NOTICE OF REGULAR MEETING

July 25, 2017

MONTGOMERY CITY COUNCIL

STATE OF TEXAS

AGENDA

COUNTY OF MONTGOMERY

CITY OF MONTGOMERY

NOTICE IS HEREBY GIVEN that a Regular Meeting of the Montgomery City Council will be held on Tuesday, July 25, 2017 at 6:00 p.m. at the City of Montgomery City Hall, 101 Old Plantersville Road, Montgomery, Texas for the purpose of considering the following:

CALL TO ORDER

INVOCATION

PLEDGE OF ALLEGIANCE TO FLAGS

VISITOR/CITIZENS FORUM:

Any citizen with business not scheduled on the agenda may speak to the City Council. Prior to speaking, each speaker must be recognized by the Mayor. Council may not discuss or take any action on an item, but may place the issue on a future agenda. The number of speakers along with the time allowed per speaker may be limited.

CONSENT AGENDA:

- 1. Matters related to the approval of minutes for the July 11, 2017, Regular Meeting.
- 2. Consideration and possible action regarding acceptance of excess collections for 2016 Debt Service and Certification for Debt Service Collection Rate for 2017/2018.
- 3. Consideration and possible action regarding adoption of the following Resolution: A RESOLUTON OF THE CITY OF MONTGOMERY, TEXAS AFFIRMING ITS ANNUAL REVIEW OF THE POLICY FOR INVESTMENT OF MUNICIPAL FUNDS AND THE INVESTMENT STRATEGIES CONTAINED THEREIN HAS BEEN CONDUCTED AS REQUIRED BY SECTION 2256.005(e) OF THE TEXAS GOVERNMENT CODE.

CONSIDERATION AND POSSIBLE ACTION:

- 4. Consideration and possible action on Department Reports.
 - A. Administrator's Report
 - B. Public Works Report
 - C. Police Department Report
 - D. Court Department Report

- E. Utility/Development Report
- F. Water Report
- G. Engineer's Report
- H. Financial Report
- 5. Consideration and possible action regarding scheduling a Public Hearing regarding an Alcohol Beverage Permit Application for the Cozy Grape Wine Bar and Bistro to change their existing Alcohol Beverage Permit to include mixed beverages as submitted by Tom Cronin.
- 6. Consideration and possible action regarding an Engagement Letter with Belt, Harris Pechacek C.P.A. firm to prepare Fiscal Year, 2016-2017 Audit.
- 7. Report regarding Buffalo Springs Bridge Repair.
- 8. Report regarding Buffalo Springs Bridge Repair Financing.
- 9. Consideration and possible action regarding a Lease Agreement with Ramon Laughter regarding property north of Caroline Street at Liberty Street and McCown Street
- 10. Consideration and possible action regarding approval of paving downtown leased area for a parking lot.

EXECUTIVE SESSION:

The City Council reserves the right to discuss any of the items listed specifically under this heading or for any items listed above in executive closed session as permitted by law including if they meet the qualifications in Sections 551.071 (consultation with attorney), 551.072 (deliberation regarding real property),551.073 (deliberation regarding gifts), 551.074 (personnel matters), 551.076 (deliberation regarding security devices), and 551.087 (deliberation regarding economic development negotiations) of Chapter 551 of the Government Code of the State of Texas.

- 11. Convene into Closed Executive Session as authorized by the Texas Open Meetings Act, Chapter 551 of the Government Code, in accordance with the authority contained in the following:
 - a. 551.071 (confidential consultation with city attorney);
 - b. 551.087 (deliberation regarding economic development negotiations for a possible Chapter 380 agreement concerning The Shoppes of Montgomery); and
 - c. 551.087 (deliberation regarding economic development negotiations regarding commercial or financial information from a business prospect that the City Council seeks to locate, stay or expand in or near the City of Montgomery concerning Chris Cheatham.)
- 12. Convene into Open Session.

POSSIBLE ACTION FROM EXECUTIVE SESSION:

13. Consideration and possible action resulting from the item(s) listed under Executive Session.

COUNCIL INQUIRY:

Pursuant to Texas Government Code Sect. 551.042 the Mayor and Council Members may inquire about a subject not specifically listed on this Agenda. Responses are limited to recitation of existing policy or a statement of specific factual information given in response to the inquiry. Any deliberation or decision shall be limited to a proposal to place on the agenda of a future meeting.

ADJOURNMENT

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Susan Hensley, City Secretary

I certify that the attached notice of meeting was posted on the bulletin board at City of Montgomery City Hall, 101 Old Plantersville Road, Montgomery, Texas, on the <u>21st</u> day of July 2017 at <u>4:20</u> o'clock p.m. I further certify that the following news media was notified of this meeting as stated above: The Courier

This facility is wheelchair accessible and accessible parking spaces are available. Please contact the City Secretary's office at 936-597-6434 for further information or for special accommodations.

MINUTES OF REGULAR MEETING

July 11, 2017

MONTGOMERY CITY COUNCIL

CALL TO ORDER

Mayor Kirk Jones declared a quorum was present, and called the meeting to order at 6:00 p.m.

Present:

John Champagne, Jr. City Council, Place # 2

T.J. Wilkerson

City Council, Place #3

Rebecca Huss

City Council, Place # 4

Dave McCorquodale

City Council, Place # 5

Absent:

Jon Bickford

City Council, Place #1

Also Present: Jack Yates

City Administrator

Larry Foerster

City Attorney

INVOCATION

T.J. Wilkerson gave the invocation.

PLEDGE OF ALLEGIANCE TO FLAGS

VISITOR/CITIZENS FORUM:

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Mr. Jordan Anderson, Clinical Manager of the Montgomery County Hospital District (MCHD), spoke about three projects that they are working with which include the following:

> Award Mission Life Line, which they have achieved. Mission Lifeline seeks to acknowledge the work, training and commitment by EMS Agencies to improve the

quality of care for heart attack patients. Mr. Anderson said that this is their fourth year to participate in the program and they proudly received the highest award of Gold Plus Standard for 2017. The American Heart Association evaluates agencies abilities and performance regarding care provided to heart attack patients. Mr. Anderson said that by achieving the Gold Plus Standard they not only meet the standards, but they exceed them routinely.

- Night of Life Program beginning this year the MCHD has started this program that is a two hour class that teaches hands only CPR, chocking response, AED and bleeding control. The intent of this class is to teach citizens' skills that could potentially save a life during an emergency. No prerequisite or credentials are required to take the class. For every minute that CPR is delayed, a patient's chance of survival decreases as much as 10 percent. Night of Life is held every third Wednesday at the MCHD administrative office at 6 p.m.
- Epinephrine Implementation for Allergic Reactions the MCHD deployed this medication in the City of Montgomery recently, and it has been utilized one time since then. Mr. Anderson said that this might not seem like much, but to that one citizen it was life changing. Rebecca Huss asked who it was administered through. Mr. Anderson advised that it was the Montgomery Fire Department. This medication truly reverses a life threat for an allergic reaction.

Mr. Anderson advised that he wanted to say that he valued the relationship that they have with the City of Montgomery and Montgomery Fire Department, and thanked City Council for their time. City Council thanked Mr. Anderson for his update.

CONSENT AGENDA:

Matters related to the approval of minutes for the Regular Meeting held on June 27, 2017.
 Dave McCorquodale moved to approve the minutes as submitted. John Champagne seconded the motion, the motion carried unanimously. (4-0)

CONSIDERATION AND POSSIBLE ACTION:

Consideration and possible action regarding adoption of the following Ordinance:
 AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF MONTGOMERY, TEXAS,
 AMENDING CITY ORDINANCE NO. 1989-2, DATED FEBRUARY 14, 1989, BY

AMENDING SECTION 57 OF CHAPTER 6, "ALCOHOLIC BEVERAGES," OF THE CITY CODE OF ORDINANCES, TO PROVIDE AN AREA AND TIME EXCEPTION TO THE PROHIBITION OF CONSUMPTION OF BEER AND WINE ON PUBLIC STREETS SIDEWALKS AND ALLEYS AT SPECIAL EVENTS BY PERMIT SUBJECT TO CERTAIN REQUIREMENTS; REPEALING ALL ORDINANCES AND PARTS OF ORDINANCES IN CONFLICT THEREWITH; PROVIDING A SAVINGS CLAUSE; PROVIDING A TEXAS OPEN MEETINGS CLAUSE; AND PROVIDING AN EFFECTIVE DATE AFTER PUBLICATION.

Mr. Yates presented the information to City Council and advised that the reason that this item came up was because the City currently has an ordinance that prohibits open containers in the City. The way that this ordinance would work is that anyone could walk on a street or an alley within the defined area with an open container. Mr. Yates said that it would be possible for someone to bring in an ice chest with drinks and walk around in the open container area. Mr. Yates said that this has not been a problem, but in the event that it did become a problem, then City Council could revoke the ordinance.

Mr. Yates stated that the Chief of Police had recommended that two officers be assigned to work the events. Mr. Yates said that the cost of the two officers would swallow up the vendor costs. Mr. Yates said that he would recommend that if there are any problems, then they could require two officers to work the events. Mr. Yates said that when people rent the Community Center and have alcohol at the event, they are required to have two officers.

Mr. Yates said that the City Attorney had asked that TABC look at the Ordinance draft and make comments. Mr. Yates said that there were several comments, such as, changing the wording "Wine and Beer" to "Alcoholic Beverages" as it is stated in the Beverage Code, and to have the area be contiguous. Mr. Yates said that they could have two separate areas, the downtown area and the "Cork This" area. Mr. Yates said that he would recommend having the Ordinance in place for three months, then having the Chief of Police, HMBA President and himself report to City Council and then, if desired, amend the Ordinance. Mr. Yates said that TABC stated that they could do away with the open containers section of the ordinance altogether if they wanted to. Mr. Yates said that TABC advised that not many cities have the open containers restriction. Mr. Foerster advised that none of his other cities have that restriction. Rebecca Huss asked what they did about schools, and whether they were protected by other laws. Mr. Foerster said that he

thought that they were protected by the TABC rules and regulations. Mr. Foerster said that the open container issue has not been a problem with any of his other cities. Mayor Jones said that it has not been a problem in Montgomery, and they did not even realize that they had the ordinance until we got to digging.

Rebecca Huss said that she would rather proceed gradually to see if the change works in the City versus taking away all the restriction.

John Champagne asked about the Sip n Stroll and how many officers are typically on duty. Mr. Yates said that there was usually two officers on duty during that time period. Rebecca Huss said that there is also a supervisor on duty because they work 12 to 12. Mr. Yates said that was correct. Mayor Jones said that this event is not a wild event. Rebecca Huss asked if they should have the hours match the TABC pour hours or do they want to tighten their hours for public consumption. Mr. Yates said that right now the hours are 7 a.m. to midnight, Monday through Saturday, and midnight to 1 a.m. on Sunday, then 12 noon to midnight on Sunday. Mr. Yates said that they could reduce the time by an hour on each end to allow for winding down.

John Champagne asked if there was any specific area or text that they have a problem with, so they are here to either approve the ordinance or not. Mr. Yates said that where the ordinance states "Beer and Wine" it should state "Alcoholic Beverages."

Mayor Jones said that they did have some people that want to speak on this matter.

Mr. Karl Brosch, City resident, said that he had a lot of mixed feelings about the ordinance. Mr. Brosch asked what benefit the open containers would have for the City of Montgomery, which he said that there really was none. Mr. Brosch said that there was a reason that the ordinance was put into place and why they are trying to change it was beyond him. Mr. Brosch said that public drinking goes hand and hand with public intoxication and disorderly conduct with other businesses, patrons and residents. Mr. Brosch said that people tend to drink less when they are in a business versus walking from place to place. Mr. Brosch said that the wineries are going to be offering sales in completion with the other businesses, happy hour and they will have people walking across the street, going across SH 105 trying to get to all these stores, take the wine and in their minds, have a good time. Mr. Brosch said that the establishment owners are responsible for damages to their property, but who will be around to hold that intoxicated person responsible

once they leave and start to wander around town. Mr. Brosch said that the business will close and the City will be stuck with that portion of it. Mr. Brosch said that he liked the part that there were two police officers designated to go through the City, but there is a lot of traffic that comes through the City, and who is to say that they won't have to take someone to jail in Conroe, so they won't have an officer available here. Mr. Brosch asked what the cost of holding two officers in the City patrolling five blocks, just to have an open container ordinance passed when they can already drink inside the establishments. Mr. Brosch asked how they would regulate someone parking their vehicle and sitting there drinking alcohol, right now they can regulate and control it.

Mr. Brosch said that he has personally had so many people wander into his yard during and after festivals, in the City of Conroe, that he had to chain his gates closed and zip tie all of them closed, except for the one that he used. Mr. Brosch said that he has had ladies and men stop on Mason Street at night, open the door of their vehicle and urinate on the street. Mr. Brosch said that this type of behavior is without any open container ordinance, which is his concern with this particular ordinance. Mr. Brosch said that allowing people to drink on the street is not going to portray a polite quiet atmosphere in his mind, these visitors will be walking around drinking and possibly cursing. Mr. Brosch questioned how many business owners that sell alcohol actually live inside the City limits, and would they want to sell alcohol outside their business if they had a residence in the City. They don't have to clean up after the event, or if they want to go to bed early at 8 or 9 p.m., but if they have a liquor establishment right next to their home they could not because they can go to midnight.

Mr. Brosch said that noise was an issue for him, which he has had multiple problems with functions going on in the City due to the music being so loud and the vibration of the bass. Mayor Jones said that the City has a nuisance ordinance, which does include noise. Mr. Brosch said that the bass can't be heard outside but you can feel it. Mr. Brosch said that the more people drink, the louder they become. Mr. Brosch concluded by asking who was going to control the streets while the events are going on, who is going to clean up the streets, ditches and yards of the residents. Mr. Brosch said that he has spoken with other residents and trash is a huge issue when there are festivals. Mr. Brosch said that he believed that the City Council should not pass this ordinance because we have the atmosphere and ambiance of this antique city to protect. Mr. Brosch stated that they should not change the clientele that visits our antique city from a family oriented based to a 6th Street Avenue, Austin wild town.

Mr. Lonnie Clover said that he agreed with Mr. Borsch and said that he has also found broken wine glasses in his yard. Mr. Clover said that he had not seen a map of the area, so it would be nice to know where the area is located. Mr. Clover said that if he has a child with him he does not want some drunk stumbling around them.

Mayor Jones asked Mr. Brosch and Mr. Clover whether the Sip n Stroll event had caused them any problems. Mr. Brosch said that has not been a problem. John Champagne said that he thought that was why they were taking this action, for the Sip n Stroll event. Rebecca Huss said that the questions was whether to do it for everything instead of just one event. John Champagne asked if they were talking about an exception to the actual event. Mr. Yates said that this would be 7 days a week. Mayor Jones said that initially they had discussed just City sponsored or approved events during the year that might serve alcohol, but the way the ordinance reads, it is seven days a week, within that area designated on the map. Mr. Yates said that was correct. Mayor Jones said that he, personally, was in favor of being as least restrictive as possible, but he did not have the skin in the game as Mr. Brosch and the Clovers.

John Champagne said that a case could be made that you change the whole personality of the City when it becomes a routine instead of an exception, and is something of a draw, so the reference to Austin is a fair one. John Champagne said that he apologized because he thought that they were still specifically talking about Sip n Stroll.

Dave McCorquodale said that he does not think the other cities, such as Willis, that Mr. Foerster represents have a problem or issue even though they do not have an ordinance restricting open containers. John Champagne said that technically, in a subdivision, you can't walk to your neighbor's house with a glass of wine, per our ordinance. Rebecca Huss asked what would be the consequences of asking the police officers to not enforce the ordinance. Mr. Foerster said that he would never recommend disregarding a law or ordinance.

Ms. Shawna Riley stated that she felt that it was rather unfair to liken Historic Montgomery to becoming something like 6th Street in Austin or New Orleans. Ms. Riley said that Frederiksberg would be more like what they are looking at. Ms. Riley said that Frederiksberg was full of antiques and they are also full of wineries. Ms. Riley said that she thinks that Historic Montgomery has that potential, which is what they are looking to do. Ms. Riley said that the latest that the wineries stay open is 7:00 p.m. The Cozy Grape closes at 9 p.m., and 3 p.m. on

Sunday. Rebecca Huss asked if Mr. Cronin still lived above the Cozy Grape. Ms. Riley said that was correct. Rebecca Huss asked if Ms. Riley knew if Mr. Cronin approved of this ordinance. Ms. Riley said that Mr. Cronin approved of the ordinance. Ms. Riley said that is also his business.

Mrs. Sonya Clover said that she wanted to remind everyone about the way that Montgomery is laid out, because there is residential surrounding the downtown area, and it does make a difference. Mr. Brosch is closer than her residence, but she is right behind FM 149. Mrs. Clover said that she thought that they need to think about the future, and she thought that these were good ideas if they could come up with some way to control it a little bit better so that they don't start taking a glass of wine and walking to the City Park. Mrs. Clover asked that City Council put themselves in their shoes, because she did not think that people should be able to walk around the residential area with alcohol. Mayor Jones said that the presence or absence of this ordinance would change somebody getting some wine and walking to the park, because if that is what they have in mind then that is what they are going to do.

Ms. Riley said that they were not looking at disturbing anything, they are looking to grow Montgomery, and they have Montgomery's best interest in mind.

Mayor Jones asked City Council if they would feel better if it were not a blanket approval, and just for City approved events. John Champagne said that personally, right now he is not going to vote for a 7 day a week blanket situation where open containers are allowed every night. John Champagne said that he was totally open to the Sip n Stroll to see how that goes. John Champagne said that to the point that everyone is making regarding not knowing about the ordinance being in place and not being an issue, says more about the underlying culture of this area and their traditional values than anything else. John Champagne said that things change, and you can incorporate and import different values when doing something like this, so he would rather ease into it. John Champagne said that he is good with the Sip n Stroll, but he has reservations about the other stuff.

Rebecca Huss asked if they did the restriction on a Sunset Clause, and then after a year evaluate on the impact on people and whether it had a negative impact, etc.

Mr. Foerster said that the way the ordinance is currently written, he does not think that it complies with the wishes of City Council. Mr. Foerster said that the ordinance started out as a focus on

certain events that they have, which are three or four per year, and it has gotten to the point where it is 7 days a week, which obviously is what City Council has a problem with. Mr. Foerster said that he thinks that they need to go back to what it is targeting, what it was designed to do, which was to allow for a little bit more flexibility for certain, very important social events that they have in the City, and not paint it with a broad brush. Mr. Foerster said that they started out with a narrow area and they expanded it, and he thinks that they need to look at something a little bit narrower. Mr. Foerster said that he would like to talk to the TABC officer a little bit more about this, so he would hesitate to pass the ordinance as it is written and presented tonight. Rebecca Huss said that in the past they have passed ordinances subject to tightening up the language, because she feels that it is important to make a decision that allows the Sip n Stroll to continue on a legal basis, because it sounds like it is developing into an interesting event; it is good for the businesses and good for the City, so she would like to make sure tonight that they allow that to continue.

John Champagne asked how the Sip n Stroll was operating up until now. Rebecca Huss said that nobody was aware that there was a law, so they were not out of compliance. John Champagne said that they were out of compliance, but the fact that we did not know that they were out of compliance is a whole other issue.

John Champagne asked if they could legally put some transitional situations in place to allow Sip n Stroll to carry on legally. Mr. Foerster said that the City could provide an exception that would identify certain specific events that are recognized for people a foot to drink alcoholic beverages in a designated area, if they are satisfied with the area, and he felt that they could do that tonight. Mr. Foerster said that he would want City Council to identify those specific events where they are going to permit alcoholic beverages to be permitted as an exception. Mr. Foerster said that City Council will state which events are going to be an exception from the general prohibition. Mayor Jones stated that would include the following events:

Sip n Stroll Freedom Festival
Wine Festival Antique Festival

Ms. Whitley said that she does not see a problem, because she can pull a Festival Permit with TABC and set up shop and they can walk in the designated area. Ms. Whitley said that what this ordinance allows, will be nothing but great support from the businesses, because they have seen

people coming in with their vegetables and having a glass of wine. Ms. Whitley said that if City Council allows or passes a designated area, the local businesses are all TABC certified and she definitely thinks that it would be a positive thing for that designated area and she felt that the public would love being able to walk around. Ms. Whitley said that having it for specific events would be a great beginning. John Champagne said that Sip n Stroll is not a one-time event, it occurs every week.

Ms. Clover asked Council to remember that Rancher's Daughter is on the other side of the FM 149, which broadens it a little bit more. Ms. Clover said that as a resident what they are doing right now is working fine.

Ms. Riley said that her one comment would be the addition of signage, because they always put out "no alcohol beyond this point". Ms. Riley stated that she supported this ordinance 100%.

John Champagne said that per the City Attorney's advice they would identify the events. Rebecca Huss said that she felt they should include First Saturday.

Ms. Riley asked if the events could be altered at any time because HMBA has a list of events that they are going to start posting. Mayor Jones said that tonight they are just trying to get Sip n Stroll legal and then they are going to talk about it more.

Mr. Foerster asked City Council to advise which event they want to include on the list of permitted events. John Champagne asked what type of motion needed to be made in order to have a transitional ordinance. Mr. Foerster said that once the designated area is established, then what City Council will be providing is an exception to the prohibition of alcoholic beverages for people a foot in the City of Montgomery by designating certain events that are throughout the year, are excepted from the general prohibition. T.J. Wilkerson asked if this would be only the events sanctioned by the City. Mr. Yates said that the City will actually list the events and they will be listed in the ordinance. T.J. Wilkerson said that if he was having a Juneteenth Celebration at the Community Center, they can go and drink there. Mr. Yates said that they could because they are renting the Community Center. Mr. Foerster said that there would be nothing to keep someone from coming to City Council to ask for a one-time variance on the prohibition. Rebecca Huss said that when they are talking about the Community Center rental, it would encompass the

entire property, but not the public street. Mayor Jones said that you do not have to have Council approval to have an event at the Community Center.

Rebecca Huss moved to allow, within the designated area, with language to update the proposed ordinance of "wine and beer" specifically to cover all "alcoholic beverages," to provide an exception to alcohol consumption by persons a foot during specific events to be named as follows:

Freedom Festival

Wine Festival

Antique Festival

Sip n Stroll

First Saturday

Christmas in Montgomery

This list is to be updated and amended, as necessary, by future City Councils. Dave McCorquodale seconded the motion.

<u>Discussion:</u> Mr. Yates stated that the area involved will exclude Hodge Podge Lodge because they are already permitted for alcoholic beverages on their property. Rebecca Huss asked if they wanted to include Prairie Street. Mr. Yates said that was correct, and Cork This needs to be connected via the Valero convenience store on the North West corner of SH 105 and FM 149. Mayor Jones stated that in order to get over to Cork This they have to take in the gas station. Mr. Yates advised that the convenience stores were just for the map, because you can't buy a bottle at the store and drink it on their property because they do not have that type of permit. Mayor Jones said that they have a different permit provided by TABC. John Champagne said that this will include Sip n Stroll, which will occur every week. Rebecca Huss said that it will also include the listed one-time events.

The motion carried with the following votes:

Aye – Rebecca Huss

Nay - John Champagne

Aye – Dave McCorquodale

Nay - TJ Wilkerson

Mayor Jones asked what restricted John Champagne from voting in favor of the ordinance. John Champagne stated that it was because of T.J. Wilkerson. Mayor Jones asked T.J. Wilkerson what restricted him from voting in favor of the ordinance. T.J. Wilkerson stated that he did not like the idea of alcohol on some of these days that are family days, like First Saturday, 4th of July Parade, and he had an issue with that. T.J. Wilkerson said that if he had an event at the

Community Center on one of those days, somebody would complain about them walking around with alcohol. John Champagne asked if they could handle First Saturday going away.

Aye - Mayor Jones as the tie breaking vote. The motion carried and the ordinance was adopted.

Mayor Jones said that they can revisit this ordinance anytime that they want.

 Consideration and possible action regarding the award and execution of construction contract for Flagship Boulevard Pavement Repair.

Mr. Roznovsky advised that they had presented the bids at the last Council Meeting and City Council asked them to look at the low bid and possible reductions to the amount. Mr. Roznovsky advised that VML Construction Services submitted the low base bid of \$82,000. Mr. Roznovsky said that they worked with VML on the scope of work to see if there could be any potential savings. After the review, it looks like they can knock out about \$22,000 of the contract with some slope paving work that is not needed to be repaired today and does not affect the pavement, it can just be repaired as needed at a future date when the replacement has to be done. Mr. Roznovsky said that there is some striping work, where the City is actually considering purchasing a striping machine, so they could do that on their own, which would save another \$2,600. Mr. Roznovsky said that in the bid there was also some extra quantities that were for some unforeseen conditions, but after further review and talking with the contractor, that will most likely be reduced by \$9,000, which will make up the \$22,000 reduction, and making the contract amount closer to \$61,000. The City has \$44,000 in FEMA funds to spend on the project.

John Champagne moved to approve the award of the contract to VML Construction Services with the full contract amount of \$82,600 subject to that award, discussing with the contract on the revisions, and they will produce a Change Order for City Council to reduce the scope of work to reduce the contract amount, that would not include the final adjustment. Mr. Yates said that the difference between the \$44,000 left over from the FEMA funds, they will need to take it from the General Fund, Street Projects.

Mayor Jones asked if there was a time schedule set. Mr. Roznovsky said that the contractor is ready to move on the job as soon as he has the contract. Mr. Roznovsky said that he will shut the road down after morning rush hour on Wednesday, and they have to be ready for business

Monday morning. Mr. Roznovsky said that the contractor has advised that it should not be an issue of making that schedule and being done before school starts. Mayor Jones asked which Wednesday they would start. Mr. Roznovsky advised that he would let them know when they confirm the day.

John Champagne moved to approve awarding the original contract to VML Construction Services as was just presented by the City Engineer, and will bring the change order for the reduction in cost at the next meeting. T.J. Wilkerson seconded the motion.

<u>Discussion:</u> Mayor Jones confirmed that they were approving the original project. Mr. Roznovsky said that they need to award the contract, the contractor has agreed to the reduction of the contract amount, and they will bring the Change Order at the next meeting.

The motion carried unanimously. (4-0)

4. Consideration and possible action regarding the Monument Agreement with Milestone Properties, Inc. and the Spirit of Texas Bank.

Mr. Yates presented the information stating that Milestone Properties, Inc. is wanting to sell to the Spirit of Texas Bank the rights and responsibilities of the Monument Agreement. Mr. Yates stated that the Montgomery EDC met last week and recommended approval of the transfer. Mayor Jones said this is not going to change the appearance of the monument, just transferring the responsibility of the agreement. Mr. Yates said that the City Attorney has also reviewed the information, and all the previous rights and responsibilities will carry forward with this transfer.

Dave McCorquodale moved to approve the Monument Agreement Assignment to the Spirit of Texas Bank. Rebecca Huss seconded the motion, the motion carried unanimously. (4-0)

5. Consideration and possible action regarding construction of the Pond Street Utility Easement and the Pond Street Extension for Westmont Square Development as requested by Monte West.

Mr. Yates advised that Mr. West was not present for the meeting. Mr. Yates said that this was to consider paving over the utility easement on the north side of the property that Mr. West is planning to develop, on Liberty Street, north of Burger Fresh. Mr. Yates said Mr. West is

planning to pave over a utility easement on the north side of the property and open and develop a platted but unimproved portion of Pond Street on the north side of the existing College Street.

Rebecca Huss said that she went over to the property today, and there is evidence of a fair amount of water that runs through that area, with a swale on the back of College and Caroline Street that diverts water onto Pond Street, or there is a fairly big ditch there that all runs north. Rebecca Huss said that she believed that the water on the other side of the street runs north, and there is a fair amount that comes off the Burger Fresh area, and all flows through three culverts under College Street and into the open wide ditch. Rebecca Huss said that she is concerned that if they are to pave over that easement, there will be unintended consequences in terms of flooding and speed of water, in terms of property values for homes on the west side. Mr. Yates said that he thought Mr. West was going to bring information regarding an underground storm sewer pipe that would collect water and carry it north. Rebecca Huss said that it would have to be properly sized, and they don't even know how much water goes through that location. Rebecca Huss stated that she did not know how they could approve anything without any information. Mayor Jones said that he thought Rebecca Huss was right; there would have to be some engineering looked at, but he guessed that the question now is do we want to look it.

John Champagne asked how many linear feet is this. Rebecca Huss stated it was 150 feet by 50 feet by 30 feet to be paved, which is 6,000 square feet of paving. Mr. Yates said that he expected Mr. West to be here with his budget and detailed survey. Mayor Jones asked Mr. Roznovsky if he has had any discussions with Mr. West regarding engineering or drainage. Mr. Roznovsky said that it was essentially the concerns that City Council had, the detail that you have seen in your pack is what they have seen. Mr. Roznovsky said that they had a general discussion that Mr. West would need to provide proof of where the water is going and should not be impacting anyone, but said that he is not at the point of providing detailed plans. Mr. Roznovsky said that it was his understanding that Mr. West was going to attend tonight just to get the conceptual buy in that he can proceed with the project. Rebecca Huss said that she was very concerned, with the history of having engineers correctly anticipate and control the water, especially with the Summit Park issue, areas on the west side of the park and what that has done downstream, and the Memory Park issue right now. Rebecca Huss said that any time there is more water and it is moving faster, none of the engineering seems to work for that, and she is concerned that if they take a step forward and say they will consider it, they are setting themselves up to fail, because the criteria

that the drainage needs to achieve for the 5 or 10 year flood that the County requires is not enough for the practical flooding that they see every year.

John Champagne moved to approve the concept of the opening and development of the north easement and Pond Street for a one-way drive, as proposed, based on appropriate engineering being done for the drainage concerns. T.J. Wilkerson seconded the motion.

John Champagne asked to hold the motion to follow the public discussion.

Discussion: Mr. Clover said that he was going to invite everyone over to his house one of these days after a big rain and let them wade around his backyard up to your ankles, that stands there for two or three weeks. Mr. Clover said that the water eventually drains off into the ground. Mayor Jones asked if the water comes from Pond Street or the area in question. Mr. Clover said that it is water coming all the way from Eugenia, down to his property, getting to the big ditch and going north. Rebecca Huss said that was the swale that she talked about. Mr. Clover said the swale will run full for days and continues to run from the west to the ditch. Mr. Clover said that he is at the bottom of the hill, which is his problem. Mr. Clover said that he had had engineers tell him that the water will drain off of his property, no problem, but it does not. Mr. Clover said that was his big problem and he would like to have that question answered. Mr. Clover said that it sounds like they are going to have some engineers look at the information and see if it can be done. Mr. Clover asked who would be paying for all the moving of the utilities and whatever that go across Pond Street on College Street. Mayor Jones said that they would have that discussion with Mr. West when the time comes.

Mr. Clover asked if all the residents know that this is going on, because he did not know anything about it until he suddenly heard that they were going to make Pond Street one-way south and asked if that was going to happen. Mayor Jones said that it would only be that area behind the project. Mr. Clover said that worries him because the delivery trucks that deliver to the pet store, half the time have to come in and back out, so he was hoping that Pond Street would not be one way going south, because it will make a real traffic jam there at College and FM 149, but that was not his problem, so he guessed they would have to put in a light or something.

Mr. Clover asked how they would enter Mr. West's property. Mayor Jones said that there is a driveway from SH 149. Mr. Clover said that if they load up Pond Street they are going to have

to cross traffic, and he felt that someone would have to look at the traffic, which he did not think had been done. Mr. Clover said that the only thing that he would recommend doing tonight would be to table this until they can get some more information, because he is against this.

Mrs. Acker advised that her property sets beside the proposed exit to College. Mrs. Acker said that she spoke to Mr. Muckleroy one day about the ditch, stating that she really needed some help with the ditch because there were coral snakes, kittens and small animals getting washed into the ditch where they rot and stink. Mrs. Acker said that she is concerned that when they build this road, whether you have drainage, to God knows where, where is it going to flow back to, my backyard. Mayor Jones said that what the motion does is approve the development conceptually and then the engineer will study it and then decide if it is a viable project. Mrs. Acker asked if her property would be a priority in this decision. Mayor Jones said that it would. Rebecca Huss stated that under Texas law it is illegal for another property owner to send water somewhere it has not gone previously or increases the speed, but she did not know if that is the case when it is the City or government, but in theory. Mayor Jones said that there would be a study done before the decision is officially made to do it. Mrs. Acker said that she appreciated that because that ditch needs a cleanup since it is a mosquito pit, snake pit, trash dump and eyesore. Mrs. Acker said that the owner of Burger Fresh does not maintain that area very well, as you can see. Mrs. Acker asked if the road would go from her property line to Burger Fresh's property line, because 30 feet is a pretty long ravine, and there is not that much space back there. Mayor Jones said that was an existing easement. Mr. Roznovsky said that the information that Mr. West has provided shows a 30 foot wide paving area, but stated that he had not seen anything related to property lines, so he could not say. Mrs. Acker said that her plat indicates that her fence line is her property line, so it extends out and right at where the drainage pipe comes out. Rebecca Huss asked if the plat showed a dotted line on the inside of her property line, because that would be the easement. Mayor Jones said that they would not build a road on her property. Mrs. Acker said that if people are going to be parking along the fence at her property, is she going to get trash that they might throw out, and who is going to maintain the parking area. Mayor Jones said it would either be the City or the shop owner. Mrs. Acker said that she would think that Burger Fresh would have an interest in keeping their property clean, but they do not and asked if they could address those issues before they build a road and make matters worse. Mayor Jones said if they build a road, they will have less snakes.

Mrs. Ackers said that her property is not on a hill and the property goes down, so FM 149 is higher than her property to some degree and she gets the wash from Pond Street like the Clovers and rolls down her street like a raging river. Mrs. Acker asked if the water would be diverted under the easement or would it go onto the road and come back to her property. Mayor Jones said that City Council are not engineers and all they are saying is that they are going to look at the project. Mrs. Ackers said that she is moving back into the house and taking her home off of the market. Mrs. Ackers asked to be kept in the loop and have survey flags, because she is worried about the road.

Rebecca Huss said that she would like to table this item to see some more numbers and information about what is happening with the water and if it is physically feasible to catch and collect the water. Dave McCorquodale asked to understand why this project would not be subject to the same type of feasibility study that a developer that would come in and say they had a raw tract of land that they are thinking about putting some development on. Mr. Yates said that they will require a feasibility study. Dave McCorquodale asked if it was strange that they are debating a motion to allow them to do a feasibility study. John Champagne said that he thought is was. Mayor Jones said that they could just say no go away or yes let's look at it. Rebecca Huss said that they could just table it and ask for a feasibility study to find out more.

Mrs. Acker asked what the purpose of the road was. Mayor Jones said that it was a new commercial development with parking off of FM 149. Mrs. Ackers asked how many cars they expect it to hold. Mayor Jones said that it would hold about 10 angled parking spaces. Mayor Jones told Mrs. Acker she would be kept in the loop and said that he would tell Mr. West to come and visit with her specifically. Mayor Jones also recommended that Mr. Clover speak with Mr. West. Mrs. Acker thanked City Council for listening to her concerns.

The City Secretary read the motion, as previously stated:

John Champagne moved to approve the concept of the opening and development of the north easement and Pond Street for a one-way drive, as proposed, based on appropriate engineering being done for the drainage concerns. T.J. Wilkerson seconded the motion.

<u>Discussion</u>: Dave McCorquodale asked for clarity, as to what made this project not follow the same protocols as every other development, and being on the agenda to accept a proposal for a

feasibility study, just like it was for other developments, like when they took \$5,000 for someone building a subdivision or like the Shoppes of Montgomery, McCoy's and every other development that they do as stated in the Development Handbook where they have to speak with the engineers. Mr. Roznovsky said that one of the main differences is that this developer is asking for use of property owned by the City, which he believes is a City right of way. Mr. Roznovsky said that this is to approve his concept and to allow him to use the land, subject to him going through the process. Mr. Yates said that he would also be asked to have an escrow agreement based on the estimated amount that they would need for the engineering. Mr. Yates said that they were asking for their thoughts on the basic concept prior to getting into the feasibility study. Dave McCorquodale said that was the information that he was looking for, that it hinges on the land being owned by the City. Mayor Jones said that if the City says no, the developer walks away, if they say yes he proceeds. Rebecca Huss said that he doesn't have to walk away he could amend his conceptual design. Mayor Jones said that was correct. Rebecca Huss said that she thought it was a slippery slope, once they agree, it seems that people will take it as this will all work out so just keep going. Mayor Jones said that he trust that the City Engineer will protect the interest of the City and the surrounding citizen's property.

The motion carried with the following votes:

Aye – John Champagne

Nay - Rebecca Huss

Aye - T.J. Wilkerson

Nay - Dave McCorquodale

Aye – Mayor Jones as a tie breaking vote. The motion carried.

6. Consideration and possible action regarding the award and execution of construction contract for 2017 FM 149 Sanitary Sewer Cleaning and Televising.

Mr. Roznovsky recommended award of the bid to Magna Flow as the low bidder in the amount of \$17,993. Mr. Roznovsky said that the bids ranged from that price up to \$49,000. Mr. Roznovsky stated that City Council has been considering looking at all the manholes or the majority of the remaining manholes in the system, which is included as a bid item with this information at the price of \$50 per manhole. Mr. Roznovsky said that they looked at the system and what areas would benefit the most, and discussed with City staff, and they are recommending the historic areas and major trunk lines at an additional cost for another 120 manholes for \$6,000 for additional manhole inspection work.

Rebecca Huss commented that the estimated cost was so much more than the bid and asked if they should look at expanding the scope of work while the cost is so low. Mr. Roznovsky said that they could look at doing more pipe, but one of the faults is always that when you find problems that have to be fixed you will spend more money, and the video data is only good for 3-5 years. Mr. Roznovsky said that the thought is to take this area first, address what they need to and then reevaluate and split the work up in phases that the City can handle. Mayor Jones said that they should probably budget for another round in the new fiscal year budget. Mr. Roznovsky said that he could put together a basic plan and phase out the work. Rebecca Huss said that they could prioritize the work. Mr. Roznovsky said that they wanted to get the work done prior to the TxDOT project. Mayor Jones asked whether any of the work that TxDOT is doing would affect any of the City's manholes. Mr. Roznovsky said that it is hard to tell with the plans that he has seen, but there will most likely be some adjustment with the project.

Mr. Roznovsky said that his recommendation is to award the project to Magna Flow Environmental based on the low based bid and then proceed with the additional manhole inspections.

Rebecca Huss moved to award the project to Magna Flow Environmental based on the low based bid and then proceed with the additional manhole inspections. Dave McCorquodale seconded the motion, the motion carried unanimously. (4-0)

7. Consideration and possible action regarding approval of construction of the Water and Sanitary Sewer to serve Pizza Shack.

Mr. Roznovsky said the project is now complete, all inspections and testing have passed so they are recommending that the City accept the project.

Dave McCorquodale moved to accept the utilities as recommended. John Champagne seconded the motion, the motion carried unanimously. (4-0)

8. Report regarding Buffalo Springs Bridge.

Mr. Roznovsky advised that since they have met, the FEMA representatives have had another meeting with their new project manager, and they have asked Jones and Carter to look into

additional options and additional measures for them to consider to include. Mr. Roznovsky said that they have gone back and done that, so what FEMA is asking them to look at is to install sheet piling with steel sheet piles along the length of the road on the south side and all the way around the bridge on the south side of the canal. Mr. Roznovsky said that they went through that analysis looking at the additional costs and whether it was feasible, and what would be the benefit. The additional cost just to put the sheet piling on the sides was about \$300,000. Mr. Roznovsky said that FEMA has since said that sheet piling would not be a mitigation item, it would be a repair item, so the City would have a 25 percent share of the cost. Mr. Roznovsky said that the only way that they thought this would be feasible would be if there was a saving somewhere else and they were having to do this to reduce quantities. Mr. Roznovsky said that they took sheet piling parallel to the canal, right where the bridge starts, they can reduce the slope of all the paving and reduce the amount of the material underneath. The issues with this is that the piles under the bridge are installed at angles, so in order to put the sheet piling out they have to go far behind or in front, which will not work, and just to do that would be an additional \$150,000, if they were able to do that option. Now they are adding an additional \$500,000 in sheet pile work that is not feasible. Mr. Roznovsky advised that they had spoken to their construction consultants internally, and they do not see any benefit to the sheet pile system, the slope paving that Jones and Carter have proposed on the sides of the road will call for adequate protection for the undermining of the road and the sheet pile does not provide the City any extra protection, especially considering the cost to do so. Mayor Jones stated that it would still be subject to FEMA's opinion. Mr. Roznovsky said that they have a conference call set up with FEMA for 9:30 a.m. tomorrow morning to discuss the findings and let them know that they do not feel that the revisions would be necessary, based on their professional opinions, this is not providing a benefit to the road and they are proposing the cheaper option, which would give them the benefit and results that they need.

Mayor Jones asked whether there was another issue about under the bridge, about extending concrete. Mr. Roznovsky said that what FEMA asked for was a scour analysis, to determine how susceptible the soil under the bridge is subject to washing out or eaten away. Mr. Roznovsky said that they completed the scour analysis, and sure enough there was high scour potential, therefore, some type of protection is needed. Mr. Roznovsky said that they have modified their recommendation on that, and instead of the concrete on the bottom, they have large rip rap placed on top of TxDOT fabric in the bottom of the channel. Mr. Roznovsky said that it will offer the

same amount of protection, with a little bit easier construction, and will protect the core that is another component of this, which is more favorable because it will create an aquatic environment.

Rebecca Huss said that she thought the point of the concrete was to keep the walls apart. Mr. Roznovsky said that they went back to the construction consultant and asked that question, because the intent was twofold, to scour and the construction component. Mr. Roznovsky said that the consultant went back and checked and there are modifications to slightly increase the footing and how the bulk head walls are designed to resist the overturning of the effectiveness and still have the scour protection.

Rebecca Huss said that she would like to get on the record that FEMA's engineers are not possessors of the Professional Engineering License, and they are making recommendations. They might have gone to engineering school, but they are not Professional Engineers, so they are telling Jones and Carter what needs to be done without necessarily having the professional expertise to do so. Mayor Jones said that they are taking a long time to do it. Mr. Roznovsky said that they go through and do additional analysis and consider options that they do not feel have a cost benefit. Mr. Yates said that his intention at the FEMA meeting tomorrow morning is to insist and demand that this is the end of the FEMA suggestions for the construction. Mr. Yates said that they have been through many months, suggestions by three or four different layers and they need to put a stop to the FEMA suggestions. Rebecca Huss said that it is costing the City money and the residents are paying as well.

Mr. Roznovsky said that what their plan is, they will submit to the Corp next week on what type of response they get from FEMA, so that they can get it in their que, get them reviewing the information. John Champagne asked if someone would give Congressman Brady a heads up on the plan. Mr. Roznovsky said that Congressman Brady's representatives will be on the conference call tomorrow morning and their plan is that as soon as they submit the information to the Corp and it has an application number assigned, they will provide that to Congressman Brady's Office as a follow up.

Mr. Yates said that at the last Council Meeting he had said if they were able to get the GLO funds from Montgomery County, which is \$2.2 million, that is primarily based upon the amount of money that they receive from FEMA, so as far as the option of dropping FEMA and just doing

the bridge ourselves, that might cost the City not only the cost of the bridge, but would reduce the \$2.2 million down about \$600,000. John Champagne said that would be a big hit for sure.

Mr. Roznovsky said that they expect to have the design complete and ready to go to bid by the end of the month. Mr. Roznovsky said that the absolute soonest that they can expect GLO funds is October 2017.

John Champagne said that since they are going on record, he stated that this effort has been a total exemplary show of how things should not be done, and this is totally unacceptable, and the fact that it has taken us this long, there is no excuse. John Champagne said that he would go on record as saying that we need to do a better job, but when you are dealing with the Federal Government and you are asking for their money, which they take and dole out at their discretion, this is what you deal with. John Champagne said that was no excuse, this has taken way too long.

Mr. Philip LeFevre stated that he was not present to throw rocks, but they have not even got to the fish labs, because that is what FEMA will do next. Mr. LeFevre said that when they did Town Creek they spent \$60,000 to \$80,000 with engineers that specialize in stream credits, and they bring in TCEQ, FEMA, Sierra Club, and they all seem really good, but they stop working and you never get anywhere. Mr. LeFevre said that they wanted them to put in fish ladders, and there are not any fish that swim up ladders in Montgomery County. Mr. LeFevre said that it was a hard battle to fight. Mr. LeFevre said that there were two things that he wanted to state, the City had an ordinance that stipulated that the City Engineer could not do design work for the City, and it was there for a purpose, to protect the City. The City Engineers are good engineers, but the City Engineers are the City's eyes and ears, but when the City Engineer becomes the design engineer, on principal, you lose the protection. Mr. LeFevre said that when an event like this occurs, the City Engineers should go out to the whole world, because he does not think that they went out to the bulk head people or bridge people, maybe they did, or maybe Jones and Carter have them in house. They should have put out an RFP to everyone and see what the best ideas are. Mr. LeFevre said that now they have the trap of being locked into one course of action, one set of plans and absolutely no ability to get off the railroad tracks. Mr. LeFevre said that the second mistake was going out for federal money because they will want their pound of flesh. Mr. LeFevre said that he hoped that City Council would reconsider going back to the original concept where City Engineers do City Engineering, because that is how they function best. Mr. LeFevre said that after the meeting with FEMA, if it looks like they are really pulling your leg, he really

felt that they should be willing to go and look for bridge and bulkhead workers to see if they can do non-jurisdictional work, because right now FEMA has control. Mr. LeFevre said that you can get things done that are not subject to the government's jurisdiction, and he asked that the City Engineers do an RFP and go to bridge builders and people that specialize working with the Corp, so that they have a backup plan if this does not work. John Champagne said that he felt that Mr. LeFevre makes valid points.

EXECUTIVE SESSION:

The City Council reserves the right to discuss any of the items listed specifically under this heading or for any items listed above in executive closed session as permitted by law including if they meet the qualifications in Sections 551.071(consultation with attorney), 551.072 (deliberation regarding real property),551.073 (deliberation regarding gifts), 551.074 (personnel matters), 551.076 (deliberation regarding security devices), and 551.087 (deliberation regarding economic development negotiations) of Chapter 551 of the Government Code of the State of Texas.

9. Convene into Closed Executive Session as authorized by the Texas Open Meetings Act, Chapter 551 of the Government Code, in accordance with the authority contained in the following:

Mayor Jones convened into Closed Executive Session at 7:48 p.m.

- a) 551.071 (confidential consultation with city attorney);
- b) <u>551/074</u> (personnel deliberation concerning city administrator and possible plans for additional staff support); and
- c) <u>551.087</u> (deliberation regarding economic development negotiations for a possible Chapter 380 agreement concerning The Shoppes of Montgomery)
- 10. Convene into Open Session.

Mayor Jones reconvened the Open Session at 10:00 p.m.

POSSIBLE ACTION FROM EXECUTIVE SESSION:

11. Consideration and possible action resulting from the item(s) listed under Executive Session.

Rebecca Huss moved to direct the City Attorney and the City Administrator to prepare documents in reference to the 380 Agreement with First Hartford Realty Corporation. Dave McCorquodale seconded the motion, the motion carried unanimously. (4-0)

ADJOURNMENT

the motion carried unanimously. (4-0)

Submitted by: Susan Hensley, City Secretary	Date Approved:
	Mayor Kirk Jones

T.J. Wilkerson moved to adjourn the meeting at 10:01 p.m. Dave McCorquodale seconded the motion,

Meeting Date: July 25, 2017	Budgeted Amount:
Department:	
Prepared By: Jack Yates City Administrator	Exhibits: Memo from Tax Assessor – Collector,
Date Prepared: July 18, 2017	

Subject

A required action of all jurisdictions levying a 2017 Debt Service.

Description

Excess debt tax collections for 2016 are \$0.00. This amount, if any, would be used in the 2017 debt tax rate calculation.

This item is on the Consent Item Agenda because of its routine nature and because action is required.

Recommendation

The motion should read: Motion to accept excess collections for 2016 Debt Service and Certification for Debt Service Collection Rate for 2017/2018

Approved By		
City Administrator	Jack Yates	Date: July 18, 2017



Tammy J. McRae

Tax Assessor-Collector Montgomery County

July 11, 2017

TO: All Jurisdictions Levying a 2017 Debt Service

RE: Consent Agenda Item for Governing Body

"CONSIDER AND ACCEPT EXCESS COLLECTIONS FOR 2016 DEBT SERVICE AND CERTIFICATION FOR DEBT SERVICE COLLECTION RATE FOR 2017/2018"

Dear Governing Body;

Enclosed is the above information for your consent agenda. Please contact me should you have questions.

Best Regards,

Tammy McRae, PCAC



Tammy J. McRae

Tax Assessor-Collector Montgomery County

July 11, 2017

CITY OF MONTGOMERY 2017-2018 ANTICIPATED COLLECTION RATE 2016 EXCESS DEBT TAX COLLECTIONS

In accordance with the certification requirements of Section 26.04(b), Texas Property Tax Code, the following information is provided for use on the Rollback Tax Rate Worksheet:

The anticipated collection rate for 2017 is 100%, as calculated under Sec. 26.012(2).

Excess 2016 debt tax collections are \$0.00. This amount is to be used in the 2017 debt tax rate calculation because the 2016 actual debt tax collection rate met the anticipated 2016 debt collection rate which was equal to 100%, pursuant to Sec. 26.04(e)(3)(C), Texas Property Tax Code.

I HEREBY CERTIFY THAT THE ABOVE INFORMATION IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE AND COMPLIES WITH THE CERTIFICATION REQUIREMENTS OF SECTION 26.04(b), TEXAS PROPERTY TAX CODE.

Tammy McRae / MONTGOMERY COUNTY

TAX ASSESSOR/COLLECTOR

The amount of taxes refunded in tax year 2016 for prior years is \$3,435.68. Included in the amount are refunds from court decisions, Sec. 25.25(b) and (c) corrections, and Sec. 31.11 payment errors. The amount is to be entered on line 13 of the Effective Tax Rate Worksheet.

Sworn and subscribed before me this _____day of July, 2017.

Notary Public for the State of Tayas

CHARLOTYL E. HATCHLEY
Notary ID #12936619-0
My Commission Expires
April 12, 2021

Request Seq: 2781568

Run Date:

07/10/2017 11:02:23AM

MONTGOMERY COUNTY TAX OFFICE EXCESS DEBT SERVICE TAX COLLECTIONS REPORT FOR JULY 1, 2016 THRU JUNE 30, 2017

excess_debt_rpt.rdf v1.3 Page 13 of 84

ENTITY: 303 - CITY OF MONTGOMERY

MONTH	YEAR	1 CURRENT COLLECTIONS	2 DELINQUENT COLLECTIONS	3 P&I	4 TOTAL	5 CURRENT !&S (INCLUDES P&I)	6 DELINQUENT I&S (INCLUDES P&I)	7 CURRENT M&O (INCLUDES P&I)	8 DELINQUENT M&O (INCLUDES P&I)	TOTAL
7	2016	0.00	7,409.23	1,082.84	8,492.07	0.00	4,325.87	0.00	4,166.20	8,492.07
8	2016	0.00	7,669.95	1,496.31	9,166.26	0.00	4,710.32	0.00	4,455.94	9,166.26
9	2016	0.00	106.76	38.92	145.68	0.00	87.08	0.00	58.60	145.68
10	2016	7,286.20	1,827.38	386.11	9,499.69	3,703.59	1,128.47	3,582.61	1,085.02	9,499.69
11	2016	42,819.51	790,78	260,24	43,870.53	21,765.31	603.51	21,054.20	447.51	43,870.53
12	2016	292,503.28	82.79	17.29	292,603.36	148,680.33	50.88	143,822.95	49,20	292,603.36
1	2017	205,424.84	41.73	8.20	205,474.77	104,418.11	25.39	101,006.73	24.54	205,474.77
2	2017	88,950.55	0.00	760.68	89,711.23	45,600.50	0.00	44,110.73	0.00	89,711.23
3	2017	12,544.23	70,25	905.02	13,519.50	6,829.70	42.32	6,606.54	40.94	13,519.50
4	2017	7,377.36	2,757.11	1,118.51	11,252.98	4,152.60	1,861.29	4,016.91	1,222.18	11,252.98
5	2017	9,369.70	86.96	1,090.62	10,547.28	5,298.65	73.37	5,125.62	49.64	10,547.28
6	2017	5,187.50	118.11	812,72	6,118.33	2,999.35	134.49	2,901.35	83.14	6,118.33
T	OTAL:	671,463.17	20,961.05	7,977.46	700,401.68	343,448.14	13,042.99	332,227.64	11,682.91	700,401.68
TOTAL CR	EDIT:	21,455.00	3,862.67	167.45	25,485.12	10,945.53	2,018.97	10,587.95	1,932.67	25,485.12
TOTAL	NET:	650,008.17	17,098.38	7,810.01	674,916.56	332,502.61	11,024.02	321,639.69	9,750.24	674,916.56
	•	тс	OTAL COLUMNS 5 & 6;	356,491.13						
			DEBT SERVICE:	514,367.00						
		TOTAL E	EXCESS/DIFFERENCE:	-157,875.87						

Meeting Date: July 25, 2017	Budgeted Amount:
Department:	
	Exhibits: E-mail saying no changes Resolution, w: Exhibit "A" Policy, Exhibit "B" List of Authorized Brokers
Prepared By: Jack Yates City Administrator	
Date Prepared: July 18, 2017	

Subject

Required annual review of Investment Policy of the City.

Description

This is a statutorily required annual affirmation of the Council's review of the Investment Policy and Strategies. There are no changes to the Policy recommended for this year.

The list of authorized brokers is whom our Investment officers may use to make transactions with, there are a few, innocuous to me, changes.

It is on the Consent Item Agenda due to its routine, no changes manner.

Recommendation

Motion to approve the Resolution as presented, or include it in your consent Item one motion.

Montgomery City Council AGENDA REPORT

Approved By		
City Administrator	Jack Yates	Date: July 18, 2017

From: Priscilla Gutierrez

Sent: Friday, July 14, 2017 7:25 AM

To: Cathy Branco < CBranco@municipalaccounts.com>; Katherine Turner

Subject: RE: Investment Policy

Cathy,

This is the 2016 copy that we received from your office last year. When it was highlighted and scanned to us, it made our copy blacked out as well.

We did not make any changes this year, so the 2016 copy is still fine, we just need the 2017 Resolution.

Thanks,

Priscilla J. Gutierrez

Investment Specialist
Municipal Accounts & Consulting, L.P.
1300 Post Oak Blvd., Suite 1600
Houston, Tx. 77056

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A RESOLUTON OF THE CITY OF MONTGOMERY, TEXAS AFFIRMING ITS ANNUAL REVIEW OF THE POLICY FOR INVESTMENT OF MUNICIPAL FUNDS AND THE INVESTMENT STRATEGIES CONTAINED THEREIN HAS BEEN CONDUCTED AS REQUIRED BY SECTION 2256.005(e) OF THE TEXAS GOVERNMENT CODE.

WHEREAS, Chapter 226 of the Texas Government Code, commonly known as the Public Funds Investment Act ("Act"), requires the City Council of the City of Montgomery ("City") to adopt a written policy governing the investment of its funds and funds under its control; and

WHEREAS, the Act requires the City to adopt written investment strategies ("Strategies") for each fund group or group of funds under its control; and

WHEREAS, the City adopted a written investment policy ("Policy") on October 25, 2005 that complies with the requirements of the Act; and

WHEREAS, the City's Policy includes investment Strategies for each fund or group of funds under the City's control; and

WHEREAS, the Act requires the City to review the Policy and Strategies on at least an annual basis and affirm through a Resolution that such review has occurred; and

WHEREAS, any changes to the Policy of the Strategies are required by the Act to be included in this Resolution.

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

<u>Section 1.</u> The City Council hereby affirms that it has reviewed the Policy and the Strategies attached as Exhibit "A";

Section 2. The List of Authorized Brokers is attached as Exhibit "B"; and

Section 3. The Resolution shall take effect immediately from and after its adoption.

PASSED AND ADOPTED by the City Council of the City of Montgomery, Texas on this the day of July, 2017.

day of July, 2017.	APPROVED:	
ATTEST:	By: Kirk Jones, Mayor	
Susan Hensley, City Secretary		

EXHIBIT "A"

AMENDED ORDER ESTABLISHING POLICY FOR INVESTMENT OF MUNICIPAL FUNDS AND APPOINTING INVESTMENT OFFICER

WHEREAS, the City of Montgomery, Texas (the "City") is a body politic and a type A general law municipality of the state of Texas; and

WHEREAS, Chapter 2256, Texas Government Code (sometimes referred to herein as the "Public Funds Investment Act"), requires that the governing body of the City adopt rules, regulations and policies governing the investment of Municipal funds and designate one or more of its officers or employees to be responsible for the investment of such funds;

NOW, THEREFORE, IT IS ORDERED BY THE CITY COUNCIL OF THE CITY OF MONTGOMERY, TEXAS, THAT the policies, procedures and provisions set forth herein be and are hereby ADOPTED, and that any order, and every amendment thereto, heretofore adopted by the City Council establishing policies for the investment of City funds and appointing an investment officer shall be and are hereby revoked and superseded effective as of October 25, 2005, the effective date of this Order.

Section 1. Purpose. The purpose of this Order Establishing Policy for Investment of Municipal Funds and Appointing Investment Officer (the "Investment Policy") is to adopt rules and regulations which set forth the City's policies with regard to the investment and security of City funds or funds under the City's control. It is further the purpose of this Investment Policy to ensure that purchases and sales of City investments are initiated by authorized individuals, conform to investment objectives and regulations, and are properly documented and approved, and to provide for the periodic review of City investments to evaluate investment performance and security, all as required by applicable law.

Section 2. Appointment of Investment Officer; Standard of Care. Mr. Mark M. Burton (and Katherine Turner) of Municipal Accounts and Consulting, L.P., the City's certified public accountant (or City's Bookkeeper), shall be and is hereby individually designated the Investment Officer of the City, responsible for the supervision of investment of City funds pursuant to this Investment Policy. In the administration of his or her duties hereunder, the City's Investment Officer shall exercise the judgment and care, under prevailing circumstances, that a person of prudence, discretion and intelligence would exercise in the management of his or her own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived; however, the City Council of the City shall retain ultimate responsibility as fiduciaries of the City's assets. The City Council, Tax Assessor-Collector, Financial Advisor and other consultants shall be authorized to assist the Investment Officer in the carrying out of the duties of Investment Officer.

Section 3. Appointment of Investment Officer and Tax Assessor-Collector for Investment of City Funds. The City Council hereby designates the City's Investment Officer as the authorized representative of the City to (a) invest and reinvest the funds of the City; (b) withdraw City funds from appropriate accounts of the City for the investment of same in accordance with the terms of this Investment Policy; and (c) arrange for adequate security for uninsured deposits or funds of the City pursuant to and in compliance with a Public Funds Depositor Collateral Security Agreement which shall be substantially in the form attached hereto as Exhibit "B," and to execute said Agreement(s) and any documentation required in connection therewith on behalf of the City. To the extent that the City's Tax Assessor-Collector is required to perform any of the functions set forth in (a), (b) or (c) above, the Tax Assessor-Collector shall do so in accordance with the provisions of the Public Funds Investment Act and this Investment Policy, and under the supervision of and in consultation with the City's Investment Officer.

Section 4. Authority and Duties of Investment Officer.

The following rules shall apply to the City's Investment Officer:

- A. The City Council hereby instructs the Investment Officer for the City to maintain the investments of the City in a manner consistent with the rules and regulations set forth in this Investment Policy and the Public Funds Investment Act, as amended.
- B. No persons, other than those designated in Section 3 above, may deposit, invest, transfer, withdraw or otherwise manage City funds without express written authority of the City Council.
- C. The Investment Officer for the City shall invest and reinvest City funds only in those investments authorized under this Investment Policy or by the City Council, and only in the name of and solely for the account of "City of Montgomery, Texas". The Investment Officer for the City shall be authorized to wire transfer funds of the City only (1) for the purchase of investments solely in the name of "City of Montgomery, Texas", (2) for the transfer of all or any portion of the principal of or interest earnings or profits or gains on any investment of the City to one or more previously authorized and established accounts of "City of Montgomery, Texas", (3) for the transfer of City funds to any paying agent of the City for the payment of principal and semiannual interest payments on any outstanding bonds of the City and for the payment of paying agent fees relative to same, or (4) for other purposes, such as the payment of City bills, pursuant to a resolution or other express written instructions of the City Council.
- D. The Investment Officer for the City shall, not later than the first anniversary of the date the Investment Officer takes office or assumes such duties, attend a training session of at least six (6) hours (should this not be 10 hours) of instruction relating to the Investment Officer's responsibilities under the Public Funds Investment Act, as amended, from an independent source approved by the City Council and thereafter shall attend at least four (4) hours of additional investment training (again ten hours) within each two- year period after the first year. Such investment training must include education in investment controls, security risks, diversification of investment portfolio, strategy risks, market risks, and compliance with the provisions of the Public Funds Investment Act, as amended.

- E. Not less frequently than each fiscal quarter, the City's Investment Officer shall prepare and submit to the City Council a written report of investment transactions for all invested funds of the City for the preceding reporting period. Such report must (I) describe in detail the investment position of the City on the date of the report; (2) be prepared by the Investment Officer for the City; (3) be signed by the Investment Officer of the City; (4) contain a summary statement, prepared in compliance with generally accepted accounting principles, of each pooled fund group, if any has been created by the City, that states the beginning market value for the reporting period, additions and changes to the market value during the period, and ending market value for the period, and fully accrued interest for the reporting period; (5) state the book value and market value of each separately invested asset of the City at the beginning and at the end of the reporting period by the type of asset and fund type invested; (6) state the maturity date of each separately invested asset that has a maturity date; 7) state the account or fund or pooled group fund, if the City has any, for which each individual investment was acquired; and (8) state the compliance of the City's investment portfolio as it relates to the investment strategy for each account of the City as set forth in this Investment Policy and relevant provisions of the Public Funds Investment Act, as amended. Such report must be presented to the City Council within a reasonable period of time after the end of each fiscal quarter. If the City invests in other than (i) money market mutual funds, (ii) investment pools or (iii) accounts offered by its depository bank in the form of certificates of deposit, or money market accounts or similar accounts, all of the type authorized under Section 6 of this Investment Policy, the reports prepared under this Section 4.E. shall be formally reviewed at least annually by an independent auditor, and the result of such review shall be reported to the City Council by that auditor.
- F. In the event City funds are invested or reinvested in Certificates of Deposit, the Bookkeeper or Tax Assessor-Collector, as applicable, shall solicit bids from at least two (2) bidders, either orally, in writing, electronically or in any combination of those methods, for each such investment.
- G. All purchases of investments, except investments in investment pools or in mutual funds, shall be made on a delivery versus payment basis.
- H. Not less frequently than each fiscal quarter, and as close as practicable to the end of such repoliing period, the City's Investment Officer shall determine the market value of each City investment. Such market values shall be included in the written reports submitted to the City Council pursuant to Section 4.E hereinabove. The following methods shall be used:
 - (1) Certificates of deposit shall be valued at their face value plus any accrued but unpaid interest.
 - (2) Shares in money market mutual funds and investment pools, if any, shall be valued at par plus any accrued but unpaid interest.
 - (3) Other investment securities may be valued in any of the following ways:

- (a) the lower of two bids for such security obtained from qualified securities brokers/dealers with whom the City may engage in investment transactions;
- (b) the average of the bid and asked prices for such security as published in The Wall Street Journal or The New York Times;
- (c) the bid price for such security published by any nationally recognized security pricing service; or
- (d) the market value quoted by the seller of the security.
- A written copy of the City's Investment Policy must be presented to any person offering I. to engage in an investment transaction with the City and to any investment management firm under contract with the City for the investment and management of its funds. The "qualified representative" of the business organization offering to engage in an investment transaction with the City or an investment management firm shall execute a written instrument in a form acceptable to the City substantially to the effect that the business organization or firm has received and reviewed the Investment Policy of the City and acknowledges that such business organization or firm has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the City and such organization or firm that are not authorized by the City's Investment Policy, except to the extent that such authorization is dependent on an analysis of the makeup of the City's entire investment portfolio or requires an interpretation of subjective investment standards. The City's Investment Officer may not acquire or otherwise obtain any authorized investment described in Section 6 hereof from a person who has not delivered to the City the written statement acknowledging receipt of this Investment Policy in a form substantially similar to that attached hereto as Exhibit "A" (the "Certificate of Compliance"). For purposes of this Section 4.1., the "qualified representative" of a business organization offering to engage in an investment transaction with the City means a person who holds a position with a business organization, who is authorized to act on behalf of the business organization. and who is one of the following:
 - (1) for a business organization doing business that is regulated by or registered with a securities commission, a person who is registered under the rules of the National Association of Securities Dealers:
 - (2) for a state or federal bank, a savings bank, or a state or federal credit union, a member of the loan committee for the bank or branch of the bank or a person authorized by corporate resolution to act on behalf of and bind the banking institution;

or

(3) for an investment pool, the person authorized to sign the written instrument on behalf of the investment pool by the elected official or board with authority to administer the activities of the investment pool.

The "qualified representative" of an investment management firm under contract with the City for the investment and management of its public funds is a person who is an officer or principal of such firm.

- J. The Investment Officer for the City shall disclose in writing to the City Council any (i) "personal business relationship" that they may have with a business organization offering to engage in an investment transaction with the City, or (ii) any relationship within the second degree by affinity or consanguinity, as determined by Chapter 573, Texas Government Code, as amended, to any individual seeking to sell an investment to the City. Any written disclosure statement filed with the City Council by the Investment Officer pursuant to this section must also be filed with the Texas Ethics Commission. For purposes of this Section 4.J., the Investment Officer has a "personal business relationship" with a business organization if:
 - (1) the Investment Officer owns JO (ten / 10%)percent or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;
 - (2) funds received by the Investment Officer from the business organization exceed JO(ten / 10%) percent of the Investment Officer's gross income for the previous year; or
 - (3) the Investment Officer has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for their personal account.
- K. In conjunction with the City's annual financial audit, a compliance audit of management controls on investments and adherence to this Investment Policy must be performed. In connection with said compliance audit, the City Council shall review on an annual basis this Investment Policy and its investment strategies. In connection with said annual review, the City Council shall adopt a written resolution stating that it has reviewed this Investment Policy and the investment strategies set forth herein, and shall indicate in said resolution either the continuance of this Investment Policy without amendment or the changes made to the Investment Policy and/or the investment strategies herein.

<u>Section 5. General Investment Principles and Objectives.</u> All investments of City funds or funds under the City's control shall be made in accordance with the following general rules, regulations and policies:

A. Any moneys in any fund of the City or in any fund established by the City Council in connection with the authorization of the City's bonds, including, but not limited to, proceeds from the sale of such bonds, which funds are not required for the payment of obligations due or to become due immediately, shall be invested and reinvested, from time to time, only in the authorized investments specified in Section 6 hereunder; provided, however, that all such investments shall be secured in the manner provided for the security of the funds of municipalities of the State of Texas (The Public Funds Collateral Act, Chapter 2257, Texas Government Code, as amended) or in such other

- manner as may be authorized by law from time to time and otherwise suitable for the City's needs.
- B. The policy of the City is to invest City funds only in instruments which further the following investment objectives of the City stated in order of importance: (1) preservation and safety of principal; (2) liquidity; and (3) yield. The City will continuously attempt to diversify its portfolio to reduce risks. The type, conditions and maturity date of City investments shall be consistent with the cash flow needs and operating requirements of the City, as determined from time to time by the City Council, and consistent with the investment strategy for each City account as set forth in Section 7 hereunder; provided, however, that in no event shall the maximum allowable stated maturity of any individual investment owned by the City exceed two (2) years, unless otherwise specifically set forth in this Investment Policy.
- C. If invested in certificates of deposits, the City's funds shall be secured, to the extent that such funds are not insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, by the pledge to the City of certain types of securities, as determined in the sole discretion of the City, which under the laws of the State of Texas may be used to secure the deposits of municipalities, pursuant to and in compliance with a Public Funds Depositor Collateral Security Agreement which shall be substantially in the form attached hereto as Exhibit "B", the terms and conditions of which are incorporated herein by reference (the "Public Funds Depositor Collateral Security Agreement").
- D. Securities pledged to the City shall be pledged pursuant to and in compliance with a Public Funds Depositor Collateral Security Agreement to be entered into by and between the City and the institution(s) pledging such securities. Securities pledged to the City shall either be deposited and held in safekeeping at the trust or safekeeping department of a commercial banking institution located in the State of Texas not affiliated with the pledging institution(s) or a federal home loan bank, or shall be held in a restricted securities account, joint safekeeping account or other similar account in a branch of the Federal Reserve Bank pursuant to any and all applicable regulations, operating circulars, bulletins and policies of the Federal Reserve Bank, including the terms and conditions of any applicable forms or agreements, as may exist now or hereafter be enacted, promulgated or issued by the Federal Reserve Bank. The City's Investment Officer and Tax Assessor-Collector shall, within the limits of business practicality and consistent with the Federal Deposit Insurance Corporation Statement of Policy dated March 23, 1993, (or any subsequent applicable Statement of Policy issued by the FDIC) relative to the securing of public funds, ensure that the City's uninsured funds are at all times secured as required by the Public Funds Collateral Act (Chapter 2257, Texas Government Code, as amended) and in the manner set forth in the Public Funds Depositor Collateral Security Agreement. The City's Investment Officer and Tax Assessor-Collector are hereby authorized to execute Public Funds Depositor Collateral Security Agreements and any agreements, documents or forms required by the Federal Reserve Bank on behalf of the City, as and when required, and to approve the substitution of securities pledged to the City as collateral pursuant to

- and in the manner set forth in any Public Funds Depositor Collateral Security Agreement entered into by the City.
- E. The City Council recognizes that, within the framework of the above rules, decisions must be made concerning the type and duration of each investment transaction, and that such decisions are best made by the person responsible for implementing the transaction, based upon the facts and .circumstances prevailing at the time. As a guide to making such decisions, it is hereby declared the policy of the City Council that priority should be given to proper security of the City's funds over maximizing the yield on investments. Furthelmore(Furthermore), in cases where the rate of return on an investment security offered by competing banking institutions are substantially equivalent, the City's Bookkeeper (Investment Officer) shall give preference to those investments and investment institutions offering the greatest degree of administrative convenience and proximity, flexibility of investment arrangements and/or similar intangible benefits and community goodwill.
- F. Except as herein provided, nothing herein shall be deemed or construed to authorize the withdrawal, expenditure or appropriation of funds of the City except by check or draft signed by three (3) members of the City Council, or as otherwise provided by applicable statutes or the resolutions, rules, regulations, policies, orders or proceedings of the City Council. Furthermore, the City Council shall retain sole responsibility for establishing and implementing, from time to time, this Investment Policy, and all investment transactions to be undertaken by the City's Investment Officer pursuant to the Investment Policy shall be subject to the further or more specific directions, instructions, orders, resolutions or actions of the City Council.

<u>Section 6. Authorized Investments.</u> The following categories of investment are authorized for investment of City funds:

- A. Obligations, including letters of credit, of the United States or its agencies and instrumentalities;
- B. Direct obligations of the State of Texas or its agencies and instrumentalities;
- C. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas, or the United States or any of their respective agencies and instrumentalities; (to add including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States);
- D. Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent;
- E. Certificates of deposit issued by a state or national bank domiciled in the State of Texas, a savings bank domiciled in the State of Texas, or a state or federal credit union domiciled in the State of Texas that are:

- (1) guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor:
- (2) secured by obligations of the type described in Section 2256.010(2), Texas Government Code, as amended, or
- (3) secured in any other manner and amount provided by law for deposits of the City pursuant to a Public Funds Depositor Collateral Security Agreement approved and executed by the City;
- F. Commercial paper with a stated maturity of 270 days or fewer from the date of issuance which meets the requirements set forth in Section 2256.013, Texas Government Code, as amended;
- G. No-load money market mutual funds that:
 - (1) are registered with and regulated by the Securities and Exchange Commission;
 - (2) provide the City with a prospectus and other information required by the Securities Exchange Act of 1934 (15 U.S.C. Section 78a et seq.) or the Investment Company Act of 1940 (15 U.S.C. Section 80a-l et seq.);
 - (3) have a dollar-weighted average stated maturity of 90 days or fewer; and
 - (4) include in their investment objectives the maintenance of a stable net asset value of \$1.00 for each share;
- H. Investment pools which meet the requirements set forth in Section and Section 2256.019, Texas Government Code, as amended; and
- I. Fully collateralized repurchase agreements meeting the requirements set forth in Section 2256.011, Texas Government Code, as amended, provided that the maximum maturity of same shall not exceed seven (7) days.

Section 7. Investment Strategies. City investments shall be made upon the evaluation of the specific investment objectives and strategies of each account of the City, with the primary objective for the selection of any City investment being the understanding of the suitability of such investment to the financial requirements of the City. The City's investment strategy for each of its accounts is as follows:

A. Operating/General Account: The operating/general account is used for all operations and maintenance needs of the City and funds therein shall be invested to meet the operating and cash flow requirements of the City as determined by the City Council. The highest priorities for this account are the liquidity and marketability of an investment if the need arises to liquidate the investment before its maturity. Of equal importance is the preservation and safety of the principal of investments in the operating account. When these priorities are met, the yield on investments held in the operating/general account will next be considered.

- B. Debt Service/Bond Fund Account; The City's debt service/bond fund account is used to pay the City's debt service on its outstanding bonds. The highest priority for this account is the preservation and safety of principal. Since the City knows the amount of its debt service requirements and when it becomes due, investments for the debt service/bond fund account should be structured to coincide with the amount and timing of the debt service requirements. When the preservation and safety of principal and liquidity considerations for debt service purposes are assured, including the marketability of debt service/bond fund account investments in the event the need arises to liquidate an investment before its maturity, the yield on debt service/bond fund account investments should be considered. Since the amount of City funds in the debt service/bond fund account investment portfolio may be necessary. The City may easily liquidate investments in an investment pool and therefore such investments may be appropriate in combination with longer term investments in the debt service/bond fund account.
- C. Capital Projects/Construction Fund Account: The capital projects/construction fund account is used to pay for capital improvements of the City. The highest priority for this account is the preservation and safety of principal. In the event that funds held in the capital projects/construction fund account are for particular improvement projects that have been previously identified by the City Council, the City Council will have an idea of the approximate time when disbursements will be required to be made from this account. In this situation, investments in the capital projects/construction fund account should be structured so that they mature or can be liquidated on or about the dates that disbursements are expected to be made. Once the safety of principal and liquidity and marketability of capital projects/construction fund account investments which are to match certain disbursement dates are assured, the yield on such investments may be considered. Since City funds in the capital projects/construction fund account may not be needed for a year or more, longer term instruments should be considered to increase yield. However, if funds available in the City's capital projects/construction fund account are surplus construction funds from prior bond issues or interest earnings on such funds and are not earmarked for specific improvement projects, but rather viewed by the City Council as an emergency reserve fund for major repairs or rehabilitation projects, investments in the capital projects/construction fund account, at least to the extent that they are for emergency reserve purposes, should be kept in relatively short term investments that can be easily marketed and liquidated if necessary, such as investment pools. Alternatively, bond proceeds that may be deposited in the City's capital projects/construction fund account for reimbursement to a developer and which may be in the capital projects/construction fund account for only one or two days, should be kept in the most liquid investment available. Investment diversification for large amounts of City funds that may be deposited into the capital projects/construction fund account for only one or two days may be achieved through the use of an investment pool. Since investment pools are short term in nature, they would normally be used for City funds in this account only if the City knows that it will be dispersing funds in a relative short period of time. However, on some occasions the yield on investment pools is higher than on longer

term investments, so their use may be optimal for funds in the capital projects/construction fund account.

Section 8. Miscellaneous.

- A. In the event of any conflict or inconsistency between the terms of this Investment Policy and applicable requirements of law, such conflict or inconsistency will be resolved in favor of the more restrictive of this Investment Policy or the applicable requirements of law. In the event of any ambiguity or uncertainty as to the intent and application of any part, section/ paragraph or provision hereof, a written request for clarification or approval of a proposed action describing such circumstances shall be submitted to the City Council for a decision as to a proper course of action.
- B. The rules, regulations and policies set forth herein shall be and remain in full force and effect unless and until amended, revised, rescinded or repealed by action of the City Council. The City Council specifically reserves the right to change, alter or amend any provision of this Investment Policy at any time.
- C. The provisions of this Investment Policy are severable, and if any provision or part of this Investment Policy or the application thereof to any person or circumstances shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Investment Policy and the application of such provision or part of this Investment Policy shall not be affected thereby.

The Mayor is authorized to execute and the Secretary to attest this Investment Policy on behalf of the City Council.

PASSED and ADOPTED this the day of March, 2016.

CITY OF MONTGOMERY, TEXAS

Зу: ____

Kirk Jones, Mayor

ATTEST:

Susan Hensley, City Secretar



LIST OF AUTHORIZED BROKERS

ABC Bank Allegiance Bank

Amegy Bank of Texas, N.A.

BB & T

Bank of America N.A. Bank of New York- Mellon

Bank of Texas N.A. BBVA Compass Bank Business Bank of Texas

Cadence Bank

Capital Bank of Texas Capital Markets Group

Capital One
Central Bank
Chasewood Bank
Citibank N.A.
Comerica Bank
Comerica Securities
Commercial State Bank

Community Bank of Texas Community Trust Bank Coastal Securities First Bank of Texas

First Citizens Bank First Financial Bank, N.A. First National Bank of Texas First State Bank of Central Texas

First Texas Bank

Frontier Bank of Texas Frost National Bank

Green Bank Herring Bank

Hometown Bank, N.A.

Icon Bank

Independent Bank

Integrity Bank

International Bank of Commerce

Inter National Bank JP Morgan Chase Legacy Texas Bank Lone Star Bank

Lone Star Investment Pool

Metro Bank, N.A. Moody National Bank New First National Bank North Star Bank of Texas

Omni Bank N.A. Pioneer Bank Plains Capital Bank Plains State Bank Post Oak Bank Preferred Bank Prosperity Bank

R Bank Regions Bank Southwest Securities Sovereign Bank Spirit of Texas Bank State Bank of Texas

State Street Bank & Trust Co.

Stifel Nicholaus

Tex Star Investment Pool

Texan Bank

Texas Capital Bank N.A.

Texas Class

Texas Citizens Bank Texas Exchange Bank Texas First Bank Texas Gulf Bank

Texas Regional Bank

The Independent Bankers Bank

Texas Savings Bank Texpool/Texpool Prime The Bank of River Oaks The Right Bank for Texas

Third Coast Bank

Trustmark National Bank

United Bank of el Paso Del Norte

United Texas Bank Unity National Bank

U. S. Bank

Wells Fargo Bank, N.A.

Wells Fargo Brokerage Services, LLC

Wells Fargo Trust Westbound Bank West Star Bank Whitney Bank

Woodforest National Bank

Notes: New Additions/Amendments

Meeting Date: July 25, 2017	Budgeted Amount:
Department:	
	Exhibits: City Administrator Report, Duties of Administrative Assistant, Incentives Webinar notes
Prepared By: Jack Yates	
City Administrator	
Date Prepared: July 21, 2017	

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City Administrator Report

Description

The Report, this time, has attachments.

First, the list of duties that the proposed full-time Administrative Assistant would have. My submission of this is to advise you of my intention to hire this person. So, at the meeting I will say to you that I intend to hire the person, that is allowable under the current budget unless there is objection. If so, I will place it on a future agenda, if not then I will proceed with the hiring. Second, is notes I took during a recent TML Webinar regarding the offering of incentives to businesses. This is just for your information.

Recommendation

Consider the report, comment as desired.

Approved By

CITY ADMINISTRATOR REPORT

- Met with Planning Commission for three meetings.
- Met, took minutes, of two MEDC meetings.
- Attended Montgomery Area Chamber of Commerce Board of Director's meeting.
- Made arrangements to repair the roof at the Hulon House project finished.
- Worked with Staff and City Council on 2017-18 Budget preparation.
- Prepared information and coordinated Special Planning Commission/Council meeting.
- Met with city engineers and city attorney several times regarding; plats, system management, upcoming projects, bridge improvements, developments throughout the city, TxDOT 149 planning, General Land Office grant possibility and billing for Escrow Accounts.
- Met with several developers during the month regarding; Heritage Plaza Medical Center, Villas of Mia Lago, Kenrock property west of Pizza Shack, Waterstone, Lake village Homeowners Association, Colonel Laughter property, Shoppes of Montgomery, and Monty West.
- Made several decisions during month as Zoning Administrator, including signs, coordinating variance requests, code enforcement, land use plan, and working on zoning changes in cooperation with the Planning Commission
- Coordinated with FEMA and State Emergency Management staff and city engineer regarding receiving payment for flood damage in the city and with FEMA.
- Met with School official regarding traffic at Elementary School
- Worked with City Council individually and City Staff on a variety of administrative, personnel and coordination efforts, including an all-staff development meeting and developing a Budget Calendar.

Assistant to City Administrator

- Audit/Budget preparation and management
- · Invoices gathering with Cathy Branco
- Grant coordination
- Distribution of accts. Payable, filing paid invoices, mailing checks, post office, mail distribution
- Sales tax rebate accounting, looking up sales tax vendor #'s keep up with accounting for rebate's
- · Filing of financial information
- Account verification of financial information
- Accounts receivable escrow accounts, general receipts, deposits
- Coordinate office supply ordering
- Assist City Secretary as needed reports, packets, special events of city
- Proof reading for city administrator/city secretary, on our preparation/documents in general
- · Development Agreement management
- Audit sales tax support
- Timelines/ Gant charts
- Relief/back up to Utility/Development Clerk/re: office fill-in, utility billing, permits processing, lunch fill-in
- Meeting room scheduler
- Other duties as assigned
- Special projects zoning letters coordination, technology/software reviews to reduce staff time to accomplish functions

Skills and Qualifications:

- Writing Skills
- · Reporting Skills
- Time Management
- Excellent knowledge in Excel

THINGS TO KNOW BEFORE OFFERING ICENTIVES

TML WEBINAIR

MYTH

- Retailers must receive incentive
- 2. If project cannot stand w/o incentive it is a hard deal

INCENTIVES THAT CAN BE OFFERED

- Cash grants rare
- Property tax abatements rarely used
- Sales Tax Rebates -- most favorable to City. Negotiates yr./rebate/term
- Chapter 380 Agreement best course it can be designed however wanted
- Tax Increment Financing District Freezes tax bill while developing over several years.

PROS

- Can create competitive advantage if competing against surrounding areas for retail
- Should help stimulate other development
- 50% of something is better than 100% of nothing

CONS

- New retailers may expect incentives if used too frequently
- May frustrate or alienate smaller existing local retailer that have not received incentives

Do Economic Impact Study

HOW TO DECIDE WHETHER OR NOT TO OFFER INCENTIVES

- 1. Assess the Need does the development fill a gap in local Services Go to Retail Gap Analysis Study
- 2. Know the Return Know the potential returns and benefits. Do the math to make sure. Consider local service increased cost versus rebate
- 3. Beware Pitfalls Consider things that can go wrong. Economic downturn, sales trends. Remember community values
- 4. Know What You're Willing to Offer Do advance thinking, what you are willing to incentivize.

5. Don't negotiate against yourself – Do due diligence to find out if the retailer is looking at other sites beside yours. Due your diligence to make sure you really need to offer incentives. Texas Business Incentive.com to find our recent Agreements Incentive

Hotel Incentives, City of Fairview -1^{st} Hotel got a really good deal -a Marriott Residential Inn. \$100,000 grant for infrastructure upon C.O. Rebate 40% of Hotel/Motel Tax.

2nd Hotel got 30% rebate, not cash grant

Code enforcement and a Quality City Environment is the best Economic Development technique

Public Works June 2017 Monthly Report

- Verified water main location behind Burger Fresh
- Heavy trash weekend
- Replaced both flags, ropes and hardware at City Hall
- Replaced multiple broken meter boxes
- Burned brush pile at old sewer plant
- Painted speed humps and stop bars throughout the city
- Located and mapped all 20 MPH signs throughout the city
- Verified all idle water accounts are off and locked
- Inventoried all power tools into an Excel spreadsheet
- Helped 2 customers with irrigation programming
- Trimmed limbs on several street ROW's
- Poured new sidewalk at Caroline and 149 from water leak
- Ryan Thomas obtained his class "D" water license
- Installed drip irrigation hoses at "Welcome Sign" on Eva St.
- Cleared several ditches of debris
- Performed survey of "No Parking" signs in historic district
- Replaced gas stove at Community Center with electric
- Repaired broken chlorine line at Well 2
- Kept all plants and trees on Flagship and in Cedar Brake watered
- Brush hogged around Lift Station 5
- Onsite for yearly water plant inspections
- Monthly AED inspections
- Monthly well reads
- Monthly hydrant reads
- Monthly check of lights and air filters
- Monthly weed killer list
- Monthly grease trap inspections
- Monthly safety meetings
- Weekly barricades for farmers market

- Bi-weekly staff meetings
- Weekly vehicle pre-trip inspections
- Weekly conference calls with engineer and utility operator
- Weekly leak notifications to customers from Beacon website
- Daily line locates as necessary
- 13 water taps
- 12 sewer taps
- 9 water leaks (5 private and 4 city)
- 0 sewer stop ups

Parks and Recreation

- Replaced basketball net at Homecoming Park
- Replaced plants around fountain at Cedar Brake Park
- Cleared dead limbs from parks
- Replaced both flags at Homecoming Park
- Replaced broken steps on Jardine cabin at Fernland Park
- Installed additional locks on breaker box at Homecoming Park
- Replaced sections of sidewalk at Cedar Brake Park
- Delivered mulch to Memory Park
- M/W/F cleaning of parks
- Monthly irrigation system inspections with repairs as needed
- Weekly cleaning of Community Center

The docents at Fernland reported a total of 499 visitors for the month and provided 45 tours.

101 OLD PLANTERSVILLE RD MONTGOMERY, TX 77316 (O): (936) 597-6866 CHIEF

6 0 0

JAMES F. NAPOLITANO

POLICE DEPARTMENT REPORT JUNE, 2017

Arrests / Charges Total Shifts A & B

Misdemeanor: 43

Felony: 5

Traffic Enforcement Total Shifts A, B & Chief

Citations: 206

Warnings: 184

Calls for Service - 116

James F. Nagostano

CITY OF MONTGOMERY POLICE DEPARTMENT

101 OLD PLANTERSVILLE RD MONTGOMERY, TX 77316 (O): (936) 597-6866

The Montgomery Police Department A Shift

A Shift Commander Lt. Joe Belmares

Patrol Officers, Officer Hernandez, Officer Carswell, and Officer Thompson

Narcotics Arrest

06/01 - Officer Hernandez - 22800 Hwy 105 W

06/06 - Officer Thompson - 22400 FM 1097 W

06/11 - Officer Thompson - 13100 Liberty St.

06/11 - Officer Hernandez - Hwy 105/Blue Heron

06/14 - Officer Carswell - 21100 Eva St.

06/19 - Officer Thompson - 22800 Hwy 105 W

06/20 - Officer Carswell - 13900 Liberty St.

06/23 - Officer Thompson - 21000 Eva St.

Assault on Police Officer

06/24 - Officer Thompson/Carswell - 14700 Liberty St.

False Drug Test/Falsification Device

06/20 - Officer Carswell - 13900 Liberty St.

Montgomery Birtholoce of the Texas Thog

CITY OF MONTGOMERY POLICE DEPARTMENT

101 OLD PLANTERSVILLE RD MONTGOMERY, TX 77316 (O): (936) 597-6866

No DL / FMFR / DWLI / Towed Vehicle

06/01 - Officer Carswell - 21100 Eva St.

06/06 - Officer Hernandez - 20100 Eva St.

Driving While Intoxicated

06/09 - Officer Thompson - 2700 Lone Star Parkway

Indecent Exposure

06/09 - Officer Thompson - 1000 Baja

Criminal Mischief

06/09 - Officer Thompson - 1000 Baja

Warrant Arrest

06/01 - Officer Carswell - 21100 Eva St.

06/01 - Officer Thompson - Eva St./Cemetery

06/05 - Officer Hernandez - 20100 Eva St.

06/06 - Officer Hernandez - 20100 Eva St.

06/06 - Officer Thompson - Hwy 105/Old River Rd.

06/15 - Officer Carswell - 300 Flagship Dr.

06/15 - Officer Hernandez - 20600 Eva St.

06/19 - Officer Thompson - Liberty/FM 1097

Montgomery Berthplace of the Toxas Hay

CITY OF MONTGOMERY POLICE DEPARTMENT



101 OLD PLANTERSVILLE RD MONTGOMERY, TX 77316 (O): (936) 597-6866

06/25 - Officer Hernandez - 400 College St.

06/29 - Officer Carswell - 500 Houston St.

Family Disturbance/Assault

06/06 - Officer Hernandez - 22800 Hwy 105 W

06/23 - Officer Hernandez - 700 MLK

Fraud

06/08 - Officer Hernandez - 101 Old Plantersville Rd.

Motor Vehicle Accident

06/01 - Officer Hernandez - 22800 Hwy 105 W

06/11 - Officer Thompson - MLK/Liberty St.

06/19 - Officer Hernandez - Eva/Pond St.

06/19 - Officer Hernandez - Eva/FM 2854

Information

06/25 - Officer Hernandez - 20800 Eva St.

Supplement

06/05 - Officer Carswell - 21100 Eva St.

06/09 - Lt. Belmares - 2700 LSP

06/11 - Lt. Belmares - Blue Heron/Hwy 105 W

Montgomery Birtholoce of the Toxos Hay

CITY OF MONTGOMERY POLICE DEPARTMENT



101 OLD PLANTERSVILLE RD MONTGOMERY, TX 77316 (O): (936) 597-6866

06/24 - Officer Carswell - 14700 Liberty St.

Break Down Stats:

- 4- Felony Arrest
- 28 Misdemeanor Arrest
- 8 Warnings
- 120 Citations issued for a total of 143 Violations
- 48 Calls for service
- 30 Reports

During the month of June the following officers obtained the following training:

Officer Hernandez - Cultural Diversity / Arrest, Search & Seizure / Asset Forfeiture / Human Trafficking / Child Abuse

Officer Thompson - Basic Criminal Investigations: Tactics, Techniques and Procedures for new Investigators

Officer Carswell - Investigative Interviewing and Advance Interrogation Techniques

Lt. Belmares - Dark Web Investigations

101 Old Plantersville Rd Montgomery, TX 77356 Mailing Address: P.O. Box 708 Montgomery, TX 77356

CITY OF MONFACMERY DEPARTMENT

City Hall: (936) 597-6434 Police Dept: (936) 597-6866

Fax: (936) 597-7893

Montgomery Police Department B Shift Patrol

During the month of June, The Montgomery Police Department B Shift Patrol Officers (Lt. Rosario, Officer Bauer, Officer Bracht, and Officer Riley) generated 28 reports and responded to 68 calls for service. The reports are as follows:

Narcotics_-

06/18 - Rosario - 22825 Highway 105

06/13 - Bracht - 20700 Eva

06/12- Riley - 20300 Eva

06/04 - Bracht - 22465 FM 1097

06/02 - Riley - 2800 FM 2854

No DL / FMFR / Towed Vehicle

06/17 - Riley - 20500 Eva

06/12 - Riley - 20500 Eva

06/09 - Riley - 14600 Liberty

06/07 - Bauer - 20400 Eva

06/03 - Rosario - 19782 105

Warrant Arrest-

06/27 - Riley - 21000 FM 1097

06/12 - Bracht - 20600 Eva

06/12 - Rosario - 700 MLK

MVA-

Theft / Forgery -

06/04 - Bauer - 22870 SH 105

06/02 - Bauer - 1950 LSP

101 Old Plantersville Rd Montgomery, TX 77356 Mailing Address: P.O. Box 708 Montgomery, TX 77356

CITY OF MONFACEMERY DEPARTMENT

City Hall: (936) 597-6434 Police Dept: (936) 597-6866

Fax: (936) 597-7893

Assault -

06/22 – Riley – 1022 Baja 06/07 – Riley – 901 Huffman

Supplement Report / Misc Call-

06/27- Bracht – 15308 Thomas (Fire Call)

06/22 - Bauer - 200 Commanche (Found Property)

06/22 - Bauer - 20200 Eva (Weapons Offense)

DWI-

06/30 - Bracht - Eva/ Sheppard

06/18 - Riley - 20800 Eva

06/17 - Riley - 21146 Eva

06/02 - Bracht - 21100 Eva

Trespasser-

06/27 - Bauer - Homecoming Park

06/16 - Bauer - 1018 Baja

Evading-

06/26 - Riley - 723 MLK

Arrests / Charges:

Misdemeanor Charges - 15 Felony Charges - 1 Montgomery Birthplace of the Toxas Hog

101 Old Plantersville Rd Montgomery, TX 77356 Mailing Address: P.O. Box 708 Montgomery, TX 77356

CITY OF MONFACEMERY DEPARTMENT

City Hall: (936) 597-6434 Police Dept: (936) 597-6866

Fax: (936) 597-7893

Traffic Enforcement

Citations Issued- 86 Warnings Issued- 171

Rosario – 23 Citations 19 Warnings Bauer – 25 Citations 76 Warnings Bracht – 8 Citations 25 Warnings Riley – 30 Citations 51 Warnings

CITY OF MONTGOMERY POLICE DEPARTMENT



101 OLD PLANTERSVILLE RD MONTGOMERY, TX 77316 (O): (936) 597-6866

During the Month of June 2017, The Montgomery Police Department C Shift (Sgt. Becky Lehn-Kendall, Reserve Officers: J. Lawson, T. Lozano, D. Miller, M. Sigala, L. Evans) had the following activity:

Evidence/Property Room:

39 items (evidence) checked into the property room by Sgt. Lehn-Kendall

Warrants:

Warrants Collected - \$14,354.05

Reserve Officer's Time:

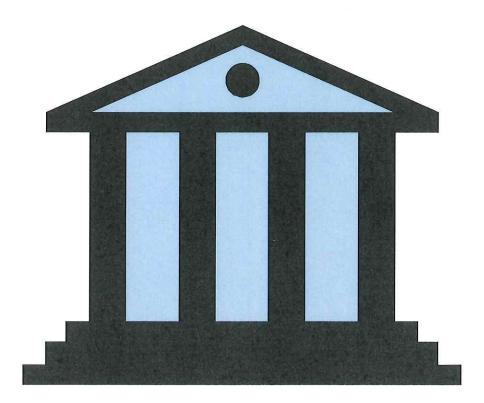
COURT

06/15 – Officer Miller (6hrs)

Municipal Court-Monthly Report

June 2017

7/3/2017 Becky Lehn Court Administrator



June 2017

REVENUE Category	CURRENT	YEAR TO DATE October 1, 2016
Total Cases Filed	254	2483
Deposit – City	\$19,576.96	\$240,076.48
Deposit - State	\$13,429.98	\$159,741.76
Deposit - OMNI	\$160.52	\$2,236.89
Child Safety Fund	\$50.00	\$1,135.55
Judicial Efficiency	\$120.83	\$1,457.45
Court Tech Fund	\$667.09	\$7,886.45
Court Bldg. Security Fund	\$500.33	\$5,905.73
Collection Agency	\$3,311.54	\$28,585.84
Total	\$37,817.25	\$447,026.15

Created By: Becky Lehn-Kendall
Court Administrator
July 3, 2017



Comparison Chart

Citations/Warrants/Revenue January 2015 - Present

Jan
Feb
Mar
April
May
June
July
Aug
Sept
Oct
Nov

Citat	<u>Citations Filed</u>		
2015	2016	2017	
365	470	332	
294	351	233	
421	353	394	
357	323	268	
396	229	268	
440	163	254	
466	153		
421	324		
435	212		
319	313		
339	226		
331	195		

<u>Warrants Collected</u>		
2015	2016	2017
\$2,708.90	\$2,762.37	\$15,052.44
\$3,362.90	\$10,976.60	\$33,390.71
\$15,303.54	\$14,732.43	\$26,961.27
\$2,106.50	\$5,940.80	\$9,307.00
\$3,286.10	\$3,279.10	\$6,801.00
\$9,972.20	\$6,336.57	\$14,354.05
\$4,858.20	\$4,291.87	
\$2,740.40	\$24,756.07	
\$6,399.30	\$12,115.60	
\$7,550.70	\$13,892.60	
\$8,581.07	\$10,515.20	
\$8,675.20	\$12,163.00	

<u>Total Revenue Collected</u>		
2015	2016	2017
\$44,544.59	\$44,702.82	\$41,830.44
\$56,555.03	\$67,466.54	\$67,937.61
\$63,838.40	\$86,201.43	\$62,992.57
\$56,577.20	\$59,388.14	\$47,163.40
\$48,760.60	\$50,854.90	\$47,225.90
\$67,656.40	\$41,238.67	\$37,817.25
\$64,193.80	\$42,990.97	
\$47,484.40	\$52,923.17	
\$61,912.50	\$44,256.40	
\$63,688.50	\$44,138.80	
\$51,170.47	\$55,221.23	
\$53,315.66	\$42,698.95	

Totals

Dec

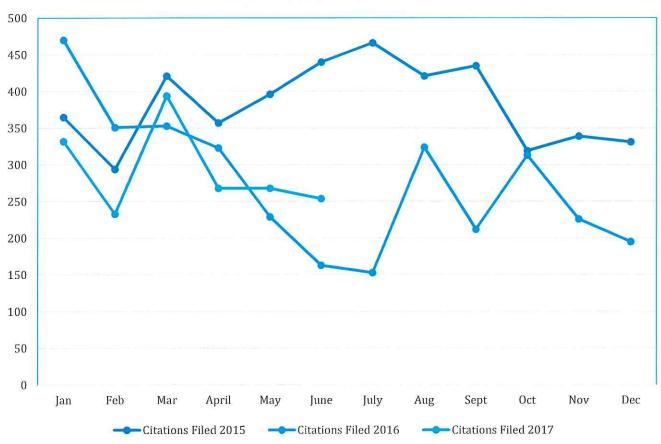
2164 2402 1749

\$75,545.01 \$121,762.21 \$105,866.47

\$679,697.55 \$632,082.02 \$304,967.17

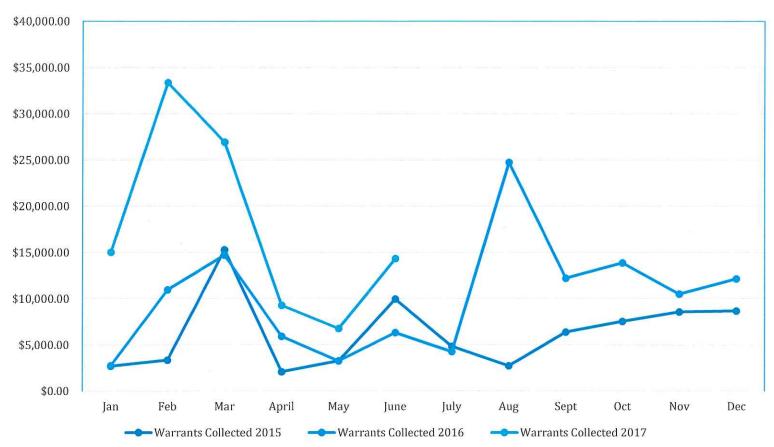
Citations Filed Yearly Comparison

2015-2017



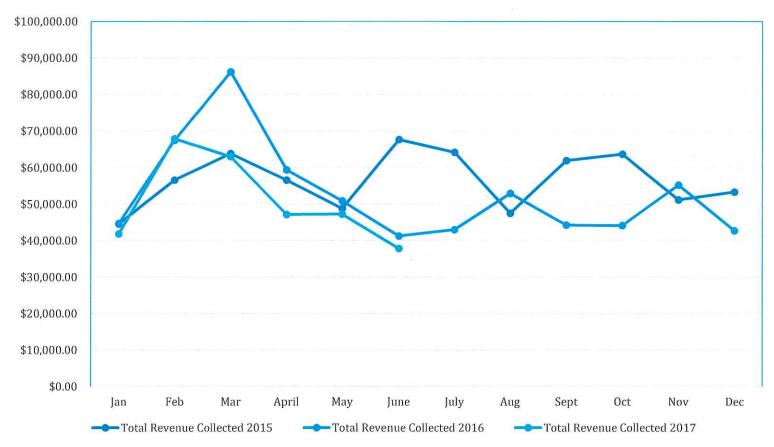
Warrants Collected Yearly Comparison

2015-2017



Total Revenue Collected Yearly Comparison

2015-2017



UTILITY REPORTS - JUNE 2017

TOTAL REVENUE

Utilities	\$158,059.36
Permits	\$23,813.75
Community Building	\$1,355.00

UTILITIES

New Water Accts.	19
Disconnected Water Accts.	14
Total Number of Active Accts.	588

PERMITS

Туре	Permit Total	Revenue
Building - Residential	13	\$14,201.25
Building - Commercial	5	\$4,569.50

Vendor	1	\$25.00
Golf Cart	1	\$25.00
Electrical	11	\$2,294.00
Mechanical	2	\$242.00
Plumbing	11	\$2,257.00
Sign	4	\$200.00
Total:	48	\$23,813.75

COMMUNITY BUILDING – JUNE

Type of Rental	Number of Bookings	Revenue
Profit	4	\$1,355.00
Non - Profit	1	\$0.00

CITY ACCOUNT CONSUMPTION

City Venue	April	May	June
Community Building – Irrigation (01-8732-00)	15	26	15
Community Building (01-0130-00)	2	4	4
City Cemetery (01-1110-00)	0	0	0
City Welcome Sign Irrigation at HWY 105 & Prairie – Rose Garden (01-8733-00)	0	0	0
North Liberty Sewer Plant			
Cedar Break Park Irrigation (01-8736-00)	10	5	6
Cedar Break Park Restrooms (01-8735-00)	4	3	3
Fernland (01-8737-00)	5	7	6
Memory Park (01-5885-00)	150	204	126
Community Building Stage Irrigation – Rose Garden (01-6180-00)	0	0	0
City Hall & Irrigation (01-6190-00)	28	26	33
Homecoming Park Restrooms (01-8820-00)	1	1	1
Homecoming Park Drinking Ftn. (01-8738-00)	0	0	0
Buffalo Springs Sewer Plant (01-8821-00)	1	2	2



City of Montgomery

Operations Report 5/18/17-06/18/17



Dear City of Montgomery Council Members:

We are pleased to provide you with the monthly operations report. This report summarizes the major events that occurred during the operating month. Our mission, as always, is to assist the district in providing safe and reliable water to the residents.

The water plants, wastewater plant and drinking water quality is checked on a daily basis. Wastewater collection system lift stations are checked three times a week. Alarms are monitored and our staff is on 24-hour call. Our construction crews are minutes away from the City.

Our operators collect and enter all facility data into Kardia. Our operators note any issues or problems that are observed during the day. Mission Control is instantly aware of the issue and immediately begins the resolution process. This approach benefits our clients because decisions can be made based on relevant data.

All of the district's data can be accessed on-line. The data is username and password protected. The data is integrated with Kardia and updated daily. District alerts that are generated by Kardia can be sent to board designated recipients. GUS appreciates the trust and confidence that the board has in our team. We work diligently to provide our clients with accurate and useful information.

Michael Williams Senior Area Manager Gulf Utility Service

SUMMARY OF OPERATIONS

District Alerts

5/21/17 - A/D Call Out LS#4

Call out for no power. When operator arrived, Entergy was working on the issue. Operator checked wet well and operation of the pumps once power was restored.

6/1/17 – Leak Reported 661 Old Plantersville Rd

Customer stated water is coming from under his fence in his backyard. Technician reported water was coming from 27 Powell circle and flowing down into his backyard. Technician notified the resident of the leak.

6/2/17 - Lift Station Issue LS#3

Operator reported lift pump 2 having high run time. The pump was pulled, cleaned and returned back to service.

6/12/17 – Water Plant Issue WP#2

Operator found power imbalance upon arrival. The GST was in low level lock out so the operator reset the well and monitored. GST started to fill and booster pumps started to run.

6/13/17 – Water Plant Issue WP#2

Operator found power imbalance upon arrival. The GST was in low level lock out so the operator reset the well and monitored. While operator was present CenterPoint removed the voltage meter that they were using to monitor. Operator let them CenterPoint know that we are still having an issue. CenterPoint said they were removing it and no further information was given.

6/14/17 – Water Plant Issue WP#2

Operator found power imbalance upon arrival and a low level lock out alarm. The operator reset the well and monitored. After alarm was reset the controls caused the panel to immediately lock back out due to an ongoing power imbalance.

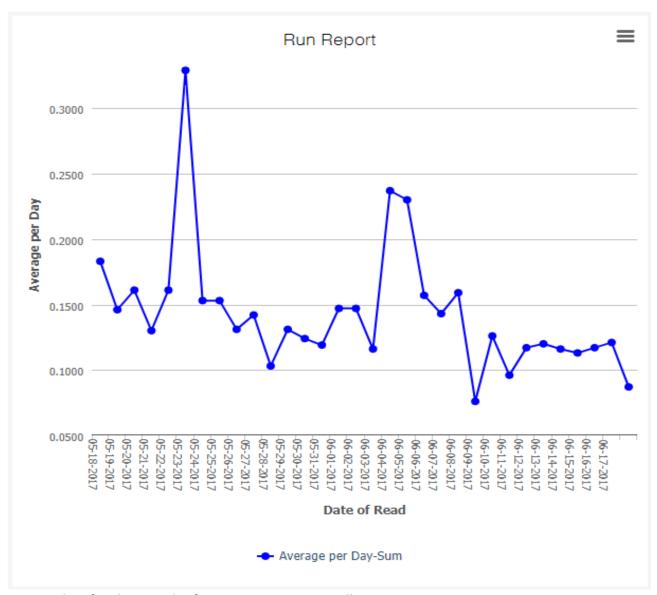
6/18/17 - Water Plant Issue WP#2

Upon arrival, the operator found a power imbalance. The operator reset the well and monitored.

6/18/17 - A/D Call Out WP#3

Well #4 failed to prime. Operator found a power imbalance. The multilen, control panel and A/D were all reset. The plant was checked and monitored.

OPERATIONS DETAIL



- Flow for the month of May was 4,591,000 gallons
- Daily peak flow May 23, 2017 was 329,000 gallons
 - o 82% of permitted value
- Average Daily Flow 130,000 gallons
 - o 32% of permitted value
 - *Average per day is a non-weighted average.

This data is available on our website. http://www.gulfutility.net/commercial-accounts/

Staff Gauge Accuracy

Chart

Date Checked	Instant Flow (tot)	Staff Gauge	WWTP Totalizer/Staff Gauge Variance %
8 Facility check	(s)		
08-18-2017	0.1150	0.35	99.48%
08-17-2017	0.1510	0.38	98.34%
08-18-2017	0.2480	0.47	98.49%
08-15-2017	0.0950	0.32	98.35%
06-14-2017	0.0960	0.32	97.32%
06-13-2017	0.1320	0.38	95.01%
06-12-2017	0.0930	0.31	92.80%
08-11-2017	0.0880	0.30	92.45%
06-10-2017	0.1170	0.35	99.19%
08-09-2017	0.0860	0.30	94.78%
06-08-2017	0.0890	0.31	99.33%
06-07-2017	0.0910	0.32	100.28%
08-08-2017	0.1250	0.38	99.64%
06-05-2017	0.1760	0.41	99.24%
08-04-2017	0.2010	0.43	97.29%
06-03-2017	0.1160	0.34	93.72%
06-02-2017	0.1010	0.33	99.15%
08-01-2017	0.3810	0.55	99.32%
	0.1377	0.38	97.34%
4 Facility check	(s)		
05-31-2017	0.1220	0.38	100.67%
05-30-2017	0.1390	0.37	99.26%
05-29-2017	0.1280	0.38	99.35%
05-28-2017	0.1030	0.33	99.45%
05-27-2017	0.1320	0.37	99.02%
05-28-2017	0.2080	0.44	99.41%
05-25-2017	0.1700	0.41	99.04%
05-24-2017	0.0720	0.29	98.85%
05-23-2017	0.3980	0.57	99.41%
05-22-2017	0.6120	0.67	96.84%
05-21-2017	0.1570	0.39	98.21%
05-20-2017	0.0900	0.31	95.89%
05-19-2017	0.1940	0.43	99.64%
05-18-2017	0.1630	0.40	99.51%
	0.1919	0.41	98.90%
	0.1614	0.38	98.02%

The current permit expires 06/01/2017

Currently under TCEQ review process. New permit has been filed with the state Discharge Limitations

- Daily Average Flow 400,000 gallons (0.4 MGD)
- 2-Hour Peak Flow 833 gpm
- CBOD daily average 10 mg/l
- Total Suspended Solids (TSS) 15 mg/l
- Ammonium Nitrogen (NH3) 2 mg/l
- Chlorine Residual >1.0 mg/l < 4.0 mg/l

Effluent

TSS, DO, E.Coli, NH3N, PH sample results were all comfortable within the parameters set by the State of Texas.

Buffalo Springs WWTP Effluent Monitoring Report

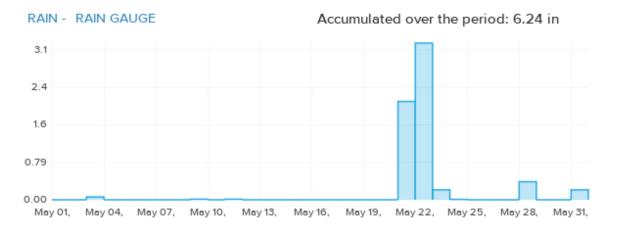
		<u> </u>		
Effluent Permitted Values	Para	meter	Measured	Excursion
Average Monthly T.S.S.	15	MGD	4.14	no
Average Monthly NH3	2	mg/l	.10	no
Minimal CL2 Residual	1	mg/l	1.02	no
Max CL2 Residual	4	mg/l	3.00	no
Rainfall for the Month	The same of the sa	2.99	inches	

There were no excursions for the month of June



Measured by netatmo.com

MAY 2017



Water Report

05/18/2017-6/18/2017

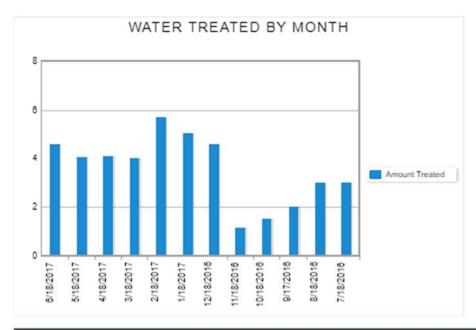
					Total	Percent	Permitted	Permit
	City	GULF	Percent of	Rating	Pumpage	of Total	Value	Remaining
Well Name	Recorded	Recorded	Total	g/Day	2017	2017	2017	2017
Well 2	2.720	2.720	29.5%	0.864	13.500	31.3%	47.551	40.6%
Well 3	2.994	2.994	32.5%	0.864	14.737	34.3%	47.551	40.6%
Well 4	3.512	3.512	38.0%	2.160	14.779	34.4%	75.100	80.1%
Total	9.226	9.226	100.0%	3.888	43.016	100.0%	122.651	
Flushing	.203	.203						
Subtotal	9.023	9.023						
Sold	9.105	9.105						
Percent Accounted	101%	101%						

Well Motor Run Times

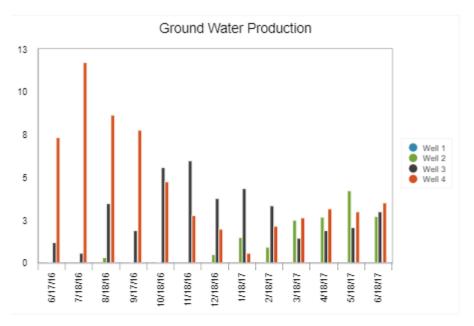
Well Name	Total Hrs	% Total	Peak Day
2	84.4	38.3%	6/2/2017
3	92.5	41.9%	5/18/2017
4	43.6	19.8%	5/18/2017
Total	220.5	100%	

WATER PRODUCTION

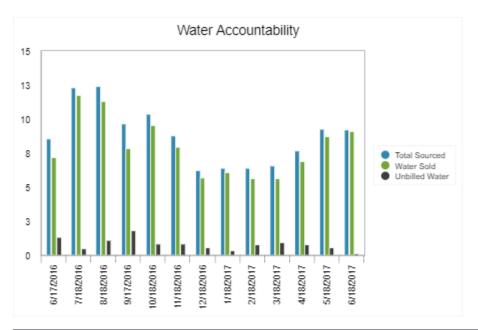
Connections	
School	12
Commercial Inside	130
Commercial	
Outside	1
Residential Inside	491
Residential	
Outside	27
Church	14
City	14
Hydrant	3
Multi-Family	11
Total	703



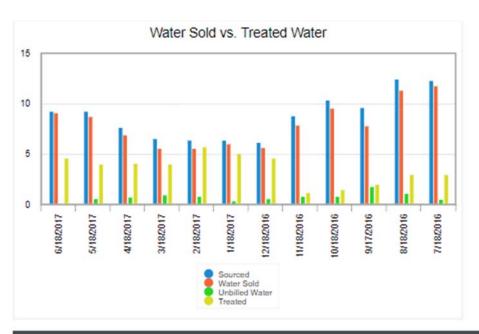
MONTH ▼	FLOW	RAIN (INCHES)
6/18/17	4.591	2.990
5/18/17	4.058	6.240
4/18/17	4.115	4.780
3/18/17	4.022	1.420
2/18/17	5.738	3.900
1/18/17	5.040	4.540
12/18/16	4.601	5.800
11/18/18	1.164	5.390
10/18/16	1.515	0.560
9/17/16	1.988	6.430
8/18/16	2.980	5.160
7/18/16	3.012	3.940
6/17/16	4.021	5.870
AVERAGE		5.139
TOTAL		154.170



DATE ▼	TOTAL	WELL 1	WELL 2	WELL 3	WELL 4
AVG	8.307	0.000	0.790	2.681	4.836
6/18/17	9.226	0.000	2.720	2.994	3.512
5/18/17	9.286	0.000	4.220	2.080	2.986
4/18/17	7.686	0.000	2.665	1.865	3.158
3/18/17	8.571	0.000	2.489	1.465	2.617
2/18/17	6.418	0.000	0.916	3.340	2.162
1/18/17	6.407	0.000	1.476	4.341	0.590
12/18/16	6.228	0.000	0.486	3.769	1.973
11/18/16	8.770	0.000	0.020	5.976	2.774
10/18/16	10.342	0.000	0.038	5.576	4.730
9/17/18	9.649	0.000	0.028	1.873	7.748
8/18/16	12.432	0.000	0.304	3.482	8.646
7/18/16	12.284	0.000	0.013	0.577	11.694
6/17/16	8.522	0.000	0.026	1.179	7.317
TOTAL	240.902	0.000	22.909	77.743	140.250



DATE ▼	TOTAL SOURCED	WATER SOLD	UNBILLED WATER	FLUSHING/LEAKS	UNACCOUNTED	ACCTBLTY
6/18/17	9.226	9.105	0.121	0.203	- 0.082	101%
5/18/17	9.286	8.721	0.565	0.250	0.315	97%
4/18/17	7.686	6.910	0.776	0.467	0.309	96%
3/18/17	6.571	5.626	0.945	0.910	0.035	99%
2/18/17	6.418	5.626	0.792	0.421	0.371	94%
1/18/17	6.407	6.064	0.343	0.160	0.183	97%
12/18/16	6.228	5.653	0.575	0.433	0.142	98%
11/18/16	8.770	7.930	0.840	0.411	0.429	95%
10/18/16	10.342	9.541	0.801	0.295	0.506	95%
9/17/16	9.649	7.840	1.809	0.090	1.719	82%
8/18/16	12.432	11.315	1.117	0.466	0.651	95%
7/18/16	12.284	11.764	0.520	0.225	0.295	98%
6/17/16	8.522	7.194	1.328	1.199	0.129	98%



DATE ▼	SOURCED	WATER SOLD	UNBILLED WATER	TREATED WATER	RETURN %	RAIN
6/18/17	9.228	9.105	0.121	4.591	50%	2.990
5/18/17	9.286	8.721	0.565	4.058	47%	6.240
4/18/17	7.688	6.910	0.776	4.115	60%	4.780
3/18/17	6.571	5.626	0.945	4.022	71%	1.420
2/18/17	6.418	5.626	0.792	5.736	102%	3.900
1/18/17	6.407	6.064	0.343	5.04	83%	4.540
12/18/18	6.228	5.653	0.575	4.601	81%	5.800
11/18/16	8.770	7.930	0.840	1.164	15%	5.390
10/18/16	10.342	9.541	0.801	1.515	16%	0.580
9/17/18	9.649	7.840	1.809	1.988	25%	6.430
8/18/16	12.432	11.315	1.117	2.98	26%	5.160
7/18/16	12.284	11.764	0.520	3.012	26%	3.940

This data is available on our website. http://www.gulfutility.net/commercial-accounts/

ITEM# 4G



1575 Sawdust Road, Suite 400 The Woodlands, Texas 77380-3795 Tel: 281.363.4039 Fax: 281.363.3459

www.jonescarter.com

July 21, 2017

The Honorable Mayor and City Council City of Montgomery 101 Old Plantersville Road Montgomery, Texas 77316

Re: Engineering Report

Council Meeting: July 25, 2017

City of Montgomery

Dear Mayor and Council:

The following information summarizes our activities on your behalf since the June 27, 2017 Council Meeting:

Status of Previously Authorized Projects:

a) Joint Mobility Study

A formal presentation of the Joint Mobility Study was given at the July 13th Joint Meeting of City Council and the Planning and Zoning Commission. We are currently addressing comments received from City Staff, City Council, and Planning and Zoning Commission. We also met with Montgomery County Precinct 1 on July 19th and are scheduling a meeting with Precinct 2 to review and discuss their comments to the study. Upon receipt of all comments we will revise the study and provide a final report.

b) TPDES Wastewater Treatment Plant Permit Renewals

We have submitted comments to the draft TPDES permits for both wastewater treatment plants and are awaiting receipt of final drafts.

c) Gardner Drive Public Road, Public Waterline, Public Sanitary Sewer, and Public Storm Sewer (Texas Capital Fund Grant)

We are prepared to recommend final acceptance once turf is sufficiently established along Gardner Drive.

d) Pizza Shack Water and Sanitary Sewer Extension (Texas Capital Fund Grant)

The project is complete. The City is waiting on receipt of payment from the grant.

e) Buffalo Springs Drive Bridge Repair (FEMA)

We met with representatives from FEMA and Congressman Kevin Brady's office on July 19th to further discus the project scope and identify all outstanding items needed for approval. It was agreed to proceed with the scope of work originally proposed with the exception of rip rap instead of concrete paving along the channel bottom. We are reviewing the scope of work and cost estimate provided by FEMA to confirm all items of work have been accounted for. Upon completion of our review FEMA will submit for final approval and obligation of funding.



Status of Previously Authorized Projects (cont.):

f) Flagship Boulevard Pavement Repair (FEMA)

At the July 11th meeting of the City Council, the contract was awarded to VML Construction based on their low base bid in the amount of \$82,688.62. We are currently working with the contractor to obtain contract documents. Upon completion and execution of the construction contracts, we will present a change order to remove the previously discussed items of work.

g) Heritage Place Medical Center 12" Waterline Replacement

We held a pre-construction meeting with the contractor and issued the Notice to Proceed on July 13th. The contractor moved onsite to begin work this week.

h) Houston Street Widening and Rehabilitation

It is our understanding the developer's engineer has received TxDOT approval on the plans for the Houston Street widening and rehabilitation. We provided comments to the plans on July 21st.

- i) Water Distribution System Analysis and Master Plan-CP No. 1, Water Plant No. 2 GST Backfill As a reminder, this project will be rebid with the Water Plant No. 3 Improvements project this fall.
- j) Water Distribution System Analysis and Master Plan CP No. 2, 12-inch Waterline Across Town Creek Bridge

As a reminder, this project will be included as an alternate bid item in the Buffalo Springs Drive Bridge Repair project.

k) Water Distribution System Analysis and Master Plan – CP No. 3 – Downtown and SH-105 Waterline Replacement

As a reminder, this project is included in the TWDB Drinking Water State Revolving Fund ("DWSRF") loan. We expect to complete the design and receive plan approval in October 2017 and we expect construction to begin in December 2017.

Water Distribution System Analysis and Master Plan - CP No. 9 - Water Plant No. 3 Improvements

As a reminder, this project is included in the TWDB DWSRF loan. We expect to complete the design and receive plan approval in December 2017 and we expect construction to begin in February 2018.

m) Sanitary Sewer System Analysis and Master Plan – CP No. 3b – Lift Station No. 1 Replacement As a reminder, this project is included in the TWDB Clean Water State Revolving Fund ("CWSRF") loan. We plan to begin design of the project once an agreement is reached with the neighboring property owner regarding the relocation of the lift station, the construction of a gravity sanitary sewer line, and acquiring additional property for the City's Stewart Creek Wastewater Treatment Plant. Upon reaching a decision it will take approximately 6 months to complete the design and receive approvals.



Status of Previously Authorized Projects (cont.):

n) Sanitary Sewer System Analysis and Master Plan – CP No. 10 – Lift Station No. 3 Force Main Re-Route

As a reminder, this project is included in TWDB CWSRF loan. We expect to complete the design and receive plan approval in September 2017 and we expect construction to begin in November 2017.

o) FM 149 Sanitary Sewer Cleaning and Televising

At the July 11th meeting of the City Council, the contract was awarded to Magna Flow Environmental based on their low base bid in the amount of \$17,932.50. We are waiting for the contractor to return executed contracts.

p) Annual Water Plant Inspections

We have completed the TCEQ checklist inspection of the City's water plant facilities. We are currently reviewing the inspection results and completing the reports. We plan to present our findings at the August 8th meeting of the City Council.

Plan/Plat Reviews: The following plan and plat reviews are in progress.

a) Plan Reviews

- i. Buffalo Springs Shopping Center, Phase II-Drainage and Paving Facilities We received a revised submission and plan to return comments this week.
- ii. Hills of Town Creek, Section 3 We returned plan review comments on July 19th.
- iii. Emma's Way We returned plan review comments on July 19th.
- **iv. Montgomery First (KenRoc)** We are prepared to approve the construction plans once all final comments have been addressed.
- v. Living Savior Lutheran Church We did not receive revised plans this month.
- vi. Villas of Mia Lago, Section Two We are working with the developer and Montgomery County to coordinate the construction of Lone Star Bend and Villas of Mia Lago, Section Two.

b) Plat Reviews

 Villas of Mia Lago, Section Two – We are prepared to approve the final plat once all comments have been addressed.



Meetings and Ongoing Activities:

- a) Lone Star Bend Extension and Bois D' Arc Bend Rehabilitation It is our understanding Montgomery County has awarded the project to Smith & Co. and is in the process of preparing construction contracts. It is our understanding the schedule for this project includes 30 days to prepare contracts following the bid opening date, June 9th, 30 days to hold a pre-construction meeting after contracts have been executed, and an additional 10 days to allow the contractor to mobilize on site.
- **b)** Lone Star Parkway (East) Improvements It is our understanding construction will begin on July 24th.
- c) Texas General Land Office Disaster Relief Funding As a reminder, The Texas General Land Office ("GLO") has allocated approximately \$23 million to Montgomery County to fund projects related to the 2016 flooding disasters. Montgomery County has prepared a method of distribution ("MOD") for a portion of the funds to go to the local municipalities. Per the draft MOD, the City is expected to receive a grant of approximately \$2,280,000. The Montgomery County Commissioners Court approved the MOD at their meeting on June 27th, and the MOD has been submitted to the state for approval.
- **d) Plez Morgan Drive Repair and Resurfacing** As a reminder, the project information has been submitted to FEMA for approval for funding.
- **q) TxDOT FM 149 Widening** We are continuing to work with TxDOT to coordinate a meeting with the affected property owners to discuss the impacts to their properties.
- e) West Side at the Park We provided comments to the as-built drawings and requested additional information on May 3rd. Once all comments and punch list items are addressed we will recommend the City accept the infrastructure.
- **f) The Montgomery Shoppes** There is nothing new to report this month.
- g) McCoy's Offsite Sanitary Sewer Extension The contractor is addressing the punch list items identified at the final inspection held on July 17th. Once all punch list items are addressed we will recommend the City accept the infrastructure.
- h) Buffalo Springs Phase II Public Water and Sanitary Sewer We held a pre-construction meeting with the contractor and issued the notice to proceed on June 29th. The contractor moved on site to begin construction earlier this month.
- i) Weekly Operations Conference Call We continue hosting a weekly conference call with representatives from Gulf Utility Service, Inc. and City Staff. Items of note discussed during the previous month included warranty repair of Cooling Tower Fan Motor No. 1 at Water Plant No. 3, high temperature alarms at Lift Station No. 14, and incoming current imbalance affecting well operation at Water Plant Nos. 2 and 3.



City of Montgomery Page 5 July 21, 2017

Please contact Chris Roznovsky or myself if you have any questions.

Sincerely,

Ed Shackelford, PE Engineer for the City

EHS/cvr:kmf

Enclosures: N/A

cc/enc.: The Planning and Zoning Commission – City of Montgomery

Mr. Jack Yates – City of Montgomery, City Administrator Ms. Susan Hensley – City of Montgomery, City Secretary

Mr. Larry Foerster – Darden, Fowler & Creighton, LLP, City Attorney

CITY OF MONTGOMERY ACCOUNT BALANCES For Meeting of July 25, 2017

		ECKING ACCT BALANCES		OR MONTH END VESTMENTS		OTAL FUNDS AVAILABLE
GENERAL FUNDS OPERATING FUND #1017375 TEMP GRANT FUNDS - COPS UNIVERSAL #103289 ESCROW FUND #1025873 PARK FUND #7014236 POLICE DRUG & MISC FUND #1025675 INVESTMENTS - GENERAL FUND TEXPOOL - GENERAL FUND #00003 TEXPOOL - RESERVE FUND #00005 TOTAL GENERAL FUND	\$ \$ \$ \$ \$ \$	651,812.63 10.00 - - 10,675.64 662,498.27	\$ \$ \$	300,000.00 204,650.31 - 504,650.31	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	651,812.63 10.00 10.675.64 300,000.00 204,650.31 1,167,148.58
CONSTRUCTION FUND BUILDING FUND #1058528 CONSTRUCTION ACCOUNT #1058544 TEXPOOL - CONST #00009 INVESTMENTS - CONSTRUCTION TOTAL CONSTRUCTION FUND	\$ \$	519.58 519.58	\$ \$	571.54 - 571.54	\$ \$ \$ \$ \$ \$ \$ \$	519.58 571.54 1,091.12
DEBT SERVICE FUND DEBT SERVICE FUND #7024730 TEXPOOL DEBT SERVICE # 00008 TOTAL DEBT SERVICE FUND COURT SECURITY FUND #1058361	\$ \$	81,748.38 81,748.38 4,674.63	\$ \$ \$	24,356.30 24,356.30	\$ \$ \$	81,748.38 24,356.30 106,104.68 4,674.63
COURT TECHNICAL FUND #1058361	\$	25,303.13	\$		\$	25,303.13
GRANT FUND HOME GRANT ACCOUNT #1059104 GRANT ACCOUNT #1048479 TOTAL GRANT FUND	\$ \$	10.00 287.74 297.74	\$	<u> </u>	\$ \$ \$	10.00 287.74 297.74
HOTEL OCCUPANCY TAX FUND #1025253	\$	9,399.90	\$	-	\$	9,399.90
MEDC CHECKING ACCOUNT #1017938 TEXPOOL - MEDC #00003 INVESTMENTS - MEDC TOTAL MEDC	\$	298,421.49 298,421.49	\$ \$	234,745.07 250,000.00 484,745.07	\$ \$ \$	298,421.49 234,745.07 250,000.00 783,166.56
POLICE ASSET FORFEITURES #1047745	\$	4,272.25			\$	4,272.25
UTILITY FUND UTILITY FUND #1017383 CUSTOMER DEPOSITS FUND #1017417 WATER WORKS & SAN SEWER #7013840 TEXPOOL - UTILITY FUND # 00002 TOTAL UTILITY FUND	\$ \$ \$	513,812.89 - 513,812.89	\$ \$	17,943.23 17,943.23	\$ \$ \$	513,812.89 - 17,943.23 531,756.12
TOTAL ALL FUNDS	\$	1,600,948.26	\$	1,032,266.45	\$	2,633,214.71
TEXPOOL - GENERAL FUND INVESTMENTS - GENERAL FUND	INV	/ESTMENTS			\$ \$	204,650.31 300,000.00
TEXPOOL - CONST # 00009					\$	571.54
TEXPOOL - DEBT SERVICE # 00008					\$	24,356.30
TEXPOOL - MEDC INVESTMENTS - MEDC					\$ \$	234,745.07 250,000.00
TEXPOOL - UTILITY					\$	17,943.23
TOTAL ALL INVESTMENTS					\$	1,032,266.45

1

AGENDA REPORT

Meeting Date:	July 25, 2017	Budgeted Amount:	
Department:	Administration		
Prepared By:	Susan Hensley, City Secretary	Exhibits:	Beverage Application Pack
Date Prepared:	July 21, 2017		

Subject

Schedule a Public Hearing regarding an Application for a Mixed Beverage (MB) Alcohol Beverage Permit for the Cozy Grape Wine Bar and Bistro (*currently licensed to sell Wine and Beer*) located at 14340 Liberty Street, Montgomery, Texas as submitted by Tom Cronin.

Recommendation

Schedule a Public Hearing to be held on August 22, 2017 at 6 p.m. for consideration of the Alcohol Beverage Permit Application approval.

Discussion

Mr. Cronin is transferring his Mixed Beverage License from the Cozy Supper Club to the Cozy Grape Wine Bar and Bistro.

Date: July 21, 2017
Date: 7-2(-(7



July 20, 2017

City of Montgomery PO Box 708 Montgomery, TX 77356

City of Montgomery:

I currently own and operate Cozy Grape Wine Bar and Bistro a full service restaurant and wine bar. I am the sole owner. Since I operate under an LLC, I am considered the Managing Member.

We currently serve beer and wine under TABC license BG808773. I am in the process of selling Cozy Supper Club which holds license MB953078 and relocating the license to Cozy Grape Wine Bar and Bistro giving me the ability to sell mixed beverages at Cozy Grape.

Should you require any other information pertinent to my ability to gain approval, please do not hesitate to contact me.

Sincerely,

Thomas F. Cronin

Homa Olioni



City of Montgomery Alcohol Beverage License Application

City of Montgomery, Texas P.O. Box 708 Montgomery, Texas 77356 936-597-3288 www.montgomerytexas.gov

APPLICATION FOR THE SALE OF ALCOHOLIC BEVERAGE LICENSE

	Date Received by the City: 07/30/17
1.	Type of Alcoholic Beverage License: (attach completed TABC Application Form)
	(1) Category A Off Premises Consumption Sale of All Alcoholic Beverages Package Store
	(2) Category B - Off Premises Consumption Sale of Wine, Beer or Ale.
	(3) Category C - Off Premises Consumption Sale of Beer.
	 (4) Category D - On Premises Consumption Sale of Beer, Wine and Mixed beverages - Restaurant or Café, where the sale of beer, wine and mixed beverage on the premises would be incidental to the restaurant or café (5) Category E - On Premises Consumption Sale of Beer, Wine and Mixed beverages - Tavern, Lounge, or Bar. The sale of Beer, Wine and Mixed beverages for On-Premises Consumption being the principal business line. (6) Category F - Warehouse storage of Beer, Wine or Liquor for Distributors - No sale of Beer for on or Off-Premises Consumption permitted on the Premises.
2.	Legal Description of the property for which License is sought. (Either by Lot and Block number or by a Metes and Bounds Description: Managamen Towns He O2, TRIA, Lob acres, O4134
3.	Exact Nature of the Business to be operated. (Must be fully described in cover letter on company letterhead).
4.	Attach a Plat of the property to the Application showing the improvements, parking areas, location of signage and other structures on the property and within three hundred (300) feet to scale.
5.	Description of signs and the hours they will be operated to be attached as a separate document.
б.	Attach floor plan of the building in which the business is to be conducted (showing fixtures, furniture, restrooms, kitchen and other equipment).
7.	Attach a verified statement stating that the building is not within three hundred (300) feet of a church, school or hospital and that the building is in compliance with the requirements of this chapter for separate and adequate toilet facilities for men and women if used for on-premises consumption of beer, liquor or wine. This can be included in cover letter.
8.	Business Owner: Thomas Cronin Phone:: 281-948-9205- Address: 14340 Cheerty Street Montgomery, 27357 Home Address: Scrill
9.	Check if you are leasing property: [] Land Owner: Thomas Croo Phone: Same Address: Same
	Business Partners: NA Phone: Address:
	Home Address: Phone:
•	
	This is to certify that I, Thomas F. Coo. have complied with all State, County, Codes and Regulations of the City of Montgomery, Texas.
\subset	Husiness Owner and/or Lessee Partner if Amiliah !
	Business Owner and/or Lessee Partner if Applicable



City of Montgomery Alcohol Beverage License Application

City of Montgomery, Texas P.O. Box 708 Montgomery, Texas 77356 936-597-3288 www.montgomerytexas.gov

APPLICATION FOR THE SALE OF ALCOHOLIC BEVERAGE LICENSE

	Date Received by the City:
1.	Type of Alcoholic Beverage License: (attach completed TABC Application Form)
	(1) Category A - Off Premises Consumption Sale of All Alcoholic Beverages - Package Store
	(2) Category B - Off Premises Consumption Sale of Wine, Beer or Ale.
	(3) Category C - Off Premises Consumption Sale of Beer.
	 (4) Category D - On Premises Consumption Sale of Beer, Wine and Mixed beverages - Restaurant or Café, where the sale of beer, wine and mixed beverage on the premises would be incidental to the restaurant or café. (5) Category E - On Premises Consumption Sale of Beer, Wine and Mixed beverages - Tavern, Lounge, or Bar. The sale of Beer, Wine and Mixed beverages for On-Premises Consumption being the principal business line. (6) Category F - Warehouse storage of Beer, Wine or Liquor for Distributors - No sale of Beer for on or Off-Premises Consumption permitted on the Premises.
2.	Legal Description of the property for which License is sought. (Either by Lot and Block number or by a Metes and Bounds Description: Mantgomen Towns He O2, TRIA, LoB acres. 04134
3.	Exact Nature of the Business to be operated. (Must be fully described in cover letter on company letterhead).
4.	Attach a Plat of the property to the Application showing the improvements, parking areas, location of signage and other structures on the property and within three hundred (300) feet to scale.
5.	Description of signs and the hours they will be operated to be attached as a separate document.
б.	Attach floor plan of the building in which the business is to be conducted (showing fixtures, furniture, restrooms, kitchen and other equipment).
7.	Attach a verified statement stating that the building is not within three hundred (300) feet of a church, school or hospital and that the building is in compliance with the requirements of this chapter for separate and adequate toilet facilities for men and women if used for on-premises consumption of beer, liquor or wine. This can be included in cover letter.
8.	Business Owner: Thomas Crain Phone:: 281-948-9205- Address: 14340 Cheerty Street Montgomery, 2735T Home Address: Scrie
9.	Check if you are leasing property: [] Land Owner: Thomas Cronon Phone: Same Address: Same
10.	Business Partners: NA Phone:
	Address:Phone:
	This is to certify that I, Thomas F. Coon have complied with all State, County, Codes and Regulations of the City of Montgomery, Texas.
•	Business Owner and/or Lessee Partner if Applicable



ON-PREMISE PREQUALIFICATION PACKET

L-ON (01/2016)

(01/20)	<u> -,</u>										
Submit this packet to the proper governmental entities to obtain certification for the type of license/permit for which you are applying as required by Sections 11.37, 11.39, 11.46(b), 61.37, 61.38, 61.42 and Rule §33.13	ÞΓ										
Contact your local TABC office to verify requirements of Sections 11.391 and 61.381 as you may be required post a sign at your proposed location 60-days prior to the issuance of your license/permit.	to										
All statutory and rule references mentioned in this application refer to and can be found in the Texas Alcoholic Beverage											
Code or Rules located on our website. www.fabc.texas.gov/laws/code_and_rules.asp											
	235										
1. Application for: Original Add Late Hours Only License/Permit Number											
Reinstatement License/Permit Number	(A to b) the state of the state										
☐ Change of Licensed Location License/Permit Number ★6983078											
2. Type of On-Premise License/Permit											
□ BG Wine and Beer Retailer's Permit □ LB Mixed Beverage Late Hours Permit											
☐ BE Beer Retail Dealer's On-Premise License ☐ MI Minibar Permit											
☐ BL Retail Dealer's On-Premise Late Hours License ☐ CB Caterer's Permit											
☐ BP Brewpub License ☐ FB Food and Beverage Certificate											
□ V Wine & Beer Retailer's Permit for Excursion Boats □ PE Beverage Cartage Permit											
Y Wine & Beer Retailer's Permit for Railway Dining Car RM Mixed Beverage Restaurant Permit with FB											
MB Mixed Beverage Permit											
O Private Carrier's Permit For Brewpubs (BP) with a BG only											
3. Indicate Primary Business at this Location											
Restaurant Sporting Arena, Civic Center, Hotel											
☐ Bar ☐ Grocery/Market											
4 Trade Name of Location											
Cozy Grape Wine Bor and Bistro											
5. Location Address											
14340 Liberty St											
City County State Zip Code Montgomen 1x 7738	7										
6. Mailing Address City State Zip Code	\ P										
Same											
7. Business Phone No. Alternate Phone No. E-mail Address											
832-461-9892 ton@ Cozygrape.com	1										
OWNER INFORMATION 2019	113.										
8. Type of Owner											
Partnership Limited Liability Company Other	_										
☐ Limited Partnership ☐ Joint Venture ☐ Limited Liability Partnership ☐ Trust											
9. Business Owner/Applicant											
Thomas F. Cronin											

10. As in	dicated on the chart, enter th		s that pertain	to your busi	1ess	type:				
Indivi	dual/Individual Owner		Limited Liability Company/All Officers or Managers							
Partn	ership/All Partners		Joint Venture/Venturers							
Limite	ed Partnership/All General Partners		Trust/Trustee(s)							
Corpo	oration/All Officers		City, County, University/Official							
Last Name		First Name	nas E		ML	Title Managing				
Last Name		First Name			MI	Title				
Last Name	}	First Name	\$		MI	Title				
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11. Will yo	ur business be located within 30	00 feet of a	church or public	hospital?	Yes (PNo				
	churches or public hospitals meas lirect line across intersections.	ure from front	door to front do	or, along the pr	operty	lines of the street fronts				
Will yo 12. _{facility}	ur business be located within 30 ? Yes No	00 feet of an	y private/public	school, day o	are c	enter or child care				
f "\	ES," are the facilities located of	n different fl	oors or stories	of the building	¹ ?	Yes ONo				
pr	or private/public schools, day care operty line of the school, day car usiness, and in a direct line across	re center or								
	or multistory building: businesses i e facilities are located on different i			lay care center	or chi	ld care facility as long as				
pr	located on or above the fifth story ivate/public school to property line e building at the property line to the	of your place	e of businéss in	a direct line a	cross	intersections vertically up				
13. Will yo	ur business be located within 1,	000 feet of a	private school	1?OYesO	Νο					
14. Will yo	ur business be located within 1,	000 feet of a	public school?	Yes Or	Го					
		60-D/	ay sign							
	uired under Section 11.391 and gn was posted at your location.	l 61.381, en	er the exact da	ite the 60-	Exac	ot Date (mm/dd/yyyy)				
			PLICANTS							
l, the a	6. IF YOUR LOCATION IS NOT WITHIN THE CITY LIMITS, CHECK HERE I, the applicant, have confirmed I am not located in the city limits of any city and therefore all city certificates are not required.									

WARNING AND SIGNATURE

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ARNING: Section 101.69 of the Texas Alcoholic Beverage Code states: "...a person who makes a false statement or false exceptation in an application for a permit or license or in a statement, report, or other instrument to be filed with the Commission and required to be sworn commits an offense punishable by imprisonment in the Texas Department of Criminal Justice for not less than 2 nor more than 10 years." I, UNDER PENALTY OF LAW, HEREBY SWEAR THAT I HAVE READ ALL THE INFORMATION PROVIDED IN THE APPLICATION AND ANY ATTACHMENTS AND THE INFORMATION IS TRUE AND CORRECT. I ALSO UNDERSTAND ANY FALSE STATEMENT OR REPRESENTATION IN THIS APPLICATION CAN RESULT IN MY APPLICATION BEING DENIED AND/OR CRIMINAL CHARGES FILED AGAINST ME. I ALSO AUTHORIZE THE TEXAS ALCOHOLIC BEVERAGE COMMISSION TO USE ALL LEGAL MEA/IS TO VERIFY THE INFORMATION PROVIDED. lomas NAME day of 1, 20 \ /, the person whose name is signed to Before me, the undersigned authority, on this the foregoing application personally appeared and, duly sworn by me, states under oath that he or she has read the said application and that all the facts therein set torth are true and correct. SIGN HERE STEPHANIE JO SAID Notary Public, State of Texas My Commission Expires SEAL July 08, 2018 CERTIFICATE OF CITY SECRETARY (FOR MB; RM V/8 20 , that the location for which the I hereby certify on this day of scense/permit is sought is inside the boundaries of this city or town, in a "wet" area for such license/permit, and not prohibited by charter or ordinance in reference to the sale of such alcoholic beverages. SIGN **TEXAS** HERE City Secretary/Clerk City SEAL CERTIFICATE OF CITY SECRETARY (FOR BG & BE) Section 11.37 & 61.37 19+1 day of I hereby certify on this _ 7014 20 17 , that the location for which the license/permit is sought is inside the boundaries of this city or fown, in a "wet" area for such license/permit, and not prohibited by charter or ordinance in reference to the sale of such alcoholic beverages. Election for given location was held for: legal sale of all alcoholic beverages legal sale of all alcoholic beverages except mixed beverages legal sale of all alcoholic beverages including mixed beverage legal sale of beer/wine (17%) on-premise AFTER Sept. 1-1999 legal sale of beer/wine (14%) on-premise BEFORE Sept. 1, 1999 OR IF ABOVE DOES NOT APPLY: Be advised the location must have had two election passages per Section 25.14 or Section 69.17 of the T and wine off-premise and one for mixed beverage: legal sale of beer and wine for off-premise consumption only AND EITHER: legal sale of mixed beverages OR legal sale of mixed beverages in restaurants by food and beverage certificate holders (applicant must apply for FB with BG and BE) MERY CO SIGN

Form L-ON (01/2016)

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I hereby certify on this day of	, 20, that one of the below is correct:							
	rized the sale of <i>mixed beverages</i> between midnight and 2:00							
A.M.; or The governing body of this city has by ordinance authorized the sale of <i>beer</i> between midnight and								
A M+or								
The population of the city or county where premises are located was 500,000 or more according to the 22 nd Decennial Census of the United States as released by the Bureau of the Census on March 12, 2001; or								
Census of the United States as released by the bureau	e located was 800,000 or more according to the last Federal							
Census (2010).								
00.1000 (20.10).								
SIGN HERE	, TEXAS							
City Secretary/Clerk	City							
SEAL								
ALVIOLE ROSE PARTIE RESERVATE DE COLONIA	CCLERK(FORME) RM, V& Y)							
I hereby certify on this 19 th day of July license be fulf is shown is in a "wet" area for such license	, 20 /1 , that the location for which the							
license permit is separate is in a "wet" area for such license	e/permit, and is not prohibited by any valid order of the							
Commissioner's Court								
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I hereby certify on this day of	, 20, that the location for which the							
Court for a Wine & Beer Retailer's Permit.	ibited by any valid of our of the commissions.							
Election for given location was held for:								
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legal sale of beer/wine (14%) on-premise BEFORE S	Sept. 1, 1999							
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legal sale of beer and wine for off-premise consumpti	ion only							
AND EITHER:								
legal sale of mixed beverages OR	•							
legal sale of mixed beverages in restaurants by food	and beverage certificate holders							
(applicant must apply for FB with BG and BE)								
SIGN								
HERE	COUNTY							
County Clerk								
SEAL								

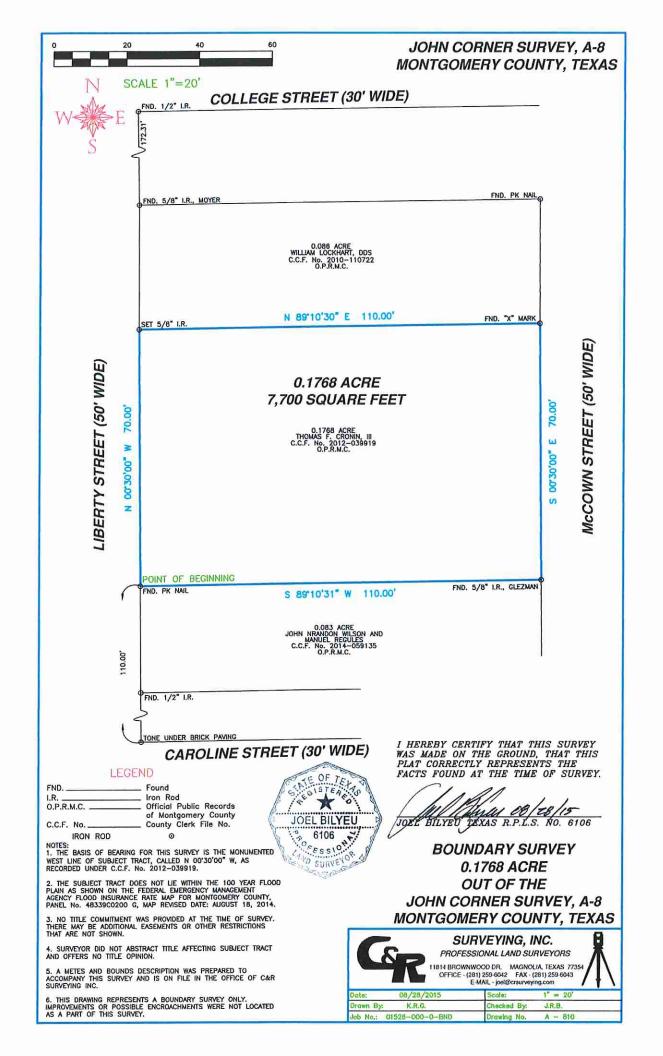
CERTIFICATE OF COUNTY CLERK FOR LATE HOURS LICEN									
I hereby certify on this day of, 20, that one of the below are correct: The Commissioner's Court of the county has by order authorized the sale of <i>mixed beverages</i> between midnight and									
2:00 A.M.; or The Commissioner's Court of the county has by order authorized the sale of <i>beer</i> between midnight and									
A.M.; or The population of the city or county where premises are located was 500,000 or more according to the 22 nd Decennial Census of the United States as released by the Bureau of the Census on March 12, 2001; or The population of the city or county where premises are located was 800,000 or more according to the last Federal Census (2010).									
SIGN HERE	COUNTY								
County Clerk SEAL									
COMPTROLLER OF PUBLIC ACCOUNTS CEF Section 11:46 (b) 8.61.42 (b)									
This is to certify on this 17 Hoday of July . 20 17, the applicant holds or has applied for and satisfies all legal requirements for the issuance of a Sales Tax Permit under the Limited Sales, Excise and Use Tax Act or the applicant as of this date is not required to hold a Sales Tax Permit.									
Sales Tax Permit Number 30457813(0) Outlet Number 60001									
Print Name of Comptolier Employed Davi Tello Brandon									
Print Title of Commitment molovee & nforcement Office									
SIGN FIELD OFFICE 21	431								
SEAL									
PUBLISHER'S AFFIDAVIT (FOR MB, LB, RM, BP, B) Section 14:39 and 61/38	G. BE. BL. V.& Y.)								
Name of newspaper									
City, County									
Dates notice published in daily/weekly newspaper (mm/dd/yyyy)	ATTACH PRINTED								
Publisher or designee certifies attached notice was published in newspaper stated on dates shown.	COPY OF THE								
Signature of publisher or designee									
Sworn to and subscribed before me on this date	NOTICE HERE								
Signature of Notary Public									
SEAL									

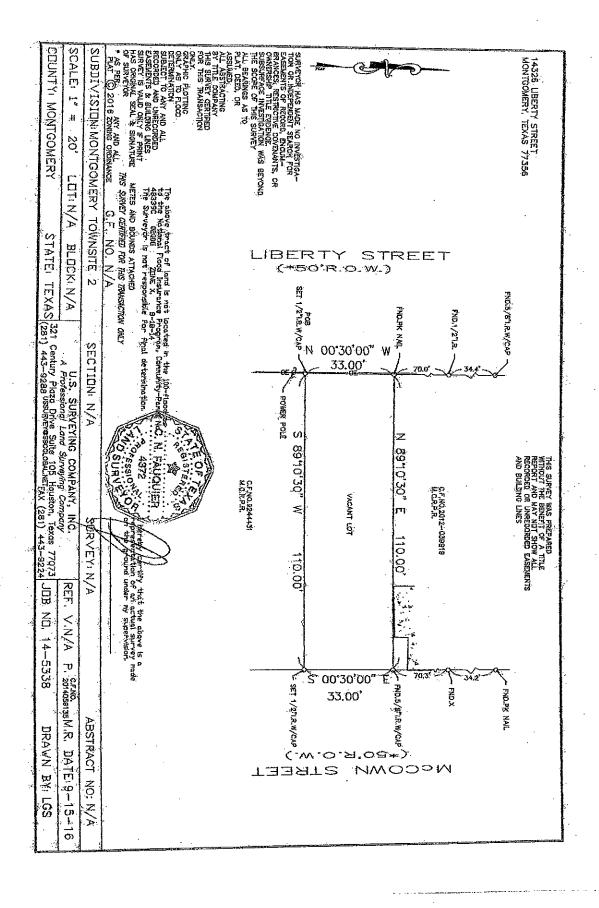


OWNERSHIP INFORMATION Continued for Prequalification Packet

L-OIC (01/2016)

LOCATION INFORMATION									
1. Trade Name of Location (OZY Grape Wine Box & Bistro 2. Location/Address 14340 Liberty St City County Market many TX 7347									
Cozy Grape Wine Box & Bistro									
2. Location Address									
14340 Liberta	154								
Mortgomera)		County			State	Zip Code		
Montgomera			Morta	omer	7_	1 7	77356		
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3. Type of Owner	a la lacación de la	Color and the Artist Color and the			C. B. Y.				
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METES AND BOUNDS MONTGOMERY COUNTY, TEXAS

A FIELDNOTE DESCRIPTION of a tract of land located in Montgomery County, Texas, situated in the John Corner Survey, Abstract No. 8, being the same land as recorded under Clerks File No. 2005039746 of the said County Real Property Records, said tract being more particularly described by metes and bounds as follows:

BEGINNING at a ½-inch iron rod with cap set for the West common corner of that certain Tract as recorded under Clerks File No. 9244431 of the said Property Records and the herein described tract, said point on the East right-of-way line of Liberty Street (50-foor R.O.W.);

THENCE, North 00° 30° 00" West, along said East line, a distance of 33 00 feet to a P.K. nail found for corner;

THENCE, North 89° 10° 30° East, along the South line of that certain tract as recorded under Clerks File No. 2012-039919 of the said Property Records, a distance of 110.00 feet to a 5/8-inch iron rod with cap found for corner on the West right-of-way line of McCown Street (50-foot wide);

THENCE, South 00° 30° 00° East, along said West line, a distance of 33.00 feet to a 1/2-inch iron rod with cap set for corner;

THENCE, South 89° 10° 30" West, along the North line of said Clerks File No. 9244431, a distance of 110.00 feet to the POINT OF BEGINNING and containing 0.083-acres of land more or less as shown in File No. 14-5338 in the office of U. S. Surveying Company, Inc., Houston, Texas.

September 15, 20

U.S. Surveying Company, Inc.:

321 Century Plaza Drive Suite 105 Houston Texas 77073 Ph; 281.443.9288 Fax: 281.443.9224

Meeting Date: July 25, 2017	Budgeted Amount:
Department:	
	Exhibits: Laura Ham - Resume, Engagement Letter
Prepared By: Jack Yates City Administrator	
Date Prepared: July 18, 2017	

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Selection of Auditor, approving engagement letter.

Description

The audit procurement process was structured so that the principal factor in the selection of an independent auditor is the auditor's ability to perform a quality audit. Price was not the sole criterion for the recommendation of the Review Committee.

The RFP was sent to approx.. ten firms, including the previous city auditor. There were three submittals.

One submittal is from Belt Harris Pechacek – who has strong local government experience in larger and smaller cities than Montgomery. Their references were excellent. The quote given for the cost is: \$14,500 for 2017, \$14,754 for 2018, \$15,012 for 2019 and \$15,275 for 2020.

One submittal is from Weaver and Associates—who also has strong local government experience in larger and smaller cities than Montgomery. Their references were not checked. The quote given for the cost is: \$27,000 for 2017, \$28,000 for 2018, \$29,000 for 2019 and \$30,000 for 2020

One submittal is from McConnell Jones - who has strong local government experience in larger and smaller cities than Montgomery. Their references were not checked. The quote given for the cost is: \$29,100 for 2017, \$29,100 for 2018, \$29,100 for 2019 and \$29,975 for 2020

Due to the opinion that Belt and Co. was qualified, the Review Committee, consisting of Rebecca Huss, T.J. Wilkerson, Susan Hensley and myself, with

Cathy Branco sitting in also, decided to interview Belt in person and unless they were unsatisfactory then, due to the extreme cost difference, the Committee did not see a reason to interview the other two submittals.

The interview of the Committee happened on July 13, and the Committee interviewed Stephanie Harris. Stephanie spoke well and her knowledge of accounting and auditing was well received by the Committee. The group discussed the process of the audit, document preparation by staff and auditor timing of completion of the audit, the city possibly trying to obtain a Government Accounting Financial Reporting (GAFR) at some point (not required but a recognition of excellent financial management). The group learned from Ms. Harris that Laura Ham would be the firm's contact/principal auditor and the Committee asked for a resume of Ms. Ham that is attached.

The Committee solidly recommends the firm of Belt Harris Pechacek for the Auditor of the City.

The Engagement Letter is a standard set of terms. The City Attorney has reviewed it and approves.

Recommendation

Motion to approve the Engagement Letter and authorize the Mayor to sign.

Approved By		
City Administrator	Jack Yates	Date: July 18, 2017

EXECUTIVE SUMMARY:

- · Bachelor of Science in Mathematics, University of Texas at Austin
- · Master of Science in Accountancy, University of Houston
- · Passed the American Institute of Certified Public Accounting Exam, August 2013
- · 6 years of government audit experience
- · Performed and assisted with more than 60 audits
- · More than 9 governmental audits that received the GFOA Certificate of Reporting Excellence

GOVERNMENTS SERVED:

Cities: City of Angleton City of Baytown City of Cedar Park City of Clear Lake Shores City of El Lago City of Galena Park City of Hedwig Village City of Jacinto City City of Kountze City of Liberty Hill City of Mont Belvieu City of Montgomery City of Morgan's Point City of Oak Ridge North City of Onalaska City of Pasadena

City of Seabrook
City of Silsbee
City of Taylor Lake Village
City of West University Place
City of Woodcreek

Educational Entities: Anderson-Shiro CISD Big Sandy ISD

Coldspring-Oakhurst CISD Educational Leadership, Inc.

Galveston ISD

Katherine Anne Porter Charter School

Magnolia ISD

Mainland Preparatory Academy

New Braunfels ISD NYOS Charter School Odyssey 2020 Academy, Inc.

Snook ISD

STEP Charter School

Trinity ISD Westhoff ISD

Texas Southern University

Texas Tech University Health Sciences Center

University of Houston Charter School

University of Houston CPRIT University of Houston NCAA UT Elementary School

UT Permian Basin STEM Academy
UT Tyler Innovation Academy

Counties:

Chambers County, Texas Leon County, Texas Polk County, Texas San Jacinto County, Texas Tyler County, Texas

Other Governmental Units:

Baytown Area Water Authority Harris County Appraisal District

Harris County Improvement District No. 9 Harris County Mayors' and Councils' Association

Houston Area Safety Council
IAH Public Facility Corporation

Kountze Economic Dev. Corp.
Lakeview Police Department
Leon County Juvenile Probation
Polk Central Appraisal District

Porter Special Utility District Safety Council of Texas City Silsbee Economic Dev. Corp. Tyler County Adult Probation Tyler County Juvenile Probation

Williamson County ESD No. 4

PROFESSIONAL ORGANIZATIONS:

American Institute of Certified Public Accountants Gulf Coast Chapter of the Government Finance Officers Association Texas Society of CPAs

SPECIAL PROJECTS PERFORMED:

TCEQ LANDFILL ASSURANCE ANALYSIS

Performed analysis on financial assurance calculations made by Polk County and Chambers County to demonstrate compliance with the Texas Commission on Environmental Quality's (TCEQ) local government financial test as outlined in Title 30 of the Texas Administrative Code Section 37.271(5).



Engagement Letter

June 20, 2017

The Honorable Kirk Jones, Mayor City of Montgomery 101 Old Plantersville Road Montgomery, TX 77356-0708

We are pleased to confirm our understanding of the services we are to provide for the City of Montgomery, Texas (the "City") for the year ended September 30, 2017, with the option to renew for three subsequent fiscal years.

Audit Services

We will audit the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of the City as of and for the year ended September 30, 2017, with the option to renew for three subsequent fiscal years.

The component unit will be audited as part of the audit of the financial statements of the City as noted below:

1. Montgomery Economic Development Corporation: Discretely Presented, No Separate Financial Statements

Limited Procedures

Accounting standards generally accepted in the United States of America provide for certain Required Supplementary Information (RSI), such as Management's Discussion and Analysis (MD&A), to supplement the City's 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. As part of our engagement, we will apply certain limited procedures to the City's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding 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 will 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. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1. Management's Discussion and Analysis
- 2. Budgetary Comparison Schedule(s)
- 3. Net Pension Liability and Contribution Schedule(s)

In connection with the engagement, we will perform services unrelated to our attest function. The additional



City of Montgomery, Texas Engagement Letter Page 2 of 5

services we will provide include:

1. Preparation of Documents

We will assist in preparing the financial statements and related notes of the City in conformity with U.S. generally accepted accounting principles based on information provided by the City.

2. Advisory Services

We will provide routine advisory services through phone calls, conferences, or otherwise, in connection with incidental matters arising during the year. We encourage open lines of communication throughout the year as part of our services.

3. Correspondence

We will handle all normal correspondence from grantor, regulatory, or oversight agencies related to the audit.

4. Professional Proofing

To ensure documents issued in connection with the audit engagement are professional in appearance, we will submit both client-prepared information, as well as documents created entirely by the auditor, to an independent professional proofreader for a cover-to-cover inspection. This review will include consistent formatting, grammar, logic, and any other items that may detract from the document. This process is over and above technical reviews performed.

5. Printing and Binding

All final hard copy documents will be printed on a 1200 dpi or better resolution copier and bright white report paper. Reports will be bound with GBC-brand plastic combs with 30 mil oversized covers. We will manually inspect each page from one document and spot check remaining reports for printing errors. Our reports will be centered, properly aligned, and free of smudges and other detracting elements.

6. Electronic Adobe Searchable PDF

In addition to providing hard copy documents, we will also provide all final documents in electronic image files in Adobe PDF format, suitable for posting in electronic agenda packages, posting on websites, or transmitting by email to regulatory agencies.

7. Client Portal - Auditbox

We will provide the City access to our proprietary AuditBox online site to provide a central repository where both the City's personnel and audit team members can see documents being exchanged during the process to eliminate duplicate requests from audit team members. Both the City's documents, as well as final audit documents, will be hosted on the site providing an archive of information that new personnel may access in subsequent years, if information is needed regarding what was provided for a prior year audit or a copy of audit documents issued.

Other Services

We will also assist in preparing the financial statements of the City in conformity with U.S. generally accepted accounting principles based on information provided by you. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

City of Montgomery, Texas Engagement Letter Page 3 of 5

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You agree to assume all management responsibilities for financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the City's financial statements. Our report will be addressed to management and members of the governing body of the City. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or may withdraw from this engagement.

Audit Procedures-General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. 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 will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

City of Montgomery, Texas Engagement Letter Page 4 of 5

Audit Procedures-Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures-Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

Fees for our services are based on the actual time spent at our standard hourly rates, plus travel and other out-of-pocket costs such as report production, typing, postage, etc. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. The time estimates used to project our fees are based on anticipated cooperation from your personnel and management fulfilling its responsibility, as discussed previously. Our time budget for this engagement does not include addressing matters related to management's responsibilities, such as modifications to the City's financial information, additional procedures related to alleged noncompliance with laws and regulations and similar improprieties, the City's lack of preparation for the audit, and similar matters. Such time requirements have not been included in the estimate and will be billed in addition to the fees quoted at our standard hourly rates and actual costs incurred, including legal consultations, if necessary. We will notify the appropriate party when such conditions are encountered, such as identifying schedules not prepared, out-of-balance accounts, alleged violations, etc. When possible, we will provide management with options for alleviating the condition. If it appears the item(s) will not be addressed by the City, we may perform procedures to address incidental matters to facilitate timely completion of the audit. To the extent possible, we will obtain approval before performing additional work for matters considered significant to the original proposed fee. Due to the nature of our work, such approval may not always be possible (i.e., we may be legally compelled by subpoena or similar request to expend additional time and incur other expenses to handle matters arising from this engagement).

As customary in the industry, the price quoted is an estimate. In accordance with rules of the State Board of Public Accountancy, we cannot be bound to provide the audit for the amount estimated. However, in practice, we honor our fee quotes unless adverse conditions such as those described above are encountered.

Fee Estimates

 2017
 2018
 2019
 2020

 Financial Statement Audit
 \$ 14,500
 \$ 14,754
 \$ 15,012
 \$ 15,275

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. Generally, 40 percent will be billed and payable upon completion of interim audit procedures (normally one to four months before year end) and 60 percent after a draft of the financial statements is issued. Accordingly, the fee will be split 40/60 between budget years. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit.

City of Montgomery, Texas Engagement Letter Page 5 of 5

Required Non-Appropriation Clause

Notwithstanding anything contained in this engagement to the contrary, in the event no funds or insufficient funds are appropriated and budgeted or are otherwise unavailable in any fiscal period for fees due under this engagement agreement, the City will immediately notify us in writing of such occurrence and this agreement shall terminate on the last day of the fiscal period for which appropriations have been received or made.

Authorization of CPA's Disclosure

Any client certified public accountant involved with assisting us shall not be prohibited from disclosure of information required to be made available by the standards of the public accounting profession in reporting on the examination of financial statements. Management understands and provides permission to staff certificate or registration holders as required under the Rules of Professional Conduct, Texas Administrative Code, Title 22, Part 22, Chapter 501, Subchapter C, Section 501.75.

We appreciate the opportunity to be of service to the City and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

Belt Harris Pechacek, LLLP Certified Public Accountants

Authorized by:
Cout VSct Robert Belt, CPA, CGMA Managing Partner
RESPONSE:
This letter correctly sets forth the understanding of City of Montgomery, Texas.
The Honorable Kirk Jones, Mayor
Date

BUMGARDNERMORRISON

CPAs . Tax . Audit & Accounting

System Review Report

To the Partners of Belt Harris Pechacek, LLLP and the Peer Review Committee of the Texas Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Belt Harris Pechacek, LLLP (the firm) in effect for the year ended June 30, 2015. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under the Government Auditing Standards.

In our opinion, the system of quality control for the accounting and auditing practice of Belt Harris Pechacek, LLLP in effect for the year ended June 30, 2015, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency (ies) or fail. Belt Harris Pechacek, LLLP has received a peer review rating of pass.

Bungardner, Morrison & Company, LLP
BUMBARDNER, MORRISON & COMPANY, LLP

October 22, 2015

ESTIMATED FEES

Below is a detailed chart of our cost proposal.

	Value	Added			2017			1.		Hour	s by Segmen	t³		
	Licensing	Years of Government Audit Experience		ling stë	Hours		Gross	On-		Interim	Finai	Final	Post	Total
Manhania Manéa Panasanasa Bahasa			I			_	Fees*	boarding	Planning				Audit	Hours
Stephanle Harris, Engagement Partner				165		- ÷-	2,501	0.2	1.2	1.4	1.4	8.9	2.1	15.2
Robert Belt, QC Partner	CPA, CGMA	27	\$ ·	150	5.2	\$	834	-			-	5.2		5.2
Catie Rodgerson, Audit Manager	CPA	6	5	130	6.4	3	834		6.0	1.3	1.3	3.2		5,4
Mary Carpentier, Senior Associate		12	\$	120	41.7	\$	5,003	-	4.2	10.4	10,4	14.6	2.1	41.7
Joe Huang, In-Charge Auditor	CPA	. 3	\$	100	25.0	\$	2,501			125	11.3	L⊋	-	25.0
Additional Staff		1	\$	90	55.6	3	5,003	2.8		25.0	25.0	2.8		55.6
Subtotal		52	200		149.1	\$	16,675	3.0	6.0	50.6	49.4	35,9	4.2	149.1
*Rounded								256	4%	34%	33%	24%	3%	100%

Average Hourty Rate Fiscal Year End Fiscal Year 2017 2018 2019 2020 Fees at Standard Rates \$ 16,675 \$ 16,967 \$17,264 \$ 17,549 Preferred Client Discount 2,213 2,252 \$ 2,274 \$ 14,500 \$14,754 \$ 15,012 \$ 15,275

Years 2018 and beyond include a 1.75% annual increase related to inflation and general increase in regulatory requirements.

It does not appear the City has traditionally prepared a CAFR. However, if that is the City desires, we can easily upgrade the City to this service. We have helped numerous Cities obtain the first year GFOA award. Typically there is not a need to prepare a CAFR until the City operating budget exceeds approximately \$20 million or it anticipates reassessing its credit rating frequently and issuance of bonds every two to three years.

1. Manner of Payment

Our services are billed 30% at completion of interim audit procedures and 70% on drafting the AFR at the conclusion of final fieldwork. In some instances where the volume of work in process exceeds \$10,000 at month end, progress billing may be utilized.

CONFIDENTIAL – This document and attachments are not subject to open records request as protected under Section 552,021 of the Government Code, as knowledge of Belt Harris Pechacek LLLP's operating structure and organization, custom software and systems, approach and methodology of our audit, clientele information and contacts, and team members' professional accomplishments, would provide competitors with insight to gain competitive edge and solicit our clients and team members.

Meeting Date: July 25, 2017	Budgeted Amount:	
Department:		
	Exhibits:	
Prepared By: Jack Yates City Administrator		
Date Prepared: July 18, 2017		

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Report regarding bridge on Buffalo Springs Road

Description

The City Engineer and I will present this item.

Chris Roznovsky and I met with FEMA on Wednesday, July 19. At that time. FEMA gave us their estimated cost of the project. Jones and Carter are reviewing that now and expect to have an answer by Friday, July 21. Following the agreement about the amount of the project, FEMA will have two layers of their process approve the project and Congressional approval will happen (expected to take less than 10 days). The temporary construction right-of-entry is to be received prior to a Project Worksheet being approved.

Permits for the project have been applied for from the Corps of Engineers and will be applied to DEQ. We Are expecting both permits to be received within 30 days. Both FEMA and Congressman Brady's office has said that they spoke with each of the permittors and are expecting a rapid review process

The project can be bid in approximately three weeks, following the right of entries and an approved Project Worksheet. The contract cannot be awarded until all of the permits being received in the final approval of the Project Worksheet. I hesitate to submit an answer on when the bidding can begin because of the review processes that are about to happen on permits and with FEMA.

Recommendation	П				
# 7.4 A # 41116 # 116 A 114 D. C. H. 1111		2000	m m c	and a	170.00
		1444		THUR!	

<u>_</u>		
Consider the report, co	omment as desired.	

Approved By		
City Administrator	Jack Yates	Date: July 19, 2017

Meeting Date: July 25, 2017	Budgeted Amount:	
Department:		
	Exhibits:	
Prepared By: Jack Yates City Administrator		
Date Prepared: July 18, 2017		

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	200		

Report regarding paying for FEMA bridge overage.

Description

I just found out yesterday afternoon that the difference between the FEMA 75% contribution to a \$1,856,555 total on the bridge is \$1,392,416, leaving \$464,138. of which we are expecting to receive approximately \$280,000 from a CDBG-DR grant leaving approximately \$184,138 as an amount the city will need to rise to pay the project off completely.

As this is a Report only, and as I have not considered the totality of city needs (partly in general and also as will be discussed in budget meetings) I intend to think more about the options and will report on those options at the meeting.

Recommendation

Consider the options and if possible, with the information known, give direction to the City Administrator.

Approved By		
City Administrator	Jack Yates	Date: July 19, 2017

Meeting Date: July 25, 2017	Budgeted Amount:
Department:	
	Exhibits: Previously approved Lease with 45 days period Revised Lease w/ new "First Right of Refusal" paragraph for 7 day period
Prepared By: Jack Yates City Administrator	
Date Prepared: July 21, 2017	

Subject

Amending Lease with Ramon Laughter for downtown property, to amend the "First Right of Refusal" from 45 days to 7 days.

Description

On June 27th the City Council approved a lease with Mr. Laughter for the property immediately north of Caroline Street. In that Lease was a paragraph regarding "First right of Refusal" that allows 45 days for a decision by the City to make its choice of meeting a bona fide offer from another party to purchase the property. When Mr. Laughter received the Lease for his signature, upon further consideration, he is now asking that the 45 days period be reduced to a 7 day period.

The 7 day period would give the City that period to decide to purchase the property or not. It could require a special meeting of the Council. Other than that I do not see a problem in the adjustment to the time period.

Recommendation

Ammorro the amonded I ame Ammonde	
Approve the amended Lease Agreement	
Pr	

Approved By		
City Administrator	Jack Yates	Date: July 21, 2017
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LEASE AGREEMENT BETWEEN CITY OF MONTGOMERY, TEXAS AND RAMON M. LAUGHTER

DATE:	, 2017

LANDLORD: RAMON M. LAUGHTER, and his heirs, administrators, and successors

Landlord's Address:

8225 FM 149 Road Montgomery, Texas 77316-9260

Tenant: CITY OF MONTGOMERY, TEXAS

Tenant's Address:

P.O. Box 708 Montgomery, Texas. 77356

Premises: Montgomery Townsite 02, Tracts 24 and 25, as particularly described in Exhibit "A" attached and incorporated here

Term (months):

Five (5) years [60 months]

Commencement Date: September 1, 2017

Termination Date:

August 31, 2022

Early Termination: Notwithstanding anything herein to the contrary, this Agreement is automatically renewed from year to year after the Termination Date, while termination with mutual consent of the parties may happen at any time during the term of this lease. Tenant understands that Landlord may wish to sell the Premises during the term of this lease or any extended term of the lease. If a contract to purchase is submitted to Landlord by a third party, Landlord shall give 45 days' notice to Tenant which shall have the Right of First Refusal as described below. If Tenant does not offer to match the purchase price, this Agreement to lease is terminated effective the 45th day after the written notice is received by Tenant.

First Right of Refusal by Tenant: In the event a genuine contract to purchase the Premises is offered to Landlord by a third party, Landlord will give Tenant (City of Montgomery) 45 days' written notice of such offer to purchase. Thereupon, within 45 days from the Tenant's receipt of such written notice by Landlord, Tenant shall have the first right of refusal to purchase the Premises at the same price and under the same terms offered in writing to Landlord by a third party.

As approved on June 27th

CITY OF MONTGOMERY, TEXAS AND RAMON M. LAUGHTER

DATE:	, 2017
LANDLORD:	RAMON M. LAUGHTER, and his heirs, administrators, and successors

Landlord's Address:

8225 FM 149 Road Montgomery, Texas 77316-9260

Tenant: CITY OF MONTGOMERY, TEXAS

Tenant's Address:

P.O. Box 708

Montgomery, Texas. 77356

Premises: Montgomery Townsite 02, Tracts 24 and 25, as particularly described in Exhibit "A" attached and incorporated here

Term (months): Five (5) years [60 months]

Commencement Date: September 1, 2017

Termination Date: August 31, 2022

Early Termination: Notwithstanding anything herein to the contrary, this Agreement is automatically renewed from year to year after the Termination Date, while termination with mutual consent of the parties may happen at any time during the term of this lease. Tenant understands that Landlord may wish to sell the Premises during the term of this lease or any extended term of the lease. If a contract to purchase is submitted to Landlord by a third party, Landlord shall give seven (7) days' notice to Tenant which shall have the <u>Right of First Refusal</u> as described below. If Tenant does not offer to match the purchase price, this Agreement to lease is terminated effective the 7th day after the written notice is received by Tenant.

First Right of Refusal by Tenant: In the event a genuine contract to purchase the Premises is offered to Landlord by a third party, Landlord will give Tenant (City of Montgomery) 45 days' written notice of such offer to purchase. Thereupon, within 45 days from the Tenant's receipt of such written notice by Landlord, Tenant shall have the first right of refusal to purchase the Premises at the same price and under the same terms offered in writing to Landlord by a third party.

Rent: Tenant shall annually pay to Landlord the amount of \$1.00 which shall be paid in the month of September of each year of this 5-year term or any extended term of the lease. Tenant shall remit payment without invoices from the Landlord. Tenant may prepay the rent amount for any, or all, of the years of the term of this Agreement.

Permitted Use of Premises:

- 1. Tenant and its agents shall be permitted to host special public events on the Premises for event vendors and event parking at no additional cost to the Tenant.
- 2. Tenant shall be permitted to construct, install, maintain, utilize and operate a parking lot on the Premises, along with related appurtenances, including but not limited to, overhead and/or underground lighting and electricity, fencing, benches, gazebos, paving, and other improvements necessary to promote public use for public events. Tenant may use the Premises as an overflow parking area and an events area for the City of Montgomery and the public.

Clauses and Covenants

A. Tenant agrees to:

- 1. Lease the Premises for the entire Term beginning on the Commencement Date and ending on the Termination Date.
- 2. Accept the Premises in their present condition "AS IS," the Premises being currently suitable for the Permitted Use.
- 3. Obey (a) all laws relating to Tenant's use, maintenance of the condition, and occupancy of the Premises and Tenant's use of any common areas and (b) any requirements imposed by utility companies serving or insurance companies covering the Premises.
- 4. Obtain and pay for all utility services used by Tenant and not provided by Landlord.
- 5. Allow Landlord to enter the Premises to perform Landlord's obligations, inspect the Premises, and show the Premises to prospective purchasers.
- 6. Repair, replace and maintain any part of the Premises that Landlord is not obligated to repair, replace, or maintain, normal wear excepted.
- 7. Vacate the Premises on the last day of the Term or extended term of the Lease.
- 8. Maintain a liability insurance policy covering the Premises in an amount similar to other property owned and or leased by Tenant and provide Landlord certificates of insurance or other proof of said insurance on request. The liability policy must be endorsed to name Landlord as additional insured.
- 9. Maintain the premises in a neat and attractive condition, and reasonably mowed and maintained.

B. Tenant agrees not to:

- 1. Use the Premises for any purpose other than the Permitted Use.
- 2. Create a nuisance.
- 3. Permit any waste
- 4. Allow a lien to be placed on the Premises.
- 5. Assign this lease or sublease any portion of the Premises without Landlord's written consent.

C. Landlord agrees to:

- 1. Lease to Tenant the Premises subject to the Term and Termination Date provisions.
- 2. Obey all laws relating to Landlord's operation of the Premises.

D. Landlord agrees not to:

- 1. Interfere with Tenant's possession of the Premises so long as Tenant is not in default.
- 2. Unreasonably withhold consent to a proposed assignment or sublease.

E. Landlord and Tenant agree to the following:

- Alterations. Any physical additions or improvements to the Premises made by Tenant will become the property of Landlord. Landlord may require in writing that Tenant, at the end of the Term and at Tenant's expense, remove any physical additions and improvements, repair any alterations, and restore the Premises to the condition existing at the Commencement Date, normal wear excepted.
- Abatement. Tenant's covenant to pay Rent and Landlord's covenants are independent. Except as otherwise provided, Tenant will not be entitled to abate Rent for any reason.
- 3. *Default by Landlord/Event.* Defaults by Landlord are failing to comply with any provision of this lease within thirty days after written notice.
- 4. Default by Landlord/Tenant's Remedies. Tenant's remedies for Landlord's default are to sue for damages.
- 5. Default by Tenant/Events. Defaults by Tenant are (a) failing to pay timely Rent after being given thirty (30) day's written notice by Landlord; (b) abandoning or vacating a substantial portion of the Premises, and (c) failing to comply within ten days after written notice with any provision of this lease other than the defaults set forth in (a) and (b).

- 6. Default by Tenant/Landlord's Remedies. Landlord's remedies for Tenant's default are to terminate this lease by written notice and sue for damages.
- 7. Default/Waiver/Mitigation. It is not a waiver of default if the non-defaulting party fails to declare immediately a default or delays in taking any action. Pursuit of any remedies set forth in this lease does not preclude pursuit of other remedies in this lease or provided by applicable law. Landlord and Tenant have a duty to mitigate damages.
- 8. Holdover. If Tenant does not vacate the Premises following termination of this lease, Tenant will become a tenant-at-will and must vacate the Premises on receipt of written notice from Landlord. No holding over by Tenant, whether with or without the consent of Landlord, will extend this Term.
- 9. Alternative Dispute Resolution. Landlord and Tenant agree to mediate in good faith before filing a suit for damages.
- 10. Attorney's Fees. If either party retains an attorney to enforce this lease, the party prevailing in litigation is entitles to recover reasonable attorney's fees and other fees and court and other costs.
- 11. Venue. Exclusive venue is in Montgomery County, Texas.
- 12. Entire Agreement. This lease constitutes the entire agreement of the parties concerning the lease of the Premises by Landlord to Tenant. There are no representations, warranties, agreements, or promises pertaining to the lease of the Premises by Landlord to Tenant that are not in this lease.
- 13. Amendment of Lease. This lease may be amended only by an instrument in writing signed by Landlord and Tenant.
- 14. Limitation of Warranties. THERE ARE NO IMPLIED WARRANTIES OF MERCHANTABILITY, OF FITNESS FOR A PARTICULAR PURPOSE, OR OF ANY OTHER KIND ARISING OUT OF THIS LEASE, AND THERE ARE NO WARRANTIES THAT EXTEND BEYOND THOSE EXPRESSLY STATED IN THIS LEASE.
- 15. Notices. Any notice required or permitted under this lease must be in writing. Any notice required by this lease will be deemed to be delivered (whether received or not) when deposited with the United States Postal Service, postage prepaid, certified mail, return receipt requested, and addressed to the intended recipient at the address shown in this lease. Notice may also be given by regular mail, person delivery, courier delivery, facsimile transmission, or other commercially reasonable means and will be effective when received. Any address for notice may be changed by written notice delivered as provided herein.
- 16. Abandoned Property. Landlord may retain, destroy or dispose of any property left on the Premises at the end of the Term.

	reement. Landlord and Tenant agree that this Lease Agreement in Real Property Records of the County Clerk of Montgomery,
	LANDLORD:
	RAMON M. LAUGHTER, Owner
	TENANT:
	CITY OF MONTGOMERY, TEXAS
	KIRK JONES, Mayor
ATTEST:	
SUSAN HENSLEY City Secretary	
SOSAN FIENSELF City Secretary	
After December 19 A	
After Recording Return To:	
City of Montgomery, Texas	

17. Binding on Successors. This lease shall be binding on the parties' heirs, administrators,

successors and assigns.

Montgomery, Texas 77356

Meeting Date: July 25, 2017	Budgeted Amount:
Department:	
Prepared By: Jack Yates City Administrator	Exhibits: Quotes from three Contractors
Date Prepared: July 18, 2017	

Subject

Paving of Downtown Leased Area for asphalt parking lot.

Description

As you know, the leases with Tom Cronin and Raymon Laughter have been agreed to by the City Council. I do not have a signed lease with Mr. laughter, although I do have his agreement to the five-year lease approved at the first meeting in July. Before giving the Contractor permission to begin the project, I would have the signed Lease Agreement with Mr. Laughter.

Attached are three quotes from Asphalt Contractors in the area. The quotes are:

Laurel Paving -- \$34,334.00

Facilities Sources-- \$43,575.55

Mustang Concrete Solutions -- \$76,250.00

Chris Roznovsky has compared the quotes for accuracy of meeting specifications and he recommends Laurel Paving.

The MEDC discussed this at its July 17th meeting, WITH THE City Administrator reporting that there might be issues coming up during the paving, curb of the area and approved the following motion unanimously –

"Motion by Moravec seconded by Fox to approve up to \$38,000 for the paving contract"

The intention is to have the work completed before Wine Fest.

Recommendation

Motion to approve the MEDC payment of up to \$38,000 for the paving of the parking lot south of Cozy Grape Restaurant and north of Caroline Street and to authorize the Mayor to sign the contract.

Approved By		
City Administrator	Jack Yates	Date: July 18, 2017

PROPOSAL

LAUREL PAVING

12876 Shadowbrook Dr. Willis, Texas 77378 PH. (936) 672 3297 Fax 936 890 1271

PROPOSAL SUMPTIED TO	E-MAII.	reli	PHONE	DATE
Mike Mucklerov	936-52	1-5294	936-597-6434	02/17/17
STREET			JOB NAME	
mmuckleroy@ci.n	<u>nontgomery</u>	.tx.us		·
CITY, STATE AND ZIP CO	DE		JOB LOCATION	
Montgomery, Texas	77356			lot on Caroline St
ARCHITECT	uiah watariale a		E OF PLANS nplete in accordance with spe	JOB PHONE
we propose: nereby to fur-	пізи півтегініз н	Bu IRDUI CO	ublete in secordance with spe-	incations below, for the
Price determined by	y option cho	sen		
Payment to be made as follows				
On completion. Pl	ease furnish	ı tax exer	npt certificate	
practices. Any alteration or doorders, and will become an ext	eviation from spec ra charge over an	ifications bel d above the e	be completed in a workmanlike mow involving extra costs will be exestimate. All agreements contingen	cuted only upon written t upon strikes, accidents or
Authorized By		This prop	osal may be withdraw by us if not	accepted with 30 day.
2. Pave area with ho	d furnish crus ot mix asphal rete curb on	shed conc t 2" thick	rete base 6"thick compa	
Option: II. Asphalt 1	oarking lot	13,402 sq	.ft	\$31,234.00
1. Remove grass	and furnish c	rushed co	oncrete base 6"thick com	pacted
2. Pave area with	hot mix asp	halt 2" thi	ck compacted. (no curb)	•
Acceptance of Proposal — The above prices, specifications and conditions are satisfactory and accepted. You are authorized to do the work as specified. Payment will be made as outlined above. Date of acceptance				
Signature			Signature	





Date: 17 April 2017

Jack Yates
City Administrator
City of Montgomery
P.O. Box 798
Montgomery Texas 77356
Email: <u>Jyates@ci.montgomery</u>

Contract No. 16/054JN-04 HCDE (Choice Partners)
Subject: Job Order Proposal for RFP 87-21807

Project Location: City of Montgomery

Project Title: Install New Asphalt Parking Lot and Concrete curb and Drain

Dear Mr. Yates,

Enclosed is our firm fixed price proposal for the above subject RFP. The proposal was prepared using the following data:

Pricing is per attached scope and RS Means Facilities Construction Cost Data.

Gross cost	\$53,421.38
CCI discount	(\$7,211,89)
Co-op discount	<u>(\$3,696.76)</u>
Proposed price prior to bonding	\$42,512.73
Bond cost	\$1,062.82

The Grand Total Fixed Price is

\$43,575.55

The proposed project duration is <u>60</u> days after award. This proposal is good for 30 days from the above date.

Sincerely.

Jan Pecherski Project Manager (281)217- 8961

Attachments: RS Means estimate and scope

Facilities Sources 13124 Player St. Houston, Texas 77045

Phone: (713) 337-5700 Fax: (713) 721-3788



P.O. Box 941 Montgomery, TX 77356 713-256-8910/Office 866-207-4446/Fax sales@mustangconcretesolutions.com

Date	Estimate #
2/6/2017	391

Name	1 F	∖dd	ress
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City of Montgomery Economic Development Attn: Jack Yates PO Box 708 Montgomery, Tx 77356

Proje	ct
	Total
on South side of Cozy	

\$76,250.00

Description		Total
Job Location - 14300 Liberty, Montgomery, Texas 77356 (Parking Lot or Grape)	n South side of Cozy	,
Excavate 6" of existing surface, install 6" of Tx Dot approved crushed lin Compact to 95% compaction. Apply tack coat and overlay with 3" with 1 asphalt and compact with vibratory roller. Includes drainage. Approximately 12,200 sq. ft.	nestone base. 100% Type D hot mix	76,250.00
Terms - 50% down and the remainder due upon completion.		
5 year warranty		
		14.4
	Гotal	\$76,250.00