

**NOTICE OF MEETING
CITY COUNCIL OF THE CITY OF GALVESTON
THURSDAY - AUGUST 9, 2018 - 9:00 A.M.
COUNCIL CHAMBERS - CITY HALL
823 ROSENBERG, GALVESTON, TEXAS
TELEPHONE: (409) 797-3510**

REGULAR MEETING AGENDA

1. DECLARATION OF A QUORUM AND CALL MEETING TO ORDER
2. ROLL CALL
3. INVOCATION
4. PLEDGE OF ALLEGIANCE
 - American Flag
 - Texas Flag - *Honor the Texas Flag. I pledge allegiance to thee, Texas, one state, under God, one, and indivisible.*
5. CONFLICTS OF INTEREST
6. PRESENTATIONS/REPORTS OF COUNCIL, OFFICER BOARDS, AND CITY MANAGER
7. PUBLIC HEARINGS
 - 7.A. Consider For Approval An Ordinance Of The City Of Galveston, Texas, Designating The Property Located At 2128 Avenue N, As A "Galveston Landmark", Property Is Legally Described As Lot 14, Block 18, In The City And County Of Galveston, Texas; Requesting The Historic Preservation Officer Record The Property's Landmark Designation In The Official Public Records Of Real Property In Galveston County, The Tax Records Of The City Of Galveston And The Central Appraisal District, And The Official Zoning Maps Of The City Of Galveston, Texas; Planning Case Number 18P-038, Making Various Findings And Provisions Related To The Subject. (D. Lunsford)

Documents:

[18P-038 STF PKT CC.PDF](#)
8. PUBLIC COMMENT
 - A. Agenda Items
 - B. Non-Agenda Items
9. ORDINANCES (NOT REQUIRING PUBLIC HEARINGS)
 - 9.A. Texas Gas Service - Cost Of Service Adjustment ("COSA") Filing

Consider For Approval An Ordinance Of The City Council Of The City Of Galveston, Texas, ("City") Approving A Negotiated Resolution Between The City Of Galveston And Texas Gas Service ("TGS" Or "The Company") Regarding The Company's April 27, 2018 Cost Of Service Adjustment ("COSA") Filing; Declaring Existing Rates To Be Unreasonable; Adopting New Tariffs That Reflect Rate Adjustments Consistent With The Negotiated Settlement And Finding The Rates To Be Set By The Attached Tariffs To Be Just And Reasonable; Providing For The Recovery Of The City's And TGS' Reasonable And Necessary Rate Case Expenses; Adopting A Savings Clause;

Determining That This Ordinance Was Passed In Accordance With The Requirements Of The Texas Open Meetings Act; Declaring An Effective Date; Repealing Any Prior Ordinances Inconsistent With This Ordinance And Requiring Delivery Of This Ordinance To The Company's And The City's Legal Counsel. (Legal)

Documents:

[2018 GCSA COSA SETTLEMENT ORDINANCE.DOCX](#)
[2018 GCSA INCORPORATED COSA RATE SCHEDULES.PDF](#)
[LETTER ON TGS COSA 2018.DOCX](#)

10. CONSENT ITEMS

The following items shall be considered for action as a whole, unless one or more Council Members objects. The City Manager is authorized to execute all necessary documents upon final approval by the City Attorney.

- 10.A. Consider For Approval The Allocation Of Funds For The Purchase Of Ninety-Five (95) Desktop Computers In The Amount Of \$ 127,892.80 To Centre Technologies Utilizing DIR TSO Contract # 3763. (H. Dean)

Documents:

[FY18 DESKTOP REPLACEMENT STAFF REPORT.PDF](#)

- 10.B. Consider For The Approval Allowing The Fleet Facility To Increase The Previously Approved Purchase Amount Of Two Freightliner Service Trucks From Houston Freightliner (Through HGAC) From \$217,169 To \$228,514 In Order To Increase The Cab To Accommodate A Full Work Crew. (D. Smith)

Documents:

[SERVICE TRUCK ADJUSTMENT PACKET.PDF](#)

- 10.C. Consider For The Approval Allowing The Fleet Facility To Purchase The Listed Service Vehicle And Associated Equipment (Ford Taurus) From Silsbee Ford Through TPASS, For A Total Price Of \$21,483 Which Will Be Funded From The Vehicle Capital Outlay Account. (D. Smith)

Documents:

[TAURUS PURCHASE SANDERSON PACKET.PDF](#)

11. ACTION ITEMS

- 11.A. Consider A Motion To Call A Public Hearing On September 13, 2018 On The FY 2019 Proposed Budget As Required By State Law. (M. Loftin)

Documents:

[FY 2019 PROPOSED BUDGET PUBLIC HEARING STAFF REPORT.DOCX](#)

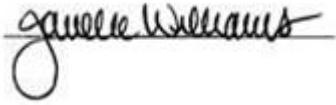
- 11.B. Consider A Motion To Propose A Property Tax Rate Of \$0.561 Per \$100 Of Taxable Value For 2018 And Call A Public Hearing For August 23, 2018. (M. Loftin)

Documents:

[2018 CITY OF GALVESTON ETR WORKSHEET FINAL.PDF](#)

12. ADJOURNMENT

I certify that the above Notice of Meeting was posted in a place convenient to the public in compliance with Chapter 551 of the Texas Government Code on August 3, 2018 at 2:30 P.M.

A handwritten signature in black ink, appearing to read "Janelle Williams", written over a horizontal line.

Janelle Williams, City Secretary

IN ACCORDANCE WITH THE PROVISIONS OF THE AMERICANS WITH DISABILITIES ACT (ADA), PERSONS IN NEED OF A SPECIAL ACCOMMODATION TO PARTICIPATE IN THIS PROCEEDING SHALL, WITHIN THREE (3) DAYS PRIOR TO ANY PROCEEDING, CONTACT THE CITY SECRETARY'S OFFICE, SUITE 201, 823 ROSENBERG, GALVESTON, TEXAS 77550 (409-797-3510).

ORDINANCE NO. 18-__

AN ORDINANCE OF THE CITY OF GALVESTON, TEXAS, DESIGNATING THE PROPERTY LOCATED AT **2128 AVENUE N**, AS A “GALVESTON LANDMARK”, PROPERTY IS LEGALLY DESCRIBED AS LOT 14, BLOCK 18, IN THE CITY AND COUNTY OF GALVESTON, TEXAS; REQUESTING THE HISTORIC PRESERVATION OFFICER RECORD THE PROPERTY'S LANDMARK DESIGNATION IN THE OFFICIAL PUBLIC RECORDS OF REAL PROPERTY IN GALVESTON COUNTY, THE TAX RECORDS OF THE CITY OF GALVESTON AND THE CENTRAL APPRAISAL DISTRICT, AND THE OFFICIAL ZONING MAPS OF THE CITY OF GALVESTON, TEXAS; PLANNING CASE NUMBER 18P-038, MAKING VARIOUS FINDINGS AND PROVISIONS RELATED TO THE SUBJECT.

WHEREAS, on March 11, 1999, the Galveston City Council adopted Ordinance Number 99-14 creating the Landmark Designation Process requiring that a property requesting such designation must meet certain criteria and that the designation is considered a “change of zoning” for the property and is therefore treated as such; and,

WHEREAS, the Applicant and Property Owners, Zachary and Kathryn Gavos, are requesting that the structure located at **2128 Avenue N**, and legally described as Lot 14, Block 18, in the City and County of Galveston, Texas, be officially designated as a Galveston Landmark; and,

WHEREAS, the subject structure is a National Folk style house originally having six rooms, one bathroom, two porches, and two closets, constructed for Arend and Henrietta Schutte around 1908, that lot being purchased from C.J. and Bella McRae in 1884; and,

WHEREAS, Arend and Henrietta Schutte were both important to Galveston's history, Adolph being an owner of a merchant store selling “flavorings, extracts, medicines, and sundries” located at 1203 Avenue H; and both Arend and Henrietta were both German immigrants who obtained United States citizenship in 1907, and

WHEREAS, the property meets the criteria for Landmark Designation as set out in the Staff Report, attached as **Exhibit 1** and incorporated herein for all intents and purposes, and is a contributing element of the historic neighborhood; and,

WHEREAS, the property was reviewed and met the criteria for Landmark Designation as set forth in Article 10 of the City's Land Development Regulations; and,

WHEREAS, the property is eligible to participate in the City of Galveston's Tax Exemption for New Galveston Landmarks Program, as the property is located outside of the City of Galveston Historic Districts; and,

WHEREAS, at its regular meeting of July 16, 2018, the Landmark Commission voted unanimously to recommend approval of the request; and,

WHEREAS, at its regular meeting of July 17, 2018, the Planning Commission voted 6 to 1 to recommend approval of the request; and,

WHEREAS, Staff recommends that Planning Case Number 18P-038 request for Landmark Designation of the property located at **2128 Avenue N**, be approved with the condition provided in Section 2 below; and,

WHEREAS, after notice and public hearing as required by law, the City Council finds that it is in the public's interest to approve the application and designate the structure located at **2128 Avenue N** and legally described as Lot 14, Block 18, in the City and County of Galveston, Texas, as a "Galveston Landmark".

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

SECTION 1. The findings and recitations set out in the preamble to this Ordinance are found true and correct and they are hereby adopted by the City Council and made a part hereof for all purposes.

SECTION 2. After public hearing, the City Council approves the request for Landmark Designation of the property located at **2128 Avenue N** and legally described as Lot 14, Block 18, in the City and County of Galveston, Texas, subject to the following condition:

Standard Condition:

1. As with all properties containing a Historic Overlay Designation, including Landmark Designations, exterior alterations to the property will be subject to review and approval by the Landmark Commission and must conform to the Design Standards for Historic Properties of Galveston, Texas.

SECTION 3. The City of Galveston Historic Preservation Officer will maintain all records and will record the property's Landmark Designation in the Official Public Records of Real Property of Galveston County, in the tax records of the City of Galveston and the Central Appraisal District, and in the Official Zoning Maps of the City of Galveston, Texas.

SECTION 4. It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses, and phrases of this Ordinance are severable and, if any phrase, clause, sentence, paragraph or section of this Ordinance should be declared invalid by the final judgment or decree of any court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Ordinance.

SECTION 5. All Ordinances or parts thereof in conflict herewith are repealed to the extent of such conflict only.

SECTION 6. In accordance with the provisions of Sections 12 and 13 of Article II of The City Charter this Ordinance has been publicly available in the office of the City Secretary for not less than 72 hours prior to its adoption; that this Ordinance may be read and published by descriptive caption only.

SECTION 7. This Ordinance shall become effective upon its adoption and publication in accordance with the provisions of The Charter of the City of Galveston.

APPROVED AS TO FORM:

MEHRAN JADIDI
ASSISTANT CITY ATTORNEY

I, Janelle Williams, Secretary of the City Council of the City of Galveston, do hereby certify that the foregoing is a true and correct copy of an Ordinance adopted by the City Council of the City of Galveston at its Regular Meeting held on August 9, 2018, as the same appears in records of this office.

IN TESTIMONY WHEREOF, I subscribe my name hereto officially under the corporate seal of the City of Galveston this _____, 2018.

Secretary for the City Council
of the City of Galveston



18P-038

STAFF REPORT

ADDRESS:

2128 Avenue N

LEGAL DESCRIPTION:

Property is legally described as the South 86 Feet of Lot 14 (3014-2), Southeast Block 18, Galveston Outlots, in the City and County of Galveston, Texas.

APPLICANT/REPRESENTATIVE:

Zachary and Kate Gavos

PROPERTY OWNERS:

Same

ZONING DISTRICT:

Urban Neighborhood, San Jacinto
 Neighborhood Conservation District (UN-
 NCD-1)

REQUEST:

Request for designation as a Galveston
 Landmark

STAFF RECOMMENDATION:

Approval with Conditions

ATTACHMENTS:

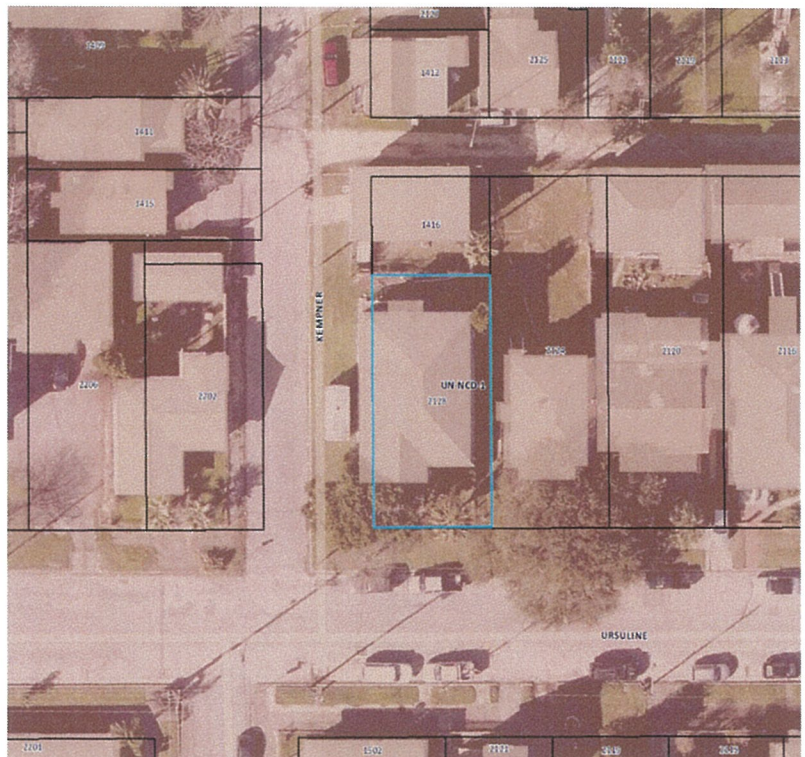
A – Applicant's Submittal

STAFF:

Daniel Lunsford
 Planner
 409-797-3659
 dlunsford@galvestontx.gov

Public Notice and Comment:

Sent	Returned	In Favor	Opposed	No Comment
36				



Zoning and Land Use

Location	Zoning	Land Use
Subject Site	Urban Neighborhood, San Jacinto Neighborhood Conservation District (UN-NCD-1)	Residential
North	Urban Neighborhood, San Jacinto Neighborhood Conservation District (UN-NCD-1)	Residential
South	Urban Neighborhood, San Jacinto Neighborhood Conservation District (UN-NCD-1)	Residential
East	Urban Neighborhood, San Jacinto Neighborhood Conservation District (UN-NCD-1)	Residential
West	Urban Neighborhood, San Jacinto Neighborhood Conservation District (UN-NCD-1)	Residential

Executive Summary

The applicants are requesting designation of the above referenced address, as a Galveston Landmark.

Analysis

As per Article 10 of the Land Development Regulations, the following criteria should be considered during the Landmark Designation review process:

1. The character, interest, or value as part of the development, heritage, or cultural characteristics of the City of Galveston, Galveston County, the State of Texas, or the United States.

As early as 1876, Arend and Henry D. Schutte owned a mercantile store at 1203 Ball and had a partnership “dealing in flavoring, extracts, medicine, and sundries” according to a notice in Galveston Daily News dated August 2, 1886. A notice in the Galveston Daily News dated April 6, 1884 indicated that the Schuttes purchased lots 12-14 from C.J. and Bella McRae in 1884 and built several houses on those lots in the following years; before this, it is believed that Arend and Henrietta lived above the store at 1203 Ball.

Arend Schutte was born in 1847 in Oldenberg, Germany and passed away in December 1924 at his residence at 2128 Avenue N. He immigrated to the United States in 1867 and became a citizen in 1907, and lived in Galveston as early as 1876. He and Henrietta Sievers married on April 12, 1877 in Galveston. Henrietta was born in Braunsehang, Germany, in 1850 and immigrated to the United States in 1869, also becoming a citizen in 1907. She passed away in August 1924 at 2128 Avenue N.

After her parents’ deaths, daughter Clara L. Schutte owned the property until her passing in 1925, after which her brother William inherited it. Successive owners are listed in the applicant’s narrative under Attachment A.

2. Representative of an established and familiar visual feature of a neighborhood, community, or city.

1889 and 1899 Sanborn maps shows four dwelling on lots 13 and 14 and one on lot 12. The 1912 Sanborn map shows only one building- the current house- on lot 14, with all other buildings shown in 1899 being absent and presumably damaged in the 1900 storm. It is believed that Arend Schutte built the house currently at 2128 Avenue N around 1908.

An undated insurance record believed to be from the early 20th century notes that a one story, high-raised frame house with slate roof sat on the subject property. According to this record, the house contained six rooms, one bathroom, four closets, and two porches. The house was converted into apartments as of 1950 according to an advertisement in the Galveston tribune; renovations were done in 1963 and 1985. The applicant intends to restore the residence as a single-family dwelling.

3. Likelihood of the continuation of a building's historical use, or its potential adaptation for new uses without the need for major intervention that could seriously damage its historic character or integrity.

The Arend and Henrietta Schutte House will be renovated with the intent that it will continue to serve as a single-family residence at its original location. A historic landmark designation will further secure it as a valuable and noteworthy part of the city's historical and architectural heritage.

Financial Incentives for Historic Properties

The subject property is outside of a designated historic district, and is eligible to participate in the Financial Incentive for Substantial Rehabilitation and New Galveston Landmarks program. The benefit is a 35% reduction in the City portion of the property taxes for a period of five years.

Other Reviews

The Planning Commission will hear the request at the July 17, 2018 meeting. City Council has the final decision regarding the request for a Landmark Designation. The request will be heard at the regular meeting of August 9, 2018.

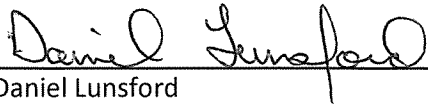
Staff Recommendation

Staff recommends approval with the following condition:

Standard Condition:

1. As with all properties containing a Historic Overlay Designation, including Landmark Designations, exterior alterations to the property will be subject to review and approval by the Landmark Commission and must conform to the Design Standards for Historic Properties of Galveston, Texas.

Respectfully Submitted,



Daniel Lunsford
Planner

07/10/18

Date



Catherine Gorman, AICP
Assistant Planning Director / HPO

7-9-18

Date

Arend and Henrietta Schutte House
 2128 Avenue N
 South part of Lot 14, Southeast Outlot 18
 Built 1908

The undated early 20th century insurance record for this property notes a one-story frame house with a slate roof that sat elevated upon an 8' basement. The house originally contained six rooms, one hall, one bathroom, four closets and two porches. The record identifies the estate of W. H. Schutte as the owner.

Notes on the record reveal it was divided into three separate apartments in February 1943, which was later amended to reflect six apartments (undated). An additional un-dated note regarding the basement notes it was divided into four rooms. In 1963, a final note indicates a building permit was pulled that year that enable the owner at that time to apply siding and sheetrock six rooms.

Arend Hinrich and Henrietta Sievers Schutte

Arend Hinrich Schutte was born on May 16, 1847, in Oldenburg, Germany. He immigrated in 1867 and became a naturalized citizen in 1907. He died at his residence (2128 N) on December 1, 1924. His funeral was held at the house. His wife, Henrietta Sievers, was born on February 5, 1850, in Braunseharg, Germany. She immigrated in 1869 and was naturalized in 1907. Henrietta died at the family residence (2128 N) on August 26, 1924. Her funeral was also held at the house. *(Immigration and naturalization sources on Arend and Henrietta: 1910 and 1920 United States Census records/ Birth and death date sources: Galveston County Department of Health death certificates)*

Arend and Henrietta married in Galveston on April 12, 1877.

(Texas Select County Marriage Index 1837-1965. FHL Film #1008866. It was a second marriage for Henrietta, who married Christian Osterwald in Galveston on June 15, 1873. It is not known if she divorced Osterwald or if she was widowed.)

The first city directory to include Arend Schutte was 1876-1877. That year he was noted as the proprietor of a grocery store on the corner of 12th and Avenue H (Ball). Listed with him is D. Schutte (Dietrich). Henry Dietrich Schutte was first listed in the 1874 directory, noted as a grocer on the corner of 12th and Avenue H. Genealogical records note that Henry was born in Germany in 1850, immigrated in 1867 and died in 1906. Although no obituaries or census records could be found that highlighted a clear connection between him and Arend, it is most likely that the two of them were brothers. Henry would eventually open a grocery store on the corner of 8th and Postoffice Street. This building still stands and today houses Farley Girls Café.

Children of Arend and Henrietta Schutte:

1. Meta Henrietta (Schumann), 1877-1912. Buried at Old City Cemetery, Galveston
2. Arthur Arend, 1880-1900. Buried at Old City Cemetery, Galveston
3. Clara L. "Carrie", 1883-1925. Buried at Old City Cemetery, Galveston
Carrie died at her residence (2128 N) on October 25, 1925. Her funeral was held at the house.
4. William Henry, 1886-1958. Buried Shiner Cemetery, Lavaca County, Shiner, Texas
Married Anna Meta Hollman in Galveston in 1906. Anna was born in Fredericksburg, Texas and raised in Shiner, Texas. Both of them died in San Diego. They are buried in Shiner, Texas.
5. Arend Theodore, 1887-1946. Buried Fulton County Cemetery, Georgia
6. Charles Herbert, 1889-1957. Buried Calvary Hill Cemetery, Dallas, Texas

On April 6, 1884, the Galveston Daily News recorded the purchase of lots 12, 13 and 14 on the southeast quarter of outlot 18 by Arend Schutte. Schutte purchased the lots from C. J. and Bella McRae. The 1889 Sanborn Insurance Map showed four dwellings occupying lots 13 and 14 and one dwelling on lot 12. The same configuration can be seen on the 1899 Sanborn Insurance Map but by 1912, when the next maps were issued, the current building (2128 N) can be seen on lot 14. Lot 13 is vacant on the 1912 map while the house on lot 12 has been replaced with a building erected in 1910.

It would be presumed that the buildings on lots 13 and 14 were damaged by the 1900 Storm and subsequently demolished. In 1908, Arend built 2128 Avenue N on the south part of lot 14. In March 1922, Arend built 2124 N on lot 13. At some point after 1912, 1416 22nd Street was erected on the north part of lot 14. This building is not seen on the 1912 map. It is recorded on the same insurance record as 2128 N, but the build date is not noted. Because it is noted on the same record as 2128 N, I feel like the Schutte family built it, too, possibly around 1922 when Arend built the house on lot 13.

The 1909-1910 Galveston City Directory notes Arend Schutte, retired, residing at 2128 Avenue N. The couple had previously resided at 1201-1203 Ball Street (extant), where they lived above their corner grocery store. Arend sold this building to R. P. Williamson in December 1921. Arend and Henrietta continued to reside at 2128 Avenue N, with their daughter, Carrie, until their deaths in 1924. Carrie maintained the family residence at 2128 Avenue N until her own death in 1925. Having relocated to San Diego, California, in 1924, where he established his own plumbing business, William Schutte inherited the properties after his father's death. In 1927, William Schutte sold lots 13 and 14 to Sam Kaminsky.

Chain of Ownership

1. Estate of Arend Henry Schutte to son, William Henry Schutte
2. William and Anna Schutte to Sam Kaminsky (5 October 1927)
Gap in ownership until Della Franz. The date she acquired the property is unknown.
3. Della Franz to Elmer E. Craner (July 1946)
4. Elmer Craner to Percy Beacroft (December 1947)
An advertisement for the property in the Galveston Daily News on September 4, 1950 noted an "eight room apartment house" for sale, identified as 2128 Avenue N.
5. Percy Beacroft to Abram Jacobson (September 1953)
6. Abram Jacobson, south half of lot 14 to Mitchell and Rosalie Mancuso Kovacevich (September 1964)
Rosalie would divorce Mitchell and remarry Onida Joseph "Babe" Palombo on January 9, 1970.
7. Estate of Onida Joseph Palombo to John J. Meitzen (October 2007)
John Meitzen was Onida's step-son. His mother was Janet Mueller Palombo, Onida's second wife.
8. John J. Meitzen to Jelene Wilkinson (May 2010)
9. Current Owner, April 2017

City Directory Search

1874

H. D. Schutte, groceries, corner 12th and Ave H

1876-1877

A. H. Schutte, groceries, sw cor 12th and Ave H

1878-1879

A. H. Schutte, with D. Schutte, sw cor 12th and Ave H, r. same

D. Schutte, groceries, cor 12th and Ave H, r. same

1880-1881

A. H. Schutte, with D. Schutte, sw cor 12th and Ave H, r. same

D. Schutte not included in the directory

1881-1882

Arend Schutte, groceries, dry goods, boots, shoes, and beer, 801 Winnie, cor 9th, r. same

Dietrich Schutte, groceries, sw cor Ave H & 12th, r. same

1884-1885

Arend Schutte, groceries, dry goods, boots, shoes, and beer, 801 Winnie, cor 9th, r. same

Dietrich Schutte, groceries, sw cor Ave H & 12th, r. same

1890-1891

Arend H. Schutte, groceries, notions, beer, sw cor Ave H, 12th, r. same

Henry D. Schutte, dry goods, groceries, provisions, beer, sw cor Postoffice, 8th, r. same

1895-1996

Arend H. Schutte, r. 1203 Ave H

1899-1900

Arend H. Schutte, groceries 1201 Ball or Ave H, r. same, phone 1262

Arthur F. Schutte, engraver Clarke & Courts, h. A. H. Schutte

William Schutte, clerk A. H. Schutte, h. same

1901-1902

Arend H. Schutte, groceries 1201 Ave H, r. same, 5, phone 601

William Schutte, clerk A. H. Schutte, h. same

The number 5, right before the phone number on Arend's listing means there are five other people in the household besides Arend.

1905

Arend H. Schutte, groceries, poultry, 1201 Ave H, r. same, 5, phone 601

Arend T. Schutte, litho engraver Clarke & Courts, h. 1201 Ave H

William Schutte, apprentice plumber Paul Shean Mfg Co., h. 1201 Ave H

1909-1910

Arend H. Schutte, retired, r. 2128 Ave N, Phone 3103

Miss Carrie Schutte, h. 2128 Ave N

Charles H. Schutte, clerk gen claim office Gulf Colorado & Santa Fe Ry, h. 2128 Ave N

William H. Schutte (W. H. Schutte & Co.), r. 1201 Ave H

W. H. Schutte & Company (Wm. H. Schutte, John J. Connors), contract plumbers, gas & steam fitters, 605 Tremont, phone 1973

First directory to include 2128 N. Information for directories gathered a year in advance so in the 1908 directory, the house was not listed as it likely wasn't there, or wasn't complete. In 1908, the family was still noted as residing at 12th and Ball)

1916

Arend H. Schutte, retired, r. 2128 Ave N, Phone 3103

Miss Carrie Schutte, h. 2128 Ave N

William H. Schutte (W. H. Schutte & Co.), r. 1615 Ave M ½, 4, Tel. 1658

W. H. Schutte & Company (Wm. H. Schutte), contract plumbers, gas & steam fitters, dealers in bathtubs, lavatories, lighting fixtures, supplies, etc., 2313 Ave G or Winnie, Tel. 1973

1921

Arend H. Schutte (Henrietta), r. 2128 Ave N

Miss Carrie Schutte, h. 2128 Ave N

William H. Schutte (Anna), plumber 2313 Ave G, r. 3219 Ave N ½

1924-1925

Arend H. Schutte (Henrietta), r. 2128 Ave N

Miss Carrie Schutte, h. 2128 Ave N

William H. Schutte (Anna), r. 3219 Ave N ½

Last listings for the Schutte family. Arend and Henrietta die in 1924, Carrie in 1925 and William and his family relocate to San Diego, California, in 1924.

1928-1929

Sam Kaminsky (Rebecca), peddler, h. 2124 Ave N

David Thompson (Hattie E), chief clerk GC&SF Ry, h. 2128 Ave N

Barclay P. Farnsworth (Harriete), asst auditor Cotton Concentration Co., h. 2128 Ave N

1930

Sam Kaminsky (Rebecca), peddler, h. 2124 Ave N

Charles H. Hawkins (Ada), eng City water works & sewerage dept., h. 2128 Ave N

Jesse W. Eggleston (Annie E) salesman Nehi Bottling Co., h. 2128 Ave N

1940

Sam Kaminsky (Rebecca), h. 2124 Ave N

Edward W. Carney (Ruth), janitor, h. 2128 Ave N

Maureen Carney, clerk Am Nat Ins Co., h. 2128 Ave N

No listing for Della Franz

1945

Della Franz, h. 1723 Ave C or Mechanic

Sam Kaminsky (Rebecca), h. 2124 Ave N

O. M. Givens (Lessie M; 1), painter, h. 2128 Ave N #1

Normie Tilley (Corene; 3), painter, h. 2128 Ave N #2

Lawrence Buckles (Bertha; 3), longshoreman, h. 2128 Ave N #3

L. C. Godwin (Martha), h. 2128 Ave N #4

Bert Adrian (Nettie), h. 2128 Ave N #5

Joseph Osburn (Kathy; 2), h. 2128 Ave N #6
G. W. Graham, h. 2128 Ave N #7
William L. Collier (Ruth), US Army, h. 2128 Ave N #8

1949

Oscar Nord (Aggie), fisherman, h. 2128 Ave N #1
Eugene Baker (Bonnie), clerk Lamar Hotel, h. 2128 Ave N #2
Ishmael Pariss, h. 2128 Ave N #3
Theo Cummings, h. 2128 Ave N #4
Percy Beacroft (Pollye), marine engineer, h. 2128 Ave N #5
Paul Hale (Blanche), h. 2128 Ave N #6
R. T. Morrisette (Inez B.), h. 2128 Ave N #7
Joseph Dixon Jr. (Marjorie), steel worker, h. 2128 Ave N #8
Percy Beacroft purchased the house in 1947.

1951

Jerry Pooler, elevator operator, h. 2128 Ave N #1
C. D. Bradley, repairman, h. 2128 Ave N #2
#3 noted as vacant in the cross directory
V. E. Brown, widower, h. 2128 Ave N #4
Percy Beacroft (Pollye), marine engineer, h. 2128 Ave N #5
J. T. Rogers (Debra), foreman Kane Pipe, h. 2128 Ave N #6
H. N. Pennington, pipe fitter, h. 2128 Ave N #7
R. Starrett, h. 2128 Ave N #8

1955

Abram Jacobson (Gertrude S.) real estate 2520-22 Ave F or Church, h. 4823 Wharton Dr.
2128 N listed in the cross directory as "furnished apartments" with no names of the tenants residing there, so I was unable to identify any residents that year. None of the residents from 1951 were still residing there.
Percy Beacroft sold the house to Abram Jacobson in 1953. Beacroft was not included in the 1955 directory.

1960

Mrs. Wilma Christian, cook, Marshall's Café, h. 2128 Ave N
Abram Jacobson (Gertrude S.) real estate 2520-22 Ave F or Church, r. 4823 Wharton Dr.
Wilma Christian was the only name listed in the cross directory associated with the address 2128 Ave N.

1968

Mitchell Kovacevich (Rosalie), Pace's Plumbing, h. 2128 Ave N, Southfield 2-7137
Kovacevich bought property from Jacobson in 1964

1971

Onida J. Palombo (Rosalie), salesman Republic Parts, h. 2128 Ave N

Steve Mancuso (Jennie B), caretaker Moody Civic Center, h. 2128 Ave N

Rosalie divorced Kovacevich and married Palombo in 1970. Steve Mancuso is Rosalie's father.

1976

Babe Palombo (Rosalie), bookkeeper The Motor Mart, r. 2128 Ave N

Steve Mancuso (Jennie B), caretaker Moody Civic Center, h. 2128 Ave N

1980

Onida J. Palombo (Rosalie), partsman Motor Mart, r. 2128 Ave N

1985

Onida J. Palombo (Rosalie), partsman Motor Mart, r. 2128 Ave N

1991

Onida J. Palombo, retired, h. 2128 Ave N

Janet Palombo, teacher GISD, h. 2128 Ave N

Michael Flores, h. 2128 Ave N

Janet is Onida's second wife. Rosalie died in 1988. A year later, Onida married Janet Mueller.

1996 (*Last year directories were issued in Galveston.*)

O. J. Palombo, retired, h. 2128 Ave N

Michael Flores, h. 2128 Ave N

G. Grant, h. 2128 Ave N

It appears that Onida continued to live at 2128 Avenue N until his death in 2007.

INDEX, RATES AND INFORMATION

No refunds for early cancellations of the above special private party plans

301	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524	525	526	527	528	529	530	531	532	533	534	535	536	537	538	539	540	541	542	543	544	545	546	547	548	549	550	551	552	553	554	555	556	557	558	559	560	561	562	563	564	565	566	567	568	569	570	571	572	573	574	575	576	577	578	579	580	581	582	583	584	585	586	587	588	589	590	591	592	593	594	595	596	597	598	599	600	601	602	603	604	605	606	607	608	609	610	611	612	613	614	615	616	617	618	619	620	621	622	623	624	625	626	627	628	629	630	631	632	633	634	635	636	637	638	639	640	641	642	643	644	645	646	647	648	649	650	651	652	653	654	655	656	657	658	659	660	661	662	663	664	665	666	667	668	669	670	671	672	673	674	675	676	677
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WH

PROFESSIONAL

DO... DO

SERVICE DIRECTORY

AD
YOUR
FOR

IS IT?
PRICE
\$1⁰⁰ PER DAY
(21 Days, minimum; 30 days, if 4th day not received, please)

prices. Remodel, garages, doors.
Restorations. Free est. 938-7563.

FIREWOOD FOR SALE
Call Days: 938-7400
24 Hour Fax: 938-7400

Foundation Restoration
Block Slab Sills Beams C/W Start At
Plantation

DEADBOLT LOCKS INSTALLED
\$25.00—\$15 each additional lock.
733-4225 811/41 PM

prices. Remodel, garages, doors.
Restorations. Free est. 938-7563.

FIREWOOD FOR SALE
Call Days: 938-7400
2 Days from C.H. Hill, 1000

Foundation Restoration
Block Slab Sills Beams C/W Start At
Plantation

DEADBOLT LOCKS (INSTALLED)
\$25.00—\$15 each additional lock.
Locks

753-4225 811/41 PM

Real Estate Transfer.

The following deeds of transfer of real estate were filed for record in the county clerk's office last week:

Ed. H. Sullivan to E. W. Davidson, southwest quarter of section 11, township 33 N., range 34 E., sec. 11.

J. A. Jones and Belle Moore to **Armed** H. **Wright**, his heirs and assigns in southeast quarter of section 13, township 33 N., range 34 E.

J. A. Baker to Edwin J. Peacock, lot 1, north-west quarter of northeast block of section 34, township 33 N., range 34 E.

Christina Walter and Susan Walter to A. H. Greenfield, lot 3, in southeast block

section 1, township 33 N., range 34 E.

Henry H. Sullivan.

Jerry E. Davidson and Jonathan Hunt to George H. Jones, lot 11, block 4th. 33rd.

John H. Hunt to Thomas Baker, lot 33rd.

6 Apr. 1884

SEE

SHEET

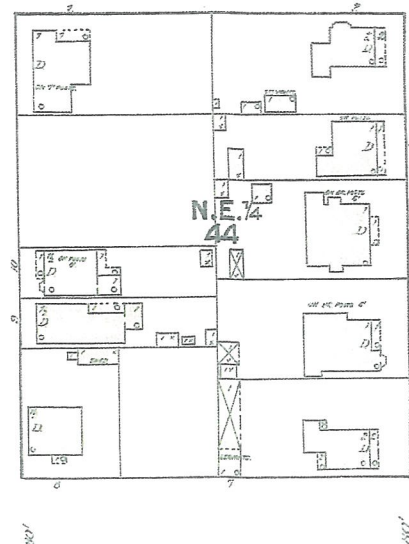
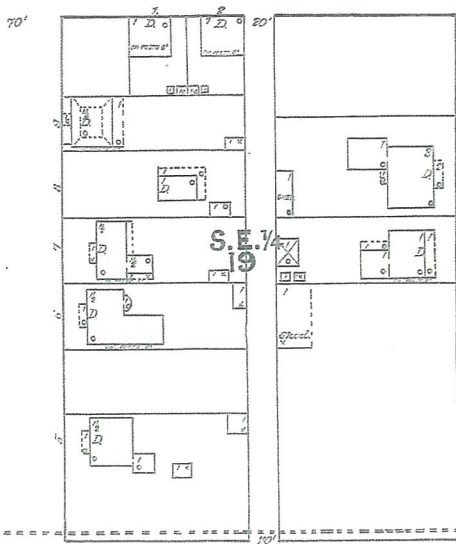
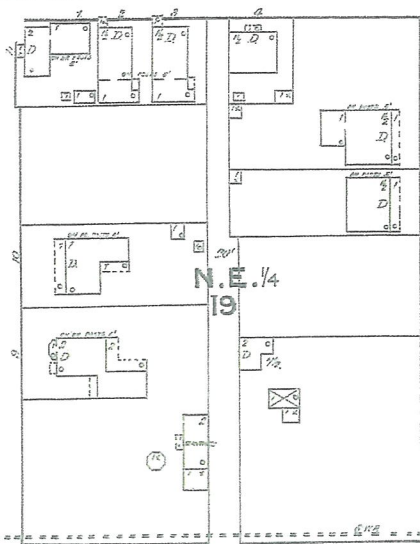
N245.

47

HALVESTON TEX.

19TH

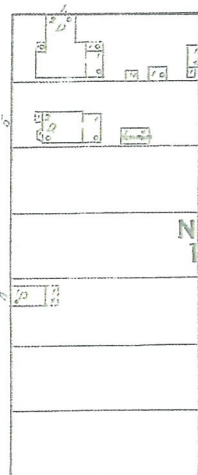
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20TH

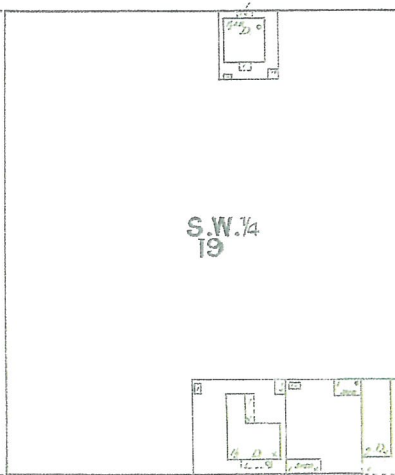
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AV. EAST



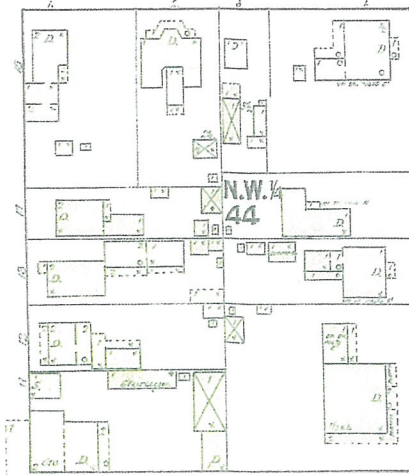
N.W. 1/4
19

AV. M 1/2



S.W. 1/4
19

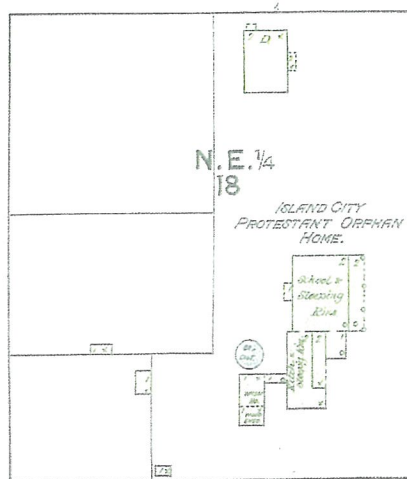
AV. N EAST



N.W. 1/4
44

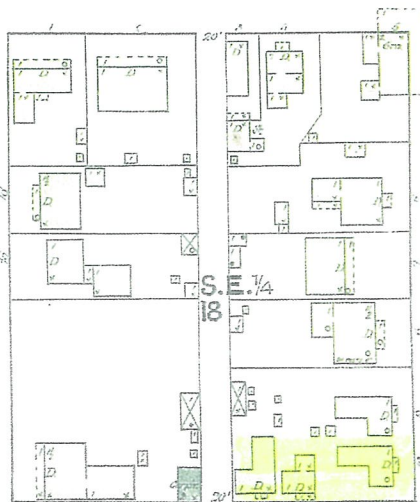
AV. N 1/2 EAST

21ST OR CENTER



N.E. 1/4
18

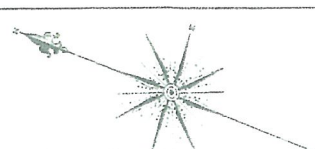
ISLAND CITY
PROTESTANT ORPHAN
HOME.



S.E. 1/4
18

22ND

ST.



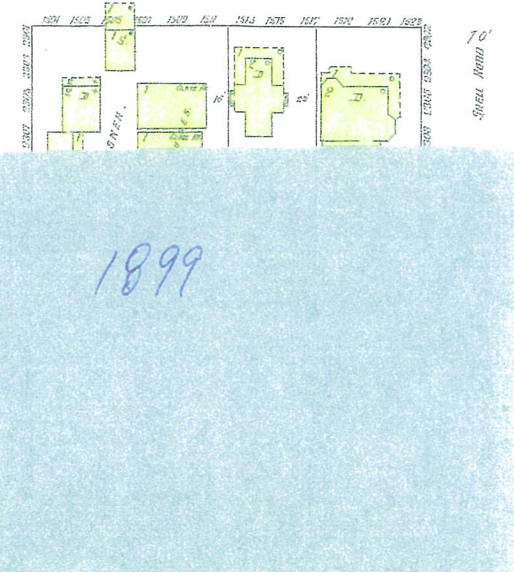
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1889

SEE

SHEET

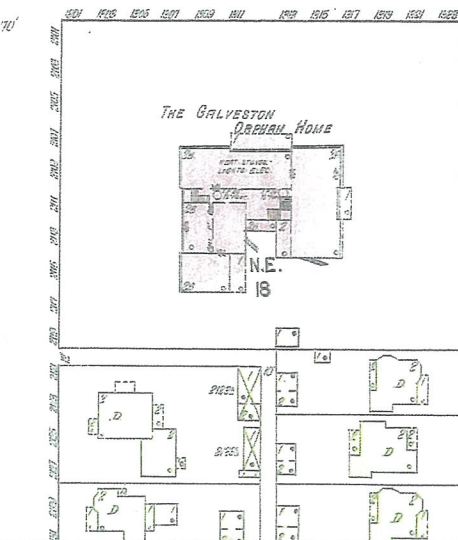
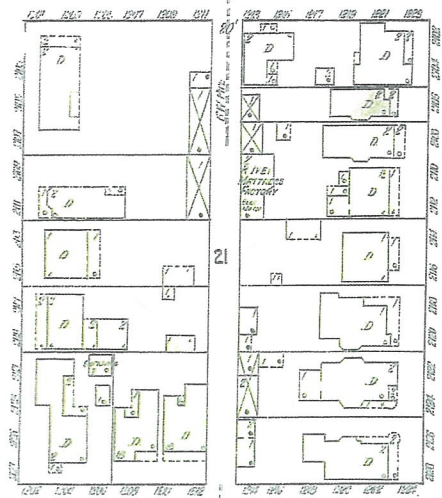
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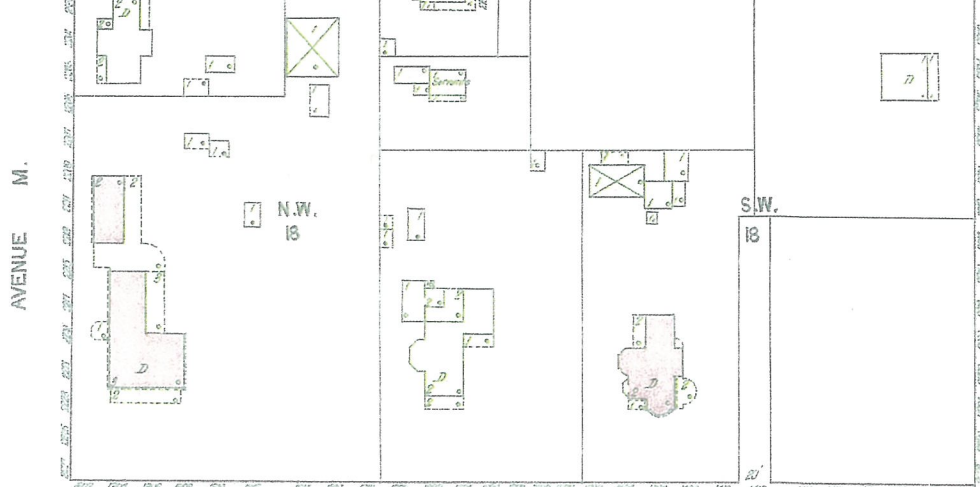
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21ST OR CENTER ST.

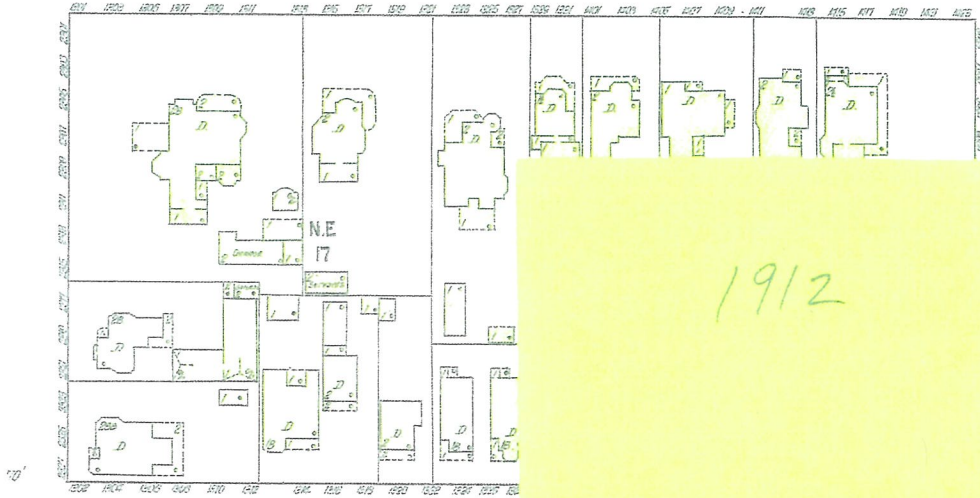


22ND ST.

22ND ST.



23RD OR TREMONT ST.



24TH ST.

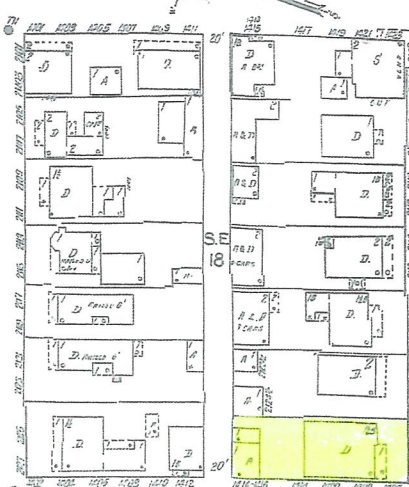
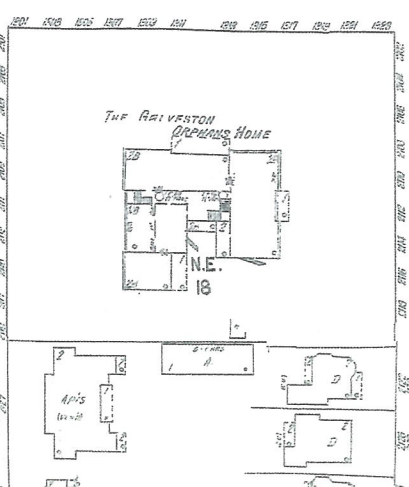
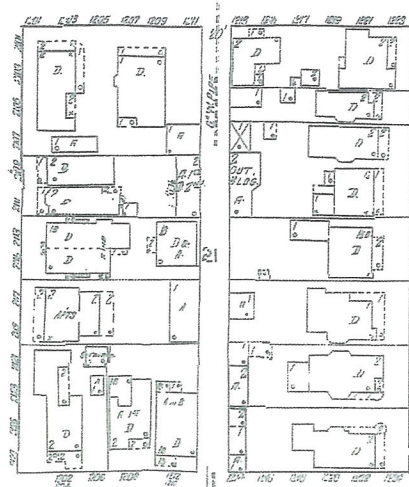
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21ST OR CENTER ST.



22ND ST.

22ND ST.

22ND ST.

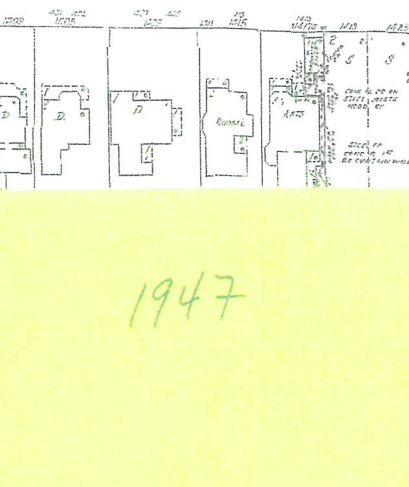
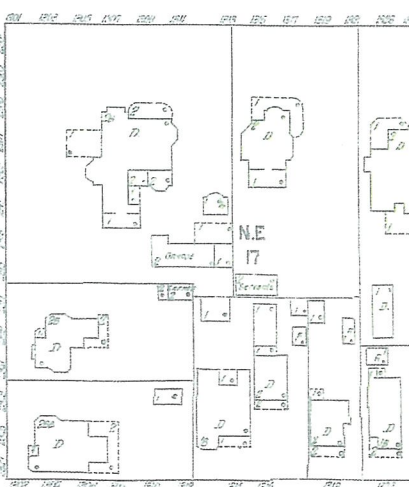
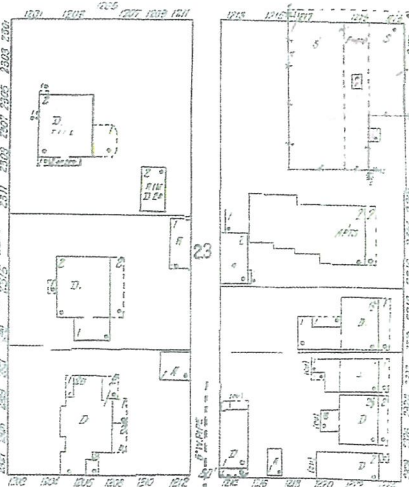
AVENUE M.

AVENUE M.

AVENUE N.

46

23RD OR TREMONT ST.



23

N.E. 17

24TH ST.

51

1947

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GALVESTON, TEXAS, (“CITY”) APPROVING A NEGOTIATED RESOLUTION BETWEEN THE CITY OF GALVESTON AND TEXAS GAS SERVICE (“TGS” OR “THE COMPANY”) REGARDING THE COMPANY’S APRIL 27, 2018 COST OF SERVICE ADJUSTMENT (“COSA”) FILING; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING NEW TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT AND FINDING THE RATES TO BE SET BY THE ATTACHED TARIFFS TO BE JUST AND REASONABLE; PROVIDING FOR THE RECOVERY OF THE CITY’S AND TGS’ REASONABLE AND NECESSARY RATE CASE EXPENSES; ADOPTING A SAVINGS CLAUSE; DETERMINING THAT THIS ORDINANCE WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; DECLARING AN EFFECTIVE DATE; REPEALING ANY PRIOR ORDINANCES INCONSISTENT WITH THIS ORDINANCE AND REQUIRING DELIVERY OF THIS ORDINANCE TO THE COMPANY’S AND THE CITY’S LEGAL COUNSEL.

WHEREAS, the City of Galveston, Texas (“City”) is a gas utility customer of Texas Gas Service (“TGS” or “the Company”), and a regulatory authority with an interest in the rates and charges of TGS; and

WHEREAS, on or about April 27, 2018, TGS filed with the City a COSA tariff seeking to decrease natural gas rates to all customers residing in the City and a proposed one-time refund due to tax over collections; and

WHEREAS, the Company has requested a system-wide decrease of \$817,178 a one-time refund of \$10.62 per customer in August 2018 to reflect the impact of the Tax Cuts and Jobs Act tax cut for the period January 1 through July 2018.; and

WHEREAS, the City coordinated a review of TGS’ COSA filing and designated attorneys and consultants to resolve issues in the Company’s COSA filing; and

WHEREAS, the Company has filed evidence that existing rates are unreasonable and should be changed; and

WHEREAS, independent analysis by the City's rate expert concluded that TGS is able to justify a decrease from current rates; and

WHEREAS, the City's attorney and consultant recommend that the City approve the Settlement Agreement reflecting decreased revenues of \$817,178 on a system-wide basis and a one-time refund of \$12.72 per customer in the August 2018 bills; and

WHEREAS, the attached tariffs implementing new rates are consistent with the negotiated resolution reached by the City and are just, reasonable, and in the public interest; and

WHEREAS, the negotiated resolution of the Company's COSA filing and the resulting rates are, as a whole, in the public interest; and

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

Section 1. That the City Council finds that the existing rates for natural gas service provided by TGS are unreasonable and the new tariffs implementing this Ordinance, which are attached hereto and incorporated herein as Attachment A, are just and reasonable and are hereby adopted.

Section 2. That a rate decrease of \$817,178 on a system-wide basis is reasonable.

Section 3. That a one-time refund of \$12.72 is reasonable.

Section 4. That TGS shall reimburse the reasonable ratemaking expenses of the City in processing the Company's rate application.

Section 5. That to the extent any resolution or ordinance previously adopted by the Council is inconsistent with this Ordinance, it is hereby repealed.

Section 6. That the meeting at which this Ordinance was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 7. That if any one or more sections or clauses of this Ordinance is adjudged to be unconstitutional or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Ordinance and the remaining provisions of the Ordinance shall be interpreted as if the offending section or clause never existed.

Section 8. That the tariffs attached as Attachment A to this Ordinance shall become effective for meters read on and after July 26, 2018, consistent with the COSA tariff.

Section 9. That a copy of this Ordinance shall be sent to TGS, care of Stephanie Houle, 1301 South Mopac, Suite 400, Austin, Texas 78746, and to Thomas L. Brocato, Special Counsel to the City, at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

PASSED AND APPROVED this _____ day of _____, 2018.

Mayor

ATTEST:

City Secretary

APPROVED AS TO FORM:

City Attorney

2018 GCSA INCORPORATED COSA RATE SCHEDULES

PUBLIC NOTICE
TEXAS GAS SERVICE, A DIVISION OF ONE GAS, INC.
GCSA INCORPORATED COSA FILED APRIL 27, 2018

Texas Gas Service, a Division of ONE Gas, Inc. ("Company"), hereby gives notice to the public that on April 27, 2018, its 2018 Cost of Service Adjustment ("COSA") was filed in the incorporated areas of its Gulf Coast Service Area ("GCSA"), which includes the Cities of Bayou Vista, Galveston, Groves, Jamaica Beach, Nederland, Port Arthur, and Port Neches, Texas.

The 2018 COSA filing will decrease rates in the incorporated areas of its GCSA, and pursuant to the COSA Clause, proposed rates will become effective with meters read on and after July 26, 2018. The change in rates will affect approximately 41,637 residential, 1,773 commercial, 266 public authority, 29 commercial standard transportation and 4 industrial standard transportation customers in the GCSA incorporated areas.

The adjustment to rates was calculated on the Company's total revenue requirement for service in the GCSA which includes customers residing in both the incorporated areas and the surrounding environs. The incorporated areas' share of the service area-wide decrease of \$817,178 is approximately \$797,127. If approved, the proposed rates will decrease the Company's GCSA revenues by 3.1 percent when gas cost revenues are included or by 4.41 percent when gas cost revenues are excluded. The proposed change constitutes a "major change" as that term is defined by Section 104.101 of the Texas Utilities Code. Rates for each customer class within the GCSA will decrease by the amount and percentage shown in the table below.

Customer Class	Current Monthly Customer Charge	Proposed Monthly Customer Charge	Monthly Customer Charge Decrease	Average Monthly Customer Bill Decrease	% Decrease without Cost of Gas	% Decrease with Cost of Gas	Average Monthly Usage per Ccf for Bill Impacts
Residential	\$13.36	\$12.10	(\$1.26)	(\$1.26)	-5.65%	-3.98%	20
Commercial	\$55.80	\$49.49	(\$6.31)	(\$6.31)	-5.89%	-2.89%	232
Commercial Standard Transport	\$301.80	\$295.49	(\$6.31)	(\$6.31)	-0.37%	-0.37%	7,214
Public Authority	\$112.36	\$103.95	(\$8.41)	(\$8.41)	-5.07%	-2.49%	360
Public Authority Standard Transport	\$302.36	\$302.36	No Customers		0.00%	0.00%	-
Industrial	\$153.41	\$153.41	No Customers		0.00%	0.00%	-
Industrial Standard Transport	\$343.41	\$217.42	(\$125.99)	(\$125.99)	-2.31%	-2.31%	13,635
Test Year Cost of Gas was \$0.4796/Ccf excluding revenue related taxes.							

A complete copy of the 2018 COSA filing is available for inspection in the Company's business office located at 4201 39th Street, Port Arthur, Texas 77642 or its Galveston, Texas office located at 402 33rd Street, Galveston, Texas 77550 or on the internet at the Company's website at www.texasgasservice.com. Persons with specific questions or desiring additional information about this filing may contact the Company at 1-800-700-2443.

Nota al cliente:

La compañía Texas Gas Service, por este medio notifica su intención de proponer un cambio en la tasa para el servicio de gas que le provee para algunos tipos de clientes o para todos tipos de clientes. Para obtener una copia de este aviso en español, favor de llamar al número gratuito 1-800-700-2443 o enviar un mensaje de correo electrónico a la dirección ODCInformationCenterWebTeam@onegas.com.

TEXAS GAS SERVICE

Texas Gas Service, a Division of ONE Gas, Inc.
Gulf Coast Service Area

RATE SCHEDULE 10

RESIDENTIAL SERVICE RATE

APPLICABILITY

Applicable to a residential customer in a single dwelling, or in a dwelling unit of a multiple dwelling or residential apartment, for domestic purposes. A residential consumer includes an individually-metered residential unit or dwelling that is operated by a public housing agency acting as an administrator of public housing programs under the direction of the U.S. Department of Housing and Urban Development. This rate is only available to full requirements customers of Texas Gas Service, a Division of ONE Gas, Inc..

TERRITORY

Incorporated areas served in Galveston, Bayou Vista, Jamaica Beach, Port Arthur, Nederland, Groves and Port Neches, Texas.

COST OF SERVICE RATE

During each monthly billing period:

A customer charge per meter per month of \$12.10 plus

All Ccf per monthly billing period @ \$0.45616 per Ccf

OTHER ADJUSTMENTS

Cost of Gas Component: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Schedule 1-INC.

Weather Normalization Adjustment: The billing shall reflect adjustments in accordance with the provisions of the Weather Normalization Adjustment Clause, Rate Schedule WNA.

Rate Schedule RCE: Adjustments in accordance with provisions of the Rate Case Expense Surcharge Rider.

Taxes: Plus applicable taxes and fees (including franchise fees) related to above.

CONDITIONS

Subject to all applicable laws and orders, and Texas Gas Service's rules and regulations on file with the regulatory authority.

Supersedes Rate Schedules
July 27, 2017

Meters Read On and After
July 26, 2018

Texas Gas Service, a Division of ONE Gas, Inc.
Gulf Coast Service Area

RATE SCHEDULE 20

COMMERCIAL SERVICE RATE

APPLICABILITY

Applicable to commercial consumers for all purposes and all other consumers not otherwise specifically provided for.

TERRITORY

Incorporated areas served in Galveston, Bayou Vista, Jamaica Beach, Port Arthur, Nederland, Groves and Port Neches, Texas.

COST OF SERVICE RATE

During each monthly billing period:

A customer charge per meter per month of	\$49.49 plus
All Ccf per monthly billing period @	
The First 250 Ccf @	\$0.22140 per Ccf
All Over 250 Ccf @	\$0.19380 per Ccf

OTHER ADJUSTMENTS

Cost of Gas Component: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Schedule 1-INC.

Weather Normalization Adjustment: The billing shall reflect adjustments in accordance with the provisions of the Weather Normalization Adjustment Clause, Rate Schedule WNA.

Rate Schedule RCE: Adjustments in accordance with provisions of the Rate Case Expense Surcharge Rider.

Taxes: Plus applicable taxes and fees (including franchise fees) related to above.

CONDITIONS

Subject to all applicable laws and orders, and Texas Gas Service's rules and regulations on file with the regulatory authority.

The rate schedule may be used for special unmetered service such as gas street lights. The total hourly rated consumption of all gas burning appliances included, expressed in Ccf, at the location, shall be multiplied by 731 to determine the average monthly consumption of the service. The result, rounded to the next highest Ccf shall then be billed the rates provided in this rate.

Supersedes Rate Schedules
July 27, 2017

Meters Read On and After
July 26, 2018

Texas Gas Service, a Division of ONE Gas, Inc.
Gulf Coast Service Area

RATE SCHEDULE 30

INDUSTRIAL SERVICE RATE

APPLICABILITY

Applicable to any qualifying customer whose primary business activity at the location served is included in one of the following classifications of the Standard Industrial Classification Manual of the U.S. Government.

Division B - Mining - all Major Groups

Division D - Manufacturing - all Major Groups

Divisions E and J - Utility and Government - facilities generating power for resale only

TERRITORY

Incorporated areas served in Galveston, Bayou Vista, Jamaica Beach, Port Arthur, Nederland, Groves and Port Neches, Texas.

COST OF SERVICE RATE

During each monthly billing period:

A customer charge per meter per month of \$153.41 plus

All Ccf per monthly billing period @

The First 250 Ccf @ \$0.40060 per Ccf

All Over 250 Ccf @ \$0.37480 per Ccf

OTHER ADJUSTMENTS

Cost of Gas Component: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Schedule 1-INC.

Rate Schedule RCE: Adjustments in accordance with provisions of the Rate Case Expense Surcharge Rider.

Taxes: Plus applicable taxes and fees (including franchise fees) related to above.

CONDITIONS

Subject to all applicable laws and orders, and Texas Gas Service's rules and regulations on file with the regulatory authority.

Delivery of gas hereunder may be interrupted or curtailed at the discretion of Texas Gas Service, in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other customers served.

Supersedes Rate Schedules
July 27, 2017

Meters Read On and After
July 26, 2018

Texas Gas Service, a Division of ONE Gas, Inc.
Gulf Coast Service Area

RATE SCHEDULE 40

PUBLIC AUTHORITY SERVICE RATE

APPLICABILITY

Applicable to all public and parochial schools and colleges, and to all facilities operated by Governmental agencies not specifically provided for in other rate schedules or special contracts. This rate is only available to full requirements customers of Texas Gas Service, a Division of ONE Gas, Inc..

TERRITORY

Incorporated areas served in Galveston, Bayou Vista, Jamaica Beach, Port Arthur, Nederland, Groves and Port Neches, Texas.

COST OF SERVICE RATE

During each monthly billing period:

A customer charge per meter per month of \$103.95 plus

All Ccf per monthly billing period @

The First 250 Ccf @ \$0.15672 per Ccf

All Over 250 Ccf @ \$0.13092 per Ccf

OTHER ADJUSTMENTS

Cost of Gas Component: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Schedule 1-INC.

Weather Normalization Adjustment: The billing shall reflect adjustments in accordance with the provisions of the Weather Normalization Adjustment Clause, Rate Schedule WNA.

Rate Schedule RCE: Adjustments in accordance with provisions of the Rate Case Expense Surcharge Rider.

Taxes: Plus applicable taxes and fees (including franchise fees) related to above.

CONDITIONS

Subject to all applicable laws and orders, and Texas Gas Service's rules and regulations on file with the regulatory authority.

The rate schedule may be used for special unmetered service such as gas street lights. The total hourly rated consumption of all gas burning appliances included, expressed in Ccf, at the location, shall be multiplied by 731 to determine the average monthly consumption of the service. The result, rounded to the next highest Ccf shall then be billed the rates provided in this rate.

Supersedes Rate Schedules
July 27, 2017

Meters Read On and After
July 26, 2018

TRANSPORTATION SERVICE RATE

Applicability

Applicable to customers who have elected Transportation Service not otherwise specifically provided for under any other rate schedule.

Service under this rate schedule is available for the transportation of customer-owned natural gas through Texas Gas Service's distribution system. The customer must arrange with its gas supplier to have the customer's gas delivered to one of Texas Gas Service's existing delivery receipt points for transportation by Texas Gas Service to the customer's facilities at the customer's delivery point. The receipt points shall be specified by Texas Gas Service at its reasonable discretion, taking into consideration available capacity, operational constraints, and integrity of the distribution system.

Availability

Natural gas service under this rate schedule is available to any individually metered, non-residential customer for the transportation of customer owned natural gas through Texas Gas Service's Gulf Coast Service Area distribution system which includes the incorporated areas of Galveston, Bayou Vista, Jamaica Beach, Port Arthur, Port Neches, Groves and Nederland, Texas. Such service shall be provided at any point on Texas Gas Service's System where adequate capacity and gas supply exists, or where such capacity and gas supply can be provided in accordance with the applicable rules and regulations and at a reasonable cost as determined by Texas Gas Service in its sole opinion.

Cost of Service Rate

During each monthly billing period, a customer charge per meter per month listed by customer class as follows:

Commercial	\$295.49 per month
Industrial	\$217.42 per month
Public Authority	\$302.36 per month

Plus – All Ccf per monthly billing period listed by customer class as follows:

Commercial	The First 250 Ccf@	\$0.22140 per Ccf
	All Over 250 Ccf @	\$0.19380 per Ccf
Industrial	The First 250 Ccf@	\$0.40060 per Ccf
	All Over 250 Ccf @	\$0.37480 per Ccf
Public Authority	The First 250 Ccf@	\$0.15672 per Ccf
	All Over 250 Ccf @	\$0.13092 per Ccf

Supersedes Rate Schedule Dated:
July 27, 2017

Meters Read On and After:
July 26, 2018

Additional Charges:

- 1) A charge will be made each month to recover the cost of taxes paid to the State of Texas pursuant to Texas Utilities Code, Chapter 122 as such may be amended from time to time which are attributable to the transportation service performed hereunder.
- 2) A charge will be made each month to recover the cost of any applicable franchise fees paid to the cities.
- 3) In the event Texas Gas Service incurs a demand or reservation charge from its gas supplier(s) or transportation providers in the incorporated areas of the Gulf Coast Service Area, the customer may be charged its proportionate share of the demand or reservation charge based on benefit received by the customer.
- 4) Rate Schedule RCE: Adjustments in accordance with provisions of the Rate Case Expense Surcharge Rider.

Subject To

- 1) Tariff T-TERMS, General Terms and Conditions for Transportation
- 2) Transportation of natural gas hereunder may be interrupted or curtailed at the discretion of Texas Gas Service in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to Texas Gas Service's rate schedule which would otherwise be available to such customer.
- 3) Subject to all applicable laws and orders, and Texas Gas Service's rules and regulations on file with the regulatory authority.



2018 GCSA INCORPORATED COSA

COSA SCHEDULES 1-7

SUMMARY OF RATE ADJUSTMENT

Line No.	Description	Twelve Months Ended Dec. 2017	Allowable Revenue Requirement (See Note 1)	Twelve Months Ended Dec. 2016	Incr(Decr)
1	Rate Base	\$61,379,057		\$62,321,656	(\$942,599)
2	Rate of Return	7.2910%		7.2910%	0.0000%
3	Required Return	\$4,475,147		\$4,543,872	(\$68,725)
4	Depreciation and Amortization	3,113,595		2,968,660	144,934
5	Taxes Other Than FIT (Ad Valorem only)	522,872		472,837	50,034
6	Federal Income Tax	933,100		1,919,166	(986,066)
7	Rate Base Related	\$9,044,713		\$9,904,536	(\$859,823)
8	Taxes Other Than FIT (excludes Ad Valorem)	\$375,551		\$271,944	\$103,607
9	Interest on Customer Deposits	5,602		1,452	4,150
10	Transmission and Distribution Expenses	2,998,482		3,881,417	(882,935)
11	Customer Related Expenses	1,233,861		1,526,807	(292,946)
12	Administrative & General	4,065,346		2,810,639	1,254,707
13	O&M Expense Related	\$8,678,842		\$8,492,259	\$186,583
14	Revenue Requirement (Line 7 + Line 13)	\$17,723,555	\$17,723,555	\$18,396,795	(\$673,240)
15	Test Year Sales, Standard Transport, and Misc. Revenues	(18,534,603)	(18,534,603)	(18,396,795)	(137,809)
16	Revenue Deficiency/(Surplus)	(\$811,049)	(\$811,049)	\$0	(\$811,049)
17	Gross up for Texas Franchise Tax 0.0075	(6,129)	(6,129)	0	(6,129)
18	Total Cost of Service to be Recovered/(Refunded) through the Customer Charge (grossed up for Texas Franchise Tax rate of 0.0075)	(\$817,178)	(\$817,178)	\$0	(\$817,178)

SUMMARY OF RATE ADJUSTMENT

NOTES TO SCHEDULE 1:

	Twelve Months Ended Dec. 2017	Allowable Revenue Requirement
Note 1: Calculation of Allowable Revenue Requirement		
1 Current Rate Base Related	\$9,044,713	\$9,044,713
2 Current O&M Expense Related (Allowable is limited to percentage increase below)	8,678,842	8,678,842
3 Revenue Requirement from Current Year	\$17,723,555	\$17,723,555
4 Prior Rate Base Related	\$9,904,536	\$9,904,536
5 Prior O&M Expense Related	8,492,259	8,492,259
6 Revenue Requirement from Prior Year	\$18,396,795	\$18,396,795
7 Total Change in Return and Expenses	(\$673,240)	(\$673,240)
Total Operating Exp Change % (all O&M included)	2.2000%	2.2000%
Calculation of Limitation on Expense Increase:		
Operating Expense Change % adjusted for expenses excluded per the tariff (see below):	2.0900%	
Limitation on Expenses (Note 2)		4.0000%

Note 2: Limitation on Expenses is determined by Terms of Cost of Service Adjustment Clause (The actual percentage change in total calendar year operating expenses shall not exceed four percent (4%), provided that the costs for the Company to provide public notice and reimburse City and Company rate case expenses as required herein, shall not be included in calculating the 4% limitation).

	Total O&M expenses	Public Notice and City and Company rate case expenses not included in O&M for calculating the % change:	Total O&M expenses excluding amounts not included in calculating limitation
Current O&M Expense Related	\$8,678,842	\$12,756	\$8,666,086
Prior O&M Expense Related	\$8,492,259	\$3,578	\$8,488,681
Calculated Operating Expense Change Percentage for Limitation			2.0900%

ALLOWABLE EXPENSES

Line No.	Description	Account Numbers	Twelve Months Ended Dec. 2017	Twelve Months Ended Dec. 2016	Incr(Decr)
1	Depreciation and Amortization	403-405	\$3,113,595	\$2,968,660	\$144,934
2	Taxes Other Than FIT (Note 1)	408	898,423	743,021	155,401
3	Interest on Customer Deposits	431	5,602	1,452	4,150
4	Transmission and Distribution Expenses	850-894	2,998,482	3,881,417	(882,935)
5	Customer Related Expenses	901-916	1,233,861	1,526,807	(292,946)
6	Administrative & General	920-932	4,065,346	2,810,639	1,254,707
7	Total		<u>\$12,315,308</u>	<u>\$11,931,997</u>	<u>\$383,311</u>

Note 1: Includes Texas Franchise Tax. Excludes City Franchise Fees, Gross Receipts, and any other revenue-based tax.

RETURN ON INVESTMENT

Line No.	Description	Twelve Months Ended Dec. 2017	Twelve Months Ended Dec. 2016	Incr(Decr)
1	Net Plant in Service (Year to Date Balance)	\$76,695,102	\$75,118,418	\$1,576,684
2	RRC 8.209 Regulatory Asset Balance (Year to Date Balance)	266,267	425,198	(158,931)
3	Other Rate Base Items (Note 1)	2,513,259	2,552,657	(39,398)
4	Customers Deposits (Acct. 235) (Year to Date Balance)	(1,240,547)	(1,309,811)	69,264
5	Customer Advances (Acct.252) (Year to Date Balance)	(544,325)	(466,790)	(77,535)
6	Deferred Income Taxes	(16,310,699)	(13,998,016)	(2,312,683)
7	Rate Base	\$61,379,057	\$62,321,656	(\$942,599)
8	Rate of Return (Note 2)	7.291%	7.291%	7.291%
9	Return on Investment	\$4,475,147	\$4,543,872	(\$68,725)

Note 1: Other Rate Base Items

Materials and Supplies Inventory (13 month avg ending balances through Dec. 2017)	\$592,273
Prepayments (13 month avg ending balances through Dec. 2017)	1,780,177
Pension/OPEB Expense Regulatory Deferrals	140,809
Cash Working Capital (Per the COSA tariff – shall be set to \$0.00)	0
Total Other Rate Base Items	<u>\$2,513,259</u>

Note 2: Settled rate of return in GUD No. 10488 with updated TYE Dec. 2015 (See below)

TEXAS GAS SERVICE, A DIVISION OF ONE GAS, INC.
Gulf Coast Service Area
Applicable with rates effective May 9, 2016 (GUD 10488 No. - updated TYE Dec. 2015)

COST OF CAPITAL

DESCRIPTION	RATIO	COST RATE %	COMPOSITE RATE %
	(a)	(b)	(c)
Long-Term Debt	39.796%	3.950%	1.572%
Common Equity	60.204%	9.500%	5.719%
Total	<u>100.000%</u>		<u>7.291%</u>

FEDERAL INCOME TAXES

Line No.	Description	Twelve Months Ended Dec. 2017	Twelve Months Ended Dec. 2016	Incr(Decr)
1	Taxable Income (Schedule 3, Line 9)	\$4,475,147	\$4,543,872	(\$68,725)
2	Interest On Long Term Debt (Schedule 3, Line 7 x 1.572%) (Note 1)	(964,879)	(979,696)	14,818
3	Net Taxable Income	\$3,510,268	\$3,564,176	(\$53,907)
4	Federal Income Taxes (0.26582 times line 3) (Note 2)	\$933,100	\$1,919,166	(\$986,066)

Note 1: Interest on Long Term Debt is the Debt Cost Component of Return (1.572% from GUD No. 10488 with updated TYE Dec. 2015) multiplied by rate base

Note 2: Tax factor of 0.26582 is the income tax rate of 21% divided by (1 minus the 21% tax rate).

BASE REVENUES

Line No.	Description	Account Numbers	Twelve Months Ended Dec. 2017
1	Gas Sales Revenue	480-482	\$24,130,324
2	Less: Cost of Gas		(7,788,095)
3	Base Gas Sales Revenue		<u>\$16,342,229</u>
4	Misc. Service Fees	487-488	<u>\$332,729</u>
5	Transportation Revenue	489.3	\$1,892,911
6	Less: Estimated Transport Revenue		(33,265)
7	Total Transportation		<u>\$1,859,645</u>
8	Total Base Revenues		<u><u>\$18,534,603</u></u>

RATE DESIGN AND PROOF OF REVENUE

Line No.	Customer Class	Percent of Revenues per GUD No. 10488	Annual Revenue Requirement Increase/(Decrease) (Sch.1)	Annual GCSA Bills CY 2017	Monthly GCSA Customer Charge Increase/(Decrease)
1	Residential	78.95%	(\$645,134)	513,497	(\$1.26)
2	Commercial and Commercial Standard Transport	16.98%	(138,756)	21,973	(\$6.31)
3	Public Authority	3.33%	(27,240)	3,238	(\$8.41)
4	Industrial Standard Transport	0.74%	(6,048)	48	(\$125.99)
5	Grand Total	100%	(\$817,178)	538,756	
6	Annual Revenue Requirement Increase/(Decrease) (Sch. 1)		(\$817,178)		
7	Total Base Revenues (Sch. 1)		18,534,603		
8	Revenue Requirement plus Gross up for Texas Franchise Tax		\$17,717,426		

RATE DESIGN AND PROOF OF REVENUE

GCSA Incorporated versus GCSA Environs - Breakout of Revenue Increase/(Decrease) and Bills:							
Line No.	Customer Class	Total Required Increase/(Decrease)	Incorporated Area Required Increase/(Decrease)	Environs Required Increase/(Decrease)	Total Annual GCSA Bill Count CY 2017	Incorporated Area Annual Bill Count CY 2017	Environs Annual Bill Count CY 2017
1	Residential	(\$645,134)	(\$627,722)	(\$17,412)	513,497	499,638	13,859
2	Commercial and Commercial Standard	(138,756)	(136,521)	(2,235)	21,973	21,619	354
3	Public Authority	(27,240)	(26,836)	(404)	3,238	3,190	48
4	Industrial Standard Transport	(6,048)	(6,048)	-	48	48	0
5		<u>(\$817,178)</u>	<u>(\$797,127)</u>	<u>(\$20,051)</u>	<u>538,756</u>	<u>524,495</u>	<u>14,261</u>
6		100.00%	97.55%	2.45%	100.00%	97.35%	2.65%

GCSA Incorporated versus GCSA Environs - Percentage Share of Revenue Increase/(Decrease) Based on Current Annual Bill Count:				
Line No.	Town Description	% Share of Revenue Impact	Annual GCSA Service Area Bill Count	% Share of Current Bills
7	Jamaica Beach	(\$5,830)	3,836	0.71%
8	Bayou Vista	(17,618)	11,592	2.15%
9	Galveston	(255,534)	168,137	31.21%
10	Groves	(97,363)	64,063	11.89%
11	Nederland	(95,916)	63,111	11.71%
12	Port Neches	(80,973)	53,279	9.89%
13	Port Arthur	(243,893)	160,477	29.79%
14	Environs	<u>(20,051)</u>	<u>14,261</u>	<u>2.65%</u>
15	Total	<u>(\$817,178)</u>	<u>538,756</u>	<u>100.00%</u>
16	Incorporated Areas Share	(\$797,127)	524,495	97.35%
17		Avg Monthly Total GCSA Bill Count	44,896	
18		Avg Monthly GCSA Incorporated Customer Count	43,708	

GCSA Incorporated - Customer Count by Class:			
Line No.	Class	GCSA Incorporated Area Annual Bill Count CY 2017	GCSA Incorporated Area Avg Monthly Customer Count
19	RESIDENTIAL	499,638	41,637
20	COMMERCIAL	21,271	1,773
21	COMMERCIAL STANDARD TRANSPORT	348	29
22	PUBLIC AUTHORITY	3,190	266
23	PUBLIC AUTHORITY STANDARD TRANSPORT	0	0
24	INDUSTRIAL	0	0
25	INDUSTRIAL STANDARD TRANSPORT	48	4
26		<u>524,495</u>	<u>43,708</u>

**VOLUNTARY RATE REDUCTION TO REFLECT REDUCED CORPORATE TAX RATE
ONE-TIME TAX REDUCTION REFUND
FOR JAN 2018 THRU JUL 2018 BILLING PERIODS**

Line No.	Description	Amount
1	Total TYE Dec. 2017 Annual Cost of Service Reduction Calculated on Schedule 1, line 18	(\$817,178)
2	Divide by 12	<u>12</u>
3	Monthly Reduction	(\$68,098)
4	Multiply by 7 Months (Jan 2018 - July 2018)	<u>7</u>
5	One-time Tax Reduction Refund for Billing Periods January 2018 through July 2018	(\$476,687)
6	Average Monthly GCSA Bills CY 2017	<u>44,896</u>
7	Per Customer One-time Tax Reduction Refund for Billing Periods January 2018 through July 2018	<u><u>(\$10.62)</u></u>

BILL IMPACTS

Line No.	Customer Class	Average Usage (Ccf)	Current Monthly Bills	Proposed Monthly Bills Effective in 2018	Monthly Bill \$ Change	Monthly % Change
1	RESIDENTIAL					
2	Cost of Service Only	20	\$22.30	\$21.04	(\$1.26)	-5.65%
3	Total Bill (Note 1)	20	\$31.69	\$30.44	(\$1.26)	-3.98%
4	COMMERCIAL					
5	Cost of Service Only	232	\$107.14	\$100.83	(\$6.31)	-5.89%
6	Total Bill (Note 1)	232	\$218.36	\$212.04	(\$6.31)	-2.89%
7	COMMERCIAL STANDARD TRANSPORT					
8	Cost of Service Only	7,214	\$1,709.80	\$1,703.49	(\$6.31)	-0.37%
9	Total Bill (Note 1)	7,214	\$1,709.80	\$1,703.49	(\$6.31)	-0.37%
10	PUBLIC AUTHORITY					
11	Cost of Service Only	360	\$165.88	\$157.47	(\$8.41)	-5.07%
12	Total Bill (Note 1)	360	\$338.29	\$329.88	(\$8.41)	-2.49%
13	PUBLIC AUTHORITY STANDARD TRANSPORT (Note 2)					
14	Cost of Service Only	0	\$302.36	\$302.36	\$0.00	0.00%
15	Total Bill (Note 1)	0	\$302.36	\$302.36	\$0.00	0.00%
16	INDUSTRIAL (Note 2)					
17	Cost of Service Only	0	\$153.41	\$153.41	\$0.00	0.00%
18	Total Bill (Note 1)	0	\$153.41	\$153.41	\$0.00	0.00%
19	INDUSTRIAL STANDARD TRANSPORT					
20	Cost of Service Only	13,635	\$5,460.13	\$5,334.13	(\$125.99)	-2.31%
21	Total Bill (Note 1)	13,635	\$5,460.13	\$5,334.13	(\$125.99)	-2.31%

Note 1: Total Bills for gas sales customers include 12 month average COG of \$0.4796/Ccf and excludes revenue related taxes. Transportation customers secure their own gas, so there is no added COG in the Total Bill.

Note 2: TGS currently has no Industrial gas sales customers or Public Authority Standard Transport customers, and TGS therefore did not reflect a change to the customer charge.

City of Galveston



City Attorney's Office

P.O. Box 779 / Galveston, Texas 77553-0779 / (409) 797-3530 / Fax (409) 797-3531

August 1, 2018

Mayor James D. Yarbrough
Members of Council
City Hall
Galveston, Texas 77550

RE: COSA Rate Increase Ordinance

Dear Mayor and Council:

The City of Galveston utilizes a firm named Lloyd Gosselink to represent it in various hearings before various state agencies. One of the areas in which they are utilized are rate cases for either electric or gas utilities.

Last spring the Texas Gas Service filed an application to decrease their rates based on savings occasioned by the President's tax cut legislation. Lloyd Gosselink recommended the City oppose the application because the cuts are not deep enough. A settlement has been proposed which Lloyd Gosselink recommends and their reasoning is as follows:

Background

On April 27, 2018, Texas Gas Service Company ("TGS" or "Company") filed for a rate increase pursuant to the Cost of Service Adjustment ("COSA") tariff adopted by the Gulf Coast Service Area ("GCSA") Cities. TGS proposed a rate *decrease* under the tariff in the amount of \$817,178 on a system-wide basis. TGS also proposed a one-time refund of \$10.62 per customer in August 2018 to reflect the impact of the Tax Cuts and Jobs Act tax cut for the period of January 1, 2018 through July 2018. Attorney, Thomas Brocato, and consultant, Karl Nalepa, were hired by the City of Galveston to review the TGS filing and negotiate a settlement. After conducting their review, they recommend adopting the \$817,178 decrease in rates. In addition, they proposed a one-time refund of \$12.72 per customer instead of the \$10.62 proposed by the Company.

Purpose of the COSA

The Texas Legislature allows gas utilities to annually adjust rates based on changes to invested capital. That statutory provision is referred to as the Gas Reliability Infrastructure Program (“GRIP”). In a GRIP proceeding, cities are not allowed to intervene at the Railroad Commission, cannot challenge the reasonableness of any investment, and may not recover rate case expenses. In 2002, the City of Galveston and TGS negotiated a COSA tariff. The 2002 COSA was discontinued in 2015. On December 30, 2015, TGS filed for a rate increase in the Galveston Service Area and, as part of this rate case, TGS sought to consolidate the Galveston Service Area with the South Jefferson County Service Area to create the combined Gulf Coast Service Area. The settlement agreement in that case included a provision stating that the parties would discuss the possibility of implementing a COSA tariff in the Gulf Coast Service Area. The first filing under the new COSA tariff was made in March 2017. Pursuant to the COSA clause, TGS now submits, by May 1, its annual COSA filing that establishes the proposed annual rate adjustment (up or down) that would be effective the first billing cycle of August each year.

Resolution of the 2018 Filing

The City’s consultant Karl Nalepa found that TGS’s cost of service calculations were consistent with the terms of the COSA tariff and the costs reflected in the COSA filing were reasonable. Therefore, the Company’s requested decrease of \$817,178 is reasonable.

However, Mr. Nalepa found that TGS did not correctly calculate its proposed refund of tax over collections resulting from the Tax Cuts and Jobs Act, and recommended a revised methodology that increased TGS’ proposed refund by \$94,437. The result of this error is to increase the one-time refund from \$10.62 to \$12.72 per customer. This refund is to reflect the impact of the Tax Cuts and Jobs Act tax cut for the period of January 1, 2018 through July 2018. TGS has agreed to increase the one-time refund, consistent with this recommendation.

Additionally, TGS agrees to present a specific treatment for the amortization of excess accumulated deferred income tax caused by the reduction in the federal income tax rate in its next statement of intent filing or other rate proceeding. TGS has agreed to work with Cities to establish an appropriate amortization process to refund the excess deferred taxes to customers.

EXPLANATION OF “BE IT ORDAINED” PARAGRAPHS IN THE ORDINANCE

Section 1. When rates change, it is critical for the regulatory authority to find existing rates to be unreasonable and for the new rates to be just and reasonable. This section finds that the new rates reflected in tariffs for each customer class attached to the Ordinance are reasonable.

- Section 2. This paragraph authorizes TGS to *decrease* rates by \$817,178 on a system-wide basis.
- Section 3. This paragraph authorizes TGS to issue a one-time refund of \$12.72 per customer.
- Section 4. This paragraph requires the Company to reimburse the City for consulting and legal costs associated with the requested increase.
- Section 5. This paragraph repeals any prior City action that might be inconsistent with the new tariffs adopted by the Council.
- Section 6. This paragraph recites compliance with the Open Meetings Act.
- Section 7. This paragraph is a typical savings clause, preserving the remaining provisions of the Ordinance should any one provision be determined to be invalid.
- Section 8. Pursuant to the COSA tariff, the new rates are to become effective on or after the first billing cycle of August each year. This paragraph allows the Company to implement the new rates on meter reads that occur on or after July 26, 2018.
- Section 9. This paragraph requires that an adopted and signed copy of the Ordinance be sent to the Company and special counsel to the City.

It is therefore recommended that the Council accept that settlement as proposed by Lloyd Gosselink by passing the proposed Ordinance. Each TSG customer in the City will receive a one-time refund from \$10.62 to \$12.72; there will be further savings in the future and TSG will work with the City's counsel to establish an amortization process to distribute them.

Should you have further question, please call.

Very truly yours,

/s/ Donald S. Glywasky

DONALD S. GYWASKY
City Attorney



City of Galveston

DEPARTMENT OF INFORMATION TECHNOLOGY

STAFF REPORT

August 9, 2018

To: Brian Maxwell, City Manager
Honorable Mayor and City Council

From: Hope Dean, Chief Information Technology Officer

RE: Consider for approval the allocation of funds for the purchase of ninety-five (95) desktop computers in the amount of \$ 127,892.80 to Centre Technologies utilizing DIR TSO Contract # 3763.

I. BACKGROUND

In 2015, the City adopted and began the implementation of a standard schedule for the replacement of all desktop computers. Each year subsequent, the Information Technology Department has worked with Dell Technologies to designate replacement specifications for aging equipment having reached the end of its useful life in accordance with the adopted refresh schedule. Dell OptiPlex model workstations have been selected as the City of Galveston's standard due to their strong track record of quality, service, and overall lower cost of ownership.

II. CURRENT SITUATION

This year is the third year of the centralized desktop refresh program. According to the current inventory, ninety-five (95) workstations require replacement to keep in line with the desktop refresh replacement program of managing equipment less than 5 years of age. When this program was implemented, one of the goals of the program was to ensure a standard replacement cycle for the computing equipment. A number of factors drive the useful life of technology with the most forceful driver upon which we can exert the least control is the prevailing industry software upgrade cycles. These software upgrade cycles typically require more powerful equipment. Another goal of this program is to eliminate the disparity between departments on the age of their equipment. The average age of the equipment designated for replacement in this fiscal year is five (5) years old.

III. ISSUES

1. The City of Galveston maintains inventory of over 550 desktop computers and other mobile computing equipment. Of that inventory, ninety-Five (95) desktop workstations have been designated for replacement in this fiscal year.





City of Galveston

DEPARTMENT OF INFORMATION TECHNOLOGY

STAFF REPORT

2. The City of Galveston's refresh program changes how equipment is purchased and replaced. The individual departments no longer purchase their own equipment; replacement cycles and funding is managed by the Information Technology Department.
3. The goal of the computer refresh program is to maintain a more uniformly current fleet of equipment, which also allows for greater cost reductions due to bulk purchasing practices.

ALTERNATIVES

1. Forego the scheduled replacement of the equipment. This action is not recommended due to the current age of the equipment scheduled for replacement.
2. The City of Galveston could opt to purchase the equipment from another manufacturer. This option is not recommended due to the differences in equipment specifications and frequency of model releases. Dell has a standard release schedule. OptiPlex models run on twelve (12) month replacement cycles. This schedule allows the department to limit the number of different models being supported.
3. The City of Galveston could continue to purchase workstations in a decentralized manner as the system worked relatively well for 15 years. However, it is not optimal, because it leads to some departments having workstations older than the recommended useful life schedule, causing a higher rate of equipment failure. These type of purchases also prevent the City from taking advantage of bulk purchase discounts.

IV. RECOMMENDATION

Approve the allocation of funds for the purchase of ninety-five (95) desktop computers in the amount of \$ 127,892.80 to Centre Technologies utilizing DIR TSO Contract # 3763.

V. FISCAL IMPACT REPORT

Requested by:	Hope Dean Chief Information Technology Officer
Funding Source:	Information Technology Operating Budget
Costs of implementation:	\$127,892.80.





City of Galveston

FLEET FACILITIES STAFF REPORT

July 30, 2018

Brian Maxwell, City Manager
Honorable Mayor and City Council Members

Subject: Consider for the approval allowing the Fleet Facility to increase the previously approve purchase amount of two Freightliner service trucks from Houston Freightliner (through HGAC) from \$217,169 to \$228,514 in order to increase the cab to accommodate a full work crew, and authorize the City Manager to execute the contract upon final approval by the City Attorney.

I. Background

- A. Funding for new equipment had been earmarked for the Municipal Utilities Division and they had requested these vehicles. These two vehicles are large heavy duty service trucks which perform installations and repairs to the water supply system.
- B. This item was brought before the city council for approval during the January 25th meeting.
- C. The Municipal Utilities Division had requested a four door vehicle in order to be able to transport a utilities crew of 4 members and the required equipment to a work site.
- D. The dealership failed to add the larger cab pricing to the HGAC quote. This addition includes a larger frame, larger cab and a change to the power plant (due to engine availability).
- E. This addition to the service trucks will increase the total to \$228,514 which is a difference of \$11,345.
- F. Delivery should be around November of 2018.
- G. Buy Board, HGAC Buy and TPASS are cooperative purchasing organizations that the city is a member of that performs bidding packages for local governments.

II. Current Situation





City of Galveston

FLEET FACILITIES STAFF REPORT

The City Council will have to approve allowing the Fleet Facility to increase the previously approve purchase amount of two Freightliner service trucks from Houston Freightliner (through HGAC) from \$217,169 to \$228,514 in order to increase the cab to accommodate a full work crew, and authorize the City Manager to execute the contract upon final approval by the City Attorney.

III. Alternatives in order of priority

A. City Council approves the request.

1. Cost - \$21,483
2. Timing - Delivery should be within 30 days.
3. Divisional Improvements - Will provide the city with needed equipment to perform duties. Newer equipment will reduce fleet operational costs and will improve operations.

B. City Council does not approve the request.

1. Cost - No additional cost at this time.
2. Timing - N/A
3. Divisional Improvements - City staff will not be able to function without needed equipment. Additional vehicles will be utilized to transport the required workers.

IV. Recommendation

Concur in Alternative A and approve allowing the Fleet Facility to increase the previously approve purchase amount of two Freightliner service trucks from Houston Freightliner (through HGAC) from \$217,169 to \$228,514 in order to increase the cab to accommodate a full work crew, and authorize the City Manager to execute the contract upon final approval by the City Attorney.

V. Fiscal Impact Report

Requested by	David Smith Executive Director
Funding Source	Utilities Capital Outlay
Cost	Additional \$11,345 totaling \$228,514.





City of Galveston

FLEET FACILITIES STAFF REPORT

Savings Estimation

Will help reduce unit repair costs on the older fleet vehicles and will assist with improving services.

VI. Environmental Impact

All listed vehicles are produced under current EPA standards.

Respectfully Submitted

David Smith
Executive Director



**CONTRACT PRICING WORKSHEET**
For MOTOR VEHICLES OnlyContract
No.:

HT06-18

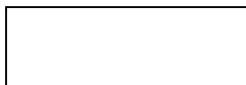
Date
Prepared:

7/31/2018

This Worksheet is prepared by Contractor and given to End User. If a PO is issued, both documents MUST be faxed to H-GAC @ 713-993-4548. Therefore please type or print legibly.

Buying Agency:	City of Galveston	Contractor:	Houston Freightliner, Inc
Contact Person:	David Smith	Prepared By:	Michael McCarthy
Phone:	479-524-8512	Phone:	713-580-8122
Fax:		Fax:	713-676-1603
Email:		Email:	Mike.McCarthy@STRHouston.com
Product Code:	C5	Description:	2019 Freightliner M2-106
A. Product Item Base Unit Price Per Contractor's H-GAC Contract:			61652
B. Published Options - Itemize below - Attach additional sheet(s) if necessary - Include Option Code in description if applicable. (Note: Published Options are options which were submitted and priced in Contractor's bid.)			
Description	Cost	Description	Cost
West Coast Mirrors with LH/RH Remote	215	Battery Disconnect mtd LH of Driver Seat	131
Allison 2500 RDS Automatic Transmission	0	Trailer Tow Package	812
Air Conditioner	0	Air Cab Suspension	91
BW AD-9 Air Dryer	Std	LH/RH Power Door Locks	74
Air Driver Seat	159	LH/RH Electric Windows	164
AM/FM Radio	225	200" Wheelbase	649
Single Air Horn	79		
Adjustable Steering Column	359	Special Wilcox Model WAB134D54 Service Body	39497
Front Tow Hooks	71		
10,000 LB Front Axle	102		
154"High Roof Crewcab	9193	Subtotal From Additional Sheet(s):	
Exterior Sun Visor	140	Subtotal B:	51961
C. Unpublished Options - Itemize below / attach additional sheet(s) if necessary. (Note: Unpublished options are items which were not submitted and priced in Contractor's bid.)			
Description	Cost	Description	Cost
Detroit DD5 240 HP Engine	225		
		Subtotal From Additional Sheet(s):	
		Subtotal C:	225
Check: Total cost of Unpublished Options (C) cannot exceed 25% of the total of the Base Unit Price plus Published Options (A+B).		For this transaction the percentage is:	0%
D. Total Cost Before Any Applicable Trade-In / Other Allowances / Discounts (A+B+C)			
Quantity Ordered:	2	X Subtotal of A + B + C:	113838 = Subtotal D: 227676
E. H-GAC Order Processing Charge (Amount Per Current Policy)			Subtotal E: 1000
F. Trade-Ins / Special Discounts / Other Allowances / Freight / Installation / Miscellaneous Charges			
Description	Cost	Description	Cost
Discount	-162		
		Subtotal F:	-162
Delivery Date:		G. Total Purchase Price (D+E+F):	
		228514	

Prepared for:
Dan Hudson
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823 Rosenberg
Galveston, TX 77550
Phone: 409-539-2381



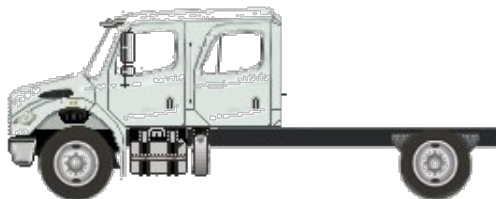
Prepared by:
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A proposal for
City of Galveston

Prepared by
HOUSTON FREIGHTLINER, WESTERN STAR
Michael McCarthy

Jul 30, 2018

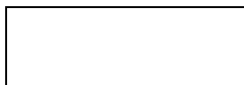
Freightliner M2 106



Components shown may not reflect all spec'd options and are not to scale



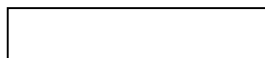
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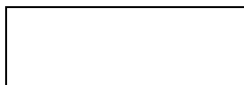
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S P E C I F I C A T I O N P R O P O S A L

Data Code	Description	Weight Front	Weight Rear	Retail Price
Price Level				
PRL-18M	M2 PRL-18M (EFF:04/17/18)			STD
Data Version				
DRL-014	SPECPRO21 DATA RELEASE VER 014			N/C
Vehicle Configuration				
001-172	M2 106 CONVENTIONAL CHASSIS	5,759	3,503	\$102,495.00
004-219	2019 MODEL YEAR SPECIFIED			STD
002-004	SET BACK AXLE - TRUCK			STD
019-001	TRAILER TOWING PROVISION AT END OF FRAME FOR TRUCK	10	10	\$1,083.00
003-001	LH PRIMARY STEERING LOCATION			STD
General Service				
AA1-003	TRUCK/TRAILER CONFIGURATION			N/C
AA6-002	DOMICILED, USA (EXCLUDING CALIFORNIA AND CARB OPT-IN STATES)			STD
A85-010	UTILITY/REPAIR/MAINTENANCE SERVICE			N/C
A84-1UT	UTILITY BUSINESS SEGMENT			N/C
AA4-011	FIXED LOAD COMMODITY			N/C
AA5-002	TERRAIN/DUTY: 100% (ALL) OF THE TIME, IN TRANSIT, IS SPENT ON PAVED ROADS			STD
AB1-008	MAXIMUM 8% EXPECTED GRADE			STD
AB5-001	SMOOTH CONCRETE OR ASPHALT PAVEMENT - MOST SEVERE IN-TRANSIT (BETWEEN SITES) ROAD SURFACE			STD
995-091	MEDIUM TRUCK WARRANTY			STD
A66-99D	EXPECTED FRONT AXLE(S) LOAD : 10000.0 lbs			
A68-99D	EXPECTED REAR DRIVE AXLE(S) LOAD : 16000.0 lbs			
A63-99D	EXPECTED GROSS VEHICLE WEIGHT CAPACITY : 26000.0 lbs			

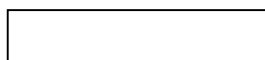


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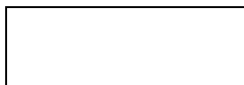


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	Data Code	Description	Weight Front	Weight Rear	Retail Price
	A70-99D	EXPECTED GROSS COMBINATION WEIGHT : 33000.0 lbs			
Truck Service					
	AA3-006	UTILITY BODY			N/C
	A88-99D	EXPECTED TRUCK BODY LENGTH : 0.0 ft			
	AF3-2FW	CURRY SUPPLY COMPANY			N/C
	AF7-99D	EXPECTED BODY/PAYLOAD CG HEIGHT ABOVE FRAME "XX" INCHES : 32.0 in			
Tractor Service					
	AA2-001	VAN TRAILER			N/C
	AH6-001	SINGLE (1) TRAILER			N/C
Engine					
N	101-2M4	DD5 5.1L 4 CYL 240 HP @ 2200 RPM, 2600 GOV RPM, 660 LB/FT @ 1200 RPM	270	-190	\$3,611.00
Electronic Parameters					
	79A-072	72 MPH ROAD SPEED LIMIT			N/C
	79B-000	CRUISE CONTROL SPEED LIMIT SAME AS ROAD SPEED LIMIT			N/C
	79K-005	PTO MODE ENGINE RPM LIMIT - 900 RPM			N/C
	79L-002	PTO MODE THROTTLE OVERRIDE - LIMIT TO 900 RPM			N/C
	79M-001	PTO MODE BRAKE OVERRIDE - SERVICE BRAKE APPLIED			N/C
	79P-004	PTO RPM WITH CRUISE SET SWITCH - 900 RPM			N/C
	79Q-004	PTO RPM WITH CRUISE RESUME SWITCH - 900 RPM			N/C
	79S-001	PTO MODE CANCEL VEHICLE SPEED - 5 MPH			N/C
	79U-007	PTO GOVERNOR RAMP RATE - 250 RPM PER SECOND			N/C
	80G-002	PTO MINIMUM RPM - 700			N/C
Engine Equipment					
	99C-017	2016 ONBOARD DIAGNOSTICS/2010 EPA/CARB/FINAL GHG17 CONFIGURATION			STD
	99D-011	2008 CARB EMISSION CERTIFICATION - CLEAN IDLE (INCLUDES 6X4 INCH LABEL ON LOWER FORWARD CORNER OF DRIVER DOOR)			\$109.00
	13E-001	STANDARD OIL PAN			STD
	105-001	ENGINE MOUNTED OIL CHECK AND FILL			STD
	133-004	ONE PIECE VALVE COVER			STD

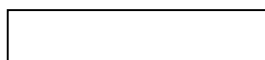


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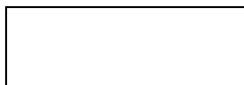


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Data Code	Description	Weight Front	Weight Rear	Retail Price
014-099	SIDE OF HOOD AIR INTAKE WITH FIREWALL MOUNTED DONALDSON AIR CLEANER			STD
124-1D7	DR 12V 160 AMP 28-SI QUADRAMOUNT PAD ALTERNATOR WITH REMOTE BATTERY VOLT SENSE			STD
292-098	(2) ALLIANCE MODEL 1231XOE, GROUP 31, 12 VOLT MAINTENANCE FREE 2250 CCA THREADED STUD BATTERIES			\$57.00
290-017	BATTERY BOX FRAME MOUNTED			STD
281-001	STANDARD BATTERY JUMPERS			STD
282-001	SINGLE BATTERY BOX FRAME MOUNTED LH SIDE UNDER CAB			STD
291-017	WIRE GROUND RETURN FOR BATTERY CABLES WITH ADDITIONAL FRAME GROUND RETURN			STD
289-001	NON-POLISHED BATTERY BOX COVER			STD
87P-001	CAB AUXILIARY POWER CABLE	5		N/C
295-029	POSITIVE AND NEGATIVE POSTS FOR JUMPSTART LOCATED ON FRAME NEXT TO STARTER	2		\$92.00
107-047	WABCO 20.0 CFM SINGLE CYLINDER AIR COMPRESSOR			N/C
108-002	STANDARD MECHANICAL AIR COMPRESSOR GOVERNOR			STD
131-013	AIR COMPRESSOR DISCHARGE LINE			STD
152-041	ELECTRONIC ENGINE INTEGRAL SHUTDOWN PROTECTION SYSTEM			STD
016-1C3	RH OUTBOARD UNDER STEP MOUNTED HORIZONTAL AFTERTREATMENT SYSTEM ASSEMBLY WITH RH HORIZONTAL TAILPIPE			STD
28F-002	ENGINE AFTERTREATMENT DEVICE, AUTOMATIC OVER THE ROAD REGENERATION AND DASH MOUNTED REGENERATION REQUEST SWITCH			STD
239-001	STANDARD EXHAUST SYSTEM LENGTH			STD
237-052	RH STANDARD HORIZONTAL TAILPIPE			STD
23U-001	6 GALLON DIESEL EXHAUST FLUID TANK			STD
30N-003	100 PERCENT DIESEL EXHAUST FLUID FILL			STD
43X-002	LH MEDIUM DUTY STANDARD DIESEL EXHAUST FLUID TANK LOCATION			STD
23Y-001	STANDARD DIESEL EXHAUST FLUID PUMP MOUNTING			STD
43Y-001	STANDARD DIESEL EXHAUST FLUID TANK CAP			STD
273-058	AIR POWERED ON/OFF ENGINE FAN CLUTCH			(\$16.00)



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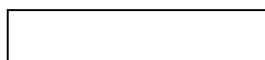
Data Code	Description	Weight Front	Weight Rear	Retail Price
276-001	AUTOMATIC FAN CONTROL WITHOUT DASH SWITCH, NON ENGINE MOUNTED			STD
110-077	DETROIT ENGINE MOUNTED FUEL/WATER SEPARATOR WITH WATER-IN-FUEL SENSOR AND ESOC			N/C
118-001	FULL FLOW OIL FILTER			STD
266-100	700 SQUARE INCH ALUMINUM RADIATOR	-50		STD
103-036	ANTIFREEZE TO -34F, ETHYLENE GLYCOL PRE-CHARGED SCA HEAVY DUTY COOLANT			\$18.00
171-007	GATES BLUE STRIPE COOLANT HOSES OR EQUIVALENT			STD
172-001	CONSTANT TENSION HOSE CLAMPS FOR COOLANT HOSES			STD
270-016	RADIATOR DRAIN VALVE			STD
168-002	LOWER RADIATOR GUARD			STD
134-001	ALUMINUM FLYWHEEL HOUSING			STD
155-070	DELCO 12V 35MT STARTER WITH INTEGRATED MAGNETIC SWITCH AND SOLENOID	10		\$39.00

Transmission

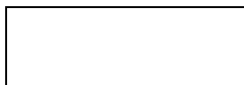
342-1MN	ALLISON 2500 RDS AUTOMATIC TRANSMISSION WITH PTO PROVISION	\$377.00
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Transmission Equipment

343-301	ALLISON VOCATIONAL PACKAGE 354 - AVAILABLE ON 1000/2000 PRODUCT FAMILIES WITH VOCATIONAL MODELS RDS, EVS, HS, MH, PTS AND SPS	STD
84B-012	ALLISON VOCATIONAL RATING FOR ON/OFF HIGHWAY APPLICATIONS AVAILABLE WITH ALL PRODUCT FAMILIES	N/C
84C-007	PRIMARY MODE GEARS, 6 FORWARD GEARS WITH MANUAL SELECTION FOR 3, 2 AND 1, AVAILABLE FOR 1000/2000 PRODUCT FAMILIES ONLY	N/C
84E-000	PRIMARY SHIFT SCHEDULE RECOMMENDED BY DTNA AND ALLISON, THIS DEFINED BY ENGINE AND VOCATIONAL USAGE	STD
84F-000	SECONDARY SHIFT SCHEDULE RECOMMENDED BY DTNA AND ALLISON, THIS DEFINED BY ENGINE AND VOCATIONAL USAGE	STD
84G-000	PRIMARY SHIFT SPEED RECOMMENDED BY DTNA AND ALLISON, THIS DEFINED BY ENGINE AND VOCATIONAL USAGE	STD



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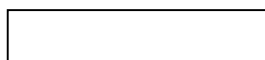


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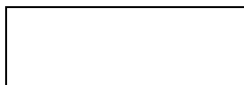
Data Code	Description	Weight Front	Weight Rear	Retail Price
84H-000	SECONDARY SHIFT SPEED RECOMMENDED BY DTNA AND ALLISON, THIS DEFINED BY ENGINE AND VOCATIONAL USAGE			STD
84J-000	ENGINE BRAKE RANGE PRESELECT RECOMMENDED BY DTNA AND ALLISON, THIS DEFINED BY ENGINE AND VOCATIONAL USAGE			STD
84K-000	ENGINE BRAKE RANGE ALTERNATE PRESELECT RECOMMENDED BY DTNA AND ALLISON, THIS DEFINED BY ENGINE AND VOCATIONAL USAGE			STD
84L-000	LOAD BASED SHIFT SCHEDULE AND VEHICLE ACCELERATION CONTROL RECOMMENDED BY DTNA AND ALLISON, THIS DEFINED VOCATIONAL USAGE			STD
84N-000	NEUTRAL AT STOP - DISABLED, FUELSENSE - DISABLED			STD
84U-000	DRIVER SWITCH INPUT - DEFAULT - NO SWITCHES			STD
353-022	VEHICLE INTERFACE WIRING CONNECTOR WITHOUT BLUNT CUTS, AT BACK OF CAB			\$49.00
362-1BV	CUSTOMER INSTALLED CHELSEA 270 SERIES PTO			N/C
363-001	PTO MOUNTING, LH SIDE OF MAIN TRANSMISSION			N/C
341-018	MAGNETIC PLUGS, ENGINE DRAIN, TRANSMISSION DRAIN, AXLE(S) FILL AND DRAIN			STD
345-072	DASH MOUNTED T-HANDLE CABLE SHIFT CONTROL WITHOUT PARK BRAKE POSITION			STD
97G-006	TRANSMISSION PROGNOSTICS - DISABLED (N/A) 2013, FOR USE IN 1000/2000 ONLY			STD
370-015	WATER TO OIL TRANSMISSION COOLER, IN RADIATOR END TANK			STD
346-001	TRANSMISSION OIL CHECK AND FILL			STD
35T-001	SYNTHETIC TRANSMISSION FLUID (TES-295 COMPLIANT)			STD

Front Axle and Equipment

400-1A5	DETROIT DA-F-10.0-3 10,000# FF1 71.5 KPI/3.74 DROP SINGLE FRONT AXLE			N/C
402-049	MERITOR 16.5X5 Q+ CAST SPIDER CAM FRONT BRAKES, DOUBLE ANCHOR, FABRICATED SHOES			\$214.00
403-002	NON-ASBESTOS FRONT BRAKE LINING			STD
419-023	CONMET CAST IRON FRONT BRAKE DRUMS			STD

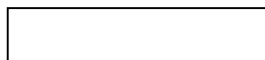


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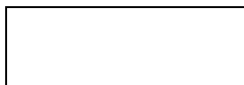


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Data Code	Description	Weight Front	Weight Rear	Retail Price
409-006	FRONT OIL SEALS			STD
408-001	VENTED FRONT HUB CAPS WITH WINDOW, CENTER AND SIDE PLUGS - OIL			STD
416-022	STANDARD SPINDLE NUTS FOR ALL AXLES			STD
405-002	MERITOR AUTOMATIC FRONT SLACK ADJUSTERS			STD
536-050	TRW THP-60 POWER STEERING			STD
539-003	POWER STEERING PUMP			STD
534-015	2 QUART SEE THROUGH POWER STEERING RESERVOIR			STD
40T-002	SYNTHETIC 75W-90 FRONT AXLE LUBE			\$14.00
Front Suspension				
620-062	10,000# TAPERLEAF FRONT SUSPENSION			\$21.00
619-005	MAINTENANCE FREE RUBBER BUSHINGS - FRONT SUSPENSION			STD
410-001	FRONT SHOCK ABSORBERS			STD
Rear Axle and Equipment				
420-1C7	DETROIT DA-RS-19.0-4 19,000# R-SERIES SINGLE REAR AXLE		-20	(\$87.00)
421-614	6.14 REAR AXLE RATIO			N/C
424-001	IRON REAR AXLE CARRIER WITH STANDARD AXLE HOUSING			STD
386-073	MXL 17T MERITOR EXTENDED LUBE MAIN DRIVELINE WITH HALF ROUND YOKES			STD
423-020	MERITOR 16.5X7 Q+ CAST SPIDER CAM REAR BRAKES, DOUBLE ANCHOR, FABRICATED SHOES			STD
433-002	NON-ASBESTOS REAR BRAKE LINING			STD
434-005	BRAKE CAMS AND CHAMBERS ON FORWARD SIDE OF DRIVE AXLE(S) WITH AUXILIARY SUPPORT BRACKETS		2	\$23.00
451-023	CONMET CAST IRON REAR BRAKE DRUMS			STD
440-006	REAR OIL SEALS			STD
426-100	WABCO TRISTOP D LONGSTROKE 1-DRIVE AXLE SPRING PARKING CHAMBERS			STD
428-002	MERITOR AUTOMATIC REAR SLACK ADJUSTERS			STD
41T-002	SYNTHETIC 75W-90 REAR AXLE LUBE			\$124.00
Rear Suspension				

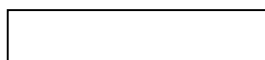


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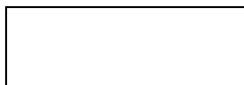


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Data Code	Description	Weight Front	Weight Rear	Retail Price
622-1MC	16,000# 52 INCH VARIABLE RATE MULTI-LEAF SPRING REAR SUSPENSION		-10	(\$1,813.00)
621-001	SPRING SUSPENSION - NO AXLE SPACERS			N/C
431-001	STANDARD AXLE SEATS IN AXLE CLAMP GROUP			STD
Brake System				
018-002	AIR BRAKE PACKAGE			STD
490-100	WABCO 4S/4M ABS WITHOUT TRACTION CONTROL			STD
871-001	REINFORCED NYLON, FABRIC BRAID AND WIRE BRAID CHASSIS AIR LINES			STD
904-001	FIBER BRAID PARKING BRAKE HOSE			STD
412-001	STANDARD BRAKE SYSTEM VALVES			STD
46D-002	STANDARD AIR SYSTEM PRESSURE PROTECTION SYSTEM			STD
413-002	STD U.S. FRONT BRAKE VALVE			STD
432-003	RELAY VALVE WITH 5-8 PSI CRACK PRESSURE, NO REAR PROPORTIONING VALVE			STD
480-009	BW AD-9 BRAKE LINE AIR DRYER WITH HEATER	20		N/C
479-012	AIR DRYER MOUNTED UNDER HOOD			N/C
460-001	STEEL AIR BRAKE RESERVOIRS			STD
607-001	CLEAR FRAME RAILS FROM BACK OF CAB TO FRONT REAR SUSPENSION BRACKET, BOTH RAILS OUTBOARD			\$63.00
477-006	BW DV-2 AUTO DRAIN VALVE WITHOUT HEATER ON ALL TANK(S)			\$82.00
485-002	EXTERNAL CHARGING SCHRADER VALVE	5		\$52.00
Trailer Connections				
914-001	AIR CONNECTIONS TO END OF FRAME WITH GLAD HANDS FOR TRUCK AND NO DUST COVERS			N/C
296-010	PRIMARY CONNECTOR/RECEPTACLE WIRED FOR SEPARATE STOP/TURN, ABS CENTER PIN POWERED THROUGH IGNITION			N/C
297-001	SAE J560 7-WAY PRIMARY TRAILER CABLE RECEPTACLE MOUNTED END OF FRAME			N/C
335-004	UPGRADED CHASSIS MULTIPLEXING UNIT			STD
32A-002	UPGRADED BULKHEAD MULTIPLEXING UNIT			STD
Wheelbase & Frame				
545-507	5075MM (200 INCH) WHEELBASE			N/C

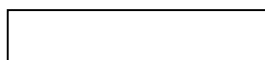


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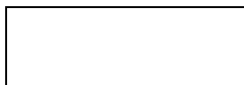


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Data Code	Description	Weight Front	Weight Rear	Retail Price
546-093	11/32X3-1/2X10-3/16 INCH STEEL FRAME (8.73MMX258.8/0.344X10.19 INCH) 80KS	100	90	\$623.00
552-030	1600MM (63 INCH) REAR FRAME OVERHANG			STD
55W-006	FRAME OVERHANG RANGE: 61 INCH TO 70 INCH			N/C
AC8-99D	CALC'D BACK OF CAB TO REAR SUSP C/L (CA) : 87.2 in			
AE8-99D	CALCULATED EFFECTIVE BACK OF CAB TO REAR SUSPENSION C/L (CA) : 84.2 in			
AE4-99D	CALC'D FRAME LENGTH - OVERALL : 301.77			
AM6-99D	CALC'D SPACE AVAILABLE FOR DECKPLATE : 87.2 in			
FSS-0LH	CALCULATED FRAME SPACE LH SIDE : 115.09 in			N/C
FSS-0RH	CALCULATED FRAME SPACE RH SIDE : 115.06 in			N/C
553-001	SQUARE END OF FRAME			STD
550-001	FRONT CLOSING CROSSMEMBER			STD
559-001	STANDARD WEIGHT ENGINE CROSSMEMBER			STD
561-001	STANDARD CROSSMEMBER BACK OF TRANSMISSION			STD
562-001	STANDARD MIDSHIP #1 CROSSMEMBER(S)			STD
572-001	STANDARD REARMOST CROSSMEMBER			STD
565-001	STANDARD SUSPENSION CROSSMEMBER			STD
Chassis Equipment				
556-1AN	THREE-PIECE 14 INCH STEEL CENTER BUMPER WITH FLEXIBLE PLASTIC ENDS			STD
558-001	FRONT TOW HOOKS - FRAME MOUNTED	15		\$74.00
574-001	BUMPER MOUNTING FOR SINGLE LICENSE PLATE			STD
586-024	FENDER AND FRONT OF HOOD MOUNTED FRONT MUDFLAPS			STD
551-007	GRADE 8 THREADED HEX HEADED FRAME FASTENERS			STD
Fuel Tanks				
204-215	50 GALLON/189 LITER SHORT RECTANGULAR ALUMINUM FUEL TANK - LH	20		\$152.00
218-005	RECTANGULAR FUEL TANK(S)			STD
215-005	PLAIN ALUMINUM/PAINTED STEEL FUEL/HYDRAULIC TANK(S) WITH PAINTED BANDS			STD

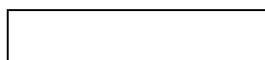


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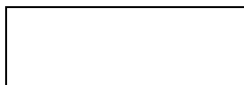


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Data Code	Description	Weight Front	Weight Rear	Retail Price
212-007	FUEL TANK(S) FORWARD			STD
664-001	PLAIN STEP FINISH			STD
205-001	FUEL TANK CAP(S)			STD
122-1H1	DETROIT FUEL/WATER SEPARATOR WITH BYPASS	-5		N/C
216-020	EQUIFLO INBOARD FUEL SYSTEM			STD
11F-998	NO NATURAL GAS VEHICLE FUEL TANK VENT LINE/STACK			STD
202-016	HIGH TEMPERATURE REINFORCED NYLON FUEL LINE			STD
Tires				
093-1P2	CONTINENTAL HSL2 11R22.5 14 PLY RADIAL FRONT TIRES	8		(\$254.00)
094-1P2	CONTINENTAL HSL2 11R22.5 14 PLY RADIAL REAR TIRES		16	(\$508.00)
Hubs				
418-060	CONMET PRESET PLUS PREMIUM IRON FRONT HUBS			STD
450-060	CONMET PRESET PLUS PREMIUM IRON REAR HUBS			STD
Wheels				
502-1F2	MAXION WHEELS 90541 22.5X8.25 10-HUB PILOT 6.20 INSET 2-HAND STEEL DISC FRONT WHEELS			STD
505-1F2	MAXION WHEELS 90541 22.5X8.25 10-HUB PILOT 6.20 INSET 2-HAND STEEL DISC REAR WHEELS			STD
496-011	FRONT WHEEL MOUNTING NUTS			STD
497-011	REAR WHEEL MOUNTING NUTS			STD
Cab Exterior				
829-079	154 INCH BBC HIGH-ROOF ALUMINUM CONVENTIONAL CREW CAB	430	250	\$12,257.00
650-008	AIR CAB MOUNTING			\$121.00
678-001	LH AND RH GRAB HANDLES			STD
646-023	HOOD MOUNTED CHROMED PLASTIC GRILLE			\$111.00
65X-003	CHROME HOOD MOUNTED AIR INTAKE GRILLE			\$49.00
644-004	FIBERGLASS HOOD			STD
727-1AH	SINGLE 14 INCH ROUND POLISHED AIR HORN ROOF MOUNTED	4		\$104.00
726-001	SINGLE ELECTRIC HORN			STD



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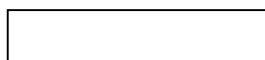


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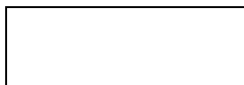
Data Code	Description	Weight Front	Weight Rear	Retail Price
728-001	SINGLE HORN SHIELD			N/C
657-001	DOOR LOCKS AND IGNITION SWITCH KEYED THE SAME			STD
575-001	REAR LICENSE PLATE MOUNT END OF FRAME			STD
327-012	SWITCH, INDICATOR LIGHT AND WIRING FOR (2) CUSTOMER FURNISHED BEACONS			\$64.00
312-038	INTEGRAL HEADLIGHT/MARKER ASSEMBLY WITH CHROME BEZEL			N/C
302-047	LED AERODYNAMIC MARKER LIGHTS			\$34.00
311-001	DAYTIME RUNNING LIGHTS			\$18.00
294-042	FREIGHTLINER LED FLANGE MOUNTED STOP/TAIL/TURN LIGHTS WITH SEPARATE INCANDESCENT BACKUP LIGHTS		5	\$107.00
300-015	STANDARD FRONT TURN SIGNAL LAMPS			STD
744-1BC	DUAL WEST COAST BRIGHT FINISH HEATED MIRRORS WITH LH AND RH REMOTE			\$286.00
797-001	DOOR MOUNTED MIRRORS			STD
796-001	102 INCH EQUIPMENT WIDTH			STD
743-204	LH AND RH 8 INCH BRIGHT FINISH CONVEX MIRRORS MOUNTED UNDER PRIMARY MIRRORS			N/C
729-001	STANDARD SIDE/REAR REFLECTORS			STD
764-010	COMPOSITE EXTERIOR SUN VISOR	10		\$280.00
768-043	63X14 INCH TINTED REAR WINDOW			STD
661-004	TINTED DOOR GLASS LH AND RH WITH TINTED OPERATING WING WINDOWS			\$130.00
654-011	RH AND LH ELECTRIC POWERED WINDOWS	4	4	\$381.00
663-013	TINTED WINDSHIELD			STD
659-019	2 GALLON WINDSHIELD WASHER RESERVOIR WITHOUT FLUID LEVEL INDICATOR, FRAME MOUNTED			STD

Cab Interior

707-1AK	OPAL GRAY VINYL INTERIOR			N/C
706-013	MOLDED PLASTIC DOOR PANEL			STD
708-013	MOLDED PLASTIC DOOR PANEL			STD
772-006	BLACK MATS WITH SINGLE INSULATION			STD
691-008	FORWARD ROOF MOUNTED CONSOLE WITH UPPER STORAGE COMPARTMENTS WITHOUT NETTING			STD
694-010	IN DASH STORAGE BIN			STD
693-003	PLASTIC MANIFEST BOX - LH DOOR			\$15.00

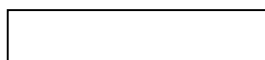


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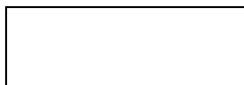


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Data Code	Description	Weight Front	Weight Rear	Retail Price
742-007	(2) CUP HOLDERS LH AND RH DASH			STD
680-006	GRAY/CHARCOAL FLAT DASH			STD
720-002	2-1/2 LB. FIRE EXTINGUISHER	5		\$39.00
700-002	HEATER, DEFROSTER AND AIR CONDITIONER			STD
701-001	STANDARD HVAC DUCTING			STD
703-005	MAIN HVAC CONTROLS WITH RECIRCULATION SWITCH			STD
170-015	STANDARD HEATER PLUMBING			STD
130-033	DENSO HEAVY DUTY AIR CONDITIONER COMPRESSOR			STD
702-002	BINARY CONTROL, R-134A			STD
739-034	PREMIUM INSULATION			\$301.00
285-013	SOLID-STATE CIRCUIT PROTECTION AND FUSES			STD
280-007	12V NEGATIVE GROUND ELECTRICAL SYSTEM			STD
324-047	DOOR ACTIVATED DOME/RED MAP LIGHTS, FORWARD LH AND RH AND REAR LH, RH AND CENTER			N/C
655-005	LH AND RH ELECTRIC DOOR LOCKS			\$319.00
284-045	(2) 12 VOLT POWER RECEPTACLES MOUNTED IN DASH			\$30.00
722-028	TRIANGULAR REFLECTORS KIT WITHOUT FLARES SHIPPED LOOSE IN CAB	10		\$24.00
756-1J3	BASIC HIGH BACK AIR SUSPENSION DRIVER SEAT WITH MECHANICAL LUMBAR AND INTEGRATED CUSHION EXTENSION	30		\$212.00
760-1DC	BASIC HIGH BACK NON SUSPENSION PASSENGER SEAT			STD
762-155	FULL WIDTH REAR BENCH SEAT WITH FOLDING BACK	75	20	\$416.00
759-006	DUAL DRIVER SEAT ARMRESTS AND INBOARD PASSENGER SEAT ARMREST	6		\$104.00
711-004	LH AND RH INTEGRAL DOOR PANEL ARMRESTS			STD
758-014	BLACK CORDURA PLUS CLOTH DRIVER SEAT COVER			\$2.00
761-014	BLACK CORDURA PLUS CLOTH PASSENGER SEAT COVER			\$4.00
755-014	BLACK CORDURA PLUS CLOTH REAR PASSENGER SEAT COVER			\$63.00
763-104	HIGH VISIBILITY ORANGE SEAT BELTS WITH DRIVER INDICATOR LIGHT AND AUDIBLE ALARM			\$155.00

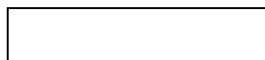


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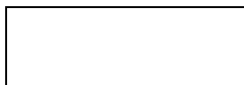


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Data Code	Description	Weight Front	Weight Rear	Retail Price
532-002	ADJUSTABLE TILT AND TELESCOPING STEERING COLUMN	10		\$478.00
540-015	4-SPOKE 18 INCH (450MM) STEERING WHEEL			STD
765-002	DRIVER AND PASSENGER INTERIOR SUN VISORS			STD
Instruments & Controls				
732-004	GRAY DRIVER INSTRUMENT PANEL			STD
734-004	GRAY CENTER INSTRUMENT PANEL			STD
870-001	BLACK GAUGE BEZELS			STD
486-001	LOW AIR PRESSURE INDICATOR LIGHT AND AUDIBLE ALARM			STD
840-002	2 INCH PRIMARY AND SECONDARY AIR PRESSURE GAUGES			STD
198-025	INTAKE MOUNTED AIR RESTRICTION INDICATOR WITHOUT GRADUATIONS			STD
721-001	97 DB BACKUP ALARM		3	\$51.00
149-013	ELECTRONIC CRUISE CONTROL WITH SWITCHES IN LH SWITCH PANEL			STD
156-033	KEY OPERATED IGNITION SWITCH AND INTEGRAL START POSITION; 4 POSITION OFF/RUN/START/ACCESSORY WITH ECM STARTER LOCKOUT			N/C
811-042	ICU3S, 132X48 DISPLAY WITH DIAGNOSTICS, 28 LED WARNING LAMPS AND DATA LINKED			STD
160-038	HEAVY DUTY ONBOARD DIAGNOSTICS INTERFACE CONNECTOR LOCATED BELOW LH DASH			STD
844-001	2 INCH ELECTRIC FUEL GAUGE			STD
148-085	EMISSIONS LIMITED IDLE ADJUST			N/C
856-001	ELECTRICAL ENGINE COOLANT TEMPERATURE GAUGE			STD
864-001	2 INCH TRANSMISSION OIL TEMPERATURE GAUGE			STD
830-017	ENGINE AND TRIP HOUR METERS INTEGRAL WITHIN DRIVER DISPLAY			STD
372-051	CUSTOMER FURNISHED AND INSTALLED PTO CONTROLS			N/C
852-002	ELECTRIC ENGINE OIL PRESSURE GAUGE			STD
679-001	OVERHEAD INSTRUMENT PANEL			N/C
746-115	AM/FM/WB WORLD TUNER RADIO WITH BLUETOOTH AND USB AND AUXILIARY INPUTS, J1939	10		\$398.00



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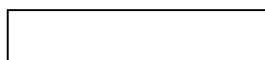
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Data Code	Description	Weight Front	Weight Rear	Retail Price
747-001	DASH MOUNTED RADIO			N/C
750-002	(2) RADIO SPEAKERS IN CAB			N/C
753-001	AM/FM ANTENNA MOUNTED ON FORWARD LH ROOF			N/C
748-006	POWER AND GROUND WIRING PROVISION OVERHEAD			\$23.00
749-016	CB WIRING ONLY TO ROOF/OVERHEAD CONSOLE; NO MOUNTING PROVISION			\$38.00
810-027	ELECTRONIC MPH SPEEDOMETER WITH SECONDARY KPH SCALE, WITHOUT ODOMETER			STD
817-001	STANDARD VEHICLE SPEED SENSOR			STD
812-001	ELECTRONIC 3000 RPM TACHOMETER			STD
813-1B4	VT-HU CONNECTIVITY PLATFORM HARDWARE			N/C
8D1-003	3 YEARS DETROIT CONNECT BASE PACKAGE (VIRTUAL TECHNICIAN, DETROIT CONNECT PORTAL ACCESS) FOR VT-HU CONNECTIVITY PLATFORM			N/C
162-002	IGNITION SWITCH CONTROLLED ENGINE STOP			N/C
329-012	FOUR ON/OFF ROCKER SWITCHES IN THE DASH WITH INDICATOR LIGHTS AND WIRE ROUTED TO CHASSIS AT BACK OF CAB, LABEL OPT			\$106.00
482-001	BW TRACTOR PROTECTION VALVE			N/C
883-001	TRAILER HAND CONTROL BRAKE VALVE			N/C
836-015	DIGITAL VOLTAGE DISPLAY INTEGRAL WITH DRIVER DISPLAY			STD
660-008	SINGLE ELECTRIC WINDSHIELD WIPER MOTOR WITH DELAY			STD
304-001	MARKER LIGHT SWITCH INTEGRAL WITH HEADLIGHT SWITCH			STD
882-004	TWO VALVE PARKING BRAKE SYSTEM WITH WARNING INDICATOR			N/C
299-013	SELF CANCELING TURN SIGNAL SWITCH WITH DIMMER, WASHER/WIPER AND HAZARD IN HANDLE			STD
298-039	INTEGRAL ELECTRONIC TURN SIGNAL FLASHER WITH HAZARD LAMPS OVERRIDING STOP LAMPS			STD

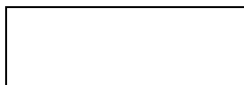
Design

065-000	PAINT: ONE SOLID COLOR	STD
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Color



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Data Code	Description	Weight Front	Weight Rear	Retail Price
980-5F6	CAB COLOR A: L0006EB WHITE ELITE BC			STD
986-020	BLACK, HIGH SOLIDS POLYURETHANE CHASSIS PAINT			STD
962-972	POWDER WHITE (N0006EA) FRONT WHEELS/RIMS (PKWHT21, TKWHT21, W, TW)			STD
966-972	POWDER WHITE (N0006EA) REAR WHEELS/RIMS (PKWHT21, TKWHT21, W, TW)			STD
964-6Z7	BUMPER PAINT: FP24812 ARGENT SILVER DUPONT FLEX			STD
976-995	SUNVISOR PAINTED SAME AS CAB COLOR A			N/C
963-003	STANDARD E COAT/UNDERCOATING			STD

Certification / Compliance

996-001	U.S. FMVSS CERTIFICATION, EXCEPT SALES CABS AND GLIDER KITS			STD
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TOTAL VEHICLE SUMMARY

Adjusted List Price

Adjusted List Price ** \$123,414.00

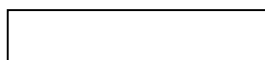
Weight Summary

	Weight Front	Weight Rear	Total Weight
Factory Weight ⁺	6763 lbs	3683 lbs	10446 lbs
Dealer Installed Options	0 lbs	0 lbs	0 lbs
Total Weight ⁺	6763 lbs	3683 lbs	10446 lbs

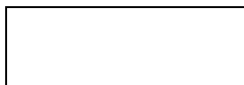
ITEMS NOT INCLUDED IN ADJUSTED LIST PRICE

Other Factory Charges

PMU-017 2016 OBD/2010 EPA/CARB/GHG17 ESCALATOR \$300.00



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RD1-003	3 YEARS DETROIT CONNECT BASE PACKAGE (VIRTUAL TECHNICIAN, DETROIT CONNECT PORTAL ACCESS)	N/C
P73-2FT	STANDARD DESTINATION CHARGE	\$2,050.00

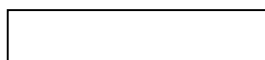
Dealer Installed Options

		Weight Front	Weight Rear	Price
117	WILCOX MODEL WAB134D54 SERVICE BODY PER QUOTE #018Q12896 FROM CURRY SUPPLY DATED 1-16-2018	0	0	\$39,497.00
Total Dealer Installed Options		0 lbs	0 lbs	\$39,497.00

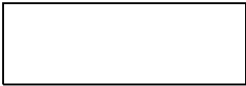
(+) Weights shown are estimates only.

If weight is critical, contact Customer Application Engineering.

(**) Prices shown do not include taxes, fees, etc... "Net Equipment Selling Price" is located on the Quotation Details Proposal Report.

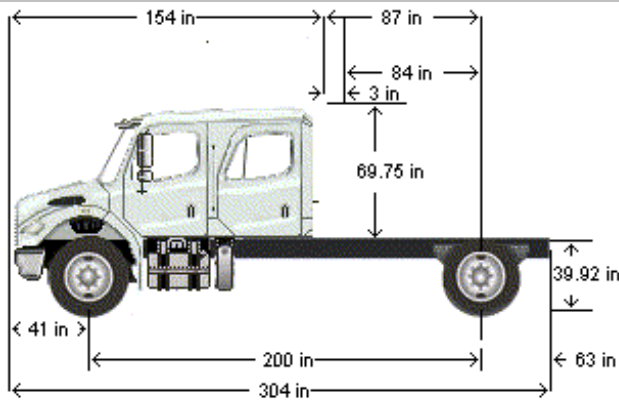


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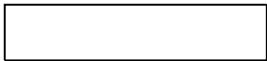
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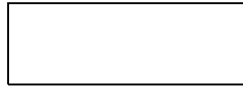
VEHICLE SPECIFICATIONS SUMMARY - DIMENSIONS

Model	M2106
Wheelbase (545)	5075MM (200 INCH) WHEELBASE
Rear Frame Overhang (552)	1600MM (63 INCH) REAR FRAME OVERHANG
Fifth Wheel (578)	NO FIFTH WHEEL
Mounting Location (577)	NO FIFTH WHEEL LOCATION
Maximum Forward Position (in)	0
Maximum Rearward Position (in)	0
Amount of Slide Travel (in)	0
Slide Increment (in)	0
Desired Slide Position (in)	0.0
Cab Size (829)	154 INCH BBC HIGH-ROOF ALUMINUM CONVENTIONAL CREW CAB
Sleeper (682)	NO SLEEPER BOX/SLEEPER CAB
Exhaust System (016)	RH OUTBOARD UNDER STEP MOUNTED HORIZONTAL AFTERTREATMENT SYSTEM ASSEMBLY WITH RH HORIZONTAL TAILPIPE

TABLE SUMMARY - DIMENSIONS



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 Galveston, TX 77550
 Phone: 409-539-2381



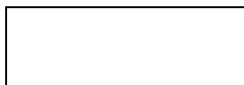
Prepared by:
 Michael McCarthy
 HOUSTON FREIGHTLINER,
 WESTERN STAR
 9550 NORTH LOOP EAST
 HOUSTON, TX 77029
 Phone: 713-580-8122
 E-Mail:
 mmccarthy@strhouston.com

Dimensions	Inches
Bumper to Back of Cab (BBC)	153.5
Bumper to Centerline of Front Axle (BA)	40.7
Min. Cab to Body Clearance (CB)	3.0
Back of Cab to Centerline of Rear Axle(s) (CA)	87.2
Effective Back of Cab to Centerline of Rear Axle(s) (Effective CA)	84.2
Back of Cab Protrusions (Exhaust/Intake) (CP)	0.0
Back of Cab Protrusions (Side Extenders/Trim Tab) (CP)	0.0
Back of Cab Protrusions (CNG Tank)	0.0
Back of Cab Clearance (CL)	3.0
Back of Cab to End of Frame	150.2
Cab Height (CH)	69.7
Wheelbase (WB)	200.0
Frame Overhang (OH)	63.0
Overall Length (OAL)	303.7
Rear Axle Spacing	0.0
Unladen Frame Height at Centerline of Rear Axle	39.9

Performance calculations are estimates only. If performance calculations are critical, please contact Customer Application Engineering.



Prepared for:
 Dan Hudson
 City of Galveston
 823 Rosenberg
 Galveston, TX 77550
 Phone: 409-539-2381



Prepared by:
 Michael McCarthy
 HOUSTON FREIGHTLINER,
 WESTERN STAR
 9550 NORTH LOOP EAST
 HOUSTON, TX 77029
 Phone: 713-580-8122
 E-Mail:
 mmccarthy@strhouston.com

QUOTATION

M2 106 CONVENTIONAL CHASSIS

SET BACK AXLE - TRUCK	DETROIT DA-F-10.0-3 10,000# FF1 71.5 KPI/3.74 DROP
DD5 5.1L 4 CYL 240 HP @ 2200 RPM, 2600 GOV RPM, 660 LB/FT @ 1200 RPM	SINGLE FRONT AXLE
ALLISON 2500 RDS AUTOMATIC TRANSMISSION WITH PTO PROVISION	10,000# TAPERLEAF FRONT SUSPENSION
DETROIT DA-RS-19.0-4 19,000# R-SERIES SINGLE REAR AXLE	154 INCH BBC HIGH-ROOF ALUMINUM CONVENTIONAL CREW CAB
16,000# 52 INCH VARIABLE RATE MULTI-LEAF SPRING REAR SUSPENSION	5075MM (200 INCH) WHEELBASE
	11/32X3-1/2X10-3/16 INCH STEEL FRAME (8.73MMX258.8/0.344X10.19 INCH) 80KS
	1600MM (63 INCH) REAR FRAME OVERHANG

			PER UNIT		TOTAL
VEHICLE PRICE	TOTAL # OF UNITS (2)	\$	74,760	\$	149,520
EXTENDED WARRANTY		\$	0	\$	0
DEALER INSTALLED OPTIONS		\$	39,497	\$	78,994
CUSTOMER PRICE BEFORE TAX		\$	114,257	\$	228,514

TAXES AND FEES

TAXES AND FEES	\$	0	\$	0
OTHER CHARGES	\$	0	\$	0

TRADE-IN

TRADE-IN ALLOWANCE	\$	(0)	\$	(0)
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BALANCE DUE	(LOCAL CURRENCY)	\$	114,257	\$	228,514
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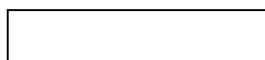
Michael F. McCarthy
 Account Manager

Daimler Truck Financial

Financing that works for you.

See your local dealer for a competitive quote from Daimler Truck Financial, or contact us at Information@dtfoffers.com.

Daimler Truck Financial offers a variety of finance, lease and insurance solutions to fit your business needs. For more information about our products and services, visit our website at www.daimler-truckfinancial.com.



A CONTRACT BETWEEN
HOUSTON-GALVESTON AREA COUNCIL
Houston, Texas
AND
HOUSTON FREIGHTLINER, INC
Houston, Texas

This Contract is made and entered into by the **Houston-Galveston Area Council of Governments**, hereinafter referred to as **H-GAC**, having its principal place of business at 3555 Timmons Lane, Suite 120, Houston, Texas 77027, AND, **Houston Freightliner, Inc.**, hereinafter referred to as the **CONTRACTOR**, having its principal place of business at 9550 North Loop East, Houston, Texas 77039.

ARTICLE 1: SCOPE OF SERVICES

The parties have entered into a **Medium and Heavy Trucks & Truck Bodies** Contract to become effective as of June 1, 2016, and to continue through May 31, 2018 (the "**Contract**"), subject to extension upon mutual agreement of the **CONTRACTOR** and **H-GAC**. **H-GAC** enters into the Contract as Agent for participating governmental agencies, each hereinafter referred to as **END USER**, for the purchase of **Medium and Heavy Trucks & Truck Bodies** offered by the **CONTRACTOR**. The **CONTRACTOR** agrees to sell **Medium and Heavy Trucks & Truck Bodies** through the **H-GAC** Contract to **END USERS**.

ARTICLE 2: THE COMPLETE AGREEMENT

The Contract shall consist of the documents identified below in order of precedence:

1. The text of this Contract form, including but not limited to, Attachment A
2. General Terms and Conditions
3. Bid Specifications No: **HT06-16**, including any relevant suffixes
4. **CONTRACTOR's** Response to Bid No: **HT06-16**, including but not limited to, prices and options offered

All of which are either attached hereto or incorporated by reference and hereby made a part of this Contract, and shall constitute the complete agreement between the parties hereto. This Contract supersedes any and all oral or written agreements between the parties relating to matters herein. Except as otherwise provided herein, this Contract cannot be modified without the written consent of both parties.

ARTICLE 3: LEGAL AUTHORITY

CONTRACTOR and **H-GAC** warrant and represent to each other that they have adequate legal counsel and authority to enter into this Contract. The governing bodies, where applicable, have authorized the signatory officials to enter into this Contract and bind the parties to the terms of this Contract and any subsequent amendments thereto.

ARTICLE 4: APPLICABLE LAWS

The parties agree to conduct all activities under this Contract in accordance with all applicable rules, regulations, directives, issuances, ordinances, and laws in effect or promulgated during the term of this Contract.

ARTICLE 5: INDEPENDENT CONTRACTOR

The execution of this Contract and the rendering of services prescribed by this Contract do not change the independent status of **H-GAC** or **CONTRACTOR**. No provision of this Contract or act of **H-GAC** in performance of this Contract shall be construed as making **CONTRACTOR** the agent, servant or employee of **H-GAC**, the State of Texas or the United States Government. Employees of **CONTRACTOR** are subject to the exclusive control and supervision of **CONTRACTOR**. **CONTRACTOR** is solely responsible for employee payrolls and claims arising therefrom.

ARTICLE 6: END USER AGREEMENTS

H-GAC acknowledges that the **END USER** may choose to enter into an End User Agreement with the **CONTRACTOR** through this Contract and that the term of said Agreement may exceed the term of the **H-GAC** Contract. However this acknowledgement is not to be construed as **H-GAC's** endorsement or approval of the End User Agreement terms and conditions. **CONTRACTOR** agrees not to offer, agree to or accept from **END USER** any terms or conditions that conflict with or contravene those in **CONTRACTOR's H-GAC** contract. Further, termination of this Contract for any reason shall not result in the termination of the underlying End User Agreements entered into between **CONTRACTOR** and any **END USER** which shall, in each instance, continue pursuant to their stated terms and duration. The only effect of termination of this Contract is that **CONTRACTOR** will no longer be able to enter into any new End User Agreements with **END USERS** pursuant to this Contract. Applicable **H-GAC** order processing charges will be due and payable to **H-GAC** on any End User Agreements surviving termination of this Contract between **H-GAC** and **CONTRACTOR**.

ARTICLE 7:**SUBCONTRACTS & ASSIGNMENTS**

CONTRACTOR agrees not to subcontract, assign, transfer, convey, sublet or otherwise dispose of this Contract or any right, title, obligation or interest it may have therein to any third party without prior written notice to **H-GAC**. **H-GAC** reserves the right to accept or reject any such change. **CONTRACTOR** shall continue to remain responsible for all performance under this Contract regardless of any subcontract or assignment. **H-GAC** shall be liable solely to **CONTRACTOR** and not to any of its Subcontractors or Assignees.

ARTICLE 8:**EXAMINATION AND RETENTION OF CONTRACTOR'S RECORDS**

CONTRACTOR shall maintain during the course of its work, complete and accurate records of items that are chargeable to **END USER** under this Contract. **H-GAC**, through its staff or its designated public accounting firm, the State of Texas, or the United States Government shall have the right at any reasonable time to inspect copy and audit those records on or off the premises of **CONTRACTOR**. Failure to provide access to records may be cause for termination of this Contract. **CONTRACTOR** shall maintain all records pertinent to this Contract for a period of not less than five (5) calendar years from the date of acceptance of the final contract closeout and until any outstanding litigation, audit or claim has been resolved. The right of access to records is not limited to the required retention period, but shall last as long as the records are retained. **CONTRACTOR** further agrees to include in all subcontracts under this Contract, a provision to the effect that the subcontractor agrees that **H-GAC'S** duly authorized representatives, shall, until the expiration of five (5) calendar years after final payment under the subcontract or until all audit findings have been resolved, have access to, and the right to examine and copy any directly pertinent books, documents, papers, invoices and records of such subcontractor involving any transaction relating to the subcontract.

ARTICLE 9:**REPORTING REQUIREMENTS**

CONTRACTOR agrees to submit reports or other documentation in accordance with the General Terms and Conditions of the Bid Specifications. If **CONTRACTOR** fails to submit to **H-GAC** in a timely and satisfactory manner any such report or documentation, or otherwise fails to satisfactorily render performance hereunder, such failure may be considered cause for termination of this Contract.

ARTICLE 10:**MOST FAVORED CUSTOMER CLAUSE**

If **CONTRACTOR**, at any time during this Contract, routinely enters into agreements with other governmental customers within the State of Texas, and offers the same or substantially the same products/services offered to **H-GAC** on a basis that provides prices, warranties, benefits, and or terms more favorable than those provided to **H-GAC**, **CONTRACTOR** shall notify **H-GAC** within ten (10) business days thereafter of that offering and this Contract shall be deemed to be automatically amended effective retroactively to the effective date of the most favorable contract, wherein **CONTRACTOR** shall provide the same prices, warranties, benefits, or terms to **H-GAC** and its **END USER**. **H-GAC** shall have the right and option at any time to decline to accept any such change, in which case the amendment shall be deemed null and void. If **CONTRACTOR** is of the opinion that any apparently more favorable price, warranty, benefit, or term charged and/or offered a customer during the term of this Contract is not in fact most favored treatment, **CONTRACTOR** shall within ten (10) business days notify **H-GAC** in writing, setting forth the detailed reasons **CONTRACTOR** believes aforesaid offer which has been deemed to be a most favored treatment, is not in fact most favored treatment. **H-GAC**, after due consideration of such written explanation, may decline to accept such explanation and thereupon this Contract between **H-GAC** and **CONTRACTOR** shall be automatically amended, effective retroactively, to the effective date of the most favored agreement, to provide the same prices, warranties, benefits, or terms to **H-GAC**.

The Parties accept the following definition of routine: A prescribed, detailed course of action to be followed regularly; a standard procedure.

EXCEPTION: *This clause shall not be applicable to prices and price adjustments offered by a bidder, proposer or contractor, which are not within bidder's/ proposer's control [example; a manufacturer's bid concession], or to any prices offered to the Federal Government and its agencies.*

ARTICLE 11:**SEVERABILITY**

All parties agree that should any provision of this Contract be determined to be invalid or unenforceable, such determination shall not affect any other term of this Contract, which shall continue in full force and effect.

ARTICLE 12:**DISPUTES**

Any and all disputes concerning questions of fact or of law arising under this Contract, which are not disposed of by agreement, shall be decided by the Executive Director of **H-GAC** or his designee, who shall reduce his decision to writing and provide notice thereof to **CONTRACTOR**. The decision of the Executive Director or his designee shall be final and conclusive unless, within thirty (30) days from the date of receipt of such notice, **CONTRACTOR** requests a rehearing from the Executive Director of **H-GAC**. In connection with any rehearing under this Article, **CONTRACTOR** shall be afforded an opportunity to be heard and offer evidence in support of its position. The decision of the Executive Director after any such rehearing shall be final and conclusive. **CONTRACTOR** may, if it elects to do so, appeal the final and conclusive decision of the Executive Director to a court of competent jurisdiction. Pending final decision of a dispute hereunder, **CONTRACTOR** shall proceed diligently with the performance of this Contract and in accordance with **H-GAC'S** final decision.

ARTICLE 13: LIMITATION OF CONTRACTOR'S LIABILITY

Except as specified in any separate writing between the **CONTRACTOR** and an **END USER**, **CONTRACTOR's** total liability under this Contract, whether for breach of contract, warranty, negligence, strict liability, in tort or otherwise, but excluding its obligation to indemnify **H-GAC** described in Article 14, is limited to the price of the particular products/services sold hereunder, and **CONTRACTOR** agrees either to refund the purchase price or to repair or replace product(s) that are not as warranted. In no event will **CONTRACTOR** be liable for any loss of use, loss of time, inconvenience, commercial loss, lost profits or savings or other incidental, special or consequential damages to the full extent such use may be disclaimed by law. **CONTRACTOR** understands and agrees that it shall be liable to repay and shall repay upon demand to **END USER** any amounts determined by **H-GAC**, its independent auditors, or any agency of State or Federal government to have been paid in violation of the terms of this Contract.

ARTICLE 14: LIMIT OF H-GAC'S LIABILITY AND INDEMNIFICATION OF H-GAC

H-GAC's liability under this Contract, whether for breach of contract, warranty, negligence, strict liability, in tort or otherwise, is limited to its order processing charge. In no event will **H-GAC** be liable for any loss of use, loss of time, inconvenience, commercial loss, lost profits or savings or other incidental, special or consequential damages to the full extent such use may be disclaimed by law. Contractor agrees, to the extent permitted by law, to defend and hold harmless **H-GAC**, its board members, officers, agents, officials, employees, and indemnities from any and all claims, costs, expenses (including reasonable attorney fees), actions, causes of action, judgments, and liens arising as a result of **CONTRACTOR's** negligent act or omission under this Contract. **CONTRACTOR** shall notify **H-GAC** of the threat of lawsuit or of any actual suit filed against **CONTRACTOR** relating to this Contract.

ARTICLE 15: TERMINATION FOR CAUSE

H-GAC may terminate this Contract for cause based upon the failure of **CONTRACTOR** to comply with the terms and/or conditions of the Contract; provided that **H-GAC** shall give **CONTRACTOR** written notice specifying **CONTRACTOR's** failure. If within thirty (30) days after receipt of such notice, **CONTRACTOR** shall not have either corrected such failure, or thereafter proceeded diligently to complete such correction, then **H-GAC** may, at its option, place **CONTRACTOR** in default and the Contract shall terminate on the date specified in such notice. **CONTRACTOR** shall pay to **H-GAC** any order processing charges due from **CONTRACTOR** on that portion of the Contract actually performed by **CONTRACTOR** and for which compensation was received by **CONTRACTOR**.

ARTICLE 16: TERMINATION FOR CONVENIENCE

Either **H-GAC** or **CONTRACTOR** may cancel or terminate this Contract at any time by giving thirty (30) days written notice to the other. **CONTRACTOR** may be entitled to payment from **END USER** for services actually performed; to the extent said services are satisfactory to **END USER**. **CONTRACTOR** shall pay to **H-GAC** any order processing charges due from **CONTRACTOR** on that portion of the Contract actually performed by **CONTRACTOR** and for which compensation is received by **CONTRACTOR**.

ARTICLE 17: CIVIL AND CRIMINAL PROVISIONS AND SANCTIONS

CONTRACTOR agrees that it will perform under this Contract in conformance with safeguards against fraud and abuse as set forth by **H-GAC**, the State of Texas and the acts and regulations of any funding entity. **CONTRACTOR** agrees to notify **H-GAC** of any suspected fraud, abuse or other criminal activity related to this Contract through filing of a written report promptly after it becomes aware of such activity.

ARTICLE 18: GOVERNING LAW & VENUE

This Contract shall be governed by the laws of the State of Texas. Venue and jurisdiction of any suit or cause of action arising under or in connection with this Contract shall lie exclusively in Harris County, Texas. Disputes between **END USER** and **CONTRACTOR** are to be resolved in accord with the law and venue rules of the state of purchase. **CONTRACTOR** shall immediately notify **H-GAC** of such disputes.

ARTICLE 19: PAYMENT OF H-GAC ORDER PROCESSING CHARGE

CONTRACTOR agrees to sell its products to **END USERS** based on the pricing and other terms of this Contract, including, but not limited to, the payment of the applicable **H-GAC** order processing charge. On notification from an **END USER** that an order has been placed with **CONTRACTOR**, **H-GAC** will invoice **CONTRACTOR** for the applicable order processing charge. Upon delivery of any product/service by **CONTRACTOR** and acceptance by **END USER**, **CONTRACTOR** shall, within thirty (30) calendar days or ten (10) business days after receipt of payment, whichever is less, pay **H-GAC** the full amount of the applicable order processing charge, whether or not **CONTRACTOR** has received an invoice from **H-GAC**. For sales made by **CONTRACTOR** based on this contract, including sales to entities without Interlocal Contracts, **CONTRACTOR** shall pay the applicable order processing charges to **H-GAC**. Further, **CONTRACTOR** agrees to encourage entities who are not members of **H-GAC's** Cooperative Purchasing Program to execute an **H-GAC** Interlocal Contract. **H-GAC** reserves the right to take appropriate actions including, but not limited to, contract termination if **CONTRACTOR** fails to promptly remit **H-GAC's** order processing charge. In no event shall **H-GAC** have any liability to **CONTRACTOR** for any goods or services an **END USER** procures from **CONTRACTOR**.

ARTICLE 20:**LIQUIDATED DAMAGES**

Any liquidated damages terms will be determined between **CONTRACTOR** and **END USER** at the time **END USER's** purchase order is placed.

ARTICLE 21:**PERFORMANCE AND PAYMENT BOND FOR INDIVIDUAL ORDERS**

H-GAC's contractual requirements DO NOT include a Performance & Payment Bond (PPB), and offered pricing should reflect this cost saving. However, **CONTRACTOR** must be prepared to offer a PPB to cover any specific order if so requested by **END USER**. **CONTRACTOR** shall quote a price to **END USER** for provision of any requested PPB, and agrees to furnish the PPB within ten business (10) days of receipt of **END USER's** purchase order.

ARTICLE 22:**CHANGE OF CONTRACTOR STATUS**

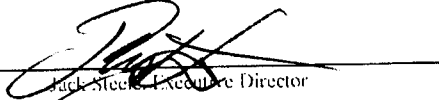
CONTRACTOR shall immediately notify **H-GAC**, in writing, of ANY change in ownership, control, dealership/franchisee status, Motor Vehicle license status, or name, and shall also advise whether or not this Contract shall be affected in any way by such change. **H-GAC** shall have the right to determine whether or not such change is acceptable, and to determine what action shall be warranted, up to and including cancellation of Contract.

ARTICLE 23:**LICENSING REQUIRED BY TEXAS MOTOR VEHICLE BOARD (IF APPLICABLE)**

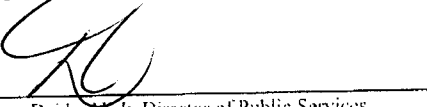
CONTRACTOR will, for the duration of this Contract, maintain current licenses that are required by the Texas Motor Vehicle Commission Code. If at any time during this Contract period, any **CONTRACTOR'S** license is not renewed, or is denied or revoked, **CONTRACTOR** shall be deemed to be in default of this Contract unless the Motor Vehicle Board issues a stay or waiver. Contractor shall promptly provide copies of all current applicable Texas Motor Vehicle Board documentation to **H-GAC** upon request.

IN WITNESS WHEREOF, the parties have caused this Contract to be executed by their duly authorized representatives.

Signed for Houston-Galveston
Area Council, Houston, Texas:

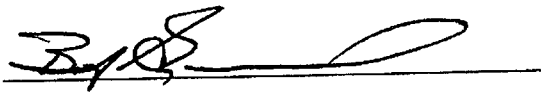

Jack Steele, Executive Director

Attest for Houston-Galveston
Area Council, Houston, Texas:


Deidre Vitek, Director of Public Services

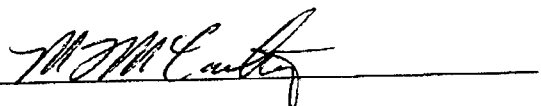
Date: May 26, 2016

Signed for Houston Freightliner, Inc
Houston, Texas:


Printed Name & Title: Bob Garwood President

Date: 5-19, 2016

Attest for Houston Freightliner, Inc
Houston, Texas:


Printed Name & Title: Michael McCarty Account Manager

Date: 5-19, 2016

Attachment A
Houston Freightliner, Inc
Medium and Heavy Trucks & Truck Bodies
Contract No.: HT06-16

MFGR	HGAC PRODUCT CODE	MODEL	BASE PRICE
Freightliner	D1	108SD-70, Conv. Cab, SBFA, SRA	\$63,924
Freightliner	D2	108SD-80, Conv. Cab, SBFA, TRA	\$73,872
Freightliner	D3	114SD, Conv. Cab, SFFA, SRA	\$77,539
Freightliner	D4	122SD, Conv Cab, SFFA, TRA	\$91,973
Freightliner	D5	M2-106-60, Conv. Cab, SBFA, SRA	\$57,272
Freightliner	D6	M2-106-70, Conv. Cab, SBFA, SRA	\$59,658
Freightliner	D7	M2-106-80, Conv. Cab, SBFA, TRA:	\$69,353
Freightliner	D8	M2-112, Conv. Cab, SBFA, TRA	\$74,735
Freightliner	D9	Cascadia CA113-DC, Conv Cab Tractor, SBFA, TRA	\$89,634



City of Galveston

FLEET FACILITIES STAFF REPORT

July 30, 2018

Brian Maxwell, City Manager
Honorable Mayor and City Council Members

Subject: Consider for the approval allowing the Fleet Facility to purchase the listed service vehicle and associated equipment (Ford Taurus) from Silsbee Ford through TPASS, for a total price of \$21,483 which will be funded from the Vehicle Capital Outlay account, and authorize the City Manager to execute the contract upon final approval by the City Attorney.

I. Background

- A. Funding for new equipment has been earmarked for the Community Outreach Division and they have requested this vehicle.
- B. Buy Board, HGAC Buy and TPASS are cooperative purchasing organizations that the city is a member of that performs bidding packages for local governments. The garage has performed competitive bidding packages on current equipment purchases to assure that these purchases are the better option.
- C. The vehicle description is one Ford Tauris sedan with a six cylinder engine.
- D. The extended purchase price for this package is \$21,483.
- E. Silsbee Ford is located in Silsbee Texas.
- F. Delivery should be within 30 days from the date of the purchase order issue. These items have to be delivered during the current fiscal year, and the dealer can support this request.

II. Current Situation

The City Council will have to approve allowing the Fleet Facility to purchase the listed service vehicle and associated equipment (Ford Taurus) from Silsbee Ford through TPASS, for a total price of \$21,483 which will be funded from the Vehicle Capital Outlay account, and authorize the City Manager to execute the contract upon final approval by the City Attorney.





City of Galveston

FLEET FACILITIES STAFF REPORT

III. Alternatives in order of priority

A. City Council approves the purchase of the listed vehicle.

1. Cost - \$21,483
2. Timing - Delivery should be within 30 days.
3. Divisional Improvements - Will provide the city with needed equipment to perform duties. Newer equipment will reduce fleet operational costs and will improve operations.

B. City Council does not approve the purchase of the listed vehicle.

1. Cost - No additional cost at this time.
2. Timing - N/A
3. Divisional Improvements - City staff will not be able to function without needed equipment. Older equipment will take on a heavier load, which will increase operational costs. Operations will slow.

IV. Recommendation

Concur in Alternative A and approve allowing the Fleet Facility to purchase the listed service vehicle and associated equipment (Ford Taurus) from Silsbee Ford through TPASS, for a total price of \$21,483 which will be funded from the Vehicle Capital Outlay account, and authorize the City Manager to execute the contract upon final approval by the City Attorney.

V. Fiscal Impact Report

Requested by	David Smith Executive Director
Funding Source	Vehicle Capital Outlay
Cost	\$21,483
Savings Estimation	Will help reduce unit repair costs on the older fleet vehicles and will assist with improving services.





City of Galveston

FLEET FACILITIES STAFF REPORT

VI. Environmental Impact

All listed vehicles are produced under current EPA standards.

Respectfully Submitted

David Smith
Executive Director



City of Galveston

Municipal Garage Facilities

Light Duty Vehicle Purchase Request COG 2671-1

Please type in your answers in the green areas, save and return. The answer column is "drop down" select.

Vehicle model requested	Taurus
Quantity	1

Will your requested vehicle(s) be used for any of the following;

	Answer
Towing of trailers or any other equipment	No
Transporting items which require a truck bed due to size and/or weight	No
Surveillance activates	No
Long idling activities (running of warning lights)	No
Emergency code 2 or 3 activities	No
Pre and post storm activities	Yes
Transporting of four (4) persons or more	Yes
Rough terrain transportation which includes the need for high clearance	No
* Can it be considered that your requested vehicle by a Hybrid type vehicle?	Yes
* Can it be considered for your requested vehicle to be a smaller model vehicle?	No

Funding source? (Capital Outlay / Budget amendment ...)

Vehicle Capital Outlay

Brief description of what vehicle(s) will be utilized for?

Transport of staff for meetings. NOTE: Hybrid vehicle not in stock at this time.

Requesting Department Head

Barbara Sanderson

The Department Head making the vehicle request must be ready to explain the above answers to the City Council upon request.

SILSBEE FORD

Government and Commercial Sales

1211 U.S. Highway 96 North Silsbee TX 77656 Phone: (409) 895-3800

Date: 7/18/2018

Prepared by: Richard Hyder
direct phone: (409) 300-1385
email: rhyder.cowboyfleet@gmail.com

Prepared for: City of Galveston
David Smith 409.789.0673
phone: 409.797.3920
fax:
email: smithdav@cityofgalveston.org

Proposal:	# of items	Description	Price	Extension
	1	2018 Ford Taurus Item 372B per TPASS term contract 072A1	\$ 21,308.00	\$ 21,308.00
	1	Additional Fleet options: exterior white	\$ -	\$ -
	1	delivery 100 miles	\$ 175.00	\$ 175.00
	ALL VEHICLES SUBJECT TO AVAILABILITY		TOTAL:	\$ 21,483.00

Notes: *Please call if you have any questions. Thank you*



(<http://www.comptroller.texas.gov/>)

Texas Comptroller of Public
Accounts
Glenn Hegar



(<http://www.txsmartbuy.com>)

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0 items

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Contract Details: # 071-A1 exp 8/31/2016

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Search for items in this contract (/ex_search/false/contract_number/071~A1 exp 8/31/2016)

Number	071-A1 exp 8/31/2016
Description	Automobiles and Law Enforcement Vehicles
Category	TxSmartBuy
Type	Term
Start Date	6/17/2013
End Date	8/31/2016
Purchase Category Code (Agencies Only)	PCC A
Optional Renewal Terms	September 1, 2017 through August 31, 2018
Purchase Orders	Only purchase orders issued through TxSmartBuy are eligible for contract pricing. The Contractor will not ship any products or provide related services until receipt of a Purchase Order generated by the TxSmartBuy system. TRADE-IN VEHICLES: Customers are NOT authorized to trade in vehicles under this contract. AWARD LEVELS: This contract consists of tiered awards for each vehicle series: • Primary • Secondary • Tertiary • 4th level • 5th Level • 6th Level • 7th Level • 8th Level STATE AGENCY ORDERS HOLD PROCESS: State Agency purchasers should order through the primary contractor. Orders entered into TxSmartBuy for non-primary awards will be placed on automatic hold by the TxSmartBuy system. The state agency purchaser will receive an email from the system requiring the purchaser to submit a justification via email to the Strategic Sourcing contact, Charlene Rendon at charlene.rendon@cpa.state.tx.us (mailto:charlene.rendon@cpa.state.tx.us). The explanation should identify in detail why the primary contractor does not meet the state agency's operational requirements. The request will be reviewed and processed within two (2) business days from date of receipt. Purchaser's order(s) shall remain on hold, until the justification submitted is reviewed and approved or rejected. The Customer will notify the Strategic Sourcing contact immediately if a primary contractor is unable to provide any vehicle or option under this contract. See Contract Specifics/Notes section for additional ordering information.

NIGP Code(s)	071-04	071-05	071-80
	071-90	071-92	
CPA Contract Management	Questions regarding contract management issues, price changes, amendments or other post-award concerns should be directed to: TPASS Contract Management Office (TCMO) Texas Comptroller of Public Accounts (CPA) Fax: (512) 936-0040 Email: tpass_cmo@cpa.state.tx.us (mailto:tpass_cmo@cpa.state.tx.us) Questions concerning technical specifications should be directed to: Charlene Rendon Phone: 512-463-3653 Email: Charlene.Rendon@cpa.texas.gov (mailto:Charlene.Rendon@cpa.texas.gov)		

Contract Specifics/Notes	VEHICLE SPECIFICATIONS: This contract is established by a Vehicle Series number outlined in the Texas Fleet Specification(s) Please note the effective dates on each. Each vehicle series lists the make and model and all minimum equipment required by the State. The Texas Fleet Specification is referenced throughout these instructions and can be accessed online at: TEXAS FLEET SPECIFICATION NO. 071-072-AT-2016 (pdf) http://www.txsmartbuy.com/ShopFlow/Documents/Contract%20Attachments/071-072-A1 STATE OF TEXAS SPECIFICATION_2016.pdf TEXAS FLEET SPECIFICATION NO. 071-072-AT-2017 (pdf) http://www.txsmartbuy.com/ShopFlow/Documents/Contract%20Attachments/071-072 State of Texas Specifications FY17 2016-2017.pdf COLORS: Base prices include the manufacturer's standard solid colors. Customers should contact the Contractor for available colors and shades. The color must be specified by the Customer at the ordering time and can be entered in the Line Item note. OPTIONS: Options will be available in the <i>Add to Cart</i> view for each vehicle. Quotes or Charges can also be added in the <i>Add to Cart - Charges</i> section. Any option which is not part of the Texas Standard Equipment including the ones offered by the Contractor at "no cost" must be entered into the system. This contract is intended to cover the State's normal requirements for fleet vehicles with options that have historical usage and to offer best value for vehicles with options. Items/options that are not specifically listed in this contract may be purchased from the manufacturer's catalog provided by the Contractor. The Contract price for the catalog items offered by each awarded contractor can be found by going to the Contractor's link shown below: CONTRACTOR CATALOG ITEMS: Caldwell Country Chevrolet (xls) http://www.txsmartbuy.com/ShopFlow/Documents/Contract%20Attachments/071-072 Catalog Template Caldwell Country Chevrolet5-15-15.xls Caldwell Country Ford (xls) http://www.txsmartbuy.com/ShopFlow/Documents/Contract%20Attachments/071-072 Catalog Template Caldwell Country Ford5-15-15.xls Johnson Whitesboro Ford (xls) http://www.txsmartbuy.com/ShopFlow/Documents/Contract%20Attachments/071-072-A1 Catalog - Johnson Whitesboro Ford.xls Reliable Chev (2) (xls) http://www.txsmartbuy.com/ShopFlow/Documents/Contract%20Attachments/071-072-A1 Catalog Reliable Chev (2).xls CBS 2 (xls) http://www.txsmartbuy.com/ShopFlow/Documents/Contract%20Attachments/071-072-A1 Catalog CBS_2.xls Cowboy Dodge Jeep (xls) http://www.txsmartbuy.com/ShopFlow/Documents/Contract%20Attachments/071-072-A1 Catalog Cowboy Dodge Jeep.xls DOGGETT Freightliner of South Texas, LLC (xls) http://www.txsmartbuy.com/ShopFlow/Documents/Contract%20Attachments/071-072-A1 Catalog DOGGETT Freightliner of South Texas, LLC.xls Grande (xls) http://www.txsmartbuy.com/ShopFlow/Documents/Contract%20Attachments/071-072-A1 Catalog Grande.xls Gunn v2 (xls) http://www.txsmartbuy.com/ShopFlow/Documents/Contract%20Attachments/071-072-A1 Catalog Gunn v2.xls Johnson-Grayson Automotive (xls) http://www.txsmartbuy.com/ShopFlow/Documents/Contract%20Attachments/071-072-A1 Catalog Johnson-Grayson Automotive.xls McKinney Dodge (xls) http://www.txsmartbuy.com/ShopFlow/Documents/Contract%20Attachments/071-072-A1 Catalog McKinney Dodge.xls Meador (xls) http://www.txsmartbuy.com/ShopFlow/Documents/Contract%20Attachments/071-072-A1 Catalog Meador.xls National Bus Sales (xls) http://www.txsmartbuy.com/ShopFlow/Documents/Contract%20Attachments/071-072-A1 Catalog National Bus Sales.xls Reliable (xls) http://www.txsmartbuy.com/ShopFlow/Documents/Contract%20Attachments/071-072-A1 Catalog Reliable.xls
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Sam Pack (xls)
(<http://www.txsmartbuy.com/ShopFlow/Documents/Contract%20Attachments/071-072-A1 Catalog Sam Pack5-5-15.xls>)

Silsbee Ford (xls)
(<http://www.txsmartbuy.com/ShopFlow/Documents/Contract%20Attachments/071-072-A1 Catalog Silsbee Ford.xls>)

RoundRockNissan (xls)
(http://www.txsmartbuy.com/ShopFlow/Documents/Contract%20Attachments/071-072-A1 Catalog_Pricing_RoundRockNissan.xls)

Silsbee Toyota (xls)
(<http://www.txsmartbuy.com/ShopFlow/Documents/Contract%20Attachments/071-072-A1 Catalog Silsbee Toyota.xls>)

VED Heritage (xls)
(<http://www.txsmartbuy.com/ShopFlow/Documents/Contract%20Attachments/071-072-A1 Catalog VED Heritage.xls>)

CBS (xls)
(http://www.txsmartbuy.com/ShopFlow/Documents/Contract%20Attachments/071-072-A1 Catalog_CBS_.xls)

NOTE: Discount-from-Catalog is a percentage (%) discount deducted from the manufacturer's suggested or list price (MSRP). The discount must be for all items available for purchase in the manufacturer's catalog.

MANUFACTURER'S BUILD OUT SCHEDULE: The vehicle manufacturers publish build out schedules for the vehicles listed under this Contract. The order cut-off dates for the current model year and the order start dates for the upcoming model year are listed in this schedule. Please note that if a model is being discontinued by the manufacturer, the build out schedule will show no order start date for the upcoming model year. CPA will remove all line items related to the discontinued model soon after the build out date has passed. The build out schedule submitted by the manufacturers can be found by going to each manufacturer's link shown below.

American Honda (pdf)
(<http://www.txsmartbuy.com/ShopFlow/Documents/Contract%20Attachments/071-072-a1-american-honda.pdf>)

Chrysler Corp (pdf)
(<http://www.txsmartbuy.com/ShopFlow/Documents/Contract%20Attachments/071-072-A1 2017 Model Year... Chrysler.pdf>)

Ford Motor Company (pdf)
(<http://www.txsmartbuy.com/ShopFlow/Documents/Contract%20Attachments/071-072A1 Ford 022715 BALANCE OUT START UP INFO.pdf>)

Nissan Build-Out Schedule (pdf)
(<http://www.txsmartbuy.com/ShopFlow/Documents/Contract%20Attachments/071-072-a1-nissan-buildout-schedule.pdf>)

GM Cutoff /Buildout Date (pdf)
(<http://www.txsmartbuy.com/ShopFlow/Documents/Contract%20Attachments/071-072-A1 MY 2016 GM government order cutoff 5-11-2016.pdf>)

STATE AGENCY EMISSIONS REQUIREMENTS: Effective September 1, 2007, Texas Govt. Code 2158.009 requires that state agencies shall purchase a certain percentage of low-emissions passenger vehicles based on its total vehicle purchases during any state fiscal biennium.

Govt Code 2158.009, LOW-EMISSIONS VEHICLES PURCHASING REQUIREMENT

(a) Repealed by Acts 2009, 81st Leg., R.S., Ch. 900, Sec. 7, eff. September 1, 2009.

(b) A state agency authorized to purchase passenger vehicles or other ground transportation vehicles for general use shall ensure that not less than 25 percent of the vehicles the agency purchases during any state fiscal biennium, other than vehicles the purchase of which is exempted from this subsection by Subsection (c) or (d), are vehicles that meet or exceed the emissions standards necessary to be rated by the United States Environmental Protection Agency as a Tier II, Bin 3, emissions standard vehicle that has a greenhouse gas score of eight under regulations of that agency as they existed September 1, 2007.

(c) A state agency is exempt from Subsection (b) to the extent that a vehicle described by that subsection that meets the agency's operational needs is not commercially available.

(d) Subsection (b) does not apply to a state agency's purchase of a vehicle to be used by a peace officer, as defined by Article 2.12, Code of Criminal Procedure, whose duties include the apprehension of persons for violation of a criminal law of this state.

STATE AGENCY DOCUMENTATION: Texas Fleet Management program requires that the State Agency's procurement file must be documented with one of the following clauses:

- This agency operates 15 or less motor vehicles, excluding law enforcement or emergency vehicles, and is not subject to alternative fuel requirements.

	• This agency operates more than 15 vehicles, excluding law enforcement or emergency vehicles. This purchase is for an alternative fuel vehicle. • This agency operates more than 15 vehicles, excluding law enforcement or emergency vehicles. This purchase is for a vehicle that will be converted to alternative fuel prior to being placed in service. • This agency operates more than 15 vehicles, excluding law enforcement or emergency vehicles. This purchase is for a law enforcement or emergency vehicle. • A valid, current waiver number is on file with the Comptroller of Public Accounts (CPA) for this vehicle. • This agency is exempt from Texas Government Code, Chapter 2158, and Section 2158.009, Subsection (b) to the extent that a vehicle described by that subsection is either not commercially available or the primary vendor does not meet the agency's operating requirements. A detailed written justification must be included in the procurement file which is subject to audit. DELIVERY: The delivery schedule shown below is based upon the type of the vehicle being ordered and can be referenced in Texas Fleet Specification, Section A.5 CALENDAR DAYS DELIVERY AFTER RECEIPT OF ORDER: 120 days • General Purpose Automobiles • Carryalls, Utility Vehicles , Cargo Vans • Passenger Vans, Lightduty • Light Duty and Crew Cab Trucks • Light and Medium Duty Chassis with No Bodies 150 days • Special Purpose Automobiles (LE) • OEM Alternative Fuel Vehicles 180 days • Light and Medium Duty Chassis with Optional Bodies All shipping shall be F.O.B. destination freight prepaid and allowed. Normal delivery time for most customers is Monday through Friday, 8:00 a.m. through 4:00 p.m. (CT) except for State and/or Federal Holidays. Delivery destinations will be indicated on each purchase order. PRE-DELIVERY SERVICE (Reference Specification 071-072-AT-2013/2014): • All fluid levels checked and maintained with the proper grade and type of fluids • Pre-delivery inspection and service on chassis • The interior and exterior shall be cleaned and freshly washed at time of delivery. A minimum of ¼ tank must show on the fuel gauge when delivered. VEHICLE INSPECTION (Reference Specification 071-072-AT-2015): The contractor shall have each vehicle (except cab and chassis units delivered without bodies) properly inspected in compliance with Texas motor vehicle laws. Texas Inspection Sticker shall be attached prior to delivery to the receiving entity (2 year Inspection Sticker for vehicles through ¾ ton pickups and 1 year Inspection Sticker for 1 ton trucks and up, excluding cab and chassis units delivered without bodies).
Warranty Details	Unless the Customer has purchased an extended warranty, the warranty shall be in accordance with the Texas Fleet Specification, Section A.12.
Adding New Products to the Contract	Following the contract award, additional products or services of the same general category that could have been encompassed in the award of this contract, and that are not already on the contract, may be added. TPASS customers are encouraged to request additional items by contacting the TPASS Contract Management Office.

Delivery Delays by Contractor	Default in promised Delivery Days After Receipt of Order (ARO) without accepted reasons or failure to meet specifications authorizes the Customer to purchase goods and services of this contract elsewhere and charge any increased costs for the goods and services, including the cost of re-soliciting, to the Contractor. LATE DELIVERY FEE: The ordering entity will have the option to charge the vendor a fee of \$50 per vehicle per day for late delivery. Late fee applies ONLY when vendor has not requested and received PRIOR WRITTEN approval from the ordering entity, to make delivery after the number of days established by the contract or the purchase. Providing vehicle(s) which do not meet all specification requirements does not constitute delivery, and the late fee will continue to accrue until the vendor delivers vehicles in full compliance with the specifications to the ordering entity's FOB point. The ordering entity will have the option to deduct any accumulated late delivery fees prior to payment of the invoice. All late deliveries shall be recorded in Vendor Performance Tracking System (VPTS) by the Customer and the Contractor shall be required to submit a corrective action plan to CPA.
Compliant Products by Contractor	Failure to pay a damage assessment is cause for contract cancellation and/or debarment or removal of the contractor, as applicable, from the State Centralized Master Bidders List (CMBL Compliant Products by Contractor Delivery does not occur until the Contractor delivers products, materials or services in full compliance with the specifications to Customer F.O.B. destination, unless delivery is specifically accepted, in whole or in part, by the Customer. Providing products, materials or services which do not meet all specification requirements does not constitute delivery.
Purchase Order Cancellation	The Customer may request that a Contractor cancel a specific line item or an entire purchase order. There shall be no fees charged for cancellation of an item and/or order prior to shipment by the Contractor. The cancellation must be processed through the TxSmartBuy system.
Restocking Fee for Returned Products	The Customer may request that a Contractor accept return of products already delivered. If the return is required through no fault of the Contractor, the Contractor may request a reasonable restocking charge. The Customer may pay a restocking charge if the CPA or Customer determines that the charge is justifiable. As a guideline, such charges shall not exceed 10%.
Substitutions	During the Contract term, the Contractor shall not substitute a product or brand unless the Contractor has obtained prior written approval from the TCMO in coordination with the Customer. The Contractor must have written confirmation from the TCMO of the substitution before making delivery.
Contractor Performance	Statewide Procurement Division (SPD), administers a vendor performance program for use by all customers per Texas Government Code (TGC), §2262.055, and 34 Texas Administrative Code (TAC), §20.108. The Vendor Performance relies on the customer's participation in gathering information on vendor performance. State agency customers shall report vendor performance on purchases of \$25,000 or more from contracts administered by CPA, or any other purchase of \$25,000 or more made through delegated authority granted by CPA (TAC 20.108), or purchases exempt from CPA procurement rules and procedures. State agencies are additionally encouraged to report vendor performance on purchases under \$25,000. Vendor Performance shall be reported through the CPA VENDOR PERFORMANCE TRACKING SYSTEM. (http://www.window.state.tx.us/procurement/prog/vendor_performance/) The purpose of the Vendor Performance Tracking System is to: • Identify vendors that have exceptional performance • Aid purchasers in making a best value determination based on vendor past performance • Protect the state from vendors with unethical business practices • Provide performance scores in four measurable categories for the CMBL vendors • Track vendor performance for delegated and exempt purchases

Contractors Information

 Texas Comptroller of Public Accounts Glenn Hegar • Home (http://comptroller.texas.gov) • Contact Us (http://comptroller.texas.gov/about/contact/)	POLICIES • Privacy and Security Policy (https://comptroller.texas.gov/about/policies/privacy-security/) • Accessibility Policy (https://comptroller.texas.gov/about/policies/accessibility/)	OTHER STATE SITES • texas.gov • https://www.open.texas.gov/ • Texas Records and Information Act (TRAIL) (http://www.tsl.state.tx.us/trail/)

- Link Policy
(<https://comptroller.texas.gov/about/policies/ps.php>)
- Texas.gov (<http://texas.gov>)
- Search from the Texas State Library
(<https://www.tsl.texas.gov/trail/index.html>)
- Texas Homeland Security
(<http://www.dhs.gov/geography/texas>)
- Texas Veterans Portal
(<https://veterans.portal.texas.gov/>)
- Public Information Act
(<https://comptroller.texas.gov/about/policies/public-information-act.php>)
- Texas Secretary of State
(<http://www.sos.state.tx.us/>)
- HB855 Browser Statement
- State Link Policy
(<https://ps.dir.texas.gov/portal/intern:>)
- Texas Veterans Portal
(<http://veterans.portal.texas.gov>)



City of Galveston

Finance Department
PO Box 779 | Galveston, TX 77553-0779
| 409-797-3562

August 9, 2018

To: Brian Maxwell, City Manager
Hon. Mayor and City Council

From: Michael W. Loftin, Assistant City Manager for Finance

RE: **Consider a motion to call a public hearing on September 13, 2018 on the FY 2019 Proposed Budget as required by State law.**

I. Background

- A. Chapter 102 of the Local Government Code sets forth procedural and publication requirements for the city Budget including those listed here.
1. Section 102.001(b): The City Manager serves as the budget officer for the city.
 2. Section 102.003(b): "The budget must contain a complete financial statement of the municipality that shows:
 - a. The outstanding obligations of the municipality;
 - b. the cash on hand to the credit of each fund;
 - c. the funds received from all sources during the preceding year;
 - d. the funds available from all sources during the ensuing year;
 - e. the estimated revenue available to cover the proposed budget; and
 - f. the estimated tax rate required to cover the proposed budget."
 3. A public hearing on the budget must be called at least fifteen calendar days after the date the proposed budget is filed with the City Secretary (Section 102.006(b). This public hearing must be advertised between at least ten days, but not more than 30 days prior to the public hearing.
 4. The adopted budget must be accessible on the city's web page.
 5. A very specific statement must be placed in the advertisement and on the cover page of the budget document (not the cover itself) as outlined in the next section here.
 6. Section 102.009(b) provides, "After final approval of the budget, the governing body may spend municipal funds only in strict compliance with the budget, except in an emergency."
 7. Section 102.010, the law states: "This chapter does not prevent the governing body of the municipality from making changes in the budget for municipal purposes."
 8. Section 102.011 provides, "If a municipality has already adopted charter provisions that require the preparation of an annual budget covering all municipal expenditures and if the municipality conducts a public hearing on the budget as provided by Section 102.006 and otherwise complies with the provisions of this chapter relating to property tax increases, the charter provisions control."
 9. Section 102.007 provides for the adoption of the budget as follows:
 - a) "At the conclusion of the public hearing, the governing body of the municipality shall take action on the proposed budget. A vote to adopt the budget must be a record vote.
 - b) The governing body may make any changes in the budget that it considers warranted by the law or by the best interest of the municipal taxpayers.
 - c) Adoption of a budget that will require raising more revenue from property taxes than in the previous year requires a separate vote of the governing body to ratify the property tax increase reflected in the budget. A vote under this subsection is in addition to and

separate from the vote to adopt the budget or a vote to set the tax rate required by Chapter 26, Tax Code, or other law.”

- B. The City Charter includes provisions under Article VII for Finance that cover the budget as well.
 - 1. Section 5 - The city’s fiscal year begins October 1 and ends September 30.
 - 2. Section 6 – “At least forty-five (45) days prior to the beginning of each fiscal year the City Manager shall submit to the Council a proposed budget, which shall include:
 - (a) The anticipated revenues and the proposed expenditures for the year, in detail;
 - (b) A statement of all capital projects proposed to be undertaken during the year, and the method of their financing;
 - (c) A statement of the capital projects planned for the next succeeding five (5) fiscal years, with estimates of their costs. The budget shall be accompanied by a report from the City Manager, with supporting schedules and exhibits, setting forth a complete financial plan for operation of the City during the coming fiscal year, with suitable explanation of any major changes in the cost of operation or the financial policy.”
 - 3. Section 8 - “After the public hearing thereon the Council shall approve and adopt the budget by the second regularly scheduled Council meeting in September, either in the same form as submitted by the City Manager or with such changes as the Council may find to be necessary or desirable. No budget shall be adopted or appropriation made unless the anticipated revenues for the fiscal year equal or exceed the authorized expenditures. The adoption of the budget shall require a favorable vote of at least a majority of all the members of the Council. In the event the budget has not been adopted by the beginning of the fiscal year, the latest budget proposed by the City Manager shall take and remain in effect until the budget is finally adopted by the Council.”

II. **Current Situation**

- A. The language to be included in the hearings advertisement and in the budget itself in eighteen-font type as required by Section 102.005 State law is as follows:

"This budget will raise more total property taxes than last year's budget by \$559,600 which is a 1.74 percent increase, and of that amount \$443,900 is tax revenue to be raised from new property added to the tax roll this year."

- B. Two record votes will be required by City Council to adopt the Budget in September since the Budget includes an increase in property tax revenue. The first will be to adopt the budget itself. The second motion will be “to ratify the property tax increase reflected in the budget.” (Section 102.007(c) of State law).

III. **Recommendation – Call the FY 2019 Proposed Budget public hearing as proposed for September 13, 2018.**



2018 Tax Rate Calculation Worksheet

Date: 07/31/2018 02:21 PM

Taxing Units Other Than School Districts or Water Districts

City of Galveston

Taxing Unit Name

Phone (area code and number)

Taxing Unit's Address, City, State, ZIP Code

Taxing Unit's Website Address

GENERAL INFORMATION: Tax Code Section 26.04(c) requires an officer or employee designated by the governing body to calculate the effective tax rate and rollback tax rate for the taxing unit. These tax rates are expressed in dollars per \$100 of taxable value calculated. The calculation process starts after the chief appraiser delivers to the taxing unit the certified appraisal roll and the estimated values of properties under protest.

School districts do not use this form, but instead use Comptroller Form 50-859 Tax Rate Calculation Worksheet for School Districts.

Water districts as defined under Water Code Section 49.001(1) do not use this form, but instead use Comptroller Form 50-858 Water District Rollback Tax Rate Worksheet.

This worksheet is provided to assist taxing units in determining tax rates. The information provided in this worksheet is offered as technical assistance and not legal advice. Taxing units should consult legal counsel for interpretations of law regarding tax rate preparation and adoption.

SECTION 1: Effective Tax Rate (No New Taxes)

The effective tax rate enables the public to evaluate the relationship between taxes for the prior year and for the current year based on a tax rate that would produce the same amount of taxes (no new taxes) if applied to the same properties that are taxed in both years. When appraisal values increase, the effective tax rate should decrease.

The effective tax rate for a county is the sum of the effective tax rates calculated for each type of tax the county levies.

Effective Tax Rate Activity	Amount/Rate
1. 2017 total taxable value. Enter the amount of 2017 taxable value on the 2017 tax roll today. Include any adjustments since last year's certification; exclude Tax Code Section 25.25(d) one-third over-appraisal corrections from these adjustments. This total includes the taxable value of homesteads with tax ceilings (will deduct in Line 2) and the captured value for tax increment financing (will deduct taxes in Line 14). ¹	\$6,173,082,383
2. 2017 tax ceilings. Counties, cities and junior college districts. Enter 2017 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision in 2017 or a prior year for homeowners age 65 or older or disabled, use this step. ²	\$616,114,490
3. Preliminary 2017 adjusted taxable value. Subtract Line 2 from Line 1.	\$5,556,967,893
4. 2017 total adopted tax rate.	\$0.561000/\$100
5. 2017 taxable value lost because court appeals of ARB decisions reduced 2017 appraised value. A. Original 2017 ARB Values.	\$13,767,810
B. 2017 values resulting from final court decisions.	\$12,307,010
C. 2017 value loss. Subtract B from A. ³	\$1,460,800
6. 2017 taxable value, adjusted for court-ordered reductions. Add Line 3 and Line 5C.	\$5,558,428,693
7. 2017 taxable value of property in territory the taxing unit deannexed after Jan. 1, 2017. Enter the 2017 value of property in deannexed territory. ⁴	\$0
8. 2017 taxable value lost because property first qualified for an exemption in 2018. Note that lowering the amount or percentage of an existing exemption does not create a new	

exemption or reduce taxable value. If the taxing unit increased an original exemption, use the difference between the original exempted amount and the increased exempted amount. Do not include value lost to freeport or goods-in-transit exemptions.	
A. Absolute exemptions. Use 2017 market value:	\$2,165,495
B. Partial exemptions. 2018 exemption amount or 2018 percentage exemption times 2017 value:	\$24,658,143
C. Value loss. Add A and B. ⁵	\$26,823,638
9. 2017 taxable value lost because property first qualified for agricultural appraisal (1-d or 1-d-1), timber appraisal, recreational/scenic appraisal or public access airport special appraisal in 2018. Use only properties that qualified in 2018 for the first time; do not use properties that qualified in 2017.	
A. 2017 market value:	\$0
B. 2018 productivity or special appraised value:	\$0
C. Value loss. Subtract B from A. ⁶	\$0
10. Total adjustments for lost value. Add lines 7, 8C and 9C.	\$26,823,638
11. 2017 adjusted taxable value. Subtract Line 10 from Line 6.	\$5,531,605,055
12. Adjusted 2017 taxes. Multiply Line 4 by Line 11 and divide by \$100.	\$31,032,304
13. Taxes refunded for years preceding tax year 2017. Enter the amount of taxes refunded by the taxing unit for tax years preceding tax year 2017. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2017. This line applies only to tax years preceding tax year 2017. ⁷	\$27,389
14. Taxes in tax increment financing (TIF) for tax year 2017. Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the taxing unit has no 2018 captured appraised value in Line 16D, enter 0. ⁸	\$1,726,400
15. Adjusted 2017 taxes with refunds and TIF adjustment. Add Lines 12 and 13, subtract Line 14. ⁹	\$29,333,293
16. Total 2018 taxable value on the 2018 certified appraisal roll today. This value includes only certified values and includes the total taxable value of homesteads with tax ceilings (will deduct in Line 18). These homesteads include homeowners age 65 or older or disabled. ¹⁰	
A. Certified values:	\$6,069,496,361
B. Counties: Include railroad rolling stock values certified by the Comptroller's office:	\$0
C. Pollution control and energy storage system exemption : Deduct the value of property exempted for the current tax year for the first time as pollution control or energy storage system property:	\$0
D. Tax increment financing: Deduct the 2018 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the 2018 taxes will be deposited	\$332,560,774

into the tax increment fund. Do not include any new property value that will be included in Line 21 below. ¹¹	
E. Total 2018 value. Add A and B, then subtract C and D.	\$5,736,935,587
17. Total value of properties under protest or not included on certified appraisal roll. ¹²	
A. 2018 taxable value of properties under protest. The chief appraiser certifies a list of properties still under ARB protest. The list shows the appraisal district's value and the taxpayer's claimed value, if any, or an estimate of the value if the taxpayer wins. For each of the properties under protest, use the lowest of these values. Enter the total value. ¹³	\$231,239,893
B. 2018 value of properties not under protest or included on certified appraisal roll. The chief appraiser gives taxing units a list of those taxable properties that the chief appraiser knows about, but are not included in the appraisal roll certification. These properties also are not on the list of properties that are still under protest. On this list of properties, the chief appraiser includes the market value, appraised value and exemptions for the preceding year and a reasonable estimate of the market value, appraised value and exemptions for the current year. Use the lower market, appraised or taxable value (as appropriate). Enter the total value. ¹⁴	\$0
C. Total value under protest or not certified: Add A and B.	\$231,239,893
18. 2018 tax ceilings. Counties, cities and junior colleges enter 2018 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing units adopted the tax ceiling provision in 2017 or a prior year for homeowners age 65 or older or disabled, use this step. ¹⁵	\$677,494,104
19. 2018 total taxable value. Add Lines 16E and 17C. Subtract Line 18.	\$5,290,681,376
20. Total 2018 taxable value of properties in territory annexed after Jan. 1, 2017. Include both real and personal property. Enter the 2018 value of property in territory annexed. ¹⁶	\$0
21. Total 2018 taxable value of new improvements and new personal property located in new improvements. New means the item was not on the appraisal roll in 2017. An improvement is a building, structure, fixture or fence erected on or affixed to land. New additions to existing improvements may be included if the appraised value can be determined. New personal property in a new improvement must have been brought into the taxing unit after Jan. 1, 2017, and be located in a new improvement. New improvements do include property on which a tax abatement agreement has expired for 2018. ¹⁷	\$77,346,881
22. Total adjustments to the 2018 taxable value. Add Lines 20 and 21.	\$77,346,881
23. 2018 adjusted taxable value. Subtract Line 22 from Line 19.	\$5,213,334,495
24. 2018 effective tax rate. Divide Line 15 by Line 23 and multiply by \$100. ¹⁸	\$0.562658/\$100
25. COUNTIES ONLY. Add together the effective tax rates for each type of tax the county levies. The total is the 2018 county effective tax rate. ¹⁹	

¹Tex. Tax Code Section 26.012(14)

²Tex. Tax Code Section 26.012(14)

³Tex. Tax Code Section 26.012(13)

⁴Tex. Tax Code Section 26.012(15)

⁵Tex. Tax Code Section 26.012(15)

⁹Tex. Tax Code Section 26.012(13)

¹⁰Tex. Tax Code Section 26.012

¹¹Tex. Tax Code Section 26.03(c)

¹²Tex. Tax Code Section 26.01(c) and (d)

¹³Tex. Tax Code Section 26.01(c)

⁶Tex. Tax Code Section 26.012(15)

⁷Tex. Tax Code Section 26.012(13)

⁸Tex. Tax Code Section 26.03(c)

¹⁴Tex. Tax Code Section 26.01(d)

¹⁵Tex. Tax Code Section 26.012(6)

¹⁶Tex. Tax Code Section 26.012(17)

SECTION 2: Rollback Tax Rate

The rollback tax rate is split into two separate rates:

1. **Maintenance and Operations (M&O):** The M&O portion is the tax rate that is needed to raise the same amount of taxes that the taxing unit levied in the prior year plus eight percent. This rate accounts for such things as salaries, utilities and day-to-day operations.
2. **Debt:** The debt tax rate includes the debt service necessary to pay the taxing unit's debt payments in the coming year. This rate accounts for principal and interest on bonds and other debt secured by property tax revenue.

The rollback tax rate for a county is the sum of the rollback tax rates calculated for each type of tax the county levies. In most cases the rollback tax rate exceeds the effective tax rate, but occasionally decreases in a taxing unit's debt service will cause the effective tax rate to be higher than the rollback tax rate.

Rollback Tax Rate Activity	Amount/Rate
26. 2017 maintenance and operations (M&O) tax rate.	\$0.491000/\$100
27. 2017 adjusted taxable value. Enter the amount from Line 11.	\$5,531,605,055
28. 2017 M&O taxes.	
A. Multiply Line 26 by Line 27 and divide by \$100.	\$27,160,180
B. Cities, counties and hospital districts with additional sales tax: Amount of additional sales tax collected and spent on M&O expenses in 2017. Enter amount from full year's sales tax revenue spent for M&O in 2017 fiscal year, if any. Other taxing units enter 0. Counties exclude any amount that was spent for economic development grants from the amount of sales tax spent.	\$5,065,816
C. Counties: Enter the amount for the state criminal justice mandate. If second or later year, the amount is for increased cost above last year's amount. Other taxing units enter 0.	\$0
D. Transferring function: If discontinuing all of a department, function or activity and transferring it to another taxing unit by written contract, enter the amount spent by the taxing unit discontinuing the function in the 12 months preceding the month of this calculation. If the taxing unit did not operate this function for this 12-month period, use the amount spent in the last full fiscal year in which the taxing unit operated the function. The taxing unit discontinuing the function will subtract this amount in H below. The taxing unit receiving the function will add this amount in H below. Other taxing units enter 0.	\$0
E. Taxes refunded for years preceding tax year 2017: Enter the amount of M&O taxes refunded in the preceding year for taxes before that year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2017. This line applies only to tax years preceding tax year 2017.	\$4,005
F. Enhanced indigent health care expenditures: Enter the increased amount for the current year's enhanced indigent health care expenditures above the preceding tax year's enhanced indigent health care expenditures, less any state assistance.	\$0
G. Taxes in TIF: Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the taxing unit has no 2018 captured appraised value in Line 16D, enter 0.	\$1,726,400
H. Adjusted M&O Taxes. Add A, B, C, E and F. For taxing unit with D, subtract if discontinuing function and add if receiving function. Subtract G.	\$30,503,601

29. 2018 adjusted taxable value. Enter Line 23 from the Effective Tax Rate Worksheet.	\$5,213,334,495
30. 2018 effective maintenance and operations rate. Divide Line 28H by Line 29 and multiply by \$100.	\$0.585107/\$100
31. 2018 rollback maintenance and operation rate. Multiply Line 30 by 1.08.	\$0.631915/\$100
32. Total 2018 debt to be paid with property taxes and additional sales tax revenue. Debt means the interest and principal that will be paid on debts that: (1) are paid by property taxes, (2) are secured by property taxes, (3) are scheduled for payment over a period longer than one year and (4) are not classified in the taxing unit's budget as M&O expenses. A. Debt also includes contractual payments to other taxing units that have incurred debts on behalf of this taxing unit, if those debts meet the four conditions above. Include only amounts that will be paid from property tax revenue. Do not include appraisal district budget payments. Enter debt amount. B. Subtract unencumbered fund amount used to reduce total debt. C. Subtract amount paid from other resources. D. Adjusted debt. Subtract B and C from A.	\$3,684,512 \$0 \$906,904 \$2,777,608
33. Certified 2017 excess debt collections. Enter the amount certified by the collector.	\$0
34. Adjusted 2018 debt. Subtract Line 33 from Line 32D.	\$2,777,608
35. Certified 2018 anticipated collection rate. Enter the rate certified by the collector. If the rate is 100 percent or greater, enter 100 percent.	100.00%
36. 2018 debt adjusted for collections. Divide Line 34 by Line 35	\$2,777,608
37. 2018 total taxable value. Enter the amount on Line 19.	\$5,290,681,376
38. 2018 debt tax rate. Divide Line 36 by Line 37 and multiply by \$100.	\$0.052500/\$100
39. 2018 rollback tax rate. Add Lines 31 and 38.	\$0.684415/\$100
40. COUNTIES ONLY. Add together the rollback tax rates for each type of tax the county levies. The total is the 2018 county rollback tax rate.	

SECTION 3: Additional Sales Tax to Reduce Property Taxes

Cities, counties and hospital districts may levy a sales tax specifically to reduce property taxes. Local voters by election must approve imposing or abolishing the additional sales tax. If approved, the taxing unit must reduce its effective and rollback tax rates to offset the expected sales tax revenue.

This section should only be completed by a county, city or hospital district that is required to adjust its effective tax rate and/or rollback tax rate because it adopted the additional sales tax.

Activity	Amount/Rate
41. Taxable Sales. For taxing units that adopted the sales tax in November 2017 or May 2018, enter the Comptroller's estimate of taxable sales for the previous four quarters. ²⁰ Estimates of taxable sales may be obtained through the Comptroller's Allocation Historical Summary webpage. Taxing units that adopted the sales tax before November 2017, skip this line.	\$0
42. Estimated sales tax revenue. Counties exclude any amount that is or will be spent for economic development grants from the amount of estimated sales tax revenue. ²¹ Taxing units that adopted the sales tax in November 2017 or in May 2018. Multiply the amount on Line 41 by the sales tax rate (.01, .005 or .0025, as applicable) and multiply the result by .95. ²² - or - Taxing units that adopted the sales tax before November 2017. Enter the sales tax revenue for the previous four quarters. Do not multiply by .95.	\$5,167,435
43. 2018 total taxable value. Enter the amount from Line 37 of the Rollback Tax Rate Worksheet.	\$5,290,681,376
44. Sales tax adjustment rate. Divide Line 42 by Line 43 and multiply by \$100.	\$0.097671/\$100
45. 2018 effective tax rate, unadjusted for sales tax. ²³ Enter the rate from Line 24 or 25, as applicable, on the Effective Tax Rate Worksheet.	\$0.562658/\$100
46. 2018 effective tax rate, adjusted for sales tax. Taxing units that adopted the sales tax in November 2017 or in May 2018. Subtract Line 44 from Line 45. Skip to Line 47 if you adopted the additional sales tax before November 2017.	\$0.562658/\$100
47. 2018 rollback tax rate, unadjusted for sales tax. ²⁴ Enter the rate from Line 39 or 40, as applicable, of the Rollback Tax Rate Worksheet.	\$0.684415/\$100
48. 2018 rollback tax rate, adjusted for sales tax. Subtract Line 44 from Line 47.	\$0.586744/\$100

¹⁷Tex. Tax Code Section 26.012(17)

¹⁸Tex. Tax Code Section 26.04(c)

¹⁹Tex. Tax Code Section 26.04(d)

²⁰Tex. Tax Code Section 26.041(d)

²¹Tex. Tax Code Section 26.041(i)

²²Tex. Tax Code Section 26.041(d)

²³Tex. Tax Code Section 26.04(c)

²⁴Tex. Tax Code Section 26.04(c)

SECTION 4: Additional Rollback Protection for Pollution Control

A taxing unit may raise its rate for M&O funds used to pay for a facility, device or method for the control of air, water or land pollution. This includes any land, structure, building, installation, excavation, machinery, equipment or device that is used, constructed, acquired or installed wholly or partly to meet or exceed pollution control requirements. The taxing unit's expenses are those necessary to meet the requirements of a permit issued by the Texas Commission on Environmental Quality (TCEQ). The taxing unit must provide the tax assessor with a copy of the TCEQ letter of determination that states the portion of the cost of the installation for pollution control.

This section should only be completed by a taxing unit that uses M&O funds to pay for a facility, device or method for the control of air, water or land pollution.

Additional Rollback Protection for Pollution Control Activity	Amount/Rate
49. Certified expenses from the Texas Commission on Environmental Quality (TCEQ). Enter the amount certified in the determination letter from TCEQ. ²⁵ The taxing unit shall provide its tax assessor-collector with a copy of the letter. ²⁶	\$0
50. 2018 total taxable value. Enter the amount from Line 37 of the Rollback Tax Rate Worksheet.	\$5,290,681,376
51. Additional rate for pollution control. Divide Line 49 by Line 50 and multiply by \$100.	\$0/\$100
52. 2018 rollback tax rate, adjusted for pollution control. Add Line 51 to one of the following lines (as applicable): Line 39, Line 40 (counties) or Line 48 (taxing units with the additional sales tax).	\$0.586744/\$100

SECTION 5: Total Tax Rate

Indicate the applicable total tax rates as calculated above.

Effective tax rate (Line 24; line 25 for counties; or line 46 if adjusted for sales tax)	\$0.562658
Rollback tax rate (Line 39; line 40 for counties; or line 48 if adjusted for sales tax)	\$0.586744
Rollback tax rate adjusted for pollution control (Line 52)	\$0.586744

SECTION 6: Taxing Unit Representative Name and Signature

Enter the name of the person preparing the tax rate as authorized by the taxing unit.

print here

Printed Name of Taxing Unit Representative

sign here

Taxing Unit Representative

Date

²⁵Tex. Tax Code Section 26.045(d)

²⁶Tex. Tax Code Section 26.045(i)



City of Galveston

Finance Department
PO Box 779 | Galveston, TX 77553-0779
| 409-797-3562

August 9, 2018

To: Brian Maxwell, City Manager
Hon. Mayor and City Council
From: Michael W. Loftin, Assistant City Manager Finance

RE: Consider a motion to propose a property tax rate of \$0.561 per \$100 of taxable value for 2018 and call a public hearing for August 23, 2018.

I. Background

- A. In accordance with State law, the Galveston County Tax Assessor-Collector (TAC), acting as the City of Galveston's TAC received the City's 2018 tax roll as certified by the Chief Appraiser for Galveston County. The TAC provided the Effective Tax Rate (ETR) calculation for the 2018 tax roll (see attached) using the information from the Galveston County Appraisal District.
- B. The applicable numbers from this year's ETR are as follows:

2018 Certified Assessed Value	\$6,069,496,361
2018 Certified Taxable Value (TV)	\$5,406,440,672
2018 Taxable Value Still Under ARB Review*	\$ 272,046,933
2018 Total Taxable Value Including ARB Review	\$6,341,543,294
2017 Total Taxable Value Including ARB Review	\$6,253,112,533
2018 New Property Taxable Value	\$ 77,346,881
2018 Anticipated Collection Rate	100%
Effective Tax Rate	\$0.562658 per \$100 TV
Rollback Rate	\$0.586744 per \$100 TV

*Note: ARB is the Appraisal Review Board.
- C. This year's taxable value is 1.41 percent higher than the 2017 taxable roll.
- D. Total new construction amounts to \$77,346,881 on this year's tax roll, which is 6.57% higher than last year's \$72,581,406.

II. Current Situation

- A. The proposed rate of \$0.561 is the same total rate as last year, but the composition of the rate is proposed to change.
- B. The Maintenance and Operations rate is proposed at \$0.458500, which is higher compared to last year's rate, after excluding the \$0.05 rate that is allocated directly to the Library under the City Charter. The increase is attributable to the lack of growth in the tax roll.
- C. The Debt Service rate is proposed at \$0.0525, which is \$0.017500 lower than last year's rate as a result a \$907,000 transfer from the Infrastructure and Debt Service Fund to the Debt Service Fund.
- D. The proposed rate of \$0.561 is slightly lower than the \$0.562658 effective rate. This rate would generate the same amount of revenue as last year if you compare properties taxed in both years.
- E. The total rate of \$0.561 is less than the rollback rate of \$0.586745. This rate is the highest tax rate the City can set before the taxpayers can start rollback procedures (petition for a rollback election).
- F. State Tax Code, Section 26.05, requires public hearings on the proposed tax rate if the proposed rate exceeds the lower of the rollback tax rate or the effective tax rate. The proposed tax rate of \$0.561 is lower than both the rollback rate of \$0.586744 and the effective rate of \$0.562658. Although no public hearings are required, the City will hold one public hearing for the proposed tax rate.



- G. This year's tax roll reflects a slight increase in the number of taxpayers whose taxes are frozen because they are over 65 or disabled and a corresponding increase in the taxes reduced by the City's action in adopting the freeze. The number of frozen accounts has increased from 4,407 last year to 4,502. The City estimates that the amount of taxes lost through the freeze is increasing from \$1,040,000 last year to \$1,207,000 this year.
- H. The TAC will run the notice in the paper for the one public hearing including the disclosures required by State law.
- I. The proposed tax rate is providing the basis for the FY 2019 Proposed Budget.

III. Issues

- 1. The FY 2019 Budget must be approved prior to the adoption of the 2018 property tax rate.
- 2. State law calls for the final tax rate for 2018 to be adopted by City Council prior to September 30. If it is not adopted, State law calls for the council to ratify the effective tax rate (\$0.562658) or last year's rate (\$0.561), whichever is less. In this case, that would be the last year's rate.
- 3. The City affirmed its existing property tax exemptions in June, 2018, abating a total of \$3.7 million in property taxes this tax year as shown below.

IV. Recommendation

Approve the motion proposing a 2018 tax rate of \$0.561 per \$100 of taxable value and call one public hearing on this proposed rate on August 23, 2018.

