



BAY CITY

MINUTES • JANUARY 25, 2018

Council Chambers

Regular Meeting

7:00 PM

**1901 5TH STREET
BAY CITY, TX 77414**

1. CALL TO ORDER

2. INVOCATION & PLEDGE OF ALLEGIANCE - COUNCILWOMAN, JULIE ESTLINBAUM

Texas State Flag Pledge:

"Honor The Texas Flag; I Pledge Allegiance To Thee, Texas, One State Under God, One And Indivisible."

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	

3. CERTIFICATION OF QUORUM

4. APPROVAL OF AGENDA

Bill/Jaason

5. PUBLIC COMMENTS

State Law prohibits any deliberation of or decisions regarding items presented in public comments. City Council may only make a statement of specific factual information given in response to the inquiry; recite an existing policy; or request staff places the item on an agenda for a subsequent meeting.

State Law prohibits any deliberation of or decisions regarding items presented in public comments. City Council may only make a statement of specific factual information given in response to the inquiry; recite an existing policy; or request staff places the item on an agenda for a subsequent meeting.

None

6. CONSENT AGENDA ITEMS FOR CONSIDERATION AND/OR APPROVAL

The following items may be acted upon in a single motion. No separate discussion or action on any of these items will be held unless requested by a member of the City Council. Public comment on consent agenda items may be heard without removing the item from the consent agenda. Each person providing public comment will be limited to 3 minutes.

1. Budget

~ ACCOUNTS PAYABLE FOR OCTOBER 4, 13, 19, 20, 26, 2017; NOVEMBER 3, 9, 17, 2017; DECEMBER 1, 8, 15, 21, 2017; AND UTILITY REFUNDS FOR OCTOBER 16, 27, 2017; NOVEMBER 9, 2017 AND DECEMBER 12, 2017.

Finance Director, Scotty Jones

Council members approved the accounts payable unanimously by motion. The motion was made by Councilman, Jason Childers, and seconded by Councilwoman Julie Estlinbaum.

RESULT:	APPROVED [UNANIMOUS]
AYES:	Sitz, Childers, Folse, Cornman, Estlinbaum

Enacted and approved this 25th day of January, 2018, at Bay City

7. REGULAR ITEMS FOR DISCUSSION, CONSIDERATION AND/OR APPROVAL

1. Report

~ RECEIVE AND DISCUSS QUARTERLY UPDATE ON CITY OF BAY CITY HEALTH INSURANCE PLAN.

Rhonda Clegg, Human Resources Director and Julian Fontana, IPS Advisors
Human Resources Director, Rhonda Clegg, and IPS advisor, Julian Fontana presented Council members with an update on health insurance benefits for City employees.

2. Report

~ DISCUSS, CONSIDER, AND/OR APPROVE THE CITY'S QUARTERLY FINANCIAL AND INVESTMENT REPORT FOR THE QUARTER ENDING DECEMBER 31, 2017.

Scotty Jones, Director of Finance

Finance Director, Scotty Jones presented the quarterly financial report. The report was accepted unanimously by motion. Councilman, Bill Cornman made the motion and it was seconded by Councilman, Jason Childers.

RESULT:	APPROVED [UNANIMOUS]
AYES:	Sitz, Childers, Folse, Cornman, Estlinbaum

Enacted and approved this 25th day of January, 2018, at Bay City

3. Budget

~ DISCUSS, CONSIDER, AND/OR APPROVE AN ORDINANCE ADOPTING BUDGET AMENDMENTS FOR THE QUARTER ENDING DECEMBER 31, 2017.

Scotty Jones, Director of Finance

Finance Director, Scotty Jones presented the budget amendment information to Council members. The budget amendment was unanimously approved by motion. The motion was made by Councilwoman, Julie Estlinbaum, and seconded by Councilwoman, Becca Sitz.

4. Agreement

~ DISCUSS, CONSIDER, AND/OR APPROVE AWARDED A DEPOSITORY CONTRACT WITH PROSPERITY BANK FOR THE CITY OF BAY CITY AND AUTHORIZE THE MAYOR TO EXECUTE A DEPOSITORY CONTRACT IN A FORM APPROVED BY THE CITY ATTORNEY.

Finance Director, Scotty Jones

Finance Director, Scotty Jones, presented the agreement with Prosperity Bank to Council members. The agreement was unanimously approved by motion. The motion was made by Councilman, Jason Childers, and seconded by Councilwoman, Julie Estlinbaum.

5. Presentation

~ STAFF REPORT - RECEIVE AND DISCUSS THE BAY CITY PUBLIC LIBRARY STATUS REPORT.

Library Director, Samantha Denbow

Library Director, Samantha Denbow, gave a status report on the Bay City Public Library activities.

6. Resolution

~ (SECOND READING) A RESOLUTION OF THE CITY COUNCIL OF BAY CITY, TEXAS AUTHORIZING THE BAY CITY COMMUNITY DEVELOPMENT CORPORATION TO PURCHASE LAND FOR ONE HUNDRED THOUSAND DOLLARS (\$100,000.00) LOCATED ON STATE HIGHWAY 60 AND FIFTH STREET, BAY CITY, TEXAS.

Mayor, Mark A. Bricker

A resolution of the City of Bay City, Texas, authorizing the Bay City Community Development Corporation to purchase land for one hundred (\$100,000.00) was read for the second occasion.

7. Grant

~ DISCUSS, CONSIDER, AND/OR APPROVE SUBMITTING A GRANT APPLICATION TO THE NATIONAL ENDOWMENT FOR THE HUMANITIES FOR THE RENOVATION OF THE TEXAS THEATER PROJECT, PHASE 1 (ONE).

Councilman, Bill Cornman

Councilman, Bill Cornman, discussed the NEHGP grant application that is being reviewed for the Texas Theater Project.

8. EXECUTIVE SESSION

1. Litigation

~ PURSUANT TO SEC. 551.071 OF THE TEXAS GOVERNMENT CODE (CONSULTATION WITH ATTORNEY) CITY COUNCIL SHALL CONVENE IN EXECUTIVE SESSION TO RECEIVE LEGAL ADVICE FROM THE CITY ATTORNEY REGARDING PENDING LITIGATION: CITY OF BAY CITY, TEXAS V. CP LIVING 23 (TEXAS) LP, CP LIVING (TX) LLC, AND CP 23 (TX).

Mayor, Mark A. Bricker

Council members went into closed session to discuss litigation with CP Living.

9. OPEN SESSION

No action.

A. Agenda Items

1. Litigation

~ CITY COUNCIL MEMBERS SHALL RECONVENE IN OPEN SESSION AND MAY DISCUSS, CONSIDER, AND/OR TAKE ACTION ON ANY ITEM LISTED ABOVE THAT WAS CONSIDERED AND DISCUSSED IN EXECUTIVE SESSION (IF NECESSARY).

Mayor, Mark A. Bricker
No action.

10.ITEMS / COMMENTS & MAYOR AND COUNCIL MEMBERS

None

11.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 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 Regular Called Council Meeting was posted on the front window of the City Hall of the City of Bay City, Texas on Monday, January 22, 2018 before 5:00 p.m. Any questions concerning the above items, please contact Mayor Mark A. Bricker at (979) 245-2137.

David Holubec
City Secretary



City Council
1901 5Th Street
Bay City, TX 77414

ADOPTED

AGENDA ITEM (ID # 2978)

Meeting: 01/25/18 07:00 PM
Department: City Secretary
Category: Budget
Prepared By: David Holubec
Initiator: David Holubec
Sponsors:
DOC ID: 2978

~ ACCOUNTS PAYABLE FOR OCTOBER 4, 13, 19, 20, 26, 2017; NOVEMBER 3, 9, 17, 2017; DECEMBER 1, 8, 15, 21, 2017; AND UTILITY REFUNDS FOR OCTOBER 16, 27, 2017; NOVEMBER 9, 2017 AND DECEMBER 12, 2017.

COMMENTS - Current Meeting:

Council members approved the accounts payable unanimously by motion. The motion was made by Councilman, Jason Childers, and seconded by Councilwoman Julie Estlinbaum.

RESULT:	APPROVED [UNANIMOUS]
AYES:	Sitz, Childers, Folse, Cornman, Estlinbaum

AGENDA ITEM REQUEST FOR CITY COUNCIL APPROVAL

THE FOLLOWING ACCOUNTS PAYABLE ITEMS HAVE BEEN APPROVED BY THE FINANCE COMMITTEE. PLEASE PLACE THESE ITEMS ON THE AGENDA OF THE NEXT SCHEDULED CITY COUNCIL MEETING AND REQUEST APPROVAL BY CITY COUNCIL.

ACCOUNTS PAYABLE	10/04/17
ACCOUNTS PAYABLE	10/13/17
ACCOUNTS PAYABLE	10/19/17
ACCOUNTS PAYABLE	10/20/17
ACCOUNTS PAYABLE	10/26/17
ACCOUNTS PAYABLE	11/03/17
ACCOUNTS PAYABLE	11/09/17
ACCOUNTS PAYABLE	11/17/17
ACCOUNTS PAYABLE	12/01/17
ACCOUNTS PAYABLE	12/08/17
ACCOUNTS PAYABLE	12/15/17
ACCOUNTS PAYABLE	12/21/17

UTILITY REFUNDS	10/16/17
UTILITY REFUNDS	10/27/17
UTILITY REFUNDS	11/09/17
UTILITY REFUNDS	12/12/17

RESPECTFULLY SUBMITTED


SCOTTY JONES
FINANCE DIRECTOR

Attachment: Accounts Payable (2978 : Accounts Payable)

JANUARY ,08,2018
DATE

DATE _____

Attachment: Accounts Payable (2978 : Accounts Payable)



City Council
1901 5Th Street
Bay City, TX 77414

SCHEDULED

Meeting: 01/25/18 07:00 PM
Department: Human Resources
Category: Report
Prepared By: Rhonda Clegg
Initiator: Rhonda Clegg
Sponsors:
DOC ID: 2937

DISCUSSION ITEM (ID # 2937)

**~ RECEIVE AND DISCUSS QUARTERLY UPDATE ON CITY
OF BAY CITY HEALTH INSURANCE PLAN.**

COMMENTS - Current Meeting:

Human Resources Director, Rhonda Clegg, and IPS advisor, Julian Fontana presented Council members with an update on health insurance benefits for City employees.



City Council
1901 5Th Street
Bay City, TX 77414

ADOPTED

AGENDA ITEM (ID # 2980)

Meeting: 01/25/18 07:00 PM
Department: Finance
Category: Report
Prepared By: Scotty Jones
Initiator: Scotty Jones
Sponsors:
DOC ID: 2980

~ DISCUSS, CONSIDER, AND/OR APPROVE THE CITY'S QUARTERLY FINANCIAL AND INVESTMENT REPORT FOR THE QUARTER ENDING DECEMBER 31, 2017.

BACKGROUND:

Quarterly financial reports provide the most accurate reflection of the quarter activity for each major fund. Reports are provided to City Council via email with a formal presentation at the next available Council meeting. In addition, the Finance Committee meets quarterly to review the Investment Report in detail. This time also serves as an opportunity to discuss the City's finances. In the event that financial decisions or budgetary amendments need attention prior to this date-the Finance Director shall request a Special Called Meeting. All reports are posted to the City's website along with other financial information.

FINANCIAL IMPLICATIONS:

Timely financial data provides City Council time to make informed decisions to prevent any negative financial implications.

IMPACT ON COMMUNITY SUSTAINABILITY:

The report provides financial information to the public, i.e., costs of services, revenue sources, and capital project information.

RECOMMENDATION: Staff recommends City Council approve the Quarterly Financial & Investment Report.

ATTACHMENTS: Quarterly Financial Report (Quarter Ending December 31, 2017)

COMMENTS - Current Meeting:

Finance Director, Scotty Jones presented the quarterly financial report. The report was accepted unanimously by motion. Councilman, Bill Cornman made the motion and it was seconded by Councilman, Jason Childers.

RESULT:	APPROVED [UNANIMOUS]
AYES:	Sitz, Childers, Folse, Cornman, Estlinbaum



CITY OF BAY CITY

FY 2018 1st Quarter Financial Report

As of December 31, 2017

The City of Bay City Finance Department is dedicated to excellence in local government, comprehensive fiscal management, compliance and reporting. The Monthly Report is used to provide our internal and external customers financial reporting with easy to read narratives regarding the City's financial position.

This report represents a general overview of financial operations through **December 2017**, the third month, and **25.00%** of FY 2018.

1. The **Financial Summaries** provide comparative data for revenues and expenditures by fund. Data shows current monthly and year to date information as is relates to budget. Beginning fund balances are estimates until the final audit is complete.
 - The **General Fund** is the general operating fund of the City. It is used to account for all financial resources except those accounted for in other specific funds. This fund includes all general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund. General operating expenditures, fixed charges and capital improvement costs not paid through other funds are paid from this fund.
 - The **Public Utility Fund** accounts for the operations costs to provide water and sewer services to the citizens of Bay City.
 - The **Airport Fund** is used to account for the operations of the Airport, and to account for the rent generated from its T-hangers and fuel sold.
 - The **Hotel/Motel Occupancy Tax Fund** was established to directly enhance and promote tourism and the convention and hotel industry or other expenses as approved by State Law.
2. The **Investment Report** provides a description of investment activity during the quarter.

This report does not include all funds related to the City of Bay City's Operations—please refer to the City's Comprehensive Annual Financial Report & the City's Annual Budget available on the City's website (www.cityofbaycity.org).

Go to the Finance Department's Web Page for all financial transparency information. This includes audits, budgets, quarterly reports, and check registers

General Fund Overview

Revenue Highlights

Revenues total \$3,436,056 or 23.7% of the budget.

- Property Tax. The certified value totaled \$811 million. Through December, the City received \$1,034,709 of the 4.2-million-dollar property tax maintenance and operation budget. Most property taxes will be received by Jan 2018.
- Sales tax. First Quarter Sales Tax Allocation to the City is up 1.66% (\$22,926) as compared to prior year.
- Franchise fees are in line with budget. Licenses & Permits appear to far exceed the budget target, however this additional revenue will be offset by a third-party inspection contracted by the City.
- Charges for services represents sanitation fees - \$581,296 (25% of budget).
- Other Revenue holds a budget of 540,000. The City will issue a tax note to fund capital improvements in the General Fund (Police Roof and Library Roof).

General Fund Expenditure Highlights

Expenditures total 2,951,503 or 20.3% of budget.

- Most departments are under the 25% budget target. Budgets that are over the budget target are primarily due to timing of payments.
 - City Secretary exceeding budget target due to timing of expenditures.
 - Main Street budget is exceeding budget target due to unanticipated payment for downtown lighting (Amendment needed)

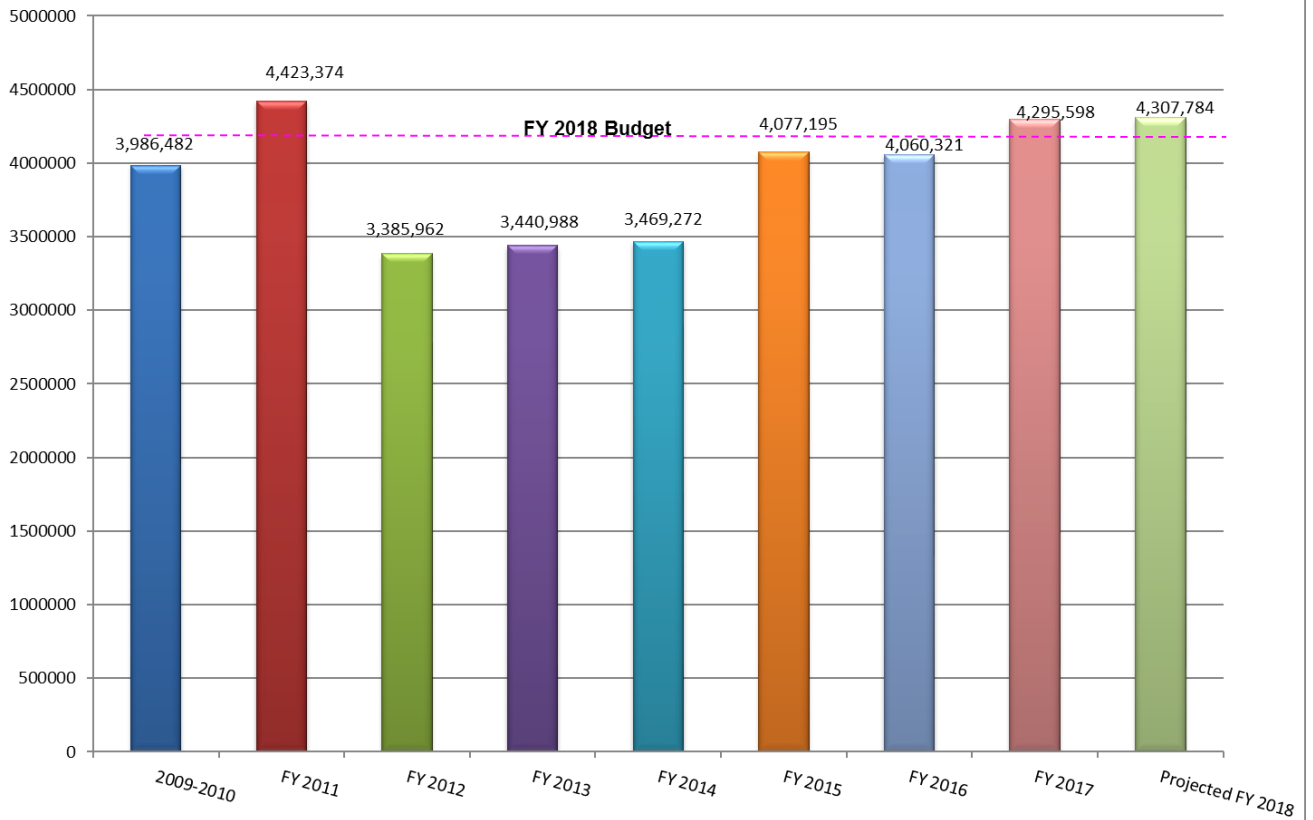
The General Fund's fund balance is budgeted to remain flat. **The city reserve level currently is below the minimum policy of 25%.** See bottom of page 3 for more clarification. The beginning cash position (October 1, 2017) is anticipated to be closer to 1.5 million which represents 10.16% reserve. This balance does not represent debris recovery charges from Hurricane Harvey. The City plans to build reserve over the next 3 years.

GENERAL FUND FINANCIAL SUMMARY

General Fund (Fund 11)					
Percent of Fiscal Year Complete	25%				
	Total Budget	YTD Actual*	Over(Under) Budget to Date	% FY 2018 Budget	
Beginning Fund Balance	\$ 1,475,000	\$ 1,475,000			
REVENUES					
Property Taxes	4,267,949	1,034,709	3,233,240	24.2%	
Sales Tax	4,117,500	1,052,627	3,064,873	25.6%	
Other Local Taxes	1,300,000	328,294	971,706	25.3%	
Charges for Services	2,316,000	581,296	1,734,704	25.1%	
Fines & Penalties	283,500	44,287	239,213	15.6%	
Licenses & Permits	181,500	181,657	(157)	100.1%	
Miscellaneous	997,751	84,736	913,015	8.5%	
Transfers	513,800	128,450	385,350	25.0%	
Other Revenue	540,000	-	540,000	0.0%	
Total Revenues	\$ 14,518,000	\$ 3,436,056	\$ 11,081,944	23.7%	
EXPENDITURES					
City Secretary	141,451	39,971	101,480	28.3%	
City General Services	2,665,540	595,313	2,070,227	22.3%	
Administrative Council	206,205	47,071	159,134	22.8%	
Main Street	50,800	22,788	28,012	44.9%	
Personnel Resources	238,202	55,566	182,636	23.3%	
Municipal Court	308,019	56,723	251,296	18.4%	
Finance	318,745	70,189	248,556	22.0%	
Police	4,666,840	1,044,165	3,622,675	22.4%	
Animal Impoundment	163,830	36,669	127,161	22.4%	
Fire Department	185,198	24,384	160,814	13.2%	
Public Works	3,177,046	560,910	2,616,136	17.7%	
Recycling Center	160,029	34,453	125,576	21.5%	
Parks	929,937	182,313	747,624	19.6%	
Riverside Park	223,300	28,849	194,451	12.9%	
Recreation	100,012	22,216	77,796	22.2%	
Aquatics	296,096	43,120	252,976	14.6%	
Library	686,750	86,802	599,948	12.6%	
Total Expenditures	\$ 14,518,000	\$ 2,951,503	\$ 11,566,497	20.3%	
*YTD does not includes encumbrances					
Net Revenue (Expenditures)	\$ -	\$ 484,553			
Ending Fund Balance	\$ 1,475,000	\$ 1,959,553			
% of Operating Reserves	10.16%	13.50%			
Fund Balance Target 90 days (25%)	\$ 3,629,500				
Over/(Under) min Policy Level (25%)	\$ (2,154,500)				

Attachment: 12312017Qtrly (2980 : Quarterly Financial Report)

SALES TAX YEARLY COMPARISON



	<i>1st Quarter</i>		% Change from	
	Fiscal Year 2017	Fiscal Year 2018	Prior Year	Variance
October	465,786.26	435,515.45	-6.50%	(30,270.81)
November	483,601.99	489,619.93	1.24%	6,017.94
December	431,187.85	478,366.81	10.94%	47,178.96
Total	1,380,576.10	1,403,502.19	1.66%	22,926.09
City General Fund (75%)	1,035,432.08	1,052,626.64		17,194.57
BCCDC (25%)	345,144.03	350,875.55		5,731.52
	1,380,576.10	1,403,502.19		22,926.09

Public Utility Fund Overview

Revenue Highlights

- As a percentage of budget, total Water & Sewer Revenue is 25% being on target with budget expectations.

Expenditure Highlights

- Total expenditures for the Utility Fund sit nicely at 18% of budget.
- All departments are within budget expectations.

PUBLIC UTILITY FUND FINANCIAL SUMMARY

Utility Fund (Fund 61)					
Percent of Fiscal Year Complete	25%				
	Total Budget	YTD Actual*	Over(Under) Budget to Date	% FY 2018 Budget	
Beginning Fund Balance	\$ 2,924,084	\$ 2,924,084			
REVENUES					
Charges for Services	7,522,000	1,871,574	5,650,426	25%	
Fines & Penalties	190,000	47,301	142,699	25%	
Miscellaneous	9,000	2,034	6,966	0%	
Total Revenues	7,721,000	1,920,909	5,800,091	25%	
EXPENDITURES					
General Operation	3,853,885	900,734	2,953,151	23%	
Water	2,139,829	215,608	1,924,221	10%	
Sewer	1,640,786	293,660	1,347,126	18%	
Warehouse Operations	86,500	16,352	70,148	19%	
Total Expenditures	\$ 7,721,000	\$ 1,426,355	\$ 6,294,645	18%	
*YTD includes encumbrances					
Net Revenue (Expenditures)	\$ -	\$ 494,554			
Ending Fund Balance	\$ 2,924,084	\$ 3,418,638			
% of Operating Reserves	34.98%	40.89%			
Target 90 days (25%)	1,930,250				
Over/(Under) Target	\$ 993,834				

Airport Fund Overview

Revenue Highlights

- As a percentage of budget, core Airport revenues are slightly above budget expectations due to fuel sales.
- General Fund (Transfers In) subsidizes the Airport by \$150,000.

Expenditure Highlights

- As a percentage of budget, total expenditures are 20%. Capital Expenditures represent 81% of budget—this is due to the timing of the TXDOT airport project.

AIRPORT FUND FINANCIAL SUMMARY

Municipal Airport Fund (Fund 64)					
Percent of Fiscal Year Complete	25%				
	Total Budget	YTD Actual*	Over(Under) Budget to Date	% FY 2018 Budget	
Beginning Fund Balance	\$ 130,000	\$ 130,000			
REVENUES					
Charges for Services	-	100	(100)	0%	
Miscellaneous	158,000	24,760	133,240	16%	
Transfers	150,000	37,500	112,500	25%	
Other Revenue (Fuel Sales)	160,500	47,373	113,127	30%	
Total Revenues	\$ 468,500	\$ 109,733	\$ 358,767	23%	
EXPENDITURES					
Personnel	133,046	18,018	115,028	14%	
Supplies & Materials	119,500	27,063	92,437	23%	
Other Charges & Services	82,104	21,211	60,893	26%	
Repairs & Maintenance	138,829	10,240	128,589	7%	
Capital Expenditures	32,021	25,864	6,157	81%	
Total Expenditures	\$ 505,500	\$ 102,395	\$ 403,105	20%	
*YTD includes encumbrances					
Net Revenue (Expenditures)	\$ (37,000)	\$ 7,338			
Ending Fund Balance	\$ 93,000	\$ 137,338			
<i>No minimum Fund Balance Policy</i>					
General Fund subsidizes \$150,000					

Civic & Cultural Arts Fund (Hotel /Motel Fund) Overview

Revenue Highlights

- As a percentage of budget, total Hotel/Motel Fund is below budget target of 25%, this is due the timing of hotel payments. Most hotels remit tax on a monthly or quarterly basis. December receipts will not be remitted until January.
- The City also budgeted to receive outside financing sources \$585,000 (tax note) to replace the civic center roof. This is budgeted as part of Miscellaneous Income in the report.

Expenditure Highlights

- As a percentage of budget, total expenditures are below the budget target, however this is due to the timing various budgets within the Hotel / Motel Fund.
- The City budgeted to use \$184,350 of Fund Balance to support the Bay City Theatre renovations.

HOTEL/MOTEL FUND FINANCIAL SUMMARY

Civic & Cultural Arts Fund (Fund 25)				
Percent of Fiscal Year Complete	25%			
	Total Budget	YTD Actual*	Over(Under) Budget to Date	% FY 2018 Budget
Beginning Fund Balance	\$ 542,000	\$ 542,000		
Revenues				
Hotel Occupancy Tax	\$ 725,000	\$ 56,352	\$ 668,648	8%
Miscellaneous	657,650	18,971	\$ 638,679	3%
Total Revenues	\$ 1,382,650	75,323	\$ 1,307,327	5%
Expenditures				
Council Discretionary	\$ 173,545	12,700	160,845	7%
Convention & Visitors Bureau	219,955	49,732	170,223	23%
Civic Center	843,500	55,311	788,189	7%
Bay City Theatre	330,000	1,859	328,141	1%
Total Expenditures	\$ 1,567,000	\$ 119,601	\$ 1,447,399	8%
*YTD includes encumbrances				
Net Revenue (Expenditures)	\$ (184,350)	\$ (44,279)		
Ending Fund Balance	\$ 357,650	\$ 497,721		
<i>Proposed to maintain \$50,000</i>				

Departmental Highlights

Building Department New Homes



7

Value Added: \$1,097,614 Total Taxes= \$7,189

Commercial

BUSINESS

5

Value Added: \$6,326,316 Total Taxes= \$41,437

	Fiscal Year 2017	Fiscal Year 2018
Building Inspections	239	260

Street and Bridge

Description	Total (work orders)
Concrete Pavement Repair	12
Ditch Cleaning	19
Asphalt Pavement Repair	52
Utility Asphalt/Concrete Repair	26
Signs	10
Traffic Control Devices	15

Utility

Description	Total (work orders)
Water leaks	151
Meter leaks	39
Sewer repairs	182
Low pressure reads	8
Meter swaps	100

Police Statistics

	Fiscal Year 2017	Fiscal Year 2018
Calls for service	7464	6982
Arrests	347	264
Cases assigned to CID	601	667
Cases cleared by CID	235	279

Civic Center

	Fiscal Year 2017	Fiscal Year 2018
Total Revenue	\$13,143	\$18,200
Total Expenditures	\$61,258	\$55,311

FINANCIAL CHALLENGES OF THE CITY

Governmental Funds

General Fund

Reserve Levels-The City needs to build reserves up to policy level over the next 3 fiscal years. The City will commit additional sales received to build reserves and to offset Riverside Park Income.
Riverside Park- Potential loss of revenue- \$90,000 (Amendments forthcoming)

Proprietary Funds

Public Utility Fund

None

Airport

None

Monitoring:

Sales Tax

Court Fines- Below Budget Target- 16%

Investment Report 1st Quarter Fiscal Year 2018

The City has a weighted average portfolio of 1 day with an average book yield of .67%. The City is liquid with 100% of the portfolio in a 0-1-year maturity. Average interest rates have slightly increased since prior quarter. All short-term investments average less than 1%. Investment earnings are \$21,837 for the quarter and up \$11,678 as compared to the same quarter last year. The investment strategy currently is to stay short with diversification (Checking & Investment Pools) to minimize interest rate risk in the future. However, the City will begin to build a ladder portfolio with some investment moving into 2-3 year maturities. The Investment Officer will begin to investing in short term securities.

December 31, 2017 Balances

	Total Bal by Type	% of Portfolio
IBC/Prosperity	\$2,634,576	25.58%
Petty Cash/Cash Drawers	\$3,577	0.03%
Texstar	\$7,149,912	69.41%
Texas Class	\$512,751	4.98%
CD's	\$-	0.00%
Securities	\$-	0.00%
	\$10,300,816	100.00%

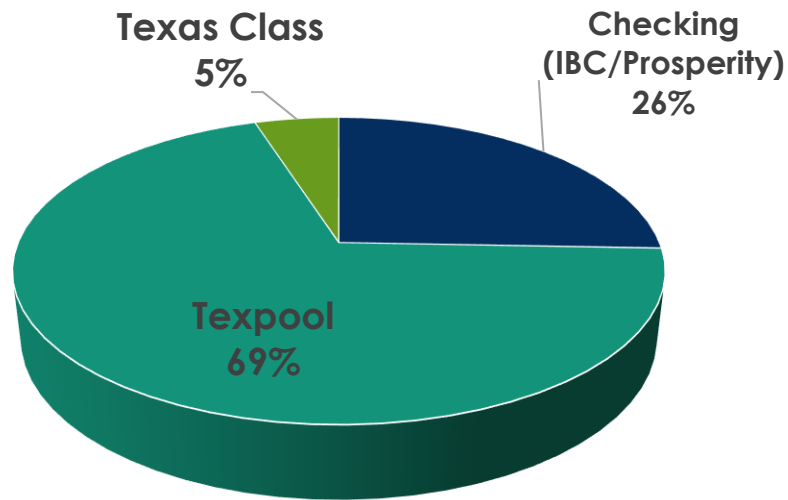
Interest Earnings

Interest received during the 1stth quarter totaled \$ 21,837 and represents interest paid on checking accounts and investments.

Portfolio	Qtr 12-31-16	Qtr 12-31-17	Over Prior Year
Interest Received	\$10,159	\$21,837	\$11,678

Portfolio Diversification

Portfolio Diversification is used to create a structure to reduce investment risks and a portfolio that will experience minimal volatility during economic cycles.



Portfolio Maturity Schedule

The goal is to ladder the City's portfolio. Due to some economic uncertainty and low interest rates, staying short for investment purposes is the strategy for any investments.

Years to Maturity	Face Value	% Total
0-1	\$10,300,816	100%
1-2	\$ 0	0%
2-3	\$ 0	0%
Total	\$10,300,816	100%

	City of BAY CITY vs. Benchmarks					
	for Quarter Ending DECEMBER 31, 2017					
	BOOK VALUE	MARKET VALUE	Unrealized Gain/Loss	Average Book Yield	Benchmark Pools	Benchmark 90 Day T-Bill
	\$ 10,300,816	\$ 10,300,816	-	0.89%	1.21%	1.27%
	Weighted Average					
	Maturity	1.00 Day(s)		0.89% Yield		



City Council
1901 5Th Street
Bay City, TX 77414

SCHEDULED

AGENDA ITEM (ID # 2979)

Meeting: 01/25/18 07:00 PM
Department: Finance
Category: Budget
Prepared By: Scotty Jones
Initiator: Scotty Jones
Sponsors:
DOC ID: 2979

**~ DISCUSS, CONSIDER, AND/OR APPROVE AN ORDINANCE
ADOPTING BUDGET AMENDMENTS FOR THE QUARTER
ENDING DECEMBER 31, 2017.**

BACKGROUND:

The legal level of budgetary control for the City of Bay City lies at the departmental level. Any revisions that alter the amount of total expenditures/expenses of the department must be approved by City Council.

FINANCIAL IMPLICATIONS:

Amending the budget provides a revised parameter for the budget.

RECOMMENDATION:

Recommend City Council approve the budget amendments as presented.

ATTACHMENTS:

Ordinance and Budget Amendments

COMMENTS - Current Meeting:

Finance Director, Scotty Jones presented the budget amendment information to Council members. The budget amendment was unanimously approved by motion. The motion was made by Councilwoman, Julie Estlinbaum, and seconded by Councilwoman, Becca Sitz.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF BAY CITY, TEXAS, ADOPTING A "BUDGET AMENDMENT #1 TO THE "ANNUAL BUDGET OF THE CITY OF BAY CITY, TEXAS, FOR THE FISCAL YEAR 2018"; PROVIDING FOR SUPPLEMENTAL APPROPRIATION AND/OR TRANSFER OF CERTAIN FUNDS; PROVIDING FOR SEVERABILITY; AND PROVIDING OTHER MATTERS RELATED TO THE SUBJECT.

WHEREAS, by Ordinance No. 1610, the City of Bay City, Texas, adopted its "Annual Budget" for Fiscal Year 2018;

WHEREAS, the City Council has determined the revenues and/or reserves are available for supplement appropriation and/or transfer of certain funds interdepartmentally is economically feasible and in the best interest of prudent budgeting; and

WHEREAS, the City Council desires to amend said Original General Budget to reflect such supplemental appropriation and/or transfer in the fiscal year 2018; now, therefore,

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

Section 1. The facts and matters set forth in the preamble of this Ordinance are hereby to be true and correct.

Section 2. The "Annual Budget" of the City of Bay City, Texas, for the Fiscal Year 2018, is hereby amended as shown on "Budget Amendment #1" to the Original Budget of the City of Bay City, Texas, for the Fiscal Year 2018, attached hereto. These amendments are for municipal purposes. Said Budget Amendment shall be attached to and made a part of such Annual Budget by the City Secretary and shall be filed as required by state law, a true and correct copy of which is attached hereto as Exhibit "A" and made a part hereof for all purposes.

Section 3. In the event any clause, phrase, provision, sentence, or part of this Ordinance or the application of the same to any person or circumstance shall for any reason be adjudged invalid or held constitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Ordinance as a whole or any part or provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of the City of Bay City, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or constitutional, whether there be one or more parts.

Attachment: Budget Amendment #1 (2979 : Budget Amendments)

PASSED AND APPROVED on first and final reading this 25th day of January 2018.

CITY OF BAY CITY, TEXAS

Mark Bricker, Mayor

ATTEST:

David Holubec, City Secretary

APPROVED as to FORM:

M. Shannon Kackley, City Attorney
City of Bay City
DENTON, NAVARRO, ROCHA,
BERNAL, HYDE & ZECH, P.C.

Attachment: Budget Amendment #1 (2979 : Budget Amendments)

<u>Council Member:</u>	<u>Voted Aye</u>	<u>Voted No</u>	<u>Absent</u>
Chrystal Folse	_____	_____	_____
Bill Cornman Mayor Pro Tem	_____	_____	_____
Julie L. Estlinbaum	_____	_____	_____
Becca Sitz	_____	_____	_____
Jason Childers	_____	_____	_____

Mark Bricker, Mayor

ATTEST:

David Holubec, City Secretary

APPROVED AS TO FORM AND SUBSTANCE:

M. Shannon Kackley, City Attorney

Attachment: Budget Amendment #1 (2979 : Budget Amendments)

BUDGET AMENDMENT

DEPARTMENT: Civic & Cultural Arts Fund/CVBDate: 1/25/2018

Reason for Budget Amendment: (Please indicate)

1. New revenues (originally unbudgeted) are available.
2. Actual revenues (originally unbudgeted) have exceeded the original adopted budget.
3. A new project, program or special expenditure has been authorized.
4. Transfer reclassification of original adopted budget to realign budget to actual transaction activity as presently needed.

X

Brief Description of Request: FY2018:Re-classification from Operational Support to Salaries and Wages/other payroll costsNet effect is zero to department budget.

			<i>Expenditure Increase</i>	<i>Exp. Decrease or Rev. Increase</i>	
Account Description	Fund #	Account #	Debit	Credit	Notes
Salaries & Wages	25	405-4105	\$ 31,000		Increase
FICA Tax	25	405-4205	\$ 2,371		Increase
Unemployment Tax	25	405-4206	\$ 131		Increase
Retirement	25	405-4210	\$ 2,908		Increase
Worker's Compensation	25	405-4215	\$ 54		Increase
Health Insurance	25	405-4225	\$ 4,913		Increase
Contracted Services	25	405-4440		\$ 36,000	Decrease Operational Support
Advertising	25	405-4460		\$ 5,377	Decrease Advertising
The amendments above relate to the following:					
The City allocated \$48,000 of hotel tax dollars in FY 2018 to the Chamber of Commerce to operate the Convention and Visitor's Bureau (CVB) in accordance with Texas Tax Code Chapter 351. As of January 1, the City added 1 employee to the City to handle such services. The net effect of this is zero for fiscal year 2018.					
TOTAL			\$ 41,377	\$ 41,377	

Dept. Supervisor Signature: _____

Date _____

Dept. Head Signature: _____

Date _____

Finance Director Signature: _____

Date 1-22-18

Authorized by: _____

Council Authorized Signature [Ord # _____]

Date _____

Attachment: Budget Amendment_1st Qtr (2979 : Budget Amendments)

City of Bay City
Convention & Visitors Bureau

	Original Budget	Proposed Budget Adjustment	Amended Budget
<i>Expenditures</i>			
<u>Payroll & Payroll Related Costs</u>			
Salaries & Wages	0	31,000	31,000
FICA Tax	0	2,371	2,371
Unemployment Tax	0	131	131
Retirement	0	2,908	2,908
Worker's Compensation	0	54	54
Health	0	4,913	4,913
Travel & Training	\$ 6,000		6,000
Total Personnel	\$ 6,000	\$ 41,377	\$ 47,377
<u>Supplies & Materials</u>			
Postage & Freight	2,700	-	2,700
General Supplies	1,500	-	1,500
Dues & Subscriptions	4,500	-	4,500
Total Supplies & Materials	8,700	-	8,700
<u>Other Charges & Services</u>			
Professional Fees	3,000	-	3,000
Operational Support	48,000	(36,000)	12,000
Promotional Items	10,000	-	10,000
Printed Materials	10,000	-	10,000
Advertising	80,000	(5,377)	74,623
Advertising - Concert Series	12,000	-	12,000
Advertising - Texas Monthly	16,000	-	16,000
Advertising - Texas Highways	16,000	-	16,000
Application of the Arts	10,000	-	10,000
Miscellaneous	255	-	255
Total Other Charges & Services	205,255	(41,377)	163,878
<u>Repairs & Maintenance</u>			
Equipment	-	-	-
Total Expenditures	\$ 219,955	\$ (0)	\$ 219,955

Attachment: Budget Amendment_1st Qtr (2979 : Budget Amendments)



City Council
1901 5Th Street
Bay City, TX 77414

SCHEDULED

Meeting: 01/25/18 07:00 PM
Department: City Secretary
Category: Agreement
Prepared By: David Holubec
Initiator: David Holubec
Sponsors:
DOC ID: 2972

AGENDA ITEM (ID # 2972)

**~ DISCUSS, CONSIDER, AND/OR APPROVE AWARDDING A
DEPOSITORY CONTRACT WITH PROSPERITY BANK FOR
THE CITY OF BAY CITY AND AUTHORIZE THE MAYOR TO
EXECUTE A DEPOSITORY CONTRACT IN A FORM
APPROVED BY THE CITY ATTORNEY.**

COMMENTS - Current Meeting:

Finance Director, Scotty Jones, presented the agreement with Prosperity Bank to Council members. The agreement was unanimously approved by motion. The motion was made by Councilman, Jason Childers, and seconded by Councilwoman, Julie Estlinbaum.

BANK DEPOSITORY AGREEMENT

This Bank Depository Agreement (Agreement) is made and entered into this 26th day of January 2018 by and between the City of Bay City, Texas (City) and Prosperity Bank, Bay City, Texas (Bank) a bank chartered by the State of Texas and having a place of business in the City of Bay City, Matagorda County, Texas.

Section I Designation as Depository

The City, through action of its City Council, hereby designates the Bank as its depository for banking services for a three (3) year period, commencing on March 1, 2018 and terminating on February 28, 2021. However, the termination date may be extended at the written request of the City until the City designates another depository for banking services.

Section II Designation of Custodian

The City and Bank hereby designate the Federal Reserve Bank of Boston (the "Custodian") to hold in trust, according to the terms and conditions of the City Request for Proposal, RFP No. R-122017-1 dated December 20, 2017, (the "RFP") and pursuant to a separate Municipal Depository, attached as **Exhibit A**, all securities pledged as depository collateral in accordance with the City's Investment Policy.

Any and all fees from the Custodian associated with the safekeeping of securities pledged to the benefit of the City shall be borne by the Bank.

Section III Collateral

City time and demand deposits, inclusive of interest, in excess of the Federal Deposit Insurance Corporation insurance shall be secured at all times by collateral, acceptable to the City and in accordance with the Public Funds Collateral Act (Texas Government Code 2257), pledged by the Bank and held in trust by the Custodian in an amount equal to at least 102% of the total of those funds. Custodian will provide a monthly report of the collateral directly to the City.

Such pledged securities shall be subject only to the joint written instructions of both (a) authorized representatives of the City and (b) specifically authorized representatives of the Bank. The Bank shall have the right, with the prior written consent of the City, to substitute or replace, any or all of the pledged securities with collateral acceptable to the City.

Section IV Financial Position

The Bank shall provide the City a statement of its financial position on at least a quarterly basis. The Bank shall provide an annual statement audited by its independent auditors including a letter as to its "fair representation".

Section V Authorized City Representative

For the term of this Agreement, the City and Bank designate the individuals as listed in **Exhibit B** as authorized to represent and act for the City in any and all matters including collateral assignment and substitution, execution of agreements and transfer of funds. Any change in these representatives must be made in writing.

Section VI Scope of Services

The Bank's response to the City's RFP, dated December 20, 2017 (the "Response") is incorporated into this Agreement for all purposes, including service charges, time deposit, demand deposit and loan rates, and attached as **Exhibit C**. If any provisions of the Response and this Agreement are in conflict, this Agreement shall control.

The Bank shall faithfully perform all of its duties and obligations required by the laws of the State of Texas for public funds depositories and shall upon presentation pay all checks drawn on it against collected funds on demand deposits, and shall, at the expiration of the Agreement, turn over to its successor all funds, City-owned securities, property, and things of value held as depository.

The City shall have the power to determine and designate the character and amount of the funds to be deposited in the Bank. The City may arrange for time deposits and Bank may accept such deposits subject to the terms of the Bank's Response.

This Agreement, along with all Exhibits and other incorporated documents shall constitute the entire Agreement between the parties.

Section VII Bank Compensation

Bank will be compensated for any and all services rendered to City under this Agreement. Bank agrees to offset monthly service fees against its customary earnings credit for balances in City's on-interest bearing accounts.

Net insufficiencies in earnings credits will be charged on an annual basis.

FEE BASIS LANGUAGE

Bank will be compensated for any and all services rendered to City under this Agreement on a cost per item or monthly charge basis as set forth in the service charges of the Bank's Response.

For new services not defined in this Agreement shall be negotiated by the City and Bank and mutually agreed upon in writing, but in no case shall the charge be in excess of the then current published price by the Bank.

Section VIII Default

Bank shall be in default if it fails to pay all or part of a demand deposit, a matured time deposit, or a matured certificate of deposit, including accrued but unpaid interest, at a specified maturity date. The Bank shall also be in default if ruled "bankrupt", "insolvent" or "failed" by a federal or state banking regulator, or if a receiver is appointed for the Bank.

In the event of a default, failure or insolvency of the Bank, the City shall be deemed to have vested full title to all securities pledged under this Agreement. The City is empowered to take possession of and transfer and or sell any and all securities. If the security is liquidated, any proceeds over the defaulted amount, plus expenses related to liquidation, shall be returned to the Bank. This power is in addition to other remedies which the City may have under this Agreement and without prejudice to its rights to maintain any suit in any court for redress of injuries sustained by the City under this Agreement.

Section IX Indemnification

BANK AGREES TO ASSUME FULL RESPONSIBILITY AND LIABILITY FOR THE SERVICES RENDERED PURSUANT TO THIS AGREEMENT AND HEREBY AGREES TO INDEMNIFY, PROTECT, DEFEND, AND HOLD HARMLESS THE CITY, ITS ELECTED OFFICIALS, DIRECTORS, MANAGERS, EMPLOYEES, AGENTS, AND SERVANTS, OF AND FROM ALL CLAIMS, DEMANDS, AND CAUSES OF ACTIONS OF EVERY KIND AND CHARACTER, INCLUDING THE COST OF DEFENSE THEREOF, FOR ANY INJURY, DAMAGE, CLAIM, FEE, AND EXPENSE CAUSED, ALLEGED TO BE CAUSED, ARISING OUT OF, OR ALLEGED TO ARISE OUT OF, EITHER DIRECTLY OR INDIRECTLY, OR IN CONNECTION WITH, THE SERVICES TO BE RENDERED HEREUNDER, WHETHER OR NOT SAID CLAIMS, DEMANDS, CAUSES OF ACTIONS ARE CAUSED BY CONCURRENT NEGLIGENCE OF THE CITY AND A PARTY TO THIS AGREEMENT, OR WHETHER IT WAS CAUSED BY CONCURRENT NEGLIGENCE OF THE CITY AND SOME OTHER THIRD PARTY. BANK AGREES THAT ANY INSURANCE CARRIER INVOLVED SHALL NOT BE ENTITLED TO SUBROGATION UNDER ANY CIRCUMSTANCES AGAINST THE CITY, ITS OFFICERS, ELECTED OFFICIALS, AND EMPLOYEES.

Section X Notice

Any notice required to be given to Bank in writing shall be sufficient when deposited with the United States Postal Service, postage prepaid, certified mail, return receipt requested, and addressed to the Bank at the address shown below. Notice may also be given by regular mail, personal delivery, courier delivery, facsimile transmission, or other commercially reasonable means and will be effective when actually received.

Prosperity Bank
Tami Savage
1600 7th Street
Bay City, Texas 77414

Any notice required to be given to City in writing shall be sufficient when deposited with the United States Postal Service, postage prepaid, certified mail, return receipt requested, and addressed to the City at the address shown below. Notice may also be given by regular mail, personal delivery, courier delivery, facsimile transmission, or other commercially reasonable means and will be effective when actually received.

City of Bay City, Texas
Attn.: Finance Director
1901 Fifth Street
Bay City, Texas 77414

Section XI Non-Assignability

This Agreement is not assignable in whole or in part but is binding on the parties, their successors and assigns.

Section XII Termination

This Agreement may be terminated by either the City or the Bank by giving sixty (60) day's prior written notice to the other Party.

Section XIII Law Governing

All applicable provisions and requirements of the laws of the State of Texas govern

depositories for the City shall be a part of this Agreement. Venue for any dispute under this Agreement shall be brought in a state district court in Matagorda County, Texas.

Section XIV Bank Authorization

The Bank represents and warrants that this Agreement is made pursuant to and is duly authorized by the Board of Directors of the Bank and recorded in the official records of the Bank.

CITY

BANK

Mark A. Bricker, Mayor

Name and Title

ATTEST:

ATTEST:

David Holubec, City Secretary

CUSTODIAN: BANK

ATTEST:

EXHIBIT B**AUTHORIZED REPRESENTATIVES**

The following individuals are authorized representatives of the City empowered to direct the Bank and the Custodian for the Bank, in regard to collateral pledges, releases and substitutions in the joint safekeeping account as well as authorized to represent and act for the City in any and all matters including execution of agreements and transfer of funds.

City Representative's Signature

Name and Title

_____	_____
_____	_____
_____	_____
_____	_____

Bank Representatives Name and Title

Exhibit A

Municipal Depository Pledge Agreement

MUNICIPAL DEPOSITORY PLEDGE AGREEMENT

THE STATE OF TEXAS §
 §
 COUNTY OF MATAGORDA §

KNOWN ALL MEN BY THESE PRESENTS: That PROSPERITY BANK, a banking corporation duly incorporated in the State of Texas and having a place of business in Matagorda County, Texas does hereby deposit with the Federal Reserve Bank of Boston the following proof of securities ownership, along with the pledge securities to the CITY OF BAY CITY and safekeeping receipts for each with the CITY COUNCIL OF THE CITY OF BAY CITY, in the amount at least equal to one-hundred and two percent (102%) of all funds on deposit with PROSPERITY BANK for the CITY OF BAY CITY, upon the terms and conditions for the purposes hereinafter set forth:

SECURITIES

AMOUNTS

SEE ATTACHED SCHEDULE "A"

- (1) The conditions of the above Agreement are such that, whereas, the above bounded pledgor PROSPERITY BANK was on or about the 26th day of January 2018 duly and legally chosen by the CITY COUNCIL of the CITY OF BAY CITY as the Municipal Depository, for said City for a period of three (3) years ending on or about February 28, 2021.

- (2) PROSPERITY BANK may request a release of collateral when the market value of pledged securities exceeds the required amount of deposits, provided that collateral must be increased when market value is less than the required amount of deposits. The right of substitution of securities shall be granted to PROSPERITY BANK provided the securities substituted meet the requirements of the law and are approved by the CITY COUNCIL of the CITY OF BAY CITY.
- (3) NOW THEREFORE, if the above bound pledgor PROSPERITY BANK shall faithfully do and perform all the duties and obligations devolving on it by law as the municipal depository of the CITY OF BAY CITY and shall upon presentation, pay checks drawn on it by the CITY OF BAY CITY for “demand deposits,” and all “timed deposits” upon presentation, after the expiration of the period of notice required in the case of “timed deposits,” and shall faithfully keep said municipal funds, and account for the same according to the law, and shall faithfully keep and account for all funds belonging to the CITY OF BAY CITY which are deposited with it under the requirements of the Local Government Code, and shall include State funds collected on behalf of the CITY OF BAY CITY and shall pay the interest at the time and at the rate hereinbefore stipulated on demand and timed deposits, and shall, at the expiration of the terms for which it has been chose, turn over to its successor all funds, property, and of the things of value coming into its hands as depository, then and in that event, this Agreement is to be and become null

and void and the securities above shall be returned to the pledger PROSPERITY BANK, otherwise to remain in full force and effect, hereby specially authorizing the CITY OF BAY CITY to sell at public or private sale, with or without notice to the pledger PROSPERITY BANK, the securities, or any part thereof, and apply the proceeds of sale to the satisfaction of any indebtedness arising by virtue of the violation of any conditions of this Agreement.

- (4) The above provision is given in addition to any remedy the CITY OF BAY CITY may have in suit brought to enforce this Agreement.
- (5) Any suit arising out of or any way connected with this Agreement shall be tried in a district court in the County of Matagorda and State of Texas.
- (6) IN WITNESS whereof PROSPERITY BANK has caused these presents to be signed with its name and by its Senior Vice-President and attested and sealed with its corporate seal on this the ____ day of _____ 2018.

PROSPERITY BANK

By: _____
Tami Savage, President

ATTEST:

BY: _____

ITS: _____

THE STATE OF TEXAS §
 §
 COUNTY OF MATAGORDA §

BEFORE ME, the undersigned authority on this day personally appeared, President Tami Savage known to me to be the persons whose name are subscribed to the foregoing instrument, and acknowledged to me that they executed the same as the act and deed of PROPERITY BANK, for the purposes and considerations therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the ____ day of _____ 2018.

SCHEDULE A**Securities Pledged to the City of Bay City, Texas****As of the 1st day of October 2017**

<u>DESCRIPTION</u>	<u>CUSIP#</u>	<u>MATURITY PAR VALUE</u>
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Attachment: Municipal Depository Pledge Agreement 2018_Prosperty (2972 : Depository Agreement - Prosperity Bank)



City Council
1901 5Th Street
Bay City, TX 77414

SCHEDULED

Meeting: 01/25/18 07:00 PM
Department: City Secretary
Category: Presentation
Prepared By: David Holubec
Initiator: David Holubec
Sponsors:
DOC ID: 2977

DISCUSSION ITEM (ID # 2977)

**~ STAFF REPORT - RECEIVE AND DISCUSS THE BAY CITY
PUBLIC LIBRARY STATUS REPORT.**

COMMENTS - Current Meeting:

Library Director, Samantha Denbow, gave a status report on the Bay City Public Library activities.

Library Director's Report

January 18, 2018

November through January is usually our slowest months of the year. And although we didn't see record numbers of patrons coming in, staff has been busy working on ways to improve services

At the end of November, Andrea and I attended a one day workshop in Robstown that was provided by the Texas State Library and Archives Commission. "Teaching Technology to Patrons" trained staff from multiple libraries in South Texas on resources available in assisting patrons in using technology. Not only does this help with on-the-spot questions while using the public computers, it also provided resources for planning and teaching technology classes.

In December, the library participated in the Lighted Christmas Parade for the first time, ever. It was a fun way to promote the library. We know it worked because we have had multiple people, patrons and non-patrons, who have commented on seeing us in the parade. That was our goal for this year, for the library to be visible.

On December 9, 2017 we celebrated 25 years of service at our current location. The library was relocated from 5th Street across from City Hall to the old Federal Savings and Loan in 1992. Besides minor changes to locations of items and the growth of computers, the library's look has not changed. In May, we installed the new Circulation Desk in its new location. The entire space has transformed with this addition leading to new ways to use the available spaces. For the celebration event, the community was invited to visit the library for family fun including cookie decorating, story time, and an informational session for adults. The event concluded with our first annual Decorated Bike Parade from the Library to Liberty Park where Christmas in the Park was located.

We were notified mid-December that we had received a \$1000.00 grant from Vernon Library Supplies to be used to purchase English as Second Language software to implement ESL classes. We had applied for the grant in November. Staff is working on developing the schedule and setting up the equipment to begin the classes before summer.

On Friday, January, 12, 2018, we submitted a grant to the Texas State Library and Archives Commission for a \$6000 grant to become a Family Place Library. If selected as one of the twelve Texas libraries to receive this grant this year, Andrea and I will attend a three-day training at the Middle Country Public Library in Centereach, New York. Staff will be trained on a new way to approach children's services which expands the role of public libraries as community centers and key contributors to family and early childhood development, parent and community involvement, and lifelong learning beginning at birth. There are currently more than 500 sites in 31 states.

Collection Development grants are also in the works. On Friday, January 19, 2018, I submitted an application for the Jeanette & Jim Larson Grant \$500 for large print mystery titles for the Sargent Branch. I am working on a Texas Book Festival \$2500 grant to enhance the graphic novel collection in Bay City. Andrea is working on a Woll Memorial Fund \$600 grant for children's books for Sargent. These are all to be submitted by the end of the month with varying announcement dates. We have already received a \$1500 grant from Firstbook Matagorda County to begin purchasing books for the year. This grant comes in the form of credit to be used on the FirstBook marketplace. Firstbook is a national organization that distributes books and educational resources to programs and schools serving children from low-income families in more than 30 countries.

Andrea and I participated in First United Methodist Church's Service Fair on Sunday, January 21, 2018. We had a booth set up to provide those attending with information about our services and volunteer opportunities.

Andrea has been hard at work on upcoming programs. She has been working on implementing a quarterly Family Dinner Series which connects families with topical information sessions from local professionals. The first event is tentatively set for February 22, 2018 with dinner provided by the Friends of the Library. An activity for children will be held in the Youth Room while adults attend the seminar. National Library Week is coming in April, right after Texas Library Association's annual conference. We will again have a family night on Tuesday evening with refreshments, activities, and some form of entertainment. On Monday, the Friends of the Library has once again sponsored an event to honor local students who achieve top reader status. Bay City ISD has already confirmed 108 students will attend. We are awaiting the response from Tidehaven ISD and Van Vleck ISD if they will be participating.

I am currently working on gathering data for and submitting the Annual Library Report to the Texas State Library and Archives Commission. Once that is submitted and confirmed by the TSLAC, I will provide a report on this to Council.

Respectfully submitted,

Samantha Denbow

Library Director

FY 2018 Business Plans (Objectives)

- Earn the Achievement of Excellence in Libraries Award given by Texas Municipal Library Director's Association (TMLDA)
- Update the Library Policy and Procedures Manual
- Continue BCISD partnership with reading incentive program (April 2018)
- Increase physical visits to the library
- Increase circulation of physical and digital materials
- Continue to improve the awareness of the library and its services through social media and outreach (in progress)
- Complete annual inventory of entire collection (in progress)
- Provide local teenagers with a designated space conducive to development using Youth Adult Library Association's (YALSA's) Teen Space Guidelines
- Continue to update the library interior and layout to provide spaces to promote use by the community for life-long learning and personal enrichment
- Reduce the Adult Fiction collection for unused materials
- Implement adult classes for non-English speakers and GED seekers. (ESL grant –Date TBD)
- Become a Pearson VUE® Authorized Test Center to offer community members a local resource to develop careers and improve personal lives.



City Council
1901 5Th Street
Bay City, TX 77414

SCHEDULED

Meeting: 01/25/18 07:00 PM
Department: City Secretary
Category: Property
Prepared By: David Holubec
Initiator: David Holubec
Sponsors:
DOC ID: 2973

RESOLUTION (ID # 2973)

**~ (SECOND READING) A RESOLUTION OF THE CITY
COUNCIL OF BAY CITY, TEXAS AUTHORIZING THE BAY CITY
COMMUNITY DEVELOPMENT CORPORATION TO
PURCHASE LAND FOR ONE HUNDRED THOUSAND
DOLLARS (\$100,000.00) LOCATED ON STATE HIGHWAY 60
AND FIFTH STREET, BAY CITY, TEXAS.**

COMMENTS - Current Meeting:

A resolution of the City of Bay City, Texas, authorizing the Bay City Community Development Corporation to purchase land for one hundred (\$100,000.00) was read for the second occasion.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF BAY CITY, TEXAS AUTHORIZING THE BAY CITY COMMUNITY DEVELOPMENT CORPORATION TO PURCHASE LAND FOR ONE HUNDRED THOUSAND DOLLARS (\$100,000.00) LOCATED AT THE CORNER OF STATE HIGHWAY 60 AND FIFTH STREET, BAY CITY, TEXAS.

WHEREAS, the City of Bay City is a home rule city governed by its City Charter and it has a population of less than 20,000 inhabitants; and

WHEREAS, the Bay City Community Development Corporation, (BCCDC) is Type B development corporation established pursuant to the Texas Local Government Code Chapter 505, subchapter B, and the City Council of the City of Bay City, Texas is the BCCDC's authorizing unit; and

WHEREAS, in accordance with Texas Local Government Code Section 505.158(a) the BCCDC is authorized to provide land, building, equipment, facilities, expenditures, targeted infrastructure, and improvements found by its' board of directors to promote new or expanded business development projects; and

WHEREAS, in accordance with Texas Local Government Code Section 505.158(b) the BCCDC may not undertake a Project authorized under 505.158 that requires an expenditure of more than \$10,000.00 until the governing body of the BCCDC, the City Council of the City of Bay City, adopts a resolution authorizing the Project after giving the resolution at least two (2) separate readings; and

WHEREAS, the BCCDC has identified property on the corner of State Highway 60 and Fifth Street, Bay City, Texas ("Property") that can be used for additional downtown parking, a farmers market, or possible new location for new or expanded business location within what is commonly referred to as the "square" in downtown Bay City, as (hereinafter the "Project") to become an asset of the BCCDC; and

WHEREAS, said Project meets the requirements of Texas Local Government Code Section 501, Subchapter C, Authorized Projects, Section 501.101(1) and does not require a public hearing pursuant to Texas Local Government Code 505.159(b). Nevertheless, at its Regular Board Meeting held on November 27, 2017 at 5:00pm, the BCCDC held a public hearing pursuant to Texas Local Government Code 505.159(a) and discussed, considered, and voted to approve the purchase of the Property in the amount of One Hundred Thousand Dollars (\$100,000.00) for the Project; and

WHEREAS, the Board of Directors of the BCCDC finds said Project shall promote new or expanded business development;

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

In accordance with Texas Local Government Code Section 505.158, the BCCDC's authorizing unit, the City Council of Bay City, Texas, hereby authorizes the Project as described in the recitals above.

PASSED AND APPROVED ON SECOND READING AT BAY CITY, TEXAS THIS 25th DAY OF JANUARY 2018.

Mark A. Bricker, Mayor
City of Bay City

ATTEST:

APPROVED AS TO FORM:

David Holubec, City Secretary

M. Shannon Kackley, Asst. City Attorney



City Council
1901 5Th Street
Bay City, TX 77414

SCHEDULED

AGENDA ITEM (ID # 2976)

Meeting: 01/25/18 07:00 PM
Department: City Secretary
Category: Grant
Prepared By: David Holubec
Initiator: David Holubec
Sponsors:
DOC ID: 2976

**~ DISCUSS, CONSIDER, AND/OR APPROVE SUBMITTING A
GRANT APPLICATION TO THE NATIONAL ENDOWMENT FOR
THE HUMANITIES FOR THE RENOVATION OF THE TEXAS
THEATER PROJECT, PHASE 1 (ONE).**

Date: Thu, 18 Jan 2018 17:56:21 +0000

Subject: New National Endowment for the Humanities Grant Program

FOR YOUR INFORMATION:

I have been asked to forward the following information concerning the National Endowment for the Humanities new grant program to your respective entities. Please know that our office (Congressman Blake Farenthold / U.S. House of Representatives) is committed to supporting your application (should you pursue) in any way possible. This includes writing letters of support and help with submission red tape.

Please let me know if you plan to proceed with this program.

Thank you for your time,

Dr. Bret Macha

Field Representative for Congressman Blake Farenthold

(361)-876-8481

bret.macha@mail.house.gov

[<mailto:bret.macha@mail.house.gov>](mailto:bret.macha@mail.house.gov) [<mailto:bret.macha@mail.house.gov>](mailto:bret.macha@mail.house.gov)

[<mailto:bret.macha@mail.house.gov>](mailto:bret.macha@mail.house.gov)

From: Tim Robison [<trobison@neh.gov>](mailto:trobison@neh.gov)

[<mailto:trobison@neh.gov>](mailto:trobison@neh.gov) [<mailto:trobison@neh.gov>](mailto:trobison@neh.gov) [<mailto:trobison@neh.gov>](mailto:trobison@neh.gov)>>

Date: January 17, 2018 at 2:34:00 PM CST

To: jd.kennedy@mail.house.gov

[<mailto:jd.kennedy@mail.house.gov>](mailto:jd.kennedy@mail.house.gov) [<mailto:jd.kennedy@mail.house.gov>](mailto:jd.kennedy@mail.house.gov)

[<mailto:jd.kennedy@mail.house.gov>](mailto:jd.kennedy@mail.house.gov)

Subject: New NEH Grant Opportunity

Reply-To: trobison@neh.gov [<mailto:trobison@neh.gov>](mailto:trobison@neh.gov) [<mailto:trobison@neh.gov>](mailto:trobison@neh.gov)

[<mailto:trobison@neh.gov>](mailto:trobison@neh.gov)

Good afternoon,

The National Endowment for the Humanities has just announced a new grant program [<http://t.congressweb.com//?SRNSOEJVEBLORNF>](http://t.congressweb.com//?SRNSOEJVEBLORNF) to support humanities infrastructures. Cultural institutions, such as libraries, museums, archives, colleges and universities, and historic sites, are eligible to apply for grants of up to \$750,000.

These challenge grants, which require a match of nonfederal funds, may be used toward capital expenditures such as construction and renovation projects, purchase of equipment and software, sharing of humanities collections between institutions, documentation of lost or imperiled cultural heritage, sustaining digital scholarly infrastructure, and preservation and conservation of humanities collections.

The application deadline for the first NEH Infrastructure and Capacity-Building Challenge Grants<<http://t.congressweb.com//?SRNSOEJVEBENNL>> is March 15, 2018. Interested applicants should direct questions about grant proposals tochallenge@neh.gov <<mailto:tochallenge@neh.gov>> <<mailto:challenge@neh.gov>> or 202-606-8309.

Please consider sharing this exciting new funding opportunity with cultural institutions in your district.

Thank you,

Tim

Timothy H. Robison
Director of Congressional Affairs
National Endowment for the Humanities
400 7th Street, SW 4th Floor
Washington, D.C. 20506
(202) 606-8273

Date: Thu, 18 Jan 2018 17:56:21 +0000

Subject: New National Endowment for the Humanities Grant Program

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Dr. Bret Macha
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[<mailto:bret.macha@mail.house.gov>](mailto:bret.macha@mail.house.gov)

From: Tim Robison [<trobison@neh.gov>](mailto:trobison@neh.gov)
[<mailto:trobison@neh.gov>](mailto:trobison@neh.gov)[<mailto:trobison@neh.gov>](mailto:trobison@neh.gov)[<mailto:trobison@neh.gov>](mailto:trobison@neh.gov)>>
 Date: January 17, 2018 at 2:34:00 PM CST
 To: jd.kennedy@mail.house.gov
[<mailto:jd.kennedy@mail.house.gov>](mailto:jd.kennedy@mail.house.gov)[<mailto:jd.kennedy@mail.house.gov>](mailto:jd.kennedy@mail.house.gov)
[<mailto:jd.kennedy@mail.house.gov>](mailto:jd.kennedy@mail.house.gov)
 Subject: New NEH Grant Opportunity
 Reply-To: trobison@neh.gov [<mailto:trobison@neh.gov>](mailto:trobison@neh.gov)[<mailto:trobison@neh.gov>](mailto:trobison@neh.gov)
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Timothy H. Robison
 Director of Congressional Affairs
 National Endowment for the Humanities
 400 7th Street, SW 4th Floor
 Washington, D.C. 20506

(202) 606-8273

[<https://www.congressplus.com/userfiles/463/neh_logo_horizlarge.jpg>]

COMMENTS - Current Meeting:

Councilman, Bill Cornman, discussed the NEHGP grant application that is being reviewed for the Texas Theater Project.



City Council
1901 5Th Street
Bay City, TX 77414

SCHEDULED

Meeting: 01/25/18 07:00 PM
Department: City Secretary
Category: Litigation
Prepared By: David Holubec
Initiator: David Holubec
Sponsors:
DOC ID: 2974

AGENDA ITEM (ID # 2974)

**~ PURSUANT TO SEC. 551.071 OF THE TEXAS
GOVERNMENT CODE (CONSULTATION WITH ATTORNEY)
CITY COUNCIL SHALL CONVENE IN EXECUTIVE SESSION
TO RECEIVE LEGAL ADVICE FROM THE CITY ATTORNEY
REGARDING PENDING LITIGATION: CITY OF BAY CITY,
TEXAS V. CP LIVING 23 (TEXAS) LP, CP LIVING (TX) LLC,
AND CP 23 (TX).**

COMMENTS - Current Meeting:

Council members went into closed session to discuss litigation with CP Living.



City Council
1901 5Th Street
Bay City, TX 77414

SCHEDULED

AGENDA ITEM (ID # 2975)

Meeting: 01/25/18 07:00 PM
Department: City Secretary
Category: Litigation
Prepared By: David Holubec
Initiator: David Holubec
Sponsors:
DOC ID: 2975

**~ CITY COUNCIL MEMBERS SHALL RECONVENE IN OPEN
SESSION AND MAY DISCUSS, CONSIDER, AND/OR TAKE
ACTION ON ANY ITEM LISTED ABOVE THAT WAS
CONSIDERED AND DISCUSSED IN EXECUTIVE SESSION (IF
NECESSARY).**

COMMENTS - Current Meeting:

No action.