



**AGENDA
REGULAR MEETING
FREEPORT CITY COUNCIL
MONDAY, JUNE 3, 2019 at 6:00 P.M.**

Mayor:
Troy Brimage

Council Members:
Ken Green
Brooks Bass
Sandra Loeza
Roy Yates

City Manager:
Timothy Kelty

THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS, WILL MEET ON MONDAY, THE 3RD DAY OF JUNE 2019, AT 6:00 P.M., AT THE FREEPORT POLICE DEPARTMENT, MUNICIPAL COURT ROOM, 430 NORTH BRAZOSPORT BOULEVARD, FREEPORT TEXAS FOR THE FOLLOWING PURPOSES:

CALL TO ORDER: *The Mayor will call the meeting to order, declare a quorum if present, and declare notices legally posted pursuant to Open Meetings Act.*

INVOCATION AND PLEDGE OF ALLEGIANCE: (Council Member)

CITIZENS' COMMENTS:

Members of the public are allowed to address the City Council at the time. Note, specific factual information or a recitation of existing policy may be furnished in response to an inquiry made, but any deliberation, discussion, or decision with respect to any subject about which the inquiry was made shall be limited to a proposal to place such subject on the agenda for a subsequent meeting for which notice is provided in compliance with the Texas Open meetings Act unless said notice appears herein. The public is reminded that there is a (4) minute time limit as approved by City Council on June 21, 2010.

CONSENT AGENDA: Consent Agenda items are considered to be routine in nature and may be acted upon in one motion. Any item requiring additional discussion may be withdrawn from the Consent Agenda by the Mayor, Councilmember or City Manager, and acted upon separately.

1. Consideration and possible action on the approval of City Council meeting minutes from May 13, 2019. **(Tolar)** Pg. 554-558
2. Consideration of approving Resolution No. 2019- 2580 reappointing qualified persons to the Library Board of said City; James Walker. **(Tolar)** Pg. 559-560

3. Consideration of approving Resolution No. 2019- 2581 reappointing qualified persons to the Board of Adjustments of said City; Roddy Mohler and Sammye Moore. **(Tolar)** Pg. 561
4. Consideration of approving Resolution No. 2019-2582 reappointing qualified persons to the Planning Commission of said City; Clift Vandergrift. **(Tolar)** Pg. 562
5. Consideration of approving Resolution No. 2019-2583 reappointing qualified person to the Beautification/Parks Board of said City; Margaret L. McMahan **(Tolar)** Pg. 563
6. Consideration of approving Resolution No. 2019-2584 reappointing qualified persons to the Economic Development Corporation of said City; Marinell Music, Mark Fruidentberg, Mingo Marquez and Lesa Girouard. **(Tolar)** Pg. 564
7. Consideration of approving Resolution No. 2019-2585 reappointing qualified persons to the Charter Review Board of said City; Sandra Barbree, Amy Carrales, Donna Hayes, Ana Silbas. **(Tolar)** Pg. 565
8. Consideration of approving Resolution No. 2019-2586 reappointing qualified persons to the Senior Citizens Commission of said City; Ona Johnson, Sammy T. Moore, Martha Westbrook and Jane Hawkins. **(Tolar)** Pg. 566

COUNCIL BUSINESS – REGULAR SESSION:

9. Public Hearing of a proposed replat being a Subdivision of 27.6011 Acres (1,202,307 sq. ft.) Being a partial replat of the replat of 330.599 Acres of the Velasco Townsite B.C.C.F. No. 2015055039 located in the Christian Henniger Survey, A-211, City of Freeport, Brazoria County, Texas. **(Shoemaker)** Pg. 567-568
10. Public Hearing of a proposed replat being a 4.358 Acre Tract Lots 1-24A, Block 786 & Lots 1-24, Block 813, of the City of Velasco, Vol. 32, Pg. 14 B.C.D.R. located in the Alexander Calvit Survey, Abstract No. A-49 in Brazoria County, Texas **(Shoemaker)** Pg. 569-570
11. Consideration and possible action on an agreement with BASF Corporation for the first right of refusal on the purchase of effluent from the City's wastewater treatment plant. **(Kelty)** Pg. 571-576
12. Consideration of approving Resolution No. 2019-2587 amending the budget for the Freeport Economic Development Corporation budget for the 2018-2019 fiscal year. **(Holman)** Pg. 577-581
13. Consideration of approving Resolution No. 2019-2588 approving a procurement policy for the city. **(Russell)** Pg. 582-617
14. Consideration of approving Resolution No. 2019-2589 adopting Financial Management policies. **(Russell)** Pg. 618-633
15. Consideration of approving Ordinance No. 2019-2573 amending Sections 52.15 And 52.16 of the Code of Ordinances to increase the rates for water and sewer services. **(Russell)** Pg. 634-640

16. Consideration of approving Resolution No. 2019-2590 authorizing the submission of a Community Block Grant Disaster Recovery application to the Texas General Land Office and authorizing the City Manager to act as the City's Executive Officer and authorized representative in all matters pertaining to the City's Participation in the CDBG-FR Program. **(Motley)** Pg. 641-643
17. Consideration of approving revisions to the personnel policy. **(Kershaw)** Pg. 644-647
18. Discuss and considering approving Ordinance No. 2019-2574 amending the code of ordinance in regard to the department of engineering. **(Kelty)** Pg. 648-651
19. Consideration of authorizing the City Manager to negotiate an engineering general services agreement with recommended engineering firm. **(Kelty)** Pg. 652-686

WORK SESSION:

20. The City Council may deliberate and make inquiry into any item listed in the Work Session.
 - A. Mayor Troy T. Brimage announcements and comments.
 - B. Councilman Green Ward A announcements and comments.
 - C. Councilman Bass Ward B announcements and comments.
 - D. Councilwoman Loeza Ward C announcements and comments.
 - E. Councilman Yates Ward D announcements and comments.
 - F. City Manager Tim Kelty announcement and comments
 - G. Updates on current infrastructure.
 - H. Update on reports / concerns from Department heads.

CLOSED SESSION:

21. Executive Session regarding economic development (Projects 2019-2 and 2019-3) in accordance with Vernon's Texas Government Code Annotated, Chapter 551, 551.087
22. Executive Session regarding personnel matters (City Manager Tim Kelty) in accordance with Vernon's Texas Government Code Annotated, Chapter 551, 551.074
23. Executive Session regarding personnel matters (Legal Counsel/City Attorney) in accordance with Vernon's Texas Government Code Annotated, Chapter 551, 551.074

COUNCIL BUSINESS – REGULAR SESSION:

24. Consideration in open session of taking action on any matter discussed in closed executive session. **(Kelty)**

ADJOURNMENT:

25. Adjourn.

Items not necessarily discussed in the order they appear on the agenda. The Council at its discretion may take action on any or all of the items as listed. This notice is posted pursuant to the Texas Open Meeting Act. (Chapter 551, Government Code).

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

ACCESSIBILITY STATEMENT This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's Office at (979) 233-3526.

CERTIFICATE I certify the foregoing notice was posted in the official glass case at the rear door of the City Hall, with 24 hours a day public access, 200 West 2nd Street, Freeport Texas, before 6:00 p.m. on this the 31st day of May, 2019.

Laura Tolar, Interim City Secretary
City of Freeport, Texas

State of Texas

County of Brazoria

City of Freeport

BE IT REMEMBERED, that the City Council of Freeport, Texas met on Saturday, May 13, 2019 at 11:00 a.m. at the Freeport Police Department, Municipal Court Room, 430 North Brazosport Boulevard, Freeport Texas for the purpose of considering the following agenda items:

City Council:

- Mayor Troy Brimage
- Councilman Brooks Bass
- Councilman Ken Green
- Councilwoman Sandra Loeza
- Councilman Roy E. Yates

Staff:

- Tim Kelty, City Manager
- Laura Tolar, Asst. City Secretary/Special Projects Coordinator
- Wallace Shaw, City Attorney
- Nat Hickey, Property Manager
- Chris Motley, Fire Chief
- Brian Dybala, Golf Course Director
- David Hoelewyn, Street Department Director
- Ray Garivey, Police Chief
- Stephanie Russell, Finance Director
- Kim Townsend, Parks & Recreation Director
- Billy Shoemaker, Building Department Director
- Jerry Meeks, Veolia
- Pascual Robles, Freeport Parks Department

Visitors:

Kenny Hayes	Gloria Robles
Tommy Pearson	Sabrina Brimage
Desiree Pearson	John Mercer
Jennifer Hawkins	Mario Muraira
Sandra Shaw	Edith Fischer
Eric Hayes	Edmeryl Williams
Angie Williams	Lila Diehl

Call to order.

Mayor Troy Brimage called the meeting to order at 6:00 p.m.

Citizen's Comments

Eric Hayes stated that the alley on Broad Street has a lot of loose rock and needs to be addressed

Mayor Troy Brimage stated that the paving of the alley had been paid for by the citizens of that area.

PRESENTATIONS/ANNOUNCEMENTS: Announcements by Mayor, City Council and/or Staff

Proclamation of the Council of the City of Freeport, Texas proclaiming International Museum Day.

Mayor Brimage read the proclamation proclaiming May 18, 2019 as International Museum Day.

Employee of the Month.

Pascual Robles was awarded Employee of the Month

Presentation by the Brazosport Area Chamber of Commerce regarding tourism promotion

Edith Fisher from the Brazosport Area Chamber of Commerce presented a PowerPoint illustrating the efforts of the Chamber regarding promotion of the area.

CONSENT AGENDA

Consideration and possible action on the approval of City Council meeting minutes from April 15, 2019.

Consideration of approving Resolution No. 2019-2577 adopting a policy permitting the consideration of applications for primary depository bank services received from financial institutions that are not doing business within the municipal boundaries of the City.

On a motion by Councilman Bass, seconded by Councilwoman Loeza, with all present voting "Aye", Council unanimously approved the consent agenda.

REGULAR SESSION

Consideration of approving Ordinance No. 2019-2571 canvassing the returns and declaring the results of the May 4, 2019 election, signing the required affidavit and administering the Oaths of Office by the successful candidates.

On a motion by Councilwoman Loeza, seconded by Councilman Green, with all present voting "Aye", Council unanimously approved Ordinance No. 2019-2571 canvassing the returns and declaring the results of the May 4, 2019 election, signing the required affidavit and administering the Oaths of Office by the successful candidates.

Consideration of selecting a Mayor Pro-Tem

On a motion by Councilwoman Loeza, seconded by Councilman Yates, with all present voting "Aye", Council unanimously approved selecting Councilman Brooks Bass as Mayor Pro-Tem.

Consideration of approving Ordinance No. 2019-2572 updating Chapter 111: Food Establishments

Billy Shoemaker stated that laws have changed and the City is required to make our ordinance compliant. Currently mobile food trucks are not allowed but this ordinance will allow food trucks compliant in certain areas.

Mayor Brimage stated that food trucks give residents options on food and they have to be to code.

Council discussed with the Finance Director Stephanie Russell ways to ensure sales tax are being paid.

Councilman Brooks Bass questioned whether food trucks must have hot water. Billy Shoemaker stated that they must have hot water and three department sinks.

Mayor Brimage addressed concerns regarding mobile food trucks near residential zones. He suggested that a 200' buffer from residential areas.

On a motion by Councilman Bass, seconded by Councilman Green, with all present voting "Aye", Council unanimously approved Ordinance No. 2019-2572 updating Chapter 111: Food Establishments including a 200' buffer around residential zones.

Consideration of approving Resolution No. 2019-2578 approving rental fees for city venues to include RiverPlace, Velasco House and the Dow Heritage House

City Manager Tim Kelty stated that rates at these facilities were being raised \$100 for RiverPlace and the Dow Heritage House. A discount of \$100 will be deducted for Freeport residents with proof of residency. The rate increased for Velasco House \$50 and \$50 will be deducted for Freeport residents with proof of residency. Also, a discount for non-profits, Brazosport Independent School District and employees will be offered. Parks & Recreation Director Kim Townsend stated that weekends at these facilities are booked one year out.

On a motion by Councilwoman Loeza, seconded by Councilman Green, with all present voting "Aye", Council unanimously approved Resolution No. 2019-2578 approving rental fees for city venues to include RiverPlace, Velasco House and the Dow Heritage House.

Request for Qualifications for Engineering services for CDBG – Disaster Recovery to be awarded to John D. Mercer & Associates

Fire Chief Chris Motley stated that as part of Hurricane Harvey the state has about \$193,000 in funding they are looking to disperse for qualified projects. For the city to qualify to receive any funding, we had to seek sealed bids and have an engineer in place for disaster recovery projects.

City Manager Tim Kelty stated that these grants funds do not require any city match.

On a motion by Councilman Green, seconded by Councilwoman Loeza, with all present voting "Aye", Council unanimously approved awarding John D. Mercer & Associates as the engineer for CDBG Disaster Recovery projects.

Discuss and consider approval and adoption of the Citizens Participation Plan as set forth by the Texas General Land Office (GLO) for the Community Development Block Grant Recovery (CDBG-DR) Program

Mr. Kelty stated that approval of this policy is required for the CDBG Disaster Recovery grants.

Fire Chief Chris Motley stated that the policy is regarding how we handle comments from the public.

On a motion by Councilwoman Loeza, seconded by Councilman Yates, with all present voting "Aye", Council unanimously approved adopting Citizens Participation Plan as set forth by the Texas General Land Office (GLO) for the Community Development Block Grant Recovery (CDBG-DR) Program.

Discuss and consider adoption and enforcement of the Excessive Force policy in accordance with 24 CFR 91.325(b)(6): Non-Violent Civil Rights Demonstration

Fire Chief Chris Motley stated that the policy designates best practices required by the grant.

On a motion by Councilwoman Loeza, seconded by Councilman Yates, with all present voting "Aye", Council unanimously approved adopting and enforcement of the Excessive Force policy in accordance with 24 CFR 91.325(b)(6): Non-Violent Civil Rights Demonstration.

Consideration of approving Resolution No. 2019-2579 designating the City Manager as the authorized official for grants from the Office of the Governor and approving the submission of the grant application for mobile video recorder equipment and software upgrade

Police Chief Ray Garivey stated that to be eligible for grant funding approving this resolution is a required formality. He added that it looks good for the City receiving the funds.

On a motion by Councilwoman Loeza, seconded by Councilman Green, with all present voting "Aye", Council unanimously approved Resolution No. 2019-2579 designating the City Manager as the authorized official for grants from the Office of the Governor and approving the submission of the grant application for mobile video recorder equipment and software upgrade.

Consideration and Possible Action Regarding Authorizing the Finance Director to execute a Master Intergovernmental Cooperative Purchasing Agreement with OMNIA Partners, Public Sector and its affiliates and subsidiaries

Finance Director Stephanie Russell stated that the approval of this adds another cooperative purchasing institution for purchases over \$50,000. This helps the City remain compliant.

On a motion by Councilwoman Loeza, seconded by Councilman Yates, with all present voting "Aye", Council unanimously approved authorizing the Finance Director to execute a Master Intergovernmental Cooperative Purchasing Agreement with OMNIA Partners, Public Sector and its affiliates and subsidiaries.

Consideration and Possible Action Regarding Authorizing staff to prepare an ordinance for water and sewer rate increases and to secure a proposal for a Utility Rate Study

Stephanie Russell stated to Council that operations and maintenance cost have increased about \$135,000 annually in addition to other contractual payments, leaving no money for critical infrastructure repairs. Ms. Russell proposed to raise rates 10% until a rate study can be completed. The last time rates were increase was in 2014. This increase will get us closer to level with increased expenditures until a rate study can be complete.

On a motion by Councilwoman Loeza, seconded by Councilman Green, with all present voting "Aye", Council unanimously approved authorizing staff to prepare an ordinance for water and sewer rate increases and to secure a proposal for a Utility Rate Study..

WORK SESSION:

Councilman Ken Green stated that birding had started and the wetlands needs to be promoted.

Councilman Brooks Bass thanked everyone for the opportunity to serve Ward B.

Councilwoman Sandra Loeza stated that the water tower looked great.

Councilman Yates had nothing to report.

City Manager Tim Kelty stated that the EDC had hired Courtland Holman. He added that the City is working with Mr. Wong on a 380 Agreement. Bryan Mound has requested to purchase our clean waster water. Surfside is interested in purchasing water from the City. Texas Parks & Wildlife wants to take back Bryan Beach Park and could take legal action to get it back. Interviews will be held with four engineering firms on May 24, 2019.

Update on reports / concerns from Department heads

Golf Course Director Brian Dybala said that the river was in control and the pumps were working to keep the water off the course. He added that they had their second highest month with a revenues over \$83,000.

Finance Director Stephanie Russell stated that sales tax were up 34%.

Building Department Director Billy Shoemaker said that FEMA had been meeting with the City regarding flood policies and auditing building permits.

Fire Chief Chris Motley stated that the city is hurricane ready and that he will be attending a hurricane conference at the end of May.

Adjourn

On a motion by Councilman Yates, seconded by Councilwoman Loeza, with all present voting "Aye", Mayor Brimage adjourned the meeting at 7:39 PM.

Mayor, Troy Brimage
City of Freeport, Texas

Assistant City Secretary, Laura Tolar
City of Freeport, Texas



City Council Agenda Item #2-8

Title: Consideration
Date: June 3, 2019
From: Laura Tolar, Interim City Secretary

Staff Recommendation:

Staff recommends approval of the proposed Resolutions to reappoint qualified persons to the City's boards and commissions.

Item Summary:

The resolutions for the city's boards and commissions reappoint residents that have previously served on the board referred to on the resolution. Staff has spoken to each proposed member and each have agreed to serve another term.

Background Information:

Residents are appointed by council for two-year terms.

Special Considerations:

N/A

Financial Impact:

N/A

Board or 3rd Party recommendation:

N/A

Supporting Documentation:

Resolutions: 2019-2580, 2019-2581, 2019-2582, 2019-2583, 2019-2584, 2019-2585 and 2019-2586

RESOLUTION NO. 2019-2580

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS, NOMINATING, CONSTITUTING AND REAPPOINTING A QUALIFIED PERSON TO THE LIBRARY BOARD OF THE CITY; PROVIDING FOR THE DUTIES OF OFFICE; AND PROVIDING FOR THE TAKING OF THE OATH OF OFFICE REQUIRED BY LAW.

WHEREAS, the term of office of the below named member of the Library Board of the City of Freeport, Texas ("the City") has expired; and,

WHEREAS, the City Council of the City desires to reappoint the below named qualified person as member of said board for another term.

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

SECTION ONE (1): APPOINTMENT

The City Council of the City hereby nominates, constitutes and reappoints the following named qualified person to the Library Board of the City for a full term of two (2) years and until a successor for such person shall have been appointed and qualified, to-wit: JAMES WALKER.

SECTION TWO (2): DUTIES

The above named appointee shall perform all of the duties imposed on members of the Library Board of the City by law and the ordinances and resolutions of the City.

SECTION THREE (3): OATH OF OFFICE

Before engaging in the performance of the duties of office, such appointee shall take the Constitutional Oath of Office and sign the affidavit required by law.

READ, PASSED AND ADOPTED this ____ day of _____, 2019.

Troy T. Brimage, Mayor
City of Freeport, Texas

ATTEST: _____
Laura Tolar, Interim City Secretary
City of Freeport, Texas

RESOLUTION NO. 2019-2581

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS, NOMINATING, CONSTITUTING AND REAPPOINTING QUALIFIED PERSONS TO THE BOARD OF ADJUSTMENT OF THE CITY; PROVIDING FOR THE DUTIES OF OFFICE; AND PROVIDING FOR THE TAKING OF THE OATH OF OFFICE REQUIRED BY LAW.

WHEREAS, the terms of office of Roddy Mohler and Sammye Moore as members of the Board of Adjustment of the City of Freeport, Texas ("the City") have expired and two (2) positions are vacant; and,

WHEREAS, the City Council of the City desires to reappoint the below named qualified persons as members of said board leaving one position vacant for the present time.

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

SECTION ONE (1): APPOINTMENT

The City Council of the City hereby nominates, constitutes and reappoints the following named qualified persons to the Board of Adjustments of the City for a full term of two (2) years each and until a successor for such persons shall have been appointed and qualified, to-wit: Roddy Mohler and Sammye Moore.

SECTION TWO (2): DUTIES

The above named appointees shall perform all of the duties imposed on members of the Board of Adjustment of the City by law and the ordinances and resolutions of the City.

SECTION THREE (3): OATH OF OFFICE

Before engaging in the performance of the duties of office, each of such appointees shall take the Constitutional Oath of Office and signed the affidavit required by law.

READ, PASSED AND ADOPTED this ____ day of _____, 2019.

Troy T. Brimage, Mayor
City of Freeport, Texas

ATTEST:

Laura Tolar, Interim City Secretary
City of Freeport, Texas

RESOLUTION NO. 2019-2582

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS, NOMINATING, CONSTITUTING AND REAPPOINTING A QUALIFIED PERSON TO THE **PLANNING COMMISSION** OF THE CITY; PROVIDING FOR THE DUTIES OF OFFICE; AND PROVIDING FOR THE TAKING OF THE OATH OF OFFICE REQUIRED BY LAW.

WHEREAS, the term of office of the below named member of the Planning Commission of the City of Freeport, Texas ("the City") has expired; and,

WHEREAS, the City Council of the City desires to reappoint the below named qualified person as member of said commission for another term.

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

SECTION ONE (1): APPOINTMENT

The City Council of the City hereby nominates, constitutes and reappoints the following named qualified person to the Planning Commission of the City for a full term of two (2) years each and until a successor for each such person shall have been appointed and qualified, to-wit: **Clift Vandergrift**.

SECTION TWO (2): DUTIES

The above named appointee shall perform all of the duties imposed on members of the Planning Commission of the City by law and the ordinances and resolutions of the City.

SECTION THREE (3): OATH OF OFFICE

Before engaging in the performance of the duties of office, such appointee shall take the Constitution Oath of Office as required by law.

READ, PASSED AND ADOPTED this ____ day of _____, 2019.

Troy T. Brimage, Mayor
City of Freeport, Texas

ATTEST:

Laura Tolar, Interim City Secretary
City of Freeport, Texas

RESOLUTION NO. 2019-2583

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS, NOMINATING, CONSTITUTING AND REAPPOINTING A QUALIFIED PERSON TO THE BEAUTIFICATION, PARKS AND RECREATION COMMITTEE OF SAID CITY; PROVIDING FOR THE DUTIES OF OFFICE; AND PROVIDING FOR THE TAKING OF THE OATH OF OFFICE REQUIRED BY LAW.

WHEREAS, the term of office of the below named member of the Beautification, Parks and Recreation Committee of the City of Freeport, Texas ("the City") has expired; and,

WHEREAS, the City Council of the City desires to re-appoint the below named qualified person as member of said committee.

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

SECTION ONE (1): APPOINTMENT

The City Council of the City hereby nominates, constitutes and reappoints the following named qualified person to the Beautification, Parks and Recreation Committee of the City for a full term of two (2) years and until a successor for such person shall have been appointed and qualified, to-wit: MARGARET L. McMAHAN.

SECTION TWO (2): DUTIES

The above named appointee shall perform all of the duties imposed on members of the Beautification, Parks and Recreation Committee of the City by law and the ordinances and resolutions of the City.

SECTION THREE (3): OATH OF OFFICE

Before engaging in the performance of the duties of office, such appointees shall take the Constitution Oath of Office as required by law.

READ, PASSED AND ADOPTED this ____ day of _____, 2019.

Troy T. Brimage, Mayor
City of Freeport, Texas

ATTEST:

Laura Tolar, Interim City Secretary
City of Freeport, Texas

RESOLUTION NO. 2019-2584

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS, NOMINATING, CONSTITUTING AND REAPPOINTING QUALIFIED PERSONS TO THE FREEPORT ECONOMIC DEVELOPMENT CORPORATION BOARD OF DIRECTORS; PROVIDING FOR THE DUTIES OF OFFICE; AND PROVIDING FOR THE TAKING OF THE OATH OF OFFICE REQUIRED BY LAW.

WHEREAS, vacancies exist on the Board of Directors of the Freeport Economic Development Corporation as a result of the expiration of the terms of office of MARINELL MUSIC, MARK FRUIDENBERG, MINGO MARQUEZ and LESA GIROUARD, and,

WHEREAS, the City Council of the City desires to appoint the below named qualified persons as members of said board to fill such vacant positions.

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

SECTION ONE (1): APPOINTMENT

The City Council of the City hereby nominates, constitutes and reappoints MARINELL MUSIC, MARK FRUIDENBERG, MINGO MARQUEZ and LESA GIROUARD, respectively, for a full two (2) year term each; each such person to serve until a successor for that person shall have been appointed and qualified.

SECTION TWO (2): DUTIES

The above named appointees shall perform all of the duties imposed on members of the Board of Directors of the Economic Development Corporation of the City by law and the ordinances and resolutions of the City and by the Articles of Incorporation and By-Laws of said corporation.

SECTION THREE (3): OATH OF OFFICE

Before engaging in the performance of the duties of office, each of such appointees shall take the Constitution Oath of Office as required by law.

READ, PASSED AND ADOPTED this ____ day of _____, 2019.

Troy T. Brimage, Mayor
City of Freeport, Texas

ATTEST:

Laura Tolar, Interim City Secretary
City of Freeport, Texas

RESOLUTION NO. 2019-2585

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS, NOMINATING, CONSTITUTING AND REAPPOINTING QUALIFIED PERSONS TO THE CHARTER REVIEW COMMISSION OF THE CITY FOR THE YEAR 2013; PROVIDING FOR THE DUTIES OF OFFICE; AND PROVIDING FOR THE TAKING OF THE OATH OF OFFICE REQUIRED BY LAW.

WHEREAS, the Home Rule Charter of the City of Freeport, Texas ("the City") requires that a Charter Review Commission be appointed in odd numbered years for a term of six (6) months; and

WHEREAS, the City Council of the City desires to reappoint the below named qualified persons as members of said commission.

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

SECTION ONE (1): APPOINTMENT

The City Council of the City hereby nominates, constitutes and reappoints the following named qualified persons to the Charter Review Commission of the City for a six (6) month term, which will expire on December 31, 2019, to-wit: SANDRA BARBREE, AMY CARRALES, DONNA HAYES, RITA CUNDIEFF and ANA SILBAS.

SECTION TWO (2): DUTIES

The above named appointee shall perform all of the duties imposed on members of the Charter Review Commission of the City by law and the Home Rule Charter of the City.

SECTION THREE (3): OATH OF OFFICE

Before engaging in the performance of the duties of office, the above named appointee shall take the Constitutional Oath of Office and sign the affidavit required by law.

READ, PASSED AND ADOPTED this ____ day of _____, 2019.

Troy T. Brimage, Mayor
City of Freeport, Texas

ATTEST:

Laura Tolar, Interim City Secretary
City of Freeport, Texas

RESOLUTION NO. 2019-2586

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS, NOMINATING, CONSTITUTING AND REAPPOINTING QUALIFIED PERSONS TO THE SENIOR CITIZENS COMMISSION OF THE CITY; PROVIDING FOR THE DUTIES OF OFFICE; AND PROVIDING FOR THE TAKING OF THE OATH OF OFFICE REQUIRED BY LAW.

WHEREAS, the term of office of the below named members of the Senior Citizen Commission of the City of Freeport, Texas (Athe City@) have expired; and,

WHEREAS, the City Council of the City desires to reappoint the below named qualified persons as members of said commission for another full term.

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

SECTION ONE (1): REMOVAL AND APPOINTMENT

The City Council of the City nominates, constitutes and reappoints the following named qualified persons to such commission for a full term of two (2) years each and until the successors of such appointees have been appointed and qualified, to-wit: ONA JOHNSON, SAMMY T. MOORE, MARTHA WESTBROOK and JANE HAWKINS.

SECTION TWO (2): DUTIES

The above named appointees shall perform all of the duties imposed on members of the Senior Citizens Commission of the City by law and the ordinances and resolutions of the City.

SECTION THREE (3): OATH OF OFFICE

Before engaging in the performance of the duties of office, such appointees shall take the Constitutional Oath of Office and signed the affidavit required by law.

READ, PASSED AND ADOPTED this ____ day of _____, 2019.

Troy T. Brimage, Mayor
City of Freeport, Texas

ATTEST: _____
Laura Tolar, Interim City Secretary
City of Freeport, Texas



City Council Agenda Item #9

Title:

Being a Subdivision of 27.6011 Acres (1,202,307 sq. ft.) Being a partial replat of the replat of 330.599 Acres of the Velasco Townstie B.C.C.F. No. 2015055039 located in the Christian Henniger Survey, A-211, City of Freeport, Brazoria County, Texas

Date: June 3, 2019

From: Billywayne Shoemaker Building Official

Staff Recommendation:

Approve the replat.

Item Summary:

Hold public hearing and upon closing of public hearing approve replat.

Background Information:

Owners of this property are requesting the re-plat for lot development.

Special Considerations:

This property is Located in the City

Financial Impact:

None

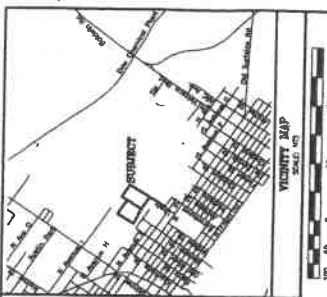
Board or 3rd Party recommendation:

Planning and Zoning held their public hearing and vote to approve the re-plat and forward this item to council for final approval.

Supporting Documentation:

Application and copy of plat will be attached.

LINE	BEARING	LENGTH	AREA	PERCENT
1	N 112° 00' 00" E	100.00	100.00	100.00
2	N 89° 59' 59" W	86.60	86.60	86.60
3	N 89° 59' 59" W	86.60	86.60	86.60
4	N 89° 59' 59" W	86.60	86.60	86.60
5	N 89° 59' 59" W	86.60	86.60	86.60
6	N 89° 59' 59" W	86.60	86.60	86.60
7	N 89° 59' 59" W	86.60	86.60	86.60
8	N 89° 59' 59" W	86.60	86.60	86.60
9	N 89° 59' 59" W	86.60	86.60	86.60
10	N 89° 59' 59" W	86.60	86.60	86.60



VICINITY MAP
SCALE: 1" = 100'

APPROXIMATE LOCATION OF THE PROPERTY

NOTES:

1. The survey was made by the undersigned on the 15th day of March, 2018, and the same is hereby certified to be correct and true.
2. All bearings shown herein are based on True North.
3. The area shown herein is not intended to be a subdivision of land.
4. By accepting this plat, the applicant understands that the same is subject to the provisions of the Texas Property Code, Chapter 251, and the rules and regulations of the State Board of Survey.
5. The survey was made by the undersigned on the 15th day of March, 2018, and the same is hereby certified to be correct and true.
6. The survey was made by the undersigned on the 15th day of March, 2018, and the same is hereby certified to be correct and true.

Platting Commission Approval:
Approved by the Planning Commission of Freeport, Texas, on this 15th day of March, 2018.

City Secretary: _____

Platting Commission Approval:
Approved by the Planning Commission of Freeport, Texas, on this 15th day of March, 2018.

City Secretary: _____



FREERPORT INDUSTRIAL PARK

BEING A SUBDIVISION OF 27,601 ACRES (1,202,807 sq. ft.) BEING A PARTIAL REPLAT OF THE REPLAT OF 330,599 ACRES OUT OF THE VELASCO TOWNSHIP OF THE VELASCO COUNTY, TEXAS, B.C.C.F. No. 2016050399 LOCATED IN THE CHRISTIAN HENNINGER SURVEY, A-211, CITY OF FREERPORT, BRAZORIA COUNTY, TEXAS

2 RESERVES 0 LOTS
SCALE: 1" = 100'
MARCH 2018
ADDRESS: HANCOCK, TX 77555
713-939-9000

Guller Surveying, LLC
SURVEYOR

The undersigned, being duly sworn, depose and say that the foregoing plat was prepared by the undersigned on the 15th day of March, 2018, and the same is hereby certified to be correct and true.

By: George S. Duman
George S. Duman
Surveyor

Michael P. King, the undersigned, do hereby certify that the foregoing plat was prepared by the undersigned on the 15th day of March, 2018, and the same is hereby certified to be correct and true.

By: Michael P. King
Michael P. King
Surveyor

George S. Duman
Surveyor
Michael P. King
Surveyor

Whereas my land is in Freerport, Brazoria County, Texas, on the 15th day of March, 2018.

By: George S. Duman
George S. Duman
Surveyor

Whereas my land is in Freerport, Brazoria County, Texas, on the 15th day of March, 2018.

By: Michael P. King
Michael P. King
Surveyor

Whereas my land is in Freerport, Brazoria County, Texas, on the 15th day of March, 2018.

By: George S. Duman
George S. Duman
Surveyor

Whereas my land is in Freerport, Brazoria County, Texas, on the 15th day of March, 2018.

By: Michael P. King
Michael P. King
Surveyor

Whereas my land is in Freerport, Brazoria County, Texas, on the 15th day of March, 2018.

By: George S. Duman
George S. Duman
Surveyor

Whereas my land is in Freerport, Brazoria County, Texas, on the 15th day of March, 2018.

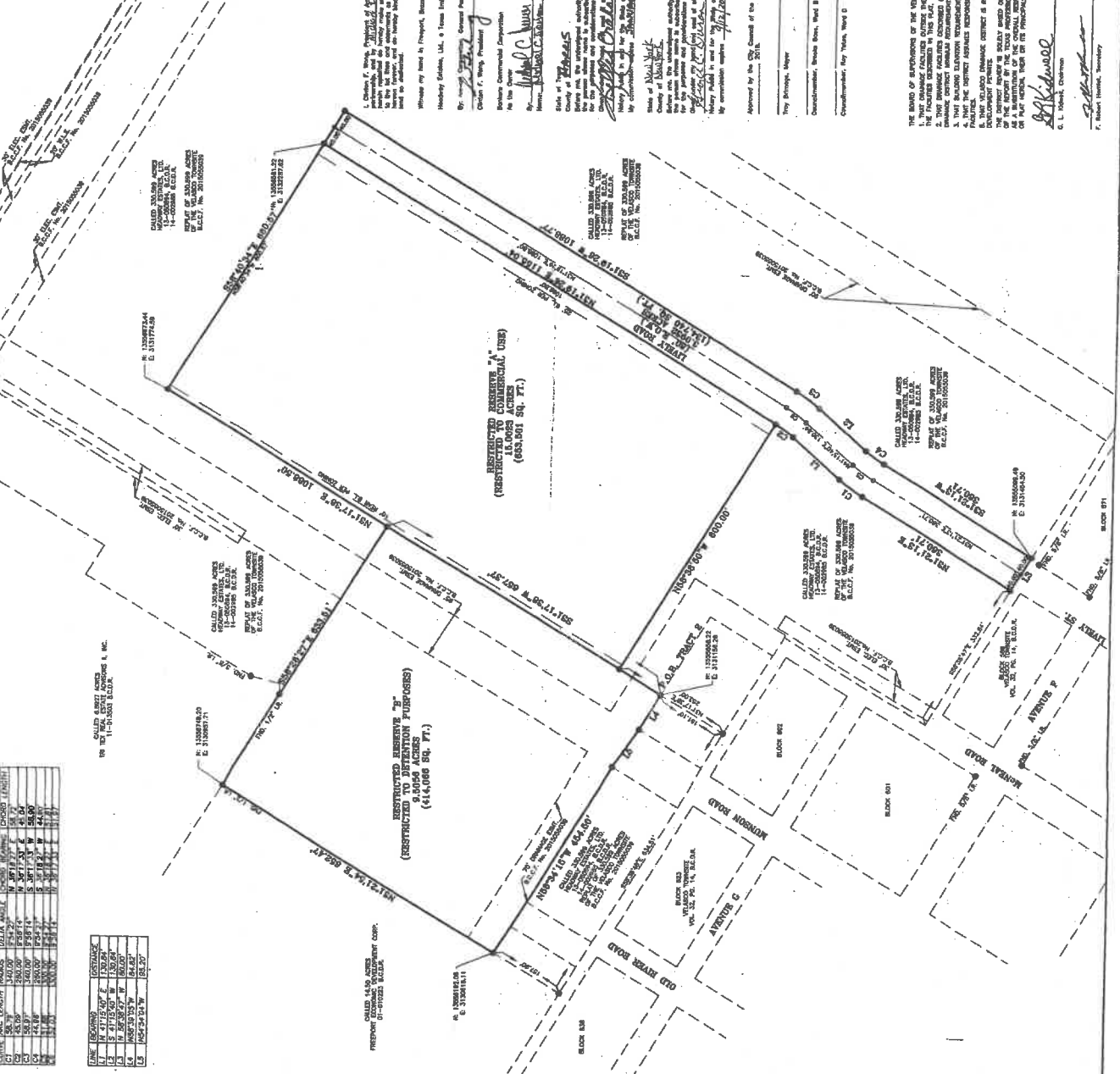
By: Michael P. King
Michael P. King
Surveyor

Whereas my land is in Freerport, Brazoria County, Texas, on the 15th day of March, 2018.

By: George S. Duman
George S. Duman
Surveyor

Whereas my land is in Freerport, Brazoria County, Texas, on the 15th day of March, 2018.

By: Michael P. King
Michael P. King
Surveyor





City Council Agenda Item #10

Title:

Being a 4.358 Acre Tract Lots 1-24A, Block 786 & Lots 1-24, Block 813, of the City of Velasco, Vol. 32, Pg. 14 B.C.D.R. located in the Alexander Calvit Survey, Abstract No. A-49 in Brazoria County, Texas

Date: June 3, 2019

From: Billywayne Shoemaker Building Official

Staff Recommendation:

Approve the replat.

Item Summary:

Hold public hearing and upon closing of public hearing approve replat.

Background Information:

The City Council closed this right of way as to adjust property lines.

Special Considerations:

This property is Located in the City

Financial Impact:

None

Board or 3rd Party recommendation:

Planning and Zoning held their public hearing and vote to approve the re-plat and forward this item to council for final approval.

Supporting Documentation:

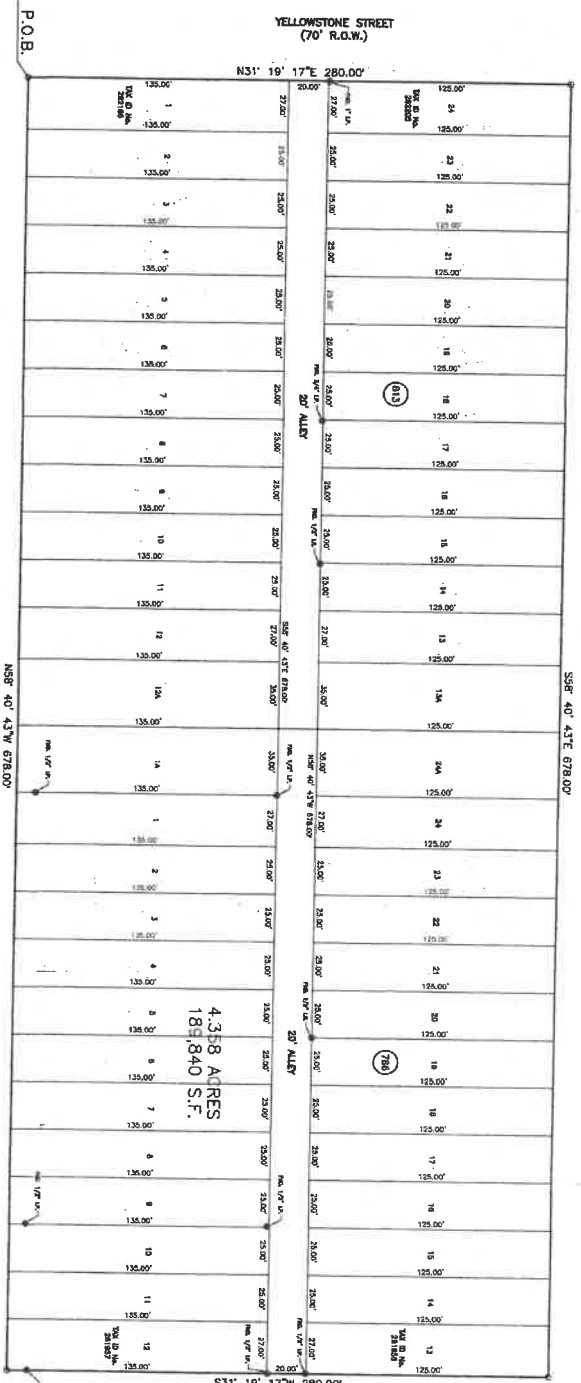
Application and copy of plat will be attached.

1	2	3	4	5	6	7	8	9	10	11	12
---	---	---	---	---	---	---	---	---	----	----	----

CITY OF VELASCO
VOL. 32, Pg. 14 B.C.D.R.

1	2	3	4	5	6	7	8	9	10	11	12
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AVENUE T
(70' R.O.W.)
(VOL. 32, Pg. 14 B.C.D.R.)

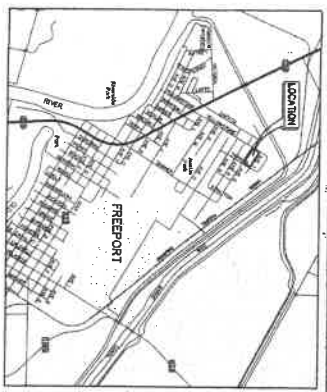


NORTH 16TH STREET
(70' R.O.W.)
(VOL. 32, Pg. 14 B.C.D.R.)

CITY OF VELASCO
VOL. 32, Pg. 14 B.C.D.R.

NORTH 17TH STREET
(70' R.O.W.)
(VOL. 32, Pg. 14 B.C.D.R.)

4.358 ACRES
183,840 S.F.



AVENUE S
(60' R.O.W.)
(VOL. 32, Pg. 14 B.C.D.R.)

P.O.B.

STATE OF TEXAS
COUNTY OF DALLAS
CITY OF VELASCO

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this _____ day of _____, 2018.

Notary Public in and for the State of Texas

NOTARIAL PUBLIC STATEMENT

I, the undersigned, am a Notary Public in and for the State of Texas, and my commission expires on _____, 2018.

My Notary Seal Number is _____.

My Commission Number is _____.

My Notary Seal Number is _____.

My Commission Number is _____.

NOTARIAL PUBLIC STATEMENT

I, the undersigned, am a Notary Public in and for the State of Texas, and my commission expires on _____, 2018.

My Notary Seal Number is _____.

My Commission Number is _____.

My Notary Seal Number is _____.

My Commission Number is _____.

REPLAT
BLOCKS 786 & 813 OF
THE CITY OF VELASCO
A 4.358 ACRE, 52-LOT SUBDIVISION

BEING A 4.358 ACRE TRACT
LOTS 1-24, BLOCK 786 & LOTS 1-24, BLOCK 813
OF THE CITY OF VELASCO, VOL. 32, Pg. 14 B.C.D.R.
LOCATED IN THE ALEXANDER CALVERT SURVEY,
ABSTRACT NO. A-49 IN BRAZDORIA COUNTY, TEXAS

300 EAST DENA ST.
ANGLETON, TEXAS 77516
OFFICE: (879) 948-8811
TBR 13 No. 1009590
REG. NO. F-825

BAL
ALEXANDER CALVERT SURVEY
ABSTRACT NO. A-49

DATE: 3/29/18

SCALE: 1" = 30'

DRAWN BY: BT

CHECKED BY: BT



City Council Agenda Item #11

Title: Consideration and possible action on an agreement with BASF Corporation for the first right of refusal on the purchase of effluent from the City's wastewater treatment plant.

Date: 06/3/2019

From: Tim Kelty, City Manager

Staff Recommendation: Staff recommends approval of the agreement with BASF for the option to purchase effluent from the City's wastewater treatment plant

Item Summary: BASF has approached the city in regard to the possibility of purchasing effluent from the City's wastewater Treatment plant. The city's wastewater treatment plant releases on average about 750,000 gallons per day from the plant back into the waters of the state that flows into the Gulf. The effluent is treated water that must meet TCEQ standards before being released. BASF requires non-potable water for its industrial process and is looking to secure potential sources for the future.

This agreement is NOT for the purchase of the water but is a contract for the first right of refusal for its sale to them for the next 5 years. If they decide to activate this option, we would then enter into an agreement for the actual purchase and BASF would be required to construct the infrastructure necessary to convey the effluent from the plant to the needed destination.

Special Considerations: They have entered into a similar agreement for the first right of refusal for effluent from the City of Angleton.

Board or 3rd Party recommendation: None

Financial Impact: Under the terms of the contact they would pay the city \$400 at signing plus an additional \$7500. If they exercise the option and actually purchase the effluent the financial impact would be even greater. This would be water and sewer revenue not General Fund.

Supporting Documentation: Agreement with BASF

RECLAIMED WATER RIGHT OF FIRST REFUSAL

STATE OF TEXAS §
 § KNOW ALL BY THESE PRESENTS:
COUNTY OF BRAZORIA §

This Reclaimed Water Right of First Refusal (the "Agreement") is entered into by and between the City of Freeport, a Texas home rule city ("Freeport"), and BASF Corporation, a Delaware Corporation ("BASF"). Freeport and BASF are individually, a "Party," and collectively, the "Parties."

RECITALS:

1. Freeport owns and operates a wastewater treatment plant known as its WWTP, pursuant to Permit (the "WWTP").
2. BASF wants to reserve the opportunity to purchase treated effluent from the WWTP and is willing to pay Freeport to reserve that opportunity.
3. Freeport is willing to grant BASF a right of first refusal for the consideration and subject to the terms of this Agreement.

NOW, THEREFORE, IN CONSIDERATION OF BENEFITS, MUTUAL COVENANTS AND CONSIDERATIONS SET FORTH BELOW, THE PARTIES AGREE AS FOLLOWS:

Section 1. Right of First Refusal.

1.1. Notice of Acceptable Offer. If Freeport receives an offer from a party who is not a party to this Agreement for the purchase, lease, acquisition, or use of water treated at Freeport's WWTP in a volume that exceeds, in the aggregate, 1,000,000 gallons per day (1 MGD) ("Reclaimed Water") for any form of consideration that Freeport wishes to accept, Freeport agrees to notify BASF in writing before accepting the offer ("Right of First Refusal"). The notice does not need to state the identity of the proposed purchaser but must contain the complete terms of the proposed purchase, including the contribution towards the cost of constructing and/or operating any additional treatment or delivery facilities. If the proposed consideration for the purchase is something other than cash, the notice will also state the cash equivalent reasonably determined by Freeport for the noncash consideration, if applicable. The terms of such offer may also include such non-financial metrics such as jobs created, wages paid, purchase term, and other consideration which BASF must also match or exceed.

1.2. BASF May Match Offer. BASF will have the right to enter into a contract with Freeport to purchase the Reclaimed Water on the terms set forth in Freeport's notice by giving written notice to Freeport within 45 days following the receipt of Freeport's notice. The contract may contain such other provisions as may be required by law or regulation relating to reclaimed water deliveries or as may be normally included in such contracts.

1.3. BASF Failure to Match Offer. If BASF does not affirmatively exercise its Right of First Refusal within the 45-day period, Freeport may enter into a contract for the sale of the Reclaimed Water on the terms described in Freeport's notice to BASF within the 90-day period following the expiration of the 45-day period. If a contract for the sale of Reclaimed Water is not executed within the 90-day period, Freeport may not sell the Reclaimed Water or enter into a contract for the sale of Reclaimed Water without again complying with the provisions of this Agreement. If Freeport wishes to effect a sale on terms that are less favorable to Freeport than those described in Freeport's notice, Freeport must repeat the process set forth in this Agreement by giving a new notice to BASF

setting forth the new terms. If Freeport timely executes an agreement to sell the Reclaimed Water, this Agreement will automatically terminate.

1.4. Exclusion. The Right of First Refusal does not apply to any treated effluent or reclaimed water that Freeport uses to operate or maintain the WWTP, reclaimed water delivered by Freeport to itself or its agencies, or reclaimed water that Freeport supplies to users served by a reclaimed water utility, if any, that Freeport may create after the effective date of this Agreement.

Section 2. Payments by BASF.

2.1. Initial Payment. BASF shall pay Freeport an amount of \$400 due and payable at the time BASF executes this agreement and subsequently as set out in section 2.2 below for this right of first refusal.

2.2. Subsequent Annual Payments. On or before October 1 of each year, BASF will pay to Freeport, upon receipt of invoice, the following amounts to continue this right of first refusal:

2019 \$1,300.00
2020 \$1,400.00
2021 \$1,500.00
2022 \$1,600.00
2023 \$1,700.00.

2.3. No Rebate. BASF is not entitled to any refund, rebate, or credit for any portion of an annual payment should this Agreement terminate or expire.

2.4. Reimbursement of Expenses. In addition to the first annual payment, within thirty (30) days after the Effective Date and receipt of an itemized demand, BASF will pay Freeport an amount equal to Freeport's third-party expenses for professional services relating to the investigation of the feasibility of providing Reclaimed Water to BASF and the negotiation and drafting of this Agreement, not to exceed \$2,500 total.

Section 3. Effective Date, Term, and Termination.

3.1. Effective Date. This Agreement shall become effective upon the signing of this Agreement on behalf of Freeport following the approval of this Agreement by Freeport's city council.

3.2. Term. This Agreement expires the earlier of: (i) September 30, 2024; or the (ii) execution, on behalf of Freeport, of a contract for the sale of Reclaimed Water to BASF should BASF timely exercise its right of first refusal; or (iii) execution, on behalf of Freeport, of a contract for the sale of Reclaimed Water to a third party should BASF not timely exercise its right of first refusal.

3.3. Termination.

A. Freeport may terminate this Agreement if Freeport does not receive the payments described in Sections 2.1 and 2.2 of this Agreement. Freeport is not required to give BASF notice of default or an opportunity to cure before termination of the Agreement pursuant to this Section 3.3.

B. BASF may terminate this Agreement at any time upon ninety (90) days written notice to Freeport, provided, however, BASF is not entitled to the refund of any amounts paid by BASF under this Agreement prior to the issuance of the written notice.

Section 4. Remedies.

4.1. Default. In the event a Party breaches any of its material obligations under this Agreement, the other Party may provide the defaulting Party with written notice of the breach specifying the breach relied upon. The breaching Party will have the opportunity to cure the breach within (i) ten (10) business days from receipt of notice if the breach is a monetary breach, or (ii) thirty (30) days after receipt of notice if the breach is non-monetary. However if a non-monetary breach cannot reasonably be cured within the 30-day period, the breaching Party will have a longer period of time, as reasonably necessary, to cure the breach, so long as the breaching Party commences to cure within the 30-day period and prosecutes the cure to completion with commercially reasonable diligence, and in any event, within ninety (90) days following receipt of the original notice.

4.2. Remedies. It is not intended hereby to specify (and this Agreement shall not be considered as specifying) an exclusive remedy for any default, but all such other remedies existing at law or in equity may be availed of by any Party hereto and shall be cumulative. Recognizing, however, that failure in the performance of any Party's obligations hereunder could not be adequately compensated in money damages alone, each Party agrees in the event of any default on its part that each Party shall have available to it the equitable remedy of mandamus and/or specific performance, in addition to any other legal or equitable remedies which also may be available to each Party.

4.3. Venue. All amounts due under this Agreement including, but not limited to, payments due under this Agreement or damages for the breach of this Agreement, shall be paid and be due in Brazoria County, Texas, which is the county in which the principal administrative offices of Freeport are located. It is specifically agreed among the Parties to this Agreement that Brazoria County, Texas, is the place of performance of this Agreement; and in the event that any legal proceeding is brought to enforce this Agreement or any provision hereof, the same shall be brought in Brazoria County, Texas.

Section 5. General Provisions.

5.1. Captions. The captions used herein are for convenience purposes only and shall not affect the construction or interpretation of this Agreement.

5.2. Number and Gender. Any reference herein to the singular number shall be deemed to include, where the context so requires, the plural and vice-versa, and any reference herein to any gender shall be deemed to include the male, female and neuter genders.

5.3. Successors and Assigns. This Agreement shall be binding on the representatives, successors, and assigns of both Parties. The following provisions shall apply to assignments.

A. Except as otherwise authorized by this Section 5.3, neither Party may sell, assign, transfer, or otherwise dispose of their interests or obligations in this Agreement to a third-party without the written approval of the other Party, which approval will not be unreasonably withheld or delayed.

B. Subject to the requirements of Section 5.3(D) below, notwithstanding the provisions of Section 5.3 (A) above, Freeport shall be entitled to assign its obligations pursuant to this Agreement to any qualified private corporate or public governmental entity or political subdivision authorized to undertake the same type of obligations of Freeport set forth in this Agreement without BASF's consent so long as such assignee has agreed to assume and fulfill all Agreement obligations of Freeport.

C. No assignment of this Agreement shall be effective until the non-assigning Party receives a copy of the written assignment executed by the assignee, affirmatively and unequivocally assuming the obligation to fully, diligently, and timely perform all of the obligations of the assigning Party.

D. Assignment of this Agreement shall relieve the assigning Party of its prospective obligations and/or liability pursuant to this Agreement; provided, however, that the assigning Party shall remain liable for any and all obligations accruing prior to the Effective Date of the assignment.

5.4. Attorneys' Fees. In the event that either Party hereto shall bring an action to enforce the terms hereof, to seek damages for breach of the terms hereof, or to declare rights hereunder, the prevailing party in any such action shall be entitled to its court costs and reasonable attorneys' fees to be paid by the non-prevailing party as fixed by the court of appropriate jurisdiction, including, but not limited to, attorneys' fees and court costs incurred in courts of original Jurisdiction, bankruptcy courts, or appellate courts.

5.5. Applicable Law. This Agreement shall be governed by, construed and interpreted in accordance with, and subject to the laws of the State of Texas.

5.6. No Oral Agreement: This Is the Complete Agreement. Except as otherwise stated in this Agreement, this written contract contains the complete agreement of the Parties relating to the Reclaimed Water and this Agreement supersedes and replaces any other agreements heretofore executed by the Parties concerning the Reclaimed Water. No other representations or agreements of the Parties concerning the Project, expressed or implied, shall be in force and effect unless the same are reduced to writing as an identified addendum or modification to this Agreement and signed by both Parties.

5.7. Multiple Copies. The parties acknowledge that this Agreement may be executed in multiple copies, in one or more counterparts, each of which shall be deemed to be an original document, but all when taken together shall constitute but one and the same instrument.

5.8. Notices. All notices called for or contemplated hereunder shall be in writing and shall be deemed to have been duly given when personally delivered, or after being delivered to the other party by registered or certified mail, return receipt requested, or by courier mail service, addressed as shown above the signatures to this Agreement unless and until written notice is provided to the other Party of a change in address.

{Remainder of Page Intentionally Left Blank}

{Signature Pages to Follow}

BASF CORPORATION
602 Copper Road
Freeport, TX 77541
Attn: Director of Utilities - Freeport Site

By: _____
Name: _____
Title: _____
Date: _____

APPROVED BY ITS BOARD OF DIRECTORS ON _____, 2019.

CITY OF FREEPORT, TEXAS

--
Freeport, TX 77541

By: _____
Name: _____
Title: _____
Date: _____

APPROVED BY IT'S CITY COUNCIL ON _____, 2019

APPROVED AS TO FORM ON _____, 2019

Wallace Shaw, City Attorney
City of Freeport



City Council Agenda Item #12

Title: FY2018-2019 Proposed EDC Budget Amendment

Date: June 3, 2019

From: Courtland Holman, Executive Director Freeport Economic Development Corporation

Staff Recommendation:

I and the Freeport Economic Development Corporation (the "FEDC") recommend the following budget amendment to the 2018-2019 EDC Budget.

Item Summary:

This proposed budget adjustment includes adding revenue and expenditures to the FEDC. The overall net impact to the FEDC budget is a reduction of \$101,361.

Background Information:

The FEDC's budget will need to be amended to increase the operational budget from that approved at the start of the fiscal year dated 10/01/2018 due to the hiring of the New Executive Director of the FEDC and other recommended line item changes to the operational budget as shown in Attachment A.

Courtland presented to the FEDC board with Stephanie Russell - Freeport's Finance Director for changes to the existing approved budget in order to accomplish the goal to attract industrial, retail, office, and housing to the city.

This includes cost increases to

- a. Salaries and Benefits at \$35,701 increase do to the hiring of the new Executive Director of the FEDC.
- b. Supplies at \$7,200 increase for the general purchase of new computer, office furniture, paint and ceiling tiles.
- c. Services at \$98,500 increase for professional services, advertising, marketing, community outreach
- d. Miscellaneous Category that includes travel, hotel, training at \$30,000 increase
- e. Debit Service at \$-50,020 decrease
- f. Capital Outlay at \$-18,500 decrease

Special Considerations:

N/A

Financial Impact:

The net impact to the FEDC operational budget is an additional potential cost of \$101,361 from current approved budget, existing sales tax revenue and future sales tax revenues.

Board or 3rd Party recommendation:

The FEDC board approve the changes to the budget at its regular board meeting on Tuesday May 14, 2019.

Supporting Documentation:

Exhibit A – Proposed Budget Amendment

RESOLUTION NUMBER 2019-2587

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS, APPROVING BUDGET AMENDMENT NUMBER 1 FOR THE FREEPORT ECONOMIC DEVELOPMENT CORPORATION FOR FISCAL YEAR 2018-2019; MAKING APPROPRIATIONS FOR THE CITY FOR SUCH FISCAL YEAR AS REFLECTED IN SAID BUDGET; PROVIDING FOR INCORPORATION OF PREAMBLE AND AN EFFECTIVE DATE.

WHEREAS, the Freeport Economic Development Corporation Board approved a budget amendment for expenditures for the Freeport Economic Development Corporation for the 2018-2019 Fiscal Year on the 14th day of May 2019; and

WHEREAS, the City Council has considered the proposed budget amendment and has made such changes therein as in the City Council's judgment were warranted by law and were in the best interest of the citizens and taxpayers of the City; and

WHEREAS, the City Council now finds that the proposed amended budget for the Freeport Economic Development Corporation for Fiscal Year 2018-2019 should be approved; and

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

Section 1. The facts and statements contained in the preamble are hereby found to be true and correct and are incorporated herein and made a part hereof for all purposes.

Section 2. The amended budget for the Freeport Economic Development Corporation for the Fiscal Year 2018-2019 (attached hereto as Exhibit "A" and incorporated herein by reference the same as if set forth verbatim), including adjustments, is hereby approved. The City Secretary is hereby directed to place on said budget amendment an endorsement to be signed by the City Secretary, which shall read as follows: "The Amended Budget of the Freeport Economic Development Corporation for the Fiscal Year 2018-2019." Such budget as thus endorsed shall be kept on file in the office of the City Secretary as a public record.

Section 3. The necessity for making and approving a budget for the fiscal year, as required by the laws of the State of Texas, requires that this resolution shall take effect immediately from and after its passage, as the law in such case provides.

Section 4. This Resolution shall become effective immediately upon its passage.

DULY PASSED, APPROVED AND ADOPTED on this the 3rd day of June 2019.

Troy Brimage, Mayor
City of Freeport, Texas

ATTEST:

Laura Tolar, Interim City Secretary
City of Freeport, Texas

APPROVED AS TO FORM AND CONTENT:

Wallace Shaw, City Attorney
City of Freeport, Texas

	Acct No.	FY17-18 Actual Budget*	FY18-19 YTD Actual	FY18-19 Original Budget	FY18-19 Proposed Amendment	% Change	Notes
REVENUE							
Sales Tax	318-300	1,000,218	491,274	1,000,000	1,000,000	0.0%	
Interest Income	360-100	-	-	2,000	20	-99.0%	
Sale of Property	360-200	-	3,500	-	3,500	100.0%	Sold to Realty World
Miscellaneous	360-101	250	3	-	-	0.0%	
TOTAL REVENUE		1,000,468	494,777	1,002,000	1,003,520	0.2%	
EXPENDITURES							
Salaries and Benefits							
Salaries	407-100	51,178	29,853	40,047	71,391	78.3%	Actual + New Director prorated to 6 Months
Educational Pay	407-165	-	404	-	1,154	100.0%	Actual + New Director prorated to 6 Months
Longevity	407-175	192	180	155	210	35.5%	Actual + New Director prorated to 6 Months
Cell Phone Allowance	407-181	-	-	-	300	100.0%	New Director prorated to 6 Months
FICA & Medicare	407-201	4,179	2,323	3,340	5,461	63.5%	Calculated based on Salary
Group Insurance	407-210	17,449	4,369	11,958	8,869	-25.8%	Actual + New Director prorated to 6 Months
TMRS	407-230	8,213	4,404	6,617	10,273	55.3%	Calculated based on Salary
Workmen's Comp	-	-	-	-	159	100.0%	Due to City
Unemployment	-	-	-	-	-	0.0%	
Subtotal Salaries and Benefits		81,212	41,533	62,117	97,818	57.5%	
Supplies							
Office- Computer Supplies	407-310	2,811	87	500	2,500	400.0%	add to budget; laptop, monitor, docking station, keyboard
Postage-Shipping	407-311	50	-	200	200	0.0%	already budget
Books, Publications, Subscription	407-312	-	-	2,000	3,000	50.0%	add to budget
Printing & reproduction	407-313	505	-	500	-	-100.0%	
Clothing	407-335	-	-	-	-	0.0%	
Furniture and Fixtures	407-351	-	-	300	5,000	1566.7%	add to budget; desk, chair, paint, ceiling tile
Other Supplies	407-399	-	2	300	300	0.0%	already budget
Subtotal Supplies		3,366	88	3,800	11,000	189.5%	
Services							
Water	407-411	-	-	300	300	0.0%	
Professional Services	407-413	13,350	750	50,000	75,000	50.0%	Add to budget; Trade Area, Demographic, web site, Property Locator, video, misc
Bank Services	407-414	900	33	-	-	0.0%	
Professional Services, Auditor	407-415	-	-	-	4,000	100.0%	add to budget, charge back from city
Professional Services, Legal	407-417	26,639	27,051	35,000	35,000	0.0%	already budget
Advertising	407-430	-	-	3,000	60,000	1900.0%	add to budget
Marketing	407-434	6,443	-	10,000	20,000	100.0%	add to budget
Special Projects	407-435	-	-	309,159	309,159	0.0%	already budget, assume this is for grants or purchase
Electricity	407-440	1,027	-	2,000	2,000	0.0%	already budget
Community Outreach	407-499	47,969	-	-	5,000	100.0%	Add to budget; community outreach - retention
Other Services	407-499	-	13,577	4,000	1,500	-62.5%	reduced budget
Subtotal Services		95,729	41,411	413,459	511,959	23.8%	
Miscellaneous							
Donations	407-601	-	-	-	-	0.0%	
Seminars, Dues, Travel	407-602	610	4,413	3,000	27,000	800.0%	Board and I (25000) , 2000 training me
Rent - Hotel	407-603	-	-	-	-	0.0%	
Auto Reimbursement	407-604	-	-	-	6,000	100.0%	contract
Insurance, property	407-628	-	-	-	-	0.0%	
Taxes, Property	407-629	-	-	-	-	0.0%	
Telephone	407-629	-	-	-	-	0.0%	
Lease, General	407-697	-	-	-	-	0.0%	
Other Sundry	407-699	-	-	500	500	0.0%	
Subtotal Miscellaneous		610	4,413	3,500	33,500	857.1%	
Debt Service							
Principal							
First State Bank of Clute	407-700	342,356	74,678	158,808	128,849	-18.9%	
Southside Bank		-	149,000	203,816	149,000	-26.9%	Paid off this FY, will not need FY2020
Interest Expense							
First State Bank of Clute	407-710	33,660	17,960	-	29,959	100.0%	
Southside Bank		-	4,796	-	4,796	100.0%	Paid off this FY, will not need FY2020
Subtotal Debt Service		376,016	246,434	362,624	312,604	-13.8%	
Capital Outlay							
Land Acquisition	407-880	541,550	-	-	-	0.0%	
Capital Outlay	407-899	-	-	18,500	-	-100.0%	already budget
Subtotal Capital Outlay		541,550	-	18,500	-	-100.0%	
TOTAL EXPENDITURES		1,098,483	333,879	864,000	966,881	11.9%	
NET REVENUE LESS EXPENDITURES		(98,015)	160,899	138,000	36,639	-73.5%	
BEGINNING FUND BALANCE		244,450	146,435	146,435	146,435	0.0%	
ENDING FUND BALANCE		146,435	307,333	284,435	183,074	-35.6%	



City Council Agenda Item #13

Title: Purchasing Policy
Date: June 3, 2019
From: Stephanie Russell, Finance Director

Staff Recommendation:

Staff recommends Council approval of the Purchasing Policy.

Item Summary:

The City should have a comprehensive policy manual that clearly defines authority, responsibility, and establishes guidelines for the organization to follow when carrying out their responsibilities regarding procurement.

Background Information:

Section 1: Purchasing Policies, Objectives and Ethics:

The Purchasing Policy is intended to achieve the following Objectives:

- Ensure that the City acquires, stores, disburses, utilizes and disposes of goods and services uniformly and economically
- Provide the City with quality products and services at the best possible price
- Ensure that the City abides by the City's Charter and its adopted annual budget
- Help all departments understand and use established purchasing procedures and abide by applicable state and federal laws
- Help all departments in meeting the procurement needs of the City
- Encourage participation of small and minority businesses, women's business enterprises, and labor surplus area firms.

Staff has attempted to incorporate local, state and federal laws into this manual. The City, however, does not warrant that these policies include all such laws. Local, state and federal laws will prevail over these rules where applicable.

Section 2: Purchasing Process

This section outlines the delegation of purchasing authority, dollar limits, and competitive process. A City Contract is always required when an on-site service is to be rendered to the City. Retroactive (after the fact) contracts are not acceptable.

Purchases of less than \$3,000 do not require competitive bidding. Purchases of \$3,000 to less than \$50,000 require a purchase order form with at least three quotes unless and interlocal contract or

cooperative purchasing is utilized. Additionally, at least two (2) Historically Underutilized Businesses (HUB) must be contacted per Chapter 2161, Government Code and Texas Local Government Code, Chapter 252.0215.

City Council shall approve in advance all expenditures for \$50,000 or more. Except as provided in the General Exemptions Section 252.022 of the Texas Local Government Code, the City must issue a competitive sealed bid or competitive sealed proposal as authorized by Texas Local Government Code Chapter 252 and award the bid to the lowest responsible bidder.

Total Amount of Request*	Type of Form Required	Type of Bid/Quotes Required	Department Head or Designee Approval Required	Finance Director Approval Required	City Manager Approval Required	City Council Approval Required
< 1,000	Check Request	Not Required	◆			
\$1,000 to \$2,999	Purchase* Order	Not Required	◆	◆	*If not low bid	
\$3,000 to \$49,999.99	Purchase* Order	3 Quotes	◆	◆	◆	*If not low bid
\$50,000 and above	Purchase* Order	Sealed Bids	◆	◆	◆	◆

Included under this section are Procedures for Federal Contracts. This subsection is required to remain in compliance with current and future grants.

Section 3: Exemptions to Competitive Bidding

This section outlines certain exemptions to the Competitive Bids process per Chapter 252.022 of the State of Texas Local Government Code.

Section 4: Credit Card/Procurement Card Purchases

This section outlines the allowed usage, authority, procedures and accountability for credit card usage. Under this policy, Cardholders must comply with internal control procedures in order to protect the City's assets. These procedures include, but are not limited to keeping itemized receipts, reconciling transactions, reviewing monthly statements and following proper security measures. A Cardholder must surrender his/her card upon termination of employment. All purchasing policies and procedures must be followed when using the P-Card.

Cardholder Class	Per/Single Transaction	Per Month
Individuals	\$999.99	\$10,000
City Manager	\$2,999.99	\$10,000
Mayor	\$2,999.99	\$10,000
Finance Department	\$15,000*	\$100,000*

** To be used for payment of bills only per authorization by the Finance Director.*

Section 5: Disposal of City Property

This section outlines when and how items may be disposed.

Section 6: Electronic Procurement

Chapter 252.0415(a) of the State of Texas Local Government Code allows for the receipt of bids or proposals through electronic transmission, provided certain rules are followed to ensure the identification, security, and confidentiality of the electronic bids or proposals.

Special Considerations:

N/A

Financial Impact:

The City should see a reduction in costs overtime as increasing competition and accountability should ensure the City receives the best value for the public dollar.

Board or 3rd Party recommendation:

N/A

Supporting Documentation:

Resolution with Exhibit A – Purchasing Policy

RESOLUTION NUMBER 2019-2588

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS, APPROVING AND ADOPTING A PURCHASING POLICY FOR THE CITY OF FREEPORT; PROVIDING FOR INCORPORATION OF PREAMBLE AND AN EFFECTIVE DATE.

WHEREAS, the City is in need of procedures that clearly define authority, responsibility, and establish procurement guidelines for the organization; and

WHEREAS, the proposed Purchasing Policy, a copy of which is attached hereto as Exhibit "A," establishes guidance for procurement and purchasing authority; and

WHEREAS, the City Council hereby finds that the proposed Purchasing Policy should be approved.

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

Section 1. The facts and statements contained in the preamble are hereby found to be true and correct and are incorporated herein and made a part hereof for all purposes.

Section 2. The Purchasing Policy attached hereto as "Exhibit A" is hereby adopted as the Investment Policy of the City of Freeport.

Section 3. This Resolution shall become effective immediately upon its passage.

DULY PASSED, APPROVED AND ADOPTED on this the 3rd day of June 2019.

Troy Brimage, Mayor
City of Freeport, Texas

ATTEST:

Laura Tolar, Interim City Secretary
City of Freeport, Texas

APPROVED AS TO FORM AND CONTENT:

Wallace Shaw, City Attorney
City of Freeport, Texas



City of Freeport Purchasing Policy

DRAFT
June 3, 2019

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Section 1: Purchasing Policies, Objectives, and Ethics

A. Purchasing Policy

The procedures listed below provide an outline of the overall purchasing process.

It is the policy of the City to assure fair competitive access to governmental procurement by responsible vendors/contractors and to conduct business activities in such a manner as to foster public confidence in the integrity of the City.

Therefore, regardless of the expenditure it is the policy of the City to garner competition that produces the highest quality goods at the lowest possible price regardless of whether the item or service is subject to bid.

B. Purchasing Objectives

These policies are intended to:

- Ensure that the City acquires, stores, disburses, utilizes and disposes of goods and services uniformly and economically
- Provide the City with quality products and services at the best possible price
- Ensure that the City abides by the City's Charter and its adopted annual budget
- Help all departments understand and use established purchasing procedures and abide by applicable state and federal laws
- Help all departments in meeting the procurement needs of the City
- Encourage participation of small and minority businesses, women's business enterprises, and labor surplus area firms.

C. Legal Authority

The City has attempted to incorporate local, state and federal laws into this manual. The City, however, does not warrant that these policies include all such laws. Local, state and federal laws will prevail over these rules where applicable.

Texas Local Government Code 252.002 (Municipal Charter controls in case of conflict)

Legal requirements which affect the acquisition of goods and services include the following:

- *Texas Local Government Code, Chapter 252* requires that before a municipality may enter into a contract, except for those items exempted under *Chapter 252.022* or other law, that requires an expenditure of more than **\$50,000.00** from one or more municipal funds, the municipality must comply with the procedure prescribed as appropriate therein for competitive sealed bidding or competitive sealed proposals.
- *Texas Local Government Code, Chapter 171* requires local government officials to disclose conflicts of interest and sets forth rules that require officials to abstain where they are in a position to vote or make a decision on any matter involving a business entity or real property for which they have an interest in.

- *Texas Government Code Title 10, Chapter 2254*, also known as the Professional Services Act, governs the local government procurement of various professional services. *Chapter 2254* prohibits the procurement selection of architects or engineers based on bid price and requires government entities to first select the most qualified provider based on demonstrated competence and qualifications, and then attempt to negotiate with that provider a contract at a fair and reasonable price.
- *The State of Texas Engineering Practice Act, Chapter 1001, Texas Occupations Code*, states that a registered professional engineer must be hired to prepare plans, specifications, and estimates for any public works activities in accordance with this Act. The engineer must directly supervise the project in order to ensure the public health, safety, and welfare.

D. Disclosure of Certain Relationships

The Texas Local Government Code, Chapter 176 requires a vendor that wishes to conduct business or be considered for business with the City of Freeport, Texas to file a conflict of interest questionnaire. The Disclosure Act applies to all persons or businesses who conduct business with the City, including those who submit bids on city contracts, make purchases of surplus city property, or participate in any other purchase or sales transactions with a city.

Vendors or respondents who meet the following criteria must fill out a conflict of interest questionnaire no later than the 7th day after the person begins contract discussions or negotiations with the City or submits to the City an application, response to a request for proposals or bids, correspondence, or another writing related to a potential agreement with the City:

A vendor or respondent that:

- contracts or seeks to contract for the sale or purchase of property, goods, or services with a local governmental entity; or
- Is an agent of a person described in Subdivision (1) in the person's business with a local governmental entity. Any person who meets the criteria, as for enforcement to ensure the veracity of the vendors, the statute makes it a Class C Misdemeanor to violate the vendor disclosure provisions.

E. Certificate of Interested Parties (Form 1295)

Section 2252.908 of the Texas Government Code states that a governmental entity or state agency may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties to the governmental entity or state agency at the time the business entity submits the signed contract to the governmental entity or state agency. The law applies only to a contract of a governmental entity or state agency that either (1) requires an action or vote by the governing body of the entity or agency before the contract may be signed or (2) has a value of at least \$1 million.

A business entity must enter the required information on Form 1295 online at <https://www.ethics.state.tx.us/File/> and print a copy of the completed form, which will include a certification of filing that will contain a unique certification number. An authorized agent of the business entity must sign the printed copy of the form and have the form notarized. The completed Form 1295 with the certification of filing must be filed with City.

F. Purchasing Ethics

The City wants to promote and protect its governmental integrity. The purpose of this section is to provide guidance to all City employees involved in the procurement process so that they may conduct

themselves in a manner that is compatible with the best interest of the City. For more guidance regarding the City's Code of Ethics, please refer to the City's Ethics Policy found under Title IX of the Code of Ordinances, Chapter 100.

The employees of the City responsible for purchasing shall:

- Purchase the proper goods or services to address the City's needs
- Get the best possible price for goods or services
- Have goods or services available when and where the City needs it
- Assure a continuing supply of needed goods and services
- Guard against misappropriation of City funds
- Facilitate cooperation with other governmental units
- Maximize competition from responsible bidders
- Safeguard public funds and receive the best value for the public dollar
- Never use public spending to enrich elected officials or City employees
- Never make purchases for personal use in the City's name
- Ensure all procurement transactions will be conducted in a manner providing full and open competition:
 - o No unreasonable requirements are placed on firms in order for them to qualify.
 - o No unnecessary experience or excessive bonding required.
 - o Noncompetitive pricing practices between firms or between affiliated companies is disallowed.
 - o Noncompetitive contracts are disallowed except for when there is an approved exception.
 - o No organizational conflicts of interest.
 - o If a "brand name" product is specified, an equal or like product is acceptable.
 - o A vendor that intends to respond to the Request for Proposals, Request for Qualifications and/or Invitation for Bid may not participate in the development or drafting of specifications, requirements, statements of work, or invitations for bids or requests for proposals, including, but not limited to, the development of the scoring criteria, the final selection of firms to be contacted, or the scoring of proposals.
- Ensure all procurement transactions shall incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured.
- Ensure all procurement transactions shall identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals
- If a prequalified list when acquiring goods or services is used, the City will ensure the list is updated regularly, provides enough qualified sources to ensure maximum open and free competition.
- Ensure all procurement transactions must conform to applicable local, state, and federal laws and regulations.

Perception is Everything. Even if a procurement decision is sound, the method determination should be documented and will be open to public inspection. If a decision is perceived to be less than fair to all competitors, then the perception becomes the reality to the unsuccessful bidders. And, if the opinion is that the City has "favorite companies we always do business with", our job is to set the record straight

with all who may have this complaint. It is important that awards are made based on competition and/or best value for the City, that the reason(s) for those awards are documented and defensible, and that a decision is based on fact and in the best interest of the City.

G. Participating in Procurements with Family or Friends

It shall be a breach of ethics for any employee of the City of Freeport to participate directly or indirectly in procurement for the City of Freeport when the employee knows that:

- The employee or any member of the employee's immediate family has a financial interest pertaining to the procurement.
- A business or organization in which the employee, or any member of the employee's immediate family, has a financial interest pertaining to the procurement; or
- Any other person, business or organization with which the employee or any member of the employee's immediate family is negotiating or has an arrangement concerning prospective employment is involved in the procurement.

H. Gratuities

It shall be a violation of city employment to offer, give or agree to give any employee of the City of Freeport, or for any employee of the City of Freeport to solicit, demand, accept or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation of any part of a program requirement or purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter pertaining to any program requirement or a contract or sub-contract, or to any solicitation or proposal therefore pending before the City of Freeport.

I. Kickbacks

It shall be a breach of ethics for any payment, gratuity or offer of employment to be made by or on behalf of a vendor/subcontractor under a contract to the prime vendor/contractor or higher tier subcontractor for any contract for the City of Freeport, or any person associated therewith, as an inducement for the award of a sub-contract or order.

J. Confidential Information

It shall be a violation of City policy for any employee of the City of Freeport knowingly to use confidential information for actual or anticipated personal gain, or for the actual or anticipated gain of any person.

K. Purchase of Materials, Equipment, And Supplies for Personal Use

No employee may purchase City property for his/her own personal use unless it is purchased through the City's public auction or through the sealed bid procedures of the City. This includes new and used equipment, materials or supplies.

L. Private Purchases Through City Facilities

No employee may use the purchasing power of the City of Freeport to make a private purchase. In addition, employees should not have private purchases sent to the City to be paid for by the employee.

M. Tax Exempt Status

The City of Freeport is exempt from Federal, State, and Local taxes except in certain prescribed cases. An exemption certificate is available from the Finance Department and will be furnished to any of the City's suppliers upon request. Employees making purchases for the City out of personal funds will not be reimbursed for sales tax paid.

N. Tax Exempt Status for Purchase of Personal Property

Employees may not use the City's tax-exempt status for purchases of personal property. Anyone avoiding payment of sales tax by using this exemption may be liable for prosecution under Texas Penal Code, Chapter 39.

O. Definitions

The following definitions are intended to assist you in understanding the language used throughout this manual. When using this manual, if you find a word or words that you may not clearly understand and if it is not defined in this section, please do not hesitate to contact someone in Finance for clarification and/or interpretation.

Appropriated – The City Council appropriates funds through the adoption of the annual budget and subsequent amendments. Appropriated funds are funds that are able to be used for the purchase of goods and services, another way of saying this would be to say funds are budgeted and authorized for the intended purchase.

Award - Approval by the City Council, City Manager, Financial Director or their designee, under whose authority a purchase order is issued.

Best Value - If the sealed competitive bidding requirement applies to the contract for goods or services, the contract may be awarded to the lowest, Responsible Bidder or to bidder who provides goods or services at the best value for the City. In determining the best value for the City, we may consider:

- the purchase price;
- the reputation of the bidder and of the bidder's goods or services;
- the quality of the bidder's goods or services;
- the extent to which the goods or services meet the City's needs;
- the bidder's past relationship with the City;
- the impact on the ability of the City to comply with laws and rules relating to contracting with;
- historically underutilized businesses and non-profit organizations employing persons with disabilities;
- the total long-term cost to the City to acquire the bidder's goods or services, and
- any relevant criteria specifically listed in the request for bids or proposals.

Bid advertisement - A public notice put in a newspaper of general circulation, containing information about an Invitation for Bid or a Request for Proposal.

Bid list - A list of vendors who have indicated in writing an interest in submitting bids for particular categories of goods and services. This list is a compilation of recommended vendors from the department and a database of vendors maintained by Purchasing.

Blanket Purchase Order – A blanket purchase order is an open purchasing agreement between the City and a vendor to provide multiple purchases under a single Purchase Order number when the exact quantities are unknown.

Bonds:

- **Bid Bond** - A bond required of a contractor that ensures that the contractor will enter into the contract for which he has submitted a formal written bid and/or proposal.
- **Payment Bond** - A bond required of the contractor that ensures that all suppliers and subcontractors of the contractor will be paid for work and/or material supplied in the course of the contract.
- **Performance Bond** - A bond required of the contractor that guarantees vendor performance during the execution of the contract.

Capital equipment – Property with a useful life of at least two years and a purchase cost of at least \$5,000.

Check Request – Prescribed stamp/form for requesting payment to a vendor for purchase of less than \$3,000. The Department Head and/or their designee must sign this form.

Commodity code - A specific group of goods or services categorized into distinct classes that have been assigned a numerical reference number within the purchasing and inventory system.

Competitive bidding - The process wherein a vendor openly competes with other vendors, through a formal or informal process, for the City's business.

Component purchases – Purchases of component parts that in normal purchasing practices would be purchased in one purchase.

Consulting Services - The service of studying or advising the City under a contract that does not involve the traditional relationship of employer and employee.

Contract - An agreement between the City and a Supplier to furnish supplies and/or services over a designated period of time, during which purchases are made of the commodity specified.

Contractor - The successful vendor(s) awarded a contract by the City.

Delivery date – The date by which goods or services are needed.

Emergency – Purchases that are made to meet a critical, unforeseen need of the City, where the City's ability to serve the public would be impaired if purchase is not made immediately. Emergency purchases are exempt from standard purchasing procedures and must qualify for exemption as outlined in *Texas Local Government Code 252.022*.

Encumbrance - The process wherein the City reserves funds for the purchase of supplies, goods, services, and equipment in one budgetary-accounting period, and pays for the purchase in another budgetary-accounting period.

Expedite – When the purchasing process is accelerated through normal procedures in order to prevent work stoppage or loss of government's money.

FOB destination point – Free on Board (FOB); the vendor pays freight charges to the destination; title to goods passes to buyer at his receiving dock; freight claims must be filed and handled by the seller.

FOB shipping point – Free on Board (FOB); shipment becomes 'collect' from seller's shipping dock; freight charges may be prepaid and added to the invoice; City pays freight charges; title to goods passes to buyer at the shipping dock of seller; freight claims must be filed and handled by buyer.

Goods - A generic term that includes all types of property to be purchased by the City; equipment, supplies, materials, components and repair parts.

Invitation to Bid – This is a formal written document that requests from bidders a firm price and delivery details for specified merchandise listed on a purchase requisition. An Invitation to Bid is always required when the anticipated level of expenditure will be greater than \$50,000.

Lowest Responsible Bidder – This is the vendor who offers the lowest bid which meets all the specifications, requirements, terms and conditions of the Invitation to Bid. It is expressly understood that the lowest responsible bid includes any related costs to the City, using a total cost concept. The term "responsible" refers to the financial and practical ability of the bidder to perform the contract. The term is also used to refer to the experience or safety record of the vendor.

Personal Services - Services provided to the City personally by a particular individual. Any contribution of machinery and equipment compared to total cost must be substantially less than the contribution of wages.

Planning Services - Services primarily intended to guide the City to ensure the orderly and coordinated development of land areas.

Professional Services – services as defined by state law: accounting; architecture; landscape architecture; land surveying; medicine; optometry; professional engineering; real estate appraising; professional nursing; or services provided in connection with the professional employment or practice of a person who is licensed or registered as: a certified public accountant; an architect; a landscape architect; a land surveyor; a physician, including a surgeon; an optometrist; a professional engineer; a state certified or state licensed real estate appraiser; or a registered nurse.

Purchase - An act that includes the acquisition of goods or services, to include the act of leasing personal or real property. Separate, sequential, and component purchases shall be treated as a single purchase.

Purchasing - The act, function, and responsibility for the acquisition of goods and services.

Purchase order - A formal, binding, legal agreement issued by the City's Purchasing Coordinator. A purchase order is requested by a departmental requisition that details the merchandise or services required. When accepted by a vendor without qualifications within a specified time period, the agreement becomes a contract. A Purchase Order grants the vendor the authority to deliver the goods or services and invoice for the same. It is the City's commitment to accept the goods or services and pay for them at the agreed price.

Purchase Requisition Form – Prescribed form filled out by departments at the same time the purchase order is entered into the financial software for approval. This form must be signed by the Department Head and submitted to the Finance Department as backup for the purchase order.

Request for Proposal - A formal written document requesting that potential vendors make an offer for services to the City. The Request for Proposal method of procurement may be used for goods or services including high technology and insurance when it is determined that the proposal process provides the best value to the City. When the RFP is used for the selection of professional services as allowed in the Local Government Code 252.022(a)(4), the City shall comply with Local Government Code 2254.003 in the procurement of these services. The City shall not award a contract for these

services based on competitive bids but shall make the selection and award on the basis of demonstrated competence and qualifications for a fair and reasonable price. Fees must be consistent with and not higher than the recommended practices and fees published by the applicable professional associations and may not exceed any maximum(s) provided by law.

Request for Qualifications - a formal written document used when soliciting providers of architectural, engineering or land surveying services. The City shall comply with Local Government Code 2254.004 in the procurement of these services. The City must first select the most highly qualified provider of those services on the basis of demonstrated competence and qualifications. After a firm has been selected based on qualifications and experience, then a fair and reasonable fee shall be negotiated. If a satisfactory contract cannot be negotiated with the most highly qualified provider of architectural, engineering, or land surveying services, the City shall formally end negotiations with that firm and select the next most highly qualified firm and begin negotiations with that provider for a fair and reasonable price.

Reverse Auction - Single or multiple-item, open, descending-price auction. The initiator specifies the opening bid price and bid decrement. Each bidder submits a successively lower bid and at the end of the auction, bidders with the lowest bid win. Each winning bidder sells at a price equal to the bid he/she made.

Separate purchases – Purchases made separately of items that in normal purchasing practices would be purchased in one purchase.

Sequential purchases – Purchases made over a period of time of items that in normal purchasing practices would be purchased in one purchase.

Services - A generic term to include all work or labor performed for the City on an independent contractor basis, including maintenance, construction, manual, clerical or professional services.

Sole source – Purchases of goods or services that are available from only one supplier. There may be just one vendor because of patents or copyrights, or simply because the vendor is the only one that supplies the good or service. These purchases are exempt from the standard bidding requirement and must qualify as outlined in *Local Government Code 252.022*.

Specifications - Statements containing a detailed description of the terms of the contract, as well as specific details for the goods and/or services. The details or specifications should be descriptive, but not restrictive.

Surplus – Item(s) no longer needed by a department, regardless of its value or condition.

Vendor - A generic term applied to individuals and companies alike, who provide goods and services to the City.

Section 2: Purchasing Process

A. Delegation of Purchasing Authority

The City Manager as authorized by the City Council of the City of Freeport has delegated to Department Heads and their designees the authority to procure materials and services for the City that are within the guidelines set-forth by this procurement policy. Department purchasing authority is limited to a single purchase of less than \$1,000.

A City Contract is always required when an on-site service is to be rendered to the City. Retroactive (after the fact) contracts are not acceptable. Only the City Council, the City Manager and Finance Director (within his/her purchasing limitations) are vested with authority to contract for the City of Freeport. The Finance Director may approve the purchase of goods or services that have been budgeted and are valued at less than \$10,000, without prior approval of the City Council or City Manager.

The City Manager may approve the purchase of goods or services that have been budgeted and are valued at less than \$50,000 without prior City Council approval. No contract or purchase order will be binding upon the City unless authorized by the City Council, City Manager, or Finance Director, as applicable, and unless the City Manager and/or Finance Director certifies that there is to the credit of the City office or department a sufficient appropriation and unencumbered balance to pay for the goods and/or services for which the contract or purchase order is to be issued. The City's purchase of goods and services shall be made according to a requisition from the Department Head whose budget or other approved appropriation source will be charged for the purchase. Any City personnel who authorize or attempt to authorize a purchase order without proper approvals will be subject to disciplinary action.

The Finance Department is designated as the Purchasing Office for the City within certain limitations. The primary responsibility of the Purchasing Office is to procure the best goods and services in a timely manner at the lowest possible cost to the City and to ensure that purchasing is conducted with strict adherence to applicable federal, state and local laws as well as this manual. This purpose is accomplished through updating of purchasing data, training/education of personnel and responsiveness to new techniques. The Finance Department will coordinate purchasing activities with the user department. The Finance Director will conduct random internal audits of departmental purchasing.

B. Total Dollar Limits/Approval Requirements

The purchasing limits stated herein assume that prior to purchase or request to purchase, the Department Head and/or their designee has verified sufficient funds are available in the budget line item affected. This is verified through the purchase order (encumbrance) process approved by the Finance Department.

The following standard approval route applies to All City Departments.

Total Amount of Request*	Type of Form Required	Type of Bid/Quotes Required	Department Head or Designee Approval Required	Finance Director Approval Required	City Manager Approval Required	City Council Approval Required
< 1,000	Check Request	Not Required	◆			
\$1,000 to \$2,999	Purchase* Order	Not Required	◆	◆	*If not low bid	
\$3,000 to \$49,999.99	Purchase* Order	3 Quotes	◆	◆	◆	*If not low bid
\$50,000 and above	Purchase* Order	Sealed Bids	◆	◆	◆	◆

* A Purchase Order is not required for recurring payments on annual contracts, that have already been procured in accordance with this policy, in which the quantities are unknown. Examples include but are not limited to utilities, phone, insurance premiums, fuel, etc. These payments should be paid following verification of quantity and contract compliance. If applicable, a Blanket Purchase Order may be set up for these vendors. A Purchase Order is required for recurring payments on annual contracts in which the exact amount is known (ex. janitorial services).

C. Purchases of Less Than \$3,000

Purchases of less than \$3,000 do not require competitive bidding. The requesting department shall solicit at least one quotation from a competent vendor. Telephone, fax, and e-mail quotations are acceptable. Department Heads or their approved designees may, without prior approval of the Finance Director or City Manager make purchases of less than \$3,000.

Department Head shall authorize an invoice for payment and forward a check request to the Finance Department.

D. Purchases of \$3,000 to Less Than \$50,000

Purchases of \$3,000 to less than \$50,000 will require a purchase order form with at least three quotes unless an interlocal contract or cooperative purchasing is utilized. The Department Head must contact at least two (2) Historically Underutilized Businesses (HUB) on a rotating basis based on information provided by the comptroller pursuant to Chapter 2161, Government Code unless the list fails to identify a HUB that provides similar goods or services in Brazoria County, as authorized by the *Texas Local Government Code, Chapter 252.0215*. If the Department Head proposes to award the contract to a person or entity other than the apparent lowest quote, the Department Head shall obtain the prior written approval of the City Manager.

If a purchase is \$3,000 or greater, the Department Head must submit approval prior to purchase in the form of a purchase requisition/purchase order to the Finance Department. Department Heads or their approved designees may authorize the invoice for payment once the City receives the items.

E. Purchases of \$50,000 or More

City Council shall approve in advance all expenditures for \$50,000 or more. Except as provided in the *General Exemptions Section 252.022 of the Texas Local Government Code*, the City must issue a competitive sealed bid or competitive sealed proposal as authorized by *Texas Local Government Code Chapter 252* and award the bid to the lowest responsible bidder.

The user department shall be responsible for the preparation of specifications for any formal bids for goods, services, or contractual needs. Formal bids shall include legal advertising, invitations to bids, pre-bid conferences (as necessary), documented bid openings and official bid tabulations. All bids must be awarded by City Council. The goods and/or services may be acquired by the issuance of a purchase order or execution of a contract.

Bid notices shall indicate when and where bids will be opened; be published in the official newspaper of the City once a week for two consecutive weeks beginning at least fourteen days before the bid opening; shall be published in a form approved by the City Secretary.

F. General Purchasing Provisions

General Rules Applicable to All Contracts

- a. Each Department Head is responsible for:
 - Coordinating with the Finance Department to establish and maintain a list of vendors
 - Establishing clear, nonrestrictive bid specifications
 - Receiving and inspecting all deliveries to ensure that the goods and/or services comply with the bid or proposal specifications.
- b. The City Secretary is responsible for maintaining bids or proposals and related information according to the City's Records Management Program. Unless otherwise specified by state law, records related to bids or proposals (including purchase orders, invitations to bid, and bid tally sheets) are public records.
- c. The Department Head shall charge a purchase to the appropriate account number regardless if the account contains available budgeted funds. Overrun line items shall require a budget amendment.

G. Prompt Payment Act

Texas Government Code, Chapter 2251, commonly known as the Texas Prompt Payment Act, generally requires that the City pay bills not later than 30 days after the goods and services are received, or the date the invoice is received, whichever is later. Each Department Head shall submit to the Finance Department any bill or invoice within 15 calendar days of receipt.

H. Consideration of The Location of a Bidder's Principal Place of Business

In purchasing under this title any real or personal property that is not affixed to real property, if a local government receives one or more bids from a bidder whose principal place of business is in the local government area and whose bid is within 3% of the lowest bid price received by the local

government from a bidder who is not a resident of the local government area, the local government may enter into a contract with:

the lowest bidder; or the bidder whose principal place of business is in the local government area if the governing body of the local government determines, in writing, that the local bidder offers the local government the best combination of contract price and additional economic development opportunities for the local government area created by the contract award, including the employment of residents of the local government area and increased tax revenues to the local government. This does not prohibit a Council from rejecting all bids.

Texas Local Government Code 271.905

I. Preference for Recycled Products

The City encourages the use of recycled products and products that may be recycled or reused. The City will give preference to products made of recycled materials if the products meet applicable specifications as to quantity and quality. *Texas Health and Safety Code 361.426*

The Finance Director may review procurements for the purchase of goods, supplies, equipment, and materials to:

- Eliminate procedures and specifications that explicitly discriminate against products made of recycled materials
- Encourage the use of products made of recycled materials
- Ensure to the most economically feasible extent that the City purchases products that may be recycled when they have served their intended use

J. Municipal Contracts

Annual Contracts - The City may use an annual fixed price contract to obtain required goods or services from a chosen vendor for a specified time period. These contracts eliminate the necessity of bidding commodities each time they are needed. Annual contracts in which the quantities are pre-determined require a purchase order.

Contracts Requiring Issuance of Debt, Certificates of Obligation or Lease-Purchase Agreements

If the City Manager, or a Department Head intends to finance a contract for goods or services through issuance of bonds, debt, certificates of obligation (CO), certificates of participation, tax anticipation notes, lease-purchase agreements, or any other means, then the City Manager or Department Head must, before soliciting bids, receive approval from the City Attorney and City Council for such financial arrangements.

Texas Local Government Code Chapter 271

K. Procedures for Federal Grants

Procurement Cycle Steps

- **Need Defined**— The City of Freeport, TX submits request and specifications. Purchaser reviews request and specifications for unnecessary or duplicative items in accordance with 2 CFR 200.318 (d).
- **Procurement Method Selected**—Based on type and estimated cost of good/service as well as purchasing authority, purchaser determines the procurement method that will result in a best value

acquisition for the City of Freeport.

- Solicitation—City of Freeport creates the appropriate solicitation document, with terms and conditions and evaluation criteria clearly defined, and notifies vendor sources for an informal or formal bid process.
- Receipt of Bids and Responses to Solicitation—Vendors submit their response to the solicitation.
- Evaluation and Awards—City of Freeport review the responses from vendors, determine compliance with the solicitation and make an award recommendation based on the pre-defined best value criteria.

The City of Freeport will use one of the following five methods of procurement described at 2 CFR Section 200.320: (1) procurement by micro-purchases, (2) procurement by small purchase procedures, (3) procurement by sealed bids, (4) procurement by competitive proposals, or (5) procurement by noncompetitive proposals.

1. Simplified Acquisition Procedures for Purchases Below Micro-Purchase Threshold

For purposes of this section, the micro-purchase threshold is \$3,000.

Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (\$200.67 Micro-purchase). To the extent practicable, the City of Freeport must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable.

2. Small Purchase

Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.

For service contracts that are under the small purchase threshold and do not fall under professional services as defined in Section 2254.002(2) of Local Government Code, the City of Freeport may receive quotes and award the contract to any reasonable and responsible bidder. The local governing body has the final authority to award contracts.

3. Construction and Materials Contracts

In order for sealed bidding to be feasible, the following conditions should be present:

- a. A complete, adequate, and realistic specification or purchase description is available;
- b. Two or more responsible bidders are willing and able to compete effectively for the business; and
- c. The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

If sealed bids are used, the following requirements apply:

- a. Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids, for local, and tribal governments, the invitation for bids must be publicly advertised;

- b. The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;
- c. All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly;
- d. A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and
- e. Any or all bids may be rejected if there is a sound documented reason.

4. Professional Services Contracts

This method is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:

- a. Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical;
- b. Proposals must be solicited from an adequate number of qualified sources;
- c. The City of Freeport must have a written method for conducting technical evaluations of the proposals received and for selecting recipients;
- d. Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and
- e. The City of Freeport may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

5. Noncompetitive Proposals

This method may be used only when one or more of the following circumstances apply:

- a. The item is available only from a single source;
- b. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- c. The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request; or
- d. After solicitation of a number of sources, competition is determined inadequate.

6. Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms.

The City will take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible. Affirmative steps include:

- a. Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
- b. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;

- c. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
- d. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
- e. Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
- f. If the awarded vendor is a prime contractor and may use subcontractors, the following affirmative steps are required of the prime contractor:
 - Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
 - Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
 - Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
 - Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
 - Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.

L. Construction Projects

If the contract is for the construction of public works, the following is required for bidding:

- a. Prepare plans and specifications in conjunction with bidding and contract documents:
 - The proposed specifications shall include workers' compensation requirements. *Texas Labor Code 406.096*
 - If the proposed project includes excavation work, then the proposed specifications shall include excavation requirements and pay items. *Texas Health and Safety Code 756.023*
 - The proposed specifications shall include bonding requirements. *Texas Local Government Code Chapter 252.044; also, Texas Government Code Chapter 2253*
 - The proposed specifications shall include prevailing wage rate schedules. *Texas Government Code Chapter 2258*
- b. Sealed plans and specifications.
- c. Line items with estimated quantities and price estimate.

Texas Local Government Code Chapter 252.044; also, Texas Government Code Chapter 2253

Section 3: Exemptions to Competitive Bidding

Chapter 252.022 of the State of Texas Local Government Code allows certain exemptions to the Competitive Bids process. **The following are the exemptions allowed:**

1. A procurement made because of a public calamity that requires the immediate appropriation of money to relieve the necessity of the municipality's residents or to preserve the property of the municipality;
2. A procurement necessary to preserve or protect the public health or safety of the municipality's residents;
3. A procurement necessary because of unforeseen damage to public machinery, equipment, or other property;
4. A procurement for personal, professional or planning services;
5. A procurement for work that is performed and paid for by the day as the work progresses;
6. A purchase of land or a right-of-way;
7. A procurement of items that are available from only one source, including:
 - a. items that are available from only one source because of patents, copyrights, secret processes, or natural monopolies;
 - b. films, manuscripts, or books;
 - c. gas, water, and other utility services;
 - d. captive replacement parts or components for equipment;
 - e. books, papers, and other library materials for a public library that are available only from the persons holding exclusive distribution rights to the materials; and
 - f. management services provided by a non-profit organization to a municipal museum, park, zoo, or other facility to which the organization has provided significant financial or other benefits;
8. A purchase of rare book, papers, and other library materials for a public library;
9. Paving drainage, street widening, and other public improvements, or related matters if at least one-third of the cost is to be paid by or through special assessments levied on property that will benefit from the improvements;
10. A public improvement project, already in progress, authorized by the voters of the municipality, for which there is a deficiency of funds for completing the project in accordance with the plans and purposes authorized by the voters;
11. A payment under a contract by which a developer participates in the construction of a public improvement as provided by Subchapter C, Chapter 212;
12. Personal property sold:
 - a. at an auction by a state licensed auctioneer;

- b. at a going out of business sale held in compliance with Subchapter F, Chapter 17, Business & Commerce Code;
 - c. by a political subdivision of this state, a state agency of this state, or an entity of the federal government;
 - d. under an interlocal contract for cooperative purchasing administered by a regional planning commission established under Chapter 391;
13. Services performed by blind or severely disable person;
14. Goods purchased by a municipality for subsequent retail sale by the municipality;
15. Electricity; or
16. Advertising, other than legal notices.

A. High Technology Procurement

High technology procurement means the procurement of equipment, goods, or services of a highly technical nature including:

- a. data processing equipment and software and firmware used in conjunction with data processing equipment;
- b. telecommunications equipment and radio and microwave systems;
- c. electronic distributed control systems, including building energy management systems; and
- d. technical services related to those items.

The City may utilize a request for proposals to procure high technology products and services. Requests for proposals are similar to competitive bids. Prior to utilizing a request for proposal, a Departmental Director must receive approval from the City Manager. The Department shall write specifications using performance standards rather than a written description of the good or service. The specifications shall also list the factors by which the City will judge the proposal, and the weight assigned to each factor.

1. Vendors must submit proposals of their own design for a system to satisfy the requirement set forth in the proposal. Proposals may incorporate entirely different hardware or services to accomplish the same performance.
2. After the City receives the proposals, the Department Head may enter into negotiations with as many vendors as have submitted feasible proposals to arrive at the best possible proposal.

Texas Local Government Code 252.001(4); 252.021(c)

B. Emergency Services

An emergency is an unforeseen situation that adversely and unduly affects the life, health, or convenience of the citizens of the City, or a circumstance that would cause a loss to the City (such as an inordinate amount of down time).

Texas Local Government Code 252.022 (1), (2) & (3)

In an emergency, the Department Head may proceed with an emergency acquisition. If the cost is \$3,000 or more, the Department Head shall send a confirming requisition (including a brief

explanation of the purchase) and invoices to the Finance Department and City Manager as soon as possible. The Finance Department will then assign a purchase order number and advise the user department to forward that number to the appropriate vendor.

C. Professional Services

Professional services mean services within the scope of the practice, as defined by state law, of accounting, architecture, land surveying, medicine, optometry, professional engineering, or real estate appraisers. The City may not select a provider of professional services or a group or association of providers or award a contract for services based on competitive bids submitted for a contract or services, but shall make the selection and award:

- a. based on demonstrated competence and qualifications to perform the services; and
- b. a fair and reasonable price.

Professional contract fees:

- a. must be consistent with and not higher than the recommended practices and fees published by the applicable professional associations; and
- b. may not exceed any maximum provided by law.

Texas Government Code §2254.002, §2254.003

The City shall first select the most highly qualified provider of those services on the basis of demonstrated competence and qualifications and negotiate with that contract provider a fair and reasonable price.

If the City cannot negotiate a satisfactory contract with the most highly qualified provider, then the City shall formally end negotiations with that provider, select the next most highly qualified provider and to negotiate a contract at a fair and reasonable price.

The City will continue contract selection and negotiations with providers until the City enters into a contract. The City Manager and/or the appropriate Department Head will execute contracts for the City.

D. Work That Is Performed and Paid for By the Day as The Work Progresses

If the City hires a contractor for a project on a daily basis and pays for work daily as the work progresses, the procurement of services is exempt from competitive bidding requirements.

E. Purchase of Rare Books, Papers, And Other Library Materials for A Public Library

Competitive bidding provisions do not apply to the purchase of rare books, however, books available from more than one jobber or source must be purchased using the regular purchasing process.

F. Developer Participation Contracts

The City Council must approve Developer Participation Contracts over \$3,000 in advance. *Texas Local Government Code 212.071*

G. Interlocal Contracts and Cooperative Purchasing

The City Council must approve interlocal contracts or agreements with other political subdivisions of this state, a state agency of this state or an entity of the federal government administered by a regional planning commission.

The Department Heads will prepare appropriate documentation for purchase orders as needed or required by a particular COOP. The department will receive related paperwork supporting the purchase. The authorization for payment shall include the appropriate signatures and include contract numbers.

The City of Freeport may satisfy the competitive bid requirement of state law by purchasing goods and services through any of the following, including but not limited to:

- a. The Texas Building and Procurement Commission
- b. The Houston-Galveston Area Council Cooperative Purchasing Program (H-GAC Buy)
- c. The Texas Local Government Purchasing Cooperative (BuyBoard)
- d. The National Intergovernmental Purchasing Alliance Company, a Delaware corporation d/b/a OMNIA Partners, Public Sector and/or Communities Program Management, LLC, a California limited liability company d/b/a U.S. Communities (collectively, "OMNIA Partners, Public Sector")
- e. An interlocal agreement with another governmental entity that has complied with state law purchasing requirements
- f. Texas Procurement Center
- g. Any other agency or entity that state law provides will satisfy the competitive bid requirements

Texas Local Government Code Chapter 271; also, Texas Government Code Chapter 791

H. Media Advertising

A purchase order or quotation form is not required for advertising in the City Official Public Newspaper. The invoice shall be authorized for payment by the Department Head and forwarded to the Finance Department. *Texas Government Code 2051.041*

Section 4: Credit Card/Procurement Card Purchases

The Procurement Card (hereinafter "P-Card") is a purchasing tool which offers an alternative to the traditional purchase order process. Additionally, the timelines established by this policy allow the City to take full advantage of the cash rebate incentive offered by the issuing financial institution on P-Card purchases.

The City of Freeport established the P-Card Program as part of an effort to extend trust downward into the organization and to increase operational efficiency. As such, employees have a responsibility to adhere to this policy. Having a City of Freeport P-Card is a privilege, not a right.

The P-Card is issued to individual employees only. No other person is permitted to use another employee's P-Card. As a Cardholder, the employee is responsible for the appropriate use of City funds and is responsible for all charges made with the card. Although the P-Card is issued to the employee, it remains City property and may be rescinded at any time.

Personal charges shall not be made on the card. Improper use of the card may be considered misappropriation of City funds, which may result in disciplinary action, up to and including termination and criminal prosecution.

Cardholders must comply with internal control procedures in order to protect the City's assets. These procedures include, but are not limited to keeping itemized receipts, reconciling transactions, reviewing monthly statements and following proper security measures. A Cardholder must surrender his/her card upon termination of employment. All purchasing policies and procedures must be followed when using the P-Card.

It is the expectation of the City that departments seek information from multiple vendors to ensure that the best value and price are obtained for all P-Card purchases. The following procedures outline appropriate P-Card use.

A. Program Administration

1. The Finance Department is responsible for the day to day management of the P-Card program.
2. The designated Program Administrator acts as the City's point of control for the P-Card program, monitors all usage of the P-Card, and is the point of contact for any Cardholder questions or problems.
3. The Program Administrator has the authority, with the approval of the Finance Director, to cancel or suspend a P-Card for any employee at any time for reasons as stated in this policy.

B. P-Card Issuance & Transaction / Monthly Limits

1. When P-Cards are requested for new users, the Department Head will be able to designate an "Administrative Designee." This employee is responsible for managing the reconciliation of the Cardholder's P-Card (e.g. an Executive Assistant).
2. Cardholder standard expenditure limits are as follows:

Cardholder Class	Per/Single Transaction	Per Month
Individuals	\$999.99	\$10,000
City Manager	\$2,999.99	\$10,000
Mayor	\$2,999.99	\$10,000
Finance Department	\$15,000*	\$100,000*

** To be used for payment of bills only per authorization by the Finance Director.*

3. Department Heads may request lower limits. Higher limits or a different Cardholder Class may be requested to accommodate the employee's job function and may be considered with documentation to justify the request or change. The request must be approved by the Department Head, Finance Director and City Manager. (Note: Request for a one-time increase in single or monthly transaction limits may be made by the P-Card holder and approved by Finance. It is the Cardholder's responsibility to inform their Department Head of the increase.)

C. Department P-Cards

Department P-Cards may be issued in the name of an individual department. These cards would be kept in the Purchasing Office until such time as they would be needed by the department for an emergency related issue. Department Cards must be requested in the same manner as a standard P-Card and released for use only after Purchasing receives notice from the City Manager allowing the use of the card

D. Finance Department P-Card

A P-Card will be issued and signed out to an individual within Finance for payment of certain invoices that the city receives during the course of business with the sole purpose of receiving additional cash rebate incentives from the P-Card program.

The individual to which the P-Card is signed out will be the custodian of the P-Card and will have the sole responsibility within Finance for maintaining the P-Card and adhering to the requirements of this Policy during the custodial time period.

E. P-Card Usage Guidelines**1. P-Card Basics**

- a. If the monthly limit is reached, Cardholders must utilize the traditional purchase order process, or the Cardholder may request (by email with a copy to the Cardholder's supervisor) a temporary increase in the monthly transaction limits from the Program Administrator. If Cardholder is at the place of business and needs to increase the single transaction limits on their P-Card, they must call the designated P-Card Administrator and make the request. Any requests granted will only be done if they fall within the standard allowable limits as set forth in this policy. An email will be generated to the Cardholder and appropriate Supervisor confirming the telephone conversation and the action taken.
- b. The Cardholder shall not use the P-Card to circumvent any other established City policy, i.e. splitting a \$3,000.00 transaction to two transactions of \$1,500.
- c. The Cardholder is responsible for all charges made with the P-Card.
- d. Cardholders must comply with internal control procedures in order to protect the City's assets. These procedures include, but are not limited to keeping itemized receipts, reconciling transactions, reviewing monthly statements and following proper security measures.
- e. The employee is to use the P-Card only for the types of purchases described in this policy and failure to do so may result in disciplinary action up to and including termination and/or criminal prosecution.
- f. P-Card limits may also be raised in the event of an emergency at the sole discretion of the City Manager.

2. Acceptable Purchases on P-Card (Examples – but not limited to)

- a. Subscriptions and books
- b. Seminars, training, membership dues, registration
- c. Catering and delivery services
- d. Off-site Required maintenance/repairs for which no contract required
- e. On-site maintenance/repairs under \$500 total cost for which no contract required
- f. Over-the-counter retail purchases
- g. Travel related purchases (Note: When traveling, food is best paid by per diem.)
- h. Computer peripherals (through IT only)
- i. Software under \$500.00 (no license agreements) (through IT only)
- j. Business related meals with documentation of meeting subject and attendees
- k. Fuel (for City vehicles only when traveling outside City or motorcycle officers)
- l. Rentals (on case by case basis and only with approval of Finance Director)

3. Prohibited P-Card Uses (Examples – but not limited to)

Purchases of restricted items listed below and purchases of \$3,000 or more must continue to be processed in accordance with established purchasing guidelines.

The procurement P-Card is NOT to be used for the following:

- a. Purchase of capital equipment
- b. Purchase utilizing Grant funds
- c. Capital projects
- d. Onsite contractual services over \$500 (contract / PO needed)
- e. Alcoholic beverages (except where otherwise permitted by policy)
- f. Cash advances/travelers checks/gift cards
- g. Separate, sequential, and component purchases or any transaction made with intent to circumvent City Purchasing Policy
- h. Spouse/Family expenses incurred while traveling
- i. Purchases made with vendors not located in the U.S. (except where previously approved)
- j. Items for personal use
- k. Fines of any kind
- l. Maintenance agreements

4. Proof of Purchase - Documentation

- a. Adequate documentation, including original itemized receipts must be maintained to record the transaction and support the legitimate business purpose of all transactions made with the P-Card.
- b. Original documentation must be retained by Cardholder until attached to the Monthly Statement showing the Cardholder purchases.

5. Sales Tax

- a. The City is tax exempt. Cardholders are responsible for ensuring the merchant does not include sales tax in the transaction.
- b. ***The Exception is tax paid to most restaurants, hotels, airlines, and other travel related merchants. Cities are not exempt from hotel tax and certain other federal and state taxes that are not the standard sales tax. (Note: When traveling, food is best paid by per diem and no receipt is needed.)***
- c. If tax is included, the Cardholder will immediately be responsible for ensuring that the merchant or the cardholder reimburses the tax amount to the City.
- d. Cardholders will be provided a copy of the City's tax exemption certificate upon request.

F. Monthly Reconciliation Process

1. Purchasing will notify Cardholders and make available monthly account statements available.

2. Reconciled statements are due back to Purchasing within five (5) business days from the receipt of the statement notification email.
3. To complete the reconciliation process, the following steps must be completed:
 - a. Itemized receipts (generally including purchase date, vendor name, item description, quantity, unit price, and total charge), with the account number and purpose of the purchase written on the sheet to which they are attached, are to be attached in the same order as the listed transactions appear on the monthly statement.
 - b. For meals, per the IRS and the City's auditor, all meals between employees or with staff for any reason must document the names of all attendees. See specific requirements and examples below:
 - Business Meals between Staff – Required Information: Names of staff attending, purpose of meeting, where, when.
 - Training with Staff – Required Information: Names of all attending the training, purpose of the training, where and when the training was held.
 - Meetings and Business Meals – Required Information: Names of all staff attending, names of any other person(s) in attendance, purpose of meeting or business meal, where and when.

Exceptions:

- Meetings with Staff, Consultant and External Committee Members or any combination of this: Name of all staff present, name of any/all consultants, engineers, architects, etc., present, name of the committee only (if applicable, e.g. EDC Board, Planning & Zoning Committee, etc.), and the agenda stating the purpose of the meeting.
 - Meals Provided for "Events" require just the explanation of the "event", when and where and a brief description of who was present (e.g. food for Police promotional ceremony).
- c. For credits, a print screen will be accepted as backup documentation, but receipts are best, if available. Credits must be explained and charged back to original account.
 - d. For "In and Out" transactions (i.e. transactions made in error and credited back within the same day), print screens will be accepted as backup documentation but receipts are best, if available. Such transactions must be explained, charged and credited to the same account and approved electronically.
 - e. For sales tax, charges must be either refunded by credit to the P-Card or reimbursed to the City – proof of reimbursement to the City must be attached to the P-Card statement.
 - f. For tips in excess of 20%, charges must be refunded to the City and proof of reimbursement to the City must be attached to the P-Card statement.

misuse, altered charges, defective merchandise, incorrect amounts, duplicate charges, credits not processed, sales tax charged, etc.

- b. The Cardholder's first step in resolving an erroneous charge is to contact the vendor. (Note: By law, vendors are not permitted to bill a P-Card for purchases until the items have been shipped. Hotels may bill for first night.)

H. Cancellation & Renewal Of P-Cards

1. Lost or Stolen P-Cards

- a. It is the responsibility of the Cardholder to immediately report a lost or stolen P-Card.

2. Termination, Resignation or Re-assignment

- a. Upon notice of termination or resignation, it is the responsibility of the Supervisor and Human Resources to notify Finance immediately. In addition, the supervisor must retrieve the P-Card at such time and return to Finance.
 - i. The Cardholder is responsible for submitting all receipts to the Supervisor.
 - ii. The Cardholder's P-Card will be disabled on the date of resignation or notification of retirement, not the last day of employment.
 - iii. The Supervisor or designee is responsible for submitting the monthly statement with all receipts on time.
- b. Upon notice of staff re-assignment within the City, it is the responsibility of the Supervisor and Human Resources to notify Finance immediately. Finance will review specific P-Card requirements for that person and after discussion with the new supervisor, the P-Card may be cancelled, suspended, limits changed to reflect new responsibilities or MCC codes adjusted.

3. Renewal of Existing P-Cards

- a. Approximately 30 days prior to the expiration date of the card, the bank will automatically send a new card to Finance. Finance will notify Cardholders when the cards are ready to be picked up. Cardholders must turn in their old card to Purchasing in order to receive their new card. New cards must be picked up in person by the Cardholder.

I. Accountability

The cardholders and their appropriate supervisors are responsible for ensuring that this policy and procedure is adhered to. The Finance Department is responsible for monitoring and enforcement.

As a public entity, the City is expected to be able to demonstrate to the public that it has spent tax dollars wisely. All participants in the P-Card program are responsible for ensuring purchases made with the card will withstand the scrutiny of the press, public and internal audits. Therefore, Finance may conduct audits of all P-Card statements and review for the following:

1. Personal Misuse:

- a. Personal misuse includes the following:
 - i. Purchases of prohibited items

- ii. Assignment, transfer, or “loaning” of an individual card to an unauthorized person,
 - iii. Use of a P-Card by a suspended or terminated employee, and
- b. When personal misuse is suspected, the Cardholder will immediately be notified by email their supervisor and Department Head will be copied.
- c. If Finance does not receive a response with one (1) business day, the card will be suspended and changed to reflect a zero-transaction limit and an email sent to the Cardholder, their supervisor, and Department Head.
- d. Based on the severity of the misuse, disciplinary measures – to be decided by the Department Head and City Manager – may include personnel action up to and including termination and legal action.

2. Administrative Infractions:

- a. Administrative infractions include the following violations related to the lack of proper and timely reconciliation of individual Cardholder accounts:
 - i. Transaction Missing Electronic Approval,
 - ii. Late Submittal of Monthly Reconciliation,
 - iii. Missing Itemized Receipt
 - iv. Missing Detailed Information
 - v. Transactions Including Sales Tax
 - vi. Transactions Including Tip Changes in Excess of 20% of the total bill.
- b. When administrative infractions occur, the Purchasing Office will email the Cardholder (and person designated as being responsible for compiling the Cardholder’s monthly reconciliations), with a copy to their supervisor and Department Head in order to resolve the discrepancy prior to authorizing payment of the charge to the bank.
 - i. If the same infraction occurs three months in a row, the ACM will be notified and the Program Administrator will recommend and discuss with their ACM if any further action should be taken.
- c. Training will be provided to all P-Card users and administrative designees with the distribution of new P-Cards. Any administrative designee with an infraction within the first three months of use will be required to repeat the training.

3. Policy Violations:

- a. When violations are found, the Finance will email the Cardholder, with a copy to their supervisor and Department Head.
- b. The Purchasing Office will work with the Department Head to resolve the issue prior to payment of the transaction being authorized. In cases where policy exceptions are granted, a memo signed by the City Manager will be required.
- c. Personal charges shall not be made on the card. Improper use of the card may be consider misappropriation of City funds, which may result in disciplinary action, up to and including termination and criminal prosecution.

Section 5: Disposal of City Property

A. Property Disposal

Sometimes City property may outlive its usefulness and become unserviceable or obsolete. Before a department removes any property from service, the Department Head shall first determine if it can be transferred to another user department for continued service. If it is determined that a property item is no longer serviceable to the City, the Director shall request permission from the City Manager to dispose of the item.

Items may be disposed of by one of the following methods:

- Public auction
- Trade-in on new equipment
- Sealed bids
- Scrap material
- Destruction as unsalvageable
- Negotiated price by Council

In addition to the methods of disposal as listed above, the city may contract to convey property either to another governmental entity or a non-profit corporation in accordance with law providing that such entity or corporation agrees to use such equipment for public purpose.

The condition of the item to be salvaged or surpluses shall dictate the most advantageous method of disposal.

Section 6: Electronic Procurement

Chapter 252.0415(a) of the State of Texas Local Government Code allows for the receipt of bids or proposals through electronic transmission, provided the following rules ensure the identification, security, and confidentiality of the electronic bids or proposals. All electronic bids or proposals must remain effectively unopened until the proper time.

A. Identification

Invitations to Bid, Requests for Proposals, Request for Qualifications and Requests for Applications will be advertised and issued in the manner prescribed by law and the City's Purchasing Policy. A notification will be added to bid terms and conditions stating vendors should submit responses electronically through the City's website and/or third-party service provider's website at the appropriate electronic address listed. Such responses shall be accessible only by a designated City employee with a password for such address and documentation of the time of access shall be maintained.

B. Security

At the specified bid closing time, a designated City employee will open all bids and the bid tabulation summary assembled from the City's website and/or by a third-party service provider's website. **By law a bid that is submitted non-electronically will be accepted and then entered electronically by a designated City employee after bid opening** as stated in the bid or proposal document terms and conditions.

C. Confidentiality

A designated City employee will read aloud all bid responses received by closing time and date to any interested parties present at the bid opening. After the tabulation of bids or proposals, City shall will post bid tabulations electronically on the City's website and/or a third-party service provider's website with a qualifying statement: "The tabulation listing of a bid should not be construed as a comment on its responsiveness or an indication that the City accepts such bid as responsive. After evaluating bids, proposals, applications, and statements of qualifications the City will post tabulations and award information, once available, online through the City's website and/or service provider's website."



City Council Agenda Item #14

Title: Consideration of a Resolution Adopting Financial Management Policies

Date: June 3, 2019

From: Stephanie Russell, Finance Director

Staff Recommendation:

Staff recommends Council approval of the Resolution to adopt Financial Management Policies.

Item Summary:

The City should have Financial Management Policies to safeguard the fiscal stability required to achieve the City's objectives and ensure long-term financial health. The Government Finance Officers Association ("GFOA") recommends that governments formally adopt financial policies. Financial policies provide guidelines for financial decision making and set the strategic intent for financial management and are central to a strategic, long-term approach to financial management.

Background Information:

This policy framework mandates the pursuit of the following fiscal objectives:

Revenues

Design, maintain and administer a revenue system that will assure a reliable, equitable, diversified and sufficient revenue stream to support desired City services.

Expenditures

Identify priority services, establish and define appropriate service levels and administer the expenditure of available resources to assure fiscal stability and the effective and efficient delivery of services.

Fund Balance/Working Capital/ Net Assets

Maintain the fund balance, working capital and net assets of the various operating funds at levels sufficient to protect the City's credit worthiness as well as its financial position from emergencies.

The GFOA recommends that governments establish a formal policy on the level of unrestricted fund balance that should be maintained in the general fund for GAAP and budgetary purposes. GFOA recommends, at a minimum, that general-purpose governments, regardless of size, maintain unrestricted budgetary fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures. Staff recommends at least 3 months or 25% of annual general fund operating expenditures and 33% for the Water and Sewer Utility Fund.

Capital Expenditures and Improvements

Annually review and monitor the condition of the City's capital equipment and infrastructure, setting priorities for its replacement and renovation based on needs, funding alternatives and availability of resources.

Debt

Establish guidelines for debt financing that will provide needed capital equipment and infrastructure improvements while minimizing the impact of debt payments on current and future revenues.

Investments

Invest the City's operating cash to ensure its safety, provide for necessary liquidity and optimize yield.

Intergovernmental Relations

Coordinate efforts with other governmental agencies to achieve common policy objectives, share the cost of providing governmental services on an equitable basis and support appropriate favorable legislation at the state and federal level.

Grants

Aggressively investigate, pursue and effectively administer federal, state and foundation grants-in-aid, which address the City's current priorities and policy objectives.

Economic Development

Initiate, encourage and participate in economic development efforts to create job opportunities and strengthen the local economy and tax base.

Fiscal Monitoring

Prepare and present reports for the current and multi-year periods that analyze, evaluate and forecast the City's financial performance and economic condition.

Accounting, Auditing and Financial Reporting

Comply with prevailing federal, state and local statutes and regulations. Conform to generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants (AICPA) and the Government Finance Officers Association (GFOA).

Operating Budget

Develop and maintain a balance budget that presents a clear understanding of the goals of the City Council.

Special Considerations:

N/A

Financial Impact:

These polices should ensure balanced revenue that provides adequate funding to maintain services for the present, future, and during periods of economic downturn.

Board or 3rd Party recommendation:

N/A

Supporting Documentation:

Resolution with Exhibit A – Financial Management Policies

RESOLUTION NUMBER 2019-2589

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS, APPROVING AND ADOPTING FINANCIAL MANAGEMENT POLICES FOR THE CITY OF FREEPORT; PROVIDING FOR INCORPORATION OF PREAMBLE AND AN EFFECTIVE DATE.

WHEREAS, the City is in need of Financial Management Policies to safeguard the fiscal stability required to achieve the City's objectives and ensure long-term financial health; and

WHEREAS, the proposed Financial Management Policies, a copy of which is attached hereto as Exhibit "A," provide guidelines for financial decision making and set the strategic intent for financial management; and

WHEREAS, the City Council hereby finds that the proposed Financial Management Policies should be approved.

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

Section 1. The facts and statements contained in the preamble are hereby found to be true and correct and are incorporated herein and made a part hereof for all purposes.

Section 2. The Financial Management Policies attached hereto as "Exhibit A" is hereby adopted as the Financial Management Policies of the City of Freeport.

Section 3. This Resolution shall become effective immediately upon its passage.

DULY PASSED, APPROVED AND ADOPTED on this the 3rd day of June 2019.

Troy Brimage, Mayor
City of Freeport, Texas

ATTEST:

Laura Tolar, Interim City Secretary
City of Freeport, Texas

APPROVED AS TO FORM AND CONTENT:

Wallace Shaw, City Attorney
City of Freeport, Texas

City of Freeport

Financial Management Policies

The City of Freeport considers its goals, objectives and financial policy statements to be important integral parts of the budgetary process. The purpose of these policies is to safeguard the fiscal stability required to achieve the City's objectives and ensure long-term financial health.

Objectives:

- A. To guide City Council and management policy decisions that have significant fiscal impact.
- B. To employ balanced revenue policies that provides adequate funding for services and service levels.
- C. To maintain appropriate financial capacity for present and future needs.
- D. To maintain sufficient reserves so as to maintain service levels during periods of economic downturn.
- E. To promote sound financial management by providing accurate and timely information on the City's financial condition.
- F. To protect the City's credit rating and provide for adequate resources to meet the provisions of the City's debt obligations on all municipal debt.
- G. To ensure the legal use of financial resources through an effective system of internal controls.
- H. To promote cooperation and coordination with other governments and the private sector in financing.

Specifically, this policy framework mandates the pursuit of the following fiscal objectives:

I. Revenues

Design, maintain and administer a revenue system that will assure a reliable, equitable, diversified and sufficient revenue stream to support desired City services.

II. Expenditures

Identify priority services, establish and define appropriate service levels and administer the expenditure of available resources to assure fiscal stability and the effective and efficient delivery of services.

III. Fund Balance/Working Capital/ Net Assets

Maintain the fund balance, working capital and net assets of the various operating funds at levels sufficient to protect the City's credit worthiness as well as its financial position from emergencies.

IV. Capital Expenditures and Improvements

Annually review and monitor the condition of the City's capital equipment and infrastructure, setting priorities for its replacement and renovation based on needs, funding alternatives and availability of resources.

- V. Debt**
Establish guidelines for debt financing that will provide needed capital equipment and infrastructure improvements while minimizing the impact of debt payments on current and future revenues.
- VI. Investments**
Invest the City's operating cash to ensure its safety, provide for necessary liquidity and optimize yield.
- VII. Intergovernmental Relations**
Coordinate efforts with other governmental agencies to achieve common policy objectives, share the cost of providing governmental services on an equitable basis and support appropriate favorable legislation at the state and federal level.
- VIII. Grants**
Aggressively investigate, pursue and effectively administer federal, state and foundation grants-in-aid, which address the City's current priorities and policy objectives.
- IX. Economic Development**
Initiate, encourage and participate in economic development efforts to create job opportunities and strengthen the local economy and tax base.
- X. Fiscal Monitoring**
Prepare and present reports for the current and multi-year periods that analyze, evaluate and forecast the City's financial performance and economic condition.
- XI. Accounting, Auditing and Financial Reporting**
Comply with prevailing federal, state and local statutes and regulations. Conform to generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants (AICPA) and the Government Finance Officers Association (GFOA).
- XII. Operating Budget**
Develop and maintain a balance budget that presents a clear understanding of the goals of the City Council.

I. REVENUES

The City shall use the following guidelines to design, maintain and administer a revenue system that will assure a reliable, equitable, diversified and sufficient revenue stream to support desired City services

A. Balance and Diversification in Revenue Sources

The City shall strive to maintain a balanced and diversified revenue system to protect the City from fluctuations in any one source due to changes in economic conditions that adversely impact that source.

B. User Fees

For services that benefit specific users, where possible the City shall establish and collect fees to recover the cost of those services. Where feasible and desirable, the City shall seek to recover full direct and indirect costs. City staff shall review user fees on a regular basis to calculate their full cost recovery levels, to compare them to the current fee structure and to recommend adjustments where necessary to facilitate City Council's policy decision regarding the level of support to be provided.

C. Property Tax Revenues/Tax Rate

The City shall strive to reduce its reliance on property tax revenues by revenue diversification, implementation of user fees and economic development. The City shall also strive to minimize tax rate increases.

D. Enterprise Funds User Fees

Enterprise funds user fees shall be set at levels enough to cover operating expenditures, meet debt obligations, provide additional funding for capital improvements and provide adequate levels of working capital and debt coverage. The City shall seek to eliminate all forms of subsidization to enterprise funds from the General Fund and seek to reduce general fund support to enterprise funds.

E. Administrative Services Charges

The City shall prepare a cost allocation plan annually to determine the administrative services charges due to the General Fund from enterprise funds for overhead and staff support. Where appropriate, the enterprise funds shall pay the General Fund for direct services rendered.

F. Revenue Estimates for Budgeting

To maintain a stable level of service, the City shall use a conservative, objective and analytical approach when preparing revenue estimates for current and multi-year periods. The process shall include analysis of probable economic changes and their impacts on revenues, historical collection rates and trends in revenues.

G. Revenue Collection and Administration

The City shall maintain high collection rates for all revenues by keeping the revenue system as simple as possible to facilitate payment. In addition, since revenue should exceed the cost of producing it, the City shall strive to control administrative costs. The City shall pursue to the full extent allowed by state law all delinquent taxpayers and others overdue in payments to the City.

II. EXPENDITURES

The City shall use the following guidelines to identify necessary services, establish appropriate service levels and administer the expenditure of available resources to assure fiscal stability and the effective and efficient delivery of services.

A. Current Funding Basis

The City shall operate on a current funding basis. Expenditures shall be budgeted and controlled so as not to exceed current revenues plus the planned use of fund balance accumulated through prior year savings.

B. Avoidance of Operating Deficits

The City shall take timely corrective action if at any time during the fiscal year expenditure and revenue re-estimates are such that an operating deficit is projected at year-end.

C. Maintenance of Capital Assets

Within the resources available each fiscal year, the City shall maintain capital assets and infrastructure at a sufficient level to protect the City's investment, to minimize future replacement and maintenance costs and to continue service levels.

D. Purchasing

The City shall make every effort to maximize any discounts offered by creditors/vendors individually or through aggregated cooperative purchasing with other governmental entities. Vendors with balances due the City will have payments due the vendor offset against the amount due the City. The City will follow state law as well as the Purchasing Policies adopted by the City Council concerning the amount of the purchase requiring formal bidding procedures and approval by the City Council. For purchases where competitive bidding is not required, the City shall seek to obtain the most favorable terms and pricing possible. Every effort will be made to include women and minority-owned by business enterprises in the bidding process.

III. FUND BALANCE / WORKING CAPITAL / NET ASSETS

Fund balance measures the net financial resources available to finance expenditures of future periods. The City Council recognizes that good fiscal management comprises the foundational support of the entire City. The City shall use the following guidelines to maintain the fund balance, working capital and net assets of the various operating funds at levels sufficient to protect the City's creditworthiness as well as its financial position from emergencies. In the context of financial reporting, the term fund balance is used to describe the net position of governmental funds calculated in accordance with generally accepted accounting principles (GAAP) which separates fund balances into five categories:

A. Categories

Nonspendable Fund Balance is the portion of fund balance that is inherently nonspendable such as assets that will never convert to cash, assets that will not convert to cash soon enough to affect the current period, and resources that must be maintained intact pursuant to legal or contractual requirements.

Restricted Fund Balance is the portion of fund balance that reflects resources that are subject to externally enforceable legal restrictions.

Committed Fund Balance is the portion of fund balance that represents resources whose use is constrained by limitations that the City Council has imposed upon itself and that remain binding unless removed by the same action with which the limitations were imposed.

Assigned Fund Balance is the portion of fund balance that reflects the City Council's intended use of resources.

Unassigned Fund Balance is the portion of fund balance that is not categorized into one of the other categories of fund balance.

The total of the amounts in these last three categories (where the only constraint on spending, if any, is imposed by the government itself) is termed *Unrestricted Fund Balance*.

B. General Policy

Fund Balance should be used only for non-recurring expenditures, major capital purchases, or emergencies that cannot be accommodated through current year savings.

C. Fund Balance Classification

For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first and then unrestricted fund balance. Expenditures incurred in the unrestricted fund balances shall be reduced first from the committed fund balance, then from the assigned fund balance, and lastly from the unassigned fund balance.

D. Committed Fund Balance

Fund Balance of the City must be committed for a specific source by formal action of the City Council. Amendments or modifications to the committed fund balance must also be approved by formal action of the City Council. Committed fund balance does not lapse at year-end. The formal action required to commit fund balance shall be either by resolution or majority vote.

E. General Fund Unassigned Fund Balance

The City shall strive to maintain an undesignated General fund balance equal to 25% of budgeted expenditures for the General Operating Fund. Maintaining the General Fund Unassigned Fund Balance at this level provides sufficient working capital and a margin of safety to address local emergencies without borrowing. If the General Fund Unassigned Fund Balance drops below 25%, it shall be recovered at a rate of 1% minimally each year. At the end of the current fiscal year, the City anticipates a positive budget variance in the General Fund. After determining the desired fund balance in the General fund, the remainder of the positive budget balance will be transferred to other funds and/or projects as directed by the City Council. The General Fund Unassigned Fund Balance shall be appropriated by the City Council either by resolution or majority vote.

F. Other Operating Funds Unassigned Fund Balance; Enterprise Working Capital

In other operating funds, the City shall strive to maintain a positive unassigned fund balance (working capital) position to provide sufficient reserves for emergencies and revenue shortfalls. In addition, the city will seek to maintain a working capital (current assets minus current liabilities) balance equal to 33% budgeted expenditures for the Water and Sewer Utility Enterprise fund.

IV. CAPITAL IMPROVEMENTS

A. **Capital Expenditures and Improvements**

The City shall annually review and monitor the condition of the City's capital equipment and infrastructure, setting priorities for its replacement and renovation based on needs, funding alternatives and availability of resources.

B. **Capital Improvements Program**

The City shall annually review the Capital Improvements Program (CIP), potential new projects and the current status of the City's infrastructure, replacement and renovation needs, updating the program as appropriate. All projects, ongoing and proposed, shall be prioritized based on an analysis of current needs and resource availability. For every project, all operation, maintenance and replacement expenditures shall be fully at cost. The CIP shall also present the City's long-term borrowing plan, debt payment schedules and other debt outstanding or planned, including general obligation bonds, revenue bonds, Certificates of obligation, lease/purchase agreements and certificates of participation.

C. **Replacement of Capital Assets on a Regular Schedule**

The Vehicle/Equipment Replacement Fund is the primary source of funds for all of the City's vehicle and equipment purchases, both replacements and additions. The City shall annually prepare a schedule for the replacement of its non-infrastructure capital assets. Within the resources available each fiscal year, the City shall replace these assets according to this schedule. The City desires to fund all vehicle and equipment purchases through donations, auction proceeds, grant proceeds, and budget transfer from General fund.

D. **Capital Expenditure Financing**

The City recognizes that there are several methods of financing capital requirements: (1) budget the funds from current revenues; (2) take the funds from fund balance/retained earnings as allowed by the Fund Balance Policy; (3) utilize funds from grants and foundations; or (4) borrow money through debt. Debt financing includes general obligation bonds, revenue bonds, Certificates of obligation, lease/purchase agreements and certificates of participation. The City Council will determine the appropriate use of financing for capital expenditures on an as-needed basis and during the budget development process each year.

V. DEBT

When the use of debt financing is determined by the City Council to be appropriate, the City shall use the following guidelines for debt financing which will provide needed capital equipment and infrastructure improvements while minimizing the impact of debt payments on current and future revenues.

A. Use of Debt Financing

Debt financing, including general obligation bonds, revenue bonds, certificates of obligation, certificates of participation and lease/purchase agreements, shall only be used to purchase capital assets. Debt payments should be structured to provide that any capital assets that are funded by the debt have a longer life than the debt associated with those assets.

B. Amortization of Debt

The City shall structure new debt issue payment schedules to utilize the City's declining debt payment schedules to keep tax increases for debt to a minimum. Capital projects that, by their character or size, are outside the normal core service projects will require careful evaluation of financial feasibility.

C. Affordability Targets

The City shall use an objective analytical approach to determine whether it can afford to assume new debt beyond the amount it retires each year. This process shall compare generally accepted standards of affordability to the current values for the City. These standards shall include debt per capita, debt as a percent of taxable value, debt service payments as a percent of current revenues and current expenditures and the level of overlapping net debt of all local taxing jurisdictions. The process shall also examine the direct costs and benefits of the proposed expenditures as determined in the City's annual update of the Capital Improvements Program. The decision on whether or not to assume new debt shall be based on these costs and benefits and on the City's ability to "afford" new debt as determined by the aforementioned standards. The City shall use cities with similar bond ratings for debt ratio benchmarks.

D. Sale Process

The City shall use a competitive bidding process in the sale of debt unless the nature of the issue warrants a negotiated bid.

E. Rating Agencies Presentations

Full disclosure of operations and open lines of communication shall be made to the rating agencies. City staff, with assistance of financial advisors, shall prepare the necessary materials and presentation to the rating agencies.

F. Continuing Disclosure

The City is committed to continuing disclosure of financial and pertinent credit information relevant to the City's outstanding securities.

G. Debt Refunding

City staff and the City's financial advisor shall monitor the municipal bond market for opportunities to obtain interest savings by refunding outstanding debt.

VI. INVESTMENTS

As adopted by the City Council, it is the policy of the City of Freeport that the administration and investment of funds be handled as its highest public trust. The City's available cash shall be invested according to the City's Investment Policy that is adopted by the City Council on an annual basis in accordance with the requirements of Chapter 2256 of the Texas Government Code. The primary objectives, in priority order, of the City's investment activities shall be preservation and safety of principal, liquidity and yield. The earnings from investment will be used in a manner that best serves the public trust and interest of the City of Freeport.

The investment policy applies to all financial assets of the City of Freeport. These funds are accounted for in the City's comprehensive annual financial report and include the General, Special Revenue, Debt Service, Capital Projects, and Proprietary Funds. All cash of the various funds (excluding bond funds) are combined into the pooled cash fund for efficiency and maximum investment opportunity. Interest revenue derived from the pooled cash fund is allocated to the participating funds (annually) based on the relative cash balance of each fund. Bond funds are invested in separate investment pool accounts. Maintaining these funds in separate accounts simplifies the calculation necessary for the reporting of arbitrage earnings. All funds in the pooled cash fund are to be administered in accordance with this policy.

VII. INTERGOVERNMENTAL RELATIONS

The City shall coordinate efforts with other governmental agencies to achieve common policy objectives, share the cost of providing government services on an equitable basis and support appropriate favorable legislation at the state and federal levels.

A. Interlocal Cooperation in Delivering Services

In order to promote the effective and efficient delivery of services, the City shall work with other local jurisdictions to share on an equitable basis the costs of services, to share facilities and to develop joint programs to improve service to its citizens.

B. Legislative Program

The City shall cooperate with other jurisdictions to actively oppose any state or federal regulation or proposal that erodes municipal authority, attempts to remove local control over city issues, services or programs, or mandates additional City programs or services and does not provide the funding for implementation.

VIII. GRANTS

The City shall seek, apply for, obtain and effectively administer federal, state and foundation grants-in-aid that address the City's current and future priorities and policy objectives.

A. Grant Guidelines

The City shall seek, apply for and obtain those grants that are consistent with priority needs and objectives identified by Council.

B. Direct and Indirect Costs

The City shall recover indirect costs to the maximum amount allowed by the funding source. The City may waive or reduce direct and indirect costs if doing so will significantly increase the effectiveness of the grant.

C. Grant Review

The City shall review all grant submittals for their cash or in-kind match requirements, their potential impact on the operating budget and the extent to which they meet the City's policy objectives. If there are cash match requirements, the source of funding shall be identified and approved prior to application. An annual report on the status of grant programs shall also be prepared.

D. Grant Program Termination

The City shall terminate grant-funded programs and associated positions as directed by the City Council when grant funds are no longer available unless alternate funding is identified.

IX. ECONOMIC DEVELOPMENT

The City shall initiate, encourage and participate in economic development efforts to create job opportunities and strengthen the local economy and tax base.

A. Commitment to Expansion and Diversification

The City shall encourage and participate in economic development efforts to expand Freeport's economy and tax base, to increase local employment and to invest when there is a defined specific long-term return. These efforts shall focus not only on new areas but also on established sections of Freeport where redevelopment can generate additional jobs and other economic benefits.

B. Tax Abatements

The City shall follow the Guidelines for Tax Abatement adopted by the City Council to encourage commercial and/or industrial growth and development throughout Freeport. The City shall balance the long-term benefits of tax abatements with the short-term loss of tax revenues prior to the granting of the abatement. Factors considered in evaluating proposed abatements for development include the location of the project, its size, the number of temporary and permanent jobs created, the costs and benefits for the City and the impact on Freeport's economy and other factors specified in the City's Guidelines for Tax Abatement as well as applicable state laws.

C. Increase Non-Residential Share of Tax Base

The City's economic development program shall seek to expand the non-residential share of the tax base to decrease the tax burden on residential property owners.

D. Coordinate Efforts with Other Jurisdictions

The City's economic development program shall encourage close cooperation with other local jurisdictions to promote the economic well being of the area.

E. Use of Other Incentives

The City shall use enterprise zones as allowed by law and shall seek new sources to encourage business expansion. The City shall also coordinate with state and federal agencies on offering any incentive programs they may provide for potential economic expansion.

X. FISCAL MONITORING

Reports shall be prepared and presented on a regular basis to analyze, evaluate and forecast the City's financial performance and economic condition for the current year and for multi-years.

A. **Financial Status and Performance Reports**

Quarterly reports shall be prepared comparing expenditures and revenues to current budget for fiscal year-to-date, and to prior year actual fiscal year-to-date. Balance sheets and budget highlight notes are also provided. Timely information including comparisons of expenditures to budgeted amounts shall be provided to all department heads and directors on a monthly basis.

B. **Five-Year Forecast of Revenues and Expenditures**

A five-year forecast of revenues and expenditures, including a discussion of major trends affecting the City's financial position, shall be prepared. The forecast shall examine critical issues facing the City, economic conditions and the outlook for the upcoming budget year.

XI. ACCOUNTING, AUDITING AND FINANCIAL REPORTING

The City shall comply with prevailing local, state and federal regulations. The City will maintain accounting practices that conform to generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB), the authoritative standard setting body for units of local government, the American Institute of Certified Public Accountants (AICPA) and the Government Finance Officers Association (GFOA). The City Council shall select an independent firm of certified public accountants to perform an annual audit of all operations. The City may participate in the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting program.

XIII. OPERATING BUDGET

The City shall establish an operating budget that links revenues and expenditures to the goals of the City Council. The City shall strive to participate in the Government Finance Officers Association's Distinguished Budget Presentation Award program.



City Council Agenda Item #15

Title: Consideration of An Ordinance Of The City Of Freeport, Texas, Containing A Preamble; Amending Sections 52.15 And 52.16 Of The Code Of Ordinances Of Said City To Increase The Rates For Water And Sewer Services Furnished To Single-Family Residences And Multi-Family Residences, Industrial Facilities, Office And Other Commercial Establishments Inside The Corporate Limits Of The City For Water And Sewer And Water Only Services Furnished On Or After July 1, 2019 And For Water Furnished To Industrial Facilities, Offices And Other Commercial Establishments, Residences And Customers Located Outside The Corporate Limits Of The City On Or After July 1, 2019; Containing Savings Clauses; Containing A Severance Clause; And Providing That This Ordinance Shall Take Effect And Be In Force From And After Its Descriptive Caption Has Been Published Twice In The Brazosport Facts.

Date: June 3, 2019

From: Stephanie Russell, Finance Director

Staff Recommendation:

Staff recommends approval of the ordinance.

Item Summary:

During the May 13, 2019 Council Meeting, Council directed staff to move forward with an increase to water and sewer rates until a complete utility rate study is complete. The proposed ordinance includes a ten percent increase to help alleviate increasing costs effective July 1, 2019.

This increase would keep Freeport as the lowest billing entity for residential usage of 5,000 gallons. Additionally, a ten percent increase would also keep Freeport under Lake Jackson in terms of commercial usage.

Background Information:

The City's current rates have not been updated since October 2014. Since then, Veolia's maintenance and operations contract increases annually with the Consumer Price Index. From October 2015, the rate has increased by over \$135,000 annually or nearly six percent. In addition to the operations and maintenance, the City has been increasing its usage at the Oyster Creek Sewer Plant – roughly 56 percent or over \$41,000 the last few years. Lastly, the Brazosport Water Authority will also be increasing its water rate by 5% or over \$113,000 annually.

The amount of cash the utility fund has available has also been decreasing annually. For example, at the end of FY2016-2017 the fund had over \$922,000 in cash but at the end of FY2017-2018 the

fund only had over \$278,000. While the fund has been able to maintain operational costs, it does not have the financial resources to address critical infrastructure needs.

Special Considerations: N/A

Financial Impact: This ordinance will lead to an increase in water and sewer revenue for the current fiscal year.

Board or 3rd Party recommendation: N/A

Supporting Documentation:
Proposed Sewer & Water Rates
Ordinance

ORDINANCE NO. 2019-2573

AN ORDINANCE OF THE CITY OF FREEPORT, TEXAS, CONTAINING A PREAMBLE; AMENDING SECTIONS 52.15 AND 52.16 OF THE CODE OF ORDINANCES OF SAID CITY TO INCREASE THE RATES FOR WATER AND SEWER SERVICES FURNISHED TO SINGLE-FAMILY RESIDENCES AND MULTI-FAMILY RESIDENCES, INDUSTRIAL FACILITIES, OFFICE AND OTHER COMMERCIAL ESTABLISHMENTS INSIDE THE CORPORATE LIMITS OF THE CITY FOR WATER AND SEWER AND WATER ONLY SERVICES FURNISHED ON OR AFTER JULY 1, 2019 AND FOR WATER FURNISHED TO INDUSTRIAL FACILITIES, OFFICES AND OTHER COMMERCIAL ESTABLISHMENTS, RESIDENCES AND CUSTOMERS LOCATED OUTSIDE THE CORPORATE LIMITS OF THE CITY ON AND AFTER JULY 1, 2019; CONTAINING SAVINGS CLAUSES; CONTAINING A SEVERANCE CLAUSE; AND PROVIDING THAT THIS ORDINANCE SHALL TAKE EFFECT AND BE IN FORCE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, the City of Freeport, Texas, ("the City") is a "Home Rule City" and a "Home Rule Municipality" lying and situated in Brazoria County, Texas, as described in and defined by Section 5, Article XI of the Constitution of Texas and Section 1.005 of the Local Government Code of Texas, respectively; and,

WHEREAS, Chapter 51 and 402 of the Local Government Code of Texas and Sections 2.01, 2.02, 3.07(n) and (u) of the Home Rule Charter of the City of Freeport authorize the City Council thereof to adopt the provisions of this Ordinance; and,

WHEREAS, the City Council of the City of Freeport has determined to here now declare that the adoption of this ordinance is necessary to the health, safety and general welfare of the inhabitants of said City and persons owning land therein.

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

First, Division (A) of Section 52-15 of the Code of Ordinances of the City of Freeport, Texas, is hereby amended to read as follows:

"(1) Sewer service furnished to single-family residences and multi-family residences:

0 to 2,000 gal. \$11.00 (minimum charge)

3,000 to 12,000 gal. \$3.80 per 1,000 gal.

(12,000 gallons is the maximum charger for sewer for residential)

(2) Sewer service furnished to all other customers, including but not being limited to industrial facilities, offices and other commercial establishments:

0 to 2,000 gal. \$14.74 (minimum charge)

3,000 to 12,000 gal. \$7.94 per 1,000 gal.

13,000 gal. and up \$10.48 per 1,000 gal.

(3) The following miscellaneous charges shall be made for the indicated purposes:

Apartment deposit \$35.00 per unit

Voluntary ambulance \$2.50 per month

Delinquency fee \$40.00"

Second, Section 52-16 of the Code of Ordinances of the City of Freeport, Texas, is hereby amended to read as follows:

"(A) The city shall furnish water service to customers within the corporate limits of the city and shall charge each customer as follows:

(1) For water furnished to single-family residences and multi-family residences:

0 gal. to 2,000 gal. \$12.10 (minimum rate)

3,000 gal. to 12,000 gal. \$4.18 per 1,000 gal.

All over 12,000 gal. \$5.50 per 1,000 gal.

(2) For water furnished to all other customers, including but not being limited to industrial facilities, offices and other commercial establishments located within the city:

0 gal. to 2,000 gal. \$17.03 (minimum rate)

3,000 gal. to 12,000 gal. \$7.95 per 1,000 gal.
13,000 gal. and up \$10.48 per 1,000 gal.

(B) The city may furnish water service to customers outside the corporate limits of the city and shall charge each customer as follows:

0 gal. to 2,000 gal. \$25.54 (minimum rate)
3,000 gal. and up \$11.91 per 1,000 gal.

(C) The city shall furnish water-only service to customers inside the corporate limits of the city and shall charge each customer as follows:

0 gal. to 2,000 gal. \$24.32 (minimum rate)
3,000 gal. to 12,000 gal. \$8.39 per 1,000 gal.
13,000 gal. and up \$11.06 per 1,000 gal."

Third, this ordinance is cumulative of and in addition to all other ordinances of the City of Freeport, Texas, on the same subject and all ordinances are hereby expressly saved from repeal.

Fourth, where this ordinance and another ordinance conflict or overlap, this ordinance shall prevail.

Fifth, nothing contained in this ordinance shall cause any rights heretofore vested to be altered, affected or impaired in any way and all such rights may be hereafter enforced as if this ordinance had not been adopted.

Sixth, if any section or provision of this ordinance is found to be unconstitutional, void or inoperative by the final judgment of a court of competent jurisdiction, such defective provision, if any, is hereby declared to be severable from the remaining sections and provisions of this ordinance and such remaining sections and provisions shall remain in full force and effect.

Seventh, this ordinance shall take effect and be in force after its passage and adoption.

READ, PASSED AND ADOPTED this _____ day of _____, 2019.

Troy Brimage, Mayor,
City of Freeport, Texas

ATTEST:

Laura Tolar, Interim City Secretary,
City of Freeport, Texas

APPROVED AS TO FORM ONLY:

Wallace Shaw, City Attorney,
City of Freeport, Texas

Water Rate Increase-2019-Ord

Proposed Sewer and Water Rate Increase

Effective July 1, 2019

Gallons	Current Rate	Proposed Rate	Amount Increase	% Increase
52.15 SEWER CHARGES				
Single-Family Residences & Multi-Family Residences				
0 to 2,000 gal.	\$10.00	\$11.00	\$1.00	10.0%
3,000 to 12,000 gal.	\$3.45	\$3.80	\$0.35	10.0%
Industrial Facilities, Offices & Other Commercial Establishments				
0 to 2,000 gal.	\$13.40	\$14.74	\$1.34	10.0%
3,000 to 12,000 gal.	\$7.22	\$7.94	\$0.72	10.0%
13,000 gal. and up	\$9.53	\$10.48	\$0.95	10.0%
52.16 WATER CHARGES				
Single-Family Residences & Multi-Family Residences				
0 gal. to 2,000 gal.	\$11.00	\$12.10	\$1.10	10.0%
3,000 gal. to 12,000 gal.	\$3.80	\$4.18	\$0.38	10.0%
All over 12,000 gal.	\$5.00	\$5.50	\$0.50	10.0%
Industrial Facilities, Offices & Other Commercial Establishments Within the City				
0 gal. to 2,000 gal.	\$15.48	\$17.03	\$1.55	10.0%
3,000 gal. to 12,000 gal.	\$7.22	\$7.95	\$0.72	10.0%
13,000 gal. and up	\$9.53	\$10.48	\$0.95	10.0%
Customers Outside the Corporate Limits of the City				
0 gal. to 2,000 gal.	\$23.22	\$25.54	\$2.32	10.0%
3,000 gal. and up	\$10.83	\$11.91	\$1.08	10.0%
Water-Only Service to Customers Inside the Corporate Limits of the City				
0 gal. to 2,000 gal.	\$22.11	\$24.32	\$2.21	10.0%
3,000 gal. to 12,000 gal.	\$7.63	\$8.39	\$0.76	10.0%
13,000 gal. and up	\$10.05	\$11.06	\$1.01	10.0%



City Council Agenda Item #16

Title:

A Resolution authorizing the submission of a Community Development Block Grant (CDBG-DR) application to the Texas General Land Office and authorizing the City Manager to Act as the City's Executive Officer and authorized representative in all matters pertaining to the City's participation in the CDBG-DR program

Date: June 3, 2019

From: Christopher D. Motley, Fire Chief

Staff Recommendation: Staff recommends to Council a resolution to authorize Community Development Block Grant application and Timothy Kelty, City Manager, as an authorized representative in the city's participation in the CDBG-DR program.

Item Summary: The City of Freeport received an award letter for a Community Development Block Grant – Disaster Recovery (CDBG-DR funds from Hurricane Harvey distributed by Houston Galveston Area Council (HGAC) for local infrastructure. The awarded amount of \$193,271.00 is allotted for local infrastructure activities. The CDBG-DR program identified for this grant application is the Slaughter Road Water Treatment facility.

Background Information: City of Freeport Slaughter Road Water Treatment facility utilized Veolia Water contract to repair water well, pumps and electrical switching at Freeport Texas water station to pre-disaster conditions after Hurricane Harvey. The water treatment equipment replacement cost was \$18,672.31.

Scope of Work is to rehabilitate the Slaughter Road water treatment plant; electrical service, building, air compressor, and disinfection system above the flood water level.

Special Considerations: The Slaughter Road water treatment plant is located outside the Freeport levee system. This CDBG grant will mitigate future flooding conditions as they are susceptible to flooding from the Brazos River and Hurricanes in its current condition.

Financial Impact: The estimated financial expense for this project is \$210,000.00. This grant does not require a matching portion. The estimated overage above the CDBG DR funds is \$16,729.00 which can be addressed through existing maintenance budget. The breakdown of expenses are listed in the chart below.

Expenses	Total
Grant writer	\$21,000.00
Engineering	\$24,000.00
Construction Cost - Estimate	\$165,000.00
Total	\$210,000.00

Board or 3rd Party recommendation: Recommendation from Grant Works in the grant application process for Hurricane Harvey CDBG-DR projects, the application needs to be used for local infrastructure projects that have been impacted by Hurricane Harvey with a supporting FEMA reimbursement claim. The Slaughter Rd water treatment plant was severely impact from Hurricane Harvey from the Brazos River Flood waters including areas outside the Velasco Drainage District Levee system.

Supporting Documentation: A copy of the Resolution

RESOLUTION 2019- 2590

A RESOLUTION OF THE CITY COUNCIL FREEPORT, TEXAS, AUTHORIZING THE SUBMISSION OF A COMMUNITY DEVELOPMENT BLOCK GRANT DISASTER RECOVERY (CDBG-DR) APPLICATION TO THE TEXAS GENERAL LAND OFFICE AND AUTHORIZING THE CITY MANAGER TO ACT AS THE CITY'S EXECUTIVE OFFICER AND AUTHORIZED REPRESENTATIVE IN ALL MATTERS PERTAINING TO THE CITY'S PARTICIPATION IN THE CDBG-DR PROGRAM.

WHEREAS, the City of Freeport, TX desires to develop a viable community, including decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low-to-moderate income; and

WHEREAS, certain conditions exist related Hurricane Harvey, an eligible federally declared disaster in 2017, which represent a threat to the public health, safety and welfare; and

WHEREAS, it is necessary and in the best interests of to apply for funding under the CDBG-DR Program;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL of FREEPORT, TEXAS:

1. That a CDBG-DR application is hereby authorized to be filed with the Texas General Land Office for funding consideration under the Hurricane Harvey Disaster Recovery Program.
2. That the application be for \$193,271.00 of grant funds to provide Slaughter Road water plant (improvements).
3. That the City Manager is designated as the Chief Executive Officer and Authorized Representative to act in all matters in connection with this application and participation in the CDBG-DR Program.
4. That the City Manager is designated to oversee all grant activities so as to ensure there are no Conflicts of Interest.
5. That all funds will be used in accordance with all applicable federal, state, local and programmatic requirements including but not limited to procurement, environmental review, labor standards, real property acquisition, and civil rights requirements.
6. That contributing funds in the amount of \$ _-0- _ in cash are committed by the City Council toward application activities;

Passed and approved this _____ day of _____, 2019.

Troy Brimage, Mayor
City of Freeport, TX

Date

ATTEST:

(Name and Title)

Date



City Council Agenda Item #17

Title: Consideration of approval of revising Sections 9.04, 9.08, 9.11, adding 9.16 Education Pay of the City of Freeport Personnel Policy Handbook.

Date: June 3rd, 2019

From: Timothy Kelty, City Manager and Lei Loni Kershaw, Human Resource Director

Staff Recommendation:

Staff recommends revising Sections 9.04, 9.08, 9.11, of Chapter Nine, and adding Section 9.16 Education Pay to Chapter Nine of the Personnel Policy handbook.

Item Summary:

Sections of the city's personnel policy handbook are proposed to be amended:

Chapter Nine- EMPLOYEE WAGE AND BENEFITS

Section 9.04 Long-Term Disability

Section 9.04- Policy updated to reflect the age range that the policy will provide coverage.

9.08 Paydays and Hours of Work

Section 9.08- Policy updated to reflect that the employee will have access to their payroll information through the online employee self-serve system.

9.11 Tuition Reimbursement

Section 9.11- Policy updated to reflect the revised title to this section and incorporate a numerical grade/percent value for passing grade standard, as well as setting a clearing defined per semester credit reimbursement value.

9.16 Education Pay

Adding Section 9.16- The policy is being added to the policy handbook to reflect the current education pay that is being compensated to the qualifying employees that was placed in effect on 10/01/2009 (see attached memorandum).



Background Information:

Sections of the City of Freeport’s Personnel Policy Handbook have not been update since 2003.

Special Considerations: None

Financial Impact: None

Board or 3rd Party recommendation: None

Supporting Documentation:

Chapter Nine- EMPLOYEE WAGE AND BENEFITS

Section 9.04 Long-Term Disability

All employees with probationary or regular status are covered by a long-term disability insurance policy. This insurance policy provides for 60% of your monthly salary after 90 days of serious illness or injury, according to the following schedule. The premiums for this policy are paid by the City.

Maximum Benefit Period: Determined by your age when Disability begins, as follows:

Age	Maximum Benefit Period
61 or younger.....	To age 65, or 3 years 6 months, if longer.
62.....	3 years 6 months
63.....	3 years
64.....	2 years 6 months
65.....	2 years
66.....	1 year 9 months
67.....	1 year 6 months
68.....	1 year 3 months
69 or older.....	1 year

Section 9.08 Paydays and Hours of Work

The City of Freeport pays on a bi-weekly basis. Checks are currently distributed to Department Directors on Fridays. Copies of checks that are direct deposited are available to employees through the payroll system self-service.

All Departments are subject to the Department of Labor regulations concerning hours of work. Directors and/or designated supervisors are responsible, at their sole discretion, for the scheduling of their department employees.

Exempt employees are not required to turn in a timesheet; however, the Human Resource Department must be notified of any leaves taken. Non-exempt employees must turn in a timesheet electronically.

Section 9.11 Tuition Reimbursement

All regular status employees are eligible for 100% college tuition reimbursement for work related courses with the approval of their Department Director and the City Manager. The maximum tuition reimbursement is seven (7) hours per semester, not to exceed \$700.00 per semester.

The City of Freeport will only reimburse courses that are completed with a minimum grade of 80% or B-. Reimbursement will be made after the course is completed and after required documentation is received, and is for tuition only, no books or supplies are covered by this policy.

Adding this Section

Section 9.16 Education Pay

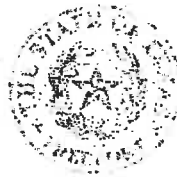
The City of Freeport provides education pay for all full-time employees in recognition of the highest degree earned according to the following schedule:

DEGREE	YEARLY	MONTHLY	PER PAY PERIOD
Associate Degree	600.00	50.00	23.08
Bachelor Degree	1,500.20	125.02	57.70
Master Degree	2,500.20	208.35	96.16

All education pay is paid only on the highest education level achieved.

In order to receive education pay, appropriate documents (official certified transcript) must be on file in the Human Resource Department.

THE CITY OF



FREEPORT

200 West Second St • Freeport, TX 77541

979.233.3526 • Fax 979.233.8867

Jeff Pynes
Chief Executive Officer
City Manager

Larry McDonald
Mayor

Clan Cameron
Councilmember
Ward A

Jim Phillips
Councilmember
Ward B

Ron Wise
Councilmember
Ward C

Norma Moreno Garcia
Councilmember/
Mayor Pro Tem
Ward D

September 29, 2009

Mrs. Ashley
H.R. Specialist / Payroll

In the 2009 - 2010 authorized budget the following college stipend was authorized for all city employees. I want you to communicate with all department directors and ensure we have a complete comprehensive list of the employees due the stipend. Prior to authorizing any level of stipend effective October 1, 2009 ensure sufficient documentation exists to justify the level of funding from an accredited university.

The authorized college education stipend is the following:

Masters Degree	2500
Bachelors Degree	1500
Associates Degree	600

On the very next payroll I want you to attach some information related to this new college stipend plan for all employees.

Forward any questions as they arise.


Jeff Pynes

mgg 9/29/09





City Council Agenda Item #18

Title: Consideration and possible action on the adoption of an ordinance amending the code of ordinance in regard to the department of engineering.

Date: June 3, 2019

From: Tim Kelty, City Manager

Staff Recommendation: Staff recommends adoption of the amending ordinance

Item Summary: A previously adopted ordinance established of a department of engineering within the city and authorized the hiring of a full or part time employee as City engineer. The proposed ordinance allows for that position to be appointed on a contract basis and serve and be compensated according to the terms of a written contract approved by City Council.

Background Information: At one point the city had a full-time employee as its city engineer. This position was eliminated several years ago as being not cost effective. As a licensed and professional engineer, that position is paid at a very high hourly rate. For a city the size of Freeport, the volume of work needed on a regular basis is insufficient to keep that person busy doing the type of work that requires the licensing that is stipulated for that position. In addition, major projects that come up from time to time throughout the year need multiple professionals from various engineering disciplines to move the projects forward in a timely manner. At this time, the need for engineering services can be best fulfilled by contracting with an engineering firm for those services.

Special Considerations: The city is in the process of selecting an engineer to provide for those services. This is really a housekeeping matter ensuring that council decisions are specifically in conformance with the city ordinances.

Board or 3rd Party recommendation: None.

Supporting Documentation: A copy of the Ordinance

ORDINANCE NO. 2019-2574

AN ORDINANCE OF THE CITY OF FREEPORT, TEXAS, CONTAINING A PREAMBLE; AMENDING CHAPTER 32 OF TITLE III OF THE CODE OF ORDINANCES OF SAID CITY, WHICH ESTABLISHS THE DEPARTMENT OF ENGINEERING, TO PROVIDE FOR THE APPOINTMENT AND, WHEN NECESSARY, THE REMOVAL OF A CITY ENGINEER, PROVIDING A METHOD OF COMPENSATING THE CITY ENGINEER, PROVIDING FOR THE DUTIES AND SUPERVISION OF THE CITY ENGINEER, AND PROVIDING FOR ADDITIONAL STAFF; CONTAINING A SEVERANCE CLAUSE; AND PROVIDING THAT THIS ORDINANCE SHALL TAKE EFFECT AND BE IN FORCE FROM AND AFTER ITS PASSAGE AND ADOPTION

WHEREAS, the City of Freeport, Texas, is a "Home Rule City" and a "Home Rule Municipality" lying and situated in Brazoria County, Texas, as described in and defined by Section 5, Article XI of the Constitution of Texas and Section 1.005 of the Local Government Code of Texas, respectively; and,

WHEREAS, Sections 26.041 and 141.004 of the Local Government Code and Section 4.09 of the Home Rule Charter of the City of Freeport authorize the City Council thereof to adopt the provisions of this Ordinance; and,

WHEREAS, the City Council of the City of Freeport has determined to and does here now declare that the adoption of this ordinance is necessary to the health, safety and general welfare of the inhabitants of said City.

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

First, Chapter 32 of Title III of the Code of Ordinances of the City of Freeport, Texas, is hereby amended to read as follows:

32. ENGINEERING DEPARTMENT

SECTION 32.01. CREATION

There is hereby established for the City a Department of Engineering.

SECTION 37.02. CITY ENGINEER

(A) The City Manager may, with the approval of the City Council, appoint a Texas registered professional engineer, residing within or without the City, to be the City Engineer on a part time, full time, or Contract basis. The City Engineer shall serve for an indefinite term and may be removed from office by the City Manager at any time with the consent of the City Council.

(B) As a full or part time appointment, the City Engineer shall receive for services rendered in such capacity such compensation as may be fixed by the City Council from time to time. An Engineer appointed and serving on a Contract basis, shall be compensated according to the terms of the contract approved by City Council

(C) A full time or part time appointed City Engineer shall be the chief administrative officer of the Department of Engineering but responsible to the City Manager for the administration of such department and the carrying out of the directives of the City Council.

The full time, part time, or contract City Engineer shall provide on behalf of the City such professional engineering services as may be directed by the City Manager from time to time.

SECTION 37.03 ADDITIONAL STAFFING

The City Manager shall provide such staff for the Department of Engineering as may be necessary for the City Engineer to perform the duties of such office either by utilizing the existing staff of other departments of the City or, with the consent of the City Council, by appointing additional staff specifically for the Department of Engineering on a full time or part time, or Contract basis."

Second, in the event any section or provision of this ordinance is found

to be unconstitutional, void or inoperative by the final judgment of a court of competent jurisdiction, such defective provision, if any, is hereby declared to be severable from the remaining sections and provisions of this ordinance and such remaining sections and provisions shall remain in full force and effect.

Third, this ordinance shall take effect and be in force from and after its passage and adoption.

READ, PASSED AND ADOPTED this _____ day of _____, 2019.

Troy T. Brimage, Mayor,
City of Freeport, Texas

ATTEST:

Laura Tolar, Interim City Secretary,
City of Freeport, Texas

APPROVED AS TO FORM ONLY:

Wallace Shaw, City Attorney,
City of Freeport, Texas

C\Freeport.Ord\Engineer.Ord-Revised-final



City Council Agenda Item #19

Title: Consideration and possible action on authorization of City Manager to negotiate a contract with Freese and Nichols Engineering Inc. for the provision of engineering services to the city of Freeport under and general services agreement.

Date: 06/3/2019

From: Tim Kelty, City Manager

Staff Recommendation: Staff recommends Freese and Nichols Engineering Inc. as the company we engage for engineering services under a General services agreement, and requests that the city manager be authorized to negotiate an agreement to be brought back for Council consideration and approval.

Item Summary: Council previously authorized staff to send out a Requests for Qualifications (RFQ) and invite engineering firms to submit for consideration to serve as City Engineer under a general services contract. At this time the recommended firm is Freese and Nichols Engineering whose office is in Pearland.

Background Information: A detailed RFQ was prepared and sent out to over a dozen engineering firms that were known to do local government civil engineering in Southeast Texas. Nine firms responded. The proposals were reviewed and scored by a committee that included Mayor Brimage, Councilman Yates, Tim Kelty, Dept. Directors Stephanie Russel, Billy Shoemaker and David Hoelewyn. The Committee selected the 4 best proposals and invited those companies to make a presentation and be interviewed by the committee.

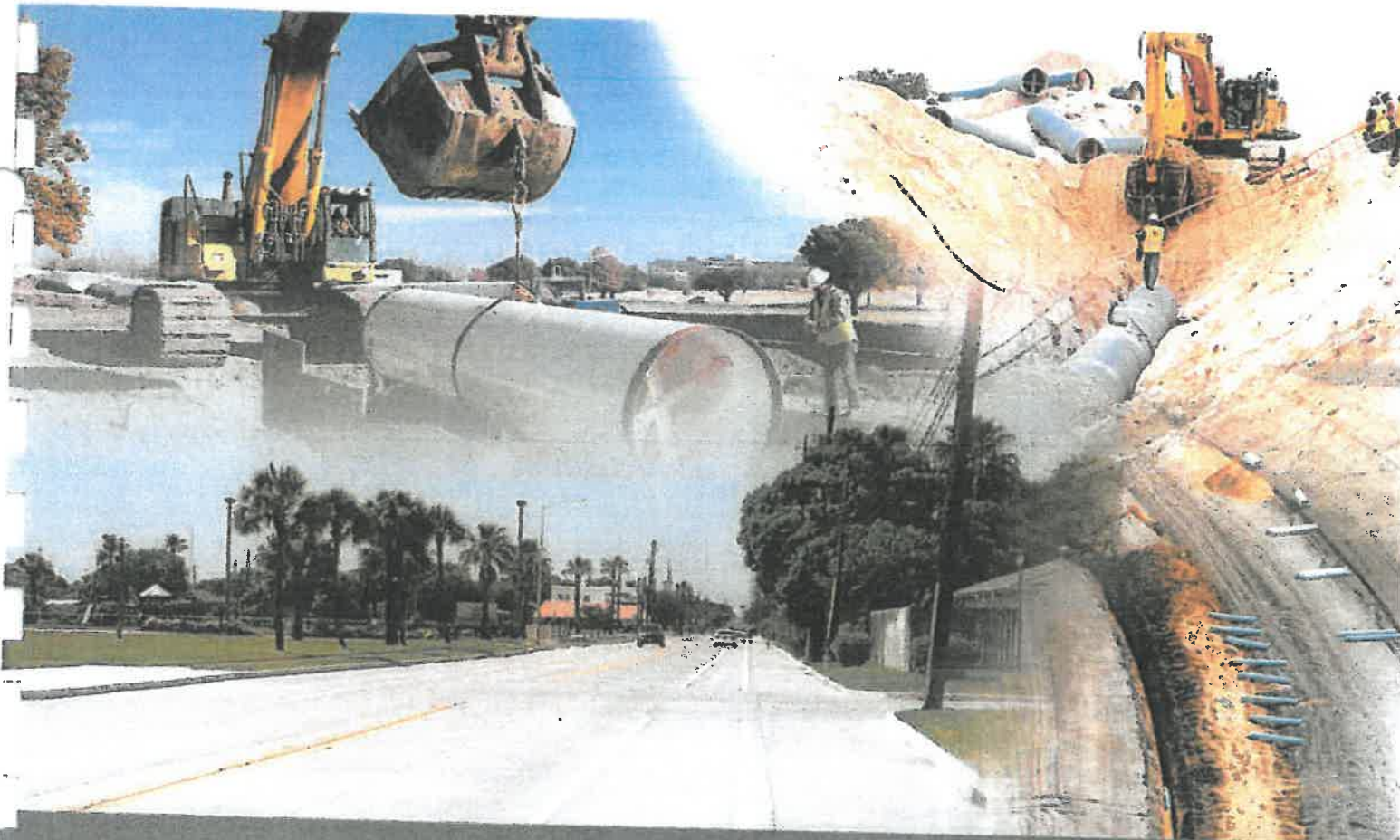
On Friday afternoon, May 24th the committee (with Councilman Bass in place of Councilman Yates) interviewed 4 firms (Freese and Nichols, Baker and Lawson, Kimley Horn, and Huitt-Zollars. The committee unanimously found Freese and Nichols Engineering Inc to be the most qualified firm across the board to provide these services, and to have presented the best case to serve the city in this role.

With a wealth of knowledge and experience, Ron Bavarian, P.E., would be the City's primary contact with Freese and Nichols, and would lead a team of Engineers that focuses solely on public project engineering. Freese and Nichols is the largest Municipal Engineering firm in the state of Texas and they have engineered numerous projects in Brazoria County including projects in Lake Jackson and for the Port of Freeport.

Special Considerations: With the City Council's authorization a contract with Freese and Nichols will be negotiated and presented to Council on the June 17 Council meeting. There are at least 2 Sewer projects that they are needed, as soon as possible, to begin design so the projects can be put out to bid.

Board or 3rd Party recommendation: The Review committee unanimously recommends Freese and Nichols.

Supporting Documentation: Freese and Nichols Statement of Qualifications.



City of Freeport

Statement of Qualifications for Professional Engineering Services

APRIL 18, 2019



**FREESE
NICHOLS**

11200 Broadway Street, Suite 2320
Pearland, Texas 77584
832-456-4700





11200 Broadway Street, Suite 2320 • Pearland, Texas 77584 • 832-456-4700

April 18, 2019

City of Freeport
City Hall, City Secretary's Office
200 West Second Street
Freeport, Texas 77541

RE: Professional Engineering Services

Dear Selection Committee:

Freese and Nichols, Inc. (FNI) is pleased to submit our Statement of Qualifications (SOQ) for Professional Engineering Services. FNI is one of the oldest and most stable and trusted engineering firms in Texas, providing municipal transportation, stormwater, water treatment and utilities engineering services for 125 years. We believe we are the most qualified firm for the City's Professional Engineering Services through our:

City Staff Extension Services: FNI staff routinely provides City services as extensions of agency staff. FNI staff have a depth of understanding of regulatory compliance, planning, design and construction management unmatched by others. Currently, FNI staff are reviewing and approving Conditional Letter of Map Revision (CLOMRs) and Letter of Map Revision (LOMRs) for the Harris County Flood Control District (HCFCD) and Fort Bend Drainage District (FBDD), plans and plats for the City of Pearland and providing Capital Improvement Program (CIP) management support services for the City of League City. We are prepared to assist the City of Freeport in similar capacities.

Municipal Experience: Since our founding, FNI has developed a specialization in municipalities, with an extensive range of expertise and innovative solutions. FNI provides municipal consulting services to more Texas cities' engineering, public works, planning and parks and recreation departments than any other engineering consulting firm in the state. We have developed a "Trusted Advisor" relationship with Gulf Coast municipalities, as well as relationships throughout the state by our understanding of the cities' budgets and schedule constraints. We have learned how to assist cities in implementing the planning, budgeting and execution of their CIP projects on schedule and within budget.

Utilities, Paving and Drainage Project Success: Our attention to the fundamental utilities, paving and drainage project success elements separates our firm from others. For instance, road reconstruction projects are most successful when engineers focus on driveway approach design, drainage, roadway profile design, utility adjustments and improvements, traffic control, and residential and commercial access during construction period. Drainage constraints and the desire to improve drainage, specifically in low-lying areas, are challenges that our engineers have been successful in identifying and addressing. Simply, FNI will focus on these and similar critical factors and deliver a successful project to the City.

We are confident that our team has the expertise, level of service and skill sets required for the successful completion of the City's projects. If you have any questions about this submittal or our firm, please feel free to contact me.

Sincerely,

Jeff Taylor
Vice President/Principal
713-600-6831 | jeff.taylor@freese.com

Name: Freese and Nichols, Inc. (Registration Number: F-2144)

Offices Where Work Will Be Performed

Pearland
11200 Broadway Street, Ste. 2320
Pearland, Texas 77584
832-456-4700

Houston
10497 Town and Country Way, Ste. 600
Houston, Texas 77024
713-600-6800

Project Director
Ron Bavarian, PE

Project Principal (Signing Authority)
Jeff Taylor, Houston and Pearland

Services Firm Offers

FNI is a multidiscipline engineering, architecture, environmental science, planning and construction services firm.



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EXPERIENCE YOU CAN TRUST

FNI has been serving municipalities for 125 years. We have extensive experience implementing constructible solutions to challenging projects. We will use this experience to develop a carefully-planned project that exceeds Freeport's expectations and keeps the community, residents and other stakeholders informed, engaged and supportive.

FIRM ORGANIZATION AND QUALIFICATIONS

BACKGROUND AND HISTORY

FNI is a multidiscipline firm, offering clients comprehensive engineering, architecture, planning, program management, construction management and environmental science services.

The company traces its roots to 1894, when founder John Hawley became one of Texas' first independent engineers. We have grown with Texas and now, FNI has **over 800 technical staff and support personnel.**

FNI has built its practice on a strong foundation of client service and a continued commitment to project excellence. FNI's outstanding reputation for quality work results in nearly 96-percent of our work coming from repeat clients. We have consistently outperformed many larger competitors due to our robust management practices and client service model.

We have served Texas municipalities, local governments and institutions for more than 125 years and are fully committed to enhancing the Texas way of life.

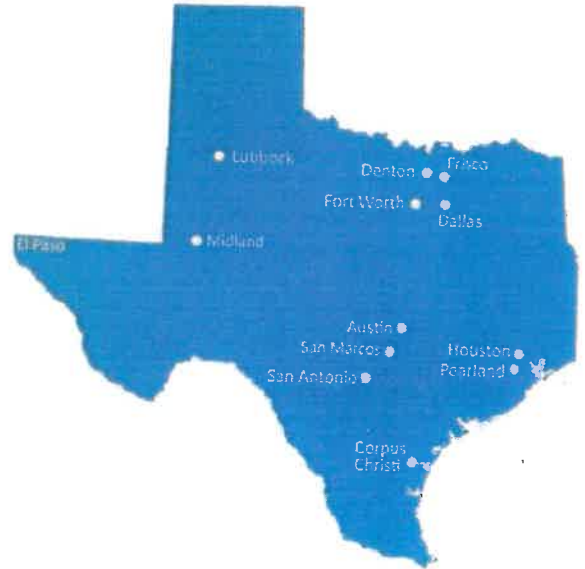
FNI will serve the City of Freeport from our Pearland office. Ron Bavarian, PE, has more than 40 years of municipal engineering design and construction experience, and will be our Project Director. Assisting Ron will be project managers selected based on their skill sets and type of work the City will be assigning to us. If the City is desiring funding, our Funding Specialist, Mark Evans, who is located in Austin, will provide assistance.

FNI doesn't perform engineering services for private sector land developers. As such, our firm doesn't have conflicts of interest when we serve public sector agencies. Texas public agencies have come to trust FNI, so much so that we often sit in their offices and assist them in performing core mission services. A few examples:

- FNI is under contract to review subdivision drainage CLOMRS and LOMRS for both the HCFC and also the FBDD.
- FNI is helping the City of Pearland review and approve zoning requests for the planning department.
- FNI staff are assisting the CIP Management Department for the City of League City to help manage the implementation of their CIP annual program, provide technical, mentoring and project management support to City staff.

OUR SERVICES INCLUDE:

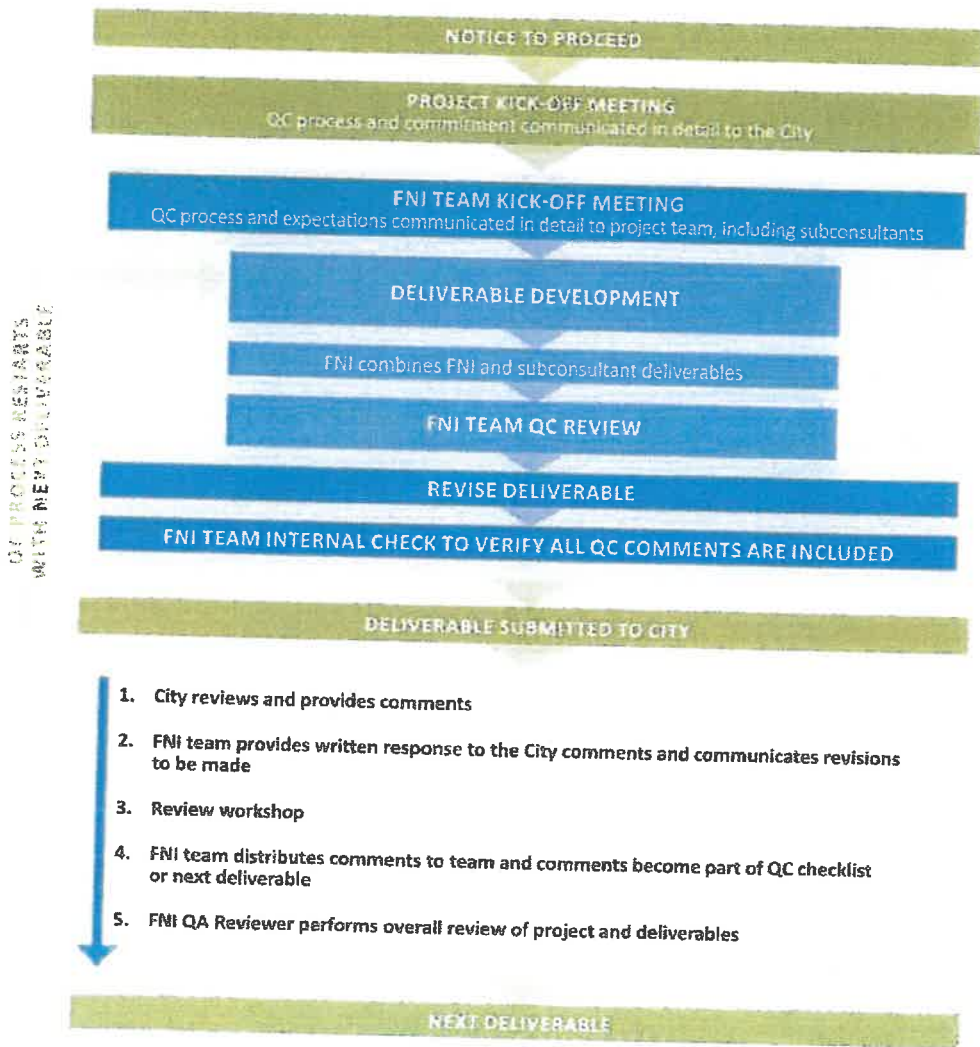
- | | |
|---|---|
| » Architecture | » Oil and Gas Engineering |
| » Civil Engineering | » Program Management |
| » Coastal Services | » Stormwater Master Planning and Design |
| » Construction Management/Services | » Structural Engineering |
| » Environmental Assessments and Remediation | » Transmission/Substation Engineering |
| » Facility Planning | » Transportation/Infrastructure Planning and Design |
| » Funding/Grant Applications | » Urban Planning and Design |
| » Geotechnical Engineering | » Visualization Services |
| » Growth Management and Development | » Water and Wastewater Master Planning and Design |
| » Levee and Dam Evaluations and Design | » Water and Wastewater Treatment |
| » Mechanical, Electrical and Plumbing Engineering | » Water Resources Planning and Facility Design |



FIRM'S QUALITY CONTROL/QUALITY ASSURANCE PROCESS

Quality Assurance (QA) is an overall review to determine if an effective approach is taken, confirm project objectives are carried out, detect conceptual problems early and verify that Quality Control (QC) functions have been performed. QA reviews confirm that project schedules are in accordance with professional services agreements, adequate resources and staff are available, deliverables are clearly identified and defined, client reviews are scheduled, unique or critical aspects of the project are identified, required permits, regulatory reviews and funding applications are addressed, alternate design concepts are considered and the overall quality of work meets expectations.

QC at FNI involves technical review of project components to determine accuracy and readability of studies, verify design calculations and details and check constructability of construction documents. Formal QCs will be performed at the appropriate times for each specific project task assigned.



COMMITMENT TO QUALITY

Freese and Nichols is the first engineering and architectural firm to receive the **MALCOLM BALDRIGE NATIONAL QUALITY AWARD**. The Baldrige Award is a prestigious national recognition that promotes excellence in organizational performance, recognizes the achievements of U.S. organizations and publicizes successful performance strategies.

We were one of seven businesses to be recognized in 2010 and one of three recognized in the small business category.



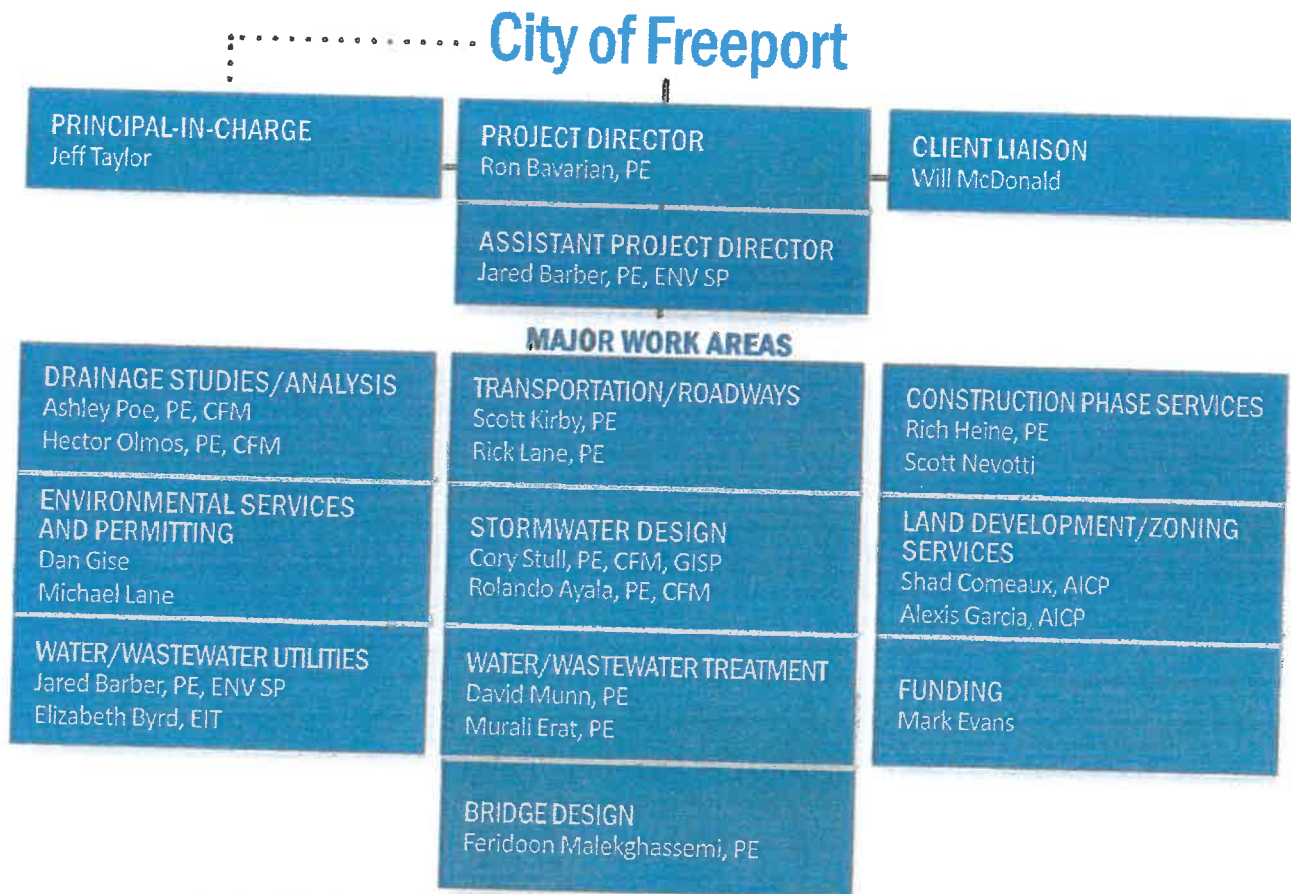
TASK LEADER QUALIFICATIONS

ORGANIZATIONAL CHART

Ron Bavarian, our proposed Project Director, has more than 40 years of experience specializing in municipal engineering design and construction experience. Each of the FNI staff shown on the organizational chart are subject matter experts within their respective fields. This team of individuals have executed municipal infrastructure projects throughout Texas. Each of these staff routinely serve as Project Manager on specific infrastructure planning or design assignments. Each have a successful history representing their clients.

AVAILABILITY AND COMMITMENT TO UNDERTAKE THE PROJECT

FNI is committed to providing responsive service and we understand that time is money. The location of our project team members and our familiarity with the area give us the ability to provide a quick response. FNI's current workload will not hinder our ability or commitment to provide the City with the same quality and timely service as received by all of our clients. Each proposed team member is available to begin your project upon receipt of a signed contract from the City. However, should additional resources be required throughout the course of the project, or should the project schedule become accelerated, FNI can draw from the expertise and resources of our entire firm to help meet your needs. We will commit the resources necessary to get the job done. During all phases of design and construction, FNI will remain focused on meeting Freeport's project schedule. Ron Bavarian will serve as the City's single point-of-contact and our experienced task leaders will oversee the quality of all aspects of the project. Our established communication protocols will ensure that continuous communication and proper documentation will be provided to all participants and stakeholders throughout the project duration. We have the capabilities to concurrently manage multiple projects at various stages of development.



RESUMES

(All Task Leaders are certified in the state of Texas)



RON BAVARIAN, PE

PROJECT DIRECTOR

Ron Bavarian is an FNI Associate and the firm's current Southeast Division Transportation Group Manager. He is a highly-respected roadway, drainage and utility and water and wastewater facilities project manager. Ron has managed the design of more than 50 local paving and drainage projects, over 50 lift stations, water and wastewater plants and numerous water and wastewater lines. Over his career, Ron has provided City Engineer services to cities like Seabrook, Webster, Manvel, Bacliff Municipal Utility District (MUD), Danbury and others.

RELEVANT PROJECT EXPERIENCE

53rd Street Reconstruction | City of Galveston | Project Manager | The project included the reconstruction of approximately 1.45 miles of 49-foot-wide 53rd Street from Broadway to Seawall on Galveston Island. The project also included concrete pavement with curb and gutter, storm sewer, 6- to 12-inch water lines, 6- to 10-inch sanitary sewer, sidewalks and driveway replacement.

Independence Blvd and Staffordshire Road Improvements | City of Missouri City | Project Manager | Design and hydraulics and hydrology (H&H) analysis for two roadway improvements projects under one contract for the City. The project included approximately 2,100 LF of 4-lane divided and 3,700 LF of 3-lane concrete curb and gutter roadways with deep box storm sewers, sidewalks and street lights.

McHard Road Extension | City of Pearland | Project Manager | The project consisted of a 3.45-mile roadway extension including a 4-lane divided roadway, storm sewers, signalized intersections, street lighting, landscape and irrigation designs, a 10-foot shared path, traffic control plans, pavement marking and signage and other components.

Johnson Street Paving and Drainage Improvements | City of Alvin | Project Manager | Design and construction services for the reconstruction of \$1.1 million, 3,500 feet of Johnson Street from South Street to FM 1462 consisting of replacement of two-lane asphalt, open ditch roadway to a three-lane concrete curb and gutter roadway with underground storm and sidewalks. The project is currently under construction.

Parcel 14 Water & Force Main Improvements | Port Freeport | Project Manager | The project included the design and construction phase services for the \$1.7 million, approximately 7,200 feet of 12-inch water line and 2,500 feet of 3-inch force main to provide utilities to future Parcel 14 development.

Kirby Water Plant and 1-MGD Elevated Storage Tank | City of Pearland | Project Manager | Design of a water plant consisting of a 1,500-GPM water well, a 1-MG pre-stressed concrete ground storage tank, 1-MG composite elevated storage tank (EST), booster pumps, controls, auxiliary generator and site work.

Cullen Boulevard Sanitary Sewer Line and Force Main | City of Pearland | Project Manager | This project included 2,400 feet of 24-inch sanitary sewer and 950 feet of 16-inch force main, including a case bore under FM 518 along Cullen Boulevard from Broadway to Fite Road.

EXPERIENCE

42 Years

EDUCATION

MS, Civil Engineering, University of Texas at Austin

BS, Civil Engineering, University of Texas at Austin

REGISTRATION

Professional Engineer, Texas
#48811



JEFF TAYLOR

PRINCIPAL-IN-CHARGE

Jeff Taylor is an FNI Vice President/Principal and the firm's Southeast Division Manager. He has served 29 years as a private consultant and nine years as Deputy Director of the City of Houston's Public Utilities Division. His experience ranges from leading small teams of consulting engineers to management of the City of Houston's 1,450-person water/wastewater operations. While at the City of Houston, Jeff managed the annual \$275-million CIP. Since joining FNI, he has provided oversight of the planning, design, construction and permitting of municipal water, wastewater, drainage and transportation projects. Additionally, Jeff is experienced in strategic planning and decision-making and interfacing with local, state and federal regulatory agencies, customers and external interest groups. Jeff will provide executive oversight for FNI. He will see that all necessary resources are made available to successfully complete project assignments and facilitate communication with the City, as needed.

EXPERIENCE

38 Years

EDUCATION

BA, Environmental Science, Rice University

RELEVANT PROJECT EXPERIENCE

McHard Road Extension | City of Pearland | Principal-in-Charge

Dulles Avenue Reconstruction | City of Sugar Land | Principal-in-Charge

53rd Street Reconstruction | City of Galveston | Principal-in-Charge

Business Center Drive Extension | City of Pearland | Principal-in-Charge

Texas City Livable Center Study | Houston-Galveston Area Council | Principal-in-Charge



WILL MCDONALD

CLIENT LIAISON

Will McDonald leads FNI's municipal and industrial marketing and client relations efforts. He also serves as a marketing mentor and counselor for the firm's technical staff, providing direction and insight for projects that require significant coordination among diverse stakeholders. He plays a key role in public sector interaction with counties and cities. Will is a corporate representative at a variety of civic, political and professional functions and takes an active role in the firm's long- and short-term planning.

RELEVANT PROJECT EXPERIENCE

4th Street Reconstruction | City of Joshua | Client Liaison

Chris Court Drainage Study | City of Alvarado | Client Liaison

On-Call Planning Services | City of Decatur | Client Liaison

Jones Street Improvements | City of Lewisville | Client Liaison

Thoroughfare Plan | City of Mansville | Client Liaison

EXPERIENCE

41 Years

EDUCATION

BS, English/Spanish, Texas A&M University, Commerce



ASHLEY POE, PE, CFM

DRAINAGE STUDIES/ANALYSIS (PROJECT MANAGER)

Ashley Poe is a Project Engineer in FNI's Southeast Division Stormwater Management Group. She routinely performs H&H analysis and generates written reports for various stormwater projects. Her experience also includes drainage studies, floodplain management and review of drainage studies for compliance with current design criteria. Ashley is proficient in HEC-RAS (steady, unsteady flow and 2-D), HEC-HMS, HEC-GeoRAS, HEC-GeoHMS and GIS applications for water resources.

EXPERIENCE

7 Years

EDUCATION

MS, Civil Engineering, University of Houston

BS, Civil Engineering, University of Texas at Austin

REGISTRATION

Professional Engineer, Texas
#124891

Certified Floodplain Manager,
Texas #2430-13N

RELEVANT PROJECT EXPERIENCE

West Road Drainage Improvements | Harris County | H&H Engineer

Drainage Study | City of Lake Jackson | Assistant Project Manager

Drainage Master Plan | City of College Station | Assistant Project Manager

Drainage Reviews | Fort Bend County | Assistant Project Manager

County-Wide Drainage Study | Fort Bend County | H&H Engineer



HECTOR OLMOS, PE, CFM

DRAINAGE STUDIES/ANALYSIS

Hector Olmos is an FNI Associate and the firm's Southeast Division Stormwater Management Group Manager. He has significant experience with H&H modeling of closed-systems and open channels. Hector's background includes sizing and design of drainage structures for roads, channels and dams, mitigation of impacts from new infrastructure, preparation of CLOMRs, LOMRs, 1-D dynamic modeling, 2-D modeling and calibration of H&H models. He is proficient in XP-SWMM, EPA SWMM, Infoworks ICM, HEC-RAS (steady flow and unsteady flow), HEC-HMS, HECGeoRAS, HEC-GeoHMS and GIS applications for water resources.

RELEVANT PROJECT EXPERIENCE

H&H Rice Drier and Halik Roads Paving and Drainage Improvements | Pearland Economic Development Corporation (EDC) | H&H Engineer

Miller Road No. 2 Widening and Improvements | Harris County | H&H Engineer

Dulles Avenue Reconstruction | City of Sugar Land | H&H Engineer

Mayhill Road Widening and Improvements | City of Denton | H&H Engineer

Valley Ridge Boulevard | City of Lewisville | H&H Engineer

EXPERIENCE

16 Years

EDUCATION

MS, Water Resources, Texas A&M University

BS, Civil Engineering, Universidad Nacional de Colombia

REGISTRATION

Professional Engineer, Texas
#101213

Certified Floodplain Manager,
Texas #1596-09N



SCOTT KIRBY, PE

TRANSPORTATION/ROADWAYS (PROJECT MANAGER)

Scott Kirby is a Senior Project Manager with FNI's Southeast Division Transportation Group. Scott has been designing and managing roadway engineering and planning projects since 2004. He is well-versed in roadway geometrics, schematic design, alignment studies and signing and striping. He is also trained and productive in using GEOPAK and MicroStation. Scott has developed plans, specifications and estimates (PS&E) projects as large as the IH 10 reconstruction and as small as off-system bridges. In addition to his TxDOT experience in the Bryan, Childress, Corpus Christi, Houston, Pharr, Odessa, San Antonio and Yoakum Districts, Scott has developed planning projects for the Grand Parkway Association, the Port of Houston and Missouri City.

EXPERIENCE

19 Years

EDUCATION

BS, Civil Engineering, University of Texas at Austin

REGISTRATION

Professional Engineer, Texas
#93651

RELEVANT PROJECT EXPERIENCE

Johnson Street Paving and Drainage Improvements | City of Alvin | Project Engineer
Prestonwood Forest Street and Drainage Study | Harris County | Project Engineer
Staffordshire Road - Independence Boulevard | City of Missouri City | Project Engineer
Texas High Speed Rail | Arup Texas, Inc. | Project Engineer
Westfield Pines Street and Drainage Study | Harris County | Project Engineer



RICK LANE, PE

TRANSPORTATION/ROADWAYS

Rick Lane is a Roadway Project Engineer in FNI's Southeast Division Transportation Group. He has extensive experience providing preliminary schematic layout and full design services for roadway, bridge and drainage projects throughout the Southeast Texas area. He is an experienced project engineer, designer, cost estimator and construction phase engineer for roadway, drainage, utility, traffic control, pavement marking and signage and bridge projects.

RELEVANT PROJECT EXPERIENCE

53rd Street Reconstruction | City of Galveston | Project Engineer
Independence Boulevard/Staffordshire Road | City of Missouri City | Project Engineer
Bailey Road Widening | City of Pearland | Project Engineer
Butler Road Extension | City of League City | Project Engineer
Cullen Boulevard Extension | City of Pearland | Project Engineer
McHard Road Extension | City of Pearland | Project Engineer
Parcel 14 and 19 Rail Paving and Drainage | Port Freeport | Project Engineer

EXPERIENCE

33 Years

EDUCATION

BS, Civil Engineering, Texas A&M University

REGISTRATION

Professional Engineer, Texas
#68162



RICH HEINE, PE

CONSTRUCTION PHASE SERVICES (PROJECT MANAGER)

Rich is FNI's Southeast Division Construction Services Group Manager. His construction management experience includes roadways, water and sewer lines, water and wastewater treatment plants and pump stations and lift stations. He has extensive experience with federal and TxDOT projects, including serving as the Construction Manager for the Parker County \$118-million Transportation Bond Program consisting of 36 projects.

RELEVANT PROJECT EXPERIENCE

53rd Street Reconstruction | City of Galveston | Construction Phase Services

Business Center Drive | City of Pearland | Construction Phase Services

Transportation Bond Program | Parker County | Construction Phase Services

Minnetex Place Drainage and Paving | City of Houston | Construction Phase Services

Southpark and Southcrest Drainage and Paving | City of Houston | Construction Phase Services

EXPERIENCE

24 Years

EDUCATION

BS, Engineering, U.S. Military Academy at West Point

REGISTRATION

Professional Engineer, Texas
#112925



SCOTT NEVOTTI

CONSTRUCTION PHASE SERVICES

Scott Nevotti is a Construction Manager with more than 6 years of experience in construction with both the residential and commercial construction industries. He brings with him hands-on insight into constructability reviews, estimating and construction contract administration from his experience as an owner's representative and general contractor. Through constructability reviews, on-site/field inspections and lessons learned, he also plays a significant role in the design process before construction begins as well as during the construction process. Prior to joining FNI, he served as an assistant project manager for general contractors and was a construction manager for a residential home builder.

RELEVANT PROJECT EXPERIENCE

Main Street Drainage Study | Parker County | Construction Phase Services

Minnetex Place Paving and Drainage Reconstruction | City of Houston | Construction Manager

Western Loop – IH 20 Interchange | Parker County | Construction Phase Services

Southpark and Southcrest Paving and Drainage Improvements | City of Houston | Construction Manager

Woodshire Paving and Drainage Construction Management and Inspection Services | City of Houston | Project Manager

EXPERIENCE

13 Years

EDUCATION

BS, Agricultural Development,
Texas A&M University



DAN GISE

ENVIRONMENTAL SERVICES AND PERMITTING (PROJECT MANAGER)

Dan Gise is an FNI Associate and Environmental Scientist with broad knowledge and experience with environmental issues for a wide variety of project types and clients. Dan has experience in the management and preparation of environmental impact statements, environmental assessments, permitting, wetland delineations, environmental baseline surveys, endangered species surveys, habitat analyses and numerous other types of environmental studies and permitting activities. He has expertise in the applicable local, state and federal regulations impacting the environment and is comfortable working on behalf of the firm's clients to successfully resolve environmental concerns.

EXPERIENCE

40 Years

EDUCATION

MS, Biology/Forestry Stephen F. Austin State University

BS, Biology, Stephen F. Austin State University

RELEVANT PROJECT EXPERIENCE

Dulles Avenue Reconstruction | City of Sugar Land | Environmental Scientist

East Mary's Creek Regional Detention Pond | City of Pearland | Environmental Scientist

McHard Road Extension | City of Pearland | Environmental Scientist

On-Call Environmental Services Contract | San Antonio Airport System | Environmental Scientist

Clear Creek and Cowart's Creek Detention Ponds | City of Pearland | Environmental Scientist



MICHAEL LANE

ENVIRONMENTAL SERVICES AND PERMITTING

Michael Lane is an FNI Environmental Scientist. He has experience providing biological surveys, including stream, pond and wetland delineations for transportation projects, as well as Section 404 permitting. He also has experience performing desk top evaluations.

RELEVANT PROJECT EXPERIENCE

McHard Road Extension | City of Pearland | Environmental Scientist

30-inch Causeway Bridge Water Line | City of Galveston | Environmental Scientist

Highlands Environmental Consulting Services | San Jacinto River Authority | Environmental Scientist

Mykawa Road Drainage Improvements | Brazoria Drainage District No. 4 | Environmental Scientist

Chocolate Bayou Pump Station | Gulf Coast Water Authority | Environmental Scientist

EXPERIENCE

3 Years

EDUCATION

MS, Environmental Science, University of Houston - Clear Lake

BS, Wildlife and Fisheries Science, Texas A&M University



CORY STULL, PE, CFM, GISP

STORMWATER/FLOOD CONTROL DESIGN (PROJECT MANAGER)

Cory Stull is a Project Manager in FNI's Southeast Division Stormwater Management Group. He specializes in H&H modeling, water resources planning and design and permitting. Cory's experience includes hydraulic modeling in support of flood-risk assessments and impact analyses, large planning and feasibility studies for water supply and flood control, stormwater management and advanced geospatial analysis using GIS. He has comprehensive knowledge of drainage studies, environmental impact analysis and permitting, channel engineering and design, economic analysis and project management.

EXPERIENCE

11 Years

EDUCATION

BS, Civil Engineering, Rice University

REGISTRATION

Professional Engineer, Texas #113321

Certified Floodplain Manager #2131-11N

Certified Geographic Information Systems Professional

RELEVANT PROJECT EXPERIENCE

Downtown Revitalization Plan | City of Port Arthur | H&H Engineer

Drainage Master Plan | City of College Station | Project Engineer

Upper Langham Creek Frontier Program | Harris County Flood Control District | Project Manager

Model and Map Management (M3) Program | Harris County Flood Control District | Project Engineer

Stormwater Pump Station Condition Assessment and Capacity Analysis | Liberty City Water Supply County | Project Engineer



ROLANDO AYALA, PE CFM

STORMWATER/FLOOD CONTROL DESIGN

Rolando Ayala is a Project Engineer in FNI's Southeast Division Stormwater Management Group. He routinely performs H&H analyses and generates reports for various stormwater projects. His experience also includes drainage studies, floodplain management and review of drainage studies for compliance with current design criteria. He is proficient in HEC-RAS (steady, unsteady flow and 2-D), HEC-HMS, HEC-GeoRAS, HEC-GeoHMS, AutoCAD and GIS applications for water resources.

RELEVANT PROJECT EXPERIENCE

Rice Drier Road and Halik Street Improvements | City of Port Pearland | H&H Engineer

County-Wide Drainage Study | Fort Bend County | H&H Engineer

Johnson Street Paving and Drainage Improvements | City of Alvin | H&H Engineer

McCrary Road Woods Edge Drainage Study | Fort Bend County | Assistant Project Manager

Staffordshire Road and Independence Boulevard Reconstruction | City of Missouri City | H&H Engineer

EXPERIENCE

8 Years

EDUCATION

MS, Civil Engineering, Texas A&M University

BS, Civil Engineering, Texas A&M University

REGISTRATION

Professional Engineer, Texas #120205

Certified Floodplain Manager #2411-13N



SHAD COMEAUX, AICP

LAND DEVELOPMENT/ZONING SERVICES (PROJECT MANAGER)

Shad Comeaux is an FNI Associate and Project Manager in the firm's Urban Planning + Design Group. Additionally, he leads the urban planning efforts in the Southeast Division. Shad has led a variety of planning projects, including comprehensive plans, campus master plans and downtown/small area plans. He has applicable experience in zoning, future land use and redevelopment. His passion for client service, provides open communication, timely responsiveness and efficient project delivery. Shad's experience with community and stakeholder involvement allows him to address specific needs and concerns of clients, while also building consensus among citizens.

EXPERIENCE

19 Years

EDUCATION

Master of City and Regional Planning, University of Texas at Arlington

Bachelor of Environmental Design, Texas A&M University

REGISTRATION

American Institute of Certified Planners #025151

RELEVANT PROJECT EXPERIENCE

Comprehensive Plan | City of Port Arthur | Urban Planner

Downtown Plan | City of Port Arthur | Urban Planner

GIS Implementation Program | City of Port Arthur | Urban Planner

Diagnostic Report | City of Port Arthur | Urban Planner

Urban Villages for Southeast Fort Worth (including comprehensive utility, street and bridge master plan and implementation) | City of Fort Worth | Urban Planner



ALEXIS GARCIA, AICP

LAND DEVELOPMENT/ZONING SERVICES

Alexis Garcia is an FNI Urban Planner with a focus on identifying long-range planning solutions for primarily public sector clients. She is experienced in providing development review services, comprehensive planning, data collection and analysis, corridor studies, visioning and community engagement and has led public involvement initiatives for planning projects. Prior to joining FNI, Alexis worked for the City of Mesquite.

RELEVANT PROJECT EXPERIENCE

City of Fulshear Livable Center Study | Houston-Galveston Area Council | Urban Planner

Area Development Plans | City of Corpus Christi | Assistant Project Manager

Comprehensive Plan Update | City of Seabrook | Urban Planner

Comprehensive Plan Amendment | City of Missouri City | Urban Planner

Comprehensive Plan | City of Port Arthur | Assistant Project Manager

EXPERIENCE

6 Years

EDUCATION

BS, Urban and Regional Science, Texas A&M University

REGISTRATION

American Institute of Certified Planners #31244



JARED BARBER, PE, ENV SP

ASSISTANT PROJECT DIRECTOR; WATER/WASTEWATER UTILITIES (PROJECT MANAGER)

Jared Barber is a Project Manager in FNI's Southeast Division Treatment, Transmission and Utilities Group. He has extensive experience designing water distribution and transmission lines, elevated storage tanks, ground storage tanks, wastewater trunk sewers, lift stations and force mains. This experience includes trenchless technologies, such as horizontal directional drilling and conventional boring/tunneling.

EXPERIENCE

11 Years

EDUCATION

BS, Civil Engineering, Texas A&M University

REGISTRATION

Professional Engineer, Texas #114173

Envision Sustainability Professional

RELEVANT PROJECT EXPERIENCE

Dyche Lane 0.5 MG Elevated Storage Tank | City of Alvin | Project Manager

Pearland Heights Lift Station Consolidation and Sewer Line | City of Pearland | Project Manager

Causeway Water Line | City of Galveston | Project Manager

McHard Road Water and Sewer Line, Phase 2 | City of Pearland | Project Manager

Well Field Collection System Loop | City of College Station | Project Engineer

US 59 Water Line and Force Main Crossing | City of Sugar Land | Project Engineer



ELIZABETH BYRD, EIT

WATER/WASTEWATER UTILITIES

Elizabeth has five years of civil engineering and hydraulic modeling experience for water transmission systems. Her background includes extensive modeling of the entire City of Houston water system, where she has performed more than 20 shut-down modeling scenarios since 2015. From her experience, Elizabeth understands the demands and pressures associated with adding capacity to plants throughout the City and is experienced with modeling to size transmission mains, as well as understand water age, pressure, capacity and flow considerations. She is proficient with EPANET, WaterGEMS, InfoWater and GIS. She is also experienced with manned entry of pipelines and is knowledgeable of various rehabilitation methods and technologies.

RELEVANT PROJECT EXPERIENCE

54-Inch Eastside Interceptor | City of Alvin | Project Engineer

Carl Barton Lift Station and Force Main | City of Conroe | Assistant Project Manager

Groundwater Facilities Rehabilitation | City of Houston | Project Engineer

Ground Water Facility/Re-Pump Station Improvements | City of Houston | Project Engineer*

Southeast Transmission Waterline Feasibility Study | City of Houston | Project Engineer*

*Prior to joining FNI

EXPERIENCE

5 Years

EDUCATION

MS, Civil Engineering, Florida International University

BS, Civil Engineering, Universidad Rafael Urdaneta

REGISTRATION

Professional Engineer-in-Training, Texas #61804



DAVID MUNN, PE

WATER/WASTEWATER TREATMENT (PROJECT MANAGER)

David has more than 15 years of experience in the design and construction of water and wastewater treatment facilities. His duties include managing multidisciplinary teams of engineers and architects in the preparation of preliminary engineering reports, design plans, technical specifications and contract documents for municipal and industrial facility projects including potable water production plants, pump stations, wastewater treatment plants (WWTP), sanitary lift stations, groundwater wells, elevated storage tanks and stormwater pump stations.

RELEVANT PROJECT EXPERIENCE

Wastewater Treatment Plant Expansion No. 1 | City of Houston | Project Engineer

Cinco Southwest Wastewater Treatment Plant Phase III Expansion | City of Houston | Project Engineer

Water Plant No. 4 | San Jacinto River Authority | Project Engineer

Drinking Water Treatment and Distribution Sustainability | City of Houston | Project Manager

Water Plant Expansion No. 1 | Cinco Southwest MUD | Project Engineer

EXPERIENCE

15 Years

EDUCATION

Master of Construction
Engineering Management, Texas
A&M University

BS, Environmental Science, Troy
University

REGISTRATION

Professional Engineer, Texas
#101193



MURALI ERAT, PE

WATER/WASTEWATER TREATMENT

Murali Erat is a firm Associate and Project Manager in FNI's Southeast Division Water/Wastewater Treatment Group. He has managed/designed more than 20 new or rehabilitated water and wastewater treatment plants. Murali has extensive experience with water quality, membrane filtration treatment system design, conventional water treatment unit operations and processes design, chemical feed system design, CT studies, laboratory bench scale and pilot testing and studies. He also has extensive experience with wastewater treatment unit operations and process design, activated sludge and nutrient removal system process design, industrial wastewater treatment and treatment plant master plan development.

RELEVANT PROJECT EXPERIENCE

New 9-MGD Wastewater Treatment Plant | City of Port Arthur | Project Manager

Mechanical and Structural Upgrades to Multiple Wastewater Treatment Plants | City of Houston | Project Manager

Sims Bayou South Wastewater Treatment Plant Rehabilitation | City of Houston | Project Engineer

Village Creek Water Reclamation Facility CIP Evaluation Project | City of Fort Worth | Project Engineer

Surface Water Treatment Plant Expansion and Rehabilitation | City of Beaumont | Project Engineer

EXPERIENCE

13 Years

EDUCATION

MS, Environmental Engineering,
Oklahoma State University

BEng., Chemical Engineering,
University of Madras

REGISTRATION

Professional Engineer, Texas
#105980



FERIDOON MELEKGHASSEMI, PE

BRIDGE DESIGN (PROJECT MANAGER)

Feridoon Malekghassemi is an experienced senior structural engineer with expertise and experience in structural design of bridges and transportation related structures for DOTs and design-build projects. His design proficiency includes both steel and concrete highway and light rail bridges, bridge substructures and foundations. He is licensed in Texas as well as five other jurisdictions. He is pre-certified with TxDOT in several professional categories. Some of the projects he has been involved with are SH 183, Midtown Express, IH 635, LBJ Express and the extension of Washington Metro's Blue Line to Largo Maryland.

EXPERIENCE

27 Years

EDUCATION

Master of Engineering, University of Texas at Arlington

BS, Civil Engineering, Wentworth Institute of Technology

REGISTRATION

Professional Engineer, Texas
#94488

RELEVANT PROJECT EXPERIENCE

Clear Fork Emergency Access Bridge | City of Benbrook | Structural Engineer

FM 51/SH 99 Bridge and Roadway Improvements | Parker County | Structural Engineer

30-inch Causeway Bridge Water Line | City of Galveston | Structural Engineer

Structural Integrity Assessment | City of Rockwall | Project Manager

Rosewood Drive Bridge | City of Killeen | Structural Engineer



MARK EVANS

FUNDING

Mark Evans serves as FNI's Funding Specialist, providing technical assistance to FNI staff and clients on multiple funding alternatives, including low interest loans, grants, disaster relief and hazard mitigation type funding programs for water, wastewater and stormwater opportunities. Prior to joining FNI, Mark served as Team Lead of the Statewide Outreach initiative for the Texas Water Development Board (TWDB). Mark and his team traveled the state marketing TWDB financial assistance programs to municipalities, districts, water supply corporations and others interested in financing water-related infrastructure projects. In his nine years with the TWDB, Mark became a subject matter expert on both state and federal state revolving fund funding programs, as well as application processes.

RELEVANT PROJECT EXPERIENCE

Texas Water Development Board | Team Lead, Program Coordinator, Project Lead

North Cascades National Bank | Assistant Vice President/Lender

Dell Financial Services | Credit Manager, Credit Advisor

Comerica Bank Texas | Commercial Banking Senior Analyst

EXPERIENCE

19 Years

EDUCATION

BBA, Finance, University of Texas at Austin



FUNDING TEAM

FNI's funding team is dedicated and experienced in helping you navigate the grant and loan process to obtain funding for your community, infrastructure and building projects. The process of identifying, selecting and applying for the appropriate funding can often be challenging and time-consuming. We have established relationships with funding agencies at the local, regional, state and federal levels of government, and stay in contact with these agencies to provide up-to-date funding opportunities to our clients.

FNI has a long history of working with grants and loans, both in obtaining the funds and in managing projects that use these funds. In addition, we are experienced in developing and updating rate studies, impact fees and a variety of utility fees. FNI is knowledgeable and involved with other forms of financing, including public-private partnerships, performance contracting, traditional bond markets and alternative project delivery methods.

FNI has assisted our clients in obtaining nearly \$500 million in federal and state funding. We work with our clients to determine funding opportunities that meet their needs, including development of preliminary engineering to meet application requirements. Our funding team is experienced in completing applications on behalf of our clients as well as managing grant and loan-funded projects requiring additional documentation and strict protocol.

FNI'S FUNDING TEAM SERVICES

- Funding identification/election
- Application preparation/coordination
- Cost estimates
- Public meetings/hearings/notices
- Communication with funding agencies
- Management of projects using grants/loans
- Preparation of required documentation for projects funded by grants/loans
- Funding seminars

TYPES OF FUNDING FNI PURSUES

- Feasibility study grants
- Planning grants and loans
- Design grants and loans
- Construction grants and loans
- Public-Private Partnerships (P3s)
- Performance contracting
- Traditional bond

RELEVANT EXPERIENCE

DRAINAGE STUDIES/ANALYSIS AND STORMWATER DESIGN

PARCEL 14 AND PARCEL 19 SITE DEVELOPMENT | PORT FREEPORT (PRIME)

As a result of the increased interest in development of South Freeport, Port Freeport retained FNI to design a proposed rail and facilities system to tie into existing rail lines within North Freeport. FNI provided engineering design and hydraulic modeling for Parcels 14 and 19. The project consisted of major channel improvements, multibox storm sewers, widening the existing channels, design of 20,000 track feet of new railroad and over 8,000 LF of concrete roads.



In support of the rail design, the H&H team sized culvert crossings and designed a proposed storm sewer system for the development of a large area within South Freeport. Drainage improvements consist of:

Approximately 4,600 LF of new 20-foot bottom ditches and widening of existing ditches; 6,000 LF of 130-foot bottom channel extension; Installation of 3,200 LF of 7-foot-by-3-foot boxes; 780 LF of 8-foot-by-3-foot boxes; 190 LF of 10-foot-by-5-foot and 10-foot-by-7-foot boxes; 715 LF of 3-foot-by-2-foot through 6-foot-by-3-foot boxes; 1,000 LF of 18-inch-through-36-inch RCPs; Five major junction boxes; 14 headwalls with flared wings; and major installation of rock riprap and slope parings for side slope stabilization.

The project required coordination with CenterPoint Energy and several pipeline companies. Significant coordination with the Velasco Drainage District (VDD) was required throughout the project, a drainage impact analysis was developed and approved by VDD. The U.S. Army Corps of Engineers (USACE) program HEC-HMS 4.0 was used for hydrology and HEC-RAS 4.1 was used to determine necessary size of culvert crossings. To initially determine flood risk and tailwater conditions during the 100-year storm for the area needing a storm sewer system, unsteady-flow HEC-RAS was used to model a series of storage areas. EPA-SWMM was then used for the detailed design of the proposed storm sewer system network, utilizing boundary conditions developed within the HEC-RAS modeling.

DRAINAGE STUDY | CITY OF LAKE JACKSON (PRIME)



FNI is assisting the City of Lake Jackson with a drainage master plan for areas east of SH 332. The study area also encompasses portions of the City of Clute. The study was divided into six phases in order to match available funding from both cities. Phase 1 consisted of completing hydrology for the entire study area and building a dynamic 1D hydraulic model for the open channel network. The goal of this phase was to create a skeletal model that would be improved in subsequent phases and it was completed in 2016. Phases 2 – 6 consisted of the detailed analysis of each local area by creating more detailed hydrology, collecting detailed survey for drainage infrastructure including inlets, storm drains, street cross-sections, open channels and culverts. XP-SWMM was used as the hydraulic model for this study, as it can represent above ground and underground infrastructure, as well as the adjacent topography resulting in a 1D and 2D model that can identify flow paths once runoff exceeds channel banks. This XP-SWMM model was then

used to identify problem areas and the root cause of the problem. Alternatives to solve the problems were evaluated using the same modeling tool. These alternatives were added to a database that ranks projects based on criteria that is important to the cities. The database is also used to develop a CIP, so that the cities can start implementing projects even before the six phases are evaluated. As each phase was completed, the newly identified projects were added to the database. This was a high-profile project for the City, as there were multiple complaints from citizens regarding drainage. FNI maintained continuous communication with the Assistant City Engineer so that progress could be communicated to City Council at each bi-monthly meeting.

DOWNTOWN REVITALIZATION PLAN | CITY OF PORT ARTHUR (PRIME)

FNI developed a Revitalization Plan that focused on improvements to zoning, transportation, infrastructure, land use, urban design and redevelopment options to reshape Downtown Port Arthur.

The project included a complete evaluation of existing drainage, water and sewer infrastructure. A GIS database with the entire drainage, water and sewer networks was created based on field survey information. This database can be expanded as additional information for other areas within the City are studied.



Deficiencies for the drainage infrastructure were identified utilizing an Infoworks ICM model that represented overland flow based on LiDAR and underground infrastructure including street inlets, storm drains and pump stations. A CIP to serve target areas was developed, which included comprehensive projects that account for improvements necessary for each infrastructure type (drainage, water, sewer, gas), ensuring that a street is only reconstructed once. Improvements to drainage infrastructure were recommended with consideration for future projects necessary to address other need areas.

A phased plan for the implementation of future projects was developed based on identified catalyst areas from the Revitalization Plan. The Port Arthur Revitalization Plan received the 2016 Long-Range Planning Award from the Texas Chapter of the American Planning Association.

TRANSPORTATION/ROADWAYS AND BRIDGES

KIRBY ROAD AND BRIDGE | BRAZORIA COUNTY (PRIME)



FNI completed design services for the Kirby Bridge Extension over a Gulf Coast Water Authority (GCWA) canal and the approach roads. The roadway design included a four-lane, divided concrete roadway from South Fork Parkway to approximately 400 feet south of the canal, with six-foot sidewalks on both sides of the road.

The bridge design included a single four-lane divided concrete bridge over the canal. The bridge design also involved a narrow divide between northbound and southbound lanes, concrete barriers, sidewalks on both sides, railings and other related

components. FNI worked with GCWA to provide four access roads from the ends of the bridge on to the canal berm for maintenance purposes. FNI also provided lay-down curb for ease of GCWA equipment crossings.

MCHARD ROAD EXTENSION, CITY OF PEARLAND (PRIME)

FNI provided a preliminary engineering study and report for the McHard Road extension between Culien Boulevard and Mykawa Road. The project scope included refinement of roadway alignment previously prepared by FNI, roadway layout within 120-foot ROW and alternative roadway section study. Upon transportation improvement program (TIP) funding of the project by TxDOT, FNI conducted the following:



Schematic Design: FNI prepared alternative alignment for the extension of this 3.5-mile, four-lane divided roadway. Alternative alignments were presented to the public and stakeholders in a TxDOT-sponsored public meeting. A summary report was prepared. Based upon the preferred alignment, FNI prepared a schematic design layout for the project including six intersecting streets.

Roadway Design: FNI prepared (currently at 90-percent design) the PS&E package for this 3.5-mile, \$33 million, four-lane divided roadway, including a 10-foot shared path along the south side, storm sewer design, three detention ponds, landscape and irrigation design, street illumination, traffic control plans, signal designs, Local Government Project Procedures (LGPP) project manual, pavement markings and signage and stormwater pollution prevention plan (SWPPP). The project design is 95-percent complete.

H&H Analysis and Report: FNI worked with our subconsultant to prepare a full H&H report and impact mitigation analysis. This report's assessment and finding were coordinated with TxDOT, the City of Pearland and the local drainage district.

Traffic Study Report and Design: FNI worked with our subconsultant to prepare a traffic study report showing signals are warranted on five intersections with two modifications to existing signals.

Geotechnical Report: FNI worked with our subconsultant to prepare a complete analysis and report consisting of more than 50 borings, pavement design, stabilization recommendations and a fault zone study.

ROW Acquisition: FNI worked with our subconsultant to prepare a 75 parcel taking documents for the proposed 120-foot ROW. Included under this task are property appraisals, third party appraisal reviews and parcel acquisition services.

Water/Sewer: FNI has designed a separate water and sewer package to be bid ahead of the roadway project to provide potable water and sewer service to the McHard Road corridor. The project was split into two phases, construction for Phase 1 was completed in 2015 and design for Phase 2 was completed in March 2019.

53RD STREET RECONSTRUCTION | CITY OF GALVESTON (PRIME)

FNI provided design for the \$8.9-million, 1.3-mile, 49-foot-wide reconstruction of 53rd Street from Broadway to Seawall Boulevard. The project consisted of replacement of asphalt pavement with concrete curb-and-gutter pavement, approximately 9,700 LF of storm sewers, inlets and junction boxes, approximately 9,000 LF of 6- to 12-inch water line, approximately 2,400 LF of 6- to 10-inch sanitary sewer, pavement markings and signage, sidewalks, driveway replacement, Phase I ESA and storm and sanitary sewer video inspection.

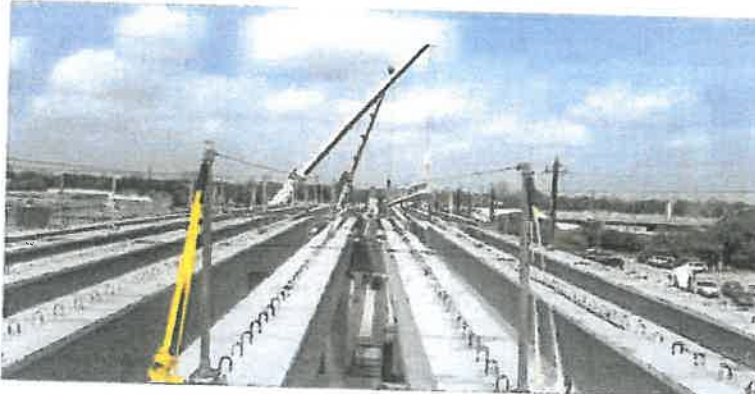


The project included study of all driveway, sidewalks and landscaping encroachments within the pavement areas. FNI worked with City and franchise utility companies on water, sewer and utility lines conflicts and worked through

the extent of driveway reconstructions on private properties to resolve steep grade issues. Because of mixed-land uses along the corridor, FNI addressed on-street residential parking, business access and historical sites issues and minimized the unavoidable encroachment impacts. The project is currently under construction.

CONSTRUCTION PHASE SERVICES

COLLINGSWORTH GRADE SEPARATION | HARRIS COUNTY TOLL ROAD AUTHORITY (PRIME)



FNI provided third-party construction management and inspection services for construction of the four-lane Collingsworth Grade Separation from Elysian Street to Jensen Drive. FNI provided construction project management, observation and inspection, scheduling and construction schedule review, document control and supplemental design engineering services. The construction was conducted in an active EPA Superfund Site, which required the FNI team to coordinate and monitor all construction activities in accordance with EPA requirements. The

construction consists of a new 280-foot bridge over Union Pacific Railroad, adjacent roadways and connector streets, storm sewer RCBs and pipes, water lines, sewer lines and detention pond.

SAM HOUSTON BELTWAY 8 EAST WIDENING | HARRIS COUNTY TOLL ROAD AUTHORITY (PRIME)

FNI provides construction engineering and inspection (CEI) services for the \$102.4 million widening and reconstruction of the Sam Houston Tollway East from four to eight lanes with shoulders consisting of grading, cement stabilized base, continuous reinforced concrete pavement, drainage structures, stormwater detention basins, retaining walls (MSE), three bridge widenings, three bridge demolitions and reconstructions, temporary special shoring, four Toll Plazas demolitions and reconstructions and placement of waterlines and sanitary sewer lines.



CONSTRUCTION MANAGEMENT AND INSPECTION FOR PEDESTRIAN AND BICYCLE CONNECTIONS | CITY OF FORT WORTH (PRIME)



FNI provided Construction management and inspection services for pedestrian sidewalks, City park parking area expansion and re-striping existing roadways for bike travel lanes. This LGPP project included 3.25 miles of re-striping of existing roadways, 1.5 miles of sidewalks (1 mile through park/greenspace), 7,000-SF parking lot expansion and two 4-foot-high, 250-foot long retaining walls.

ENVIRONMENTAL SERVICES AND PERMITTING

MCHARD ROAD EXTENSION, CITY OF PEARLAND, TX (PRIME)

This project included the preparation of an Environmental Assessment (EA) document for the 3.5-mile extension of McHard Road on new location in Pearland, TX to provide an alternative east/west travel route through the city. Of concern were cultural resources, wetlands and Section 404 permitting issues, environmental justice and indirect impacts. FNI prepared many of the required technical reports, conducted quality reviews on all other reports, prepared the EA Summary Document and took part in the public involvement for the project.



TRANSPORTATION BOND PROGRAM, PARKER COUNTY (PRIME)



These projects were undertaken as part of the expansion and improvement of the transportation system of Parker County funded by a county bond program. Included were improvements and expansion of several TxDOT on system roadways, which required TxDOT environmental documents for this expansive bond program. The TxDOT projects were all completed as LGPP projects and included nine CEs, one added capacity CE and one EA. FNI prepared many of the required documents and document sections. The documents were prepared in TxDOT resource report or other

formats and included preparation of the Biological Evaluation Forms along with required documentation, Water Resource Technical Report, Community Impact Assessment and associated documentation, Noise Technical Report, Historic and Archeological Project Coordination Requests and Indirect and Cumulative Impact Assessments. Not all reports were required for all documents.

SECTION 404 INDIVIDUAL PERMIT APPLICATION | CITY OF SHOREACRES (PRIME)

The City of Shoreacres desired to protect approximately 3,075 feet of shoreline and approximately 14 acres of public along Galveston Bay. The area has been subject to impacts from hurricanes and tropical storms. The City also proposed to protect public access and infrastructure by replacing marginally effective riprap with a combination of concrete revetment and concrete rock filled stainless steel gabion breakwaters. An existing beach area would be expanded through beach nourishment. FNI performed all of the environmental assessment



field work and data collection, permit application preparation (including the preparation of a preliminary jurisdictional determination) and coordination with federal and state regulatory agencies, including the U. S. Army Corps of Engineers, Galveston District, Texas General Land Office, Texas Commission on Environmental Quality, the Texas Historical Commission and the National Marine Fisheries Service. The client received an individual permit from the USACE.

LAND DEVELOPMENT/ZONING SERVICES

CIP MANAGEMENT ASSISTANCE, CITY OF LEAGUE CITY (PRIME)

FNI is providing CIP management assistance services to the City of League City. Our Project Manager, Ron Bavarian serves as an extension of City staff and directly assists the City's Project Management Director, project managers, administrators and other City staff on consultant scope and fee reviews, milestone plan reviews, review of design and construction change orders and review of project schedules. FNI is helping standardize the project management department's invoicing, scope and fee development and execution processes. Ron



meets regularly with League City project managers and ROW specialists through direct one-on-one interactions and he provides guidance to keep the City CIP program on schedule. Ron also assists City staff in resolving technical and administrative CIP project issues through the planning, design and construction phases. FNI provides assistance in resolving CIP regulatory and permitting issues. Finally, FNI provides technical and management mentoring to City project managers including the provision of training classes for project management. Topics include all aspects of water, wastewater and transportation infrastructure.

UNIFIED DEVELOPMENT CODE | CITY OF LONGVIEW (PRIME)



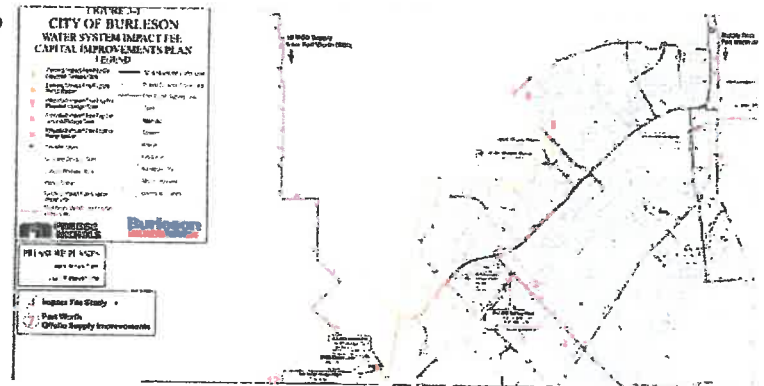
FNI is currently preparing a Unified Development Code for the City, integrating and updating regulations related to zoning, subdivision, utilities and other development standards. The planning process is structured in three phases: diagnostic evaluation, UDC preparation and review and code adoption.

During the diagnostic analysis phase, the FNI team identified issues arising from the current code against the backdrop of community-approved goals and objectives. The report considers ways in which procedures and regulations may be made more user-friendly and applicable to City needs. Following consensus on recommendations, FNI began developing the components of the new code. The process for creating the new UDC is divided into several distinct parts to allow for focused and topical discussion between City staff and the FNI team. Code components include zoning; subdivisions; buildings and structures; flood damage and tree preservation; signage; streets and sidewalks; and water and sewer. Following the preparation of the draft document, the FNI team will work closely with the City and P&Z to finalize the code and bring it to the P&Z and City Council for consideration of code adoption. During this phase, FNI will make available the document for public review; aid in the facilitation of joint public workshops with the P&Z and City Council, provide support for public hearings with the P&Z and City Council.

Key challenges addressed through innovative solutions and education were related to Longview's previous minimum development standards and a highly-engaged development community skeptical of changes to regulations. FNI's team met extensively with the development community throughout the process, even extending the project schedule to accommodate additional staff-led discussions to achieve buy-in from the development community. This also served as a method to familiarize the staff with new regulations and develop a framework for training and implementation guides.

COMPREHENSIVE PLAN, CORRIDOR PLAN, SMALL AREA PLANS AND ZONING ORDINANCE | CITY OF BURLESON (PRIME)

FNI was retained by the City of Burleson in 2008 to prepare a new Comprehensive Plan and Corridor Plan for SH174/Wilshire Boulevard. This process included several well-attended interactive town hall meetings and addressed key issues such as land use, Complete Streets, environmental sustainability, economic diversification and urban design. The plans were adopted in 2010. The City later retained FNI to prepare two small area plans – one along IH-35 and one along the future SH121/Chisholm Trail corridor – in conjunction with the water and wastewater impact fee and master plan project.



In 2016, the City again retained FNI's planning services to perform a targeted update of the 2010 Comprehensive Plan and to prepare a new zoning ordinance and updated zoning map. Following significant changes in City staff, FNI has responded with flexibility to shift the project focus, communication plan and schedule to best meet the client's needs. Key issues addressed by the ordinance include enhancing the historic Old Town core, ensuring a positive image along major corridors and incorporating the Imagine Burleson Comprehensive Plan's vision into the regulations. Ordinance adoption is anticipated in 2019.

WATER/WASTEWATER UTILITIES

WATER BOND PROJECTS/ELKINS LAKE LIFT STATION REPLACEMENT, CITY OF HUNTSVILLE (PRIME)



Pump Stations: FNI provided design of a 4,800-GPM booster pump station at the Lower Pressure Plane Pump Station, a 7,800-GPM booster pump station at Palm Street Pump Station and a 2-MG ground storage tank (GST), replacement of booster pumps at Spring Lake Pump Station to support the City's plan to create a lower pressure plane and improve distribution system fire flows, pressures and operations and maintenance.

Elevated Storage Tanks: To separate the pressure planes, a new 2.5-MG EST was designed on the southern end of the City. During design, the FNI team coordinated with City of Huntsville Fire

Department to incorporate windows for rappelling practice for the City's firefighters.

Water Lines: FNI provided the design of approximately six miles of 12- to 24-inch water line throughout Huntsville to reorganize its water distribution system. These water lines connected the new pump stations to the new and existing ESTs.

Lift Stations: The City's main trunk sewer line crosses under Elkins Lake before entering a 50-year-old lift station near the dam. The wastewater master plan ranked the lift station the poorest condition in the City and sited high infiltration/inflow (I&I) from the sewer line. The design project included installing a new sewer line downstream of the dam and the construction of a new 6-MGD lift station.

To meet the City's needs, FNI was able to successfully bid out the water lines project earlier than scheduled by overcoming many scheduling and budgeting obstacles. The bids also came in much lower than the City's budget.

30-INCH CAUSEWAY BRIDGE WATER LINE | CITY OF GALVESTON (PRIME)

FNI is providing design-phase services for a new 30-inch diameter, 8,000-LF water line to be hung below the eastern pedestrian shoulder on the Galveston Causeway Bridge. The pipeline includes a marine coating system, expansion joints for thermal expansion, pipe hangers, a pressure reducing station and connections into the City's existing system. The purpose of the project is to provide an additional water supply line for added reliability and redundancy in response to issues with two existing water lines that currently supply the City with water. The project also includes U.S. Army Corps of Engineers (USACE) and the Texas Department of Transportation (TxDOT) permitting and a Phase I Environmental Site Assessment (ESA).



A preliminary design had been performed for the project about 10 years ago in conjunction with the causeway bridge design. In the meantime, TxDOT's bridge design standards changed, requiring a major redesign. The project required significant structural pipe design and modeling to meet the City's and TxDOT's requirements. FNI created and utilized a Finite Element Model of the causeway bridge to analyze pipe support spacing and designs. Although the original design was for a 36-inch water line, FNI recommended reducing the pipeline diameter to save money and help the City meet its construction budget.

MUSTANG BAYOU WASTEWATER TREATMENT PLANT LIFT STATION REHABILITATION AND BAR SCREEN STRUCTURE | CITY OF MISSOURI CITY (PRIME)



FNI provided rehabilitation of the existing 30-year-old submersible lift station that showed signs of deterioration from continued exposure to sanitary sewer gases, as well as exposure of aggregate within the existing concrete. The project includes replacing the existing piping and valves, designing a new screening structure with bar screens located upstream of the lift station and repairing, cleaning and coating walls to extend the life of the lift station. The existing treatment facility has issues with ragging, which necessitated the new screening structure upstream of the influent lift station. FNI coordinated with CenterPoint Energy

to relocate power services to provide space for the new structure. Additionally, the existing influent force mains were rerouted to the upstream side of the new screening structure. FNI also provided construction and resident representative services.

The lift station serves as the influent lift station for the WWTP, which means that bypass pumping was highly important. There were multiple force mains that are connected directly to the wet well. A phasing plan was developed to construct the new bar screen structure first and then divert the existing force mains to the new structure. A bypass pumping performance specification was utilized to require the contractor to design a reliable bypass system the could be setup within the new bar screen structure.

WATER/WASTEWATER TREATMENT

SIMS BAYOU SOUTH WWTP IMPROVEMENTS | CITY OF HOUSTON (PRIME)

FNI provided an evaluation, design and construction phase services of improvements to the WWTP headworks to improve the overall operation of the mechanical bar screens and grit removal system. FNI evaluated the existing original, ineffective and outdated aerated grit chambers and recommended replacing them with high-efficiency, gravity-type vortex grit removal system. FNI designed the new 190-MGD gravity vortex grit removal system (HeadCell®) that was retrofitted in the existing aerated grit chamber basins. Our innovative approach of retrofitting a new and superior grit-removal system in existing aerated grit chambers provided significant savings, not only in capital investment, but also in annual operation and maintenance cost and overall life-cycle cost. Other improvements included structural repairs around anchored slide gates, replacements of the gates and addition of electrical actuators.



FNI worked with the City's Wastewater Operations staff to develop processes and procedures that allowed the contractor blocks of time to dewater the headworks to isolate areas for the construction improvements. This cooperative scheduling made the project more accessible for the contractor, reducing risk and costs for the City.

WASTEWATER TREATMENT PLANT (WWTP) IMPROVEMENTS | CITY OF TOMBALL (PRIME)



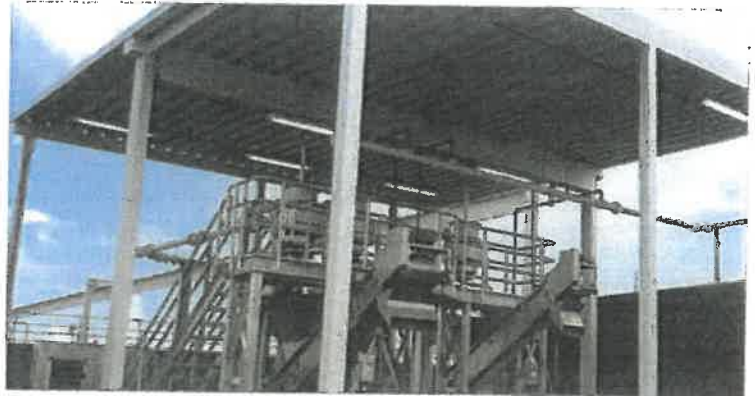
FNI conducted a risk-based condition assessment of the City's North and South WWTPs to determine the plants' critical needs. Each treatment unit at the plant was given a score based on its physical condition and criticality to the plant's operation, which helped prioritize the rehabilitation in phases.

FNI is currently designing the critical improvements to the WWTPs. Improvements at the North WWTP include: replacing the mechanism in two clarifiers, including the scum baffle, trough and spray system; replacing the aged and outdated motor control centers; and replacing the lift stations and associated piping and valves. Improvements at the South WWTP include: replacing the existing non-functioning, non-potable water system; installing variable frequency drives (VFDs) on the horizontal disc aerator rotors; and expanding the administration building to include space for a new break room.

MULTIPLE WWTP IMPROVEMENTS | CITY OF HOUSTON (PRIME)

FNI provided a condition assessment, treatment alternatives evaluation and design of improvements to the treatment and support systems at Metro Central, Braes Bayou, White Oak and Kingwood West WWTPs for the City of Houston. The project included the following major components:

- Replacement of Non-Potable Water (NPW) System and distribution system
- Installation of motor operated valves on clarifier inlet gates
- Replacement of structural supports for the air header/catwalk for aeration basins
- Installation of a new bar screen in a prefabricated steel channel
- Installation of floating tube decanters in aerobic digester basins for decanting
- Replacement of lift station pumps



FNI designed a new bar screen in a pre-fabricated steel channel for the Kingwood West headworks facility. The proposed design retrofitted a bar screen at a headworks that was originally designed for rotary drum screens and did not have concrete channels. FNI's innovative approach increased capacity of the headworks without the need for additional real estate and improved performance and annual O&M savings.

FUNDING

Traditional public financing for public service infrastructure is mature, well-established and utilized throughout the United States. Such infrastructure has historically been financed by public owners using 100 percent tax-exempt debt with tax revenue or user rate revenue used for the repayment of debt. Excepting bankruptcies and significant financial difficulties experienced by some public owners, municipal and governmental entities are credit-worthy entities capable of financing the infrastructure for these essential public services. Given an adequate underlying tax or rate base, financing capacity in and of itself is typically not a barrier or impediment. Coupled with this is the ability of public owners to avail themselves to any federal and/or state loan and grant programs. Grants are essential interest free money to offset infrastructure capital costs and governmental loan programs provide below market interest rates on debt to be used to pay for infrastructure capital costs.

Public owners looking to private financing move to the realm of public private partnerships (P3) where the financing is combined with the design and construction and most often operation and/or maintenance (O&M) of the infrastructure under a long-term P3 agreement. Infrastructures with a sophisticated or involved O&M regimen are likely candidates for a P3 with private financing.

Another consideration is the cost of capital with a private financing. This is an important figure and represents the interest rate in the case of debt and a rate of return in the case of equity. Virtually all private financing will have a debt to equity ratio and the cost of capital will be the debt to equity blended rate. This results in the cost of capital with a private financing being higher than the cost of capital with municipal financing. While the cost of capital is an important financial consideration, it is also one of the most confusing. Many people consider that the cost of capital for a privately financed P3 has a higher cost of capital than 100 percent tax-exempt public financing and conclude that a P3 is not a viable option. The cost of capital is only one component of the P3 value for money analysis when assessing the viability of a P3. A P3 can be delivered at a lower total cost or justified based on other reasons which is why the cost of capital cannot alone drive the P3 decision.



There are other benefits for including a private financing in a P3 that must be carefully considered. A private financing brings a higher level of focus from equity participants and lenders as the continued uninterrupted revenue stream is paramount for a successful P3. The services have to be provided on a continuous reliable basis at the required quality metrics which makes the operation, maintenance, repair and replacement of the infrastructure so important. A private financing has no impact to the owner’s borrowing capacity and can preserve market access and credit rating for other as important municipal capital and public service programs. Lastly, private financing can include a concession up-front payment that the public owner can use for meeting other municipal needs and obligations.

FNI can assess a capital infrastructure project’s P3 viability in a preliminary manner to determine if it is justified to undertake a deeper evaluation as to its viability. If P3 viability is evidenced, FNI can serve as part of the City’s advisory team which would include legal and financial advisors to further justify the viability and undertake the procurement and contracting functions.

City of Kerrville | Legion Lift Station CWSRF Funding | Kerrville, Texas (Prime)

Public funding through Texas Water Development Board. Low interest loan and local grant for planning, acquisition, design and construction.

City of Corpus Christi | Owner’s Representative Services for Industrial Seawater Desalination | Corpus Christi, Texas (Prime)

Private funding for study.

North Harris County Regional Water Authority | SWIFT Application Support | Houston, Texas (Prime)

Public funding through Texas Water Development Board. Low interest loan for planning, acquisition, design and construction.

MUNICIPALITY EXPERIENCE		
» City of Alvin	» City of Galveston	» City of Pearland
» City of Angleton	» City of Garland	» City of Richmond
» City of Buda	» City of Huntsville	» City of San Marcos
» City of College Station	» City of Houston	» City of Sugar Land
» City of Conroe	» City of Irving	» City of Tomball
» City of Fort Worth	» City of Kerrville	» City of Webster
» City of Fredericksburg	» City of Killeen	» City of La Porte
» City of Friendswood	» City of League City	» The Woodlands
» City of Frisco	» City of Missouri City	» Brazoria County

RELEVANT MUNICIPAL EXPERIENCE

Project Name Municipality	Date	Project Type	Construction Cost	Municipal Contact
SH 288 Managed Lanes Brazoria County	12/2018	Drainage Design, Reconstruction	\$20 million	Matt Hanks, 281-756-1265, matth@brazoria-county.com
Krenek Road Improvements Harris County	11/2016	Drainage Design, Reconstruction, Traffic Control	\$612,800	Chip Taylor, 713-755-7104, chip.taylor@hcpid.org
Butler Road Extension City of League City	8/2014	W/WW Utilities, Drainage Design, Traffic Control	\$664,000	Bob Morrison, 281-554-1000, bobby.morrison@leaguecity.com
Southpark and Southcrest Paving/ Drainage City of Houston	1/2018	Storm water, water line, sidewalk improvements, construction management	\$11 million	Mohammad Zaheri, PE, 832-395-2401, mohammad.zaheri@houstontx.gov
Minnetex Place Paving/Drainage City of Houston	3/2018	Construction management, sewer, water, roadway and storm water	\$16 million	Mohammad Zaheri, PE, 832-395-2401, mohammad.zaheri@houstontx.gov
Sims Bayou South WWTP Improvements City of Houston	10/2015	New 190-MGD Grit Removal System and Bar Screen Improvements	\$7 million	Iraj Ranjbar, PE, 713-837-7392, iraj.ranjbar@houstontx.gov
Metro Central, Upper Braes, White Oak, Kingwood West WWTPs Improvements City of Houston	8/2017	Improvements to headworks, influent lift station, aeration basins and non-potable water systems	\$4.3 million	Bill Zod, PE, 713-837-7352, bill.zod@houstontx.gov
Hopkins Street Reconstruction and Drainage City of San Marcos	1/2017	Street reconstruction, drainage, ADA compliance, traffic	\$13.8 million	Richard Reynosa, PE, CFM, 512-393-8235, rreynosa@sanmarcostx.gov
53rd Street Reconstruction City of Galveston	9/2016	Storm sewer, roadway, water line replacement, sidewalks	\$8.9 million	Daniel Christodoss, PE, 409-797-3960, dchristodoss@galvestontx.gov
Staffordshire Road and Independence Boulevard Reconstruction City of Missouri City	3/2019	Design of 4-lane divided and 3-lane roadways, including storm system, signals and sidewalks	\$7.1 million	Mark Law, 281-403-8539, mlaw@missouricitytx.gov
City-Wide Drainage Master Plan City of Fredericksburg	9/2016	Drainage master plan	N/A	Clinton Bailey, PE, 830-997-7521, cbailey@fbgtx.org
Drainage Master Plan City of College Station	2/2019	Drainage master plan	N/A	Donald Harmon, Jr., PE, PMP, 979-764-3795, dharmon@cstx.gov
Pearland Heights Lift Station City of Pearland	9/2018	Feasibility study, sanitary sewer	\$194,052	Jaime Dino, 281-652-1747, jdino@pearlandtx.gov
Dyche Lane 0.5-MG Elevated Storage Tank City of Alvin	3/2018	Design and construction phase services for composite elevated storage tank	\$1.8 million	Michelle Segovia, PE, CFM, 281-388-4341, msego-via@cityofalvin.com
US 59 Water Line and Force Main Improvements City of Sugar Land	8/2016	Water lines, utilities	\$849,400	Greg Nichols, 281-275-2454, gnich-ols@sugarlandtx.gov



REFERENCES

City of Pearland

Jennifer Lee
Senior Project Manager
281-652-1760
jlee@pearlandtx.gov

Years of service: 40

Description of services provided: FNI has a long history with the City of Pearland. FNI has worked with the City providing preliminary and design engineering, construction phase services and studies. FNI's projects in Pearland include roadways, drainage, water and wastewater line designs, lift stations, traffic design, water and wastewater impact fee studies, feasibility studies and urban design services.

City of Huntsville

Y.S. "Ram" Ramachandra
City Engineer
936-294-5760
yramachandra@huntsvilletx.gov

Years of service: 4

Description of services provided: FNI has worked with the City of Huntsville since 2015 on the planning and implementation of their water and wastewater capital improvement plan. FNI projects in Huntsville include water and wastewater master plans, wastewater permitting, water storage tanks, pump station and pipeline design, wastewater lift stations and force main and gravity interceptor pipeline design.

City of League City

John Baumgartner
City Manager
281-554-1414
john.baumgartner@leaguecitytx.gov
Years of service: 5

Description of services provided: FNI is providing engineering and management services to the City's CIP management department. Services include consultants' proposal review, PS&E reviews, staff mentoring, lunch and learn classes, coordination with other City departments, assisting project managers on managing their CIP projects, review of engineering and construction change orders, review and optimizing processes and procedures.

City of Port Arthur

Ron Burton
Assistant City Manager
409-983-8100
ron.burton@portarthurtx.gov

Years of service: 4

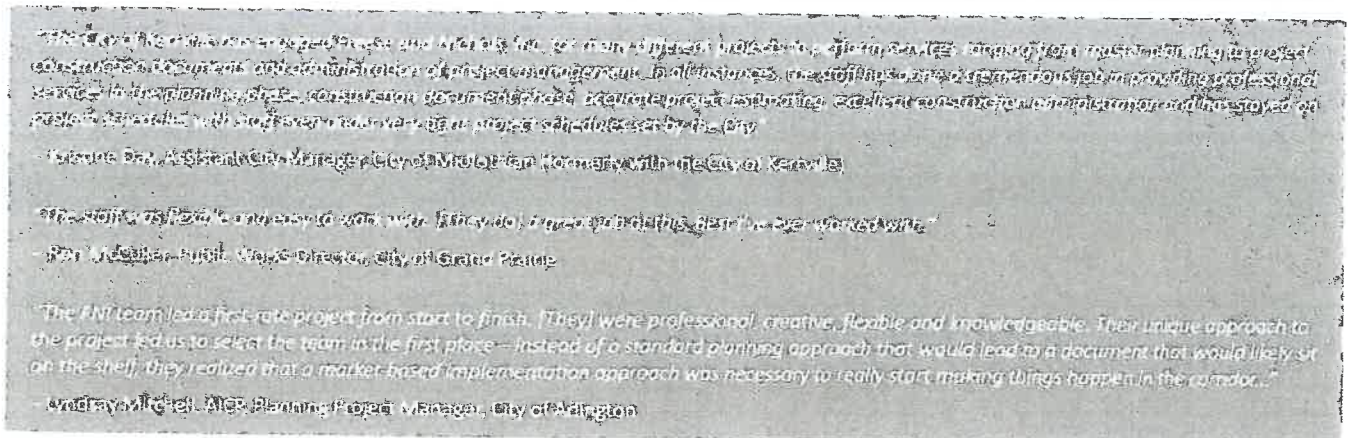
Description of services provided: FNI has worked with the City of Port Arthur since 2015. Projects include a comprehensive plan, downtown plan, WWTP and CIP development.

City of Alvin

Michelle Segovia
City Engineer
281-388-4341
msegovia@cityofalvin.com

Years of service: 17

Description of services provided: FNI has worked with the City of Alvin since 2002 on projects including water/wastewater design and construction, street paving and drainage and utility master plans.





April 16, 2019

Tim Kelty, City Manager
City of Freeport
200 West Second Street
Freeport, Texas 77541

John Baumgartner, P.E.
City Manager
300 W Walker
League City, TX 77573

Main: 281.554.1000
Direct: 281.554.1414
Fax: 281.554.1410

www.leaguecity.com

Dear Tim,

I understand the City of Freeport is considering contracting with Freese and Nichols, Inc. and more specifically Ron Bavarian, P.E., to provide city engineering services.

The City of League City currently has a contract with Freese and Nichols, Inc. to provide CIP Project Management Assistance Services, with Ron Bavarian assigned to provide this service.

Ron has more than 40 years of experience in municipal, CIP infrastructure design and construction. He has worked closely with many members of our staff reviewing scopes and fees from consultants, milestone plans, design and construction change orders, and project schedules. In addition, he has provided technical and management mentoring to our project managers, provided training classes to our staff, and is assisting us in standardizing some project management processes and procedures. He meets regularly with our Project Management Staff as a group and one-on-one, providing guidance and helping to keep our 5-year-\$200 million CIP program on schedule and within budget. He also provides assistance on regulatory, permitting, and other issues.

Freese and Nichols, Inc. through Ron Bavarian has acted as an extension of our staff and is an asset to our Project Management Department.

I have worked with members of Freese and Nichols, Inc. for 30 years and without hesitation would recommend them, and specifically Ron Bavarian, to provide city engineering services to local government.

I am available by phone or email if you have specific questions.

Regards,



John Baumgartner,
City Manager



OUR GUIDING PRINCIPLES

- We are ethical
- We deliver quality
- We are responsive
- We add value
- We improve continuously
- We are innovative
- We develop professionally
- We respect others
- We appreciate our clients and fellow employees
- We give back to our communities



11200 Broadway Street, Suite 2320
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832-456-4700
www.freese.com