**Absent:** 0

**G.8**    [2017-4217](#)

Consider a resolution authorizing the Mayor to execute a Professional Services Agreement with JBS Water, Inc. for a water distribution audit and meter management analysis.

*Michael Thane, Utilities and Environmental Services Director made the staff presentation.*

**A motion was made by Councilmember Peckham, seconded by Councilmember Whitfield, that this resolution be approved. The motion carried by the following vote:**

**Aye:** 7 - Mayor McGraw  
Mayor Pro-Tem Morgan  
Councilmember Leffingwell  
Councilmember Flores  
Councilmember Peckham  
Councilmember Baese  
Councilmember Whitfield

**Nay:** 0

**Absent:** 0



**G.9**    [2017-4197](#)

Consider a resolution approving the action of the Round Rock Transportation and Economic Development Corporation in amending the Transportation Capital Improvement Program (TCIP).

*Gary Hudder, Transportation Director made the staff presentation.*

**A motion was made by Councilmember Peckham, seconded by Mayor Pro-Tem Morgan, that this resolution be approved. The motion carried by the following vote:**

**Aye:**    7 -    Mayor McGraw  
                 Mayor Pro-Tem Morgan  
                 Councilmember Leffingwell  
                 Councilmember Flores  
                 Councilmember Peckham  
                 Councilmember Baese  
                 Councilmember Whitfield

**Nay:**    0

**Absent:**    0

**G.10**    [2017-4204](#)

Consider a resolution authorizing the Mayor to execute an Interlocal Agreement with Capital Area Rural Transportation System (CARTS) regarding the occupation and maintenance of the ticketing office in the Downtown Transit Terminal.

*Gary Hudder, Transportation Director made the staff presentation.*

**A motion was made by Councilmember Whitfield, seconded by Mayor Pro-Tem Morgan, that this resolution be approved. The motion carried by the following vote:**

**Aye:**    7 -    Mayor McGraw  
                 Mayor Pro-Tem Morgan  
                 Councilmember Leffingwell  
                 Councilmember Flores  
                 Councilmember Peckham  
                 Councilmember Baese  
                 Councilmember Whitfield

**Nay:**    0

**Absent:**    0

**G.11**    [2017-4205](#)

Consider a resolution authorizing the Mayor to execute a Multiple Use Agreement with the Texas Department of Transportation to permit the installation of bus stops and the pouring of a concrete pad at designated site locations.

*Gary Hudder, Transportation Director made the staff presentation.*

**A motion was made by Councilmember Flores, seconded by Councilmember Peckham, that this resolution be approved. The motion carried by the following vote:**

**Aye:** 7 - Mayor McGraw  
Mayor Pro-Tem Morgan  
Councilmember Leffingwell  
Councilmember Flores  
Councilmember Peckham  
Councilmember Baese  
Councilmember Whitfield

**Nay:** 0

**Absent:** 0

## ORDINANCES:

### H.1 [2017-4187](#)

Consider an ordinance designating the intersection of Hermitage Drive and Chaparral Drive as an all-way stop intersection. (First Reading)  
(Requires Two Readings)

*Gary Hudder, Transportation Director made the staff presentation.*

**A motion was made by Mayor Pro-Tem Morgan, seconded by Councilmember Whitfield, that this ordinance be approved. The motion carried by the following vote:**

**Aye:** 7 - Mayor McGraw  
Mayor Pro-Tem Morgan  
Councilmember Leffingwell  
Councilmember Flores  
Councilmember Peckham  
Councilmember Baese  
Councilmember Whitfield

**Nay:** 0

**Absent:** 0

## COUNCIL COMMENTS REGARDING ITEMS OF COMMUNITY INTEREST

## EXECUTIVE SESSION:

### J.1 [2017-4229](#)

Consider Executive Session as authorized by §551.074, Texas Government Code, to deliberate the evaluation and performance of the Municipal Judge.

*The City Council recessed to executive session. Mayor McGraw called the meeting to order at 8:40 p.m. and adjourned it at 9:10 p.m.*

**ADJOURNMENT**

*There being no further business, Mayor McGraw adjourned the meeting at 9:12 pm.*

*Respectfully Submitted,*

*Sara L. White, City Clerk*



# City of Round Rock

## Agenda Item Summary

**Agenda Number: F.2**

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**Title:** Consider an ordinance designating the intersection of Hermitage Drive and Chaparral Drive as an all-way stop intersection. (Second Reading)

**Type:** Ordinance

**Governing Body:** City Council

**Agenda Date:** 3/9/2017

**Dept Director:** Gary Hudder, Transportation Director

**Cost:**

**Indexes:**

**Attachments:** Ordinance, Map

**Department:** Transportation Department

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### **Text of Legislative File 2017-4187**

Proposed ordinance designating the intersection of Hermitage Dr. and Chaparral Dr. as an all-way stop intersection. The residential intersection of Hermitage Dr. and Chaparral Dr. has functioned as a one-leg, southbound, stop control for a number of years. Under this configuration, the legs of Hermitage Dr., eastbound and westbound, have acted as the major roadway; while the leg of Chaparral Dr. has been considered the minor roadway, and has been forced to stop and yield the Right of Way. Recent observations of the intersection, by the Transportation Department, exposed that the legs of both, Hermitage Dr. and Chaparral Dr., share similar design and operating characteristics affecting the perceived Right of Way to road users.

Further, the intersection at Hermitage Dr. and Chaparral Dr. is located along a safe route to school for Old Town Elementary, and consequently manages pedestrian movements for a number of neighborhood children and families heading to, and from, school. The ambiguity of Right of Way, coupled with the need to increase Pedestrian Safety, provide the basis for the Transportation Department's recommendation for the implementation of an All-Way Stop configuration at the intersection of Hermitage Dr. and Chaparral Dr.

**ORDINANCE NO. O-2017-4187**

**AN ORDINANCE AMENDING THE TRAFFIC CODE BY DESIGNATING THE INTERSECTION OF HERMITAGE DRIVE AND CHAPARRAL DRIVE AS AN ALL-WAY STOP INTERSECTION; PROVIDING FOR A SAVINGS CLAUSE AND REPEALING CONFLICTING ORDINANCES OR RESOLUTIONS.**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ROUND ROCK, TEXAS:**

**I.**

That pursuant to Chapter 42, Section 42-223, Code of Ordinances (2010 Edition), City of Round Rock, Texas, the below described intersection is hereby designated as all-way stop intersection:

- 1) Hermitage Drive and Chaparral Drive

**II.**

**A.** All ordinances, parts of ordinances, or resolutions in conflict herewith are expressly repealed.

**B.** The invalidity of any section or provision of this ordinance shall not invalidate other sections or provisions thereof.

**C.** The City Council hereby finds and declares that written notice of the date, hour, place and subject of the meeting at which this Ordinance was adopted was posted and that such meeting was open to the public as required by law at all times during which this Ordinance and the subject matter hereof were discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

**READ** and **APPROVED** on first reading this the \_\_\_\_\_ day of \_\_\_\_\_, 2017.

**READ, APPROVED** and **ADOPTED** on second reading this the \_\_\_\_\_ day of \_\_\_\_\_, 2017.


\_\_\_\_\_  
ALAN MCGRAW, Mayor  
City of Round Rock, Texas

ATTEST:

\_\_\_\_\_  
SARA L. WHITE, City Clerk





  
1 in = 100 ft  
(N.T.S. - Reference Only)

Proposed All-Way Stop  
(Hermitage Dr. & Chaparral Dr.)





# City of Round Rock

## Agenda Item Summary

**Agenda Number: F.3**

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**Title:** Consider a resolution authorizing the Mayor to execute a Geospatial Data Interlocal Contract with CAPCOG for orthoimagery services.

**Type:** Resolution

**Governing Body:** City Council

**Agenda Date:** 3/9/2017

**Dept Director:** Heath Douglas, IT Director

**Cost:** \$8,329.24

**Indexes:** General Fund

**Attachments:** Resolution, Exhibit A

**Department:** Information Technology

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### **Text of Legislative File 2017-4237**

This is an Inter-local agreement with CAPCOG to provide the City with 6" resolution aerial imagery for the area covered by the City of Round Rock and its ETJ. This imagery is valuable to Engineering, Transportation, Utilities, PARD and other City departments and is used by our GIS and Permitting systems. It is also available to contractors and our citizens through our CityView online mapping tool. The City has been contracting for this imagery on a yearly basis since 2010 and has been purchasing it from CAPCOG since 2003. The total cost is \$8,329.24.

**Cost: \$8,329.24**

**Source of Funds: General Fund**



**RESOLUTION NO. R-2017-4237**

**WHEREAS**, Chapter 791 of the Texas Government Code, V.T.C.A., authorizes local governments and agencies of the state to enter into agreements with one another to perform governmental functions and services, and

**WHEREAS**, the City of Round Rock (“City”) wishes to enter into an Interlocal Contract with the Capital Area Council of Governments (“CAPCOG”) regarding the 6-inch resolution orthoimagery, being developed jointly by the City, CAPCOG, and Fugro Geospatial, Now Therefore

**BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ROUND ROCK, TEXAS,**

That the Mayor is hereby authorized and directed to execute on behalf of the City a Geospatial Data Interlocal Contract for Geomap 2017 (Orthophotos) Work Order 2017-6-6 with CAPCOG, a copy of same being attached hereto as Exhibit “A” and incorporated herein for all purposes.

The City Council hereby finds and declares that written notice of the date, hour, place and subject of the meeting at which this Resolution was adopted was posted and that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof were discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

**RESOLVED** this 9th day of March, 2017.

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ALAN MCGRAW, Mayor  
City of Round Rock, Texas

ATTEST:

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SARA L. WHITE, City Clerk

# EXHIBIT

## "A"

### CAPITAL AREA COUNCIL OF GOVERNMENTS AND CITY OF ROUND ROCK

### GEOSPATIAL DATA INTERLOCAL CONTRACT FOR GEOMAP 2017 (ORTHOPHOTOS) WORK ORDER 2017-6-6

#### Art. 1. Parties and Purpose

1.1. The Capital Area Council of Governments ("CAPCOG") is a regional planning commission and political subdivision of the State of Texas organized and operating under the Texas Regional Planning Act of 1965, as amended, chapter 391 of the Local Government Code.

1.2. City of Round Rock is a local government that is seeking to obtain 6-inch resolution orthoimagery.

1.3. CAPCOG has contracted with Fugro Geospatial, Inc. to provide these services to City of Round Rock. This contract is entered into between CAPCOG and City of Round Rock under chapter 791 of the Government Code so that City of Round Rock can contribute funding toward the development of 6-inch resolution orthoimagery being developed jointly by City of Round Rock, CAPCOG, and Fugro Geospatial.

#### Art. 2. Goods and Services

2.1. CAPCOG agrees to furnish City of Round Rock the orthoimagery according to the delivery schedule described in Section 3.2 of this Agreement and in accordance with the attached Exhibit A to this contract. The services will be performed by Fugro Geospatial for City of Round Rock under its contract with CAPCOG.

#### Art. 3. Contract Price and Payment Terms

3.1. City of Round Rock agrees to provide funding to CAPCOG under this contract, solely from current revenues available to City of Round Rock with a total value of not to exceed \$8,329.24. The total contract value includes a project management fee of \$471.47 which equal to 6% of the price to be paid to Fugro Geospatial under the particular work order executed to provide goods and services for City of Round Rock. In each invoice submitted for an installment payment under Section 3.2, CAPCOG agrees to invoice City of Round Rock for the percentage of the project management fee equal to the installment percentage due under Section 3.2.

3.2. City of Round Rock agrees to provide installment payments to CAPCOG based on the Deliverable Schedule shown below:

- 30% upon acquisition complete
- 30% upon survey report and AT report delivery
- 30% upon initiation of online QA/QC ortho process
- 10% upon final acceptance

3.3. Invoices requesting payment along with attached documentation provided by Fugro Geospatial to CAPCOG that the deliverable milestones have been met, as per Art. 3.2, shall be delivered to: City of Round Rock, 221 E. Main St., Round Rock, Texas 78664, Attention: Brian Finger.

3.4. City of Round Rock agrees to pay the invoice within 30 days after it receives the invoice, as required by the Prompt Payment Act, chapter 2251 of the Government Code.

3.5. CAPCOG agrees to provide funding and/or in-kind services to Fugro Geospatial under its Contract for the Capital Area Geospatial Base Map Project the amount due in accordance with Exhibit A.

#### **Art. 4. Effective Date and Term of Contract**

4.1. (a) Except as provided in paragraph (b), this contract takes effect on the date it is signed on behalf of CAPCOG and it ends, unless sooner terminated under Art. 6 or 7, when the total value of funding, as set out in Art. 3.1, has been furnished by City of Round Rock, or on December 31, 2017.

(b) Exhibit B, the Copyright License, takes effect on the date all geospatial data products are delivered to CAPCOG and expires, unless sooner terminated under Sec. 6 of Exhibit B, two years from that date.

#### **Art. 5. Nondiscrimination and Equal Opportunity**

5.1. CAPCOG and City of Round Rock shall not exclude anyone from participating under this contract, deny anyone benefits under this contract, or otherwise unlawfully discriminate against anyone in carrying out this contract because of race, color, religion, national origin, sex, age, disability, or veteran status.

#### **Art. 6. Termination of Contract for Unavailability of Funds**

6.1. City of Round Rock acknowledges that CAPCOG is a governmental entity without taxing power and agrees that CAPCOG may terminate this contract in whole or part if CAPCOG learns that funds to pay for the goods or services will not be available at the time of delivery or performance.

6.2. CAPCOG terminates this contract for unavailability of funds by giving City of Round Rock notice of the termination, as soon as it learns of the funding unavailability, and specifying the termination date, which may not be less than 15 calendar days from the notice date. The contract terminates on the specified termination date.

#### **Art. 7. Termination for Breach of Contract**

7.1. (a) If City of Round Rock or CAPCOG breaches a material provision of this contract, the other may notify the breaching party describing the breach and demanding corrective action. The breaching party has five business days from its receipt of the notice to correct the breach, or to begin and continue with reasonable diligence and in good faith to correct the breach. If the breach cannot be corrected within a reasonable time, despite the breaching party's reasonable diligence and good faith effort to do so, the parties may agree to terminate the contract or either party may invoke the dispute resolution process of Art. 8.

(b) If Fugro Geospatial breaches its contract with CAPCOG, so that the orthoimagery contracted for is not delivered to City of Round Rock, CAPCOG may terminate this contract by giving the City of Round Rock notice of the termination, as soon as it learns of the nondelivery, and specifying the termination date, which may not be less than 15 calendar days from the notice date. The contract terminates on the specified termination date.

7.2. Termination for breach under Art. 7.1 does not waive either party's claim for damages resulting from the breach.

#### **Art. 8. Dispute Resolution**

8.1. The parties desire to resolve disputes arising under this contract without litigation, as encouraged by chapter 2009, Government Code. Accordingly, if a dispute arises, the parties agree to attempt in good faith to resolve the dispute between them. To this end, the parties agree not to sue one another, except to enforce compliance with this Art. 8, toll the statute of limitations, or seek an injunction, until they have exhausted the procedures set out in this Art. 8.

8.2. At the written request of either party, each party shall appoint one nonlawyer representative to negotiate informally and in good faith to resolve any dispute arising under this contract. The representatives appointed shall determine the location, format, frequency, and duration of the negotiations.

8.3. If the representatives cannot resolve the dispute within 30 calendar days after the first negotiation meeting, the parties agree to refer the dispute to the Dispute Resolution Center of Austin for mediation in accordance with the Center's mediation procedures by a single mediator assigned by the Center. Each party shall pay half the cost of the Center's mediation services.

8.4. The parties agree to continue performing their duties under this contract, which are unaffected by the dispute, during the negotiation and mediation process.

#### **Art. 9. Notice to Parties**

9.1. Notice to be effective under this contract must be in writing and received by the party against whom it is to operate. Notice is received by a party: (1) when it is delivered to the party personally; (2) on the date shown on the return receipt if mailed by registered or certified mail, return receipt requested, to the party's address specified in Art. 9.2 and signed for on behalf of the party; or (3) three business days after its deposit in the United States mail, with first-class postage affixed, addressed to the party's address specified in Art. 9.2.

9.2. CAPCOG's address is 6800 Burleson Road, Building 310, Suite 165, Austin, TX 78744, Attention: Betty Voights, Executive Director. City of Round Rock, 221 E. Main St., Round Rock, Texas 78664, Attention: Brian Finger.

9.3. A party may change its address by providing notice of the change in accordance with Art. 9.1.

#### **Art. 10. Miscellaneous**

10.1. Each individual signing this contract on behalf of a party warrants that he or she is legally authorized to do so and that the party is legally authorized to perform the obligations undertaken.

10.2. (a) This contract states the entire agreement of the parties, and an amendment to it is not effective unless in writing and signed by all parties.

(b) The following Exhibits are part of this contract:

- A. Work Order
- B. Copyright License

10.4. This contract is binding on and inures to the benefit of the parties' successors in interest.

10.5. This contract is executed in duplicate originals.

City of Round Rock, TEXAS

CAPITAL AREA COUNCIL OF  
GOVERNMENTS

By \_\_\_\_\_

By \_\_\_\_\_

Alan McGraw

Betty Voights  
Executive Director

Date \_\_\_\_\_

Date \_\_\_\_\_

## **EXHIBIT A**

### **GEOMAP 2017, WORK ORDER 2017**

When signed on behalf of CAPCOG, this Work Order authorizes Fugro Geospatial to provide the goods and services described in the Scope of Work set out below in accordance with the timetable set out in the Scope of Work.

CAPCOG agrees to pay Fugro Geospatial the firm fixed price of \$7,857.77 for the goods and services provided under the Scope of Work.

This Work Order is subject to all of the terms and conditions of the Contract for the Capital Area Geospatial Base Map Project, as currently amended, between CAPCOG and Fugro Geospatial.

#### **Scope of Work**

Orthophoto acquisition is for 6" resolution covering 97 square miles, which includes some overlap with neighboring project participants in a cost-sharing model. Further details of the overall Scope of Work and Work Order are provided as exhibits to the contract between CAPCOG and Fugro Geospatial, which are available upon request.

## **EXHIBIT B**

### **COPYRIGHT LICENSE**

#### **Sec. 1. Preamble**

CAPCOG will own the copyright to all the geospatial data delivered by Fugro Geospatial, Inc. under this contract as the *GeoMap 2017 Data* (“Copyrighted Materials”). CAPCOG intends to register the copyright with the U.S. Copyright Office, and this Copyright License (the “License”) authorizes the City of Round Rock (the “Licensee”) to use the Copyrighted Materials under the terms and conditions set out below.

#### **Sec. 2. Copyright Ownership**

CAPCOG owns all right, title and interest in and to the Copyrighted Materials and reserves all rights therein not expressly granted under this License. Except as provided in Sec. 3, this License does not transfer to Licensee title to or any proprietary or intellectual property rights in the Copyrighted Materials.

#### **Sec. 3. Grant of License**

3.1. CAPCOG grants Licensee a nonexclusive, nontransferable, royalty-free license to reproduce, distribute, and use the Copyrighted Materials, as provided in Sec. 3.2, during the term of this License.

3.2. Licensee may reproduce and distribute the Copyrighted Materials to and permit their use only (1) by its elected officials and employees; and (2) by a third party in a contractual relationship with Licensee insofar as use of the Copyrighted Materials is necessary to carry out the requirements of the contract. Licensee may not reproduce or distribute to or permit use of the Copyrighted Materials by any other third party.

#### **Sec. 4. No Warranty.**

CAPCOG MAKES NO WARRANTY, WHETHER EXPRESS OR IMPLIED, REGARDING THE COPYRIGHTED MATERIALS LICENSED UNDER THIS LICENSE. CAPCOG SPECIFICALLY DISCLAIMS ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NONINFRINGEMENT WITH RESPECT TO THE COPYRIGHTED MATERIALS.



## **Sec. 5. Term of License**

This License takes effect on the date all geospatial data products are delivered to CAPCOG and expires, unless sooner terminated under Sec. 6, two years from that date. When this License expires, the Copyrighted Materials revert to the public domain and may be freely reproduced, distributed, and used by anyone

## **Sec. 6. Termination for Breach of License.**

6.1. If Licensee or CAPCOG breaches a material provision of this License, the other may notify the breaching party describing the breach and demanding corrective action. The breaching party has five business days from its receipt of the notice to correct the breach, or to begin and continue with reasonable diligence and in good faith to correct the breach. If the breach cannot be corrected within a reasonable time, despite the breaching party's reasonable diligence and good faith effort to do so, the parties may agree to terminate this License or, except as provided in Sec. 6.2, either party may invoke Art. 8, the dispute resolution process, of the contract.

6.2. If Licensee breaches this License by allowing use of the Copyrighted Materials by a third party in violation of Sec. 3.2, and the breach cannot be corrected under Sec. 6.1, CAPCOG may terminate this License, without resort to the dispute resolution process, by giving Licensee notice of the termination date, which may not be less than 10 calendar days from the notice date. This License terminates on the specified termination date, and Licensee shall immediately ensure removal of all Copyrighted Materials from the third party's computer hardware, including, but not limited to, hard disks, SANs, RAIDs, PCs or any other form of electronic computer device, and certify the removal to CAPCOG in writing.

6.3. Termination for breach under Sec. 6.1 or 6.2 does not waive either party's claim for damages resulting from the breach.



# City of Round Rock

## Agenda Item Summary

**Agenda Number: G.1**

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**Title:** Consider public testimony regarding the Community Development Block Grant (CDBG) 2017-2018 Annual Action Plan.

**Type:** Public Hearing

**Governing Body:** City Council

**Agenda Date:** 3/9/2017

**Dept Director:** Susan Morgan, CFO

**Cost:**

**Indexes:**

**Attachments:**

**Department:** Finance Department

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### **Text of Legislative File 2017-4258**

The Office of Community Development is requesting public testimony on the needs of the low to moderate income residents in Round Rock. Any comments received at this public hearing will be taken into consideration during the development of the 2017-2018 Annual Action Plan.

The 2017-2018 Annual Action Plan is a component of the Consolidated Plan that is submitted to HUD each August and also serves as the community's annual application for Community Development Block Grant (CDBG) funding.

The Action Plan will detail the proposed community development programs and activities for the year, and explains how they address the priorities and goals expressed in the Consolidated Plan.

The Annual Community Needs Assessment Public Hearings also have a significant role in shaping the Annual Action Plan.



# City of Round Rock

## Agenda Item Summary

**Agenda Number:** H.1

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**Title:** Consider a resolution authorizing the Mayor to execute Quantity Adjustment/Change Order No. 5 with Capital Excavation for the Creek Bend Boulevard Extension Project.

**Type:** Resolution

**Governing Body:** City Council

**Agenda Date:** 3/9/2017

**Dept Director:** Gary Hudder, Transportation Director

**Cost:** \$228,620.78

**Indexes:** RR Transportation and Economic Development Corporation (Type B)

**Attachments:** Resolution, Exhibit A

**Department:** Transportation Department

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### Text of Legislative File 2017-4223

The Creek Bend Boulevard Extension will extend the existing four-lane divided roadway from Creek Bend Circle across Brushy Creek and Hairy Man Road to connect with Brightwater Boulevard at Wyoming Springs Drive. The purpose of the proposed project is to improve safety and enhance mobility in the project area. Improvements consist of grading, asphalt pavement, drainage, utilities, water quality, traffic signalization, signing, pavement markings, illumination, raised medians, landscaping, sidewalks and bicycle accommodations. A bridge will also be constructed over Brushy Creek and Hairy Man Road. In addition to new construction, the project includes corridor enhancements along existing Creek Bend Boulevard south of Sam Bass Road. Landscaping and irrigation will be added to the medians, street lighting will be extended to Sam Bass Road, and the existing fences along the right of way from Creek Bend Circle to Sam Bass Road will be replaced with "rock-look" precast concrete fence. Creek Bend Boulevard will be milled and overlaid from Pena Cove to Sam Bass Road with only minor utility adjustments expected. Right-of-way acquisition for this project is complete.

This project will provide north-south connection over Brushy Creek, thus increasing connectivity and reducing the reliance on IH 35 for north-south movements on the west side of Round Rock. Completion of this project will also alleviate some of the traffic on Sam Bass Road and RM 620 and will make construction of future projects on these two east-west routes more feasible by providing an alternate route.

On April 2, 2015 a construction contract for \$8,089,168.50 with Capital Excavation

Company was approved by the City Council.

Quantity Adjustment/Change Order No. 1 was approved by City Council on December 17, 2015 for \$97,270.27 for replacement of existing A/C waterline for a total contract amount of \$8,186,438.77.

Quantity Adjustment/Change Order No. 2 for the amount of \$47,592.25 is for third-party foundation vibration monitoring as required by the Temporary Construction Easement (TCE) obtained for Parcel 7E as well as storm sewer revisions due to differing site conditions and unforeseen underground utility conflicts. The adjusted contract price is \$8,234,031.02. City Manager approved this change order on 3/25/2016.

Quantity Adjustment/Change Order No. 3 In the course of construction, it became necessary to restrain the existing 16-inch and 30-inch waterlines of Round Rock's and the 24-inch waterline belonging to Fern Bluff prior to the designed tie-ins. The total cost of this task was \$32,091.20. The City Manager approved this change order on 4/15/2016, for the amount of \$32,091.20, raising the amended Contract amount to \$8,266,122.22.

Quantity Adjustment/Change Order No. 4 for the amount of \$96,555.80 is for the closure of voids 4,5, and 6 that were discovered during trenching for the storm sewer lines. The closure of these voids consisted of demolishing the tops, removal of debris, placing of 3/8" pea gravel, and an 18" thick flowable fill cap as required by TCEQ. The approval of CO/QA No. 4 for the amount of \$96,555.80, increased the amended contract amount to \$8,362,678.02.

Quantity Adjustment/Change Order No. 5 for the amount of \$228,620.78 is for the addition of the following items. Surface milling and placement of 2" asphalt overlay on Creek Bend Blvd. from Sam Bass Rd. to FM 3406; The closure of voids 7, 8 and 9 as approved by TCEQ; An increase in block sod installation for lawn restoration, addition of precast concrete corridor fencing, addition of Hydro Seeding, addition of anti-graffiti coating for bridge structure and the addition of an 8" rock rip rap layer for erosion control. The transportation staff recommends approval of this QA/CO for the total price of: \$228,620.78 which increases the amended contract amount to \$8,591,298.80.

**Cost: \$228,620.78**

**Source of Funds: RR Transportation and Economic Development Corporation**

**RESOLUTION NO. R-2017-4223**

**WHEREAS**, the City of Round Rock has previously entered into a contract (“Contract”) with Capital Excavation Company for the Creek Bend Boulevard Extension Project, and

**WHEREAS**, the Council has determined that it is necessary to make adjustments/changes to the quantity of work to be performed or materials, equipment, or supplies to be provided, and

**WHEREAS**, it has been determined that it is necessary to adjust/change the quantities in said Contract in accordance with the attached Quantity Adjustment/Change Order No. 5, Now Therefore

**BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ROUND ROCK, TEXAS,**

That the Mayor is hereby authorized and directed to execute on behalf of the City, Quantity Adjustment/Change Order No. 5 to the Contract with Capital Excavation Company for the Creek Bend Boulevard Extension Project, a copy of said quantity adjustment/change order being attached hereto as Exhibit “A” and incorporated herein for all purposes.

The City Council hereby finds and declares that written notice of the date, hour, place and subject of the meeting at which this Resolution was adopted was posted and that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof were discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

**RESOLVED** this 9th day of March, 2017.

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ALAN MCGRAW, Mayor  
City of Round Rock, Texas

ATTEST:

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SARA L. WHITE, City Clerk

# EXHIBIT "A"



rev, 05/15

## Contract Quantity Adjustment/Change Order

Department: TransportationProject Name: Creek Bend Blvd ExtensionDate: 1/23/17City Project ID Number ST33CBDRChange Order/Quantity Adjustment No. 5**Justification**

Quantity Adjustment/Change Order No. 5 for the amount of \$220,239.08 is for the addition of the following items. Surface milling and placement of 2" asphalt overlay on Creek Bend Blvd. from Sam Bass Rd. to FM 3406. The closure of voids 7, 8 and 9 as approved by TCEQ. An increase in block sod installation for lawn restoration, addition of precast concrete corridor fencing, addition of Hydro Seeding, addition of anti-graffiti coating for bridge structure, addition of an 8" rock rip rap layer for erosion control, and galvanized expansion plates for the sidewalk on the bridge.

**SUMMARY**

	Amount	% Change
Original Contract Price:	\$8,089,168.50	
Previous Quantity Adjustment(s):	\$77,770.27	
This Quantity Adjustment:	\$91,159.00	
Total Quantity Adjustment(s):	\$168,929.27	
Total Contract Price with Quantity Adjustment(s):	\$8,258,097.77	
Previous Change Order(s):	\$195,739.25	0.02
This Change Order:	\$137,461.78	0.02
Total Change Order(s) To Date:	\$333,201.03	0.04
Adjusted Contract Price [Original Contract Price Plus Quantity Adjustment(s) Plus Change Order(s)]:	\$8,591,298.80	
Difference between Original and Adjusted Contract Prices:	\$502,130.30	
Original Contract Time:	435	
Time Adjustment by previous Quan. Adj./Change Order:	140	
Time Adjustment by this Quan. Adj./Change Order:	6	
New Contract Time:	581	

**Submitted for Approval**

Prepared By: [Signature] Randy Crum, Project Manager, City of Round Rock 1/27/17  
Signature Printed Name, Title, Company Date

**Approvals**

Contractor: [Signature] LOGAN GINBEY, P.C. CAPITAL EXCAVATION 2/2/17  
Signature Printed Name, Title, Company Date

City Project Manager: [Signature] Randy Crum, Project Manager, City of Round Rock 1/27/17  
Signature Printed Name, Title Date

Mayor/City Manager: [Signature] Printed Name, Title Date



### Contract Quantity Adjustment/Change Order

Quan. Adj./Change Order No.: 5

Change Order Data						
Item #	Item Description	Unit	Qty.	Unit Price	Amount	Contract Time Adjustment (Days)
1	Block Sod	SY	450	\$6.76	\$3,043.40	
2	4' Wrought Iron Gate	EA	5	\$975.66	\$4,878.30	
3	Hydro Seeding	SY	7165.873	\$1.89	\$13,543.50	
4	Void 7,8, and 9 Closure	LS	1	\$5,964.02	\$5,964.02	
5	Anti-Graffiti Coating for Bridge Structure	SF	6930	\$1.15	\$7,969.50	
6	2" Type C HMA Sam Bass to 3406	Ton	1156.56	\$81.00	\$93,681.36	3
6	Galvanized Expansion Joint Cover Plate	EA	6	\$1,396.95	\$8,381.70	
					\$0.00	
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					\$0.00	
					\$0.00	
				<b>TOTALS:</b>	<b>\$137461.78</b>	<b>3</b>

Project Name: Creek Bend Blvd Extension

Quan. Adj./Change Order No.: 5

Quantity/Adjustment Data						
Bid Item #	Item Description	Unit	Qty.	Unit Price	Amount	Contract Time Adjustment (Days)
37	8" Rock Rip Rap	CY	247	\$200.00	\$49,400.00	
16	Plane And Text Asph Conc Pav 0-2"	SY	10653	\$3.00	\$31,959.00	3
199	6' Precast Concrete Fencing	LF	140	\$70.00	\$9,800.00	
					\$0.00	
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					\$0.00	
				<b>TOTALS:</b>	<b>\$91,159.00</b>	<b>3</b>



# CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.  
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

## OFFICE USE ONLY CERTIFICATION OF FILING

Certificate Number:  
2017-164358

Date Filed:  
02/09/2017

Date Acknowledged:

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

CAPITAL EXCAVATION  
BUDA, TX United States

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

City of Round Rock

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

ST33CBDR  
CREEK BEND BLVD

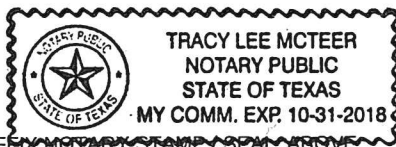
4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary

5 Check only if there is NO Interested Party.



6 AFFIDAVIT

I swear, or affirm, under penalty of perjury, that the above disclosure is true and correct.



AFFIX NOTARY STAMP / SEAL ABOVE

Leon Guitierrez  
Signature of authorized agent of contracting business entity

Sworn to and subscribed before me, by the said Leon Guitierrez, this the 9 day of Feb, 2017, to certify which, witness my hand and seal of office.

Tracy Lee McTeer  
Signature of officer administering oath

TRACY LEE MCTEER  
Printed name of officer administering oath

Proy Admin  
Title of officer administering oath



# City of Round Rock

## Agenda Item Summary

**Agenda Number:** H.2

---

**Title:** Consider a resolution authorizing the Mayor to execute a Consulting Services Agreement with Ramundsen Public Sector, LLC for an upgrade to the City's Land Management Software System.

**Type:** Resolution

**Governing Body:** City Council

**Agenda Date:** 3/9/2017

**Dept Director:** Heath Douglas, IT Director

**Cost:** \$59,920.00

**Indexes:** General Self-Financed Construction

**Attachments:** Resolution, Exhibit A, Form 1295

**Department:** Information Technology

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### **Text of Legislative File 2017-4262**

This agreement is for services related to the upgrade of the City's TRAKiT land management software system. The City uses TRAKiT software for tracking permitting, land development, and code enforcement and have been on the same version since it was implemented in 2011. Recently a new version, TRAKiT 9, was released that makes major improvements on the previous versions. Most importantly the new version uses a web-based architecture which allows the software to be run on any computer with a web browser. The new platform has been designed to have enhanced functionality on mobile and desktop interfaces. The upgrade also includes notable improvements to reporting and mapping. This agreement includes the licensing and installation of the TRAKiT 9 software version, the conversion services needed to upgrade the City's current TRAKiT version, and the training of staff on the new software version.

**Cost:** 59,920

**Source of Funds:** *General Self-Financed Construction*

**RESOLUTION NO. R-2017-4262**

**WHEREAS**, the City of Round Rock desires to retain consulting services relating to the upgrade of land management software system and related subsystems; and

**WHEREAS**, Ramundsen Public Sector, LLC has submitted a Consulting Services Agreement to provide said services; and

**WHEREAS**, the City Council desires to enter into said agreement with Ramundsen Public Sector, LLC, Now Therefore

**BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ROUND ROCK, TEXAS,**

That the Mayor is hereby authorized and directed to execute on behalf of the City a Consulting Services Agreement for Upgrade of Land Management Software with Ramundsen Public Sector, LLC, a copy of same being attached hereto as Exhibit "A" and incorporated herein for all purposes.

The City Council hereby finds and declares that written notice of the date, hour, place and subject of the meeting at which this Resolution was adopted was posted and that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof were discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

**RESOLVED** this 9th day of March, 2017.

---

ALAN MCGRAW, Mayor  
City of Round Rock, Texas

ATTEST:

---

SARA L. WHITE, City Clerk

**EXHIBIT**

**"A"**

**CITY OF ROUND ROCK  
CONSULTING SERVICES AGREEMENT FOR  
UPGRADE OF LAND MANAGEMENT SOFTWARE  
WITH RAMUNDSEN PUBLIC SECTOR, LLC**

THE STATE OF TEXAS	§	
	§	
CITY OF ROUND ROCK	§	KNOW ALL BY THESE PRESENTS:
	§	
COUNTY OF WILLIAMSON	§	
COUNTY OF TRAVIS	§	

THIS AGREEMENT for services relating to the upgrade of land management software system and related subsystems (the "Agreement"), is made by and between the CITY OF ROUND ROCK, TEXAS, a home-rule municipality with offices located at 221 East Main Street, Round Rock, Texas 78664-5299 (the "City") and RAMUNDSEN PUBLIC SECTOR, LLC ("Ramundsen") as successors in interest to SUNGARD PUBLIC SECTOR LLC, with offices located at 1000 Business Center Drive, Lake Mary, FL 32746 ("SunGard").

**RECITALS:**

**WHEREAS**, City has determined that there is a need for the delineated services; and

**WHEREAS**, City desires to contract for such services; and

**WHEREAS**, the parties desire to enter into this Agreement to set forth in writing their respective rights, duties, and obligations hereunder;

**NOW, THEREFORE, WITNESSETH:**

That for and in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is mutually agreed between the parties as follows:

**1.0 DEFINITIONS**

A. **Agreement** means the binding legal contract between City and Ramundsen whereby City is obligated to buy specified services and Ramundsen is obligated to provide same.

B. **City** means the City of Round Rock, Williamson and Travis Counties, Texas.

C. **Effective Date** means the date upon which the binding signatures of both parties to this Agreement are affixed.

D. **Force Majeure** means acts of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy, orders of any kind from the government of the United

States or the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, restraint of the government and the people, civil disturbances, explosions, or other causes not reasonably within the control of the party claiming such inability.

E. **Services** mean work performed to meet a demand or effort by Ramundsen to comply with promised delivery dates, specifications, and technical assistance specified in Exhibit A.

F. **Consultant** means Ramundsen Public Sector or any of its corporate structures, successors or assigns.

## **2.01 EFFECTIVE DATE, DURATION, AND TERM**

This Agreement shall be effective on the date it has been signed by each party hereto, and shall remain in full force and effect unless and until it expires by operation of the term stated herein, or until terminated or extended as provided herein.

The initial term of this Agreement shall be until full and satisfactory completion of the work specified herein is achieved, but in no event later than twelve (12) months from the effective date of this Agreement.

## **3.01 CONTRACT DOCUMENTS AND EXHIBITS**

The services which are the subject matter of this Agreement are described in Exhibit "A" and, together with the terms and conditions contained in Exhibit "A" of this Agreement, comprise the total Agreement and they are fully a part of this Agreement as if repeated herein in full. Any inconsistencies or conflicts in the contract documents shall be resolved by giving preference to the terms and conditions set forth in pages one (1) through nine (9) of this Agreement.

## **4.01 SCOPE OF WORK**

Ramundsen shall provide all deliverables and services described in Exhibit "A" within the contract term specified. A change in the Scope of Services and any additional fees related thereto must be negotiated and agreed in all relevant details, and must be embodied in a valid Supplemental Agreement as described herein.

## **5.01 CONTRACT AMOUNT**

A. **Payment for Work Performed:** In consideration for the services to be performed by Ramundsen, City agrees to pay Ramundsen for actual work performed the not-to-exceed sum of **Fifty-Nine Thousand Nine Hundred Twenty and No/100 Dollars (\$59,920.00)**, in payment for services and the Scope of Work deliverables as delineated herein and in attached exhibits.

B. **Reimbursable Expenses:** Ramundsen may be reimbursed for expenses set forth on page six (6) of Exhibit "A," but in no event shall those reimbursements exceed a total of **Five Thousand and No/100 Dollars (\$5,000.00)**. The reimbursable expenses shall be in addition to the not-to-exceed amount of **\$59,920.00** set forth in the above Paragraph A.

#### **6.01 SCOPE OF WORK**

For purposes of this Agreement, Ramundsen has issued its Scope of Work for the assignments delineated herein, and such Scope of Work is recited in Exhibit "A." This Agreement shall evidence the entire understanding and agreement between the parties and shall supersede any prior proposals, correspondence or discussions. Ramundsen shall provide all services and deliverables described under the referenced Scope of Work within the contract term specified herein. Ramundsen's undertakings shall be limited to performing services for City and/or advising City concerning those matters on which Ramundsen has been specifically engaged. Ramundsen shall perform its services in accordance with this Agreement and in accordance with the referenced Scope of Work. Ramundsen shall perform its services in a professional and workmanlike manner.

#### **7.01 INVOICES**

All invoices shall include, at a minimum, the following information:

- A. Name and address of Ramundsen;
- B. Purchase Order Number;
- C. Description and quantity of items received or services provided; and
- D. Delivery or performance dates.

#### **8.01 NON-APPROPRIATION AND FISCAL FUNDING**

This Agreement is a commitment of City's current revenues only. It is understood and agreed that City shall have the right to terminate this Agreement at the end of any City fiscal year if the governing body of City does not appropriate funds sufficient to purchase the services as determined by City's budget for the fiscal year in question. City may effect such termination by giving Ramundsen a written notice of termination at the end of its then-current fiscal year. City believes that sufficient funds can be obtained to pay all amounts due Ramundsen throughout the term of this Agreement and hereby covenants and agrees that it will make appropriate requests for budget appropriations for the fiscal years in amounts as specified herein. City further agrees that said funds, once successfully appropriated, will be maintained and expended for the expressed purpose of acquiring from Ramundsen the licenses and services set forth herein. In the event sufficient funds are not appropriated, not budgeted or not otherwise legally available, City shall immediately notify Ramundsen of such occurrence and the Agreement shall terminate. Should there be any premature termination of this Agreement, City shall be

responsible to pay a) for any services delivered by Ramundsen prior to the notice and b) for all software which has been delivered.

#### **9.01 PROMPT PAYMENT POLICY**

In accordance with Chapter 2251, V.T.C.A., Texas Government Code, any payment to be made by City to Ramundsen will be made within thirty (30) days of the date City receives goods under this Agreement, the date the performance of the services under this Agreement are completed, or the date City receives a correct invoice for the goods or services, whichever is later. Ramundsen may charge interest on an overdue payment at the "rate in effect" on September 1 of the fiscal year in which the payment becomes overdue, in accordance with V.T.C.A., Texas Government Code, Section 2251.025(b). This Prompt Payment Policy does not apply to payments made by City if:

A. There is a bona fide dispute between City and Ramundsen, a contractor, subcontractor, or supplier about goods delivered or the service performed that causes the payment to be late; or

B. There is a bona fide dispute between Ramundsen and a subcontractor or between a subcontractor and its supplier about the goods delivered or the service performed that causes the payment to be late; or

C. The terms of a federal contract, grant, regulation, or statute prevent City from making a timely payment with federal funds; or

D. The invoice is not mailed to City in strict accordance with any instruction on the purchase order relating to the payment.

#### **10.01 GRATUITIES AND BRIBES**

City may, by written notice to Ramundsen, cancel this Agreement without incurring any liability to Ramundsen if it is determined by City that gratuities or bribes in the form of entertainment, gifts, or otherwise were offered or given by Ramundsen or its agents or representatives to any City officer, employee or elected representative with respect to the performance of this Agreement. In addition, Ramundsen may be subject to penalties stated in Title 8 of the Texas Penal Code.

#### **11.01 TAXES**

City is exempt from Federal Excise and State Sales Tax; therefore, tax shall not be included in Ramundsen's charges.

#### **12.01 ORDERS PLACED WITH ALTERNATE PROVIDERS**

If Ramundsen cannot provide the goods as specified, City reserves the right and option to obtain same from another source or supplier(s).

#### **13.01 INSURANCE**

Ramundsen shall meet all City of Round Rock Insurance Requirements set forth at: [http://www.roundrocktexas.gov/wp-content/uploads/2014/12/corr\\_insurance\\_07.20112.pdf](http://www.roundrocktexas.gov/wp-content/uploads/2014/12/corr_insurance_07.20112.pdf).

#### **14.01 CITY'S REPRESENTATIVE**

City hereby designates the following representative(s) authorized to act in its behalf with regard to this Agreement:

Ramsey Saad  
Information Technology Operations Officer  
City of Round Rock  
221 E. Main Street  
Round Rock, Texas 78664  
(512) 671-2768

#### **15.01 RIGHT TO ASSURANCE**

Whenever either party to this Agreement, in good faith, has reason to question the other party's intent to perform hereunder, then demand may be made to the other party for written assurance of the intent to perform. In the event that no written assurance is given within the reasonable time specified when demand is made, then and in that event the demanding party may treat such failure as an anticipatory repudiation of this Agreement.

#### **16.01 DEFAULT**

If Ramundsen abandons or defaults hereunder and is a cause of City purchasing the specified services elsewhere, Ramundsen agrees that it will not be considered in the re-advertisement of the service and that it may not be considered in future bids for the same type of work unless the scope of work is significantly changed. Ramundsen shall be declared in default of this Agreement if it does any of the following:

- A. Fails to make any payment in full when due;
- B. Fails to fully, timely and faithfully perform any of its material obligations hereunder;
- C. Fails to provide adequate assurance of performance under the "Right to Assurance" section herein; or



D. Becomes insolvent or seeks relief under the bankruptcy laws of the United States.

#### **17.01 TERMINATION AND SUSPENSION**

A. City will have the right to terminate this Agreement for convenience, by providing Ramundsen with written notice of such termination for convenience at least ninety (30) days prior to the effective date of such termination for convenience. Provided as a strict condition of such right of termination for convenience, City must first remit to Ramundsen payment in full of: (a) all license fee amounts outstanding for the software, (b) all outstanding amounts for all third party products provided by Ramundsen under or pursuant to this Agreement, (c) all fees for services rendered by or on behalf of Ramundsen (including for services rendered by Ramundsen, Ramundsen's subcontractors and/or services rendered by third parties for which Ramundsen is facilitating the provision of services to Customer), and (d) all reimbursable expenses incurred by Ramundsen's subcontractors, and all third parties for which Ramundsen is facilitating the provision of products or services to Customer.

B. In the event of default by one of the parties, the non-defaulting party has the right to terminate this Agreement for cause.

C. City and Ramundsen may terminate this Agreement at any time for cause or convenience upon mutual agreement of the parties.

#### **18.01 INDEMNIFICATION**

Ramundsen shall defend (at the option of City), indemnify, and hold City, its successors, assigns, officers, employees and elected officials harmless from and against all suits, actions, legal proceedings, claims, demands, damages, costs, expenses, attorney's fees, and any and all other costs or fees arising out of, or incident to, concerning or resulting from the negligent acts or omissions of Ramundsen, or Ramundsen's agents, employees or subcontractors, in the performance of Ramundsen's obligations under this Agreement, no matter how, or to whom, such loss may occur. Nothing herein shall be deemed to limit the rights of City or Ramundsen (including, but not limited to the right to seek contribution) against any third party who may be liable for an indemnified claim.

#### **19.01 COMPLIANCE WITH LAWS, CHARTER AND ORDINANCES**

A. Ramundsen, its agents, employees and subcontractors shall use best efforts to comply with all federal and state laws, City's Charter and Ordinances, as amended applicable to, and with all applicable rules and regulations promulgated by local, state and national boards, bureaus and agencies.

B. Ramundsen acknowledges and understands that City has adopted a Storm Water Management Program (SWMP) and an Illicit Discharge Ordinance, Sections 14-139 through 14-

152 of the City's Code of Ordinances, to manage the quality of the discharges from its Municipal Separate Storm Sewer System (MS4) and to be in compliance with the requirements of the Texas Commission on Environmental Quality (TCEQ) and the Texas Pollutant Discharge Elimination System (TPDES). The Services Provider agrees to perform all operations on City-owned facilities in compliance with the City's Illicit Discharge Ordinance to minimize the release of pollutants into the MS4. The Services Provider agrees to comply with of the City's stormwater control measures, good housekeeping practices and any facility specific stormwater management operating procedures specific to a certain City facility. In addition, the Services Provider agrees to comply with any applicable TCEQ Total Maximum Daily Load (TMDL) Requirements and/or I-Plan requirements.

## **20.01 NOTICES**

All notices and other communications in connection with this Agreement shall be in writing and shall be considered given as follows:

A. When delivered personally to recipient's address as stated in this Agreement; or

B. Three (3) days after being deposited in the United States mail, with postage prepaid to the recipient's address as stated in this Agreement.

### **Notice to Ramundsen:**

Ramundsen Public Sector  
1000 Business Center Drive  
Lake Mary, FL 32746  
Attention: Legal Counsel

### **Notice to City:**

City Manager  
221 East Main Street  
Round Rock, TX 78664

Stephan L. Sheets, City Attorney  
309 East Main Street  
Round Rock, TX 78664

AND TO:

Nothing contained herein shall be construed to restrict the transmission of routine communications between representatives of City and Ramundsen.

## **21.01 APPLICABLE LAW; ENFORCEMENT AND VENUE**

This Agreement shall be enforceable in Round Rock, Texas, and if legal action is necessary by either party with respect to the enforcement of any or all of the terms or conditions herein, exclusive venue for same shall lie in Williamson County, Texas. This Agreement shall be governed by and construed in accordance with the laws and court decisions of the State of Texas.

## **22.01 EXCLUSIVE AGREEMENT**

This document, and all appended documents, constitutes the entire Agreement between City and Ramundsen with respect to the subject matter hereto. This Agreement may only be amended or supplemented by mutual agreement of the parties hereto in writing, duly authorized by action of the City Manager or City Council.

## **23.01 DISPUTE RESOLUTION**

City and Provider hereby expressly agree that no claims or disputes between the parties arising out of or relating to this Agreement or a breach thereof shall be decided by any arbitration proceeding, including without limitation, any proceeding under the Federal Arbitration Act (9 USC Section 1-14) or any applicable state arbitration statute.

## **24.01 SEVERABILITY**

The invalidity, illegality, or unenforceability of any provision of this Agreement or the occurrence of any event rendering any portion or provision of this Agreement void shall in no way affect the validity or enforceability of any other portion or provision of this Agreement. Any such void provision shall be deemed severed from this Agreement, and the balance of this Agreement shall be construed and enforced as if this Agreement did not contain the particular portion or provision held to be void. The parties further agree to amend this Agreement to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision. The provisions hereof shall not prevent this entire Agreement from being void should a provision that is of the essence of this Agreement be determined to be void.

## **25.01 MISCELLANEOUS PROVISIONS**

**Standard of Care.** Ramundsen represents that it employs trained, experienced and competent persons to perform all of the services, responsibilities and duties specified herein and that such services, responsibilities and duties shall be performed in a manner according to generally accepted industry practices.

**Time is of the Essence.** Ramundsen understands and agrees that time is of the essence and that any failure of Ramundsen to fulfill obligations for each portion of this Agreement within the agreed timeframes will constitute a material breach of this Agreement. Ramundsen shall be fully responsible for its delays or for failures to use best efforts in accordance with the terms of this Agreement. Where damage is caused to City due to Ramundsen's failure to perform in these circumstances, City may pursue any remedy available without waiver of any of City's additional legal rights or remedies.

**Multiple Counterparts.** This Agreement may be executed in multiple counterparts, any one of which shall be considered an original of this document; and all of which, when taken together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, City and Ramundsen have executed this Agreement on the dates indicated.

City of Round Rock, Texas

Ramundsen Public Sector, LLC

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date Signed: \_\_\_\_\_

By: Robert Valvano  
Printed Name: ROBERT VALVANO  
Title: CFO  
Date Signed: 2/13/17

For City, Attest:

By: \_\_\_\_\_  
Sara L. White, City Clerk

For City, Approved as to Form:

By: \_\_\_\_\_  
Stephan L. Sheets, City Attorney



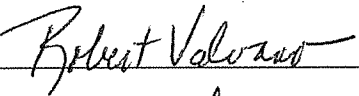
## Exhibit A

### ORDER

By the signatures of their duly authorized representatives below, the Ramundsen Public Sector, LLC entity identified below ("**SunGard**") as successors in interest to SunGard Public Sector LLC and the customer identified below ("**Customer**"), intending to be legally bound, agree to all of the provisions of this Order, and agree that this Order represents a separate contract between such SunGard entity and Customer, with an order execution date of the latest date shown on the signature page below ("**Order Execution Date**").

This Order incorporates and is governed by all of the terms of the SunGard Standard Terms and Conditions version 2016 January, to be found at <http://www.sungardps.com/legal-agreements/> ("SST") as if the SunGard entity was "SunGard" and Customer was "Customer" thereunder.

Capitalized terms not defined in this Order have the meaning given them in the SST.

Ramundsen Public Sector LLC	City of Round Rock, TX
By: 	By:
Print Name: <u>ROBERT VALVERDE</u>	Print Name:
Print Title: <u>CFO</u>	Print Title:
Date Signed: <u>2/13/17</u>	Date Signed:

CUSTOMER #4429

SUNGARD ORDER # \_\_\_\_\_

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#### SOLUTION AND RELATED INFORMATION

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1. SOLUTION: SunGard TRAKIT
2. INITIAL TERM: [Perpetual]
3. SCOPE OF USE:
  - a. DESIGNATED LOCATION(s): 221 East Main Street, Round Rock, TX 78664
  - b. REGION: UNITED STATES
  - c. COVERED CONFIGURATION

4. **SERVICES:** See Project Cost Supplement

Services Notes:

1. Travel and living expenses are additional and will be billed monthly as SunGard renders the services.

5. **PAYMENT TERMS:** See Project Cost Supplement

APPLICABLE TAXES ARE NOT INCLUDED IN THE PROJECT COST SUPPLEMENTS, AND, IF APPLICABLE, WILL BE ADDED TO THE AMOUNT IN THE PAYMENT INVOICE(S) BEING SENT SEPARATELY TO CUSTOMER.

8. **ADDRESSES:**

- a. **CUSTOMER ADDRESS FOR INVOICES:** 221 East Main Street, Round Rock, TX 78664
- b. **CUSTOMER ADDRESS FOR NOTICES:** 221 East Main Street, Round Rock, TX 78664
- c. **CUSTOMER ADDRESS FOR SOFTWARE SHIPMENT:** 221 East Main Street, Round Rock, TX 78664
- d. **SUNGARD'S ADDRESS FOR NOTICES:**

Ramundsen Public Sector LLC  
Attn: Legal Counsel  
1000 Business Center Drive  
Lake Mary, FL 32746

8. **LIABILITY CAP:** The greater of ten thousand US dollars (\$10,000) or the License Fee actually paid by Customer to SunGard under this Order

9. **SPECIFIED CONFIGURATION:** Host(s) or client server configuration(s) and/or combinations of host(s) and client server configuration(s) within the United States of America for which Sungard supports the Solution. Customer acknowledges that certain Solutions software may require specific host or client configurations. Customer, as soon as reasonably practicable, will provide a detailed written description of the specified configuration so that SunGard can confirm that it is a configuration on which SunGard supports use of the Solution.

10. **OTHER TERMS APPLICABLE TO THIS ORDER:**

- **PROJECT COST SUPPLEMENT**
- **SUNGARD TRAVEL EXPENSE GUIDELINES**

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## PROJECT COST SUPPLEMENT

---

<INSERT QUOTE>

# SUNGARD<sup>®</sup>

## PUBLIC SECTOR

### Project Cost Supplement, Round Rock, TX

#### Quote Prepared By:

Tracy Bierman  
2036 Corte Del Nogal  
Carlsbad, CA 92011  
Phone: (858) 451-3030 Fax:  
Email: tracy.bierman@sungardps.com

#### Quote Prepared For:

Chris Collier, GIS Manager  
City of Round Rock  
221 East Main Street  
Round Rock, TX 78664  
(512) 218-5423

Quote  
Q-00021607

Date  
12/21/2016

Valid Until  
02/28/2017

#### Professional Services Services

Product Code	Product Name	Proj Mgmt	Installation	Tech Svcs	Training	Impl Svcs	Consulting	Development	Total Services
PS-CV	Conversion							40,600.00	40,600.00
PS-IN	Installation		1,400.00						1,400.00
PS-PM	Project Management		14,080.00						14,080.00
PS-TR	Training				3,840.00				3,840.00
		<b>Totals:</b>	<b>\$14,080.00</b>	<b>\$1,400.00</b>	<b>\$3,840.00</b>			<b>\$40,600.00</b>	<b>\$59,920.00</b>

#### Product & Services

**Professional Services:** \$59,920.00  
**Subtotal:** \$59,920.00  
**Total:** \$59,920.00

#### Comments:

The City is interested in upgrading its existing version of TRAKIT(.NET) to TRAKIT9 (100% web based solution.) The City owns 30 concurrent user licenses. This Order has been prepared in response to the City's request.

Please refer to Revised Exhibit 1 (11\_7\_2016) for Scope of Work. No software configuration changes or software programming is included in this proposal. Additionally, no custom reports, documents, or forms will be delivered as part of the migration. Any additional products and/or services will need to be quoted separately.

SunGard Public Sector



**Payment terms as follows, unless otherwise notated below for Special Payment Terms by Product:**

License, Project Management, Consulting, Technical Services, Conversion, Third Party Product Software and Hardware Fees are due upon execution of this Order. Training fees and Travel & Living expenses are due as incurred monthly. Installation is due upon completion. Custom Modifications, System Change Requests or SOW's for customization, and Third Party Product Implementation Services fees are due 50% on execution of this Order and 50% due upon invoice, upon completion. Unless otherwise provided, other Professional Services are due monthly, as such services are delivered. Additional services, if requested, will be invoiced at then-current rates. Any shipping charges shown are estimated only and actual shipping charges will be due upon invoice, upon delivery.

## Exhibit A

### SunGard Standard Terms

These SunGard Standard Terms ("SST") may be incorporated into one or more orders referencing these SST (each, an "Order"). Each Order, together with these SST, shall form a separate agreement (this "Agreement"), by and between the Person identified on the Order ("Customer") and the SunGard company identified on the Order ("SunGard"), applicable to the proprietary solution identified on the Order (the "Solution"), as such Solution may be modified, revised and updated from time to time. Only the Customer and SunGard entities that execute the Order will be liable for the obligations under that Order. Each Order will be effective upon the latest date shown on the signature page of the Order ("Order Execution Date").

**1. Scope.** Customer may use the Solution only in the ordinary course of Customer's internal business operations for the benefit of Customer and only in accordance with the terms on the Order, the Documentation, this Agreement, including the Scope of Use. Customer shall be liable for any breach of the terms of this Agreement by any persons given access to the Solution by Customer.

**2. Specified Configuration.** Customer shall, at its expense, procure and maintain the computer hardware, systems software and other items required for use of, or access to, the Solution, including those described in the Order and Documentation (the "Specified Configuration") and for updating the Specified Configuration in accordance with SunGard's published updates. If not yet completed, Customer shall complete its procurement and installation of the Specified Configuration prior to the scheduled start of implementation. Customer shall devote all equipment, facilities, personnel and other resources reasonably necessary to begin using the Solution in production on a timely basis as contemplated by this Agreement and satisfy any Customer requirements necessary for SunGard to complete the professional services described in Section 6. SunGard is not responsible for any delays or additional fees and costs associated with Customer's failure to timely perform its obligations under this Section 2.

**3. Payments.**

**3.1. Fees.** Customer shall pay to SunGard the fees stated in the Order, in accordance with the payment terms stated on the Order. SunGard shall invoice all other fees, as and when incurred. All invoices shall be sent to Customer's address for invoices stated on the Order. Except as otherwise specified on the Order, Customer's payments shall be due within thirty (30) days after the invoice date. A late payment fee at the rate of 12% per year (or, if lower, the maximum rate permitted by applicable law) shall accrue on any amounts thirty (30) days past due and unpaid by Customer to SunGard, except for Disputed Amounts. SunGard may not increase the fees and charges payable under this Agreement, unless otherwise stated in this Agreement or in the Order. Except as provided in Section 4.2(c), all fees and other amounts paid by Customer under this Agreement are non-refundable.

**3.2. Taxes.** The fees and other amounts payable by Customer to SunGard under this Agreement do not include any taxes, duties, levies, fees or similar charges of any jurisdiction ("Taxes") that may be assessed or imposed in connection with the transactions contemplated by this Agreement, excluding only taxes based upon SunGard's net income. Customer shall directly pay any such Taxes assessed against it, and Customer shall promptly reimburse SunGard for any such Taxes payable or collectable by SunGard.

**3.3. Certain Remedies for Non-payment.** If Customer fails to pay to SunGard, within ten (10) days after SunGard makes written demand therefor, any past-due amount payable under this Agreement (including any applicable late payment fee) that is not a Disputed Amount, in addition to all other rights and remedies which SunGard may have, SunGard may, in its sole discretion and with further notice to Customer stating the suspension date, suspend performance of any or all of its obligations under this Agreement (other than Section 5). SunGard shall have no liability for Customer's use of the Solution until all such past-due amounts and any applicable reinstatement fees are paid in full.

**4. Warranties, Covenants and Limitations.**

**4.1. Compliance with Laws.** SunGard shall comply with all laws, enactments, orders and regulations applicable to it as the provider of services under this Agreement. Customer shall comply with all laws, enactments, orders and regulations applicable to it as the recipient and user of services under this Agreement.

**4.2. No Infringement.** SunGard shall indemnify and defend Customer against, any third-party claim asserting that the Solution, as and when made available to Customer by SunGard and when properly used for the purpose and in the manner specifically authorized by this Agreement, infringes upon (i) any patent issued as of the date of this Agreement by a country that is a signatory to the Paris Convention, (ii) any copyright of any country that is a member of the Berne Convention as of the date of this Agreement, or (iii) any trade secret or other proprietary right of any Person (collectively, "IP Rights"). SunGard shall have no obligation under this Section 4.2 unless Customer promptly gives notice to SunGard within ten (10) days after the date Customer first receives notice of the applicable infringement claim (provided that later notice shall relieve SunGard of its liability and obligations under this Section 4.2 only to the extent that SunGard is prejudiced by such later notice) and allows SunGard to have sole control of the defense or settlement of the claim. Customer may monitor any such litigation or proceeding at its expense, using counsel of its choosing. The remedies provided in this Section 4.2 are the sole remedies for a claim of infringement or misappropriation hereunder. If any applicable infringement claim is initiated, or in SunGard's sole opinion is likely to be initiated, SunGard may at its option and expense:

- (a) modify or replace all or the allegedly infringing part of the Solution so that it is no longer allegedly infringing, provided that the functionality does not change in any material adverse respect; or
- (b) procure for Customer the right to continue using the allegedly infringing part of the Solution; or

- (c) remove all or the allegedly infringing part of the Solution, and (i) if Customer has paid a one-time upfront initial license fee for the applicable Solution, refund to Customer the corresponding portion of the license fee paid by Customer to SunGard for the applicable Solution, less a reasonable rental charge equal to one-sixtieth (1/60) of the initial license fee for each month of use following the Order Execution Date, or (ii) if Customer is paying for the use of the Solution on a recurring basis, refund to Customer the corresponding portion of the unused recurring fee(s) paid by Customer to SunGard with respect to the applicable Solution, and in each such case this Agreement shall terminate with respect to the Solution or part thereof removed.

**4.3. Harmful Code.** Using a recent version of a reputable virus-checking product (to the extent commercially available), SunGard will check the Solution, as well as any systems used to deliver the Solution, for any viruses, worms or similar harmful code ("Harmful Code") and will use commercially reasonable efforts to eliminate any such Harmful Code that SunGard discovers.

**4.4. Exclusion for Unauthorized Actions.** SunGard is not liable under any provision of this Agreement for any performance problem, claim of infringement or other matter to the extent attributable to any unauthorized or improper use or modification of the Solution by or on behalf of Customer, any unauthorized combination of the Solution with other software or services (other than as specified in the Specified Configuration), any use of any version of the Solution other than the Supported Release, a failure to subscribe to support services if then offered for the Solution, any Third-Party Hardware or Third-Party Services, and Third-Party Software or Open Source Software (except as set forth in Sections 4.10 and 4.12), any wrongful act or omission by Customer, its Affiliates or its customers or any breach of this Agreement by Customer.

**4.5. Force Majeure.** Neither party shall be liable for, nor shall either party be considered in breach of this Agreement due to, any failure to perform its obligations under this Agreement (other than its payment obligations, which shall be suspended only for so long as the force majeure event renders Customer unable by any means to transmit payments when due hereunder) as a result of a cause beyond its control, including any act of God or a public enemy or terrorist, act of any military, civil or regulatory authority, change in any law or regulation, fire, flood, earthquake, storm or other like event, theft or criminal misconduct by unrelated third parties, disruption or outage of communications (including the Internet or other networked environment), power or other utility, unavailability of supplies or any other cause, whether similar or dissimilar to any of the foregoing, which could not have been prevented by the non-performing party with reasonable care.

**4.6. Disclaimer.** EXCEPT AS STATED IN SECTIONS 4, 6.5 AND 9.55, THE SOLUTION, DOCUMENTATION AND SERVICES ARE PROVIDED "AS IS," AND ALL OTHER REPRESENTATIONS, WARRANTIES, TERMS OR CONDITIONS, ORAL OR WRITTEN, EXPRESS OR IMPLIED, ARISING FROM COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE, QUALITY OF INFORMATION, QUIET ENJOYMENT OR OTHERWISE (INCLUDING IMPLIED WARRANTIES, TERMS OR CONDITIONS OF MERCHANTABILITY, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, NON-INTERFERENCE, OR NON-INFRINGEMENT) ARE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EXCLUDED FROM THIS AGREEMENT.

**4.7. Limitations Cap.** EACH PARTY'S TOTAL LIABILITY UNDER THIS AGREEMENT SHALL UNDER NO CIRCUMSTANCES EXCEED THE LIABILITY CAP.

**4.8. Consequential Damage Exclusion.** UNDER NO CIRCUMSTANCES SHALL EITHER PARTY (OR ANY OF ITS AFFILIATES PROVIDING OR RECEIVING THE SOLUTION, SERVICES OR OTHER SOFTWARE UNDER THIS AGREEMENT) BE LIABLE TO THE OTHER OR ANY OTHER PERSON FOR LOSSES OR DAMAGES WHICH FALL INTO ANY OF THE FOLLOWING CATEGORIES: (a) LOST REVENUES, (b) LOST PROFITS, (c) LOSS OF BUSINESS, (d) TRADING LOSSES, (e) INACCURATE DISTRIBUTIONS OR (f) ANY INCIDENTAL, INDIRECT, EXEMPLARY, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES OF ANY KIND, INCLUDING ANY OF THE FOREGOING LOSSES OR DAMAGES RESULTING FROM CUSTOMER'S USE OF THE SOLUTION OR SERVICES PROVIDED HEREUNDER, OR ARISING FROM ANY BREACH OF THIS AGREEMENT OR ANY TERMINATION OF THIS AGREEMENT, WHETHER SUCH LIABILITY IS ASSERTED ON THE BASIS OF CONTRACT, TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY) OR OTHERWISE AND WHETHER OR NOT FORESEEABLE, EVEN IF THE RELEVANT PARTY HAS BEEN ADVISED OR WAS AWARE OF THE POSSIBILITY OF SUCH LOSS OR DAMAGES. FOR PURPOSES OF CLARIFICATION, THE FOLLOWING SHALL BE DEEMED "DIRECT DAMAGES" AS BETWEEN CUSTOMER AND SUNGARD FOR THE PURPOSES OF THIS AGREEMENT (i) ANY AND ALL DAMAGES, INCLUDING CONSEQUENTIAL AND SIMILAR DAMAGES, AWARDED TO A THIRD PARTY FOR WHICH INDEMNIFICATION IS PROVIDED BY A PARTY UNDER SECTION 4.2; (ii) CUSTOMER'S OUT-OF-POCKET COSTS TO NOTIFY AFFECTED PERSONS AND/OR PAY FOR CREDIT MONITORING SERVICES FOR SUCH PERSONS FOR A ONE-YEAR PERIOD INCURRED AS A RESULT OF SUNGARD'S BREACH OF SECTION 5.

**4.9. Exceptions.** THE LIMITATIONS AND EXCLUSIONS SET FORTH IN SECTIONS 4.7 AND 4.8 SHALL NOT APPLY TO: (a) BREACHES OF THE SCOPE OF USE; (b) FAILURE TO PAY FEES WHEN DUE; (c) DAMAGES CAUSED BY EITHER PARTY'S FRAUD OR WILLFUL MISCONDUCT; (d) A PARTY'S LIABILITY FOR DEATH OR PERSONAL INJURY DUE TO THAT PARTY'S NEGLIGENCE; OR (e) A PARTY'S LIABILITY FOR DAMAGES TO THE EXTENT THAT SUCH LIMITATION OR EXCLUSION IS NOT PERMITTED BY APPLICABLE LAW. THE LIMITATIONS SET FORTH IN SECTION 4.7 DO NOT APPLY TO CLAIMS FOR WHICH INDEMNIFICATION IS PROVIDED BY A PARTY UNDER SECTION 4.2.

**4.10. Third-Party Software.** To facilitate Customer's access and use of the Third-Party Software, the licensor(s) of such Third-Party Software have agreed to allow SunGard to provide the Third-Party Software to Customer subject to the following additional conditions: (i) the Third-Party Software shall be used only in conjunction with any permissible use of the Solution specifically authorized in this Agreement, and (ii) the Third-Party Software shall be used only in accordance with licensor's terms and conditions and documentation for the Third-Party Software which, unless otherwise included in a specific Supplement to the Order, shall be provided to Customer with the receipt of such Third-Party Software. SunGard shall use reasonable efforts to provide Customer the benefit of all indemnities and warranties granted to SunGard by the licensor(s) of the Third-Party Software, to the extent possible without additional cost to SunGard, as and if permitted by SunGard's agreement with the licensor of the Third-Party Software, and to the extent such warranties and indemnities pertain to Customer's use of the Third-Party Software hereunder. In the event of any defect in any Third-Party Software (in the form delivered by SunGard and when properly used for the purpose and in the manner specifically authorized by this Agreement), SunGard will use

commercially reasonable efforts to replace or correct the Third-Party Software without charge. If SunGard complies with this provision, it shall face no further liability with respect to any defect in any Third-Party Software.

Unless as otherwise provided in a specific Supplement to the Order, or as provided in the licensor's terms and conditions, SunGard shall provide Level 1 support of the Third-Party Software. For purposes herein, Level 1 Support shall mean:

- 1) Taking the first support call from Customer and qualifying the call priority, or if an existing case, obtaining case information;
- 2) Gathering information about the case, defining and describing the problem, and determining if the Third Party Software is the cause of the problem. Analyze problem symptoms, attempt to find root cause if appropriate and document result of such attempts. Determining if the problem is a known Third-Party Software problem by accessing third party online support resources; and
- 3) If it is determined to be a Third-Party Software problem, contacting the Third-Party Software technical support. For new cases, opening a case and selecting a priority. For existing cases, providing the case number and information gathered to the Third-Party Software support engineer.

**4.11. Third-Party Hardware and Third-Party Services.** Customer is hereby advised that the third party, and not SunGard, assumes all responsibility for and liability in connection with the Third-Party Hardware and Third-Party Services, and is solely responsible for delivering the Third-Party Hardware and Third-Party Services to Customer. SunGard Public Sector is not authorized to make any representations or warranties that are binding upon the third party or to engage in any other acts that are binding upon the third party, excepting specifically that SunGard is authorized to represent the fees for the Third-Party Hardware or Third-Party Services as the same is provided for in the Order and to accept payment of such amounts from Customer on behalf of the third party.

**4.12. Open Source Software Components.** The Solution may be provided with or included Open Source Software, including that Open Source Software identified in the Documentation or on the support services website for the Solution. The Open Source Software is licensed under the terms of the open source license that accompanies or is made available with such Open Source Software, including via a website designated by SunGard. Nothing in this Agreement limits Customer's rights under, or grants Customer rights that supersede, the terms and conditions of any applicable license for such Open Source Software. Open Source Software shall not be deemed to be part of the Solution under this Agreement and SunGard shall have no liability relating to such Open Source Software; provided, however, that SunGard shall be responsible for fixing Errors caused by the Open Source Software to the same extent as SunGard's ongoing support obligations as set forth in Section 8.5 and 9.33 of this Agreement.

**4.13. Open Negotiation.** Customer and SunGard have freely and openly negotiated this Agreement, including the pricing, with the knowledge that the liability of the parties is to be limited in accordance with the provisions of this Agreement.

**4.14. Title and Risk of Loss.** In no event will SunGard be deemed to have taken title or any similar right or interest in or of any Third-Party Software or Third-Party Hardware in the chain of distribution to Customer, and title, risk of loss, and/or such similar right or interest in or to the Third-Party Software or Third-Party Hardware will be deemed to vest in Customer either at the point of delivery to carrier for shipment or as otherwise provided for in the licensor's terms and conditions.

**4.15. Disclaimer.** Except as may be provided in Section 4.10 above, Customer agrees and understands that **SUNGARD MAKES NO WARRANTIES WHATSOEVER, EXPRESSED OR IMPLIED, WITH REGARD TO THE THIRD-PARTY PRODUCTS. ALL WARRANTIES (IF ANY) ARE PROVIDED TO CUSTOMER BY THE LICENSORS, MANUFACTURERS OR PROVIDERS OF SUCH THIRD-PARTY PRODUCTS. SUNGARD PUBLIC SECTOR EXPLICITLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. EXCEPT FOR ITS OBLIGATION TO REMIT PAYMENT RECEIVED FROM CUSTOMER TO THE THIRD PARTY PURSUANT TO THIS AGREEMENT, SUNGARD WILL HAVE NO LIABILITY WHATSOEVER IN CONNECTION WITH THE THIRD-PARTY PRODUCTS.**

**4.16 Other Limitations.** The warranties made by SunGard in this Agreement, and the obligations of SunGard under this Agreement, run only to Customer and not to its Affiliates, its customers or any other Persons. Under no circumstances shall any Affiliate or customer of Customer or any other Person be considered a third-party beneficiary of this Agreement or otherwise entitled to any rights or remedies under this Agreement (including any right to be consulted in connection with any variation or rescission of the Agreement agreed between SunGard and Customer), even if such Affiliates, customers or other Persons are provided access to the Solution or data maintained in the Solution via the Internet or other networked environment. Except to the extent specified in an Order, SunGard shall not be deemed Customer's official record keeper for regulatory or other purposes and shall have no obligation to retain any records or data on Customer's behalf after termination or expiration of this Agreement.

## **5. Confidentiality, Security, Ownership and Use Restrictions.**

**5.1. Confidentiality.** The party receiving Confidential Information ("Receiving Party") of the other ("Disclosing Party") shall not, and shall cause its Authorized Recipients not to, use Confidential Information for any purpose except as necessary to implement, perform or enforce this Agreement. Receiving Party will use the same reasonable efforts to: (a) protect the Confidential Information of Disclosing Party as it uses to protect its own proprietary information and data. Prior to disclosing the Confidential Information to its Authorized Recipients, Receiving Party shall inform them of the confidential nature of the Confidential Information and require them to abide by the terms of this Agreement. Receiving Party will promptly notify Disclosing Party if Receiving Party discovers any improper use or disclosure of Confidential Information and will promptly commence all reasonable efforts to investigate and correct the causes of such improper use or disclosure. If Receiving Party believes the Confidential Information must be disclosed under applicable law, Receiving Party may do so provided that, to the extent permitted by law, the other party is given a reasonable opportunity to contest such disclosure or obtain a protective order.

## 5.2. Security.

- (a) SunGard will implement commercially reasonable administrative, technical and physical safeguards designed to: (i) ensure the security and confidentiality of Customer Data; (ii) protect against any anticipated threats or hazards to the security or integrity of Customer Data; and (iii) protect against unauthorized access to or use of Customer Data. SunGard will review and test such safeguards on no less than an annual basis.
- (b) If Customer makes the Solution or data maintained by the Solution accessible through the Internet or other networked environment, Customer shall be solely responsible for all aspects of Internet use, and shall maintain, in connection with the operation or use of the Solution, adequate technical and procedural access controls and system security requirements and devices, necessary for data privacy, confidentiality, integrity, authorization, authentication and non-repudiation and virus detection and eradication.
- (c) To the extent that Third-Party Users are permitted to have access to the Solution, Customer shall maintain agreements with such Third Party Users that adequately protect the confidentiality and intellectual property rights of SunGard in the Solution and Documentation, and disclaim any liability or responsibility of SunGard with respect to such Third Party Users.

**5.3. Personal Data.** If SunGard processes or otherwise has access to any personal data or personal information on Customer's behalf when performing SunGard's obligations under this Agreement, then: (i) Customer shall be the data controller (where "data controller" means an entity which alone or jointly with others determines purposes for which and the manner in which any personal data are, or are to be, processed) and SunGard shall be a data processor (where "data processor" means an entity which processes the data only on behalf of the data controller and not for any purposes of its own); (ii) Customer shall ensure that it has obtained all necessary consents and it is entitled to transfer the relevant personal data or personal information to SunGard so that SunGard may lawfully use, process and transfer the personal data and personal information in accordance with this Agreement on Customer's behalf, which may include SunGard processing and transferring the relevant personal data or personal information outside the country where Customer and the Authorized Users are located in order for SunGard to provide the Solution and perform its other obligations under this Agreement; and (iii) SunGard shall process the personal data and personal information only in accordance with any lawful and reasonable instructions given by Customer from time to time as set out in and in accordance with the terms of this Agreement; and (iv) each party shall take appropriate technical and organizational measures against unauthorized or unlawful processing of the personal data and personal information or its accidental loss, destruction or damage so that, having regard to the state of technological development and the cost of implementing any measures, the measures taken ensure a level of security appropriate to the harm that might result from such unauthorized or unlawful processing or accidental loss, destruction or damage in relation to the personal data and personal information and the nature of the personal data and personal information being protected. If necessary, the parties will cooperate to document these measures taken.

**5.4. SG Solution Details.** The SG Solution Details are trade secrets and proprietary property of SunGard or its licensors, having great commercial value to SunGard or its licensors. Title to all SG Solution Details and all related intellectual property and other ownership rights shall be and remain exclusively with SunGard or its licensors, even with respect to such items that were created by SunGard specifically for or on behalf of Customer. SunGard and its Affiliates may freely use Feedback without attribution or the need for SunGard, its Affiliates or any third party to pay Customer or any third party any royalties or other fees of any kind. This Agreement is not an agreement of sale, and no intellectual property or other ownership rights to any SG Solution Details are transferred to Customer by virtue of this Agreement. All copies of SG Solution Details in Customer's possession shall be deemed to be on loan to Customer during the term of this Agreement.

**5.5. Use Restrictions.** Except to the extent specifically authorized by this Agreement, Customer shall not, shall not attempt to, and shall not permit any other Person under its reasonable control to: (a) use any SG Solution Detail for any purpose, at any location or in any manner not specifically authorized by this Agreement; (b) make or retain any Copy of any SG Solution Detail; (c) create or recreate the source code for the Solution, or re-engineer, reverse engineer, decompile or disassemble the Solution except to the extent specifically permitted by applicable law; (d) modify, adapt, translate or create derivative works based upon the Solution or Documentation, or combine or merge any part of the Solution or Documentation with or into any other software or documentation except to the extent specifically permitted by applicable law; (e) refer to, disclose or otherwise use any SG Solution Detail as part of any effort either (i) to develop a program having any functional attributes, visual expressions or other features similar to those of the Solution or (ii) to compete with SunGard; (f) remove, erase or tamper with any copyright or other proprietary notice printed or stamped on, affixed to, or encoded or recorded in any SG Solution Detail, or fail to preserve all copyright and other proprietary notices in any Copy of any SG Solution Detail made by Customer; (g) sell, market, license, sublicense, distribute or otherwise grant to any Person, including any outsourcer, vendor, sub-contractor, consultant or partner, any right to use any SG Solution Detail or allow such other Person to use or have access to any SG Solution Detail, whether on Customer's behalf or otherwise; or (h) use the Solution to conduct any type of application service provider, service bureau or time-sharing operation or to provide remote processing, network processing, network telecommunications or similar services to any Person, whether on a fee basis or otherwise.

**5.6. Notice and Remedy of Breaches.** Each party shall promptly give notice to the other of any actual or suspected breach by it of any of the provisions of this Section 5, whether or not intentional, and the breaching party shall, at its expense, take all steps reasonably requested by the other party to prevent or remedy the breach.

**5.7. Enforcement.** Each party acknowledges that any breach of any of the provisions of this Section 5 may result in irreparable injury to the other for which money damages would not adequately compensate. If there is a breach, then the injured party shall be entitled, in addition to all other rights and remedies which it may have, to have a decree of specific performance or an injunction issued by any competent court, requiring the breach to be cured or enjoining all Persons involved from continuing the breach.

## **6. Professional Services.**

**6.1. Professional Services.** An Order may identify certain Professional Services.

**6.2. Professional Services Fees.** Customer shall pay to SunGard the professional services fees stated on the Order. In each case where professional services fees are not specified on the Order, then the fees for such services shall be based upon SunGard's then standard professional services fee rates.

**6.3. Expense Reimbursements.** Customer shall reimburse SunGard for reasonable travel, living and other out-of-pocket expenses incurred by SunGard personnel in connection with all services, including, but not limited to, Professional Services and maintenance and support rendered by SunGard. Reimbursable expenses shall be incurred by SunGard personnel in accordance with SunGard's then current per diem travel expense guidelines, a copy of which will be included in the Order. SunGard shall invoice Customer for reimbursement of these expenses on a monthly basis, as incurred.

**6.4. Cooperation and Access to Facilities, Data and Employees.** To the extent reasonably necessary for SunGard to perform its obligations under this Agreement, Customer shall provide to SunGard access to Customer's location site, equipment, data and employees, and shall otherwise cooperate with SunGard in its performance hereunder, all as reasonably necessary for SunGard to perform its obligations under this Agreement.

**6.5. Professional Services Warranty.** SunGard warrants to Customer that Professional Services will be performed in a good and workmanlike manner by qualified personnel, subject to Section 6.4. SunGard shall have no liability under this Section 6.5 unless, within thirty (30) days after the actual date of the particular Professional Services, SunGard receives notice from Customer describing the breach of this warranty, together with adequate supporting documentation and data. Upon receipt of any such notice, SunGard's only obligation under this Section 6.5 is to remedy the breach and re-perform the particular Professional Services affected as soon as reasonably practical at no additional charge.

**6.6. Compliance with Customer Policies.** While SunGard personnel are performing services at Customer's site, SunGard will ensure that such personnel comply with Customer's reasonable security procedures and site policies that are generally applicable to Customer's other suppliers providing similar services and that have been provided to SunGard in writing and in advance. Customer shall promptly reimburse SunGard for any out-of-pocket costs incurred in complying with such procedures and policies.

**6.7. Contributed Material.** In the process of SunGard's performing Professional Services, Customer may, from time to time, provide SunGard with designs, plans, or specifications, improvements, works or other material for inclusion in, or making modifications to, the Solution, the Documentation or any other deliverables ("Contributed Material"). Customer grants to SunGard a nonexclusive, irrevocable, perpetual, transferable right, without the payment of any royalties or other compensation of any kind and without the right of attribution, for SunGard, SunGard's Affiliates and SunGard's licensees to make, use, sell and create derivative works of the Contributed Material.

## **7. Term and Termination.**

**7.1. Order Term.** The Order may state an initial term for the use of the Solution ("Initial Term") and may state renewal terms (each a "Renewal Term"). "Order Term" means the Initial Term together with any Renewal Terms.

**7.2. Termination.** Either party may terminate this Agreement by giving notice of termination to the other party if the other party breaches any of its material obligations (other than Customer's failure to pay Support Fees during a Renewal Support Term) under this Agreement and does not cure the breach within thirty (30) days after receiving notice describing the breach in reasonable detail.

**7.3. Effect of Termination.** The provisions of Sections 3, 4, 5, 7.3 and 10 shall survive any termination of this Agreement, whether under this Section 7 or otherwise. Customer shall be liable for all payments due to SunGard for the period ending on the date of termination. Upon a termination of this Agreement, whether under this Section 7 or otherwise, or upon the expiration or termination of an Order Term, Customer shall: (i) discontinue all use of the affected Solution and Documentation, (ii) promptly return to SunGard all copies of the affected Solution and Documentation and any other affected SG Solution Details then in Customer's possession; and (iii) give notice to SunGard certifying that all copies of such items have been permanently deleted.

**8. Terms Applicable To SaaS, ASP and Hosting.** The following provisions in this Section 8 apply solely to Hosting Services and to Orders for and ASP Solution or SaaS Solution.

**8.1. SaaS, ASP and Hosting.** SunGard shall provide the Hosting Services and/or access to the ASP Solution or SaaS solution, as described and for the term specified on the Order.

**8.2. Passwords and Solution Access.** If SunGard provides Customer or its Authorized Users with unique access codes to access the Solution (each, a "Password"), Customer shall hold any such Passwords in strict confidence and shall not assign, share, misuse or abuse the Passwords or attempt to render ineffective the password protection of the Solution. If Customer suspects or learns that a Password is being used to gain unauthorized access to the Solution, Customer will immediately notify SunGard so that it can change, or assist Customer in changing, the applicable Password. To the extent the Solution is within SunGard's network, SunGard may suspend access to the Solution without advance notice if SunGard reasonably believes the Solution is being used or accessed in an unauthorized, illegal or disruptive manner, provided that SunGard will promptly notify Customer of any such event.

**8.3. Customer Data.**

(a) Customer shall supply, or cause to be supplied, all Customer Supplied Data. Customer shall transmit the Customer Supplied Data to SunGard by communications link or in another manner described on the Order. As between SunGard and Customer, Customer shall be responsible for ensuring that

the Customer Supplied Data is Accurate and complete. Customer represents and warrant to SunGard that Customer has the full legal right for Customer and SunGard, its affiliates and agents to use the Customer Supplied Data for processing hereunder.

(b) Within thirty (30) days after termination of Hosting Services or of an Order for an ASP Solution or SaaS Solution, Customer shall give SunGard an instruction notice regarding the disposition of any tapes, data, files and other property belonging to Customer and then in SunGard's possession. To the extent practicable and at Customer's expense after receipt of such notice, SunGard shall use commercially reasonable efforts to comply with the notice, including converting the data on the Solution to machine-readable form. SunGard may retain such property until SunGard receives all payments due to SunGard under that Order. If Customer fails to give that notice within thirty (30) days after such termination, then SunGard may dispose of such property in a commercially reasonable manner.

(c) In order to improve SunGard's product and service offerings for its customers, SunGard may maintain a database of information residing on the Solution. SunGard and its affiliates may use and distribute such data in an aggregated and de-identified format, including as a part of the development, distribution and licensing of any SunGard product or service offering.

**8.4. Regulatory Access.** To the extent permitted by law, each party will notify the other promptly of any formal request by an authorized governmental agency or regulator to examine Customer Data or other records, if any, regarding Customer that are maintained in SunGard facilities under this Agreement. Customer will reimburse SunGard for the reasonable out-of-pocket costs SunGard incurs, and for time spent, in making such Customer Data or other records, if any, available for examination and audit by the governmental agency or regulatory authority that has jurisdiction over Customer's business.

**8.5. Support.** SunGard shall provide to Customer the ongoing support services as described in the Order.

**8.6. Data Backup and Disaster Recovery.** If the Solution maintains a database then, unless otherwise stated on the Order:

(a) SunGard shall provide an electronic backup of the Customer Data accordance with the backup cycle defined in the Order (and if no backup cycle is defined, at reasonable intervals); and

(b) SunGard shall maintain a disaster recovery plan which includes a procedure for the restoration of Customer's production environment at an alternate facility in the event of a disaster. SunGard's disaster recovery plan shall be tested at least once each calendar year.

**8.7. Interruption to Solution.** From time to time, SunGard shall be entitled (at its discretion, without incurring liability for so doing) to interrupt the Solution to: (i) perform repairs and other maintenance and install enhancements on SunGard's equipment, software and/or other systems that are required for the provision of the Solution, or (ii) make adjustments to its infrastructure (including, for example, in relation to resources shared by its other customers) and thereby cause a disruption in the provision of the Solution. Except in the case of emergency repairs, maintenance or adjustments, SunGard will (a) give Customer reasonable prior notice of the interruption; (b) limit such interruptions to outside of SunGard's normal business hours; and (c) use commercially reasonable efforts to minimize the impact of the interruption.

**8.8. Harmful Code.** Using a recent version of a reputable virus-checking product (to the extent commercially available), Customer will check the Specified Configuration for Harmful Code and ensure no Harmful Code is introduced by its end users or from its systems into any systems used in the Solution and will use commercially reasonable efforts to eliminate any such Harmful Code that either Customer or SunGard discovers.

**8.9. Volume Increases.** Customer shall give notice to SunGard whenever Customer intends to materially increase the volume of data to be processed on the Solution. Any such increase that results in an increase beyond the Scope of Use requires an additional executed Order and the payment of additional fees.

**9. Terms Applicable to Software Licenses.** The following provisions in this Section 9 apply solely to an Order that provides the right for Customer to install the Solution at the facility identified on the Order..

**9.1. Grant.** Except as otherwise provided in an Order, SunGard grants to Customer a non-transferable, non-exclusive, term license to use the Solution in accordance with this Agreement and the Scope of Use. The Solution shall be installed in object code form only at Customer's location(s) listed on the Order ("Designated Location(s)"). Customer may, subject to Section 10.4, use or access the Solution at or from Customer locations worldwide. Customer may change a Designated Location by giving prompt notice thereof to SunGard. Customer may copy and use the Solution installed at the Designated Location for inactive back-up and disaster recovery purposes. Customer may copy the Documentation to the extent reasonably necessary for use of the Solution under this Agreement.

**9.2. Initial Installation.** SunGard shall deliver to Customer the initial Copies of the Solution stated on the Order by supplying such initial Copies (a) by physical shipment, such as on a disc or other media, or (b) by electronic delivery, such as by posting it on SunGard's network for downloading. Physical shipment is on F.O.B. terms, SunGard's shipping point and electronic delivery is deemed effective at the time SunGard provides Customer with access to download the Solution. The date of such delivery shall be referred to as the "Delivery Date."

**9.3. Support.** Beginning on the Order Execution Date and continuing for the duration of the initial support term set forth on the Order ("Initial Support Term"), SunGard shall provide the ongoing support services described in that Order; and Customer shall pay to SunGard support fees stated on such Order ("Support Fees"). Upon expiration of the Initial Support Term, the ongoing support services shall automatically renew and Customer shall be obligated to pay the Support Fees for additional annual support periods (each a "Renewal Support Term"), until the earlier of:

(a) a party giving the other notice of its intent to terminate ongoing support services (in accordance with Section 10.1) at least sixty (60) days before the end of the Initial Support Term or Renewal Support Term, as applicable, provided that SunGard shall not provide such notice of support termination if such termination would be effective prior to whichever is the later of (i) the fifth (5th) anniversary of the Order Execution Date; or (ii) the date which falls at the end of the period equal to two (2) times the Initial Support Term; or

(b) termination of this Agreement.

On an annual basis, SunGard may increase the Support Fees payable.

**9.4. Support Termination.** Upon the effective date of termination of ongoing support services by either party or at any time when Customer has failed to pay Support Fees ("**Support Termination Date**"): (i) SunGard shall discontinue providing all ongoing support services, including SunGard's obligations under Section 9.3; (ii) any SunGard warranties under this Agreement shall cease to apply for the period after the Support Termination Date; and (iii) SunGard shall not be liable for Customer's use of the Solution after the Support Termination Date except for SunGard's indemnification obligations for any third-party claims covered by Section 4.2 that arose prior to the Support Termination Date (but only to the extent such claim would not have been remedied by a Release made available by SunGard after the Support Termination Date).

**9.5. Software Warranty.** SunGard warrants to Customer that for a period of twelve (12) months from the Delivery Date, the Solution (as delivered to Customer by SunGard and when properly used for the purpose and in the manner specifically authorized by this Agreement), will perform as described in the Documentation in all material respects. SunGard's sole obligation and liability under this warranty is to comply with the provisions of Section 9.3 of this Agreement.

**9.6. Remote Access of Installed Software.** Provided that SunGard performs such services in accordance with the confidentiality provisions of this Agreement, Customer shall permit SunGard, at SunGard's option, to remotely access the Solution installed at the Designated Location for the purpose of providing support services to Customer under Section 9.3 and otherwise implementing the purposes of this Agreement. In remotely accessing such Solution, SunGard will comply with Customer's reasonable security procedures and company policies that have been provided to SunGard in writing. Customer shall promptly reimburse SunGard for any out-of-pocket costs incurred in complying with such procedures and policies.

**9.7. Backup.** Customer acknowledges that it is the best judge of the value and importance of the data held on Customer's systems and that Customer shall be solely responsible for maintaining secure and complete back-up copies of all data that Customer processes using the Solution, which data will be backed-up on not less than a daily basis and which will be readily available on machines controlled by Customer to facilitate the prompt restoration of such data in the event of any loss of or damage to it. SunGard shall have no liability for any loss or damage caused by Customer's failure to maintain such backed-up copies.

**9.8. Audit.** At SunGard's expense and upon written request with reasonable notice, Customer will permit SunGard, its personnel or its outside auditors to enter the relevant Customer locations during normal business hours and audit the number of copies of the Solution and Documentation in Customer's possession and information pertaining to Customer's compliance with this Agreement. Such audits shall not occur more than once in any twelve (12) month period (unless SunGard believes, in good faith, that there has been a breach of this Agreement by Customer) and shall be performed in a manner not to disrupt Customer's business and operations and will respect the confidentiality of Customer, its suppliers and customers. Customer will, in a timely manner, reasonably cooperate with the auditors and provide the auditors all assistance as they may reasonably request in connection with the audit. Customer may require auditors acting on behalf of SunGard to execute reasonable confidentiality agreements and comply with Customer's reasonable security requirements, but the requirement will not apply to SunGard's internal auditors otherwise bound by the confidentiality conditions of this Agreement.

## **10. Other Provisions. Reserved**

**10.1. Notices.** All notices, consents and other communications under or regarding this Agreement shall be in writing and shall be deemed to have been received on the earlier of: (a) the date of actual receipt; (b) the third business day after being mailed by first class, certified or air mail or (c) the first business day after being sent by a reputable overnight delivery service. Any notice may be given by facsimile, or email if notice by one of the foregoing is provided promptly thereafter. Customer's address for notices is stated on the Order. SunGard's address for notices is stated on the Order. In the case of (i) any notice by Customer alleging a breach of this Agreement by SunGard or (ii) a termination of this Agreement, Customer shall also mail a written notice to SunGard Data Systems Inc., 680 East Swedesford Road, Wayne, Pennsylvania 19087, Attention: General Counsel and such notices shall identify the name date, specific parties and SunGard Order Number. Either party may change its address for notices by giving written notice of the new address to the other party.

**10.2. Defined Terms.** As used in this Agreement, the terms below (and their plural forms) have the following meanings:

- (a) "**affiliate**" whether capitalized or not, means, with respect to a specified Person, any Person which directly or indirectly controls, is controlled by, or is under common control with the specified Person as of the date of this Agreement, for as long as such relationship remains in effect.
- (b) "**Authorized Recipient**" means: (i) with respect to Customer, Customer, any Authorized User and any employee of a Customer contractor, provided that the contractor is not a competitor of SunGard; and (ii) with respect to SunGard, SunGard, its foreign and domestic Affiliates and their respective contractors.
- (c) "**Authorized User**" means a Customer employee.



- (d) **"Confidential Information"** means all business or technical information disclosed by Disclosing Party to Receiving Party in connection with this Agreement. Confidential Information includes without limitation: (i) Customer Data and the details of Customer's computer operations; and (ii) the SG Solution Details. Confidential Information does not include information that: (aa) prior to the receipt thereof under this Agreement, had been developed independently by Receiving Party, or was lawfully known to Receiving Party, or had been lawfully received by Receiving Party from other sources, provided such other source did not receive it due to a breach of an agreement with Disclosing Party, and Receiving Party knew of such breach or ought to have reasonably known of such breach; (bb) is publicly known at or after the time either party first learns of such information, or generic information or knowledge which either party would have learned in the course of its work in the trade, business or industry; or (cc) subsequent to the receipt thereof under this Agreement; (1) is published by Disclosing Party or is disclosed generally by Disclosing Party to others without restriction on its use and disclosure; or (2) has been lawfully obtained by Receiving Party from other sources which Receiving Party reasonably believes lawfully came to possess it.
- (e) **"copy"** whether capitalized or not, means any paper, disk, tape, film, memory device or other material or object on or in which any words, object code, source code or other symbols are written, recorded or encoded, whether permanent or transitory.
- (f) **"Customer Data"** means data stored in, or processed by, the Solution; provided that aggregated data that is not personally identifiable data and not identifiable to Customer shall not be deemed Customer Data nor Customer's Confidential Information.
- (g) **"Customer Supplied Data"** means any information or data introduced into the Solution by or on behalf of Customer.
- (h) **"Disputed Amount"** means a good faith dispute by Customer of certain amounts invoiced under this Agreement. An amount will only constitute a Disputed Amount if (i) Customer has given notice of the dispute to SunGard promptly after receiving the invoice and (ii) the notice explains Customer's position in reasonable detail. A disputed will not exist as to an invoice in its entirety merely because certain amounts on the invoice are Disputed Amounts.
- (i) **"Documentation"** means the standard user documentation SunGard provides for the Solution, as such Documentation may be updated from time to time.
- (j) **"Error"** means a failure of a Supported Release to perform in all material respects in accordance with the Documentation.
- (k) **"Export Laws"** means any laws, administrative regulations and executive orders of the U.S., the United Kingdom and any other jurisdiction where any SG Solution Details will be located or from where any SG Solution Details will be accessed under this Agreement relating to the control of imports and exports of commodities and technical data, use or remote use of software and related property or services, embargo of goods or services or registration of this Agreement including the Export Administration Regulations of the U.S. Department of Commerce and the regulations and executive orders administered by the Office of Foreign Asset Control of the U.S. Department of the Treasury.
- (l) **"Feedback"** means any suggestions or recommendations for improvements or modifications to the Solution made by or on behalf of Customer.
- (m) **"including"** whether capitalized or not, means including but not limited to.
- (n) **"Liability Cap"** means the greater of Fifty Thousand U.S. Dollars (US\$50,000) or the amount identified on the Order as the liability cap, provided however that, if no amount is identified on the Order then the liability cap shall be Fifty Thousand U.S. Dollars (US\$50,000).
- (o) **"Open Source Software"** means computer software made generally available at no charge by the copyright holder under a license which provides the right to modify and distribute the software to anyone for any purpose at no charge.
- (p) **"person"** whether capitalized or not, means any individual, sole proprietorship, joint venture, partnership, corporation, company, firm, bank, association, cooperative, trust, estate, government, governmental agency, regulatory authority or other entity of any nature.
- (q) **"Professional Services"** means installation, implementation, training or consulting services including custom modification programming, support services relating to custom modifications, on-site support services, assistance with data transfers, system restarts and reinstallations provided by SunGard under this Agreement.
- (r) **"Release"** means a modification or update to the Solution, which SunGard, in its sole discretion, incorporates into the Solution without requiring its then existing client base to pay a separate fee (other than support fees).
- (s) **"Scope of Use"** means the Designated Computer(s), Designated Location(s), License Term, Platform, Business Purpose, Number of Trades, Number of Work Stations, Number of Developers, Number of Users, Volume Limit, Number of Production Databases, Number of Production Servers, and/or other restrictions or parameters as are stated in Section 5.5 or on the Order. Scope of Use shall not include the processing of any Acquired Business. Customer shall use the Solution in production to process Customer's business; provided that all increases in the Scope of Use require the execution of an amendment amending the Scope of Use.
- (t) **"SG Solution Details"** means any of the following: the Solution and Documentation, the object code and the source code for the Solution, the visual expressions, screen formats, report formats and other design features of the Solution, all ideas, methods, algorithms, formulae and concepts used in developing and/or incorporated into the Solution or Documentation, all future modifications, updates, Releases, improvements and enhancements of the Solution or Documentation, all derivative works (as such term is used in the U.S. copyright laws) based upon any of the foregoing and all copies of the foregoing.

- (u) **"Supported Release"** means, unless otherwise stated in the Order, the latest Release of the Solution that is generally available to SunGard's client base.
- (v) **"Third-Party Product"** means Third-Party Software, Third Party Hardware, Third-Party Data or Third-Party Services.
- (w) **"Third-Party Hardware"** means that hardware specified as third party hardware on the Order.
- (x) **"Third-Party Services"** means those services specified as third party services on the Order.
- (y) **"Third-Party Software"** means the software specified as third-party software on the Order.
- (z) **"Third-Party User"** means any of Customer's customers, or their customers, to the extent such persons are provided access to the Solution or Third-Party Data hereunder.

### 10.3. Parties in Interest.

- (a) This Agreement shall bind, benefit and be enforceable by and against SunGard and Customer and, their respective permitted successors and assigns.
- (b) Customer shall not assign this Agreement or any of its rights hereunder, nor delegate any of its obligations hereunder, without SunGard's prior written consent, except such consent shall not be required in the case of an assignment of this Agreement (but not of any individual rights or obligations hereunder) to (i) a purchaser of or successor to substantially all of Customer's business (unless such purchaser or successor is a software, data processing or computer services vendor that is a competitor of SunGard, its parent company or any of its Affiliates) or (ii) an Affiliate of Customer, provided in the case of such an assignment, Customer guarantees the obligations of the assignee and the use of the Solution is not broadened beyond the Scope of Use. Any assignment by Customer in breach of this Section shall be void. Any express assignment of this Agreement, any change in control of Customer (or its Affiliate in the case of an assignment to that Affiliate under this Section 10.3(b) and any assignment by merger or otherwise by operation of law, shall constitute an assignment of this Agreement by Customer for purposes of this Section 10 ("Customer Assignment"). In the event of a Customer Assignment, or any acquisition of additional business by Customer, whether by asset acquisition, merger or otherwise by operation of law (collectively with the Customer Assignment, **"Customer Additional Business Acquisition"**), Customer shall give notice to SunGard notifying SunGard if Customer desires to use the Solution to process any additional business related to such Customer Additional Business Acquisition (**"Acquired Business"**).

**10.4. Export Laws.** Customer acknowledges that the SG Solution Details and the services provided by SunGard hereunder and this Agreement are subject to the Export Laws. Customer shall not violate the Export Laws or otherwise export, re-export or use, directly or indirectly (including via remote access), any part of the Solution, Confidential Information or services in a manner, or to or for any person or entity, for which a license or other authorization is required under the Export Laws without first obtaining such license or authorization.

**10.5. Relationship.** The relationship between the parties created by this Agreement is that of independent contractors and not partners, joint venturers or agents.

**10.6. Entire Understanding.** This Agreement, which includes and incorporates the Order, and any other schedules, exhibits and addenda hereto states the entire understanding between the parties with respect to its subject matter, and supersedes all prior proposals, marketing materials, negotiations, representations (whether negligently or innocently made), agreements and other written or oral communications between the parties with respect to the subject matter of this Agreement. In the event of a conflict between the provisions of the SST and an Order incorporating the SST, the terms of such Order shall prevail. Any written, printed or other materials which SunGard provides to Customer that are not included in the Documentation are provided on an "as is" basis, without warranty, and solely as an accommodation to Customer. In entering into this Agreement each party acknowledges and agrees that it has not relied on any express or implied representation, warranty, collateral contract or other assurance (whether negligently or innocently made), except those expressly set out in this Agreement. Each party waives all rights and remedies which, but for this Section 10.6, might otherwise be available to it in respect of any such representation (whether negligently or innocently made), warranty, collateral contract or other assurance. Nothing in this Agreement shall limit or exclude any liability for fraud or fraudulent misrepresentation.

**10.7. Modification and Waiver.** No modification of this Agreement, and no waiver of any breach of this Agreement, shall be effective unless in writing and signed by an authorized representative of the party against whom enforcement is sought. This Agreement may not be modified or amended by electronic means without written agreement of the parties with respect to formats and protocols. No waiver of any breach of this Agreement, and no course of dealing between the parties, shall be construed as a waiver of any subsequent breach of this Agreement.

**10.8. Heading.** Section headings are for convenience of reference only and shall not affect the interpretation of this Agreement.

**10.9. Personnel.** Customer acknowledges that: (a) SunGard expends substantial time and money, on an ongoing basis, to recruit and train its programmers, trainers, data processing, customer support and professional services team personnel (**"SunGard Personnel"**); (b) SunGard's business is highly competitive, is marketed throughout the United States, Europe and in many other locations worldwide, and requires long sales lead times often exceeding one (1) year; and (c) if Customer were to hire SunGard Personnel, then SunGard may suffer lost sales opportunities and would incur substantial time and money in hiring and training replacement(s) for those SunGard Personnel. Accordingly, if Customer, directly or through one or more subsidiaries or other controlled entities, hires any SunGard Personnel at any time when such SunGard Personnel is employed or engaged by SunGard or during the six (6) months after such employment or engagement ends, then Customer shall pay to SunGard as liquidated damages (and not a penalty) an amount equal to twelve (12) months of such SunGard Personnel's salary and other compensation (including bonus or commission payments) at the time

of leaving his/her employment or engagement with SunGard. For purposes of this provision, “hire” means to employ as an employee or to engage as an independent contractor, whether on a full-time, part-time or temporary basis. This provision will remain in effect during the term of this Agreement and for a period of one (1) year after expiration or termination of this Agreement.

## Revised Exhibit 1 – Revised Scope of Work

### TRAKiT9 Migration

#### **TRAKiT 9 Licensing Terms**

The following software is currently licensed by the Client and will be replaced during the migration process:

##### TRAKiT 9 Software

SunGard Systems will transfer the license & maintenance from the current TRAKiT product to TRAKiT9. Modules currently licensed by the Client include:

- 30 End-user licenses
- GeoTRAK (formerly LandTRAK)
- PermitTRAK
- ProjectTRAK
- CodeTRAK
- GIS Advanced Version (support for ArcGIS Server 10.1 and above only)

SunGard shall provide maintenance service, technical support, and software updates. Covered software does not include hardware, hardware vendor operating systems and other system software, CLIENT-developed software, or third-party software. A separate "Software Maintenance Agreement" must be executed along with this quote.

##### eTRAKiT Software

SunGard will ensure that current eTRAKiT settings are maintained and connected properly to the new TRAKiT9 database.

##### MobileTRAK Software

SunGard will ensure that current MobileTRAK settings are maintained and connected properly to the new TRAKiT9 database. This includes migration for the following modules:

- iTRAKiT

#### **Installation & Migration Assistance**

SunGard will migrate all Client data contained within TRAKiT and confirm that primary system functions are available. Client understands that some functions/features are different or have been removed from previous versions of TRAKiT.

##### Installation Assistance

SunGard will provide the TRAKiT 9 software and assist the City in installing it on a local server. Server must have access to the agency's TRAKiT database. Software installation will be done one (1) time and must be installed in Client's live environment. The Client will be charged for any moving and/or reinstallation of the software.

Agency understands that the migration is for the existing TRAKiT configuration as provided to SunGard on July 20, 2016. No Business Process Review or Workbook Analysis meetings are budgeted for this implementation.

**Data Migration**

SunGard will migrate the Client's existing TRAKiT database into the TRAKiT 9 data structure. Price includes two (2) conversion routines:

1. Migration will occur at the initial delivery for Client testing. Any issues with migrated data must be reported to SunGard at the conclusion of the initial testing period, which will be defined by the Project Schedule that will be negotiated by the City and the SunGard project manager.
2. Just prior to the Go Live event. The TRAKiT database must be provided to SunGard by no later than 9:00 AM PST on the scheduled conversion date.

Any alterations made to the TRAKiT database by the Client during migration will result in additional charges to correct.

**Agency Responsibilities**

The Agency agrees to the following:

- Fully test the system and host the site live per the project schedule that the SunGard Project Manager will present/negotiate to the City.
- Client will be responsible for providing remote network access to SunGard.
- Any delays in the project schedule caused by the City may result in additional charges.
- The client must track any alterations made to their production TRAKiT database while testing TRAKiT9, and apply those changes (as needed) to the TRAKiT9 database with the guidance of CRW. Any alterations made to the TRAKiT database by the Client during migration will result in additional charges should CRW need to correct.
- Client will provide IT support, as requested by SunGard, to affect changes to the client environment in support of this project.
- Any delays in the negotiated project schedule caused by the City may result in additional charges.

**Report, Document, & Customization Migration**

TRAKiT Reporting has been updated from Crystal Reports (SAP) to SQL Server Reporting Service (Microsoft SSRS) standards. Client understands that the format/details of the TRAKiT9 reports may vary from the TRAKiT.Net reports. The following custom reports, documents, forms, and customizations will be delivered as part of the migration. Any reports not identified on the list below will result in additional fees, if SunGard needs to correct any errors.

**TRAKiT 9 Standard Reports**

Standard Reports are included at no cost to the client. The following list of Standard Reports are in current use by the Client and will be migrated to TRAKiT9:

1. PERM111
2. PERM110
3. PERM130S
4. PERM195
5. PERM160
6. PLAN30
7. CHART80
8. CHART20
9. CHART10
10. PROJ30
11. PROJ10

12. PERM170
13. PERM171
14. PROJ70
15. PERM50
16. PERM61
17. PERM62
18. BUS11

Agency-Specific Custom Reports/Forms

1. Case\_History
2. DSO\_1<sup>st</sup>\_Submit\_Letter
3. DSO\_Site\_Small\_Site Letters
4. DSO\_SITE\_SMALL\_SITE\_LETTERS\_SUB
5. DSO\_Subdivision\_Imprv\_Letters
6. Permit\_Plan\_Review\_By\_Submittal
7. RR\_CO\_Acceptance\_letter
8. RR\_CO\_Recognition\_letter
9. RR\_Code\_Fire\_Insp
10. RR\_Code\_Letter\_to\_legal
11. RR\_code\_violation\_letter
12. DSO\_Permit\_Details (previously identified as RR\_Permit\_Details)
13. RR\_Plan\_Review\_By\_Submittal
14. RR\_PLAT\_ANALYSIS
15. RR\_StaffAnalysis2
16. RR\_StaffAnalysisPlat
17. RR\_StaffAnalysisZon
18. RR\_TCO\_letter
19. RR\_Temp\_CO-Application\_Ext
20. ACCT95TA - Trust Payments (by Account) – Summary
21. RR\_ACCTNUM\_CASH\_CHECK – Payments (by Account) Cash and Check only
22. RR\_CAPITALVALUEADD – Capital Value Additions
23. RR\_CASEDSOPENED\_CODE41 – Cases Opened (Select Type and Status)
24. RR\_CASESOPENEDSUBTYPE\_CODE23 – Cases Opened (By Subtype)
25. RR\_DEPOSIT\_INSPECTIONS – Payments for Inspection Fees
26. RR\_DEPOSITACCT\_FOR\_IS – Payments for Insp Fees by Account for IS
27. RR\_DSO\_PERMIT\_OPENREVIEWS – DSO Permit Review Status
28. RR\_DSO\_PERMITS\_NOTCLOSED – Permits Applied for (select type)
29. RR\_DSO\_REVIEWS\_BY\_DATE – DSO Reviews by Date
30. RR\_INSPECTIONS\_SUBDIVISION – Inspections Requested by Subdivision
31. RR\_NOTIFICATION\_LTR\_LABL – 06. Notification Letters and Labels
32. RR\_PROJECT\_PLAN\_REVIEW\_HISTORY – 04. Project Plan Review History
33. RR\_PROJECT\_STATUS – 10. Project Status Report (Date/Type Selectable)
34. RR\_PROJECTLIST – 08. Project Listing
35. RR\_PWPROJECTS – CIP Project Status
36. RR\_PZCOMMISSIONMEETING - 01. P&Z Commission Meeting
37. 'RR\_REVIEW\_COM\_ENG\_TRANSMIT - '03. Review Comments to Engineer Transmittal
38. RR\_STAFFANALYSISPLAT - 05a. Staff Analysis Report-Platting
39. RR\_STAFFANALYSISZON – 05b. Staff Analysis Report – Zoning

- 40. RR\_TAPAYANDDEPOSITS – Trust Activity
- 41. RR\_TAPAYANDDEPOSITSNEW – Detailed Trust Activity
- 42. RR\_TECH\_REVIEW\_TRANSMITPROJECT - 02. Tech Review Transmittal
- 43. RR\_TRANSACTION REPORT- Transaction Report
- 44. RR\_TRUSTACCT\_BALANCE – Trust Account Balances
- 45. RR\_WATER\_IRR\_METER – Water & Irrigation Meter Report
- 46. RR\_WORKORDER – Generate Workorders

The RR\_TABC\_RENEWAL – TABC Renewal Notices (This will need to be handled wither through the GLR or custom script. It has database changes.)

**User Training**

Training will be conducted onsite at the Client's location.

Upfront Webinar Training

- SunGard will perform up to eight (8) hours webinar training at the beginning of the project.
- Training will be performed remotely.

SunGard Training

- One trainer to accommodate up to eight (8) students.
- Provide all necessary training material for students.
- Training will be broken into 4 hour (half-day) segments for each class. Students must be able to attend the full training session.
- Provide two (2) full onsite days of training/go live migration assistance.

Client Responsibility

- Provide an adequate training space to accommodate trainees.
- Provide eight (8) workstations/laptops for each individual to be trained.
- Workstation environment must connect directly to the Client's Live/Production database.
- Students will have sufficient basic knowledge of Client's business processes and basic MS-Windows functions.
- Workstations must be compatible with Internet Explorer 10 or 11.

**Technology Requirements**

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**Supported Browsers:**

- TRAKIT9:
  - o Internet Explorer 10, 11
  - o Microsoft Edge
- eTRAKIT:
  - o Internet Explorer 9, 10, 11
  - o Microsoft Edge
  - o Google Chrome
  - o Mozilla Firefox
  - o Apple Safari

**Server hardware requirements:**

- Windows Server 2008 R2
- SQL Server 2008 R2 or later



## **SUNGARD® PUBLIC SECTOR**

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- SRSS Reporting services enabled for reports
- ASP.net 4.0
- IIS 7+
- 32-bit enabled
- Web server must be exposed to the internet for eTRAKiT and iTRAKiT services
- Installation will occur on the Client's Live/Production environment only. If additional server installations are required, this will be considered an additional cost for configuration.



DATED: JULY 2011

## CITY OF ROUND ROCK INSURANCE REQUIREMENTS

1. **INSURANCE:** The Vendor shall procure and maintain at its sole cost and expense for the duration of the agreement or purchase order resulting from a response to the Solicitation/Specification, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work as a result of the solicitation by the successful respondent, its agents, representatives, volunteers, employees or subcontractors.
  - 1.1. Certificates of Insurance and endorsements shall be furnished to the City and approved by the City before work commences.
  - 1.2. The following standard insurance policies shall be required:
    - 1.2.1. General Liability Policy
    - 1.2.2. Automobile Liability Policy
    - 1.2.3. Worker's Compensation Policy
  - 1.3. The following general requirements are applicable to all policies:
    - 1.3.1. Only insurance companies <sup>authorized</sup> licensed and admitted to do business in the State of Texas shall be accepted.
    - 1.3.2. Deductibles shall be listed on the Certificate of Insurance and are acceptable only on a per occurrence basis for property damage only.
    - 1.3.3. Claims made policies shall not be accepted, except for Professional Liability Insurance.
    - 1.3.4. Upon request, certified copies of all insurance policies shall be furnished to the City.
    - 1.3.5. Policies shall include, but not be limited to, the following minimum limits:
      - 1.3.5.1. Minimum Bodily Injury Limits of \$300,000.00 per occurrence.
      - 1.3.5.2. Property Damage Insurance with minimum limits of \$50,000.00 for each occurrence.
      - 1.3.5.3. Automobile Liability Insurance for all owned, non-owned, and hired vehicles with minimum limits for Bodily Injury of \$100,000.00 each person, and \$300,000.00 for each occurrence, and Property Damage Minimum limits of \$50,000.00 for each occurrence.
      - 1.3.5.4. Statutory Worker's Compensation Insurance and minimum \$100,000.00 Employers Liability Insurance.
    - 1.3.6. Coverage shall be maintained for two years minimum after the termination of the Agreement.
  - 1.4. The City shall be entitled, upon request, and without expense to receive copies of insurance policies and all endorsements thereto and may make reasonable request for deletion, revision, or modification of particular policy terms, conditions, limitations, or exclusions (except where policy provisions are established by law or regulation binding either of the parties hereto or the underwriter of any of such policies). Upon such request by the City, the Vendor shall exercise reasonable efforts to accomplish such changes in policy coverage and shall pay the cost thereof. All insurance and bonds shall meet the requirements of the solicitation specification and the insurance endorsements stated below.



DATED: JULY 2011

- 1.5. Vendor agrees that with respect to the required insurance, all insurance contracts and certificate(s) of insurance will contain and state, in writing, on the certificate or its attachment, the following provisions:
- 1.5.1. Provide for an additional insurance endorsement clause declaring the Vendor's insurance as primary. with exception to workers compensation  
Include
  - 1.5.2. ~~Name~~ the City and its officers, employees, and elected officials as additional insured's, (as the interest of each insured may appear) as to all applicable coverage.
  - 1.5.3. ~~Provide thirty days' notice to the City of cancellation, non-renewal, or material changes.~~
  - 1.5.4. Remove all language on the certificate of insurance indicating:
    - 1.5.4.1. That the insurance company or agent/broker shall endeavor to notify the City; and,
    - 1.5.4.2. Failure to do so shall impose no obligation of liability of any kind upon the company, its agents, or representatives.
  - 1.5.5. Provide for notice to the City at the addresses listed below by registered mail:
  - 1.5.6. Vendor agrees to waive subrogation against the City, its officers, employees, and elected officials for injuries, including death, property damage, or any other loss to the extent same may be covered by the proceeds of insurance.
  - 1.5.7. Provide that all provisions of the agreement concerning liability, duty, and standard of care together with the indemnification provision, shall be underwritten by contractual liability coverage sufficient to include such obligations within applicable policies.
  - 1.5.8. All copies of the Certificate of Insurance shall reference the project name, solicitation number or purchase order number for which the insurance is being supplied.
  - 1.5.9. Vendor shall notify the City in the event of any change in coverage and shall give such notices not less than thirty days prior notice to the change, which notice shall be accomplished by a replacement Certificate of Insurance.
  - 1.5.10. All notices shall be mailed to the City at the following addresses:

<b>Assistant City Manager</b> <b>City of Round Rock</b> <b>221 East Main</b> <b>Round Rock, TX 78664-5299</b>	<b>City Attorney</b> <b>City of Round Rock</b> <b>309 East Main</b> <b>Round Rock, TX 78664</b>
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## 2. WORKERS COMPENSATION INSURANCE

- 2.1. Texas Labor Code, Section 406.098 requires workers' compensation insurance coverage for all persons providing services on building or construction projects for a governmental entity.
- 2.1.1. Certificate of coverage ("certificate") - A copy of a certificate of insurance, a certificate of authority to self-insure issued by the Texas Workers' Compensation Commission, or a coverage agreement (TWCC-81, TWCC-82, TWCC-83, or TWCC-84), showing statutory workers' compensation insurance coverage for the person's or entity's employees providing services on a project, for the duration of the project.
  - 2.1.2. Duration of the project - includes the time from the beginning of the work on the project until the CONTRACTOR'S/person's work on the project has been completed and accepted by the OWNER.
- 2.2. Persons providing services on the project ("subcontractor") in Section 406.096 – includes all persons or entities performing all or part of the services the CONTRACTOR has undertaken to perform on the project, regardless of whether that person contracted directly with the CONTRACTOR and regardless of whether that person has employees. This includes, without limitation, independent contractors, subcontractors, leasing companies, motor carriers, owner-



DATED: JULY 2011

operators, employees of any such entity, or employees of any entity, which furnishes persons to provide services on the project. "Services" include, without limitation, providing, hauling, or delivering equipment or materials, or providing labor, transportation, or other service related to a project. "Services" does not include activities unrelated to the project, such as food/beverage vendors, office supply deliveries, and delivery of portable toilets.

- 2.3. The CONTRACTOR shall provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements, that meets the statutory requirements of Texas Labor Code, Section 401.011(44) for all employees of the CONTRACTOR providing services on the project, for the duration of the project.
- 2.4. The CONTRACTOR must provide a certificate of coverage to the OWNER prior to being awarded the agreement.
- 2.5. If the coverage period shown on the CONTRACTOR'S current certificate of coverage ends during the duration of the project, the CONTRACTOR shall, prior to the end of the coverage period, file a new certificate of coverage with the OWNER showing that coverage has been extended.
- 2.6. The CONTRACTOR shall obtain from each person providing services on a project, and provide to the OWNER:
  - 2.6.1. a certificate of coverage, prior to that person beginning work on the project, so the OWNER will have on file certificates of coverage showing coverage for all persons providing services on the project; and
  - 2.6.2. no later than seven (7) calendar days after receipt by the CONTRACTOR, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the project.
- 2.7. The CONTRACTOR shall retain all required certificates of coverage for the duration of the project and for one (1) year thereafter.
- 2.8. The CONTRACTOR shall notify the OWNER in writing by certified mail or personal delivery, within ten (10) calendar days after the CONTRACTOR knew or should have known, or any change that materially affects the provision of coverage of any person providing services on the project.
- 2.9. The CONTRACTOR shall post on each project site a notice, in the text, form and manner prescribed by the Texas Workers' Compensation Commission, informing all persons providing services on the project that they are required to be covered, and stating how a person may verify coverage and report lack of coverage.
- 2.10. The CONTRACTOR shall contractually require each person with whom it contracts to provide services on a project, to:
  - 2.10.1. provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements, that meets the statutory requirements of Texas Labor Code, Section 401.011(44) for all its employees providing services on the project, for the duration of the project;
  - 2.10.2. provide to the CONTRACTOR, prior to that person beginning work on the project, a certificate of coverage showing that coverage is being provided for all employees of the person providing services on a project, for the duration of the project;
  - 2.10.3. provide the CONTRACTOR, prior to the end of the coverage period, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the project;



DATED: JULY 2011

- 2.10.3.1. obtain from each other person with whom it contracts, and provide to the CONTRACTOR:
  - 2.10.3.1.1. a certificate of coverage, prior to the other person beginning work on the project; and
  - 2.10.3.1.2. a new certificate of coverage showing extension of coverage, prior to the end of the coverage period, if the coverage period shown on the current certificate of coverage ends during the duration of the project
- 2.10.3.2. retain all required certificates of coverage on file for the duration of the project and for one (1) year thereafter;
- 2.10.3.3. notify the OWNER in writing by certified mail or personal delivery, within ten (10) calendar days after the person knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the project; and
- 2.10.3.4. contractually require each person with whom it contracts, to perform as required by paragraphs (2.1 thru 2.7), with the certificates of coverage to be provided to the person for whom they are providing services.
- 2.10.3.5. By signing the solicitation associated with the specification, or providing, or causing to be provided a certificate of coverage, the Contractor is representing to the Owner that all employees of the Contractor who will provide services on the project will be covered by workers' compensation coverage for the duration of the project, that the coverage will be based on proper reporting of classification codes and payroll amounts, and that all coverage agreements will be filed with the appropriate insurance carrier or, in the case of a self-insured, with the Commission's Division of Self-Insurance Regulation. Providing false or misleading information may subject the Contractor to administrative penalties, criminal penalties, civil penalties, or other civil actions.
- 2.10.3.6. The Contractor's failure to comply with any of these provisions is a breach of contract by the Contractor that entitles the Owner to declare the agreement void if the Contractor does not remedy the breach within ten (10) calendar days after receipt of notice of breach from the owner.

# CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.  
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

## OFFICE USE ONLY CERTIFICATION OF FILING

Certificate Number:  
2017-154142

Date Filed:  
01/13/2017

Date Acknowledged:

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

SunGard Public Sector LLC  
Lake Mary, FL United States

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

City of Round Rock

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

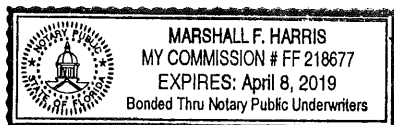
Quote 00021607  
TRAKIT Professional Services

4 Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
		Controlling	Intermediary
Panther Sub LLC	Jacksonville, FL United States	X	
Panther GP 2	Jacksonville, FL United States	X	
Panther GP 1	Jacksonville, FL United States	X	
Brown, Marianne	Jacksonville, FL United States	X	
Dates, Michael	Jacksonville, FL United States	X	
Woodall, James	Jacksonville, FL United States	X	
Norcross, Gary	Jacksonville, FL United States	X	

5 Check only if there is NO Interested Party. ☐

### 6 AFFIDAVIT

I swear, or affirm, under penalty of perjury, that the above disclosure is true and correct.



*[Signature]*

Signature of authorized agent of contracting business entity

AFFIX NOTARY STAMP / SEAL ABOVE

Sworn to and subscribed before me, by the said LISA NEUMANN, this the 13<sup>th</sup> day of JANUARY, 2017, to certify which, witness my hand and seal of office.

*[Signature]*  
Signature of officer administering oath

Marshall Harris  
Printed name of officer administering oath

CONTRACTS SPECIALIST  
Title of officer administering oath



# City of Round Rock

## Agenda Item Summary

**Agenda Number:** H.3

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**Title:** Consider a resolution accepting the City's Comprehensive Annual Financial Report for fiscal year October 1, 2015 to September 30, 2016.

**Type:** Resolution

**Governing Body:** City Council

**Agenda Date:** 3/9/2017

**Dept Director:** Susan Morgan, CFO

**Cost:**

**Indexes:**

**Attachments:** Resolution, Exhibit A

**Department:** Finance Department

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### **Text of Legislative File 2017-4256**

The Comprehensive Annual Financial Report (CAFR) is a document that is prepared annually in conjunction with the annual audit. The City's independent auditors, Brockway, Gersbach, Franklin & Niemeier, P.C. (BGFN) have completed their independent audit of all City accounts for fiscal year 2015/2016. The auditors rendered a "clean" opinion on the City's financial statements, meaning they were able to obtain reasonable assurance that the financial statements are free of material misstatement. No material weaknesses in internal controls were noted.

Steve Niemeier, engagement partner with BGFN, will be present at Council Meeting to answer any questions from Council.



**RESOLUTION NO. R-2017-4256**

**WHEREAS**, the City of Round Rock's Comprehensive Annual Financial Report ("Report") for the fiscal year ended September 30, 2016 has been submitted to the City Council, and

**WHEREAS**, the City Council desires to acknowledge the receipt and acceptance of the attached Report, Now Therefore

**BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ROUND ROCK, TEXAS,**

That the City of Round Rock's Comprehensive Annual Financial Report for the fiscal year ended September 30, 2016, attached hereto as Exhibit "A" and incorporated herein, is hereby received and accepted.

The City Council hereby finds and declares that written notice of the date, hour, place and subject of the meeting at which this Resolution was adopted was posted and that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof were discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

**RESOLVED** this 9th day of March, 2017.

---

ALAN MCGRAW, Mayor  
City of Round Rock, Texas

ATTEST:

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SARA L. WHITE, City Clerk



**City of Round Rock, Texas**  
**Comprehensive Annual Financial Report**  
**Fiscal Year Ended September 30, 2016**

**ELECTED OFFICIALS**

*Alan McGraw, Mayor*  
*Craig Morgan, Mayor Pro Tem*  
*Rene Flores, Council Member*  
*Frank Leffingwell, Council Member*  
*Will Peckham, Council Member*  
*Writ Baese, Council Member*  
*Kris Whitfield, Council Member*

**MANAGEMENT STAFF**

*Laurie Hadley*  
*City Manager*  
  
*Bryan Williams*  
*Assistant City Manager*  
  
*Brooks Bennett*  
*Assistant City Manager*

**OFFICIAL ISSUING REPORT**

*Susan L. Morgan, CPA*  
*Chief Financial Officer*



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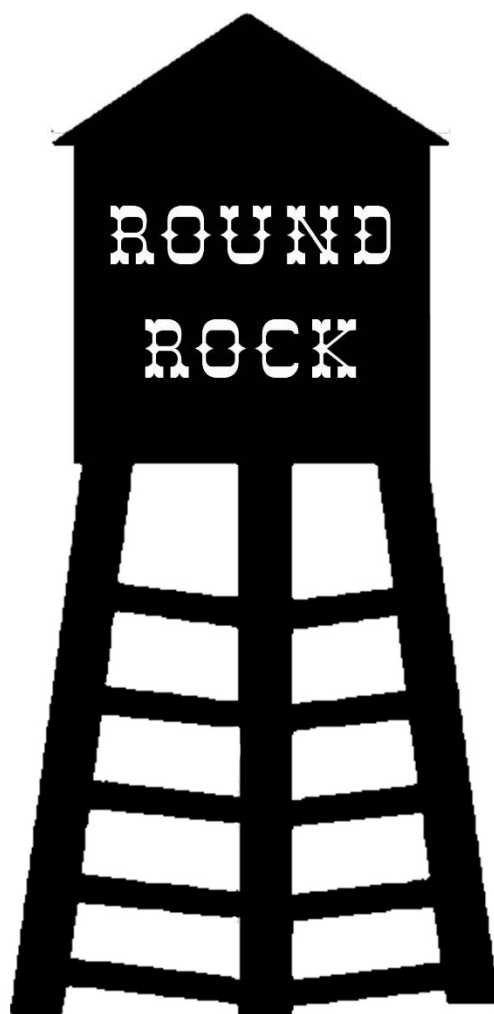
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# INTRODUCTORY SECTION







**Mayor**  
Alan McGraw

**Mayor Pro-Tem**  
Craig Morgan

**Councilmembers**  
Rene Flores  
Frank Leffingwell  
Will Peckham  
Writ Baese  
Kris Whitfield

**City Manager**  
Laurie Hadley

**City Attorney**  
Stephan L. Sheets

January 27, 2017

Honorable Mayor and Members of the  
City Council  
City of Round Rock, Texas

The Comprehensive Annual Financial Report of the City of Round Rock, Texas for the fiscal year ended September 30, 2016, is submitted herewith. This report has been prepared by the City's Finance Department and responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data is accurate in all material aspects and are presented in a manner designed to clearly state the financial position and results of operations of the City as measured by the financial activity of its various funds. All disclosures have been included to enable the reader to gain the maximum understanding of the City's financial affairs.

The City Charter requires an annual audit of the books of account, financial records and transactions of all departments of the City by independent certified public accountants selected by the City Council.

Brockway, Gersbach, Franklin & Niemeier, P.C., Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Round Rock's financial statements for the year ended September 30, 2016. The independent auditors' report is located at the front of the financial section of this report.

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

### **City of Round Rock Profile**

The City of Round Rock, established in 1851, is a municipal corporation incorporated under Article XI, Section 5 of the Constitution of the State of Texas (Home Rule Amendment). The City operates under a Council-Manager form of government with six council members and a mayor. The City Manager is appointed by the City Council and is responsible to them for managing and administering all City affairs.

The Chief Financial Officer is appointed by the City Manager and is responsible for supervising the operations of the Finance Department. This department maintains all accounting records of the City.

The financial reporting entity (the government) includes all the funds of the primary government (the City of Round Rock as legally defined) as well as its component units. Component units are legally separate entities for which the primary government is financially accountable. The City provides a full range of services which include police and fire protection, parks and library, construction and maintenance of infrastructure, planning and community development, convention and tourism activities, and general

administrative services. In addition, the City owns and operates a water, sewer and drainage utility system. These activities are included in the accompanying financial statements.

Blended component units, although legally separate entities, are in substance part of the primary government's operations and included as part of the primary government. Accordingly, Round Rock Transportation and Economic Development Corporation revenues are reported in a special revenue fund of the City while capital improvements are reported in a capital project fund of the City.

Annual budgets are legally adopted for the General Fund, Special Revenue Funds, Debt Service Fund, and the Proprietary Funds. Capital Projects Funds have no binding annual budget. Project-length financial plans are adopted for all capital projects; accordingly, no comparison of budget to actual is presented in the financial statements.

Budgetary control is maintained at the department level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Purchase orders which result in an overrun of balances are not released until additional appropriations are made available. The City had no material encumbrances as of September 30, 2016.

### **Significant Local Economic Events**

### **Strategic Goals**

The City of Round Rock is the largest City within Williamson County and is adjacent to the City of Austin. The City has experienced tremendous population growth which has led to an increased demand for city services. To adequately prepare for the effect of this activity on the City, much effort goes into planning and funding infrastructure and service programs. Each February, Council reviews the City's successes and challenges and refines both the short-term and long-term strategic goals for the City. These goals set the direction for the allocation of staff and financial resources and are the basis for the development of the following year's budget.



### **Economy**

Round Rock continues to see strong population and economic growth. As the largest city in Williamson County and part of the Austin Metropolitan Statistical Area (MSA), Round Rock is a key city in one of the fastest growing regions across the nation. From 2008 to the projected population for 2017, the City of Round Rock has experienced population growth of over twenty percent (20%) over the past 10 years. The long-range population estimates from the City's Planning and Development Services Department predict

this increase continuing at a growth rate of between two (2) and three (3) percent per year for the foreseeable future.

The population for 2030 is projected to be over 158,000 within the City limits and over 215,000 in Greater Round Rock, which includes the City limits and the City's extraterritorial jurisdiction (ETJ). While most of the long-range growth will likely occur in northeast Round Rock where there are still large tracts of land that could be developed into additional neighborhoods, population density will likely increase across the City as residential development continues for single family townhomes, multifamily apartments, and senior living facilities. The City is planning and preparing for this population growth to ensure the high-quality services Round Rock residents have come to expect are expanded to serve residents of today and of tomorrow.

A leading driver of the City's population growth is a strong local economy. The City's unemployment rate is 3.0%, remaining lower than the Austin MSA rate of 3.1% and the statewide rate of 4.4%. As the Texas economy faces some uncertainties due to unstable oil prices, the Central Texas area's geographic and economic distance from the oil industry has and will likely continue to insulate the region from major impacts. Round Rock businesses have seen continued growth in revenues, especially in the hotel and restaurant industries, as more tourists and visitors come to enjoy Round Rock's "Sports Capital of Texas" sporting events, historic downtown, and unique blend of destination shopping experiences.

Round Rock continues to gain recognition for the value of the high-quality services provided to our residents. Below are a few of our most recent accolades:

- Ranked number 4 by Niche.com as one of the "2016 Safest Cities in the Country"
- Ranked number 4 by Livability.com as one of the "2016 Best Affordable Places to Live"
- Ranked number 12 by Bankrate.com as one of the "Best Cities to Retire"
- Ranked number 23 by Niche.com as one of the "2016 Best Cities for Millennials in America"
- Ranked number 8 by SmartAsset.com as one of the "Best Cities for Living the American Dream"

The local hotel/motel industry continues to be a particularly vibrant industry for Round Rock. The 27 hotels within the City boast a solid occupancy rate of 75.6% across all of their combined 2,788 hotel rooms. Two additional hotels are under development that will add an additional 240 new rooms by the end of fiscal year 2017. This strong industry bodes well for the hotel occupancy tax collections which support local tourism events and debt service for the Dell Diamond/Convention Center, the home of the "Round Rock Express" Triple A Baseball team and the Round Rock Sports Center, the City's 82,800 square foot indoor sports venue which opened in January 2014. The City is in the construction phase of a \$27 million tournament class outdoor multipurpose sports complex with an estimated completion date of Spring 2017. This complex will attract major sporting tournaments such as soccer and other field sports and events from across the country. With several area sports facilities in place and statewide events being planned, Round Rock continues its marketing strategy as the "Sports Capital of Texas." Tourism is an expanded component of the City's overall economic development strategy. The City's success in this industry was recognized with Round Rock being named the number one "Best Minor League Baseball Town of 2016". The City also received this honor in 2015.

### **Economic Development**

The City understands that diversification of Round Rock's economy is a key to financial stability. The local retail market place continues to thrive. The major destination retail hubs provide continued expansion and broaden Round Rock's economy. The Round Rock Premium Outlets celebrated its 10-year anniversary in August 2016. The 430,000-square-foot outlet mall serves as a destination for shoppers from Central Texas and beyond. A retail hub has grown up around the outlet mall to include IKEA which opened in 2007 and Bass Pro Shops which opened in 2015. These destination-based retail stores were intentionally sought

out by the City's economic development program to locate in Round Rock. These stores generate sales tax revenues for the City, bring in shoppers to the area which benefits neighboring retail and restaurants, and place a relatively low demand on City services such as police, fire, and parks and recreation.

Additionally, the City Council has approved several economic development agreements in recent months. The resulting economic expansions have created new jobs, modernized work equipment and/or brought new services to Round Rock. The long-standing partnership between the City and Round Rock Chamber of Commerce continues to attract new development to the City. The funding is leveraged with the Chamber of Commerce Momentum funding to create a public/private partnership for economic development priorities. This partnership continues to yield a new, inspired approach to economic development for Round Rock. The City will see new additions within the city limits in the next year.

The economic development wins of the past will continue to add to the diversity of Round Rock's economy into the future as several companies have recently announced plans to locate in the City. Houghton Mifflin Harcourt (HMH) relocated its Texas regional office to Round Rock in July 2016. Their relocation brought over 270 jobs to the City with an average salary, including benefits, of at least \$70,000. HMH now anchors a brand new 100,000-square-foot Class A office building in La Frontera. Along with Emerson and Dell, HMH adds to a growing presence of business headquarters along SH 45 in Round Rock.

ProPortion Foods LLC, a Los Angeles-based food service company, finalized an economic development agreement in December 2015 to relocate its office, food processing, storage, and warehouse facility to the City. The company bought the building at 101 Chisholm Valley Trail previously used by Sysco, a food and food products distributor. In order to receive the economic incentives outlined in the economic development agreement, the total investment in renovations to the building must be at least \$13 million and ProPortion Foods must retain at least 400 full-time employees over a five-year period.

Airco Mechanical, a commercial and residential heating, ventilation, and air conditioning service provider, has relocated its Central Texas headquarters and its 400 employees to a previously vacant 47,000 square foot building located on the Interstate 35 frontage road at 1000 S. IH 35.

United Parcel Service (UPS) announced they will be the next Fortune 500 company to expand in Round Rock with a new regional distribution center that will provide additional operating capacity for the Austin area. The \$70 million facility, projected to open in 2018, will be 225,000 square feet located on fifty acres of land near SH 45 and A.W. Grimes Boulevard. The new distribution center will employ more than 300 people.

In December 2016, the City Council approved a series of agreements with Kalahari Resorts and Conventions. The City views this partnership as a game-changer for the community. Its 351.7 acre site and proximity to Old Settlers Park and Dell Diamond – two well-established venues that draw more than a million visitors annually – bodes well for a successful, tourism-oriented development. The convention and resort business is a new industry for Round Rock that will provide substantial property tax revenues and diversify the local economy. The proposed project is under design and will feature a minimum of 975 guest rooms, a 150,000 square-foot convention center, a 200,000 square-foot indoor/outdoor water park, and other potential indoor and outdoor activities. The development will also include restaurants, additional entertainment, recreation, and other mixed uses. For more information, please visit: [www.roundrocktexas.gov/Kalahari](http://www.roundrocktexas.gov/Kalahari).

Round Rock continues to see significant growth in the medical industry. The City is home to several hospitals offering comprehensive world-class healthcare services. These hospitals continue to expand their facilities and services to keep up with Round Rock's growing population. Baylor Scott & White Health broke ground on March 8, 2016 on a new 100,000 square-foot cancer care facility on the campus of the Baylor Scott & White Medical Center off of University Boulevard. The facility is scheduled to open in

2017 and will provide services for radiation oncology, medical oncology, surgical oncology, and hematology.

To complement the healthcare and medical facilities, Round Rock is home to several higher education facilities, many of which focus on healthcare disciplines. These institutions of higher learning include the Texas A&M Health Science Center, Texas State University, Austin Community College, and the Art Institute of Austin. Texas State University is undergoing construction of a new \$70 million building on their Round Rock campus which, when complete in 2018, will house their College of Health Professions.

### **Relevant Financial Policies**

#### **Accounting System and Controls**

It is the policy of the City to maintain a General Fund balance equivalent to at least 33% of operations. Working capital in the Water/Wastewater Utility Fund is also maintained at a similar level of operations. Balances in excess of the above levels are earmarked for future uses or reduced to the target levels over an appropriate length of time.

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

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

#### **Long-Term Financial Planning**

A new comprehensive long range financial planning model was created in fiscal year 2016 to reflect the changing economic environment and challenges the City will be facing over the next five years and beyond. The basis of this model is to ensure that the City is responding to continual growth with a limited revenue base. The model takes a comprehensive approach to evaluating the long-term needs for property tax rates and other revenues to provide for the maintenance and operations of the General Fund. The City's General Fund relies heavily on sales tax as a revenue source. The sales tax is a less stable revenue source than the property tax but provides the taxpayers with more discretion and a lower property tax rate. Because of this revenue makeup, the City tends to carry higher fund balances, estimates sales tax revenues conservatively, and introduces new programs somewhat more cautiously until projected revenue levels are attained. The City is also more attentive to the health of its economy because of the reliance upon commerce to produce the sales tax.

The City's economy is expected to generate approximately \$60.3 million in sales tax revenue for fiscal year 2017, net of sales tax rebates paid to Dell, Sears and Bass Pro Shops in accordance with economic development agreements in effect. This amount includes the one-half (0.5) percent or \$16.4 million in additional sales and use tax for roads and economic development. The remaining one and one-half (1.5) percent is projected to generate \$43.9 million for general operations, property tax reduction and capital projects.

In 2016, Dell, the City's largest employer and taxpayer, completed its acquisition of EMC Corporation. This acquisition transformed Dell into a major player in the data storage, information security, virtualization, analytics and cloud computing markets. As a result of this merger, Dell Inc. changed its name to Dell Technologies. Dell continues to be a vital part of the Round Rock economy with 4 of its 5 worldwide operating divisions headquartered in Round Rock. Although the City has experienced declining sales tax revenue from Dell, the high-level jobs provided by the City's largest employer has continued to provide a strong local economy. Dell sales tax receipts for fiscal year 2016 accounted for 15.8% of total sales tax collected which met the 2009 Financial Management Policy to lower reliance on Dell receipts well ahead of the 20% target for 2017. A concentration risk account has been established to mitigate the City's annual net exposure to declining sales tax from any single sales taxpayer that represents more than 5% of the City's net General Fund revenues.

While the City has reduced its reliance on Dell receipts, the remaining sales tax base has grown from \$29.3 million in 2008 to a projected \$37.8 million for 2017, an increase of 29% over the ten-year period. Total sales tax collections for the City have remained relatively flat over the past 10 years with \$41.0 million in 2008 and \$43.9 million expected in 2017. The reduced reliance on both Dell and sales tax in general makes the City's finances more stable and less susceptible to any negative effects of economic downturns.

The City sets utility rates based on the cost of service. This model establishes an equitable rate structure for total cost recovery. In order to fund the capital improvement program and to meet increasing system demand and operational cost pressures, multiple-year rate increases were implemented. Even with the rate increases, Round Rock water and wastewater rates continue to be among the lowest in the region.

The City planned ahead to ensure its utility system will serve the future citizens of Round Rock. With multiple contracts in place with the Brazos River Authority, the City has secured its water supply through expected buildout in 2050. Water from Lake Georgetown and Stillhouse Hollow Lake in the Brazos River Basin provide water to the City's current 52 million gallons per day (MGD) water treatment plant. The City also secured water from Lake Travis in the Lower Colorado River Basin. In order to treat water from Lake Travis, the City partnered with the Cities of Cedar Park and Leander to form the Brushy Creek Utility Authority (BCRUA). The BCRUA system will ultimately pump and treat 105.6 MGD which meets all three Cities' supply needs through buildout. In 2009, in order to provide the most cost effective wastewater services, the City partnered with the Cities of Cedar Park and Austin to purchase the Brushy Creek Regional Wastewater System (BCRWWS). The system is currently undergoing improvements to increase capacity to collect and treat up to 28 MGD of wastewater. The City's portion will be approximately 23 MGD and will serve Round Rock through 2035.

In fiscal year 2016, the City's Utility Revenue bonds received an upgraded rating to AA+ from Standard and Poor's (S&P). This raised rating reflects the general creditworthiness and stability of the City's utility system. S&P also noted that the system had good financial management policies and practices.

### **Prospects for the Future**

As we look to the future, there are several key initiatives in process now that will shape the development of Round Rock for the next decade. The City is leveraging available resources to attract industries from across the globe to strengthen its property tax and sales tax bases. Significant investment in the medical industry including several state-of-the-art medical facility expansions, combined with the impact of multiple higher education centers, will provide community development and unlimited opportunities. Not only will these initiatives shape the physical development of the City but they will also influence the knowledge base and creativity found in the community.

With the City's natural commercial attractiveness, a strong economic development plan and a strengthening economy, the future of the community is bright.



## Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Round Rock, Texas for its comprehensive annual financial report for the fiscal year ended September 30, 2015. This was the ***thirtieth consecutive year*** that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City of Round Rock also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning October 1, 2015. To qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide and a communications device.

The City of Round Rock earned the Texas Comptroller Leadership Circle Platinum member certificate. This award spotlights those local governments who are; opening their books to the public, providing clear, consistent pictures of spending, and sharing information in a user-friendly format that lets taxpayers easily drill down for more detail.

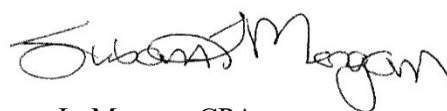
Additionally, the GFOA awarded a Certificate of Outstanding Achievement in Popular Annual Financial Reporting for the fiscal year ended September 30, 2015. This award recognizes the City's ability to extract information from their comprehensive annual financial report to produce high quality popular annual financial reports specifically designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance and then to recognize individual governments that are successful in achieving that goal.

The presentation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the Department who assisted and contributed to its presentation. Acknowledgement is also given to Brockway, Gersbach, Franklin & Niemeier, P. C. for their valuable assistance in production of the report. We would also like to thank the Mayor and Council members for their commitment in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Laurie Hadley  
City Manager



Susan L. Morgan, CPA  
Chief Financial Officer



# CITY OF ROUND ROCK, TEXAS

## CITY ORGANIZATIONAL CHART





Government Finance Officers Association

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

Presented to

**City of Round Rock  
Texas**

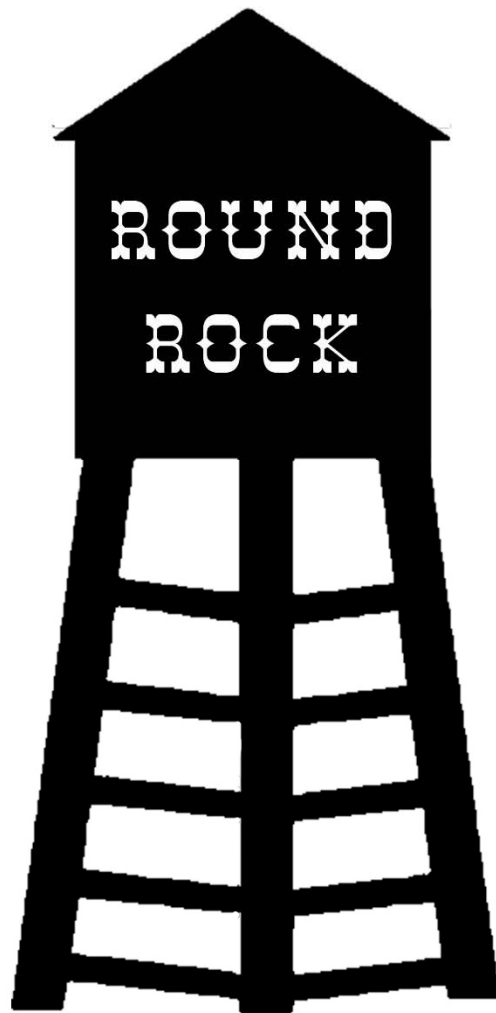
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2015**

A handwritten signature in black ink, reading "Jeffrey R. Emen". The signature is fluid and cursive.

Executive Director/CEO

# FINANCIAL SECTION







BROCKWAY  
GERSBACH  
FRANKLIN &  
NIEMEIER, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and  
Members of the City Council  
City of Round Rock, Texas

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Round Rock, Texas (the City), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

### ***Auditors' Responsibility***

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

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

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

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Round Rock, Texas, as of September 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Other Matters*

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 19 - 30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

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



**INDEPENDENT AUDITORS' REPORT  
(CONTINUED)**

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2017, on our consideration of the City of Round Rock, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Round Rock, Texas' internal control over financial reporting and compliance.



Temple, Texas  
January 27, 2017



**CITY OF ROUND ROCK, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2016**

The discussion and analysis of the City of Round Rock's financial performance provides an overview and analysis of the City's financial activities for the fiscal year ended September 30, 2016. It should be read in conjunction with the accompanying transmittal letter and the accompanying basic financial statements.

**Financial Highlights**

- The assets and deferred outflows of resources of the City of Round Rock exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$791,197,740 (*net position*). Of this amount, \$178,941,993 (*unrestricted net position*) may be used to meet the City's ongoing obligations to its citizens and creditors.
- The City's total net position increased by \$31,489,951 after restatement of the beginning net position balance as disclosed in Note I (X). This increase is a result of contributions from developers in both governmental and business-type activities, as well as an increase in property tax revenues for governmental activities.
- As of the close of the current fiscal year, the City of Round Rock's governmental funds reported combined ending fund balances of \$174,030,546, a decrease of \$36,047,986 in comparison with the prior year. The decrease is primarily due to the spending down of bond proceeds. Approximately 30.1 percent of the total fund balance amount, \$52,427,796, is *available for spending* at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$52,427,796, or 57.5 percent of the total general fund expenditures.
- The City of Round Rock's total debt decreased by \$14,614,237 during the current fiscal year. The change was primarily due to the refunding of various debt issuances, along with the offset by regularly scheduled debt principal retirement and savings from a refunding certificates issue as more fully described in Note IV (F) to the financial statements.

**Overview of the Financial Statements**

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

**Government-wide Financial Statements**

The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Round Rock'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 outflows (inflows) of resources with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Round Rock is improving or deteriorating.

**CITY OF ROUND ROCK, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2016**

**Government-wide Financial Statements (Continued)**

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 in this statement 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 of Round Rock 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, public works and culture and recreation. The business-type activities of the City of Round Rock include water, sewer and drainage utility and a golf course.

**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 of Round Rock, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

***Governmental funds***

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

Because the focus of governmental funds is narrower than that of the government-wide 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 City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Round Rock maintains 23 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, the Round Rock Transportation and Economic Development Corporation (RRTEDC) revenue fund, the self-financed construction fund, the 2014 General Obligation Bond fund, and the 2014 Transportation Certificates of Obligation fund, all of which are considered to be major funds. Data from the other 17 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in the report.

**CITY OF ROUND ROCK, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2016**

**Fund Financial Statements (Continued)**

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the budget.

***Proprietary funds***

The City of Round Rock maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer and drainage utility and for its golf course.

*Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for its self-funded health insurance program and funding of its OPEB liability as of September 30, 2016. Because this service predominantly benefits governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer and drainage utility and for the golf course. The water, sewer and drainage utility is considered a major fund of the City. Since the golf course fund is the only remaining enterprise fund, it is being presented as a major fund even though it does not meet the criteria of a major fund established in GASB Statement No. 34. The internal service fund is a single presentation in the proprietary fund financial statements.

***Fiduciary funds***

*Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. The Public Improvement Districts agency fund is reported in the statement of fiduciary net position. The resources accounted for in this fund are excluded from the government-wide financial statements because these funds are not available to finance the City's operations. Consequently, the City is responsible for ensuring that these resources are used only for their intended purpose. As of September 30, 2016, the City was no longer custodian of the Public Improvement District.

**Notes to the Financial Statements**

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

**Other Information**

The combining statements referred to earlier in connection with nonmajor governmental funds and individual fund schedules are presented immediately following the notes to the financial statements.

Additional information on capital assets used in the operation of governmental funds is provided following the individual fund schedules.

**CITY OF ROUND ROCK, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2016**

**Other Information (Continued)**

***Government-wide Financial Analysis***

Net position is a useful indicator of a government's financial position. For the City of Round Rock, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$791,197,740 as of September 30, 2016.

The largest portion of the City's net position (68.90%) reflects its investments in capital assets (e.g., land, buildings and improvements, improvements other than buildings, machinery and equipment and construction in progress), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (8.48%) represents resources that are subject to external restriction on how they may be utilized. The remaining balance of unrestricted net position \$178,941,993 may be used to meet the City's ongoing obligations to citizens and creditors.

As of September 30, 2016 and 2015, the City was able to report positive balances in all three categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities. The following table provides a comparative summary of the City's net position as of September 30, 2016 and 2015. The 2015 amounts have been restated for the impact of removing \$64.7 million in infrastructure assets.

	<b>Net Position (in 000's)</b>					
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current and other assets	\$ 201,297	\$ 240,056	\$ 145,435	\$ 138,011	\$ 346,732	\$ 378,067
Capital assets	<u>492,228</u>	<u>451,014</u>	<u>324,346</u>	<u>316,695</u>	<u>816,574</u>	<u>767,709</u>
Total assets	<u>693,525</u>	<u>691,070</u>	<u>469,781</u>	<u>454,706</u>	<u>1,163,306</u>	<u>1,145,776</u>
Deferred outflows	<u>21,535</u>	<u>13,589</u>	<u>6,678</u>	<u>937</u>	<u>28,213</u>	<u>14,526</u>
Long term liabilities	<u>277,812</u>	<u>279,970</u>	<u>96,609</u>	<u>93,797</u>	<u>374,421</u>	<u>373,767</u>
Other liabilities	<u>21,381</u>	<u>23,546</u>	<u>2,910</u>	<u>3,239</u>	<u>24,291</u>	<u>26,785</u>
Total liabilities	<u>299,193</u>	<u>303,516</u>	<u>99,519</u>	<u>97,036</u>	<u>398,712</u>	<u>400,552</u>
Deferred inflows	<u>1,416</u>	<u>37</u>	<u>193</u>	<u>5</u>	<u>1,609</u>	<u>42</u>
Net position, as restated:						
Net investment						
in capital assets	310,186	299,731	234,981	228,867	545,167	528,598
Restricted	51,813	48,020	15,276	19,216	67,089	67,236
Unrestricted	<u>52,452</u>	<u>53,355</u>	<u>126,490</u>	<u>110,519</u>	<u>178,942</u>	<u>163,874</u>
Total net position	<u>\$ 414,451</u>	<u>\$ 401,106</u>	<u>\$ 376,747</u>	<u>\$ 358,602</u>	<u>\$ 791,198</u>	<u>\$ 759,708</u>

**CITY OF ROUND ROCK, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2016**

**Analysis of Changes in Net Position**

The following table summarizes the changes in the City's net position from its activities for the fiscal year ended September 30, 2016 with comparisons to the previous year.

	<b>Changes in Net Position (in 000's)</b>					
	Governmental		Business-Type		Total	
	Activities		Activities			
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$ 8,589	\$ 8,669	\$ 49,014	\$ 46,219	\$ 57,603	\$ 54,888
Operating grants and contributions	947	1,199	-	-	947	1,199
Capital grants and contributions	8,013	4,234	19,607	17,743	27,620	21,977
General revenues:						
Property taxes	44,239	39,932	-	-	44,239	39,932
Franchise taxes	7,175	7,255	-	-	7,175	7,255
Sales tax	67,340	67,621	-	-	67,340	67,621
Hotel occupancy tax	5,408	5,084	-	-	5,408	5,084
Public service taxes	567	516	-	-	567	516
Investment earnings	7,958	5,021	1,215	867	9,173	5,888
Total revenues	<u>150,236</u>	<u>139,531</u>	<u>69,836</u>	<u>64,829</u>	<u>220,072</u>	<u>204,360</u>
Expenses:						
General government	28,205	27,917	-	-	28,205	27,917
Public safety	49,440	45,237	-	-	49,440	45,237
Public works	33,448	33,413	-	-	33,448	33,413
Culture and recreation	20,885	19,203	-	-	20,885	19,203
Interest on long-term debt	8,294	8,118	-	-	8,294	8,118
Issuance costs	229	943	-	-	229	943
Water and sewer utility	-	-	47,948	46,070	47,948	46,070
Golf course	-	-	133	145	133	145
Total expenses	<u>140,501</u>	<u>134,831</u>	<u>48,081</u>	<u>46,215</u>	<u>188,582</u>	<u>181,046</u>
Increases in net position before transfers	9,735	4,700	21,755	18,614	31,490	23,314
Transfers	3,610	3,740	(3,610)	(3,740)	-	-
Increase in net position	<u>13,345</u>	<u>8,440</u>	<u>18,145</u>	<u>14,874</u>	<u>31,490</u>	<u>23,314</u>
Net position - beginning, as restated	401,106	392,666	358,602	343,728	759,708	736,394
Net position - ending	<u>\$ 414,451</u>	<u>\$ 401,106</u>	<u>\$ 376,747</u>	<u>\$ 358,602</u>	<u>\$ 791,198</u>	<u>\$ 759,708</u>

**Governmental Activities**

Governmental activities increased the City's net position by \$13,345,120 or 42.4 percent of the total increase in the net position of the City over the prior year. Key factors for the increase are as follows:

**REVENUES**

- Developer contributions of subdivision improvements approximated \$7.6 million and are included in program revenues of public works and culture and recreation activities. This represents an increase of \$4.0 million, or 109.5 percent over prior year.

**CITY OF ROUND ROCK, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2016**

**Governmental Activities (Continued)**

- Amounts received for property taxes increased from last year by 10.8 percent due primarily to the addition of new property to the tax base; regularly scheduled debt service requirements on bonds and a reduced reliance on sales tax. Other factors include continued aggressive collection efforts. Property tax makes up 33.3 percent of total general revenues.
- Sales tax collections of \$67.3 million remained relatively flat, decreasing 0.4 percent, compared to prior year. This is a result of a shift in Dell Technologies' business model from primarily a computer manufacturer and seller to a global technology services provider. While this shift has led to declining sales tax revenues for the City from Dell, sales tax collections from sources other than Dell continue to grow, allowing sales tax revenues to hold fairly steady from year to year.
- Charges for services decreased by \$80,000 primarily due to a decrease in municipal court revenue as a result of the City of Round Rock Police Department focusing on community policing initiatives.
- Hotel occupancy tax revenues increased as a result of 108 new rooms and higher average room rates for area hotel/motels. The occupancy rate decreased from 75.9 percent in 2015 to 75.6 percent in 2016. The statewide occupancy rate was 62.8 percent in 2016.
- Program revenues increased 24.4 percent, or \$3.4 million. This increase is due largely to capital grants and contributions received in public works.

**EXPENSES**

Expenses for governmental activities for the City totaled \$140,501,553 for the year ended September 30, 2016. Significant factors include the following:

- General government costs increased \$287,000 from \$27.9 million in 2015 to \$28.2 million in 2016, or 1.03 percent. This increase is due to an increase in the net pension liability and expense on the financial statements, due to GASB 68.
- Public safety program costs including police and fire department activities totaled about \$49.4 million, or 35.2 percent of total expenses for governmental activities. This is an increase of 9.3 percent, compared to prior year. Most significant is personnel costs which included eight new positions, including five 911 call takers and three battalion fire chiefs, plus increased health benefits.
- Public works program costs remained fairly constant compared to prior year, increasing only 0.11%.
- Culture and recreation increased \$1.7 million from \$19.2 million in 2015 to \$20.9 million, or 8.8 percent, in 2016. This increase is due in part to the opening of the expanded Rock'N River Pool Complex and the continued popularity of the Round Rock Sports Center.



**CITY OF ROUND ROCK, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2016**

**Business-Type Activities**

Business-type activities increased the City's net position by \$18,144,831 or 57.6 percent of the total growth in the net position of the City over the prior year. Key factors for the increase are as follows:

**REVENUES**

- The City's water, sewer and drainage utility continues to show increases in the number of customers and operating revenues. Scheduled uses of impact fees received have allowed current rates to remain stable while still providing adequate times coverage of utility bonded debt service. Comparative data for the past two fiscal years are presented as follows:

	2016	2015
Operating revenues	\$ 48,653,788	\$ 45,898,090
Operating income	\$ 4,397,665	\$ 3,871,316
Income available for debt service	\$ 21,146,727	\$ 19,413,015
Annual debt service	\$ 6,680,204	\$ 6,894,788
Coverage	3.53	2.82

- The City sets utility rates based on the cost of service. This model establishes an equitable rate structure for total cost recovery. In order to fund the capital improvement program and to meet increasing system demand and operational cost pressures, multiple-year rate increases were implemented. Retail volumetric and base rates increased collectively 3 percent in January 2016. Higher wholesale water rates went into effect October 1, 2015 as part of a 3 year scheduled rate increase. The City's wholesale customers make up approximately 15 percent of revenues each year. Even with the rate increases, Round Rock water and wastewater rates continue to be among the lowest in the region.

**EXPENSES**

- Expenses of the business-type activities increased \$1.9 million from prior year due to costs of treating higher volumes of water to serve a growing number of customers and normal weather fluctuations.

**Financial Analysis of the Government's Funds**

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

**Governmental Funds**

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

**CITY OF ROUND ROCK, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2016**

**Governmental Funds (Continued)**

For the fiscal year ended September 30, 2016, the City's governmental funds reported combined ending fund balances of \$174,030,546. Approximately 30.1 percent of this total amount of \$52,427,796 constitutes unassigned fund balance and is available for spending at the City's discretion. \$27,604,905 of the fund balance is committed to either construction or special revenue projects/programs. The remainder of fund balance is restricted or non-spendable to indicate that it is not available for new spending because it has already been committed to 1) pay debt service of \$2,749,645, 2) fund authorized capital projects of \$77,545,478, 3) other restricted purposes of \$13,330,434 or 4) non-spendable of \$372,288.

The general fund is the chief operating fund of the City. At the close of the current fiscal year, fund balance of the general fund reached \$52,800,084, of which \$52,427,796 was unassigned. Unassigned fund balance represented 57.5 percent of total general fund expenditures.

During the current fiscal year, the fund balance of the General Fund increased by \$2,091,874 because of continued revenue growth. The general fund total revenues exceed the budget by over \$4,000,000 contributing to the increase in fund balance. The City continues to budget revenues conservatively but with the continued population growth and increase in property values, the property taxes and sales tax revenues continue to surpass budgeted projections.

The debt service fund had a total fund balance of \$2,749,645 at the end of the fiscal year, all of which is restricted for the payment of debt service. The net increase in fund balance during the year was \$397,865. Debt service expenditure requirements increased by \$1,095,252 during the fiscal year and were adequately funded by the debt service portion of the property tax.

The fund balance of the RRTEDC revenue fund was \$35,218,813, an increase of \$3,143,649 compared to the prior year. The increase reflects a reduction in transfers out of this fund to fund transportation system improvements and related maintenance and debt service costs. This is a result of less costs incurred for transportation projects, compared to the prior year, as well as issuance of the 2014 transportation certificates of obligation which provided an alternative source of funding for transportation system improvements during 2016.

The self-financed construction fund, the 2014 general obligation bond fund, and 2014 transportation certificates of obligation fund had a combined total fund balance at year-end of \$65,288,854. The collective net decrease of \$41,965,836 is a result of the spending down of the 2014 general obligation bonds and the 2014 transportation certificates of obligation bonds.

**Proprietary Funds**

The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the water and sewer fund totaled \$124,993,982 at September 30, 2016. The total growth in net position for the water and sewer fund was \$18,517,947. The unrestricted net position represented 33.7 percent of the utility's total net position.

**CITY OF ROUND ROCK, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2016**

**General Fund Budgetary Highlights**

One budget amendment was taken to City Council for the General Fund for the year ended September 30, 2016. The budget amendment transferred excess General Fund fund balance to the General Self-Financed Construction Fund to provide funding for future cash funded projects, repairs and maintenance for IT, parks and recreation, and facilities, and for transportation improvements.

**Capital Assets and Debt Administration**

**Capital Assets**

The City of Round Rock's investment in capital assets for its governmental and business-type activities as of September 30, 2016, amounted to \$816,574,126 (net of accumulated depreciation). This investment includes land, buildings and improvements, improvements other than buildings (including infrastructure), machinery and equipment and construction in progress.

Major capital asset events during the year ended September 30, 2016, included the following:

- The City removed infrastructure assets with a net book value of \$64.7 million. It was determined that the City does not own, nor is the City required to maintain this infrastructure.
- Additional facilities were completed at the Round Rock Sports Center for a total cost of \$1.4 million.
- Projects underway and completed that were funded by the 2014 G.O. bonds are as follows:
  - Parks and recreation improvements at Old Settler's Park were completed in Spring 2016 for the Rock'N River expansion at a cost of \$8 million.
  - Construction is underway at Old Settler's Park's Multipurpose Field Complex and soccer fields. The total cost is estimated at \$30.3 million with \$13.3 million spent to date.
  - Expansion of citywide trails began at an estimated cost of \$20.1 million with \$2.8 million incurred to date.
  - Neighborhood park improvements, ADA upgrades, and facility improvements are underway with total cost estimated at \$3.5 million with \$2.1 million spent to date.
  - Design is underway for a public safety training facility. The total estimated cost is \$29.4 million with an anticipated completion date in Summer 2018.
  - Construction was near completion for two fire stations and remodel of existing fire stations. Land was also purchased for future construction. The total spent to date is \$8.6 million.
- Major arterial, signal, and road projects are underway and at various stages of completion. Completed projects totaled \$14.8 million while construction in progress at year-end approximated \$31.6 million.
- Major City facility improvements were completed at a cost of \$233,000 and information technology infrastructure upgrades were completed at a cost of \$528,000.
- Various street, sidewalk, fencing, drainage, and traffic signal improvement projects were underway with completions totaling \$1.6 million while construction in progress approximated \$602,000 at year end.

**CITY OF ROUND ROCK, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**Capital Assets (Continued)**

- Design began for a new utility and transportation center with construction starting in 2017. The total estimated cost is \$16.5 million funded from both utility and general construction funds.
- Developers contributed infrastructure improvements for governmental activities of \$7.6 million, and \$11.3 million for water, sewer and drainage system infrastructure improvements.
- Design is underway for various water pump station improvements throughout the City. The total cost is estimated at \$3.7 million with completion in 2018.
- The program to replace water meters citywide with automated reading equipment is substantially complete at a cost of \$4.1 million.
- Various water and wastewater line replacement projects were completed and placed in service at a cost of \$3.2 million and similar projects were in progress costing \$8.1 million to date.

	<b>Capital Assets (in 000's)</b>					
	Governmental		Business-Type		Total	
	Activities		Activities			
	2016	2015	2016	2015	2016	2015
Land	\$ 53,134	\$ 45,751	\$ 8,453	\$ 8,453	\$ 61,587	\$ 54,204
Buildings and improvements	135,706	133,813	22,437	22,437	158,143	156,250
Improvements other than bldgs	592,991	566,972	437,267	423,042	1,030,258	990,014
Machinery and equipment	73,386	67,539	16,012	15,032	89,398	82,571
Accumulated depreciation	(422,643)	(393,235)	(172,385)	(157,585)	(595,028)	(550,820)
Construction in progress	59,654	30,174	12,562	5,316	72,216	35,490
Total	<u>\$ 492,228</u>	<u>\$ 451,014</u>	<u>\$ 324,346</u>	<u>\$ 316,695</u>	<u>\$ 816,574</u>	<u>\$ 767,709</u>

Additional information on the City of Round Rock's capital assets can be found in Note IV (E) to the financial statements.

**Long-Term Debt**

At the end of the current fiscal year, the City of Round Rock had total debt outstanding of \$294,337,387. Of this amount, \$176,635,000 comprises debt backed by the full faith and credit of the City. The remainder of the City's debt is secured solely by specified revenue sources (i.e., revenue bonds and state infrastructure bank loans).

During the current fiscal year, the City of Round Rock's total debt decreased by \$14,614,237. The net decrease is largely due to the City's refinancing of various existing debt issuances to take advantage of favorable interest rates. Details of the refunding issuances can be found in Note IV (F) (4) to the financial statements. Regularly scheduled debt principal was retired during 2016 as well.

**CITY OF ROUND ROCK, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2016**

**Long-Term Debt (Continued)**

	Long-Term Debt (in 000's)					
	Governmental		Business-Type		Total	
	Activities		Activities			
	2016	2015	2016	2015	2016	2015
General obligation bonds	\$ 149,540	\$ 154,925	\$ -	\$ -	\$ 149,540	\$ 154,925
Certificates of obligation	27,095	29,675	-	-	27,095	29,675
Hotel tax revenue bonds	12,320	13,225	-	-	12,320	13,225
Sales tax revenue bonds	9,180	11,920	-	-	9,180	11,920
State infrastructure bank loans	11,527	13,082	-	-	11,527	13,082
Water and wastewater revenue bonds	-	-	84,675	86,125	84,675	86,125
Total	<u>\$ 209,662</u>	<u>\$ 222,827</u>	<u>\$ 84,675</u>	<u>\$ 86,125</u>	<u>\$ 294,337</u>	<u>\$ 308,952</u>

The City of Round Rock benefits substantially in reduced interest costs resulting from recently affirmed bond ratings by Moody's Investors Service of Aa1, and Standard & Poor's raised its rating of the Utility Revenue bonds to AA+.

There is no direct debt limitation in the City Charter or under state law. The City operates under a Home Rule Charter (Article XI, Section 5, Texas Constitution), approved by the voters, that limits the maximum tax rate, for all City purposes to \$2.50 per \$100 assessed valuation. Administratively, the Attorney General of the State of Texas will permit allocation of \$1.50 of the \$2.50 maximum tax rate for general obligation debt service. The resulting legal debt margin is \$1,616,197,913. Of the maximum tax rate for debt service of \$1.50, the City uses \$0.16019, or 10.68%. Of \$44,063,923 levied in property taxes for the fiscal year ended September 30, 2016, 99.62% of taxes levied were collected during the fiscal year. The City is conservative in how it issues debt and has adopted a "pay as you go" philosophy by using excess cash funds to fund current projects and issuing debt only when deemed necessary. Additional information on the City's long-term debt can be found in Note IV (F) to the financial statements.

**Economic Factors and Next Year's Budgets and Rates**

The development of the City's budget is guided by several factors including the Council's Strategic Goals, prevailing economic conditions and the continuing need to provide basic and improved customer services for a growing population. The fiscal year 2016-2017 budget adopted by the City Council adheres to the City's financial policies and preserves the City's strong financial position while providing excellent levels of service. During the creation of the 2016-2017 budget process the City Manager and Executive team focused on various budget drivers in the decision making process.

- Addressing council Strategic Goals
- Meeting the demands of growth with additions to maintain service levels
- Biennial citizen survey results
- Voter authorized general obligation debt to expand programs and services
- Transportation certificates of obligation to address roadway and traffic issues
- Debt payments for these new programs
- Competitive employee compensation and benefits
- Maintenance of parks, facilities, and streets
- Compliance with financial policies

**CITY OF ROUND ROCK, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2016**

**Economic Factors and Next Year's Budgets and Rates (Continued)**

Revenue assumptions in general for fiscal year 2016-2017 are expected to follow the growth curve of job creation, population growth, retail sales activity, and housing starts.

The City's economy is expected to generate approximately \$60.3 million in sales tax revenue for fiscal year 2017. This amount includes the 1/2% or \$16.4 million in additional sales and use tax for roads and economic development. The remaining 1 1/2% is projected to generate \$43.9 million for general operations, property tax reduction, and capital projects.

The fiscal year 2017 certified taxable property value for Round Rock is \$11.3 billion, an increase of 7.6% from last year's \$10.5 billion. The adopted property tax rate for fiscal year 2017 is \$0.42500 per \$100 of valuation. The tax rate is an increase of 3.07 cents over the effective rate of \$0.39428, and well below the rollback rate of \$0.42961. The three cent (\$0.03) increase in the adopted tax rate is focused on enhancing City services in public safety and transportation, two areas that rate as major issues facing Round Rock over the next five years. With an adopted rate of \$0.42500, the City continues to have one of the lowest tax rates in Central Texas, and is among the lowest rates in the state for medium-sized cities.

The Water and Wastewater Utility operations are funded primarily through user fees. The City's utility infrastructure and service delivery systems have been carefully planned and have sufficiently met demand for a growing customer base. Water sales are conservatively estimated using customer base projections, while at the same time taking into account changing weather conditions. Water conservation and drought contingency programs continue to help the City conserve existing water sources. No retail rate increases are planned for water or wastewater in fiscal year 2017. Wholesale water rates increased October 1, 2016. Every three years, the City conducts a cost of service rate study. In fiscal year 2017, a rate study analyzing the current rate structure is planned.

**Requests for Information**

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Chief Financial Officer, City of Round Rock, 221 East Main Street, Round Rock, Texas 78664.

## **BASIC FINANCIAL STATEMENTS**

**CITY OF ROUND ROCK, TEXAS**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2016**

	Governmental Activities	Business-Type Activities	Total
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 15,436,199	\$ 14,019,442	\$ 29,455,641
Investments	90,800,544	88,750,888	179,551,432
Receivables (net of allowance for uncollectibles) -			
Property taxes	333,829	-	333,829
Accounts & other	5,816,336	7,949,519	13,765,855
Loans	912,130	-	912,130
Accrued interest	339,095	124,375	463,470
Intergovernmental	-	4,084,180	4,084,180
Grants	325,621	-	325,621
Interfund	(874,899)	874,899	-
Inventories	241,059	671,180	912,239
Other current assets	218,729	419,264	637,993
Restricted assets -			
Cash and cash equivalents	8,461,150	4,873,018	13,334,168
Investments	77,593,697	11,282,450	88,876,147
Property tax receivable	201,431	-	201,431
Accounts and other	1,409,290	172,249	1,581,539
Accrued interest	82,179	10,961	93,140
Investment in joint venture	-	12,202,372	12,202,372
Capital assets -			
Land and construction in progress	112,787,637	21,015,258	133,802,895
Capital asset, net of accumulated depreciation	379,440,601	303,330,630	682,771,231
Total assets	<u>693,524,628</u>	<u>469,780,685</u>	<u>1,163,305,313</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Deferred amount on refundings	6,552,832	4,641,777	11,194,609
Pension contributions after measurement date	5,660,385	765,371	6,425,756
Pension actuarial losses, net of amortization	9,322,141	1,271,201	10,593,342
Total deferred outflows of resources	<u>21,535,358</u>	<u>6,678,349</u>	<u>28,213,707</u>

The accompanying notes are an integral part of this financial statement.



	Governmental Activities	Business-Type Activities	Total
<b><u>LIABILITIES</u></b>			
Accounts payable	\$ 16,577,619	\$ 1,930,545	\$ 18,508,164
Accrued payroll	2,448,351	438,620	2,886,971
Unearned revenue	1,038,437	-	1,038,437
Accrued interest payable	1,316,911	541,243	1,858,154
Noncurrent liabilities -			
Net pension liability	38,237,184	5,214,162	43,451,346
Customer deposits	-	1,094,130	1,094,130
Due within one year	19,311,833	3,755,119	23,066,952
Due in more than one year	220,263,055	86,545,170	306,808,225
Total liabilities	<u>299,193,390</u>	<u>99,518,989</u>	<u>398,712,379</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Pension actuarial gains, net of amortization	<u>1,415,833</u>	<u>193,068</u>	<u>1,608,901</u>
<b><u>NET POSITION</u></b>			
Net investment in capital assets	310,185,706	234,981,264	545,166,970
Restricted for -			
Debt service	1,723,344	564,770	2,288,114
Capital projects	36,759,340	14,710,889	51,470,229
Hotel-motel tax	12,653,710	-	12,653,710
Public safety	676,724	-	676,724
Unrestricted	<u>52,451,939</u>	<u>126,490,054</u>	<u>178,941,993</u>
Total net position	<u>\$ 414,450,763</u>	<u>\$ 376,746,977</u>	<u>\$ 791,197,740</u>

**CITY OF ROUND ROCK, TEXAS**  
**STATEMENT OF ACTIVITIES**  
**SEPTEMBER 30, 2016**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>		
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Governmental activities:</b>				
General government	\$ 28,204,761	\$ 2,258,333	\$ 813,202	\$ -
Public safety	49,439,902	1,669,550	-	-
Public works	33,448,357	742,437	-	7,835,022
Culture and recreation	20,885,009	3,919,254	133,402	178,017
Interest on long-term debt	8,294,279	-	-	-
Issuance costs	229,245	-	-	-
Total governmental activities	<u>140,501,553</u>	<u>8,589,574</u>	<u>946,604</u>	<u>8,013,039</u>
<b>Business-type activities:</b>				
Water and sewer utility	47,947,818	48,653,788	-	19,607,086
Golf course	133,270	360,371	-	-
Total business-type activities	<u>48,081,088</u>	<u>49,014,159</u>	<u>-</u>	<u>19,607,086</u>
<b>Total primary government</b>	<u>\$ 188,582,641</u>	<u>\$ 57,603,733</u>	<u>\$ 946,604</u>	<u>\$ 27,620,125</u>

The accompanying notes are an integral part of this financial statement.

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
<b>Governmental activities:</b>			
General government	\$ (25,133,226)	\$ -	\$ (25,133,226)
Public safety	(47,770,352)	-	(47,770,352)
Public works	(24,870,898)	-	(24,870,898)
Culture and recreation	(16,654,336)	-	(16,654,336)
Interest on long-term debt	(8,294,279)	-	(8,294,279)
Issuance costs	(229,245)	-	(229,245)
Total governmental activities	(122,952,336)	-	(122,952,336)
<b>Business-type activities:</b>			
Water and sewer utility	-	20,313,056	20,313,056
Golf course	-	227,101	227,101
Total business-type activities	-	20,540,157	20,540,157
<b>Total primary government</b>	<b>\$ (122,952,336)</b>	<b>\$ 20,540,157</b>	<b>\$ (102,412,179)</b>
<b>General revenues:</b>			
Taxes:			
Property taxes, levied for general purpose	27,156,302	-	27,156,302
Property taxes, levied for debt service	17,082,765	-	17,082,765
Franchise taxes	7,175,948	-	7,175,948
Sales taxes	67,340,120	-	67,340,120
Hotel occupancy tax	5,407,667	-	5,407,667
Public service taxes	566,712	-	566,712
Unrestricted investment earnings and other	7,957,942	1,214,674	9,172,616
<b>Transfers</b>	<b>3,610,000</b>	<b>(3,610,000)</b>	<b>-</b>
Total general revenues and transfers	136,297,456	(2,395,326)	133,902,130
Change in net position	13,345,120	18,144,831	31,489,951
<b>Net position-beginning, as restated</b>	<b>401,105,643</b>	<b>358,602,146</b>	<b>759,707,789</b>
<b>Net position-ending</b>	<b>\$ 414,450,763</b>	<b>\$ 376,746,977</b>	<b>\$ 791,197,740</b>

**CITY OF ROUND ROCK, TEXAS**  
**GOVERNMENTAL FUNDS BALANCE SHEET**  
**SEPTEMBER 30, 2016**

	General Fund	Debt Service Fund	Round Rock Transportation and Economic Development Corporation Revenue Fund
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 8,222,738	\$ -	\$ 87
Investments	48,363,976	-	-
Receivables (net of allowance for uncollectibles) -			
Property taxes, including interest and penalties	333,829	-	-
Accounts and other	5,342,867	-	-
Loans	-	-	-
Accrued interest	78,691	-	-
Interfund	-	11,135	-
Grants	58,984	-	-
Inventories	241,059	-	-
Other current assets	131,229	-	-
Restricted assets -			
Cash and cash equivalents	-	1,938,572	5,255,217
Investments	-	801,013	30,137,774
Receivables -			
Property taxes, including interest and penalties	-	201,431	-
Sales tax	-	-	1,409,290
Accrued interest	-	-	48,763
Total assets	<u>\$ 62,773,373</u>	<u>\$ 2,952,151</u>	<u>\$ 36,851,131</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities -			
Accounts payable	\$ 7,002,969	\$ -	\$ 132,300
Accrued payroll	2,432,216	-	-
Interfund payables	87,067	-	1,500,000
Deferred revenue	451,037	202,506	-
Total liabilities	<u>9,973,289</u>	<u>202,506</u>	<u>1,632,300</u>
Fund balances -			
Nonspendable	372,288	-	-
Restricted - debt service	-	2,749,645	-
Restricted - authorized construction	-	-	35,218,831
Restricted - hotel-motel tax	-	-	-
Restricted - public safety	-	-	-
Committed, reported in -			
Committed	-	-	-
Capital projects funds	-	-	-
Unassigned	52,427,796	-	-
Total fund balances	<u>52,800,084</u>	<u>2,749,645</u>	<u>35,218,831</u>
Total liabilities and fund balances	<u>\$ 62,773,373</u>	<u>\$ 2,952,151</u>	<u>\$ 36,851,131</u>

The accompanying notes are an integral part of this financial statement.

Self-Financed Construction Fund	2014 General Obligation Bonds Fund	2014 Transportation Certificates of Obligation Fund	Other Governmental Funds	Total Governmental Funds
\$ 3,625,482	\$ -	\$ -	\$ 2,402,371	\$ 14,250,678
21,336,701	-	-	14,122,836	83,823,513
-	-	-	-	333,829
-	-	-	455,662	5,798,529
912,130	-	-	-	912,130
230,239	-	-	20,295	329,225
7,316	-	-	1,575,932	1,594,383
111,087	-	-	155,550	325,621
-	-	-	-	241,059
-	-	-	-	131,229
-	318,675	668,873	279,813	8,461,150
-	39,418,972	6,024,180	1,211,758	77,593,697
-	-	-	-	201,431
-	-	-	-	1,409,290
-	32,143	-	1,273	82,179
<u>\$ 26,222,955</u>	<u>\$ 39,769,790</u>	<u>\$ 6,693,053</u>	<u>\$ 20,225,490</u>	<u>\$ 195,487,943</u>
\$ 1,357,178	\$ 3,376,311	\$ 2,663,455	\$ 1,308,753	\$ 15,840,966
-	-	-	16,135	2,448,351
-	-	-	7,316	1,594,383
-	-	-	920,154	1,573,697
<u>1,357,178</u>	<u>3,376,311</u>	<u>2,663,455</u>	<u>2,252,358</u>	<u>21,457,397</u>
-	-	-	-	372,288
-	-	-	-	2,749,645
-	36,393,479	4,029,598	1,903,570	77,545,478
-	-	-	12,653,710	12,653,710
-	-	-	676,724	676,724
-	-	-	2,739,128	2,739,128
24,865,777	-	-	-	24,865,777
-	-	-	-	52,427,796
<u>24,865,777</u>	<u>36,393,479</u>	<u>4,029,598</u>	<u>17,973,132</u>	<u>174,030,546</u>
<u>\$ 26,222,955</u>	<u>\$ 39,769,790</u>	<u>\$ 6,693,053</u>	<u>\$ 20,225,490</u>	<u>\$ 195,487,943</u>



**CITY OF ROUND ROCK, TEXAS**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**

**Total Fund Balances - Governmental Funds** **\$ 174,030,546**

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:

Land	\$	53,133,747	
Construction in progress		59,653,890	
Building and improvements		728,697,300	
Equipment		73,386,255	
Accumulated depreciation		(422,642,954)	
Total capital assets	<u>\$</u>	<u>492,228,238</u>	492,228,238

Deferred amounts on refundings are deferred outflows of resources and, therefore, are not reported in the funds.	6,552,832
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Contributions to the pension plan after the measurement date are deferred outflows of resources and, therefore, are not reported in the funds.	5,660,385
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Pension actuarial losses (gains) are deferred outflows (inflows) of resources and, therefore, are not reported in the funds.	7,906,308
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Property tax revenues in the governmental funds are deferred because they are not collected within the prescribed time period after year end. On the accrual basis, however, those revenues would be recognized, regardless of when they are collected.	535,260
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Internal service funds are used by management to charge the costs of self-funded insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.	6,666,177
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Accrued interest payable in the governmental funds are not recognized because they are not paid within the prescribed time period after year end.	(1,316,911)
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Some long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. They are detailed in Note III (A).	<u>(277,812,072)</u>
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<b>Net Position of Governmental Activities</b>	<b><u>\$ 414,450,763</u></b>
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The accompanying notes are an integral part of this financial statement.

**CITY OF ROUND ROCK, TEXAS  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
YEAR ENDED SEPTEMBER 30, 2016**

	General Fund	Debt Service Fund	Round Rock Transportation and Economic Development Corporation Revenue Fund
<b>Revenues -</b>			
Taxes and franchise, including interest and penalties	\$ 85,075,121	\$ 17,036,313	\$ 16,835,030
Licenses, permits and fees	1,838,308	-	-
Charges for services	4,856,792	-	-
Fines and forfeitures	1,339,334	-	-
Grants	470,988	-	-
Hotel occupancy tax	-	-	-
Investment and other	5,506,530	44,422	392,839
Contributions	-	-	-
Total revenues	<u>99,087,073</u>	<u>17,080,735</u>	<u>17,227,869</u>
<b>Expenditures -</b>			
Current -			
General government	23,764,134	-	-
Public safety	43,685,927	-	-
Public works	10,668,619	-	1,394,220
Culture and recreation	13,010,711	-	-
Debt service -			
Principal retirement	-	13,463,922	-
Interest and fiscal charges	-	9,641,498	-
Issuance costs	-	229,245	-
Capital projects	-	-	-
Total expenditures	<u>91,129,391</u>	<u>23,334,665</u>	<u>1,394,220</u>
Excess (deficiency) of revenues over expenditures	<u>7,957,682</u>	<u>(6,253,930)</u>	<u>15,833,649</u>
<b>Other financing sources (uses) -</b>			
Issuance of lease	-	-	-
Issuance of refunding bonds	-	11,450,000	-
Issuance of premium	-	1,094,690	-
Payment to refunding agent	-	(12,309,895)	-
Transfers in	3,290,000	6,417,000	30,000
Transfers out	(9,155,808)	-	(12,720,000)
Total other financing sources (uses)	<u>(5,865,808)</u>	<u>6,651,795</u>	<u>(12,690,000)</u>
Net change in fund balances	2,091,874	397,865	3,143,649
<b>Fund balances, October 1, 2015</b>	<u>50,708,210</u>	<u>2,351,780</u>	<u>32,075,182</u>
<b>Fund balances, September 30, 2016</b>	<u>\$ 52,800,084</u>	<u>\$ 2,749,645</u>	<u>\$ 35,218,831</u>

The accompanying notes are an integral part of this financial statement.



Self-Financed Construction Fund	2014 General Obligation Bonds Fund	2014 Transportation Certificates of Obligation Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 264,969	\$ 119,211,433
-	-	-	5,325	1,843,633
-	-	-	315,673	5,172,465
-	-	-	234,142	1,573,476
177,481	-	-	342,214	990,683
-	-	-	5,407,667	5,407,667
168,660	238,811	60,856	1,551,736	7,963,854
192,510	-	-	176,238	368,748
538,651	238,811	60,856	8,297,964	142,531,959
-	-	-	630,258	24,394,392
-	-	-	702,954	44,388,881
-	-	-	-	12,062,839
-	-	-	2,068,253	15,078,964
-	-	-	-	13,463,922
-	-	-	-	9,641,498
-	-	-	-	229,245
10,144,310	27,166,872	16,870,288	11,233,529	65,414,999
10,144,310	27,166,872	16,870,288	14,634,994	184,674,740
(9,605,659)	(26,928,061)	(16,809,432)	(6,337,030)	(42,142,781)
2,250,000	-	-	-	2,250,000
-	-	-	-	11,450,000
-	-	-	-	1,094,690
-	-	-	-	(12,309,895)
9,157,316	1,602,002	-	10,055,808	30,552,126
(1,632,002)	-	-	(3,434,316)	(26,942,126)
9,775,314	1,602,002	-	6,621,492	6,094,795
169,655	(25,326,059)	(16,809,432)	284,462	(36,047,986)
24,696,122	61,719,538	20,839,030	17,688,670	210,078,532
\$ 24,865,777	\$ 36,393,479	\$ 4,029,598	\$ 17,973,132	\$ 174,030,546

**CITY OF ROUND ROCK, TEXAS  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2016**

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

**Net Change in Fund Balances-Total Governmental Funds** \$ (36,047,986)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation. 33,619,061

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, disposals, and donations) is to increase net position. 7,594,300

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 110,414

The issuance of long-term debt (i.e. bonds, leases) provides current financial resources to the 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 issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 11,104,646

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. These include:

Pension costs, net	(1,533,111)
Interest and employee expense	(31,550)

Internal service funds are used to charge the costs of self-funded insurance to the individual funds. The net revenue of certain activities of the internal service fund is reported with governmental activities. (1,470,654)

**Change in Net Position of Governmental Activities** \$ 13,345,120

The accompanying notes are an integral part of this financial statement.

**CITY OF ROUND ROCK, TEXAS  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2016**

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
<b>Revenues -</b>				
Taxes and franchise, including interest and penalties	\$ 82,461,000	\$ 82,461,000	\$ 85,075,121	\$ 2,614,121
Licenses, permits and fees	1,032,160	1,032,160	1,838,308	806,148
Charges for services	4,289,000	4,289,000	4,856,792	567,792
Fines and forfeitures	2,065,000	2,065,000	1,339,334	(725,666)
Grants	377,000	377,000	470,988	93,988
Investment and other	3,963,010	3,963,010	5,506,530	1,543,520
Total revenues	94,187,170	94,187,170	99,087,073	4,899,903
<b>Expenditures -</b>				
Current -				
General government	26,270,917	25,527,917	23,764,134	1,763,783
Public safety	44,756,614	45,462,111	43,685,927	1,776,184
Public works	13,163,623	11,279,305	10,668,619	610,686
Culture and recreation	13,197,352	13,215,352	13,010,711	204,641
Total expenditures	97,388,506	95,484,685	91,129,391	4,355,294
Excess (deficiency) of revenues over expenditures	(3,201,336)	(1,297,515)	7,957,682	9,255,197
<b>Other financing sources (uses) -</b>				
Transfers in	3,290,000	3,290,000	3,290,000	-
Transfers out	-	(9,155,808)	(9,155,808)	-
Total other financing sources (uses)	3,290,000	(5,865,808)	(5,865,808)	-
Net change in fund balance	\$ 88,664	\$ (7,163,323)	2,091,874	\$ 9,255,197
<b>Fund balance, October 1, 2015</b>			50,708,210	
<b>Fund balance, September 30, 2016</b>			\$ 52,800,084	

The accompanying notes are an integral part of this financial statement.

**CITY OF ROUND ROCK, TEXAS  
ROUND ROCK TRANSPORTATION AND  
ECONOMIC DEVELOPMENT CORPORATION REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2016**

	Budgeted Amounts			Variance -
	Original	Final	Actual	Positive (Negative)
<b>Revenues -</b>				
Sales tax	\$ 16,333,400	\$ 16,333,400	\$ 16,835,030	\$ 501,630
Investment and other	300,000	300,000	392,839	92,839
Total revenues	16,633,400	16,633,400	17,227,869	594,469
<b>Expenditures -</b>				
Public works	1,417,500	2,390,840	1,394,220	996,620
Total expenditures	1,417,500	2,390,840	1,394,220	996,620
Excess of revenues over expenditures	15,215,900	14,242,560	15,833,649	1,591,089
<b>Other financing sources (uses) -</b>				
Transfers in	-	-	30,000	30,000
Transfers out	(6,590,000)	(6,590,000)	(12,720,000)	(6,130,000)
Total other financing sources (uses)	(6,590,000)	(6,590,000)	(12,690,000)	(6,100,000)
Net change in fund balances	\$ 8,625,900	\$ 7,652,560	3,143,649	\$ (4,508,911)
<b>Fund balance, October 1, 2015</b>			32,075,182	
<b>Fund balance, September 30, 2016</b>			\$ 35,218,831	

The accompanying notes are an integral part of this financial statement.

**CITY OF ROUND ROCK, TEXAS  
PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2016**

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Golf Course Fund	Total	Internal Service
<b><u>ASSETS</u></b>				
Current assets:				
Cash and cash equivalents	\$ 13,934,152	\$ 85,290	\$ 14,019,442	\$ 1,185,521
Investments	88,248,936	501,952	88,750,888	6,977,031
Receivables (net of allowance for uncollectibles of \$ 1,686,852) -				
Accounts	7,916,276	33,243	7,949,519	17,807
Accrued interest	123,687	688	124,375	9,870
Intergovernmental	4,084,180	-	4,084,180	-
Inventories	671,180	-	671,180	-
Other current assets	419,264	-	419,264	87,500
Total current assets	<u>115,397,675</u>	<u>621,173</u>	<u>116,018,848</u>	<u>8,277,729</u>
Noncurrent assets:				
Restricted cash, cash equivalents and investments:				
Impact fees	2,956,018	-	2,956,018	-
Construction	11,571,661	-	11,571,661	-
Customer deposits	1,063,019	-	1,063,019	-
Revenue bond covenant accounts	564,770	-	564,770	-
Restricted accounts and accrued interest receivable:				
Restricted impact fees	172,249	-	172,249	-
Restricted accrued interest	10,961	-	10,961	-
Investment in joint venture	12,202,372	-	12,202,372	-
Capital assets:				
Land and construction in progress	19,056,055	1,959,203	21,015,258	-
Capital assets being depreciated	300,589,465	2,741,165	303,330,630	-
Total capital assets (net of accumulated depreciation of \$172,385,328)	<u>319,645,520</u>	<u>4,700,368</u>	<u>324,345,888</u>	<u>-</u>
Total noncurrent assets	<u>348,186,570</u>	<u>4,700,368</u>	<u>352,886,938</u>	<u>-</u>
Total assets	<u>463,584,245</u>	<u>5,321,541</u>	<u>468,905,786</u>	<u>8,277,729</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>				
Pension contributions after measurement date	765,371	-	765,371	-
Pension actuarial losses, net of amortization	1,271,201	-	1,271,201	-
Deferred charges on refunding	4,641,777	-	4,641,777	-
Total deferred outflows of resources	<u>6,678,349</u>	<u>-</u>	<u>6,678,349</u>	<u>-</u>

The accompanying notes are an integral part of this financial statement.

(CONTINUED)

**CITY OF ROUND ROCK, TEXAS  
PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2016**

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Golf Course Fund	Total	Internal Service
<b><u>LIABILITIES</u></b>				
Current liabilities:				
Accounts payable	\$ 1,930,545	\$ -	\$ 1,930,545	\$ 736,653
Accrued payroll	438,620	-	438,620	-
Accrued interest	541,243	-	541,243	-
Current portion of bonds payable	3,337,191	-	3,337,191	-
Accrued benefit obligations	417,928	-	417,928	-
Total current liabilities	<u>6,665,527</u>	<u>-</u>	<u>6,665,527</u>	<u>736,653</u>
Noncurrent liabilities:				
Bonds payable	86,027,433	-	86,027,433	-
Noncurrent accrued benefit obligations	517,737	-	517,737	-
Net pension liability	5,214,162	-	5,214,162	-
Customer deposits	1,094,130	-	1,094,130	-
Total noncurrent liabilities	<u>92,853,462</u>	<u>-</u>	<u>92,853,462</u>	<u>-</u>
Total liabilities	<u>99,518,989</u>	<u>-</u>	<u>99,518,989</u>	<u>736,653</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>				
Pension actuarial gains, net of amortization	<u>193,068</u>	<u>-</u>	<u>193,068</u>	<u>-</u>
<b><u>NET POSITION</u></b>				
Net investment in capital assets	230,280,896	4,700,368	234,981,264	-
Restricted for:				
Debt service	564,770	-	564,770	-
Capital projects	14,710,889	-	14,710,889	-
Committed:				
Other post employment benefits	-	-	-	2,726,128
Unrestricted	124,993,982	621,173	125,615,155	4,814,948
Total net position	<u>\$ 370,550,537</u>	<u>\$ 5,321,541</u>	<u>375,872,078</u>	<u>\$ 7,541,076</u>
Reconciliation to government-wide statement of net position:				
Adjustment to reflect the cumulative net profit of the internal service fund that was allocated to enterprise fund functions.			<u>874,899</u>	
Total net position of business-type activities			<u>\$ 376,746,977</u>	

The accompanying notes are an integral part of this financial statement.

**CITY OF ROUND ROCK, TEXAS**  
**PROPRIETARY FUNDS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**YEAR ENDED SEPTEMBER 30, 2016**

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Golf Course Fund	Total	Internal Service
<b>Operating revenues -</b>				
Charges for services	\$ 44,406,721	\$ 360,371	\$ 44,767,092	\$ 10,112,460
Licenses, permits, and fees	4,247,067	-	4,247,067	-
Total revenues	48,653,788	360,371	49,014,159	10,112,460
<b>Operating expenses -</b>				
Personnel services	9,742,128	-	9,742,128	-
Contractual services	15,222,355	13,194	15,235,549	2,450,242
Supplies	899,513	-	899,513	-
Materials	1,191,818	-	1,191,818	434
Heat, light and power	1,662,779	-	1,662,779	-
Claims expense	-	-	-	9,625,120
Depreciation	15,537,530	120,076	15,657,606	-
Total operating expenses	44,256,123	133,270	44,389,393	12,075,796
Operating income (loss)	4,397,665	227,101	4,624,766	(1,963,336)
<b>Nonoperating revenues (expenses) -</b>				
Investment and other revenues	1,211,532	3,142	1,214,674	209,323
Interest and fiscal charges	(3,408,336)	-	(3,408,336)	-
Total nonoperating revenues (expenses)	(2,196,804)	3,142	(2,193,662)	209,323
Income before contributions and transfers	2,200,861	230,243	2,431,104	(1,754,013)
<b>Contributions and transfers -</b>				
Contributions - impact fees	8,269,652	-	8,269,652	-
Contributions - infrastructure	11,337,434	-	11,337,434	-
Transfers out	(3,290,000)	(320,000)	(3,610,000)	-
Total contributions and transfers	16,317,086	(320,000)	15,997,086	-
Change in net position	18,517,947	(89,757)	18,428,190	(1,754,013)
<b>Net position, October 1, 2015</b>	352,032,590	5,411,298		9,295,089
<b>Net position, September 30, 2016</b>	<u>\$ 370,550,537</u>	<u>\$ 5,321,541</u>		<u>\$ 7,541,076</u>
Reconciliation to government-wide statement of activities:				
Adjustment to reflect the net profit of the internal service fund that was allocated to enterprise fund functions			(283,359)	
Change in net position of business-type activities			<u>\$ 18,144,831</u>	

The accompanying notes are an integral part of this financial statement.

**CITY OF ROUND ROCK, TEXAS  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
YEAR ENDED SEPTEMBER 30, 2016**

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Golf Course	Total	Internal Service
Cash flows from operating activities:				
Cash received from customers	\$ 48,260,452	\$ 327,128	\$ 48,587,580	\$ 506,151
Cash received from other funds for services provided	-	-	-	9,588,502
Cash payments to suppliers for goods and services	(19,054,891)	(20,508)	(19,075,399)	(11,761,122)
Cash payments to employees for services	(9,816,946)	-	(9,816,946)	-
Net cash provided (used) by operating activities	<u>19,388,615</u>	<u>306,620</u>	<u>19,695,235</u>	<u>(1,666,469)</u>
Cash flows from noncapital financing activities:				
Transfers to other funds	<u>(3,290,000)</u>	<u>(320,000)</u>	<u>(3,610,000)</u>	-
Net cash used for noncapital financing activities	<u>(3,290,000)</u>	<u>(320,000)</u>	<u>(3,610,000)</u>	-
Cash flows from capital and related financing activities:				
Proceeds from refunding of bonds	1,410,000	-	1,410,000	-
Premium on issuance of bonds	3,096,496	-	3,096,496	-
Receipts of capital contributions	8,097,403	-	8,097,403	-
Acquisition and construction of capital assets	(12,754,578)	(59,362)	(12,813,940)	-
Investment in joint venture	178,209	-	178,209	-
Principal paid on revenue bonds	(2,860,000)	-	(2,860,000)	-
Collection of loans	428,512	-	428,512	-
Interest and fiscal charges paid	(3,136,342)	-	(3,136,342)	-
Net cash used by capital and related financing activities	<u>(5,540,300)</u>	<u>(59,362)</u>	<u>(5,599,662)</u>	-
Cash flows from investing activities:				
Purchase of investments	(78,797,345)	(49,687)	(78,847,032)	(335,548)
Proceeds from sale of investments	55,781,403	34,174	55,815,577	487,866
Investment and other income	<u>1,318,797</u>	<u>3,142</u>	<u>1,321,939</u>	<u>209,323</u>
Net cash provided (used) by investing activities	<u>(21,697,145)</u>	<u>(12,371)</u>	<u>(21,709,516)</u>	<u>361,641</u>
Net decrease in cash and cash equivalents	(11,138,830)	(85,113)	(11,223,943)	(1,304,828)
Cash and cash equivalents at beginning of year	<u>29,946,000</u>	<u>170,403</u>	<u>30,116,403</u>	<u>2,490,349</u>
Cash and cash equivalents at end of year	<u>\$ 18,807,170</u>	<u>\$ 85,290</u>	<u>\$ 18,892,460</u>	<u>\$ 1,185,521</u>

The accompanying notes are an integral part of this financial statement.

(CONTINUED)



	Business-Type Activities Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Golf Course	Total	Internal Service
<u>Reconciliation of Cash and Cash Equivalents to Proprietary Fund Statement of Net Position</u>				
Cash and cash equivalents	\$ 13,934,152	\$ 85,290	\$ 14,019,442	\$ 1,185,521
Restricted assets -				
Cash and cash equivalents	<u>4,873,018</u>	<u>-</u>	<u>4,873,018</u>	<u>-</u>
Cash and cash equivalents	<u>\$ 18,807,170</u>	<u>\$ 85,290</u>	<u>\$ 18,892,460</u>	<u>\$ 1,185,521</u>
<u>Reconciliation of operating income to net cash provided by operating activities</u>				
Operating income	\$ 4,397,665	\$ 227,101	\$ 4,624,766	\$ (1,963,336)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	15,537,530	120,076	15,657,606	-
Provision for bad debts	35,196	-	35,196	-
(Increase) decrease in:				
Receivables	(770,327)	(33,243)	(803,570)	(17,807)
Inventory	(79,185)	-	(79,185)	-
Other assets	(83,280)	-	(83,280)	-
Pension related deferred outflows	(1,119,493)	-	(1,119,493)	-
Increase (decrease) in:				
Accounts payable	54,935	(7,314)	47,621	314,674
Accrued payroll	(157,223)	-	(157,223)	-
Customer deposits	32,202	-	32,202	-
Compensated absences	82,405	-	82,405	-
Premium on bonds payable	109,820	-	109,820	-
Pension related deferred inflows	187,980	-	187,980	-
Increase in net pension liability	<u>1,160,390</u>	<u>-</u>	<u>1,160,390</u>	<u>-</u>
Total adjustments	<u>14,990,950</u>	<u>79,519</u>	<u>15,070,469</u>	<u>296,867</u>
Net cash provided by operations	<u>\$ 19,388,615</u>	<u>\$ 306,620</u>	<u>\$ 19,695,235</u>	<u>\$ (1,666,469)</u>

**NOTES:**

(1) Noncash capital and related financing activities:

In fiscal year 2016, the Water and Sewer Fund had \$11,337,434 in capital assets contributed, recognized \$769,999 in unrealized investment gains, and loss on joint venture of \$4,493,579.

The accompanying notes are an integral part of this financial statement.

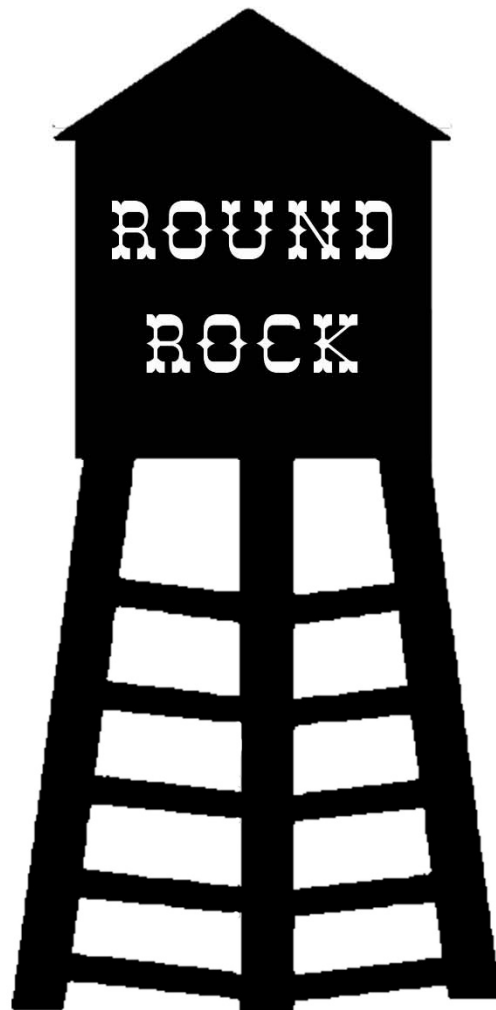
**CITY OF ROUND ROCK, TEXAS  
FIDUCIARY FUND  
STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2016**

	<u>AGENCY FUND</u>
	<u>Public Improvement Districts *</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ <u>-</u>
Total assets	\$ <u><u>-</u></u>
<b>LIABILITIES</b>	
Liabilities -	
Due to participants	\$ <u>-</u>
Total liabilities	\$ <u><u>-</u></u>

- \* As of September 30, 2016, the City was no longer a custodian of the Behren's Ranch Public Improvement District.

The accompanying notes are an integral part of this financial statement.

# NOTES TO THE FINANCIAL STATEMENTS





**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Round Rock, Texas (the City) is a municipal corporation incorporated under Article XI, Section 5 of the Constitution of the State of Texas (Home Rule Amendment). The City operates under a Council-Manager form of government. The financial statements of the City have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of these accounting policies are described below, and where appropriate, subsequent pronouncements will be referenced.

**A. REPORTING ENTITY**

The City provides various services and performs many different functions. These include a police force, a fire fighting and protection force, emergency medical services, a park and recreation system, a municipal golf course, a public library, convention and tourism support, planning and zoning, and a waterworks and sewer utility system. The City's staff provides the necessary support for the services provided. All are responsible to the Citizens of Round Rock and are therefore included within the reporting entity.

As required by generally accepted accounting principles, these financial statements present the City and its component unit, an entity for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations and so data from these units are combined with data of the City.

**Blended Component Unit**

The Round Rock Transportation and Economic Development Corporation (Corporation), an entity legally separate from the City, is governed by a seven-member board appointed by the City Council. The City Council maintains budgetary control of the Corporation. For financial reporting purposes, the Round Rock Transportation and Economic Development Corporation is presented as a part of the City's operations because its purpose is to utilize sales tax revenues for the improvement of the City's transportation system and for economic development purposes. No less than 90% of the Type B Funds will be used for transportation projects. The remaining 10% may be used for economic development purposes covered under local government code. The revenues of the Corporation and its administrative expenditures are accounted for in a special revenue fund, while the capital improvements are accounted for in a capital projects fund.

**B. BASIS OF PRESENTATION – GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. GASB Statement No. 34 requires certain supplementary information. Management's Discussion and Analysis includes an analytical overview of the City's financial activities. In addition, budgetary comparison statements are presented that compare the adopted and amended budgets of the General Fund and the Round Rock Transportation and Economic Development Corporation Revenue Fund with their actual results.

**CITY OF ROUND ROCK, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. BASIS OF PRESENTATION – GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)**

**Government-wide Statements:**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all non-fiduciary activities of the primary government and its component unit. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which are funded by fees and charges for services.

The City's statement of net position includes both non-current assets and non-current liabilities of the City. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets, including infrastructure.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (police, fire, public works, etc.) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment and 3) grants and contributions that are restricted to meeting the capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

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

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

**Fund Financial Statements:**

Separate fund based financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. An emphasis is placed on major funds within the governmental and proprietary categories. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category for the governmental and enterprise combined) for the determination of major funds. The major governmental funds are the General Fund, the Debt Service Fund, the Round Rock Transportation and Economic Development Corporation's Revenue Fund, the Self-Financed Construction Fund, the 2014 General Obligation Bonds Fund, and the 2014 Transportation Certificates of Obligation Fund. The nonmajor funds are combined in a separate column in the fund financial statements.

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. BASIS OF PRESENTATION—GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)**

The internal service fund, which provides services to the other funds of the government, is presented as part of the proprietary fund financial statements. Because the principal users are the City's governmental activities, financial statements of the internal service fund are consolidated into the governmental column when presented at the government-wide level. The costs of these services are reflected in the appropriate functional activity (general government, public safety, public works, etc.).

The City's fiduciary fund is presented in the fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, this fund is not incorporated into the government-wide statements.

**C. GOVERNMENTAL FUND TYPES**

Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except those, if any, which should be accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of financial position and changes in financial position, rather than upon net income determination. The City maintains the following governmental fund types:

The **General Fund** accounts for financial resources in use for general types of operations, which are not encompassed within other funds. The general fund is considered a major fund in the fund financial statements.

The **Special Revenue Funds** are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

There are ten groups of funds within the Special Revenue Funds which account for the activities related to grant programs, hotel-motel room taxes, transportation system improvement sales tax and funds designated for specific service programs. They are as follows:

***Major Fund***

- *Round Rock Transportation and Economic Development Corporation Revenue Fund*

***Nonmajor Funds***

- *Hotel-Motel Occupancy Tax Fund*
- *Hotel-Motel Occupancy Venue Tax Fund*
- *Police Fund*
- *Municipal Court Fund*
- *Landscape Fund*
- *Community Development Block Grant Fund*
- *Library Fund*
- *Public Education & Government Fund*
- *Traffic Safety Program Fund*

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. GOVERNMENTAL FUND TYPES (CONTINUED)**

The Round Rock Transportation and Economic Development Corporation Revenue Fund is considered a major fund in the fund financial statements. It accounts for sales tax monies received for streets, drainage and other transportation system improvements, including maintenance costs associated with such authorized projects.

The **Debt Service Fund** is used to account for the accumulation of resources for, and the payment of, governmental long-term debt principal, interest and related costs. The Debt Service Fund is considered a major fund in the fund financial statements.

The **Capital Projects Funds** are used to account for financial resources to be used for the acquisition or construction of capital facilities (other than those financed by proprietary funds). There are eleven groups of funds within the Capital Projects Fund which account for the activities related to various capital improvements projects as follows:

***Major Funds***

- *Self-Financed Construction Fund*
- *2014 General Obligation Bonds Fund*
- *2014 Certificates of Obligation Fund*

***Nonmajor Funds***

- *Streets and Drainage Fund*
- *2007 General Obligation Bonds Fund*
- *2004 General Obligation Bonds Fund*
- *Park Development Fund*
- *2002 General Obligation Bonds Fund*
- *Convention Center Complex Fund*
- *Round Rock Transportation and Economic Development Corporation Project Fund*
- *Tourism Development Fund*

The Self-Financed Construction Fund, the 2014 General Obligation Bonds Fund, and the 2014 Certificates of Obligation Fund are considered major funds in the fund financial statements. The Self-Financed Construction Fund accounts for the costs of authorized general capital improvements and facilities. Financing is provided by general government resources. The 2014 General Obligation Bonds Fund accounts for projects related to fire department facilities, parks and recreational purposes, library facilities and police and fire training facilities. The 2014 Certificates of Obligation Bonds Fund accounts for transportation improvements, payments of costs, and issuance of the bond funds.

**D. PROPRIETARY FUND TYPES**

The **Proprietary Funds** are used to account for the City's ongoing organizations and activities that are similar to those found in the private sector. The measurement focus is upon capital maintenance and upon determination of net income, financial position and cash flows. The City maintains the following Proprietary Fund types:



**CITY OF ROUND ROCK, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. PROPRIETARY FUND TYPES (CONTINUED)**

The **Enterprise Fund** is used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City's Enterprise Fund consists of the Water and Sewer Utility Fund, which includes the City's storm water drainage program, and the Golf Course Fund. These funds are primarily supported by user charges.

**E. OTHER FUND TYPES**

The **Internal Service Fund** is used to account for the financing of goods or services provided by one department or agency to other City departments or agencies on a cost-plus basis. The City's Internal Service Fund is the Self-Funded Health Insurance Fund, which is used to account for the activities of the City's self-funded health insurance program.

The **Agency Fund** is purely custodial (assets equal liabilities) and thus, does not involve measurement of results of operations. The Agency Fund is the Public Improvement Districts Fund. As of September 30, 2016, the City was no longer custodian of the Behrens Ranch Public Improvement District. As such, the Agency Fund will not be presented subsequent to fiscal year 2016.

**F. NON-CURRENT GOVERNMENTAL ASSETS/LIABILITIES**

GASB Statement No. 34 eliminated the presentation of account groups, but provides for these records to be maintained and incorporates the information into the governmental activities column in the government-wide statement of net position.

**G. BASIS OF ACCOUNTING**

**Government-wide Statements**

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

**Fund Financial Statements**

In the fund financial statements, all governmental funds are accounted for using a modified accrual basis of accounting. Governmental funds use the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

**CITY OF ROUND ROCK, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. BASIS OF ACCOUNTING (CONTINUED)**

**Governmental Funds**

***Revenue Recognition***

In applying the susceptible to accrual concept under the modified accrual basis of accounting, revenues are recorded when deemed both measurable and available. Measurable means that the amount of the transaction can be determined. Available means the amount of the transaction is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

Property tax revenues are recognized when they become available. In this case, available means when due, or past due and receivable within the current period and collected within the current period or soon enough thereafter to be used to pay liabilities of the current period. Such time thereafter shall not exceed 60 days. Tax collections expected to be received subsequent to the 60-day availability period are reported as deferred revenue.

Hotel taxes, franchise fees, and special assessments are recorded when susceptible to accrual, both measurable and available. Sales taxes collected and held by the State at year-end on behalf of the City are also recognized as revenue. Licenses and permits, charges for services, fines and forfeitures and other revenues (except earnings on investments) are recorded as revenues when received in cash because they are generally not measurable until actually received. Earnings on investments are recorded on the accrual basis in all funds. Unrealized gains or losses on investments are also recognized in accordance with GASB Statement No. 31.

In applying the susceptible to accrual concept to grant revenues, the legal and contractual requirements of the individual grant programs are used for guidance. Monies received are generally unrestricted as to purpose of expenditure and are revocable only for failure to comply with prescribed compliance requirements. These resources are recognized as revenues at the time of receipt, or sooner, if the susceptible to accrual criteria are met.

The City reports deferred revenue on its fund financial statements. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when the City receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the City has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

***Expenditure Recognition***

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred except for unmatured principal and interest on governmental long-term debt which

**CITY OF ROUND ROCK, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. BASIS OF ACCOUNTING (CONTINUED)**

are recognized when paid. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds' fund financial statements.

**Proprietary and Agency Funds**

In the fund financial statements and the government-wide statements, proprietary and agency funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the accounting period in which they are earned and become measurable. Expenses are recorded in the accounting period incurred, if measurable.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer fund, the golf course fund and the internal service fund are charges to customers for sales and services. Operating expenses for the enterprise funds and internal service fund include the cost of sales and service, administrative expenses and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

The proprietary funds follow GAAP prescribed by GASB and all Financial Accounting Standards Board's standards issued prior to November 30, 1989. Subsequent to this date, the City accounts for its proprietary funds as prescribed by the GASB.

**H. CASH AND CASH EQUIVALENTS**

In accordance with GASB Statement No. 9, for reporting purposes, the City has developed a definition of cash equivalents. Cash equivalents are demand deposit account balances, investments with the State Investment Pool, repurchase agreements, obligations of the United States government and its agencies, commercial paper and certificates of deposit with original maturities of three months or less.

**I. INVESTMENTS**

All investments are presented at fair value. The fair value of U.S. Government Securities is based upon discounted future cash flows. The fair value of the positions in the state investment pools is the same as the value of the pool shares.

**J. INVENTORIES AND PREPAID ITEMS**

Inventories of supplies for all funds are valued at cost. The consumption method is used to account for inventories. Under the consumption method, an expenditure is recognized when inventory items are used. Cost is determined for inventories of supplies on the first-in, first-out method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items (other current assets) in both the government-wide and fund financial statements.

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**K. JOINT VENTURE**

Joint venture represents the City's equity interest calculated in accordance with the agreement for Brushy Creek Regional Utility Authority (BCRUA). The City's initial investment in this joint venture was recorded at cost. The City shares in the operating results in this joint venture so the City adjusts its equity interest by the amount of its participating share of the joint venture's change in net position.

**L. CAPITAL ASSETS**

Capital assets are stated at historical cost. Maintenance and repairs are charged to operations as incurred. Improvements and betterments, which extend the useful lives of assets, are capitalized.

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by the fund's measurement focus. The minimum capitalization threshold is any individual item with a total cost greater than \$5,000 and a useful life of at least 5 years. Contributed assets are recorded at the estimated fair market value at the time received.

Public domain capital assets (infrastructure) have been capitalized. Infrastructure consists of certain improvements other than buildings, including roads, curbing, gutters, streets and sidewalks and drainage systems.

In the government-wide statements, depreciation of plant and equipment classified by functional components is provided by the straight-line method over their estimated useful lives. Estimated useful lives are as follows:

<i>Buildings</i>	<i>30 – 50 years</i>
<i>Improvements other than buildings</i>	<i>10 – 40 years</i>
<i>Machinery and equipment</i>	<i>5 – 10 years</i>

When capital assets are retired or otherwise disposed of, a gain or loss on disposal of assets is recognized.

In the fund financial statements, because of the application of the current financial resources focus and the use of modified accrual accounting for governmental funds, depreciation is only recognized for the Enterprise Funds.

For the Enterprise Fund's capital assets, interest is capitalized on construction costs. The amount of interest cost capitalized for assets constructed with tax-exempt borrowings is equal to the cost of borrowing, less interest earned on related interest-bearing investments acquired with proceeds of the related tax-exempt borrowings. The total amount of interest expense incurred and expensed was \$3,408,336.

**M. LONG-TERM DEBT**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**M. LONG-TERM DEBT (CONTINUED)**

payable is reported net of the applicable bond premium or discount. Deferred amounts related to refundings are reported as deferred outflow of resources and amortized over the shorter of the refunded or refunding debt.

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

Hotel Occupancy Tax Revenue Bonds were issued to fund the City's portion of the construction of a convention center complex. The project costs were shared with a private corporation in accordance with the Master Agreement Regarding Convention Center Development. Venue Tax and Hotel Occupancy Revenue Bonds were issued to fund a portion of the construction of a sports center. The Hotel Occupancy Tax Revenue Bonds and Venue Tax and Hotel Occupancy Tax Revenue Bonds are to be repaid from the hotel tax revenues.

Loans from the State Infrastructure Bank have been received to fund transportation improvements. The loans are to be repaid from revenues of the Round Rock Transportation and Economic Development Corporation.

Revenue bonds, which have been issued to fund capital projects of the Enterprise Fund, are to be repaid from net revenues of the utility systems.

Sales tax revenue bonds have been issued to fund transportation improvements. The bonds are to be repaid from revenues of the Round Rock Transportation and Economic Development Corporation.

**N. ACCRUED BENEFIT OBLIGATIONS**

***Unpaid Compensated Absences***

Each employee may accumulate a total of two years vacation eligibility. Employees are paid for the accumulated vacation upon termination. Effective January 1, 1994, a liability for sick pay is not recorded since sick pay does not vest.

The City accrues a liability for accumulated vacation and sick leave benefits, which meet the following criteria:

- *The City's obligation to fund accumulated vacation and sick leave benefits is attributable to employees' services already rendered.*
- *The obligation relates to rights that vest or accumulate.*
- *Payment of the compensation is probable.*
- *The amount can be reasonably estimated.*

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**N. ACCRUED BENEFIT OBLIGATIONS (CONTINUED)**

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

***Other Post-Employment Benefits***

The City provides its retirees the opportunity to maintain health insurance coverage by participating in the City's self insurance plan. The City accrues a liability for the annual required contribution, as determined by an actuary, less the actual cost incurred on a pay as you go basis on the government-wide and proprietary fund financial statements. The actual cost recorded in the governmental fund financial statements is the cost of the health benefits incurred on behalf of the retirees less the premiums collected from the retirees.

**O. TRANSACTIONS BETWEEN FUNDS**

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

As a rule, the effect of interfund activity has been eliminated from the government-wide statement of net position. Exceptions to this rule are cost reimbursement transactions between the enterprise fund and various other functions of the government for utilities and for reimbursement of personnel costs for employees administering grant programs. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**P. NET POSITION**

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets, restricted, and unrestricted. Net position classified as restricted are balances with constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

Certain bond proceeds, as well as resources set aside for their repayment, are classified as restricted assets because their use is limited by bond covenants. Other assets are restricted due to City Ordinance restrictions on their use.

Net position has been restricted for the excess of restricted assets over related liabilities to the extent such restricted assets were accumulated from revenues (i.e., in some cases, restricted assets were obtained in total or in part from the proceeds of bond sales or grants).

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

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Q. CLASSIFICATION OF FUND EQUITY**

Governmental funds fund balance classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

**Nonspendable fund balance** – Nonspendable fund balances are amounts that are not in spendable form or are required to be maintained intact.

**Restricted fund balance** – Restricted fund balances are amounts that are constrained to specific purposes by creditors, grantors, contributors, or laws or regulations of other governments.

**Committed fund balance** – Committed fund balances are amounts that are committed to specific purposes by City Council through an ordinance. Amounts cannot be used for other purposes unless the City Council takes the same action to remove or change the constraint. The most significant commitment in the special revenue funds is for public education and government fund activities.

**Assigned fund balance** – Assigned fund balances are amounts that the City intends to use for a specific purpose but are neither restricted nor committed. Assignments are made by City management based on Council direction.

**Unassigned fund balance** – Unassigned fund balances are amounts that are available for any legal purposes. The general fund is the only fund that reports an unassigned fund balance amount.

For the classification of governmental fund balances, the City considers the expenditure to be made from the most restrictive first when more than one classification is available.

**R. MINIMUM FUND BALANCE POLICY**

It is the desire of the City to maintain an adequate fund balance in the General Fund to maintain liquidity and in anticipation of economic downturns or natural disasters. The City Council has adopted a financial standard to maintain a General Fund minimum fund balance of 120 days of budgeted expenditures.

**S. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

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

- Deferred charges on refundings - 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. The deferred charge on refundings is reported in the government-wide statement of net position.

**CITY OF ROUND ROCK, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**S. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (CONTINUED)**

- Pension contributions after measurement date - These contributions are deferred and recognized in the following fiscal year.
- Difference in projected and actual earnings on pension assets - This difference is deferred and amortized over a closed five-year period.

In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Reported as a deferred inflow for the City are the difference in expected and actual pension experience and the difference arising from changes in assumptions. Both are deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

**T. TAP-IN (CONNECTION FEES) AND IMPACT FEES**

Water and sewer tap-in fees (connection fees) represent reimbursement of the costs incurred to perform the connection of the respective utilities. These fees are recorded as operating revenue at the time of service. The impact fee substantially exceeds the cost of connection to the water and sewer system, and is therefore viewed as a contribution. Effective with the implementation of GASB Statement No. 33, impact fees are recorded as contributions in the Enterprise Fund.

**U. USE OF ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Specifically, the actuarial calculations to determine the annual required contributions of the retirement and other post-employment benefits are based on assumptions about events far into the future. Accordingly, actual results could differ from those estimates.

**V. PENSIONS**

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the City's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the City's Total Pension Liability is obtained from TMRS through a report prepared for the City by TMRS' consulting actuary, Gabriel Roeder Smith & Company, in compliance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* - an amendment of GASB Statement No. 27.



**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**W. NEW AND FUTURE FINANCIAL REPORTING REQUIREMENTS**

Statement No. 72, *"Fair Value Measurement and Application,"* is effective in fiscal year 2016. This statement addresses accounting and financial reporting issues related to fair value measurements and provides guidance for determining a fair value measurement for financial reporting purposes, as well as for applying fair value to certain investments and disclosures related to all fair value measurements. This statement did not have a material effect for the City.

The GASB has issued the following statements which will become effective in future years.

Statement No. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions."* – This statement changes the focus of accounting of postemployment benefits other than pension from whether they are responsibly funding the benefits over time to a point-in-time liability that is reflected on the employer's financial statements for any actuarially underfunded portion of benefits earned to date. This statement will become effective for the City in fiscal year 2018.

Statement No. 77, *"Tax Abatement Disclosures"* – This statement requires governments that enter into tax abatement agreements to provide certain disclosures regarding these commitments. Although, this statement is not effective for the City until fiscal year 2017, the City has early implemented in fiscal year 2016.

**X. PRIOR PERIOD ADJUSTMENT**

The City restated its government-wide net position as of September 30, 2015 to remove infrastructure assets with a net book value of \$64.7 million. It was determined that the City does not own and is not required to maintain this infrastructure.

	<i>Government-Wide Statement of Activities</i>		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Net position at September 30, 2015, as previously reported	\$ 465,853,469	\$ 358,602,146	\$ 824,455,615
Removal of governmental capital assets	<u>(64,747,826)</u>	<u>-</u>	<u>(64,747,826)</u>
Net position at September 30, 2015, as restated	<u>\$ 401,105,643</u>	<u>\$ 358,602,146</u>	<u>\$ 759,707,789</u>

**CITY OF ROUND ROCK, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016**

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. BUDGETARY ACCOUNTING**

The City follows these procedures in establishing the appropriated budget as reflected in the accompanying financial statements:

- (1) At least sixty days prior to the beginning of each fiscal year, the City Manager submits to the City Council a proposed budget for the fiscal year beginning on the following October 1. The operating budget, which represents the financial plan for the ensuing fiscal year, includes proposed expenditures and the means of financing them.
- (2) Public hearings are conducted at which all interested persons' comments concerning the budget may be heard.
- (3) The budget is legally enacted by the City Council through passage of an appropriation ordinance and tax-levying ordinance not later than the final day of the last month of the fiscal year.
- (4) Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Fund and Proprietary Funds. Management control for the operating budget is maintained at the individual office, department, or agency level.
- (5) Annual budgets are legally adopted for the General Fund, Special Revenue Funds, Debt Service Fund and the Proprietary Funds. Capital Projects Funds have no binding annual budget. Project-length financial plans are adopted for all capital projects; accordingly, no comparison of budget to actual is presented in the financial statements.
- (6) Amendments that alter total expenditures of any fund must be approved by the City Council. Although costs are monitored on a departmental basis, the level of control at which expenditures may not exceed the budget is at the fund level. The reported budgetary data has been revised for amendments authorized.
- (7) Any appropriation balances lapse or revert to the undesignated fund balances at the close of each fiscal year.

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)**

**A. BUDGETARY ACCOUNTING (CONTINUED)**

The budgets of the various funds are prepared on a basis consistent with generally accepted accounting principles as described above. The following table compares original to final budgets for the General Fund.

	Original Budget	Amendments Increase (Decrease)	Final Budget
<b>Revenues -</b>			
Taxes and franchise, including interest and penalties	\$ 82,461,000	\$ -	\$ 82,461,000
Licenses, permits and fees	1,032,160	-	1,032,160
Charges for services	4,289,000	-	4,289,000
Fines and forfeitures	2,065,000	-	2,065,000
Intergovernmental	377,000	-	377,000
Investment and other	3,963,010	-	3,963,010
Total revenues	<u>94,187,170</u>	<u>-</u>	<u>94,187,170</u>
<b>Expenditures -</b>			
Current -			
General government	26,270,917	(743,000)	25,527,917
Public safety	44,756,614	705,497	45,462,111
Public works	13,163,623	(1,884,318)	11,279,305
Culture and recreation	13,197,352	18,000	13,215,352
Total expenditures	<u>97,388,506</u>	<u>(1,903,821)</u>	<u>95,484,685</u>
Excess (deficiency) of revenues over expenditures	<u>(3,201,336)</u>	<u>1,903,821</u>	<u>(1,297,515)</u>
<b>Other financing sources (uses) -</b>			
Transfers in	3,290,000	-	3,290,000
Transfers out	<u>-</u>	<u>(9,155,808)</u>	<u>(9,155,808)</u>
Total other financing sources (uses)	<u>3,290,000</u>	<u>(9,155,808)</u>	<u>(5,865,808)</u>
Net change in fund balances	<u>\$ 88,664</u>	<u>\$ (7,251,987)</u>	<u>\$ (7,163,323)</u>

**B. ENCUMBRANCES**

Encumbrances represent commitments related to unperformed (executory) contracts for goods or services. For budgetary purposes, encumbrances lapse at fiscal year-end.

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**III. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUNDS BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET POSITION**

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

Bonds payable	\$ 198,135,000
Plus: Issuance premium (amortized against interest expense)	15,088,834
Less: Issuance discount (amortized against interest expense)	(115,748)
Bank loans	11,527,387
Capital leases payable	4,746,029
Net pension liability	38,237,184
Compensated absences	6,992,295
Other post-employment benefits	<u>3,201,091</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> <i>to arrive at net position - governmental activities</i>	<u><u>\$ 277,812,072</u></u>

**B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUNDS 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 of net changes in fund balances – total governmental funds to changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “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.” The details of this difference are as follows:

Capital outlay	\$ 65,116,395
Depreciation expense	<u>(31,497,334)</u>
Net adjustment to increase <i>net changes in fund balances -</i> <i>total governmental funds to arrive at changes in net position</i> <i>of governmental activities</i>	<u><u>\$ 33,619,061</u></u>

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**III. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)**

**B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES (CONTINUED)**

Another element of the reconciliation states that “The net effect of various miscellaneous transactions involving capital assets (i.e. sales, disposals, and donations) is to increase net position.” The details of this difference are as follows:

Donations	\$ 7,600,212
Reclassifications, disposals, and transfers	<u>(5,912)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities</i>	<u>\$ 7,594,300</u>

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

Issuance of lease	\$ (2,250,000)
Issuance of debt	(11,450,000)
Premiums received on issuance of debt	(1,094,690)
Deferred amount on refunding	275,618
Debt payments/refundings	24,614,237
Capital lease payments	<u>1,009,481</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities</i>	<u>\$ 11,104,646</u>

**CITY OF ROUND ROCK, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016**

**III. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)**

**B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES (CONTINUED)**

Another element of the reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of these differences are as follows:

Increase in net pension obligation	\$ (8,509,529)
Deferred net actuarial loss	6,535,368
Increase in deferred pension premiums	<u>441,050</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities</i>	<u><u>\$ (1,533,111)</u></u>
 Increase in OPEB liability	 \$ (426,137)
Change in compensated absences	(827,113)
Amortization of bond premium/discount	1,091,288
Change in accrued interest	814,267
Amortization of deferred amount on refunding	<u>(683,855)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities</i>	<u><u>\$ (31,550)</u></u>

**IV. DETAILED NOTES ON ALL FUNDS**

**A. CASH AND INVESTMENTS**

At September 30, 2016, the carrying amount of deposits was a debit balance of \$33,362,594, including \$2,033,169 in outstanding checks, and the respective bank balances totaled \$35,395,763. The City’s bank balances were fully insured or collateralized with securities held by the City’s agent in the City’s name.

**Investments –**

All investments are presented at fair value. The fair value of U.S. Government Securities is based upon discounted future cash flows. The fair value of the positions in the state investment pools is the same as the value of the pool shares. The change in the fair value of investments during the year ended September 30, 2016 is as follows:

Fair value at September 30, 2016	\$ 277,854,794
Add: Proceeds of investments matured this fiscal year	266,148,876
Less: Cost of investments purchased this fiscal year	(236,370,661)
Less: Fair value at September 30, 2015	<u>(305,886,500)</u>
Change in fair value of investments	<u><u>\$ 1,746,509</u></u>

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. CASH AND INVESTMENTS (CONTINUED)**

Reconciliation of cash and investments to the statement of net position amounts for cash and cash equivalents and investments is as follows:

Cash in banks	\$ 33,362,594
Investments	<u>277,854,794</u>
Total cash and investments	<u><u>\$ 311,217,388</u></u>
Statement of net position presentation:	
Cash and cash equivalents	\$ 29,455,641
Investments	179,551,432
Restricted assets -	
Cash and cash equivalents	13,334,168
Investments	<u>88,876,147</u>
Total cash and cash equivalents and investments	<u><u>\$ 311,217,388</u></u>

Following Statement No. 72, *"Fair Value Measurement and Application,"* the City categorizes its fair value measurements within the hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The City's investments are classified below and have the following recurring fair value measurements as of September 30, 2016.

	Carrying Amount	Fair Value	Input Level	Weighted Average Maturity (Days)
U. S. Government Securities	\$ 113,000,078	\$ 113,000,078	1	194
Certificates of Deposit	148,246,336	148,246,336	1	438
State Investment Pools	<u>16,608,380</u>	<u>16,608,380</u>	1	1
	<u><u>\$ 277,854,794</u></u>	<u><u>\$ 277,854,794</u></u>		

Portfolio weighted average maturity 316

In accordance with its investment policy, the City manages its interest rate risk by limiting the weighted average maturity of its portfolio to less than 540 days.

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. CASH AND INVESTMENTS (CONTINUED)**

Legal and Contractual Provisions Governing Deposits and Investments

The **Public Funds Investment Act** (PFIA)(Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the City to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit. Statutes authorize the City to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) banker's acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds. The Act also requires the City to have independent auditors perform test procedures related to investment practices as provided by the Act. The City is in substantial compliance with the requirements of the Act and with local policies.

In addition, the funds of the City must be deposited and invested under the terms of a contract, contents of which are set out in the **Depository Contract Law**. The depository bank places approved pledged securities for safekeeping and trust with the City's agent bank in an amount sufficient to protect City funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

Policies Governing Deposits and Investments

1. Foreign Currency Risk – The City's deposits and investments are not exposed to foreign currency risk.
2. Custodial Credit Risk – The City's policy is to be collateralized. The City was fully collateralized during the year.
3. Interest Rate Risk – In compliance with the City's Investment Policy, as of September 30, 2016, the City minimized its interest rate risk in the portfolio by:
  - a) Limiting the weighted average maturity to 540 days;
  - b) Structuring the portfolio so that maturities meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the secondary market prior to maturity;
  - c) Monitoring credit ratings of portfolio positions to assure compliance with rating requirements imposed by PFIA; and
  - d) Investing operating funds primarily in short-term securities, money market mutual funds, or government investment pools.
4. Credit Risk – In compliance with the City's Investment Policy, as of September 30, 2016, the City minimized credit risk losses due to default of security issuer or backer by:



**CITY OF ROUND ROCK, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016**

**IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. CASH AND INVESTMENTS (CONTINUED)**

- a) Limiting investments to the safest rated securities. All the City's purchased investments in U. S. Agencies were rated AAA, AAA, and Aaa by Standard & Poor's, Fitch and Moody's respectively;
- b) Using a registered investment advisor to provide investment and market advice; and
- c) Diversifying the investment portfolio so that potential losses on individual securities were minimized.

The City invests on a short-term basis in three investment pools. At September 30, 2016, \$10,834,686 was invested in TexPool. The Comptroller of Public Accounts is the sole officer and director of the Texas Treasury Safekeeping Trust Company, which is authorized to operate the state investment pool. The Comptroller maintains oversight of all operations of the pool. The state investment pool is rated AAAM by Standard and Poor's.

In addition, \$189,874 was invested in the Texas Short Term Asset Reserve Program (TexSTAR) and \$5,583,819 in TexasDAILY. Both are an investment pool that is authorized under Chapters 791 (Cooperation Act) and 2256 (Investment Act) of the Texas Government Code. These investment pools are managed by board of directors and member advisory boards. Participants have representation on the board. TexSTAR and TexasDAILY are rated AAAM by Standard & Poor's.

Concentration Risk – The City invests in pools, certificates of deposit, money market funds, municipal bonds and U. S. Government Securities. State law authorizes the City to invest in obligations of the United States government and its agencies, commercial paper, money market funds, certificates of deposit of any state or federally chartered bank, obligations of states, agencies, counties, cities and other political subdivisions of any state not rated less than A or equivalent. All investments made in 2016 were in the aforementioned categories.

**B. PROPERTY TAXES AND RECEIVABLES**

Property taxes attach as an enforceable lien on January 1. Taxes are levied on or about October 1, are due on November 1, and are past due the following February 1. The Williamson and Travis Central Appraisal Districts established appraisal values in accordance with requirements of the Texas Legislature.

The City Council levies taxes based upon the appraised values. Williamson County and Travis County bills and collects the City's property taxes.

The property tax rates, established in accordance with state law, were based on 100% of the net assessed valuation of real and personal property within the City on the 2015 tax roll. The tax rate, based on total taxable assessed valuation of \$10,492,085,922 was \$0.41465 on each \$100 valuation and was allocated to the General Fund and Debt Service Fund at \$0.254460 and \$0.160190, respectively.

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**B. PROPERTY TAXES AND RECEIVABLES (CONTINUED)**

	General Fund	Debt Service Fund	Total
Current year levy	\$ 104,460	\$ 58,759	\$ 163,219
Prior years' levies	232,775	144,727	377,502
	<u>337,235</u>	<u>203,486</u>	<u>540,721</u>
Less - allowance for uncollectible taxes	<u>(3,406)</u>	<u>(2,055)</u>	<u>(5,461)</u>
	<u>\$ 333,829</u>	<u>\$ 201,431</u>	<u>\$ 535,260</u>

Allowances for uncollectible taxes are based upon historical experience in collecting property taxes. The City is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

**C. INTERFUND, RECEIVABLES, PAYABLES AND TRANSFERS**

Interfund receivables and payables as of September 30, 2016 were as follows:

Receivable Fund	Payable Fund	Receivable	Payable
Debt Service Fund	General Fund	\$ 11,135	\$ 11,135
	Round Rock Transportation and Economic Development Corporation Revenue Fund	1,500,000	1,500,000
Nonmajor Governmental Funds			
Self-Financed Construction Fund	Nonmajor Governmental Funds	7,316	7,316
Nonmajor Governmental Funds	General Fund	<u>75,932</u>	<u>75,932</u>
Governmental Funds		<u>\$ 1,594,383</u>	<u>\$ 1,594,383</u>

Remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

The City reports interfund transfers between many of its funds. These routine transfers are consistent with the activities of the funds.

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. A summary of transfers between funds is on the next page.

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)**

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund -		
Water and Sewer Fund	\$ 3,290,000	\$ -
Self-financed Construction Fund	-	9,150,000
Nonmajor Governmental Funds	-	5,808
	<u>3,290,000</u>	<u>9,155,808</u>
Debt Service Fund -		
Golf Course Fund	320,000	-
Round Rock Transportation and Economic Development Corporation		
Revenue Fund	5,020,000	-
Nonmajor Governmental Funds	1,077,000	-
	<u>6,417,000</u>	<u>-</u>
Round Rock Transportation and Economic Development Corporation		
Revenue Fund -		
Debt Service Fund	-	5,020,000
Self-Financed Construction Fund	30,000	-
Nonmajor Governmental Funds	-	7,700,000
	<u>30,000</u>	<u>12,720,000</u>
Self-Financed Construction -		
General Fund	9,150,000	-
Round Rock Transportation and Economic Development Corporation		
Revenue Fund	-	30,000
2014 General Obligation Bonds Fund	-	1,602,002
Nonmajor Governmental Funds	7,316	-
	<u>9,157,316</u>	<u>1,632,002</u>
2014 General Obligation Bonds Fund		
Self-Financed Construction Fund	1,602,002	-
	<u>1,602,002</u>	<u>-</u>
Other Governmental Funds -		
General Fund	5,808	-
Debt Service Fund	-	1,077,000
Round Rock Transportation and Economic Development Corporation		
Revenue Fund	7,700,000	-
Nonmajor Governmental Funds	2,350,000	2,357,316
	<u>10,055,808</u>	<u>3,434,316</u>
Subtotal of Governmental Funds	<u>30,552,126</u>	<u>26,942,126</u>
Water and Sewer Fund -		
General Fund	-	3,290,000
	<u>-</u>	<u>3,290,000</u>
Golf Course Fund -		
Debt Service Fund	-	320,000
	<u>-</u>	<u>320,000</u>
Subtotal of Proprietary Funds	<u>-</u>	<u>3,610,000</u>
Total Transfers	<u>\$ 30,552,126</u>	<u>\$ 30,552,126</u>

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**D. JOINT VENTURE**

The City entered into a partnership with the cities of Leander and Cedar Park and formed Brushy Creek Regional Utility Authority (BCRUA). The BCRUA has the responsibility to provide reliable, cost effective sources of water. The City accounts for this partnership as a joint venture. Condensed financial statements for BCRUA are shown below. Financial statements may be obtained at the BCRUA, 221 East Main Street, Round Rock, Texas, 78664.

**STATEMENT OF NET POSITION**  
**As of September 30, 2016**

	Total	City's Interest
<b><u>ASSETS</u></b>		
Cash and cash equivalents	\$ 5,936,436	\$ 3,079,818
Receivables, other current assets	126,659	66,397
Restricted investments	24,537,787	11,158,246
Capital assets	161,800,202	58,644,739
Total Assets	192,401,084	72,949,200
Deferred outflows of resources	8,871,232	6,353,306
<b><u>LIABILITIES</u></b>		
Accounts payable	298,106	32,157
Retainage payable	1,582,268	546,199
Accrued bond interest payable	779,130	75,878
Total current liabilities	2,659,504	654,234
Bonds payable	179,141,559	66,445,900
Total Liabilities	181,801,063	67,100,134
<b><u>NET POSITION</u></b>	<b><u>\$ 19,471,253</u></b>	<b><u>\$ 12,202,372</u></b>

**STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION**  
**For the Year Ended September 30, 2016**

	Total	City's Interest
Operating revenues	\$ 688,730	\$ 220,147
Interest expense	(7,665,566)	(2,498,413)
Other operating expenses	(5,280,578)	(1,599,361)
Other expenses	(822,804)	(615,952)
Changes in Net Position	(13,080,218)	(4,493,579)
Net position, October 1, 2015	20,753,872	12,380,581
Contribution of capital, net	11,797,599	4,315,370
Net position, September 30, 2016	<b><u>\$ 19,471,253</u></b>	<b><u>\$ 12,202,372</u></b>

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2016 was as follows:

	October 1, 2015 (restated)	Additions/ Completions	Retirements/ Adjustments	September 30, 2016
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 45,751,142	\$ 7,382,605	\$ -	\$ 53,133,747
Construction in progress	30,174,237	60,347,426	(30,867,773)	59,653,890
Total capital assets not being depreciated	<u>75,925,379</u>	<u>67,730,031</u>	<u>(30,867,773)</u>	<u>112,787,637</u>
Capital assets being depreciated:				
Buildings and improvements	700,785,247	27,912,053	-	728,697,300
Equipment	67,538,831	7,942,296	(2,094,872)	73,386,255
Total capital assets being depreciated	<u>768,324,078</u>	<u>35,854,349</u>	<u>(2,094,872)</u>	<u>802,083,555</u>
Less accumulated depreciation for:				
Buildings and improvements	342,457,957	25,009,784	-	367,467,741
Equipment	50,776,623	6,487,550	(2,088,960)	55,175,213
Total accumulated depreciation	<u>393,234,580</u>	<u>31,497,334</u>	<u>(2,088,960)</u>	<u>422,642,954</u>
Total capital assets being depreciated, net	<u>375,089,498</u>	<u>4,357,015</u>	<u>(5,912)</u>	<u>379,440,601</u>
Governmental activities capital assets, net	<u>\$ 451,014,877</u>	<u>\$ 72,087,046</u>	<u>\$ (30,873,685)</u>	<u>\$ 492,228,238</u>
<b>Business-Type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 8,452,956	\$ -	\$ -	\$ 8,452,956
Construction in progress	5,316,019	11,162,844	(3,916,561)	12,562,302
Total capital assets not being depreciated	<u>13,768,975</u>	<u>11,162,844</u>	<u>(3,916,561)</u>	<u>21,015,258</u>
Capital assets being depreciated:				
Buildings and improvements	445,478,004	14,577,831	(352,508)	459,703,327
Equipment	15,032,403	1,486,266	(506,038)	16,012,631
Total capital assets being depreciated	<u>460,510,407</u>	<u>16,064,097</u>	<u>(858,546)</u>	<u>475,715,958</u>
Less accumulated depreciation for:				
Building and improvements	146,453,575	14,059,905	(352,508)	160,160,972
Equipment	11,130,964	1,597,701	(504,309)	12,224,356
Total accumulated depreciation	<u>157,584,539</u>	<u>15,657,606</u>	<u>(856,817)</u>	<u>172,385,328</u>
Total capital assets being depreciated, net	<u>302,925,868</u>	<u>406,491</u>	<u>(1,729)</u>	<u>303,330,630</u>
Business-type activities capital assets, net	<u>\$ 316,694,843</u>	<u>\$ 11,569,335</u>	<u>\$ (3,918,290)</u>	<u>\$ 324,345,888</u>

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. CAPITAL ASSETS (CONTINUED)**

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

**Governmental Activities:**

General government	\$ 3,248,098
Public safety	2,995,743
Public works	20,216,206
Culture and recreation	5,037,287
Total depreciation expense – governmental activities	<u>\$ 31,497,334</u>

**Business-Type Activities:**

Water and sewer utility	\$ 15,537,530
Golf course	120,076
Total depreciation expense – business-type activities	<u>\$ 15,657,606</u>

Major construction contracts in progress from inception to September 30, 2016, consisted of the following:

	Project Authorization	Expended to September 30, 2016	Committed	Future Financing
Projects funded principally by general obligation debt -				
Parks, public safety, streets and public service facilities	\$ 31,881,778	\$ 31,868,135	\$ 13,643	None
Parks, public safety and library	71,029,740	33,133,031	37,896,709	None
Municipal complex, public safety and street improvements	21,753,034	21,403,615	349,419	None
Self-financed construction	48,753,417	33,003,024	15,750,393	None
Round Rock Transportation System- road improvements	79,982,411	73,138,841	6,843,570	None
Sports venue complex	22,588,212	22,502,657	85,555	None
	<u>\$ 275,988,592</u>	<u>\$ 215,049,303</u>	<u>\$ 60,939,289</u>	
Projects funded by revenue bonds and developer contributions -				
Drainage system improvements	\$ 4,620,297	\$ 1,529,199	\$ 3,091,098	None
Utility line improvements	2,445,057	411,071	2,033,986	None
Self-financed construction	81,703,671	56,304,901	25,398,770	None
	<u>\$ 88,769,025</u>	<u>\$ 58,245,171</u>	<u>\$ 30,523,854</u>	

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. LONG-TERM DEBT**

The following is a summary of long-term debt transactions, including current portion, of the City for the year ended September 30, 2016:

	Balance October 1, 2015	Additions	Refundings/ Retirements	Balance September 30, 2016	Due within one year
<b>Governmental Activities</b>					
General obligation bonds	\$ 154,925,000	\$ 6,995,000	\$ (12,380,000)	\$ 149,540,000	\$ 7,510,000
Certificates of obligation	29,675,000	-	(2,580,000)	27,095,000	780,000
Hotel tax revenue bonds	13,225,000	4,455,000	(5,360,000)	12,320,000	645,000
Sales tax revenue bonds	11,920,000	-	(2,740,000)	9,180,000	1,780,000
State infrastructure bank loans	13,081,624	-	(1,554,237)	11,527,387	1,618,507
Plus deferred amount:					
For issuance premium	15,099,111	1,094,690	(1,104,967)	15,088,834	1,185,541
For issuance discount	(129,427)	-	13,679	(115,748)	(13,679)
Lease purchase payable	3,505,510	2,250,000	(1,009,481)	4,746,029	1,121,626
Net pension liability	29,727,655	8,509,529	-	38,237,184	-
Compensated absences	6,165,182	5,273,513	(4,446,400)	6,992,295	4,684,838
Other post-employment benefits	2,774,954	934,835	(508,698)	3,201,091	-
Total governmental activities	<u>279,969,609</u>	<u>29,512,567</u>	<u>(31,670,104)</u>	<u>277,812,072</u>	<u>19,311,833</u>
<b>Business-Type Activities</b>					
Revenue bonds	86,125,000	35,185,000	(36,635,000)	84,675,000	3,105,000
Plus deferred amount:					
For issuance premium	1,702,948	3,096,496	(109,820)	4,689,624	232,191
Net pension liability	4,053,772	1,160,390	-	5,214,162	-
Compensated absences	504,728	525,849	(501,554)	529,023	417,928
Other post-employment benefits	348,532	127,478	(69,368)	406,642	-
Total business-type activities	<u>92,734,980</u>	<u>40,095,213</u>	<u>(37,315,742)</u>	<u>95,514,451</u>	<u>3,755,119</u>
Total government	<u>\$ 372,704,589</u>	<u>\$ 69,607,780</u>	<u>\$ (68,985,846)</u>	<u>\$ 373,326,523</u>	<u>\$ 23,066,952</u>

The General Fund and Hotel/Motel Fund are responsible for liquidating the liability for compensated absences and other post-employment benefits in the governmental activities and the Water and Sewer Fund and Drainage Fund are responsible for liquidating the liability for compensated absences and other post-employment benefits in the business-type activities.

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. LONG-TERM DEBT (CONTINUED)**

Long-term debt at September 30, 2016 is comprised of the following:

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>
<b>General Obligation Bonds:</b>		
\$ 18,575,000 2010 refunding bonds due in annual installments of \$ 140,000 to \$ 1,940,000 through 2027; interest at 2.0% to 4.0%	\$ 16,505,000	\$ -
\$ 19,580,000 2011 refunding bonds due in annual installments of \$ 405,000 to \$ 1,885,000 through 2027; interest at 2.0% to 4.0%	13,745,000	-
\$ 8,615,000 2013 refunding bonds due in annual installments of \$ 455,000 to \$ 925,000 through 2024; interest at 1.00% to 1.65%	5,890,000	-
\$ 10,465,000 2014A GO and refunding bonds due in annual installments of \$ 270,000 to \$ 1,740,000 through 2021; interest at 2.0% to 5.0%	7,055,000	-
\$ 66,885,000 2014 GO and refunding bonds due in annual installments of \$ -0- to \$ 4,790,000 through 2038; interest at 3.0% to 5.0%	66,885,000	-
\$ 32,465,000 2015 refunding bonds due in annual installments of \$ -0- to \$ 3,445,000 through 2032; interest at 4.0% to 5.0%	32,465,000	-
\$ 6,995,000 2016 refunding bonds due in annual installments of \$ -0- to \$ 755,000 through 2032; interest at 2.0% to 4.0%	<u>6,995,000</u>	<u>-</u>
Total General Obligation Bonds	<u>149,540,000</u>	<u>-</u>
<b>Certificates of Obligation:</b>		
\$ 27,270,000 2014 Combination tax and revenue certificates of obligation due in installments of \$ 175,000 to \$ 1,700,000 through 2039; interest at 2.0% to 4.0%	<u>27,095,000</u>	<u>-</u>
Total Certificates of Obligation	<u>27,095,000</u>	<u>-</u>
<b>Hotel Tax Revenue Bonds:</b>		
\$ 8,920,000 2007 refunding bonds due in annual installments of \$ 345,000 to \$ 690,000 through 2025; interest at 4.0% to 4.5%	490,000	-
\$ 7,715,000 2012 venue tax and hotel bonds due in annual installments of \$ 110,000 to \$ 590,000 through 2038; interest at 2.0% to 4.0%	7,375,000	-
\$ 4,455,000 2016 refunding bonds due in annual installments of \$ 30,000 to \$ 630,000 through 2025; interest at 2.0% to 4.0%	<u>4,455,000</u>	<u>-</u>
Total Hotel Tax Revenue Bonds	<u>12,320,000</u>	<u>-</u>
<b>Sales Tax Revenue Bonds:</b>		
\$ 10,930,000 2015 refunding bonds due in annual installments of \$ 1.75 to \$ 1.89 million through 2021 including interest at 1.56%	<u>9,180,000</u>	<u>-</u>
Total Sales Tax Revenue Bonds	<u>9,180,000</u>	<u>-</u>



**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. LONG-TERM DEBT (CONTINUED)**

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>
<b>State Infrastructure Bank Loans:</b>		
\$ 7,000,000 2006 note due in annual installments of \$ 557,759 through 2021 including interest at 4.0%	\$ 2,833,229	\$ -
\$ 16,000,000 2008 note due in annual installments of \$ 1,459,255 through 2023 including interest at 4.2%	8,694,158	-
Total State Infrastructure Bank Loans	<u>11,527,387</u>	<u>-</u>
<b>Utility System Revenue Bonds:</b>		
\$ 12,000,000 2006 bonds due in annual installments of \$ 365,000 to \$ 835,000 through 2026; interest at 2.20% to 2.95%	-	7,395,000
\$ 78,785,000 2009 bonds due in annual installments of \$ 645,000 to \$ 4,455,000 through 2039; interest at 2.0% to 5.0%	-	34,410,000
\$ 8,000,000 2014 bonds due in annual installments of \$ -0- to \$ 585,000 through 2034; interest at 2.0% to 4.0%	-	7,685,000
\$ 35,185,000 2016 bonds due in annual installments of \$ 155,000 to \$ 3,400,000 through 2035; interest at 2.0% to 5.0%	-	35,185,000
Total Utility System Revenue Bonds	<u>-</u>	<u>84,675,000</u>
Issuance premium	15,088,834	4,689,624
Issuance discount	(115,748)	-
Lease purchases payable:		
\$ 5,700,000 leases due in semi-annual installments including interest ranging from 1.02% - 1.619% due in 2021. The lease obligation is funded with general revenue sources.	4,746,029	-
Net pension liability	38,237,184	5,214,162
Compensated absences	6,992,295	529,023
Other post-employment benefits	<u>3,201,091</u>	<u>406,642</u>
<b>Total Primary Government Debt</b>	<u>\$ 277,812,072</u>	<u>\$ 95,514,451</u>

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. LONG-TERM DEBT (CONTINUED)**

The annual requirements to amortize bonded, certificates of obligation, loan and lease debt at September 30, 2016, including interest are as follows:

**Governmental Activities:**

<u>Year Ending September 30,</u>	<u>General and Certificates of Obligation Debt</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 8,290,000	\$ 7,312,976	\$ 15,602,976
2018	8,590,000	7,016,559	15,606,559
2019	10,875,000	6,730,029	17,605,029
2020	11,275,000	6,333,129	17,608,129
2021	9,790,000	5,860,406	15,650,406
2022-2026	47,575,000	22,946,850	70,521,850
2027-2031	33,145,000	14,196,694	47,341,694
2032-2036	28,385,000	7,421,825	35,806,825
2037-2041	18,710,000	1,581,225	20,291,225
	<u>\$ 176,635,000</u>	<u>\$ 79,399,693</u>	<u>\$ 256,034,693</u>

<u>Year Ending September 30,</u>	<u>Hotel Tax Revenue</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 645,000	\$ 366,848	\$ 1,011,848
2018	620,000	397,830	1,017,830
2019	630,000	382,805	1,012,805
2020	645,000	364,955	1,009,955
2021	665,000	343,280	1,008,280
2022-2026	3,320,000	1,317,950	4,637,950
2027-2031	2,120,000	881,175	3,001,175
2032-2036	2,520,000	489,140	3,009,140
2037-2038	1,155,000	46,700	1,201,700
	<u>\$ 12,320,000</u>	<u>\$ 4,590,683</u>	<u>\$ 16,910,683</u>

<u>Year Ending September 30,</u>	<u>Sales Tax Revenue</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 1,780,000	\$ 143,208	\$ 1,923,208
2018	1,810,000	115,440	1,925,440
2019	1,840,000	87,204	1,927,204
2020	1,860,000	58,500	1,918,500
2021	1,890,000	29,484	1,919,484
	<u>\$ 9,180,000</u>	<u>\$ 433,836</u>	<u>\$ 9,613,836</u>

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. LONG-TERM DEBT (CONTINUED)**

**Governmental Activities:**

<u>Year Ending September 30,</u>	<u>State Infrastructure Bank Loans</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 1,618,507	\$ 478,484	\$ 2,096,991
2018	1,685,435	411,555	2,096,990
2019	1,755,133	341,858	2,096,991
2020	1,827,714	269,277	2,096,991
2021	1,896,172	193,692	2,089,864
2022-2026	2,744,426	174,084	2,918,510
	<u>\$ 11,527,387</u>	<u>\$ 1,868,950</u>	<u>\$ 13,396,337</u>

<u>Year Ending September 30,</u>	<u>Lease Purchases</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 1,121,626	\$ 65,307	\$ 1,186,933
2018	1,138,303	48,630	1,186,933
2019	1,155,231	31,702	1,186,933
2020	868,906	15,678	884,583
2021	461,963	4,596	466,559
	<u>\$ 4,746,029</u>	<u>\$ 165,913</u>	<u>\$ 4,911,942</u>

**Business-Type Activities:**

<u>Year Ending September 30,</u>	<u>Utility System Revenue Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 3,105,000	\$ 3,247,459	\$ 6,352,459
2018	3,190,000	3,153,554	6,343,554
2019	3,295,000	3,038,199	6,333,199
2020	3,415,000	2,897,619	6,312,619
2021	3,555,000	2,747,831	6,302,831
2022-2026	19,305,000	11,710,403	31,015,403
2027-2031	17,675,000	8,400,744	26,075,744
2032-2036	18,395,000	5,545,900	23,940,900
2037-2041	12,740,000	1,294,750	14,034,750
	<u>\$ 84,675,000</u>	<u>\$ 42,036,459</u>	<u>\$ 126,711,459</u>

In prior years, the City defeased certain revenue and general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At September 30, 2016, there are no bonds outstanding which have been reported as defeased.

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. LONG-TERM DEBT (CONTINUED)**

Bond ordinances also provide for other limitations and restrictions. The City is in compliance with all significant limitations and restrictions contained in the various bond ordinances.

In November 2013, the voters authorized the issuance of general obligation bonds to fund capital assets of the general government. The full faith and credit of the City as well as the City's ad valorem taxing authority back general obligation bonds.

Purpose	Date Authorized	Amount Authorized	Amount Issued (*)	Unissued Balance
Fire Department	11/5/2013	\$ 16,500,000	\$ 7,000,000	\$ 9,500,000
Parks & Recreation	11/5/2013	56,500,000	46,200,000	10,300,000
Library	11/5/2013	23,200,000	1,500,000	21,700,000
Police & Fire	11/5/2013	27,400,000	16,300,000	11,100,000
		<u>\$ 123,600,000</u>	<u>\$ 71,000,000</u>	<u>\$ 52,600,000</u>

(\*) "Amount issued" column is adjusted pursuant to rules used by the Texas Attorney General.

The City may incur non-voted debt payment from or secured by its levy and collection of ad valorem taxes and other sources of revenue, including tax notes, public property finance contractual obligations, and leases for various purposes.

**(1) UTILITY REVENUE BONDS**

The City is required by bond ordinances to pledge the net revenues of the waterworks and sewer system for the retirement of its outstanding revenue bonds, including interest thereon, and is required for such purposes to maintain debt service funds and bond reserve funds for all outstanding revenue bonds.

The debt service funds are restricted within the Enterprise Fund and require that net revenues of the City's waterworks and sewer system, after operating and maintenance expenses are deducted, be irrevocably pledged by providing equal monthly installments which will accumulate to the semi-annual principal and interest requirements as they become due.

The bond reserve funds for revenue bond retirement are also restricted within the Enterprise Fund. The City is in compliance with the requirement to maintain a combined reserve fund containing cash and investments in an amount equal to the average annual principal and interest requirements of all bonds then outstanding. The City also covenants under the bond indentures that reserve funds shall be invested in time deposits, certificates of deposit and direct or guaranteed obligations of the United States of America.

**(2) HOTEL TAX REVENUE BONDS**

The debt service fund for the hotel tax revenue bonds, aggregating \$835,312 at September 30, 2016, is reported in the governmental funds. Bond covenants require that the hotel tax revenues be irrevocably pledged by providing quarterly installments, which will accumulate to the semi-annual principal and interest requirements as they become due.

**CITY OF ROUND ROCK, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016**

**IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. LONG-TERM DEBT (CONTINUED)**

The bond reserve fund for hotel tax revenue bond retirement aggregates \$809,769 at September 30, 2016. This amount is in compliance with the requirements contained in the bond's Indenture Agreement. This agreement requires  $\frac{1}{2}$  of the average annual debt service requirements of the bonds in the reserve fund be deposited upon issuance of the bonds, with quarterly installments until the required reserve is attained.

**(3) SALES TAX REVENUE BONDS**

The Round Rock Transportation and Economic Development Corporation issued the sales tax revenue bonds. The Corporation is a blended component unit of the City of Round Rock, which collects  $\frac{1}{2}$  of 1% of the sales tax collected by the State on its behalf. Although the Corporation is presented as a blended component unit, none of the City's assets are pledged to payment of the bonds. The bonds are secured solely by a pledge of the revenues of the Round Rock Transportation and Economic Development Corporation.

The debt service fund for the sales tax revenue bonds, aggregating \$147,886 at September 30, 2016, is reported in the governmental funds. Bond covenants require that the Corporation's share of the sales tax is pledged as security for the bonds. The Corporation provides monthly installments that accumulate to the semi-annual principal and interest requirements as they become due.

A reserve fund was not established for these bonds. The Corporation purchased bond insurance to provide for payment of the principal and interest requirements in the event that pledged revenues are not sufficient.

**(4) 2016 REFUNDING/ISSUANCE**

In June 2016, the City advance refunded portions of General Obligation and Revenue Refunding Bonds and Combination Tax and Revenue Certificates of Obligation. The net proceeds of the \$6,995,000 of General Obligation Refunding Bonds plus the reoffering premium (after payment of underwriting fees, insurance and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited into irrevocable trusts with an escrow agent for the purpose of generating resources for all future debt service payments for the refunded debt. As a result, the refunded bonds are considered defeased, and the debt for these bonds has been removed from the City's financial statements.

This advance refunding will reduce the total debt service payments over the next 16 years by \$1,510,218, and will result in an economic gain (i.e., the difference between the present value of the debt service payments of the refunded debt and the refunding bonds) of \$1,250,259.

Additionally, in June 2016 the City advance refunded portions of Utility System Revenue Bonds. The net proceeds of the \$35,185,000 of Utility System Revenue Refunding Bonds (after payment of underwriting fees, insurance and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited into irrevocable trusts with an escrow agent for the purpose of generating resources for all future debt service payments for the refunded debt. As a result, the refunded bonds are considered defeased, and the debt for these bonds has been removed from the City's financial statements.

**CITY OF ROUND ROCK, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016**

**IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. LONG-TERM DEBT (CONTINUED)**

This advance refunding will reduce the total debt service payments over the next 19 years by \$6,042,787, and will result in an economic gain (i.e., the difference between the present value of the debt service payments of the refunded debt and the refunding bonds) of \$4,671,016.

In September 2016, the City advance refunded portions of Hotel Occupancy Tax Revenue Refunding Bonds. The net proceeds of the \$4,455,000 of Hotel Occupancy Tax Revenue Refunding Bonds (after payment of underwriting fees, insurance and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited into irrevocable trusts with an escrow agent for the purpose of generating resources for all future debt service payments for the refunded debt. As a result, the refunded bonds are considered defeased, and the debt for these bonds has been removed from the City's financial statements.

This advance refunding will reduce the total debt service payments over the next nine years by \$567,175, and will result in an economic gain (i.e. the difference between the present value of the debt service payments of the refunded debt and the refunding bonds) of \$481,558.

**G. ACCRUED COMPENSATED ABSENCES**

Changes to accrued compensated absences for the year ended September 30, 2016, were as follows:

	Governmental Activities	Business-Type Activities
<b>Balance, October 1, 2015</b>	\$ 6,165,182	\$ 504,728
Additions	5,273,513	525,849
Reductions	(4,446,400)	(501,554)
<b>Balance, September 30, 2016</b>	<u>\$ 6,992,295</u>	<u>\$ 529,023</u>

Accrued compensated absences due within one year were \$4,684,838 for governmental activities and \$417,928 for business-type activities. Liabilities for accrued compensated absences are funded from general fund revenue for the governmental activities and water and sewer fund and drainage fund program revenues for the business-type activities.

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**H. RESTRICTED ASSETS**

The following summarizes restricted assets by purpose at September 30, 2016:

	Cash & Cash Equivalents	Investments	Property Taxes Receivable	Sales Tax Receivable	Accrued Interest Receivable
<b>Governmental Activities:</b>					
Debt Service Fund	\$ 1,938,572	\$ 801,013	\$ 201,431	\$ -	\$ -
Restricted by debt covenants - Round Rock Transportation and Economic Development Corporation Fund	5,255,217	30,137,774	-	1,409,290	48,763
2014 General Obligation Bonds Fund	318,675	39,418,972	-	-	32,143
2014 Certificates of Obligation Bond Fund	668,873	6,024,180	-	-	-
Nonmajor capital projects funds	279,813	1,211,758	-	-	1,273
<b>Total Governmental Activities</b>	<u>\$ 8,461,150</u>	<u>\$ 77,593,697</u>	<u>\$ 201,431</u>	<u>\$ 1,409,290</u>	<u>\$ 82,179</u>
	Cash & Cash Equivalents	Investments	Accounts Receivable	Accrued Interest Receivable	
<b>Business-Type Activities:</b>					
Water and sewer fund -					
Impact fees	\$ 429,330	\$ 2,526,688	\$ 172,249	\$ -	
Construction	2,815,899	8,755,762	-	-	
Customer deposits	1,063,019	-	-	-	
Revenue bond debt service	564,770	-	-	-	
Accrued interest receivable	-	-	-	10,961	
<b>Total Business-Type Activities</b>	<u>\$ 4,873,018</u>	<u>\$ 11,282,450</u>	<u>\$ 172,249</u>	<u>\$ 10,961</u>	

**V. OTHER INFORMATION**

**A. COMMITMENTS AND CONTINGENCIES**

**Tax Collections**

The City has a contract with Williamson and Travis counties tax offices to collect City taxes and deposit monies to the City's accounts. For this service, Williamson County was paid \$8,322 and Travis County was paid \$494 for the fiscal year ended September 30, 2016.

**CITY OF ROUND ROCK, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016**

**V. OTHER INFORMATION (CONTINUED)**

**A. COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**Commitments for Road Construction**

The City's component unit, the Round Rock Transportation and Economic Development Corporation has entered into various commitments with the State of Texas, Department of Transportation relative to the construction of roadways.

**Water Supply Agreements**

On May 2, 1978, the City entered into the "Water Supply Contract" with the Brazos River Authority (BRA), providing the City the right to purchase 6,720 acre-feet of water per year from Lake Georgetown. A new agreement, "System Water Availability Agreement for Lake Georgetown" dated September 1, 2001, replaced that agreement. The new agreement revised the rate methodology from a tiered system rate, wherein rates change based upon the City's consumption, to a level system rate. For the fiscal year ended September 30, 2016, the City's cost under this contract was \$473,760.

On September 12, 1991, the City entered into the "Replacement Water Supply Agreement" with the BRA, wherein it received the right to purchase 8,134 acre-feet of water per year from Stillhouse Hollow Lake. Rights for an additional 10,000 acre-feet of water were acquired in the November 13, 1996 "System Water Supply Agreement". These agreements were replaced with the "System Water Availability Agreement for Stillhouse Hollow Lake" dated September 1, 2001. Under this agreement, the City purchases 18,134 acre-feet of water per year at the new system rate. For the fiscal year ended September 30, 2016, the City's cost under this contract was \$1,278,447.

Effective September 1, 2001, the City entered into a "System Water Availability Agreement for Colorado River Basin Water" with the BRA, wherein it received reserved water rights for an additional 6,944 acre-feet of water. Two subsequent agreements granted Round Rock rights to 13,984 additional acre-feet of water per year from the Colorado River Basin. For the fiscal year ended September 30, 2016, the City's cost under these contracts was \$1,727,406.

Future annual charges under the Water Supply Agreements will be based upon the system rate periodically set by the BRA.

**Regional Wastewater Project**

In October 1996, as part of a plan for a regional wastewater collection, treatment and disposal system, the City and the City of Cedar Park entered into agreements with an alliance (Alliance) formed by the Brazos River Authority (BRA) and the Lower Colorado River Authority (LCRA). In 1998, LCRA acquired the treatment facilities of the City (these facilities were repurchased from the LCRA in 2009, as described below). BRA contracted with the Cities to operate and maintain the regional system.

In September 2009, the Cities of Round Rock, Austin and Cedar Park entered into a Purchase Agreement with the LCRA wherein they agreed to buy the Brushy Creek Regional Wastewater System (BCRWWS) from the LCRA. The agreement outlined the proportional share that each city would purchase of the



**CITY OF ROUND ROCK, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016**

**V. OTHER INFORMATION (CONTINUED)**

**A. COMMITMENTS AND CONTINGENCIES (CONTINUED)**

wastewater transportation and treatment system. On December 8, 2009, the three cities purchased the BCRWWS assets and entered into a Master Contract for the Financing, Construction, Ownership and Operation of the BCRWWS. The Master Contract provided for the terms and conditions by which the cities would jointly own and operate the BCRWWS.

The system currently has a total treatment capacity of 24.5 MGD which is sufficient to meet future projected flows through 2019. The City of Round Rock's current wastewater capacity in the system is 20.1 MGD.

The BRA is contracted to provide operation of the system, for which each of the cities is invoiced relative to their system usage. For the fiscal year ended September 30, 2016, expenditures for operation of the regional facilities were \$3,705,470.

In June, 2010 the Cities of Round Rock, Austin and Cedar Park sold a share of the BCRWWS assets to the City of Leander, and all parties entered into the Amended and Restated Master Contract for the Financing, Construction, Ownership and Operation of the Brushy Creek Regional Wastewater System.

**Other**

The City is a defendant in a number of lawsuits arising principally from claims against the City for alleged improper actions by City employees. Total damages claimed are substantial; however, it has been the City's experience that such actions are usually dismissed or settled for amounts substantially less than the claimed amounts. The City Attorney estimates that the potential claims against the City not covered by various insurance policies would not materially affect the financial condition of the City.

**Arbitrage Rebate**

Due to requirements of the Tax Reform Act of 1986, the City annually contracts for the computations of arbitrage rebate requirements for the City's various bond issues. At September 30, 2016, the potential rebate was calculated at \$0.

**Deferred Compensation Plan**

The City offers its employees a deferred compensation plan that permits them to defer a portion of their current salary until future years. Any contributions made to the deferred compensation plan, in compliance with Section 457 of the Internal Revenue Code, are not available to employees until termination of employment, retirement, death or an unforeseen emergency. A third party administrator, Nationwide Retirement Solutions, administers contributions to the plan. Effective January 1997, and in compliance with the provisions of the IRC Section 457(g), the plan assets are in custodial accounts for the exclusive benefit of the plans' participants and beneficiaries. In accordance with GASB Statement No. 32, the City provides neither administrative services nor investment advice to the plans and therefore, no fiduciary relationship exists between the City and the deferred compensation plan.

**CITY OF ROUND ROCK, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016**

**V. OTHER INFORMATION (CONTINUED)**

**A. COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**Tax Abatements**

The City of Round Rock negotiates property tax abatement agreements, property tax rebates, and sales tax rebates on an individual basis. Each agreement was negotiated under The Texas Property Redevelopment and Tax Abatement Act, Chapter 312, Tax Code, V.A.T.S. as amended, allowing localities to abate property taxes for economic development purposes which include business relocation, retention and expansion. Property must be located within a reinvestment zone to be eligible for a tax abatement, and agreements are limited to ten (10) years in length. The abatement value can only be to the extent its value for that year exceeds its value for the year in which the agreement is executed. The City has an Abatement Recapture clause in all Tax Abatement Agreements in the event that the recipient does not fulfill the requirements of the agreement. The tax rebate program is for a period greater than 10 years, and taxes paid are reimbursed back to the owner.

<u><b>Tax Abatement Program</b></u>	<u><b>Amount of Taxes Abated during the Fiscal Year</b></u>
Economic Development	
Property Tax	\$ 73,412
 <u><b>Tax Rebate Program</b></u>	
Economic Development	
Property Tax	820,452
Sales Tax	5,959,618

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.

**B. RISK MANAGEMENT**

The City is a member of the Texas Municipal League's Intergovernmental Risk Pool (Pool). The Pool was created for the purpose of providing coverage against risks, which are inherent in operating a political subdivision. The City pays annual premiums to the Pool for liability, property and workers' compensation coverage and all billed premiums upon the coverage have been paid. The City's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will provide reinsurance contracts through commercial companies. The Pool agrees to handle all liability, property and workers' compensation claims and provide any defense as is necessary. The Pool makes available to the City loss control services to assist the City in following a plan of loss control that may result in reduced losses. The City agrees that it will cooperate in instituting any and all reasonable loss control recommendations made by the Pool. The City has experienced no significant reductions in coverage through the Pool over the past year. There have been no insurance settlements exceeding Pool coverage for any of the past three years.

**CITY OF ROUND ROCK, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016**

**V. OTHER INFORMATION (CONTINUED)**

**B. RISK MANAGEMENT (CONTINUED)**

**Self-Funded Health Insurance Fund**

The City is self-insured for medical and dental claims. The self-insurance program is maintained in the Self-Funded Health Insurance Internal Service Fund. This program provides health benefit coverage in accordance with a pre-approved plan that establishes coverage limits per employee per year with unlimited health coverage benefits. The City purchases commercial insurance for claims in excess of a contractual City liability limit.

Additionally, commercial insurance covers claims in excess of an aggregate amount for the City up to \$1,000,000 per plan year. Settled claims have not exceeded the commercial coverage in any of the past three fiscal years. The liability is estimated based upon claims settled within the next month. An analysis of claims activities is presented below:

<u>Fiscal Year</u>	<u>Beginning Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Actual Claim Payments</u>	<u>Balance at Year-End</u>
2014	\$ 468,850	\$ 7,118,789	\$ 6,981,727	\$ 605,912
2015	\$ 605,912	\$ 8,351,468	\$ 8,535,401	\$ 421,979
2016	\$ 421,979	\$ 9,625,120	\$ 9,310,446	\$ 736,653

**C. EMPLOYEE RETIREMENT PLAN**

**Plan Description**

The City participates as one of 866 plans in the non-traditional, joint contributory, hybrid defined benefit 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' 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.tmrs.com](http://www.tmrs.com).

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

**Benefits Provided**

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

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the

**CITY OF ROUND ROCK, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
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**V. OTHER INFORMATION (CONTINUED)**

**C. EMPLOYEE RETIREMENT PLAN (CONTINUED)**

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

A summary of plan provisions for the City is as follows:

<b>Employee deposit rate</b>	7%
<b>Matching ratio (city to employee)</b>	2 to 1
<b>Years required for vesting</b>	5
<b>Service retirement eligibility</b>	20 years at any age, 5 years at age 60 and above
<b>Updated Service Credit</b>	100% Repeating, Transfers
<b>Annuity increase (to retirees)</b>	70% of CPI Repeating

***Employees Covered by Benefit Terms***

At the December 31, 2015 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	249
Inactive employees entitled to but not yet receiving benefits	318
Active employees	855
Total	<u>1,422</u>

**Contributions**

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Since the City needs to know its contribution rates in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The City elected to contribute the full rate of 15.40% and 15.74% in calendar years 2015 and 2016, respectively. Accordingly, contributions to TMRS for the year ended September 30, 2016, were \$8,739,633, and were equal to the required contributions.

**CITY OF ROUND ROCK, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016**

**V. OTHER INFORMATION (CONTINUED)**

**C. EMPLOYEE RETIREMENT PLAN (CONTINUED)**

**Net Pension Liability**

The City's Net Pension Liability (NPL) was measured as of December 31, 2015, 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, 2015, 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-district 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.

Actuarial assumptions used in the December 31, 2015, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation. After the Asset Allocation Study analysis and experience investigation study, the Board amended the long-term expected rate of return on pension plan investments from 7% to 6.75%. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

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

**CITY OF ROUND ROCK, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016**

**V. OTHER INFORMATION (CONTINUED)**

**C. EMPLOYEE RETIREMENT PLAN (CONTINUED)**

and (2) the geometric mean (conservative) with an adjustment for time (aggressive). At its meeting on July 30, 2015, the TMRS Board approved a new portfolio target allocation.

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return (Arithmetic)</b>
Domestic Equity	17.5%	4.55%
International Equity	17.5%	6.10%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.65%
Real Return	10.0%	4.03%
Real Estate	10.0%	5.00%
Absolute Return	10.0%	4.00%
Private Equity	5.0%	8.00%
Total	100.0%	

***Single 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.

Under this funding policy, the City will finance the unfunded actuarial accrued liability over the years remaining for the closed period existing for each base in addition to the employer portion of all future benefit accruals (i.e., the employer normal cost).

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**V. OTHER INFORMATION (CONTINUED)**

**C. EMPLOYEE RETIREMENT PLAN (CONTINUED)**

*Changes in the Net Pension Liability*

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a) - (b)</b>
Balance at December 31, 2014	\$ 205,128,282	\$ 171,346,855	\$ 33,781,427
Changes for the year:			
Service cost	8,990,916	-	8,990,916
Interest	14,481,391	-	14,481,391
Difference between expected and actual experience	(662,530)	-	(662,530)
Changes of assumptions	(1,208,085)	-	(1,208,085)
Contributions - employer	-	8,195,714	(8,195,714)
Contributions - employee	-	3,644,800	(3,644,800)
Net investment income	-	252,867	(252,867)
Benefit payments, including refunds of employee contributions	(5,493,451)	(5,493,451)	-
Administrative expense	-	(154,001)	154,001
Other	-	(7,606)	7,606
Net changes	16,108,241	6,438,322	9,669,919
<b>Balance at December 31, 2015</b>	<b>\$ 221,236,523</b>	<b>\$ 177,785,177</b>	<b>\$ 43,451,346</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:

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
	<b>5.75%</b>	<b>Discount Rate</b>	<b>7.75%</b>
		<b>6.75%</b>	
City's net pension liability	\$ 79,969,779	\$ 43,451,346	\$ 13,897,119

*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).

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**V. OTHER INFORMATION (CONTINUED)**

**C. EMPLOYEE RETIREMENT PLAN (CONTINUED)**

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources*

For the year ended September 30, 2016, the City recognized pension expense of \$10,439,077. At September 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Balance at September 30, 2015	\$ 1,600,283	\$ (42,397)
Differences between expected and actual economic experience	-	(557,533)
Changes in actuarial assumptions	-	(1,016,629)
Difference between projected and actual investment earnings	9,393,130	-
Amortization of prior years' deferrals	(400,071)	7,658
Balance at September 30, 2016	<u>\$ 10,593,342</u>	<u>\$ (1,608,901)</u>

	<b>Contributions After the Measurement Date</b>
Balance at September 30, 2015	\$ 5,964,543
Reversal of prior year contributions after December 31, 2014	(5,964,543)
Contributions after December 31, 2015	6,425,756
Balance at September 30, 2016	<u>\$ 6,425,756</u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$6,425,756 will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2016 (i.e., recognized in the City's financial statements September 30, 2017). Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Measurement Year ended December 31,</b>	<b>Net Deferred Outflows (Inflows) of Resources</b>
2016	\$ 2,444,243
2017	2,444,243
2018	2,444,242
2019	2,044,170
2020	(300,560)
Thereafter	(91,897)
Total	<u>\$ 8,984,441</u>



**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**V. OTHER INFORMATION (CONTINUED)**

**C. EMPLOYEE RETIREMENT PLAN (CONTINUED)**

**Supplemental Death Benefits Fund**

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by TMRS known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in this fund 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 post-employment benefit," or OPEB. The City offers supplemental death benefits to both active employees and retirees for plan years 2016 and 2015.

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 and represents 0.13% of required contributions. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

The City also provides basic life and accidental death and dismemberment insurance for all eligible employees at no cost. The benefit is equal to the employee's annual base earnings up to a maximum of \$100,000. This benefit is paid out to the beneficiaries in the event of the employee's death.

**D. OTHER POST-EMPLOYMENT BENEFITS**

In addition to the contributions made to the pension system as previously described, the City provides a single employer plan for certain other post-employment benefits (OPEB) to its retirees. Other post-employment benefits include access to medical and dental insurance for the retiree and the retiree's family.

All retirees who are eligible to receive pension benefits under any of the City's pension system are eligible for other post-employment benefits. Retirees may also enroll eligible dependents under the medical and dental plan(s) in which they participate. Eligible dependents of the retiree include a legally married spouse and unmarried children dependent on the retiree for support. The children covered include children under age 25 and eligible disabled children beyond 25 years of age, if covered prior to age 25. A surviving spouse of a deceased retiree may continue medical coverage until the date the surviving spouse remarries. A surviving spouse of a deceased retiree may continue dental coverage for 36 months by paying the entire premium plus a 2 percent administrative fee. Other surviving dependents of a deceased retiree may continue medical and dental coverage for 36 months by paying the entire premium plus a 2 percent administrative fee.

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**V. OTHER INFORMATION (CONTINUED)**

**D. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

The City is under no obligation, statutory or otherwise, to offer other post-employment benefits or to pay any portion of the cost of other post-employment benefits to any retirees or their dependents. Allocation of city funds to pay other post-employment benefits or to make other post-employment benefits available is determined on an annual basis by the City Council as part of the budget approval process.

Group dental coverage is available to retirees and their eligible dependents. The retiree pays the full cost of the dental premium.

**Annual OPEB Cost and Net OPEB Obligation**

Other post-employment benefits are funded on a pay-as-you-go basis. The City recognizes the cost of providing these benefits as an expense and corresponding revenue in the Internal Service Fund (self funded health insurance). Medical, dental and life insurance claims and premiums are reported in the Internal Service Fund. As of September 30, 2016 and September 30, 2015, this fund had adequate resources to fund the net OPEB obligation. A designation of committed fund balance for the annual net OPEB obligation was established and reported on the Statement of Net Position.

The City recognized the following liability in the financial statements at September 30, 2016. The City performed an actuarial valuation during fiscal year 2015. The annual required contribution and OPEB liability for fiscal year 2016 is based upon the September 30, 2015 biennial actuarial valuation.

The annual OPEB cost associated with the City's retiree benefits for the fiscal year ended September 30, 2016, is as follows:

	<b>2015 Total</b>	<b>2016 Amounts</b>		
		<b>Governmental</b>	<b>Proprietary</b>	<b>Total</b>
Annual required contribution	\$ 925,834	\$ 923,257	\$ 125,899	\$ 1,049,156
Interest on net OPEB obligation	120,703	123,690	16,867	140,557
Adjustment to annual required contribution	(109,403)	(112,112)	(15,288)	(127,400)
Annual OPEB cost	937,134	934,835	127,478	1,062,313
Contributions made	(495,926)	(508,698)	(69,368)	(578,066)
Change in net OPEB obligation	441,208	426,137	58,110	484,247
Beginning net OPEB obligation	2,682,278	2,774,954	348,532	3,123,486
Net OPEB obligation	<u>\$ 3,123,486</u>	<u>\$ 3,201,091</u>	<u>\$ 406,642</u>	<u>\$ 3,607,733</u>
Percentage of annual OPEB cost contributed	<u>52.9%</u>			<u>54.4%</u>

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**V. OTHER INFORMATION (CONTINUED)**

**D. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 and the preceding two years is as follows:

*Three-Year Trend Information*

<b>Fiscal Year Ending</b>	<b>Annual OPEB Cost</b>	<b>Actual Contribution Made</b>	<b>% of Annual Cost Contributed</b>	<b>Net OPEB Obligation</b>
2014	\$ 815,010	\$ 322,367	39.60%	\$ 2,682,278
2015	\$ 937,133	\$ 495,926	52.90%	\$ 3,123,486
2016	\$ 1,062,313	\$ 578,066	54.42%	\$ 3,607,733

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The actuarial cost method and significant assumptions underlying the actuarial calculation are as follows:

*Schedule of Actuarial Valuations*

Actuarial Valuation Date	October 1, 2013	October 1, 2014	October 1, 2015
Actuarial Cost Methods	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level Percent Open	Level Percent Open	Level Percent Open
Remaining Amortization Period	30 years	30 years	30 years
Inflation Rate	3.5%	3.5%	3.5%
Assumed Rate of			
Return on Investments	4.5%	4.5%	4.5%
Projected Salary Increases	3.0%	3.0%	3.0%
Post-retirement Benefit	10% in 2011,	10% in 2011,	10% in 2011,
Increases	decreasing 0.5% per year for ten years to an ultimate trend of 5% in 2021	decreasing 0.5% per year for ten years to an ultimate trend of 5% in 2021	decreasing 0.5% per year for ten years to an ultimate trend of 5% in 2021

**CITY OF ROUND ROCK, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016**

**V. OTHER INFORMATION (CONTINUED)**

**E. MUNICIPAL GOLF COURSE**

**Management Agreement**

Management of the City's golf course has been performed by a private operator in accordance with the terms of a Management Agreement since 1989. On May 1, 2015, the City entered into a New Management Agreement with the operator for a period of four years and eight months with an early termination option on the early termination date of December 31, 2016. Under conditions set forth in the New Management Agreement, the operator shall be paid a monthly base management fee. Additionally, the operator may earn a variable fee based upon gross receipts of the golf course. Gross receipts from operations are agreed to be used, in order, for monthly scheduled debt payments, payments to a capital reserve account, current operating expenses, an operating reserve, the base management fee, repayment of any City capital improvements, a 1% distribution to the City, the variable fee and any unpaid obligations limited by available gross receipts. Any remaining gross receipts are to be distributed to the City.

The City has exercised the early termination option on the current management agreement with an early termination date of December 31, 2016. On November 22, 2016, the City signed a new Management Agreement with a new operator with an initial term of three years that shall automatically renew for two additional 1-year terms. The agreement shall begin on January 1, 2017. Under conditions set forth in the new Management Agreement, the operator shall be paid a monthly base management fee. Additionally, the operator may earn an annual incentive management fee based upon gross receipts of the golf course.

**F. SUBSEQUENT EVENTS**

**Kalahari Resort Project**

On December 15, 2016, City Council approved a series of agreements with Kalahari Resorts and Conventions (Kalahari). These agreements include a Master Development Agreement, an Economic Development Agreement and a Ground Lease.

Kalahari will build a family resort, water park and convention center on 351 acres south of U.S. 79 near Old Settlers Park and Dell Diamond. Kalahari intends to open the Round Rock resort no later than December 2021. The agreements provide for Kalahari to employ a minimum 700 and invest at least \$350 million in a 975-room resort, 200,000 square-foot indoor/outdoor water park and 150,000 square-foot convention center.

As part of the arrangement, the City purchased the 351 acres for approximately \$27.5 million on December 20, 2016. The City will be repaid by Kalahari in the form of two lease payments: a \$17 million initial lease payment made on December 20, 2016, and a \$10.5 million lease payment, plus interest, in eight years. The property will be leased to Kalahari for up to 99 years.



**CITY OF ROUND ROCK, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
SEPTEMBER 30, 2016  
(UNAUDITED)**

**Schedule of Funding Progress**

<b>Plan</b>	<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability</b>	<b>UAAL</b>	<b>Funded Ratio</b>	<b>Annual Covered Payroll</b>	<b>Percentage of UAAL to Covered Payroll</b>
<b>Other Post-Employment Benefits</b>							
	9/30/2014	\$ -	\$ 9,092,582	\$ 9,092,582	0.0%	\$ 48,391,789	18.8%
	9/30/2015	\$ -	\$ 11,162,966	\$ 11,162,966	0.0%	\$ 52,956,052	21.1%
	9/30/2016	\$ -	\$ 11,661,976	\$ 11,661,976	0.0%	\$ 56,923,747	20.5%

See Independent Auditors' Report.

**CITY OF ROUND ROCK, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SEPTEMBER 30, 2016**  
**(UNAUDITED)**

**Schedule of Changes in the Net Pension Liability and Related Ratios**

Measurement period ending December 31,	<u>2014</u>	<u>2015</u>
<b>Total pension liability</b>		
Service Cost	\$ 8,066,254	\$ 8,990,916
Interest (on the Total Pension Liability)	13,330,143	14,481,391
Difference between expected and actual experience	(50,055)	(662,530)
Change of assumptions	-	(1,208,085)
Benefit payments, including refunds of employee contributions	(5,231,094)	(5,493,451)
<b>Net Change in Total Pension Liability</b>	<u>16,115,248</u>	<u>16,108,241</u>
<b>Total Pension Liability - Beginning</b>	189,013,034	205,128,282
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 205,128,282</u>	<u>\$ 221,236,523</u>
<b>Plan Fiduciary Net Position</b>		
Contributions - Employer	\$ 7,787,328	\$ 8,195,714
Contributions - Employee	3,423,287	3,644,800
Net Investment Income	8,955,552	252,867
Benefit payments, including refunds of employee contributions	(5,231,094)	(5,493,451)
Administrative Expense	(93,479)	(154,001)
Other	(7,685)	(7,606)
<b>Net Change in Plan Fiduciary Net Position</b>	<u>14,833,909</u>	<u>6,438,322</u>
<b>Plan Fiduciary Net Position - Beginning</b>	156,512,946	171,346,855
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>171,346,855</u>	<u>177,785,177</u>
<b>Net Pension Liability - Ending (a) - (b)</b>	<u>\$ 33,781,427</u>	<u>\$ 43,451,346</u>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	83.53%	80.36%
<b>Covered Employee Payroll</b>	\$ 48,839,040	\$ 51,731,390
<b>Net Pension Liability as a Percentage of Covered Employee Payroll</b>	69.17%	83.99%

**Notes to Schedule:**

- 1) No significant factors noted to disclose.
- 2) No significant methods and assumptions to disclose.
- 3) Schedule will be built out to 10 years.

See Independent Auditors' Report.

**CITY OF ROUND ROCK, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
SEPTEMBER 30, 2016  
(UNAUDITED)**

**Schedule of Contributions**

Fiscal year ending September 30, 2016	<b>2015</b>	<b>2016</b>
Actuarially Determined Contribution	\$ 8,077,742	\$ 8,507,987
Contributions in relation to the actuarially determined contribution	8,193,478	8,739,633
Contribution deficiency (excess)	\$ (115,736)	\$ (231,646)
 Covered employee payroll	 \$ 51,159,783	 \$ 54,924,766
Contributions as a percentage of covered employee payroll	16.02%	15.91%

**Notes to Schedule of Contributions**

**Valuation Date:**

Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 12 months and a day later.

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

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	24 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:**

There were no benefit changes during the year. Schedule will be built out to ten years.

See Independent Auditors' Report.



## **NONMAJOR GOVERNMENTAL FUNDS**

### **NONMAJOR SPECIAL REVENUE FUNDS**

Special Revenue Funds account for specific resources, other than major capital projects that are restricted to expenditures for specified purposes.

### **NONMAJOR CAPITAL PROJECTS FUNDS**

Capital Projects Funds are used to account for financial resources to be used for major capital projects (other than those financed by the proprietary fund). General obligation bonds are the primary funding source for capital projects.

**CITY OF ROUND ROCK, TEXAS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2016**

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
	<u>Revenue</u>	<u>Projects</u>	<u>Funds</u>
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 2,060,768	\$ 341,603	\$ 2,402,371
Investments	12,112,431	2,010,405	14,122,836
Receivables -			
Accounts and other	455,662	-	455,662
Accrued interest	17,472	2,823	20,295
Interfund	75,932	1,500,000	1,575,932
Grants	155,550	-	155,550
Restricted assets -			
Cash and cash equivalents	-	279,813	279,813
Restricted investments	-	1,211,758	1,211,758
Restricted accrued interest	-	1,273	1,273
Total assets	<u>\$ 14,877,815</u>	<u>\$ 5,347,675</u>	<u>\$ 20,225,490</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities -			
Accounts payable	\$ 225,740	\$ 1,083,013	\$ 1,308,753
Accrued payroll	16,135	-	16,135
Interfund payables	-	7,316	7,316
Deferred revenue	-	920,154	920,154
Total liabilities	<u>241,875</u>	<u>2,010,483</u>	<u>2,252,358</u>
Fund balances -			
Restricted - authorized construction	-	1,903,570	1,903,570
Restricted - hotel-motel tax	12,653,710	-	12,653,710
Restricted - public safety	676,724	-	676,724
Committed	1,305,506	1,433,622	2,739,128
Total fund balances	<u>14,635,940</u>	<u>3,337,192</u>	<u>17,973,132</u>
Total liabilities and fund balances	<u>\$ 14,877,815</u>	<u>\$ 5,347,675</u>	<u>\$ 20,225,490</u>

**CITY OF ROUND ROCK, TEXAS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
YEAR ENDED SEPTEMBER 30, 2016**

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
<b>Revenues -</b>			
Taxes and franchise	\$ 264,969	\$ -	\$ 264,969
Licenses, permits and fees	5,325	-	5,325
Charges for services	315,673	-	315,673
Fines and forfeitures	234,142	-	234,142
Grants	342,214	-	342,214
Hotel occupancy tax	5,407,667	-	5,407,667
Investment and other	1,074,849	476,887	1,551,736
Contributions	61,932	114,306	176,238
Total revenues	<u>7,706,771</u>	<u>591,193</u>	<u>8,297,964</u>
<b>Expenditures -</b>			
Current -			
General government	630,258	-	630,258
Public safety	702,954	-	702,954
Culture and recreation	2,068,253	-	2,068,253
Capital projects	-	11,233,529	11,233,529
Total expenditures	<u>3,401,465</u>	<u>11,233,529</u>	<u>14,634,994</u>
Excess (deficiency) of revenues over expenditures	<u>4,305,306</u>	<u>(10,642,336)</u>	<u>(6,337,030)</u>
<b>Other financing sources (uses) -</b>			
Transfers in	405,808	9,650,000	10,055,808
Transfers out	<u>(3,427,000)</u>	<u>(7,316)</u>	<u>(3,434,316)</u>
Total other financing sources (uses)	<u>(3,021,192)</u>	<u>9,642,684</u>	<u>6,621,492</u>
Net change in fund balances	1,284,114	(999,652)	284,462
<b>Fund balances, October 1, 2015</b>	<u>13,351,826</u>	<u>4,336,844</u>	<u>17,688,670</u>
<b>Fund balances, September 30, 2016</b>	<u><u>\$ 14,635,940</u></u>	<u><u>\$ 3,337,192</u></u>	<u><u>\$ 17,973,132</u></u>



## NONMAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds account for specific resources, other than major capital projects that are restricted to expenditures for specified purposes.

**Hotel – Motel Occupancy Tax Fund** – To account for the levy and use of the hotel – motel bed tax received. Proceeds from this tax are to be used toward tourism, community events, cultural enhancements and promotion of the City.

**Hotel – Motel Occupancy Venue Tax Fund** – To account for the levy and use of the hotel – motel bed venue tax received. Proceeds from this tax are to be used toward the construction and maintenance of a sports venue that will prompt tourism and promotion of the City.

**Police Fund** – To account for amounts received through drug enforcement actions.

**Municipal Court Fund** – To account for amounts received through child safety fines, court security, and court technology fees.

**Landscape Fund** – To account for amounts received through the City's landscape ordinance.

**Community Development Block Grant Fund** – To account for grant monies received for programs benefiting persons of low to moderate income.

**Library Fund** – To account for contributions received designated to specific programs for the City's library.

**Public Education & Government Fund** – To account for amounts received for programs to provide public education in government.

**Traffic Safety Program Fund** – To account for amounts received to promote traffic safety programs.

**CITY OF ROUND ROCK, TEXAS  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2016**

	Hotel-Motel Occupancy Tax	Hotel-Motel Occupancy Venue Tax	Police	Municipal Court
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 1,228,450	\$ 550,379	\$ 21,210	\$ 50,260
Investments	7,229,678	3,223,498	124,820	295,788
Receivables -				
Accounts and other	354,405	101,257	-	-
Accrued interest	10,239	4,601	474	460
Interfund	-	-	-	-
Grants	-	-	-	-
Total assets	<u>\$ 8,822,772</u>	<u>\$ 3,879,735</u>	<u>\$ 146,504</u>	<u>\$ 346,508</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities -				
Accounts payable	\$ 2,658	\$ 30,004	\$ 7,163	\$ -
Accrued payroll	10,108	6,027	-	-
Total liabilities	<u>12,766</u>	<u>36,031</u>	<u>7,163</u>	<u>-</u>
Fund balances -				
Restricted - hotel-motel tax	8,810,006	3,843,704	-	-
Restricted - public safety	-	-	139,341	346,508
Committed	-	-	-	-
Total fund balances	<u>8,810,006</u>	<u>3,843,704</u>	<u>139,341</u>	<u>346,508</u>
Total liabilities and fund balances	<u>\$ 8,822,772</u>	<u>\$ 3,879,735</u>	<u>\$ 146,504</u>	<u>\$ 346,508</u>

<u>Landscape</u>	<u>Community Development Block Grant</u>	<u>Library</u>	<u>Public Education &amp; Government</u>	<u>Traffic Safety Program</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 35,167	\$ -	\$ 1,782	\$ 156,826	\$ 16,694	\$ 2,060,768
206,961	-	10,485	922,952	98,249	12,112,431
-	-	-	-	-	455,662
302	-	15	1,381	-	17,472
-	-	-	-	75,932	75,932
-	155,550	-	-	-	155,550
<u>\$ 242,430</u>	<u>\$ 155,550</u>	<u>\$ 12,282</u>	<u>\$ 1,081,159</u>	<u>\$ 190,875</u>	<u>\$ 14,877,815</u>
\$ 30,350	\$ 155,550	\$ 15	\$ -	\$ -	\$ 225,740
-	-	-	-	-	16,135
<u>30,350</u>	<u>155,550</u>	<u>15</u>	<u>-</u>	<u>-</u>	<u>241,875</u>
-	-	-	-	-	12,653,710
-	-	-	-	190,875	676,724
212,080	-	12,267	1,081,159	-	1,305,506
<u>212,080</u>	<u>-</u>	<u>12,267</u>	<u>1,081,159</u>	<u>190,875</u>	<u>14,635,940</u>
<u>\$ 242,430</u>	<u>\$ 155,550</u>	<u>\$ 12,282</u>	<u>\$ 1,081,159</u>	<u>\$ 190,875</u>	<u>\$ 14,877,815</u>

**CITY OF ROUND ROCK, TEXAS  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
YEAR ENDED SEPTEMBER 30, 2016**

	Hotel-Motel Occupancy Tax	Hotel-Motel Occupancy Venue Tax	Police	Municipal Court
<b>Revenues -</b>				
Taxes and franchise	\$ -	\$ -	\$ -	\$ -
Licenses, permits and fees	-	-	-	-
Charges for services	-	315,673	-	-
Fines and forfeitures	-	-	161,075	73,067
Grants	-	-	-	-
Hotel occupancy tax	4,205,966	1,201,701	-	-
Investment and other	45,462	982,541	37,497	1,985
Contributions	-	61,396	-	-
Total revenues	<u>4,251,428</u>	<u>2,561,311</u>	<u>198,572</u>	<u>75,052</u>
<b>Expenditures -</b>				
Current -				
General government	-	-	-	174,047
Public safety	-	-	702,812	-
Culture and recreation	711,613	1,354,892	-	-
Total expenditures	<u>711,613</u>	<u>1,354,892</u>	<u>702,812</u>	<u>174,047</u>
Excess (deficiency) of revenues over expenditures	<u>3,539,815</u>	<u>1,206,419</u>	<u>(504,240)</u>	<u>(98,995)</u>
<b>Other financing sources (uses) -</b>				
Transfers in	-	400,000	-	-
Transfers out	<u>(3,056,000)</u>	<u>(371,000)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(3,056,000)</u>	<u>29,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	483,815	1,235,419	(504,240)	(98,995)
<b>Fund balances, October 1, 2015</b>	<u>8,326,191</u>	<u>2,608,285</u>	<u>643,581</u>	<u>445,503</u>
<b>Fund balances, September 30, 2016</b>	<u><u>\$ 8,810,006</u></u>	<u><u>\$ 3,843,704</u></u>	<u><u>\$ 139,341</u></u>	<u><u>\$ 346,508</u></u>



Landscape	Community Development Block Grant	Library	Public Education & Government	Traffic Safety Program	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ 264,969	\$ -	\$ 264,969
5,325	-	-	-	-	5,325
-	-	-	-	-	315,673
-	-	-	-	-	234,142
-	342,214	-	-	-	342,214
-	-	-	-	-	5,407,667
1,374	-	65	5,925	-	1,074,849
-	-	536	-	-	61,932
6,699	342,214	601	270,894	-	7,706,771
67,285	342,214	-	46,712	-	630,258
-	-	-	-	142	702,954
-	-	1,748	-	-	2,068,253
67,285	342,214	1,748	46,712	142	3,401,465
(60,586)	-	(1,147)	224,182	(142)	4,305,306
-	-	-	-	5,808	405,808
-	-	-	-	-	(3,427,000)
-	-	-	-	5,808	(3,021,192)
(60,586)	-	(1,147)	224,182	5,666	1,284,114
272,666	-	13,414	856,977	185,209	13,351,826
\$ 212,080	\$ -	\$ 12,267	\$ 1,081,159	\$ 190,875	\$ 14,635,940



## NONMAJOR CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources to be used for major capital projects (other than those financed by the proprietary fund). General obligation bonds are the primary funding source for capital projects.

**Streets and Drainage Fund** - To account for street and drainage improvements in the Arterial II section of the City. Financing is provided by general government resources.

**2007 General Obligation Bonds Fund** – To account for street, traffic safety and sidewalk improvement projects, improvements and equipment for police, fire and municipal office facilities.

**2004 General Obligation Bonds Fund** – To account for street, traffic safety and sidewalk improvement projects, improvements and equipment for police, fire and municipal office facilities.

**Park Development Fund** – To account for the development of and improvements to various neighborhood parks. Financing is provided by general government resources.

**2002 General Obligation Bonds Fund** – To account for costs of public service and public safety facilities and streets and related improvements.

**Convention Center Complex Fund** – To account for construction and expansion of convention center complex. Funding is provided by the 1999 Series Hotel Tax Revenue Bonds, hotel tax revenues and private contributions.

**Round Rock Transportation and Economic Development Corporation Project Fund** – To account for construction and expansion of the City's transportation system. Funding is provided by the 2015 Series Sales Tax Revenue Refunding Bonds, sales tax revenue, and private contributions.

**Tourism Development Fund** – To account for the development of tourism. Funding is provided by hotel tax revenues.

**CITY OF ROUND ROCK, TEXAS  
NONMAJOR CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2016**

	Streets and Drainage	2007 General Obligation Bonds	2004 General Obligation Bonds
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 167,286	\$ -	\$ -
Investments	984,511	-	-
Receivables -			
Accrued interest	1,453	-	-
Interfund	-	-	-
Restricted assets -			
Cash and cash equivalents	-	32,899	84,629
Restricted investments	-	18,912	280,027
Restricted accrued interest	-	-	-
Total assets	<u>\$ 1,153,250</u>	<u>\$ 51,811</u>	<u>\$ 364,656</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities -			
Accounts payable	\$ 1,055	\$ 38,169	\$ 15,237
Interfund payables	-	-	-
Deferred revenue	-	-	-
Total liabilities	<u>1,055</u>	<u>38,169</u>	<u>15,237</u>
Fund balances -			
Restricted - authorized construction	-	13,642	349,419
Committed	1,152,195	-	-
Total fund balances	<u>1,152,195</u>	<u>13,642</u>	<u>349,419</u>
Total liabilities and fund balances	<u>\$ 1,153,250</u>	<u>\$ 51,811</u>	<u>\$ 364,656</u>

Park Development	2002 General Obligation Bonds	Convention Center Complex	Round Rock Transportation and Economic Development Corporation Project	Tourism Development	Total Nonmajor Capital Projects Funds
\$ 174,317	\$ -	\$ -	\$ -	\$ -	\$ 341,603
1,025,894	-	-	-	-	2,010,405
1,370	-	-	-	-	2,823
-	-	-	1,500,000	-	1,500,000
-	7,201	80,188	19,070	55,826	279,813
-	115	471,923	112,235	328,546	1,211,758
-	-	788	-	485	1,273
<u>\$ 1,201,581</u>	<u>\$ 7,316</u>	<u>\$ 552,899</u>	<u>\$ 1,631,305</u>	<u>\$ 384,857</u>	<u>\$ 5,347,675</u>
\$ -	\$ -	\$ 126,340	\$ 819,428	\$ 82,784	\$ 1,083,013
-	7,316	-	-	-	7,316
<u>920,154</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>920,154</u>
<u>920,154</u>	<u>7,316</u>	<u>126,340</u>	<u>819,428</u>	<u>82,784</u>	<u>2,010,483</u>
-	-	426,559	811,877	302,073	1,903,570
<u>281,427</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,433,622</u>
<u>281,427</u>	<u>-</u>	<u>426,559</u>	<u>811,877</u>	<u>302,073</u>	<u>3,337,192</u>
<u>\$ 1,201,581</u>	<u>\$ 7,316</u>	<u>\$ 552,899</u>	<u>\$ 1,631,305</u>	<u>\$ 384,857</u>	<u>\$ 5,347,675</u>

**CITY OF ROUND ROCK, TEXAS  
NONMAJOR CAPITAL PROJECTS FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
YEAR ENDED SEPTEMBER 30, 2016**

	Streets and Drainage	2007 General Obligation Bonds	2004 General Obligation Bonds
<b>Revenues -</b>			
Investment and other	\$ 6,369	\$ -	\$ -
Contributions	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>6,369</u>	<u>-</u>	<u>-</u>
<b>Expenditures -</b>			
Capital projects	<u>-</u>	<u>15,871</u>	<u>111,613</u>
Total expenditures	<u>-</u>	<u>15,871</u>	<u>111,613</u>
Excess (deficiency) of revenues over expenditures	<u>6,369</u>	<u>(15,871)</u>	<u>(111,613)</u>
<b>Other financing sources (uses) -</b>			
Transfers in	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	6,369	(15,871)	(111,613)
<b>Fund balances, October 1, 2015</b>	<u>1,145,826</u>	<u>29,513</u>	<u>461,032</u>
<b>Fund balances, September 30, 2016</b>	<u><u>\$ 1,152,195</u></u>	<u><u>\$ 13,642</u></u>	<u><u>\$ 349,419</u></u>

Park Development	2002 General Obligation Bonds	Convention Center Complex	Round Rock Transportation and Economic Development Corporation Project	Tourism Development	Total Nonmajor Capital Projects Funds
\$ 11,421	\$ -	\$ 459,065	\$ 32	\$ -	\$ 476,887
72,006	-	-	42,300	-	114,306
83,427	-	459,065	42,332	-	591,193
111,162	-	532,045	8,784,918	1,677,920	11,233,529
111,162	-	532,045	8,784,918	1,677,920	11,233,529
(27,735)	-	(72,980)	(8,742,586)	(1,677,920)	(10,642,336)
-	-	350,000	7,700,000	1,600,000	9,650,000
-	(7,316)	-	-	-	(7,316)
-	(7,316)	350,000	7,700,000	1,600,000	9,642,684
(27,735)	(7,316)	277,020	(1,042,586)	(77,920)	(999,652)
309,162	7,316	149,539	1,854,463	379,993	4,336,844
<u>\$ 281,427</u>	<u>\$ -</u>	<u>\$ 426,559</u>	<u>\$ 811,877</u>	<u>\$ 302,073</u>	<u>\$ 3,337,192</u>





**SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL**

**GENERAL, DEBT SERVICE  
AND NONMAJOR SPECIAL REVENUE FUNDS**

**CITY OF ROUND ROCK, TEXAS  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2016  
WITH COMPARATIVE TOTALS FOR YEAR ENDED SEPTEMBER 30, 2015**

	<u>Budgeted Amounts</u>			<u>Variance - Positive (Negative)</u>	<u>2015 Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>		
<b>Revenues -</b>					
Taxes and franchise -					
Property tax	\$ 26,550,000	\$ 26,550,000	\$ 27,017,296	\$ 467,296	\$ 25,416,409
Penalty and interest	90,000	90,000	75,044	(14,956)	80,666
Sales tax	48,445,000	48,445,000	50,505,090	2,060,090	50,715,636
Franchise	6,900,000	6,900,000	6,910,979	10,979	6,991,328
Bingo tax	36,000	36,000	38,759	2,759	37,250
Mixed drink tax	440,000	440,000	527,953	87,953	478,528
Total taxes and franchise	82,461,000	82,461,000	85,075,121	2,614,121	83,719,817
Licenses, permits and fees -					
Building permits	435,000	435,000	614,937	179,937	531,993
Other permits	52,060	52,060	50,533	(1,527)	50,625
Fees	545,100	545,100	1,172,838	627,738	1,065,656
Total licenses, permits, and fees	1,032,160	1,032,160	1,838,308	806,148	1,648,274
Charges for services -					
Trash collection fees	1,303,000	1,303,000	1,297,118	(5,882)	1,335,075
Swimming pool fees	913,000	913,000	1,090,494	177,494	449,066
Recreation program fees	1,905,000	1,905,000	2,264,562	359,562	2,253,399
Filing and reproduction fees	25,000	25,000	27,410	2,410	26,450
Other	143,000	143,000	177,208	34,208	181,320
Total charges for services	4,289,000	4,289,000	4,856,792	567,792	4,245,310
Fines and forfeitures	2,065,000	2,065,000	1,339,334	(725,666)	2,021,086
Grants	377,000	377,000	470,988	93,988	549,079
Investment and other -					
Investment income	301,000	301,000	373,585	72,585	265,991
Other	3,662,010	3,662,010	5,132,945	1,470,935	4,227,095
Total investment and other	3,963,010	3,963,010	5,506,530	1,543,520	4,493,086
Total revenues	94,187,170	94,187,170	99,087,073	4,899,903	96,676,652

**CITY OF ROUND ROCK, TEXAS  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2016  
WITH COMPARATIVE TOTALS FOR YEAR ENDED SEPTEMBER 30, 2015**

	<u>Budgeted Amounts</u>			<u>Variance - Positive (Negative)</u>	<u>2015 Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>		
<b>Expenditures -</b>					
Current -					
General government					
Executive -					
Personnel services	\$ 11,093,283	\$ 10,434,783	\$ 10,128,213	\$ 306,570	\$ 9,678,944
Contractual services	4,615,395	4,575,810	3,879,733	696,077	3,805,586
Supplies and materials	1,032,386	1,024,971	713,094	311,877	608,013
Other services and charges	8,619,690	8,577,990	8,168,563	409,427	8,192,627
Capital outlay	93,000	97,200	65,568	31,632	102,155
Total executive	<u>25,453,754</u>	<u>24,710,754</u>	<u>22,955,171</u>	<u>1,755,583</u>	<u>22,387,325</u>
Judicial -					
Personnel services	724,046	740,221	740,218	3	724,868
Contractual services	62,467	46,292	46,024	268	53,357
Supplies and materials	19,725	19,725	15,810	3,915	11,103
Other services and charges	10,925	10,925	6,911	4,014	6,946
Total judicial	<u>817,163</u>	<u>817,163</u>	<u>808,963</u>	<u>8,200</u>	<u>796,274</u>
Total general government	<u>26,270,917</u>	<u>25,527,917</u>	<u>23,764,134</u>	<u>1,763,783</u>	<u>23,183,599</u>
Public safety					
Police -					
Personnel services	23,868,785	24,118,785	23,639,739	479,046	22,329,995
Contractual services	1,543,421	1,565,503	903,824	661,679	1,291,709
Supplies and materials	1,804,913	1,823,338	1,348,856	474,482	1,329,215
Other services and charges	1,162,380	1,096,490	937,028	159,462	973,392
Capital outlay	10,000	10,000	8,495	1,505	806,849
Total police	<u>28,389,499</u>	<u>28,614,116</u>	<u>26,837,942</u>	<u>1,776,174</u>	<u>26,731,160</u>
Fire -					
Personnel services	14,733,346	15,216,101	15,216,099	2	14,452,908
Contractual services	371,445	339,590	339,587	3	335,017
Supplies and materials	963,190	1,059,085	1,059,084	1	970,663
Other services and charges	183,134	156,444	156,440	4	150,003
Capital outlay	116,000	76,775	76,775	-	125,538
Total fire	<u>16,367,115</u>	<u>16,847,995</u>	<u>16,847,985</u>	<u>10</u>	<u>16,034,129</u>
Total public safety	<u>44,756,614</u>	<u>45,462,111</u>	<u>43,685,927</u>	<u>1,776,184</u>	<u>42,765,289</u>

**CITY OF ROUND ROCK, TEXAS  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2016  
WITH COMPARATIVE TOTALS FOR YEAR ENDED SEPTEMBER 30, 2015**

	<u>Budgeted Amounts</u>			<u>Variance - Positive (Negative)</u>	<u>2015 Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>		
<b>Expenditures - (cont'd)</b>					
Current - (cont'd)					
Public works					
Administration -					
Personnel services	\$ 3,138,114	\$ 3,236,234	\$ 3,236,231	\$ 3	\$ 3,253,278
Contractual services	166,220	147,470	128,934	18,536	141,442
Supplies and materials	864,862	778,744	720,639	58,105	731,880
Other services and charges	586,790	813,390	813,386	4	829,378
Capital outlay	20,000	32,050	31,975	75	9,146
Total administration	<u>4,775,986</u>	<u>5,007,888</u>	<u>4,931,165</u>	<u>76,723</u>	<u>4,965,124</u>
Streets -					
Personnel services	2,136,243	2,086,623	1,937,976	148,647	1,815,908
Contractual services	3,477,040	1,469,040	1,400,444	68,596	1,406,278
Supplies and materials	871,785	823,185	733,937	89,248	783,108
Other services and charges	45,153	45,153	17,880	27,273	12,557
Capital outlay	421,000	421,000	232,429	188,571	560,931
Total streets	<u>6,951,221</u>	<u>4,845,001</u>	<u>4,322,666</u>	<u>522,335</u>	<u>4,578,782</u>
Maintenance shop -					
Personnel services	1,250,147	1,230,192	1,225,516	4,676	1,134,414
Contractual services	43,973	43,973	37,029	6,944	36,489
Supplies and materials	120,921	129,306	129,303	3	107,384
Other services and charges	21,375	22,945	22,940	5	26,959
Total maintenance shop	<u>1,436,416</u>	<u>1,426,416</u>	<u>1,414,788</u>	<u>11,628</u>	<u>1,305,246</u>
Total public works	<u>13,163,623</u>	<u>11,279,305</u>	<u>10,668,619</u>	<u>610,686</u>	<u>10,849,152</u>

**CITY OF ROUND ROCK, TEXAS  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2016  
WITH COMPARATIVE TOTALS FOR YEAR ENDED SEPTEMBER 30, 2015**

	<u>Budgeted Amounts</u>			<u>Variance - Positive (Negative)</u>	<u>2015 Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>		
<b>Expenditures - (cont'd)</b>					
Current - (cont'd)					
Culture and recreation					
Library -					
Personnel services	\$ 1,892,410	\$ 1,945,335	\$ 1,940,132	\$ 5,203	\$ 1,896,201
Contractual services	149,625	133,675	132,561	1,114	144,391
Supplies and materials	374,216	328,941	328,935	6	326,195
Other services and charges	175,333	201,633	201,632	1	157,793
Total library	<u>2,591,584</u>	<u>2,609,584</u>	<u>2,603,260</u>	<u>6,324</u>	<u>2,524,580</u>
Parks and recreation -					
Personnel services	6,925,643	7,023,783	6,877,096	146,687	6,424,785
Contractual services	1,866,818	1,688,578	1,637,709	50,869	1,717,010
Supplies and materials	1,454,122	1,471,242	1,471,239	3	1,441,706
Other services and charges	262,185	314,165	314,164	1	280,480
Capital outlay	97,000	108,000	107,243	757	452,843
Total parks and recreation	<u>10,605,768</u>	<u>10,605,768</u>	<u>10,407,451</u>	<u>198,317</u>	<u>10,316,824</u>
Total culture and recreation	<u>13,197,352</u>	<u>13,215,352</u>	<u>13,010,711</u>	<u>204,641</u>	<u>12,841,404</u>
Total expenditures	<u>97,388,506</u>	<u>95,484,685</u>	<u>91,129,391</u>	<u>4,355,294</u>	<u>89,639,444</u>
Excess (deficiency) of revenues over expenditures	<u>(3,201,336)</u>	<u>(1,297,515)</u>	<u>7,957,682</u>	<u>9,255,197</u>	<u>7,037,208</u>
<b>Other financing sources (uses) -</b>					
Issuance of lease	-	-	-	-	1,327,490
Transfers in	3,290,000	3,290,000	3,290,000	-	3,290,000
Transfers out	<u>-</u>	<u>(9,155,808)</u>	<u>(9,155,808)</u>	<u>-</u>	<u>(70,124)</u>
Total other financing sources (uses)	<u>3,290,000</u>	<u>(5,865,808)</u>	<u>(5,865,808)</u>	<u>-</u>	<u>4,547,366</u>
Net change in fund balances	<u>\$ 88,664</u>	<u>\$ (7,163,323)</u>	<u>2,091,874</u>	<u>\$ 9,255,197</u>	<u>11,584,574</u>
<b>Fund balance, October 1, 2015</b>			<u>50,708,210</u>		<u>39,123,636</u>
<b>Fund balance, September 30, 2016</b>			<u>\$ 52,800,084</u>		<u>\$ 50,708,210</u>

**CITY OF ROUND ROCK, TEXAS**  
**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**YEAR ENDED SEPTEMBER 30, 2016**

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
<b>Revenues -</b>				
Taxes and franchise	\$ 16,562,000	\$ 16,562,000	\$ 17,036,313	\$ 474,313
Investment and other	5,000	5,000	44,422	39,422
Total revenues	16,567,000	16,567,000	17,080,735	513,735
<b>Expenditures -</b>				
Debt service -				
Principal retirement	13,950,521	13,950,521	13,463,922	486,599
Interest and fiscal charges	9,723,874	9,723,874	9,641,498	82,376
Issuance costs	229,245	229,245	229,245	-
Total expenditures	23,903,640	23,903,640	23,334,665	568,975
Excess (deficiency) of revenues over expenditures	(7,336,640)	(7,336,640)	(6,253,930)	1,082,710
<b>Other financing sources (uses) -</b>				
Issuance of refunding bonds	11,450,000	11,450,000	11,450,000	-
Issuance of premium	1,094,690	1,094,690	1,094,690	-
Payment to refunding agent	(12,309,895)	(12,309,895)	(12,309,895)	-
Transfers in	6,910,000	6,910,000	6,417,000	(493,000)
Total other financing sources (uses)	7,144,795	7,144,795	6,651,795	(493,000)
Net change in fund balances	\$ (191,845)	\$ (191,845)	397,865	\$ 589,710
<b>Fund balance, October 1, 2015</b>			2,351,780	
<b>Fund balance, September 30, 2016</b>			\$ 2,749,645	

**CITY OF ROUND ROCK, TEXAS  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
HOTEL-MOTEL OCCUPANCY TAX FUND  
YEAR ENDED SEPTEMBER 30, 2016**

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
<b>Revenues -</b>				
Hotel occupancy tax	\$ 3,708,000	\$ 3,708,000	\$ 4,205,966	\$ 497,966
Investment and other	8,000	8,000	45,462	37,462
Total revenues	<u>3,716,000</u>	<u>3,716,000</u>	<u>4,251,428</u>	<u>535,428</u>
<b>Expenditures -</b>				
Current -				
Culture and recreation-				
Personnel services	293,338	293,338	272,335	21,003
Contractual services	328,837	328,837	229,692	99,145
Supplies and materials	20,780	20,780	8,908	11,872
Other services and charges	<u>405,000</u>	<u>405,000</u>	<u>200,678</u>	<u>204,322</u>
Total expenditures	<u>1,047,955</u>	<u>1,047,955</u>	<u>711,613</u>	<u>336,342</u>
Excess of revenues over expenditures	<u>2,668,045</u>	<u>2,668,045</u>	<u>3,539,815</u>	<u>871,770</u>
<b>Other financing sources (uses) -</b>				
Transfers out	<u>(1,452,000)</u>	<u>(3,056,000)</u>	<u>(3,056,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,452,000)</u>	<u>(3,056,000)</u>	<u>(3,056,000)</u>	<u>-</u>
Net change in fund balances	<u>\$ 1,216,045</u>	<u>\$ (387,955)</u>	483,815	<u>\$ 871,770</u>
<b>Fund balance, October 1, 2015</b>			<u>8,326,191</u>	
<b>Fund balance, September 30, 2016</b>			<u>\$ 8,810,006</u>	

**CITY OF ROUND ROCK, TEXAS  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
HOTEL-MOTEL OCCUPANCY VENUE TAX FUND  
YEAR ENDED SEPTEMBER 30, 2016**

	Budgeted Amounts			Variance -
	Original	Final	Actual	Positive (Negative)
<b>Revenues -</b>				
Charges for services	\$ 245,030	\$ 245,030	\$ 315,673	\$ 70,643
Hotel occupancy tax	1,030,000	1,030,000	1,201,701	171,701
Investment and other	482,095	482,095	982,541	500,446
Contributions	52,000	52,000	61,396	9,396
Total revenues	1,809,125	1,809,125	2,561,311	752,186
<b>Expenditures -</b>				
Current -				
Culture and recreation -				
Personnel services	784,949	784,949	775,683	9,266
Contractual services	413,340	413,340	295,682	117,658
Supplies and materials	275,060	275,060	243,578	31,482
Other services and charges	88,100	88,100	39,949	48,151
Capital outlay	50,000	50,000	-	50,000
Total expenditures	1,611,449	1,611,449	1,354,892	256,557
Excess of revenues over expenditures	197,676	197,676	1,206,419	1,008,743
<b>Other financing sources (uses) -</b>				
Transfers in	400,000	400,000	400,000	-
Transfers out	(371,000)	(371,000)	(371,000)	-
Total other financing sources (uses)	29,000	29,000	29,000	-
Net change in fund balances	\$ 226,676	\$ 226,676	1,235,419	\$ 1,008,743
<b>Fund balance, October 1, 2015</b>			2,608,285	
<b>Fund balance, September 30, 2016</b>			\$ 3,843,704	



**CITY OF ROUND ROCK, TEXAS  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
POLICE FUND  
YEAR ENDED SEPTEMBER 30, 2016**

	Budgeted Amounts			Variance -
	Original	Final	Actual	Positive (Negative)
<b>Revenues -</b>				
Fines and forfeitures	\$ 240,000	\$ 240,000	\$ 161,075	\$ (78,925)
Investment and other	50	50	37,497	37,447
Total revenues	240,050	240,050	198,572	(41,478)
<b>Expenditures -</b>				
Current -				
Public safety -				
Supplies and materials	-	10,000	10,000	-
Other services and charges	61,284	61,284	61,283	1
Capital outlay	660,000	650,000	631,529	18,471
Total expenditures	721,284	721,284	702,812	18,472
Net change in fund balances	<u>\$ (481,234)</u>	<u>\$ (481,234)</u>	(504,240)	<u>\$ (23,006)</u>
<b>Fund balance, October 1, 2015</b>			643,581	
<b>Fund balance, September 30, 2016</b>			<u>\$ 139,341</u>	

**CITY OF ROUND ROCK, TEXAS  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
MUNICIPAL COURT FUND  
YEAR ENDED SEPTEMBER 30, 2016**

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
<b>Revenues -</b>				
Fines and forfeitures	\$ 99,000	\$ 99,000	\$ 73,067	\$ (25,933)
Investment and other	150	150	1,985	1,835
Total revenues	99,150	99,150	75,052	(24,098)
<b>Expenditures -</b>				
Current -				
General government -				
Supplies and materials	99,550	179,550	173,397	6,153
Other services and charges	265,130	185,130	650	184,480
Total expenditures	364,680	364,680	174,047	190,633
Excess (deficiency) of revenues over expenditures	(265,530)	(265,530)	(98,995)	166,535
<b>Other financing sources (uses) -</b>				
Transfers out	(75,000)	(75,000)	-	75,000
Total other financing sources (uses)	(75,000)	(75,000)	-	75,000
Net change in fund balances	<u>\$ (340,530)</u>	<u>\$ (340,530)</u>	(98,995)	<u>\$ 241,535</u>
<b>Fund balance, October 1, 2015</b>			445,503	
<b>Fund balance, September 30, 2016</b>			<u>\$ 346,508</u>	

**CITY OF ROUND ROCK, TEXAS  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
LANDSCAPE FUND  
YEAR ENDED SEPTEMBER 30, 2016**

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
<b>Revenues -</b>				
Licenses, permits and fees	\$ 35,000	\$ 35,000	\$ 5,325	\$ (29,675)
Investment and other	100	100	1,374	1,274
Contributions	1,000	1,000	-	(1,000)
Total revenues	36,100	36,100	6,699	(29,401)
<b>Expenditures -</b>				
Current -				
General government -				
Supplies and materials	139,662	139,662	67,285	72,377
Total expenditures	139,662	139,662	67,285	72,377
Net change in fund balances	<u>\$ (103,562)</u>	<u>\$ (103,562)</u>	(60,586)	<u>\$ 42,976</u>
<b>Fund balance, October 1, 2015</b>			272,666	
<b>Fund balance, September 30, 2016</b>			<u>\$ 212,080</u>	

**CITY OF ROUND ROCK, TEXAS  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
COMMUNITY DEVELOPMENT BLOCK GRANT  
YEAR ENDED SEPTEMBER 30, 2016**

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
<b>Revenues -</b>				
Grants	\$ 342,214	\$ 342,214	\$ 342,214	\$ -
Total revenues	342,214	342,214	342,214	-
<b>Expenditures -</b>				
Current -				
General government -				
Contractual services	158	158	158	-
Supplies and materials	21,910	21,910	21,910	-
Other services and charges	188,088	188,088	188,088	-
Capital outlay	132,058	132,058	132,058	-
Total expenditures	342,214	342,214	342,214	-
Net change in fund balances	\$ -	\$ -	-	\$ -
<b>Fund balance, October 1, 2015</b>			-	
<b>Fund balance, September 30, 2016</b>			\$ -	

**CITY OF ROUND ROCK, TEXAS  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
LIBRARY FUND  
YEAR ENDED SEPTEMBER 30, 2016**

	Budgeted Amounts			Variance -
	Original	Final	Actual	Positive (Negative)
<b>Revenues -</b>				
Investment and other	\$ 10	\$ 10	\$ 65	\$ 55
Contributions	3,000	3,000	536	(2,464)
Total revenues	3,010	3,010	601	(2,409)
<b>Expenditures -</b>				
Current -				
General government -				
Supplies and materials	2,400	2,400	1,748	652
Other services and charges	14,158	14,158	-	14,158
Total expenditures	16,558	16,558	1,748	14,810
Net change in fund balances	<u>\$ (13,548)</u>	<u>\$ (13,548)</u>	(1,147)	<u>\$ 12,401</u>
<b>Fund balance, October 1, 2015</b>			13,414	
<b>Fund balance, September 30, 2016</b>			<u>\$ 12,267</u>	

**CITY OF ROUND ROCK, TEXAS  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
PUBLIC EDUCATION & GOVERNMENT FUND  
YEAR ENDED SEPTEMBER 30, 2016**

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
<b>Revenues -</b>				
Taxes and franchise	\$ 240,000	\$ 240,000	\$ 264,969	\$ 24,969
Investment and other	50	50	5,925	5,875
Total revenues	<u>240,050</u>	<u>240,050</u>	<u>270,894</u>	<u>30,844</u>
<b>Expenditures -</b>				
Current -				
General Government -				
Capital outlay	<u>916,049</u>	<u>928,162</u>	<u>46,712</u>	<u>881,450</u>
Total expenditures	<u>916,049</u>	<u>928,162</u>	<u>46,712</u>	<u>881,450</u>
Net change in fund balances	<u>\$ (675,999)</u>	<u>\$ (688,112)</u>	224,182	<u>\$ 912,294</u>
<b>Fund balance, October 1, 2015</b>			<u>856,977</u>	
<b>Fund balance, September 30, 2016</b>			<u><u>\$ 1,081,159</u></u>	

**CITY OF ROUND ROCK, TEXAS  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
TRAFFIC SAFETY PROGRAM FUND  
YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures -</b>				
Current -				
Public safety	\$ 154,594	\$ 154,594	\$ 142	\$ 154,452
Total expenditures	154,594	154,594	142	154,452
<b>Other financing sources (uses) -</b>				
Transfers in	-	-	5,808	5,808
Total other financing sources (uses)	-	-	5,808	5,808
Net change in fund balances	<u>\$ (154,594)</u>	<u>\$ (154,594)</u>	5,666	<u>\$ 160,260</u>
<b>Fund balance, October 1, 2015</b>			185,209	
<b>Fund balance, September 30, 2016</b>			<u>\$ 190,875</u>	





## **STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**

### **AGENCY FUND**

Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

**CITY OF ROUND ROCK, TEXAS  
AGENCY FUND  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
PUBLIC IMPROVEMENT DISTRICTS  
YEAR ENDED SEPTEMBER 30, 2016**

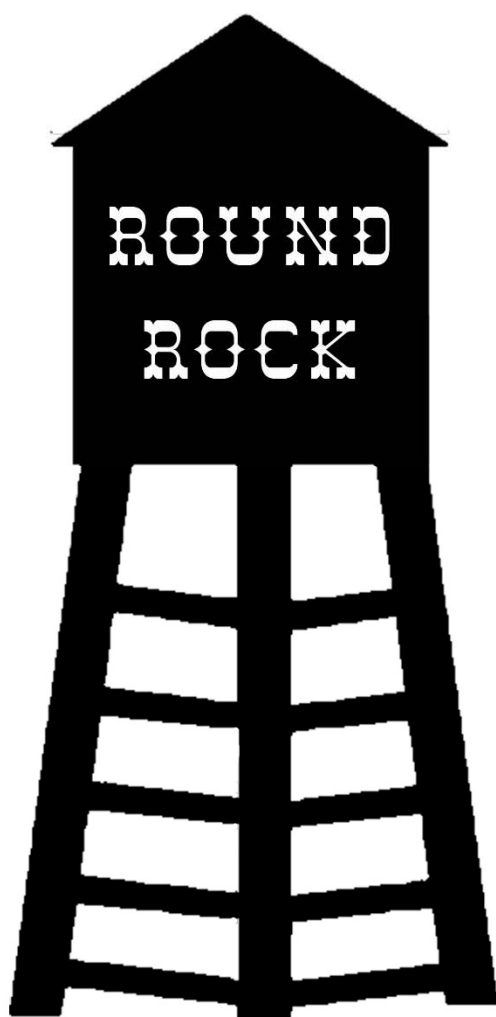
	Balances October 1, 2015	Additions	Deductions	Balances September 30, 2016
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 17,132	\$ -	\$ 17,132	\$ -
Total assets	<u>\$ 17,132</u>	<u>\$ -</u>	<u>\$ 17,132</u>	<u>\$ -</u>
<b><u>Liabilities</u></b>				
Due to participants	\$ 17,132	\$ -	\$ 17,132	\$ -
Total liabilities	<u>\$ 17,132</u>	<u>\$ -</u>	<u>\$ 17,132</u>	<u>\$ -</u>

**CAPITAL ASSETS  
USED IN THE OPERATION  
OF GOVERNMENTAL FUNDS**

**CITY OF ROUND ROCK, TEXAS**  
**SCHEDULE OF CAPITAL ASSETS - BY SOURCES**  
**SEPTEMBER 30, 2016**

Capital assets -	
Land	\$ 53,133,747
Construction in progress	59,653,890
Buildings and improvements	728,697,300
Equipment	<u>73,386,255</u>
	<u>\$ 914,871,192</u>
Investment in capital assets from -	
Capital projects funds -	
General obligation bonds	\$ 285,615,893
Federal grants	4,459,489
State grants	1,008,753
General fund revenues	151,625,293
Special revenue fund revenues	148,475,285
Hotel occupancy tax revenues	38,059,099
Gifts	284,910,471
Special assessments	<u>716,909</u>
	<u>\$ 914,871,192</u>

# STATISTICAL SECTION





**CITY OF ROUND ROCK, TEXAS  
STATISTICAL SECTION  
(UNAUDITED)**

This part of the City of Round Rock's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and supplementary information says about the City's overall financial health. This information has not been audited by the independent auditors.

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Revenue Capacity	
These schedules contain information to help the reader assess the City's significant local revenue sources, the property and sales tax.	154
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's currently outstanding debt and the City's ability to issue additional debt in the future.	162
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	169
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information contained in the City's financial report relates to the services the City provides and the activities it performs.	171

Sources: Unless otherwise noted, the information in these schedules is derived from the City's comprehensive annual financial reports for the relevant year.

**CITY OF ROUND ROCK, TEXAS**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(accrual basis of accounting)**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Governmental activities -				
Net investment in capital assets	\$ 232,909,510	\$ 212,133,161	\$ 244,059,034	\$ 248,153,129
Restricted	52,064,611	60,414,392	59,433,510	61,882,505
Unrestricted	<u>76,791,880</u>	<u>77,912,630</u>	<u>74,490,409</u>	<u>76,111,460</u>
Total governmental activities net position	<u>\$ 361,766,001</u>	<u>\$ 350,460,183</u>	<u>\$ 377,982,953</u>	<u>\$ 386,147,094</u>
Business-type activities -				
Net investment in capital assets	\$ 203,541,558	\$ 219,607,998	\$ 217,990,010	\$ 210,960,047
Restricted	21,938,288	14,376,789	15,571,119	9,125,932
Unrestricted	<u>46,122,809</u>	<u>53,228,109</u>	<u>66,770,620</u>	<u>85,930,757</u>
Total business-type activities net position	<u>\$ 271,602,655</u>	<u>\$ 287,212,896</u>	<u>\$ 300,331,749</u>	<u>\$ 306,016,736</u>
Primary government -				
Net investment in capital assets	\$ 436,451,068	\$ 431,741,159	\$ 462,049,044	\$ 459,113,176
Restricted	74,002,899	74,791,181	75,004,629	71,008,437
Unrestricted	<u>122,914,689</u>	<u>131,140,739</u>	<u>141,261,029</u>	<u>162,042,217</u>
Total primary government activities net position	<u>\$ 633,368,656</u>	<u>\$ 637,673,079</u>	<u>\$ 678,314,702</u>	<u>\$ 692,163,830</u>



<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$ 245,403,528	\$ 252,984,681	\$ 295,777,997	\$ 303,977,353	\$ 299,730,557	\$ 310,185,706
66,810,986	72,780,050	42,970,091	43,974,370	48,019,726	51,813,118
<u>77,864,804</u>	<u>76,870,782</u>	<u>74,833,175</u>	<u>44,713,408</u>	<u>53,355,360</u>	<u>52,451,939</u>
<u>\$ 390,079,318</u>	<u>\$ 402,635,513</u>	<u>\$ 413,581,263</u>	<u>\$ 392,665,131</u>	<u>\$ 401,105,643</u>	<u>\$ 414,450,763</u>
\$ 213,536,543	\$ 212,883,311	\$ 214,178,908	\$ 221,062,599	\$ 228,866,895	\$ 234,981,264
11,984,130	13,994,028	6,868,062	7,764,750	19,215,972	15,275,659
<u>95,693,542</u>	<u>104,985,805</u>	<u>116,650,981</u>	<u>114,901,064</u>	<u>110,519,279</u>	<u>126,490,054</u>
<u>\$ 321,214,215</u>	<u>\$ 331,863,144</u>	<u>\$ 337,697,951</u>	<u>\$ 343,728,413</u>	<u>\$ 358,602,146</u>	<u>\$ 376,746,977</u>
\$ 458,940,071	\$ 465,867,992	\$ 509,956,905	\$ 525,039,952	\$ 528,597,452	\$ 545,166,970
78,795,116	86,774,078	49,838,153	51,739,120	67,235,698	67,088,777
<u>173,558,346</u>	<u>181,856,587</u>	<u>191,484,156</u>	<u>159,614,472</u>	<u>163,874,639</u>	<u>178,941,993</u>
<u>\$ 711,293,533</u>	<u>\$ 734,498,657</u>	<u>\$ 751,279,214</u>	<u>\$ 736,393,544</u>	<u>\$ 759,707,789</u>	<u>\$ 791,197,740</u>

**CITY OF ROUND ROCK, TEXAS**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(accrual basis of accounting)**

	2007	2008	2009	2010
<b>Expenses:</b>				
Governmental activities -				
General government	\$ 21,823,415	\$ 24,154,706	\$ 24,856,934	\$ 27,064,905
Public safety	28,879,882	34,541,169	37,104,418	36,688,203
Public works	36,410,236	55,835,912	13,955,375	29,053,781
Culture and recreation	11,905,643	12,842,679	16,433,602	14,260,057
Interest on long-term debt	8,733,873	9,353,621	9,410,388	9,394,116
Issuance costs	-	-	-	-
Total governmental activities expenses	<u>107,753,049</u>	<u>136,728,087</u>	<u>101,760,717</u>	<u>116,461,062</u>
Business-type activities -				
Water and sewer utility	29,275,204	33,032,588	37,178,011	37,623,591
Golf course	167,906	185,659	182,521	192,595
Total business-type activities expenses	<u>29,443,110</u>	<u>33,218,247</u>	<u>37,360,532</u>	<u>37,816,186</u>
Total primary government expenses	<u>137,196,159</u>	<u>169,946,334</u>	<u>139,121,249</u>	<u>154,277,248</u>
<b>Program revenues:</b>				
Governmental activities -				
Charges for services -				
General government	1,766,153	1,941,519	3,820,455	3,927,379
Public safety	2,851,787	3,197,900	3,646,892	4,150,577
Public works	1,337,371	1,295,783	877,676	836,169
Culture and recreation	2,489,438	2,721,570	2,503,925	2,531,989
Operating grants and contributions	931,269	1,097,733	1,064,411	932,879
Capital grants and contributions	17,322,551	3,825,335	14,083,063	7,634,857
Total governmental activities program revenues	<u>26,698,569</u>	<u>14,079,840</u>	<u>25,996,422</u>	<u>20,013,850</u>
Business-type activities -				
Charges for services -				
Water and sewer utility	30,968,868	35,060,024	37,802,909	37,512,213
Golf course	476,025	474,353	485,972	349,424
Capital grants and contributions	24,381,521	13,967,314	12,490,491	6,014,265
Total business-type activities program revenues	<u>55,826,414</u>	<u>49,501,691</u>	<u>50,779,372</u>	<u>43,875,902</u>
Total primary government program revenues	<u>82,524,983</u>	<u>63,581,531</u>	<u>76,775,794</u>	<u>63,889,752</u>
Net (expense) revenue -				
Governmental activities	(81,054,480)	(122,648,247)	(75,764,295)	(96,447,212)
Business-type activities	26,383,304	16,283,444	13,418,840	6,059,716
Total primary government net expense	<u>(54,671,176)</u>	<u>(106,364,803)</u>	<u>(62,345,455)</u>	<u>(90,387,496)</u>

	2011	2012	2013	2014	2015	2016
\$	28,487,648	\$ 30,406,768	\$ 27,923,780	\$ 28,050,936	\$ 27,917,481	\$ 28,204,761
	39,140,352	40,944,978	41,842,363	45,283,826	45,236,987	49,439,902
	36,442,333	29,295,041	31,215,489	33,537,533	33,412,841	33,448,357
	14,514,561	15,069,456	15,702,435	18,024,001	19,202,557	20,885,009
	8,608,399	7,144,755	6,915,772	8,478,700	8,118,490	8,294,279
	-	-	-	-	942,596	229,245
	127,193,293	122,860,998	123,599,839	133,374,996	134,830,952	140,501,553
	38,602,875	38,842,107	42,657,792	44,605,155	46,069,705	47,947,818
	174,149	157,135	141,153	71,090	144,993	133,270
	38,777,024	38,999,242	42,798,945	44,676,245	46,214,698	48,081,088
	165,970,317	161,860,240	166,398,784	178,051,241	181,045,650	188,582,641
	3,519,857	3,104,355	2,822,715	2,559,380	2,168,842	2,258,333
	4,295,283	4,215,243	3,248,867	2,652,480	2,461,782	1,669,550
	2,032,530	2,760,386	2,942,382	726,785	749,524	742,437
	3,136,422	2,737,969	2,844,842	3,032,109	3,288,970	3,919,254
	1,130,628	1,135,386	829,367	1,042,301	1,199,574	946,604
	9,257,876	9,782,214	5,310,541	5,901,038	4,234,018	8,013,039
	23,372,596	23,735,553	17,998,714	15,914,093	14,102,710	17,549,217
	44,922,715	43,327,656	43,094,185	43,705,878	45,898,090	48,653,788
	431,413	480,116	522,169	382,081	320,846	360,371
	9,518,890	7,533,264	6,514,369	10,226,302	17,742,568	19,607,086
	54,873,018	51,341,036	50,130,723	54,314,261	63,961,504	68,621,245
	78,245,614	75,076,589	68,129,437	70,228,354	78,064,214	86,170,462
	(103,820,697)	(99,125,445)	(105,601,125)	(117,460,903)	(120,728,242)	(122,952,336)
	16,095,994	12,341,794	7,331,778	9,638,016	17,746,806	20,540,157
	(87,724,703)	(86,783,651)	(98,269,347)	(107,822,887)	(102,981,436)	(102,412,179)

(CONTINUED)

**CITY OF ROUND ROCK, TEXAS  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>General revenues and other changes in net position:</b>				
Governmental activities -				
Taxes -				
Property	\$ 24,409,535	\$ 27,560,939	\$ 29,867,765	\$ 33,040,085
Franchise	5,499,222	5,748,333	6,213,263	5,934,540
Sales	67,924,755	64,038,208	58,777,622	59,545,288
Hotel occupancy	2,838,689	2,939,352	2,394,145	2,291,326
Public service	257,384	286,179	315,739	327,723
Investment earnings	9,912,657	8,220,228	4,112,703	1,365,802
Miscellaneous	152,805	257,495	-	-
Transfers	1,668,221	2,291,695	1,605,828	2,106,589
	<u>112,663,268</u>	<u>111,342,429</u>	<u>103,287,065</u>	<u>104,611,353</u>
Total governmental activities				
Business-type activities -				
Investment earnings	1,055,364	1,618,492	1,305,841	1,731,860
Transfers	<u>(1,668,221)</u>	<u>(2,291,695)</u>	<u>(1,605,828)</u>	<u>(2,106,589)</u>
Total business-type activities	<u>(612,857)</u>	<u>(673,203)</u>	<u>(299,987)</u>	<u>(374,729)</u>
Total primary government	<u>112,050,411</u>	<u>110,669,226</u>	<u>102,987,078</u>	<u>104,236,624</u>
<b>Change in net position:</b>				
Governmental activities	31,608,788	(11,305,818)	27,522,770	8,164,141
Business-type activities	<u>25,770,447</u>	<u>15,610,241</u>	<u>13,118,853</u>	<u>5,684,987</u>
Total primary government	<u>\$ 57,379,235</u>	<u>\$ 4,304,423</u>	<u>\$ 40,641,623</u>	<u>\$ 13,849,128</u>

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$ 33,578,991	\$ 34,379,529	\$ 34,979,578	\$ 36,502,409	\$ 39,932,573	\$ 44,239,067
6,221,790	6,326,735	5,952,712	6,460,448	7,255,212	7,175,948
61,734,643	63,305,917	66,216,447	68,462,292	67,620,848	67,340,120
2,684,046	3,252,542	4,140,920	4,646,208	5,083,556	5,407,667
352,159	316,320	347,846	477,606	515,778	566,712
988,222	1,635,630	2,026,554	1,882,139	5,020,786	7,957,942
-	-	-	-	-	-
<u>2,193,070</u>	<u>2,464,967</u>	<u>2,882,818</u>	<u>1,800,895</u>	<u>3,740,000</u>	<u>3,610,000</u>
<u>107,752,921</u>	<u>111,681,640</u>	<u>116,546,875</u>	<u>120,231,997</u>	<u>129,168,753</u>	<u>136,297,456</u>
1,294,555	772,102	1,385,847	1,397,321	866,927	1,214,674
<u>(2,193,070)</u>	<u>(2,464,967)</u>	<u>(2,882,818)</u>	<u>(1,800,895)</u>	<u>(3,740,000)</u>	<u>(3,610,000)</u>
<u>(898,515)</u>	<u>(1,692,865)</u>	<u>(1,496,971)</u>	<u>(403,574)</u>	<u>(2,873,073)</u>	<u>(2,395,326)</u>
<u>106,854,406</u>	<u>109,988,775</u>	<u>115,049,904</u>	<u>119,828,423</u>	<u>126,295,680</u>	<u>133,902,130</u>
3,932,224	12,556,195	10,945,750	2,771,094	8,440,511	13,345,120
<u>15,197,479</u>	<u>10,648,929</u>	<u>5,834,807</u>	<u>9,234,442</u>	<u>14,873,733</u>	<u>18,144,831</u>
<u>\$ 19,129,703</u>	<u>\$ 23,205,124</u>	<u>\$ 16,780,557</u>	<u>\$ 12,005,536</u>	<u>\$ 23,314,244</u>	<u>\$ 31,489,951</u>

**CITY OF ROUND ROCK, TEXAS**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(modified accrual basis of accounting)**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b><i>Nonspendable -</i></b>				
Inventories, prepaids and other	\$ -	\$ -	\$ -	\$ -
<b><i>Restricted for -</i></b>				
Debt service	3,058,395	3,431,063	2,887,281	1,944,761
Authorized construction	116,277,182	104,541,402	90,000,407	88,064,514
Hotel-motel tax	5,191,941	6,368,822	7,005,856	7,314,509
Public safety	564,391	521,354	497,243	862,273
Community development	19,181	-	-	-
<b><i>Committed to -</i></b>				
Authorized construction	32,755,858	34,543,559	31,250,099	33,739,591
Drainage	-	-	-	-
Public education	-	-	-	-
Landscape improvements	388,111	788,440	574,093	571,705
Annexation fees	62,340	158,190	158,886	158,990
Library	14,815	15,164	14,302	11,176
Arterial II	-	-	-	-
Park Improvements	-	-	-	-
<b><i>Unassigned</i></b>	<u>36,689,422</u>	<u>36,415,765</u>	<u>36,785,055</u>	<u>36,857,155</u>
Total governmental funds	<u>\$ 195,021,636</u>	<u>\$ 186,783,759</u>	<u>\$ 169,173,222</u>	<u>\$ 169,524,674</u>

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$ 288,758	\$ 321,044	\$ 375,087	\$ 397,271	\$ 430,821	\$ 372,288
2,238,270	2,301,340	2,415,427	2,278,062	2,351,780	2,749,645
88,021,123	81,424,206	43,630,036	106,539,802	117,515,606	77,545,478
8,114,729	8,927,441	9,549,082	11,173,765	10,934,476	12,653,710
1,024,405	937,105	1,249,246	1,050,349	1,274,293	676,724
-	-	-	-	-	-
35,731,396	35,645,374	31,856,334	26,570,024	24,696,122	24,865,777
573,809	1,179,777	1,570,994	-	-	-
862,066	872,484	826,282	684,199	856,977	1,081,159
542,779	248,771	283,518	264,662	272,666	212,080
39,163	39,190	39,211	-	-	-
11,239	6,625	10,530	12,438	13,414	12,267
-	-	-	-	1,145,826	1,152,195
-	-	-	-	309,162	281,427
<u>36,238,854</u>	<u>36,912,381</u>	<u>38,604,781</u>	<u>38,726,365</u>	<u>50,277,389</u>	<u>52,427,796</u>
<u>\$ 173,686,591</u>	<u>\$ 168,815,738</u>	<u>\$ 130,410,528</u>	<u>\$ 187,696,937</u>	<u>\$ 210,078,532</u>	<u>\$ 174,030,546</u>

**CITY OF ROUND ROCK, TEXAS**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(modified accrual basis of accounting)**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Revenues -				
Taxes and franchise	\$ 97,889,771	\$ 97,759,902	\$ 95,097,743	\$ 98,990,298
Licenses, permits and fees	1,585,091	1,593,711	1,053,959	907,705
Charges for services	3,569,077	3,895,886	3,757,215	3,767,565
Fines and forfeitures	1,849,523	2,014,379	2,057,353	2,260,401
Intergovernmental	2,578,680	1,317,506	1,232,594	3,953,092
Hotel occupancy tax	2,986,136	2,939,352	2,394,145	2,291,326
Investment and other	11,424,988	9,977,103	8,406,513	3,652,629
Contributions	<u>826,807</u>	<u>2,094,375</u>	<u>1,729,637</u>	<u>972,641</u>
Total revenues	<u>122,710,073</u>	<u>121,592,214</u>	<u>115,729,159</u>	<u>116,795,657</u>
Expenditures -				
General government	22,105,269	22,858,670	22,640,290	22,874,155
Public safety	28,456,892	32,949,754	34,099,601	34,539,844
Public works	8,719,701	9,360,999	10,065,601	9,565,430
Culture and recreation	10,711,796	11,693,213	11,813,663	11,157,995
Capital projects	36,542,219	53,298,559	38,798,458	21,184,635
Debt service -				
Principal retirement	11,940,981	10,448,506	10,942,820	11,456,810
Interest and fiscal charges	7,052,015	9,060,707	9,290,481	9,097,057
Other charges	<u>3,994,688</u>	<u>-</u>	<u>-</u>	<u>1,327,989</u>
Total expenditures	<u>129,523,561</u>	<u>149,670,408</u>	<u>137,650,914</u>	<u>121,203,915</u>
Excess (deficiency) of revenues over expenditures	<u>(6,813,488)</u>	<u>(28,078,194)</u>	<u>(21,921,755)</u>	<u>(4,408,258)</u>
Other financing sources (uses) -				
Issuance of lease	3,250,000	750,000	1,505,390	1,310,569
Issuance of debt	80,110,000	16,798,622	-	18,575,000
Premium on bonds issued	573,448	-	-	1,387,593
Payment to refunded bond escrow agent	(30,175,015)	-	-	(19,682,356)
Transfers in	45,681,150	26,429,303	33,385,722	24,459,490
Transfers out	<u>(44,012,929)</u>	<u>(24,137,608)</u>	<u>(30,579,894)</u>	<u>(21,290,586)</u>
Total other financing sources (uses)	<u>55,426,654</u>	<u>19,840,317</u>	<u>4,311,218</u>	<u>4,759,710</u>
Net change in fund balances	<u>\$ 48,613,166</u>	<u>\$ (8,237,877)</u>	<u>\$ (17,610,537)</u>	<u>\$ 351,452</u>
Capital outlay including amounts reported under departmental current expenditures	\$ 36,542,219	\$ 53,298,559	\$ 40,000,535	\$ 22,684,310
Debt service as a percentage of noncapital expenditures	20.4%	20.2%	20.7%	20.9%



2011	2012	2013	2014	2015	2016
\$ 101,914,916	\$ 104,318,270	\$ 107,417,612	\$ 111,592,909	\$ 115,508,506	\$ 119,211,433
2,155,358	3,094,983	3,567,437	1,243,857	1,704,374	1,843,633
3,985,634	4,198,815	4,436,779	4,645,527	4,513,428	5,172,465
2,492,261	2,814,987	3,208,637	2,673,670	2,451,316	1,573,476
3,302,276	2,158,621	1,225,195	3,044,095	1,679,993	990,683
2,684,046	3,252,543	4,140,920	4,646,208	5,083,556	5,407,667
3,786,134	2,635,613	3,565,842	4,783,567	7,207,478	7,963,854
3,282,812	5,858,346	2,567,327	3,152,100	600,919	368,748
<u>123,603,437</u>	<u>128,332,178</u>	<u>130,129,749</u>	<u>135,781,933</u>	<u>138,749,570</u>	<u>142,531,959</u>
24,346,515	25,332,577	23,783,735	24,375,794	23,838,520	24,394,392
36,556,318	37,646,821	39,475,791	42,306,841	43,067,272	44,388,881
8,797,799	9,791,618	11,852,443	11,291,499	12,328,284	12,062,839
11,336,602	11,958,179	12,440,948	13,775,702	14,766,040	15,078,964
22,981,288	39,916,082	65,523,775	38,694,239	33,476,554	65,414,999
11,815,968	13,040,604	12,852,059	14,395,697	13,919,366	13,463,922
8,072,821	6,825,065	6,797,281	7,372,652	8,597,372	9,641,498
247,433	256,373	98,630	862,888	942,596	229,245
<u>124,154,744</u>	<u>144,767,319</u>	<u>172,824,662</u>	<u>153,075,312</u>	<u>150,936,004</u>	<u>184,674,740</u>
<u>(551,307)</u>	<u>(16,435,141)</u>	<u>(42,694,913)</u>	<u>(17,293,379)</u>	<u>(12,186,434)</u>	<u>(42,142,781)</u>
1,372,023	500,000	1,000,000	1,450,000	2,000,000	2,250,000
16,145,000	27,295,000	8,615,000	77,350,000	70,665,000	11,450,000
223,248	1,317,881	-	6,161,887	6,369,020	1,094,690
(16,083,357)	(20,616,784)	(8,509,756)	(11,682,994)	(48,205,991)	(12,309,895)
27,752,457	34,447,300	49,547,722	32,984,237	27,070,865	30,552,126
<u>(24,696,147)</u>	<u>(31,379,109)</u>	<u>(46,363,263)</u>	<u>(31,683,342)</u>	<u>(23,330,865)</u>	<u>(26,942,126)</u>
<u>4,713,224</u>	<u>11,564,288</u>	<u>4,289,703</u>	<u>74,579,788</u>	<u>34,568,029</u>	<u>6,094,795</u>
<u>\$ 4,161,917</u>	<u>\$ (4,870,853)</u>	<u>\$ (38,405,210)</u>	<u>\$ 57,286,409</u>	<u>\$ 22,381,595</u>	<u>\$ (36,047,986)</u>
\$ 23,932,697	\$ 41,282,292	\$ 67,059,226	\$ 38,644,877	\$ 35,385,140	\$ 65,116,395
19.8%	19.2%	18.6%	19.0%	19.5%	19.3%

**CITY OF ROUND ROCK, TEXAS**  
**ACTUAL AND TAXABLE ASSESSED VALUE OF PROPERTY**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Actual Assessed Value			Less:	Total	Total Direct Tax Rate
	Real Property	Personal Property	Total	Tax Exempt Property	Taxable Assessed Valuation	
	\$	\$	\$	\$	\$	\$
2007	5,929,650,836	783,793,471	6,713,444,307	198,475,704	6,514,968,603	0.3711
2008	6,954,733,744	852,374,495	7,807,108,239	303,674,692	7,503,433,547	0.3652
2009	7,623,482,042	957,142,673	8,580,624,715	386,156,997	8,194,467,718	0.3652
2010	7,843,041,122	880,412,269	8,723,453,391	401,156,676	8,322,296,715	0.3966
2011	7,581,182,068	831,489,169	8,412,671,237	395,522,799	8,017,148,438	0.4173
2012	7,654,036,144	850,976,608	8,505,012,752	408,354,355	8,096,658,397	0.4232
2013	7,837,387,397	947,316,007	8,784,703,404	493,653,067	8,291,050,337	0.4204
2014	8,195,046,631	1,062,520,327	9,257,566,958	567,914,523	8,689,652,435	0.4195
2015	9,193,035,124	1,030,331,518	10,223,366,642	589,210,216	9,634,156,426	0.4146
2016	10,040,964,402	1,018,628,138	11,059,592,540	567,506,618	10,492,085,922	0.4147

Source: Williamson Central Appraisal District/Travis Central Appraisal District

Note - Property in the City is assessed each year. Property is assessed at actual value; therefore, the assessed values are equal to actual value. Tax rates are per \$100 of assessed value.

**CITY OF ROUND ROCK, TEXAS**  
**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**  
**PER \$100 OF ASSESSED VALUE**  
**LAST TEN FISCAL YEARS**

Fiscal Year	City Direct Rates			Overlapping Rates			Total Direct and Overlapping Rates
	Operating Rate	Debt Service Rate	Total Direct	Round Rock Independent School District	Williamson County	Special Districts	
	\$	\$	\$	\$	\$	\$	\$
2007	0.2164	0.1547	0.3711	1.6406	0.4997	0.0200	2.5314
2008	0.1960	0.1692	0.3652	1.3238	0.4891	0.0200	2.1981
2009	0.2171	0.1481	0.3652	1.3324	0.4683	0.1154	2.2813
2010	0.2491	0.1475	0.3966	1.3800	0.4900	0.1146	2.3812
2011	0.2665	0.1508	0.4173	1.3800	0.4900	0.1151	2.4024
2012	0.2751	0.1481	0.4232	1.3350	0.4877	0.1148	2.3607
2013	0.2830	0.1373	0.4203	1.3800	0.4890	0.1151	2.4044
2014	0.2800	0.1395	0.4195	1.3674	0.4890	0.1149	2.3908
2015	0.2628	0.1518	0.4146	1.3375	0.4865	0.1142	2.3528
2016	0.2545	0.1602	0.4147	1.3325	0.4815	0.1205	2.3492

Source: Williamson County Tax Office

**CITY OF ROUND ROCK, TEXAS  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO**

Name of Taxpayer	2016			2007		
	Net Assessed Valuation	Rank	% of Total Net Assessed Valuation	Net Assessed Valuation	Rank	% of Total Net Assessed Valuation
Dell Computer Holdings, LP	\$ 298,169,512	1	2.842 %	\$ 194,498,569	1	2.985 %
CPG Round Rock, LP/ Round Rock Premium Outlets	138,431,301	2	1.319	27,979,206	9	0.429
Dell Computer Corp.	91,256,835	3	0.870	61,470,057	4	0.944
Baltgem Development Corp./ La Frontera Village	77,884,064	4	0.742	89,922,556	2	1.380
CMF 15 Portfolio, LLC/ Colonial Grand Apartments	68,819,574	5	0.656	-	-	-
Columbia/St. David Healthcare	66,533,660	6	0.634	54,099,616	5	0.830
Fisher-Rosemount Systems, Inc./ Emerson Process Management	49,000,000	7	0.467	-	-	-
Baev-LaSalle Round Rock University Blvd, LLC	48,382,842	8	0.461	-	-	-
Las Brisas Luxury Apartment Homes, LLP	43,921,785	9	0.419	-	-	-
Oncor Electric Delivery Co.	43,815,195	10	0.418	-	-	-
2800 La Frontera #1A, LTD	-	-	-	29,697,634	8	0.456
Toppan Photomasks, Inc.	-	-	-	64,471,351	3	0.990
TXU Electric Delivery Co.	-	-	-	40,319,229	6	0.619
Drever, Limestone, LP	-	-	-	33,440,000	7	0.513
Warner Ranch Associates	-	-	-	26,616,320	10	0.409
	<u>\$ 926,214,768</u>		<u>8.828 %</u>	<u>\$ 622,514,538</u>		<u>9.555 %</u>

Source: Williamson Central Appraisal District

**CITY OF ROUND ROCK, TEXAS  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage Of Levy		Amount	Percentage Of Levy
	\$	\$	%	\$	\$	%
2007	24,021,335	23,862,022	99.34	498	23,862,520	99.34
2008	27,220,757	27,194,031	99.90	1,831	27,195,862	99.91
2009	29,931,048	29,745,017	99.38	4,814	29,749,831	99.39
2010	33,001,196	32,822,350	99.46	5,278	32,827,628	99.47
2011	33,469,184	33,330,239	99.58	7,742	33,337,981	99.61
2012	34,255,559	34,161,567	99.73	11,404	34,172,971	99.76
2013	34,865,783	34,717,536	99.57	8,891	34,726,427	99.60
2014	36,452,223	36,281,479	99.53	14,220	36,295,699	99.57
2015	39,792,302	39,697,745	99.76	41,829	39,739,574	99.87
2016	44,063,923	43,894,949	99.62	-	43,894,949	99.62

**CITY OF ROUND ROCK, TEXAS  
TAXABLE SALES BY CATEGORY  
LAST TEN CALENDAR YEARS**

Year	Retail Trade	Manufacturing	Services	Wholesale Trade	Utilities
	\$	\$	\$	\$	\$
2006	1,258,059,039	1,160,498,511	284,336,638	150,829,580	19,557,192
2007	1,164,629,997	1,451,958,775	307,961,994	145,020,854	19,249,383
2008	1,169,189,726	1,075,483,223	331,119,293	179,784,677	16,648,480
2009	1,101,311,223	990,398,877	324,328,200	145,345,009	16,322,477
2010	1,070,089,059	1,111,487,638	331,304,579	117,424,010	17,788,882
2011	1,107,089,059	1,095,938,383	346,422,899	85,234,762	22,224,004
2012	1,228,352,605	985,127,289	381,294,220	99,025,592	26,448,906
2013	1,399,874,606	1,103,790,424	402,483,896	131,162,463	29,351,784
2014	1,529,469,558	1,061,444,585	432,758,149	128,755,561	34,412,553
2015	<u>1,556,013,209</u>	<u>951,496,554</u>	<u>476,798,645</u>	<u>123,940,513</u>	<u>41,822,044</u>
	<u>\$ 12,584,078,081</u>	<u>\$ 10,987,624,259</u>	<u>\$ 3,618,808,513</u>	<u>\$ 1,306,523,021</u>	<u>\$ 243,825,705</u>

Source: Texas Comptroller of Public Accounts

Note: Sales information is not available on a fiscal year basis. Also, due to State of Texas confidentiality rules, names of sales tax payers are not available. The categories presented provide alternative information indicative of sales tax revenue sources.

Construction	Finance, Insurance	Total	City Direct Sales Tax Rate	State Sales Tax Rate	Over- lapping
\$	\$	\$	%	%	%
26,679,606	1,410,360	2,901,370,926	2.00	6.25	8.25
47,674,780	1,793,374	3,138,289,157	2.00	6.25	8.25
46,245,654	1,639,355	2,820,110,408	2.00	6.25	8.25
30,440,097	2,160,587	2,610,306,560	2.00	6.25	8.25
46,023,961	2,114,837	2,696,232,966	2.00	6.25	8.25
61,286,941	3,006,901	2,721,803,690	2.00	6.25	8.25
70,736,973	2,846,478	2,793,832,063	2.00	6.25	8.25
90,125,307	2,368,176	3,159,156,656	2.00	6.25	8.25
95,799,482	2,497,918	3,285,137,806	2.00	6.25	8.25
110,293,477	2,600,258	3,262,964,700	2.00	6.25	8.25
<u>\$ 625,306,278</u>	<u>\$ 22,438,244</u>	<u>\$ 29,389,204,932</u>			

**CITY OF ROUND ROCK, TEXAS  
HOTEL TAXPAYERS  
SEPTEMBER 30, 2016**

<u>Taxpayer</u>	<u>Hotel Motel Occupancy Tax</u>	<u>Hotel Motel Occupancy Venue Tax</u>	<u>Total Collections Year Ended September 30, 2016</u>	<u>Number of Rooms</u>	<u>% of Total Collections</u>
Austin Marriott North	\$ 692,403	\$ 197,830	\$ 890,231	295	16.5%
Homewood Suites	341,247	97,499	438,746	115	8.1%
Hilton Garden Inn	240,615	68,747	309,362	122	5.7%
Residence Inn	233,899	66,828	300,727	96	5.6%
Hampton Inn	226,481	64,709	291,190	93	5.4%
Courtyard by Marriott	218,589	62,454	281,043	113	5.2%
Home 2 Suites	216,244	61,784	278,028	91	5.1%
Holiday Inn	198,077	56,593	254,670	116	4.7%
Springhill Suites	192,677	55,051	247,728	104	4.6%
Holiday Inn Express N	145,814	41,660	187,474	91	3.5%
La Quinta Inn	139,857	39,959	179,816	116	3.3%
Wingate Inn	131,258	37,500	168,758	100	3.1%
Red Roof Inn	127,021	36,292	163,313	100	3.0%
Baymont Inn	121,904	34,830	156,734	96	2.9%
Best Western Executive Inn	104,533	29,867	134,400	64	2.5%
Sleep Inn	103,359	29,531	132,890	74	2.5%
Staybridge Suites	93,737	26,782	120,519	81	2.2%
Microtel Inn & Suites	92,500	26,429	118,929	100	2.2%
Candlewood Suites	86,658	24,759	111,417	98	2.1%
Motel 6	82,975	23,707	106,682	59	1.9%
Comfort Suites	79,864	22,818	102,682	63	1.9%
Country Inn & Suites	73,965	21,133	95,098	63	1.8%
Days Inn & Suites	65,668	18,762	84,430	48	1.6%
Extended Stay America # 6197	64,335	18,382	82,717	104	1.5%
Extended Stay America # 6030	60,783	17,367	78,150	138	1.4%
Value Place	58,294	16,655	74,949	121	1.4%
Holiday Inn Express S	7,519	2,148	9,667	109	0.2%
VRBO Homes	4,900	1,400	6,300	16	0.1%
Provident Crossing Retirement	791	226	1,017	2	0.0%
	<u>\$ 4,205,967</u>	<u>\$ 1,201,702</u>	<u>\$ 5,407,667</u>	<u>2,788</u>	<u>100%</u>



**CITY OF ROUND ROCK, TEXAS**  
**HOTEL OCCUPANCY TAX COLLECTION HISTORY BY QUARTER**  
**LAST TEN FISCAL YEARS**

<u>Fiscal Year Ended 9-30</u>	<u>1st Quarter Oct. – Dec.</u>	<u>2nd Quarter Jan. – Mar.</u>	<u>3rd Quarter Apr. – June</u>	<u>4th Quarter July – Sept.</u>	<u>Total</u>
2007	\$ 594,826	\$ 695,452	\$ 729,813	\$ 818,598	\$ 2,838,689
2008	669,345	749,897	806,813	713,297	2,939,352
2009	609,608	589,006	640,846	554,685	2,394,145
2010	504,062	582,719	661,356	543,189	2,291,326
2011	684,430	678,090	716,629	604,897	2,684,046
2012	610,280	835,331	1,004,705	802,227	3,252,543
2013	964,181	1,091,350	1,152,982	932,407	4,140,920
2014	1,071,926	1,217,483	1,271,649	1,085,150	4,646,208
2015	1,114,213	1,274,209	1,437,121	1,258,012	5,083,555
2016	1,214,093	1,354,383	1,570,064	1,269,127	5,407,667

**CITY OF ROUND ROCK, TEXAS**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities			Business-Type Activities	Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Certificates of Obligation	Other Debt Obligations	Revenue Bonds			
	\$	\$	\$	\$	\$	%	\$
2007	124,960,000	16,120,000	60,994,604	355,000	202,429,604	7.53	2,188
2008	120,060,000	15,300,000	73,598,054	8,290,000	217,248,054	7.67	2,258
2009	115,725,000	14,475,000	69,270,163	11,555,000	211,025,163	7.10	2,121
2010	110,470,000	13,530,000	65,830,308	91,166,635	280,996,943	9.16	2,788
2011	105,980,000	12,965,000	60,691,660	89,888,648	269,525,308	8.63	2,655
2012	101,185,000	12,380,000	62,571,173	87,765,660	263,901,833	8.27	2,574
2013	96,340,000	11,770,000	56,131,110	85,392,673	249,633,783	7.56	2,380
2014	155,780,000	11,135,000	55,963,734	90,799,894	313,678,628	9.12	2,903
2015	154,925,000	29,675,000	56,701,818	87,827,948	329,129,766	10.00	2,970
2016	149,540,000	27,095,000	52,746,502	89,364,624	318,746,126	6.43	2,797

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

See the Schedule of Demographic and Economic Statistics for personal income and population data.

**CITY OF ROUND ROCK, TEXAS**  
**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**  
**TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA**  
**LAST TEN FISCAL YEARS**

Fiscal Year Ended 9-30	(1) Population	Net Assessed Value (in thousands)	(2) Gross Bonded Debt	Amount Available in Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
		\$	\$	\$	\$	%	\$
2007	92,500	6,514,969	138,226,097	3,058,395	135,167,702	2.07	1,461
2008	96,200	7,503,434	132,716,787	3,431,063	129,285,724	1.72	1,344
2009	99,500	8,194,468	127,721,445	2,887,281	124,834,164	1.52	1,255
2010	100,800	8,322,297	123,017,131	1,944,761	121,072,370	1.45	1,201
2011	101,500	8,017,148	118,122,822	2,238,270	115,884,552	1.45	1,142
2012	102,515	8,096,658	114,268,570	2,301,340	111,967,230	1.38	1,092
2013	104,900	8,291,050	108,241,436	2,415,427	105,826,009	1.28	1,009
2014	108,050	8,689,652	172,890,871	2,278,062	170,612,809	1.96	1,579
2015	110,800	9,634,156	181,245,000	2,351,780	178,893,220	1.86	1,615
2016	113,968	10,492,086	173,280,000	2,749,645	170,530,355	1.63	1,496

Note: Includes Certificates of Obligation and General Obligation Bonds net of related premiums and discounts.

(1) Source: Planning Department, City of Round Rock

(2) Gross bonded debt does not include self-supporting debt funded by enterprise funds. Gross self-supporting debt totaled \$3,355,000 at September 30, 2016.



**CITY OF ROUND ROCK, TEXAS**  
**COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT**  
**SEPTEMBER 30, 2016**

<u>Name of Governmental Unit</u>	<u>Total General Debt Outstanding</u>	<u>** Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes -			
Williamson County	\$ 931,599,942 *	20.85%	\$ 194,238,588
Round Rock Independent School District	756,435,000 *	35.24%	266,567,694
Travis County	707,826,497 *	0.22%	1,557,218
Georgetown ISD	322,145,000 *	0.21%	676,505
Austin Community College	304,153,659 *	5.90%	17,945,066
Travis County Healthcare District	11,355,000 *	0.22%	<u>24,981</u>
Subtotal, overlapping debt			481,010,052
City direct debt			<u>229,381,502</u>
Total direct and overlapping debt			<u><u>\$ 710,391,554</u></u>

\* Gross Debt as of September 30, 2016

\*\* The percentage of overlapping debt applicable is estimated using taxable assessed property values.

Source: City of Round Rock Finance Department and Texas Municipal Reports

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

**CITY OF ROUND ROCK, TEXAS  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Debt limit	\$ 1,167,845,500	\$ 1,345,033,513	\$ 1,468,905,352	\$ 1,491,819,433
Total net debt applicable to limit	<u>132,491,172</u>	<u>126,786,525</u>	<u>122,512,295</u>	<u>117,540,239</u>
Legal debt margin	<u>\$ 1,035,354,328</u>	<u>\$ 1,218,246,988</u>	<u>\$ 1,346,393,057</u>	<u>\$ 1,374,279,194</u>
Total net debt applicable to the limit as a percentage of debt limit	11.34%	9.43%	8.34%	7.88%

**Legal Debt Margin Calculation for Fiscal Year 2016**

Total assessed value	<u>\$ 10,492,085,922</u>
Debt limit - Maximum serviceable at permitted allocation of \$1.50 per \$100 of assessed value	\$ 1,786,728,268
Amount of debt applicable to debt limit:	
Total General Obligation Debt	\$ 176,635,000
Less:	
Amount available in Debt Service Fund	(2,749,645)
Amounts considered self-supporting	<u>(3,355,000)</u>
Total net debt applicable to debt limit	<u>170,530,355</u>
Legal debt margin	<u>\$ 1,616,197,913</u>

There is no direct debt limitation in the City Charter or under state law. The City operates under a Home Rule Charter (Article XI, Section 5, Texas Constitution), approved by voters in August, 1977, that limits the maximum tax rate, for all City purposes, to \$2.50 per \$100 assessed valuation. Administratively, the Attorney General of the State of Texas will permit allocation of \$1.50 of the \$2.50 maximum tax rate for general obligation debt service.

Assuming the maximum tax rate for debt service of \$1.50 on January 1, 2015, assessed valuation of \$10,492,085,922 at 100% collection, tax revenue of \$157,381,289 would be produced. This revenue could service the debt on \$1,786,728,268 issued as 20-year serial bonds at 5.50% (with level debt service payment).

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$ 1,437,119,854	\$ 1,451,372,470	\$ 1,486,218,341	\$ 1,557,670,054	\$ 1,640,628,922	\$ 1,786,728,268
<u>112,406,730</u>	<u>107,568,660</u>	<u>101,824,573</u>	<u>161,006,938</u>	<u>178,893,220</u>	<u>170,530,355</u>
<u>\$ 1,324,713,124</u>	<u>\$ 1,343,803,810</u>	<u>\$ 1,384,393,768</u>	<u>\$ 1,396,663,116</u>	<u>\$ 1,461,735,702</u>	<u>\$ 1,616,197,913</u>
7.82%	7.41%	6.85%	10.34%	10.90%	9.54%

**CITY OF ROUND ROCK, TEXAS  
SCHEDULE OF REVENUE BOND COVERAGE  
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>(1) Gross Revenue</u>	<u>(2) Direct Operating Expenses</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements Principal and Interest</u>	<u>Revenue Bond Coverage</u>
	\$	\$	\$	\$	
2007	31,921,522	21,369,755	10,551,767	5,966	1,768.65
2008	36,629,189	24,736,819	11,892,370	153,666	77.39
2009	39,095,039	27,356,759	11,738,280	568,400	20.65
2010	39,240,390	22,243,281	16,997,109	4,007,882	4.24
2011	46,215,387	21,880,865	24,334,522	5,081,298	4.79
2012	44,098,633	21,274,247	22,824,386	5,893,953	3.87
2013	44,479,457	25,401,579	19,077,878	6,101,113	3.13
2014	45,103,137	27,132,654	17,970,483	6,347,632	2.83
2015	46,761,990	27,348,975	19,413,015	6,894,788	2.82
2016	49,865,320	28,718,593	21,146,727	5,994,842	3.53

(1) Water and Sewer Fund operating and non-operating revenues.

(2) Water and Sewer Fund operating expenses, excluding depreciation.



**CITY OF ROUND ROCK, TEXAS  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>(1) Population</u>	<u>Personal Income</u>	<u>(4) Per Capita Income</u>	<u>(2) Median Age</u>	<u>(3) School Enrollment</u>	<u>(2) Unemployment Rate</u>
		\$	\$			%
2007	92,500	2,686,755,000	29,046	31.0	40,342	3.5
2008	96,200	2,831,069,800	29,429	31.2	41,489	4.2
2009	99,500	2,971,866,000	29,868	31.2	41,867	6.4
2010	100,800	3,066,033,600	30,417	31.4	42,683	6.2
2011	101,500	3,122,749,000	30,766	31.6	44,331	6.1
2012	102,515	3,190,164,285	31,119	32.0	45,000	5.9
2013	104,900	3,301,727,500	31,475	32.0	45,361	5.0
2014	108,050	3,439,879,800	31,836	31.7	45,924	4.2
2015	110,800	4,314,330,400	38,938	33.5	47,093	3.2
2016	113,968	4,957,380,064	43,498	33.9	47,580	3.3

Sources: (1) Planning Department, City of Round Rock  
(2) Round Rock Chamber of Commerce  
(3) Round Rock Independent School District  
(4) U.S. Dept. of Commerce / Bureau of Economic Development; data is for Williamson County, which is representative of the City; data for City not available.

**CITY OF ROUND ROCK, TEXAS  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

Name of Employer	2016			2007		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
			%			%
Dell, Inc.	11,000	1	18.09	10,000	1	20.59
Round Rock Independent School District	5,800	2	9.54	5,175	2	10.65
Sears TeleServe	1,500	3	2.47	1,300	3	2.68
City of Round Rock, Texas	918	4	1.51	793	4	1.63
Emerson Process Management	875	5	1.44	-		-
Round Rock Premium Outlets	800	6	1.32	-		-
Scott & White Healthcare	750	7	1.23	-		-
Round Rock Medical Center	689	8	1.13	710	5	1.46
Liquidation Channel	600	9	0.99	-		-
Wayne, a GE Energy Business	550	10	0.90	550	7	1.13
Texas Guaranteed Student Loan	485	11	0.80	670	6	1.38
Seton Medical Center Williamson	450	12	0.74	-		-
Field Asset Services	440	13	0.72	-		-
Michael Angelo's Gourmet Foods	370	14	0.61	350	9	0.72
Chasco Constructors	300	15	0.49	-		-
TECO Westinghouse Motor Co.	300	15	0.49	-		-
Toppan Photomask	250	16	0.41	368	8	0.76
Classic Automotive	-		-	349	10	0.72
	<u>26,077</u>		<u>42.88%</u>	<u>20,265</u>		<u>41.72%</u>

Source: City of Round Rock Finance Department/Round Rock Chamber of Commerce

**CITY OF ROUND ROCK, TEXAS**  
**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION**  
**LAST TEN FISCAL YEARS**

<b>Function:</b>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General government	163	176	173	176	164	164	164	171	174	180
Public safety -										
Police -										
Officers	135	146	151	152	152	154	153	160	167	168
Civilians	58	62	61	61	67	67	68	64	67	72
Fire -										
Firefighters & officers	119	124	124	124	124	124	124	129	129	132
Civilians	5	5	5	5	5	5	6	8	8	8
Public works -										
Street & Drainage	48	48	48	48	48	48	55	55	54	59
Shop	15	15	15	15	15	15	15	16	18	19
Culture & Recreation -										
Library	29	29	29	29	29	29	30	31	31	31
Parks & Recreation	93	95	97	98	94	94	91	91	91	106
Water	93	95	96	97	91	91	91	93	95	93
Sewer	<u>35</u>	<u>36</u>	<u>36</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>
Total	<u>793</u>	<u>831</u>	<u>835</u>	<u>840</u>	<u>824</u>	<u>826</u>	<u>832</u>	<u>853</u>	<u>869</u>	<u>903</u>

Source: City of Round Rock Finance Department

**CITY OF ROUND ROCK, TEXAS  
OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS**

<b>Function:</b>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Police -				
Arrests	3,754	3,749	3,908	4,328
Accident reports	1,990	1,997	1,646	1,877
Index crimes reported	2,512	2,449	2,960	3,154
Crimes per thousand residents	27.90	30.10	30.30	31.30
Officers per thousand of population	1.46	1.52	1.52	1.48
Fire -				
Incident volume	7,463	7,690	8,000	8,500
Priority calls answered	4,592	5,656	5,800	6,000
Non-emergency calls answered	2,871	2,034	2,200	2,500
Priority calls-response less than 6 minutes	73%	64%	65%	65%
Public Works -				
Street -				
Street resurfacing (lane miles)	130	135	137	137
Potholes repaired annually	4,000	4,000	4,000	4,000
Signals maintained	57	59	59	59
Shop -				
Work orders	5,418	5,618	6,330	6,930
Number of departments served	18	19	19	19
Culture and Recreation -				
Library -				
Number of items circulated	725,370	762,926	780,000	810,000
Number of card holders	44,820	49,829	51,000	53,000
Number of library visits	306,000	311,000	310,000	320,000
Parks & Recreation -				
Total park acres maintained	1,610	1,610	1,757	1,780
Number of athletic fields maintained	38	38	43	45
Number of trees planted	500	818	877	350
Number of recreation enrollees	371,201	402,548	401,000	401,000
Water -				
New connections	1,181	572	254	356
Line maintenance work orders	4,400	4,400	4,226	4,044
Average monthly consumption	432,101,000	552,610,000	589,159,550	466,096,342
Sewer -				
Average monthly treatment	298,038,200	296,208,875	301,433,205	327,351,600
Line feet reviewed for infiltration & inflow	152,515	161,291	156,934	114,176

Source: City of Round Rock Finance Department

2011	2012	2013	2014	2015	2016
4,521	6,715	6,182	5,773	4,600	4,476
2,747	4,485	4,845	6,383	2,249	2,370
3,154	2,777	2,632	2,338	2,329	2,383
31.30	27.10	25.10	21.70	22.00	22.50
1.48	1.49	1.46	1.42	1.53	1.43
8,141	8,350	8,749	9,027	9,928	9,346
5,916	3,475	3,728	3,713	2,780	3,735
2,225	4,875	5,021	5,314	7,148	5,611
65%	60%	60%	63%	56%	61%
45	60	80	80	40	60
4,000	4,000	4,000	4,000	1,500	400
68	76	79	83	84	83
4,609	5,336	4,447	4,178	4,399	4,761
19	19	19	19	19	19
854,000	903,219	940,135	975,291	972,094	1,080,312
59,000	55,336	81,620	74,192	99,822	77,818
292,000	294,768	323,384	309,167	388,625	391,256
1,935	2,035	2,035	2,045	2,045	2,045
46	49	49	49	49	49
345	558	163	165	110	195
420,000	420,000	487,455	490,704	577,140	615,000
335	313	442	360	402	80
3,185	3,279	5,500	6,734	3,317	3,512
655,615,475	560,281,041	549,154,150	491,936,100	505,251,158	536,082,308
475,482,100	457,967,400	409,000,000	394,000,000	385,611,068	416,357,161
317,789	361,784	377,783	459,128	187,464	189,418

**CITY OF ROUND ROCK, TEXAS  
CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS**

<b>Function:</b>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Police -				
Number of stations	1	1	1	1
Number of units	186	189	195	199
Fire -				
Number of stations	6	7	7	7
Number of fire trucks	11	11	14	15
Public Works -				
Street -				
Lane miles	1,036	1,124	1,124	1,137
Drainage miles	92	100	100	100
Number of street lights	5,034	5,075	5,103	5,104
Number of traffic signals	57	59	59	59
Shop -				
Repair facilities	1	1	1	1
Number of bays	19	19	19	19
Culture and Recreation -				
Library -				
Number of library books	147,000	180,397	185,000	185,000
Number of library facilities	1	1	1	1
Parks & Recreation -				
Total park acres	1,610	1,610	1,855	2,119
Number of athletic fields	38	38	44	46
Number of parks	53	53	60	84
Number of tennis courts	23	23	23	23
Number of pools	5	5	5	5
Water -				
Number of miles of water lines	481	487	503	591
Pumping stations	14	14	15	15
Tanks	18	18	19	20
Treatment capacity (millions of gallons/day)	48	48	48	52
Sewer -				
Number of miles of sewer mains	376	392	400	417
Wastewater lift stations	11	12	12	12

Source: City of Round Rock Finance Department

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
1 199	1 199	1 201	1 229	1 240	1 259
7 16	7 16	7 16	7 14	7 16	7 15
1,200 100 5,119 68	1,200 100 5,312 76	1,250 150 6,000 79	1,250 150 6,800 83	1,250 150 5,400 84	1,200 150 5,433 83
1 19	1 19	1 19	1 19	1 19	1 13
183,000 1	195,000 1	150,211 1	154,278 1	156,277 1	257,667 1
2,274 47 85 23 4	2,035 49 62 23 4	2,035 49 62 23 4	2,035 49 62 25 4	2,035 49 62 25 4	2,035 49 62 25 4
584 15 20 52	585 15 20 52	587 14 20 52	601 14 20 52	608 15 22 52	615 15 22 52
422 12	422 12	424 12	432 12	424 12	427 12

**CITY OF ROUND ROCK, TEXAS  
TOP TEN WATER CUSTOMERS  
SEPTEMBER 30, 2016**

<u>Name of Customer</u>	<u>Type of Business</u>	<u>Water Consumption in Gallons</u>	<u>% of Total Water Consumption in Gallons</u>
Fern Bluff Municipal Utility District	Municipal Utility District	288,233,700	4.481 %
Williamson County Municipal Utility District # 11	Municipal Utility District	186,435,100	2.898
Williamson County Municipal Utility District # 10	Municipal Utility District	162,463,900	2.526
Chandler Creek Municipal Utility District	Municipal Utility District	151,933,700	2.362
Vista Oaks Municipal Utility District	Municipal Utility District	123,890,800	1.926
Paloma Lake Municipal Utility District #1	Municipal Utility District	92,812,000	1.443
Dell, Inc.	Electronic Equipment	81,235,700	1.263
Round Rock Independent School District	Public Schools	81,189,100	1.262
Walsh Ranch Municipal Utility District	Municipal Utility District	51,930,000	0.807
Michael Angelo's	Food Production	48,003,000	0.746
		<u>1,268,127,000</u>	<u>19.714 %</u>

Source: City of Round Rock Finance Department



**CITY OF ROUND ROCK, TEXAS  
WATER AND SEWER RETAIL RATES  
SEPTEMBER 30, 2016**

**Water rates for retail customers inside the city limits are as follows:**

Volume Rate	Monthly Service Charge	
<b><i>Non-peak billing periods:</i></b> \$2.49 per 1,000 gallons of water used by all customers	<u>Meter Size Base</u> <u>Serving Customer</u>	<u>Monthly Water</u> <u>Service Charge</u>
<b><i>Peak billing periods:</i></b> Four block structure for use in excess of predetermined amounts set by meter size - Block 1: Base rate times 125% Block 2: Base rate times 150% Block 3: Base rate times 175% Block 4: Base rate times 200%		
		\$
	5/8 inch	14.69
	3/4 inch	20.46
	1 inch	32.30
	1 1/2 inch	61.89
	2 inch	97.40
	3 inch	180.27
	4 inch	298.66
	6 inch	931.10
	8 inch	1,627.45
	10 inch	2,555.91
	12 inch	3,136.21

**Sewer rates for retail customers inside the city limits are as follows:**

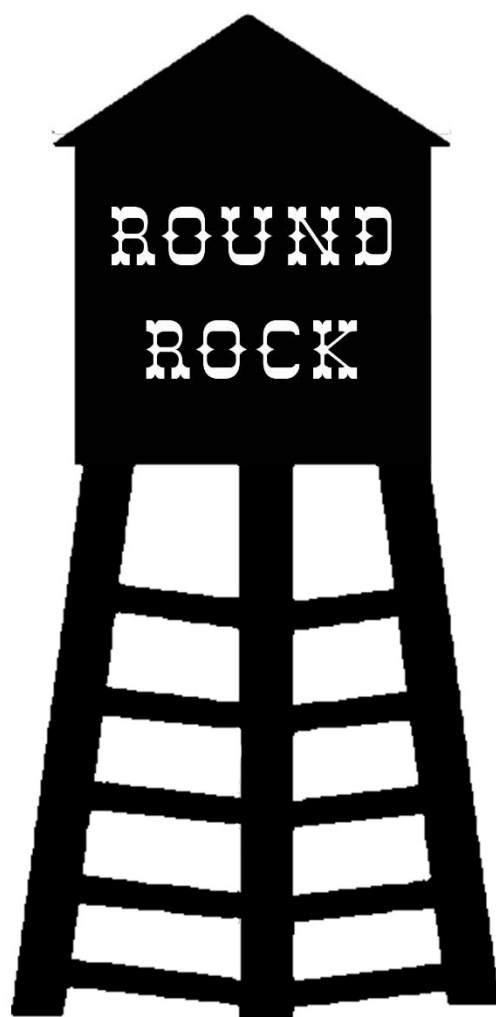
Volume Rate	Monthly Service Charge	
\$3.39 per 1,000 gallons of water used by all customers	* <u>Meter Size Base</u> <u>Serving Customer</u>	<u>Monthly Sewer</u> <u>Service Charge</u>
		\$
	5/8 inch	13.27
	3/4 inch	17.31
	1 inch	24.82
	1 1/2 inch	45.26
	2 inch	69.79
	3 inch	127.01
	4 inch	208.75
	6 inch	615.27
	8 inch	1,073.67
	10 inch	1,684.85
	12 inch	2,066.84

\* Sewer customers' volume is measured as the rate per 1,000 gallons of the lesser of a three-month winter average or actual water use.

Source: City of Round Rock Finance Department



# SINGLE AUDIT SECTION





**CITY OF ROUND ROCK, TEXAS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**SEPTEMBER 30, 2016**

Federal Grantor/Pass-Through Grantor Program Title	CFDA Number	Grant or Identifying Number	Pass- Through to Non-State Entities	Expenditures Direct	Total
<b>Institute of Museum and Library Services</b>					
Passed-Through from Texas State Library and Archives Commission					
Grants to States	45.310	LS-00-15-0044-15	\$ - \$	17,732	\$ 17,732
<b>Total Institute of Museum and Library Services</b>			-	<b>17,732</b>	<b>17,732</b>
<b>U.S. Department of Homeland Security</b>					
Passed-Through from Texas Department of Public Safety					
Disaster Grants-Public Assistance	97.036	PA-06-TX-4223- PW01499	-	22,065	22,065
Disaster Grants-Public Assistance	97.036	PA-06-TX-4223- PW01351	-	12,260	12,260
Total Disaster Grants-Public Assistance			-	34,325	34,325
Homeland Security Grant Program	97.067	EMW-2014-SS-00029	-	5,042	5,042
<b>Total U.S. Department of Homeland Security</b>			-	<b>39,367</b>	<b>39,367</b>
<b>Community Development Block Grants/Entitlement Grants Cluster</b>					
<b>U.S. Department of Housing &amp; Urban Development</b>					
Community Development Block Grants/ Entitlement Grants-2013	14.218	B12MC480514	-	7,943	7,943
Community Development Block Grants/ Entitlement Grants-2014	14.218	B13MC480514	-	34,249	34,249
Community Development Block Grants/ Entitlement Grants-2015	14.218	B14MC480514	36,248	24,650	60,898
Community Development Block Grants/ Entitlement Grants-2016	14.218	B15MC480514	85,586	153,538	239,124
Total Community Development Block Grants/Entitlement Grants Cluster			121,834	220,380	342,214
<b>Total U.S. Department of Housing &amp; Urban Development</b>			<b>121,834</b>	<b>220,383</b>	<b>342,214</b>
<b>U.S. Department of Justice</b>					
Equitable Sharing Program	16.922	TX2460500	-	494,375	494,375
<b>Total U.S. Department of Justice</b>				<b>494,375</b>	<b>494,375</b>
<b>U.S. Department of Transportation</b>					
Federal Transit-Formula Grants	20.507	TX-90-Y001-00	-	335,636	335,636
Passed-Through from the Texas Department of Transportation Recreational Trails Program	20.219	CSJ# 0914-05-161 CSJ# 0914-05-164/	-	11,882	11,882
Highway Planning and Construction Passed-Through from Capitol Metropolitan Transportation Authority	20.205	0914-05-165	-	13,943	13,943
Job Access and Reverse Commute Program	20.516	TX-37-X065-01	-	14,222	14,222
<b>Total U.S. Department of Transportation</b>			-	<b>375,683</b>	<b>375,683</b>
<b>U.S. Department of Treasury</b>					
Equitable Sharing Program	21.000	N/A	-	184,626	184,626
<b>Total U.S. Department of Treasury</b>			-	<b>184,626</b>	<b>184,626</b>
<b>Total Expenditures of Federal Awards</b>			\$ 121,834	\$ 1,332,163	\$ 1,453,997

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED SEPTEMBER 30, 2016**

**1. BASIS OF PRESENTATION**

The Schedule of Expenditures of Federal Awards presents the activity of all applicable federal awards of the City of Round Rock, Texas. The City's reporting entity is defined in the notes of the basic financial statements. Federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other governmental agencies is included on the Schedule of Expenditures of Federal Awards. The information on this schedule is presented in accordance with the requirements of Uniform Guidance, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

**2. BASIS OF ACCOUNTING**

The Schedule of Expenditures of Federal Awards is prepared on the modified accrual basis of accounting. Expenditures are recognized when the related fund liability is incurred. Federal grants are considered to be earned to the extent of expenditures made under the provision of the grant and, accordingly, when such funds are received they are recorded as deferred revenue until earned.

**3. INDIRECT COST RATE**

The City of Round Rock has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

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

To the Honorable Mayor and  
Members of the City Council  
City of Round Rock, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Round Rock, Texas (the City), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 27, 2017.

**Internal Control over Financial Reporting**

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

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

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

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

**Compliance and Other Matters**

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

**Purpose of this Report**

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



Temple, Texas  
January 27, 2017



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

To the Honorable Mayor and  
Members of the City Council  
City of Round Rock, Texas

**Report on Compliance for Each Major Federal Program**

We have audited the City of Round Rock, Texas' (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2016. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

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

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

***Opinion on Each Major Federal Program***

In our opinion, the City of Round Rock, Texas, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2016.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE  
(CONTINUED)**

**Report on Internal Control over Compliance**

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

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

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

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



Temple, Texas  
January 27, 2017

**CITY OF ROUND ROCK, TEXAS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**Section I-Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	_____	yes	_____	<u>X</u>	no
Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____	yes	_____	<u>X</u>	none reported
Noncompliance material to financial statements noted?	_____	yes	_____	<u>X</u>	no

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?	_____	yes	_____	<u>X</u>	no
Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____	yes	_____	<u>X</u>	none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)? \_\_\_\_\_ yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Grants

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

Auditee qualified as low-risk auditee? X yes \_\_\_\_\_ no

**Section II-Financial Statement Findings**

None

**Section III – Federal Award Findings and Questioned Costs**

None



# City of Round Rock

## Agenda Item Summary

**Agenda Number:** H.4

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**Title:** Consider a resolution expressing official intent to reimburse certain project expenditures from the proceeds of a future Certificates of Obligation bond sale.

**Type:** Resolution

**Governing Body:** City Council

**Agenda Date:** 3/9/2017

**Dept Director:** Susan Morgan, CFO

**Cost:**

**Indexes:**

**Attachments:** Resolution

**Department:** Finance Department

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### Text of Legislative File 2017-4259

This resolution allows for project costs related to facility design and construction at Luther Peterson to be spent before the bond proceeds are received. This resolution will allow the project to move forward using existing cash and then reimburse the funds once the bonds are issued.

The City plans to issue \$7 million of Certificates of Obligations to fund \$6.75 million of the project and estimated closing cost expenditures during fiscal year 2017/18. Per Council direction during the 2016/17 budget process, the original General Self-Finance Construction Fund monies designated for this project were redirected to the City's neighborhood street maintenance program.

The Luther Peterson facility is under design with an expected ground breaking of January 2018. This first phase of the new Luther Peterson site will house:

- Utility department staff currently at Luther Peterson,
- All of the Utility department management and administration, currently located at the Enterprise location;
- A portion of Utility department staff currently located at the water plant;
- Transportation Administration staff currently at Enterprise.

The entire Luther Peterson facility is projected to cost \$16.5 million. The Utility Fund's portion is \$9.75 million.

This resolution is required to meet IRS rules and regulations regarding the use of tax-exempt funds.



**RESOLUTION NO. R-2017-4259**

**RESOLUTION EXPRESSING OFFICIAL INTENT TO REIMBURSE CERTAIN  
EXPENDITURES OF THE CITY OF ROUND ROCK, TEXAS**

**WHEREAS**, the City Council of the City of Round Rock, Texas (the "Issuer") expects to pay expenditures in connection with the projects described on Exhibit "A" attached hereto (the "Project") prior to the issuance of obligations to finance the Project; and

**WHEREAS**, the Issuer finds, considers and declares that the reimbursement of the Issuer for the payment of such expenditures will be appropriate and consistent with the lawful objectives of the Issuer and, as such, chooses to declare its intention, in accordance with the provisions of Section 1.150-2 of the Treasury Regulations, to reimburse itself for such payments at such time as it issues obligations to finance the Project, Now Therefore

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ROUND ROCK,  
TEXAS:**

Section 1. The Issuer reasonably expects to incur debt, as one or more separate series of various types of obligations, with an aggregate maximum principal amount not to exceed the amounts set forth in Exhibit "A" for the purpose of paying the costs of the Project.

Section 2. All costs to be reimbursed pursuant hereto will be capital expenditures. No tax-exempt obligations will be issued by the Issuer in furtherance of this Resolution after a date which is later than 18 months after the later of (1) the date the expenditures are paid or (2) the date on which the property, with respect to which such expenditures were made, is placed in service.

Section 3. The foregoing notwithstanding, no tax-exempt obligation will be issued pursuant to this Resolution more than three years after the date any expenditure which is to be reimbursed is paid.

The City Council hereby finds and declares that written notice of the date, hour, place and subject of the meeting at which this Resolution was adopted was posted and that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof were discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

**RESOLVED** this 9th day of March, 2017.

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ALAN MCGRAW, Mayor  
City of Round Rock, Texas

ATTEST:

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SARA L. WHITE, City Clerk

## **EXHIBIT A**

The construction of a two story, approximately 50,000-square foot Public Works Facility located at 910 Luther Peterson, and the payment of any professional services in connection therewith including engineering, legal and other related costs. This facility will house the administrative, field and shop functions of Transportation and Utilities. The funding for this facility will be shared by both Utility Fund Revenues and General Fund Revenues at approximately fifty percent each upon completion. The proposed Certificates of Obligation Bonds for this project will be \$7,000,000. This resolution will allow the project to move forward using existing cash and then reimburse the funds once the bonds are issued.

### **PUBLIC WORKS FACILITY** **Preliminary Schematic Design**







# City of Round Rock

## Agenda Item Summary

**Agenda Number:** H.5

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**Title:** Consider public testimony regarding, and a revised resolution expressing no objection to the creation of an affordable multifamily housing complex known as the Shadow Ridge Apartments.

**Type:** Resolution

**Governing Body:** City Council

**Agenda Date:** 3/9/2017

**Dept Director:** Brad Wiseman, Planning and Development Services Director

**Cost:**

**Indexes:**

**Attachments:** Resolution, Aerial Photo, Vicinity Map with surrounding zoning

**Department:** Planning and Development Services Department

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### Text of Legislative File 2017-4242

After conducting a public hearing, the City Council adopted a resolution on November 22, 2016 expressing no objection to the creation of up to 256 units in the Shadow Ridge Apartments affordable multifamily housing complex. The developer has since determined that they would like to have the option of constructing an additional number of units and have therefore requested an amended resolution. This amended resolution does not contain a total number of units. The number of units is limited to 20 units per acre by the MF-2 (Multifamily - medium density) zoning district.

This item is required to be considered by the City Council in accordance with Chapter 2306 of the Texas Government Code. State legislation requires developers seeking tax credits for an affordable housing project to pursue a resolution of non-objection from the local governing body. As it pertains to the City, Pedcor Investments-2016-CLX, L.P. is seeking to construct an income-restricted apartment complex on approximately 23 acres of land at 2250/2300 East Old Settlers Boulevard, which is just northwest of the intersection of E Old Settlers Blvd and N A.W. Grimes Blvd. Shadow Ridge Apartments, as it will be known, is proposed to be financed, in part, by equity generated from low-income housing tax credits issued by the Texas Department of Housing and Community Affairs. Prior to a decision on the resolution, a public hearing must be held.

The developer is considering the possibility of constructing as many as 316 units on the property, which is zoned for a maximum of 460 units (23 acres @ 20 units per acre). A total

of 4 of the units will be affordable to renters earning 50% of the area median income, with the remaining units affordable to renters earning 60% of the area median income. The developer has a site development application currently under review in the Development Services Office. The property is zoned MF-2 (Multifamily - Medium Density), which permits apartment complexes like the one proposed.

Surrounding land uses are as follows:

North: auto service shop - outside city limits

East: agriculture - outside city limits

South: Valero corner store - zoned C-1 (General Commercial)

West: agriculture and Bluffs Landing Senior Village Apartments - zoned SF-R (Single Family - Rural) and PUD 73

***City Council has two options regarding this item:***

- 1. Express no objection to the application for tax credits for this affordable housing project by passing the resolution; or***
- 2. Choose not to pass the resolution***

## **RESOLUTION NO. R-2017-4242**

**WHEREAS**, Pedcor Investments-2016-CLX, L.P., a Limited Partnership (the “Applicant”) previously proposed a development for an affordable rental housing development for *up to 256 dwelling units* (the “Affordable Housing”) to be located at approximately 2250/2300 Old Settlers Boulevard East in the City of Round Rock, Williamson County, Texas; and

**WHEREAS**, the Applicant proposed to apply for financing for the Affordable Housing, including Low Income Housing Tax Credits (“Tax Credits”) from the Texas Department of Housing and Community Affairs (“TDHCA”); and

**WHEREAS**, the City of Round Rock conducted a public hearing regarding the Affordable Housing in accordance with Texas Government Code § 2306.67071(a); and

**WHEREAS**, on November 22, 2016, the City Council approved Resolution No. 2016-3926 expressing no objection to the Affordable Housing, and subsequently, on December 13, 2016 entered into a Development Agreement with the Applicant; and

**WHEREAS**, the Applicant now desires to amend the Affordable Housing to include more than 256 dwelling units in the Affordable Housing; and

**WHEREAS**, the City has conducted an additional public hearing to take testimony with regard to the Applicant’s addition of dwelling units to the Affordable Housing; Now Therefore

**BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ROUND ROCK, TEXAS,**

**SECTION ONE.** The City of Round Rock has received notice and information from the Applicant with regard to the Affordable Housing in accordance with Texas Government Code § 2306.67071(a).

**SECTION TWO.** The City of Round Rock has had sufficient opportunity to obtain a response from the Applicant regarding any questions or concerns it may have about the Affordable Housing.

**SECTION THREE.** The City of Round Rock has conducted an additional public hearing at which public comment may be made in accordance with Texas Government Code § 2306.67071(b) and, after due consideration of the information provided by the Applicant and the comments from the public, the City of Round Rock does not object to the Applicant's addition of dwelling units to the Affordable Housing and application for Tax Credits to TDHCA.

**SECTION FOUR.** This Resolution shall become effective immediately upon its passage. Sara L. White, City Clerk, is hereby authorized, directed, and empowered to certify these resolutions to TDHCA.

The City Council hereby finds and declares that written notice of the date, hour, place and subject of the meeting at which this Resolution was adopted was posted and that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof were discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

**RESOLVED** this 9<sup>th</sup> day of March, 2017.

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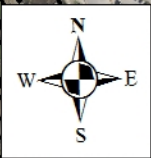
ALAN MCGRAW, Mayor  
City of Round Rock, Texas

ATTEST:

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SARA L. WHITE, City Clerk



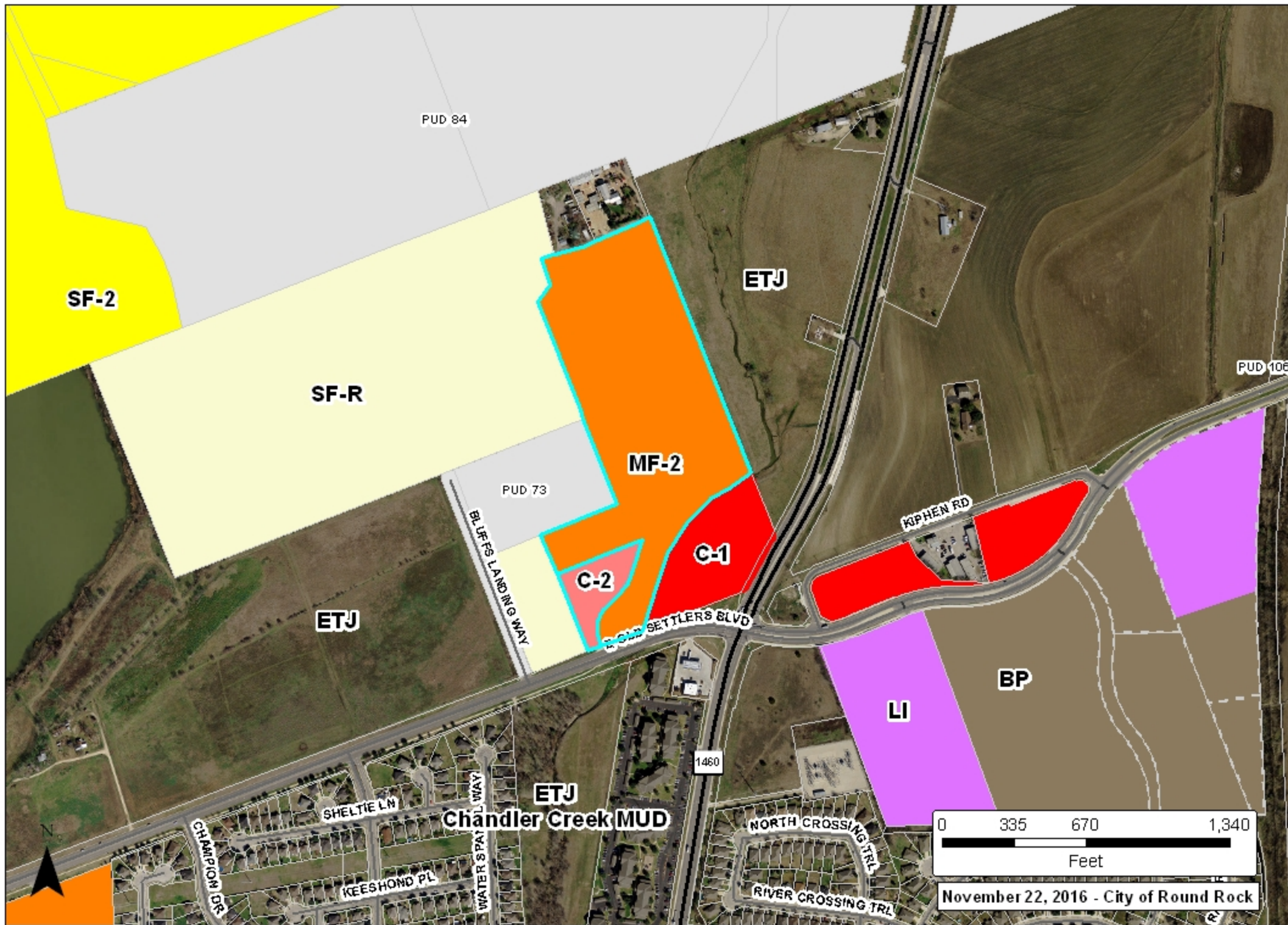


**Subject Tract  
approx 23.01 ac.**

**NAW Grimes Blvd**

**E Old Settlers Blvd**







# City of Round Rock

## Agenda Item Summary

**Agenda Number: H.6**

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**Title:** Consider a resolution authorizing the Mayor to execute an amended Development Agreement with Pedcor Investments, LLC regarding the development of an affordable multifamily housing development known as the Shadow Ridge Apartments.

**Type:** Resolution

**Governing Body:** City Council

**Agenda Date:** 3/9/2017

**Dept Director:** Brad Wiseman, Planning and Development Services Director

**Cost:**

**Indexes:**

**Attachments:** Resolution, Exhibit A, Aerial Photo, Vicinity Map with surrounding zoning

**Department:** Planning and Development Services Department

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### Text of Legislative File 2017-4243

The City Council adopted a resolution on November 22, 2016 authorizing the Mayor to sign a Development Agreement with Pedcor Investments, LLC regarding the creation of up to 256 units in the Shadow Ridge Apartments affordable multifamily housing complex. The developer has since determined that they would like to have the option of constructing an additional number of units and have therefore requested an amended Development Agreement. The agreement states that the developer agrees not to pursue or make any application for any ad valorem tax exemptions or abatements for the project. In addition, this amended agreement does not contain a total number of units. The number of units is limited to 20 units per acre by the MF-2 (Multifamily - medium density) zoning district.

The developer is considering the possibility of constructing as many as 316 units on the property, which is zoned for a maximum of 460 units (23 acres @ 20 units per acre). A total of 4 of the units will be affordable to renters earning 50% of the area median income, with the remaining units affordable to renters earning 60% of the area median income. The developer has a site development application currently under review in the Development Services Office. The property is zoned MF-2 (Multifamily - Medium Density), which permits apartment complexes like the one proposed.

Surrounding land uses are as follows:

North: auto service shop - outside city limits

East: agriculture - outside city limits

South: Valero corner store - zoned C-1 (General Commercial)

West: agriculture and Bluffs Landing Senior Village Apartments - zoned SF-R (Single Family  
- Rural) and PUD 73



**RESOLUTION NO. R-2017-4243**

**WHEREAS**, the City of Round Rock (“City”) has previously entered into a Development Agreement (“Agreement”) with Pedcor Investments-2016-CLX, L.P. (“Pedcor”) regarding the development of an affordable multifamily housing development of up to 256 units known as the Shadow Ridge Apartments (“Project”); and

**WHEREAS**, Pedcor now requests the option of constructing additional number of units to the Project; and

**WHEREAS**, the City Council wishes to enter into a First Amendment to Development Agreement to increase the number of units, Now Therefore

**BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ROUND ROCK, TEXAS,**

That the Mayor is hereby authorized and directed to execute on behalf of the City, First Amendment to Development Agreement, a copy being attached hereto as Exhibit “A” and incorporated herein for all purposes.

The City Council hereby finds and declares that written notice of the date, hour, place and subject of the meeting at which this Resolution was adopted was posted and that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof were discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

**RESOLVED** this 9th day of March, 2017.

---

ALAN MCGRAW, Mayor  
City of Round Rock, Texas

ATTEST:

---

SARA L. WHITE, City Clerk

**EXHIBIT**  
**"A"**

**FIRST AMENDMENT TO DEVELOPMENT AGREEMENT**

THIS FIRST AMENDMENT TO DEVELOPMENT AGREEMENT ("Amended Agreement") is executed between the City of Round Rock, Texas, a political subdivision of the State of Texas (the "City") and Pedcor Investments-2016-CLX, L.P., a Texas limited partnership (the "Developer"), to be effective on this \_\_\_\_ day of \_\_\_\_\_, 2017.

**RECITALS:**

WHEREAS, the City and the Developer entered into a Development Agreement (the "Agreement") effective December 13, 2016, and adopted in Resolution No. R-2016-3994, setting forth various agreements and understandings with respect to an affordable housing development located at approximately 2250/2500 Old Settlers Boulevard East within the City (the "Project"), more particularly described in Exhibit "A", attached hereto (the "Property"); and

WHEREAS, the Project was described in Resolution No. 2016-3994 and within the Development Agreement as a development for affordable rental housing with "*up to 256 dwelling units*"; and

WHEREAS, the Developer now intends to include more than "*256 dwelling units*" in the Project; and

WHEREAS, the City and Developer now wish to amend the Agreement as described herein;

NOW THEREFORE, in consideration of the premises set forth above and of the mutual covenants and agreements of the parties hereto, to be by them respectively kept and performed as hereinafter set forth, the City and the Developer agree as follows:

**I.**

The Agreement is hereby amended to read as follows:

**RECITALS**

WHEREAS, Developer is proposing to build/renovate an affordable housing development ~~with up to 250 residential units~~ (the "Project") on at approximately 2250/2300 E. Old Settlers Blvd., within the City, as shown in Exhibit "A", attached hereto.

**II.**

This First Amendment to the Development Agreement shall amend the original Agreement only as set forth herein with no other changes in terms or conditions of the original Agreement.

Executed on this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

**DEVELOPER:**

Pedcor Investments-2016-CLX, L.P.

By: \_\_\_\_\_

\_\_\_\_\_ Its: \_\_\_\_\_

**CITY:**

ROUND ROCK, TEXAS

By: \_\_\_\_\_

Alan McGraw, Mayor

Attest:

\_\_\_\_\_  
Sara White, City Clerk

**ACKNOWLEDGMENT**

STATE OF TEXAS

COUNTY OF WILLIAMSON

This instrument was acknowledged before me on \_\_\_\_\_, 2017, by Alan McGraw, Mayor of the City of Round Rock, Texas, on behalf of said city.

\_\_\_\_\_  
Notary Public, State of Texas

My Commission expires:\_\_\_\_\_

**ACKNOWLEDGMENT**

STATE OF TEXAS

COUNTY OF WILLIAMSON

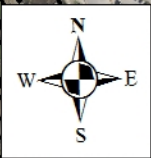
This instrument was acknowledged before me on \_\_\_\_\_, 2017, by \_\_\_\_\_, \_\_\_\_\_ of Pedcor Investments-2016-CLX, L.P, on behalf of said limited liability company.

\_\_\_\_\_  
Notary Public, State of Texas

My Commission expires:\_\_\_\_\_

After recording, return to:  
Sheets & Crossfield, P.C.  
309 East Main Street  
Round Rock, Texas 78664



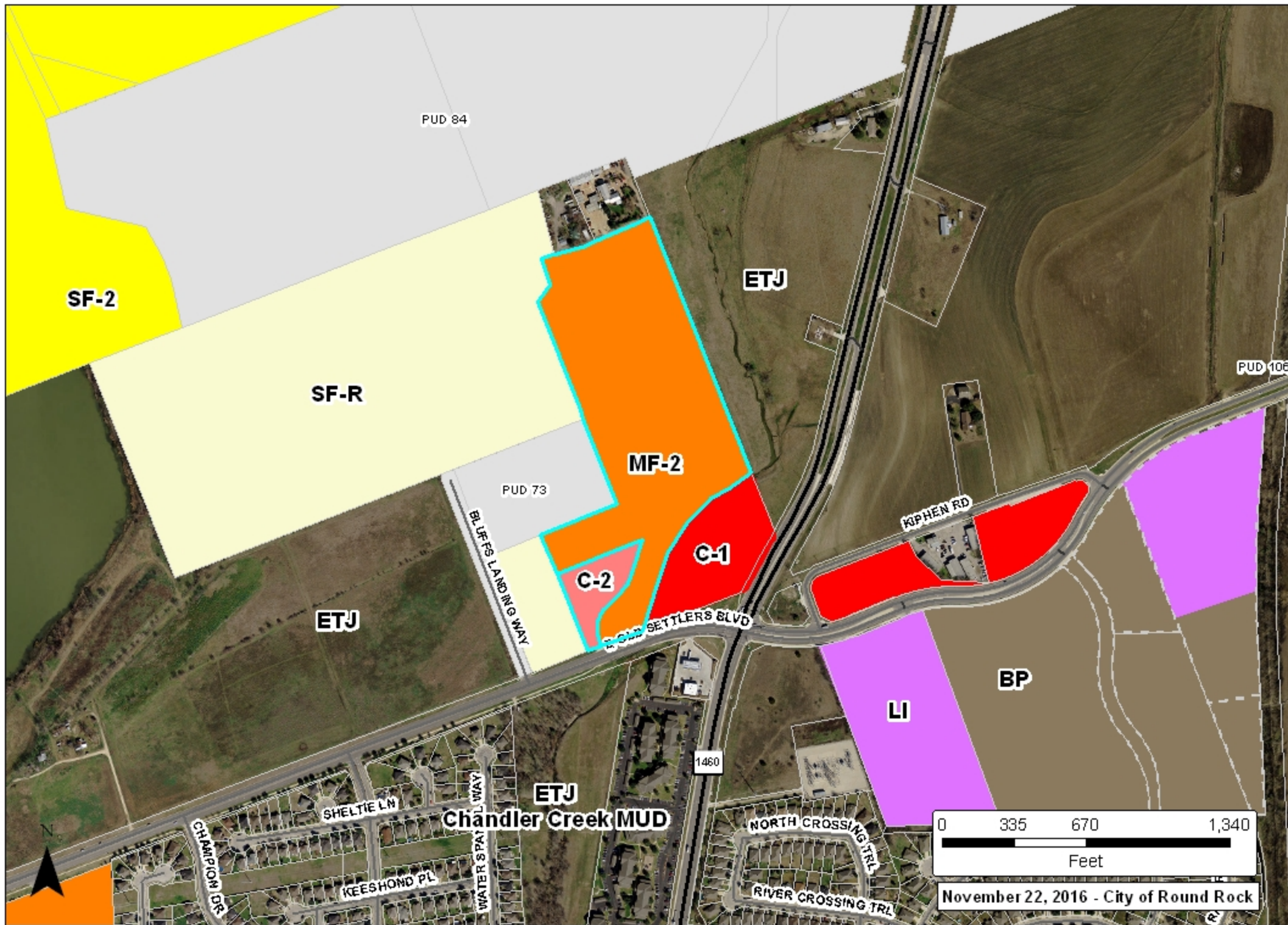


**Subject Tract  
approx 23.01 ac.**

**NAW Grimes Blvd**

**E Old Settlers Blvd**







# City of Round Rock

## Agenda Item Summary

**Agenda Number:** I.1

---

**Title:** Consider public testimony regarding, and an ordinance amending Chapter 46, Code of Ordinances (2010 Edition), regarding nonresidential building design standards. (First Reading)(Requires Two Readings)

**Type:** Ordinance

**Governing Body:** City Council

**Agenda Date:** 3/9/2017

**Dept Director:** Brad Wiseman, Planning and Development Services Department Director

**Cost:** \$0.00

**Indexes:**

**Attachments:** Ordinance, Exterior materials standards of other cities

**Department:** Planning and Development Services Department

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### **Text of Legislative File 2017-4231**

This is the first code amendment City Council will consider at this meeting regarding the Round Rock Zoning and Development Code.

The creation of the Development Code provided Planning and Development Services staff the opportunity to compare the city's nonresidential building design standards with those of our peer cities. Subsequent research showed that Round Rock has fallen behind each city with regards to exterior materials standards and building articulation standards. In response, this amendment creates a masonry standard similar to one established in other cities without closing the door on providing flexibility for unique architecture and new or emerging materials that aren't explicitly listed in the standards.

Building exteriors in the C-1, C-1a, and PF-3 districts will require a minimum 75% brick, natural stone, simulated stone, stucco, or split-face or stone-face concrete masonry units (CMU). The remaining 25% can be fiber cement siding, other finishes of CMU, architectural steel or metal, or glass with steel framing (except for buildings 3 stories or taller, which can have up to 50% glass with steel framing). Alternately, the remaining 25% can consist of a new/emerging material if justified in writing by the developer and approved by the director. If stucco is proposed to exceed 75%, a brick or stone wainscot will be required to provide visual interest. Also, a unique architectural style not accommodated by the regulatory language can be approved by the director. EIFS (Exterior Insulating Finishing Systems) will no longer be permitted due to concerns with its durability and water resistance.

*P&Z Recommendation:* The Planning and Zoning Commission unanimously recommended approval of these amendments at their meeting on December 21, 2016. When staff first

brought the topic to P&Z in October, the masonry requirement was only 66%. After seeing comparisons with Round Rock's peer cities, the Commission elected to increase the requirement to 75%, as it appears today. Other changes made by P&Z include allowing CMU with other finishes across the remaining 25% as well as clarifying the allowance for new or emerging products. Additionally, building articulation standards were revised during the P&Z process after the Commission encouraged staff to meet with a local architect to address some of his concerns.



ORDINANCE NO. O-2017-4231

AN ORDINANCE AMENDING CHAPTER 46, CODE OF ORDINANCES (2010 EDITION), CITY OF ROUND ROCK, TEXAS, REGARDING NONRESIDENTIAL BUILDING DESIGN STANDARDS; AND PROVIDING FOR A SAVINGS CLAUSE AND REPEALING CONFLICTING ORDINANCES AND RESOLUTIONS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ROUND ROCK, TEXAS:

I.

That Chapter 46, Section 46-5, Code of Ordinances (2010 Edition), City of Round Rock, Texas, is hereby amended to add the following new or revised definitions to be placed in their proper alphabetical order in said section:

**Sec. 46-5. Definitions**

<u>Architectural concrete masonry unit (CMU)</u>	<u>A block masonry product made from molded or cast concrete and having a split-face, stone-face, or similar decorative finish. Smooth-face, burnished, scored, and fluted CMU do not qualify as architectural CMU under this definition.</u>
<u>Architecturally finished steel or metal</u>	<u>A steel or metal product used for the exterior wall finish of structures that is coated or otherwise finished by the manufacturer prior to sale and has a minimum 20-year warranty. Typical products include corrugated, ribbed, or flat panels.</u>
<u>Brick</u>	<u>A masonry building product rated SW for severe weathering and manufactured primarily from clay, shale, or similar naturally occurring earthy substances, which is subjected to a heat treatment at elevated temperatures known as firing, and which is applied unit by unit and set in mortar. Thin brick veneer does not qualify as brick under this definition.</u>
<u>Corporate architecture</u>	<u>A style of architecture intended to evoke a specific brand or company and which is typically used for new construction or renovation of all or most locations of the company regardless of geography.</u>
<u>Masonry</u>	<u>A type of construction or veneer made up of natural or man-made brick, stone, or glass products laid unit by unit and set in mortar.</u>

<u>Natural stone</u>	<u>A naturally occurring, minimally processed block masonry product that does not include panels or tiles which are sometimes referred to as manufactured stone, simulated stone, or thin stone.</u>
Public view	A view to a subject property from an <u>adjacent parking lot, drive aisle, sidewalk, or at-grade</u> public street <u>(right-of-way)</u> <del>or an adjacent property, or from portions of a subject property</del> that <u>are</u> utilized by the general public.
<u>Simulated stone</u>	<u>A manufactured cementitious masonry product a minimum of one and a half inches thick set in mortar such as to appear as natural stone. Thin veneer products applied to a lath or panel with adhesive or by a tongue-and-groove system shall not qualify as simulated stone under this definition.</u>
<u>Stucco</u>	<u>An exterior wall finish made of an aggregate, a binder, and water which is applied over a lath in a minimum of two coats.</u>
<u>Trim</u>	<u>Portions of an exterior wall not finished by the primary exterior wall materials, doors, or windows. Also referred to as an accent feature.</u>

## II.

That Chapter 46, Section 46-141(d), Code of Ordinances (2010 Edition), City of Round Rock, Texas, is hereby amended to read as follows:

### **Sec. 46-141. C-1 (General Commercial) district**

(d) ~~C-1 (General commercial)~~ design standards. The following design standards apply to all buildings in the C-1 district. These standards are intended to ensure an attractive built environment in Round Rock. ~~These standards supplement any district-specific standards.~~ Alternative designs ~~standards~~ may be approved in writing by the zoning administrator in order to ~~permit a more flexible or creative design;~~ implement a specific, recognized architectural style not accommodated by the design standards below, excluding corporate architecture. Additions to sites and projects with existing buildings may continue the design style that has been previously established.

- (1) *Exterior wall finish.* ~~a-~~ The building materials of a project shall be durable, require low maintenance, and be of the same or higher quality as surrounding developments. ~~Building materials shall be harmonious and compatible with adjacent developments.~~

- 1 a. A minimum of 75% of the total exterior wall finish of all buildings shall be natural  
2 stone, simulated stone, brick, stucco, or stone-face or split-face concrete masonry  
3 unit (CMU), except for doors, windows and trim.
- 4
- 5 ~~b. The exterior finish of all buildings shall be masonry, except for doors, windows and~~  
6 ~~trim. Masonry shall mean stone, simulated stone, brick, stucco, horizontally installed~~  
7 ~~cement based siding, decorative concrete masonry unit (CMU), standard exterior~~  
8 ~~insulation and finish systems (EIFS) for exterior finish above eight feet, and abuse~~  
9 ~~resistant EIFS for exterior finish below eight feet. The use of materials such as wood~~  
10 ~~singles or wood siding shall be limited to accent~~
- 11 b. A maximum of 25% of the total exterior wall finish may consist of fiber cement siding,  
12 architectural steel or metal, CMU with a finish other than split-face or stone-face, or  
13 glass with steel framing, except as modified by subsection (f) below.
- 14 c. New or emerging materials not explicitly permitted herein may comprise a maximum  
15 of 25% of the total exterior wall finish if approved in writing by the zoning  
16 administrator based upon the product's durability and longevity.
- 17 d. All CMU shall have an ashlar pattern.
- 18 e. Where stucco exceeds 75% of the total exterior wall finish, a minimum four-foot (4')  
19 wainscot of stone, simulated stone, or brick shall be incorporated.
- 20 f. Glass with steel framing shall not exceed 25% of the total exterior wall finish for  
21 buildings less than three (3) stories tall. Buildings that are three (3) stories or taller  
22 may consist of a maximum 50% glass with steel framing.
- 23 (2) ~~Exterior color. Color schemes shall be harmonious and compatible with adjacent~~  
24 ~~developments. Accent colors shall be compatible with the main color theme. Day-Glo,~~  
25 ~~luminescent, neon, or similar types of color finishes are prohibited.~~
- 26 (3) *Orientation requirements.* Building elevations that face a public street shall have at least  
27 15 percent of the wall facing the street consist of windows and/or pedestrian entrance  
28 areas.
- 29 (4) *Building articulation.* All buildings shall be designed to include varied relief to provide  
30 interest and variety and to avoid monotony. This shall include details that create shade  
31 and cast shadows to provide visual relief to the buildings. Horizontal and vertical  
32 elements of exterior walls should vary in height, design and projection to provide  
33 substantial architectural interest and style. ~~Such interest and style shall be provided~~  
34 ~~through, but not limited to the following:~~ A minimum of four (4) features from the following  
35 list shall be incorporated into the building design:
- 36 a. Arcades/colonnades.  
37 b. Decorative ~~C~~cornices.  
38 c. Eaves.  
39 d. Sloped or unique roof features (e.g., parapets, mansard).  
40 ~~e. Architectural focal points (e.g., entry ways, window treatments).~~  
41 e. Variation of roof lines.

1 f. Arched and/or recessed entryway.

2 g. Arched windows.

3 h. Gable windows.

4 i. Oval or round windows.

5 j. Transom windows.

6 k. Stone coursing around windows.

7 l. Shutters

8 m. Stone or brick accent wall.

9 n. Decorative stone or brick band.

10 o. Decorative tile or metal.

11 p. Awnings.

12 q. Canopies.

13 r. Storefronts.

14 s. Other feature as approved by the zoning administrator.

15 ~~(5) Architectural offsets. To preclude a box design, any wall facing a public right-of-way in~~  
16 ~~excess of 100 feet in length shall incorporate wall plane projections or recesses having a~~  
17 ~~depth of at least two (2) feet and extending at least 20 percent of the length of the facade.~~  
18 ~~No uninterrupted length of any facade shall exceed 100 horizontal feet.~~

19 ~~(5) Building elevation variation. The following regulations shall apply to the primary façade~~  
20 ~~and all building elevations facing a public street (right of way):~~

21 ~~a. Changes in wall planes shall be provided with a minimum depth of 12 inches at~~  
22 ~~intervals of not more than 80 feet. A depth of 24 inches is recommended.~~

23 ~~b. Building elevations shall include a change in color, texture, and/or exterior wall finish~~  
24 ~~material at horizontal intervals of not more than 80 feet.~~

25 ~~c. Building elevations shall include vertical articulation by means of a minimum of one~~  
26 ~~(1) change in color, texture, and/or exterior wall finish material for any structure~~  
27 ~~exceeding 20 feet in height.~~

28 (6) *Signage.* Signs should meet the requirements of chapter 30 of this Code and be in  
29 harmony with the style and character of the development and should be an integral  
30 design component of the building architecture, building materials, landscaping and  
31 overall site development.  
32  
33

### 34 III.

35 That Chapter 46, Section 46-142(d), Code of Ordinances (2010 Edition), City of  
36

37 Round Rock, Texas, is hereby amended to read as follows:

1 **Sec. 46-142. C-1a (General Commercial - Limited) district**

2  
3 (d) ~~C-1a (General commercial – limited)~~ design standards. The following design standards apply to  
4 all buildings in the C-1a district. These standards are intended to ensure an attractive built  
5 environment in Round Rock. ~~These standards supplement any district-specific standards.~~  
6 Alternative design standards may be approved in writing by the zoning administrator in order to  
7 ~~permit a more flexible or creative design.~~ implement a specific, recognized architectural style not  
8 ~~accommodated by the design standards below, excluding corporate architecture.~~ Additions to  
9 ~~sites and projects with existing buildings may continue the design style that has been previously~~  
10 ~~established.~~

11  
12 (1) *Exterior wall finish.* ~~The following requirements shall apply to every side of a building~~  
13 ~~exposed to public view:~~ a. The building materials of a project shall be durable, require low  
14 maintenance, and be of the same or higher quality as surrounding developments.  
15 ~~Building materials shall be harmonious and compatible with adjacent developments.~~

- 16  
17 a. A minimum of 75% of the total exterior wall finish of all buildings shall be natural  
18 stone, simulated stone, brick, stucco, or split-face or stone-face concrete masonry  
19 unit (CMU), except for doors, windows, and trim.  
20 ~~b. The exterior finish of all buildings shall be masonry, except for doors, windows and~~  
21 ~~trim. "Masonry" shall mean stone, simulated stone, brick, stucco, horizontally~~  
22 ~~installed cement-based siding, decorative concrete masonry unit (CMU), standard~~  
23 ~~exterior insulation and finish systems (EIFS) for exterior finish above eight feet,~~  
24 ~~abuse-resistant EIFS for exterior finish below eight feet. The use of materials such as~~  
25 ~~wood singles or wood siding shall be limited to accent features.~~  
26 b. A maximum of 25% of the total exterior wall finish may consist of fiber cement siding,  
27 architectural steel or metal, CMU with a finish other than split-face or stone-face, or  
28 glass with steel framing, except as modified by subsection (f) below.  
29 c. New or emerging materials not explicitly permitted herein may comprise a maximum  
30 of 25% of the total exterior wall finish if approved in writing by the zoning  
31 administrator based upon the product's durability and longevity.  
32 d. All CMU shall have an ashlar pattern.  
33 e. Where stucco exceeds 75% of the total exterior wall finish, a minimum four-foot (4')  
34 wainscot of stone, simulated stone, or brick shall be incorporated.  
35 f. Glass with steel framing shall not exceed 25% of the total exterior wall finish for  
36 buildings less than three (3) stories tall. Buildings that are three (3) stories or taller  
37 may consist of a maximum 50% glass with steel framing.

38 (2) *Exterior color.* ~~Color schemes shall be harmonious and compatible with adjacent~~  
39 ~~developments. Accent colors shall be compatible with the main color theme. Day-Glo,~~  
40 ~~luminescent, neon, or similar types of color finishes are prohibited.~~

- (3) *Glass.* Except for photovoltaic cells, mirrored glass with a reflectivity of 20 percent or more is not permitted on the exterior walls and roofs of all buildings and structures.
- (4) *Orientation requirements.* Building elevations that face a public street shall have at least 15 percent of the wall facing the street consist of windows and/or pedestrian entrance areas.
- (5) *Building articulation.* All buildings shall be designed to include varied relief to provide interest and variety and to avoid monotony. This shall include details that create shade and cast shadows to provide visual relief to the buildings. Horizontal and vertical elements of exterior walls should vary in height, design and projection to provide substantial architectural interest and style. ~~Such interest and style shall be provided through, but not limited to the following:~~ A minimum of four (4) features from the following list shall be incorporated into the building design:
- a. Arcades/colonnades.
  - b. Decorative Cornices.
  - c. Eaves.
  - d. Sloped or unique roof features (e.g., parapets, mansard).
  - ~~e. Architectural focal points (e.g., entry ways, window treatments).~~
  - e. Variation of roof lines.
  - f. Arched and/or recessed entryway.
  - g. Arched windows.
  - h. Gable windows.
  - i. Oval or round windows.
  - j. Transom windows.
  - k. Stone coursing around windows.
  - l. Shutters.
  - m. Stone or brick accent wall.
  - n. Decorative stone or brick band.
  - o. Decorative tile or metal.
  - p. Awnings.
  - q. Canopies.
  - r. Storefronts.
  - s. Other feature as approved by the zoning administrator.
- ~~(6) Architectural offsets. To preclude a box design, any wall facing a public right-of-way in excess of 100 feet in length shall incorporate wall plane projections or recesses having a depth of at least two feet and extending at least 20 percent of the length of the facade. No uninterrupted length of any facade shall exceed 100 horizontal feet.~~
- (6) *Building elevation variation.* The following regulations shall apply to the primary façade and all building elevations facing a public street (right of way):
- a. Changes in wall planes shall be provided with a minimum depth of 12 inches at intervals of not more than 80 feet. A depth of 24 inches is recommended.

- b. Building elevations shall include a change in color, texture, and/or exterior wall finish material at horizontal intervals of not more than 80 feet.
- c. Building elevations shall include vertical articulation by means of a minimum of one (1) change in color, texture, and/or exterior wall finish material for any structure exceeding 20 feet in height.
- (7) *Roofing materials.* Roofing materials for pitched roofs shall consist of 25-year architectural dimensional shingles, tile (clay, cement, natural or ~~manufactured simulated~~ stone), non-reflective prefinished metal, or reflective metal such as copper or other similar metals as approved by the zoning administrator. ~~Portions of the roof shall be permitted to be flat to provide for mechanical equipment wells or roof decks, provided that such flat areas are screened by pitched sections of the roof that meet the roofing material requirements.~~
- (8) *Commercial signs.* Signs shall meet the requirements of chapter 30 of this Code and be in harmony with the style and character of the development and should be an integral design component of the building architecture, building materials, landscaping and overall site development.

#### IV.

That Chapter 46, Section 46-143(d), Code of Ordinances (2010 Edition), City of Round Rock, Texas, is hereby amended to read as follows:

##### **Sec. 46-143. C-2 (Local Commercial) district**

- (d) ~~C-2 (Local commercial)~~ *design standards.* The following design standards apply to all buildings in the C-2 ~~(Local commercial)~~ district. These standards are intended to ensure an attractive built environment in Round Rock. ~~These standards supplement any district-specific standards.~~ Selection of materials, color, building orientation, articulation, and windows shall reflect the design themes established in the neighborhood which the proposed development borders. Alternative designs ~~standards~~ may be approved in writing by the zoning administrator in order to ~~permit a more flexible or creative design.~~ implement a specific, recognized architectural style not accommodated by the design standards below, excluding corporate architecture. Additions to sites and projects with existing buildings may continue the design style that has been previously established.
- (1) *Exterior wall finish.* The building materials of a project shall be durable, require low maintenance, and be of the same or higher quality as surrounding developments. ~~Building materials shall be harmonious and compatible with adjacent developments.~~
- a. ~~The exterior finish of all buildings shall be masonry, except for doors, windows and trim. Masonry shall mean stone, simulated stone, brick, stucco, horizontally installed~~

- 1 cement based siding, decorative concrete masonry unit (CMU), standard exterior  
2 insulation and finish systems (EIFS) for exterior finish above eight feet, and abuse  
3 resistant EIFS for exterior finish below eight feet. The use of materials such as wood  
4 shingles or wood siding shall be limited to accent features.
- 5 a. The exterior wall finish of all buildings shall be natural stone, simulated stone, brick,  
6 stucco, fiber cement siding (excluding flat, unarticulated panels), architecturally  
7 finished steel or metal, glass with steel framing, or architectural concrete masonry  
8 units (CMU), except for doors, windows and trim. The use of other materials shall be  
9 limited to accent features.
- 10 b. Stucco, ~~horizontally installed cement based siding, decorative~~ architecturally finished  
11 steel or metal, or architectural concrete masonry units (CMU) and EIFS shall not  
12 comprise more than 50 percent of the total exterior wall finish (breezeways are not  
13 included in this calculation). However, 100 percent stucco may be permitted in  
14 conjunction with a tile roofs.
- 15 c. Fiber cement siding shall not comprise more than 25% of the total exterior wall finish.
- 16 d. Architectural CMU shall have an ashlar pattern.
- 17 (2) *Exterior color.* ~~Color schemes shall be harmonious and compatible with adjacent~~  
18 ~~developments. Access colors shall be compatible with the main color theme. Day-Glo,~~  
19 ~~luminescent, neon, or similar types of color finishes are prohibited.~~
- 20 (3) *Glass.* Mirrored glass with a reflectivity of 20 percent or more is ~~not permitted~~ prohibited  
21 on the exterior walls and roofs of all buildings and structures.
- 22 (4) *Orientation requirements.*
- 23 a. Building elevations that face a public street shall have at least 15 percent of the wall  
24 facing the street consist of windows and/or pedestrian entrance areas.
- 25 b. Main entrances shall be visible to pedestrians from the street or a public plaza on the  
26 primary frontage.
- 27 c. Buildings with multiple street frontages shall be designed with primary facades facing  
28 each public street.
- 29 (5) *Building articulation.* All buildings shall be designed to include varied relief to provide  
30 interest and variety and to avoid monotony. This shall include details that create shade  
31 and cast shadows to provide visual relief to the buildings. Horizontal and vertical  
32 elements of exterior walls should vary in height, design and projection to provide  
33 substantial architectural interest and style. ~~Such interest and style shall be provided~~  
34 ~~through, but not limited to the following: A minimum of four (4) features from the following~~  
35 ~~list shall be incorporated into the building design:~~
- 36 a. Arcades/colonnades.
- 37 b. Decorative ~~C~~ cornices.
- 38 c. Eaves.
- 39 ~~d. Architectural focal points (e.g., entry ways, window treatments).~~
- 40 ed. Offset in building elevation.
- 41 e. Variation of roof lines.



1            f. Arched and/or recessed entryway.

2            g. Arched windows.

3            h. Gable windows.

4            i. Oval or round windows.

5            j. Transom windows.

6            k. Stone coursing around windows.

7            l. Shutters.

8            m. Stone or brick accent wall.

9            n. Decorative stone or brick band.

10           o. Decorative tile or metal.

11           p. Awnings.

12           q. Canopies.

13           r. Storefronts.

14           s. Other feature as approved by the zoning administrator.

15        ~~(6) Roofing materials. Roofing materials shall consist of 25-year architectural dimensional~~  
16           ~~shingles, tile (clay, cement, natural or manufactured stone), non-reflective prefinished~~  
17           ~~metal, or reflective metal such as copper or other similar metals as approved by the~~  
18           ~~zoning administrator. Portions of the roof shall be permitted to be flat to provide for~~  
19           ~~mechanical equipment wells or roof decks, provided that such flat areas are screened by~~  
20           ~~pitched sections of the roof that meet the roofing material requirements.~~

21        ~~(6) Building elevation variation. The length of walls facing public streets shall be broken into~~  
22           ~~smaller planes. Wall planes shall not extend more than an average of 35 feet without an~~  
23           ~~offset or interruption by a pilaster or structural frames, change in roof line, or change in~~  
24           ~~exterior wall finish.~~

25        ~~(7) Pitched roof. Pitched roof sections shall have a pitch equal to or greater than a four to 12~~  
26           ~~pitch.~~

27        ~~(78)~~    Signage. Signs shall meet the requirements of chapter 30 and should be in harmony  
28           with the style and character of the development and should be an integral design  
29           component of the building architecture, building materials, landscaping and overall  
30           site development.  
31  
32

V.

That Chapter 46, Section 46-144(d), Code of Ordinances (2010 Edition), City of Round Rock, Texas, is hereby amended to read as follows:

**Sec. 46-144. OF (Office) district**

(d) ~~OF (Office)~~ *design standards*. The following design standards apply to all buildings in the OF ~~(Office)~~ district. These standards are intended to ensure an attractive built environment in Round Rock. ~~These standards supplement any district-specific standards.~~ Alternative designs standards may be approved in writing by the zoning administrator in order to ~~permit a more flexible or creative design~~ implement a specific, recognized architectural style not accommodated by the design standards below, excluding corporate architecture. Additions to sites and projects with existing buildings may continue the design style that has been previously established.

(1) *Exterior wall finish*. The building materials of a project shall be durable, require low maintenance, and be of the same or higher quality as surrounding developments. ~~Building materials shall be harmonious and compatible with adjacent developments.~~

~~a. The exterior finish of all buildings shall be masonry, except for doors, windows and trim. Masonry shall mean stone, simulated stone, brick, stucco, horizontally installed cement-based siding, decorative concrete masonry unit (CMU), standard exterior insulation and finish systems (EIFS) for exterior finish above eight feet, and abuse-resistant EIFS for exterior finish below eight feet. The use of materials such as wood shingles or wood siding shall be limited to accent features.~~

a. The exterior wall finish of all buildings shall be natural stone, simulated stone, brick, stucco, fiber cement siding (excluding flat, unarticulated panels), architecturally finished steel or metal, glass with steel framing, or architectural concrete masonry units (CMU), except for doors, windows and trim. The use of other materials shall be limited to accent features.

~~b. Stucco, horizontally installed cement-based siding, decorative architecturally finished steel or metal, or architectural concrete masonry unit (CMU), and EIFS, shall not comprise more than 50 percent of the total exterior wall finish (breezeways are not included in this calculation). However, 100 percent stucco may be permitted in conjunction with a tile roofs.~~

c. Fiber cement siding shall not comprise more than 25% of the total exterior wall finish.

d. Architectural CMU shall have an ashlar pattern.

(2) *Exterior color*. ~~Color schemes shall be harmonious and compatible with adjacent developments. Access colors shall be compatible with the main color theme. Day-Glo, luminescent, neon, or similar types of color finishes are prohibited.~~

(3) *Glass*. Mirrored glass with a reflectivity of 20 percent or more is ~~not permitted~~ prohibited on the exterior walls and roofs of all buildings and structures.

- 1 (4) *Orientation requirements.*
- 2 a. Building elevations that face a public street shall have at least 15 percent of the wall
- 3 facing the street consist of windows and/or pedestrian entrance areas.
- 4 b. Main entrances shall be visible to pedestrians from the street or a public plaza on the
- 5 primary frontage.
- 6 c. Buildings with multiple street frontages shall be designed with primary facades facing
- 7 each public street.
- 8 (5) *Building articulation.* Architectural relief shall be used in building design to provide
- 9 interest and variety and to avoid monotony. Details that create shade and cast shadows
- 10 can be used to provide visual relief to the building. Horizontal and vertical elements of
- 11 exterior walls should vary in height, design and projection to provide substantial
- 12 architectural interest and style. ~~Such interest and style shall be provided through, but not~~
- 13 ~~limited to the following:~~ A minimum of four (4) features from the following list shall be
- 14 incorporated into the building design:
- 15 a. Arcades/colonnades.
- 16 b. Decorative ~~C~~ornices.
- 17 c. Eaves.
- 18 ~~d. Architectural focal points (e.g., entry ways, window treatments).~~
- 19 ~~de.~~ Offset in building elevation.
- 20 e. Variation of roof lines.
- 21 f. Arched and/or recessed entryway.
- 22 g. Arched windows.
- 23 h. Gable windows.
- 24 i. Oval or round windows.
- 25 j. Transom windows.
- 26 k. Stone coursing around windows.
- 27 l. Shutters
- 28 m. Stone or brick accent wall.
- 29 n. Decorative stone or brick band.
- 30 o. Decorative tile or metal.
- 31 p. Awnings.
- 32 q. Canopies.
- 33 r. Shopfronts.
- 34 s. Other feature as approved by the zoning administrator.
- 35 ~~(6) — Roofing materials.~~ Roofing materials shall consist of 25-year architectural dimensional
- 36 shingles, tile (clay, cement, natural or manufactured stone), non-reflective prefinished
- 37 metal, or reflective metal such as copper or other similar metals as approved by the
- 38 zoning administrator. Portions of the roof shall be permitted to be flat to provide for
- 39 mechanical equipment wells or roof decks, provided that such flat areas are screened by
- 40 pitched sections of the roof that meet the roofing material requirements.

(6) Building elevation variation. The length of walls facing public streets shall be broken into smaller planes. Wall planes shall not extend more than an average of 35 feet without an offset or interruption by a pilaster or structural frames, change in roof line, or change in exterior wall finish.

~~(7) Pitched roof. Pitched roof sections shall have a pitch equal to or greater than a four to 12 (4:12) pitch.~~

(87) Signage. Signs shall meet the requirements of chapter 30 and should be in harmony with the style and character of the development and should be an integral design component of the building architecture, building materials, landscaping and overall site development.

## VI.

That Chapter 46, Section 46-145(d), Code of Ordinances (2010 Edition), City of Round Rock, Texas, is hereby amended to read as follows:

### Sec. 46-145. BP (Business Park) district

(d) Business park building design standards. The following design standards apply to all buildings in the BP ~~(Business park)~~ district. These standards are intended to ensure an attractive built environment in Round Rock. ~~These standards supplement any district-specific standards.~~ Alternative designs ~~standards~~ may be approved in writing by the zoning administrator in order to ~~permit a more flexible or creative design~~ implement a specific, recognized architectural style not accommodated by the design standards below, excluding corporate architecture. Additions to sites and projects with existing buildings may continue the design style that has been previously established.

- (1) Exterior wall finish. ~~a.~~ The building materials of a project shall be durable, require low maintenance, and be of the same or higher quality as surrounding developments. ~~Building materials shall be harmonious and compatible with adjacent developments.~~
  - a. The exterior finish of all buildings shall be brick, natural stone, simulated stone, stucco, architecturally finished steel or metal, architectural concrete masonry units (CMU), concrete tilt wall, or glass with steel framing.
  - ~~b. The exterior finish of all sides of the building shall be constructed of brick, stone, simulated stone, stucco, decorative concrete masonry unit (CMU), standard exterior insulation and finish systems (EIFS) for exterior finish above eight feet, abuse-resistant EIFS for exterior finish below eight feet, concrete tilt wall or similar material approved in writing by the zoning administrator.~~
  - b. Architectural CMU shall have an ashlar pattern.

- 1 (2) *Exterior color.* Color schemes shall be harmonious and compatible with adjacent  
2 developments. Accent colors shall be compatible with the main color theme.
- 3 (3) *Building articulation.* Architectural relief shall be used in building design to provide  
4 interest and variety and to avoid monotony. This shall include details that create shade  
5 and cast shadow to provide visual relief to the building. ~~Architectural focal points such as,~~  
6 ~~but not limited to, entryways, offsets and window treatments shall be incorporated into~~  
7 ~~building design.~~ The following methods of providing building articulation shall be  
8 incorporated:
- 9 a. All buildings shall have horizontal and vertical articulation. Any wall in excess of 100  
10 feet in length facing a public right-of-way shall incorporate wall plane projections or  
11 recesses having a depth of at least two (2) feet and extending a minimum of 20 feet  
12 in length. No façade facing a right-of-way shall have an uninterrupted length  
13 exceeding 100 horizontal feet.
- 14 b. Buildings that exceed 40 feet in height shall incorporate a change in material  
15 application that creates an architectural delineation between the base of the building,  
16 the upper levels, and the roof silhouette. Such base delineation shall not be less than  
17 30 percent or more than 40 percent of the overall height of the building.
- 18 c. Entries shall be recessed or covered with canopies.  
19  
20

## 21 VII.

22 That Chapter 46, Section 46-145, Code of Ordinances (2010 Edition), City of  
23 Round Rock, Texas, is hereby amended by adding new subsection (f) to read as  
24 follows:  
25

### 26 Sec. 46-145. BP (Business Park) district

27  
28 (f) Business park site design standards. New business park developments shall be designed in a  
29 manner that accommodates features such as plazas, courtyards, and similar pedestrian-oriented  
30 open spaces between buildings. Each new business park development shall incorporate a  
31 minimum of one such feature for every four (4) buildings, and each feature shall be adjacent to a  
32 centrally located building.  
33  
34

## 35 VIII.

36 That Chapter 46, Section 46-146(d), Code of Ordinances (2010 Edition), City of  
37 Round Rock, Texas, is hereby amended to read as follows:  
38

1 **Section 46-146. LI (Light Industrial) district**

2  
3 (d) *Light industrial design standards.* The following design standards apply to all buildings in the LI  
4 ~~(Light Industrial)~~ district. These standards are intended to ensure an attractive built environment  
5 in Round Rock. ~~These standards supplement any district-specific standards.~~ Alternative designs  
6 ~~standards~~ may be approved by the zoning administrator ~~in order to permit a more flexible or~~  
7 ~~creative design to implement a specific, recognized architectural style not accommodated by the~~  
8 ~~design standards below, excluding corporate architecture. Additions to sites and projects with~~  
9 ~~existing buildings may continue the design style that has been previously established.~~

- 10  
11 (1) *Exterior wall finish.* ~~Except for metal containers and accessory buildings that are made of~~  
12 ~~metal,~~ The exterior finish of all ~~sides of~~ buildings shall be constructed of brick, natural  
13 stone, simulated stone, stucco, ~~architectural~~ concrete masonry units (CMU) having a  
14 split-face, stone-face, or burnished finish, ~~split face concrete block or~~ concrete tilt wall,  
15 architectural steel or metal, other steel or metal, or similar material approved in writing by  
16 the zoning administrator, except for doors, windows, and trim.  
17 a. Architectural steel or metal shall not exceed 33% of the total exterior wall finish.  
18 b. Other steel or metal, such as unfinished corrugated aluminum and similar products,  
19 shall be prohibited on elevations that face public streets, access drives, or lots zoned  
20 for residential uses.  
21 c. Quonset style buildings and structures are prohibited.  
22 (2) *Signage.* Signs shall meet the requirements of chapter 30 and should be in harmony  
23 with the style and character of the development and should be an integral design  
24 component of the building architecture, building materials, landscaping and overall  
25 site development.

26  
27 **IX.**

28  
29 That Chapter 46, Section 46-149(d), Code of Ordinances (2010 Edition), City of

30 Round Rock, Texas, is hereby amended to read as follows:

31 **Section 46-149. PF-1 (Public Facilities – Low Intensity) district**

32  
33 (d) ~~PF-1 (Public facilities – low intensity)~~ design standards. The following design standards apply to  
34 all buildings in the PF-1 ~~(Public facilities-low intensity)~~ district. These standards are intended to  
35 ensure an attractive built environment in Round Rock. ~~These standards supplement any district-~~  
36 ~~specific standards.~~ Alternative designs ~~standards~~ may be approved in writing by the zoning  
37 administrator ~~to permit a more flexible or creative design to implement a specific, recognized~~  
38 architectural style not accommodated by the design standards below, excluding corporate  
39 architecture. Additions to sites and projects with existing buildings may continue the design style  
40 that has been previously established.

- 1  
2 (1) *Exterior wall finish.* ~~a.~~ The building materials of a project shall be durable, require low  
3 maintenance, and be of the same or higher quality as surrounding developments.  
4 ~~Building materials shall be harmonious and compatible with adjacent developments.~~  
5 a. The exterior wall finish of all buildings shall be natural stone, simulated stone, brick,  
6 stucco, fiber cement siding (excluding flat, unarticulated panels), architecturally  
7 finished steel or metal, glass with steel framing, or architectural concrete masonry  
8 units (CMU), except for doors, windows and trim. The use of other materials shall be  
9 limited to accent features.  
10 ~~b. The exterior finish of all buildings shall be masonry, except for doors, windows and~~  
11 ~~trim. Masonry shall mean stone, simulated stone, brick, stucco, horizontally installed~~  
12 ~~cement-based siding, decorative concrete masonry unit (CMU), standard exterior~~  
13 ~~insulation and finish systems (EIFS) for exterior finish above eight feet, and abuse-~~  
14 ~~resistant EIFS for exterior finish below eight feet. The use of materials such as wood~~  
15 ~~shingles or wood siding shall be limited to accent features.~~  
16 b. Stucco, architecturally finished steel or metal, or architectural CMU shall not  
17 comprise more than 50 percent of the total exterior wall finish (breezeways are not  
18 included in this calculation). However, 100 percent stucco may be permitted in  
19 conjunction with a tile roof.  
20 c. Fiber cement siding shall not comprise more than 25% of the total exterior wall finish.  
21 d. Architectural CMU shall have an ashlar pattern.  
22 (2) *Exterior color.* Color schemes shall be harmonious and compatible with adjacent  
23 developments. Accent colors shall be compatible with the main color theme.  
24 (3) *Orientation requirements.*  
25 a. Building elevations that face a public street shall have at least 15 percent of the wall  
26 facing the street consist of windows and/or pedestrian entrance areas.  
27 b. Main entrances shall be visible to pedestrians from the street or a public plaza on the  
28 primary frontage.  
29 c. Buildings with multiple street frontages shall be designed with primary facades facing  
30 each public street.  
31 (4) *Building articulation.* All buildings shall be designed to include varied relief to provide  
32 interest and variety and to avoid monotony. This shall include details that create shade  
33 and cast shadows to provide visual relief to the buildings. Horizontal and vertical  
34 elements of exterior walls should vary in height, design and projection to provide  
35 substantial architectural interest and style. ~~Such interest and style shall be provided~~  
36 ~~through, but not limited to the following:~~ A minimum of four (4) features from the following  
37 list shall be incorporated into the building design:  
38 a. Arcades/colonnades.  
39 b. Decorative Cornices.  
40 c. Eaves.  
41 ~~d. Sloped or unique roof features (e.g., parapets, mansard).~~

- d. Offset in building elevation.
- e. ~~Architectural focal points (e.g., entry ways, window treatments).~~
- e. Variation of roof lines.
- f. Arched and/or recessed entryway.
- g. Arched windows.
- h. Gable windows.
- i. Oval or round windows.
- j. Transom windows.
- k. Stone coursing around windows.
- l. Shutters.
- m. Stone or brick accent wall.
- n. Decorative stone or brick band.
- o. Decorative tile or metal.
- p. Awnings.
- q. Canopies.
- r. Storefronts.
- s. Other feature as approved by the zoning administrator.
- (5) ~~Architectural offsets. To preclude a box design, any wall facing a public right-of-way in excess of 100 feet in length shall incorporate wall plane projections or recesses having a depth of at least two (2) feet and extending at least 20 percent of the length of the facade. No uninterrupted length of any facade shall exceed 100 horizontal feet.~~
- (5) Building elevation variation. The length of walls facing public streets shall be broken into smaller planes. Wall planes shall not extend more than an average of 35 feet without an offset or interruption by a pilaster or structural frames, change in roof line, or change in exterior wall finish.
- (6) *Signage.* Signs shall meet the requirements of chapter 30 of this Code and should be in harmony with the style and character of the development and should be an integral design component of the building architecture, building materials, landscaping and overall site development.

## X.

That Chapter 46, Section 46-150(d), Code of Ordinances (2010 Edition), City of Round Rock, Texas, is hereby amended to read as follows:

### **Section 46-150. PF-2 (Public Facilities – Medium Intensity) district**

- (d) ~~PF-2 (Public facilities – medium intensity)~~ design standards. The following design standards apply to all buildings in the PF-2 ~~(Public facilities-medium intensity)~~ district. These standards are intended to ensure an attractive built environment in Round Rock. ~~These standards supplement~~



~~any district-specific standards.~~ Alternative designs ~~standards~~ may be approved in writing by the zoning administrator ~~to permit a more flexible or creative design; to implement a specific, recognized architectural style not accommodated by the design standards below, excluding corporate architecture.~~ Additions to sites and projects with existing buildings may continue the design style that has been previously established.

- (1) *Exterior wall finish.* ~~a.~~ The building materials of a project shall be durable, require low maintenance, and be of the same or higher quality as surrounding developments.

~~Building materials shall be harmonious and compatible with adjacent developments.~~

a. The exterior wall finish of all buildings shall be natural stone, simulated stone, brick, stucco, fiber cement siding (excluding flat, unarticulated panels), architecturally finished steel or metal, glass with steel framing, or architectural concrete masonry units (CMU) except for doors, windows and trim. The use of other materials shall be limited to accent features.

~~b. The exterior finish of all buildings shall be masonry, except for doors, windows and trim. Masonry shall mean stone, simulated stone, brick, stucco, horizontally installed cement-based siding, decorative concrete masonry unit (CMU), standard exterior insulation and finish systems (EIFS) for exterior finish above eight feet, and abuse-resistant EIFS for exterior finish below eight feet. The use of materials such as wood shingles or wood siding shall be limited to accent features.~~

b. Stucco, architecturally finished steel or metal, or architectural CMU shall not comprise more than 50 percent of the total exterior wall finish (breezeways are not included in this calculation). However, 100 percent stucco may be permitted in conjunction with a tile roof.

c. Fiber cement siding shall not comprise more than 25% of the total exterior wall finish.

d. Architectural CMU shall have an ashlar pattern.

- (2) *Exterior color.* Color schemes shall be harmonious and compatible with adjacent developments. Accent colors shall be compatible with the main color theme.

- (3) *Orientation requirements.*

a. Building elevations that face a public street shall have at least 15 percent of the wall facing the street consist of windows and/or pedestrian entrance areas.

b. Main entrances shall be visible to pedestrians from the street or a public plaza on the primary frontage.

c. Buildings with multiple street frontages shall be designed with primary facades facing each public street.

- (4) *Building articulation.* All buildings shall be designed to include varied relief to provide interest and variety and to avoid monotony. This shall include details that create shade and cast shadows to provide visual relief to the buildings. Horizontal and vertical elements of exterior walls should vary in height, design and projection to provide substantial architectural interest and style. ~~Such interest and style shall be provided~~

through, but not limited to the following: A minimum of four (4) features from the following list shall be incorporated into the building design:

- a. Arcades/colonnades.
- b. Decorative Cornices.
- c. Eaves.
- d. ~~Sloped or unique roof features (e.g., parapets, mansard).~~
- d. Offset in building elevation.
- e. ~~Architectural focal points (e.g., entry ways, window treatments).~~
- e. Variation of roof lines.
- f. Arched and/or recessed entryway.
- g. Arched windows.
- h. Gable windows.
- i. Oval or round windows.
- j. Transom windows.
- k. Stone coursing around windows.
- l. Shutters.
- m. Stone or brick accent wall.
- n. Decorative stone or brick band.
- o. Decorative tile or metal.
- p. Awnings.
- q. Canopies.
- r. Storefronts.
- s. Other feature as approved by the zoning administrator.

~~(5) Architectural offsets. To preclude a box design, any wall facing a public right-of-way in excess of 100 feet in length shall incorporate wall plane projections or recesses having a depth of at least two (2) feet and extending at least 20 percent of the length of the facade. No uninterrupted length of any facade shall exceed 100 horizontal feet.~~

~~(5) Building elevation variation. The length of walls facing public streets shall be broken into smaller planes. Wall planes shall not extend more than an average of 35 feet without an offset or interruption by a pilaster or structural frames, change in roof line, or change in exterior wall finish.~~

(6) *Signage.* Signs shall meet the requirements of chapter 30 of this Code and should be in harmony with the style and character of the development and should be an integral design component of the building architecture, building materials, landscaping and overall site development.

## XI.

That Chapter 46, Section 46-151(d), Code of Ordinances (2010 Edition), City of Round Rock, Texas, is hereby amended to read as follows:

1 **Section 46-151. PF-3 (Public Facilities – High Intensity) district**

2  
3 (d) ~~PF-3 (Public facilities – high intensity)~~ design standards. The following design standards apply to  
4 all buildings in the PF-3 ~~(Public facilities-high intensity)~~ district. These standards are intended to  
5 ensure an attractive built environment in Round Rock. ~~These standards supplement any district-~~  
6 ~~specific standards.~~ Alternative designs ~~standards~~ may be approved by the zoning administrator ~~in~~  
7 ~~order to permit a more flexible or creative design to implement a specific, recognized architectural~~  
8 ~~style not accommodated by the design standards below, excluding corporate architecture.~~  
9 Additions to sites and projects with existing buildings may continue the design style that has been  
10 previously established.

11  
12 (1) *Exterior wall finish.* ~~a.~~ The building materials of a project shall be durable, require low  
13 maintenance, and be of the same or higher quality as surrounding developments.

14 ~~Building materials shall be harmonious and compatible with adjacent developments.~~

15 a. A minimum of 75% of the total exterior wall finish of all buildings shall be natural  
16 stone, simulated stone, brick, stucco, or stone-face or split-face concrete masonry  
17 unit (CMU), except for doors, windows, and trim.

18 ~~b. The exterior finish of all buildings shall be masonry, except for doors, windows and~~  
19 ~~trim. Masonry shall mean stone, simulated stone, brick, stucco, horizontally installed~~  
20 ~~cement-based siding, decorative concrete masonry unit (CMU), standard exterior~~  
21 ~~insulation and finish systems (EIFS) for exterior finish above eight feet, and abuse-~~  
22 ~~resistant EIFS for exterior finish below eight feet. The use of materials such as wood~~  
23 ~~shingles or wood siding shall be limited to accent features.~~

24 b. A maximum of 25% of the total exterior wall finish may consist of fiber cement siding,  
25 architectural steel or metal, CMU with a finish other than split-face or stone-face, or  
26 glass with steel framing, except as modified by subsection (f) below.

27 c. New or emerging materials not explicitly permitted herein may comprise a maximum  
28 of 25% of the total exterior wall finish if approved in writing by the zoning  
29 administrator based upon the product's durability and longevity.

30 d. All CMU shall have an ashlar pattern.

31 e. Where stucco exceeds 75% of the total exterior wall finish, a minimum four-foot (4')  
32 wainscot of stone, simulated stone, or brick shall be incorporated.

33 f. Glass with steel framing shall not exceed 25% of the total exterior wall finish for  
34 buildings less than three (3) stories tall. Buildings that are three (3) stories or taller  
35 may consist of a maximum 50% glass with steel framing.

36 (2) *Exterior color.* Color schemes shall be harmonious and compatible with adjacent  
37 developments. Accent colors shall be compatible with the main color theme.

38 (3) *Orientation requirements.* Building elevations that face a public street shall have at least  
39 15 percent of the wall facing the street consist of windows and/or pedestrian entrance  
40 areas.

- (4) *Building articulation.* All buildings shall be designed to include varied relief to provide interest and variety and to avoid monotony. This shall include details that create shade and cast shadows to provide visual relief to the buildings. Horizontal and vertical elements of exterior walls should vary in height, design and projection to provide substantial architectural interest and style. ~~Such interest and style shall be provided through, but not limited to the following:~~ A minimum of four (4) features from the following list shall be incorporated into the building design:
- a. Arcades/colonnades.
  - b. Decorative Cornices.
  - c. Eaves.
  - d. Sloped or unique roof features (e.g., parapets, mansard).
  - ~~e. Architectural focal points (e.g., entry ways, window treatments).~~
  - e. Variation of roof lines.
  - f. Arched and/or recessed entryway.
  - g. Arched windows.
  - h. Gable windows.
  - i. Oval or round windows.
  - j. Transom windows.
  - k. Stone coursing around windows.
  - l. Shutters.
  - m. Stone or brick accent wall.
  - n. Decorative stone or brick band.
  - o. Decorative tile or metal.
  - p. Awnings.
  - q. Canopies.
  - r. Storefronts.
  - s. Other feature as approved by the zoning administrator.
- ~~(5) *Architectural offsets.* To preclude a box design, any wall facing a public right-of-way in excess of 100 feet in length shall incorporate wall plane projections or recesses having a depth of at least two feet and extending at least 20 percent of the length of the facade. No uninterrupted length of any facade shall exceed 100 horizontal feet.~~
- (5) *Building elevation variation.* The following regulations shall apply to the primary façade and all building elevations facing a public street (right of way):
- a. Changes in wall planes shall be provided with a minimum depth of 12 inches at intervals of not more than 80 feet. A depth of 24 inches is recommended.
  - b. Building elevations shall include a change in color, texture, and/or exterior wall finish material at horizontal intervals of not more than 80 feet.
  - c. Building elevations shall include vertical articulation by means of a minimum of one (1) change in color, texture, and/or exterior wall finish material for any structure exceeding 20 feet in height.

- (6) *Signage.* Signs shall meet the requirements of chapter 30 of this Code and should be in harmony with the style and character of the development and should be an integral design component of the building architecture, building materials, landscaping and overall site development.
- (7) The use of a steel framed fabric tension structure or a tensile fabric membrane structure shall be allowed for community recreational facility buildings which contain a minimum of 40,000 square feet of enclosed area. The provisions contained in subsections (d)(1) through (5) of this section shall not apply to such buildings.

## XII.

That Chapter 46, Section 46-154(d), Code of Ordinances (2010 Edition), City of Round Rock, Texas, is hereby deleted as follows:

### Section. 46-154. OS (Open Space) district

- ~~(d) — Open-space design standards. The following design standards apply to all buildings in the OS district. Alternative design standards may be approved by the zoning administrator in order to permit a more flexible or creative design.~~
- ~~(1) — Exterior wall materials. The building materials of a project shall be durable, require low maintenance, and be of the same or higher quality as surrounding developments.~~
- ~~a. — The exterior finish of all sides of the building shall be constructed of brick, stone, simulated stone, stucco, architectural concrete masonry unity (CMU), standard exterior insulation and finish systems (EIFS) for exterior finish above eight (8) feet, abuse-resistant EIFS for exterior finish below eight (8) feet, concrete tilt wall, horizontally installed cement-based siding, structural wood posts and beams, or similar materials approved in writing by the zoning administrator.~~
- ~~b. — Accessory buildings not exceeding 500 square feet in gross floor area are exempt from this requirement.~~
- ~~c. — The use of a steel-framed fabric tension structure or a tensile fabric membrane structure shall be allowed for community recreational facility buildings which contain a minimum of 40,000 square feet of enclosed area. The provisions contained in subsection (d)(1)a. of this section shall not apply to such buildings.~~

1 **XIII.**

2 **A.** All ordinances, parts of ordinances, or resolutions in conflict herewith are  
3 expressly repealed.

4 **B.** The invalidity of any section or provision of this ordinance shall not  
5 invalidate other sections or provisions thereof.

6 **C.** The City Council hereby finds and declares that written notice of the date,  
7 hour, place and subject of the meeting at which this Ordinance was adopted was posted  
8 and that such meeting was open to the public as required by law at all times during  
9 which this Ordinance and the subject matter hereof were discussed, considered and  
10 formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas  
11 Government Code, as amended.

12 Alternative 1.

13 By motion duly made, seconded and passed with an affirmative vote of all the  
14 Council members present, the requirement for reading this ordinance on two separate  
15 days was dispensed with.

16 **READ, PASSED, and ADOPTED** on first reading this \_\_\_\_ day of  
17 \_\_\_\_\_, 2017.

18 Alternative 2.

19 **READ and APPROVED** on first reading this the \_\_\_\_ day of  
20 \_\_\_\_\_, 2017.

21 **READ, APPROVED and ADOPTED** on second reading this the \_\_\_\_ day of  
22 \_\_\_\_\_, 2017.

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\_\_\_\_\_  
ALAN MCGRAW, Mayor  
City of Round Rock, Texas

ATTEST:

\_\_\_\_\_  
SARA L. WHITE, City Clerk

## Exterior materials standards of other cities

Pflugerville: Min 40% brick, natural stone, sim stone; max 60% concrete panels/tilt-wall and stucco; max 15% fiber cement siding, EIFS, metal, architectural CMU

Georgetown: Min 80% brick, natural stone, sim stone, rock, marble, granite, glass block, tile, stucco, architectural CMU, concrete panels/tilt-wall; possibility for max 60% EIFS or horizontal fiber cement siding (only >4 ft above grade)

Cedar Park: 100% brick, natural stone, sim stone, granite, marble, stucco, concrete tilt-wall, architectural CMU; other materials only permitted as “architectural embellishments”

San Marcos: Min 80% brick, stone, stucco, rock, marble, granite, decorative CMU, decorative concrete tilt-wall, or glass and steel framework; max 20% wood, architectural metal, glass block, tile. Fiber cement siding only for soffits, breezeways, etc. Other materials only as accents up to 10%.

New Braunfels: Min 80% brick, natural stone, sim stone, rock, marble, granite, glass block, tile, stucco, architectural CMU, tilt-wall. Max 20% metal, fiber cement siding, EIFS (but must be >4 ft above grade)

Sugar Land: Min 70% stone, brick, glass block, concrete panels, stucco; max 30% architectural CMU, EIFS (only >6 ft above grade), fiber cement siding, aluminum composite material (like Alucobond)

Pearland: 100% brick, stone, tilt-wall, stucco, architectural CMU; EIFS and architectural metal are permitted as accents only

Frisco: 100% brick, natural stone, sim stone, granite, marble, architectural CMU, stucco, tilt-wall, sealed and painted concrete block; 10% max for non-masonry materials and EIFS (which must be >9 ft. above grade)

McKinney: Buildings ≤3 stories = min 50% brick, natural stone, sim stone; max 50% stucco, EIFS, architectural CMU, architectural metal, lap siding (wood or cementitious)

Plano: Min 80% stone, brick, brick veneer, cast concrete, concrete block, tile, stucco, cementitious lap siding; max 25% architectural metal paneling as alternate; max 10% EIFS

Allen: 100% stone, brick, tiles, CMU, cast concrete, stucco; max 10% EIFS as accent





# City of Round Rock

## Agenda Item Summary

**Agenda Number:** I.2

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**Title:** Consider public testimony regarding, and an ordinance amending Chapter 36, Code of Ordinances (2010 Edition), regarding connectivity requirements for new residential subdivisions. (First Reading)(Requires Two Readings)

**Type:** Ordinance

**Governing Body:** City Council

**Agenda Date:** 3/9/2017

**Dept Director:** Brad Wiseman, Planning and Development Services Director

**Cost:** \$0.00

**Indexes:**

**Attachments:** Ordinance, Connectivity Index of select RR subdivisions

**Department:** Planning and Development Services Department

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### **Text of Legislative File 2017-4232**

This is the second code amendment City Council will consider at this meeting regarding the Round Rock Zoning and Development Code.

In response to concerns from residents about traffic flow through and between neighborhoods, staff has created subdivision connectivity requirements. The goal is to require subdivision design to provide multiple ways to get into, out of, and around new residential subdivisions. There are two primary methods for increasing connectivity: requiring more streets to intersect with one another, and requiring more connections to public streets. Other tools include requiring stub streets to vacant properties to encourage connectivity in the future, and placing limits on block lengths.

The first primary method is calculated with a connectivity index (CI), which is a ratio of the number of street segments (links) to intersections and end points (nodes). Transportation and planning literature have determined that a CI of 1.40 or greater is the indication of a well-connected subdivision. The amendment proposes a minimum roadway CI for new residential subdivisions of 1.35, with any subdivision having a CI below 1.40 required to incorporate enough pedestrian links to bring the total CI up to at least 1.40. For reference, a random sampling of 35 existing Round Rock neighborhoods representing a wide geography and age was determined to have a mean CI of 1.36, and of those, the 8 which were platted in the last 5 years had a mean CI of 1.39.

The amendment also proposes new residential subdivisions to have a minimum number of connections to existing public streets, a minimum number of stub streets to adjacent vacant

properties, and a block length limit of 1,000 feet. This limit can be exceeded with P&Z approval, but an interrupting feature must be placed near the mid-point of the block. There are opportunities to vary from any of the requirements where unique site conditions or incompatible adjacent land uses make strict compliance impossible or impractical.

The benefits of subdivision connectivity are plentiful: reduction in travel time and distance for drivers, less burden on collector and arterial streets, more convenient walking and cycling for residents (such as children going to a friend's house), faster and more efficient emergency response, and more efficient public service (trash collection, mail delivery, etc.).

*P&Z Recommendation:* the Planning and Zoning Commission unanimously recommended approval of the creation of subdivision connectivity requirements. The Commission also instructed staff to meet with the home building community to seek feedback on the requirements and refine them further if necessary. As a result of the meeting, which took place on January 11, 2017, with representatives from six builders/developers, the following adjustments were made:

- Reduced the minimum connectivity index from its original value of 1.40 to the requirement noted above;
- Reduced the minimum requirements for connections to public streets and new stub streets to adjacent vacant properties for subdivisions with more than 300 lots; and
- Expanded the list of site conditions/features which allow a variance from the requirements.

ORDINANCE NO. O-2017-4232

AN ORDINANCE AMENDING CHAPTER 36, CODE OF ORDINANCES (2010 EDITION), CITY OF ROUND ROCK, TEXAS, BY ADDING NEW DEFINITIONS; AMENDING SECTION 36-107 AND SECTION 36-119; AND BY ADDING NEW SECTION 36-128 REGARDING CONNECTIVITY; AND PROVIDING FOR A SAVINGS CLAUSE AND REPEALING CONFLICTING ORDINANCES AND RESOLUTIONS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ROUND ROCK,

TEXAS:

I.

That Chapter 36, Section 36-6, Code of Ordinances (2010 Edition), City of Round Rock, Texas, is hereby amended as follows, with the new definitions set forth below being appropriately inserted alphabetically:

**Sec. 36-6. Definitions.**

Connectivity index shall mean a tool used to quantify how well a given transportation network connects destinations as measured by a ratio of links to nodes.

Link shall mean any portion of a street defined by a node at each end or at one end.

Node shall mean the terminus of a street or the intersection of two or more streets.

II.

That Chapter 36, Section 36-107(g), Code of Ordinances (2010 Edition), City of Round Rock, Texas, is hereby amended to read as follows:

**Sec. 36-107. Streets.**

(g) *Culs-de-sac.*

(1) Local streets may terminate in a cul-de-sac. Collectors and arterial streets may not terminate in a cul-de-sac.

(2) Except as provided herein, the maximum length of a cul-de-sac street shall be ~~750~~ 600 feet, measured from the centerline of the nearest intersecting outlet street to the centerpoint of the turnaround; except that a longer length may be allowed upon a

1 recommendation by the fire department and if the planning and zoning commission  
2 determines any of the following:  
3

- 4 a. That no secondary access can be reasonably provided to the portion of the  
5 subdivision which is to be served by the cul-de-sac;  
6 b. That limited access to the subdivision is due to a topographical condition on the  
7 property or a particular physical surrounding; or  
8 c. That the cul-de-sac is temporary and the street is planned to extend to the  
9 adjacent property.  
10  
11

12 **III.**

13 That Chapter 36, Section 36-119, Code of Ordinances (2010 Edition), City of  
14 Round Rock, Texas, is hereby amended to read as follows:

15 **Sec. 36-119. Blocks.**  
16

- 17 (a) *Block configuration.* The configuration of blocks shall promote convenient and safe traffic and  
18 pedestrian circulation throughout the subdivision. create aesthetically pleasing neighborhoods,  
19 foster a desirable living environment, and provide fire and police access to ensure public safety.  
20  
21 (b) *Restriction.* Blocks of single family, two-family or single-lot townhouse lots shall not contain more  
22 than two tiers of lots.  
23  
24 (c) *Block length.* ~~Block lengths shall be designed to provide fire and police access to ensure public~~  
25 ~~safety.~~ Blocks within new residential subdivisions shall meet the following standards:  
26  
27 (1) The block length shall not exceed 1,000 feet without approval of the Planning and Zoning  
28 Commission. The city encourages block lengths to be limited to 600 feet, but the length  
29 may be varied according to circulation, topography, and provisions of the General Plan.  
30 (2) If the Planning and Zoning Commission approves a block length that exceeds 1,000 feet,  
31 a pedestrian access easement, greenbelt, or similar interrupting feature shall be provided  
32 within 100 feet of the mid-point of the block.  
33  
34

1 IV.

2 That Chapter 36, Code of Ordinances (2010 Edition), City of Round Rock, Texas,  
3 is hereby amended by adding a new Section 36-128, which shall read as follows:

4 **Sec. 36-128. Connectivity.**

5  
6 (a) With the submittal of a preliminary plat for a new single family or two family subdivision, a  
7 connectivity index shall be included and calculated for the road network in the subdivision. The  
8 roadway connectivity index shall be a minimum of 1.35, however additional pedestrian links shall  
9 be provided to increase the overall connectivity index to a minimum of 1.40. Subdivisions with a  
10 roadway connectivity index of 1.40 or greater shall not be required to provide additional  
11 pedestrian links.

12  
13 (b) The connectivity index shall be calculated by dividing the total number of links by the total number  
14 of nodes in the proposed subdivision.

15  
16 (1) Arterial streets shall not be included in the calculation of the connectivity index except  
17 when it is necessary to travel along an arterial street to reach any two points in the  
18 subdivision.

19 (2) Stub streets that will eventually connect the subdivision to a future subdivision or arterial  
20 or collector street shall not be counted as a node. The segment of the stub street shall  
21 count as a link.

22 (3) Alleys shall not be counted as a link, and locations where an alley intersects with a street  
23 shall not be counted as a node.

24 (4) Any location where a street name changes (as approved by the zoning administrator)  
25 shall be considered a node.

26 (5) Any location where a street T-intersects with another street of any classification shall be  
27 considered a node.

28 (6) Any curve or bend of a street that exceeds 75 degrees shall receive credit as a node.

29 (7) Any curve or bend of a street that does not exceed 75 degrees shall not be considered a  
30 node.

31 (8) Links on existing adjacent local streets that are not part of the proposed subdivision shall  
32 not be included in the connectivity index calculation if those streets are proposed as the  
33 only street connections that will be active at the time of the proposed subdivision's  
34 approval.

35  
36 (c) Subdivisions shall have a minimum number of connections to public roads and a minimum  
37 number of stub streets where necessary to connect to future subdivisions on adjacent tracts of  
38 land as follows:

- (1) Less than 75 lots: one (1) connection to a public road and one (1) stub street;
- (2) For 75 lots up to 150 lots: two (2) connections to a public road and one (1) stub street;
- (3) For 151 lots up to 300 lots: three (3) connections to a public road and two (2) stub streets;
- (4) For 301 lots up to 400 lots: four (4) connections to a public road and three (3) stub streets;
- (5) For 401 lots up to 500 lots: five (5) connections to a public road and four (4) stub streets;
- (6) For 501 lots up to 800 lots; six (6) connections to a public road and five (5) stub streets;
- (7) For 801 lots and more; one (1) additional connection to a public road and one (1) additional stub street for each additional 200 lots.
- (8) One (1) additional stub street may substitute for one (1) public road connection requirement.

(d) A subdivision may have a roadway connectivity index of less than 1.35, provide fewer connections to public roads, or provide fewer stub streets than required by the above where specific features or constraints of the land being subdivided make strict compliance impossible or impractical. Such features include the following:

- (1) Natural features such as bodies of water, severe elevation changes, karst features, or monarch trees;
- (2) Important cultural or archeological features such as historic landmarks or burial grounds;
- (3) Incompatible land uses adjacent to the proposed subdivision;
- (4) Adjacent subdivisions which do not provide stub streets or other opportunities to connect to the proposed subdivision; and
- (5) Situations where intersection and driveway separation requirements prevent the ability to provide additional connections to a public road.

The applicant shall attach to the plat application an explanation of how the connectivity of the proposed subdivision is hindered by the presence of any noted features. The Planning and Zoning Commission shall approve the application if it determines the connectivity of the proposed subdivision cannot meet the requirements of this section due to the site constraints. Alternately, the Planning and Zoning Commission may deny the application if it determines the proposed subdivision's connectivity can be reasonably improved in spite of the presence of said features.

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**V.**

That Chapter 36, Sections 36-128 – 36-152 Reserved, Code of Ordinances (2010 Edition), City of Round Rock, Texas, are hereby amended to read as follows:

**Secs. 36-~~128~~129—36-152. - Reserved.**

**VI.**

**A.** All ordinances, parts of ordinances, or resolutions in conflict herewith are expressly repealed.

**B.** The invalidity of any section or provision of this ordinance shall not invalidate other sections or provisions thereof.

**C.** The City Council hereby finds and declares that written notice of the date, hour, place and subject of the meeting at which this Ordinance was adopted was posted and that such meeting was open to the public as required by law at all times during which this Ordinance and the subject matter hereof were discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

**READ** and **APPROVED** on first reading this the \_\_\_\_ day of \_\_\_\_\_, 2017.

**READ, APPROVED and ADOPTED** on second reading this the \_\_\_\_\_ day of \_\_\_\_\_, 2017.

ALAN MCGRAW, Mayor  
City of Round Rock, Texas

ATTEST:

SARA L. WHITE, City Clerk



## Connectivity Index of select Round Rock subdivisions

### **Bold = platted in last 5 years**

Remington Heights – 1.8

Settlers Crossing – 1.59

### **Northfields – 1.56**

Round Rock West – 1.55

Greenhill – 1.50

Chisholm Valley – 1.50

Estates at Settlers Park – 1.48

### **Concord at Brushy Creek – 1.46**

### **Glen Ellyn – 1.46**

Bradford Park – 1.44

Arbor Place – 1.42

Mesa Ridge – 1.41

Pioneer Crossing – 1.40

Bent Tree – 1.39

The Woods – 1.36

### **Madsen Ranch – 1.35**

### **Warner Ranch (Somerville) – 1.35**

### **Diamond Oaks Residential – 1.35**

Settlement – 1.33

Jester Farms – 1.33

### **Vizcaya – 1.32**

Creekbend – 1.32

Sonoma (South of Forest Creek Blvd) – 1.30

Legends Village – 1.30

Ryans Crossing – 1.27

Rolling Ridge – 1.25

Lake Forest – 1.24

Oaklands and Oak Creek – 1.24

### **Forest Grove (Freeman Park) – 1.23**

Behrens Ranch – 1.22

Sonoma (North of Forest Creek Blvd) – 1.19

Wood Glen and Hidden Glen – 1.17

Preserve at Mayfield Ranch – 1.14

Preserve at Dyer Creek – 1.11

Oak Bluff Estates – 1.10

35 subdivisions calculated

Mean Connectivity Index = 1.36



# City of Round Rock

## Agenda Item Summary

**Agenda Number:** I.3

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**Title:** Consider public testimony regarding, and an ordinance amending Chapter 43, Code of Ordinances (2010 Edition), regarding requirements for tree protection and preservation. (First Reading)(Requires Two Readings)

**Type:** Ordinance

**Governing Body:** City Council

**Agenda Date:** 3/9/2017

**Dept Director:** Brad Wiseman, Planning and Development Services Director

**Cost:** \$0.00

**Indexes:**

**Attachments:** Ordinance

**Department:** Planning and Development Services Department

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### **Text of Legislative File 2017-4233**

This is the third code amendment City Council will consider at this meeting regarding the Round Rock Zoning and Development Code. The primary purpose of this amendment is to establish unique protection measures for monarch trees.

When the tree protection and preservation chapter was last comprehensively amended in 2012, the intent was to prevent encroachment into the critical root zone (CRZ) of any monarch tree. However, a numeric standard wasn't established, creating the potential for confusion and inconsistent enforcement. This amendment clearly defines monarch tree protection standards by identifying which potentially hazardous activities can occur within the CRZ of a monarch tree, how close those activities can occur to the trunk of the tree, and how much of the entire CRZ can be impacted by those activities.

The critical root zone is a region measured outward from the trunk of a tree representing the essential area of the roots that must be preserved for the tree's livelihood. The CRZ is measured as one foot of radial distance outward from the trunk for every inch of the tree's diameter. For example, a live oak tree having a 36-inch diameter trunk (measured at 4½ feet above ground level) will have a CRZ with a radius of 36 feet.

The amendment also removes protection for mesquite trees, which has been in place since the initial adoption of the Tree Protection and Preservation Ordinance. Mesquite trees can now be removed without mitigation and are considered an undesirable tree such as a hackberry. Finally, minor clarifications regarding other sections of the chapter have been provided to ensure ease of use.

*P&Z Recommendation:* the Planning and Zoning Commission unanimously recommended

approval of the proposed amendments, although one notable change has occurred since being heard by the Commission. Previously, mesquite trees were protected, but the mitigation fee for their removal was proposed by staff to be reduced by 50%. Since the Commission's recommendation, Council expressed a desire to remove all protection for mesquite trees. This revision is now included in the amendment.

**ORDINANCE NO. O-2017-4233**

**AN ORDINANCE AMENDING CHAPTER 43, ARTICLE II, CODE OF ORDINANCES (2010 EDITION), CITY OF ROUND ROCK, TEXAS, REGARDING TREE PROTECTION AND PRESERVATION; AND PROVIDING FOR A SAVINGS CLAUSE AND REPEALING CONFLICTING ORDINANCES AND RESOLUTIONS.**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ROUND ROCK,  
TEXAS:

Party	Percentage
No Party	85
Party	15

That Chapter 43, Article II, Tree Protection and Preservation, Code of Ordinances (2010 Edition), City of Round Rock, Texas, is hereby replaced in its entirety and shall read as follows:

## Chapter 43 - TREE PROTECTION AND PRESERVATION

## ARTICLE II. - TREE PROTECTION AND PRESERVATION

**Sec. 43-19. - Purpose and intent.**

(a) The intent of this article is:

- (1) To protect, maintain and manage the city's existing forest resources by providing regulations relating to the cutting, removal or destruction of protected trees;
- (2) To encourage protection and preservation of the natural environmental and beauty of the city;
- (3) To encourage a resourceful and prudent approach to urban development of wooded areas;
- (4) To minimize tree loss and provide for replacement of trees removed and destroyed resulting from development;
- (5) To provide an objective method to evaluate a development's impact on trees and wooded areas and identify whether and how the impact may be reduced;
- (6) To provide incentives for creative subdivision and site design which preserve trees while allowing development in wooded areas; and
- (7) To provide for the enforcement and administration of tree protection, thereby promoting and protecting the public health, safety and welfare and enhancing the quality of life.

- (b) Trees have a positive economic effect on the city by enhancing property values, mitigating drainage and flooding issues, improving air quality, helping save energy, and improving health and quality of life, thereby making the city a more attractive place in which to live, visit and do business.

#### **Sec. 43-20. - Definitions.**

For the purposes of this article, the following words, terms and phrases shall have the meaning ascribed to them in this section except where the context clearly indicates a different meaning. Any terms used herein that are not defined shall have the meaning ascribed to them in section 46-5, if any.

*Caliper* means the diameter of a tree to be planted in the ground. The caliper is measured six inches above the root ball for trees that are up to and including four-inch caliper size. For trees that are larger than four-inch caliper, measurement shall be 12 inches above the root ball.

*Canopy* means the upper vegetative cover of a tree or tree grouping.

*Champion tree* means the largest tree of a species that is registered by the forestry manager in the champion tree registry, is designated as a monarch tree by the city council and shall serve as the guide for the designation of other monarch trees of that same species.

*Champion tree registry* means a registry containing a list of the champion tree of a species within the city limits as identified by the forestry manager and adopted by the city council.

*Critical root zone (CRZ)* means a region measured outward from the trunk of a tree representing the essential area of the roots that must be preserved for the tree's livelihood. The CRZ is measured as one foot of radial distance outward from the trunk for every inch of the tree's diameter, but may not be less than a radius of eight feet.

*Crown* means all portions of a tree, excluding the trunk and roots.

*Developed lot* means a lot that has a fully constructed building or other site improvements, such as a parking lot, whether occupied or not.

~~*Diameter* means a form of measurement of an existing tree trunk. Diameter is measured at 4½ feet above the ground level. Trees that split into multi-trunks below 4½ feet shall use the sum of the largest trunk and one-half of the diameter of each additional trunk measured 4½ feet above the natural grade level to determine the diameter.~~

*Disturb or disturbing the critical root zone* means conducting any hazardous activities within the critical root zone.

*Dripline* means the periphery of the area underneath a tree that would be encompassed by perpendicular lines dropped from the outermost edges of the canopy of the tree.

*Forestry manager* means the person who oversees the urban forestry program and all aspects of public tree planting, public tree care, and other duties as provided herein.

*Hazardous activities* means the activities described in subsection 43-27(ed).

*Landscape architect* means a person who is licensed and registered to engage in the practice of landscape architecture in the state.

*Limits of construction* means a line delineating the area within a project site that is to be disturbed or otherwise affected by activities related to construction of such project.

1 *Monarch tree* means:

- 2 (1) A tree of a specific size or species that is designated as a monarch tree pursuant to section 43-  
3 23;  
4 (2) A champion tree; or  
5 (3) A tree of historic or unique significance that is specifically designated as a monarch tree by the  
6 city council.

7 *Owner* means the person or entity, or their representative, who submits an application pursuant to  
8 this article. An owner includes the owner of the property where a protected tree is located.

9 *Partial tree survey* means a drawing showing all protected trees within the limits of construction,  
10 easements, rights-of-way, and a 20-foot strip abutting rights-of-way.

11 *Protected tree* means a tree eight inches in diameter or greater except as otherwise provided in  
12 section 43-22.

13 The following species of trees are not included in the definition of "protected tree": *Celtis occidentalis*  
14 (Hackberry), *Melia azedaragh* (China-Berry), *Sapium sebiferum* (Chinese Tallow), *Maclura pomifera*  
15 (Osage-orange), ~~and *Juniperus ashei* (Texas Common Cedar), and *Prosopis glandulosa* (Honey~~  
16 ~~*Mesquite*).~~

17 *Protected tree removal permit* shall mean written authorization granted by the forestry manager,  
18 under the provisions of section 43-24, for the removal or transplanting of a protected tree.

19 *Stop work order* shall mean an order issued by the forestry manager or zoning administrator to the  
20 owner to cease and desist with work being performed on a site.

21 *Subdivision improvement construction plans* means engineering plans required by the city for the  
22 construction and installation of public improvements necessary to provide required services for proper  
23 development, including but not limited to, plans for grading, drainage facilities, water and sewer, open  
24 space, parks or other recreational space, streets and illumination of streets.

25 *Temporary tree protection device* means physical barriers, ~~at least four feet in height,~~ installed prior  
26 to construction for the purpose of preventing damage to trees. ~~Such devices include chainlink fence, vinyl~~  
27 ~~construction fencing or other similar temporary barrier that is nonintrusive to the tree canopy and critical~~  
28 ~~root zone.~~

29 *Tree* means any self-supporting, woody perennial plant usually having a single trunk with a diameter  
30 of no less than two inches at maturity, measured at one foot above grade, and which normally grows to  
31 an overall height of no less than 12 feet in central Texas.

32 *Tree inventory* means a drawing showing the tag number, species, size, and approximate location of  
33 all existing protected trees.

34 *Tree protection plan* shall mean a plan submitted by the owner in a form or manner specified by the  
35 forestry manager, or zoning administrator or planning and zoning commission, whichever is applicable,  
36 providing the method of protecting trees during construction that may or may not include protection  
37 details, standards, notes and construction plans in accordance with generally accepted methods such as  
38 those provided in the tree technical manual.

39 *Tree removal* means uprooting, severing the main trunk of the tree, or any act which causes or may  
40 reasonably be expected to cause the tree to die including, without limitation, damage inflicted on the root  
41 system by machinery, storage of materials or soil compaction; substantially changing the natural grade

1 above the root system or around the trunk; excessive pruning; or paving with concrete, asphalt, or other  
2 impervious materials in a manner which may reasonably be expected to kill the tree.

3 *Tree replacement plan* shall mean a plan submitted by the owner in a form and manner specified by  
4 the forestry manager, or zoning administrator or planning and zoning commission, whichever is  
5 applicable, providing the method of replacement for the proposed protected trees to be removed ~~that may~~  
6 ~~or may not include a plan~~ that identifies the location, size, and species of all new trees proposed as  
7 replacement for the protected trees being removed and fees in lieu of replacement trees.

8 *Tree survey* means a drawing ~~of the proposed preliminary plat or site plan~~ showing the size, location,  
9 species, critical root zone of all existing protected trees, any protected tree to be removed or transplanted,  
10 a table summarizing all protected trees and the total number of caliper inches of protected trees, in  
11 accordance with generally accepted methods such as those provided in the tree technical manual.

12 *Tree technical manual* means the standards and specifications based on generally accepted  
13 practices developed by the forestry manager for sound arboricultural practices, techniques and  
14 procedures which shall serve as guidelines for trees regulated by this article, including but not limited to,  
15 tree selection, planting, pruning, alteration, treatment, protection, and removal, as approved by city  
16 council, and maintained by the city clerk ~~and available through the forestry manager.~~

17 *Tree topping* means the severe cutting back of limbs to stubs larger than three inches in diameter  
18 within the tree's crown to such a degree that removal of the top canopy disfigures and invites disease to  
19 the tree.

20 *Zoning administrator* means the city staff person as defined in chapter 46.

21 *Zoning board of adjustment* means a board appointed by the city council, as further described in  
22 chapter 46.

## 24 **Sec. 43-21. - Prohibited activities.**

- 25
- 26 (a) It is unlawful for any person to remove any protected tree without first securing a tree removal  
27 permit as specified in section 43-24.
- 28
- 29 (b) It is unlawful for any person to damage a protected tree, such as through tree topping, over  
30 pruning or chemical poisoning.
- 31
- 32 (c) It is unlawful for a person to continue work or removal of trees after the forestry manager or  
33 zoning administrator has issued a stop work order.
- 34
- 35 (d) It is unlawful for a person to engage in any hazardous activities as described in subsection 43-  
36 27(ed), which causes damage to the crown or trunk or disturbs the critical root zone of a  
37 protected tree without the written approval of the forestry manager.
- 38

**Sec. 43-22. - Sizes and types of protected trees.**

(a) *Size.* Except as provided below, a tree having a diameter of eight inches or more is a protected tree:

(1) On all developed lots in zoning districts SF-1, SF-2, SF-D, MH, TF, and MU-L, and on developed lots smaller than 15,000 square feet in all other zoning districts, only monarch trees are protected trees.

(2) On all undeveloped lots in zoning districts SF-1, SF-2, SF-D, MH, TF, and MU-L, and on undeveloped lots smaller than 15,000 square feet in all other zoning districts, trees having a diameter of 20 inches or more are protected trees.

(b) *Type.* Trees of all species that meet the size requirement in subsection (a) of this section are protected, except for *Celtis occidentalis* (Hackberry), *Melia azedaragh* (China-Berry), *Sapium sebiferum* (Chinese Tallow), *Maclura pomifera* (Osage-orange), ~~and~~ *Juniperus ashei* (Texas Common Cedar), and *Prosopis glandulosa* (Honey Mesquite).

(c) *Monarch tree.* Except as provided in section 43-30, any tree designated as a monarch tree pursuant to section 43-23 is a protected tree that cannot be removed, unless its designation is removed; and the designation of a monarch tree shall not be removed without city council action, as provided for in section 43-23.

(d) *Measurement of trees.* Tree size is determined by measuring the diameter at 4½ feet above the ground level. Trees that split into multi-trunks below 4½ feet shall use the sum of the diameter of the largest trunk and one-half of the diameter of each additional trunk measured 4½ feet above the natural grade level to determine the diameter.

**Sec. 43-23. - Champion tree registry, designation of monarch trees and removal of designation.**

(a) *Champion tree registry.* The forestry manager shall identify the largest tree within a tree species within the city limits and list the trees in the city's champion tree registry as champion trees. The champion tree registry shall be adopted by city council and reviewed from time to time and adjusted as necessary. The city council shall consider the champion tree registry when adopting or amending monarch tree criteria.

(b) *Designation of monarch trees.* All trees of the following species and size or larger are designated as monarch trees:

TREE SPECIES	SIZE
American Elm	38"
Bald Cypress	34"



Burr Oak	32"
Catalpa	32"
Cedar Elm	25"
Italian Stone Pine	20"
Live Oak	36"
Magnolia	14"
Pecan	34"
Post Oak	24"
Shumard Oak / <u>Texas Red Oak</u>	21"
Sycamore	37"

- (c) *Removal of designation.* A written request by the property owner for removal of a monarch tree designation may be submitted to the zoning administrator for consideration by the city council. After city council approval of a monarch tree designation removal, the city clerk shall notify the property owner in writing of the designation removal.
- (d) *Designation by the city council.*
- (1) *Nomination.* The city council may consider designating a tree as a monarch tree upon the nomination by any person and with the written consent of the property owner.
  - (2) *Designation.* A tree may be designated a monarch tree by the city council upon a finding that it is unique and of importance to the community due to any of the following:
    - a. It is an outstanding specimen of a desirable species;
    - b. It is one of the largest or oldest trees in the city; or
    - c. It possesses a distinctive form, size, age, location, and/or historical significance.
  - (3) *Notification.* After city council approval of a monarch tree designation, the city clerk shall notify the property owner in writing of the designation.
  - (4) *Removal of designation.* A written request by the property owner for removal of a monarch tree designation may be submitted to the zoning administrator for consideration by the city council. After city council approval of a monarch tree designation removal, the city clerk shall notify the property owner in writing of the designation removal.

#### **Sec. 43-24. - Tree removal process.**

- (a) *Applicability of section 43-24.* A dead tree is not considered a protected tree and is not subject to the tree removal permit requirements set forth in this section. The process for removal of a dead

tree that was previously designated a monarch tree by city council or was considered a protected tree at the time it was alive, is as follows:

- (1) For removal of a dead tree that was previously designated a monarch tree by the city council:
  - a. A property owner shall request that the forestry manager inspect the tree.
  - b. The forestry manager shall inspect the tree within 15 working days of the request and make a determination if the tree is dead or alive.
  - c. Upon a determination by the forestry manager that the tree is dead, the city manager shall approve or deny the removal request.
  - d. ~~Upon a determination by~~ If the forestry manager determines that the tree is still alive, and the property owner ~~shall comply with the requirements~~ wishes to remove the tree, the owner must comply with ~~of~~ the protected tree removal permit process set forth in this section.

- (2) For removal of a dead tree that was not previously designated a monarch tree by the city council, but was considered a protected tree at the time it was alive:
  - a. A property owner shall request that the forestry manager inspect the tree.
  - b. The forestry manager shall inspect the tree within 15 working days of the request and make a determination if the tree is dead or alive.
  - c. Upon a determination by the forestry manager that the tree is dead, the forestry manager shall approve or deny the removal request.
  - d. ~~Upon a determination by the forestry manager that the tree is alive, the property owner shall comply with the requirements of the protected tree removal permit process set forth in this section.~~  
If the forestry manager determines that the tree is still alive, and the property owner wishes to remove the tree, the owner must comply with the protected tree removal permit process set forth in this section.

(b) *Protected tree removal permit process.*

- (1) *Protected tree removal permit.* This process is reserved for those situations provided for in section 43-26 and where the subdivision process, or site plan process does not apply. Unless the removal is part of the subdivision process or the site plan process, a protected tree shall not be removed without a permit. In all other cases, a permit is required to remove a protected tree. By way of clarification, a permit is required to remove a protected tree as part of the application for a building permit for lots zoned SF-1, SF-2, SF-D, MH and TF. Applications for protected tree removal permits are reviewed by the forestry manager or his designee.
- (2) *Tree removal permit application.* The application for a protected tree removal permit shall be made by the owner of the property on which the protected tree is located, and shall be accompanied by documentation showing:

- 1 a. The approximate location of the tree;
- 2 b. The diameter of the tree;
- 3 c. The approximate dripline of the tree;
- 4 d. The species and/or common name of the tree;
- 5 e. The approximate size of the lot, tract or parcel on which the tree is located;
- 6 f. Reason for the proposed removal;
- 7 g. Such other information as required by chapter 46, Zoning, or as otherwise may
- 8 be reasonably required by the forestry manager; and
- 9 h. A tree replacement plan, as provided for in section 43-25.
- 10 (3) *Application review.* Upon receipt of the application, the forestry manager shall inspect the
- 11 subject tree and approve or deny the application in accordance with the provisions of this
- 12 article.
- 13 (4) *Processing of application.* An application for a protected tree removal permit shall be
- 14 processed within 15 working days from the date the application is received.
- 15 (5) *Tree protection removal and replacement.*
- 16 a. Except as specifically provided in section 43-26, replacement trees shall be
- 17 required if any protected tree is removed. See section 43-25 for tree replacement
- 18 requirements.
- 19 b. A tree replacement plan shall accompany any tree removal permit application.
- 20 The tree replacement plan will be reviewed in conjunction with the protected tree
- 21 removal permit application and will be approved or denied by the forestry
- 22 manager.
- 23
- 24 (c) *Protected tree removal through the subdivision process.* Tree removal requests, tree surveys and
- 25 tree replacement plans for all projects requiring plat approval shall be submitted in conjunction
- 26 with the subdivision approval process. An electronic copy of the tree survey list, including
- 27 mitigation calculations, shall be provided with the application.
- 28
- 29 (1) *Tree survey.*
- 30 a. A tree survey, a tree protection plan, and a tree replacement plan will be
- 31 reviewed by the zoning administrator as part of the plat approval and subdivision
- 32 construction improvement acceptance process. The tree survey shall include all
- 33 trees in the subdivision and off-site trees whose critical root zones encroach into
- 34 the subdivision or limits of construction.
- 35 b. A tree survey will not be required if a land surveyor certifies that there are no
- 36 protected trees on the proposed subdivision or trees whose critical root zones
- 37 encroach within the limits of construction.
- 38 c. A partial tree survey may be permitted if the zoning administrator determines that
- 39 the replacement and protection requirements of this article have been met.
- 40 d. A tree inventory in lieu of a tree survey may be accepted by the zoning
- 41 administrator to document trees outside of the limits of construction shown on the

- subdivision improvement construction plans provided that the critical root zones of said trees do not encroach into the limits of construction.
- e. A request to use a tree inventory or a partial tree survey shall be made in writing to the zoning administrator in conjunction with the concept plan submittal. The zoning administrator shall provide written notification approving or disapproving the request within the concept plan review cycle.
- (2) *Tree removal.*
- a. ~~A subdivider who removes one or more protected trees as part of the subdivision process is entitled to a credit towards the tree replacement requirements of section 43-25. The foregoing credit is expressed in credit inches and is equal to 30 percent of the total diameter inches of protected trees identified in the above tree survey. The credit inches shall be applied first to the smallest diameter tree and then to the remainder of the trees in ascending order according to their diameters. After all credit inches are applied, the subdivider shall comply with the requirements of section 43-25. The developer of a subdivision who finds it necessary to remove one or more of the protected trees on the site may remove a limited number of said protected trees without being subject to the tree replacement requirements of Sec. 43-25. In order for a subdivision site to qualify under this Section, the zoning administrator shall first calculate the total number of diameter inches of protected trees on the site. Then the developer may remove protected trees whose total diameters are not more than 30 percent of the diameter inches of all protected trees on the site. Provided however, this~~ Section shall first be applied to the smallest protected tree on the site and then to the remainder of the protected trees in ascending order according to their diameters. If the developer wishes to remove more than 30 percent of the diameter inches of all protected trees on the site, the developer shall comply with the requirements of Section 43-25 for trees in excess of said 30 percent.
- b. The tree replacement plan pursuant to section 43-25 will be reviewed in conjunction with the preliminary plat review or subdivision improvement permit review process.
- (d) *Protected tree removal through the site ~~pland~~development permit process.* Tree removal requests, tree surveys, tree protection plans and tree replacement plans for all projects requiring site plan approval, shall be submitted to the zoning administrator, as part of the site plan application approval process. An electronic copy of the tree survey list, including mitigation calculations, shall be provided with the application.
- (1) *Tree survey.*
- a. A tree survey, tree protection plan and tree replacement plan shall accompany all site plans submitted in accordance with chapter 46 of this Code and will be reviewed by the zoning administrator. The tree survey shall include all trees on the subject site and off-site trees whose critical root zones encroach onto the site or limits of construction.

- 1 b. A tree survey will not be required if a land surveyor certifies that there are no  
2 protected trees on the proposed site or within the limits of construction.  
3 c. A partial tree survey may be permitted if the zoning administrator determines that  
4 the replacement and protection requirements of this article have been met.  
5 d. A tree inventory in lieu of a tree survey may be accepted by the zoning  
6 administrator to document trees outside the limits of construction provided that  
7 the critical root zones of said trees do not encroach into the limits of construction.  
8 e. A request to use a tree inventory or a partial tree survey shall be made in writing  
9 to the zoning administrator in conjunction with the preliminary site plan submittal.  
10 The zoning administrator shall provide written notification approving or  
11 disapproving the request within the preliminary site plan review cycle.

12 (2) *Tree removal.*

- 13 a. ~~The developer of the project who removes one or more protected trees as part of~~  
14 ~~the site plan development process is entitled to a credit towards the tree~~  
15 ~~replacement requirements of section 43-25. The foregoing credit is expressed in~~  
16 ~~credit inches and is equal to 30 percent of the total diameter inches of protected~~  
17 ~~trees identified in the above tree survey. The credit inches shall be applied first to~~  
18 ~~the smallest diameter tree and then to the remainder of the trees in ascending~~  
19 ~~order according to their diameters. After all credit inches are applied, the~~  
20 ~~developer shall comply with the requirements of section 43-25. A developer of a~~  
21 ~~project who finds it necessary to remove one or more of the protected trees on~~  
22 ~~the site may remove a limited number of said protected trees without being~~  
23 ~~subject to the tree replacement requirements of Sec. 43-25. In order for a site to~~  
24 ~~qualify under this Section, the zoning administrator shall first calculate the total~~  
25 ~~number of diameter inches of protected trees on the site. Then the developer~~  
26 ~~may remove protected trees whose total diameters are not more than 30 percent~~  
27 ~~of the diameter inches of all protected trees on the site. Provided however, this~~  
28 ~~Section shall first be applied to the smallest protected tree on the site and then to~~  
29 ~~the remainder of the protected trees in ascending order according to their~~  
30 ~~diameters. If the developer wishes to remove more than 30 percent of the~~  
31 ~~diameter inches of all protected trees on the site, the developer shall comply with~~  
32 ~~the requirements of Section 43-25 for trees in excess of said 30 percent.~~

- 33 b. A tree replacement plan and tree protection plan shall accompany the site  
34 development permit application to the zoning administrator. The tree replacement  
35 plan and tree protection plan will be reviewed in conjunction with the site  
36 development permit application and will be approved or denied by the zoning  
37 administrator.  
38 c. When replacement trees are required, replacement shall be in accordance with  
39 section 43-25.

40 (3) Reduced parking space requirement for preserving larger protected trees. A property  
41 owner who preserves a protected tree having a diameter of 15 inches or more and who  
42 does not disturb more than 25 percent of the said tree's critical root zone shall qualify for  
43 a parking space credit as set forth herein. The property owner shall be entitled to reduce

his/her parking requirement by one parking space for each 162 square feet of area, or fraction thereof, left undeveloped in order to preserve the protected tree. However, in no case shall the owner receive a reduction in parking spaces in excess of ten percent of the total required parking spaces. See Sec. 43-27(c) regarding disturbance of a monarch tree's critical root zone.

**Sec. 43-25. - Tree replacement.**

**(a) Requirements and regulations.**

- (1) Except as expressly provided herein, when protected trees are removed, tree replacement shall be required.
- (2) Replacement trees of the same or similar species as the protected tree to be removed shall be planted as required in the tree replacement schedule in subsection (a)(6) of this section. Each replacement tree shall be a minimum of three inches caliper and a minimum of ten feet in height and five-foot spread, when planted. All replacement trees shall comply with generally accepted criteria such as those provided in the tree technical manual.
- (3) Each replacement tree shall have an underground automatic irrigation system ~~or~~ and watering schedule in accordance with the generally accepted methods in the tree technical manual.
- (4) Each replacement tree shall be planted on the same subdivision or development site from which the tree was removed. In the event that there is not a suitable location for the replacement tree(s) on the same site, as determined and certified by a landscape architect and approved by the zoning administrator, or if the zoning administrator determines that replacement trees are unable to survive on the site based on information submitted by the landscape architect, the owner of the site will be allowed to do one of the following if approved by the zoning administrator:
  - a. Make a cash payment into the tree fund in accordance with the tree replacement schedule provided in subsection (a)(6) below, which shall be used to fund tree plantings or tree replacement on public property; or
  - b. Plant trees on public property according to the tree replacement schedule provided in subsection (a)(6) below, as approved by the forestry manager.
- (5) Replacement trees required under the subdivision process shall be planted no later than two years from the date of the acceptance letter for the subdivision public improvements, provided that fiscal security is posted in accordance with section 43-28.
- (6) The tree replacement schedule is provided below and the replacement inches shall be calculated as follows: Total diameter of trees in a single category multiplied by the tree replacement ratio for that category equals the tree replacement required for that category of trees. The tree replacement ratio applies to the diameter of the existing tree to be removed.

Diameter of Existing Tree	Tree Replacement Ratio inches	Tree Replacement Fee (per inch)
8 to 19.99 inches	1.0	\$150.00
20 inches to Monarch	2.0	\$300.00
Monarch and larger	3.0	\$450.00

*Example:* If an existing 12-inch tree is removed, 12 inches of tree replacement results or a fee of \$1,800 shall be paid (12 inches multiplied by \$150.00). If an existing 20-inch tree is removed, 40 inches of tree replacement results or a fee of \$6,000 shall be paid (20 inches multiplied by \$300.00).

- (7) Except as provided herein, any replacement tree that dies prior to the expiration of two years after a ~~certificate of occupancy~~ site development or subdivision improvement permit acceptance letter is issued shall be replaced by the developer or owner. This paragraph shall not apply to any replacement trees planted on lots zoned for single-family or two-family uses.

(8) All replacement trees shall be considered protected trees regardless of size.

(b) *Tree replacement fee.*

- (1) Fees are based on the ratios in the table in subsection (a)(6) above. Payment is calculated as currently established or as hereafter adopted by resolution of the city council from time to time.
- (2) The tree replacement fee shall be tendered in the form of a cashier's check or other form of payment acceptable by the city, payable to the city.
- (3) The cashier's check or other form of payment acceptable by the city shall be submitted to the zoning administrator at the time of site plan approval; prior to subdivision construction plan acceptance; prior to plat recordation; or upon the tree removal permit approval, depending on the applicable review process.

(c) *Tree credits.*

- (1) Except for those species listed in subsection 43-22(b), trees with diameters of three or more inches and less than eight inches located on-site may be credited toward the replacement trees required under this article. For applicable lots under subsection 43-22(a)(2), trees with diameters of three to 19 inches located on-site may be credited toward the replacement trees required under this article.
- (2) Up to 50 percent of the inches to be replaced may be done through tree credits.
- (3) The trees selected for consideration toward the amount of replacement trees required shall be indicated on the tree survey and the tree replacement plan.



- 1 (4) The trees shown on the tree survey and the tree replacement plan as the trees proposed  
2 for tree credits shall be protected in the same manner as a protected tree.
- 3 (5) The forestry manager or zoning administrator, as appropriate, will review the trees  
4 proposed for tree credits provided in the tree survey and tree replacement plan and will  
5 approve or deny the use of the recommended trees as credits toward the replacement  
6 trees required. The review of the forestry manager or the zoning administrator, as  
7 appropriate, shall be based on the assessed health, structure, habit, disease, or decline  
8 of the tree.

9

10 **Sec. 43-26. - Tree removal without replacement.**

11

- 12 (a) A protected tree may be removed without replacement, provided approval is granted under  
13 section 43-24, and one of the following conditions exists:
- 14
- 15 (1) The protected tree is damaged by natural causes or is diseased beyond the point of  
16 recovery;
- 17 (2) The protected tree should be removed as a safety measure because it is in danger of  
18 falling;
- 19 (3) The protected tree threatens to damage property;
- 20 (4) The location of the protected tree prevents reasonable access to the property; or
- 21 (5) The location of the protected tree precludes all reasonable and lawful use of the property  
22 on which it is located.
- 23
- 24 (b) Transplanting a protected tree to a suitable location on the same property or off-site, as approved  
25 under section 43-25, shall not require replacement, provided that the owner complies with the  
26 generally accepted transplanting methods described in the tree technical manual and posts either  
27 a cash deposit or a letter of credit. The letter of credit shall be in a form acceptable to the city  
28 attorney, in the amount of 100 percent of the tree replacement fee required by section 43-25. The  
29 city may draw on the letter of credit if, within two years of the date of the above-described  
30 transplanting, the forestry manager reasonably determines that the tree is dead or is in such a  
31 state of decline that it is likely to die. In that event, the cash deposit or the amount drawn on the  
32 letter of credit shall be deposited in the tree fund.

33

34 **Sec. 43-27. - Tree protection measures.**

35

- 36 (a) *Critical root zone.* During construction, temporary tree protection devices shall be installed at  
37 least to the limit of the critical root zone or dripline, whichever is greater, for any protected tree to  
38 be preserved when the respective critical root zone is within the limits of construction. The  
39 temporary tree protection device shall consist of a chain link fence with a minimum height of five  
40 feet with posts located at a maximum spacing of 10 feet installed in a manner that is nonintrusive  
41 to any tree canopy and critical root zone.



(b) Disturbance of critical root zone *for protected trees.*

- (1) If any of the hazardous activities described in subsections (ed)(3), (4), (7), (8) or (9) below, occurs within six feet of the trunk of a protected tree, such tree shall be considered removed and shall be replaced as required herein.
- (2) If disturbance of the critical root zone of a protected tree occurs more than six feet from the trunk and is 25 percent or less of the critical root zone, no replacement or mitigation shall be required.
- (3) If disturbance of the critical root zone of a protected tree exceeds 40 percent of the critical root zone, such tree shall be considered removed and its removal shall be mitigated as set forth in section 43-25.
- (4) If disturbance of the critical root zone of a protected tree occurs more than six feet from the trunk and ~~is less than~~ 40 percent or less, but exceeds 25 percent, the owner shall be required to mitigate such disturbance by selecting one of the following methods:
  - a. The owner shall replace 50 percent of the tree replacement inches or pay 50 percent of the tree replacement fee required by section 43-25; or
  - b. The owner shall post either a cash deposit or a letter of credit in a form acceptable to the city attorney, in the amount of 100 percent of the tree replacement fee required by section 43-25. The city may draw on the letter of credit if, within two years of the date of the above-described disturbance, as determined by the zoning administrator, the zoning administrator reasonably determines that the tree is dead or is in such a state of decline that it is likely to die. In that event, the cash deposit or the amount drawn on the letter of credit shall be deposited in the tree fund.

(c) Disturbance of critical root zone for monarch trees.

- (1) It shall be unlawful for any of the hazardous activities described in subsections (d)(3), (4), (7), (8) or (9) below to encroach into the enhanced critical root zone of a monarch tree. The enhanced critical root zone shall be defined as the area within 75% of the radial distance of the critical root zone. For example, a 40" diameter live oak having a 40-foot radius critical root zone has a 30-foot radius enhanced critical root zone.
- (2) Hazardous activities as described in subsections (d)(3), (4), (7), (8) or (9) below may impact a maximum of 10% of the critical root zone of a monarch tree. Any impact shall comply with the requirement described in subsection (c)(1) above and be approved by the zoning administrator.
- (3) Hazardous activities as described in subsections (d)(1), (2), (5) or (6) below, are prohibited anywhere within the critical root zone of a monarch tree.

(4) Any pruning or trimming of a protected tree designated as a monarch tree shall only occur if the forestry manager or zoning administrator has granted a monarch tree trimming permit.

(ed) *Hazardous activities.* Activities hazardous to the health of any protected tree being preserved are prohibited, including but not limited to the following and as generally described in the tree technical manual:

- (1) *Physical damage.* Any physical damage, including tree topping and/or excessive pruning.
- (2) *Equipment cleaning and liquid disposal.* Cleaning equipment, depositing or allowing harmful liquids to flow overland within the limits of the critical root zone. This includes paint, oil, solvents, asphalt, concrete, mortar, tar or similar materials.
- (3) *Grade changes.* Grade changes (cut or fill) within the limits of the critical root zone unless adequate construction methods are approved by the forestry manager or zoning administrator, as appropriate.
- (4) *Impervious paving.* Paving with asphalt, concrete or other impervious materials within the limits of the critical root zone in a manner which may reasonably be expected to kill a tree.
- (5) *Material storage.* Storing materials intended for use in construction or allowing waste materials due to excavation or demolition to accumulate within the limits of the critical root zone.
- (6) *Tree attachments.* Attaching to a tree any signs, wires, or other items, other than those of a protective nature.
- (7) *Vehicular traffic.* Vehicular and/or construction equipment traffic, parking, or storage within the limits of the critical root zone, other than on pre-existing or approved pavement. This restriction does not apply to single incident access within the critical root zone for purposes of clearing underbrush, vehicular access necessary for emergency services, routine utility maintenance, emergency restoration of utility service, or routine mowing operations.
- (8) *Utility encroachment.* Installation of utilities and appurtenances within the critical root zone or crown except as otherwise approved by the forestry manager or zoning administrator, as appropriate.
- (9) *Excavation and trenching.* Excavation and trenching within the limits of the critical root zone, except as otherwise approved by the forestry manager or zoning administrator, as appropriate.

(de) *Plans.* Details and notes prohibiting the above activities as generally provided in the tree technical manual shall be included on all tree protection plans and tree replacement plans.

1   **Sec. 43-28. - Fiscal security for trees.**  
2

- 3   (a)   *Posting of fiscal at subdivision.* The owner must post fiscal security with the city prior to a request  
4           for recordation of the final plat or prior to subdivision construction plan acceptance, whichever  
5           comes first, if the replacement trees required under the approved tree replacement plan have not  
6           been installed and accepted by the zoning administrator.  
7
- 8   (b)   *Posting of fiscal for phased site plans.* The owner must post fiscal security with the city if the tree  
9           replacement plan is to be implemented in phases as part of an approved site plan that is in  
10          phases. This fiscal security is intended to apply to those situations where protected trees are  
11          removed in one phase of the development and the replacement trees are intended to be planted  
12          in a subsequent phase of the development. The fiscal security must be posted prior to final site  
13          plan approval.  
14
- 15   (c)   *Amount.* The amount of fiscal security posted by the owner shall equal the estimated cost plus  
16          ten percent to complete the approved tree replacement plan. The owner's landscape architect  
17          shall provide the zoning administrator with a sealed opinion of the probable cost for his approval.  
18
- 19   (d)   *Time.* The fiscal shall be posted for a two-year time period.  
20
- 21   (e)   *Administrative fee.* The owner shall pay an administrative fee equal to five percent of the amount  
22          to be posted for all fiscal posting.  
23
- 24   (f)   *Types.* In a form approved by the city attorney, an owner may post as fiscal security:  
25
- 26          (1)    Cash;  
27          (2)    A performance bond; or  
28          (3)    A letter of credit.  
29
- 30   (g)   *Expenditure of fiscal security.* The city may draw on the fiscal security and pay the cost of  
31          completing the tree replacement plan approved if it determines that the owner has breached the  
32          obligations secured by the fiscal security or the two-year time period for the installation of the  
33          replacement trees has expired. The city shall refund the balance of the fiscal security, if any, to  
34          the owner. The owner shall be liable for the cost that exceeds the amount of fiscal security, if any,  
35          including any costs incurred by the city to draw on the fiscal security.  
36
- 37   (h)   *Return of fiscal security.* The city shall return the fiscal security to the owner when final inspection  
38          approval is provided by the zoning administrator.  
39

1   **Sec. 43-29. - Administration and enforcement.**

2  
3   This article will be administered and enforced by the forestry manager and the zoning administrator.

4       (1)     *Administration.*

5           a.     The role of the forestry manager is to:

- 6                   1.     Provide technical advice to the zoning administrator regarding trees;  
7                   2.     Provide technical advice regarding protected trees and tree replacement  
8                           plans to the planning and zoning commission through the plat review  
9                           process;  
10                  3.     Approve or disapprove of the removal of protected trees unrelated to the  
11                           site plan or subdivision processes; and  
12                  4.     Review and recommend updates to this tree protection and preservation  
13                           ordinance and the tree technical manual.

14          b.     The role of the zoning administrator is to approve or disapprove protected trees  
15                   to be preserved, removed, or replaced as part of the site plan and subdivision  
16                   process.

17          c.     The role of the planning and zoning commission is to approve or disapprove  
18                   protected trees to be preserved, removed, or replaced as part of the subdivision  
19                   process.

20       (2)     *Enforcement.*

21          a.     *Inspections.* The forestry manager and zoning administrator are hereby  
22                   authorized to make such inspections and take such actions as may be required  
23                   to enforce the provisions of this article.

24          b.     *Powers and duties.* The forestry manager and zoning administrator shall have  
25                   the following powers:

- 26                   1.     To enforce the provisions of this article, file complaints in municipal court  
27                           against persons who violate any of its provisions.  
28                   2.     To enter any premises for the purpose of inspecting the trees provided  
29                           for in the tree surveys and tree replacement plans; the protection of trees  
30                           on the site; the trees being installed; the trees being removed or to  
31                           perform his/her official duties.  
32                   3.     To ensure compliance with this article where a tree replacement plan has  
33                           been submitted and approved.  
34                   4.     To issue a stop work order to a person to cease performing any work  
35                           being done without a requisite permit or otherwise in violation of this  
36                           article.

37          c.     *Faulty work.*

- 38                   1.     If the installation of replacement trees are found to be of substandard  
39                           quality, incorrectly or defectively installed or found not to be installed in  
40                           accordance with the tree replacement plan and the tree technical  
41                           manual, the forestry manager or zoning administrator, as appropriate,

1 shall notify the owner in writing of all the changes that need to be made  
2 in order for the work to conform with the tree replacement plan and the  
3 provisions of this article.

4 2. If the forestry manager or zoning administrator, as appropriate, finds that  
5 the protected trees on the site were damaged due to construction during  
6 the subdivision or site plan process, the forestry manager or zoning  
7 administrator, as appropriate, shall notify the owner in writing identifying  
8 the damaged trees and the owner shall replace the damaged trees in  
9 accordance with section 43-25.

10 3. A subdivision plat shall not be recorded, a certificate of occupancy shall  
11 not be issued, or fiscal security shall not be released until the forestry  
12 manager or zoning administrator, as appropriate, re-inspects the site and  
13 finds that the changes requested have been completed correctly and in  
14 accordance with the tree replacement plan and the provisions of this  
15 article or the fiscal security posted is paid into the tree fund.

16 d. *Final inspection.*

17 1. Upon the completion of all the installation of trees, the owner shall notify  
18 the forestry manager or zoning administrator, as appropriate, that the  
19 work is ready for final inspection.

20 2. If faulty work or substandard plant material is found, the owner shall be  
21 notified of the necessary changes to be done in accordance with  
22 subsection 43-29(2)c., above. If such work is found to be correctly  
23 installed and in accordance with the tree replacement plan, the forestry  
24 manager or zoning administrator, as appropriate, shall provide written  
25 notification to the appropriate city official that the owner has met the  
26 requirements of this article.

27  
28 **Sec. 43-30. - Exceptions.**

29  
30 (a) During the period of an emergency, such as a tornado, storm, flood or other natural disaster, the  
31 requirements of this article may be waived as deemed necessary by the emergency management  
32 coordinator or other designee of the city manager. In addition to rights granted by easement,  
33 utility service providers, lawfully within the right-of-way, may remove trees during the period of an  
34 emergency that are determined by the provider to be a danger to public safety and welfare by  
35 interfering with utility service.

36  
37 (b) The city shall have the right to plant, prune, remove and maintain any protected tree located on a  
38 right-of-way, easement, public parkland or any other city-owned property as may be necessary to  
39 ensure public safety. The city may remove or cause or order to be removed any protected tree or  
40 part thereof which is in an unsafe condition, or which by reason of its nature or location  
41 unreasonably interferes with the construction, maintenance or replacement of wastewater lines,

1 water lines, drainage facilities, streets or other public improvements. Before removing a monarch  
2 tree for any of the reasons provided above, a city department shall consult with the forestry  
3 manager and/or zoning administrator, as appropriate, to determine whether a monarch tree may  
4 be removed, with the final decision being made by the city manager.

5  
6 **Sec. 43-31. - Violations.**

7  
8 Violations of this article shall be punishable by a fine as provided in section 1-9, and each protected tree  
9 that is unlawfully removed or damaged shall constitute a separate offense. Criminal prosecution shall not  
10 preclude civil action by the city to recover for the damage or loss of the tree, and the city attorney is  
11 hereby authorized, without further authorization from the city council, to institute and prosecute a lawsuit  
12 against any person who unlawfully removes or damages a protected tree, to recover the reasonable value  
13 of the tree.

14  
15 **Sec. 43-32. - Appeals.**

16  
17 (a) *Denial of protected tree removal permit.* If an application for a protected tree removal permit is  
18 denied, the applicant may appeal such action to the zoning board of adjustment by filing written  
19 notice of such appeal with the zoning administrator within ten days of notice of the denial of the  
20 application by the forestry manager or zoning administrator, as appropriate. The board shall have  
21 45 days from the date of the appeal to review said denial. The board may affirm or reverse the  
22 determination of the forestry manager or zoning administrator. If the board fails to act within 45  
23 days, the appeal shall be automatically granted and a protected tree removal permit issued.

24  
25 (b) *Denial of tree removal request through the subdivision process.* If a protected tree removal  
26 request is denied, the applicant may appeal such action to the city council by filing written notice  
27 of such appeal with the city clerk within ten days of notice of the denial of the application by the  
28 planning and zoning commission. The city council shall have 30 days from the date of the appeal  
29 to review said denial. The city council may affirm or reverse the determination of the planning and  
30 zoning commission. If the city council fails to act within 30 days, the appeal shall be automatically  
31 granted and a protected tree removal request approved.

32  
33 (c) *Denial of tree removal request through the site ~~plan~~ development or subdivision improvement*  
34 *permit process.* If a protected tree removal request is denied, the applicant may appeal such  
35 action to the zoning board of adjustment by filing written notice of such appeal with the zoning  
36 administrator within ten days of notice of the denial of the application by the zoning administrator.  
37 The board shall have 45 days from the date of the appeal to review said denial. The board may  
38 affirm or reverse the determination of the zoning administrator. If the board fails to act within 45  
39 days, the appeal shall be automatically granted and a protected tree removal request approved.



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ALAN MCGRAW, Mayor  
City of Round Rock, Texas

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ATTEST:

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SARA L. WHITE, City Clerk

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# City of Round Rock

## Agenda Item Summary

**Agenda Number:** I.4

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**Title:** Consider public testimony regarding, and an ordinance amending Chapter 36, Section 36-180, Code of Ordinances (2010 Edition), regarding on-site detention facilities. (First Reading)(Requires Two Readings)

**Type:** Ordinance

**Governing Body:** City Council

**Agenda Date:** 3/9/2017

**Dept Director:** Brad Wiseman, Planning and Development Services Department Director

**Cost:** \$0.00

**Indexes:**

**Attachments:** Ordinance, Ordinance\_WordVersion

**Department:** Planning and Development Services Department

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### **Text of Legislative File 2017-4244**

This is the fourth and final code amendment City Council will consider at this meeting regarding the Round Rock Zoning and Development Code. The purpose of this amendment is to modify the requirements for on-site storm water detention.

Currently all developments that are required to detain storm water on-site are required to do so in a pond designed to accommodate up to the 4% annual chance storm event (sometimes referred to as a 25-year flood), while developments in or upstream of areas with known flooding issues are required to accommodate up to the 1% annual chance storm event (sometimes referred to as a 100-year flood). The amendment will require all on-site detention ponds to accommodate up to the 1% annual chance storm event, regardless of geography and known flood issues. The effect is that detention ponds will have to be slightly deeper or larger to hold more water. However, the increase in pond size required to accommodate the larger storm event is not considered significant as per staff analysis, which was also verified with local civil engineers.

**ORDINANCE NO. O-2017-4244**

**AN ORDINANCE AMENDING CHAPTER 36, CODE OF ORDINANCES (2010 EDITION), CITY OF ROUND ROCK, TEXAS, AMENDING SECTION 36-180 REGARDING ON-SITE DETENTION FACILITIES; AND PROVIDING FOR A SAVINGS CLAUSE AND REPEALING CONFLICTING ORDINANCES AND RESOLUTIONS.**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ROUND ROCK, TEXAS:**

**I.**

That Chapter 36, Section 36-180(a), Code of Ordinances (2010 Edition), City of Round Rock, Texas, is hereby amended to read as follows:

**Sec. 36-180. On-site facilities; regional program and fees.**

- (a) *On-site detention facilities.* Except as stated herein, all development establishing impervious cover or otherwise modifying an existing site shall incorporate on-site drainage facilities to prevent any increase in the peak rate of runoff from ~~the two-, ten- and 25-year frequency storm~~ storm events having a 50%, 10%, 4%, 2%, and 1% chance occurring each year.

\_\_\_\_ The PDS director may modify this requirement under either of the following circumstances:

- (1) An approved off-site storage is provided by the developer for the required regulation of peak flows; or
- (2) Sealed engineering data and calculations are presented which fully describe, explain and justify recommended alternatives

**II.**

**A.** All ordinances, parts of ordinances, or resolutions in conflict herewith are expressly repealed.

**B.** The invalidity of any section or provision of this ordinance shall not invalidate other sections or provisions thereof.

**C.** The City Council hereby finds and declares that written notice of the date, hour, place and subject of the meeting at which this Ordinance was adopted was posted

and that such meeting was open to the public as required by law at all times during which this Ordinance and the subject matter hereof were discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

**READ** and **APPROVED** on first reading this the \_\_\_\_\_ day of \_\_\_\_\_, 2017.

**READ, APPROVED** and **ADOPTED** on second reading this the \_\_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
ALAN MCGRAW, Mayor  
City of Round Rock, Texas

ATTEST:

\_\_\_\_\_  
SARA L. WHITE, City Clerk



# City of Round Rock

## Agenda Item Summary

**Agenda Number: I.5**

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**Title:** Consider an ordinance vacating a street and/or alleyway in the Washington Anderson Subdivision. (First Reading)\*

**Type:** Ordinance

**Governing Body:** City Council

**Agenda Date:** 3/9/2017

**Dept Director:** Brad Wiseman, Planning and Development Services Director

**Cost:** \$0.00

**Indexes:**

**Attachments:** Ordinance

**Department:** Planning and Development Services Department

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### **Text of Legislative File 2017-4235**

The purpose of this resolution is to vacate the city's interest in land in northern downtown which has vague ownership history and has been fenced and maintained by an adjacent property owner for many years. The property owner to the east has proposed a boutique hotel development on their land, and the city's official vacation of this land will permit that developer to claim roughly half of it to facilitate the development. The current proposal will place a driveway and parking over their portion. The property owner to the west will be able to claim the other half of the land. Both property owners have agreed to a split of the land, and the legal proceedings for doing so will be carried out with Williamson County. The attached exhibits depict the land in two portions which reflect how it will be split by the adjacent owners.

The city will reserve the right to an easement over the property to serve future utility needs as downtown continues to redevelop.

**ORDINANCE NO. O-2017-4235**

**AN ORDINANCE VACATING, ABANDONING, AND CLOSING A STREET AND/OR ALLEY IN THE WASHINGTON ANDERSON ADDITION, WITHIN THE CITY OF ROUND ROCK, TEXAS, PURSUANT TO SECTION 311.007, TEXAS TRANSPORTATION CODE, V.A.T.S., PROVIDING FOR A SAVINGS CLAUSE AND REPEALING CONFLICTING ORDINANCES AND RESOLUTIONS.**

**WHEREAS**, Section 311.007, Transportation Code, V.A.T.S., allows a home-rule municipality to vacate, abandon, or close a street or an alley; and

**WHEREAS**, the City of Round Rock desires to vacate, abandon, and close a north-and-south street and/or alleyway situated in the Washington Anderson Addition, an unrecorded subdivision in Williamson County, Texas, as described in Exhibits “A” and “B”; Now Therefore

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ROUND ROCK, TEXAS:**

**I.**

That a portion of the north-and-south public street and/or alleyway situated in the Washington Anderson Addition, an unrecorded subdivision in Williamson County, Texas, depicted in Exhibits “A” and “B,” said exhibits attached hereto and made a part of this ordinance, be hereby vacated, abandoned and closed, insofar as the right, title, or easement of the public is concerned.

## **II.**

That the abandonment provided herein shall extend only to the public right, title, or easement in and to the tracts of land described in Paragraph I of this ordinance for the purpose of using same as a street or alley, and shall be construed only to pertain to that interest the governing body of the City of Round Rock may legally and lawfully abandon. Nothing in this ordinance shall be construed to abandon or otherwise affect the interest of the City of Round Rock or the public in easements within the subject area related to public utilities and storm water drainage facilities. The City of Round Rock retains an easement for any existing public utilities and storm water drainage facilities located within the alleyway.

## **III.**

**A.** All ordinances, parts of ordinances, or resolutions in conflict herewith are expressly repealed.

**B.** The invalidity of any section or provision of this ordinance shall not invalidate other sections or provisions thereof.

**C.** The City Council hereby finds and declares that written notice of the date, hour, place and subject of the meeting at which this Ordinance was adopted was posted and that such meeting was open to the public as required by law at all times during which this Ordinance and the subject matter hereof were discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

Alternative 1.

By motion duly made, seconded and passed with an affirmative vote of all the Council members present, the requirement for reading this ordinance on two separate days was dispensed with.

**READ, PASSED, and ADOPTED** on first reading this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

Alternative 2.

**READ and APPROVED** on first reading this the \_\_\_\_\_ day of \_\_\_\_\_, 2017.

**READ, APPROVED and ADOPTED** on second reading this the \_\_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
ALAN MCGRAW, Mayor  
City of Round Rock, Texas

ATTEST:

\_\_\_\_\_  
SARA L. WHITE, City Clerk



# City of Round Rock

## Agenda Item Summary

**Agenda Number: K.1**

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**Title:** Consider Executive Session as authorized by §551.087, Government Code, to deliberate the offer of a financial or other incentive to business prospects considering Round Rock as a location for new businesses that would bring economic development to the City.

**Type:** Executive Session

**Governing Body:** City Council

**Agenda Date:** 3/9/2017

**Dept Director:** Laurie Hadley, City Manager

**Cost:**

**Indexes:**

**Attachments:**

**Department:** Administration

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**Text of Legislative File 2017-4283**