BAY CITY

MINUTES • JULY 25, 2017

Council Chambers	Workshop	5:30 PM

1901 5TH STREET
BAY CITY, TX 77414

I. CALL TO ORDER

Attendee Name	Title	Status	Arrived
Becca Sitz	Councilwoman	Present	
Jason Childers	Councilman	Present	
Mark A. Bricker	Mayor	Present	
Chrystal Folse	Councilwoman	Present	
William Cornman	Mayor Pro-Tem	Present	
Julie Estlinbaum	Councilwoman	Present	

II. APPROVAL OF AGENDA

The agenda was approved by motion. Motion was made by Councilman Jason Childers and seconded by Councilwoman Becca Sitz. The motion was approved unanimously.

III. FUTURE ACTION ITEMS

1. Presentation

UPDATE - BAY CITY GAS COMPANY.

Mayor Mark A. Bricker
Councilman Cornman updated the Council members on the morning's meeting with the Bay City Gas Board of Directors. The Bay City Gas Board has agreed to grant the City $350,000.00 in 2018. They also agreed to develop a cash reserve policy.

The Gas Company Board wants the funds to go to specific projects and not the general fund.

2. Presentation

DISCUSS THE BAY CITY BUDGETARY AND FINANCIAL POLICY.

Finance Director, Scotty Jones
Finance Director, Scotty Jones introduced Council members to the proposed Budgetary and Financial policy. This policy is best practices.

Councilman, Bill Cornman likes the policy and feels this should be given to the Charter Review Committee for consideration.

2. Presentation

DISCUSS THE PROPOSED 2017 - 2018 FISCAL YEAR BUDGET AND FIVE-YEAR CAPITAL IMPROVEMENT PLAN.

Finance Director, Scotty Jones

Finance Director, Scotty Jones outlined the Capital Improvement Plans for the next five (5) years. Big ticket items. Infrastructure. 5 year view of data.

Barry Calhoun, Shawn Blackburn and James Mason outlined their department's plans.

Council member's questions and concerns were addressed by the department heads.
Scotty concluded.

3. Presentation

DISCUSS THE PROPOSED FEE / RATE ORDINANCE.

Finance Director, Scotty Jones
This is a proposed ordinance that will contain all of the City fees and rates. This is not final form. All fees will be moved to the new Fee ordinance.

IV. ITEMS/CCOMMENTS FROM MAYOR AND COUNCIL MEMBERS

Mayor Bricker has issues with the new roofing prices from company estimates. Discussed this with directors today in the Director's meeting. Prices are too high. Other estimates need to be sought.

V. ADJOURNMENT

AGENDA NOTICES:

Action by Council Authorized:
The City Council may vote and/or act upon any item within this Agenda. The Council reserves the right to retire into executive session concerning any of the items listed on this Agenda, pursuant to and in accordance with Texas Government Code Section 551.071, to seek the advice of its attorney about pending or contemplated litigation, settlement offer or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas conflict with the Open Meetings Act and may invoke this right where the City Attorney, the Mayor or a majority of the Governing Body deems an executive session is necessary to allow privileged consultation between the City Attorney and the governing body, if considered necessary and legally justified under the Open Meetings Act. The City Attorney may appear in person, or appear in executive session by conference call in accordance with applicable state law.

Attendance By Other Elected or Appointed Officials:
It is anticipated that members of other city board, commissions and/or committees may attend the meeting in numbers that may constitute a quorum of the other city boards, commissions and/or committees. Notice is hereby given that the meeting, to the extent required by law, is also noticed as a meeting of the other boards, commissions and/or committees of the City, whose members may be Agenda City Council August 8, 2013 in attendance. The members of the boards, commissions and/or committees may participate in discussions on the same items listed on the agenda, which occur at the meeting, but no action will be taken by such in attendance unless such item and action is specifically provided for on an agenda for that board, commission or committee subject to the Texas Open Meetings Act.

Executive Sessions Authorized:
This agenda has been reviewed and approved by the City's legal counsel and the presence of any subject in any Executive Session portion of the agenda constitutes a written interpretation of Texas Government Code Chapter 551 by legal counsel for the governmental body and constitutes an opinion by the attorney that the items discussed therein may be legally discussed in the closed portion of the meeting considering available opinions of a court of record and opinions of the Texas Attorney General

known to the attorney. This provision has been added to this agenda with the intent to meet all elements necessary to satisfy Texas Government Code Chapter 551.144(c) and the meeting is conducted by all participants in reliance on this opinion.

This is to certify that the above notice of a Workshop was posted on the front window of the City Hall of the City of Bay City, Texas on Friday, July 21, 2017 before 5:30 p.m. Any questions concerning the above items, please contact Mayor Mark A. Bricker at (979) 245-2137.

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David Holubec
City Secretary

City Council
1901 5Th Street
Bay City, TX 77414

SCHEDULED

Meeting: 07/25/17 05:30 PM
Department: City Secretary
Category: Presentation
Prepared By: David Holubec
Initiator: David Holubec
Sponsors:
DOC ID: 2712

DISCUSSION ITEM (ID # 2712)

UPDATE - BAY CITY GAS COMPANY.

Mayor Bricker and Finance Director, Scotty Jones will brief the Council members on their recent meeting with the board of the Bay City Gas Company regarding funding.

COMMENTS - Current Meeting:

Councilman Cornman updated the Council members on the morning's meeting with the Bay City Gas Board of Directors. The Bay City Gas Board has agreed to grant the City $350,000.00 in 2018. They also agreed to develop a cash reserve policy.

The Gas Company Board wants the funds to go to specific projects and not the general fund.

City Council
1901 5Th Street
Bay City, TX 77414

SCHEDULED

Meeting: 07/25/17 05:30 PM
Department: City Secretary
Category: Presentation
Prepared By: David Holubec
Initiator: David Holubec
Sponsors:
DOC ID: 2715

DISCUSSION ITEM (ID # 2715)

DISCUSS THE BAY CITY BUDGETARY AND FINANCIAL POLICY.

COMMENTS - Current Meeting:

Finance Director, Scotty Jones introduced Council members to the proposed Budgetary and Financial policy. This policy is best practices.

Councilman, Bill Cornman likes the policy and feels this should be given to the Charter Review Committee for consideration.

Budgetary & Financial Management Policies

The goal of formally adopting financial management and budgetary policies is to provide sound guidelines in planning the City's financial future. The adoption and adherence to these policies will help ensure long-term financial stability and a healthy financial position for the City of Bay City.

General Budgetary Policies

Budget Preparation

The City Budget shall be prepared in accordance with all applicable Charter requirements and State laws. The goal each year shall be to present the Proposed Budget to Council no later than six weeks prior to the end of the fiscal year and for the final approval of the Budget to be ready for Council action no later than two weeks before the end of the fiscal year. The Budget shall be comprehensive in nature and address all major funds of the City.

Government Finance Officer Association Distinguished Budget Program

The goal this year and each year following will be for the City's Budget to conform to the requirements of the Distinguished Budget Program of the G.F.O.A. and be submitted thereto for peer review.

Balanced Budget

It shall be a requirement each year for the budget of each fund to be balanced. This means that total resources available, including prior year ending resources plus projected revenues, shall be equal to or greater than the projected expenditures for the coming year. In a case where a deficit fund balance does occur, the goal shall be to limit deficits to only those amounts representing one-time capital expenditures and/or to adjust revenues and/or expenses so that the deficit is eliminated in no more than two budget years.

Public Hearings, Availability of Budget to Public

Upon completion of the Proposed Budget to Council, the City holds public hearings in August. A copy of the Proposed Budget is made available in the City Secretary’s Office or on the City’s website. These hearings provide the Citizens of Bay City a chance to ask questions as well as an opportunity for Council to hear any recommendations before final approval of the budget.

Cost Center Accounting and Budgeting

It shall be the policy of the City to allocate cost, and budget accordingly, to the various funds to the extent practical. This includes such items as utility costs, fuel costs, vehicle lease charges, overhead manpower and insurance fees.

Bond Ratings
It shall be the City's long-term goal to improve its bond ratings for general obligation bonds and revenue bonds. The City's policy shall be to manage its budget and financial affairs in such a way so as to promote enhancement of its bond ratings. This financial management includes the following:

- *Develop and maintain a multi- year operating budget*
- *Develop and maintain a multi-year capital improvements plan*
- *Implement financial procedures to quickly identify financial problems & limit budget shortfalls*
- *Review projected revenue methodologies annually*
- *Review method of determining appropriate cash reserve levels annually*

Administrative Overhead Fee to Enterprise Funds
It shall be the budgetary policy of each enterprise fund to pay to the General Fund an amount as set by the Budget each year. This charge shall be set as a percent of fund revenues and shall be construed as a payment for general administrative overhead, including management, accounting, legal, and personnel services. From an accounting perspective, such fee shall be treated as a fund operating transfer.

Budget Projections for Revenues and Expenditures
Most individual budget projections are a collaborative effort between the Division Heads, the Director of Finance, and the Mayor. The Director of Finance will note the methodology for estimating each major revenue or expense item budgeted; taking into consideration the insight of the respective Division Head. Revenue and expense estimates are always to be conservative so as to reduce any potential for budget shortfalls.

Maintenance of Plant and Equipment
The operating budget will provide for the adequate maintenance and replacement of the capital plant, building, infrastructure, and equipment. Deferral of such costs on a long-term continued basis will not be an acceptable policy to use in balancing the budget.

Financial Management Policies

Fund Balance Policy

Purpose
The purpose of this policy is to establish a key element of the financial stability of the City of Bay City by setting guidelines for fund balance in accordance with Governmental Accounting Standards Board (GASB) Statement No. 54. Unassigned fund balance is an important measure of economic stability and it is essential that the City maintain adequate levels of unassigned fund balance to mitigate financial risk that can occur from unforeseen revenue fluctuations, unanticipated expenditures, and other similar circumstances. This policy will ensure the City maintains adequate fund balances in the operating fund with the capacity to:

1. Provide sufficient cash flow for daily financial needs,
2. Secure and maintain investment grade bond ratings,
3. Offset significant economic downturns or revenue shortfalls, and
4. Provide funds for unforeseen expenditures related to emergencies.

Definitions

Fund Equity – A fund's equity is generally the difference between its assets and its liabilities.

Fund Balance – The fund equity of a governmental fund for which an accounting distinction is made between the portions that are spendable and nonspendable.

Fund Balance reporting in governmental funds: Fund balance will be reported in governmental funds under the following categories using the *definitions* provided by GASB Statement No. 54:

1) **Nonspendable fund balance –** includes the portion of net resources that cannot be spent because of their form (i.e. inventory, long-term loans, or prepaids) or because they must remain in-tact such as the principal of an endowment.

2) **Restricted fund balance –** includes the portion of net resources on which limitations are imposed by creditors, grantors, contributors, or by laws or regulations of other governments (i.e. externally imposed limitations). Amounts can be spent only for the specific purposes stipulated by external resource providers or as allowed by law through constitutional provisions or enabling legislation. Examples include impact fees and bond proceeds.

3) **Committed fund balance –** includes the portion of net resources upon which the Council has imposed limitations on use. Amounts that can be used only for the specific purposes determined by a *formal action* of the council. Commitments may be changed or lifted only by the Council taking the same *formal action* that originally imposed the constraint. The formal action must be approved before the end of the fiscal year in which the commitment will be reflected on the financial statements.

4) **Assigned fund balance** – includes the portion of net resources for which an *intended* use has been established by the City Council or the City Official authorized to do so by the City Council. Assignments of fund balance are much less formal than commitments and do not require formal action for their imposition or removal. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed which indicates that resources are, at a minimum, intended to be used for the purpose of that fund.

   Authority to Assign - The City Council delegates the responsibility to assign funds not to exceed $25,000 to the Mayor or their designee to be used for specific purposes. City Council shall have the authority to assign any amount of funds to be used for specific purposes. Such assignments cannot exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund. The assignments may occur subsequent to fiscal year-end.

5) **Unassigned fund balance** – includes the amounts in the general fund in excess of what can properly be classified in one of the other four categories of fund balance. It is the residual classification of the general fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose.

Minimum Unassigned Fund Balance

General Fund - Being a City on the Gulf Coast, it shall be the goal of the City to maintain a fund balance in the General Fund equal to 120 days of the operating expenditures and a policy to maintain a **unassigned** fund balance of no less than 90 days of operating expenditures as to provide operating liquidity and contingency funding for non-specific unscheduled expenditures such as natural disasters or major unexpected expenditures. In the event that the unassigned fund balance is calculated to be less than the policy stipulates, the City shall plan to adjust budget resources in subsequent fiscal years to restore the balance.

Hotel/Motel Tax Fund – Since the City's Convention Center qualifies for use of Hotel/Tax, it shall be the goal of the City to maintain a fund balance in the Hotel/Motel Fund to support the annual cost for improvements and maintenance of the Civic Center. The proper level of this unassigned fund balance will be based on the most recent three year average cost of maintenance and operations of the Civic Center or $250,000 whichever is greater.

Committed Fund Balances

- *Fixed or Capital Asset Replacement*- The City Council commits an additional portion of the General Fund Reserve for fixed asset replacement related to machinery and equipment. On an annual basis, the City strives to commit dollars equal to one year's depreciation expense of machinery and equipment for assets on record as of the previous fiscal year end. The balance at year end in this account will be the committed fund balance.

- ~~*Health Reserve*- The City Council commits an additional portion of the General Fund Reserve to provide contingency funding for employee health care expenses not covered by the catastrophic stop loss policy held by the City. The proper level of this commitment will be based on the most recent three year history (average) plus 15%.~~

Replenishment of Minimum Fund Balance Reserves

If unassigned fund balance unintentionally falls below 90 days or if it is anticipated that at the completion of any fiscal year the projected unassigned fund balance will be less than the minimum requirement, the Mayor shall prepare and submit a plan to restore the minimum required level as soon as economic conditions allow. The plan shall detail the steps necessary for the replenishment of fund balance as well as an estimated timeline for achieving such.

These steps may include, but are not limited to, identifying new, nonrecurring, or alternative sources of revenue; increasing existing revenues, charges and/or fees; use of year end surpluses; and/or enacting cost saving measures such as holding capital purchases, reducing departmental operating budgets, freezing vacant positions, and/or reducing the workforce. The replenishment of fund balance to the minimum level shall be accomplished within a three-year period. If restoration of the reserve cannot be accomplished within such a period without severe hardship to the City of Bay City, then the Council shall establish an extended time line for attaining the minimum balance.

Order of Expenditure of Funds

When multiple categories of fund balance are available for expenditure (for example, a construction project is being funded partly by a grant, funds set aside by the Council, and unassigned fund balance), the Council will first spend the most restricted funds before moving down to the next most restrictive category with available funds.

Appropriation of Unassigned Fund Balance

Appropriation from the minimum unassigned fund balance shall require the approval of the City Council and shall be utilized only for one-time expenditures, such as capital purchases, and not for ongoing operating expenditures unless a viable revenue plan designed to sustain the expenditure is simultaneously adopted.

The Council may appropriate unassigned fund balances for emergency purposes, as deemed necessary, even if such use decreases the fund balance below the established minimum.

Monitoring and Reporting

The Director of Finance shall be responsible for monitoring and reporting the City's reserve balances. The Mayor is directed to make recommendations to the Council on the use of reserve funds both as an element of the annual operating budget submission and from time to time throughout the fiscal year as needs may arise.

Compliance with the provisions of the policy shall be reviewed as a part of the annual operating budget adoption process and subsequent review will be included in the annual audit and financial statement preparation procedures.

Revenue Management Policy

The City strives for the following optimum characteristics in its revenue system:

- ***Simplicity and Certainty.*** The City shall strive to keep the revenue classification system simple to promote understanding of the revenue sources. The City shall describe its revenue sources and enact consistent collection policies to provide assurances that the revenue is collected according to budgets and plans.

- ***Equity.*** The City shall make every effort to maintain equity in its revenue system structure. The City shall minimize all forms of subsidization between entities, funds, services, utilities, and customers.

- ***Realistic and Conservative Estimates.*** Revenues are to be estimated realistically. Revenues of volatile nature shall be budgeted conservatively.

- ***Centralized Reporting.*** Receipts will be submitted daily to the Finance Department for deposit and investment. Daily transaction reports and supporting documentation will be prepared.

- ***Review of Fees and Charges.*** The City shall review all fees and charges annually in order to match fees and charges with the cost of providing that service.

- ***Aggressive Collection Policy.*** The City shall follow an aggressive policy of collecting revenues. Utility services will be discontinued (i.e. turned off) for non-payment in accordance with established policies and ordinances. The Matagorda County Tax Office is responsible for delinquent tax collection, through the central collection agency, shall be encouraged to collect delinquent property taxes using an established tax suit policy and sale of real and personal property to satisfy non-payment of property taxes. A warrant officer in the Police Division will aggressively pursue outstanding warrants, and the Court will use a collection agency to pursue delinquent fines.

Use of Fund Balance and Non-Recurring Revenues
The City will use non-recurring revenues and <u>excess fund balance</u> for capital expenditures or for non-recurring expenditures. These non-recurring revenues will not be used to fund recurring type maintenance and operating costs.

Property Tax Revenue
All real and business personal property located within the City shall be valued at 100% of the fair market value based on the appraisal supplied by the Matagorda County Appraisal District. Reappraisal and reassessment is as provided by the Appraisal District. A ninety-six percent (97%) collection rate shall serve each year as a goal for tax collections and the budgeted revenue projection shall be based in average collection rate calculated by the Matagorda County Appraisal District. Property tax rates shall be maintained at a rate adequate to fund an acceptable service level. Based upon taxable values, rates will be adjusted to fund this service level. Collection services shall be contracted out with a collection agency, currently the Matagorda County Appraisal District.

Interest Income
Interest earned from investment of available monies, whether pooled or not, shall be distributed to the funds in accordance with the equity balance of the fund from which monies were invested.

User Based Fees and Service Charges

For services associated with a user fee or charge, the direct and indirect costs of that service shall be offset wholly or partially by a fee where possible. There shall be an annual review of fees and charges to ensure that the fees provide adequate coverage of costs of services.

Water and Wastewater Rates and other fees for Services
Water, wastewater, and garbage fees shall be set to generate revenues required to cover operating expenditures, including depreciation, meet the legal requirements of applicable bond covenants, and provide for an adequate level of working capital. It is the policy of the City that the Water and Wastewater Fund, and other enterprise funds, not be subsidized by property tax revenue.

Intergovernmental Revenues/Grants/Special Revenues
Grant revenues and other special revenues shall be spent for the purpose(s) intended. The City shall review grant match requirements and include in the budget all grant revenues and expenditures.

Collection of Charges
The City will follow a policy of collecting, on a timely basis, all fees, charges, taxes and other revenues properly due to the City. The City will follow an aggressive policy of collecting all delinquencies due to the City.

Revenue Monitoring
Revenues actually received are to be regularly compared to budgeted revenues (at least monthly) with a formal report to City Council at least quarterly. If revenue estimates are down, the Director of Finance shall recommend to Council a corrective action to minimize the impact on the budget at the next available Council Meeting.

Expenditure Control Policy

Appropriations
The responsibility for budgetary control lies with the Department Head. Department Heads may not approve expenditures that exceed monies available at the departmental budget level excluding personnel and capital expenditures. Capital expenditures are approved by the City Council on a per project basis normally during the annual budget process. Personnel allocations may not be changed without the approval of Mayor.

Amendments to the Budget
In accordance with the City Charter, under Article 8.03 (Transfer of Appropriations) provides, with approval of the City Council, the Mayor may transfer any unencumbered appropriated balance within any office, department, or agency at any time. At the request of the Mayor, and within the last three months of the fiscal year, the Council may by resolution transfer any unencumbered appropriation balance or portion thereof from an office, department or agency, to another.

Central Control
Unspent funds in salary and capital allocation object codes may not be spent for any purpose other than their specifically intended purpose without prior authorization of Mayor.

City's Manager Authority to Amend the Budget
The Mayor is authorized to transfer budgeted amounts within and among departments; however any revisions that alter the total expenditures/expenses must be approved by the City Council.

Purchasing
All purchases shall be made in accordance with the Purchasing Policies approved by the City Council.

Prompt Payment
All invoices approved for payment by the proper City authorities shall be paid by the Finance Department within thirty (30) calendar days of receipt, in accordance with the provisions of state law. Proper procedures shall be established that enables the City to take advantage of all purchase discounts, except in the instance where payments can be reasonably and legally delayed in order to maximize the City's investable cash.

Long-Term Debt Policy

Revenue Bond Sinking Account
It shall be the policy of the City to always be in strict compliance with the requirements of the ordinance that created the Revenue Bond Sinking Account. Monthly payments are to be made to this account each year in accordance with the bond ordinance. The balance in the account must be adequate to cover semi-annual payments as they become due.

General Obligation Bond Debt Service Account
It shall be the policy of the City to always be in strict compliance with the requirements of the ordinance that created the General Obligation Bond Interest and Sinking Fund Account. Taxes, as applicable shall be distributed to this account monthly as received. Utility Revenues transferred to the Interest and Sinking fund Account shall occur, as needed prior to the semi-annual payment dates. The balance in the account must be adequate to cover semi-annual payments as they become due.

Capital Improvement Plan
The City will develop a multi-year plan to present to Council each year for approval. The City will provide a list of proposed capital improvements, funding recommendations, and prospective timing of projects. CIP projects shall be for infrastructure over $100,000 and facilities over $50,000. Any maintenance and operational cost shall be disclosed that could impact future operating budgets.

Debt Policy Guidelines

- The City will limit long-term debt to only those capital projects that cannot be financed from current revenues.
- The City will not use long-term debt to finance recurring maintenance and operating costs.
- The City will not issue long-term debt for a period longer than the estimated useful life of the capital project.

- Decisions will be made based on long term goals rather than a short- term fix.
- Debt Service Funds will be managed and invested according to all federal, state, and local laws
- Coverage Ratios of Revenue Bonds will always be in compliance with the minimum coverage ratio required by the revenue bond ordinances. It shall be the goal of the City to achieve a budgeted coverage ratio of 1.60.

Other Fund Use Information

Governmental Funds
Most government functions are financed through governmental funds. The acquisition, use, and balances of the City's expendable resources and related current liabilities are accounted for through governmental funds. Long-term liabilities and fixed assets are not accounted for through governmental funds.

Proprietary Funds
These funds listed below are used to account for the ongoing activities of the City that are similar to those found in the private sector. These funds are financed through user charges to recover costs of services provided. Proprietary funds use accrual accounting, which means revenues are recognized when they are earned by the City and expenses are recognized when they are incurred. Enterprise funds are considered proprietary funds and are used to account for operations for the City's Public Utility Fund and Airport Fund.

***Working Capital Position*-** the goal shall be to maintain a working capital position equal to 120 days of the operating budget and a policy to maintain a working capital position no less than 90 days of the operating budget. ~~In addition, the City budgets to cover depreciation expense, therefore the City shall designate a portion of the reserve for fixed asset replacement equal to one year's depreciation of all assets~~.

Public Utility Fund
It shall be the general policy of the City to commit a portion of the reserve to fixed asset replacement as it budgets for revenue to cover depreciation.

The City shall establish a project fund that will be funded by unanticipated revenues or revenue surpluses. This fund shall be used to fund unanticipated projects or to retire debt early.

Airport Fund
It will be the general policy of the City that the fees collected will be spent on maintenance of the facilities grounds, and other structures. The goal shall be to reduce the reliance of the general fund tax dollars for this purpose.

City Council
1901 5Th Street
Bay City, TX 77414

SCHEDULED

Meeting: 07/25/17 05:30 PM
Department: City Secretary
Category: Presentation
Prepared By: David Holubec
Initiator: David Holubec
Sponsors:
DOC ID: 2713

DISCUSSION ITEM (ID # 2713)

DISCUSS THE PROPOSED 2017 - 2018 FISCAL YEAR BUDGET AND FIVE-YEAR CAPITAL IMPROVEMENT PLAN.

COMMENTS - Current Meeting:

Finance Director, Scotty Jones outlined the Capital Improvement Plans for the next five (5) years. Big ticket items. Infrastructure. 5 year view of data.

Barry Calhoun, Shawn Blackburn and James Mason outlined their department's plans.

Council member's questions and concerns were addressed by the department heads.

Scotty concluded.

City Council
1901 5Th Street
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SCHEDULED

Meeting: 07/25/17 05:30 PM
Department: City Secretary
Category: Presentation
Prepared By: David Holubec
Initiator: David Holubec
Sponsors:
DOC ID: 2714

DISCUSSION ITEM (ID # 2714)

DISCUSS THE PROPOSED FEE / RATE ORDINANCE.

This is an ordinance that will contain all City fees and rates. Compiling them into one ordinance which will reference the ordinance the fees / rates affect.

COMMENTS - Current Meeting:

This is a proposed ordinance that will contain all of the City fees and rates. This is not final form. All fees will be moved to the new Fee ordinance.

ORDINANCE NO. ____________

AN ORDINANCE OF THE CITY OF BAY CITY, TEXAS, AMENDING THE CITY CODE OF ORDINANCES BY AMENDING CHAPTER 1 (GENERAL PROVISIONS) BY ADDING SECTION 1-17 (FEE SCHEDULE); PROVIDING FOR A CUMULATIVE & CONFLICTS CLAUSE, PROVIDING FOR A SEVERABILITY CLAUSE; PROVIDING FOR AN EFFECTIVE DATE; AND DIRECTING THE CITY SECRETARY TO PUBLISH THE CAPTION IN ACCORDANCE WITH THE CITY CHARTER.

WHEREAS, Section 2.02 of the City of Bay City (City) City Charter permits the City to enact and enforce ordinances, not inconsistent with the Charter and State law, upon any subject expedient for the life; general welfare; health, morals; comfort; safety; amusement; quiet; prosperity; and convenience of the City, its inhabitants, and property; and permits the assessment of penalties for the violations of any ordinance;

WHEREAS, the rates and fees charged by the City are scattered throughout the Code of Ordinances; and

WHEREAS, City Council desires to locate all of the City's rates and fees in a central location to assist residents of the City in locating rates and fees and facilitate City staff in the management, collection, and enforcement of the City's rates and fees; and

WHEREAS, City Council hereby creates Section 1-17 for the location of the City's rates and fees.

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

Section one. The foregoing recitals are hereby found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes and findings of fact.

Section two. Section 1-17 of the Code Ordinances is added as follows:

Section 1-17. – Fee Schedule

FEES, RATES AND CHARGES ***Color Codes:*** ***=NEW*** ***=REMOVE***

Section/Chapter Number	Subject	Fee Amount
Chapter 2 - Administration		

2-53(c)	Fine for disrupting council meetings	$25 to $100 per offense
2-216	Request for records fee	$0.10 per page (Standard size) $0.15 per page (Legal Size)
2-268	Variance filing fee	$25 (Proposed $50)
Chapter 10 – Amusements and Entertainments		
Sexually oriented business permit		
10-39(a)	Application fee	$500
10-39(b)	Renewal – adult service provider permit	$100
10-39(c)	Renewal – business manager permit	$150
10-39(d)	Duplicate / copy – license, permit, identification card	$10
10-39(e)	Fingerprinting	$25
14-	Animal impound	$25 first day, $10 each additional day
14-44	Animal Quarantine – Rabies	$30 Processing fee $15 per day

Chapter 18 – Aviation		
18-6(a)	Aerial Advertising – city limits permit	$15 per flight
18-6(a)	Aerial Advertising – city limits, 7 day permit	$25
18-135	Fuel Flowage Fee	$0.15 per gallon
18-134	Daily Tie Down Fees	
	Single Engine	$10.00
	Twin Engine	$20.00
	Turbo/Jet Engine	$30.00
	First calendar day free WITH fuel purchase. Tie down fees are calculated on the calendar day. (Example: "Calendar Day" 1 minute to 24 hours equals 1 calendar day.)	
18-134	Monthly Tie Down Fees	
	Single Engine	$100.00
	Twin Engine	$200.00
	Turbo/Jet Engine	$300.00

	No discount offered with purchase of fuel. Tie down fees are calculated on the calendar day.	
Chapter 18	Main Hangar Daily Fees	
Chapter 18	Single Engine	$25.00
Chapter 18	Twin Engine	$50.00
Chapter 18	Turbo/Jet Engine	$100.00
	No discount offered with purchase of fuel. Fees are calculated on calendar day.	
Chapter 18	T Hangar Monthly Fee	$175.00 per month with a $175.00 Deposit
Chapter 18	End-Cap Monthly Fee	$55.00 per month
Chapter 18	Main Hangar Monthly Fees	
Chapter 18	Single Engine	$225.00
Chapter 18	Twin Engine	$300.00
Chapter 18	Turbo Prop	$350.00
Chapter 18	Jet Engine	$450.00
	A deposit equal to one month rent is required.	

Chapter 18	Ramp Fees	
Chapter 18	Single Engine	$10.00
Chapter 18	Twin Engine	$20.00
Chapter 18	Turbo/Jet Engine	$30.00
Chapter 18	Customers using our ramp to drop off or pick up passengers and purchasing aviation fuel are not charged a ramp use fee. All others will be charged a ramp fee on the calendar day.	
Chapter 18	Courtesy Vehicle	
Chapter 18	The vehicle may be used for a period of two (2) hours by fly-in visitors purchasing aviation fuel at no charge. After two (2) hours, the fly-in visitor will be charged $15.00 per additional hour.	
Chapter 18	The vehicle may be used by fly-in visitors NOT purchasing aviation fuel for a charge of $20.00 per hour and the driver is required to replace the fuel used in the vehicle. A surcharge of $20.00 will be charged, regardless of how much fuel was used in the vehicle, if the vehicle is returned without the fuel being replaced.	
Chapter 18	The overnight use of the vehicle may be approved at the cost of a flat rate fee of $100.00 (after 5pm until 8am). The charges as stated above will then apply between the hours of 8am to 5pm.	

Chapter 18	After Hour's Services	
Chapter 18	Customers requesting services or assistance after hours, will be charged $55.00 per hour with a two (2) hour minimum.	
Chapter 22 – Building and Building Regulations		
22-50	Plan Review Fee	50% of the building permit fee
22-50	Building Permit Fees	
	Valuation: $1,000 or less	$20.00
	Valuation: $1,001 to $50,000	$20.00 for the first $1,000.00 + $5.50 for each additional $1,000.00 fraction thereof
	Valuation: $50,001 to $100,000	$289.50 for the first $50,000.00 + $4.50 for each additional $1,000.00 fraction thereof
	Valuation: $100,001 to $500,000	$514.50 for the first $100,000.00 + $3.50 for each additional $1,000.00 fraction thereof

	Valuation: $500,001 and up	$1,914.50 for the first $500,000.00 + $2.50 for each additional $1,000.00 fraction thereof
22-50	Demolition Permit	$50.00
22-50	Re-inspection Fee	$25.00
22-50	After-hours inspection Fee	$25.00
22-50	Flood Zone Confirmation	$25.00
22-50	Permit Renewal/Extension prior to expiration	50% of original permit fee
22-50	Permit Renewal after Expiration	100% of original permit fee
22-50	Work prior to issuance of permit	200% of original permit fee
22-50	New Construction Certificate of Occupancy	No Charge
22-50	Certificate of Occupancy/Change in Ownership	$20.00
22-50	Certificate of Occupancy/Change in Name	$20.00

22-50	Temporary Certificate of Occupancy (TCO)	$100.00
22-50	Copy of Certificate of Occupancy	No Charge
22-50	Certificate of Occupancy/Tenant Space (no work)	$20.00
22-50	Life Safety Inspection (foster homes, etc.)	$20.00
22-50	Storage of Impounded Sign	$25.00 per sign
22-163	Electrical Base Permit Fee	$20.00
22-163	Meter Loop and Service (each 200 amp)	$15.00
22-163	Temporary Cut-In	$10.00
22-163	Signs at 20 amp	$15.00
22-163	X-Ray Machines	$10.00
22-163	Appliances / 220 volts	$2.50
22-163	Motors: up to 5 HP	$5.00
22-163	Motors: 6-50 HP	$8.00
22-163	Motors: 51-150 HP	$10.00

22-163	Motors: 151 HP and up	$15.00
22-163	0-5 KW, per KW	$1.00
22-163	Over 5 KW, per KW	$0.50
22-163	Light Fixtures, outlets and switches	$0.40
22-163	Subpanels	$15.00
22-163	Transformers	$15.00
22-297	Plumbing Base Permit Fee	$20.00
22-297	Water Piping	$5.00
22-297	Sewer Line	$5.00
22-297	Water Closets	$2.50
22-297	Lavatories	$2.50
22-297	Tubs	$2.50
22-297	Showers	$2.50
22-297	Disposal	$2.50
22-297	Dishwasher	$2.50

22-297	Urinal/Toilet	$2.50
22-297	Drinking Fountain	$2.50
22-297	Sinks	$2.50
22-297	Washing Machine	$2.50
22-297	Water Heater	$2.50
22-297	Floor Drain	$2.50
22-297	A/C Drain	$2.50
22-297	Grease/Lint Trap	$20.00
22-297	Ice Maker	$2.50
22-297	Backflow Device Test	$15.00
22-297	Miscellaneous	$2.50
22-297	Gas Piping: 1-4 openings	$5.00
22-297	Gas Piping: each opening over 4	$2.50
22-297	Gas Repair an Gas Test	$5.00
22-297	Gas Clearance (when required by utility company)	$20.00

22-297	Customer Service Inspection (Pre-connection)	$20.00
22-383	Mechanical Base Permit Fee	$20.00
22-383	New System or System Repair	
	$1.00 - $1,000	$5.00
	Each additional $1,000.00 or fraction thereof	$2.50
22-465	Moving Permit (Building or structure)	$50.00
22-502	House Moving License	$100.00
Chapter 26 – Business		
26-33 (d)	Mobile Food Establishment Fee	$100.00 per year
26-56 (a)	Massage License Application Fee	$300.00 per year
26-57	Massage Business permit	$200.00 per year
26-61	Multiple massage establishments license fee	$100.00
Chapter 42 – Fire Prevention and Protection		

42-77	Sprinkler Systems (Valuation based on construction valuation for project)	
Valuation: Up to $250,000	Plan Review Services: $525.00	Inspection Services: $787.50
Valuation: $250,001 to $500,000	Plan Review Services: $892.50	Inspection Services: $1,102.50
Valuation:$500,001 to $1,000,000	Plan Review Services: $1,155.00	Inspection Services: $1,417.50
Valuation: $1,000,001 to $3,000,000	Plan Review Services: $1,680.00	Inspection Services: $1,995.00
Valuation: $3,000,001 to $6,000,000	Plan Review Services: $2,520.00	Inspection Services: $2,992.00
Valuation: $6,000,001 and up	$2,520.00 + $0.25 for each additional $1,000.00	$2,992.50 + $0.25 for each additional $1,000.00
42-77	Fire Alarm Systems (Valuation based on construction valuation for project)	
Valuation: Up to $250,000	Plan Review Services: $525.00	Inspection Services: $787.50
Valuation: $250,001 to $500,000	Plan Review Services: $892.50	Inspection Services: $1,102.50
Valuation:$500,001 to $1,000,000	Plan Review Services: $1,155.00	Inspection Services: $1,417.50
Valuation: $1,000,001 to $3,000,000	Plan Review Services: $1,680.00	Inspection Services: $1,995.00

Valuation: $3,000,001 to $6,000,000	Plan Review Services: $2,520.00	Inspection Services: $2,992.00
Valuation: $6,000,001 and up	$2,520.00 + $0.25 for each additional $1,000.00	$2,992.50 + $0.25 for each additional $1,000.00
42-77	Annual Fire Inspection	$157.50
42-77	Fire Certificate of Occupancy Inspection	$157.50 per hour, per location
42-77	Fire Re-inspection	$157.50
42-81(1)	Additional inspections	$157.50 per location
42-81(2)	Fire certificate of occupancy	$157.50
Chapter 58 – Municipal Court		
58-48	Special expense for issuance and service of arrest warrant	$25.00 (change to $50.00)
58-49 (Remove totally)	Special expense for driving safety course	$10.00 (not to exceed)
58-50 (Remove totally)	Special expense for teen court program	$20.00 (not to exceed)
58-51	Special expense for delinquent fines	Fee shall be the lesser of 20% of the amount

		of the fine or $50.00.
58-76(a)	Misdemeanor offense court fee (Building Security Fund)	$3.00 per offense
58-96(1)	Juvenile case manager fee	$5.00 (not to exceed)
58-122(a)	Municipal Court Technology Fee	$4.00
58-	Consolidated Court Coast	$40.00
58-	Judicial Fee - City	$0.60
58-	Judicial Fee - County	$5.40
58-	Indigent Defense Fee	$2.00
58-	State Jury Fee	$4.00
58-	Juvenile Case Management	$5.00
58-	Arrest Fee	$5.00
58-	Truancy Prevention Fund – City	$1.00
58-	Truancy Prevention Fund – State	$1.00
Chapter 62 – Natural Resources		

62-56(3i)	Application permit to drill fee	$1,500.00
62-61(a)	Permit for seismic surveys	$200.00
Chapter 66 – Offenses		
66-4(f)	Loitering fine	Not less than $1.00 and not more than $200.00
66-64(b)	Curfew Penalty fines	Not less than $50.00 nor more than $500.00.
66-179(c)	Protesting Funerals Penalty Fine	$not to exceed $500.00
Chapter 74 – Peddlers and Solicitors		
74-39(a)	License Permit fee	$50.00 + $5.00 administrative fee
	License permit fee – 12 month	$70.00 + $5.00 administrative fee
Chapter 82 – Police		
82-2	Copies of records fee	$6.00 per document for certified copies
Chapter 86 – Secondhand Goods		

86-20(b)	Junkyard license fee	$20.00
86-20(b)	Inspection renewal fee	$10.00
Chapter 94 – Streets, Sidewalks and Other Public Places		
94-204	Street Closure Application Fee	$25.00
94-229(c)	Street Name Application Fee	$100.00
Chapter 98 – Subdivisions	Plating Fees	
98-42(b)	Land plan fee	$200.00
98-42(c)	Construction plan review	$200.00 for sites less than one acre $300.00 for sites one – five acres $500.00 for sites greater than five acres
98-42(d)	Preliminary plat fees	$200.00 for sites less than one acre $350.00 for sites one – five acres $500.00 for sites greater than five acres
98-42(e)	Final plat fees	$300.00 + $5.00 per lot
98-42(f)	Development plat fee	$$300.00 + $10.00 per

		acre
98-42(g)	Minor plat/re-plat	$150.00 + $5.00 per lot
98-42(h)	Amended plat	$100.00 per plat
98-42(j)	Alley/Easement abandonment fee	$100.00 per application
98-42(k)	Mobile Home park plats	$300.00 + $5.00 per lot/stand
Chapter 99 – Downtown Bay City Land Development Code		
99-9	Penalty Fine	$2,000.00
Chapter 102 – Taxation		
102-70(a)	Hotel – Motel Occupancy Tax Rate	$2.00 or more per day
Chapter 106 – Telecommunications		
106-80	Penalty Fee	$500.00 per day
110 – Traffic and Vehicles	Penalty Fee	$not to exceed $500.00
110-175	Impoundment of Vehicle	Not less than $4.00 per day
110-185	Disabled parking zone penalty fine	Up to $500.00 per day

Chapter 114 – Utilities	Penalty Fee	Not more than $2,000.00
114-	Return Check Fee	$25.00
114-22	Water & Sewer Deposits	
	Residential Customers Single-Family resident	$150.00
	Small Business Commercial property with a 3.4 inch water or 4 inch sewer connection, or both	$200.00
	Large Business Commercial property with a water connection 1 inch or greater or sewer connection 6 inch or greater, or both	$250.00
	Multi Unit Multi units connected to one water meter	$150.00 per unit
	Commercial accounts Washaterias, carwashes, and other high volume users	Two months' historical or estimated usage at the discretion of the director of public works or designee
114-22(4a1)	Reconnection Fee Upon disconnection at curb stop	$50.00
114-22(4a2)	Reconnection Fee Upon meter removal	$100.00

114-22(4a3)	Reconnection Fee Upon locking meter	$100.00
114-22(4b)	Required deposits	$50.00 (not to exceed $300.00)
114-26	Late payment Fee	10% of balance , or $10.00, (whichever is greater)
114-27	Utility Rates	Below

WATER										
Residential										
Meter size (by inch)	**0.6250**	**0.7500**	**1.0000**	**1.5000**	**2.0000**	**3.0000**	**4.0000**	**6.0000**	**8.0000**	**10.0000**
Base Monthly Bill	$19.66	$19.66	$19.66	$19.66	$19.66	$19.66	$19.66	$19.66	$19.66	$19.66
Volumetric Rate										
1 - 1,000 Gallons										
1,001- 2,000 Gallons										
2,001 - 5,000 Gallons	$1.83	$1.83	$1.83	$1.83	$1.83	$1.83	$1.83	$1.83	$1.83	$1.83
5,001 - 10,000 Gallons	$2.30	$2.30	$2.30	$2.30	$2.30	$2.30	$2.30	$2.30	$2.30	$2.30
Over 10,000 Gallons	$2.76	$2.76	$2.76	$2.76	$2.76	$2.76	$2.76	$2.76	$2.76	$2.76
Non - Residential (Commercial)										
Meter size (by inch)	**0.6250**	**0.7500**	**1.0000**	**1.5000**	**2.0000**	**3.0000**	**4.0000**	**6.0000**	**8.0000**	**10.0000**
Base Monthly Bill	$19.66	$19.66	$24.58	$49.14	$78.62	$147.42	$245.70	$491.40	$786.24	$1,130.22
Volumetric Rate										
1 - 1,000 Gallons	$2.30	$2.30	$2.30	$2.30	$2.30	$2.30	$2.30	$2.30	$2.30	$2.30
1,001- 2,000 Gallons	$2.30	$2.30	$2.30	$2.30	$2.30	$2.30	$2.30	$2.30	$2.30	$2.30
2,001 - 5,000 Gallons	$2.30	$2.30	$2.30	$2.30	$2.30	$2.30	$2.30	$2.30	$2.30	$2.30
5,001 - 10,000 Gallons	$2.30	$2.30	$2.30	$2.30	$2.30	$2.30	$2.30	$2.30	$2.30	$2.30
Over 10,000 Gallons	$2.30	$2.30	$2.30	$2.30	$2.30	$2.30	$2.30	$2.30	$2.30	$2.30
Industrial										
Meter size (by inch)	**0.6250**	**0.7500**	**1.0000**	**1.5000**	**2.0000**	**3.0000**	**4.0000**	**6.0000**	**8.0000**	**10.0000**

Base Monthly Bill	$19.66	$19.66	$24.58	$49.14	$78.62	$147.42	$245.70	$491.40	$786.24	$1,130.22
Volumetric Rate										
0 - 900,000 Gallons	$4.08	$4.08	$4.08	$4.08	$4.08	$4.08	$4.08	$4.08	$4.08	$4.08
900,001 to 4,500,000 Gallons	$3.67	$3.67	$3.67	$3.67	$3.67	$3.67	$3.67	$3.67	$4.08	$3.67
Over 4,500,000 Gallons	$3.26	$3.26	$3.26	$3.26	$3.26	$3.26	$3.26	$3.26	$4.08	$3.26
SEWER										
RESIDENTIAL										
Meter size (by inch)	**0.6250**	**0.7500**	**1.0000**	**1.5000**	**2.0000**	**3.0000**	**4.0000**	**6.0000**	**8.0000**	**10.0000**
Base Monthly Bill	$18.02	$18.02	$18.02	$18.02	$18.02	$18.02	$18.02	$18.02	$18.02	$18.02
Volumetric Rate										
1 - 1,000 Gallons										
1,001- 2,000 Gallons										
2,001 - 5,000 Gallons	$4.45	$4.45	$4.45	$4.45	$4.45	$4.45	$4.45	$4.45	$4.45	$4.45
5,001 - 10,000 Gallons	$4.45	$4.45	$4.45	$4.45	$4.45	$4.45	$4.45	$4.45	$4.45	$4.45
Over 10,000 Gallons	$4.45	$4.45	$4.45	$4.45	$4.45	$4.45	$4.45	$4.45	$4.45	$4.45
Non-Residential (Commercial)										
Meter size (by inch)	**0.6250**	**0.7500**	**1.0000**	**1.5000**	**2.0000**	**3.0000**	**4.0000**	**6.0000**	**8.0000**	**10.0000**
Base Monthly Bill	$18.02	$18.02	$22.53	$45.04	$72.07	$135.14	$225.22	$450.46	$720.72	$1,036.04

Volumetric Rate										
1 - 1,000 Gallons	$4.45	$4.45	$4.45	$4.45	$4.45	$4.45	$4.45	$4.45	$4.45	$4.45
1,001- 2,000 Gallons	$4.45	$4.45	$4.45	$4.45	$4.45	$4.45	$4.45	$4.45	$4.45	$4.45
2,001 - 5,000 Gallons	$4.45	$4.45	$4.45	$4.45	$4.45	$4.45	$4.45	$4.45	$4.45	$4.45
5,001 - 10,000 Gallons	$4.45	$4.45	$4.45	$4.45	$4.45	$4.45	$4.45	$4.45	$4.45	$4.45
Over 10,000 Gallons	$4.45	$4.45	$4.45	$4.45	$4.45	$4.45	$4.45	$4.45	$4.45	$4.45
Industrial										
Meter size (by inch)	**0.6250**	**0.7500**	**1.0000**	**1.5000**	**2.0000**	**3.0000**	**4.0000**	**6.0000**	**8.0000**	**10.0000**
Base Monthly Bill	$18.02	$18.02	$22.53	$45.04	$72.07	$135.14	$225.22	$450.46	$720.72	$1,036.04
Volumetric Rate										
0 - 900,000 Gallons	$4.08	$4.08	$4.08	$4.08	$4.08	$4.08	$4.08	$4.08	$4.08	$4.08
900,001 to 4,500,000 Gallons	$3.67	$3.67	$3.67	$3.67	$3.67	$3.67	$3.67	$3.67	$3.67	$3.67
Over 4,500,000 Gallons	$3.26	$3.26	$3.26	$3.26	$3.26	$3.26	$3.26	$3.26	$3.26	$3.26

Chapter 118 – Vehicles for Hire		
118-61(a)	Taxi Application Permit Fee	$25.00
118-61(b)	Administrative Fee	$5.00
118-61(c)	Taxi Franchise Fee	$100.00 + $25.00 per taxicab per year
118-63(b)	Taxi rates and fees	

118-63(b1)	Initial pickup	$2.50
118-63(b2)	Each additional 1/12 mile	$0.20
118-63(b3)	Each additional passenger	$0.00
118-63(b4)	First piece free, each additional piece	$0.00
118-63(b5)	Standby or waiting per ¼ hour	$7.00
118-95	State Class C License Annual permit Fee	$20.00 per driver

The fees in this Section 1-17 are as if fees for the services and items described herein were originally authorized in the chapters or sections of the Code described herein.

If there is a conflict between this Section 1-17 and another section of this Code, this Section 1-17 controls.

Section three. Cumulative and Conflicts. This Ordinance shall be cumulative of all provisions of ordinances of the City of Bay City, Texas, except where the provisions of the Ordinance are in direct conflict with the provisions of such ordinances, in which event the conflicting provisions of such ordinances are hereby repealed. Any and all previous versions of this Ordinance to the extent that they are in conflict herewith are repealed.

Section four. Severability. It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs, and sections of this Ordinance are severable, and if any phrase, clause sentence, paragraph or section of this Ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Ordinance, since the same would have been enacted by the City Council without the incorporation in this Ordinance of any such unconstitutional phrase, clause, sentence, paragraph, or section.

Section five. Directive to City Secretary. The City Secretary is hereby authorized and directed to provide all documents and public notices required by state law and the City Charter to effect this Ordinance.

Section six. Effective Date. This Ordinance shall become effective upon its adoption by the City Council and publication of the caption hereof in accordance with Section 5.01(i) of the City Charter.

PASSED AND ASPPROVED on this the ___ day of _______________ 2017.

____
Mark A. Bricker, Mayor
City of Bay City, Texas

ATTEST:

____
David Holubec, City Secretary
City of Bay City, Texas

APPROVED AS TO FORM:

____
M. Shannon Kackley, Asst. City Attorney
DENTON NAVARRO ROCHA BERNAL HYDE & ZECH, PC