



**NOTICE OF REGULAR MEETING AGENDA  
LANCASTER CITY COUNCIL  
MUNICIPAL CENTER CITY COUNCIL CHAMBERS  
211 N. HENRY STREET, LANCASTER, TEXAS**



**Monday, March 28, 2016 - 7:00 PM**

---

**CALL TO ORDER**

**INVOCATION:** Ministerial Alliance

**PLEDGE OF ALLEGIANCE:** Councilmember LaShonjia Harris

**CITIZENS' COMMENTS:**

At this time citizens who have pre-registered before the call to order will be allowed to speak on any matter other than personnel matters or matters under litigation, for a length of time not to exceed three minutes. No Council action or discussion may take place on a matter until such matter has been placed on an agenda and posted in accordance with law.

**CONSENT AGENDA:**

Items listed under the consent agenda are considered routine and are generally enacted in one motion. The exception to this rule is that a Council Member may request one or more items to be removed from the consent agenda for separate discussion and action.

- C1. Consider approval of minutes from the City Council Regular Meeting held on March 14, 2016.

**ACTION:**

2. Discuss and consider a resolution accepting the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2015.
3. Consider an ordinance vacating, abandoning and closing a utility easement in the Hearthstone subdivision; providing for the furnishing of a certified copy of the Ordinances for recording in the real property records of Dallas County, Texas as a deed; and providing an effective date.
4. Discuss and consider appointments to the Parks & Recreation Advisory Board.

**PUBLIC HEARING:**

5. Z16-02 – Conduct a public hearing and consider an ordinance amending the City of Lancaster Comprehensive Plan Future Land use map by designating said plan from Light Industrial uses to low density Residential uses and a re-zoning request from LI – Light Industrial to SF4-Single Family Residential. The subject property is located on the east side of Katy Street just south of the intersection of Katy Street and E. Pleasant Run Road and further described as 1102 Katy Street, Lancaster, Dallas County, Texas.

6. Z16-01 – Conduct a public hearing and consider an ordinance amending the City of Lancaster Comprehensive Plan Future Land use map by designating said plan from Agricultural uses to Light Industrial uses and re-zoning request from AO – Agricultural Open Space to LI – Light Industrial. The subject property is located on the west side of N. Houston School Road approximately 160 feet north of the intersection of N. Houston School Road and Cedardale Road further described as a 1 acre tract of land recorded in Volume 2730 Page 577, and the remainder of a .63 acre tract of land in Volume 72171, Page 1604, Lancaster, Dallas County, Texas. The property is more particularly described as 3335 N. Houston School Road.

## **ADJOURNMENT**

---

**EXECUTIVE SESSION:** The Council reserves the right to convene into executive session on any posted agenda item pursuant to Section 551.071(2) of the TEXAS GOVERNMENT CODE to seek legal advice concerning such subject.

---

**ACCESSIBILITY STATEMENT:** The Municipal Center is wheelchair-accessible. For sign interpretive services, call the City Secretary's office, 972-218-1311, or TDD 1-800-735-2989, at least 72 hours prior to the meeting. Reasonable accommodation will be made to assist your needs.

---

PURSUANT TO SECTION 30.06 PENAL CODE (TRESPASS BY HOLDER WITH A CONCEALED HANDGUN), A PERSON LICENSED UNDER SUBCHAPTER H, CHAPTER 411, GOVERNMENT CODE (HANDGUN LICENSING LAW), MAY NOT ENTER THIS PROPERTY WITH A CONCEALED HANDGUN.

CONFORME A LA SECCION 30.06 DEL CODIGO PENAL (TRASPASAR PORTANDO ARMAS DE FUEGO CON LICENCIA) PERSONAS CON LICENCIA BAJO DEL SUB-CAPITULO 411, CODIGO DEL GOBIERNO (LEY DE PORTAR ARMAS), NO DEBEN ENTRAR A ESTA PROPIEDAD PORTANDO UN ARMA DE FUEGO OCULTADA.

PURSUANT TO SECTION 30.07 PENAL CODE (TRESPASS BY HOLDER WITH AN OPENLY CARRIED HANDGUN), A PERSON LICENSED UNDER SUBCHAPTER H, CHAPTER 411, GOVERNMENT CODE (HANDGUN LICENSING LAW), MAY NOT ENTER THIS PROPERTY WITH A HANDGUN THAT IS CARRIED OPENLY.

CONFORME A LA SECCION 30.07 DEL CODIGO PENAL (TRASPASAR PORTANDO ARMAS DE FUEGO AL AIRE LIBRE CON LICENCIA) PERSONAS CON LICENCIA BAJO DEL SUB-CAPITULO H, CAPITULO 411, CODIGO DE GOBIERNO (LEY DE PORTAR ARMAS), NO DEBEN ENTRAR A ESTA PROPIEDAD PORTANDO UN ARMA DE FUEGO AL AIRE LIBRE.

---

### **Certificate**

**I hereby certify the above Notice of Meeting was posted at the Lancaster City Hall on March 24, 2016 @ 6:00 PM and copies thereof were provided to the Mayor, Mayor Pro-Tempore, Deputy Mayor Pro-Tempore and Council members.**



---

Sorangel O. Arenas  
City Secretary

# **LANCASTER CITY COUNCIL**

## **Agenda Communication**

March 28, 2016

---

**Consider approval of minutes from the City Council Regular Meeting held on March 14, 2016.**

---

### **Background**

Attached for your review and consideration are minutes from the:

- City Council Regular Meeting held March 14, 2016.

---

### **Submitted by:**

Sorangel O. Arenas, City Secretary

## **MINUTES**

### **LANCASTER CITY COUNCIL MEETING OF MARCH 14, 2016**

The City Council of the City of Lancaster, Texas, met in a called Regular session in the Council Chambers of City Hall on March 14, 2016 at 7:00 p.m. with a quorum present to-wit:

#### **Councilmembers Present:**

Mayor Marcus E. Knight  
Deputy Mayor Pro Tem Stanley Jaglowski  
Marco Mejia  
Nina Morris

#### **Councilmembers Absent:**

Carol Strain-Burk  
Mayor Pro Tem James Daniels  
LaShonjia Harris

#### **City Staff Present:**

Opal Mauldin-Robertson, City Manager  
Kay Brown, Community Relations Coordinator  
Fabrice Kabona, Assistant to the City Manager  
Dori Lee, Human Resources Director  
Baron Sauls, Interim Finance Director  
Sam Urbanski, Interim Police Chief  
Jason Boulton, Assistant Police Chief  
Thomas Griffith, Fire Chief  
Jermaine Sapp, Equipment and Facilities Director  
Alton Dixon, Purchasing Agent  
Angie Arenas, City Secretary

#### **Call to Order:**

Mayor Knight called the meeting to order at 7:00 p.m. on March 14, 2016.

#### **Invocation:**

Alton Dixon gave the invocation.

#### **Pledge of Allegiance:**

Councilmember Marco Mejia led the pledge of allegiance.

#### **Citizens Comments:**

Kay Brown, Community Relations Coordinator, 211 N. Henry Street, spoke on "It's Time Texas Community Challenge" and shared that the City of Lancaster is currently competing against other similar sized cities after being challenged by the City of Coppell. Currently, Lancaster is in second place in the small category section and Ms. Brown informed the City Council of ways residents may earn points. The resident with the most points will be recognized as the healthiest resident in the Lancaster Connection and will win an annual membership to the fitness atrium. Ms. Brown is urging all businesses and faith-based organizations to participate. Participants will be listed in the Lancaster Connection. Also, Ms. Brown shared that Lancaster Independent School District is doing a great job and will continue their progress after spring-break. Anyone who registered for the community challenge is able to participate in a Free Bootcamp held every Saturday through March 31, 2016 at 12:30 p.m. at Anytime Fitness, 1450 W. Pleasant Run Road. To register for the community challenge, visit [www.ittcommunitychallenge.com](http://www.ittcommunitychallenge.com). Mayor Knight's community challenge video is available on the City of Lancaster's Facebook page or the City of Lancaster's website.

Fabrice Kabona, Assistant to the City Manager, 211 N. Henry Street, spoke on the upcoming Spring Trash-Off to be held Saturday, March 19, 2016 from 8:00 a.m. to 2:00 p.m. at 1501 N. Dallas Avenue. Mr. Kabona shared that this event includes disposal of bulk and brush, document shredding, E-Waste, tire recycling, metal and house-hold hazardous waste. Mr. Kabona shared his contact information, and added if any residents have any additional questions or concerns about this event.

**Consent Agenda:**

City Secretary Arenas read the consent agenda.

- C1. Consider approval of minutes from the City Council Regular Meeting held on February 22, 2016.**
- C2. Consider a resolution declaring the unopposed candidates in District 1, District 3, and District 5, in the May 7, 2016 general municipal election elected to office; canceling the election in single member District 1, District 3, and District 5; providing for all other provisions of Resolution No. 2016-02-09, as amended, ordering the election to remain in full force and effect.**
- C3. Consider a resolution approving an Interlocal Agreement for Mutual Aid by and between the City of Lancaster and other local governments of the State of Texas for the purpose of providing specialized police response services in response to specified tactical incidents.**
- C4. Consider a resolution approving a Memorandum of Understanding/Interlocal Agreement with Dallas County for Criminal Justice Information Sharing via Dallas County Techshare Prosecutor.**
- C5. Consider a resolution accepting two (2) tracts of land from White Property Company No. 2 LTD. on the northwest corner of Telephone Road and Dallas Avenue (S H 342) and being more particularly described in the Dedication Deed, attached hereto and incorporated herein by reference as Exhibit "A"; directing the City Secretary to file for recording in the Real Property Records of Dallas County, Texas, said Deeds.**
- C6. Consider a resolution accepting one (1) tract of land from Alvin and Brenda Fuller on the southwest corner of Telephone Road and Dallas Avenue (S H 342) and being more particularly described in the Dedication Deed, attached hereto and incorporated herein by reference as Exhibit "A"; directing the City Secretary to file for recording in the Real Property Records of Dallas County, Texas, said Deeds.**
- C7. Consider a resolution authorizing the purchase of two fully equipped and outfitted Chevrolet Tahoe trucks from Freedom Chevrolet through an Interlocal Agreement with the City of Dallas, Texas in an amount not to exceed one hundred nineteen thousand nine hundred sixty two dollars (\$119,962).**
- C8. Consider an ordinance granting a franchise for the collection and removal of commercial solid waste to Republic Waste Services of Texas Ltd.**

**MOTION:** Deputy Mayor Pro Tem Jaglowski made a motion, seconded by Councilmember Mejia, to approve consent items C1-C8 and exclude item C7. The vote was cast 4 for, 0 against [Strain-Burk, Mayor Pro Tem Daniels, and Harris absent].

Deputy Mayor Pro Tem Jaglowski inquired additional information on item C7.

Jermaine Sapp, Equipment and Facilities Director, stated item C7 is to authorize the purchase of two fully equipped and outfitted 2016 Chevrolet Tahoe that will not exceed the \$125,000 remaining from the previously purchased five vehicles.

**MOTION:** Councilmember Morris made a motion, seconded by Deputy Mayor Pro Tem Jaglowski, to approve consent item C7. The vote was cast 4 for, 0 against [Strain-Burk, Mayor Pro Tem Daniels, and Harris absent].

**MOTION:** Councilmember Morris made a motion, seconded by Deputy Mayor Pro Tem Jaglowski, to adjourn. The vote was cast 4 for, 0 against [Strain-Burk, Mayor Pro Tem Daniels, and Harris absent].

The meeting was adjourned at 7:10 p.m.

**ATTEST:**

**APPROVED:**

---

Sorangel O. Arenas, City Secretary

---

Marcus E. Knight, Mayor

# LANCASTER CITY COUNCIL

## Agenda Communication

March 28, 2016

---

**Discuss and consider a resolution accepting the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2015.**

---

**This request supports the City Council 2015-2016 Policy Agenda.**

**Goal: Financially Sound City Government**

---

### **Background**

At the Council work sessions held on March 21, 2016, Council received a presentation from BKD, LLP the independent certified public accounting firm that performed the annual audit of the City of Lancaster's general government and its component units.

This item is to formally accept for approval the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2015. The City engaged the independent certified public accounting firm BKD, LLP to perform the annual audit of the City of Lancaster and its component units for the fourth consecutive year. The audit field work began in November and concluded in March, 2016. The City staff and BKD worked closely to ensure all requests and deadlines were met to accomplish this goal.

### **Considerations**

- **Operational** – The CAFR is distributed to numerous financial institutions, bond rating agencies, the City's financial advisors, and grantors to comply with financial disclosure requirements. This report is designed to provide readers with an understanding of the financial status of the City and its results of operations.
- **Legal** – The City Attorney has reviewed and approved the resolution as to form.
- **Financial** – The annual audit is prepared in compliance with generally accepted accounting principles accepted in the United States (GAAP). The information is fairly stated in all material respects in relation to the basic financial statements.
- **Public Information** – This item is being considered at a regular meeting of the City Council noticed in accordance with the Texas Open Meetings Act.

### **Options/Alternatives**

1. City Council may approve the resolution as presented.
2. City Council may deny the resolution.

**Recommendation**

Staff recommends approval of the resolution as presented accepting the Comprehensive Annual Financial Report for fiscal Year Ended September 30, 2015.

**Attachments**

- Resolution
- CAFR

---

**Submitted by:**

Baron Sauls, Interim Director of Finance



**RESOLUTION NO.**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS, ACCEPTING THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015; WHICH IS ATTACHED HERETO AND INCORPORATED HEREIN BY REFERENCE AS EXHIBIT "A"; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS,** the City Council has received said report; and

**WHEREAS,** the City Council desires to accept the 2015 Comprehensive Annual Financial Report (CAFR) and the Management Letter Comments;

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

**SECTION 1.** That the 2015 Comprehensive Annual Financial Report (CAFR), which is attached hereto and incorporated herein by reference as Exhibit "A", is hereby, in all things accepted by the City Council of the City of Lancaster, Texas.

**SECTION 2.** This resolution shall take effect immediately from and after its passage as the law in such cases provides, and it is accordingly so resolved.

**DULY PASSED** and approved by the City Council of the City of Lancaster, Texas, on this the 28th day of March, 2016.

**ATTEST:**

**APPROVED:**

\_\_\_\_\_  
Sorangel O. Arenas, City Secretary

\_\_\_\_\_  
Marcus E. Knight, Mayor

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Robert E. Hager, City Attorney

**City of Lancaster, Texas**  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended  
September 30, 2015

Prepared by:



**City of Lancaster, Texas**  
**Comprehensive Annual Financial Report**  
**Year Ended September 30, 2015**  
**Table of Contents**

**INTRODUCTORY SECTION**

Letter of Transmittal .....	i
Organizational Chart .....	vi
List of Principal Officers .....	vii
Department Directors .....	viii

**FINANCIAL SECTION**

Independent Auditor's Report .....	1
Management's Discussion and Analysis .....	4

**Basic Financial Statements**

**Government-Wide Financial Statements**

Statement of Net Position .....	11
Statement of Activities .....	12

**Fund Financial Statements**

*Governmental Funds*

Balance Sheet .....	13
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position .....	14
Statement of Revenues, Expenditures and Changes in Fund Balances .....	15
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	16

*Proprietary Funds*

Statement of Net Position .....	17
Statement of Revenues, Expenses and Changes in Net Position .....	18
Statement of Cash Flows .....	19

**City of Lancaster, Texas**  
**Comprehensive Annual Financial Report**  
**Year Ended September 30, 2015**  
**Table of Contents**

<b>Notes to Basic Financial Statements .....</b>	<b>20</b>
--	-----------

**Required Supplementary Information**

Schedule of Changes in Net Pension Liability and Related Ratios – Texas Municipal Retirement System.....	45
Schedule of Contributions – Texas Municipal Retirement System.....	46
Employees’ Other Post-employment Benefits Plan – Analysis of Funding Progress .....	47
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund .....	48
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Stormwater Drainage Fund.....	49

**Notes to Required Supplementary Information**

**Individual Fund and Nonmajor Combining Statements and Schedules**

**Nonmajor Governmental Funds**

Combining Balance Sheet .....	51
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	52

**Nonmajor Enterprise Funds**

Combining Statement of Net Position.....	53
Combining Statement of Revenues, Expenses and Changes in Net Position.....	54
Combining Statement of Cash Flows .....	55

**Discretely Presented Component Units**

Balance Sheet – Economic Development Corporation .....	56
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position – Economic Development Corporation .....	57
Statement of Revenues, Expenditures and Changes in Fund Balance – Economic Development Corporation .....	58

**City of Lancaster, Texas**  
**Comprehensive Annual Financial Report**  
**Year Ended September 30, 2015**  
**Table of Contents**

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities – Economic Development Corporation.....	59
Balance Sheet – Recreational Development Corporation .....	60
Reconciliation of the Balance Sheet to the Statement of Net Position – Recreational Development Corporation .....	61
Statement of Revenues, Expenditures and Changes in Fund Balance – Recreational Development Corporation .....	62
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities – Recreational Development Corporation.....	63

**STATISTICAL SECTION (UNAUDITED)**

Table A: Net Position by Component.....	63
Table B: Changes in Net Position.....	64
Table C: Fund Balances of Governmental Funds.....	66
Table D: Changes in Fund Balances of Governmental Funds.....	68
Table E: Assessed Value and Estimated Actual Value of Taxable Property.....	69
Table F: Direct and Overlapping Property Tax Rates .....	70
Table G: Principal Taxpayers .....	71
Table H: Ad Valorem Tax Levies and Collections .....	72
Table I: Ratios of Outstanding Debt by Type.....	73
Table J: Ratios of Net General Bonded Debt Outstanding per capita .....	74
Table K: Legal Debt Margin Information .....	75
Table L: Direct and Overlapping Governmental Activities Debt.....	76
Table M: Secured Revenue Coverage .....	77
Table N: Demographic and Economic Statistics .....	78
Table O: Principal Employers .....	79
Table P: Full-time Equivalent City Government Employees by Function/Program .....	80
Table Q: Operating Indicators by Function/Program .....	81
Table R: Capital Asset Statistics by Function/Program .....	82



City of Lancaster  
CITY MANAGER'S OFFICE

211 N. Henry St. \* Lancaster, TX 75146 \* 972.218.1302 \* 972.275.0917 FAX  
www.lancaster-tx.com

DRAFT



March \_\_, 2016

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

We hereby issue the comprehensive annual financial report of the City of Lancaster, Texas (the City) for the fiscal year ended September 30, 2015. State law requires that every municipality publish within six months of the close of each year a complete set of audited financial statements, to include the auditor's opinion on the statements, and this report fulfills that requirement.

This report consists of City management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in the report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by BKD, LLP, independent auditors. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified (clean) opinion that the City's financial statements for the fiscal year ended September 30, 2015, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

### ***Profile***

Located in Southwest Dallas County, the City of Lancaster is situated just minutes from downtown Dallas. Adjacent to I-35 on its western border and I-20 on its northern boundary, the City covers approximately 33 square miles, and serves an estimated 2015 population of 37,360. The City is a political subdivision and municipal corporation of the State, duly organized and existing under the laws of the State, and is a home-rule city operating under a Council/Manager form of government. The Council is comprised of the Mayor and six Council members, who enact local legislation, adopt budgets, determine policies, and appoint the City secretary, City attorney and Judge of the municipal court. The City Manager, appointed by City Council, is the chief administrative officer for the City and is responsible for the daily management of the City. Major services provided under general government and enterprise functions are: public safety (police and fire protection), emergency ambulance services, construction and maintenance of streets, water and sewer services, parks and recreation, library services and general administrative services.

### ***Accounting System and Budgetary Control***

One of the objectives of the City's financial accounting system is to provide adequate internal controls. Internal controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management. We believe that the City's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

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

Accounting records for the City's enterprise activities are maintained on the accrual basis.

The government-wide financial statements are prepared using the accrual basis of accounting and the economic resources measurement focus. Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities, business-type activities, and activities of its discretely presented component units on the statement of net position and statement of activities.

**Budgetary Controls** – The budgetary process begins each year with the preparation of both current and proposed revenue estimates by the City’s administrative and financial management staff and expenditure estimates provided by each City department. Budgets are reviewed by the administrative and management staff which consists of the City Manager’s office, and Department Managers. The City Manager makes final decisions and submits a recommended budget to the City Council. The proposed budget is reviewed by the City Council, a process which includes a Charter-mandated public hearing, in addition to work sessions which are open to the public. The City Charter requires adoption of the City budget at least 10 days prior to the beginning of the fiscal year.

The objective of the budgetary controls maintained by the City is to ensure compliance with legal provisions embodied in the annual budget approved by the City Council. Activities of the general fund, water and sewer fund, and all other funds are included in the annual budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amounts) is established by departments within the individual fund. The City Manager is authorized to transfer budgeted amounts between line items and departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.

Monthly departmental expenditure reports are generated by an automated accounting system and provide expenditure totals and encumbrances at the line-item level for the most recently completed month as well as the year-to-date total, and an actual versus budgeted rate of expenditure. Major expenditure requests are approved by the City Manager prior to the encumbrance of funds.

### ***Relevant Financial Policies***

The City has established a policy to have a balanced budget and to maintain a reserve account. In fiscal year 2015, the General Fund accomplished this by having a fund balance of \$6,668,293 which exceeds reserve requirements of 12%.

The City also has a long range planning policy to identify major issues when developing its fiscal year budget. A five-year budget analysis of all City funds is developed to provide an understanding of the long term impact of budget decisions. The fiscal year 2015 budget was prepared along with a planning budget for fiscal year 2016-19.

*Cash management policies and practices:* The City’s current bank depository contract is with JP Morgan Chase and will be in effect through 2018. The City’s investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. The City’s investment strategies include using cash flow analysis to purchase securities; however, cash temporarily idle during the year was invested in three public funds investment pools – TexPool, Texas Class and LOGIC. This practice lessens the impact which rising interest rates have on the valuation changes of the portfolio. Investments in the deferred compensation plans are held by the third-party plan administrators. The investment policy is annually updated and approved by the Council in compliance with the Texas Public Funds Investment Act.



*Pension and other post-employment benefit:* The City participates in the Texas Municipal Retirement System (TMRS), an agency authorized by the State of Texas. Employees of the City contribute a fixed percentage of their gross pay (currently 7%). TMRS participants are immediately vested in those funds they contribute plus allocated interest. Participants are vested in employer contributions after five years of credited participation. If participants withdraw from TMRS prior to five years of credited participation, they may withdraw from TMRS those funds they contributed plus interest earnings. The City also provides postretirement health and dental care benefits for certain retirees and their dependents. As of the current fiscal year, there were 16 retired employees receiving these benefits. Additional information on the City's pension arrangements and post-employment benefits can be found in the notes to the basic financial statements.

### ***Local Economy***

Lancaster's growing economy continues to be greatly influenced by the attraction of the logistics industry to the community. Lancaster's premier industrial park has been the location of many well-known corporations like National Freight Incorporated. Other industrial sites in Lancaster's logistics corridor have seen the location of developers like Huntington Industrial Partners, Texas Nameplate Company, The Paul's Corporation, Holt Lunsford Commercial, Panattoni Development, Copeland Commercial, LLC, Van Trust Development Company and Principal Global Investors. The interest of the development industry that specializes in logistics is strong and is expected to continue.

The City's unemployment rate for 2015 was an average of 6.8%, which is significantly above the unemployment rate for Dallas County of 3.8% in December of 2015. The City of Lancaster benefits from its proximity to the Dallas-Fort Worth metroplex and major transportation corridors with its location fifteen (15) miles south of Dallas. Lancaster is a part of the [Best Southwest](#) area, which includes Lancaster, [Cedar Hill](#), [DeSoto](#), and [Duncanville](#). The close proximity to job opportunities in Dallas, Fort Worth and the Mid-Cities continues to contribute to growth in the City. Its estimated population of over 37,360 has grown a notable 40% since 2000, with a corresponding increase in the number of households during the same time. There is room for further development within the City's 33 square miles, since the City is only 45-47% built out.

In fiscal year 2015, The City experienced an increase in taxable assessed valuation and a slight increase in residential values, much like other cities in the Dallas-Fort Worth area. The City also experienced an increase in building permits as well as a slight increase in sales tax for fiscal year 2015, and anticipates a significant increase for 2016.

### ***Long-term Financial Planning***

The City has a long-range financial plan and has prudent fiscal policies and processes in place. It has met or exceeded all fund reserve goals, has funds available to address the needs of the community, and responsibly manages its debt. The community continues to move toward a more competitive tax rate.

Unassigned fund balance in the general fund at year end was 27.3 percent of total general fund revenues. This amount was slightly above the policy guidelines set by the Council for budgetary and planning purposes. The year-end amount is above the minimum target set by the policy guidelines because of an \$810,520 excess of revenues over expenditures during the year ended September 30, 2015.

Rising costs have been a challenge to the City; however, conservative revenue estimates and efforts to reduce expenditures have contributed to the City's strong financial position. Overall, revenues for the City have remained fairly stable, and we have incorporated several strategies to decrease the expenses over the next several years. The City is projecting a significant increase in property tax revenues and sales tax revenues also continue to increase allowing us to effectively meet operational objectives and comply with current fiscal policies.

The City has historically maintained solid General Fund balances, and continues to respond proactively to the volatile economy by implementing budget cuts sufficient to offset the revenue loss and does not expect to utilize reserves for recurring operating expenditures.

The City is also utilizing extensive planning and maintaining tight budgetary measures to balance its operations. With Economic Development a major priority, sales tax receipts are expected to continue to increase as the City continues to provide incentives for business operations that come to the City.

Because of the City's proximity to Interstate 35 East and Interstate 20, businesses are recognizing Lancaster as one of the region's hot spots for growth, and the City is committed to supporting new and expanding companies.

### ***Major Initiatives***

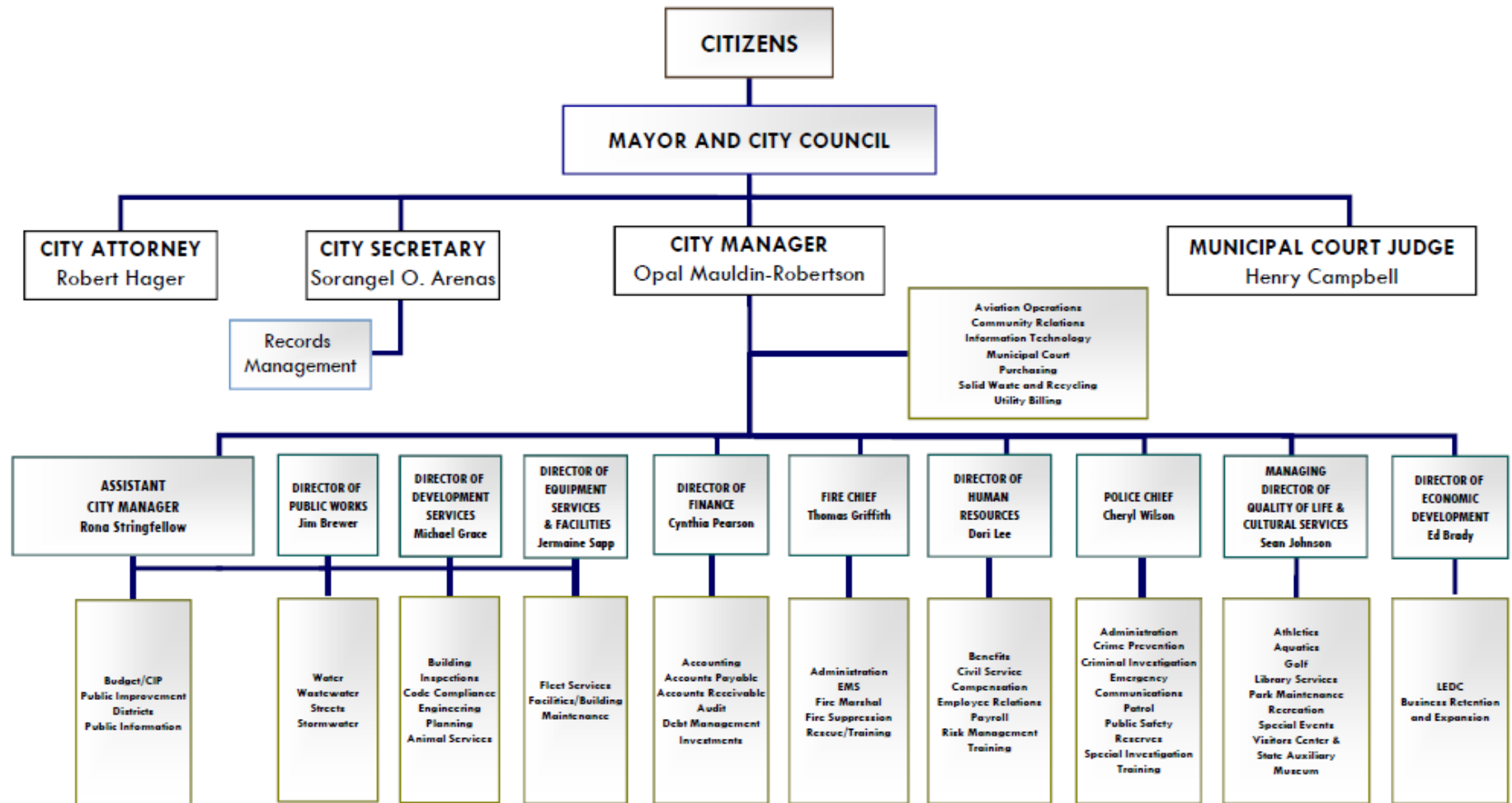
Annually, the City Council has adopted goals aimed at guiding Lancaster's future growth and development. For fiscal year 2015-2016, included initiatives are:

- Quality Development;
- Sound Infrastructure;
- Professional and committed workforce;
- Health, safe and vibrant community;
- Civic engagement; and
- Financially sound city government.

### ***Acknowledgements***

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the City's staff. In particular, we would like to recognize and express our heartfelt appreciation to all members of the Finance Department, who all worked diligently to assist and contribute to the preparation of this report. The Mayor and the City Council are to be commended for their willingness to participate in the strategic planning process for financial operations, and for their commitment to maintaining the highest standards of professionalism in the management of the City of Lancaster's finances.

## City of Lancaster, Texas Organizational Chart



**City of Lancaster, Texas**  
**List of Principal Officers**

**City Council**

Marcus E. Knight .....	Mayor .....	Term Expires May 2015
Carol Strain-Burk.....	Council Member, District 1 .....	Term Expires May 2016
Stanley Jaglowski .....	Council Member, District 2.....	Term Expires May 2017
Marco Mejia.....	Council Member, District 3.....	Term Expires May 2016
James Daniels .....	Mayor Pro Tem, District 4 .....	Term Expires May 2017
LaShonjia Harris .....	Dep. Mayor Pro Tem, District 5 ....	Term Expires May 2016
Nina Morris .....	Council Member, District 6.....	Term Expires May 2017

## City of Lancaster, Texas Department Directors

### City Executive Staff

Opal Mauldin-Robertson.....	City Manager
Rona Stringfellow .....	Assistant City Manager
Sorangel O. Arenas .....	City Secretary
Ed Brady .....	Director of Economic Development
Cynthia Alexander Pearson.....	Director of Finance
Thomas Griffith .....	Fire Chief
Dori Lee .....	Director of Human Resources
Cheryl Wilson.....	Police Chief
Jim Brewer .....	Director of Public Works
Sean Johnson.....	Managing Director of Quality of Life & Cultural Services

## Independent Auditor's Report

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

### Report on the Financial Statements

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

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

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

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

### ***Emphasis of Matter***

As discussed in *Note 1* to the financial statements, in 2015, the City changed its method of accounting for pensions with the adoption of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*, as amended. Our opinions are not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary and pension, and other post-employment benefits information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not 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.

#### ***Supplementary 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 combining fund statements, budget to actual statements and financial statements of the discretely presented component units listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Honorable Mayor and Members of the City Council  
City of Lancaster, Texas  
Page 3

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the basic financial statements as a whole. The introductory statistical section listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Dallas, Texas  
March \_\_, 2016



**City of Lancaster, Texas**  
**Management's Discussion and Analysis (Unaudited)**  
 September 30, 2015

***Introduction***

The Management's Discussion and Analysis (MD&A) section presents a narrative overview and analysis of the financial activities of the City of Lancaster, Texas (the City) for the fiscal year ended . We encourage readers to consider the information presented here in conjunction with the City's financial statements, which follow this section.

***Financial Highlights***

- The assets and deferred outflows of resources of the City exceeded its liabilities at the end of fiscal year , resulting in \$104,022,067of net position. Net position associated with governmental activities is approximately \$47 million, or 45% of the total net position of the City. Net position associated with business-type activities is approximately \$57 million, or 55% of the total net position of the City. The largest portion of net position consists of net investment in capital assets, which is approximately \$76 million.
- Unrestricted net position, which may be used to meet the City's future obligations, consists of approximately \$25 million, or 24% of the City's total net position. Unrestricted net position for governmental activities is approximately \$1 million, or 2% of total net position for governmental activities. Unrestricted net position for business-type activities is approximately \$24 million or 42% of total net position for business-type activities.
- As of the close of fiscal year , the City's Governmental Funds reported a combined ending fund balance of \$23,363,141, an increase of \$6,108,630 from the prior year.
- At the end of the current fiscal year, total fund balance for the General Fund was \$6,668,293. This represents approximately 28% of General Fund expenditures, which is more than the 12% required by the City's adopted fund balance policy.

***Overview of the Financial Statements***

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

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

The statement of net position presents information on all of the City's assets, deferred outflows of resources and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

**City of Lancaster, Texas**  
**Management's Discussion and Analysis (Unaudited)**  
 September 30, 2015

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, for example uncollected taxes and earned, but not used, vacation leave.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general administration, public safety, public works, drainage systems, library, human resources and finance. The business-type activities of the City include water and sewer, airport operations, refuse and golf course operations.

The government-wide financial statements include the Economic Development Corporation and the Recreational Development Corporation as part of its reporting entity as discretely presented component units. Discrete presentation entails reporting component unit financial data in columns separate from the financial data of the primary government. The Lancaster Economic Development Corporation and the Lancaster Recreational Development Corporation are legally separate entities.

**Fund Financial Statements** – A *fund* is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. Some funds are required to be established by state law and by bond covenants. The City Council also establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities when using certain taxes, grants or other money. The City's two kinds of funds – Governmental and Proprietary – utilize different accounting approaches.

**Governmental Funds** – The majority of the City's basic services are reported in Governmental Funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. The Governmental Fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental Fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs.

By comparing information presented for Governmental Funds with similar information presented for governmental activities in the government-wide financial statements, readers may better understand the long-term impact of the government's near term financing decisions. The relationships, or differences between governmental activities (reported in the accompanying Statement of Net Position and the Statement of Activities) and Governmental Funds, are detailed in a reconciliation following the fund financial statements.

**City of Lancaster, Texas**  
**Management's Discussion and Analysis (Unaudited)**  
 September 30, 2015

Information is presented separately in the accompanying Governmental Funds balance sheet and in the accompanying Governmental Funds statement of revenues, expenditures and changes in fund balances for the General Fund, HUD Fund, Debt Service Fund and Capital Projects Fund, all of which are considered to be major funds. Data from the other Governmental Funds are combined into a single, aggregated presentation. Individual fund data for each of these Nonmajor Governmental Funds is provided in the form of combining statements elsewhere in this report.

**Proprietary Funds** – The City charges customers for the services it provides, whether to outside customers or to other units within the City. These services are generally reported in Proprietary Funds. Proprietary Funds are reported in the same way that all activities are reported in the accompanying Statement of Net Position and the Statement of Activities. In fact, the City's Enterprise Funds (a component of Proprietary Funds) are identical to the business-type activities that are reported in the government-wide statements, but provide more detail and additional information, such as cash flows, for Proprietary Funds.

The City maintains an Enterprise Fund to account for: (1) water and sewer services provided to the City's retail and wholesale customers, (2) trash collection and disposal services, (3) operation of the City's airport and (4) operation of the City's golf course. All activities associated with providing such services are accounted for in these funds, including administration, operation, maintenance, debt service, capital improvements, billing and collection. The City's intent is that the cost of providing the services to the general public on a continuing basis is financed through user charges in a manner similar to a private-sector business enterprise.

**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** – In addition to the basic financial statement and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligations. Required supplementary information immediately follows the notes to the financial statements. Combining statements for Nonmajor Governmental Funds, Enterprise Funds and component units fund financial statements follow the section of required supplementary information.

### ***Government-Wide Financial Analysis***

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of, City assets and deferred outflows of resources exceeded its liabilities and deferred inflows resulting in \$104,022,067 of net position.

The largest portion of the City's net position, 73%, reflects its net investment in capital assets (*e.g.*, land, building, equipment, improvements, construction in progress and infrastructure), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently these assets are not available for future spending. Although the City's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**City of Lancaster, Texas**  
**Management's Discussion and Analysis (Unaudited)**  
September 30, 2015

An additional portion of the City's net position, 2%, represents resources that are subject to external restriction on how they may be used. The remaining balance (unrestricted net position) \$25,413,757 or 24% may be used to meet the City's ongoing obligations to citizens and creditors.

**Statement of Net Position for Governmental and Business-type Activities**

	Governmental Activities 2015	Business-type Activities 2015	Total 2015	Governmental Activities 2014	Business-type Activities 2014	Total 2014
Current and other assets	\$ 36,657,023	\$ 31,956,328	\$ 68,613,351	\$ 30,237,709	\$ 24,264,897	\$ 54,502,606
Capital assets	101,296,512	44,326,339	145,622,851	104,671,409	46,242,694	150,914,103
Total assets	<u>137,953,535</u>	<u>76,282,667</u>	<u>214,236,202</u>	<u>134,909,118</u>	<u>70,507,591</u>	<u>205,416,709</u>
Deferred outflows of resources	<u>2,816,585</u>	<u>306,506</u>	<u>3,123,091</u>	<u>999,404</u>	<u>98,916</u>	<u>1,098,320</u>
Long-term liabilities	87,472,193	14,922,865	102,395,058	75,182,225	10,808,924	85,991,149
Other liabilities	6,441,705	4,175,660	10,617,365	5,903,980	4,312,547	10,216,527
Total liabilities	<u>93,913,897</u>	<u>19,098,525</u>	<u>113,012,422</u>	<u>81,086,205</u>	<u>15,121,471</u>	<u>96,207,676</u>
Deferred inflows of resources	<u>294,825</u>	<u>29,979</u>	<u>324,804</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position						
Net investment in capital assets	43,186,713	33,117,792	76,304,505	46,504,601	38,224,476	84,729,077
Restricted	2,303,805	-	2,303,805	1,820,887	-	1,820,887
Unrestricted	1,070,880	24,342,877	25,413,757	6,496,829	17,260,560	23,757,389
Total net position	<u>\$ 46,561,398</u>	<u>\$ 57,460,669</u>	<u>\$ 104,022,067</u>	<u>\$ 54,822,317</u>	<u>\$ 55,485,036</u>	<u>\$ 110,307,353</u>

By far, the largest portion of the City's net position (73%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, 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 used 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 (2.2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$25,413,757 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

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

**Analysis of City's Operations** – The following table provides a summary of the City's operations for the year ended . Overall, the City had a decrease in net position of \$6,285,286.

**City of Lancaster, Texas**  
**Management's Discussion and Analysis (Unaudited)**  
September 30, 2015

**Revenues and Expenses for Governmental and Business-type Activities**

	Governmental Activities 2015	Business-type Activities 2015	Total 2015	Governmental Activities 2014	Business-type Activities 2014	Total 2014
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 3,275,363	\$ 18,909,149	\$ 22,184,512	\$ 2,846,642	\$ 17,350,050	\$ 20,196,692
Operating grant and contribution	1,946,379	-	1,946,379	1,339,640	-	1,339,640
<b>General Revenue</b>						
Taxes and fees	22,982,637	-	22,982,637	20,586,653	-	20,586,653
Other	505,390	798,434	1,303,824	334,862	425,212	760,074
Total revenues	<u>28,709,769</u>	<u>19,707,583</u>	<u>48,417,352</u>	<u>25,107,797</u>	<u>17,775,262</u>	<u>42,883,059</u>
<b>Program Expenses</b>						
General government	3,899,052	-	3,899,052	4,055,911	-	4,055,911
Public safety	16,540,660	-	16,540,660	14,898,549	-	14,898,549
Public works	6,016,140	-	6,016,140	4,926,327	-	4,926,327
Community development and recreation	1,225,730	-	1,225,730	1,260,500	-	1,260,500
Social and welfare	-	-	-	3,623	-	3,623
Interest and fiscal charges	3,379,380	-	3,379,380	3,054,899	-	3,054,899
Water and sewer	-	12,185,162	12,185,162	-	11,215,515	11,215,515
Refuse	-	2,134,898	2,134,898	-	2,153,859	2,153,859
Airport	-	909,428	909,428	-	886,065	886,065
Golf course	-	78,398	78,398	-	86,605	86,605
Total expenses	<u>31,060,962</u>	<u>15,307,886</u>	<u>46,368,848</u>	<u>28,199,809</u>	<u>14,342,044</u>	<u>42,541,853</u>
<b>Increase (Decrease in Net Position Before Transfers)</b>						
Transfers	(2,351,193)	4,399,697	2,048,504	(3,092,012)	3,433,218	341,206
	<u>1,635,572</u>	<u>(1,635,572)</u>	<u>-</u>	<u>1,679,963</u>	<u>(1,679,963)</u>	<u>-</u>
<b>Change in Net Position</b>	<u>(715,621)</u>	<u>2,764,125</u>	<u>2,048,504</u>	<u>(1,412,049)</u>	<u>1,753,255</u>	<u>341,206</u>
<b>Net Position, As Previously Reported*</b>	54,822,317	55,485,036	110,307,353	56,234,366	53,731,781	109,966,147
<b>Change in Accounting Principle</b>	<u>(7,545,298)</u>	<u>(788,492)</u>	<u>(8,333,790)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Position, Beginning of Year</b>	<u>47,277,019</u>	<u>54,696,544</u>	<u>101,973,563</u>	<u>56,234,366</u>	<u>53,731,781</u>	<u>109,966,147</u>
<b>Net Position, Ending of Year</b>	<u>\$ 46,561,398</u>	<u>\$ 57,460,669</u>	<u>\$ 104,022,067</u>	<u>\$ 54,822,317</u>	<u>\$ 55,485,036</u>	<u>\$ 110,307,353</u>

\*Net position as of October 1, 2014, has been restated for the effects of adopting GASB No. 68.

**Governmental Activities.** Governmental activities decreased the City's net position by \$707,450. Total revenue for the governmental activities (excluding transfers) increased from the previous year by \$3,601,972. General revenue had a net increase of \$2,749,722. Sales tax collections increased \$585,022 as a result of new business openings and continued growth in the local economy. Franchise tax revenue increased \$294,125 due to an overall increase in the continued growth in the community. Program revenues, which consist of charges for services, operating and capital grants and contributions increased \$1,035,460 due to an overall increase in the continued growth in the community.

**Business-type Activities.** Net position from business-type activities increased by \$2,764,125. Total revenue for the business-type activities increased from the previous year by \$1,932,321 primarily due to an increase in income. Overall business-type expenses increased \$965,842, some of which are due to Water and Sewer. Water purchases and wastewater treatment charges increased due to rate increases from both the City and the Trinity River Authority.

**City of Lancaster, Texas**  
**Management's Discussion and Analysis (Unaudited)**  
September 30, 2015

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

***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 government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's Governmental Funds reported a combined ending fund balance of \$23,363,141, an increase of \$6,108,630 from the prior year. This amount includes fund balance restricted for Public Improvement Districts of \$443,707, restricted for Capital Projects of \$12,782,493, restricted for Public Works of \$1,704,102, Police Grants, Law Enforcement Purposes and Tourism of \$1,154,366. The net unassigned fund balance was \$6,383,964, an increase of approximately \$708,000 from prior year.

In the General Fund, the original budget projected a \$555,804 decrease in fund balance this fiscal year; however, the actual increase was \$810,520. Total revenues were \$2,094,176 over budget and total expenditures were over budget by \$2,260,763, for a total deficiency of revenues under expenditures of \$166,587. The increase in expense from the budget is majority related to Public Works, due to an increase in capital outlay improvement.

***Proprietary Funds***

The City's Proprietary Fund statements provide detail on the City's individual business-type activities.

Unrestricted net position of the Proprietary Funds at the end of the year was \$24,342,877. The total increase in net position was approximately \$7.1 million from the prior year.

***Capital Assets***

The City's capital assets for its governmental and business-type activities as of , amount to \$145,622,851 (net of accumulated depreciation). This net investment in capital assets includes land, buildings, park facilities, roads, bridges and water and sewer lines.

	Governmental Activities		Business-type Activities		Totals	
	2014	2015	2014	2015	2014	2015
Land	\$ 13,214,268	\$ 13,214,268	\$ 4,971,266	\$ 4,971,266	\$ 18,185,534	\$ 18,185,534
Buildings	24,487,196	24,487,196	4,950,436	4,950,436	29,437,632	29,437,632
Equipment	17,122,344	18,282,038	2,812,062	2,972,683	19,934,406	21,254,721
Construction in progress	19,396,744	8,224,067	-	70,379	19,396,744	8,294,446
Other structures	-	-	951,622	951,622	951,622	951,622
Improvements	3,536,717	3,538,774	65,739,374	65,830,044	69,276,091	69,368,818
Streets and bridges	85,199,216	97,301,007	-	-	85,199,216	97,301,007
Drainage	7,332,619	7,332,619	-	-	7,332,619	7,332,619
Runways and taxiways	-	-	3,422,564	3,422,564	3,422,564	3,422,564
Accumulated depreciation	(65,617,695)	(71,083,457)	(36,604,630)	(38,842,655)	(102,222,325)	(109,926,112)
Total	<u>\$ 104,671,409</u>	<u>\$ 101,296,512</u>	<u>\$ 46,242,694</u>	<u>\$ 44,326,339</u>	<u>\$ 150,914,103</u>	<u>\$ 145,622,851</u>

There was no significant capital asset activities during 2015 other than depreciation of existing assets.

**City of Lancaster, Texas**  
**Management's Discussion and Analysis (Unaudited)**  
September 30, 2015

***Long-term Debt***

At the end of the current fiscal year, the City had total bonds outstanding of \$85,850,001, all being tax supported. The City also has approximately \$5,877,687 of additional debt through notes payable and capital leases.

	Governmental Activities		Business-type Activities		Totals	
	2014	2015	2014	2015	2014	2015
General Obligation Bonds	\$ 48,315,000	\$ 57,025,017	\$ 3,335,000	\$ 3,619,983	\$ 51,650,000	\$ 60,645,000
Certificates of Obligation	20,960,000	14,075,105	8,390,000	11,129,896	29,350,000	25,205,001
Notes Payable	5,241,512	4,710,033	17,703	-	5,259,215	4,710,033
Capital Leases	314,186	1,167,654	-	-	314,186	1,167,654
Total	<u>\$ 74,830,698</u>	<u>\$ 76,977,809</u>	<u>\$ 11,742,703</u>	<u>\$ 14,749,879</u>	<u>\$ 86,573,401</u>	<u>\$ 91,727,688</u>

- The City has an A2 rating from Moody's Investors Service and an A rating from Standard and Poor's.

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

In the fiscal year 2016 budget, General Fund revenues are budgeted to increase by 2.5% from the budget year. This increase is mostly attributed to an increase in property tax revenue due to an expanding residential sector as well as from fines and forfeitures.

Property taxes make up about 50% of budgeted revenues and sales tax make up about 22% of budgeted revenues.

***Request for Information***

For additional information please contact Director of Finance, Baron Sauls, at 972-218-1333 or Finance Department, City of Lancaster, Texas, P.O. Box 940, Lancaster, Texas, 75146, email [bsauls@lancaster-tx.com](mailto:bsauls@lancaster-tx.com).

## **Basic Financial Statements**



**City of Lancaster, Texas**  
**Statement of Net Position**  
September 30, 2015

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Lancaster Economic Development Corporation	Lancaster Recreational Development Corporation
<b>Assets</b>					
Cash and cash equivalents	\$ 22,365,496	\$ 25,122,010	\$ 47,487,506	\$ 4,082,332	\$ 1,116,457
Receivables (net of allowance)					
Notes	9,151,950	-	9,151,950	-	-
Delinquent taxes	689,175	-	689,175	-	-
Accounts	1,236,944	2,113,583	3,350,527	-	-
Sales tax	920,335	-	920,335	184,067	375,494
Fines	1,088,114	-	1,088,114	-	-
Due from other governments	4,395	-	4,395	-	-
Due from component unit	528,753	-	528,753	-	-
Due from other funds	483,084	-	483,084	-	-
Prepaid expenses	175,855	20,748	196,603	12,314	15,707
Inventory	12,922	22,158	35,080	-	-
Restricted assets					
Cash and cash equivalents	-	4,677,829	4,677,829	-	-
Capital assets					
Land and construction in progress	21,438,335	5,041,645	26,479,980	100,378	989,118
Other capital assets, net of accumulated depreciation	79,858,177	39,284,694	119,142,871	-	9,812,484
Total assets	137,953,535	76,282,667	214,236,202	4,379,091	12,309,260
<b>Deferred Outflows of Resources</b>					
Deferred loss on refunding	1,047,387	126,609	1,173,996	-	-
Deferred pension contributions	1,273,993	129,543	1,403,536	13,104	62,613
Difference in projected and actual earnings on pension plan investments	495,205	50,354	545,559	5,094	24,338
Total deferred outflows of resources	2,816,585	306,506	3,123,091	18,198	86,951
<b>Liabilities</b>					
Accounts payable and contracts payable	696,011	2,054,223	2,750,234	-	114,323
Accrued liabilities	655,933	150,733	806,666	1,282	127,322
Accrued interest	406,021	44,086	450,107	10,906	32,875
Due to primary government	-	-	-	-	528,753
Deposits	870,768	1,014,338	1,885,106	-	-
General obligation bonds	2,107,380	432,620	2,540,000	-	-
Certificates of obligation	727,857	472,143	1,200,000	-	-
Notes payable	504,512	-	504,512	140,000	470,000
Compensated absences	245,941	7,517	253,458	-	-
Capital leases	227,282	-	227,282	-	-
Noncurrent liabilities					
General obligation bonds	54,917,637	3,187,363	58,105,000	-	-
Certificates of obligation	13,347,248	10,657,753	24,005,001	-	-
Notes payable	4,205,521	-	4,205,521	1,776,950	6,765,000
Premiums on bond debt	3,066,433	124,708	3,191,141	-	-
Compensated absences	2,213,467	56,689	2,270,156	-	-
OPEB liability	175,460	-	175,460	-	-
Capital leases	940,372	-	940,372	-	-
Net pension liability	8,606,055	896,352	9,502,407	95,378	444,082
Total liabilities	93,913,897	19,098,525	113,012,422	2,024,516	8,482,355
<b>Deferred Inflows of Resources</b>					
Deferred revenue	-	-	-	-	38,691
Difference in expected and actual experience	294,825	29,979	324,804	3,033	14,890
Total deferred inflows of resources	294,825	29,979	324,804	3,033	53,581
<b>Net Position</b>					
Net investment in capital assets	43,186,713	33,117,792	76,304,505	100,378	3,566,602
Restricted for					
Court Security	25,509	-	25,509	-	-
Court Technology	77,596	-	77,596	-	-
Debt service	602,627	-	602,627	-	-
Public improvement districts	443,707	-	443,707	-	-
Tourism, convention centers, arts	535,168	-	535,168	-	-
Law enforcement purposes	619,198	-	619,198	-	-
Unrestricted	1,070,880	24,342,877	25,413,757	2,269,362	293,673
Total net position	\$ 46,561,398	\$ 57,460,669	\$ 104,022,067	\$ 2,369,740	\$ 3,860,275

**City of Lancaster, Texas**  
**Statement of Activities**  
**For the Year Ended September 30, 2015**

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/program				
Primary government				
Governmental activities				
General government	\$ 3,899,052	\$ -	\$ -	\$ -
Public safety	16,540,660	1,436,765	-	-
Public works	6,016,140	1,838,598	-	-
Community development and recreation	1,225,730	-	-	-
Social and welfare	-	-	1,946,379	-
Interest and fiscal charges	3,379,380	-	-	-
Total governmental activities	<u>31,060,962</u>	<u>3,275,363</u>	<u>1,946,379</u>	<u>-</u>
Business-type activities				
Water and sewer	12,185,162	15,807,876	-	-
Refuse	2,134,898	2,281,175	-	-
Airport	909,428	748,077	-	-
Golf course	78,398	72,021	-	-
Total business-type activities	<u>15,307,886</u>	<u>18,909,149</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 46,368,848</u>	<u>\$ 22,184,512</u>	<u>\$ 1,946,379</u>	<u>\$ -</u>
Component units				
Lancaster Economic Development Corporation	\$ 540,476	\$ -	\$ -	\$ -
Lancaster Recreational Development Corporation	2,804,224	532,251	48,982	-
Total component units	<u>\$ 3,344,700</u>	<u>\$ 532,251</u>	<u>\$ 48,982</u>	<u>\$ -</u>
General revenues				
Taxes				
Property taxes				
Sales taxes				
Franchise taxes				
Other local taxes				
Interest on investments				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net position				
Net Position, Beginning of Year, as Previously Reported				
Change in Accounting Principle				
Net position, beginning of year				
Net position, end of year				

See Notes to Financial Statements

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Lancaster Economic Development Corporation	Lancaster Recreational Development Corporation
\$ (3,899,052)	\$ -	\$ (3,899,052)	\$ -	\$ -
(15,103,895)	-	(15,103,895)	-	-
(4,177,542)	-	(4,177,542)	-	-
(1,225,730)	-	(1,225,730)	-	-
1,946,379	-	1,946,379	-	-
(3,379,380)	-	(3,379,380)	-	-
<u>(25,839,220)</u>	<u>-</u>	<u>(25,839,220)</u>	<u>-</u>	<u>-</u>
-	3,622,714	3,622,714	-	-
-	146,277	146,277	-	-
-	(161,351)	(161,351)	-	-
<u>-</u>	<u>(6,377)</u>	<u>(6,377)</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>3,601,263</u>	<u>3,601,263</u>	<u>-</u>	<u>-</u>
<u>\$ (25,839,220)</u>	<u>\$ 3,601,263</u>	<u>\$ (22,237,957)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (540,476)	\$ -
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,222,991)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (540,476)</u>	<u>\$ (2,222,991)</u>
\$ 14,047,562	\$ -	\$ 14,047,562	\$ -	\$ -
5,545,413	-	5,545,413	1,109,083	2,176,600
2,127,730	-	2,127,730	-	-
1,261,932	-	1,261,932	-	-
15,923	14,728	30,651	2,645	478
489,467	783,706	1,273,173	-	396,433
1,635,572	(1,635,572)	-	-	-
<u>25,123,599</u>	<u>(837,138)</u>	<u>24,286,461</u>	<u>1,111,728</u>	<u>2,573,511</u>
(715,621)	2,764,125	2,048,504	571,252	350,520
54,822,317	55,485,036	110,307,353	1,882,955	3,901,704
<u>(7,545,298)</u>	<u>(788,492)</u>	<u>(8,333,790)</u>	<u>(84,467)</u>	<u>(391,949)</u>
<u>47,277,019</u>	<u>54,696,544</u>	<u>101,973,563</u>	<u>1,798,488</u>	<u>3,509,755</u>
<u>\$ 46,561,398</u>	<u>\$ 57,460,669</u>	<u>\$ 104,022,067</u>	<u>\$ 2,369,740</u>	<u>\$ 3,860,275</u>

**City of Lancaster, Texas**  
**Balance Sheet – Governmental Funds**  
September 30, 2015

**Assets**

	General Fund	HUD Fund	Capital Projects Fund	General Obligation Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 6,178,752	\$ -	\$ 12,882,207	\$ 182,349	\$ 3,122,188	\$ 22,365,496
Receivables (net of allowance for uncollectibles)						
Notes	-	-	-	9,151,950	-	9,151,950
Delinquent taxes	477,130	-	-	202,044	10,001	689,175
Accounts	972,711	-	-	-	264,233	1,236,944
Sales tax	920,335	-	-	-	-	920,335
Fines	1,088,114	-	-	-	-	1,088,114
Due from						
Other governments	4,395	-	-	-	-	4,395
Component unit	528,753	-	-	-	-	528,753
Other funds	-	-	-	483,084	-	483,084
Inventory, at cost	12,922	-	-	-	-	12,922
Prepaid items	168,302	-	-	-	7,553	175,855
<b>Total assets</b>	<b>\$ 10,351,414</b>	<b>\$ -</b>	<b>\$ 12,882,207</b>	<b>\$ 10,019,427</b>	<b>\$ 3,403,975</b>	<b>\$ 36,657,023</b>

**Liabilities, Deferred Inflows  
of Resources and Fund Balances**

<b>Liabilities</b>						
Accounts and contracts payable	\$ 509,767	\$ -	\$ 99,714	\$ 76,555	\$ 9,975	\$ 696,011
Accrued liabilities	581,343	-	-	-	74,590	655,933
Deposits	870,768	-	-	-	-	870,768
<b>Total liabilities</b>	<b>1,961,878</b>	<b>-</b>	<b>99,714</b>	<b>76,555</b>	<b>84,565</b>	<b>2,222,712</b>
Deferred inflows of resources	1,721,243	-	-	9,340,245	9,682	11,071,170
<b>Fund balances</b>						
Nonspendable for inventory and prepaid items	181,224	-	-	-	7,553	188,777
Restricted for						
Housing and Urban development	-	-	-	-	-	-
Court Security	25,509	-	-	-	-	25,509
Court Technology	77,596	-	-	-	-	77,596
Capital projects	-	-	12,782,493	-	-	12,782,493
Debt service	-	-	-	602,627	-	602,627
Public works	-	-	-	-	1,704,102	1,704,102
Public improvement districts	-	-	-	-	443,707	443,707
Police grants	-	-	-	-	34,805	34,805
Tourism, convention centers, arts	-	-	-	-	535,168	535,168
Law enforcement purposes	-	-	-	-	584,393	584,393
Unassigned	6,383,964	-	-	-	-	6,383,964
<b>Total fund balances</b>	<b>6,668,293</b>	<b>-</b>	<b>12,782,493</b>	<b>602,627</b>	<b>3,309,728</b>	<b>23,363,141</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 10,351,414</b>	<b>\$ -</b>	<b>\$ 12,882,207</b>	<b>\$ 10,019,427</b>	<b>\$ 3,403,975</b>	<b>\$ 36,657,023</b>

**City of Lancaster, Texas**  
**Reconciliation of the Balance Sheet of**  
**Governmental Funds to the Statement of Net Position**  
September 30, 2015

Total fund balances – governmental funds \$ 23,363,141

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

Capital assets (net of accumulated depreciation) used in governmental activities are not current financial resources and therefore are not reported as assets in the governmental funds. Capital assets are reported in the government-wide financial statements, net of accumulated depreciation. 101,296,512

Interest payable on long-term debt does not require current financial resources, therefore interest payable is not reported as a liability in the governmental funds balance sheet. (406,021)

Revenues earned but not available within 60 days of the year-end are not recognized as revenue on the fund financial statements. 1,919,221

Notes receivable are not measureable and available within 60 days of year-end, and therefore are entirely deferred in the fund financial statements. 9,151,950

Deferred outflows of resources and deferred inflows of resources represent flows of resources which relate to future periods and, therefore, are not reported in the fund financial statements. Deferred outflows of resources and deferred inflows of resources at year-end consist of:

Deferred outflows of resources	1,047,387	
Employer contributions	1,273,993	
Investment return difference (GASB 68)	495,205	
Experience difference (GASB 68)	<u>(294,825)</u>	2,521,760

Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the fund financial statements.

Long-term liabilities at year-end consist of:

General obligation bonds	(57,025,017)	
Certificates of obligation	(14,075,105)	
Note payable	(4,710,033)	
Premiums on bond debt	(3,066,433)	
Net pension liability	(8,606,055)	
Compensated absences	(2,459,407)	
OPEB liability	(175,460)	
Capital leases	<u>(1,167,654)</u>	(91,285,164)

Total net position of governmental activities \$ 46,561,398

**City of Lancaster, Texas**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balances – Governmental Funds**  
**For the Year Ended September 30, 2015**

	General Fund	HUD Fund	Capital Projects Fund	General Obligation Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Taxes and fees	\$ 17,301,959	\$ -	\$ -	\$ 4,307,762	\$ 1,967,916	\$ 23,577,637
Licenses and permits	657,735	-	-	-	294,025	951,760
Intergovernmental	758,579	-	-	1,187,800	-	1,946,379
Charges for services	886,838	-	-	-	-	886,838
Fines and forfeits	1,264,493	-	172,272	-	-	1,436,765
Interest	3,918	-	9,908	665	1,432	15,923
Miscellaneous	272,160	-	202,000	-	15,307	489,467
Total revenues	21,145,682	-	384,180	5,496,227	2,278,680	29,304,769
<b>Expenditures</b>						
Current						
General government	3,800,206	-	-	-	-	3,800,206
Public safety	14,866,020	-	-	-	112,912	14,978,932
Public works	1,655,802	-	-	-	1,084,462	2,740,264
Community development and recreation	808,467	-	-	-	236,059	1,044,526
Social and welfare	-	-	-	-	-	-
Capital outlay	1,283,191	-	774,738	-	32,936	2,090,865
Debt service						
Principal retirement	652,660	-	-	2,451,133	64,218	3,168,011
Interest and fiscal charges	338,630	-	-	2,889,821	19,713	3,248,164
Cost of issuance of bonds	-	-	67,309	226,750	-	294,059
Total expenditures	23,404,976	-	842,047	5,567,704	1,550,300	31,365,027
Excess (deficiency) of revenues over (under) expenditures	(2,259,294)	-	(457,867)	(71,477)	728,380	(2,060,258)
Other financing sources (uses)						
Operating transfers in	1,900,157	35,952	-	56,000	-	1,992,109
Operating transfers out	(80,343)	(234,194)	-	-	(42,000)	(356,537)
Proceeds from issuance of capital lease	1,250,000	-	-	-	-	1,250,000
Proceeds from issuance of bonds	-	-	4,580,316	-	-	4,580,316
Proceeds from refunding bonds issued	-	-	-	16,934,701	-	16,934,701
Bond premium	-	-	482,784	1,684,904	-	2,167,688
Payment to refunded bond escrow agent	-	-	-	(18,399,389)	-	(18,399,389)
Total other financing sources (uses)	3,069,814	(198,242)	5,063,100	276,216	(42,000)	8,168,888
<b>Net Change in Fund Balances</b>	810,520	(198,242)	4,605,233	204,739	686,380	6,108,630
<b>Fund Balances, Beginning of Year</b>	5,857,773	198,242	8,177,260	397,888	2,623,348	17,254,511
<b>Fund Balances, End of Year</b>	\$ 6,668,293	\$ -	\$ 12,782,493	\$ 602,627	\$ 3,309,728	\$ 23,363,141

**City of Lancaster, Texas**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in**  
**Fund Balances of Governmental Funds to the Statement of Activities**  
**For the Year Ended September 30, 2015**

Net change in fund balances – total governmental funds \$ 6,108,630

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital assets recorded in the current period. 2,090,865

Depreciation expense on capital assets is reported in the statement of activities but does not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds. (5,465,762)

Current year principal payments of long-term liabilities are shown as expenditures in the fund financial statements, but shown as reductions in long-term liabilities in the government-wide financial statements as follows:

General and certificates of obligation bonds	19,689,897	
Notes payable	531,479	
Capital leases	<u>396,532</u>	20,617,908

The issuance of long-term debt, such as bonds and capital leases, are shown as “Other Sources” and “Other Uses” in the governmental funds, but are shown on the statement of net assets with related costs amortized over the life of the bonds. Differences consist of the following:

Issuance of general obligation bonds	(16,934,701)	
Certificate of obligations bonds	(4,580,316)	
Capital lease	(1,250,000)	
Bond premium	(2,034,010)	
Deferred loss on refunding	815,814	
Amortization of deferred loss	(101,089)	
Amortization of bond premium/discount	<u>227,897</u>	(23,856,405)

Current year pension expenditures are reported on the fiscal year basis on the governmental statement of revenues, expenditures and changes in fund balance and as actuarially determined in the government-wide statement of activities. These differences are reflected in deferred outflows of resources and deferred inflow of resources balances. 413,616

Current year change in long-term liability for compensated absences and OPEB liability do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds. (65,507)

Current year changes in accrued interest payable do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds. 36,035

Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds. This is the net change in these revenues for the year. (595,000)

Change in net position of governmental activities	<u>\$ (715,639)</u>	<b>39</b>
---	---------------------	-----------

**City of Lancaster, Texas**  
**Statement of Net Position**  
**Proprietary Funds**  
**September 30, 2015**

Assets	Water and Sewer	Airport Fund	Nonmajor Enterprise Funds	Total Proprietary Funds
<b>Current Assets</b>				
Cash and cash equivalents	\$ 24,913,924	\$ 190	\$ 207,896	\$ 25,122,010
Receivables (net of allowance for uncollectibles)				
Accounts	835,459	14,198	103,652	953,309
Unbilled	1,019,556	-	140,718	1,160,274
Prepaid expenses	19,080	1,668	-	20,748
Inventory	-	22,158	-	22,158
Total current assets	<u>26,788,019</u>	<u>38,214</u>	<u>452,266</u>	<u>27,278,499</u>
<b>Noncurrent Assets</b>				
Restricted assets				
Cash and cash equivalents	4,677,829	-	-	4,677,829
<b>Capital Assets</b>				
Nondepreciable	233,926	4,458,165	349,554	5,041,645
Depreciable (net of accumulated depreciation)	<u>36,120,883</u>	<u>1,365,356</u>	<u>1,798,455</u>	<u>39,284,694</u>
Total noncurrent assets	<u>41,032,638</u>	<u>5,823,521</u>	<u>2,148,009</u>	<u>49,004,168</u>
Total assets	<u>67,820,657</u>	<u>5,861,735</u>	<u>2,600,275</u>	<u>76,282,667</u>
<b>Deferred Outflows of Resources</b>				
Deferred loss on refunding	123,876	2,733	-	126,609
Deferred pension contributions	114,188	15,355	-	129,543
Difference in projected and actual earnings on pension plan investments	<u>44,386</u>	<u>5,968</u>	<u>-</u>	<u>50,354</u>
Total deferred outflows of resources	<u>282,450</u>	<u>24,056</u>	<u>-</u>	<u>306,506</u>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts and contracts payable	313,510	988,790	751,923	2,054,223
Accrued liabilities	100,490	25,434	24,809	150,733
Accrued interest	43,570	516	-	44,086
Deposits	1,014,338	-	-	1,014,338
General obligation bonds	429,810	2,810	-	432,620
Notes payable	-	-	-	-
Certificates of obligation	472,143	-	-	472,143
Compensated absences	<u>7,299</u>	<u>-</u>	<u>218</u>	<u>7,517</u>
Total current liabilities	<u>2,381,160</u>	<u>1,017,550</u>	<u>776,950</u>	<u>4,175,660</u>
<b>Noncurrent Liabilities</b>				
General obligation bonds	3,105,173	82,190	-	3,187,363
Notes payable	-	-	-	-
Certificates of obligation	10,657,753	-	-	10,657,753
Premiums on bond debt	114,708	10,000	-	124,708
Compensated absences	56,035	-	654	56,689
Net pension liability	<u>788,512</u>	<u>107,840</u>	<u>-</u>	<u>896,352</u>
Total noncurrent liabilities	<u>14,722,181</u>	<u>200,030</u>	<u>654</u>	<u>14,922,865</u>
Total liabilities	<u>17,103,341</u>	<u>1,217,580</u>	<u>777,604</u>	<u>19,098,525</u>
<b>Deferred Inflows of Resources</b>				
Difference in expected and actual experience	<u>26,425</u>	<u>3,554</u>	<u>-</u>	<u>29,979</u>
<b>Net Position</b>				
Net investment in capital assets	25,241,262	5,728,521	2,148,009	33,117,792
Unrestricted	<u>25,732,079</u>	<u>(1,063,864)</u>	<u>(325,338)</u>	<u>24,342,877</u>
Total net position	<u>\$ 50,973,341</u>	<u>\$ 4,664,657</u>	<u>\$ 1,822,671</u>	<u>\$ 57,460,669</u>



**City of Lancaster, Texas**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended September 30, 2015**

	<b>Water and Sewer Fund</b>	<b>Airport Fund</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total Proprietary Funds</b>
<b>Operating Revenues</b>				
Charges for services	\$ 15,807,876	\$ 748,077	\$ 2,353,196	\$ 18,909,149
Intergovernmental	-	40,730	-	40,730
Miscellaneous	626,947	-	-	626,947
Impact fee revenue	598,767	-	-	598,767
Total operating revenues	17,033,590	788,807	2,353,196	20,175,593
<b>Operating Expenses</b>				
Personnel services	1,082,645	180,531	-	1,263,176
Maintenance	447,731	92,717	191,875	732,323
Purchase of water	2,344,969	-	-	2,344,969
Materials and supplies	118,930	435,106	-	554,036
Heat, light and power	212,910	44,473	(3,648)	253,735
Depreciation	2,096,637	63,707	77,681	2,238,025
Benefit payments	345,448	53,034	-	398,482
Sewage treatment	5,073,498	-	-	5,073,498
Special services	319,981	18,346	1,947,013	2,285,340
Miscellaneous	135,197	-	-	135,197
Equipment rental	7,216	21,514	375	29,105
Total operating expenses	12,185,162	909,428	2,213,296	15,307,886
<b>Operating Income</b>	4,848,428	(120,621)	139,900	4,867,707
<b>Nonoperating Revenues (Expenses)</b>				
Interest revenue	14,634	-	94	14,728
Interest and fiscal charges	(488,439)	(3,993)	-	(492,432)
Other nonoperating revenue	-	9,694	-	9,694
Total nonoperating revenues (expenses)	(473,805)	5,701	94	(468,010)
<b>Income Before Transfers</b>	4,374,623	(114,920)	139,994	4,399,697
<b>Transfers</b>				
Operating transfers in	44,391	-	-	44,391
Operating transfers out	(1,466,963)	-	(213,000)	(1,679,963)
Total transfers out	(1,422,572)	-	(213,000)	(1,635,572)
<b>Change in Net Position</b>	2,952,051	(114,920)	(73,006)	2,764,125
<b>Net Position, Beginning of Year, As Previously Reported</b>	48,714,726	4,874,633	1,895,677	55,485,036
<b>Change in Accounting Principle</b>	(693,436)	(95,056)	-	(788,492)
<b>Net Position, Beginning of Year, As Restated</b>	48,021,290	4,779,577	1,895,677	54,696,544
<b>Net Position, End of Year</b>	\$ 50,973,341	\$ 4,664,657	\$ 1,822,671	\$ 57,460,669

**City of Lancaster, Texas**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended September 30, 2015**

	Water and Sewer Fund	Airport Fund	Nonmajor Enterprise Fund	Total
<b>Operating Activities</b>				
Receipts from customers and users	\$ 16,224,601	\$ 784,844	\$ 2,350,650	\$ 19,360,095
Payments to employees	(1,465,166)	(233,629)	8,034	(1,690,761)
Payments to suppliers	(8,714,577)	(510,154)	(2,141,158)	(11,365,889)
Impact fees collected	598,767	-	-	598,767
	<u>6,643,625</u>	<u>41,061</u>	<u>217,526</u>	<u>6,902,212</u>
Net cash provided by operating activities				
<b>Noncapital and Related Financing Activities</b>				
Transfers to other funds	(1,466,963)	-	(213,000)	(1,679,963)
Proceeds from other nonoperating revenue	(473,805)	-	-	(473,805)
	<u>(1,940,768)</u>	<u>-</u>	<u>(213,000)</u>	<u>(2,153,768)</u>
Net cash provided by (used in) noncapital financing activities				
<b>Capital and Related Financing Activities</b>				
Acquisition and construction of capital assets	(308,171)	(13,499)	-	(321,670)
Principal payments on debt	(1,296,685)	(33,263)	-	(1,329,948)
Interest payments on debt	(382,549)	(3,993)	-	(386,542)
Utility deposits collected	46,646	-	-	46,646
	<u>2,767,241</u>	<u>(50,755)</u>	<u>-</u>	<u>2,716,486</u>
Net cash used in capital and financing activities				
<b>Investing Activities</b>				
Interest on investments	-	-	94	94
Proceeds from other nonoperating revenue	-	9,694	-	9,694
	<u>-</u>	<u>9,694</u>	<u>94</u>	<u>9,788</u>
Net cash provided by investing activities				
<b>Increase in Cash and Cash Equivalents</b>	7,470,098	-	4,620	7,474,718
<b>Cash and Cash Equivalents, Beginning of Year</b>	22,121,655	190	203,276	22,325,121
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 29,591,753</u>	<u>\$ 190</u>	<u>\$ 207,896</u>	<u>\$ 29,799,839</u>
<b>Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities</b>				
Operating income	\$ 4,848,428	\$ (120,621)	\$ 139,900	\$ 4,867,707
Item not requiring cash				
Depreciation	2,096,637	63,707	77,681	2,238,025
Changes in				
Accounts receivable	(210,222)	(3,963)	1,232	(212,953)
Inventories	-	16,988	-	16,988
Prepays	(19,080)	(1,668)	-	(20,748)
Other assets	-	-	-	-
Accounts payable	7,914	93,302	(9,321)	91,895
Accrued expenses	(42,979)	(1,699)	8,034	(36,644)
Employer contribution	(2,639)	(64)	-	(2,703)
Compensated absences	(34,434)	(4,921)	-	(39,355)
	<u>\$ 6,643,625</u>	<u>\$ 41,061</u>	<u>\$ 217,526</u>	<u>\$ 6,902,212</u>
Net cash provided by operating activities				

**City of Lancaster, Texas**  
**Notes to Basic Financial Statements**  
September 30, 2015

**Note 1: Significant Accounting Policies**

The basic financial statements of the City of Lancaster are presented in accordance with generally accepted accounting principles applicable to state and local governmental units as set forth by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant accounting policies.

***Reporting Entity***

The City of Lancaster (the City) was incorporated in 1853. The City operates as a home-rule city, under a Council-manager form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, water and sewer utilities, sanitation, health and social services, parks and recreation, public improvements, airport, golf course, planning and zoning and general administrative services.

The City's basic financial statements include the separate governmental entities that are controlled by or are dependent on the City. The determination to include separate governmental entities is based on the criteria of GASB Statement 14, *The Financial Reporting Entity*, as amended by GASB 39, *Determining Whether Certain Organizations Are Component Units* and GASB Statement 61, *The Financial Reporting Entity: Omnibus*. GASB Statement 14 defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. To be financially accountable, a voting majority of the component unit's board must be appointed by the primary government, and either (1) the primary government must be able to impose its will or (2) the primary government may potentially benefit financially or be financially responsible for the component unit. The Lancaster Economic Development Corporation (Economic) and the Lancaster Recreational Development Corporation (Recreational) are nonprofit industrial development corporations formed in July and October 1995, respectively, under the Development Corporation Act of 1979. Both Economic and Recreational are organized exclusively for the purposes of benefiting and accomplishing public purposes and to act on behalf of the City. This includes the construction and renovation of municipal buildings, the acquisition, improvement and operation of parks, as well as, other economic development purposes. The affairs of these corporations are managed by two separate Boards of Directors, which are appointed by the City Council. The City Council approves annual budgets and issuances of debt. Economic and Recreational have been discretely presented in the accompanying financial statements. Separate financial statements of the individual component units are not available.

***Basis of Presentation***

***Government-Wide Financial Statements***

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of the City. The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

**City of Lancaster, Texas**  
**Notes to Basic Financial Statements**  
 September 30, 2015

The statement of net position presents information on all the City's assets, deferred outflows, and liabilities, with the difference reported as "net position." Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific program of City government. *Program revenues* include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and (2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

***Fund Financial Statements***

The City segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for Governmental Funds and Proprietary Funds. These statements present each major fund as a separate column on the fund financial statements; all nonmajor funds are aggregated and presented in a single column.

Governmental Funds are those funds through which most governmental functions typically are financed. The measurement focus of Governmental Funds is on the sources, uses and balances of current financial resources. The City has presented the following major Governmental Funds:

**General Fund** – The General Fund is the main operating fund of the City. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

**HUD Fund\*** – The HUD Fund is used to account for funds from grants received from the U.S. Department of Housing and Urban Development and transactions relating to the Lancaster Housing Agency. The Lancaster Housing Agency provides housing assistance to low income families.

**Capital Projects Fund** – The Capital Projects Fund is utilized to account for financial resources to be used for the acquisition or construction of major capital facilities.

**General Obligation Debt Service Fund** – The Debt Service Fund is used to account for the accumulation of resources and for the payment of general long-term debt principal, interest and related costs, as well as the payment of lease/purchase items. The revenue source is principally ad valorem taxes levied by the City and transfers in for the payment of lease/purchases.

\*The City has permanently designated this fund as a major governmental fund.

**City of Lancaster, Texas**  
**Notes to Basic Financial Statements**  
 September 30, 2015

Proprietary Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flow. All assets, deferred outflows of resources and liabilities are included on the Statement of Net Position. The City has presented the following major Proprietary Funds:

**Water and Sewer Fund** – The Water and Sewer Fund is used to account for the acquisition, operation and maintenance of a municipal water and sewer utility, supported primarily by user charges to the public.

**Airport Fund** – The Airport Fund is used to account for the operation of the City’s regional airport.

Proprietary Funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a Proprietary Fund’s principal ongoing operations. Operating expenses for the Proprietary Funds include the cost of personnel and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

***Classification of Fund Equity***

Fund balances are classified as nonspendable, restricted, committed, assigned or unassigned in governmental funds. Nonspendable fund balance cannot be spent, either because it is not in spendable form or because of legal or contractual requirements. Restricted fund balance have constraints for specific purposes which are externally imposed by providers, such as creditors, grantors or other governments; or by enabling legislation of the City Council. Committed fund balances can only be used for specific purposes pursuant to constraints imposed by the City Council through an ordinance or resolution. Assigned fund balances are constrained by intent to be used for specific purposes, but are neither restricted nor committed. Assignments are made by City management based on Council direction. Unassigned fund balances include residual positive fund balances within the General Fund that had not been classified within the other mentioned categories. Unassigned fund balances may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

***Measurement Focus and Basis of Accounting***

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

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

The governmental fund financial statements are reported using the current financial resources measurement focus. Revenues are recognized as soon as they are both measurable and available.

**City of Lancaster, Texas**  
**Notes to Basic Financial Statements**  
 September 30, 2015

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

Property taxes, sales taxes, franchise taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Licenses and permits, charges for services (except for sanitation services), fines and forfeits and rents and concessions are recorded as revenues when received in cash because they are generally not measurable until actually received. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the City.

***Cash Flows Statement***

For purposes of the statement of cash flows, the City considers cash and cash equivalents to be all unrestricted cash and certificates of deposit with an original maturity date of three months or less. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

***Investments***

Substantially all operating cash, deposits and short-term investments are maintained in consolidated cash and investment accounts. Related interest income is allocated to the various funds based primarily on ownership by each fund of specific investments. Cash equivalents consist of highly liquid investments with original maturities of three months or less.

Investments in U.S. Treasury and agency obligations with maturities of one year or less when purchased are reported at amortized cost. Nonparticipating contracts are reported at cost. All other investments are reported at fair value.

State statutes authorize the City to invest in obligations of the U.S. Government or its agencies; obligations of the state of Texas or its agencies; and certain other obligations, repurchase agreements, money market mutual funds and certificates of deposits within established criterion.

**City of Lancaster, Texas**  
**Notes to Basic Financial Statements**  
 September 30, 2015

***Allowance for Uncollectible Accounts***

An allowance for uncollectible taxes including penalties and interest and water and sewer billed receivables is provided based on an analysis of historical trends. The allowances at , were \$734,030 for uncollectible taxes, \$2,429,163 for water and sewer billings, \$362,705 for court fees and fines and \$487,617 for ambulance fees.

***Inventory***

Inventories, which are recognized as expenditures as they are consumed, are stated at cost (first-in, first-out) for Governmental Funds. Inventories in the General Fund consist of expendable supplies.

***Prepaid Items***

Prepaid balances are for payments made by the City in the current year to provide services occurring in the subsequent year.

***Interfund Receivables and Payables***

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

***Transactions Between Funds***

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are recorded as transfers.

***Capital Assets***

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for Proprietary Funds. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest is capitalized on Proprietary Fund type assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expenses incurred from the date of the borrowing unit until completion of the project with interest earned on invested proceeds over the same period.

All items purchased with a price of \$3,000 or greater and a useful life exceeding one year is place on the fixed asset list. Each department is required to monitor their inventory and is accountable for the location of the asset. Asset tags are issued after payment has been processed. The Purchasing Agent conducts a yearly inventory to verify the inventory.

**City of Lancaster, Texas**  
**Notes to Basic Financial Statements**  
September 30, 2015

Assets capitalized have a useful life of over one year. Depreciation is recorded on each class of depreciable property utilizing the straight-line method over the estimated useful lives of the assets. Estimated useful lives of major categories of property are:

Plants and buildings	25 years
Other structures	10 – 50 years
Machinery and equipment	6 – 10 years

***Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element 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 government only has one item that qualifies for reporting in this category, the deferred loss on refunding, reported in the government-wide and proprietary fund statement of net position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element 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 then. In the General Fund, deferred inflows of resources consist of unavailable revenues related to delinquent property taxes receivable of \$438,601, delinquent courts receivable of \$848,301, and delinquent ambulance receivable of \$434,341. In the General Obligation Debt Service Fund, deferred inflows of resources consist of \$9,151,950 related to the note receivable from the discretely presented component units that is considered unavailable and unavailable revenues related to delinquent property taxes receivable of \$188,295. Deferred inflows of \$9,682, related to unavailable revenues related to delinquent property taxes receivable are reported on the Public Improvement Districts Fund. Deferred inflows of \$38,691 related to unavailable revenues related to recreational fees are reported on the Lancaster Recreation Development Corporation.

***Accumulated Unpaid Vacations, Sick Leave and Other Employee Benefit Amounts***

Sick leave is recorded when paid because employees are not compensated for unused sick leave. Vacation is earned in varying amounts up to a maximum of 20 days per year for employees with 10 or more years of service. Unused vacation leave carried forward from one year to the next is limited to 260 hours.

The liability for unused vested vacation leave as of , is shown as a liability for compensated absences in the applicable governmental or business-type activities columns in the government-wide statements and in the fund financial statements for the Proprietary Funds. The amount to be paid from current available financial resources is not considered significant.



**City of Lancaster, Texas**  
**Notes to Basic Financial Statements**  
September 30, 2015

***New Financial Reporting Requirements***

The GASB has issued the following statement, which became effective for fiscal year 2015. Statement No. 68, *Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27* – This statement changes the focus of pension accounting for employers from whether they are responsibly funding their plan over time to a point-in-time liability that is reflected in the employer’s financial statements for any actuarially unfunded portion of pension benefits earned to date.

Adoption of GASB 68 resulted in the following adjustments to beginning net position at October 1, 2014:

	Government-wide Statement of Activities			
	Primary Government		Component Units	
	Governmental Activities	Business-type Activities	Lancaster Economic Development Corporation	Lancaster Recreational Development Corporation
Net position at September 30, 2014, as previously reported	\$ 54,822,317	\$ 55,485,036	\$ 1,882,955	\$ 3,901,704
Recording of net pension liability as of September 30, 2014	(8,759,063)	(915,332)	(98,055)	(454,999)
Deferral for pension contributions made after the measurement date	1,213,765	126,840	13,588	63,050
Net position at September 30, 2014, as restated	<u>\$ 47,277,019</u>	<u>\$ 54,696,544</u>	<u>\$ 1,798,488</u>	<u>\$ 3,509,755</u>

***Pensions***

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

**City of Lancaster, Texas**  
**Notes to Basic Financial Statements**  
September 30, 2015

**Note 2: Deposits and Investments**

The deposit and investment policies of the City are governed by State Statutes and the adopted City Investment Policy. City policies governing bank deposits require depositories to be FDIC-insured institutions, and depositories must fully collateralize all deposits in excess of FDIC insurance limits.

Statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agency securities, repurchase agreements and municipal pools.

The City utilizes a pooled investment concept for all its funds to maximize its investment program. Investment income from this internal pooling is allocated to the respective funds based upon the sources of funds invested.

During the year ended September 30, 2015, the City invested in TexCLASS, TexPool, and LOGIC, which are investment pools authorized by the Texas Legislature. The Texas Treasury Safekeeping Trust Company is the trustee and is a limited purpose trust company authorized pursuant to Texas Government Code. The pools operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The pools use amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in the pools is the same as the value of the pools shares.

***Interest Rate Risk***

The strategy of the City is to maintain sufficient liquidity in its portfolio and structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the secondary market prior to maturity.

***Custodial Credit Risk***

Custodial credit risk is the risk that a government will not be able to recover (a) deposits if the depository financial institution fails or (b) the value of investment or collateral securities that are in the possession of an outside party if the counterparty to the investment or deposit transaction fails. To minimize such risk, the City requires collateralization of most deposits in excess of coverage, utilizes the delivery vs. payment method for investment purchases and contracts with a third-party safekeeping agent.

***Credit Risk***

In compliance with the City's Investment Policy as of September 30, the City minimized credit risk losses due to default of a security issuer or backer by limiting investments to the safest types of securities, pre-qualifying financial institutions, broker/dealers and advisors with which the City does business and diversifying the investment portfolio so that potential losses on individual securities are minimized.

**City of Lancaster, Texas**  
**Notes to Basic Financial Statements**  
September 30, 2015

Cash equivalents at year-end are shown below:

	Carrying Amount	Fair Value	Weighted- Average Maturity (Years)
<b>Primary Government</b>			
TexPool	\$ 25,266,630	\$ 25,266,630	0.003
LOGIC	22,646,069	22,646,069	0.003
Texas Class	1,390,698	1,390,698	0.003
	<u>49,303,397</u>	<u>49,303,397</u>	
<b>Component Units</b>			
TexPool	2,653,508	2,653,508	0.003
LOGIC	2,378,296	2,378,296	0.003
Texas Class	146,051	146,051	0.003
	<u>5,177,856</u>	<u>5,177,856</u>	
<b>Total</b>	<u><u>\$ 54,481,253</u></u>	<u><u>\$ 54,481,253</u></u>	

**Note 3: Property Taxes**

Property taxes attach as an enforceable lien on property as of October 1. Taxes are levied on October 1 and are due and payable on or before January 31 of the following year. All unpaid taxes become delinquent February 1 of the following year. Tax collections for the year ended , were 96.68% of the levy. Dallas County bills and collects property taxes for the City. Any uncollected property taxes at September 30 that are collected within 60 days is recognized as revenue and recorded as taxes receivable. Any uncollected property taxes at September 30, which are not expected to be collected within 60 days, are recorded as taxes receivable and deferred inflow of resources. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

The statutes of the state of Texas do not prescribe a legal debt limit, nor does the City's charter provide for a debt limit. However, provision of Article XI, Section 5 of the Texas Constitution applicable to cities with populations greater than 5,000 limits the ad valorem tax rate to \$2.50 per \$100 assessed valuation. However, as a city operating under a Home Rule Charter, the City has a debt limit of \$1.50 per \$100 assessed valuation. For the year ended September 30, 2015, the City had a tax rate of \$.8675 per \$100.00 assessed valuation, of which \$.6012 was allocated for general government and \$.2663 was allocated for the payment of principal and interest on general obligation debt.

In Texas, county-wide central appraisal districts are required to assess all property within the appraisal district on the basis of 100% of its appraised value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every three years; however, the City may, at its own expense, require annual reviews of appraised values.

**City of Lancaster, Texas**  
**Notes to Basic Financial Statements**  
September 30, 2015

The City may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action. Under this legislation, the City continues to set tax rates on City property.

However, if the effective tax rate, excluding tax rates for bonds and other contractual obligations, adjusted for new improvements, exceeds the tax rate for the previous year by more than 8%, qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than 8% above the tax rate of the previous year. This legislation provides that, if approved by the qualified voters in the City, both the appraisal and collection functions may be placed with the appraisal district. In addition, the City may obtain approval from its governing body to place these functions with the appraisal district.

**Note 4: Interfund Transactions**

At, interfund balances and transactions, excluding discretely presented component units were as follows:

	<b>Transfers In</b>	<b>Transfers Out</b>
General Fund	\$ 1,900,157	\$ 80,343
HUD Fund	35,952	234,194
General Obligation Debt Service Fund	56,000	-
Nonmajor Governmental Funds	-	42,000
Water and Sewer Fund	44,391	1,466,963
Nonmajor Enterprise Funds	-	213,000
	<u>\$ 2,036,500</u>	<u>\$ 2,036,500</u>

The interfund transfer to the General Fund from the Nonmajor Governmental Funds, Water and Sewer Funds, Refuse Fund and Golf Course Fund is for indirect services provided by central service departments accounted for in the General Fund. The interfund transfer to the General Obligation Debt Service Fund from the Golf Course Fund is for debt repayment.

**City of Lancaster, Texas**  
**Notes to Basic Financial Statements**  
September 30, 2015

**Note 5: Fixed Assets**

***Governmental Funds***

Capital assets of the Governmental Activities are as follows:

	Balance September 30, 2014	Increases	Transfers	Balance September 30, 2015
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 13,214,268	\$ -	\$ -	\$ 13,214,268
Construction in progress	19,396,744	708,091	(11,880,768)	8,224,067
		-	-	
Total capital assets not being depreciated	32,611,012	708,091	(11,880,768)	21,438,335
Capital assets being depreciated				
Buildings	24,487,196	-	-	24,487,196
Infrastructure and improvements	96,068,552	223,080	11,880,768	108,172,400
Equipment and furniture	17,122,344	1,159,694	-	18,282,038
Total capital assets being depreciated	137,678,092	1,382,774	11,880,768	150,941,634
Less accumulated depreciation	65,617,695	5,465,762	-	71,083,457
Total capital assets being depreciated, net	72,060,397	(4,082,988)	11,880,768	79,858,177
Governmental activities capital assets, net	<u>\$ 104,671,409</u>	<u>\$ (3,374,897)</u>	<u>\$ -</u>	<u>\$ 101,296,512</u>

Depreciation expense was charged as a direct expense to programs of the primary government as follows:

General and administrative	\$ 446,954
Public safety	1,561,728
Public works	3,275,876
Community development and recreation	181,204
	<u>181,204</u>
Total depreciation expense – governmental activities	<u>\$ 5,465,762</u>

**City of Lancaster, Texas**  
**Notes to Basic Financial Statements**  
September 30, 2015

**Enterprise Funds**

Capital assets of the Enterprise Funds are as follows:

	Balance September 30, 2014	Increases	Decreases	Balance September 30, 2015
<b>Business-type Activities</b>				
Capital assets not being depreciated				
Land	\$ 4,971,266	\$ -	\$ -	\$ 4,971,266
Construction in progress	-	70,379	-	70,379
	<u>4,971,266</u>	<u>70,379</u>	<u>-</u>	<u>5,041,645</u>
Total capital assets not being depreciated				
	<u>4,971,266</u>	<u>70,379</u>	<u>-</u>	<u>5,041,645</u>
Capital assets being depreciated				
Plants and buildings	4,950,436	-	-	4,950,436
Other improvements	65,739,374	90,670	-	65,830,044
Runways and taxiways	3,422,564	-	-	3,422,564
Other structures	951,622	-	-	951,622
Machinery and equipment	2,812,062	160,621	-	2,972,683
	<u>77,876,058</u>	<u>251,291</u>	<u>-</u>	<u>78,127,349</u>
Total capital assets being depreciated				
	<u>77,876,058</u>	<u>251,291</u>	<u>-</u>	<u>78,127,349</u>
Less accumulated depreciation	<u>36,604,630</u>	<u>2,238,025</u>	<u>-</u>	<u>38,842,655</u>
Total capital assets being depreciated, net	<u>41,271,428</u>	<u>(1,986,734)</u>	<u>-</u>	<u>39,284,694</u>
Business-type activities capital assets, net	<u>\$ 46,242,694</u>	<u>\$ (1,916,355)</u>	<u>\$ -</u>	<u>\$ 44,326,339</u>

Depreciation expense was charged as a direct expense to programs of the primary government as follows:

Water and sewer	\$ 2,096,637
Airport	63,707
Golf	<u>77,681</u>
Total depreciation expense – business-type activities	<u>\$ 2,238,025</u>

**City of Lancaster, Texas**  
**Notes to Basic Financial Statements**  
September 30, 2015

***Discretely Presented Component Units***

Capital assets of the Lancaster Economic Development Corporation are as follows:

	Balance September 30, 2014	Increases	Decreases	Balance September 30, 2015
Lancaster Economic Development Corporation Capital assets not being depreciated				
Land	\$ 100,378	\$ -	\$ -	\$ 100,378
Total capital assets not being depreciated	<u>\$ 100,378</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,378</u>

Capital assets of the Lancaster Recreational Development Corporation are as follows:

	Balance September 30, 2014	Increases	Decreases	Balance September 30, 2015
Lancaster Recreational Development Corporation Capital assets not being depreciated				
Land	\$ 989,118	\$ -	\$ -	\$ 989,118
Total capital assets not being depreciated	<u>989,118</u>	<u>-</u>	<u>-</u>	<u>989,118</u>
Capital assets being depreciated				
Buildings	15,797,360	-	-	15,797,360
Park structures	3,965,809	-	-	3,965,809
Equipment and furniture	449,124	151,563	-	600,687
Total capital assets being depreciated	20,212,293	151,563	-	20,363,856
Less accumulated depreciation	<u>10,139,316</u>	<u>412,056</u>	<u>-</u>	<u>10,551,372</u>
Total capital assets being depreciated, net	<u>10,072,977</u>	<u>(260,493)</u>	<u>-</u>	<u>9,812,484</u>
Lancaster Recreational Development Corporation capital assets, net	<u>\$ 11,062,095</u>	<u>\$ (260,493)</u>	<u>\$ -</u>	<u>\$ 10,801,602</u>

**City of Lancaster, Texas**  
**Notes to Basic Financial Statements**  
September 30, 2015

**Note 6: Long-term Liabilities**

The following is a summary of changes in long-term liabilities:

	Balance September 30, 2014	Additions	Retirements	Balance September 30, 2015	Due Within One Year
<b>Governmental Activities</b>					
General obligation bonds	\$ 48,315,000	\$ 21,515,017	\$ (12,805,000)	57,025,017	\$ 2,107,380
Certificates of obligation	20,960,000	-	(6,884,895)	14,075,105	727,857
Notes payable	5,241,512	-	(531,479)	4,710,033	504,512
Premiums on bond debt	1,260,320	2,167,688	(361,575)	3,066,433	-
Compensated absences	2,438,636	646,526	(625,754)	2,459,407	245,941
OPEB liability	130,724	44,736	-	175,460	-
Net pension liability	8,759,063	-	(153,008)	8,606,055	-
Capital leases	314,186	1,250,000	(396,532)	1,167,654	227,282
Total governmental activities	<u>\$ 87,419,441</u>	<u>\$ 25,623,967</u>	<u>\$ (21,758,243)</u>	<u>\$ 91,285,164</u>	<u>\$ 3,812,972</u>
<b>Business-type Activities</b>					
General obligation bonds	\$ 3,335,000	\$ 1,014,983	\$ (730,000)	\$ 3,619,983	\$ 432,620
Notes payable	17,703	-	(17,703)	-	-
Certificates of obligation	8,390,000	4,080,000	(1,340,104)	11,129,896	472,143
Premiums on bond debt	146,566	91,259	(113,117)	124,708	-
Net pension liability	915,332	-	(18,980)	896,352	-
Compensated absences	69,689	51,051	(49,278)	71,461	7,517
Total business-type activities	<u>\$ 12,874,290</u>	<u>\$ 5,237,293</u>	<u>\$ (2,269,182)</u>	<u>\$ 15,842,400</u>	<u>\$ 912,280</u>
<b>Discretely Presented Component units</b>					
Notes payable to primary government	\$ 9,746,950	\$ -	\$ (595,000)	\$ 9,151,950	\$ 610,000
Net pension liability	553,054	-	(13,594)	539,460	-
Total discretely presented component units	<u>\$ 10,300,004</u>	<u>\$ -</u>	<u>\$ (608,594)</u>	<u>\$ 9,691,410</u>	<u>\$ 610,000</u>

General long-term debt consists of capital leases, liabilities for accrued vacation leave, general obligation bonds and certificates of obligation, which are direct obligations, issued on the full faith and credit of the City. Principal and interest payments on the general obligation bonds and certificates of obligation are secured by ad valorem taxes levied on all taxable property within the City and surplus revenues of the Water and Sewer Fund and Airport Fund. A portion of the general obligation bonds has been issued on behalf of the Water and Sewer Fund. Although these bonds are secured by the full faith and credit of the City and have no specific claim against Water and Sewer Fund assets, debt service requirements are provided by the Water and Sewer Fund. Accordingly, this debt is reflected as an obligation of the Water and Sewer Fund.

During fiscal year 2015, the City executed a current refunding in the amount of \$22,530,000 of series 2007 General Obligation Refunding and Improvement Bonds and Tax and Waterworks and Sewer System Surplus Revenue Certificates of Obligation. The bonds were refunded with \$22,530,000 Series 2015 General Obligation Refunding and Improvement Bonds dated July 15, 2015, bearing interest rates ranging from 3.00% to 5.00%. The Bonds were issued at a premium of \$2,258,944 and incurred issuance costs of \$295,244. As a result of the current refunding, the City increased total debt service payments over the next 10 years by \$579,995, and recorded a deferred loss on refunding of \$868,064.



**City of Lancaster, Texas**  
**Notes to Basic Financial Statements**  
September 30, 2015

The City also issued Series 2015 Tax and Waterworks and Sewer System Revenue Certificates of Obligation in the amount of \$4,080,000 dated July 15, 2015 bearing interest rates of 2.00% to 3.75%. The Certificates incurred issuance cost of \$75,991. These bonds were issued to 1) construct and improve streets and roads, including related drainage and required utility lines, landscaping, lighting, and signage related thereto; 2) constructing and improving a public parking lot; 3) purchasing a radio communication system for the public safety department; 4) purchasing a new fire apparatus and related equipment for the fire department and 3) for paying fees for legal, fiscal, engineering, architectural and other professional services in connection with these projects.

General obligation bonds, revenue bonds, certificates of obligation, notes payable and capital leases outstanding at , consist of the following:

	Governmental Activities	Water and Sewer	Airport	Total Primary Government
<b><u>General Obligation Bonds</u></b>				
\$24,300,000, 2007 General Obligation Refunding Bonds, due in annual installments through February 15, 2032, 4.00% – 5.00%	\$ 4,360,000	\$ 2,270,000	\$ 15,000	\$ 6,645,000
\$22,995,000, 2010 General Obligation Build America Bonds, due in annual installments through February 15, 2040, 1.82% – 6.53%	21,010,000	-	-	21,010,000
\$12,240,000, 2012 General Obligation Refunding Bonds, due in annual installments through February 15, 2024, 2.00% – 5.00%	10,140,000	250,000	70,000	10,460,000
\$22,530,000, 2015 General Obligation Refunding Bonds, due in annual installments through February 15, 2035, 2.00% – 3.75%	21,515,017	1,014,983		22,530,000
	<u>\$ 57,025,017</u>	<u>\$ 3,534,983</u>	<u>\$ 85,000</u>	<u>\$ 60,645,000</u>
<b><u>Certificates of Obligation</u></b>				
\$14,565,000, 2007 Certificate of Obligation Bonds, due in annual installments through February 15, 2032, 4.00% – 4.375%	\$ 3,105,104	\$ 624,896	\$ -	\$ 3,730,000
\$12,000,000, 2010 Certificate of Obligation Build America Bonds, due in annual installments through February 15, 2040, 1.82% – 6.53%	10,970,000	-	-	10,970,000
\$7,585,000, 2011 Certificate of Obligation Bonds, due in annual installments through August 15, 2031, 2.00% – 3.50%	-	6,425,000	-	6,425,000
\$4,080,000, 2015 Certificate of Obligation Bonds, due in annual installments through February 15, 2035, 2.00% – 3.75%	-	4,080,000	-	4,080,000
	<u>\$ 14,075,104</u>	<u>\$ 11,129,896</u>	<u>\$ -</u>	<u>\$ 25,205,000</u>

**City of Lancaster, Texas**  
**Notes to Basic Financial Statements**  
September 30, 2015

	Governmental Activities	Airport	Total Primary Government	Discretely Presented Component Units
<b><u>Note Payable</u></b>				
\$11,650,000 note payable, due in annual installments through February 15, 2024; 3.00% – 4.50%	\$ -	\$ -	\$ -	\$ 7,235,000
\$3,035,000 note payable, due in annual installments through February 15, 2027; 4.00% – 4.375%	-	-	-	1,916,950
\$5,690,000 note payable, due in annual installments beginning October 2013 through October 2022; 7.00%	<u>4,710,033</u>	<u>-</u>	<u>4,710,033</u>	<u>-</u>
	<u><u>\$ 4,710,033</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,710,033</u></u>	<u><u>\$ 9,151,950</u></u>
<b><u>Capital Leases</u></b>				
\$366,345 Lease Purchase Agreement due in monthly installments through November 4, 2016; 2.15%	\$ 87,430	\$ -	\$ 87,430	\$ -
\$1,250,000 Lease Purchase Agreement due in monthly installments through January 15, 2024; 2.08%	<u>1,080,224</u>	<u>-</u>	<u>1,080,224</u>	<u>-</u>
	<u><u>\$ 1,167,654</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,167,654</u></u>	<u><u>\$ -</u></u>

Capital leases represent the remaining principal amounts payable under lease purchase agreements for the acquisition of equipment through the General and Water and Sewer Funds.

As of , property and equipment under capital leases is carried at \$2,106,777, with \$827,174 in accumulated depreciation.

**City of Lancaster, Texas**  
**Notes to Basic Financial Statements**  
September 30, 2015

The annual requirements to amortize the long-term debt as of , are as follows:

General Obligation Bonds						
Fiscal Year	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2016	\$ 2,107,380	\$ 2,799,776	\$ 4,907,156	\$ 432,620	\$ 155,886	\$ 588,506
2017	2,209,415	2,744,333	4,953,748	455,584	135,462	591,046
2018	2,539,375	2,644,031	5,183,406	495,625	112,300	607,925
2019	2,156,486	2,523,098	4,679,584	258,514	94,035	352,549
2020	2,809,587	2,382,138	5,191,725	125,413	84,717	210,130
2021-2025	15,071,924	9,903,305	24,975,229	708,075	338,267	1,046,342
2026-2030	12,678,628	6,454,303	19,132,931	701,373	170,996	872,369
2031-2035	11,377,222	3,351,274	14,728,496	442,779	31,882	474,661
2036-2040	6,075,000	1,025,058	7,100,058	-	-	-
Total	<u>\$ 57,025,017</u>	<u>\$ 33,827,316</u>	<u>\$ 90,852,333</u>	<u>\$ 3,619,983</u>	<u>\$ 1,123,545</u>	<u>\$ 4,743,528</u>

Certificates of Obligation						
Fiscal Year	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2016	\$ 727,857	\$ 787,574	\$ 1,515,431	\$ 472,143	\$ 334,080	\$ 806,223
2017	754,506	757,495	1,512,001	485,493	327,252	812,745
2018	780,318	725,218	1,505,536	499,682	315,348	815,030
2019	811,130	690,890	1,502,020	513,870	302,877	816,747
2020	392,409	663,879	1,056,288	437,591	291,837	729,428
2021-2025	2,204,478	2,982,954	5,187,432	2,535,520	1,281,488	3,817,008
2026-2030	2,508,720	2,297,879	4,806,599	3,476,280	825,491	4,301,771
2031-2035	2,715,686	1,478,865	4,194,551	2,709,317	258,861	2,968,178.00
2036-2040	3,180,000	535,949	3,715,949	-	-	-
Total	<u>\$ 14,075,104</u>	<u>\$ 10,920,703</u>	<u>\$ 24,995,807</u>	<u>\$ 11,129,896</u>	<u>\$ 3,937,236</u>	<u>\$ 15,067,132</u>

Note Payable						
Fiscal Year	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2016	\$ 504,512	\$ 305,624	\$ 810,136	\$ -	\$ -	\$ -
2017	539,828	270,308	810,136	-	-	-
2018	577,616	232,520	810,136	-	-	-
2019	618,049	192,087	810,136	-	-	-
2020	661,313	148,824	810,137	-	-	-
2021 – 2022	1,808,714	155,532	1,964,246	-	-	-
Total	<u>\$ 4,710,033</u>	<u>\$ 1,304,894</u>	<u>\$ 6,014,927</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**City of Lancaster, Texas**  
**Notes to Basic Financial Statements**  
September 30, 2015

Note Payable			
Fiscal Year	Discretely Presented Component Units		
	Principal	Interest	Total
2016	\$ 610,000	\$ 350,250	\$ 960,250
2017	625,000	330,250	955,250
2018	840,000	304,375	1,144,375
2019	880,000	273,400	1,153,400
2020	915,000	223,647	1,138,647
2021-2025	4,340,000	496,859	4,836,859
2026-2027	941,950	19,469	961,419
Total	<u>\$ 9,151,950</u>	<u>\$ 1,998,250</u>	<u>\$ 11,150,200</u>

Capital Leases			
Fiscal Year	Governmental Activities		
	Principal	Interest	Total
2016	\$ 240,154	\$ 23,635	\$ 263,789
2017	155,901	19,292	175,193
2018	159,144	16,049	175,193
2019	162,454	12,739	175,193
2020	90,000	9,360	99,360
2021-2025	360,000	18,720	378,720
Total	<u>\$ 1,167,654</u>	<u>\$ 99,795</u>	<u>\$ 1,267,448</u>

**Note 7: Employee Retirement System**

***Plan Description***

The City provides pension benefits for all of its full-time employees through a nontraditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system. The plan provisions that have been adopted by the City are within options available in the governing state statutes of TMRS.

TMRS issues a publicly available comprehensive financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the system. This report may be obtained by writing to Texas Municipal Retirement System (TMRS), P.O. Box 149153, Austin, Texas, 78714-9153 or by calling 800-924-8677; in addition, the report is available on TMRS' website at [www.TMRS.com](http://www.TMRS.com).

**City of Lancaster, Texas**  
**Notes to Basic Financial Statements**  
September 30, 2015

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

	<b>December 31,</b>	
	<b>2015</b>	<b>2014</b>
Deposit rate	7%	7%
Matching ratio (City to employee)	2 – 1	2 – 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% Repeating, Transfers	100% Repeating, Transfers
Annuity increase (to retirees)	50% of CPI Repeating	50% of CPI Repeating

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

Inactive employees or beneficiaries currently receiving benefits	159
Inactive employees entitled to but not yet receiving benefits	188
Active employees	223
	570
	570

### **Contributions**

Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the entry age normal actuarial cost method beginning with the 2013 valuations. This rate consists of the normal cost contribution rate and the prior service contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the portion of an active member's projected benefit allocated annually; the prior service contribution rate amortizes the unfunded actuarial liability over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases.

The City contributes to the TMRS plan at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate 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 (*i.e.*, December 31, 2012, valuation is effective for the rates beginning January, 2014).

**City of Lancaster, Texas**  
**Notes to Basic Financial Statements**  
September 30, 2015

***Net Pension Liability***

The City's net pension liability (NPL) was measured as of December 31, 2014, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of that date.

***Actuarial Assumptions:***

The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.0% per year
Overall payroll growth	3.0% per year
Investment rate of return	7.0% net of pension plan investment expense, including inflation

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

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

The long-term expected rate of return on pension plan investments is 7.0%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**City of Lancaster, Texas**  
**Notes to Basic Financial Statements**  
September 30, 2015

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Expected Real Rate of Return</b>
Domestic Equity	17.50%	4.80%
International Equity	17.50%	6.05%
Core Fixed Income	30.00%	1.50%
Non-Core Fixed Income	10.00%	3.50%
Real Return	5.00%	1.75%
Real Estate	10.00%	5.25%
Absolute Return	5.00%	4.25%
Private Equity	5.00%	8.50%
Total	100.00%	

*Discount Rate:*

The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute, and was projected over a period of 100 years. Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Changes in the Net Pension Liability:*

	<b>Total Pension Liability (a)</b>	<b>Fiduciary Net Position (b)</b>	<b>Net Pension Liability(a) - (b)</b>
Balances as of 9/30/2014	\$ 66,392,037	\$ 56,164,588	\$ 10,227,449
Changes for the year:			
Service cost	1,754,296	-	1,754,296
Interest on total pension liability	4,600,939	-	4,600,939
Effect of plan changes	-	-	-
Effect of difference in expected and actual experience	(470,634)	-	(470,634)
Benefit payments	(3,082,997)	(3,082,997)	-
Administrative expenses	-	(33,545)	33,545
Member contributions	-	943,452	(943,452)
Net investment income	-	3,212,784	(3,212,784)
Employer contributions	-	1,950,250	(1,950,250)
Other	-	(2,758)	2,758
Net changes	2,801,604	2,987,186	(185,582)
Balances as of 9/30/15	\$ 69,193,641	\$ 59,151,774	\$ 10,041,867

**City of Lancaster, Texas**  
**Notes to Basic Financial Statements**  
September 30, 2015

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

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

	1% Decrease (6.00%)	Current Single Rate Assumption (7.00%)	1% Increase (8.00%)
City's net pension liability	\$ 20,755,493	\$ 10,041,866	\$ 1,389,027

*Pension Plan Fiduciary Net Position:*

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

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

For the year ended, the City recognized pension expense, as measured in accordance with GASB Statement No. 68, of \$1,532.003.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (342,327)
Difference between projected and actual earnings on pension plan investments	574,991	-
Contributions subsequent to the measurement date	1,479,253	-
	<u>\$ 2,054,244</u>	<u>\$ (342,327)</u>

For the year ended September 30, 2015, the City reported \$1,479,252 as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date and prior to year-end. This amount will be recognized as a reduction in the net pension liability at September 30, 2016.

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

2015	\$ 15,439
2016	15,439
2017	58,038
2018	143,747
	<u>\$ 232,663</u>



**City of Lancaster, Texas**  
**Notes to Basic Financial Statements**  
September 30, 2015

***Supplemental Death Benefit Fund***

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

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

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

The City's contributions to SDBF for the fiscal years ended September 30, were \$21,234, \$19,176 and \$18,072, respectively, which equaled the required contributions each year.

**Note 8: Other Post-employment Benefits**

***Plan Description***

The City provides post-employment medical care (OPEB) for employees through a single-employer defined benefit medical plan. The plan provides medical benefits for eligible retirees, their spouses and dependents through the City's group health insurance plans, which cover both active and retired members. The benefit levels and contribution rates are approved annually by the City management and the City Council as part of the budget process.

Since an irrevocable trust has not been established, the plan is not accounted for as a trust fund. The plan does not issue a separate financial report.

***Benefits Provided***

The City provides post-employment medical and dental care benefits to its retirees. Retirees who elect COBRA cannot later elect retiree coverage. To be eligible for coverage an employee must qualify under all three of the following:

1. The retiree must have been covered for medical benefits under the City Health Plan as an employee immediately prior to termination of employment.
2. Apply for pension benefits from TMRS in accordance with their requirements and deadlines, but in no event later than 90 days from termination of employment; and
3. Enroll for retiree Health coverage within 31 days of the date of termination.

**City of Lancaster, Texas**  
**Notes to Basic Financial Statements**  
September 30, 2015

***Funding Policy***

The plan's premium rates are determined annually by City management and approved by the City Council as part of the annual budget. Members receiving HMO medical benefits contribute \$518 per month for retiree-only coverage, \$1,140 per month for retiree and spouse and \$1,765 per month for retiree and family. Members receiving PPO medical benefits contribute \$574 per month for retiree-only coverage, \$1,264 per month for retiree and spouse and \$1,956 per month for retiree and family. By the City not contributing anything toward this plan in advance, the City employs a pay-as-you-go method through ensuring the annual employer contributions each year are equal to the benefits that are paid on behalf of the retirees.

***Annual OPEB Costs***

The City's annual OPEB cost is calculated based on the annual required contribution of the City (ARC), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The City's annual OPEB cost and the related information are as follows at September 30, , :

	<b>September 30,</b>		
	<b>2015</b>	<b>2014</b>	<b>2013</b>
Annual required contribution	\$ 74,211	\$ 82,341	\$ 79,943
Interest on prior year net OPEB obligation	5,883	5,478	20,509
Adjustment to annual required contribution	<u>(5,450)</u>	<u>(5,075)</u>	<u>(4,586)</u>
Annual OPEB cost	74,644	82,744	95,866
Contributions made	<u>(29,908)</u>	<u>(73,754)</u>	<u>(68,578)</u>
Increase in net OPEB obligation	44,736	8,990	27,288
Net obligation, beginning of year	<u>130,724</u>	<u>121,734</u>	<u>94,446</u>
Net obligation, end of year	<u><u>\$ 175,460</u></u>	<u><u>\$ 130,724</u></u>	<u><u>\$ 121,734</u></u>
Percentage of OPEB costs contributed	40.1%	89.1%	71.5%

***Funded Status and Funding Progress***

The funded status of the plan as of actuarial measurement date of December 31, , was as follows:

Actuarial accrued liability	\$ 876,821
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability	<u><u>\$ 876,821</u></u>
Funded ratio	0.00%
Covered payroll	\$ 13,863,623
Unfunded actuarial accrued liability as a percentage of covered payroll	6.3%

**City of Lancaster, Texas**  
**Notes to Basic Financial Statements**  
September 30, 2015

***Actuarial Methods and Assumptions***

Projections of benefits are based on the substantive plan (the plan understood by the employer and plan members), and include the type of benefits in force at the valuation date and the pattern of sharing benefits between the City and the plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, , actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4.5% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 7.50% initially, reduced by decrements to an ultimate rate of 4.5% after eight years. The rate of inflation is assumed to be 3%.

**Note 9:   Litigation**

The City is party to several legal actions arising in the ordinary course of business. In the opinion of the City's legal counsel and management, the City has adequate legal defense and/or insurance coverage regarding each of these actions and does not believe that they will materially affect the City's operations or financial position. The amount of ultimate loss, if any, could differ materially.

**Note 10:   Commitments and Contingencies**

***Risk Management***

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is part of the Texas Municipal League Intergovernmental Risk Pool (the Pool). Premiums are paid to the Pool, which retain a limit of loss. Reinsurance companies insure the risks beyond those limits. The City retains, as a risk, only the deductible amount of each policy. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage in any of the past three fiscal years.

***Trinity River Authority of Texas***

The City contracts with Trinity River Authority of Texas (TRA), a conservation and reclamation district, whereby TRA finances, constructs, operates and maintains sewage transportation and treatment facilities for the benefit of the City. The current contract is extended through the date until which all bonds have been paid. The City makes payments monthly, which are based on an estimate of its share of costs. The City's share of costs for the fiscal year ended , was \$4,743,589, for the Ten Mile Creek Regional Wastewater System and \$110,389, for the Red Oak Creek Regional Wastewater System. This estimate is calculated by TRA who makes adjustments for over/under charges in the City's next fiscal year. There were no adjustments to the amounts as calculated by the TRA for the year ended.

**City of Lancaster, Texas**  
**Notes to Basic Financial Statements**  
September 30, 2015

***Federal and State Programs***

The City participates in several state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that if the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at , may be impaired.

***Other Contingencies***

There are other claims and pending actions incidental to normal operations of the City. In the opinion of the City administration, the City's potential liability in these matters will not have a material impact in the accompanying financial statements.

## **Required Supplementary Information**

**City of Lancaster, Texas**  
**Required Supplementary Information**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Texas Municipal Retirement System**  
**September 30, 2015**

	<b>Measurement Year 2014</b>
<b>Total Pension Liability:</b>	
Service cost	\$ 1,754,296
Interest (on the Total Pension Liability)	4,600,938
Changes in benefit terms	-
Differences between expected and actual experience	(470,634)
Benefit payments, including refunds of employee contributions	(3,082,997)
Net change in total pension liability	2,801,603
 Total pension liability – Beginning	 66,392,037
 Total pension liability – Ending (a)	 \$ 69,193,640
 <b>Plan Fiduciary Net Position:</b>	
Contributions – employer	\$ 1,950,250
Contributions – employee	943,452
Net investment income	3,212,784
Benefit payments, including refunds of employee contributions	(3,082,997)
Administrative expense	(33,545)
Other	(2,758)
Net change in plan fiduciary net position	2,987,186
 Plan fiduciary net position – Beginning	 56,164,588
 Plan fiduciary net position – Ending (b)	 \$ 59,151,774
 City’s net pension liability – Ending (a) – (b)	 \$ 10,041,866
Plan fiduciary net position as a percentage of the total pension liability	85.49%
 Covered employee payroll	 \$ 13,477,886
City’s net pension liability as a percentage of covered employee payroll	74.51%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available. Information has been determined as of the City’s measurement date (December 31).

**City of Lancaster, Texas**  
**Required Supplementary Information**  
**Schedule of Contributions**  
**Texas Municipal Retirement System**  
**September 30, 2015**

	<u>Fiscal Year 2014</u>	<u>Fiscal Year 2015</u>
Actuarially determined contribution	\$ 1,839,647	\$ 2,012,259
Contributions in relation to the actuarially determined contribution	<u>1,839,647</u>	<u>2,012,259</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 13,477,886	\$ 13,863,623
Contributions as a percentage of covered-payroll	13.65%	14.51%

***Notes to Schedule Contributions***

**Valuation Date:**

Notes

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

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

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	29 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	3.00%
Salary Increases	3.50% to 12.00%, including inflation
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2010 valuation pursuant to an experience study of the period 2005 - 2009
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB

**Other Information:**

Notes

There were no benefit changes during the year

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available. Information has been determined as of the the City's most recent fiscal year-end (September 30).

**City of Lancaster, Texas**  
**Required Supplementary Information**  
**Employees' Other Post-employment Benefits Plan**  
**Analysis of Funding Progress**  
**(Unaudited)**  
September 30, 2015

<b>Fiscal Year</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability (AAL)</b>	<b>Funded Ratio</b>	<b>Unfunded AAL (UAAL)</b>	<b>Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll</b>
	[1]	[2]	[3]	[4]	[5]	[6]
			[1]/[2]	[2]-[1]		[4]/[5]
2009	\$ -	\$ 498,266	0.0%	\$ 498,266	\$ 13,887,238	3.6%
2010	\$ -	\$ 1,138,842	0.0%	\$ 1,138,842	\$ 13,835,321	8.2%
2011	\$ -	\$ 1,138,842	0.0%	\$ 1,138,842	\$ 12,581,296	9.1%
2012	\$ -	\$ 886,334	0.0%	\$ 886,334	\$ 12,440,548	7.1%
2013	\$ -	\$ 886,334	0.0%	\$ 886,334	\$ 12,377,458	7.2%
2014	\$ -	\$ 876,821	0.0%	\$ 876,821	\$ 13,863,623	6.3%



**City of Lancaster, Texas**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended September 30, 2015**

	<b>Budgeted Amounts</b>		<b>Actual GAAP Basis</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Taxes and fees	\$ 16,438,366	\$ 16,438,366	\$ 17,301,959	\$ 863,593
Licenses and permits	681,700	681,700	657,735	(23,965)
Intergovernmental	-	-	758,579	758,579
Charges for services	717,850	717,850	886,838	168,988
Fines and forfeits	675,300	675,300	1,264,493	589,193
Interest	4,000	4,000	3,918	(82)
Grant and other income	478,240	478,240	-	(478,240)
Miscellaneous	56,050	56,050	272,160	216,110
Total revenues	19,051,506	19,051,506	21,145,682	2,094,176
<b>Expenditures</b>				
Current				
General government	3,773,776	3,773,776	3,800,206	(26,430)
Public safety	14,142,267	14,142,267	14,866,020	(723,753)
Public works	412,836	412,836	1,655,802	(1,242,966)
Community development and recreation	1,659,781	1,659,781	808,467	851,314
Capital outlay	1,155,553	1,155,553	1,283,191	(127,638)
Debt service				
Principal retirement	-	-	652,660	(652,660)
Interest and fiscal charges	-	-	338,630	(338,630)
Total expenditures	21,144,213	21,144,213	23,404,976	(2,260,763)
Excess (deficiency) of revenues over (under) expenditures	(2,092,707)	(2,092,707)	(2,259,294)	(166,587)
Other financing sources (uses)				
Operating transfers in	1,736,903	1,736,903	1,900,157	163,254
Capital leases issued	-	-	1,250,000	1,250,000
Operating transfers out	(200,000)	(200,000)	(80,343)	119,657
Total other financing sources (uses)	1,536,903	1,536,903	3,069,814	1,532,911
<b>Net Change in Fund Balances</b>	(555,804)	(555,804)	810,520	1,366,324
<b>Fund Balance, Beginning of Year</b>	5,857,773	5,857,773	5,857,773	-
<b>Fund Balance, End of Year</b>	\$ 5,301,969	\$ 5,301,969	\$ 6,668,293	\$ 1,366,324

**City of Lancaster, Texas**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual**  
**Stormwater Drainage Fund**  
**For the Year Ended September 30, 2015**

	<b>Budgeted Amounts</b>		<b>Actual GAAP Basis</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Taxes and fees	\$ 1,400,000	\$ 1,400,000	\$ 1,510,592	\$ 110,592
Interest	-	-	688	688
Total revenues	1,400,000	1,400,000	1,511,280	111,280
<b>Expenditures</b>				
Current				
Public works	1,170,094	1,170,094	1,084,462	85,632
Capital outlay	4,569	4,569	22,041	(17,472)
Debt service				
Principal retirement	30,000	30,000	30,000	-
Interest and fiscal charges	19,713	19,713	19,713	-
Total expenditures	1,224,376	1,224,376	1,156,216	68,160
Excess of revenues over expenditures	175,624	175,624	355,064	179,440
Other financing uses				
Operating transfers out	(42,000)	(42,000)	(42,000)	-
Total other financing sources	(42,000)	(42,000)	(42,000)	-
<b>Net Change in Fund Balances</b>	133,624	133,624	313,064	179,440
<b>Fund Balance, Beginning of Year</b>	1,398,591	1,398,591	1,398,591	-
<b>Fund Balance, End of Year</b>	\$ 1,532,215	\$ 1,532,215	\$ 1,711,655	\$ 179,440

**City of Lancaster, Texas**  
**Notes to Required Supplementary Information**  
September 30, 2015

***Budgets and Budgetary Accounting***

The City adopts an “appropriated budget” of Governmental Fund types on the modified accrual basis of accounting by department. The City is required to present the adopted and final amended budgeted revenues and expenditures. The City compares the final amended budget to actual revenues and expenditures.

An operating budget for the General Fund and Stormwater Drainage Fund is legally adopted each fiscal year.

The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP).

The City generally follows these procedures in establishing the budgetary data reflected in the financial statements:

1. A proposed operating budget including proposed expenditures and the means of financing them is submitted to the City Council by the City Manager.
2. Upon receipt of the budget estimates, the City Council holds a first reading on the Budget Ordinance and Tax Roll Ordinance. Information about the Budget Ordinance is then published in the official newspaper of the City.
3. A public hearing on the budget is held.
4. Prior to October 1 the budget is legally enacted through passage of an ordinance. The legal level of budgetary control is at the fund level. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. Budgetary control has been established at the detail level by line item activity for management control.

Departmental appropriations that have not been expended or encumbered by the departments at the end of the fiscal year will lapse.

# DRAFT

## **Individual Fund and Nonmajor Combining Statements and Schedules**

## City of Lancaster, Texas

### Nonmajor Governmental Funds

September 30, 2015

#### ***Special Revenue Funds***

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

**Stormwater Drainage Fund** – to account for revenues received from a fee charged for the development of the City’s storm sewer drainage system.

**Public Improvement Districts Fund** – to account for the activities of the public improvement districts of the City.

**Police State Seized Fund** – to account for the activities of related funds awarded to the City by the Courts.

**Police Federal Seized Fund** – to account for the activities of related funds awarded to the City by the Courts.

**Hotel/Motel Fund** – to account for the revenues received from a hotel and motel tax.

**Emergency 911 Fund** – to account for revenues received from a fee charged for emergency services.

**City of Lancaster, Texas**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2015**

<b>Assets</b>	<b>Stormwater Drainage Fund</b>	<b>Public Improvement Districts Fund</b>	<b>Police State Seized Fund</b>	<b>Police Federal Seized Fund</b>	<b>Hotel/ Motel Fund</b>	<b>Emergency 911 Fund</b>	<b>Total Nonmajor Governmental Funds</b>
Cash and cash equivalents	\$ 1,567,047	\$ 444,372	\$ 3,519	\$ 31,286	\$ 506,370	\$ 569,594	\$ 3,122,188
Receivables (net of allowance for uncollectibles)							
Delinquent taxes	-	10,001	-	-	-	-	10,001
Accounts receivable	211,873	-	-	-	30,611	21,749	264,233
Prepaid items	7,553	-	-	-	-	-	7,553
<b>Total assets</b>	<b>\$ 1,786,473</b>	<b>\$ 454,373</b>	<b>\$ 3,519</b>	<b>\$ 31,286</b>	<b>\$ 536,981</b>	<b>\$ 591,343</b>	<b>\$ 3,403,975</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>							
<b>Liabilities</b>							
Accounts and contracts payable	\$ 919	\$ 984	\$ -	\$ -	\$ 1,813	\$ 6,259	\$ 9,975
Accrued liabilities	73,899	-	-	-	-	691	74,590
<b>Total liabilities</b>	<b>74,818</b>	<b>984</b>	<b>-</b>	<b>-</b>	<b>1,813</b>	<b>6,950</b>	<b>84,565</b>
Deferred inflows of resources	-	9,682	-	-	-	-	9,682
<b>Fund balances</b>							
Nonspendable for inventory and prepaid items	7,553	-	-	-	-	-	7,553
Restricted for							
Public works	1,704,102	-	-	-	-	-	1,704,102
Public improvement districts	-	443,707	-	-	-	-	443,707
Police grants	-	-	3,519	31,286	-	-	34,805
Tourism, convention centers, arts	-	-	-	-	535,168	-	535,168
Law enforcement purposes	-	-	-	-	-	584,393	584,393
<b>Total fund balances</b>	<b>1,711,655</b>	<b>443,707</b>	<b>3,519</b>	<b>31,286</b>	<b>535,168</b>	<b>584,393</b>	<b>3,309,728</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 1,786,473</b>	<b>\$ 454,373</b>	<b>\$ 3,519</b>	<b>\$ 31,286</b>	<b>\$ 536,981</b>	<b>\$ 591,343</b>	<b>\$ 3,403,975</b>

**City of Lancaster, Texas**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2015**

	<b>Stormwater Drainage Fund</b>	<b>Public Improvement Districts Fund</b>	<b>Police State Seized Fund</b>	<b>Police Federal Seized Fund</b>	<b>Hotel/ Motel Fund</b>	<b>Emergency 911 Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues</b>							
Taxes and fees	\$ 1,510,592	\$ 311,821	\$ -	\$ -	\$ 145,503	\$ -	\$ 1,967,916
Licenses and permits	-	-	-	-	-	294,025	294,025
Miscellaneous	-	508	1,781	-	-	13,018	15,307
Interest	688	238	10	15	208	273	1,432
	<u>1,511,280</u>	<u>312,567</u>	<u>1,791</u>	<u>15</u>	<u>145,711</u>	<u>307,316</u>	<u>2,278,680</u>
<b>Expenditures</b>							
Current							
Public safety	-	-	7,138	-	-	105,774	112,912
Public works	1,084,462	-	-	-	-	-	1,084,462
Community development and recreation	-	192,198	-	-	43,861	-	236,059
Capital outlay	22,041	895	10,000	-	-	-	32,936
Debt service							
Principal retirement	30,000	-	-	-	-	34,218	64,218
Interest and fiscal charges	19,713	-	-	-	-	-	19,713
	<u>1,156,216</u>	<u>193,093</u>	<u>17,138</u>	<u>-</u>	<u>43,861</u>	<u>139,992</u>	<u>1,550,300</u>
Excess (deficiency) of revenues over (under) expenditures	<u>355,064</u>	<u>119,474</u>	<u>(15,347)</u>	<u>15</u>	<u>101,850</u>	<u>167,324</u>	<u>728,380</u>
<b>Other Financing Uses</b>							
Operating transfers out	(42,000)	-	-	-	-	-	(42,000)
	<u>(42,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(42,000)</u>
<b>Net Change in Fund Balances</b>	<u>313,064</u>	<u>119,474</u>	<u>(15,347)</u>	<u>15</u>	<u>101,850</u>	<u>167,324</u>	<u>686,380</u>
<b>Fund Balances, Beginning of Year</b>	<u>1,398,591</u>	<u>324,233</u>	<u>18,866</u>	<u>31,271</u>	<u>433,318</u>	<u>417,069</u>	<u>2,623,348</u>
<b>Fund Balances, End of Year</b>	<u>\$ 1,711,655</u>	<u>\$ 443,707</u>	<u>\$ 3,519</u>	<u>\$ 31,286</u>	<u>\$ 535,168</u>	<u>\$ 584,393</u>	<u>\$ 3,309,728</u>

## City of Lancaster, Texas

### Nonmajor Proprietary Funds

September 30, 2015

#### ***Enterprise Funds***

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the City is that costs of providing the goods or services to the general public on a continuing basis will be financed or recovered through user charges. The City has two Nonmajor Enterprise Funds, which include the following:

**Golf Course Fund** – to account for the operation of the City’s golf course.

**Refuse Fund** – to account for the operation of the City’s refuse services.



**City of Lancaster, Texas**  
**Combining Statement of Net Position**  
**Nonmajor Enterprise Funds**  
September 30, 2015

**Assets**

	<b>Golf Course Fund</b>	<b>Refuse Fund</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>Current Assets</b>			
Cash and cash equivalents	\$ 207,896	\$ -	\$ 207,896
Receivables (net of allowance for uncollectibles)			
Accounts	-	103,652	103,652
Unbilled	-	140,718	140,718
	<u>207,896</u>	<u>244,370</u>	<u>452,266</u>
Total current assets			
	<u>207,896</u>	<u>244,370</u>	<u>452,266</u>
<b>Noncurrent Assets</b>			
Capital assets			
Nondepreciable	349,554	-	349,554
Depreciable (net of accumulated depreciation)	1,798,455	-	1,798,455
	<u>2,148,009</u>	<u>-</u>	<u>2,148,009</u>
Total noncurrent assets			
	<u>2,148,009</u>	<u>-</u>	<u>2,148,009</u>
Total assets	<u>2,355,905</u>	<u>244,370</u>	<u>2,600,275</u>

**Liabilities**

<b>Current Liabilities</b>			
Accounts and contracts payable	58	751,865	751,923
Accrued liabilities	330	24,479	24,809
Compensated absences	-	218	218
	<u>388</u>	<u>776,562</u>	<u>776,950</u>
Total current liabilities			
	<u>388</u>	<u>776,562</u>	<u>776,950</u>
<b>Noncurrent Liabilities</b>			
Compensated absences	-	654	654
	<u>-</u>	<u>654</u>	<u>654</u>
Total noncurrent liabilities			
	<u>-</u>	<u>654</u>	<u>654</u>
Total liabilities	<u>388</u>	<u>777,216</u>	<u>777,604</u>

**Net Position (Deficit)**

Net investment in capital assets	2,148,009	-	2,148,009
Unrestricted	207,508	(532,846)	(325,338)
	<u>\$ 2,355,517</u>	<u>\$ (532,846)</u>	<u>\$ 1,822,671</u>

**City of Lancaster, Texas**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**Nonmajor Enterprise Funds**  
**For the Year Ended September 30, 2015**

	<b>Golf Course Fund</b>	<b>Refuse Fund</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>Operating Revenues</b>			
Charges for services	\$ 72,021	2,281,175	\$ 2,353,196
Total operating revenues	72,021	2,281,175	2,353,196
<b>Operating Expenses</b>			
Maintenance	1,281	190,594	191,875
Depreciation	77,681	-	77,681
Special services	3,084	1,943,929	1,947,013
Equipment rental	-	375	375
Total operating expenses	78,398	2,134,898	2,213,296
<b>Operating Income (Loss)</b>	(6,377)	146,277	139,900
<b>Nonoperating Revenues (Expenses)</b>			
Interest revenue	94	-	94
Total nonoperating revenues (expenses)	94	-	94
<b>Income (Loss) Before Transfers</b>	(6,283)	146,277	139,994
Transfers out	(63,000)	(150,000)	(213,000)
<b>Change in Net Position (Deficit)</b>	(69,283)	(3,723)	(73,006)
<b>Net Position (Deficit), Beginning of Year</b>	2,424,800	(529,123)	1,895,677
<b>Net Position (Deficit), End of Year</b>	\$ 2,355,517	\$ (532,846)	\$ 1,822,671

**City of Lancaster, Texas**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Year Ended September 30, 2015**

	<b>Golf Course Fund</b>	<b>Refuse Fund</b>	<b>Total Nonmajor Enterprise Fund</b>
<b>Operating Activities</b>			
Receipts from customers and users	\$ 68,243	\$ 2,282,407	\$ 2,350,650
Payments to employees	-	8,034	8,034
Payments to suppliers	<u>(717)</u>	<u>(2,140,441)</u>	<u>(2,141,158)</u>
Net cash provided by operating activities	<u>67,526</u>	<u>150,000</u>	<u>217,526</u>
<b>Noncapital and Related Financing Activities</b>			
Operating transfers out to other funds	<u>(63,000)</u>	<u>(150,000)</u>	<u>(213,000)</u>
Net cash used in noncapital financing activities	<u>(63,000)</u>	<u>(150,000)</u>	<u>(213,000)</u>
<b>Investing Activities</b>			
Interest on investments	<u>94</u>	<u>-</u>	<u>94</u>
Net cash provided by investing activities	<u>94</u>	<u>-</u>	<u>94</u>
<b>Increase in Cash and Cash Equivalents</b>	4,620	-	4,620
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>203,276</u>	<u>-</u>	<u>203,276</u>
<b>Cash and Cash Equivalents, End of year</b>	<u><u>\$ 207,896</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 207,896</u></u>
<b>Reconciliation of Net Operating Income (Loss) to Net Cash Provided by Operating Activities</b>			
Operating income (loss)	\$ (6,377)	\$ 146,277	\$ 139,900
Item not requiring cash			
Depreciation	77,681	-	77,681
Changes in			
Accounts receivable	-	1,232	1,232
Accounts payable	(3,778)	(5,543)	(9,321)
Accrued expenses	<u>-</u>	<u>8,034</u>	<u>8,034</u>
Net cash provided by operating activities	<u><u>\$ 67,526</u></u>	<u><u>\$ 150,000</u></u>	<u><u>\$ 217,526</u></u>

**City of Lancaster, Texas**  
**Discretely Presented Component Units**  
September 30, 2015

**Lancaster Economic Development Corporation** – to account for revenues from an industrial development sales tax to spur increased economic development activity within the City.

**Lancaster Recreational Development Corporation** – to account for revenues from a sales and use tax for the development of parks and recreational facilities.

**City of Lancaster, Texas**  
**Balance Sheet**  
**Economic Development Corporation**  
September 30, 2015

**Assets**

Cash and cash equivalents	\$ 4,082,332
Sales tax receivable	184,067
Prepaid expenses	<u>12,314</u>
Total assets	<u>4,278,713</u>

**Liabilities**

Accrued liabilities	<u>1,282</u>
Total liabilities	<u>1,282</u>

**Fund Balance**

4,277,431

**Total Liabilities and Fund Balance**

\$ 4,278,713

**City of Lancaster, Texas**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**Economic Development Corporation**  
September 30, 2015

Total fund balance	\$ 4,277,431
Amounts reported in the statement of net position are different because:	
Interest payable on long-term debt does not require current financial resources; therefore, interest payable is not reported as a liability in the balance sheet.	(10,906)
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in fund financial statements. Capital assets are reported in the government-wide financial statements, net of accumulated depreciation.	100,378
Long-term liabilities, including notes payable, are not due and payable in the current period and therefore are not reported in the fund financial statements.	(2,012,328)
Deferred outflows of resources and deferred inflows of resources represent flows of resources which relate to future periods and, therefore, are not reported in the fund financial statements. Deferred outflows of resources and deferred inflows of resources at year-end consist of:	
Employer contributions	13,104
Investment return difference (GASB 68)	5,094
Experience difference (GASB 68)	(3,033)
Total net position	<u><u>\$ 2,369,740</u></u>

**City of Lancaster, Texas**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Economic Development Corporation**  
**For the Year Ended September 30, 2015**

**Revenues**

Sales taxes	\$ 1,109,083
Interest	<u>1,957</u>
Total revenues	<u>1,111,040</u>

**Expenditures**

Cultural and recreation	451,980
Debt service	
Repayment of note payable to primary government	135,000
Repayment of interest to primary government	<u>92,750</u>
Total expenditures	<u>679,730</u>

Excess of revenues over expenditures	<u>431,310</u>
---	----------------

<b>Net Change in Fund Balance</b>	431,310
-----------------------------------	---------

<b>Fund Balance, Beginning of Year</b>	<u>3,846,121</u>
--	------------------

<b>Fund Balance, End of Year</b>	<u><u>\$ 4,277,431</u></u>
----------------------------------	----------------------------

**City of Lancaster, Texas**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in**  
**Fund Balance of Governmental Funds to the**  
**Statement of Activities**  
**Economic Development Corporation**  
**For the Year Ended September 30, 2015**

Net change in fund balance	\$ 431,310
Amounts reported in the statement of activities are different because:	
Current year principal payments of long-term liabilities are shown as expenditures in the fund financial statements, but shown as reductions in long-term liabilities in the government-wide financial statements.	135,000
Current year pension expenditures are reported on the fiscal year basis on the governmental statement of revenues, expenditures and changes in fund balance and as actuarially determined in the government-wide statement of activities. These differences are reflected in deferred outflows of resources and deferred inflow of resources balances.	4,254
Current year changes in accrued interest payable do not require the use of current financial resources; therefore, are not reported as expenditures in Governmental Funds.	<div style="border-top: 1px solid black; display: inline-block; width: 100px; text-align: right;">688</div>
Change in net position	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block; width: 100px; text-align: right;">\$ 571,252</div>



**City of Lancaster, Texas**  
**Balance Sheet**  
**Recreational Development Corporation**  
September 30, 2015

**Assets**

Cash and cash equivalents	\$ 1,116,457
Sales tax receivable	375,494
Prepaid Expenses	<u>15,707</u>
Total assets	<u>1,507,658</u>

**Liabilities and Deferred Inflows of Resources**

Accounts payable	114,323
Accrued liabilities	127,322
Due to primary government	<u>528,753</u>

Total liabilities	<u>770,398</u>
-------------------	----------------

Deferred inflows of resources	<u>38,691</u>
-------------------------------	---------------

<b>Fund Balance</b>	<u>698,569</u>
---------------------	----------------

<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<u><u>\$ 1,507,658</u></u>
--	----------------------------

**City of Lancaster, Texas**  
**Reconciliation of the Balance Sheet of Governmental Funds to the**  
**Statement of Net Position**  
**Recreational Development Corporation**  
September 30, 2015

Total fund balance	\$ 698,569
Amounts reported in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in fund financial statements. Capital assets are reported in the government-wide financial statements, net of accumulated depreciation.	10,801,602
Interest payable on long-term debt does not require current financial resources, therefore interest payable is not reported as a liability in the balance sheet.	(32,875)
Long-term liabilities, including notes payable, are not due and payable in the current period and therefore are not reported in the fund financial statements.	(7,679,082)
Deferred outflows of resources and deferred inflows of resources represent flows of resources which relate to future periods and, therefore, are not reported in the fund financial statements. Deferred outflows of resources and deferred inflows of resources at year-end consist of:	
Employer contributions	62,613
Investment return difference (GASB 68)	24,338
Experience difference (GASB 68)	(14,890)
Total net position	<u>\$ 3,860,275</u>

**City of Lancaster, Texas**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Recreational Development Corporation**  
**For the Year Ended September 30, 2015**

<b>Revenues</b>	
Sales taxes	\$ 2,176,600
Charges for services	532,251
Intergovernmental	48,982
Miscellaneous	383,863
Interest	<u>478</u>
Total revenues	<u>3,142,174</u>
<b>Expenditures</b>	
Cultural and recreation	2,126,949
Capital outlay	153,003
Debt service	
Repayment of note payable to primary government	460,000
Repayment of interest to primary government	<u>272,300</u>
Total expenditures	<u>3,012,252</u>
Excess of revenues over expenditures	<u>129,922</u>
<b>Net Change in Fund Balance</b>	129,922
<b>Fund Balance, Beginning of Year</b>	<u>568,647</u>
<b>Fund Balance, End of Year</b>	<u><u>\$ 698,569</u></u>

**City of Lancaster, Texas**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in**  
**Fund Balance of Governmental Funds to the**  
**Statement of Activities**  
**Recreational Development Corporation**  
**For the Year Ended September 30, 2015**

Net change in fund balance	\$ 129,922
Amounts reported in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This amount is the amount of capital outlay recorded as capital assets in the current period.	153,003
Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds.	(412,056)
Current year principal payments of long-term liabilities are shown as expenditures in the fund financial statements, but shown as reductions in long-term liabilities in the government-wide financial statements.	460,000
Current year pension expenditures are reported on the fiscal year basis on the governmental statement of revenues, expenditures and changes in fund balance and as actuarially determined in the government-wide statement of activities. These differences are reflected in deferred outflows of resources and deferred inflow of resources balances.	20,328
Current year changes in accrued interest payable do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.	(677)
Change in net position	<u>\$ 350,520</u>

The following portion of the City of Lancaster Comprehensive Annual Financial Report presents detailed information as a context for understanding the information in the financial statements, note disclosures, and required supplementary information regarding the City's overall financial health.

Table	Contents
<b>Financial Trends</b> – <i>These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
	Entity-wide information:
A	Net position by component, last ten fiscal years
B	Changes in net position, last ten fiscal years
	Governmental funds information:
C	Fund balance, last ten fiscal years
D	Changes in fund balances, last ten fiscal years
<b>Revenue Capacity</b> – <i>These tables contain information to help the reader assess one of the City's most significant revenue sources, the property tax.</i>	
E	Assessed and estimated actual value of taxable property, last ten fiscal years
F	Direct and overlapping property tax rates, last ten fiscal years
G	Principal taxpayers, current year and nine years ago
H	Ad Valorem tax levies and collections, last ten fiscal years
<b>Debt Capacity</b> – <i>These tables present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
I	Ratios of outstanding debt by type, last ten fiscal years
J	Ratios of net general bonded debt to assessed value and net bonded debt per capita, last ten fiscal years
K	Legal debt margin information
L	Direct and overlapping governmental activities debt, last ten fiscal years
M	Secured revenue coverage – Water Bonds, last ten fiscal years
<b>Demographic and Economic Information</b> – <i>These tables offer demographic and economic indicators to help understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.</i>	
N	Demographic and Economic Statistics, last ten calendar years
O	Principal employers, current and six years ago
<b>Operating Information</b> – <i>These tables contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and activities it performs.</i>	
P	Full-time equivalent City government employees by function/program, last ten years
Q	Operating indicators by function/program
R	Capital asset statistics by function/program

**Sources:** Unless otherwise noted, the information in these tables is derived from the Comprehensive Annual Financial Reports for the relevant years.

**City of Lancaster, Texas**  
**Table A – Net Position by Component**  
**Accrual Basis of Accounting**  
**Last Ten Fiscal Years (Unaudited)**

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 59,998,301	\$ 54,560,297	\$ 50,425,678	\$ 40,366,067	\$ 51,819,877	\$ 50,606,700	\$ 55,109,346	\$ 46,231,794	\$ 46,504,601	\$ 43,186,713
Restricted for										
Housing and Urban development	-	-	-	-	-	-	-	201,618	198,242	-
Court Security	-	-	-	-	-	-	-	-	-	25,509
Court Technology	-	-	-	-	-	-	-	-	-	77,596
Debt service	684,097	602,144	297,651	620,279	222,762	718,522	242,823	352,439	397,888	602,627
Public improvement districts	-	-	-	-	-	-	-	254,959	324,233	443,707
Tourism, convention centers, arts	-	-	-	-	-	-	-	367,370	433,318	535,168
Law enforcement purposes	-	-	-	-	-	-	-	616,916	467,206	619,198
Unrestricted	(1,825,206)	7,297,462	10,496,418	20,277,619	6,060,550	5,465,566	2,408,817	8,209,270	6,496,829	1,070,880
Total governmental activities net asset	<u>\$ 58,857,192</u>	<u>\$ 62,459,903</u>	<u>\$ 61,219,747</u>	<u>\$ 61,263,965</u>	<u>\$ 58,103,189</u>	<u>\$ 56,790,788</u>	<u>\$ 57,760,986</u>	<u>\$ 56,234,366</u>	<u>\$ 54,822,317</u>	<u>\$ 46,561,398</u>
<b>Business-type Activities</b>										
Net investment in capital assets	\$ 32,552,943	\$ 29,528,199	\$ 29,900,904	\$ 33,653,811	\$ 38,435,110	\$ 38,270,127	\$ 37,955,920	\$ 37,933,467	\$ 38,224,476	\$ 33,117,792
Restricted for										
Debt service	469,000	-	1,820,910	731,987	731,987	-	-	-	-	-
Impact fees	-	4,862,321	-	-	-	-	-	-	-	-
Capital	-	-	5,211,102	5,327,838	5,435,469	-	-	-	-	-
Unrestricted	15,650,205	14,484,020	10,060,820	7,595,677	1,936,585	11,135,037	13,121,089	15,798,314	17,260,560	24,342,877
Total business-type activities net asset	<u>\$ 48,672,148</u>	<u>\$ 48,874,540</u>	<u>\$ 46,993,736</u>	<u>\$ 47,309,313</u>	<u>\$ 46,539,151</u>	<u>\$ 49,405,164</u>	<u>\$ 51,077,009</u>	<u>\$ 53,731,781</u>	<u>\$ 55,485,036</u>	<u>\$ 57,460,669</u>
<b>Primary Government</b>										
Net investment in capital assets	\$ 92,551,244	\$ 84,088,496	\$ 80,326,582	\$ 74,019,878	\$ 90,254,987	\$ 88,876,827	\$ 93,065,266	\$ 84,165,261	\$ 84,729,077	\$ 76,304,505
Restricted for										
Housing and Urban development	-	-	-	-	-	-	-	201,618	198,242	-
Court Security	-	-	-	-	-	-	-	-	-	25,509
Court Technology	-	-	-	-	-	-	-	-	-	77,596
Public improvement districts	-	-	-	-	-	-	-	254,959	324,233	443,707
Tourism, convention centers, arts	-	-	-	-	-	-	-	367,370	433,318	535,168
Law enforcement purposes	-	-	-	-	-	-	-	616,916	467,206	619,198
Debt service	1,153,097	602,144	2,118,561	1,352,266	954,749	718,522	242,823	352,439	397,888	602,627
Impact fees	-	4,862,321	-	-	-	-	-	-	-	-
Capital	-	-	5,211,102	5,327,838	5,435,469	-	-	-	-	-
Governmental funded construction costs	-	-	-	-	-	-	-	-	-	-
Unrestricted	13,824,999	21,781,482	20,557,238	27,873,296	7,997,135	16,600,603	15,529,906	24,007,584	23,757,389	25,413,757
Total primary governmental net assets	<u>\$ 107,529,340</u>	<u>\$ 111,334,443</u>	<u>\$ 108,213,483</u>	<u>\$ 108,573,278</u>	<u>\$ 104,642,340</u>	<u>\$ 106,195,952</u>	<u>\$ 108,837,995</u>	<u>\$ 109,966,147</u>	<u>\$ 110,307,353</u>	<u>#####</u>

Source: Comprehensive Annual Financial Report

**City of Lancaster, Texas**  
**Table B – Changes in Net Position**  
**Accrual Basis of Accounting**  
**Last Ten Fiscal Years (Unaudited)**

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
Governmental activities										
General government	\$ 4,538,632	\$ 4,274,611	\$ 5,395,286	\$ 3,689,422	\$ 4,603,846	\$ 4,254,835	\$ 3,642,761	\$ 4,171,973	\$ 4,055,911	\$ 3,899,052
Public safety	13,718,040	13,169,737	14,116,941	14,487,896	14,829,005	14,333,669	14,232,681	14,350,239	14,898,549	16,540,660
Public works	1,129,462	3,176,963	3,162,728	4,902,806	5,678,976	4,832,457	5,119,834	4,991,125	4,926,327	6,016,140
Community development and recreation	3,937,805	3,635,543	4,290,873	1,506,422	1,317,628	1,048,563	1,173,498	1,238,745	1,260,500	1,225,730
Community service	775	29,037	-	-	-	-	-	-	-	-
Social and welfare	7,659,020	8,071,230	9,015,301	8,496,435	8,599,376	8,640,215	8,493,007	2,048,769	3,623	-
Nondepartmental	2,703,926	1,949,265	-	-	-	-	-	-	-	-
Interest and fiscal charges	879,335	1,514,305	2,367,768	2,053,606	2,880,768	2,837,440	2,367,927	1,836,254	3,054,899	3,379,380
Total governmental activities expenses	<u>34,566,995</u>	<u>35,820,691</u>	<u>38,348,897</u>	<u>35,136,587</u>	<u>37,909,599</u>	<u>35,947,179</u>	<u>35,029,708</u>	<u>28,637,105</u>	<u>28,199,809</u>	<u>31,060,962</u>
Business-type activities										
Water and sewer	8,597,834	9,806,091	10,479,809	9,621,112	10,082,971	9,178,117	10,085,993	9,945,611	11,215,515	12,185,162
Refuse	-	1,794,083	2,026,237	1,247,727	1,769,530	2,196,791	2,509,957	2,050,731	2,153,859	2,134,898
Airport	305,457	1,154,670	914,387	923,923	810,211	905,354	982,868	852,874	886,065	909,428
Golf course	187,650	125,495	107,311	135,276	86,966	83,002	139,621	108,196	86,605	78,398
Total business-type activities expenses	<u>9,090,941</u>	<u>12,880,339</u>	<u>13,527,744</u>	<u>11,928,038</u>	<u>12,749,678</u>	<u>12,363,264</u>	<u>13,718,439</u>	<u>12,957,412</u>	<u>14,342,044</u>	<u>15,307,886</u>
Total primary government expenses	<u>\$ 43,657,936</u>	<u>\$ 48,701,030</u>	<u>\$ 51,876,641</u>	<u>\$ 47,064,625</u>	<u>\$ 50,659,277</u>	<u>\$ 48,310,443</u>	<u>\$ 48,748,147</u>	<u>\$ 41,594,517</u>	<u>\$ 42,541,853</u>	<u>\$ 46,368,848</u>
<b>Program Revenues</b>										
Governmental activities										
Charges for services										
General government	\$ -	\$ -	\$ 25,410	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	2,249,380	2,041,552	1,610,438	1,759,314	1,759,747	1,394,684	1,529,136	787,570	990,079	1,436,765
Public works	812,042	876,625	989,766	927,298	920,361	1,261,640	682,137	1,863,869	1,856,563	1,838,598
Community development and recreation	2,793,345	1,654,124	1,056,471	542,632	518,507	-	-	-	-	-
Community service	90,669	93,292	-	-	-	-	-	-	-	-
Social and welfare	-	-	-	-	-	-	-	2,814,031	1,339,640	1,946,379
Operating grants and contributions	9,385,998	8,922,577	10,588,454	8,424,486	8,817,871	8,765,448	8,171,297	-	-	-
Capital grants and contributions	5,066,852	6,557,823	132,158	1,384,895	1,866,380	1,740,834	1,146,735	-	-	-
Total governmental activities program revenues	<u>20,398,286</u>	<u>20,145,993</u>	<u>14,402,697</u>	<u>13,038,625</u>	<u>13,882,866</u>	<u>13,162,606</u>	<u>11,529,305</u>	<u>5,465,470</u>	<u>4,186,282</u>	<u>5,221,742</u>

**City of Lancaster, Texas**  
**Table B – Change in Net Position (Continued)**  
**Accrual Basis of Accounting**  
**Last Ten Fiscal Years (Unaudited)**

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Business-type activities										
Charges for services										
Water and sewer	\$ 11,332,581	\$ 10,076,290	\$ 10,065,258	\$ 10,869,572	\$ 10,924,161	\$ 11,480,609	\$ 14,209,081	\$ 14,251,489	\$ 14,291,481	\$ 15,807,876
Refuse	-	1,701,763	1,988,397	1,465,835	1,799,068	2,124,940	2,077,599	2,171,652	2,190,122	2,281,175
Airport	148,476	429,206	682,872	541,019	576,949	726,819	806,724	750,308	788,602	748,077
Golf course	73,279	56,304	66,487	80,749	72,550	84,542	94,847	85,595	79,845	72,021
Operating grants and contributions	-	61,998	19,281	30,695	382,600	50,089	-	-	-	-
Capital grants and contributions	1,246,609	1,475,994	-	530,710	565,364	-	300,000	-	-	-
Total business-type activities program revenues	12,800,945	13,801,555	12,822,295	13,518,580	14,320,692	14,466,999	17,488,251	17,259,044	17,350,050	18,909,149
Total primary government program revenues	\$ 33,199,231	\$ 33,947,548	\$ 27,224,992	\$ 26,557,205	\$ 28,203,558	\$ 27,629,605	\$ 29,017,556	\$ 22,724,514	\$ 21,536,332	\$ 24,130,891
<b>Net (Expenses) Revenues</b>										
Governmental activities	\$ (14,168,709)	\$ (15,674,698)	\$ (23,946,200)	\$ (22,097,962)	\$ (24,026,733)	\$ (22,784,573)	\$ (23,500,403)	\$ (23,171,635)	\$ (24,013,527)	#####
Business-type activities	3,710,004	921,216	(705,449)	1,590,542	1,571,014	2,103,735	3,769,812	4,301,632	3,008,006	3,601,263
Total primary government net expenses	\$ (10,458,705)	\$ (14,753,482)	\$ (24,651,649)	\$ (20,507,420)	\$ (22,455,719)	\$ (20,680,838)	\$ (19,730,591)	\$ (18,870,003)	\$ (21,005,521)	#####
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities										
Taxes										
Property taxes	\$ 9,332,956	\$ 10,627,693	\$ 12,617,630	\$ 13,426,315	\$ 12,194,286	\$ 13,621,585	\$ 13,255,066	\$ 12,299,191	\$ 12,240,385	\$ 14,047,562
Sales taxes	3,628,772	3,667,558	3,463,123	3,881,711	4,532,556	4,693,061	5,676,841	4,845,324	4,960,391	5,545,413
Franchise taxes	1,608,721	1,820,777	2,158,341	1,822,233	1,722,966	2,477,222	3,526,875	2,969,849	3,337,767	2,127,730
Other local taxes	39,734	48,275	41,853	146,970	116,535	127,887	51,632	-	48,110	1,261,932
Interest on investments	267,652	914,385	1,141,586	156,990	36,118	40,627	44,197	22,654	10,241	15,923
Miscellaneous	385,520	310,259	204,380	1,380,725	1,374,279	1,180,897	484,754	343,709	324,621	489,467
Transfers	(236,396)	794,510	1,327,654	1,327,236	2,381,236	(669,107)	1,431,236	1,856,628	1,679,963	1,635,572
Total governmental activities	15,026,959	18,183,457	20,954,567	22,142,180	22,357,976	21,472,172	24,470,601	22,337,355	22,601,478	25,123,599
Business-type activities										
Interest on investments	526,003	523,640	143,189	30,087	15,963	15,105	30,081	26,255	9,682	14,728
Miscellaneous	6,970	2,971	9,110	22,184	24,097	78,066	(696,812)	511,763	415,530	783,706
Transfers	236,396	(794,510)	(1,327,654)	(1,327,236)	(2,381,236)	669,107	(1,431,236)	(1,856,628)	(1,679,963)	(1,635,572)
Total business-type activities	769,369	(267,899)	(1,175,355)	(1,274,965)	(2,341,176)	762,278	(2,097,967)	(1,318,610)	(1,254,751)	(837,138)
Total primary government	15,796,328	17,915,558	19,779,212	20,867,215	20,016,800	22,234,450	22,372,634	21,018,745	21,346,727	24,286,461
<b>Change in Net Position</b>										
Governmental activities	858,250	2,508,759	(2,991,633)	44,218	(1,668,757)	(1,312,401)	970,198	(834,280)	(1,412,049)	(715,621)
Business-type activities	4,479,373	653,317	(1,880,804)	315,577	(770,162)	2,866,013	1,671,845	2,983,022	1,753,255	2,764,125
Total primary government	\$ 5,337,623	\$ 3,162,076	\$ (4,872,437)	\$ 359,795	\$ (2,438,919)	\$ 1,553,612	\$ 2,642,043	\$ 2,148,742	\$ 341,206	\$ 2,048,504

Source: Comprehensive Annual Financial Report



**City of Lancaster, Texas**  
**Table C – Fund Balances of Governmental Funds**  
**Modified Accrual Basis of Accounting**  
**Last Ten Fiscal Years (Unaudited)**

	Fiscal Year (Pre-GASB 54)				
	2006	2007	2008	2009	2010
<b>General Fund</b>					
Reserved for					
Unreserved and designated	\$ 213,937	\$ 93,632	\$ -	\$ 100,721	\$ 100,721
Unreserved and undesignated	<u>5,338,325</u>	<u>3,355,937</u>	<u>2,677,344</u>	<u>3,740,866</u>	<u>3,584,666</u>
Total general fund	<u>\$ 5,552,262</u>	<u>\$ 3,449,569</u>	<u>\$ 2,677,344</u>	<u>\$ 3,841,587</u>	<u>\$ 3,685,387</u>
<b>All Other Governmental Funds</b>					
Reserved for					
Housing and Urban Development	\$ 726,346	\$ 770,244	\$ 982,226	\$ 884,078	\$ 960,264
Inventory and prepaid items	15,676	417	3,929	870	690,548
Court technology	-	-	-	35,871	35,871
Westwood wall	-	-	-	30,000	30,000
Capital projects	(8,072,596)	10,826,744	474,461	(8,485,282)	19,428,162
Debt service	558,690	923,684	295,932	586,712	1,081,805
Unreserved and undesignated – special revenue funds	<u>828,009</u>	<u>2,244,427</u>	<u>1,320,503</u>	<u>871,868</u>	<u>(176,741)</u>
Total all other governmental funds	<u>\$ (5,943,875)</u>	<u>\$ 14,765,516</u>	<u>\$ 3,077,051</u>	<u>\$ (6,075,883)</u>	<u>\$ 22,049,909</u>

**Source:** Comprehensive Annual Financial Report

**City of Lancaster, Texas**  
**Table C – Fund Balances of Governmental Funds (Continued)**  
**Modified Accrual Basis of Accounting**  
**Last Ten Fiscal Years (Unaudited)**

	Fiscal Year (Post-GASB 54)				
	2011	2012	2013	2014	2015
<b>General Fund</b>					
Nonspendable	\$ -	\$ -	\$ 50,317	\$ 181,550	\$ 181,224
Court security	-	-	-	-	25,509
Court technology	-	-	-	-	77,596
Unassigned	<u>4,554,413</u>	<u>6,793,956</u>	<u>6,447,889</u>	<u>5,676,223</u>	<u>6,383,964</u>
Total general fund	<u>\$ 4,554,413</u>	<u>\$ 6,793,956</u>	<u>\$ 6,498,206</u>	<u>\$ 5,857,773</u>	<u>\$ 6,668,293</u>
<b>All Other Governmental Funds</b>					
Nonspendable	\$ -	\$ -	\$ 3,519	\$ 3,519	\$ 7,553
Restricted for					
Housing and Urban Development	1,097,652	950,820	201,618	198,242	-
Capital projects	15,286,477	9,723,620	8,742,773	8,177,260	12,782,493
Debt service	718,522	242,823	352,439	397,888	602,627
Public works	467,955	832,928	1,085,362	1,395,072	1,704,102
Public improvement districts	85,076	189,076	254,959	324,233	443,707
Police grants	9,477	7,539	7,299	50,137	34,805
Tourism, convention centers arts	252,144	298,965	367,370	433,318	535,168
Law enforcement purposes	<u>240,589</u>	<u>395,610</u>	<u>609,617</u>	<u>417,069</u>	<u>584,393</u>
Total all other governmental funds	<u>\$ 18,157,892</u>	<u>\$ 12,641,381</u>	<u>\$ 11,624,956</u>	<u>\$ 11,396,738</u>	<u>\$ 16,694,848</u>

**City of Lancaster, Texas**  
**Table D – Changes in Fund Balances of Governmental Funds**  
**Modified Accrual Basis of Accounting**  
**Last Ten Fiscal Years (Unaudited)**

	Fiscal Year										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>											
Taxes and fees	\$ 14,045,640	\$ 15,421,164	\$ 17,017,744	\$ 19,189,895	\$ 20,041,073	\$ 19,638,379	\$ 21,372,099	\$ 22,746,133	\$ 20,301,610	\$ 21,269,177	\$23,577,637
Licenses and permits	1,034,360	1,327,956	1,030,736	991,440	746,037	807,945	773,463	857,841	1,148,329	975,217	951,760
Intergovernmental	8,171,523	8,983,521	7,752,131	9,383,472	9,320,122	11,070,885	11,384,338	8,821,297	2,814,031	1,339,640	1,946,379
Charges for services	910,666	844,018	996,431	455,084	517,691	516,420	533,411	671,295	715,540	881,346	886,838
Fines and forfeitures	1,764,638	1,658,662	1,824,412	1,524,133	1,075,935	906,897	909,658	884,828	787,570	990,079	1,436,765
Interest	190,921	267,652	946,133	1,141,586	156,990	36,118	40,934	44,197	22,654	10,241	15,923
Miscellaneous	787,793	2,051,537	1,334,997	2,190,957	2,000,345	727,462	481,671	484,754	343,709	324,621	489,467
<b>Total revenues</b>	<b>26,905,541</b>	<b>30,554,510</b>	<b>30,902,584</b>	<b>34,876,567</b>	<b>33,858,193</b>	<b>33,704,106</b>	<b>35,495,574</b>	<b>34,510,345</b>	<b>26,133,443</b>	<b>25,790,321</b>	<b>29,304,769</b>
<b>Expenditures</b>											
<b>Current</b>											
General government	2,297,177	2,537,773	3,618,577	5,096,311	3,296,431	3,332,021	3,803,506	3,234,973	3,375,903	3,437,170	3,800,206
Public safety	10,146,958	11,546,216	12,545,909	14,055,884	13,275,960	14,006,428	13,275,122	13,191,322	13,336,419	13,652,389	14,978,932
Public works	798,671	1,012,413	1,104,224	2,771,221	2,887,326	4,005,130	2,722,718	2,873,078	2,650,764	2,446,367	2,740,264
Community development and recreation	3,731,559	3,668,960	3,719,050	4,077,685	1,379,462	1,186,687	908,906	1,028,649	1,087,215	1,093,189	1,044,526
Community service	11,023	775	19,073	-	-	-	-	-	-	-	-
Non departmental	1,726,818	2,612,449	1,606,171	-	-	-	-	-	-	-	-
Social and welfare	8,162,741	7,659,020	7,412,359	9,015,301	8,496,435	8,599,376	8,640,215	8,493,007	2,048,769	3,623	-
Capital outlay	2,418,131	4,018,434	6,568,290	11,744,352	10,951,593	8,226,552	3,682,485	11,680,610	2,830,968	1,938,125	2,090,865
<b>Debt Service</b>											
Principal retirement	823,919	2,079,781	703,770	1,801,196	1,169,697	1,370,490	1,434,986	2,380,747	2,126,748	2,614,905	3,168,011
Interest and fiscal charges	340,666	804,939	1,166,070	2,587,296	1,983,203	2,384,066	3,381,520	2,392,568	1,895,777	3,102,850	3,248,164
Cost of issuance of bonds	-	-	-	-	-	-	-	94,871	-	-	294,059
<b>Total expenditures</b>	<b>\$ 30,457,663</b>	<b>\$ 35,940,760</b>	<b>\$ 38,463,493</b>	<b>\$ 51,149,246</b>	<b>\$ 43,440,107</b>	<b>\$ 43,110,750</b>	<b>\$ 37,849,458</b>	<b>\$ 45,369,825</b>	<b>\$ 29,352,563</b>	<b>\$28,288,618</b>	<b>#####</b>
Excess (deficiency) of revenues over (under) expenditures	(3,552,122)	(5,386,250)	(7,560,909)	(16,272,679)	(9,581,914)	(9,406,644)	(2,353,884)	(10,859,480)	(3,219,120)	(2,498,297)	(2,060,258)
<b>Other Financing Sources (Uses)</b>											
Notes issued	\$ -	\$ -	\$ (3,035,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bonds issued	-	-	29,550,000	-	-	34,995,000	-	5,690,060	-	-	4,580,316
Capital leases issued	-	-	-	-	-	-	-	366,345	-	-	1,250,000
Payment to refunding escrow agent	-	-	(1,439,882)	-	-	-	-	(12,972,717)	-	-	(18,399,389)
Premium on issuance of bonds	-	-	340,132	-	-	-	-	1,417,588	-	-	2,167,688
Proceeds from refunding bonds issued	-	-	-	-	-	-	-	11,650,000	-	-	16,934,701
Proceeds from capital lease	-	-	-	732,858	265,987	-	-	-	-	-	-
Transfers from other funds	833,845	1,518,649	1,389,705	2,510,242	1,436,004	2,485,236	1,535,236	1,535,236	1,960,628	1,807,362	1,992,109
Transfers to other funds	(373,833)	(1,755,045)	(595,195)	(1,182,588)	(108,768)	(104,000)	(2,204,343)	(104,000)	(104,000)	(127,399)	(356,537)
<b>Total other financing sources (uses)</b>	<b>460,012</b>	<b>(236,396)</b>	<b>26,209,760</b>	<b>2,060,512</b>	<b>1,593,223</b>	<b>37,376,236</b>	<b>(669,107)</b>	<b>7,582,512</b>	<b>1,856,628</b>	<b>1,679,963</b>	<b>8,168,888</b>
<b>Net Change in Fund Balances</b>	<b>\$ (3,092,110)</b>	<b>\$ (5,622,646)</b>	<b>\$ 18,648,851</b>	<b>\$ (14,212,167)</b>	<b>\$ (7,988,691)</b>	<b>\$ 27,969,592</b>	<b>\$ (3,022,991)</b>	<b>\$ (3,276,968)</b>	<b>\$ (1,362,492)</b>	<b>\$ (818,334)</b>	<b>\$ 6,108,630</b>
Debt service as a percentage of noncapital expenditures	4.2%	9.0%	5.9%	11.1%	9.7%	10.8%	14.1%	14.5%	15.2%	21.7%	22.9%

Source: Comprehensive Annual Financial Report

**City of Lancaster, Texas**  
**Table E – Assessed Value and Estimated**  
**Actual Value of Taxable Property**  
**Last Ten Fiscal Years (Unaudited)**

Fiscal Year	Residential Property	Commercial Property	Business Personal Property	Less Tax Exempt Property	Total Taxable Assessed Value <sup>a</sup>	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value <sup>b</sup> as a Percentage of Actual Value
2006	972,961,625	338,111,031	240,416,328	49,315,300	1,502,173,684	\$ 0.67170	1,502,173,684	100.00%
2007	1,052,526,720	384,502,760	272,488,404	57,674,360	1,651,843,524	\$ 0.73750	1,651,843,524	100.00%
2008	1,066,638,118	395,608,141	259,940,440	68,670,680	1,653,516,019	\$ 0.77750	1,653,516,019	100.00%
2009	944,759,684	389,718,968	236,665,958	72,864,400	1,498,280,210	\$ 0.77750	1,498,280,210	100.00%
2010	895,627,240	360,747,053	242,038,935	78,844,700	1,419,568,528	\$ 0.86750	1,419,568,528	100.00%
2011	879,866,743	352,868,955	266,485,139	78,140,980	1,421,079,857	\$ 0.86750	1,421,079,857	100.00%
2012	837,761,007	350,073,492	274,370,063	79,344,590	1,382,859,972	\$ 0.86750	1,382,859,972	100.00%
2013	813,868,339	377,629,529	279,488,272	80,841,330	1,390,144,810	\$ 0.86750	1,390,144,810	100.00%
2014	853,863,082	466,827,012	321,175,960	83,824,650	1,558,041,404	\$ 0.86750	1,558,041,404	100.00%
2015	925,157,825	497,341,044	354,216,361	87,588,750	1,689,126,480	\$ 0.86750	1,689,126,480	100.00%

**Source:** City of Lancaster Budget Document  
Dallas Central Appraisal District (a username and password is needed to access this info on the DCAD website)

**Note:** The County assesses property at 100% of its market value. Tax rates are per \$100 of assessed value.

<sup>a</sup> Includes adjustments to certified rolls.

**City of Lancaster, Texas**  
**Table F – Direct and Overlapping**  
**Property Tax Rates**  
**Last Ten Fiscal Years (Unaudited)**

Fiscal Year	City Direct Rates			Overlapping Rates				
	Operating/ General Rate	General Obligation Debt Service	Total Direct	Lancaster Independent School District	Wilmer-Hutchins Independent School District	Lancaster MUD#1	Dallas County	Dallas County Hospital (Parkland)
2006	0.609100	0.062600	0.67170	1.726000	*	0.900000	0.213900	0.254000
2007	0.609100	0.128400	0.73750	1.407700	*	0.900000	0.228100	0.254000
2008	0.644100	0.133400	0.77750	1.412700	*	0.900000	0.228100	0.254000
2009	0.614100	0.163400	0.77750	1.412700	*	1.060000	0.228100	0.274000
2010	0.650200	0.217300	0.86750	1.412700	*	1.060000	0.243100	0.271000
2011	0.601200	0.266300	0.86750	1.412700	*	1.060000	0.243100	0.271000
2012	0.601200	0.266300	0.86750	1.418000	*	1.060000	0.243100	0.271000
2013	0.601200	0.266300	0.86750	1.418000	*	1.060000	0.243100	0.271000
2014	0.601200	0.266300	0.86750	1.418000	*	1.060000	0.243100	0.271000
2015	0.601200	0.266300	0.86750	1.540000	*	1.060000	0.243100	0.286000

**Source:** Dallas County

\* Wilmer-Hutchins Independent School District closed in June 2006 and was absorbed into the Dallas Independent School District.

**City of Lancaster, Texas**  
**Table G – Principal Taxpayers**  
**Current Year and Nine Years Ago (Unaudited)**

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value <sup>a</sup>	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value <sup>a</sup>
Prologis Na2 Us LLC	\$ 113,672,640	1	6.73%			
Oncor Electric Delivery Co	54,599,070	2	3.23%			
United Natural Foods Inc	36,088,501	3	2.14%			
AT&T Corp	35,451,498	4	2.10%			
Mobis Parts America	33,336,878	5	1.97%			
Walmart Stores Inc	24,086,600	6	1.43%			
BMW of North America	22,743,520	7	1.35%			
Quaker Pepsico	20,349,120	8	1.20%			
Brasscraft Manufacturing Co	15,846,592	9	0.94%			
M&A Texas Lancaster LTD	12,659,950	10	0.75%			
Southwestern Bell	-		0.00%	\$ 48,352,220	1	3.22%
Texas Utilities Elec Co	-		0.00%	34,415,693	2	2.29%
Brasscraft Manufacturing Co	-		0.00%	14,935,743	3	0.99%
Swift Transportation Inc	-		0.00%	12,989,288	4	0.86%
Ericsson Inc	-		0.00%	12,735,776	5	0.85%
Brenntag Southwest, Inc.	-		0.00%	11,069,982	6	0.74%
Walmart Real Est Bus	-		0.00%	9,975,000	7	0.66%
	<u>\$ 368,834,369</u>		<u>21.84%</u>	<u>\$ 144,473,702</u>		<u>9.61%</u>

**Source:** City of Lancaster, Budget Document and the Dallas Central Appraisal District.

**Note:** <sup>a</sup> Taxpayers are assessed on January 1st of each fiscal year.

**City of Lancaster, Texas**  
**Table H – Ad Valorem Tax Levies and Collections**  
**Last Ten Fiscal Years (Unaudited)**

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquent Tax Collections	Total Collections	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	9,166,747	8,859,793	96.65%	227,502	9,087,295	99.13%
2007	10,047,078	9,998,659	99.52%	371,055	10,369,714	103.21%
2008	12,523,900	11,980,584	95.66%	226,619	12,207,203	97.47%
2009	13,298,919	12,662,829	95.22%	336,779	12,999,608	97.75%
2010	12,080,916	11,723,231	97.04%	485,846	12,209,077	101.06%
2011	12,996,251	12,708,980	97.79%	394,351	13,103,331	100.82%
2012	13,003,960	12,738,761	97.96%	228,173	12,966,934	99.72%
2013	12,655,326	12,406,728	98.04%	245,482	12,652,210	99.98%
2014	12,731,142	12,710,498	99.84%	333,520	13,044,018	102.46%
2015	13,892,617	14,015,979	100.89%	298,426	14,314,405	103.04%

**Source:** Dallas County Tax Assessor and Collector

**City of Lancaster, Texas**  
**Table I – Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years (Unaudited)**

Fiscal Year	Governmental Activities			Business-type Activities			Total Primary Government	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Certificates of Obligation	Other Obligations	Water and Sewer General Obligation Bonds & Certificates of Obligation	Airport Bonds	Other Obligations			
2006	15,249,865	2,910,000	2,324,214	8,313,946	176,190	955,377	29,929,592	N/A	899
2007	31,391,531	14,245,000	1,546,839	10,676,191	172,280	1,954,291	59,986,132	8.06%	1,726
2008	30,811,531	14,060,000	1,359,485	10,051,191	167,280	1,825,709	58,275,196	7.22%	1,635
2009	30,181,531	13,710,000	1,549,781	9,296,191	157,280	1,087,902	55,982,685	7.77%	1,545
2010	52,441,531	25,345,000	2,780,288	8,521,191	147,280	799,903	90,035,193	11.74%	2,476
2011	51,616,531	24,965,000	2,437,097	7,336,191	137,280	610,585	87,102,684	11.27%	2,337
2012	51,110,000	22,315,000	8,946,399	14,005,000	120,000	183,866	96,680,265	12.11%	2,555
2013	49,790,000	21,580,000	6,075,603	12,835,000	110,000	276,363	90,666,966	11.29%	2,393
2014	48,315,000	20,960,000	5,555,698	11,625,000	100,000	17,703	86,573,401	11.24%	2,274
2015	51,395,000	17,180,000	5,085,000	11,610,000	100,000	480,000	85,850,000	11.61%	2,244

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

<sup>a</sup>See Table N for personal income and population data.



**City of Lancaster, Texas**  
**Table J – Ratios of Net General Bonded Debt**  
**Outstanding per Capita**  
**Last Ten Fiscal Years (Unaudited)**

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property <sup>a</sup>	Per Capita <sup>b</sup>
	General Obligation Bonds	Certificates of Obligation	Total		
2006	\$ 15,249,865	\$ 2,910,000	\$ 18,159,865	1.21%	545
2007	\$ 31,391,531	\$ 14,245,000	\$ 45,636,531	2.76%	1,313
2008	\$ 30,811,531	\$ 14,060,000	\$ 44,871,531	2.71%	1,259
2009	\$ 30,181,531	\$ 13,710,000	\$ 43,891,531	2.93%	1,211
2010	\$ 52,441,531	\$ 25,345,000	\$ 77,786,531	5.48%	2,139
2011	\$ 51,616,531	\$ 24,965,000	\$ 76,581,531	5.39%	2,055
2012	\$ 51,110,000	\$ 22,315,000	\$ 73,425,000	5.31%	1,940
2013	\$ 49,790,000	\$ 21,580,000	\$ 71,370,000	5.13%	1,883
2014	\$ 48,315,000	\$ 20,960,000	\$ 69,275,000	4.45%	1,820
2015	\$ 51,395,000	\$ 17,180,000	\$ 68,575,000	4.06%	1,793

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

<sup>a</sup>See Table E for property value data.

**City of Lancaster, Texas**  
**Table K – Legal Debt Margin Information**  
**Last Ten Fiscal Years (Unaudited)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Tax rate limit	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50
Current tax rate	<u>0.6717</u>	<u>0.7375</u>	<u>0.7775</u>	<u>0.7775</u>	<u>0.8675</u>	<u>0.8675</u>	<u>0.8675</u>	<u>0.8675</u>	<u>0.8675</u>	<u>0.8675</u>
Available tax rate	<u>\$ 1.83</u>	<u>\$ 1.76</u>	<u>\$ 1.72</u>	<u>\$ 1.72</u>	<u>\$ 1.63</u>	<u>\$ 1.63</u>	<u>\$ 1.63</u>	<u>\$ 1.63</u>	<u>\$ 1.63</u>	<u>\$ 1.63</u>

**Note:** The City Charter of the City of Lancaster, Texas, does not provide for a debt limit. Under provisions of state law, the maximum tax rate is limited to \$2.50 per \$100 assessed valuation. No direct bond debt limitation is imposed on the City under current state law or the City's Charter.

**City of Lancaster, Texas**  
**Table L – Direct and Overlapping**  
**Governmental Activities Debt**  
 September 30, 2015 (Unaudited)

<b>Governmental Unit</b>	<b>Gross Bonded Debt</b>	<b>Estimated Percentage Applicable<sup>a</sup></b>	<b>City Share of Overlapping Debt</b>
Lancaster I.S.D.	\$ 144,583,846	86.43%	\$ 124,963,818
Dallas County	84,725,000	0.97%	821,833
Dallas County Hospital District	728,005,000	0.94%	6,843,247
Dallas County Schools	60,215,000	0.94%	566,021
Dallas ISD	2,552,990,000	0.04%	1,021,196
Ferris ISD	30,950,148	0.05%	15,475
Dallas County Community College District	321,510,000	0.90%	2,893,590
	<u>3,922,978,994</u>		<u>137,125,180</u>
<b>City of Lancaster (Direct Debt)</b>	<u>85,850,000</u>	100.00%	<u>85,850,000</u>
<b>Total Direct and Overlapping Debt</b>	<u>#####</u>		<u>\$ 222,975,180</u>

**Source:** Assessed value data used to estimate applicable percentages provided by Dallas Central Appraisal District. Debt outstanding data provided by each governmental unit.

<sup>a</sup> The percentage of overlapping debt applicable is estimated using taxable

**City of Lancaster, Texas**  
**Table M – Secured Revenue Coverage**  
**Last Ten Fiscal Years (Unaudited)**

<b>Water and Sewer System General Obligation Bonds and Certificates of Oligation</b>					
<b>Fiscal Year</b>	<b>Less:</b>				
	<b>Total Revenues<sup>a</sup></b>	<b>Operating Expenses<sup>b</sup></b>	<b>Net Available Revenue</b>	<b>Annual Requirement<sup>c</sup></b>	<b>Times Coverage</b>
2006	13,089,535	6,717,222	6,372,313	*	*
2007	12,061,153	8,089,009	3,972,144	*	*
2008	10,108,434	8,407,574	1,700,860	1,445,056	1.18
2009	10,899,391	7,826,412	3,072,979	1,618,485	1.90
2010	10,939,768	8,295,335	2,644,433	1,360,739	1.94
2011	11,930,376	7,742,007	4,188,369	1,171,763	3.57
2012	14,238,894	8,548,334	5,690,560	1,523,532	3.74
2013	14,905,946	8,281,266	6,624,680	1,182,245	5.60
2014	15,026,427	9,359,770	5,666,657	1,648,888	3.44
2015	17,044,261	13,552,343	3,491,918	1,504,088	2.32

**Note:** <sup>a</sup> Includes operating and nonoperating revenues.

<sup>b</sup> Includes operating expenses minus depreciation.

<sup>c</sup> Includes principal and interest.

**City of Lancaster, Texas**  
**Table N – Demographic and Economic Statistics**  
**Last Ten Calendar Years (Unaudited)**

Year	Estimated Population <sup>a</sup>	Personal Income	Per Capita Personal Income <sup>b</sup>	Median Age <sup>b</sup>	Median Household Income <sup>b</sup>	School Enrollment <sup>c</sup>	Unemployment Rate <sup>d</sup>
2006	33,294	*	*	*	52,752	5,822	6.4%
2007	34,760	\$ 744,142,080	\$ 21,408	32.8	54,174	6,234	5.7%
2008	35,651	807,566,452	22,652	33.6	50,389	6,180	6.4%
2009	36,236	720,190,500	19,875	34.1	51,533	5,986	9.9%
2010	36,361	766,889,851	21,091	34.1	51,533	6,172	10.6%
2011	37,275	772,561,650	20,726	33.7	52,199	6,253	13.1%
2012	37,845	798,188,895	21,091	34.1	51,533	6,160	9.0%
2013	37,893	803,407,386	21,202	35	46,254	6,538	8.8%
2014	38,071	771,661,099	20,269	32	53,652	6,823	7.0%
2015	38,256	775,410,864	22,347	32	53,652	6,910	6.8%

**Sources:**<sup>a</sup> Estimated Population – City of Lancaster from Census.Gov<sup>b</sup> Per Capital Income, Median Age & Median Household Income – U.S. Census Bureau, 2005 – 2014  
American Community Survey, Community Sourcebook of ZIP Code Demographics<sup>c</sup> School enrollment – Texas Education Agency Snapshot Summary Tables<sup>d</sup> Unemployment – Homefacts.com for Lancaster, Texas

\* Information not readily available.

**Note:**

Personal income is calculated by multiplying estimated population by per

**City of Lancaster, Texas**  
**Table O – Principal Employers**  
**Current and Six Years Ago (Unaudited)**

Employer	2015			2009		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Lancaster ISD	695	1	3.20%	600	1	2.76%
Walmart	480	2	2.21%	450	2	2.07%
Brass Craft	300	3	1.38%	260	3	1.20%
Oak Creek Homes	260	4	1.20%	240	4	1.10%
Cedar Valley College	230	5	1.06%	200	5	0.92%
United National Foods	220	6	1.01%	195	6	0.90%
AT&T Material Distribution	210	7	0.97%	190	7	0.87%
Swift Transportation	205	8	0.94%	185	8	0.85%
Consolidated Mail Pharmacy	200	9	0.92%	180	9	0.83%
Bentwood Companies	180	10	0.83%	170	10	0.78%
FFE Transportation	170	11	0.78%	160	11	0.74%
	<u>3,150</u>		<u>14.48%</u>	<u>2,830</u>		

**Source:** City of Lancaster Economic Development Corporation

**City of Lancaster, Texas**  
**Table P – Full-Time Equivalent City Government Employees by Function/Program**  
**Last Ten Fiscal Years (Unaudited)**

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government Division	15	15	19	19	16	17	15	17	41	44
Public Safety Division	131	136	144	145	147	134	132	133	140	141
Public Works Division	6	6	8	7	7	6	5	5	4	4
Community Development Division	16	16	18	18	16	13	11	10	13	17
Nondepartmental Division	6	7	7	7	7	6	5	5	-	-
Water and Sewer	27	32	34	33	29	31	30	28	22	22
Airport	-	1	1	2	5	4	4	4	5	5
4A LEDC Fund	3	3	3	2	2	2	1	1	1	1
4B LRDC Fund – Library	-	-	-	4	9	9	8	9	8	8
Parks and Recreation Fund	22	25	29	28	45	29	32	32	24	25
Housing	12	12	12	12	12	12	9	4	-	-
Stormwater Fund	8	10	12	13	13	12	11	13	13	13
Total	<u>246</u>	<u>263</u>	<u>287</u>	<u>290</u>	<u>308</u>	<u>273</u>	<u>262</u>	<u>260</u>	<u>271</u>	<u>280</u>

**Sources:** City of Lancaster Budget Document

**City of Lancaster, Texas**  
**Table Q – Operating Indicators by Function/Program**  
**Last Ten Fiscal Years (Unaudited)**

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Police</b>										
Number of police officers	57	59	63	59	59	52	51	51	49	54
Number of violations (citations)	31,882	16,694	11,418	12,083	7,927	11,731	12,269	9,432	8,185	5,808
<b>Municipal Court</b>										
Number of traffic cases	9,432	12,110	8,662	9,139	5,356	11,056	19,434	8,865	4,283	5,101
Number of city ordinance cases	2,992	289	772	652	1,116	485	2,298	322	85	1,098
<b>Fire</b>										
Number of fire fighters	47	50	52	59	59	57	56	56	62	62
Number of emergency fire responses	1,921	2,082	1,927	2,021	1,632	1,916	1,846	1,792	1,826	1,913
Number of medical emergencies	2,779	3,269	3,508	3,364	3,748	3,664	4,017	4,268	4,353	4,632
<b>Development Services</b>										
Total number of building permits <sup>a</sup>	792	328	107	95	51	26	38	64	1,090	982
Estimated valuation <sup>a</sup>	114,850,421	47,489,907	22,001,131	17,560,945	8,471,688	4,888,776	5,966,006	10,569,845	40,776,897	#####
<b>Parks and Recreation</b>										
Number of acres	461	491	530	530	863	1,070	1,070	1,070	1,087	1,087
Number of recreation center participants	1,761	1,954	2,448	2,650	2,504	3,279	4,541	3,690	4,375	6,175
<b>Library</b>										
Volumes in collection <sup>b</sup>	76,316	81,812	80,727	85,483	84,786	90,117	90,972	87,468	77,020	86,411
Number of library cardholders	5,671	6,432	9,537	17,913	9,343	6,412	23,701	27,584	30,011	35,892
<b>Water and Wastewater</b>										
Number of water accounts	11,711	12,036	12,223	12,285	12,334	12,543	12,611	12,613	12,723	12,845
Average daily water consumption (millions of gallons)	4	4	4	4	4	5	4	4	4	4
Average daily effluent (millions of gallons)	4	4	4	4	5	4	4	5	5	5

**Sources:** City Departments

**Notes:** <sup>a</sup> Includes residential and commercial permits

<sup>b</sup> Includes books and media



**City of Lancaster, Texas**  
**Table R – Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years (Unaudited)**

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Public Safety</b>										
Fire stations	3	3	3	3	3	3	3	3	3	3
Police stations	1	1	1	1	1	1	1	1	1	1
<b>Culture and Recreation</b>										
Parks and Recreation										
Number of parks	21	21	22	22	24	25	25	25	25	25
Number of baseball diamonds	8	8	8	8	8	8	8	8	8	8
Number of soccer/football fields	12	12	12	12	12	13	13	13	13	13
Public swimming pools	1	1	1	1	1	1	1	1	1	1
Community centers	3	3	3	3	3	3	3	3	3	3
Library	1	1	1	1	1	1	1	1	1	1
<b>Water and Wastewater</b>										
Water mains (miles)	187	187	187	187	187	187	187	187	188	190
Sanitary sewer mains (miles)	160	160	160	160	160	160	160	160	161	163
Fire hydrants	1,554	1,554	1,554	1,554	1,554	1,554	1,554	1,554	1,558	1,598

**Sources:** City Departments

# LANCASTER CITY COUNCIL

## Agenda Communication

March 28, 2016

---

Consider an Ordinance vacating, abandoning and closing a utility easement in the Hearthstone Subdivision; providing for the furnishing of a certified copy of the ordinance for recording in the real property records of Dallas County, Texas as a deed; and providing an effective date.

---

This request supports the City Council 2015-2016 Policy Agenda.

Goal: Quality Development

---

### **Background**

This is a request to abandon a utility easement for a lot within the Hearthstone subdivision. The subject property is located on the north side of Halley Lane, east of Long Branch. The easement under consideration is due to an encroachment of a newly home on the utility easement. The Building Inspections and Engineering Divisions have determined that the location of the house does not impede upon any lines. However, the City Attorney has advised that the City Council would have to abandon the easement in order for the property owner to close on the loan for the home.

### **Considerations**

- **Operational** - Prior to approving the request, City Council must determine that the public easements in question will no longer serve a public purpose and is of no use to the City. If City Council makes this determination and approves the proposed ordinance, the easement will convert to the current property owner.
- **Legal** - The ordinances are in accordance with similarly drafted resolutions by the City Attorney.
- **Financial** - It is not legal for the City to receive compensation for easements; therefore, there is not a financial consideration involved in this decision.

### **Options/Alternatives**

1. Approve the ordinances, as presented.
2. Deny the abandonment request.

**Recommendation**

Staff recommends approval of this request, as presented.

**Attachments**

- Ordinance
  - Legal Description
  - Survey
  - Easement location exhibit
- 

**Submitted By:**

Rona Stringfellow, Assistant City Manager

**ORDINANCE NO.**

**AN ORDINANCE OF THE CITY OF LANCASTER, TEXAS, VACATING, ABANDONING AND CLOSING A CITY OF LANCASTER UTILITY EASEMENT, PROPERTY DESCRIBED ON EXHIBIT "A" AND DEPICTED ON EXHIBIT "B", WHICH ARE ATTACHED HERETO AND INCORPORATED HEREIN; PROVIDING FOR THE FURNISHING OF A CERTIFIED COPY OF THIS ORDINANCE FOR THE RECORDING IN THE REAL PROPERTY RECORDS OF DALLAS COUNTY, TEXAS, AS A DEED; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the City Council of the City of Lancaster, Texas has determined that the drainage and utility easement described in Exhibit "A" and depicted in Exhibit "B" no longer serves a public purpose and is of no use to the City of Lancaster; and

**WHEREAS**, the City has determined that the described property should be abandoned, released and quitclaimed to Ezonya Inc. and its successors and assigns in the interest of the public health, safety, and general welfare;

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS:**

**SECTION 1.** That the City of Lancaster finds the drainage and utility easement, as described on Exhibit "A" and depicted in Exhibit "B", which are attached hereto and incorporated herein by reference, no longer serves a public purpose and the same be hereby abandoned by the City of Lancaster.

**SECTION 2.** The City Secretary is hereby directed to certify a copy of the Ordinance and cause it to be recorded in the Deed Records of Dallas County, Texas and the same shall be a Quitclaim Deed in favor of the property owner in accordance with the law.

**SECTION 3.** That the abandonment provided for herein shall extend only to the public right, title and interest which the City of Lancaster, Texas, may have in and to the surface of said strip of publicly owned land, and shall be construed to extend only to such interests that the governing body of the City of Lancaster, Texas, may legally and lawfully abandon.

**SECTION 4.** That the Mayor is hereby authorized to execute and deliver a quitclaim deed on a form approved by the City Attorney.

**SECTION 5.** That this ordinance shall take effect immediately from and after its passage as the law and charter in such cases provide, and upon recordation.

**DULY PASSED** and approved by the City Council of the City of Lancaster, Texas, on this the 28<sup>th</sup> day of March, 2016.

**ATTEST:**

**APPROVED:**

\_\_\_\_\_  
Sorangel O. Arenas, City Secretary

\_\_\_\_\_  
Marcus E. Knight, Mayor

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Robert E. Hager, City Attorney

**(EASEMENT ABANDONMENT)**  
**BEING A PORTION OF LOT 23, BLOCK, I, OF**  
**HEARTHSTONE ADDITION PHASE TWO, AN ADDITION**  
**TO THE CITY OF LANCASTER, DALLAS COUNTY,**  
**TEXAS**

Being a 19 square feet tract of land situated in the A. Bledsoe Survey, Abstract No. 113 and being a portion of Lot 23, Block I, Hearthstone Addition Phase Two, an Addition to the City of Lancaster, Dallas County, Texas, recorded in Instrument Number 200323000013, Official Public Records, Dallas County, Texas, and being more particularly described by metes and bounds as follows:

Commencing at an "X" found in the Southeast corner of said lot 23, and the West line of Halley Lane (50 foot right-of-way), said corner being in a curve to the left with radius of 754.00 feet, a delta of 00 degrees 45 minutes 36 seconds and a chord bearing and distance of North 00 degrees 58 minutes 45 seconds West, 10.00 feet;

Thence along said curve to the left an arc length of 10.00 feet to a point for corner, said corner being in the Western line of said Halley Lane;

Thence South 89 degrees 24 minutes 03 seconds West, a distance of 43.76 feet to a point for corner, said corner being the POINT OF BEGINNING for the herein described tract;

Thence South 83 degrees 18 minutes 17 seconds West, a distance of 18.96 feet to a point for corner;

Thence North 06 degrees 41 minutes 43 seconds West, a distance of 2.02 feet to a point for corner;

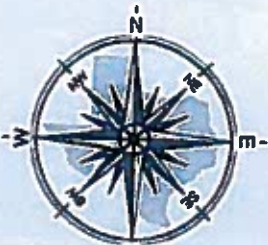
Thence North 89 degrees 24 minutes 03 seconds East, a distance of 19.07 feet, to the POINT OF BEGINNING and containing 19 square feet or 0.00044 acres of land.

**GENERAL NOTES:**

1) BEARINGS ARE BASED OFF OF THE SOUTHERN LINE OF LOT 23, BLOCK I, HEARTHSTONE ADDITION, PHASE TWO, AN ADDITION IN THE CITY OF LANCASTER, DALLAS COUNTY, TEXAS, RECORDED IN INSTRUMENT NUMBER 200323000013, OFFICIAL PUBLIC RECORDS, DALLAS COUNTY, TEXAS.



*Bryan Connally*  
 BRYAN CONNALLY  
 R.P.L.S. NO. 5513



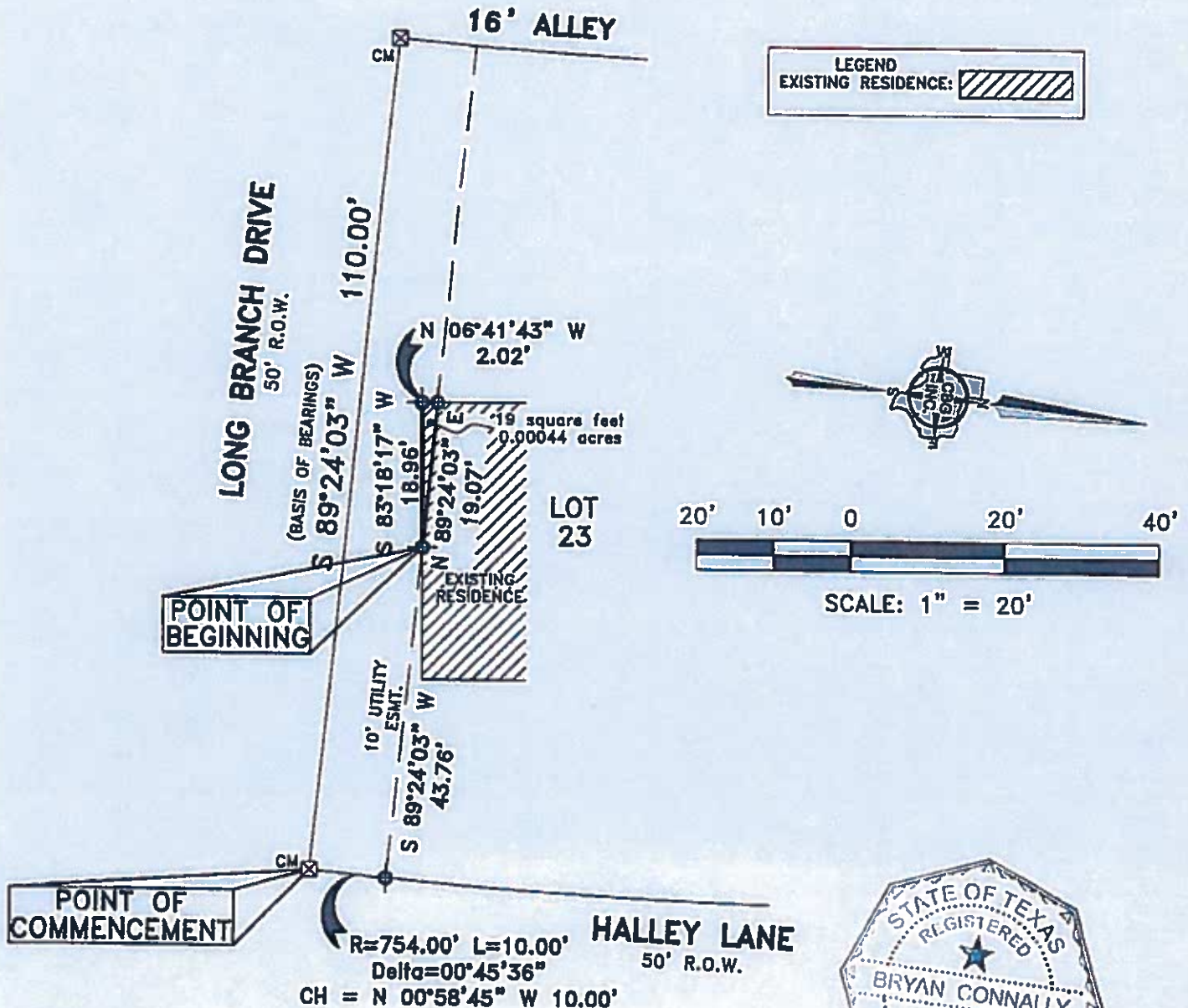
**CBG Surveying, Inc.**

**PLANNING • SURVEYING**  
 12025 Shiloh Road Suite 230 Dallas, Texas 75228  
 P 214.349.9485 • F 214.349.2218  
 www.cbgsurvey.com

SHEET 1 OF 2  
 JOB NO. 1504013-3  
 DRAWN BY: ZJN  
 DATE: 12/15/15



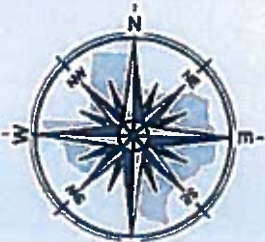
**(EASEMENT ABANDONMENT)**  
**PORTION OF LOT 23, BLOCK I, OF HEARTHSTONE**  
**ADDITION PHASE TWO, AN ADDITION TO THE CITY**  
**OF LANCASTER, DALLAS COUNTY, TEXAS**

**GENERAL NOTES:**

1) BEARINGS ARE BASED OFF OF THE SOUTHERN LINE OF LOT 23, BLOCK I, HEARTHSTONE ADDITION, PHASE TWO, AN ADDITION IN THE CITY OF LANCASTER, DALLAS COUNTY, TEXAS, RECORDED IN INSTRUMENT NUMBER 200323000013, OFFICIAL PUBLIC RECORDS, DALLAS COUNTY, TEXAS.



*Bryan Connally*  
 BRYAN CONNALLY  
 R.P.L.S. NO. 5513

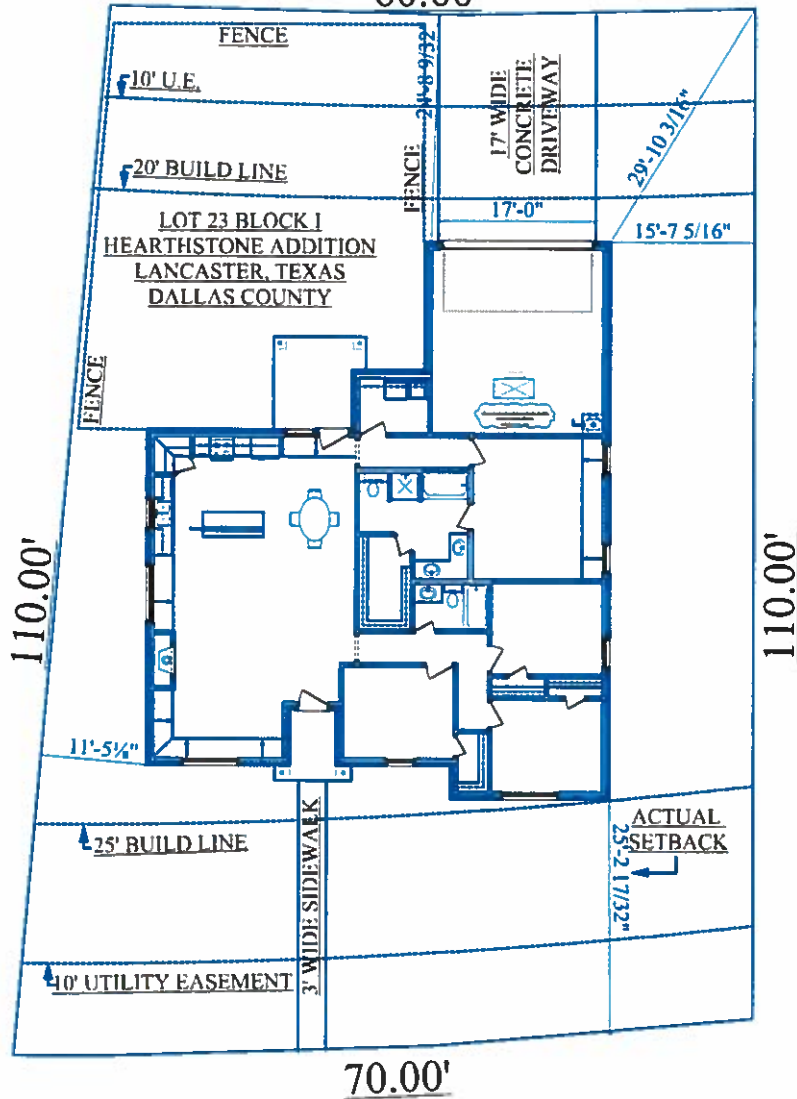


**CBG Surveying, Inc.**

**PLANNING • SURVEYING**  
 12025 Shiloh Road Suite 230 Dallas, Texas 75228  
 P 214.349.9485 • F 214.349.2216  
 www.obgdfw.com

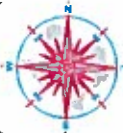
SHEET 2 OF 2  
 JOB NO. 1504013-  
 DRAWN BY: ZJN  
 DATE: 12/15/2015

ALLEY  
60.00'



603 HALLEY

 **SITE PLAN**  
SCALE: 1" = 20'-0"

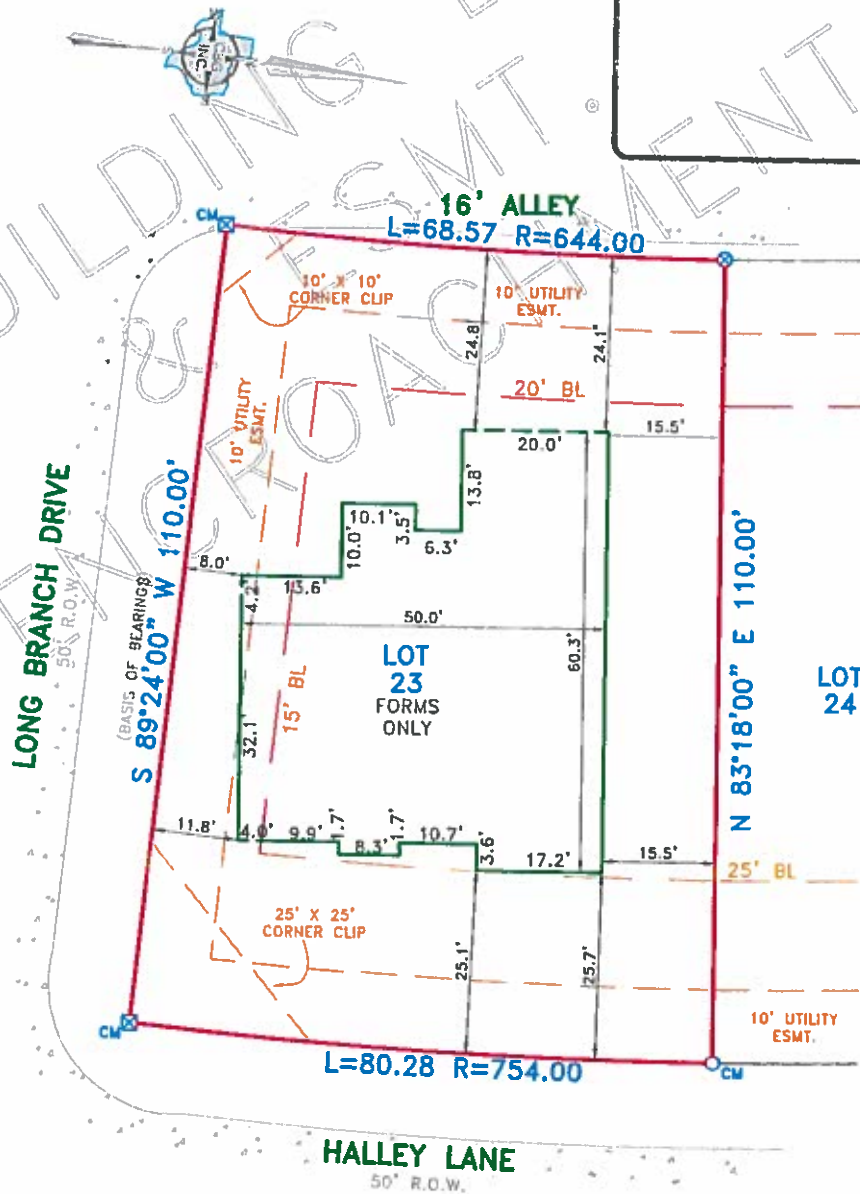


## 603 Halley Lane

Being Lot 23, Block 1, Heathstone Addition Phase 1B, an addition to the City of Lancaster, Dallas County, Texas, according to the map/plat recorded in Document Number 200323000013, Map and/or Plat Records, Dallas County, Texas.

### LEGEND

- 1/2" ROD FOUND
- ⊗ 1/2" ROD SET
- 5/8" ROD FOUND
- ⊗ "X" FOUND/SET
- ⊕ 60d NAIL FOUND
- FENCE POST FOR CORNER
- CM CONTROLLING MONUMENT
- AC AIR CONDITIONER
- PE POOL EQUIPMENT
- TE TRANSFORMER PAD
- BRICK COLUMN
- POWER POLE
- ▲ UNDERGROUND ELECTRIC
- △ OVERHEAD ELECTRIC
- DHP OVERHEAD ELECTRIC POWER
- DES OVERHEAD ELECTRIC SERVICE
- CHAIN LINK
- WOOD FENCE 0.5' WIDE TYPICAL
- IRON FENCE
- X BARBED WIRE
- EDGE OF ASPHALT
- EDGE OF GRAVEL
- CONCRETE
- COVERED AREA



### EXCEPTIONS:

NOTE: This survey is made in conjunction with the information provided by the client. CBG Surveying, Inc. has not researched the land title records for the existence of easements, restrictive covenants or other encumbrances.

### NOTES:

NOTE: BEARINGS, EASEMENTS AND BUILDING LINES ARE BY RECORDED PLAT UNLESS OTHERWISE NOTED.

FLOOD NOTE: According to the F.I.R.M. No. \_\_\_\_\_, this property does lie in Zone \_\_\_\_\_ and \_\_\_\_\_ lie within the 100 year flood zone.

This survey is made in conjunction with the information provided by Ezanya Inc. Use of this survey by any other parties and/or for other purposes shall be at user's own risk and any loss resulting from other use shall not be the responsibility of the undersigned. This is to certify that I have on this date made a careful and accurate survey on the ground of the subject property. The plat hereon is a correct and accurate representation of the property lines and dimensions as indicated; location and type of buildings are as shown; and EXCEPT AS SHOWN, there are no visible and apparent encroachments or protrusions on the ground.

Drawn By: CPC

Scale: 1" = 20'

Date: 05/15/15

GF No.:

GF#

Job No. 1504013-1

**C.B.G. Surveying, Inc.**

12025 Shiloh Road, Ste. 230

Dallas, TX 75228

P 214.349.9485

F 214.349.2216

Firm No. 10168800

[www.cbgsurveying.com](http://www.cbgsurveying.com)

Accepted by:

Purchaser

Date:

Purchaser



## Agenda Communication

March 28, 2016

---

**Discuss and consider appointments to the Parks & Recreation Advisory Board.**

---

**This request supports the City Council 2015-2016 Policy Agenda.**

**Goal: Civic Engagement**

---

### **Background**

On December 14, 2015, the City Council considered its annual appointments to the various Boards and Commissions of the City of Lancaster. There is one vacancy as a result of resignation. The vacancy was created on the Parks & Recreation Advisory Board by the resignation of Spencer Hervey.

### **Considerations**

We have applications on hand from annual appointments in December 2015 that expressed an interest in the Parks & Recreation Advisory Board. Upon confirmed annual appointments, we received an additional application in January 2016, who expressed an interest in the Parks & Recreation Advisory Board.

### **Options/Alternatives**

Council may choose to:

1. Make an appointment from applications on hand.
2. Appoint an alternate to fill a regular position and then appoint a new alternate.
3. Direct staff to expand recruiting to obtain new applications
4. Leave position unfilled at this time.

It is in the best interest of the board and committee to operate with full membership as soon as is practical.

### **Recommendation**

Board and Commission appointments are solely at Council's discretion.

### **Attachments**

- List of Applicants
  - Applications
- 

**Submitted by:**

Sorangel Arenas, City Secretary



## Boards and Commissions Applicants

2016



Applicants	Airport	PSAB	HLPC	Library	ZBA	LEDC	P&Z	Parks/4B	Animal SAB	Museum	Comments
Polk, Amanda						1	2	3			
Smith, Joe					3	1		2			
Smith-Whitson, Cecelia				4			2	1		3	



City of Lancaster, Texas  
Boards and Commissions  
Application



Name: Amanda D. Polk Date: 26 June 2015  
Address: 2716 Pioneer Lane, Lancaster TX Zip: 75146  
Home Phone: \_\_\_\_\_ Cell Phone: (817) 333-7934  
Email Address: POLKAm@AAFES.com Length of residency: 16 yrs  
Occupation: Contract Specialist I (contracting officer)  
Please list the Boards/Commissions/Corporations you wish to serve on in order of preference.

1. Economic Development
2. Planning and Zoning commission
3. Recreational Development

Have you ever served as a member of any Lancaster boards, commissions, or committees?

☐ YES

☒ NO

List any particular qualifications you feel would be beneficial to serving on any particular board or commission. You may also attach additional sheets as well as a resume.

willing to learn how to better serve my community.  
Please see attached resume.

To be an effective member of a Board or Commission, you must be willing to attend and participate in all scheduled meetings.

DISCLOSURE OF PERSONAL INFORMATION

I, Amanda D. Polk, an applicant for, or an appointed official, for the City of Lancaster, Texas, elect to:

☐ ALLOW public access to my personal information

☒ NOT ALLOW public access to my personal information

Note: Under the Public Information Act, a personal e-mail address is not public information and would not be released.

Signature Amanda Polk Date 29 June 2015

Please return your completed application to the City Secretary's Office at 211 N. Henry St., or mail to P. O. Box 940, Lancaster, TX 75146 or fax to 972-218-1399.

For consideration during the annual appointment process, please submit your application by  
July 10, 2015

Applications are always welcome as vacancies may occur throughout the year.

Office Use Only	
Received by: _____	Date: _____

# AMANDA D. POLK

2716 Pioneer Lane, Lancaster, TX 75146

(817) 333-7934

[PolkAm@aafes.com](mailto:PolkAm@aafes.com)

**OVERVIEW** A highly motivated and organized contracting professional with data entry, audit, reconciling, accounts receivable, accounts payable, and administrative clerical experience, with a verifiable record of accomplishment. Highly recognized as a networking and solution-focused individual.

## EDUCATION & CERTIFICATIONS

- **COLUMBIA SOUTHERN UNIVERSITY**
  - BBA – Business Administration
- **Masters Certificate (Government Contracting), George Washington University School of Business, 2012**
- **RCP DAU Level II Certified for Contracting Professionals, 2013**
- **Certificate of Appointment (Signing Authority), Food Division, 2014**

## PROFESSIONAL EXPERIENCE

Army & Air Force Exchange Service  
Procurement– PL-K-F (Food)

**Dec 2011 – Present**  
Dallas, Texas

### Contract Specialist I

- Responsible for Europe Region food contracts to include: Germany, Italy, Belgium, United Kingdom, Kosovo, Romania, Bosnia, Turkey, and Azores
- Solicit, negotiate, and award concession food contracts (Name Brand & Non Name Brand).
- Full charge of Europe Non-Name Brand Fast Food concession contracts
- Work closely with internal customers to fulfill contract needs
- Negotiated over 21 concession contracts FY 2014 resulting in over \$500,000.00 revenue
- Clerical duties such as: Kronos timekeeper, distribution of mail, safeguarding proposals, ordering office supplies, submitting Maintenance & Telecom requests, etc.

### Associate Contract Specialist

**Apr 2010 – Dec 2011**

- Time-keeper for procurement food group
- Supported Contracting Officer and other team members directly
- Managed food uniform items in Retek
  - Set up CRC's for new and existing concept uniform items
  - Updated price changes
- Issued direct operation uniform purchase orders and amendments
- Maintained and update the Direct Store Delivery (DSD) listing
- Worked closely with internal customers and accounting department to ensure suppliers invoices were paid in timely fashion to continue business without interruption
- Responsible for safeguarding proposals to solicitations
- Designated to pick up and distribute regular and accountable mail
- Accountable for ordering office supplies, MSR requests, Telecom requests, etc.
- Created Blanket Purchase Agreements (BPAs) for food sources not on contract for one year term

#### **SKILLS & PROFICIENCIES**

- Contract Administration
- Data Entry
- Detailed clerical administration
- Computer Literacy
- Work as Team Player
- Type 70+ wpm
- Process GJV journal voucher entries
- 15,000+ ksph alpha/numeric entry
- Kronos Timekeeper
- SQL, Allocation, and Retek Training
- Solicitation preparation and negotiations
- Ability to train other associates
- Communication Skills/Customer Support
- Time Management & Organizational Skills
- Research Abilities
- Accounts Payable / Accounts Receivable
- Proficient in writing MFR's (memorandum for record)
- IGLAS, Walker, Oracle, and Retek
- BWS, WMF, IMF, VMF, VMI, NEWREC
- Hands-on, quick learner
- Proficient in Microsoft Office

**REFERENCES:** Both personal and professional references available upon request.



City of Lancaster, Texas  
Boards and Commissions  
Application



Name: SMITH, JOE Date: 6 JULY 2015  
Address: 2609 PRINCETON DR Zip: 75134  
Home Phone: (972) 218-7625 Cell Phone: (469) 245-2702  
Email Address: joeborn7625@att.net Length of residency: 30 yrs  
Occupation: EDUCATOR

Please list the Boards/Commissions/Corporations you wish to serve on in order of preference.

1. LANCASTER ECONOMIC DEVELOPMENT CORPORATION
2. PARKS & RECREATION ADVISORY BOARD / LANCASTER RECREATIONAL DEVELOPMENT CORP
3. ZONING BOARD OF ADJUSTMENT

Have you ever served as a member of any Lancaster boards, commissions, or committees?

☐ YES

☒ NO

List any particular qualifications you feel would be beneficial to serving on any particular board or commission. You may also attach additional sheets as well as a resume.

20 YEARS OF INSURANCE INVESTIGATIONS IN A FIDUCIARY CAPACITY. COACHING AND LEAGUE DEVELOPMENT OF CO-ED SPORTS. CONSTRUCTION INVESTIGATIONS. EDUCATOR AND COMMUNITY LIAISON.

To be an effective member of a Board or Commission, you must be willing to attend and participate in all scheduled meetings.

DISCLOSURE OF PERSONA INFORMATION

I, JOE SMITH, an applicant for, or an appointed official, for the City of Lancaster, Texas, elect to:

☐ ALLOW public access to my personal information

☒ NOT ALLOW public access to my personal information

Note: Under the Public Information Act, a personal e-mail address is not public information and would not be released.

Signature [Signature] Date 6 JULY 2015

Please return your completed application to the City Secretary's Office at 211 N. Henry St., or mail to P. O. Box 940, Lancaster, TX 75146 or fax to 972-218-1399.

For consideration during the annual appointment process, please submit your application by  
July 10, 2015

Applications are always welcome as vacancies may occur throughout the year.

Received by: \_\_\_\_\_ Date: \_\_\_\_\_

\*Office Use Only\*





# City of Lancaster, Texas Boards and Commissions



## Application

Name: Cecelia J. Smith Whitson Date: 3-14-16  
Address: 1144 STACIA LANE Zip: 75134  
(Secondary)  
Home Phone: 972 2275884 Cell Phone: (Primary) 469 4873789  
Email Address: Ceceliasmithwhitson@yahoo.com Length of residency: 19 yrs  
Occupation: Retired

Please list the Boards/Commissions/Corporations you wish to serve on in order of preference.

4. Library Advisory
  2. Planning and zoning
  3. Museum Advisory
  1. Parks & Recreation
- (Any upcoming available vacancies)

Have you ever served as a member of any Lancaster boards, commissions, or committees?

☐ YES

☒ NO

List any particular qualifications you feel would be beneficial to serving on any particular board or commission. You may also attach additional sheets as well as a resume.

Longevity of Residency  
was a member of the civic leadership academy  
Interested in what goes on in my city

To be an effective member of a Board or Commission, you must be willing to attend and participate in all scheduled meetings.

## DISCLOSURE OF PERSONAL INFORMATION

I, Cecelia J. Smith Whitson, an applicant for, or an appointed official, for the City of Lancaster, Texas, elect to:

☒ ALLOW public access to my personal information

☐ NOT ALLOW public access to my personal information

Note: Under the Public Information Act, a personal e-mail address is not public information and would not be released.

Signature: Cecelia J. Smith Whitson Date: 3-14-16  
1-20-16

Please return your completed application to the City Secretary's Office at 211 N. Henry St., or mail to P. O. Box 940, Lancaster, TX 75146 or fax to 972-275-0914.

Applications are always welcome as vacancies may occur throughout the year.

Received by: Mary Parker \*Office Use Only\*  
Date: 3-14-16

# LANCASTER CITY COUNCIL

## Agenda Communication

March 28, 2016

**Z16-02 – Conduct a public hearing and consider an ordinance amending the City of Lancaster Comprehensive Plan Future Land use map by designating said plan from Light Industrial by granting a re-zoning request from LI – Light Industrial to SF4-Single Family Residential. The subject property is located on the east side of Katy Street just south of the intersection of Katy Street and E. Pleasant Run Road and further described as 1102 Katy Street, Lancaster, Dallas County, Texas.**

**This request supports the City Council 2015-2016 Policy Agenda.**

**Goal: Quality Development**

### **Background**

1. **Location and Size:** The property is generally located on the east side of Katy Street just south of the intersection of Katy Street and E. Pleasant Run Road. The property is addressed as 1102 Katy Street and comprised of 15,700 square feet.
2. **Current Zoning:** The subject property is currently zoned LI, Light Industrial.
3. **Adjacent Properties:**
  - North: LI, Light Industrial (undeveloped)
  - South: LI, Light Industrial (undeveloped)
  - East: LI, Light Industrial (undeveloped)
  - West: LI, Light Industrial (undeveloped)
4. **Comprehensive Plan Compatibility:** The Comprehensive Plan identifies this site as suitable for light industrial which is a land use designation not suitable for single family detached dwellings.
5. **Public Notification:** Zoning signs were placed on the subject property. 10 property owner notices were sent on February 19, 2016. ***Six (6) responses were received in opposition of the rezoning request.***
6. **Case/Site History:**

Date	Body	Action
03/01/2016	P&Z	Recommended Denial of Case Z16-02



## **Considerations**

**Operational** – This is a request for a comprehensive plan amendment to change the City of Lancaster’s Future Land Use Plan (FLUP) map from light industrial uses to low density residential uses. If the amendment and zoning change are both approved, this would make the proposed zoning compatible with the FLUP. The current designation of light industrial uses is not suitable for single family detached structures.

The subject property is 15,700 square feet of land (see notification area map). The applicant is seeking to construct a single family detached home product. While undeveloped, the subject property is zoned LI, Light existing low density Industrial and the surrounding developed parcels are all industrial uses.

Six responses in opposition have been received from property owners within the 200’ notification area.

The Lancaster Development Code states that zoning should be in conformance with the Future Land Use Plan of the City Comprehensive plan. Pursuant to Section 14.1101 of the LDC, when reviewing a zoning change application, there are five (5) considerations that must be made when deciding on a zoning change application. Below is an analysis of these considerations:

**Consistency with the Comprehensive Plan:** The Comprehensive Plan identifies this site as light industrial uses. The proposed change in zoning is not in compliance with the Future Land Use Plan (FLUP).

The proposed amendment to the Future Land Use Plan would allow the proposed zoning to become consistent with the FLUP if the proposed zoning change is approved.

It should be noted that the City is currently undergoing a Comprehensive Plan update that would potentially address this area in the future vision of the City of Lancaster.

**Potential Impact on Adjacent Development:** The subject property is currently undeveloped. Some of the surrounding properties have been developed as industrial uses. This request is not consistent with the area.

**Availability of utilities and access:** The subject property is served by City of Lancaster water and sanitary sewer. The applicant is not proposing any changes to the water and sewer master plan.

**Site conditions such as vegetation, topography and flood plain:** The subject property is currently undeveloped. Issues such as vegetation, topography and flood plain will be addressed as part of the previous site plan approval process.

**Timing of Development as it relates to Lancaster’s Capital Improvement Plan:** This is not applicable to this site.

- **Legal** – The City Attorney has approved as to form an Ordinance for the proposed rezoning request.
- **Financial** - There are no financial considerations for this item.
- **Public Information** - On Friday, February 19, 2016 a Public Hearing notice appeared in the Focus Daily News, the City of Lancaster's newspaper of record. 10 property owner notices were sent out on February 19, 2016. **6 responses have been received in opposition of the rezoning request.**

### **Options/Alternatives**

1. Approve the rezoning request, as submitted.
2. Approve the rezoning request in accordance with staff recommended conditions.
3. Deny the rezoning request and direct staff.

### **Recommendation**

On March 1, 2016, the P&Z Commission recommended denial of the rezoning request. It is of note that if the P&Z recommends denial of the rezoning request, it will require a supermajority (6 of the 7 members of Council) to approve the request.

Staff concurs with the P&Z.

### **Attachments**

- Ordinance
- P&Z Agenda Communication w/attachments
- Zoning Exhibit
- Excerpt of P&Z Minutes (draft)

---

### **Submitted By:**

Rona Stringfellow, Assistant City Manager

## **ORDINANCE NO.**

**AN ORDINANCE OF THE CITY OF LANCASTER, TEXAS, AMENDING THE COMPREHENSIVE FUTURE LAND USE PLAN AND MAP THEREOF OF THE CITY OF LANCASTER, TEXAS, AS HERETOFORE AMENDED, BY DESIGNATING SAID PLAN FROM LIGHT INDUSTRIAL, AND GRANTING A CHANGE IN ZONING LIGHT INDUSTRIAL (LI) TO SINGLE FAMILY- 4 (SF-4) ZONING TO ALLOW A RESIDENTIAL USE. THE PROPERTY CONTAINS 15,700 SQUARE FEET OF LAND LOCATED ON THE EAST SIDE OF KATY STREET FURTHER DESCRIBED AS 1102 KATY STREET, LANCASTER, DALLAS COUNTY, TEXAS; PROVIDING A REPEALING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING A PENALTY OF FINE NOT TO EXCEED THE SUM OF TWO THOUSAND DOLLARS (\$2,000.00) FOR EACH OFFENSE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City Planning and Zoning Commission and the governing body of the City of Lancaster, Texas, in compliance with the laws of the State of Texas and pursuant to the Comprehensive Zoning Ordinance of the City of Lancaster, have given requisite notices by publication and otherwise, and after holding due hearings and affording a full and fair hearing to all property owners generally, and to all persons interested and situated in the affected area and in the vicinity thereof, the said governing body is of the opinion that Comprehensive Land Use Plan and Zoning Application No. Z16-01 should be approved, and in the exercise of legislative discretion have concluded that the Comprehensive Land Use Plan and Zoning Ordinance and Map thereof should be amended.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS:**

**SECTION 1.** That the Comprehensive Future Land Use Plan and Map thereof and Zoning Ordinance and Map of the City of Lancaster, Texas, duly passed by the governing body of the City of Lancaster, Texas, as heretofore amended, be and the same is hereby amended by amending the Comprehensive Land Use Plan Ordinance and Map thereof from Light Industrial Uses to Single Family and to grant zoning from Light Industrial (LI) to Single-Family 4 (SF-4) on property containing 15,700 square feet of land located on the east side of Katy Street further described as 1102 Katy Street, Lancaster, Dallas County, Texas.

**SECTION 2.** That the subject Property, as hereby zoned, shall be developed and used in conformance and in the manner and for the purposes provided for by Single family residential (SF-4) zoning district regulations and approvals required as set forth in the Lancaster Land Development Code and the Comprehensive Zoning Ordinance of the City of Lancaster, as heretofore amended, and the detailed site plan, which shall be submitted and approved in accordance with said ordinances.

**SECTION 3.** That all provisions of the Ordinances of the City of Lancaster, Texas, in conflict with the provisions of this ordinance be, and the same are hereby, repealed, and all other provisions not in conflict with the provisions of this ordinance shall remain in full force and effect.

**SECTION 4.** That should any sentence, paragraph, subdivision, clause, phrase or section of this ordinance be adjudged or held to be unconstitutional, illegal or invalid, the same shall not affect the validity of this ordinance as a whole, or any part or provision thereof other than the part so decided to be unconstitutional, illegal or invalid, and shall not affect the validity of the Comprehensive Zoning Ordinance as a whole.

**SECTION 5.** An offense committed before the effective date of this ordinance is governed by prior law and the provisions of the Comprehensive Zoning Ordinance, as amended, in effect when the offense was committed and the former law is continued in effect for this purpose.

**SECTION 6.** That any person, firm or corporation violating any of the provisions or terms of this ordinance shall be subject to the same penalty as provided for in the Comprehensive Zoning Ordinance of the City of Lancaster, as heretofore amended, and upon conviction shall be punished by a fine not to exceed the sum of Two Thousand Dollars (\$2,000.00) for each offense; and each and every day such violation shall continue shall be deemed to constitute a separate offense.

**SECTION 7.** That this ordinance shall take effect immediately from and after its passage and the publication of its caption, as the law and charter in such cases provide.

**DULY PASSED** and approved by the City Council of the City of Lancaster, Texas, on the 28th day of March, 2016.

**ATTEST:**

**APPROVED:**

\_\_\_\_\_  
Sorangel O. Arenas, City Secretary

\_\_\_\_\_  
Marcus E. Knight, Mayor

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Robert E. Hager, City Attorney

# PLANNING & ZONING COMMISSION

Agenda Communication for  
March 1, 2016

#3

**Z16-02 – Conduct a public hearing and consider an amendment to the City of Lancaster's Comprehensive Plan's Future Land use map Light Industrial uses to low density Residential uses and a re-zoning request from LI – Light Industrial to SF4-Single Family Residential. The subject property is located on the east side of Katy Street just south of the intersection of Katy Street and E. Pleasant Run Road and further described as 1102 Katy Street, Lancaster, Dallas County, Texas.**

## Background

1. **Location and Size:** The property is generally located on the east side of Katy Street just south of the intersection of Katy Street and E. Pleasant Run Road. The property is addressed as 1102 Katy Street and comprised of 15,700 square feet.
2. **Current Zoning:** The subject property is currently zoned LI, Light Industrial.
3. **Adjacent Properties:**
  - North: LI, Light Industrial (undeveloped)
  - South: LI, Light Industrial (undeveloped)
  - East: LI, Light Industrial (undeveloped)
  - West: LI, Light Industrial (undeveloped)
4. **Comprehensive Plan Compatibility:** The Comprehensive Plan identifies this site as suitable for light industrial which is a land use designation not suitable for single family detached dwellings.
5. **Public Notification:** Zoning signs were placed on the subject property. 10 property owner notices were sent on February 19, 2016. ***Six (6) responses were received in opposition of the rezoning request.***
6. **Case/Site History:** N/A

## Considerations

This is a request for a comprehensive plan amendment to change the City of Lancaster's Future Land Use Plan (FLUP) map from light industrial uses to low density residential uses. If the amendment and zoning change are both approved, this would

make the proposed zoning compatible with the FLUP. The current designation of light industrial uses is not suitable for single family detached structures.

The subject property is 15,700 square feet of land (see notification area map). The applicant is seeking to construct a single family detached home product. While undeveloped, the subject property is zoned LI, Light existing low density Industrial and the surrounding developed parcels are all industrial uses.

Six responses in opposition have been received from property owners within the 200' notification area.

The Lancaster Development Code states that zoning should be in conformance with the Future Land Use Plan of the City Comprehensive plan. Pursuant to Section 14.1101 of the LDC, when reviewing a zoning change application, there are five (5) considerations that must be made when deciding on a zoning change application. Below is an analysis of these considerations:

**Consistency with the Comprehensive Plan:** The Comprehensive Plan identifies this site as light industrial uses. The proposed change in zoning is not in compliance with the Future Land Use Plan (FLUP).

The proposed amendment to the Future Land Use Plan would allow the proposed zoning to become consistent with the FLUP if the proposed zoning change is approved.

It should be noted that the City is currently undergoing a Comprehensive Plan update that would potentially address this area in the future vision of the City of Lancaster.

**Potential Impact on Adjacent Development:** The subject property is currently undeveloped. Some of the surrounding properties have been developed as industrial uses. This request is not consistent with the area.

**Availability of utilities and access:** The subject property is served by City of Lancaster water and sanitary sewer. The applicant is not proposing any changes to the water and sewer master plan.

**Site conditions such as vegetation, topography and flood plain:** The subject property is currently undeveloped. Issues such as vegetation, topography and flood plain will be addressed as part of the previous site plan approval process.

**Timing of Development as it relates to Lancaster's Capital Improvement Plan:** This is not applicable to this site.

### **Recommendation**

Surrounding development is light industrial development as reflected in the Comprehensive Plan's Future Land Use Plan map. The proposed amendment to the Comprehensive Plan and associated zoning change is not consistent with the future land use plan.

Staff recommends denial of the requested amendment to the Future Land Use Plan map and proposed zoning change.

**Attachments**

- Zoning Exhibit
- Location Map

**Prepared By and Submitted By:**

Rona Stringfellow, Assistant City Manager

## LANCASTER CITY LOTS

185

J. A. DENBERRY - OWNER -

185

SCALE 100 FT

G. A. (JACK) NEAL, SURVEYOR

WAXACHAMIE TEXAS 4-5-47

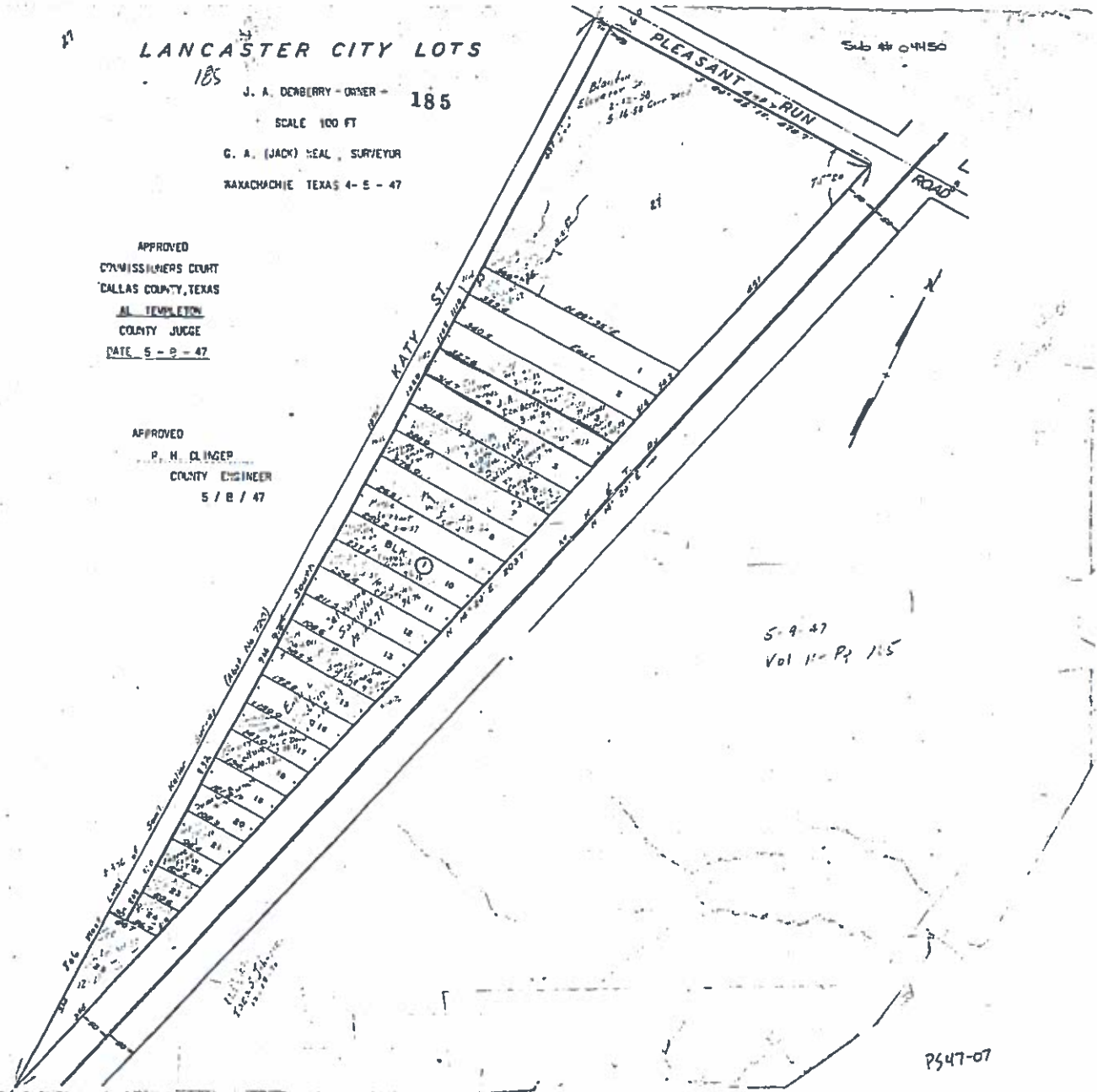
APPROVED  
COMMISSIONERS COURT  
DALLAS COUNTY, TEXAS

AL TEMPLETON

COUNTY JUDGE

DATE 5-9-47

APPROVED  
P. H. CLINGER  
COUNTY ENGINEER  
5/8/47





### ADDITION



## City of Lancaster Planning Division



### NOTICE OF PUBLIC HEARING

**TO:** Property Owner

**RE:** **Case No. - Z 16-02:** to conduct a public hearing and consider a rezoning request from Light Industrial (LI) to Single-family 4 (SF-4) zoning to allow a residential use.

**LOCATION:** The property contains 15,700 sq. ft. of land located on the east side of Katy Street further described as 1102 Katy Street, Lancaster, Dallas County, Texas. A location map depicting the property and the 200-ft notification area is attached for reference. This notice and the notification area are required under Chapter 211.007 of the Texas Local Government Code.

**EXPLANATION OF REQUEST:** The Applicant requests to rezone this property for the purpose of operating a radio station.

☐ I AM IN FAVOR OF THE REQUEST FOR THE FOLLOWING REASONS:

☒ I AM OPPOSED TO THE REQUEST FOR THE FOLLOWING REASONS:

**COMMENTS:** We are not against growth. This area was zoned Light Industrial about 40 years ago. We have built and own several large facilities that are Light Industrial and would like this area to stay the same. Before development, the Silos were empty and rat infested. There were abandoned houses, empty lots, and houses that today would not meet code. An exception cannot be made for one without more following.

Do you really want to go backward?

**SIGNATURE:**



**ADDRESS:**

840 KATY STREET  
LANCASTER TX 75146

Your written comments are being solicited in the above case. Additional information is available in the Department of Planning at 700 E. Main. The Planning and Zoning Commission will hold a public hearing and take action on the above case at their meeting on **Tuesday, March 1, 2016 at 7:00 pm**. The City Council will hold a public hearing and take action on the above case at their meeting on **Monday, March 28, 2016 at 7:00 pm**. Meetings are typically held in the City Council Chambers, City of Lancaster Municipal Center, 211 N. Henry Street, Lancaster, Texas.

Please legibly respond in ink. If the signature and/or address are missing, your comments will not be recorded. Your response must be received in the Planning Division by **5 p.m. on Friday, 2/26/16** for your comments to be recorded for the Planning and Zoning Commission's 3-1-16 meeting. Responses received after that time will be forwarded to the Commission at the public hearing.

If you have any questions concerning this request,  
please contact the Planning Division  
Phone 972-218-1240  
FAX 972-227-7220

**RETURN BY FAX OR MAIL**  
City of Lancaster  
Planning Division  
Lancaster, TX 75146-0940

14 notices were sent out on 12/22/2015



1012 KATY STREET PTY LLC



## City of Lancaster Planning Division



### NOTICE OF PUBLIC HEARING

**TO:** Property Owner

**RE:** **Case No. - Z 16-02:** to conduct a public hearing and consider a rezoning request from Light Industrial (LI) to Single-family 4 (SF-4) zoning to allow a residential use.

**LOCATION:** The property contains 15,700 sq. ft. of land located on the east side of Katy Street further described as 1102 Katy Street, Lancaster, Dallas County, Texas. A location map depicting the property and the 200-ft notification area is attached for reference. This notice and the notification area are required under Chapter 211.007 of the Texas Local Government Code.

**EXPLANATION OF REQUEST:** The Applicant requests to rezone this property for the purpose of operating a radio station.

☐ I AM IN FAVOR OF THE REQUEST FOR THE FOLLOWING REASONS:

☒ I AM OPPOSED TO THE REQUEST FOR THE FOLLOWING REASONS:

**COMMENTS:** We are not against growth. This area was zoned Light Industrial about 40 years ago. We have built and own several large facilities that are Light Industrial and would like this area to stay the same. Before development, the Silos were empty and rat infested. There were abandoned houses, empty lots, and houses that today would not meet code. An exception cannot be made for one without more following. Do you really want to go backward?

**SIGNATURE:**

**ADDRESS:**

*Guillermo Mejia*  
840 KATY STREET  
LANCASTER TX 75146

Your written comments are being solicited in the above case. Additional information is available in the Department of Planning at 700 E. Main. The Planning and Zoning Commission will hold a public hearing and take action on the above case at their meeting on **Tuesday, March 1, 2016 at 7:00 pm**. The City Council will hold a public hearing and take action on the above case at their meeting on **Monday, March 28, 2016 at 7:00 pm**. Meetings are typically held in the City Council Chambers, City of Lancaster Municipal Center, 211 N. Henry Street, Lancaster, Texas.

Please legibly respond in ink. If the signature and/or address are missing, your comments will not be recorded. Your response must be received in the Planning Division by **5 p.m. on Friday, 2/26/16** for your comments to be recorded for the Planning and Zoning Commission's 3-1-16 meeting. Responses received after that time will be forwarded to the Commission at the public hearing.

If you have any questions concerning this request,  
please contact the Planning Division  
Phone 972-218-1240  
FAX 972-227-7220

**RETURN BY FAX OR MAIL**  
City of Lancaster  
Planning Division  
Lancaster, TX 75146-0940

14 notices were sent out on 12/22/2015

*OWN: MESA COMMERCIAL PROPERTIES LLC  
32.2 ACRE TRACT SITUATED IN THE RAINBOW SUBDIVISION*





## City of Lancaster Planning Division



### NOTICE OF PUBLIC HEARING

**TO:** Property Owner

**RE:** **Case No. - Z 16-02:** to conduct a public hearing and consider a rezoning request from Light Industrial (LI) to Single-family 4 (SF-4) zoning to allow a residential use.

**LOCATION:** The property contains 15,700 sq. ft. of land located on the east side of Katy Street further described as 1102 Katy Street, Lancaster, Dallas County, Texas. A location map depicting the property and the 200-ft notification area is attached for reference. This notice and the notification area are required under Chapter 211.007 of the Texas Local Government Code.

**EXPLANATION OF REQUEST:** The Applicant requests to rezone this property for the purpose of operating a radio station.

☐ I AM IN FAVOR OF THE REQUEST FOR THE FOLLOWING REASONS:

☒ I AM OPPOSED TO THE REQUEST FOR THE FOLLOWING REASONS:

**COMMENTS:** We are not against growth. This area was zoned Light Industrial about 40 years ago. We have built and own several large facilities that are Light Industrial and would like this area to stay the same. Before development, the Silos were empty and rat infested. There were abandoned houses, empty lots, and houses that today would not meet code. An exception cannot be made for one without more following. Do you really want to go backward?

**SIGNATURE:**

**ADDRESS:**

*Guillermo Mejia*  
840 KATY STREET  
LANCASTER TX 75146

Your written comments are being solicited in the above case. Additional information is available in the Department of Planning at 700 E. Main. The Planning and Zoning Commission will hold a public hearing and take action on the above case at their meeting on **Tuesday, March 1, 2016 at 7:00 pm**. The City Council will hold a public hearing and take action on the above case at their meeting on **Monday, March 28, 2016 at 7:00 pm**. Meetings are typically held in the City Council Chambers, City of Lancaster Municipal Center, 211 N. Henry Street, Lancaster, Texas.

Please legibly respond in ink. If the signature and/or address are missing, your comments will not be recorded. Your response must be received in the Planning Division by **5 p.m. on Friday, 2/26/16** for your comments to be recorded for the Planning and Zoning Commission's 3-1-16 meeting. Responses received after that time will be forwarded to the Commission at the public hearing.

If you have any questions concerning this request,  
please contact the Planning Division  
Phone 972-218-1240  
FAX 972-227-7220

**RETURN BY FAX OR MAIL**  
City of Lancaster  
Planning Division  
Lancaster, TX 75146-0940

14 notices were sent out on 12/22/2015

*OWN: 508 EAST PLEASANT RUN ROAD PROPERTY LLC*



## City of Lancaster Planning Division



### NOTICE OF PUBLIC HEARING

**TO:** Property Owner

**RE:** **Case No. - Z 16-02:** to conduct a public hearing and consider a rezoning request from Light Industrial (LI) to Single-family 4 (SF-4) zoning to allow a residential use.

**LOCATION:** The property contains 15,700 sq. ft. of land located on the east side of Katy Street further described as 1102 Katy Street, Lancaster, Dallas County, Texas. A location map depicting the property and the 200-ft notification area is attached for reference. This notice and the notification area are required under Chapter 211.007 of the Texas Local Government Code.

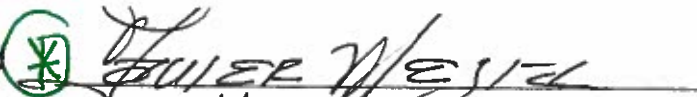
**EXPLANATION OF REQUEST:** The Applicant requests to rezone this property for the purpose of operating a radio station.

☐ I AM IN FAVOR OF THE REQUEST FOR THE FOLLOWING REASONS:

☒ I AM OPPOSED TO THE REQUEST FOR THE FOLLOWING REASONS:

**COMMENTS:** We are not against growth. This area was zoned Light Industrial about 40 years ago. We have built and own several large facilities that are Light Industrial and would like this area to stay the same. Before development, the Silos were empty and rat infested. There were abandoned houses, empty lots, and houses that today would not meet code. An exception cannot be made for one without more following. Do you really want to go backward?

**SIGNATURE:**



**ADDRESS:**

840 KATY STREET  
LANCASTER TX 75146


Your written comments are being solicited in the above case. Additional information is available in the Department of Planning at 700 E. Main. The Planning and Zoning Commission will hold a public hearing and take action on the above case at their meeting on **Tuesday, March 1, 2016 at 7:00 pm**. The City Council will hold a public hearing and take action on the above case at their meeting on **Monday, March 28, 2016 at 7:00 pm**. Meetings are typically held in the City Council Chambers, City of Lancaster Municipal Center, 211 N. Henry Street, Lancaster, Texas.

Please legibly respond in ink. If the signature and/or address are missing, your comments will not be recorded. Your response must be received in the Planning Division by **5 p.m. on Friday, 2/26/16** for your comments to be recorded for the Planning and Zoning Commission's 3-1-16 meeting. Responses received after that time will be forwarded to the Commission at the public hearing.

If you have any questions concerning this request,  
please contact the Planning Division  
Phone 972-218-1240  
FAX 972-227-7220

**RETURN BY FAX OR MAIL**  
City of Lancaster  
Planning Division  
Lancaster, TX 75146-0940

14 notices were sent out on 12/22/2015

 **OWNERS**  
METRO COMMERCIAL PROPERTIES LLC  
LOT 5 - BLOCK 1, LANCASTER CITY LOTS ADDITION



## City of Lancaster Planning Division



### NOTICE OF PUBLIC HEARING

**TO:** Property Owner

**RE:** **Case No. - Z 16-02:** to conduct a public hearing and consider a rezoning request from Light Industrial (LI) to Single-family 4 (SF-4) zoning to allow a residential use.

**LOCATION:** The property contains 15,700 sq. ft. of land located on the east side of Katy Street further described as 1102 Katy Street, Lancaster, Dallas County, Texas. A location map depicting the property and the 200-ft notification area is attached for reference. This notice and the notification area are required under Chapter 211.007 of the Texas Local Government Code.

**EXPLANATION OF REQUEST:** The Applicant requests to rezone this property for the purpose of operating a radio station.

☐ I AM IN FAVOR OF THE REQUEST FOR THE FOLLOWING REASONS:

☐ I AM OPPOSED TO THE REQUEST FOR THE FOLLOWING REASONS:

**COMMENTS** We are not against growth. This area was zoned Light Industrial about 40 years ago. We have built and own several large facilities that are Light Industrial and would like this area to stay the same. Before development, the Silos were empty and rat infested. There were abandoned houses, empty lots, and houses that today would not meet code. An exception cannot be made for one without more following. Do you really want to go backward?

**SIGNATURE:**

\* Fuller Mejia  
840 KATY STREET  
LANCASTER TX 75146

**ADDRESS:**

Your written comments are being solicited in the above case. Additional information is available in the Department of Planning at 700 E. Main. The Planning and Zoning Commission will hold a public hearing and take action on the above case at their meeting on **Tuesday, March 1, 2016 at 7:00 pm**. The City Council will hold a public hearing and take action on the above case at their meeting on **Monday, March 28, 2016 at 7:00 pm**. Meetings are typically held in the City Council Chambers, City of Lancaster Municipal Center, 211 N. Henry Street, Lancaster, Texas.

Please legibly respond in ink. If the signature and/or address are missing, your comments will not be recorded. Your response must be received in the Planning Division by **5 p.m. on Friday, 2/26/16** for your comments to be recorded for the Planning and Zoning Commission's 3-1-16 meeting. Responses received after that time will be forwarded to the Commission at the public hearing.

If you have any questions concerning this request,  
please contact the Planning Division  
Phone 972-218-1240  
FAX 972-227-7220

**RETURN BY FAX OR MAIL**  
City of Lancaster  
Planning Division  
Lancaster, TX 75146-0940

14 notices were sent out on 12/22/2015

② Fuller Mejia Commercial Properties LLC  
Lot 2 Katy Street



## City of Lancaster Planning Division



### NOTICE OF PUBLIC HEARING

**TO:** Property Owner

**RE:** **Case No. - Z 16-02:** to conduct a public hearing and consider a rezoning request from Light Industrial (LI) to Single-family 4 (SF-4) zoning to allow a residential use.

**LOCATION:** The property contains 15,700 sq. ft. of land located on the east side of Katy Street further described as 1102 Katy Street, Lancaster, Dallas County, Texas. A location map depicting the property and the 200-ft notification area is attached for reference. This notice and the notification area are required under Chapter 211.007 of the Texas Local Government Code.

**EXPLANATION OF REQUEST:** The Applicant requests to rezone this property for the purpose of operating a radio station.

☐ I AM IN FAVOR OF THE REQUEST FOR THE FOLLOWING REASONS:

☒ I AM OPPOSED TO THE REQUEST FOR THE FOLLOWING REASONS:

**COMMENTS:** We are not against growth. This area was zoned Light Industrial about 40 years ago. We have built and own several large facilities that are Light Industrial and would like this area to stay the same. Before development, the Silos were empty and rat infested. There were abandoned houses, empty lots, and houses that today would not meet code. An exception cannot be made for one without more following.

Do you really want to go backward?

**SIGNATURE:** 

**ADDRESS:** 840 KATY STREET  
LANCASTER TX 75146


Your written comments are being solicited in the above case. Additional information is available in the Department of Planning at 700 E. Main. The Planning and Zoning Commission will hold a public hearing and take action on the above case at their meeting on **Tuesday, March 1, 2016 at 7:00 pm**. The City Council will hold a public hearing and take action on the above case at their meeting on **Monday, March 28, 2016 at 7:00 pm**. Meetings are typically held in the City Council Chambers, City of Lancaster Municipal Center, 211 N. Henry Street, Lancaster, Texas.

Please legibly respond in ink. If the signature and/or address are missing, your comments will not be recorded. Your response must be received in the Planning Division by **5 p.m. on Friday, 2/26/16** for your comments to be recorded for the Planning and Zoning Commission's 3-1-16 meeting. Responses received after that time will be forwarded to the Commission at the public hearing.

If you have any questions concerning this request,  
please contact the Planning Division  
Phone 972-218-1240  
FAX 972-227-7220

**RETURN BY FAX OR MAIL**  
City of Lancaster  
Planning Division  
Lancaster, TX 75146-0940

14 notices were sent out on 12/22/2015

 **MEJIA COMMERCIAL PROPS LLC**  
LOT 1 KATY STREET





Jesus Garcia & Iris P. Fuentes

1102 Katy St.

Lancaster, Texas 75146

Dear Neighbors,

We are Jesus Garcia and Iris P. Fuentes we are your new neighbors who recently purchased the property located at 1102 Katy St Lancaster, Texas 75146. We are happily married and have two children, Jesus Jr(5), Kevin(3) we purchased our first home from Ms. Sandra Moss Duncan on December 15,2015.

To our surprise we have come to find out that our home is considered commercial. Myself and my wife are planning to submit an application to the city of Lancaster to re- zone back residential so we can live in the property. We are humbly asking for your support in allowing our property to be re-zoned to residential as we plan to live a happy and calm life in this wonderful neighborhood.



If you have any questions or concerns please don't hesitate to contact me at (972) 481-4092.

We thank you in advance for your attention and support to this extremely important matter.

Sincerely yours,

---

Jesus Garcia & Iris P. Fuentes

01/04/2016

If I can count with your support please sign below

---

Print Name: Chyan Wallace Date: 01-12-16

Address: 1018 Katy Street

Phone Number: 469-398-9173



Jesus Garcia & Iris P. Fuentes

1102 Katy St.

Lancaster, Texas 75146

Dear Neighbors,

We are Jesus Garcia and Iris P. Fuentes we are your new neighbors who recently purchased the property located at 1102 Katy St Lancaster, Texas 75146. We are happily married and have two children, Jesus Jr(5), Kevin(3) we purchased our first home from Ms. Sandra Moss Duncan on December 15,2015.

To our surprise we have come to find out that our home is considered commercial. Myself and my wife are planning to submit an application to the city of Lancaster to re- zone back residential so we can live in the property. We are humbly asking for your support in allowing our property to be re-zoned to residential as we plan to live a happy and calm life in this wonderful neighborhood.



If you have any questions or concerns please don't hesitate to contact me at (972) 481-4092.

We thank you in advance for your attention and support to this extremely important matter.

Sincerely yours,

---

Jesus Garcia & Iris P. Fuentes

01/04/2016

If I can count with your support please sign below

---

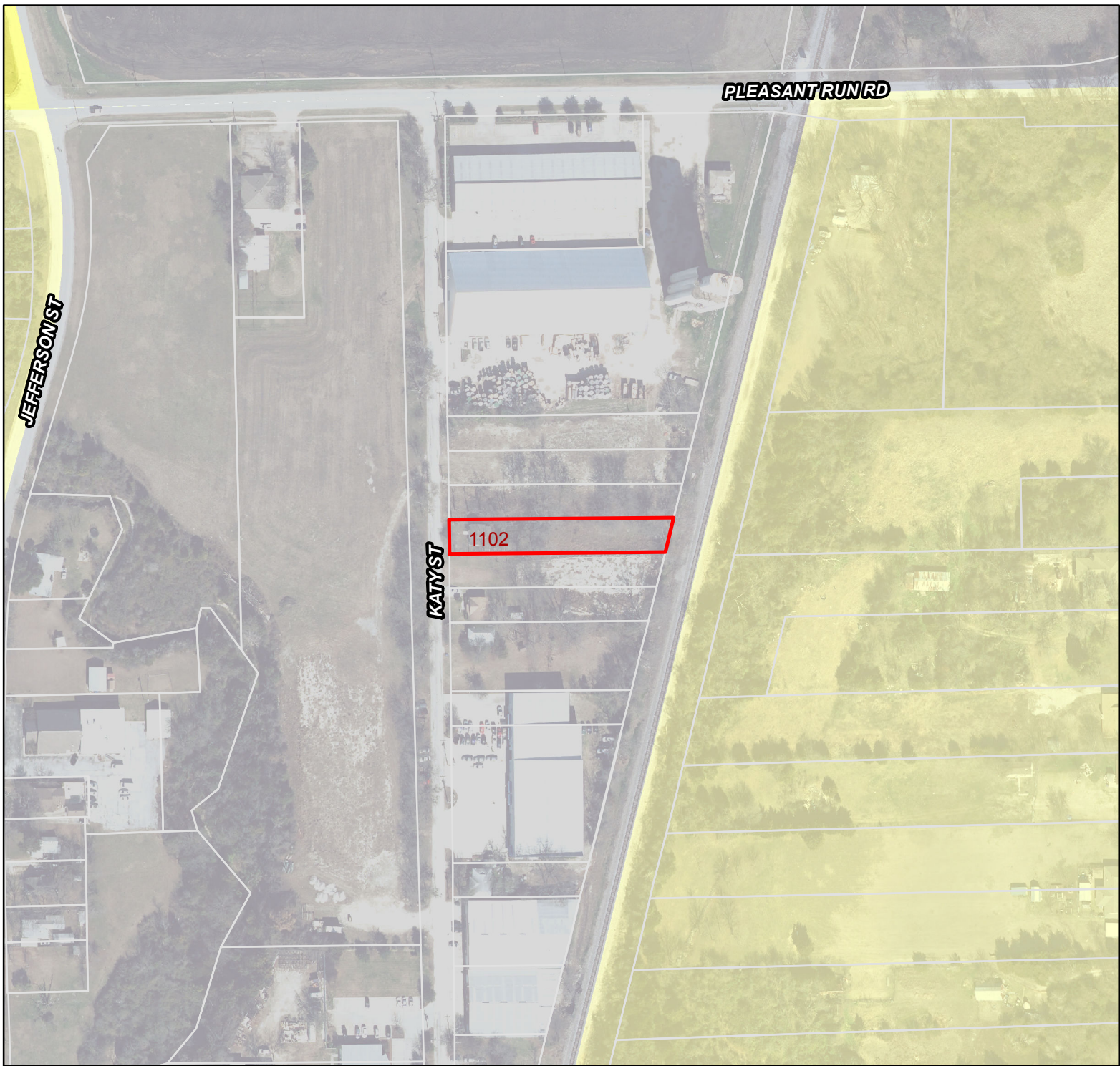
Print Name: Ollie L. Davis Date: 01-12-16

Address: 1018 Katy Street

Phone Number: 972-227-5948







0 75 150 300 Feet

# City of Lancaster

## 1102 Katy St

### Light Industrial Zoning

#### Legend

Parcels

#### Zoning

2F-6 (2 Family Residential)  
A-O (Agricultural Open)  
CH (Commercial Hwy)

CS (Commercial Services)  
LI (Light Industrial)  
MI (Medium Industrial)  
MF-16 (Mult-Family)  
MH (Mobile Home)

MZ  
NS (Neighborhood Service)  
ORT (Office)  
PD (Planned Development)  
R (Retail)

SF-4 (Residential Low)  
SF-5 (Residential Medium)  
SF-6 (Residential High)  
SF-E (Single Family Estate)  
TC (Town Center)

TH-16 (Town Home)  
TND (Residential)  
ZL-7 (Zero Lot Line Res)

153

**Excerpt from Unapproved Minutes  
Planning and Zoning Commission  
March 1, 2016**

**ITEM 2.**

Z16-02 – Conduct a public hearing and consider an amendment to the City of Lancaster's Comprehensive Plans Future Land Use map Light Industrial uses to low density Residential uses and a rezoning request from LI-Light Industrial to SF4-Single Family Residential. The subject property is located on the east side of Katy Street just south of the intersection of Katy Street and East Pleasant Run Road and further described as 1102 Katy Street, Lancaster, Dallas County, Texas.

ACM Stringfellow presented the staff report. This is a request to amend the City of Lancaster's Comprehensive Plan Future Land Use plan as well as rezoning to Light Industrial. The property is currently zoned as Light Industrial and all the adjacent properties surrounding the subject properties is zoned as Light Industrial. The Comprehensive Plan identifies this site suitable for Light Industrial uses that are the current Comprehensive Plan as well as the upcoming Comprehensive Plan that will be brought before this Commission as well as City Council. This item was noticed on the February 19<sup>th</sup> Daily Focus Newspaper and forms were sent out to property owners and we received six (6) responses that were in opposition of the rezoning request and that was included in your packets. Staff provided a zoning map on this case, as well.

An error occurred on the property owner notices and staff wanted to acknowledge on the record that the proposed use is for single family and not a radio station ( as stated in the notice). The notices still had the location and address correct.

The subject property is about 15,700 square feet of land and the applicant is requesting to construct a single family detached home product. The aerial illustrates several houses on the street that are legal non-conforming uses. The light industrial zoning has been in place at least since 1990. As the residential uses continue to decrease, the area will completely develop as an industrial park.

ACM Stringfellow stated that staff is of the opinion that the proposed use is not consistent with the growth in this area. Surrounding development is light industrial development that is reflected in the Comprehensive Plan Future Land Use plan map. The proposed amendment to the Comprehensive Plan and associated zoning change is not consistent with the future land use plan. Therefore, staff would recommend denial of the requested amendment of the proposed re-zoning change.

Commissioner Hill asked if the current Comprehensive plan is not in compliance with the new proposed amendment.

ACM Stringfellow stated that this legal nonconforming use is not in compliance with the vision of the City and it's not an area of the City wants to revert back to a single family neighborhood. The City changed the zoning to light industrial. The families can continue to live in the area but cannot make any additions to their homes since the area is zoned as light industrial.

Commissioner Aguilar asked if the proposed rezoning is not in compliance with the future land use plan but the proposed amendment to the future land use plan (FLUP) would allow the proposed zoning to become consistent.

ACM Stringfellow stated that if you recommend approval tonight then the change in the future land use plan would make this allowable otherwise it is not in compliance with the future land use plan. It is not in compliance with the vision of the City.

Commissioner Johnson asked, but there are already homes there with families with children, elderly people and they have lived there for quite some time. If this moves forward, what happens to those families?

ACM Stringfellow responded that this is where the legal nonconforming use comes into play as they have the right to be there since they are already a single family residential property. Should they vacate the property for more than 6 months, the family decides to sell or move out they could not add to their house and it would have to remain the same size. If residents attempted to obtain a permit the City's Building Official would inform them that they cannot do so due to the nonconforming use and the light industrial zoning classification.

Commissioner Johnson, asked so they have already started rebuilding.

ACM Stringfellow stated yes.

City Attorney, David Dodd stated that when the zoning changes on property, you cannot prolong it, you can't expand it and however the resident will be allowed to live there for the life of the building.

Commissioner Johnson asked about eminent domain and when the interest of the City outweighs what is residential.

CA Dodd stated that the City would not force the resident to move out. This is not an eviction notice, it is land use issues.

Vice Chair, Prothro stated that the families are grandfathered in and will be able to live there and no one will be forced out.

Commissioner Johnson asked what if a family member is deceased and the property is passed down to another family member.

CA Dodd stated that they will be able to pass the property down to another family member and live in the property and take ownership. However, if they have a non-conforming use, let's say you have a house and then the area becomes zoned commercial, light industrial or something else that's the nonconforming use. One of the ways this terminates is if it is used as a residence and most ordinances say after six months if you have not lived in the residence, it is considered abandoned. Lancaster has a history of tornadoes, and if a tornado destroys the house the nonconforming use ends, but we are not going to force anyone out.

Commissioner Hill asked that right now this is in conformance with our current comprehensive plan?

ACM Stringfellow responded, it is not in conformance.

Commissioner Hill also asked but the current comprehensive plan identifies this and will address this on the City's current comprehensive plan and future land use plan and its future vision.

ACM Stringfellow stated that the future vision for the City is light industrial.

Commissioner Aguilar asked if there are homes and other businesses in this area?

ACM Stringfellow stated, yes.

Vice Chair Prothro asked are there any additional questions for staff, and if none the applicant can come forward and present their request.

Jesus Garcia (his wife Iris Fuentes translated), 820 Bradberry, Dallas, Texas. He stated that he purchased the home from Ms. Sandra Duncan and did not know that the home was changed to commercial zoning. He bought it from Ms. Duncan.

Ms. Duncan came forward and stated that she was the previous owner of the home. She was unaware that the zoning changed to light industrial. She stated that she had received a lot of offers from people wishing to buy her property but she continued to pay her taxes and did not want to deal with it at the time. She decided to accept one of the many offers and apparently this family just wanted to move into her home and make a few revisions to the home for his wife and children.

Mr. Garcia stated that he wanted to bring his children out of Dallas and into Lancaster for a little bit of the country life. She accepted his offer and it wasn't a large amount for the property but it was a fair amount and he agreed because he paid it. After selling her home the Garcia's were getting ready to move in and she was in the hospital for over a month and received a call from Mr. Garcia's sister-in-law because they were told that they could not move into the property because it had been rezoned. Ms. Duncan stated that she was unaware of the zoning change and had not received any correspondence from the City. She stated even Mr. Frank Mejia wanted to purchase her home and he never said anything about a zoning change. Her mail box was up for over four months before she became ill and she doesn't recall any correspondence. She moved to another home around the corner and she didn't receive any correspondence from the City. She believes that situations like this are very unfair to everybody involved. When your property is being taken over people should be made aware of the changes. Mr. Garcia had paid for the property and she used the money from the sale in order to take care of some financial obligations. She was left in the dark and he cannot use the property in order to move his family in. Ms. Duncan stated that she understands the grandfathering clause but she doesn't understand why this family cannot move into the home.

Vice Chair, Prothro stated thank you Ms. Duncan.

Mr. Garcia stated that when he bought the property that he did not know that it had been rezoned and if he had known he would not have bought the property. The home that he is currently living in, he is renting and has not renewed a lease and they are charging him

more money. He just wants to move into the property for his wife and children and wasn't aware of all this and wanted to know if he can move in.

ACM Stringfellow stated that property owner notifications were sent out to the residents as part of the rezoning request. This is customary with most rezoning requests to send out a 200 foot notification so that the properties that would be directly affected by the rezoning would be able to speak either in favor or against the matter. Only the ones that were sent out by the city will count in determining whether 20% are not in favor of the request, thus requiring a super-majority at the City Council consideration.

Mr. Garcia stated that he went to the City and they informed him to send out requests to his neighbors. Ms. Stringfellow stated that this is customary and staff will suggest going and talking to your neighbors to see if they are in agreement with the rezoning request. That would typically help the owner to gauge whether or not the folks around you would be supportive of the request. But we send out the legal notifications and if 20% of the property owners in that area disagree they would force the super-majority decision from City Council.

CA Dodd verified that 20% would force a super majority to Council.

ACM Stringfellow stated while the Garcia's may have went to their neighbors, only 20% of the 200 foot notification would count as a part of the rezoning request.

Mr. Garcia informed the Commission that he had signatures from the three houses and his current house makes four and the other three houses belong to Mr. Mejia.

CA Dodd asked how he got the support from the houses that he sent out.

Mr. Garcia stated that they visited the homes themselves.

CA Dodd stated that the law requires us to notify within 200 feet of the property according to the tax roll and that's who we notified which is under the law. He reiterated that 20% or more of the property owners that are in opposition would force the super majority.

Mr. Garcia stated that he wanted to live in the house for him and his family and Ms. Duncan stated that she is so sorry but if there is only one family within 200 feet and she doesn't understand why they can't move into the house. She stated that she understands but not fully.

Vice Chair, Prothro asked if there are any other questions for the staff. If there are no more persons wishing to speak in favor of this case. I give the floor to those wishing to speak against this case. All those wishing to speak in opposition on Item #3 – Z16-02 please come forward and state your name and address clearly for the record.

Walter Weaver, 4111 South Centre, Lancaster, Texas. He stated that he has lived in Lancaster for over 30 years and it has been light industrial for over 40 years and he believes that this area needs to move forward with industrial uses and it is not suitable for single family dwelling. It would improve the value of the property to light industrial and there are so many trucks in this area, it is unsafe for small children. He asked the applicants to please check the property and the zoning before purchasing property in the future.

ACM Stringfellow stated that we don't have the information as to when this area was rezoned. However, we would need additional time to get the information in order to share with the Commission.

Frank Mejia, 1500 West Main Street, Lancaster, Texas. He stated that he has lived in this area and has over seven notices on the properties on Katy Street. He has been on Katy Street for over 40 years and it has been light industrial for a long time. He states that he feels very sorry for these people but Mr. Garcia made two mistakes when he purchased the property. First, he didn't check the zoning for this property and second, he didn't check to see if you could do any repairs. He stated he has been buying all these properties in the area and he believes it not safe for the kids in this area.

Marco Mejia, 1515 Rebecca, Lancaster, Texas. He stated that we must take the emotions out of the situation and go with the Comprehensive plan and the current zoning. This area has been light industrial for as long as he can remember. He is afraid for the children that live in this area and their safety because of the trucks moving on the street. You should not mix children and trucking. He stated that he is very sorry for this family but they should have done their homework before purchasing the property.

CA Dodd stated to the Commission that the last zoning map was adopted in 2008 and it appears that this property has been light industrial for much longer than that.

Commissioner Johnson commented that she is sorry for the financial burden between the parties.

Commissioner Hill agrees with Commissioner Johnson and feels sorry for all parties.

Commissioner Aguilar asked if the other homes have families in them.

ACM Stringfellow stated that we cannot confirm that at this time. .

Vice Chair, Prothro stated if there are no more persons wishing to speak in opposition to this case, will entertain a motion to close the public hearing.

**A MOTION WAS MADE BY COMMISSIONER AGUILAR SECONDED BY COMMISSIONER HILL TO CLOSE THE PUBLIC HEARING.**

**AYES: PROTHRO, HILL, AGUILAR, JOHNSON**

**NAYS:**

The Public Hearing has been closed.

Vice Chair Prothro opened the discussion.

Commissioner Hill suggested to staff that the previous owners should have known and they should have done their homework in order to find what the vision of the City is and get in the habit of spot zoning in the future in order to be aware.

Vice Chair Prothro stated his frustration on cases like this that did not adhere to the city's vision. We need to move ahead with what the Comprehensive plan states.

Commissioner Johnson commented that she is sorry for the financial burden between the parties and it's a lot of history on this street. It's a very unfortunate situation.

CA Dodd stated that with each family you will have nonconforming situations until the property is vacant or abandoned for six months.

Commissioner Aguilar agrees with Commissioner Hill and Commissioner Johnson that additional research should have been completed on this property and this situation is very unfortunate.

**A MOTION WAS MADE BY COMMISSIONER AGUILAR AND SECONDED BY COMMISSIONER HILL TO DENY CASE Z16-02 IN ACCORDANCE WITH STAFF RECOMMENDATIONS.**

**AYES: PROTHRO, HILL, AGUILAR, JOHNSON**

**NAYS:**

**THE MOTION CARRIED UNANIMOUSLY.**



# LANCASTER CITY COUNCIL

## Agenda Communication

March 28, 2016

---

**Z16-01 – Conduct a public hearing and consider an ordinance amending the City of Lancaster Comprehensive Plan Future Land use map designating said Agricultural uses to Commercial Highway uses and a re-zoning request from AO – Agricultural Open Space to LI – Light Industrial. The subject property is located on the west side of N. Houston School Road approximately 160 feet north of the intersection of N. Houston School Road and Cedardale Road further described as a 1 acre tract of land recorded in Volume 2730 Page 577, and the remainder of a .63 acre tract of land in Volume 72171, Page 1604, Lancaster, Dallas County, Texas. The property is more particularly described as 3335 N. Houston School Road.**

---

**This request supports the City Council 2015-2016 Policy Agenda.**

**Goal: Quality Development**

---

### **Background**

1. **Location and Size:** The property is generally located on the west side of North Houston School Road approximately 160 feet north of the intersection of North Houston School Road and Cedardale Road further described as a 1.0 acre tract of land recorded in Volume 2730 Page 577, and the remainder of a .63 acre tract of land in Volume 72171, page 1604.
2. **Current Zoning:** The subject property is currently zoned AO, Agriculture Open Space.
3. **Adjacent Properties:**  
North: LI, Light Industrial (undeveloped)  
South: LI, Light Industrial (Swift Trucking)  
East: PD – LI, Planned Development Light Industrial (BMW)  
West: LI, Light Industrial (undeveloped)
4. **Comprehensive Plan Compatibility:** The Comprehensive Plan identifies this site as suitable for commercial highway uses which is a land use designation suitable for light industrial uses.
5. **Public Notification:** Zoning signs were placed on the subject property. 4 property owner notices were sent on February 19, 2016. ***No responses have been received.***



6. **Case/Site History:**

Date	Body	Action
03/01/2016	P&Z	Recommended Approval of Case Z16-01

**Considerations**

**Operational** – This is a request for a comprehensive plan amendment to change the City of Lancaster’s Future Land Use Plan (FLUP) map from agricultural uses to commercial highway uses. If the amendment and zoning change are both approved, this would make the proposed zoning compatible with the FLUP. The current designation of agricultural uses is not suitable for commercial highway and light industrial uses.

The subject property is a 1.6 acre site that was somehow left out of the zoning for the surrounding area. The applicant is seeking to zone this property to light industrial to be compatible with the surrounding uses.

No responses have been received from property owners within the 200’ notification area.

The Lancaster Development Code states that zoning should be in conformance with the Future Land Use Plan of the City Comprehensive plan. Pursuant to Section 14.1101 of the LDC, when reviewing a zoning change application, there are five (5) considerations that must be made when deciding on a zoning change application. Below is an analysis of these considerations.

**Consistency with the Comprehensive Plan:** The Comprehensive Plan identifies this site as Commercial Highway Uses. The existing zoning is not in compliance with this designation.

The proposed zoning designation, AO, Agricultural Open Space, is not in compliance with the Future Land Use Plan. The proposed amendment to the Future Land Use Plan would allow the subject property to become consistent with the proposed zoning with the adjacent properties. It should be of note that the City is currently undergoing a Comprehensive Plan update that would potentially address this area in the future vision of the City of Lancaster.

**Potential Impact on Adjacent Development:** The subject property is currently undeveloped. The properties to the north, east and west have been developed as industrial uses. Staff does not foresee any potential negative impacts upon adjacent properties or developments.

**Availability of utilities and access:** The subject property is served by City of Lancaster water and sanitary sewer. The applicant is not proposing any changes to the water and sewer master plan.

**Site conditions such as vegetation, topography and flood plain:** The subject property is currently developed. Issues such as vegetation, topography and flood plain have been addressed as part of the previous site plan approval process.

**Timing of Development as it relates to Lancaster's Capital Improvement Plan:** This is not applicable to this site.

- **Legal** – The City Attorney has approved as to form an Ordinance for the proposed rezoning request.
- **Financial** - There are no financial considerations for this item.
- **Public Information** - On Friday, February 19, 2016, a Public Hearing notice appeared in the Focus Daily News, the City of Lancaster's newspaper of record. 2 property owner notices were sent out on February 19, 2016. **No responses have been received.**

### **Options/Alternatives**

1. Approve the rezoning request, as submitted.
2. Approve the rezoning request in accordance with staff recommended conditions.
3. Deny the rezoning request and direct staff.

### **Recommendation**

On March 1, 2016, the P&Z Commission recommended approval of the rezoning request.

Staff concurs with the P&Z.

### **Attachments**

- Ordinance
- P&Z Agenda Communication w/attachments
- Zoning Exhibit
- P&Z Minutes (draft)

---

### **Submitted By:**

Rona Stringfellow, Assistant City Manager

## **ORDINANCE NO.**

**AN ORDINANCE OF THE CITY OF LANCASTER, TEXAS, AMENDING THE COMPREHENSIVE FUTURE LAND USE PLAN AND MAP THEREOF OF THE CITY OF LANCASTER, TEXAS, AS HERETOFORE AMENDED, BY DESIGNATING SAID PLAN FROM AGRICULTURAL USES TO LIGHT INDUSTRIAL, AND GRANTING A CHANGE IN ZONING FROM AO – AGRICULTURE OPEN SPACE TO LI – LIGHT INDUSTRIAL, OF APPROXIMATELY 1.6± ACRES OF LAND LOCATED ON THE WEST SIDE OF NORTH HOUSTON SCHOOL ROAD APPROXIMATELY 160 FEET NORTH OF THE INTERSECTION OF NORTH HOUSTON SCHOOL ROAD AND CEDARDALE ROAD FURTHER DESCRIBED AS A 1 ACRE TRACT OF LAND RECORDED IN VOLUM 2730 PAGE 577, AND THE REMAINDER OF A .63 ACRE TRACT OF LAND IN VOLUM 72171, PAGE 1604, BEING MORE PARTICULARLY DESCRIBED AS 3335 N. HOUSTON SCHOOL ROAD, LANCASTER, DALLAS COUNTY, TEXAS; PROVIDING A REPEALING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING A PENALTY OF FINE NOT TO EXCEED THE SUM OF TWO THOUSAND DOLLARS (\$2,000.00) FOR EACH OFFENSE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City Planning and Zoning Commission and the governing body of the City of Lancaster, Texas, in compliance with the laws of the State of Texas and pursuant to the Comprehensive Zoning Ordinance of the City of Lancaster, have given requisite notices by publication and otherwise, and after holding due hearings and affording a full and fair hearing to all property owners generally, and to all persons interested and situated in the affected area and in the vicinity thereof, the said governing body is of the opinion that Comprehensive Land Use Plan and Zoning Application No. Z16-01 should be approved, and in the exercise of legislative discretion have concluded that the Comprehensive Land Use Plan and Zoning Ordinance and Map thereof should be amended.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS:**

**SECTION 1.** That the Comprehensive Land Use Plan and Map thereof and Zoning Ordinance and Map of the City of Lancaster, Texas, duly passed by the governing body of the City of Lancaster, Texas, as heretofore amended, be and the same is hereby amended by amending the Comprehensive Land Use Plan Ordinance and Map thereof from Agricultural Uses to Light Industrial and to grant zoning from Agriculture Open Spaces (AO) to Light Industrial (LI), on property approximately 1.6± acres of land, on the west side of N. Houston School Road approximately 160 feet north of the intersection of N. Houston School Road and Cedardale Road further described as a 1 acre tract of land recorded in Volume 2730 Page 577, and the remainder of a .63 acre tract of land in Volume 72171, Page 1604, being more particularly described as 3335 N. Houston School Road, Lancaster, Dallas County, Texas.

**SECTION 2.** That the subject Property, as hereby zoned, shall be developed and used in conformance and in the manner and for the purposes provided for by Light Industrial (LI) zoning district regulations and approvals required as set forth in the Lancaster Land Development Code and the Comprehensive Zoning Ordinance of the City of Lancaster, as heretofore amended, and the detailed site plan, which shall be submitted and approved in accordance with said ordinances.

**SECTION 3.** That all provisions of the Ordinances of the City of Lancaster, Texas, in conflict with the provisions of this ordinance be, and the same are hereby, repealed, and all other provisions not in conflict with the provisions of this ordinance shall remain in full force and effect.

**SECTION 4.** That should any sentence, paragraph, subdivision, clause, phrase or section of this ordinance be adjudged or held to be unconstitutional, illegal or invalid, the same shall not affect the validity of this ordinance as a whole, or any part or provision thereof other than the part so decided to be unconstitutional, illegal or invalid, and shall not affect the validity of the Comprehensive Zoning Ordinance as a whole.

**SECTION 5.** An offense committed before the effective date of this ordinance is governed by prior law and the provisions of the Comprehensive Zoning Ordinance, as amended, in effect when the offense was committed and the former law is continued in effect for this purpose.

**SECTION 6.** That any person, firm or corporation violating any of the provisions or terms of this ordinance shall be subject to the same penalty as provided for in the Comprehensive Zoning Ordinance of the City of Lancaster, as heretofore amended, and upon conviction shall be punished by a fine not to exceed the sum of Two Thousand Dollars (\$2,000.00) for each offense; and each and every day such violation shall continue shall be deemed to constitute a separate offense.

**SECTION 7.** That this ordinance shall take effect immediately from and after its passage and the publication of its caption, as the law and charter in such cases provide.

**DULY PASSED** and approved by the City Council of the City of Lancaster, Texas, on the 28th day of March, 2016.

**ATTEST:**

**APPROVED:**

\_\_\_\_\_  
Sorangel O. Arenas, City Secretary

\_\_\_\_\_  
Marcus E. Knight, Mayor

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Robert E. Hager, City Attorney

# PLANNING & ZONING COMMISSION

Agenda Communication for  
March 1, 2016

#2

**Z16-01 – Conduct a public hearing and consider an amendment to the City of Lancaster's Comprehensive Plan's Future Land use map Agricultural uses to Light Industrial uses and a re-zoning request from AO – Agricultural Open Space to LI – Light Industrial. The subject property is located on the west side of N. Houston School Road approximately 160 feet north of the intersection of N. Houston School Road and Cedardale Road further described as a 1 acre tract of land recorded in Volume 2730 Page 577, and the remainder of a .63 acre tract of land in Volume 72171, Page 1604, Lancaster, Dallas County, Texas. The property is more particularly described as 3335 N. Houston School Road.**

## **Background**

1. **Location and Size:** The property is generally located on the west side of North Houston School Road approximately 160 feet north of the intersection of North Houston School Road and Cedardale Road further described as a 1.0 acre tract of land recorded in Volume 2730 Page 577, and the remainder of a .63 acre tract of land in Volume 72171, page 1604.
2. **Current Zoning:** The subject property is currently zoned AO, Agriculture Open Space.
3. **Adjacent Properties:**  
North: LI, Light Industrial (undeveloped)  
South: LI, Light Industrial (Swift Trucking)  
East: PD – LI, Planned Development Light Industrial (BMW)  
West: LI, Light Industrial (undeveloped)
4. **Comprehensive Plan Compatibility:** The Comprehensive Plan identifies this site as suitable for light industrial which is a land use designation suitable for light industrial and commercial highway uses.
5. **Public Notification:** Zoning signs were placed on the subject property. 4 property owner notices were sent on February 19, 2016. *No responses have been received.*
6. **Case/Site History:** N/A

### **Considerations**

This is a request for a comprehensive plan amendment to change the City of Lancaster's Future Land Use Plan (FLUP) map from agricultural uses to commercial highway uses. If the amendment and zoning change are both approved, this would make the proposed zoning compatible with the FLUP. The current designation of agricultural uses is not suitable for commercial highway and light industrial uses.

The subject property is a 1 acre site that was somehow left out of the zoning for the surrounding area. The applicant is seeking to zone this property to light industrial to be compatible with the surrounding uses.

No responses have been received from property owners within the 200' notification area.

The Lancaster Development Code states that zoning should be in conformance with the Future Land Use Plan of the City Comprehensive plan. Pursuant to Section 14.1101 of the LDC, when reviewing a zoning change application, there are five (5) considerations that must be made when deciding on a zoning change application. Below is an analysis of these considerations:

**Consistency with the Comprehensive Plan:** The Comprehensive Plan identifies this site as agricultural uses. The proposed change in zoning is not in compliance with the Future Land Use Plan (FLUP).

The proposed amendment to the Future Land Use Plan would allow the proposed zoning to become consistent with the FLUP if the proposed zoning change is approved.

It should be noted that the City is currently undergoing a Comprehensive Plan update that would potentially address this area in the future vision of the City of Lancaster.

**Potential Impact on Adjacent Development:** The subject property is currently undeveloped. Some of the surrounding properties have been developed as light industrial uses. This is consistent with surrounding development in the area.

**Availability of utilities and access:** The subject property is served by City of Lancaster water and sanitary sewer. The applicant is not proposing any changes to the water and sewer master plan.

**Site conditions such as vegetation, topography and flood plain:** The subject property is currently undeveloped. Issues such as vegetation, topography and flood plain will be addressed as part of the previous site plan approval process.

**Timing of Development as it relates to Lancaster's Capital Improvement Plan:** This is not applicable to this site.

**Recommendation**

Staff recommends approval of the requested amendment to the Future Land Use Plan map and proposed zoning change.

**Attachments**

- Zoning Exhibit
- Location Map

**Prepared By and Submitted By:**

Rona Stringfellow, Assistant City Manager

# **SURVEY PLAT** 05-19-12

BEING SITUATED IN THE WILLIAM MCWERTON SURVEY, ABSTRACT NO. 993, DALLAS COUNTY, TEXAS, AND BEING A PART OF A CALLED 33.33 ACRES TRACT OF LAND CONVEYED TO CLYDE SCHULTZ AND WIFE, BEYLA LEE SCHULTZ, AS RECORDED IN VOLUME 3393 PAGE 301, DEED RECORDS, DALLAS COUNTY, TEXAS (REDCUT) AND ALSO BEING PART OF A TRACT OF LAND CONVEYED TO AC BOWRELL BY DEED RECORDED IN VOLUME 96, PAGE 96 DRDECT AND BEING MORE FULLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 1/2" IRON ROD SET ON THE WEST LINE OF N HOUSTON SCHOOL ROAD, 727.59' FROM THE INTERSECTION OF THE SOUTH LINE OF DANIEL BALD ROAD WITH THE WEST LINE OF N HOUSTON SCHOOL ROAD.

THENCE WITH SAID N HOUSTON SCHOOL ROAD THE FOLLOWING CALLS:

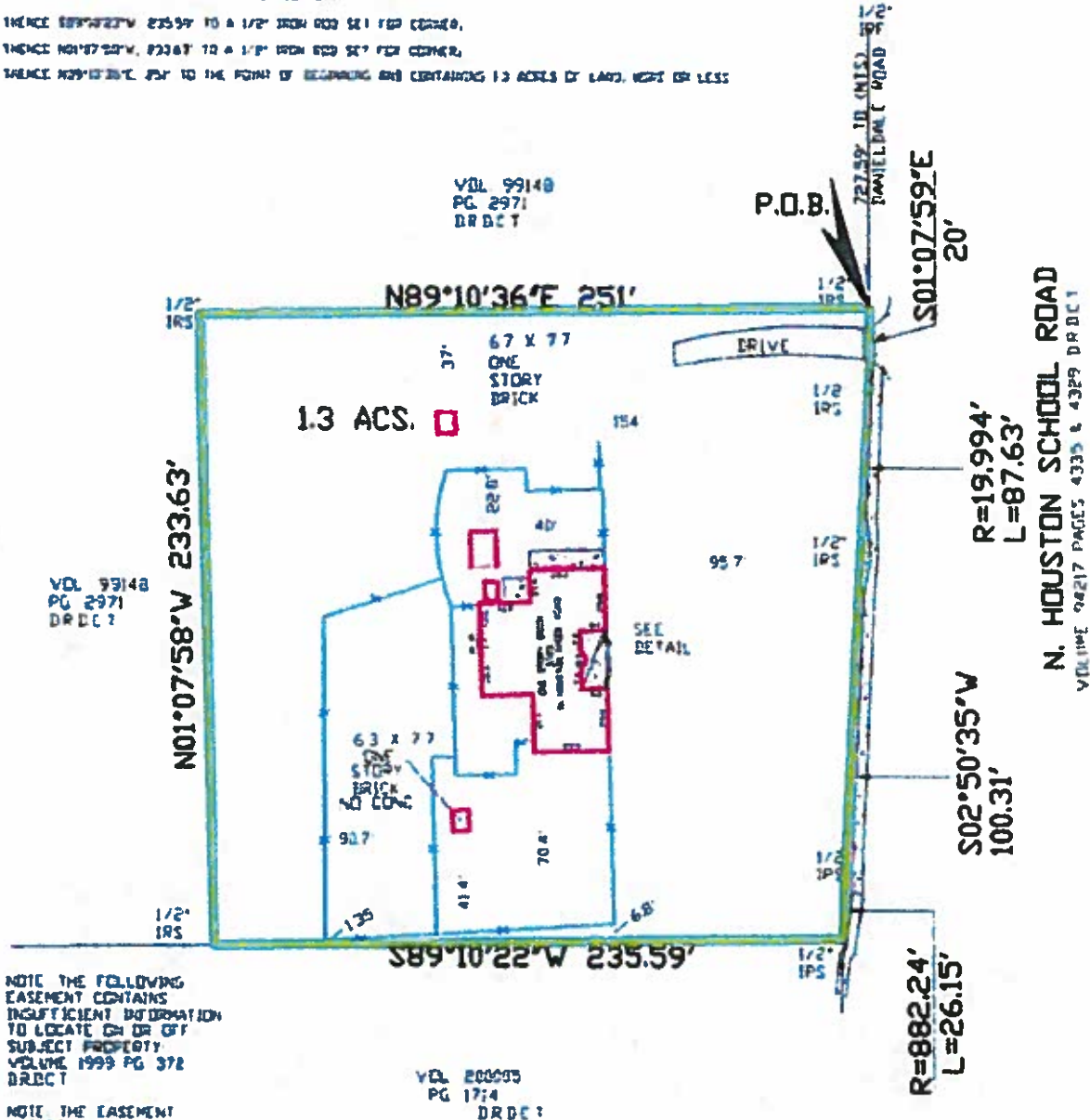
S81°07'59"E, 20' TO A 1/2" IRON ROD SET FOR CORNER AT THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT, WHOSE RADIUS IS 19,994' FOR AN ARC DISTANCE OF 87.63' TO A 1/2" IRON ROD SET FOR CORNER AT THE END OF SAID CURVE.

S82°50'35"W, 100.31' TO A 1/2" IRON PIPE SET FOR CORNER AT THE BEGINNING OF A CURVE TO THE RIGHT, WHOSE RADIUS IS 882.24' FOR AN ARC DISTANCE OF 26.15' TO A 1/2" IRON PIPE SET FOR CORNER.

THENCE S89°10'22"W, 235.59' TO A 1/2" IRON ROD SET FOR CORNER.

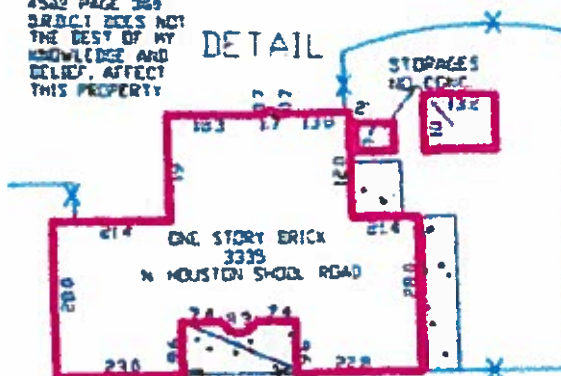
THENCE N01°07'58"W, 233.63' TO A 1/2" IRON ROD SET FOR CORNER.

THENCE N89°10'36"E, 251' TO THE POINT OF BEGINNING, BEING CERTAINING 1.3 ACRES OF LAND, MORE OR LESS.



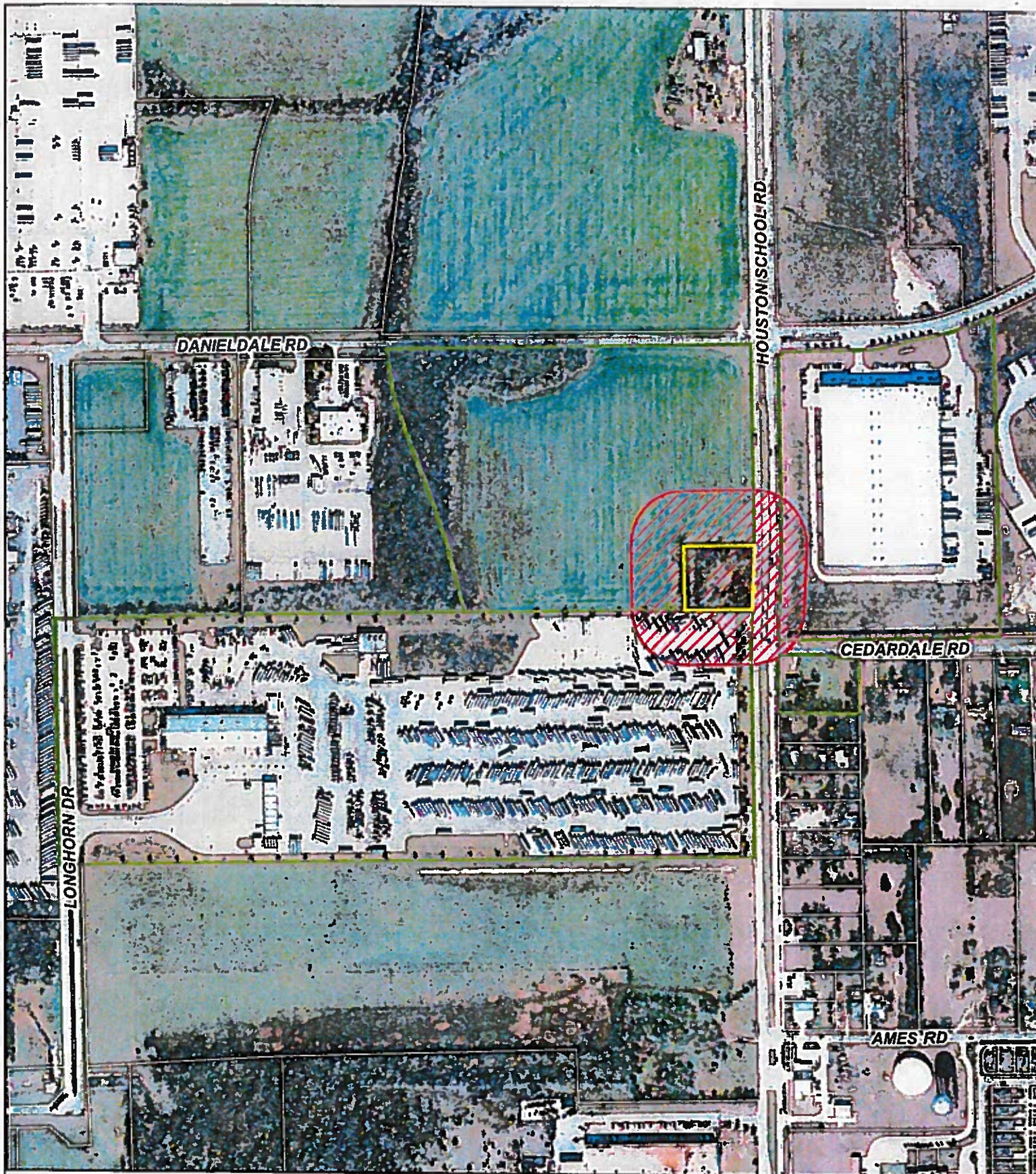
NOTE THE FOLLOWING EASEMENT CONTAINS INSUFFICIENT INFORMATION TO LOCATE ON OR OFF SUBJECT PROPERTY. VOLUME 1999 PG 372 DRDECT

NOTE THE EASEMENT RECORDED IN VOLUME 4542 PAGE 349 DRDECT DOES NOT THE BEST OF MY KNOWLEDGE AND BELIEF, AFFECT THIS PROPERTY



BEARINGS DETERMINED BY GPS OBSERVATION (NAD83)		
<b>JOHN V. FOGUE, INC.</b> Registered Professional Land Surveyor No. 11444 Exp. 5-15-12 6700 W. Plano Pkwy., Suite 100 Plano, TX 75074 Phone: 972.421.1722 Fax: 972.421.1723		





City of Lancaster  
**3335 N Houston School Rd**  
**200' Notification Area**



-  Parcels
-  Subject Parcel
-  Notification Parcels
-  200' Notification Area

0 205 410 820 Feet





0 75 150 300 Feet

#### Legend

Parcels

#### Zoning

2F-6 (2 Family Residential)  
A-O (Agricultural Open)  
CH (Commercial Hwy)

CS (Commercial Services)  
LI (Light Industrial)  
MI (Medium Industrial)  
MF-16 (Mult-Family)  
MH (Mobile Home)

MZ  
NS (Neighborhood Service)  
ORT (Office)  
PD (Planned Development)  
R (Retail)

SF-4 (Residential Low)  
SF-5 (Residential Medium)  
SF-6 (Residential High)  
SF-E (Single Family Estate)  
TC (Town Center)

TH-16 (Town Home)  
TND (Residential)  
ZL-7 (Zero Lot Line Res)

## City of Lancaster 3335 N Houston School Rd Agricultural Open Zoning

170

**Excerpt from Unapproved Minutes  
Planning and Zoning Commission  
March 1, 2016**

**ITEM 1.**

Z16-01 – Conduct a public hearing and consider an amendment to the City of Lancaster's Comprehensive Plan's Future land use map Agricultural uses to Light Industrial uses and a re-zoning request from AO-Agricultural Open Space to LI- Light Industrial. The subject property is located on the west side of North Houston School Road approximately 160 feet north of the Intersection of North Houston School Road and Cedardale Road further described as a 1 acre tract of land recorded in Volume 2730 Page 577, and the remainder of a 0.63 acre tract of land in Volume 72171, Lancaster Dallas County, Texas. The property is more particularly described as 3335 Houston School Road.

Assistant City Manager, Rona Stringfellow presented the staff report.

The property is generally located on the North side of Houston School Road approximately 160 feet north of the intersection of North Houston School Road and Cedardale Road and a Zoning map was provided to the Commission members. The area is designated as being suitable for Light Industrial and Commercial highway uses and for some reason this tract of land was a leave out piece yet everything else was zoned appropriately.

Staff noticed this in the Focus Daily news and to date has received no responses either in favor or against this item. This item is located in an area where there is significant development in the City.

East of the subject property, the BMW site formerly Prologis (now Park 20/35) is currently built; to the north is where the property that is developing a 900,000 square foot Industrial site; to the west of that will be an industrial site with two, 200,000 square foot buildings. This area is extremely busy and this piece is being zoned to the Light Industrial for another site in this area.

This request is twofold because the City Attorney advised us that we have to amend the Comprehensive Plan which we are currently involved in city wide, and so as part of the request we are amending the Comprehensive Plan to show that this land is suitable for Light Industrial land use and subsequent rezoning. The property is currently undeveloped.

Vice Chair Prothro asked is this a part of the upcoming Comprehensive Plan?

ACM Stringfellow stated that this area was a part of the first areas studied and is part of the the Northwest quadrant discussed at a Joint work session with the Council. The area is suitable for Light Industrial and the activity that is going on in this area at the present time and it matches both current and future uses for this site.

Vice Chair Prothro asked was this an oversight? Ms. Stringfellow stated it appears to have been part of a larger site that was acquired through eminent domain and this piece was left over.

Commissioner Aguilar asked if there was a house on the site.

Ms. Stringfellow stated that the house could have been on it at one time, as depicted on the survey that was submitted but is undeveloped as of today.

City Attorney David Dodd, stated that the change in zoning and the Comprehensive Plan is the focus of this discussion.

Vice Chair, Prothro asked if there are no additional questions for staff and at this time, the applicant may come forward and state your name and address for the record.

Robert Allen, First Industrial, 2475 Merritt Drive, Garland, Texas; stated that as Ms. Stringfellow had mentioned earlier this is 1.6 acres of 26 acres and our plan is to develop this area and will be something similar to the Warehouse facility that was already in the area. First Industrial is a publicly traded company similar to Prologis with 65 million square feet of property in the DFW market. Projects recently completed are Dr. Pepper Snapple Group, Taylor Farms and a couple of projects under development in the Arlington area. He provided some examples of recent developments to the Commission.

Vice Chair Prothro asked if there were any other persons wishing to speak in favor of this case. I give the floor to those wishing to speak against the case.

Frank Mejia, 1500 West Main Street, Lancaster Texas, spoke in favor of the item stating that the Planning and Zoning Commission should approve this item. This would allow this company to come in and build some nice buildings in this area.

Vice Chair, Prothro stated if there are no more persons wishing to speak either in favor or in opposition to this case; the Vice Chair will entertain a motion to close the public hearing.

**A MOTION WAS MADE BY COMMISSIONER JOHNSON SECONDED BY COMMISSIONER AGUILAR TO CLOSE THE PUBLIC HEARING.**

**AYES: PROTHRO, HILL, AGUILAR, JOHNSON  
NAYS:**

**A MOTION WAS MADE BY COMMISSIONER HILL AND SECONDED BY COMMISSIONER AGUILAR TO APPROVE CASE Z16-01 IN ACCORDANCE WITH STAFF RECOMMENDATIONS.**

**AYES: PROTHRO, HILL, AGUILAR, JOHNSON  
NAYS:**

**THE MOTION CARRIED UNANIMOUSLY.**