



**AGENDA
REGULAR MEETING
FREEPORT CITY COUNCIL
MONDAY, AUGUST 5, 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 5th DAY OF AUGUST 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 this 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.

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

1. Brazosport Independent School District Annual Report – Danny Massey

COUNCIL BUSINESS – REGULAR SESSION:

2. Consideration and possible action on the approval of City Council meeting minutes from July 15, 2019. (Tolar) Pg. 1091-1095

3. Discuss and consider replacement of a current board member of the Freeport Economic Development Corporation with the appointment of Councilman Ken Green to that board. **(Kelty)** Pg. 1096
4. Discuss and consider authorizing the city to conduct engineering design by Freese & Nichols for sewer line replacement on North Velasco Boulevard and lift station rehabilitation for lift stations #5 and #13. **(Kelty)** Pg. 1097-1103
5. Discuss and consider authorizing Freese & Nichols to conduct a lift station assessment. **(Kelty)** Pg. 1104-1109
6. Discuss and consider approving Resolution No. 2019-2602 denial of application for authority to increase rates submitted by Centerpoint Electric. **(Kelty)** Pg. 1110-1116
7. Discuss and consider approving the proposal for the replacement of the HVAC unit at RiverPlace and accompanying maintenance agreement. **(Townsend)** Pg.1117-1134
8. Discuss and consider authorizing Block 716 Lot 17 (1209 North Ave. N) to be declared surplus and authorize the city to seek sealed bids for the property and set a bid date. **(Tolar)** Pg. 1135-1139
9. Consideration of approving an Interlocal Agreement between City of Freeport and the Brazoria County Health Department. **(Motley)** Pg.1140-1144
10. Consideration and possible action on authorization of expenditure for material costs related to Brazoria County Interlocal agreement for asphalt paving of City Streets. **(Hoelewyn)** Pg.1145-1152
11. Consideration of Ordinance No. 2019-2578 adopting an amendment to the budget for the 2018-2019 fiscal year. **(Russell)** Pg. 1153-1160

WORK SESSION:

12. 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:

13. Executive Session regarding economic development (Projects 2019-2 and 2019-3) in accordance with Vernon's Texas Government Code Annotated, Chapter 551, 551.087

COUNCIL BUSINESS – REGULAR SESSION:

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

ADJOURNMENT:

15. 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 2nd day of August, 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 Monday, July 15, 2019 at 6:00 p.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
Chris Duncan, City Attorney
Nat Hickey, Property Manager
Brian Dybala, Golf Course Director
Kim Townsend, Parks Director
Chris Motley, Fire Chief
Ray Garivey, Police Chief
Stephanie Russell, Finance Director
Loni Kershaw, Human Resources Director
Courtland Holman, Economic Development Director
Billy Shoemaker, Building Department Director
Mike Praslicka, EMS Coordinator
Kristi Mercado, Police Department
Jerry Meeks, Veolia
Eddie Norris, Street Department

Visitors:

Kenny Hayes	Donna Hayes
Desiree Pearson	Sabrina Brimage
Sam Reyna	Nicole Mireles
Paul Crow	Jasen Gast
Melanie Oldham	

Call to order.

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

On a motion by Councilman Bass, seconded by Councilman Green, with all present voting "Aye", Council unanimously approved suspending the City Council meeting and calling the Freeport Employee Benefit Trust to order.

At 6:10 pm the City Council meeting reconvened.

Citizen's Comments

Resident Jasen Gast spoke regarding the Billfish Classic to introduce the fishing tournament to council and the public. Mr. Gast stated that they are the leading 501C3 that pushes conservation. They are a member of the Freedom Alliance that takes handicapped veterans fishing.

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

Certificate presentation to Ray Garivey for the TPCA Best Practices Program

West Columbia Police Chief Paul Odin presented Chief Ray Garivey a certificate for the department's TPCA Best Practices Program

Employee of the Month.

City employee Eddie Norris was presented with a certificate recognizing him as Employee of the Month for June 2019

Presentation of second quarter financials.

Finance Director Stephanie Russell presented to council the second quarter 2018-2019 financials

CONSENT AGENDA

Consideration and possible action on the approval of City Council meeting minutes from July 1, 2019.

Consider and approving Resolution No. 2019-2599 adopting the actions of the City of Freeport Employee Benefit Trust

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

REGULAR SESSION

Consideration of approving Ordinance No. 2019-2577 amending Chapter 153, Flood Damage Prevention, of the Code of Ordinances adopting a new article regulating levees and the levee system

Building Department Director Billy Shoemaker stated that any modification or construction involving the levee would require a permit and would be required to meet Velasco Drainage District standards.

City Manager Tim Kelty said that currently there is no regulation and the city needs authority to protect the levee.

City Attorney Chris Duncan stated that there would be criminal penalties.

Mr. Shoemaker added that Velasco Drainage District does not have the ability to write tickets.

On a motion by Councilman Bass, seconded by Councilman Green, with all present voting "Aye", Council unanimously approved Ordinance No. 2019-2577 amending Chapter 153, Flood Damage Prevention, of the Code of Ordinances adopting a new article regulating levees and the levee system.

Consideration of approving Resolution No. 2019-2600 regarding the City's pay policy for employees during emergencies

Fire Chief Chris Motley stated that the purpose of this resolution was for FEMA reimbursement. He stated it would require a emergency order signed by the mayor. He added that it is the same policy that is adopted by Brazoria County.

Chief Motley stated that the County has been reimbursed three times after passing this policy.

On a motion by Councilman Bass, seconded by Councilwoman Loeza, with all present voting "Aye", Council unanimously approved Resolution No. 2019-2600 regarding the City's pay policy for employees during emergencies.

Discuss and consider approving the cost of proposed repairs to the Mystery Boat

Parks Director Kim Townsend stated that the Mystery Boat was falling apart and several different options for repair had been examined.

The approved contractor would kill the mold, and clean the interior and apply a poly foam to repair the boat. The outriggers are not included in the \$30,987 cost estimate.

Mr. Kelty added that this repair was not budgeted.

Ms. Townsend stated that foam would be applied and expecting to have volunteers to paint the exterior.

On a motion by Councilman Green, seconded by Councilwoman Loeza, with all with all present voting 3 to 1, Council approved the cost of proposed repairs to the Mystery Boat. Councilman Yates opposed.

Consideration of approving Resolution No. 2019-2601 requesting the City to participate in the Texas Interlocal Purchasing System (TIPS) and naming the City Manager as the Authorized Person

Finance Director Stephanie Russell stated that this cooperative purchase program is used by a lot of school districts. She stated that it should save us time and money.

On a motion by Councilman Bass, seconded by Councilwoman Loeza, with all present voting "Aye", Council unanimously approved Resolution No. 2019-2601 requesting the City to participate in the Texas Interlocal Purchasing System (TIPS) and naming the City Manager as the Authorized Person

Discuss and consider approving the cost to reroof the Freeport Historical Museum/Brazosport College and Hickey House located at 212 West Park

Mr. Kelty stated that both of these buildings have leases and he added that he was familiar with the proposed product. He added that it has to be fixed and the cost can be offset by the lease revenue.

On a motion by Councilman Bass, seconded by Councilwoman Loeza, with all present voting "Aye", Council unanimously approved cost to reroof the Freeport Historical Museum/Brazosport College and Hickey House located at 212 West Park.

Discuss and consider authorizing the city to conduct a water/sewer rate study

Finance Director Stephanie Russell stated that Freese & Nichols would be tasked to complete this water/sewer rate study. The rate study should cost approximately \$54,500.

Mr. Kelty said that the price was in line with what was expected.

On a motion by Councilman Yates, seconded by Councilman Bass, with all present voting "Aye", Council unanimously approved authorizing the city to conduct a water/sewer rate study.

Consideration and possible action on approval of proposal for preparation of a Feasibility Study for relocation and consolidation of most City Services to O.A. Fleming Campus

This item was tabled.

WORK SESSION:

Mayor Brimage announced that the concrete was poured and the lights were getting installed.

Councilman Ken Green spoke regarding a storm drain that was missing the bars and allowed debris to enter the storm system.

Councilman Brooks Bass expressed concern regarding flooding on Velasco from 2nd to the catholic church. He questioned the status of the pump station. He added that Acacia Circle residents have issues flushing their toilets during rains.

Councilwoman Loeza asked that installation of ceiling fans at FMP pavilion be looked at as to cool down folks using the park. Parks Director Kim Townsend stated that it has been submitted for the 2019-2020 budget. She added that Jack in the Box had really high grass. Councilwoman Loeza asked about the status of the street repairs on Yellowstone, Pecan, Yaupon and Victoria. Mr. Kelty said that the county would be doing the asphalted streets.

Councilman Yates stated that there was a big mess of dirt around the new home being built on Avenue A. Mr. Yates also asked about the Wong projections.

City Manager Tim Kelty recognized Human Resources Director Loni Kershaw as this would be her last council meeting before she retires.

Update on reports / concerns from Department heads

Parks Director Kim Townsend announced that the engraved pavers have been installed at the splash park.

Golf Course Director Brian Dybala said that there would be a Project Graduation tournament on July 27, 2019.

Fire Chief Chris Motley announced that Freeport LNG would be flaring as part of the plant commissioning. He added that the community block grant had been posted publicly at City Hall

Open session was closed at 7:20 pm and Council entered into Executive Session.

CLOSED SESSION:

Executive Session regarding economic development (Projects 2019-2 and 2019-3) in accordance with Vernon's Texas Government Code Annotated, Chapter 551, 551.087

REGULAR SESSION

Mayor Troy Brimage opened regular session at 7:46 pm

Consideration in open session of taking action on any matter discussed in closed executive session

No action taken.

Adjourn

On a motion by Councilman Bass, seconded by Councilman Green, with all present voting "Aye", Mayor Brimage adjourned the meeting at 7:47 PM.

Mayor, Troy Brimage
City of Freeport, Texas

Assistant City Secretary, Laura Tolar
City of Freeport, Texas



City Council Agenda Item #3

Title: Consideration and possible action on Appointment of Councilman Ken Green to EDC Board.

Date: 08/5/2019

From: Tim Kelty, City Manager

Staff Recommendation: Staff recommends Council act on request by Councilman Green to be appointed to the EDC Board.

Item Summary: The EDC Board is made up of 7 board members appointed by Council. Their role is to oversee the Economic Development Efforts of the City. Board members serve at the pleasure of the City Council for two-year terms and may be removed for any or no reason.

Councilman Green has requested that this item be place on the agenda for Council Consideration.

It is not uncommon for an elected official to be appointed to serve on EDC Board.

Background Information: None

Special Considerations: Councilman Green has been the City Council Liaison to the EDC since is election to office. He regularly attends all EDC Board meeting, however there has often been an issue in regard to his being excluded from Executive session of the EDC where he feels it is important, as the Council Liaison, that he be included.

Board or 3rd Party recommendation: None

Financial Impact: None

Supporting Documentation: None

Supporting Documentation: Freese and Nichols task authorization #3



PROFESSIONAL SERVICES AGREEMENT – ATTACHMENT A
TASK AUTHORIZATION

City of Freeport
City Hall
200 West 2nd Street
Freeport, TX 77541

FNI PROJECT (PROJECT/PHASE/TASK)
DATE: 7/26/2019

This authorization is in accordance with the terms and conditions outlined in the Master Agreement executed on June 17, 2019 and expires on June 17, 2020.

Project Name: Lift Station No. 5 & 13 Rehab and Sewer Line Replacement

Description of Services: Services are described in Attachment B.

Deliverables: 90% Design and 100% Design submittals.

Schedule: 90% Design to be provided 30 days after Notice to Proceed. 100% Design to be provided 15 days after receipt of City comments on 90% submittal.

Compensation shall be: A lump sum amount of Twenty-Four Thousand Six Hundred Dollars (\$24,600.00).

All other provisions, terms and conditions of the Professional Services Agreement which are not expressly amended shall remain in full force and effect.

FREESE AND NICHOLS, INC.

CITY OF FREEPORT, TEXAS

BY: *Mehran Bavarian*

BY: _____

Mehran (Ron) Bavarian
Print Name

Print Name

TITLE: Associate

TITLE: _____

DATE: 7-26-19

DATE: _____

City of Freeport
Lift Station No. 5 & 13 Rehab and Sewer Line Replacement
Task Order #3

SCOPE OF SERVICES

Project Understanding:

Freese and Nichols, Inc. (FNI) will design lift station rehabs for Lift Station No. 5 and 13 and replacement of a section of existing sewer line for the City of Freeport (City). Assessment and recommendations for improvement were provided by Veolia. Work under this task order will address immediate needs identified by Veolia. A full condition assessment of City lift stations, including No. 5 and 13, will be performed by FNI at a later date. Recommendations from that assessment may require additional work at these lift stations. The sewer line to be replaced is along 8th St. from Maple St. to Oak St.

ARTICLE I

TASK A: FINAL DESIGN

A1. Project Management

FNI will provide overall project management of team members, quality control/quality assurance, and monthly reporting. FNI will perform one (1) site visit to verify site conditions. FNI will review available as-built plans to incorporate into the design.

A2. Lift Station Rehab Design

FNI will prepare drawings, specifications, and construction contract documents of the proposed improvements including:

- Lining of the Lift Station No. 5 & 13 wet wells;
- Replacement of Discharge/Suction Piping at Lift Station No. 5 & 13 as necessary;
- Preparation of bypass pumping requirements for construction.

A3. Sewer Line Replacement Design

FNI will prepare drawings, specifications, and construction contract documents of the proposed improvements including

- Map showing segments of sewer line to be replaced
- Specifications for pipe materials
- Preparation of bypass pumping requirements for construction.

FNI will provide one bid package for the lift station rehabs and sewer line replacement. Deliverables will be provided at 90% for review and 100% to issue for bids.

TASK B: BID PHASE

B1. Assist in Securing Bids

Assist City in securing bids. Provide a Notice to Bidders to the City to use in notifying construction news publications and publishing appropriate legal notice. The cost for publications shall be paid by City.

B2. Provide Bid Documents

Provide Bid Documents in electronic format (pdf) for the City to utilize their electronic bid document distribution system. Post bid documents on CivCast for prospective bidders to download plans and submit questions.

B3. Respond to bidder questions

Assist City by responding to questions and interpreting bid documents. Prepare and issue addenda to the bid documents to plan holders if necessary.

B4. Pre-Bid Conference

Conduct a pre-bid conference for the construction projects and coordinate responses with City. Response to the pre-bid conference will be in the form of addenda issued after the conference.

B5. Review Bids and Recommend Award

Assist the City in the opening, tabulating, and analyzing the bids received. Review the qualification information provided by the apparent low bidder to determine if, based on the information available, they appear to be qualified to construct the project. Recommend award of contracts or other actions as appropriate to be taken by City. Pre-qualification of all prospective bidders and issuing a list of eligible bidders prior to the bid opening is an additional service.

B6. Attend City Council Meeting for Award

Attend City Council meeting and recommendation for award of Contract for Construction.

B7. Prepare Contract Documents

Assist City in the preparation of Construction Contract Documents for construction contracts. Provide five (5) sets of Construction Contract Documents which include information from the apparent low bidders bid documents, legal documents, and addenda bound in the documents for execution by the City and construction contractor. Distribute five (5) copies of these documents to the contractor with a notice of award that includes directions for the execution of these documents by the construction contractor. Additional sets of documents can be provided as an additional service.

TASK C: CONSTRUCTION PHASE

Upon completion of the bid phase services, FNI will proceed with the performance of construction phase services as described below. FNI will endeavor to protect CITY in providing these services however, it is understood that FNI does not guarantee the Contractor's performance, nor is FNI responsible for supervision of the Contractor's operation and employees. FNI shall not be responsible for the means, methods, techniques, sequences or procedures of construction selected by the Contractor, or any safety precautions and programs relating in any way to the condition of the premises, the work of the Contractor or any Subcontractor. FNI shall not be responsible for the acts or omissions of any person (except its own employees or agents) at the Project site or otherwise performing any of the work of the Project.

C1. Pre-Construction Meeting

Attend pre-construction meeting to provide information and answer questions.

C2. Review Submittals and RFIs

Review and comment on Construction's submittals, RFIs, RCOs including coordination with City on Change Directives and Change Orders.

C3. Review Pay Applications

Review and approve monthly pay applications coordinating with City.

C4. Interpret Documents

Provide interpretive guidance for Contractor and City in resolution of problems.

C5. Site Visits

Perform up to three (3) site visits to verify the contractor is in compliance with the contract documents or to discuss issues during construction. It is assumed that the CITY or Veolia will monitor the daily progress of the contractor.

C6. Substantial Completion

Coordinate with Project Manager to review progress of work for Substantial Completion; with production of punch list; substantiation that items are completed; and issue both Certificate of Substantial Completion and Final Acceptance.

C7. Final Payment

Issue letter to City recommending acceptance and release of final payment.

C8. Record Drawings

Provide Record Drawings from Contractor's As-Builts in electronic format (CD) and hard copy (2 copies of each).

Summary of Meetings & Presentations

- Pre-Bid Meeting
- City Council Meeting for Construction Award
- Pre-Construction Meeting
- Substantial Completion Walkthrough

Summary of Deliverables

- 90% Design
- 100% Design

Summary of Schedule

FNI is authorized to commence work on the Project upon execution of this Agreement and agrees to complete the services as follows:

- 90% Design - 30 Days after Notice to Proceed
- 100% Design - 20 Days after receiving City Comments on 90% Design

If FNI's services are delayed through no fault of FNI, FNI shall be entitled to adjust contract schedule consistent with the number of days of delay. These delays may include but are not limited to delays in City

or regulatory reviews, delays on the flow of information to be provided to FNI, governmental approvals, etc. These delays may result in an adjustment to compensation.

Summary of Fee

FNI shall perform the proposed scope of services based on rates based on those set in the Master Agreement. FNI proposes to conduct the design of Lift Station No. 5 & 13 Rehab and Sewer Line Replacement for a lump sum fee of \$24,600. A breakdown of the fee by task is the following:

City of Freeport Lift Station No. 5 & 13 Rehab & Sewer Line Replacement Summary of Fee by Task	
TASK A: FINAL DESIGN	\$12,370
TASK B: BID PHASE	\$4,800
TASK C: CONSTRUCTION PHASE	\$7,430
Project Total	\$24,600



City Council Agenda Item #5

Title: Consideration and possible action on task authorization with Freese and Nichols Engineering for Task Order #5 for Risk Based Assessment of City's 30 sanitary sewer lift stations.

Date: 08/5/2019

From: Tim Kelty, City Manager

Staff Recommendation: Staff recommends approval of this work by Freese and Nichols.

Item Summary: The sanitary sewer system for the city of freeport includes 30 lift stations. These are critical mechanical component nodes to the city's wastewater collection system that play a very important role in our ability to transport waste to the treatment plant. In preliminary investigation by Freese and Nichols they have found that all of the several that they have inspected are seriously in need of maintenance.

Under this work authorization Freese and Nichols will evaluate all 30 lift stations and individually and document all issues identified. That information will be evaluated, and a recommendation will be made on the criticality of all needed maintenance, providing the city with a priority list of improvements needed. The cost of this Lift Station Risk Assessment report is \$69,000

Background Information:

The 2015 TCEQ Voluntary Enforcement Agreement with the City recognized that a similar report had been prepared by Veolia back in 2013/2014 but no such report or identification of priorities has been found in any of our files or by Veolia. That report was supposed to be the initial basis for the City moving forward on rectifying identified issues.

It is anticipated that the preliminary draft of the report's findings will be available in October, 90 days following notice to proceed. The final report will be complete 2 weeks after that.

Special Considerations: This is 1 of likely 4 utility assessments that we will be proposing. We will also be looking at an assessment of: the water distribution system, the wastewater treatment plants, and lastly the sanitary sewer mains and collection system. From these assessments an overall Capital Improvement Plan for utility infrastructure will be developed.

Board or 3rd Party recommendation: None

Financial Impact: The cost of this authorization is \$62,000.

Supporting Documentation: Freese and Nichols task authorization #5



PROFESSIONAL SERVICES AGREEMENT – ATTACHMENT A
TASK AUTHORIZATION #5

City of Freeport
City Hall
200 West 2nd Street
Freeport, TX 77541

FNI PROJECT PROJECT/PHASE/TASK
DATE: 7/31/2019

This authorization is in accordance with the terms and conditions outlined in the Master Agreement executed on June 17, 2019 and expires on June 17, 2020.

Project Name: Lift Station Risk Based Assessment

Description of Services: Services are described in Attachment B.

Deliverables: Technical Memorandum – Lift Station RBA.


Schedule: Draft Technical Memorandum to be provided 90 days after Notice to Proceed. Final Technical Memorandum to be provided 15 days after workshop.

Compensation shall be: A lump sum amount of Sixty-nine Thousand Dollars (\$69,000.00).

All other provisions, terms and conditions of the Professional Services Agreement which are not expressly amended shall remain in full force and effect.

FREESE AND NICHOLS, INC.

CITY OF FREEPORT, TEXAS

BY: 
Mehran (Ron) Bavarian
Print Name

BY: _____

Print Name

TITLE: Associate

TITLE: _____

DATE: 8-1-19

DATE: _____

City of Freeport
Lift Station Risk Based Assessment
Task Order #5

SCOPE OF SERVICES

Project Understanding:

Freese and Nichols, Inc. (FNI) will conduct a risk-based assessment of all 30 of the City's existing lift stations in the collection system. The purpose of the risk-based assessment is to produce a more thorough lift station inventory and prioritize the rehabilitation of the highest risk lift stations based on condition and criticality criteria.

Assumptions:

1. GIS Mapping will be completed under Task Order #6.
2. Data from the Freeport Criticality Spreadsheet completed in December 2013 by Jerry Meeks and Sherrae Davis will be incorporated into the assessment.
3. No topographic survey will be included as a part of this scope of services.

ARTICLE I

TASK A: LIFT STATION ASSESSMENT

A1. Lift Station Risk-Based Assessment (RBA) Kickoff Meeting

Meet with City staff, including representative(s) from Veolia. FNI will discuss considerations for a draft scoring system for condition of lift station components and criticality of lift stations. Draft categories and weighting of each category will be discussed. City staff input will be solicited and utilized in the lift station risk-based assessment task.

A2. Develop Criteria and Scoring System for Risk-Based Assessment

Based on input from City staff, FNI will develop a draft scoring system for the condition of lift station components and criticality of lift stations.

A3. Lift Station Site Visits and Condition Scoring

An assessment team comprised of FNI staff and City personnel will visit 30 lift stations to assess the condition of the lift station components. FNI will compile a data sheet for each lift stations documenting the condition of each component in the evaluation. The lift station assessment team will include a minimum of four (4) people:

- Master Planning Engineer (FNI staff)
- Lift Station Design Engineer (FNI staff)
- Electrical Engineer (FNI staff)
- Lift Station Operations Personnel (Veolia)
- City Staff (Optional)

Condition scores will be assigned in the field for each scored component. Scored components could include, but are not limited to: electrical, instrumentation, pumps and motors, structure, piping and valves, and site.

A4. Lift Station Criticality Scoring

FNI will complete a desktop evaluation utilizing GIS tools to assign criticality scores to each lift station parameter. City staff input will also be considered. Criticality parameters could include but are not limited to: population served, proximity to high impact areas, and proximity to environmentally sensitive areas.

A5. Lift Station Consolidation Analysis

FNI will analyze opportunities for lift station consolidation. FNI will produce mapping of any identified lift station consolidation options. This will be done by desktop analysis only, opportunities for consolidation will be identified and presented to the City for further investigation under a separate task authorization.

A6. Lift Station Risk Score Development

FNI will utilize the condition and criticality scores to develop risk ratings for each evaluated lift station. The resulting risk ratings, along with the results of the hydraulic modeling, will be used to prioritize lift station renewal projects for the highest risk lift stations that do not need to be upsized due to capacity. Preliminary Opinion of Probable Construction Costs will be developed for each lift station recommended for improvement. A technical memorandum summarizing the results of the assessment and risk scores will be developed and submitted to the City for review and comment. This memo will ultimately be included as a part of the overall Sanitary Sewer Overflow Initiative (SSOI).

A7. Review Lift Station Risk-Based Assessment Results (Workshop)

FNI will meet with the City to present and discuss results of the lift station risk-based assessment. City comments will be solicited and addressed.

Summary of Meetings & Presentations

1. Lift Station RBA Kickoff Meeting
2. Review Lift Station Risk-Based Assessment Results (Workshop)

Summary of Deliverables

1. Draft Technical Memorandum – Lift Station RBA
2. Final Technical Memorandum – Lift Station RBA

Summary of Schedule

FNI is authorized to commence work on the Project upon execution of this Agreement and agrees to complete the services as follows:

1. Draft Technical Memorandum – 90 days after NTP
2. Final Technical Memorandum – 15 days after Workshop

If FNI's services are delayed through no fault of FNI, FNI shall be entitled to adjust contract schedule consistent with the number of days of delay. These delays may include but are not limited to delays in City or regulatory reviews, delays on the flow of information to be provided to FNI, governmental approvals, etc. These delays may result in an adjustment to compensation.

Summary of Fee

FNI shall perform the proposed scope of services based on rates based on those set in the Master Agreement. FNI proposes to conduct the Lift Station Risk Based Assessment for a lump sum fee of \$69,000. A breakdown of the fee by task is the following:

City of Freeport Lift Station Risk-Based Assessment Summary of Fee by Task	
TASK A1: LIFT STATION RISK-BASED ASSESSMENT (RBA) KICKOFF MEETING	\$6,100
TASK A2: DEVELOP CRITERIA AND SCORING SYSTEM FOR RISK-BASED ASSESSMENT	\$2,800
TASK A3: LIFT STATION SITE VISITS AND CONDITION SCORING	\$22,300
TASK A4: LIFT STATION CRITICALITY SCORING	\$14,300
TASK A5: LIFT STATION CONSOLIDATION ANALYSIS	\$8,300
TASK A6: LIFT STATION RISK SCORE DEVELOPMENT	\$10,700
TASK A7: REVIEW LIFT STATION RISK-BASED ASSESSMENT RESULTS (WORKSHOP)	\$4,500
Project Total	\$69,000



City Council Agenda Item #6

Title: Consideration and possible action on a Resolution denying the application of Centerpoint Energy for the authority to increase electric rates as submitted on April 5th.

Date: 08/5/2019

From: Tim Kelty, City Manager

Staff Recommendation: Staff recommends Council approve this Resolution.

Item Summary: The following summary was prepared by the City's legal representative of the TCUC.

ALLIANCE OF CENTERPOINT MUNICIPALITIES

The City of Freeport is a member of the Texas Coast Utilities Coalition ("TCUC") of cities. TCUC was organized by a number of municipalities served by CenterPoint Energy Resources Corp., Texas Coast Division ("CenterPoint") and has been represented by the law firm of Herrera Law & Associates, PLLC (through Mr. Alfred R. Herrera) to assist in reviewing applications to change rates submitted by CenterPoint.

PRIOR CITY ACTION

The City previously acted to suspend the effective date of CEHE's requested rate increase by 90 days. Contemporaneously with the City's prior action to suspend the rate increase, the City also: (1) authorized intervention in proceedings related to CEHE's proposed rate increase as a member of the coalition of cities known as the Texas Coast Utilities Coalition of Cities ("TCUC"); (2) directed CEHE to reimburse TCUC's rate case expenses; and (3) retained the law firm of Herrera Law and Associates, PLLC with respect to rate proceedings involving CEHE before the Public Utility Commission of Texas and courts of law and to retain consultants to review CEHE's rate application subject to TCUC's approval.

BACKGROUND

On April 5, 2019, CenterPoint Energy Houston Electric, LLC ("CEHE") filed an application to increase its retail rates by approximately \$154 million in annual revenue, or 7.4% in

comparison to current retail revenues.¹ This is CEHE's first comprehensive base rate proceeding since 2010. CEHE requested that its proposed increase in rates become effective on May 10, 2019. By earlier action the City suspended CEHE's requested effective date to August 8, 2019. The City must now take final action on CEHE's request to increase rates.

PUCT PROCEEDINGS:

On the same date CEHE filed its application to increase rates with the City, it filed the same application with the Public Utility Commission of Texas ("PUCT"). During the suspension period, the City participated in the proceedings, including hearings, at the PUCT through the coalition of cities known as the Texas Coast Utilities Coalition of cities ("TCUC"). TCUC engaged rate consultants and regulatory counsel to evaluate CEHE's proposal to increase rates and participated in the hearings held by the PUCT. The hearings regarding CEHE's application to increase rates recently concluded and the parties are awaiting the administrative law judges' ("ALJs") proposal for decision ("PFD"). The ALJs' proposal for decision will be presented to the commissioners at the PUCT in early to mid-October, 2019, for a final decision.

While there were numerous issues raised by CEHE's application to increase rates, TCUC focused on two key issues that standing alone have the greater effect on CEHE's proposed increase: CEHE's rate of return and its depreciation expense. With regard to CEHE's depreciation expense, TCUC's rate expert concluded that CEHE's depreciation expense should be decreased by about \$36.5 million.

Regarding CEHE's rate of return, TCUC's rate expert concluded that a rate of return of 6.22% was a reasonable return that would allow CEHE continued access to the capital markets to raise financing for its ongoing operations. By comparison, CEHE proposed a rate of return of 7.39%.

TCUC's rate expert's proposed rate of return is comprised of 60% long-term debt and 40% common equity; a cost of long-term debt of 4.38%; and a cost of equity (aka, return on equity) of 8.65%. By comparison, CEHE's rate of return is based on a capital structure of 50% long-term debt and 50% common equity; the same cost of long-term debt of 4.38%; and a cost of equity of 10.40%.

The effect of TCUC's expert's conclusion regarding CEHE's rate of return is a decrease of about \$96.1 million to CEHE's requested increase in rates. Combined, TCUC's conclusions regarding CEHE's depreciation expense and rate of return, equal a decrease to CEHE's *proposed increase* of about \$132.6 million.

In addition to TCUC's analysis, parties representing other municipalities in the proceeding before the PUCT also concluded that CEHE's requested increase was too high. Those parties

¹ CEHE also proposed to increase its wholesale revenues by approximately \$6.8 million or 1.8%. CEHE's wholesale rate increase if approved would have only an indirect impact on an end-use retail customer's bill.

proposed a decrease of about \$77.4 million to CEHE's proposed increase in rates. Added to TCUC's findings, TCUC and the other cities participating in the proceeding before the PUCT recommended that the PUCT reduce CEHE's proposed increase of \$161.1 million, by about \$210 million.

The effect of these recommendations is that TCUC and the other cities participating in CEHE's rate case at the PUCT, recommended to the PUCT that CEHE's *present revenue* be decreased by about \$145.9 million.

CITY JURISDICTION TO SET CEHE's RATES:

Municipalities have exclusive, original jurisdiction over an electric utility's rates, services, and operations within a city's boundaries. This means that for a utility like CEHE to change its rates it must seek approval to do so from the city in which it provides its service. Even if a city has ceded its jurisdiction to the PUCT, a city nonetheless has the statutory right to participate in rate proceedings before the PUCT.

But, the PUCT has appellate jurisdiction over rate-setting decisions a city makes. This means that CEHE may appeal to the PUCT, a city's decision regarding rates. CEHE will appeal the City's decision regarding rates to the PUCT.

RATE CASE EXPENSES

Cities, by statute, are entitled to recover their reasonable rate case expenses from the utility. The accompanying Resolution directs CEHE to continue to reimburse TCUC's rate case expenses on a monthly basis based on presentation of invoices from the cities.

DENIAL

The attached Resolution denies CEHE's proposed increase in revenue and changes in rates and directs CEHE to reimburse TCUC's rate case expenses.

RECOMMENDATION: DENY CEHE'S PROPOSED INCREASE

TCUC's lawyers and consultants' analyses found that CEHE's rates should be decreased. However, because: (1) the PUCT has appellate jurisdiction over the City's actions setting CEHE's rates; and (2) the rates the City sets would be in effect for only a short period, particularly given that the PUCT will issue its order setting CEHE's rates in October, 2019, TCUC's Special Counsel recommends that the City simply deny CEHE's proposed increase in rates.

Additionally, to do otherwise could cause significant confusion in the pricing of electricity by retail electric providers ("REPs"). The REPs are the entities that sell electricity service to end-use customers and have a direct relationship with the end-use customer. The REPs generally need from four to six weeks to change their billings to customers. Thus, requiring CEHE to change its rates consistent with TCUC's and the other cities' rate experts' findings pending CEHE's appeal to the PUCT, likely would not provide the REPs sufficient time to

adjust their billings to end-use customers, and likely would require the REPs to change their billings twice: once to conform their billings to the City's decision and again to conform their billings to the PUCT's decision.

A denial of CEHE's proposed increase maintains the status quo until the PUCT issues its final order regarding CEHE's rates and provides the REPs adequate time for the REPs to change their billings to end-use customers.

The City must take final action on CEHE's proposed increase by no later than August 8, 2019. *If the City does not take action by August 8, 2019, CEHE's proposed rates will be deemed approved by operation of law.*

Board or 3rd Party recommendation: This action is recommended by the Texas Coast Utilities Coalition

Financial Impact: None

Supporting Documentation: Resolution

RESOLUTION NO. 2019-2602

RESOLUTION BY THE CITY OF FREEPORT, TEXAS (“CITY”) DENYING THE APPLICATION OF THE CENTERPOINT ENERGY HOUSTON ELECTRIC LLC FOR AUTHORITY TO INCREASE RATES SUBMITTED ON OR ABOUT APRIL 5, 2019; REQUIRING THE REIMBURSEMENT OF MUNICIPAL RATE CASE EXPENSES; FINDING THAT THE MEETING COMPLIES WITH THE OPEN MEETINGS ACT; MAKING OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; AND DECLARING AN EFFECTIVE DATE

WHEREAS, CenterPoint Energy Houston Electric (“CEHE” or “Company”) filed a Statement of Intent with the City on or about April 5, 2019, to change its rates within the corporate limits of this municipality, specifically to increase its annual revenue for its retail transmission and distribution services by approximately \$154 million, which equates to an increase of approximately 7.4 percent, and by about \$6.8 million for its wholesale transmission service, which equates to an increase of approximately 1.8 percent; and

WHEREAS, the City is a regulatory authority under the Public Utility Regulatory Act (“PURA”) and under Chapter 33, §33.001 et seq. of PURA has exclusive original jurisdiction over CEHE’s rates, operations, and services within the municipality; and

WHEREAS, in order to maximize the efficient use of resources and expertise in reviewing, analyzing and investigating CEHE’s rate request and its changes in tariffs the City coordinated its efforts with a coalition of similarly situated municipalities known as Texas Coast Utilities Coalition (“TCUC”) of cities; and

WHEREAS, CEHE failed to establish that its overall revenue request resulted in no more than an amount that will permit CEHE a reasonable opportunity to earn a reasonable return on the utility’s invested capital used and useful in providing service to the public in excess of the utility’s reasonable and necessary operating expenses; and

WHEREAS, CEHE failed to establish that its proposed rates were just and reasonable; and

WHEREAS, the City has previously: (1) suspended CEHE’s proposed rate increase by 90 days; (2) authorized intervention in proceedings related to CEHE’s proposed rate increase as a member of the coalition of cities known as the Texas Coast Utilities Coalition of cities; (3) directed CEHE to reimburse TCUC’s rate case expenses; and (4) retained the law firm of Herrera Law & Associates, PLLC with respect to rate proceedings involving CEHE before the Public Utility Commission of Texas and courts

of law and to retain consultants to review CEHE's rate application subject to TCUC's approval.

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

Section 1. The findings set out in the preamble are in all things approved and incorporated herein as if fully set forth.

Section 2. CEHE failed to show that its proposed rates are just and reasonable.

Section 3. The City hereby **DENIES** CEHE's request to increase rates and in support of **DENIAL** finds that:

- a) CEHE failed in its burden of proof to establish that its requested increase in revenue or the changes set forth in its tariffs attached to CEHE's Statement of Intent to increase rates, results in just and reasonable rates;
- b) CEHE failed in its burden of proof to establish that adoption of its proposed rate base, expenses, investment, return on equity, and other rate issues as presented in CEHE's Statement of Intent to increase rates, result in just and reasonable rates.

Section 4. The City hereby orders CEHE to reimburse the City's rate case expenses as provided in the Public Utility Regulatory Act and that CEHE shall continue to do so on a monthly basis and within 30 days after submission of the City's invoices for the City's reasonable costs associated with the City's activities related to this rate review or to related proceedings involving CEHE before the City, the Public Utility Commission of Texas, or any court of law.

Section 5. The City, in coordination with the Steering Committee, delegates to the City Manager and/or the City Attorney, or designee of such office, review of the invoices of the lawyers and rate experts for reasonableness before submitting the invoices to CEHE for reimbursement.

Section 6. A copy of this resolution shall be sent to Mr. Alfred R. Herrera, Herrera Law & Associates, PLLC, 816 Congress Ave., Suite 950, Austin, Texas 78701, and a courtesy copy to Mr. Patrick H. Peters, III, Assistant General Counsel and Director of Regulatory Affairs, CenterPoint Energy, Inc., 1005 Congress Ave., Suite 650, Austin Texas 78701.

Section 7. The meeting at which this resolution was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 8. This resolution supersedes any prior inconsistent or conflicting resolution or ordinance.

Section 9. This resolution shall become effective from and after its passage.

PASSED AND APPROVED this _____ day of _____, 2019.

Mayor

ATTEST:

City Secretary



City Council Agenda Item #7

Title: New 60 Ton AC Chillers at River Place and maintenance agreement

Date: August 5, 2019

From: Kim Townsend- Parks Director

Staff Recommendation: Staff recommends council approve the purchase of a new Chiller for RiverPlace. We also recommend approving the accompanying annual mechanical services maintenance agreement

Item Summary: Under this proposal, Hunton Corporation would install a new 60 Ton Trane (CGAM060) Air Cooled Chiller at RiverPlace. The equipment would come with a 20-year warranty as long as we maintain a regular service maintenance agreement with them on this system. This equipment is necessary because the old system has failed multiple time in recent months and is currently non-operational. We currently are operating on a temporary system that that is being rented. Further rehab of existing equipment is no longer an option due to the fact that the old system will no longer be up to code. Coolant for these old systems will not be available after 2020.

Special Considerations: Hunton Services Analysts have made recommendations that are intended for occupancy comfort, facility improvements and will reduce the operating expenses with the new chillers. The City had an independent 3rd party Mechanical/Structural Engineer evaluate the proposed improvements, and the recommendation of Hunton Services was confirmed to be the city's best option.

Financial Impact: The cost of the equipment to be installed is \$310,000. This cost has been included in the proposed budget amendment presented by the Finance Director. RiverPlace is the one of the most popular rental venues in the Brazosport Area. RiverPlace is booked every Saturday for the next year and many week days. Revenue from this facility will help pay for this system over the years. The Mechanical Service Scheduled Maintenance agreement must go with the warranty as well.

Board or 3rd Party recommendation None

Supporting Documentation:

Hunton Services technicians recommendations and agreement,
DVO Engineering recommendation
Mechanical Services Scheduled Maintenance Agreement



High Performance Buildings for Life

City of Freeport Service Proposal

Authorized Warranty Service
TACLA009290C
MPL38267



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Houston, TX 77087

p. 713.643.8336
f. 713.583.6519

customerservice@huntingroup.com
www.huntonservices.com



Quote No. QUO-31482-K4P2K5
Date:

To: City of Freeport
288 West 2nd St.
Freeport, TX

Choice Facilities Contract # 14/021JN-05

Kim Townsend,

As the Trane™ Company's authorized service provider for southeast Texas, we are pleased to offer the following proposal:

Scope of work:

Budget pricing for two options at the City of Freeport – Riverside Place Community Center.

- **OPTION #1..... \$150,000 - \$155,000**
 - Recover the existing refrigerant charge from two (2) Dx split systems.
 - Demo and remove two (2) existing air handling units.
 - Remove/replace ceiling as needed for replacing the air handling units
 - Provide and install two new air handling units
 - Disconnect and reconnect the existing electrical without modification
 - Disconnect and reconnect the existing controls without modification
 - The existing York condensing units to remain "as-is"
 - Demo the exposed refrigerant lines
 - Provide and install new properly sized refrigerant lines
 - New refrigerant lines to be run overhead to avoid oil accumulation
 - The refrigerant lines highest point would be equal to the newly installed air handling units
 - Evacuate, charge and test unit operation
 - All work to be performed during normal business hours

- **OPTION #2..... \$300,000 - \$310,000**
 - Recover the existing refrigerant charge from two (2) Dx split systems.
 - Demo and haul off two (2) existing air handling units and their associated condensing units.
 - Provide and install two (2) new chilled water air handling units
 - Remove/replace ceiling as needed for replacing the air handling units
 - Provide and install one (1) Trane CGAM060 air cooled chiller, to include:
 - Factory mounted disconnect/breaker
 - Factory mounted expansion tank
 - Factory mounted volume tank
 - Factory mounted pump
 - Factory mounted flow switch
 - Factory mounted wye strainer
 - Coated coils
 - Elastomeric isolators

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- **Architectural louvers**
 - Price assumes that the main circuit panel can accept a large enough circuit breaker to provide required power to the new 60 ton air cooled chiller
 - Provide and install a new electrical feed (conduit and wire) from a new breaker, in the existing building panel, to the new chiller
 - Provide new 120 vac circuit to the new chiller for freeze protection
 - Provide one (1) new three-way, chilled water, control valve for each air handling unit
 - Provide and install new properly sized ERW, Carbon Steel, chilled water piping from the chiller to each of the air handling units.
 - Insulate the new chilled water piping with 2" phenolic insulation and an aluminum jacket
 - Provide and install a new control system for the chilled water system
 - Demo and haul off the existing exposed refrigerant lines
 - The new chilled water piping to be run underground between the chiller and the exterior wall.
 - Provide and install one (1) new backflow preventer; connected to the domestic water system in the building
 - Provide and install one (1) new PRV system and piping for chilled water make-up
 - Provide and install one (1) new chemical pot feeder with associated piping
 - Start up and test system operation
 - All work to be performed during normal business hours
- **Exclusions For Both Options:**
 - Taxes
 - Overtime
 - Temporary cooling
 - Expedited shipping and or compressed schedules

Exclusions:

1. The price does not include sales tax unless specifically stated below. Taxes will be billed in addition at the time of job completion unless Hunton Services is furnished a Tax Exemption Certificate.
2. This quotation is based on straight time labor unless indicated otherwise.
3. Any additional work not covered by the scope of this proposal will require written authorization by the customer before Hunton Services can proceed.
4. Water Treatment is not included.
5. Temporary Cooling is not included.
6. Building Automation or Controls are not included unless specified above.
7. All freight charges incurred by Hunton Services will be billed with a 15% surcharge.
8. This proposal is firm for thirty (30) days unless stated otherwise.
9. See 'Construction Terms and Conditions' for terms and conditions of sale.

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Steve Bayless
Service and Solutions Sales
5622 Luce St., Houston, TX 77087
Office: 713-643-8336
Mobile: 713-906-4082
Email: SBayless@huntinggroup.com



High Performance Buildings for Life

The proposal and the terms and conditions contained herein are accepted and Hunton Services is authorized to proceed with the work.

Customer: _____

By: _____

Title: _____

Date: _____

P.O. Number: _____

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CONSTRUCTION TERMS & CONDITIONS

Acceptance: A proposal made upon these terms is subject to acceptance within thirty days from date and the prices are subject to change without notice prior to acceptance by Customer. Any rebate from CenterPoint Energy has been accounted for in the price of this proposal; therefore, Hunton Services will retain any rebate funds. If your order is an acceptance of a written proposal, on a form provided by Hunton Services, without the addition of any other terms and conditions of sale or any other modification, this document shall be treated solely as an acknowledgment of such order, subject to credit approval. If your order is not such an acceptance, then this document is Hunton Services' offer, subject to credit approval, to provide the goods and/or Work solely in accordance with the following terms and conditions of sale.

Exclusions from Work: Hunton Services' obligation is limited to the Work as defined and does not include any modifications to the Premises under the Americans with Disabilities Act or any other law or building code(s).

Construction Procedures: Hunton Services shall supervise and direct the Work using its best skill and attention and have exclusive control over construction means, methods, techniques, sequences and procedures.

Payment Terms: Customer shall pay Hunton Services invoices within net thirty (30) days of invoice date. Hunton Services may invoice Customer for all equipment or material furnished, whether delivered to the installation site or to an off-site storage facility and for all work performed on-site or off-site. No retention shall be withheld from any payments except as expressly agreed in writing by Hunton Services, in which case retention shall be reduced per the contract documents and released no later than the date of substantial completion. If payment is not received as required hereby, Hunton Services may suspend performance and the time for completion shall be extended for a reasonable period of time not less than the period of suspension. Customer shall be liable to Hunton Services for all reasonable shutdown, standby and start-up costs as a result of the suspension. All amounts outstanding 10 days beyond the due date are subject to a service charge not to exceed 1.5% of the principal amount due or the maximum allowable legal interest rate, retroactive to the due date. Customer shall pay all costs (including attorneys' fees) incurred by Hunton Services in attempting to collect amounts due and otherwise enforcing these terms and conditions.

Time For Completion: Except to the extent otherwise expressly agreed in writing signed by an authorized representative of Hunton Services, all dates provided by Hunton Services or its representatives for commencement, progress or completion are estimates only. While Hunton Services shall use commercially reasonable efforts to meet such estimated dates, Hunton Services shall not be responsible for any damages for its failure to do so.

Access: Hunton Services and its contractors or subcontractors shall be provided access to the Premises during regular business hours, or such other hours as may be requested by Hunton Services and acceptable to the Premises' owner or tenant for the performance of the Work, including sufficient areas for staging, mobilization, and storage. Hunton Services' access to correct any emergency condition shall not be restricted.

Permits and Governmental Fees: Hunton Services shall secure (with Customer's assistance) and pay for building and other permits and governmental fees, licenses, and inspections necessary for proper performance and completion of the Work, which are legally required when bids from Hunton Services' subcontractors are received, negotiations thereon concluded, or the effective date of a relevant Change Order, whichever is later. Customer is responsible for necessary approvals, easements, assessments and charges for construction, use or occupancy of permanent structures or for permanent changes to existing facilities.

Utilities during Construction: Hunton Services shall be provided without charge all water, heat, and utilities during performance of the Work.

Concealed Or Unknown Conditions: In the performance of the Work, if Hunton Services encounters conditions at the Premises that are (i) subsurface or otherwise concealed physical conditions that differ materially from those indicated on drawings expressly incorporated herein or (ii) unknown physical conditions of an unusual nature that differ materially from those conditions ordinarily found to exist and generally recognized as inherent in construction activities of the type and character as the Work, Hunton Services shall notify Customer of such conditions promptly, prior to significantly disturbing the same. If such conditions differ materially and cause an increase in Hunton Services' cost of, or time required for, performance of any part of the Work, Hunton Services shall be entitled to, and Customer shall consent by Change Order to, an equitable adjustment in the Contract Price, contract time, or both. Any loss contributed to, or aggravated by rust, mold, fungus, wet or dry rot and any resulting is always excluded under this contract however caused.

Asbestos and Hazardous Materials: Hunton Services' Work and other services in connection with this Agreement expressly excludes any identification, abatement, cleanup, control, disposal, removal or other work connected with asbestos, polychlorinated biphenyl ("PCB"), or other hazardous materials hereinafter, collectively, "Hazardous Materials". Customer warrants and represents that, except as set forth in a writing signed by Hunton Services, there are no Hazardous Materials on the Premises that will in any way affect Hunton Services' Work and Customer has disclosed to Hunton Services the existence and location of any Hazardous Materials in all areas within which Hunton Services will be performing the Work. Should Hunton Services become aware of or suspect the presence of Hazardous Materials, Hunton Services may immediately stop work in the affected area and shall notify Customer. Customer will be responsible for taking any and all action necessary to

correct the condition in accordance with all applicable laws and regulations. Customer shall be exclusively responsible for any claims.

including the payment thereof, arising out of or relating to any Hazardous Materials on or about the Premises, not brought onto the Premises by Hunton Services. Hunton Services shall be required to resume performance of the Work in the affected area only in the absence of Hazardous Materials or when the affected area has been rendered harmless. In no event shall Hunton Services be obligated to transport or handle Hazardous Material, to provide any notices to any governmental agency, or to examine the Premises for the presence of Hazardous Materials.

Conditions Beyond Control Of Parties: If Hunton Services shall be unable to carry out any material obligation under this Agreement due to events beyond its control, such as acts of God, governmental or judicial authority, insurrections, riots, labor disputes, labor or material shortages, fires, or explosions, this Agreement shall at Hunton Services' election (i) remain in effect but Hunton Services' obligations shall be suspended until the uncontrollable event terminates; or (ii) be terminated upon ten (10) days notice to Customer, in which event Customer shall pay Hunton Services for all parts of the Work furnished to the date of termination. Any loss consisting of, caused by, contributed to, or aggravated by rust, mold, fungus, wet or dry rot, and any resulting loss in always excluded under this contract, however caused.

Customer's Breach: Each of the following events or conditions shall constitute a breach by Customer and shall give Hunton Services the right, without an election of remedies, to terminate this Agreement by delivery of written notice declaring termination, upon which event Customer shall be liable to Hunton Services for all Work furnished to date and all damages sustained by Hunton Services (including lost profit and overhead): (1) Any failure by Customer to pay amounts due more than thirty (30) days after the date of the invoice therefor; or (2) Any failure by Customer to perform or comply with any material provision of this Agreement.

Indemnification: Hunton Services and Customer shall indemnify, defend and hold each other harmless from any and all claims, actions, costs, expenses, damages and liabilities, including reasonable attorneys' fees, resulting from death or bodily injury or damage to real or personal property, to the extent caused by the negligence or misconduct of their respective employees or other authorized agents in connection with their activities within the scope of this Agreement. However, neither party shall indemnify the other against claims, damages, expenses or liabilities to the extent attributable to the negligence or misconduct of the other party. If the parties are both at fault, the obligation to indemnify shall be proportional to their relative fault. The duty to indemnify will continue in full force and effect, notwithstanding the expiration or early termination hereof, with respect to any claims based on facts or conditions that occurred prior to expiration or termination. Notwithstanding any contrary provision, neither party shall be liable to the other for any special, incidental, consequential or punitive damages.

Workmanship And Equipment Warranty: Hunton Services warrants that, for a period of one year from the date of substantial completion (the "Warranty Period"), Trane equipment installed hereunder and Work (i) shall be free from defects in material, manufacture, and workmanship and (ii) shall have the capacities and ratings set forth in Trane's catalogs and bulletins; substantial completion shall be the earlier of the date that the Work is sufficiently complete so that Customer can utilize the Work for its intended use or the date that Customer receives beneficial use of the Work. For Trane equipment not installed by Hunton Services, the Warranty Period is the lesser of 12 months from initial start-up or 18 months from the date of shipment. If such defect is discovered within the Warranty Period, Hunton Services will correct the defect or furnish replacement equipment (or, at its option, parts therefor) and, if said equipment was installed pursuant hereto, labor associated with the replacement of parts or equipment not conforming to this warranty. No liability whatever shall attach to Hunton Services until said equipment and Work have been paid for in full and then said liability shall be limited to Hunton Services' cost to correct the defective Work and/or the purchase price of the equipment shown to be defective. Hunton Services' warranties expressly exclude any remedy for damage or defect caused by corrosion, erosion, or deterioration, abuse, modifications or repairs not performed by Hunton Services, improper operation, or normal wear and tear under normal usage. Hunton Services shall not be obligated to pay for the cost of lost refrigerant.

THE WARRANTY AND LIABILITY SET FORTH IN THE PRECEDING PARAGRAPH ARE IN LIEU OF ALL OTHER WARRANTIES AND LIABILITIES, WHETHER IN CONTRACT OR IN NEGLIGENCE, EXPRESS OR IMPLIED, IN LAW OR IN FACT, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR USE OR FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL HUNTON SERVICES BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES.

Assignment: Customer may not assign, transfer, or convey this Agreement, or any part hereof, or its right, title or interest herein, without the written consent of Hunton Services. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of Customer's successors and assigns.

Complete Agreement: This Agreement shall constitute the entire Agreement between both parties and this Agreement may not be amended, modified or terminated except by a writing signed by the parties hereto. No documents shall be incorporated herein by reference except to the extent Hunton Services is a signatory thereon.

Governing Laws: This shall be construed as an agreement in accordance with the laws of the State of Texas. Texas license #TACLA00929C. Regulated by The Texas Department of Licensing and Registration, P.O. Box 12157, Austin, TX 78711. 1-800-803-9202.

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Chillers: Air & Water Cooled

- Routine maintenance/Coil cleaning
- Complete turnkey replacements
- Vibration & oil analysis
- Eddy current testing
- Controls
- Routine operations log
- Annual stop inspection
- Tube brushing
- Major & minor repair work

Air Handling Units

- Complete Refurbishment vs Replacement
- Maintenance/Coil cleaning
- Alignment & vibration analysis
- Annual stop inspection
- Drain line & P-trap maintenance
- Major & minor repair work
- Annual pressure wash
- Complete turnkey retrofits

Air Distribution

- Variable air volume (VAV) maintenance
- All air handler types (AHU) R&M
- Fan coil repair & maintenance
- Laboratory fume hoods
- Spot coolers
- Complete turnkey retrofits

Plumbing

- Pipe Fabrication and Installation
- Water Efficiency Retrofits
- Service and Repairs
- Maintenance
- Preventative Maintenance
- Backflow Prevention
- Boiler Maintenance

Cooling Towers

- Routine maintenance
- Major & minor repair work/cleaning
- Annual stop inspection
- Vibration analysis
- Alignment
- Controls
- Complete turnkey retrofits

Building Automation Systems

- Open protocol, Internet based systems
- Connected buildings through fiber optics
- Hunton Smart Services
- Complete turnkey retrofits
- Building automation systems R&M
- Internet remote access
- Building control units (BCU)
- Thermostats/sensors
- Digital electronic/pneumatic
- Software programming
- Variable frequency drives (VFD)
- Retro-commissioning
- Energy management services

Rental Services

- Rental chillers
- Air conditioning units w/electric heat
- Portable air conditioning units
- Air handling units
- Cooling towers
- Diesel generators
- Transformers, pumps, flexible duct & hose
- Heaters, humidifiers & compressors

Refrigeration

- Ice machines
- Freezers/coolers - cafeterias & labs

Indoor Air Quality (IAQ)

- Air filtration - filters & maintenance
- Internal air duct inspection (robot)
- Air duct cleaning & sanitation
- Ultraviolet lighting
- Photo-catalytic filtration
- Dust collection & exhaust

Pumps and Valves

- Routine maintenance
- Chilled/condenser water valves
- Annual stop inspection
- Major & minor repair work
- Vibration analysis
- Alignment
- Controls
- Complete turnkey retrofits

Fabrication/Modification

- Explosion proofing Class I, Division II
- Weather proofing
- Structural skids & protective coatings
- Custom designed air handling systems
- & pressurization
- Packaged central plants
- Custom fabrication/modification

Industrial Plant Services

- Unitary HVAC Comfort Cooling
- Process Absorption Chillers
- Process Ammonia Chillers
- Process Centrifugal, Scroll and Screw Chillers
- Compound and Cascade Systems
- Multi-stage Centrifugal Systems (nominal and low pressure)
- Cooling Tower Repair
- Multi-stage Gas Compression

OEM Benefits

- We coordinate with National Trane to support you and your needs
- Firm and/or expedited delivery schedules
- Packaging with value added services/rebates
- Issue(s) or problem resolution
- Technical assistance (factory direct)
- Awareness of latest equipment and controls upgrades/updates
- OEM exclusive distributor and Trane Warranty Service Provider

Full Service Provider Benefits

- Energy solutions achieves greater value received yielding sustainable future value
- Increased coordination and tighter control through engineered systems integration
- Reduced operating costs
- Reduced downtime cost man hours spend by owner in oversight
- Extensive amount of expertise, knowledge, and experience; making Hunton Services a true full-service turnkey solutions and service provider

5622 Luce Street, Houston, TX 77087
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June 10, 2019

The City of Freeport Parks and Recreations
Atten: Director Kim Townsend
500 N. Brazosport Blvd.
Freeport, TX 77541



RE: City of Freeport RiverPlace, 733 Mystery Harbor Lane, Freeport, TX 77541

On May 29, 2019 Dawson Van Orden completed the requested evaluation of the mechanical systems at the above referenced location.

Overview and Observations:

The building space is presently being conditioned by two 30 Ton YORK dx split systems one manufactured in 2013 and the other in 2015. The indoor air handling units are approximately 15 years old and were originally designed for R-22 refrigerant and have been adapted to use R-410A at this time. It was discussed on site with the director of Parks and Recreation (Kim Townsend) that they have been experiencing issues with compressor failures on the condensing units. The issues and failures associated with this equipment are related to the installation of the original equipment. The original installation (R-22) routed the refrigerant lines below grade and into the building. The converted system (R-410A) uses a different oil and operates at much higher pressures than the original design. The underground portion of the piping creates a trap this will not allow for proper scavenging of oil back to the compressor and also is not conducive to the complete removal of all the original R-22 systems oil. The loss of oil along with the probable mixture of the oils is what is causing the premature compressor failures. This will continue to be an issue as long as the refrigerant piping remains installed in its current configuration. There is currently no code required outside air ducted to the air handling units. The exhaust for the restrooms was not complete and was missing a grille in one of the restrooms at the time of our inspection.

Recommendations:

1. Remove existing DX equipment entirely and replace with an air cooled chiller with pump package and new air handling units with electric heat, install outside air louvers and dampers and duct to each unit. All coils should be coated to ensure longevity of coil life. Utilize and keep all existing duct work. Chilled water piping could either be run underground into the building or routed overhead and placed on stanchions. Make needed repairs to restroom exhaust system. Once the project installation is completed the entire system should be both air and water balanced by either a NEBB or AABC certified test and balancing company. All coils should be coated to ensure longevity of coil life. This system on a coastal environment should give the city approximately 15 – 20 years of service if properly maintained.

1250 Wood Branch Park Dr, Suite 210 Houston, TX 77079 • (281) 293-7500 • www.dvoeng.com



2. Replace existing DX equipment with new DX equipment and route new refrigerant lines over head on stanchions. Install outside air lovers and dampers and duct to each unit. All coils should be coated to ensure longevity of coil life. Utilize and keep all existing duct work. Make needed repairs to restroom exhaust system. Once the project installation is completed the entire system should be both air and water balanced by either a NEBB or AABC certified test and balancing company. This system on a coastal environment should give the city approximately 15 years of service on air handling units and 5 – 8 years on condensing units if properly maintained.

General Notes:

1. Option one is the most efficient system and will allow for the best humidity control inside the building. It will require less maintenance and service and provide the best performance. The piping can be buried and concealed underground for aesthetics and any clearance issues.
2. Option two will be less efficient and will require more maintenance and service throughout its life cycle. The only way to route the piping would be to route overhead on stanchions and this will restrict clearances and will not be aesthetically pleasing.

Dawson Van Orden appreciates the opportunity to work with the City of Freeport on this and any future projects. We can provide or services for full design documents and construction administration upon request.

Respectfully,



Robert Alford
Construction Administration Manager

Houston • Austin • Denver





Hunton Services

SERVICE AGREEMENT

MECHANICAL SERVICES SCHEDULED MAINTENANCE



City of Freeport
Freeport, TX

8/1/19

Authorized Warranty Service
TACLA009290C - MPL38267



Air Conditioning Heating Plumbing Refrigeration Ventilation Controls

Index of Documents

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Agreement

HEATING, VENTILATION, and AIR CONDITIONING (HVAC) SCHEDULED MAINTENANCE

Hunton Services will provide complete maintenance services for the equipment listed in section "B" below, *Equipment Covered*. All work will be performed during normal working hours unless otherwise indicated in the *Terms and Conditions* section of this agreement.

To accomplish the proper maintenance on the listed equipment, Hunton Services will utilize factory-trained technicians. The tasks outlined in the maintenance schedules will be performed in accordance with the guidelines set forth by the equipment manufacturers.

Agreement performance shall be completed and submitted to the owner or representative after each inspection. Recommendations, if any, will be listed and should be considered to reduce overall operating costs and/or improve equipment performance. Operating instruction will be provided on applicable equipment during schedule inspections.

A. Scope of Services Provided

MECHANICAL SERVICES SCHEDULED MAINTENANCE (PM)

This agreement is for Scheduled Maintenance services to be provided for the equipment referenced herein as identified under "Equipment Covered" below. Scheduled Maintenance coverage provides for annual and maintenance inspections on the equipment identified in this agreement. The Scheduled Maintenance program includes 4 inspections per year: 3 scheduled inspections and 1 annual inspection per year. **(Excludes Refrigerant)**

Equipment

=====

Coverage Type	Tag	Manufacturer	Model	Serial
PM	City Hall	Trane	CGAM100	TBD
PM	Riverplace	Trane	CGAM060	TBD

Special Instructions

=====

Payment Terms

1. The term of this agreement is for three (3) years. The total price for this agreement is payable in thirty-six (36) monthly payments of \$ 749.14, net thirty (30) days from invoice date. Authority is hereby given to furnish additional labor or materials that may be required for items not covered under this agreement. **(Not to exceed \$500.00 per service call without customer approval).**
2. The agreement shall become effective upon the date of acceptance by the purchaser or by the seller, whichever is the latter and shall remain in effect for term of contract from such date and shall be deemed to be automatically renewed thereafter for continuous consecutive yearly periods unless this agreement be otherwise terminated or changed by either party as permitted under the general conditions.
3. All work and services covered by the Agreement will be done during normal working hours between 7:30 AM and 4:00 PM, Monday through Friday, except for legal holidays. Emergency service and repairs are available on 24 hours per day, seven days per week and will be invoiced separately at the preferential service agreement rates.
4. Taxes have not been included in this quote and will be billed **extra** when applicable.

IN WITNESS THEREOF, THE PARTIES HERETO HAVE EXECUTED THIS AGREEMENT:

Submitted by:

Steven Bayless, Service / Solution Sales
Hunton Services
5622 Luce Street
Houston, Texas 77087

CUSTOMER ACCEPTANCE

By: _____

Title: _____

Company: _____

Acceptance Date: _____

Start Date: _____

Billing Information (Please indicate where to send invoices and a contact name)

Company: _____

Attention (Name): _____

Title: _____

Address: _____

City, State, Zip: _____

Special Invoice Instructions? _____

Terms and Conditions

GENERAL:

This Service Agreement, together with all documents contained herein, shall constitute the entire Agreement between Hunton Services, hereafter referred to as "The Company" and customer and may not be modified, amended, without the express written consent of an officer of The Company.

Customer acknowledges the complexity and expense of any air conditioning and refrigeration equipment as well as the need for specially trained and qualified personnel to service and/or repair such equipment. Therefore, to reduce the risk of damage, the customer agrees not to contract any other service company to perform service on the equipment covered by a Select Service Agreement without the expressed written permission of The Company.

PAYMENT:

Service agreements are billed in advance and payment is due within 30 days of invoice date. If payments are past due, the company reserves the right to suspend all services and coverages under this agreement. The Company may cancel this agreement for delinquency and in the event collection action is taken, the company reserves the right to add a surcharge of 1½ % of the principal per month. Should legal action be required to enforce payment for monies due from the customer, the customer agrees to pay reasonable attorney's fees and court costs.

COVERAGE:

The Company shall provide the services described in this Agreement with respect to the listed Equipment with reasonable promptness in a workmanlike manner in accordance with industry standards generally applicable in the area. The Company may at its discretion either replace or repair faulty equipment.

EXCLUSIONS:

Unless specifically noted otherwise in the agreement, the following items are not covered:

- a) Any repairs or service covered by mechanical insurance.
- b) Any and all special alterations or provisions necessary to facilitate safe access to service or repair of unit, including, but not limited to, special rigging, cranes and/or rental equipment if required.
- c) Repairs for damages due to acts of God, including but not limited to fire, floods, wind

- d) damage, freezing, wars, vandalism, strikes, force of nature.
- d) Any loss consisting of, caused by, contributed to, or aggravated by rust, mold, mildew, fungus, wet or dry rot and any resulting loss is always excluded under this contract, however caused.
- e) Repairs for damages due to corrosion, erosion, and deterioration, including but not limited to corrosion relating to equipment installation in corrosive (marine, industrial) environments, regardless of equipment age.
- f) Any responsibility for the identification, detection, or removal/abatement of asbestos related materials.
- g) Repairs for damages due to misuse, abuse, negligence, misapplication or other causes beyond the company's control.
- h) Items not mechanically maintainable such as casings, cabinets and supports. Non-standard modifications or enclosures such as explosion-proofing, theft-proofing, etc. may require additional labor for maintenance and repairs, to be billed at the company's prevailing preferred customer service rates.
- i) Troubleshooting or repairs to controls communications wiring.
- j) Unless specifically listed, all devices not an integral part of the equipment including but not limited to any component upstream of unit's starter such as conductors, transformers, fuses, disconnects, circuit breakers, flow switches, fire/ smoke detectors, building automation/temperature control systems, high-voltage starters and/or switchgear etc.
- k) Unless specifically listed, all Variable/Adaptive Frequency Drives (VFDs/AFDs).
- l) Unless specifically listed, all control devices not an integral part of the equipment including but not limited to flow switches, smoke and fire stats, building automation systems, etc, or any damage done by these devices.
- m) Repairs or replacement of combustion chambers, burners, heat exchangers, flues, chimneys, ductwork, dampers, insulation, steam lines, water lines, gas lines, condensate lines, evaporator and condenser heat transfer surfaces, including tube, coils and chiller barrels.
- n) Repairs for damages caused by the electric utility service, electrical connection maintenance or any power related issues.
- o) Modifications or alterations of existing equipment due to requirements of governmental, regulatory, or insurance agencies.
- p) Any parts not available due to obsolescence

Terms and Conditions

LIMITED LIABILITY:

The Company shall not under any circumstances be liable for personal injury, breakage, loss or damage to the equipment or property unless such loss or damage is caused solely by the negligent acts of omission or commission by The Company's employees or subcontractors.

Neither party to this agreement shall hold the other responsible for any consequential damages such as, but not limited to, loss of revenue or loss of any use of equipment.

INDEMNIFICATION:

Both parties shall indemnify, defend, and hold each other harmless from any and all claims, actions, costs, damages, and liabilities resulting from death or bodily injury or damage to property of the other or other persons, unless such losses result from the sole negligence or misconduct of their respective employees or agents in connection with their duties pursuant to this agreement.

CONDITIONS:

The customer will provide timely and reasonable means of access to all equipment covered by this agreement and will allow the company the right to start and stop all primary equipment incidental to the mechanical system as necessary to perform its duties. Failure to do so by customer may result in loss of coverage.

This agreement assumes that the equipment listed has been properly maintained and is in operating condition at the time of acceptance of this offer. Following the first inspection, The Company shall report to the customer any deficiencies or repairs necessary to the equipment. If such repairs are not done, The Company reserves the right to adjust the coverage accordingly.

The agreement shall commence on the start date indicated by both parties and shall remain in effect for term of agreement and shall be deemed continuously renewed yearly unless either party gives written notice of termination as defined below.

CANCELLATION: Either party may cancel during the contract period by giving the other party 30 day written notice sent by certified mail. Customer agrees to pay The Company the greater of the amount of the contract balance due to date of effective cancellation or the cost for all work performed to date of cancellation billable at current Published Time & Material non- contract rates, not to exceed the balance of the annual contract amount.

SUCCESSORS:

This Contract and each provision of it shall operate to the benefit of the parties and to their respective successors in interest, legal representatives and assigns.

SEVERABILITY:

Should any of the qualifications, terms or conditions set forth heretofore and hereafter, be contrary to, prohibited by, or be held invalid under applicable laws or court of law having jurisdiction, in that event, such provisions shall be considered inapplicable and omitted, but shall not invalidate any remaining provisions.

GOVERNING LAWS:

This shall be construed as an agreement in accordance with the laws of the State of Texas. Texas State licenses TACLA009290C. Regulated by The Texas Department of Licensing and Regulation, P.O. Box 12157, Austin, Texas 78711, 1-800-803-9202, 512-463-6599, www.license.state.tx.us.

Air-Cooled Chiller Scope

This schedule describes the basic Scheduled maintenance procedures that will be performed by HUNTON SERVICES. These procedures comply with all EPA regulations regarding maintenance and repair of air conditioning/heating equipment and systems.

ANNUAL MAINTENANCE

- Inspect, clean and wipe control panels.
- Clean and paint touch-up (original manufacturers color) on compressors.

Refrigerant System

- Leak test entire chiller.
- Inspect refrigerant filter temperature drop at full load conditions (if applicable).
- Inspect liquid line filter temperature drop at full load conditions (if applicable).
- Check evaporator refrigerant pressure.
- Inspect condenser refrigerant pressure.
- Inspect refrigerant charge.
- Leak test relief valves and vent piping of relief valves to check for improperly sealed relief valves (if applicable).
- Inspect sight glasses (if applicable).
- Inspect system superheat and subcooling.

Lubrication System

a. Air-Cooled Unit

- Inspect operation of lubrication system.
- Inspect oil level in oil separator.
- Inspect oil heater operation.

Electrical Systems

- Inspect condition of contacts for wear, pitting, etc.
- Meg compressor motor and oil pump.
- Check-tighten all electrical connections.
- Check-tighten oil heater leads.
- Inspect electrical components for deficiencies.
- Inspect operating and safety controls.
- Check-tighten motor leads at motor.
- Inspect evaporator heat tape for proper operation (if applicable).

Operating Checks

- Inspect starter operation, voltage and current.
- Inspect operating and safety controls.
- Complete operating log and record settings.
- Inspect operation of condenser fans (if applicable).
- Inspect condenser fans to insure proper clearance of fan openings (if applicable).
- Inspect operation of lubrication system.
- Inspect all piping components for leakage and damage.
- Inspect set point values in UCM and adjust as required (if applicable).
- Inspect condenser coils for dirt and debris (if applicable).

ANNUAL SERVICES

- Clean condenser coils with clean water 2 times per year. **(Overtime not included)** Additional cleanings will be billed to customer on a T&M basis.

Written Reports (Daily Timesheet)

- Provided to customer representative following each regular inspections or emergency call
- Report to operator any uncorrected deficiencies noted.

Air-Cooled Chiller Scope

SCHEDULED MAINTENANCE

- Inspect refrigerant filter temperature drop at full load conditions.
- Visually inspect oil filter pressure drop indicator (if applicable).
- Inspect operating and safety controls.
- Inspect operation of loaders and unloaders.
- Check and calibrate temperature controller (if applicable).
- Inspect operation of lubrication system.
- Inspect operation of motor starter.
- Check evaporator and condenser pressures.
- Inspect unit for proper refrigerant charge.
- Check for proper oil level.
- Inspect operation of condenser fans (if applicable).
- Report to operator any uncorrected deficiencies noted.
- Complete operating log of temperatures, pressures, voltages and amperages.



City Council Agenda Item #8

Title: Discuss and consider authorizing Block 716 Lot 17 (1209 North Ave. N) to be declared surplus and authorize the city to seek sealed bids for the property and set a bid date

Date: August 5, 2019

From: Laura Tolar

Staff Recommendation:

Staff recommends Council authorize the property to be declared surplus and authorize staff to seek sealed bids. Staff recommends setting a bid date for Friday, August 23, 2019.

Item Summary:

The property located is located at 1207 North Avenue N (Velasco Townsite, Block 716, Lot 17). George Matamoros owns the property on both sides of this 25' lot and has made an offer to purchase. The property needs to be declared surplus by City Council and the property will be sold by sealed bids. The City will follow bidding requirements for this property.

Background Information:

This property was acquired by the city from Griffin Family Trust in April 2006.

Special Considerations

Financial Impact:

Once owned privately, the city can begin collecting taxes on the property. The annual taxes for neighboring properties (Lots 16, 18 and 20) are \$19.14.

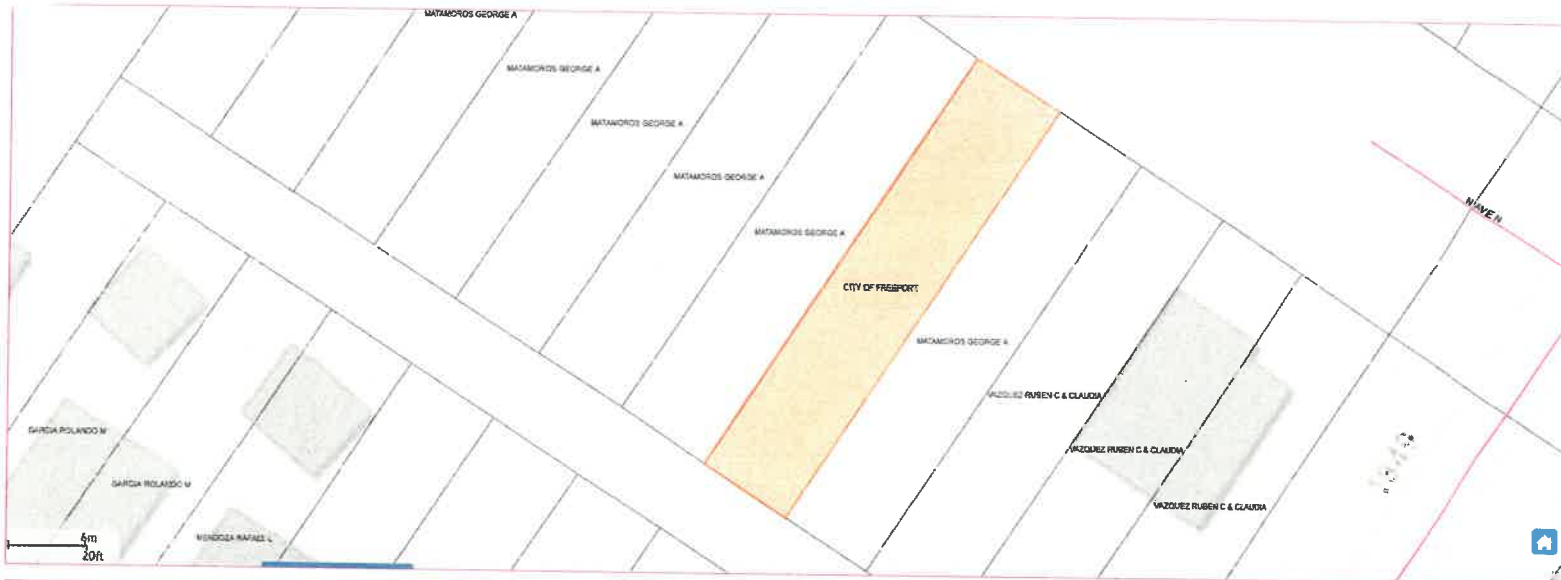
The property is valued at \$700.00 by the Brazoria County Appraisal District. The property also has a lien from 2006 totaling (including interest and fees) \$252.38 which would need to be satisfied. Annual mowing costs are approximately \$300.

Board or 3rd Party recommendation:

Supporting Documentation:

- Map of the area with property ownership
- Map of area with aerial photos
- Brazoria County Appraisal District Property Sheet
- Lien Calculation Sheet

Velasco Townsite, Block 716, Lot 17



Brazoria CAD

Property Search > 261353 CITY OF FREEPORT for Year 2019

Tax Year: 2019

Property

Account

Property ID: 261353 Legal Description: **VELASCO (FREEPORT) BLK 716 LOT 17**
 Geographic ID: 8110-3090-000 Zoning: 8-27-09 AMS
 Type: Real Agent Code:
 Property Use Code:
 Property Use Description:

Location

Address: N AVE N Mapsco: SBR114
 FREEPORT,
 Neighborhood: VELASCO (OLDER HOMES) Map ID:
 Neighborhood CD: S8110

Owner

Name: CITY OF FREEPORT Owner ID: 21410
 Mailing Address: 200 W 2ND ST % Ownership: 100.0000000000%
 FREEPORT, TX 77541-5773
 Exemptions: EX-XV

Values

(+) Improvement Homesite Value:	+	\$0	
(+) Improvement Non-Homesite Value:	+	\$0	
(+) Land Homesite Value:	+	\$0	
(+) Land Non-Homesite Value:	+	\$230	Ag / Timber Use Value
(+) Agricultural Market Valuation:	+	\$0	\$0
(+) Timber Market Valuation:	+	\$0	\$0
<hr/>			
(=) Market Value:	=	\$230	
(-) Ag or Timber Use Value Reduction:	-	\$0	
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(=) Appraised Value:	=	\$230	
(-) HS Cap:	-	\$0	
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(=) Assessed Value:	=	\$230	

Taxing Jurisdiction

Owner: CITY OF FREEPORT
 % Ownership: 100.0000000000%
 Total Value: \$230

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax
CAD	BRAZORIA COUNTY APPRAISAL DISTRICT	0.000000	\$230	\$0	\$0.00
CFP	CITY OF FREEPORT	0.628005	\$230	\$0	\$0.00
DR2	VELASCO DRAINAGE DISTRICT	0.084120	\$230	\$0	\$0.00
GBC	BRAZORIA COUNTY	0.367914	\$230	\$0	\$0.00
JBR	BRAZOSPORT COLLEGE	0.298500	\$230	\$0	\$0.00
NAV	PORT FREEPORT	0.040100	\$230	\$0	\$0.00
RDB	ROAD & BRIDGE FUND	0.060000	\$230	\$0	\$0.00
SBR	BRAZOSPORT INDEPENDENT SCHOOL DISTRICT	1.255300	\$230	\$0	\$0.00

Total Tax Rate:	2.733939	Taxes w/Current Exemptions:	\$0.00
		Taxes w/o Exemptions:	\$6.29

Improvement / Building

No improvements exist for this property.

Land

#	Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
1	S1	PRIMARY SITE	0.0717	3125.00	0.00	0.00	\$230	\$0

Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2019	\$0	\$230	0	230	\$0	\$230
2018	\$0	\$230	0	230	\$0	\$230
2017	\$0	\$230	0	230	\$0	\$230
2016	\$0	\$230	0	230	\$0	\$230
2015	\$0	\$230	0	230	\$0	\$230
2014	\$0	\$230	0	230	\$0	\$230
2013	\$0	\$230	0	230	\$0	\$230
2012	\$0	\$230	0	230	\$0	\$230
2011	\$0	\$230	0	230	\$0	\$230
2010	\$0	\$230	0	230	\$0	\$230
2009	\$0	\$230	0	230	\$0	\$230
2008	\$0	\$100	0	100	\$0	\$100
2007	\$0	\$100	0	100	\$0	\$100
2006	\$0	\$100	0	100	\$0	\$100
2005	\$0	\$100	0	100	\$0	\$100

Deed History - (Last 3 Deed Transactions)

#	Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Deed Number
1	4/14/2006	WD	WARRANTY DEED	GRIFFIN FAMILY TRUST	CITY OF FREEPORT	06	022139	0
2	1/9/2000	DM	MISCELLANEOUS DEED	GRIFFIN NINA EST	GRIFFIN FAMILY TRUST	00	002097	0

Tax Due

Property Tax Information as of 08/01/2019

Amount Due if Paid on:

Year	Taxing Jurisdiction	Taxable Value	Base Tax	Base Taxes Paid	Base Tax Due	Discount / Penalty & Interest	Attorney Fees	Amount Due
------	---------------------	---------------	----------	-----------------	--------------	-------------------------------	---------------	------------

NOTE: Penalty & Interest accrues every month on the unpaid tax and is added to the balance. Attorney fees may also increase your tax liability if not paid by July 1. If you plan to submit payment on a future date, make sure you enter the date and RECALCULATE to obtain the correct total amount due.

Questions Please Call (979) 849-7792

Lien Payoff Calculation

	A	B	C	D	E	F	G	H	I	J
1	Owner			Bloc	Lot(s)		Situs	Address		Account
2	Griffin Family Trust									
3	City of Freeport			716	17		1209	N Aave N		8110-3090-000
4										
5										
6										
7										
8										
9										
10										
11		Work		No.	Per Mo		File	Adm	Total	
12	Lien	Performed	Base	Mo	Interest	P & I	Fee	Fee	Amount	c+f+g+h
13										
14	06-016270	3/23/2006	\$ 67.50	184	\$ 0.57	\$ 108.88	16	\$ 50.00	\$ 252.38	
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City Council Agenda Item #9

Title: Consider the approval of an Interlocal Agreement between City of Freeport and the Brazoria County Health Department

Date: August 5, 2019

From: Christopher D. Motley, Fire Chief

Staff Recommendation: Staff recommends approving the Interlocal Agreement between the City of Freeport and the Brazoria County Health Department for a health point of distribution (POD) location within the City.

Item Summary:

This Interlocal Agreement addresses the City of Freeport’s participation in a health POD for mass immunization or treatment in the event of a public health emergency. The Interlocal Agreement defines responsibilities of a public health emergency, obligations of the health department and the City.

Background Information:

The Brazoria County Health Department and the City of Freeport has participated and prepared together in preparation of a bioterrorism event impacting and our community. This program has evolved overtime through training and one activation within the community.

The City of Freeport and Brazoria County Health POD was activated when the H1N1 virus (swine flu) had a significant impact on the public. The POD was utilized to provide medication for the community through a drive through and walk-in POD.

This Interlocal Agreement is being developed as a written document that prior to this event had only had an Interlocal Agreement with the facility holder only. The participating City was utilized under the adopted Emergency Management Plan.

Special Considerations: None

Financial Impact None

Board or 3rd Party recommendation: A request from Brazoria County Health Department

Supporting Documentation: Interlocal Agreement

**Interlocal Agreement between the
City of Freeport and the
Brazoria County Health Department**

This Interlocal Agreement ("Agreement") is entered into between the City of Freeport ("City"), and the Brazoria County Health Department ("Department"). The Department is a Local Health Department under Chapter 121 of the Health and Safety Code. The Interlocal Cooperation Act, Government Code Chapter 791, governs this Agreement. *This agreement has been approved by a separate order of the Brazoria County Commissioners Court Being Order No. _____, dated _____, 2019 and of the City of Freeport dated August 5, 2019.*

I. Purpose

Under a grant from the Texas Department of Health, the Department is required to plan and prepare for a public health emergency which may result from natural or man-made causes. During such an emergency, it may be necessary to immunize or treat all or large numbers of people in the area served by the City and Department. It is the desire of the Department to provide such immunization or treatment to the First Responders within the city and identified adjacent areas prior to the general public. The City will identify First Responders and critical staff and families that will be provide SNS Medical Countermeasures and or Vaccines. The City will report these numbers to the Department annually.

The Department has concluded that the City possesses facilities that are qualified to serve as a Staff Medication Station (SMS) if immunization or treatment is necessary for First Responders. The City desires to be as helpful as possible in the event of a public health emergency, and agrees to make its law enforcement facilities available for purposes of First Responder immunization or treatment, under the terms set out below. The City and the Department have concluded that this contemplated use of the facilities is a "governmental function" as defined in the Interlocal Agreement Act, *Texas Government Code §791.003(D)*

6/12/2019

**Interlocal Agreement between the
City of Freeport and the
Brazoria County Health Department**

II. Public Health Emergency

This agreement will go into effect only if:

- 1) The Commissioner of Health or the local health authority declare that large scale immunization or treatment is necessary as a control measure for an outbreak of communicable disease;
- 2) The parties shall agree to the location of the facility or facilities to be utilized pursuant to this agreement and the extent to which each such facility shall be utilized concurrently or prior to any control measure declaration being made.
- 3) The Department has the necessary stock pile of medications.

III. Obligations of the Department

- 1) The Department will supply or arrange for all equipment, vaccine, and medicine necessary to administer the vaccine or medication to city staff, first responders, and city population.
- 2) The Department will be responsible for disposal of medical waste and disinfection at the facility following its use for the emergency. The health authority will provide written assurance of its safety for use as a law enforcement facility following its use.
- 3) The Department is responsible for the acts and negligence of its employees or volunteers, under state and federal law; provider, however, that pursuant to section 421.062 (b)(1) of the Texas Government Code the Department is not responsible for any civil liability that arises from the furnishing of a service under this Interlocal contract.
- 4) The Department will be responsible for any damage to property belonging to the City as a result of its use during the public health emergency, and to the extent they can be determined, costs for utilities described in section IV below. This compensation is mutually agreed to be "an amount that fairly compensates the performing party" as stated in the Interlocal Cooperation Act. The amounts to be paid to the City will be paid from current revenues available to the Department.

6/12/2019

**Interlocal Agreement between the
City of Freeport and the
Brazoria County Health Department**

IV. Obligations of the City

- 1) The City will be provided an allotment of oral medication and will be responsible for the dispensing of said medication to their employees, contractors, and families and BCPH will provide information of the location to acquire sufficient medication.
- 2) The City is responsible for allowing the use of the facility normally associated with its use as a law enforcement facility or at another facility acceptable to both parties. The City is responsible for providing use of all rooms, fixtures, and equipment existing at the facility that is necessary for on-site use during the period of the emergency.
- 3) The City will provide at least one person on-site during the period of emergency use with access to the rooms, fixtures and equipment described above.
- 4) The City will supply or arrange for all equipment and personnel necessary for staffing, security, crowd control and POD operations in a cooperative effort with other jurisdictions.
- 5) The City will provide the Department with the number of First Responders needing treatment.
- 6) The City will obtain all medications from the Department at its location at 1524 E. Mulberry, Angleton, Texas, or at another location as specified by the Department.
- 7) The City will return all undistributed medication to the Department.

**Interlocal Agreement between the
City of Freeport and the
Brazoria County Health Department**

V. Term

This agreement becomes effective when approved by the governing body of the City and Department. It may be canceled by either party by giving thirty days' notice to the other party, otherwise it remains in effect for five years and may be renewed by mutual agreement.

Authorized Signature for City of Freeport

Date

Printed Name for City of Freeport

L.M. "Matt" Sebesta, County Judge

Date

Cathy Sbrusch, Director, Brazoria
County Health Department

Date



City Council Agenda Item #10

Title: Consideration and possible action on authorization of expenditure for material costs related to Brazoria County Interlocal agreement for asphalt paying of City Streets.

Date: 08/5/2019

From: David Hoelewyn, Director of Streets and Drainage

Staff Recommendation: Staff recommends council authorize this expenditure.

Item Summary: This request is for a total expenditure in the amount of \$472,474. It includes the \$432,474 materials only cost for the street reconstruction being completed through the interlocal agreement with Brazoria County. City Council approved the work under the interlocal agreement, but the actual dollar amount was not included in the original request. It also allows for one-month's rental of a milling machine necessary to remove excess existing asphalt to lower the road to its original design, as well as the for the cost of required tack oil for the project.

Background Information: The Streets identified for this 2018/2019 fiscal year were:

Karankawa Street---N. Ave. B to Gulf Blvd.	\$88,800.00
Quintana Street-----N. Ave. F to N. Ave. G	\$11,500.00
North Avenue G ---Quintana to Roeller	\$9,240.00
Yellowstone Street--N. Ave. S to N. Ave U	\$31,260.00
6th Street-----HWY 1495 to Poplar	\$29,830.00
6 th Street-----Spruce to Terminal	\$17,710.00
Holly Street-----W. 2 nd to W. 5 th	\$54,252.00
Mesquite Street-----W. 4 th to W. 5 th	\$29,310.00
7 th Street-----Mesquite to Velasco	\$58,760.00
6 th Street-----Yaupon to Holly	\$58,224.00
5 th Street-----Yaupon to Mulberry	\$31,608.00
Parking Lot-----Splash Pad Location	\$11,980.00

Under the terms of the interlocal agreement, the city shall pay for all materials used in the work and may purchase the materials through the county suppliers, utilizing the County's competitively procured material pricing.

Special Considerations: It is hoped that this work will be completed before the end of the fiscal year. Another batch of streets will be presented for consideration for the upcoming 2019/2020 fiscal year.

Board or 3rd Party recommendation: None

Financial Impact: The total available for this project in the 2018/2019 budget is \$472,624.00.

Supporting Documentation: 2018-2019 Brazoria County Interlocal Agreement and the Street plan calculations sheet.

MATT HANKS, J.D., P.E.
COUNTY ENGINEER

TREY HASKINS, P.E.
ASST. COUNTY ENGINEER

CLAY FORISTER, P.E.
ASST. COUNTY ENGINEER



BRAZORIA COUNTY
451 N VELASCO, SUITE 230
ANGLETON, TEXAS 77515

(979) 864-1265
(979) 388-1265
(281) 756-1265
(979) 864-1270

ANGLETON
CLUTE
HOUSTON
FAX

November 15, 2017

City of Freeport
200 W. Second Street
Freeport, TX 77541
Attn: Mayor of the City of Freeport

RE: Interlocal Agreement with Brazoria County and the City of Freeport

Please find two copies of the above referenced Interlocal Agreement between Brazoria County and the City of Freeport. Please carefully review the conditions of the agreement, and if acceptable, agreement must be signed by the Mayor of the City of Freeport. I will return your copy to you with the Judge's signature.

Please return both signed copies back to the Brazoria County Engineer's Office.

If you have any questions, please contact Mandie Kelly at (979) 864-1265.

Sincerely,

Matt Hanks, JD, PE
County Engineer

MH/MK
Enclosure

P868

THE STATE OF TEXAS §

COUNTY OF BRAZORIA §

INTERLOCAL AGREEMENT

This agreement is made at Angleton, Brazoria County, Texas between BRAZORIA COUNTY, TEXAS acting through its Commissioners' Court (hereinafter "COUNTY"), and the CITY OF FREEPORT, acting through its Mayor (hereinafter "CITY").

NOW THEREFORE, THE COUNTY AND THE CITY agrees as follows:

1.0 The term of this agreement shall be from October 1, 2017, to September 30, 2018. The AGREEMENT may be renewed annually by the written approval of COUNTY and CITY.

1.1 Pursuant to the Interlocal Cooperation Act, Texas Government Code, Chapter 791 and the Texas Transportation Code, Section 251.012, the COUNTY agrees to provide personnel and equipment at its own expense to assist in the construction, improvement, maintenance and/or repair of a street or alley located within the corporate limits of the CITY OF FREEPORT, subject to the approval of the County Engineer as set forth in Section 1.3, including sub grade preparation, base preparation, asphalt paving, culverts and ditch work, herbicide spraying, painting and striping roads, installation of permanent traffic signs, and other routine road maintenance operations. Any work performed on the City's streets and alleys which are not an integral part of, or a connecting link

to, other roads and highways is allowed if such work is determined to be a benefit to the County by Commissioners' Court. The CITY will provide materials, including fuel used by the equipment for these projects. All such materials shall be paid for by the CITY, and may be purchased through the County's suppliers. The CITY shall reimburse the cost of any work performed or obtained by the COUNTY, which is determined to be beyond the scope of this agreement, to the County.

1.2 The county work authorized by this AGREEMENT may be done:

- (1) By the COUNTY through use of county equipment;
- (2) By an independent contractor with whom the COUNTY has contracted for the provision of certain services and materials, conditioned on the CITY providing a purchase order to such independent contractor for the full amount of such services or materials.

1.3 During the term of this AGREEMENT when COUNTY work is requested, the Mayor of the City shall submit a request in writing to the County Engineer. The County Engineer and the Mayor of the City shall agree in writing as to the location and type of assistance to be provided pursuant to this AGREEMENT. It is expressly understood between the parties that the COUNTY shall have no authority or obligation to provide any service or work on any city street or alley not so agreed to in writing. The County Engineer is authorized to sign an acceptance statement for

each project at the appropriate time and authorize the work subject to be completed as the Road and Bridge Department schedules permit.

1.4 The parties intend that the COUNTY in performing such services shall act as an independent contractor and shall have control of the work and the manner in which it is performed. The COUNTY shall not be considered an agent, employee, or borrowed servant of the CITY.

1.5 For and in consideration of the above agreement by the County, the CITY agrees to provide all warning and safety signs and other safety protections as required when such work is being performed by the COUNTY.

1.6 The parties further agree that such work and materials are provided by the COUNTY without warranty of any kind to the CITY or any third party, and that the COUNTY has no obligation to provide any supplemental warranty work after a project's completion. The CITY agrees to provide any engineering or design work required for work done pursuant to this agreement.

II.

2.0 To the extent authorized by law, the CITY hereby agrees to hold harmless the COUNTY, its officers, agents and employees from any and all loss, damage, cost demands or causes of action of any nature or kind for loss or damage to property, or for injury or death to persons, arising in any manner from the performance of the above-referenced work.

2.1 Payment for services or materials under this agreement shall be payable from current revenues available to the paying party.

III.

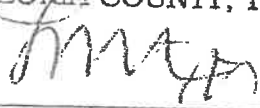
3.0 Either party may terminate this agreement upon thirty- (30) day's written notice to the other party.

3.1 Nothing herein shall be construed to make either party a purchaser or consumer of goods or services from the other.

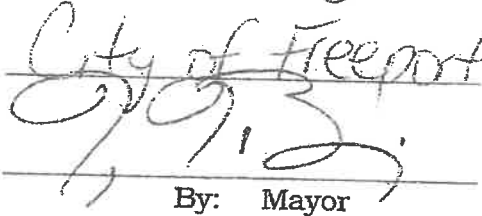
3.2 Nothing herein shall be construed to create any rights in third parties.

SIGNED AND ENTERED this the 12th day of January, 2018.

BRAZORIA COUNTY, TEXAS



By: L.M. "Matt" Sebesta Jr.
Brazoria County Judge



City of Freeport

By: Mayor

ATTEST:



CITY SECRETARY



City Council Agenda Item #11

Title: FY2018-2019 Proposed Budget Adjustment #5

Date: August 5, 2019

From: Stephanie Russell, Assistant City Manager/Finance Director

Staff Recommendation:

I recommend the following budget amendment to the 2018-2019 Budget.

Item Summary:

This proposed budget adjustment includes adding revenue and expenditures to the General Fund; and adding a State Narcotics Fund. The net impact to the General Fund, including transfers, is an increase in expenditures of \$383,897. However; this amount is available in unassigned fund balance.

Background Information:

Below is a summary of each of the proposed changes.

- A. **Sales Tax:** Sales tax has been trending over budget. The end of the year projection is over \$2,350,000 – \$100,000 over the original budget.
- B. **Interest Income:** Interest has been trending over budget. The end of the year projection is over \$175,500 – an increase of \$25,500 over the original budget.
- C. **Golf Course Pump Control Panel:** The pump control panel was damaged during Hurricane Harvey and in dire need of repair. The expenditure (\$36,150) is anticipated to be partially reimbursed (90%) by FEMA.
- D. **Vacancy Savings:** There have been several vacancies across Administration, Parks, Code Enforcement and Streets that have created vacancy savings within these departments. Therefore; it is recommended to conservatively reduce the Salaries and Wages (\$266,000 overall) lines items within these departments to utilize elsewhere.
- E. **New Court Clerk:** The front desk has been understaffed over the years. Therefore; a new Court Clerk position was created to improve customer service and address the operational backlog. The new position will also allow the Court Department to proactively collect outstanding payments before issuing warrants. The overall outcome should lead to better customer service (less wait time) and an increase in Court Revenue. The anticipated impact of this change in the current fiscal year is \$10,000 which is available from Administration vacancy savings.

- F. Audit Overage: During the audit presentation July 1, 2019, Council acknowledged that the auditing firm had expended more hours on the FY2017-2018 Audit than anticipated. Therefore; staff was directed to get with Whitley Penn to identify the financial impact. The overage is estimated to be \$10,800.
- G. Utility Rate Study: Council approved a Work Order with Freese and Nichols to conduct a Utility Rate Study on July 15, 2019. The cost of this services is \$43,870 and is proposed to come out of Administration Professional Services.
- H. Roof Repairs: Council approved roof repairs for both the Historical Museum and Nat Hickey (Lucy Goose) buildings on July 15, 2019. The total cost of these repairs is estimated to be \$79,700.
- I. Mystery Boat: Council approved the repairs to the Mystery Boat for \$31,000 on July 15, 2019. Staff is also working on getting updated quotes to repair the outriggers - an additional cost of \$12,500. Therefore, staff recommends increasing the budget by \$32,500.
- J. Outdoor Exercise Equipment: Council approved expenditures for outdoor exercise equipment at Community House Park in FY2017-2018, however; the construction was not complete until this fiscal year. Therefore; there was \$39,100 paid this fiscal year out of capital outlay that needs to roll over from last year's budget.
- K. RiverPlace HVAC: Council will be reviewing the proposal to replace the HVAC system at RiverPlace on this agenda. Should Council proceed with the proposal, the total cost is \$310,000.
- L. Street Debt: The FY2018-2019 did not include the principal and interest payments for the Street Sweeper (\$54,915), Gradall (\$51,800), and Wheel Loader (\$30,292). The total cost for all three payments was \$137,007. The payments for the Gradall and Wheel Loader were the final payments on the lease purchase agreements. The payment for the Street Sweeper was the first installment payment for the lease purchase agreement signed in December 2018.
- M. Repair Police Unit: A police unit was involved in an accident and in need of repair. This expense (\$19,800) was partially offset by the claim reimbursement which was included under Insurance Recovery in the last budget amendment.
- N. State Seizure Fund: The City currently receives funding for State Seizures which are regulated by Chapter 59 Asset Seizures under state law. By law, these funds may only be used for police related activities at the discretion of the Police Chief. Therefore; staff recommends establishing a new fund outside of the General Fund to properly account for these revenue and expenditures. The balance of this funds is approximately \$84,000.

Special Considerations:

N/A

Financial Impact:

The net impact to the General Fund, including transfers, is an increase in expenditures of \$383,897. This shortfall is due to unexpected one-time expense for the RiverPlace HVAC (\$310k) and the transfer from Fund Balance to the new State Seizure Fund (\$84k). However; this amount is available in unassigned fund balance.

Board or 3rd Party recommendation:

N/A

Supporting Documentation:

Exhibit A – Proposed Budget Amendment #5

ORDINANCE NO. 2019-2578

AN ORDINANCE OF THE CITY OF FREEPORT, TEXAS, CONTAINING A PREAMBLE; CONTAINING FINDINGS OF FACTS; AMENDING THE BUDGET FOR THE FISCAL YEAR 2018-2019; 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, pursuant to the provisions of Subsection (a) of Section 102.007 of Chapter 102 of the Local Government Code and the provisions of Article 9 of the Home Rule Charter of the City of Freeport (hereinafter sometimes "the City"), the budget for the 2018-2019 fiscal year of the City was finally approved by the City Council, being the governing body thereof, by its Ordinance No. 2018-2554, read, passed and adopted on the 17th day of September, 2018, (hereinafter sometimes "the Budget"); and,

WHEREAS, Subsection (b) of Section 102.009 of the Local Government Code provides that, after final approval of the budget, the governing body of a municipality may spend municipal funds only in strict compliance with the budget, except in an emergency, but Section 102.010 of said Code provides that the provisions of Chapter 102 thereof do not prevent the governing body of such municipality from making changes in the budget for municipal purposes; and

WHEREAS, Subsection (c) of Section 102.009 of said Code provides that the governing body of a municipality may authorize an expenditure as an amendment to the original budget only in the case of grave public necessity to meet an unusual and unforeseen condition that could not have been included in the original budget through the use of reasonably diligent thought and attention; and,

WHEREAS, Section 9.16 of the City's Home Rule Charter provides that the budget may be amended and appropriations altered in accordance therewith in cases of public necessity, the actual fact of which shall have been declared by the City Council; and,

WHEREAS, the adoption of this ordinance and the amendments of the Budget is necessary for and in the best interest of the health, safety and general welfare of the inhabitants of the City.

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

SECTION ONE (1): FINDINGS OF FACT

In connection with the amendment and revision of the Budget, the City Council of the City makes the following findings:

- (1) The amendments and revisions set forth in the Budget were the result of numerous public workshop meetings called and conducted in the manner required by the Texas Open Meetings Act, codified as Chapter 551, Government Code.
- (2) A public hearing was held on the Budget on September 18, 2017, and conducted in the manner required by Section 102.006 of the Local Government Code and the City's Home Rule Charter.
- (3) Notice of such public hearing was published in the Brazosport Facts, a newspaper of general circulation in and the official newspaper of the City in the manner and time required by Chapter 102 of said Code and the City's Home Rule Charter.
- (4) A grave public necessity exists and to meet an unusual and unforeseen conditions that could not have been included in the original budget through the use of reasonably diligent thought and attention and the Budget must be amended and revised with respect of the new or additional expenditures set forth in Exhibit "A" attached hereto and made a part hereof, such unusual and unforeseen conditions also being set forth in said Exhibit "A".
- (5) The proposed changes are set forth in Exhibit "A" attached hereto and made a part hereof.
- (6) All of the changes set forth in Exhibit "A" are for municipal purposes.
- (7) The several amounts stated in Exhibit "A" as the amended or revised expenditures are hereby appropriated to and for the objects and purposes therein named.
- (8) The contingent appropriations, as amended and revised in said Exhibit "A", do not exceed three (3%) percent of the total amended and revised budget appropriations reflected therein.
- (9) The amended and revised expenditures of the general fund and the debt service fund contained in the Budget, as amended by said Exhibit "A", do not exceed the resources of each fund, as amended and revised.

SECTION TWO (2) :

The existing budget of the City of Freeport, Texas, for the fiscal year 2018-2019, as heretofore amended by Ordinance No. 2018-2563, read, passed and adopted on November 19, 2018, and Ordinance No. 2018-2564, read, passed and adopted on December 17, 2018, and Ordinance No. 2018-2570, read, passed and adopted on April 1, 2019 is hereby amended and revised as reflected in said Exhibit "A".

SECTION THREE (3) :

As required by Subsections (c) and (d) of Section 102.009 of the Local Government Code, upon the passage and adoption of this ordinance, the amended and revised budget adopted hereby shall be filed with the City Secretary of the City to be maintained in the official records of the City, and a certified copy of this ordinance, with Exhibit "A" attached thereto, shall be filed by the City Secretary with the County Clerk of Brazoria County, Texas, and a copy sent to the State Comptroller of Public Accounts for the State of Texas.

SECTION FOUR (4) :

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.

SECTION FIVE (5) :

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.

SECTION SIX (6):

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, Assistant City Secretary,
City of Freeport, Texas

APPROVED AS TO FORM ONLY:

Christopher Duncan, City Attorney,
City of Freeport, Texas

EXHIBIT A
City of Freeport
FY 2018-2019 Proposed Budget Amendment #5

Ref	Proposed Amendments	Account No.	Account Description	Current Budget	Proposed Amount Inc./ (Dec.)	Amended Budget
<u>GENERAL FUND</u>						
REVENUE						
A	Sales Tax	10 318-300	Tax - Sales Tax	2,250,000	100,000	2,350,000
B	Interest Income	10 360-100	Interest Income	150,000	25,500	175,500
C	Golf Pump Control Panel	10 360-450	Intergovernmental Rev	-	32,580	32,580
Subtotal Revenue				2,400,000	158,080	2,558,080
EXPENDITURES						
C	Golf Pump Control Panel	10 656-899	Capital Outlay	-	36,200	36,200
D	Vacancy Savings	10 410-100	Salaries/Wages-Admin	589,441	(11,000)	578,441
		10 655-100	Salaries/Wages-Parks	669,442	(125,000)	544,442
		10 557-100	Salaries/Wages-Code	168,153	(50,000)	118,153
		10 575-100	Salaries/Wages-Streets	640,987	(80,000)	560,987
E	New Court Clerk	10 430-100	Salaries/Wages-Court	43,329	10,000	53,329
F	Audit Overage	10 410-413	Professional Services	382,510	10,800	393,310
G	Utility Rate Study	10 410-413	Professional Services	382,510	43,870	437,180
H	Roof Repairs	10 578-899	Capital Outlay	10,000	79,700	89,700
I	Mystery Boat	10 655-899	Capital Outlay	63,000	43,500	106,500
J	Outdoor Exercise Equipment	10 655-899	Capital Outlay	63,000	39,100	145,600
K	Riverplace HVAC	10 655-899	Capital Outlay	63,000	310,000	455,600
L	Streets - Debt Service	10 575-775	Lease Interest	-	5,094	5,094
		10 575-776	Lease Principal	-	131,913	131,913
M	Repair Police Unit	10 525-524	Vehicle Maintenance	37,700	19,800	57,500
N	State Seizure Fund	10 525-620	Local Narcotics	6,000	(6,000)	-
	Add Transfer from GF	10 700-043	Transfer To State Seizure Fund	-	84,000	84,000
Subtotal Expenditures				3,119,072	541,977	3,797,949
Net Revenue Less Expenditures				(719,072)	(383,897)	(1,239,869)
<u>State Seizures to New Fund</u>						
REVENUE						
N	Add Transfer to New Fund	43 710-010	Transfer From General Fund	-	84,000	84,000
Subtotal Revenue				-	84,000	84,000
EXPENDITURES						
N	Move to State Seizure Fund	43 525-620	Narcotics Expense	-	62,000	62,000
Subtotal Expenditures				-	62,000	62,000
Net Revenue Less Expenditures				-	22,000	22,000