



BAY CITY

MINUTES • OCTOBER 26, 2017

Council Chambers**Regular Meeting****7:00 PM**

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

1. CALL TO ORDER

2. INVOCATION & PLEDGE OF ALLEGIANCE - COUNCILWOMAN CHRYSTAL FOLSE

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

Mayor Mark A. Bricker certified that a quorum was present.

4. APPROVAL OF AGENDA

The agenda was unanimously approved as written by motion. The motion was made by Councilwoman Chrystal Folse and seconded by Councilwoman Julie Estlinbaum.

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.

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Joe Halbert - Discussed the work done between the Bay City Police Department and the First Methodist Church with the Food Box Drive program.

Joe Lozano - Requested that the City look at the parks plan for sanitation facilities in the parks.

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. Report

~ DISCUSS, CONSIDER, AND/OR APPROVE ACCOUNTS PAYABLE, DIRECT PAYABLES, AND UTILITY REFUNDS FOR THE QUARTER ENDING SEPTEMBER 30, 2017.

Scotty Jones, Director of Finance

The accounts payable were presented by Finance Director, Scotty Jones. The consent agenda item was unanimously approved by motion. The motion was made by Councilman Bill Cornman and seconded by Councilwoman Julie Estlinbaum.

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

1. Report

~ DISCUSS, CONSIDER, AND/OR APPROVE THE QUARTERLY INVESTMENT REPORT FOR THE PERIOD ENDING SEPTEMBER 30, 2017.

Scotty Jones, Finance Director

Finance Director, Scotty Jones detailed the investment report with Council members and Mayor Bricker.

The report was unanimously accepted by motion. The motion was made by Councilman Bill Cornman and seconded by Councilwoman Chrystal Folse.

2. Resolution

~ DISCUSS, CONSIDER, AND/OR APPROVE A RESOLUTION APPROVING AN ADDENDUM TO THE PRELIMINARY PROJECT AND FINANCE PLAN FOR REINVESTMENT ZONE NUMBER THREE, CITY OF BAY CITY TO INCORPORATE THE ORDER OR PRIORITY OF PAYMENTS FROM THE TAX INCREMENT FUND.

BCCDC Executive Director, DC Dunham

RESULT:	TABLED
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3. Resolution

~ DISCUSS, CONSIDER, AND/OR APPROVE A RESOLUTION AUTHORIZING REINVESTMENT ZONE NUMBER THREE, CITY OF BAY CITY BOARD OF DIRECTORS TO EXERCISE THE CITY'S POWERS WITH RESPECT TO THE ADMINISTRATION, MANAGEMENT, AND OPERATION OF THE ZONE AND THE IMPLEMENTATION OF THE PROJECT PLAN FOR THE ZONE.

BCCDC Executive Director, DC Dunham

RESULT:	TABLED
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4. Agreement

~ DISCUSS, CONSIDER, AND/OR APPROVE A DEVELOPMENT AGREEMENT WITH MARGUERITE MEADOW, LLC, FOR THE DEVELOPMENT OF PUBLIC IMPROVEMENTS WITHIN REINVESTMENT ZONE NUMBER THREE (3), CITY OF BAY CITY, TEXAS.

BCCDC Executive Director, DC Dunham

RESULT: TABLED

5. Resolution

~ FIRST READING OF THE RESOLUTION OF THE CITY OF BAY CITY, TEXAS AUTHORIZING THE BAY CITY COMMUNITY DEVELOPMENT CORPORATION (BCCDC) TO ENTER INTO A PERFORMANCE AGREEMENT PROVIDING FOR AN ECONOMIC INCENTIVE FROM THE BCCDC TO MCCOY CORPORATION IN CONSIDERATION OF THE COMPANY PERFORMING THE OBLIGATIONS IMPOSED UPON AS SPECIFIED IN A PERFORMANCE AGREEMENT.

BCCDC Executive Director, DC Dunham

Resolution: The First reading of the performance agreement with McCoy was read by Mayor Bricker. The second reading will occur on November 16, 2017.

6. Purchase

~ DISCUSS, CONSIDER, AND/OR APPROVE THE CITY TRADING PERSONAL PROPERTY (UTILITY VEHICLE) FOR SIMILAR PERSONAL PROPERTY (UTILITY VEHICLE) OF EQUAL VALUE. (AIRPORT).

Airport Manager, James Mason

Airport Manager, James Mason discussed the plan he is recommending regarding the trading-in of a utility vehicle and the purchase of a new vehicle. The agenda item was unanimously approved by motion. The motion was made by Councilman Jason Childers and seconded by Councilwoman Julie Estlinbaum.

7. Presentation

~ DISCUSS, CONSIDER, AND/OR APPROVE THE CITY OF BAY CITY PURCHASING DOWNTOWN CHRISTMAS DECORATIONS IN AN AMOUNT NOT TO EXCEED ELEVEN-THOUSAND DOLLARS (\$11,000).

Councilwoman, Becca Sitz

Councilwoman, Becca Sitz presented the plans for Christmas decorations and lights by the Historic Downtown Business Association. This is an agenda item that was first discussed on March 9, 2017. The plan was unanimously accepted by motion. The motion was made by Councilwoman Julie Estlinbaum and seconded by Councilman Bill Cornman. Funds are not to exceed \$11,000.

8. Appointment

~ DISCUSS, CONSIDER AND/OR APPROVE NOMINATIONS TO BE USED TO CREATE A RESOLUTION AUTHORIZING THE CITY OF BAY CITY TO CAST ITS OFFICIAL BALLOT FOR THE BOARD OF DIRECTORS FOR THE MATAGORDA COUNTY APPRAISAL DISTRICT.

Mayor, Mark A. Bricker

Mayor Mark A. Bricker discussed his recommendation of Joe Enoch to continue another possible term on the Board of Directors of the Appraisal District. Joe Enoch was unanimously approved to be the City's candidate on the ballot for the Board of Directors. The motion was made by Councilman Bill Cornman and seconded by Jason Childers.

9. Policy

~ DISCUSS, CONSIDER, AND/OR APPROVE THE 2018 CITY HOLIDAY SCHEDULE.

Rhonda Clegg, Director of Human Resources

Human Resources Director, Rhonda Clegg presented the recommended 2018 holiday schedule. The schedule was unanimously approved by motion. The motion was made by Councilman Jason Childers and seconded by Councilwoman Chrystal Folse.

10. Presentation

~ DISCUSS AND CONSIDER A STATUS UPDATE REGARDING THE PROGRESS, PROBLEMS, AND PLANS ASSOCIATED WITH THE RENOVATIONS OF THE OLD TEXAS THEATER (COMMUNITY ARTS CENTER).

Councilman, Bill Cornman

Councilman Bill Cornman gave an update on the Community Arts Center progress.

8. ITEMS / COMMENTS & MAYOR AND COUNCIL MEMBERS

Jason Childers - Will be absent for the November 2, 2017 workshop and council meeting.

Becca Sitz - Fall Clean up reminder. Ordinance scrap tire work to continue.

Bill Cornman - Reminded all to pick up their old tires and take them to the fairgrounds. Hazardous waste by the city and county on Saturday. Requested Council member compensation discussion as an agenda item.

Mayor Bricker - Leissner Street property will be demolished on Monday. Ron Cox will be working with City directors in November and will make plans for him to meet with council members.

9. 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 Regular Called Council Meeting was posted on the front window of the City Hall of the City of Bay City, Texas on Thursday, October 18, 2017 before 7:00 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

SCHEDULED

AGENDA ITEM (ID # 2876)

Meeting: 10/26/17 07:00 PM
Department: Finance
Category: Report
Prepared By: Scotty Jones
Initiator: Scotty Jones
Sponsors:
DOC ID: 2876

**~ DISCUSS, CONSIDER, AND/OR APPROVE ACCOUNTS
PAYABLE, DIRECT PAYABLES, AND UTILITY REFUNDS FOR
THE QUARTER ENDING SEPTEMBER 30, 2017.**

COMMENTS - Current Meeting:

The accounts payable were presented by Finance Director, Scotty Jones. The consent agenda item was unanimously approved by motion. The motion was made by Councilman Bill Cornman and seconded by Councilwoman Julie 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	07/07/17
ACCOUNTS PAYABLE	07/14/17
ACCOUNTS PAYABLE	07/20/17
ACCOUNTS PAYABLE	07/28/17
ACCOUNTS PAYABLE	07/31/17
ACCOUNTS PAYABLE	08/03/17
ACCOUNTS PAYABLE	08/11/17
ACCOUNTS PAYABLE	08/24/17
ACCOUNTS PAYABLE	09/08/17
ACCOUNTS PAYABLE	09/15/17
ACCOUNTS PAYABLE	09/22/17
ACCOUNTS PAYABLE	09/27/17

UTILITY REFUNDS	07/07/17
UTILITY REFUNDS	07/20/17
UTILITY REFUNDS	08/11/17
UTILITY REFUNDS	09/08/17
UTILITY REFUNDS	09/15/17
UTILITY REFUNDS	09/27/17

RESPECTFULLY SUBMITTED


SCOTTY JONES
FINANCE DIRECTOR

September 29, 2017
DATE



City Council
1901 5Th Street
Bay City, TX 77414

SCHEDULED

AGENDA ITEM (ID # 2874)

Meeting: 10/26/17 07:00 PM
Department: Finance
Category: Report
Prepared By: Scotty Jones
Initiator: Scotty Jones
Sponsors:
DOC ID: 2874

**~ DISCUSS, CONSIDER, AND/OR APPROVE THE
QUARTERLY INVESTMENT REPORT FOR THE PERIOD
ENDING SEPTEMBER 30, 2017.**

BACKGROUND:

The Public Funds Investment Act (Chapter 2256, Government Code) requires the City's Investment Report to be reviewed by the governing body at least quarterly.

FINANCIAL IMPLICATIONS:

An investment policy itself protects City dollars by restricting certain types of transactions. It also enables the City to invest in other instruments to increase interest earnings.

IMPACT ON COMMUNITY SUSTAINABILITY:

The report permits an outside reader to evaluate the performance of the investment program.

RECOMMENDATION:

Staff recommends City Council approve the Quarterly Investment Report

ATTACHMENT:

Quarterly Investment Report - September 30, 2017

COMMENTS - Current Meeting:

Finance Director, Scotty Jones detailed the investment report with Council members and Mayor Bricker.

The report was unanimously accepted by motion. The motion was made by Councilman Bill Cornman and seconded by Councilwoman Chrystal Folse.



CITY OF BAY CITY, TEXAS
QUARTERLY INVESTMENT REPORT
FOR THE QUARTER ENDED SEPTEMBER 30th, 2017

The investment portfolio detailed in the attached report includes all investment transactions made during the above referenced period. The investment portfolio and all related transactions comply with the investment policy of the City of Bay City, Texas and the Public Funds Investment Act of the State of Texas.

Investment Officer: _____

Scotty Jones, Finance Director

Date: _____

10-19-17



Investment Report Quarter Ended September 2017

The City has a weighted average portfolio of 1 day with an average book yield of .93%. The City is liquid with 100% of the portfolio in a 0-1 year maturity. Average interest rates have increased since prior quarter with a slight increase in investment pooled rates. Investment earnings are \$21,076 for the quarter and up \$13,046 as compared to the same quarter last year. The investment strategy currently is to primarily 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 monitor security offerings as the City earns no interest in the primary depository.

September 30, 2017 Balances

	Total Bal by Type	% of Portfolio
IBC (Pooled Cash)	\$876,855.28	10.29%
Prosperity Bank	\$3,602.00	0.04%
Texstar	\$7,130,364.86	83.67%
Texas Class	\$511,043.93	6.00%
CD's	\$-	0.00%
Securities	\$-	0.00%
	\$8,521,866.07	100.00%

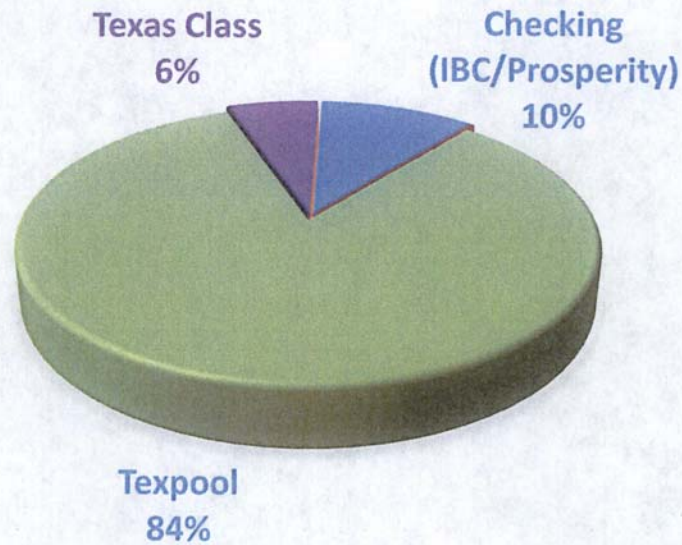
Interest Earnings

Interest received during the 4th quarter totaled \$ 21,075.64 and represents interest paid on checking accounts and investments.

Portfolio	Qtr 9-30-17	Qtr 9-30-16	Over Prior Year
Interest Received	\$21,075.64	8,029.27	\$13,046.37

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	\$8,521,866	100%
1-2	\$ 0	0%
2-3	\$ 0	0%
3-4	\$ 0	0%
4-5	\$ 0	0%
Total	\$8,521,866	100%

 City of BAY CITY vs. Benchmarks for Quarter Ending SEPTEMBER 30, 2017						
BOOK VALUE	MARKET VALUE	Unrealized Gain/Loss	Average Book Yield	Benchmark Pools	Benchmark 90 Day T-Bill	
\$ 8,521,866	\$ 8,521,866	-	0.93%	1.11%	0.91%	
Weighted Average						
Maturity	1.00 Day(s)		0.93% Yield			



INVESTMENT PORTFOLIO- CITY OF BAY CITY- BY FUND
for Quarter Ending September 2017

ACCT NAME CUSIP	GENERAL LEDGER CODE	GENERAL LEDGER BAL.	AVG INT RATE	TYPE	CPN	MATURITY DATE	BOOK VALUE	MARKET VALUE
All Funds								
GENERAL FUND								
General Fund								
IBC (Pooled Cash)	11-1100	\$ 671,861.67	0.00%	IOC				
Cash Drawers	11-11XX	\$ 450.00						
Petty Cash	11-11XX	\$ 1,310.00					N/A	
Investments-TEXPOOL	11-1125	\$ 597,986.35	0.99%	LOC GOVT POOL			N/A	
Certificates of Deposit	11-1220	\$ -	0.00%	CD			\$ -	\$ 597,986.35
Securities	11-1215	\$ -	0.00%	SEC		See maturity sched.	\$ -	\$ -
TOTAL GENERAL FUND		\$ 1,271,608.02						
CAPITAL PROJECT FUNDS								
Street Construction / Maintenance Fund								
IBC (Pooled Cash)	28-1100	\$ 75,693.43	0.00%	IOC				
TOTAL STREET MAINT. FUND		\$ 75,693.43						
Street Construction Fund (Phase II- 2014 Bond)								
IBC (Pooled Cash)	31-1100	\$ (413,435.67)	0.00%	IOC				
Investments-TEXPOOL	31-1125	\$ 392,310.16	0.99%	LOC GOVT POOL				\$ 392,310.16
TOTAL PHASE II STREET CONTR FUND		\$ (21,125.51)						
Service Center Project Fund								
IBC (Pooled Cash)	34-1100	\$ -	0.00%	IOC				
Investments-TEXPOOL	34-1125	\$ -	0.99%	LOC GOVT POOL			\$ -	
TOTAL SERVICE CENTER PROJECT		\$ -						
2016 CO'S- Phase III Street Project								
IBC (Pooled Cash)	36-1100	\$ (1,018,644.72)	0.00%	IOC				
Investments-TEXPOOL	36-1125	\$ 3,918,802.51	0.99%	LOC GOVT POOL				\$ 3,918,802.51
TOTAL PHASE III STREET PROJECT		\$ 2,900,157.79						
TOTAL CAPITAL PROJECT FUNDS		\$ 2,954,725.71						
DEBT SERVICE FUND								
09,10,13,14,16 Series I & S								
IBC (Pooled Cash)	80-1100	\$ 182,281.50	0.00%	IOC				
Investments-TEXPOOL	80-1125	\$ 3,677.02	0.99%	LOC GOVT POOL			\$ 3,677.02	
TOTAL I & S FUND		\$ 185,958.52						
TOTAL DEBT SERVICE		\$ 185,958.52						

ACCT NAME CUSIP	GENERAL LEDGER CODE	GENERAL LEDGER BAL.	AVG INT RATE	TYPE	CPN	MATURITY DATE	BOOK VALUE	MA VALUE
SPECIAL REVENUE FUNDS								
<i>Hazard Mitigation Fund</i>								
IBC (Pooled Cash)	23-1100	\$ (33,672.59)						
TOTAL HAZARD MITIGATION FUND		\$ (33,672.59)						
<i>Hotel Occupancy Tax Fund</i>								
IBC (Pooled Cash)	25-1100	\$ 457,650.79	0.00%	IOC				
TOTAL HOTEL FUND		\$ 457,650.79						
<i>Donation Fund (Service Center)</i>								
IBC (Pooled Cash)	21-1100	\$ 10,641.85	0.99%	IOC				
USO-PROSPERITY BANK	21-1115	\$ 24,721.12	0.25%	IOC				
TOTAL DONATION FUND		\$ 35,362.97						
<i>Police Forfeiture Fund</i>								
IBC (Pooled Cash)	24-1100	\$ -	0.00%	IOC				
Police Forfeiture Account	24-1115	\$ 54,275.70	0.00%	IOC				
Police Forfeiture Account	24-1116	\$ 11,299.63	0.00%	IOC				
TOTAL FORFEITURE FUND		\$ 65,575.33						
<i>Library Fund</i>								
IBC (Pooled Cash)	26-1100	\$ 90,379.61	0.00%	IOC				
Cash Drawers	26-1103	\$ 302.00						
TOTAL LIBRARY FUND		\$ 90,681.61						
<i>Building Security Fund</i>								
IBC (Pooled Cash)	27-1100	\$ 38,142.02	0.00%	IOC				
Flower Fund	27-1552	\$ (20.57)	0.00%	IOC				
TOTAL BUILDING SEC FUND		\$ 38,121.45						
<i>Court Technology Fund</i>								
IBC (Pooled Cash)	29-1100	\$ 33,378.82	0.00%	IOC				
TOTAL COURT TECHNOLOGY FUND		\$ 33,378.82						
<i>Police Department Task Force Fund</i>								
IBC (Pooled Cash)	30-1100	\$ -	0.00%	IOC				
Task Force Account	30-1115	\$ -	0.00%	IOC				
Task Force Pending	30-1116	\$ -	0.00%	IOC				
TOTAL POLICE TASK FORCE FUND		\$ -						
SPECIAL REVENUE FUNDS-Grants								
<i>TCF Sidewalk/CDBG Schulman</i>								
IBC (Pooled Cash)	32-1100	\$ (221,661.12)	0.00%	IOC				
TOTAL TCF/CDGB GRANT PROJECTS		\$ (221,661.12)						
TOTAL SPECIAL REVENUE FUNDS		\$ 465,437.26						

ACCT NAME CUSIP	GENERAL LEDGER CODE	GENERAL LEDGER BAL.	AVG INT RATE	TYPE	CPN	MATURITY DATE	BOOK VALUE	MA VALUE
ENTERPRISE FUNDS								
Public Utility Fund								
IBC (Pooled Cash)	61-1100	\$ 259,143.21	0.00%	IOC				
Cash Drawer-UTILITY BILLING	61-1102	\$ 150.00						
Cash Drawer-FAC	61-1104	\$ 150.00						
Cash Drawer-UTILITY	61-1105	\$ 1,240.00						
Restricted Cash	61-1114	\$ 540,633.37	0.00%	IOC				
Investments-TEXAS CLASS	61-1130	\$ 511,043.93	1.22%	LOC GOVT POOL				\$ 511,043.93
Certificates of Deposit	61-1220	\$ -	0.00%	CD				
Securities	61-1215	\$ -	0.00%	SEC		See maturity schedule	\$ -	
TOTAL UTIL OPER FUND		\$ 1,312,360.51						
Utility Construction Funds								
Utility Construction Funds- Highland Sewer Proj								
IBC (Pooled Cash)	62-1100	\$ (106,711.51)	0.00%	IOC				
Investments-TEXPOOL	62-1125	\$ 89,247.41	0.99%	IOC				
TOTAL UTILITY CONSTRUCTION FUND		\$ (17,464.10)						
2016 CO'S- Grace WWTP/Waterline Hwy 60N								
IBC (Pooled Cash)	66-1100	\$ (61,440.54)	0.00%	IOC				
Investments-TEXPOOL	66-1125	\$ 1,956,488.42	0.99%	LOC GOVT POOL				\$ 1,956,488.42
TOTAL 2016 UTILITY PROJECT FUND		\$ 1,895,047.88						
TOTAL UTIL CONSTRUCTION FUNDS		\$ 1,877,583.78						
Utility Debt Service Funds								
PUF- 2012,2014,2016 Bonds								
IBC (Pooled Cash)	63-1100	\$ (162,369.72)	0.00%	IOC				
Restricted Cash	63-1114	\$ 60,000.00	0.00%	IOC				
Investments-TEXPOOL	63-1125	\$ 171,852.99	0.99%	LOC GOVT POOL				\$ 171,852.99
TOTAL UTILITY DEBT FUND		\$ 69,483.27						
TOTAL UTIL DEBT SERVICE		\$ 69,483.27						
TOTAL ALL UTIL FUNDS		\$ 3,259,427.56						
Airport Fund								
Airport Operating Fund								
IBC (Pooled Cash)	64-1100	\$ 82,022.16	0.00%	IOC				
TOTAL AIRPORT OPERATING FUND		\$ 82,022.16						
TOTAL AIRPORT FUND		\$ 82,022.16						
INTERNAL SERVICE FUNDS								
Information Technology								
IBC (Pooled Cash)	81-1100	\$ 154,956.49	0.00%	IOC				
TOTAL INFORMATION TECHNOLOGY		\$ 154,956.49						
Maintenance Fund (Facilities/Equipment)								
IBC (Pooled Cash)	82-1100	\$ 129,882.32	0.00%	IOC				
TOTAL MAINTENANCE FUND		\$ 129,882.32						
TOTAL INTERNAL SERVICE FUNDS		\$ 284,838.81						

ACCT NAME CUSIP	GENERAL LEDGER CODE	GENERAL LEDGER BAL.	AVG INT RATE	TYPE	CPN	MATURITY DATE	BOOK VALUE	MA VALUE
FLEXIBLE SPENDING ACCOUNT								
FSA Fund								
IBC (Pooled Cash)	98-1118	\$ 17,848.03	0.00%	IOC				
TOTAL FSA FUND		\$ 17,848.03						
CITY GRAND TOTAL								
		\$ 8,521,866.07						
Bank GL Total Bal by Type International Bank of Commerce/Prosperity \$ 876,855.28 10.29% Petty Cash / Cash Drawers \$ 3,602.00 0.04% Texpool \$ 7,130,364.86 83.67% Texas Class \$ 511,043.93 6.00% CD's \$ - 0.00% Securities \$ - 0.00% \$ 8,521,866.07 100.00% The City's investments are in compliance with the investment strategy as expressed in the Investment Policy with the relevent provisions of Ch.2256 of the TX Gov. Code								
Cash Balance Less Restricted Cash Operating Reserves-Policy 1,828,395.00 Add'l Operating Reserves-Goal Street Maint Fund 75,693.43 Projects Encumbered 640,090.30 Other AP Encumbered 54,868.13 Debt Payments Due 319,643.75 Total \$ 5,603,175.46 General Fund Only 15% Grace Water Plant & Parks RR Payments Due 03/1/2018								
CURRENT YEAR INTEREST EARNINGS (Oct-Dec) (Jan-Mar) (April-June) Current Qtr (Oct-Dec) (Jan-Mar) (April-June) (July-Sept) IBC/Prosperity Bank 9.30 9.19 15.26 15.58 Texpool 9,068.76 11,440.45 15,901.12 19,495.43 Texas Class 1,081.40 1,219.67 1,382.85 1,564.63 Securities CD's Total \$ 10,159.46 \$ 12,669.31 \$17,299.23 \$ 21,075.64 Investment Officer- Scotty Jones Investment Committee- Mayor Investment Committee- Councilman Investment Committee- Councilman								
PRIOR YEAR INTEREST EARNINGS (Oct-Dec) (Jan-Mar) (April-June) Prior Year (Oct-Dec) (Jan-Mar) (April-June) (July-Sept) IBC/Prosperity Bank 9.32 9.19 9.19 9.29 Texpool 2,373.24 4,633.14 5,388.98 7,128.73 Texas Class 419.67 604.65 750.16 891.25 Securities CD's Total \$ 2,802.23 \$ 5,246.98 6,148.33 \$ 8,029.27 Investment Committee- Councilman (Alternate) Date of Meeting: 10/26/17 Interest 16 vs 17 Balance at 9-30-16 \$ 7,684,165.98 \$ 8,029.27 Interest at 9-30-16 Balance at 9-30-17 \$ 8,521,866.07 \$ 21,075.64 Interest at 9-30-17 Balance up from PY \$ 837,700.09 \$ 13,046.37 Interest up from PY								



CITY OF BAY CITY, TEXAS
QUARTERLY INVESTMENT REPORT
FOR THE QUARTER ENDED SEPTEMBER 30th, 2017

The investment portfolio detailed in the attached report includes all investment transactions made during the above referenced period. The investment portfolio and all related transactions comply with the investment policy of the City of Bay City, Texas and the Public Funds Investment Act of the State of Texas.

Investment Officer: _____

Scotty Jones, Finance Director

Date: _____

10-19-17



Investment Report Quarter Ended September 2017

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September 30, 2017 Balances

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IBC (Pooled Cash)	\$876,855.28	10.29%
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Texstar	\$7,130,364.86	83.67%
Texas Class	\$511,043.93	6.00%
CD's	\$-	0.00%
Securities	\$-	0.00%
	\$8,521,866.07	100.00%

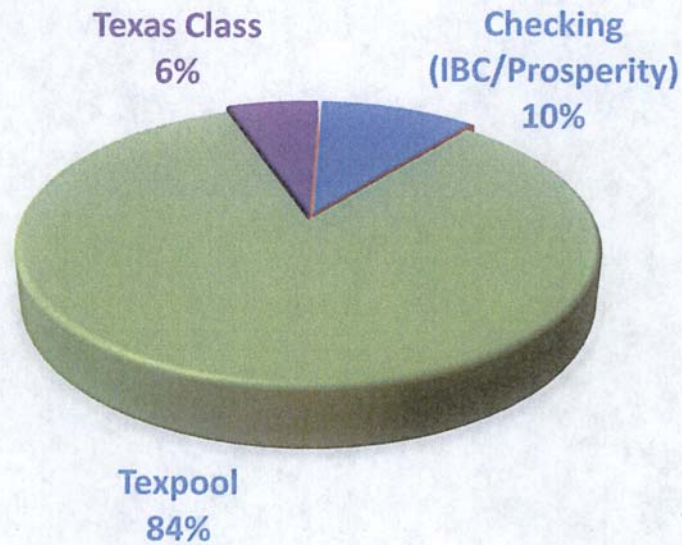
Interest Earnings

Interest received during the 4th quarter totaled \$ 21,075.64 and represents interest paid on checking accounts and investments.

Portfolio	Qtr 9-30-17	Qtr 9-30-16	Over Prior Year
Interest Received	\$21,075.64	8,029.27	\$13,046.37

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	\$8,521,866	100%
1-2	\$ 0	0%
2-3	\$ 0	0%
3-4	\$ 0	0%
4-5	\$ 0	0%
Total	\$8,521,866	100%

 City of BAY CITY vs. Benchmarks for Quarter Ending SEPTEMBER 30, 2017						
BOOK VALUE	MARKET VALUE	Unrealized Gain/Loss	Average Book Yield	Benchmark Pools	Benchmark 90 Day T-Bill	
\$ 8,521,866	\$ 8,521,866	-	0.93%	1.11%	0.91%	
Weighted Average						
Maturity	1.00 Day(s)		0.93% Yield			



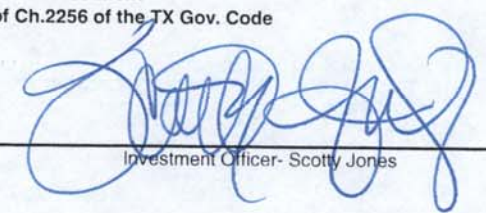
INVESTMENT PORTFOLIO- CITY OF BAY CITY- BY FUND
for Quarter Ending September 2017

ACCT NAME CUSIP	GENERAL LEDGER CODE	GENERAL LEDGER BAL.	AVG INT RATE	TYPE	CPN	MATURITY DATE	BOOK VALUE	MARKET VALUE
All Funds								
GENERAL FUND								
General Fund								
IBC (Pooled Cash)	11-1100	\$ 671,861.67	0.00%	IOC				
Cash Drawers	11-11XX	\$ 450.00						
Petty Cash	11-11XX	\$ 1,310.00					N/A	
Investments-TEXPOOL	11-1125	\$ 597,986.35	0.99%	LOC GOVT POOL			N/A	
Certificates of Deposit	11-1220	\$ -	0.00%	CD			\$ -	\$ 597,986.35
Securities	11-1215	\$ -	0.00%	SEC		See maturity sched.	\$ -	\$ -
TOTAL GENERAL FUND		\$ 1,271,608.02						
CAPITAL PROJECT FUNDS								
Street Construction / Maintenance Fund								
IBC (Pooled Cash)	28-1100	\$ 75,693.43	0.00%	IOC				
TOTAL STREET MAINT. FUND		\$ 75,693.43						
Street Construction Fund (Phase II- 2014 Bond)								
IBC (Pooled Cash)	31-1100	\$ (413,435.67)	0.00%	IOC				
Investments-TEXPOOL	31-1125	\$ 392,310.16	0.99%	LOC GOVT POOL				\$ 392,310.16
TOTAL PHASE II STREET CONTR FUND		\$ (21,125.51)						
Service Center Project Fund								
IBC (Pooled Cash)	34-1100	\$ -	0.00%	IOC				
Investments-TEXPOOL	34-1125	\$ -	0.99%	LOC GOVT POOL			\$ -	
TOTAL SERVICE CENTER PROJECT		\$ -						
2016 CO'S- Phase III Street Project								
IBC (Pooled Cash)	36-1100	\$ (1,018,644.72)	0.00%	IOC				
Investments-TEXPOOL	36-1125	\$ 3,918,802.51	0.99%	LOC GOVT POOL				\$ 3,918,802.51
TOTAL PHASE III STREET PROJECT		\$ 2,900,157.79						
TOTAL CAPITAL PROJECT FUNDS		\$ 2,954,725.71						
DEBT SERVICE FUND								
09,10,13,14,16 Series I & S								
IBC (Pooled Cash)	80-1100	\$ 182,281.50	0.00%	IOC				
Investments-TEXPOOL	80-1125	\$ 3,677.02	0.99%	LOC GOVT POOL			\$ 3,677.02	
TOTAL I & S FUND		\$ 185,958.52						
TOTAL DEBT SERVICE		\$ 185,958.52						

ACCT NAME CUSIP	GENERAL LEDGER CODE	GENERAL LEDGER BAL.	AVG INT RATE	TYPE	CPN	MATURITY DATE	BOOK VALUE	MA VALUE
SPECIAL REVENUE FUNDS								
<i>Hazard Mitigation Fund</i>								
IBC (Pooled Cash)	23-1100	\$ (33,672.59)						
TOTAL HAZARD MITIGATION FUND		\$ (33,672.59)						
<i>Hotel Occupancy Tax Fund</i>								
IBC (Pooled Cash)	25-1100	\$ 457,650.79	0.00%	IOC				
TOTAL HOTEL FUND		\$ 457,650.79						
<i>Donation Fund (Service Center)</i>								
IBC (Pooled Cash)	21-1100	\$ 10,641.85	0.99%	IOC				
USO-PROSPERITY BANK	21-1115	\$ 24,721.12	0.25%	IOC				
TOTAL DONATION FUND		\$ 35,362.97						
<i>Police Forfeiture Fund</i>								
IBC (Pooled Cash)	24-1100	\$ -	0.00%	IOC				
Police Forfeiture Account	24-1115	\$ 54,275.70	0.00%	IOC				
Police Forfeiture Account	24-1116	\$ 11,299.63	0.00%	IOC				
TOTAL FORFEITURE FUND		\$ 65,575.33						
<i>Library Fund</i>								
IBC (Pooled Cash)	26-1100	\$ 90,379.61	0.00%	IOC				
Cash Drawers	26-1103	\$ 302.00						
TOTAL LIBRARY FUND		\$ 90,681.61						
<i>Building Security Fund</i>								
IBC (Pooled Cash)	27-1100	\$ 38,142.02	0.00%	IOC				
Flower Fund	27-1552	\$ (20.57)	0.00%	IOC				
TOTAL BUILDING SEC FUND		\$ 38,121.45						
<i>Court Technology Fund</i>								
IBC (Pooled Cash)	29-1100	\$ 33,378.82	0.00%	IOC				
TOTAL COURT TECHNOLOGY FUND		\$ 33,378.82						
<i>Police Department Task Force Fund</i>								
IBC (Pooled Cash)	30-1100	\$ -	0.00%	IOC				
Task Force Account	30-1115	\$ -	0.00%	IOC				
Task Force Pending	30-1116	\$ -	0.00%	IOC				
TOTAL POLICE TASK FORCE FUND		\$ -						
SPECIAL REVENUE FUNDS-Grants								
<i>TCF Sidewalk/CDBG Schulman</i>								
IBC (Pooled Cash)	32-1100	\$ (221,661.12)	0.00%	IOC				
TOTAL TCF/CDGB GRANT PROJECTS		\$ (221,661.12)						
TOTAL SPECIAL REVENUE FUNDS		\$ 465,437.26						

ACCT NAME CUSIP	GENERAL LEDGER CODE	GENERAL LEDGER BAL.	AVG INT RATE	TYPE	CPN	MATURITY DATE	BOOK VALUE	MA VALUE
ENTERPRISE FUNDS								
Public Utility Fund								
IBC (Pooled Cash)	61-1100	\$ 259,143.21	0.00%	IOC				
Cash Drawer-UTILITY BILLING	61-1102	\$ 150.00						
Cash Drawer-FAC	61-1104	\$ 150.00						
Cash Drawer-UTILITY	61-1105	\$ 1,240.00						
Restricted Cash	61-1114	\$ 540,633.37	0.00%	IOC				
Investments-TEXAS CLASS	61-1130	\$ 511,043.93	1.22%	LOC GOVT POOL				\$ 511,043.93
Certificates of Deposit	61-1220	\$ -	0.00%	CD				
Securities	61-1215	\$ -	0.00%	SEC		See maturity schedule	\$ -	
TOTAL UTIL OPER FUND		\$ 1,312,360.51						
Utility Construction Funds								
Utility Construction Funds- Highland Sewer Proj								
IBC (Pooled Cash)	62-1100	\$ (106,711.51)	0.00%	IOC				
Investments-TEXPOOL	62-1125	\$ 89,247.41	0.99%	IOC				
TOTAL UTILITY CONSTRUCTION FUND		\$ (17,464.10)						
2016 CO'S- Grace WWTP/Waterline Hwy 60N								
IBC (Pooled Cash)	66-1100	\$ (61,440.54)	0.00%	IOC				
Investments-TEXPOOL	66-1125	\$ 1,956,488.42	0.99%	LOC GOVT POOL				\$ 1,956,488.42
TOTAL 2016 UTILITY PROJECT FUND		\$ 1,895,047.88						
TOTAL UTIL CONSTRUCTION FUNDS		\$ 1,877,583.78						
Utility Debt Service Funds								
PUF- 2012,2014,2016 Bonds								
IBC (Pooled Cash)	63-1100	\$ (162,369.72)	0.00%	IOC				
Restricted Cash	63-1114	\$ 60,000.00	0.00%	IOC				
Investments-TEXPOOL	63-1125	\$ 171,852.99	0.99%	LOC GOVT POOL				\$ 171,852.99
TOTAL UTILITY DEBT FUND		\$ 69,483.27						
TOTAL UTIL DEBT SERVICE		\$ 69,483.27						
TOTAL ALL UTIL FUNDS		\$ 3,259,427.56						
Airport Fund								
Airport Operating Fund								
IBC (Pooled Cash)	64-1100	\$ 82,022.16	0.00%	IOC				
TOTAL AIRPORT OPERATING FUND		\$ 82,022.16						
TOTAL AIRPORT FUND		\$ 82,022.16						
INTERNAL SERVICE FUNDS								
Information Technology								
IBC (Pooled Cash)	81-1100	\$ 154,956.49	0.00%	IOC				
TOTAL INFORMATION TECHNOLOGY		\$ 154,956.49						
Maintenance Fund (Facilities/Equipment)								
IBC (Pooled Cash)	82-1100	\$ 129,882.32	0.00%	IOC				
TOTAL MAINTENANCE FUND		\$ 129,882.32						
TOTAL INTERNAL SERVICE FUNDS		\$ 284,838.81						

ACCT NAME CUSIP	GENERAL LEDGER CODE	GENERAL LEDGER BAL.	AVG INT RATE	TYPE	CPN	MATURITY DATE	BOOK VALUE	MA VALUE
FLEXIBLE SPENDING ACCOUNT								
FSA Fund								
IBC (Pooled Cash)	98-1118	\$ 17,848.03	0.00%	IOC				
TOTAL FSA FUND		\$ 17,848.03						
CITY GRAND TOTAL								
		\$ 8,521,866.07						
The City's investments are in compliance with the investment strategy as expressed in the Investment Policy with the relevent provisions of Ch.2256 of the TX Gov. Code								
International Bank of Commerce/Prosperity	Bank GL	Total Bal by Type	% of Portfolio					
Petty Cash / Cash Drawers		\$ 876,855.28	10.29%					
Texpool		\$ 3,602.00	0.04%					
Texas Class		\$ 7,130,364.86	83.67%					
CD's		\$ 511,043.93	6.00%					
Securities		\$ -	0.00%					
		\$ -	0.00%					
		\$ 8,521,866.07	100.00%					
Cash Balance								
Less Restricted Cash	All Funds	\$ 8,521,866.07						
Operating Reserves-Policy		1,828,395.00	General Fund Only 15%					
Add'l Operating Reserves-Goal								
Street Maint Fund		75,693.43						
Projects Encumbered		640,090.30	Grace Water Plant & Parks RR					
Other AP Encumbered		54,868.13						
Debt Payments Due		319,643.75	Payments Due 03/1/2018					
Total		\$ 5,603,175.46						
CURRENT YEAR								
INTEREST EARNINGS	(Oct-Dec)	(Jan-Mar)	(April-June)	Current Qtr (July-Sept)				
IBC/Prosperity Bank	9.30	9.19	15.26	15.58				
Texpool	9,068.76	11,440.45	15,901.12	19,495.43				
Texas Class	1,081.40	1,219.67	1,382.85	1,564.63				
Securities								
CD's								
Total	\$ 10,159.46	\$ 12,669.31	\$17,299.23	\$ 21,075.64				
PRIOR YEAR								
INTEREST EARNINGS	(Oct-Dec)	(Jan-Mar)	(April-June)	Prior Year (July-Sept)				
IBC/Prosperity Bank	9.32	9.19	9.19	9.29				
Texpool	2,373.24	4,633.14	5,388.98	7,128.73				
Texas Class	419.67	604.65	750.16	891.25				
Securities								
CD's								
Total	\$ 2,802.23	\$ 5,246.98	6,148.33	\$ 8,029.27				
Interest 16 vs 17								
Balance at 9-30-16	\$	7,684,165.98	\$	8,029.27	Interest at 9-30-16			
Balance at 9-30-17	\$	8,521,866.07	\$	21,075.64	Interest at 9-30-17			
Balance up from PY	\$	837,700.09	\$	13,046.37	Interest up from PY			



Investment Officer- Scotty Jones

Investment Committee- Mayor

Investment Committee- Councilman

Investment Committee- Councilman

Investment Committee- Councilman (Alternate)

Date of Meeting: 10/26/17



City Council
1901 5Th Street
Bay City, TX 77414

Meeting: 10/26/17 07:00 PM
Department: City Secretary
Category: Policy
Prepared By: David Holubec
Initiator: David Holubec
Sponsors:
DOC ID: 2880

TABLED

RESOLUTION (ID # 2880)

**~ DISCUSS, CONSIDER, AND/OR APPROVE A RESOLUTION
APPROVING AN ADDENDUM TO THE PRELIMINARY
PROJECT AND FINANCE PLAN FOR REINVESTMENT ZONE
NUMBER THREE, CITY OF BAY CITY TO INCORPORATE THE
ORDER OR PRIORITY OF PAYMENTS FROM THE TAX
INCREMENT FUND.**

RESULT: TABLED

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BAY CITY, TEXAS APPROVING AN ADDENDUM TO THE PRELIMINARY PROJECT AND FINANCE PLAN FOR REINVESTMENT ZONE NUMBER THREE, CITY OF BAY CITY, TEXAS TO INCORPORATE THE ORDER OR PRIORITY OF PAYMENTS FROM THE TAX INCREMENT FUND

WHEREAS, City Council designated Reinvestment Zone Number Three, City of Bay City, Texas, (hereinafter referred to as “TIRZ No. 3”) in Ordinance No. 1593; and

WHEREAS, In designating TIRZ No. 3., City Council adopted a Preliminary Project and Finance Plan to achieve the purpose of the zone; and

WHEREAS, the Preliminary Project and Finance Plan needs to contain an order or priority of payments addendum to guide the administrator of the Tax Increment Fund how to reimburse administrative expenses, start-up expenses, and public improvement reimbursements; and

WHEREAS, City Council finds that the Addendum attached hereto as **Exhibit A** contains an order or priority of payments to guide the administrator of the Tax Increment Fund how to reimburse administrative expenses, start-up expenses, and public improvement reimbursements.

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

SECTION I. The findings and recitations above are true and correct and are incorporated herein for all purposes.

SECTION II. The Addendum attached hereto as **Exhibit A** shall be incorporated to the Preliminary Project and Finance Plan to guide the administrator of the Tax Increment Fund how to reimburse administrative expenses, start-up expenses, and public improvement reimbursements.

SECTION III. The Board of the Zone, when it prepares the Final Project and Finance Plan, shall incorporate an order or priority of payments into the Final Project and Finance Plan substantially similar to those reflected in **Exhibit A** to guide the administrator of the Tax Increment Fund how to reimburse administrative expenses, start-up expenses, and public improvement reimbursements.

SECTION IV. This Resolution shall take effect upon immediately from and after its passage.

PASSED and APPROVED by City Council of the City of Bay City, Texas this ____ day of October 2017.

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

ATTEST:

David Holubec, City Secretary

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

Attachment: Resolution to add addendum to Prel. Proj Finance Plan (003) (2880 : Resolution Approving an Addendum For TIRZ #3)

EXHIBIT A**ADDENDUM TO PRELIMINARY PROJECT AND FINANCE PLAN****Order or Priority of Payment**

The City and the Board may use Available Tax Increment Funds to pay eligible expenditures in the following order or priority of payment:

1. To fully reimburse eligible startup Administrative Costs incurred by each Participating Taxing Entity;
2. To pay all ongoing Administrative Costs to Participating Taxing Entities for administering the Tax Increment Fund or the TIRZ, except that if there are insufficient funds for the full reimbursement of ongoing Administrative Costs to the Participating Taxing Entity, then the ongoing Administrative Costs of each Participating Taxing Entity shall be reimbursed on a pro rata basis until the costs have been paid; and
3. To reimburse the Developer for Public Improvements as provided in the Development Agreement and in the Project Plan to the extent that funds in the Tax Increment Fund are available for this purpose.



City Council
1901 5Th Street
Bay City, TX 77414

Meeting: 10/26/17 07:00 PM
Department: City Secretary
Category: Policy
Prepared By: David Holubec
Initiator: David Holubec
Sponsors:
DOC ID: 2881

TABLED

RESOLUTION (ID # 2881)

**~ DISCUSS, CONSIDER, AND/OR APPROVE A RESOLUTION
AUTHORIZING REINVESTMENT ZONE NUMBER THREE,
CITY OF BAY CITY BOARD OF DIRECTORS TO EXERCISE
THE CITY'S POWERS WITH RESPECT TO THE
ADMINISTRATION, MANAGEMENT, AND OPERATION OF THE
ZONE AND THE IMPLEMENTATION OF THE PROJECT PLAN
FOR THE ZONE.**

RESULT:	TABLED
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RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BAY CITY, TEXAS AUTHORIZING THE TIRZ 3 BOARD TO EXERCISE THE CITY'S POWERS WITH RESPECT TO THE ADMINISTRATION, MANAGEMENT, AND OPERATION OF THE ZONE AND IMPLEMENTATION OF THE PROJECT PLAN FOR THE ZONE.

WHEREAS, City Council designated Reinvestment Zone Number Three, City of Bay City, Texas, (hereinafter referred to as "TIRZ No. 3") in Ordinance No. 1593; and

WHEREAS, The TIRZ Board makes recommendations to the City Council concerning the administration of the Zone; and

WHEREAS, Section 311.010 of the Texas Tax Code allows the City by resolution to authorize the TIRZ Board to exercise any of the City's powers with respect to the administration, management, or operation of the Zone and the implementation of the Project Plan for the Zone, except the Board may not issue bonds, impose taxes or fees, exercise the power of eminent domain, or give final approval to the project plan; and

WHEREAS, City Council desires to authorize the TIRZ Board to exercise any of the City's powers with respect to the administration, management, or operation of the Zone and the implementation of the Project Plan for the Zone, except the Board may not issue bonds, impose taxes or fees, exercise the power of eminent domain, or give final approval to the Project Plan.

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

SECTION I. The findings and recitations above are true and correct and are incorporated herein for all purposes.

SECTION II. Pursuant to Section 311.010 of the Texas Tax Code, as amended, City Council authorizes the TIRZ Board to exercise any of the City's powers with respect to the administration, management, or operation of the Zone and the implementation of the Project Plan for the Zone.

SECTION III. The Board of the Zone, however, may not issue bonds, impose taxes or fees, exercise the power of eminent domain, or give final approval of the Project Plan.

SECTION IV. This Resolution shall take effect upon immediately from and after its passage.

PASSED and APPROVED by City Council of the City of Bay City, Texas this ____ day of October 2017.

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

ATTEST:

David Holubec, City Secretary

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

Attachment: Resolution to delegate authority to TIRZ Board V. 2 (002) (2881 : Resolution Authorizing TIRZ #3)



City Council
1901 5Th Street
Bay City, TX 77414

Meeting: 10/26/17 07:00 PM
Department: City Secretary
Category: Agreement
Prepared By: David Holubec
Initiator: David Holubec
Sponsors:
DOC ID: 2878

TABLED

AGENDA ITEM (ID # 2878)

**~ DISCUSS, CONSIDER, AND/OR APPROVE A
DEVELOPMENT AGREEMENT WITH MARGUERITE MEADOW,
LLC, FOR THE DEVELOPMENT OF PUBLIC IMPROVEMENTS
WITHIN REINVESTMENT ZONE NUMBER THREE (3), CITY OF
BAY CITY, TEXAS.**

PURSUANT TO TEXAS GOVERNMENT CODE SECTION 551.071
(CONSULTATION WITH ATTORNEY) AND SECTION 551.087 (DELIBERATION
REGARDING ECONOMIC NEGOTIATIONS) CITY COUNCIL SHALL CONVENE
IN EXECUTIVE SESSION TO CONSULT WITH THE CITY ATTORNEY
REGARDING A DEVELOPMENT AGREEMENT WITH MARGUERITE
MEADOW, LCC AND TO DISCUSS THE OFFER OF A FINANCIAL OR OTHER
INCENTIVE TO MARGUERITE MEADOW, LLC.

RESULT: TABLED

**DEVELOPMENT AGREEMENT BY AND BETWEEN
THE CITY OF BAY CITY AND MARGUERITE MEADOW, LLC**

This DEVELOPMENT AGREEMENT (“Agreement”) is entered into by and between the CITY OF BAY CITY (the “City”), a Texas home rule municipality and MARGUERITE MEADOW, LLC (“Developer”), a Texas limited liability company. The City and Developer may be referred to singularly as “Party” and collectively as the “Parties.”

The City and Developer hereby agree that the following statements are true and correct and constitute the basis upon which the City and Developer have entered into this Agreement:

WHEREAS, Developer petitioned the City for the creation of the Reinvestment Zone Number Three, City of Bay City, Texas (the “Zone”) in order to be reimbursed for Project Costs incurred in the development of the Project: and

WHEREAS, as an inducement to Developer, the City created the Zone on February 23, 2017 under Ordinance Number 1593 pursuant to the TIF Act; and

WHEREAS, the City approved and adopted a Preliminary Project Plan and Financing Plan (collectively “TIRZ Plan”) for the Zone on February 23, 2017, which was amended on October 12, 2017; and

WHEREAS, the TIF Act authorizes the expenditures of funds derived within a reinvestment zone for the payment of expenditures made or estimated to be made and monetary obligations incurred or estimated to be incurred by a municipality consistent with a project and financing plan of the reinvestment zone, which expenditures and monetary obligations constitute project costs, as defined by the TIF Act; and

WHEREAS, Developer is the owner of approximately 20 acres of real property (the “Property”) located on the eastern portion of Marguerite Street in the City which it proposes to develop a deed restricted single-family subdivision; and Developer has requested reimbursement for its cost of constructing certain public improvements pursuant to the TIRZ Plan; and

WHEREAS, the City has determined the Project will utilize under-developed and unused property, provide for additional residential opportunities within the City, and produce additional tax revenues for the various taxing units authorized to levy taxes on real property within the Zone; and

WHEREAS, the Zone is intended and needed to provide the financing and management tools to facilitate the development of the Project; therefore, it is understood that absent such tools, the Project would not occur solely through private investment in the foreseeable future, and would not consist of deed restricted single-family subdivision contemplated by the Parties; and

WHEREAS, Developer will construct certain public improvements described on **Exhibit C**, to implement the TIRZ Plan, and the City will reimburse Developer all or a portion of Developer’s cost for the public works and public improvements in accordance with this Agreement; and

WHEREAS, pursuant to the TIRZ Plan, certain tax revenues based upon the incremental increase over the base year (“TIF Revenue”) will flow into a fund to be administered by the City, known as the TIRZ Fund; also, the City may receive other gifts, grants or other revenue to be accounted for separately from the TIRZ Fund, but used only for duly approved authorized purposes of the Zone;

WHEREAS, the City, after due and careful consideration, has concluded that the development of the Property as provided herein will further the growth of the City, improve the environment of the City, increase the assessed valuation within the City, foster increased economic activity with the City, upgrade public infrastructure serving the Property, and otherwise be in the best interest of the City by furthering the health, safety, and welfare of its residents and taxpayers, and that entering into this Agreement is necessary and convenient to implement the TIRZ Plan and achieve their purposes.

NOW THEREFORE, in consideration of the mutual covenants and obligations herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Section: Definitions

Agreement means this Agreement and all attachments hereto.

City means the City of Bay City, Texas. In the event the City delegates the administration of the Zone to the Zone Board, City includes the Zone.

Letter of Acceptance means a certificate of the City certifying the completion of a discrete portion of the Public Improvements constructed by or under the supervision of Developer in accordance with this Agreement.

Maximum Reimbursement Amount means \$2,710,000.00. The Developer and the City may revise the Maximum Reimbursement Amount based on changed circumstances concerning the development of the Project.

Phase means any part of the Public Improvements for which, from time to time, Developer elects to submit Plans to the City for approval.

Plans mean the plans, specifications, schedules and related construction contracts for the Public Improvements approved pursuant to the applicable standards and directives of the City and any other applicable governmental entity.

Project means the real estate development for the Property in accordance with the terms of the Project Plan and this Agreement described in **Exhibit B**.

Project Engineer means the licensed engineering firm designated by Developer as Developer’s engineer from time to time.

Project Costs mean and include all costs defined as “project costs” in Section 311.002 of the

TIF Act as now or hereafter provided, incurred in connection with the design, construction, or development of the Public Improvements identified in **Exhibit C**.

Property means approximately 20 acres of real property shown on Exhibit A, and any adjacent right-of-way and publicly owned property that Developer acquires or obtains permission to develop.

Public Improvements mean the various improvements to be funded by Developer in support of the Project identified in **Exhibit C**.

Reimbursement means the actual Project Costs of the Public Improvements.

Substantial Completion means the time at which the construction of a Public Improvement (or specified part thereof) has progressed to the point where such Public Improvement (or specified part thereof) is sufficiently complete to be utilized for the purpose for which it is intended, as determined by the City.

TIF Act means the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code, as amended.

TIF Revenue means the amount of tax revenue derived from or attributable to the Property and the Project collected as determined pursuant to Section 311.012 of the TIF Act, the Ordinance creating the Zone, and the participation agreements with the other taxing entities and deposited in the TIRZ Fund in accordance with the TIRZ Plan.

TIRZ means the Tax Increment Reinvestment Zone Number 3, City of Bay City created by the City over the Property.

TIRZ Fund means the tax increment fund created by the City pursuant to the TIF Act and the ordinance adopted by the City creating the Zone.

TIRZ Plan means the Reinvestment Zone Project Plan and Financing Plan.

2. Section: Recitals

All of the recitals above are hereby found to be true and are hereby incorporated into this Agreement as if fully set forth herein in their entirety.

3. Section: Project & Financing

Developer shall, at its sole cost and expense, design, construct, and install, within the time frame provided by this Agreement, the Public Improvements. All Public Improvements undertaken by Developer shall be designed, constructed, and installed in a good and workman like manner in accordance with all applicable laws, statutes, ordinances, rules and regulations of the City and any other governmental authority having jurisdiction over the Project. All Public Improvements shall be constructed and installed within existing or future rights-of-way, easements, parks, or City property.

Developer shall submit plans and specification for each Phase of the Public Improvements to the City for review and approval prior to the commencement of construction of any Public Improvement. Such plans and specifications shall be prepared by the Project Engineer and shall be in conformance with City design standards. The City's approval of the plans and specifications shall not be unreasonably withheld, conditioned, or delayed.

Developer shall present a final subdivision plat of the Property for approval by the City in accordance with the City's Code of Ordinances and state law.

Developer shall construct the Public Improvements in such Phases and in such sequences as Developer determines.

Developer shall submit plans for the initial Phase of Public Improvements to the City for approval within twelve (12) months of the Effective Date.

Developer understands and agrees that the cost of the Project, to the extent that the improvements associated with the Project are not public improvements ("Private Improvements") shall be funded by and through Developer's own capital or other financing means arranged and obtained by Developer. Further, The Reimbursements to be made to Developer pursuant to this Agreement are not intended to reimburse Developer for all of its costs incurred in connection with performing its obligations under this Agreement.

4. Section: Insurance

Developer shall obtain and maintain, or cause its contractors and subcontractors to obtain and maintain, in full force an effect during the time that any Public Improvement is being constructed and installed by Developer under this Agreement insurance coverage in the following amounts:

Type of Insurance	Amount of Insurance	Provisions
Commercial General (Public) Liability to include coverage for: Premises/Operations	1,000,000 per occurrence, 2,000,000 general aggregate Or	City to be listed as additional insured and provide 30 days notice of cancellation or material change in coverage
Products/ Completed Operations	2,000,000 combined single coverage limit	City to be provided a waiver of subrogation
Independent Contractors Personal Injury Contractual Liability		City prefers that insurer be rated B+V1 or higher by A.M. Best or A or higher by Standard & Poors
Business Auto Liability	1,000,000 combined single limit	City to be provided a waiver of subrogation

Workers' Compensation & Employers Liability	Statutory Limits 1,000,000 each accident	City to be provided a waiver of subrogation
---	---	---

The policies of insurance shall name the City as additional insureds. All policies of insurance must provide waiver of subrogation in favor of the City. All liability policies must be issued by a company with a Certificate of Authority from the Texas Department of Insurance to conduct business in the State of Texas. The issuing company must have a rating of at least B+ and a financial size of Class VI or better according to the current year's *Best's Key Rating Guide, Property-Casualty United States*.

All insurance policies shall have on their face, or by endorsement, that the insurance company waives any subrogation against the City and it shall give not less than (fifteen) 15 days written notice to the City before the policy is cancelled, materially changed, or non-renewed. Within the (fifteen) 15 day period, Developer shall provide other sufficient policies in lieu of those about to be cancelled, materially changed, or not renewed so as to maintain in effect the required coverage. If Developer fails to comply with these insurance requirements, the City, at its sole discretion, may refuse to release Reimbursements to Developer pursuant to this Agreement until Developer complies with this provision. Developer acknowledges and agrees such a refusal does not constitute a default of this Agreement.

5. No Competitive Bidding

Developer's construction of the Public Improvements does not require competitive bidding pursuant to state law.

6. TIF Participation: Reimbursement of TIF Revenue to Developer

The City shall promptly deposit or cause to be deposited into the TIRZ Fund the TIF Revenues collected with respect to the Property by the City and other taxing entities that participate in the Zone and are received by the City under agreements between the City and such other entities, and to disburse such TIF Revenues so deposited to pay Project Costs for any Phase in an amount equal to the actual Project Costs for each such Phase. The City shall pay Reimbursements to Developer for Public Improvements for any Phase as to which Substantial Completion has occurred on an annual basis on June 1 of each year to the extent of the sums available in the TIRZ Fund for this Zone until the Public Improvements under this Agreement have been paid in full or until the expiration of this Agreement. The City may not make any additional payments once the total payments under this Agreement equal the Maximum Reimbursement Amount. The Maximum Reimbursement Amount has been established based on the anticipated scope of the Public Improvements based on Developer's current estimate of the cost of the Public Improvements. The cost estimates are estimates only and the actual costs may vary; however, the amount of the Maximum Reimbursement Amount shall not change.

Whenever Developer has completed a Phase of the Public Improvements, Developer shall give written notice to the City, which notice shall be accompanied by (1) the Project Engineer's certification that such Phase of the Public Improvements has been substantially completed in

accordance with the plans and specifications and (2) Developer's certification of the Project Costs incurred by Developer in completing the Phase. Developer's certification shall include substantiation of Project Costs in such reasonable detail as the City may reasonably request.

The City shall have the right to inspect the Property during construction.

The City reserves the right, when payments come into the TIRZ Fund, to prepay all or any portion of the Maximum Reimbursement Amount under this Agreement at any given time. If the City obtains any additional funds allowed by law, the City may fully reimburse Developer the existing unpaid balance under this Agreement.

7. Section: No automatic acceptance of Public Improvements

No Reimbursement paid to Developer shall be deemed an acceptance by the City of any Public Improvement.

8. Reimbursement Limited to TIF Fund

Developer understands and agrees that any and all payments, obligations, grants, loans, reimbursements and any other form of financial obligation imposed on the City by this Agreement ("Reimbursement") shall be made solely from then-currently available revenues in the TIRZ Fund and subject to the TIRZ Plan and all other terms of this Agreement and applicable laws. In the event that there is not sufficient revenue in the TIRZ Fund to timely pay Developer any part of the Reimbursement, the City shall pay Developer such portion of the Reimbursement that may be available at the time. The balance of any due but unpaid Reimbursement shall be carried forward without interest and paid by the City in the first year in which there is sufficient revenue in the TIRZ Fund to pay such balance. Developer agrees that it will not look to other funds of the Zone, bonds or funds of the City, or any property of the Zone or the City for all or any portion of the Reimbursement. Upon termination of the Zone on December 31, 2037, or such other date as may be specified in a subsequent ordinance adopted in accordance with Section 311.017 of the TIF Act, any portion of the Reimbursement that has not been paid due to the unavailability of revenue in the TIRZ Fund or due to Developer's failure to meet any condition or obligation under this Agreement for receipt of the Reimbursement shall no longer be considered Project Costs, and any obligation of the City to pay Developer any remaining balance of the Reimbursement shall automatically expire.

Following the completion of a Phase, Developer shall convey the Public Improvements to the City comprising such Phase to the City free and clear of all liens. A conveyance to the City shall be evidenced by a Plat filed for the Project, and by any other instrument which the City may reasonably request, and shall include an assignment of all contractor's warranties and all performance and payment bonds. Prior to the acceptance of such conveyance to the City, Developer shall provide the City with releases from the contractors, subcontractors, and suppliers of materials who have provided labor and materials for the Public Improvements.

This Agreement shall also operate as a Performance Agreement under Section 98-40.1 of the City's Code of Ordinances. Developer hereby guarantees the construction of the Public Improvements. Notwithstanding any other provisions herein, Developer may record an approved plat prior to the completion of the construction of the Public Improvements if Developer provides

a guarantee of performance in accordance with Section 98-40.1(1) of the City's Code of Ordinances.

The City shall provide Developer with a Letter of Acceptance upon the City's approval and acceptance of Public Improvements. Until the City accepts a Public Improvement, Developer shall maintain and operate the Public Improvement. The City's issuance of a Letter of Acceptance shall not be unreasonable withheld, delayed, or conditioned.

9. Section: Payment and Performance Bonds

Developer shall, in connection with the construction of the Public Improvements, provide performance and payment bond to ensure completion of the Public Improvements in accordance with the City's Code of Ordinances and Chapter 2253 of the Texas Government Code, as amended, or cause its contractors to provide performance and payment bonds in compliance with the City's Code of Ordinances and Chapter 2253 of the Texas Government Code, as amended.

10. Public Improvements to be Owned by the City

It is the intent and agreement of Developer and the City that the Public Improvements will become property of the City. All land transferred to the City, other than land dedicated to the City on a plat or other dedication, shall be conveyed to the City by a warrant deed. All costs of title insurance and costs associated with closing on the conveyance, if any, shall be borne by Developer. Developer shall furnish to the City a preliminary title report for land with respect to the Public Improvements, including any related rights-of-way, to be acquired and accepted by the City from Developer, for review and approval at least (thirty) 30 calendar days prior to the transfer of title of a Public Improvement to the City. The City shall approve the preliminary title report unless it reveals a matter which, in the reasonable judgment of the City, could materially affect the City's use and enjoyment of any part of the land or right-of-way covered by the preliminary title report. In the event the City does not approve the preliminary title report, the City shall not be obligated to accept title to the Public Improvements until Developer has cured such objections to title to the satisfaction of the City. The failure of Developer to provide a title report acceptable to the City on any Public Improvement shall constitute an event of default under this Agreement. Upon failure of Developer to cure such default within thirty (30) days of receipt of notice from the City, Developer shall refund to the City all Reimbursements received for the cost of such Public Improvement.

11. License to Construct Public Improvement on City Land and Right-of-way

If any Public Improvement is located on City land or right-of-way, the City hereby grants Developer a license to enter upon such land for purposes related to construction (and maintenance pending acquisition and acceptance by the City) of the Public Improvement. The provisions for inspection and acceptance of such Public Improvement otherwise herein shall apply.

12. Right of Offset

The City may, at its option, offset any amounts due and payable to Developer under this Agreement against any debt (including taxes) lawfully due to the City, or any other taxing unit participating in the Zone, from Developer regardless of whether the amount due arises pursuant to

the terms of this Agreement or otherwise and regardless of whether the debt in question has been reduced to judgment by a court.

13. Prohibition of Liens

Notwithstanding any delay or failures by the City to make any Reimbursements pursuant to the terms of this Agreement, Developer shall be responsible for assuring no liens or encumbrances are placed on any property upon which any Public Improvements are constructed. Nothing in this Agreement shall be deemed to prohibit Developer or the City from contesting in good faith the validity or amount of any mechanic's or materialman's lien or judgment nor limit the remedies available to Developer or the City with respect so long as such delay in performance shall not subject the Public Improvements to foreclosure, forfeiture, or sale.

14. Term and Termination

The Effective Date of this Agreement is the last date approved by all of the Parties. The Effective Date is _____. The term of this Agreement shall begin upon the Effective Date and end upon the earlier of, unless terminated sooner in accordance with the terms of this Agreement:

- (a) the complete performance of all obligations and conditions precedent by the Parties to this Agreement; or
- (b) the expiration of the term of the Zone; provided, however, that the obligation of the City to apply TIF Revenues toward any unpaid part of the Public Improvements shall survive as to any TIF Revenues accrued but not actually collected until subsequent to the expiration of the term of the Zone.

This Agreement may be terminated by the mutual written consent of the City and Developer, in which event the City may either execute contracts for or perform any remaining work related to the Public Improvements not accepted by the City and use all or any portion of the remaining Reimbursements to pay for the Public Improvements, and Developer shall have no claim or right to any further Reimbursements, except as provided by written consent.

The City may terminate this Agreement upon the occurrence of any of the following events:

- 1) Developer is in default or otherwise breaches its obligations and fails to cure such default in accordance with Section 18 (Events of Default & Remedies); or
- 2) Developer is delinquent in the payment of any tax or assessment related to the Property.

Upon termination, at the option of the City, Developer shall (i) convey to the City title to any and all properties upon which Public Improvements were constructed, in whole or in part, or upon which Public Improvements were intended to be constructed.

Upon termination, the City either may execute contracts for or perform any remaining work related to the Public Improvements not accepted by the City and request and be paid Reimbursements in accordance with the terms of this Agreement. Developer shall be entitled to payment of Reimbursements for any work it has completed up to the date of termination, except

as provided by written consent. Developer shall have no claim or right to any further Reimbursements for Public Improvements.

15. Section: Force Majeure

It is expressly understood and agreed by the Parties that if the performance of any obligation hereunder is delayed by reason of war, civil commotion, acts of God, inclement weather, governmental restrictions, regulations, or interferences, delays caused by the franchise utilities, fire or other casualty, court injunction, necessary condemnation proceedings, acts of the other Parties, their affiliates/related entities and/or their contractors, or any actions or inactions of third parties or other circumstances which are reasonably beyond the control of the party obligated or permitted under the terms of this Agreement to do or perform the same, regardless of whether any such circumstance is similar to any of those enumerated or not, the Party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such design or construction requirement shall be extended for a period of time equal to the period such Party was delayed.

16. Section: Indemnity

DEVELOPER AGREES TO DEFEND, INDEMNIFY AND HOLD THE ZONE, THE BOARD, THE CITY, AND THEIR RESPECTIVE OFFICIALS, OFFICERS, AGENTS AND EMPLOYEES, ASSIGNS AND SUCCESSORS, HARMLESS AGAINST ANY AND ALL CLAIMS, DEMANDS, LAWSUITS, JUDGMENTS, COSTS AND EXPENSES, INTEREST, AND ATTORNEY FEES FOR PERSONAL INJURY (INCLUDING DEATH), PROPERTY DAMAGE (INCLUDING LOSS) OR OTHER HARM FOR WHICH RECOVERY OF DAMAGES IS SOUGHT THAT MAY ARISE OUT OF OR BE OCCASIONED BY DEVELOPER'S BREACH OF ANY OF THE TERMS OR PROVISIONS OF THIS AGREEMENT, OR BY ANY NEGLIGENT ACT OR OMISSION OF DEVELOPER, ITS OFFICERS, AGENTS, ASSOCIATES, EMPLOYEES, CONTRACTORS OR SUBCONTRACTORS IN THE PERFORMANCE OF THIS AGREEMENT; EXCEPT THAT THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH SHALL NOT APPLY TO ANY LIABILITY RESULTING FROM THE SOLE NEGLIGENCE OF THE ZONE, BOARD OR CITY OR THEIR RESPECTIVE OFFICIALS, OFFICERS, AGENTS, EMPLOYEES OR CONTRACTORS, AND IN THE EVENT OF JOINT AND CONCURRENT NEGLIGENCE OF BOTH DEVELOPER AND ZONE, RESPONSIBILITY, IF ANY, SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS. HOWEVER, NOTHING IN THIS SECTION WAIVES ANY IMMUNITY OR OTHER DEFENSE AVAILABLE TO THE ZONE, BOARD, OR CITY UNDER TEXAS OR FEDERAL LAW. THIS INDEMNITY WILL SURVIVE THE TERMINATION OF THIS AGREEMENT.

Nothing in this section may be construed as waiving governmental immunity available under state law. This provision is solely for the benefit of Developer and the City and is not intended to create or grant any rights, contractual or otherwise, in or to any other person.

17. Section: Determination of Rough Proportionality

Developer agrees that the construction of the Public Improvements is roughly proportional to the need created by the development of the Property, and Developer hereby waives any claim that it may have. Developer further agrees that all prerequisites to such a determination of rough proportionality have been met, and that any costs incurred relative to said construction and dedication are related both in nature and extent of impact of the development of the Property. Developer waives and releases all claims against the City related to rough proportionality and individual determination requirements mandated by Chapter 212 of the Local Government Code, as well as other requirements of a nexus between development conditions and the projected impact of the development of the Property.

18. Events of Default & Remedies

A default exists if any Party fails to perform or observe any material covenant contained in this Agreement, including exhibits, which is not otherwise excused under the terms of this Agreement. The non-defaulting party shall immediately notify the defaulting party in writing upon becoming aware of any change in the existence of any condition or event that would constitute a default or, with the giving of notice or passage of time, or both, would constitute a default under this Agreement. Such notice shall specify the nature and the period of existence thereof and what action, if any, the non-defaulting party requires or proposes to require with respect to curing the default.

If a default occurs and continues after thirty (30) days' notice to cure default, the non-defaulting party may, at its option, pursue any and all remedies it may be entitled to, at law or in equity, in accordance with Texas law, without the necessity of further notice to or demand upon the defaulting party. No Party, however, shall pursue remedies against any Party as long as (i) the defaulting party has commenced to cure such default within the 30 days following notice, and (ii) the defaulting party proceeds in good faith and with due diligence to remedy and correct the default.

19. Section: Access to Books

The City shall, upon reasonable prior written notice to Developer and during normal business hours, have the right to inspect and audit Developer's records, books, and all other relevant records related to the construction of the Public Improvements.

The City shall maintain complete books and records showing all deposits to and disbursements from the TIRZ Fund, which books and records shall be deemed complete if kept in accordance with generally accepted accounting principles as applied to Texas municipalities and in accordance with the TIF Act. Such books and records shall be available for examination by the duly authorized officers and agents of the Developer during normal business hours upon reasonable written notice prior to the date of examination. The City shall maintain such books and records throughout the term of this Agreement and for four years thereafter, subject to the requirements of the TIF Act.

20. No Joint Venture

Nothing contained in this Agreement is intended by the Parties to create a partnership or

joint venture among the Parties with respect to this Agreement, and any implication to the contrary is hereby expressly disavowed. It is understood and agreed that this Agreement does not create a joint enterprise, nor does it appoint any Party as an agent of another Party for any purpose whatsoever. No Party assumes any of the liability of any other Party for any acts or obligations.

21. Authority to Contract

Each Party has the full power and authority to enter into and perform this Agreement, and the person signing this Agreement on behalf of a Party has been properly authorized and empowered to enter into this Agreement. The persons executing this Agreement represent that they have authorization to sign on behalf of their respective entity.

22. Venue and Governing Law

This Agreement is performable in Matagorda County, Texas and venue of any action arising out of this Agreement shall be exclusively in a state district court in Matagorda County, Texas.

23. Section: Notices

Any notice required by this Agreement shall be deemed to be properly served if deposited in the U.S. mail by certified letter, return receipt requested, addressed to the recipient at the recipient's address shown below, subject to the right of any Party to designate a different address by notice given in the manner just described.

If intended for the City, to:

Mayor
City of Bay City
1901 5th Street
Bay City, Texas 77414

With a copy to:
DENTON NAVARRO ROCHA BERNAL & ZECH, PC
2500 W. William Cannon, Ste. 609
Austin, Texas 78745
Attention: City Attorney

If intended for Developer, to:

Marguerite Meadow, LLC
142 CR 222
Bay City, Texas 77414

24. Section: No Third Party Rights

This Agreement is solely for the benefit of the Parties hereto and is not intended to create or grant any rights, contractual or otherwise, to any other person or entity.

25. Section: No Undocumented Works

Developer certifies that to its knowledge it does not and will not knowingly employ any undocumented worker in connection with the construction of the Public Improvements. If after receiving any Reimbursements set forth in this Agreement Developer is convicted under 8 U.S.C. Section 1324a(f) for employing an undocumented worker in connection with the construction of the Public Improvements, Developer shall repay the total amount of the Reimbursement it received plus interest at a rate of the prime rate published in the Wall Street Journal plus two percent (2%) per annum, not later than the 120th day after Developer is convicted of this offense. For the purposes of this section, the Parties deem the date of conviction as the date the City notifies Developer of the violation 8 U.S.C. Section 1324a(f).

26. Severability

In case any one or more of the provisions of this Agreement is for any reason held to be invalid, illegal, or unenforceable in any respect by a court or agency of competent jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other remaining provisions hereof, and this Agreement shall remain in full force and effect and be construed as if such invalid, illegal, or unenforceable provision had never been contained in this Agreement.

27. Section: Counterparts & Signatures

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument. This Agreement may be executed by facsimile signatures which shall be deemed originals and equally admissible as originals.

28. Section: Captions

The captions to the various clauses of this Agreement are for informational purposes only and shall not alter the substance of the terms and conditions of this Agreement.

29. Section: Successors and Assigns

The terms and conditions of this Agreement are binding upon the successors and assigns of all Parties hereto. Provided, however, Developer shall not assign this Agreement without prior written approval, which approval shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, written approval of the City shall not be required for an assignment to an Affiliate of Developer, collateral assignments of the reimbursements to other developers or lenders. "Affiliate of Developer" as used herein, includes any parent, sister, partner, joint venturer, or subsidiary entity of Developer; any entity in which Developer is a major shareholder, owns an equity interest, or is a joint venturer or partner (whether general or limited), or to Developer's financial institution.

30. Section: Limited Rights and Non-waiver

This Agreement is intended only to establish the rights and obligations as among the Parties hereto and it creates no right, expectation, benefit or obligation for or toward any other person or entity. Nothing stated or omitted from this Agreement shall be construed as a waiver of any defense, affirmative defense, or immunity available to the City and their respective officials, directors, members, employees, agents, assigns, successors.

31. Section: Construction

The Parties acknowledge that each Party and its counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation of this Agreement or any amendments or exhibits hereto.

32. Entire Agreement

This Agreement, including any exhibits attached hereto and any documents incorporated herein by reference, contains the entire understanding and agreement between the City and Developer, their assigns and successors in interest, as to the matters contained herein. Any prior or contemporaneous oral or written agreement is hereby declared null and void to the extent in conflict with any provision of this Agreement. This Agreement shall not be amended unless executed in writing by the Parties and approved by the governing bodies in an open meeting held in accordance with Chapter 551 of the Texas Government Code.

33. Section: Exhibits

The Parties agree that each and every exhibit that is mentioned in and attached to this Agreement is a material part of this Agreement and each such exhibit is by this reference, incorporated into this agreement for all purposes as thought set forth verbatim here.

34. Agreement Conditioned on Plat Approval

The Parties acknowledge and agree that this Agreement is conditioned on the City's approval of Developer's plat for the Project. In the event the City does not approve a plat for the Project, this Agreement is null and void and has not effect whatsoever.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed in multiple counterparts, each of equal dignity and effect, on behalf of the City and Developer effective as of the Effective Date.

(signatures follow on next page)

PASSED AND APPROVED this _____ day of _____ 2017.

CITY OF BAY CITY, TEXAS

Mark A. Bricker, Mayor

Date: _____

ATTEST:

David Holubec, City Secretary

APPROVED AS TO FORM:

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

MARGUERITE MEADOW, LLC

James Bruce Grover, Manager
Date: _____

Exhibits:

- A – the Property
- B – the Project
- C – List/Description of Reimbursable Public Improvements
- D – Project Completion Schedule

Exhibit A

The Property

Exhibit B

The Project

Exhibit C

List/Description of Reimbursable Public Improvements

Exhibit D

Project Completion Schedule

Attachment: Dev. Agreement TIRZ 3 Marg. Meadow LLC (FINAL) (2878 : Development Agreement - Marguerite Meadow, LLC)



City Council
1901 5Th Street
Bay City, TX 77414

SCHEDULED

Meeting: 10/26/17 07:00 PM
Department: City Secretary
Category: Policy
Prepared By: David Holubec
Initiator: David Holubec
Sponsors:
DOC ID: 2882

RESOLUTION (ID # 2882)

**~ FIRST READING OF THE RESOLUTION OF THE CITY OF
BAY CITY, TEXAS AUTHORIZING THE BAY CITY COMMUNITY
DEVELOPMENT CORPORATION (BCCDC) TO ENTER INTO A
PERFORMANCE AGREEMENT PROVIDING FOR AN
ECONOMIC INCENTIVE FROM THE BCCDC TO MCCOY
CORPORATION IN CONSIDERATION OF THE COMPANY
PERFORMING THE OBLIGATIONS IMPOSED UPON AS
SPECIFIED IN A PERFORMANCE AGREEMENT.**

COMMENTS - Current Meeting:

Resolution: The First reading of the performance agreement with McCoy was read by Mayor Bricker. The second reading will occur on November 16, 2017.



City Council
1901 5Th Street
Bay City, TX 77414

SCHEDULED

Meeting: 10/26/17 07:00 PM
Department: City Secretary
Category: Purchase
Prepared By: David Holubec
Initiator: David Holubec
Sponsors:
DOC ID: 2883

AGENDA ITEM (ID # 2883)

**~ DISCUSS, CONSIDER, AND/OR APPROVE THE CITY
TRADING PERSONAL PROPERTY (UTILITY VEHICLE) FOR
SIMILAR PERSONAL PROPERTY (UTILITY VEHICLE) OF
EQUAL VALUE. (AIRPORT).**

Unit #: 781, Location: Airport, Year: 2012, Make: John Deere, Model: Gator, Type: 4X2
UTV, Serial # 1M04X2XDACM070989.

COMMENTS - Current Meeting:

Airport Manager, James Mason discussed the plan he is recommending regarding the trading-in of a utility vehicle and the purchase of a new vehicle. The agenda item was unanimously approved by motion. The motion was made by Councilman Jason Childers and seconded by Councilwoman Julie Estlinbaum.



City Council
1901 5Th Street
Bay City, TX 77414

SCHEDULED

Meeting: 10/26/17 07:00 PM
Department: City Secretary
Category: Presentation
Prepared By: David Holubec
Initiator: David Holubec
Sponsors:
DOC ID: 2877

AGENDA ITEM (ID # 2877)

**~ DISCUSS, CONSIDER, AND/OR APPROVE THE CITY OF
BAY CITY PURCHASING DOWNTOWN CHRISTMAS
DECORATIONS IN AN AMOUNT NOT TO EXCEED ELEVEN-
THOUSAND DOLLARS (\$11,000).**

From March 9, 2017 Regular Council Meeting

Report DISCUSS, CONSIDER, AND/OR APPROVE THE CITY OF BAY CITY CONTRIBUTING TO THE HOLIDAY DECORATIONS FOR THE DOWNTOWN SQUARE. -

Mayor Pro Tem Folse explained that about three (3) years ago she believed they got about \$6,000. They were requesting that either the City pay for the lights out of City funding or split it with them.

The Mayor asked who had been paying for it. Mayor Pro Tem stated that they had been paying for it out of their light it up fund. The Mayor asked what tax dollars are we paying this out of. He asked Mayor Pro Tem Folse if she knew, and she stated no.

Councilwoman Estlinbaum stated that the City should pay for it, and added that she did not know what it should come from, but she knew they could find it.

Councilman Cornman asked how much were they asking for, and Ms. Sitz stated it has been on average \$11,00 per year. Councilman Cornman asked Ms. Sitz to give Scotty a budget request for next budget year.

The Mayor asked if Ms. Sitz has asked for funds from the County, and Ms. Sitz stated yes.

Mayor Pro Tem Folse pointed out that the County pays for their own.

Mayor Pro Tem Chrystal Folse

COMMENTS - Current Meeting:

Councilwoman, Becca Sitz presented the plans for Christmas decorations and lights by the Historic Downtown Business Association. This is an agenda item that was first discussed on March 9, 2017. The plan was unanimously accepted by motion. The motion was made by Councilwoman Julie Estlinbaum and seconded by Councilman Bill Cornman. Funds are not to exceed \$11,000.

ARNETT MARKETING,

2137 Zercher Road
 San Antonio, Texas 78209
 (210) 826-9700 Office
 (210) 826-9084 Fax

PROPOSAL/CONTRACT

DATE	PROPOSAL #
10/23/2017	10522

Name / Address
City of Bay City Mr. Shawn Watkins 1900 5th Street Bay City, Texas 77414 512-914-9823 chefshawn@thefatgrass.com

PLEASE ENTER SHIPPING ADDRESS
Parks & Recreation ATTN: Kelly Penewitt 1217 Avenue J Bay City, Texas 77414 979-245-5311

		P.O. No.	Terms
			Due On Receipt
QTY	DESCRIPTION	PRICE EACH	TOTAL
	REVISED 10/24/17		
	BUY BOARD VENDOR		
	Holiday Lighting & Decorations # 483-15		
3,000	C9-WARM WHITE LED Bulbs, Retro-Fit, Faceted Poly Resin Cover, (5) Diodes, Super Brite Series, Rated 60,000 Hours	1.15	3,450.00
3	1,000' Spool, C9 Sockets, 12" Spacing, # 18 Gauge Green Wire, SPT-1	235.00	705.00
2	#39006 - Combo C Clip, Mounts C7 / C9 Bulbs, (2,000)	208.56	417.12
30	10 AMP Gilbert Male Plug, SPT-1, Green, Slide on Polarized Plug	0.88	26.40
30	10 AMP Gilbert Female Plug, SPT-1, Green, Slide On Polarized Plug	0.88	26.40
	SHIPPING CHARGES are not included		0.00
	PROOF OF RESPONSIBILITY-Please review carefully to be sure your order is correct. I HAVE REVIEWED THIS QUOTE AND APPROVE AS SHOWN.		
Please Review, Approve by Signing and return by email.		Total	\$4,624.92

Signature _____

Attachment: FILE_1467 (2877 : Downtown Christmas Decorations)



City Council
1901 5Th Street
Bay City, TX 77414

SCHEDULED

Meeting: 10/26/17 07:00 PM
Department: City Secretary
Category: Appointment
Prepared By: David Holubec
Initiator: David Holubec
Sponsors:
DOC ID: 2879

AGENDA ITEM (ID # 2879)

**~ DISCUSS, CONSIDER AND/OR APPROVE NOMINATIONS
TO BE USED TO CREATE A RESOLUTION AUTHORIZING
THE CITY OF BAY CITY TO CAST ITS OFFICIAL BALLOT FOR
THE BOARD OF DIRECTORS FOR THE MATAGORDA
COUNTY APPRAISAL DISTRICT.**

COMMENTS - Current Meeting:

Mayor Mark A. Bricker discussed his recommendation of Joe Enoch to continue another possible term on the Board of Directors of the Appraisal District. Joe Enoch was unanimously approved to be the City's candidate on the ballot for the Board of Directors. The motion was made by Councilman Bill Cornman and seconded by Jason Childers.



City Council
1901 5Th Street
Bay City, TX 77414

SCHEDULED

Meeting: 10/26/17 07:00 PM
Department: Human Resources
Category: Policy
Prepared By: Rhonda Clegg
Initiator: Rhonda Clegg
Sponsors:
DOC ID: 2842

AGENDA ITEM (ID # 2842)

**~ DISCUSS, CONSIDER, AND/OR APPROVE THE 2018 CITY
HOLIDAY SCHEDULE.**

COMMENTS - Current Meeting:

Human Resources Director, Rhonda Clegg presented the recommended 2018 holiday schedule. The schedule was unanimously approved by motion. The motion was made by Councilman Jason Childers and seconded by Councilwoman Chrystal Folse.



HUMAN RESOURCES DEPARTMENT 2017-M-14

TO: All Employees

FROM: Rhonda Clegg, Director of Human Resources

DATE: September 22, 2017

SUBJECT: 2018 Holiday Schedule for the City of Bay City

2018 CITY OF BAY CITY HOLIDAY SCHEDULE

<u>DATE</u>	<u>HOLIDAY</u>	<u>DAY OF WEEK</u>	<u>TOTAL # OF DAY(S)</u>
January 1, 2018	New Year's Day	Monday	1
January 15, 2018	Martin Luther King, Jr.	Monday	1
February 19, 2018	President's Day	Monday	1
March 30, 2018	Good Friday	Friday	1
May 28, 2018	Memorial Day	Monday	1
July 4, 2018	Independence Day	Wednesday	1
September 3, 2018	Labor Day	Monday	1
November 12, 2018	Veterans Day	Monday	1
November 22, 2018	Thanksgiving Day	Thursday	1
November 23, 2018	Thanksgiving Day After	Friday	1
December 24, 2018	Christmas Eve	Monday	1
December 25, 2018	Christmas Day	Tuesday	1
December 31, 2018	New Year's Eve	Monday	1

Please pass this information on to the employees within your departments, as well as the departments for which you are the liaison.

Thank you.
Human Resources



City Council
1901 5Th Street
Bay City, TX 77414

SCHEDULED

Meeting: 10/26/17 07:00 PM
Department: City Secretary
Category: Presentation
Prepared By: David Holubec
Initiator: David Holubec
Sponsors:
DOC ID: 2889

DISCUSSION ITEM (ID # 2889)

**~ DISCUSS AND CONSIDER A STATUS UPDATE REGARDING
THE PROGRESS, PROBLEMS, AND PLANS ASSOCIATED
WITH THE RENOVATIONS OF THE OLD TEXAS THEATER
(COMMUNITY ARTS CENTER).**

This agenda item was requested by Councilman Bill Cornman.

COMMENTS - Current Meeting:

Councilman Bill Cornman gave an update on the Community Arts Center progress.