NOTICE OF MEETING
CITY COUNCIL OF THE CITY OF GALVESTON
THURSDAY - JUNE 27, 2019 - 8:00 A.M.
ROOM 204 - CITY HALL
823 ROSENBERG, GALVESTON, TEXAS
TELEPHONE: (409) 797-3510

WORKSHOP AGENDA

1. DECLARATION OF A QUORUM AND CALL MEETING TO ORDER

2. ROLL CALL

3. DISCUSSION ITEMS

3.A. Interview Applicants For The Park Board (Yarbrough)

3.B. Clarification Of Consent And Regular City Council Agenda Items - This Is An Opportunity For City Council To Ask Questions Of Staff On Consent And Regular Agenda Items. (30 Minutes)

3.C. Receive And Discuss An Update On Park Board Projects (Brown/Yarbrough - 45 Minutes)

1. Update on City of Galveston Park Assets - Seawolf Park Pavilion and Drainage at Stewart Beach Park
2. Update on Partnerships with the City of Galveston and Port of Galveston

3.D. Discussion Of The Fiscal Year 2020 Budget (B. Maxwell - 1 Hour)

Documents:

FY 2020-2024 LONG RANGE FINANCIAL FORECAST.PDF

3.E. City Code Review (Legal - 45 Minutes)

1. Chapter 1 - General Provisions
2. Chapter 2 - Administration

Documents:

CHAPTER 1 - GENERAL PROVISIONS - WITH MARKUP AND COMMENTS.DOCX
CHAPTER 2 - ADMINISTRATION REVIEWED MAY 2019 - WITH MARKUP AND COMMENTS.DOCX

3.F. Legislative Changes

3.F.1. Permit Fees (T. Sukup - 20 Minutes)

Documents:

STAFF REPORT PERMIT FEES.DOC

3.F.2. Open Meetings/Open Records Legislation (Cole/Yarbrough - 15 Minutes)

Documents:

MEMORANDUM - OPEN MEETINGS-OPEN RECORDS LEGISLATION.PDF

3.G. Discuss The Costs For Public Information Requests (Cole/Yarbrough - 20 Minutes)

Documents:

FEES FOR PIRS 2018.PDF

3.H. Discuss A Modification To The Land Development Regulations For Article 5, Signage (Brown/Yarbrough - 15 Minutes)

Documents:

CC MEMO - LDR SIGNAGE MODIFICATION.PDF

3.I. Transit Items

3.I.1. Receive And Discuss An Update On FlixBus USA (G. McLeod -15 Minutes)

Documents:

JUNE 27 FLIXBUS COUNCIL PRESENTATION.PDF

3.I.2. Receive And Discuss An Update On Island Transit (R. Beverlin - 20 Minutes)

Documents:

MEMO ISLAND TRANSIT - RECOMMENDATIONS 06-12-19.DOCX

4. EXECUTIVE SESSION

4.A. Pursuant To Texas Government Code Section 551.072 "Deliberation Regarding Real Property" To Discuss The Purchase, Exchange, Lease, Or Value Of Real Property:

4.A.1. A Parcel Of Real Estate Located Within The City Limits Of Galveston

5. 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 June 21, 2019 at 12:00 P.M.

Janelle Williams

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).

CITY OF GALVESTON
LONG RANGE FINANCIAL FORECAST
FY 2020-2024

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City of Galveston

OFFICE OF THE CITY MANAGER

PO Box 779| Galveston, TX 77553-0779
www.citymanager@galvestontx.gov |409-797-3520

June 25, 2019

Honorable Mayor James D. Yarborough and Members of City Council

This is to present the Long Range Financial Forecast for FY 2020-2024. This starts the FY 2020 Budget and Capital Improvement Plan process.

Every budget year offers challenges and opportunities, and FY 2021 is no exception. This year, we are facing new recurring expenditures that are mandatory including:

1. A long-standing charter defined financial goal as the Infrastructure and Debt Service set aside reaches 8 percent of General Fund budgeted revenue,
2. A significant increase in the City's contribution to the Police pension plan in accordance with a revised State law and sound financial principles, and
3. A major increase in the City's contribution to its health insurance plan for employees and retirees that will correct several years of financial losses.

The City also has opportunities:

1. This is the last year in which the State law regarding property tax rate setting will cap annual revenue increases at 8 percent without voter approval. Beginning next year, this cap goes to 3.5 percent.
2. Two of the City's three remaining Tax Increment Reinvestment Zones can be closed by mutual agreement between the County and the City to the financial advantage of both in the next budget and tax year beginning October 1, 2020.

We are fortunate that the opportunities occur at the same time as the challenges, because they all represent long-term funding usage and/or commitments. They offer the City the chance to maintain the structural balance of the General Fund and the City's commitment to its employees and retirees for some years to come. I welcome the chance to discuss these matters with you.

Brian Maxwell
City Manager

CITY OF GALVESTON
BUDGET CALENDAR
FOR FISCAL YEAR 2020

DATE	ACTION
Thursday June 27,2019	Discuss Budget and Capital Improvement Plan in Workshop with City Council and distribute FY 2020-2024 Long Range Financial Forecast.
Thursday June 27,2019	Ratify existing property tax exemptions* action item on council agenda
Thursday, July 25, 2019	Budget and CIP Workshop with City Council.
Wednesday, July 31, 2019	Present FY2020-2024 CIP to Mayor and Council
Monday, August 5, 2019	City of Galveston Tax Assessor Collector (Galveston County TAC) presents effective and rollback tax rates to City Council and City Council adopts a proposed tax rate.
Monday, August 5, 2019	Proposed FY 2020 Budget filed with City Secretary
Thursday, August 8, 2019	City Manager submits Proposed Budget to City Council, and City Council schedules a Public Hearing for Thursday, August 22, 2019 on the Budget.
Thursday, August 8, 2019	City Council receives Tax Assessor Collector's calculations of effective and rollback tax rates and discusses Tax Rate; City Council proposes a Tax Rate by a record vote; and schedules two Public Hearings on Tax Rate for Thursday, August 22, 2019 and Thursday, September 12, 2019;
Thursday, August 22, 2019	FY 2020 Budget and Capital Improvement Discussion in City Council Workshop
Thursday, August 22, 2019	Public Hearing on Budget and Public Hearing No. 1 on Tax Rate; schedule and announce meeting to adopt Budget on Tax Rate on September 19, 2019.
Thursday, September 12, 2019	Public Hearing No. 2 on Tax Rate; City Council schedules a meeting to adopt the Budget and Tax Rate on September 19, 2019.
Thursday, September 12, 2019	City Council meeting to adopt FY 2020 Five Year Capital Improvement Plan for FY 2020 - FY2024 and/or FY2020 Budget.
Thursday, September 19, 2019	City Council meeting to adopt the Budget and Tax Rate. *Adoption of this budget will require more revenue from property taxes than in the previous year requiring a separate vote of the governing body to ratify the property tax increase reflected in the budget.*

FY 2020-2024 LONG RANGE FINANCIAL FORECAST
GENERAL FUND SUMMARY

General Fund Budget Challenges

The General Fund faces challenges in the forecast period beginning in FY 2020 as a result of new recurring expenses and the loss of revenue due to state legislative action. The only way to ensure structural balance throughout the forecast period are (1) reduce recurring expenditures by significant amounts and/or (2) identify and secure new revenues in significant amounts.

LONG RANGE FINANCIAL FORECAST
SUMMARY GENERAL FUND BASELINE PROJECTIONS
($THOUSANDS)

CATEGORY	FY19 Estimate	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	FY 2023 Forecast	FY 2024 Forecast
Beginning Balance	$19,714	$14,344	$14,250	$13,816	$13,273	$12,989
Revenue	$56,368	$57,684	$59,338	$61,204	$63,162	$65,180
Expenditures	$55,251	$57,778	$59,772	$61,798	$63,446	$65,112
Revenues Over/(Under) Expenditures	**$1,117**	**($94)**	**($434)**	**($594)**	**($284)**	**$68**
Subtotal	$20,831	$14,250	$13,816	$13,223	$12,989	$13,057
One-Time Appropriation of Fund Balance	($6,487)	$0	$0	$50	$0	$50
Ending Fund Balance	$14,344	$14,250	$13,816	$13,273	$12,989	$13,107
90 Days of Working Capital	$13,624	$14,247	$14,738	$15,238	$15,644	$16,055
Cumulative Excessof Ending Fund Balance and/or (Needed Cuts and Income Increases)	**$720**	**$3**	**($922)**	**($1,966)**	**($2,655)**	**($2,948)**

FY 2020 Baseline and Forecast Changes

Three major new recurring costs are being added to the General Fund in FY 2020, making it difficult to continue to fund current services and program annual pay increases for City employees.

1. The last increase in the annual set aside of General Fund revenue for the Infrastructure and Debt Service Fund, This set aside will equal 8 percent of the General Fund budgeted revenue in FY 2020, an increase of $702,000 over the current year.
2. The increase in the City's contribution to the Police Pension will increase from the current level of 14.83 percent to 18 percent adding $385,000 in recurring costs to the General Fund effective October 1, 2019.
3. The City's employee and retiree self-insured health plan is experiencing sustained losses of claims and plan expenses in excess of employee premiums and employer contributions. The plan has steadily drawn down the plan's financial reserves that began at $4 million five years ago. Absent significant additional contributions in FY 2019, the plan may very well eliminate its reserves in the current year, and simultaneously set a new funding threshold for FY 2020. Based on recent trends and funding levels, a total of $2.7 million in combined benefit changes and contribution increases are required in FY 2020. The City's share of this increase equates to $2.3 million with the balance being absorbed by the Park Board and the Wharves Authority. The General Fund portion of the City's share could be as much as $1.3 million. The General Fund forecast reflects a $1.12 million increase in FY 2020, which would anticipate the remaining funding needed in FY 2020 would come from the Park Board, the Port of Galveston and a combination of premium increases and benefit reductions for employees of all three entities. A separate chapter of this forecast addresses the Health Insurance plan and the challenge of funding retiree health care now and in the future.

LONG RANGE FINANCIAL FORECAST
SUMMARY GENERAL FUND BASELINE PROJECTIONS
($THOUSANDS)

CATEGORY	FY19 Estimate	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	FY 2023 Forecast	FY 2024 Forecast
REVENUE						
Property Tax	$26,369	$27,576	$28,652	$29,833	$31,066	$32,352
Sales Tax	$16,550	$17,145	$17,785	$18,470	$19,195	$19,927
Other Tax	$6,513	$6,326	$6,263	$6,263	$6,263	$6,263
Non-Tax Revenue	$6,738	$6,638	$6,638	$6,638	$6,638	$6,638
Reimb. from Pension Spec Fund (one-time)	$198	$0	$0	$0	$0	$0
TOTAL REVENUE	**$56,368**	**$57,684**	**$59,338**	**$61,204**	**$63,162**	**$65,180**
Annual Recurring Revenue Increase	**$1,835**	**$1,514**	**$1,654**	**$1,866**	**$1,958**	**$2,018**
ANNUAL SPENDING INCREASES (incremental changes)						
Expenditure Categories	**FY19 Estimate**	**FY20 Base**	**FY21 Estimated**	**FY22 Estimated**	**FY23 Estimated**	**FY24 Estimated**
BASE EXPENDITURES (TOTAL BY FY)	**$54,911**	**$55,251**	**$57,778**	**$59,772**	**$61,798**	**$63,446**
Additions to Base Each Year						
Transfer to Infrastructure and Debt Service Fund		**$702**	**$131**	**$149**	**$157**	**$161**
Police Pension (Increase to 17% 1-1-19 and to 18% 10-1-19)	**$198**	**$187**	**$4**	**$4**	**$4**	**$4**
Pay Increase (including benefits)						
Police		$0	$257	$262	$267	$272
Fire		$0	$167	$170	$173	$176
Municipal		$0	$281	$287	$293	$299
Subtotal Pay Increases (Benefits Included)	**$0**	**$0**	**$705**	**$719**	**$733**	**$747**
Health Benefits						
Employee Plan	$142	$983	$550	$550	$550	$550
Retirees Plan (Net Claims plus Excess to begin amortizing the retiree liability)	$0	$0	$500	$500	$100	$100
Subtotal Health Benefits	**$142**	**$983**	**$1,050**	**$1,050**	**$650**	**$650**
Economic Development Programs (no new agreements or landmarks)						
Commercial Redevelopment Agreements (380s)		$21	$1	$1	$1	$1
Landmark Program (including Cedar Lawn)		$67	$3	$3	$3	$3
Economic Development Programs Subotal		**$88**	**$4**	**$4**	**$4**	**$4**
Departmental Changes						
Police		**($54)**				
Fire (includes EMS and Emergency Mgt)		**($23)**				
Marshal (includes Code Enforcement)		**$68**				
Public Works		**$31**				
Parks and Recreation		**($15)**				
Development Services		**$262**	**($50)**	**$50**	**($50)**	**$50**
Council Appointees		**$62**				
Elections		**$58**	**($58)**	**$58**	**($58)**	**$58**
City Manager		**$9**				
Municipal Court		**$81**				
Human Resources		**$24**				
Finance		**$9**				
Community Outreach		**$50**				
Non-Departmental Changes		**$8**				
Transit Service Subsidy Increases		**($253)**	**$100**	**$100**	**$100**	**$100**
Vehicle Purchases		**$250**				
Department Changes Subtotal		**$567**	**($8)**	**$208**	**($8)**	**$208**
SUBTOTAL SPENDING INCREASES	**$340**	**$2,527**	**$1,994**	**$2,026**	**$1,648**	**$1,666**
TOTAL ADJUSTED RECURRING SPENDING	**$55,251**	**$57,778**	**$59,772**	**$61,798**	**$63,446**	**$65,112**
REVENUE OVER/(UNDER) RECURRING EXPENDITURES	**$1,117**	**($94)**	**($434)**	**($594)**	**($284)**	**$68**
Beginning Fund Balance	**$19,714**	**$14,344**	**$14,250**	**$13,816**	**$13,223**	**$12,939**
Less One Time costs (mostly CDM)	**($6,487)**	**$0**	**$0**	**$50**	**$0**	**$50**
Ending Fund Balance	**$14,344**	**$14,250**	**$13,816**	**$13,223**	**$12,939**	**$13,007**
90 Day Reserve	**$13,624**	**$14,247**	**$14,738**	**$15,238**	**$15,644**	**$16,055**
Excess/(Shortage) of Ending Fund Balance	**$720**	**$3**	**($922)**	**($2,016)**	**($2,705)**	**($3,048)**

General Fund Revenue Overview

The five year forecast assumes that virtually all General Fund revenue growth will come from property and sales taxes. Franchise fees are dropping because of legislative action that is projected to eliminate $250,000 in recurring telecommunications revenue beginning on January 1, 2020 with three fourths of this loss occurring in FY 2020 and the remaining one fourth will impact FY 2021.

FY 2020 property tax revenue reflects the pre-certification information provided by GCAD. Future years' property tax revenue is based on the assumption that the City of Galveston will achieve sufficient growth in property values that the overall tax roll will increase 4.5 percent annually. Sales tax revenue will increase due to slow but steady growth in regional employment and U.S. Real Gross Domestic Product (approximately two percent annually for each). Non-tax revenue will remain more or less flat overall as it has for the last five to ten years.

The Pension Reform Special Fund was originally funded in FY 2017 with the receipt of $2.2 million cash from the closure of TIRZ 11. Approximately $1 million remains in that fund, and the forecast assumes that $198,000 will be used to fund a partial increase in FY 2019 from 14.83 percent to 17 percent of compensation effective January 1, 2019. The cost of next year's full funding at the 18 percent level will come from general revenues. Other spending cuts or new revenues will need to be identified to cover this new additional cost in FY 2021.

General Fund Expenditure Overview

In FY 2019, General Fund department budgets were reduced approximately 2 percent overall, and FY 2020 spending targets for those departments mirrored and sustained those reductions. Minor adjustments are contemplated to effect reorganizations and realignments that will consolidate functions and produce more effective operations and/or reduce spending. Department budgets have just been received and are being analyzed to determine whether additional savings can be realized.

At the present time, the FY 2020 Budget has insufficient funds to afford a pay increase. Two percent for all General Fund employees will cost an additional $700,000 including fringe benefits. Funding for two percent increases in each of the remaining four years in the forecast could come from expenditure cuts or new revenue. The major adjustment needed in the City's overall health insurance budget, including the General Fund, calls for a significant new revenue source. One possibility is discussed below.

Major New Revenue Opportunity for FY 2021 and Beyond

The City has an opportunity to close two of its remaining three Tax Increment Reinvestment Zones, numbers Twelve (Target and Home Depot) and Fourteen (Airport). This would require joint action by the City and the County prior to December 31, 2019 to dissolve these Zones. This action would return the recurring tax revenue (approximately $1.4 million annually) to the City beginning in FY 2021. Twenty-five percent of this amount ($350,000) would go to the 90 day General Fund reserve and 8 percent ($112,000) would be added to the Infrastructure and Debt Service Fund transfer, and approximately ten percent ($140,000) would go to the Library. The City would lose a five percent fee currently collected for administrative support to the TIRZs that amounts to $90,000. This would leave a balance of $708,000 for the General Fund, roughly equal to the annual cost of a two percent raise in FY 2021.

TIRZ 12 is primarily benefits the County with the net annual tax increments for the County and the City going totally to the County. This in turn is used by the County for payment of debt service on the County bonds used to build the infrastructure in TIRZ 12. The payments are insufficient to pay even the interest due on the outstanding debt, so the current situation is not favorable to the County.

TIRZ 14 is largely run by the City providing funds for Airport and street improvements in the Zone. TIRZ 14 has outstanding debt responsibility for which would transfer to the City in the event of closure. By early 2020, at such time as the City would have responsibility for this debt, the outstanding balance would be $1.9 million payable through 2023. TIRZ 14 also has cash on hand as of September 2019 totaling $2.48 million with several projects pending that could benefit from the use of some of the remaining cash on hand before the TIRZ is closed. Since the City and County have contributed almost equal portions to the TIRZ, it is anticipated that the cash remaining in TIRZ 14 would be split evenly with the County.

This action will increase no Galveston resident's property taxes. It improves the cash flow of both the City and the County. A number of City capital improvement projects, primarily at the Airport and including 83rd Street would have to be reprioritized and other funding identified.

GENERAL FUND BASELINE FOR FY 2020
EXPENDITURES BY DEPARTMENT

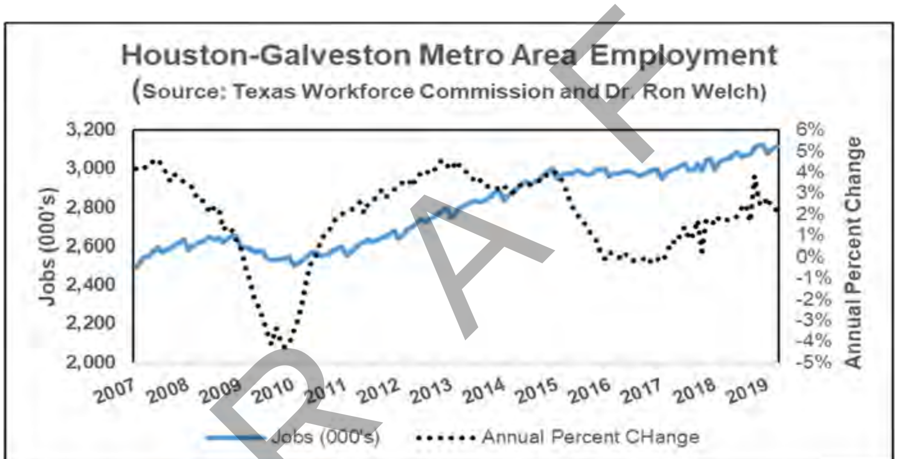
	FY 2018 Actual	FY 2019 Budget	FY 2019 Estimate	FY 2020 Base
General Government				
City Secretary	$521,835	$525,271	$533,429	$543,558
Elections	20,986	67,000	58,545	116,000
Municipal Court	741,765	654,870	638,723	719,920
City Manager	696,411	668,997	724,235	733,338
City Auditor	269,118	269,352	271,217	276,833
Legal	788,627	909,227	906,136	953,202
Human Resources	494,664	555,375	564,443	588,375
Transportation	915,000	586,374	1,053,471	800,000
Subtotal - General Government	**$4,448,406**	**$4,236,466**	**$4,750,199**	**$4,731,226**
Finance				
Administration	$297,099	$295,219	$301,626	$298,605
Accounting	771,566	793,352	811,857	852,259
Purchasing	231,354	243,907	246,604	208,288
Budget	272,797	296,874	300,358	309,783
Subtotal - Finance	**$1,572,816**	**$1,629,352**	**$1,660,445**	**$1,668,934**
Public Safety				
Police	$19,315,976	$20,255,628	$20,255,824	$20,389,026
Fire	11,146,620	11,469,269	11,576,594	11,608,619
Emergency Management	256,682	242,732	209,584	154,344
Emergency Medical Service	566,110	566,200	566,097	566,200
City Marshal	58,996	63,249	65,563	65,478
Subtotal - Public Safety	**$31,344,384**	**$32,597,078**	**$32,673,662**	**$32,783,667**
Public Works				
Streets	$1,803,739	$1,834,363	$1,797,560	$1,828,837
Traffic	2,101,838	2,030,740	2,068,012	2,067,219
Subtotal - Public Works	**$3,905,577**	**$3,865,103**	**$3,865,572**	**$3,896,056**
Parks and Recreation				
Administration	$857,364	$1,043,104	$1,160,605	$984,121
Parks and Parkways	1,849,467	1,886,034	1,729,685	1,891,225
Subtotal - Parks and Recreation	**$2,706,831**	**$2,929,138**	**$2,890,289**	**$2,875,346**
Developmental Services				
Planning	$1,139,330	$914,134	$908,842	$1,118,240
Code Enforcement	634,621	758,143	685,024	753,665
Building Inspection	632,724	611,935	606,984	660,096
Subtotal - Developmental Services	**$2,406,675**	**$2,284,212**	**$2,200,849**	**$2,532,001**
Non-Departmental/Central Accounts				
Vehicle Purchases	$291,611	$750,000	$750,000	$1,000,000
2% Non-Classified COLA	0	250,933	0	0
Governmental Expenditures	4,577	22,500	56,142	158,000
Community Outreach/Public Info	0	208,502	208,502	258,502
Taxation	268,458	270,000	272,613	270,000
Facility Maintenance	1,594,346	1,448,170	1,451,588	1,448,774
Transfer to Separation Pay Fund	416,160	416,160	416,160	416,160
Group Health Increase	0	0	142,000	1,125,000
Transfer to Infrastructure and/or Debt Service	**3,275,010**	3,912,769	3,912,769	4,614,192
Subtotal - Non-Departmental	**$5,850,161**	**$7,279,034**	**$7,209,774**	**$9,290,628**
Total General Fund	**$52,234,850**	**$54,820,383**	**$55,250,791**	**$57,777,858**

FY 2020-2024 LONG RANGE FINANCIAL FORECAST
ECONOMIC OUTLOOK AND
MAJOR REVENUE FORECAST

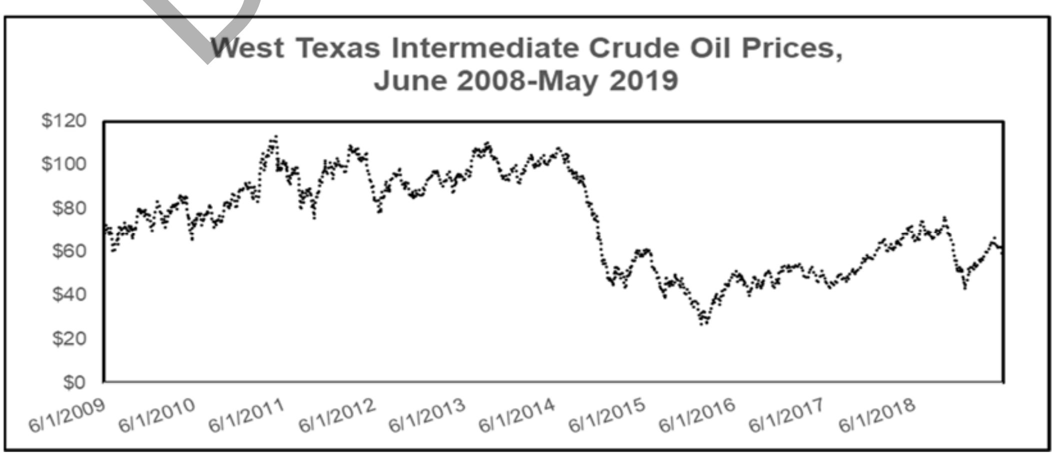
Economic Overview

Galveston is continuing to show signs of economic vibrancy that are connected with gradual regional economic improvement, continued growth in the national economy as well as expansion and improvement of the City's infrastructure and beaches. The economic growth of the region is highly dependent on energy and particularly the price of oil. Galveston's economy is heavily influenced by the region's economic health, but also has strong ties to national economic growth. These connections are based largely on Galveston's tourism industry which continues to grow.

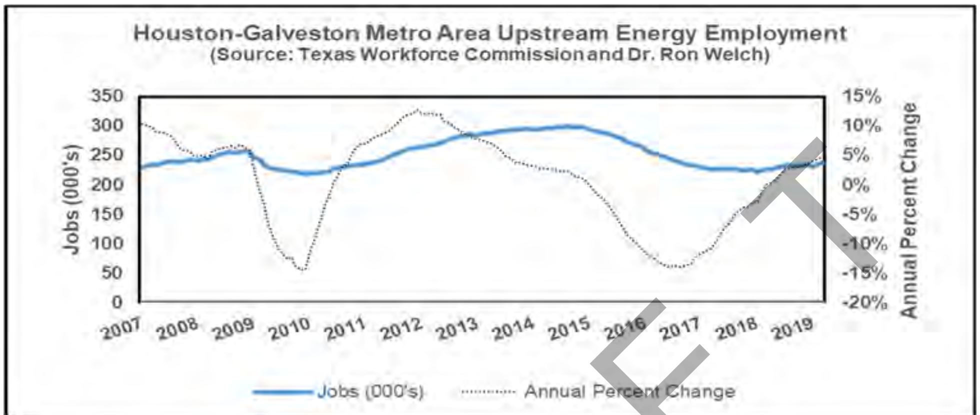
In the last twelve years, employment in the metro area has shown strong growth overall in spite of two economic downturns in 2008-2009 and in 2015-2017. Average annual employment growth for the period shown in the graph below was 1.86 percent, which explains the long-term two percent growth trend assumptions generally used by local forecasters.



The metro area's economic growth is based largely on two factors: energy and the U.S. economy. Oil prices (West Texas Intermediate crude) have been extremely volatile over the last ten years (see below).



After dropping to the $40 per barrel range at the start of 2009, prices recovered to a peak of $113 per barrel in May 2011 and remained in the $75 to $113 range until July 2014. At that point, prices fell steadily for nineteen months until February 11, 2016, when a barrel was priced at $26.21. Prices recovered slightly to $73 last October only to fall once again to the $40 range in December 2018. Today's price is in the $60 range and is expected to remain in that range through 2020. Experts tell us that worldwide supply and demand drive the price, making the world economy a third major economic driver of the metro economy. The effect on upstream energy employment has been dramatic and inconsistent, leading to volatility in the metro economic trends.



As shown in the graph above, the high oil prices in the 2012-2015 period drove upstream energy employment growth to its peak of 300,000 jobs in November 2014. In the 2015 to 2016 period when prices were dropping, upstream energy jobs also dropped. The approximately 75,000 jobs lost since the November 2014 high have yet to be recovered, although energy companies have been rebuilding their workforce at an annual growth rate approaching 5 percent.

According to Dr. Robert Gilmer of the University of Houston's Institute for Regional Forecasting, oil sector revival and the national economy are the critical sources of support for the metro area's growth. The U.S economy is expected by many forecasters (i.e. Kiplinger, The Conference Board) to grow for the near term on a "real basis" (adjusted for inflation) in the range of 2.6 to 2.8 percent in 2019, largely due to the federal tax cuts and an overall healthy U.S. economy. The Congressional Budget Office's (CBO) Real Gross Domestic Product annual growth rate is a bit higher for 2018 and lower after that period. CBO's other assumptions show interest rates rising steadily and inflation remaining in the 2 percent range.

Dr. Gilmer is projecting a continuing regional recovery and a return to historical employment growth rates in the 2 percent range. The 2019-2020 forecast for gasoline prices is based on the Energy Information Agency's numbers. The remainder of the assumptions shown on the next page have been adopted for this forecast based on the regional and national forecasts and Galveston's own recent history. The forecast is based on a one percent annual growth rate for Galveston in terms of population and taxable value of new construction.

BASELINE ECONOMIC CHANGE ASSUMPTIONS

Area/Indicator	FY 2019 Est.	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	FY 2023 Forecast	FY 2024 Forecast
National						
National Inflation Rate (1)	2.0%	2.2%	2.2%	2.2%	2.2%	2.2%
U.S. Real Gross Domestic Product (1)	2.7%	2.0%	2.0%	2.0%	2.0%	2.0%
Ten Year Treasury Note (1)	2.5%	3.0%	3.1%	3.2%	3.3%	3.4%
3-month Treasury Bill (1)	2.5%	2.3%	2.4%	2.5%	2.6%	2.7%
Metropolitan Area						
Employment Annual Growth Rate (2)	2.23%	1.85%	1.76%	1.94%	2.11%	2.04%
Inflation Rate (3)	1.5%	2.0%	2.0%	2.0%	2.0%	2.0%
Fuel Prices (3)	0.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Health Care Cost Trend (Inflation & Utilization) (3)	7.0%	8.0%	8.0%	8.0%	8.0%	8.0%
City of Galveston						
Population Growth Rate (4)	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Population (4)	50,497	50,648	50,800	50,953	51,106	51,259
City Water Customers Growth Rate (4)	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Investment Pool Earnings Rate (4)	1.7%	1.6%	1.7%	1.8%	2.4%	2.5%
New Construction ($Millions - Prior CalYr) (4)	$72.6	$75.0	$60.0	$60.0	$60.0	$60.0

SOURCES:
(1) Congressional Budget Office, adjusted using Kiplinger, Trading Economics
(2) Dr. Robert Gilmer, Bauer College of Business, University of Houston, May 2019 presentation
(3) U.S. Energy Information Administration for 2019-2020 and City of Galveston Finance Department thereafter.
(4) City of Galveston Finance Department

Major Revenues

This forecast covers the General and Debt Service Funds as well as the major revenue sources that support them, Property and Sales Taxes. Water and sewer revenue are not covered in this year's forecast; however, water and sewer revenue are performing strongly in FY 2019, with the effects of the seven percent water rate increase implemented in February now being felt in collections. Hotel Occupancy Taxes are performing more poorly than expected, lagging behind FY 2018 by approximately five percent on a year-to-date basis. The forecast for this latter revenue source will be more cautious because of this yet to be explained shortfall in hotel taxes.

Sales tax revenue is impacted by regional employment and national economic trends, and these effects are captured by the City's statistical model. The model explains 98 percent of the variation in sales tax revenue using quarterly data beginning in FY 1992. The independent variables include two regional variables, two national variables and three local variables.

Regional variables include:

- Houston Metro Area Employment – This is the total jobs for the area as reported by the Bureau of Labor Statistics (BLS) and adjusted by Dr. Ron Welch for local municipalities. The model utilizes a two quarter moving average of this series. Fully 89 percent of the variation in sales tax revenue is explained by this single economic variable.
- Houston Metro Area Gasoline Price Index – This statistical series is also maintained by the BLS as a component of the Consumer Price Index for the Houston metro area. It is lagged one quarter in the statistical model and it drives sales tax revenue higher with higher gasoline prices.

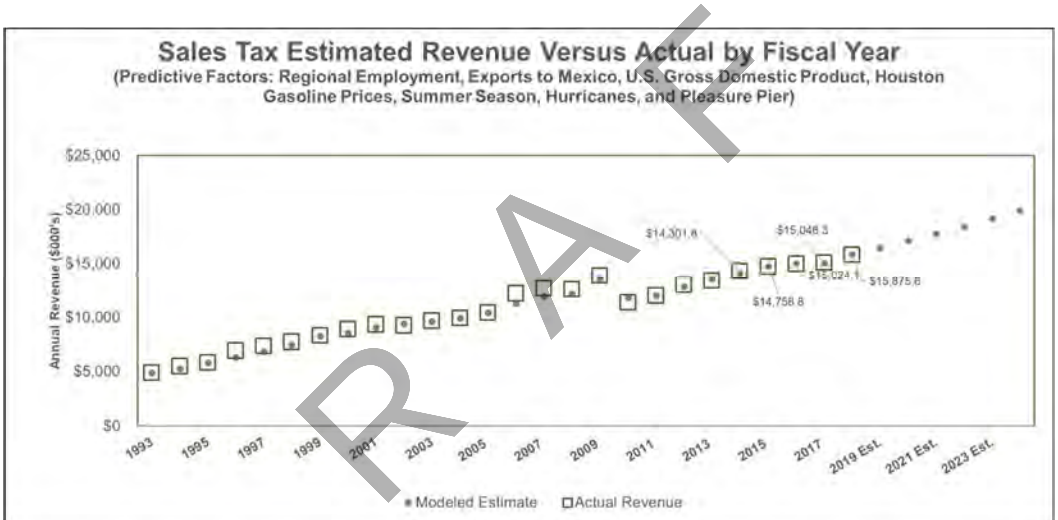
National variables include:

- U.S. Exports to Mexico – This is the value of exports as reported by the Federal Reserve Bank of St. Louis. The previous quarter's export values are used to explain sales tax revenues in the model.
- U.S. Real Gross Domestic Product – Also provided through the Federal Reserve Bank of St. Louis, this series is lagged three quarters and measured on a two month moving average to gauge the most effect on Galveston's revenue.

Local variables include:

- Summer Season Adjustment Variable – Based on historical observation, this series applies weighted factors to the third (April to June) and fourth (July through September) fiscal quarters to explain the increased revenue during tourist season. Houston area inflation is used to adjust the series over time.
- Galveston Storm Variable – Based on historical observation, this series applies weighted factors to explain the effect of Hurricane Ike on sales tax revenues immediately prior and following the storm.
- Pleasure Pier Adjustment – Based on historical observation, this series helps explain the large variation between revenue during tourist season and winter since 2012 when the venue opened.

The graph below demonstrates how the total modeled revenue estimate for each of twenty six fiscal years compares with the actual, shown as the box inside which the dot is the estimate. The current economic assumptions are based on a stable growth scenario at the local, regional and national level as presented in the assumptions on the previous page. The annual increase in sales tax revenue averages out to just under four percent.



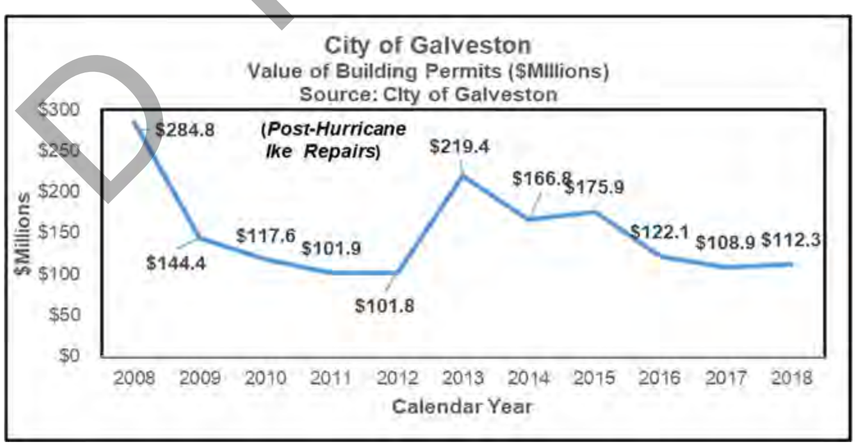
Projected sale tax revenue for the forecast period is based on slightly higher economic growth rates than seen in the 2015-2017 period based largely on the improvement in regional employment growth forecasted by Dr. Gilmer of the University of Houston.

Property tax revenue is driven by taxable property values which in turn are derived from updated valuations of the current property tax base by the Galveston County Appraisal District (GCAD). Changes in market value and the addition of new construction and improvements are the basis for GCAD's overall valuations. Property owners of a substantial portion of properties on the tax roll appeal initial values and GCAD adjusts total value appropriately according to the results of this appeal process. GCAD also adds the value of new construction completed and/or underway as of January 1 each year. Building permits issued by the City of Galveston provide a leading indicator of the new construction value increase each year.

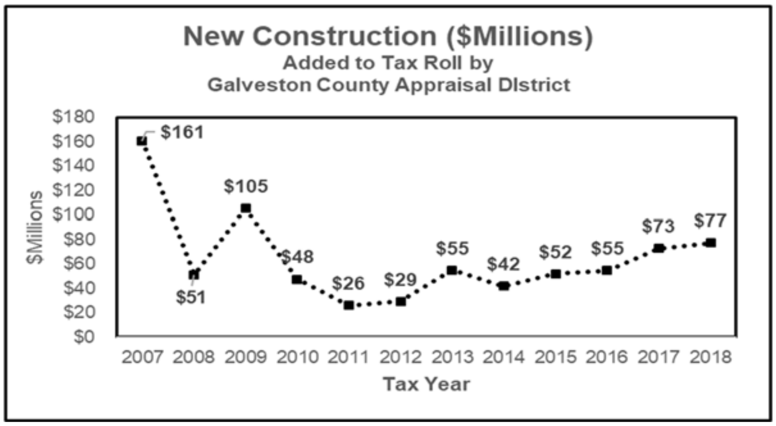
The tax roll is based on the value of property as of January 1 of each year. So the connection between the economy and City revenue is delayed by what amounts to two years. Using the current fiscal year as the example, here is the real estate/tax roll/fiscal year cycle:

- Economic activity (Real estate market and new construction) occurred in calendar year 2018;
    - January 1 values in 2019 form the basis for the 2019 tax roll and
        - The 2019 tax roll will be certified in late July, forming the basis for tax revenue being received between October 1, 2019 and September 30, 2020 or FY 2019.
            - After the City receives the tax roll from GCAD, the Galveston County Tax Assessor-Collector, with the assistance of the City of Galveston's Finance Department, prepares the calculations of what was previously called the "effective tax rate" and the "rollback tax rate." (Note: These are now termed the "no-new-revenue tax rate" and "voter-approval-tax-rate.")
                - The City Council then votes for a proposed tax rate and schedules public hearings which are then advertised in the newspaper to inform the public of the hearings and the various rates.
                    - The Annual Budget must be passed by the City Council, including specific information on how property tax revenue will be used based on the proposed rate, including maintenance and operations and debt service payments for General Obligation bonds.

By way of explanation, the no-new-revenue tax rate is calculated as the rate that would raise the same amount of revenue for maintenance and operations (the "no-new-revenue maintenance and operations rate") as in the prior tax year for the same properties that were on the prior year's tax roll. The "voter-approval rate" rate has been an amount 8 percent higher than the effective rate, with the requirement for an election to approve the rate voted by City Council if it exceeded the rollback rate. Should the election result in the defeat of the rate passed by City Council, the tax rate for the ensuing tax year "rolls back" to the effective rate. This would eliminate all revenue growth except that tied to new construction, estimated to be one percent annually.



While the value of building permits in total has dropped off since 2013 when it peaked at $219.4 million, new construction related taxable value as set by GCAD has remained relatively constant. For this reason, new construction is expected to add approximately one percent to the tax roll as it has the last several years.



In most years, the total percent increase in the taxable roll is largely comprised of increases in value, whatever they happen to be in a given tax year. As of June 2019, the preliminary tax roll for Tax Year 2019/Fiscal Year 2020 is 9.1 percent higher than the current roll for the current Tax Year 2018/FY 2019. As the protest process moves forward, GCAD is providing weekly updates for the outcome of the protest process, and the estimated value loss of $260 million in total appears to be a conservative assumption.

CITY OF GALVESTON PROPERTY TAX ROLLS
PRE-PROTEST AND FINAL TAXABLE VALUE

Tax Year	Fiscal Year	Initial Value	Value Lost in Protests	Net taxable Value	Percent Loss in Protests	Net Increase	Initial Increase
2007	2008	$4,173,803,003	($153,530,255)	$4,020,272,748	-3.7%		
2008	2009	$4,397,647,451	($90,707,745)	$4,306,939,706	-2.1%	7.1%	9.4%
2009	2010	$3,867,916,387	($172,881,661)	$3,695,034,726	-4.5%	-14.2%	-10.2%
2010	2011	$4,339,578,504	($295,077,791)	$4,044,500,713	-6.8%	9.5%	17.4%
2011	2012	$4,312,300,922	($118,014,116)	$4,194,286,806	-2.7%	3.7%	6.6%
2012	2013	$4,510,802,981	($187,955,326)	$4,322,847,655	-4.2%	3.1%	7.5%
2013	2014	$4,686,443,571	($151,378,426)	$4,535,065,145	-3.2%	4.9%	8.4%
2014	2015	$4,901,091,851	($138,178,611)	$4,762,913,240	-2.8%	5.0%	8.1%
2015	2016	$5,484,694,099	($189,588,687)	$5,295,105,412	-3.5%	11.2%	15.2%
2016	2017	$6,160,829,855	($315,289,572)	$5,845,540,283	-5.1%	10.4%	16.3%
2017	2018	$6,498,782,493	($325,700,110)	$6,173,082,383	-5.0%	5.6%	11.2%
2018	2019	$6,446,502,802	($111,602,802)	$6,334,900,000	-2.2%	2.6%	4.4%
2019	***2020 Forecast***	***$6,912,000,000***	***($260,000,000)***	***$6,652,000,000***	-4.1%	5.0%	9.1%

The chart on the next page illustrates the effect of the projected tax roll on FY 2019 property tax revenue. At the current tax rate allocation, and using a 97.7 percent current taxes collection rate (excluding delinquent taxes and penalties and interest), the General Fund would realize about $in revenue growth over FY 2019.

Charter Property Tax Cap

The Forecast does not propose or contemplate any increase in the overall property tax rate. But it is important to understand how it is derived. Article VIII Section 2 provides for a seventy cent total tax rate per $100 of taxable value. Article VIII Section 2(b) also provides that one half of one percent of the two percent sales tax rate goes to reduce the effective property tax rate that can be set by City Council. This is approximately $5 million that in any given year reduces the $0.70 property tax rate cap by approximately 9.5 to 11.8 cents. Years in which the sales tax grows faster than the tax roll, the reduction is greater. Using the current year's adjustment ($0.098), the cap is $0.602 per $100 of taxable value which is $0.041 greater than the current $0.561 tax rate. This leaves a potential addition of $2.76 million available in current property tax revenue terms if the City chose to raise the total rate over time to the charter cap. Of course, existing State restrictions regarding the no-new-revenue and voter-approved rates would apply. Charter restrictions also would require 33 percent of the added revenue to be set aside and unavailable for operations in the first year of availability with 25 percent going to the required increase in the 90 day General Fund reserve and 8 percent going to the Infrastructure and Debt Service Fund.

PROPERTY TAX ROLL PRELIMINARY ESTIMATES
JUNE 2018 (FOR BUDGETARY PLANNING PURPOSES ONLY)

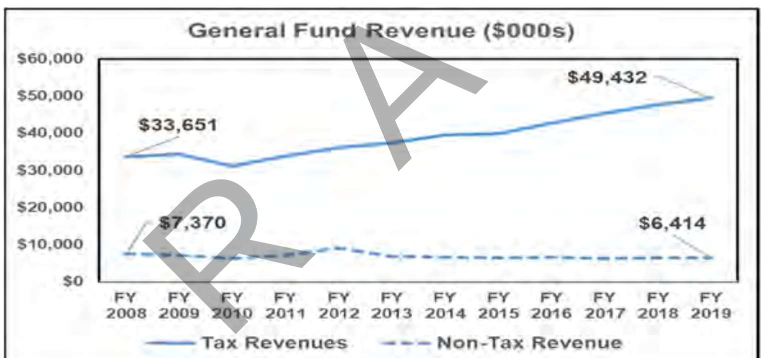
ASSUMPTIONS	FY19	FY20	FY21	FY22	FY23	FY24
Overall Increase	2.62%	5.00%	4.50%	4.50%	4.50%	4.50%
TIRZ Increase	6.57%	6.25%	5.63%	5.63%	5.63%	5.63%
Freeze account increase	9.56%	8.11%	8.00%	8.00%	8.00%	8.00%
Freeze Accts Collectible Increase	8.40%	7.42%	4.50%	4.50%	4.50%	4.50%
DESCRIPTION	**FY19 ESTIMATED**	**FY20 ESTIMATED**	**FY21 ESTIMATED**	**FY22 ESTIMATED**	**FY23 ESTIMATED**	**FY24 ESTIMATED**
NET PROPERTY TAX LEVY						
Total Taxable Value ($millions)	$6,334.9	$6,651.6	$6,950.9	$7,263.7	$7,590.6	$7,932.2
Less TIRZ	($320.5)	($340.6)	($359.8)	($380.0)	($401.4)	($424.0)
Less 60% MUD Value	($64.7)	($64.7)	($64.7)	($64.7)	($64.7)	($64.7)
Net Taxable Value	$5,949.6	$6,246.3	$6,526.4	$6,819.0	$7,124.5	$7,443.5
Times Tax Rate per $100 of Taxable Value	$0.561000	$0.561000	$0.561000	$0.561000	$0.561000	$0.561000
Total Tax Levy ($Thousands Revenue)	**$35,538.8**	**$37,315.5**	**$38,994.5**	**$40,749.4**	**$42,583.3**	**$44,499.6**
Less: Freeze Acct Total Value Revenue Equivalent (Over 65 and Disabled)	($3,747.1)	($4,119.8)	($4,449.4)	($4,805.4)	($5,189.8)	($5,605.0)
Plus: Freeze Acct collectible Revenue (Over 65 & Disabled)	$2,576.7	$2,796.7	$2,922.6	$3,054.1	$3,191.5	$3,335.1
Less: Taxes Lost to Tax Freeze	**($1,170.4)**	**($1,323.1)**	**($1,526.8)**	**($1,751.3)**	**($1,998.3)**	**($2,269.9)**
Net Current Year Tax Levy ($000's Revenue)	**$34,368.4**	**$35,992.4**	**$37,467.7**	**$38,998.1**	**$40,585.0**	**$42,229.7**
Effective Taxable Value	**$6,126.3**	**$6,415.8**	**$6,678.7**	**$6,951.5**	**$7,234.4**	**$7,527.6**
Effective Freeze Accounts Taxable Value	**$1,092.0**	**$1,180.5**	**$1,274.9**	**$1,376.9**	**$1,487.1**	**$1,606.1**
Less TIRZ Incremental Values	**($320.5)**	**($340.6)**	**($359.8)**	**($380.0)**	**($401.4)**	**($424.0)**
Effective Taxable Value Retained by City	**$5,805.8**	**$6,075.2**	**$6,318.9**	**$6,571.5**	**$6,833.0**	**$7,103.6**
DISTRIBUTION OF NET LEVY ($THOUSANDS)						
Net Current Year Levy ($000's)	$34,368.4	$35,992.4	$37,467.7	$38,998.1	$40,585.0	$42,229.7
Less TIRZ Increment	**($1,798.1)**	**($1,910.8)**	**($2,018.5)**	**($2,131.8)**	**($2,251.9)**	**($2,378.6)**
Net Current Year Levy Retained by the City	$32,570.3	$34,081.6	$35,449.2	$36,866.3	$38,333.1	$39,851.1
General Fund Share (including MUD 30) of NCL	$26,619.5	$27,854.6	$28,972.3	$30,130.5	$31,329.3	$32,569.9
Debt Service Share of NCL	$3,048.0	$3,189.5	$3,317.4	$3,450.1	$3,587.3	$3,729.4
Library Fund Share of NCL	$2,902.9	$3,037.6	$3,159.5	$3,285.8	$3,416.5	$3,551.8
Net Current Year Levy Retained by the City	**$32,570.4**	**$34,081.7**	**$35,449.2**	**$36,866.4**	**$38,333.1**	**$39,851.1**
COLLECTION OF TAXES ($THOUSANDS)						
Estimated/Actual Collections	**FY19 ESTIMATED**	**FY20 ESTIMATED**	**FY21 ESTIMATED**	**FY22 ESTIMATED**	**FY23 ESTIMATED**	**FY24 ESTIMATED**
General Fund Current Collection Total	$27,769.7	$29,086.7	$30,284.2	$31,526.7	$32,815.5	$34,151.7
General Fund Delinquent Taxes	$392.0	$392.0	$392.0	$392.0	$392.0	$392.0
General Fund Penalty & Interest	$322.0	$322.0	$322.0	$322.0	$322.0	$322.0
Less TIRZ Increment	($1,752.0)	($1,862.0)	($2,018.0)	($2,132.0)	($2,252.0)	($2,379.0)
Less MUD 30 Rebate	($363.2)	($363.2)	($363.2)	($363.2)	($363.2)	($363.2)
General Fund Total	**$26,368.5**	**$27,575.5**	**$28,617.0**	**$29,745.5**	**$30,914.3**	**$32,123.5**
Debt Service Net Current Levy Total	$2,978.5	$3,116.8	$3,241.8	$3,371.4	$3,505.5	$3,644.4
Debt Service Delinquent Taxes	$40.0	$40.0	$40.0	$40.0	$40.0	$40.0
Debt Service Fund Total	**$3,018.5**	**$3,156.8**	**$3,281.8**	**$3,411.4**	**$3,545.5**	**$3,684.4**
Library Net Current Levy Total	$2,836.7	$2,968.3	$3,087.5	$3,210.9	$3,338.6	$3,470.8
Library Delinquent Taxes	$40.0	$40.0	$40.0	$40.0	$40.0	$40.0
Library Fund Total	**$2,876.7**	**$3,008.3**	**$3,127.5**	**$3,250.9**	**$3,378.6**	**$3,510.8**
GRAND TOTAL COLLECTIONS	**$32,263.7**	**$33,740.6**	**$35,026.3**	**$36,407.8**	**$37,838.4**	**$39,318.7**
Estimated Current Collection Rate (of NCL)	***97.7%***	***97.7%***	***97.7%***	***97.7%***	***97.7%***	***97.7%***
Estimated Total Collection Rate (of NCL)	**100.0%**	**99.9%**	**99.8%**	**99.8%**	**99.7%**	**99.6%**
Percent Change in Grand Total Collections	**1.3%**	**4.6%**	**3.8%**	**3.9%**	**3.9%**	**3.9%**
Tax Rate						
General Fund Operations and Maintenance	$0.458500	$0.458500	$0.458500	$0.458500	$0.458500	$0.458500
Debt Service Fund Interest and Sinking	$0.052500	$0.052500	$0.052500	$0.052500	$0.052500	$0.052500
Library Fund	$0.050000	$0.050000	$0.050000	$0.050000	$0.050000	$0.050000
Total Rate	**$0.561000**	**$0.561000**	**$0.561000**	**$0.561000**	**$0.561000**	**$0.561000**
	ESTIMATE	**ESTIMATE**	**ESTIMATE**	**ESTIMATE**	**ESTIMATE**	**ESTIMATE**
Estimated Current Taxes Collection rate	**97.72%**	**97.72%**	**97.72%**	**97.72%**	**97.72%**	**97.72%**
TOTAL COLLECTIONS	**$34,378.9**	**$35,965.8**	**$37,407.5**	**$38,903.0**	**$40,453.6**	**$42,060.9**

It is important to note that while the overall increase in taxable value is 5 percent, the actual increase in revenue is approximately 4.6 percent. This is due to the loss of tax revenue to the tax freeze and the Tax Increment Reinvestment Zones (TIRZs). It is also important to note that the 5 percent overall increase includes four percent subject to the tax rate limitations and one percent attributable to new construction. Since the voter approved rate limit allows 8 percent growth for the last time, an additional four percent is available should the City wish to use it. This additional two cents on the tax rate capacity if utilized would provide approximately $1.29 million in recurring revenue that could go totally to the General Fund on an annual basis but with set asides that would reduce the net amount available for operations to approximately $860,000. As stated on the previous page, 25 percent would have to be set aside in the first year for the General Fund reserve and 8 percent would go to the Infrastructure and Debt Service transfer every year thereafter.

Other General Fund Revenue

The legislature passed Senate Bill 1152 this year that is expected to reduce telecommunications franchise taxes received by the city by $250,000 beginning in January 2020. The law allows companies that provide cable and telecommunications services, paying franchise fees on both, will be absolved from paying the lower of the two as is determined at the State wide level. This last provision makes it somewhat difficult to say with certainty the fees for which service will be lost at the local level.

Until the State Comptroller publishes the information guiding this exemption for each company, this analysis assumes that Comcast provides more cable service State wide, and will continue to pay its six percent cable franchise fees, five percent of which goes to the General Fund. The remainder goes to the Public Access Channel special fund. Comcast pays $250,000 annually for telecommunications services to the General Fund, and three fourths of this will be lost in FY 2020. The remainder will be lost in FY 2021.



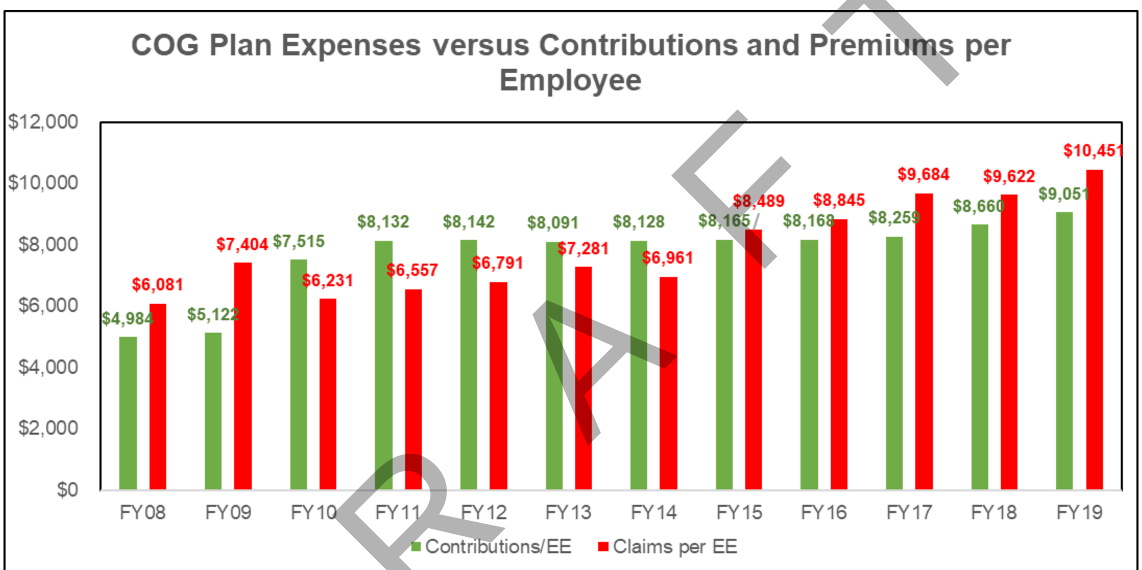
Non-tax General Fund revenue tends to be very stable, as demonstrated in the graph above. This includes municipal court parking and traffic fines, building permits, interest income, Interfund payments for General Fund administrative services, and payments in lieu of taxes. Therefore, the forecast assumes that this no growth pattern persists throughout the forecast period.

FY 2020-2024 LONG RANGE FINANCIAL FORECAST
HEALTH INSURANCE PLAN SUMMARY

Overview

The City of Galveston, in conjunction with the Galveston Park Board and Port of Galveston, provides a self-insured health insurance plan for its employees and retirees. The plan is a Preferred Provider-type plan with administrative services provided by Boon Chapman. The plan itself was begun in 2003 and the Park Board and Port just joined the plan in the last few years.

The plan has experienced a five year period of losses with total claims and administrative costs exceeding employer contributions and employee premiums. The chart below demonstrates on a per employee basis the history of the plan in this regard.



In recent years, plan benefits changes and premium increases have proved insufficient to cover plan expenses. This has resulted in a projected $1.86 million shortfall in FY 2019 as well as a projected $2.75 million shortfall in FY 2020 if no plan changes, premium increases or contribution increases are made. FY 2019 is largely over and no benefits or premium changes can be implemented until the start of the new benefit plan year begins on January 1, 2020. However, the three sponsoring agencies (City, Park Board and Port) can provide additional contributions this year to provide emergency relief to the plan so as to maintain a minimum fund balance.

Proposed Cost Sharing

The Health Board, an oversight body including representatives of employee groups, administration, and the Port meets monthly to review plan results and consider plan changes to benefit levels and premiums for employees. It has been suggested that the Board identify $400,000 in plan savings and/or premium increases. This would reduce the projected funding need to $2.35 million for FY 2020, and two approaches to sharing the increase in cost are shown in the chart on the next page. Negotiations will continue throughout the summer months as will the review of proposals submitted by healthcare insurance firms to provide alternative means of funding employee health insurance. In the meantime, the proportional cost sharing approach is the one used to develop the forecast for the General Fund.

Cost Sharing Among Entities
Added Funding for FY 2020

City Funds	City Plan Members	Total Added Cost for FY 20 over FY19	Total Added Cost for FY 20 over FY20
General Fund	505	$978,000	$1,125,000
Other Funds	375	$726,000	$835,000
	880	$1,704,000	$1,960,000
		Scenario A	**Scenario B**
		Stand Alone	**Proportional**

Immediate relief for the Health Insurance Fund is needed and each of the partnering entities is being asked to provide additional cash contributions for FY 2019. These contributions should prevent the Health Insurance Internal Service Fund from falling below a $1 million balance as of September 30, 2019. The chart below documents the City's initial commitment to this purpose.

FY 2019 Budget for Health Insurance:
Contributed Balance of Budgeted Line Item Amounts

City Funds	FY 2019 Budget	FY 2019 Estimated	Balance Remaining
General Fund	$3,313,711	$3,171,752	$141,959
Other Funds	$2,451,547	$2,211,270	$240,277
Totals	**$5,765,258**	**$5,383,022**	**$382,236**

Each city department and organizational unit has a line for the City's per employee contribution of $560 per month per employee. As vacancies occur in budgeted positions, the contribution amount is not charged to the organization's budget. The $382,236 shown above is the current estimate of this underrun projected for FY 2019. And the $141,959 amount is shown in the General Fund forecast as a part of the FY 219 Estimate along with the increase needed to $1,125,000 for FY 2020's full funding amount for the Health Benefits fund.

LONG RANGE FINANCIAL FORECAST
SUMMARY HEALTH INSURANCE PLAN BASELINE PROJECTIONS

	City	Port	Park Board	Total
Projected FY2019 Revenue As of June 21, 2019				
Health Plan Premiums				
Employer	$5,378,564	$462,560	$554,270	**$6,395,394**
Employees	$1,428,921	$136,510	$125,970	**$1,691,401**
Retirees & COBRA	$208,973	$40,730	$0	**$249,703**
Subtotal Premiums	**$7,016,458**	**$639,800**	**$680,240**	**$8,336,498**
Non-Premium Revenue				
Interest Earned	$26,338			**$26,338**
Stop-Loss Reimbursements	$378,393	$220,000		**$598,393**
Refunds and No Show Fees	$235,508	$21,659	$25,320	**$282,487**
Subtotal Non-Premium Revenue	**$640,239**	**$241,659**	**$25,320**	**$907,218**
Total Revenue	**$7,656,697**	**$881,459**	**$705,560**	**$9,243,716**
Projected FY 2019 Expense As of June 21. 2019				
Health Plan Claims/Expense				
Medical Claims	$4,965,805	$1,334,510	$366,191	**$6,666,506**
Prescription Drugs	$1,635,320	$205,644	$121,567	**$1,962,531**
Subtotal Health Plan Claims/Expense	**$6,601,125**	**$1,540,154**	**$487,758**	**$8,629,037**
Other Plan Costs				
Administration (Third Party and Flex Admin)	$451,452	$41,520	$48,537	**$541,508**
Stop Loss-Premium	$806,623	$74,184	$86,722	**$967,530**
Health Clinics	$808,037	$74,314	$86,874	**$969,226**
Subtotal Other Plan Costs	**$2,066,112**	**$190,018**	**$222,133**	**$2,478,264**
Total Expense	**$8,667,237**	**$1,730,172**	**$709,891**	**$11,107,301**
FY 2019 Health Plan Revenue Over/(Under) Plan Expense	**($1,010,540)**	**($848,713)**	**($4,331)**	**($1,863,585)**
Allocation of FY 2019 Shortage based on Plan members	**($1,388,000)**	**($373,000)**	**($102,000)**	**($1,864,000)**
Plan Members	**772**	**71**	**83**	**926**
Trend for FY 2020 over FY 2019	**8.0%**	**8.0%**	**8.0%**	**8.0%**
Projected FY 2020 Expenses As of June 21, 2019 (Eight Percent Trend)				
Health Plan Claims/Expense				
Medical Claims	$5,363,000	$1,441,000	$395,000	$7,200,000
Prescription Drugs	$1,766,000	$222,000	$131,000	$2,120,000
Subtotal Health Plan Claims/Expense	**$7,129,000**	**$1,663,000**	**$526,000**	**$9,318,000**
Other Plan Costs (Including 8% trend for FY20)	**$2,231,401**	**$205,219**	**$239,904**	**$2,676,525**
Total FY 2020 Expenses	**$9,360,401**	**$1,868,219**	**$765,904**	**$11,994,525**
Current (FY 2019) Health Plan Revenue Over/(Under) Projected FY 2020 Plan Expense	**($1,703,704)**	**($986,760)**	**($60,344)**	**($2,750,809)**
Allocation of FY 2020 Shortage based on Plan members	**($2,293,000)**	**($211,000)**	**($247,000)**	**($2,751,000)**

FY 2020-2024 LONG RANGE FINANCIAL FORECAST
GENERAL DEBT SERVICE FUND

Overview of Assumptions

The General Debt Service Fund is the depository of property tax revenue collected to make all payments of principal and interest for purely property tax supported bonds. The Fund also includes as revenue transfers from the Infrastructure and Debt Service Fund to be used for tax supproted debt service payments as required to stabilize property tax rates. The Infrastructure and Debt Service Fund transfer amounts incorporated in the forecast below are based on a sufficient portion of each year's set aside of General Fund revenue to meet the goal of completing all projects in five years.

The property tax rate dedicated to the payment of debt service is assumed at $0.0525 per $100 of taxable value for the forecast period and beyond. It is expected that funds set aside from the General Fund for Infrastructure and Debt Service will be used to supplement property tax revenue in paying property tax supported debt service.

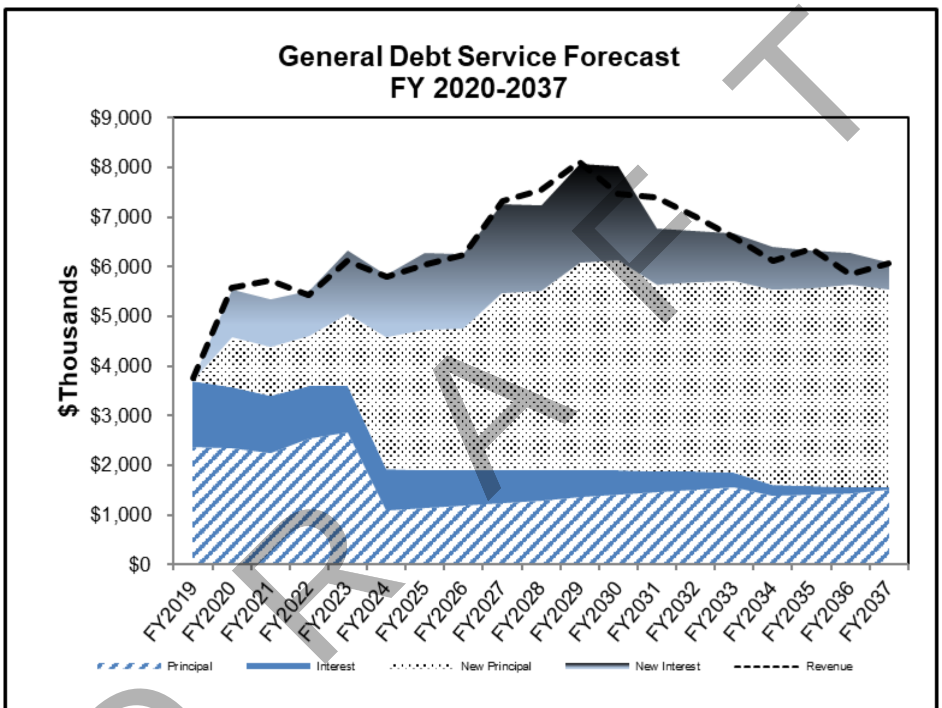
GENERAL DEBT SERVICE FORECAST
FY 2019-2024 ($THOUSANDS)

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
REVENUE	**Estimate**	**Estimate**	**Estimate**	**Estimate**	**Estimate**	**Estimate**
Property Taxes	$3,018	$3,157	$3,282	$3,411	$3,545	$3,684
Infrastructure & Debt Service Fund Transfer	$629	$2,321	$2,391	$1,970	$2,536	$2,090
Interest Income	$104	$109	$48	$42	$40	$36
TOTAL REVENUE	**$3,751**	**$5,587**	**$5,721**	**$5,423**	**$6,121**	**$5,810**
EXPENSE						
Current Debt Service						
Principal	$2,356	$2,339	$2,250	$2,543	$2,660	$1,093
Interest	$1,329	$1,236	$1,146	$1,054	$941	$823
Paying Agent Fees	$2	$5	$5	$5	$5	$5
Subtotal Current Debt Service	**$3,687**	**$3,580**	**$3,401**	**$3,602**	**$3,606**	**$1,921**
Projected Future Bonds Debt Service						
Principal	$0	$1,000	$1,000	$1,000	$1,449	$2,662
Interest	$0	$962	$943	$924	$1,276	$1,247
Subtotal Future Bonds Debt Service	**$0**	**$1,962**	**$1,943**	**$1,924**	**$2,725**	**$3,909**
TOTAL EXPENSE	**$3,687**	**$5,542**	**$5,344**	**$5,526**	**$6,331**	**$5,830**
Revenue Over/(Under) Expense	**$64**	**$45**	**$377**	**($103)**	**($210)**	**($20)**
Beginning Fund Balance	**$1,617**	**$1,681**	**$1,726**	**$2,103**	**$2,000**	**$1,790**
Ending Fund Balance	**$1,681**	**$1,726**	**$2,103**	**$2,000**	**$1,790**	**$1,770**
	FY2019	**FY2020**	**FY2021**	**FY2022**	**FY2023**	**FY2024**
Effective Taxable Value ($millions)	**$5,805.8**	**$6,075.2**	**$6,318.9**	**$6,571.5**	**$6,833.0**	**$7,103.0**
Debt Service Tax Rate	**$0.052500**	**$0.052500**	**$0.052500**	**$0.052500**	**$0.052500**	**$0.052500**
Property Tax Revenue Growth	**2.1%**	**4.6%**	**3.9%**	**3.9%**	**3.9%**	**3.9%**
Investment Pool Earnings Rate	**1.5%**	**2.0%**	**2.0%**	**2.0%**	**2.0%**	**2.0%**
General Fund Transfer to Infrastructure & Debt Service Fund	**$3,911.6**	**$4,642.2**	**$4,781.4**	**$4,924.9**	**$5,072.6**	**$5,224.8**
Percent I&DS Fund transferred to Debt Service Fund	**16.1%**	**50.0%**	**50.0%**	**40.0%**	**50.0%**	**40.0%**
Future Bond Issue ($000's) NOTE	**$0**	**$37,000**	**$0**	**$0**	**$12,000**	**$0**
Outstanding Principal ($000's) FY End	**$31,593**	**$65,254**	**$62,004**	**$58,461**	**$66,352**	**$62,597**
Overall Interest Rate	**3.09%**	**3.59%**	**3.84%**	**4.09%**	**4.09%**	**4.09%**
Interest Rate Diff with FY19 Rates	**0.00%**	**0.50%**	**0.75%**	**1.00%**	**1.00%**	**1.00%**

2017 Bond Election and Future Bond Sales

In May, 2017, the voters approved the issuance of $62 million for street and drainage projects. In July, 2017, the City sold the first $25 million toward the bond election authorization. These bond proceeds are expected to be fully appropriated for projects by the end of October 2019. Plans are underway, pending City Council approval, to sell the remaining $37 million by that time to keep the bond election project list on schedule. The first principal and interest payments for this issue will be due in FY 2020, and the schedule above reflects those payments.

After the bonds authorized in the May 2017 election are sold this fall, the forecast anticipates that another property tax supported bond issue will not occur until FY 2023 at the earliest. This would require another bond election and approval by the voters. But the projections of debt issuance beyond the current authorization are included to demonstrate additional capacity beyond the forecast period.



Notable in the graph above are the following:

- The City's tax-supported debt that predates the May 2017 authorized issuances will be paid off in FY 2024.
- The contribution to debt service paid on future bonds by the Infrastructure and Debt Service Fund in the scenario presented here is set to ensure the ending Debt Service Fund balance is $1.5 to $2.0 million each year.
- The total estimated use of Infrastructure and Debt Service money to pay debt service is $11.3 million. This leaves an estimated $16.6 million for pay as you go capital projects during the forecast period.

GENERAL DEBT SERVICE FUND FORECAST
FY2019-2027 ($THOUSANDS)

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027
REVENUE	**Estimate**	**Estimate**	**Estimate**	**Estimate**	**Estimate**	**Estimate**	**Estimate**	**Estimate**	**Estimate**
Property Taxes	$3,018	$3,157	$3,282	$3,411	$3,545	$3,684	$3,855	$4,005	$4,162
Infrastructure & Debt Service Fund Transfer	$629	$2,321	$2,391	$1,970	$2,536	$2,090	$2,153	$2,217	$3,140
Interest Income	$104	$109	$48	$42	$40	$36	$35	$30	$30
TOTAL REVENUE	**$3,751**	**$5,587**	**$5,721**	**$5,423**	**$6,121**	**$5,810**	**$6,043**	**$6,252**	**$7,332**
EXPENSE									
Current Debt Service									
Principal	$2,356	$2,339	$2,250	$2,543	$2,660	$1,093	$1,134	$1,182	$1,240
Interest	$1,329	$1,236	$1,146	$1,054	$941	$823	$778	$731	$672
Paying Agent Fees	$2	$5	$5	$5	$5	$5	$5	$5	$5
Subtotal Current Debt Service	**$3,687**	**$3,580**	**$3,401**	**$3,602**	**$3,606**	**$1,921**	**$1,917**	**$1,918**	**$1,917**
Projected Future Bonds Debt Service									
Principal	$0	$1,000	$1,000	$1,000	$1,449	$2,662	$2,815	$2,850	$3,565
Interest	$0	$962	$943	$924	$1,276	$1,247	$1,557	$1,497	$1,799
Subtotal Future Bonds Debt Service	**$0**	**$1,962**	**$1,943**	**$1,924**	**$2,725**	**$3,909**	**$4,372**	**$4,347**	**$5,364**
TOTAL EXPENSE	**$3,687**	**$5,542**	**$5,344**	**$5,526**	**$6,331**	**$5,830**	**$6,289**	**$6,265**	**$7,281**
Revenue Over/(Under) Expense	**$64**	**$45**	**$377**	**($103)**	**($210)**	**($20)**	**($246)**	**($13)**	**$51**
Beginning Fund Balance	**$1,617**	**$1,681**	**$1,726**	**$2,103**	**$2,000**	**$1,790**	**$1,770**	**$1,524**	**$1,511**
Ending Fund Balance	**$1,681**	**$1,726**	**$2,103**	**$2,000**	**$1,790**	**$1,770**	**$1,524**	**$1,511**	**$1,562**
	FY2019	**FY2020**	**FY2021**	**FY2022**	**FY2023**	**FY2024**	**FY2025**	**FY2026**	**FY2027**
Effective Taxable Value ($millions)	**$5,805.8**	**$6,075.2**	**$6,318.9**	**$6,571.5**	**$6,833.0**	**$7,103.0**	**$7,380.0**	**$7,667.8**	**$7,966.8**
Debt Service Tax Rate	**$0.052500**	**$0.052500**	**$0.052500**	**$0.052500**	**$0.052500**	**$0.052500**	**$0.052500**	**$0.052500**	**$0.052500**
Property Tax Revenue Growth	**2.1%**	**4.6%**	**3.9%**	**3.9%**	**3.9%**	**3.9%**	**3.9%**	**3.9%**	**3.9%**
Investment Pool Earnings Rate	**1.5%**	**2.0%**	**2.0%**	**2.0%**	**2.0%**	**2.0%**	**2.0%**	**2.0%**	**2.0%**
General Fund Transfer to Infrastructure & Debt Service Fund	**$3,911.6**	**$4,642.2**	**$4,781.4**	**$4,924.9**	**$5,072.6**	**$5,224.8**	**$5,381.5**	**$5,543.0**	**$5,709.3**
Percent I&DS Fund transferred to Debt Service Fund	**16.1%**	**50.0%**	**50.0%**	**40.0%**	**50.0%**	**40.0%**	**40.0%**	**40.0%**	**55.0%**
Future Bond Issue ($000's) NOTE	**$0**	**$37,000**	**$0**	**$0**	**$12,000**	**$0**	**$12,000**	**$0**	**$12,000**
Outstanding Principal ($000's) FY End	**$31,593**	**$65,254**	**$62,004**	**$58,461**	**$66,352**	**$62,597**	**$70,648**	**$66,616**	**$73,811**
Overall Interest Rate	**3.09%**	**3.59%**	**3.84%**	**4.09%**	**4.09%**	**4.09%**	**4.09%**	**4.09%**	**4.09%**
Interest Rate Diff with FY19 Rates	**0.00%**	**0.50%**	**0.75%**	**1.00%**	**1.00%**	**1.00%**	**1.00%**	**1.00%**	**1.00%**
Future Debt Service Schedules	**FY2019**	**FY2020**	**FY2021**	**FY2022**	**FY2023**	**FY2024**	**FY2025**	**FY2026**	**FY2027**
Principal									
FY2020		$1,000	$1,000	$1,000	$1,176	$1,882	$1,904	$1,926	$1,952
FY2021			$0	$0	$0	$0	$0	$0	$0
FY2022				$0	$0	$0	$0	$0	$0
FY2023					$273	$780	$388	$394	$552
FY2024						$0	$0	$0	$0
FY2025							$523	$530	$538
FY2026								$0	$0
FY2027									$523
FY2028									
FY2029									
Subtotal Principal	**$0**	**$1,000**	**$1,000**	**$1,000**	**$1,449**	**$2,662**	**$2,815**	**$2,850**	**$3,565**
Interest									
FY2020		$962	$943	$924	$905	$882	$845	$806	$765
FY2021			$0	$0	$0	$0	$0	$0	$0
FY2022				$0	$0	$0	$0	$0	$0
FY2023					$371	$365	$346	$337	$327
FY2024						$0	$0	$0	$0
FY2025							$366	$354	$341
FY2026								$0	$0
FY2027									$366
FY2028									
FY2029									
Subtotal Interest	**$0**	**$962**	**$943**	**$924**	**$1,276**	**$1,247**	**$1,557**	**$1,497**	**$1,799**
Total by Year									
FY2020		$1,962	$1,943	$1,924	$2,081	$2,764	$2,749	$2,732	$2,717
FY2021			$0	$0	$0	$0	$0	$0	$0
FY2022				$0	$0	$0	$0	$0	$0
FY2023					$644	$1,145	$734	$731	$879
FY2024						$0	$0	$0	$0
FY2025							$889	$884	$879
FY2026								$0	$0
FY2027									$889
FY2028									
FY2029									
Subtotal by Year	**$0**	**$1,962**	**$1,943**	**$1,924**	**$2,725**	**$3,909**	**$4,372**	**$4,347**	**$5,364**

GENERAL DEBT SERVICE FUND FORECAST
FY2028-2037 ($THOUSANDS)

	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036	FY2037
REVENUE	**Estimate**	**Estimate**	**Estimate**	**Estimate**	**Estimate**	**Estimate**	**Estimate**	**Estimate**	**Estimate**	**Estimate**
Property Taxes	$4,281	$4,447	$4,621	$4,801	$4,988	$5,183	$5,385	$5,595	$5,813	$6,040
Infrastructure & Debt Service Fund Transfer	$3,234	$3,634	$2,807	$2,570	$1,986	$1,363	$702	$723	$0	$0
Interest Income	$31	$37	$38	$27	$40	$45	$44	$38	$39	$39
TOTAL REVENUE	**$7,546**	**$8,118**	**$7,466**	**$7,398**	**$7,014**	**$6,591**	**$6,131**	**$6,356**	**$5,852**	**$6,079**
EXPENSE										
Current Debt Service										
Principal	$1,293	$1,352	$1,411	$1,463	$1,516	$1,559	$1,380	$1,410	$1,445	$1,505
Interest	$610	$545	$478	$410	$353	$292	$230	$174	$118	$60
Paying Agent Fees	$5	$5	$5	$5	$5	$5	$5	$5	$5	$5
Subtotal Current Debt Service	**$1,908**	**$1,902**	**$1,894**	**$1,878**	**$1,874**	**$1,856**	**$1,615**	**$1,589**	**$1,563**	**$1,570**
Projected Future Bonds Debt Service										
Principal	$3,611	$4,183	$4,238	$3,761	$3,812	$3,864	$3,925	$3,979	$4,067	$3,971
Interest	$1,717	$1,997	$1,894	$1,130	$1,043	$952	$856	$756	$652	$543
Subtotal Future Bonds Debt Service	**$5,328**	**$6,180**	**$6,132**	**$4,891**	**$4,855**	**$4,816**	**$4,781**	**$4,735**	**$4,719**	**$4,514**
TOTAL EXPENSE	**$7,236**	**$8,082**	**$8,026**	**$6,769**	**$6,729**	**$6,672**	**$6,396**	**$6,324**	**$6,282**	**$6,084**
Revenue Over/(Under) Expense	**$310**	**$36**	**($560)**	**$629**	**$285**	**($81)**	**($265)**	**$32**	**($430)**	**($5)**
Beginning Fund Balance	**$1,562**	**$1,872**	**$1,908**	**$1,349**	**$1,978**	**$2,263**	**$2,182**	**$1,917**	**$1,950**	**$1,520**
Ending Fund Balance	**$1,872**	**$1,908**	**$1,349**	**$1,978**	**$2,263**	**$2,182**	**$1,917**	**$1,950**	**$1,520**	**$1,515**
	FY2028	**FY2029**	**FY2030**	**FY2031**	**FY2032**	**FY2033**	**FY2034**	**FY2035**	**FY2034**	**FY2035**
Effective Taxable Value ($millions)	**$8,277.5**	**$8,600.3**	**$8,935.7**	**$9,284.2**	**$9,646.3**	**$10,022.5**	**$10,413.4**	**$10,819.5**	**$11,241.5**	**$11,679.9**
Debt Service Tax Rate	**$0.052500**	**$0.052500**	**$0.052500**	**$0.052500**	**$0.052500**	**$0.052500**	**$0.052500**	**$0.052500**	**$0.052500**	**$0.052500**
Property Tax Revenue Growth	**3.9%**	**3.9%**	**3.9%**	**3.9%**	**3.9%**	**3.9%**	**3.9%**	**3.9%**	**3.9%**	**3.9%**
Investment Pool Earnings Rate	**2.0%**	**2.0%**	**2.0%**	**2.0%**	**2.0%**	**2.0%**	**2.0%**	**2.0%**	**2.0%**	**2.0%**
General Fund Transfer to Infrastructure & Debt Service Fund	**$5,880.5**	**$6,057.0**	**$6,238.7**	**$6,425.8**	**$6,618.6**	**$6,817.2**	**$7,021.7**	**$7,232.3**	**$7,449.3**	**$7,672.8**
Percent I&DS Fund transferred to Debt Service Fund	**55.0%**	**60.0%**	**45.0%**	**40.0%**	**30.0%**	**20.0%**	**10.0%**	**10.0%**	**0.0%**	**0.0%**
Future Bond Issue ($000's) NOTE	**$0**	**$12,000**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Outstanding Principal ($000's) FY End	**$68,907**	**$75,372**	**$69,723**	**$64,499**	**$59,171**	**$53,748**	**$48,443**	**$43,054**	**$37,542**	**$32,066**
Overall Interest Rate	**3.83%**	**3.83%**	**3.83%**	**3.83%**	**3.83%**	**3.83%**	**3.83%**	**3.83%**	**3.83%**	**3.83%**
Interest Rate Diff with FY19 Rates	**1.00%**	**1.00%**	**1.00%**	**1.00%**	**1.00%**	**1.00%**	**1.00%**	**1.00%**	**1.00%**	**1.00%**
Future Debt Service Schedules	**FY2028**	**FY2029**	**FY2030**	**FY2031**	**FY2032**	**FY2033**	**FY2034**	**FY2035**	**FY2036**	**FY2037**
Principal										
FY2020	$1,978	$2,004	$2,030	$2,060	$2,086	$2,115	$2,148	$2,178	$2,237	$2,065
FY2021	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
FY2022	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
FY2023	$559	$566	$575	$583	$592	$600	$610	$618	$628	$688
FY2024	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
FY2025	$544	$552	$559	$566	$575	$583	$592	$600	$610	$618
FY2026	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
FY2027	$530	$538	$544	$552	$559	$566	$575	$583	$592	$600
FY2028	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
FY2029		$523	$530	$538	$544	$552	$559	$566	$575	$583
Subtotal Principal	**$3,611**	**$4,183**	**$4,238**	**$3,761**	**$3,812**	**$3,864**	**$3,925**	**$3,979**	**$4,067**	**$3,971**
Interest										
FY2020	$722	$676	$627	$575	$520	$462	$401	$337	$271	$202
FY2021	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
FY2022	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
FY2023	$313	$299	$284	$268	$251	$234	$216	$197	$177	$156
FY2024	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
FY2025	$328	$315	$301	$287	$272	$256	$239	$222	$204	$185
FY2026	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
FY2027	$354	$341	$328	$315	$301	$287	$272	$256	$239	$222
FY2028	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
FY2029		$366	$354	$341	$328	$315	$301	$287	$272	$256
Subtotal Interest	**$1,717**	**$1,997**	**$1,894**	**$1,130**	**$1,043**	**$952**	**$856**	**$756**	**$652**	**$543**
Total by Year										
FY2020	$2,700	$2,680	$2,657	$2,635	$2,606	$2,577	$2,549	$2,515	$2,508	$2,267
FY2021	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
FY2022	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
FY2023	$872	$865	$859	$851	$843	$834	$826	$815	$805	$844
FY2024	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
FY2025	$872	$867	$860	$853	$847	$839	$831	$822	$814	$803
FY2026	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
FY2027	$884	$879	$872	$315	$301	$287	$272	$256	$239	$222
FY2028	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
FY2029		$889	$884	$879	$872	$867	$860	$853	$847	$839
Subtotal by Year	**$5,328**	**$6,180**	**$6,132**	**$4,339**	**$4,296**	**$4,250**	**$4,206**	**$4,152**	**$4,127**	**$3,914**

LONG RANGE FINANCIAL FORECAST
TAX INCREMENT REINVESTMENT ZONE PROPOSAL
JUNE 2019

1. Proposition: Close TIRZ 12 and 14 to financial benefit of both the City and the County
   a. Close by vote of City Council and Commissioner's Court in December 2019.
   b. Taxable property value expected to become part of tax rolls as prior year value in Tax Year 2020 and will not become part of the growth counted against the new 3.5 percent limit.
2. County gains $200,000 annually
   a. Pays $600,000 in 2019 to TIRZ 12 ($189,000) and 14 ($417,000) combined.
   b. As developer, County receives $400,000 from TIRZ 12 to be applied to County road bonds debt service.
   c. Annual payment has never been sufficient to pay anything but interest; current balance of developer's amount due is $5.6 million principal and $1.6 million accrued interest.
   d. County realizes net gain in cash flow of $200,000 to go toward retirement of debt service on bonds.
   e. Closure of TIRZ 12 saves $60,000 in administrative fees for City and TIRZ admin (accounting, legal fees).
   f. Residual balance of $142,592 on September 30, 2018 to be split based on contributions to date (46.7 percent City, 49.9 percent County, 2.7 percent Navigation District, 0.7 percent Road district) or retained by County.
3. City gains more flexibility in future use of property tax revenue
   a. City loses $417,000 in annual County contributions to TIRZ 14 for City projects to end in 2033.
   b. City loses annual admin fees of $90,000 (5 percent of increments) for TIRZ 12 ($19,000) and 14 ($71,000) combined.
   c. City regains annual increments ($1.1 million) paid to TIRZ 12 ($193,000) and 14 ($912,000) for General Fund
   d. TIRZ 14 is substantially benefit to Airport and immediate area
      (i) Outstanding TIRZ 14 debt projected to be $1.94 million plus accrued interest in $20,000 range by January 2019, City would retire this debt
      (ii) Available cash balance as of September 30, 2018 was $2.48 million
      (iii) Tax years 2018 and 2019 increments will be paid into TIRZ 14 if closure is voted in December 2019: Additional $3.0 million in increments less $200,000 estimated for admin by City and TIRZ: Estimated balance on December 31, 2918 would be $3.5 million (including all of Tax Year 2019 increments outstanding and $2 million current balance)
      (iv) Decisions needed on current projects pending including Airport Warehouse at $600,000 range and 83rd Street at $1 million.
      (v) City to split balance with County and retire $1.9 million in outstanding TIRZ bonds over time (ending in 2023) or through a negotiated early settlement
4. Net Present Value from closing both TIRZs
   a. County gains $3.2 million
   b. City loses $5.7 million for current funding arrangement plus responsibility for payment of TIRZ 14 debt but restores flexibility of $13 million in property tax revenue, two thirds of which goes back into General Fund

CITY OF GALVESTON SALES TAX MODEL
QUARTERLY TAX REVENUE EXPLAINED USING LOCAL, REGIONAL AND NATIONAL FACTORS

Sales Tax Econometric Forecast
Date: 5/7/2019

			Employment		Exports to Mexico FAS + 1 Qtr		Summer Season Adjustment Var #1		Houston Gasoline Price Index + 1 Qtr		Galveston Storm Variable		Pleasure Pier Adjustment		U.S. Real GDP + 1 Qtr					
	COEFFICIENTS		1.457		-0.02052		1.493		0.958		510.6		259.3		0.1944					
FY	Fiscal Year	DATA	DATA	PRODUCT OF DATA AND COEFFICIENT = B	DATA	PRODUCT OF DATA AND COEFFICIENT = H	DATA	PRODUCT OF DATA AND COEFFICIENT = D	DATA	PRODUCT OF DATA AND COEFFICIENT = E	DATA	PRODUCT OF DATA AND COEFFICIENT = F	DATA	PRODUCT OF DATA AND COEFFICIENT = G	DATA	PRODUCT OF DATA AND COEFFICIENT = G	MODEL ESTIMATE ($000's) = A+B+C+D+E+F+G+H	ACTUAL ($000's)	ESTIMATE (OVER)/ UNDER ACTUAL	% Difference
1992	1992-2	(3,323)	1,795.0	2,615.3	$9,188.9	(188.6)	0.00	0.0	106.07	101.6	0.0	0.0	0.00	0.00	$9,421.57	1,831.6	**$1,036.9**	**$1,106.6**	**$69.7**	**6.3%**
1992	1992-3	(3,323)	1,765.6	2,572.5	$9,789.5	(200.9)	129.10	192.7	100.00	95.8	0.0	0.0	0.00	0.00	$9,534.35	1,853.5	**$1,190.6**	**$1,292.8**	**$102.2**	**7.9%**
1992	1992-4	(3,323)	1,789.3	2,607.0	$10,391.3	(213.2)	188.40	281.3	102.67	98.4	0.0	0.0	0.00	0.00	$9,637.73	1,873.6	**$1,324.1**	**$1,300.2**	**($23.9)**	**-1.8%**
1993	1993-1	(3,323)	1,781.9	2,596.2	$10,204.4	(209.4)	0.00	0.0	106.33	101.9	0.0	0.0	0.00	0.00	$9,732.98	1,892.1	**$1,057.8**	**$1,142.6**	**$84.8**	**7.4%**
1993	1993-2	(3,323)	1,808.7	2,635.3	$10,207.1	(209.4)	0.00	0.0	102.77	98.5	0.0	0.0	0.00	0.00	$9,834.51	1,911.8	**$1,113.2**	**$1,070.7**	**($42.5)**	**-4.0%**
1993	1993-3	(3,323)	1,786.0	2,602.2	$10,235.8	(210.0)	132.40	197.7	98.33	94.2	0.0	0.0	0.00	0.00	$9,850.97	1,915.0	**$1,276.1**	**$1,235.5**	**($40.6)**	**-3.3%**
1993	1993-4	(3,323)	1,815.6	2,645.3	$10,765.7	(220.9)	192.90	288.0	101.77	97.5	0.0	0.0	0.00	0.00	$9,908.35	1,926.2	**$1,413.1**	**$1,420.4**	**$7.3**	**0.5%**
1994	1994-1	(3,323)	1,825.2	2,659.3	$9,825.6	(201.6)	0.00	0.0	99.50	95.3	0.0	0.0	0.00	0.00	$9,955.64	1,935.4	**$1,165.4**	**$1,222.8**	**$57.4**	**4.7%**
1994	1994-2	(3,323)	1,847.9	2,692.4	$10,753.7	(220.7)	0.00	0.0	97.73	93.6	0.0	0.0	0.00	0.00	$10,091.05	1,961.7	**$1,204.0**	**$1,127.4**	**($76.6)**	**-6.8%**
1994	1994-3	(3,323)	1,826.3	2,660.9	$11,859.3	(243.4)	137.10	204.7	93.13	89.2	0.0	0.0	0.00	0.00	$10,188.95	1,980.7	**$1,369.1**	**$1,487.0**	**$117.9**	**7.9%**
1994	1994-4	(3,323)	1,862.7	2,714.0	$12,620.1	(259.0)	201.80	301.3	97.77	93.7	0.0	0.0	0.00	0.00	$10,327.02	2,007.6	**$1,534.6**	**$1,626.9**	**$92.3**	**5.7%**
1995	1995-1	(3,323)	1,869.6	2,724.0	$13,043.3	(267.6)	0.00	0.0	104.33	100.0	0.0	0.0	0.00	0.00	$10,387.38	2,019.3	**$1,252.7**	**$1,393.5**	**$140.8**	**10.1%**
1995	1995-2	(3,323)	1,905.2	2,775.9	$13,320.8	(273.3)	0.00	0.0	101.67	97.4	0.0	0.0	0.00	0.00	$10,506.37	2,042.4	**$1,319.4**	**$1,335.3**	**$15.9**	**1.2%**
1995	1995-3	(3,323)	1,891.6	2,756.1	$11,594.2	(237.9)	139.00	207.5	98.03	93.9	0.0	0.0	0.00	0.00	$10,543.64	2,049.7	**$1,546.3**	**$1,514.5**	**($31.8)**	**-2.1%**
1995	1995-4	(3,323)	1,919.7	2,797.0	$10,867.7	(223.0)	203.10	303.2	103.50	99.2	0.0	0.0	0.00	0.00	$10,575.10	2,055.8	**$1,709.2**	**$1,585.5**	**($123.7)**	**-7.8%**
1996	1996-1	(3,323)	1,930.4	2,812.6	$11,715.2	(240.4)	0.00	0.0	101.87	97.6	0.0	0.0	0.00	0.00	$10,665.06	2,073.3	**$1,420.1**	**$1,529.7**	**$109.6**	**7.2%**
1996	1996-2	(3,323)	1,956.6	2,850.8	$12,115.0	(248.6)	0.00	0.0	94.90	90.9	0.0	0.0	0.00	0.00	$10,737.48	2,087.4	**$1,457.5**	**$1,595.5**	**$138.0**	**8.6%**
1996	1996-3	(3,323)	1,936.1	2,820.9	$13,000.4	(266.8)	143.00	213.5	99.00	94.8	0.0	0.0	0.00	0.00	$10,817.90	2,103.0	**$1,642.4**	**$1,818.1**	**$175.7**	**9.7%**
1996	1996-4	(3,323)	1,965.3	2,863.4	$13,659.5	(280.3)	207.10	309.2	110.67	106.0	0.0	0.0	0.00	0.00	$10,998.32	2,138.1	**$1,813.4**	**$1,957.3**	**$143.9**	**7.4%**
1997	1997-1	(3,323)	1,973.3	2,875.1	$14,347.2	(294.4)	0.00	0.0	103.63	99.3	0.0	0.0	0.00	0.00	$11,096.98	2,157.3	**$1,514.3**	**$1,675.2**	**$160.9**	**9.6%**
1997	1997-2	(3,323)	2,013.8	2,934.1	$15,784.5	(323.9)	0.00	0.0	105.87	101.4	0.0	0.0	0.00	0.00	$11,212.21	2,179.7	**$1,568.3**	**$1,670.1**	**$101.8**	**6.1%**
1997	1997-3	(3,323)	2,004.7	2,920.8	$15,671.8	(321.6)	145.00	216.5	104.63	100.2	0.0	0.0	0.00	0.00	$11,284.59	2,193.7	**$1,786.6**	**$1,958.4**	**$171.8**	**8.8%**
1997	1997-4	(3,323)	2,042.3	2,975.6	$17,053.3	(349.9)	210.80	314.7	101.57	97.3	0.0	0.0	0.00	0.00	$11,472.14	2,230.2	**$1,944.9**	**$2,036.7**	**$91.8**	**4.5%**
1998	1998-1	(3,323)	2,061.8	3,004.0	$18,581.2	(381.3)	0.00	0.0	104.70	100.3	0.0	0.0	0.00	0.00	$11,615.64	2,258.1	**$1,658.1**	**$1,745.7**	**$87.6**	**5.0%**
1998	1998-2	(3,323)	2,108.6	3,072.2	$20,082.2	(412.1)	0.00	0.0	100.73	96.5	0.0	0.0	0.00	0.00	$11,715.39	2,277.5	**$1,711.1**	**$1,767.0**	**$55.9**	**3.2%**
1998	1998-3	(3,323)	2,107.5	3,070.6	$19,566.7	(401.5)	146.40	218.6	92.73	88.8	0.0	0.0	0.00	0.00	$11,832.49	2,300.2	**$1,953.7**	**$2,094.6**	**$140.9**	**6.7%**
1998	1998-4	(3,323)	2,148.5	3,130.4	$19,253.2	(395.1)	213.70	319.1	92.17	88.3	0.0	0.0	0.00	0.00	$11,942.03	2,321.5	**$2,141.2**	**$2,094.9**	**($46.3)**	**-2.2%**
1999	1999-1	(3,323)	2,170.9	3,163.0	$19,219.3	(394.4)	0.00	0.0	90.33	86.5	0.0	0.0	0.00	0.00	$12,091.61	2,350.6	**$1,882.7**	**$2,030.1**	**$147.4**	**7.3%**
1999	1999-2	(3,323)	2,200.7	3,206.4	$20,733.4	(425.4)	0.00	0.0	88.97	85.2	0.0	0.0	0.00	0.00	$12,287.00	2,388.6	**$1,931.8**	**$1,999.7**	**$67.9**	**3.4%**
1999	1999-3	(3,323)	2,172.7	3,165.6	$18,947.4	(388.8)	148.30	221.4	84.03	80.5	0.0	0.0	0.00	0.00	$12,403.29	2,411.2	**$2,166.9**	**$2,121.1**	**($45.8)**	**-2.2%**
1999	1999-4	(3,323)	2,182.1	3,179.3	$20,375.6	(418.1)	215.90	322.3	95.53	91.5	0.0	0.0	0.00	0.00	$12,498.69	2,429.7	**$2,281.7**	**$2,183.9**	**($97.8)**	**-4.5%**
2000	2000-1	(3,323)	2,191.1	3,192.4	$22,400.4	(459.7)	0.00	0.0	102.33	98.0	0.0	0.0	0.00	0.00	$12,662.39	2,461.6	**$1,969.3**	**$2,150.1**	**$180.8**	**8.4%**
2000	2000-2	(3,323)	2,219.5	3,233.8	$25,185.5	(516.8)	0.00	0.0	109.07	104.5	0.0	0.0	0.00	0.00	$12,877.59	2,503.4	**$2,001.9**	**$2,057.3**	**$55.4**	**2.7%**
2000	2000-3	(3,323)	2,206.7	3,215.2	$26,069.9	(535.0)	153.40	229.0	120.17	115.1	0.0	0.0	0.00	0.00	$12,924.18	2,512.5	**$2,213.8**	**$2,285.1**	**$71.3**	**3.1%**
2000	2000-4	(3,323)	2,240.4	3,264.3	$27,594.8	(566.2)	223.90	334.3	131.13	125.6	0.0	0.0	0.00	0.00	$13,160.84	2,558.5	**$2,393.5**	**$2,428.5**	**$35.0**	**1.4%**
2001	2001-1	(3,323)	2,249.6	3,277.7	$29,289.1	(601.0)	0.00	0.0	133.90	128.3	0.0	0.0	0.00	0.00	$13,178.42	2,561.9	**$2,043.9**	**$2,094.2**	**$50.3**	**2.4%**
2001	2001-2	(3,323)	2,277.7	3,318.6	$28,395.2	(582.7)	0.00	0.0	124.97	119.7	0.0	0.0	0.00	0.00	$13,260.51	2,577.8	**$2,110.4**	**$2,253.3**	**$142.9**	**6.3%**
2001	2001-3	(3,323)	2,263.8	3,298.4	$26,688.3	(547.6)	159.60	238.3	120.80	115.7	0.0	0.0	0.00	0.00	$13,222.69	2,570.5	**$2,352.3**	**$2,476.4**	**$124.1**	**5.0%**
2001	2001-4	(3,323)	2,288.9	3,334.9	$25,252.5	(518.2)	230.00	343.4	139.07	133.2	0.0	0.0	0.00	0.00	$13,299.98	2,585.5	**$2,555.8**	**$2,532.2**	**($23.6)**	**-0.9%**
2002	2002-1	(3,323)	2,284.9	3,329.1	$24,399.0	(500.7)	0.00	0.0	120.67	115.6	0.0	0.0	0.00	0.00	$13,244.78	2,574.8	**$2,195.8**	**$2,262.9**	**$67.1**	**3.0%**
2002	2002-2	(3,323)	2,292.2	3,339.7	$24,956.7	(512.1)	0.00	0.0	100.57	96.3	0.0	0.0	0.00	0.00	$13,280.86	2,581.8	**$2,182.7**	**$2,060.3**	**($122.4)**	**-5.9%**
2002	2002-3	(3,323)	2,265.8	3,301.3	$22,607.9	(463.9)	158.60	236.8	95.97	91.9	0.0	0.0	0.00	0.00	$13,397.00	2,604.4	**$2,447.5**	**$2,449.9**	**$2.4**	**0.1%**
2002	2002-4	(3,323)	2,283.2	3,326.6	$24,875.7	(510.4)	232.10	346.5	119.23	114.2	0.0	0.0	0.00	0.00	$13,478.15	2,620.2	**$2,574.1**	**$2,478.9**	**($95.2)**	**-3.8%**
2003	2003-1	(3,323)	2,274.9	3,314.5	$24,805.1	(509.0)	0.00	0.0	115.93	111.1	0.0	0.0	0.00	0.00	$13,538.07	2,631.8	**$2,225.4**	**$2,145.5**	**($79.9)**	**-3.7%**
2003	2003-2	(3,323)	2,285.7	3,330.3	$25,181.4	(516.7)	0.00	0.0	119.27	114.3	0.0	0.0	0.00	0.00	$13,559.03	2,635.9	**$2,240.8**	**$2,309.0**	**$68.2**	**3.0%**
2003	2003-3	(3,323)	2,258.6	3,290.8	$22,677.8	(465.3)	162.50	242.6	132.47	126.9	0.0	0.0	0.00	0.00	$13,634.25	2,650.5	**$2,522.5**	**$2,573.9**	**$51.4**	**2.0%**
2003	2003-4	(3,323)	2,267.9	3,304.3	$23,909.5	(490.6)	237.90	355.2	124.33	119.1	0.0	0.0	0.00	0.00	$13,751.54	2,673.3	**$2,638.3**	**$2,655.3**	**$17.0**	**0.6%**
2004	2004-1	(3,323)	2,254.6	3,285.0	$24,379.3	(500.3)	0.00	0.0	128.27	122.9	0.0	0.0	0.00	0.00	$13,985.07	2,718.7	**$2,303.3**	**$2,308.7**	**$5.4**	**0.2%**
2004	2004-2	(3,323)	2,270.5	3,308.1	$26,445.1	(542.7)	0.00	0.0	120.90	115.8	0.0	0.0	0.00	0.00	$14,145.65	2,749.9	**$2,308.1**	**$2,308.3**	**$0.2**	**0.0%**
2004	2004-3	(3,323)	2,257.3	3,288.9	$25,869.5	(530.8)	169.50	253.1	133.97	128.3	0.0	0.0	0.00	0.00	$14,221.15	2,764.6	**$2,581.1**	**$2,611.7**	**$30.6**	**1.2%**
2004	2004-4	(3,323)	2,277.0	3,317.6	$27,729.9	(569.0)	245.20	366.1	154.23	147.8	0.0	0.0	0.00	0.00	$14,329.52	2,785.7	**$2,725.2**	**$2,687.7**	**($37.5)**	**-1.4%**
2005	2005-1	(3,323)	2,276.2	3,316.4	$27,854.7	(571.6)	0.00	0.0	151.93	145.6	0.0	0.0	0.00	0.00	$14,464.98	2,812.0	**$2,379.4**	**$2,440.5**	**$61.1**	**2.5%**
2005	2005-2	(3,323)	2,304.4	3,357.5	$29,277.2	(600.8)	0.00	0.0	157.63	151.0	0.0	0.0	0.00	0.00	$14,609.88	2,840.2	**$2,424.9**	**$2,457.1**	**$32.2**	**1.3%**
2005	2005-3	(3,323)	2,294.6	3,343.2	$28,141.6	(577.5)	174.60	260.7	155.03	148.5	0.0	0.0	0.00	0.00	$14,771.60	2,871.6	**$2,723.5**	**$2,726.1**	**$2.6**	**0.1%**
2005	2005-4	(3,323)	2,332.3	3,398.2	$29,882.8	(613.2)	254.50	380.0	178.07	170.6	0.0	0.0	0.00	0.00	$14,839.78	2,884.9	**$2,897.5**	**$2,825.3**	**($72.2)**	**-2.6%**
2006	2006-1	(3,323)	2,347.3	3,420.0	$30,111.5	(617.9)	0.00	0.0	211.00	202.1	0.0	0.0	0.00	0.00	$14,972.05	2,910.6	**$2,591.8**	**$2,769.6**	**$177.8**	**6.4%**
2006	2006-2	(3,323)	2,380.8	3,468.8	$32,111.6	(658.9)	0.00	0.0	207.97	199.2	0.0	0.0	0.00	0.00	$15,066.60	2,928.9	**$2,615.0**	**$2,780.7**	**$165.7**	**6.0%**
2006	2006-3	(3,323)	2,417.4	3,522.2	$32,483.1	(666.6)	181.80	271.4	197.70	189.4	0.0	0.0	0.00	0.00	$15,267.03	2,967.9	**$2,961.3**	**$3,268.7**	**$307.4**	**9.4%**
2006	2006-4	(3,323)	2,423.6	3,531.2	$34,056.7	(698.8)	264.60	395.0	247.40	237.0	0.0	0.0	0.00	0.00	$15,302.71	2,974.8	**$3,116.2**	**$3,405.2**	**$289.0**	**8.5%**

Sales Tax Econometric Forecast
Date: 5/7/2019

CITY OF GALVESTON SALES TAX MODEL
QUARTERLY TAX REVENUE EXPLAINED USING LOCAL, REGIONAL AND NATIONAL FACTORS

			Employment		Exports to Mexico FAS + 1 Qtr		Summer Season Adjustment Var #1		Houston Gasoline Price Index + 1 Qtr		Galveston Storm Variable		Pleasure Pier Adjustment		U.S. Real GDP + 1 Qtr					
	COEFFICIENTS		1.457		-0.02052		1.493		0.958		510.6		259.3		0.1944					
FY	Fiscal Year	DATA	DATA	PRODUCT OF DATA AND COEFFICIENT = B	DATA	PRODUCT OF DATA AND COEFFICIENT = H	DATA	PRODUCT OF DATA AND COEFFICIENT = D	DATA	PRODUCT OF DATA AND COEFFICIENT = E	DATA	PRODUCT OF DATA AND COEFFICIENT = F	DATA	PRODUCT OF DATA AND COEFFICIENT = G	DATA	PRODUCT OF DATA AND COEFFICIENT = G	MODEL ESTIMATE ($000's) = A+B+C+D+E+F+G+H	ACTUAL ($000's)	ESTIMATE (OVER)/ UNDER ACTUAL	% Difference
2007	2007-1	(3,323)	2,443.7	3,560.5	$33,103.7	(679.3)	0.00	0.0	236.70	226.8	0.0	0.0	0.00	0.00	$15,326.37	2,979.4	$2,764.4	$2,850.4	$86.0	3.0%
2007	2007-2	(3,323)	2,485.9	3,622.0	$34,078.3	(699.3)	0.00	0.0	183.47	175.8	0.0	0.0	0.00	0.00	$15,456.93	3,004.8	$2,780.3	$2,988.6	$208.3	7.0%
2007	2007-3	(3,323)	2,483.1	3,617.9	$32,157.0	(659.9)	184.30	275.2	192.60	184.5	0.0	0.0	0.00	0.00	$15,493.33	3,011.9	$3,106.6	$3,292.4	$185.8	5.6%
2007	2007-4	(3,323)	2,534.1	3,692.2	$34,410.4	(706.1)	266.40	397.7	250.16	239.7	0.0	0.0	0.00	0.00	$15,582.09	3,029.2	$3,329.7	$3,566.1	$236.4	6.6%
2008	2008-1	(3,323)	2,548.4	3,713.0	$34,836.2	(714.8)	0.00	0.0	236.56	226.6	0.0	0.0	0.00	0.00	$15,666.74	3,045.6	$2,947.4	$3,165.6	$218.2	6.9%
2008	2008-2	(3,323)	2,583.1	3,763.6	$34,514.4	(708.2)	0.00	0.0	242.61	232.4	0.0	0.0	0.00	0.00	$15,761.97	3,064.1	$3,028.9	$3,014.3	($14.6)	-0.5%
2008	2008-3	(3,323)	2,564.8	3,736.9	$35,745.6	(733.5)	191.20	285.5	259.83	248.9	0.0	0.0	0.00	0.00	$15,671.38	3,046.5	$3,261.3	$3,406.4	$145.1	4.3%
2008	2008-4	(3,323)	2,597.9	3,785.1	$38,174.1	(783.3)	279.40	417.1	312.79	299.7	(1.0)	(510.6)	0.00	0.00	$15,752.31	3,062.2	$2,947.2	$3,000.6	$53.4	1.8%
2009	2009-1	(3,323)	2,590.4	3,774.2	$40,339.7	(827.8)	0.00	0.0	318.52	305.1	1.0	510.6	0.00	0.00	$15,667.03	3,045.7	$3,484.8	$3,496.6	$11.8	0.3%
2009	2009-2	(3,323)	2,607.1	3,798.5	$36,960.7	(758.4)	0.00	0.0	190.92	182.9	0.5	255.3	0.00	0.00	$15,328.03	2,979.8	$3,135.1	$3,339.2	$204.1	6.1%
2009	2009-3	(3,323)	2,556.1	3,724.2	$29,068.3	(596.5)	191.00	285.2	154.24	147.8	0.5	255.3	0.00	0.00	$15,155.94	2,946.3	$3,439.3	$3,568.9	$129.6	3.6%
2009	2009-4	(3,323)	2,534.9	3,693.4	$29,515.9	(605.7)	277.90	414.9	191.69	183.6	0.5	255.3	0.00	0.00	$15,134.12	2,942.1	$3,560.6	$3,452.6	($108.0)	-3.1%
2010	2010-1	(3,323)	2,502.5	3,646.2	$33,779.8	(693.2)	0.00	0.0	212.28	203.4	0.0	0.0	0.00	0.00	$15,189.22	2,952.8	$2,786.2	$2,580.7	($205.5)	-8.0%
2010	2010-2	(3,323)	2,513.1	3,661.6	$36,528.0	(749.6)	0.00	0.0	212.12	203.2	0.0	0.0	0.00	0.00	$15,356.06	2,985.2	$2,777.4	$2,558.2	($219.2)	-8.6%
2010	2010-3	(3,323)	2,480.1	3,613.5	$37,439.1	(768.3)	194.40	290.2	223.55	214.2	0.0	0.0	0.00	0.00	$15,415.15	2,996.7	$3,023.3	$2,969.8	($53.5)	-1.8%
2010	2010-4	(3,323)	2,561.1	3,731.5	$40,419.8	(829.4)	283.00	422.5	235.53	225.6	0.0	0.0	0.00	0.00	$15,557.28	3,024.3	$3,251.5	$3,271.6	$20.1	0.6%
2011	2011-1	(3,323)	2,557.4	3,726.1	$41,341.3	(848.3)	0.00	0.0	222.38	213.0	0.0	0.0	0.00	0.00	$15,671.97	3,046.6	$2,814.4	$2,646.2	($168.2)	-6.4%
2011	2011-2	(3,323)	2,585.1	3,766.5	$44,464.5	(912.4)	0.00	0.0	235.55	225.7	0.0	0.0	0.00	0.00	$15,750.63	3,061.9	$2,818.7	$2,764.0	($54.7)	-2.0%
2011	2011-3	(3,323)	2,571.9	3,747.2	$46,096.9	(945.9)	201.50	300.8	272.97	261.5	0.0	0.0	0.00	0.00	$15,712.75	3,054.6	$3,095.2	$3,200.0	$104.8	3.3%
2011	2011-4	(3,323)	2,622.1	3,820.4	$49,637.2	(1,018.6)	293.50	438.2	326.26	312.6	0.0	0.0	0.00	0.00	$15,825.10	3,076.4	$3,306.0	$3,406.7	$100.7	3.0%
2012	2012-1	(3,323)	2,630.7	3,832.9	$50,904.9	(1,044.6)	0.00	0.0	306.67	293.8	0.0	0.0	0.00	0.00	$15,820.70	3,075.5	$2,834.6	$2,671.3	($163.3)	-6.1%
2012	2012-2	(3,323)	2,662.2	3,878.9	$51,649.6	(1,059.8)	0.00	0.0	278.18	266.5	0.0	0.0	0.00	0.00	$16,004.11	3,111.2	$2,873.8	$2,844.2	($29.6)	-1.0%
2012	2012-3	(3,323)	2,662.3	3,878.9	$52,954.0	(1,086.6)	205.50	306.8	303.36	290.6	0.0	0.0	1.00	259.30	$16,129.42	3,135.6	$3,461.6	$3,564.9	$103.3	2.9%
2012	2012-4	(3,323)	2,719.2	3,961.9	$53,111.5	(1,089.8)	295.70	441.5	318.76	305.4	0.0	0.0	1.00	259.30	$16,198.81	3,149.0	$3,704.3	$3,928.4	$224.1	5.7%
2013	2013-1	(3,323)	2,736.7	3,987.4	$54,216.3	(1,112.5)	0.00	0.0	303.71	291.0	0.0	0.0	0.00	0.00	$16,220.67	3,153.3	$2,996.2	$2,927.6	($68.6)	-2.3%
2013	2013-2	(3,323)	2,781.2	4,052.2	$55,593.2	(1,140.8)	0.00	0.0	287.53	275.5	0.0	0.0	0.00	0.00	$16,239.14	3,156.9	$3,020.8	$3,101.1	$80.3	2.6%
2013	2013-3	(3,323)	2,776.0	4,044.6	$53,698.4	(1,101.9)	207.70	310.1	299.70	287.1	0.0	0.0	1.20	311.20	$16,382.96	3,184.8	$3,712.9	$3,530.8	($182.1)	-5.2%
2013	2013-4	(3,323)	2,823.9	4,114.4	$57,007.1	(1,169.8)	302.40	451.5	301.63	289.0	0.0	0.0	1.20	311.20	$16,403.18	3,188.8	$3,862.1	$3,865.4	$3.3	0.1%
2014	2014-1	(3,323)	2,832.6	4,127.1	$56,795.9	(1,165.5)	0.00	0.0	300.73	288.1	0.0	0.0	0.00	0.00	$16,531.69	3,213.8	$3,140.5	$3,059.1	($81.4)	-2.7%
2014	2014-2	(3,323)	2,872.8	4,185.7	$58,452.9	(1,199.5)	0.00	0.0	272.83	261.4	0.0	0.0	0.00	0.00	$16,663.65	3,239.4	$3,164.0	$3,131.8	($32.2)	-1.0%
2014	2014-3	(3,323)	2,863.1	4,171.6	$57,650.5	(1,183.0)	214.00	319.5	284.62	272.7	0.0	0.0	1.20	311.20	$16,621.70	3,231.3	$3,800.3	$3,849.3	$49.0	1.3%
2014	2014-4	(3,323)	2,918.8	4,252.7	$61,111.3	(1,254.0)	310.40	463.4	308.23	295.3	0.0	0.0	1.20	311.20	$16,830.11	3,271.8	$4,017.4	$4,261.6	$244.2	5.7%
2015	2015-1	(3,323)	2,932.8	4,273.0	$61,351.5	(1,258.9)	0.00	0.0	296.31	283.9	0.0	0.0	0.00	0.00	$17,033.57	3,311.3	$3,286.3	$3,294.6	$8.3	0.3%
2015	2015-2	(3,323)	2,985.4	4,349.7	$60,894.0	(1,249.5)	0.00	0.0	242.67	232.5	0.0	0.0	0.00	0.00	$17,113.95	3,327.0	$3,336.7	$3,358.3	$21.6	0.6%
2015	2015-3	(3,323)	2,964.9	4,319.9	$57,171.2	(1,173.2)	213.20	318.3	183.93	176.2	0.0	0.0	1.20	311.20	$17,254.74	3,354.3	$3,983.7	$3,929.0	($54.7)	-1.4%
2015	2015-4	(3,323)	2,982.3	4,345.2	$60,182.7	(1,234.9)	311.20	464.6	216.05	207.0	0.0	0.0	1.20	311.20	$17,397.03	3,382.0	$4,152.1	$4,124.1	($28.0)	-0.7%
2016	2016-1	(3,323)	2,972.0	4,330.3	$60,225.4	(1,235.8)	0.00	0.0	212.31	203.4	0.0	0.0	0.00	0.00	$17,438.80	3,390.1	$3,365.0	$3,366.5	$1.5	0.0%
2016	2016-2	(3,323)	2,994.0	4,362.3	$58,624.7	(1,203.0)	0.00	0.0	170.99	163.8	0.0	0.0	0.00	0.00	$17,456.23	3,393.5	$3,393.6	$3,413.4	$19.8	0.6%
2016	2016-3	(3,323)	2,967.8	4,324.1	$55,397.6	(1,136.8)	216.40	323.1	147.74	141.5	0.0	0.0	1.20	311.20	$17,523.37	3,406.5	$4,046.6	$4,018.7	($27.9)	-0.7%
2016	2016-4	(3,323)	2,983.5	4,346.9	$57,692.8	(1,183.9)	314.00	468.8	180.71	173.1	0.0	0.0	1.20	311.20	$17,622.49	3,425.8	$4,218.9	$4,202.5	($16.4)	-0.4%
2017	2017-1	(3,323)	2,968.5	4,325.1	$57,897.6	(1,188.1)	0.0	0.0	180.02	172.5	0.0	0.0	0.00	0.00	$17,706.71	3,442.2	$3,428.7	$3,455.1	$26.4	0.8%
2017	2017-2	(3,323)	2,990.7	4,357.5	$58,713.7	(1,204.8)	0.0	0.0	180.11	172.5	0.0	0.0	0.00	0.00	$17,784.19	3,457.2	$3,459.4	$3,512.2	$52.8	1.5%
2017	2017-3	(3,323)	2,974.2	4,333.4	$58,702.5	(1,204.6)	220.30	328.9	189.15	181.2	0.0	0.0	1.20	311.20	$17,863.02	3,472.6	$4,099.7	$4,085.3	($14.4)	-0.4%
2017	2017-4	(3,323)	3,013.7	4,391.0	$60,090.9	(1,233.1)	320.90	479.1	198.61	190.3	(0.5)	(255.3)	1.20	311.20	$17,995.15	3,498.3	$4,058.5	$4,056.5	($2.0)	0.0%
2018	2018-1	(3,323)	3,004.0	4,376.9	$60,693.9	(1,245.4)	0.0	0.0	200.06	191.7	0.5	255.3	0.00	0.00	$18,120.84	3,522.7	$3,778.2	$3,742.6	($35.6)	-1.0%
2018	2018-2	(3,323)	3,028.5	4,412.5	$63,501.2	(1,303.0)	0.0	0.0	202.55	194.0	0.0	0.0	0.00	0.00	$18,223.76	3,542.7	$3,523.2	$3,532.3	$9.1	0.3%
2018	2018-3	(3,323)	3,025.7	4,408.5	$63,933.2	(1,311.9)	226.20	337.7	207.89	199.2	0.0	0.0	1.20	311.20	$18,323.96	3,562.2	$4,183.9	$4,316.2	$132.3	3.1%
2018	2018-4	(3,323)	3,067.7	4,469.7	$67,350.2	(1,382.0)	327.30	488.7	236.90	227.0	0.0	0.0	1.20	311.20	$18,511.58	3,598.7	$4,390.3	$4,387.5	($2.8)	-0.1%
2019	2019-1	(3,323)	3,068.3	4,470.6	$66,590.0	(1,366.4)	0.0	0.0	236.22	226.3	0.0	0.0	0.00	0.00	$18,664.97	3,628.5	$3,636.0	$3,803.9	$167.9	4.4%
2019	2019-2	(3,323)	3,117.1	4,541.7	$67,137.0	(1,377.7)	0.0	0.0	213.39	204.4	0.0	0.0	0.00	0.00	$18,765.26	3,648.0	$3,693.4	$3,763.3	$69.9	1.9%
2019	2019-3	(3,323)	3,099.3	4,515.6	$59,138.2	(1,213.5)	230.70	344.4	186.39	178.6	0.0	0.0	1.20	311.20	$18,818.71	3,658.4	$4,471.7			
2019	2019-4	(3,323)	3,136.2	4,569.4	$62,298.9	(1,278.4)	333.80	498.4	213.39	204.4	0.0	0.0	1.20	311.20	$18,912.32	3,676.6	$4,658.6			
2020	2020-1	(3,323)	3,125.1	4,553.3	$66,590.0	(1,366.4)	0.0	0.0	213.39	204.4	0.0	0.0	0.00	0.00	$19,038.27	3,701.0	$3,769.3			
2020	2020-2	(3,323)	3,174.8	4,625.7	$67,137.0	(1,377.7)	0.0	0.0	213.39	204.4	0.0	0.0	0.00	0.00	$19,140.56	3,720.9	$3,850.3			
2020	2020-3	(3,323)	3,156.6	4,599.2	$59,138.2	(1,213.5)	235.30	351.3	233.39	223.6	0.0	0.0	1.20	311.20	$19,195.08	3,731.5	$4,680.3			
2020	2020-4	(3,323)	3,194.2	4,653.9	$62,298.9	(1,278.4)	340.50	508.4	233.39	223.6	0.0	0.0	1.20	311.20	$19,290.57	3,750.1	$4,845.8			
2021	2021-1	(3,323)	3,180.1	4,633.4	$66,590.0	(1,366.4)	0.0	0.0	213.39	204.4	0.0	0.0	0.00	0.00	$19,419.04	3,775.1	$3,923.5			
2021	2021-2	(3,323)	3,230.7	4,707.1	$67,137.0	(1,377.7)	0.0	0.0	213.39	204.4	0.0	0.0	0.00	0.00	$19,523.37	3,795.3	$4,006.1			
2021	2021-3	(3,323)	3,212.2	4,680.1	$59,138.2	(1,213.5)	240.00	358.3	233.39	223.6	0.0	0.0	1.20	311.20	$19,578.99	3,806.2	$4,842.9			
2021	2021-4	(3,323)	3,250.4	4,735.8	$62,298.9	(1,278.4)	347.30	518.5	233.39	223.6	0.0	0.0	1.20	311.20	$19,676.38	3,825.1	$5,012.8			
2022	2022-1	(3,323)	3,241.8	4,723.3	$66,590.0	(1,366.4)	0.0	0.0	213.39	204.4	0.0	0.0	0.00	0.00	$19,807.42	3,850.6	$4,088.9			
2022	2022-2	(3,323)	3,293.4	4,798.4	$67,137.0	(1,377.7)	0.0	0.0	213.39	204.4	0.0	0.0	0.00	0.00	$19,913.84	3,871.3	$4,173.4			
2022	2022-3	(3,323)	3,274.5	4,770.9	$59,138.2	(1,213.5)	244.80	365.5	233.39	223.6	0.0	0.0	1.20	311.20	$19,970.57	3,882.3	$5,017.0			
2022	2022-4	(3,323)	3,313.5	4,827.7	$62,298.9	(1,278.4)	354.20	528.8	233.39	223.6	0.0	0.0	1.20	311.20	$20,069.91	3,901.6	$5,191.5			
2023	2023-1	(3,323)	3,310.2	4,823.0	$66,590.0	(1,366.4)	0.0	0.0	213.39	204.4	0.0	0.0	0.00	0.00	$20,203.57	3,927.6	$4,265.6			
2023	2023-2	(3,323)	3,362.8	4,899.7	$67,137.0	(1,377.7)	0.0	0.0	213.39	204.4	0.0	0.0	0.00	0.00	$20,312.12	3,948.7	$4,352.1			
2023	2023-3	(3,323)	3,343.6	4,871.6	$59,138.2	(1,213.5)	244.80	365.5	233.39	223.6	0.0	0.0	1.20	311.20	$20,369.98	3,959.9	$5,195.3			
2023	2023-4	(3,323)	3,383.4	4,929.6	$62,298.9	(1,278.4)	361.30	539.4	233.39	223.6	0.0	0.0	1.20	311.20	$20,471.30	3,979.6	$5,382.0			
2024	2024-1	(3,323)	3,377.7	4,921.4	$66,590.0	(1,366.4)	0.0	0.0	213.39	204.4	0.0	0.0	0.00	0.00	$20,607.64	4,006.1	$4,442.5			
2024	2024-2	(3,323)	3,431.4	4,999.6	$67,137.0	(1,377.7)	0.0	0.0	213.39	204.4	0.0	0.0	0.00	0.00	$20,718.36	4,027.6	$4,530.9			

CITY OF GALVESTON SALES TAX MODEL
QUARTERLY TAX REVENUE EXPLAINED USING LOCAL, REGIONAL AND NATIONAL FACTORS

Sales Tax Econometric Forecast
Date: 5/7/2019

			Employment		Exports to Mexico FAS + 1 Qtr		Summer Season Adjustment Var #1		Houston Gasoline Price Index + 1 Qtr		Galveston Storm Variable		Pleasure Pier Adjustment		U.S. Real GDP + 1 Qtr					
	COEFFICIENTS		1.457		-0.02052		1.493		0.958		510.6		259.3		0.1944					
FY	Fiscal Year	DATA	DATA	PRODUCT OF DATA AND COEFFICIENT = B	DATA	PRODUCT OF DATA AND COEFFICIENT = H	DATA	PRODUCT OF DATA AND COEFFICIENT = D	DATA	PRODUCT OF DATA AND COEFFICIENT = E	DATA	PRODUCT OF DATA AND COEFFICIENT = F	DATA	PRODUCT OF DATA AND COEFFICIENT = G	DATA	PRODUCT OF DATA AND COEFFICIENT = G	MODEL ESTIMATE ($000's) = A+B+C+D+E+F+G+H	ACTUAL ($000's)	ESTIMATE (OVER)/ UNDER ACTUAL	% Difference
2024	*2024-3*	*(3,323)*	*3,411.8*	*4,970.9*	*$59,138.2*	*(1,213.5)*	*249.70*	*372.8*	*233.39*	*223.6*	0.0	0.0	*1.20*	*311.20*	*$20,777.38*	*4,039.1*	*$5,381.1*			
2024	*2024-4*	*(3,323)*	*3,452.4*	*5,030.1*	*$62,298.9*	*(1,278.4)*	*368.50*	*550.2*	*233.39*	*223.6*	0.0	0.0	*1.20*	*311.20*	*$20,880.73*	*4,059.2*	*$5,572.9*			

CITY OF GALVESTON SALES TAX MODEL
QUARTERLY TAX REVENUE EXPLAINED USING LOCAL, REGIONAL AND NATIONAL FACTORS

Sales Tax Econometric Forecast
Date: 5/7/2019

			Employment		Exports to Mexico FAS + 1 Qtr		Summer Season Adjustment Var #1		Houston Gasoline Price Index + 1 Qtr		Galveston Storm Variable		Pleasure Pier Adjustment		U.S. Real GDP + 1 Qtr					
	COEFFICIENTS		1.457		-0.02052		1.493		0.958		510.6		259.3		0.1944					
FY	Fiscal Year	DATA	DATA	PRODUCT OF DATA AND COEFFICIENT = B	DATA	PRODUCT OF DATA AND COEFFICIENT = H	DATA	PRODUCT OF DATA AND COEFFICIENT = D	DATA	PRODUCT OF DATA AND COEFFICIENT = E	DATA	PRODUCT OF DATA AND COEFFICIENT = F	DATA	PRODUCT OF DATA AND COEFFICIENT = G	DATA	PRODUCT OF DATA AND COEFFICIENT = G	MODEL ESTIMATE ($000's) = A+B+C+D+E+F+G+H	ACTUAL ($000's)	ESTIMATE (OVER)/ UNDER ACTUAL	% Difference

ASSUMPTIONS

	Cal Year	*Calendar Year Employment Growth*	*Fiscal Year*	*Fiscal Year Employment Growth*	*U.S. Real GDP Growth*	*Exports to Mexico*	*CPI*	*Projected COG Sales Tax ($Millions)*
	2016	*-0.10%*	*FY 2016*	*-0.12%*	*1.00%*	*-3.87%*	*0.90%*	*$15.02*
	2017	*1.26%*	*FY 2017*	*1.20%*	*2.07%*	*4.83%*	*2.18%*	*$15.05*
	2018	*2.93%*	*FY 2018*	*2.14%*	*3.00%*	*9.71%*	*2.00%*	*$15.88*
68.4	*2019*	*2.00%*	*FY 2019*	*2.23%*	*2.70%*	*-7.50%*	*2.00%*	*$16.46*
58.0	*2020*	*1.80%*	*FY 2020*	*1.85%*	*2.00%*	*0.00%*	*2.00%*	*$17.15*
56.2	*2021*	*1.75%*	*FY 2021*	*1.76%*	*2.00%*	*0.00%*	*2.00%*	*$17.79*
62.3	*2022*	*2.00%*	*FY 2022*	*1.94%*	*2.00%*	*0.00%*	*2.00%*	*$18.47*
69.1	*2023*	*2.15%*	*FY 2023*	*2.11%*	*2.00%*	*0.00%*	*2.00%*	*$19.20*
	2024	*2.00%*	*FY 2024*	*2.04%*	*2.00%*	*0.00%*	*2.00%*	*$19.93*

68.2

Fiscal Year	Model Total ($000's)	Total Actual Tax ($000's)	Actual Over/ (Under) Model	Pct Actual Over/Under Model	Pct Change
1993	$4,860.2	$4,869.2	***$9.0***	0.18%	
1994	$5,273.1	$5,464.1	***$191.0***	3.50%	12.22%
1995	$5,827.6	$5,828.8	***$1.2***	0.02%	6.67%
1996	$6,333.4	$6,900.6	***$567.2***	8.22%	18.39%
1997	$6,814.1	$7,340.4	***$526.3***	7.17%	6.37%
1998	$7,464.1	$7,702.2	***$238.1***	3.09%	4.93%
1999	$8,263.1	$8,334.8	***$71.7***	0.86%	8.21%
2000	$8,578.5	$8,921.0	***$342.5***	3.84%	7.03%
2001	$9,062.4	$9,356.1	***$293.7***	3.14%	4.88%
2002	$9,400.1	$9,252.0	***($148.1)***	-1.60%	-1.11%
2003	$9,627.0	$9,683.7	***$56.7***	0.59%	4.67%
2004	$9,917.7	$9,916.4	***($1.3)***	-0.01%	2.40%
2005	$10,425.3	$10,449.0	***$23.7***	0.23%	5.37%
2006	$11,284.3	$12,224.2	***$939.9***	7.69%	16.99%
2007	$11,981.0	$12,697.5	***$716.5***	5.64%	3.87%
2008	$12,184.8	$12,586.9	***$402.1***	3.19%	-0.87%
2009	$13,619.8	$13,857.3	***$237.5***	1.71%	10.09%
2010	$11,838.4	$11,380.3	***($458.1)***	-4.03%	-17.88%
2011	$12,034.3	$12,016.9	***($17.4)***	-0.14%	5.59%
2012	$12,874.3	$13,008.8	***$134.5***	1.03%	8.25%
2013	$13,592.0	$13,424.9	***($167.1)***	-1.24%	3.20%
2014	$14,122.2	$14,301.8	***$179.6***	1.26%	6.53%
2015	$14,758.8	$14,706.0	***($52.8)***	-0.36%	2.83%
2016	$15,024.1	$15,001.1	***($23.0)***	-0.15%	2.01%
2017	$15,046.3	$15,109.1	***$62.8***	0.42%	0.72%
2018	$15,875.6	$15,849.1	***($26.5)***	-0.17%	5.07%
2019 Est.	***$16,459.7***				3.68%
2020 Est.	***$17,145.7***				4.17%
2021 Est.	***$17,785.3***				3.73%
2022 Est.	***$18,470.8***				3.85%
2023 Est.	***$19,195.0***				3.92%
2024 Est.	***$19,927.4***				3.82%

CITY OF GALVESTON SALES TAX MODEL
QUARTERLY TAX REVENUE EXPLAINED USING LOCAL, REGIONAL AND NATIONAL FACTORS

Sales Tax Econometric Forecast
Date: 5/7/2019

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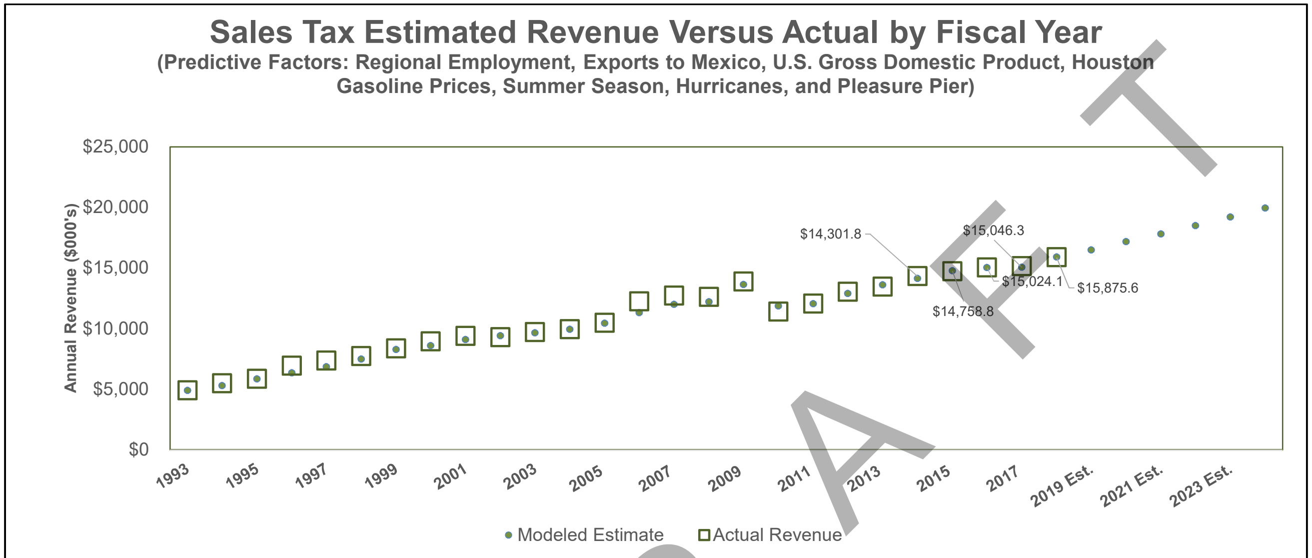

CITY OF GALVESTON SALES TAX MODEL
QUARTERLY TAX REVENUE EXPLAINED USING LOCAL, REGIONAL AND NATIONAL FACTORS

Sales Tax Econometric Forecast
Date: 5/7/2019

			Employment		Exports to Mexico FAS + 1 Qtr		Summer Season Adjustment Var #1		Houston Gasoline Price Index + 1 Qtr		Galveston Storm Variable		Pleasure Pier Adjustment		U.S. Real GDP + 1 Qtr					
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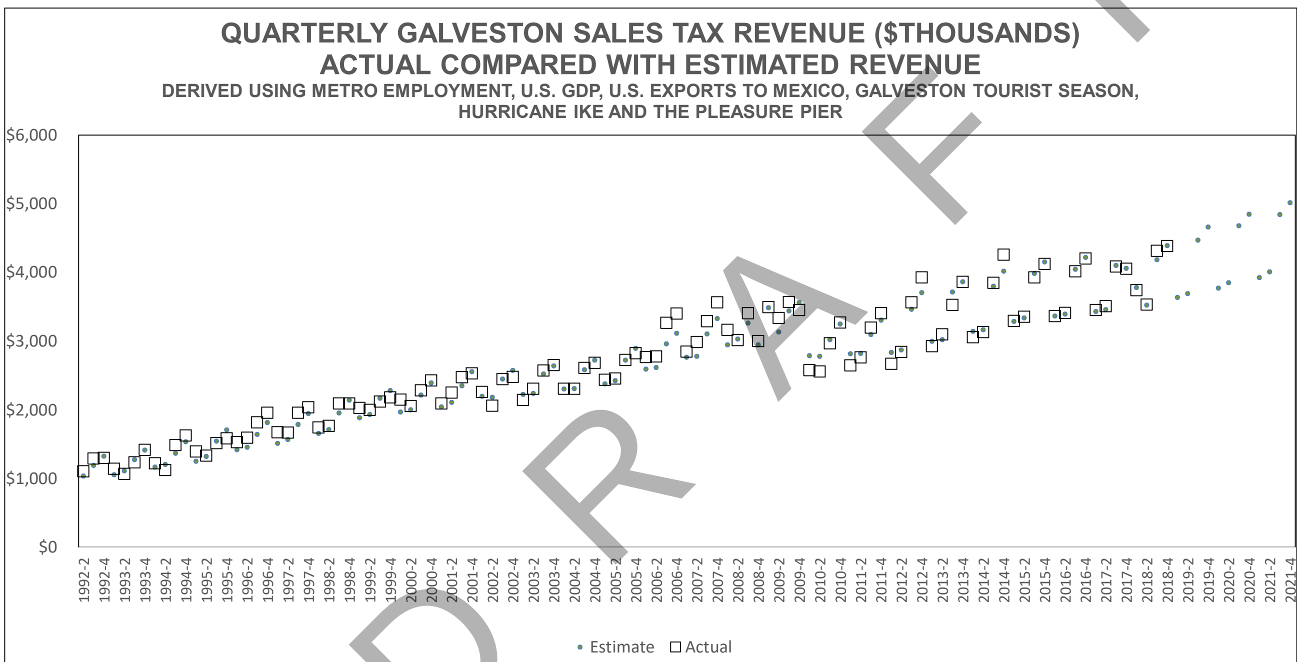
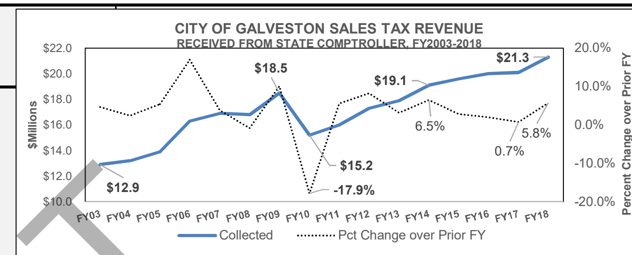
FY	Fiscal Year	DATA	DATA	PRODUCT OF DATA AND COEFFICIENT = B	DATA	PRODUCT OF DATA AND COEFFICIENT = H	DATA	PRODUCT OF DATA AND COEFFICIENT = D	DATA	PRODUCT OF DATA AND COEFFICIENT = E	DATA	PRODUCT OF DATA AND COEFFICIENT = F	DATA	PRODUCT OF DATA AND COEFFICIENT = G	DATA	PRODUCT OF DATA AND COEFFICIENT = G	MODEL ESTIMATE ($000's) = A+B+C+D+E+F+G +H	ACTUAL ($000's)	ESTIMATE (OVER)/ UNDER ACTUAL	% Difference



CITY OF GALVESTON SALES TAX COLLECTIONS RESULTS FOR FULL 2% TAX (1.5% TO CITY, 0.5% TO IDC)
APRIL 2018 MERCHANTS' COLLECTIONS, PAID INTO STATE COMPTROLLER IN MAY, RECEIVED BY CITY IN JUNE 2019

MONTH TAX COLLECTED BY RETAILER	2013 (Full 2% Receipts)	2014 (Full 2% Receipts)	2015 (Full 2% Receipts)	2016 (Full 2% Receipts)	2017 (Full 2% Receipts)	2018 (Full 2% Receipts)	2019 (Full 2% Receipts)	Pct Over Same Mo Last FY	General Fund Share (75% of Total Receipts
October	1,259,799.43	1,291,651.32	1,394,471.33	1,366,645.51	1,453,825.27	1,583,869.29	1,618,015.12	2.16%	1,213,511.34
November	1,140,069.77	1,206,491.83	1,271,065.03	1,346,250.59	1,409,900.59	1,508,187.73	1,549,058.16	2.71%	1,161,793.62
December	1,503,560.37	1,580,661.09	1,727,234.37	1,775,748.53	1,743,007.96	1,898,024.07	1,904,785.84	0.36%	1,428,589.38
January	1,248,434.02	1,196,353.19	1,267,941.59	1,345,136.83	1,365,509.84	1,338,215.41	1,483,226.85	10.84%	1,112,420.14
February	1,183,430.49	1,306,266.44	1,326,316.48	1,287,680.31	1,512,079.09	1,355,370.24	1,494,810.37	10.29%	1,121,107.78
March	1,702,991.96	1,673,131.09	1,883,450.03	1,918,408.51	1,805,353.93	2,016,199.59	2,039,770.58	1.17%	1,529,827.94
April	1,341,757.16	1,543,703.81	1,521,566.83	1,520,201.92	1,597,398.76	1,628,106.23	1,871,434.34	14.95%	1,403,575.76
May	1,464,185.50	1,571,501.29	1,608,255.60	1,728,972.75	1,707,408.24	1,790,834.04			
June	1,901,816.89	2,017,138.85	2,108,830.18	2,109,070.02	2,142,210.36	2,335,983.24			
July	1,867,947.38	2,131,203.89	1,932,921.75	1,840,685.72	2,072,163.35	2,147,580.24			
August	1,702,391.19	1,908,135.36	1,754,317.72	1,970,226.10	1,541,184.53	1,851,919.35			
September	1,583,462.97	1,642,812.02	1,811,499.15	1,792,464.01	1,795,376.55	1,850,497.99			
	17,899,847.13	19,069,050.18	19,607,870.06	20,001,490.80	20,145,418.47	21,304,787.42			
Year over Year Pct Change	3.2%	6.5%	2.8%	2.0%	0.7%	5.8%			



FY18 ACTUAL	15,978,591
FY19 ESTIMATE	16,500,000
FY19 BUDGET	16,600,000

YTD Totals	2013	2014	2015	2016	2017	2018	2019	Pct	GENERAL FUND PROJECTIONS (1.5%) LOW	AVERAGE	HIGH	AVG FY11-18	FULL 2% PROJECTIONS LOW	AVERAGE	HIGH
October	1,259,799.43	1,291,651.32	1,394,471.33	1,366,645.51	1,453,825.27	1,583,869.29	1,618,015.12	2.16%	16,311,000	17,353,000	18,902,000	17,457,000	21,748,000	23,137,000	25,203,000
November	2,399,869.20	2,498,143.15	2,665,536.36	2,712,896.10	2,863,725.86	3,092,057.02	3,167,073.28	2.43%	15,315,000	17,372,000	21,673,000	17,838,000	20,420,000	23,162,000	28,897,000
December	3,903,429.57	4,078,804.24	4,392,770.73	4,488,644.63	4,606,733.82	4,990,081.09	5,071,859.12	1.64%	15,077,000	16,727,000	18,529,000	17,204,000	20,102,000	22,303,000	24,705,000
January	5,151,863.59	5,275,157.43	5,660,712.32	5,833,781.46	5,972,243.66	6,328,296.50	6,555,085.97	3.58%	15,053,000	16,667,000	18,088,000	17,119,000	20,071,000	22,223,000	24,117,000
February	6,335,294.08	6,581,423.87	6,987,028.80	7,121,461.77	7,484,322.75	7,683,666.74	8,049,896.34	4.77%	15,086,000	16,657,000	18,191,000	17,105,000	20,115,000	22,209,000	24,254,000
March	8,038,286.04	8,254,554.96	8,870,478.83	9,039,870.28	9,289,676.68	9,699,866.33	10,089,666.92	4.02%	15,340,000	16,538,000	17,847,000	16,924,000	20,453,000	22,051,000	23,796,000
April	9,380,043.20	9,798,258.77	10,392,045.66	10,560,072.20	10,887,075.44	11,327,972.56	11,961,101.26	5.59%	15,728,000	16,829,000	17,967,000	17,122,000	20,970,000	22,439,000	23,956,000
May	10,844,228.70	11,369,760.06	12,000,301.26	12,289,044.95	12,594,483.68	13,118,806.60									
June	12,746,045.59	13,386,898.91	14,109,131.44	14,398,114.97	14,736,694.04	15,454,789.84									
July	14,613,992.97	15,518,102.80	16,042,053.19	16,238,800.69	16,808,857.39	17,602,370.08									
August	16,316,384.16	17,426,238.16	17,796,370.91	18,209,026.79	18,350,041.92	19,454,289.43									
September	17,899,847.13	19,069,050.18	19,607,870.06	20,001,490.80	20,145,418.47	21,304,787.42									
COG 1.5%	13,424,885.35	14,301,787.64	14,705,902.55	15,001,118.10	15,109,063.85	15,978,590.57	16,500,000.00	3.26%							

Percent of Yearend	2013	2014	2015	2016	2017	2018	Highest Percent YTD, Lowest Yearend Projection	Average Percent YTD, Average Yearend Projection	Lowest Percent YTD, Highest Yearend Projection	Average Percent YTD FY11-18
October	7.04%	6.77%	7.11%	6.83%	7.22%	7.43%	7.44%	6.99%	6.42%	6.95%
November	13.41%	13.10%	13.59%	13.56%	14.22%	14.51%	15.51%	13.67%	10.96%	13.32%
December	21.81%	21.39%	22.40%	22.44%	22.87%	23.42%	25.23%	22.74%	20.53%	22.11%
January	28.78%	27.66%	28.87%	29.17%	29.65%	29.70%	32.66%	29.50%	27.18%	28.72%
February	35.39%	34.51%	35.63%	35.60%	37.15%	36.07%	40.02%	36.25%	33.19%	35.30%
March	44.91%	43.29%	45.24%	45.20%	46.11%	45.53%	49.33%	45.76%	42.40%	44.71%
April	52.40%	51.38%	53.00%	52.80%	54.04%	53.17%	57.04%	53.31%	49.93%	52.39%
May	60.58%	59.62%	61.20%	61.44%	62.52%	61.58%	65.00%	61.46%	58.17%	60.68%
June	71.21%	70.20%	71.96%	71.99%	73.15%	72.54%	76.16%	72.34%	69.80%	71.56%
July	81.64%	81.38%	81.81%	81.19%	83.44%	82.62%	86.81%	82.17%	80.35%	81.76%
August	91.15%	91.38%	90.76%	91.04%	91.09%	91.31%	92.78%	90.84%	89.87%	90.94%
September	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

<u>**Chapter 1 - General Provisions**</u>

Chapter 1. General Provisions

Sec. 1-1. - Citation.

The ordinances embraced in this and the following chapters and sections shall constitute and be designated "The Code of the City of Galveston, 1982" and may be so cited. Such Code may also be cited as "Galveston City Code of 1982."

Sec. 1-2. - Terms construed.

In the construction of this Code, and of all ordinances and resolutions passed by the <u>C</u>ity Council, the rules and definitions set out in this section shall be observed, unless such construction would be inconsistent with the manifest intent of the city council. The rules of construction and definitions set out herein shall not be applied to any section of this Code which shall contain any express provisions excluding such construction, or where the subject matter or context of such section may be repugnant thereto.

Generally. All general provisions, terms, phrases and expressions contained in this Code shall be liberally construed in order that the true intent and meaning of the city council may be fully carried out.

In the interpretation and application of any provisions of this Code, they shall be held to be the minimum requirements adopted for the promotion of the public health, safety, comfort, convenience and general welfare. Where any provision of the Code imposes greater restrictions upon the subject matter than another more general provision imposed by the Code or other law, the provision imposing the greater restriction or regulation shall be deemed to be controlling.

Citation. An ordinance violation notice and notice to appear before the city municipal court <u>of record</u>, as provided for in this article.

City. The words "the city" shall mean the City of Galveston, in the County of Galveston and State of Texas.

<u>*City Auditor, City Attorney, City Manager, the City secretary, or their designees.* The words "*City Auditor*", "*City Attorney*", "*City Manager*", "*City secretary*" or their designees shall be construed to mean the *City Auditor, City Attorney, City Manager, the City secretary, or their designees*, respectively of the City of Galveston.</u>

~~*City secretary, city manager or other officers.* The words "city secretary", "city manager" or other city officers or departments shall be construed to mean the city secretary, chief of police or such other municipal officers or departments respectively of the City of Galveston, Texas.~~

Code. The term "code" shall mean The Code of the City of Galveston, 1982, as designated in section 1-1 above.

Computation of time. Whenever a notice is required to be given or an act to be done, a certain length of time before any proceeding shall be had, the day on which such notice is given or such act is done, shall not be counted in computing the time, but the day on which such proceeding is to be had shall be counted unless it is a Saturday, Sunday or legal holiday, in which event the period runs until the end of the next day which is neither a Saturday, Sunday nor a legal holiday. If a number of months is to be computed counting the months from a particular day, the period ends on the same numerical day in the concluding month as the day of the month from which the computation is begun, unless there are not that many days in the concluding month, in which case the period ends on the last day of that month.

Council, city council or the council. Whenever in this Code the term "council," "city council" or "the council" is used, such term shall be held to mean the council of the city established under the city charter.

County. The term "county" or "the county" shall mean Galveston County, Texas.

Delegation of authority. Whenever a provision appears requiring the head of a department or some other city officer to do some act or perform some duty, it shall be construed to authorize the head of the department or other officer to designate, delegate and authorize subordinates to perform the required act or perform the duty unless the terms of the provision or section specify otherwise.

Gender. A word importing the masculine gender only shall extend and be applied to females and to firms, partnerships and corporations as well as to males.

Joint authority. Words purporting to give authority to three (3) or more officers or other persons shall be construed as giving such authority to a majority of such officers or other persons, unless it is otherwise declared.

May. The word "may" is permissive and not mandatory.

Month. The word "month" shall mean a calendar month.

Nontechnical and technical words. Words and phrases shall be construed according to the common and approved usage of the language, but technical words and phrases and such others as may have acquired a peculiar and appropriate meaning in law shall be construed and understood according to such meaning.

Number. Any word importing the singular number shall include the plural and any word importing the plural number shall include the singular.

Oath. The word "oath" shall be construed to include an affirmation in all cases in which by law an affirmation may be substituted for an oath, and in such cases the words "swear" and "sworn" shall be equivalent to the words "affirm" and "affirmed."

Or, and. "Or" may be read "and," and "and" may be read "or" if the sense requires it.

Owner. The word "owner" applied to a building or land, shall include any part owner, joint owner, tenant in common, tenant in partnership, joint tenant, or tenant by the entirety, of the whole or of a part of such building or land.

Person. Any individual, association, firm, corporation, governmental agency, political subdivision, or legal entity of any kind.

Preceding, following. The words "preceding" and "following" shall mean next before and next after, respectively.

Residency. Domicile, one's home and fixed place of habitation to which the person intends to return after any temporary absence.

Roadway. The word "roadway" shall mean that portion of a street improved, designed or ordinarily used for vehicular traffic.

Shall. The word "shall" is mandatory and not permissive.

Sidewalk. The word "sidewalk" shall mean any portion of the street between the curb, or the lateral line of the roadway and the adjacent property line, intended for the use of pedestrians.

Signature or subscription. The words "signature" or "subscription" shall include a mark when a person cannot write.

Street. The word "street" shall be construed to embrace streets, avenues, boulevards, roads, alleys, lanes, viaducts, bridges and the approaches thereto and all other public highways in the city.

Time. Words used in the past or present tense include the future as well as the past and present.

V.A.C.S., V.A.T.S., V.T.C.S., V.A.P.C., V.A.C.C.P. Such abbreviations shall mean and include Vernon's Annotated Civil Statutes, Vernon's Annotated Texas Statutes, Vernon's Texas Civil Statutes, Vernon's Annotated Penal Code, Vernon's Annotated Code of Criminal Procedure and other portions of such codification of the Texas Statutes as indicated.

Written or in writing. The words "written" or "in writing" shall be construed to include any representation of words, letters or figures, whether by printing or otherwise.

Year. The word "year" shall mean a calendar year.

Sec. 1-3. - Status of existing ordinances.

The provisions appearing in this and the following chapters and sections, so far as they are the same as those of ordinances existing at the time of the adoption of "The Code of the City of Galveston, 1982" shall be considered as a continuation thereof and not as new enactments.

Sec. 1-4. - Catchlines.

The catchlines of the several sections of this Code printed in boldface type and of the subsections printed in italics are intended as mere catchwords to indicate the contents of the sections and subsections and shall not be deemed or taken to be titles of such sections and subsections nor as any part of the section nor subsection nor, unless expressly so provided, shall they be so deemed when any of such sections or subsections including the catchlines, are amended or re-enacted.

Sec. 1-5. - Effect of repeal of ordinances.

When any ordinances repealing a former ordinance, clause or provision shall be itself repealed, such repeal shall not be construed to revive such former ordinance, clause or provision unless it shall be therein so expressly provided.

The repeal of an ordinance shall not affect any punishment or penalty incurred before the repeal took effect, nor any suit, prosecution or proceeding pending at the time of the repeal, for an offense committed or cause of action arising under the ordinance repealed.

Sec. 1-6. - Amending Code.

All ordinances of general and permanent nature, and amendments to such ordinances, hereinafter enacted or presented to the city council for enactment, shall be drafted, so far as possible, as specific amendments of, or additions to, this Code. Amendments to this Code shall be made by reference to the chapter and section or subsection of the Code which is to be amended, and additions shall bear an appropriate designation of chapter and section or subsection.

Sec. 1-7. - Compliance with Code required.

(a) *General penalty for violation.* Whenever in this Code or in any ordinance of the city an act is prohibited or is made or declared to be unlawful or an offense or a misdemeanor, or wherever in such Code or ordinance the doing of any act is required or the failure to do any act is declared to be unlawful, where no specific penalty is provided therefor, the violation of any such provision of this Code or any such ordinance shall be punished by a fine not exceeding five hundred dollars ($500.00); provided, however, the maximum penalty for offenses arising under such Code or ordinance of the city governing fire safety, zoning, public health and sanitation, including the dumping of refuse, and vegetation and litter violations shall not exceed the sum of two thousand dollars ($2,000.00); provided further, that if such maximum penalty provided for by this Code or any such offense is greater than the maximum penalty provided for the same or a similar offense under the laws of the state, then the maximum penalty for the violation as provided by state statute shall be the maximum penalty under this Code. Each day any violation of this Code or of any ordinance shall continue shall constitute a separate offense.

(b) *Late permit fee.* Whenever by this Code a city permit is required to authorize any person or other entity to perform any act, or to engage in any business, service or occupation, and the permit is not obtained prior to performing the act or engaging in the business, service or occupation, then the fee for such permit shall be three (3) times the amount of the regularly charged fee, but never less than one hundred dollars ($100.00).

Sec. 1-8. - Severability.

It is hereby declared to be the intention of the city council that the sections, subsections, paragraphs, sentences, clauses and phrases of this Code are severable, and if any phrase, clause, sentence, paragraph, subsection or section of this Code shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs, subsections and sections of this Code, since the same would have been enacted by the city council without the incorporation in this Code of any such unconstitutional phrase, clause, sentence, paragraph, subsection or section.

~~Sec. 1-9. - Code enforcement citations in criminal enforcement.~~

~~(a) *Construction, administration and relation to related laws.* The authority, responsibility and duties of peace officers to issue citations, pursuant to Article 14.06(d) of the Code of Criminal Procedure, and/or Section 543.003 of the Transportation Code, is not obviated or in any way eliminated by the provisions of this section.~~

~~A citation issued pursuant to this section does not relate to the issuance of a citation by a peace officer pursuant to Article 14.06(d) of the Code of Criminal Procedure, or Section 543.003 of the Transportation Code.~~

~~(b) *Authority to issue citations.* Pursuant to this section, and the scope of their assigned duties, a citation may be issued by any of the following individuals:~~

~~(1) Code compliance officer/certified code enforcement officer—Certified pursuant to the Texas Department of State Health Services and registered with the Texas Occupational Code.~~

~~(2) Certified building official—Certified pursuant to the International Code Council.~~

~~(3) Certified building inspector—Certified pursuant to the International Code Council.~~

~~(4) Plumbing inspector—Pursuant to Texas Occupations Code, Title 8 Subchapter J, Section 1301.502 (Texas Plumbing License Law).~~

~~(5) Animal control officer—Certified pursuant to the Texas Department of State Health Services of the Texas Health and Safety Code, Chapter 829.~~

~~(6) Sanitation officer—Certified pursuant to the Texas Department of State Health Services and registered with the Texas Occupational Code.~~

~~(c) *Scope of duties.* Pursuant to their authority, the following shall issue citations within the enforcement parameters and provisions enumerated below:~~

~~(1) Code compliance officer/certified code enforcement officer pursuant to:~~

- ~~Chapter 10 "Dangerous Building Code".~~
- ~~Chapter 23 "Nuisances".~~
- ~~International Building Code, as adopted.~~
- ~~International Property Maintenance Code, as adopted.~~

~~(2) Certified building official pursuant to:~~

- ~~Chapter 10 "Dangerous Building Code".~~
- ~~Chapter 23 "Nuisances".~~
- ~~International Building Code, as adopted.~~
- ~~International Property Maintenance Code, as adopted.~~

~~(3) Certified building inspector pursuant to:~~

- ~~Chapter 10 "Dangerous Building Code".~~

- ~~Chapter 23 "Nuisances".~~
- ~~International Building Code, as adopted.~~
- ~~International Property Maintenance Code, as adopted.~~

~~(4) Plumbing inspector pursuant to:~~

- ~~Texas Occupations Code, Title 8 Subchapter J, Section 1301.502 (Texas Plumbing License Law).~~
- ~~Chapter 30 "Plumbing and Gas", in accordance with the Texas Plumbing License Law.~~

~~(5) Animal control officer pursuant to:~~

- ~~Chapter 7 "Animals and Fowl".~~

~~(6) Sanitation officer pursuant to:~~

- ~~Chapter 15 "Garbage and Trash".~~
- ~~Chapter 20 "Litter".~~

~~(d)~~ ~~*Form and content of citation.*~~ ~~A citation issued under this section must be in a form approved by the municipal court clerk that includes, but is not limited to, the following information:~~

~~(1) The name, address, date of birth, or driver's license number and physical description, and telephone number of the person cited;~~

~~(2) The offense for which the person is charged;~~

~~(3) The date and location of the offense;~~

~~(4) An appearance date;~~

~~(5) A statement requiring the person receiving the citation to appear at municipal court on or before the appearance date indicated on the citation;~~

~~(6) A statement of the person's promise to respond to the citation, pursuant to Article 27.14 of the Code of Criminal Procedure, as amended, by the appearance date indicated on the citation, including a place for the person cited to provide the person's signature; and~~

~~(7) The signature of the person issuing the citation.~~

~~(e)~~ ~~*Pleading subsequent to the issuance of a citation.*~~

~~(1) All pleas arising from the issuance of a citation under this section shall be made pursuant to Article 27.14 of the Code of Criminal Procedure, as amended.~~

~~(2) Refusal of the person cited to sign a citation issued under this section shall in no way effect the validity of the issued citation.~~

~~(f)~~ ~~*Related offenses and penalty.*~~

~~(1) *Ordinance violation of promise to appear*. A person issued a citation, as authorized by this section, commits an offense if the person fails to appear or fails to enter a plea pursuant to subsection (e) on or before the appearance date indicated on the citation.~~

~~(2) *Interference or obstruction of issuance.* A person commits an offense if the person interferes with or obstructs the issuance of a citation under this section.~~

~~(3) *Providing false or fictitious name.* A person commits an offense if the person gives a false or fictitious name, address, or other information to an individual authorized to issue a citation under this section.~~

~~(g) *Penalty*. A violation under this section is a Class C misdemeanor offense punishable upon conviction by a fine not to exceed five hundred dollars ($500.00) per offense. Each day shall constitute a separate offense.~~

~~Pursuant to state law and this Code, the maximum penalty for offenses arising under such code or ordinance of the city governing fire safety, zoning, public health and sanitation, shall not exceed the sum of two thousand dollars ($2,000.00).~~

~~If such maximum penalty provided for by this Code or any such offense is greater than the maximum penalty provided for the same or a similar offense under the laws of the state, then the maximum penalty for violation as provided by state statute shall be the maximum penalty under this Code.~~

~~Penalties provided for are in addition to any other enforcement remedies that the city may have under city ordinances and state law.~~

Chapter 2 - Administration

ARTICLE I. - IN GENERAL

Sec. 2-1. - Original survey.

(a) The original plan and survey, known and designated as the "Groesbeck survey," so far as marked by actual measurements, and so far as revived, re-established and determined by the surveys of Tipton Walker, civil engineer, under and by resolution and order of the city council of the city, shall be and is hereby affirmed and established as the true city survey of the city.

(b) The theory of survey and plot, as marked on Sandusky's map, as to dimensions of blocks and lots, and width of streets and alleys, is also confirmed in each and every particular, with the exception that the street known and designated as Avenue B of Strand Street, is eighty (80) feet in width, instead of seventy (70) feet as marked thereon.

Sec. 2-2. - Official newspaper.

The Galveston County Daily News, a newspaper of general circulation in the city, is hereby designated the official newspaper of the city. ~~and the~~ The city secretary ~~shall~~ may cause to be published therein all matters which are required to be officially published in accordance with State Law.

Sec. 2-3. - City depository; adequacy of securities.

Shall be in compliance with the laws of the State.

~~It shall be the duty of the director of finance to see that securities pledged to secure deposits of city funds are at all times of a value sufficient to afford adequate security; for such purpose the director may demand the pledge of additional or other securities, allow withdrawals of excess securities and approve substitutions of securities. In the event of a disagreement with reference to any such matters between the director and depository, the depository shall have the right to appeal to the city council.~~

Sec. 2-4. - 2.20 - Reserved.

~~Sec. 2-5. - Reserved.~~

~~Secs. 2-6 – 2-20. - Reserved.~~

ARTICLE II. - OFFICERS AND EMPLOYEES

DIVISION 1. - GENERALLY

Sec. 2-21. - Effect of failure to qualify.

If any person shall fail to qualify within five (5) days after they shall have been notified of their election or appointment by the city secretary, their offices shall become vacant, except in cases of sickness, unavoidable accident or special action of the city council.

Sec. 2-22. - Personnel rules and regulations.

Those rules and regulations set forth in ~~that certain document entitled~~ the City's "~~Personal~~ Personnel Policies and Procedures Manual ~~and Handbook~~," a certified copy of which has been placed on file in the offices of the city secretary, is hereby declared to be the official personnel rules and regulations of the city and are as such to be and remain binding upon all personnel in the employ of the city. Said "~~-~~ ~~Personal~~ Personnel Policies and Procedures Manual ~~and Handbook~~," is enacted and incorporated into this Code to the same extent as though same were copied and repeated at length and verbatim herein.

Sec. 2-23. - Employment and retirement age.

~~No person shall be employed by the city after having reached the age of seventy (70) years~~. No person, , ~~including the fire chief and police chief~~, employed in the classified services of the police and fire department of the city, pursuant to the provisions of Article 1269m, Texas Civil Statutes (commonly known as the Firemen's and Policemen's Civil Service Act), shall continue to be employed in said departments after having reached the age of sixty-five (65) years unless such person has been certified to be physically qualified to perform the same duties required of all persons of the same rank in the fire or police department, as the case may be. Any employee in the fire or police departments who is sixty-five (65) years of age or older shall furnish annually a similar physical-qualification certification prior to reaching his sixty-sixth, sixty-seventh, sixty-eighth and sixty-ninth birthdays in order to remain employed in said departments. All physical-qualification certifications shall be certified to by a duly licensed physician not earlier than thirty (30) days prior to the employee's reaching each of said birthdays. Nothing contained in this section shall be construed to affect any pension fund provision, employee retirement benefit or computation thereof

Sec. 2-24. - Residence requirements.

All residency requirements for city employees shall be in accordance with state law.

Sec. 2-25. - Employment evaluations. appointees

~~All employees and city council appointees shall be evaluated at a minimum at the end of their first three (3) months of employment, at the end of their first six (6) months of employment and at the end of each twelve (12) months of employment thereafter. All employees shall be evaluated by their immediate supervisor(s) or the head of the department. If an employee is evaluated by one (1) or more supervisors the department head shall review the evaluation before it is presented to the employee. This section shall not apply to any employee subject to Firemen's and Policemen's Civil Service Law, Chapter 143 of the Local Government Code.~~ City Council Appointees will be given an annual performance review by City Council at a time of its convenience.

Secs. 2-26—2-34. - Reserved.

DIVISION 2. - DEFENSE COSTS, INSURANCE, AND PROCESSING OF CLAIMS

Sec. 2-35. - Definitions.

As used in this division, the term "public official" means all elective and appointed officials of the city and the members of all official boards, commissions and committees of the city. As used herein, the term "employee" means any person employed by the city, either part-time or full-time, excluding independent contractors.

Sec. 2-36. - Defense costs.

(a) The city shall defend any public official or employee of the city against any claims or lawsuits filed against the public official or employee that are related to the official duties of the public official or employee. Costs of defense may include attorneys' fees, judgments, costs and amounts paid to settle such claim or lawsuit. Defense costs the city may pay shall be limited to those claims for which the city has insurance coverage. In the event the city does not have insurance coverage, defense costs shall be in accordance with directives by the disinterested members of city council. In no event shall the city ever be responsible for or pay any costs associated with the public official or employee retaining his or her own attorney or incurring other costs not in accordance with the provisions of this section unless specifically authorized by city council.

~~(b) The city shall not be responsible for any costs attributable to any public official or employee if such person is found guilty, by a judge or jury, of negligence, misconduct, malfeasance, or misfeasance in the performance of the public official's or employee's duties.~~

Sec. 2-37. - Insurance.

The city may, but shall not be obligated to purchase and maintain insurance, which provides protection and covers expenses relating to claims or lawsuits filed against city public officials or employees in the performance of their official duties.

Sec. 2-38. - Claims processing.

(a) If an individual, messenger, or process server sends or delivers to any city department or to any public official or city employee a notice of claim, the public official or employee shall immediately deliver the same to the city secretary's office. If a public official or employee is served with a lawsuit, the public official or employee shall immediately notify the city attorney and city risk manager. For purposes of this section 2-38, a "notice of claim" includes letters or other communications indicating that a claim may exist or that a lawsuit may be filed against the city, public official, or employee.

(b) The city secretary shall maintain a "claims log." The city secretary shall enter each claim into the log and record the following information: (1) the day the city secretary received the claim; (2) the claimant's name, address and phone number; (3) the claimant's attorney, if any; and (4) the city claim number. The city secretary shall assign the city claim number. The city claim number shall be consecutive numbers, such as 98-001, 98-002, with the first two digits being the year the city secretary receives the claim and not the year the incident occurred.

(c) After entering the claim into the logbook, the city secretary shall immediately deliver a copy of the claim and any attachments to the city risk manager and the City Attorney.

(d) The city secretary shall place notice of the claim on city council's next scheduled agenda.

(e) Upon receiving the notice of claim, the risk manager shall immediately notify the proper insurance carriers.

(f) If a claim results in litigation, the risk manager shall immediately notify the city attorney. ~~The city attorney shall provide, in writing to the risk manager the city attorney's request to retain the litigation in-house, or to place the litigation with outside legal counsel.~~

The City Attorney shall inform the Risk Manager whether the litigation shall be managed by In-House legal counsel or by Outside Legal Counsel.

Secs. 2-39—2-48. - Reserved.

DIVISION 3. - CODE OF ETHICS

Sec. 2-49. - Short title and scope.

The provisions of this division shall be known as the "Code of Ethics," and shall govern the conduct of all public officials and employees in the discharge of their official duties with the city. Public officials and employees of the city shall comply with applicable provisions of the laws of the state and the city Charter regulating the conduct of public officials and employees. It is not the intent of the city council in adopting the code of ethics that violations thereof are subject to criminal penalties.

Sec. 2-50. - Declaration of policy.

It is hereby declared to be the policy of the city that the proper operation of democratic government requires that public officials and employees be independent, impartial, responsible and accountable to the people of the city; that governmental decisions and policy should be made in accordance with the city Charter; that no public official or employee should have any interest, financial or otherwise direct or indirect, or engage in any business, transaction or professional activity or incur any obligation of any nature that is in conflict with the proper discharge of duties in the public interest; that public office and public employment are positions of public trust imposing the duty of a fiduciary upon all employees and officeholders, who are not to use their public position for personal gain. Further, public officials and employees are bound to discharge faithfully the duties of their offices regardless of personal considerations, recognizing that the public interest must be their primary concern.

To implement such a policy, the city council deems it advisable to enact this code of ethics for all officers, employees and board members, whether elected or appointed, paid or unpaid, to serve not only as a guide for official conduct of the city's public servants, but also as a basis for discipline for those who refuse to abide by its terms. To this end, there is established in this chapter an ethics commission for the city. In addition to this code of ethics, public officials and employees are subject to state ethics, gift, and honorarium laws.

Sec. 2-51. - Definitions.

As used in this division, the following terms shall have the meanings respectively ascribed to them in this section:

Affinity shall mean those people who are related to each other as a consequence of marriage; relatives falling within the first degree of affinity would include an officer or employee's spouse, father-in-law, mother-in-law, son-in-law, or daughter-in-law.

Benefit means any gift, favor, service or thing of value.

Board shall mean any board, commission, or committee established by city council, Charter, or state law.

Business means any activity engaged in for economic gain, or for charitable, educational, or philanthropic purposes.

Business entity means a sole proprietorship, partnership, firm, corporation, holding company, joint stock company, receivership, trust, or any other entity recognized in law.

Candidate means a person who files for a city elected office.

Consanguinity shall mean those people who are related to each other by blood or adoption; relatives falling within the first degree of consanguinity would include an officer or employee's father, mother, son or daughter.

Contract means a written agreement for the purchase of some goods, services or property in exchange for the provision of some consideration

Defective as to form shall mean the complainant failed to complete an affidavit of complaint provided by the city secretary in the form approved by the ethics commission.

Election means the process by which individuals, whether opposed or unopposed, seek election to city elective offices.

Employee shall mean any person employed by the ~~governmental entity~~ city including those individuals employed on a part-time basis. The definition of "employee" shall not include any independent contractor, ~~persons employed by the city under civil service~~ or persons employed by the city wharves or park board. A violation of this Code by an employee shall be enforced through the application of the disciplinary process applicable to the employee.

Financial interest shall mean:

(1) A person who owns ten (10) percent or more of the voting stock or shares of the business entity, or owns either ten (10) percent or more or fifteen thousand dollars ($15,000.00) or more of the fair market value of the business entity; or,

(2) A person who received during the previous year more than ten (10) percent of the person's gross income from the entity; or,

(3) A person who is an equitable or legal owner of real property with a fair market value of two thousand five hundred dollars ($2,500.00) or more.

Frivolous complaint. A complaint is frivolous when it is clearly insufficient on its face and is presumably filed for mere purposes of delay or to embarrass the person complained against.

Governmental entity shall include the city, city wharves board, or city park board.

Hearing, sufficiency shall mean a commission meeting held ~~within ten (10) days of receipt of a complaint~~ to determine whether the complaint alleges the existence of reasonable grounds to believe that a violation of the code of ethics ~~has~~ may have occurred. ~~A hearing on the merits of the complaint shall be scheduled if the commission determines that a hearing on the merits is warranted.~~

Hearing, determination shall mean a hearing on the merits of the complaint where the commission receives evidence and hears testimony to determine whether a violation of the code of ethics has occurred.

Impropriety means conduct that violates or gives the appearance that one (1) or more of the standards of conduct established in the code of ethics has been violated.

Knowingly~~.~~ A person acts knowingly, or with knowledge, with respect to the nature of their conduct or to circumstances surrounding their conduct when the person is aware of the nature of their conduct or that the circumstances exist. A person acts knowingly, or with knowledge, with respect to a result of their conduct when the person is aware that their conduct is reasonably certain to cause the result.

Municipal Judge shall refer to the Municipal Judge of the Municipal Court or the Alternate Municipal Judge.

Principal employer shall mean primary employment and shall include a corporation, partnership, sole-proprietorship, joint venture, individual, or any other legal entity.

Public official shall mean any person who is an elected or appointed official, including any member of a board, commission or committee of the city.

State shall mean the State of Texas.

Working days shall mean days the city is open for business.

Sec. 2-52. - Standards of conduct.

No public official or employee shall:

(1) *Gifts or benefits.* Accept or solicit any gift, benefit, favor, service or thing of value, such that it might reasonably tend to influence the officer or employee in the discharge of official duties or that the officer or employee knows or should know is being offered with the intent to influence the officer's or employee's official conduct:

  a. From any person, group, or business entity subject to regulation, inspection, or investigation by any city department, agency, commission, or board on which the public official or employee serves;

  b. From any person, group, or business entity who is interested in or likely to become interested in any proposed ordinance, resolution, or decision upon which such public official or employee must act or make a recommendation;

  c. From any person, group, or business entity who is interested in or likely to become interested in any contract, purchase, payment, claim, or other pecuniary transactions involving the exercise of the employee's discretion; and,

d. From a person, group, or business entity against whom the public official or employee knows litigation is pending or contemplated by the city.

e. In accordance with state law, the following are exceptions to the gift or benefit limitations that apply to public officials and public employees:

1. A gift that has a value of less than fifty dollars ($50.00) excluding cash or a negotiable instrument if it was not given in exchange for any exercise of official discretion;

2. A gift or other benefit conferred on account of kinship or a personal, professional, or business relationship independent of the official status of the recipient;

3. Food, lodging, transportation, or entertainment accepted as a guest provided the donor is present and, if the donor is required by law to report those items, reported by the donor;

4. Reimbursement for food, lodging, transportation or other work related expenses used solely to defray the expenses in the performance of duties or activities;

5. Statutory provided fees; and,

6. Political contributions as defined by state election laws.

(2) *Misuse official information.* Misuse official information or disclose any confidential information gained by reason of the position of the public official or employee concerning the property, operations, policies or affairs of the city.

a. To use such confidential information to advance any personal interest, financial or otherwise;

b. To acquire or help another person to acquire a pecuniary interest in any property, transaction, or enterprise affected by the information;

c. To speculate or aid another to speculate on the basis of the information; or

d. To use the information with the intent to obtain a benefit or to harm another.

e. This subsection (2) shall not prohibit the disclosure or use of confidential information, when required or permitted by law;

f. The prohibition on the misuse of information does not apply to a public official or employee who uses information that is deemed open to the public.

(3) *Misuse of property.* Use their position or office or use the property, facilities, personnel, equipment, or supplies, or any thing of value belonging to the city that has come into the individual's custody or possession by virtue of their public office or employment:

a. For purposes unrelated to the interests of the city;

b. For private advancement or gain;

c. To secure privileges or exemptions; or

d. To grant or give any favor, service, consideration, treatment, advantage, or thing of value to any person, group, or business entity beyond that which is available to individual members of the public.

e. The prohibition on the misuse of government property shall not prohibit such use that is available to the public generally.

(4) *Conflict of interest.*

a. No public official shall knowingly vote or deliberate on any matter in which the public official has a ~~financial interest~~ conflict of interest under the applicable laws of the State of Texas.

~~b. No public official shall knowingly vote or deliberate on any matter in which the public official has a financial interest in the real property under consideration.~~

~~c. No public official shall knowingly vote or deliberate on any matter in which the public official's principal employer has a financial interest.~~

~~d. No public official shall knowingly vote or deliberate on any matter in which the public official serves on the board of directors or other governing body of an entity that benefits from the matter under consideration. This provision does not apply to public officials serving in an ex officio capacity with full voting privileges.~~

~~e. No public official shall knowingly vote or deliberate on any matter in which the public official serves as an officer of any entity that benefits from the matter under consideration.~~

Any contract to which the governmental entity is a party and in which the public official had a conflict of interest under State law shall be voidable at the option of the City if the contract would not have passed without the vote of the person who violated this subsection.

~~or employee has a direct or indirect financial interest that has not been disclosed shall be voidable or rescindable at the option of the governmental entity. Any contract to which the governmental entity is a party and in which the public official or employee has a direct or indirect financial interest or benefit that has not been disclosed does not render an action of the governmental entity voidable unless the matter under consideration would not have passed without the vote of the person who violated this subsection. The term "contract" means any agreement with, or claim, account or demand against, the governmental entity.~~

(5) *Representation.* Represent, as agent, any person, group, or business entity:

a. Before that person's board, committee, or commission; or

b. Before a board or commission that has appellate jurisdiction over that person's board, committee, or commission.

c. The restrictions in this subsection do not prohibit:

1. A public official or employee from appearing before city council or a city department, agency, board, committee, or commission to represent that person's own interest or property;

2. A public official or employee from appearing before the city council or a city department, agency, board, committee, or commission to address employment matters; or

3. A public official or employee from bringing any lawful claim or lawsuit against the city.

d. No member of the Landmark or Planning Commission, or any other board, shall make any testimony or comment to the City Council regarding an item on which the Board has taken action and is before the City Council for consideration unless such testimony or comment is requested by the Council prior to the meeting.

Outside employment or compensation. Accept other employment or compensation that could reasonably be expected to impair the officer or employee's independence of judgment in the performance of the officer or employee's official duties.

(7) *Disclosure of interest.* A public official or employee shall disclose the existence of a financial interest in any person, business entity or real property involved in any decision pending before such officer or employee, in accordance with this section and Chapter 176 of the Texas Local Government Code or its successor. To comply with this paragraph, the public official shall, prior to any discussion or determination of the matter, file a conflicts disclosure statement, which shall be in substantially the same form as that adopted by the state ethics commission, with the city secretary and publicly disclose in the official records of the board or governmental entity the nature of the interest including the public official's principal employer. To comply with this paragraph, the employee shall notify their superior in writing of the nature of any financial interest they may have in a person, business entity or real property that would be affected by an exercise of discretionary authority by the employee and such superior shall assign the matter to another employee. Furthermore, the employee shall also file the conflicts disclosure statement with the city secretary. These requirements are in addition to the state law disclosure provisions imposed upon local government officials and employees.

(8) *Nepotism.*

a. A city councilmember shall not discuss or vote to appoint any person related to the councilmember by affinity or consanguinity within the first degree to any position on a city board, committee, or commission.

b. No appointed public official or employee who has the authority to appoint, supervise, evaluate, or discipline another employee shall hire or appoint any person related by affinity or consanguinity within the first degree to any ~~office, clerkship, or other~~ paid position within the city.

c. Persons who are related by affinity or consanguinity within the first degree shall not be employed or otherwise work in the same department within the city.

d. To the extent this section conflicts with the nepotism provision in article XIV, section 6 of the city Charter, the city Charter shall prevail.

Sec. 2-53. - Ethics commission.

~~(a) The ethics commission shall consist of seven (7) members. Four (4) or more commissioners shall constitute a quorum, but no action of the commission shall have any force or effect unless it is adopted by the favorable votes of four (4) or more of the commissioners~~.

(a) The ethics committee shall consist of seven members. The Municipal Judge, or Alternate Municipal Judge, shall be the presiding officer of the Commission, and no action may take place in the absence of the presiding officer. If neither are able to accept the assignment due to a conflict or any type, the City Council will appoint a presiding chair pro tem, who will be licensed to practice law in the State of Texas, to preside over that case at hand.

~~(b)~~ The remaining six (6) members of the ethics commission shall be appointed by the city council.

(b) A quorum shall consist of Four (4) or more commissioners. No action of the commission shall have any force or effect unless it is adopted by the favorable votes of four (4) or more of the commissioners.

(c) All members shall be residents of the city. With the exception of the presiding officer, no member shall hold any city elected or appointed office or be a candidate for any such office. As nearly as is reasonably possible, the membership of the ethics commission shall be fairly representative of all of the several economic, religious, cultural, ethnic and racial groups that comprise the population of the city. ~~The city council shall develop a list of community, civic and professional organizations that shall be invited to make suggestions for appointments to the ethics commission.~~

(f) All vacancies shall be filled for the unexpired terms. A member shall hold office until a successor has been appointed by the city council and shall continue to hold office after the successor has been appointed by the city council for the limited purpose of the disposition of all complaints deliberated upon by that member. No member may participate in a decision regarding a complaint the ethics commission discussed or reviewed prior to the expiration of the previous member's term. New members shall assume the duties of office with respect to all complaints initiated after the previous member's term.

~~(g) In accordance with the city Charter, article XIV, section 21, the ethics commission shall monitor and enforce the "code of ethics," which shall apply to all elected and appointed officials, members of committees, commissions, or boards, whether such officials or members are paid or unpaid, and to all city employees. The ethics commission shall investigate any alleged violation of the city Charter.~~

In accordance with the city Charter, Article XIV, section 21, the ethics commission shall *consider complaints of violations of the Code of Ethics which have been filed with the City Secretary, involving elected and appointed officials, members of committees of boards. The Code of Ethics shall apply to City employees, but will be enforced by the City Manager or the Council appointed official for whom the employee works. (to* monitor and enforce the "code of ethics," which shall apply to all elected and appointed officials, members of committees, commissions, or boards, whether such officials or members are paid or unpaid, and to all city employees. The ethics commission shall investigate any alleged violation of the city Charter. (

(h) Members shall maintain objectivity and be free of conflicts of interest in discharging their duties. Members of the commission shall be independent in fact and appearance when hearing matters brought before the commission. When a member of the commission has any reason to believe that he or she cannot be impartial, intellectually honest and free of conflicts of interest in discharging any of the duties of the commission, such member shall disclose the facts and circumstances which create the conflict and shall not vote or otherwise participate in consideration of the matter.

If a member is to be a witness in the proceeding, the member will immediately cease participation in the matter; failure to do so constitutes a resignation from the commission.

Sec. 2-54. - Complaints.

(a) A complaint alleging a violation of the code of ethics shall specify the section thereof alleged to have been violated and the date the alleged violation~~s~~ occurred. The complainant must be a resident of the city. The complainant shall complete an affidavit of complaint provided by the city secretary in the form approved by the ethics commission and attach it to the complaint. No complaint will be filed unless supported by an affidavit. The affidavit shall provide notice that filing a frivolous complaint may subject the complainant to criminal penalties. The affidavit of complaint shall be sworn to as true and correct by the complainant.

(b) Upon the sworn affidavit of complaint being filed with the city secretary's office, the city secretary shall, no later than the next working day, provide a copy of the affidavit of complaint to the presiding officer of the ethics commission, the person complained of, and the city attorney. If the matter relates to a violation of the code of ethics by an employee, the complaint will be referred to the employee's supervisor for appropriate disciplinary action, and a copy will be furnished to the Director of Human Resources.

(c) Not later than five (5) working days after receipt of a copy of an affidavit of complaint from the city secretary, the city attorney shall notify the commission, the complainant, and the person complained of ~~if~~ whether the affidavit of complaint is *defective as to form*.

A complaint is defective as to form if it is not signed by the Complainant or if it is not accompanied by a sworn affidavit that states: 1) the complainant has personal knowledge of the facts recited in the complaint; 2) the acts or actions on which the complainant relies in support of the ethics complaint; and 3) the dates of each act or action on which the complainant relies in support of the ethics complaint.

~~When~~ If the city attorney notifies the complainant that the affidavit of complaint is defective as to form, the complainant must ~~may, prior to the sufficiency hearing,~~ file a sworn amended affidavit of complaint with the city secretary within five days of being advised the complaint is defective. The city attorney shall also advise the City Secretary and the presiding officer.

The city secretary shall immediately provide any copy of the sworn amended affidavit of complaint to the commission, the person complained of, and the city attorney. ~~The complainant may appeal the city attorney's opinion regarding form to the commission.~~

If no amended complaint is filed, or an amended complaint is filed which does not address the city attorney's objections as to form, the complaint will be delivered to the presiding officer for a final decision whether the complaint is defective as to form. If the presiding officer determines the complaint is defective it will be dismissed and no further action will be taken on the complaint.

(d) Upon receipt of the ~~affidavit of~~ complaint, which is not defective as to form, the ~~ethics chair, or in the chair's absence the vice chair,~~ presiding officer shall request the city secretary to schedule a sufficiency hearing to be held as soon as practicable but no more than ~~within ten (10) working~~ twenty-one (21) days upon receiving the complaint and notify the ethics commission. The ethics chair, or in the chair's absence the vice chair, shall provide written notification of the sufficiency hearing date to the complainant and the person complained of.

(e) If a complaint alleges facts concerning a possible violation of the code of ethics and such allegations are involved in a criminal investigation or a criminal proceeding, the Presiding Officer will ~~ethics commission~~ ~~may~~ postpone any hearing or any appeal concerning such complaint until after the criminal investigation or criminal proceedings are terminated.

(f) After a complaint has been filed and during the pendency of a complaint before the ethics commission, a member of the ethics commission may not communicate directly or indirectly with any party or person about any issue of law or fact regarding the complaint, except at a meeting of the ethics commission. However, nothing in this section shall prohibit communications between members of the ethics commission ~~and the commission's attorney, or between members of the ethics commission~~ concerning scheduling an ethics commission meeting.

(g) A complaint alleging a violation of the code of ethics must be filed with the city secretary within six (6) months after the commission of the action alleged as a violation and not afterward. The ethics commission will not consider or act on any alleged violation concerning a public official ~~or employee~~ who is no longer serving ~~or employed by~~ the city or on any complaint alleging a violation that has previously been presented to and considered by the ethics commission.

(h) Complaints that a candidate for office is not a resident of the district from which they seek election are not within the purview of the Ethics Commission and must be dismissed by presiding officer and such complaints must be resolved in accordance with the laws of the State of Texas.

Sec. 2-55. - Defense of public official or employee acting in reliance of city attorney opinion.

(a) It shall be a defense to a violation of the code of ethics that the public official or employee acted in reasonable reliance upon ~~an~~ a written opinion rendered by the city attorney; such written opinion will be produced by the public official as soon as practicable or by the date directed by the presiding officer to the City Secretary.

(b) The public official shall make a written response admitting or denying each and every allegation made in the ethics complaint. A failure to respond in writing to the complaint within twenty one days of tis receipt shall be considered an admission of the facts recited in the complaint.

(c) ~~The city shall not be responsible for any costs attributable to any public official or employee if such person is found by the ethics commission, and upheld by the city council if appealed, to have violated the code of ethics.~~

Sec. 2-56. - Opinions by city attorney.

The city attorney will provide a legal opinion on questions of law to the ethics commission when requested in writing by the Presiding Officer ~~chair, or in the chair's absence the vice chair, of the ethics commission~~.

In the event the city attorney's office cannot issue a legal opinion, consult, or advise the ethics commission because of a conflict of interest, the city attorney shall advise, in writing, both city council and the ethics commission. In such an instance, the ethics commission shall be entitled to ~~seek~~ request outside legal counsel and the city council shall consider funding outside legal counsel ~~if requested by the ethics commission~~. The decision by City Council is final.

Sec. 2-57. - Sufficiency hearings.

~~(a) The commission shall hear appeals as to whether the affidavit of complaint is defective as to form. If the commission determines the affidavit of complaint is defective as to form, the complainant may be given one (1) opportunity to amend and resubmit the complaint within five (5) working days from the date of the sufficiency hearing.~~

Upon receipt of ~~an amended~~ a complaint, which is not defective as to form, the ~~chair P~~Presiding Officer, ~~or in the chair's absence the vice chair~~, shall request the city secretary to schedule the sufficiency hearing within ~~ten (10)~~ twenty-one (21) working days. ~~If the commission determines the affidavit of complaint is not defective as to form, it shall proceed with the sufficiency hearing.~~

(b) The issue at the sufficiency hearing shall be whether the complaint alleges the existence of reasonable grounds to believe that a violation of the code of ethics has occurred. At the sufficiency hearing, the Presiding Officer ~~ethics commission~~ shall make at least one of the following determinations:

(1) The complaint does not allege a violation of the code of ethics;

(2) The commission has insufficient information to determine whether the complaint alleges a code of ethics violation; or

(3) The complaint adequately alleges a violation of the code of ethics.

(c) If the complaint is determined to have insufficient information to allege a violation of the code of ethics, the complainant may be given one (1) opportunity to amend and resubmit the complaint within five (5) working days from the date of the sufficiency hearing. Upon receipt of an amended complaint, the chair, or in the chair's absence the vice chair, shall request the city secretary to schedule the sufficiency hearing within ten (10) working days. If the complainant does not amend and resubmit the complaint within such time, the original complaint is denied and the Presiding Officer shall sign an order of dismissal. ~~without the need for further action of the commission.~~

(d) Under the direction of the Presiding Officer, the commission may hear the testimony of the complainant who shall state the alleged violation and describe in narrative form the testimony and other evidence that would be presented to prove the alleged violation as stated in the complaint. All testimony shall be given under oath or affirmation. The person complained against must attend the hearing except for good cause shown to the satisfaction of the Presiding Officer. The person complained of shall have the opportunity to respond but is not required to ~~attend or~~ make any statement. At the conclusion of the sufficiency hearing, the presiding officer will ask the members of the commission whether the matter shall proceed to a determination hearing and the matter will be determined by a majority vote of the six members of the commission. Only in the event of a tie vote will the presiding officer cast a vote to break the tie.

(e) If the ethics commission votes ~~determines~~ that a hearing is warranted, it shall schedule the determination hearing within ten (10) working days of the sufficiency hearing and provide reasonable notice to the complainant and the person complained against.

(f) If the commission determines a determination hearing is required, the complainant and the person complained against may ask the ~~ethics commission at a sufficiency hearing~~ Presiding Officer to direct ~~request~~ certain persons to attend the determination hearing and/or submit evidence for use in and evidence for the determination hearing, ~~if one is scheduled~~. The presiding officer shall determine which evidence should be obtained or which persons should attend the determination hearing, and shall issue an subpoenas for witnesses to attend and testify, and request and issue subpoenas for the production of books, papers, records, or other evidence needed for the performance of the commission's duties or the exercise of its powers.

~~(g) The Texas Public Information Act shall govern all documents filed pursuant to the code of ethics.~~

~~(h) The ethics commission's meetings shall be governed by the Texas Open Meetings Act and may be conducted in a closed session in accordance with such Act.~~

Sec. 2-58. - Determination hearing.

(a) The issue at a determination hearing shall be whether a violation of the code of ethics has occurred. The presiding officer shall direct the conduct of the hearing and make every effort to assist each of the parties to ensure their respective cases are heard. At the conclusion of hearing The ethics commission shall make its determination based on the greater weight and degree of the credible evidence and testimony.

~~(b)~~ The Presiding Officer ~~commission~~ may administer oaths and affirmations~~, take evidence, request and issue subpoenas for witnesses to attend and testify, and request and issue subpoenas for the production of books, papers, records, or other evidence needed for the performance of the commission's duties or the exercise of its powers. The subpoena shall be issued on the sworn affidavit of the complaining party, the person complained against, or the chair, or in the chair's absence the vice chair, of the ethics commission. The~~

~~affidavit shall state that the affiant in good faith believes that such item exists, and stating in detail a description of any such items, sufficient to identify such item. The affiant shall state that the party requesting the subpoena has not been able to obtain such item, and that the affiant in good faith believes that the item is in the possession or control of a person or entity whose name and address is specified in the sworn affidavit.~~

~~(c)~~ ~~The ethics commission, at its discretion, may~~ and hear testimony in oral, written, video, audio, or narrative form. All testimony shall be given under oath or affirmation. ~~At the discretion of the chair, or in the chair's absence the vice chair,~~ The Presiding Officer shall exercise discretion to ensure that testimony and evidence shall be limited to that which is relevant, reliable, well founded, trustworthy, reasonable, verifiable, and authenticated. ~~Members of the ethics commission may question any witness.~~ The person complained against shall have the opportunity, but not the requirement, to respond to the complaint.

~~(d)~~ At the conclusion of the hearing complainant may make a brief statement what sections of the code of ethics has been violated. The persona complained on may respond but is not required to do so The presiding officers shall then conduct a votein open session of the remaining members of the commission whether a violation or violations occurred. The presiding officers will vote only in the event of a tie. If the ethics commission finds a violation has occurred, it shall state its findings of fact in writing, ~~and vote on the issue in open session. The ethics commission shall then state its findings in writing~~, and shall identify any section of the code of ethics that has been violated, and will make a finding of the appropriate sanction in accordance with Section 2-60 below. The Presiding Officer ~~chair, or in the chair's absence the vice chair, of the ethics commission~~ shall sign the findings. Within five (5) working days thereafter, the ethics commission shall deliver a copy of the findings to the city secretary. The city secretary shall promptly send a copy of the commission's findings via certified mail to the complainant and to the person complained against. The determination of the ethics commission shall be final unless a written appeal is filed within ten (10) days in accordance with the code of ethics.

(e) All documents filed pursuant to the code of ethics shall be governed by the Texas Public Information Act.

(f) The ethics commission's meetings shall be governed by the Texas Open Meetings Act and may be conducted in a closed session in accordance with such Act.

Sec. 2-59. – Reserved.

Sec. 2-60. - Sanctions to be imposed or recommended by ethics commission; appeals.

(a) If the ethics commission determines that a violation of the code of ethics has occurred, it shall proceed directly to determine the appropriate recommended sanctions. ~~The ethics commission may receive additional testimony or statements before considering sanctions but is not required to do so. If the person complains against acted in reliance upon an opinion of the city attorney, the ethics commission shall consider the fact.~~

(b) If the ethics commission determines that a violation of the code of ethics has occurred, it may impose or recommend the following sanctions:

(1) The ethics commission may direct a letter of notification to any public official, or to the city manager of any employee. A letter of notification shall be the recommended sanction when the ethics commission finds that a violation is clearly unintentional, or when the conduct of the person complained against was done in reliance upon an opinion of the city attorney. A letter of notification shall advise the public official ~~or city manager~~ of steps that the public official ~~or the city manager's employee~~ should take to avoid future violations. The ethics commission shall send a copy of any letter of notification to city council~~, if the person complained against is a public official~~.

(2) The ethics commission may direct a letter of admonition to any public official, ~~or to the city manager of any employee~~. A letter of admonition shall be the recommended sanction when the ethics commission finds that the violation is minor or unintentional, but calls for a more substantial response than a letter of notification. The ethics commission shall send a copy of any letter of admonition to the city council, if the person complained against is a public official.

(3) The ethics commission may direct a letter of reprimand to any public official, or to the city manager of any employee a letter of reprimand shall be the recommended sanction when the ethics commission finds that a violation has been committed intentionally, knowingly or with conscious indifference to the code of ethics. The ethics commission shall send a copy of any letter of reprimand to city council, if the person complained against is a public official. The ethics commission shall recommend that a letter of reprimand be placed in the public official's ~~or employee's personnel~~ file, if the public official is a city council appointee, or in a file maintained by the city secretary if the public official is an elected official. A letter of reprimand shall prohibit the official from being reappointed to a board or commission at the conclusion of the official's remaining term.

(4) The ethics commission may direct a letter recommending removal ~~or suspension from office or employment to any~~ of appointed public official, ~~or to the city manager of any employee.~~ A letter recommending removal or suspension from office or employment shall be the recommended sanction when the ethics commission finds that a serious or repeated violation of the code of ethics has been committed intentionally, knowingly or with conscious indifference to the code of ethics by a public official or employee.

a. A letter recommending removal from office or a letter recommending suspension from office for a public official appointed by the city council shall be sent to the city council. In such cases the final authority to carry out a recommendation to remove or suspend a public official from office and the length of the suspension shall lie with the city council.

~~b. A recommendation for removal or suspension of a city employee hired by the city manager shall be directed to the city manager. in such cases the final authority to carry out a recommendation to remove or suspend from such an office or employment and the length of the suspension shall lie with the city manager.~~

(5) A letter of censure, a recommendation of recall, or a recommendation to institute proceedings for removal from office shall be the appropriate sanction when the ethics commission finds that a serious or repeated violation of the code of ethics has been committed intentionally, knowingly or with conscious indifference to the code of ethics

by an elected public official. A letter of censure, a recommendation of recall, or a recommendation to institute proceedings for removal from office, directed to an elected city official, shall be transmitted to the city secretary and to the city council. Any recall proceedings shall be subject to the procedures specified in the city charter. Any proceedings for removal from office shall be in compliance with provisions of the City Charter and state law <u>and filed in a court of competent jurisdiction</u>.

Sec. 2-61. - Appeals following a complaint against a public official.

This section shall apply only to a complaint filed against a public officials and not to a complaint filed against a city manager employees.

(1) The ethics commission's determination that a violation of the code of ethics has occurred involving a public official, or that a complaint is defective or fails to allege a violation, is final unless a written appeal is filed with the city secretary within ten (10) days after receipt of the ethics commission's determination.

(2) The public official or the complainant who desires to appeal to city council must file a written appeal stating sufficient facts to show that:

~~a. The ethics commission was prejudiced in its deliberations; or~~

~~b. New evidence is available which was not considered by the ethics commission; or~~

c. The ethics commission committed some error in its deliberations; or

d. Reasons exist as to why the sanctions should be reduced or not imposed.

(3) The city secretary shall forward the appeal to the city council with a report of the ethics commission's determination. The city council shall consider such written appeal, <u>and if it determines to hear the appeal it will schedule an item on the agenda at City Council. When the matter is called on the agenda of the Council, the Council will</u> hear a statement from the complainant and the public official and shall. <u>At the conclusion of the statements, the City Council may</u>:

a. Deny the appeal in its entirety; or

~~b. If city council finds that the written appeal states sufficient facts to satisfy the requirements of paragraph (b) above, schedule its own evidentiary hearing on the appeal or refer the appeal to an independent hearing officer for an evidentiary hearing as provided in paragraph (e) below.~~ <u>Grant the appeal and dismiss the complaint; or</u>

<u>c. Grant the appeal and impose a lesser sanction.</u>

~~(4) If the city council schedules its own evidentiary hearing on the appeal, the produces shall apply:~~

~~a. Such hearing shall be held within thirty (30) days after the council decides to hear the appeal. Council may grant two (2) postponements, not to exceed fifteen (15) days each, upon the request of the public official complained against.~~

~~b. The hearing of the appeal before the council shall be a new hearing. The issue at such hearing shall be whether a violation of the code of ethics has occurred.~~

~~c.~~ ~~At the hearing of the appeal, the city council may, pursuant to its investigatory powers under Article 2, section 5 of the City Charter, administer oaths and affirmations take evidence, request and subpoena witnesses to attend and testify, and request and issue subpoenas for the production of books, papers, records or other evidence relevant to the alleged violation. All witnesses shall testify under oath.~~

~~(5) As an alternative to scheduling its own evidentiary hearing on the appeal as provided in (d) above, the council may appoint a hearing officer to conduct such a hearing. The hearing officer shall be an attorney licensed to practice in the State of Texas. The following procedures shall apply:~~

~~a.~~ ~~The hearing officer shall have the power to hear testimony under oath and receive evidence on behalf of the city council concerning whether a violation of the code of ethics has occurred. The hearing officer shall have the authority to administer oaths and affirmations, and take evidence.~~

~~b.~~ ~~The hearing officer shall have such testimony and evidence transcribed and reduced to writing by a court reporter and shall file the transcript with the city secretary within such time specified by the city council.~~

~~c.~~ ~~The hearing officer shall have the power to make rulings concerning the relevancy and admissibility of the evidence and testimony presented to and heard by the hearing officer; however, the hearing officer shall not make any recommendation to the city council concerning whether a violation of the code of ethics has occurred.~~

~~d.~~ ~~The transcript of the testimony and evidence presented to the hearing officer shall form the evidentiary basis for a hearing to be held before the city council concerning whether a violation of the code of ethics has occurred.~~

~~e.~~ ~~No evidence or testimony shall be presented at the hearing before the city council other than the aforesaid transcript; however, the complainant and the person complained against shall be entitled to present oral or written arguments to the council concerning whether the testimony and evidence in the transcript establish that a violation of the code of ethics has occurred. City council shall determine if arguments are to be presented orally or written. If oral arguments are to be presented, city council shall determine the time each party may speak. If written arguments are to be presented, city council shall determine the length of the written arguments and the date the arguments are due.~~

~~(6) Upon completion of either of the hearing procedures specified in paragraph (4) or (5) above, the council shall determine, based on the greater weight and degree of the credible evidence and testimony, whether a violation of the code of ethics has occurred. If the council determines that a violation has occurred, it shall state its findings in writing, shall identify the particular section of the code of ethics that has been violated, and within five (5) working days thereafter shall deliver a copy of the findings to the complainant, the person complained against and the city secretary.~~

~~(7) The council may adopt rules of procedure for the hearing of an appeal. Such rules shall be consistent with the provisions of this article and other applicable laws.~~

~~(8) If the council determines that a violation of the code of ethics occurred, it shall proceed directly to determination of the appropriate sanctions. The council may receive additional testimony or statements before considering sanctions but is not required to do so. If the appointed or elected public official complained against acted in reliance upon an opinion of the city attorney, the council shall consider that fact.~~

~~(9) If the council determines that a violation has occurred, it may impose or recommend the following sanctions:~~

~~a. A letter of notification shall be the appropriate sanction when the violation is clearly unintentional, or when the public official's conduct complained of was made in reliance on an opinion of the city attorney. A letter of notification shall advise the public official to whom it is directed of any steps to be taken to avoid future violations.~~

~~b. A letter of admonition shall be the appropriate sanction in those cases in which the council finds that the violation is minor, or may have been unintentional, but calls for a more substantial response than a letter of notification.~~

~~c. A reprimand shall be the appropriate sanction when the council finds that a violation has been committed intentionally, knowingly or with conscious indifference of the code of ethics.~~

~~d. Removal or suspension from office shall be the appropriate sanction when the council finds that a serious or repeated violation of the code of ethics has been committed intentionally, knowingly or with conscious indifference of the code of ethics by an appointed public official.~~

~~e. A letter of censure, a recommendation of recall, or proceedings for removal from office shall be the appropriate sanction when the council finds that a serious or repeated violation of the code of ethics has been committed intentionally, knowingly or with conscious indifference of the code of ethics by an elected public official. A letter of censure, a recommendation of recall, or decision to institute proceedings for removal from office, directed to an elected city official, shall be transmitted to and filed with the city secretary. Any recall proceedings shall be subject to the procedures specified in the City Charter. Any proceedings for removal from office shall be in compliance with provisions of the City Charter and state law.~~

~~(10) Any sanctions imposed by the city council on a public official pursuant to this section shall be by four or more favorable votes of the city council, except that any sanctions imposed by the city council on an elected council member pursuant to this section shall be by majority vote of the remaining members of the city council.~~

Sec. 2-62. -~~- Appeals by employees.~~ Reserved.

~~Any employee aggrieved by a recommendation from the ethics commission or by any action taken by the city manager may appeal in accordance with the city's personnel rules and regulations.~~

Sec. 2-63. -~~- Appeals following a complaint against an employee.~~ Reserved.

~~Any person who filed a complaint and is aggrieved by the decision of the ethics commission, should express their dissatisfaction to the city manager, if the person complained about is an employee.~~

~~Secs. 2-64 – 2-67. - Reserved.~~

Sec. 2-68. - Financial disclosure.

(a) All candidates for city council, including candidates for mayor, shall file financial information reports as required by, and in accordance with, state law.

(b) All elected members of Council, including the Mayor, and any individual appointed to any City Board, including the Beach Park Board and the Galveston Wharves, shall comply with any and all requirements of the laws of the State of Texas related to conflicts of interest.

~~All candidates for board member appointment or reappointment to the Galveston Wharves board, shall be required to complete a financial disclosure form as set forth in this section:~~

~~(1) All candidates for appointment or reappointment to the board of trustees of the Galveston Wharves board shall complete a financial disclosure form as provided by the city secretary and shall file such completed form with the city secretary. Such form shall be used by the city council in its deliberations regarding the appointment of trustees to the Galveston Wharves board.~~

~~(2) All appointed trustees to the Galveston Wharves board shall file a completed financial disclosure form with the port director of the Galveston Wharves and shall also file a copy with the general counsel of the Galveston Wharves. Appointed trustees of the Galveston Wharves board shall file such copies within thirty (30) days of the trustee's filling the oath of office as required by law.~~

~~(3) All current trustees of the Galveston Wharves board shall complete the financial disclosure form and file it with the city secretary within thirty (30) days from the effective date of this section. All current trustees of the Galveston Wharves board shall file a copy of such financial disclosure form with the port director and with the general counsel of the Galveston Wharves board within thirty (30) days of the effective date of this section.~~

~~(4) All trustees of the Galveston Wharves board shall update and file a financial disclosure form within thirty (30) days of the date of any material change in any of the matters required to be disclosed in the financial disclosure form.~~

~~(5) Notwithstanding any other provision of this section, all trustees of the Galveston Wharves board shall file an annual financial disclosure form at least once every twelve (12) months. Trustees of the Galveston Wharves board shall submit a copy of such financial disclosure form to the port director and the general counsel for the Galveston Wharves board.~~

~~(6) Copies of filed financial disclosure forms shall be made available to the general public in accordance with the Texas Open Records Act Public Information Act.~~

~~(7) Copies of filed financial disclosure forms shall be made available to members of the city council and the ethics commission, and to the city attorney and legal counsel for the Galveston Wharves board upon request by such persons.~~

~~(8) Financial disclosure forms may be used to determine if an individual trustee has a conflict of interest on a particular matter. Such determination shall be made in accordance with the city's code of ethics, state law, federal law or other applicable law, including but not limited to City Charter provisions.~~

~~(9) Legal counsel representing the Galveston Wharves board is specifically authorized to confer with the city attorney and to request the opinion of the city attorney as to conflict of interest matters.~~

~~(10) A failure or refusal of any trustee of the Galveston Wharves board to fully complete the financial disclosure form and file same as required in this section is a violation of the code of ethics.~~

~~(11) Any material misrepresentations or omission of information in any financial disclosure form that is completed and filed in accordance with this section may be considered a violation of the code of ethics.~~

~~(12) The Galveston Wharves shall forward the details of a vote or other matter to the ethics commission if a trustee of the Galveston Wharves board votes on any matter, deliberates, discusses, or recommends a particular action after being advised by general counsel, the city attorney, or special legal counsel appointed by the Galveston Wharves board that the trustee has a conflict of interest. Such report shall be filed in accordance with the provisions of the code of ethics and shall be sworn to by a person with knowledge.~~

~~(13) The ethics commission shall investigate and take appropriate action upon receipt of any complaint filed in accordance with the code of ethics.~~

~~Sec. 2-69. - Public records.~~

~~(a) The city secretary shall create and maintain all statements required to be filed with the city secretary under this provision as public records and retain them for a period as required by state law, after which time the city secretary shall destroy the records in accordance with state law.~~

~~(b) All requests for information are subject to the Texas Public Information Act in accordance with city policy.~~

Sec. 2-70. - Reserved.

~~DIVISION 3A. - LOBBYING~~

~~Sec. 2-70.1. - Purpose.~~

~~The city council declares that the operation of responsible democratic government requires that the fullest opportunity be afforded to the people to petition their government for the redress of grievances and to express freely to any city official their opinions on pending municipal questions and on current issues; and that to preserve and maintain the integrity of the~~

~~governmental decision-making process in the city, it is necessary that the identity, expenditures, and activities of certain persons who engage in efforts to influence a city official on matters within their official jurisdictions, either by direct communication to the official, or by solicitation of others to engage in such efforts, be publicly and regularly disclosed.~~

~~Sec. 2-70.2. - Definitions.~~

~~As used in this division, the following terms and phrases shall have the meanings ascribed to them in this section, unless the context requires otherwise:~~

~~(1) *City official* means a public official as set forth in division 3, "Code of Ethics" of this chapter (*public official* shall mean any person who is an elected or appointed official, including any member of a board, commission or committee of the city), city manager, a member of the city staff, or a board, commission, committee, corporation or political subdivision created by the city.~~

~~(2) *Client* means any person on whose behalf lobbying is conducted. If a person engages in lobbying on that person's own behalf, whether directly or through the acts of others, the person is both a client and a lobbyist (as defined below). In the case of a coalition or association that employs or retains other persons to conduct lobbying activities, the client is the coalition or association and not its individual members.~~

~~(3) *Communicates directly with*, or any variation of that phrase as in V.T.C.A., Government Code ch. 305, [is] to mean contact in person, or by telephone, telegraph, letter, facsimile, electronic mail, or other electronic means of communication.~~

~~(4) *Compensation* means money, service or any other thing of value or financial benefit that is received, or is to be received, in return for or in connection with services rendered or to be rendered, including reimbursement of expenses incurred in lobbying.~~

~~(5) *Expenditure* means a payment, distribution, loan, advance, reimbursement, deposit, or gift of money or any thing of value, including a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure.~~

~~(6) *Lobby* or *lobbying*, except as provided in subsection (7) below, means any oral or written communication (including an electronic communication) to a city official, made directly or indirectly by any person in an effort to influence or persuade an official to favor or oppose, recommend or not recommend, vote for or against, or take or refrain from taking action on any municipal question.~~

~~(7) The term *lobby* or *lobbying* does not include a communication:~~

~~a. Merely requesting information or inquiring about the facts or status of any municipal question, matter, or procedure, and not attempting to influence a city official;~~

~~b. Made by a public official or employee (including, but not limited to, an official or employee of the city) acting in his or her official capacity;~~

~~c. Made by a representative of a media organization if the purpose of the communication is gathering and disseminating news and information to the public;~~

d. ~~Made in a speech, article, publication, or other material that is distributed and made available to the public, or through radio, television, cable television, or any other medium of mass communication;~~

e. ~~Made in the form of a written comment filed in the course of a public proceeding or any other communication that is made on the record in a public proceeding;~~

f. ~~Made in writing as a petition for official action and required to be a public record pursuant to established city procedures;~~

g. ~~Made in writing to provide information in response to an oral or written request by a city official for specific information;~~

h. ~~The content of which is compelled by law;~~

i. ~~Made in response to a public notice soliciting communications from the public and directed to the official specifically designated in the notice to receive such communications;~~

j. ~~Made on behalf of an individual with regard to that individual's employment or benefits;~~

k. ~~Made by a fact witness or expert witness at an official proceeding; or~~

l. ~~Made by a person solely on behalf of that individual, his or her spouse, or his or her minor children.~~

~~(8) *Lobbying firm* means:~~

a. ~~A self-employed lobbyist, or~~

b. ~~A person that has one or more employees who are lobbyists on behalf of a client or clients other than that person.~~

~~(9) *Lobbyist* means a person who engages in lobbying, whether directly or through the acts of another. If an agent or employee engages in lobbying for a principal or employer, both the agent and the principal, or the employee and the employer, are lobbyists.~~

~~(10) *Municipal question* means a public policy issue of a discretionary nature pending or impending before city council or any board or commission, including, but not limited to, proposed action, or proposals for action, in the form of ordinances, resolutions, motions, recommendations, reports, regulations, policies, nominations, appointments, sanctions, and bids, including the adoption of specifications, awards, grants, or contracts. The term "municipal question" does not include the day-to-day application, administration, or execution of existing city programs, policies, ordinances, resolutions, or practices, including matters that may be approved administratively without consideration by a board, a commission, or the city council.~~

~~(11) *Registrant* means a person required to register under section 2-70.3.~~

~~Sec. 2-70.3. - Persons required to register as lobbyist.~~

~~Except as provided by section 2-70.4, a person or entity who engages in lobbying must register with the city clerk.~~

~~Sec. 2-70.4. - Affirmative defenses for failure to register or file activity report.~~

~~It shall be an affirmative defense to prosecution for failure to register or file an activity report, under this division, that:~~

~~(1) A person who owns, publishes or is employed by a newspaper, any other regularly published periodical, a radio station, a television station, a wire service, or any other bona fide news medium that in the ordinary course of business disseminates news, opinions, or paid advertisements that directly or indirectly oppose or promote municipal questions or seek to influence administrative action relating thereto, if the person does not engage in other activities that require registration provided the person has not been retained to represent another person in connection with influencing a municipal question or administrative action.~~

~~(2) Governmental entities. Governmental entities and their officials and employees, provided the communications relate solely to subjects of governmental interest concerning the respective governmental bodies and the city.~~

~~(3) Unknown municipal questions. A person who neither knows nor has reason to know that a municipal question is pending at the time of contact with a city official. This subsection does not apply if the existence of a municipal question is discovered during on-going contacts with a city official and the person then engages in additional lobbying of the same official or other city officials with respect to that municipal question.~~

~~(4) Dispute resolution. An attorney or other person whose contact with a city official is made solely as part of resolving a dispute with the city, provided that the contact is solely with city officials who do not vote on or have final authority over any municipal question involved and so long as such an attorney complies with Rule 4.02 of the Texas Disciplinary Rules of Professional Conduct, as amended.~~

~~(5) Agent or employee. An agent or employee of a lobbying firm or other registrant that files a registration statement or activity report for the period in question fully disclosing all relevant information known to the agent or employee.~~

~~(6) Individual. An individual who engages in lobbying but who neither receives compensation nor expends monies for lobbying with respect to any client. The term "expends" does not include the cost of photocopying documents, or creating other informational material by individuals who communicate with public officials to express personal opinions on behalf of themselves, their family or members of their household.~~

~~(7) Attorneys. A licensed attorney who is performing an act that may be performed only by a licensed attorney.~~

~~Sec. 2-70.5. - Registration.~~

~~(a) *Separate registrations.* A person or entity required to register as a lobbyist must file a separate registration form for each client and in accordance with section 2-70.6, shall submit a registration fee. A registrant who makes more than one (1) lobbying contact for the same client shall file a single registration form covering all lobbying contacts for that client. Each registration form must be signed under oath. If the registrant is not an individual, an authorized officer or agent of the registrant shall sign the form.~~

~~(b) *Initial registration.* An initial registration form must be filed and registration fee submitted no later than the fifth day after the start of lobbying activity. However, in no event shall a~~

~~registrant knowingly fail to register, or knowingly fail to disclose such registration to relevant city officials, prior to official city action relating to the subject matter of the lobbying activity.~~

~~(c) *Renewal of annual registration.* Renewal registration forms must be filed each January for each client for whom a registrant previously filed, or was required to file, an initial registration form.~~

~~(d) *Expiration of registration.* A registration filed under this division expires at midnight, December 31, of each year unless the registrant submits a registration renewal form to the city secretary on a form prescribed by the city secretary and submits the registration renewal fee. The registrant may file the registration renewal form and any requisite fee anytime in December of the year in which the registration expires.~~

~~(e) *Consolidated registration for firms/organizations.* An individual, firm or organization that registers as a lobbyist and that employs agents or employees who engage in lobbying activity on behalf of the registrant's clients may include the agents or employees within the registrant's initial and renewal registration, by identifying the agents or employees and disclosing lobbying activity, as required, by each agent or employee.~~

~~(f) *Required disclosures.* Initial or subsequent registration shall be on a form prescribed by the city clerk and shall include, to the extent applicable:~~

~~(1) The full name, telephone number, permanent address, and nature of the business of:~~

~~a. The registrant;~~

~~b. The client;~~

~~c. Any person, other than the client, on whose behalf the registrant has been engaged by the client to lobby;~~

~~d. Any person, other than the client, who is known by the registrant to contribute financially to the compensation of the registrant, or which, in whole or in major part, plans, supervises, or controls the registrant's lobbying activities on behalf of the client;~~

~~e. Any lobbying firm for which the registrant is an agent or employee with respect to the client; and~~

~~f. Each employee or agent of the registrant who has acted or whom the registrant expects to act as a lobbyist on behalf of the client;~~

~~(2) A statement of all municipal questions on which the registrant or its agents or employees have lobbied for the client in the year preceding the filing of the registration or foreseeably will lobby;~~

~~(3) A list of any positions held by the registrant or its agents or employees as an official or employee of the city, during the past two (2) years.~~

~~(4) If the registrant or an agent or employee is a former city official or employee, a statement that the registrant's lobbying activities have not violated and will not foreseeably violate this division.~~

~~(g) Notice of termination of registration.~~

~~(1) A person who ceases to engage in activities requiring registration under this division shall file a written, verified statement with the city secretary acknowledging the termination of activities. The notice of termination shall be filed within thirty (30) days after the registrant ceases the activity that required registration. The notice is effective immediately.~~

~~(2) A person who files a notice of termination under this section must file the reports required by section 2-70.5 of this division for any reporting period during which the person was registered.~~

~~Sec. 2-70.6. - Fees.~~

~~(a) A person or entity who engages in lobbying must pay a registration fee with the city clerk if the person or entity:~~

~~(1) Receives compensation of two hundred dollars ($200.00) or more in a calendar quarter for lobbying;~~

~~(2) Receives reimbursement of two hundred dollars ($200.00) or more in a calendar quarter for lobbying;~~

~~(3) Expends two hundred dollars ($200.00) or more in a calendar quarter for lobbying; or~~

~~(4) Lobbies as the agent or employee of a person who:~~

~~a. Receives compensation of two hundred dollars ($200.00) or more in a calendar quarter for lobbying;~~

~~b. Receive reimbursement of two hundred dollars ($200.00) or more in a calendar quarter for lobbying; or~~

~~c. Expends two hundred dollars ($200.00) or more in a calendar quarter for lobbying.~~

~~(b) The registration fee at the time of initial or renewal registration is two hundred fifty dollars ($250.00).~~

~~(c) All lobbyist registration fees shall be deposited into a separate account within the general fund, which account shall be used to offset the costs of administering the city's lobbying ordinance and the costs of handling disclosure filings.~~

~~Sec. 2-70.7. - Quarterly activity reports.~~

~~(a) Required disclosures. Except as provided in section 2-70.4, each registrant shall file with the city clerk a separate report signed under oath concerning the registrant's lobbying activities for each client from whom, or with respect to whom, the registrant received compensation of, or expended, monies for lobbying during the prior calendar quarter.~~

~~(b) A firm, entity, or individual that employs agents or employees who lobby on behalf of that organization's or employer's clients may file quarterly reports regarding lobbying activities on behalf of all the organization's or employer's clients, so long as all activities by agents and employees that must be disclosed pursuant to this division are reported on the consolidated quarterly report. When a registrant files a quarterly report disclosing the lobbying activities of its agents or employees, the registrant's agents and employees, are not required to file separate quarterly reports.~~

~~(c) The report for the preceding calendar quarter shall be filed between the first and 15th day of April, July, October, or January, or on the date registration on behalf of the client is required, whichever comes later. If the registrant is not an individual, an authorized officer or agent of the registrant shall sign the form. The report shall be on the form prescribed by the city clerk and shall include, with respect to the previous calendar quarter, to the extent applicable:~~

~~(1) The name of the registrant, the name of the client, and any changes or updates in the information provided in the most recent registration statement filed pursuant to section 2-70.5;~~

~~(2) A list of the specific issues upon which the registrant or its agents or employees engaged in lobbying activities; including, to the maximum extent practicable, a list of specific municipal questions and other proposed, pending, or completed official actions;~~

~~(3) A list of the city officials contacted by the registrant or its agents or employees on behalf of the client with regard to a municipal question;~~

~~(4) A list of the employees or agents of the registrant who acted as lobbyists on behalf of the client;~~

~~(5) In the case of a registrant engaged in lobbying activities on its own behalf, a good faith estimate of the total expenditures as defined in section 2-70.6 that the registrant and its agents or employees incurred in connection with lobbying activities;~~

~~(6) Each gift, benefit, or expenditure greater than fifty dollars ($50.00) made to, conferred upon, or incurred on behalf of a city official or his or her immediate family by the registrant, or by anyone acting on behalf of the registrant, shall be itemized by date, city official, actual cost, and circumstances of the transaction;~~

~~(7) Each exchange of money, goods, services, or anything of value by the registrant, or by anyone acting on behalf of the registrant, with any business entity in which the registrant knows or should know that a city official has an economic interest, or for which the city official serves as a director or officer, or in any other policy making position, if:~~

~~a. The total of such exchanges is two hundred dollars ($200.00) or more in a calendar quarter; and~~

~~b. The city official:~~

~~1. Has been lobbied by the registrant or its agents or employees during the calendar quarter; or~~

~~2. Serves on a board or other city body that has appellate jurisdiction over the subject matter of the lobbying.~~

~~(8) Each exchange shall be itemized by date, business entity and address, city official, amount, and nature of transaction. For purposes of this subsection, the term "exchange" does not include a routine purchase from a commercial business establishment, if the city official in question is neither aware, nor likely to become aware, of the transaction; and~~

~~(9) The name and position of each city official or member of a city official's immediate family who is employed by the registrant.~~

~~(d) Preservation of records. Each registrant shall obtain and preserve all accounts, bills, receipts, books, papers and documents necessary to substantiate the activity reports required for five (5) years from the date of filing of the report containing such items. These records must be provided to the ethics review board upon request by the board.~~

~~(e) No activity or changes. No quarterly activity report is required if there is no activity during the preceding quarter calendar year and there are no other changes to items required to be reported.~~

~~(f) Estimates of income or expenses. For purposes of section 2-70.6, required estimates of compensation or expenses shall be made to the nearest one hundred dollars ($100.00), for amounts totaling less than five thousand dollars ($5,000.00), and to the nearest one thousand dollars ($1,000.00), for amounts totaling more than five thousand dollars ($5,000.00).~~

~~(g) Contingent fees. A person shall disclose employment to lobby on a contingent fee basis as well as any arrangement to engage in lobbying activities on a contingent fee arrangement.~~

~~Sec. 2-70.8. - Restricted activities.~~

~~(a) *False statements.* A person who lobbies or engages another person to lobby, or any other person acting on behalf of such persons, shall not intentionally or knowingly make any false or misleading statement of fact to any city official, or, knowing a document to contain a false statement, cause a copy of such document to be received by a city official without notifying such official in writing of the truth.~~

~~(b) *Failure to correct erroneous statement.* A registrant who learns that a statement contained in a registration form or activity report filed by the registrant during the past three (3) years is false shall not fail to correct that statement by written notification to the city clerk within thirty (30) days of learning of the falsehood.~~

~~(c) *Personal obligation of city officials.* A person who lobbies or engages another person to lobby, or any other person acting on behalf of such person, shall not do any act, or refrain from doing any act, with the express purpose and intent of placing any city official under personal obligation to such lobbyist or person.~~

~~(d) *Improper influence.* A registrant shall not cause or influence the introduction of any ordinance, resolution, appeal, application, petition, nomination, or amendment thereto for the purpose of thereafter being employed as a lobbyist to secure its granting, denial, confirmation, rejection, passage, or defeat.~~

~~(e) *Use of false identification.* A person who lobbies or engages another person to lobby, or any other person acting on behalf of such person, shall not cause any communication to be sent to a city official in the name of any fictitious person or in the name of any real person, except with the consent of such real person.~~

~~(f) *Prohibited representations.* A person who lobbies or engages another person to lobby, or any other person acting on behalf of such person, shall not represent, either directly or indirectly, orally or in writing, that that person can control or obtain the vote or action of any city official.~~

~~(g) *Limitations on gifts.* A person who lobbies or engages another person to lobby, or any other person acting on behalf of such persons, shall not give gifts to a city official or a city employee or his or her immediate family, save and except for:~~

~~(1) Items received that are of nominal value; or~~

~~(2) Meals in an individual expense of fifty dollars ($50.00) or less at any occurrence, and no more than a cumulative value of five hundred dollars ($500.00) in a single calendar year, from a single source.~~

~~(h) *Prohibited lobbying.* A person who lobbies or engages another person to lobby, or any other person acting on behalf of such person, is prohibited from lobbying activities with city officials and employees regarding such contract after a request for proposal (RFP), a request for qualifications (RFQ) or other solicitation has been released. This no-contact provision shall conclude when the contract is posted as a city council agenda item. If contact is required with city officials and employees, such contact will be done in accordance with procedures incorporated into the solicitation document. Violation of this provision by respondents or their agent(s) may lead to disqualification of their offer from consideration.~~

~~Sec. 2-70.9. - Identification of clients.~~

~~*Appearances.* Each person or registrant appearing before the city council or an official body identified in the definition of "city official shall orally identify himself or herself and the client(s) he or she represents before beginning an address. Each person who lobbies or engages another person to lobby shall also disclose on appropriate sign-in sheets his or her identity, the identity of the client he or she represents, and whether he or she is registered as a lobbyist.~~

~~Sec. 2-70.10. - Timeliness of filing registrations and reports.~~

~~A registration or report filed by first-class United States mail or by common or contract carrier is timely if:~~

~~(1) It is properly addressed with postage and handling charges prepaid; and~~

~~(2) It bears a post office cancellation mark or a receipt mark from a common or contract carrier indicating a time within the applicable filing period or before the applicable filing deadline, or if the person required to file furnishes satisfactory proof that it was deposited in the mail or with a common or contract carrier within that period or before that deadline.~~

~~Sec. 2-70.11. - Administration.~~

~~The city clerk shall:~~

~~(1) Provide guidance and assistance on the registration and reporting requirements for lobbyists and develop common standards, rules, and procedures for compliance with this division;~~

~~(2) Review for completeness and timeliness registrations and reports;~~

~~(3) Maintain filing, coding, and cross-indexing systems to carry out the purposes of this division, including:~~

a. ~~A publicly available list of all registered lobbyists, lobbying firms, and their clients; and~~

b. ~~Computerized systems designed to minimize the burden of filing and maximize public access to materials filed under this division;~~

~~(4) Make available for public inspection and copying at reasonable times the registrations and reports filed under this division; and~~

~~(5) Retain registrations and reports in accordance with the Local Government Records Act and the city's record retention policy, whichever being the most restrictive.~~

~~Sec. 2-70.12. - Criminal penalties.~~

~~(a) A person commits an offense if the person intentionally or knowingly violates any provision of this division.~~

~~(b) Violations shall be punishable as provided by the Code of the City of Galveston 1982, as amended, chapter 1, "General provision," section 1-7, "Compliance with code requirements."~~

~~Sec. 2-70.13. - Failure to register or file all required forms.~~

~~(a) The city secretary shall maintain a record of all registrations, termination notices and reports filed under this article.~~

~~(b) Whenever the city attorney determines that a person has failed to register or file any required form, statement, or report as required by this division, the city attorney shall send a written statement of this finding to the person involved by certified mail to the last known mailing address.~~

~~(c) If the person fails to register or file the form, statement, or report as required by this article before the 21st day after the date on which the notice was deposited in the mail, the city attorney shall file a sworn complaint in the municipal court.~~

~~Sec. 2-70.14. - Enforcement.~~

~~(a) Complaints of violations of this division shall be forwarded to the city attorney for review. If the city attorney determines that a violation may have occurred, he/she shall take appropriate action.~~

~~(b) A person may file a written, sworn statement alleging a violation of this division with the city attorney.~~

~~(c) If the person fails to register or file the form, statement, or report as required by this division before the 21st day after the date on which the notice was deposited in the mail, the city attorney shall file a sworn complaint in the municipal courts.~~

~~Sec. 2-70.15. - Regulations.~~

~~The city secretary may adopt regulations for the efficient administration of this division. Any such regulations shall be consistent with this division and applicable laws and shall be approved prior to implementation by the city attorney. A copy of the regulations shall be~~

~~maintained for inspection in the city secretary's office and shall be available for purchase at fees prescribed by law.~~

~~Sec. 2-70.16. - Certain actions by former city officials prohibited.~~

~~(a) No former city official shall during the two-year period following his departure date enter into a contractual relationship with the city or hold more than a ten (10) percent interest in any company that has a contractual relationship with the city. Nothing in this subsection shall prohibit a former city official from accepting employment with the city following his departure date.~~

~~(b) No former city official shall during the two-year period following his departure date communicate directly with a city official to influence municipal legislation or administrative action. It is an exception to the application of this subsection the former city official is primarily acting for his own benefit or making an uncompensated direct communication relating to matters of purely civic or a public concern.~~

~~(c) No former city official shall communicate directly with a city official in an attempt to secure access to information not otherwise available to the general public.~~

~~(d) For purposes of this section "departure date" means the last day of employment with the city or holding of city elective office. Where leave time is taken prior to termination, the departure date is the last day of the leave period.~~

~~(e) For purposes of this section, the term city official shall have the meaning provided in section 2-70.2 of this division.~~

~~(f) If, within two (2) years after commencement of a contract between an individual/company and the city, the company or individual who negotiated and entered into said contract with the city hires a city employee who while a city employee had substantial and personal involvement with the negotiation of said contract, then said contract shall be subject to cancellation and/or the individual/company shall be barred from additional contracting with the city for a period of three (3) years. For purposes of this subsection, the term had "substantial and personal involvement" means that a person, either as a person assigned to handle or participate in the handling of the matter or as a supervisor making decisions with respect to the mater, exercised discretion or decision-making in the handling of a matter that then was associated with a specific party or parties.~~

~~Sec. 2-70.17. - Constitutional rights.~~

~~Nothing in this division shall be construed to prohibit or interfere with any person's rights guaranteed by the United States and Texas Constitutions.~~

DIVISION 4. - CITY MANAGER

Sec. 2-71. - Authority to enter upon purchases, contracts and change orders.

The city manager is hereby authorized to enter upon purchases and contracts without further action of the city council where the expenditure is specifically provided in the budget and does not exceed fifteen thousand dollars ($15,000.00). The city manager is further authorized to approve change orders on construction contracts calling for a decrease or an increase of fifteen thousand dollars ($15,000.00) or less without the approval of the city council. All other expenditures and change orders must have the express approval of the city council, in advance.

The city manager is further authorized to designate those purchases, contracts, and change orders as current year-end encumbrances provided that the designation is made prior to fiscal year end and that such designations are reported to city council.

Sec. 2-72. - Authority to execute releases and subordinations of liens, claims, deeds, and judgments.

The city manager is hereby authorized to execute releases of claims or judgments, and releases and subordination of liens, and deeds, in favor of the city when in the city attorney's opinion such action is in the city's best interest.

Sec. 2-72.5. - Authority to execute easement agreements.

The city manager is hereby authorized to execute easement agreements between the city and any utility company pursuant to the following procedures:

(1) Utility company shall submit to the city manager a written request for an ~~electrical~~ easement (easement request). The utility company shall attach to the easement request a detailed drawing and survey sealed by a registered land surveyor in the State of Texas.

(2) The utility company or third party interest shall pay the fair market value for the property subject to the easement unless the utility service is to be provided to the city, or to a tenant on city-owned property.

(3) The city manager shall submit the easement request to the various city departments for review and comments.

(4) Upon recommendation by city departments and upon final approval by the city attorney, the city manager shall execute the easement agreement.

(5) Upon final execution of the easement agreement, the utility company shall record the agreement at the Galveston County courthouse. The utility company shall maintain the original easement agreements after recordation. The utility company shall provide the city ~~attorney~~ secretary a copy of the recorded easement.

(6) The city manager shall notify city council of the executed easement agreement.

Sec. 2-73. - Sale of city property.

The city manager is hereby authorized to sell and otherwise dispose of personal property of the city without further action of the city council where the value of the property does not exceed one thousand dollars ($1,000.00) and provided that the sale or other disposition is reported at the next meeting of the city council.

Sec. 2-74. - Grants.

The city manager is hereby authorized to apply for any grant on behalf of the city without first obtaining city council authorization. The city manager shall obtain city council's authorization before accepting any grant on behalf of the city.

Sec. 2-75. - Permits.

The city manager is hereby authorized to sign all permit applications pertaining to sewer plants, including but not limited to, renewal permits for Texas ~~Natural Resource Conservation~~ Commission on Environmental Quality (TCEQ).

Sec. 2-76. - Temporary street closures.

The city manager is hereby authorized to temporarily close streets and execute agreements with the state for the temporary closure of state highways in accordance with all relevant City Code provisions regulating temporary street closures.

Secs. 2-77—2-83. - Reserved.

DIVISION 5. - CITY SECRETARY

Sec. 2-84. - Recording ordinances.

All ordinances adopted or passed by the city council shall be inscribed by the city secretary, at the foot of each ordinance so inscribed, the city secretary shall attest the date of such ordinance's adoption.

Sec. 2-85. - Custody of records and documents.

The city secretary is hereby made the legal custodian of all records of the city, and shall be responsible for their safekeeping.

Sec. 2-86. - Copies of official documents.

The city secretary shall be responsible for furnishing duly certified and authenticated copies of any city records, consistent with city council direction, state or federal law.

Sec. 2-87. - Records management officer.

The city secretary shall serve as the "records management officer" for the city, consistent with V.T.C.A., Local Government Code § 203.025 and successor statutes. Each successive holder of the office shall file his or her name with the director and librarian of the Texas State Library and Archives Commission within thirty (30) days of their appointment or designation to the office, or as may be required by state law.

(1) The city declares that the records control schedules complying with the Texas State Library and Archives Commission's minimum requirements records retention schedules are the city's records management schedules. The city secretary shall develop administrative rules for electronic records consistent with V.T.C.A., Local Government Code § 205.003(a), as amended, for records subject to the rules.

(2) Duties of city secretary (records management officer). In addition to other duties assigned in this chapter, the city secretary shall:

    a. Review the records management program on a regular basis and propose changes and improvements if needed;

    b. Actively support and promote the records management program throughout the city;

c. Administer the records management program and provide assistance to department directors and records liaison officers in its continuation;

d. Provide records management advice and assistance to all city departments by preparation of a records management policy containing the policies and procedures of the records management program;

e. Plan, formulate, and prescribe records disposition policies and procedures, systems and standards;

f. In cooperation with department directors and records liaison officers identify essential records and establish a disaster records management plan, outlined in the records management policy, for each city office and department to ensure maximum availability of the records in order to re-establish operations quickly and with minimum disruption and expense;

g. Develop policies and procedures, outlined in the records management policy, to ensure the permanent preservation of the historically valuable records of the city;

h. Establish standards for filing and storage equipment supplies for recordkeeping;

i. Study the feasibility of and, if appropriate, establish a uniform filing system and a forms design and control system for the city;

j. Provide records management advice and assistance to all city departments by on-site consultations as requested by department directors and/or records liaison officers;

k. Monitor records retention schedules and administrative rules issued by the Texas State Library and Archives Commission to determine if the records management program is in compliance with state law and administrative rules or regulations;

l. Disseminate to the department directors and records liaison officers information concerning state laws and administrative rules or regulations relating to local government records;

m. Instruct records liaison officers and other personnel in the methods and procedures regarding the records management program;

n. Ensure that the maintenance, preservation, microfilming, electronic storage, destruction, or other disposition of city records (local government records) is carried out in accordance with the methods and procedures of the records management program and/or the policies and procedures of the records management policy and the requirements of state law and administrative rules or regulations;

o. Report annually to the city manager on the records management program; and

p. Bring to the attention of the department directors, records liaison officers and/or the city manager the non-compliance by city personnel with the methods and procedures of the records management program, the policies and procedures of the records management Policy, the Local Government Records Act and any administrative rules or regulations.

Sec. 2-88. - Record management program.

Definition of city record(s) (local government record).

(a) City record(s) (local government record). Pursuant to the Local Government Records Act, a *city record (local government record)* means all documents, papers, letters, books, maps, photographs, sound or video recordings, microfilm, magnetic tape, electronic medium, or other information recording medium, regardless of physical form or characteristic and regardless of whether public access to it is open or restricted under the laws of the state, created or received by the City of Galveston, Texas ("city") or any of its officers or employees pursuant to law, including an ordinance, or in the transaction of public business.

(b) The term *record* or *records* does NOT include:

(1) Extra identical copies of documents created only for convenience of reference or research by officers or employees of the city;

(2) Notes, journals, diaries, and similar documents created by an officer or employee of the city for the officer's or employee's personal convenience;

(3) Blank forms;

(4) Stocks of publications;

(5) Library and museum materials acquired solely for purposes of reference or display;

(6) Copies of documents in any media furnished to members of the public to which they are entitled under V.T.C.A., Government Code ch. 552, "Public Information Act," or other state law;

(7) Any records, correspondence, notes, memoranda, or documents, other than a final written agreement described by V.T.C.A., Government Code § 2009.054(c) (Confidentiality of certain records and communications), associated with a matter conducted under an alternative dispute resolution procedure in which personnel of a state department or institution, local government, special district, or other political subdivision of the state participated as a party, facilitated as an impartial third party, or facilitated as the administrator of a dispute resolution system or organization; or

(8) Any other items heretofore or hereafter excepted from the definitions of "records" or the scope of the Local Government Records Act under or pursuant to state law.

(c) Additional definitions.

(1) *Public information officer* shall mean the current person designated by the city manager as the city's designated contact to administer the city website. Pursuant to the Public Information Act, as amended, the chief administrative officer of a governmental body is the officer for public information. For purposes of complying with the Act, the city's "chief administrative officer" is the city manager.

(2) *City records control schedule* means a document prepared by or under the authority of the city secretary listing the records maintained by the city, their retention periods, and other records disposition information that the records management program may require.

(3) *Department director (records custodian).* Pursuant to the Local Government Records Act, a department director, as classified by the city, is a records "custodian." A records custodian means the officer who by the state constitution, state law, ordinance, or administrative policy is in charge of an office that creates or receives city records.

(4) *Director and librarian* means the executive and administrative officer of the Texas State Library and Archives Commission (TSLAC).

(5) *Electronic record* means any information that is recorded in a form for computer processing and that satisfies the definition of local government record data in V.T.C.A., Local Government Code § 205.001 or successor statutes.

(6) *Electronic mail message (E-mail)* means a record created or received on an electronic mail system including brief notes, more formal or substantive narrative documents, and any attachments which may be transmitted with the message.

(7) *Electronic storage* means the maintenance of local government record data in the form of digital electronic signals on a computer hard disk, magnetic tape, optical disk, or similar machine-readable medium.

(8) *Essential record* means any city record (local government record) necessary to the resumption or continuation of city operations in an emergency or disaster, to the re-creation of the legal and financial status of the city, or to the protection and fulfillment of obligations to the people of the state.

(9) *Local government record data* means the information that by law, regulation, rule of court, ordinance, or administrative procedure in a local government comprises a local government record as defined by the Local Government Records Act, V.T.C.A., Local Government Code § 201.003, or successor statutes, and by this article in this section.

(10) *Local Government Records Act* means V.T.C.A., Local Government Code tit. 6, subtit. C, chs. 201—205 or successor statutes.

(11) *Permanent record* means any city record for which the retention period on a records retention schedule issued by the Texas State Library and Archives Commission (TSLAC) is given as permanent.

(12) *Records center* means an off-site records facility under the control of the city secretary. The definition of records center does not include secondary records storage areas.

(13) *Records custodian* or *custodian* means the appointed or elected public officer who by the state constitution, state law, ordinance, or administrative policy is in charge of an office that creates or receives city records (local government records). In the city a "custodian" of records is classified as the department director.

(14) *Records liaison officers* mean the persons designated under section 2-91 of this article. Records liaison officers shall be thoroughly familiar with all the records created and maintained by their department. Records liaison officers shall also respond to requests from members of the public for records held by their departments.

(15) *Records management* means the application of management techniques to the creation, use, maintenance, retention, preservation and disposal of records for the purposes of reducing the costs and improving the efficiency of recordkeeping. The term includes

complying with adopted records retention schedules, the management of filing and information retrieval systems, the protection of essential and permanent records, the economical and space-effective storage of inactive records, control over the creation and distribution of forms, reports, and correspondence, and the management of micrographics and electronic and other records storage systems.

(16) *Records management policy* means the administrative document, outlining the policies and procedures, of the records management program, for all city employees, created by the city secretary and adopted by the city.

(17) *Records management program* means the program so developed pursuant to and mandated by the Local Government Records Act. The records management program provides the methods and procedures necessary to enable the governing body, records custodians, records liaison officers and the city secretary to fulfill the duties and responsibilities set out in the Local Government Records Act.

(18) *Records retention schedule* means a document issued by the Texas State Library and Archives Commission (TSLAC) under authority of V.T.C.A., Government Code ch. 441, subch. J, and establishing mandatory retention periods for local government records. The records retention schedules can be located in V.T.C.A., Administrative Code tit. 13, pt. 1, ch. 7, subch. D or successor statutes or regulations.

(19) *Retention period* means the minimum time that must pass after the creation, recording, or receipt of a record, or the fulfillment of certain actions associated with a record, before it is eligible for destruction.

(20) *Source document* means the local government record from which local government record data is obtained for electronic storage. The term does not include backup copies of the data in any media generated from electronic storage.

Sec. 2-89. - City policy.

(a) It is hereby declared to be the policy of the city to provide for efficient, economical, and effective controls over the creation, distribution, organization, maintenance, use, and disposition of all city records (local government records) through a comprehensive system of integrated methods and procedures, as stated in the records management program, for the management of records from their creation to final processing, consistent with the requirements of the Local Government Records Act, administrative rules or regulations and accepted records management practice.

(b) All city records (local government records) are city property. No city official or employee has, by virtue of his or her position, any personal or property right to such records even though he or she may have developed or compiled them. The unauthorized destruction, removal from files, or use of such records is prohibited.

Sec. 2-90. - Duties and responsibilities of department directors (records custodians).

In addition to other duties assigned in this article, department directors shall:

(1) Cooperate with the city secretary in carrying out the methods and procedures established by the records management program in this article for the efficient and economical management of records;

(2) Cooperate with the city secretary in carrying out the policies and procedures of the records management policy;

(3) Adequately document the transaction of government business and the services, programs, and duties for which the department director and his or her staff are responsible; and

(4) Maintain the records in his or her care and carry out their preservation, microfilming, storage electronically or otherwise, destruction, or other disposition in accordance with the methods and procedures of the records management program described in this article.

Sec. 2-91. - Designation of records liaison officers.

(a) Each department director shall designate a member of his or her staff to serve as records liaison officer for the implementation of the records management program in the department. A department director may serve as records liaison officer for his or her department.

(b) If the city secretary should determine that it is in the best interests of the records management program that more than one (1) records liaison officer should be designated for a department, the department director shall designate staff members equal to the number of records liaison officers specified by the city secretary.

(c) Persons designated as records liaison officers shall be thoroughly familiar with all the records created and maintained by their department. Records liaison officers shall also respond to requests from members of the public for records held by their departments.

(d) In the event of the resignation, retirement, dismissal, or removal by action of the department director of a person designated as a records liaison officer, the department director shall promptly designate another person to fill the vacancy.

Sec. 2-92. - Duties and responsibilities of records liaison officers.

In addition to other duties assigned in this chapter, records liaison officers shall:

(1) In cooperation with the city secretary, coordinate and implement the methods and procedures of the records management program in their departments;

(2) In cooperation with the city secretary, coordinate and implement the policies and procedures of the records management policy in their departments;

(3) Attend all records management meetings and training sessions coordinated by the city secretary. If the designated records liaison officer(s) cannot attend a meeting or training session the department director shall designate another person to attend on behalf of the designated records liaison officer; and

(4) Disseminate information to department staff concerning the records management program.

Sec. 2-93. - Records management program; authority of program.

(a) The Local Government Records Act provides that a city must establish by ordinance or order a records management program to be administered by the city secretary.

(b) The city on November 23, 1994 established by ordinance a records management program and adopted local "city" records control schedules for the purpose of complying with the Local Government Records Act's records retention and destruction laws.

(c) The records management program for the city is this article. It contains updated methods and procedures designed to reduce the costs and improve the efficiency of recordkeeping, to adequately protect the essential records of the city and to properly preserve those records of the city that are of historical value.

(d) This program is designed to enable the city secretary to carry out his or her duties, prescribed by state law and administrative rules or regulations, effectively.

(e) Once approved by the city council this updated records management program shall be binding on all offices, departments, divisions, programs, commissions, bureaus, boards, committees, or similar entities of the city and records shall be created, maintained, stored electronically or otherwise, microfilmed or disposed of in accordance with the program.

(f) State law relating to the duties, other responsibilities, or recordkeeping requirements of a department director do not exempt the department director or the records in the department's care from the application of this article and the records management program adopted under it and may not be used by the department director as a basis for refusal to participate in the records management program of the city.

Sec. 2-94. - Implementation of Texas State Library and Archives Commission records.

Retention schedules.

(a) The city records control schedules adopted by city council on December 27, 1990 and later approved by the Texas State Library and Archives Commission are hereby repealed and replaced by the Texas State Library and Archives Commission records retention schedules, located in the Texas Administrative Code or successor regulations or laws, as follows:

Schedule EL	Retention Schedule for Records of Elections and Voter Registration
Schedule GR	Retention Schedule for Records Common to All Local Governments
Schedule LC	Retention Schedule for Records of Justice and Municipal Courts
Schedule PS	Retention Schedule for Records of Public Safety Agencies
Schedule PW	Retention Schedule for Records of Public Works and Services

Schedule TX	Retention Schedule for Records of Property Taxation
Schedule UT	Retention Schedule for Records of Utility Services

(b) The Texas State Library and Archives Commission records retention schedules as shall be implemented by department directors and records liaison officers according to the methods and procedures of the records management program.

Sec. 2-95. - Destruction of records.

(a) *Mandatory under the adopted schedules.*

(1) A record whose retention period has expired on a records retention schedule, shall be destroyed, after prior authorization is obtained, unless an open records request is pending on the record; the subject matter of the record is pertinent to a pending lawsuit, or a department director or city attorney requests in writing to the city secretary that the record be retained for an additional period.

(2) Prior to a department's mandatory destruction of city records (local government records) under the adopted records retention schedules, noted in subsection 2-94(a), the records liaison officer must obtain authorization for the destruction from the city secretary.

(b) *Destruction of unscheduled records by approval only.* A record which is not listed on an adopted records retention schedule may be destroyed if its destruction has been approved, in the same manner as a record destroyed under an approved schedule, and the city secretary has submitted to and received back from the director and librarian of the Texas State Library and Archives Commission an approved destruction authorization request.

(c) *Penalty for unauthorized destruction of city records (local government records).* Destruction of city records (local government records) contrary to the provisions of the Local Government Records Act including administrative rules and regulations adopted under its authority is punishable under state law. Anyone destroying city records (local government records) without legal authorization may be subject to criminal penalties and fines, including but not limited to, statutes under the Texas Penal Code and V.T.C.A., Government Code ch. 552, "Open Records Act" or successor laws.

Sec. 2-96. - City records center—Off-site records facility under control of city secretary.

A city records center, containing records of a department and located off-site from the department, developed pursuant to the records management program, shall be under the direct control and supervision of the city secretary. The records management program shall regulate the operations and use of the city records center and policies and procedures shall be contained in the records management policy.

Sec. 2-97. Electronic Records - Micrographics.

(a) When possible, all electronic records/ micrographics of records shall be centralized and managed by the departmental records liaison officer.

(b) Electronic records/ Micrographics of records shall be under the direct supervision of the city secretary.

(c) The records management program shall establish methods and procedures for the electronic conversion ~~microfilming~~ of city records (local government records), including policies to ensure that all electronic conversion ~~microfilming~~ is done in accordance with standards and procedures for the electronic conversion ~~microfilming~~ of local government records established in rules and regulations of the Texas State Library and Archives Commission.

(d) The records management program will also establish criteria for determining the eligibility of records for electronic conversion ~~microfilming~~, and protocols for ensuring that an electronic conversion ~~microfilming~~ program that is exempted from the centralized operations is, nevertheless, subject to periodic review by the city secretary as to cost-effectiveness, administrative efficiency and compliance with Texas State Library and Archives Commission rules and regulations.

Sec. 2-98. - Electronic storage of records; authorization.

(a) Pursuant to the Local Government Records Act any local government record data may be stored electronically, subject to the requirements of the Local Government Records Act, V.T.C.A., Local Government Code ch. 205 and rules adopted under it or successor regulations or laws.

(b) When possible, all electronic storage of records shall be centralized and managed by the departmental records liaison officer.

(c) Electronic storage of records shall be under the direct supervision of the city secretary. The technology services supervisor shall assist the city secretary in such duties when they involve designing or creating policies and/or procedures for electronic storage of records.

(d) The records management program shall establish methods and procedures for the electronic storage of city records (local government records). The records management policy shall include policies and procedures to ensure that all electronic storage is done in accordance with standards and procedures for the electronic storage of local government records established in state laws and administrative rules and regulations of the Texas State Library and Archives Commission.

(e) The records management policy shall establish criteria for determining the eligibility of records for electronic storage.

(f) The records management policy will also establish protocols for ensuring that a electronic storage program exempted from the centralized operations is, nevertheless, subject to periodic review by the city secretary and the information officer as to cost-effectiveness, administrative efficiency and compliance with state laws and administrative rules and regulations of the Texas State Library and Archives Commission.

Sec. 2-99. - ~~Electronic records and e-mail.~~

(a) ~~*[Applicability; emails of a personal nature.]* This policy applies to any e-mail created, received, retained, used, or disposed of using the city e-mail system. This policy does not supersede any state or federal laws, or any other government policies regarding confidentiality, information dissemination, or standards of conduct. Generally, e-mail utilizing the city's email system or city-owned or city-leased computers or telecommunications equipment should be used only for legitimate government business. However, brief and occasional e-mail messages of a personal nature may be sent and received if the following conditions are satisfied:~~

~~(1) Personal use of e-mail is a privilege, not a right.~~

~~(2) The use of e-mail to violate this, or any other city policies or directives is prohibited.~~

~~(3) Any employee who violates this policy or uses the city e-mail system for improper purposes shall be subject to discipline, up to and including termination.~~

~~(4) In addition, violations of this policy may be referred for criminal prosecution, where appropriate.~~

~~(5) City management reserves and intends to exercise the right to review, audit, intercept, access, and disclose all e-mails created, received, or sent over the city's e-mail system for any purpose, upon concurrence of the city manager and the city attorney, or their respective designates. The contents of e-mail, properly obtained for legitimate business purposes, may be disclosed within the city without the permission of the employee.~~

~~(6) Recorded e-mail messages are the property of the city, and are not the property of the employee. Thus, these e-mails are subject to the requirements of the Texas Public Information Act and the laws applicable to state records retention.~~

~~(7) Personal e-mail should not impede the conduct of government business. Only incidental amounts of employee time (time periods comparable to reasonable coffee breaks during the day) should be used to attend to personal matters.~~

~~(8) Racist, sexist, threatening, or otherwise objectionable language is strictly prohibited. Among those which are considered objectionable are any messages which contain sexual implications, racial slurs, gender-specific comments, or any other comment that offensively addresses someone's age, religious beliefs, national origin, or disability.~~

~~(9) City e-mail may not be used for any personal monetary interests or gain. Employees should not subscribe to mailing lists or mail services strictly for personal use.~~

(b) ~~*Retention requirements.* The city's records retention schedules provides descriptions of city government records and the retention period for each type of record. For e-mails, it is the content and function of an e-mail message which determines its retention period. E-mail generally falls into two (2) common record series categories. These are:~~

~~(1) *Administrative.* Correspondence and internal memoranda pertaining to or arising from routine administration or operation of the policies, programs, services, and projects of a local government. Retention: One (1) year.~~

~~(2) *Routine.* Correspondence and internal memoranda such as letters of transmittal, requests for publications, internal meeting notice and similar routine matters. Retention: After purpose of record is not no longer deemed administratively valuable.~~

~~(c) *User responsibilities.* It is the responsibility of the user of the e-mail system, with guidance and training from the records management officer, to manage e-mail messages according to the government's established retention periods. It is the sender's responsibility and/or recipient of e-mail messages (based upon the function of the e-mail) within the city's e-mail system and recipients of messages from outside the city to retain the messages for the approved retention period. Names of sender, recipient, date/time of the message, as well as any attachments must be retained with the message. Except for listserv mailing services, distribution lists must be able to identify the sender and recipient of the message.~~

~~(d) *Scope of policy.* This policy applies to any electronic mail messages created, received, retained, used, or disposed of using the city electronic mail system; and any electronic mail messages created, received, retained, used, or disposed of on private e-mail providers (Gmail, Yahoo, Hotmail, etc.) using city-owned or employee-owned personal home computers (provided the content of said electronic mail message constitutes a city government record).~~

~~(e) *Deletion of electronic mail.*~~

~~(1) Deletion of e-mail messages and attachments are governed by the applicable records retention schedules maintained by the city secretary and V.T.C.A., Local Government Code § 202.001, as amended. All employees using the city's e-mail system are charged with the responsibility of knowing and following these retention schedules. All city employees are to refrain from deleting any e-mail message or attachment until they have verified that such deletions are appropriate to, and do not conflict with, these records retention schedules.~~

~~(2) Electronic records scheduled for destruction shall be disposed of in a manner that ensures protection of any confidential information. Magnetic storage media previously used for electronic records containing confidential information shall not be reused if the previously recorded information can be compromised by reuse in anyway.~~

~~(f) *Training.* In cooperation with the city technology services supervisor, the records management officer will ensure that appropriate training is made available for staff. All employees will be required to participate in the training intended to cover the following areas on an annual basis: Operation and care of equipment, software usage, e-mail creation, content management; storing and filing structures; naming conventions; retrievals; final disposition, policies and procedures, relevant laws/rules.~~

Sec. 2-100. - Reserved.

DIVISION 6. - ~~DISASTER DIRECTOR/COORDINATOR~~ OFFICE OF EMERGENCY MANAGEMENT

Sec. 2-101. - Office created – Emergency Management.

~~There is hereby created the office of disaster director/coordinator~~. The office will be operated by an emergency manager who ~~Such person~~ shall be designated ~~appointed~~ by the mayor with the approval of the city council. ~~for a term of one (1) year commencing July 1 of each calendar year~~

Sec. 2-102. - Functions.

The ~~disaster director/coordinator~~ emergency management coordinator shall function pursuant to the Texas Disaster Act of 1975.

Secs. 2-103—2-113. - Reserved.

DIVISION 7. - PURCHASING AGENT

Sec. 2-114. - Duties and powers generally.

It shall be the duty of the purchasing agent to pass upon the requisitions of all heads of departments and officers, agents and employees of the city for all supplies, merchandise and articles of every description needed by them for the use and benefit of the city. He shall contract for and purchase the same in the name of the city.

Sec. 2-115. - Use of ~~facsimile~~ electronic signatures.

All checks, vouchers or warrants for the withdrawal of money from the city depositories shall be signed by the director of finance or his ~~deputy~~ designee and countersigned by the city manager. Provided that the use of ~~machine-imprinted facsimile~~ electronic signatures of said director of finance and city manager on such checks, vouchers or warrants is hereby authorized for amounts not to ~~exceed nine thousand nine hundred ninety-nine dollars and ninety-nine cents ($9,999.99)~~.

Sec. 2-116. - Fiscal note policy.

All proposed ordinances, resolutions or other actions to be approved by city council involving the purchase of goods, the expenditure of funds, or assessment of fees shall be supported by a staff report, which includes the source of the request and a fiscal note prepared by city staff. The fiscal note shall set forth the costs for implementing the proposed action, the costs for continuing the action, and the cumulative costs over time. The fiscal note shall identify the funding source for the action and shall provide any other relevant information pertaining to the economics of the proposed action. The fiscal note shall be informational only and shall not be binding on council's decision to continue or eliminate a program.

Sec. 2-117. - Purchasing policies and procedures manual.

All purchasing and bidding shall be done in accordance with applicable state and federal law and in accordance with policies and procedures set forth in the document entitled "City of Galveston, Texas Purchasing Policies and Procedures Manual," a true and correct copy to be kept on file by the city secretary and the purchasing agent.

Secs. 2-118, 2-119. - Reserved.

DIVISION 8. - CITY ATTORNEY

Sec. 2-120. - City attorney's opinions.

(a) All written city attorney's opinions shall be rendered in a format established by the city attorney which shall generally follow the format for rendering legal opinions established by the attorney general of the State of Texas. The city attorney shall sign all written opinions and shall review and approve all opinions written by assistant city attorneys.

(b) Reserved.

DIVISION 9. - CITY AUDITOR

Sec. 2-121. - Establishment of office of city auditor.

(a) Pursuant to the City Charter, ~~Article VII, Section 3~~, there is hereby established the office of the city auditor, which shall be directed by the city auditor who shall be appointed by affirmative vote of a majority of the entire membership of the city council.

(b) The city auditor must:

  (1) Be a person knowledgeable in performance and financial auditing, public administration, and public financial and fiscal practices;

  (2) Be licensed as a CPA or CIA, or possess municipal auditing experience;

  (3) Exercise due professional care in carrying out the responsibilities of the position and provide reasonable assurance that due professional care will be employed in carrying out audits. The city auditor shall establish audit policies and procedures consistent with government auditing standards established by the Comptroller General of the United States, as well as applicable laws and regulations.

Sec. 2-122. - Independence, objectivity, and audit standards.

The organization and administration of the auditor's office shall be sufficiently independent to assure that no interference or influence shall adversely affect an independent and objective judgement of the auditor. Accordingly, the following shall apply:

  (1) The office shall be provided a budget sufficient to carry out the responsibilities and functions established in this chapter.

  (2) The city auditor shall establish an organizational structure appropriate to carrying out the responsibilities and functions of this chapter.

  (3) No person shall be appointed to the position of city auditor who has been mayor, councilmember, or city manager of the city during a period of five (5) years prior to the date of the city auditor's appointment. In no case shall the city auditor be related, by affinity or consanguinity within the second degree, to the mayor, any councilmember, or the city manager.

  (4) Neither the city auditor nor any member of the office shall conduct or supervise an audit of an activity for which they were responsible.

  (5) The city auditor shall adhere to government auditing standards when performing the duties of city auditor and will be independent as defined by those standards.

  (6) In order to maintain adherence to the independence provisions of said government auditing standards, the responsibility for selection of audit areas shall reside with the city auditor, with due consideration for the interests and concerns of the city council. To accomplish this:

a. No less than thirty (30) days prior to the beginning of each fiscal year, the city auditor shall submit an annual audit plan to the city council for review, approval, and comment. The plan shall include identification of the scope of each audit to be conducted within the next fiscal year, in terms of the organizations, services, programs, functions, and activities to be audited and in terms of the potential audit elements to be addressed;

b. The annual audit plan may be amended during the year, following notification to the council and due provision for comment. Such amendments may be initiated by the city auditor, or requested by the city council, or city manager. Results of special audits shall be distributed in the same manner as all other audit reports, as provided in § 2-125 (Release of reports) of this chapter.

c. If the city auditor determines there is serious concern regarding fraud, abuse, or illegality, or that the scope of an audit in progress should be expanded as the result of any findings, the city auditor is authorized to initiate spontaneously and conduct, or expand the scope of, an audit beyond that approved in the work program. Pursuant to the Texas Open Meetings Act, the city auditor shall notify city council of the change at the first available regularly scheduled council meeting after the city auditor has verified the concern is material. The level for materiality is five thousand dollars ($5,000.00) for these purposes.

(7) The city council shall appoint the city auditor, who shall serve at the pleasure of the council. There shall be such assistant city auditors and other staff that may be authorized by the council and appointed by the council on the recommendation of the city auditor and who shall serve at the pleasure of the city auditor.

(8) Neither the city manager nor city council shall in any manner dictate the removal of any employee whom the city auditor has employed.

Sec. 2-123. - Reserved.

Sec. 2-124. - Access to records and property.

Consistent with the approved audit work plan or specific projects approved by council, officers and employees of the city shall provide free and open access to and furnish the city auditor or city auditor employees with requested information, records, books, accounts, internal memoranda, writings and tapes, reports, correspondence files, computer data, reports, money, and other information and property in their custody. In addition, all offices and employees shall provide access for the city auditor to inspect all property, equipment, and facilities within their custody and observe any operations for which they are responsible.

Sec. 2-125. - Preparation and release of reports.

Each audit shall result in a report that shall:

(1) Be transmitted in draft to the city manager, who will provide written response to the city auditor regarding the audit findings and recommendations within an agreed time frame. The response will indicate agreement or disagreement and reasons for any disagreements, and what actions, if any, will be taken. The city auditor will include the

responses in the final report, unless they are not received within the established time frame;

(2) Be submitted in final form the city council and the city manager, and shall be retained in the city auditor's office and city secretary's office as a permanent record;

(3) Adhere to reporting standards for financial and performance audits as described in government audit standards;

(4) When appropriate, the city auditor may issue other reports to city council as needed that provide information when an audit is not required. These reports present work that is generally advisory and informative in nature.

Sec. 2-126. - Powers and duties.

The city auditor shall systematically and continuously examine the works of all city operations to identify opportunities to reduce costs, increase efficiency, quality, and effectiveness, or otherwise improve management of city programs and services.

(1) *Scope of work.* The city auditor is empowered to conduct performance and financial related audits, investigations and other audit work to determine whether:

   a. Activities and programs being implemented have been authorized by city council or some other legal authority, and are being conducted in a manner contemplated to accomplish the objectives intended by the council or other authorizing authority;

   b. The effectiveness of organizations, programs, activities, functions, or policies, and the extent to which desired results or benefits are being achieved;

   c. The audited entity is acquiring, protecting, and using its resources (such as personnel, property, and space) economically and efficiently, and the causes of inefficiencies or uneconomical practices;

   d. The audited entity is in compliance with council or other legally imposed mandates regarding efficiency, economy, effectiveness, or expenditure of public funds;

   e. Systems of administrative and accounting control have been established by management to effectively, economically, and efficiently carry on the city's operations; and

   f. Financial and performance reports are being provided that disclose fairly, accurately, and fully all information that is required by law or other established or stated criteria that is necessary to ascertain the nature and scope of programs and activities, and that is necessary to establish a proper basis for evaluating the results of programs and activities.

(2) *Follow-up on audits.* The city auditor shall ensure accountability and implementation of a continuous improvement process by an annual status report of prior audit recommendations. Accordingly, the following shall apply:

   a. Six (6) months after the transmittal of an audit report to council, the city auditor shall request from the city manager a status report on actions taken in response to the audit recommendations;

b. The city auditor may request additional periodic status reports, and conduct follow-up review as needed.

(3) *Report of irregularities* If the city auditor detects apparent violation of law, or apparent instances of misfeasance or nonfeasance by an officer or employee, or information that indicates derelictions may be reasonably anticipated, the auditor shall, after consultation with and advice from the city attorney, immediately report the irregularities to the city manager, or to the appropriate authority, and to the city council at its next regularly scheduled meeting pursuant to the Texas Open Meetings Act.

(4) *Contract auditors, consultants, and experts.* Upon city council approval, the auditor may obtain the services of certified or registered public accountants, qualified management consultants, or other professional experts necessary to perform the auditor's duties.

(5) *City council agendas.* The city auditor may place items on city council regular and workshop agendas.

Secs. 2-127—2-130. - Reserved.

ARTICLE III. - CITY COUNCIL

Sec. 2-131. - Time of meetings.

City council shall have the discretion to determine alternate dates, as well as alternate times for meetings to begin. Each city council shall establish regular meeting times by a vote of the city council. Regular meeting times may be changed by a majority vote of the city council. Special meetings may be held at such other times and dates as two (2) councilmembers or the mayor may so designate. The city council shall have the discretion to recess city council meetings for lunch or for such other activities as they deem appropriate.

Sec. 2-132. - Notice of special meetings.

Whenever a special meeting shall be called in accordance with the provisions of the Charter, notice of such special meetings shall be given by the city secretary through the ordinary means of communication.

Sec. 2-133. - Meetings to be public.

In accordance with the provisions of the Open Meetings Act, All meetings of the council shall be open to the public, but the Council may convene in executive session as permitted by the Act. ~~except as provided in Article II, Section 10 of the City Charter. The above stated exception shall be applicable to the nominations, interviews and appointments to the boards and commissions of the City of Galveston appointed by the city council pursuant to this Code, the City Charter, state law or any other board now existing or hereafter established by the city council. Provided, however, any actual vote on any appointment or reappointment shall take place in open session.~~

Sec. 2-134. - Agenda.

No ordinance or resolution will be placed on the workshop or regular session agendas of the city council for discussion unless two (2) members of the council, or the mayor, indicate their support in writing or orally for placing an item on the agenda. Provided, that neither the city manager nor the city attorney shall be required to obtain the consent of the city council to place an ordinance, resolution or other item on the city council regular, special, workshop or executive session agendas. Provided further, nothing herein shall prevent the mayor or two (2) members of the city council from calling special meetings of the city council consistent with article II of the Charter.

Items presented to the city secretary for inclusion on the agenda shall be submitted no later than 3:00 p.m. on the day before the ninety-six (96) hours ~~seventy-two (72) hour~~ posting period required by the Open Meetings Act. To the city secretary for inclusion on the agenda, items may not be submitted on a Saturday, Sunday or city observed holiday. ~~(Example: a council meeting scheduled for Thursday June 30, would require receipt of agenda items by 3:00 p.m., Friday June 24).~~ Insert provisions of the City Secretary relief act.

Sec. 2-134.1. - Posting of agendas and other notices.

Any committee, commission, board, or other entity that wishes to post agendas or other notices at City Hall shall submit the agenda or notice to the city secretary's office. The city secretary's office shall date and initial the agenda or notice in the lower right-hand corner, and shall promptly post the notice in all proper places at City Hall.

The city secretary's office shall promptly remove any notice from the City Hall that has not been posted by the city secretary's office and shall notify the appropriate committee, commission, board, or other entity of such removal.

Sec. 2-135. - Robert's Rules.

Except as otherwise provided in this section or by the City Charter, the conduct and procedure of city council meetings shall conform to and be governed by Robert's Rules of Order, Revised.

Sec. 2-136. - Call to order; presiding officer.

The mayor, or in his absence, the mayor pro tem, shall take the chair precisely at the hour appointed for the meeting, and shall immediately call the council to order. In the absence of the mayor or mayor pro tem, the city secretary, or his assistant, shall call the council to order, whereupon a temporary chairman shall be elected by the members of the council present. Upon the arrival of the mayor or mayor pro tem, the temporary chairman shall immediately relinquish the chair upon the conclusion of the business immediately before the council.

Sec. 2-137. - Roll call.

Before proceeding with the business of the council, the city secretary or his deputy shall call the roll of members, and the names of those present and shall be entered in the minutes.

Sec. 2-138. - Compelling attendance of members.

In the absence of a quorum and at the instance of any two (2) members present, the presiding officer shall compel the attendance of absent members.

Sec. 2-139. - Order of business.

(a) Promptly at the hour set by law on the day of each regular meeting, the members of the city council, the city secretary or the assistant city secretary, the city attorney or the assistant city attorney, and the city manager or the assistant city manager, shall take their regular stations in the council chambers, and the business of the council shall be taken up for consideration and disposition in the following order; Council may change the order for the convenience of the public and Council:

(1) Declaration of a quorum and call meeting to order;

(2) Invocation;

(3) Pledge of allegiance;

(4) Roll call;

(5) Conflicts of interest;

(6) Approval of minutes of previous meetings;

(7) Presentations and proclamations;

(8) Communications and petitions;

(9) Public hearings. Members of the public shall be allowed to address council during each public hearing and shall not be required to submit a written request before addressing council. Each member of the public shall be allowed to speak for a maximum of three (3) minutes at each public hearing;

(10) Requests to address council on items on the agenda. Upon submitting a written request before the beginning of a city council meeting, members of the public shall be allowed to address council on one (1) or more items on the agenda. Each member of the public shall be allowed to speak for a maximum of three (3) minutes regardless of the number of agenda items the person wishes to address. There will be no discussion of the speaker's comments by Council.

(11) Ordinances and resolutions;

(12) Consent items. The items listed for the consent agenda are considered routine and will be enacted by one (1) motion. There will be no separate discussion of these items unless two (2) council members object, in which event the item will be removed from the consent agenda for separate consideration.

(13) Action items;

(14) Appointments to boards, committees, commissions;

(15) Reports of council, officers, boards and city manager;

(16) Executive session;

(17) Requests to address council on non-agenda items. Upon submitting a written request before the beginning of a city council meeting, members of the public shall be allowed to address council on non-agenda items. Each member of the public shall be allowed to speak for a maximum of three (3) minutes regardless of the number of non-agenda

items the person wishes to address. . There will be no discussion of the speaker's comments by Council.

(18) Adjournment.

(b) Nothing herein shall prevent the city council from rearranging or eliminating or adding various items in the order of business for their own convenience or for the convenience of the general public. The city council reserves the right to retire into executive session for any item which is on its regular or workshop agenda in accordance with the provisions of the Texas Open Meetings Act.

Sec. 2-140. - Rules of debate.

The following rules of debate shall govern the council:

(1) The mayor or mayor pro tem or such other member of the city council as may be presiding may move, second and debate from the chair, subject only to such limitations of debate as are imposed on all members and shall not be deprived of any of the rights and privileges of a ~~councilman~~ councilmember by reason of his or her acting as the presiding officer.

(2) Every member desiring to speak shall address the chair, and, upon recognition by the presiding officer, shall confine himself or herself to the question under debate, avoiding all personalities and indecorous language.

(3) A member, once recognized, shall not be interrupted when speaking unless it be to call him or her to order, or as herein otherwise provided. If a member, while speaking, be called to order, he or she shall cease speaking until the question of order be determined, and if, in order, he or she shall be permitted to proceed.

(4) A ~~councilman~~ councilmember may request, through the presiding officer, the privilege of having an abstract of his or her statement on any subject under consideration by the council entered in the minutes. If the council consents thereto, such statement shall be entered in the minutes.

Sec. 2-141. - Addresses to council by public.

Each member of the public addressing the city council shall step up to the council table and shall give his name and address in an audible tone of voice for the records and, unless further time is granted by the council, shall limit his address to three (3) minutes. All remarks shall be addressed to the council as a body and not to any member thereof. No person, other than the council and the person having the floor, shall be permitted to enter into any discussion, either directly or through a member of the council, without the permission of the presiding officer. No question shall be asked a ~~councilman~~ councilmember except through the presiding officer.

Sec. 2-142. - Manner of voting.

All votes of the city council shall be taken ~~by a show of hands~~, in a manner that reveals how each member of council voted on an item.

Sec. 2-143. - Reserved.

Sec. 2-144. - Decorum.

(a) The following rules of decorum shall govern the council and council meetings:

(1) While the council is in session, the members must preserve order and decorum, and a member shall, neither by conservation or otherwise, delay or interrupt the proceedings or the peace of the council nor disturb any member while speaking or refuse to obey the orders of the council or its presiding officer, except as otherwise herein provided.

(2) Any person making personal, impertinent or slanderous remarks or who shall become boisterous while addressing the council shall be forthwith barred from further audience before the council by the presiding officer, unless permission to continue be granted by a majority vote of the council.

(b) The city manager shall furnish a member or members of the police department to be sergeant-at-arms of the council meeting. The sergeant-at-arms shall carry out all orders and instructions given by the presiding officer for the purpose of maintaining order and decorum at the council meeting. Upon instructions of the presiding officer, it shall be the duty of the sergeant-at-arms, or any of them present, to place any person who violates the order and decorum of the meeting under arrest, and cause him to be prosecuted under the provisions of this Code or the laws of the State of Texas, the complaint to be signed by the presiding officer.

Sec. 2-145. - Protests against council action.

Any council member shall have the right to have the reasons for his or her dissent from, or protest against, any action of the council entered in the minutes.

Sec. 2-146. - Investigations by council.

(a) The city council shall have the power to inquire into the official conduct of any department, agency, office, officer or employee of the city, and into any other matters of proper concern to the municipal government. For this purpose, the council shall have the power to administer oaths, subpoenas witnesses and to compel the production of books, papers and other evidence material to the inquiry, such oaths to be administered by the city secretary, and such subpoenas to be issued, signed and sealed by the city secretary under the direction of the council. Such subpoenas shall then be delivered by any peace officer for service.

(b) Any person who shall disobey any such subpoena, or subpoena duces tecum, issued by the council or who shall fail or refuse to attend as by such subpoena directed, or to testify when so required to do so by the council, shall be deemed guilty of contempt by the council and may be punished therefor by the council under the provisions of law applicable to municipal court judges.

(c) When a witness has been duly served with a subpoena to appear and testify and/or produce books, papers and other evidence material to the investigation and said witness fails to appear, the council shall be entitled to have an attachment issued forthwith for such witness to compel the attendance of such witness.

(d) All investigations conducted by the council shall be open to the public. However, where witnesses subpoenaed to appear and testify are in fear of reprisal, injury or retaliation at the hands of some person or group of persons, said witness may, at the discretion of the council, be permitted to testify at a closed session, only those persons being present as are necessary to conduct a full and satisfactory hearing, as permitted under the provisions of the Texas Open Meetings Act.

Sec. 2-147. - Reserved.

Sec. 2-148. - Approval of expenditures of certain tax revenues.

Revenues derived from increased ad valorem taxes, which would not have been derived without the voters removing the limitation on taxation that was previously set forth in art. VIII, section 2(b) of The City Charter, shall be used for capital assets, funding the city's insurance pool, and funding other reserves. Any other expenditure of these revenues must be approved by an ordinance duly adopted by city council after conducting two (2) public hearings. The second public hearing shall be conducted no earlier than the eighth day and no later than the fifteenth day from the date of the first public hearing.

Sec. 2-149. - Ex-officio terms.

Except where otherwise provided by law, the term of a city councilmember’s ex-officio appointment shall be for two (2) years or until the expiration of the councilmember's term, whichever is sooner.

Secs. 2-150—2-160. - Reserved.

ARTICLE IV. - BOARDS, COMMISSIONS AND COMMITTEES

DIVISION 1. - GENERALLY

Sec. 2-161. - Service on more than one board; maximum tenure.

(a) No person except a councilmember shall serve at the same time on more than one (1) board, commission or committee and one (1) ad hoc committee appointed by the city council including if an appointee represents another entity.

All city council appointees to boards, commissions, and committees shall be domiciled in the city at the time of appointment and during the appointee's tenure. Appointees must submit a board appointment application and residency affidavit to the city secretary's office.

(b) No person who has served for six (6) consecutive years on the same board or commission shall be reappointed to that board or commission unless two (2) years shall have elapsed during which time such person shall not have served on said board or commission; provided, however, any member who shall have completed six (6) years' consecutive service prior to the expiration of his or her present term shall be permitted to continue to serve for the duration of such term, but shall not be eligible for reappointment to that board or commission except upon the expiration of two (2) years thereafter.

(c) The term limit provisions of subsection (b) shall not apply to board or commission appointments governed by the City Charter or state law.

(d) All appointments to boards, commissions, and committees by the city council shall be made on or before ~~August~~ October 1 with the exception of the appointments of the park board of trustees of the city which shall be made on July 1 in accordance with City Code, Chapter 26, section 26-48 and any other boards, commissions or committees which are required by law to be made at a different date.

(e) Appointees must complete the Open Government Training (Open Meetings Act and Public Information Act) within sixty (60) days of appointment. Failure to comply will result in automatic removal from the board, commission, or committee.

Sec. 2-162. - Board, commission, and committee procedures; majority vote required.

(a) Each board, commission, and committee shall select its chair.

(b) No action of any board or committee shall have any force or effect unless it is adopted by the favorable votes of the majority of the members of the board or committee appointed by the city council.

(c) Orientation will be provided by the associated department.

Sec. 2-163. - Oath of office.

All newly elected councilmembers and newly appointed members of ~~the park board of trustees of the City of Galveston, the board of trustees of the Galveston Wharves, the planning commission and the board of directors of the Galveston Housing Finance Corporation~~ all city boards, commissions, and committees shall take the official oath of office prescribed by the Texas Constitution before the city ~~council~~ secretary or at a meeting of the respective board or commission, or committee or at a meeting of the respective board or commission duly posted pursuant to the Texas Open Meetings Act, but the taking of the oath of office shall not be required to be listed as a business item of the meeting, and may be listed prior to the calling to order of the meeting. All such oaths of office shall be administered by the city secretary or another duly authorized public official. No such elected or appointed officer shall take office and commence the discharge of the officer's duties until such oath of office is taken and signed in accordance with the requirements of the Texas Constitution and other applicable laws.

Sec. 2-164. - Failure to attend meetings.

As used in this section "meeting" shall mean regularly scheduled meetings and specially called meetings in which one (1) or more action items is to be considered. As used in this section "committee" shall mean committees, boards, and commissions.

Appointees must attend seventy-five (75) percent of the meetings within a ~~in~~ twelve (12) month~~s of appointment schedule~~ period. Failure to comply will result in the removal from the board, commission or committee. If an appointee does not comply, the chair of the committee shall provide written notice to the city secretary of the dates and reasons, if known, of the member's absences. The city secretary will notify the City Council of the vacancy ~~shall place the item on the city council's next regularly scheduled meeting~~.

~~In the event the city council finds that the committee member's absences were not because of good cause, the city council shall immediately remove the committee member.~~

~~In the event city council removes a person from a committee under this section, the city council shall appoint another person to fill the removed member's unexpired term of office.~~

The removal of a member in accordance with this section does not apply to any board, commission or committee established by state law ~~or charter which prohibits such removal of committee members, or to ex-officio, non-voting committee members~~.

Sec. 2-165. - Location of meetings.

Each board, commission or committee shall hold meetings at city hall unless the board, commission or committee has separate offices or facilities or unless city council makes an exception for the holding of meetings at city hall.

Sec. 2-166. - Removal of board, commission, or committee member.

(a) For Boards and Commissions created pursuant to State law of the Charter, the city council may remove an appointed board, commission, or committee member for inefficiency, neglect of duty, attendance, or misconduct in office prior to the end of the appointed member's term, unless prohibited by the City Charter, this Code, or state law.

(b) Before the board, commission, or committee member may be removed, the member must be given:

(1) A notice of the reasons for removalat least ten (10) days before the date of a hearing before city council on the charges; and,

(2) An opportunity to be heard in person or through counsel at the hearing.

(c)()In the event a board, commission, or committee member is removed by the city council, a record of the meeting and the results of the vote ~~proceedings with the charges and findings~~ shall be filed in the city secretary's office.

(d)(~~d~~) These provisions shall be cumulative of the City Charter and other city code provisions governing the qualifications and conduct of board, committee, and commission appointees.

(e) For Boards or Commissions created by City Council, appointees to those boards or commissions serve at the pleasure of County and may be removed by a majority vote of Council.

Sec. 2-167. - Ad hoc committees.

(a) The city council may create and establish ad hoc committees by resolution for the purpose of making recommendations to the city council on specific matters or to perform a specific task. The city council shall establish the specific purpose and duties of the ad hoc committee, number of members, and their qualifications if necessary.

(b) Members of ad hoc committees shall serve at the will and pleasure of the city council and may be removed with or without cause.

(c) Each ad hoc committee shall meet as often as required in order to conduct the business of the committee. A majority of members shall constitute a quorum. Minutes of each meeting shall be filed with the city secretary.

(d) Ad hoc committees shall meet at City Hall unless otherwise authorized by city council and shall prepare and post agendas pursuant to the Texas Open Meetings Act.

(e) The resolution creating and establishing an ad hoc committee shall include language to automatically sunset the committee on a date certain. ~~Provided, however, that~~ The city council may take action to extend the existence of an ad hoc committee.

DIVISION 2. – STANDING BOARDS, AUTHORITIES AND COMMISSIONS.

2-168 The following Authorities and Commissions have been created by the City and membership on them is governed in whole or in part by State law, the City Charter or Articles of Incorporation:

(a) Civil Service Commission

(b) Galveston Housing Authority

(c) Galveston Housing Finance Corporation

(d) Galveston Property Finance Corporation

(e) Galveston Island Redevelopment Authority

(f) Galveston Port Facilities Corporation

(g) Galveston Wharves Board

(h) Houston Galveston Area Council

(i) Industrial Development Corporation

(j) Park Board of Trustees

(k) City of Galveston Employees' retirement fund for non civil service employees

(l) Galveston Firefighters Pension Board

(m) Employees Retirement Plan for Police

(n) TIRZ Boards

(o) Zoning Board of Adjustment

2-169 Terms of Appointment

a. The term of appointment for an entity set out in Section 2-168 of this Code shall be made in accordance with the State Law, Charter provision or applicable Article of Incorporation germane to the entity.

2-170 City created Boards and Commissions- The following entities have been created by the City Council to further the public business:

a) The Airport Advisory Committee

b) Animal Services Advisory Board

c) Arts and Historic Preservation Board

d) Building Board of Adjustment

e) Civilian Review Board

f) Commission for the Arts

g) Families, Children and Youth Board

h) Finance and Investment Committee

i) Human Relations Commission

j) Investment Advisory Committee

k) Landmark Commission

l) Parks and Recreation Advisory Board

m) Planning Commission

n) Tax Foreclosed Committee

o) Tree Committee

2-171 Terms of Board and Commission members for City created entities.- Appointments to city created Boards or Commissions delineated in Sec 2-170 shall be for terms of three years effective October 1, 2019 and thereafter.

2-172 For the terms beginning October 1, 2019, terms will be staggered with initial appointment being made on a one year, two year or three year basis. As those initial appointment expire, subsequent appointments will be made on a three year basis.

Secs. 2-173—2-179. - Reserved.

DIVISION 3. - GALVESTON COMMISSION FOR THE ARTS

Sec. 2-180. - Established.

There is hereby established the Galveston Commission for the Arts. The Commission shall be composed of nine (9) voting members drawn from the following drawn from the Arts Community as follows: ~~consisting of two (2) members from~~ the visual arts (painting, sculpture, pottery, jewelry); ~~one (1) such representative from a visual arts organization, this appointment shall rotate between a representative from each organization from term to term, and the other representative from this category shall be an individual visual artist; two (2) representatives from~~ the performing arts (music, theater, dance), including a ~~one (1) such representative from a~~ performing arts organization or commercial theater, ~~such appointment shall be rotated between such organizations from term to term, and the other representative being an~~ individual performing artist; ~~one (1) representative from~~ the education community; ~~three (3) representatives from~~ the community at large; ~~and, one (1) performing arts literary representative~~. A city council member shall be appointed as an ex officio member without the right to vote.

Sec. 2-181. - Terms.

The councilmember shall be appointed by the city council and shall serve at the discretion of the city council. ~~The other members of the commission shall be appointed by the city council for a term of two (2) years, except, of the first seven (7) members appointed, three (3) shall serve for a term of one (1) year.~~ All ~~other~~ members shall serve for a term of two (2) years. All appointees shall serve without compensation; and except for the appointed city councilmember may not hold any elective office of the State of Texas or any political subdivision thereof. Members of the committee shall elect a chairperson from among its members and any vacancy in an unexpired term shall be filled by council appointment for the remainder of the term. All appointees shall serve at the discretion of city council. No member may serve for more than two (2) consecutive full terms nor for any consecutive period greater than the period allowed by section 2-161(b) of the City Code.

Sec. 2-182. - Powers, mission, goals and objectives.

(a) The committee shall be an advisory committee.

(b) The mission of the commission is to further the fine arts on Galveston Island through the recognition and development of excellence and all aspects of the cultural arts in the community, and ~~insure~~ ensure the accessibility of the arts by all.

(c) The goals of the commission are to develop a comprehensive policy for the arts and cultural associations under a cultural plan that includes a public art program and guidelines for private initiatives. Based on an evaluation of the community's cultural needs, resources, and aspirations, the commission may recommend appropriate programs, organizations, facilities, funding and budgets in support of the arts.

(d) The commission shall have the following objectives:

(1) Initiate the process of cultural planning with participation from the arts community, public officials, local business leaders, and all other interested persons or entities;

(2) Facilitate the organization of an arts forum, opened to whomever wishes to attend, that would meet monthly or quarterly for the purpose of discussing any issues or ideas within the arts community;

(3) Conduct a survey and maintain an inventory of cultural resources to include display spaces, performance spaces, educational facilities and opportunities, artists, organizations and make an effort to assess the needs, aspirations, opportunities and potentials for these resources;

(4) Determine the levels and sources of public and private funding in support of the arts, develop strategies to sustain and expand that support and initiate a budget to ~~insure~~ ensure the fair and equitable allocation of those funds;

(5) Integrate a public arts program into the city's planning and capital improvements program, and provide incentives for private investment and public art in order to enhance the character of neighborhoods in the visual aesthetics of the community;

(6) Collect and disseminate information within the community and from other cities on the economic benefits of cultural planning, cultural tourism, and the public and private support of the arts;

(7) Facilitate and encourage the development of art education programs in the public schools, public housing, or any other facility or entity that will provide exposure, appreciation, training, vocation, and marketing of the arts to all members of all cultures in the community and develop an artist-in-residence program utilizing either state and/or federal funds for such program; and

(8) Initiate a cultural exchange program with other communities for both the visual and performing arts.

(9) Recommend to City Council the award of funds for public arts projects in accordance with guidelines established by Council.

Sec. 2-182a. Budget and expenditures

(1) The City Council may allocate funds derived from Hotel Occupancy Taxes (HOT) during the budget process for the promotion of public art in the City of Galveston.

(2) The Commission shall receive applications for funding of public arts projects and shall make recommendations to Council for the award of funds in accordance with the guidelines approved by City Council.

Sec. 2-183. - Quorum and voting.

A majority of the membership shall constitute a quorum for the conduct of business. All members of the commission except the council representative shall have the right to vote.

Sec. 2-184. - Meetings.

The commission shall meet as often as necessary to discuss matters within the concern of the committee and take necessary action thereon, however, the commission shall meet no less than once each month. The chairperson of the commission, who shall be elected by a majority of the members, or any two (2) members of the commission may call a special meeting as necessary to conduct business. All meetings shall be subject to the Texas Open Meetings Act. The meeting shall be held at a place readily accessible to the public and in accordance with the Texas Open Meetings Act. Provided, however, the committee may convene into executive session on matters which are allowed to be closed to the public under the Texas Open Meetings Act. The commission shall elect a secretary from among its members and the secretary shall record the minutes of the committee's meetings and deliver the minutes to the City Secretary. The City Secretary shall post notice of meetings of the Commission ~~the same~~ in accordance with the law.

Sec. 2-185. - Rules of procedure.

The commission may adopt its own rules for the conduct of business before it. Should the commission fail to adopt its own rules of procedure, the conduct and procedure of the commission's meetings shall conform to and be governed ~~by *Robert's Rules of Order, Revised*~~. by the City Charter, this Code, and Robert's Rules of Order, Revised.

Sec. 2-186. - Budget and expenditures

(1) The City Council may allocate funds on a yearly basis during the budget process ~~in the amount of $50,000~~ derived from Hotel Occupancy Taxes (HOT) for the promotion of public art in the City of Galveston. The Committee will be advised through staff of the amount allocated in the budget after its adoption.

(2) The Commission shall receive applications for funding of public arts projects and shall make recommendations to Council for the award of funds in accordance with the guidelines approved by City Council.

Secs. 2-187— Artist Grants

(1) Applicants will submit the following to the Commission:

- Brief Biography including residency information
- Project Description including a detailed site plan
- Previous work samples 5-10 related images for Visuals Projects, 5 Minutes of Video for Performance, Writing Sample for Literary Works
- A proposed budget
- A proposal for public workshop if desired
- Timeline for completion: Projects must be completed during the fiscal year.

(2) Eligible Projects

The Galveston Arts Commission will support public art projects as its allocation will allow. ~~up to $5,000.00.~~ Public Art projects include any artwork that exists in the public sphere. Projects can be Visual Arts, Literary Arts, Performing Arts, or Media Arts. Funding is available to Individual Artists and Collectives. Artists may be supported by institutions, but grants will not be made to organizations. The public component of the project needs to be located in the City of Galveston. There are no residency restrictions, but Galveston residents are encouraged to apply.

(3) Review Process

All applications will be reviewed by the Galveston Cultural Arts Commission. Priority will be given to Galveston Residents. Proposals will be evaluated on artistic merit, feasibility, access to the public, and impact on the artistic community.

Secs. 2-187—2-189. - Reserved.

~~DIVISION 4. - INTERMODAL TRANSPORTATION COMMITTEE~~ RESERVED

~~Sec. 2-190. - Established.~~

~~(a) There is hereby established the City of Galveston Intermodal Transportation Committee to review and evaluate the following traffic and transportation issues:~~

~~(1) To cause to be prepared, review and recommend to the city council a formal street system thoroughfare plan and to review and recommend subsequent changes to such plan. The Intermodal Transportation Committee should be the keeper of the thoroughfare plan.~~

~~(2) To recommend to the city council concerning infrastructure reduction strategies. Existing low traffic volume roadways in the city should be identified, abandoned and redeveloped. Street closures and other traffic calming techniques, upon implementation will reduce impact loading on the roadway.~~

~~(3) To cause to be prepared, review and recommend to the city council a formal hike and bike system plan and to review and recommend subsequent changes to such plan.~~

~~(4) To cause to be prepared, review and recommend to the city council a safe walk to school and park sidewalk trail program and to review and recommend subsequent changes to such plan.~~

~~(5) To work with city staff to select and prioritize projects that may be most eligible for funding under the Federal Transportation Efficiency Act 21 st Century (TEA 21) and~~

~~make recommendations to the city council regarding the suitability for such a funding request relative to other priorities the city may identify.~~

~~(6) To seek out and advocate Intermodal Transportation Funding for the implementation of the above plans through the local council of governments (Houston Galveston Area Council - HGAC and Texas Department of Transportation - TXDOT) and to participate in the search of local obligation matching funds for such projects.~~

~~(7) To review and make recommendations to the city council concerning the acceptability of all formal planning reports regarding the various modes of transportation in the city.~~

~~(8) To review data and information developed to support Livable Communities Initiative ("LCI") improvements through the Federal Transit Administration (FTA) for the enhanced interaction between transit facilities and the surrounding community through improvement of access, streetscapes, safety, security, lighting, landscaping, and related items using leveraged federal funds for improvements ("LCI improvement program").~~

~~(b) The intermodal transportation committee shall be composed of seven (7) voting members and three (3) ex-officio non-voting members to include one (1) councilmember, one (1) owner or designee of a commercial property located within an identified Livable Communities Initiative Program area, and one (1) owner or designee of a large employer of fifty (50) or more employees, located within an identified Livable Communities Initiative Program area. All members shall be appointed by the city council.~~

~~(c) The director of transportation, the director of public works, and the city engineer or their designee shall attend all meetings to provide information to the committee.~~

~~Sec. 2-191. - Qualifications.~~

~~At the time of appointment, each committee member shall be a citizen of the United States and shall have resided in the city for at least one year immediately prior thereto. With the exception of the ex-officio members, no committee member shall hold an elective public office, and no member shall be appointed who is an employee of the city.~~

~~Sec. 2-192. - Terms.~~

~~(a) The committee members shall be appointed by the city council for a term of three (3) years, except, of the first eleven (11) members appointed, five (5) shall serve for a term of two years. All other members shall serve for a term of three years. Thereafter, all members of the committee shall be appointed by the city council for a term of three years in accordance with this Code.~~

~~(b) Members of the committee shall elect a chairperson from among its voting members and any vacancy in an unexpired term shall be filled by council appointment for the remainder of the term. All appointees shall serve at the discretion of city council. No member may serve for more than two (2) consecutive full terms, or for any consecutive period greater than the period allowed by the City Charter.~~

~~Sec. 2-193. - Powers.~~

~~The committee shall be an advisory committee and shall make all recommendations and suggestions directly to city council.~~

~~Sec. 2-194. - Quorum and voting.~~

~~(a) A majority of the voting membership shall constitute a quorum for the conduct of business.~~

~~(b) The ex officio council members and city staff shall not have the right to vote nor shall they be counted to determine the quorum.~~

~~Sec. 2-195. - Meetings.~~

~~(a) The committee shall meet as often as necessary to discuss matters within the concern of the committee; however, the committee shall meet no less than four (4) times during each fiscal year.~~

~~(b) The chairperson of the committee or any two (2) members of the committee may call a special meeting as necessary to conduct business.~~

~~(c) The meeting shall be held at city hall and in accordance with the Texas Open Meetings Act. Provided, however, The committee may convene into executive session on matters which are allowed to be closed to the public under the Texas Open Meetings Act. The city secretary or designee shall record minutes of the committee's meetings and post notice of the meeting in accordance with the law.~~

~~Sec. 2-196. - Rules of procedure.~~

~~The committee may adopt its own rules for the conduct of business before it. Should the committee fail to adopt its own rules of procedure, the conduct and procedure of the committee meetings shall conform to and be governed by the City Charter, this Code, and Robert's Rules of Order, Revised.~~

Secs. 2-197—2-199. - Reserved.

DIVISION 5. - FINANCE AND INVESTMENT INVESTMENT COMMITTEE

Sec. 2-200. - Established.

(a) There is hereby established the city Finance and Investment committee to review and evaluate for the purpose of making recommendations to council, all aspects of the city's fiscal affairs, including its financial statements and reports, audit, budget and budget performance, fund accounting and fund balances, and financial management policies, as well as, the fiscal impact of revenue/expense trends and operational efficiencies.

(b) The Finance and Investment committee shall be composed of seven (7) voting members, and ~~(2)~~ (1) nonvoting ex-officio members of council. All members shall be appointed by the city council.

(c) The city manager, city auditor, and city attorney, or their designee shall attend all meetings. The city manager may request ~~the finance director, city controller, or~~ additional staff to attend meetings and provide information to the committee.

Sec. 2-201. - Qualifications.

(a) At the time of appointment, each committee member ~~shall be a citizen of the United States and~~ shall have resided in the city for at least one year immediately prior thereto. With the exception of the ex officio members, no committee member shall hold an elective public office, and no member shall be appointed who is an employee of the city.

(b) ~~Committee members shall possess a reputation for personal integrity, independence, judgment, and diligence.~~ With the exception of the ex-officio members, committee members shall have at least five (5) years of ~~sophisticated~~ experience in the budget process of governmental entities or other substantial organizations, as well as, experience in analysis of the accounting, reporting, and other information utilized in the financial management of such entities.

~~(c) A member who ceases to possess any qualification required for appointment shall automatically vacate the position.~~

Sec. 2-202. - Terms.

(a) The committee members shall be appointed by the city council for a term of three (3) years, except, of the first seven (7) members appointed, three (3) shall serve for a term of two years (2). All other members shall serve for a term of three (3) years. Thereafter, all members of the committee shall be appointed by the city council for a term of three (3) years in accordance with this Code.

(b) Members of the committee shall elect a chairperson from among its voting members and any vacancy in an unexpired term shall be filled by council appointment for the remainder of the term. All appointees shall serve at the discretion of city council. ~~No member may serve for more than two (2) consecutive full terms, or for any consecutive period greater than the period allowed by the City Charter.~~

Sec. 2-203. - Powers.

The committee shall be an advisory committee and shall make all recommendations and suggestions regarding City Finances and Investments either directly to city council or by report delivered by staff..

Sec. 2-204. - Quorum and voting.

(a) A majority of the voting membership shall constitute a quorum for the conduct of business.

(b) The ex officio councilmember and city staff shall not have the right to vote nor shall they be counted to determine the quorum.

Sec. 2-205. - Meetings.

(a) The committee shall meet as often as necessary to discuss matters within the concern of the committee; however, the committee shall meet no less than four (4) times during each fiscal year. The quarterly meetings shall occur no later than thirty (30) days after the end of the previous fiscal quarter. The fiscal quarters are as follows:

Quarter	Dates	Meeting Before

1st	Oct. 1st—Dec. 31st	January 31st
2nd	Jan. 1st—Mar. 31st	April 30th
3rd	Apr. 1st—June 30th	July 31st
4th	July 1st—Sept. 30th	October 31st

(b) The chairperson of the committee or any two (2) members of the committee may call a special meeting as necessary to conduct business.

(c) The meeting shall be held at city hall and in accordance with the Texas Open Meetings Act. ~~Provided, however,~~ The committee may convene into executive session on matters which are allowed to be closed to the public under the Texas Open Meetings Act. The city secretary or designee shall record minutes of the committee's meetings and post notice of the meeting in accordance with the law.

(d) All meeting agendas shall state that members of city council may be attending and participating in the discussion.

Sec. 2-206. - Rules of procedure.

The committee may adopt its own rules for the conduct of business before it. Should the committee fail to adopt its own rules of procedure, the conduct and procedure of the committee meetings shall conform to and be governed by the city Charter, this Code, and Robert's Rules of Order, Revised.

Secs. 2-207—2-210. - Reserved.

DIVISION 6. - AIRPORT ADVISORY COMMITTEE

Sec. 2-211. - Creation and number of members.

There is hereby created the ~~"~~Airport Advisory Committee,~~" (committee)~~ whose purpose shall be to make recommendations to the airport director and city council concerning present and future development and operation of the city airport. The committee shall have no legislative or executive authority and shall only serve as an advisory committee.

The committee shall consist of seven (7) representatives of the local community, who shall be referred to as "regular members," one council member, who shall be non-voting and who shall be referred to as an "ex-officio member," ~~and four (4) consultants~~. References to "all members" shall include regular members and the ex-officio member. All members shall serve without compensation.

Sec. 2-212. - Qualifications.

The committee shall be composed of seven (7) members of the community representing various economic interests relevant to present and future development and operation of the city airport. All regular members shall be appointed by city council, in accordance with the City Charter and this Code.

Sec. 2-213. - Terms of appointments.

(a) *Initial appointments to committee.* The city council shall designate three (3) members who will serve one-year terms; three (3) members who will serve two-year terms, and three (3) members who will serve three-year terms. The ex-officio position shall serve in accordance with the City Charter and the City Code regulations.

(b) *Subsequent appointments to committee.* Upon the expiration of the initial appointments, regular members shall be appointed to three-year terms in accordance with City Charter and this Code.

Sec. 2-214. - Committee meetings.

The committee shall meet in regular session at the airport at such time as determined by a majority of the regular members, unless otherwise ordered by the committee for reasons to be spread upon the minutes of the committee. Special meetings of the committee shall be called by the chair upon written request of the chair or of any two (2) regular members of the committee. ~~Except as may be otherwise authorized under applicable provision of the Texas Open Meetings Act as it now exists or is hereafter amended, all meetings of the committee shall be open to the public.~~ All meetings shall be held in accordance with the Texas Open Meetings Act.

A quorum for the transaction of business shall consist of not less than four (4) regular members. ~~If a committee member is absent from more than three (3) consecutive regularly scheduled meetings, the city council may remove the committee member from the committee in accordance with this Code.~~

Sec. 2-215. - Powers and duties of the committee.

The airport advisory committee functions in an advisory capacity only on the use and development of Galveston Airport. Working with the airport staff, the committee may make recommendations to the city council regarding the following:

(1) Policies and procedures and rules and regulations for the use and operation of Galveston Airport consistent with the requirements of the Federal Aviation Administration (FAA), (e.g. airport access, security, customer services, and businesses on the airport).

(2) The schedules of rates and charges for the use of the airport property, including but not limited to leases, fuel charges and landing fees.

(3) Issues pertaining to noise control.

(4) Public hearings on issues of interest to the public.

(5) Development, improvement, and maintenance of the airport including land acquisition.

(6) Studies concerning airport development, construction and operation as presented by the staff.

(7) All safety issues.

Secs. 2-216—2-219. - Reserved.

DIVISION 7. – HUMAN RELATIONS AND CIVILIAN REVIEW BOARD

Sec. 2-220. - Established.

(a) There is hereby established the city human relations and civilian review board. The Board will review and evaluate, completed internal investigations of alleged police misconduct by GPD officers which involve:

(1) Allegations of the excessive use of force;

(2) Allegations of official oppression;

(3) Discharge of firearms;

(4) Serious bodily injury to another; and

(5) Any other investigations assigned and approved for review by the chief of police.

The Board will also perform the functions set out in Chapter 12.5 of the City Code related to Fair Housing.

(b) The terms used in subsection (a) shall be given the following meaning:

Discharge of a firearm means the release, whether intentional or accidental, of any device which was loaded designed, made, or adapted to expel a projectile through a barrel by using the energy generated by an explosion or burning substance or any device readily convertible to that use.

Excessive use of force means more force than is necessary and reasonable under the circumstances.

Official oppression means to intentionally subject another to mistreatment or to arrest, detention, search, seizure, dispossession, assessment, or lien that he knows is unlawful; or to intentionally deny or impede another in the exercise or enjoyment of any right, privilege, power, or immunity, knowing his conduct is unlawful; or to intentionally subject another to sexual harassment.

Serious bodily injury means bodily injury that creates a substantial risk of death or that causes death, serious permanent disfigurement, or protracted loss or impairment of the function of any bodily member or organ.

(c) The civilian review board shall be composed of seven (7) voting members, six (6) appointed by the city council from each council member's district and one (1) of which shall be an at-large position appointed by the mayor.

(d) One of the police officers assigned to the police department's office of professional standards, shall attend all meetings dealing with alleged police misconduct. The city manager may request additional staff to attend meetings and provide general policy information to the board.

(e) When the Board meets to considered a matter related to Fair Housing, a member of the police force is not required to be in attendance.

Sec. 2-221. - Qualifications.

(a) No board member shall hold an elective public office, and no member shall be appointed who is either a city employee or related to a city employee within the second degree of affinity or consanguinity. At the time of appointment, each board member ~~shall be a citizen of the United States and~~ shall have resided in the city for at least three (3) years; and

(1) Additionally, at the time of their initial appointment, board members must be willing to make a two-year commitment to serve and thereafter attend meetings as required;

(2) Be willing to sign and in fact execute a non-disclosure, confidentiality statement to be filed with the city secretary;

(3) Have no misdemeanor convictions three years prior to appointment (includes class "C" offenses but does not include violations of the city traffic code or the Texas Transportation Code) and no felony convictions;

(4) Attend all, initial as well as periodic, training sessions, conducted by the Galveston Police Department (GPD);

(5) Not be employed by or retired from any law enforcement agency; and

~~(6) Reside in the district from which they are appointed.~~

(b) To be considered, applicants shall comply with the following appointment procedures:

(1) Applicants shall complete the affidavit form designated for this board attesting to their qualifications ~~as provided in section 2-221~~;

(2) Applicants shall ~~also~~ complete the city's appointed/advisory board application form; and

(3) By applying, applicants agree to a background check to determine eligibility with subsection (a)(3) prior to any appointment. Such information shall be furnished to the city manager, who will provide the same to the appointing council member or mayor.

~~(c) A member who ceases to possess any qualification required for appointment shall automatically vacate the position.~~

Sec. 2-222. - Terms.

(a) The board members shall be appointed by the city council for a term of ~~two (2)~~ three (3) years.

(b) Members of the board shall elect a chairperson <u>and a vice-chair</u> from among its voting members. Any vacancy in an unexpired term shall be filled by council appointment~~, in accordance with subsection 2-161(d).~~ All appointees shall serve at the discretion of city council. ~~No member may serve for more than two (2) consecutive terms, or for any consecutive period greater than the period allowed by the City Charter.~~

Sec. 2-223. - Powers.

On Police matters he board shall act as an advisory board to the chief of police and shall make all recommendations regarding the adequacy of an internal affairs investigation to the chief of police.

On fair housing matters, the board shall act as an advisory board to the City manager or the manager's designee to perform the duties contain in Chapter 12.5 of the City Code.

Sec. 2-224. - Quorum and voting.

(a) A majority of the voting membership shall constitute a quorum for the conduct of business.

(b) City staff shall not have the right to vote nor shall they be counted to determine a quorum.

Sec. 2-225. - Meetings.

(a) The board shall meet as often as necessary to discuss matters within the concern of the board; however, the board shall meet no less than four (4) times during each calendar year.

(b) The chairperson of the board may call meetings as necessary to conduct business.

(c) The meetings shall be held at City Hall.

Sec. 2-226. - Rules of procedure.

The conduct and procedure of the board meetings shall conform to and be governed by the City Charter, this Code, and most recent edition of Robert's Rules of Order.

Sec. 2-227. - Vacancies.

A board member position which becomes vacant shall be filled by ~~an alternate~~ a member selected by the city council from the same district as the vacating member. A member's term shall commence upon appointment including appointments to fill vacant positions.

Sec. 2-228. – Responsibilities related to uses of force and fair housing:.

(a) In assessing use of force matters, the board is responsible for:

(1) Reviewing police department internal investigations to determine if the investigation was sufficient and the conclusions were correct.

(2) Reviewing GPD operational policies, at the request of the chief of police.

(3) Writing a recommendation regarding the adequacy of the investigation or the operational policy to the chief of police on every case it reviews.

(4) ~~Its~~ Their individual members completing optional written evaluations of the police department-provided civilian review board training on the department-provided forms for this purpose.

(b) The chairperson is responsible to:

(1) Call meetings of the board, providing ~~with~~ a minimum of 72-hours notice of the meeting prior to the meetings occurrence;

(2) Preside at all meetings;

(3) Maintain a roster of members;

(4) Maintain a log of cases reviewed, along with the recommendations made to the chief of police.

(5) Present the Board's findings and recommendations, as in subsection (d)(7), to city council quarterly.

(c) Board members shall:

(1) Complete and sign a review form regarding each investigation reviewed, which shall remain in the reviewed file;

(2) Attend meetings as called by the chairman.

(3) Destroy all notes taken at meetings prior to leaving the meeting room.

(d) Chief of police is responsible for the following:

(1) Shall develop the civilian review board training, as recommended by the police department training division, after consideration of board member's evaluations, ~~as referenced in subsection (a)(4)~~.

(2) Provide meeting space for the board to meet and office space for members to review files within the department;

(3) Provide preview access to investigative files that will be considered by board members;

(4) Promulgate and update the citizen review board forms needed by the board and provide a supply of the printed forms for use by the board;

(5) Ensure that each board form is incorporated into and maintained as a permanent part of the file to which it pertains;

(6) Consider board requests for additional investigation and, if approved, return the investigative file to the office of professional standards for further investigation;

(7) Consider recommendations of the board;

(8) Provide quarterly reports to the city manager and city council regarding the status of all citizen complaints about the GPD or its officers received by the GPD. Such report shall include the characterization/type of the complaint, the status or disposition of the complaint, the date the case was referred to the board, the recommendation of the board regarding the investigation and whether the recommendations were accepted, the dates the complaint was received, date of referral to the office of professional standards, and the date the board and the complainant were notified as to status or disposition.

(e) Office of professional standards.

(1) Conduct additional investigations, as requested by the board, when approved by the office of professional standards or the chief of police.

(2) Attend meetings of the board to answer questions regarding investigative files being considered by board members.

Sec. 2-229. - Board process.

(a) Upon completion of an investigation involving: (1) use of force, (2) official oppression, (3) discharge of firearms, or (4) serious bodily injury or death, or (5) the chief of police assigns an investigation for the board's review, the office of professional standards will forward the investigative file to the chief's designee as well as to the city attorney's office for review.

Once they have reviewed the investigative file and returned it to the office of professional standards, it will be made available to the citizen review board for their review.

(1) The police chief or his designee will notify the board chairperson within ten (10) business days of the date that any such initial complaint is determined to fall within any of the above categories. Such notification will consist of the name of complainant, the name of the officer(s) against whom a complaint is made, date the complaint was made, the control number assigned to the investigation and a brief synopsis of the complaint. The board shall meet to consider each matter presented to it.

(2) Thereafter, the police chief or his designee shall send the board chairperson a status report at the end of the forty-five (45) days and a second status report at the end of ninety (90) days from the date the initial complaint is made, if the internal investigation has not been completed and the board has not yet been notified that it is ready for review.

(b) The citizen review board shall have fourteen (14) days to complete its review of an investigation and to make a recommendation to the chief of police. Investigative files shall be available in a designated and secured citizen review board reading area for the entire 14-day period. Board members will have access to the files during normal business hours, so that they will be able to preview cases prior to the next established meeting time. The chairperson shall designate the final day for preview of the cases to be considered at each meeting. The 14-day period may not be extended.

(c) The investigative file to be reviewed shall be left with the board for the duration of the meeting at which it will be considered. The investigative file shall not be removed from the meeting or reading area. No additional copies of any document or paper in the investigative file shall be made by or for members of the board. Board members may take notes. All notes are to be destroyed prior to leaving the meeting room.

(d) Upon request of the citizen review board, the office of professional standards officer responsible for the investigation will meet with the board to answer any questions they might have concerning the investigation.

(e) Unless a quorum of the board finds additional investigation is needed, the investigation shall be deemed adequate.

(f) The chairperson shall record the board's recommendation on a form provided by the office of professional standards, add it to the investigative file and shall submit the file to the office of professional standards.

(g) If the office of professional standards officer disagrees with the board, the investigative file will be forwarded to the police chief for his determination. If the chief agrees with the board, the file will be returned to the office of professional standards, which will complete the additional investigation and then return the file to the board.

(h) If the chief of police disagrees with the board's request for additional investigation, he will notify the board. The Police Chief's decision shall be final.

Sec. 229-1 Fair Housing Matters

(a) The Board will convene to consider Fair Housing Complaints on an as needed basis through notification of the City Manager of Manger's designee. Training in Fair Housing issues will be provided by the staff of the Housing and community service department of the City.

DIVISION 8. - GALVESTON TREE COMMITTEE

Sec. 2-230. - Established.

(a) There is hereby established the Galveston Tree Committee to make recommendations to city council with regard to city trees and vegetation, to assist city staff, and to assist the city in fundraising activities.

(b) The Galveston Tree Committee shall be composed of seven (7) voting members and one (1) nonvoting ex-officio members of council. All members shall be appointed by the city council.

(c) One (1) voting member shall be appointed from each council district, and one (1) additional member shall be appointed from the community at large.

Sec. 2-231. - Terms.

(a) All committee members shall be appointed by the city council for a term of three (3) years All appointees shall serve at the discretion of city council. ~~No member may serve for more than three (3) consecutive full terms nor for any consecutive period greater than the period allowed by subsection 2-161(b).~~

(b) All committee members shall serve without compensation; and, except for the appointed city councilmember, may not hold any elective office of the state or any political subdivision thereof.

(c) Members of the committee shall elect a chairperson and a vice- chair from among its voting members. ~~and~~ Any vacancy in an unexpired term shall be filled by city council appointment. ~~in accordance with section 2-161.~~ All appointees shall serve at the discretion of city council.

Sec. 2-232. - Duties.

(a) The committee shall be an advisory committee and shall make all recommendations and suggestions directly to city council. The committee shall develop a comprehensive approach to care, maintenance, and enhancement for the landscaping and vegetation in the city.

(b) The committee shall develop and assist in the implementation of a plan for planting native trees and vegetation along streets and neighborhoods and shall develop guidelines for "green streets" to help manage storm water run-off on site through the use of vegetative practices that benefit water quality and increase filtration capacity.

(c) The committee shall develop and implement an educational outreach program and a partnership with an established tree program, such as Tree City, USA.

(d) The committee shall assist city staff and work closely with the directors of parks and recreation department and the public works, department utilizing resources available to the community, including the Galveston County Extension Service, the Texas Forest Service, Master Naturalists, Master Gardeners, and Texas A&M University horticulturists.

(e) The committee shall assist the city in fundraising opportunities.

Sec. 2-233. - Quorum and voting.

A majority of the committee shall constitute a quorum for the conduct of business. All members of the committee except the council representative shall have the right to vote.

Sec. 2-234. - Meetings.

(a) The committee shall meet as often as necessary to discuss matters within the concern of the committee and take necessary action thereon; however, the committee shall meet no less than once each month.

(b) The chairperson of the committee, or any two (2) members of the committee, may call a special meeting as necessary to conduct business.

(c) All meetings shall be subject to the Texas Open Meetings Act. The meetings shall be held in city hall or in another place readily accessible to the public.

Sec. 2-235. - Rules of procedure.

The committee may adopt its own rules for the conduct of business before it. Should the committee fail to adopt its own rules of procedure, the conduct and procedure of the committee's meetings shall conform to and be governed by the City Charter, the City Code, and Robert's Rules of Order, Revised.

Secs. 2-236—2-300. - Reserved.

~~ARTICLE V. - MUNICIPAL GOLF COURSE~~ Reserved

~~Sec. 2-301. - Director.~~

~~The city manager shall appoint an employee as director of the municipal golf course who shall be immediately responsible to the city manager for the effective administration of the municipal golf course department and all activities assigned thereto. The director of the municipal golf course shall submit for approval to the city manager an outline for the constitution of his staff, including such assistants, employees and laborers as in his opinion are needed for the proper conduct of his department and an operational policy and budget.~~

~~Sec. 2-302. - Budget.~~

~~The director of the municipal golf course shall submit an annual capital improvement budget to the municipal golf course board and to the city manager for view on or before April 15 of each year. The director of parks and recreation shall submit an annual fiscal budget to the municipal golf course board and to the city manager for review on or before July 15 of each year.~~

~~Sec. 2-303. - Board—Created.~~

~~There is hereby created a municipal golf course board.~~

~~Sec. 2-304. - Same—Members.~~

~~(a) The municipal golf course board shall consist of five (5) members who are known to be actively interested in public recreation and who possess the same qualifications and subject to the same disqualifications provided by the Charter for the councilmembers of the city or the general laws of the state and shall serve without compensation. All members of the municipal golf course board shall be appointed by the city council for a term of two (2) years and until successors are appointed and qualified. One (1) member shall be a city councilmember who shall serve for a term of one (1) year and until his successor is appointed. Those positions which expire in 1990 shall expire on July 1, 1990.~~

~~(b) Appointments to fill vacancies shall be made by the city council and in every case shall be for the unexpired term only of the member whose position has been vacated.~~

~~Sec. 2-305. - Same—Officers and bylaws.~~

~~The municipal golf course board shall elect a chairman. The director of parks and recreation shall serve as secretary to the board, but shall not have the right to vote on said board. The board shall adopt bylaws to govern its operation in cooperation with the city manager and the city council.~~

~~Sec. 2-306. - Same—Duties.~~

~~The municipal golf course board shall act in an advisory capacity to the city manager and the city council in developing an overall program for the municipal golf course for the city. The board shall make investigation into the possibility of acquiring land for the city by donation or bequest and shall make recommendations to the city manager and the city council on all capital improvement budget and the annual budget of the municipal golf course department of the city.~~

~~Sec. 2-307. - Same—Compensation.~~

~~All members of the municipal golf course board shall serve without compensation but shall be entitled to reimbursement for all expenses incurred by them in the performance of their duties as members of the golf course board.~~

~~Sec. 2-308. - Same—Organization.~~

~~(a) *Officers.* The municipal golf course board shall elect from their members a chairman and a vice-chairman and shall also appoint a secretary who may, but need not be, a member of the board.~~

~~(b) *Rules and meetings.* The members of the municipal golf course board shall promulgate their own rules governing the manner, times, and place of their meetings. Provided, however, if the golf course board fails to promulgate rules it shall conduct its meetings in accordance with Robert's Rules of Order, Revised. All meetings shall be held in accordance with Texas Open Meetings Act.~~

~~(c) *Quorum.* A majority of the municipal golf course board shall constitute a quorum. All actions taken by the board shall be upon a majority vote of those present at any meeting.~~

~~Sec. 2-309. - Same—Liability.~~

~~No undertaking, contract, action or inaction of the municipal golf course board, singly or collectively, or of anyone employed by or acting or holding under the board, shall render the city liable to respond in damages or to make indemnity or compensation of any character from any source other than the income and revenues arising from the operation of the municipal golf course.~~

~~Sec. 2-310. - Same—Term.~~

~~The board shall exist for an indefinite term and may be terminated at the discretion of the city council. The city council shall review the board's performance in July 1990 and on an annual basis every July thereafter.~~

~~Secs. 2-311—2-319. - Reserved.~~

ARTICLE VI. - POLICE RESERVE FORCE

Sec. 2-320. - Established.

There is hereby established in the City of Galveston a police reserve force composed of two (2) units, Unit I and Unit II. All reserve officers shall serve as peace officers only during the actual discharge of official duties.

Sec. 2-321. - Qualifications.

Members of Unit I of the police reserve force shall be officers retired from active duty with the Galveston Police Department and shall otherwise be a licensed police officer pursuant to standards established by the Commission on Law Enforcement Officer's Standards and Education of the State of Texas. Members of Unit II of the police reserve force shall consist of otherwise licensed peace officers, excepting retirees of Galveston Police Department, who are licensed pursuant to standards established by the Texas Commission on Law Enforcement ~~Officer's Standards and Education of the State of Texas.~~ All police reserves must meet or exceed all standards established for a full-time Galveston Police Officer.

Sec. 2-322. - Service at discretion of chief of police.

Members of the police reserve force shall serve at the discretion of the chief of police and may be called into service at any time the chief of police deems it necessary to have additional officers to preserve the peace and enforce the law.

Sec. 2-323. - No compensation.

Members of the police reserve force shall serve without compensation and shall not be classified as police officers under the Municipal Civil Service Law (Section 143.001 et seq., Local Government Code) or be entitled to the benefits of this statute other than as may be required by state and federal law.

Sec. 2-324. - Benefits.

Members of the police reserve force shall be eligible for all applicable federal, state and City of Galveston benefits only while serving as a police reserve officer and only while on duty.

Sec. 2-325. - Supplementary capacity.

Officers of the police reserve force shall act only in a supplementary capacity to the regular police force.

Sec. 2-326. - Rules and regulations.

All officers of the police reserve force shall be subject to the rules and regulations as promulgated by the Galveston police chief and as set forth in Exhibit "A," which is attached and made a part of this article for all purposes. A copy of said rules and regulations attached hereto are available in the office of the city secretary.

Secs. 2-327—2-340. - Reserved.

ARTICLE VII. - MINORITY/WOMEN'S BUSINESS ENTERPRISE PROGRAM

Sec. 2-341. - Declaration of policy.

It is the policy of the City of Galveston to stimulate growth of local minority and women-owned business enterprises (M/WBE) by encouraging their participation in all phases of its contract and procurement activity and by affording them the opportunity to compete for all City of Galveston contracts. The purpose and objectives of this article are to:

(1) Increase the capacity of local M/WBEs to provide products and services.

(2) Increase the opportunities for local M/WBEs to expand their business with the city and other public and private sector business entities.

Provided, however, nothing herein shall require the city to award contracts for services or procurements to a M/WBE which is not also the lowest responsible bidder and otherwise qualified unless the city may otherwise lawfully award the contract to someone other than the lowest responsible bidder.

Sec. 2-342. - Definitions.

Minority and women-owned business enterprises (M/WBE) are defined as follows:

(a) *Minority business.* Any sole proprietorship, partnership or corporation that is owned, managed and controlled by a citizen or lawful resident of the United States and whose majority ownership (51%) has been certified to be owned, managed and controlled by socially or economically disadvantaged individuals who are Black Americans, Hispanic Americans, American Indians, Alaskan Natives, Asian-Pacific Americans or Asian-Indian Americans.

(b) *Women-owned business.* A business (sole proprietorship, partnership or corporation) whose majority ownership is fifty-one (51) percent and has been certified to be owned, managed and controlled by women, or in the case of any publicly owned business at least fifty-one (51) percent of the stock of which is owned by one or more women and whose management and daily business operations are controlled by them.

(c) *Bidder/proposer.* Any person, firm or legal business entity which submits a bid or proposal to provide products or services to the City of Galveston by contractual agreement.

(d) *Contractor.* Any person, firm or legal business entity providing products or services to the City of Galveston by contractual agreement.

(e) *Goal-oriented contract.* Any contract, agreement or other undertaking anticipated for construction work to be in excess of ten thousand dollars ($10,000.00). Contracts and procurements for the supply of products or professional services shall be analyzed on a departmental basis and the goals for all minority and women-owned business participation shall be (1) re-evaluated at the beginning of the City of Galveston's fiscal year; and (2) a strong effort should be made to improve upon the minority/women-owned business participation goal for the prior year.

(f) *Owned, managed and controlled.* One or more minority persons or women who hold the majority interest in a business shall have recognized ultimate control over the day-to-day business decisions and operations affecting the MBE or WBE and shall hold a title in the business commensurate with such control.

Sec. 2-343. - Program elements.

(a) The City of Galveston's projected annual contracts along with all projected expenditures for products or services shall be reviewed at the beginning of each fiscal year on a departmental basis. The M/WBE program administrator (appointed by the city manager) shall each year identify percentage figures which represent the ratio of the prior year's measured availability and capacity to do business in construction, professional services (including architectural and engineering) and supply and general services. Based upon the measured availability and capacity of identified M/WBEs, the M/WBE program administrator shall recommend to the city manager, departmental percentage goals for the upcoming fiscal year for all departments in each of the named business categories. The percentage goals should be established in such a manner that they are achievable and the necessary technical assistance for M/WBEs should be made available so as to encourage a steady growth and expansion of local M/WBEs and M/WBEs in surrounding areas (including Houston). These percentage goals shall be established during the first month of each fiscal year, except for the initial establishment which shall be within a reasonable time following passage and approval of this article to continue through the first fiscal year.

(b) It is the responsibility of each city department along with the M/WBE program administrator to determine which contracts should qualify as goal-oriented contracts. If the determination is made that a contract is a goal-oriented contract, the initiating department shall review the contract and shall determine by reference to the M/WBE listing, the number of certified M/WBEs which have represented to the City of Galveston that they are capable of performing all or some of the required contract services.

(c) Provided, however, nothing in this section or any other portion of this article shall ever require the city to set aside or award a certain percentage of contracts for M/WBEs or to give any special advantage in the competitive bidding or procurement process which is not fully authorized by law.

Sec. 2-344. - Adoption of program.

The M/WBE program detailed in the program manual attached to this article as Exhibit "A," is hereby adopted by reference and made a part of this article for all purposes.

Sec. 2-345. - Transportation disadvantage business enterprise (DBE) program.

It is the policy of the City of Galveston to ensure that disadvantaged business enterprises have the maximum opportunity to participate in the performance of contracts financed in whole or part with federal funds and Department of Transportation (DOT) and Federal Transit Administration (FTA) assisted contracts. The transportation disadvantage business enterprise (DBE) program attached to this article as Exhibit "A" is hereby adopted by reference and made a part of the City of Galveston's minority/women's business enterprise program.

Secs. 2-346—2-353. - Reserved.

ARTICLE VIII. - RESERVED

Secs. 2-354—2-362. - Reserved.

CITY OF GALVESTON - BUILDING DIVISION
P.O. Box 779
Galveston, Texas 77553
Phone: 409-797-3660
Email: planningcounter@galvestonTX.gov

To: City Council

From: Todd Sukup, Assistant Director of Development Services

Date: 6/20/2019

Re: Staff Report – Permit fee changes for compliance with State law

House bill 852 was signed by the governor on May 21st and made effective immediately. The bill prohibits cities from determining permit fees for residential dwellings based on the value of the dwelling or the cost of constructing or improving the dwelling. The bill also prohibits municipalities from requiring the disclosure of information related to the value of or the cost of constructing or improving a dwelling as a condition of obtaining a permit except as required by FEMA for participation in the NFIP.

Most permit fees collected by the city of Galveston already conform to State law. However, the following fees are affected by the change and must be modified:

Residential Remodels/ Additions
Residential Roofs

Staff recommends adoption of the following fees to comply with state law:

Description	**Fee**
Building Permit	$.40 / square foot
Plan Review	$.20/ square foot
Roof Permit	$150

The modification proposed would comply with State law and also change the permit fees for new construction. The current fees for new construction:

Description	**Fee**	
Building Permit	$.15/ square foot (residential),	$.20/ square foot (commercial)
Review fee	%50 of the permit fee	
Planning site plan review fee	$100 (residential),	$200 (commercial), $500 HDDZ, $50 Historic
Site visit fee	$25	
Energy Review	$75	
Energy Inspection	$50	
Fill Permit	$150	
Right of way	$15 plus $3/ linear foot of installed culvert	

A comparison of the current and proposed schedule for a typical 2000 square foot dwelling demonstrates the difference.

Current		**Proposed**
Building Permit	300	800
Review fee	150	400
Planning fee	100	100
Site visit fee	25	NA
Energy Review	75*	NA
Energy Inspection	50*	NA
Fill	150	150
ROW (no culvert)	15	NA
	$865	$1450

*December 1, 2018 Galveston required 3rd party energy submittals and inspections, no longer requiring the fees on new construction.

The site visit, energy review, inspection and ROW fees do not apply to the proposal as they are included as a part of the review and permit fee.

In conclusion, the current change proposal is intended to bring the city into compliance with state law while updating and simplifying permitting for new construction. Data collected in the following months will allow staff to perform cost-recovery analysis as part of a larger review of the entire permit fee structure.

MEMORANDUM

TO: **MEMBERS OF CITY COUNCIL**

FROM: **DONALD S. GLYWASKY**

DATE: **JUNE 19, 2019**

RE: **OPEN MEETING/OPEN RECORDS LEGISLATION**

1) For consideration at the next workshop, below is a listing of the legislation passed this session related to open meeting and open records.

2) We will be doing a legislative review at the Council's August meeting as well as discuss our interim goals to prepare for the next session.

3) The bills related to open meetings/open records are below. We will be reviewing them with the City Secretary to make any necessary adjustments.

86th Legislature: Open Government Bills Passed

H.B. 81 (Canales/Hinojosa) – Public Information and Parades, Concerts, and Other Entertainment Events: provides that: (1) information relating to the receipt or expenditure of public or other funds by a governmental body for a parade, concert, or other entertainment event paid for in whole or part with public funds is subject to the Public Information Act; (2) a person, including a governmental body, may not include a provision in a contract related to an event described by (1) that prohibits or would otherwise prevent the disclosure of information; and (3) a contract provision that violates the bill is void. (Effective immediately.)

H.B. 305 (Paul/Nelson) – Website Posting: applies only to a political subdivision with the authority to impose a tax that at any time on or after January 1, 2019, maintained a publicly accessible Internet website and provides that: (1) a political subdivision to which the bill applies shall post on a publicly accessible Internet website the following information: (a) the political subdivision's contact information, including a mailing address, telephone number, and e-mail address; (b) each elected officer of the political subdivision; (c) the date and location of the next election for officers of the political subdivision; (d) the requirements and deadline for filing for candidacy of each elected office of the political subdivision, which shall be continuously posted for at least one year before the election day for the office; (e) each notice of a meeting of the political subdivision's governing body under the Open Meetings Act; and (f) the minutes of a meeting of the political subdivision's governing body; (2) Sections (1)(e) and (f) do not apply to a city with a population of less than 5,000 located in a county with a population of less than 25,000. (Effective September 1, 2019.)

H.B. 1351 (Cortez/Menendez) – Public Information: provides that the home address, home telephone number, emergency contact information, social security number, family member information, and date of birth of current and former members of the United States Army, Navy, Air Force, Coast Guard, Marine Corps, or an auxiliary service of one of those branches are confidential under the Public Information Act. (Effective September 1, 2019.)

<u>H.B. 2828</u> (P. King/Fallon) – Public Information Act: provides that: (1) the name, address, telephone number, email address, driver's license number, social security number, or other personally identifying information of a person who obtains ownership or control of an animal from a city animal shelter is confidential; (2) a governmental body may disclose the information in (1) to a governmental entity, or to a person who is under contract with a governmental entity and provides animal control services, animal registration services, or related services to the governmental entity, for a purpose related to the protection of public health and safety; and (3) an entity or person in (2) must maintain the confidentiality of the information and not use it for any purpose that does not directly relate to the protection of public health and safety. (Effective immediately.)

<u>H.B. 2840</u> (Canales/Hughes) – Right to Speak at Open Meeting: applies to local governmental bodies, including cities (but not state agencies), and provides that: (1) a governmental body shall allow each member of the public who desires to address the body regarding an item on an agenda for an open meeting of the body to address the body regarding the item at the meeting before or during the body's consideration of the item; (2) a governmental body may adopt reasonable rules regarding the public's right to address the body, including rules that limit the total amount of time that a member of the public may address the body on a given item; (3) only if a governmental body does not use simultaneous translation equipment in a manner that allows the body to hear the translated public testimony simultaneously, a rule adopted under (2) that limits the amount of time that a member of the public may address the governmental body must provide that a member of the public who addresses the body through a translator must be given at least twice the amount of time as a member of the public who does not require the assistance of a translator in order to ensure that non-English speakers receive the same opportunity to address the body; and (4) a governmental body may not prohibit public criticism of the governmental body, including criticism of any act, omission, policy, procedure, program, or service, unless the public criticism is otherwise prohibited by law. (Effective September 1, 2019.)

<u>H.B. 3091</u> (Deshotel/Campbell) – Public Information: this bill: (1) makes information related to the location or physical layout of a family violence shelter center or victims of trafficking shelter center confidential; and (2) creates a criminal offense for disclosing or publicizing the location or physical layout of shelters with the intent to threaten the safety of any inhabitant of these shelters. (Effective September 1, 2019.)

<u>H.B. 3175</u> (Deshotel/Creighton) – Public Information of Disaster Recovery Funds: provides that: (1) the following information that is maintained by a governmental body is confidential and not subject to release under the Public Information Act: (a) the name, social security number, house number, street name, and telephone number of an individual or household that applies for state or federal disaster recovery funds; (b) the name, tax identification number, address, and telephone number of a business entity or an owner of a business entity that applies for state or federal disaster recovery funds; and (c) any other information the disclosure of which would identify or tend to identify a person or household that applies for state or federal disaster recovery funds; and (2) the street name and census block group of and the amount of disaster recovery funds awarded to a person or household are not confidential after the date on which disaster recovery funds are awarded to the person or household. (Effective September 1, 2019.)

S.B. 494 (Huffman) – Open Government/Emergencies: this bill:

1. provides that, in an emergency or when there is an urgent public necessity, the notice of a meeting to deliberate or take action on the emergency or urgent public necessity or a supplemental notice is sufficient if it is posted for at least one hour before the meeting is convened;
2. provides that at an emergency meeting for which notice or supplemental notice is posted, a governmental body may deliberate or take action only on: (a) a matter that is directly related to the emergency or urgent public necessity identified in the notice or supplemental notice; or (b) an agenda item listed on a notice of the meeting before the supplemental notice was posted;
3. expands the definition of an emergency or an urgent public necessity to include: (a) a reasonably unforeseen situation, including (i) a fire, flood, earthquake, hurricane, tornado, or wind, rain, or snow storm; (ii) power failure, transportation failure, or interruption or communication facilities; (iii) an epidemic; or (iv) a riot, civil disturbance, enemy attack or other actual or threatened act of lawlessness or violence; and (b) a threat described in (a) above, if imminent;
4. repeals current law that requires notice be provided to members of the media in instances where the sudden relocation of a large number of residents from the area of declared disaster is required;
5. requires the presiding officer or member of a governing body who calls an emergency meeting to provide notice of the meeting to members of the media at least one hour before the meeting is convened;
6. provides that the attorney general may bring an action in a Travis County district court to stop, prevent, or reverse a violation or threatened violation of the provisions described in item (1), above, by members of the governmental body;
7. provides that when a governmental body is currently impacted by a catastrophe that interferes with the ability of a governmental body to comply with the requirements of the Texas Public Information Act (Act), a governmental body may suspend the applicability of the requirements of the Act for an initial period not to exceed seven consecutive days provided that the governmental body provides notice to the office of the attorney general, in a form prescribed by that office, that the governmental body is currently impacted by a catastrophe and has elected to suspend the applicability of the Act;
8. provides that the initial suspension period begins not earlier than the second day before the date the governmental body submits notice to the office of the attorney general and ends not later than the seventh day after the date the governmental body submits that notice;
9. provides that a governmental body may extend the initial suspension period described in item (7), above, for one period of time not to exceed seven consecutive days, if the governing body determines that the governing body is still impacted by the catastrophe on which the initial suspension period was based and notice of the extension is submitted to the office of the attorney general in a form prescribed by the office;
10. requires that a governmental body that suspends the applicability of the requirements of the Act to: (a) provide notice to the public of the suspension in a place readily accessible to the public and in each other location the governmental body is required to post a notice of a meeting

under the Open Meetings Act; and (2) maintain the notice of suspension during the suspension period;
11. provides that a request for public information received by a governmental body during a suspension is considered to have been received by the governmental body on the first business day after the date the suspension period ends;
12. tolls the requirements of the Act related to a request for public information received by a governmental body before the date the initial suspension period begins until the first business day after the date the suspension period ends; and
13. requires the office of the attorney general to continuously post on its website each notice submitted to the office from the date the office receives the notice until the first anniversary of that date.
(Effective September 1, 2019.)

S.B. 943 (Watson/Capriglione) – Public Information Act: makes various changes related to "contracting information" in the Public Information Act. Specifically, the bill provides that:
1. an economic development entity whose mission or purpose is to develop and promote the economic growth of a state agency or political subdivision with which the entity contracts is not considered a "governmental body" under the Act if: (i) the entity does not receive $1 million or more in public funds from a single state agency or political subdivision in the current or preceding state fiscal year; or (ii) the entity: (A) either: (I) does not have the authority to make decisions or recommendations on behalf of a state agency or political subdivision regarding tax abatements or tax incentives; or (II) does not require an officer of the state agency or political subdivision to hold office as a member of the board of directors of the entity; (B) does not use staff or office space of the state agency or political subdivision for no or nominal consideration, unless the space is available to the public; (C) to a reasonable degree, tracks the entity's receipt and expenditure of public funds separately from the entity 's receipt and expenditure of private funds; and (D) provides at least quarterly public reports to the state agency or political subdivision regarding work performed on behalf of the state agency or political subdivision;
2. "contracting information" means the following information maintained by a governmental body or sent between a governmental body and a vendor, contractor, potential vendor, or potential contractor: (a) information in a voucher or contract relating to the receipt or expenditure of public funds by a governmental body; (b) solicitation or bid documents relating to a contract with a governmental body; (c) communications sent between a governmental body and a vendor, contractor, potential vendor, or potential contractor during the solicitation, evaluation, or negotiation of a contract; (d) documents, including bid tabulations, showing the criteria by which a governmental body evaluates each vendor, contractor, potential vendor, or potential contractor responding to a solicitation and, if applicable, an explanation of why the vendor or contractor was selected; and (e) communications and other information sent between a governmental body and a vendor or contractor related to the performance of a final contract with the governmental body or work performed on behalf of the governmental body;
3. contracting information is public and must be released unless excepted from disclosure under this chapter;
4. the exceptions to disclosure provided by the trade secrets and commercial and financial information and proprietary information sections in the Act do not apply to: (a) certain state contracts; (b) the following contract or offer terms or their functional equivalent: (i) any term describing the overall or total price the governmental body will or could potentially pay,

including overall or total value, maximum liability, and final price; (ii) a description of the items or services to be delivered with the total price for each if a total price is identified for the item or service in the contract; (iii) the delivery and service deadlines; (iv) the remedies for breach of contract; (v) the identity of all parties to the contract; (vi) the identity of all subcontractors in a contract; (vii) the affiliate overall or total pricing for a vendor, contractor, potential vendor, or potential contractor; (viii) the execution dates; (ix) the effective dates; and (x) the contract duration terms, including any extension options; or (c) information indicating whether a vendor, contractor, potential vendor, or potential contractor performed its duties under a contract, including information regarding: (i) a breach of contract; (ii) a contract variance or exception; (iii) a remedial action; (iv) an amendment to a contract; (v) any assessed or paid liquidated damages; (vi) a key measures report; (vii) a progress report; and (viii) a final payment checklist;

5. information described by (b)(i) and (ii), in (4), above, and relates to a retail electricity contract may not be disclosed until the delivery start date;

6. information is excepted from disclosure if a governmental body demonstrates that release of the information would harm its interests by providing an advantage to a competitor or bidder in a particular ongoing competitive situation or in a particular competitive situation where the governmental body establishes the situation at issue is set to reoccur or there is a specific and demonstrable intent to enter into the competitive situation again in the future;

7. "trade secret" means all forms and types of information, including business, scientific, technical, economic, or engineering information, and any formula, design, prototype, pattern, plan, compilation, program device, program, code, device, method, technique, process, procedure, financial data, or list of actual or potential customers or suppliers, whether tangible or intangible and whether or however stored, compiled, or memorialized physically, electronically, graphically, photographically, or in writing if: (a) the owner of the trade secret has taken reasonable measures under the circumstances to keep the information secret; and (b) the information derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable through proper means by, another person who can obtain economic value from the disclosure or use of the information;

8. except as provided by (3) and (4), above, information is excepted from disclosure if it is demonstrated based on specific factual evidence that the information is a trade secret;

9. except as provided by (3) and (4), above, commercial or financial information for which it is demonstrated based on specific factual evidence that disclosure would cause substantial competitive harm to the person from whom the information was obtained is excepted from disclosure;

10. except as provided by (3) and (4), above, information submitted to a governmental body by a vendor, contractor, potential vendor, or potential contractor in response to a request for a bid, proposal, or qualification is excepted from disclosure if the vendor, contractor, potential vendor, or potential contractor that the information relates to demonstrates based on specific factual evidence that disclosure of the information would: (a) reveal an individual approach to: (i) work; (ii) organizational structure; (iii) staffing; (iv) internal operations; (v) processes; or (vi) discounts, pricing methodology, pricing per kilowatt hour, cost data, or other pricing information that will be used in future solicitation or bid documents; and (b) give advantage to a competitor;

11. the exception to disclosure provided by (10), above, does not apply to: (a) information in a voucher or contract relating to the receipt or expenditure of public funds by a governmental body; or (b) communications and other information sent between a governmental body and a

vendor or contractor related to the performance of a final contract with the governmental body or work performed on behalf of the governmental body;

12. the exception to disclosure provided by (10), above, may be asserted only by a vendor, contractor, potential vendor, or potential contractor for the purpose of protecting the interests of the vendor, contractor, potential vendor, or potential contractor;

13. a governmental body shall decline to release information related to privacy or property interests of a third party to the extent necessary to allow a vendor, contractor, potential vendor, or potential contractor to assert the exception to disclosure provided by (10), above;

14. an economic development entity whose mission or purpose is to develop and promote the economic growth of a state agency or political subdivision with which the entity contracts may assert the economic development exception in current law with a third-party submission with respect to information that is in the economic development entity's custody or control;

15. a requestor may file suit for a writ of mandamus compelling a governmental body or an entity to comply with the requirements of (16)-(21), below;

16. an entity that is not a governmental body that executes a contract with a governmental body that has a stated expenditure of at least $1 million in public funds for the purchase of goods or services by the governmental body or that results in the expenditure of at least $1 million in public funds for the purchase of goods or services by the governmental body in a fiscal year of the governmental body is subject to the following in relation to a written request for public information received by a governmental body for contracting information related to the contract that is in the custody or possession of the entity and not maintained by the governmental body: (a) a governmental body that receives a written request for information shall request that the entity provide the information to the governmental body; (b) the governmental body must send the request in writing to the entity not later than the third business day after the date the governmental body receives the written request; (c) notwithstanding other provisions in the Act: (i) a request for an attorney general's decision to determine whether contracting information subject to a written request falls within an exception to disclosure is considered timely if made not later than the 13th business day after the date the governmental body receives the written request; (ii) the statement and copy is considered timely if provided to the requestor not later than the 13th business day after the date the governmental body receives the written request; (iii) a submission is considered timely if submitted to the attorney general not later than the 18th business day after the date the governmental body receives the written request; and (iv) a copy is considered timely if sent to the requestor not later than the 18th business day after the date the governmental body receives the written request; (d) the presumption in current law that information is considered public if a deadline is missed does not apply if a governmental body: (i) makes a good faith effort to obtain the information from the contracting entity; (ii) is unable to meet a deadline because the contracting entity failed to provide the information to the governmental body not later than the 13th business day after the date the governmental body received the written request for the information; and (iii) if applicable, complies with the requirements of existing law relating to its request for an attorney general's decision not later than the eighth business day after the date the governmental body receives the information from the contracting entity;

17. a contract described by (16), above, must require a contracting entity to: (a) preserve all contracting information related to the contract as provided by the records retention requirements applicable to the governmental body for the duration of the contract; (b) promptly provide to the

governmental body any contracting information related to the contract that is in the custody or possession of the entity on request of the governmental body; and (c) on completion of the contract, either: (i) provide at no cost to the governmental body all contracting information related to the contract that is in the custody or possession of the entity; or (ii) preserve the contracting information related to the contract as provided by the records retention requirements applicable to the governmental body;

18. a bid for a contract described by (16), above, and the contract must include the following statement: "The requirements of Subchapter J, Chapter 552, Government Code, may apply to this (include "bid" or "contract" as applicable) and the contractor or vendor agrees that the contract can be terminated if the contractor or vendor knowingly or intentionally fails to comply with a requirement of that subchapter";

19. a governmental body may not accept a bid for a contract described by (16), above, or award the contract to an entity that the governmental body has determined has knowingly or intentionally failed to comply with the bill in a previous bid or contract unless the governmental body determines and documents that the entity has taken adequate steps to ensure future compliance with the requirements of the bill;

20. a governmental body that is the party to a contract described by (16), above, shall provide notice to the entity that is a party to the contract if the entity fails to comply with a requirement of the bill applicable to the entity;

21. a governmental body may terminate a contract described by (16), above, if: (a) the governmental body provides notice to the entity that is party to the contract; (b) the contracting entity does not cure the violation; (c) the governmental body determines that the contracting entity has intentionally or knowingly failed to comply with a requirement of the bill; and (d) the governmental body determines that the entity has not taken adequate steps, as defined by the bill, to ensure future compliance with the bill;

22. nothing in the bill prevents a governmental body from including and enforcing more stringent requirements in a contract to increase accountability or transparency; and

23. the bill does not create a cause of action to contest a bid for or the award of a contract with a governmental body.

(Effective January 1, 2020.)

<u>S.B. 944</u> (Watson/Capriglione) – Public Information Act/Temporary Custodians: makes various changes to the Public Information Act. With regard to information held by a "temporary custodian," the bill provides that

1. "temporary custodian" is defined to: (a) mean an officer or employee of a governmental body who, in the transaction of official business, creates or receives public information that the officer or employee has not provided to the officer for public information of the governmental body or the officer's agent; and (b) include a former officer or employee of a governmental body who created or received public information in their official capacity that has not been provided to the officer for public information of the governmental body or the officer's agent;

2. a current or former officer or employee of a governmental body who maintains public information on a privately owned device shall: (a) forward or transfer the public information to the governmental body or a governmental body server to be preserved as other public information; or (b) preserve the public information in its original form in a backup or archive and on the privately owned device for the time required by current law;

3. laws governing the preservation, destruction, or other disposition of records or public information apply to records and public information held by a temporary custodian;
4. each officer for public information shall, in addition to the requirements in current law, make reasonable efforts to obtain public information from a temporary custodian if: (a) the information has been requested from the governmental body; (b) the officer for public information is aware of facts sufficient to warrant a reasonable belief that the temporary custodian has possession, custody, or control of the information; (c) the officer for public information is unable to comply with their duties in obtaining the information from the temporary custodian; and (d) the temporary custodian has not provided the information to the officer for public information or the officer's agent;
5. a current or former officer or employee of a governmental body does not have, by virtue of the officer's or employee's position or former position, a personal or property right to public information the officer or employee created or received while acting in an official capacity;
6. a temporary custodian with possession, custody, or control of public information shall surrender or return the information to the governmental body not later than the 10th day after the date the officer for public information of the governmental body or the officer's agent requests the temporary custodian to surrender or return the information;
7. a temporary custodian's failure to surrender or return public information is grounds for disciplinary action by the governmental body that employs the temporary custodian or any other applicable penalties provided by the PIA or other law; and
8. for purposes of deadlines related to information surrendered or returned to a governmental body by a temporary custodian, the governmental body is considered to receive the request for that information on the date the information is surrendered or returned to the governmental body.
With regard to general changes to the Act, the bill provides that:
1. information obtained by a governmental body that was provided by an out-of-state health care provider in connection with a quality management, peer review, or best practices program that the out-of-state health care provider pays for is confidential;
2. "protected health information" as defined by the Health and Safety Code is not public information and is not subject to disclosure;
3. a person may make a written request for public information under this chapter only by delivering the request by one of the following methods to the applicable officer for public information or a person designated by that officer: (a) United States mail; (b) electronic mail; (c) hand delivery; or (d) any other appropriate method approved by the governmental body, including facsimile transmission and electronic submission through the governmental body's website;
4. for the purpose of (3)(d), above, a governmental body is considered to have approved a method only if the governmental body includes a statement that a request for public information may be made by that method on the sign required to be displayed by the governmental body or the governmental body's website;
5. a governmental body may designate one mailing address and one electronic mail address for receiving written requests for public information and shall provide the designated mailing address and electronic mailing address to any person on request;
6. a governmental body that provides the information in (5), above, is not required to respond to a written request for public information unless the request is received: (a) at one of those addresses; (b) by hand delivery; or (c) by a method described by (3)(d), above, that has been approved by the governmental body;

7. the attorney general shall create a public information request form that provides a requestor the option of excluding from a request information that the governmental body determines is: (a) confidential; or (b) subject to an exception to disclosure that the governmental body would assert if the information were subject to the request; and
8. a governmental body that allows requestors to use the form described by (7), above, and maintains a website shall post the form on its website.
(Effective September 1, 2019.)

<u>S.B. 988</u> (Watson/Capriglione) – Public Information: provides that, in a suit by a governmental body to withhold information from a requestor, the court may assess costs of litigation or reasonable attorney's fees incurred by a plaintiff or defendant who substantially prevails only if the court finds the action or the defense of the action was groundless in fact or law. (Effective September 1, 2019.)

<u>S.B. 1494</u> (Paxton/Wu) – Public Information: provides that: (1) the home address, home telephone number, emergency contact information, social security number, date of birth and family member information of the following are considered confidential under the personnel exceptions of the Public Information Act: (a) current or former child protective services caseworker, adult protective serves caseworker, or investigator for the Department of Family and Protective Services (DFPS) and DFPS contractor's current or former employees performing these functions, and (b) state officers elected statewide and members of the legislature; and (2) the home address of the individuals named in (1)(a) and (1)(b), above, is considered confidential in appraisal records if the individuals chooses to restrict public access on the prescribed form. (Effective Immediately.)

<u>S.B. 1640</u> (Watson/Phelan) – Open Meetings Act Criminal Conspiracy: this bill addresses the Texas Court of Criminal Appeals opinion in *Doyal v. State*, which found the "criminal conspiracy" provision in the Open Meetings Act unconstitutional. Specifically, the bill: (1) redefines "deliberation" to include a verbal or written exchange between a quorum of a governmental body, or between a quorum of a governmental body and another person, concerning an issue within the jurisdiction of the governmental body; (2) retitles the criminal conspiracy provision from "conspiracy to circumvent chapter" to "prohibited series of communications;" and (3) provides that a member of a governmental body commits an offense if the member: (a) knowingly engages in at least one communication among a series of communications that each occur outside of a meeting and that concern an issue within the jurisdiction of the governmental body in which the members engaging in the individual communications constitute fewer than a quorum of members but the members engaging in the series of communications constitute a quorum of members; and (b) knew at the time the member engaged in the communication that the series of communications: (i) involved or would involve a quorum; and (ii) would constitute a deliberation once a quorum of members engaged in the series of communications. (Effective September 1, 2019.)

Fees Report

Run Date: 05/22/2019 2:08 PM

Fees Report (Janelle)

Create Date	Reference No	Fee Category	Cost	Quantity Charged	Amount Paid	Amount Unpaid
1/2/2018	W003873-010218	Accident Report Fee	$6.00	1.00		$6.00
1/10/2018	W003902-011018	Computer Resource Charge	$2.20	2.00		
1/10/2018	W003902-011018	Labor Charge for Programming	$28.50	2.00	$61.40	
1/16/2018	W003921-011618	Rewritable CD (CD-RW)	$1.00	1.00		
1/16/2018	W003921-011618	Postal and Shipping Charges	$1.11	1.00	$2.11	
1/16/2018	W003924-011618	Digital Video Disc (DVD)	$3.00	2.00		
1/16/2018	W003924-011618	Postal and Shipping Charges	$1.11	2.00		$8.22
1/22/2018	W003939-012218	Labor Charge for Programming	$28.50	1.00		
1/22/2018	W003939-012218	Computer Resource Charge	$2.20	8.00	$46.10	
1/26/2018	W003977-012618	Accident Report Fee	$6.00	1.00		$6.00
2/2/2018	W004009-020218	Computer Resource Charge	$2.20	1.00		
2/2/2018	W004009-020218	Labor Charge for Programming	$28.50	0.50		$16.45
2/10/2018	W004030-021018	Standard Paper Copy	$0.10	44.00	$4.40	
3/6/2018	W004121-030718	Computer Resource Charge	$2.20	80.00		
3/6/2018	W004121-030718	Labor Charge for Programming	$28.50	2.00	$233.00	
3/7/2018	W004122-030718	Accident Report Fee	$6.00	1.00		
3/7/2018	W004122-030718	Digital Video Disc (DVD)	$3.00	1.00		
3/7/2018	W004122-030718	Postal and Shipping Charges	$1.11	1.00	$10.11	
3/22/2018	W004162-032218	Digital Video Disc (DVD)	$3.00	2.00		
3/22/2018	W004162-032218	Postal and Shipping Charges	$1.11	2.00		
3/22/2018	W004162-032218	Accident Report Fee	$6.00	1.00	$14.22	
3/23/2018	W004165-032318	Non-rewritable (CD-R)	$1.00	1.00		
3/23/2018	W004165-032318	Postal and Shipping Charges	$1.21	1.00	$2.21	
4/6/2018	W004218-040618	Digital Video Disc (DVD)	$3.00	1.00		
4/6/2018	W004218-040618	Accident Report Fee	$6.00	1.00		
4/6/2018	W004218-040618	Postal and Shipping Charges	$1.11	1.00	$10.11	
4/13/2018	W004244-041318	Computer Resource Charge	$2.20	130.00		
4/13/2018	W004244-041318	Labor Charge for Programming	$28.50	1.50		$328.75
4/23/2018	W004277-042318	Digital Video Disc (DVD)	$3.00	1.00		
4/23/2018	W004277-042318	Postal and Shipping Charges	$1.11	1.00		$4.11
4/23/2018	W004278-042318	Digital Video Disc (DVD)	$3.00	3.00		
4/23/2018	W004278-042318	Postal and Shipping Charges	$1.11	3.00	$12.33	

4/25/2018	W004293-042518	Digital Video Disc (DVD)	$3.00	1.00		
4/25/2018	W004293-042518	Postal and Shipping Charges	$1.11	1.00		$4.11
4/30/2018	W004303-043018	Computer Resource Charge	$2.20	0.17		
4/30/2018	W004303-043018	Labor Charge for Programming	$28.50	0.17		$5.22
5/16/2018	W004364-051618	Digital Video Disc (DVD)	$3.00	1.00		
5/16/2018	W004364-051618	Postal and Shipping Charges	$1.11	1.00	4.11	
5/16/2018	W004368-051618	Digital Video Disc (DVD)	$3.00	1.00	$3.00	
5/17/2018	W004374-051718	Accident Report Fee	$6.00	1.00	$6.00	
5/17/2018	W004379-051718	Digital Video Disc (DVD)	$3.00	1.00		
5/17/2018	W004379-051718	Postal and Shipping Charges	$1.11	1.00	$4.11	
5/22/2018	W004388-052218	Digital Video Disc (DVD)	$3.00	1.00		
5/22/2018	W004388-052218	Standard Paper Copy	$0.10	8.00		
5/22/2018	W004388-052218	Postal and Shipping Charges	$1.11	1.00	$4.91	
5/23/2018	W004402-052318	Accident Report Fee	$6.00	1.00		
5/23/2018	W004402-052318	Digital Video Disc (DVD)	$3.00	3.00		
5/23/2018	W004402-052318	Postal and Shipping Charges	$1.21	1.00	$15.00	
5/23/2018	W004403-052318	Non-rewritable (CD-R)	$1.00	1.00		
5/23/2018	W004403-052318	Postal and Shipping Charges	$0.00	1.00	$1.00	
5/30/2018	W004421-053118	Digital Video Disc (DVD)	$3.00	1.00		
5/30/2018	W004421-053118	Postal and Shipping Charges	$1.11	1.00	$4.11	
6/7/2018	W004442-060718	Digital Video Disc (DVD)	$3.00	1.00		
6/7/2018	W004442-060718	Postal and Shipping Charges	$1.11	1.00		$4.11
6/11/2018	W004464-061118	Accident Report Fee	$6.00	1.00		
6/11/2018	W004464-061118	Postal and Shipping Charges	$1.11	1.00		$7.11
6/12/2018	W004474-061218	Accident Report Fee	$6.00	1.00	$6.00	
6/14/2018	W004483-061418	Accident Report Fee	$6.00	1.00		$6.00
6/15/2018	W004492-061518	Accident Report Fee	$6.00	1.00	$6.00	
6/22/2018	W004513-062218	Accident Report Fee	$6.00	1.00		$6.00
6/25/2018	W004533-062718	Digital Video Disc (DVD)	$3.00	1.00		
6/25/2018	W004533-062718	Postal and Shipping Charges	$1.11	1.00	$3.00	
6/25/2018	W004520-062518	Computer Resource Charge	$2.20	4.50		
6/25/2018	W004520-062518	Labor Charge for Programming	$28.50	1.00	$38.40	
6/26/2018	W004529-062718	Digital Video Disc (DVD)	$3.00	2.00		
6/26/2018	W004529-062718	Postal and Shipping Charges	$1.11	1.00	$7.11	
6/26/2018	W004523-062618	Digital Video Disc (DVD)	$3.00	2.00		
6/26/2018	W004523-062618	Postal and Shipping Charges	$1.11	1.00		$7.11
6/27/2018	W004531-062718	Digital Video Disc (DVD)	$3.00	2.00	$6.00	

6/28/2018	W004541-062818	Labor Charge for Programming	$28.50	2.00		
6/28/2018	W004541-062818	Computer Resource Charge	$2.20	130.00		$343.00
7/2/2018	W004560-070218	Accident Report Fee	$6.00	1.00		
7/2/2018	W004560-070218	Postal and Shipping Charges	$1.11	1.00	$7.11	
7/5/2018	W004566-070518	Labor Charge for Programming	$28.50	2.00		$57.00
7/6/2018	W004574-070618	Non-rewritable (CD-R)	$1.00	1.00		
7/6/2018	W004574-070618	Postal and Shipping Charges	$1.22	1.00	$2.22	
7/6/2018	W004575-070618	Digital Video Disc (DVD)	$3.00	1.00		
7/6/2018	W004575-070618	Accident Report Fee	$6.00	1.00		
7/6/2018	W004575-070618	Postal and Shipping Charges	$1.22	1.00	$10.22	
7/11/2018	W004591-071118	Labor Charge for Programming	$28.50	3.00		$85.50
7/18/2018	W004616-071818	Standard Paper Copy	$0.10	61.00		
7/18/2018	W004616-071818	Postal and Shipping Charges	$1.11	1.00		$7.21
7/23/2018	W004639-072318	Digital Video Disc (DVD)	$3.00	1.00		
7/23/2018	W004639-072318	Postal and Shipping Charges	$1.11	1.00	$3.00	
7/25/2018	W004652-072518	Labor Charge for Programming	$28.50	1.00		$28.50
7/30/2018	W004667-073018	Digital Video Disc (DVD)	$3.00	1.00		
7/30/2018	W004667-073018	Postal and Shipping Charges	$1.11	1.00		$4.11
8/7/2018	W004705-080718	Accident Report Fee	$6.00	1.00		
8/7/2018	W004705-080718	Digital Video Disc (DVD)	$3.00	1.00		
8/7/2018	W004705-080718	Postal and Shipping Charges	$1.11	1.00	$10.11	
8/8/2018	W004719-080818	Labor Charge for Programming	$28.50	3.00		
8/8/2018	W004719-080818	Computer Resource Charge	$2.20	1.00		$87.70
8/9/2018	W004723-080918	Digital Video Disc (DVD)	$3.00	1.00		
8/9/2018	W004723-080918	Rewritable CD (CD-RW)	$1.00	1.00		
8/9/2018	W004723-080918	Postal and Shipping Charges	$1.11	1.00		$5.11
8/10/2018	W004732-081018	Labor Charge for Programming	$28.50	1.00		$28.50
8/21/2018	W004773-082118	Accident Report Fee	$6.00	1.00	$6.00	
8/21/2018	W004775-082118	Digital Video Disc (DVD)	$3.00	1.00		
8/21/2018	W004775-082118	Postal and Shipping Charges	$1.11	1.00		$4.11
8/22/2018	W004779-082218	Labor Charge for Programming	$28.50	0.33		
8/22/2018	W004779-082218	Computer Resource Charge	$2.20	3.00	$16.01	
8/22/2018	W004780-082218	Computer Resource Charge	$2.20	1.00		
8/22/2018	W004780-082218	Labor Charge for Programming	$28.50	1.00	$30.70	
8/24/2018	W004791-082418	Labor Charge for Programming	$28.50	3.00		
8/24/2018	W004791-082418	Computer Resource Charge	$2.20	0.50	86.60	
8/29/2018	W004806-082918	Accident Report Fee	$6.00	1.00	$6.00	

9/4/2018	W004818-090418	Digital Video Disc (DVD)	$3.00	1.00		
9/4/2018	W004818-090418	Postal and Shipping Charges	$1.11	1.00	$4.11	
9/4/2018	W004819-090418	Digital Video Disc (DVD)	$3.00	1.00		
9/4/2018	W004819-090418	Non-rewritable (CD-R)	$1.00	1.00		
9/4/2018	W004819-090418	Postal and Shipping Charges	$1.11	1.00	$5.11	
9/4/2018	W004821-090418	Labor Charge for Programming	$28.50	1.00		$28.50
9/5/2018	W004822-090518	Accident Report Fee	$6.00	1.00	6.00	
9/6/2018	W004834-090618	Accident Report Fee	$6.00	1.00		
9/6/2018	W004834-090618	Digital Video Disc (DVD)	$3.00	2.00		
9/6/2018	W004834-090618	Postal and Shipping Charges	$1.11	1.00	$13.11	
9/10/2018	W004867-091318	Digital Video Disc (DVD)	$3.00	1.00		
9/10/2018	W004867-091318	Postal and Shipping Charges	$1.11	1.00	$4.11	
9/11/2018	W004856-091118	Labor Charge for Programming	$28.50	0.50		
9/11/2018	W004856-091118	Computer Resource Charge	$2.20	3.00	20.85	
9/26/2018	W004904-092618	Digital Video Disc (DVD)	$3.00	1.00		
9/26/2018	W004904-092618	Postal and Shipping Charges	$1.11	1.00	$4.11	
9/26/2018	W004906-092618	Accident Report Fee	$6.00	1.00		$6.00
9/27/2018	W004914-092718	Labor Charge for Programming	$28.50	5.00		
9/27/2018	W004914-092718	Computer Resource Charge	$2.20	0.50		$143.60
10/2/2018	W004929-100318	Accident Report Fee	$6.00	1.00		
10/2/2018	W004929-100318	Digital Video Disc (DVD)	$3.00	1.00		
10/2/2018	W004929-100318	Postal and Shipping Charges	$1.11	1.00	$10.11	
10/2/2018	W004928-100218	Labor Charge	$15.00	6.00		$90.00
10/9/2018	W004945-100918	Standard Paper Copy	$0.10	102.00		$10.20
10/15/2018	W004980-102218	Accident Report Fee	$6.00	1.00		
10/15/2018	W004980-102218	Digital Video Disc (DVD)	$3.00	1.00		
10/15/2018	W004980-102218	Postal and Shipping Charges	$1.11	1.00	$10.11	
10/22/2018	W004984-102218	Accident Report Fee	$6.00	1.00		
10/22/2018	W004984-102218	Digital Video Disc (DVD)	$3.00	1.00		
10/22/2018	W004984-102218	Postal and Shipping Charges	$1.11	1.00	$10.11	
10/24/2018	W004991-102418	Accident Report Fee	$6.00	1.00		$6.00
10/25/2018	W004994-102518	Digital Video Disc (DVD)	$3.00	1.00		
10/25/2018	W004994-102518	Postal and Shipping Charges	$1.11	1.00	$3.11	
10/28/2018	W005004-102818	Computer Resource Charge	$2.20	25.00		
10/28/2018	W005004-102818	Labor Charge for Programming	$28.50	0.33	$64.41	
10/29/2018	W005008-102918	Accident Report Fee	$6.00	3.00		$18.00
10/30/2018	W005014-103018	Accident Report Fee	$6.00	1.00		$6.00

11/5/2018	W005025-110518	Digital Video Disc (DVD)	$3.00	1.00		
11/5/2018	W005025-110518	Postal and Shipping Charges	$1.11	1.00	$4.11	
11/7/2018	W005042-110718	Digital Video Disc (DVD)	$3.00	1.00		
11/7/2018	W005042-110718	Postal and Shipping Charges	$1.11	1.00	$4.11	
11/13/2018	W005055-111318	Labor Charge for Programming	$28.50	2.00		$57.00
11/16/2018	W005079-111918	Digital Video Disc (DVD)	$3.00	5.00		
11/16/2018	W005079-111918	Postal and Shipping Charges	$1.11	5.00	$20.55	
11/19/2018	W005082-111918	Accident Report Fee	$6.00	1.00		$6.00
					$866.73	**$1,431.23**

2018 Total Requests Received - 1,290

# of Requests with Assessed Fees - 82

# of Requests with Paid Fees - 49

# of Requests with Unpaid Fees - 33

Breakdown of Requests with Unpaid Fees:

Accident Reports - 11

DVD's - 8

Labor Charge - 12

Paper Copies - 2

City of Galveston

DEVELOPMENT SERVICES DEPARTMENT
823 Rosenberg | Galveston, TX 77550
409-797-3660 planningcounter@galvestonTX.gov

MEMORANDUM

TO: Mayor James Yarbrough, City Council Members

FROM: Catherine Gorman, AICP, Assistant Director/HPO, Development Services Department

DATE: June 19, 2019

RE: Modification to the Land Development Regulations for Article 5, Signage

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Staff recently met with representatives of the Short Term Rental Owners Association of Galveston (STROAG) to discuss signage requirements. Concerns were expressed about the appropriateness of signage on residential structures in the Urban Core, east of 103rd Street. The discussion identified the possibility of amending Article 5, Signage, of the Land Development Regulations (LDR) as follows:

1. Clarify that the signage allotments in the Urban Neighborhood zoning district (Table 5.109, attached) are for commercial properties only.

2. The LDR current state that no permit is required for the placement of a Name Plate provided the following requirements are met: not to exceed two square feet in order to identify the owner or occupant of a dwelling or building. Discussion was to add the following requirements:

    a. Clarify the location of the Name Plate shall be on the face of the structure and not located on a fence, railing, or stairs; and
    b. Specify that the location of the Name Plate shall be placed no higher on the structure than the first finished floor.

Attachment A

SEC 5.109 SIGNS IN CENTRAL BUSINESS (CB), URBAN NEIGHBORHOOD (UN), NEIGHBORHOOD SERVICES (NS), AND TRADITIONAL NEIGHBORHOOD (TN) DISTRICTS (ORD. 18-026)

Table 5.109 Signs in Central Business (CB), Urban Neighborhood (UN) and Traditional Neighborhood (TN) Districts						
Sign type	Max. # of signs	Max. Square foot area	Max. height	Placement	Illumination	Standard
Attached Signs. 1. Internal illumination limited to one sign type. 2. Single Tenant Properties located in the Central Business (CB) District with a minimum square footage of 10,000, shall be subject to Section 5.107, Signs in Commercial (C), Heavy Industrial (HI), and Light Industrial (LI) Districts. For those properties located within the Strand/Mechanic Historic District, any signage over the allotments in Section 5.109 shall be subject to review and approval by the Landmark Commission.						
Flat/Wall sign/Canopy	1	20 square feet 40 square feet (UN only)	n/a	Facing a street right-of-way	External	(Sec 5.422)
Under-Canopy	1	24 square feet	n/a	n/a	External	Minimum 7.5 feet clearance above grade. (Sec 5.418)
Projecting	1	48 square feet	n/a	On site, may extend over right-of-way	External	May project up to 4 feet from building. (Sec 5.413)
Detached Signs 1. Properties east of 59th Street, north of Seawall Boulevard, south of Harborside Drive to and including Ferry Road are limited to monument only (not applicable to properties fronting Seawall Boulevard or Harborside Drive). 2. Single Tenant Properties located in the Central Business (CB) District with a minimum square footage of 10,000, shall be subject to Section 5.107, Signs in Commercial (C), Heavy Industrial (HI), and Light Industrial (LI) Districts. For those properties located within the Strand/Mechanic Historic District, any signage over the allotments in Section 5.109 shall be subject to review and approval by the Landmark Commission.						
Sign type	Max. # of signs	Max. Square foot area	Max. height	Placement	Illumination	Standard
Monument	1 per street frontage.	200 square feet	12 feet	On site	Internal, External	Sign base width measures at least 75 percent of the width of the sign.
Subdivision	2 per intersection	150 square feet	12 feet	Reserve area	Internal, External	(Sec 5.415)
Directional/Informational (on-site)	n/a	6 square feet	8 feet	On site	Internal, external	Giving directions to motorists regarding parking and access drives
A Frame, Sandwich Board or Easel	1 per site	6 square feet	4 feet	On site	None	Displayed during business hours only. Wood, aluminum or metal only. Free of attachments.

FlixBus USA

June 27th Council Workshop

About FlixBus

- FlixBus was founded in 2013, by three entrepreneurs in Munich, Germany and quickly became the leading long-distance travel bus company in Germany.

- The company currently operates over 2,000 destinations in 29 different countries, and continues to expand.

- FlixBus USA has since launched in 2018 initially offering routes along the West Coast, and has rapidly expanded East to include Texas, Louisiana, and Mississippi.

- Bus partnerships are made with small and medium sized companies, who act as regional partners with FlixBus. The partner companies are responsible for the day to day operations of the buses.

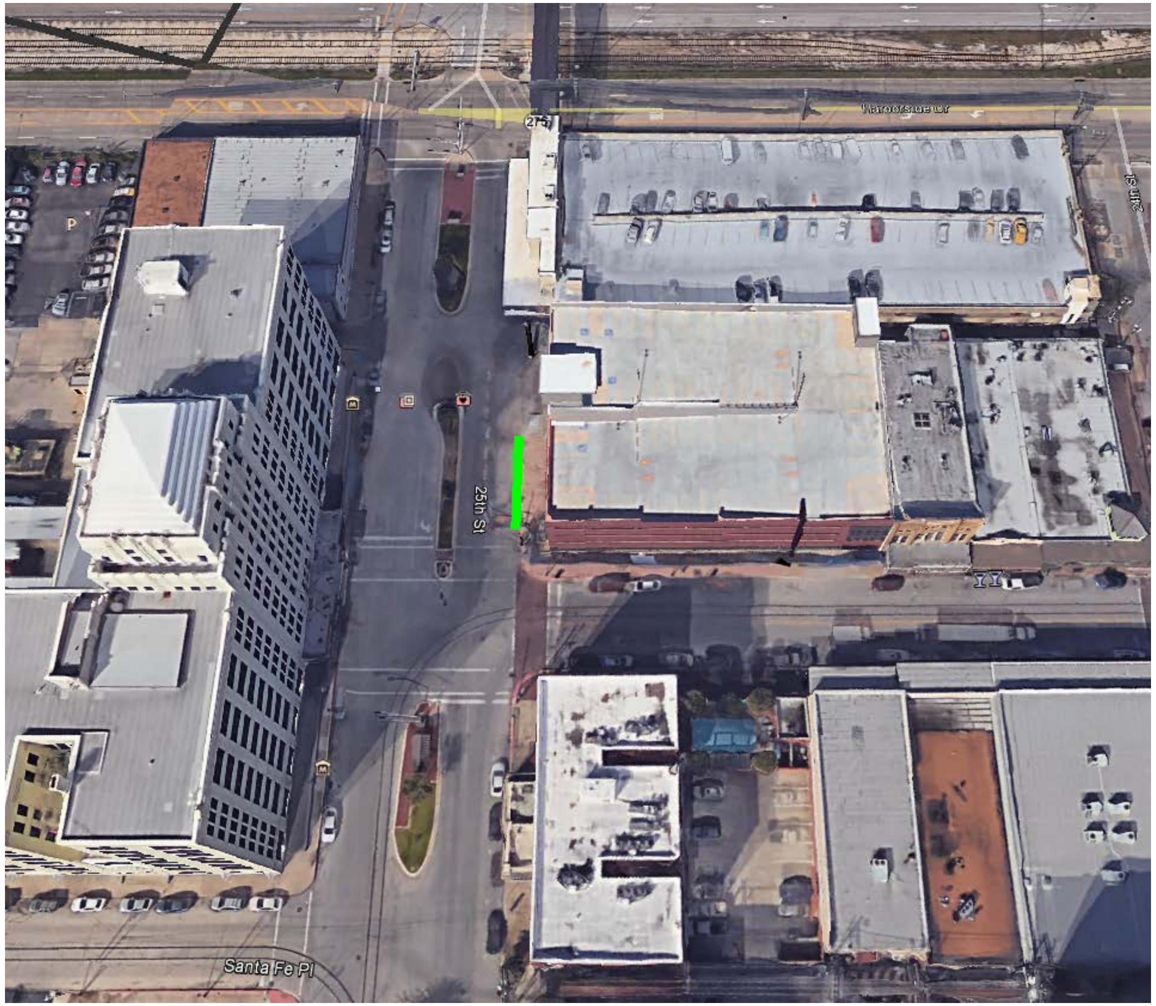
What Has Been Proposed?

- FlixBus USA has contacted the City of Galveston, and proposed to run their private service to Downtown Houston and Dallas.
- The partnership between FlixBus and the City of Galveston would require the use of City ROW in order to unload and load passengers.
  - As well as allow FlixBus to install signage to indicate the location of the bus stop.

- The proposed FlixBus stop will come at no cost to the City of Galveston.
- Previous municipal partners entered into "Bus Stop Occupancy Agreements"
  - Which requires FlixBus to pay a one-time sign installation fee, and an annual right of way fee.

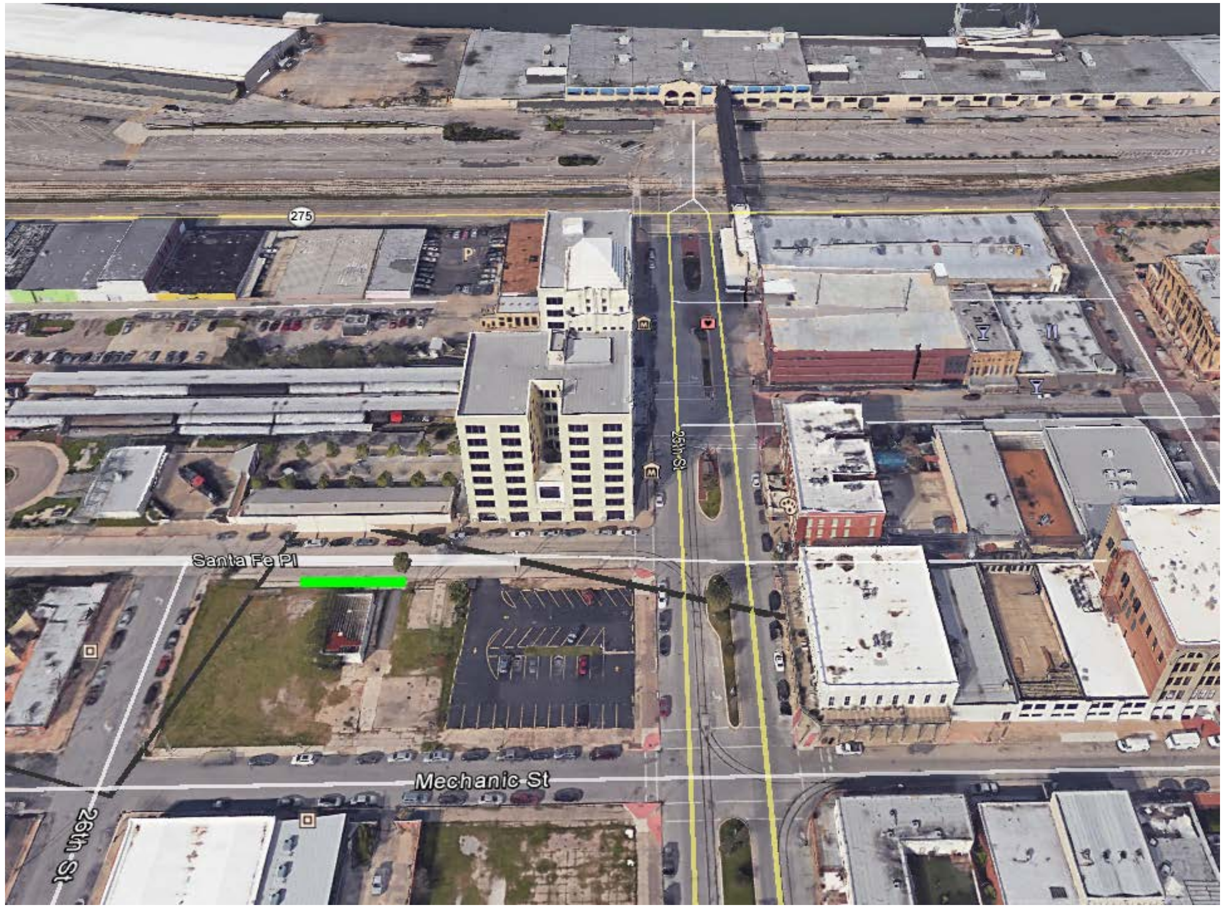
Proposed FlixBus Stop

- The proposed FlixBus stop is located on 25th Street next to the Downtown Terminal.
- This would provide access to Downtown for FlixBus riders, and close proximity to the Cruise Terminal.
- According to FlixBus, the loading and unloading process lasts typically 15 minutes.



Proposed Alternate Stop

- If an alternate stop is necessary due to any conflicts such as festivals, special events, etc.
- The alternate stop provides similar access as the primary stop.



Sample Cost for a FlixBus Trip

Departure	Destination	Day of Week	Passenger Count	Duration, Transfers	Total Cost (USD)
Houston, Texas	Austin, Texas	Monday	1	3 HRS. Direct	$4.99
Houston, Texas	Austin, Texas	Friday	1	3 HRS. Direct	$9.99
Houston, Texas	New Orleans, Louisiana	Monday	1	5.20 HRS. Direct	$9.99
Houston, Texas	New Orleans, Louisiana	Friday	1	7.20 HRS. Direct	$9.99
Houston, Texas	Dallas, Texas	Monday	1	3.5 HRS. Direct	$9.99
Houston, Texas	Dallas, Texas	Friday	1	3.5 HRS. Direct	$9.99

Draft Schedule

Arrival	Departure	Days of Week	Route Origin	Route Terminus
8:30am	8:40am	Monday	Houston	Galveston
9:10am	9:20am	Monday	Galveston	Houston
10:50am	11:00am	Fri, Sat, Sun.	Houston	Galveston
11:25am	11:35am	Fri, Sat, Sun	Galveston	Dallas
6:00pm	6:10pm	Sat, Sun	Dallas	Galveston
6:20pm	6:30pm	Friday	Dallas	Galveston
6:55pm	7:05pm	Fri, Sat, Sun	Galveston	Houston
7:30pm	7:40pm	Thursday	Dallas	Galveston
8:05pm	8:15pm	Thursday	Galveston	Houston

Central U.S. Route Map

FlixBus Amenities

- FlixBus offers a comfortable journey for riders with these amenities:
  - Each bus is equipped with free Wi-Fi.
  - FlixBus provides adjustable seats with extra legroom.
  - Each seat is equipped with power outlets for all electronic devices.
  - While onboard the Entertainment Portal offers movies, games, and audiobooks.

Questions?

Date: 06/12/2019

To: Brian A. Maxwell, City Manager
Daniel J. Buckley, Deputy City Manager
Mike Loftin, Assistant City Manager-Finance

From: Rick Beverlin, Assistant City Manager-Grants & Public Transportation

RE: Island Transit - Service, Fare and Cost Recommendations

Background

Pursuant to recent discussions regarding General Fund (GF) budget, Grant Revenue and Ridership trends, as well as specific areas where cost savings may be realized, ridership/efficiency of hours of service may be realized.

FTA Section 5307 Formula Funding Challenges

For urbanized areas with a population of 50,000 to 199,999, FTA apportions Section 5307 funds to the governor or governor's designee as the designated recipient. In Texas, the governor's designee is TxDOT. TxDOT allocates funds to the 20 or so small urban transit districts and authorizes each FTA direct recipient to apply for the funds.

Although the City was successful in 2018 achieving advanced re-establishment of its FTA Section 5307 Small Urban grantee status, there has still been a decline in annual funding allocations. For example, compared with FY 2018, the City received approximately $118,000 less in 2019 FTA Section 5307 funding.

2019 5307 Formula Funding Total: ***$1,609,426***

State Matching Funds

State derived matching funds provided by TxDOT, and The Texas Legislature appropriates state funding levels each biennium. TxDOT allocates the funds according to the Texas Transit Funding Formula, which includes NEED, PERFORMAMCE and CENSUS, as per TAC Title 43 31.11. For Urban Transit Districts Performance factors include:

- Passengers per revenue mile: 30 percent.
- Revenue miles per operating expense: 20 percent.
- Local investment per operating expense: 30 percent.
- Passengers per capita: 20 percent.

The total urban transit district population is used for the passengers-per-capita measure.

2019 State Funding Total ***$420,897***.

Farebox & Contract Revenue

At present Island Transit's Farebox is derived from the following sources in the following amounts:

*Fixed Route Insert 2019 Total (projection): **$189,000***

*ADA Paratransit/RIDES 2019 Total (projection): **$70,000***

*UTMB Annual Agreement/Parking Garage Revenue/Advertising (Other Revenue) 2019 Projection: **$127,303***

Enhancing the share of both Farebox and Contract Revenue for Island Transit, but without hampering ridership levels is also necessary.

Recommended Approach for Island Transit Fiscal Stability

Therefore it is imperative that in order to maintain Island Transit's long term financial and operational sustainability, strengthening fixed-route ridership. That strategy will involve several key steps, ranging from marketing and promotion of Island Transit Fixed Route services to traditional transit dependent users, non-traditional "choice riders", residents, visitors and tourists. This also includes slowing the previous cost/growth trends of ADA paratransit through active management of client eligibility, fare structuring, hours of service, and active contract management with our intergovernmental partner, Harris County.

This summary provides a brief overview of the short term recommendations, as well as the justification for revisions in services and/or operations that are either underway or are recommended for consideration:

ADA Paratransit Services/*Harris County RIDES* system conversion

Complementary Americans with Disabilities Act (ADA) Paratransit services are required to be provided within ¾ mile of all fixed route transit services. Over the past decade, ADA paratransit ridership demand for Island Transit has doubled, from approximately 20,000 to almost 40,000 annual trips. This increasing ADA Paratransit demand in Galveston is not dissimilar to trends in other transit properties across the region, state, and nationally. ADA Paratransit trips are traditionally the most costly service to provide. Due to the fully burdened cost load of direct service delivery being approximately $29 per one-way trip, the City initially executed a contract in 2017 for a Pilot Project with Harris County RIDES ("RIDES") to provide contract taxicab service to address a portion of the trip load. The average trip price for service delivery through RIDES is approximately $15.50 per trip. By the end of the 2nd quarter of 2019, RIDES trip loads had grown to approximately 65-70% of all ADA Paratransit trips. Due to the ongoing cost impact of ADA Paratransit trips, City Council recently approved a contract to transition ALL ADA Paratransit trips to RIDES. Full Conversion of all ADA Paratransit Services to Harris County RIDES is scheduled to be completed effective June 10, 2019. Although the per-trip cost will be reduced by following this model, there are also potential avenues for reducing the rate of ADA Paratransit trip growth, which could include:

1) Recertification of all riders (underway-***full conversion complete June 10th***)
2) Fare Increase (**consider raising from $2 to $2.50 one-way**); *Note: Cannot increase ADA fare without also Fixed Route to $1.25.*
3) Allowed ADA qualified riders to ride Fixed Route (FR) FOR FREE – only the annual cost of a $5 identification card.

Update: Recertification Process AND limiting service hours to the core Island Transit operating hours has now resulted in a downward ADA/ridership cost trend over the past 3-4 months:

MONTH	AMOUNT
OCT	$31,335.16
NOV	$28,992.48
DEC	$29,363.10
JAN	$29,562.72
FEB	$26,028.62
MAR	$23,743.87
*APR	$20,053.30
*MAY	$20,366.38

*Projected Amounts By Harris County RIDES

In conjunction with conversion of the entire ADA system to RIDES, these trends now represent an improvement in the overall demand management of the paratransit system. Considering that ADA trips are the most costly to provide, and that the multi-year trend had continued increases in trip demand and corresponding costs, this is a very positive development.

Fixed Route Services & Ridership

Fixed Route (FR) bus transit services are the core of Island Transit's Federal Transit Administration (FTA) funded operations. As such, maintaining and or improving FR ridership should remain a top priority of the City. There have been several factors which have affected FR ridership since Hurricane Ike, namely the loss of traditional transit dependent population that relocated off of Galveston Island due to the impacts on available low-to-moderate income housing stock. Island Transit also was defaulted to the TxDOT Rural program after the 2010 decennial Census reflected the loss of population.

Over the past decade average household incomes have risen in Galveston approximately $10,000 annually per household, and the cost of rental and owner occupied housing has continued to rise. Finally, the introduction of other competitive technologies, such as ridesharing alternatives in Uber, and Lyft have also added yet another component to the challenge of maintaining ridership.

Recommendation: Consider increase of fixed route fare to $1.25 max.

Elimination of Pelican Island Fixed Route Service

The route, which is a portion of Route 1, operates four (4) times-a-day, five (5) days-per-week. Ridership is averaging 1,560 trips per year, which is approximately 30 trips per week, or six (6) passenger trips per day. Since each passenger trip is one-way, that equates to three (3) round trips – or actual riders per day. Based on driver observations, there are some days that there are zero (0) riders that actually are traveling to or from the Texas A&M Galveston campus. As a result, it is not cost effective to continue providing fixed route transit service to Pelican Island, and service to Pelican Island is being terminated effective Friday June 14, 2019.

Update: Pelican Island Route cancelled effective Friday June 14, 2019

Other Potential Fixed Route Revisions to enhance Island Transit cost effectiveness

1) Eliminated the "top of the hour" on Routes 5/6 (eliminates 1 am and 1 pm extra trips) – ***Completed Effective Monday 05/12/19.***
2) Consider 3 - 1 hour operating windows for the (AM/PM 8-9am; 12-1PM, 5-6PM) for Route 7 (which was implemented West of 81st to 103rd originally with JARC funding).
3) Consider *limiting Saturday hours from 8:00 AM to 4:00 PM; and Sundays 9:00 AM to 2:00 PM.* TBD
4) Placed Ford F-350s and viable ADA cutaways onto fixed route - ***Completed week of 05/06/19***; evaluate performance of smaller vehicles only in operations; If successful plan to transfer or sell the 3 remaining Gillig buses, and bring entire fleet into FTA spare ratio requirements.
5) Explore other grant opportunities for new "right-sized" vehicle fleet (long-term)
6) Consider implementation of Google Transit app – via vendor solicitation Timeframe TBD
7) Consider streamlining Route 5 (straightening via U or the one-way pairs (O/P); Coordinate with Galveston College pending additional ridership and route analysis; OR Consider Route Deviation/On Demand System. Additional Analysis required.
8) Consider Advertising on ALL Island Transit Vehicles in order to increase other revenue sources, reduce General Fund impacts. Agreement with Galveston.com already in place, but would need approval to expand beyond Trolleys and stops to the Island Transit Fixed Route Fleet.
9) As part of the Galveston.com agreement, consider promotional/advertising of Island Transit on both web, Facebook, Twitter and other media outlets. Promote Island Transit as a green, environmentally conscious mode of local transportation for the traveling public.
10) Procurement of Automated/Electronic Cash Fareboxes (est. $12,500 each) on projected near term fixed route fleet (and trolleys) to reduce farebox fraud. Consider module to collect credit card fare media as well. Procurement timeframe TBD.
11) Audit/Review of Downtown Terminal Revenue Performance, to ensure net facility revenue is properly remitted back to City/Island Transit.

Potential Consideration of Alternative Modes of Service Delivery for Dispersed Fixed Route Trips (Future Pilot for Service Delivery)

Due to continued ridership losses across fixed route transit providers nationwide, several agencies including some in Texas have begun to partner with on-demand and rideshare companies such as Uber and Lyft to serve areas with more dispersed trip demand and less density. Dallas Area Rapid Transit (DART) is utilizing a DOT grant and has entered a grant funded partnership with Uber, primarily serving in the initial phases in the more suburban sections of their service area. An example of potential target areas to consider in Galveston for a pilot would be west of 81^{st} Street in particular (and to an extent west of 61^{st} in general) due to the lack of a traditional city grid street network compared to east of 61^{st} Street.

https://www.dallasnews.com/business/technology/2019/03/12/dart-hires-uber-give-dallas-area-customers-free-discounted-rides

https://www.forbes.com/sites/jeffmcmahon/2018/09/06/5-ways-city-transit-agencies-have-found-to-exploit-uber-and-lyft/#531fbe1a7eee

Tourist Trolleys (Rubber Tire – and Fixed Rail) and Fixed Route Ridership

The implementation of the Hotel-Motel tax funded rubber tire tourist trolleys ("Trolleys") in 2017 has been successful, and ridership on them has continued to grow through 2018 and into 2019. For federal reporting purposes, the Trolley ridership is currently counted in the total, which in theory should help bolster FTA Formula ridership numbers. When originally implemented in the Summer of 2017, the Trolleys were "Free". After the trial period, a $1 cash fare was implemented. This fare is price mirrors the fare price for Island Transit's fixed route. Since the inception of the Trolley service, a number of "local" traditional fixed route riders have migrated to the Trolleys, either out of convenience, or for example, after Island Transit evening services were discontinued. As a result, Island Transit's fixed route services have lost some ridership. However, lacking substantial technology such as automatic passenger counters, or chargeable fare cards, the exact amount of the daily or monthly ridership loss to the trolleys cannot be fully accounted for. At present only anecdotal evidence from drivers who operate on both services is available regarding local ridership on the Trolleys***. Most likely, if cash fares on the Trolleys were increased to the $2-$3 range, there would be some movement of passenger loads back to Island Transit Fixed Route proper.*** The Trolley Ad Hoc Committee has already provided a positive recommendation suggesting that Trolley Fares be increased to that end, with bulk discounts being provide to hoteliers/hotel patrons, as the service is being paid for through Hotel-Motel tax receipts collected from hotel patrons.

Recommendation: Raise Trolley Fare to at least $2, possibly with bulk discounted fares to hoteliers/patrons.