1. Agenda

   Documents:

   NORTHLAKE AGENDA 4-23-20.PDF

2. Meeting Materials

   Documents:

   COUNCIL PACKET 4-23-20.PDF

David A. Rettig, Mayor
Rena Hardeman, Council Place 1
Jimmy Lambert, Council Place 2

Brian Montini, Mayor Pro Tem, Council Place 3
Roger Sessions, Council Place 4
Danny Simpson, Council Place 5

Town Council
Regular Meeting Agenda
Thursday, April 23, 2020 at 6:30 pm

Notice is hereby given as required by Title 5, Chapter 551.041 of the Government Code that the Northlake Town Council will hold its regular meeting on Thursday, April 23 at 6:30 pm by telephone conference. An electronic copy of the agenda packet has been made available on the Town's website and a recording of the meeting will be made available at: https://www.town.northlake.tx.us/AgendaCenter

THE TOWN COUNCIL INTENDS TO PARTICIPATE IN THE MEETING VIA TELECONFERENCE.

Members of the public may dial the following number to join the meeting starting at 6:30 pm: 1-646.749.3122, access code 689.097.437#. Members of the public may email public input comments for item 4. herein to the Town Secretary at: srogers@town.northlake.tx.us. All comments submitted by 5:00 p.m. the day of the meeting will be read aloud during the public input section. Reading of written comments will be limited to three (3) minutes.

1. Call to Order Regular Session

2. Special Recognition
   A. Proclamation No. 20-2 Recognition of National Police Week - May 10th-16th 2020

3. Briefing Items
   B. Northlake COVID-19 Response Update by Police Chief Robert Crawford and ESD Emergency Manager Officer Chris Muscle
   C. FY 20 Quarterly Investment Report presented by John Zagurski, Finance Director
   D. FY 20 Quarterly Budget Review presented by John Zagurski, Finance Director
   E. Northlake Brand Style Guide presented by Tara Barton, Communications & Marketing Coordinator

4. Public Input

5. Regular Items
   F. Consider for approval an Ordinance modifying the First Amended Declaration of Local Disaster and Public Health Emergency that was extended indefinitely by the Town Council on March 26, 2020 to follow and conform with State of Texas and Denton County Declarations (Ordinance No. 20-0423A)
   G. Consider for approval the acceptance of the FY 18-19 Financial Audit ending September 30, 2019
   H. Consider for approval an ordinance amending the Fee Schedule to amend Specific Use Permit fees based on whether they are for a residential or nonresidential use (Ordinance No. 20-0423)
   I. Consider for approval a resolution finding that Oncor Electric Delivery Company LLC's application for approval to amend its distribution cost recovery factor to increase distribution rates within the Town should be denied; authorizing participation with Oncor Cities Steering Committee; authorizing the hiring of legal counsel and consulting services; finding that the Town's reasonable case expenses shall be

reimbursed by the Company; finding that the meeting at which this resolution is passed is open to the public as required by law and requiring notice of this resolution to the company and legal counsel (Resolution No. 20-10)

J. Consider for approval Town Council Meeting Minutes of 4-7-20

6. Convene into Executive Session
Pursuant to Texas Government Code, annotated, Chapter 551 Subchapter D:

a. Section 551.071 authorizes a governmental body to consult with its attorney in an executive session to seek his or her advice on a legal matter. It provides as follows: A governmental body may not conduct a private consultation with its attorney except: (1) When the governmental body seeks the advice of its attorney about: (a) pending or contemplated litigation; or (b) a settlement offer; or (2) on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter. The Town Council may adjourn into executive session for consultation with the Town Attorney regarding:

(i) Legal advice on any matter related to any posted agenda item;
(ii) Legal advice related to Ridgeview Estates development options;
(iii) Pending or contemplated litigation;
(iv) Supreme Court of Texas - Town of Northlake vs City of Justin. No. 18-0651;
(v) Case # FP 18-020 considered by the Town at the January 24, 2019 Town Council meeting;
(vi) Potential litigation related to Eagleton and Applewood road failures;
(vii) Potential litigation related to Dale Earnhardt Way road failures.

7. Open Session
8. Adjournment

CERTIFICATION

I hereby certify that the above agenda was posted on the Town's website on the 16th day of April by 6:30 pm

Shirley Rogers

Shirley Rogers, Town Secretary

NOTE: The Town Council reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above as authorized by Texas Government Code Section 551.071(Consultation with Attorney); Section 551.072 (Deliberations about Real Property); 551.073 (Deliberations about Gifts and Donations); 551.074 (Personnel Matters); 551.076 (Deliberations about Security Devices): 551.087 (Economic Development Negotiations)

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Work Session

Agenda Item 1

Special Recognition

Agenda Item 2

TOWN OF NORTHLAKE, TEXAS
PROCLAMATION NO. 20 - 2
NATIONAL POLICE WEEK
May 10 – 16, 2020

WHEREAS, the Town of Northlake acknowledge the incredible service and sacrifices law enforcement personnel make each day for their fellow citizens. The brave men and women of the Northlake Police Department work long hours, often in dangerous situations to protect our lives, liberty and property: and

WHEREAS, in addition o expressing our appreciation for our dedicated law enforcement professionals, we must equip them to carry out tremendous responsibility of keeping our community safe; and

WHEREAS, the safety and health of our offices must be a priority of all citizens of Northlake. Every day, members of law enforcement risk their lives in service to those they have pledged to protect and defend. We must not take their devotion to duty for granted, and we must we do everything in our power to ensure their physical and mental well-being; and

WHEREAS, the work of law enforcement officers is essential to preserving peace in our community and to ensuring the safety of precious lives and personal property.

NOW, THEREFORE, I, David Rettig, Mayor of the Town of Northlake, Texas, call upon all citizens of Northlake and upon all patriotic, civic, and educational organizations to observe the **week of May 10th – 16th, 2020** as **Police Week** with appropriate ceremonies and observances in which all of our people may join in commemorating law enforcement officers, past and present, who, by their faithful and loyal devotion to their responsibilities, have rendered a dedicated service to their communities and, in so doing, have established for themselves an enviable and enduring reputation for preserving the rights and security of all citizens. I further call upon all citizens of Northlake to observe **Friday, May 15th, 2020, as Peace Officer's Memorial Day** in honor of those law enforcement officers who, through their courageous deeds, have made the ultimate sacrifice in service to their community or have become disabled in the performance of duty, and let us recognize and pay respect to the survivors of our fallen heroes.

IN WITNESS THEREOF, I have hereunto set my hand and caused the Seal of the Town of Northlake, Texas to be affixed on this the 23rd day of April 2020.

SEAL:

____

David Rettig, Mayor

Briefing Items

Agenda Item 3

Argyle Fire District
COVID-19 Presentation

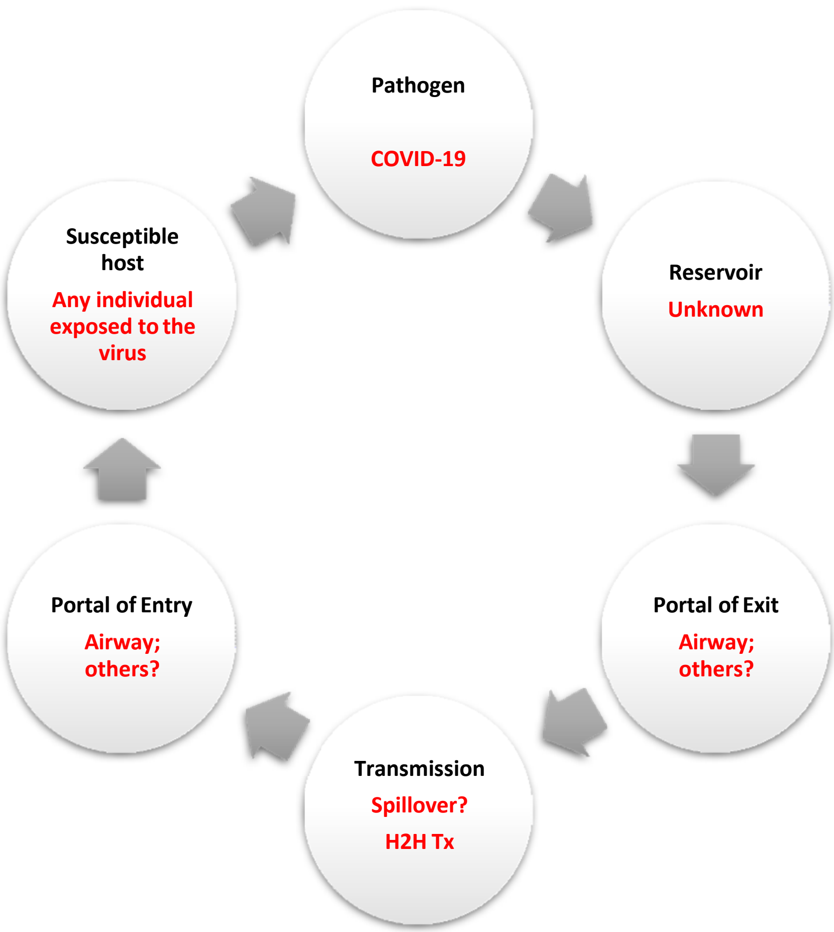
Chris Muscle

Emergency Management Coordinator

Infection Prevention and Control and COVID-19

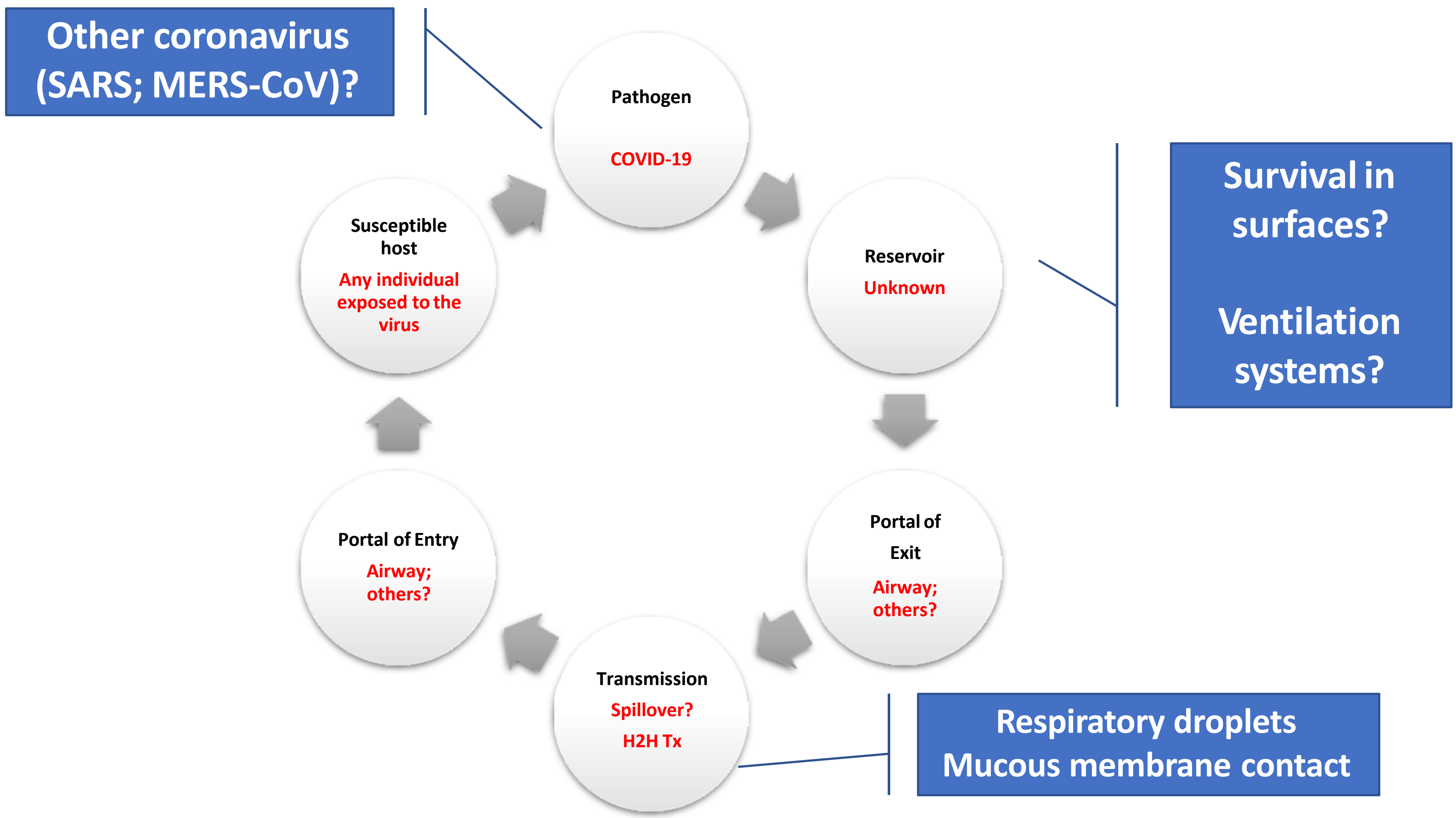
- Limit human-to-human transmission
- Reduce secondary infections
- Prevent transmission through amplification and super-spreading events

Natural history of COVID-19



Source: PAHO, 2020

Natural history of COVID-19



Source: PAHO, 2020

Standard precautions


Hand hygiene (water and soap or alcohol-based solutions)


Use of personal protective equipment (PPE) according to risk


Respiratory hygiene (or cough etiquette)


Environmental cleaning

Transmission-based precautions

Contact precaution

Droplet precaution

Airborne precaution

General principles of PPE

Hand hygiene should always be performed despite PPE use.

Remove and replace if necessary any damaged or broken pieces of re-usable PPE as soon as you become aware that they are not in full working order.

Remove all PPE as soon as possible after completing the care and avoid contaminating the environment outside the isolation room; any other patient or worker; and yourself.

Discard all items of PPE carefully and perform hand hygiene immediately afterwards.

Source: https://apps.who.int/iris/handle/10665/69793

COVID-19 Global Timeline

<u>December 31st 2019</u>

- Chinese officials in Wuhan in China's central Hubei province confirmed dozens of cases of pneumonia from an unknown cause.

<u>January 7th 2020</u>

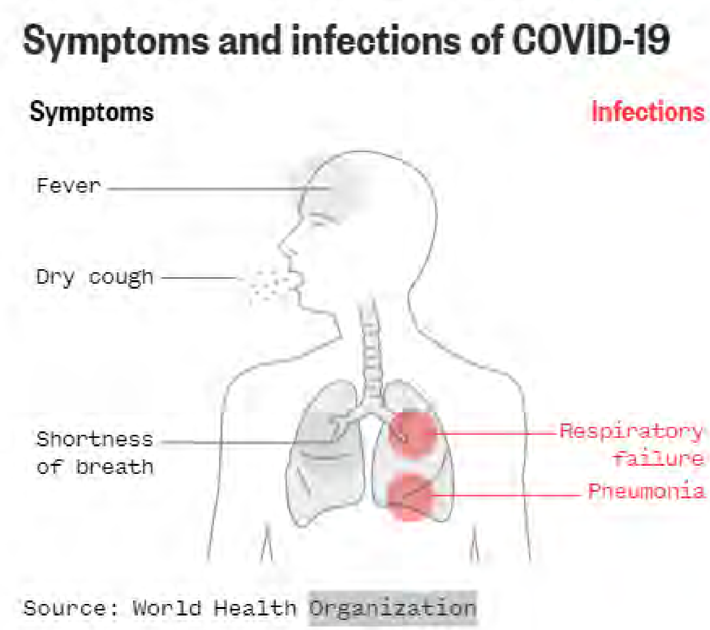
- The outbreak was identified as a new coronavirus.

<u>January 11th</u>

- First confirmed death worldwide, man in 60s from Wuhan China.

<u>January 21st</u>

- First confirmed U.S. case, man in his 30s in Washington State.



COVID-19 Global Timeline

January 30th

- World Health Organization (WHO) declares the outbreak a global public health emergency.

February 8th

- First U.S. citizen died from COVID-19 in Wuhan.

February 26th

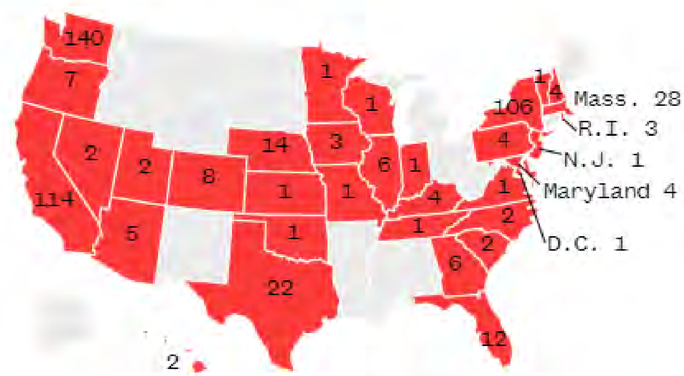
- First case with no clear source of exposure was announced in California.

February 29th

- President Trump announces travel restrictions to the following countries: Iran, Italy & South Korea.
- First recorded death within the U.S. a man in his 50s in Washington State.

March 8th

- Confirmed cases in the U.S. topped 500.



Sources: Centers for Disease Control and Prevention, state officials and NBC News

COVID-19 Global Timeline

March 11th

- Trump announced a new restriction on many foreign travelers from 26 countries in Europe, except for Ireland and the United Kingdom, for the next 30 days. Ireland & the UK would be added to the ban list on March 15th.

March 15th

- The number of confirmed cases in the U.S. surpassed 3,000, with New York, California and Washington recording the most confirmed cases. The national death toll rose to 61.

March 16th

- President Trump advised all Americans to avoid gatherings of 10 or more people, to avoid going to bars and restaurants and to halt discretionary travel. The guidelines, from the administration's coronavirus task force, will remain in effect for 15 days.

COVID-19 Global Timeline

March 17th

- West Virginia, the last state in the U.S. without a confirmed coronavirus case, recorded its first. Confirmed cases across the country rose to more than 5,800 and the death toll surpassed 100.

March 20th

- New York Mayor Bill de Blasio said the nation's largest city is “now the epicenter of this crisis” in the U.S., with 5,151 coronavirus cases and 29 deaths.

March 21st

- Coronavirus cases in New York State, the hardest-hit in the U.S., surpassed 10,000.

March 24th

- Coronavirus cases topped 50,000 in the U.S., with 637 deaths nationwide.

March 25th

- The WHO warned that the U.S. could become the global epicenter of the coronavirus pandemic. The country recorded 54,810 coronavirus cases, including 781 deaths.

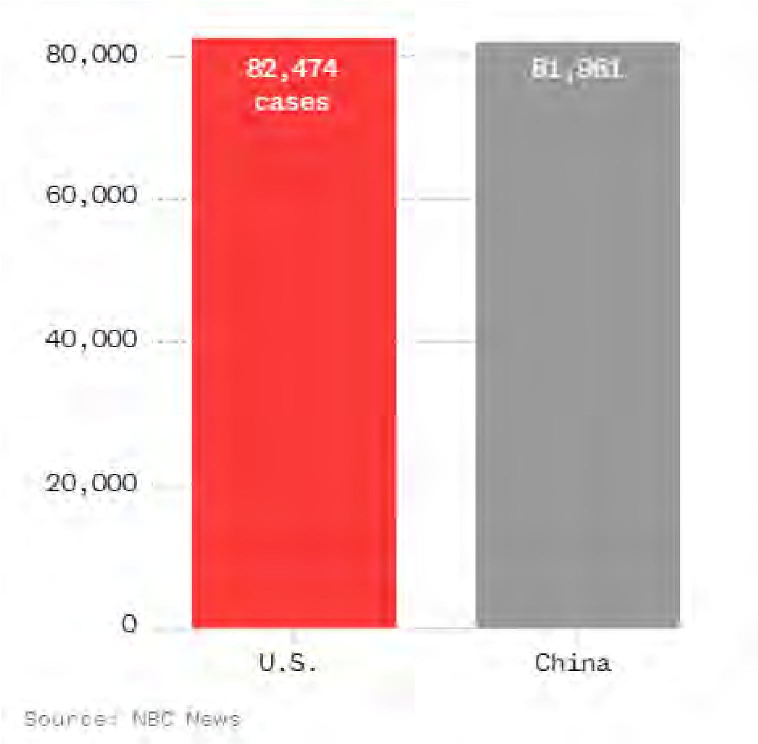
COVID-19 Global Timeline

March 25th

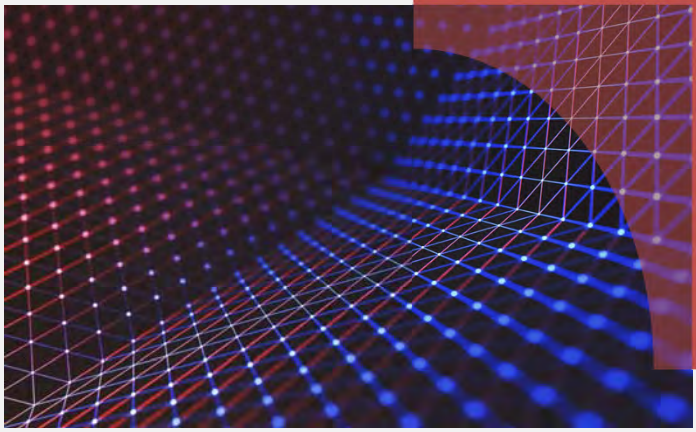
- President Trump approved disaster declarations for Florida, **Texas** and North Carolina.

March 26th

- Deaths in the U.S. passed 1,000, as confirmed cases nationwide rose to more than 68,100. U.S. coronavirus cases surpassed China. The U.S. reported at least 82,474, with more than 1,100 deaths, while China reported 81,961 cases and more than 3,000 deaths.



Town of Northlake Emergency Management Timeline



March	March 15th •Houses of worship across North Texas are closed for Sunday services. Denton County Public Health (DCPH) confirms first "presumptive positive" travel case of COVID-19.
March	March 16th •Fire Administration including OEM calls an IMT meeting. This is held at Argyle Town Hall. Mayors & City Managers from Argyle, Bartonville & Northlake are present.
March	March 19th •Four firefighters are quarantined due to possible exposure to COVID-19
March	March 17th •Fire Department Emergency Operations Center (EOC) is activated to Level III. •Daily Conference Calls are done with all on-duty personnel.

Denton County ESD #1 Timeline

March 24th

- Denton County issues first "stay at home" order and closing of non-essential businesses to flatten the curve.

March 25th

- First confirmed cases in Denton County ESD#1 are reported.

March 26th

- A new case is reported in the ESD.

March 30th

- A new case is reported in the ESD.

March 31st

- Gov. Abbott issues an executive order that only allows Texans to leave their homes for essential activities. The order will last through April 30.
- Abbott also said schools in Texas will remain closed through at least Monday, May 4, but added that date could be extended.

April 1st

- 2 additional cases are reported in the ESD.

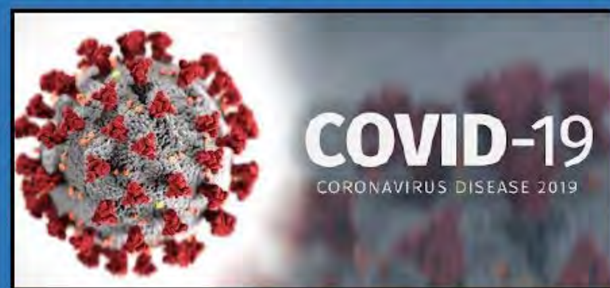
Incident Management Team (IMT) Activation

- On 3/17/2020 our IMT was activated due to the COVID-19 Virus.
- An Incident Action Plan (IAP) was developed by our IMT
- Personnel are required to complete an ICS-214 form each operational period.
- Changes in fire/ems deployment
- Executive Summary
- Conference calls

IAP

COVID-19

INCIDENT ACTION PLAN



OPERATIONAL PERIOD

0600 HOURS 04/02/2020
TO
0600 HOURS 04/03/2020

DENTON COUNTY FIRE
COMMUNITY DUTY HONOR TRADITION
ESD 1
EMS

ICS 214 Form

ACTIVITY LOG (ICS 214)

1. Incident Name: Covid-19	**2. Operational Period:** Date From: 4/1/20 Time From: 0600	Date To: 4/2/20 Time To: 0600
3. Name: Brady Beard	**4. ICS Position:** Branch Leader	**5. Home Agency (and Unit):** DCESD#1 S514

6. Resources Assigned:

Name	ICS Position	Home Agency (and Unit)
Brady Beard	Branch Leader Capt./Paramedic	DCESD#1 E514
Cody Blount	Engineer/Paramedic	DCESD#1 E514
Andrew Crudgington	FF/Paramedic	DCESD#1 E514
Thong Thai	FF/Paramedic	DCESD#1 M514
Andrew Chonody	Lead Paramedic	DCESD#1 M514

7. Activity Log:

Date/Time	Notable Activities
4/1/20 0600	Personnel temps recorded
4/1/20 0700	Apparatus and SCBA checkoffs
4/1/20 0800	Breakfast
4/1/20 0900	IAP Zoom Conference
4/1/20 0905	EMS call M514 E514 run #2020-000517
4/1/20 0929	cleared call
4/1/20 0945	EMS CEs
4/1/20 1130	Fire Training
4/1/20 1330	completed training
4/1/20 1400	Decon apparatus and station
4/1/20 1430	Inventory completed
4/1/20 1730	Dinner
4/1/20 2000	Decon apparatus and station
4/1/20 2200	Bed
4/2/20 0600	End of operational period

8. Prepared by: Name: Brady Beard Position/Title: Branch Leader/Captain Signature: Brady Beard

ICS 214, Page 1 Date/Time: 4/2/20 0600

EXECUTIVE SUMMARY

ARGYLE FIRE DISTRICT
Proudly serving Argyle, Bartonville, Copper Canyon, Draper, Lantana, and Northlake
Mike Lugo
Assistant Chief

EXECUTIVE SUMMARY

March 22, 2020

TO: Mayor's, City Manager's, ESD Board Commissioners, Argyle Fire Board

FROM: Michael Lugo, Assistant Fire Chief
Chris Muscle, Emergency Management Coordinator

SUBJECT: COVID-19 Day 7

Executive Leaders:

The goal of our Incident Management Team (IMT) is to be a local model of best practices in emergency planning, preparation, response and recovery. Working toward that goal is a team of dedicated emergency management professionals and fire department employees who improve our region's emergency management capabilities when it makes the greatest difference — when our lives are free from disaster. We strive to create a culture of preparedness within government and in the community. Preparation and planning are constant. Seeking out ways to do their jobs better is part of the daily routine.

Planning and practice pays off, but real events test how ready we truly are. In this overview, our IMT was able to prepare and execute plans for safety of the citizens and emergency personnel. The COVID-19 virus has affected entire communities. The COVID-19 virus has tested response plans of many communities and highlighted areas for improvement. The mayors and Town Managers in our surrounding communities have all come together, communicated and shared plans on how we can best protect our citizens to reduce the impact caused by COVID-19.

The National Incident Management System (NIMS) is being used by our IMT to prepare and plan for COVID-19 responses. The National Response Framework is being used by our state as well as Emergency Support Function (ESF) 8 for medical response and treatment.

We are thankful for the unwavering commitment of our emergency management partners, town officials and the citizens.

We are constantly updating our response procedures and protection for the citizens and first responders. We will send out daily Executive summaries with information from the County and State as it relates to COVID-19 for the Mayors and Town Managers in Denton County

ARGYLE FIRE DISTRICT
Proudly serving Argyle, Bartonville, Copper Canyon, Draper, Lantana, and Northlake
Mike Lugo
Assistant Chief

Emergency Services District No.1 (DCESD1). We ask that if the towns have any extensions or amendments to their disaster declarations that you please email us a copy for our records. We recommend all towns to keep a log on a 214 form for each op period to document any expenses and employee sicknesses from COVID-19 on the 214 form for reimbursement purposes. If you need assistance with this please reach out to Captain Muscle or Chief Lugo.

DCESD1 has put safety measures in place that limits the use of the facilities by the public during the COVID-19 disaster to reduce chances of exposure to our first responders. DCESD1 has also stopped all pub eds, vehicle unlocks with no one locked in the vehicle, annual fire inspections and smoke/carbon monoxide battery changes during the disaster as well.

Denton County
COVID-19 Confirmed Cases – **30**
COVID-19 Deaths – **0**

Denton County Executive order
https://dentoncounty.gov/-/media/PDFs/COVID-DD-032320.pdf

State of Texas Executive orders
Texas Executive order for hospital capacity
https://gov.texas.gov/uploads/files/press/EO-GA_09_COVID-19_hospital_capacity_IMAGE_03-22-2020.pdf

March 19 Executive Order
https://gov.texas.gov/uploads/files/press/EO-GA_08_COVID-19_preparedness_and_mitigation_FINAL_03-19-2020_1.pdf

PO Box 984 • 511 S Gibbons Rd • Argyle, TX 76226 • 940-464-7102 • (Fax) 940-464-3612
www.argylefire.com

EMS DIRECTIVE

ARGYLE FIRE DISTRICT

Proudly Serving Argyle, Bartonville, Copper Canyon, Draper, Lantana, and Northlake

Cody Miller
EMS Captain

Memorandum

To: All Members
Date: March 21, 2020
From: Captain Cody Miller
RE: COVID-19 Response Plan 2nd UPDATE

In the event we are dispatched to a potential COVID-19 patient, an alert will be placed on the address in the CAD system titled "Health Advisory Alert." The dispatcher will advise of the alert and no further detail will be given over the radio. Alert details will be seen via dispatch notes on the CAD. FOLLOW SOP 500.13.01 – Infectious Patient Response

CONTINUE ALL COVID-19 RESPONSE PLANS AS SET BY THE MARCH 16TH MEMO

Per BEST EMS medical direction, it is recommended to don full PPE on all CPR's and shall be utilized if any aerosolizing treatment is administered (i.e. NEBs, Intubating, Bagging, CPAP, etc.).

We are removing the Denton Fire Department M14 response due to the increase in M14 call volume as well as to lessen any confusion while on scene.

The following will be the UPDATED response plan…

*** All personnel shall wear Protective eyewear, mask and gloves for all medical calls*** NO EXCEPTIONS***
Only one medic shall make patient contact first to check for possible COVID-19 signs. Ask if the patient has recently been to the hospital for any reason, medical office or come in contact with a known COVID patient.

In addition to the daily vehicle inspection procedures, each ambulance should be prepped and ready to potentially run a COVID-19 patient. Compartment holes should be covered, tarps cut and rolled up above the front storage compartment and the small window to the cab.

For the time being, make every attempt possible to make non-physical contact with ANY patient to assess for potential COVID-19 symptoms.

- Call from a phone in the front yard (phone number can often be found in the call notes)
  - Utilize the family as well, however, know that they could be potential exposures as well
- Shout from the front door or foyer to assess the patients verbally
- Increase the distance from 6 to 10 feet from contact without PPE.
- Only send the paramedic crew inside the residence
  - The Driver should stand back and communicate with outside crews wearing at a min. goggles, N95, gloves
  - The Lead Paramedic in direct physical contact and/or within 10 foot of the patient MUST be in full PPE on a suspected COVID-19 patient.
- Only allow ONE paramedic in direct contact with the patient to reduce exposure for the duration of the call
- If contact is made with a potential COVID-19 patient presenting with the signs and symptoms, a full ESO report must be completed and an exposure form MUST be completed and turned in the Capt. Miller.
- Notify Capt. Miller and Chief Lugo immediately if a potential COVID-19 contact is made.
- IMMEDIATELY PLACE A SURGICAL MASK ON THE PATIENT OR HAVE THEM DO IT ON THEIR OWN
- Is the patient Stable or Unstable?
- Determine if the patient is wanting to go to the hospital
- If STABLE:
  - If transport is warranted according to the BEST EMS Protocols, Med Control shall be notified.
    - DO NOT transfer the patient to the MICU unless the decision to transport is confirmed
  - The on scene MICU will perform the transport keeping infection control as a high priority.

PO Box 984 • 511 S Gibbons Rd • Argyle, TX 76226 • 940-464-7102 • (Fax) 940-464-3612
www.argylefire.com

COVID Protocol

COVID-19 Evaluation Protocol

Scene Assessment

1. EMS personnel should have a heightened awareness of potential COVID-19 on every call
2. If COVID-19 suspicion, one EMS provider in full PPE should approach the patient and apply a surgical mask to any patient who has COVID-19 suspicious symptoms and complete patient assessment (see below)
3. EMS personnel making direct patient contact should wear a N95 mask, gloves, eye protection and gowns
4. All non-essential personnel should stay at least 6 feet from the patient
5. If N95 shortage, surgical masks are an acceptable alternative until supply chain is restored

Patient Assessment

1. Does the patient have symptoms of viral syndrome illness (fever, cough, nasal and chest congestion, sore throat, body aches, fatigue)?
2. Is the patient ≥ 12 and ≤ 50 years old?
3. Vital Signs:
   a. Respiratory Rate > 8 and < 20
   b. O2 Saturation > 92%
   c. Heart Rate < 110 bpm
   d. Systolic BP > 100
   e. GCS = 15
4. If answer to any of the above is "No" then proceed with standard treatment protocols but continue with full PPE and notify receiving facility of suspected COVID-19 Infection
5. If answer to all of the above is "Yes" then proceed to "Non-Transport Decision"

Non-Transport Decision

1. EMS providers should discuss risks/benefits of transport with the patient
2. EMS providers should provide patient with Public Health Information to contact:
   a. Coronavirus Hotline 817-248-6299
   b. Dallas County Health Department 214-819-2101
   c. Tarrant County Health Department 817-321-5300
   d. Denton County Health Department 940-349-2900
   e. Collin County Health Department 972-548-5500
   f. Travis County Health Department 512-972-5555
3. DO NOT load patient into ambulance unless decision to transport has been made
4. Medical Control may be called if needed to help with transport decisions outside of these recommendations

Exclusions

1. Diaphoresis
2. Syncope
3. Respiratory Distress
4. Chest Pain not associated with coughing

Overall Treatment Modification:

1. Full PPE should be utilized for all medical cardiac arrests
2. Nebulizer treatments and CPAP should ALWAYS be avoided
3. If patient is in severe respiratory distress:
   a. Place on 15L NRB and 15L NC
   b. If patient continues to be in respiratory distress, proceed to intubation procedure (video is preferred; utilize full PPE)
4. Cardiac arrests with probable COVID-19 etiology should not be worked. Call Medical Control for TOR

PUBLIC HEALTH INFORMATION ON COVID

Denton County Public Health

COVID-19 Confirmed Cases in Denton County

Total Cases	**547**
Active Cases	**326**
Total Recovered	**207**
Total Deaths	**14**

Location

Argyle	1	Justin	2
Aubrey	3	Krum	5
Carrollton	60	Lake Dallas	10
Celina	1	Lewisville	39
The Colony	34	Little Elm	40
Copper Canyon	4	Northlake	2
Corinth	8	Pilot Point	2
Cross Roads	1	Plano	3
Dallas	22	Ponder	1
Denton	97	Prosper	6
Denton State Supported Living Center	54	Providence Village	4
Double Oak	6	Roanoke	3
Flower Mound	21	Sanger	2
Fort Worth	4	Shady Shores	1
Frisco	41	Trophy Club	7
Hickory Creek	3	Unincorporated	52
Highland Village	8		

Unincorporated Location

Northeast	15	Southeast	20
Northwest	1	Southwest	16

Age

0 – 19	12
20 – 29	71
30 – 39	85
40 – 49	108
50 – 59	112
60 – 69	101
70 – 79	42
80+	16

Sex

Male	276
Female	271

Initial Isolation Status

Home/Facility	444
Hospital	99
Pending Investigation	4

Transmission Type

NORTHLAKE MAYOR AND COUNCIL COMMUNICATION

DATE: APRIL 23, 2020

REF. DOC. : TEXAS, DENTON COUNTY AND NORTHLAKE DISASTER DECLARATIONS (AS UPDATED)

SUBJECT: COVID-19 UPDATE - POLICE

STRATEGIC GOALS/OBJECTIVES:

- Protect the health, safety and welfare of the residents of Northlake and staff

BACKGROUND INFORMATION:

The process of dealing with a pandemic on this scale is new to everyone. The stress it produces at home and on the job are in addition to the normal stressors staff, especially police officers, deal with daily. With many families that have small children and two working parents, health and financial stability is weighing heavily on many.

Below are steps we have taken to mitigate COVID-19 spread:

- Special procedures and protocols followed by first responders
    - Limit number of traffic stops to hazardous and/or suspicious vehicles to reduce contact, may stop other vehicles if officer feels reasonable
    - Medical calls will be handled by Fire Departments (FD)
    - Officers to maintain minimum 6' distance from public contacts whenever possible
    - Reduce direct contacts with the public whenever possible
        - **PD lobby closed / online reporting**
    - Police staff will not enter premises of health-related calls unless it is determined to be necessary to prevent loss of life or there is a related police specific concern
    - Sanitizing vehicles and facilities with sprays, wipes, etc. after each use
    - Reiterating the importance of washing hands
    - If you are sick or begin to exhibit symptoms of any kind, DO NOT come to work

- Personal protection equipment supplies, shortages, back-order, other agency trades
    - 50+ N95 masks on hand and 150 KN95 on order
    - 50 surgical masks from Texas Police Chiefs Association (TPCA), 200 on order
    - Goggles for every patrol unit or officer owned glasses
    - Trades for glove / mask with Argyle
    - Donations from DHL Supply - cleaning supplies
    - Donations from Wesco – gloves
    - TPCA coordinating orders of masks and gloves for other small departments in area

- Personnel quarantine or isolated
    - No one officially quarantined
    - Childcare is biggest issue

- Emergency management process (who takes the lead, reporting, etc.)
    - FD takes lead, FD more equipped to deal with medical situations than PD
    - Captain Muscle and FD will submit all documents to state
    - PD keeping documentation on all supplies purchased for COVID-19

- Impact on Policing
    - Number of Disturbance calls and assaults increased in March
    - Number of traffic stops decreased significantly
    - Probable increase of suicides the longer shutdown continues
    - Probable increase in child abuse related calls once pandemic ceases and children are back in school

<u>COUNCIL POLICY RECOMMENDATION:</u>

- Update Council on actions of Police Department related to COVID-19 response

NORTHLAKE MAYOR AND COUNCIL COMMUNICATION

DATE: APRIL 23, 2020

REF. DOC.: NORTHLAKE INVESTMENT POLICY UPDATED 2019

SUBJECT: 2ND QUARTER INVESTMENT REPORT

GOALS/OBJECTIVES:

- Operate Efficiently and Effectively (Council Goal)
- Sustain Balance Budget and low municipal tax rate (Mayor Goal)

BACKGROUND INFORMATION:

The Town of Northlake total cash and investment book value is $27,527,843. This quarters interest earnings totaled $83,793.49. Interest rates are down from last quarter due to the continued drop in the federal reserve funding rate in response to the COVID-19 pandemic. This quarters interest earnings were only slightly affected by the change. Next quarter's interest earnings are anticipated to decrease.

Town of Northlake
Quarterly Investment Report
For the Quarter Ended March 31, 2020

13 Weeks Treasury Bill Yield: 0.11%

Wells Fargo Bank

Avg Monthly Yield: 0.17% APR
Avg WAM* in Days : N/A

Investment Description	Beginning Balance	Deposits	Withdrawals	Interest	Ending Balance
Wells Fargo - Investment Account	$ 2,142,674.98	$ -	$ -	$ 900.70	$ 2,143,575.68
Wells Fargo - General Account	$ 3,559,522.80	$ 5,965,397.33	$ (6,190,076.46)	$ -	$ 3,334,843.67
Wells Fargo - Payroll Account	$ -	$ 737,952.12	$ (737,952.12)	$ -	$ -
First Financial Totals	**$ 5,702,197.78**	**$ 6,703,349.45**	**$ (6,928,028.58)**	**$ 900.70**	**$ 5,478,419.35**

LOGIC

Avg Monthly Yield: 1.42% APR
Avg WAM* in Days : 35

Investment Description	Beginning Balance	Deposits	Withdrawals	Interest	Ending Balance
LOGIC - 2016 Comb Tax Ltd. Surplus	$ 1,328,676.75	$ -	$ -	$ 5,505.08	$ 1,334,181.83
LOGIC - General Fund	$ 8,288,240.71	$ -	$ -	$ 34,340.74	$ 8,322,581.45
LOGIC - CO'S Series 2018	$ 327,887.02	$ -	$ -	$ 1,358.53	$ 329,245.55
LOGIC Totals	**$ 9,944,804.48**	**$ -**	**$ -**	**$ 41,204.35**	**$ 9,986,008.83**

LAMAR

Avg Monthly Yield: 0.86% APR
Avg WAM* in Days : 57

Investment Description	Beginning Balance	Deposits	Withdrawals	Interest	Ending Balance
Lamar - ICS Accounts	$12,021,726.72	$ -		$ 41,688.44	$ 12,063,415.16
LOGIC Totals	**$ 12,021,726.72**	**$ -**	**$ -**	**$ 41,688.44**	**$ 12,063,415.16**
Total Cash & Investments	**$ 27,668,728.98**	**$ 6,703,349.45**	**$ (6,928,028.58)**	**$ 83,793.49**	**$ 27,527,843.34**

***WAM (Weighted Average Maturity) is the mean average of the periods of time remaining until the securities held are (1) scheduled to be repaid or (2) would be repaid upon demand or (3) are scheduled to have their interest rate readjusted to reflect current market rates.**

The undersigned serves as the Investment Officer* for the Town of Northlake. I certify that all instruments held in the Town's investment portfolios for the period January 1, 2020 through March 31, 2020 (a) met the investment guidelines and complied with the investment strategies as authorized by the Town's Investment Policies, and (b) did not violate any applicable provisions of section 2256 of the Government Code of Texas.

SIGNED: ____________

INVESTMENT OFFICER: Drew Corn

DATE 4/16/20

NORTHLAKE MAYOR AND COUNCIL COMMUNICATION

DATE: APRIL 23, 2020

REF. DOC.: FISCAL YEAR 2019-2020 ADOPTED BUDGET

SUBJECT: 2ND QUARTER FINANCIAL REPORT

GOALS/OBJECTIVES:

- Operate Efficiently and Effectively (Council Goal)
- Sustain Balance Budget and low municipal tax rate (Mayor Goal)

BACKGROUND INFORMATION:

The Town of Northlake is a halfway through the 2020 fiscal year. Overall, the Town is maintaining a good fiscal position and the consumption of budgeted funds is progressing at a normal pace. Expenditures across most funds are less than 50%. Revenues as of the end of March are on track with the budget.

Budget Highlights:

- 83% of property taxes are have been received for the General Fund.
- The general fund has received 32% of sales tax revenues due. Sales taxes are received on a two-month delay. This percentage represents 4 months of revenue which is on track.
- Water and Sewer sales are on track for the year, 2/3 of revenue is received during the summer months.

COVID-19 Impact on the Budget:

- The largest revenue impact will be on sales tax, but the impact on the month of April will not be available until June due to the two-month delay in the report from the Texas Comptroller. Estimates range from 50% to 66% reduction of revenues.
- Contract expenses are related to development activity which has continued per projection.
- Time and expenses related to the pandemic are being tracked in case there is an opportunity to apply for reimbursement from state or federal disaster relief grants. To date, overtime and supplies been relatively minor and still within budget parameters.

COUNCIL UPDATE

TOWN OF NORTHLAKE

SECOND QUARTER FINANCIAL REPORT

Town of Northlake

GENERAL FUND

Fund: 100	Adopted Budget	Actual As of 03/31	Remaining As of 03/31	Remaining Percent
REVENUES:				
Court Fines	500,000	251,129	248,871	50%
Sales/Beverage Tax	780,000	249,215	530,785	68%
Property Taxes	1,475,462	1,225,589	249,873	17%
Inspections and Registrations	41,450	24,569	16,881	41%
Franchise Fees	385,500	122,884	262,616	68%
Building Permits & Development	1,907,000	1,087,716	819,284	43%
Transfers	310,881	155,441	155,441	50%
Contract Services	218,000	48,688	169,313	78%
Interest	30,000	27,027	2,973	10%
Other Income	25,000	9,261	15,739	63%
Fees	16,760	6,678	10,082	60%
TOTAL REVENUE:	5,690,053	3,208,195	2,481,858	44%
EXPENDITURES:				
Payroll & Benefits	3,317,886	1,356,162	1,961,724	59%
Supplies	212,376	57,874	154,502	73%
Maintenance	234,380	99,147	135,233	58%
Utilities	25,915	10,168	15,747	61%
Services	1,160,438	393,679	766,759	66%
Internal Services	676,200	340,098	336,102	50%
Capital Outlay	59,035	4,081	54,954	93%
TOTAL EXPENDITURES:	5,686,230	2,261,209	3,425,021	69%

Town of Northlake

HOTEL OCCUPANCY TAX

Fund: 110	Adopted Budget	Actual As of 03/31	Remaining As of 03/31	Remaining Percent
REVENUES:				
Taxes / Fees & Fines	480,000	196,702	283,298	59%
Other Revenue:	10,805	17,627	(6,822)	-63%
TOTAL REVENUE:	490,805	214,330	276,475	56%
EXPENDITURES:				
Payroll & Benefits	77,727	32,059	45,668	59%
Services	55,600	4,877	50,723	91%
Internal Services	4,800	2,400	2,400	50%
Capital Outlay	-	1,755,468	(1,755,468)	NA
TOTAL EXPENDITURES:	138,127	1,794,804	(1,656,677)	NA

Town of Northlake

SPECIAL REVENUE FUNDS

<120,121,152,153>

Fund: 100	Adopted Budget	Actual As of 12/31	Remaining As of 12/31	Remaining Percent
REVENUES:				
Court Security	12,000	5,286	6,714	56%
Court Technology	16,000	6,345	9,655	60%
Seatbelt Fees	3,000	1,712	1,288	43%
Child Safety	2,000	2,330	(330)	-17%
Online Access Fees	18,000	9,193	8,807	49%
Interest	36,000	44	35,956	100%
TOTAL REVENUE:	87,000	24,910	62,090	71%
EXPENDITURES:				
Supplies	6,000	287	5,713	95%
Maintenance	6,000	-	6,000	100%
Services	22,350	14,658	7,692	34%
Capital Outlay	5,000	-	5,000	100%
TOTAL EXPENDITURES:	39,350	14,945	24,405	62%

Town of Northlake

ECONOMIC DEVELOPMENT CORPORATION

Fund: 130	Adopted Budget	Actual As of 03/31	Remaining As of 03/31	Remaining Percent
REVENUES:				
Taxes / Fees & Fines	375,000	124,534	250,466	67%
Interest	650	31	619	95%
Other Revenue:	22,000	66,508	(44,508)	-202%
TOTAL REVENUE:	397,650	191,072	206,578	52%
EXPENDITURES:				
Payroll & Benefits	60,791	19,987	40,804	67%
Supplies	1,986	7	1,980	100%
Maintenance	3,250	2,097	1,153	35%
Services	66,250	33,486	32,764	49%
Internal Services	5,950	3,350	2,600	44%
Incentives	25,000	-	25,000	100%
Transfers	30,000	15,000	15,000	50%
TOTAL EXPENDITURES:	193,227	73,926	119,301	62%

Town of Northlake

COMMUNITY DEVELOPMENT CORPORATION

Fund: 131	Adopted Budget	Actual As of 03/31	Remaining As of 03/31	Remaining Percent
REVENUES:				
Taxes / Fees & Fines	375,000	124,534	250,466	67%
Interest	650	12	638	98%
Other Revenue:	22,000	250	21,750	99%
TOTAL REVENUE:	397,650	124,796	272,854	69%
EXPENDITURES:				
Payroll & Benefits	60,791	19,887	40,904	67%
Supplies	1,986	7	1,980	100%
Maintenance	3,250	2,097	1,153	35%
Services	66,250	33,529	32,721	49%
Internal Services	5,950	3,350	2,600	44%
Incentives	25,000	-	25,000	100%
Transfers	30,000	15,000	15,000	50%
TOTAL EXPENDITURES:	193,227	73,869	119,358	62%

Town of Northlake

DEBT SERVICE

Fund: 160	Adopted Budget	Actual As of 03/31	Remaining As of 03/31	Remaining Percent
REVENUES:				
Taxes / Fees & Fines	901,111	1,244,597	(343,486)	-38%
Transfers	50,000	-	50,000	100%
Other Revenue	1,200	25	1,175	98%
TOTAL REVENUE:	952,311	1,244,622	(292,311)	-31%
EXPENDITURES:				
Services	5,206	825	4,381	84%
Debt Service	1,023,906	301,953	721,953	71%
TOTAL EXPENDITURES:	1,029,112	302,778	726,334	71%

Town of Northlake

WATER & WASTEWATER

Fund: 200	Adopted Budget	Actual As of 03/31	Remaining As of 03/31	Remaining Percent
REVENUES:				
Water Sales	3,250,000	1,054,316	2,195,684	68%
Water Fees	250,250	183,586	66,664	27%
Sewer Sales	1,750,000	736,682	1,013,318	58%
Sewer Fees	20,000	15,050	4,950	25%
Interest	50	2,939	(2,889)	-5778%
Other Revenue	75,000	62,732	12,268	16%
TOTAL REVENUE:	5,345,300	2,055,305	3,289,995	62%
EXPENSES:				
Payroll & Benefits	669,276	280,875	388,401	58%
Supplies	62,482	22,308	40,174	64%
Maintenance	138,810	75,091	63,719	46%
Wholesale Water	2,000,000	1,042,536	957,464	48%
Sewer Treatment	1,000,000	409,157	590,843	59%
Utilities	64,620	25,295	39,325	61%
Services	145,600	101,799	43,801	30%
Internal Services	205,100	102,558	102,542	50%
Capital Outlay	487,500	317,004	170,496	35%
Transfers	300,881	125,441	175,441	58%
TOTAL EXPENSES:	5,074,269	2,502,064	2,572,205	51%

Town of Northlake

CAPITAL PROJECTS

Fund: 301	Adopted Budget	Actual As of 03/31	Remaining As of 03/31	Remaining Percent
REVENUES:				
Interest	-	21,984	(21,984)	NA
TOTAL REVENUE:	-	21,984	(21,984)	NA
EXPENDITURES:				
Services	-	136,180	(136,180)	NA
Capital Outlay	900,000	199,999	700,001	78%
TOTAL EXPENDITURES:	900,000	336,179	563,821	63%

Town of Northlake

WATER CAPITAL PROJECTS

Fund: 203	Adopted Budget	Actual As of 03/31	Remaining As of 03/31	Remaining Percent
REVENUES:				
Interest	-	87,641	(87,641)	NA
TOTAL REVENUE:	-	87,641	(87,641)	NA
EXPENSES:				
Services	5,300	6,238	(938)	-18%
Capital Outlay	10,850,000	1,157,720	9,692,280	89%
Debt Payments	30,581	4,891	25,690	84%
TOTAL EXPENSES:	10,885,881	1,168,848	9,717,033	89%

Town of Northlake
COST RECOVERY

Fund: 201	Adopted Budget	Actual As of 03/31	Remaining As of 03/31	Remaining Percent
REVENUES:				
Cost Recovery Fees	200,000	192,778	7,222	4%
Other Revenue:	-	733	(733)	NA
TOTAL REVENUE:	200,000	193,512	6,488	3%

Town of Northlake

WATER IMPACT FEES - NORTH

Fund: 202	Adopted Budget	Actual As of 03/31	Remaining As of 03/31	Remaining Percent
REVENUES:				
Water Impact Fees	400,000	704,318	(304,318)	-76%
Other Revenue:	1,700	0	1,700	100%
TOTAL REVENUE:	401,700	704,318	(302,618)	-75%
EXPENSES:				
Services	100,000	382,687	(282,687)	-283%
TOTAL EXPENSES:	100,000	382,687	(282,687)	-283%

Town of Northlake

WATER IMPACT FEES - SOUTH

Fund: 204	Adopted Budget	Actual As of 03/31	Remaining As of 03/31	Remaining Percent
REVENUES:				
Water Impact Fees	200,000	62,151	137,849	69%
Sewer Impact Fees	50,000	297,804	(247,804)	-496%
Other Revenue:	1,700	16,530	(14,830)	-872%
TOTAL REVENUE:	251,700	376,485	(124,785)	-50%
EXPENSES:				
Services	322,000	226,845	95,155	30%
TOTAL EXPENSES:	322,000	226,845	95,155	30%

Town of Northlake

NORTHLAKE PID#1 - HARVEST COMMUNITY

Fund: 401	Adopted Budget	Actual As of 03/31	Remaining As of 03/31	Remaining Percent
REVENUES:				
Assessments	1,005,480	1,029,159	(23,679)	-2%
TOTAL REVENUE:	1,005,480	1,029,159	(23,679)	-2%
EXPENDITURES:				
Services	1,005,480	650,242	355,238	35%
TOTAL EXPENDITURES:	1,005,480	650,242	355,238	35%

Town of Northlake

NORTHLAKE PID#2 - THE HIGHLANDS

Fund: 402	Adopted Budget	Actual As of 03/31	Remaining As of 03/31	Remaining Percent
REVENUES:				
Assessments	320,437	311,454	8,983	3%
Other Revenue	10,000	-	10,000	100%
TOTAL REVENUE:	330,437	311,454	18,983	6%
EXPENDITURES:				
Maintenance	11,041	-	11,041	100%
Services	13,150	234	12,917	98%
Bond Debt Service	281,625	50,813	230,813	82%
TOTAL EXPENDITURES:	305,816	51,046	254,770	83%

Town of Northlake

TAX INCREMENT REINVESTMENT ZONE #1

Fund: 451	Adopted Budget	Actual As of 03/31	Remaining As of 03/31	Remaining Percent
REVENUES:				
Ad Valorem Taxes	178,149	173,105	5,044	3%
TOTAL REVENUE:	178,149	173,105	5,044	3%
EXPENSES:				
Maintenance	143,839	130,984	12,855	9%
Services	30,000	360	29,640	99%
Capital Outlay	-	152,026	(152,026)	NA
TOTAL EXPENSES:	173,839	283,369	(109,530)	-63%

Town of Northlake

TECHNOLOGY SERVICES FUND

Fund: 504	Adopted Budget	Actual As of 03/31	Remaining As of 03/31	Remaining Percent
REVENUES:				
Mayor & Council	9,000	4,500	4,500	50%
Administration-GF	16,500	8,250	8,250	50%
Town Secretary	6,900	3,450	3,450	50%
Municipal Courts	22,100	11,050	11,050	50%
Development	9,000	4,500	4,500	50%
Police	65,000	32,500	32,500	50%
Public Works	18,000	9,000	9,000	50%
Administration-HOT	2,000	1,000	1,000	50%
Administration-EDC	3,850	1,925	1,925	50%
Administration-CDC	3,850	1,925	1,925	50%
Administration-WS Fund	5,500	2,750	2,750	50%
Utility Department	20,800	10,400	10,400	50%
TOTAL REVENUE:	182,500	91,250	91,250	50%
EXPENSES:				
Maintenance	16,000	6,379	9,621	60%
Utilities	31,000	12,810	18,190	59%
Services	111,000	85,913	25,087	23%
Capital Outlay	50,000	13,622	36,378	73%
TOTAL EXPENSES:	208,000	118,724	89,276	43%

Town of Northlake

EQUIPMENT SERVICES FUND

Fund: 505	Adopted Budget	Actual As of 03/31	Remaining As of 03/31	Remaining Percent
REVENUES:				
Equip. Service Revenue-PD	150,000	75,000	75,000	50%
Equip. Service Revenue-PW	50,000	25,000	25,000	50%
Equip. Service Revenue-Utilities	100,000	50,000	50,000	50%
Equip. Service Revenue-Dev	12,000	6,000	6,000	50%
Sale of Equipment Proceeds	11,000	-	11,000	100%
Insurance Proceeds	-	28,059		
Interest	500	95	405	81%
TOTAL REVENUE:	323,500	184,155	167,405	52%
EXPENSES:				
Maintenance	14,000	5,348	8,652	62%
Capital Outlay	287,350	170,998	116,352	40%
TOTAL EXPENSES:	301,350	176,346	125,004	41%

Town of Northlake

BUILDING SERVICES FUND

Fund: 506	Adopted Budget	Actual As of 03/31	Remaining As of 03/31	Remaining Percent
REVENUES:				
Interest Income	-	139	(139.33)	NA
Mayor & Council	22,500	11,250	11,250.00	50%
Administration-GF	28,100	14,050	14,050.00	50%
Town Secretary	11,200	5,600	5,600.00	50%
Municipal Courts	33,700	16,850	16,850.00	50%
Development	14,000	7,000	7,000.00	50%
Police	157,500	78,750	78,750.00	50%
Public Works	50,700	25,350	25,350.00	50%
Administration-HOT	2,800	1,400	1,400.00	50%
Adminstration-EDC	2,850	1,425	1,425.00	50%
Administration-CDC	2,850	1,425	1,425.00	50%
Administration-WS Fund	16,900	8,450	8,450.00	50%
Utility Department	61,900	30,950	30,950.00	50%
TOTAL REVENUE:	405,000	202,639	202,361	50%
EXPENSES:				
Rent	328,156	110,677	217,479	66%
Supplies	3,100	1,681	1,419	46%
Maintenance	8,000	3,254	4,746	59%
Utilities	15,000	6,905	8,095	54%
Services	84,552	47,072	37,480	44%
Capital Outlay	675,000	449,353	225,647	33%
TOTAL EXPENSES:	1,113,808	618,943	494,865	44%

Town of Northlake

DEPARTMENT REPORT

	Original Budget	Actual As of 03/31	Remaining As of 03/31	Remaining Percent
COUNCIL				
EXPENDITURES:				
Payroll & Benefits	2,600	430	2,171	83%
Supplies	3,040	1,434	1,606	53%
Utilities	750	-	750	100%
Services	14,500	5,754	8,746	60%
Internal Services	31,500	15,750	15,750	50%
TOTAL EXPENSES:	52,390	23,368	29,022	55%
ADMINISTRATION				
EXPENDITURES:				
Payroll & Benefits	487,602	224,365	263,237	54%
Supplies	7,925	2,210	5,715	72%
Maintenance	2,150	-	2,150	100%
Utilities	1,200	1,369	(169)	-14%
Services	213,675	97,252	116,423	54%
Internal Services	44,600	22,300	22,300	50%
TOTAL EXPENSES:	757,152	347,496	409,656	54%
TOWN SECRETARY				
EXPENDITURES:				
Payroll & Benefits	112,973	51,800	61,173	54%
Supplies	3,610	2,012	1,598	44%
Maintenance	500	-	500	100%
Services	20,750	4,181	16,569	80%
Internal Services	18,100	11,040	7,060	39%
TOTAL EXPENSES:	155,933	69,033	86,900	56%

Town of Northlake

DEPARTMENT REPORT

MUNICIPAL COURT

EXPENDITURES:	Original Budget	Actual As of 03/31	Remaining As of 03/31	Remaining Percent
Payroll & Benefits	225,713	103,276	122,437	54%
Supplies	4,540	1,130	3,410	75%
Services	26,000	15,042	10,958	42%
Internal Services	55,800	27,900	27,900	50%
TOTAL EXPENSES:	312,053	147,348	164,705	53%

DEVELOPMENT SERVICES

EXPENDITURES:	Original Budget	Actual As of 03/31	Remaining As of 03/31	Remaining Percent
Payroll & Benefits	248,098	101,007	147,091	59%
Supplies	20,000	1,597	18,403	92%
Maintenance	2,400	579	1,821	76%
Utilities	1,500	703	797	53%
Services	580,000	148,663	431,337	74%
Internal Services	35,000	17,500	17,500	50%
TOTAL EXPENSES:	886,998	270,049	616,949	70%

POLICE

EXPENDITURES:	Original Budget	Actual As of 03/31	Remaining As of 03/31	Remaining Percent
Payroll & Benefits	1,705,123	691,147	1,013,976	59%
Supplies	118,231	25,759	92,472	78%
Maintenance	56,455	29,645	26,810	47%
Utilities	10,040	3,719	6,321	63%
Services	66,867	22,541	44,326	66%
Internal Services	372,500	186,250	186,250	50%
Capital Outlay	59,035	4,081	54,954	93%
TOTAL EXPENSES:	2,388,251	963,143	1,425,109	60%

Town of Northlake

DEPARTMENT REPORT

	Original Budget	Actual As of 03/31	Remaining As of 03/31	Remaining Percent
PUBLIC WORKS - GENERAL FUND				
EXPENDITURES:				
Payroll & Benefits	520,778	183,216	337,562	65%
Supplies	55,030	23,732	31,298	57%
Maintenance	172,875	68,924	103,951	60%
Utilities	12,425	4,377	8,048	65%
Services	30,000	37,040	(7,040)	-23%
Internal Services	118,700	59,358	59,342	50%
TOTAL EXPENSES:	909,808	376,646	533,161	59%
NON-DEPARTMENTAL - GENERAL FUND				
EXPENDITURES:				
Payroll & Benefits	15,000	922	14,078	94%
Services	208,646	63,204	145,442	70%
TOTAL EXPENSES:	223,646	64,126	159,520	71%
ADMINISTRATION - UTILITY FUND				
EXPENSES:				
Payroll & Benefits	122,501	110,461	12,040	10%
Supplies	4,200	327	3,873	92%
Maintenance	600	-	600	100%
Utilities	-	-	-	NA
Services	36,100	25,777	10,323	29%
Internal Services	14,420	14,420	-	0%
Capital Outlay	-	769	(769)	NA
Transfers	230,000	230,000	-	0%
Lease Purchase Debt Service	-	-	-	NA
TOTAL EXPENSES:	407,821	381,755	26,066	6%

Town of Northlake

DEPARTMENT REPORT

	Original Budget	Actual As of 03/31	Remaining As of 03/31	Remaining Percent
PUBLIC WORKS - UTILITY FUND				
EXPENSES:				
Payroll & Benefits	129,744	57,816	71,927	55%
Supplies	4,200	669	3,531	84%
Maintenance	600	-	600	100%
Services	86,100	19,081	67,019	78%
Internal Services	22,400	11,200	11,200	50%
Transfers	300,881	125,441	175,441	58%
TOTAL EXPENSES:	543,925	214,207	329,718	61%

	Original Budget	Actual As of 03/31	Remaining As of 03/31	Remaining Percent
PUBLIC WORKS - NON-DEPARTMENTAL				
EXPENSES:				
Payroll & Benefits	539,532	223,058	316,474	59%
Supplies	58,282	21,639	36,643	63%
Maintenance	138,210	75,091	63,119	46%
Utilities	3,064,620	1,476,989	1,587,631	52%
Services	59,500	82,718	(23,218)	-39%
Internal Services	182,700	91,358	91,342	50%
Capital Outlay	487,500	317,004	170,496	35%
TOTAL EXPENSES:	4,530,344	2,287,857	2,242,487	49%

NORTHLAKE MAYOR AND COUNCIL COMMUNICATION

DATE: APRIL 23, 2020

REF. DOC.: N/A

SUBJECT: TOWN OF NORTHLAKE BRAND STYLE GUIDE

GOALS/OBJECTIVES:

- Define and Strengthen Our Identity (Council Goal)
- Develop an Identifiable Northlake Brand (Council Objective)

BACKGROUND INFORMATION:

In an effort to meet the Council's goal of defining and strengthening the Town of Northlake's identity, Town staff have created a brand style guide to define approved colors, fonts, graphic styles and other elements for use in all Town communications and marketing efforts.

Town of Northlake Brand Style Guide components:

- Vision, Mission and Values
- Town Council Goals
- Official Logos and Use
- Color
- Typography
- Iconography
- Voice
- Social Media
- Applications (Including Graphic Styles, Vehicles, Letterhead, Envelopes, Business Cards, Name Tags, Email Signatures and Presentation Templates)

Town staff will use the Brand Style Guide to maintain consistent visual elements across all Town communications and applications, including but not limited to presentations, printed materials, social media and more. The guide also includes standard graphics for Town vehicles, including public works and police vehicles.

COUNCIL POLICY (PROPOSED CHANGE):

- Adopt the proposed Northlake Brand Style Guide document for use in all Town communications and marketing efforts

TOWN OF NORTHLAKE, TEXAS

BRAND STYLE GUIDE

NORTHLAKE
TEXAS

WHAT IS A BRAND STYLE GUIDE?

The Town of Northlake's brand is more than a logo; it's a visual representation of who we are, where we've been, and where we have yet to go. It's how we engage with our public and stakeholders, build a sense of community, and create trust among our growing population.

As Northlake continues to grow, it's imperative that we define and strengthen our identity through consistent messaging and visual representations. We can not communicate the value we add to the residents and businesses who call Northlake home without first understanding those principles ourselves. This guide draws on our mission, vision, and values to define and set standards for logo use, colors, typography, voice, and more, then sets those elements into motion with examples of real-life applications.

A consistent, recognizable brand allows us to communicate quickly and effectively with our residents and visitors, while continuing to make our mark on the region and the world as a great place to live, work, and stay. Consistent visuals and voice lend to our legitimacy and authority, creating a sense of trust that is essential to effective communication with residents and business owners.

VISION
Northlake honors its rural legacy while thriving as a multi-generational, family-oriented and highly engaged community.

MISSION
Our mission is to create and sustain a high quality of life for Northlake citizens by respecting our heritage and partnering with the community to provide exceptional services, responsive governance, and thoughtfully managed growth.

VALUES
Accountability • Respect • Integrity • Service Excellence • Ethics • Stewardship

TOWN COUNCIL GOALS

CONTROL OUR OWN DESTINY

DEFINE AND STRENGTHEN OUR IDENTITY

EFFECTIVELY MANAGE PUBLIC RESOURCES

SYSTEMATICALLY INVEST IN INFRASTRUCTURE

DIVERSIFY THE TAX BASE

OPERATE EFFICIENTLY AND EFFECTIVELY

PROMOTE PUBLIC INVOLVEMENT

CONTROL OUR OWN DESTINY

OFFICIAL LOGOS AND USE

OFFICIAL LOGOS AND USE

PRIMARY LOGO

The four-color Town of Northlake logo is the preferred logo to be used on all Town of Northlake communications when possible.

To maintain the integrity of the logo, alterations should never be made. The logo should not be stretched or compressed, and effects such as drop shadows, blurs, etc. should not be added. Additional text and or graphic elements should not be added.

Approved versions of the logo are available on the Shared Drive under Marketing > Branding > Logos. The logo is available in .png and .eps formats.

SECONDARY LOGO

The Town's four-color secondary logo is also acceptable when use of the primary logo is not appropriate or does not work well within certain dimensions.

The secondary logo follows the same guidelines as the primary logo, in that alterations may not be made to compromise the integrity of the mark.

OFFICIAL LOGOS AND USE

MONOCHROMATIC LOGOS

For applications in which the primary logo is not easily read or recognized, monochromatic logos may be used. The white logo may be used on dark backgrounds, while the black logo is available for light backgrounds.

The white logo must maintain the four-color compass mark at all times. The black logo is appropriate for use in situations in which color printing is not available or cost effective.

NORTHLAKE TEXAS

NORTHLAKE TEXAS

LOGO SIZE AND CLEAR SPACE

MINIMUM CLEAR SPACE

To ensure maximum visibility of the Town of Northlake's logo at all times, the approved minimum clear space surrounding the logo should be maintained on all applications. The clear space surrounding the logo is equal in size to the diameter of the teal center circle of the compass within the Town logo.

The logo may not be printed smaller than 1.25 inches in length. The logo may not be used digitally at a size smaller than 90 pixels wide.

MINIMUM LOGO SIZE

NORTHLAKE TEXAS

LOGO USE EXAMPLES

INCORRECT LOGO USE

Do not apply drop shadows or other effects to the logo.

Do not angle or tilt the logo in any direction.

Do not apply additional graphics of any kind to the logo.

Do not stretch the logo.

Do not compress the logo.

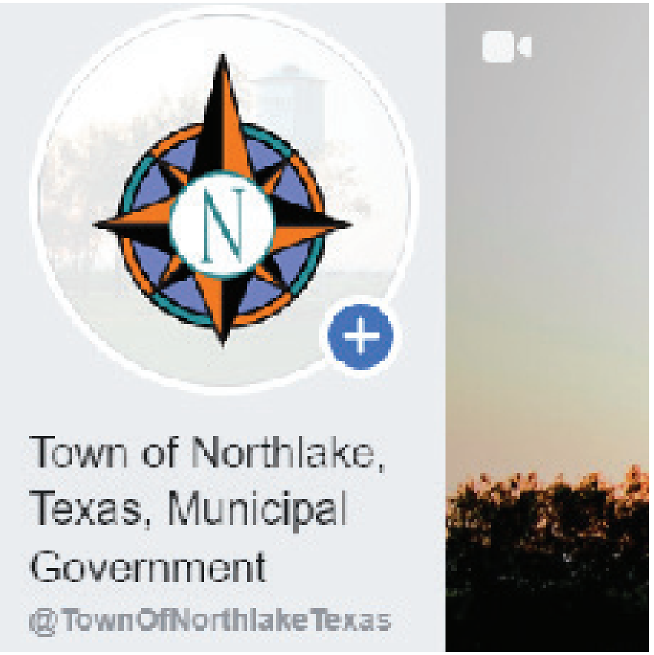
Do not change the colors of the logo.

LOGO USE EXAMPLES

CORRECT LOGO USE

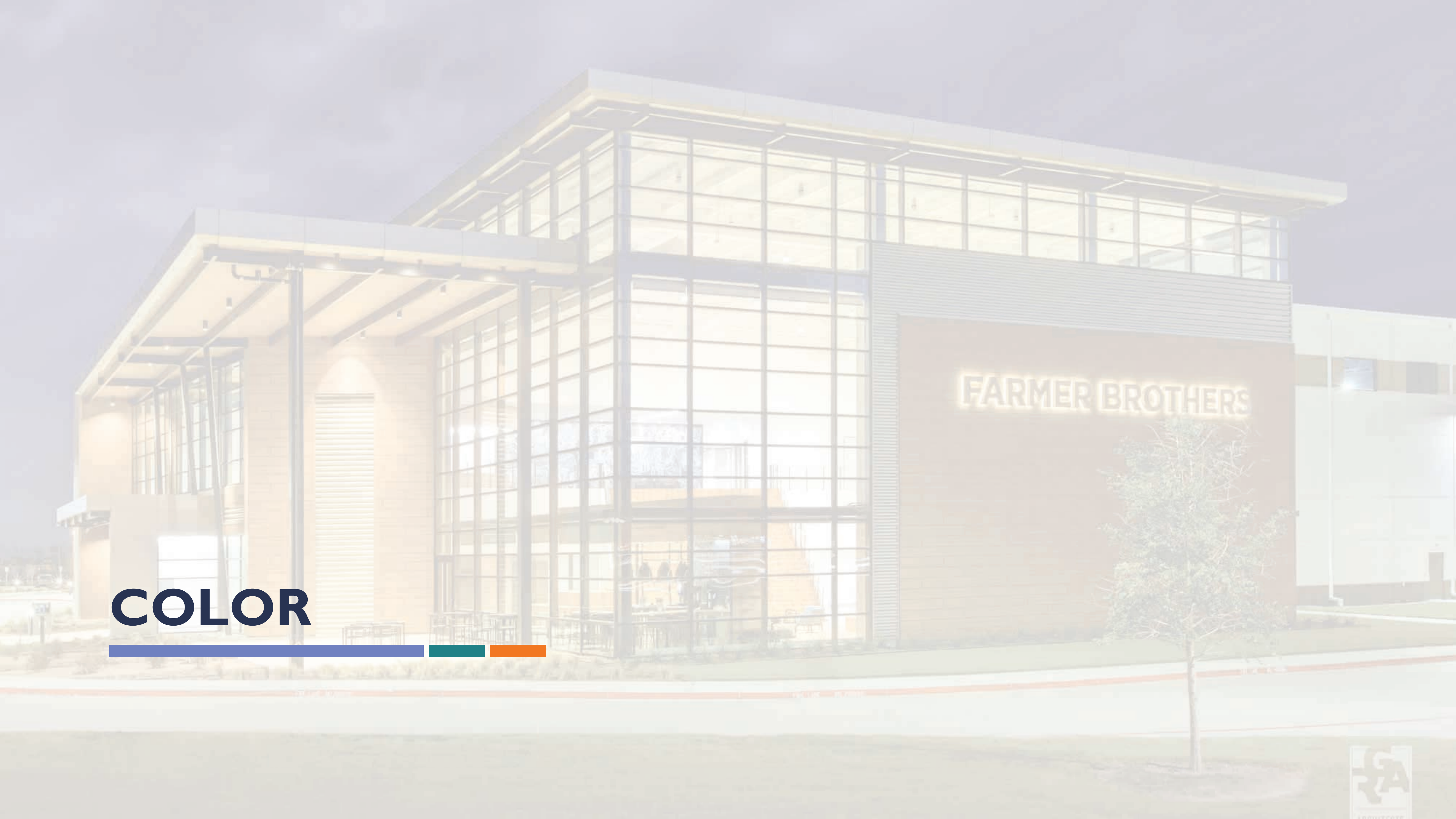
On photos and graphics, the Town logo should be placed in the bottom right corner.

On applications in which the primary logo would not be visible, a monochromatic logo may be used.



The Town's four-color secondary logo is also acceptable when use of the primary logo is not appropriate or does not work well within certain dimensions.

COLOR



COLOR

CORE PALETTE

#2B3452
PRINT: C89 M80 Y42 K36
DIGITAL: R43 G52 B82

#F47920
PRINT: C0 M65 Y100 K0
DIGITAL: R244 G121 B32

#2A8087
PRINT: C82 M34 Y43 K7
DIGITAL: R42 G128 B135

#7082C0
PRINT: C60 M47 Y0 K0
DIGITAL: R112 G130 B192

The preferred Town of Northlake color palette includes navy blue, orange, teal, and periwinkle. Navy is the primary color used in all applications, with complementary colors drawn from the Town logo.

The core palette should be used on all official Town of Northlake materials, including both print and digital applications. Color codes for both print and digital materials are included in this guide; in order to maintain the integrity of the Town's preferred colors, designers should use the appropriate color codes for intended use.

COLOR

Selected tints and shades of the core palette may also be used when necessary. Use of the extended palette should be limited; deisgners should adhere to the core color palette whenever possible.

EXPANDED PALETTE

#AAAEBA
PRINT: C34 M26 Y19 K0
DIGITAL: R170 G174 B186

#808597
PRINT: C54 M43 Y30 K2
DIGITAL: R128 G133 B151

#121E38
PRINT: C94 M83 Y48 K58
DIGITAL: R18 G30 B56

#FBC9A6
PRINT: C0 M24 Y33 K0
DIGITAL: R251 G201 B166

#F8AF79
PRINT: C1 M36 Y56 K0
DIGITAL: R248 G175 B121

#CE5706
PRINT: C14 M78 Y100 K4
DIGITAL: R206 G87 B6

#AACCCF
PRINT: C33 M9 Y17 K0
DIGITAL: R170 G204 B207

#7FB3B7
PRINT: C51 M15 Y27 K0
DIGITAL: R127 G179 B183

#0B696B
PRINT: C89 M42 Y53 K19
DIGITAL: R11 G105 B107

#C6CDE6
PRINT: C20 M15 Y1 K0
DIGITAL: R198 G205 B230

#A9B4D9
PRINT: C33 M24 Y1 K0
DIGITAL: R169 G180 B217

#4C64A5
PRINT: C79 M65 Y6 K0
DIGITAL: R76 G100 B165

TYPOGRAPHY

TYPOGRAPHY

CORE PALETTE

GILL SANS MT BOLD

ABCDEFGHIJKLMNOPQRSTUVWXYZ
1234567890!@#$%^&*()

Gill Sans MT Bold is the preferred font for headings. The Gill Sans MT family is available on a wide variety of applications, including Microsoft products. When possible, font applications should include the following settings:

- Headings should be all capital letters
- Kerning (spaces between letters) should be set to zero
- Headings should be navy blue when placed on a light background, or white when placed on a dark background.

SUB-HEADINGS

GILL SANS MT

ABCDEFGHIJKLMNOPQRSTUVWXYZ
1234567890!@#$%^&*()

Gill Sans MT is the preferred font for sub-headings. When possible, font applications should include the following settings:

- Sub-headings should be all capital letters
- Kerning (spaces between letters) should be set to 200 (2.5 for Microsoft products)
- Sub-headings should be orange, white or navy

BODY TEXT

Calibri

ABCDEFGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz
1234567890!@#$%^&*()

Calibri is the preferred font for body text. When possible, font applications should include the following settings:

- Body text should be of 11 point font or larger
- Kerning (spaces between letters) should be set to zero
- Body text should always be black or white, depending upon the chosen background.

ICONOGRAPHY

ICONOGRAPHY

COUNCIL GOALS ICONS

1.


2.


3.


4.


5.


6.


7.


8.


Icons may be used as a visual aid to help our audience visually identify core themes such as the Town Council goals across publications and platforms. Each of the icons at left represent one of the following goals:

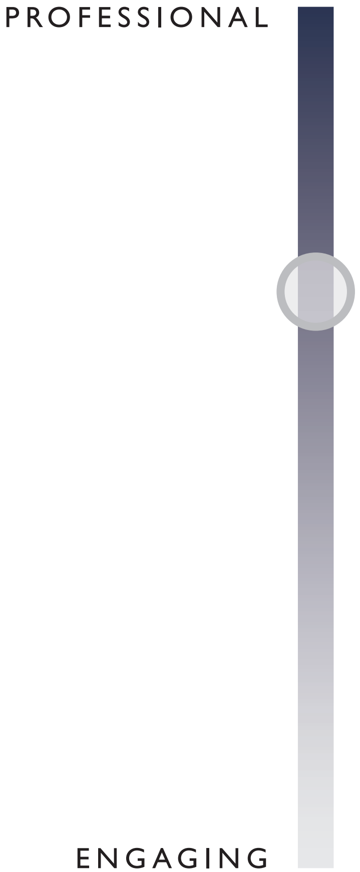
1. CONTROL OUR OWN DESTINY
2. DEFINE AND STRENGTHEN OUR IDENTITY
3. EFFECTIVELY MANAGE PUBLIC RESOURCES
4. SYSTEMATICALLY INVEST IN INFRASTRUCTURE
5. DIVERSIFY THE TAX BASE
6. OPERATE EFFICIENTLY AND EFFECTIVELY
7. PROMOTE PUBLIC INVOLVEMENT
8. RESPONSIBLY MANAGE GROWTH

Additional icons may be created and used as needed, but should remain similar in style to those defined on this page.

VOICE

VOICE

COMMUNICATION



A consistent voice across all Town communications allows us to establish ourselves as a credible source of information. The preferred style of communication leans toward professional language and tone, while remaining engaging and friendly enough to encourage two-way communication with our audience.

The pillars of the Town's voice are drawn from the Town's mission, vision, values, goals and objectives:

FACTUAL

RESPECTFUL

INFORMATIVE

SERVICE-ORIENTED

POSITIVE

SOCIAL MEDIA

SOCIAL MEDIA

PLATFORMS

www.facebook.com/TownOfNorthlakeTexas/

www.instagram.com/townofnorthlake.tx/

www.linkedin.com/company/townofnorthlake/

Each of the Town's three platforms serves a different purpose and audience, and therefore will require different content to remain relevant and cater to current and potential followers. Regardless of platform, all social media posts should meet at least one of the following goals:

1. SPREAD FACTUAL INFORMATION

Social media allows the Town to communicate with residents and stakeholders quickly and efficiently. Posts that include interesting or relevant information, combat misinformation or increase public opinion will help to establish the Town as the authority on all Town business. Examples of posts that meet this goal include:

- Town Council meeting recaps
- Interesting facts about the Town and its history
- Infographics

2. BUILD COMMUNITY

Posts that highlight the Town's relationship with other local partners and/or community outreach activities increase public opinion and credibility by aligning the Town's brand with other local brands that residents and stakeholders already trust. Examples of posts that meet this goal include:

- Shared posts from homeowners associations
- Community outreach activities such as school visits, charity events, etc.
- Town participation in Metroport Chamber of Commerce activities

3. PROMOTE TOWN INTERESTS

Social media also serves the Town as a promotional tool. Posts that encourage tourism and economic development serve the Town and local business owners by growing the Town's tax base. Posts may also promote the involvement and actions of the Town Council and Mayor. Examples of posts that meet this goal include:

- Economic development activities and incentives
- Local business and hotelier spotlights
- Mayor and Council activities and decisions

SOCIAL MEDIA ACTIVITY

POST TEMPLATE

The types of posts and voice are just part of the message the Town sends via social media use; the way the Town interacts with followers and other organizations on social media fits into the Town's overall brand as well. Best practices for each of the following situations are included below:

COMMENTS

The Communications and Marketing Coordinator will monitor activity across platforms at all times and respond to comments when appropriate. Responses will remain respectful and informative regardless of the content of the original comment. The Town should never comment on any post other than those made by the page, unless the original post tags the Town, is made by an official community organization (rather than an individual) and warrants a response.

PRIVATE GROUPS

The Town will not enter private groups or pages to monitor or engage with members of that group. If notified of misinformation or malicious content within a private group, the Communications and Marketing Coordinator may independently distribute factual information on the Town's page or distribute materials (graphics, other content) to the administrator of that group for them to distribute.

POST CONTENT

To maintain a high level of visibility, all posts should include a graphic and/or photo. The standard post template for all platforms is included at left. Formatting for social media posts may vary as needed, but all posts should remain in line with brand standards for colors, fonts and logo use. Posts should never include stock imagery, and photos should always be clear and of high quality. When using photos from outside sources, always credit the source in the caption and/or comments.

APPLICATIONS

GRAPHIC STYLES AND ELEMENTS

In addition to standard colors and fonts, the overall Town brand includes graphic styles as well. Graphic styles may change depending on campaigns and use, however there are three defined graphic styles and elements in this guide.

The navy overlay may include a relevant photo or the Town's secondary logo, and should be used as a standard background option on social media graphics, the Town website and other appropriate applications.

The complementary color band may be used in addition to the navy overlay, but is not required.

The navy social and web band is intended for use on all flyers and printed materials to direct viewers to the Town's social media channels and website for more information.

NAVY OVERLAY

COMPLEMENTARY COLOR BAND

NAVY SOCIAL/WEB BAND

APPLICATIONS

VEHICLES

NORTHLAKE TEXAS

Public Works

NORTHLAKE TEXAS

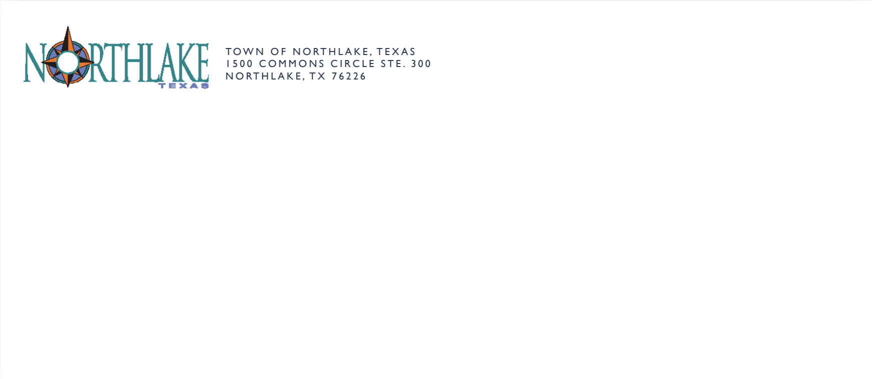
Development Services

POLICE VEHICLES

APPLICATIONS

LETTERHEAD

ENVELOPES



APPLICATIONS

BUSINESS CARDS

NAME TAGS

EMAIL SIGNATURES

NORTHLAKE
TEXAS

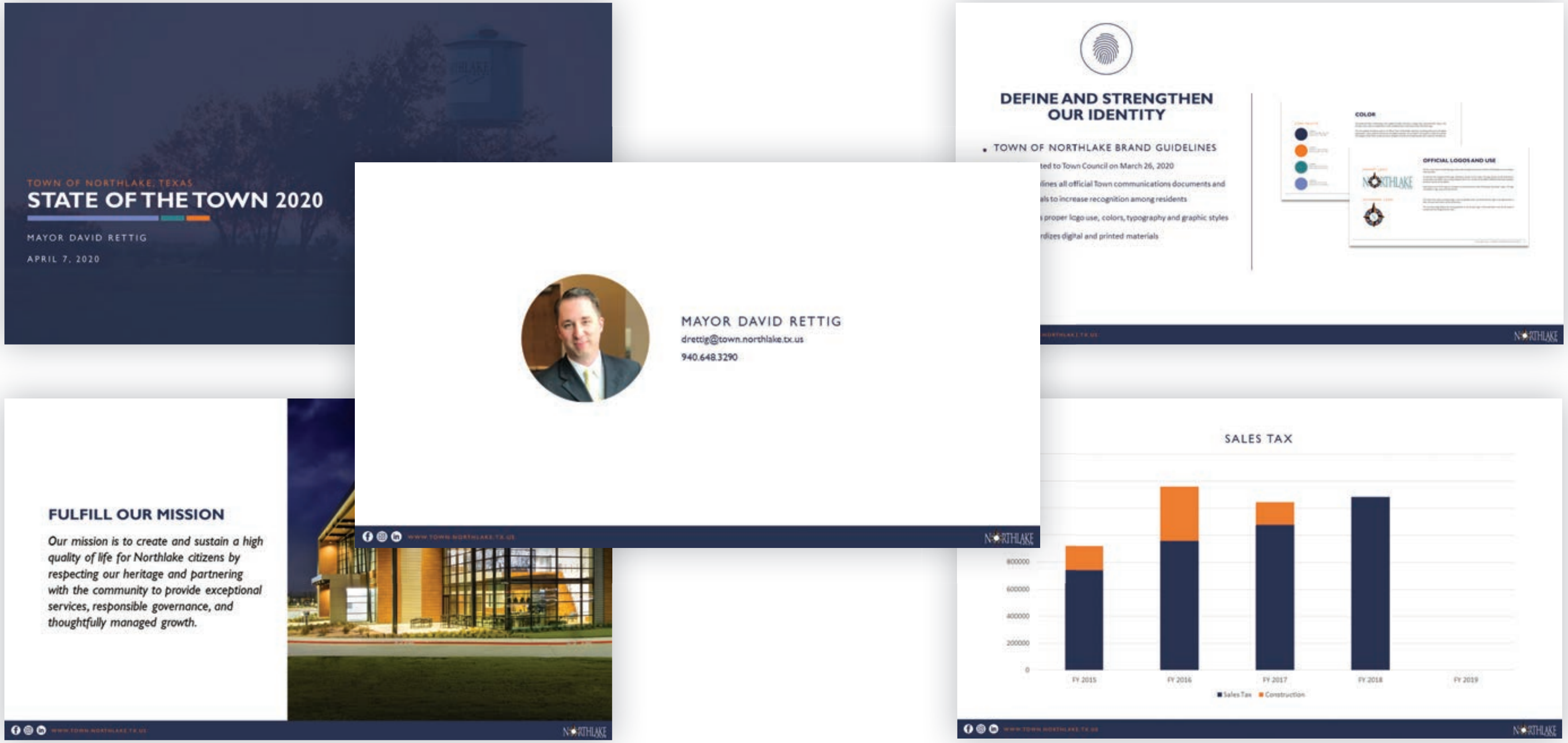
DAVID RETTIG
Mayor

Town of Northlake, Texas
1500 Commons Circle, Suite 300
Northlake, TX 76226
O: (940) 648-3290 C: (xxx) xxx-xxxx
www.town.northlake.tx.us

APPLICATIONS

PRESENTATIONS

A presentation template is available on the Shared Drive under Marketing > Branding > Presentation Templates



NORTHLAKE
TEXAS

Regular Meeting

Agenda Item 4

Public Input

Agenda Item 5

Regular Items

Agenda Item 6

NORTHLAKE MAYOR AND COUNCIL COMMUNICATION

DATE: APRIL 23, 2020

REF. DOC. : RESOLUTION 20-7 EXTENSION OF FIRST AMENDED DISASTER DECLARATION BY MAYOR RETTIG

SUBJECT: DISASTER DECLARATION EVALUATION, CONTINUATION AND/OR SUSPENSION TO FOLLOW AND CONFORM WITH STATE AND COUNTY DECLARATIONS

STRATEGIC GOALS/OBJECTIVES:

- Protect the health, safety and welfare of the residents of Northlake

BACKGROUND INFORMATION:

- March 23, 2020 – Northlake Mayor David A. Rettig issued an amended Declaration of Local Disaster reducing gathering of people to 10 or less and closing playgrounds
- March 26, 2020 – Northlake Town Council extended declaration indefinitely
- Specified limitations:
    - Prohibit restaurant dine-in service and self-serve service
    - Restrict gathering places to no more than ten persons
    - Close public and neighborhood parks
    - Encourage social distancing of at least six feet
    - Postpone use of Town facilities for public and court activities
- Specified benefits and waivers:
    - Waive fees associated with on-line transactions to encourage use
    - Suspend water shut offs and warrant searches
    - Provide flexible work locations and additional paid leave for Town employees

CURRENT SITUATION:

- Governor Abbott suspended portions of Section 418 of the local government code: local authorities no longer authorized to enact disaster declarations that conflict with the Governor's declaration
- Governor Abbott continual revises and interprets declaration as needed
- Governor Abbott discussing potential near term lifting of some restrictions

COUNCIL POLICY RECOMMENDATION:

- Suspend limitations of Northlake Declaration of Local Disaster, maintain beneficial considerations, and follow and conform to State and County declarations going forward

ORDINANCE NO. 20-0423A

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF NORTHLAKE, TEXAS, MODIFYING THE MAYOR'S FIRST AMENDED DECLARATION OF LOCAL DISASTER AND PUBLIC HEALTH EMERGENCY THAT WAS EXTENDED ON MARCH 26, 2020 BY THE TOWN COUNCIL; ALLOWING FOR THE AUTOMATIC ADOPTION OF ALL RULES, REGULATIONS AND LIMITATIONS ISSUED BY DENTON COUNTY AND THE STATE OF TEXAS CONTAINED IN EXECUTIVE ORDERS OR DISASTER DECLARATIONS ISSUED BY THOSE ENTITIES FOR THE CORONAVIRUS 2019 PUBLIC HEALTH EMERGENCY AS APPLICABLE TO THE TOWN OF NORTHLAKE; AND PROVIDING FOR A PENALTY FOR VIOLATIONS AS ALLOWED UNDER STATE LAW.

WHEREAS, the Town of Northlake, Texas is a Type A general law municipality located in Denton County, Texas created in accordance with the provisions of Chapter 6 of the Texas Local Government Code and operating pursuant to the enabling legislation of the State of Texas; and

WHEREAS, in December 2019 a novel coronavirus, now designated COVID-19, was detected in Wuhan City, Hubei Province, China. Symptoms of COVID-19 include fever, cough, and shortness of breath. Outcomes have ranged from mild to severe illness, and in some cases death; and

WHEREAS, on March 11, 2020 the World Health Organization (WHO) declared COVID-19 as a pandemic; and

WHEREAS, on March 13, 2020, Texas Governor Greg Abbott issued a proclamation declaring a state of disaster for all counties within the State of Texas in response to the spread of COVID-19; and

WHEREAS, on March 18, 2020, Mayor David Rettig executed a Declaration of Local Disaster, for the Town of Northlake and on March 23, 2020, executed the First Amended Declaration of Local Disaster and Public Health Emergency for the Town pursuant to section 418.108(a) of the Texas Government Code; and

WHEREAS, on March 26, 2020, the Town Council, by majority vote, consented to the extension of the First Amended Declaration of Local Disaster and Public Health Emergency indefinitely and modified said declaration to prohibit self-serve food service locations pursuant 418.108(b) of the Texas Government Code; and

WHEREAS, on March 31, 2020, Governor Abbott issued Executive Order GA 14 which expressly supersedes local declarations only to the extent that those local declarations conflict with Executive Order GA 14; and

WHEREAS, pursuant to Governor Abbott's latest Order, the Town Council has determined that the First Amended Declaration of Local Disaster and Public Health Emergency previously adopted and extended indefinitely should be modified as set out herein.

NOW THEREFORE BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF NORTHLAKE, TEXAS:

SECTION 1.

That, except as modified herein, the First Amended Declaration of Local Disaster and Public Health Emergency issued for the Town of Northlake by the Mayor on March 23, 2020 and extended indefinitely by the Town Council on March 26, 2020 shall continue until ___________, 2020.

SECTION 2.

That paragraph 5 of the First Amended Declaration of Local Disaster and Public Health Emergency issued for the Town of Northlake by the Mayor on March 23, 2020 and extended by the Town Council on March 26, 2020 shall be amended to read as follows:

"5. That this declaration authorizes the Town to take any actions necessary to promote health and suppress disease, including quarantine, examining and regulating hospitals, regulating ingress and egress from the Town, and fining those who do not comply with the Town's rules, pursuant to §122.005 of the Health and Safety Code, including but not limited to:

a. Waive fees associated with on-line transactions to encourage use
b. Suspend water shut offs and warrant searches
c. Provide flexible work locations and additional paid leave for Town employees"

SECTION 3.

That this Ordinance specifically adopts the rules and regulations contained in the First Amended Declaration of Local Disaster and Public Health Emergency, as modified, pursuant to §122.005 of the Health and Safety Code.

SECTION 4.

That this Ordinance further adopts for the Town of Northlake, Texas all rules, regulations and limitations issued by Denton County and the State of Texas contained in executive orders or disaster declarations issued by those entities for the Coronavirus 2019 public health emergency as applicable to the Town of Northlake. In the event of a conflict between the rules, regulations and limitations issued by Denton County and the State of Texas, the more restrictive of the rules, regulations and limitations shall be adopted.

SECTION 5.

That the Denton County and Town of Northlake interjurisdictional Emergency Management Plan shall continue to be implemented. Any violation of rules, regulations, or directives adopted pursuant to the Emergency Management Plan or a Declaration of Local Disaster is an offense. Any person, firm, or corporation who violates, disobeys, omits, neglects, or refuses to comply with or who resists the enforcement of any of the provisions of the Emergency Management Plan or a Declaration of Disaster shall be fined in accordance with §418.173 of the Texas Government Code or §122.005 of the Health and Safety Code, as applicable.

SECTION 6.

That the Town Secretary of the Town of Northlake is hereby directed to publish this ordinance as required by law.

SECTION 7.

That this ordinance shall be in full force and effect from and after the date of its passage and publication as required by law, and is so ordained.

DULY PASSED AND APPROVED BY THE TOWN COUNCIL OF THE TOWN OF NORTHLAKE, TEXAS, ON THIS THE 23rd DAY OF APRIL 2020.

APPROVED:

____
David Rettig, MAYOR

ATTEST:

____
Shirley Rogers, TOWN SECRETARY

NORTHLAKE MAYOR AND COUNCIL COMMUNICATION

DATE: APRIL 23, 2020

REF. DOC.: FISCAL YEAR 2018-2019 AUDITED FINANCIAL REPORT

SUBJECT: FISCAL YEAR 2019 AUDIT

GOALS/OBJECTIVES:

- Operate Efficiently and Effectively (Council Goal)
- Sustain Balance Budget and low municipal tax rate (Mayor Goal)

BACKGROUND INFORMATION:

The Comprehensive Annual Financial Report (CAFR) of the Town of Northlake, Texas for the fiscal year ended September 30, 2019 is submitted to you. Local Government Code Chapter 103 prescribes that a municipality shall have an annual audit by a licensed certified public accountant.

The Town's financial statements have been audited by Vail & Park, P.C. The Town's Financial Statements received an unmodified or "clean" opinion. Meaning that the financial statements are fairly presented in conformity with General Accepted Accounting Principles (GAAP).

Government-Wide Highlights:

- At the close of the most recent fiscal year, the total net position of the Town was $22,442,178.
- When compared with the prior fiscal year, the Town's total net position increased by $3,200,773 or 16.63%.

Changes in Fund Balance:

- General Fund ending fund balance increased by $1,227,621 to a total of $3,075,444, primarily due to higher than anticipated development revenues and conservative spending of expenditures by departments.
- The end balance of the Debt Service Fund decreased to $209,791, which was a part of a planned drawdown.
- The fund balance of Hotel Occupancy fund grew to $2,270,708; a portion of this fund balance has been used to purchase land for the Hotel Conference Center this fiscal year.
- The Water & Sewer Fund experienced an operating loss due to the wet summer, which drew down operating cash reserves to $499,847.

COUNCIL ACTION:

- Accept audited financial statement as presented by Town Auditor

TOWN OF NORTHLAKE

FISCAL YEAR 2019 ANNUAL FINANCIAL REPORT

ANNUAL FINANCIAL REPORT

Town of Northlake, Texas

Fiscal year ended September 30, 2019

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Town of Northlake, Texas

Annual Financial Report

Year ended September 30, 2019

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Town of Northlake, Texas

Annual Financial Report

Year ended September 30, 2019

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INTRODUCTORY SECTION

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April 15, 2020

To: The Honorable Mayor, Town Council Members, and the Citizens of Northlake:

The Comprehensive Annual Financial Report (CAFR) of the Town of Northlake, Texas for the fiscal year ended September 30, 2019 is submitted to you. Local Government Code Chapter 103 prescribes that a municipality shall have an annual audit by a licensed certified public accountant. The annual certified financial statements, including the auditor's opinion on the statement, must be filed with the Town's Secretary after the Town's fiscal year end.

This report consists of management's representations concerning the finances of the Town; therefore, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, the management of the Town has established an internal controls framework that is designed both to protect the Town's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town's financial statements in conformity with General Accepted Accounting Principals (GAAP). Because the cost of internal controls should not outweigh their benefits, the Town'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 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 goal of the independent audit was to provide reasonable assurance that the financial statements of the Town for the fiscal year ending on September 30, 2019 are free of material misstatements. The Town's financial statements have been audited by Vail & Park, P.C. Their 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 statements. Upon completion of the audit, the independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the Town's financial statements for the fiscal year ended September 30, 2019 are fairly presented in conformity with GAAP. The auditors' report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Town Profile

The Town of Northlake is located in Denton County, Texas and town limits are approximately 17 square miles with an additional 15 square miles of extraterritorial jurisdiction. The Town is bisected by the Interstate 35W highway corridor and from this corridor begins at Fort Worth, Texas extends eastward towards Argyle, Texas, westward towards Justin, Texas and ends at Denton, Texas to the north.

Town Profile (continued)

The Town was incorporated on December 28, 1960 and per Texas Local Government Code is deemed a “General Law Type A” municipality. The Town operates under a “Mayor-Council” structure whereby policy making authority rests solely with the Mayor and Council and they must annually adopt a property tax rate and an operating budget, approve Town ordinances and resolutions and employ a Town Attorney, Municipal Judge, Town Administrator, and a Town Secretary. The five Council members and Mayor serve two-year staggered terms and are elected at large.

The Town Administrator is responsible for implementing the policies, ordinances and resolutions enacted by the governing body, managing day-to-day operations of the Town, and appointing the department directors. The Town Secretary is the official record keeper of the Town.

The Town Council has created a Type A Economic Development Corporation and a Type B Community Development Corporation. Each of these corporations are operated by a board of directors that are appointed by the Mayor and Council members.

To better serve the residents of Northlake and to manage development, the Mayor and Council members have adopted a Comprehensive Future Land Use Plan, Parks, Recreation and Open Space Master Plan, Master Thoroughfare Plan, Water & Wastewater System Master Plan, and Unified Development Code.

Services Provided

The Town of Northlake provides police services, municipal court services, water and wastewater utility services, utility billing services, public works services, and developmental services.

Other Services Provided

Solid waste rubbish and collection services for the Town are contracted through Waste Connections. Fire and EMS services is provided by Denton County Emergency Services Number 1 and is funded through a district-wide property tax levy. The Town contracts with the Upper Trinity Regional Water District and with City of Fort Worth for the purchase of wholesale water. Wastewater treatment and collection services are contracted with the Trinity River Authority.

Economic Conditions and Outlook

Due to the strength of the regions’ economic conditions, the proximity of the Town to major job centers within the Dallas-Fort Worth (DFW) and Denton Metroplexes, and the exemplary school districts within the Town has caused increased development within the Town.

During fiscal year 2019 welcomed the opening of several commercial businesses including a Wing Stop, BurgerIM, Northlake Pet Hospital, Argyle Med spa and Amano’s Bistro. During fiscal year 2019 Stanley Black and Decker Distribution Center opened.

Residential growth continued during fiscal year 2019 with a large growth population, new estimated over 4,000 residents.

Fiscal Year 2019 Budget

The general themes of the 2019 fiscal year adopted budget was to maintain one of the lowest tax rates in Denton County, protect the Town's future, improve existing infrastructure, continue funding of maintenance and operational activities, and maintain the fiscal health of the Town's net position.

In order to achieve the goals mentioned above, the Town Council kept the same property tax rate as in prior years, $0.295 per $100.00 of valuation. In addition, the Town approved the following expenditures:

- Capital projects for FY 2019 Included:
    - Pave Cleveland-Gibbs from FM 407 to FM 1171 and pave Sam Lee Lane from Ashmore to 1,850 feet east.
    - Complete design of phase 3 of the northern pressure plain and phase 2 of the southern pressure plain including ground storage, pumps, and elevated tanks.
    - Evaluate and repair existing sewer system at SH 114 and IH-35W which was built in 1997.

- The increased staffing included:
    - The addition of a Sergeant position in Police to provide 24-hour supervision and backup.
    - One additional Maintenance Worker position in Public Works for water system monitoring and maintenance.
    - Creation of a Planner position which reports to Development Director and assists with development related reviews.
    - Creation of an accountant position to report to Finance Director and performs various accounting, auditing, and budget functions for the Town.

- Employment benefits were enhanced by the implementation of a tiered salary increase from 2% - 5%.

- Equipment purchases for Police Officer safety, traffic enforcement, criminal investigations, and the purchase of vehicles for the Police Department, Public Works Department, and the Code Compliance Officer.

- Issue certificates of obligation to fund the construction of water system improvements

Accounting and Budgetary Controls

In developing and maintaining the Town's accounting system, consideration is given to the adequacy of the internal control structure. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability of 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 judgements by management.

Accounting and Budgetary Controls (continued)

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

The annually adopted budget serves as the foundation of the Town Council's financial and planning control. State law requires the budget to be adopted by the Town Council, on an annual basis, before the start of the new fiscal year. In addition, state law requires that the Town Council hold public hearings so that citizens may have the opportunity to review and provide comment on the proposed budget.

To assist the Mayor and Town Council with the annual budget, The Town Administrator and Departmental Directors prepare program expenditure and revenue estimates for the remainder of the current fiscal year as well as for the upcoming fiscal year. These estimates are submitted to the Town Council for consideration for revisions to the current year fiscal budget and for the adoption into the upcoming fiscal year budget.

A budgetary comparison to actual activities is provided later in this report for the General Fund, Hotel/Motel Fund, Capital Projects Fund, Economic Development Corporation, and the Community Development Corporation.

Acknowledgements

We would like to express our appreciation to the Mayor and Town Council for their leadership and support in planning and conducting the financial operations of the Town. In addition, we would like to thank the entire staff of the Town as this report could not be accomplished without their dedicated service to the Town.

Respectfully Submitted,

Drew Corn, Town Administrator

John Zagurski

John Zagurski, Finance Director, CGFO

Key Officials

Town Council

Mayor
David Rettig

Mayor Pro Tem
Brian Montini
Place 3

Council Member
Rena Harderman
Place 1

Council Member
Jimmy Lambert
Place 2

Council Member
Roger Sessions
Place 4

Council Member
Danny Simpson
Place 5

Appointed Officials	
Town Administrator	Drew Corn
Town Secretary	Shirley Rogers
Municipal Judge	Honorable Thomas Hobbs

Management Team	
Court Administrator	LeAnn Oliver
Development Services Director	Nathan Reddin
Finance Director	John Zagurski
Police Chief	Robert Crawford
Public Works Director	Eric Tamayo

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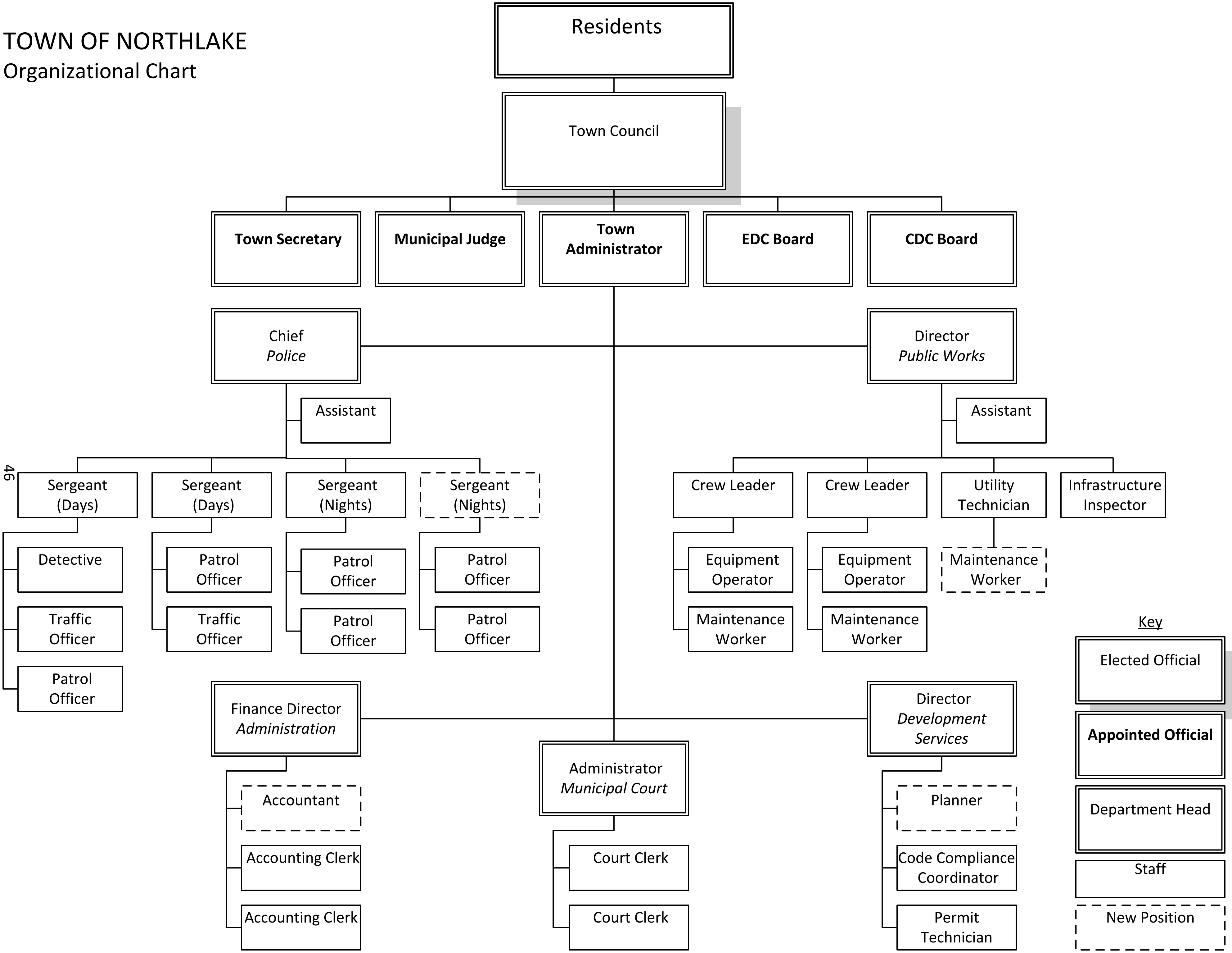
TOWN OF NORTHLAKE
Organizational Chart



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FINANCIAL SECTION

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Report of Independent Auditors

To the Honorable Mayor and Town Council
Town of Northlake, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Northlake, Texas (the "Town") as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 judgment, including the assessment of the risks of the material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section and combining nonmajor fund financial statements, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor fund financial statements are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section 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 them.

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 15, 2020 on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Vail + Park, P.C.

Richardson, Texas
April 15, 2020

Our discussion and analysis of Town of Northlake's financial performance provides an overview of the Town's financial activities for the fiscal year ended September 30, 2019. Please read it in conjunction with the Town's financial statements, which begin on page 11.

Financial Highlights

- At the close of the most recent fiscal year, the total net position of the Town was $22,442,178. Of this amount, $2,748,417 is unrestricted and may be used to meet any of the Town's ongoing obligations to citizens and creditors, $22,436,074 is restricted for specific activities and the was a reduction of net investment in capital assets of $2,742,313.

- When compared with the prior fiscal year, the Town's total net position increased by $3,200,773 or 16.63%. Governmental activities increased their net position by 60.64% or $6,948,047 while business-type activities decreased their net position by 48.15% or $3,747,274. There was a $3,050,461 change of fund classification from Proprietary funds to Governmental funds.

- At the end of the fiscal year, government-wide revenues exceeded expenses by $3,998,065. Governmental revenues exceeded expenses by $4,694,878 while business-type expenses exceeded revenue by $696,813.

- The Town's proprietary funds experienced a $696,813 loss in net position due to an extremely wet summer causing a decrease in operating revenue relative to operating expenses. The Town is conducting a rate study in 2020 to ensure that future substantive rainfall years will not impact Utility reserves as adversely.

Overview of the Financial Statements

The discussion and analysis are intended to serve as an introduction to the Town of Northlake's basic financial statements. The Town's basic financial statements are comprised of three components:

1) Government-wide financial statements
2) Fund financial statements
3) Notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves. The basic financial statements present two different views of the Town through the use of government-wide statements, (pages 27 and 28), and fund financial statements, (pages 29 through 35). The Government-wide financial statements provide both short and long-term information about the Town while the fund financial statements focus on the activities of the individual components.

Government-wide Financial Statements

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

The Statement of Net Position presents information on all of the Town of Northlake's assets and liabilities, with the difference between the two reported as net position. The Town's total net position is segmented for both restricted and unrestricted uses. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town of Northlake is improving or deteriorating.

Government-wide Financial Statements (continued)

The Statement of Activities presents information showing how the Town's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions of the Town of Northlake that are principally supported by taxes and inter-governmental revenues (government 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 Town include general government, municipal court, police, public works, economic development and promotional. The business-type activities of the Town include water and sewer activities. Component units consist of two public improvement districts.

The government-wide financial statements can be found on pages 27 through 28 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities of objectives. The Town of Northlake, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. All of the funds of the Town can be divided into two categories; governmental funds and proprietary funds.

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

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

The Town maintains five individual major governmental funds as well as other non-major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General, Cost Recovery Fees, Hotel/Motel Tax funds, Capital Projects, Debt Service, and Non-Major Governmental funds.

The Town adopts an annual appropriated budget for all of its governmental funds, except for some non-major funds. A budgetary comparison statement has been provided for all budgeted governmental funds to demonstrate compliance with its budget. This comparison can be found on pages 77 through 85 in the Required Supplementary Information section of this report.

Fund Financial Statements (continued)

The basic governmental fund financial statements can be found on pages 29 through 35 of the report.

Proprietary Funds. The Town maintains two types of proprietary funds; enterprise fund and internal service funds. An enterprise fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses an enterprise fund to account for its water and sewer activities. The Town uses three internal service funds; one to account for its equipment purchases and equipment maintenance; the second internal service fund is utilized for maintenance of Town facilities; and the third is for technology resources. Proprietary funds provide the same type of information as the government-wide financial statements. The basic proprietary fund financial statements can be found on pages 33 through 35 of this report.

Blended Component Units. The component units of the Town consist of two public improvement districts; The Highlands Public Improvement District No. 1 and The Town of Northlake Public Improvement District No. 1 for which the Town's elected officials are financially accountable for. Both of these districts derive their revenues through property assessments that are utilized exclusively for each district.

Notes to the Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 37 through 61 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's progress in funding its obligation to provide pension benefits to its employees and budgetary comparison schedules for certain Governmental Funds. Required supplementary information can be found on pages 65 through 67 of this report.

Government-wide Financial Analysis

Government-wide Net Position. In order for the Town to provide services to its citizens, the Town operates both governmental and business -type activities. Governmental activities provide services for public works, police, municipal courts, developmental, promotional services, and general governmental activities. The Town provides water and sewer utilities to its residents and these activities are known as business-type activities.

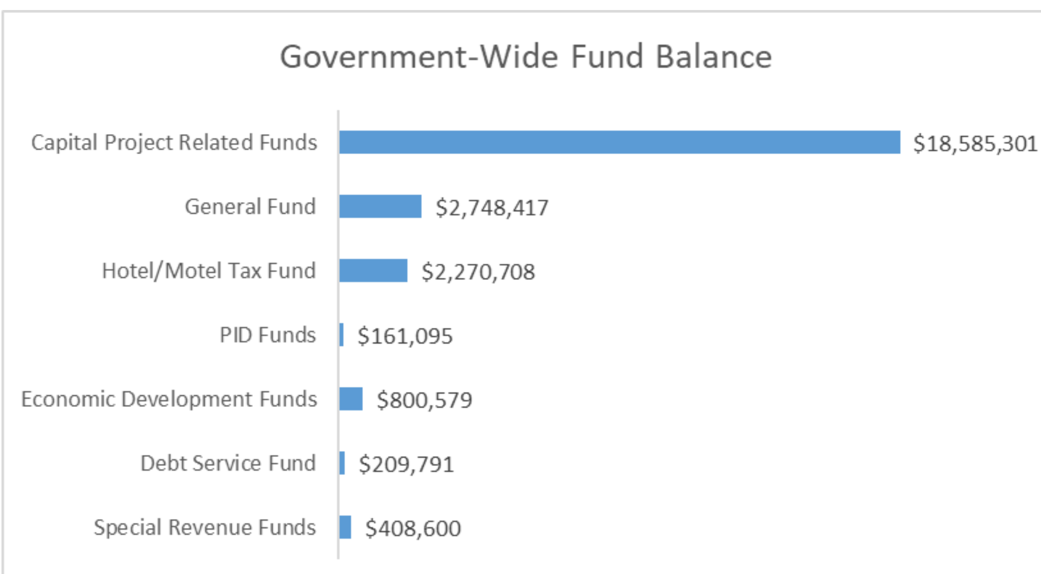
Government-wide Financial Analysis (continued)

The following chart compares the Town's current net position to the prior fiscal years net position for both governmental and business-type activities:

	Governmental Activities		Business-type Activities		Total	
	2018-19	FY 2017-18	2018-19	FY 2017-18	2018-19	FY 2017-18
Assets:						
Current and Other Assets	$ 27,112,380	$ 11,661,707	$ 1,032,205	$ 3,399,217	$ 28,144,585	$ 15,060,924
Capital Assets	16,366,329	14,327,684	3,690,838	6,060,818	20,057,167	20,388,502
Total Assets	43,478,709	25,989,391	4,723,043	9,460,035	48,201,752	35,449,426
Deferred outflows of resources	293,580	181,947	45,030	9,613	338,610	191,560
	293,580	181,947	45,030	9,613	338,610	191,560
Liabilities:						
Long-term Liabilities Outstanding	23,894,915	12,422,961	88,017	419,550	23,982,932	12,842,511
Other Liabilities	1,467,452	2,001,112	644,239	1,267,470	2,111,691	3,268,582
Total Liabilities	25,362,367	14,424,073	732,256	1,687,020	26,094,623	16,111,093
Deferred inflows of resources	3,098	288,488	463	-	3,561	288,488
Net Position:						
Invested in Capital Assets, Net of	(6,425,789)	2,902,033	3,683,476	5,697,160	(2,742,313)	8,599,193
Restricted	22,084,196	7,501,532	351,878	-	22,436,074	7,501,532
Unrestricted	2,748,417	1,055,212	-	2,085,468	2,748,417	3,140,680
Total Net Position	$ 18,406,824	$ 11,458,777	$ 4,035,354	$ 7,782,628	$ 22,442,178	$ 19,241,405

As noted earlier, net position may serve over time as a useful indicator of the Town's financial position. As of September 30, 2019, the Town of Northlake's assets exceeded liabilities by $22,442,178. When compared to the prior year, the overall net position of the Town increased 16.63% or $3,200,773 with governmental activities increasing $6,948,047 or 60.64% and business-type activities decreased their net position by $3,747,274 or 48.15%. There was a $3,050,461 change of fund classification from Proprietary funds to Governmental funds.

The Town's net position is comprised of three components: net investment in capital assets, restricted, and unrestricted. The following table reflects the designated purpose of the Town's total net position.



Government-wide Financial Analysis (continued)

Currently the Town has a negative $2,742,313 net investment in capital assets (e.g., land, buildings, automobiles, equipment, construction in progress, water and sewer system, and infrastructure) due to the recent issuance of $11,395,000 in bonds for new capital projects. The debt for these bonds is counted against capital assets, but the asset of the unused cash from the bond funds are not a part of net capital assets. Net investment in capital assets will increase as the funds are spent to create new assets.

These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

$22,436,074 of the Town's net position is restricted, either by the Town Council or by statutory regulations, and can only be expended for these designated purposes.

The Town's unrestricted total net position of $2,748,417 or 12.25% of total net assets may be used by the Town Council to meet any ongoing or future obligations to citizens and creditors.

The Town has two public improvement districts that are presented as blended components units in the financial statements and are combined with governmental activities. Each district collects annual assessments from each property owner that are utilized exclusively for benefit of their district. The assessments pay for the districts infrastructure, maintenance of parks and open spaces, and the debt related to the infrastructure of the districts.

As of September 30, 2019, the Town is able to report a positive balance in all categories of net position, for the government as a whole, as well as all categories for its separate governmental and business-type activities.

Government-wide Changes in Net Position. The Statement of Activities presents information showing how the Town's net assets changed during the fiscal year. In order for the user of these financial statements to gain clarity about the changes in activities, it is useful to compare the activities with the prior year. The following table provides a comparison between fiscal year 2019 and fiscal year 2018:

Town of Northlake's Changes in Net Position

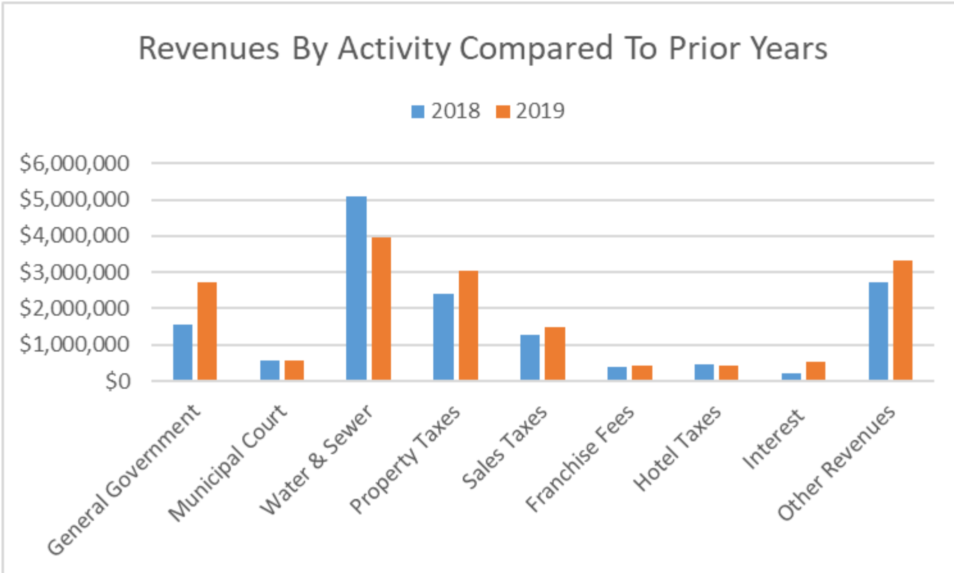
	Governmental Activities		Business-type Activities		Total	
	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18
Total Revenues	$ 12,516,965	$ 8,756,584	$ 3,975,114	$ 5,887,844	$ 16,492,079	$ 14,644,428
Total Expenditures	8,052,087	6,098,448	4,441,927	3,314,386	12,494,014	9,412,834
Change Before Transfers	4,464,878	2,658,136	(466,813)	2,573,458	3,998,065	5,231,594
Transfers	230,000	200,000	(230,000)	(200,000)	-	-
Change In Net Position	4,694,878	2,858,136	(696,813)	2,373,458	3,998,065	5,231,594
Net Position - Beginning Balance	11,448,880	8,600,641	7,782,628	5,409,170	19,231,508	14,009,811
Conversion of PIDs*	9,897	-	-	-	9,897	-
Reclassification of Funds**	3,050,461	-	(3,050,461)	-	-	-
Prior Period Adjustment	(797,292)	-	-	-	(797,292)	-
Net Position - Ending Balance	18,406,824	11,458,777	4,035,354	7,782,628	22,442,178	19,241,405

* From discretely presented to blended component unit method

** Proprietary Funds to Special Revenue Funds

Government-wide Financial Analysis (continued)

The following chart depicts the current years' government wide revenues with prior years' revenues:



Below are the highlights of the changes in revenues:

- Total property tax revenue for the Town and its Public Improvement Districts increased by $662,803 or 27.67% of which approximately $395,029 was due to new construction.

- Sales Taxes increased $200,848 or 15.63%, which can be attributed to new restaurants and sales tax from construction.

- Due to the increase in the number of residential homes and commercial buildings, Franchise Fees rose $67,294 or 17.89% when compared to the prior year.

- Water & Sewer sales actually increased from last year by $188,649 or 4.99%, but due to no outside contribution of $1,300,406 as in FY 2018 total revenue decreased $1,111,757 or 21.87%

When compared to the prior year, government-wide expenditures increased $3,081,180 or 32.73%. The following chart depicts the government-wide expenditures of the Town:

Expenditures By Activity Compared to Prior Year

	2019	2018	% Increase/Decrease	Variance
General government	$ 1,745,172	$ 928,400	87.98%	$ 816,772
Municipal court	$ 262,449	$ 263,078	-0.24%	$ (629)
Development services	$ 1,693,550	$ 1,274,815	32.85%	$ 418,735
Police	$ 1,538,975	$ 1,574,463	-2.25%	$ (35,488)
Public works	$ 854,028	$ 952,983	-10.38%	$ (98,955)
Promotional	$ 104,689	$ 67,431	55.25%	$ 37,258
Water & Sewer	$ 4,442,897	$ 3,294,171	34.87%	$ 1,148,726
Public Improvement Districts	$ 1,130,321	$ 887,058	27.42%	$ 243,263
Interest & Fiscal Charges	$ 721,933	$ 170,435	323.58%	$ 551,498
	$ 12,494,014	$ 9,412,834	32.73%	$ 3,081,180

Government-wide Financial Analysis (continued)

Increases in the Town's expenditures can be attributed to the following activities:

- Development Services experienced a 32.85% or $418,735 in expenditures for property tax reimbursements, pioneer grants, and jobs grants from the prior year.

- Expansion of the Town's workforce to maintain services levels from year to year increased expenditures. During fiscal year 2019 new personnel of a planner, public works maintenance worker, and a police department sergeant, and an accountant were added.

- Water & Sewer saw an increase in expenditures of $1,148,726 or 34.87% due to an increase in the number of utility accounts, increased maintenance, and an increase in the subscription level of wholesale costs.

- Investment in infrastructure totaled $1,980,918 for four major projects. These expenditures were spread across several of the above categories and are detailed bellow.

Project Description	Amount		Project Status
Cleaveland-Gibbs Project	$	398,104	Completed FY 2019
Sam Lee Road Extension		1,235,322	Completed FY 2019
North Elevated Storage Tank		123,184	Estimated complpletion in FY 2021
South Elevated Storage Tank & Pump Station		224,309	Estimated complpletion in FY 2023
Total	$	1,980,918	

Financial Analysis of the Government's Funds

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

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

At the end of the current fiscal year, the Town of Northlake's governmental funds reported combined ending fund balances of $25,159,640. When compared to the prior fiscal year end, the combined fund balances experienced an increase of $14,037,641 and is mainly due the receipt of $12,000,000 in bond funds.

Proprietary Funds. The Town's proprietary fund statements provide the same type of information found in the government-wide financial statements.

Total net position for business-type activities is $4,035,354 and is comprised of $351,878 or 8.72% in restricted assets while $3,683,476 or 91.28% reflects its investment in capital assets (e.g., land, buildings, automobiles, equipment, construction in progress, water and sewer system and infrastructure), less any debt used to acquire those assets that is still outstanding.

Financial Analysis of the Government's Funds (continued)

Net position invested in capital assets is used to provide services to water and sewer customers; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Unrestricted net position of the proprietary funds for business–type activities decreased by $2,085,468 or 100% from the prior year. This decrease is mainly attributable to a change in classification of funds from proprietary funds to Governmental funds, and an operating loss caused by an extremely wet summer with low consumption. To improve the water & sewer funding structure the town is conducting a rate study in FY 2020.

Changes in net position of the proprietary funds is depicted in the following table:

Town of Northlake's Changes in Net Position - Proprietary Funds

	FY 2018-19	FY 2017-18	Variance	% Increase/ Decrease
Total Revenues	$ 3,975,114	$ 5,867,629	$ (1,892,515)	-32%
Total Expenditures	4,441,927	3,294,171	1,147,756	35%
Change Before Transfers	(466,813)	2,573,458	(744,759)	-29%
Transfers	(230,000)	(200,000)	(30,000)	15%
Change In Net Position	(696,813)	2,373,458	(774,759)	-33%
Net Position - Beginning Balance	7,782,628	5,409,170	2,373,458	44%
Reclassification of Funds	(3,050,461)	-	(3,050,461)	NA
Net Position - Ending Balance	4,035,354	7,782,628	(1,451,762)	-19%

Revenue decreased from the prior year due to the reclassification of funds and the extremely wet summer that decreased Water consumption. Expenditures grew due to the growth in utility customer accounts and an increase in the price of the wholesale provider.

Internal Service Funds. The Town has three internal service funds that are utilized to provide equipment and services to the departments of the Town. These funds are comprised of the Technology Internal Service Fund, Equipment Internal Service Fund and Building Service Fund. These internal service funds are maintained by budgeted quarterly transfers from the departments within the Town and by Town Council's approved funding for specific large purchases.

The Internal Service Funds of the Town are presented as a component of the Proprietary Funds. Similar to business-type activities, internal service fund's net investment in capital assets are used to provide services to the departments of the Town and are not available for future spending. As of September 30, 2019, the internal service funds total unrestricted net position of the internal service funds is $743,893.

Capital Asset and Debt Administration

Capital Assets. As of September 30, 2019, the Town has $20,057,167 in capital assets. When compared to the prior year end, government-wide capital assets decreased by $331,335 or 1.63%. The following table illustrates the Town's capital assets:

Town of Northlake's Capital Assets (Net of Accumulated Depreciation)

	Governmental Activities		Business-type Activities		Total	
	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18
Land	$ 2,961,318	$ 2,770,951	$ 21,986	$ 97,567	$ 2,983,304	$ 2,868,518
Construction in Progress	347,493	3,686,821	-	-	347,493	3,686,821
Buildings and Improvements	746,441	202,318	23,900	25,074	770,341	227,392
Furniture and Fixtures	194,314	3,868	-	-	194,314	3,868
Automobiles	750,995	738,457	-	-	750,995	738,457
Equipment	84,280	117,394	15,814	19,834	100,094	137,228
Infrastructure	9,924,086	6,005,504	-	-	9,924,086	6,005,504
Leased Building (Intangible Asset)	661,041	802,371	-	-	661,041	802,371
Water and Sewer System	696,361	-	3,629,138	5,918,343	4,325,499	5,918,343
Total	$ 16,366,329	$ 14,327,684	$ 3,690,838	$ 6,060,818	$ 20,057,167	$ 20,388,502

Major capital asset expenditures for fiscal year 2019 included the following:

- $1,740,313 in roadway improvements for Sam Lee Lane, Cleveland-Gibbs Road, and right of way acquisition for Old Justin Road Dale Earnhardt Parkway.
- $347,493 in the construction of a north elevates storage tank, a south elevated storage tank and a south side pump station.
- $231,806 in vehicles; a dump truck for public works and two vehicles for the police.
- $26,362 for a trailer for public works.

Additional information on the Town's capital assets can be found in Note 4 of this report.

Long-term Debt. At the end of the current fiscal year, the Town had total debt of $21,905,000. When compared to the prior fiscal year, the Town's debt principal increased by $10,435,000 due to an issuance of the 2018 CO. All of the debt obligations of the Town were paid on time and in accordance with their agreed upon terms.

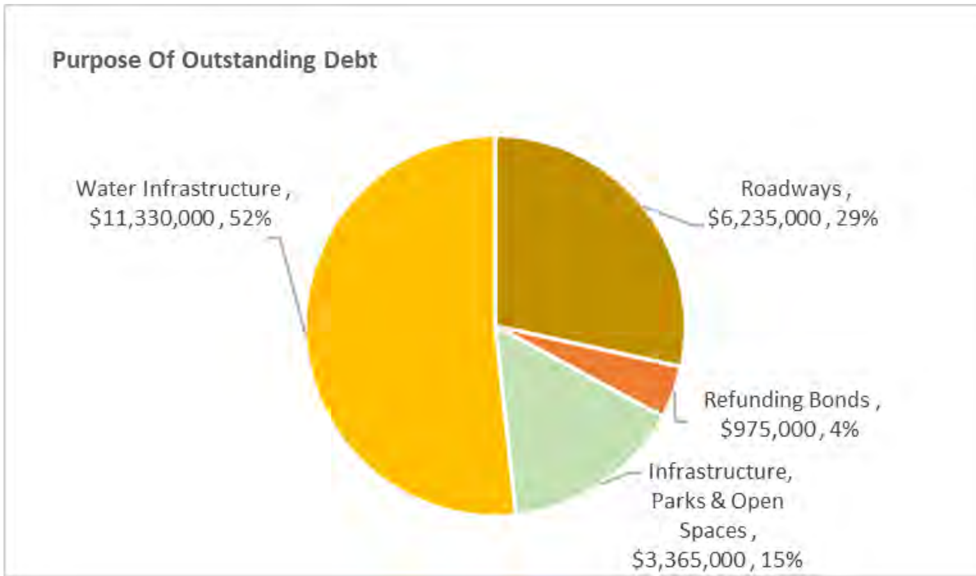
The following table illustrates the type of outstanding debt:

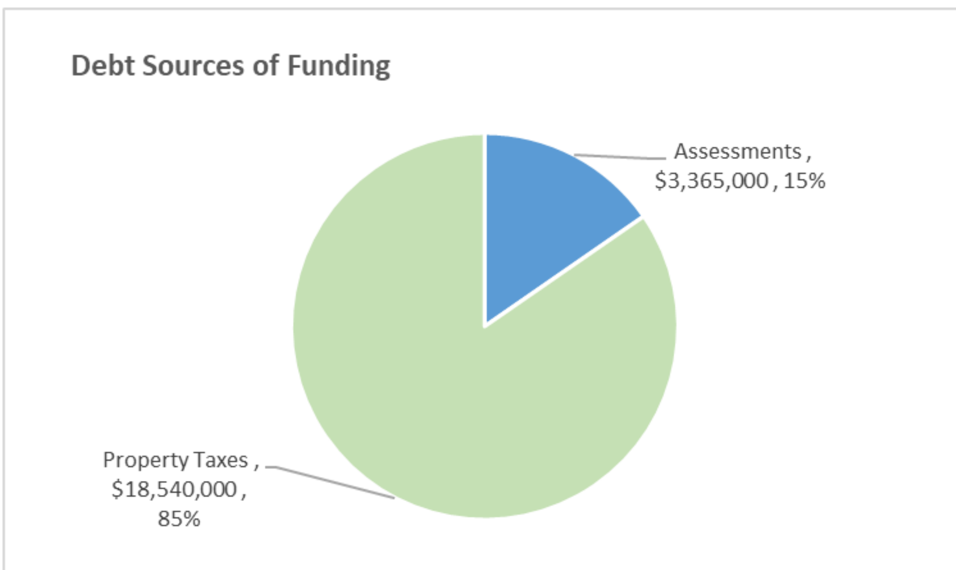
Town of Northlake's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18
Capital Leases	$ -	$ -	$ -	$ -	$ -	$ -
Note Payable	-	-	-	-	-	-
Certificates of Obligation	21,905,000	11,115,000	-	355,000	21,905,000	11,470,000
Total	$ 21,905,000	$ 11,115,000	$ -	$ 355,000	$ 21,905,000	$ 11,470,000

Capital Asset and Debt Administration (continued)

The following charts depict the purpose and the sources of funding for the Town's outstanding debt:





Additional information on the Town's long-term debt can be found in Note 5 of this report on pages 47 and 48.

Governmental Funds Budgetary Highlights

The Town anticipated the general fund balance to increase $529,388 by the end of fiscal year 2019; from $1,847,823 to $2,377,211. When comparing the actual results of the 2019 fiscal year activity to the revised budget, there was an increase of $1,227,621 or 66.44% in fund balance for an ending fund balance of $3,075,444. Actual revenues slightly exceed budget by 10.10% or $526,704 while general fund expenditures were ($152,410) or (3.08%) less than budget expectations. The decrease in anticipated expenditures is mainly attributable to capital expenditures for the community development and public works that were not purchased until the first quarter of fiscal year 2020.

Budget expectations for the Hotel/Motel Tax Fund anticipated a net increase in fund balance of $300,337 by the end of the fiscal year, but by the end of the fiscal year the net change in fund balance was $385,734 representing an increase over budget expectations of $85,395. The contributing factors of this unexpected increase was due to an increase in the collection of occupancy taxes and the utilization of staff instead of third party contractors to reduce police costs for events.

When comparing budget expectations to actual activity in the Capital Projects Fund, expenditures exceeded budget expectations by $14,031 or 0.86%. Developer participation and Interest income was higher than anticipated by $49,307 completely offsetting the overage.

The Debt Service Fund's balance decreased due to the over budgeting of a bond premium, which resulted in a decrease in fund balance. The debt service fund ended the year with a fund balance $209,791.

Both Type A Economic Development Corp. and the Type B Community Development Corp. experienced less of a decrease in fund balance than was budgeted. This was primarily due to sales tax revenues being 5.11% or $18,396 higher than anticipated.

Details regarding budgetary variances can be found beginning on pages 77 through 86.

Economic Factors and Next Year's Budgets and Rates

The Town of Northlake does not plan on increasing any property tax rates during the fiscal year 2019-2020. Overall, general fund revenues are expected to be higher during the next fiscal year. Due to the continued residential and commercial development, property tax revenue and development fees are expected to increase during fiscal year 2020. Expenses for the general fund are expected to slightly increase due to the Town's staffing of new positions, maintaining of service levels and the increase development related expenditures. The Town anticipates the maintaining of a surplus fund balance at the end of fiscal year 2020.

Water and sewer fund revenues are expected to be higher than fiscal year 2019-2020 due to additional customers an a rate change as a result of the rate study. In order to maintain service levels with the increase in new customers, expenditures are expected to rise during the fiscal year. The increases will occur from an increase in staff levels, maintenance costs and the purchase of wholesale water. The water and sewer fund projects a surplus in fund balance at the end of fiscal year 2020.

Request for Information

The financial report is designed to provide out citizens, customers, investors and creditors with a general overview of the Town's finances. If you have questions about this report or need additional information, contact the Town Secretary: Attn: Town Secretary at 1500 Commons Circle, Ste. 300, Northlake, Texas 76226, phone: (940) 648-3290 or email townsecretary@town.northlake.tx.us.

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Town of Northlake, Texas
Statement of Net Position
September 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets and Deferred Outflows of Resources			
Assets			
Cash and cash equivalents	$ 26,238,666	$ 509,106	$ 26,747,772
Receivables (net of allowance for uncollectibles)	840,789	517,451	1,358,240
Prepaid expenses and other assets	32,925	5,648	38,573
Capital assets (net of accumulated depreciation):			
Land	2,961,318	21,986	2,983,304
Construction in progress	347,493	-	347,493
Buildings and improvements	746,441	23,900	770,341
Furniture and fixtures	194,314	-	194,314
Automobiles	750,995	-	750,995
Equipment	84,280	15,814	100,094
Infrastructure	9,924,086	-	9,924,086
Water and sewer system	696,361	3,629,138	4,325,499
Leased building (intangible asset)	661,041	-	661,041
Total capital assets	16,366,329	3,690,838	20,057,167
Total assets	43,478,709	4,723,043	48,201,752
Deferred outflows of resources	293,580	45,030	338,610
Total Assets and Deferred Outflows of Resources	43,772,289	4,768,073	48,540,362
Liabilities and Deferred Inflows of Resources			
Liabilities			
Accounts payable	482,636	65,611	548,247
Accrued liabilities	306,667	23,454	330,121
Deferred revenue	430,086	-	430,086
Customer deposits and other liabilities	150,045	555,174	705,219
Lease liabilities - current	98,018	-	98,018
Noncurrent liabilities:			
Net pension liabilities	539,774	80,655	620,429
Lease liabilities - noncurrent	563,023	-	563,023
Due within one year	657,850	4,273	662,123
Due in more than one year (net of unamortized bond premium)	22,134,268	3,089	22,137,357
Total liabilities	25,362,367	732,256	26,094,623
Deferred inflows of resources	3,098	463	3,561
Total Liabilities and Deferred Inflows of Resources	25,365,465	732,719	26,098,184
Net Position			
Net investment in capital assets	(6,425,789)	3,683,476	(2,742,313)
Restricted for:			
Promotional activities	2,270,708	-	2,270,708
Debt service	209,791	-	209,791
Capital projects	18,233,423	351,878	18,585,301
Economic development	409,669	-	409,669
Community development	390,910	-	390,910
Public Improvement Districts (PID)	161,095	-	161,095
Donations	23,682	-	23,682
Municipal court	80,235	-	80,235
Utility cost participation	23,553	-	23,553
Public safty	111,948	-	111,948
Tax Increment Reinvestment Zone (TIRZ)	169,182	-	169,182
Unrestricted	2,748,417	-	2,748,417
Total Net Position	$ 18,406,824	$ 4,035,354	$ 22,442,178

The accompanying notes are an integral part of these financial statements.

Town of Northlake, Texas
Statement of Activities
Year Ended September 30, 2019

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
					Primary Government		
Program Activities	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental activities:							
General government	$ 1,740,431	$ 2,718,599	$ -	$ -	$ 978,168	$ -	$ 978,168
Municipal court	262,449	553,167	-	-	290,718	-	290,718
Development services	1,693,550	2,603,003	-	-	909,453	-	909,453
Police	1,538,975	173,622	-	-	(1,365,353)	-	(1,365,353)
Public works	854,028	-	-	-	(854,028)	-	(854,028)
Promotional	104,689	-	-	-	(104,689)	-	(104,689)
Public Improvement Districts (PID)	1,130,320	-	-	-	(1,130,320)	-	(1,130,320)
Tax Increment Reinvestment Zone (TIRZ)	4,741	-	-	-	(4,741)	-	(4,741)
Utility cost participation	970	-	-	421,929	420,959	-	420,959
Interest and fiscal charges	721,933	-	-	-	(721,933)	-	(721,933)
Total governmental activities	8,052,086	6,048,391	-	421,929	(1,581,766)	-	(1,581,766)
Business-type activities:							
Water and sewer	4,441,927	3,972,507	-	-	-	(469,420)	(469,420)
Total business-type activities	4,441,927	3,972,507	-	-	-	(469,420)	(469,420)
Total primary government	$ 12,494,013	$ 10,020,898	$ -	$ 421,929	$ (1,581,766)	$ (469,420)	$ (2,051,186)

	Governmental Activities	Business-Type Activities	Total
Change in Net Position			
General revenues:			
Taxes:			
Property taxes	3,058,040	-	3,058,040
Sales and beverage taxes	1,485,578	-	1,485,578
Hotel/Motel taxes	417,116	-	417,116
Franchise fees	443,387	-	443,387
Interest income	531,322	298	531,620
Billboard and other revenue	111,201	2,309	113,510
Transfers in (out)	230,000	(230,000)	-
Total general revenues and transfers	6,276,644	(227,393)	6,049,251
Change in net position	4,694,878	(696,813)	3,998,065
Net position - beginning	11,448,880	7,782,628	19,231,508
Conversion of PIDs from discretely presented to blended component unit method	9,897	-	9,897
Reclassification of certain Proprietary Funds to Special Revenue Funds	3,050,461	(3,050,461)	-
Prior period adjustment - correction of beginning capital asset balance	(797,292)	-	(797,292)
Net position - ending	$ 18,406,824	$ 4,035,354	$ 22,442,178

The accompanying notes are an integral part of these financial statements.

Town of Northlake, Texas
Balance Sheet - Governmental Funds
September 30, 2019

									Blended Component Units				
	General Fund	Hotel/Motel Tax Fund	Debt Service Fund	Cost Recovery Fee Fund	Water Impact Fee Funds	Water Capital Projects Fund	Capital Improvement Fund	Roadway Impact Fee Funds	Economic Development Corporation 4A	Community Development Corporation 4B	Public Improvement Districts (PIDs)	Non-major Governmental Funds	Total Governmental Funds
Assets													
Cash and cash equivalents	$ 3,054,294	$ 2,198,891	$ 276,287	$ 863,886	$ 2,158,881	$ 12,200,550	$ 1,319,670	$ 1,785,103	$ 344,791	$ 326,032	$ 175,942	$ 788,622	$ 25,492,949
Receivables:													
Property taxes, net	21,681	-	16,313	-	-	-	-	-	-	-	1,571	-	39,565
Sales taxes	132,955	-	-	-	-	-	-	-	66,478	66,478	-	-	265,911
Franchise taxes	145,396	-	-	-	-	-	-	-	-	-	-	-	145,396
Hotel/Motel taxes	-	73,417	-	-	-	-	-	-	-	-	-	-	73,417
Municipal court receivable, net	22,005	-	-	-	-	-	-	-	-	-	-	-	22,005
Other receivables	7,710	-	-	-	-	-	266,785	-	-	-	-	20,000	294,495
Prepaid expenses and other assets	29,662	421	-	-	-	-	-	-	421	421	-	2,000	32,925
Total assets	3,413,703	2,272,729	292,600	863,886	2,158,881	12,200,550	1,586,455	1,785,103	411,690	392,931	177,513	810,622	26,366,663
Liabilities and Fund Balances													
Liabilities:													
Accounts payable	164,614	331	-	-	23,665	-	69,735	-	331	331	-	221,805	480,812
Accrued liabilities	130,597	1,690	65,915	-	-	1,267	-	-	1,690	1,690	14,843	8,217	225,909
Deferred revenue	43,003	-	16,894	-	-	-	266,785	-	-	-	1,575	22,000	350,257
Developer deposits and other liabilities	45	-	-	-	-	-	-	-	-	-	-	150,000	150,045
Total liabilities	338,259	2,021	82,809	-	23,665	1,267	336,520	-	2,021	2,021	16,418	402,022	1,207,023
Fund balances:													
Restricted for													
Promotional activities	-	2,270,708	-	-	-	-	-	-	-	-	-	-	2,270,708
Debt service	-	-	209,791	-	-	-	-	-	-	-	-	-	209,791
Capital improvement	-	-	-	863,886	2,135,216	12,199,283	1,249,935	1,785,103	-	-	-	-	18,233,423
Economic development	-	-	-	-	-	-	-	-	409,669	-	-	-	409,669
Community development	-	-	-	-	-	-	-	-	-	390,910	-	-	390,910
Public Improvement Districts (PID)	-	-	-	-	-	-	-	-	-	-	161,095	-	161,095
Donations	-	-	-	-	-	-	-	-	-	-	-	23,682	23,682
Municipal court	-	-	-	-	-	-	-	-	-	-	-	80,235	80,235
Utility cost participation	-	-	-	-	-	-	-	-	-	-	-	23,553	23,553
Public safety	-	-	-	-	-	-	-	-	-	-	-	111,948	111,948
Tax Increment Reinvestment Zone (TIRZ)	-	-	-	-	-	-	-	-	-	-	-	169,182	169,182
Unrestricted	3,075,444	-	-	-	-	-	-	-	-	-	-	-	3,075,444
Total fund balance	3,075,444	2,270,708	209,791	863,886	2,135,216	12,199,283	1,249,935	1,785,103	409,669	390,910	161,095	408,600	25,159,640
Total liabilities and fund balance	$ 3,413,703	$ 2,272,729	$ 292,600	$ 863,886	$ 2,158,881	$ 12,200,550	$ 1,586,455	$ 1,785,103	$ 411,690	$ 392,931	$ 177,513	$ 810,622	$ 26,366,663

The accompanying notes are an integral part of these financial statements.

Town of Northlake, Texas
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
September 30, 2019

Total fund balances - governmental funds	$	25,159,640
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.		14,082,042
Revenues earned but not available within sixty days of the year end are not recognized as revenue in the fund financial statements.		(79,829)
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.		(80,758)
Long-term liabilities, including bonds payable and compensated absences are not due and payable in the current period and therefore are not reported in the fund financial statements.		(23,041,410)
Internal service funds are used by management to charge the costs of equipment to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		2,367,139
Net position of governmental activities	$	18,406,824

The accompanying notes are an integral part of these financial statements.

Town of Northlake, Texas
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year ended September 30, 2019

	General Fund	Hotel/Motel Tax Fund	Debt Service Fund	Cost Recovery Fee Fund	Water Impact Fee Funds	Water Capital Projects Fund	Capital Improvement Fund	Roadway Impact Fee Funds	Blended Component Units: Economic Development Corporation 4A	Blended Component Units: Community Development Corporation 4B	Blended Component Units: Public Improvement Districts (PIDs)	Non-major Governmental Funds	Total Governmental Funds
Revenues													
Taxes:													
Property	$ 1,014,024	$ -	$ 827,474	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,103,802	$ 127,027	$ 3,072,327
Sales and beverage	757,432	-	-	-	-	-	-	-	378,396	378,396	-	-	1,514,224
Hotel/Motel	-	457,149	-	-	-	-	-	-	-	-	-	-	457,149
Franchise fees	454,537	-	-	-	-	-	-	-	-	-	-	-	454,537
Fees, licenses and permits	2,579,477	-	-	-	-	-	-	-	-	-	-	-	2,579,477
Municipal court fines	512,290	-	-	-	-	-	-	-	-	-	-	-	512,290
Contracted police services	161,813	-	-	-	-	-	-	-	-	-	-	-	161,813
Credit card convenience fees	10,927	-	-	-	-	-	-	-	-	-	-	-	10,927
Cost recovery fees	-	-	-	433,149	-	-	-	-	-	-	-	-	433,149
Water and sewer impact fees	-	-	-	-	1,166,118	-	-	-	-	-	-	-	1,166,118
Developer participation	-	-	-	-	-	-	421,929	-	-	-	-	-	421,929
Roadway impact fees	-	-	-	-	-	-	-	1,003,736	-	-	-	-	1,003,736
Court security, technology and online access fees	-	-	-	-	-	-	-	-	-	-	-	40,877	40,877
Seized monies, training, seatbelt and child safety	-	-	-	-	-	-	-	-	-	-	-	11,809	11,809
Interest income	186,563	1,184	59	399	170	293,976	47,378	-	351	308	-	508	530,896
Billboard and other revenue	62,051	5,785	-	-	-	12,058	-	-	14,862	14,862	-	8	109,626
Total revenues	5,739,114	464,118	827,533	433,548	1,166,288	306,034	469,307	1,003,736	393,609	393,566	1,103,802	180,229	12,480,884
Expenditures													
Current:													
General government	927,873	-	30,379	810	1,077	10,362	4,117	-	-	-	-	716	975,334
Municipal court	279,621	-	-	-	-	-	-	-	-	-	-	94,658	374,279
Development services	645,618	-	-	-	-	-	-	-	515,293	512,766	-	-	1,673,677
Police	2,383,963	17,972	-	-	-	-	-	-	-	-	-	8,635	2,410,570
Public works	564,418	-	-	-	-	-	1,489	-	-	-	-	-	565,907
Promotional	-	60,412	-	-	-	-	-	-	22,952	22,825	-	-	106,189
Public Improvement Districts (PID)	-	-	-	-	-	-	-	-	-	-	793,278	-	793,278
Tax Increment Reinvestment Zone (TIRZ)	-	-	-	-	-	-	-	-	-	-	-	4,741	4,741
Utility cost participation	-	-	-	-	-	-	-	-	-	-	-	970	970
Capital outlay	-	-	-	-	347,493	106,887	1,633,425	-	-	-	-	-	2,087,805
Debt service:													
Principal	-	-	765,000	-	-	20,000	-	-	-	-	175,000	-	960,000
Interest and fiscal charges	-	-	606,111	-	-	10,030	-	-	-	-	104,352	-	720,493
Total expenditures	4,801,493	78,384	1,401,490	810	348,570	147,279	1,639,031	-	538,245	535,591	1,072,630	109,720	10,673,243
Excess (deficiency) of revenues over expenditures	937,621	385,734	(573,957)	432,738	817,718	158,755	(1,169,724)	1,003,736	(144,636)	(142,025)	31,172	70,509	1,807,641
Other financing sources (uses)													
Proceeds of long-term debt	-	-	11,395,000	-	-	-	-	-	-	-	-	-	11,395,000
Premium on bond	-	-	605,000	-	-	-	-	-	-	-	-	-	605,000
Transfers in	290,000	-	-	-	-	12,000,000	-	-	-	-	-	-	12,290,000
Transfers out	-	-	(12,000,000)	-	-	-	-	-	(30,000)	(30,000)	-	-	(12,060,000)
Total other financing sources (uses)	290,000	-	-	-	-	12,000,000	-	-	(30,000)	(30,000)	-	-	12,230,000
Net change in fund balances	1,227,621	385,734	(573,957)	432,738	817,718	12,158,755	(1,169,724)	1,003,736	(174,636)	(172,025)	31,172	70,509	14,037,641
Fund balances - beginning	1,847,823	1,884,974	783,748	431,148	1,317,498	40,528	2,419,659	781,367	584,305	562,935	129,923	338,091	11,121,999
Fund balances - ending	$ 3,075,444	$ 2,270,708	$ 209,791	$ 863,886	$ 2,135,216	$ 12,199,283	$ 1,249,935	$ 1,785,103	$ 409,669	$ 390,910	$ 161,095	$ 408,600	$ 25,159,640

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The accompanying notes are an integral part of these financial statements.

Town of Northlake, Texas
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities
Year ended September 30, 2019

Net changes in fund balances - total governmental funds	$ 14,037,641
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.	2,087,805
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.	(742,408)
The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(10,995,390)
Current year changes in long-term liability for compensated absences do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.	(16,077)
Current year changes in accrued interest payable do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(46,050)
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.	(94,116)
Certain expenses in the government-wide statement of activities that do not require current financial resources are not reported as expenditures in the governmental funds.	(110,143)
Internal service funds are used by management to charge the costs of equipment to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	573,616
Change in net position of governmental activities	$ 4,694,878

The accompanying notes are an integral part of these financial statements.

Town of Northlake, Texas
Statement of Net Position - Proprietary Funds
September 30, 2019

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Non-major Enterprise Funds	Total Proprietary Funds	Internal Service Funds
Assets				
Current assets:				
Cash and cash equivalents	$ 499,847	$ 9,259	$ 509,106	$ 745,717
Accounts receivable, net	512,951	3,631	516,582	-
Prepaid expenses	5,648	-	5,648	-
Other receivables	869	-	869	-
Total current assets	1,019,315	12,890	1,032,205	745,717
Non-current assets:				
Property, plant and equipment:				
Land	21,986	-	21,986	-
Buildings and improvements	35,211	-	35,211	648,368
Furniture and fixtures	-	-	-	194,314
Automobiles	42,214	-	42,214	1,308,906
Equipment	20,098	-	20,098	140,635
Water and sewer system	4,291,686	-	4,291,686	-
Leased building (intangible asset)	-	-	-	661,041
	4,411,195	-	4,411,195	2,953,264
Accumulated depreciation	(720,357)	-	(720,357)	(668,977)
Net property, plant and equipment	3,690,838	-	3,690,838	2,284,287
Total Assets	4,710,153	12,890	4,723,043	3,030,004
Deferred outflows of resources	45,030	-	45,030	-
Total assets and deferred outflows of resources	4,755,183	12,890	4,768,073	3,030,004
Liabilities				
Current liabilities:				
Accounts payable	65,611	-	65,611	1,824
Accrued liabilities	23,454	-	23,454	-
Customer deposits	550,353	4,821	555,174	-
Compensated absences - current	4,273	-	4,273	-
Lease liability - current	-	-	-	98,018
Total current liabilities	643,691	4,821	648,512	99,842
Non-current liabilities:				
Net pension liabilities	75,739	-	75,739	-
Net OPEB liabilities	4,916	-	4,916	-
Compensated absences - noncurrent	3,089	-	3,089	-
Lease liability - noncurrent	-	-	-	563,023
Total Liabilities	727,435	4,821	732,256	662,865
Deferred inflows of resources	463	-	463	-
Total liabilities and deferred inflows of resources	727,898	4,821	732,719	662,865
Net position				
Net investment in capital assets	3,683,476	-	3,683,476	1,623,246
Restricted for capital projects	343,809	8,069	351,878	-
Unrestricted	-	-	-	743,893
Total Net Position	$ 4,027,285	$ 8,069	$ 4,035,354	$ 2,367,139

The accompanying notes are an integral part of these financial statements.

Town of Northlake, Texas
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds
Year ended September 30, 2019

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Non-major Enterprise Funds	Total Proprietary Funds	Internal Service Funds
Operating revenues:				
Charges for services	$ 3,961,274	$ 11,233	$ 3,972,507	$ 1,326,500
Total operating revenues	3,961,274	11,233	3,972,507	1,326,500
Operating expenses:				
Operating expenses	4,328,723	718	4,329,441	526,902
Depreciation	112,486	-	112,486	227,983
Total operating expenses	4,441,209	718	4,441,927	754,885
Operating income (loss)	(479,935)	10,515	(469,420)	571,615
Nonoperating revenues (expenses):				
Interest income	298	-	298	426
Other income (expense)	2,309	-	2,309	1,576
Total nonoperating revenues	2,607	-	2,607	2,002
Income (loss) before transfers	(477,328)	10,515	(466,813)	573,617
Transfers out	(230,000)	-	(230,000)	-
Change in net position	(707,328)	10,515	(696,813)	573,617
Net position - beginning	4,734,613	(2,446)	4,732,167	1,793,522
Net position - ending	$ 4,027,285	$ 8,069	$ 4,035,354	$ 2,367,139

The accompanying notes are an integral part of these financial statements.

Town of Northlake, Texas
Statement of Cash Flows - Proprietary Funds
Year ended September 30, 2019

	Business-Type Activities	Governmental Activities
	Water and Sewer Fund	Internal Service Funds
Operating Activities		
Cash received from customers	$ 3,880,670	$ 1,326,500
Cash payments to suppliers for goods and services	(4,805,147)	(830,853)
Net cash provided by operating activities	(924,477)	495,647
Noncapital Financing Activities		
Transfers to other funds	(230,000)	-
Net cash used in noncapital financing activities	(230,000)	-
Capital and Related Financing Activities		
Proceed from insurance	2,309	1,576
Net cash used in capital and related financing activities	2,309	1,576
Investing Activities		
Capital expenditures	641,206	(102,236)
Interest received	298	426
Net cash provided by investing activities	641,504	(101,810)
Net increase in cash and cash equivalents	(510,664)	395,413
Cash and cash equivalents - beginning	1,010,511	350,304
Cash and cash equivalents - ending	499,847	745,717
Reconciliation of operating income to net cash provided by operating activities:		
Operating income (loss)	(479,935)	571,615
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	112,486	227,983
Change in assets and liabilities:		
Accounts receivable	(80,604)	-
Prepaid and other assets	(3,017)	7,322
Deferred outflow of resources	(35,417)	-
Accounts payable and accrued liabilites	(565,832)	(130,482)
Lease liability	-	(141,330)
Costomer deposits	103,677	(39,461)
Net pension liability	24,763	-
Deferred inflow of resources	463	-
Compensated absences	(1,061)	-
Net cash provided by operating activities	$ (924,477)	$ 495,647

The accompanying notes are an integral part of these financial statements.

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1. Summary of Significant Accounting Policies

The Town of Northlake, Texas (the "Town") is a municipal corporation governed by an elected mayor and a five-member council. The Town provides the following services: public safety (police), community development, public works, municipal court, general administration, and water and sewer. The accounting and reporting policies of the Town relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally Accepted Accounting Principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB). The more significant policies of the Town are described below.

A. Financial Reporting Entity

The accompanying financial statements present the government and its component units, entities for which the government is considered financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the government.

As required by accounting principles generally accepted in the United States of America, these financial statements include the primary government and organizations for which the primary government is financial accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financials statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization. An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval by the primary government.

Blended Component Units

The Northlake Economic Development Corporation 4A (the 4A Corporation) and the Northlake Community Development Corporation 4B (the 4B Corporation) are component units of the Town and are included in the basic financial statements as major special revenue funds using a blended presentation.

1. Summary of Significant Accounting Policies (continued)

The 4A Corporation was formed to promote the public welfare and economic development for the areas within the Town of Northlake as authorized by the State under the Texas Development Corporation Act of 1979 and is governed by Section 4A of the act. The 4A Corporation receives funding from a one-half cent sales tax.

The 4B Corporation was formed to promote economic development with the Town and the State of Texas in order to eliminate unemployment and the public welfare of, for and on behalf of the Town by undertaking, developing, implanting, providing and financing projects under the Development Corporation Act of 1979 as defined in Section 4B of the Act. The 4B Corporation receives funding from a one-half cent sales tax.

The Town consist of two public improvement districts (PIDs); The Town of Northlake Public Improvement District No. 1 and The Highlands Public Improvement District (the “PIDs”) for which the Town’s elected officials are financially accountable for. Both PIDs derive their revenues through property assessments that are utilized exclusively for each district. The PIDs are treated as blended component units.

In fiscal year 2019, the Town converted the PIDs from discretely presented to blended component unit method as the Town exercises substantial control over the PID activities, which include approval and appointment of the bank trustee that helps facilitate the PID spending and repayment of debt.

B. Fund Accounting

The accounts of the Town are organized on the basis of funds and account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts, which are comprised of funds’ assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and from individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial statement section of this report into two broad categories as follows:

Governmental Fund Types

The primary government of the Town maintains eight major governmental funds and twelve non-major special revenue funds. Information is presented separately in the governmental funds balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the eight major governmental finds. Data from the other non-major special revenue funds are combined into a single aggregated presentation. Individual funds data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. Funds with no balances in assets, liabilities, revenue or expenditures are excluded from reporting.

1. Summary of Significant Accounting Policies (continued)

General Fund
The general fund is the general operating fund of the Town. It is used to account for all financial resources except amounts required to be accounted for in another fund.

Debt Service Fund
The debt service fund is used to account for the accumulation of resources for, and the payment of, general-long term debt, principal, interest, and related costs. The resources of this fund are provided primarily by taxes levied by the Town (General Fund).

Capital Improvement Fund
The capital improvement fund is used to account for all financial resources to be used for the acquisition and construction of major capital facilities (other than those financed by proprietary funds).

Special Revenue Funds
Special revenue funds account for revenues that are raised for a specific purpose. The Town maintains five major special revenue funds, Hotel/Motel Tax Fund, Cost Recovery Fund, Water Impact Fee Funds, Water Capital Projects Fund, and Roadway Impact Fee Funds, and twelve individual non-major special revenue funds. These funds are Donations Fund, Court Security Fund, Court Technology Fund, Court Online Access Fees Fund, Belmont FWSD Fund, Canyon Falls FWSD Fund, Highlands Fund, Northport 35 Business Center Fund, Police Asset Forfeiture Fund, Police Training Fund, Child Safety Fund, and Tax Increment Reinvestment Zone (TIRZ).

Proprietary Funds

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 and liabilities are included on the Statement of Net position. The Town has presented the following major proprietary funds.

Water and Sewer Fund
The Water and Sewer Fund is used to account for the provision of water and sewer services to the residents of the Town and others. Activities of the fund include administration, operations and maintenance of the water and sewer system and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water and sewer debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the funds. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. Operating expenses for the proprietary funds include the cost of contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

1. Summary of Significant Accounting Policies (continued)

Internal Service Fund

Internal service funds are used to account for the financing of goods or service provided by one department to other departments of the Town on a cost reimbursement basis. The equipment fund accounts for the accumulation and allocation of costs associated with major equipment purchases and maintenance of the equipment. The internal service fund is presented as a proprietary fund in the funds financial statements. Since transactions of the internal service fund predominately involves providing services to the General Fund and other funds that comprise governmental activities of the Town, the financial balances are included in the government activities column of the government-wide statements.

C. Basis of Accounting

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of the Town. 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.

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. 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.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they become both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town considers property taxes as available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

1. Summary of Significant Accounting Policies (continued)

The revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for services, interest income and municipal court revenues. Sales taxes collected and held by the state at year-end on behalf of the government are also recognized as revenue. All other governmental fund revenues are recognized when received.

Cash and Cash Equivalents

Cash and investments are considered to be cash on hand and demand and time deposits, as well as short-term investments in State investment pools.

For purposes of the statement of cash flows (proprietary fund types), the Town considers cash deposits and highly liquid investments (including restricted assets) maturing in three months or less when purchased, to be cash equivalents. All investments are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

Inventories and Prepaid Items

Cash Inventories are valued at cost. Cost is determined using the first-in, first-out method. Inventory consists of expendable supplies held for consumption. Inventories are capitalized under the consumption method, whereby expenditures are capitalized as inventory until used.

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 their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant and equipment, in accordance with standards prescribed by GASB.

Assets capitalized, not including infrastructure assets, have an original cost of $5,000 or more and over one year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings and improvements	30 Years
Furniture and fixtures	10 Years
Automobiles	3 Years
Equipment	3 - 10 Years
Infrastructure	5 - 40 Years
Leased building (intangible asset)	5 Years
Water and sewer system	30 - 50 years

1. Summary of Significant Accounting Policies (continued)

Compensated Absences

Town employees are granted vacation days in varying amounts. The maximum vacation allowed to be carried over is 320 hours per calendar year (January through December) for all employees. Any hours over 320 at the end of a year shall be deleted from the employee's accruals. Pay in lieu of taking vacation is not permitted except upon termination. Accrued vacation is paid upon termination after working for the town for at least 12-months. Sick leave is accrued at the rate of eight (8) hours per month for regular full-time employees and on a pro rata basis for regular part-time employees for each month of continuous service. Sick leave may be accumulated up to a maximum of 90 days (720 hours). No cash payment is made for unused sick days. Compensated absences are paid out of the General Fund and various funds based upon the employees' positions.

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.

Net Position

Net position represents the difference between assets and liabilities. Net investments in capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling of legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

When an expense in incurred for purposes for which both restricted and unrestricted net position are available, the Town's policy is to apply restricted net position first.

Revenue Recognition - Taxes

Property taxes are levied for appropriation for the fiscal year beginning on October 1, are due October 1, attached as an enforceable lien on property as of January 1, and become delinquent on February 1. Property taxes are accrued based on the period for which they are levied and available. Delinquent taxes estimated not to be available are treated as deferred revenue in the governmental fund financial statements. Property taxes for towns, including those applicable to debt service, are limited by the Texas Constitution to $2.50 per $100 of assessed valuation. The Town's current tax rate is $0.295 per $100 of assessed valuation and assessed valuation is approximately 100% of estimated value.

1. Summary of Significant Accounting Policies (continued)

Interfund Transfers

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both Governmental and Proprietary Funds.

2. Deposits and Investments

A. Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Town manages its exposure to interest rate risk is by investing mainly in investment pools that purchase a combination of short-term investments with an average maturity of less than 90 days, thus reducing the interest rate risk. The Town monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. The Town has no specific limitations with respect to this metric.

As of September 30, 2019, the Town had the following investments:

Investment Type	Amount	Weighted Average Maturity
Logic	$ 21,864,690	35 days
Wells Fargo	$ 2,141,757	0 days

As of September 30, 2019, the Town did not invest in any securities that are highly sensitive to interest rate fluctuations.

B. Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the Public Funds Investment Act, the Town's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Investment Type	Amount	Minimum Legal Rating	Rating as of September 30, 2019
Logic	$ 21,864,690	AAA	AAA
Wells Fargo	$ 2,141,757	AAA	AAA

C. Concentration of Credit Risk

The investment policy of the Town contains no limitation on the amount that can be invested in any one issuer. As of September 30, 2019, other than external investment pools, the Town did not have 5% or more of its investments with one issuer.

2. Deposits and Investments (continued)

D. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover collateral securities that are in the possessions of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Public Funds Investment Act does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The Public Funds Investment Act requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least the bank balance less the FDIC insurance at all times.

At September 30, 2019, the carrying amount of the Town's cash on hand and deposits were $2,739,095 and the bank balance was $3,610,224. The bank balance was fully covered by federal depository insurance and collateral pledged. For purposes of the statement of cash flows, the Town considers all highly liquid investments with maturities at the date of purchase of three months or less to be cash equivalents.

E. Investment in State Investment Pools

The Town is a voluntary participant in an investment pool, specifically LOGIC. LOGIC is a public funds investment pool managed by First Southwest Asset Management, Inc. and JPMorgan Chase. LOGIC investments are not categorized in accordance with GASB Statement No. 3 disclosure requirements since the Town is not issued securities, but rather it owns an individual beneficial interest in the assets of the related investment pools. LOGIC operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. LOGIC uses amortized cost rather than market value to report new assets to compute share prices. Accordingly, the fair value of the position in LOGIC is the same as the value of LOGIC shares.

3. Accounts Receivable

Receivable balances have been disaggregated by type and presented separately in the financial statements. Only receivables with allowances for uncollectible amounts as of September 30, 2019, including the applicable allowances for uncollectible accounts, are presented below:

	General Fund		Debt Service Fund	Blended Component Units: Public Improvement Districts (PID)	Enterprise Fund Water and Sewer
	Property Tax Receivable	Municipal Court Receivable	Property Tax Receivable	Assessment Receivable	Accounts Receivable
ross receivables	$ 26,942	$ 57,315	$ 17,178	$ 1,575	$ 528,346
ess: allowance for uncollectibles	(5,261)	(35,310)	(865)	(4)	(15,395)
Net receivables	$ 21,681	$ 22,005	$ 16,313	$ 1,571	$ 512,951

4. Capital Assets

Capital asset activity for the year ended September 30, 2019, was as follows:

	Balance September 30, 2018	Reclassifications	Additions	Retirements	Balance September 30, 2019
Governmental activities					
Capital assets not being depreciated					
Land	$ 2,770,951	$ 75,581	$ 114,786	$ -	$ 2,961,318
Construction in progress	3,686,821	-	347,493	(3,686,821)	347,493
Total capital assets not being depreciated	6,457,772	75,581	462,279	(3,686,821)	3,308,811
Capital assets being depreciated					
Buildings and improvements	400,688	-	560,830	-	961,518
Furniture and fixtures	9,372	-	194,314	(9,372)	194,314
Automobiles	1,670,799	-	231,806	(238,579)	1,664,026
Equipment	392,403	-	26,362	(104,667)	314,098
Infrastructure	5,501,833	3,015,000	4,565,196	-	13,082,029
Water and sewer system	-	764,052	890,000	-	1,654,052
Leased building (intangible asset)	802,371	-	-	(141,330)	661,041
Total capital assets being depreciated	8,777,466	3,779,052	6,468,508	(493,948)	18,531,078
Less: accumulated depreciation					
Buildings and improvements	198,370	-	16,707	-	215,077
Furniture and fixtures	5,504	-	-	(5,504)	-
Automobiles	932,342	-	218,013	(237,324)	913,031
Equipment	275,009	-	30,649	(75,840)	229,818
Infrastructure	2,916,302	485,027	646,614	-	4,047,943
Water and sewer system	-	20,638	47,053	-	67,691
Total accumulated depreciation	4,327,527	505,665	959,036	(318,668)	5,473,560
Total capital assets being depreciated, net	4,449,939	3,273,387	5,509,472	(175,280)	13,057,518
Governmental activities capital assets, net	$ 10,907,711	$ 3,348,968	$ 5,971,751	$ (3,862,101)	$ 16,366,329

	Balance September 30, 2018	Reclassifications	Additions	Retirements	Balance September 30, 2019
Business-type activities					
Capital assets not being depreciated					
Land	$ 97,567	$ (75,581)	$ -	$ -	$ 21,986
Total capital assets not being depreciated	97,567	(75,581)	-	-	21,986
Capital assets being depreciated					
Buildings and improvements	35,211	-	-	-	35,211
Automobiles	42,214	-	-	-	42,214
Equipment	25,023	-	-	(4,925)	20,098
Water and sewer system	6,625,913	(764,052)	-	(1,570,175)	4,291,686
Total capital assets being depreciated	6,728,361	(764,052)	-	(1,575,100)	4,389,209
Less: accumulated depreciation					
Buildings and improvements	10,137	-	1,174	-	11,311
Automobiles	42,214	-	-	-	42,214
Equipment	5,189	-	4,020	(4,925)	4,284
Water and sewer system	707,570	(20,638)	107,292	(131,676)	662,548
Total accumulated depreciation	765,110	(20,638)	112,486	(136,601)	720,357
Total capital assets being depreciated, net	5,963,251	(743,414)	(112,486)	(1,438,499)	3,668,852
Business-type capital assets, net	$ 6,060,818	$ (818,995)	$ (112,486)	$ (1,438,499)	$ 3,690,838

4. Capital Assets (continued)

	Balance September 30, 2018 (as restated)	Reclassifications	Additions	Retirements	Balance September 30, 2019
Public Improvement Districts					
Capital assets being depreciated					
Infrastructure	$ 3,015,000	$ (3,015,000)	$ -	$ -	$ -
Total capital assets being depreciated	3,015,000	(3,015,000)	-	-	-
Less: accumulated depreciation					
Infrastructure	485,027	(485,027)	-	-	-
Total accumulated depreciation	485,027	(485,027)	-	-	-
Total capital assets being depreciated, net	2,529,973	(2,529,973)	-	-	-
PID capital assets, net	$ 2,529,973	$ (2,529,973)	$ -	$ -	$ -

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

Governmental activities:	
General government	$ 63,488
Development	54,409
Police	86,423
Public works	417,674
Public Improvement Districts	337,042
Total governmental depreciation expense	$ 959,036

Business-type activities:	
Water and sewer	$ 112,486
Total business-type depreciation expense	$ 112,486

5. Long-term Debt

Debts payable at September 30, 2019 are comprised of the following individual issues:

	Governmental Activities
Certificates of Obligation $4,170,000 Series 2014A Combination Tax and Revenue Certificates of Obligation, due in annual installments of $160,000 to $285,000 through August 15, 2034, with interest at 2%	$ 3,365,000
Certificates of Obligation $420,000 Series 2014B Combination Tax and Revenue Certificates of Obligation, due in annual installments of $15,000 to $25,000 through August 15, 2034, with interest at 3%	335,000
Certificates of Obligation $6,990,000 Series 2016 Combination Tax and Revenue certificates of Obligation, due in annual installments of $220,000 to $440,000 through April 15, 2036, with interest at 2.00%	6,235,000
Certificates of Obligation $1,390,000 Series 2016 General Obligation Refunding Bonds, due in annual installments of $135,000 to $175,000 through April 15, 2025, with interest at 2.00%	975,000
Certificates of Obligation $11,395,000 Series 2018 Combination Tax and Limited Surplus Revenue Certificates of Obligation, due in annual installments of $400,000 to $1,045,000 through August 15, 2038, with interest at 3.45%	10,995,000
	$ 21,905,000

The following is a summary of long-term debt activities for the year ended September 30, 2019:

	September 30, 2018	Reclassifications	Increases	Decreases	September 30, 2019	Due Within One Year
Governmental Activities						
Certificates of obligation	$ 7,575,000	$ 3,895,000	$ 11,395,000	$ (960,000)	$ 21,905,000	$ 620,000
Compensated absences	124,083	-	119,646	(103,569)	140,160	37,850
Unamortized bond premium	186,568	-	605,000	(44,610)	746,958	-
Total governmental activiites	7,885,651	3,895,000	12,119,646	(1,108,179)	22,792,118	657,850
Business-type Activities						
Certificates of obligation	$ 355,000	$ (355,000)	$ -	$ -	$ -	$ -
Compensated absences	8,423	-	5,278	(6,339)	7,362	4,273
Total business-type activities	$ 363,423	$ (355,000)	$ 5,278	$ (6,339)	$ 7,362	$ 4,273
Public Improvement Districts						
Certificates of obligation	$ 3,540,000	$ (3,540,000)	$ -	$ -	$ -	$ -
Total PID activities	$ 3,540,000	$ (3,540,000)	$ -	$ -	$ -	$ -

5. Long-term Debt (continued)

The annual aggregate maturities for the fiscal years after September 30, 2019 are as follows:

Certificates of Obligations	Governmental Activities		
	Principal	Interest	Total
2020	$ 620,000	$ 715,312	$ 1,335,312
2021	680,000	702,912	1,382,912
2022	745,000	689,312	1,434,312
2023	855,000	673,550	1,528,550
2024	895,000	654,612	1,549,612
2025-2029	5,670,000	2,856,987	8,526,987
2030-2034	7,595,000	1,661,013	9,256,013
2035-2039	4,845,000	386,344	5,231,344
	$ 21,905,000	$ 8,340,042	$ 30,245,042

6. Upper Trinity Regional Water District (the "District") Treated Water System Additional Participating Customer Contract

On December 2, 2010, the Town entered into a regional treated water supply contract (as an additional participating customer) in order to provide treated water service to the Town residents in the future. The Town entered into a long-term contractual obligation with the Upper Trinity Regional Water District for the purpose of providing funds for the construction and maintenance of a transmission water pipeline that will provide water to participating towns and cities (participating customers). The Town is required to pay the cost of any extension from the water system to the mutually agreed point of delivery for service. The Town will own and operate water pumping, storage and distribution and render retail service within the Town's service area.

Each participating customer is required to make payments to Upper Trinity Regional Water District equivalent to their portion of the regional treated water system project (currently projected at 30% of the total obligation for Northlake) to cover the Town's portion of the cost of the obligation. The Town will be responsible to pay an annual payment for its share of the total amount of money required for the District to pay all operation and maintenance expenses of the System (the project or regional treated water system), and to pay the capital (bond service) component of the annual requirement including debt service on its bonds. Initially, payment for demand shall be based on the minimum demand under a take or pay for the initial demand, plus any future increases in demand requested or experienced by the Town.

The agreement requires the use of a water year of June 1 of each calendar year through May 31 of the next following calendar year and requires that approximately sixty days after the end of each annual payment period, the Town shall furnish in writing to the District service information for the water year. The Town paid a $288,000 security deposit to the Upper Trinity Regional Water District upon execution of the agreement. The payment represents an estimate of two years of the Town's portion of the annual debt service requirements. The security deposit can be returned to the Town as early as three years from the start of the agreement if certain conditions are met. There are several fees and charges associated with the water contract such as equity fee, subscription fee, and volume charges. In addition, the Town financed the payment of a $60,000 equity fee over 60 months. As of September 30, 2019, this note payable was paid off.

7. Fund Balances

In accordance with GASBS No. 54, the Town classifies its fund equity into five categories:

- Non-spendable fund balance includes amounts that are not in a spendable form or are required to be maintained intact.
- Restricted fund balance includes amounts that are constrained to specific purposes by their providers or by enabling legislations.
- Committed fund balance includes amounts which are constrained to specific purposes by the government itself, using its highest level of decision-making. To be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.
- Assigned fund balance includes amounts a government intends to use for a specific purpose. Intent can be expressed by the governing body or by an official or body to which the governing body delegates.
- Unassigned fund balance includes amounts that are available for any purpose. Unassigned fund balances are only reported in the general fund.

The Town's highest level of decision-making authority is governed by the Town Council. Passage of a resolution would be required to establish, modify, or rescind a fund balance commitment. The Town Council has the authority to assign amounts to specific purposes.

The Town considers restricted amounts spent when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available. Expenditures incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used are classified using the highest level of spending constraint available at the time of the expenditure.

8. Interfund Balances and Transfers

Interfund transfers are reported in the governmental funds and proprietary fund financial statements. In the government-wide statements, inter-fund transfers are eliminated within the governmental activities column and business-type column, as appropriate.

Transfers are used to (1) move revenues collected in the special revenue funds to finance various programs in accordance with budgetary authorizations, (2) move receipts restricted for debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due, (3) reimburse one fund for services provided to another fund, and (4) move unrestricted General Fund revenues to Capital Improvements Fund as determined by the Council for capital projects.

8. Interfund Balances and Transfers (continued)

Interfund transfers between the primary government's funds consisted of:

Primary Government	Transfers To	Transfers From
General Fund		
Water and Sewer Fund	$ -	$ 230,000
Economic Development Corporation 4A Fund	-	30,000
Community Development Corporation 4B Fund	-	30,000
Economic Development Corporation 4A Fund		
General Fund	30,000	-
Community Development Corporation 4B Fund		
General Fund	30,000	-
Debt Service Fund		
Water Capital Projects Fund	12,000,000	-
Water and Sewer Fund		
General Fund	230,000	-
Water Capital Projects Fund		
Debt Service Fund	-	12,000,000
	$ 12,290,000	$ 12,290,000

There were no Interfund receivables or payables at September 30, 2019.

9. Defined Benefit Pension Plan

Plan Description

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

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

9. Defined Benefit Pension Plan (continued)

Benefits Provided

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

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

Plan provisions for the Town were as follows:

	Plan Year 2018
Employee deposit rate	7%
Matching ratio (Town to Employee)	2 to 1
Years required for vesting	5
Retirement Eligibility (Age/Service)	60/5, 0/20
Updated Service Credit	100% Repeating Transfers
Annuity to Increase (to retirees)	0% of CPI
Supplemental Death Benefit to Active Employees	Yes
Supplemental Death Benefit to Retirees	Yes

Employees covered by benefit terms

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

	2018
Inactive employees or beneficiaries currently receiving benefits	4
Inactive employees entitled to but not yet receiving benefits	27
Active employees	33
Total	64

9. Defined Benefit Pension Plan (continued)

Contributions

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

Employees for the Town were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the Town were 10.60% and 10.22% in calendar years 2019 and 2018, respectively. The town's contributions to TMRS for the year ended September 30, 2019, were $241,077, and were equal to the required contributions.

Net Pension Liability

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

Actuarial assumptions

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

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

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

9. Defined Benefit Pension Plan (continued)

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.5%	4.30%
International Equity	17.5%	6.10%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.39%
Real Return	10.0%	3.78%
Real Estate	10.0%	4.44%
Absolute Return	10.0%	3.56%
Private Equity	5.0%	7.75%
Total	100.0%	

Discount Rate

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

9. Defined Benefit Pension Plan (continued)

Changes in the Net Pension Liability

Changes in the net pension liability for the Town are summarized in the following table:

	Changes in the Net Pension Liability		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2017	$ 2,910,542	$ 2,545,114	$ 365,428
Changes for the year:			
Service cost	341,387	-	341,387
Interest	207,574	-	207,574
Changes in current period benefits	-	-	-
Difference between expected and actual experience	(35,261)	-	(35,261)
Changes in assumptions	-	-	-
Contributions - employer	-	224,811	(224,811)
Contributions - employee	-	149,731	(149,731)
Net investment income	-	(76,473)	76,473
Benefit payments, including refunds of emplyee contributions	(12,137)	(12,137)	-
Administrative expense	-	(1,473)	1,473
Other changes	-	(78)	78
Net changes	501,563	284,381	217,182
Balance at 12/31/2018	$ 3,412,105	$ 2,829,495	$ 582,610

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

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

Sensitivity of the Net Pension Liability to Changes in the Disount Rate			
	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
Town's net pension liability	$ 1,195,539	$ 582,610	$ 89,386

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.

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

For the fiscal year ended September 30, 2019, the Town recognized pension expense of $301,415 and the calculation of the expense is summarized in the following table:

9. Defined Benefit Pension Plan (continued)

Schedule of Pension Expense		
Total service cost	$	341,387
Interest on the total pension liability		207,574
Changes in current period benefits		-
Employee contributions (reduction of expense)		(149,731)
Projected earnings on plan investments (reduction of expense)		(171,795)
Administrative expense		1,473
Other changes in fiduciary net position		77
Recognition of current year outflow (inflow) of resources - liabilities		(6,197)
Recognition of current year outflow (inflow) of resources - assets		49,654
Amortization of prior year outflows (inflows) of resources - liabilites		35,007
Amortization of prior year outflows (inflows) of resources - assets		(6,034)
Total pension expense	$	301,415

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

	Schedule of Deferred Outflows and Inflows of Resources			
	Deferred Outflows of Resources		Deferred Inflows of Resources	
Differences between expected and actual economic experience	$	10,744	$	-
Changes in actuarial assumptions		16,502		-
Difference between projected and actual investment earnings		132,787		-
Contributions subsequent to the measurement date		178,381		-
Total	$	338,414	$	-

$178,381 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31	Amount	
2019	$	66,827
2020		30,690
2021		22,683
2022		44,109
2023		(4,276)
Thereafter		-
Total	$	160,033

10. Other Post-Employment Benefit (OPEB) Obligations

Plan Description

Texas Municipal Retirement System ("TMRS") administers a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund ("SDBF"). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. 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). The death benefit for retirees is considered another postemployment benefit ("OPEB") and is a fixed amount of $7,500. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e. no assets are accumulated).

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

The contribution rate for the Supplemental Death Benefit (SDB) is equal to the expected benefit payments during the upcoming year divided by the annualized pay of current active members and is calculated separately for actives and retirees. Due to the significant reserve in the Supplemental Death Fund, the SDB rate for retiree coverage is currently only one-third of the total term cost.

Employees covered by benefit terms

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

	2018
Inactive employees or beneficiaries currently receiving benefits	3
Inactive employees entitled to but not yet receiving benefits	6
Active employees	33
Total	42

10. Other Post-Employment Benefit (OPEB) Obligations (continued)

Actuarial assumptions

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

Inflation	2.5% per year
Salary increases	3.50% to 10.5% including inflation
Discount rate*	6.75%
Retirees' share of benefit-related costs	$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates – service retirees	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.
Mortality rates – disabled retirees	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 3 year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.

*The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31,

Note: The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period December 31, 2010 to December 31, 2014.

Changes in the OPEB Liability

Changes in the OPEB liability for the Town are summarized in the following table:

	Changes in the OPEB Liability Total OPEB Liability (a)
Balance at 12/31/2017	$ 40,179
Changes for the year:	
Service cost	3,636
Interest on Total OPEB Liability	1,387
Changes of benefit terms	-
Difference between expected and actual experience	(3,925)
Changes in assumptions or other inputs	(3,244)
Benefit payments	(214)
Net changes	(2,360)
Balance at 12/31/2018	$ 37,819

10. Other Post-Employment Benefit (OPEB) Obligations (continued)

Sensitivity of the OPEB liability to changes in the discount rate:

The following presents the OPEB liability of the Town, calculated using the discount rate of 3.31%, as well as what the Town's OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.31%) or 1-percentage-point higher (4.31%) than the current rate:

Sensitivity of the OPEB Liability to Changes in the Disount Rate

	1% Decrease in Discount Rate (2.71%)	Discount Rate (3.71%)	1% Increase in Discount Rate (4.71%)
Town's net pension liability	$ 46,955	$ 37,819	$ 30,996

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

For the fiscal year ended September 30, 2019, the Town recognized OPEB expense of $4,269 and the calculation of the expense is summarized in the following table:

Schedule of OPEB Expense

Service cost	$	3,636
Interest on total OPEB liability		1,387
Changes in benefit terms		-
Employer administrative costs		-
Recognition of deferred outflows/inflows of resources:		
Differences between expected and actual experience *		(472)
Changes in assumptions or other inputs **		44
Total pension expense	$	4,595

*In the year of implementation, the beginning of year liability is rolled back from the measurement date, so there will be no experience loss / (gain).

**Generally, this will only be the annual change in the municipal bond index rate.

10. Other Post-Employment Benefit (OPEB) Obligations (continued)

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

	Schedule of Deferred Outflows and Inflows of Resources	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ -	$ 3,453
Changes in actuarial assumptions	-	108
Difference between projected and actual investment earnings	-	-
Contributions subsequent to the measurement date	196	-
Total	$ 196	$ 3,561

$196 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the year ending September 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31	Amount
2019	$ (428)
2020	(428)
2021	(428)
2022	(428)
2023	(428)
Thereafter	(1,421)
Total	$ (3,561)

11. Risk Management

The Town 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 for with the Town carries commercial insurance.

The Town had no significant changes in insurance coverage from the year ended September 30, 2019. Settlement amounts have not exceeded insurance coverage for the year ended September 30, 2019 or any of the three preceding years.

12. Contingent Liabilities

The Town is involved in lawsuits with other parties from time to time. While the ultimate result of these matters cannot be predicted with certainty, the Town does not expect them to have a materially adverse effect on its Basic Financial Statements.

13. Tax Abatements

Tax Increment Reinvestment Zone Number Two

On April 23, 2015, the Town designated a certain area as a reinvestment zone for commercial/industrial tax abatement in the Town, to be known as Reinvestment Zone No. 2, Town of Northlake Texas.

Reinvestment zone with Farmer Bros. Co.
Abatement is equal to the taxes assess on 85% of the value of Farmer Bros. Co's tangible business personal property, as defined by the Denton Central Appraisal District. The abatement period is from January 1, 2017 to December 31, 2026. The total amount of taxes abated during the year ended September 30, 2019 was $115,451.

Reinvestment zone with SH114/IH35W Ventures, Ltd.
Abatement is equal to the taxes assess on 75% of increased value of the property and improvements. The improvements are estimated to be $25,000,000. The abatement period is from January 1, 2017 to December 31, 2026. On September 14, 2016 the Real Property Tax Abatement Agreement was assigned to Farmer Bros. Co., a Delaware corporation qualified to do business in Texas. Farmer Bros. Co. is the sole party to the assigned contract. The total amount of taxes abated during the year ended September 30, 2019 was $83,038.

Tax Increment Reinvestment Zone Number Three

On January 14, 2016, the Town designated a certain area as a reinvestment zone for commercial/industrial tax abatement in the Town, to be known as Reinvestment Zone No. 3, Town of Northlake Texas

Reinvestment zone with Westco Aircraft Hardware Corp.
Abatement is equal to the taxes assess on 75% of the value of Westco Aircraft Hardware Corp's tangible business personal property, as defined by the Denton Central Appraisal District. The abatement period is from January 1, 2017 to December 31, 2026. The total amount of taxes abated during the year ended September 30, 2019 was $8,910.

Reinvestment zone with Hempel USA, Inc.
Abatement is equal to the taxes assess on 75% of the value of Hempel's tangible business personal property, as defined by the Denton Central Appraisal District. The abatement period is from January 1, 2017 to December 31, 2026. The total amount of taxes abated during the year ended September 30, 2019 was $574.

14. Leases

On December 4, 2018, the Town commenced an office lease for the Town Hall building. The lease agreement has a 5-year term with an option to renew the lease by the Town for two additional 5-year terms. The Town agreed to pay the following charges for the lease:

1. "Initial Common Area Maintenance (CAM) Charge" of $1,250 per month;
2. "Initial Insurance Payment" of $208 per month;
3. "Initial Tax Payment" payable monthly;
4. "Minimum Guaranteed Rental/Base Rent" of $23.00 per square foot (SF) for 5,000 square feet of rentable area or $9,792; and
5. “NNN” or all associated expenses such as taxes, CAM, and insurance, adjusted yearly to inflation indexed to inflation each year.

The Town received three months of free base rent and monthly expenses to be applied at the commencement of the lease.

Future minimum lease payments for operating leases with an initial or remaining lease term of twelve months or more at September 30, 2019 are as follows:

	Amount
2020	$ 165,106
2021	168,438
2022	171,838
2023	155,659
2024	-
Thereafter	-
Total	$ 661,041

15. Subsequent Events

In preparing these financial statements, the Town has evaluated events and transactions for potential recognition or disclosure through April 15, 2020, the date the financial statements were available to be issued.

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REQUIRED SUPPLEMENTARY INFORMATION

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Town of Northlake, Texas
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios
September 30, 2019

	2014	2015	2016	2017	2018
Total pension liability					
Service cost	$ 169,257	$ 218,403	$ 256,814	$ 281,176	$ 341,387
Interest	94,776	114,859	140,867	175,548	207,574
Change of benefit terms	-	-	-	58,612	-
Difference between expected and actual experience	14,773	33,719	62,182	4,129	(35,261)
Changes of assumptions	-	71,966	-	-	-
Benefit payments, including refunds of emplyee contributions	(21,688)	(11,286)	(12,871)	(20,855)	(12,137)
Net Change in Total Pension Liability	257,118	427,661	446,992	498,610	501,563
Total Pension Liability - Beginning	1,280,161	1,537,279	1,964,940	2,411,932	2,910,542
Total Pension Liability - Ending (a)	1,537,279	1,964,940	2,411,932	2,910,542	3,412,105
Plan Fiduciary Net Position					
Contributions-employer	75,574	128,506	147,406	180,185	224,811
Contributions-employee	83,179	100,846	114,649	127,147	149,731
Net investment income	68,838	2,078	110,118	275,603	(76,473)
Benefit payments, including refunds of emplyee contributions	(21,688)	(11,286)	(12,871)	(20,855)	(12,137)
Administrative expense	(718)	(1,265)	(1,241)	(1,425)	(1,473)
Other changes	(59)	(62)	(67)	(74)	(77)
Net Change in Plan Fiduciary Net Position	205,126	218,817	357,994	560,581	284,381
Plan Fiduciary Net Position - Beginning	1,202,597	1,407,723	1,626,539	1,984,533	2,545,114
Plan Fiduciary Net Position - Ending (b)	$ 1,407,723	$ 1,626,540	$ 1,984,533	$ 2,545,114	$ 2,829,495
Net Pension Liability - Ending (a) - (b)	129,556	338,400	427,399	365,428	582,610
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	91.57%	82.78%	82.28%	87.44%	82.93%
Covered Employee Payroll	1,188,275	1,440,652	1,637,847	1,816,383	2,139,016
Net Pension Liability as a Percentage of Covered Employee Payroll	10.90%	23.49%	26.10%	20.12%	27.24%

Town of Northlake, Texas
Required Supplementary Information
Schedule of Contributions
September 30, 2019

	2014	2015	2016	2017	2018
Actuarially determined contribution	$ 112,401	$ 140,000	$ 171,635	$ 213,078	$ 238,779
Contributions in relation to the actuarially determined contribution	100,291	141,715	173,585	214,948	241,077
Contribution deficiency (excess)	12,111	(1,715)	(1,950)	(1,870)	(2,298)
Covered employee payroll	1,341,854	1,558,966	1,773,085	2,055,781	2,273,752
Contributions as a percentage of covered employee payroll	7.00%	9.09%	9.79%	10.46%	10.60%

Town of Northlake, Texas
Required Supplementary Information
Notes to Schedule of Contributions
September 30, 2019

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 Determin Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 10.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of reates that are specific to the Town's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010 - 2014
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB

Other Information:

Notes	There were no benefit changes during the year.

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COMBINING NON-MAJOR FUND FINANCIAL STATEMENTS

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Town of Northlake, Texas
Combining Balance Sheet - Non-major Governmental Funds
September 30, 2019

	Special Revenue Funds												
	Donations Fund	Court Security Fund	Court Technology Fund	Court Online Acess Fees Fund	Belmont FWSD Fund	Canyon Falls FWSD Fund	Highlands Fund	Northport 35 Business Center Fund	Police Asset Forfeiture Fund	Police Training Fund	Child Safty Fund	Tax Increment Reinvestment Zone (TIRZ)	Total Non-major Governmental Funds
Assets													
Cash and cash equivalents	$ 23,682	$ (9,363)	$ 28,667	$ 60,931	$ 436,264	$ (15,147)	$ (16,201)	$ (9,558)	$ 19,676	$ 3,628	$ 96,861	$ 169,182	$ 788,622
Accounts receivable	-	-	-	-	-	20,000	-	-	-	-	-	-	20,000
Goods available for sale	-	-	-	-	-	-	-	-	2,000	-	-	-	2,000
Total assets	23,682	(9,363)	28,667	60,931	436,264	4,853	(16,201)	(9,558)	21,676	3,628	96,861	169,182	810,622
Liabilities and Fund Balances													
Liabilities:													
Accounts payable	-	-	-	-	221,805	-	-	-	-	-	-	-	221,805
Accrued liabilities	-	-	-	-	-	-	-	-	8,217	-	-	-	8,217
Deferred revenue	-	-	-	-	-	20,000	-	-	2,000	-	-	-	22,000
Developer deposits	-	-	-	-	150,000	-	-	-	-	-	-	-	150,000
Total liabilities	-	-	-	-	371,805	20,000	-	-	10,217	-	-	-	402,022
Fund balances:													
Restricted for													
Donations	23,682	-	-	-	-	-	-	-	-	-	-	-	23,682
Municipal court	-	(9,363)	28,667	60,931	-	-	-	-	-	-	-	-	80,235
Utility cost participation	-	-	-	-	64,459	(15,147)	(16,201)	(9,558)	-	-	-	-	23,553
Public safty	-	-	-	-	-	-	-	-	11,459	3,628	96,861	-	111,948
TIRZ activities	-	-	-	-	-	-	-	-	-	-	-	169,182	169,182
Total fund balances	23,682	(9,363)	28,667	60,931	64,459	(15,147)	(16,201)	(9,558)	11,459	3,628	96,861	169,182	408,600
Total liabilities and fund balances	$ 23,682	$ (9,363)	$ 28,667	$ 60,931	$ 436,264	$ 4,853	$ (16,201)	$ (9,558)	$ 21,676	$ 3,628	$ 96,861	$ 169,182	$ 810,622

Town of Northlake, Texas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-major Governmental Funds
September 30, 2019

	Special Revenue Funds												Total
	Donations Fund	Court Security Fund	Court Technology Fund	Court Online Acess Fees Fund	Belmont FWSD Fund	Canyon Falls FWSD Fund	Highlands Fund	Northport 35 Business Center Fund	Police Asset Forfeiture Fund	Police Training Fund	Child Safty Fund	Tax Increment Reinvestment Zone (TIRZ)	Non-major Governmental Funds
Revenues													
Property tax	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 127,027	$ 127,027
Court security	-	9,856	-	-	-	-	-	-	-	-	-	-	9,856
Court technology	-	-	13,137	-	-	-	-	-	-	-	-	-	13,137
Court online access fees	-	-	-	17,884	-	-	-	-	-	-	-	-	17,884
Seized monies	-	-	-	-	-	-	-	-	2,751	-	-	-	2,751
State training fund	-	-	-	-	-	-	-	-	-	3,155	-	-	3,155
Seatbelt fees and child safety fund	-	-	-	-	-	-	-	-	-	-	5,903	-	5,903
Interest income	21	205	-	-	119	-	-	-	15	-	148	-	508
Miscellaneous	-	8	-	-	-	-	-	-	-	-	-	-	8
Total revenues	21	10,069	13,137	17,884	119	-	-	-	2,766	3,155	6,051	127,027	180,229
Expenditures													
Current													
General government	716	-	-	-	-	-	-	-	-	-	-	-	716
Municipal court	-	79,756	-	14,902	-	-	-	-	-	-	-	-	94,658
Utility cost participation	-	-	-	-	970	-	-	-	-	-	-	-	970
Police	-	-	-	-	-	-	-	-	1,391	-	7,244	-	8,635
TIRZ activities	-	-	-	-	-	-	-	-	-	-	-	4,741	4,741
Total expenditures	716	79,756	-	14,902	970	-	-	-	1,391	-	7,244	4,741	109,720
Net change in fund balances	(695)	(69,687)	13,137	2,982	(851)	-	-	-	1,375	3,155	(1,193)	122,286	70,509
Fund balances - beginning	24,377	60,324	15,530	57,949	65,310	(15,147)	(16,201)	(9,558)	10,084	473	98,054	46,896	338,091
Fund balances - ending	$ 23,682	$ (9,363)	$ 28,667	$ 60,931	$ 64,459	$ (15,147)	$ (16,201)	$ (9,558)	$ 11,459	$ 3,628	$ 96,861	$ 169,182	$ 408,600

Town of Northlake, Texas
Combining Statement of Net Position - Non-major Proprietary Funds
September 30, 2019

	Canyon Falls MUD 1 Fund	Argyle Sewer Billing Fund	Miscellaneous Fund	Total Non-major Proprietary Funds
Assets				
Current assets:				
Cash and cash equivalents	$ 9,122	$ 2,583	$ (2,446)	$ 9,259
Accounts receivable, net	2,569	1,062	-	3,631
Total current assets	11,691	3,645	(2,446)	12,890
Liabilities				
Current liabilities:				
Customer deposits	4,821	-	-	4,821
Total current liabilities	4,821	-	-	4,821
Net position				
Unrestricted	6,870	3,645	(2,446)	8,069
Total Net Position	$ 6,870	$ 3,645	$ (2,446)	$ 8,069

Town of Northlake, Texas
Combining Statement of Revenues, Expenses and Changes in Fund Net Position - Non-major Proprietary Funds
Year ended September 30, 2019

	Canyon Falls MUD 1 Fund	Argyle Sewer Billing Fund	Miscellaneous Fund	Total Non-major Proprietary Funds
Operating revenues:				
Water and sewer service	$ 6,943	$ 4,290	$ -	$ 11,233
Total operating revenues	6,943	4,290	-	11,233
Operating expenses:				
Operating expenses	73	645	-	718
Total operating expenses	73	645	-	718
Change in net position	6,870	3,645	-	10,515
Net position - beginning	-	-	(2,446)	(2,446)
Net position - ending	$ 6,870	$ 3,645	$ (2,446)	$ 8,069

BUDGETARY COMPARISON INFORMATION

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Town of Northlake, Texas
Budgetary Comparison Schedule - General Fund
Year ended September 30, 2019

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues				
Taxes:				
Property	$ 1,013,350	$ 1,013,350	$ 1,014,024	$ 674
Sales and beverage	750,000	750,000	757,432	7,432
Franchise fees	363,000	363,000	454,537	91,537
Fees, licenses and permits	2,370,300	2,370,300	2,579,477	209,177
Municipal court fines	500,000	500,000	512,290	12,290
Contracted police services	164,000	164,000	161,813	(2,187)
Credit card convenience fees	11,000	11,000	10,927	(73)
Interest income	10,000	10,000	186,563	176,563
Billboard and other revenue	30,760	30,760	62,051	31,291
Total revenues	5,212,410	5,212,410	5,739,114	526,704
Expenditures				
Current				
General government	967,613	967,613	927,873	39,740
Municipal court	279,775	279,775	279,621	154
Development services	723,210	723,210	645,618	77,592
Police	2,401,327	2,401,327	2,383,963	17,364
Public works	581,978	581,978	564,418	17,560
Total expenditures	4,953,903	4,953,903	4,801,493	152,410
Excess (deficiency) of revenues over expenditures	258,507	258,507	937,621	679,114
Other financing sources (uses):				
Transfers in	270,881	270,881	290,000	19,119
Total other financing sources (uses)	270,881	270,881	290,000	19,119
Net change in fund balances	529,388	529,388	1,227,621	698,233
Fund balance, beginning of year	1,847,823	1,847,823	1,847,823	-
Fund balance, end of year	$ 2,377,211	$ 2,377,211	$ 3,075,444	$ 698,233

Town of Northlake, Texas
Budgetary Comparison Schedule - Hotel/Motel Tax Fund
Year ended September 30, 2019

	Budgeted Amounts		Actual	Variance With Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Hotel/Motel tax	$ 400,000	$ 400,000	$ 457,149	$ 57,149
Interest income	10,805	10,805	1,184	(9,621)
Other revenue	-	-	5,785	5,785
Total revenues	410,805	410,805	464,118	53,313
Expenditures				
Police	35,650	35,650	17,972	17,678
Promotional	74,818	74,818	60,412	14,406
Total expenditures	110,468	110,468	78,384	32,084
Net change in fund balances	300,337	300,337	385,734	85,397
Fund balance, beginning of year	1,884,974	1,884,974	1,884,974	-
Fund balance, end of year	$ 2,185,311	$ 2,185,311	$ 2,270,708	$ 85,397

Town of Northlake, Texas
Budgetary Comparison Schedule - Debt Service Fund
Year ended September 30, 2019

	Budgeted Amounts		Actual	Variance With Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Assessment taxes	$ 803,800	$ 803,800	$ 827,474	$ 23,674
Interest income	6,000	6,000	59	(5,941)
Total revenues	809,800	809,800	827,533	17,733
Expenditures				
General government	-	-	30,379	(30,379)
Debt service				
Principal	765,000	765,000	765,000	-
Interest and fiscal charges	566,034	566,034	606,111	(40,077)
Total expenditures	1,331,034	1,331,034	1,401,490	(70,456)
Other financing sources (uses)				
Proceeds of long-term debt	12,218,908	12,218,908	11,395,000	823,908
Premium on bond	-	-	605,000	(605,000)
Transfers in	50,000	50,000	-	50,000
Transfers out	(12,000,000)	(12,000,000)	(12,000,000)	-
Total other financing sources (uses)	268,908	268,908	-	268,908
Net change in fund balances	(252,326)	(252,326)	(573,957)	(321,631)
Fund balance, beginning of year	783,748	783,748	783,748	-
Fund balance, end of year	$ 531,422	$ 531,422	$ 209,791	$ (321,631)

Town of Northlake, Texas
Budgetary Comparison Schedule - Capital Improvement Fund
Year ended September 30, 2019

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues				
Developer participation	$ 420,000	$ 420,000	$ 421,929	$ 1,929
Interest income	-	-	47,378	47,378
Total revenues	420,000	420,000	469,307	49,307
Expenditures				
General government	12,000	12,000	4,117	7,883
Public works	-	-	1,489	(1,489)
Capital outlay	1,613,000	1,613,000	1,633,425	(20,425)
Total expenditures	1,625,000	1,625,000	1,639,031	(14,031)
Net change in fund balances	(1,205,000)	(1,205,000)	(1,169,724)	35,276
Fund balance, beginning of year	2,419,659	2,419,659	2,419,659	-
Fund balance, end of year	$ 1,214,659	$ 1,214,659	$ 1,249,935	$ 35,276

Town of Northlake, Texas
Budgetary Comparison Schedule - Economic Development Corporation 4A
Year ended September 30, 2019

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues				
Sales taxes	$ 360,000	$ 360,000	$ 378,396	$ 18,396
Interest income	650	650	351	(299)
Other income	22,000	22,000	14,862	(7,138)
Total revenues	382,650	382,650	393,609	10,959
Expenditures				
Development services	514,568	514,568	515,293	(725)
Promotional	29,750	29,750	22,952	6,798
Total expenditures	544,318	544,318	538,245	6,073
Other financing sources (uses)				
Transfers out	(30,000)	(30,000)	(30,000)	-
Total other financing sources (uses)	(30,000)	(30,000)	(30,000)	-
Net change in fund balances	(191,668)	(191,668)	(174,636)	17,032
Fund balance, beginning of year	584,305	584,305	584,305	-
Fund balance, end of year	$ 392,637	$ 392,637	$ 409,669	$ 17,032

Town of Northlake, Texas
Budgetary Comparison Schedule - Community Development Corporation 4B
Year ended September 30, 2019

	Budgeted Amounts		Actual	Variance With Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Sales taxes	$ 360,000	$ 360,000	$ 378,396	$ 18,396
Interest income	650	650	308	(342)
Miscellaneous	22,000	22,000	14,862	(7,138)
Total revenues	382,650	382,650	393,566	10,916
Expenditures				
Development services	514,568	514,568	512,766	1,802
Promotional	31,250	31,250	22,825	8,425
Total expenditures	545,818	545,818	535,591	10,227
Other financing sources (uses)				
Transfers out	(30,000)	(30,000)	(30,000)	-
Total other financing sources (uses)	(30,000)	(30,000)	(30,000)	-
Net change in fund balances	(193,168)	(193,168)	(172,025)	21,143
Fund balance, beginning of year	562,935	562,935	562,935	-
Fund balance, end of year	$ 369,767	$ 369,767	$ 390,910	$ 21,143

Town of Northlake, Texas

Budgetary Comparison Schedule - Town of Northlake Public Improvement District No. 1

Year ended September 30, 2019

	Budgeted Amounts		Actual	Variance With Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Assessment taxes	$ 780,150	$ 780,150	$ 785,055	$ 4,905
Total revenues	780,150	780,150	785,055	4,905
Expenditures				
PID activities	779,600	779,600	772,019	7,581
Total expenditures	779,600	779,600	772,019	7,581
Net change in fund balances	550	550	13,036	12,486
Fund balance, beginning of year	4,133	4,133	4,133	-
Fund balance, end of year	$ 4,683	$ 4,683	$ 17,169	$ 12,486

Town of Northlake, Texas
Budgetary Comparison Schedule - Highlands Public Improvement District
Year ended September 30, 2019

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues				
Assessment taxes	$ 317,902	$ 317,902	$ 318,747	$ 845
Interest income	10,000	10,000	-	(10,000)
Total revenues	327,902	327,902	318,747	(9,155)
Expenditures				
PID activities	24,191	24,191	21,259	2,932
Debt service				
Principal	175,000	175,000	175,000	-
Interest and fiscal charges	105,125	105,125	104,352	773
Total expenditures	304,316	304,316	300,611	3,705
Net change in fund balances	23,586	23,586	18,136	(5,450)
Fund balance, beginning of year	125,790	125,790	125,790	-
Fund balance, end of year	$ 149,376	$ 149,376	$ 143,926	$ (5,450)

Town of Northlake, Texas
Budgetary Comparison Schedule - Water and Sewer Fund
Year ended September 30, 2019

	Budgeted Amounts		Actual	Variance With Final Budget Positive
	Original	Final	Amounts	(Negative)
Operating revenues				
Charges for services	$ 4,065,250	$ 4,065,250	$ 3,961,274	$ (103,976)
Total operating revenues	4,065,250	4,065,250	3,961,274	(103,976)
Operating expenses				
Operating expenses	3,763,367	3,763,367	4,328,723	(565,356)
Depreciation	-	-	112,486	(112,486)
Total operating expenses	3,763,367	3,763,367	4,441,209	(677,842)
Operating income (loss)	301,883	301,883	(479,935)	(781,818)
Nonoperating revenues (expenses)				
Interest income	-	-	298	298
Other income (expense)	-	-	2,309	2,309
Total nonoperating revenues	-	-	2,607	2,607
Income (loss) before transfers	301,883	301,883	(477,328)	(779,211)
Transfers out	(230,000)	(230,000)	(230,000)	-
Change in net position	71,883	71,883	(707,328)	(779,211)
Fund balance, beginning of year	4,734,613	4,734,613	4,734,613	-
Fund balance, end of year	$ 4,806,496	$ 4,806,496	$ 4,027,285	$ (779,211)

1. Stewardship, Compliance and Accountability

Budgetary Information

The Town Council adopts an annual operating budget, which can be amended by the Council throughout the year. For each of the funds for which a formal budget is adopted, the same basis of accounting is used to reflect actual revenues and expenditures recognized on the basis of accounting principles generally accepted in the United States of America.

At the fund level, actual expenditures cannot exceed budgeted appropriations; however, with proper approval by the Town Council, budgetary transfers between departments can be made. The budget amounts on the budgetary comparison schedules reflect the final budget authorization.

COMPLIANCE AND INTERNAL CONTROL SECTION

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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in accordance with Government Auditing Standards

To the Honorable Mayor and Town Council
Town of Northlake, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Northlake, Texas (the "Town"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated April 15, 2020.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Vail + Park, P.C.

Richardson, Texas
April 15, 2020

NORTHLAKE MAYOR AND COUNCIL COMMUNICATION

DATE: APRIL 23, 2020

REF DOC.: NORTHLAKE CODE OF ORDINANCES

SUBJECT: FEE SCHEDULE AMENDMENT FOR SUP FEES

GOALS/OBJECTIVES:

- Effectively Manage Public Resources (Council Goal)
- Operate Efficiently & Effectively (Council Goal)

BACKGROUND INFORMATION:

The Mayor and Council directed staff to evaluate the application fee for Specific Use Permits (SUP) to determine whether it was appropriate to implement a lesser fee for residential SUPs.

CURRENT SUP FEE STRUCTURE:

- Current fee - $500 for commercial or residential uses, non-refundable, due upon application of permit
- Cost recovery of staff time
    - Review and process application
    - Prepare public hearing notices and draft reports and ordinances to Town Council
    - Respond to comments and questions in response to public hearing notices.
- Cost recovery of other costs
    - Legal costs associated with the drafting and review of ordinances
    - Newspaper advertisements and postage for mailings of public notices

PROPOSED SUP FEE STRUCTURE:

- Specific Use Permit: $200 for residential use; $500 for nonresidential use
- Residential SUPs, primarily for residential accessory buildings or accessory dwelling units, typically cover a smaller area such as a single residential lot and are less complex than nonresidential SUPs.
- Nonresidential SUPs, which will remain at $500 fee, are more complex and cover larger areas which require more notices and staff time.
    - Examples include gas wells, self-storage facilities, and outdoor storage.
- In addition, the proposed amendment also removes the language “plus site plan fee” which is not necessary since not all SUPs require a site plan submittal. Those that do are subject to Site Plan fee.

BUDGET IMPACT:

- Minimal - SUP fees small amount of annual budget revenues
- Only seven SUPs applications in the past ten years with only two for residential uses.

COUNCIL ACTION:

- Approve ordinance as drafted, approve ordinance with conditions, or take no action

Specific Use Permit (SUP) Fees

- Current Fee Structure
  - $500 non-refundable fee due upon application
  - Covers staff time, legal costs, public hearing mailing & newspaper notice
- Proposed Fee Structure
  - $500 fee for commercial SUPs (ex. Gas well, self-storage, outdoor storage)
    - Typically more complex and cover larger areas requiring more notices & staff time
  - $200 fee for residential SUPs (ex. Certain accessory buildings)
    - Typically less complex and only on a single residential lot
  - Budget impact
    - Minimal as only 2 of 7 SUPs in last 10 years were for residential
- Steps to adopt proposal
  - Draft fee schedule amendment ordinance & schedule for Council consideration

TOWN OF NORTHLAKE, TEXAS
ORDINANCE NO. 20-0423

AN ORDINANCE OF THE TOWN OF NORTHLAKE, TEXAS AMENDING THE CODE OF ORDINANCES, TOWN OF NORTHLAKE BY AMENDING APPENDIX A, "FEE SCHEDULE," ARTICLE A5.000, "DEVELOPMENT APPLICATION FEES;" REVISING THE FEE FOR SPECIFIC USE PERMITS; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town is a Type A general law municipality existing by and pursuant to the laws of the State of Texas; and

WHEREAS, the Town has previously established and promulgated the Town of Northlake's Fee Schedule to include various fees to include, without limitation, Building and Construction Fees; Temporary Vending Fees; Business Related Fees; Cost Recovery Fee Schedule; Development Application Fees; Public Works/Engineering Fees; Health Related Fees; Overweight Vehicle Permit Fees; Miscellaneous Fees; Fire and Public Safety Related Fees; Animal Control Fees; and Municipal Court Fees; and

WHEREAS, the Town Council finds it necessary from time to time to review and amend the Fee Schedule to ensure that it is consistent with and reflective of the costs incurred by the Town in connection with the provision of various services;

WHEREAS, the Town Council finds it necessary to amend Specific Use Permit Fees to reflect their complexity based on whether they are for a residential or nonresidential use.

NOW THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF NORTHLAKE, TEXAS THAT:

SECTION 1. Subsection (a)(6) of Article A.5000, "Development Application Fees," of Appendix A, "Fee Schedule," of the Code of Ordinances, Town of Northlake is hereby amended to read as follows:

"(6) Specific Use Permit: $200 for residential use; $500 for nonresidential use"

SECTION 2. This Ordinance shall be cumulative of all other Ordinances and shall not repeal any of the provisions of such Ordinances except for those instances where there are direct conflicts with the provisions of this Ordinance, Ordinances, or parts thereof, in force at the time this Ordinance shall take effect and that are inconsistent with this Ordinance are hereby repealed to the extent that they are inconsistent with this Ordinance. Provided however, that any complaint, action, claim or lawsuit which has been initiated or has arisen under or pursuant to such other Ordinances on the date of adoption of this Ordinance shall continue to be governed by the provisions of such Ordinance and for that purpose the Ordinance shall remain in full force and effect.

SECTION 3. If any provision or any section of this ordinance shall be held to be void or unconstitutional, such holding shall in no way affect the validity of the remaining provisions or sections of this ordinance, which shall remain in full force and effect.

SECTION 4. All provisions of the Code of Ordinances of the Town of Northlake, 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 5. This Ordinance shall become effective after the date of its passage and upon its publication as required by law.

PASSED AND APPROVED on this the 23rd day of April 2020

____
David Rettig, Mayor

ATTEST:

____
Shirley Rogers, Town Secretary

NORTHLAKE MAYOR AND COUNCIL COMMUNICATION

DATE: APRIL 23, 2020

REF. DOC. : ONCOR CITIES STEERING COMMITTEE STAFF REPORT

SUBJECT: ONCOR ELECTRIC DELIVERY INCREASE DISTRIBUTION RATE DENIAL

STRATEGIC GOALS/OBJECTIVES:

- Effectively Manage Public Resources; Ensure disciplined financial management (Council Goal)

BACKGROUND INFORMATION:

- The Oncor Cities Steering Committee ("OCSC") is composed of 162 municipalities that use their collective power to ensure that rate changes by Oncor are fair to customers, wielding more power as a group than an individual municipality can.

- Oncor filed an Application to Amend its Distribution Cost Recovery Factor (DCRF) with each city with the Public Utility Commission in Docket No. 50734. The Company sought to increase distribution rates by $75.9 million annually (an approximately $0.88 increase to the average customer's bill).

- The resolution authorizes the Town to join with OCSC to evaluate the filing, determine whether the filing complies with law, and if lawful, to determine what further strategy including settlement to pursue.

POLICY ACTION:

- To deny the DCRF amendment proposed by Oncor Electric Delivery Company LLC

TOWN OF NORTHLAKE, TEXAS
RESOLUTION NO. 20-10

A RESOLUTION OF THE TOWN OF NORTHLAKE, TEXAS FINDING THAT ONCOR ELECTRIC DELIVERY COMPANY LLC'S APPLICATION FOR APPROVAL TO AMEND ITS DISTRIBUTION COST RECOVERY FACTOR TO INCREASE DISTRIBUTION RATES WITHIN THE TOWN SHOULD BE DENIED; AUTHORIZING PARTICIPATION WITH ONCOR CITIES STEERING COMMITTEE; AUTHORIZING THE HIRING OF LEGAL COUNSEL AND CONSULTING SERVICES; FINDING THAT THE TOWN'S REASONABLE RATE CASE EXPENSES SHALL BE REIMBURSED BY THE COMPANY; FINDING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW; REQUIRING NOTICE OF THIS RESOLUTION TO THE COMPANY AND LEGAL COUNSEL.

WHEREAS, the Town of Northlake, Texas ("Town") is an electric utility customer of Oncor Electric Delivery Company LLC ("Oncor" or "Company"), and a regulatory authority with an interest in the rates and charges of Oncor; and

WHEREAS, the Oncor Cities Steering Committee ("OCSC") is a coalition of similarly situated cities served by Oncor that have joined together to efficiently and cost effectively review and respond to electric issues affecting rates charged in Oncor's service area in matters before the Public Utility Commission ("Commission") and the courts; and

WHEREAS, on or about April 3, 2020, Oncor filed with the Commission an Application to Amend its Distribution Cost Recovery Factor ("DCRF"), Commission Docket No. 50734, seeking to increase distribution rates by $75.9 million annually (an approximately $0.88 increase to the average residential customer's bill); and

WHEREAS, the Town of Northlake will cooperate with OCSC in coordinating their review of Oncor's DCRF filing with designated attorneys and consultants, prepare a common response, negotiate with the Company, and direct any necessary litigation, to resolve issues in the Company's filing; and

WHEREAS, all electric utility customers residing in the Town will be impacted by this ratemaking proceeding if it is granted; and

WHEREAS, working with the OCSC to review the rates charged by Oncor allows members to accomplish more collectively than each city could do acting alone; and

WHEREAS, OCSC's members and attorneys recommend that members deny Oncor's DCRF.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF NORTHLAKE, TEXAS:

SECTION 1. That the Town is authorized to participate with OCSC in Commission Docket No. 50734.

SECTION 2. That, subject to the right to terminate employment at any time, the Town of Northlake hereby authorizes the hiring of the law firm of Lloyd Gosselink Rochelle & Townsend, P.C. and consultants to negotiate with the Company, make recommendations to the Town regarding reasonable rates, and to direct any necessary administrative proceedings or court litigation associated with an appeal Oncor's DCRF application.

SECTION 3. That the rates proposed by Oncor to be recovered through its DCRF charged to customers located within the Town limits, are hereby found to be unreasonable and shall be denied.

SECTION 4. That the Company shall continue to charge its existing rates to customers within the Town.

SECTION 5. That the Town's reasonable rate case expenses shall be reimbursed in full by Oncor within 30 days of the adoption of this Resolution.

SECTION 6. That it is hereby officially found and determined that the meeting at which this Resolution is passed is open to the public as required by law and the public notice of the time, place, and purpose of said meeting was given as required.

SECTION 7. That a copy of this Resolution shall be sent to Tab Urbantke, Attorney for Oncor, at Hunton Andrews Kurth LLP, 1445 Ross Avenue, Suite 3700, Dallas, Texas 75202, and to Thomas Brocato, General Counsel to OCSC, at Lloyd Gosselink Rochelle & Townsend, P.C., P.O. Box 1725, Austin, TX 78767-1725, or tbrocato@lglawfirm.com.

PASSED AND APPROVED this 23rd day of April 2020

____
David Rettig, Mayor

ATTEST:

____
Shirley Rogers, Town Secretary

APPROVED AS TO FORM:

____
Ashley Dierker, Town Attorney

ONCOR CITIES THAT HAVE CEDED ORIGINAL JURISDICTION

Abbott
Alma
Alvarado
Alvord
Angus
Anna
Annetta North
Annetta South
Annona
Appleby
Argyle
Athens
Aurora
Bangs
Barry
Bartlett
Bellevue
Blanket
Blooming Grove
Boyd
Brownsboro
Buckholts
Buffalo
Burke
Bynum
Caddo Mills
Cameron
Campbell
Caney City
Canton
Carbon
Centerville
Chico
Chireno
Clarksville
Cockrell Hill
Collinsville
Comanche
Como
Cool
Corinth
Corsicana
Crandall
Crockett
Crowley
Cumby
Cushing
Dawson
Dean
Dorchester
Dublin
Ector
Edgecliff Village
Edgewood
Edom
Elgin
Elkhart
Emhouse
Enchanted Oaks
Eureka
Eustace
Everman
Forney
Frost
Garrett
Gholson
Godley
Golinda
Goodlow
Gorman
Grandfalls
Grandview
Granger
Grapeland
Gun Barrel City
Gunter
Hebron
Hewitt
Hickory Creek
Hideaway
Holland
Honey Grove
Hubbard
Hudson
Huntington
Hutto
Italy
Itasca
Jewett
Jolly
Josephine
Joshua
Justin
Kaufman
Keene
Kemp
Kerens
Knollwood
Krum
Ladonia
Lake Bridgeport
Lake Dallas
Lakeside City
Latexo
Lavon
Leona
Leroy
Lindsay
Lipan
Lorena
Lovelady
Lowry Crossing
Lucas
Mabank
Malakoff
Malone
Marquez
McGregor
Melissa
Mertens
Milano
Mildred
Milford
Millsap
Mobile City
Moody
Morgan's Point Resort
Mount Calm
Murchison
Mustang
Nacogdoches
Navarro

ONCOR CITIES THAT HAVE CEDED ORIGINAL JURISDICTION

Nevada
New Chapel Hill
New Fairview
Newark
Neylandville
Northlake
Oak Grove
Oak Leaf
Oak Valley
Oakwood
Oglesby
Ovilla
Payne Springs
Pecan Gap
Pecan Hill
Penelope
Pflugerville
Pleasant Valley
Ponder
Post Oak Bend
Powell
Poynor
Princeton
Pyote
Quinlan
Ranger
Reno - Lamar County
Reno - Parker County
Retreat
Rhome
Rice
Richland
Rockdale
Rogers
Rosser
Roxton
Royse City
Runaway Bay
Sadler
Savoy
Shady Shores
Southmayd
Springtown
St. Paul
Streetman
Taylor
Terrell
Thorndale
Thorntonville
Thrall
Tira
Tool
Trinidad
Valley View
Van Alstyne
Venus
Weir
Wells
West
Westbrook
Wickett
Wills Point
Windom
Wolfe City
Yantis
Zavalla

David A. Rettig, Mayor
Rena Hardeman, Council Place 1
Jimmy Lambert, Council Place 2

Brian Montini, Mayor Pro Tem, Council Place 3
Roger Sessions, Council Place 4
Danny Simpson, Council Place 5

Town Council
Special Meeting Minutes
Tuesday, April 7, 2020 at 6:30 pm

1. Mayor David Rettig called the special meeting to order at 6:33 pm., quorum present via teleconference
   Mayor Rettig gave the Invocation

Council Members present:	David Rettig, Rena Hardeman, Jimmy Lambert, Brian Montini, Roger Sessions, Danny Simpson
Staff present:	Drew Corn, Town Administrator; Nathan Reddin, Development Director; Tara Barton, Communications-Marketing Coordinator; John Zagurski, Finance Director; and Shirley Rogers, Town Secretary
Consultants present:	Ashley Dierker, Legal Counsel; Terry Morgan, Legal Counsel; Andy Messer, Legal Counsel

2. Regular Items
   A. Council Member Simpson made the motion to approve Temporary Use Permit for a temporary building to be occupied by Lamar National Bank and placed on a site within Northlake Commons approximately 250 feet north of FM 407 near 1500 Commons Circle, and zoned Mixed-Use Planned Development (MPD). Lamar National Bank is the applicant. Office Equity Solutions is the owner. Case # TUP-20-003. 2nd by Council Member Sessions

Vote:	motion passed
For:	Simpson, Sessions, Montini
Against:	Hardeman, Lambert

   B. Mayor Pro Tem Montini made the motion to approve the Town Council meeting minutes of 2-27-20. 2nd by Council Member Lambert

Vote:	motion passed unanimous
For:	Montini, Lambert, Hardeman, Sessions, Simpson
Against:	none

   C. Mayor Pro Tem Montini made the motion to approve the Town Council meeting minutes of 3-26-20. 2nd by Council Member Lambert

Vote:	motion passed unanimous
For:	Montini, Lambert, Hardeman, Sessions, Simpson
Against:	none

D. Mayor Pro Tem Montini made the motion to approve Resolution No. 20-9 authorizing continued participation with the Steering Committee of Cities served by Oncor and authorizing the payment of seven cents per capita to the steering committee to fund regulatory and legal proceedings and activities related to Oncor Electric Delivery Company LLC. 2nd Council Member Lambert

Vote:	motion passed unanimous
For:	Montini, Lambert, Hardeman, Sessions, Simpson
Against:	none

3. Mayor Rettig convened the Council into Executive Session at 6:55 pm to discuss the items listed below:
   Pursuant to Texas Government Code, annotated, Chapter 551 Subchapter D:

   a. Section 551.071 authorizes a governmental body to consult with its attorney in an executive session to seek his or her advice on a legal matter. It provides as follows: A governmental body may not conduct a private consultation with its attorney except: (1) When the governmental body seeks the advice of its attorney about: (a) pending or contemplated litigation; or (b) a settlement offer; or (2) on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter. The Town Council may adjourn into executive session for consultation with the Town Attorney regarding:

      (i) Legal advice on any matter related to any posted agenda item;
      (ii) Legal advice related to Ridgeview Estates development options;
      (iii) Pending or contemplated litigation;
      (iv) Supreme Court of Texas - Town of Northlake vs City of Justin. No. 18-0651;
      (v) Matters in which the duty of the Town's attorneys to the Town Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Open Meetings Act regarding two interlocal agreements with the City of Fort Worth;
      (vi) Case # FP 18-020 considered by the Town at the January 24, 2019 Town Council meeting;
      (vii) Potential litigation related to Eagleton and Applewood road failures;
      (viii) Potential litigation related to Dale Earnhardt Way road failures.

Mayor Rettig reconvened the Council into open session at 8:06 pm.

The following action was taken:

E. Mayor Pro Tem Montini made the motion to adopt the ETJ Transfer Agreement and the Interlocal Amendment as presented, with an amendment to the ETJ Agreement, Article 1, section C.1(1) (page 6), as staff has recommended in order to resolve an ambiguity, by substituting the following language for the section: "(1) That portion of parcel 1 which was not annexed by Northlake (parcel 1A); all of parcel 2; and parcel 3A (parcel 3 exclusive of parcel 6), as more particularly described and depicted in Exhibits 2, 6, 7, 9 and 15-17. 2nd by Council Member Simpson

Vote:	motion passed
For:	Montini, Simpson, Sessions, Lambert
Against:	Hardeman

F. Mayor Pro Tem Montini made the motion to approve Amendment #1 to CSC No. 23201 Agreement between the City of Fort Worth and Town of Northlake. 2nd by Council Member Simpson

Vote:	motion passed
For:	Montini, Simpson, Sessions, Lambert
Against:	Hardeman

4. By general consent, Mayor Rettig adjourned the meeting at 8:09 pm

Passed and approved on this the 23rd day of April 2020

Town of Northlake, Texas

____
David Rettig, Mayor

Attest:

____
Shirley Rogers, Town Secretary

Executive Session

Agenda Item 7