

**NOTICE OF MEETING
CITY COUNCIL OF THE CITY OF GALVESTON
THURSDAY - MARCH 28, 2019 - 1:15 P.M.
COUNCIL CHAMBERS
823 ROSENBERG, GALVESTON, TEXAS
TELEPHONE: (409) 797-3510**

REGULAR AGENDA

1. DECLARATION OF A QUORUM AND CALL MEETING TO ORDER
2. ROLL CALL
3. INVOCATION
Rev. Nick Earl - Grace Episcopal Church
4. PLEDGE OF ALLEGIANCE
 - American Flag
 - Texas Flag - *Honor the Texas Flag. I pledge allegiance to thee, Texas, one state, under God, one, and indivisible.*
5. CONFLICTS OF INTEREST
6. PRESENTATIONS/REPORTS OF COUNCIL, OFFICER BOARDS, AND CITY MANAGER
- 6.A. Pursuant To Texas Government Code Section 551.0415, The City Council May Report On Any Of The Following Items:
 1. Expressions of thanks, gratitude, and condolences
 2. Information regarding holiday schedules
 3. Recognition of individuals
 - a. Child Abuse Prevention and Awareness Month
 - b. Sexual Assault Awareness Month
 - c. National Crime Victims' Rights Week
 4. Reminders regarding City Council events
 5. Reminders regarding community events
 6. Health and safety announcement
- 6.B. City Manager's Report - Comprehensive Annual Financial Report (M. Loftin)

Documents:

[PRELIMINARY CAFR 3 22 19 COUNCIL AGENDA 3 28 19.PDF](#)

7. COMMUNICATIONS AND PETITIONS

- 7.A. Claims
19-008 - John Joseph Couini, III; 19-009 - Chengqun Zhang; 19-010 - Project Resources Group; 19-011 - Frank Montalbano; 19-012 - Marilyn Chapman; 19-013 - Stephanie Bermudez; 19-014 - Jane Taylor; 19-015 - Texas Gas Service; 19-016 -

8. PUBLIC HEARINGS

- 8.A. Consider For Approval An Ordinance Of The City Of Galveston, Texas, Adopting The 2019 Water Conservation Plan For The City Of Galveston That Includes And Incorporates The Prior City Of Galveston Drought Contingency Plan, Texas Commission On Environmental Quality (TCEQ) And Texas Water Development Board (TWDB) Rules, Gives Specifications Of Water Conservation Goals, Improving The Efficiency In The Use Of Water, Increasing Recycling And Reuse Of Water, Improving The Efficiency Of Water Utilities And Prevention Of Pollution Of Water; Making Various Findings And Provisions Related To The Subject And Providing For An Effective Date. (B. Cook)

Documents:

[2019WATERCONSERVATIONPLANFINAL.PDF](#)
[WATER CONSERVATION AND DROUGHT CONTINGENCY ORD- 2019.DOC](#)

- 8.B. Galveston Landmark Designation - 3419 Avenue L

Consider for Approval An Ordinance Of The City Of Galveston, Texas, Designating The Property Located At 3419 Avenue L, As A "Galveston Landmark", Property Is Legally Described As Lot 3 And The Eastern Portion Of Lot 2 And The Western Portion Of Lot 4 And The North Half Of Adjacent Alley, Block 34, In The City And County Of Galveston, Texas; Requesting The Historic Preservation Officer Record The Property's Landmark Designation In The Official Public Records Of Real Property In Galveston County, The Tax Records Of The City Of Galveston And The Central Appraisal District, And The Official Zoning Maps Of The City Of Galveston, Texas; Designating The Site As A Historically Or Archeological Significant Site In Need Of Tax Relief To Encourage Its Preservation; Planning Case Number 19P-016; Making Various Findings And Provisions Related To The Subject. (C. Gorman)

Documents:

[19P-016 CC RPT PKT WITH ORD.PDF](#)

- 8.C. Consider For Approval An Ordinance Of The City Of Galveston, Texas, Designating The Property Located At 2427 Market / Avenue D, As A "Galveston Landmark", Property Is Legally Described As Lot 1, Block 504, In The City And County Of Galveston, Texas; Requesting The Historic Preservation Officer Record The Property's Landmark Designation In The Official Public Records Of Real Property In Galveston County, The Tax Records Of The City Of Galveston And The Central Appraisal District, And The Official Zoning Maps Of The City Of Galveston, Texas; Designating The Site As A Historically Or Archeological Significant Site In Need Of Tax Relief To Encourage Its Preservation; Planning Case Number 19P-009; , Making Various Findings And Provisions Related To The Subject. (C. Gorman)

Documents:

[19P-009 CC RPT PKT WITH ORD.PDF](#)

- 8.D. Consider For Approval An Ordinance Of The City Of Galveston, Texas, Amending The 2015 Galveston Land Development Regulations, Article 3: Urban Neighborhood (UN) Addendum Regarding Reduction Of Minimum Lot Area From 2,500 Square-Feet To 1,600 Square-Feet For The "Townhouse" Land Use In The Urban Neighborhood (UN); Planning Case Number 19ZA-001; Making Various Findings And Provisions Related To The Subject. (J.Norman)

Documents:

[19ZA-001 STF CC PKT.PDF](#)

9. PUBLIC COMMENT

- A. Agenda Items
- B. Non-Agenda Items

10. ORDINANCES (NOT REQUIRING PUBLIC HEARINGS)

- 10.A. Consider For Approval An Ordinance Of The City Of Galveston, Texas, Amending "The Code Of The City Of Galveston 1982, As Amended", Chapter 34, "Traffic" By Adding Article X, "Valet Parking" To Allow For Regulations Related To Valet Parking In The City Of Galveston; Providing For A Penalty; Making Various Findings And Provisions Related To The Subject; Providing For An Effective Date. (Legal)

Documents:

[TRAFFIC - 34 - VALET PARKING- REVISED VERSION-3-28-19.DOCX](#)

- 10.B. Consider For Approval An Ordinance Of The City Of Galveston, Texas, Amending Chapter 34, "Traffic", Section 34-117, "Two-Hour Limited Parking Between 8:00 A.M. And 5:00 P.M.; Exemption With Parking Permit." Of "The Code Of The City Of Galveston 1982", As Amended, Adding The 1500 Hundred Block Of Mechanic Street (Aka Avenue C); Making Various Findings And Provisions Related To The Subject; Providing For An Effective Date. (M. Gray)

Documents:

[2 HOUR PARKING 1500 BLOCK MECHANIC - AVENUE C.DOCX](#)

- 10.C. Consider For Approval An Ordinance Of The City Of Galveston, Texas, Amending Ordinance No. 19-008, Calling For The May 2019 Special Election, By Designating All Early Voting And Election Day Polling Locations; Providing For Early Voting At The Justice Center For Saturday And Sunday April 28 And 29 Respectively; Making Other Provisions And Findings Of Fact Related Thereto; Providing For An Effective Date.

Documents:

[SPECIAL ELECTION FINAL POLLING LOCATIONS - 5-4-2019.DOCX](#)

11. CONSENT ITEMS

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

- 11.A. Consider For Approval A Resolution Of The City Council Of The City Of Galveston, Texas, Approving And Authorizing The City Manager To Execute An Interlocal Agreement With The Galveston Park Board Of Trustees Allowing The Two Entities To Purchase Goods And Services Using Each Other's Properly Procured Contracts; Providing For Findings Of Fact And Providing For An Effective Date (Legal).

Documents:

[INTERLOCAL PARK BOARD PIGGYBACKING CONTRACTS.DOCX](#)
[PARK BOARD INTERLOCAL PURCHASING AGREEMENT DRAFT.DOCX](#)
[INTERLOCAL AGREEMENT \(FINAL APPRVD BY CITY ATTORNEY\)](#)

[\(004\).DOCX](#)

- 11.B. Consider For Approval A Resolution Of The City Council Of The City Of Galveston, Texas, Extending The Beach Access And Dune Protection Plan Review Ad Hoc Committee; Continuing The Committee's Duties, Term, Membership, Quorum, Voting, Meetings, And Rules Of Procedure Until July 25, 2019; Providing A Date For Dissolution And Sunset Of The Committee; Providing For Findings Of Fact And Providing For An Effective Date. (D. Henry)

Documents:

[BEACH ACCESS AND DUNE PROTECTION AD HOC - EXTENSION AND
SUNSET- 7-2019.DOCX](#)
[2019-03-28 - MEMO ON RESOLUTION.PDF](#)

- 11.C. Consider For Approval A Resolution Of The City Council Of The City Of Galveston, Texas, Supporting A Request To The United States Department Of The Interior, Bureau Of Reclamation Policy And Administration For Watersmart: Water And Energy Efficiency Grants For Fiscal Year 2019 Funding In The Amount Of One Million Five Hundred Thousand Dollars (\$1,500,000) For Various Water Efficiency And Conservation Projects Within The City Of Galveston; Authorizing The City Manager Or His Designee To Submit All Required Grant Applications, Information And Data To Support Same; Making Various Findings And Provisions Related To The Subject; And Providing For An Effective Date. (B. Cook)

Documents:

[BUREAU OF RECLAMATION WATERSMART GRANTS 2019 \(002\)
\(004\).DOCX](#)

- 11.D. Consideration Of A Resolution Authorizing An Application To The Texas General Land Office (GLO) For A DR-4332 Community Development Block Grant – Disaster Recovery (CDBG-DR) Infrastructure Program Grant. Authorizing The Mayor And City Manager To Execute All Necessary Documents Upon Final Approval By The City Attorney. (R. Blacketter)

Documents:

[RESOLUTION - CDBG-DR APPLICATION.PDF](#)

- 11.E. Consider For Approval A Professional Services Agreement With The Engineering Firm Pure Technologies U.S. Inc. In The Amount Of \$395,100 For Implementation Of A Non-Revenue Water Mitigation Program Aimed At Reducing Water Leakage And Lost Revenue In The Combined Utility System Fund. (RFP #19-09 "Water Loss Mitigation/Non-Revenue Water Loss Control Program Plan). (B. Cook)

Documents:

[PROFESSIONAL TECHNOLOGIES US INC - PROFESSIONAL SERVICES
AGREEMENT.PDF](#)

- 11.F. Consider For Approval Authorizing The City Manager To Amend A Contract For Professional Services From Design Workshop, Inc. In The Amount Of \$5,000.00 For A Project To Improve The Pedestrian Experience In The Downtown Area. (D. Anderson)

Documents:

- 11.G. Consider Approving The Allocation Of Funds For The Purchase Of (98) Microsoft Office Standard 2019 In The Amount Of \$25,830.84 Through Authorized Reseller, SHI Government Solutions, Utilizing DIR-TSO-4092 Contract (H Dean).

Documents:

[STAFF REPORT MICROSOFT OFFICE.PDF](#)
[SHI QUOTE-16763508.PDF](#)
[DIR-TSO-4092 CONTRACT.PDF](#)

- 11.H. Consider For Approval A Contract With Centre Technologies In The Amount Of Two Hundred Sixty Thousand Eight Hundred Fifty Two Dollars And Two Cents (\$260,852.02) For Consulting Services For The Build Out Of An Off-Site Disaster Recovery Solution, Including The Purchase Of Additional Hardware And Software Utilizing The Texas Department Of Information Resources (DIR) Intergovernmental Contract Purchasing Program Under Contract Numbers DIRTSO- 3334, DIR-TSO-3926, And DIR-TSO-3763 (H Dean).

Documents:

[DISASTER RECOVERY SOLUTION STAFF REPORT.PDF](#)
[TECH CONSULTING SERVICES CONTRACT_032019.PDF](#)
[EXHIBIT A.PDF](#)
[DIR-TSO-3763 CONTRACT.PDF](#)
[DIR-TSO-3926 CONTRACT.PDF](#)

- 11.I. Consider For Approval An Agreement With The Texas Department Of Information Resources (DIR) Utilizing The State's TEX-AN Contract For The Purchase Of Long Distance Service (H Dean).

Documents:

[STAFF REPORT LONG DISTANCE SERVICE.PDF](#)
[DIR SERVICE AGREEMENT.PDF](#)
[DIR CONTRACT RATES.PDF](#)

- 11.J. Consider For Approval The Purchase Of 19 Ruggedized Toughbook Laptop Computers In The Amount Of Sixty Nine Thousand Eight Hundred Sixty Seven Dollars And Seventy Five Cents (\$69,867.75) To Turn Key Mobile, Inc, A Texas DIR Vendor, Utilizing DIR Contract TSO-4025 (H Dean)

Documents:

[STAFF REPORT TOUGHBOOK PURCHASE.PDF](#)
[EST_22495_FROM_TURNKEY_MOBILE_INC._19440.PDF](#)
[DIR-TSO-4025 CONTRACT.PDF](#)

- 11.K. Consider For Approval An Amendment To The Contract With Linebarger Goggan Blair & Simpson, LLP To Provide For The Collection Of Delinquent Utility Bills Not Involving Property Liens, Provide For A Method Of Compensation, And Establish A New End Date Of October 31, 2020. (M. Loftin)

Documents:

[LINEBARGER UTILTIY BILL COLLECTION CONTRACT AMENDMENT](#)

[MARCH 2019 STAFF REPORT.PDF](#)
[UTILITY BILL DELINQUENT COLLECTION WORKFLOW.PDF](#)
[LINEBARGER CONTRACT AMENDMENT MARCH 2019.PDF](#)

- 11.L. Consider For Approval Membership And Facility Rental Fees For Recreation Centers, Parks And Athletic Fields That Are Under Management Of The Parks And Recreation Department; And Authorizing The City Manager To Execute All Necessary Documents Upon Final Approval By The City Attorney. (M. Rabago)

Documents:

[STAFF REPORT PARKS AND REC MEMBERSHIP FEES.PDF](#)

- 11.M. Consider For Approval An Amendment To The Parks Concession Operations Agreement With Fermina Salinas To Also Include Concession Stand Operations At The West-Isle Baseball Complex. Authorizing The City Manager To Execute All Necessary Documents Upon Final Approval By The City Attorney. (M. Rabago)

Documents:

[STAFF REPORT CONCESSION OPERATIONS AGREEMENT AMENDMENT REQUEST FERMINA SALINAS.PDF](#)
[RFP 19-10 PARK CONCESSION OPERATIONS AMENDMENT 1.PDF](#)
[CONCESSION AGREEMENT FERMINA SALINAS CROCKETT PARK.PDF](#)

- 11.N. Consider For Approval Of A Proposal From CenterPoint Energy As A Sole Source Provider For The Relocation And Installation Of Electrical Services Associated With The 30th Street Water & Electric Light Station Rehabilitation Project In The Lump Sum Amount Of \$29,016.00. The Funding Source Will Be The CDBG Disaster Recovery Non-Housing Round 2.2 Program. Authorizing The City Manager To Execute All Necessary Documents Upon Final Review By The City Attorney. (R. Blackketter)

Documents:

[CENTERPOINT - 30TH ST W AND EL STATION REHAB.PDF](#)

- 11.O. Consider For Approval Of A Contract With Lucas Construction Company, Inc., For The 27th Street Improvements From Avenue O To Seawall Boulevard (Phase II) Project (RFP #19-12) In The Amount Of \$1,357,293.00 For The Base Bid Plus The Additive Alternate (Estimated Total Cost Of Project Not To Exceed \$1,550,443.00). Authorizing The City Manager To Execute All Necessary Documents Upon Final Approval By The City Attorney. (R. Blackketter)

Documents:

[LUCAS CONST - 27TH ST IMP PH II.PDF](#)

- 11.P. Consider For Approval Change Order No. 1 To The Contract With Ardent Construction LLC, For The 30th Street Water & Electric Light Station Rehabilitation Project Increasing The Contract By \$36,299.51 From The Amount Of \$2,884,729.00 To A New Total Amount Of \$2,920,928.51. Authorizing The City Manager To Execute All Necessary Documents Upon Final Approval By The City Attorney. (R. Blackketter)

Documents:

[ARDENT - 30TH ST W AND EL STA REHAB - CO1.PDF](#)

- 11.Q. Consider For Approval Of Change Order No. 15 To The Contract With Cardinal Contractors, Inc., For The New 59th Street Pump Station Project, Increasing The Contract By \$44,375.05 To A New Total Amount Of \$18,213,125.99. Authorizing The City Manager To Execute All Necessary Documents Upon Final Approval By The City Attorney. (R. Blackketter)

Documents:

[CARDINAL - 59TH ST PS CONST - CO15.PDF](#)

- 11.R. Consider For The Approval Allowing The Fleet Facility To Purchase The Listed Rolling Stock (2 Service PU's) And Associated Equipment From Silsbee Ford Inc. Through Good Buy For A Total Price Of \$90,619.50 And Authorize The City Manager To Execute The Contract Upon Final Approval By The City Attorney. (D. Smith)

Documents:

[SILSBEE F350 CC PURCHASE PACKET.PDF](#)

- 11.S. Consider For The Approval Allowing The Fleet Facility To Purchase The Listed Rolling Stock (Facilities Service PU) And Associated Equipment From Silsbee Ford Inc. Through HGAC Buy For A Total Price Of \$39,049 And Authorize The City Manager To Execute The Contract Upon Final Approval By The City Attorney. (D. Smith)

Documents:

[SILSBEE F250 CC PURCHASE PACKET.PDF](#)

- 11.T. Consider For The Approval Allowing The Fleet Facility To Purchase The Listed Rolling Stock (Street Milling & Paving Machines) And Associated Equipment From R.B. Everett & Co. Through Buy Board For A Total Price Of \$784,685.00 And Authorize The City Manager To Execute The Contract Upon Final Approval By The City Attorney. (D. Smith)

Documents:

[EVERETT MILLING PAVER PURCHASE PACKET.PDF](#)

- 11.U. Receive And File The Following Documents:

1. Letter from CenterPoint Energy - Notice of Filing to Change Rates
2. Letter from Harris-Galveston Subsidence District - Board Appointments
3. Letter from Texas General Land Office - Hurricane Harvey CDBG-DR Funds
4. Letter from Texas General Land Office (Commissioner Bush) - Coastal Texas Study
5. Letter from City of Jamaica Beach - Response to Coastal Study Tentatively Selected Plan
6. Letter from Representative Mayes Middleton - Proposed Coastal Barrier
7. Letter from Gulf Coast Water Authority - Notice of Legislation
8. Letter from FEMA - Final Flood Hazard Determination
9. Moody Foundation - 75th Anniversary Report

Documents:

[COR - 3_1_2019 - CENTERPOINT ENERGY - NOTICE OF FILING TO CHANGE RATES.PDF](#)

[COR - 1_29_2019 - HARRIS-GALVESTON SUBSIDENCE DISTRICT - BOARD APPOINTMENTS.PDF](#)

[COR - 1_16_2019 - TEXAS GENERAL LAND OFFICE - HURRICANE HARVEY CDBG-DR FUNDS.PDF](#)
[COR - 1_15_2019 - TEXAS GENERAL LAND OFFICE - COASTAL TEXAS STUDY.PDF](#)
[COR - 1_6_2019 - CITY OF JAMAICA BEACH - RESPONSE TO COASTAL STUDY TENTATIVELY SELECTED PLAN.PDF](#)
[LETTER FROM REP MAYES MIDDLETON.PDF](#)
[LETTER FROM GULF COAST WATER AUTHORITY.PDF](#)
[LETTER FROM FEMA.PDF](#)
[MOODY FOUNDATION - 75TH ANNIVERSARY GRANTS AND FINANCIAL REPORT - FY2018.PDF](#)

- 11.V. Consider For Approval Minutes Of The January 9, 2019 Special Meeting, And The January 24, 2019 Workshop And Regular Meeting. (J. Williams)

Documents:

[DOC015.PDF](#)

12. ACTION ITEMS

- 12.A. Amend The City Auditor 2019 Audit Plan To Include Two New Audits.

Action Items:

(1) Discuss and Consider For Action Directing The City Auditor To Amend The City Audit Plan For 2019. Per requests and information from the City Manager, Brian Maxwell and Deputy City Manager, Dan Buckley to include an Audit on the policies and procedures of commissions, bonuses, pay increases and payroll for the Galveston Park Board of Trustees. This will include Galveston Island Convention & Visitors Bureau, Beach Patrol and management. (G. Bulgherini).

(2) Discuss and Consider For Action Directing The City Auditor To Amend The City Audit Plan For 2019. Per requests and information from the City Manager, Brian Maxwell and Deputy City Manager, Dan Buckley to include a Performance Audit of the Transit Terminal Garage Agreement between the Port of Galveston and City of Galveston. This Audit will include policies and procedures for the Port of Galveston and Island Transit. (G. Bulgherini).

- 12.B. Discuss And Consider For Action Approval Of The Park Board's Acceptance Of A \$1.4 Million RESTORE Grant For The Construction Of An Open-Air Observation Deck And Amenities At The East End Lagoon. (Brown/Yarbrough)

- 12.C. Discuss And Consider For Action Approval Of The East End Lagoon Business Plan And Required Financial Support As Outlined By The Park Board Of Trustees. (Brown/Yarbrough)

Documents:

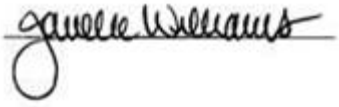
[EAST END LAGOON BUSINESS PLAN.PDF](#)
[EAST END LAGOON BUSINESS PLAN OVERVIEW.PDF](#)

- 12.D. Discuss And Consider Appointments To The Following City Boards, Commissions, And Committees:

1. Families, Children and Youth Board
2. Zoning Board of Adjustments

13. 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 March 22, 2019 at 12:00 P.M.

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

Janelle Williams, City Secretary

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

Comprehensive Annual Financial Report



For Fiscal Year Ended
September 30, 2018



PRELIMINARY

**CITY OF GALVESTON,
TEXAS**



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**Fiscal Year Ended
September 30, 2018**

**Prepared by:
Finance Department**

PRELIMINARY

Introductory Section

Letter of Transmittal.....	9
Principal Officials.....	20
Organizational Chart	22
GFOA Certificate of Achievement.....	23

Financial Section

Report of Independent Auditors.....	27
Management's Discussion and Analysis	29

Basic Financial Statements

Government - Wide Financial Statements

Statement of Net Position	43
Statement of Activities.....	44

Fund Financial Statements

Governmental Funds

Balance Sheet	46
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	47
Statement of Revenues, Expenditures, and Changes in Fund Balances	48
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	49

Proprietary Funds

Statement of Net Position.....	50
Statement of Revenues, Expenses and Changes in Fund Net Position	51
Statement of Cash Flows.....	52

Fiduciary Funds

Statement of Fiduciary Net Position	53
Statement of Changes in Fiduciary Net Position	54

Notes to the Financial Statements

Notes to the Financial Statements	55
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Required Supplementary Information

General Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual..	88
--	----

Required Pension System Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios	90
Schedule of Contributions.....	91
Notes to Schedule of Contributions	92

Required Other Post Employment Benefit (OPEB) Supplementary Information

Schedule of Changes in Total OPEB Liability and Related Ratios.....	93
---	----

Other Supplementary Information

Combining and Individual Fund Statements and Schedules:

Nonmajor Governmental Funds

Combining Balance Sheet	99
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	105

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

Island Transit	111
Rosenberg Library	112
Debt Service Fund.....	113

Nonmajor Enterprise Funds

Combining Statement of Net Position.....	115
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	116
Combining Statement of Cash Flows	117
Sanitation Services	119
Drainage Utility.....	120
Airport	121

Internal Service Funds

Combining Statement of Net Position	123
Combining Statement of in Fund Net Position	125
Combining Statement of Cash Flows.....	127

Fiduciary Funds

Combining Statement of Net Position	131
Combining Statement of Changes in Fiduciary Net Position	132
Statement of Changes in Assets and Liabilities	133

Major Discretely Presented Component Units

Combining Statement of Net Position	135
Combining Statement of Activities	137

Unaudited Statistical Section

Net Position by Component.....	141
Changes in Net Position.....	143
Fund Balances of Governmental Funds.....	147
Changes in Fund Balances of Governmental Funds.....	149
Assessed Value and Estimated Actual Value of Taxable Property	151
Property Tax Rates - Direct and Overlapping Governments	153
Principal Property Taxpayers.....	154
Property Tax Levies and Collections	155
Ratios of Outstanding Debt by Type.....	157
Ratios of General Bonded Debt Outstanding	159
Direct and Estimated Overlapping Governmental Activities Debt	160
Demographic and Economic Statistics.....	161
Principal Employers.....	162
Full-time Equivalent City Government Employees by Function	163
Operating Indicators by Function	165
Capital Asset Statistics by Function	167

Introductory Section

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2018 Comprehensive Annual Financial Report



PRELIMINARY

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City of Galveston

Finance Department

PO Box 779 | Galveston, TX 77553-0779

Comprehensive Annual Financial Report For the Fiscal Year Ending September 30, 2018 Letter of Transmittal

March 29, 2019

To the Honorable Mayor,
Members of the City Council and
Citizens of the City of Galveston, Texas:

State law requires that all general purpose local governments publish within 180 days of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report (CAFR) of the City of Galveston, Texas (the City) for the fiscal year ended September 30, 2018.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. In order to provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Whitley Penn, LLP a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2018, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2018 are fairly presented in conformity with GAAP.

The independent auditor's report is presented as the first component of the financial section of this report. The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. These reports are available in the City's separately issued Single Audit Report. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

Galveston is a home rule, full service city incorporated in 1839, and is governed through a council-manager form of government. Policy-making and legislative authority are vested in a governing council consisting of the Mayor, who is elected at large, and six council members elected to represent individual districts. The governing council is responsible, among other things, for passing ordinances, adopting the budget, determining policies, appointing committees, and hiring the city manager, attorney, secretary, internal auditor, and municipal judge. The city manager is responsible for developing and proposing the annual city budget for consideration by City Council, for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. Elections are held every two years. Council members, including the Mayor, are limited to serving three terms.

The City provides a full range of services including police and fire protection, the construction and maintenance of streets and other infrastructure, water services, sewer services, refuse collection, drainage services, parks and recreational activities, and general administration. Additional services include building inspection, planning, zoning, engineering, and an airport.

Component units of the City, and the services they provide, include:

- The Park Board which provides improvements and maintenance to City waterfront parks and beaches;
- The Galveston Redevelopment Authority, which manages funds from three tax reinvestment zones and three public improvement districts for development and improvement projects within specific geographic areas of the City;
- The Galveston Housing Finance Corporation which provides home mortgages and loans to lending institutions for the purpose of making home mortgages.;
- The City of Galveston Property Finance Authority, Inc. which was created by State Statute for the purpose of acquiring, owning, holding, leasing, and selling real or personal property to or for the benefit of the City for the furtherance of its public purposes;

- The Board of Trustees of the Galveston Wharves which manages, controls, and maintains the Port of Galveston;
- The Industrial Development Corporation which provides funding for public works, beach renourishment, parks and economic development projects; and
- The City of Galveston Employees' Retirement Plan for City employees, the Galveston Firefighters' Pension Fund, and the City of Galveston Employees' Retirement Plan for Police.

The annual budget serves as the foundation for the City's financial planning and control. Since FY 2016, the budget process has begun with a five-year forecast of revenue and expenditures presented to City Council in June. The forecast frames issues for consideration by City Council that are discussed in budget work sessions held during June and July. Using council directed priorities and departmental spending targets derived from the forecast, the city manager develops and presents a proposed budget to the council during the first week of August. Capital projects and related financing are also discussed with council in May and June resulting in the presentation of the five year capital improvement plan in July.

The council is required to hold public hearings on the proposed budget, including the capital improvement plan, and to adopt a final budget no later than the second or last regularly scheduled council meeting in September. If the council does not approve the budget by October 1, it takes effect as proposed by the city manager until council can meet to ratify or modify it. Also, in August and September, the council holds public hearings on the proposed property tax rate required to support the budget. The rate is then adopted in September after the budget is adopted in accordance with State law.

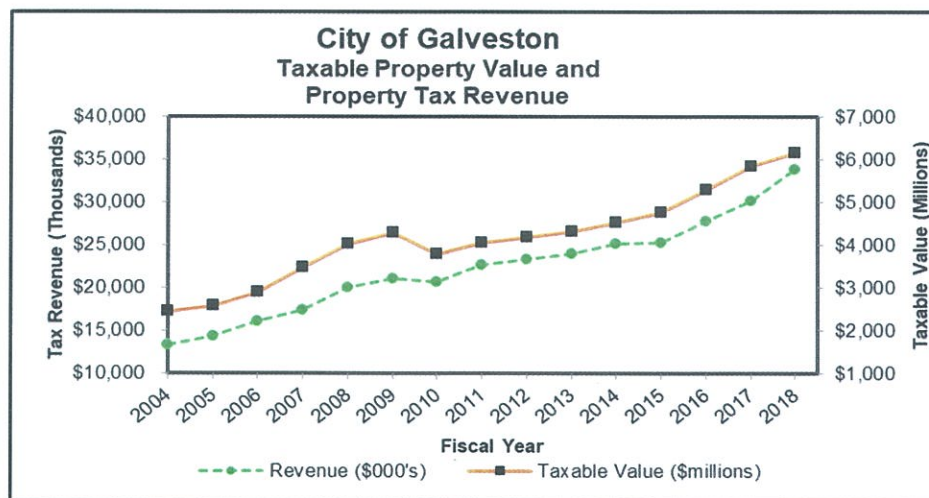
The budget is prepared for every operating and capital fund, function (e.g. public safety), and department (e.g. police). Subsequently, the Budget ordinance proposed to and passed by the City Council provides specific appropriations that govern spending plans for the fiscal year. During the year, the city manager may make transfers of appropriations within a department and fund without prior approval by City Council. Transfers of appropriations within a fund and between departments, however, require the prior approval of the City Council. Revenue and expense is monitored throughout the fiscal year and documented in quarterly reports, along with the status of capital projects and capital funds. The Budget is amended by City Council as needed for municipal purposes under the authority of the state Budget Law (Local Government Code Chapter 102) and the city charter. At the close of each fiscal year, any unencumbered balance of an appropriation reverts to the fund from which it was originally appropriated and may only be re-appropriated by the council.

Budget-to-actual comparisons are provided for the most significant governmental funds including the General Fund, Debt Service Fund, Island Transit special fund and Rosenberg Library special fund. Budget-to-actual comparisons are also presented for the Combined Utility System Fund (formerly the Waterworks and Sewer System Funds), Sanitation, Drainage and Airport enterprise funds.

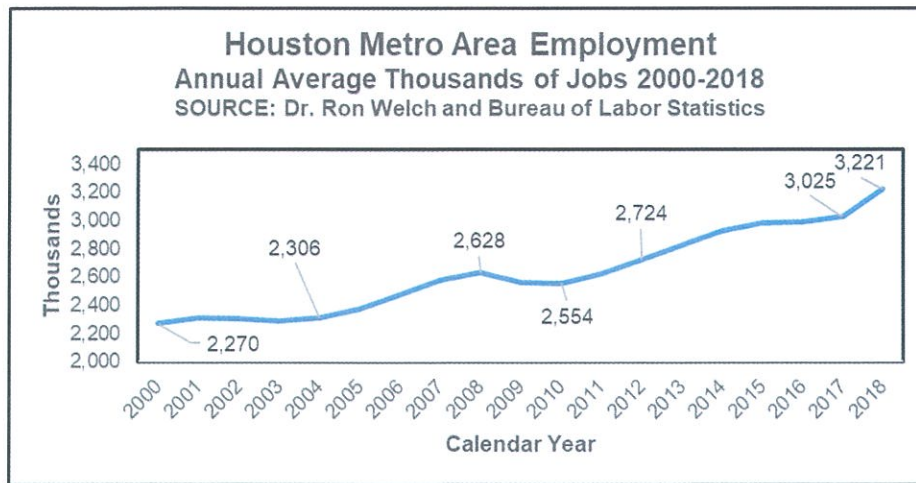
Economic Climate

Galveston's economy is healthy and growing because of its location and climate. Galveston is located on the Gulf of Mexico at the mouth of Galveston Bay. The Gulf Coast of Texas experiences mild winters and temperate summers making the City a tourist destination. Furthermore, it is part of the nation's most vibrant state economy and one of the top metropolitan economies which provides Galveston economic vibrancy that goes beyond the City's borders.

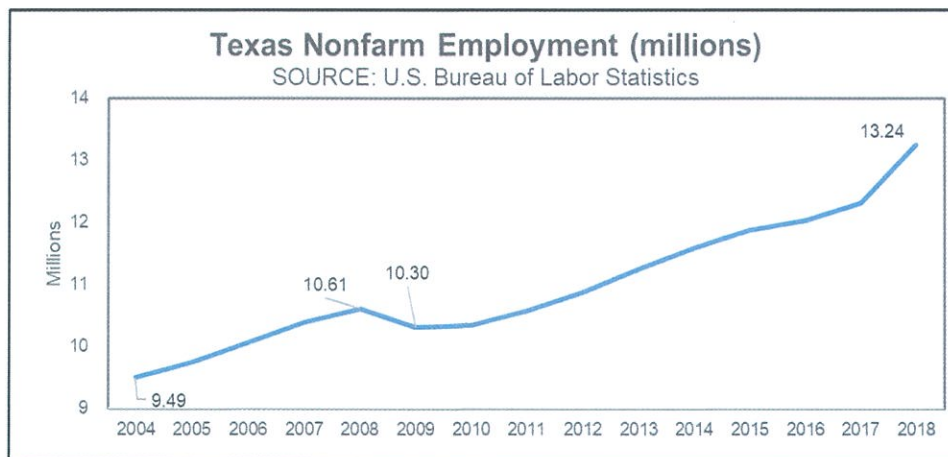
The City's long-term growth rate was interrupted in a significant way by the simultaneous arrival of Hurricane Ike and the Great Recession in 2008. In the five years immediately prior to Hurricane Ike, which made landfall on September 13, 2008, the City's economy expanded with total taxable value of all properties growing from \$2.4 billion in FY 2004 to \$4.3 billion in FY 2009, a 77 percent increase. After a one year adjustment due to the impact of Ike that dropped taxable values to \$3.8 billion, it took four years for taxable property value to return to its pre-2008 level. Taxable value dropped 12 percent from FY 2009 to FY 2010, and the city adjusted its property tax rate from \$0.494 to \$0.554 per \$100 of taxable value to absorb a portion of the associated tax revenue loss. Post-recession economic recovery brought taxable value to \$6.17 billion in FY 2018 (Source: Galveston County Appraisal District). The effective annual rate of increase in the city's taxable value from FY 2008 through FY 2018, was 4.08 percent.



In the same period, 2004-2016, the Houston metropolitan area economy, of which Galveston is a part, showed similar growth with the strongest recovery from the Great Recession of any metropolitan area in the U.S. Total employment went from 2.31 million in 2004 to 2.65 million in November 2008 before employment losses to the Great Recession began to occur. After dropping to 2.50 million in January 2010, employment returned to its pre-recession level in November 2011, and continued to grow at a three to four percent annual rate through 2014. The energy price downturn caused regional employment growth to flatten in 2015 and 2016. Oil prices recovered and employment responded in kind with two percent job growth in 2017. More robust growth occurred in 2018, as total employment reached 3.22 million for the metropolitan area.



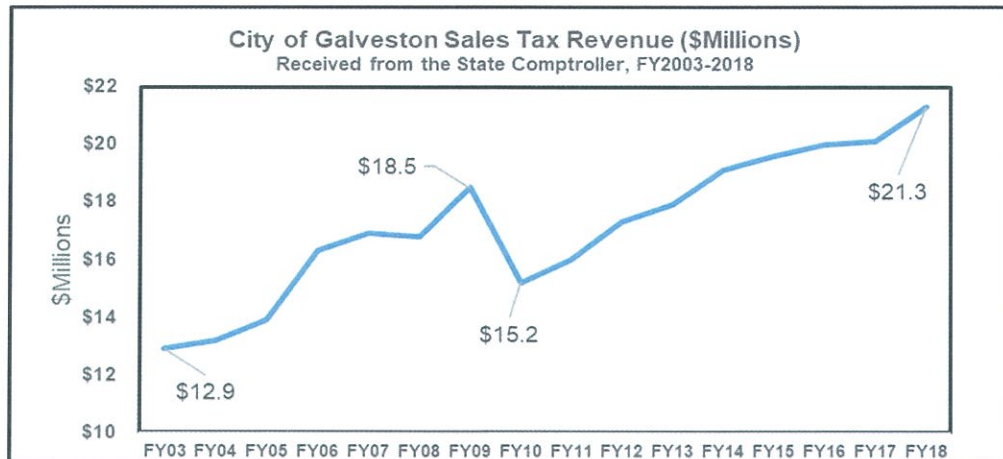
Statewide employment followed the same pattern as the region since 2004. Since the Great Recession of 2008-2009, Texas' nonfarm employment has grown by three million jobs. A healthy and growing metropolitan and state economy leads to a healthy local economy and increasing revenues for the City of Galveston.



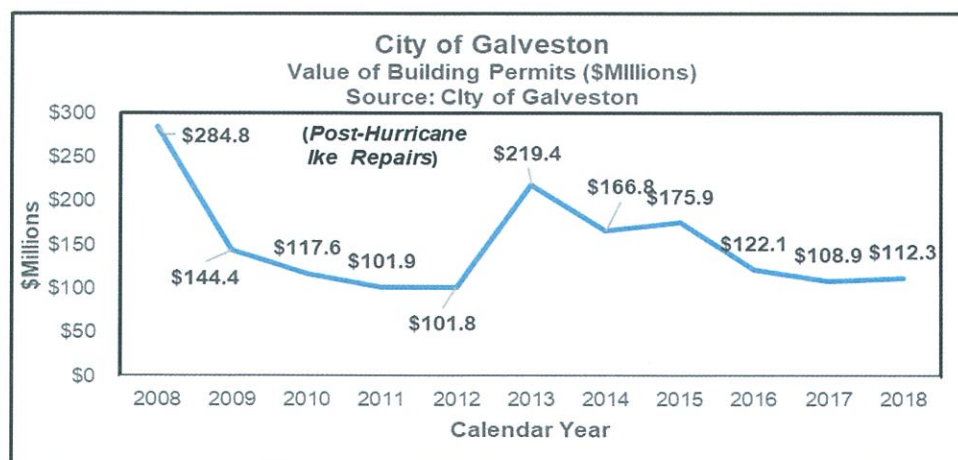
Galveston is the top recreation center for the region as evidenced by its sales tax revenue performance since FY 2003. The city's two percent sales tax rate is comprised of a 1.5 percent amount that goes to the city's General Fund to support public safety and transportation functions. The remaining one-half percent goes to economic development, including equal one-eighth percent portions for beach renourishment, city parks and recreation, infrastructure and targeted economic development programs and projects. The sales tax has a significant retail component that comes from the island's residents, and the loss of population on the island after Hurricane Ike reduced this base significantly.

Total receipts reported by the State Comptroller's office and paid to the City grew from \$12.9 million in FY 2003 to \$16.8 million in FY 2008. In the fiscal year that followed Ike, FY 2009, sales tax receipts totaled \$18.5 million, showing net growth over the pre-Ike period due to hurricane

rebuilding expenditures by island residents and businesses. After rebuilding efforts passed their peak in FY 2010, the combined result of Hurricane Ike and the Great Recession caused sales tax revenue to decline 17 percent to \$15.2 million in FY 2010. Since that time, sales tax receipts have grown annually by a 4.34 percent average annual rate, rebounding strongly to \$21.3 million in FY 2018. This strong rebound is attributed to steady growth in the island's population and in its vibrant tourism sector.

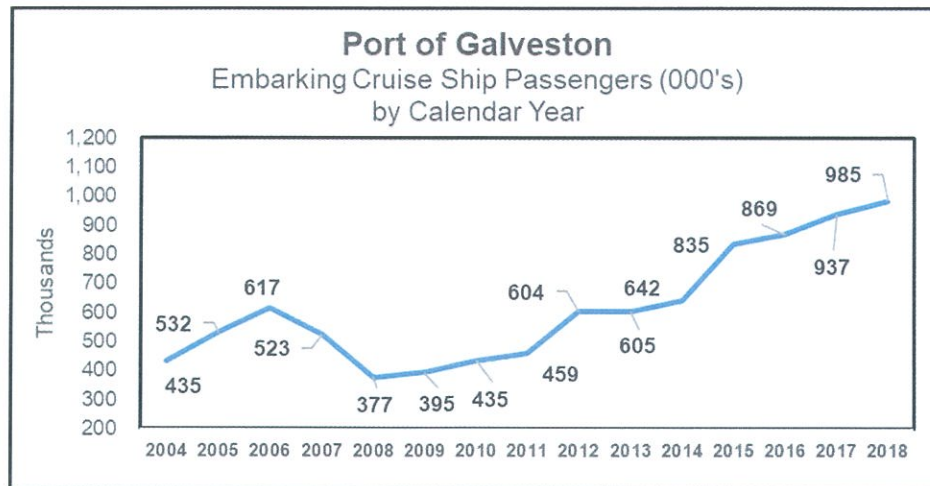


Galveston continues to have a lower cost of living than the nation in spite of its growing economy. According to the U.S. Department of Labor Statistics, the Consumer Price Index-Urban (CPI-U) for the U.S. as a whole was 251.2 in December 2018. The CPI-U For the metropolitan area including Galveston was 226.6 for the same period. By this measure, Galveston's cost of living is approximately 9.8 percent less than the nation as a whole.

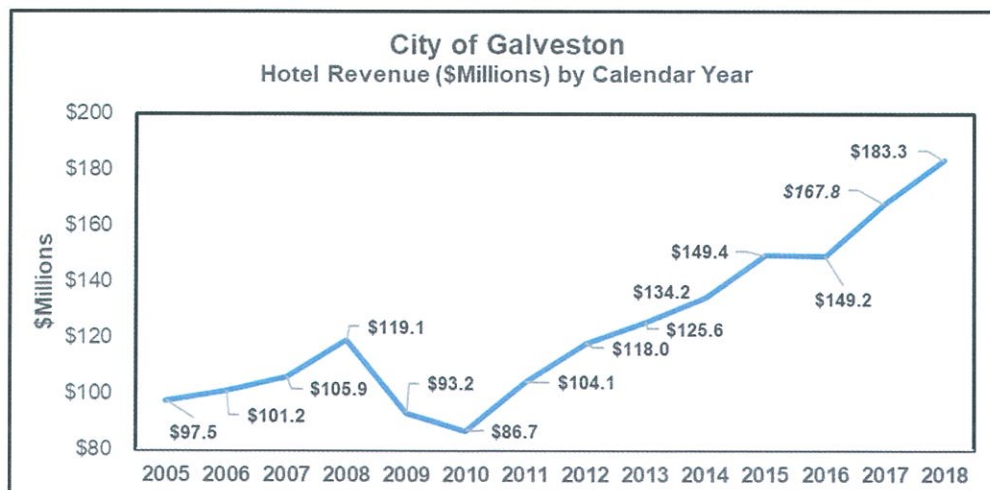


Construction activity in Galveston is continuing at a steady pace after the value of building permits in the immediate aftermath of Hurricane Ike peaked in 2008 at \$284.8 million. While the trend has been downward since 2013 in the value of commercial and residential building permits, 2018 produced a \$112.3 million total.

The Port of Galveston is an important contributor to both the Galveston and Texas economies. In calendar year 2016, the Port of Galveston ranked 52nd of all U.S. ports in total cargo volume, 55th in domestic cargo volume, and 44th in export cargo volume. Galveston is the fourth largest cruise ports in the country, and cruise ship passengers through the port continue to set records each year. After cruise ship traffic was interrupted by Hurricane Ike in 2008 and cruise passengers dipped to 377,000, the Port of Galveston saw 985,000 cruise passengers in 2018, with departures for 2019 expected to total 1,059,000 for the year.



The city is a popular destination for tourists, including its ample beaches and other attractions. The city's downtown area features The Strand District, which is the home of some of Galveston's most historic commercial buildings, and the centerpiece for the City's active year-round calendar of community and seasonal events. Nearby is the East End Historical District which is on the National Historic Register and the site of many of the City's historic structures. Galveston remains a favored spring break destination with its family-friendly attractions. A primary indicator of Galveston's tourism industry is total hotel revenue. Like other local and regional indicators, hotel revenue was set back by Hurricane Ike but has rebounded strongly.



Long-term financial planning

In FY 2016, the city initiated a new budget and financial planning process that includes a five-year Long Range Financial Forecast, a five-year Capital Improvement Plan (CIP), and the Annual Budget. The Forecast serves as a pre-budget, providing the basis for spending targets for operating and capital budget requests.

Long term revenue analysis includes trends of ten years or more, as shown in the previous section, to identify the impact of variations in the business cycle on city revenue. Statistical modeling is used to explain the effects of significant changes in economic, climate and other factors on prior sales and hotel occupancy tax revenues. Taxable property values are forecasted based on twelve years of certification and hearings loss trends. Water and sewer revenue are forecasted using fifteen years of billing data. . Non-major revenues are assumed to show modest to no growth. Expenditures are forecasted using conservative estimates of inflation, and prior period actual expenditures. Debt service is projected to include payments for new bonds needed to fund the CIP.

An essential element of long-term financial planning is ongoing monitoring and evaluation to identify new or different trends that can affect planning assumptions. Quarterly Budget Status Reports provide year-end projections of revenue and expenses for all budgeted funds as well as capital project status reports and detailed reconciliations for all capital funds. All of these financial documents can be found in the “Financial Transparency” section of the home page of the city’s website.

Relevant financial policies

The City Council has established a 90-day target balance for General Fund unrestricted cash and cash equivalents to be used in case of emergencies. The General Fund ended the year with an operating balance of \$19.82 million, representing approximately 138.1 days of maintenance and operating expenditures. Only City Council can approve an allocation of the General Fund Contingency and then, only after first holding a public hearing on the proposed allocation. In 2018, the City secured the renewal of its emergency bridge loan for \$50 million to be used in the event of a major catastrophic emergency, and secured a contract for this important financial tool through spring 2023. The loan will be available to support eligible costs associated with any large emergency including a tropical storm or hurricane, including federally reimbursable costs and local costs as well including matching funds for disaster grants

The City Charter assigns the responsibility to “administer all the financial affairs of the City other than the assessment and collection of taxes to the Director of Finance. This includes responsibility for the receipt, disbursement and safe-keeping of all City funds. The Finance Director establishes the accounting procedures to be used in all departments, and approve all expenditures to ensure that legal requirements have been met and the budget appropriations are not exceeded.” (See the City Charter Article VII Section 2.) Also, by State law and the City Charter, this Comprehensive Annual

Financial Report, “including the auditor’s opinion on the statement, shall be filed in the office of the municipal secretary or clerk within 180 days after the last day of the municipality’s fiscal year.” (See Local Government Code Section 103.003.)

The city adheres to an investment policy that emphasizes, in order of priority, safety, liquidity and return on investments as required by the Public Fund Investment Act. (See Texas Government Code Chapter 2256.) This law and city policy require quarterly reports to the City Council that disclose the specific listing of investments that comprise the city’s investment pool, present the overall earnings from the pool, and balances as of the end of each calendar quarter. City Council appoints an Investments Committee to provide strategic direction and oversight by working with the Finance Department to manage the city’s investments. This policy is reviewed and updated annually by the Committee and City Council. All of the city’s idle cash on hand, including operating and capital funds, is invested through this pooled approach. The only exception is federal grant cash which the City is not allowed to invest under federal regulation.

A ladder investment approach is being used to invest the City’s cash on hand in investment pools, federal agencies and treasuries. This approach is taking maximum advantage of rising interest rates by scheduling maturities based on specific project implementations schedules as well as the five year Capital Improvement Plan (CIP). The CIP is adopted by council annually, and each project’s status is monitored and reported through the city’s webpage.

During FY 2017, and in accordance with state law and the City Charter, the City conducted its first “new money” bond sales since 2008. The first sale was conducted in January by issuing \$35 million in tax and revenue supported certificates of obligation that are being allocated for water and sewer projects. In May 2017, the voters authorized the issuance of \$62 million in general obligation bonds for streets and drainage projects. With this authorization, in June 2017, the City conducted its second “new money” bond sale in ten years for \$25 million in General Obligation bonds for street and drainage projects. No additional new money sales were conducted in FY 2018. The \$37 million balance of the bonds authorized by the voters will be issued as needed for specific street and drainage projects over the next several fiscal years.

In January, 2018, Fitch upgraded its rating for the City’s general obligation debt rating to ‘AA’ from ‘AA-’ in order to reflect “the city’s continuing strong operating performance, solid expenditure flexibility, and moderate long-term liability burden.” The rating continued, “Fitch expects Galveston to demonstrate strong financial resilience during a moderate economic downturn based on its strong independent revenue-raising capacity, solid expenditure controls and healthy reserve position.”

Major initiatives

In May, 2017, the voters approved \$62 million in bonds for a specific list of street and drainage projects. The emphasis now is on completing those projects within five years. Water and sewer infrastructure projects will continue to be implemented with the fully-financed CIP as the basis for that effort. Projects were placed in service during FY 2018 that cost a total of \$23.2 million over their individual project lives.

During FY 2018, the city began its Hurricane Harvey recovery efforts. Originally estimated at \$3.8 million, hurricane preparation measure combined with damage to city owned facilities is now estimated at less than \$2 million. The City also continued to wind down its Hurricane Ike recovery projects, making major infrastructure improvements with local funds, Community Development Block Grant (CDBG) and Hurricane Ike disaster funding.

Protection of neighborhoods through stricter codes and clearer rules is also a high priority with major revisions underway to the City's land development rules and zoning requirements. Renewed emphasis is being placed on the city's information technology resources, upgrading system infrastructure and beginning the implementation of major systems to manage field maintenance operations, improve plan review and the permit and inspections processes, as well as continuing to move the city to a paperless environment.

A priority emphasis continues to bring financial stability to the city's three employee pension systems. The implementation of GASB 68 helped to sharpen the city's focus on the problem of what is now \$64.3 million in unfunded pension liabilities as of September 30, 2018. The City's non-civil service employees' plan is stable with its 2017 actuarial study showing an 11.6 year amortization period for its unfunded accrued actuarial liability. During 2018, the firefighters, the Firefighters' Pension Board and city council agreed to increase contributions by three percent from the City and two percent by the firefighters, to forgo cost of living pension adjustments for future retirees, and transfer \$1 million from the city's Pension Reform Special Fund to the Firefighters' pension fund. These changes reduced the 2016 actuarial projection that the Firefighters' fund's unfunded liability would never amortize to 25.3 years.

The emphasis now is to stabilize the police retirement system by reducing the amortization period for their unfunded actuarial liability to the 25 year range. We are now discussing potential changes in funding and governance which will result in a return of the Plan to a sound financial footing. The city began this process by increasing the city's contribution to police pensions by 2.83 percent. State legislation has been drafted that would raise contributions, and change the composition and qualifications for board trustees. After the city completes its efforts to stabilize the three defined benefit pension plans, we will again turn our attention to converting those plans over time to a defined contribution basis or a hybrid plan such as that offered by the Texas Municipal Retirement System.

The city's retiree health insurance plan is reported in this year's Comprehensive Annual Financial Report for the first time on the government wide balance sheet. This is in compliance with the new Governmental Accounting Standards Board issuance number 75 addressing Other Post-Employment Benefits (OPEB). The city's unfunded accrued liability for OPEB is estimated at \$9 million. Having addressed the city's pension fund liabilities, we expect to develop a plan during the next year that will address the unfunded OPEB liability.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) of the United States and Canada

awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Galveston for its Comprehensive Annual Financial Report (CAFR) for fiscal year ended September 30, 2017. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

The award is valid for a period of one year only. We believe that the current CAFR will meet the Certificate of Achievement Program requirements and will submit it to GFOA to determine its eligibility for a certificate.

The preparation of this report is a joint effort of various departments and offices of the city. The City's Finance Department coordinates the compilation and prepares the final report for review by the City's independent auditor, Whitley Penn, LLP. The city assumed the lead role in preparing the financial statements and related notes for the first time in FY 2017. This financial report represents the second such effort. The successful and timely preparation of this report depends on the cooperation of all these groups and upon the diligence and dedication of the entire staff of the Finance Department. We would like to express our appreciation to all those who contributed to this effort.

Finally, we acknowledge the Mayor and Council Members who have consistently supported the City's goal of excellence in all aspects of financial management. Their support is greatly appreciated.

Respectfully submitted,



City Manager



Assistant City Manager for Finance

CITY OF GALVESTON, TEXAS

PRINCIPAL OFFICIALS



Mayor
Jim Yarbrough

District 1



Amy Bly

District 2



Craig Brown

District 3



David Collins

District 4



Jason Hardcastle

District 5



John Paul Listowski

District 6



Jackie Cole

City of Galveston, Texas

Incorporated March 1939

Charter Adopted April 19, 1960

Council – Manager Form of Government

City Council Appointees

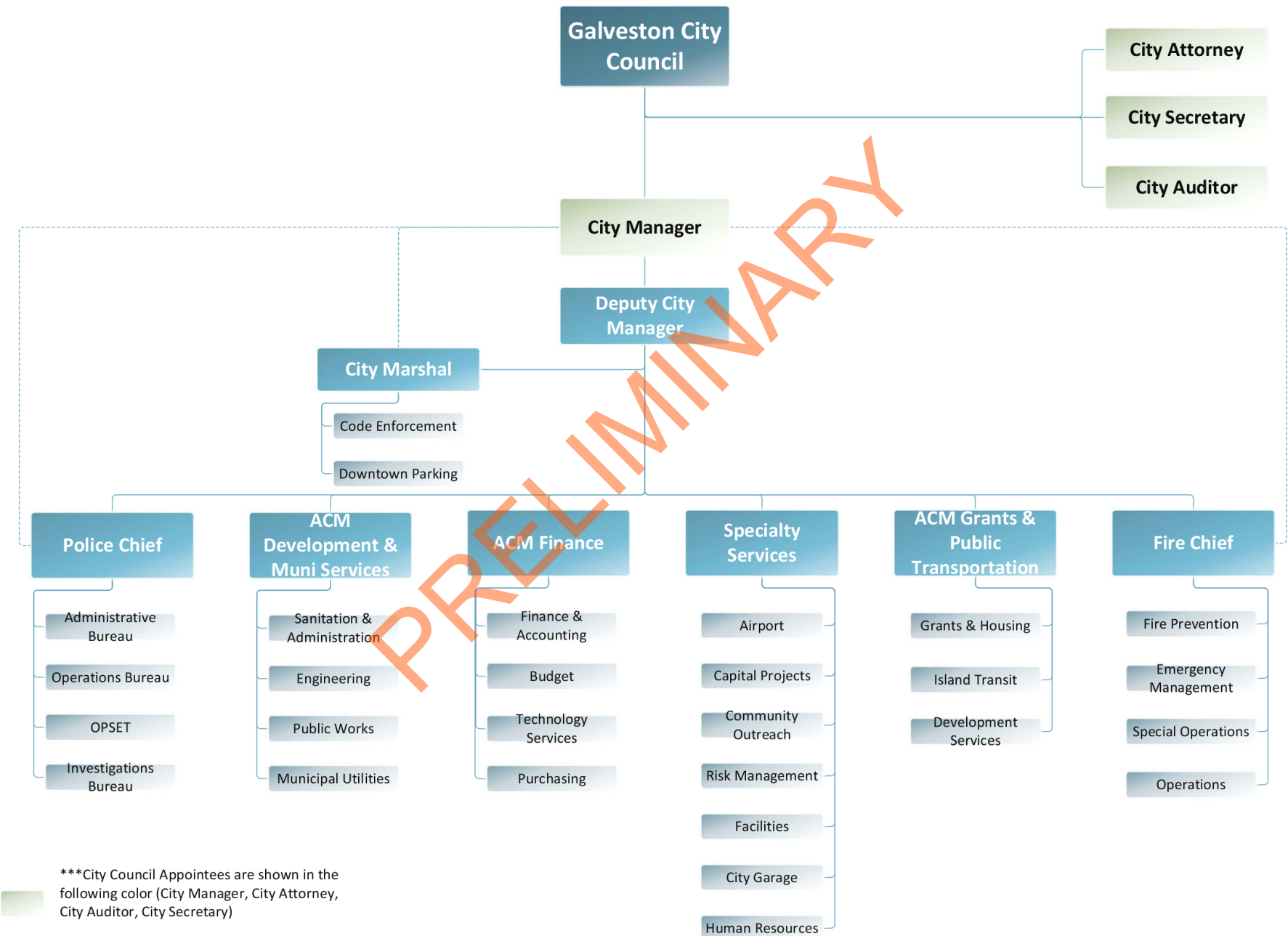
City Manager	Brian Maxwell
City Secretary	Janelle Williams
City Attorney	Donald Glywasky
Court Judge	Jim Schweitzer
City Auditor	Glenn Bulgherini

Departmental Directors

(City Manager Appointees)

Deputy City Manager	Dan Buckley
Assistant City Manager Finance	Michael Loftin
Assistant City Manager Grants and Public Transportation	Richard Beverlin
Assistant City Manager Development and Municipal Services	Brandon Cook
Police Chief	Vernon Hale
Fire Chief	Michael Wisko
City Marshal	Michael Gray
Executive Director of Development Services	Timothy Tietjens
Executive Director of Fleet, Mass Transit and Special Events	David Smith
Executive Director of Human Resources and Civil Service	Kent Etienne
Executive Director of Parks, Recreation and Community Outreach	Barbara Sanderson
Executive Director and Chief Information Technology Officer	Hope Dean
City Engineer	Daniel Christodoss
Director of Capital Projects	Ross Blackketter
Director of Administration and Sanitation	Cindy DeWitt
Director of Airport	Michael Shahan
Director of Municipal Utilities	Angelo Grasso
Director of Parks and Recreation	Mario Rabago
Director of Public Works	Kyle Hockersmith
Public Information Officer	Marissa Barnett
Emergency Management Coordinator	Niki Bender
Municipal Court Clerk	Gladys Lopez
Facilities Director	Charles Kenworthy
Risk Manager	Robert Simmons

City of Galveston Organizational Chart





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Galveston
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2017

Christopher P. Morill

Executive Director/CEO

PRELIMINARY

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Financial Section

2018 Comprehensive Annual Financial Report



PRELIMINARY

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REPORT OF INDEPENDENT AUDITORS

To the Honorable Mayor and Members
of the City Council
City of Galveston, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Galveston, Texas (the "City"), as of and for the year ended September 30, 2017 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Park Board of Trustees of the City of Galveston (the "Park Board"), which represent 63 percent, 6 percent, and 45 percent, respectively, of the assets, liabilities, and revenues of the discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Park Board, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Galveston Island Redevelopment Authority were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 21 through 32, the general fund budgetary information schedule, required pension system supplementary information and other post-employment benefits supplementary information on pages 81 through 86 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Galveston, Texas basic financial statements. The introductory section, combining and individual nonmajor fund budgetary schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2018, on our consideration of the City's internal controls over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal controls over financial reporting and compliance.

Whitley Penn LLP

Houston, Texas
March 29, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the City of Galveston (the "City") offers readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2018.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its deferred inflows of resources and liabilities at the close of the most recent fiscal year by \$436.2 million (net position). Of this amount, \$96.1 million is restricted for specific purposes based on law and contractual obligations to citizens and creditors. The City's unrestricted asset position declined from a negative \$8.4 million in FY 2017 to a negative \$13.4 million in FY 2018.
- Total assets increased \$19.1 million over the prior year primarily as the result of continued investment in capital assets and infrastructure using contributed funds, including grants.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$85.8 million, a decrease of \$4.1 million from the prior year (see the "Balance Sheet for Governmental Funds."). This decrease is the net effect of a \$2 million increase in the General Fund balance, a reduction of \$2.7 million in general obligation bond fund proceeds that were spent on capital projects, and a \$2.9 million net decrease in non-major governmental funds' balances.
- Included in the \$85.8 million Governmental Funds balance is \$56.0 million restricted to specific uses by state or federal law, or by vote of Galveston residents. This fund balance total also includes \$13.6 million, the equivalent of ninety days of General Fund operating cost, assigned by prior city council action for use in emergencies. The unassigned fund balance of \$6.2 million in Governmental Funds balance is available for spending at the discretion of the Mayor and City Council.
- The City's total liabilities decreased by \$1.6 million as the net effect of decreases in pension liabilities (\$4.0 million), other liabilities (\$0.4 million) and long-term liabilities (\$0.9 million). Long-term liabilities also decreased by \$6.8 million due to debt service payments made on outstanding bonds. Total OPEB liability increased \$1.1 million, as restated for the adoption of a new financial reporting standard (GASB 75) regarding other post-employment benefits (OPEB) for retiree health insurance benefits (see Note 13). Long-term liabilities also increased to record \$13.5 million attributable to the City's settlement with a contractor utilized by the City and the General Land Office to manage the private housing assistance grants following Hurricane Ike in 2008 (see Note 17).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector corporation.

The *statement of net position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between the four reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, administrative services, public safety, public works, parks and recreation and community development. The business-type activities

of the City include utility system, including surface water operations, and solid waste operations as well as the operations of a regional airport facility.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also legally separate entities for which the City is financially accountable. Financial information for these *discretely presented component units* is reported separately from the financial information presented for the primary government itself. The City's eight discretely presented component units consist of the following:

Park Board of Trustees
Galveston Island Redevelopment Authority
Campeche Shores - Public Improvement District No. 1
Beachside Village - Public Improvement District

Bayside at Waterman's - Public Improvement District
Board of Trustees of Galveston Wharves
Galveston Housing Finance Corporation
Galveston Property Finance Authority

The government-wide financial statements can be found on pages 43 through 44 of this report.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City are divided into two categories: governmental funds and proprietary funds.

Governmental Funds - *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains 80 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Hurricane Ike, CDBG Disaster Fund Non-Housing, and General Obligation Bonds 2017 Capital Projects funds, all of which are considered to be major governmental funds. Data from the other 80 governmental funds are combined into a single, aggregated presentation; including 14 CDBG annual entitlement allocation funds and 13 Home Partnership Investment annual allocation funds. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in the comprehensive annual financial report.

The basic governmental fund financial statements can be found on pages 46 through 49 of this report.

Proprietary Funds - The City maintains two different types of proprietary funds, Enterprise Funds and Internal Service Funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its waterworks system, sewer system, drainage and sanitation operations as well as the operations of the airport. Internal Service Funds are used to report activities that provide supplies and services for the City's other programs and activities. The Municipal Garage, Central Service, Casualty & Liability Insurance, Construction Management, Workers Compensation Insurance, and Health and Life Insurance funds are the City's internal service funds. Their purpose is to provide for the accumulation of money for employee benefits, as well as, vehicle and equipment replacement used in City operations. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in

more detail. The Combined Utility System Fund is considered to be major funds of the City. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in the comprehensive annual financial report.

The basic proprietary fund financial statements can be found on pages 50 through 52 of this report.

Combining Component Unit Financial Statements

The City's eight discretely presented component units shown in aggregate on the face of the government-wide financial statements have individual information presented in the form of combining statements immediately following the fund financial statements of the primary government.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data presented in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 55.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits to its employees. The City adopts an annual appropriated budget for its general, debt service and certain special revenue funds. A budgetary comparison schedule has been provided for the general and debt service funds to demonstrate compliance with this budget. Required supplementary information can be found on pages 88 through 93 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$436.2 million at the close of the most recent fiscal year. The "Comparative Schedule of Net Position" presents the financial performance that results in this amount, and shows a comparison with the prior fiscal year as well. The City's Total Net Position for the fiscal year ended September 30, 2018 was \$436.2 million, \$15.0 million increase over prior fiscal year.

Total Assets were \$706.4 million at the end of the current fiscal year, a \$19.1 million increase over prior fiscal year. This is attributable largely to the continued investment in the City's capital assets, including substantial amounts of contributions from grants as in prior years. Total investments increased capital assets by \$28.8 million. Conversely, current and other assets declined \$9.8 million from FY 2017, due to the spending of \$11.9 million in restricted cash.

Current assets for Governmental Activities decreased by \$8.7 million, largely due to the decline in cash. Likewise, the current assets for Business-Type Activities decreased by \$1.0 million, largely the result of the decline in restricted cash and investments (see Note 8).

Similar increases can be seen in long-term liabilities, with an increase of \$7.5 million for Governmental Activities and \$6.6 million for Business-Type Activities.

By far the largest portion of the City's net position, 81.0 percent or \$353.5 million, reflects its net investment in capital assets (e.g., land, buildings, and infrastructure), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending as of September 30, 2018. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The total Unfunded Actuarial Accrued Liability (UAAL) for the City's three pension funds decreased to \$64.3 million in the current fiscal year compared with \$68.3 million for the prior fiscal year. This was largely due to improved investment performance in the current fiscal year and increased contribution rates for the firefighter and police plans.

COMPARATIVE SCHEDULE OF NET POSITION

September 30, 2018 and 2017

Amounts in (000's)

	Governmental Activities		Business-type Activities		Totals	
	2018	2017*	2018	2017*	2018	2017*
Current and other assets	\$ 117,112	\$ 125,823	\$ 78,350	\$ 79,393	\$ 195,462	\$ 205,216
Capital assets	208,660	189,973	302,312	292,193	510,972	482,166
Total Assets	325,772	315,796	380,662	371,586	706,434	687,382
Total Deferred Outflows of Resources	9,038	13,085	2,643	3,845	11,681	16,930
Other liabilities	18,506	20,918	9,259	6,423	27,765	27,341
Long-term liabilities	89,385	81,911	86,081	92,667	175,466	174,578
Total OPEB liability	9,138	8,018	-	-	9,138	8,018
Net pension liability	59,166	61,840	5,096	6,434	64,262	68,274
Total Liabilities	176,195	172,687	100,436	105,524	276,631	278,211
Total Deferred Inflows of Resources	4,467	4,135	812	715	5,279	4,850
Net Position (Deficit)						
Net investment in capital assets	137,078	143,927	216,437	199,744	353,515	343,671
Restricted	55,659	34,360	40,459	51,635	96,118	85,995
Unrestricted	(38,588)	(26,228)	25,162	17,813	(13,426)	(8,415)
Total Net Position (Deficit)	\$ 154,149	\$ 152,059	\$ 282,058	\$ 269,192	\$ 436,207	\$ 421,251

*Comparative balances for fiscal year 2017 have been restated for prior period adjustments related to the adoption of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB), and increased allowance for uncollectible receivables on non-active utility customers, as described in Note 15 to the financial statements.

An additional portion of the City's net position, 22.0 percent or \$96.1 million, represents resources that are restricted by external authorities and requirements on how they may be used. The total unrestricted net position of negative \$13.4 million, is comprised of \$38.6 million net negative asset position in governmental activity balance, partially offset by \$25.2 million unrestricted net position of business-type activities. The governmental activity net negative asset position includes the reporting of \$59.2 million in net pension liabilities attributable to governmental activities.

COMPARATIVE SCHEDULE OF CHANGES IN NET POSITION

For the Years Ended September 30, 2018 and 2017

Amounts in (000's)

	Governmental Activities		Business-type Activities		Totals	
	2018	2017*	2018	2017*	2018	2017*
Revenues						
Program revenues:						
Charges for services	\$ 6,072	\$ 7,641	\$ 48,349	\$ 46,483	\$ 54,421	\$ 54,124
Operating grants and contributions	4,543	3,831	322	251	4,865	4,082
Capital grants and contributions	27,577	30,169	562	3,309	28,139	33,478
General revenues:						
Property taxes	31,846	28,509	-	-	31,846	28,509
Sales tax	21,425	21,143	-	-	21,425	21,143
Hotel occupancy taxes	13,279	11,731	-	-	13,279	11,731
Franchise and other taxes	6,605	5,563	-	-	6,605	5,563
Payments in lieu of taxes	167	289	-	-	167	289
Other	3,433	2,143	999	743	4,432	2,886
Total Revenues	114,947	111,019	50,232	50,786	165,179	161,805
Expenses						
General government	10,382	11,102	-	-	10,382	11,102
Public safety	36,194	34,793	-	-	36,194	34,793
Public works	9,669	10,611	-	-	9,669	10,611
Culture and recreation	17,633	18,754	-	-	17,633	18,754
Planning and community development	8,337	10,067	-	-	8,337	10,067
Transportation system	5,286	5,705	-	-	5,286	5,705
Interest on long-term debt	2,488	1,620	-	-	2,488	1,620
Combined utility system	-	-	35,646	32,272	35,646	32,272
Sanitation services	-	-	6,566	5,739	6,566	5,739
Drainage utility	-	-	2,726	2,979	2,726	2,979
Airport	-	-	1,796	1,887	1,796	1,887
Total Expenses	89,989	92,652	46,734	42,877	136,723	135,529
Increase (decrease) in net position before transfers	24,958	18,367	3,498	7,909	28,456	26,276
Special item - settlement	(13,500)	-	-	-	(13,500)	-
Transfers	(9,368)	(9,260)	9,368	9,260	-	-
Increase (decrease) in net position	2,090	9,107	12,866	17,169	14,956	26,276
Net position - beginning	154,908	127,172	271,535	272,047	426,443	399,219
Prior period adjustments	(2,849)	15,780	(2,343)	(20,024)	(5,192)	(4,244)
Net position - ending	\$ 154,149	\$ 152,059	\$ 282,058	\$ 269,192	\$ 436,207	\$ 421,251

*Comparative balances for fiscal year 2017 have been restated for prior period adjustments related to the adoption of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB), and increased allowance for uncollectible receivables on non-active utility customers, as described in Note 15 to the financial statements.

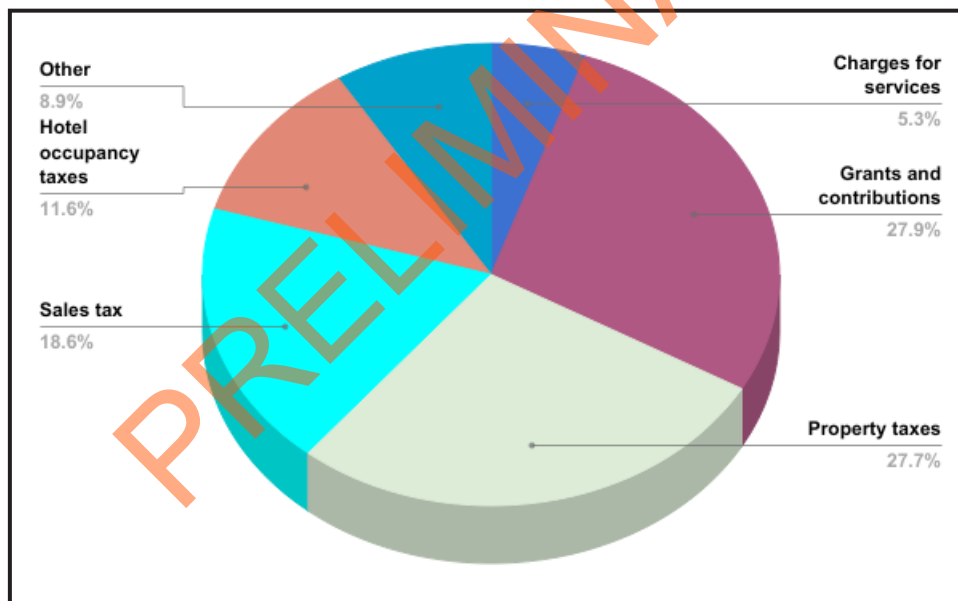
Governmental Activities

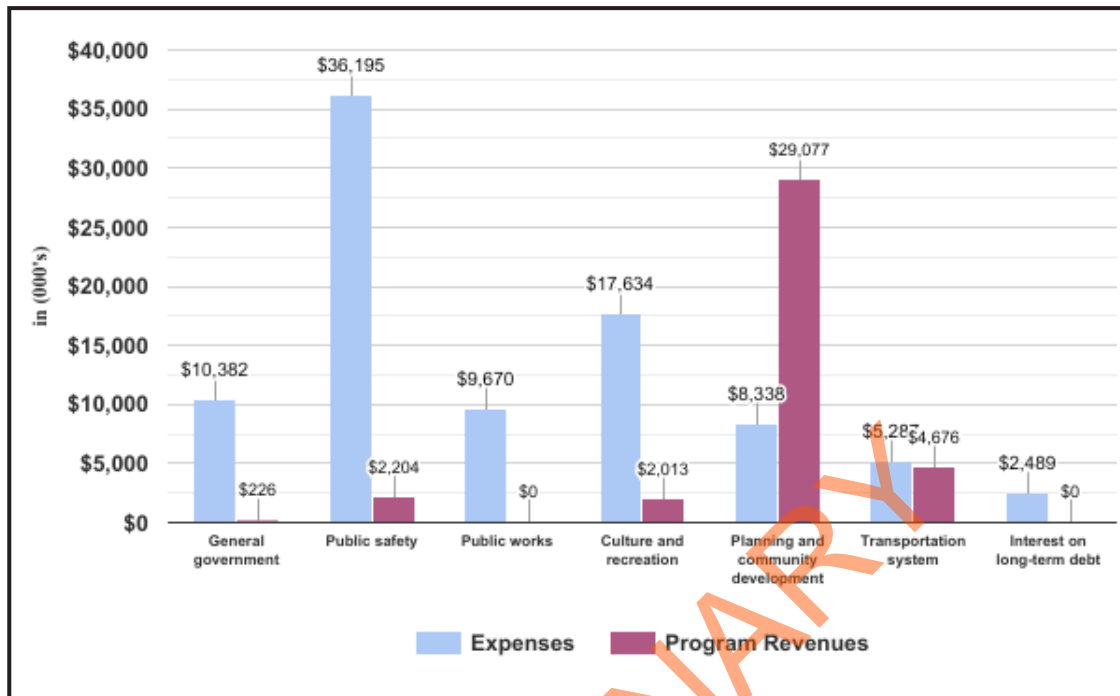
Governmental activities increased the City's net position by \$2.1 million. Key elements of this increase are as follows:

- An increase in capital grants and contributions of \$2.6 million from \$30.2 million to \$27.6 million and a corresponding increase in operating grants and contributions of \$0.7 million.
- Of the capital grants and contributions noted above, \$9.4 million is presented as being transferred out of Governmental Activities and into Business-Type Activities where it was invested in capital assets held by the City's enterprise funds, primarily the Combined Utility System fund.
- Virtually all of the \$27.6 million in capital grants and contributions shown in Governmental Activities revenue is being invested in the City's infrastructure.
- The net position of Governmental Activities includes a \$59.2 million pension funds' liability. This total includes all of the fire and police pension funds' liabilities and a proportional share of the municipal employees' pension fund liability for governmental activities.

Governmental activities are largely funded from property, sales and other taxes. Public safety is the major public service funded with governmental revenues. Planning and Community Development program revenues as shown here include primarily federal grants awarded to the City for Hurricane Ike recovery. The majority of the program revenues for planning and community development was transferred to business activities for repairs and upgrades to the water and sewer systems.

Revenues by Source - Governmental Activities (\$116.0 million)



Governmental Program Expenses and Revenues Chart

Business-type Activities

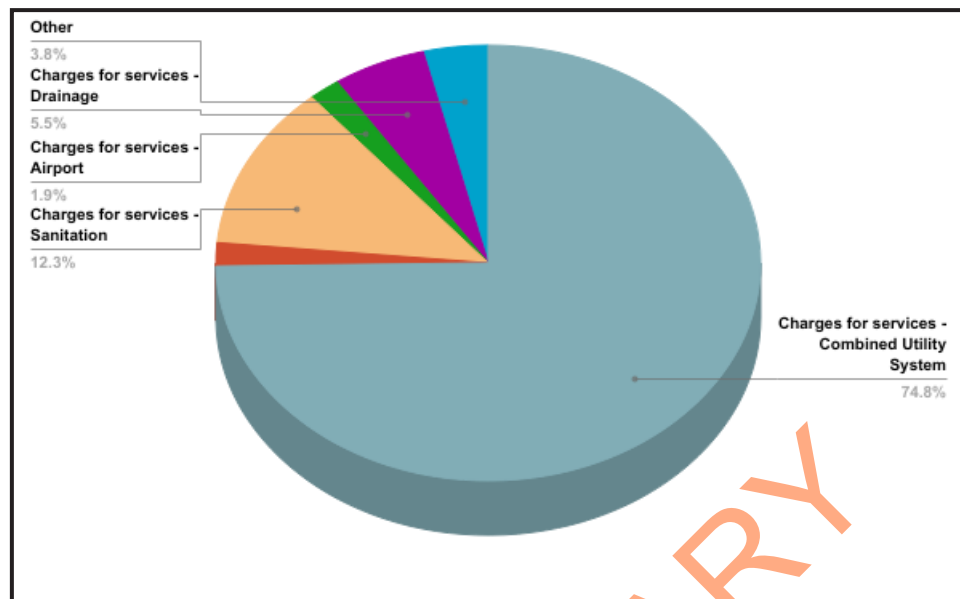
Business-type activities increased the City's net position by \$12.9 million. Highlights for individual enterprise funds are as follows.

Revenues for business-type activities totalled \$50.3 million, \$6.4 million more than total expenses for business-type activities which were \$43.9 million.

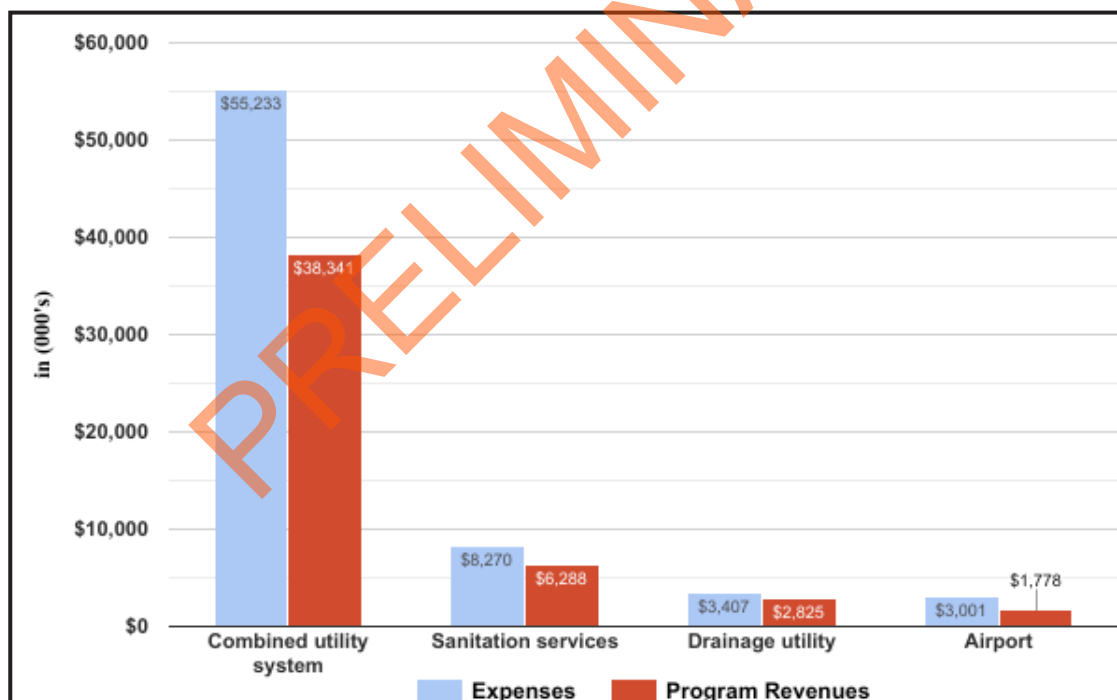
Transfers in from governmental activities were the result of grant funded contributions to business-type assets.

As compared with last fiscal year, business-type activities generated \$0.5 million less in revenue, as the result of a \$1.8 million increase in charges for service and a decrease of \$2.8 million in capital grants and contributions.

Revenues by Source - Business-type Activities



Expenses and Program Revenues - Business-type Activities



Financial Analysis of the City's Funds

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

Governmental Funds - The focus of the City's governmental funds is to provide information of near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements, in particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

The General Fund fund balance includes \$13.6 million, or ninety days of operating expenses assigned to be used for unforeseen emergencies and for one-time expenditures as approved by City Council. The City also

maintains a \$50 million emergency bridge loan capacity that is available under provisions of state law for cash flow, debris removal and infrastructure repairs in the event of a statewide and/or national emergency. If draws are made on the loan, proceeds may be repaid on a short-term or long-term basis up to ten years.

FEMA grant funds received for Hurricane Ike related work are almost expended and the remaining projects should be completed within the next twelve to eighteen months. CDBG Disaster grant funds are being expended for major transportation and facility projects that should be completed over a slightly longer time period.

The \$62 million General Obligation Bond Funds will continue to be expended in accordance with the street and drainage program designations authorized by the voters in May 2017 and the one year capital budget and five year Capital Improvement Plan (CIP) approved each year by City Council. The complete bond program for streets and drainage projects will require five years to complete, and the \$25 million is just the first sale scheduled to implement those programs. Additional bonds will be sold on an as needed basis to meet project schedules approved by management and the City Council.

The Infrastructure and Debt Service Fund is not reported as a part of the General Fund but as its own governmental fund. This fund is the recipient of increasingly higher set asides of General Fund revenue in accordance with a City Charter requirement. In FY 2017, five percent of the total General Fund operating budget was transferred into this fund. By fiscal year 2020, according to the City Charter, General Fund contributions to this fund will equal the maximum level of eight percent of the operating budget per year. Its separate reporting status is appropriate so as to better demonstrate compliance with the City Charter. These funds are programmed through the CIP along with all other capital funds.

Proprietary Funds - The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The Combined Utility System fund has unrestricted net position at fiscal year end of \$24.5 million. Cash is restricted and held in reserve for two reasons as required by bond covenants: \$4.4 million is restricted for future debt service payments based on average annual future revenue supported debt service payments and \$34.7 million is restricted to be used for capital projects.

General Fund Budgetary Highlights

The General Fund expenditures budget was amended three times in fiscal year 2018 based upon quarterly reports that were based on analysis of actual results used to make year-end projections of revenue and expenditures. These amendments were approved by City Council in ordinance form as proposed and recommended by the City Manager. Each amendment was for municipal purposes as allowed by Section 102.010 of the Texas Local Government Code. The City Charter authorizes the City Manager to transfer budget amounts within a department's total budget as adopted or amended by City Council. A separate schedule is provided on page 88 that demonstrates compliance with this requirement.

Total actual revenues of \$51.93 million were lower than budget by \$381,000. The budget underrun is comprised of property taxes (\$182,000), sales taxes (\$91,500), fines and forfeitures (\$170,200), and Intergovernmental revenue (\$122,000). Other revenues provide an offset for the aforementioned underruns (e.g. license and permits, charges for service, franchise and other taxes, investment earnings and other revenues).

The General Fund fund balance ended the year at \$19.8 million, \$2.034 million higher than the prior year. Expenditures underran budgets by \$5.0 million, including the city council contingency (\$1.9 million) that was not expended in FY 2018. The balance of the underrun came from all departments (\$1.1 million), equipment purchases (\$1.3 million), and general government or non-departmental categories of spending (\$0.7 million).

The City never intends to spend these funds except with City Council approval in the event of an emergency. This contingency is budgeted by City Council and allocated through the budget amendment process throughout the fiscal year. The contingency is typically allocated based on the receipt of previously unbudgeted revenues. Also, the contingency may be reduced to offset adjustments to other budgeted funds (e.g. special and enterprise funds) that are necessary to ensure the total City budget stays within the seven percent increase over the prior year as prescribed by Article VII Section 19 of the City Charter.

In compliance with the City Charter, a transfer from the General Fund to the Infrastructure and Debt Service Fund must occur annually. The transfer during FY 2018 equalled six percent of the General Fund budget, or \$3.3 million. This transfer will continue to increase and will be budgeted from current revenue in the future as it was in FY 2018.

Capital Assets and Debt Administration

At the end of fiscal year 2018, the City's governmental activities and business-type activities had invested \$208.7 million and \$302.3 million, respectively, in a variety of capital assets and infrastructure, as reflected in the following schedule. This represents a net increase of \$18.7 million or 9.8 percent over the end of last fiscal year for governmental activities and a change of \$10.1 million or 3.5 percent for business-type activities. As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

Amounts in (000's)	Governmental Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Land	\$ 20,450	\$ 20,450	\$ 2,489	\$ 2,489	\$ 22,939	\$ 22,939
Construction in progress	29,046	24,865	45,084	26,813	74,130	51,678
Infrastructure	102,592	90,890	112,889	117,461	215,481	208,351
Building and Improvements	43,954	40,238	123,060	125,918	167,014	166,156
Contractual water rights	-	-	10,605	11,703	10,605	11,703
Vehicles, equipment and furniture	12,618	13,530	8,185	7,809	20,803	21,339
Total Capital Assets	\$ 208,660	\$ 189,973	\$ 302,312	\$ 292,193	\$ 510,972	\$ 482,166

Additional information on capital assets can be found in Note 7 to the financial statements.

Construction in progress is at the \$74.1 million level, an increase of \$22.4 from prior year, with projects plans approved for appropriations in the adopted capital budget for FY 2018 of \$79.1 million. The most significant change in capital assets was recorded in the \$18.6 million increase for governmental activities infrastructure. This is attributable to the completion of several major street and drainage projects, including the following major projects:

- 43rd Street from Broadway to Avenue U (\$8.5 million)
- 41st Street from Avenue L to the Seawall (\$1.4 million)
- 69th Street from Stewart Road to Seawall (\$2.2 million)
- Repair and replacement of drainage outfalls on Harborside Drive (\$1.2 million).

Long-Term Debt

At the end of the current fiscal year, the City had total bonds, certificates of obligation and other obligations outstanding of \$148.2 million. This total included \$10.7 million in discounts and premiums that were a part of bond sales and are being amortized as a part of the City's long-term debt.

Amounts in (000's)	Governmental Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
General obligation bonds	\$ 31,131	\$ 33,834	\$ 13,499	\$ 14,466	\$ 44,630	\$ 48,300
Special obligation bonds	22,605	23,525	-	-	22,605	23,525
Contracts payable	-	-	11,821	14,350	11,821	14,350
Revenue bonds	-	-	20,255	21,910	20,255	21,910
Certificates of obligation	2,874	5,829	32,330	33,355	35,204	39,184
Accreted interest	3,134	2,838	-	-	3,134	2,838
Notes payable	507	621	-	-	507	621
Discount and premiums	3,972	4,481	6,690	7,253	10,662	11,734
	\$ 64,223	\$ 71,128	\$ 84,595	\$ 91,334	\$ 148,818	\$ 162,462

During FY 2018, the City decreased its long-term debt by approximately \$11.6 million. Debt service is being paid on the City's outstanding long-term debt as shown below. Annual principal and interest payments are budgeted based on the projects actually provided with the proceeds from the borrowings.

<i>Amounts in (000's)</i>	Property Tax Supported	Combined Utility System Revenue Supported	Central Services Revenue Supported	Wharves Board Revenue Supported	Hotel Occupancy Tax Revenue Supported	Total
Property-Tax Supported Debt						
General Obligation Bonds	\$ 31,131	\$ 13,499	\$ -	\$ -	\$ -	\$ 44,630
Certificates of Obligation	-	32,330	-	2,874	-	35,204
Subtotal	31,131	45,829	-	2,874	-	79,834
Special Obligation Bonds	-	-	-	-	22,605	22,605
Revenue Bonds	-	20,255	-	-	-	20,255
Contracts Payable	-	11,821	-	-	-	11,821
Accreted Interest	-	-	-	3,134	-	3,134
Notes Payable	-	-	507	-	-	507
Total Principal Payments	\$ 31,131	\$ 77,905	\$ 507	\$ 6,008	\$ 22,605	\$ 138,156

Additional information on long-term debt can be found in Note 8 to the financial statements.

Economic Factors and Next Year's Budgets and Rates

Galveston's economy is tied to the national economy through tourism and trade, as well as the Texas state and Houston regional economy and their strong energy base. For these reasons, the City has a diversified basis for its economy that profits from local, regional, national and even international factors. The national economy has slowed somewhat, but job growth continues. Local construction permits remain healthy and it is clear that Galveston's economic outlook is stable.

The total budget included \$144.6 million for maintenance and operations, a 0.87 percent increase over FY 2018. One-time appropriations are budgeted at \$9.1 million, \$0.3 million less than last year. And the capital budget, based on the first year of the FY 2019-2023 Capital Improvement Plan is adopted to cover project appropriations totalling \$86.5 million, \$10 million, or 14.51 percent, more than last year. The total budget is \$230.2 million, a 1.75 percent drop from last year's \$234.3 million budget.

The assumptions behind the FY 2019 Budget reflect Galveston's continued steady growth after several years of strong growth as documented in the transmittal letter of this report. FY 2019 property taxes are based on values from calendar year 2018. The property tax rate was maintained at \$0.561, including \$0.4585 for maintenance and operations and \$0.525 for debt service. In accordance with the City Charter, the budget included a General Fund transfer equal to seven percent of the budget (\$3.28 million) to the Infrastructure and Debt Service Fund. This transfer.

For budget purposes, water and sewer rates were held constant as revenues continued to perform well. A water rate increase of seven percent was included in long-term projections in order to continue the investment of local funds in the capital improvement plan. Also, the FY 2019 budget ordinance approved by City Council included language requiring the consolidation of the Waterworks System Fund and Sewer System Fund into the Combined Utility System Fund as a part of the budget and the FY 2018 CAFR.

Operating priorities included personnel (\$3.25 million increase), debt service (\$1.7 million) and net reductions of \$1.1 million across the remaining spending categories. The cost of water supply provided through the Gulf Coast Water Authority increased but was offset by reduced water consumption. Personnel expenses increased primarily in support of public safety including \$0.5 million for new police officers and \$0.6 million for 6 additional civilian positions. The Budget also included compensation increases (\$0.5 million) for police and fire in accordance with the second year of the collective bargaining agreements approved in September 2016, and increases to the police and fire pension funds (\$460,000). Civilian employees received a two percent compensation increase (663,000) and sixty additional civilian employees received market based adjustments (\$256,000).

After the budget was adopted and FY 2019 began, the City received the court judgment for the CDM suit discussed in Notes 16 and 17. A budget amendment was passed by City Council that appropriated the \$13.5 million for payment in settlement of the case from balances available in the FY 2018 budget. This included \$6,128,000 from the General Fund, \$2,092,000 from the Settlement and Capital Reserve Special Revenue Fund, and \$5,280,000 from the Casualty and Liability Insurance Internal Service Fund. The General Fund appropriation left a budgeted ending balance for FY 2019 of \$14.1 million, or 93.9 days of expenditures in compliance with its policy of maintaining a balance equal to 90 days of operating costs.

The FY 2018 CAFR reports the settlement as a contingent liability due in one year or less. In fact, the discussion surrounding the settlement between CDM and the City included longer term payment arrangements. The City also considered issuing long term bonds as allowed by State law and the City Charter. Instead, the City chose to reduce its liability and pay the settlement from available reserves, leaving the City in a sound financial condition.

Requests for Information

This financial report is designed to provide a general overview of the City of Galveston's finances for all those with an interest in the City's finances. Questions concerning this report or requests for additional financial information should be addressed to the Office of the Finance Director, City of Galveston, P.O. Box 779, Galveston, TX 77553, or physically located at 823 Rosenberg, Suite 300, Galveston, TX 77550.

PRELIMINARY

Basic Financial Statements

2018 Comprehensive Annual Financial Report



PRELIMINARY

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STATEMENT OF NET POSITION

September 30, 2018

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Current assets:				
Cash and cash equivalents	\$ 54,833,979	\$ 11,621,911	\$ 66,455,890	\$ 22,628,823
Accounts receivable, net of allowance for doubtful accounts	5,073,784	10,799,678	15,873,462	16,244,343
Internal balances	(13,031,986)	13,031,986	-	-
Due from other governments	27,978,854	3,243	27,982,097	-
Restricted cash and investments	41,089,941	42,516,093	83,606,034	20,457,790
Inventories	622,418	116,136	738,554	12,129
Prepaid items	546,308	261,947	808,255	969,051
Total current assets	117,113,298	78,350,994	195,464,292	60,312,136
Non-current assets:				
Net investment in direct financing and capital leases	-	-	-	1,858,697
Capital assets not being depreciated	49,496,378	47,573,479	97,069,857	32,689,575
Capital assets net of depreciation	159,163,679	254,738,514	413,902,193	449,288,276
Total non-current assets	208,660,057	302,311,993	510,972,050	483,836,548
Total Assets	325,773,355	380,662,987	706,436,342	544,148,684
Deferred Outflows of Resources				
Deferred charge on bond issuance	447,005	1,075,831	1,522,836	158,284
Deferred outflows relating to other post-employment benefits (OPEB)	594,750	-	594,750	-
Deferred outflows relating to pension activities	7,996,023	1,567,240	9,563,263	1,409,876
Total Deferred Outflows of Resources	9,037,778	2,643,071	11,680,849	1,568,160
Liabilities				
Current liabilities:				
Accounts payable and accrued expenses	11,468,615	5,482,329	16,950,944	13,596,320
Due to other governments	1,966,047	464,177	2,430,224	393,262
Accrued interest	608,186	1,232,665	1,840,851	678,629
Unearned revenue	4,463,253	21,588	4,484,841	2,137,654
Customer deposits	-	2,058,236	2,058,236	-
Total current liabilities	18,506,101	9,258,995	27,765,096	16,805,865
Non-current liabilities:				
Due within one year	22,919,509	7,069,519	29,989,028	8,527,564
Due in more than one year	66,465,611	79,011,329	145,476,940	68,538,673
Total OPEB liability (health insurance)	9,138,267	-	9,138,267	-
Net pension liability	59,165,852	5,096,444	64,262,296	3,525,318
Total non-current liabilities	157,689,239	91,177,292	248,866,531	80,591,555
Total Liabilities	176,195,340	100,436,287	276,631,627	97,397,420
Deferred Inflows of Resources				
Deferred gain on refunding	-	-	-	3,854
Deferred inflows relating to pension activities	4,466,760	812,256	5,279,016	79,853
Total Deferred Inflows of Resources	4,466,760	812,256	5,279,016	83,707
Net Position				
Net investment in capital assets	137,077,681	216,437,281	353,514,962	431,623,248
Restricted:				
Capital projects	41,924,866	36,029,060	77,953,926	-
Grants	411,349	-	411,349	-
Beach preservation	1,358,515	-	1,358,515	-
Infrastructure and debt service	3,504,762	-	3,504,762	-
Debt service	3,855,999	4,428,797	8,284,796	13,149,030
Tourism, convention and hotel industry				
Convention center operator	3,130,596	-	3,130,596	-
City of Galveston	1,473,585	-	1,473,585	-
Unrestricted	(38,588,320)	25,162,377	(13,425,943)	3,463,439
Total Net Position	\$ 154,149,033	\$ 282,057,515	\$ 436,206,548	\$ 448,235,717

See Notes to Financial Statements.

STATEMENT OF ACTIVITIES*For the Year Ended September 30, 2018*

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental Activities:				
General government	\$ 10,381,062	\$ 225,192	\$ -	\$ -
Public safety	36,194,172	1,870,460	333,064	-
Public works	9,669,011	-	-	-
Culture and recreation	17,633,252	1,436,135	196,066	379,874
Planning and community development	8,337,124	1,375,279	1,721,521	25,979,240
Transportation system	5,286,450	1,165,642	2,292,569	1,217,574
Interest on long-term debt	2,488,417	-	-	-
Total Governmental Activities	<u>89,989,488</u>	<u>6,072,708</u>	<u>4,543,220</u>	<u>27,576,688</u>
Business-type activities:				
Combined utility system	35,645,457	38,278,753	-	62,558
Sanitation	6,566,489	6,288,401	-	-
Drainage	2,726,221	2,825,365	-	-
Airport	1,796,046	956,569	322,438	499,416
Total Business-type Activities	<u>46,734,213</u>	<u>48,349,088</u>	<u>322,438</u>	<u>561,974</u>
Total Primary Government	<u>\$ 136,723,701</u>	<u>\$ 54,421,796</u>	<u>\$ 4,865,658</u>	<u>\$ 28,138,662</u>
Component Units	72,152,699	44,876,929	-	1,153,665
Total Component Units	<u>\$ 72,152,699</u>	<u>\$ 44,876,929</u>	<u>\$ -</u>	<u>\$ 1,153,665</u>
General revenues				
Property taxes				
Sales tax				
Hotel occupancy taxes				
Franchise and other taxes				
Payments in lieu of taxes				
Unrestricted investment earnings				
Miscellaneous				
Special item - settlement				
Transfers				
Total general revenues, special items and transfers				
Change in net position				
Net position - beginning				
Extraordinary item				
Prior period adjustments				
Net position - ending				

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position
Primary Government

Governmental Activities	Business-type Activities	Total	Component Units
\$ (10,155,870)	\$ -	\$ (10,155,870)	
(33,990,648)	-	(33,990,648)	
(9,669,011)	-	(9,669,011)	
(15,621,177)	-	(15,621,177)	
20,738,916	-	20,738,916	
(610,665)	-	(610,665)	
(2,488,417)	-	(2,488,417)	
(51,796,872)	-	(51,796,872)	
-	2,695,854	2,695,854	
-	(278,088)	(278,088)	
-	99,144	99,144	
-	(17,623)	(17,623)	
-	2,499,287	2,499,287	
\$ (51,796,872)	\$ 2,499,287	\$ (49,297,585)	
			\$ (26,122,105)
			\$ (26,122,105)
31,845,804	-	31,845,804	2,658,067
21,424,692	-	21,424,692	-
13,279,410	-	13,279,410	12,466,561
6,604,636	-	6,604,636	1,040,383
166,921	-	166,921	-
1,461,887	998,357	2,460,244	498,486
1,971,136	-	1,971,136	1,508,920
(13,500,000)	-	(13,500,000)	-
(9,367,971)	9,367,971	-	-
53,886,515	10,366,328	64,252,843	18,172,417
2,089,643	12,865,615	14,955,258	(7,949,688)
154,908,025	271,534,908	426,442,933	456,622,986
-	-	-	(437,581)
(2,848,635)	(2,343,008)	(5,191,643)	-
\$ 154,149,033	\$ 282,057,515	\$ 436,206,548	\$ 448,235,717

BALANCE SHEET
GOVERNMENTAL FUNDS
 September 30, 2018

	General Fund	Hurricane Ike Fund	CDBG Disaster Fund Non-Housing	General Obligation Bonds 2017 Capital Projects	Non-Major	Total
Assets						
Cash and investments	\$ 10,235,653	\$ -	\$ -	\$ -	\$ 49,154,905	\$ 59,390,558
Receivables, net of allowance for uncollectibles	3,943,515	-	-	-	355,252	4,298,767
Due from other governments	3,336,908	6,478,269	9,071,625	-	7,861,434	26,748,236
Due from other funds	5,856,554	456	-	-	1,446,032	7,303,042
Inventories	-	-	-	-	310,764	310,764
Prepaid items	91,435	-	-	-	23,122	114,557
Restricted cash and investments	-	4,161,347	-	22,738,417	-	26,899,764
Total Assets	\$ 23,464,065	\$ 10,640,072	\$ 9,071,625	\$ 22,738,417	\$ 59,151,509	\$ 125,065,688
Liabilities						
Accounts payable	973,537	338,576	2,674,885	330,500	4,465,023	8,782,521
Accrued liabilities	3,077	287,523	1,422,046	22,689	585,151	2,320,486
Due to other funds	456	10,013,973	4,974,694	-	4,976,611	19,965,734
Due to other governments	271,385	-	-	-	4,528	275,913
Due to component unit	-	-	-	-	1,690,134	1,690,134
Unearned revenue	826,467	-	-	-	3,636,786	4,463,253
Total Liabilities	2,074,922	10,640,072	9,071,625	353,189	15,358,233	37,498,041
Deferred Inflows of Resources						
Unavailable revenue - property taxes	1,014,191	-	-	-	179,153	1,193,344
Unavailable revenue - court fines	553,562	-	-	-	-	553,562
Total Deferred Inflows of Resources	1,567,753	-	-	-	179,153	1,746,906
Fund Balance						
Nonspendable:						
Inventories	-	-	-	-	310,764	310,764
Prepaid items	91,435	-	-	-	23,122	114,557
Restricted:						
Debt service	-	-	-	-	4,367,984	4,367,984
Beach preservation	-	-	-	-	1,358,515	1,358,515
Infrastructure and debt service	-	-	-	-	3,504,762	3,504,762
Capital projects	-	-	-	22,385,228	19,539,638	41,924,866
Grants	-	-	-	-	411,349	411,349
Tourism, convention and hotel industry:						
Convention center operator	-	-	-	-	3,130,596	3,130,596
City of Galveston	-	-	-	-	1,473,585	1,473,585
Committed:						
Governmental projects	-	-	-	-	4,160,382	4,160,382
Assigned:						
Emergency reserves	13,550,627	-	-	-	-	13,550,627
Other	-	-	-	-	5,350,132	5,350,132
Unassigned	6,179,328	-	-	-	(16,706)	6,162,622
Total Fund Balance	19,821,390	-	-	22,385,228	43,614,123	85,820,741
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 23,464,065	\$ 10,640,072	\$ 9,071,625	\$ 22,738,417	\$ 59,151,509	\$ 125,065,688

See Notes to Financial Statements.

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

September 30, 2018

Total fund balance, governmental funds	\$ 85,820,741
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position. The cost of the assets is \$343,925,471 and the accumulated depreciation is \$140,973,668.	202,951,803
Long-term non-financial receivables are not available to pay for current period expenditures and, therefore, are not reported as assets in the governmental funds.	
Property taxes receivable	1,193,344
Adjudicated municipal court fines	553,562
Long-term receivable from component unit	767,005
Certain liabilities, including bonds payable, compensated absences, claims and judgements, and net pension liability are not due in the current period and, therefore, are not reported as liabilities in the fund financial statements. Liabilities at year end related to bonds payable, compensated absences, claims and judgement, and net pension liability consists of:	
Bonds payable, at maturity	(59,744,478)
Accrued interest on the bonds	(608,186)
Premium/discount of bonds payable	(3,971,717)
Compensated absences	(9,338,564)
Deferred charge on refunding of debt	447,005
Accrued claims and judgements	(13,500,000)
Net pension liability	(59,165,852)
	(145,881,792)
Deferred outflows and deferred inflows relating to pension activities	3,529,263
The assets and liabilities of certain internal service funds are not included in the fund financial statements, but are included in the governmental activities of the Statement of Net Position.	5,215,107
Net Position of Governmental Activities in the Statement of Net Position	<u>\$ 154,149,033</u>

See Notes to Financial Statements.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended September 30, 2018

	General Fund	Hurricane Ike Fund	CDBG Disaster Fund Non- Housing	General Obligation Bonds 2017 Capital Projects	Non-Major	Total
Revenues						
Taxes:						
Property taxes	\$ 25,068,939	\$ -	\$ -	\$ -	\$ 6,787,750	\$ 31,856,689
Sales tax	16,068,519	-	-	-	18,635,583	34,704,102
Franchise and other taxes	6,604,636	-	-	-	-	6,604,636
Licenses and permits	1,196,241	-	-	-	-	1,196,241
Fines and forfeitures	1,530,003	-	-	-	90,850	1,620,853
Charges for services	233,901	-	-	-	2,597,830	2,831,731
Investment earnings	319,693	-	-	379,624	612,207	1,311,524
Intergovernmental	-	2,527,119	22,917,328	-	9,505,587	34,950,034
Payments in lieu of taxes	166,921	-	-	-	-	166,921
Other	745,657	456	-	-	1,718,545	2,464,658
Total Revenues	<u>51,934,510</u>	<u>2,527,575</u>	<u>22,917,328</u>	<u>379,624</u>	<u>39,948,352</u>	<u>117,707,389</u>
Expenditures						
Current:						
General government	6,019,144	-	-	(2,866,097)	2,960,354	6,113,401
Public safety	31,200,534	-	-	-	554,607	31,755,141
Highways and roads	3,905,576	-	-	3,054,600	865,041	7,825,217
Culture and recreation	2,652,006	-	-	-	14,419,663	17,071,669
Planning and community development	2,406,675	56,499	343,339	-	3,220,515	6,027,028
Transportation	-	-	-	-	4,453,424	4,453,424
Debt Service:						
Principal	-	-	-	-	6,578,170	6,578,170
Interest and other charges	-	-	-	-	2,153,652	2,153,652
Capital Outlay	<u>743,006</u>	<u>2,471,076</u>	<u>23,139,607</u>	<u>2,866,097</u>	<u>12,703,146</u>	<u>41,922,932</u>
Total Expenditures	<u>46,926,941</u>	<u>2,527,575</u>	<u>23,482,946</u>	<u>3,054,600</u>	<u>47,908,572</u>	<u>123,900,634</u>
Excess (deficiency) of revenues over expenditures	<u>5,007,569</u>	<u>-</u>	<u>(565,618)</u>	<u>(2,674,976)</u>	<u>(7,960,220)</u>	<u>(6,193,245)</u>
Other Financing Sources (Uses)						
Sale of capital assets	181,667	-	-	-	13,595	195,262
Transfers in	2,592,251	-	-	-	6,325,615	8,917,866
Transfers (out)	(5,746,992)	-	-	-	(1,262,418)	(7,009,410)
Total Other Financing Sources and Uses	<u>(2,973,074)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,076,792</u>	<u>2,103,718</u>
Net change in fund balance	<u>2,034,495</u>	<u>-</u>	<u>(565,618)</u>	<u>(2,674,976)</u>	<u>(2,883,428)</u>	<u>(4,089,527)</u>
Fund balance - beginning	<u>17,786,895</u>	<u>-</u>	<u>565,618</u>	<u>25,060,204</u>	<u>46,497,551</u>	<u>89,910,268</u>
Fund balance - ending	<u>\$ 19,821,390</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,385,228</u>	<u>\$ 43,614,123</u>	<u>\$ 85,820,741</u>

See Notes to Financial Statements.

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**
For the Year Ended September 30, 2018

Net change in fund balance - total governmental funds: \$ (4,089,527)

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. This is the amount by which depreciation (\$9,440,176) is exceeded by capital outlays (\$42,051,009) in the current period. 32,610,834

Certain capital outlay reported by governmental funds is for the benefit of the proprietary funds. Therefore, in the Statement of Activities these are reflected as capital contributions to proprietary funds and not capitalized. (13,589,354)

Governmental funds report the entire net sales price (proceeds) from sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports only the gain or loss on the sale of the assets. Thus, the change in net position differs from the change in fund balance by the cost of the asset sold. (252,964)

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned. (59,864)

Governmental funds report the repayment of long-term receivables as revenues when received and available. In contrast these receipts are treated as a reduction in the receivable at the government wide level of reporting. (3,083,934)

Contributions for defined benefit pension plans are recognized as expenditures in the governmental funds when the contributions are made. Pension expense is recognized in the government wide statement of activities based on changes in the long-term net pension liability. 5,207,703

Governmental funds report repayment of principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount of principal payments reported by Governmental funds. 6,578,169

Some expenses reported in the Statement of Activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds.

Changes in accrued interest	(269,752)
Changes in deferred charge bond issuance and unamortized premiums	430,000
Changes in accrued compensated absences	(647,513)
Accretion on capital interest bonds	(296,977)
Accrued claims and judgements	(13,500,000)
Pension expense for the pension plan measurement year	(7,428,552)

Internal service funds are used by management to charge the costs of certain activities, such as fleet maintenance and insurance programs, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities. 481,374

Change in net position of governmental activities \$ 2,089,643

See Notes to Financial Statements.

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

September 30, 2018

	Business-type Activities - Enterprise Funds			Governmental Activities
	Combined Utility System	Other Enterprise Funds	Total	Internal Service Funds
Assets				
Current assets:				
Cash and cash equivalents	\$ 7,807,410	\$ 3,814,501	\$ 11,621,911	\$ 9,198,180
Accounts receivable, net of allowance for doubtful accounts	8,645,568	2,154,110	10,799,678	775,017
Due from other funds	12,318,976	407,090	12,726,066	31,605
Due from other governments	3,243	-	3,243	304,953
Due from component units	-	-	-	158,660
Inventories	116,136	-	116,136	311,654
Prepaid items	261,947	-	261,947	431,751
Restricted cash and cash equivalents	41,204,015	1,312,078	42,516,093	435,418
Total current assets	70,357,295	7,687,779	78,045,074	11,647,238
Non-current assets:				
Capital assets not being depreciated:				
Land	1,258,567	1,230,764	2,489,331	-
Construction in progress	41,400,812	3,683,336	45,084,148	917,021
Capital assets (net of depreciation):				
Infrastructure	90,973,267	21,915,112	112,888,379	-
Buildings and improvements	119,943,960	3,116,021	123,059,981	4,130,465
Equipment and furniture	1,560,912	1,344,457	2,905,369	300,001
Licensed vehicles	2,101,502	3,178,066	5,279,568	360,767
Intangibles	10,605,217	-	10,605,217	-
Total non-current assets	267,844,237	34,467,756	302,311,993	5,708,254
Total Assets	338,201,532	42,155,535	380,357,067	17,355,492
Deferred Outflows of Resources				
Deferred charge on refunding	1,075,831	-	1,075,831	-
Deferred outflows relating to OPEB	-	-	-	594,750
Deferred outflows relating to pension activities	904,346	662,894	1,567,240	-
Total Deferred Outflows of Resources	1,980,177	662,894	2,643,071	594,750
Liabilities				
Current liabilities:				
Accounts payable and accrued expenses	2,282,869	239,458	2,522,327	365,608
Accrued interest	1,232,665	-	1,232,665	-
Due to other funds	-	10,036	10,036	84,944
Due to other governments	152,036	312,141	464,177	-
Customer deposits	2,058,236	-	2,058,236	-
Unearned revenue	-	21,588	21,588	-
Total current liabilities	5,725,806	583,223	6,309,029	450,552
Non-current liabilities:				
Due within one year	6,839,970	229,549	7,069,519	1,365,985
Due in more than one year	78,564,407	446,922	79,011,329	1,464,376
Total OPEB liability	-	-	-	9,138,267
Net pension liability	2,940,806	2,155,638	5,096,444	-
Total non-current liabilities	88,345,183	2,832,109	91,177,292	11,968,628
Total Liabilities	94,070,989	3,415,332	97,486,321	12,419,180
Deferred Inflows of Resources				
Deferred inflows relating to pension activities	468,697	343,559	812,256	-
Total Deferred Inflows of Resources	468,697	343,559	812,256	-
Net Position				
Net investment in capital assets	182,040,642	34,396,639	216,437,281	5,708,254
Restricted:				
Capital projects	34,716,982	1,312,078	36,029,060	-
Debt service	4,428,797	-	4,428,797	-
Unrestricted	24,455,602	3,350,821	27,806,423	(177,192)
Total Net Position	\$ 245,642,023	\$ 39,059,538	\$ 284,701,561	\$ 5,531,062

The assets and liabilities of certain internal service funds are not included in the fund financial statements, but are included in the Business-type Activities of the Statement of Net Position. An accrual of a claim for delay damages is not included in the fund financial statements but is included in the Business-type Activities Statement of Net Position.

Total Net Position per Government-Wide financial statements
See Notes to Financial Statements.

315,954
(2,960,000)
\$ 282,057,515

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS

For the Year Ended September 30, 2018

	Business-type Activities - Enterprise Funds			Governmental Activities
	Combined Utility System	Other Enterprise Funds	Total	Internal Service Funds
Operating Revenues				
Charges for services	\$ 38,278,753	\$ 10,070,335	\$ 48,349,088	\$ 16,831,443
Total operating revenues	<u>38,278,753</u>	<u>10,070,335</u>	<u>48,349,088</u>	<u>16,831,443</u>
Operating Expenses				
Personnel services	7,167,827	5,030,207	12,198,034	3,722,405
Contractual services	2,820,748	2,673,099	5,493,847	1,158,216
Supplies and materials	2,345,890	222,543	2,568,433	2,797,704
Surface water contract	8,070,256	-	8,070,256	-
Insurance claims and premiums	-	-	-	11,537,705
Other expenses	736,053	79,248	815,301	491,501
Depreciation	8,199,066	2,560,422	10,759,488	418,289
Total operating expenses	<u>29,339,840</u>	<u>10,565,519</u>	<u>39,905,359</u>	<u>20,125,820</u>
Operating income (loss)	<u>8,938,913</u>	<u>(495,184)</u>	<u>8,443,729</u>	<u>(3,294,377)</u>
Non-Operating Revenues (Expenses)				
Intergovernmental revenue	62,558	821,854	884,412	-
Interest and investment revenue	909,147	89,210	998,357	150,363
Insurance proceeds	-	-	-	70,027
Gain (loss) on disposal of capital assets	(10,329)	(98,588)	(108,917)	22,789
Interest expense	(2,515,579)	-	(2,515,579)	(24,710)
Total non-operating revenue (expenses)	<u>(1,554,203)</u>	<u>812,476</u>	<u>(741,727)</u>	<u>218,469</u>
Income (loss) before contributions and transfers	<u>7,384,710</u>	<u>317,292</u>	<u>7,702,002</u>	<u>(3,075,908)</u>
Capital contributions	12,170,855	1,418,041	13,588,896	-
Transfers in	170,000	1,581,288	1,751,288	3,249,459
Transfers (out)	(3,606,112)	(2,366,102)	(5,972,214)	(936,533)
Change in net position	<u>16,119,453</u>	<u>950,519</u>	<u>17,069,972</u>	<u>(762,982)</u>
Net position - beginning	<u>230,279,807</u>	<u>38,574,491</u>	<u>268,854,298</u>	<u>10,262,978</u>
Prior period adjustments	(757,237)	(465,472)	(1,222,709)	(3,968,934)
Net position - ending	<u>\$ 245,642,023</u>	<u>\$ 39,059,538</u>	<u>\$ 284,701,561</u>	<u>\$ 5,531,062</u>
Change in net position per above			\$ 17,069,972	
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of certain internal service funds is reported with Business Activities.			(1,244,357)	
An accrual of a claim for delay damages is not included in the fund financial statements but is included in the Business-type Activities Statement of Net Position.			(2,960,000)	
Change in Business-Type Activities in Net Position per Government-Wide Financial Statements			<u>\$ 12,865,615</u>	

See Notes to Financial Statements.

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended September 30, 2018

	Business-type Activities - Enterprise Funds			Governmental Activities
	Combined Utility System	Other Enterprise Funds	Total	Internal Service Funds
Cash Flows from Operating Activities:				
Receipts from customers and users	\$ 36,911,860	\$ 9,795,958	\$ 46,707,818	\$ 16,118,585
Disbursed for personnel services	(7,115,032)	(5,053,121)	(12,168,153)	(3,605,410)
Disbursed for goods and services	(21,834,898)	(3,163,879)	(24,998,777)	(15,569,120)
Net cash provided (used) by operating activities	<u>7,961,930</u>	<u>1,578,958</u>	<u>9,540,888</u>	<u>(3,055,945)</u>
Cash Flows from Non-Capital Financial Activities:				
Transfers from other funds	-	799,941	799,941	3,249,459
Transfers to other funds	(2,829,202)	(2,437,640)	(5,266,842)	(798,677)
Net cash provided (used) by noncapital financing activities	<u>(2,829,202)</u>	<u>(1,637,699)</u>	<u>(4,466,901)</u>	<u>2,450,782</u>
Cash Flows from Capital and Related Financing Activities:				
Proceeds from the sale of equipment	9,932	-	9,932	22,789
Capital grants	62,558	821,854	884,412	-
Insurance proceeds	-	-	-	70,027
Interest payments on debt	(2,561,061)	-	(2,561,061)	(114,743)
Principal payments on debt	(6,175,307)	-	(6,175,307)	(24,710)
Acquisition and construction of capital assets	(5,214,154)	(1,943,139)	(7,157,293)	(474,463)
Net cash provided (used) by capital and related financing activities	<u>(13,878,032)</u>	<u>(1,121,285)</u>	<u>(14,999,317)</u>	<u>(521,100)</u>
Cash Flows from Investing Activities				
Interest received	389,457	89,210	478,667	150,363
Net cash provided (used) by investing activities	<u>389,457</u>	<u>89,210</u>	<u>478,667</u>	<u>150,363</u>
Net increase (decrease) in cash and equivalents	<u>(8,355,847)</u>	<u>(1,090,816)</u>	<u>(9,446,663)</u>	<u>(975,900)</u>
Cash and equivalents, beginning of year	57,367,272	6,217,395	63,584,667	10,609,498
Cash and equivalents, at end of year	<u>\$ 49,011,425</u>	<u>\$ 5,126,579</u>	<u>\$ 54,138,004</u>	<u>\$ 9,633,598</u>
Unrestricted cash and equivalents	\$ 7,807,410	\$ 3,814,501	\$ 11,621,911	\$ 9,198,180
Restricted cash and equivalents	41,204,015	1,312,078	42,516,093	435,418
	<u>\$ 49,011,425</u>	<u>\$ 5,126,579</u>	<u>\$ 54,138,004</u>	<u>\$ 9,633,598</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	\$ 8,938,913	\$ (495,184)	\$ 8,443,729	\$ (3,294,377)
Adjustments to reconcile operating income to cash provided by operating activities:				
Depreciation	8,199,066	2,560,422	10,759,488	418,289
(Increase) decrease in accounts receivable	(1,474,437)	(274,377)	(1,748,814)	(681,453)
(Increase) decrease in inventory	13,014	-	13,014	(11,739)
(Increase) decrease in prepaid items	522,429	-	522,429	29,040
(Increase) decrease in interfund receivables and payables	(8,402,669)	174	(8,402,495)	53,339
(Increase) decrease in deferred outflows/inflows related to pension activities	687,051	528,865	1,215,916	-
(Increase) decrease in deferred outflows related to OPEB	-	-	-	(594,750)
Increase (decrease) in accounts payable and accrued expenses	5,275	(194,813)	(189,538)	(325,891)
Increase (decrease) in customer deposits	107,544	-	107,544	-
Increase (decrease) in claims payable	-	-	-	114,258
Increase (decrease) in compensated absences payable	90,338	61,182	151,520	116,995
Increase (decrease) in deferred revenue	-	5,651	5,651	-
Increase (decrease) in total OPEB liability	-	-	-	1,120,344
Increase (decrease) in net pension liability	(724,594)	(612,962)	(1,337,556)	-
Net cash provided (used) by operating activities	<u>\$ 7,961,930</u>	<u>\$ 1,578,958</u>	<u>\$ 9,540,888</u>	<u>\$ (3,055,945)</u>
Non-cash Transactions:				
Capital asset transfers in/(out)	\$ 776,910	\$ -	\$ 776,910	\$ (137,856)
Contributed capital	<u>\$ 12,170,855</u>	<u>\$ 2,155,693</u>	<u>\$ 14,326,548</u>	<u>\$ -</u>

See Notes to Financial Statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

	Pension Trust Funds as of December 31, 2017	Agency Fund as of September 30, 2018
Assets		
Cash and temporary investments	\$ 544,593	\$ 764,678
Receivables		
Interest and dividends	156,601	-
Loans to participants	206,345	-
Prepaid items	10,550	-
Investments		
Money market funds	1,847,058	-
U.S. Government agencies	1,284	-
Bonds	5,726,292	-
Common stocks	12,833,857	-
Equity mutual funds	69,474,464	-
Bond mutual funds	14,146,089	-
Alternative investments	10,761,399	-
Real estate	1,089,331	-
Total Assets	<u>116,797,863</u>	<u>\$ 764,678</u>
Liabilities		
Accounts payable and refunds payable	-	764,678
Total Liabilities	-	<u>\$ 764,678</u>
Net Position - Restricted for Pension Benefits		
Held in trust for benefits and other purposes	116,797,863	
Total Net Position - Restricted for Pension Benefits	<u>\$ 116,797,863</u>	

See Notes to Financial Statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Year ended December 31, 2017

	Pension Trust Fund
Additions	
Contributions:	
Employer	\$ 4,853,614
Plan members	4,138,373
Total contributions	8,991,987
Investment Earnings:	
Net increase in fair value of investments	13,383,402
Interest and dividends	2,294,460
Less investment expenses	(331,739)
Net investment income	15,346,123
Other income	62,951
Total Additions	24,401,061
Deductions	
Benefits paid to members and beneficiaries	11,881,206
Refunds of contributions	917,536
Administrative expenses	436,714
Total Deductions	13,235,456
Change in net position	11,165,605
Net position - restricted for pensions, beginning of year	105,580,485
Net position - restricted for pensions, end of year	\$ 116,746,090

See Notes to Financial Statements.

PRELIMINARY

Note 1 – Summary of Significant Accounting Policies

The City of Galveston, Texas (the City) was incorporated in March 1839, and presently is a Home Rule City under statutes of the State of Texas. The current City Charter was adopted April 19, 1960, and initiated the Council-Manager form of government. The City provides the following services: public safety (police and fire), utilities (water, sewer, drainage and sanitation), streets and storm sewers, health and social services, culture, recreation, public improvements, planning and zoning, airport and general administrative services.

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. Financial Reporting Entity

These financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations. The aggregate governmental and business-type discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the government.

Blended Component Units Reported with the Primary Government

Blended component units provide services exclusively or almost exclusively for the City, or their board of directors are substantially the same as the City Council. The following blended component units are reported:

Industrial Development Corporation

The Industrial Development Corporation (the IDC) was formed in 1993 to provide for street repairs, beach renourishment and sewer improvements. The IDC Board of Directors is appointed by City Council. Its Board of Directors is substantially the same as the City Council. Its activities are funded by a special local sales tax. The City manages the fiscal affairs of the IDC. The IDC operations are devoted to providing services for the City. The IDC fund is included in the City's non-major governmental funds as of year-end.

Pension Funds

The City of Galveston Employee's Retirement Plan for City Employees, Galveston Firefighters' Pension Fund, and the City of Galveston Employee's Retirement Plan for Police (the Pension Funds) were created in accordance with state statutes to provide benefits to non-civil service, firemen, police and City employees. The responsibility for administration and operation of the plan rests with each plan's board. Each pension plan is funded by a contribution mix from employees and the City. The Pension Funds are included in the City's pension trust funds as of December 31, 2016.

Discretely Presented Component Units

Discretely presented component units are legally separate entities whose governing body is appointed by City Council and, in management's opinion, whose exclusion would render the reporting entity's financial statements incomplete or misleading.

Following are the City's discretely presented component units:

The Park Board of Trustees of the City of Galveston, Texas

The Park Board of Trustees of the City of Galveston, Texas, (the Park Board), was created by state statute to provide improvements and maintenance to City waterfront parks and beaches. The Park Board, funded primarily by hotel occupancy tax and beach parking receipts, is legally separate from the City. The Park Board, which is appointed by the City Council, has a nine-member board responsible for operations. The Park Board financial records are the board's responsibility. Complete financial statements for the Park Board may be obtained at the following address:

Park Board of Trustees of the City of Galveston, Texas
601 Tremont, Suite 200
Galveston, Texas 77550

Galveston Island Redevelopment Authority

Galveston Island Redevelopment Authority (GIRA) is a local government corporation created and organized under the provisions of the Texas Transportation Corporation Act, Chapter 431, Transportation Code, and authorized and approved by the City under Resolution No. 02-071 adopted on August 22, 2002. The GIRA is made up of three different tax reinvestment zones - zones twelve, thirteen, and fourteen. These tax zones were established to provide funds for development and improvement projects within specific geographic areas of the City. Property tax receipts over undeveloped assessments (base value) provide funding for the projects. The City appoints the board members who operate and account for each tax zone activity consistent with the state statute for economic benefit of the City. The City accounts for the tax zones (consolidated into the GIRA) and separate audited reports are available. Complete financial statements for the GIRA may be obtained at the following address:

Galveston Island Redevelopment Authority
1011 Tremont Street
Galveston, Texas 77550

Public Improvement District- Campeche Shores

Campeche Shores Public Improvement District was established by the City to provide funds for development and improvement projects specifically for Campeche Shores District. An agreement between GIRA and Campeche Shores LP dated April 28, 2005, details the responsibilities between all parties, including the City. Under the authority of GIRA, the City has established a Public Improvement District Fund for the district. Each year, following the levy and collection of assessments, the City shall transfer the amount to GIRA. These funds are used by GIRA to pay the administrative costs and to reimburse Campeche Shores LP for any and all costs associated with the public improvements. Separately issued financial statements are not available.

Public Improvement District- Beachside Village

Beachside Village Public Improvement District was established by the City on February 11, 2010 to provide funds for street drainage and utility public improvement projects, specifically in Beachside Village Public Improvement District. The GIRA has an agreement with Kahala Development, Limited Partnership, which details the responsibilities between all parties, including the City. Each year, following the levy and collection of assessments levied against property within the district, the City shall transfer the amount to GIRA. These funds are used by GIRA to pay the administrative costs and to reimburse Kahala Development for the costs of constructing the public improvements. Separately issued financial statements are not available.

Public Improvement District - Bayside at Waterman's

Bayside at Waterman's Public Improvement District was established by the City on October 28, 2014 for the development of approximately 162 single family residences and associated rights-of-way, landscaping, and infrastructure necessary to provide roadways, drainage, and utilities within approximately 21.5 acres located in the corporate limits of the City.

An agreement between Bayside at Waterman's Public Improvement District and Laffite's Harbor Development, LP was signed December 10, 2014. Wilmington Trust agreed to be the Trustee and Paying Agent/Registrar as of December 1, 2014 for bonds issued relating to the development of the district. The bonds mature September 1, 2044. The average annual interest rate for bonds is approximately 5.85%.

On November 7, 2017, Lafitte's Harbor Development I LP filed for Chapter 11 Bankruptcy at the United States Bankruptcy Court for the Southern District of Texas, Houston Division. All debt service payments have been made on schedule as of March 2019 using reserves programmed for that purpose and assessments collected for 2017 and 2018. The City has no financial or legal responsibility for payment of the bonds. The City's only responsibility is to pursue collections of assessments which is performed by a third party contractor on behalf of the City.

The Galveston Housing Finance Corporation and City of Galveston Property Finance Authority

The Galveston Housing Finance Corporation was created by state statute to provide the making of home mortgages and the making of loans to lending institutions for the purpose of making home mortgages. The City of Galveston Property Finance Authority, Inc. was created by State Statute for the purpose of acquiring, owning, holding, leasing and selling real or personal property to or for the benefit of the City of Galveston for the furtherance of its public purposes, and collecting, receiving, borrowing, lending

or otherwise obtaining and lending funds to or for the use of the City or to others for the City's public purposes. These corporations are managed by the identical seven-member board, which is appointed and may be removed at will by the City Council. The Galveston Housing Finance Corporation and the City of Galveston Property Finance Authority, Inc. financial records are each corporation's responsibility.

Complete financial statements for the Galveston Housing Finance Corporation and the City of Galveston Property Finance Authority, Inc. may be obtained at the following address:

The Galveston Housing Finance Corporation /
The City of Galveston Property Finance Authority, Inc.
2127 Broadway
Galveston, Texas 77550

The Board of Trustees of the Galveston Wharves

The Board of Trustees of the Galveston Wharves (Galveston Wharves) was created by the City Charter on October 17, 1940 to manage, control, and maintain the wharves. The board of trustees of the Galveston Wharves, which is appointed by City Council, is a seven-member board, which is responsible for operating the wharves. The Galveston Wharves financial records are the board's responsibility. The Galveston Wharves have a December 31 fiscal year-end.

Complete financial statements for the Galveston Wharves may be obtained at the following address:

Board of Trustees of the Galveston Wharves
123 Rosenberg
Galveston, Texas 77550

Related Organizations and Jointly Governed Organizations

The City is not legally or financially accountable for certain entities even though the City may appoint a majority of the organizations' boards; therefore the financial statements of the Galveston Housing Authority and the Rosenberg Library are not included in these statements.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information about the City as a whole. These statements include all non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds are aggregated and presented in a single column in the appropriate governmental fund and proprietary fund statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the Proprietary Fund and Fiduciary Fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Budgets for all funds, including enterprise and governmental funds are based on the current financial resources focus and modified accrual basis of accounting as well. Budget to actual schedules include adjustments to include this budgetary focus.

Property taxes, sales taxes, franchise taxes, license fees and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues in the current fiscal period. All other revenue items are considered to be measurable and available only when the cash is received by the government.

The government reports the following major governmental funds:

The **General Fund** is the government's primary operating fund. The General Fund is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues for the General Fund are property taxes, sales and use taxes, franchise taxes, permit fees, and fines and forfeitures. Expenditures are for general government, finance, public safety, public works, culture and recreation, planning and community development and transit operations.

The **Hurricane Ike Fund** is used to account for grant resources from the Federal Emergency Management Agency (FEMA), insurance recoveries and various sources. The use of these resources is restricted to specific expenditures related to Hurricane Ike.

CDBG Disaster Recovery Non-housing are made available from 2008 Supplemental Community Development Block Grant funding associated with the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, (Public Law 11 0-329) appropriated by Congress through the United States Department of Housing and Urban Development. Projects included in the funding are for the wastewater treatment plant, sewer lift station, water systems, historic building front preservation, economic development loans, fire station #4 and fire apparatus.

The **General Obligation Bonds 2017 Capital Projects Fund** is used to account for the capital outlay financed by the proceeds from the Public Improvement Bonds, Series 2017 (PI bonds). See Note 8.

The government reports the following major proprietary funds:

The **Combined Utility System Fund** (formerly the Waterworks System Fund and Sewer System Fund) accounts for the provision of water and a sewer system to the residents of the City, including but not limited to administration, operations, maintenance, financing and related debt services, and billing and collections.

Additionally, the government reports the following fund types:

Internal Service Funds account for central services related to mailing, printing, data processing, insurance costs, employee benefits, construction management, and garage services provided to other City departments and functions of the government on a cost reimbursement basis.

Fiduciary Funds account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and other funds. These include the following:

The **Pension Trust Funds** account for the activities of the City Employees Retirement Plan, the Galveston Firefighters' Pension Fund and the Police Retirement Fund.

The **Agency Funds** are used to account for assets held by the City as an agent for individuals, private organizations and other governments. This fund is custodial in nature and does not involve measurement of results of operations. Agency funds include fiber crete maintenance funds, cemetery trust funds, confiscated monies pending disposition, etc.

As a general rule, the effect of interfund activity has been eliminated from the Government-wide financial statements.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and, 3) capital grants and contributions.

Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for goods and services. Operating expenses for enterprise funds include the cost of goods and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Cash and Investments

Cash and temporary investments include amounts in demand deposits, as well as short-term highly liquid investments with original maturities of three months or less. State Statutes and the City's investment policy authorize the City to invest in obligations of the U.S. Government and its agencies or instrumentalities and state obligations, certificates of deposits, repurchase agreements, Texas Local Government Investment Pools. All investments are recorded at fair value based on quoted market prices at year-end date. TexPool and TexTerm are external investment pools established by an interlocal contract under state law.

The City pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the City's investments. The City pools excess cash of the various individual funds to purchase investments. These pooled investments are reported in the combined balance sheet as cash and temporary investments in each fund based on each fund's share of the pooled investments. Interest income is allocated to each respective individual fund based on its respective share of pooled investments.

The City categorizes fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City's local government investment pools are recorded at amortized costs as permitted by GASB Statement No. 79, *Certain Investment Pools and Pool Participants*.

E. Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds," respectively, on the balance sheet. Any residual balances outstanding between the governmental activities and business-type activities are reported in the Government-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to 27.6 percent of total property taxes including the related penalty and interest accrual as of year-end. The allowance for enterprise fund charges for services is 0.0 percent of total outstanding charges as of year-end.

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and are payable on or before January 31. No penalties or interest shall be collected if payment in full is made by January 31. City property taxes are recognized as current receivables when levied; however, such amounts are deferred and not reported as revenues until collections are received. At year end, all property taxes receivable are classified as delinquent. Penalties and interest accrued at year end are also recognized as receivables.

F. Inventories and Prepaid Items

Inventories are valued at cost, which approximates market value, using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Payments made to vendors for services that will benefit periods beyond September 30, 2018 are recorded as prepaid items.

G. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangements are recorded at acquisition value rather than fair market value.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

Asset Description	Estimated Useful Life
Buildings	25 to 75 years
Improvements	5 to 50 years
Equipment	2 to 40 years
Sewer plants	50 to 75 years
Sewer lines	40 to 75 years
Water plants, wells and hydrants	50 to 75 years
Water tanks and valves	50 years
Water meters	10 years
Infrastructure	5 to 75 years
Contractual water rights	10 to 30 years

H. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

I. Long-Term Obligations

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be paid from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the government-wide financial statements. Long-term liabilities expected to be paid from proprietary fund operations are accounted for in those funds.

The government-wide financial statements and proprietary fund type fund financial statements report long-term debt and other long-term obligations as liabilities in the applicable governmental activities, business-type activities or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of applicable bond premiums or discounts.

The fund financial statements report bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources, net of issuance costs. Premiums or discounts associated with the debt are reported as other financing sources or uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

J. Fund Balances and Net Position

The governmental fund financial statements of the City will present fund balances based on classifications

including a hierarchy that is based primarily on the extent to which the City is bound to honor restrictions on the specific purposes for which amounts in a particular governmental fund can be spent. The five classifications used in the governmental fund financial statements will be as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. These amounts would include inventories and prepaid items as being nonspendable as these items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. These guidelines are used for restricted net position.

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal resolution of the City Council, which has the highest level of decision making authority. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. The action must be taken by the close of the reporting period. The amount of the commitment can be determined and approved by the City Council at a later date.

Assigned: This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Council or by the City Council's designee, pursuant to the City's fund balance policy.

Unassigned: This classification includes the residual fund balance for the General Fund. The general fund should be the only fund that reports an unassigned fund balance.

When both restricted and unrestricted fund balances are available for use, it is the City's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications are available.

K. Restricted Cash and Investments

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Other restricted accounts reflect money set aside by City Council action for improvements or to meet contractual obligations.

L. Inter-fund Transactions

Inter-fund services provided and received are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses, that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other inter-fund transactions are reported as transfers.

M. Legal Compliance- Budgets

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

Pursuant to City Charter, at least 45 days prior to the beginning of each fiscal year, the City Manager submits to the City Council a proposed operating and capital projects budget for the fiscal year commencing October 1. The proposed budget includes proposed expenditures and the means of financing them. A statement of capital projects planned for the next succeeding five fiscal years, with estimates of their costs is also submitted at this time.

At least seven days prior to the beginning of the fiscal year, the budget is legally enacted by formal approval of the City Council.

The City Charter requires that no funds shall be expended nor shall any obligation for the expenditure of money be incurred unless an appropriation exists in the duly adopted budget. Annual appropriations style budgets are adopted for the General Fund, Special Revenue Funds including the Island Transit, Rosenberg Library, and the Debt Service Fund, and all Enterprise Funds. Formal budgetary integration is employed as a management control device during the year for the general fund, special revenue funds, capital projects

funds, debt service funds and enterprise funds.

Budgets are adopted and accounted for on a modified accrual basis, with the following exceptions:

Annual budgets are not adopted for certain special revenue funds, primarily relating to grant based projects. These grant projects are controlled through project length budgets that may span multiple fiscal years.

Capital and planning grant activities in the Island Transit Fund are not budgeted on an annual basis and are controlled in a manner similar to the grant project funds noted above. Budgeted amounts are reported herein as amended throughout the year. There were three formal, ordinance approved budget amendments during FY 2018. Total appropriations did not increase to remain in compliance with the City Charter requirement limiting the total budget to a seven percent increase overall each year. Appropriation balances lapse at year-end and may be re-appropriated by City Council.

Obligations outstanding at year-end through purchase orders, contracts and other commitments are re-appropriated in the subsequent year.

During the fiscal year, the City Council may transfer any unencumbered appropriation balance or portion thereof from one department to another at any time. The City Manager shall have authority, without City Council approval, to transfer appropriation balances from one expenditure account to another, inclusive within a single office, department or agency of the City.

Expenditures may not exceed appropriations at the department category level, as established by policy of the City Council. The legal level of control is at the department category level.

N. Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles ("GAAP"), requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

O. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's three defined benefit pension plans (the "Plans") and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the individual Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

P. Other Post-Employment Benefits

The City provides its retirees the opportunity to maintain health insurance coverage by participating in the City's self-insurance plan. The City reports the total liability for this plan on the government-wide and proprietary fund financial statements. The actual cost recorded in the governmental fund financial statements is the cost of the health benefits incurred on behalf of the retirees less the premiums collected from the retirees. Information regarding the City's total liability for this plan is obtained through a report prepared by the City's third-party actuary in compliance with GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

Q. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for *deferred outflows of resources*. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has three items that qualify for reporting in this category:

- Deferred outflows of resources for pension – Reported for the City in the government-wide and enterprise fund financial statement of net position. One portion of this deferred outflow results from pension plan contributions made after the measurement date of the net pension liability, and will be recognized as a reduction of the net pension liability in the next fiscal year. The other pension related deferred outflows result primarily from differences between projected and actual earnings on pension plan investments. These amounts will be amortized over a closed five year period.

- Deferred outflows of resources for other postemployment benefits (OPEB) – Reported for the City in the government-wide and enterprise fund financial statement of net position. One portion of this deferred outflow results from contributions to the OPEB plan made after the measurement date of the OPEB liability. The other OPEB related deferred outflows result primarily from differences between projected and actual earnings on plan investments. These amounts will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with the OPEB through the OPEB plan.
- Deferred loss on refunding reported in the statement of net position – this deferred outflow results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two items that qualifies for reporting in this category:

- Deferred gain on refunding reported in the statement of net position – This deferred inflow results from the difference in carrying value the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Deferred inflows of resources for pension – This deferred inflow results from the differences between expected and actual actuarial experiences and changes in actuarial assumptions will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan. The other OPEB related deferred outflows result primarily from differences between projected and actual earnings on plan investments.

R. New Accounting Standards

In the current year, the City implemented the following new standard:

- *GASB Statement No. 75*, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, establishes accounting and financial reporting standards by state and local governments for postemployment benefits other than pensions. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. Implementation is reflected in the financial statements, notes to the financial statements and required supplementary information.

Note 2 - Deposits (Cash) and Investments

Credit Risk. The primary stated objective of the City of Galveston's adopted Investment Policy (the Investment Policy) is the safety of principal and avoidance of principal loss. Credit risk within the City's portfolio among the authorized investments approved by the City's adopted Investment Policy is represented only in time and demand deposits, repurchase agreements, municipal obligations, and non-rated U.S. Securities and Exchange Commission (SEC) registered money market mutual funds.

All other investments are rated AAA, or equivalent, by at least one nationally recognized rating agency. Investments are made primarily in obligations of the U.S. Government, its agencies or instrumentalities and Local Government Investment Pools. State law and the Investment Policy restricts both time and demand deposits, including certificates of deposit, to those banks doing business in the State of Texas and further requires full insurance and/or collateral from these depositories.

Collateral, with a 102% margin, is required and collateral is limited to obligations of the U.S. Government, its agencies or instrumentalities and municipal obligations rated no less than AA or equivalent by two nationally recognized rating agencies. Independent safekeeping is required outside the pledging bank's holding company with monthly reporting. Securities are monitored and priced at market on a daily basis as a contractual responsibility of the bank. All bank deposits, totalling \$7.7 million, were fully insured and collateralized. All pledged bank collateral for demand deposits was held by an independent institution outside the bank's holding company.

By policy and state law, repurchase agreements are limited to those with defined termination dates executed with a Texas bank or a primary dealer, as defined by the Federal Reserve. The agreements require an industry standard, written master repurchase agreement and a minimum 102% margin on collateral as well as delivery versus payment settlement and independent safekeeping. Repurchase agreements may

not exceed one year to stated maturity with the exception of flex repurchase agreements with a stated termination date not to exceed the planned completion date of the project(s).

The Investment Policy restricts investment in Security and Exchange Commission registered mutual funds to money market mutual funds striving to maintain a \$1 net asset value as further defined by state law. Neither state law nor the Policy requires a rating.

The City invests in TexPool, which was created under the Interlocal Cooperation Act, Texas Government Code Ann. Chapter 791 and the Texas Public Funds Investment Act. The Texas Treasury Safekeeping Trust Company (the Trust) is trustee of TexPool and is a limited purpose trust company authorized pursuant to Texas Government Code Ann. Section 404.103 for which the Texas State Comptroller is sole officer, director and shareholder. The advisory board of TexPool is composed of the State Comptroller and other members appointed pursuant to the requirements of the Texas Public Funds Investment Act.

The City also invests in Texas Daily which is an individual investment portfolio established by the TexTerm Advisory Board pursuant to the TexTerm Common Investment Contract that established the Pool. Texas Daily is a local government investment portfolio that allow governments to pool their funds for investment under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, the PFIA and other similar cooperative statutes and under the statutes governing investment of funds by those local governments. TexTerm is directed by an advisory board of experienced local government officials, finance directors and treasurers and is managed by a team of industry leaders that are focused on providing professional investment services to investors. The City's investment in this pool is the same as the value of the pool shares, which are valued based on quoted market rates.

Local government investment pools in Texas are required to be rated AAA, or equivalent, by at least one nationally recognized rating agency. The City Policy further restricts investments to AAA-rated local government investment pools.

As of September 30, 2018,

- Investments in AAA-rated local government investment pools represented 17.2% of the total portfolio, and
- Holdings in AAA-rated US Government securities represented 80.0% of the total portfolio.
- Bank deposits represented 2.8% of the total portfolio.

The City of Galveston recognizes over-concentration of assets by market sector or maturity as a risk to the portfolio. The City's adopted Investment Policy establishes diversification as a major objective of the investment program. The Policy has established limits for concentration by market sector as shown below:

Investment Type:	Fair Value / Amortized Cost	Credit Quality Rating		Percentage of Investments
		S & P	Moody's	
Bank Accounts:				
Frost Bank-Sweep Repo	\$ 3,950,000			2.77%
Local Government Investment Pools:				
TexPool	23,478,298	AAAm		16.49%
Texas Term	1,068,862	AAAm		0.75%
Total Local Government Investment Pools	<u>24,547,160</u>			<u>17.24%</u>
Investment Securities:				
Federal National Mortgage Assoc.	8,933,820	AA+	Aaa	6.27%
Federal Home Loan Mortgage Corp.	18,535,738	AA+	Aaa	13.02%
Federal Home Loan Bank	25,006,780	AA+	Aaa	17.56%
Federal Farm Credit Bank	20,043,065	AA+	Aaa	14.08%
US Treasury Securities	41,375,040	AA+	Aaa	29.06%
Total Investment Securities	<u>113,894,443</u>			<u>79.99%</u>
Total Investment Portfolio	<u>\$ 142,391,603</u>			<u>100.00%</u>

Interest Rate Risk.

In order to limit interest and market rate risk from changes in interest rates, the City's adopted investment policy establishes a maximum maturity of 36 months for operating funds and five years for reserve funds.

A segmented time distribution analysis of the portfolio by market sector is shown below.

Investment Type	Investment Maturities in Years Less than 1 year	Investment Maturities in Years 1 - 5 years
U.S. Treasury Notes and Bills	\$ 41,375,040	\$ -
U.S. Agency Securities:		
Federal Home Loan Mortgage Corp.	18,535,738	-
Federal Home Loan Bank	25,006,780	-
Federal Farm Credit Bank	20,043,065	-
Federal National Mortgage Association	8,933,820	-
Local Government Pools	24,547,160	-
Total	\$ 138,441,603	\$ -

Custodial Credit Risk. To control custody and safekeeping risk, the City's investment policy requires collateral for all time and demand deposits, as well as collateral for repurchase agreements, be transferred delivery versus payment and held in the City's name by an independent party. The custodian is required to provide original safekeeping receipts and monthly reporting of positions with position descriptions including market value. Repurchase agreements and deposits must be collateralized to 102% and be executed under written agreements. Depository agreements are executed under the terms of FIRREA (U.S. Financial Institutions Reform, Recovery and Enforcement Act of 1989). The counter-party of each type of transaction is held contractually liable for monitoring and maintaining the required collateral margins on a daily basis.

Investments' fair value measurements are as follows as of September 30, 2018:

	Fair Value / Amortized Cost	Fair Value Measurements Using			Weighted Average Maturity (Days)
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	
Investment Securities:					
Federal Farm Credit Bank	\$ 20,043,065	\$ -	\$ 20,043,065	\$ -	151
Federal Home Loan Bank	25,006,780	-	25,006,780	-	230
Freddie Mac	18,535,738	-	18,535,738	-	143
Fannie Mae	8,933,820	-	8,933,820	-	215
US Treasury Securities	41,375,040	41,375,040	-	-	162
Total Investment Securities	\$ 113,894,443	\$ 41,375,040	\$ 72,519,403	\$ -	176

Note 3 – Property Tax

According to the Tax Code of the State of Texas, property values are established through appraisal and appeals processes administered by the Galveston County Appraisal District. As provided by law, the Galveston City Council has designated the Galveston County Tax Assessor-Collector as the City Tax Assessor-Collector. Reports and information provided in this Comprehensive Annual Financial Report for property values and collections, including current and delinquent taxes, originate with these two County agencies.

The City may levy taxes up to \$2.50 per \$100 of net appraised assessed value under state law; however amendments to the City Charter approved by the voters placed additional limits of the city's total property tax rate. Approved in a charter election on January 20, 1979, language in Article VII Section 2 of the City Charter provides that the maximum property tax rate will be \$0.70 per \$100 of taxable valuation. This is inclusive of taxes levied to retire debt service, and the tax amount levied each year for the Rosenberg Library.

Subsequently, the voters of the City of Galveston approved language in Article VII, Section 2(b) of the City Charter that reduces the maximum tax rate each year based on sales tax collections. When the certified property tax roll is delivered by the Chief Appraiser in late July, the Tax Assessor-Collector calculates the City's effective tax rate in accordance with State law, including the sales tax collections allowance.

This allowance is based on receipts from one-fourth of the City's two percent sales tax generated for the prior July to June twelve month period. The effective tax rate calculation then requires a reduction in the

total property tax rate equal to the property tax rate that would produce the same amount of sales tax collected as described. In the last ten fiscal years, the least tax rate adjustment for this purpose was found in FY 2018, Tax Year 2017, and it reduced the maximum property tax rate \$0.095445 per \$100 of taxable value. For FY 2018, the maximum property tax rate was \$0.604555. Conversely the largest property tax rate adjustment in the last ten years was \$0.139244 in FY 2010. That adjustment reduced the maximum property tax rate to \$0.560756 per \$100 of taxable value.

Within these guidelines, the adopted tax rate per \$100 of taxable valuation, for the year ended September 30, 2018, was \$0.5610. The tax rate to finance general governmental services was set at \$0.4910 and the tax rate for all other purposes, including debt service, was set at \$0.07 per \$100 of assessed valuation.

Under the Texas Property Tax Code, property taxes are certified by the Chief Appraiser on or by July 25. The County Tax Assessor-Collector, acting in that capacity for the City, then presents the certified roll to the City Council accompanied by the effective tax rate calculation for that tax year. The City Council must adopt a budget first and then adopt a property tax rate by September 30, or within sixty days after receipt of the tax roll from the Chief Appraiser. Taxes are due on a current basis by January 31. Late penalties and interest apply thereafter, including a twenty percent delinquent attorney's collection fee on July 1 should taxes not be paid prior to that time. There is no specific date for liens to be placed on properties for nonpayment of taxes.

Note 4 - Sales Tax

The City's sales tax rate is 2.0 percent for the year ended September 30, 2018. This rate includes 1.0 percent that generates receipts for general municipal operations that is deposited in the General Fund. Also deposited in the General Fund is the 0.5 percent sales tax collected for property tax rate reduction purposes (see Note 3). The remaining 0.5 percent is levied for economic development purposes and is deposited in the Industrial Development Corporation's funds.

On November 4, 2008, the voters extended the economic development amount for the IDC fund for 20 years, to expire on April 1, 2029. Effective through March 31, 2029, the IDC fund collections are allocated strictly according to the language adopted by the voters. That language dedicates this economic development in four equal portions for beach renourishment, for streets, sewer and drainage improvement projects, for economic development programs and projects, and park improvements.

Note 5 - Accounts Receivable

Receivables, as of September 30, 2018, for the City's individual major funds, non-major funds and internal service funds, including the applicable allowances for uncollectible accounts, are as follows:

GOVERNMENTAL FUNDS

	General Fund	Hurricane Ike Fund	CDBG Disaster Fund Non-Housing	Non -Major Governmental Funds	Total	Internal Service Funds
Receivables:						
Property taxes	\$ 2,122,534	\$ -	\$ -	\$ 309,398	\$ 2,431,932	\$ -
Sales and use taxes	2,776,813	-	-	925,604	3,702,417	-
Franchise taxes	466,309	-	-	39,025	505,334	-
Hotel taxes	-	-	-	1,690,134	1,690,134	-
Court fines	2,403,026	-	-	-	2,403,026	-
Customer accounts	911,946	-	-	-	911,946	67,345
Intergovernmental	560,095	6,478,269	9,071,625	5,245,696	21,355,685	463,613
Other	830,161	-	-	137,073	967,234	707,672
Allowance for uncollectibles	(2,790,461)	-	-	(130,244)	(2,920,705)	-
Total	\$ 7,280,423	\$ 6,478,269	\$ 9,071,625	\$ 8,216,686	\$ 31,047,003	\$ 1,238,630

BUSINESS TYPE ACTIVITIES

	Combined Utility System	Other Enterprise Funds	Total
Receivables:			
Customer accounts	\$ 12,748,781	\$ 3,429,348	\$ 16,178,129
Intergovernmental	3,243	-	3,243
Other	445,067	-	445,067
Allowance for uncollectibles	(4,548,280)	(1,275,238)	(5,823,518)
Total	\$ 8,648,811	\$ 2,154,110	\$ 10,802,921

Note 6 - Interfund Transfers and Receivables

Interfund transfers for the primary government are as follows for the year ended September 30, 2018:

	Transfer In Fund					Totals
	General Fund	Non-Major Governmental Funds	Combined Utility System Fund	Other Enterprise Funds	Internal Service Funds	
Transfer Out Fund						
General Fund	\$ -	\$ 4,737,095	\$ -	\$ 457	\$ 1,009,440	\$ 5,746,992
Non-Major Governmental Funds	140,885	980,216	-	-	141,317	1,262,418
Combined Utility System Fund	1,550,601	190,542		770,309	1,094,660	3,606,112
Other Enterprise Funds	773,490	124,978	170,000	799,941	497,693	2,366,102
Internal Service Funds	127,275	292,328	-	10,581	506,349	936,533
	\$ 2,592,251	\$ 6,325,159	\$ 170,000	\$ 1,581,288	\$ 3,249,459	\$ 13,918,157

The following is a detail of the interfund transfers:

Transfer from	Transfer to	Purpose
Airport Enterprise Fund	Airport Improvement Subfund	Transfer to Improvement Funds
Lasker Pool	Casualty & Liability Insurance	Insurance Charges
General Fund	Casualty & Liability Insurance	Insurance Charges
FTA Grant Funds	Casualty & Liability Insurance	Insurance Charges
Waterworks Fund	Casualty & Liability Insurance	Insurance Charges
Sewer System Enterprise Fund	Casualty & Liability Insurance	Insurance Charges
Sanitation Enterprise Fund	Casualty & Liability Insurance	Insurance Charges
Airport Enterprise Fund	Casualty & Liability Insurance	Insurance Charges
Municipal Drainage Utility	Casualty & Liability Insurance	Insurance Charges
Central Service Fund	Casualty & Liability Insurance	Insurance Charges
Central Garage Fund	Casualty & Liability Insurance	Insurance Charges
General Fund	DOJ COPS Grant	Local Grant Match
Convention Center Surplus Fund	FTA Capital Projects	Transfer for Trolley Track System
Island Transit Capital Improvement	FTA Capital Projects	Transfer for Seawall Operating Expenses
Convention Center Surplus Fund	FTA Grant Funds	Transfer Out of Convention Surplus
Waterworks Fund	General Fund	General Administrative Charges
Sewer System Enterprise Fund	General Fund	General Administrative Charges
Sanitation Enterprise Fund	General Fund	General Administrative Charges
Airport Enterprise Fund	General Fund	General Administrative Charges
Municipal Drainage Utility	General Fund	General Administrative Charges
Revenue Producing Parks	General Fund	General Administrative Charges
Pocket Park ²	General Fund	General Administrative Charges
Pension Reform Fund	General Fund	Pension Reform Transfer
Convention Center Surplus Fund	General Fund	Special Event Funding Transfer
General Fund	Capital Improvement or Debt Service	Transfer to Infrastructure Funds
Parking Management	Hurricane Harvey	Hurricane Harvey Repair Projects
Waterworks Fund	Hurricane Harvey	Hurricane Harvey Repair Projects
Island Transit Capital Improvement	Hurricane Harvey	Hurricane Harvey Repair Projects
Sewer System Enterprise Fund	Hurricane Harvey	Hurricane Harvey Repair Projects
General Fund	Hurricane Harvey	Hurricane Harvey Repair Projects
Airport Enterprise Fund	Hurricane Harvey	Hurricane Harvey Repair Projects
Central Garage Fund	Hurricane Harvey	Hurricane Harvey Repair Projects
Capital Projects Fund	Hurricane Harvey	Hurricane Harvey Repair Projects

The following is a detail of interfund receivables and payables for the primary government as of September 30, 2018:

Receivable Funds: Due From						
General Fund	Hurricane Ike Fund	Non-Major	Combined Utility System Fund	Other Enterprise Funds	Internal Service Funds	Totals
Payable Funds: Due To						
General Fund	\$ -	\$ 456	\$ -	\$ -	\$ -	\$ 456
Hurricane Ike Fund	-	46,748	9,560,135	407,090	-	10,013,973
CDBG Disaster Fund Non-Housing	4,974,694	-	-	-	-	4,974,694
Non-Major Governmental Funds	789,390	1,396,775	2,758,841	-	31,605	4,976,611
Other Enterprise Funds	7,526	2,509	-	-	-	10,036
Internal Service Funds	84,944	-	-	-	-	84,944
		\$				
\$ 5,856,554	\$ 456	\$ 1,446,032	\$ 12,318,976	\$ 407,090	\$ 31,605	\$ 20,060,714

The following is a detail of interfund receivables and payables:

Due to	Due from	Purpose
General Fund	Non-Major Governmental Funds	Refund Unexpended Grant Funds
General Fund	Non-Major Governmental Funds	Adjust for Negative Fund Cash Amounts
General Fund	Internal Service Funds	Adjust for Negative Fund Cash Amounts
Enterprise Funds	Non-Major Governmental Funds	Adjust for Negative Fund Cash Amounts
Rosenberg Library Fund	General Fund	True Up for Over Distribution
Hurricane Ike Fund	Enterprise Funds	City's Share of Disaster Recovery Projects
Hurricane Ike Fund	Non-Major Governmental Funds	City's Share of Disaster Recovery Projects
Hurricane Ike Fund	Non-Major Enterprise Funds	City's Share of Disaster Recovery Projects
Hurricane Ike Fund	Internal Service Funds	City's Share of Disaster Recovery Projects
Hurricane Harvey Fund	Internal Service Funds	City's Share of Disaster Recovery Projects
Non-Major Governmental Funds	Non-Major Governmental Funds	HOT Accrual
Non-Major Governmental Funds	Non-Major Governmental Funds	Fund Share of Interest Earned
Non-Major Enterprise Funds	General Fund	Sales Tax Accrual
Non-Major Enterprise Funds	Non-Major Governmental Funds	Sales Tax Accrual

Note 7 - Capital Assets

The following is a detail of capital asset activity for the year ended September 30, 2018:

	Balance September 30, 2017	Increases	Decreases / Transfers	Balance September 30, 2018
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 20,450,072	\$ -	\$ -	\$ 20,450,072
Construction in progress	24,865,460	26,974,378	(22,793,532)	29,046,306
Total capital assets not being depreciated	45,315,532	26,974,378	(22,793,532)	49,496,378
Other capital assets:				
Infrastructure	169,926,562	178,560	17,081,850	187,186,972
Buildings and improvements	56,751,037	-	5,273,647	62,024,684
Licensed vehicles	25,528,870	1,226,693	(2,583,811)	24,171,752
Machinery and equipment	18,188,435	928,256	(187,768)	18,928,923
Improvements other than buildings	11,813,289	-	87,636	11,900,925
Total other capital assets	282,208,193	2,333,509	19,671,554	304,213,256
Less accumulated depreciation for:				
Infrastructure	(85,448,924)	(5,327,920)	-	(90,776,844)
Buildings and improvements	(16,513,413)	(1,556,799)	-	(18,070,212)
Licensed vehicles	(16,199,674)	(1,725,617)	2,091,903	(15,833,388)
Machinery and equipment	(13,987,565)	(928,848)	267,483	(14,648,930)
Improvements other than buildings	(5,400,923)	(319,280)	-	(5,720,203)
Total accumulated depreciation	(137,550,499)	(9,858,464)	2,359,386	(145,049,577)
Other capital assets, net	144,657,694	(7,524,955)	22,030,940	159,163,679
Totals	<u>\$ 189,973,226</u>	<u>\$ 19,449,423</u>	<u>\$ (762,592)</u>	<u>\$ 208,660,057</u>
	Balance September 30, 2017	Increases	Decreases / Transfers	Balance September 30, 2018
Business-type Activities:				
Capital assets not being depreciated:				
Land	\$ 2,489,331	\$ -	\$ -	\$ 2,489,331
Construction in progress	26,812,912	18,722,106	(450,870)	45,084,148
Total capital assets not being depreciated	29,302,243	18,722,106	(450,870)	47,573,479
Other capital assets:				
Improvements other than buildings	186,128,219	23,755	(304,143)	185,847,831
Building and system	155,541,931	72,995	275,000	155,889,926
Machinery and equipment	13,216,299	649,642	(703,103)	13,162,838
Licensed vehicles	12,210,004	2,015,343	502,273	14,727,620
Contractual water rights	31,822,375	-	-	31,822,375
Total other capital assets	398,918,828	2,761,735	(229,973)	401,450,590
Less accumulated depreciation for:				
Improvements other than buildings	(68,667,529)	(4,280,224)	(11,699)	(72,959,452)
Building and system	(29,624,364)	(3,203,253)	(2,328)	(32,829,945)
Machinery and equipment	(9,605,227)	(857,662)	205,420	(10,257,469)
Licensed vehicles	(8,011,774)	(1,320,643)	(115,635)	(9,448,052)
Contractual water rights	(20,119,452)	(1,097,706)	-	(21,217,158)
Total accumulated depreciation	(136,028,346)	(10,759,488)	75,758	(146,712,076)
Other capital assets, net	262,890,482	(7,997,753)	(154,215)	254,738,514
Totals	<u>\$ 292,192,725</u>	<u>\$ 10,724,353</u>	<u>\$ (605,085)</u>	<u>\$ 302,311,993</u>

Depreciation was charged to functions/programs of the primary government as follows:

General government	\$ 420,546
Public safety	1,138,765
Public works	4,433,622
Culture and recreation	2,476,346
Planning and community development	150,815
Transportation system	820,081
In addition, depreciation on capital assets held by the City's internal service funds is charged to various functions based on their usage of the assets	418,289
Total Governmental Activities	\$ 9,858,464
Combined utility system	\$ 8,199,065
Sanitation	919,257
Drainage	728,680
Airport	912,486
Total Business-Type Activities	\$ 10,759,488

Construction in progress and remaining commitment, as of September 30, 2018, were as follows:

Project Description	Project Authorization	Project Cost to Date	Remaining Commitment
Governmental Activities:			
Various street reconstruction projects	\$ 19,683,552	\$ 3,983,577	\$ 15,699,975
45th Street/Broadway to Seawall reconstruction	11,495,000	880,000	10,615,000
Public Works Maintenance Facility	11,124,092	1,741,474	9,382,618
Fire Station 1	10,049,921	3,248,863	6,801,058
Rail Trolley rehabilitation and rail cars	5,226,483	3,767,050	1,459,433
Market St/33rd to 14th reconstruction	5,049,425	4,371,433	677,992
25th Street/Broadway to Seawall reconstruction	4,681,000	265,277	4,415,723
Little League and Sandhill Soccer Complexes	4,273,079	3,225,348	1,047,731
27th Corridor master plan	3,132,000	2,972,071	159,929
Various Island Transit projects	1,454,207	345,688	1,108,519
Various other projects	5,971,371	4,245,525	1,725,846
Total Governmental Activities	\$ 82,140,130	\$ 29,046,306	\$ 53,093,824
Business-type Activities:			
Combined Utility System Fund Projects			
Various waterline repairs & replacements	\$ 21,921,040	\$ 2,871,338	\$ 19,049,702
HMPG - 59th Street Pump Station	21,106,262	18,996,780	2,109,482
Inflow & infiltration line repairs	10,463,113	4,195,612	6,267,501
30" Causeway waterline	10,231,500	697,149	9,534,351
Pirates Beach and Seawolf Park wastewater treatment plant reconstruction and expansion	8,531,488	485,289	8,046,199
Lift station pump & electrical repairs	8,144,000	85,807	8,058,193
59th Street tank rehab	6,837,881	5,778,367	1,059,514
Fire hydrant replacement program	6,682,784	4,087,141	2,595,643
Airport wastewater treatment plant	6,370,289	920,315	5,449,974
Various other Combined Utility System projects	8,206,472	3,283,014	4,923,458
Drainage Fund Projects			
Storm drain rehabilitation	13,639,092	1,023,260	12,615,832
Storm water management	840,678	805,228	35,450
Various other Drainage projects	471,360	416,853	54,507
Airport Fund Projects			
Various Airport projects	2,322,500	1,437,995	884,505
Total Business-type Activities	\$ 125,768,459	\$ 45,084,148	\$ 80,684,311

Note 8 - Long-Term Debt

A. Governmental Activities

Long-term liability activity for the year ended September 30, 2018, is as follows:

	Balance September 30, 2017	Increases	(Decreases)	Balance September 30, 2018	Amounts Due Within One Year
Bonds payable:					
General obligation bonds	\$ 33,834,255	\$ -	\$ (2,702,980)	\$ 31,131,275	\$ 2,355,991
Accretion on capital interest bonds	2,837,554	296,977	-	3,134,531	-
Special obligation bonds	23,525,000	-	(920,000)	22,605,000	980,000
Certificates of obligation	5,828,872	-	(2,955,200)	2,873,672	1,483,051
Unamortized bond issuance premium	4,480,778	-	(509,061)	3,971,717	-
	<u>70,506,459</u>	<u>296,977</u>	<u>(7,087,241)</u>	<u>63,716,195</u>	<u>4,819,042</u>
Other liabilities:					
Notes payable	620,811	-	(114,181)	506,630	118,968
Claims payable - workers compensation	585,878	279,625	(263,104)	602,399	145,899
Claims payable - health insurance	810,516	5,023,513	(4,925,776)	908,253	908,253
Accrued claims and judgements **	-	13,500,000	-	13,500,000	13,500,000
Compensated absences	9,387,138	2,501,695	(1,737,190)	10,151,643	3,427,347
Total Governmental Activities	<u>\$ 81,910,802</u>	<u>\$ 21,601,810</u>	<u>\$ (14,127,492)</u>	<u>\$ 89,385,120</u>	<u>\$ 22,919,509</u>

** Accrued claims and judgements represents the settlement with CDM as described in Note 17.

Compensated absences are liquidated by the funds based on the department personnel to whom the claims relate. Health claims and workers' compensation claims are liquidated by the Health Insurance Internal Service Fund and the Workers' Compensation Internal Service Fund which are reported as a governmental activity.

The City sponsors three (3) single-employer defined benefit pension plans: the Employees Retirement Plan for Police, the Retirement Plan for City Employees and the Firefighters' Pension Plan (see Note 14).

Accreted Interest on Premium of Capital Appreciation Bonds

A portion of the Series 2004 Combination Tax and Revenue Certificates of Obligation Bonds are capital appreciation bonds. The obligation has a principal value of \$2,873,672 and a maturity value of \$6,320,000. The interest on these obligations will be paid upon maturity in the fiscal year ending September 30, 2020. The accreted value of these bonds at September 30, 2018 was \$3,134,531. The accretion expense recognized in the current fiscal year was \$297,000, which is reflected in the accompanying general long-term debt accounts.

The following are descriptions of the governmental activities long-term obligations:

Series	Original Issue	Matures	Interest Rate (%)	Debt Outstanding
General Obligation Bonds				
Series 2011 Obligation Refunding Bonds	\$ 7,520,000	2023	2.0 to 4.0	\$ 4,480,000
Series 2014 Obligation Refunding Bonds *	3,717,000	2023	2.0 to 4.0	2,875,444
Series 2016 Obligation Refunding Bonds *	2,460,831	2033	2.0 to 5.0	2,460,831
Series 2017 Public Improvement Bonds	22,600,000	2046	2.0 to 4.0	21,315,000
Total General Obligation Bonds				<u>\$ 31,131,275</u>
Special Obligation Bonds				
Series 2012A Hotel Occupancy Tax Refunding Bonds	\$ 14,350,000	2034	3.0 to 5.0	\$ 11,960,000
Series 2012B Hotel Occupancy Tax Refunding Bonds	13,215,000	2032	3.0 to 5.0	10,645,000
Total Special Obligation Bonds				<u>\$ 22,605,000</u>
Certificates of Obligation				
Series 2004 Wharves and Terminal Revenue Bonds	\$ 19,323,672	2020	4.3 to 5.2	\$ 2,873,672
Series 2004 including the Capital Appreciation Bonds				3,134,531
Total Certificates of Obligation				<u>\$ 6,008,203</u>
Notes Payable				
2007 Note Payable	\$ 1,531,488	2022	3.5-4.0	\$ 506,630
Total Notes Payable				<u>\$ 506,630</u>

* The original issue was \$5,900,000 for the Series 2014 Obligation Refunding Bonds, \$17,365,000 for the Series 2016 Obligation Refunding Bonds and \$3,581,000 for the Series 2008 Combination Tax and Revenue Bonds. The original issue amounts reported represent the portion allocated to governmental activities only.

Annual debt service requirements to maturity for governmental activity bonds are as follows:

Year Ending Sept. 30	General Obligation Bonds		Special Obligation Bonds	
	Principal	Interest	Principal	Interest
2019	\$ 2,355,991	\$ 1,328,521	\$ 980,000	\$ 831,213
2020	2,338,684	1,236,371	1,045,000	792,013
2021	2,250,100	1,146,143	1,110,000	756,113
2022	2,543,200	1,053,638	1,185,000	700,613
2023	2,660,400	941,028	1,270,000	641,363
2024-2028	5,941,800	3,614,180	7,500,000	2,467,556
2029-2033	7,301,100	2,395,667	8,475,000	1,070,988
2034-2037	5,740,000	582,200	1,040,000	39,000
	<u>\$ 31,131,275</u>	<u>\$ 12,297,748</u>	<u>\$ 22,605,000</u>	<u>\$ 7,298,856</u>

Year Ending Sept. 30	Certificates of Obligation		Notes Payable	
	Principal	Interest	Principal	Interest
2019	\$ 1,483,051	\$ 1,676,949	\$ 118,968	\$ 19,793
2020	1,390,621	1,769,379	123,953	14,807
2021	-	-	129,148	9,613
2022	-	-	134,561	4,200
	<u>\$ 2,873,672</u>	<u>\$ 3,446,328</u>	<u>\$ 506,630</u>	<u>\$ 48,413</u>

Business-Type Activities

Long-term liability activity for the year ended September 30, 2018, is as follows:

	Balance September 30, 2017	Increases	(Decreases)	Balance September 30, 2018	Amounts Due Within One Year
Bonds payable:					
Contracts (Gulf Coast Water Authority)	\$ 14,349,551	\$ -	\$ (2,528,754)	\$ 11,820,797	\$ 2,845,000
Revenue bonds	21,910,000	-	(1,655,000)	20,255,000	1,715,000
General obligation bonds	14,465,755	-	(967,030)	13,498,725	1,529,010
Certificates of obligation	33,354,800	-	(1,024,800)	32,330,000	500,000
Unamortized bond issuance premium	7,253,307	-	(562,511)	6,690,796	-
	<u>91,333,413</u>	<u>-</u>	<u>(6,738,095)</u>	<u>84,595,318</u>	<u>6,589,010</u>
Other liabilities:					
Compensated absences	1,334,010	386,167	(234,647)	1,485,530	480,509
Total Business-type Activities	<u>\$ 92,667,423</u>	<u>\$ 386,167</u>	<u>\$ (6,972,742)</u>	<u>\$ 86,080,848</u>	<u>\$ 7,069,519</u>

The following are descriptions of the business type activities long-term obligations:

Series	Original Issue	Matures	Interest Rate (%)	Debt Outstanding
Contracts (Gulf Coast Water Authority)				
Series 2011A GCWA Contract Refunding Revenue Bonds	17,730,000	2022	3.0 to 5.0	\$ 9,012,630
Series 2012 GCWA Contract Refunding Revenue Bonds	7,645,000	2022	2.3	2,808,167
Total Contracts (Gulf Coast Water Authority)				<u>\$ 11,820,797</u>
Revenue Bonds				
Series 2012 Waterworks and Sewer System Revenue and Refunding Bonds	6,180,000	2023	2.0 to 3.0	\$ 3,540,000
Series 2014 Waterworks and Sewer System Revenue and Refunding Bonds	19,640,000	2025	3.0 to 5.0	16,715,000
Total Revenue Bonds				<u>\$ 20,255,000</u>
General Obligation Bonds				
Series 2014 Obligation Refunding Bonds *	2,183,000	2023	2.0 to 4.0	\$ 794,556
Series 2016 Obligation Refunding Bonds *	14,904,169	2033	2.0 to 5.0	12,704,169
Total General Obligation Bonds				<u>\$ 13,498,725</u>
Certificates of Obligation				
Series 2017 Combination Tax and Revenue Bonds	33,330,000	2046	2.0 to 5.0	\$ 32,330,000
Total Certificates of Obligation				<u>\$ 32,330,000</u>

* The original issue was \$5,900,000 for the Series 2014 Obligation Refunding Bonds and \$17,365,000 for the Series 2016 Obligation Refunding Bonds. The original issue amounts reported above represent the portion allocated to business type activities only.

Annual debt service requirements to maturity for business type activity long term debt are as follows:

Business-Type Activities					
Year Ending Sept. 30	Revenue Bonds		Contracts		
	Principal	Interest	Principal	Interest	
2019	\$ 1,715,000	\$ 935,300	\$ 2,845,000	\$ 490,857	
2020	1,780,000	869,500	2,965,000	371,943	
2021	1,865,000	794,100	3,075,000	264,540	
2022	1,945,000	714,950	2,935,797	135,262	
2023	2,035,000	632,300	-	-	
2024-2028	7,410,000	2,024,250	-	-	
2029-2033	3,505,000	2,024,250	-	-	
	<u>\$ 20,255,000</u>	<u>\$ 7,994,650</u>	<u>\$ 11,820,797</u>	<u>\$ 1,262,602</u>	

Year Ending Sept. 30	Certificates of Obligation		General Obligation Bonds		
	Principal	Interest	Principal	Interest	
2019	\$ 500,000	\$ 1,359,900	\$ 1,529,010	\$ 628,079	
2020	500,000	1,349,900	1,486,315	551,629	
2021	695,000	1,339,900	774,900	477,307	
2022	705,000	1,326,000	606,800	438,562	
2023	720,000	1,311,900	639,600	408,222	
2024-2028	4,060,000	6,103,300	3,833,200	1,502,020	
2029-2033	5,040,000	5,124,250	4,628,900	555,263	
2034-2038	6,430,000	3,731,750	-	-	
2039-2043	8,040,000	2,117,800	-	-	
2044-2048	5,640,000	457,200	-	-	
	<u>\$ 32,330,000</u>	<u>\$ 24,221,900</u>	<u>\$ 13,498,725</u>	<u>\$ 4,561,082</u>	

The revenues in excess of operating expenditures of the combined Waterworks System and Sewer System Funds are pledged for repayment of the Business-type Activity Revenue Bonds. The pledge will remain in force for the term of the bonds.

Business-Type Activities					
Year Ending Sept. 30	Revenue Bonds			Revenues in Excess of Operating Expenses	Excess (Deficit)
	Principal	Interest	Total Debt Service		
2018	\$ 1,655,000	\$ 966,392	\$ 2,621,392	\$ 8,938,913	\$ 6,317,521

Discretely Presented Component Unit - Bayside at Waterman's Public Improvement District

Long-term liability activity for the year ended September 30, 2018, is as follows:

	Balance September 30, 2017	Increases	(Decreases)	Balance September 30, 2018	Amounts Due Within One Year
Bayside at Waterman's PID					
Special assessment revenue bonds	\$ 9,450,000	\$ -	\$ (150,000)	\$ 9,300,000	\$ 150,000
	<u>\$ 9,450,000</u>	<u>\$ -</u>	<u>\$ (150,000)</u>	<u>\$ 9,300,000</u>	<u>\$ 150,000</u>

The following are descriptions of the discretely presented component unit long-term obligations:

Series	Original Issue	Matures	Interest Rate (%)	Debt Outstanding
Bayside at Waterman's PID Bonds				
Series 2014 Special Assessment Revenue Bonds	\$ 9,600,000	2044	5.8 to 6.3	\$ 9,300,000
Total Bayside at Waterman's PID Bonds				<u>\$ 9,300,000</u>

Annual debt service requirements to maturity for Bayside at Waterman's Public Improvement District long term debt are as follows:

Year Ending Sept. 30	Bayside at Waterman's PID	
	Revenue Bonds	
	Principal	Interest
2019	\$ 150,000	\$ 554,500
2020	175,000	546,063
2021	175,000	536,219
2022	200,000	526,375
2023	200,000	515,125
2024-2028	1,200,000	2,391,406
2029-2033	1,575,000	2,003,375
2034-2038	2,125,000	1,469,375
2039-2043	2,825,000	745,719
2044	675,000	41,344
	<u>\$ 9,300,000</u>	<u>\$ 9,329,501</u>

All of the special assessment revenue received by the District is obligated to pay for the special assessment revenue bonds noted above. The City has no financial or legal responsibility for payment of the bonds. The City's only responsibility is to pursue collections of assessments which is performed by a third-party consultant on behalf of the City.

Note 9 - Fund Equity

	Deficit Balance
Internal Service Funds:	
Health and Life Insurance Fund	\$ (7,154,476)

Net deficit reported by the fund above reflects the inclusion \$9.1 million of total OPEB liability. The City is reviewing options to fund the liability. See Note 13 for additional information on the total OPEB liability.

Note 10 - Commitments and Contingencies

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor, cannot be determined at this time, although the City expects that any such amounts will be immaterial.

Environmental Liability

The City is aware of various sites contaminated by hazardous materials. There are no significant liabilities related to these sites of which the City is aware. The City also participates in the Texas Natural Resources Underground Storage Tank registration program and has each site insured for pollution liability. The City is also actively remediating several sites with grant funds from the General Land Office.

Note 11 - Risk Management

The City is exposed to various risks of loss related to torts, thefts, damage and destruction of assets, errors and omissions, injuries to employees and natural disasters. The City has commercial insurance policies for liability and property insurance. The major insurance policies, including law enforcement and public official policies, have deductibles of \$5,000 per occurrence.

The City purchases automobile and law enforcement liability insurance from the Texas Municipal League (TML) Intergovernmental Risk Pool, a self-insurance fund using members contributions to pay covered losses. Participation in the pool is affirmed when a City signs an inter-local agreement. There is no requirement for a municipality to invest funds into the risk pool other than by set insurance premiums for actual policies issued by TML.

There have been no significant reductions in insurance coverage from prior years. There have been no insurance settlements exceeding insurance coverage in the past five years.

The Casualty and Liability Internal Service Fund is used to account for the accumulation of assets charged to other funds of the City for insurance premiums and all other liabilities.

Workers Compensation

The City is self-insured for workers compensation. The third party administrator for the City is TML, with a per coverage retention of \$500,000. TML also provides the stop loss reinsurance for excess claims with an annual aggregate retention of \$1,000,000 and aggregate limit of liability of \$1,000,000.

All funds of the City participate in the program and make payments to the Workers Compensation Internal Service Fund based on estimates of the amounts needed to pay prior and current year claims. The claims liability is reported in the fund at September 30, 2018, and is based on requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated.

The City's long-term workers' compensation liability is recorded in the government-wide statement of net position. Current liability amounts are recorded in all funds having incurred charges. The estimates of liability are based on current claims outstanding and the estimate of reserves based on industry experience.

Changes in the City's workers compensation claims liability reserve amount for the past two fiscal years are as follows:

<u>Fiscal Year</u>	<u>Beginning of Year Accrual</u>	<u>Current Year Estimates</u>	<u>Current Year Payments</u>	<u>End of Year Accrual</u>
2017	\$ 689,472	\$ 116,887	\$ (220,481)	\$ 585,878
2018	585,878	279,625	(263,104)	602,399

Employee Health Insurance

Effective November 1, 2001, the City established a limited Risk Management Program for Health Insurance by setting up an Internal Service Fund to account for its insured and self-insured risk of loss. The Internal Service Insurance Fund is principally supported by contributions from the City and the employees. The City makes contributions to cover the employees, and the employees are required to make contributions to cover their dependents. The Internal Service Fund charges the various operating funds premiums for the City's contribution. The City has obtained excess loss insurance that limits the City's claims paid to \$200,000 per individual from Liberty Mutual Insurance, and \$4,879,000 in aggregate claims on an annual basis from Aetna, Inc.

Incurred but not reported (IBNR) claims as of year-end are estimated by the third party administrator based on prior claims experience. Changes in the City's IBNR health claims liability, for the past two fiscal years, are as follows:

<u>Fiscal Year</u>	<u>Beginning of Year Accrual</u>	<u>Current Year Estimates</u>	<u>Current Year Payments</u>	<u>End of Year Accrual</u>
2017	\$ 553,985	\$ 4,467,145	\$ (4,210,614)	\$ 810,516
2018	810,516	5,023,513	(4,925,776)	908,253

Note 12 - Major Contracts and Commitments

As of year-end, the City has the following major contracts and commitments in force. The following is a summary of these commitments:

Emergency Medical Services Contract

Through agreement with the Galveston County Health District (the District), the District provides emergency medical services including trained personnel for treatment and dispatching, transport of victims to hospitals, ambulances and supplies, public education regarding medical emergencies, and management and system evaluation. Operation and management is under control of the District. The City is responsible for operating deficits of this entity for up to \$225,000 per year.

Galveston County Jail

Through agreement with the County of Galveston (County), the County agrees to reserve 6 beds in the County Jail for individuals arrested by City police. The City will pay the County monthly the sum of \$69.43 per City inmate per calendar day or fraction thereof. Annually this equates to a minimum of approximately \$150,000 per year. The City pays the daily rate for months in which the average nightly occupancy is greater than 6.5 inmates.

Gulf Coast Water Authority

The Gulf Coast Water Authority (GCWA) supplies one hundred percent of Galveston's potable water supply. GCWA holds rights and maintains access to water originating in the Brazos River basin raw that flows through a system of canals and reservoirs to the Thomas Mackey water purification plant in Texas City. Purified water is pumped from the plant to the island through lines that cross the old causeway and/or the bay to the island. The City then assumes responsibility for pumping, storage and customer sales. Under the most recent amendment dated May 27, 2015, the City retains the right to use up to 21 million gallons per day at a flat cost of \$0.45192 per 1000 gallons. Water actually consumed is supplied to the City at the rate of \$0.5714 per 1000 gallons pumped. GCWA also makes improvements to the plant and its distribution system with bond proceeds, and the City pays its proportional share of this debt service to GCWA (see Note 8). In FY 2018, the City paid GCWA \$11.29 million for debt service, water rights and water consumption.

Note 13 - Post-Employment Benefits Other Than Pensions

Plan Description

The City defined benefit OPEB plan provides certain post-employment retirement benefits for its qualifying employees and spouses/dependents through a single-employer defined benefit health care plan administered by the City. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided

Eligible participants, as defined by the City, may continue health care coverage during retirement by paying the total active contributions, including the City portion and the retiree portion. In the case of deferred retirement or death in service, the health care benefit is not available. However, in the case of disability retirement benefits, coverage is available if the employee is eligible for disability benefits through the City. Coverage under the health care plan ceases upon reaching Medicare eligibility. A separate, audited GAAP-basis postemployment benefit plan report is not available.

Employees covered by OPEB plan as of December 31, 2017 were as follows:

Inactive plan members or beneficiaries currently receiving benefits	23
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>761</u>
Total plan members	<u><u>784</u></u>

Total OPEB Liability

The City's total OPEB liability was measured as of December 31, 2017 and determined by an actuarial valuation as of that date in accordance with GASB Statement No. 75. There are currently no plan assets. However, the Health and Life Insurance Fund has \$1.6 million of cash of which a portion will be used to fund the liability.

Changes in Total OPEB Liability

Changes in the City's OPEB liability presented below are calculated for the year ended December 31, 2017 (measurement year):

Total OPEB Liability	
Service cost	\$ 571,322
Interest on the total OPEB Liability	311,717
Difference between expected and actual experience	
actual experience	48,153
Changes of assumption	433,248
Benefit payments	(244,096)
Net change in total OPEB liability	1,120,344
Total OPEB liability - beginning	8,017,923
Total OPEB liability - ending	<u>\$ 9,138,267</u>
 Covered payroll	 \$ 39,330,779
 Total OPEB liability as a percentage of covered payroll	 23.23%

Changes of assumption reflects a change in discount rate from 3.81% in 2016 to 3.31% in 2017.

OPEB Expense

For the year ended September 30, 2018, the City recognized total OPEB expense of \$926,546.

Service cost	\$ 571,322
Interest on the total OPEB Liability	311,717
Recognition of current year outflow due to liabilities	43,507
Total OPEB expense	<u>\$ 926,546</u>

Deferred Outflows of Resources

At September 30, 2018, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 43,801
Changes of assumptions	394,093
Contributions subsequent to the measurement date	156,856
	<u>\$ 594,750</u>

The \$156,856 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2019. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30:	
2019	\$ 43,507
2020	43,507
2021	43,507
2022	43,507
2023	43,507
thereafter	220,359
	<u>\$ 437,894</u>

Under the reporting parameters, the City's retiree health care plan is 0.0% funded with the actuarial accrued liability exceeding the actuarial assets by \$9,138,267 at December 31, 2017. As of the most recent valuation, the ratio of the unfunded actuarial accrued liability to annual covered payroll is 23.23%.

Actuarial Methods and Assumptions

Projections of health benefits are based on the plan as understood by the City and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and the City's employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Discount Rate

The discount rate for plans that do not have formal assets equals the tax-exempt municipal bond rate on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. The municipal bond rate is based on the daily rate closest to, but not later than, the measurement date of the Fidelity "20-year Municipal GO AA Index".

Significant methods and assumptions were as follows:

Actuarial Methods and Assumptions

Inflation Rate	2.50% per annum
Discount Rate	3.31% as of December 31, 2017
Actuarial Cost Method	Individual Entry-Age
Amortization Method	Average of expected remaining service life
Amortization Period	11.065 closed period amortization
Payroll Growth	3.00% - 6.61% for General Employees 4.00% - 7.00% for Police 4.50% for Firefighters
Health Care Trend Rates	Initial rate of 7.50% declining to an ultimate rate of 4.25% after 15 years

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the City, calculated using the discount rate of 3.31% as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rates used:

	1% Decrease (2.31%)	Current Discount Rate (3.31%)	1% Increase (4.31%)
Total OPEB liability	\$ 10,069,629	\$ 9,138,267	\$ 8,293,107

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1- percentage-point lower or 1-percentage-point higher than the current rates used:

	1% Decrease (6.50%) decreasing to 3.25%	Healthcare Cost Trend Rates (7.50%) decreasing to 4.25%	1% Increase (8.50%) decreasing to 5.25%
Total OPEB liability	\$ 7,932,320	\$ 9,138,267	\$ 10,599,480

Note 14 - Employee Retirement System

Plan Descriptions

The City has three single employer defined benefit pension plans which provide pension benefits for substantially all of its full-time employees:

- City Of Galveston Employees' Retirement Plan for City Employees
- City Of Galveston Employees' Retirement Plan for Police
- Galveston Firefighters' Pension Fund

These pension plans were established under the authority of Title 8, Subchapter A of the Texas Government Code, Texas statutes (Vernon's Texas Civil Statutes, Articles 6243p and 6243e respectively) which establish the various benefit provisions. Independent Boards of Trustees administer each plan. The fiscal year of each pension fund ends December 31. The most recent available stand-alone financial statements of the pension funds are for the year ended December 31, 2016. The specific summary plan description for each Plan and the financial statements are available at the respective plan offices.

Benefits Provided

The City Of Galveston Employees' Retirement Plan for City Employees ("ERP") provides for retirement benefits for non-civil service employees, service-connected disability and death benefits to eligible members and surviving spouse and/or dependents. The normal retirement benefit under the Plan equals 2.25% of Average Monthly Compensation multiplied by a Participant's years of benefit service. The maximum normal retirement benefit is \$4,167 per month. Service retirement benefits are payable for the Participant's lifetime. In the event the Participant's death precedes that of his or her spouse, one half of the Participant's pension will be continued to the spouse for his or her lifetime or until remarried.

City Of Galveston Employees' Retirement Plan for Police ("PRP") provides retirement benefits for police officers in two groups: *Group A* consists of members with 15 or more years of service as of January 1, 2006, who were members as of June 30, 2008. *Group B* consists of members who either (a) had less than 15 years of service as of January 1, 2006, and who were members as of June 30, 2008, or (b) were employed on or after July 1, 2008.

Normal and Late Retirement - Eligibility attainment age is sixty-five (65). Benefits for Group A members shall be the greater of (i) the monthly amount determined as 2.11% of average monthly base pay multiplied by the years of benefit service, limited to 30 years, and (ii) the sum of the Preserved Benefit and Post Transition Accrued Benefit payable after the member reaches the eligible attainment age. Benefits for Group B members will be equal to 2.11% of average monthly base pay multiplied by the years of benefit service, limited to 30 years.

Early Retirement - Eligibility for an Early Pension is: (i) on or after the member's 55th birthday and before Normal Retirement Date with ten or more years of vested service, or (ii) after member has reached attainment age of sixty-two (62). Reduced early pension benefits will be equal to 2.11% of average monthly base pay multiplied by the years of benefit service, limited to 30 years, reduced by 1/180th for each of the first 60 months and 1/360th for each of the next 60 months and shall commence either on the member's Normal Retirement Date or on the first day of any month following his Early Retirement and before his Normal Retirement Date.

Special Early Retirement - Eligibility for a Special Early Pension is attained with twenty or more years of vested service. Benefits will be equal to 2.11% of average monthly base pay multiplied by the years of benefit service, limited to 30 years, reduced by 1/180th for each month by which the starting date of payments commences on the first of the month immediately following the latter of the member's 45th birthday or the date of retirement.

Galveston Firefighters' Pension Fund ("GFPF") provides retirement and incidental benefits for all civil service members of the City of Galveston, Texas Fire Department under the age of 35 at the date of entering service.

A member is eligible for service retirement upon completion of 20 years of service and attainment age of fifty (50). Benefits are calculated at 3% of the highest 60-month average salary times years of service. Benefits are payable for the member's lifetime; if the member's death precedes the death of the member's spouse, two-thirds of the member's pension will be continued for the spouse for his or her lifetime. However, benefits cease if the spouse remarries.

A member who has attained age 51.5 and 21.5 years of service may elect to receive benefits under the Retro Deferred Retirement Option Plan (DROP) option. This option is equal to the amount of monthly contributions that the member made to the fund during participation in the fund plus the total monthly retirement benefits the member would have received between the time the member entered DROP and the time the member retired under the plan.

Employees covered by the three plans as of September 30, 2018 were as follows:

	Employees Pension Plan	Fire Fighters Pension Plan	Police Pension Plan
Retirees and beneficiaries currently receiving benefits	335	87	157
Terminated employees entitled to but not receiving benefits	54	1	19
Terminated employees entitled to only a refund of contributions	141	-	-
Active Employees	531	116	144
Total Participants	1,061	204	320

Contributions

Contribution rates for the City and employees for the fiscal year ended September 30, 2018 were as follows:

	Employees Pension Plan	Fire Fighters Pension Plan	Police Pension Plan
Participant contribution	6.00%	18.00%	12.00%
City contribution	9.00%	17.00%	14.83%

Pension contribution rates are determined by ordinance with respect to the Employee Plan. Collective bargaining agreements establish minimum contribution levels with respect to the Police and Firefighters Plans.

Net Pension Liability

The City's net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Plans' Fiduciary Net Position is determined on the same basis used by the pension plans.

	Employees Pension Plan	Fire Fighters Pension Plan	Police Pension Plan
Total Pension Liability	\$ 64,059,158	\$ 64,098,390	\$ 52,850,837
Fiduciary Net Position	51,550,291	44,651,640	20,544,158
Net Pension Liability	\$ 12,508,867	\$ 19,446,750	\$ 32,306,679
Fiduciary net position as a percentage of total pension liability	80.47%	69.66%	38.87%

Changes in Net Pension Liability

Changes in the City's net pension liability presented below are calculated on the same basis as each of the plans for the year ended December 31, 2017 (measurement year):

	Employees' Retirement Plan for City Employees 2017	Galveston Firefighters' Pension Fund 2017	Employees' Retirement Plan for Police 2017
Total pension liability:			
Service cost	\$ 1,982,697	\$ 1,347,728	\$ 1,073,161
Interest	4,423,875	4,780,763	3,932,216
Effect of plan changes	-	-	-
Difference between expected and actual experience	636,348	(297,644)	(358,201)
Change in assumptions	33,335	-	2,398,032
Benefit payments, including refunds of employee contributions	(4,106,737)	(4,143,975)	(4,547,830)
Net change in total pension liability	2,969,518	1,686,872	2,497,378
Total pension liability - beginning	61,089,640	62,411,518	50,353,459
Total pension liability - ending (a)	<u>\$ 64,059,158</u>	<u>\$ 64,098,390</u>	<u>\$ 52,850,837</u>
Plan fiduciary net position:			
Contributions - employer	\$ 2,274,927	\$ 1,091,996	\$ 1,486,488
Contributions - employee	1,518,519	1,247,995	1,371,862
Net investment income	6,356,393	6,445,125	2,581,753
Benefit payments, including refunds of employee contributions	(4,106,737)	(4,143,975)	(4,547,830)
Administrative expense	(133,005)	(144,975)	(132,932)
Net change in plan fiduciary net position	5,910,097	4,496,166	759,341
Plan fiduciary net position - beginning	45,640,194	40,155,474	19,784,817
Plan fiduciary net position - ending (b)	<u>\$ 51,550,291</u>	<u>\$ 44,651,640</u>	<u>\$ 20,544,158</u>
Net pension liability - ending (a) - (b)	<u>\$ 12,508,867</u>	<u>\$ 19,446,750</u>	<u>\$ 32,306,679</u>

Pension Expense

For the year ended September 30, 2018, the City recognized total pension expense of \$7,428,553. Pension expense recognized by plan is as follows:

	Employees Pension Plan	Fire Fighters Pension Plan	Police Pension Plan
Service Cost	\$ 1,982,697	\$ 1,347,728	\$ 1,073,161
Interest on total pension liability	4,423,875	4,780,763	3,932,216
Effect of plan changes	-	-	-
Administrative expenses	133,005	144,975	132,932
Member contributions	(1,518,519)	(1,247,995)	(1,371,862)
Expected investment return net of investment expenses	(3,292,736)	(3,036,542)	(1,509,889)
Recognition of economic/demographic gains or losses	(312,143)	(73,381)	(25,129)
Recognition of assumption changes or inputs	546,882	(130,493)	96,135
Differences between projected and actual earnings on plan investments	309,162	631,941	411,769
Pension Expense	<u>\$ 2,272,223</u>	<u>\$ 2,416,996</u>	<u>\$ 2,739,333</u>

Schedule of Deferred Outflows and Inflow of Resources

Deferred outflows of resources and deferred inflows of resources by source reported by the City at September 30, 2018 for each plan are as follows

	Employees Pension Plan		Fire Fighters Pension Plan		Police Pension Plan		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 520,438	\$ 1,289,498	\$ 190,086	\$ 638,110	\$ 452,512	\$ 513,299	\$ 1,163,036	\$ 2,440,907
Changes of assumptions	1,609,283	-	86,062	856,646	2,537,683	1,040,748	4,233,028	- 1,897,394
Difference between projected and actual earnings	-	704,128	-	236,587	229,738	-	229,738	- 940,715
Employers contribution subsequent to measurement date	1,716,959	-	985,819	-	1,234,683	-	3,937,461	-
	<u>\$ 3,846,680</u>	<u>\$ 1,993,626</u>	<u>\$ 1,261,967</u>	<u>\$ 1,731,343</u>	<u>\$ 4,454,616</u>	<u>\$ 1,554,047</u>	<u>\$ 9,563,263</u>	<u>\$ 5,279,016</u>

The \$3,937,461 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement date	Employees Pension Plan	Fire Fighters Pension Plan	Police Pension Plan	Total
2018	\$ (543,904)	\$ (428,066)	\$ (482,773)	\$ (1,454,743)
2019	(474,311)	(112,462)	(308,272)	(895,045)
2020	465,125	707,099	44,800	1,217,024
2021	476,764	885,512	(280,251)	1,082,025
2022	(59,769)	203,874	(373,307)	(229,202)
thereafter	-	199,238	(266,083)	(66,845)
	<u>\$ (136,095)</u>	<u>\$ 1,455,195</u>	<u>\$ (1,665,886)</u>	<u>\$ (346,786)</u>

Actuarial Assumptions and Other Data

The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Employees Pension Plan	Fire Fighters Pension Plan	Police Pension Plan
Inflation	2.75% per annum	3.00% per annum	4.00% per annum
Investment rate of return	7.25%, net of pension plan investment expenses	7.75%, net of pension plan investment expenses	7.50%, net of pension plan investment expenses
Salary increases	2.75% plus promotion, step and longevity increases that vary by service	3% general annual compensation increase plus an average of 1.73% per year for pay increases due to promotions and longevity over a 30-year career	3% grading down to 0% for longevity and promotion based on years of service
Mortality rates	RP-2000 Combined Healthy Mortality tables projected by scale AA to 2024.	RP-2000 Combined Healthy Mortality tables projected by scale AA to 2024.	RP-2014 Blue Collar Mortality tables adjusted backward to 2006 with scale MP-2014 and projected generationally with scale MP-2016.

Discount Rate

The discount rates reported are based on certified actuarial reports and are used to measure the total pension liability as of December 31, 2017 which is 7.25% for the Employees Pension Plan, 7.75% for the Firefighters Pension Plan and 7.50% for the Police Pension Plan. The discount rates used to measure the pension liability as of December 31, 2016 were 7.50% for the Employees Pension Plan, 7.75% for the Firefighters Pension Plan and 8.0% for the Police Pension Plan. The discount rate is an assumption that generally is not required to be updated between actuarial valuations dates.

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the City, calculated using the discount rate of each plan as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1- percentage-point lower or 1-percentage-point higher than the current rates used:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Employees Pension Plan	\$ 19,616,180	\$ 12,508,867	\$ 6,463,629
	(6.75%)	(7.75%)	(8.75%)
Fire Fighters Pension Plan	\$ 26,780,863	\$ 19,446,750	\$ 13,261,521
	(6.50%)	(7.50%)	(8.50%)
Police Pension Plan	\$ 38,706,487	\$ 32,306,679	\$ 26,988,002

Note 15 - Prior Period Adjustments

During the fiscal year, the City made the following prior period adjustments to the government-wide and fund financial statements:

1. The adoption of Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB), which replaces the requirements of GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, has resulted in the restatement of the City's beginning net position for the fiscal year 2018 government-wide financial statements to reflect the reporting of total OPEB liability, deferred outflows of resources related to OPEB and the recognition of OPEB expense in accordance with the provisions of this statement.
2. The City modified the allowance for doubtful accounts on prior year's past due utility accounts receivable to increase the amount allowed for delinquent non-active customers.

	Government-wide Statement of Activities		Fund Level Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	
	Governmental Activities	Business-type Activities	Combined Utility System	Other Enterprise Funds
Net position at September 30, 2017, as previously reported	\$ 154,908,025	\$ 271,534,908	\$ 230,279,807	\$ 38,574,491
GASB 75 change in total OPEB liability as of September 30, 2017	(2,848,635)	(1,120,299)	-	-
Increased allowance for doubtful accounts on non-active utility customers	-	(1,222,709)	(757,237)	(465,472)
Net position at September 30, 2017, as restated	<u>\$ 152,059,390</u>	<u>\$ 269,191,900</u>	<u>\$ 229,522,570</u>	<u>\$ 38,109,019</u>

Note 16 - Litigation/Contingency

The City is a defendant in various lawsuits and is aware of pending claims arising in the ordinary course of its municipal and enterprise activities, certain of which seek damages that could impact the operations of the City. That litigation includes lawsuits claiming damages that allege that the City caused personal injuries and wrongful deaths; breach of contract and various claims from contractors for additional amounts under construction contracts. The status of such litigation ranges from an early discovery stage to various levels of appeal of judgments both for and against the City.

The amount of damages is limited in certain cases under the Texas Tort Claims Act and is subject to appeal. However, with respect to the lawsuit styled *CDM Smith v. City of Galveston et. al.* in the 56th Judicial District Court of Galveston County Texas, see Note 17, Subsequent Events.

The City intends to defend itself vigorously against all suits; however, no prediction can be made, as of the date thereof, with respect to the liability of the City for such claims or the final outcome of such suits. The City typically utilizes its general fund to liquidate claims and judgments; however, the City is authorized under Texas law to issue refunding bonds to pay any final judgments and settlements resulting from lawsuits against the City.

Note 17 - Subsequent Events

CDM Settlement

In the lawsuit styled *CDM Smith v. City of Galveston et. al.* in the 56th Judicial District Court of Galveston County Texas, the Plaintiff alleged breach of contract. This case has been tried and judgement was issued on November 1, 2018 by the 56th Judicial District of Galveston County in favor of the Plaintiff, CDM Smith, in the amount of \$15,725,068. The City had the option of paying the \$15,725,068 settlement over time or pay a reduced negotiated settlement by December 31, 2018. The City elected to pay the reduced negotiated settlement for the total payment of \$13,500,000 and the final release of judgement has been entered into by the parties. The City Council approved the settlement and the final payment, including an amendment to the FY 2019 Budget that provided funding for the settlement. The judgement was paid out of available City funds: \$6,128,000 from the General Fund, \$2,092,000 from the Settlement and Capital Reserve Special Fund, and \$5,280,000 from the Casualty and Liability Insurance Internal Service Fund. The settlement has been accrued in the Governmental Activities of the Government-wide statements in order to maintain budgetary compliance at the fund level while also being in compliance with GAAP requirements.

Required Supplementary Information

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2018 Comprehensive Annual Financial Report



PRELIMINARY



PRELIMINARY

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GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended September 30, 2018

	Budgeted Amounts		Actual Amounts		Actual - Budgetary Basis	Variance with Final Budget
	Original	Final	Actual	Reconciling Items		
Revenues						
Property taxes	\$ 25,250,900	\$ 25,250,900	\$ 25,068,939	\$ -	\$ 25,068,939	\$ (181,961)
Sales tax	16,160,000	16,160,000	16,068,519	-	16,068,519	(91,481)
Franchise and other taxes	6,570,100	6,570,100	6,604,636	-	6,604,636	34,536
Licenses and permits	1,199,000	1,199,000	1,196,241	-	1,196,241	(2,759)
Fines and forfeitures	1,698,900	1,698,900	1,530,003	(1,314)	1,528,689	(170,211)
Charges for services	208,100	208,100	233,901	1,314	235,215	27,115
Investment earnings	250,000	250,000	319,693	-	319,693	69,693
Intergovernmental	188,600	188,600	166,921	(100,000)	66,921	(121,679)
Other	789,900	789,900	745,657	100,000	845,657	55,757
Total Revenues	52,315,500	52,315,500	51,934,510	-	51,934,510	(380,990)
General government						
Legislative	617,175	617,175	542,821	-	542,821	74,354
Judicial	759,670	764,670	741,765	-	741,765	22,905
Executive	762,019	762,019	696,411	-	696,411	65,608
City auditor	278,563	278,563	269,118	-	269,118	9,445
Finance	1,807,399	1,727,389	1,572,815	-	1,572,815	154,574
Legal	919,554	878,554	788,627	-	788,627	89,927
Personnel	557,574	557,574	494,664	-	494,664	62,910
Taxation	265,449	268,459	268,458	-	268,458	1
Total general government	5,967,403	5,854,403	5,374,679	-	5,374,679	479,724
Public safety						
Police	19,681,685	19,573,771	19,195,330	120,647	19,315,977	257,794
Fire	11,180,084	11,180,084	11,273,895	(127,275)	11,146,620	33,464
Emergency management	249,569	257,569	256,682	-	256,682	887
Emergency medical service	566,400	566,400	566,110	-	566,110	290
City marshal	55,687	59,187	58,996	-	58,996	191
Total public safety	31,733,425	31,637,011	31,351,013	(6,628)	31,344,385	292,626
Public works and traffic	3,556,748	3,911,748	4,144,819	(239,243)	3,905,576	6,172
Culture and recreation	2,860,821	2,860,821	2,706,831	-	2,706,831	153,990
Planning and community development	2,574,319	2,570,819	2,406,675	-	2,406,675	164,144
Transportation system	800,000	915,000	-	915,000	915,000	-
Capital outlay	1,235,000	1,547,411	298,459	(6,848)	291,611	1,255,800
Governmental expenditures	1,205,733	1,193,794	2,502,477	(2,045,088)	457,389	736,405
Facilities maintenance	1,610,041	1,610,041	603,236	1,009,441	1,612,677	(2,636)
City Council contingency	4,400,000	1,953,547	-	-	-	1,953,547
Total expenditures	55,943,490	54,054,595	49,388,189	(373,366)	49,014,823	5,039,772
Other Financing Sources (Uses)						
Transfers in	2,203,000	2,203,000	2,592,251	(373,366)	2,218,885	15,885
Charter mandated infrastructure & debt service	(3,275,010)	(3,275,010)	(3,275,010)	-	(3,275,010)	-
Hurricane Harvey	-	(2,446,453)	(10,734)	-	(10,734)	2,435,719
Sale of capital assets	65,000	65,000	181,667	-	181,667	116,667
Total Other Financing Sources (Uses)	(1,007,010)	(3,453,463)	(511,826)	(373,366)	(885,192)	2,568,271
Net change in fund balance	(4,635,000)	(5,192,558)	2,034,495	-	2,034,495	7,227,053
Fund balance - beginning	17,786,895	17,786,895	17,786,895	-	17,786,895	-
Fund balance - ending	\$ 13,151,895	\$ 12,594,337	\$ 19,821,390	\$ -	\$ 19,821,390	\$ 7,227,053

REQUIRED PENSION SYSTEM SUPPLEMENTARY INFORMATION**Schedule of Changes in Net Pension Liability and Related Ratios
For the Last Four Measurement Years**

	Employees' Retirement Plan for City Employees			
	2017	2016	2015	2014
Total pension liability:				
Service cost	\$ 1,982,697	\$ 1,782,456	\$ 2,036,695	\$ 2,184,793
Interest	4,423,875	4,388,324	4,465,817	4,291,727
Effect of plan changes	-	-	-	-
Difference between expected and actual experience	636,348	(1,388,765)	(932,848)	-
Change in assumptions	33,335	1,539,868	1,385,114	-
Benefit payments, including refunds of employee contributions	(4,106,737)	(3,921,559)	(4,102,964)	(3,820,447)
Net change in total pension liability	2,969,518	2,400,324	2,851,814	2,656,073
Total pension liability - beginning	61,089,640	58,689,316	55,837,502	53,181,429
Total pension liability - ending (a)	<u>\$ 64,059,158</u>	<u>\$ 61,089,640</u>	<u>\$ 58,689,316</u>	<u>\$ 55,837,502</u>
Plan fiduciary net position:				
Contributions - employer	\$ 2,274,927	\$ 2,059,527	\$ 1,968,772	\$ 1,836,025
Contributions - employee	1,518,519	1,371,184	1,315,516	1,224,018
Net investment income	6,356,393	3,333,830	(856,751)	1,803,409
Benefit payments, including refunds of employee contributions	(4,106,737)	(3,921,559)	(4,102,964)	(3,820,447)
Administrative expense	(133,005)	(145,136)	(127,457)	(123,414)
Net change in plan fiduciary net position	5,910,097	2,697,846	(1,802,884)	919,591
Plan fiduciary net position - beginning	45,640,194	42,942,348	44,745,232	43,825,641
Plan fiduciary net position - ending (b)	<u>\$ 51,550,291</u>	<u>\$ 45,640,194</u>	<u>\$ 42,942,348</u>	<u>\$ 44,745,232</u>
Net pension liability - ending (a) - (b)	<u>\$ 12,508,867</u>	<u>\$ 15,449,446</u>	<u>\$ 15,746,968</u>	<u>\$ 11,092,270</u>
Plan fiduciary net position as a percentage of total pension liability	80.47%	74.71%	73.17%	80.13%
Covered payroll	<u>\$ 25,308,650</u>	<u>\$ 22,853,067</u>	<u>\$ 21,925,267</u>	<u>\$ 20,400,300</u>
Net pension liability as a percentage of covered employee payroll	49.43%	67.60%	71.82%	54.37%
Annual money-weighted rate of return net of investment expense	7.75%	7.75%	-2.94%	4.96%

The amounts presented are for each measurement year, which end the preceding December 31 of the City's fiscal year end. Net pension liability is calculated using a new methodology and will be presented prospectively in accordance with GASB 68. Ten years of data should be presented in this schedule but data was unavailable prior to 2014.

Galveston Firefighters' Pension Fund				Employees' Retirement Plan for Police			
2017	2016	2015	2014	2017	2016	2015	2014
\$ 1,347,728	\$ 1,323,916	\$ 1,271,356	\$ 1,216,609	\$ 1,073,161	\$ 1,106,580	\$ 1,054,361	\$ 1,140,739
4,780,763	4,960,114	4,715,969	4,523,782	3,932,216	3,834,917	3,646,049	3,669,170
-	(1,279,046)	-	-	-	-	-	-
(297,644)	(502,594)	268,323	-	(358,201)	519,531	157,590	(502,743)
-	(1,141,246)	121,483	-	2,398,032	223,990	590,641	(2,527,532)
(4,143,975)	(3,254,265)	(3,501,502)	(3,151,223)	(4,547,830)	(4,322,870)	(4,114,277)	(3,808,422)
1,686,872	106,879	2,875,629	2,589,168	2,497,378	1,362,148	1,334,364	(2,028,788)
62,411,518	62,304,639	59,429,010	56,839,842	50,353,459	48,991,311	47,656,947	49,685,735
<u>\$ 64,098,390</u>	<u>\$ 62,411,518</u>	<u>\$ 62,304,639</u>	<u>\$ 59,429,010</u>	<u>\$ 52,850,837</u>	<u>\$ 50,353,459</u>	<u>\$ 48,991,311</u>	<u>\$ 47,656,947</u>
\$ 1,091,996	\$ 1,072,865	\$ 996,543	\$ 986,610	\$ 1,486,488	\$ 1,255,887	\$ 1,257,637	\$ 1,240,469
1,247,995	1,226,133	1,138,906	1,127,549	1,371,862	1,255,887	1,254,637	1,240,469
6,445,125	2,187,709	(848,619)	1,486,347	2,581,753	1,493,582	(486,296)	1,101,143
(4,143,975)	(3,254,265)	(3,501,502)	(3,151,223)	(4,547,830)	(4,322,870)	(4,114,277)	(3,808,422)
(144,975)	(103,459)	(113,486)	(133,008)	(132,932)	(126,111)	(86,285)	(85,937)
4,496,166	1,128,983	(2,328,158)	316,275	759,341	(443,625)	(2,174,584)	(312,278)
40,155,474	39,026,491	41,354,649	41,038,374	19,784,817	20,228,442	22,403,026	22,715,304
<u>\$ 44,651,640</u>	<u>\$ 40,155,474</u>	<u>\$ 39,026,491</u>	<u>\$ 41,354,649</u>	<u>\$ 20,544,158</u>	<u>\$ 19,784,817</u>	<u>\$ 20,228,442</u>	<u>\$ 22,403,026</u>
<u>\$ 19,446,750</u>	<u>\$ 22,256,044</u>	<u>\$ 23,278,148</u>	<u>\$ 18,074,361</u>	<u>\$ 32,306,679</u>	<u>\$ 30,568,642</u>	<u>\$ 28,762,869</u>	<u>\$ 25,253,921</u>
69.66%	64.34%	62.64%	69.59%	38.87%	39.29%	41.29%	47.01%
\$ 7,799,969	\$ 7,663,331	\$ 7,118,164	\$ 7,044,338	\$ 11,432,183	\$ 10,465,725	\$ 10,455,308	\$ 10,337,242
249.32%	290.42%	327.02%	256.58%	282.59%	292.08%	275.10%	244.30%
5.68%	5.68%	-2.09%	4.16%	3.59%	3.59%	-2.26%	7.75%

REQUIRED PENSION SYSTEM SUPPLEMENTARY INFORMATION
Schedule of Contributions
Last Seven Fiscal Years

Employees' Retirement Plan for City Employees							
	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contributions	\$ 2,334,748	\$ 2,153,885	\$ 2,024,974	\$ 2,278,432	\$ 2,040,170	\$ 2,108,505	\$ 2,026,248
Contribution in relation to the actuarially required contribution	\$ 2,334,748	\$ 2,177,518	\$ 2,024,974	\$ 1,858,266	\$ 1,836,025	\$ 1,583,356	\$ 1,616,976
Contribution deficiency (excess)	\$ -	\$ (23,633)	\$ -	\$ 420,166	\$ 204,145	\$ 525,149	\$ 409,272
Covered payroll	\$ 25,941,635	\$ 23,932,061	\$ 22,499,711	\$ 20,647,326	\$ 20,400,300	\$ 17,592,844	\$ 17,966,400
Contributions as a percentage of covered payroll	9.0%	9.1%	9.0%	9.0%	9.0%	9.0%	9.0%

Galveston Firefighters' Pension Fund							
	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 1,280,032	\$ 1,082,739	\$ 1,023,954	\$ 985,160	\$ 986,610	\$ 945,945	\$ 918,961
Contribution in relation to the contractually required contribution	\$ 1,280,032	\$ 1,082,739	\$ 1,023,954	\$ 985,160	\$ 986,610	\$ 945,945	\$ 918,961
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 7,733,848	\$ 7,733,848	\$ 7,313,957	\$ 7,036,850	\$ 7,044,338	\$ 6,756,748	\$ 6,564,000
Contributions as a percentage of covered payroll	17.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%

Employees' Retirement Plan for Police							
	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 1,625,097	\$ 1,405,962	\$ 1,249,715	\$ 1,187,532	\$ 1,240,469	\$ 1,114,126	\$ 1,117,059
Contribution in relation to the contractually required contribution	\$ 1,625,097	\$ 1,407,567	\$ 1,249,715	\$ 1,187,532	\$ 1,240,469	\$ 1,114,126	\$ 1,117,059
Contribution deficiency (excess)	\$ -	\$ (1,605)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 10,815,095	\$ 10,815,095	\$ 10,414,292	\$ 9,896,098	\$ 10,337,242	\$ 9,281,758	\$ 9,308,825
Contributions as a percentage of covered payroll	14.83%	12.83%	12.0%	12.0%	12.0%	12.0%	12.0%

REQUIRED PENSION SYSTEM SUPPLEMENTARY INFORMATION**Notes to Schedule of Contributions****For the Year Ended December 31, 2017**

	Employees' Retirement Plan for City Employees	Galveston Firefighters' Pension Fund	Employees' Retirement Plan for Police
Valuation Date:	31-Dec-17	31-Dec-17	31-Dec-17
<u>Methods and assumptions used to determine contribution rates:</u>			
Asset valuation method	Fair Value	Smoothed market value	Adjusted market value within a corridor range of 90% to 110% of fair market value.
Actuarial cost method	Entry Age Service	Entry Age Service	Entry Age Service
Amortization method	Level percentage of payroll, closed.	Level percentage of payroll, closed.	Level percentage of payroll, closed.
Inflation	2.75%	3.00%	4.00%
Investment rate of return	7.25%	7.75%	7.50%
Administrative expense	Assumed to be 0.60% of payroll.	Assumed to be 1.55% of payroll.	Assumed to be 0.95% of payroll.
Salary increases	2.75%, plus promotion, step and longevity increases that vary by service	3% plus promotion, step and longevity increase	4.00% per annum for wage inflation. 3.0% grading down to 0.00% per annum for longevity and promotion based on years of service. The total annual assumed salary increase for wage inflation plus longevity and promotion is based on years of service.
Mortality rates	RP-2000 Mortality Table, projected to 2024 using Scale AA, with the separate rates for males and females.	RP-2000 Mortality Table, projected to 2024 using Scale AA, with the separate rates for males and females.	RP-2014 Blue Collar Mortality Table adjusted backward to 2006 with Scale MP-2014 and projected generationally with Scale MP-2016.

REQUIRED OPEB SUPPLEMENTARY INFORMATION

*Schedule of Changes in Total OPEB Liability and Related Ratios
For the Last Measurement Year*

	<u>2017</u>
Total OPEB Liability	
Service cost	\$ 571,322
Interest on the total OPEB Liability	311,717
Difference between expected and actual experience	48,153
Changes of assumption	433,248
Benefit payments	(244,096)
Net change in total OPEB liability	<u>1,120,344</u>
Total OPEB liability - beginning	<u>8,017,923</u>
Total OPEB liability - ending	<u><u>\$ 9,138,267</u></u>
 Covered payroll	 \$ 39,330,779
 Total OPEB liability as a percentage of covered payroll	 23.23%

The amounts presented are for each measurement year, which end the preceding December 31 of the City's fiscal year end. Total OPEB liability is calculated using a new methodology and will be presented prospectively in accordance with GASB 75. Ten years of data should be presented in this schedule but data was unavailable prior to 2017.

Notes to Schedule:

Changes of assumption: Changes of assumption reflects the effect of changes in the discount rate each period. The following are the discount rates used in each period:

2017	3.31%
2016	3.81%

Combining and Individual Fund Statements and Schedules

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2018 Comprehensive Annual Financial Report



PRELIMINARY

PRELIMINARY

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NON-MAJOR GOVERNMENTAL FUNDS**SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for the proceeds of specific revenue sources legally restricted to expenditures for specific purposes.

Island Transit – To account for the receipt of and expenditure of federal, state, and local revenues designated for transit and other livable community projects.

Rosenberg Library Fund – To account for ad valorem taxes collected and transferred to the library, to be used for library purposes, as authorized by City Charter.

Parks and Recreation Improvement Fund – To account for receipt and expenditure of intergovernmental revenues designated for parks and recreation improvements.

Housing & Urban Development (HUD) Entitlement Grants Fund – To account for receipt and expenditure of annual federal CDBG Entitlement and HOME Investment Partnership allocations.

Project Specific Programs – To account for receipt and expenditures designated for governmental special projects; including Police/Fire general projects, Fire special revenue, Courts general projects, and other parks general projects.

Convention Center Operations Fund – To account for operating and capital reserves relating to the convention center.

Cable Television Public Education & Government Fund – To account for receipt and expenditures of public-access television tax revenue provided for the purpose of public, educational, and governmental information.

CDBG Disaster Fund Housing – To account for receipt and expenditure of federal revenue designated for disaster relief, long-term recovery, and restoration of housing including affordable rental housing in declared federal disaster areas in 2008.

Parking Management Fund – To account for receipts of downtown parking revenue and expenditures related to the operation and capital improvement of the downtown area.

Seawall Parking Fund – To account for net receipts of seawall parking revenue in excess of Park Board expenditures related to the operation of the seawall and beach. Balances can only be allocated by the City Council for capital improvements to the seawall and beach.

Arts and Historical Fund – To account for receipts of the 1/8 percent hotel occupancy tax, to be used for advertisement and capital repairs to historical buildings and statues.

Neighborhood Revitalization Fund – To account for receipt and expenditure of monies from the Industrial Development Board of the City of Galveston to be used for Capital Projects.

Public Safety Programs – To account for receipt and expenditures of federal, state and/or local grant monies restricted for governmental public safety programs and capital projects.

Infrastructure & Debt Service Fund – To account for receipt and expenditures restricted for governmental infrastructure capital projects as defined by the City Charter.

Judicial Programs – To account for receipt and expenditures designated for governmental judicial capital projects, including court building security and technology, and youth after-school programs.

Convention Center Surplus Fund – To account for local hotel occupancy tax allocated to operations and capital projects that enhance and promote tourism and the convention and hotel industry.

Lasker Pool - To account for receipts and expenditures for City pool operations.

Pension Reform Fund - To account for funds set aside to be used for reforming the City's three pension plans.

Settlement and Capital Reserve Fund – To account for receipt and expenditures committed for governmental projects.

Separation Pay Fund – To account for the final payout of employees accrued benefits at the separation of employment.

Revenue Producing Parks Fund – To account for receipts and expenditures of revenue generating parks.

Technology Replacement Fund – To account for City resources from other funds used to implement new and or upgraded computer hardware and software systems.

Hurricane Harvey Fund – To account for receipt and expenditures of grant monies restricted for Hurricane Harvey recovery efforts.

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary and trust funds.

Island Transit Capital Projects – To account for capital outlay related to the Island Transit operations.

Industrial Development Corporation Beach Renourishment Fund – To account for project costs renourish beaches as financed by the IDC and directed by the voters.

Industrial Development Corporation Economic Development Fund – To account for economic development projects as financed by the IDC and directed by the voters.

Industrial Development Corporation Parks Improvement Fund – To account for improvements to City parks financed by the IDC and directed by the voters.

Industrial Development Corporation Infrastructure Fund – To account for streets, drainage and sewer system improvement projects financed by the IDC and directed by the voters.

DEBT SERVICE FUNDS

Debt service funds are used to account for the accumulation of resources for debt service fund and payment of general long-term debt, principal, interest and related costs.

Debt Service Fund – To account for the payment of interest and principal on all property tax-supported general obligation long-term debt of the City. Water and sewer supported general obligation refunding bond debt service payment are paid by the respective enterprise fund. City bonds issued on behalf of the Wharves Authority are paid here and reimbursed by the Authority..

Hotel Occupancy Tax Debt Service Fund – To account for the accumulation of hotel occupancy taxes to fund reserves and debt service payments for bonds issued to build the convention center and adjoining parking garage.

PRELIMINARY

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BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
 September 30, 2018

	Island Transit	Rosenberg Library Fund	Parks and Recreation Improvement Fund	Housing & Urban Development Entitlement Grants Fund
Assets				
Cash and cash equivalents	\$ 200	\$ -	\$ 24,769	\$ 1,286,118
Receivables (net of allowance for uncollectibles)	84,897	100,247	-	14,161
Due from other governments	670,000	-	8,865	1,056,120
Due from other funds	-	-	-	-
Inventories	310,764	-	-	-
Prepaid Items	20,992	-	-	1,681
Total Assets	<u>1,086,853</u>	<u>100,247</u>	<u>33,634</u>	<u>2,358,080</u>
Liabilities				
Accounts payable	150,297	-	-	61,485
Accrued expenditures	-	-	-	-
Due to other funds	619,825	17,295	8,865	1,119,152
Due to other governments	-	-	-	4,528
Due to component units	-	-	-	-
Unearned revenue	-	-	-	1,172,915
Total Liabilities	<u>770,122</u>	<u>17,295</u>	<u>8,865</u>	<u>2,358,080</u>
Deferred Inflows of Resources				
Unavailable revenue - property taxes	-	82,952	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>82,952</u>	<u>-</u>	<u>-</u>
Fund Balance				
Nonspendable:				
Inventories	310,764	-	-	-
Prepaid items	20,992	-	-	1,681
Restricted:				
Debt service	-	-	-	-
Beach preservation	-	-	-	-
Infrastructure and debt service	-	-	-	-
Capital projects	-	-	-	-
Grants	-	-	-	-
Tourism, convention and hotel industry:				
Convention center operator	-	-	-	-
City of Galveston	-	-	-	-
Committed:				
Governmental projects	-	-	-	-
Assigned:				
Other	-	-	24,769	-
Unassigned	(15,025)	-	-	(1,681)
Total Fund Balance	<u>316,731</u>	<u>-</u>	<u>24,769</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 1,086,853</u>	<u>\$ 100,247</u>	<u>\$ 33,634</u>	<u>\$ 2,358,080</u>

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BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2018

	Arts and Historical Fund	Neighborhood Revitalization	Public Safety Programs	Convention Center Surplus Fund
Assets				
Cash and cash equivalents	\$ 975,186	\$ 697,344	\$ 622,494	\$ 482,228
Receivables (net of allowance for uncollectibles)	-	-	3,116	-
Due from other governments	-	-	258,451	39,317
Due from other funds	24,558	-	-	1,372,217
Inventories	-	-	-	-
Prepaid items	-	449	-	-
Total Assets	<u>999,744</u>	<u>697,793</u>	<u>884,061</u>	<u>1,893,762</u>
Liabilities				
Accounts payable	-	-	14,042	16,062
Accrued expenditures	-	29,851	-	-
Due to other funds	-	-	257,643	-
Due to other governments	-	-	-	-
Due to component unit	-	-	-	-
Unearned revenue	-	-	201,027	-
Total Liabilities	<u>-</u>	<u>29,851</u>	<u>472,712</u>	<u>16,062</u>
Deferred Inflows of Resources				
Unavailable revenue - property taxes	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance				
Nonspendable:				
Inventories	-	-	-	-
Prepaid items	-	449	-	-
Restricted:				
Debt service	-	-	-	-
Beach preservation	-	-	-	-
Infrastructure and debt service	-	-	-	-
Capital projects	-	-	-	-
Grants	-	-	411,349	-
Tourism, convention and hotel industry:				
Convention center operator	-	-	-	1,877,700
City of Galveston	-	-	-	-
Committed:				
Governmental projects	-	-	-	-
Assigned:				
Other	999,744	667,493	-	-
Unassigned	-	-	-	-
Total Fund Balance	<u>999,744</u>	<u>667,942</u>	<u>411,349</u>	<u>1,877,700</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 999,744</u>	<u>\$ 697,793</u>	<u>\$ 884,061</u>	<u>\$ 1,893,762</u>

Infrastructure and Debt Service Fund	Judicial Programs	Lasker Pool	Pension Reform Fund	Settlement and Capital Reserve Fund	Separation Pay Fund
\$ 3,816,746	\$ 288,104	\$ 346,192	\$ 1,062,370	\$ 4,302,815	\$ 316,758
-	-	-	-	-	-
-	-	-	-	-	-
46,749	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>3,863,495</u>	<u>288,104</u>	<u>346,192</u>	<u>1,062,370</u>	<u>4,302,815</u>	<u>316,758</u>
331,385	321	14,302	8,754	586,422	-
27,348	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>358,733</u>	<u>321</u>	<u>14,302</u>	<u>8,754</u>	<u>586,422</u>	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,504,762	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	3,716,393	-
-	287,783	331,890	1,053,616	-	316,758
-	-	-	-	-	-
<u>3,504,762</u>	<u>287,783</u>	<u>331,890</u>	<u>1,053,616</u>	<u>3,716,393</u>	<u>316,758</u>
<u>\$ 3,863,495</u>	<u>\$ 288,104</u>	<u>\$ 346,192</u>	<u>\$ 1,062,370</u>	<u>\$ 4,302,815</u>	<u>\$ 316,758</u>

BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
 September 30, 2018

	Revenue Producing Parks	Technology Replacement Fund	Hurricane Harvey Fund	Island Transit Capital Projects
Assets				
Cash and cash equivalents	\$ 114,080	\$ 1,179,720	\$ 372,676	\$ 4,043,970
Receivables (net of allowance for uncollectibles)	8,500	-	-	-
Due from other governments	-	-	106,623	583,812
Due from other funds	-	-	-	-
Inventories	-	-	-	-
Prepaid items	-	-	-	-
Total Assets	<u>122,580</u>	<u>1,179,720</u>	<u>479,299</u>	<u>4,627,782</u>
Liabilities				
Accounts payable	180	53,152	24,366	311,137
Accrued expenditures	-	-	-	239,786
Due to other funds	-	-	6,577	-
Due to other governments	-	-	-	-
Due to component unit	-	-	-	-
Unearned revenue	5,667	-	23,578	42,137
Total Liabilities	<u>5,847</u>	<u>53,152</u>	<u>54,521</u>	<u>593,060</u>
Deferred Inflows of Resources				
Unavailable revenue - property taxes	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance				
Nonspendable:				
Inventories	-	-	-	-
Prepaid items	-	-	-	-
Restricted:				
Debt service	-	-	-	-
Beach preservation	-	-	-	-
Infrastructure and debt service	-	-	-	-
Capital projects	-	-	-	4,034,722
Grants	-	-	-	-
Tourism, convention and hotel industry:				
Convention center operator	-	-	-	-
City of Galveston	-	-	-	-
Committed:				
Governmental projects	-	-	-	-
Assigned:				
Other	116,733	1,126,568	424,778	-
Unassigned	-	-	-	-
Total Fund Balance	<u>116,733</u>	<u>1,126,568</u>	<u>424,778</u>	<u>4,034,722</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 122,580</u>	<u>\$ 1,179,720</u>	<u>\$ 479,299</u>	<u>\$ 4,627,782</u>

Industrial Development Corporation Beach Renourishment Fund	Industrial Development Corporation Economic Development Fund	Industrial Development Corporation Parks Improvement Fund	Industrial Development Corporation Infrastructure Fund	Debt Service Fund	Hotel Occupancy Tax Debt Service Fund	Total
\$ 4,581,552	\$ 4,481,575	\$ 2,839,824	\$ 3,398,992	\$ 3,724,000	\$ 2,750,651	\$ 49,154,905
-	-	-	-	96,201	-	355,252
231,401	231,401	231,401	231,401	-	-	7,861,434
627	627	627	627	-	-	1,446,032
-	-	-	-	-	-	310,764
-	-	-	-	-	-	23,122
4,813,580	4,713,603	3,071,852	3,631,020	3,820,201	2,750,651	59,151,509
2,641	307,927	29,263	97,142	-	-	4,465,023
-	16,072	138,350	133,744	-	-	585,151
-	-	-	-	-	-	4,976,611
-	-	-	-	-	-	4,528
-	-	-	-	-	-	1,690,134
-	-	-	-	2,106,667	-	3,636,786
2,641	323,999	167,613	230,886	2,106,667	-	15,358,233
-	-	-	-	96,201	-	179,153
-	-	-	-	96,201	-	179,153
-	-	-	-	-	-	310,764
-	-	-	-	-	-	23,122
-	-	-	-	1,617,333	2,750,651	4,367,984
-	-	-	-	-	-	1,358,515
-	-	-	-	-	-	3,504,762
4,810,939	4,389,604	2,904,239	3,400,134	-	-	19,539,638
-	-	-	-	-	-	411,349
-	-	-	-	-	-	3,130,596
-	-	-	-	-	-	1,473,585
-	-	-	-	-	-	4,160,382
-	-	-	-	-	-	5,350,132
-	-	-	-	-	-	(16,706)
4,810,939	4,389,604	2,904,239	3,400,134	1,617,333	2,750,651	43,614,123
\$ 4,813,580	\$ 4,713,603	\$ 3,071,852	\$ 3,631,020	\$ 3,820,201	\$ 2,750,651	\$ 59,151,509

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2018

	Island Transit	Rosenberg Library Fund	Parks and Recreation Improvement Fund	Housing & Urban Development Entitlement Grants Fund
Revenues				
Property taxes	\$ -	\$ 2,836,405	\$ -	\$ -
Sales and use taxes	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	1,099,833	-	-	-
Investment earnings	-	-	-	-
Intergovernmental	2,292,569	-	379,874	1,705,741
Other	46,560	-	-	-
Total revenues	<u>3,438,962</u>	<u>2,836,405</u>	<u>379,874</u>	<u>1,705,741</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and roads	-	-	-	-
Culture and recreation	-	2,836,405	74,740	-
Planning and community development	-	-	-	1,033,155
Transportation	4,441,795	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital Outlay	-	-	-	655,313
Total expenditures	<u>4,441,795</u>	<u>2,836,405</u>	<u>74,740</u>	<u>1,688,468</u>
Excess (deficiency) of revenues over (under) expenditures	(1,002,833)	-	305,134	17,273
Other Financing Sources (Uses)				
Sale of capital assets	13,595	-	-	-
Transfers in	1,287,407	-	-	-
Transfers (out)	(111,317)	-	-	-
Total other financing sources (uses)	<u>1,189,685</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	186,852	-	305,134	17,273
Fund balance - beginning	129,879	-	(280,365)	7,171
Prior period adjustments	-	-	-	(24,444)
Fund balance - ending	<u>\$ 316,731</u>	<u>\$ -</u>	<u>\$ 24,769</u>	<u>\$ -</u>

Project Specific Programs	Convention Center Operations Fund	Cable Television Public Education & Government Fund	CDBG Disaster Fund Housing	Parking Management Fund	Seawall Parking Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	8,531,889	-	-	-	-
8,675	-	-	-	-	-
23,264	-	155,792	-	803,066	133,786
8,579	24,079	11,767	-	8,544	14,324
104,854	-	-	14,770	-	-
106,017	1,299,262	-	-	-	-
251,389	9,855,230	167,559	14,770	811,610	148,110
-	-	-	-	-	-
11,422	-	-	-	-	2,500
-	-	-	-	-	-
16,212	8,743,501	8,443	-	514,204	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
175,691	630,431	18,553	-	18,928	-
203,325	9,373,932	26,996	-	533,132	2,500
48,064	481,298	140,563	14,770	278,478	145,610
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(1,065)	-
-	-	-	-	(1,065)	-
48,064	481,298	140,563	14,770	277,413	145,610
371,725	771,598	693,768	(14,770)	361,841	1,212,905
24,200	-	-	-	-	-
\$ 443,989	\$ 1,252,896	\$ 834,331	\$ -	\$ 639,254	\$ 1,358,515

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2018

	Arts and Historical	Neighborhood Revitalization	Public Safety Programs	Convention Center Surplus Fund
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales and use taxes	259,473	-	-	2,722,705
Fines and forfeitures	-	-	-	-
Charges for services	-	-	88,458	-
Investment earnings	-	17,008	6,411	-
Intergovernmental	-	-	359,512	-
Other	-	-	8,580	-
Total revenues	<u>259,473</u>	<u>17,008</u>	<u>462,961</u>	<u>2,722,705</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	540,685	-
Highways and roads	-	-	-	-
Culture and recreation	12,694	-	-	1,063,275
Planning and community development	-	256,785	-	-
Transportation	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital Outlay	-	882,604	10,260	72,842
Total expenditures	<u>12,694</u>	<u>1,139,389</u>	<u>550,945</u>	<u>1,136,117</u>
Excess (deficiency) of revenues over (under) expenditures	246,779	(1,122,381)	(87,984)	1,586,588
Other Financing Sources (Uses)				
Sale of capital assets	-	-	-	-
Transfers in	-	-	120,646	-
Transfers (out)	-	-	-	(775,207)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>120,646</u>	<u>(775,207)</u>
Net change in fund balance	246,779	(1,122,381)	32,662	811,381
Fund balance - beginning	752,965	1,790,323	378,443	1,066,319
Prior period adjustments	-	-	244	-
Fund balance - ending	<u>\$ 999,744</u>	<u>\$ 667,942</u>	<u>\$ 411,349</u>	<u>\$ 1,877,700</u>

Infrastructure and Debt Service Fund	Judicial Programs	Lasker Pool	Pension Reform Fund	Recovery and Capital Reserve Fund	Separation Pay Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	82,175	-	-	-	-
-	-	98,657	-	-	-
65,081	4,566	5,697	26,305	-	-
10,000	-	-	-	-	-
-	-	-	-	-	-
<u>75,081</u>	<u>86,741</u>	<u>104,354</u>	<u>26,305</u>	<u>-</u>	<u>-</u>
-	56,821	-	1,153,247	1,275,180	431,680
-	-	-	-	-	-
865,041	-	-	-	-	-
-	-	382,739	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,374,068	-	5,360	-	41,602	-
<u>4,239,109</u>	<u>56,821</u>	<u>388,099</u>	<u>1,153,247</u>	<u>1,316,782</u>	<u>431,680</u>
(4,164,028)	29,920	(283,745)	(1,126,942)	(1,316,782)	(431,680)
-	-	-	-	-	-
3,275,010	-	250,000	-	-	541,730
-	-	(30,000)	(75,000)	-	-
<u>3,275,010</u>	<u>-</u>	<u>220,000</u>	<u>(75,000)</u>	<u>-</u>	<u>541,730</u>
(889,018)	29,920	(63,745)	(1,201,942)	(1,316,782)	110,050
4,393,780	257,863	395,635	2,255,558	5,033,175	206,708
-	-	-	-	-	-
<u>\$ 3,504,762</u>	<u>\$ 287,783</u>	<u>\$ 331,890</u>	<u>\$ 1,053,616</u>	<u>\$ 3,716,393</u>	<u>\$ 316,758</u>

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2018

	Revenue Producing Parks	Technology Replacement Fund	Hurricane Harvey Fund	Island Transit Capital Projects
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales and use taxes	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	194,974	-	-	-
Investment earnings	691	13,238	-	65,900
Intergovernmental	-	-	534,793	1,217,574
Other	-	-	154,393	19,249
Total revenues	<u>195,665</u>	<u>13,238</u>	<u>689,186</u>	<u>1,302,723</u>
Expenditures				
Current:				
General government	-	43,426	-	-
Public safety	-	-	-	-
Highways and roads	-	-	-	-
Culture and recreation	63,047	-	-	-
Planning and community development	-	-	259,237	-
Transportation	-	-	-	11,629
Debt Service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital Outlay	<u>-</u>	<u>280,935</u>	<u>31,254</u>	<u>1,591,659</u>
Total expenditures	<u>63,047</u>	<u>324,361</u>	<u>290,491</u>	<u>1,603,288</u>
Excess (deficiency) of revenues over (under) expenditures	132,618	(311,123)	398,695	(300,565)
Other Financing Sources (Uses)				
Sale of capital assets	-	-	-	-
Transfers in	-	469,600	26,083	355,139
Transfers (out)	(15,885)	-	-	(3,944)
Total other financing sources (uses)	<u>(15,885)</u>	<u>469,600</u>	<u>26,083</u>	<u>351,195</u>
Net change in fund balance	116,733	158,477	424,778	50,630
Fund balance - beginning	-	968,091	-	3,984,092
Prior period adjustments	-	-	-	-
Fund balance - ending	<u>\$ 116,733</u>	<u>\$ 1,126,568</u>	<u>\$ 424,778</u>	<u>\$ 4,034,722</u>

Industrial Development Corporation Beach Renourishment Fund	Industrial Development Corporation Economic Development Fund	Industrial Development Corporation Parks Improvement Fund	Industrial Development Corporation Infrastructure Fund	Debt Service Fund	Hotel Occupancy Tax Debt Service Fund	Total
\$ -	\$ -	\$ -	\$ -	\$ 3,951,345	\$ -	\$ 6,787,750
1,339,043	1,339,043	1,339,043	1,339,044	-	1,765,343	18,635,583
-	-	-	-	-	-	90,850
-	-	-	-	-	-	2,597,830
65,918	80,975	50,982	53,599	53,619	34,924	612,207
-	-	-	-	2,885,900	-	9,505,587
22,460	-	-	62,024	-	-	1,718,545
1,427,421	1,420,018	1,390,025	1,454,667	6,890,864	1,800,267	39,948,352
-	-	-	-	-	-	2,960,354
-	-	-	-	-	-	554,607
-	-	-	-	-	-	865,041
441,741	-	262,662	-	-	-	14,419,663
-	1,231,649	-	439,689	-	-	3,220,515
-	-	-	-	-	-	4,453,424
-	-	-	-	5,658,170	920,000	6,578,170
-	-	-	-	1,285,639	868,013	2,153,652
-	1,068,001	2,323,417	1,522,228	-	-	12,703,146
441,741	2,299,650	2,586,079	1,961,917	6,943,809	1,788,013	47,908,572
985,680	(879,632)	(1,196,054)	(507,250)	(52,945)	12,254	(7,960,220)
-	-	-	-	-	-	13,595
-	-	-	-	-	-	6,325,615
-	-	(250,000)	-	-	-	(1,262,418)
-	-	(250,000)	-	-	-	5,076,792
985,680	(879,632)	(1,446,054)	(507,250)	(52,945)	12,254	(2,883,428)
3,825,259	5,269,236	4,350,293	3,907,384	1,670,278	2,738,397	46,497,551
-	-	-	-	-	-	-
\$ 4,810,939	\$ 4,389,604	\$ 2,904,239	\$ 3,400,134	\$ 1,617,333	\$ 2,750,651	\$ 43,614,123

SPECIAL REVENUE FUND - ISLAND TRANSIT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended September 30, 2018

	Budgeted Amounts Final	Actual	Variance with Final Budget
Revenues			
Charges for services	\$ 1,506,000	\$ 1,099,833	\$ (406,167)
Intergovernmental	1,518,000	2,292,569	774,569
Other	-	46,560	46,560
Total revenues	<u>3,024,000</u>	<u>3,438,962</u>	<u>414,962</u>
Expenditures			
Current:			
Transportation	4,553,112	4,441,795	111,317
Total expenditures	<u>4,553,112</u>	<u>4,441,795</u>	<u>111,317</u>
Revenues over (under) expenditures	<u>(1,529,112)</u>	<u>(1,002,833)</u>	<u>526,279</u>
Other Financing Sources (Uses)			
Sale of capital assets	-	13,595	13,595
Transfers in	1,363,686	1,176,090	(187,596)
Total other financing sources (uses)	<u>1,363,686</u>	<u>1,189,685</u>	<u>(174,001)</u>
Changes in fund balance	<u>(165,426)</u>	<u>186,852</u>	<u>352,278</u>
Fund balance - beginning	<u>129,879</u>	<u>129,879</u>	<u>-</u>
Fund balance - ending	<u>\$ (35,547)</u>	<u>\$ 316,731</u>	<u>\$ 352,278</u>

PRELIMINARY

SPECIAL REVENUE FUND - ROSENBERG LIBRARY
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended September 30, 2018

	Budgeted Amounts Final	Actual	Variance with Final Budget
Revenues			
Property taxes	\$ 2,853,700	\$ 2,836,405	\$ (17,295)
Total revenues	<u>2,853,700</u>	<u>2,836,405</u>	<u>(17,295)</u>
Expenditures			
Current:			
Culture and recreation	2,853,700	2,836,405	17,295
Total expenditures	<u>2,853,700</u>	<u>2,836,405</u>	<u>17,295</u>
Changes in fund balance	-	-	-
Fund balance - beginning	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PRELIMINARY

DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended September 30, 2018

	Budgeted Amounts Final	Actual	Variance with Final Budget
Revenues			
Property taxes	\$ 3,998,400	\$ 3,951,345	\$ (47,055)
Investment earnings	30,000	53,619	23,619
Wharves Authority	2,886,900	2,885,900	(1,000)
Total revenues	<u>6,915,300</u>	<u>6,890,864</u>	<u>(24,436)</u>
Expenditures			
Debt Service:			
Principal	5,658,170	5,658,170	-
Interest and other charges	1,286,389	1,285,639	750
Total expenditures	<u>6,944,559</u>	<u>6,943,809</u>	<u>750</u>
Changes in fund balance	(29,259)	(52,945)	(23,686)
Fund balance - beginning	<u>1,670,278</u>	<u>1,670,278</u>	<u>-</u>
Fund balance - ending	<u>\$ 1,641,019</u>	<u>\$ 1,617,333</u>	<u>\$ (23,686)</u>

PRELIMINARY

CITY OF GALVESTON, TEXAS

OTHER ENTERPRISE FUNDS

To account for operations that are financed and operated in a manner similar to private business enterprises – (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through the user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Sanitation Services – To account for the provision of a sanitation system to the residents of the City, including but not limited to administration, operations, maintenance, financing and related debt services, and billing and collections.

Drainage Utility – To account for the provision of a utility drainage system to the residents of the City, including but not limited to administration, operations, maintenance, financing and related debt services, and billing and collections.

Airport – To account for the provision of a municipal airport including but not limited to administration, operations, maintenance, financing and related debt services, and billing and collections.

PRELIMINARY

COMBINING STATEMENT OF NET POSITION
OTHER ENTERPRISE FUNDS
September 30, 2018

	Sanitation	Drainage	Airport	Total
Assets				
Current assets:				
Cash and cash equivalents	\$ 1,059,174	\$ 1,923,321	\$ 832,006	\$ 3,814,501
Accounts Receivable, net of allowance for doubtful accounts	1,496,588	498,196	159,326	2,154,110
Due from other funds	407,090	-	-	407,090
Restricted cash and investments	-	274,205	1,037,873	1,312,078
Total current assets	<u>2,962,852</u>	<u>2,695,722</u>	<u>2,029,205</u>	<u>7,687,779</u>
Non-current assets:				
Capital assets not being depreciated:				
Land and improvements	-	-	1,230,764	1,230,764
Construction in progress	-	2,245,341	1,437,995	3,683,336
Capital assets (net of depreciation):				
Infrastructure	41,108	6,013,176	15,860,828	21,915,112
Buildings and improvements	391,063	-	2,724,958	3,116,021
Equipment and furniture	21,998	1,282,362	40,097	1,344,457
Licensed vehicles	2,571,250	606,816	-	3,178,066
Total non-current assets	<u>3,025,419</u>	<u>10,147,695</u>	<u>21,294,642</u>	<u>34,467,756</u>
Total Assets	<u>5,988,271</u>	<u>12,843,417</u>	<u>23,323,847</u>	<u>42,155,535</u>
Deferred Outflows of Resources				
Deferred outflows relating to pension activities	407,621	197,745	57,528	662,894
Total Deferred Outflows of Resources	<u>407,621</u>	<u>197,745</u>	<u>57,528</u>	<u>662,894</u>
Liabilities				
Current liabilities:				
Accounts payable and accrued expenses	109,805	126,281	3,372	239,458
Due to other funds	10,036	-	-	10,036
Due to other governments	298,629	3	13,509	312,141
Unearned revenue	21,588	-	-	21,588
Total current Liabilities	<u>440,058</u>	<u>126,284</u>	<u>16,881</u>	<u>583,223</u>
Non-current liabilities:				
Due within one year	163,321	49,768	16,460	229,549
Due in more than one year	303,903	113,857	29,162	446,922
Net pension liability	1,325,524	643,040	187,074	2,155,638
Total non-current Liabilities	<u>1,792,748</u>	<u>806,665</u>	<u>232,696</u>	<u>2,832,109</u>
Total Liabilities	<u>2,232,806</u>	<u>932,949</u>	<u>249,577</u>	<u>3,415,332</u>
Deferred Inflows of Resources				
Deferred inflows relating to pension activities	211,258	102,486	29,815	343,559
Total Deferred Inflows of Resources	<u>211,258</u>	<u>102,486</u>	<u>29,815</u>	<u>343,559</u>
Net Position				
Net investment in capital assets	3,025,418	10,076,579	21,294,642	34,396,639
Restricted for capital projects	-	274,205	1,037,873	1,312,078
Unrestricted	926,410	1,654,943	769,468	3,350,821
Total Net Position	<u>\$ 3,951,828</u>	<u>\$ 12,005,727</u>	<u>\$ 23,101,983</u>	<u>\$ 39,059,538</u>

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
OTHER ENTERPRISE FUNDS**

For the Year Ended September 30, 2018

	Sanitation	Drainage	Airport	Total
Operating Revenues				
Charges for services	\$ 6,288,401	\$ 2,825,365	\$ 956,569	\$ 10,070,335
Total operating revenues	<u>6,288,401</u>	<u>2,825,365</u>	<u>956,569</u>	<u>10,070,335</u>
Operating Expenses				
Personnel services	3,220,288	1,388,551	421,368	5,030,207
Contractual services	2,160,858	327,069	185,172	2,673,099
Supplies and materials	88,354	47,508	86,681	222,543
Other expenses	25,301	44,318	9,629	79,248
Depreciation	919,257	728,680	912,485	2,560,422
Total operating expenses	<u>6,414,058</u>	<u>2,536,126</u>	<u>1,615,335</u>	<u>10,565,519</u>
Operating income (loss)	<u>(125,657)</u>	<u>289,239</u>	<u>(658,766)</u>	<u>(495,184)</u>
Non-Operating Revenues (Expenses)				
Intergovernmental revenue	-	-	821,854	821,854
Interest and investment revenue	21,823	33,053	34,334	89,210
Gain (loss) on disposal of capital assets	874	(100,311)	849	(98,588)
Total non-operating revenue (expenses)	<u>22,697</u>	<u>(67,258)</u>	<u>857,037</u>	<u>812,476</u>
Income (loss) before contributions and transfers	<u>(102,960)</u>	<u>221,981</u>	<u>198,271</u>	<u>317,292</u>
Capital contributions	755,571	662,470	-	1,418,041
Transfers in	-	506,347	1,074,941	1,581,288
Transfers (out)	(662,724)	(441,531)	(1,261,847)	(2,366,102)
Change in net position	<u>(10,113)</u>	<u>949,267</u>	<u>11,365</u>	<u>950,519</u>
Net position - beginning	<u>4,239,687</u>	<u>11,244,186</u>	<u>23,090,618</u>	<u>38,574,491</u>
Prior period adjustments	<u>(277,746)</u>	<u>(187,726)</u>	<u>-</u>	<u>(465,472)</u>
Net position - ending	<u>\$ 3,951,828</u>	<u>\$ 12,005,727</u>	<u>\$ 23,101,983</u>	<u>\$ 39,059,538</u>

PRELIMINARY

**COMBINING STATEMENT OF CASH FLOWS
OTHER ENTERPRISE FUNDS**
For the Year Ended September 30, 2018

	Sanitation	Drainage	Airport	Total
Cash Flows from Operating Activities:				
Receipts from customers and users	\$ 6,089,756	\$ 2,781,696	\$ 924,506	\$ 9,795,958
Disbursed for personnel services	(3,151,668)	(1,457,380)	(444,073)	(5,053,121)
Disbursed for goods and services	(2,448,716)	(413,075)	(302,088)	(3,163,879)
Net cash provided (used) by operating activities	<u>489,372</u>	<u>911,241</u>	<u>178,345</u>	<u>1,578,958</u>
Cash Flows from Non-Capital Financial Activities:				
Transfers from other funds	-	-	799,941	799,941
Transfers to other funds	(662,724)	(683,069)	(1,091,847)	(2,437,640)
Net cash provided (used) by noncapital financing activities	<u>(662,724)</u>	<u>(683,069)</u>	<u>(291,906)</u>	<u>(1,637,699)</u>
Cash Flows from Capital and Related Financing Activities:				
Capital grants	-	-	821,854	821,854
Acquisition and construction of capital assets	(785,401)	47,648	(1,205,386)	(1,943,139)
Net cash used by capital and related financing activities	<u>(785,401)</u>	<u>47,648</u>	<u>(383,532)</u>	<u>(1,121,285)</u>
Cash Flows from Investing Activities				
Interest received	21,823	33,053	34,334	89,210
Net cash provided (used) by investing activities	<u>21,823</u>	<u>33,053</u>	<u>34,334</u>	<u>89,210</u>
Net increase (decrease) in cash and equivalents	<u>(936,930)</u>	<u>308,873</u>	<u>(462,759)</u>	<u>(1,090,816)</u>
Cash and equivalents, beginning of year	1,996,104	1,888,653	2,332,638	6,217,395
Cash and equivalents, at end of year	<u>\$ 1,059,174</u>	<u>\$ 2,197,526</u>	<u>\$ 1,869,879</u>	<u>\$ 5,126,579</u>
Unrestricted cash and equivalents	\$ 1,059,174	\$ 1,923,321	\$ 832,006	3,814,501
Restricted cash and equivalents	-	274,205	1,037,873	1,312,078
	<u>\$ 1,059,174</u>	<u>\$ 2,197,526</u>	<u>\$ 1,869,879</u>	<u>\$ 5,126,579</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	\$ (125,657)	\$ 289,239	\$ (658,766)	(495,184)
Adjustments to reconcile operating income to cash provided by operating activities:				
Depreciation	919,257	728,680	912,485	2,560,422
(Increase) decrease in accounts receivable	(198,645)	(43,669)	(32,063)	(274,377)
(Increase) decrease in interfund receivables and payables	174	-	-	174
(Increase) decrease in deferred outflows/inflows relating to pension activities	293,337	179,541	55,987	528,865
Increase (decrease) in accounts payable and accrued expenses	(180,739)	5,821	(19,895)	(194,813)
Increase (decrease) in compensated absences payable	48,458	5,489	7,235	61,182
Increase (decrease) in deferred revenue	6,363	-	(712)	5,651
Increase (decrease) in net pension liability	(273,176)	(253,860)	(85,926)	(612,962)
Net cash provided by operating activities	<u>\$ 489,372</u>	<u>\$ 911,241</u>	<u>\$ 178,345</u>	<u>\$ 1,578,958</u>
Non-cash Transactions:				
Capital asset transfers in/(out)	\$ -	\$ 465,942	\$ 105,000	\$ 570,942
Contributed capital	<u>\$ 755,571</u>	<u>\$ 1,400,122</u>	<u>\$ -</u>	<u>\$ 2,155,693</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
COMBINED UTILITY SYSTEM**

For the Year Ended September 30, 2018

	Budgeted Amounts Final	Actual Amounts		Actual - Budgetary Basis	Variance with Final Budget
		Actual	Reconciling Items		
Operating Revenues					
Charges for services	\$ 37,600,060	\$ 38,278,753	\$ -	\$ 38,278,753	\$ 678,693
Total operating revenues	<u>37,600,060</u>	<u>38,278,753</u>	<u>-</u>	<u>38,278,753</u>	<u>678,693</u>
Operating Expenses					
Personnel services	7,390,219	7,167,827	(31,669) ¹	7,136,158	254,061
Contractual services	3,232,764	2,820,748	-	2,820,748	412,016
Supplies and materials	2,817,380	2,345,890	-	2,345,890	471,490
Surface water contract	11,493,433	8,070,256	2,528,754 ²	10,599,010	894,423
Other expenses	1,742,061	736,053	-	736,053	1,006,008
Capital outlay	1,302,009	-	704,255 ³	704,255	597,754
Depreciation	-	8,199,066	(8,199,066) ⁴	-	-
Total operating expenses	<u>27,977,866</u>	<u>29,339,840</u>	<u>(4,997,726)</u>	<u>24,342,114</u>	<u>3,635,752</u>
Operating income (loss)	<u>9,622,194</u>	<u>8,938,913</u>	<u>4,997,726</u>	<u>13,936,639</u>	<u>4,314,445</u>
Non-Operating Revenues (Expenses)					
Intergovernmental revenue	-	62,558	-	62,558	62,558
Interest and investment revenue	89,360	909,147	-	909,147	819,787
Principal expenditure	(3,646,830)	-	(3,646,553) ²	(3,646,553)	277
Gain (loss) on disposal of capital assets	-	(10,329)	-	(10,329)	(10,329)
Interest expense	(3,040,564)	(2,515,579)	292,714 ⁵	(2,222,865)	817,699
Total non-operating revenue (expenses)	<u>(6,598,034)</u>	<u>(1,554,203)</u>	<u>(3,353,839)</u>	<u>(4,908,042)</u>	<u>1,689,992</u>
Income (loss) before contributions and transfers	<u>3,024,160</u>	<u>7,384,710</u>	<u>1,643,887</u>	<u>9,028,597</u>	<u>6,004,437</u>
Capital contributions	-	12,170,855	(12,170,855) ⁶	-	-
Transfers (out)	(3,996,836)	(3,606,112)	-	(3,606,112)	390,724
Change in net position	<u>(972,676)</u>	<u>16,119,453</u>	<u>(10,696,968)</u>	<u>5,422,485</u>	<u>6,395,161</u>
Total net position - beginning	<u>230,279,807</u>	<u>230,279,807</u>	<u>-</u>	<u>230,279,807</u>	<u>-</u>
Prior period adjustments	-	(757,237)	757,237 ³	-	-
Total net position - ending	<u>\$ 229,307,131</u>	<u>\$ 245,642,023</u>	<u>\$ (9,939,731)</u>	<u>\$ 235,702,292</u>	<u>\$ 6,395,161</u>

1) This represents the accrual for compensated absences which is not a budgeted item.

2) This represents the principal payments on long-term debt which are budgeted as expenses (see Note 8).

3) Capital outlay is budgeted as an expenditure but is capitalized and depreciated for GAAP basis.

4) These items are non-cash expenses and therefore are not budgeted.

5) This represents the amortization of deferred charge on bond issuance and bond issuance premiums which are non-cash expenses and therefore not budgeted.

6) This represents the capital outlay paid for by governmental funds on behalf of the proprietary funds which are budgeted on the respective governmental fund, if applicable.

7) This represents transfers of capital assets from other funds which is not a budgeted item.

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
SANITATION SERVICES**

For the Year Ended September 30, 2018

	Budgeted Amounts Final	Actual Amounts		Actual - Budgetary Basis	Variance with Final Budget
		Actual	Reconciling Items		
Operating Revenues					
Charges for services	\$ 6,161,627	\$ 6,288,401	\$ -	\$ 6,288,401	\$ 126,774
Total operating revenues	<u>6,161,627</u>	<u>6,288,401</u>	<u>-</u>	<u>6,288,401</u>	<u>126,774</u>
Operating Expenses					
Personnel services	3,155,058	3,220,288	(48,458) ¹	3,171,830	(16,772)
Contractual services	2,139,290	2,160,858	-	2,160,858	(21,568)
Supplies and materials	85,687	88,354	-	88,354	(2,667)
Other expenses	393,574	25,301	-	25,301	368,273
Capital outlay	852,487	-	310,712 ²	310,712	541,775
Depreciation	-	919,257	(919,257) ³	-	-
Total operating expenses	<u>6,626,096</u>	<u>6,414,058</u>	<u>(657,003)</u>	<u>5,757,055</u>	<u>869,041</u>
Operating income (loss)	<u>(464,469)</u>	<u>(125,657)</u>	<u>657,003</u>	<u>531,346</u>	<u>995,815</u>
Non-Operating Revenues (Expenses)					
Interest and investment revenue	4,440	21,823	-	21,823	17,383
Gain (loss) on disposal of capital assets	-	874	-	874	874
Total non-operating revenue (expenses)	<u>4,440</u>	<u>22,697</u>	<u>-</u>	<u>22,697</u>	<u>18,257</u>
Income (loss) before contributions and transfers	<u>(460,029)</u>	<u>(102,960)</u>	<u>657,003</u>	<u>554,043</u>	<u>1,014,072</u>
Capital contributions	-	755,571	(755,571) ⁴	-	-
Transfers (out)	(297,200)	(662,724)	-	(662,724)	(365,524)
Change in net position	<u>(757,229)</u>	<u>(10,113)</u>	<u>(98,568)</u>	<u>(108,681)</u>	<u>648,548</u>
Total net position - beginning	<u>4,239,687</u>	<u>4,239,687</u>	<u>-</u>	<u>4,239,687</u>	<u>-</u>
Prior period adjustments	-	(277,746)	277,746 ³	-	-
Total net position - ending	<u>\$ 3,482,458</u>	<u>\$ 3,951,828</u>	<u>\$ 179,178</u>	<u>\$ 4,131,006</u>	<u>\$ 648,548</u>

1) This represents the accrual for compensated absences which is not a budgeted item.

2) Capital outlay is budgeted as an expenditure but is capitalized and depreciated for GAAP basis.

3) These items are non-cash expenses and therefore are not budgeted.

4) This represents the capital outlay paid for by governmental funds on behalf of the proprietary funds which are budgeted on the respective governmental fund, if applicable.

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
DRAINAGE UTILITY**

For the Year Ended September 30, 2018

	Budgeted Amounts Final	Actual Amounts		Actual - Budgetary Basis	Variance with Final Budget
		Actual	Reconciling Items		
Operating Revenues					
Charges for services	\$ 2,902,480	\$ 2,825,365	\$ -	\$ 2,825,365	\$ (77,115)
Total operating revenues	<u>2,902,480</u>	<u>2,825,365</u>	<u>-</u>	<u>2,825,365</u>	<u>(77,115)</u>
Operating Expenses					
Personnel services	1,755,041	1,388,551	(5,489) ¹	1,383,062	371,979
Contractual services	450,236	327,069	-	327,069	123,167
Supplies and materials	145,800	47,508	-	47,508	98,292
Other expenses	138,641	44,318	-	44,318	94,323
Capital outlay	450,319	-	310,712 ²	310,712	139,607
Depreciation	-	728,680	(728,680) ³	-	-
Total operating expenses	<u>2,940,037</u>	<u>2,536,126</u>	<u>(423,457)</u>	<u>2,112,669</u>	<u>827,368</u>
Operating income (loss)	<u>(37,557)</u>	<u>289,239</u>	<u>423,457</u>	<u>712,696</u>	<u>750,253</u>
Non-Operating Revenues (Expenses)					
Interest and investment revenue	6,000	33,053	-	33,053	27,053
Gain (loss) on disposal of capital assets	-	(100,311)	-	(100,311)	(100,311)
Total non-operating revenue (expenses)	<u>6,000</u>	<u>(67,258)</u>	<u>-</u>	<u>(67,258)</u>	<u>(73,258)</u>
Income (loss) before contributions and transfers	<u>(31,557)</u>	<u>221,981</u>	<u>423,457</u>	<u>645,438</u>	<u>676,995</u>
Capital contributions	-	1,143,498	(1,143,498) ⁴	-	-
Transfers (out)	(90,200)	(441,531)	-	(441,531)	(351,331)
Change in net position	<u>(121,757)</u>	<u>949,267</u>	<u>(720,041)</u>	<u>229,226</u>	<u>350,983</u>
Total net position - beginning	<u>11,244,186</u>	<u>11,244,186</u>	<u>-</u>	<u>11,244,186</u>	<u>-</u>
Prior period adjustments	-	(187,726)	187,726 ³	-	-
Total net position - ending	<u>\$ 11,122,429</u>	<u>\$ 12,005,727</u>	<u>\$ (532,315)</u>	<u>\$ 11,473,412</u>	<u>\$ 350,983</u>

1) This represents the accrual for compensated absences which is not a budgeted item.

2) Capital outlay is budgeted as an expenditure but is capitalized and depreciated for GAAP basis.

3) These items are non-cash expenses and therefore are not budgeted.

4) This represents the capital outlay paid for by governmental funds on behalf of the proprietary funds which are budgeted on the respective governmental fund, if applicable.

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
AIRPORT**

For the Year Ended September 30, 2018

	Budgeted Amounts Final	Actual Amounts		Actual - Budgetary Basis	Variance with Final Budget
		Actual	Reconciling Items		
Operating Revenues					
Charges for services	\$ 1,048,729	\$ 956,569	\$ -	\$ 956,569	\$ (92,160)
Total operating revenues	<u>1,048,729</u>	<u>956,569</u>	<u>-</u>	<u>956,569</u>	<u>(92,160)</u>
Operating Expenses					
Personnel services	456,411	421,368	(7,235) ¹	414,133	42,278
Contractual services	191,447	185,172	-	185,172	6,275
Supplies and materials	93,093	86,681	-	86,681	6,412
Other expenses	228,328	9,629	-	9,629	218,699
Capital outlay	64,700	-	556,324 ²	556,324	(491,624)
Depreciation	-	912,485	(912,485) ³	-	-
Total operating expenses	<u>1,033,979</u>	<u>1,615,335</u>	<u>(363,396)</u>	<u>1,251,939</u>	<u>(217,960)</u>
Operating income (loss)	<u>14,750</u>	<u>(658,766)</u>	<u>363,396</u>	<u>(295,370)</u>	<u>(310,120)</u>
Non-Operating Revenues (Expenses)					
Intergovernmental revenue	50,000	821,854	-	821,854	771,854
Interest and investment revenue	7,000	34,334	-	34,334	27,334
Total non-operating revenue (expenses)	<u>57,000</u>	<u>857,037</u>	<u>-</u>	<u>857,037</u>	<u>800,037</u>
Income (loss) before contributions and transfers	<u>71,750</u>	<u>198,271</u>	<u>363,396</u>	<u>561,667</u>	<u>489,917</u>
Capital contributions	-	-	-	-	-
Transfers in	-	1,074,941	(567,626)	507,315	507,315
Transfers (out)	(871,571)	(1,261,847)	(705,283)	(1,967,130)	(1,095,559)
Change in net position	<u>(799,821)</u>	<u>11,365</u>	<u>(909,513)</u>	<u>(898,148)</u>	<u>(98,327)</u>
Total net position - beginning	<u>23,090,618</u>	<u>23,090,618</u>	<u>-</u>	<u>23,090,618</u>	<u>-</u>
Total net position - ending	<u>\$ 22,290,797</u>	<u>\$ 23,101,983</u>	<u>\$ (909,513)</u>	<u>\$ 22,192,470</u>	<u>\$ (98,327)</u>

1) This represents the accrual for compensated absences which is not a budgeted item.

2) Capital outlay is budgeted as an expenditure but is capitalized and depreciated for GAAP basis.

3) These items are non-cash expenses and therefore are not budgeted.

INTERNAL SERVICE FUNDS

To account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis.

Central Garage – To account for the financing of garage activities through charges to user departments.

Casualty and Liability Insurance – To account for City casualty and liability insurance costs and financing through charges to user departments.

Central Service – To account for the financing of providing mailing, printing and data processing services to user departments.

Construction Management – To account for the financing of construction project oversight.

Workers' Compensation Insurance – To account for City workers' compensation insurance costs and financing through charges to user departments.

Health and Life Insurance – To account for City health and life insurance costs and financing through charges to user departments and participating agencies including the Park Board and Wharves Authority.

PRELIMINARY

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
September 30, 2018

	Central Garage	Casualty & Liability Insurance	Central Service	Construction Management
Assets				
Current assets:				
Cash and cash equivalents	\$ 1,334,291	\$ 3,005,509	\$ 744,243	\$ -
Accounts receivable, net of allowance for doubtful accounts	67,825	-	-	-
Due from other funds	6,577	-	-	25,028
Due from other governments	-	-	-	304,953
Due from component units	-	-	-	-
Inventories	307,355	-	4,299	-
Prepaid items	-	407,875	23,876	-
Restricted cash and investments	-	-	435,418	-
Total current assets	<u>1,716,048</u>	<u>3,413,384</u>	<u>1,207,836</u>	<u>329,981</u>
Non-current assets:				
Capital assets not being depreciated:				
Construction in progress	-	-	917,021	-
Capital assets (net of depreciation):				
Buildings and improvements	-	-	4,130,465	-
Equipment and furniture	85,930	-	214,071	-
Licensed vehicles	258,103	-	102,664	-
Total non-current assets	<u>344,033</u>	<u>-</u>	<u>5,364,221</u>	<u>-</u>
Total Assets	<u>2,060,081</u>	<u>3,413,384</u>	<u>6,572,057</u>	<u>329,981</u>
Deferred Outflows of Resources				
Deferred outflows relating to OPEB	-	-	-	-
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities				
Current liabilities:				
Accounts payable and accrued expenses	81,984	32,040	61,415	812
Due to other funds	-	-	-	84,944
Total current liabilities	<u>81,984</u>	<u>32,040</u>	<u>61,415</u>	<u>85,756</u>
Non-current liabilities:				
Due within one year	67,737	10,297	232,505	1,294
Due in more than one year	166,625	39,535	564,598	237,118
Total OPEB liability	-	-	-	-
Total non-current liabilities	<u>234,362</u>	<u>49,832</u>	<u>797,103</u>	<u>238,412</u>
Total Liabilities	<u>316,346</u>	<u>81,872</u>	<u>858,518</u>	<u>324,168</u>
Net Position				
Net investment in capital assets	344,033	-	5,364,221	-
Restricted for capital projects	-	-	-	-
Unrestricted	1,399,702	3,331,512	349,318	5,813
Total Net Position	<u>\$ 1,743,735</u>	<u>\$ 3,331,512</u>	<u>\$ 5,713,539</u>	<u>\$ 5,813</u>

Workers' Compensation Insurance	Health and Life Insurance	Total
\$ 2,538,380	\$ 1,575,757	\$ 9,198,180
-	707,192	775,017
-	-	31,605
-	-	304,953
-	158,660	158,660
-	-	311,654
-	-	431,751
-	-	435,418
<u>2,538,380</u>	<u>2,441,609</u>	<u>11,647,238</u>
-	-	917,021
-	-	4,130,465
-	-	300,001
-	-	360,767
-	-	5,708,254
<u>2,538,380</u>	<u>2,441,609</u>	<u>17,355,492</u>
-	594,750	594,750
-	594,750	594,750
45,042	144,315	365,608
-	-	84,944
<u>45,042</u>	<u>144,315</u>	<u>450,552</u>
145,899	908,253	1,365,985
456,500	-	1,464,376
-	9,138,267	9,138,267
<u>602,399</u>	<u>10,046,520</u>	<u>11,968,628</u>
<u>647,441</u>	<u>10,190,835</u>	<u>12,419,180</u>
-	-	5,708,254
-	-	-
1,890,939	(7,154,476)	(177,192)
<u>\$ 1,890,939</u>	<u>\$ (7,154,476)</u>	<u>\$ 5,531,062</u>

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2018

	Central Garage	Casualty & Liability Insurance	Central Service	Construction Management
Operating Revenues				
Charges for services	\$ 4,554,147	\$ -	\$ 2,142,714	\$ 951,727
Total operating revenues	<u>4,554,147</u>	<u>-</u>	<u>2,142,714</u>	<u>951,727</u>
Operating Expenses				
Personnel services	1,268,136	152,577	1,469,381	832,311
Contractual services	492,761	24,524	540,018	100,913
Supplies and materials	2,353,570	1,014	434,032	9,088
Insurance claims and premiums	-	1,613,948	-	-
Other expenses	755	-	1,035	-
Depreciation	81,351	-	336,938	-
Total operating expenses	<u>4,196,573</u>	<u>1,792,063</u>	<u>2,781,404</u>	<u>942,312</u>
Operating income (loss)	<u>357,574</u>	<u>(1,792,063)</u>	<u>(638,690)</u>	<u>9,415</u>
Non-Operating Revenues (Expenses)				
Interest and investment revenue	22,981	43,261	15,672	68
Insurance proceeds	70,027	-	-	-
Interest expense	-	-	(24,710)	-
Gain (loss) on disposal of capital assets	14,347	-	8,442	-
Total non-operating revenue (expenses)	<u>107,355</u>	<u>43,261</u>	<u>(596)</u>	<u>68</u>
Income (loss) before capital contributions and transfers	<u>464,929</u>	<u>(1,748,802)</u>	<u>(639,286)</u>	<u>9,483</u>
Transfers in	-	2,060,399	1,189,060	-
Transfers (out)	(606,462)	-	(320,656)	(9,415)
Change in net position	<u>(141,533)</u>	<u>311,597</u>	<u>229,118</u>	<u>68</u>
Total net position - beginning	<u>1,885,268</u>	<u>3,019,915</u>	<u>5,484,421</u>	<u>5,745</u>
Prior period adjustments	-	-	-	-
Total net position - ending	<u>\$ 1,743,735</u>	<u>\$ 3,331,512</u>	<u>\$ 5,713,539</u>	<u>\$ 5,813</u>

Workers' Compensation Insurance	Health and Life Insurance	Total
\$ 602,543	\$ 8,580,312	\$ 16,831,443
602,543	8,580,312	16,831,443
-	-	3,722,405
-	-	1,158,216
-	-	2,797,704
452,739	9,471,018	11,537,705
-	489,711	491,501
-	-	418,289
452,739	9,960,729	20,125,820
149,804	(1,380,417)	(3,294,377)
38,741	29,640	150,363
-	-	70,027
-	-	(24,710)
-	-	22,789
38,741	29,640	218,469
188,545	(1,350,777)	(3,075,908)
-	-	3,249,459
-	-	(936,533)
188,545	(1,350,777)	(762,982)
1,702,394	(1,834,765)	10,262,978
-	(3,968,934)	(3,968,934)
\$ 1,890,939	\$ (7,154,476)	\$ 5,531,062

PRELIMINARY

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2018

	Central Garage	Casualty & Liability Insurance	Central Service	Construction Management
Cash Flows from Operating Activities:				
Receipts from customers and users	\$ 4,560,843	\$ -	\$ 2,143,151	\$ 714,455
Disbursed for personnel services	(1,249,607)	(148,961)	(1,462,731)	(744,111)
Disbursed for goods and services	(2,998,747)	(1,666,874)	(978,212)	(24,737)
Net cash provided (used) by operating activities	312,489	(1,815,835)	(297,792)	(54,393)
Cash Flows from Non-Capital Financing Activities:				
Transfers from other funds	-	2,060,399	1,189,060	-
Transfers to other funds	(468,606)	-	(320,656)	(9,415)
Net cash provided (used) by noncapital financing activities	(468,606)	2,060,399	868,404	(9,415)
Cash Flows from Capital and Related Financing Activities:				
Proceeds from the sale of equipment	14,347	-	8,442	-
Capital grants	-	-	-	-
Insurance proceeds	70,027	-	-	-
Principal payments on debt	-	-	(114,743)	-
Interest payments on debt	-	-	(24,710)	-
Acquisition and construction of capital assets	(127,276)	-	(347,187)	-
Net cash provided (used) by capital and related financing activities	(42,902)	-	(478,198)	-
Cash Flows from Investing Activities				
Interest received	22,981	43,261	15,672	68
Net cash provided (used) by investing activities	22,981	43,261	15,672	68
Net increase/(decrease) in cash and equivalents	(176,038)	287,825	108,086	(63,740)
Cash and equivalents, beginning of year	1,510,329	2,717,684	1,071,575	63,740
Cash and equivalents, at end of year	\$ 1,334,291	\$ 3,005,509	\$ 1,179,661	\$ -
Unrestricted cash and equivalents	\$ 1,334,291	\$ 3,005,509	\$ 744,243	\$ -
Restricted cash and equivalents	-	-	435,418	-
	<u>\$ 1,334,291</u>	<u>\$ 3,005,509</u>	<u>\$ 1,179,661</u>	<u>\$ -</u>
Reconciliation of operating income to net cash provided by operating activities				
Operating income (loss)	357,574	(1,792,063)	(638,690)	9,415
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	81,351	-	336,938	-
(Increase) decrease in accounts receivable	13,273	-	437	(212,444)
(Increase) decrease in inventory	(10,641)	-	(1,098)	-
(Increase) decrease in prepaid items	-	(6,332)	35,372	-
(Increase) decrease in interfund receivables and payables	(6,577)	-	-	59,916
(Increase) decrease in deferred outflows related to OPEB	-	-	-	-
Increase (decrease) in accounts payable	(141,020)	(21,056)	(37,401)	520
Increase (decrease) in claims payable	-	-	-	-
Increase (decrease) in compensated absences payable	18,529	3,616	6,650	88,200
Increase (decrease) in total OPEB liability	-	-	-	-
Net cash provided (used) by operating activities	\$ 312,489	\$ (1,815,835)	\$ (297,792)	\$ (54,393)
Non-cash Transactions:				
Depreciable asset transfers out	\$ 137,856	\$ -	\$ -	\$ -

Workers' Compensation Insurance	Health and Life Insurance	Total
\$ 602,543	\$ 8,097,593	\$ 16,118,585
-	-	(3,605,410)
(487,092)	(9,413,458)	(15,569,120)
<u>115,451</u>	<u>(1,315,865)</u>	<u>(3,055,945)</u>
-	-	3,249,459
-	-	(798,677)
-	-	<u>2,450,782</u>
-	-	22,789
-	-	-
-	-	70,027
-	-	(114,743)
-	-	(24,710)
-	-	(474,463)
-	-	(521,100)
38,741	29,640	150,363
<u>38,741</u>	<u>29,640</u>	<u>150,363</u>
154,192	(1,286,225)	(975,900)
2,384,188	2,861,982	10,609,498
<u>\$ 2,538,380</u>	<u>\$ 1,575,757</u>	<u>\$ 9,633,598</u>
\$ 2,538,380	\$ 1,575,757	\$ 9,198,180
-	-	435,418
<u>\$ 2,538,380</u>	<u>\$ 1,575,757</u>	<u>\$ 9,633,598</u>
149,804	(1,380,417)	(3,294,377)
-	-	418,289
-	(482,719)	(681,453)
-	-	(11,739)
-	-	29,040
-	-	53,339
-	(594,750)	(594,750)
(50,874)	(76,060)	(325,891)
16,521	97,737	114,258
-	-	116,995
-	1,120,344	1,120,344
<u>\$ 115,451</u>	<u>\$ (1,315,865)</u>	<u>\$ (3,055,945)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 137,856</u>

PRELIMINARY

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FIDUCIARY FUNDS

To account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. These funds include Pension Trust and Agency Funds.

Pension Trust – To account for the accumulation of resources to be used for retirement annuity payments at appropriate amounts and times in the future. These funds are reported on a calendar year basis for the year ended December 31, 2017.

Agency – Custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

PRELIMINARY

FIDUCIARY FUNDS
COMBINING STATEMENT OF NET POSITION
 December 31, 2017

	City of Galveston Employee's Retirement Plan for Employees	Galveston Firefighters' Pension Fund	City of Galveston Employee's Retirement Plan for Police	Total
Assets				
Cash and temporary investments	\$ -	\$ 544,593	\$ -	\$ 544,593
Receivables				
Interest and dividends	25,937	75,337	55,327	156,601
Loans to participants	-	-	206,345	206,345
Prepaid items		10,550	-	10,550
Investments				
Money market funds	1,106,040	-	741,018	1,847,058
U.S. Government agencies	-	-	1,284	1,284
Bonds	-	-	5,726,292	5,726,292
Common stocks	-	12,833,857	-	12,833,857
Equity mutual funds	36,298,060	19,615,282	13,561,122	69,474,464
Bond mutual funds	14,146,089	-	-	14,146,089
Alternative investments	-	10,483,050	278,349	10,761,399
Real estate	-	1,089,331	-	1,089,331
Total Assets	<u>51,576,126</u>	<u>44,652,000</u>	<u>20,569,737</u>	<u>116,797,863</u>
Liabilities				
Accounts payable	25,833	360	25,580	51,773
Total Liabilities	<u>25,833</u>	<u>360</u>	<u>25,580</u>	<u>51,773</u>
Net Position - Restricted for Pension Benefits				
Held in trust for benefits and other purposes	51,550,293	44,651,640	20,544,157	116,746,090
Total Net Position - Restricted for Pension Benefits	<u>\$ 51,550,293</u>	<u>\$ 44,651,640</u>	<u>\$ 20,544,157</u>	<u>\$ 116,746,090</u>

FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended December 31, 2017

	City of Galveston Employee's Retirement Plan for Employees	Galveston Firefighters' Pension Fund	City of Galveston Employee's Retirement Plan for Police	Total
Additions				
Contributions:				
Employer	\$ 2,274,927	\$ 1,091,996	\$ 1,486,691	\$ 4,853,614
Plan members	1,518,519	1,247,995	1,371,859	4,138,373
Total contributions	3,793,446	2,339,991	2,858,550	8,991,987
Investment Earnings:				
Net increase (decrease) in fair value of investments	5,502,162	5,610,208	2,271,032	13,383,402
Interest and dividends	957,079	945,298	392,083	2,294,460
Less investment expenses	(102,845)	(173,725)	(55,169)	(331,739)
Net investment income (loss)	6,356,396	6,381,781	2,607,946	15,346,123
Other income	-	62,951	-	62,951
Total Additions	10,149,842	8,784,723	5,466,496	24,401,061
Deductions				
Benefits paid to members and beneficiaries	4,106,737	3,226,439	4,548,030	11,881,206
Refunds of contributions	-	917,536	-	917,536
Administrative expenses	133,006	144,582	159,126	436,714
Total Deductions	4,239,743	4,288,557	4,707,156	13,235,456
Change in net position	5,910,099	4,496,166	759,340	11,165,605
Net position - restricted for pensions, beginning of year	45,640,194	40,155,474	19,784,817	105,580,485
Net position - restricted for pensions, end of year	\$ 51,550,293	\$ 44,651,640	\$ 20,544,157	\$ 116,746,090

AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Year Ended September 30, 2018

	September 30, 2017	Additions	Deletions	September 30, 2018
Assets				
Cash and temporary investments	\$ 749,395	\$ 460,022	\$ (444,739)	\$ 764,678
Total Assets	<u>749,395</u>	<u>460,022</u>	<u>(444,739)</u>	<u>764,678</u>
Liabilities				
Accounts and refunds payable	749,395	438,128	(422,845)	764,678
Total Liabilities	<u>\$ 749,395</u>	<u>\$ 438,128</u>	<u>\$ (422,845)</u>	<u>\$ 764,678</u>

PRELIMINARY

DISCRETELY PRESENTED COMPONENT UNITS

The following statements combine information from each of the City's eight discretely presented component units.

PRELIMINARY

DISCRETELY PRESENTED COMPONENT UNITS
COMBINING STATEMENT OF NET POSITION
September 30, 2018

	Park Board of Trustees	Galveston Island Redevelopment Authority	Campeche Shores - Public Improvement District No. 1	Beachside Village - Public Improvement District
Assets				
Current assets:				
Cash and cash equivalents	\$ 10,191,308	\$ 2,904,176	\$ -	\$ 1,274
Investments	2,014,901	-	-	-
Accounts receivable, net of allowance for doubtful accounts	1,794,147	-	66,736	-
Inventories	12,129	-	-	-
Prepaid items	378,978	-	-	-
Other	8,238	-	-	-
Restricted cash and temporary investments	-	-	-	-
Total current assets	14,399,701	2,904,176	66,736	1,274
Non-current assets:				
Net investment in direct financing and capital leases	-	-	-	-
Capital assets not being depreciated	1,476,225	-	-	-
Capital assets (net of accumulated depreciation)	326,328,162	-	-	-
Total non-current assets	327,804,387	-	-	-
Total Assets	342,204,088	2,904,176	66,736	1,274
Deferred Outflows of Resources				
Deferred charge on refunding	-	31,235	-	-
Deferred outflows relating to pension activities	-	-	-	-
Total Deferred Outflows of Resources	-	31,235	-	-
Liabilities				
Current liabilities:				
Accounts payable and accrued expenses	1,741,719	6,274,282	-	1,274
Due to other governments	204,469	-	-	-
Interest payable	17,416	-	-	-
Deferred revenue	61,978	-	-	-
Total current liabilities	2,025,582	6,274,282	-	1,274
Non-current liabilities:				
Due within one year	662,299	455,000	-	-
Due in more than one year	3,455,969	19,427,110	-	-
Net pension liability	-	-	-	-
Total non-current liabilities	4,118,268	19,882,110	-	-
Total Liabilities	6,143,850	26,156,392	-	1,274
Deferred Inflows of Resources				
Deferred gain on refunding	-	-	-	-
Deferred inflows relating to pension activities	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Net Position				
Net investment in capital assets	323,910,178	-	-	-
Restricted:				
Debt service	662,391	490,715	-	-
Unrestricted	11,487,669	(23,711,696)	66,736	-
Total Net Position	\$ 336,060,238	\$ (23,220,981)	\$ 66,736	\$ -

*As of December 31, 2017

** As of December 31, 2016

Bayside at Waterman's - Public Improvement District	Board of Trustees of Galveston Wharves*	Galveston Housing Finance Corporation**	Galveston Property Finance Authority**	Total
\$ 1,068,862	\$ 7,511,560	\$ 79,120	\$ 872,523	\$ 22,628,823
-	-	-	-	2,014,901
-	14,383,460	-	-	16,244,343
-	-	-	-	12,129
-	581,835	-	-	960,813
-	-	-	-	8,238
-	18,442,889	-	-	18,442,889
1,068,862	40,919,744	79,120	872,523	60,312,136
-	1,858,697	-	-	1,858,697
-	31,142,447	70,903	-	32,689,575
6,282,117	116,677,997	-	-	449,288,276
6,282,117	149,679,141	70,903	-	483,836,548
7,350,979	190,598,885	150,023	872,523	544,148,684
127,049	-	-	-	158,284
-	1,409,876	-	-	1,409,876
127,049	1,409,876	-	-	1,568,160
-	5,579,045	-	-	13,596,320
-	188,793	-	-	393,262
-	661,213	-	-	678,629
-	2,075,676	-	-	2,137,654
-	8,504,727	-	-	16,805,865
150,000	7,260,265	-	-	8,527,564
9,150,000	36,505,594	-	-	68,538,673
-	3,525,318	-	-	3,525,318
9,300,000	47,291,177	-	-	80,591,555
9,300,000	55,795,904	-	-	97,397,420
-	3,854	-	-	3,854
-	79,853	-	-	79,853
-	83,707	-	-	83,707
(2,890,834)	110,603,904	-	-	431,623,248
-	11,995,924	-	-	13,149,030
1,068,862	13,529,322	150,023	872,523	3,463,439
<u>\$ (1,821,972)</u>	<u>\$ 136,129,150</u>	<u>\$ 150,023</u>	<u>\$ 872,523</u>	<u>\$ 448,235,717</u>

DISCRETELY PRESENTED COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2018

Functions/Programs	Expenses	Program Revenues			
		Charges for Services	Capital Grants and Contributions	Park Board of Trustees	Galveston Island Redevelopment Authority
Component Unit:					
Park Board of Trustees	\$ 33,227,620	\$ 7,101,851	\$ 1,123,281	\$ (25,002,488)	
Galveston Island Redevelopment Authority	2,277,490	-	-	-	(2,277,490)
Campeche Shores - Public Improvement District No. 1	92,816	-	-	-	
Beachside Village - Public Improvement District	87,934	-	-	-	
Bayside at Waterman's - Public Improvement District	999,857	-	-	-	
Board of Trustees of Galveston Wharves*	35,439,125	37,769,849	30,384		
Galveston Housing Finance Corporation**	17,658	-	-	-	
Galveston Property Finance Authority**	10,199	5,229	-	-	
	<u>\$ 72,152,699</u>	<u>\$ 44,876,929</u>	<u>\$ 1,153,665</u>	<u>(25,002,488)</u>	<u>(2,277,490)</u>
General revenues and extraordinary items					
Taxes:					
Property taxes				-	2,658,067
Hotel occupancy taxes				12,466,561	-
Special assessments				-	-
Miscellaneous				1,506,692	-
Unrestricted investment earnings				91,978	26,262
Total general revenues and extraordinary items				<u>14,065,231</u>	<u>2,684,329</u>
Change in net position				(10,937,257)	406,839
Net position (deficit) - beginning				346,997,495	(23,627,820)
Extraordinary item				-	-
Net position (deficit) - ending				<u>\$ 336,060,238</u>	<u>\$ (23,220,981)</u>

*For the Year Ended December 31, 2017

**For the Year Ended December 31, 2016

Net (Expense) Revenue and Changes in Net Position

Campeche Shores - Public Improvement District No. 1	Beachside Village - Public Improvement District	Bayside at Waterman's - Public Improvement District	Board of Trustees of Galveston Wharves*	Galveston Housing Finance Corporation**	Galveston Property Finance Authority**	Totals
						\$ (25,002,488)
						(2,277,490)
(92,816)						(92,816)
	(87,934)					(87,934)
		(999,857)				(999,857)
			2,361,108			2,361,108
				(17,658)		(17,658)
					(4,970)	(4,970)
(92,816)	(87,934)	(999,857)	2,361,108	(17,658)	(4,970)	(26,122,105)
-	-	-	-	-	-	2,658,067
-	-	-	-	-	-	12,466,561
88,200	87,934	864,249	-	-	-	1,040,383
-	-	-	-	2,228	-	1,508,920
-	-	19,165	347,353	13,728	-	498,486
88,200	87,934	883,414	347,353	15,956	-	18,172,417
(4,616)	-	(116,443)	2,708,461	(1,702)	(4,970)	(7,949,688)
71,352	-	(1,705,529)	133,858,270	151,725	877,493	456,622,986
-	-	-	(437,581)	-	-	(437,581)
\$ 66,736	\$ -	\$ (1,821,972)	\$ 136,129,150	\$ 150,023	\$ 872,523	\$ 448,235,717

PRELIMINARY

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UNAUDITED STATISTICAL SECTION

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City of Galveston's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and "well-being" have changed over time 141

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue sources: sales and property taxes..... 151

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. 157

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. 161

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. 165

PRELIMINARY

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS**

*Amounts in (000's)
(Accrual Basis of Accounting)
(Unaudited)*

	Fiscal Year			
	2009	2010	2011	2012
Governmental Activities				
Net investment in capital assets	\$ 49,607	\$ 98,300	\$ 98,510	\$ 90,856
Restricted	25,689	26,256	25,326	25,670
Unrestricted	18,853	26,157	10,861	31,737
Total governmental activities net position	<u>\$ 94,149</u>	<u>\$ 150,713</u>	<u>\$ 134,697</u>	<u>\$ 148,263</u>
Business-type Activities				
Net investment in capital assets	\$ 65,039	\$ 79,051	\$ 99,989	\$ 80,157
Restricted	7,173	10,949	11,886	11,920
Unrestricted	24,354	20,713	22,183	70,504
Total business-type net position	<u>\$ 96,566</u>	<u>\$ 110,713</u>	<u>\$ 134,058</u>	<u>\$ 162,581</u>
Primary government				
Net investment in capital assets	\$ 114,646	\$ 177,351	\$ 198,499	\$ 171,013
Restricted	32,862	37,205	37,212	37,590
Unrestricted	43,207	46,870	33,044	102,241
Total primary government net position	<u>\$ 190,715</u>	<u>\$ 261,426</u>	<u>\$ 268,755</u>	<u>\$ 310,844</u>

PRELIMINARY

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 102,988	\$ 110,071	\$ 113,903	\$ 131,335	\$ 143,928	\$ 137,078
22,388	26,170	35,409	32,732	34,360	55,659
33,857	30,237	(27,164)	(18,881)	(23,380)	(38,588)
<u>\$ 159,233</u>	<u>\$ 166,478</u>	<u>\$ 122,148</u>	<u>\$ 145,186</u>	<u>\$ 154,908</u>	<u>\$ 154,149</u>
\$ 181,656	\$ 181,656	\$ 178,032	\$ 193,491	\$ 199,744	\$ 216,437
21,326	21,326	18,097	15,706	51,635	40,459
18,221	18,220	39,681	45,169	20,156	25,162
<u>\$ 221,203</u>	<u>\$ 221,202</u>	<u>\$ 235,810</u>	<u>\$ 254,366</u>	<u>\$ 271,535</u>	<u>\$ 282,058</u>
\$ 284,644	\$ 291,727	\$ 291,935	\$ 324,826	\$ 343,672	\$ 353,515
43,714	47,496	53,506	48,438	85,995	96,118
52,078	48,457	12,517	26,288	(3,224)	(13,426)
<u>\$ 380,436</u>	<u>\$ 387,680</u>	<u>\$ 357,958</u>	<u>\$ 399,552</u>	<u>\$ 426,443</u>	<u>\$ 436,207</u>

PRELIMINARY

CHANGES IN NET POSITION*Last Ten Fiscal Years**Amounts in (000's)**(Accrual Basis of Accounting)**(Unaudited)*

	Fiscal Year			
	2009	2010	2011	2012
Expenses				
Governmental Activities:				
General government	\$ 5,742	\$ 8,484	\$ 7,413	\$ 5,164
Public Safety	29,390	29,180	27,056	26,919
Public works	69,234	25,590	23,631	6,925
Culture and recreation	10,764	8,289	8,820	9,672
Planning and community development	4,237	7,902	31,723	12,942
Transportation system	5,120	5,347	4,649	24,150
Interest on long-term debt	2,757	2,868	2,555	4,909
Total governmental activities expenses	127,244	87,660	105,847	90,681
Business-Type Activities:				
Combined utility system	22,960	25,367	26,577	24,992
Sanitation	3,907	3,999	4,108	4,176
Drainage	1,700	1,737	1,750	1,959
Airport	1,073	1,127	1,496	1,468
Total business-type activities expenses	29,640	32,230	33,931	32,595
Total primary government expenses	156,884	119,890	139,778	123,276
Program Revenues				
Governmental Activities:				
Charges for services:				
General government	1,628	1,717	1,841	2,159
Public safety	2,595	2,310	3,030	2,554
Public works	30	50	318	-
Culture and recreation	8	2	1	2
Planning and community development	1,890	1,282	1,441	1,379
Transportation system	461	508	650	840
Operating grants and contributions:				
General government	489	3,336	176	-
Public safety	1,646	5,234	537	181
Public works	76,730	37,424	281	-
Culture and recreation	980	963	734	116
Planning and community development	1,653	5,069	25,706	31,006
Transportation system	3,034	6,749	3,015	2,771
Capital grants and contributions:				
General government	316	-	-	-
Public safety	-	-	-	-
Public works	-	25,298	10,247	1,718
Culture and recreation	2	23	3	-
Planning and community development	-	-	12,398	23,385
Transportation system	448	2,934	1,392	3,525
Total governmental activities program revenues	91,910	92,899	61,770	69,636
Business-Type Activities				
Charges for services:				
Combined utility system	25,250	26,511	28,240	29,199
Sanitation	3,888	4,257	4,247	4,655
Drainage	2,418	2,567	2,507	2,517
Airport	783	1,312	804	1,186
Operating grants and contributions:				
Drainage	-	-	-	-
Airport	-	-	-	-
Capital grants and contributions:				
Combined utility system	-	-	-	1,628
Drainage	-	-	-	330
Airport	2,253	11,964	2,700	2,413
Total business-type activities program revenues	34,592	46,611	38,498	41,928
Total primary government program revenues	126,502	139,510	100,268	111,564
Net (Expense) Revenue				
Governmental activities	(35,334)	5,239	(44,077)	(21,045)
Business-type activities	4,952	14,381	4,567	9,333
Total primary government net (expense) revenue	\$ (30,382)	\$ 19,620	\$ (39,510)	\$ (11,712)

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 6,874	\$ 7,864	\$ 8,284	\$ 9,882	\$ 13,984	\$ 10,381
28,075	29,542	32,840	31,839	34,793	36,194
6,847	6,504	6,570	6,383	7,729	9,669
9,082	11,300	12,240	18,416	18,754	17,633
11,972	5,246	8,799	4,733	10,067	8,337
8,164	6,804	8,424	6,013	5,705	5,286
1,716	2,160	1,896	2,660	1,620	2,488
72,730	69,420	79,053	79,926	92,652	89,988
25,659	26,907	22,494	21,011	32,273	35,645
4,382	4,781	2,537	2,949	5,739	6,566
1,873	2,356	12,444	14,141	2,979	2,726
1,499	1,579	1,709	1,774	1,887	1,796
33,413	35,623	39,184	39,875	42,878	46,733
106,143	105,043	118,237	119,801	135,530	136,721
1,884	1,873	1,977	1,725	1,761	225
2,417	2,246	2,113	2,378	2,658	1,870
-	-	-	-	-	-
2	-	-	42	198	1,436
1,402	1,845	2,002	1,714	1,455	1,375
1,575	1,875	1,365	1,681	1,568	1,166
-	-	52	14	-	-
249	254	279	2,613	930	333
-	-	-	-	-	-
139	180	103	1,885	109	196
11,119	9,067	1,958	4,881	15,228	1,722
2,789	3,559	3,472	3,506	2,792	2,293
-	-	2,396	-	-	-
-	-	619	-	-	-
71	13	2,323	32	-	-
-	-	36	-	400	380
27,313	24,112	23,824	21,705	10,942	25,979
3,858	799	5,424	3,897	3,600	1,218
52,818	45,823	47,943	46,073	41,641	38,193
30,450	30,525	21,506	26,796	37,201	38,279
5,088	5,617	2,277	2,464	5,494	6,288
2,564	2,584	11,540	14,524	2,853	2,825
1,236	1,230	1,594	1,151	935	957
-	-	69	43	251	322
-	-	-	-	2,808	63
-	-	46	-	-	-
26	999	896	1,972	501	499
39,364	40,955	37,928	46,950	50,043	49,233
92,182	86,778	85,871	93,023	91,684	87,426
(19,912)	(23,597)	(31,110)	(33,853)	(51,011)	(51,795)
5,951	5,332	(1,256)	7,075	7,165	2,500
\$ (13,961)	\$ (18,265)	\$ (32,366)	\$ (26,778)	\$ (43,846)	\$ (49,295)

CHANGES IN NET POSITION*Last Ten Fiscal Years**Amounts in (000's)**(Accrual Basis of Accounting)**(Unaudited)*

	Fiscal Year			
	2009	2010	2011	2012
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property taxes	\$ 19,718	\$ 18,270	\$ 20,087	\$ 21,489
Sales and use taxes	18,588	15,705	16,589	17,712
Hotel occupancy taxes	3,742	4,058	4,722	5,507
Franchise taxes	4,807	4,756	5,009	5,073
Payments in lieu of taxes	120	120	120	119
Unrestricted investment earnings	219	115	89	122
Miscellaneous	418	438	1,113	3,418
Impairment of capital assets due to Hurricane Ike	1,112	-	-	-
Insurance proceeds	4,863	7,170	-	-
Transfers	562	695	(18,863)	(18,830)
Total governmental activities general revenues and other changes in net position	54,149	51,327	28,866	34,610
Business-Type Activities:				
Net gain on sale of asset	877	169	-	-
Unrestricted investment earnings	28	106	155	132
Miscellaneous	-	-	158	228
Impairment of capital assets due to Hurricane Ike	-	(34)	-	-
Insurance proceeds	3,509	220	-	-
Transfers	(562)	(695)	18,863	18,830
Total business-type activities general revenues and other changes in net position	3,852	(234)	19,176	19,190
Total primary government general revenues and other changes in net position	58,001	51,093	48,042	53,800
Changes in Net Position:				
Governmental activities	18,815	56,566	(15,211)	13,565
Business-type activities	8,804	14,147	23,743	28,523
Total primary government changes in net position	\$ 27,619	\$ 70,713	\$ 8,532	\$ 42,088

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 21,988	\$ 22,920	\$ 23,272	\$ 25,963	\$ 28,509	\$ 31,846
18,638	19,978	20,588	20,956	21,143	21,425
5,500	6,092	7,068	11,782	11,731	13,279
5,043	5,267	5,245	5,386	5,563	6,605
125	165	207	268	289	167
179	120	299	492	444	1,462
2,535	927	523	3,038	1,699	1,971
-	-	-	-	-	-
-	-	7,111	-	-	-
(23,124)	(23,601)	(18,951)	(29,007)	(9,260)	(9,368)
30,884	31,868	45,362	38,878	60,118	67,387
-	-	-	-	273	(109)
153	54	179	154	281	998
4,075	165	30	1	189	1
-	-	-	-	-	-
-	-	-	-	-	-
23,124	23,601	18,951	29,007	9,260	9,368
27,352	23,820	19,160	29,162	10,003	10,258
58,236	55,688	64,522	68,040	70,121	77,645
10,972	8,270	14,252	5,024	5,024	15,592
33,303	29,153	17,904	36,238	36,238	12,758
\$ 44,275	\$ 37,423	\$ 32,156	\$ 41,262	\$ 41,262	\$ 28,350

FUND BALANCES OF GOVERNMENTAL FUNDS*Last Ten Fiscal Years**(Modified Accrual Basis of Accounting)**(Unaudited)*

	Fiscal Year			
	2009	2010	2011	2012
General fund				
Nonspendable:				
Inventories	\$ -	\$ -	\$ -	\$ -
Prepaid items	100,407	101,738	88,521	49,626
Restricted:				
Debt service	-	-	-	363,296
Committed:				
Other	-	-	363,296	-
Assigned:				
Emergency reserves	2,825,226	3,025,226	3,402,225	3,425,226
Unassigned	13,751,737	8,580,214	6,588,090	12,939,901
Total General fund	<u>\$ 16,677,370</u>	<u>\$ 11,707,178</u>	<u>\$ 10,442,132</u>	<u>\$ 16,778,049</u>
All other governmental funds				
Nonspendable:				
Inventories	\$ 363,212	\$ 193,611	\$ 151,858	\$ 148,976
Prepaid items	-	-	-	-
Restricted:				
Debt service	7,603,944	7,643,345	8,447,339	12,515,705
Beach preservation	-	-	-	4,921,580
Infrastructure and debt service	-	-	-	-
Capital projects	14,662,428	16,854,667	29,207,678	15,276,707
Grants	-	-	-	8,782,571
Other	176,765	287,163	-	-
Convention Center Operator	-	-	-	-
City of Galveston	-	-	-	-
Committed:				
Governmental projects	1,552,638	2,680,920	2,145,641	1,834,852
Assigned:				
Other	33,210,416	30,831,813	-	-
Unassigned	-	-	(147,964)	(188,367)
Total all other governmental funds	<u>\$ 57,569,403</u>	<u>\$ 58,491,519</u>	<u>\$ 39,804,552</u>	<u>\$ 43,292,024</u>

Note: In conforming to provisions of GASB Statement No. 54, fund balances of prior periods were restated to the new fund balance classifications.

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47,206	85,379	92,764	88,427	79,354	91,435
363,296	2,519,528	-	-	-	-
-	-	-	-	-	-
3,575,226	3,575,226	3,575,226	3,575,226	11,968,618	13,550,627
14,751,167	13,706,159	14,989,479	16,995,557	5,738,923	6,179,328
<u>\$ 18,736,895</u>	<u>\$ 19,886,292</u>	<u>\$ 18,657,469</u>	<u>\$ 20,659,210</u>	<u>\$ 17,786,895</u>	<u>\$ 19,821,390</u>
\$ 162,672	\$ 259,579	\$ 264,300	\$ 294,596	\$ 129,879	\$ 310,764
-	-	249,875	-	-	23,122
12,749,073	6,634,959	5,139,884	4,254,333	4,408,675	4,367,984
968,854	3,228,192	864,030	1,056,745	1,212,904	1,358,515
-	-	-	-	4,393,781	3,504,762
21,195,867	20,634,660	26,858,694	21,549,478	46,396,468	41,924,866
8,775,316	10,143,558	10,128,787	1,833,048	951,233	411,349
-	-	-	-	-	-
-	3,821,514	4,066,682	520,419	1,837,916	3,130,596
-	2,815,873	3,375,562	4,154,602	1,055,608	1,473,585
1,353,703	1,633,932	7,517,189	12,933,623	5,404,901	4,160,382
-	-	-	-	6,346,778	5,350,132
(138,902)	(109,360)	(241,400)	(430,719)	(14,770)	(16,706)
<u>\$ 45,066,583</u>	<u>\$ 49,062,907</u>	<u>\$ 58,223,603</u>	<u>\$ 46,166,125</u>	<u>\$ 72,123,373</u>	<u>\$ 65,999,351</u>

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS*Last Ten Fiscal Years**(Modified Accrual Basis of Accounting)**(Unaudited)*

	Fiscal Year			
	2009	2010	2011	2012
Revenues				
Taxes:				
Property taxes	\$ 19,530,352	\$ 18,284,008	\$ 20,133,281	\$ 21,581,964
Sales and use taxes	22,329,682	19,762,544	21,310,423	23,218,434
Franchise taxes	4,806,846	4,756,164	5,009,456	5,073,022
Licenses and permits	1,784,222	1,161,760	1,143,096	1,260,920
Fines and forfeitures	2,326,075	2,040,355	2,833,357	2,466,092
Charges for services	2,075,934	2,285,567	2,647,526	2,703,729
Investment earnings	414,544	103,811	77,639	103,988
Intergovernmental	83,977,409	68,424,863	54,464,276	62,395,037
Other	1,427,391	2,388,035	2,235,767	2,633,854
Payments in lieu of taxes	119,753	120,117	-	-
Total Revenues	138,792,208	119,327,224	109,854,821	121,437,040
Expenditures				
General government	5,934,113	7,642,352	6,565,344	5,862,705
Public safety	28,674,367	28,881,042	27,751,162	26,312,416
Highways and roads	66,170,885	17,007,107	20,947,719	4,376,642
Culture and recreation	8,800,651	6,697,503	7,933,345	7,902,712
Planning and community development	3,293,090	6,420,644	30,051,147	33,911,247
Transportation	4,418,959	4,941,417	5,115,134	5,057,683
Capital outlay	7,223,020	33,770,019	26,735,581	28,211,925
Debt Service:				
Principal	2,048,866	22,393,732	2,474,843	3,460,785
Interest and other charges	3,451,105	3,479,515	3,657,873	3,385,968
Total Expenditures	130,015,056	131,233,331	131,232,148	118,482,083
Excess of revenues over (under) expenditures	8,777,152	(11,906,107)	(21,377,327)	2,954,957
Other Financing Sources (Uses)				
Premiums on debt issued	-	-	-	2,632,838
Bonds issued	-	-	8,029,904	-
Payments to refunding bond escrow agent	-	-	(7,810,944)	-
Issuance of debt	-	-	150,000	1,564,791
Proceeds from loan	22,500,000	-	-	-
Sale of assets	21,898	(3,808)	150,489	1,990,040
Capital contributions	316,072	-	-	-
Transfers in	4,696,451	6,295,984	4,281,316	2,816,126
Transfers (out)	(4,080,005)	(5,601,169)	(3,378,451)	(2,135,363)
Total Other Financing Sources (Uses)	23,454,416	691,007	1,422,314	6,868,432
Extraordinary item - insurance proceeds from Hurricane Ike	4,909,735	7,170,024	-	-
Net change in fund balances	\$ 37,141,303	\$ (4,045,076)	\$ (19,955,013)	\$ 9,823,389
Debt service as a percentage of noncapital expenditures	4.5%	26.5%	5.9%	7.6%

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 22,134,235	\$ 23,063,200	\$ 23,215,372	\$ 26,076,657	\$ 28,357,560	\$ 31,856,689
24,137,885	26,477,757	27,656,239	31,899,257	31,994,292	34,704,102
5,042,575	5,267,085	5,244,681	6,224,831	6,542,201	6,604,636
1,157,610	1,226,220	1,437,379	1,330,049	1,142,579	1,196,241
2,243,919	1,991,045	1,775,217	1,877,085	1,667,151	1,620,853
3,290,246	3,818,853	4,211,953	4,040,969	4,112,023	2,831,731
149,833	101,853	257,725	426,697	397,473	1,311,524
47,740,626	40,750,422	42,403,382	37,174,025	37,662,122	34,950,034
974,471	1,163,677	8,390,920	7,927,895	2,287,674	2,464,658
-	-	-	-	188,561	166,921
106,871,400	103,860,112	114,592,868	116,977,465	114,351,636	117,707,389
6,478,540	6,881,718	8,030,642	7,870,018	9,383,448	6,113,401
26,953,671	27,522,088	26,895,220	28,662,210	30,744,605	31,755,141
4,171,875	3,707,638	3,559,100	3,623,002	3,933,319	7,825,217
6,964,476	9,101,210	10,002,638	16,080,344	15,326,905	17,071,669
11,784,903	5,086,927	4,367,107	4,026,954	8,838,704	6,027,028
5,291,857	5,562,920	5,656,739	5,853,333	5,543,757	4,453,424
33,036,633	34,977,699	21,545,616	41,872,758	38,569,718	41,922,932
7,420,397	6,030,509	4,681,927	6,520,000	5,126,769	6,578,170
3,311,138	2,561,735	2,500,163	3,893,170	1,911,402	2,153,652
105,413,490	101,432,444	87,239,152	118,401,789	119,378,627	123,900,634
1,457,910	2,427,668	27,353,716	(1,424,324)	(5,026,991)	(6,193,245)
1,700,560	-	832,890	2,455,092	2,708,151	-
-	-	5,900,000	17,365,000	22,600,000	-
(42,296,436)	-	(6,583,192)	(19,522,803)	-	-
41,165,000	1,071,675	-	-	-	-
-	-	-	-	-	-
467,254	49,650	99,109	29,260	87,474	195,262
-	-	-	-	-	-
13,261,479	9,599,009	6,666,229	5,654,928	37,901,933	8,917,866
(12,022,362)	(8,002,281)	(26,336,878)	(5,034,951)	(36,849,302)	(7,009,410)
2,275,495	2,718,053	(19,421,842)	946,526	26,448,256	2,103,718
-	-	-	-	-	-
\$ 3,733,405	\$ 5,145,721	\$ 7,931,874	\$ (477,798)	\$ 21,421,265	\$ (4,089,527)
14.8%	12.9%	10.2%	11.2%	8.3%	8.6%

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

*Last Ten Fiscal Years
(Unaudited)*

Fiscal Year	Tax Year	Real Property		Personal Property	Less Tax Exempt Real Property
		Residential Property	Commercial Property		
2009	2008	2,554,955,838	3,461,834,641	428,797,416	2,176,949,884
2010	2009	2,167,585,323	2,951,165,328	414,590,143	1,821,220,513
2011	2010	2,600,611,993	3,201,974,825	398,646,446	2,164,806,162
2012	2011	2,674,029,115	3,210,868,106	444,753,436	2,161,465,941
2013	2012	2,783,049,150	3,245,742,583	405,015,345	2,138,642,852
2014	2013	2,900,855,946	3,258,506,374	472,287,826	2,134,599,844
2015	2014	3,109,392,234	3,285,126,046	490,178,278	2,175,163,640
2016	2015	3,614,663,644	3,466,803,912	499,272,793	2,371,268,216
2017	2016	4,145,731,072	3,797,508,172	520,124,585	2,739,456,305
2018	2017	4,450,093,691	3,944,138,009	509,184,006	2,917,754,795

Source: Galveston Central Appraisal District

Note: All properties are assessed at 100% of actual taxable value. The difference between market value and taxable value is the value of exemptions given for statutory purposes.

Residential property includes both single-family and multi-family properties.

PRELIMINARY

Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value	Total Tax Levy for Fiscal Year
4,268,638,011	0.49400%	6,445,587,895	66.23%	21,087,072
3,712,120,281	0.55400%	5,533,340,794	67.09%	20,565,146
4,036,427,102	0.55400%	6,201,233,264	65.09%	22,361,806
4,168,184,716	0.55400%	6,329,650,657	65.85%	23,091,743
4,295,164,226	0.55400%	6,433,807,078	66.76%	23,795,210
4,497,050,302	0.55400%	6,631,650,146	67.81%	24,913,659
4,709,532,918	0.53389%	6,884,696,558	68.41%	25,143,725
5,209,472,133	0.52900%	7,580,740,349	68.72%	27,558,108
5,723,907,524	0.52600%	8,463,363,829	67.63%	30,107,754
5,985,660,911	0.56100%	8,903,415,706	67.23%	33,579,558

PRELIMINARY

PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
 Last Ten Fiscal Years
 (Unaudited)

Fiscal Year	City Direct Rates				Overlapping Rates				
	General	Library	Debt Service	Total Direct	Galveston Independent School District	Galveston College	Navigation District 1	Galveston County	Total Millage
2009	0.39310	0.0500	\$ 0.05090	0.49400	1.16500	0.17000	0.03200	0.55860	\$ 2.41960
2010	0.44040	0.0500	\$ 0.06360	0.55400	1.16500	0.19000	0.04800	0.61860	2.57560
2011	0.44640	0.0500	\$ 0.05760	0.55400	1.16500	0.18950	0.04880	0.61980	2.57710
2012	0.45120	0.0500	\$ 0.05280	0.55400	1.16500	0.18950	0.04660	0.61290	2.56800
2013	0.45320	0.0500	\$ 0.05080	0.55400	1.16500	0.18940	0.04660	0.59990	2.55490
2014	0.45513	0.0500	\$ 0.04887	0.55400	1.16500	0.18700	0.04662	0.58980	2.54242
2015	0.43658	0.0500	\$ 0.04731	0.53389	1.15500	0.18700	0.04662	0.57884	2.50135
2016	0.43395	0.0500	\$ 0.04505	0.52900	1.15500	0.17875	0.04529	0.56125	2.46929
2017	0.44102	0.0500	\$ 0.03498	0.52600	1.15500	0.17025	0.04167	0.54625	2.43917
2018	0.44100	0.0500	\$ 0.07000	0.56100	1.15500	0.16619	0.04047	0.55190	2.47456

Source: Galveston Central Appraisal District, 2017 Taxing Entities and Tax Rates

PRELIMINARY

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago
(Unaudited)

Taxpayer	Fiscal Year 2018 Tax Year 2017			Fiscal Year 2009 Tax Year 2008		
	Taxable Assessed Value	Rank	% of Total Assessed Valuation	Taxable Assessed Value	Rank	% of Total Assessed Valuation
CenterPoint Energy Inc	\$ 46,544,290	1	0.78%	\$ 41,128,150	1	0.96%
Fertitta Hospitality Inc	43,126,250	2	0.72%	30,361,680	2	0.71%
Beatty Street Properties	22,453,120	3	0.38%			
TFT Galveston Portfolio LTD	19,343,040	4	0.32%			
Eighteen Seventy Strand Corp	16,830,000	5	0.28%			
Willie G's Post Oak Inc	18,814,125	6	0.31%			
Silverleaf Resorts Inc	17,993,200	7	0.30%	13,255,277	10	0.31%
Galveston Island Water Park LP	17,248,090	8	0.29%	20,759,660	4	0.49%
Island Hospitality Inc	15,160,090	9	0.25%			
Galveston Terminals Inc	14,492,704	10	0.24%			
Cintrine Realty, Inc.	-			24,707,360	3	0.58%
East Beach Partners, Ltd.	-			18,067,750	5	0.42%
American National Insurance Co	-			13,892,750	9	0.33%
Southwestern Bell Telephone Co	-			15,180,390	7	0.36%
Club Successor LLC	-			16,376,206	6	0.38%
Emerald Tower Ltd	-			14,498,650	8	0.34%
	232,004,909		3.9%	208,227,873		4.9%
Other taxpayers	5,753,656,002		96.1%	4,060,410,138		95.1%
Total Assessed Valuation	\$ 5,985,660,911		100.0%	\$ 4,268,638,011		100.0%

Source - Galveston County Appraisal District

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Tax Year	Tax Rate	Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections (Refunds) in Subsequent Years	Total Collections to Date	
				Amount *	Percent of Levy	Amount	Amount	Percent of Levy
2009	2008	0.49400%	21,087,072	20,745,914	98.4%	383,514	21,129,428	100.20%
2010	2009	0.55400%	20,565,146	20,105,236	97.8%	525,369	20,630,605	100.32%
2011	2010	0.55400%	22,361,806	21,981,747	98.3%	628,686	22,610,433	101.11%
2012	2011	0.55400%	23,091,743	22,831,988	98.9%	534,159	23,366,147	101.19%
2013	2012	0.55400%	23,795,210	23,480,062	98.7%	513,930	23,993,992	100.84%
2014	2013	0.55400%	24,913,659	24,705,138	99.2%	384,119	25,089,257	100.70%
2015	2014	0.53389%	25,143,725	24,932,882	99.2%	414,562	25,347,444	100.81%
2016	2015	0.52900%	27,558,108	27,381,081	99.4%	437,410	27,818,491	100.94%
2017	2016	0.52600%	30,107,754	29,885,021	99.3%	353,310	30,238,331	100.43%
2018	2017	0.56100%	33,579,558	33,368,368	99.4%	493,287	33,861,655	100.84%

Source: Tax department records of the City. Tax levy based on the Tax Collector Monthly Report from GCAD.

* Fiscal year 2017 amount collected within the fiscal year was corrected subsequent to audit report.

PRELIMINARY

PRELIMINARY

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RATIOS OF OUTSTANDING DEBT BY TYPE*Last Ten Fiscal Years**Amounts in (000's) except per capita amounts**(Unaudited)*

Fiscal Year	Governmental Activities				
	General Obligation Bonds	Special Obligation Bonds	Capital Leases	Certificates of Obligation	Other**
2009	20,963	34,010	880	22,772	24,111
2010	19,834	32,835	606	22,691	2,601
2011	18,478	31,595	212	22,605	2,516
2012	21,702	30,290	1,654	22,516	2,854
2013	18,569	26,690	1,291	19,572	3,029
2014	18,950	25,960	882	16,900	2,714
2015	16,907	25,200	-	14,153	3,039
2016	30,560	24,390	-	9,789	5,016
2017	36,672	23,525	-	5,829	5,102
2018	31,131	22,605	-	6,008	4,880

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

*See the Schedule of Demographic and Economic Statistics for personal income and population data.

** Other debt consists of contracts, notes payable and issuance discount/premiums.

PRELIMINARY

Business-Type Activities

Revenue Bonds	General Obligation Bonds	Capital Leases	Certificates of Obligation	Other**	Total Primary Government	Percentage of Personal Income*	Percentage of Actual Taxable Value of Property	Per Capita*
43,670	-	921	16,146	51,361	214,834	1209%	3.3%	4,270
41,765	-	649	15,668	49,484	186,133	1048%	3.4%	3,301
39,800	-	397	15,174	43,593	174,370	739%	2.8%	3,652
37,955	-	135	14,658	40,651	172,415	731%	2.7%	3,559
35,755	-	-	14,116	30,767	149,789	603%	2.3%	3,136
33,525	-	-	13,674	26,820	139,425	528%	2.1%	2,861
28,810	-	-	13,210	25,674	126,993	485%	1.8%	2,560
23,515	-	-	-	21,576	114,846	431%	1.5%	2,289
21,910	14,466	-	33,355	21,603	162,462	594%	1.9%	3,214
20,255	13,499	-	32,330	18,512	149,220	529%	1.7%	2,955

PRELIMINARY

RATIOS OF GENERAL BONDED DEBT OUTSTANDING*Last Ten Fiscal Years**Amounts in (000's) except per capita amounts**(Unaudited)*

Fiscal Year	Tax Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value* of Property	Per Capita**
2009	2008	20,963	4,505	16,458	0.26%	327
2010	2009	19,834	4,557	15,277	0.28%	271
2011	2010	18,478	4,611	13,867	0.22%	290
2012	2011	21,702	3,766	17,936	0.28%	370
2013	2012	18,569	4,039	14,530	0.23%	304
2014	2013	18,950	4,403	14,547	0.22%	299
2015	2014	16,907	3,238	13,669	0.20%	276
2016	2015	30,560	4,254	26,306	0.35%	524
2017	2016	33,834	3,579	30,255	0.36%	599
2018	2017	31,131	3,579	27,552	0.31%	546

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

* See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

** Population data can be found in the Schedule of Demographic and Economic Statistics.

PRELIMINARY

**DIRECT AND ESTIMATED OVERLAPPING
GOVERNMENTAL ACTIVITIES DEBT**

September 30, 2018
(Unaudited)

Taxing Jurisdiction	Gross Debt	Overlapping	
		Estimated Percentage *	Amount
Galveston County	\$ 235,674,208	23.85%	\$ 56,208,299
Galveston Independent School District	70,084,999	85.00%	59,572,249
Galveston County Municipal Utility District #30	4,695,000	100.00%	4,695,000
Total Overlapping Debt			<u>120,475,548</u>
City Direct Debt			<u>112,583,672</u>
Total Direct and Overlapping Debt			<u>\$ 233,059,220</u>
Ratio of Direct and Overlapping Funded Debt to 2018 Taxable Assessed Valuation			<u>4.07%</u>
Per Capita Debt - Direct and Overlapping			<u>\$ 4,610</u>

Sources: Texas Municipal Advisory Council of Texas and City Finance Department

Notes:

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Galveston. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for paying the debt of each overlapping government.

*Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

DEMOGRAPHIC AND ECONOMIC STATISTICS

*Last Ten Fiscal Years
(Unaudited)*

Fiscal Year	Estimated Population ¹	Personal Income	Per Capita Personal Income ¹	Median Age ¹	Educational Level in Years of Formal Schooling ¹	School Enrollment ²	Unemployment Rate ³	Average Value of Building Permits Issued ⁴
2009	50,308	893,923	17,769	35.5	12.0	6,047	7.7%	166
2010	56,391	1,002,012	17,769	38.8	12.0	6,400	8.4%	125
2011	47,743	1,125,828	23,581	38.8	12.0	6,400	8.9%	109
2012	48,444	1,142,358	23,581	38.8	12.0	6,450	7.6%	109
2013	47,762	1,185,548	24,822	38.8	12.0	6,450	7.7%	227
2014	48,733	1,287,039	26,410	38.8	12.0	6,800	5.6%	173
2015	49,608	1,297,944	26,164	37.3	12.0	6,813	6.3%	167
2016	50,180	1,338,050	26,665	36.3	12.0	6,976	4.8%	171
2017	50,550	1,383,351	27,366	37.0	12.0	6,884	5.0%	142
2018	50,497	1,425,379	28,227	36.6	12.0	7,017	4.5%	211

Data Sources:

1 - United States Census Bureau and City-Data.com

2 - Galveston Independent School District

3 - United States Census Bureau and Texas Workforce Commission

4 - City of Galveston

Note: Personal income information is a total for the year. Unemployment rate information is an adjusted yearly average.

PRELIMINARY

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago
(Unaudited)

Employer	2018			2010		
	Employees	Rank	Percentage of Total City Employment (A)	Employees	Rank	Percentage of Total City Employment (A)
University of Texas Medical Branch	8,398	1	28.59%	7,900	1	29.92%
Landry's Restaurants	1,930	2	6.57%	746	7	2.83%
Galveston County (on Island only)	1,247	3	4.25%	1,210	2	4.58%
Galveston Independent School District	1,069	4	3.64%	1,044	3	3.95%
Moody Gardens	1,034	5	3.52%	783	5	2.97%
American National Insurance Company	950	6	3.23%	850	4	3.22%
City of Galveston	868	7	2.96%	748	6	2.83%
Schlitterbahn*	500	8	1.70%	-	-	0.00%
ILA (Local 20, 1665, 15048, 1443)	470	9	1.60%	-	-	0.00%
Walmart	360	10	1.23%	-	-	0.00%
Mitchell Historic Properties	337	11	1.15%	-	-	0.00%
Texas A&M University at Galveston	319	12	1.09%	329	9	1.25%
U.S. Army Corp of Engineers - Galveston	300	13	1.02%	-	-	0.00%
Fertitta Hospitality	-	-	0.00%	743	8	2.81%
Galveston College	-	-	0.00%	140	10	0.53%
	<u>17,782</u>		<u>60.55%</u>	<u>14,493</u>		<u>54.89%</u>

* Employment increases by 45% - almost 600 additional jobs during the summer.

Source: United States Census Bureau and Galveston Economic Development Partnership
http://www.gedp.org/Content/Major_Employers/5712

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

*Last Ten Fiscal Years
(Unaudited)*

Function	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government:										
City Secretary	4	3	3	3	3	3	3	4	4	4
Municipal Court	9	9	10	10	10	9	9	9	8	8
City Manager	4	3	5	5	4	4	4	6	6	6
City Auditor	1	-	1	1	2	2	2	2	2	2
Finance	20	18	13	13	14	15	16	19	19	17
Legal	5	5	5	5	6	6	6	6	7	7
Human Resources	4	5	4	3	3	3	3	4	5	6
Public Safety:										
Police	192	197	131	177	177	188	185	185	190	198
Fire	119	124	115	115	115	115	115	118	120	119
Emergency Management	2	1	1	1	2	2	2	2	2	2
City Marshal	-	-	-	-	-	-	-	1	1	1
Public Works:										
Streets and Traffic	44	45	31	31	36	42	42	46	43	51
Parks	44	39	34	34	33	34	34	36	39	43
Planning and Community Development	42	54	23	24	24	23	23	25	25	32
Waterworks	36	39	32	32	35	37	41	40	45	45
Sewer System	55	65	69	69	80	81	84	87	90	89
Drainage Utility	16	7	23	23	26	35	35	34	33	32
Municipal Golf Course	-	-	-	-	-	-	-	-	-	-
Sanitation	39	39	45	45	45	48	48	58	59	56
Municipal Airport	8	8	8	8	8	8	8	8	8	8
Central Service	9	10	12	12	13	14	15	16	18	20
Central Garage	20	19	22	22	22	22	22	24	22	22
Municipal Insurance	2	-	2	2	2	2	2	2	2	2
Construction Management	7	6	5	5	5	5	5	6	13	16
Island Transit	48	52	52	52	52	52	52	58	58	48
Total	<u>730</u>	<u>748</u>	<u>646</u>	<u>692</u>	<u>717</u>	<u>750</u>	<u>756</u>	<u>796</u>	<u>819</u>	<u>834</u>

PRELIMINARY

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OPERATING INDICATORS BY FUNCTION

*Last Ten Fiscal Years
(Unaudited)*

Function	Fiscal Year			
	2009	2010	2011	2012
Police:				
Physical arrests	7,154	7,043	6,593	7,065
Parking violations	5,733	4,391	11,951	27,680
Traffic violations	31,072	25,499	40,676	15,328
Fire:				
Calls	7,024	6,382	8,645	6,681
Inspections	1,913	2,123	735	1,324
Water:				
Service connections	25,083	26,305	23,966	21,323
Average daily consumption (gallons)	15,399,203	16,013,795	16,143,437	14,480,142
Sewer:				
Average daily flow (gallons)	8,175,912	8,529,000	6,694,692	7,108,791
Maximum daily capacity of plants (gallons)	14,580,000	14,580,000	14,580,000	14,580,000

Source: Various City Departments.

PRELIMINARY

Fiscal Year					
2013	2014	2015	2016	2017	2018
7,597	6,039	6,356	6,178	5,176	4,794
9,267	25,556	12,320	15,406	18,834	19,546
28,765	22,148	20,243	20,915	16,054	16,369
6,311	7,020	7,172	7,700	7,360	7,031
407	1,678	1,693	2,750	1,964	1,765
20,595	23,294	19,938	21,623	21,945	24,811
14,570,688	14,557,447	14,509,978	14,170,071	14,092,921	11,904,677
7,854,000	7,136,000	8,826,700	9,302,558	7,420,000	7,640,699
14,500,000	17,713,000	14,550,000	14,550,000	14,874,000	14,874,000

PRELIMINARY

CAPITAL ASSETS STATISTICS BY FUNCTION

*Last Ten Fiscal Years
(Unaudited)*

Function	Fiscal Year			
	2009	2010	2011	2012
Police:				
Stations	1	3	4	1
Patrol Units	63	51	67	55
Police officers	152	158	131	139
Fire:				
Stations	6	6	6	6
Fire fighters	120	112	115	108
Highways and streets:				
Streets (miles)	321	321	321	321
Street lights	4,236	4,257	4,444	4,365
Culture and recreation:				
Parks acreage	50	50	50	50
Parks	14	14	14	14
Tennis courts	15	15	16	16
Community centers	2	2	2	2
Cemeteries	5	5	2	2
Athletic fields	22	22	11	11
Swimming pools	-	-	-	-
Water:				
Water mains (miles)	385	386	388	389
Fire hydrants	2,410	2,414	2,422	2,422
Maximum daily capacity (thousands of gallons)	33,000,000	33,000,000	33,000,000	37,150,000
Sewer:				
Treatment plants	4	4	4	4
Sanitary sewers (miles)	238	243	243	243
Storm sewers (miles)	75	75	75	75
Maximum daily treatment capacity (thousands of gallons)	14,580,000	8,529,000	14,580,000	14,580,000

Source: Various City Departments.

Note: No capital asset indicators are available for the general government function.

Fiscal Year					
2013	2014	2015	2016	2017	2018
2	1	1	1	1	1
60	74	78	65	68	62
143	143	140	136	132	148
6	6	6	6	6	6
115	109	109	112	112	112
321	321	321	324	324	324
4,377	4,411	4,417	4,405	4,405	4,541
168	168	168	168	168	751
14	14	14	13	13	17
16	16	16	16	16	16
2	2	2	2	2	2
7	7	7	6	6	6
12	12	12	11	11	24
-	-	-	-	1	1
389	389	389	391	391	395
2,422	2,552	2,555	2,555	2,555	2,585
39,700,000	39,700,000	36,500,000	21,500,000	21,500,000	21,500,000
4	4	4	4	4	4
243	243	243	244	244	246
75	75	75	75	75	57
14,250,000	14,250,000	14,750,000	14,874,000	14,874,000	14,874,000



City of Galveston

OFFICE OF THE CITY MANAGER
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Water Conservation Plan for the City of Galveston

Section I: Objectives

Having a dependable water supply has been a key issue in economic and land development in Texas. The growing population and economic expansion occurring in Southeast Texas are placing increased demands on our water supplies. In order to meet the challenge of providing for our current and future needs we must learn to use more efficiently the water we already have. By stretching our existing supplies we can delay the need for new supplies, minimize the environmental impacts associated with developing new water resources, and postpone t

he high cost of constructing the infrastructure (pump stations, storage and pipelines) necessary to store, and transport the additional water into our homes and businesses.

The objectives of this water conservation plan are as follows:

- To reduce water consumption from the levels that would prevail without conservation efforts.
- To reduce the loss and waste of water.
- To improve the efficiency of the water utility.
- To document the level of reuse in the water supply.
- To extend the life of current water supplies by reducing the rate of growth in water demand.

The water conservation plan presented in this document is a model water conservation plan ("WCP") intended for adoption by wholesale and retail customers of the City of Galveston. This WCP includes all the plan elements required by the Texas Commission on Environmental Quality (TCEQ) and the Texas Water Development Board (TWDB).

Section II: Texas Commission on Environmental Quality (TCEQ) Rules

II.1 Water Conservation Plans

The TCEQ rules governing development of water conservation plans for public water suppliers are contained in Title 30, Part 1, Chapter 288, Subchapter A, Rule 288. 2 of the Texas Administrative Code which is included in this document as **Appendix A**. Based on these rules, a water conservation plan is defined as "A strategy or combination of strategies for reducing the volume of water withdrawn from a water supply source, for reducing the loss or waste of water, for maintaining or improving the efficiency in the use of water, for increasing the recycling and reuse of water, and for preventing the pollution of water." The elements in the TCEQ water conservation rules covered in this WCP are listed below.



Minimum Conservation Plan Requirements

The minimum requirements in the Texas Administrative Code (TAC) for Water Conservation Plans for Public Water Suppliers are covered in this report as follows:

<u>TAC Section</u>	<u>Content</u>	<u>WCP Section</u>
288.2(a)(1)(A)	Utility Profile	Section III & Appendix B
288.2(a)(2)(B)	Record Management System	Section V-II
288.2(a)(1)(C)	Specification of Goals	Section IV
288.2(a)(1)(D)	Accurate Metering	Section V-I
288.2(a)(1)(E)	Universal Metering	Section V-I
288.2(a)(1)(E)	Determination and Control of Non-Revenue Water	Section V-III
288.2(a)(1)(G)	Public Education and Information	Section VI
288.2(a)(1)(H)	Non-Promotional Water Rate Structure	Section VII
288.2(a)(1)(I)	Reservoir System Operation Plan	Section VIII-II
288.2(a)(1)(J)	Means of Implementation & Enforcement	Section IX
288.2(a)(1)(K)	Coordination with Regional Water Planning Group(s)	Section VIII-V

As the City of Galveston maintains a population exceeding 5,000 people, the TAC requires the following additional items be included in water conservation plans:

<u>TAC Section</u>	<u>Content</u>	<u>WCP Section</u>
288.2(a)(2)(A)	Leak Detection, Repair, and Water Loss Accounting	Section V-III, V-I, V-V
288.2(a)(2)(C)	Requirement for Water Conservation Plans by Wholesale Customers	Section VIII-IV

Additional Conservation Strategies

TCEQ rules also list additional *optional* but not required conservation strategies, which may be adopted by suppliers. The City of Galveston has chosen to include the following optional strategies within this WCP:

<u>TAC Section</u>	<u>Content</u>	<u>WCP Section</u>
288.2(a)(3)(A)	Conservation Oriented Water Rates	Section VII
288.2(a)(3)(B)	Ordinances, Plumbing Codes or Rules on Water Conserving Fixtures	Section VIII-1
288.2(a)(3)(G)	Monitoring Methods	Section V-V
288.2(a)(3)(H)	Other conservation practices	Section VIII

Section III: Water Utility Profile

Appendix B to this water conservation plan is the City of Galveston water utility profile. The information provided was obtained from monthly Utility Billing, and the Gulf Coast Water Authority take point meter.



The data in the report is based on water use for calendar years 2014-2018. Similar information was provided to the Texas Water Development Board using Form TWDB-1965 *Water Conservation Utility Profile* which was submitted online at URL (active as of 11/26/2018):

<http://www.twdb.texas.gov/conservation/municipal/plans/UP.asp>

Section IV: Specification of Goals

Current TCEQ rules require the adoption of specific water conservation goals for a water conservation plan. As part of the plan adoption, 5-year and 10-year goals for per capita municipal use, following TCEQ procedures described in the water utility profile (**Appendix C**) have been developed. The goals for this water conservation plan include the following:

	Historic 5yr Average	Baseline	5-yr Goal for year <u>2024</u>	10-yr Goal for year <u>2029</u>
Total GPCD ¹	271.2	233.3	218.2	208.2
Residential GPCD ²	66.4	66.4	66.4	66.4
Water Loss (GPCD) ³	98.8	55.4	40.6	30.6
Water Loss (Percentage) ⁴	36 %	24 %	19 %	15 %

- Strive to attain water use below the specified amount in gallons per capita per day shown on the completed TWDB Form No. 1964 (5- and 10-year goals for water savings). The goals form is included in Appendix C and lists the 5-year goal as 218.2 GPCD and the 10-year goal as 208.2 GPCD. Current water usage is 233.3 GPCD.
- Conduct water audits as required by TCEQ and reduce Non-Revenue Water (NRW) quantities to levels below the goals listed on TWDB Form No. 1964 (Appendix C). The NRW 5-year goal is 40.6 GPCD or 779.6 MG/yr and the 10 year goal is 30.6 GPCD or 606 MG/yr. The current NRW quantity is 55.4 GPCD.
- Raise public awareness of water conservation and encourage responsible public behavior by a public education and information program as discussed in Section VI.

The City will attempt to recruit a water conservation plan coordinator to assist the Director of Municipal Utilities in meeting these goals. Should those recruitment efforts fail, a member of staff will be designated.

Section V: Metering, Water Use Records, Control of Non-Revenue Water, and Leak Detection and Repair

One of the key elements in water conservation is the careful tracking of water use and control of losses through illegal diversion and leaks. Careful metering of water deliveries and water use, detection and repair of leaks in the distribution system and regular monitoring of unaccounted water are important in controlling losses.

The City of Galveston is currently developing a comprehensive plan to reduce non-revenue water use, including continuing subsurface leak detection efforts for the entire distribution system.



V.I. Metering of Customer and Public Uses and Meter Testing, Repair and Replacement.

The City of Galveston replaced all meters throughout its system in 2005, and has implemented a meter testing program since that date. In 2018, meter tests showed a volume-averaged 95.3% accuracy. Most of the inaccuracies appeared in the larger meters (i.e., 2 inch +) categories. During 2019, the City will further refine its meter testing and replacement program to decrease the quantities of non-revenue water utilized by City customers. Meters will be preferentially tested according to their age, size and volume of water recorded. The City will strive to achieve a weighted average accuracy rating of no less than 98.5%.

The current GCWA master meters on the two source lines are due to be replaced this year. The City will work with GCWA to ensure the meters are appropriately calibrated and will develop a mutually agreeable methodology to conduct annual volumetric measurement of delivered water. This will include establishing a Standard Operating Procedure for the City of Galveston to implement as part of its Non-Revenue Water Program. Additionally, the City plans on installing six (6) combined flow and transient pressure monitoring units to verify delivered water volume and evaluate the mass balance delivery of water to the three (3) primary pump stations.

V-II Record Management System

The City of Galveston classifies water customers as residential (single-family and multi-family), commercial, institutional/government, and industrial. Water usage by customers in each use category is included in the yearly conservation reports submitted to the Texas Water Development Board. Usage data is a key component of the continuous water supply planning process for the City, the Region H water planning group, and the entire State of Texas. Monthly analysis of water usage records allows for the identification of high-water users, usage trends, potential leak development, and distribution system evaluation by City staff. Water usage records will be scrutinized in more detail when the City operates under the higher drought stages of its drought contingency plan.

V-III Determination and Control of Non-Revenue Water

The City is currently developing a comprehensive program to mitigate non-revenue water. Non-revenue water is the difference between water obtained by the City (from the Gulf Coast Water Authority and potentially other sources) and total water deliveries to customers as measured by water meters. Minimizing non-revenue water quantities ensures that the City of Galveston is efficiently using only the volume of water required to meet its needs, and that the City is not using water in excess of its needs (which results in higher costs and less water available for the region). Minimizing non-revenue water also allows the City to delay development of additional water supplies and infrastructure needed to convey the supplies to customers. Non-revenue water includes water from several categories:

- Inaccuracies in customer meters (meters tend to run more slowly as they age, thereby under-recording actual usage)
- Losses due to water main break and leaks in the water distribution system
- Losses due to illegal connections and theft
- Water uses that are unmetered, including use for firefighting, line flushing, and uses related to new construction.

Representatives from the Utility Billing, Finance, and Public Works departments hold monthly discussions regarding estimates of non-revenue water. These discussions may result in actions or projects to be undertaken to reduce non-revenue water quantities. In November 2017, City staff identified and repaired a large water



leak which contributed approximately 831,000,000 gallons of non-revenue water per year. Future leak detection and repair projects will further reduce water leakage and non-revenue water quantities. Prior to the detection and repair of the water leak in 2017, the City of Galveston averaged 98.8 gallons per person per day (GPCD) of non-revenue water. Repairing the leak reduced the non-revenue water rate to 55.4 GPCD. The City of Galveston, through measures implemented as a result of this water conservation plan, will strive to achieve a 40.6 GPCD and 30.6 GPCD non-revenue water goal by 2024 and 2029, respectively. Achieving these goals will make the City of Galveston one of the most water efficient cities of its size and age within Texas, given its unique demographics and economy.

V-IV Leak Detection and Repair

City crews and contractors will look for and report evidence of leaks in the water distribution system, as well as analyze water usage data to assess where leaks may be occurring. As part of the non-revenue water program, the City is exploring the establishment of district metered areas and the use of satellite technology to identify leaks in the system. If this technology turns out to be effective and provides a compelling business case justification, the City will incorporate this technology into its leak detection plans. Leak repairs are prioritized based on the severity of the leak and are made pending availability of resources. The City of Galveston attempts to repair leaks as quickly as possible with minimal disruption of the distribution of water to its customers.

V-V. Monitoring of Effectiveness and Efficiency – Annual Water Conservation Reporting

The City of Galveston will prepare an annual water conservation report update and deliver the report to the Texas Water Development Board by May 1 of each year. Development of the report will aid in monitoring the effectiveness and efficiency of the water conservation program and planned conservation related activities. The report will contain water usage records by category, per capita municipal usage, and non-revenue water quantities for the past year, as well as provide a longer historical record of such quantities. The report will be used to assess whether the City is achieving its water conservation goals. Similar data is provided within the City of Galveston Utility Profile accompanying this water conservation plan. Annual water usage reports are public records and can be requested at the Office of the City Secretary during normal business hours or online at <https://www.galvestontx.gov/537/Public-Records> (as of 1/31/2019).

Section VI: Continuing Public Education and Information Campaigns

The continuing public education and information campaigns regarding water conservation developed by the City of Galveston include the following general elements:

- Water conservation informational inserts included with water bills to thousands of customers and posted online. Inserts include material developed by City of Galveston staff as well as material obtained by the TWDB, the TCEQ, GCWA, the Harris-Galveston Subsidence District, and other sources.
- Online water conservation resources available from the City of Galveston website and the City's social media pages. These resources include information about how to shop for high-efficiency plumbing fixtures and appliances.
- Promotion of the Texas Smartscape program for managing water usage in landscaping (<http://www.txsmartscape.com/> as of 1/29/2019)
- Promotion of rainwater harvesting activities and other activities to reduce water usage, including



landscape irrigation and instructions for addressing leaks.

- Researching water conservation strategies implemented elsewhere that could be of benefit to the City of Galveston.
- The City of Galveston regularly shares informational material from its water supplier, the Gulf Coast Water Authority, on its social media pages.
- Creating videos geared for all ages with water conservation tips to share on the City's websites and YouTube channel.

The City of Galveston is also considering retrofitting City Hall with additional infrastructure to increase water reuse. If economically and logistically feasible, such retrofitting will be performed during the upcoming planned City Hall renovations. Based on the success of the retrofitting, the City will provide information to developers to aid in other rehabilitation projects throughout the City. Guidelines and permitting requirements for water re-use within the City of Galveston will be further developed and improved.

Section VII: Water Rate Structure

The current water rate ordinance is structured using a tiered method to provide monetary incentives for water conservation. The following is taken from the City of Galveston Ordinance No. 19-004:

City of Galveston Residential Water Rates (As of 2/1/2019)

Meter Size	Base Rate^^	Usage Tier	Volumetric Rate**
5/8" x 3/4"	\$10.78	0-500 CF	\$1.78
1"	\$24.36	500-1000 CF	\$4.45
1 1/2"	\$46.99	1000-2000 CF	\$6.22
2"	\$74.14	2000+ CF	\$9.26
3"	\$146.55	**Volumetric rate is the charge per 100 CF of monthly usage ^^Base rate is the monthly charge for water service irrespective usage. CF = cubic feet	
4"	\$228.01		
6"	\$454.29		
8"	\$725.83		
10"	\$1,042.63		
12"	\$1,947.76		

City of Galveston Non-Residential Water Rates (As of 2/1/2019__)

Meter Size	Base Rate^^	Usage Tier	Volumetric Rate**
5/8" x 3/4"	\$10.78	All metered usage	\$4.29
1"	\$24.36		
1 1/2"	\$46.99		
2"	\$74.14		
3"	\$146.55	**Volumetric rate is the charge per 100 CF of monthly usage ^^Base rate is the monthly charge for water service irrespective of usage. CF = cubic feet	
4"	\$228.01		
6"	\$454.29		
8"	\$725.83		
10"	\$1,042.63		
12"	\$1,947.76		



City of Galveston Sprinkler Water Rates (As of 2/1/2019)

Meter Size	Base Rate^^	Usage Tier	Volumetric Rate**
5/8" x 3/4"	\$10.78	0-500 CF	\$4.29
1"	\$24.36	500-1500 CF	\$6.44
1 1/2"	\$46.99	1500+	\$9.67
2"	\$74.14		
3"	\$146.55	**Volumetric rate is the charge per 100 CF of monthly usage ^^Base rate is the monthly charge for water service irrespective of usage. CF = cubic feet	
4"	\$228.01		
6"	\$454.29		
8"	\$725.83		
10"	\$1,042.63		
12"	\$1,947.76		

Section VIII Other Water Conservation Measures

VIII-1 Ordinances, Plumbing Codes or Rules on Water Conserving Fixtures

The International Plumbing Code, 2012 Edition, as amended by the City of Galveston was adopted by the Galveston City Council on June 11, 2015 by reference. Unless deleted, amended, expanded or otherwise changed, all provisions of such Code are applicable and binding. (Ordinance No. 15-045, § 2,)

VIII-II Reservoir System Operational Plan

The City of Galveston does not have any reservoirs. Water is purchased from the Gulf Coast Water Authority or other sources. The City maintains numerous elevated and ground storage tanks, and operates these tanks to maintain distribution system pressure as well as provide backup capacity for short-term events limiting water delivery from GCWA.

VIII-III Considerations for Landscape Water Management Regulations (Optional)

Reserved

VIII-IV Requirement for Water Conservation Plans by Wholesale Customers

Within each of its contracts with wholesale water providers, the City of Galveston requires that each provider enact and implement a Water Conservation/Drought Contingency Plan. The City of Galveston is willing to review any such plans developed by wholesale water providers to whom the City provides water, in order to ensure consistency with the City of Galveston Water Conservation and Drought Contingency Plans.

VIII-V Coordination with Regional Water Planning Group

In accordance with TCEQ regulations, a copy of this adopted water conservation plan will be sent to the Region H water planning group. A copy of the transmittal letter to the Region H Water Planning Group is included as **Appendix D**.



VIII-VI Drought Contingency Plan

The City of Galveston City Council adopted Ordinance No. ____-____ on ____ putting in place an updated drought contingency plan. The updated drought contingency plan is incorporated into this overall water conservation plan as **Appendix E**, and replaces the former drought contingency plan adopted under Ordinance No. 09-048. All language set forth in Ordinance No. ____-____ remains enforceable and intact with the exception of a conflict between it and this Water Conservation Plan. If such a conflict exists, the Drought Contingency Plan takes precedent.

IX-VI Prohibition on Wasting Water

The City will investigate the feasibility of implementing and enforcing a Water Waste Ordinance, aimed at specific wasteful activities, including: water waste during irrigation, failure to fix outside faucet leaks, service line leaks (on the customer side of the meter), sprinkler system leaks; once-through use of water in commercial equipment, non-recirculation systems in all new conveyer and in-bay automatic car washes and commercial laundry systems; non-recycling decorative water fountains; and installation of water softeners that do not meet certain regeneration efficiency and waste discharge standards.

Section IX: Implementation and Enforcement of the Water Conservation Plan

A copy of Ordinance ____-____ amending Ordinance No. 09-048 adopted by the City of Galveston on ____ is attached and made part of this plan. Ordinance No. ____ designates responsible officials to implement and enforce the water conservation plan. Enforcement of Ordinance ____ becomes effective immediately as adopted by the Galveston City Council on _____. Ordinance ____ is attached hereto as **Appendix F**.



Appendix A

Texas Commission on Environmental Quality Rules on Municipal Water Conservation Plans

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[<<Prev Rule](#)[Next Rule>>](#)

Texas Administrative Code

TITLE 30**ENVIRONMENTAL QUALITY****PART 1****TEXAS COMMISSION ON ENVIRONMENTAL QUALITY****CHAPTER 288****WATER CONSERVATION PLANS, DROUGHT CONTINGENCY PLANS, GUIDELINES AND REQUIREMENTS****SUBCHAPTER A****WATER CONSERVATION PLANS****RULE §288.2****Water Conservation Plans for Municipal Uses by Public Water Suppliers**

(a) A water conservation plan for municipal water use by public water suppliers must provide information in response to the following. If the plan does not provide information for each requirement, the public water supplier shall include in the plan an explanation of why the requirement is not applicable.

(1) Minimum requirements. All water conservation plans for municipal uses by public water suppliers must include the following elements:

(A) a utility profile in accordance with the Texas Water Use Methodology, including, but not limited to, information regarding population and customer data, water use data (including total gallons per capita per day (GPCD) and residential GPCD), water supply system data, and wastewater system data;

(B) a record management system which allows for the classification of water sales and uses into the most detailed level of water use data currently available to it, including, if possible, the sectors listed in clauses (i) - (vi) of this subparagraph. Any new billing system purchased by a public water supplier must be capable of reporting detailed water use data as described in clauses (i) - (vi) of this subparagraph:

(i) residential;

(I) single family;

(II) multi-family;

(ii) commercial;

(iii) institutional;

(iv) industrial;

(v) agricultural; and,

(vi) wholesale.

(C) specific, quantified five-year and ten-year targets for water savings to include goals for water loss programs and goals for municipal use in total GPCD and residential GPCD. The goals established by a public water supplier under this subparagraph are not enforceable;

(D) metering device(s), within an accuracy of plus or minus 5.0% in order to measure and account for the amount of water diverted from the source of supply;

(E) a program for universal metering of both customer and public uses of water, for meter testing and repair, and for periodic meter replacement;

(F) measures to determine and control water loss (for example, periodic visual inspections along distribution lines; annual or monthly audit of the water system to determine illegal connections; abandoned services; etc.);

(G) a program of continuing public education and information regarding water conservation;

(H) a water rate structure which is not "promotional," i.e., a rate structure which is cost-based and which does not encourage the excessive use of water;

(I) a reservoir systems operations plan, if applicable, providing for the coordinated operation of reservoirs owned by the applicant within a common watershed or river basin in order to optimize available water supplies; and

(J) a means of implementation and enforcement which shall be evidenced by:

(i) a copy of the ordinance, resolution, or tariff indicating official adoption of the water conservation plan by the water supplier; and

(ii) a description of the authority by which the water supplier will implement and enforce the conservation plan; and

(K) documentation of coordination with the regional water planning groups for the service area of the public water supplier in order to ensure consistency with the appropriate approved regional water plans.

(2) Additional content requirements. Water conservation plans for municipal uses by public drinking water suppliers serving a current population of 5,000 or more and/or a projected population of 5,000 or more within the next ten years subsequent to the effective date of the plan must include the following elements:

(A) a program of leak detection, repair, and water loss accounting for the water transmission, delivery, and distribution system;

(B) a requirement in every wholesale water supply contract entered into or renewed after official adoption of the plan (by either ordinance, resolution, or tariff), and including any contract extension, that each successive wholesale customer develop and implement a water conservation plan or water conservation measures using the applicable elements in this chapter. If the customer intends to resell the water, the contract between the initial supplier and customer must provide that the contract for the resale of the water must have water conservation requirements so that each successive customer in the resale of the water will be required to implement water conservation measures in accordance with the provisions of this chapter.

(3) Additional conservation strategies. Any combination of the following strategies shall be selected by the water supplier, in addition to the minimum requirements in paragraphs (1) and (2) of this subsection, if they are necessary to achieve the stated water conservation goals of the plan. The commission may require that any of the following strategies be implemented by the water supplier if the commission determines that the strategy is necessary to achieve the goals of the water conservation plan:

(A) conservation-oriented water rates and water rate structures such as uniform or increasing block rate schedules, and/or seasonal rates, but not flat rate or decreasing block rates;

(B) adoption of ordinances, plumbing codes, and/or rules requiring water-conserving plumbing fixtures to be installed in new structures and existing structures undergoing substantial modification or addition;

(C) a program for the replacement or retrofit of water-conserving plumbing fixtures in existing structures;

(D) reuse and/or recycling of wastewater and/or graywater;

(E) a program for pressure control and/or reduction in the distribution system and/or for customer connections;

(F) a program and/or ordinance(s) for landscape water management;

(G) a method for monitoring the effectiveness and efficiency of the water conservation plan; and

(H) any other water conservation practice, method, or technique which the water supplier shows to be appropriate for achieving the stated goal or goals of the water conservation plan.

(b) A water conservation plan prepared in accordance with 31 TAC §363.15 (relating to Required Water Conservation Plan) of the Texas Water Development Board and substantially meeting the requirements of this section and other applicable commission rules may be submitted to meet application requirements in accordance with a memorandum of understanding between the commission and the Texas Water Development Board.

(c) A public water supplier for municipal use shall review and update its water conservation plan, as appropriate, based on an assessment of previous five-year and ten-year targets and any other new or updated information. The public water supplier for municipal use shall review and update the next revision of its water conservation plan every five years to coincide with the regional water planning group.

Source Note: The provisions of this §288.2 adopted to be effective May 3, 1993, 18 TexReg 2558; amended to be effective February 21, 1999, 24 TexReg 949; amended to be effective April 27, 2000, 25 TexReg 3544; amended to be effective October 7, 2004, 29 TexReg 9384; amended to be effective December 6, 2012, 37 TexReg 9515

[List of Titles](#)[Back to List](#)[HOME](#)[TEXAS REGISTER](#)[TEXAS ADMINISTRATIVE CODE](#)[OPEN MEETINGS](#)

Appendix B

UTILITY PROFILE FOR RETAIL WATER SUPPLIER

Fill out this form as completely as possible.
If a field does not apply to your entity, leave it blank.

CONTACT INFORMATION

Name of Utility: City of Galveston

Public Water Supply Identification Number (PWS ID): TX0840003

Certificate of Convenience and Necessity (CCN) Number: 11324

Surface Water Right ID Number: _____

Wastewater ID Number: 20519

Completed By: Brandon Cook Title: Asst. City Manager

Address: 823 Rosenberg, Room 203 City: Galveston Zip Code: 77550

Email: BCook@galvestontx.gov Telephone Number: 409-797-3962

Date: 2/15/2019

Regional Water Planning Group: H [Map](#)

Groundwater Conservation District: HGSD [Map](#)

Check all that apply:

- ☐ Received financial assistance of \$500,000 or more from TWDB
- ☒ Have 3,300 or more retail connections
- ☐ Have a surface water right with TCEQ

Section I: Utility Data

A. Population and Service Area Data

- Current service area size in square miles: 42
(Attach or email a copy of the service area map.)
- Provide historical service area population for the previous five years, starting with the most current year.

Year	Historical Population Served By Retail Water Service	Historical Population Served By Wholesale Water Service	Historical Population Served By Wastewater Service
2018	50,944	1,585	50,944
2017	50,497	1,585	50,497
2016	50,279	1,585	50,279
2015	49,765	1,585	49,765
2014	49,322	1,585	49,322

- Provide the projected service area population for the following decades.

Year	Projected Population Served By Retail Water Service	Projected Population Served By Wholesale Water Service	Projected Population Served By Wastewater Service
2020	51,260	1,585	51,260
2030	54,643	1,585	54,643
2040	57,846	1,585	57,846
2050	60,955	1,585	60,955
2060	63,941	1,585	63,941

- Describe the source(s)/method(s) for estimating current and projected populations.

Population projections were taken from the Region H water planning database. 2014-2018 populations were derived from the US Census Bureau website, with 2018 population extrapolated from the US Census data (provided through 2017). Wholesale water service populations were provided by City of Galveston staff, and were assumed constant over time. 86% of retail water service customers are also wastewater service customers.

The City of Galveston is a tourist destination and many travel to the island daily for work. The populations used above reflect only the permanent populations and do not represent the true number of individuals who receive water services from the City of Galveston on any given day.

B. System Input

Provide system input data for the previous five years.

Total System Input = Self-supplied + Imported – Exported

Year	Self-supplied Water in Gallons	Purchased/Imported Water in Gallons	Exported Water in Gallons	Total System Input	Total GPCD
2018	0	4,130,420,900	85,155,246	4,045,265,654	218
2017	0	4,966,698,000	85,155,246	4,881,542,754	265
2016	0	5,172,041,000	85,155,246	5,086,885,754	277
2015	0	5,235,565,000	85,155,246	5,150,409,754	284
2014	0	5,313,418,000	85,155,246	5,228,262,754	290
Historic 5-year Average	0	4,963,628,580	85,155,246	4,878,473,334	267

C. Water Supply System (Attach description of water system)

1. Designed daily capacity of system 44,500,000 gallons per day.
2. Storage Capacity:
Elevated 6,500,000 gallons
Ground 38,000,000 gallons
3. List all current water supply sources in gallons.

Water Supply Source	Source Type*	Total Gallons
Gulf Coast Water Authority	Contract	21,000,000
Alta Loma Emergency Wells	Ground	10,300,000
	Choose One	
	Choose One	
	Choose One	
	Choose One	

*Select one of the following source types: Surface water, Groundwater, or Contract

4. If surface water is a source type, do you recycle backwash to the head of the plant?
☐ Yes estimated gallons per day
☐ No

D. Projected Demands

1. Estimate the water supply requirements for the next ten years using population trends, historical water use, economic growth, etc.

Year	Population	Water Demands (gallons)
2019	51,102	4,299,339,015
2020	51,260	4,277,544,480
2021	51,598	4,246,902,385
2022	51,936	4,227,330,720
2023	52,274	4,207,142,205
2024	52,612	4,201,657,454
2025	52,950	4,178,443,350
2026	53,288	4,166,215,704
2027	53,626	4,153,494,578
2028	53,964	4,151,623,205

2. Describe sources of data and how projected water demands were determined. Attach additional sheets if necessary.

Population numbers were interpolated from the population projections developed during the current Region H water planning process and provided in Table A3.

Water demands were based on City of Galveston's Baseline, 5-yr, and 10-yr total water usage goals of 233 GPCD, 218.2 GPCD, and 208.2 GPCD, respectively. These GPCD goals were set based on the City's planned methods to lessen water losses over the next 20-years. Note: in 2017, City of Galveston identified and repaired a major water line leak, which they estimate to have accounted for 807 million gallons over the first 11 months of 2017. The baseline 233 GPCD number reflects adjustments in historical City of Galveston water usage to reflect the repair of this leak, which the city expects was occurring for many years prior to the leak discovery. Water demand numbers currently used in the Region H water plan for the City of Galveston DO NOT reflect the repair of this leak, and are therefore too high.

Water usage rates were interpolated by year based on the City's GPCD goals. These rates were then multiplied by the population numbers shown above, and then multiplied by 365 days or 366 days (when appropriate) to derive an expected future water use rate by year.

As shown, the City of Galveston expects to use less water over the next 10 years, even though the City population is expected to increase. This is primarily due to its increased investment and attention in its non-revenue water mitigation program.

E. High Volume Customers

1. List the annual water use, in gallons, for the five highest volume **RETAIL customers**. Select one of the following water use categories to describe the customer; choose Residential, Industrial, Commercial, Institutional, or Agricultural.

Retail Customer	Water Use Category*	Annual Water Use	Treated or Raw
UTMB	Industrial	374,149,600	Treated
Port of Galveston/ Wharves	Industrial	79,254,346	Treated
Gulf Sulphur Services Lts.	Institutional	59,313,791	Treated
Texas A&M University	Industrial	54,142,507	Treated
Galveston County	Institutional	33,991,481	Treated

*For definitions on recommended customer categories for classifying customer water use, refer to the online [Guidance and Methodology for Reporting on Water Conservation and Water Use](#).

2. If applicable, list the annual water use for the five highest volume **WHOLESALE customers**. Select one of the following water use categories to describe the customer; choose Municipal, Industrial, Commercial, Institutional, or Agricultural.

Wholesale Customer	Water Use Category*	Annual Water Use	Treated or Raw
Jamaica Beach - Village	Municipal	69,735,651	Treated
Treasure Island Mud	Municipal	11,965,839	Treated
Tiffany Water Co.	Commercial	3,453,756	Treated
	Choose One		Treated
	Choose One		Choose One

*For definitions on recommended customer categories for classifying customer water use, refer to the online [Guidance and Methodology for Reporting on Water Conservation and Water Use](#).

F. Utility Data Comment Section

Provide additional comments about utility data below.

See Exhibit 1, which is the the description of the City's utility system as requested in Sec. I., Subsection C.

Section II: System Data

A. Retail Connections

1. List the active retail connections by major water use category.

Water Use Category*	Active Retail Connections			
	Metered	Unmetered	Total Connections	Percent of Total Connections
Residential – Single Family	20,295	0	20,295	82%
Residential – Multi-family (units)	1,960	0	1,960	8%
Industrial	137	0	137	1%
Commercial	2,241	0	2,241	9%
Institutional	157	0	157	1%
Agricultural	0	0	0	0%
TOTAL	24,790	0	24,790	

*For definitions on recommended customer categories for classifying customer water use, refer to the online [Guidance and Methodology for Reporting on Water Conservation and Water Use](#).

2. List the net number of new retail connections by water use category for the previous five years.

Water Use Category*	Net Number of New Retail Connections				
	2018	2017	2016	2015	2014
Residential – Single Family	31	-2,253	-81	486	874
Residential – Multi-family (units)	-3	0	-893	93	1,974
Industrial	75	-2	-303	-49	416
Commercial	-13	2,053	-281	-71	355
Institutional	-58	117	29	-760	416
Agricultural	0	0	0	0	0
TOTAL	32	-85	-1,529	-301	4,035

*For definitions on recommended customer categories for classifying customer water use, refer to the online [Guidance and Methodology for Reporting on Water Conservation and Water Use](#).

B. Accounting Data

For the previous five years, enter the number of gallons of RETAIL water provided in each major water use category.

Water Use Category*	Total Gallons of Retail Water				
	2018	2017	2016	2015	2014
Residential - Single Family	1,108,625,012	1,057,917,396	1,093,290,264	1,139,534,631	1,185,951,659
Residential – Multi-family	102,913,580	98,507,860	97,189,136	95,049,108	97,070,682
Industrial	566,800,740	499,069,340	441,020,800	622,530,480	643,618,874
Commercial	1,179,409,748	1,185,588,602	1,186,865,064	1,206,230,784	1,167,431,740
Institutional	239,315,868	215,480,848	203,696,108	199,946,384	184,892,106
Agricultural	0	0	0	0	0
TOTAL	3,197,064,948	3,056,564,046	3,022,061,372	3,263,291,387	3,278,965,061

*For definitions on recommended customer categories for classifying customer water use, refer to the online [Guidance and Methodology for Reporting on Water Conservation and Water Use](#).

C. Residential Water Use

For the previous five years, enter the residential GPCD for single family and multi-family units.

Water Use Category*	Residential GPCD				
	2018	2017	2016	2015	2014
Residential - Single Family	65	63	65	68	71
Residential – Multi-family	65	63	65	68	71

D. Annual and Seasonal Water Use

- For the previous five years, enter the gallons of treated water provided to RETAIL customers.

Month	Total Gallons of Treated Retail Water				
	2018	2017	2016	2015	2014
January	306,632,000	379,890,000	386,703,000	383,753,000	362,042,000
February	256,056,000	340,709,000	368,879,000	350,908,000	335,401,000
March	322,099,000	402,737,000	408,885,000	391,747,000	394,167,000
April	331,602,000	410,773,000	396,052,000	397,410,000	412,143,000
May	397,139,000	456,610,000	413,710,000	439,766,000	477,890,000
June	425,241,000	451,430,000	436,856,000	461,620,000	506,387,000
July	437,239,000	510,621,000	543,645,000	561,691,000	533,246,000
August	433,099,000	472,860,000	496,793,000	556,834,000	528,424,000
September	341,203,000	446,613,000	448,880,000	444,642,000	465,947,000
October	333,151,000	437,907,000	459,589,000	452,592,000	503,088,000
November	279,460,000	369,498,000	418,167,000	400,961,000	412,077,000
December	267,549,000	287,050,000	393,917,000	393,641,000	382,606,000
TOTAL	4,130,470,000	4,966,698,000	5,172,076,000	5,235,565,000	5,313,418,000

2. For the previous five years, enter the gallons of raw water provided to RETAIL customers.

Month	Total Gallons of Raw Retail Water				
	2018	2017	2016	2015	2014
January	0	0	0	0	0
February	0	0	0	0	0
March	0	0	0	0	0
April	0	0	0	0	0
May	0	0	0	0	0
June	0	0	0	0	0
July	0	0	0	0	0
August	0	0	0	0	0
September	0	0	0	0	0
October	0	0	0	0	0
November	0	0	0	0	0
December	0	0	0	0	0
TOTAL	0	0	0	0	0

3. Summary of seasonal and annual water use.

Water Use	Seasonal and Annual Water Use					Average in Gallons
	2018	2017	2016	2015	2014	
Summer Retail (Treated + Raw)	1,295,579,000	1,434,911,000	1,477,294,000	1,580,145,000	1,568,057,000	1,471,197,200 5yr Average
TOTAL Retail (Treated + Raw)	4,130,470,000	4,966,698,000	5,172,076,000	5,235,565,000	5,313,418,000	4,963,645,400 5yr Average

E. Water Loss

Provide Water Loss data for the previous five years.

Water Loss GPCD = [Total Water Loss in Gallons ÷ Permanent Population Served] ÷ 365

Water Loss Percentage = [Total Water Loss ÷ Total System Input] x 100

Year	Total Water Loss in Gallons	Water Loss in GPCD	Water Loss as a Percentage
2018	929,246,172	50	23%
2017	1,894,342,926	103	39%
2016	2,139,288,308	117	42%
2015	1,942,867,489	107	38%
2014	2,003,302,479	111	38%
5-year average	1,781,809,475	98	36%

F. Peak Water Use

Provide the Average Daily Water Use and Peak Day Water Use for the previous five years.

Year	Average Daily Use (gal)	Peak Day Use (gal)	Ratio (peak/avg)
2018	11,318,468	20,400,000	1.80
2017	13,584,954	20,400,000	1.50
2016	14,001,307	19,410,000	1.39
2015	14,341,147	21,718,000	1.51
2014	14,557,305	21,355,000	1.47

G. Summary of Historic Water Use

Water Use Category	Historic 5-year Average	Percent of Connections	Percent of Water Use
Residential SF	1,117,063,792	82%	0%
Residential MF	98,146,073	8%	0%
Industrial	554,608,047	1%	0%
Commercial	1,185,105,188	9%	0%
Institutional	208,666,263	1%	0%
Agricultural	0	0%	0%

H. System Data Comment Section

Provide additional comments about system data below.

The city of Galveston does not collect and track certain data requested in this utility profile. For example, we perform monthly calculations of water usage, yet do not look at daily usage records. We also don't record populations served from single family vs. multi-family residential connections, only residential populations as a whole. As such, answers provided above should be regarded only as estimates based on assumptions we've made (using the data we collect).

Data provided in Section D above is the total amount of water delivered to Galveston from the Gulf Coast Water Authority. It is not the total amount of RETAIL water delivered by Galveston to its customers. Section B above IS the total amount of retail water provided to the City's customers.

Section III: Wastewater System Data

If you do not provide wastewater system services then you have completed the Utility Profile. Save and Print this form to submit with your Plan. Continue with the [Water Conservation Plan Checklist](#) to complete your Water Conservation Plan.

A. Wastewater System Data (Attach a description of your wastewater system.)

- Design capacity of wastewater treatment plant(s): 14,875,000
gallons per day.
- List the active wastewater connections by major water use category.

Water Use Category*	Active Wastewater Connections			
	Metered	Unmetered	Total Connections	Percent of Total Connections
Municipal	19,381		19,381	91%
Industrial	82		82	0%
Commercial	1,768		1,768	8%
Institutional	118		118	1%
Agricultural	0		0	0%
TOTAL	21,349	0	21,349	

- What percent of water is serviced by the wastewater system? 86%
- For the previous five years, enter the number of gallons of wastewater that was treated by the utility.

Month	Total Gallons of Treated Wastewater				
	2018	2017	2016	2015	2014
January	241,382,500	168,980,000	247,700,000	333,880,000	205,516,000
February	192,603,000	159,811,000	176,930,000	216,500,000	190,777,000
March	195,015,000	174,342,000	231,590,000	330,409,000	209,166,000
April	190,425,000	159,340,000	292,700,000	346,792,000	201,511,000
May	181,995,000	183,567,000	343,470,000	283,240,000	212,162,000
June	211,076,000	308,172,000	358,070,000	309,320,000	235,786,000
July	237,729,000	263,195,000	214,480,000	259,540,000	231,583,000
August	205,188,000	373,743,000	296,500,000	247,440,000	228,614,000
September	538,342,000	229,936,000	245,680,000	354,510,000	311,740,000
October	403,692,000	210,712,000	204,960,000	316,470,000	252,130,000
November	276,394,000	164,501,000	181,850,000	365,560,000	228,780,000
December	236,531,000	244,963,400	299,650,000	304,000,000	278,030,000
TOTAL	3,110,372,500	2,641,262,400	3,093,580,000	3,667,661,000	2,785,795,000

4. Can treated wastewater be substituted for potable water?

☐

Yes

☒

No

B. Reuse Data

1. Provide data on the types of recycling and reuse activities implemented during the current reporting period.

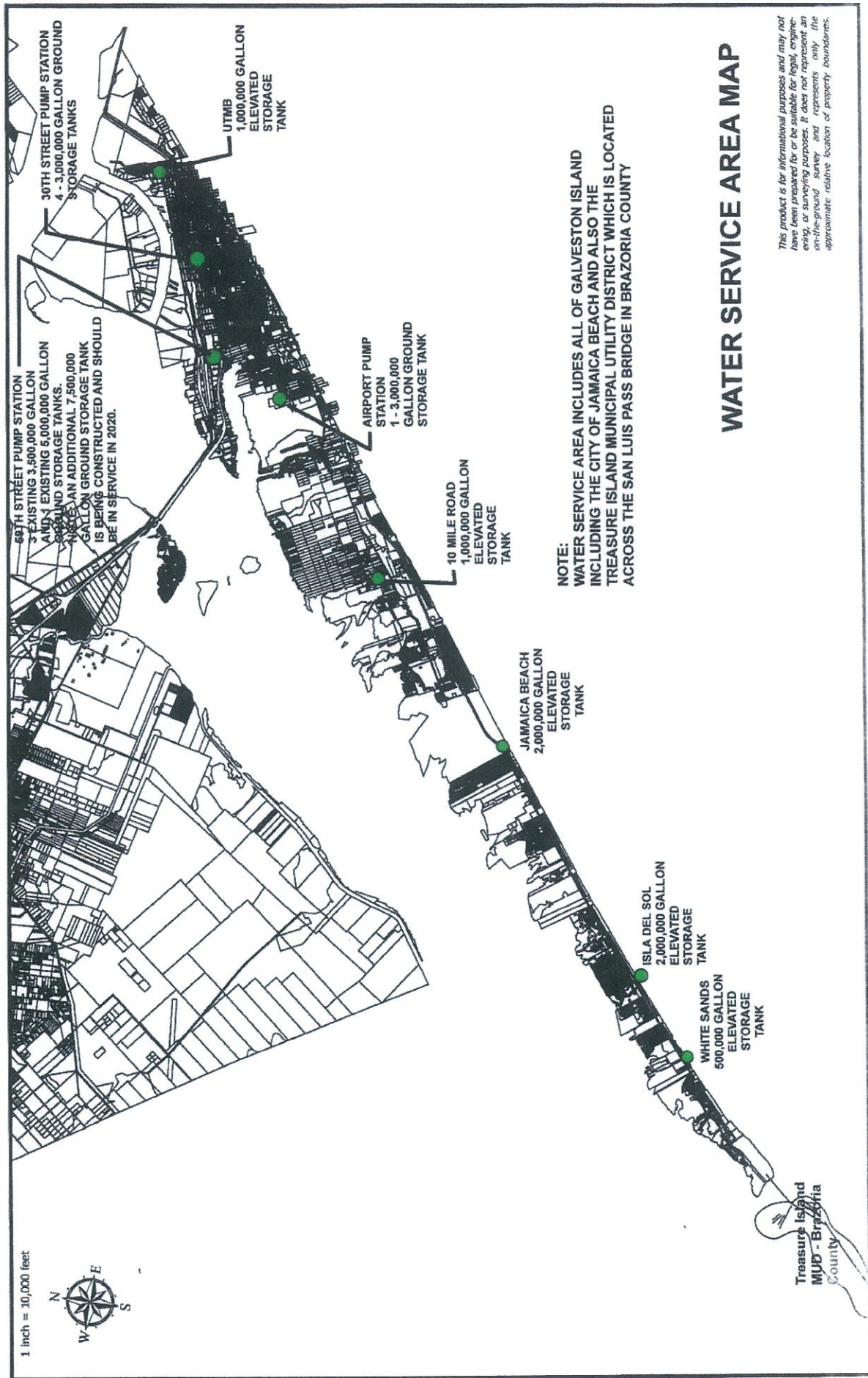
Type of Reuse	Total Annual Volume (in gallons)
On-site irrigation	0
Plant wash down	0
Chlorination/de-chlorination	0
Industrial	0
Landscape irrigation (parks, golf courses)	201,001,651
Agricultural	0
Discharge to surface water	0
Evaporation pond	0
Other	0
TOTAL	201,001,651

C. Wastewater System Data Comment

Provide additional comments about wastewater system data below.

See Exhibit 1

You have completed the Utility Profile. Save and Print this form to submit with your Plan. Continue with the [Water Conservation Plan Checklist](#) to complete your Water Conservation Plan.



NOTE:
WATER SERVICE AREA INCLUDES ALL OF GALVESTON ISLAND
INCLUDING THE CITY OF JAMAICA BEACH AND ALSO THE
TREASURE ISLAND MUNICIPAL UTILITY DISTRICT WHICH IS LOCATED
ACROSS THE SAN LUIS PASS BRIDGE IN BRAZORIA COUNTY

WATER SERVICE AREA MAP

This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering or other purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

Treasure Island
MUD - Brazoria
County



City of Galveston

OFFICE OF THE CITY MANAGER
PO Box 779 | Galveston, TX 77553-0779
citymanager@galvestontx.gov | 409-797-3520

Exhibit 1:

Water System Description

Section 1, Part C of TWDB Form No. 1965-R (Utility Profile for Retail Water Supplier) requires a description of the water system.

The City of Galveston obtains treated water via pipeline from the Gulf Coast Water Authority (GCWA). The City of Galveston maintains a contract for up to 21.0 MGD from the Gulf Coast Water Authority. In 2018, the City of Galveston, on average, used 11.3 MGD of water provided by GCWA.

The City of Galveston also maintains the Alta Loma wellfield, which can provide up to 10.3 MGD of locally-sourced groundwater. The City intends to utilize this source only under extreme drought conditions when water from GCWA is not sufficiently available. Capital Improvement projects being done on the well fields include well disinfection and flushing for 7 wells and well liner rehabilitation for 2 wells.

The City of Galveston maintains 5 elevated storage tanks to store and aid in the distribution of water throughout the service area. Tank names and sizes are provided in the table below. The total elevated storage capacity for the City of Galveston is 6.5 Million Gallons.

Table 1 - City of Galveston Elevated Storage Tanks

Name	Capacity
UTMB Elevated Storage Tank	1,000,000 gallons
10 Mile Road Elevated Storage Tank	1,000,000 gallons
Jamaica Beach Elevated Storage Tank	2,000,000 gallons
Isla Del Sol Elevated Storage Tank	2,000,000 gallons
White Sands Elevated Storage Tank	500,000 gallons
Total Storage Capacity	6,500,000 gallons

The City also maintains numerous ground storage tanks as detailed in Table 2 below. As shown in Table 2, the combined storage of the currently operational tanks is 15 Million Gallons. The combined storage capacity from ground tanks will more than double when four additional existing tanks are refurbished and brought back online prior to the Summer of 2019. The City has also commenced construction of a 7.5 Million gallon tank at its 59th street pump station. This tank will be brought online in 2020.



Table 1 - City of Galveston Ground Storage Tanks

Name	Capacity	Current Status	Expected Operational Date
30 th Street Pump Station	4 x 3,000,000 gallons	Operational	Now
Airport Pump Station	1 x 3,000,000 gallons	Operational	Now
59 th Street Pump Station Out-of-Service #1	3 x 3,500,000 gallons	Offline	Summer 2019
59 th Street Pump Station Out-of-Service #2	1 x 5,000,000 gallons	Offline	Summer 2019
59 th Street Pump Station	1 x 7,500,000 gallons	Under Construction	2020
Current Capacity		15,000,000 gallons	
Summer 2019 Capacity		30,500,000 gallons	
Post 2020 Capacity		38,000,000 gallons	

With both the elevated and ground storage tanks combined, the City of Galveston currently maintains a total storage capacity of 21,500,000 gallons, or 190% of its average daily usage for 2018. Upon completion of the existing tank refurbishment and construction of the new tank at the 59th street pump station, the City will have a combined storage capacity of 44,500,000 gallons, or 394% of its average daily usage for 2018.

The City of Galveston currently operates 5 wastewater treatment facilities. The Main Wastewater Treatment Facility is located at 5200 Port Industrial Boulevard. It utilizes an activated sludge process to treat the wastewater, operates under TPDES Permit No. WQ0010688-001 and has the EPAID No. TX0047309. Wastewater discharges from this facility enters Lower Galveston Bay, segment No. 2439.

The Airport Wastewater Treatment Facility is located at 7618 Mustang Drive. This facility utilizes an activated sludge process, operates under TPDES Permit No. WQ0010688-002 and has the EPAID No. TX0027791. Wastewater discharges from this facility enter into a tidal canal which connects Lake Madeline to Offatts Bayou, then to Galveston West Bay (Segment No. 2424).

The Terramar Wastewater Treatment Facility is located approximately 4.5 miles east of the San Louis Bridge and 1,900 feet west of the San Louis Pass Road (FM 3005) in Galveston County.

This facility utilizes an activated sludge process and sequenced batch reactor, operates under TPDES Permit No. WQ0010688-005 and has the EPAID No. TX0066125. Wastewater discharges from this facility travel via pipeline to Galveston West Bay (Segment No. 2424).



The Pirates Beach Wastewater Treatment Facility is located approximately 0.5 miles north of Steward Road and 0.25 miles east of 12-Mile road on Galveston Island in Galveston County. This facility utilizes an activated sludge process, operates under TPDES Permit No. WQ0011477-001 and has the EPAID No. TX0126977. Wastewater discharges from this facility travel via pipeline to irrigation ponds within the Galveston Country Club Golf Course.

The Seawolf Park Wastewater Treatment Facility is located in Seawolf Park on Pelican Island approximately 3.5 miles northeast of the Pelican Island Bridge in Galveston County. This facility utilizes an activated sludge process, operates under TPDES Permit No. WQ0010688-004 and has the EPAID No. TX0063665. Wastewater discharges from this facility enter Lower Galveston Bay, Segment No. 2439.



WATER CONSERVATION PLAN 5- AND 10-YR GOALS FOR WATER SAVINGS

Facility Name: City of Galveston

Water Conservation Plan Year: 2019

	Historic 5yr Average	Baseline	5-yr Goal for year <u>2024</u>	10-yr Goal for year <u>2029</u>
Total GPCD ¹	271.2	233.3	218.2	208.2
Residential GPCD ²	66.4	66.4	66.4	66.4
Water Loss (GPCD) ³	98.8	55.4	40.6	30.6
Water Loss (Percentage) ⁴	36 %	24 %	19 %	15 %

1. Total GPCD = (Total Gallons in System + Permanent Population) ÷ 365
2. Residential GPCD = (Gallons Used for Residential Use + Residential Population) ÷ 365
3. Water Loss GPCD = (Total Water Loss + Permanent Population) ÷ 365
4. Water Loss Percentage = (Total Water Loss + Total Gallons in System) x 100; or (Water Loss GPCD ÷ Total GPCD) x 100

Region H Water Planning Group
C/O Mark Evans
N. Harris Co. Regional Water Authority
PO Box 2342
Trinity, TX 75862
Ph. (281) 440-3924
mevans@nhcrwa.com

[REDACTED], 2019

Re: City of Galveston Water Conservation Plan

Dear Chairman Evans,

Attached is a copy of the City of Galveston Water Conservation Plan filed with the Texas Water Development Board in accordance with TCEQ rules governing development of water conservation plans for public water suppliers in Title 30, Part 1, Chapter 288, Subchapter A, Section 288.2 of the Texas Administrative Code. Also included is a copy of Ordinance [REDACTED] passed by the City Council of Galveston on [REDACTED], 2019.

Sincerely,



City of Galveston

OFFICE OF THE CITY MANAGER
PO Box 779 | Galveston, TX 77553-0779
citymanager@galvestontx.gov | 409-797-3520

Appendix E:

Drought Contingency Plan for the City of Galveston

Section I: Declaration of Policy, Purpose, and Intent

In order to conserve the available water supply and to protect the integrity of water supply facilities, with particular regard for domestic water use, sanitation, and fire protection, and to protect and preserve public health, welfare, and safety and minimize the adverse impacts of water supply shortage or other water supply emergency conditions, the City of Galveston (the “City”) hereby adopts the following Drought Contingency Plan (the “Plan”). The Plan includes regulations and restrictions on the delivery and consumption of water within the jurisdiction of the City of Galveston.

Water uses regulated or prohibited under this Plan are considered to constitute a waste of water which subjects the offender(s) to penalties as defined in Section X of this Plan.

Section II: Public Involvement

Opportunity for the public and wholesale water customers to provide input into the preparation of the Plan was provided by the City of Galveston by means of scheduling and providing public notice of a public meeting, scheduled by the City Secretary, to accept input on the Plan. A public meeting regarding this Plan was held on **February 28, 2019** at 823 Rosenberg Dr, City Council Chambers, and the City of Galveston made the draft plan available for review (via the City website) one week prior to the public meeting.

Section III: Public Education

Successful implementation of the Plan depends on effective communication with the public. The City must exchange ideas with the public to understand its needs and determine what water uses are most essential. The public must believe that the measures adopted are credible. A public awareness and education campaign will be successful if it conveys the following:

1. The water management condition is real
2. Reductions in water demand are necessary
3. The adopted measures realistically correspond to the severity of the situation.
4. All customers share the inconvenience during water shortages
5. The City is effectively managing this existing water supply.

To accomplish these objectives, the City will take the following steps during drought or water emergency conditions:



- Alert the public and keep the public regularly informed through local media and the City's website and social media
- Initiate public discussions when appropriate
- Promote public understanding of the Plan and convey restrictions required should situations worsen.
- Educate the public about ways to use water more efficiently
- Gather public support for the Plan's actions
- Highlight the leadership role of the city government to save water
- Work to gather support from various forms of news media to successfully keep the public informed. Once initiated, and especially during stages 3, 4, and 5, the City and the news media will provide regular alerts to successfully implement public awareness and education through the following options:

News Media:

- Radio, television, internet, and public service announcements
- Newspaper and other local publication announcements
- Interviews on radio and television programs, when appropriate
- Other radio and television pieces
- Newspaper and local magazine articles
- Press releases
- Paid or donated advertising

Communications:

- Utilize the "one call reaches all" solution to inform subscribers of the situation.
- Citizen hotline (number to be included in all communications)
- Communication to media websites of the current stage and applicable restrictions in water use.
- Telephone and written notifications to large water use customers when applicable.
- Water bill inserts or messages
- Distribution of fact sheets, brochures, and pamphlets
- Mail distinctive-looking post cards to customers beginning in Stage 2, conveying internal water restrictions that apply during this stage as well as a reminder to stay tuned to the media for mandatory restrictions during subsequent possible stages.
- Posting of signs and notices (e.g. city and county buildings, post offices)
- Billboards (if time and availability allow)
- Training of City customer service representatives
- Post current Plan stage and applicable restrictions to the City's website

At all times, including during periods when water usage restrictions are not in place per this Plan, the City will instigate community involvement activities designed to educate the public regarding water usage and conservation needs. Such community involvement measures may include, but are not limited to:

- Public meetings and hearings
- Public education seminars
- City employee training
- School programs
- Organized contests (e.g. poster or T-shirt design, showing new ideas related to water savings)
- Community outreach programs



- Education and outreach from community volunteers
- Formation of citizen's committees or other public forms

Wholesale Customer Education

The City will periodically provide wholesale water customers with information about the Plan, including conditions that initiate each stage and the drought response measures to be implemented. Upon Plan adoption, the City will schedule meetings with each wholesale customer to describe the plan and communication arrangements between the customer and the City to be implemented should the City initiate water usage restrictions under the Plan.

Section IV: Coordination with Regional Water Planning Groups

The City's water service area is located within the Region H water planning area, and the City's Director of Municipal Utilities has provided a copy of the Plan to the Region H water planning group and to the City's water supplier, the Gulf Coast Water Authority (GCWA). Copies of the Plan transmittal letters to the Region H water planning group and the GCWA are provided in Appendix A.

Section V: Authorization

The Director of Municipal Utilities ("Director") or his/her designee, is hereby authorized and directed to implement and administer, at the direction of the City Manager, the applicable provisions of this Plan upon determination that such implementation is necessary to protect public health, safety, and welfare.

Section VI: Plan Application & Notice Procedures

The provisions of this Plan shall apply to all entities using water provided by the City of Galveston. The terms "person" and "customer" as used in the Plan include individuals, corporations, partnerships, associations, and all other legal entities. When the Director of Municipal Utilities or a designee initiates or terminates response stages under this Plan, he/she shall immediately notify the public by means of announcements in local media. Update releases will be on at least a daily basis during implementation of this Plan, unless otherwise specified for specific responses listed below.

Section VII: Recommended Residential Water Conservation & Demand Reduction Measures

During any stage drought response, efforts must be made to reduce water usage and minimize water demand. The following means of conserving water and minimizing water usage are **recommended**. These measures are **voluntary** and are not enforceable by the City of Galveston.

- Limit showers to 5, 4, 3, and 2 minutes or less for Stage 2, 3, 4, and 5 drought responses, respectively.
- Turning off showers while lathering hair and body, and only turning on showers to rinse.
- Capturing in buckets water from showers prior to showers being warm; Re-using the water for dish cleaning, toilet flushing, or landscape irrigation.
- Re-using cooking water to water plants, or to rinse/wash dishes
- Delay clothes washing until full loads are available. Also limit clothes laundering to Tuesdays and Thursdays for customers with **Property in East Galveston**, and Wednesdays and Fridays for



customers with **Property in West Galveston**

- Utilize hand sanitizers rather than washing hands with potable water.
- Utilize dry shampoos and wet-wipes to clean your body and decrease the frequency of showering.
- Cook larger meals and save leftovers for future meals, thus reducing the frequency of needing water for cooking and cleaning of cookware.
- Rainwater harvesting using rain barrels, with the water later used for landscape irrigation.

Voluntary Water Conservation Measures – All Drought Stages

#1	Limit showers to 5, 4, 3, and 2 minutes or less for Stage 2, 3, 4, and 5 drought responses, respectively:	
#2	Turn off showers while lathering hair and body, and only turning on showers to rinse	
#3	Capture in buckets water from showers prior to showers being warm; Re-use the water for dish cleaning, toilet flushing, or landscape irrigation	
#4	Re-use cooking water to water plants, or to rinse/wash dishes	
#5	Delay clothes washing until full loads are available. Limit clothes laundering to:	
	For Customers with Property in East Galveston:	For Customers with Property in West Galveston:
	Tuesdays & Thursdays	Wednesdays & Fridays
#6	Utilize hand sanitizers rather than washing hands with potable water	
#7	Utilize dry shampoos and wet-wipes to clean your body and decrease the frequency of showering.	
#8	Cook larger meals and save leftovers for future meals, thus reducing the frequency of needing water for cooking and cleaning of cookware	
#9	Harvest rainwater using rain barrels, with the water later used for landscape irrigation	

Section VIII: Definitions

For the purposes of this Plan, the following definitions shall apply. Defined terms are shown in **BOLD** fonts throughout the Plan.

- **Gulf Coast Water Authority (GCWA)** – the primary water supplier for the City of Galveston, whose water allocation decisions directly affect water availability under the City of Galveston’s contract for water supplies. Water conservation procedures within the GCWA drought contingency



plan directly affect water availability for the City of Galveston, and the Director of Municipal Utilities or a designee may implement City of Galveston drought stage responses in direct accord with those implemented by GCWA.

- **Historical Monthly Average Water Usage** - the computed monthly average usage for the City of Galveston based on actual usage during the same month during the three previous calendar years, excluding any reductions in usage as a result of implementing a Stage Response measure pursuant to this Plan.
- **Aesthetic Water Use:** water use for ornamental or decorative purposes such as in fountains, reflecting pools, and water gardens.
- **Commercial and Institutional Water Use:** water use which is integral to the operations of commercial entities, non-profit establishments, and governmental entities. These entities include but are not limited to retail establishments, large housing complexes, hotels/ motels and entertainment complexes, Port of Galveston entities, restaurants, and office buildings.
- **Conservation:** those practices, techniques, and technologies that reduce the consumption of water, reduce the loss or waste of water, improve the efficiency in the use of water or increase the recycling and reuse of water so that a supply is conserved.
- **Retail Customer:** any person or entity purchasing drinking water from the City of Galveston for use or consumption.
- **Wholesale Customer:** any entity purchasing potable water from the City of Galveston for resale or redistribution.
- **Domestic Water Use:** commonly known as “drinking water,” used for personal needs or sanitary purposes such as drinking, bathing, heating, cooking, sanitation, or cleaning.
- **Property in East Galveston:** property located east of an extended line running north and south along the center of 103rd street. Property in East Galveston is located behind the seawall.
- **Property in West Galveston:** property located west of an extended line running north and south along the center of 103rd street. Property in West Galveston is not located behind the seawall.
- **Industrial Water Use:** the use of water in processes designed to convert materials of lower value into forms having greater usability and value.
- **Landscape Irrigation Use:** water used for the irrigation and maintenance of landscaped areas, whether publicly or privately owned, including but not limited to residential and commercial lawns, gardens, golf courses, parks, right-of-ways, and medians. Both potable and non-potable water may be used for this purpose.
- **Non-Essential Water Use:** the use of potable water for activities deemed beneficial yet non-essential for the maintenance of public health, safety and welfare for the City of Galveston. Non-essential water use will be regulated or prohibited, depending on implementation stages of this Plan. The Director of Municipal Utilities may designate whether a water usage activity results in Non-Essential Water Use, and may modify such designations from time to time. The following water use activities are considered as Non-Essential Water Use activities for the purposes of this Plan: :
 - irrigation of landscape areas, including parks, schools, athletic fields, and golf courses, except otherwise provided under this Plan;
 - washing any motor vehicle, motorbike, boat, trailer, airplane or other vehicle, other than in a commercial car wash, if not necessary for the protection of public health, safety, and welfare;
 - washing any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
 - washing buildings or structures for purposes other than immediate fire protection;



- flushing gutters or allowing water to run or accumulate in any gutter or street;
- filling, refilling, or adding to any indoor or outdoor swimming pools or jacuzzi-type pools;
- filling, refilling, or adding to any fountain or pond for aesthetic or scenic purposes except where necessary to support aquatic life;
- using water hydrants for construction purposes or any other purposes other than firefighting, hydrant flushing and street cleaning;
- water loss because a responsible party has not repaired controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s).

Section IX: Drought Response Stage Criteria and Response Actions

The Director of Municipal Utilities, or his/her designee, under the direction of the City Manager, shall monitor water supply and demand conditions on a daily basis and shall determine when conditions warrant initiation or termination of each stage of the Plan.

The triggering criteria and response measures described below are based on City staff experience obtained through managing water supplies through recent drought periods, including the most recent 2011 extreme single-year drought for the Brazos River basin. Triggering criteria and response measures are also based on similar criteria and measures utilized by the GCWA.

Section VIII.1 - Stage 1 Response (Mild Water Shortage; TCEQ “Watch” Level)

A Stage 1 Response may be triggered when the Director of Municipal Utilities finds that the Response Conditions warrant the declaration of a Stage 1 Response. The Director of Municipal Utilities will consider declaring a Stage 1 Response when at least one of the following Response Conditions is satisfied:

Response Conditions:

1. The GCWA has initiated a Stage 1 Response under its Drought Contingency Plan.
2. Total water demand exceeds 80% of deliverable capacity for four consecutive days
3. Storage in City water reservoirs/storage tanks falls below 80% of capacity for four consecutive days
4. Single day demand exceeds 85% of deliverable capacity in a normal demand environment.
5. Storage in City water reservoirs/storage tanks falls below 70% of capacity for a single day

A Stage 1 Response may be terminated by the Director of Municipal Utilities when the Response Conditions that triggered the initiation of a Stage 1 Response no longer prevail.

Response Measures:

The goal for water use under Stage 1 is a reduction of 5% of water use compared to **Historical Monthly Average Water Usage** as calculated by GCWA and approved by the City. The Director of Municipal Utilities may implement any of the following actions deemed necessary, and may implement other appropriate actions not listed below:

General Measures:

- Notify all **Retail** and **Wholesale Customers** that a Stage 1 Response condition exists;
- Request voluntary reductions in water use by all **Retail Customers** and **Wholesale Customers**;
- Increase public awareness of drought or system conditions and measures to reduce demand



Supply Management Measures:

- Monitor water supply and demand on a constant basis and notify users by press releases of conditions as appropriate
- Notify water consumers regarding the need to reduce their usage on a voluntary basis by at least 5%
- Distribute water to City reservoirs based on demand in specific service areas
- Defer or delay City maintenance services (e.g. flushing of water mains, watering of City property)
- Utilize reclaimed, non-potable water for irrigation purposes, where feasible
- Explore alternative sources of potable water
- Notify **Wholesale Customers** of reductions in available water and advise implementation of the **Wholesale Customer's** drought contingency plan.

Stage 1 Voluntary Demand Reduction Measures

Issue press releases and/or published notices in all media, requesting practice of water conservation activities, and minimization or discontinuance of all Non-Essential Water Uses .	
Request, via press releases and/or published notices, that Retail Customers voluntarily limit Landscape Irrigation Use :	
For Customers with Property in East Galveston:	For Customers with Property in West Galveston:
Tuesdays & Thursdays	Wednesdays & Fridays
before 10:00am OR after 8:00pm	before 10:00am OR after 8:00pm

Section VIII.2 - Stage 2 Response (Moderate Water Shortage; TCEQ “Concern” Level)

A Stage 2 Response may be triggered when the Director of Municipal Utilities finds that the Response Conditions warrant the declaration of a Stage 2 Response. The Director of Municipal Utilities will consider declaring a Stage 2 Response when at least one of the following Response Conditions is satisfied:

Response Conditions:

1. The **GCWA** has initiated a Stage 2 Response under its Drought Contingency Plan.
2. Total water demand exceeds 85% of deliverable capacity for four consecutive days
3. Storage in City water reservoirs falls below 70% of capacity for four consecutive days
4. Single day demand exceeds 90% of deliverable capacity in a normal demand environment.
5. Storage in City water reservoirs falls below 65% of capacity for a single day

A Stage 2 Response may be terminated by the Director of Municipal Utilities when the Response Conditions that triggered the initiation of a Stage 2 Response no longer prevail. Excessive water usage under Stage 2 Conditions will result in surcharges on all City of Galveston water bills.

Response Measures:

The goal for water use under Stage 2 is a reduction of **10%** of water use compared to the **Historical Monthly Average Water Usage** as calculated by **GCWA** and approved by the City. The Director of Municipal Utilities may implement any of the following actions deemed necessary, and may implement other appropriate actions not listed below. Within five (5) days of implementing (or terminating) mandatory water use restrictions, the Director of Municipal Utilities will notify the Texas Commission on Environmental



Quality (TCE

Q). Notifications will be submitted to the TCEQ Public Drinking Water Section Drought Team, and will be submitted via the TCEQ-required online form, currently available at: https://www.tceq.texas.gov/drinkingwater/homeland_security/security_pws/pws-drought-contingency-plan-reporting-form. Assistance in making notifications may be obtained via e-mail to wcp@tceq.texas.gov or via phone at 512-239-4691.

General Measures:

- Notify all **Retail** and **Wholesale Customers** that a Stage 2 Response condition exists;
- Require reductions in water use by all **Retail Customers** and **Wholesale Customers**;
- Increase public awareness of drought or system conditions and measures to reduce demand

Supply Management Measures:

- Monitor water supply and demand on a constant basis and notify users by press releases of conditions as appropriate
- Reduce distribution pressure in 10% increments as possible and appropriate to attempt to stabilize reservoir storage levels
- Meet with customers and develop water usage reduction plans
- Distribute water to City reservoirs based on demand in specific service areas
- Defer or delay City maintenance services (e.g. flushing of water mains, watering of City property)
- Initiate usage of reclaimed, non-potable water for **Landscape Irrigation Use**, wherever feasible.
- Explore alternative sources of potable water
- Notify **Wholesale Customers** of reductions in available water and advise implementation of the **Wholesale Customer's** drought contingency plan.

Stage 2 Mandatory Demand Reduction Measures

#1	Limit Landscape Irrigation Use: For Customers with Property in East Galveston:		For Customers with Property in West Galveston:	
	Tuesdays & Thursdays		Wednesdays & Fridays	
	before 10:00am OR after 8:00pm		before 10:00am OR after 8:00pm	
	**Landscape irrigation is permitted at ANYTIME on designated days if it is by means of a hand-held hose, a faucet filled bucket, or watering can of five (5) gallons or less, or via a drip irrigation system			
#2	Limit Private Vehicle Washing , including any motor vehicle, motorbike, boat, trailer, airplane, or other vehicle: For Customers with Property in East Galveston:			For Customers with Property in West Galveston:
	Tuesdays & Thursdays		Wednesdays & Fridays	
	Such washing, when allowed, shall be done with a hand-held bucket or a hand-held hose equipped with a positive shutoff nozzle for quick rinses			
	Vehicle washing may be done at any time at a commercial car wash or commercial service station.			



	Further, such washing may be exempted from the Plan if, as determined by the Director of Municipal Utilities, the health, safety, and welfare of the public is contingent upon frequent vehicle cleansing, such as garbage trucks, fishing vessels, and vehicles used to transport food and perishables.	
#3	Limit Pool Filling or Refilling , including any indoor or outdoor swimming pools, wading pools, or Jacuzzi-type pools	
	For Customers with Property in East Galveston:	For Customers with Property in West Galveston:
	Tuesdays & Thursdays before 10:00am OR after 8:00pm	Wednesdays & Fridays before 10:00am OR after 8:00pm
#4	Prohibit usage of potable water to fill, refill, or add water to any ornamental fountain or pond for aesthetic or scenic purposes, except where necessary to support aquatic life	

Stage 2 Mandatory Demand Reduction Measures, continued.

#5	Limit water usage from fire hydrants for only firefighting, related activities, or other activities necessary to maintain public health, safety, and welfare. Use of water from designated fire hydrants for construction purposes may be allowed under special permit from the Director of Municipal Utilities or his/her designee.	
#6	Limit Potable Water Use for Golf Course Irrigation for greens, tees, and fairways:	
	Tuesdays & Thursdays before 10:00am OR after 8:00pm	Wednesdays & Fridays before 10:00am OR after 8:00pm
	Properties utilizing a water source other than potable water provided by the City of Galveston (e.g. reclaimed, non-potable water) are not subject to this regulation	
#7	Prohibit all restaurants from serving water to patrons except on patron request.	
#8	Prohibit Non-Essential Water Uses, including:	
	Wash down of any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas	
	Wash down of buildings or structures for purposes other than immediate fire protection	
	Use of water for dust control, except as permitted by the Director of Municipal Utilities	
	Hydrant flushing (except for water system repairs), flushing gutters, or allowing water to run or accumulate in any street	
	Failure to repair controllable leaks within a reasonable period after having been given notice directing the repair of such leaks	



Section VIII.3 - Stage 3 Response (Severe Water Shortage; TCEQ “Priority” Level)

A Stage 3 Response may be triggered when the Director of Municipal Utilities finds that the Response Conditions warrant the declaration of a Stage 3 Response. The Director of Municipal Utilities will consider declaring a Stage 3 Response when at least one of the following Response Conditions is satisfied:

Response Conditions:

1. The **GCWA** has initiated a Stage 3 Response under its Drought Contingency Plan.
2. Total water demand exceeds 90% of deliverable capacity for three consecutive days
3. Storage in City water reservoirs falls below 65% of capacity for three consecutive days
4. Single day demand exceeds 95% of deliverable capacity in a normal demand environment.

A Stage 3 Response may be terminated by the Director of Municipal Utilities when the Response Conditions that triggered the initiation of a Stage 3 Response no longer prevail.

Response Measures:

The goal for water use under Stage 3 is a reduction of 15% of water use compared to the **Historical Monthly Average Water Usage** as calculated by GCWA and approved by the City. The Director of Municipal Utilities may implement any of the following actions deemed necessary, and may implement other appropriate actions not listed below. Within five (5) days of implementing (or terminating) mandatory water use restrictions, the Director of Municipal Utilities will notify the Texas Commission on Environmental Quality (TCEQ). Notifications will be submitted to the TCEQ Public Drinking Water Section Drought Team, and will be submitted via the TCEQ-required online form, currently available at: https://www.tceq.texas.gov/drinkingwater/homeland_security/security_pws/pws-drought-contingency-plan-reporting-form. Assistance in making notifications may be obtained via e-mail to wcp@tceq.texas.gov or via phone at 512-239-4691.

General Measures:

- Notify all **Retail** and **Wholesale Customers** that a Stage 3 Response condition exists;
- Require reductions in water use by all **Retail Customers** and **Wholesale Customers**;
- Increase public awareness of drought or system conditions and measures to reduce demand

Supply Management Measures:

- Monitor water supply and demand on a constant basis and notify users by press releases of conditions as appropriate
- Reduce distribution pressure in 10% increments as possible and appropriate to attempt to stabilize reservoir storage levels.
- Meet with customers and develop water usage reduction plans
- Distribute water to City reservoirs based on demand in specific service areas
- Defer or delay City maintenance services (e.g. flushing of water mains, watering of City property)
- Initiate usage of reclaimed, non-potable water for **Landscape Irrigation Use**, wherever feasible.
- Explore alternative sources of potable water
- Notify **Wholesale Customers** of reductions in available water and advise implementation of the **Wholesale Customer’s** drought contingency plan.



Stage 3 Mandatory Demand Reduction Measures

#1	Continue ALL Stage 2 Demand Reduction Measures
#2	Prohibit usage of hose-end sprinklers and automatic sprinkler systems at all times. Limit Landscape Irrigation Usage to use of hand-held hoses, hand-held buckets, or drip irrigation only. .
#3	Prohibit water use for construction purposes from designated fire hydrants, unless written permission is obtained from the Director of Municipal Utilities.
#4	Prohibit watering of golf course tees unless the golf course utilizes a water source other than that provided by the City (e.g. reclaimed, non-potable water)

Section VIII.4: Stage 4 Response (Extreme Water Shortage; TCEQ “Emergency” Level)

A Stage 4 Response may be triggered when the Director of Municipal Utilities finds that the Response Conditions warrant the declaration of a Stage 4 Response. The Director of Municipal Utilities will consider declaring a Stage 4 Response when at least one of the following Response Conditions is satisfied:

Response Conditions:

1. The GCWA has initiated a Stage 4 Response under its Drought Contingency Plan.
2. Total water demand exceeds 95% of deliverable capacity for one day
3. Storage in City water reservoirs falls below 50% of capacity for one day, or below 60% of capacity for 3 consecutive days

A Stage 4 Response may be terminated by the Director of Municipal Utilities when the Response Conditions that triggered the initiation of a Stage 4 Response no longer prevail.

Response Measures:

The goal for water use under Stage 4 is a reduction of 20% of water use compared to the **Historical Monthly Average Water Usage** as calculated by GCWA and approved by the City. The Director of Municipal Utilities may implement any of the following actions deemed necessary, and may implement other appropriate actions not listed below. Within five (5) days of implementing (or terminating) mandatory water use restrictions, the Director of Municipal Utilities will notify the Texas Commission on Environmental Quality (TCEQ). Notifications will be submitted to the TCEQ Public Drinking Water Section Drought Team, and will be submitted via the TCEQ-required online form, currently available at: https://www.tceq.texas.gov/drinkingwater/homeland_security/security_pws/pws-drought-contingency-plan-reporting-form. Assistance in making notifications may be obtained via e-mail to wcp@tceq.texas.gov or via phone at 512-239-4691.

General Measures:

- Notify all **Retail** and **Wholesale Customers** that a Stage 4 Response condition exists;



- Require reductions in water use by all **Retail Customers** and **Wholesale Customers**;
- Increase public awareness of drought or system conditions and measures to reduce demand

Supply Management Measures:

- Monitor water supply and demand on a constant basis and notify users by press releases of conditions as appropriate
- Reduce distribution pressure in 10% increments as possible and appropriate to attempt to stabilize reservoir storage levels.
- Meet with customers and develop water usage reduction plans
- Distribute water to City reservoirs based on demand in specific service areas
- Defer or delay City maintenance services (e.g. flushing of water mains, watering of City property)
- Initiate usage of reclaimed, non-potable water for **Landscape Irrigation Use**, wherever feasible.
- Aggressively explore alternative sources of potable water
- Notify **Wholesale Customers** of reductions in available water and advise implementation of the **Wholesale Customer's** drought contingency plan.

Stage 4 Mandatory Demand Reduction Measures

#1	Continue ALL Stage 3 Demand Reduction Measures	
#2	Prohibit usage of hose-end sprinklers and automatic sprinkler systems at all times. Limit Landscape Irrigation Usage to use of hand-held hoses, hand-held buckets, or drip irrigation only:	
	For Customers with Property in East Galveston:	For Customers with Property in West Galveston:
	Tuesdays & Thursdays	Wednesdays & Fridays
	before 8:00am OR after 8:00pm	before 8:00am OR after 8:00pm
#3	Prohibit use of potable water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle unless the wash is occurring at a commercial car wash or commercial service station and cleaning the vehicle is necessary to maintain public health, safety and welfare. Any such vehicle washes may only occur between 6:00am and 10:00am, or between 6:00pm and 10:00pm.	
#4	Prohibit the filling, refilling, or adding of water to swimming pools, wading pools, and Jacuzzi-type pools:	
#5	Prohibit the operation of any ornamental fountain or pond for aesthetic or scenic purposes, except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system (approved for use by the Director of Municipal Utilities).	

Under Stage 4 response conditions, the Director of Municipal Utilities may suspend pending applications for new, additional, expanded, or increased-in-size water service connections, meters, service lines, pipeline extensions, mains, or water service facilities of any kind.



Section VIII.5: Stage 5 - Water Emergency Response (Emergency Water Shortage; TCEQ “Emergency” Level)

A Stage 5 Response may be triggered when the Director of Municipal Utilities finds that the Response Conditions warrant the declaration of a Stage 5 Response. The Director of Municipal Utilities will consider declaring a Stage 5 Response when at least one of the following Response Conditions is satisfied:

Response Conditions:

1. The GCWA has initiated a Stage 5 Response under its Drought Contingency Plan.
2. Major water line breaks, pump failures, or system failures occur which cause significant loss of capability to provide water service
3. Natural or man-made contamination of the water supply sources limits or prohibits the delivery of potable water
4. Stage 4 Response measures have not reduced the water usage to goal levels, and the Director of Municipal Utilities determines the City may not be able to meet the water demands of customers.

A Stage 5 Response may be terminated by the Director of Municipal Utilities when the Response Conditions that triggered the initiation of a Stage 5 Response no longer prevail.

Response Measures:

The goal for water use under Stage 5 is subject to the scope of the emergency. The Director of Municipal Utilities may implement any of the following actions deemed necessary, and may implement other appropriate actions not listed below. Within five (5) days of implementing (or terminating) mandatory water use restrictions, the Director of Municipal Utilities will notify the Texas Commission on Environmental Quality (TCEQ). Notifications will be submitted to the TCEQ Public Drinking Water Section Drought Team, and will be submitted via the TCEQ-required online form, currently available at: https://www.tceq.texas.gov/drinkingwater/homeland_security/security_pws/pws-drought-contingency-plan-reporting-form. Assistance in making notifications may be obtained via e-mail to wcp@tceq.texas.gov or via phone at 512-239-4691.

General Measures:

- Notify all **Retail** and **Wholesale Customers** that a Stage 5 Response condition exists;
- Require reductions in water use by all **Retail Customers** and **Wholesale Customers**;
- Increase public awareness of drought or system conditions and measures to reduce demand

Supply Management Measures:

- Discontinue all water system operations and correct the emergency situation to insure a safe supply of water
- Monitor water supply and demand on a constant basis and notify users by press releases of conditions as appropriate, with notices provided at least every 4 hours.
- Reduce distribution pressure in 10% increments as possible and appropriate to attempt to stabilize reservoir storage levels.



- Issue Boil Water notices via press releases, and if necessary, published notices
- Place Fire Department on Alert
- Distribute water to City reservoirs based on demand in specific service areas
- Defer or delay City maintenance services (e.g. flushing of water mains, watering of City property)
- Initiate usage of reclaimed, non-potable water for **Landscape Irrigation Use**, wherever feasible.
- Aggressively explore alternative sources of potable water
- Notify **Wholesale Customers** of reductions in available water and advise implementation of the **Wholesale Customer's** drought contingency plan.

Stage 5 Mandatory Demand Reduction Measures

#1	Continue ALL Stage 4 Demand Reduction Measures
#2	Prohibit Landscape Irrigation Water Use at all times
#3	Prohibit use of potable water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle, unless written permission is provided by the Director of Municipal Utilities..

Water deliveries to wholesale water providers will be allocated on a pro-rata basis as provided under the Texas Water Code §11.039, following the water allocation plan developed between the City and the wholesale water provider.

Section IX: Emergency Water Allocation

If the supply of available potable water reaches such a low level that anticipated demand cannot be met and the health and safety of the community may be at risk, the Director of Municipal Utilities, at the direction of the City Manager, shall be responsible for administering an allocation program under which the City may limit the times and/or days water will be pumped into the water distribution system. If necessary, this allocation may vary for areas of the City served by different storage tanks/reservoirs and water will be distributed accordingly to these storage tanks/reservoirs. Schedules of water availability in different areas of the City will be announced by press releases to all media, and may be supplemented by the distribution of circulars at businesses and public buildings throughout the City, as determined by the Directory of Municipal Utilities.

Water distribution will be administered by the Director of Municipal Utilities, at the direction of the City Manager, based on priorities established at a meeting with the Mayor, City Manager, the City Emergency Operation Officer, and any other official(s) the aforementioned individuals deem necessary, including wholesale customer representatives. The agreement should include, but not be limited to, considering the following facilities in setting area priorities:

- Fire and Public Safety facilities
- Hospitals and Medical-related (including veterinary) facilities
- Facilities housing distribution points for food and bottled water
- Geriatric and Assisted Living facilities
- Educational and Day Care facilities (while in session)
- Food service facilities (e.g. restaurants, food kitchens)



- Government, Commercial and Industrial facilities (e.g. courts, Public Works water system stations, power complexes, manufacturers, distributors, retail stores, auto service stations, hotels, mortuaries, entertainment complexes)
- Port of Galveston facilities.
- Residential users and housing complexes

Water distribution to wholesale accounts: There will be a provision in every wholesale water contract entered into or renewed by the City after adoption of this plan, including contract extensions, that in case of a shortage of water resulting from drought, the water to be distributed shall be allocated in accordance with Texas Water Code, §11.039.

Section X: Enforcement

- (a) No person shall knowingly or intentionally allow the use of water from the City of Galveston for any use contrary to any provision of this Plan, as specified by the drought response stage in effect at the time as a result of action taken by Director of Municipal Utilities, or a designee, in accordance with provisions of this Plan. Any violation shall be considered an infraction against the public health and sanitation of the City.
- (b) Any person who violates this Plan is guilty of a misdemeanor and shall be punishable by a fine not exceeding \$2,000.00 dollars and a surcharge of 20% applied to their current water bill. Each day that one or more of the provisions in this Plan is violated shall constitute a separate offense. If a person is convicted of three or more distinct violations of this Plan, the Director of Municipal Utilities shall, upon 48-hour advance notice to the customer, be authorized to discontinue water service to the premises where such violations occur. Services discontinued under such circumstances shall be restored only upon advance payment of a re-connection charge, hereby established at \$40.00 same day or \$25.00 next day, and any other cost incurred by the City of Galveston in disconnecting and restoring service. In addition, suitable assurance must be given to the Director of Municipal Utilities that the same action shall not be repeated while the Plan is in effect. Compliance with this plan may also be sought through injunctive relief in the district court.
- (c) The Director of Municipal Utilities shall assume that the billing name for a water customer account is the person responsible for any violations to this Plan, and shall be presumed to be the violator, unless that person can submit tangible proof to the Director that another person or entity bears responsibility for the property.
- (d) Any employee of the City of Galveston designated by the City Marshal, or a police officer, may issue a citation to a person or entity in violation of this Ordinance. The citation shall be prepared in duplicate and shall contain the name and address of the violator, if known, and the offense charged. The citation shall direct him/her to appear in the city municipal court on the date shown on the citation, for which the date shall not be less than 3 days nor more than 5 days from the date the citation was issued. The alleged violator shall be served a copy of the citation. Service of the citation shall be complete upon delivery of the citation to the alleged violator, to an agent or employee of a violator, or to a person over 14 years of age who is a member of the violator's immediate family or is a resident of the violator's residence. The alleged violator shall appear in city municipal court to enter a plea of guilty or not guilty for the violation of this Plan. If the alleged violator fails to appear in city municipal court, a warrant for arrest may be issued. A summons to appear may be issued in lieu of an arrest warrant. These cases shall be expedited and given



preferential setting in city municipal court before all other cases.

- (e) In the event of water allocation, appropriate security measures should be implemented by the affected City departments
- (f) Any surcharge assessed to the City of Galveston by the GCWA will be passed on to ALL **Retail and Wholesale Customers**. The assessed fine will be divided amongst Retail and Wholesale Customers based on the relative volume of water used during the month in which the fine was imposed. The portion of the fine assessed to **Retail Customers** will be divided amongst all customers based on their individual customer "Base Rate" related to the customer's meter size. Assessed surcharges will be included on the next month's water bill from the City of Galveston.

The following example depicts how the City of Galveston will divide any assessed fines from GCWA amongst its customers. **NOTE: GCWA** will only assess surcharges if the monthly water usage by the City of Galveston exceeds the City's **Historical Monthly Average Water Usage** as calculated by **GCWA** and approved by the City. Surcharges from GCWA are avoided if the City of Galveston reduces its usage below the **Historical Monthly Average Water Usage**.

Example GCWA-imposed surcharge Passed on to City of Galveston Customers:

**Note: number of connections varies by month and is continuously updated by City of Galveston. Numbers shown below are for illustrative purposes only.

GCWA Imposed Surcharge: \$1,000,000

			Surcharge
Total Water Delivered to City of Galveston:	400,000,000 Gallons	100%	\$1,000,000
Water to Wholesale Customers	16,000,000 Gallons	4%	\$40,000
Water to Retail Customers	384,000,000 Gallons	96%	\$960,000

Surcharge Division among Retail Customers:

Total Retail Surcharge \$960,000

Meter Class	Base Rate	Number of Connections	Portion of Retail Surcharge		
			By Meter Class	%	Per Connection
5/8" x 3/4"	\$10.78	15000	\$174,876.09	18%	\$11.66
1"	\$24.36	1500	\$39,517.45	4%	\$26.34
1 1/2"	\$46.99	1000	\$50,818.97	5%	\$50.82
2"	\$74.14	1000	\$80,181.28	8%	\$80.18
3"	\$146.55	750	\$118,868.70	12%	\$158.49
4"	\$228.01	250	\$61,647.34	6%	\$246.59
6"	\$454.29	200	\$98,261.55	10%	\$491.31
8"	\$725.83	150	\$117,746.12	12%	\$784.97
10"	\$1,042.63	100	\$112,758.85	12%	\$1,127.59
12"	\$1,947.76	50	\$105,323.64	11%	\$2,106.47

- (g) Any credit assessed to the City of Galveston by the GCWA will be passed on to ALL **Retail and Wholesale Customers** in the same manner as surcharges will be determined (see example above).



Alternatively, earned credits received from the GCWA for meeting goals will be included on the following month's water bill from the City of Galveston.

Section XI: Variances

The Director of Municipal Utilities, or a designee, may, in writing, grant a temporary variance for existing water uses otherwise prohibited under this Plan if it is determined that failure to grant such variance would cause an emergency condition adversely affecting the health, sanitation, or fire protection for the public or the person requesting such variance and if one or more of the following conditions are met:

(a) Compliance with this Plan cannot be technically feasible during the duration of the water supply shortage or other condition for which the Plan is in effect.

(b) Alternative methods can be implemented which will achieve the same reduction in water use.

Persons requesting an exemption from the provisions of this Ordinance shall file a petition for variance, obtained from the Director of Municipal Utilities or a designee, with the City of Galveston within 5 days after the Plan or a particular drought response stage has been invoked. All petitions for variances shall be reviewed by the Director of Municipal Utilities, or a designee, and shall include the following:

- (a) Name and address of the petitioner(s).
- (b) Purpose of water use.
- (c) Specific provision(s) of the Plan from which the petitioner is requesting relief.
- (d) Detailed statement as to how the specific provision of the Plan adversely affects the petitioner or what damage or harm will occur to the petitioner or others if petitioner complies with this Ordinance.
- (e) Description of the relief requested.
- (f) Period of time for which the variance is sought.
- (g) Alternative water use restrictions or other measures the petitioner is taking or proposes to take to meet the intent of this of this Plan and the compliance date.
- (h) Other pertinent information.

Variances granted by the City of Galveston shall be subject to the following conditions, unless waived or modified by the Director of Municipal Utilities or a designee:

- (a) Variances granted shall be valid only for the granted limited time period during the current situation where Stages of conservation are declared, and shall expire on the designated date or the termination of Stage 1 (and a return to non-drought conditions) in the current sequence, whichever occurs first.
- (b) All variances granted shall be valid for a maximum of 90 days, at which time, if the City is still under a declared conservation period, the customer will have to re-apply for a new variance.

No variance shall be retroactive or otherwise justify any violation of this Plan occurring prior to the issuance of the variance.

Section XIII: Severability

It is declared to be the intention of the City of Galveston that the sections, paragraphs, sentences, clauses, and phrases of this Plan are severable and, if any phrase, clause, sentence, paragraph, or section of this Plan 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, and sections of this Plan, since the same would not have been enacted by the City of Galveston without the incorporation into this Plan of any such unconstitutional phrase, clause, sentence, paragraph, or section.



ORDINANCE NO. 19-____

AN ORDINANCE OF THE CITY OF GALVESTON, TEXAS, ADOPTING THE 2019 WATER CONSERVATION PLAN FOR THE CITY OF GALVESTON THAT INCLUDES AND INCORPORATES THE PRIOR CITY OF GALVESTON DROUGHT CONTINGENCY PLAN, TEXAS COMMISSION ON ENVIRONMENTAL QUALITY (TCEQ) AND TEXAS WATER DEVELOPMENT BOARD (TWDB) RULES, GIVES SPECIFICATIONS OF WATER CONSERVATION GOALS, IMPROVING THE EFFICIENCY IN THE USE OF WATER, INCREASING RECYCLING AND REUSE OF WATER, IMPROVING THE EFFICIENCY OF WATER UTILITIES AND PREVENTION OF POLLUTION OF WATER; MAKING VARIOUS FINDINGS AND PROVISIONS RELATED TO THE SUBJECT AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, having a dependable water supply has been a key issue in economic and land development in Texas. Growing population and economic expansion increase demands on water supplies and in order to meet the challenge of providing for our current and future needs the City must learn to use more efficiently the water it has; and,

WHEREAS, in August 2009, the City adopted Ordinance No. 09-048, a Water Conservation Plan for the City of Galveston which incorporated the City's prior 2003, water conservation and drought contingency plan; and

WHEREAS, the Texas Administrative Code requires the City to periodically update its water conservation plan pertaining to municipal responsibilities dealing with water shortages, drought, or other water supply emergencies; and,

WHEREAS, on _____, the City adopted Ordinance No. ____-____, amending Ordinance No. 09-048 updating the City's drought contingency plan; and,

WHEREAS, the 2019 Water Conservation Plan for the City of Galveston, attached herein as **Exhibit 1**, includes the current City of Galveston water conservation and drought contingency plan, the Texas Commission on Environmental Quality (TCEQ) and Texas Water Development Board (TWDB) rules, and gives specifications of water conservation goals, improving the efficiency in the use of water, increasing recycling and reuse of water, and improving the efficiency of water utilities, among other goals; and,

WHEREAS, the City Council of the City of Galveston hereby deems it in the public interest to adopt the 2019 Water Conservation Plan for the City of Galveston attached hereto as **Exhibit 1** and incorporated herein for all purposes.

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

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

SECTION 2. **Exhibit 1** attached hereto, the "Water Conservation Plan for the City of Galveston (2019)" which incorporates **Appendix E**, the updated drought

contingency plan adopted by the City of Galveston in Ordinance No. - , is hereby approved and adopted by the City Council of the City of Galveston, certified copies of which are on file in the office of the City Secretary.

SECTION 3. It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses and phrases of this Ordinance are severable and, if any phrase, clause, sentence, paragraph or section of this Ordinance should be declared invalid by the final judgment or decree of any court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Ordinance.

SECTION 4. All Ordinances or parts thereof in conflict herewith are repealed to the extent of such conflict only.

SECTION 5. In accordance with the provisions of Sections 12 and 13 of Article II of the City Charter this Ordinance has been publicly available in the office of the City Secretary for not less than 72 hours prior to its adoption; that this Ordinance may be read and published by descriptive caption only.

SECTION 6. This Ordinance shall be and become effective from and after its adoption and publication in accordance with the provisions of the Charter of the City of Galveston.

APPROVED AS TO FORM

DONNA M. FAIRWEATHER
ASSISTANT CITY ATTORNEY

I, Janelle Williams, Secretary of the City Council of the City of Galveston, do hereby certify that the foregoing is a true and correct copy of an Ordinance adopted by the City Council of the City of Galveston at its regular meeting held on March 28, 2019, as the same appears in records of this office.

IN TESTIMONY WHEREOF, I subscribe my name hereto officially under the corporate seal of the City of Galveston this ____ day of _____, 2019.

Secretary for the City Council
of the City of Galveston

Exhibit 1

ORDINANCE NO. 19-__

AN ORDINANCE OF THE CITY OF GALVESTON, TEXAS, DESIGNATING THE PROPERTY LOCATED AT **3419 AVENUE L**, AS A “GALVESTON LANDMARK”, PROPERTY IS LEGALLY DESCRIBED AS LOT 3 AND THE EASTERN PORTION OF LOT 2 AND THE WESTERN PORTION OF LOT 4 AND THE NORTH HALF OF ADJACENT ALLEY, BLOCK 34, IN THE CITY AND COUNTY OF GALVESTON, TEXAS; REQUESTING THE HISTORIC PRESERVATION OFFICER RECORD THE PROPERTY'S LANDMARK DESIGNATION IN THE OFFICIAL PUBLIC RECORDS OF REAL PROPERTY IN GALVESTON COUNTY, THE TAX RECORDS OF THE CITY OF GALVESTON AND THE CENTRAL APPRAISAL DISTRICT, AND THE OFFICIAL ZONING MAPS OF THE CITY OF GALVESTON, TEXAS; DESIGNATING THE SITE AS A HISTORICALLY OR ARCHEOLOGICAL SIGNIFICANT SITE IN NEED OF TAX RELIEF TO ENCOURAGE ITS PRESERVATION; PLANNING CASE NUMBER **19P-016**; , MAKING VARIOUS FINDINGS AND PROVISIONS RELATED TO THE SUBJECT.

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

WHEREAS, the Applicants and Property Owners, Lee and Mary Branum, request that the structure located at **3419 Avenue L**, and legally described as the Lot 3 and the Eastern Portion of Lot 2 and the Western Portion of Lot 4 and the North Half of Adjacent Alley, Block 34, in the City and County of Galveston, Texas, be officially designated as a Galveston Landmark; and,

WHEREAS, the subject structure, the Poole-Parker House, was constructed in 1867 by William G. Boepple on land purchased from Valentine Poole, a local cattle dealer. The Poole-Parker House is valuable to the development history of the City of Galveston. The house is a Gulf Coast Cottage with a transom-topped, side-lit door, framed by a Greek revival architrave and was featured on the Galveston Historical Foundation’s first Home Tour in 1975; and,

WHEREAS, the Poole-Parker House was designated as a Recorded Texas Historic Landmark in 1980 and retains its historic integrity and retains its original location, design, setting, materials, workmanship, feeling and association; and,

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

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

WHEREAS, the property is eligible to participate in the City of Galveston's Tax Exemption for New Galveston Landmarks Program. New Galveston Landmarks located outside of historic districts are eligible for a 35% reduction in City of Galveston property taxes for a period of five years; and,

WHEREAS, at its regular meeting of March 4, 2019, the Landmark Commission voted unanimously to recommend approval of the request; and,

WHEREAS, at its regular meeting of March 5, 2019, the Planning Commission voted unanimously to recommend approval of the request; and

WHEREAS, Staff recommends that Planning Case Number 19P-009 request for Landmark Designation of the property located at **3419 Avenue L**, be approved with the condition provided in Section 2 below; and,

WHEREAS, after notice and public hearing as required by law, the City Council finds that it is in the public's interest to approve the application and designate the structure located at **3419 Avenue L**, and legally described as the Lot 3 and the Eastern Portion of Lot 2 and the Western Portion of Lot 4 and the North Half of Adjacent Alley, Block 34, in the City and County of Galveston, Texas, as a "Galveston Landmark" and as a historically or archeologically significant site in need of tax relief to encourage its preservation."

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

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

SECTION 2. After public hearing, the City Council approves the request for Landmark Designation of the property located at **3419 Avenue L**, and legally described as the Lot 3 and the Eastern Portion of Lot 2 and the Western Portion of Lot 4 and the North Half of Adjacent Alley, Block 34, in the City and County of Galveston, Texas, subject to the following condition:

Standard Condition:

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

SECTION 3. Pursuant to City of Galveston Ordinance Number 15-059, the City Council designates the structure as a "historically or archeologically significant site in need of tax relief to encourage its preservation". The property is eligible to participate in

the City of Galveston's Tax Exemption for New Historic Districts or Galveston Landmarks program. New Galveston Landmarks located outside of historic districts are eligible for a 35% reduction in City of Galveston property taxes for a period of five years.

SECTION 4. The City of Galveston Historic Preservation Officer will maintain all records and will record the property's Landmark Designation in the Official Public Records of Real Property of Galveston County, in the tax records of the City of Galveston and the Central Appraisal District, and in the Official Zoning Maps of the City of Galveston, Texas.

SECTION 5. It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses, and phrases of this Ordinance are severable and, if any phrase, clause, sentence, paragraph or section of this Ordinance should be declared invalid by the final judgment or decree of any court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Ordinance.

SECTION 6. All Ordinances or parts thereof in conflict herewith are repealed to the extent of such conflict only.

SECTION 7. In accordance with the provisions of Sections 12 and 13 of Article II of The City Charter this Ordinance has been publicly available in the office of the City Secretary for not less than 72 hours prior to its adoption; that this Ordinance may be read and published by descriptive caption only.

SECTION 8. This Ordinance shall become effective upon its adoption and publication in accordance with the provisions of The Charter of the City of Galveston.

APPROVED AS TO FORM:

DONNA M. FAIRWEATHER
ASSISTANT CITY ATTORNEY

I, Janelle Williams, Secretary of the City Council of the City of Galveston, do hereby certify that the foregoing is a true and correct copy of an Ordinance adopted by the City Council of the City of Galveston at its Regular Meeting held on March 28, 2019, as the same appears in records of this office.

IN TESTIMONY WHEREOF, I subscribe my name hereto officially under the corporate seal of the City of Galveston this _____, 2019.

Secretary for the City Council
of the City of Galveston



19P-016

STAFF REPORT

ADDRESS:

3419 Avenue L

LEGAL DESCRIPTION:

Property is legally described as Lot 3 and the Eastern Portion of Lot 2 and the Western Portion of Lot 4 and the North Half of Adjacent Alley, Block 34, in the City and County of Galveston, Texas

APPLICANT/REPRESENTATIVE:

Lee and Mary Branum

PROPERTY OWNER:

Lee and Mary Branum

ZONING DISTRICT:

Urban Neighborhood (UN)

HISTORIC DISTRICT:

n/a

REQUEST:

Request for designation as a Galveston Landmark

STAFF RECOMMENDATION:

Approval with Conditions

EXHIBITS:

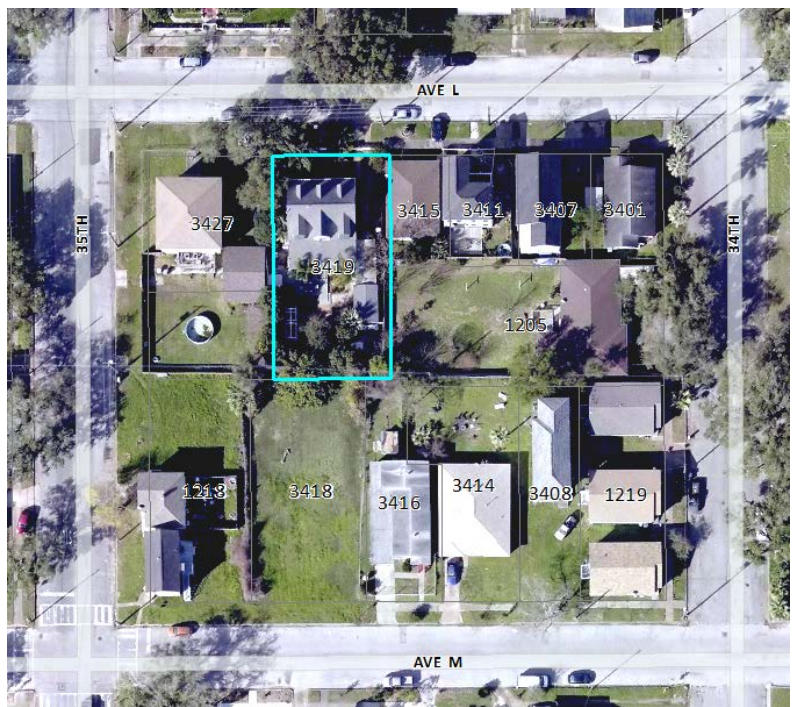
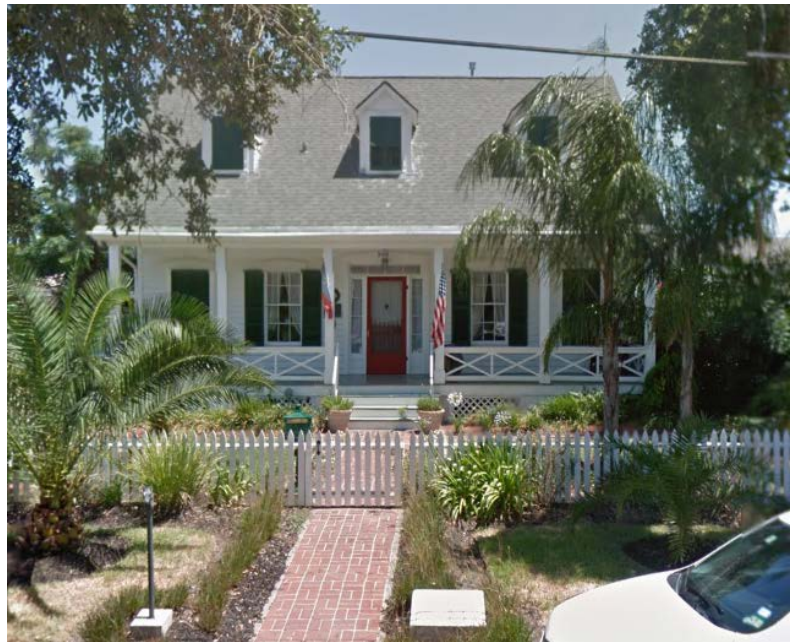
A – Applicant's Submittal

STAFF:

Catherine Gorman, AICP
Historic Preservation Officer
409-797-3665
cgorman@galvestonTX.gov

Public Notice and Comment:

Sent	Returned	In Favor	Opposed	No Comment
26	2	2	0	0



Zoning and Land Use

Location	Zoning	Land Use
Subject Site	Urban Neighborhood (UN)	Residential
North	Urban Neighborhood (UN)	Residential
South	Urban Neighborhood (UN)	Residential
East	Urban Neighborhood (UN)	Residential
West	Urban Neighborhood (UN)	Residential

Executive Summary

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

Analysis

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

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

Poole-Parker House was constructed in 1867 by William G. Boepple on land purchased from Valentine Poole, a local cattle dealer who become the owner again in 1872. The house is a Gulf Coast cottage with a transom-topped, side-lit door, framed by a Greek revival architrave. The house was first restored in 1935 by the Parkers, who were long-time owners. Although, typically, a Galveston Landmark is named for the first owner, in this case the house has been designated under the Poole-Parker name since 1980. In order to eliminate confusion, Staff is proposing to retain the Poole-Parker name.

2. Recognition as a Recorded Texas Historic Landmark, National Historic Landmark, or entered into the National Register of Historic Places.

The Poole-Parker House was designated as a Recorded Texas Historic Landmark in 1980.

3. Association with the lives of people significant in the city, region, state or national past.

Notable former owners and /or residents include:

- John Parker – descendent of Quanah Parker, the last chief of the Quahada Comanche Indians and son of Peta Nocona and Cynthia Ann Parker.
- Lee Branum – descendent of William Gates, an Old Three Hundred colonist

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

The Poole-Parker House has been an established visual feature of the community since its construction in 1867. The house was featured on the Galveston Historical Foundation's first Home Tour in 1975.

5. Retention of historic integrity, meaning that the property possesses several, and usually most, of the following aspects of integrity: location, design, setting, materials, workmanship, feeling or association.

The Poole-Parker House retains its historic integrity and retains its original location, design, setting, materials, workmanship, feeling and association.

Financial Incentives for Historic Properties

The property is eligible for the Financial Incentive for Historic Properties for new Galveston Landmarks.

Other Reviews

The Landmark Commission and Planning have reviewed and both voted unanimously to recommend approval.

Staff Recommendation

Staff recommends approval with the following condition:

Standard Condition:

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

Respectfully Submitted:

Catherine Gorman

Catherine Gorman, AICP, Assistant Director/HPO

3/15/2019

Date

January 31, 2019

Planning & Development Division
823 Rosenberg Ave, 4th Floor
Galveston, Tx 77550

RE: Landmark Designation Poole-Parker House

To Whom It May Concern:

We, Lee and Mary Branum, are requesting approval for Landmark Designation at our residence located at 3419 Ave L, Galveston, Tx. 77550.

A chain of Title from Stewart Title Company is enclosed. We also have in our possession, copies of all titles dating from the Galveston City Company sale to Valentine Poole on December 20, 1866 to our purchase in September 2004.

The residence is a Recorded Texas Historic Landmark - See documents dated 7/22/80 enclosed

The construction date is 1867.

Enclosed please find:

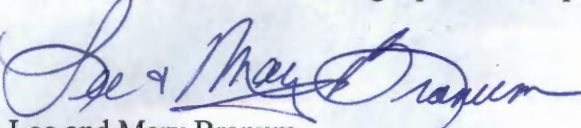
Photographs of subject property, Past and present
Statement of Historical and Cultural significance submitted to Texas Historical Commission in 1980 by prior owner, Mrs. John Parker
Statement of Architectural significance: Galveston Architectural Guidebook, The Material Culture of German Texans and Galveston Historical Foundation Homes Tour Guidebook 2014
Site plan
Survey

Significant Ownership in addition to the above:

John Parker – descendant of Quanah Parker – See Obituary

Lee Branum – Descendent of William Gates of Old Three Hundred – See Attached

We look forward to receiving a positive response to our request.



Lee and Mary Branum
3419 Ave L
Galveston, Texas 77550
281-433-2945
mbranum1@hotmail.com

Texas Historical Commission Staff (DKU), 7/22/80

Official Texas Historical Building Marker without post for
attachment to wood
Galveston County (Order #5561)
Location: 3419 Avenue L, Galveston

POOLE-PARKER HOUSE*

THIS GREEK REVIVAL COTTAGE WAS
BUILT IN THE 1860s BY W.G.BOEPPLE
ON LAND HE BOUGHT FROM VALENTINE
POOLE, A LOCAL CATTLE DEALER WHO
AGAIN BECAME THE OWNER IN 1872.
IN 1886 THE HOME WAS SOLD TO THE
ESTATE OF "GALVESTON NEWS" EDITOR
WILLARD B. RICHARDSON. LATER HIS
DAUGHTER CAROLINE MANAGED THE
PROPERTY. SHE WAS THE WIFE OF DR.
H.P. COOKE, CITY HEALTH OFFICER AND
DEAN OF THE STATE MEDICAL BRANCH
HERE. IN 1935 THE HOUSE WAS SOLD TO
JOHN A. AND EMMA JEANNE PARKER. **

RECORDED TEXAS HISTORIC LANDMARK - 1980***

*1/2 inch lettering
**3/8 inch lettering
***1/4 inch lettering

APPROVED
Duett Latimer
Claire Williams
7-15-80

Boole -Parker ~~Cottage~~ House
3419 Avenue L
Galveston, Texas

County Deed records indicate that this house was built in 1867, 68, or 69. by Mr. William G. Boepple. This is the first time a deed mentions property and improvements.¹ The deed from M. W. Young to William G. Boepple shows a consideration of \$ 1,800.00² and from the estate of William G. Boepple to Imogene Norwood a consideration of \$ 4,750.00 and it is assumed that the increase was for the improvements.

The structure and grounds are presently in excellent condition.

The owners, Mr. and Mrs. John A. Parker, have occupied the house since 1935,³ and have endeavored to retain the original architecture and appearance which has made a major contribution to the neighborhood. It has been on two home tours; the Trinity Episcopal Church Christmas tour in 1951⁴ and the Galveston Historical Foundation's Historic Homes Tour in 1975.⁵

It is a handsome, well-proportioned Classical Revival Cottage. The single door has an oblong light and side lights, and the windows are framed with simple pedimented lintels. The simple carved detail on the three dormer windows is unusual in Galveston houses.

The present owners first heard of this cottage thru Donald Barthelme, a native Galvestonian and Houston architect. He had planned to purchase and modernize the home for his own use, but his plans were changed when he moved to Houston. He offered these plans to the Parker's but they preferred to renovate it to its approximate original beauty. It had been thru many hands and lived in by many families and had been seriously neglected in upkeep.

A competent contractor, Mr. J. R. Holden, was hired to renovate the house. He found it termite free, of sturdy construction and with sound 1½ wide heart pine board flooring throughout, a good roof, but much repair to be considered. The inside walls throughout were lathe and plaster and some in such poor condition that they had to be replaced. The house had four 14' by 14' lower rooms, each boasting a fireplace with a center hall 9' by 28' with outside doors at each end and railed porches front and back. The upper floor had two rooms running the length of the house separated by a main hall. The rooms were 14' by 28' each, with double dormer windows to the south, small dormer windows to the north and large side windows. The entire house has complete cross ventilation. Attached to the house on the

lower floor to the west side was a summer kitchen and servants quarters. These were in such bad repair that they were eliminated. Also, the fireplaces had to be removed as the chimneys from them went straight up from the lower floors through the middle of the upper rooms. A bath was installed upstairs between the two rooms that were made into bedrooms. The partition between the two rooms downstairs on the east side of the house was removed making one large living room. The two remaining rooms were made into a dining room and a kitchen. Large closets were made by dropping the walls in the dormer sections in the upper floors. Cabinets were installed in the kitchen and a corner cabinet was made in the dining room. The newel post and hand rails are of solid cedar and were handhewn on the property.⁶ Also, the outdoor shutters which cover all windows were handmade.⁷ There were gas fixtures used for lighting and these were replaced by electrical ones made of solid brass. All the cross joists are 12" by 12" oak mortised and glued into abutting joists and secured with square nails. The doors are solid pine with panelling and decorative molding and have china nobs, some white and some black. The windows are double sash with 12 panes and those panes that have not been replaced are hand blown. The owners added a back porch which is 14' by 24', screened with two ceiling fans and green dyed cement floor.

In 1860 Mr. Valentine B. Poole moved to Galveston. He formed a partnership with Mr. Sam Allen and under the name of Allen-Poole & Company, operated a place of business on the Strand. The city directory stated that they were butchers, however, Mrs. James L. Allen, granddaughter of Valentine B. Poole, noted that they were cattle dealers and dealers in cattle hides.⁸ The butcher business was probably a part of the business.

In 1866 Mr. Poole purchased the entire Block 34 from the Galveston City Company.⁹ Shortly thereafter he built a home for himself on a lot 75' by 130' on the Northwest corner of this Block.¹⁰ About 1900 the cottage he built was moved to the rear of the lot and a two story frame house was built in its place. He or his descendents lived there until 1959 at which time the property was sold. His granddaughter, Mrs. James L. Allen is still living in Galveston and was the source of much information for this report.

In June 1866, Mr. Poole sold the lot directly to the East of his home to Mr. M. W. Young¹¹ for a consideration of \$ 1,800.00 and this

is the lot where the Parker Cottage is located. This lot is 68' 10" by 130' facing on Avenue L.

In May 1867 the property was deeded to Mr. William G. Boepple for \$ 1,800.00.¹² It is assumed that Mr. Boepple built this house for his use or as an investment and during this period of his ownership, Mr. Boepple died.

In November 1867 the Administrator of the Estate of W. G. Boepple, deceased, sold the property and improvements to Mrs. Imogene A. Norwood and husband, Oscar A Norwood, for a consideration of \$ 4,750.00.¹³ The Galveston City Directories of 1870, '71 and '72 indicates that the occupant of 3419 Avenue L as O. Norwood, attorney. This is the first time that the owner and occupant are the same. In February 1872, Mr. and Mrs. Norwood sold the property to Mr. A. M. Hobby for \$ 4,000.00.¹⁴ Mr. Hobby was a Commission Merchant and President of the Galveston Chamber of Commerce.¹⁵

In May 1872, Mr. Hobby sold the property back to its original owner, Mr. Valentine B. Poole for \$ 4,200.00.¹⁶

In April 1873, Mr. Poole deeded the property to Gulf Loan and Homestead Company for \$ 3,000.00.¹⁷ The loan company retained title to this property for thirteen years. The reason for the property being sold to a loan institution is unclear. Interviews with Miss Antoinette Leroux and Mr. Herman Kleinecke, across the street neighbors, indicate that the company could possibly have bought and sold the property as an income investment. Although, Mr. Poole could have suffered some financial problems and therefore had to sell to a loan company.

During the period from 1873 through 1885 the occupant of the house was F. Ward, a bookkeeper for W. A. Dunklin & Co., according to the Galveston City Directories 1873 through 1885.

In May 1886 the property was transferred from the Savings and Loan Company to Mrs. L. B. Richardson, Executrix of the estate of Willard B. Richardson.¹⁸

Willard Richardson was born in Massachusetts in 1802 and came to Texas in 1837 and to Galveston in 1843. In 1843 he became editor of the Galveston News and later partner and finally proprietor. Under his direction the News became one of the most prominent newspapers in the South. He was active in civic affairs and served as mayor of Galveston in 1853.¹⁹ He died in 1875. He was survived by

Parker Cottage
Galveston, Texas

his wife, Louisa B. Richardson and one daughter Caroline or "Carrie". His wife Louisa B. Richardson was named executrix of his estate and on her death the estate passed to their daughter, Mrs. H. P. Cooke.

Dr. H. P. Cooke came to Galveston in 1883 as a member of the Marine Health Service. Later he established a private practice, he became Health Officer for the city and was one of the original members of the staff and later Dean of the State Medical Branch. He married Caroline Richardson and to this union was born Dr. Willard Cooke, a prominent physician and teacher at the medical branch.²⁰

The Parker Cottage was acquired by the Willard Richardson estate in 1886 probably as an investment since it was occupied by tenants until its purchase in 1935 by the present owners, Mr. and Mrs. John Parker. Also, numerous other transactions for the Richardson estate are recorded in the Galveston County Clerk's deed books.

Occupants for this house as recorded in the Galveston City Directories not previously mentioned were as follows:

1886-88 Not known.

1888-92 George S. Sykes, M.D. He was a prominent physician and surgeon. His son, Clarence Sykes, M.D., became an outstanding Ear, Eye, Nose & Throat specialist. Dr. Clarence Sykes was a good friend of the present owners and he often recounted childhood events to them.

1893-95 Not known.

1896-97 William E. Parker. Mr. Parker was a clerk at the Galveston Hominy Mills located at 1128 Avenue A.

1898-99 Not known.

1900-05 Diuevid M. Wilson. Mr. Wilson was a partner in the firm of D. M. Wilson & Co., a lumber and building materials plant located at 3428 Avenue M.

1906-07 Not known.

1908-11 Charles H. Hamelin, Miss Claire F. Hamelin and Eloise A. Hamelin. Mr. Hamelin was a clerk. Miss Claire Hamelin was a saleslady for Garbade, Eiband & Co. Eloise Hamelin was a sales lady for N. Salzmann.

1911-12 John F. Pendergraft. He was a cotton seed miller for New Orleans Export Co. His son, Tom, was manager of the Jean LaFitte Hotel for several years and later became a senior executive for a hotel chain in Dallas before his death in 1978.

1913 Not known.

1914 John J. Golden. He was a screwman(longshoreman).

1914-21 Martin Heine. He was a laborer.

1922 Not known.

- 1923-25 Walter P. Gunn, Walter J. Elliott, Bedford F. Snellgove and Silas D. Freeman. Mr. Gunn was a carpenter, Mr. Elliott was a brakeman, Mr. Snellgove was an insurance agent for Texas Prudential and Mr. Freeman was a fireman.
- 1926-27 J. Robert Moore. Mr. Moore was a watchman.
- 1928-33 J. Robert Moore, Edward R. Pohl and Arthur L. Wegner. Mr. Pohl was a cashier for the Interurban Export and Bag Lines. He was active in civic affairs. Mr. Wegner was a clerk.
- 1934-35 Vacant. *
- 1935 John A. and Emma Jeanne Parker. Mrs. Parker is a member of prominent Galveston family (Chaussys). She was Executive Secretary for the Galveston Rotary Club for 14 years. Mr. Parker came to Galveston in 1929. He is a retired insurance executive. He has been active in numerous community affairs. One of his most outstanding achievements was the establishment of the Texas Maritime Academy in Galveston in cooperation with the Texas A & M University. He and Admiral Sherman Wetmore were co-chairmen for this project.²¹

In March 1944 the contract of sale having been compiled with, the property was deeded by Dr. Cooke to the Parkers.²² In August 1965, an additional 2'7" on the west side was deeded to the Parkers by Mr. and Mrs. Lawrence Puccetti, Jr. to settle a boundary dispute.²³

This Classical Revival Cottage is typical of the many homes built in Galveston in the late 19th century. At the time the Parker's purchased this cottage, plans were being made to either demolish the house or convert it to an apartment complex, consequently the Parker's showed a lot of foresight in renovating and saving this home.

The impact of the numerous prominent people to Galveston and the State of Texas who have either owned and/or resided here, substantiate the commmerating of this cottage for an historical marker.



Researched and written by
Mr. John A. Parker
3419 Ave. L
Galveston, Texas 77550.

FOOTNOTES

1. Galveston County Clerk Deed Records, Book Z, pages 613-614.
2. Ibid, Book R, page 196.
3. Ibid, Book 1765, pages 426-428.
4. Galveston Daily News, December 1951.
5. The Galveston Historical Foundation, Historic Homes Tour program, May 10-11, 1975 and Galveston Daily News, May 9, 1975, page 4 B.
6. Mrs. James L. Allen, granddaughter of Valentine B. Poole, personal interview.
7. Ibid.
8. Galveston City Directory, 1860.
9. Galveston County Clerk Deed Records, Book R, page 196.
10. 1885 pen and ink sketch of Galveston drawn by A. Koch and Sanborn Map.
11. Galveston County Clerk Deed Records, Book U, Page 424.
12. Ibid, Book W, Pages 463-464.
13. Ibid, Book 'Z, pages 613-614.
14. Ibid. Book 6, pages 508-509.
15. Galveston City Directory, 1872.
16. Galveston County Clerk Deed Records, Book 8, pages 170-171.
17. Ibid, Book 9, pages 337-338.
18. Ibid, Book 60, pages 48-50.
19. The Texas State Historical Association, Handbook of Texas, Vol. 2, pages 470-471.
20. Galveston Daily News, February 1965.
21. Ibid, March 28, 1973.
22. Galveston County Clerk Deed Records, Book 679, pages 296-297.
23. Ibid, Book 1765, pages 426-428.

BIBLIOGRAPHY

City Directories. Galveston, Texas.

Galveston County Clerk Deed Records of Galveston, Texas.

Galveston Daily News. Several articles as noted in footnotes.

Griffin, S. C. History of Galveston, Texas. 1931.

Hayes, Charles W. Galveston, History of the Island and the City.
Jenkins Garrett Press. Austin, Texas 1974.

Webb, Walter Prescott, ed. Handbook of Texas. The Texas State Historical Association. Austin, Texas. 1952. Vol. 2.

ACKNOWLEDGEMENTS

Mrs. James L. Allen, Galveston, Granddaughter of Valentine B. Poole.

Miss Mary Jane Christensen, Galveston, County Clerk.

Dr. Willard R. Cooke, Galveston, Deceased, Former owner.

Mr. Bob Dalchite, Galveston, Former Archivist Rosenberg Library.

Mr. Herman Kleinecke, Galveston, Deceased, Attorney, Neighbor.

Miss Antoinette Lerous, Galveston, Neighbor.

Mr. Tom Pendergraft, Dallas, Deceased, Son of John F. Pendergraft.

Mrs. Clarence Sykes, Galveston, Widow of Dr. C. S. Sykes.

Mr. Michael Wilson, Galveston, Assistant Archivist, Rosenberg Library.

STEWART TITLE COMPANY

Order No. _____

CHAIN OF TITLE TO

JOHN A. PARKER & WIFE, EMMA JEANNE PARKER * 3417-19 AVENUE L, GALVESTON, TEXAS.

E 13ft 4in of 2 all of 3 & W 12ft 2in of 4 & 10ft of alley Adj 3419 Ave L BLK 34

GRANTOR	GRANTEE	Nature of Instrument	DATE		Book	PAGE	REMARKS
			INSTRUMENT	Filing			
GALVESTON CITY COMPANY (Entire Block #34)	VALENTINE B. POOLE	GWD	12/20 1866	3/2 1867	R	196	\$ 300
VALENTINE B. POOLE (Lot only)	M. W. YOUNG	GWD	6/16 1866	6/18 1866	U	424	\$ 600
M. W. YOUNG (Lot only)	WILLIAM G. BOEPPLE	GWD	5/24 1867	5/27 1867	W	463-4	\$1800
W.G. BOEPPLE, Deceased by Gustave Ranger, Administrator.	MRS. IMOGENE A. NORWOOD and husband OSCAR A. NORWOOD.	Deed	11/1 1868	8/2 1869	Z	613 to 614	\$4750
IMOGENE A. NORWOOD, and husband, OSCAR A. NORWOOD	A. M. HOBBY	Deed	2/9 1872	2/10 1872	6	508-9	\$4000
A. M. HOBBY	V. B. POOLE	Deed	5/18 1872	5/18 1872	8	170-1	\$4200
V.B. POOLE	GULF LOAN AND HOMESTEAD COMPANY	Deed	4/14 1873	4/23 1873	9	337-8	\$3000
THE SAVINGS & LOAN COMPANY	L.B. RICHARDSON, Executrix of the Estate of WILLARD E. RICHARDSON, Deceased.	Deed	5/17 1886	5/20 1886	60	48-50	\$1827
WILLARD R. COOKE, and wife RUTH COOKE	JOHN A. PARKER, and wife EMMA JEANNE PARKER	Deed	3/28 1944	6/21 1944	679	296-7	\$3300
LAWRENCE PUCCHETTI, JR & wife MELBA L. PUCCHETTI (2'7" on W. side to clear boundary dispute)	JOHN A. PARKER & wife EMMA JEANNE PARKER	Deed	8/16 1965	3/22 1966	1765	426-8	37!



By the authority vested in it by the Legislature of the
State of Texas, the Texas Historical Commission
hereby designates

POOLE-PARKER HOUSE

of the city of **Galveston** county of **Galveston**
as a Recorded Texas Historic Landmark and duly
certifies that said structure is worthy of preservation
because of its outstanding contribution to the
heritage of Texas.

H.P. Clement

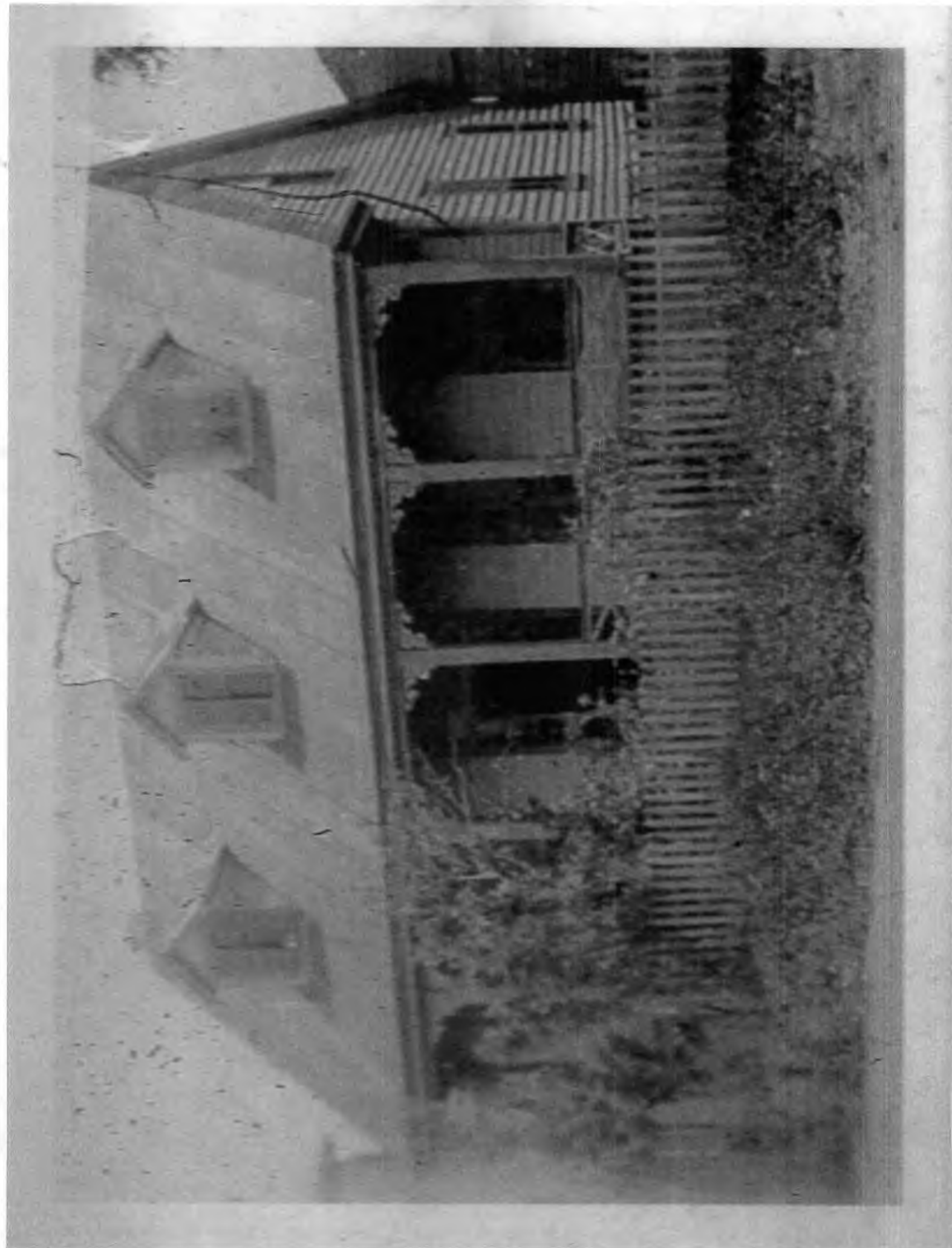
Governor of Texas

[Signature]

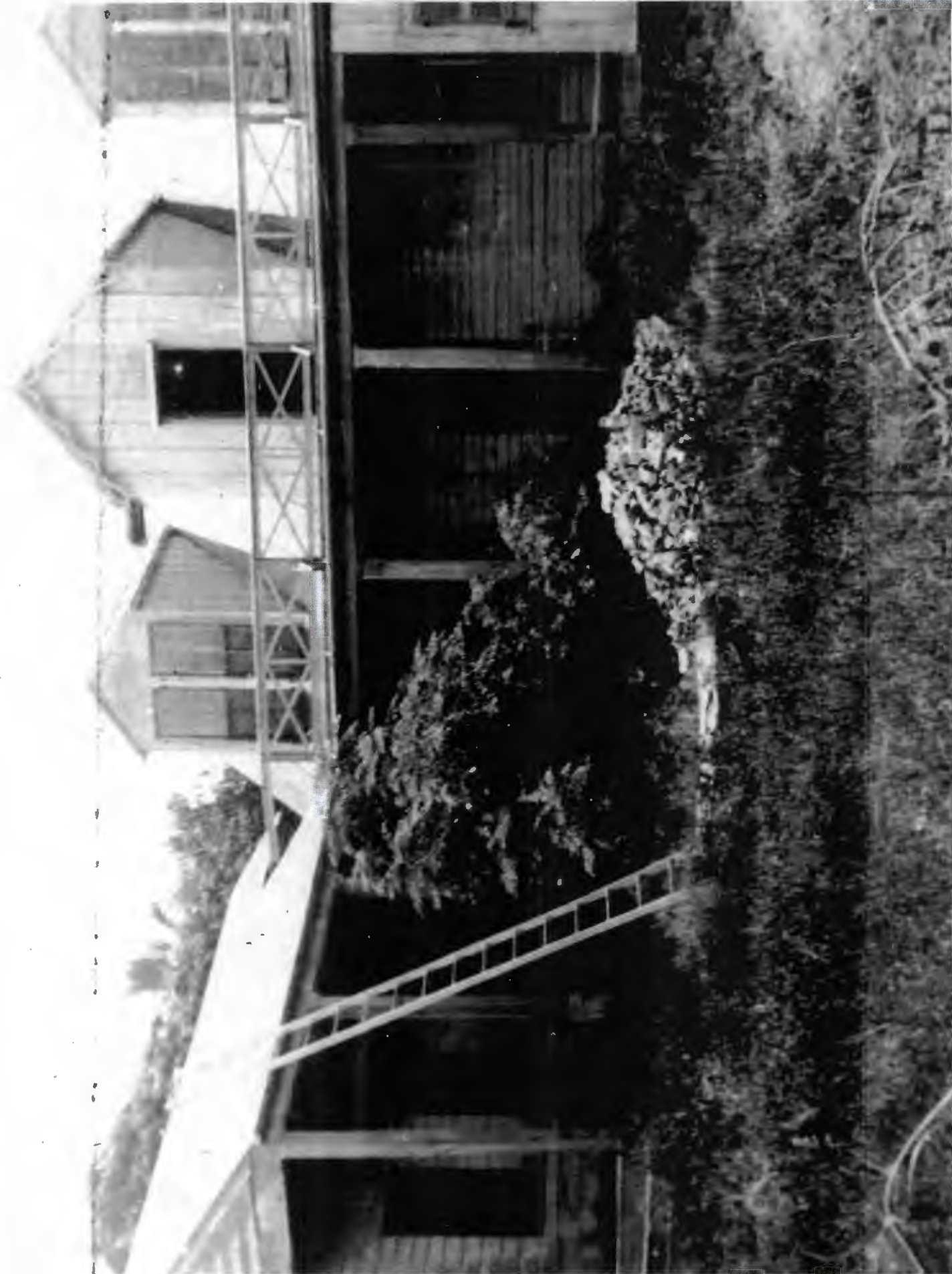
Chairman, Texas Historical Commission

November 5, 1980

Date







Records indicate that this house was built in 1866. It is a very handsome, well-proportioned Classical Revival Cottage. There is an inset gallery across the front with square columns. The single door has an oblong light and side lights, and the windows are framed with simple pedimented lintels. There are lintels across the porch cornice. The simple carved detail on the three dormer windows is unusual in Galveston houses.

When the house was purchased by the present owners in 1935, there had been several previous owners and the upkeep had been badly neglected. However, the structure was sturdy with sound 1½" heart pine wide board flooring and a good roof. Some of the lath and plaster walls were in such poor condition that they had to be eliminated.

The house originally had four 14' by 14' lower rooms, each with a fireplace, and a central hall which was 9' by 28' with outside doors at each end and railed porches front and back.

The upper floors had two rooms running the length of the house 14' by 28' each with dormer windows north and south and large side windows—the entire house has complete cross ventilation. There is also an upper hall.

All cross joists are 12" by 12" oak mortised

and glued into abutting joists and secured by square nails. The doors are solid pine with paneling and decorative molding and some have china door knobs; some white and some black. The windows are double sash with 12 panes. Those panes which have not had to be replaced are hand blown glass. Note the hand-planed cedar handrail on the stairs.

To adapt the house to better use for themselves, the owners made some changes. The fireplaces had to be taken out as the chimneys went straight up from the lower floors through the middle of the upper floors. The partition between the two rooms downstairs on the east side was removed making one large living room. The two remaining rooms were made into a dining room and kitchen. Cabinets were installed in the kitchen and a corner cabinet was made in the dining room.

On the upper level, a bath was added between the two rooms that are used as bedrooms. Large closets were made by dropping the walls in the dormer sections.

In back of the house, a summer kitchen and servants quarters had to be removed because of the poor condition. The owners added a back porch which is 14' by 24'; screened with two ceiling fans and a brick patio.

THE VALENTINE B.
POOLE HOUSE
3419 AVENUE L
PHOTOGRAPHER—ROBERT MIHOVIL





GALVESTON

ARCHITECTURE GUIDEBOOK



**3426 Avenue L****E-37**

1873

This three-bay-wide cottage, faced with a three-bay porch with bracketed eaves, and capped by a low hipped roof, was where Galveston architect Charles W. Bulger and his family lived at the turn of the 20th century, before he moved his practice to Dallas. N. J. Clayton and his family lived diagonally across the street in a three-bay Southern town house at 1205 35th Street from 1892 until Mrs. Clayton's death in 1944. Clayton's house, built by General Thomas N. Waul, no longer exists. Bulger's house had been built by William C. Dibbrell.

**3419 Avenue L****E-38**

c. 1867

Another graceful example of the Gulf Coast cottage, with a transom-topped, side-lit door framed by a Greek Revival architrave, this house is thought to have been built by William G. Boepple. It was restored in 1935 by longtime owners, who bought the house at the urging of architect Donald Barthelme. Barthelme had intended to buy the house himself, but decided that professional opportunities in Depression-era Galveston were so limited that he needed to leave the island.

3410 Avenue L**E-39**

1875

Anthony Brock, a Galveston businessman, built this handsome cottage, faced with a three-bay-wide veranda. Mrs. Annie L. King seems to have built the gable-fronted cottages at 3406 Avenue L and 3402 Avenue L (1883), which were rented as tenant houses. Together, these form a



characteristic Galvestonian row, punctuating the street frontage with the rhythm of their column-lined porches.

**3327 Avenue L****E-40**

1893

Built for Arthur A. Dietzel, an employee of the Galveston Coffee & Spice Company, this is a late and simplified version of the Italianate villa style. Behind the Dietzel House, at 1212 and 1214 34th Street is a pair of raised tenant cottages built by Dietzel in 1892. They form a complex typical of middle-class Galveston neighborhoods of the late 19th century: the "big" houses faced the alphabetical avenues, while behind, facing the side street or the alley, were rental cottages for families of more modest means.

**3301 Avenue L****E-41**

1892

Like the Dietzel House at the west end of the block, this house was built for the produce commission merchant John Hagemann and was built well after the peak in popularity of the Italianate villa-style. Its conservatism allows it to pay respect to the neighborhood context with planar walls, low-pitched hipped



The Material Culture of German Texans



Kenneth Hafertepe



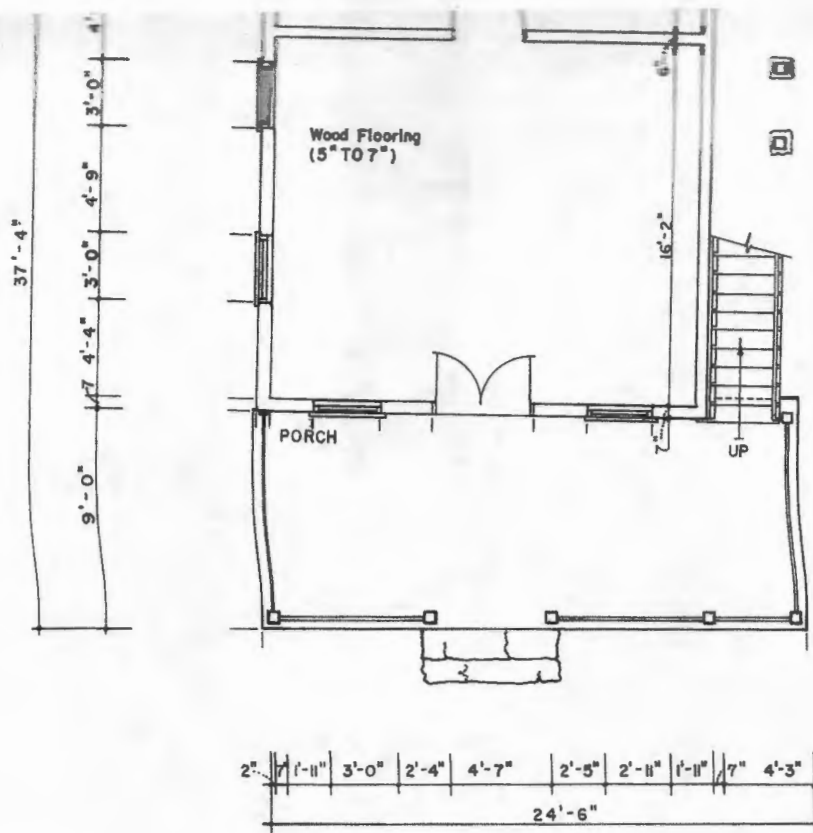


FIG. 3.6. Edward and Mathilde H. Round Top, c. 1856. Formerly part Square, Texas Pioneer Arts Found Top. Floor plan by Hans W. Ross, Historic American Buildings Sur TEX,75-ROUNT,4-

they decided to build a new dwelling: a four-room frame house with its porch underneath the main roof (Fig. 3.7). The arrangement of two larger front rooms and smaller back rooms, separated by a dogtrot with a staircase, reflected Anglo-Texan ways of building. Also suggesting acceptance of Anglo-Texan ways was the stone chimney on the parlor side of the house. The old two-room log house probably continued in service as a free-standing kitchen. The Theiss house, built around 1870 at Rose Hill, near present-day Tomball in northwest Harris County, also used a dogtrot and an inset front porch. The dogtrot provided access to two rooms on each side; the front porch led to the kitchen and a small pantry on the right side.¹²

Other Germans in Galveston and Houston chose to build dwellings with inset porches, typical of Gulf Coast Creole houses, sometimes blended with the Anglo-Texan central passage plan. In Galveston Wilhelm G. Boep-

ORDINANCE NO. 19-__

AN ORDINANCE OF THE CITY OF GALVESTON, TEXAS, DESIGNATING THE PROPERTY LOCATED AT **2427 MARKET / AVENUE D**, AS A “GALVESTON LANDMARK”, PROPERTY IS LEGALLY DESCRIBED AS LOT 1, BLOCK 504, IN THE CITY AND COUNTY OF GALVESTON, TEXAS; REQUESTING THE HISTORIC PRESERVATION OFFICER RECORD THE PROPERTY'S LANDMARK DESIGNATION IN THE OFFICIAL PUBLIC RECORDS OF REAL PROPERTY IN GALVESTON COUNTY, THE TAX RECORDS OF THE CITY OF GALVESTON AND THE CENTRAL APPRAISAL DISTRICT, AND THE OFFICIAL ZONING MAPS OF THE CITY OF GALVESTON, TEXAS; DESIGNATING THE SITE AS A HISTORICALLY OR ARCHEOLOGICAL SIGNIFICANT SITE IN NEED OF TAX RELIEF TO ENCOURAGE ITS PRESERVATION; PLANNING CASE NUMBER **19P-009**; , MAKING VARIOUS FINDINGS AND PROVISIONS RELATED TO THE SUBJECT.

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

WHEREAS, the Applicant, C.J. Spencer and Property Owner, Market Street Management, LLC., request that the structure located at **2427 Market / Avenue D**, and legally described as the Lot 1, Block 504, in the City and County of Galveston, Texas, be officially designated as a Galveston Landmark; and,

WHEREAS, the subject structure was constructed in 1878 by Robert Furniss Martin and operated as a furniture store. The R. F. Martin & Company Building is valuable to the development history of the City of Galveston. The R. F. Martin & Company Building was listed on the National Register of Historic Places in 1984 as part of the Central Business District Multiple Resource Area. The building has housed a wide variety of businesses since its construction, including, for a time, a bordello on the second floor; and,

WHEREAS, The R. F. Martin & Company Building retains its historic integrity and retains its original location, design, setting, materials, workmanship, feeling and association; and,

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

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

WHEREAS, the property is eligible to participate in the City of Galveston's Tax Exemption for New Galveston Landmarks Program. New Galveston Landmarks located outside of historic districts are eligible for a 35% reduction in City of Galveston property taxes for a period of five years; and,

WHEREAS, at its regular meeting of February 18, 2019, the Landmark Commission voted unanimously to recommend approval of the request; and,

WHEREAS, at its regular meeting of February 19, 2019, the Planning Commission voted unanimously to recommend approval of the request; and

WHEREAS, Staff recommends that Planning Case Number 19P-009 request for Landmark Designation of the property located at **2427 Market / Avenue D**, be approved with the condition provided in Section 2 below; and,

WHEREAS, after notice and public hearing as required by law, the City Council finds that it is in the public's interest to approve the application and designate the structure located at **2427 Market / Avenue D**, and legally described as the Lot 1, Block 504, in the City and County of Galveston, Texas, as a "Galveston Landmark" and as a historically or archeologically significant site in need of tax relief to encourage its preservation."

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

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

SECTION 2. After public hearing, the City Council approves the request for Landmark Designation of the property located at **2427 Market / Avenue D**, and legally described as the Lot 1, Block 504, in the City and County of Galveston, Texas, subject to the following condition:

Standard Condition:

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

SECTION 3. Pursuant to City of Galveston Ordinance Number 15-059, the City Council designates the structure as a "historically or archeologically significant site in need of tax relief to encourage its preservation". The property is eligible to participate in the City of Galveston's Tax Exemption for New Historic Districts or Galveston Landmarks program. New Galveston Landmarks located outside of historic districts are

eligible for a 35% reduction in City of Galveston property taxes for a period of five years.

SECTION 4. The City of Galveston Historic Preservation Officer will maintain all records and will record the property's Landmark Designation in the Official Public Records of Real Property of Galveston County, in the tax records of the City of Galveston and the Central Appraisal District, and in the Official Zoning Maps of the City of Galveston, Texas.

SECTION 5. It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses, and phrases of this Ordinance are severable and, if any phrase, clause, sentence, paragraph or section of this Ordinance should be declared invalid by the final judgment or decree of any court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Ordinance.

SECTION 6. All Ordinances or parts thereof in conflict herewith are repealed to the extent of such conflict only.

SECTION 7. In accordance with the provisions of Sections 12 and 13 of Article II of The City Charter this Ordinance has been publicly available in the office of the City Secretary for not less than 72 hours prior to its adoption; that this Ordinance may be read and published by descriptive caption only.

SECTION 8. This Ordinance shall become effective upon its adoption and publication in accordance with the provisions of The Charter of the City of Galveston.

APPROVED AS TO FORM:

DONNA M. FAIRWEATHER
ASSISTANT CITY ATTORNEY

I, Janelle Williams, Secretary of the City Council of the City of Galveston, do hereby certify that the foregoing is a true and correct copy of an Ordinance adopted by the City Council of the City of Galveston at its Regular Meeting held on March 28, 2019, as the same appears in records of this office.

IN TESTIMONY WHEREOF, I subscribe my name hereto officially under the corporate seal of the City of Galveston this _____, 2019.

Secretary for the City Council
of the City of Galveston



19P-009

STAFF REPORT

ADDRESS:

2427 Market/Avenue D

LEGAL DESCRIPTION:

Property is legally described as Lot 1, Block 504, in the City and County of Galveston, Texas.

APPLICANT/REPRESENTATIVE:

C.J. Spencer

PROPERTY OWNER:

Market Street Management, LLC

ZONING DISTRICT:

Central Business (CB)

HISTORIC DISTRICT:

n/a

REQUEST:

Request for designation as a Galveston Landmark

STAFF RECOMMENDATION:

Approval with Conditions

EXHIBITS:

A – Applicant's Submittal

STAFF:

Catherine Gorman, AICP
Historic Preservation Officer
409-797-3665
cgorman@galvestonTX.gov

Public Notice and Comment:

Sent	Returned	In Favor	Opposed	No Comment
20	3	3	0	0



Zoning and Land Use

Location	Zoning	Land Use
Subject Site	Central Business (CB)	Residential/Commercial
North	Central Business (CB)	Commercial
South	Central Business (CB)	Vacant
East	Central Business (CB)	Residential/Commercial
West	Central Business (CB)	Residential/Commercial

Executive Summary

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

Analysis

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

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

R.F. Martin & Company Building was constructed in 1878 by Robert Furniss Martin and operated as a furniture store. Martin was both a merchant and pharmacist in Galveston. It was purchased in the early 1890s by M.W. Shaw, founder of the first jewelry store in Texas. The building has house a wide variety of businesses since its construction, including, for a time, a bordello on the second floor.

2. Recognition as a Recorded Texas Historic Landmark, National Historic Landmark, or entered into the National Register of Historic Places.

The R.F. Martin & Company Building was listed on the National Register of Historic Places in 1984 as part of the Central Business District Multiple Resource Area.

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

The R.F. Martin & Company Building has been an established visual feature of the community since its construction in 1878.

4. Retention of historic integrity, meaning that the property possesses several, and usually most, of the following aspects of integrity: location, design, setting, materials, workmanship, feeling or association.

The R.F. Martin & Company Building retains its historic integrity and retains its original location, design, setting, materials, workmanship, feeling and association. The applicant has received permits to install a canopy with a similar design to the original.

Financial Incentives for Historic Properties

The property is eligible for the Financial Incentive for Historic Properties for new Galveston Landmarks.

Other Reviews

The Landmark Commission and Planning Commission have reviewed and both voted unanimously to recommend approval.

Staff Recommendation

Staff recommends approval with the following condition:

Standard Condition:

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

Respectfully Submitted:

Catherine Gorman

Catherine Gorman, AICP, Assistant Director/HPO

3/14/2019

Date



Taken in 1894 of Market Street, looking east from Twenty-fifth Street, this photograph shows the R. F. Martin and Company (1878) and Lalor (1894) Buildings, which are located along the right of the photograph. Without awnings, the flavor of the street is completely different. The two larger buildings on the left-side of the photograph have been demolished.





Galveston's red-light district started on the west side of Twenty-fifth Street, along Market and Postoffice, but the R. F. Martin and Company Building was constructed in 1878 and housed a bordello on the second floor. Many of these establishments were in business until the 1950s. It was not until 1957 when the Attorney General of Texas shut down gambling, prostitution, and other vices that the area west of Twenty-fifth saw decline.

Landmark Application

Statement of Historical, Cultural and Architectural Significance

2427 Market Street

Built 1878

Listed 1984 on US National Register of Historic Places

The building is a 2-story plastered-brick commercial structure. The building is one of the earliest brick commercial structures remaining intact outside the Strand district. It occupies a dominant position on the corner of Market and Rosenberg Streets. It retains a significant portion of its original design, materials and association with its neighborhood.

Documentation refers to the property as both the RF Martin Building and the MW Shaw building.

It is thought the building was built by Robert Furniss Martin and operated as a furniture store. Martin was both a merchant and pharmacist in Galveston. It was purchased in the early 1890s by M.W. Shaw, founder of the first jewelry store in Texas who owned the building for several years. The building housed wide variety of retail businesses over the years.

Michael W. Shaw was born in Hesse, Germany in 1833. His family migrated to Galveston in 1845. Shaw's sister married a Galveston master watchmaker. In 1848 Shaw apprenticed with his brother-in-law to learn the jeweler's business and in 1855 opened the Shaw Jewelry Company on the corner of Twenty-third and Avenue B. It was Shaw's initiative to change the street's name to "Strand". His company flourished until the Civil War. After serving in the war, Shaw returned to Galveston and rebuilt the company. By 1880 Shaw's reputation extended throughout the southwest. Gen. Sam Houston ordered his walking cane from Shaw, who engraved and studded it with bits of silver. Shaw was vice president of the Galveston Trust and Savings Company, a director of the Peoples Land and Homestead Company, and one of the first members of the Galveston Artillery Company. In 1878 he married Annie Meyer of Houston; they had eight children. Shaw died in 1923, and his jewelry store continued in business in Galveston until 1938.

Sources:

US National Register of Historic Places

Galveston's Historic Downtown and Strand District, Arcadia Publishing

United States Department of the Interior
National Park ServiceNational Register of Historic Places
Inventory—Nomination Form

For NPS use only
received 01/28/84
date entered

Continuation sheet

Item number all

Page 6

County Galveston USGS Quad 2994/231 Survey site no. 6
City Galveston UTMs 325570/3242870
Name M.W. Shaw Building Date: factual Est. c. 1878
Address 2427 Avenue D Architect/Builder _____ Contractor _____
Owner H.M. Ausherman Style/Type Victorian Commercial
Original use commercial
Address Box 8834, Present use commercial/residential
Orlando, Fla. 32856 Present condition good

Block/Lot 504/1. Less than 1 acre

Description 2-story stuccoed, brick, commercial structure; rectangular with flat roof; corbeled cornice and frieze; street level consists of brick piers supporting an arcade of semicircular arches with hood molds; 6 bays on Market Street side; upper story 4/4 window openings are spanned by segmental arches with brick hood molds.

Significance One of the earlier brick commercial structures remaining intact outside the Strand District. Appears to have been built by 1879, perhaps by an R.F. Martin. Purchased in early 1890s by M.W. Shaw who owned building for long period. Shaw was a jeweler as well as vice president of the Galveston Trust and Safe Deposit Co., neither located in this building. Building housed wide variety of retail businesses over the years.

Building has served as landmark along 25th Street. It also anchors west corner of block. Winston's or the Central Hotel, the oldest frame commercial building in downtown Galveston, is on the east corner.

Relationship to site: Moved _____ date _____ or Original site X Describe Covers corner lot along major street leading to downtown; on edge of Central Business District.

Bibliography Galveston County Tax Records Informant _____

City Directories _____

Recorder Allen BeasleyDate Nov. 1982

Continuations:

United States Department of the Interior
National Park ServiceNational Register of Historic Places
Inventory—Nomination Form

For NPS use only
RECEIVED
date entered

Continuation sheet

Item number

Page 2 of 3

Multiple Resource Area
Thematic GroupName Central Business District Multiple Resource Area
State Galveston County, TEXAS

Nomination/Type of Review

Date/Signature

11. Marschner Building

Entered in the
National RegisterKeeper Delores Byrum 5/14/84

Attest

12. Model Laundry

Review

Keeper Beck Ensvenden 8/14/84

Attest

13. Moser House

Entered in the
National RegisterKeeper Delores Byrum 8/14/84

Attest

14. Pix Building

Entered in the
National RegisterKeeper Delores Byrum 8/14/84

Attest

15. Robinson Building

Entered in the
National RegisterKeeper Delores Byrum 8/14/84

Attest

16. Rosenberg Library

Entered in the
National RegisterKeeper Delores Byrum 8/14/84

Attest

17. Scottish Rite Cathedral

Keeper Beck Ensvenden 8/14/84

Attest

18. ~~W. W. Building~~Entered in the
National RegisterKeeper Delores Byrum 8/14/84

Attest

19. Star Drug Store

Entered in the
National RegisterKeeper Delores Byrum 8/14/84

Attest

20. Texas Building

Entered in the
National RegisterKeeper Delores Byrum 8/14/84

Attest

NATIONAL REGISTER OF HISTORIC PLACES
EVALUATION/RETURN SHEET

Shaw, M.W., Building (Central
Business District NRA)
Galveston County
TEXAS

Working No. 3147/84
Fed. Reg. Date: 2/5/85
Date Due: 2/19/84
Action: ☒ ACCEPT 8-14-87
☐ RETURN
☐ REJECT
Federal Agency: _____

Entered in the
National Register

- ☒ resubmission
☐ nomination by person or local government
☐ owner objection
☐ appeal

Substantive Review: ☐ sample ☐ request ☐ appeal ☐ NR decision

Reviewer's comments:

Recom./Criteria _____
Reviewer _____
Discipline _____
Date _____
see continuation sheet

Nomination returned for: _____ technical corrections cited below
_____ substantive reasons discussed below

1. Name

2. Location

3. Classification

Category	Ownership Public Acquisition	Status Accessible	Present Use
----------	---------------------------------	----------------------	-------------

4. Owner of Property

5. Location of Legal Description

6. Representation in Existing Surveys

Has this property been determined eligible? ☐ yes ☐ no

7. Description

Condition

- | | |
|------------------------------------|---------------------------------------|
| ☐ excellent | ☐ deteriorated |
| ☐ good | ☐ ruins |
| ☐ fair | ☐ unexposed |

Check one

- ☐ unaltered
☐ altered

Check one

- ☐ original site
☐ moved date _____

Describe the present and original (if known) physical appearance

- ☐ summary paragraph
☐ completeness
☐ clarity
☐ alterations/integrity
☐ dates
☐ boundary selection



No.

DESCRIPTION AND ESTIMATE

Of the Present Cash Value of the one story brick residential
roofed brick Building, situated on Lot No. 504 in Block No. 504
in the City of Galveston, owned by M. W. Shaw
and occupied by Tenant J. J. Johnston as dry goods
Furniture Store
2425-27 Apr 8

DESCRIPTION.

When built? 1878 Last repairs 1896 1915
Is it on leased ground? no
Is it encumbered or in litigation? no
What is used for lighting? Gas & Oil & Electricity
Size of Building? 43 x 120 ft (1h) (1h)
Number of Rooms? 2 2 exp'd rms - 1 plaster wall & c. oak
Number of Closets? 1 15 Pm c's pph
Number of Galleries? none Plum in bldg

ESTIMATE.

The above described Building would cost, at present value of materials and labor, \$ 15,500.00
180 ft composition covered awning at \$ 10.00 = \$ 1,800.00
From which I deduct for depreciation from age, use or location 20% \$ 3,100.00
ROSENBERG LIBRARY
Galveston, Texas
MSS# Box Folder
Making the present Cash Valuation \$ 12,400.00
13,264.00

Maximum Insurance of M. W. Shaw's rule
Condot. 1, block 504, was fixed at \$10,500

REMARKS.

Signature Date
Total 64.11 10,370.55 BIA 4/1/22

6th 6 Mar 20 read
8th 16 Aug 94
" " " "
" " " "
Galveston, Texas 14 day of March 1892
J. J. Johnston
Inspector.

MARKET ST

2427 MARKET

ALLEY

25TH ST

REMOVE CANVAS WINDOW AWNINGS AND
CANVAS ENTRANCE CANOPIES

REMOVE TREES AND INFILL WITH CONCRETE SIDEWALK

REMOVE TREES AND INFILL WITH CONCRETE SIDEWALK

DEMOLITION PLAN

3/32" = 1'-0"

3202.3.3 Encroachments 15 feet or more above grade.
Encroachments 15 feet (4572 mm) or more above grade
shall not be limited.

NOTE: IBC 3202.3.3
BOTTOM OF JOIST 15'-2".
UNLIMITED ENCROACHMENT ALLOWED
TOTAL OCCUPANT RESTAURANT
LOAD 25
FIRE AREA LESS THAN 100

MECHANICAL AREA = 326 SQ FT
1 PERSON PER 100SF = 1 OCCUPANT

KITCHEN AREA = 723 SQ FT
1 PERSON PER 200SF = 4 OCCUPANTS

TABLE AREA = 450 SQ FT
1 PERSON PER 15SF = 30 OCCUPANTS

REMAINDER OF BUILDING R-2
3070 SQFT.
OCCUPANT LOAD 16

2427 MARKET - EXISTING HISTORIC
BUILDING

EXISTING 1 HR WALL

EXISTING RAMP

4" SCHED 80 HDG PIPE COLUMNS.
RE: 1/51 FOR FOUNDATION DETAIL

EXISTING RAMP

25TH ST

NEW CANOPY/BALCONY

ALLEY

SITE PLAN

3/32" = 1'-0"

CANOPY
2427 MARKET
GALVESTON, TEXAS
RE: 1/51 FOR FOUNDATION DETAIL

eas easterwood
ARCHITECTS STUDIO
208 DALL STREET
GALVESTON TEXAS 77550
409-354-8078
EASTERWOOD@EAS-ARC.COM

DATE: 11/8/18

REVISION: 1

DATE ISSUED: 9/24/2018

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A1.0

PLANS

ORDINANCE NO. 19-____

AN ORDINANCE OF THE CITY OF GALVESTON, TEXAS, AMENDING THE 2015 GALVESTON LAND DEVELOPMENT REGULATIONS, ARTICLE 3: URBAN NEIGHBORHOOD (UN) ADDENDUM REGARDING REDUCTION OF MINIMUM LOT AREA FROM 2,500 SQUARE-FEET TO 1,600 SQUARE-FEET FOR THE “TOWNHOUSE” LAND USE IN THE URBAN NEIGHBORHOOD (UN); PLANNING CASE NUMBER 19ZA-001; MAKING VARIOUS FINDINGS AND PROVISIONS RELATED TO THE SUBJECT.

WHEREAS, on March 5, 2015, City Council adopted the 2015 Galveston Land Development Regulations, including Article 2: Uses and Supplemental Standards; and,

WHEREAS, per the Land Development Regulations Article 3, Addendum for the Urban Neighborhood (UN) zoning district, the lot area minimum for all newly created lots is 2,500 square-feet; and,

WHEREAS, the land use “Townhouse” is an outright permitted land use in the Urban Neighborhood (UN) zoning district. Townhouse means a single-family dwelling unit constructed in a group of three or more attached units, on its own lot, in which each unit extends from the foundation to roof with open space on at least two sides; and,

WHEREAS, the Urban Neighborhood (UN) zoning district is found in the oldest parts of the City where lots are close together and generally smaller and staff has found dividing lots for townhomes into 2,500 square-foot lots to be difficult to achieve; and,

WHEREAS, in Article 3, Addendum for the Townhouse, Residential District (R-2) zoning district the minimum lot area is 1,600 square-feet per lot making dividing the land for individual townhouses more feasible; and,

WHEREAS, Staff is requesting a reduction in the minimum lot area for the “Townhouse” land use in the Urban Neighborhood (UN) from 2,500 to 1,600 square-feet to be more consistent and to make townhomes more achievable in the Urban Neighborhood (UN); and,

WHEREAS, Staff, recommends in its staff report, attached and incorporated herein **as Exhibit 1**, approval that Article 3, “Addendum to the Urban Neighborhood (UN)” be modified to reflect a minimum lot area of 1,600 square-feet per lot for the “Townhouse” land use only; and,

WHEREAS, text amendments shall be based on the following criteria:

1. The proposed amendment will help to implement the City of Galveston Comprehensive Plan or if it involves a topic that is not addressed or not

fully developed in the City of Galveston Comprehensive Plan. The proposed amendment will not impair implementation of the City of Galveston Comprehensive Plan and other adopted special-area and special-topic plans;

2. The proposed amendment is consistent with the stated purposes of these regulations;
3. The proposed amendment will maintain or advance the public health, safety, or general welfare;
4. The proposed amendment will help to mitigate adverse impacts of the use and development of land on the natural or built environment, including, but not limited to mobility, air quality, water quality, noise levels, storm water management, wildlife protection, and vegetation or will be neutral with respect to these issues;
5. The proposed amendment will advance the strategic objectives of the City Council such as fiscal responsibility, efficient use of infrastructure, public services, and other articulated City objectives; and,

WHEREAS, text amendments shall serve the purposes of:

1. Advancing the goals, objectives and policies of the City's Comprehensive Plan and other adopted special-area and special-topic plans;
2. Securing adequate light, air, convenience of access, and safety from fire, flood and other danger;
3. Lessening or avoiding congestion in public ways; Promoting the public health, safety, comfort, morals, convenience and general welfare; and otherwise accomplishing the purposes of Texas Local Government Code Chapter 211, Municipal Zoning Authority; and,

WHEREAS the Planning Commission, at its regular meeting of March 5, 2019, voted to recommend approval of the text amendment; and,

WHEREAS, after public notice and hearing as required by law, the City Council finds that it is in the public's interest to approve the text amendment to Article 3, Urban Neighborhood (Un) Addendum of the Galveston Land Development Regulations.

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

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

SECTION 2. In accordance with the City of Galveston 2011 Comprehensive Plan, the City Council of the City of Galveston hereby amends the 2015 Galveston Land Development Regulations Article 3, "Urban Neighborhood (UN) Addendum" of the

Galveston Land Development Regulations as substantially provided in **Exhibit 1**, to read and provide as follows:

URBAN NEIGHBORHOOD (UN)

Notes:

Minimum Lot Standards

Area: 2,500 square feet
Width: 0 feet
Depth: 0 feet

Minimum Lot Standards for Townhomes

Area: 1,600 square feet
Width: 0 feet
Depth: 0 feet

SECTION 3. It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses, and phrases of this Ordinance are severable and, if any phrase, clause, sentence, paragraph or section of this Ordinance should be declared invalid by the final judgment or decree of any court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Ordinance.

SECTION 4. All Ordinances or parts thereof in conflict herewith are repealed to the extent of such conflict only.

SECTION 5. In accordance with the provisions of Section 12 and 13 of Article II of The City Charter this Ordinance has been publicly available in the office of the City Secretary for not less than 72 hours prior to its adoption; that this Ordinance may be read and published by descriptive caption only.

SECTION 6. This Ordinance shall be and become effective from and after its adoption and publication in accordance with the provisions of The Charter of the City of Galveston.

APPROVED AS TO FORM:

DONNA M. FAIRWEATHER
ASSISTANT CITY ATTORNEY

I, Janelle Williams, Secretary of the City Council of the City of Galveston, do hereby certify that the foregoing is a true and correct copy of an Ordinance adopted by the City Council of the City of Galveston at its regular meeting held on March 28, 2019, as the same appears in records of this office.

IN TESTIMONY WHEREOF, I subscribe my name hereto officially under the corporate seal of the City of Galveston this _____ day of _____, 2019.

Secretary for the City Council
of the City of Galveston



19ZA-001

STAFF REPORT

APPLICANT:

City of Galveston

REQUEST:

Text Amendment

APPLICABLE ZONING LAND USE

REGULATIONS:

Article 3, Urban Neighborhood
(UN) Addendum

PROPOSED TEXT AMENDMENT:

To decrease the minimum lot
area requirements in the Urban
Neighborhood (UN) for
townhomes.

EXHIBITS:

- A – Article 3, Urban
Neighborhood (UN)
- B – Modified Article 3, Urban
Neighborhood (UN)
- C – Article 3, Townhouse,
Residential District (R-2)

STAFF:

Janice Norman, Planning Manager
409-797-3670
jnorman@galvestontx.gov

Executive Summary:

Staff is requesting a reduction in the minimum lot area for the “Townhouse” land use in the Urban Neighborhood (UN) from 2500 to 1600 square-feet.

Townhouse- means a single-family dwelling unit constructed in a group of three or more attached units on its own lot in which each unit extends from the foundation to roof with open space on at least two sides.

The land use “Townhouse” is an outright permitted land use in the Urban Neighborhood (UN) zoning district. In the Land Development Regulations Article 3, Addendum for the Urban Neighborhood (UN) zoning district the lot area minimum for all newly created lots is 2,500 square-feet. As stated above in the definition of townhouse they are single-family dwellings on their own lot. Since the Urban Neighborhood (UN) zoning district is found in the oldest parts of the City where the lots are close together and generally smaller, staff has found dividing lots for townhomes into 2500 square-foot lots to be difficult to achieve.

In Article 3, Addendum for the Townhouse, Residential District (R-2) zoning district the minimum lot area is 1,600 square-feet per lot making dividing the land for individual townhouses more feasible. In an effort to be consistent and to make townhomes more achievable in the Urban Neighborhood (UN) staff is requesting that the Article 3, Addendum to the Urban Neighborhood (UN) be modified to reflect a minimum lot area of 1,600 square-feet per lot for the “Townhouse” land use only.

Criteria for Text Amendments:

Per Section 13.700: Text Amendments of the Land Development Regulations: Recommendations and decisions regarding petitions for amendments to the text of these regulations are legislative in nature, but shall be based on consideration of all the following criteria:

1. The proposed amendment will help to implement the adopted City of Galveston 2011 Comprehensive Plan or if it involves a topic that is not addressed or not fully developed in the City of Galveston 2011 Comprehensive Plan, the proposed amendment will not impair the implementation of the adopted City of Galveston 2011 Comprehensive Plan and other adopted special-area and special-topic plans when compared to the existing regulations.
 - a. The 2011 Comprehensive Plan HN- 2.4, Ensure Standards Promote Compatible Infill Development: The City should adjust existing zoning requirements and prepare new Infill Design Standards to ensure new projects complement the character of existing neighborhoods.

2. The proposed amendment is consistent with the stated purposes of these regulations.
 - a. The Galveston Land Development Regulations, state the following:
General Purposes. These regulations provide guidance and standards for the orderly development and redevelopment of land and associated public infrastructure, facilities, and amenities in accordance with the *City of Galveston 2011 Comprehensive Plan* and other adopted plans and policies.
 - a. All new development must comply with the City's purpose through compliance with the Land Development Regulations, the 2012 International Building Codes, Comprehensive Plan, Municipal Code and other approved plans. All approved codes require new development to meet current standards that address orderly development, infrastructure, facilities, and amenities. The Land Development Regulations specifically address parking, setbacks, lot width and depth and land use.
3. The proposed amendment will maintain or advance the public health, safety, or general welfare.
 - a. This proposed amendment will maintain and advance the public health and wellbeing by individual ownership of lots and property. Home ownership encourages pride of ownership which leads to improved property maintenance. These all lead to the general welfare of the community.
4. The proposed amendment will help to mitigate adverse impacts of the use and development of land on the natural or built environment, including, but not limited to mobility, air quality, water quality, noise levels, storm water management, wildlife protection, and vegetation or will be neutral with respect to these issues.
 - a. All new development is required to meet current standards for construction and in sensitive areas, of Galveston, additional permitting is required to ensure that any necessary mitigation is preformed and preservation of these sensitive areas is maintained.
5. The proposed amendment will advance the strategic objectives of the City Council such as fiscal responsibility, efficient use of infrastructure, public services, and other articulated City objectives.
 - a. With the approval of the smaller lot size it will allow more diverse

types of development that interest a larger group of people which also promotes a larger population increasing the City's tax base.

Consideration for Text Amendments

Per Section 13.700: Text Amendments of the Land Development Regulations:

Purposes: Text amendment proposals shall serve the following purposes:

1. Advancing the goals, objectives and policies of the City's Comprehensive Plan and other adopted special-area and special-topic plans;
2. Securing adequate light, air, convenience of access, and safety from fire, flood and other danger;
3. Lessening or avoiding congestion in public ways; Promoting the public health, safety, comfort, morals, convenience and general welfare; and Otherwise accomplishing the purposes of Texas Local Government Code Chapter 211, Municipal Zoning Authority.

Considerations: In preparation and considering proposals for text amendments, the Planning Commission and City Council shall pay reasonable regard to:

1. The Comprehensive Plan and related plans;
2. Current conditions and the character of current uses and structures in each district;
3. The most desirable use for which the land in each district is adapted;
4. The conservation of property values throughout the jurisdiction; and
5. Responsible development and growth.

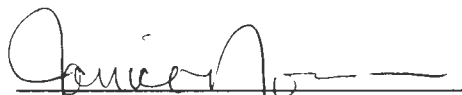
Other Reviews

City Council has the final decision authority and will hear this request at the March 28, 2019 meeting.

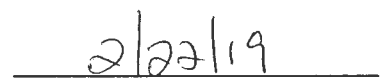
Staff Recommendation

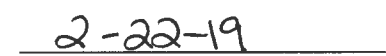
Staff recommends approval of the request as submitted

Respectfully Submitted,


Janice Norman, Planning Manager


Catherine Gorman, AICP
Assistant Director/HPO


Date


Date

URBAN NEIGHBORHOOD (UN)

Notes:

1. A site plan is required prior to the issuance of a building permit.
2. No side or rear yard required when adjacent to a canal or body of water or to an alley or rights-of-way.
3. New buildings shall utilize building elements and details to achieve a pedestrian-oriented public realm.
4. Compatibility is not meant to be achieved through uniformity, but through the use of variations in building elements to achieve individual building identity.
5. Building facades shall include appropriate architectural details and ornament to create variety and interest.
6. All primary entrances shall be oriented to the public sidewalk for ease of pedestrian access. Secondary and service entrances may be located from internal parking areas or alleys.
7. Encroachments: Canopies, signs, awnings, balconies and similar overhangs may encroach over any required setback, build-to-line or the sidewalk as long as the vertical clearance is a minimum of 8 feet. In no case shall an encroachment be located over any side or rear property line.
8. Average Front Yard Setback: Where 30 percent of buildings on one side of a street, on a single block, are built with 10 feet or less front yard setback, the average setback of the structures shall be the required setback.
9. Zoning setbacks may be inconsistent with Building Code. Refer to Building Division to determine final building and fire code setbacks.
10. Any outdoor storage areas accessory to the main use shall be enclosed by a solid masonry or concrete wall, or a wood fence, and shall not be less than 6 feet nor more than 8 feet in height.



Minimum Lot Standards

Area:	2,500 square feet
Width:	0 feet
Depth:	0 feet

Setbacks

Front:	0 feet
Side:	0 feet
Rear:	0 feet

Building Height

Maximum:	50 feet, measured from base flood elevation
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Parking

Residential:	None required; Maximum 1.5 spaces per unit
Non-Residential:	Minimum 1 space per 1,500 square feet of floor area
Lodging:	1 space per unit

Landscaping

Refer to Article 9, Landscaping of the City Land Development Regulations

14th Street Corridor

The table on Page 3-15 will govern land uses within the 14th Street UN corridor.

Parking Structure/Lot Incidental to Main Use = Permitted Use;
Home Based Occupation/Business = Permitted Use

URBAN NEIGHBORHOOD (UN)

Notes (cont.):

10. Design Standards Applicable to Commercial Structures and Uses

- a. Limited Use Standards apply where applicable.
- b. Commercial uses and structures limited to numbered streets in the UN district.
- c. Commercial and Mixed Use building facades shall be designed with a distinct base, middle, and top and shall maintain the alignment of horizontal elements along the block.
- d. Doors or windows forming regular patterns of openings, some accentuated by balconies.
- e. Primary entrance doors for all buildings shall be facing street facing façades.
- f. If driveway and/or off-street service loading and unloading access are provided, cross access easements shall be required when adjoining properties are undeveloped.
- g. There shall be no blank walls greater than 25 feet in width.
- h. 2802 Avenue Q - Auto Repair and Auto Sales are permitted uses on property legally described "ABST 628 Page 122 Lots 8 thru 9 & E 6.33-ft of Lot 10 (2010-1) SW Block 90 Galveston Outlots."

11. Base Flood Elevation

- a. Dry Flood Proofing. Dry Flood Proofing may be used to protect the space inside the building below the Base Flood Elevation if the ground floor entrance is not above the base flood elevation. Stairs and ramps may be incorporated inside the building envelop to transition to a higher level. In the case that dry flood proofing is not feasible, exterior stairs and ramps or other impact approaches shall only be permitted. Exterior ramps and stairs when used shall be positioned to minimize the accessibility of the commercial storefront.
- b. Exterior Ramps and Stairs. If an exterior ramp is required in order to accommodate access to a raised Base Flood Elevation, the ramp shall be oriented perpendicular to the primary facade in order to minimize the visual impact and pedestrian accessibility of the primary facade. If an exterior stair is required to accommodate access to a raised Base Floor Elevation, the steps shall be located towards the primary entrance along the primary facade.

12. Design Standards for New Commercial Structures

- a. 1st Floor Height: 15 feet floor to ceiling.
- b. 2nd Floor and Up: 10 feet floor to ceiling.
- c. Build Material: Stone, brick, stucco, wood siding, cementious fiber board.
- d. Door Locations: Primary entrance doors for all buildings shall be facing street.
- e. Balconies: Required at 2nd and 3rd floor.
- f. On-site parking: Rear of building, enclosed if on front and access is available
- g. Fencing: Chain-link (cyclone) prohibited.
- h. Windows: Upper floors shall be a minimum of 20 percent of each upper floor facade measured between 3 feet and 9 feet above each finished floor.
- i. Window Type: Vertical orientation.

URBAN NEIGHBORHOOD (UN)

SAN JACINTO NEIGHBORHOOD

East side of 23rd Street –West side of 6th Street; and,
North side of Seawall Boulevard - South side of Broadway

Corner Stores – Permitted Structures:

1128 Avenue K - M Menard Survey, Lot 14, Block 131
1425 Avenue K - North half of Lots 1 & 2 (1-1), Block 74
1516 Avenue K - Lot 11, Block 135
1027 Avenue L - North 48.5 feet of Lot 1 (1-1), Block 10
1301 Avenue L - Lot 7, Block 13
1404 Avenue L - North 61 feet of Lot 7 (7-2), Block 14
1509 Avenue L - Lot 2 Oleander Townhouses
1528 Avenue L - Lot 14 & west 12 feet of Lot 13, Block 75
1201 Avenue M - North half of Lot 7 (7-2) northwest Block 23
1327 Avenue M - Lot 1, northeast Block 22, Galveston Outlots
1701 Avenue M ½ - Northeast part of Lot 6 & north part of Lot 7 (3306-2), southeast Block 20
1728 Avenue N - Lot 14, southeast Block 20
1902 Avenue N - Southeast part of Lot 8 (3308-2), southeast Block 19
1502 Avenue O - South 80 feet of Lot 8 (3008-1), Southeast Block 46
1702 Avenue O - North half of Lot 1 (1001-2), Northeast Block 71, Galveston Outlots
1828 Avenue O - South half of Lot 14 (2014-2), Southwest Block 45, Galveston Outlots
1902 Avenue O - Lot B, Boatmans House Subdivision
2001 Avenue O ½ - Lot 7, Southwest Block 69
1212 13th Street (1227 Avenue L) – Lots 1 & 2, Block 12, Galveston Outlots
1502 – 13th Street - North ½ of Lot 1 (1-1), northwest Block 48, Galveston Outlots
1104 14th street (1401 Avenue K) – North 90 feet of Lot 7 (7-1), Block 74
1213 14th Street – North 49.75 feet of Lot 8 & northeast part of Lot 9 (8-3), Block 14
1104 15th Street (1425 Avenue K) – North ½ of Lots 1 & 2 (1-1), Block 74, Galveston Outlots
1513 - 1515 19th Street – Lot 8 and east half of Lot 9, and south adjacent alley, northeast Block 44
1302 21st Street – North 40 feet of Lot 1 (1-1), northwest Block 19, Galveston Outlots
1502 – 1506 21st Street – Lot 3, part of a Lots 1, 2, 3, 4, and half adjacent abandoned alley (1-1), northwest Block 444, Galveston Outlots
1624 21st Street - Lot 14 and west 32.08 feet of Lot 13, southwest Block 44, Galveston Outlots
1801 21st Street – North 42 Feet of Lot 7 and northeast part of Lot 6 (3007-1), southeast Block 68, Galveston Outlots

Permitted Commercial Land Use:

Located on 8th, 10th, 14th, and 23rd Street

Corner Store/Commercial Structure Standards:

Gross Floor Area Limited to 2,500 sq. ft.

Additional Standards:

Surface parking lots permitted on 10th Street

URBAN NEIGHBORHOOD (UN)

WILLIAMS-BORDEN NEIGHBORHOOD ASSOCIATION

West side of 35th Street – East side of 39th Street; and,
South side of Avenue O – North side of Avenue S

Corner Stores – Permitted Structures:

- 3827 Avenue O** – Northwest part of Lot 2 (1-1), northwest Block 60, Galveston Outlots
- 3627 Avenue R** – North 75 feet of Lot 1 (1-1), northwest Block 136, Galveston Outlots
- 3702 Avenue R** – Lot A, acres 0.0294, Fulbright Subdivision
- 3828 Avenue S** – South 75 feet of Lot 14 & southwest part of Lot 13 (2014-1), southwest Block 135, Galveston Outlots
- 2001 - 2005 35th Street** – North 75.5 feet of Lot 7 (3007-1), southeast Block 86, Galveston Outlots
- 2427 35th Street** – South 58.79 feet of Lot 8 (3008-2), southeast Block 136, Galveston Outlots
- 1702 37th Street (3625 Avenue O)** – North 61.5 feet of Lot 1, Northwest part of Lot 2 (2-1), Northwest Block 61, Galveston Outlots
- 1712 37th Street** – South 27.5 feet of Lots 1 & 2, southwest part of Lot 3 (1-3), northwest Block 61, Galveston Outlots
- 1713 37th Street (3702 Ave O ½)** – Lot 8, northeast Block 60, Galveston Outlots
- 1710 39th Street** – South 40 feet of Lot 1 & southwest part of Lot 2 (1-2), northwest Block 60, Galveston

KEMPNER PARK NEIGHBORHOOD

West side of 25th Street – East side of 39th Street; and,
South side of Avenue O – South side of Avenue S

Corner Stores – Permitted Structures:

- 2528 Avenue Q** – South 73 feet of Lot 14 (3014-2), southeast Block 91, Galveston Outlots
- 2602 Avenue Q** – Lot 8 & east half of Lot 9, southwest Block 91, Galveston Outlots
- 2628 Avenue Q** – Southwest part of Lot 14 (2014-2), southwest Block 91, Galveston Outlots
- 2728 Avenue Q** – Lot 14, southeast Block 90, Galveston Outlots
- 2802 Avenue Q** – Lots 8 thru 9 & east part of Lot 10 (2010-1), southwest Block 90, Galveston Outlots
- 2927 Avenue Q** – Lot 1 (1001-1), northeast Block 114, Galveston Outlots
- 3028 Avenue Q** – Southwest part of Lot 14 (2014-3), southwest Block 89, Galveston Outlots
- 3228 Avenue Q** – South 76 feet of Lot 14 (201-1), southwest Block 88, Galveston Outlots
- 3227 Avenue R** – North 41.33 feet of Lot 1 and northwest part of Lot (1-3), northwest Block 138, Galveston Outlots
- 3228 Avenue R** – South 51 feet of Lot 14 and southwest part of Lot 13 (2014-1), southwest Block 113, Galveston Outlots
- 3307 Avenue R** – Lot 6, northeast Block 137, Galveston Outlots
- 3201 AVENUE R ½** – Lots 6 & 7, southwest Block 138, Galveston Outlots.
- 3402 Avenue S** – South 53 feet of Lot 8 and southeast part of Lot 9 (2008-3), southwest Block 137, Galveston Outlots
- 3501 Avenue S** – Lot 7, northeast Block 161, Galveston Outlots
- 2102 26th Street** – Lot 1 and west 6.58 feet of Lot 2, northeast Block 116, Galveston Outlots
- 2223 33rd Street** – Lot 8 (3308-1), southeast Block 112, Galveston Outlots
- 2201 35th Street** – North 43.5 feet of Lot 7 & northeast part of Lot 6 (3007-1), southeast Block 111, Galveston Outlots
- 2427 35th Street** – South 58.79 feet of Lot 8 (3008-2), southeast Block 136, Galveston Outlots

URBAN NEIGHBORHOOD (UN)

14TH STREET CORRIDOR LAND USE TABLE

P = Permitted Use; L = Limited Use; S = Specific Use Permit

Agricultural Land Uses	
Agriculture/Urban Farming	P
Residential Land Uses	
Accessory Dwelling Unit	L
Bed and Breakfast	L
Cottage Food	P
Child Care Facility, Residential (Day Care)	L
Community Garden	L
Duplex	P
Home Based Occupation	P
Hospital House Establishment	L
Live-Work Unit	L
Personal Care Homes (DADS)	P
Short Term Rental Residential Dwelling	P
Single-family Detached	P
Townhouse	P
Commercial Land Uses	
Adult Day Care	L
Alcoholic Beverage Sales, Liquor Store or Package	S
Child Care Facility, Day Care (Commercial)	L
Cleaning / laundry pick-up station	L
College / University / Vo-Tech	P
Commercial Amusement/Recreation Indoor	L
Commercial Lodging (Hotel)	S
Library	P
Music Instruction	P
Medical Office / Clinic / Lab	L
Nursery or Greenhouse, Retail	L
Nursing / Convalescent Home	L
Office	L
Personal Fitness or Music Instruction	L
Pet Grooming Services	L
Place of Public/Private Assembly	L
Private Club	S
Professional Services, Instruction or Counseling	L
Public Safety Facility	P
Recreation Indoor	L
Recreation Outdoor	L
Restaurant, No Drive-In / Through	L
Retail - Commercial	P
School: Private	L

URBAN NEIGHBORHOOD (UN)

Notes:

1. A site plan is required prior to the issuance of a building permit.
2. No side or rear yard required when adjacent to a canal or body of water or to an alley or rights-of-way.
3. New buildings shall utilize building elements and details to achieve a pedestrian-oriented public realm.
4. Compatibility is not meant to be achieved through uniformity, but through the use of variations in building elements to achieve individual building identity.
5. Building facades shall include appropriate architectural details and ornament to create variety and interest.
6. All primary entrances shall be oriented to the public sidewalk for ease of pedestrian access. Secondary and service entrances may be located from internal parking areas or alleys.
7. Encroachments: Canopies, signs, awnings, balconies and similar overhangs may encroach over any required setback, build-to-line or the sidewalk as long as the vertical clearance is a minimum of 8 feet. In no case shall an encroachment be located over any side or rear property line.
8. Average Front Yard Setback: Where 30 percent of buildings on one side of a street, on a single block, are built with 10 feet or less front yard setback, the average setback of the structures shall be the required setback.
9. Zoning setbacks may be inconsistent with Building Code. Refer to Building Division to determine final building and fire code setbacks.
10. Any outdoor storage areas accessory to the main use shall be enclosed by a solid masonry or concrete wall, or a wood fence, and shall not be less than 6 feet nor more than 8 feet in height.



Minimum Lot Standards

Area:	2,500 square feet
Width:	0 feet
Depth:	0 feet

Minimum Lot Standards for Townhomes

Area:	1,600 square feet
Width:	0 Feet
Depth:	0-feet

Setbacks

Front:	0 feet
Side:	0 feet
Rear:	0 feet

Building Height

Maximum:	50 feet, measured from base flood elevation
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Parking

Residential:	None required; Maximum 1.5 spaces per unit
Non-Residential:	Minimum 1 space per 1,500 square feet of floor area
Lodging:	1 space per unit

Landscaping

Refer to Article 9, Landscaping of the City Land Development Regulations

14th Street Corridor

The table on Page 3-15 will govern land uses within the 14th Street UN corridor.

Parking Structure/Lot Incidental to Main Use = Permitted Use;
Home Based Occupation/Business = Permitted Use

TOWNHOUSE RESIDENTIAL DISTRICT (R-2)

Notes:

1. A site plan is required prior to the issuance of a building permit.
2. No rear yard required when principal structures are adjacent to a canal or body of water.
3. No projection closer than 12 inches to a common property line. Projections include: roof eaves (up to 36 inches), windowsills, belt courses, and other architectural features.
4. No rear yard required when principal structures are adjacent to an alley or right-of-way.
5. Average Front Yard Setback: Where 30 percent of buildings on one side of a street, on a single block, and are built with 10 feet or less front yard setback, the average setback of the structures shall be the required setback.
6. Each unit shall have a minimum of 1,600 sq. ft. of lot area.
7. Accessory structures shall be limited to the provisions in Sec. 3.305.
8. Zoning setbacks may be inconsistent with Building Code. Refer to Building Division to determine final building and fire code setbacks.



Minimum Lot Standards

Area:	1,600 square feet
Width:	20 feet
Depth:	80 feet

Setbacks

Front:	5 feet
Side:	0 feet
Rear:	10 feet

*Corner units shall have a 5-foot exterior side setback

Building Height

Maximum: 50 feet, measured from base flood elevation

Parking

Single Family:	Minimum 1 per unit
Multi-Family:	Minimum 1.5 per unit
Lodging:	Minimum 1 per unit
Non-Residential:	One per 300 square feet of floor area

Landscaping

Refer to Article 9, Landscaping of the City Land Development Regulations.

ORDINANCE NO. 19-___

AN ORDINANCE OF THE CITY OF GALVESTON, TEXAS, AMENDING "THE CODE OF THE CITY OF GALVESTON 1982, AS AMENDED", CHAPTER 34, "TRAFFIC" BY ADDING ARTICLE X, "VALET PARKING" TO ALLOW FOR REGULATIONS RELATED TO VALET PARKING IN THE CITY OF GALVESTON; PROVIDING FOR A PENALTY; MAKING VARIOUS FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, valet parking is a parking service offered by some restaurants, stores, and other businesses throughout the country and the world; and,

WHEREAS, regulations pertaining to valet parking have been requested as a needed service in the City of Galveston; and,

WHEREAS, Staff recommends regulations pertaining to valet parking in the City of Galveston, as provided in Section 2 below; and,

WHEREAS, the City Council deems it in the public's interest to amend Chapter 34 "Traffic" of "The Code of The City of Galveston 1982, as amended," by adding Article X, "Valet Parking" to allow for regulations related to valet parking in the City of Galveston.

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

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

SECTION 2. Chapter 34 "Traffic" of "The Code of The City of Galveston 1982, as amended," is amended by adding Article X, "Valet Parking".

ARTICLE X. – VALET PARKING

DIVISION 1. GENERALLY.

§ 34-209. Applicability.

- (a) This Article shall only apply to the area designated by the Land Development Regulations as the Central Business District.**
- (b) All other areas outside of the Central Business District shall adhere to the City of Galveston's License to Use requirements.**
- (c) This Article shall not relieve any person from the duty to observe any other provisions of the City Code and/or state law.**

§ 34-210. Definitions.

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

Designated Area: the curb line within a public right-of-way, as indicated by appropriate signage or markings, where a valet operator may receive or return vehicles under a permit issued by the department.

Department: the department designated by the City Manager.

Director: the department director designated by the City Manager.

Metered parking: Parking meter in service during established paid parking hours.

On-Street valet parking service: a valet parking service in which the valet operator receives a vehicle from or returns a vehicle to a customer or patron within the service location.

Person: an individual, partnership or corporation seeking to provide valet parking services for its customers or patrons and move their motor vehicles from the service location to a remote parking area and return the vehicle to the original service location.

Service Location: the location of the business served by the valet parking service.

Valet Operator: a person or the person's employee, agent, contractor, or representative that provides valet parking services to a business.

Valet Parking Service: the service of receiving, parking, and returning vehicles for the customers, guests or invitees of a business.

§ 34 - 211. – Restrictions on on-street valet parking.

It is unlawful for any person to provide valet parking services without a valet operating license or valet parking permit, and no person shall provide valet parking services in which a portion of the public right- of-way is used to receive, return, or store vehicles, except as allowed under this Article.

§ 34 - 212. – Insurance.

A valet operator or a temporary valet parking permit holder must maintain general liability insurance coverage as required by the Director continuously during the term of the permit or license. Insurance carriers must be authorized or eligible to do business in the state of Texas.

§ 34 - 212. – No Private Rights in Streets.

Nothing in this Article shall be construed to give any valet operator any property right in, or to, the use of any street or public right-of-way. All permits and licenses issued and held under this Article shall be subject to the superior right of the public to the safe and orderly movement of traffic.

§ 34 - 213. Temporary Suspension.

All valet operations are subject to immediate suspension when a police officer or other authorized city enforcement official determines that the continued operation of the valet service constitutes an immediate threat to the public health, safety or welfare, including interfering with the safe operation of the streets for pedestrians and the normal flow of traffic.

DIVISION 2. VALET OPERATION LICENSE.

§ 34 - 214. On-street valet operating license required.

- (A) A person may not operate a valet parking service on the public right of way without a valet operating license issued under this Article.
- (B) A person may operate a valet parking service conducted entirely on private property without a valet operating license.

§ 34-215. Maximum number of parking spaces:

The holder of a valet operating parking service may use three parking spaces as a designated area. The Director may allow the permit holder to use additional spaces for the designated area if:

- (1) the Director determines that the use of the additional spaces will not create a safety hazard; and
- (2) the permit holder pays the fee for each additional space.

§ 34 - 216. – Application for a valet operating license.

- (A) A person who desires to operate a valet parking service on public right-of-way shall apply in writing to the Director for a valet operating license. To obtain or renew an on-street valet operating license a person must:
 - (1) submit a completed application to the Director on a form prescribed by the Director;
 - (2) pay the application fee for the license; and
 - (3) pay the fee for each location at which the applicant intends to provide valet parking services.
- (B) An application for a valet operating license must include the following:
 - (1) the name, mailing address, and phone number of the applicant;

- (2) the name and location of each service location at which the applicant intends to provide on-street valet parking service;
- (3) the hours of operation of the on-street valet parking service at each service location;
- (4) documentation showing that the applicant has the required insurance policy;
- (5) a verified statement from the valet operator that each of the applicant's employees has a driver's license valid in the State of Texas, and has received a manual and training instructing the employee in the local and state laws governing valet parking;
- (6) a verified certification that the applicant's employees who engage in valet parking vehicles will wear retro-reflective material outerwear while working during the nighttime
- (7) a verified certification that loading or offloading of customers from vehicles will occur only in the designated area at each service location;
- (8) the location of any signs or attendant stands to be used by the applicant at the service location and the designated area; and
- (9) the location of off-street parking to be used in connection with the valet operation and a signed agreement or other documentation that indicates the applicant has a legal right to park vehicles at that location, the number of parking spaces allowed to be used and describing other terms and conditions applicable to the use of the off-street parking location.
- (10) The telephone number to allow the department to contact the valet service operator 24 hours a day.

§ 34 - 217. – Issuance of valet operating license.

- (A) Unless denied pursuant to this Article, the Director shall issue a valet operating license for the service location.
- (B) The Director shall list on the valet operating license each service location at which the license holder may provide on-street valet parking services.

§ 34 - 218. – Duties and Responsibilities of a valet operating license holder.

- (A) A valet operating license holder may not provide on-street valet parking service at a service location unless the location is approved by the department and listed on:
 - (1) the license; or
 - (2) a temporary permit for the service location.
- (B) A license holder shall not use public metered parking spaces other than what is stated in the license issued by the City. A license holder shall not park in spaces or on property for which it does not have an agreement or permission to park vehicles, and shall immediately cease to accept vehicles once it meets its capacity limits described in the agreement submitted as part of their application.

- (C) A license holder shall keep a copy of the license readily available at the service location during hours of operation, and shall produce the copy on the request of the Director or his/her designee or other certified/recognized authority including; but not limited to, a Police Officer, Marshal, or Code Enforcement Officer.
- (D) A license holder may not allow a vehicle to remain parked in the service location for more than 15 minutes. A vehicle may not be parked in a service location unless traffic may move safely in the lanes adjacent to the designated area.
- (E) A license holder shall provide each of the operator's employees a manual and training on local and state laws governing valet parking. Training must include review of the requirements specified in this Article.
- (F) A license holder shall place the operator's booth or stand at the service location in a manner that will maintain an unobstructed pedestrian pathway on the sidewalk that is at least six feet wide.
- (G) A license holder shall provide retro-reflective material on employee's outerwear to an employee who enters the street while on duty during nighttime hours. An employee shall be required to wear the retro-reflective outerwear while on nighttime duty.
- (H) A license holder is responsible for the security of keys left by a customer with the operator, and shall keep the keys in a secure place.
- (I) A license holder shall place a valet parking tag inside each customer's vehicle that includes the following information, which must be clearly legible from the outside of the vehicle:
 - (1) the name of the license holder; and
 - (2) a telephone number that will allow the customer to obtain information about the valet parking operation 24 hours a day.
- (J) Each of the license holder's employees shall operate vehicles in compliance with all applicable federal, state, and local laws, in a manner that assures the safety of persons and property and shall possess a valid class A, B, or C, Texas driver's license.

§ 34 - 219. – Restriction on handling vehicles.

- (A) A license holder may not:
 - (1) double park a vehicle;
 - (2) park a customer's vehicle on a public street except in the designated area;
 - (3) leave a vehicle unattended in the street except in the designated area;
 - (4) receive or return a customer's vehicle at a location other than the service location;
 - (5) park a vehicle on private property unless written authorization has been obtained from the owner or lessee of the property; or

- (6)violate a law relating to the stopping, standing, or parking of motor vehicles.
- (B) A license holder shall have custody of the keys to a vehicle while the vehicle is unattended in the designated area.
- (C) A license holder may allow attended vehicles of the operator's customers to temporarily queue in the traffic lane adjacent to the designated area if the queuing does not:
 - (1)cause traffic behind the queue to obstruct an intersection;
 - (2)block public access to a business or residence; or
 - (3)create a safety hazard.

§ 34 - 220. – Parking Citations.

The valet operator shall immediately inform a customer of a parking citation issued to the customer's vehicle during the time the vehicle was parked by the valet operator.

§ 34 - 221. – Designated area.

The Department shall, at the license holder's cost:

- (A) provide to the valet license holder signs that will indicate that the spaces in the designated area are reserved for valet parking only and that vehicles parked in the spaces for purposes other than valet parking may be towed;
- (B) install traffic control devices at the designated area indicating the location and extent of the designated area, and the hours the designated area is reserved for valet parking; and
- (C) require additional traffic control devices or measures that heighten public awareness of the valet service area, as required by the Director.

§ 34 - 222. – Transfer of valet parking license.

- (A) A valet parking license may be transferred to a subsequent owner or operator of the business at the service location.
- (B) To transfer a valet parking license, the subsequent owner or operator of the business must file an application as provided in this Article.

§ 34-223. – Valet Parking Permit Required.

- (A) A person operating a business establishment may not provide on- street valet parking service to customers, guests or other invitees unless the person has a valet parking permit issued under this Article.**
- (B) A person operating a business establishment or at a residence may provide valet parking service to customers, guests or other invitees without a valet parking permit if the service is operated entirely on private property.**

- (C) Public paid parking spaces may not be used for valet parking services other than as stated on the permit issued by the City. Parking shall not be permitted in spaces or on property for which the permit holder does not have an agreement or permission to park vehicles, and the permit holder or its contractor shall immediately cease to accept vehicles once it meets its capacity limits described in the agreement submitted as part of their application for use of off-street parking.

§ 34-224. – Valet Parking Permit Application.

- (A) A person who provides on-street valet parking services to customers, guests, or other invitees on public right-of-way shall apply in writing to the director for a valet parking permit. The application must be made by the owner or lessee of the premises benefiting from the proposed valet parking service. To obtain or renew a valet parking permit a person must:

- (1) submit a completed application to the Director on a form prescribed by the Director;
- (2) pay the application fee for the permit; and
- (3) pay the annual fee for parking spaces in the designated area.

- (B) An application for a valet parking permit must include the following::

- (1) the name, address, and phone number of the applicant;
- (2) the name and location of the business to be served by a valet operator;
- (3) a copy of the on-street valet operating license held by the person who will provide valet parking service for the applicant;
- (4) documentation showing that the applicant has the required insurance policy; and
- (5) the location of off-street parking to be used in connection with the valet operation and a signed agreement or other documentation that indicates the applicant has a legal right to park vehicles at that location, the number of parking spaces allowed to be used and describing other terms and conditions applicable to the use of the off-street parking location.

§ 34 - 225. – Temporary Permit.

- (A) The department may issue a temporary valet parking permit to a person to operate a valet parking service for no more than four consecutive days.
- (B) To obtain a temporary valet parking permit a person must:
- (1) submit an application to the department on a form prescribed by the Director no later than five business days before the commencement of the valet parking services; and
 - (2) pay the fee for a temporary valet parking service permit and all other applicable fees; and
 - (3) obtain written approval from the businesses or residences directly adjacent to the public right-of-way proposed for valet service use.

- (C) A temporary permit issued under this section is valid for the period indicated on the permit, and shall not exceed four consecutive calendar days.
- (D) The holder of a temporary permit may use three parking spaces as a designated area. The Director may allow the permit holder to use additional spaces for the designated area if:
 - (1) the Director determines that the use of the additional spaces will not create a safety hazard; and
 - (2) the permit holder pays the fee for each additional space.

DIVISION 3. DENIAL OR REVOCATION OF LICENSE.

§ 34 – 224. – Issuance or denial of permit or license.

- (A) The Director shall grant or deny an application for a permit or license under this Article not later than the 10th day after the day the application is received by the department.
- (B) The Director shall deny an application for a permit or license under this Article if the applicant:
 - (1) makes a false statement on the application; or
 - (2) fails to meet the application requirements of this Article.
- (C) The Director shall deny an application for a valet parking permit or license if the Director determines that the proposed valet parking service at the location may:
 - (1) unreasonably interfere with normal traffic flow on a public street, alley, or other public property; or
 - (2) create a hazard to public safety.
- (D) If the Director denies an application for a permit or license under this Article, the department shall send notice of the denial to the applicant by certified mail, to the applicant's mailing address listed on the application. A notice mailed under this section is considered received on the 10th day after mailing.

§ 34- 225. – Temporary suspension or modification of permit or license.

- (A) The Director may temporarily suspend or modify a permit or license issued under this Article if:
 - (1) a temporary street closure includes the designated area;
 - (2) the Director determines that an emergency requires the suspension or modification; or
 - (3) if requested in writing by the permittee or licensee; A request for an increase in the designated area shall require a new application and payment of required fees.
- (B) If the Director suspends or modifies a permit or a license, the Director may allow the permit or license holder to temporarily conduct valet parking operations at an alternate location.

§ 34 - 226. – Duration and renewal of permit or license.

- (A) A permit or license issued under this Article is valid for a period of one year from its date of issuance, unless the permit or license is:
 - (1) a temporary permit; or
 - (2) revoked or suspended.
- (B) A permit or license issued under this Article may be renewed by filing an application at least 30 days prior to expiration of the permit or license. To obtain renewal of a permit or license, a person must meet the application requirements in this Article, and the application shall be reviewed and approved as if it is a new application.

§ 34 - 227. – Revocation or modification of permit or license.

- (A) The Director may revoke or modify a permit or license under this section based on the following reasons:
 - (1) if the holder fails to comply or violates this Article at a service location on more than six separate days within a 12-month period;
 - (2) if the Director determines that the applicant made a false statement on the permit application; or
 - (3) the permit or license was issued through error; or
 - (4) if the holder fails to comply or violates the rules adopted by the Director; or
 - (5) there is an immediate threat to public health and safety.
- (B) If the Director revokes or modifies a permit or license under this Article, the Director shall send notice of the revocation or modification to the permit or license holder by certified mail, to the holder's mailing address listed on the application. If the revocation is due to an immediate threat to public health and safety, the permit or license shall be considered revoked immediately without prior notice to the permittee or licensee. A notice mailed under this section is considered received on the 10th day after mailing.

§ 34 - 228. – Appeal.

- (A) An applicant or a license or permit holder may appeal the denial of an application or the revocation or modification of a permit to the Director.
- (B) The appeal must be submitted to the Director in writing not later than the 10th day after receipt of notice of the adverse action.
- (C) The Director shall hold an informal hearing on the appeal not later than the 10th day after the appeal is received. At the hearing the formal rules of evidence do not apply. The Director shall decide the appeal on the basis of the preponderance of the evidence presented.

- (D) The Director shall make a determination on the appeal not later than the 10th day after the hearing. The Director may affirm, reverse, or modify the Director's previous determination.
- (E) The decision of the Director on appeal may be appealed to the City Manager, under the same procedure described above. The decision of the City Manager is final.

DIVISION 4. FEES AND ENFORCEMENT.

§ 34 – 229. Fees.

Fees shall be established as follows:

Annual Permit base fees:

- (1) a valet parking permit application - \$250.00;
- (2) a valet operating license application - \$500.00;
- (3) within the designated area: paid and non-paid parking space usage - \$250.00 per space.
- (4) paid parking space: paid parking fee applicable during the requested hours of operation for each location in addition to the base fee(s).

Temporary Permit base fees:

- (1) a temporary permit application - \$125.00 up to and including 3 parking spaces. Each additional approved parking space will be charged \$50.00;
- (2) paid parking space: paid parking fee applicable during the requested hours of operation for each location, in addition to the base fee(s).

§ 34 – 230. Enforcement.

The Director, or any enforcement agency of the City, shall enforce this Article and rules adopted under this Article.

§ 34 – 231. Penalty.

- (A) The City Council has determined that this Article is necessary to protect health, life, and property and to preserve good government, order, and security of the city and its inhabitants.
- (B) An owner, operator, or employee commits an offense if the person violates this Article or fails to comply with a requirement of this Article.

- (C) An offense under this Article is a Class C misdemeanor, punishable by a fine not to exceed five hundred dollars (\$500.00) per offense. Each day shall constitute a separate offense.
- (D) Proof of a culpable mental state is not required for a conviction of an offense under this Article.
- (E) The provisions of this Article are cumulative of other remedies.
- (F) Each day or portion of a day during which a violation occurs or continues constitutes a separate offense.
- (G) The City may seek to enjoin violations of this Article, and may file suit for the recovery of all expenses incurred, including without limitation, administrative and legal expenses, attorneys' fees, and costs, and for civil penalties as provided by law.

SECTION 3. It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses and phrases of this Ordinance are severable and, if any phrase, clause, sentence, paragraph or section of this Ordinance should be declared invalid by the final judgment or decree of any court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Ordinance.

SECTION 4. All Ordinances or parts thereof in conflict herewith are repealed to the extent of such conflict only.

SECTION 5. In accordance with the provisions of Sections 12 and 13 of Article II of the City Charter this Ordinance has been publicly available in the office of the City Secretary for not less than 72 hours prior to its adoption; that this Ordinance may be read and published by descriptive caption only.

SECTION 6. This Ordinance shall be and become effective on May 1, 2019, from and after its adoption and publication in accordance with the provisions of the Charter of the City of Galveston.

APPROVED AS TO FORM:

DONNA M. FAIRWEATHER
ASSISTANT CITY ATTORNEY

I, Janelle Williams, Secretary of the City Council of the City of Galveston, do hereby certify that the foregoing is a true and correct copy of an Ordinance adopted by the City Council of the City of Galveston at its regular meeting held on _____, 2019, as the same appears in records of this office.

IN TESTIMONY WHEREOF, I subscribe my name hereto officially under the corporate seal of the City of Galveston this _____ day of _____, 2019.

Secretary for the City Council
Of the City of Galveston

ORDINANCE NO. 19-_____

AN ORDINANCE OF THE CITY OF GALVESTON, TEXAS, AMENDING CHAPTER 34, "TRAFFIC", SECTION 34-117, "TWO-HOUR LIMITED PARKING BETWEEN 8:00 A.M. AND 5:00 P.M.; EXEMPTION WITH PARKING PERMIT." OF "THE CODE OF THE CITY OF GALVESTON 1982", AS AMENDED, ADDING THE 1500 HUNDRED BLOCK OF MECHANIC STREET (AKA AVENUE C); MAKING VARIOUS FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Section 34-117 of the Galveston City Code makes it unlawful for any person to park their vehicle for more than two hours in certain areas unless that person owns and displays a residential parking permit on that vehicle; and,

WHEREAS, the City of Galveston has received a request from the residents located at the 1500 Block of Mechanic Street (aka Avenue C) of the City of Galveston to restrict parking to two (2) hours and exempting those with residential parking permits; and,

WHEREAS, the City Council of the City of Galveston, Texas, deems it in the public interest to amend Section 34-117, "Two-hour limited parking between 8:00 a.m. and 5:00 p.m.; exemption with parking permit," as provided below to add the 1500 Block of Mechanic Street (aka Avenue C).

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

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

SECTION 2. Section 34-117, "Two-hour limited parking between 8:00 a.m. and 5:00 p.m.; exemption with parking permit." is amended to read and provide as follows:

Sec 34-117. Two-hour limited parking between 8:00 a.m. and 5:00 p.m.; exemption with parking permit:

(c) When signs are erected giving notice thereof, no person shall park a vehicle for a period longer than two (2) hours between the hours of 8:00 a.m. and 5:00 p.m. in the following locations, unless exempt by displaying on the rear window a "resident parking permit" or displaying in the front window a "visitor parking permit" as issued by the city. The city manager shall provide written criteria for city staff to use in determining if a resident or visitor parking permit should be issued. A vehicle displaying a "resident parking permit" or a "visitor parking permit" shall not be exempt from other parking rules and regulations, including but not limited to, abandoned motor vehicle laws and overweight commercial vehicles.

(26) The 1500 Block of Mechanic Street (aka Avenue C).

SECTION 3. It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses, and phrases of this Ordinance are severable and, if any phrase, clause, sentence, paragraph or section of this Ordinance should be declared invalid by the final judgment or decree of any court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Ordinance.

SECTION 4. All Ordinances or parts thereof in conflict herewith are repealed to the extent of such conflict only.

SECTION 5. In accordance with the provisions of Sections 12 and 13 of Article II of the City Charter this Ordinance has been publicly available in the office of the City Secretary for not less than 72 hours prior to its adoption; that this Ordinance may be read and published by descriptive caption only.

SECTION 6. This Ordinance shall be and become effective upon its adoption and publication in accordance with the provisions of the Charter of the City of Galveston.

APPROVED AS TO FORM:

DONNA M. FAIRWEATHER
ASSISTANT CITY ATTORNEY

I, Janelle Williams, Secretary of the City Council of the City of Galveston, do hereby certify that the foregoing is a true and correct copy of an Ordinance adopted by the City Council of the City of Galveston at its regular meeting held on the March 28, 2019, as the same appears in records of this office.

IN TESTIMONY WHEREOF, I subscribe my name hereto officially under the corporate seal of the City of Galveston this _____, 2019.

Secretary for the City Council
of the City of Galveston

ORDINANCE NO. 19-__

AN ORDINANCE OF THE CITY OF GALVESTON, TEXAS, AMENDING ORDINANCE NO. 19-008, CALLING FOR THE MAY 2019 SPECIAL ELECTION, BY DESIGNATING ALL EARLY VOTING AND ELECTION DAY POLLING LOCATIONS; PROVIDING FOR EARLY VOTING AT THE JUSTICE CENTER FOR SATURDAY AND SUNDAY APRIL 28 AND 29 RESPECTIVELY; MAKING OTHER PROVISIONS AND FINDINGS OF FACT RELATED THERETO; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, on January 24, 2019, the City Council for the City of Galveston adopted Ordinance No. 18-004 ordering and calling for a Special Election to be held on May 4, 2019, to determine whether to extend the imposition of a fee for parking a motor vehicle on Seawall Boulevard between the hours of 10:00 a.m. and 6:00 p.m. daily, to be collected by a paid parking system with use of the proceeds restricted to funding seawall enhancements, including but not limited to lighting, bathrooms, showers, landscaping, maintenance, and litter control, with the creation of a reserve for the replacement of capital improvements on the seawall and not to exceed 10% of the proceeds for administrative costs, all in accordance with state law; and giving the City Council authority to increase the fee for parking a motor vehicle on Seawall Boulevard to an amount of \$2.00 per hour, with a minimum purchase of 2 hours, and not to exceed \$16.00 per day, and an annual permit not to exceed \$45.00, until December 31, 2029 unless otherwise renewed or amended by a majority of qualified voters; and,

WHEREAS, as approved by the City Council, Ordinance No. 19-008 included certain Early Voting and Election Day Polling Locations; and,

WHEREAS, the County of Galveston has gone through the process of establishing Countywide Polling Locations as prescribed by the Texas Election Code for the 2019 elections and after the City adopted Ordinance No. 19-008, the County of Galveston designated the final Early Voting and Election Day Polling Locations for the 2019 election; and,

WHEREAS, the City Council deems it in the public interest to amend Ordinance No. 19-008 ordering and calling for a Special Election to be held on May 4, 2019, by designating all Early Voting and Election Day Polling Locations.

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

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

SECTION 2. That Ordinance No. 19-008 ordering the Special Election is hereby amended to include all of the Countywide Polling Locations designated by the County of Galveston as available Early Voting Polling Locations, and including the addition of early voting

at the Justice Center on April 28 and April 29, 2019 respectively. The complete list of Early Voting Polling Locations is attached hereto for all intents and purposes as **Exhibit 1**.

SECTION 3. That Ordinance No. 19-008 ordering the Special Election is hereby amended to include all of the Countywide Polling Locations designated by the County of Galveston as available Election Day Polling Locations. The complete list of Election Day Polling Locations is attached hereto for all intents and purposes as **Exhibit 1**.

SECTION 4. The City Council reserves the right to amend or modify this Ordinance, including, but not limited to, the Early Voting and Election Day polling locations.

SECTION 5. It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses, and phrases of this Ordinance are severable and, if any phrase, clause, sentence, paragraph or section of this Ordinance should be declared invalid by the final judgment or decree of any court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Ordinance, because the same would have been enacted by the City Council without the incorporation in this Ordinance of any such invalid phrase, clause, sentence, paragraph or section.

SECTION 6. It is hereby officially found and determined that notice of the meeting at which this Ordinance is adopted was given as required by Chapter 551 of the Texas Government Code (the “Texas Open Meetings Act”) and that such meeting has been open to the public at all times when this Ordinance was discussed and acted on.

SECTION 7. All Ordinances or parts thereof in conflict herewith are repealed to the extent of such conflict only.

SECTION 8. In accordance with the provisions of Sections 12 and 13 of Article II of the City Charter, this Ordinance has been publicly available in the Office of the City Secretary for not less than 72 hours prior to its adoption; and that this Ordinance may be read and published by descriptive caption only.

SECTION 9. This Ordinance shall be and become effective from and after its adoption and publication in accordance with the provisions of the Charter of the City of Galveston.

APPROVED AS TO FORM:

DONNA M. FAIRWEATHER
ASSISTANT CITY ATTORNEY

I, Janelle Williams, Secretary of the City Council of the City of Galveston, do hereby certify that the foregoing is a true and correct copy of an Ordinance adopted by the City Council of the City of Galveston at its Regular meeting held on March 28, 2019, as the same appears in records of this office.

IN TESTIMONY WHEREOF, I subscribe my name hereto officially under the corporate seal of the City of Galveston this _____ day of March, 2019.

City Secretary for the City Council
of the City of Galveston, Texas

EXHIBIT 1
MAY 4, 2019 ELECTION DAY LOCATIONS

Rebecca Sealy Hospital
404 8th St. (Classroom 1st Floor)
Galveston, TX 77550

GISD Administration Building
3904 Ave. T
Galveston, TX 77550

Moody Methodist Church
2803 53rd St.
Galveston, TX 77551

Seaside Baptist Church
16534 Termini-San Luis Pass Rd.
Jamaica Beach, TX 77554

Hitchcock ISD Administration
7801 Neville Ave Building B
Hitchcock, TX 77563

COM Conference Center
1200 Amburn Rd.
Texas City, TX 77591

Hometown Hero's
1001 E. League City Parkway
League City, TX 77573

Dickinson City Hall
2716 FM Road 517
Dickinson, TX 77539

Kemah Community Center
800 Harris
Kemah, TX 77565

COM North Campus
200 Parker Ct.
League City, TX 77573

Creekside Intermediate
4320 W. Main
League City, TX 77573

Galveston County Court House
722 Moody
Galveston, TX 77550

Alamo School
5200 Ave. N 1/2
Galveston, TX 77550

Scott Building
4116 N 1/2
Galveston, TX 77550

MUD 12
2929 Highway 6 Ste. 300
Bayou Vista, Texas 77563

Santa Fe City Hall
12002 Highway 6
Santa Fe, TX 77510

San Leon MUD
443 24th St.
San Leon, TX 77539

Clear Lake Shores Club House
931 Cedar
Clear Lake Shores, TX 77565

IBC Bank
2301 W FM 646
Dickinson, TX 77539

Regal Estates
500 Enterprise Ave.
League City, TX 77573

League City Civic
400 W. Walker
League City, TX 77573

Friendswood City Hall
910 S. Friendswood Dr.
Friendswood, TX 77546

Dates & Times:

Monday, April 22, – Friday, April 26, 2019..... 8:00 a.m. – 5:00 p.m.
Saturday, April 27, 2019..... 7:00 a.m. – 7:00p.m.***
Sunday, April 28, 2019..... 1:00 p.m. – 6:00 p.m.***
Monday, April 29, - Tuesday, April 30, 2019..... 7:00 a.m. – 7:00 p.m.

(*Justice Center only)**

MAIN EARLY VOTING POLLING PLACE

Galveston County Justice Center
600 – 59th Street
2nd Floor Conference Room
Galveston, Texas 77551

EARLY VOTING BRANCH LOCATIONS

Galveston County Courthouse
722 Moody St.
Galveston, Texas 77550

Moody Methodist Church
2803 53rd St.
Galveston, TX 77551

Seaside Baptist Church
16534 Termini-San Luis Pass Rd
Jamaica Beach, TX 77554

MUD 12
2929 Highway 6 Ste. 300
Bayou Vista, Texas 77563

Hitchcock City Hall
7423 Highway 6
Hitchcock, Texas 77563

College of the Mainland Conf. Ctr.
1200 Amburn Rd.
Texas City, TX 77591

Santa Fe City Hall
12002 Highway 6
Santa Fe, TX 77510

Dickinson Community Center
2714 Highway 3
Dickinson, TX 77539

San Leon MUD
443 24th St.
San Leon, TX 77539

Clear Lake Shores
1006 South Shore Dr.
Clear Lake Shore, TX 77565

Kemah Community Center
800 Harris
Kemah, TX 77565

League City Civic Center
400 W. Walker
League City, TX 77573

COM North
200 Parker Ct.
League City, TX 77573

Friendswood City Hall
910 S. Friendswood Dr.
Friendswood, TX 77546

RESOLUTION NO. 19-____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GALVESTON, TEXAS, APPROVING AND AUTHORIZING THE CITY MANAGER TO EXECUTE AN INTERLOCAL AGREEMENT WITH THE GALVESTON PARK BOARD OF TRUSTEES ALLOWING THE TWO ENTITIES TO PURCHASE GOODS AND SERVICES USING EACH OTHER'S PROPERLY PROCURED CONTRACTS; PROVIDING FOR FINDINGS OF FACT AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Galveston, Texas ("the City") desires to enter an Interlocal Agreement with the Galveston Park Board of Trustees ("the Park Board") for purposes of allowing the City of Galveston and the Park Board of Trustees to allow each other to purchase goods and services using each other's properly procured contracts; and,

WHEREAS, the City and Galveston County are authorized to enter into this agreement in accordance with the Interlocal Cooperation Act, Chapter 791, et seq., of the Texas Government Code and by Section 534.015 of the Texas Health and Safety Code; and,

WHEREAS, Council approval is required before the City can enter into interlocal agreements with political subdivisions of the State of Texas;

WHEREAS, the Park Board is considered a political subdivision under the laws of the State of Texas;

WHEREAS, the City Council deems it in the public's interest to allow the City of Galveston to enter into an interlocal agreement with the Park Board to allow for the entities to purchase goods and services using each other's contracts, attached hereto as Exhibit A.

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

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

SECTION 2. The City Council of the City of Galveston hereby approves the Interlocal Agreement, in substantially the same form as "Exhibit A" attached to and incorporated herein for all intents and purposes in accordance with State law.

SECTION 3. The City Council of the City of Galveston hereby authorizes the City Manager to execute the Interlocal Agreement attached hereto as Exhibit A, as approved by the City Attorney.

SECTION 4. This Resolution shall be and become effective from and after its adoption.

APPROVED AS TO FORM:

MEHRAN JADIDI
ASSISTANT CITY ATTORNEY

I, Janelle Williams, Secretary of the City Council of the City of Galveston, do hereby certify that the foregoing is a true and correct copy of a Resolution adopted by the City Council of the City of Galveston at its regular meeting held on the 28th day of March 2019, as the same appears in records of this office.

IN TESTIMONY WHEREOF, I subscribe my name hereto officially under the corporate seal of the City of Galveston this the _____ day of _____, 2019.

Secretary for the City Council
Of the City of Galveston

EXHIBIT A



City of Galveston

OFFICE OF THE CITY ATTORNEY STAFF REPORT

February 11, 2019

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

From: Mehran Jadidi – Assistant City Attorney

RE: Consider for approval entering in to an interlocal agreement with the Park Board of Trustees to allow both parties to cooperatively purchasing goods and services utilizing properly procured contracts.

Background:

The City of Galveston and the Park Board of Trustees desire to enter into an interlocal agreement to allow each entity to purchase goods or services based on the other entity's properly procured contracts. The City has not had an agreement with the Park Board of Trustees for interlocal purchasing.

The City of Galveston competitively procures goods and services for user departments and has contracts available for other entities to utilize. Texas Government Code Section 791 authorizes local governments to contract, as much as possible, with other local governments and any agencies of the State of Texas. The City and the Park Board of Trustees can benefit, by saving taxpayer dollars, making both entities contracts available to each other.

Currently:

The City of Galveston and the Park Board of Trustees do not currently have an interlocal purchasing agreement. By utilizing the contracts the City of Galveston and the Park Board of Trustees, each entity can save tax payer dollars and staff resources.

Each entity will still be in compliance with local, state, and federal laws when using the contracts available that are competitively procured.





City of Galveston

OFFICE OF THE CITY ATTORNEY STAFF REPORT

Alternatives:

Approve the interlocal agreement to allow for purchasing between the City of Galveston and the Park Board of Trustees when those contracts are properly procured.

Do not approve the interlocal agreement for purchasing between the City of Galveston and the Park Board of Trustees.

Issues:

Cost – \$0.00

Timing – begins upon execution by the City and the Park Board of Trustees

Term – until City terminates the agreement

Recommendation:

Approve the interlocal agreement for purchasing between the City of Galveston and the Park Board of Trustees.

Fiscal Impact report:

Requested by:

Funding Source:	None
Not to Exceed:	\$0.00





City of Galveston

OFFICE OF THE CITY ATTORNEY STAFF REPORT



INTERLOCAL GOVERNMENTAL AGREEMENT FOR PURCHASING

This Agreement is made and entered into by and between the entities _____ and _____, (hereinafter referred to as the "parties"), all of whom are governmental agencies within the State of Texas, acting by and through their duly authorized governing body.

WHEREAS, the parties are political subdivisions of the State of Texas and are authorized to enter into an agreement with each other relative to governmental functions and services by the interlocal Cooperating Act, Texas Government Code, Chapter 791; and

WHEREAS, the parties believe that cooperating in the purchasing of various goods, materials, equipment, supplies and services which both parties use in carrying out their governmental functions and services will enable the parties to obtain these goods, materials, equipment, supplies and services in better terms and/or prices than by making such purchases individually, and both desire to increase efficiency and effectiveness of such purchasing by acting jointly in competitively procuring selected goods, materials, equipment, supplies and services.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants contained herein, the parties agree as follows:

1. AGREEMENT

This Agreement shall be for a term beginning from the date signed by each party and ending on March __, 20__. This Agreement shall automatically renew for additional one (1) year terms thereafter unless a party gives written notice to the other parties of their desire not to renew. The written notice required shall be at least thirty (30) days prior to the expiration of an existing one-year term. The Agreement shall remain in effect among those parties who have not requested to withdrawal from the Agreement. The Agreement may be amended by existing parties to include additional cities who may wish to join this Agreement under its existing terms. Such agreements shall be executed in the same form as this Agreement.

2. SCOPE AND IMPLEMENTATION

Unless otherwise prevented by law, it is the intent of the parties that the parties may take part in joint purchase for goods, materials, equipment, supplies and services they may need to carry out their governmental functions, and that all parties will make reasonable efforts to allow the others to make purchases under its agreements. Any purchasing contract or purchase order shall be acknowledged by the supplier and shall be considered as being issued under this Agreement and shall be subject to all of the terms and conditions of this Agreement without the necessity of those being set out or specifically referred to in such purchasing contract or purchase order.

3. COMPENSATION

The parties agree to share the cost of the respective joint solicitations in a fair and equitable manner, to be agreed upon in connection with each such solicitation.

4.
COMPLIANCE WITH LAWS

The parties hereby agree to abide by and obey all applicable local, state and federal laws and requirements, which apply to their respective procurement policies. It is specifically understood and agreed that whichever party is handling the preparation and processing of the joint invitations for bid shall comply with all legal requirements for competitive bidding which are applicable to both parties.

5.
NOTICES

Any notices or other communication required or allowed to be given by one party to the other parties pursuant to this Agreement shall be electronically submitted, hand delivered, or mailed by United States Postal Service, proper postage affixed to the addresses shown below:

To: City of Galveston:
Purchasing Supervisor
823 Rosenberg, Suite 203
Galveston, Texas 77550
Susan Serrano (409) 797-3575
Email Address: sserrano@galvestontx.gov

To: Park Board of Trustees for the City of Galveston
Executive Director
601 Tremont Street
Galveston, Texas 77550
Kelly de Schaun (409) 797-5141
Email Address: kdeschaun@galvestonparkboard.org

6.
GOVERNING LAW AND VENUE

This Agreement shall be governed by and interpreted in accordance with the laws of the State of Texas. This Agreement is entered into and is to be performed, wholly or in part, in the State of Texas and in Galveston County, Texas. In any action brought under the agreement, venue shall be exclusively in Galveston County, Texas. In the event that any portion of this Agreement shall be found to be contrary to law, it is the intent of the parties hereto that the remaining portions shall remain valid and in full force and effect to the extent possible.

7.
MISCELLANEOUS PROVISIONS

By execution of this Agreement, each party represents to the others that:

- a. In performing its duties and obligations hereunder, it will be carrying out one or more governmental functions or services, which it is authorized to perform;
- b. The undersigned officer or agent of the party has been properly authorized by that party's governing body to execute this Agreement and that any necessary resolutions extending such authority have been duly passed and are now in effect.
- c. All payments required or permitted to be made by a party will be made from current revenues available to the paying party; and

- d. All payments provided hereunder by one party to the other, if any, shall be such amounts as to fairly compensate the other party for the services or functions performed hereunder.

**8.
CONSTRUCTION OF AGREEMENT**

This Agreement represents the full, final and complete agreement of the parties related to its subject matter and shall supersede any previous interlocal purchasing agreements between the parties. The Agreement may not be added to, contradicted or otherwise modified by evidence of prior or contemporaneous agreement or subsequent oral agreements or statements of either of the parties, nor by any writing not signed by all parties after the date of this Agreement. No representations, inducements, promises, or agreements, oral or otherwise, not embodied or incorporated herein shall be of any force or effect. In case of any apparent ambiguity or conflict among any of the terms or provisions of this Agreement, they shall be construed as nearly as possible as to effectuate each and all of such terms or provisions keeping in mind that the overriding purpose of this Agreement is the public purpose of increasing the efficiency and effectiveness of the respective purchases of goods, materials, equipment and supplies by the parties.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the dates below.

City of Galveston, Texas:

By: _____
NAME: _____
TITLE: _____
DATE: _____

ATTEST:

By: _____
NAME: _____
TITLE: _____

APPROVED AS TO FORM AND LEGALITY

By: _____
NAME: _____
TITLE: _____

Park Board of Trustees for the City of Galveston:

By: _____
NAME: _____
TITLE: _____
DATE: _____

ATTEST:

By: _____
NAME: _____
TITLE: _____

APPROVED AS TO FORM AND LEGALITY

By: _____
NAME: _____
TITLE: _____

RESOLUTION NO. 18-____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GALVESTON, TEXAS, EXTENDING THE BEACH ACCESS AND DUNE PROTECTION PLAN REVIEW AD HOC COMMITTEE; CONTINUING THE COMMITTEE'S DUTIES, TERM, MEMBERSHIP, QUORUM, VOTING, MEETINGS, AND RULES OF PROCEDURE UNTIL JULY 25, 2019; PROVIDING A DATE FOR DISSOLUTION AND SUNSET OF THE COMMITTEE; PROVIDING FOR FINDINGS OF FACT AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Galveston passed Resolution No. 18-016 on March 22, 2018, to create the Beach Access and Dune Protection Plan Review Ad Hoc Committee in order to develop an 'action plan' for review of the City's Beach Access and Dune Protection Plan, and provide recommendations of amendments to the City's Beach Access and Dune Protection Plan to applicable Boards, Commissions or Committee's; including the Planning Commission and City Council; and,

WHEREAS, the Beach Access and Dune Protection Plan Review Ad Hoc Committee expires on or about May 19, 2019; and,

WHEREAS, the Beach Access and Dune Protection Plan Review Ad Hoc Committee wishes to continue their ability to present recommendations to applicable Boards, Commissions or Committee's; including the Planning Commission and City Council and the City Council deems it advisable for the Committee to continue its task.

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

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

SECTION 2. That the provisions of Council Resolution No. 18-016 continue to be of force and effect except to the extent they are amended herein.

SECTION 3. That the City of Galveston Beach Access and Dune Protection Plan Review Ad Hoc Committee will continue in existence to review and offer to the applicable Boards, Commissions or Committee's; including the Planning Commission and City Council, possible revisions to the City's Beach Access and Dune Protection Plan.

SECTION 4. That the members previously appointed to the Committee shall continue in their appointment until July 25, 2019 at which time the Beach Access and Dune Protection Plan Review Ad Hoc Committee shall be dissolved.

SECTION 5. That the Beach Access and Dune Protection Plan Review Ad Hoc Committee is directed to meet on a regular basis and make periodic reports to the City Council to keep the Council apprised of its progress and meet with the Council at its request to discuss issues of importance to the City.

SECTION 6. That the Beach Access and Dune Protection Plan Review Ad Hoc Committee meetings shall continue to be posted in accordance with the provisions of the Texas Open Meetings Act, and the City Secretary shall handle all such posting on the request of the Chair of the Committee. All agendas and minutes will be subject to the provisions of the Texas Public Information Act, and all such agenda and minutes shall be maintained by the City Secretary.

SECTION 7. The Beach Access and Dune Protection Plan Review Ad Hoc Committee of the City of Galveston shall be extended to sunset on July 25, 2019.

SECTION 8. This Resolution shall be and become effective from and after its adoption.

APPROVED AS TO FORM:

DONNA M. FAIRWEATHER
ASSISTANT CITY ATTORNEY

I, Janelle Williams, Secretary of the City Council of the City of Galveston, do hereby certify that the foregoing is a true and correct copy of a Resolution adopted by the City Council of the City of Galveston at its Regular Meeting held on March 28, 2019, as the same appears in records of this office.

IN TESTIMONY WHEREOF, I subscribe my name hereto officially under the corporate seal of the City of Galveston this ____ day of _____, 2019.

Secretary for the City Council
of the City of Galveston



City of Galveston

DEVELOPMENT SERVICES

Coastal Resources Division

CoastalResources@GalvestonTX.Gov | 409-797-3660 | www.galvestontx.gov

Memorandum

To: Hon. Mayor and City Council Members

From: Dustin Henry AICP, Coastal Resource Manager

Date: Thursday, March 28, 2019

Re: Consider For Approval A Resolution Of The City Council Of The City Of Galveston, Texas, Extending The Beach Access And Dune Protection Plan Review Ad Hoc Committee; Continuing The Committee's Duties, Term, Membership, Quorum, Voting, Meetings, And Rules Of Procedure Until July 25, 2019; Providing A Date For Dissolution And Sunset Of The Committee; Providing For Findings Of Fact And Providing For An Effective Date.

Background:

City Council adopted Resolution 18-016 on March 22, 2018, establishing the Beach Access and Dune Protection Ad Hoc Committee. The Committee was tasked with reviewing the City's Dune Protection and Beach Access Plan, and to provide recommendations for possible amendments to the Planning Commission and City Council.

Council later adopted Resolution 18-024 at their May 24, 2018 regular meeting, adopting criteria for appointees to the committee. At that same meeting, Council appointed the membership to the committee.

At their August 27, 2018 meeting, Council adopted Resolution 18-036, delegating the additional task of developing recommendations for standards for beach cleaning to be incorporated into the City's Dune Protection and Beach Access Plan.

Current Situation:

Resolution 18-016 authorized the Committee to meet during the next twelve (12) months, or until March 22, 2019.

The Committee was appointed on May 24, 2018 – two months after the Committee was formed – and they held their first meeting soon thereafter on June 19, 2018.

Staff is requesting City Council consider approval of this resolution in order to give the Committee a total of thirteen (13) months of meetings since the time they held their first meeting, in order to have sufficient time to formulate recommendations regarding the City's Beach Access and Dune Protection Plan, as well as developing recommendations for beach cleaning standards, as tasked by City Council.



RESOLUTION NO. 19-____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GALVESTON, TEXAS, SUPPORTING A REQUEST TO THE UNITED STATES DEPARTMENT OF THE INTERIOR, BUREAU OF RECLAMATION POLICY AND ADMINISTRATION FOR WATERSMART: WATER AND ENERGY EFFICIENCY GRANTS FOR FISCAL YEAR 2019 FUNDING IN THE AMOUNT OF ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000) FOR VARIOUS WATER EFFICIENCY AND CONSERVATION PROJECTS WITHIN THE CITY OF GALVESTON; AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO SUBMIT ALL REQUIRED GRANT APPLICATIONS, INFORMATION AND DATA TO SUPPORT SAME; MAKING VARIOUS FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the United States Department of the Interior, Bureau of Reclamation Policy and Administration has announced the Fiscal Year 2019 grant program for “WaterSMART Grants: Water and Energy Efficiency Grants for Fiscal Year 2019”; and

WHEREAS, the grants available are calculated to improve water conservation and eligible projects include Municipal metering; and

WHEREAS, the “WaterSMART Grants” exclude normal operation and maintenance, water reclamation and groundwater reclamation among other things; and

WHEREAS, the City of Galveston has developed a WaterSMART application request for funds to install water service meters and install distribution systems meters associated with production and/or leakage quantification; and

WHEREAS, the City hereby commits to provide a local cash contribution in the amount of \$1,551,050 (51%) to meet the total project cost requirement of \$3,051,050; and

WHEREAS, the City is committed to maintaining the equipment purchased with WaterSMART funding throughout the useful life of the project; and

WHEREAS, the City Council of the City of Galveston deems it in the public interest to authorize the City Manager or his designee to take necessary actions to apply for funding from the United States Department of Interior, Bureau of Reclamation Policy and Administration’s program for “WaterSMART Grants: Water and Energy Efficiency Grants for Fiscal Year 2019”;

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

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

SECTION 2. The City Council of the City of Galveston hereby authorizes the City Manager to take the following actions in response to the United States Department of Interior, Bureau of Reclamation Policy and Administration's program for "WaterSMART Grants: Water and Energy Efficiency Grants for Fiscal Year 2019:

1. The City Manager's application, required documentation and data associated with the request for \$1,500,000 of federal WaterSMART funding is hereby ratified;
2. The City Manager is authorized to represent that the City of Galveston will make \$1,551,050 available to match the WaterSMART funding, if approved by Department of the Interior; and
3. The City Manager is authorized to represent that the City of Galveston agrees to maintain water distribution equipment purchased through the WaterSMART program for the entirety of its useful life.

SECTION 3. This Resolution shall be and become effective from and after its adoption.

APPROVED AS TO FORM:

DONALD GLYWASKY
CITY ATTORNEY

I, Janelle Williams, Secretary of the City of Council of the City of Galveston, do hereby certify that the foregoing is true and correct copy of a Resolution adopted by the City Council of the City of Galveston at its Regular Meeting held on the 28th day of March, 2019, as the same appears in records of this office.

IN TESTIMONY WHEREOF, I subscribe my name hereto officially under the corporate seal of the City of Galveston this 28th day of March, 2019.

Secretary of the City Council
of the City of Galveston



City of Galveston

CAPITAL PROJECTS STAFF REPORT

March 18, 2019

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

From: Ross E. Blackketter, P.E., Director of Capital Projects

RE: Consideration of a resolution authorizing an application to the Texas General Land Office (GLO) for a DR-4332 Community Development Block Grant – Disaster Recovery (CDBG-DR) Infrastructure Program grant. Authorizing the Mayor and City Manager to execute all necessary documents upon final approval by the City Attorney.

I. Background

- A. In August and September 2017, Hurricane Harvey made landfall on the Gulf coast of Texas, causing significant damage due to high winds and extended heavy rainfall.
- B. The damages resulting from the impact of Hurricane Harvey resulted in the disaster declaration DR-4332.
- C. Under DR-4332, the amount of \$848,073.00 is being made available to the City of Galveston to provide for infrastructure improvements.
- D. City staff, in conjunction with our consultant, Traylor & Associates, has prepared an application submittal to the GLO to provide street improvements.

II. Current Situation

- A. City staff and our consultant have determined that the best use of these funds will be for improvements to Ave P ½ from 61st Street to Saladia, and to 59th Street from Ave P ½ to Stewart Road.
- B. All steps necessary to comply with CDBG-DR requirements, including a public hearing and posting of the application for public comment, have been accomplished.
- C. The City Council is requested to approve the attached resolution authorizing the submittal of the DR-4332 Community Development Block Grant – Disaster Recovery Infrastructure Program application to the GLO.

IV. Alternatives in order of priority

- A. Approve the authorizing an application to the Texas General Land Office (GLO) for a DR-4332 Community Development Block Grant – Disaster Recovery (CDBG-DR) Infrastructure Program grant.





City of Galveston

CAPITAL PROJECTS STAFF REPORT

B. Do not approve the resolution, which will result in the City losing the funds for these street improvement projects.

V. Recommendation

Approve the resolution authorizing an application to the Texas General Land Office (GLO) for a DR-4332 Community Development Block Grant – Disaster Recovery (CDBG-DR) Infrastructure Program grant.

VI. Fiscal Impact Report

Requested by: Ross E. Blacketter, P. E.
Director of Capital Projects

Cost of implementation: N/A

Respectfully Submitted,

Ross E. Blacketter, P. E.
Director of Capital Projects



RESOLUTION No. 19-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GALVESTON, TEXAS, AUTHORIZING THE SUBMISSION OF A DR-4332 COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RECOVERY (CDBG-DR) INFRASTRUCTURE PROGRAM APPLICATION TO THE TEXAS GENERAL LAND OFFICE AND AUTHORIZING THE MAYOR AND THE CITY MANAGER TO ACT AS THE CITY’S EXECUTIVE OFFICERS AND AUTHORIZED REPRESENTATIVES IN ALL MATTERS PERTAINING TO THE CITY’S PARTICIPATION IN THE COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RECOVERY INFRASTRUCTURE PROGRAM.

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

WHEREAS, certain conditions exist which represent a threat to the public health and safety; and

WHEREAS, it is necessary and in the best interests of the City of Galveston to apply for funding under the Community Development Block Grant – Disaster Recovery Infrastructure Program; and

WHEREAS, City staff has prepared the necessary documents for submission of a DR-4332 Community Development Block Grant – Disaster Recovery Infrastructure Program application upon approval of Council.

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

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

SECTION 2. That a DR-4332 Community Development Block Grant – Disaster Recovery Infrastructure Program application is hereby authorized to be filed on behalf of the City with the Texas General Land Office in the amount of \$848,073.00 of grant funds to provide street improvements.

SECTION 3. That the City Council directs and designates the City Manager as the City’s Authorized Representatives to act in all matters in connection with this application and the City’s participation in the Community Development Block Grant – Disaster Recovery Infrastructure Program.

SECTION 4. That all funds will be used in accordance with all applicable federal, state, local and programmatic requirements including but not limited to procurement, environmental review, labor standards, real property acquisition, and civil rights requirements.

SECTION 5. That this Resolution shall be and become effective from and after its adoption.

APPROVED AS TO FORM

DONALD GLYWASKY
CITY ATTORNEY

I, Janelle Williams, Secretary of the City of Council of the City of Galveston, do hereby certify that the foregoing is a true and correct copy of a Resolution adopted by the City Council of the City of Galveston at its regular meeting held on the 28th day of March, 2019, as the same appears in records of this office.

IN TESTIMONY WHEREOF, I subscribe my name hereto officially under the corporate seal of the City of Galveston this _____ day of _____, 2019.

Secretary for the City Council
Of the City of Galveston



U.S. Department of Housing and Urban
Development

451 Seventh Street, SW
Washington, DC 20410
www.hud.gov
espanol.hud.gov

**Environmental Review
for Activity/Project that is Exempt or
Categorically Excluded Not Subject to Section 58.5**
Pursuant to 24 CFR Part 58.34(a) and 58.35(b)

Project Information

Project Name: City of Galveston DR- 43324 CDBG-DR Infrastructure Program

Responsible Entity: City of Galveston

Grant Recipient (if different than Responsible Entity): N/A

State/Local Identifier: TBD

Preparer: Melinda Smith, Project Manager

Certifying Officer Name and Title: James D. Yarbrough, Mayor

Consultant (if applicable): Traylor & Associates, Inc.

Project Location: Ave P 1/2 and 59th St.

Description of the Proposed Project [24 CFR 58.32; 40 CFR 1508.25]:

Administration, environmental and engineering services related to the reconstruction of City streets damaged during Hurricane Harvey.

Level of Environmental Review Determination:

☒ Activity/Project is Exempt per 24 CFR 58.34(a): 3

☐ Activity/Project is Categorically Excluded Not Subject To §58.5 per 24 CFR 58.35(b):

Project Name

Project Locality and State

HEROS Number

Funding Information

Grant Number	HUD Program	Funding Amount
TBD	CDBG-DR	\$848,073.00

Estimated Total HUD Funded Amount: \$848,073

This project anticipates the use of funds or assistance from another Federal agency in addition to HUD in the form of (if applicable): N/A

Estimated Total Project Cost (HUD and non-HUD funds) [24 CFR 58.32(d)]: \$848,073

Compliance with 24 CFR §50.4 and §58.6 Laws and Authorities

Record below the compliance or conformance determinations for each statute, executive order, or regulation. Provide credible, traceable, and supportive source documentation for each authority. Where applicable, complete the necessary reviews or consultations and obtain or note applicable permits of approvals. Clearly note citations, dates/names/titles of contacts, and page references. Attach additional documentation as appropriate.

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR 50.4 and 58.6	Are formal compliance steps or mitigation required?	Compliance determinations
STATUTES, EXECUTIVE ORDERS, AND REGULATIONS LISTED AT 24 CFR §58.6		
Airport Runway Clear Zones and Accident Potential Zones 24 CFR Part 51 Subpart D	Yes No ☐ ☒	
Coastal Barrier Resources Coastal Barrier Resources Act, as amended by the Coastal Barrier Improvement Act of 1990 [16 USC 3501]	Yes No ☐ ☒	
Flood Insurance Flood Disaster Protection Act of	Yes No ☐ ☒	

Project Name

Project Locality and State

HEROS Number

1973 and National Flood Insurance Reform Act of 1994 [42 USC 4001-4128 and 42 USC 5154a]		
--	--	--

Mitigation Measures and Conditions [40 CFR 1505.2(c)]

Summarize below all mitigation measures adopted by the Responsible Entity to reduce, avoid, or eliminate adverse environmental impacts and to avoid non-compliance or non-conformance with the above-listed authorities and factors. These measures/conditions must be incorporated into project contracts, development agreements, and other relevant documents. The staff responsible for implementing and monitoring mitigation measures should be clearly identified in the mitigation plan.

Law, Authority, or Factor	Mitigation Measure

Preparer Signature:

Melinda SmithDate: 3/14/19Name/Title/Organization: Melinda Smith, Project Manager, Traylor & Associates, Inc.

Responsible Entity Agency Official Signature:

Date: 3/28/19Name/Title: James D. Yarbrough, Mayor

This original, signed document and related supporting material must be retained on file by the Responsible Entity in an Environmental Review Record (ERR) for the activity/project (ref: 24 CFR Part 58.38) and in accordance with recordkeeping requirements for the HUD program(s).

Date	Mar 28, 2019
Printed Name	James D. Yarbrough
Title	Mayor
Email	jimyarbrough@galvestonTX.Gov
Phone Number	+1 (409) 797-3500
Signature	

Application for Federal Assistance SF-424

☐ Preapplication ☒ Application ☐ Changed/Corrected Application		☒ New ☐ Continuation ☐ Revision	* If Revision, select appropriate letter(s): * Other (Specify):
* 3. Date Received: 03/29/2019		4. Applicant Identifier: 	
5a. Federal Entity Identifier: 		5b. Federal Award Identifier: 	
State Use Only:			
6. Date Received by State:		7. State Application Identifier:	
8. APPLICANT INFORMATION:			
* a. Legal Name: City of Galveston			
* b. Employer/Taxpayer Identification Number (EIN/TIN): 17460009057018		* c. Organizational DUNS: 0208196940000	
d. Address:			
* Street1:	823 Rosenberg Street, Room 306		
Street2:			
* City:	Galveston		
County/Parish:			
* State:	TX: Texas		
Province:			
* Country:	USA: UNITED STATES		
* Zip / Postal Code:	77550-2103		
e. Organizational Unit:			
Department Name: 		Division Name: 	
f. Name and contact information of person to be contacted on matters involving this application:			
Prefix:		* First Name:	Ross
Middle Name:			
* Last Name:	Blackketter		
Suffix:			
Title:	Director of Capital Projects		
Organizational Affiliation: City of Galveston			
* Telephone Number:	(409) 797-3630	Fax Number:	
* Email:	rblackketter@galvestontx.gov		

Application for Federal Assistance SF-424

* 9. Type of Applicant 1: Select Applicant Type:

C: City or Township Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

* Other (specify):

* 10. Name of Federal Agency:

Department of Housing and Urban Development

11. Catalog of Federal Domestic Assistance Number:

14.228

CFDA Title:

Community Development Block Grants

* 12. Funding Opportunity Number:

DR-4332

* Title:

Hurricane Harvey CDBG-DR

13. Competition Identification Number:

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

Add Attachment

Delete Attachment

View Attachment

* 15. Descriptive Title of Applicant's Project:

Avenue P 1/2 and 59th Street Reconstruction

Attach supporting documents as specified in agency instructions.

Add Attachments

Delete Attachments

View Attachments

Application for Federal Assistance SF-424**16. Congressional Districts Of:**

* a. Applicant

14

* b. Program/Project

14

Attach an additional list of Program/Project Congressional Districts if needed.

Add Attachment

Delete Attachment

View Attachment

17. Proposed Project:

* a. Start Date:

05/01/2019

* b. End Date:

04/30/2022

18. Estimated Funding (\$):

* a. Federal

848,073.00

* b. Applicant

0.00

* c. State

0.00

* d. Local

0.00

* e. Other

0.00

* f. Program Income

0.00

* g. TOTAL

848,073.00

☐ a. This application was made available to the State under the Executive Order 12372 Process for review on☐ b. Program is subject to E.O. 12372 but has not been selected by the State for review.☒ c. Program is not covered by E.O. 12372.☐ Yes☒ No

If "Yes", provide explanation and attach

Add Attachment

Delete Attachment

View Attachment

21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

Authorized Representative:

Prefix:

* First Name:

James

Middle Name:

D.

* Last Name:

Yarbrough

Suffix:

* Title:

Mayor

* Telephone Number:

(409) 797-3500

Fax Number:

* Email:

jimyarbrough@galvestontx.gov

* Signature of Authorized Representative:

* Date Signed:

03/28/2019



City of Galveston

OFFICE OF THE CITY MANAGER
PO Box 779 | Galveston, TX 77553-0779
citymanager@galvestontx.gov | 409-797-3520

March 20, 2019

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

From: Brandon Cook, Assistant City Manager

RE: Consider approving a professional services agreement with the engineering firm Pure Technologies U.S. Inc. in the amount of \$395,100 for implementation of a non-revenue water mitigation program aimed at reducing water leakage and lost revenue in the Combined Utility System Fund. (RFP #19-09 "Water Loss Mitigation/Non-Revenue Water Loss Control Program Plan).

I. Background

In 2018, the City of Galveston commissioned a non-revenue water (NRW) analysis in accordance with the standards of the American Water Works Association's "Water Audit Method" and "The M36 Manual for Water Audits & Loss Control Programs". The results of this audit revealed substantial water loss volumes at levels greater than optimal for a system with the characteristics and operation of the Galveston system. The audit report estimated a water loss of 1,031 MG/year (at an economic value of \$2.57 Million) for the 2018 Calendar year and found that the annual economic water loss target it should aim for to achieve optimal efficiency is 316 MG/year (or a value of \$733,626). This would yield an annual savings of \$1.837 Million (or 715 MG/year). Based on the audit findings, Cavanaugh recommended:

- implementation of a pro-active leak detection program;
- developing a system-wide asset management program;
- developing a district metering area program; and
- developing a methodology to manage and optimize pressure throughout the water delivery system.

II. Current Situation

The City issued a Request for Proposals to craft and implement a non-revenue water program that addresses the recommendations contained in the study. The committee selected Pure Technologies as one of the firms to engage in negotiations. Pure and the City agreed on the implementation of several strategies as Phase I of the NRW program:



- A “mass balance” of purchased water to monitor leakage in the primary water mains;
- Identify customer meter inaccuracies with targeted algorithms in lieu of random metering sampling;
- Establishment of District Metered Area’s on the west end of the island; and
- Conducting a city-wide leak inspection survey.

The City’s draft 2019 Water Conservation Plan (which is being considered for adoption at this very Council meeting) provides for aggressive water loss reduction goals that are 40% more than the state recommended targets. These goals were crafted assuming that the NRW program would be implemented.

III. Issues

1. *Cost* – Phase I of the program is anticipated to not exceed \$395,100. However, the City has recently applied for a Federal WaterSMART Grant that would cover half the cost of the program, if awarded. Furthermore, the program could potentially fund itself through cost savings
2. *Timing* – The program should be implemented as soon as possible to meet the aggressive water loss reduction goals set in the Water Conservation Plan.
3. *Liability* – The city doesn’t have any unusual foreseeable liability related to implementing the program.
4. *Impact or ramifications* – The state’s 2017 Region H Water Plan recommends the City “implement municipal conservation and water loss reduction measures to alleviate the need for the development of additional water supplies.” This would satisfy the provisions of the state plan and would decrease the need to acquire additional supply for the region as population increases and industry expands.

IV. Alternatives in order of priority

1. That the City Council approve the professional services agreement with the engineering firm Pure Technologies U.S. Inc. in the amount of \$395,100 for implementation of a non-revenue water mitigation program aimed at reducing water leakage and lost revenue in the Combined Utility System Fund.
2. That the City Council select certain programs it wishes to implement in the professional services agreement.
3. That the City Council votes against approval of the professional services agreement and instructs staff to negotiate with another firm.
4. That the City Council votes against approval of the professional services agreement and votes to change the goals provided for in the draft Water Conservation Plan to a more conservative target.

V. Recommendation

Concur in Alternative 1. and approve the professional services agreement.



VI. Fiscal Impact Report

Funding Source Combined Utility System Fund, Water and Sewer
Certificates of Obligation, and potential WaterSMART
Grant Funds.

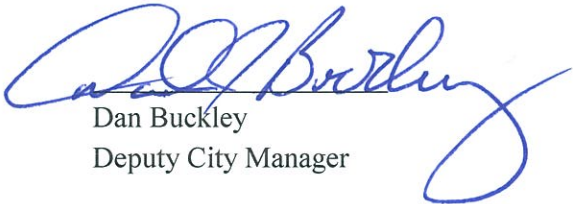
Costs of implementation:	Phase I –	\$370,100
	Contingency	\$25,000
	Not to exceed	\$395,100

Respectfully Submitted,



Brandon Cook
Assistant City Manager

Approved,



Dan Buckley
Deputy City Manager



CITY OF GALVESTON
PROFESSIONAL SERVICES CONTRACT

THIS AGREEMENT is entered into this _____ day of _____, 2019, by and between the City of Galveston, Texas, hereinafter called the "City", and Pure Technologies U.S. Inc. hereinafter called "COMPANY" or "Contractor," with offices located in Houston, Texas in connection with the following project:

**Water Loss Mitigation/Non-Revenue Water Loss Control
(NRWLC) Program**

This agreement between the Parties consist of the terms and conditions set forth herein, and in those documents, attached and incorporated for all purposes; Exhibit "A", identified as Responsive Proposal from COMPANY

WHEREAS, the City desires to engage COMPANY to render certain services in connection with the above stated project.

NOW THEREFORE, the parties do mutually agree as follows:

PART I

1. Scope of Services

The Scope of Services shall be as set forth in the attached "Exhibit A".

2. Time of Performance - The services as set forth in Exhibit A shall commence on the above referenced date of this Agreement. Due to the nature and extent of the project the work is expected to be completed within 365 calendar days of issuance of a Notice to Proceed.

3. Independent Contractors – The parties are independent contractors as to each other. Nothing in this Contract shall be construed as creating any agency or employment relationship. Neither party shall make any representations tending to create an apparent or implied agency or employment relationship. Neither party has the authority to act for the other or to create obligations or debts binding on the other. Neither party shall be responsible for any obligations or expenses incurred by the other.

4. Standard of Care – The standard of care for all contractual and related services performed or furnished by COMPANY under this agreement will be the care and skill ordinarily used by members of the subject profession practicing under similar circumstances at the same time and in the same locality.

5. Access to Information - It is agreed that all information, data, reports and records and maps as are existing, available and necessary for the carrying out of the work outlined above shall be furnished to COMPANY by the City and its agencies. The City and its agencies will cooperate with COMPANY in every way possible to facilitate the performance of the work described in the contract.
6. Appropriations - The obligations of the City to make payment under this Agreement are expressly subject to appropriations by the City of funds that are lawfully available to be applied to such purpose.
7. Compensation - The maximum amount of compensation and reimbursement to be paid hereunder shall not exceed the amounts set forth in Exhibit A any changes, or modifications, in cost shall be agreed to in writing by both parties. Invoices are submitted by COMPANY each month (not necessarily falling on the first or last day of the month). City shall notify COMPANY in writing, of any and all objections, if any, to an invoice within ten (10) days of the date of invoice. Otherwise, the invoice shall be deemed proper and acceptable by the City. Amounts indicated on invoices are due and payable immediately upon receipt. City's account will be considered delinquent if COMPANY does not receive full payment within thirty (30) days after the invoice date.
8. The City shall not be responsible for payment to COMPANY for any additional services or expenses not specifically included in Exhibit "A", except upon execution of an amendment to this Agreement in writing by both parties. Parties shall attempt to resolve any payment disputes within sixty (60) days or the matter may be submitted to mediation.
9. **INDEMNIFICATION:** **FOR CONSIDERATION RECEIVED, Company shall, to the extent allowable, indemnify, save and hold the City of Galveston harmless, including City's officers, agents, employees and servants, from any claims, actions, lawsuits, proceedings, damages, loss, judgments, liabilities or expense on account of damage to property and injuries, including death, to the extent caused by any negligent act, intentional tort, intellectual property infringement, or failure to pay a subcontractor or supplier of Company or those acting under Company's supervision or control. Company shall not be responsible, however, for any loss, damage, liability or expense on account of damage to property and injuries, including death, by which may arise from the negligence of the city. Company shall comply with the requirements of all current applicable laws, rules and regulations and shall indemnify and hold harmless the City and its agency members from and against the failure to comply with those laws, and shall assume full responsibility for payments of Federal, State and local taxes on contributions imposed or required under the Social Security, worker's compensation and income tax laws.**
10. Construction – This Agreement shall be construed under and in accord with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Galveston County, Texas. Agreement shall be binding upon and insure to the benefit of

the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns where permitted by this Agreement. In any case, if one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and this Agreement shall not be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

11. Termination of Contract for Cause. If, through any cause, COMPANY shall materially fail to fulfill in a timely and proper manner his/her obligations under this Contract, or if COMPANY shall materially violate any of the covenants, agreements, or stipulations of this Contract, the City shall thereupon have the right to terminate this Contract by giving written notice to COMPANY of such termination and specifying the effective date thereof, at least five days before the effective date of such termination. If after said notice period COMPANY has not cured the alleged default or taken substantial steps to cure (in the event the alleged default by its nature cannot be cured within the notice period), then the City may terminate this Agreement. In such event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs and reports prepared by COMPANY under this Contract shall, at the option of the City, become property of the City and the COMPANY shall be entitled to receive just and equitable compensation for any work satisfactorily completed hereunder. Notwithstanding the above, COMPANY shall not be relieved of liability to the City for damages sustained by the City by virtue of any breach of the Contract by COMPANY, and the City may withhold any payments to COMPANY for the purpose of set-off until such time as the exact amount of damages due the City from COMPANY is determined. I reject any use of the word materially fail or materially violate, as they don't define what materially fail means. Up to you, Dustin, whether you want to give them the option to cure, we generally don't give that option.
12. Termination for Convenience of the City. The City may terminate this Contract at any time by giving at least ten (10) days' notice in writing to COMPANY. If the Contract is terminated by the City as provided herein, COMPANY will be paid for the time provided and expenses incurred up to the termination date. If this Contract is terminated due to the fault of COMPANY, Paragraphs relative to termination shall apply.
13. Modification: No change in the terms of this Contract shall be binding unless it is in writing and signed by an authorized representative of both parties.
14. Force Majeure: No party to this agreement shall be deemed in violation if it is prevented from timely performing any of its obligations by reason of labor disputes, acts of God, acts of the public enemy, acts of superior governmental authority, or other circumstances for which the party is not responsible or which is not in its control.
15. Parties in Interest: Except as may be specifically set forth in this Agreement, (i) nothing expressed or referred to in this Agreement shall be construed to give any person, body, or legal entity, other than the City and COMPANY, any legal or equitable right, remedy, or claim under or with respect to this Agreement or any provision of this Agreement; and

(ii) there are no third-party beneficiaries to this Agreement, and this Agreement and all of its provisions are for the sole and exclusive benefit of the City and COMPANY. This is fine.

16. Proof of Insurance: COMPANY shall maintain certain types of insurance protection throughout the duration of the project. All insurance policies are to be issued by an insurance company authorized to do business in the State of Texas, using an insurance company with an A.M. Best rating of a B+ or better.
17. Required Insurance: Commercial general liability insurance, naming the City of Galveston as an additional insured and as certificate holder, and waiving subrogation per the contractual requirements of this project; Automobile Liability Insurance, Worker's Compensation Insurance and Professional Liability Insurance. Limits are to be equal to:
 - a. **Commercial general liability insurance:**
 - \$2,000,000** general liability (includes products and personal, etc.) per occurrence and in the aggregate
 - \$1,000,000** fire damage
 - \$1,000,000** automobile damage per accident per event
 - \$500,000** workers compensation employers' liability
 - Statutory** limits for workers compensationInsurance coverage shall be on an **"occurrence basis"**
18. Assignability: COMPANY shall not assign any interest on this Agreement, and shall not transfer any interest in the same (whether by assignment or novation), without the prior written consent of the City. Unless specifically stated to the contrary in any written consent to assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.
19. Reports and Information: COMPANY, at such times and in such forms as the City may require, shall furnish the City such periodic reports as it may request pertaining to the work or services undertaken pursuant to this Contract, the costs and obligations incurred or to be incurred in connection therewith, and any other matters covered by this Contract.
20. Findings Confidential: To the extent permitted by law, all of the reports, information, data, etc., prepared or assembled by COMPANY under this contract are confidential and COMPANY agrees that they shall not be made available to any individual or organization without the prior written approval of the City.
21. Copyright: No report, maps, or other documents produced in whole or in part under this Contract shall be the subject of an application for copyright by or on behalf of COMPANY.
22. Compliance with Local, State and Federal Laws: This Contract shall be construed under and in accordance with the laws of the State of Texas, with jurisdiction in the courts of the

State of Texas and venue in Galveston, County regardless of where the obligations of the parties were performed. By execution of this Contract, the parties agree to subject themselves to the jurisdiction of the Courts of the State of Texas in all matters relating to or arising out of this Contract or the Work.

23. COMPLIANCE CLAUSES:

- a. NO GOVERNMENTAL OBLIGATION TO THIRD PARTIES: The Owner and Contractor acknowledge and agree that, notwithstanding any concurrence by the Federal Government in or approval of the solicitation or award of the underlying contract, absent the express written consent by the Federal Government, the Federal Government is not a party to this contract and shall not be subject to any obligations or liabilities to the Owner, Contractor, or any other party (whether or not a party to that contract) pertaining to any matter resulting from the underlying contract.
- b. PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS AND RELATED ACTS: Contractor acknowledges that the provisions of the Program Fraud Civil Remedies Act of 1986, as amended, 31 U.S.C. § 3801 et seq., "Administrative Remedies for False Claims and Statements," apply to its actions pertaining to this Project. Upon execution of the underlying contract, the Contractor certifies or affirms the truthfulness and accuracy of any statement it has made, it makes, it may make, or causes to be made, pertaining to the underlying contract for which this contract work is being performed. In addition to other penalties that may be applicable, the Contractor further acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification, the Federal Government reserves the right to impose the penalties of the Program Fraud Civil Remedies Act of 1986 on the Contractor to the extent the Federal Government deems appropriate.
- c. ACCESS TO RECORDS AND REPORTS: The contractor agrees to provide (insert name of state agency or local or Indian tribal government), (insert name of recipient), the FEMA Administrator, the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers, and records of the Contractor which are directly pertinent to this contract for the purposes of making audits, examinations, excerpts, and transcriptions. The Contractor agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed. The contractor agrees to provide the FEMA Administrator or his authorized representatives access to construction or other work sites pertaining to the work being completed under the contract."
- d. EQUAL EMPLOYMENT OPPORTUNITY: The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or

recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive considerations for employment without regard to race, color, religion, sex, or national origin. The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment. The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor. The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders. In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions as may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law. The vendor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, That in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency the contractor may request the United States to enter into such litigation to protect the interests of the United States."

- e. GOVERNMENT-WIDE SUSPENSION AND DEBARMENT: This contract is a covered transaction for purposes of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000. As such the

contractor is required to verify that none of the contractor, its principals (defined at 2 C.F.R. § 180.995), or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935). The contractor must comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into. This certification is a material representation of fact relied upon by (insert name of subrecipient). If it is later determined that the contractor did not comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, in addition to remedies available to (name of state agency serving as recipient and name of subrecipient), the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment. The bidder or proposer agrees to comply with the requirements of 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C while this offer is valid and throughout the period of any contract that may arise from this offer. The bidder or proposer further agrees to include a provision requiring such compliance in its lower tier covered transactions.

f. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT:

- i. **Overtime requirements** - No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.
- ii. **Violation; liability for unpaid wages; liquidated damages** - In the event of any violation of the clause set forth in paragraph (1) of this section the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (1) of this section, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (1) of this section.
- iii. **Withholding for unpaid wages and liquidated damages** – The Owner shall, upon its own action or upon written request of an authorized representative of the Department of Labor, withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (2) of this section.

- iv. **Subcontracts** - Contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraphs (1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (1) through (4) of this section.
- g. LOBBYING:
 - i. Byrd Anti-Lobbying Amendment, 31 U.S.C. § 1352 (as amended)
 - a. Contractors who apply or bid for an award of \$100,000 or more shall file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the recipient.

APPENDIX A, 44 C.F.R. PART 18 – CERTIFICATION REGARDING LOBBYING

Certification for Contracts, Grants, Loans, and Cooperative Agreements

(To be submitted with each bid or offer exceeding \$100,000)

The undersigned [Contractor] certifies, to the best of his or her knowledge, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form - LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.
 - a. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31, U.S.C. § (as amended by the Lobbying Disclosure Act of 1995). Any person who fails to the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.
 - b. The Contractor, Aptim Environmental & Infrastructure, Inc. certifies or affirms by signing this contract the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, Contractor understands and agrees that the provisions of 31 U.S.C. § 3801 *et seq* apply to this certification and disclosure, if any.
- h. CLEAN AIR 42 U.S.C. § 7401 et seq.: Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. §§ 7401 *et seq*. The Contractor agrees to report each violation to the Owner and understands and agrees that the Owner will, in turn, report each violation as required to assure notification to the State of Texas, Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office.
 - a. Contractor also agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by FEMA.
- i. CLEAN WATER REQUIREMENTS 33 U.S.C. 1251 et seq.: Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 *et seq*. Contractor agrees to report each violation to the Owner and understands and agrees that the Owner will, in turn, report each violation as required to assure notification to the State of Texas, Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office. Contractor also agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by FEMA.

j. PROCUREMENT OF RECOVERED MATERIALS 42 U.S.C 6962:

(1) In the performance of this contract, the Contractor shall make maximum use of products containing recovered materials that are EPA- designated items unless the product cannot be acquired—

1. (i) Competitively within a timeframe providing for compliance with the contract performance schedule;
2. (ii) Meeting contract performance requirements; or
3. (iii) At a reasonable price.

b. (2) Information about this requirement, along with the list of EPA-designate items, is available at EPA's Comprehensive Procurement Guidelines web site, <https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program>.

k. DEPARTMENT OF HOMELAND SECURITY SEAL, LOGO, AND FLAGS: By signing this contract, the contractor agrees it shall not use the DHS seal(s), logos, crests, or reproductions of flags or likenesses of DHS agency officials without specific FEMA pre- approval.

l. COMPLIANCE WITH FEDERAL LAW, REGULATIONS, AND EXECUTIVE ORDERS: This is an acknowledgement that FEMA financial assistance will be used to fund the contract only. The contractor will comply will all applicable federal law, regulations, executive orders, FEMA policies, procedures, and directives.

24. Notices: All notices required or permitted under this Contract shall be in writing and shall be deemed given when delivered in person or three days after deposit in the United States Mail, postage prepaid, addressed to the party's address reflected at the end of this Contract. A party's notice address may be changed from time to time by that party's providing written notice to the other. A copy of the notice to the City shall be sent to:

City Attorney
City of Galveston
823 Rosenberg, Room 203
P.O. Box 779
Galveston, Texas 77553

With copy to:
Pure Technologies U.S., Inc.
2310 McDaniel Drive
Carrollton, Texas 75006

IN WITNESS WHEREOF, the parties have executed this Agreement in duplicate on the day and year first above written.

CITY OF GALVESTON, TEXAS

PURE TECHNOLOGIES U.S., INC.

BY: _____

BY: _____

NAME: Brian Maxwell

NAME: _____

TITLE: City Manager

TITLE: _____

DATE: _____

DATE: _____

Approved As To Form

City Attorney's Office

BY EXECUTION OF THIS AGREEMENT, COMPANY ACKNOWLEDGES RECEIPT OF A COPY OF THIS CONTRACT.



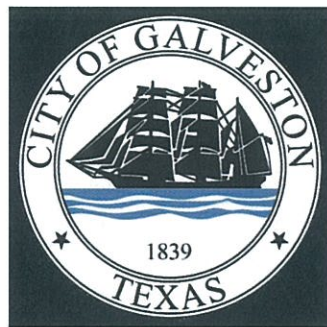
PROPOSAL

RFI No. 2

Water Loss Mitigation/Non-Revenue Water Loss Control (NRWLC) Program Plan RFP #19-09

Prepared for:

CITY OF GALVESTON



Prepared by:

Pure Technologies U.S. Inc.
Texas State Board Professional Engineer License #F-13679
2310 McDaniel Drive
Carrollton, Texas, USA 75006

March 20, 2019





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Table of Contents

Introduction.....	2
Scope of Work	2
Not-To-Exceed Fee Schedule	5
APPENDIX A: SmartBall®	10
APPENDIX B: Sahara®	14
APPENDIX C: Valor Water Analytics.....	17
APPENDIX D: Transient Pressure Monitoring	21
APPENDIX E: Valve Assessment and Minor Repairs	23
APPENDIX F: Hydrant Assessment and Maintenance.....	32
APPENDIX G: Terms and Conditions	40
APPENDIX H RFI No. 2.....	43



Introduction

Pursuant to the City of Galveston's Request for Information No. 2 dated February 19, 2019, Pure Technologies is pleased to present the following "not-to-exceed" budget amounts for Year 1 Scope of Work, assuming the grant application is unsuccessful.

Scope of Work

1. GCWA Delivery Meters.

Gulf Coast Water Authority (GCWA) is in the process of replacing the existing insertion mag meters with full port mag meters. James Vanderwater with GCWA has advised that the new mag meters should be installed within the next 90 days and that they will be tested and calibrated by the manufacturer prior to installation. As such, Pure Technologies will request a copy of the calibration certification by the manufacturer.

Mr. Vanderwater indicates that GCWA would be willing to work with the City of Galveston to establish a process to verify the annual volume of delivered water as measured by the source meters. It is expected that this process will be implemented in Year 2 of the Non-Revenue Water Loss Mitigation program.

2. Mass Balance of GCWA Delivered Water.

To verify the presence of real losses in the transmission water lines to the three pump stations, Pure Technologies will install combination flow and transient pressure monitors at selected locations on the transmission mains delivering treated water to each pump station. This will allow Pure Technologies and the City to verify the volume of water delivered by GCWA and monitor the mass balance between volume of water delivered by GCWA and volume of water received by the City of Galveston at the three primary pump stations.

The transient pressure monitors will also identify whether the GCWA system may be a source of potential surges on the delivery transmission mains.

An aerial photograph showing the approximate locations of the 30-inch and 36-inch delivery transmission mains is shown on the following page.



*Figure 1: 30- and 36-inch Delivery Water Transmission Mains
36-inch Steel Pipeline (Green) / 36-inch GHP Line (Yellow) / 30-inch CI Line (Red) / 30-inch GHP (Gold)*

Logistical support required by the City includes furnishing of 4-inch accesses and protective vaults to install the combined flow and transient monitoring units.

Potential corrective actions may require the City to repair identified leaks and address air pockets.

3. Identify Customer Meter Inaccuracies.

Pure Technologies and Valor Water Analytics will work with the City of Galveston's Meter and Billing Groups to integrate all available meter reading data from over the past 3 to 5 years.

Valor Water Analytics' *Hidden Revenue Locator™* (HRL) Customer Metering Inaccuracies solution is a leading-edge software as a service ("SaaS") solution that will help the City of Galveston identify apparent water loss and make data-based decisions to reduce non-revenue water loss.

Our team will also work with the City to define which meter sizes and/or geographical areas may be appropriate for applying Valor's Hidden Revenue Locator Analytics to identify customer meter inaccuracies throughout the entire water delivery system.

Corrective actions may require the City to validate and replace non-performing meters identified by Valor.



4. Establish System-Wide Virtual DMAs.

Given the limited delivery water pipelines into the west end of the island, Pure Technologies can implement a District Metered Area (DMA) to monitor water volume being delivered into said area and compare the delivered volume to the sum of metered volumes billed throughout the west end area; thereby identifying non-revenue water loss discrepancies. Pure Technologies will furnish and install two (2) combined flow and transient monitoring units on the incoming 12-inch water mains.

Apparent losses can be assessed through the Valor Analytics assessment described in Item 3 above, and real losses from leaks can be addressed using external listening mics, noise loggers and hydrophones. Correlators would be utilized to verify the location of all identified leaks and a "dig sheet" detailing the location of the pipeline and leak location delivered to the City as a Work Order.

5. External Leak Inspection Survey for the entire Water Delivery System.

Pure Technologies' Wachs Water Services (WWS) Division will conduct a city-wide leak inspection survey utilizing external listening microphones and correlators to identify and locate audible leaks.

6. Project Management

Pure Technologies' Project Team will:

- i. oversee all field inspections and installations of equipment;
- ii. provide project planning documents and drawing submittals as required;
- iii. conduct monthly deliverable meetings to track performance;
- iv. verify site conditions;
- v. communicate and coordinate logistical support requirements by the City;
- vi. issue final summary reports with recommendations upon completion of each task; and
- vii. perform additional tasks as agreed upon with the City.



Phase 1 – Fee Schedule – Projected “Not-to-Exceed”

Description	Unit	Unit Fee	Est. Qty	Projected Fees
1. GCWA Delivery Meters ^a	Not-To-Exceed			\$ 2,500
2. Mass Balance of GCWA Delivered Water ^b	Not-To-Exceed			\$116,800
• Combined Flow / TPM / Hydrophone Unit	EA	\$16,100	6	\$60,000
• Pole-Mounted Solar Panel	EA	\$3,000	6	\$18,000
• Data Integration & Set up of VIEW analytics	LS	\$10,000	1	\$10,000
• Annual monitoring/data storage/software license/reporting per Monitoring Station @ \$400/mth	EA	\$4,800	6	\$28,800
3. Identify Customer Meter Inaccuracies ^c	Not-To-Exceed			\$78,000
• One-time fee to integrate & automate data transfer	LS	\$30,000	1	\$30,000
• Monitoring and monthly reporting (\$2 per meter/yr)	Year	\$48,000	1	\$48,000
4. Virtual DMA for the west end of the island ^d	Not-To-Exceed			\$57,800
• Combined Flow / TPM / Hydrophone Unit	EA	\$16,100	2	\$32,200
• Pole -Mounted Solar Panel	EA	\$3,000	2	\$6,000
• Annual monitoring/data storage/software license/reporting per Monitoring Station @ \$400/mth	EA	\$4,800	2	\$9,600
5. External Leak Survey ^e	Not-To-Exceed			\$60,000
6. Project Management ^f	Not-To-Exceed			\$55,000
Projected Total Not-to-Exceed				\$370,100

Additional notes on the following pages.



Additional Notes:

- a. Includes meeting with GCWA to develop a mutually agreeable methodology to conduct annual volumetric measurement of delivered water. Includes establishing a Standard Operating Procedure for the City of Galveston to implement as part of Phase 2. Pricing to be in accordance with hourly rate structure presented in Note "f".
- b. Based on Pure Technologies preliminary review of the City's GIS, it appears that it may require the installation of six (6) combined flow and transient pressure monitoring units to verify delivered water volume and evaluate the mass balance delivery of water to the three (3) primary pump stations. The price reflects the inclusion of a pole mounted solar panel lid to charge the battery in the monitoring station. The solar panel may not be required where power is available in the pump station. In such instances, the City will need to run the power to the monitoring station.

The City of Galveston will need to furnish a minimum 4-inch access equipped with a 4-inch gate valve, contained in an underground protective vault, to accommodate the deployment of each combined monitoring station.

Pure Technologies can include furnishing the 4-inch access requirements as part of our scope of work if requested by the City. Typically, Pure Technologies would seek to install the monitoring station via an existing outlet. If such access points are not available, Pure Technologies can utilize a qualified contractor acceptable to the City to install a hot tap on the 30- or 36-inch pipeline.

Should the mass volumetric assessment of the 30- and 36-inch delivery transmission mains indicate a concern with respect to potential real losses, Pure Technologies can utilize internal acoustic leak detection technologies to identify all leaks (and air pockets) on all or selected delivery transmission mains. Standard unit costs for the internal acoustic leak detection technologies are presented in the Updated Fee Schedule submitted to the City on March 12, 2019. as Supporting and Optional Services in Note g below.

The fee schedule includes a one-time charge (\$10,000) for integration and set-up of the software analytics system, as well as an annual commitment for combined, monitoring, data storage, software license and quarterly reporting at \$400 per monitoring station.



- c. Includes a one-time fee of \$30,000 to integrate all historical usage and billing data into the Valor analytics system and establish a process for downloading ongoing usage and billing data. Monitoring and monthly billing rates are based on the quantity of meters being monitored. Estimating the 24,000 meters in the Galveston water delivery system, the unit rate would be \$2.00 per meter for annual monitoring and monthly reporting. The unit fee will be held firm for three (3) years.

The one-time data integration fee includes identifying and transferring historical (recent 3 to 5 years) usage and metering data into Valor's Hidden Revenue Locator™ (HRL), as well as collaborating with the City's IT and billing resources to establish an "automated" data transfer process for meter usage and billing going forward.

The on-going data integration will be performed monthly in advance of monthly reporting to the City via a dedicated and secure Portal for the City of Galveston.

After initial data integration has been established and refined, Valor Water will identify and flag potential meter anomalies. It is requested that the City of Galveston actively investigate the flagged meters and provide feedback to Valor Water. This will enable continuous improvement being applied to the advanced algorithms in the Hidden Revenue Locator Customer Metering Inaccuracies software and ultimately improve precision rates over time. Pure Technologies is available to investigate the status of non-performing meters if requested by the City.

Reports of "flagged" meters will be delivered to the City via a secure, web-based client portal in the form of a dashboard that is updated monthly. Additional information regarding the Valor Water Analytics and dashboard is presented in Appendix C.

The annual monitoring and reporting fee per meter is based on the total volume of meters monitored as part of an annual subscription at the following rates:

0 to 10,000 meters	\$4.00 per meter per year
10,000 to 20,000 meters	\$3.00 per meter per year
>20,000 meters	\$2.00 per meter per year

For Year 1, we have included a monthly monitoring and reporting fee for 24,000 meters at \$48,000 for the one year (\$2.00 per meter * 1 year).

- d. Based on Pure Technologies preliminary review of the City's GIS, it appears that it may require the installation of two (2) combined flow and transient pressure monitoring units to establish a virtual district metered area (DMA) that segments the west end of the island, allowing for mass balance evaluation between the volume of water delivered into the area versus the collective volume of water billed on all registering meters within the area.



The City of Galveston will need to furnish a minimum 4-inch access equipped with a 4-inch gate valve, contained in an underground vault, to accommodate the deployment of each combined flow and TPM monitoring unit. As presented above, Pure Technologies can include furnishing the 4-inch access requirements as part of our scope of work if requested by the City.

Should the mass volumetric assessment for the west end of the island indicate a concern with respect to potential real losses (after taking into consideration the apparent losses addressed by Valor Water Analytics, Pure Technologies can utilize various leak detection technologies and methodologies to identify and locate leaks throughout the west end of the island.

- e. WWS will conduct an External Acoustic Leak Survey, which includes a review of the City's water distribution system drawings, identification and documentation of appurtenances, and the identification and location of audible leaks.

WWS and Pure Technologies will meet with City of Galveston in advance of performing any field work to discuss system data mapping and the proposed leak detection survey. WWS employs a proven two-phase approach to leak detection programs. The first phase is a comprehensive survey where all targeted listening points are surveyed with sonic acoustic equipment and any assets with possible or strong leak noises are flagged. Listening points shall include water main valves, meters and hydrants and any other appurtenance necessary to perform a thorough leak survey. When additional acoustic information is required, and water main access is limited, ground microphones may be utilized on ground surfaces for surveying. In addition to potential leaks, asset defects and mapping discrepancies are also documented. WWS will also conduct a visual inspection in conjunction when walking over the water system and test any unusual standing water for the presence of chlorine to confirm the presence of a leak. Based on the results of the initial leak survey, WWS will return and use a correlator technology, along with line tracing equipment to assist in locating the pipeline, to locate, physically mark and document the location information at suspected leak sites.

Correlation is a way of pinpointing leaks in water mains. A leak in a pipe under pressure creates noise that travels through the pipe walls, the surrounding ground and along the contents of the pipe. If two highly sensitive correlation microphones are attached to two different listening points on a pipe with an identified potential leak, sound from the leak takes longer to travel to the microphone furthest from the leak; this is referred to as the "time delay". Utilizing this and other information (pipe diameter, material and length of section under test), the exact leak position can be calculated by using the correlators. Once a suspected leak is correlated, WWS will then use a ground microphone to confirm the leak.



The leak will then be mapped via GPS and marked accordingly. Since the accuracy of pinpointing relies primarily on the acoustic characteristics of the pipe, the accuracy of the pipe size, length, material and lateral configurations, overnight and/or longer-term monitoring using noise loggers and/or hydrant hydrophones may be recommended and utilized under a separate contract to record acoustic information, at the discretion of the City.

Final Leak Survey Documentation shall include a final report indicating dates and locations, along with detailing photography and description, of leaks identified. WWS will provide a final written leak report within six (6) weeks after completion of the field work. WWS will also conduct monthly update meetings with the City.

- f. Pure Technologies' Project Team will oversee all field inspections and installations of equipment, provide project planning documents and drawing submittals as required, conduct monthly deliverable meetings to track performance, verify site conditions, communicate and coordinate logistical support requirements by the City, and issue final summary reports with recommendations upon completion of each task.

Pure Technologies and the Xylem team believe that Implementing the above tasks during Year 1 will provide actionable data to support targeted corrective actions that result in a cost-effective approach with a positive ROI.

Respectfully,

PURE TECHNOLOGIES U.S. Inc. – a Xylem brand

A handwritten signature in black ink, reading "Dave R. Kurtz".

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APPENDIX A: SmartBall®

Internal Acoustic Leak Detection

Pure Technologies uses its proprietary inline acoustic leak detection platforms to detect leaks on transmission and large diameter distribution mains. While traditional leak detection has been performed on smaller diameter metallic pipe using external acoustic listening mics; leak detection on large diameter transmission mains presents a greater challenge that make external acoustic listening devices ineffective. The success of traditional above-ground acoustic sensors on smaller diameter mains is typically contingent upon several factors, some of those being frequent access to the pipe, allowing for shorter distances between external acoustic sensors, as well as the fact that smaller pipe promotes a more robust sound propagation along the pipe wall and water column.

On larger diameter pipes, environmental conditions often differ from those of smaller diameter distribution pipe. Fittings are more infrequent, pipes are buried deeper below ground, and leak sound propagation becomes poor as the signal attenuates very quickly; resulting in an inability to detect leaks using external listening mics and less accurate pinpointing of the leak location. Furthermore, external noise correlators used to locate leaks detected by the listening mics cannot identify multiple leaks between sensors, as the larger leak creating the most sound will be the only leak located.

Free Swimming SmartBall® Leak and Gas Pocket Inspection Device



Figure 2: SmartBall Core, Foam Outer Shell & SBRs

Pure Technologies' inline leak detection platforms, SmartBall® (free-swimming) and Sahara® (tethered), are the industry's most accurate method for finding leaks on large diameter transmissions mains. These tools bring the acoustic sensor directly to the source of the leak, with the maximum distance being one internal pipe diameter away from the leak itself. Additionally, these tools employ above ground tracking, allowing Pure Technologies to pinpoint all leaks and gas pockets over a given stretch of pipe in a single deployment. Inline leak locating, with the sensor traveling so close to a given leak, allows Pure

Technologies to pinpoint leaks as small as 0.05 gal/min with a location accuracy of within 18 inches when utilizing the tethered Sahara system and typically less than 6 feet when using the free-swimming SmartBall device.



The inline leak detection technology report documents the location and approximate size of leaks as “small” (0 to 2 gallons per minute (gpm)), “medium” (2 to 10 gpm) or “large” (> 10 gpm), as well as the size and location of air pockets. Pure Technologies’ precise inline leak detection technology

gives clients actionable data to respond quickly and confidently; empowering clients to make short term repair and long-term asset management decisions.

When trying to develop a comprehensive understanding of the structural capacity of a pipeline using leak detection as a first step, it is paramount that all leaks be located and addressed, as small leaks can present as significant a threat to structural integrity as their larger, and easier to locate counterparts.

Additionally, it is also important to note that pockets of trapped air in a line can pose additional problems, some of which being capacity issues, as well as exacerbating the effects of pressure transients. Throughout Pure Technologies’ extensive experience, we have found that over 75% of air pockets located with our inline tools are not in the original design of the pipeline and therefore not at known high points with the appropriate air release appurtenances.

The SmartBall tool is inserted into a pipeline and travels with the flow while recording acoustic data created by any leaks and/or air pockets. Prior to insertion, the Ball and all equipment used for insertion and extraction are properly disinfected and prepped for entrance into the live line.

The SmartBall tool requires an access point for insertion and extraction, both a minimum of 4 inches in diameter, and is tracked throughout the inspection at predetermined fixed locations on the pipeline through the attachment of small 2-inch external sensors. If access to the pipeline is limited, flexible hydrophone trackers may be deployed through existing hydrants or air release valve (ARV) structures along the inspection stretch. The use of these tracking sensors allows for a reduction in the number of excavation sites required for tracking.

Inspection Benefits:

- Easy to deploy through existing pipeline features including hydrants;
- No disruption to regular pipeline service;
- Long inspection lengths from a single deployment;
- Unsurpassed sensitivity;
- Typical location accuracy within 6-feet (under optimal conditions);
- Ability to identify and locate air pockets which are the primary failure mechanism of steel pipelines, compound the effects of pressure transients, constrict capacity, and may lead to failures.



Insertion & Extraction Location:

Pure Technologies will identify suitable insertion and extraction locations after reviewing all available pipeline drawings, design specifications, hydraulic conditions, and manufacturing and installation details and coordinating with the City's Operations staff.

SmartBall Receiver (SBR) Tracking Locations:

To determine the location of identified leaks and/or air pockets, SBRs are used to track the position of the SmartBall. SBRs utilize acoustic sensors to track the SmartBall as it travels in the pipeline. The location of the tracking sensors on the pipeline is critical to obtaining accurate location data.

The sensors must be glued directly to a flange that is connected to the pipeline, at the base of a riser connected directly to the pipeline, or on the pipe wall itself. In general, the sensor cannot be further than 1 foot from the flow of water in the pipeline and should not be placed above any valve or appurtenance as the feature will inhibit the sensor from detecting the sound being transmitted from the SmartBall tool. We anticipate sensor spacing for SBRs at approximately one-half (1/2) to one (1) mile, based on availability of access to pipeline appurtenances. Pure Technologies will confer with the City to verify which appurtenances can be used for deployment of the sensors to minimize any inconvenience.



*Figure 3: SmartBall
Insertion/Extraction*

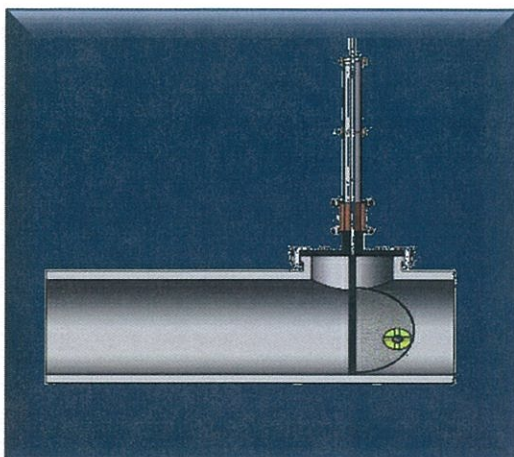


Figure 4: Example of Extraction Net

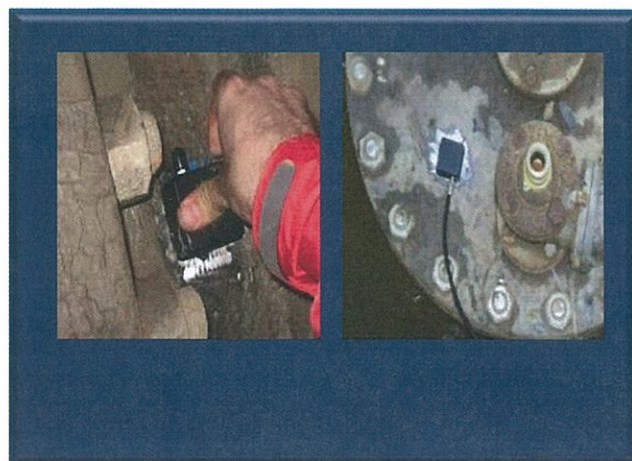


Figure 5: SBR Tracking Sensor



Minimum Flow: A consistent flow rate of approximately 1.5 to 2.5 feet per second is requested. An exact flow rate needed will be determined after the site reconnaissance and will be included in the Planning Document.

Flow Control: If the review of the pipeline drawings indicates the presence of any connections or laterals on the pipeline, flow into the laterals must be restricted to ensure that the SmartBall stays within the pipeline being monitored.

Pressure: SmartBall can operate in mains operating at pressures from 1psi; however, to detect leaks, the pressure must be 15 psi to 500 psi.

Hydraulic Requirements: The SmartBall tool requires a minimum flow velocity of 1 to 2-feet per second, depending on the pipeline configuration. The inspection rate is approximately 70% of the flow velocity. Pure Technologies will confer with the City to establish flow parameters and confirm the requisite velocity during the site reconnaissance (if feasible) and prior to deploying the tool.

- All in-line valves located along the length of the pipeline must be fully opened prior to and during the inspection.
- All off-take or lateral valves must be fully closed prior to deployment of the SmartBall.
- All in-line and take-off valves shall be assessed and repaired in advance of the SmartBall inspection to ensure closure of take-off valves and full opening of the in-line valves. Pure Technologies can perform valve assessment and minor repairs in advance of the inspection.
- A minimum pressure in the pipeline of 15 psi is typically required to reliably detect leaks. Also, the higher the operating pressure, the lower the leak detection threshold that the SmartBall can detect.

Pure Technologies confers with the City to verify what operating pressures can be provided in tandem with the desired flow velocity. Pure Technologies will confirm the operating pressure in the pipeline prior to deploying the SmartBall and may request approximate pressure measurements during inspection.

Data Analysis & Final Report: The complete data analysis and associated QA/QC for SmartBall leak detection will take approximately 4-6 weeks following completion of the fieldwork. All results will be presented to the City in a preliminary report for review and comment before issuing a final report. The final report will include a map identifying the locations of leaks and air pockets. Locations of any identified leaks and/or air pockets will be presented in the report in relation to the nearest SBR fixed reference location.



APPENDIX B: Sahara®

Tethered Sahara® System with CCTV

The Sahara system consists of an acoustic sensor to detect leaks and air pockets, as well as an HDTV camera to collect video of the internal condition of a pipeline, including valves. Surveys are conducted under live operating conditions. Once a leak, air pocket, or visual defect of interest has been detected, the technology is used to pinpoint its location (and size for leaks), all in real time during the inspection.

Sahara pipeline inspections are conducted while the main remains in service by inserting an acoustic sensor and video camera into a 2-inch opening. A small parachute uses the flow of water to draw the sensor and camera through the pipeline while the operator monitors its progress. The sensor and camera are tethered and send a signal to the surface, allowing for real-time results, maximum control and sensitivity, and the ability to mark the location immediately.

The Sahara equipment, which includes a cable drum with disinfection, computers, a generator, tool assembly equipment and information processing unit. Everything is contained in a truck parked near the access point during the inspection. The average Sahara inspection distance is between 2,500 to 5,000 feet per day depending on factors such as bends, flow rate and pressure. Pockets of trapped air can be detected, and video can be collected at any pressure.

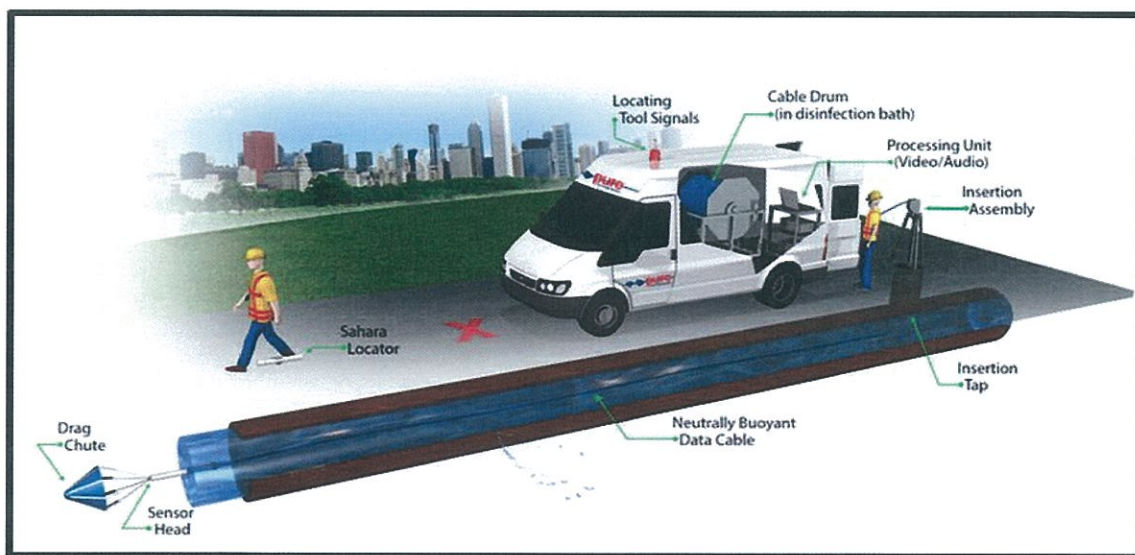


Figure 6: Sahara System Overview Diagram



Insertion and Extraction Locations:

Each Sahara survey requires a minimum 2-inch full clearance access opening on the top of the pipeline. Pure Technologies often uses existing valves in chambers to install the Sahara system, however at this stage it is unknown how many useable valves exist and if the chambers have suitable clearance to install the Sahara equipment. A site visit will be required to determine if a particular valve and chamber can be used. If suitable insertion points cannot be found, then new taps will have to be made. Pure Technologies will work with the City to ensure that any new chamber designs meet the requirements for Sahara.

The sensor and camera is tracked from above ground throughout the inspection. If any leaks or air pockets exist, the sound of the leak or air pocket will be transmitted from the sensor to the operator, who will then use a combination of visual and audio signals to position the tool at the leak location. The aboveground tracking tool can determine the location of the now-stationary sensor head, and therefore the leak or air pocket. The leak position is then marked on the surface, for subsequent repairs and rehabilitation.

The Sahara tethered tool technology allows it to pinpoint leaks; however, it also prevents it from passing butterfly valves and imposes limitations on bends, making it a suitable choice for shorter distances, and pipelines where locating is critical, and video is desired. The surface tracking device allows the position of leaks and other pipeline features to be located to within 18-inches.

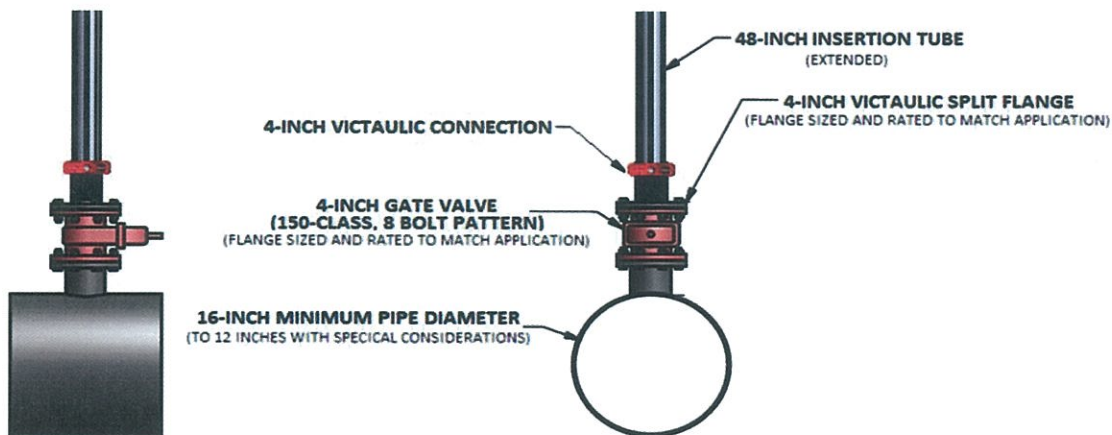


Figure 7: Typical Insertion Set-up: Profile and Plan View

Minimum Flow:

A consistent flow rate of 4 feet per second is requested. An exact flow rate needed will be determined after the site reconnaissance.



Flow Control: If the review of the pipeline drawings indicates the presence of any connections or laterals on the pipeline, flow into the laterals must be restricted to ensure that the Sahara line stays within the pipeline being monitored.

Pressure: In order to detect leaks, the pressure must be a minimum of 25 psi.

Final Report: The final report will be presented to the City as a letter report within 4 weeks of completing the field work.



APPENDIX C: Valor Water Analytics

Introduction to Valor Software Solution

The following proposal describes Valor's Hidden Revenue Locator meter analytics software platform.

Hidden Revenue Locator



Valor Water Analytics ("Valor"), a smart water company and industry leader in the identification of apparent water loss, has created Hidden Revenue Locator (HRL), a leading-edge software as a service ("SaaS") solution that helps our clients identify apparent water loss and make data-based decisions to reduce Non-Revenue Water (NRW).

There are 3 modules within HRL – Customer Metering Inaccuracies, Customer Leaks, and Customer Data Handling Inaccuracies. Based off conversations with CVWD, it is recommended to start off with Customer Metering Inaccuracies.

The HRL Customer Metering Inaccuracies module will strengthen CVWD's operations in the following ways:

- **Identify and address water and revenue loss, at and behind the customer meter**
- **Contribute to meter asset management**
- **Help in the prioritization of field activities**
- **Support process improvement and efficiencies in identifying and addressing issues on the meter to cash vertical**

Solution Description

Customer Metering Inaccuracies:

The Customer Metering Inaccuracies SaaS solution uses several indicator categories to identify meters with apparently water loss issues and, once identified, 'flags' those meters. These categories are listed below in the table below. Reports of flagged meters are delivered via Valor's secure web-based client portal in the form of a dashboard that is updated monthly (the "Client Portal"). A sample dashboard screenshot is provided in Figure 2 on the next page. The City of Galveston staff can log into the Client Portal to access the reports and direct them to the correct departments for back office or field-level issue investigation and resolution.

Customer Metering Inaccuracies indicators (for meters that are read monthly)



HRL Module	Indicators	Dashboard Updates
Customer Metering Inaccuracies	1. Meter Under-Registration 2. Meter Read Errors – Negative, Implausible, Consecutive Zeros 3. Meter Right Sizing -Oversize 4. Meter Right Sizing - Undersize	Monthly

The Customer Metering Inaccuracies dashboard produces a report of identified apparent loss meters classified per meter according to:

- Indicator Type
- Estimated Revenue Discrepancy
- Estimated Apparent Water Loss Volume

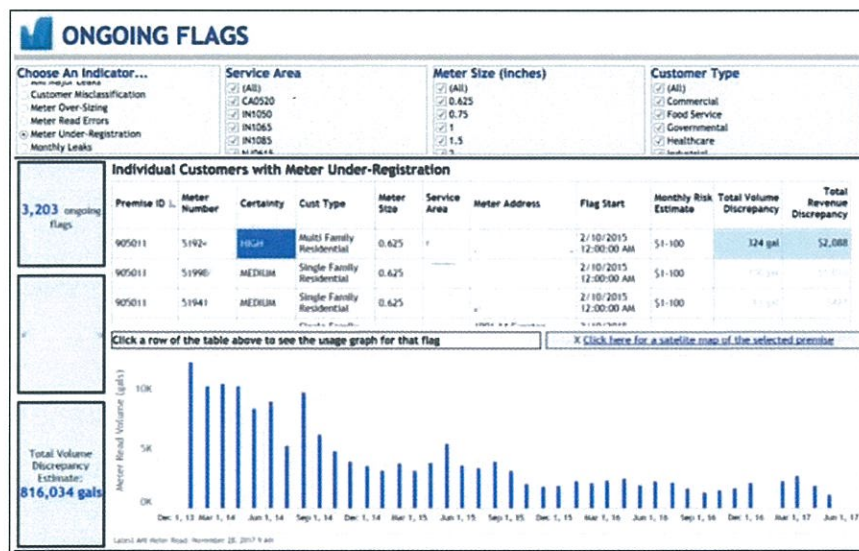


Figure 8: Customer Metering Inaccuracies Dashboard and Client Portal



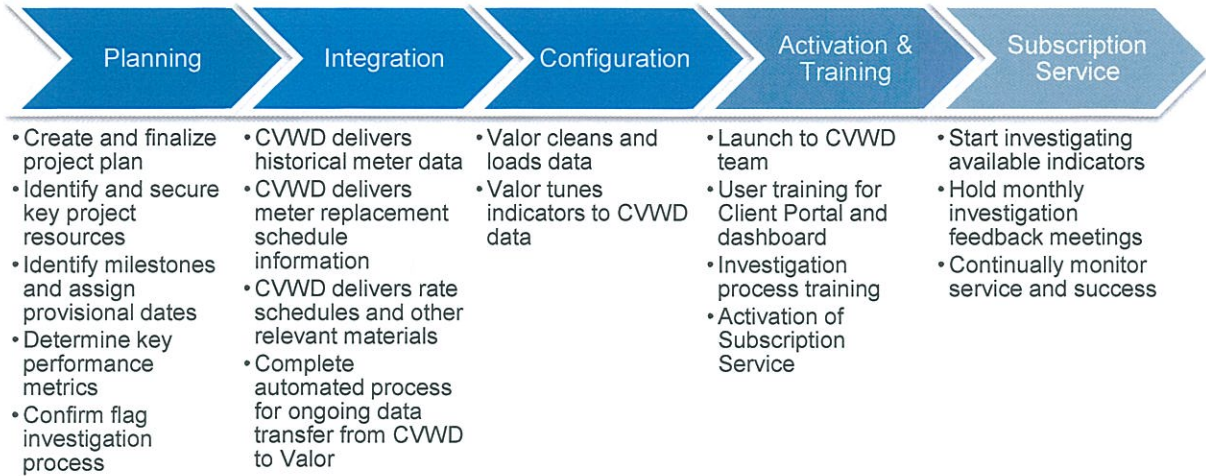
Scope of Services

To ensure the success of the Project, Valor will provide the following services:

- Collaboration with the City of Galveston's IT resources to set up automated data transfer process for meter, billing, and CIS data.
 - Historical data integration (from 2015 to current date)
 - Ongoing data integration (on monthly basis till end of program)
- A 12-month subscription to Valor's Customer Metering Inaccuracies Software as a Service (SaaS) solution with organization-wide access to dashboards and upgrades.
- A unique login for the Client Portal.
- Monthly reports via the Client Portal.
- Consultation on investigation best practices and development of operational process flows.
- Monthly check in meetings to review and discuss investigation results to date and program effectiveness.
- Review meetings after Months 6 and 12 to review key findings.
- City of Galveston's participation in Valor's User Group to understand how other Valor clients use our solutions and to collaborate with those clients and Valor on new feature developments.
- Presentations and meetings as required or desired
- City of Galveston will provide:
 - 4 years historical mechanical meter data in the format requested by Valor
 - 15,000 meters read monthly
 - Ongoing meter data in the format requested by Valor
 - Resources from Management, IT, and Customer Services (Operations and Billing), able to investigate Valor apparent water loss flags
 - Resources committed to the success of the program
 - Information on current meter operation processes



Sample Project Plan





APPENDIX D: Transient Pressure Monitoring

What is Transient Pressure Monitoring?

Hydraulic pressure transients (transients) occur in pipelines when the steady-state conditions of the system change due to pressure or flow disturbances (e.g. the rapid closure of a valve, pump start-up/shutdown). The magnitude of a transient is related to several factors including the flow rate within the pipeline, the time in which the change in the steady-state condition occurs, and pipe hoop rigidity. During the change, the kinetic energy of the flow momentum is converted into potential energy with a rise in pressure and strain energy in the pipe wall.

Conventional pressure monitors collect data in intervals of minutes while a pressure transient may occur in fractions of a second. When a transient occurs in the pipeline, it is important that a high rate of sampling be utilized to capture the true magnitude of the transient event. Transient pressure monitoring equipment addresses the sampling frequency issue by continuously monitoring pressure at a high sample rate, while only recording data every few minutes under normal operating conditions (based on user defined parameters). When a transient is detected, data is recorded continuously at the high sample rate. Figure 1 illustrates the difference between conventional and transient pressure monitoring.

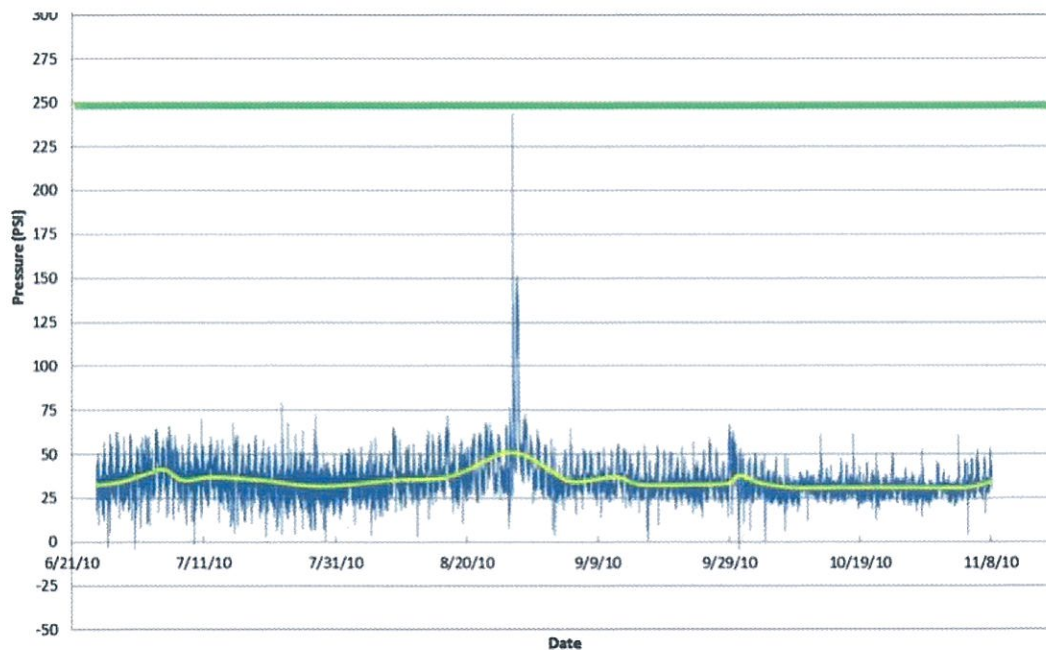


Figure 1 - Comparison of Traditional and Transient Pressure Monitor Data – 36-Inch PCCP Main

The yellow trend line in the figure shows the pressure data recorded at a sample rate of one reading per minute. Based on conventional pressure monitoring, the internal pipeline pressure ranges between 25 and 50 psi, which is well below the design pressure of 250 psi (green horizontal line). However, when the transient pressure monitor data, recorded at a sample rate of more than 20 samples per second (blue trend line) is analyzed, a significant transient event can be seen that reaches nearly 240 psi.



Further evaluation of available pump station operational data indicated that the transient coincides with a rapid pump shutdown. If a pipeline owner/operator relies solely on conventional pressure monitoring, the actual pressures impacting a pipeline may not be detected thereby limiting an accurate structural evaluation, condition assessment, and operational awareness.

Why Implement Transient Pressure Monitoring?

Collection of transient pressure data is critical in the hydraulic evaluation of a pipeline and can add significant value to the condition assessment. Implementation of a transient pressure monitoring program measures the true impact of various system operations on a system's pipelines. A transient pressure monitoring program can also help validate and calibrate a hydraulic or transient surge model.

The occurrence of pressure transients within a pipeline can have adverse effects on the integrity of a pipe section. Damage from pressure transients can include cracking of mortar coating or lining, crack propagation, movement at joints, and structural fatigue. The impact of pressure transients can vary depending on the magnitude of the transient and current condition of the pipe. Accumulated damage of this nature can eventually decrease the structural integrity of the pipe. Pressure surges may also have significant effects on already weakened areas of the pipeline that have been deteriorated through internal or external corrosion. Based on the American Water Works Association ("AWWA") *M11 Standard for Steel Pipe- A Guide for Design and Installation*, the surge allowance is 75% of the yield strength of the pipe, while *AWWA C150, Thickness Design of Ductile Iron Pipe*, dictates the surge allowance is 100 psi greater than the working pressure. Combined with the steady-state pressure in the pipeline prior to a rapid flow change, a transient event may exceed the maximum design pressure of the pipeline. High pressures from intermittent or recurring transients may cause damage, increase pre-existing damage, or initiate a failure.

Many pipe failures have been attributed to operational actions. An understanding of the frequency and magnitude of pressure transients in a pipeline allows a Utility to implement and verify operational practices that maintain pressures below the specified design and minimize the recurrence of transient events. An understanding of the actual pressures in a pipeline will also provide the information needed for knowledgeable decisions regarding future modifications to a pipeline and any facilities that may affect the pipeline. Additionally, detection and classification of the transient pressures affecting a pipeline provides quantifiable support for the implementation or improvement of maintenance programs aimed at surge mitigation equipment such as check valves, air and vacuum valves, or hydro-pneumatic tanks that are designed to protect a pipeline.



APPENDIX E: Valve Assessment and Minor Repairs

As a subsidiary of Pure Technologies, Wachs Water Services (WWS) can develop, plan and execute a Valve Assessment Program to locate, clean out, inspect, assess, exercise, repair, operationally test, mark, record GPS data, create work orders, document attribute characteristics, and create a deliverable database for water delivery system valves. ***The scope of services presented herein addresses the recommendations presented in the American Water Works Associations' Manual M44 Manual of Water Supply Practices for Field testing and Maintenance of Distribution Valves.***

The City will provide Pure Technologies with an electronic plot and/or drawing of the most current water delivery maps for the project area – showing all valves. Information collected by Pure Technologies and other information provided by the City shall be regarded as CONFIDENTIAL and will not be shared without written permission from the City. Pure Technologies will locate all mainline valves and isolation valves using the following guidelines:

- a. Pure Technologies will search for all assets visually using the maps provided.
- b. Pure Technologies will search for water assets shown, but not identified by visual inspection, using a magnetic locator, probing rods and other tools.
- c. If an asset cannot be located after searching for fifteen minutes, it will be identified in the database as "CANNOT LOCATE", documented as a work order, creating a mapping grade GPS position at the location where searched and otherwise treated as a standard assessment.

Each water delivery asset record will be identified by its corresponding the City's identification number. In cases where Asset ID's are not available, Pure Technologies will create a temporary asset identification number that will be agreed upon before field operations commence. Prior to initiating any field work, Pure Technologies shall submit their QA/QC Plan to ensure the collection of complete, accurate and precise data as required herein.

Pure Technologies shall develop an overall schedule for the proposed work, which shall be updated periodically and presented to the City at the scheduled Update Meetings. Pure Technologies shall initiate and conduct an Initial Project Meeting to clarify the intended Scope of Services and other special requirements for each project. At the end of each project, a final Program Report will to be presented to the City. It is to include a critical analysis of the results of the valve assessment.

Pure Technologies will not be held responsible for possible valve failures during operation, damage done to the water system during water main flushing (i.e. water leaks, discolored water, turbidity, etc.), or possible damage to the City's individual water customer, unless unsatisfactory or neglectful operations by Pure Technologies are determined by the City.



Condition Assessment of Valves

The assessment of a valve shall include, but not be limited to, the following items:

- locating;
- identifying;
- accessing;
- cleanout;
- inspection;
- exercising;
- marking; and
- mapping

Work Plan

Pure Technologies shall coordinate with the City daily to determine the valves to be assessed, order they are to be assessed and procedures to be followed.

Traffic Control Plan(s)

Pure Technologies shall coordinate with the local agencies to develop detailed written traffic control plans to support all valve inspections and assessments.

Locate and Map the Valve

Pure Technologies shall:

- Search valve access location using the City's location information
- Valves shown on a plat but not located shall be searched for using recorded measurements, magnet locator, probing rods, and other tools.
- After searching for minimum of 15 minutes, a valve is to be labeled "cannot locate" and a repair Work Order created to locate the valve. The "cannot locate" valve will be treated as a standard valve assessment.
- The physical location of boundary valves and valves on large customer service connections shall be verified. Information is to be provided in a format defined by the City, whereby the City can create work orders to correct problems with valves or valve boxes discovered during the assessment. If requested by the City, Pure Technologies can provide additional services to enable access to the valve operating nut.
- The access point to valve operating nut will be GPS mapped with sub-meter accuracy (sub-foot at an additional cost upon request), including depth of operating nut to grade, and the other attribute and locational data detailed and delivered in a database compatible with the City's existing data scheme.
- Pure Technologies will conduct weekly field corroborative surveys of monuments to confirm the minimum sub-meter or sub-foot accuracy is consistently being achieved in mapping valves.



Identifying the Valve

Pure Technologies will use the City's identification number to identify the valve.

Accessing the Valve

The valve cover shall be removed by Pure Technologies to access the valve. If, after attempting to remove the valve cover, the cover is deemed to be "stuck" - the cover will be broken, the valve accessed, and the cover replaced. Replacement covers will be provided by the City.

Valve and Valve Box Assessment Inspection

Pure Technologies will execute a visual inspection of the physical condition of the valve box or vault and the ground surface in the immediate area. The findings of the inspection will be documented, and all valve boxes and vaults will be photographed in as-is condition. Pure Technologies will also collect two additional photographs that orient the location of the valve box/vault in relation to surrounding features. This inspection will be conducted from street level and is intended to discover discrepancies (i.e., valve type, etc.) that are readily visible from above ground. Unsafe conditions are to be immediately reported to the City.

Clean Out of Valve Boxes/Vaults

Pure Technologies will vacuum out debris and/or pump out water from the box/vault to allow access to the valve operating nut and bonnet bolts where possible. In every case, the operating nut must be exposed and clearly visible (not under water or debris) when the valve is exercised. To provide this service, Pure Technologies will provide a vacuum and water pump with every work crew. The City will provide a location for discarding materials vacuumed out of the valve structures.

Note regarding Vaults: If the valve body or gear box/actuator is not covered with debris, then vaults will have any water pumped down below the valve body or gear box/actuator. Any debris covering the valve body or gear box/actuator will only be vacuumed around and below the operating nut.

Valve Exercising

Pure Technologies will fully exercise each valve a minimum of two full cycles (operated full open to full closed to full open is one cycle). All valves shall be exercised with the minimum torque required, applied in a graduated sequence to assure the all valves can be safely operated. Torque limits will be agreed with the City before commencement of field operations. Operations and exercising will continue until operating torque stabilizes without measurable decreases and valve turn count stabilized without measurable increases.



As may be applicable, Pure Technologies shall submit standard operating procedures for the following valves:

- 3" – 4" double disk gate valves
- 6" – 12" double disk gate valves
- 15" – 20" double disk gate valves
- 30" – 48" double disk gate valves, horizontal
- 30" – 48" double disk gate valves, vertical
- 6" – 12" resilient seated gate valves
- 16" – 20" resilient seated gate valve
- 6" – 20" butterfly valves
- 30" – 66" butterfly valves
- boundary valves – valves between pressure zones
- Controlling torque using hydraulic valve turning devices
- Valves found in the wrong position
- Torque limits for each of the above valves
- Procedures for valves that do not cycle at the proposed torque limit
- Procedures for large valves with inoperable bypass valves

Valve Marking

Valve lid covers will be marked as the inspection and exercising process is completed. For valves that open "left", Pure Technologies shall paint the lids blue. For valves that open "right", Pure Technologies will paint the lids white. For pressure boundary valves that are to remain "closed", Pure Technologies shall paint the lids red. The valve marking is intended to provide field evidence of work completed at an individual valve, help identify the open direction of the valve, and will also assist any future personnel in locating the valve in a timely manner.

Valve Repairs

Pure Technologies can complete minor repairs as they are encountered throughout the valve inspections and assessments. Minor repairs are defined as repairs that can return a valve to full operability and do not require backhoe excavation or breaking the pressure barrier of the water system. Refer to Valve Rehabilitation further herein.



Work Order Management

Work orders shall be created for all those valves that need additional repair. A Work Order will be created for the repairs that are necessary to bring up to operability the valves, valve box, vault or the ground surface in the immediate area. Such Work Orders shall be created from information provided by Pure Technologies. That information is to specifically note the deficiency and the repair activity required.

1. Valve ID number
2. Plat number
3. Specific deficiencies (category and details)
4. Specific repair activity

Valve Data and Documentation

All database deliverables shall be compatible with the City's GIS system. The database information is to be electronically integrated in the GIS system as approved by the City.

Data will be documented on each valve and will be agreed upon in advance of work start-up with the City.

At a minimum, data documentation will include:

- Physical data: Asset ID number, map or plat number, valve size, type of valve, operator gearing, valve application, valve box/vault structure, depth of operating nut, if clean out or de-watering was necessary, valve discrepancies (categories and details), box/vault discrepancies (by category and detail), box/vault discrepancies (by category and details), document leak sounds and additional physical information as necessary.
- Location data: GPS position and coordinate data using sub-meter grade GPS coordinate data parameters.
- Operational data: Number of turns to fully close, initial and final torque, close direction, torque chart for larger valves or valves that are initially difficult to turn, specific operational discrepancies (by category and details), additional operational comments as necessary.
- Discrepancies: Detail on discrepancies so that a work order (as described below) can be created.



Data submitted on applicable valves shall be in a spatially accurate format compliant with the City's existing data structure. Metadata, including a detailed citation describing field data collection practices, equipment settings, post processing procedures, base stations used for differential correction and expected accuracy, are to be submitted with all interim and final data deliveries. Valve Database information shall include, at a minimum:

- The City ID number
- Valve Size & type
- Valve Application
- Depth of operating nut
- Boolean indication whether debris was removed
- Boolean indication whether water was pumped out
- Number of turns full travel
- Valve discrepancies
- Valve operating nut access point GPS mapping
- Date of Operation
- Type of Operating Gearing
- Valve box structure
- Close Direction
- Valve Condition
- Valve discrepancies
- Initial and Final operating torque
- Valve box Condition
- Valve box discrepancies

Before field operations commence, the City and Pure Technologies shall meet to review specific data schemes to be employed on this project including the features to be collected, data format, and procedures for incorporation of the field collected data into the City databases. A prepared document detailing the proposed database deliverables and data integration procedures is to be submitted for the City's approval.

Torque Data

Torque charts will be submitted to the City in Excel, or other required format named by the Asset ID and Date. This name will appear in both the ESRI GIS feature class for valves and in the corresponding work order and asset table record fields where directed by the City.

Torque Limits – Frozen Valves

The following torque limit specifications have been gathered from AWWA. When working on frozen valves, Pure Technologies will only operate the valve turning equipment to a maximum level of torque as specified by the torque limits below. Should Pure Technologies be unable to free the valve at this torque limit, the valve will be considered "frozen" and a work order will be created.



If requested by the City, Pure Technologies will apply additional methods and/or additional torque in an attempt to free up the frozen valve. These activities will be billed on a time basis.

Maximum Industry Standard Torque Limit Guidelines (in ft#'s)				
Valve Size	Non-Geared	Bevel Geared	Spur Geared	Butterfly
2 inch	225			
4 inch	225			
6 inch	225			
8 inch	225			
10 inch	225			
12 inch	225	132	123	
14 inch	225	75	118	
16 inch	225	162	118	
18 inch	225	162	144	
20 inch	300	177	157	300
24 inch	325	127	120	300
30 inch	450	177	167	300
36 inch	550	162	156	300
42 inch	700	206	199	300
48 inch	800	235	227	300
54 inch	850	240	227	300
60 inch	900	250		300
72 inch				300
96 inch				300

Out of Position - Valve Protocol

Pure Technologies and the City will agree to a standard operating protocol to be executed when out of position valves are encountered for both open and closed valves prior to start-up of field operations. Any additional time expended (to open/close or flush dead ends) will be charged at the additional services hourly rate.



Valve Rehabilitation

Minor Repairs

Pure Technologies can complete minor repairs as they are encountered throughout this program. Minor repairs are defined as repairs which can return a valve to full operability and do not require backhoe excavation, do not require breaking the pressure barrier of the water system, do not require a valve repair technician and do not require replacement parts (excluding operating nuts). While many different repairs may be necessary to restore valves to full operability, the following repairs will be considered minor for which Pure Technologies shall provide unit pricing. No quantities are implied or guaranteed. Other rehabilitation services, if requested by the City and jointly agreed with Pure Technologies/WWS, will be billed per the hourly additional service rate line item in the pricing section (the City will provide parts).

- Raise valve boxes in unpaved areas: Locate the buried valve, dig down to the cover, apply risers, raise to existing ground level, backfill with compacted soil. Materials (risers) will be provided by the City.
- Raise valve boxes in asphalt paved over areas: Locate the covered valve, cut asphalt (small cut), apply risers to raise to existing street level, backfill with compacted material and patch with cold patch material supplied by the City.
- Raise valve boxes in concrete paved areas: Locate the paved over valve, cut concrete (small cut), jackhammer down to the cover, apply risers, raise to existing street level, partial backfill with compacted material and replacement with concrete material to match existing depth of concrete roadway surface. Materials (risers) will be provided by the City.
- Operating nut replacement: Pure Technologies will repair or replace operating nuts (hub) without shutting down the water system and perform other repairs as jointly agreed with the City.
- Realigning roadway structures: Pure Technologies will utilize a vacuum excavator to re-align the lower and upper sections of roadway valve box structures.
- If requested by the City, Pure Technologies will re-align valve boxes in dirt, grass, sand or gravel: Locate the misaligned valve and re-adjust misaligned valve boxes to make the valve operable. Alignments will be executed by digging or potholing in dirt, sand, grass or gravel up to 24" in depth (not requiring a backhoe) and re-adjust or replace the valve box as necessary and backfill with compacted soil or material. Materials (valve boxes, lids) are to be provided by the City.
- If requested by the City, Pure Technologies will plan and execute in-service video inspection services of valves to verify their operation and/or position while the line is kept in service. Each video insertion and inspection will be billed per an optional fee.



Major Valve Repairs

Pure Technologies can complete major repairs based on the economic feasibility and probability of success. This means that no repair is “off the table”. However, developing a unit rate for aggressive repairs that takes into consideration the many low-cost repair options – but may still be considered a major repair is complicated.

Removing a gear, grinding it, and reinstalling it is a major repair when considering that the yoke assembly must be disassembled, the pinion gear removed, and the time involved to make the repair. However, the cost is relatively low by comparison to other major repairs that require replacement of the part. Generally speaking, milling and grinding are significantly less expensive than manufacturing as none of the parts are commercially available off the shelf.

Major Valve Repairs may include, but not be limited to:

- Bull Gear and Pinion Gear Replacements
- Gear Realignment & Engagement
- Bonnet Bolt and Packing Gland Replacements



APPENDIX F: Hydrant Assessment and Maintenance

Work Plan

Pure Technologies shall coordinate with the City daily to determine the hydrants to be assessed, order they are to be assessed and procedures to be followed.

Traffic Control Plan(s)

Company shall coordinate with the local agencies to develop detailed written traffic control plans to support all hydrant inspections and assessments.

Locate and Map the Hydrant

Pure Technologies shall locate and map the hydrant locations using GPS sub-meter or sub-foot accuracy, according to locational data and deliver in a database compatible with the City's existing data scheme.

Pure Technologies will clear obstructing plant growth (weeds, grass) from an area three (3) feet surrounding the base of the fire hydrant prior to operating.

Pure Technologies will photograph the hydrant to document its existing condition.

Pure Technologies will periodically conduct field corroborative surveys of monuments to confirm the minimum sub-meter or sub-foot accuracy is consistently being achieved in mapping valves.

Identify the Hydrant

Pure Technologies will use the City's identification number to identify the valve.

Fire Hydrant Testing and Exercising

Pure Technologies will inspect each fire hydrant for appearance, accessibility, leakage and functionality following the AWWA M-17 manual, NFPA 291 and ISO requirements.

Pure Technologies will mechanically test; pressure test and flow test each fire hydrant. The mechanical inspection shall include removing, greasing and replacing all caps, slowly opening and bleeding the air out of the fire hydrant, pressurizing the barrel at full system pressure and noting discrepancies. The mechanical inspection also includes performance of all valve activities on the hydrant isolation valve.

The pressure test will be conducted with the fire hydrant charged at full system pressure and any leakage will be documented and the static pressure recorded. The flow test will be conducted by opening the cap, affixing a diffuser, slowly opening the fire hydrant to the full open position observing velocity pressure (pitot pressure) and residual pressure on the same hydrant.



At this time the fire hydrant will be slowly closed, drainage of the fire hydrant will be observed, caps will be replaced, and the area will be fully restored. The specific operational testing information to be documented is noted in the documentation section.

Fire Hydrant Inspection Methods, Data and Documentation:

Pure Technologies shall conduct fire hydrants inspections during the daytime. For each hydrant, the technician will fill out an inspection sheet listing the following information:

- Hydrant number on plan and hydrant
- Address closest to fire hydrant,
- Hydrant make, model and diameter
- Accessibility of fire hydrant
- Accessibility to operating nut on hydrant supply pipe valve
- Description of supply pipe valve operating condition
- Number and diameter of hose outlets
- Hose outlet and cap condition
- Hose outlet thread pitch
- Flange height from ground
- Condition of paint
- Distance between water level inside hydrant and ground level
- Hydrant depth, i.e. distance between boot and flanges
- Description of any interior damage for each part, for instance:
 - Defective retaining chains or cables
 - Defective operating sleeve
 - Cracked barrel
 - Defective bearing
 - Leaking gate-type disc
 - Twisted stem
- Description of operating condition for various mechanisms
- Draining system operating condition
- Verification of barrel and cap water tightness when hydrant valve is open
- Static and dynamic pressure readings, calculation of actual flow when dynamic pressure is 20 psi (138 KPa), taking into account the type of elbow installed (e.g. 45o and 90o) and outlet-related friction coefficient
- Water aesthetics
- Inspection date and time, and inspector's name
- Supply pipe visibility, position and distance from hydrant, and valve box material condition (once a year)



In addition, at the time of inspection, Pure Technologies will perform the following operations:

- Assess the hydrant isolation valve in accordance with the requirements set forth herein;
- Lubricate hose outlets and caps;
- Flush the fire hydrant and pipe section between hydrant and water main.

Hydrant Restoration:

Pure Technologies will perform maintenance on the upper and interior mechanism on each hydrant, to include:

- Dismantling the upper and interior mechanism.
- Cleaning oxidized parts.
- Replacing o-rings, gaskets, packing and main valve gasket.
- Replacing of defective parts.
- Lubricating of parts with non-toxic grease.

Work Order Management:

Work orders shall be created for all those hydrants that need additional repair. A Work Order will be created for the repairs that are necessary to address hydrant deficiencies. Such Work Orders shall be created from information provided by Pure Technologies. That information is to specifically note the deficiency and the repair activity required.

- Hydrant ID number and Plat number
- Specific deficiencies (category and details)
- Specific repair activity

Unidirectional Flushing of Hydrants:

Upon request by the City, Pure Technologies can develop, plan and execute a program to unidirectional flush the water delivery system and create a deliverable database in a suitable format that is compatible with the City's current GIS/Database system platform.

Upon authorization by the City, Pure Technologies shall:

- Develop a written sequencing plan for flushing hydrants in an area defined by the City. The sequencing plan will be reviewed and approved by the City before Pure Technologies proceeds with work.
- Inspect fire hydrants for appearance, accessibility, leakage and functionality following the AWWA M-17 manual, NFPA 291 and ISO requirements.



- Inspect required main line valves and isolation valves for, accessibility, and functionality to insure its ability to operate and fully “close” upon demand in accordance with the AWWA M-44 manual PRIOR to initiating flushing of hydrants.
- Before starting field work, a Standard Operating Procedure of action sequencing for the flushing activity shall be set. Contingencies like mitigation of reduced fire flows in critical areas (i.e. medical facilities, schools, etc.) must be included.
- Pure Technologies will assist the City to develop a letter which briefly explains the Unidirectional Water Main Flushing program.
- Pure Technologies will develop a press release to explain the Unidirectional Water Main Flushing program and affected areas. The City will send the press releases to local newspapers, local radio stations and television outlets. This type of customer notification greatly reduces the number of customer complaints about dirty water.
- Pure Technologies will develop a door hanger suitable to and for the City’s approval. Pure Technologies will distribute to the affected property owners daily by 5:00 PM the day before the actual work will take place in specific area.
- To increase the water main velocity without opening additional hydrants (to conserve water), specific valves will be closed prior to flushing. These valves will be recorded to ensure that all valves are re-opened at the end of each flushing period. A Standard Operating Procedure for valve operations will be included with the plan.
- Pure Technologies will use accurate pressure gauges to determine that the required velocities are achieved during the flushing process. Pure Technologies shall provide recently-dated proof that the pressure gauges used have been calibrated. Pure Technologies’ field crew will meet daily or as agreed, with City personnel to go over areas of the Unidirectional Flushing program for the prior workday and plan current day and areas to survey.
- Pure Technologies/WWS will document and note needed corrections on the City’s GIS data base and present at the periodic update meetings.
- At the end of each flushing period, or as requested by the City, a written list of broken or inoperable fire hydrants and/or valves will be submitted to the City. Critical fire hydrants/valves that may be subject to breakage will be discussed as far as operation PRIOR to exercising to prevent loss of fire protection.
- Pure Technologies will submit a Unidirectional Flushing Log with the final report including:
 - Areas where work was performed
 - Type of problems observed
 - Location of problems discovered
 - Mapping errors on the water atlas



GPS Data Collection and Mapping

All water assets encountered in this program are to be GPS mapped within sub-meter accuracy (sub-foot is also available for an increased fee). Attribute data will be delivered in a geodatabase feature class compatible with the City's existing data scheme. Coordinate data shall be field collected with autonomous GPS readings and subsequently differentially corrected via post-processing. Pure Technologies shall further refine positions through filtering and inspection to eliminate noise, problematic satellite geometry and multi-path degradation. Point features shall be collected at an epoch of 1 second with a minimum occupation of 20 seconds. Specific parameters include:

- Elevation mask: 15 degrees above the horizon
- Coordinate system: as agreed with the City
- Satellites: ≥ 4
- Position Dilution of Precision (PDOP): < 6
- Horizontal Dilution of Precision (HDOP): < 4
- Minimum number of raw positions collected: 20

In addition to database attribute requirements, the following coordinate data items shall be generated:

- PDOP and HDOP values
- Correction Status
- Date and Time Recorded
- Total and Filtered Positions
- Horizontal and Vertical Precision
- Standard Deviation
- Coordinate .cor File Name h: X & Y coordinate
- Elevation, vertical depth of operating nut

Deliverables

Pure Technologies will provide applicable data in a spatially accurate format compliant with the City's existing data structure. The database shall contain the information agreed with the City.

Before field operations commence, a meeting to be attended by Pure Technologies and the City will be held to reach alignment on specific data schemes to be employed. It is at this juncture that Pure Technologies and the City will finalize agreement on which specific features will be collected, the format this feature data will conform to, and the final resting place for all collected and calculated information within the City's data infrastructure so that it can be appropriately mapped and accessed by City staff.



Periodic Update Meetings

Pure Technologies will conduct periodic update meetings to review the progress of work and present plans for upcoming work activities. Progress reports will include, but not be limited to, the following:

- Location of all leaks and/or gas pockets identified
- Valve Operability – a detailed summary of operability before and after asset inspection and exercising was performed. Accompanying this report will be a map record of inoperable and / or broken valves.
- Out of Service Hydrant Report – Summary supporting daily calls regarding out of service hydrants, accompanied by a map document showing OOS hydrant locations.
- Frozen Valve – a detailed summary accompanied by a map depicting frozen valves. The successful vendor will recommend threshold size, torque and turn discrepancies constituting the frozen valve = “YES” attribute.
- Opened Work Orders – a detailed summary of work orders opened in the City’s asset management system that could not be completed during the initial pass of inspection and repair by the field crew. This report will be accompanied by a map document showing location detail
- Wrong Position Valves – detailed map document showing where valves were:
 - Found Closed Left Closed
 - Found Closed Left Open
- Hydrant Flow Allocation – A detailed map document allocating hydrant flow in Gallons per Minute to a predefined unit of space (this unit of space to be recommended as part of the response to this solicitation).
- Validated database compliant with ESRI ArcGIS

Summarize and Prioritize Required Repairs

Pure Technologies will summarize and prioritize the required maintenance and repairs by the level of urgency.

1. Hydrants and Valves requiring immediate restoration.
2. Hydrants and Valves requiring urgent restoration.
3. Hydrants and Valves requiring urgent restoration and/or replacement.
4. Hydrants and Valves without deficiencies pertinent to operation.
5. Conditions related to the surroundings of the hydrants and valves.



6. Valves or valve housing related conditions.
7. Network related conditions.
8. Hydrants and Valves restored within the last 36 months.

Additional Services

Work Orders

Pure Technologies can create work orders for all required repairs that are needed in order to bring the valves and/or hydrants in the system up to 100% operability. These work orders will be captured and managed in a database to be provided by Pure Technologies. Work orders will specifically note the discrepancy of the valve and the repair activity required to return the valve to full operability. Work orders will contain the following information:

- Valve or Hydrant ID
- Map number
- Specific valve or hydrant discrepancy (category and details)
- Specific repair activity required to return the valve or hydrant to full operability

Scheduling

Pure Technologies will propose an overall schedule of work to be approved by the City. The City shall approve the work schedule before allowing Pure Technologies to proceed. Company's schedule will be updated monthly at the monthly update meeting.

Safety & Traffic Control

Pure Technologies is responsible for the safety of their personnel and traffic control services. The recommendations of the City are to be followed when working in various types of streets. Company will abide by all OSHA safety regulations in the fulfillment of this scope of services. Company shall provide all traffic control services necessary to ensure a safe working environment for the fulfillment of the contract. As a requirement to perform this scope of work safely each truck crew will have a minimum of two workers. All work vehicles will be equipped with amber warning lights, strobe lights, safety cones, barriers, directional arrow board lights, communications equipment and will clearly identify the service provider. As required, Pure Technologies shall file for and perform work as may be required by the City's Street Department permit. Payment for all safety and traffic control services will be included in the contract unit price for water valve assessments, valve box grade adjustments, and hydrant assessment.



Cannot Locates (CNL's)

If requested by the City, Cannot Locate (CNL) work orders will be addressed by Pure Technologies by researching legacy data or other documents made available by the City. Pure Technologies may also conduct additional field investigations to locate valves using the legacy data. These services will be billed on a time basis (hourly additional services rate).



APPENDIX G: Terms and Conditions

SCHEDULE "A"

CONDITIONS OF ENGAGEMENT FOR THE PROVISION OF SERVICES (North America)

The Proposal is issued upon and is subject to these Conditions of Engagement. If the Proposal is accepted by the Client, these Conditions of Engagement and the Proposal will be deemed to form part of the Contract between the Client and Pure.

DEFINITIONS

1. In these Conditions of Engagement, the following definitions apply:
 - a. **Client** means any person or persons, firm or company engaging Pure to provide the Services.
 - b. **Contract** means the agreement awarded to Pure as a result of the Proposal.
 - c. **Pure** means Pure Technologies Ltd., Pure Technologies Canada Ltd., Pure Technologies U.S. Inc., PureHM Inc., PureHM U.S. Inc., or any of their affiliates, as the case may be, which submitted the Proposal and is a party to the Contract.
 - d. **Proposal** means Pure's offer to carry out the Services and includes all related correspondence plus agreed written variations or amendments thereto.
 - e. **Services** mean those services of whatever nature to be supplied by Pure under the Contract.
 - f. **Site** means the facility, land, installation or premises to which Pure is granted access for the purposes of the Contract and may include any combination of the foregoing.

PURE'S OBLIGATIONS

2. Pure will perform the Services in accordance with the procedures described in the Proposal, using reasonable skill, care and diligence and consistent with industry standards.
3. Pure will ensure that the equipment used in performing the Services is in a good and functional state.

CLIENT'S OBLIGATIONS

4. The Client will provide to Pure full, good faith co-operation to assist Pure in providing the Services. Unless otherwise specified in the Proposal and without limiting the generality of the foregoing, the Client will at its own expense:
 - a. ensure, if required, access to private land will be given to Pure and that any official permits or permissions required for Pure to have access to the Site or carry out the Services are obtained and are in force for the duration of the Services;



- b. inform Pure in writing of any special circumstances or danger which the execution of the Services may entail or which are inherent in the Site, including the existence and identity of any known hazardous substance or material; and
 - c. perform such additional duties and responsibilities and provide such information and resources as are described in the Proposal.
- 5. The description of the Services and related compensation amount set out in the Proposal will be based upon information that the Client shall have provided to Pure, and assumptions that Pure shall have identified in the Proposal. The Client acknowledges that if any such information provided by Client is materially incomplete or inaccurate, or if the assumptions identified by Pure are not correct, then the parties will modify the Proposal to reflect the actual information, assumptions, and Services required, and the compensation to Pure will be adjusted accordingly using the change order process set out in the Contract, or if there is no such process, on an equitable basis.

PROPRIETARY AND CONFIDENTIAL INFORMATION

- 6. All reports generated in the performance of the Services and delivered by Pure to the Client will become the property of the Client.
- 7. Pure's equipment which is made available to the Client in connection with the Contract and the raw data generated in the performance of the Services will remain the sole and exclusive property of Pure. The Client will not acquire any proprietary rights in Pure's equipment, systems, software, technology, inventions (whether or not patentable), patents, patent applications, documentation, specifications, designs, data, databases, methods, processes or know-how ("**Pure's Proprietary Technology**"). Any modifications or improvements to the Pure's Proprietary Technology made during the performance of the Services will be the sole and exclusive property of Pure.
- 8. Both parties agree to keep confidential all documentation and information provided by the other during the performance of the Contract. The obligations set out in this clause 8 will remain in full force and effect after any termination or expiry, as the case may be, of the Contract.
- 9. Notwithstanding anything herein to the contrary, Contractor will have a limited, non-exclusive, royalty-free license to utilize data collected in the performance of services hereunder for purposes of:
 - a. providing services
 - b. analyzing and improving the services, and
 - c. internal research and development for the benefit of Contractor clients.

LIABILITY AND WARRANTIES

- 10. Pure will indemnify the Client against any expense, demand, liability, loss, claim or proceeding whatsoever in respect of personal injury to or the death of any person, or any loss, destruction or damage to any tangible property and arising directly or indirectly from the negligence of Pure, its employees, servants or agents except to the extent caused by the



negligence of the Client or any person for whom the Client is responsible. The Client will similarly indemnify Pure.

11. Pure will not be liable for any loss of production, loss of use of property, loss of revenue or profit, equipment downtime, business interruption, loss of goodwill, loss of anticipated savings, cost of procurement of substitute goods or services, or for any consequential, indirect, incidental, or special loss or damage suffered by the Client or any third party, or for any punitive damages, even if advised of the possibility thereof and notwithstanding the failure of essential purpose of any remedy.
12. Pure's cumulative liability under the Contract, whether in contract, tort (including negligence), or otherwise, will in no event exceed the aggregate consideration paid by the Client to Pure for the portion of the Services that gave rise to the liability, provided, however, that this clause shall not limit Pure's indemnification obligations under these Conditions of Engagement.
13. The report(s) and any other recommendations or advice made by Pure relating to the pipeline or the Services will be made in accordance with the procedures described in the Proposal, using reasonable skill, care and diligence consistent with industry standards, but do not and will not constitute a warranty of the pipeline's quality, capacity, safety or fitness for purpose. Pure will not be liable to the Client for any liability or damages that arise from the Client's reliance upon or application or use of such final report or recommendations or advice made by Pure in relation to the pipeline or Services, and the Client will indemnify Pure against any liability to third parties resulting therefrom.
14. Pure's warranties for the Services will be set out in the Contract. Pure disclaims all implied or statutory warranties or conditions, including of merchantability, merchantable quality, durability, or fitness for a particular purpose to the extent allowed by applicable law. This means Pure's warranty obligations will be limited to what is expressly set out in the Contract.



APPENDIX H: RFI No. 2



City of Galveston

Architectural Projects STAFF REPORT

March 12, 2019

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

From: Dudley Anderson, Architectural Projects Manager

RE: Contract number - COG CON 18 176

Consider for approval authorizing the City Manager to amend a contract for professional services from Design Workshop, Inc. in the amount of \$5,000 for a project to improve the pedestrian experience in the downtown area.

I. Background

- A. The area bounded by 20th to 25th Streets and Church to Strand is scheduled for improvements to create a more secure and conducive experience for pedestrian traffic. We anticipate improvements to lighting levels, shade, and accessibility.
- B. City Council approved a contract with Design Workshop, Inc. for professional services to design those improvements in the amount of \$107,550 December 13, 2108.

II. Current Situation

- A. The allowance for topographic survey services in the agreement has proven inadequate to cover the cost of those services.
- B. The City requested Design Workshop include topographic survey services in their proposal with a limit of \$20,000. Survey proposals were received by Design Workshop and ranged from \$80,500 to \$137,000.
- C. City Staff discussed another approach to obtain the necessary survey information for the final design. This approach utilizes a mobile LiDAR system and is proposed by Design Workshop, Inc. at \$25,000.
- D. This is \$5,000 more than the allowance included in the contract.





City of Galveston

Architectural Projects STAFF REPORT

- E. Engineering has confirmed this approach satisfies the need and Staff recommends the City proceed and asks Council to add \$5,000 to the Design Workshop, Inc. contract.
- F. Design Workshop, Inc. also asked for specific language to be added to the contract to acknowledge that they are not a licensed land surveying company. The City Attorney's office has reviewed this request and upon approval that language will be included in the contract amendment.
 - a. "The Work required by the Agreement shall be amended to include additional survey work by High Tide Land Surveying LLC ("Subconsultant") as outlined in the attached Exhibit A [ATTACH THE HIGH TIDE SCOPE LETTER AS EXHIBIT A TO AMENDMENT]. City acknowledges that Company is not a licensed land surveying company and shall not be required to become licensed as such, but that Company has agreed to retain the services of Subconsultant as part of the parties' Agreement as an accommodation to City. Company shall not be responsible for the quality or timeliness of Subconsultant's work, and neither the standard of care nor the indemnity provisions of the Agreement shall apply to Subconsultant's work. Instead, City shall be named as an intended third-party beneficiary of the subconsultant agreement between Company and Subconsultant, and shall look solely to Subconsultant for any alleged or claimed deficiencies in the work performed by Subconsultant."
- G. Design Workshop, Inc. is ready to begin design immediately upon approval and execution of the amendment.

V. Alternatives in order of priority

- A. Approve authorizing the City Manager to execute an amendment to the agreement for a design study for improvements to the downtown area in the amount of \$5,000.
- B. Do not approve the agreement.





City of Galveston

Architectural Projects STAFF REPORT

VI. Recommendation

Approve authorizing the City Manager to execute an amendment to the agreement for a design study for improvements to the downtown area in the amount of \$5,000.

VII. Fiscal Impact Report

Requested by: J. Dudley Anderson, RA
Architectural Projects Manager

Funding Source: Public Infrastructure Silo

Costs of implementation: \$5,000

Respectfully submitted,

J. Dudley Anderson
Architectural Projects Manager



Design Workshop, Inc.
Landscape Architecture
Planning
Urban Design
Strategic Services

812 San Antonio Street
Suite 401
Austin, Texas 78701
512.499.0222
512.499.0229 fax
designworkshop.com

March 14, 2019

J. Dudley Anderson
City of Galveston
City Hall
823 Rosenberg
Galveston, TX 77550

Additional Services for: Downtown Galveston Pedestrian Study

Add Service Number: 1

Dear Dudley,

This letter is a request for approval to complete Additional Services associated with the survey for the Downtown Galveston Pedestrian Study. Based on the proposal for the survey from High Tide Land Surveying Inc [Exhibit A], which your office approved by email on February 14, 2019, we understand that the full scope for the survey exceeds the budget in our executed agreement with the City dated December 14, 2018, thus requiring this Additional Service agreement.

The scope of the survey is attached in Exhibit A and is based on our understanding from discussions at the project kickoff on January 18, 2019.

Assumptions and exclusions:

1. The work covered by this agreement will begin upon receipt from the City of a purchase order for the full survey cost of \$25,000.
2. The Work required by the Agreement executed on December 14, 2018 shall be amended to include additional survey work by High Tide Land Surveying LLC ("Subconsultant") as outlined in the attached Exhibit A. City acknowledges that Design Workshop is not a licensed land surveying company and shall not be required to become licensed as such, but that Design Workshop has agreed to retain the services of Subconsultant as part of the parties' Agreement as an accommodation to City. Design Workshop shall not be responsible for the quality or timeliness of Subconsultant's work, and neither the standard of care nor the indemnity provisions of the Agreement shall apply to Subconsultant's work. Instead, City shall be named as an intended third-party beneficiary of the subconsultant agreement between Design Workshop and Subconsultant, and shall look solely to Subconsultant for any alleged or claimed deficiencies in the work performed by Subconsultant.

By signing this letter, you are authorizing Design Workshop, Inc., and its Subconsultant High Tide Land Surveying LLC to commence services for a fee of \$5,000. This fee includes expenses required to complete the survey as originally identified in the contract executed on December 14, 2018.

Original Contract Amount: \$107,550
Additional Services 1 Amount: \$5,000
Total New Contract Amount: \$112,550

Should you have any questions, please do not hesitate to contact me at (512) 647-2371 (office), 512.774.9191 (cell phone), or chempel@designworkshop.com

Respectfully,

A handwritten signature in black ink, appearing to read "Claire Hempel". The signature is fluid and cursive, with a small dot at the end.

Claire Hempel, PLA, AICP CUD, LEED® Green Associate™
Principal

APPROVED BY CLIENT:

By: _____ Date:

Title:



Stephen C. Blaskey, RPLS 5856
8017 Harborside Drive, Galveston, TX 77554
P.O. Box 16142, Galveston, TX 77552 (Mailing)
(409)740-1517
Stephen@HighTideSurveying.com

Mrs. Erin McDonald:

It is our pleasure to provide you with the attached proposal, and if you have any questions or other things you would like to incorporate into this Scope of Work feel free to contact us.

1. INTRODUCTION

High Tide Surveying (HTS) is pleased to present the following proposal for the provision of LiDAR data acquisition and feature extraction services. HTS will provide:

- Real-Time RTK RTCMv3 (GPS and GLONASS) corrections
- Mobile LiDAR system
- Suitable Road Vehicle
- GPS/GLONASS and IMU Data Post Processing Services
- Final Cleaned and Registered Point Cloud in .LAS format
- Geo-referenced high resolution 4K digital imagery of the route
- Extracted features in AutoCAD format

2. PROPOSAL SUMMARY

This proposal covers the acquisition of LiDAR data, Georeferenced Video and Feature Extraction.

2.1. Establishment of RINEX Data Logging Station

Prior to any LiDAR data collection, a RINEX data logging station will be established in or around the center of the survey route. Normally the end-customer will provide the details of the preferred survey benchmark but in the absence of this information, HTS will establish a survey benchmark using the methods, procedures and guidelines for using survey-grade GNSS to establish vertical datum recommended by the local geodetic authorities. Raw RINEX GNSS data will be logged at the local survey benchmark throughout the duration of the project and combined with data from all other CORS stations in the area to facilitate GPS/GLONASS and IMU Data Post Processing.

2.2. Collection of scanning laser data (LiDAR) from both mobile and static laser scanners

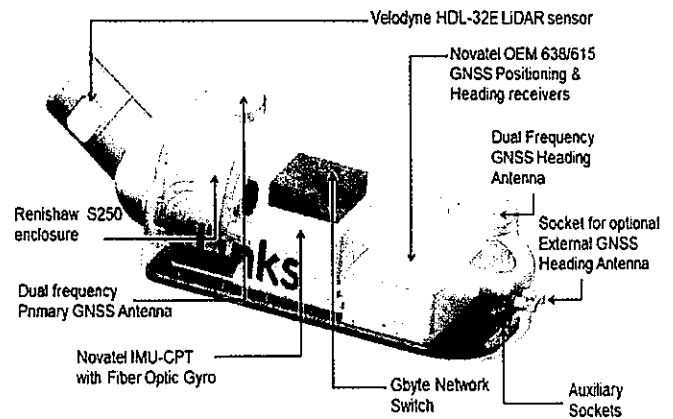
The IntelLAS™ range represents the very latest in mobile LiDAR technology, offering more features, and a superior price performance ratio, than any other mobile LiDAR system on the market today.



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The IntelLAS™ mobile LiDAR system is a stand-alone mobile LiDAR system comprising of the very latest motion sensing and positioning technology including a Tactical Grade Fiber Optic Gyro (FOG) based Inertial Navigation System (INS), a dual triple frequency GNSS positioning and heading system and a state-of-the-art scanning laser module (LiDAR).

The tightly coupled INS and GNSS sub-systems employ Novatel's proprietary SPAN (Synchronous Position, Attitude and Navigation) technology, enabling the system to deliver unrivaled real-time 3D position accuracies.



The IntelLAS™, will be used to collect LiDAR data along the proposed survey area (Figure 1 below). The system is equipped with the Velodyne HDL-32E LiDAR sensor which comprises 32 individual laser pairs across a 40° vertical field of view and a capability to deliver up to 700,000 points per second at 100 meters range with unprecedented survey-grade accuracies of better than 0.1 – 0.2 foot. As the small errors introduced by the GPS/GNSS and IMU systems are magnified over range, the system accuracy will improve as the measured ranges become shorter.

2.3. Collection of geo-referenced images

A digital camera fixed to the LiDAR vehicle can collect geo-reference images from ground level. These images will be referenced in the same reference frame as the LiDAR data using the same RTK positioning source. Geo-referenced images have proven to be very helpful while analyzing the LiDAR data and aiding the feature extraction process.



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Proposed Survey Area - Approximately 72 acres

2.4. 3D Data Processing and DTM Modelling

To meet the challenges of collecting survey-grade LiDAR data from a vehicle moving at normal roadway speeds, GNSS IMU post-processing will be required. Raw GNSS and IMU data will be logged throughout the project at the local reference station, and on the mobile LiDAR system itself. The logged RINEX data will be downloaded from all available CORS reference stations in the area and combined into an adjusted network.

The vehicle trajectory will be re-computed both forwards and backwards along the route and the LiDAR data will be adjusted accordingly. If there are any traditional Land Survey ground shots available along the route, these can also be incorporated into the final 3D point cloud adjustment.

Novatel's Inertial Explorer post-processing software is a powerful, highly configurable processing engine that allows for the best possible static or kinematic GNSS accuracy using all available GNSS data. Inertial Explorer can



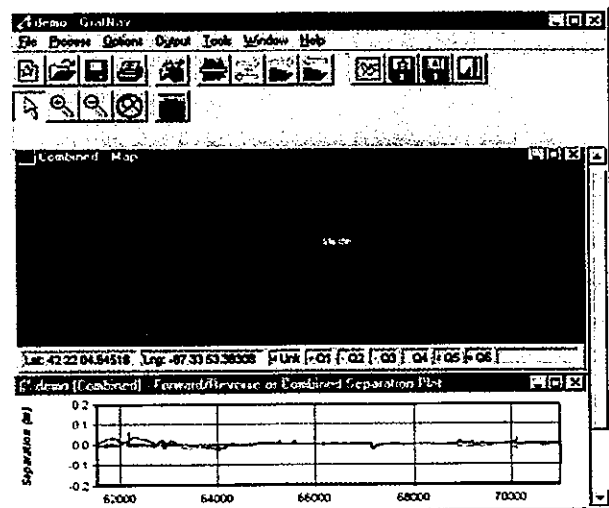
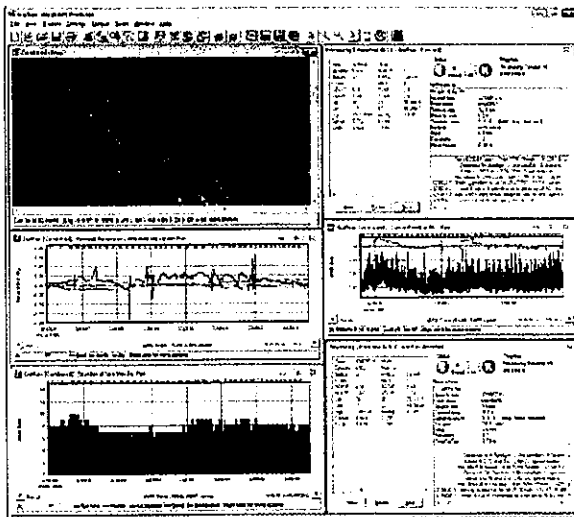
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be configured to optimize the GNSS positioning results, even in the most extreme conditions. The software will be configured to make use of the newly established base station data to achieve centimeter level position accuracy.

A float static solution is available for long and/or noisy baselines. Built-in ionospheric processing improves accuracies for dual-frequency users.

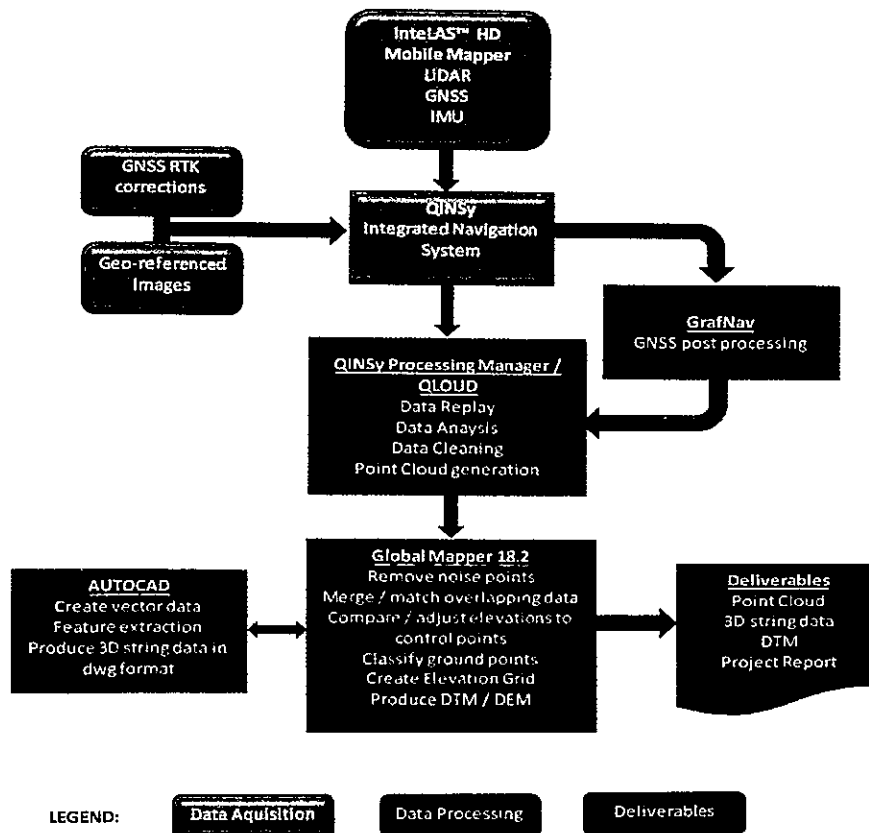
Inertial Explorer Key Features

- Full dual frequency GPS, GLONASS, BeiDou, Galileo and QZSS support within differential processor
- Dual frequency GPS, GLONASS and BeiDou supported in PPP processor
- Support for up to 32 base stations
- Compatible with multiple receiver manufacturers for maximum flexibility
- Static and kinematic processing
- Improved accuracy through forward and reverse processing
- Heading determination between two fixed antennae on the same moving vehicle
- Moving baseline processing: relative positioning and velocity between two kinematic antennas





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Once the GNSS positioning data has been post-processed, the new vehicle trajectory will be loaded back into the data acquisition software and the LIDAR data will be replayed. This will produce a new accurate post-processed point cloud data set. The point cloud will then be cleaned. The LIDAR data acquisition and GNSS post-processing workflow is shown in the diagram below.

2.5. Project Deliverables

- Station Descriptions of the Survey Benchmarks used (if applicable)
- Cleaned and registered 3D Point Cloud in in .LAS, .LAZ or .XYZ format
- Geo-Referenced Images of the survey route
- Accuracy within 0.1 to 0.2 foot



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- Extracted Features in AutoCAD format
 - Approximate ROW Boundary
 - Building Face
 - Tree Wells
 - Site Furnishings (including lighting, trash, planters)
 - Surface Utilities
 - Spot Elevations

3. PRICES

3.1. Mobilization / Demobilization of Vehicle, Equipment & Personnel	
LiDAR vehicle preparation and system calibration	\$ 2,500.00
3.2. LiDAR Data and geo-referenced Imagery Acquisition	
LiDAR data and Hi-Resolution video acquisition	\$ 10,000.00
3.3. GNSS & IMU Post-Processing and Feature Extraction	
Data Post Processing, Cleaning and Feature Extraction	\$ 12,500.00
TOTAL COST	\$ 25,000.00

4. COMMERCIAL TERMS

A Purchase Order from Client must be executed prior to the mobilization of the survey equipment and personnel.

Should you require any clarifications or additional information relating to this proposal, please do not hesitate to contact the undersigned directly.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen C. Blaskey", is written over the printed name and company information.

Stephen C. Blaskey
High Tide Land Surveying, LLC
RPLS 5856



Stephen C. Blaskey, RPLS 5856
 8017 Harborside Drive, Galveston, TX 77554
 P.O. Box 16142, Galveston, TX 77552 (Mailing)
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5. EXAMPLES OF SIMILAR LIDAR SURVEYS

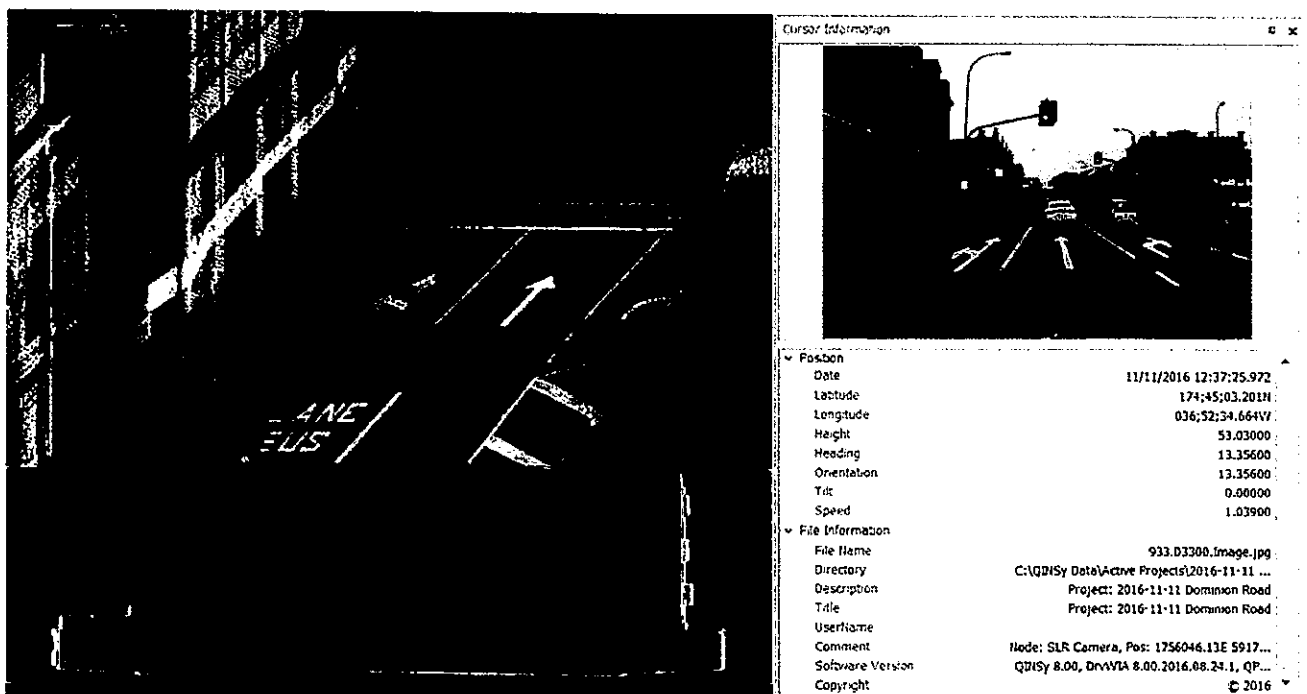


Figure 1 -- LiDAR Data with corresponding Geo-Referenced Image



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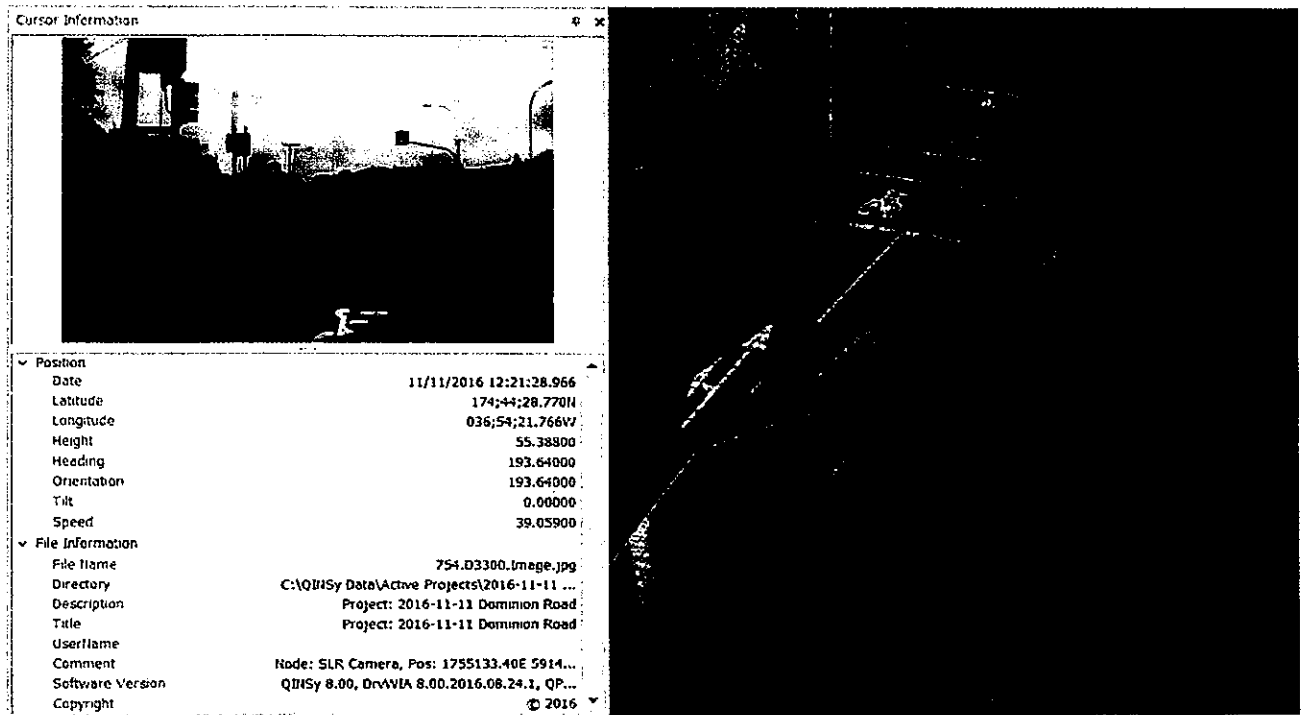


Figure 2 – LiDAR Data with corresponding Geo-Referenced Image



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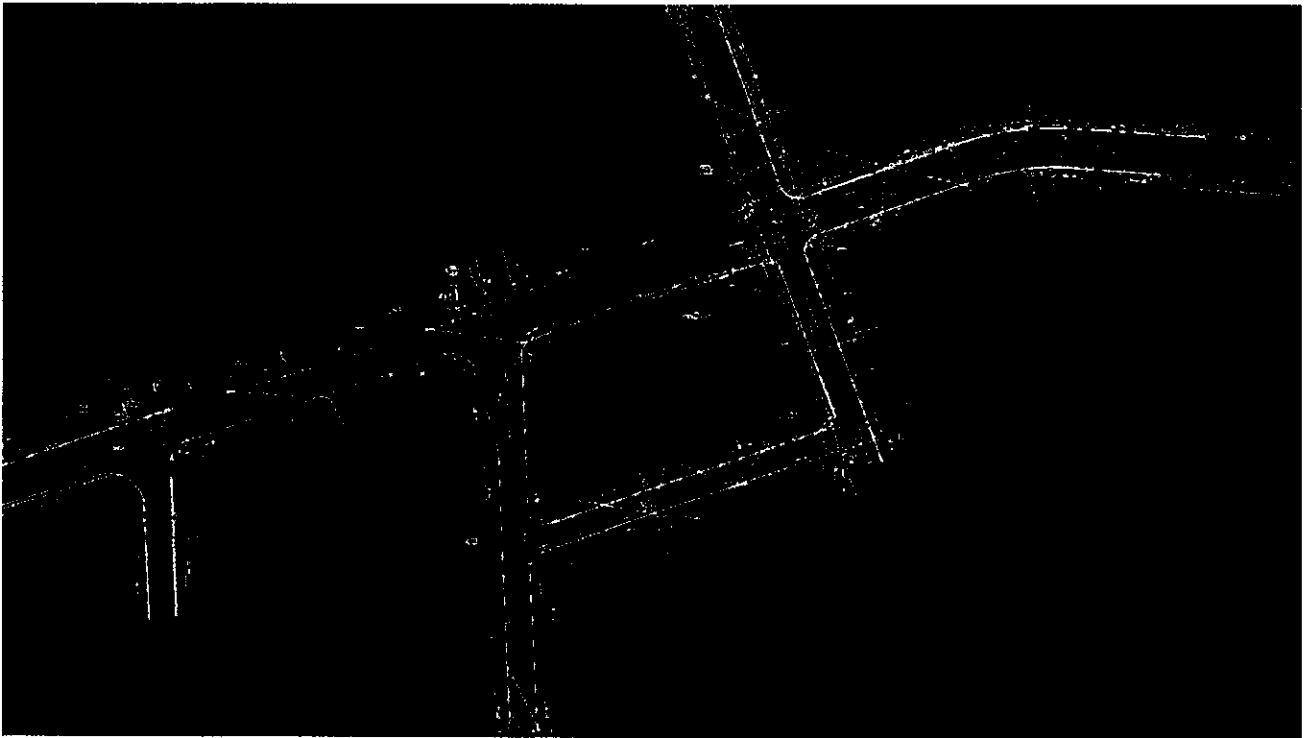


Figure 3 – Feature Extraction Example



City of Galveston

DEPARTMENT OF INFORMATION TECHNOLOGY

STAFF REPORT

March 28, 2019

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

From: Hope Dean, Executive Director & Chief Information Technology Officer

RE: Consider approving the allocation of funds for the purchase of (98) Microsoft Office Standard 2019 in the amount of \$25,830.84 through authorized reseller, SHI Government Solutions, utilizing DIR-TSO-4092 contract.

BACKGROUND

Since the inception of the City's network, the City has standardized on Microsoft products for workstation operating systems (OS), network server operating systems and the Microsoft suite of office applications (Word, Excel, Outlook, Power Point, Access and Publisher). This decision was made based upon the de facto standardization on Microsoft products throughout the country, as well as the integration and compatibility of all products. The City continues its standardization on Microsoft products.

CURRENT SITUATION

1. Microsoft office is core application used throughout the City during the normal course of business.
2. Information Technology is in the process of replacing older desktop workstations that have reached end of life with newer equipment. New equipment was not purchased with office installed.
3. In a separate purchase request this month, Information Technology is requesting Council approve the purchase of 19 Panasonic Toughbook laptop computers for the Police Department. Office is not included in that purchase request.

ISSUES

1. IT is in the process of replacing older desktop and laptop equipment for City and Police department personnel that have reached or exceeded useful life. City personnel would be unable to perform core functional duties without the equipment.
2. Although Microsoft office is installed on equipment being replaced, Microsoft software licensing guidelines prevents the move of the license for use with the new equipment.



3. Absent the Microsoft licensing limitation, staff do not recommend the transition of those licenses due version age. Installed office on equipment is Office 2007, Office 2010 and Office 2013, respectively. Current version of Microsoft office is 2019.

ALTERNATIVES

1. Approve the purchase of Microsoft licenses for the deployment on the new equipment.
2. Do not approve the purchase.

RECOMMENDATION

Approve the purchase of 98 Microsoft Office licenses through authorized VAR reseller, SHI Government Solutions under DIR-TSO-4092 contract in the amount of \$25,830.84.

FISCAL IMPACT REPORT

Requested by:	Hope Dean Chief Information Technology Officer
Funding Source:	IT Operating Budget (\$20,822.82) Police Department Operating Budget (\$5002.02)
Costs of implementation:	\$ 25,830.84





Pricing Proposal
Quotation #: 16763508
Created On: 3/4/2019
Valid Until: 3/29/2019

CITY OF GALVESTON

Jeff Ammerman

P.O. BOX 779
ATTN: ACCOUNTS PAYABLE
GALVESTON, TX 77553
United States
Phone: 409-797-3576
Fax: (409) 797-3583
Email: JAmmerman@GalvestonTX.gov

Inside Account Manager

Jeremy Freedman

1301 South Mo-Pac Expressway
Suite 375
Austin, TX 78746
Send PO to: Texas@shi.com
Phone: 1-800-870-6079 x 6526675
Fax: 512-732-0232
Email: Jeremy_Freedman@shi.com

[Click here](#) to order this quote

All Prices are in US Dollar (USD)

Product	Qty	Your Price	Total
1 Microsoft Office 2019 Sngl MVL 1License Microsoft - Part#: 021-10626 Contract Name: Microsoft Software VAR Contract #: DIR-TSO-4092	98	\$263.58	\$25,830.84
Total			\$25,830.84

Additional Comments

Service Level Agreements:

1. **Quotes:** Quote requests will be acknowledged within 4 business hours of each request. Under normal circumstances, quotes will be provided within 24-48 hours of the initial request. If quotes will take longer than this timeframe, status updates will be provided at reasonable intervals.

2. **Orders:** All valid orders will be processed within 24 hours.

3. **Contract Documents:** All submissions will be reviewed and responded to within 24 business hours. Actual processing time will vary based on quality and complexity of the submission.

Thank you for choosing SHI-GS! To ensure the best level of service, please provide End User Name, Phone Number, Email Address and applicable Contract Number when submitting a Purchase Order. For any additional Information including Hardware, Software and Services Contracts, please contact an SHI-GS Inside Sales Representative at (800) 870-6079.

SHI Government Solutions, Inc. is 100% Minority Owned, Woman Owned Business.
TAX ID# 22-3695478; DUNS# 14-724-3096

The Products offered under this proposal are resold in accordance with the [SHI Online Customer Resale Terms and Conditions](#), unless a separate resale agreement exists between SHI and the Customer.

STATE OF TEXAS
DEPARTMENT OF INFORMATION RESOURCES
CONTRACT FOR PRODUCTS AND RELATED SERVICES
SHI Government Solutions, Inc.

1. Introduction

A. Parties

This Contract for products and related services is entered into between the State of Texas, acting by and through the Department of Information Resources (hereinafter “DIR”) with its principal place of business at 300 West 15th Street, Suite 1300, Austin, Texas 78701, and SHI Government Solutions, Inc. (hereinafter “Vendor”), with its principal place of business at 1301 South MoPac Expressway Ste. 375 Austin, TX 78746.

B. Compliance with Procurement Laws

This Contract is the result of compliance with applicable procurement laws of the State of Texas. DIR issued a solicitation on the Comptroller of Public Accounts’ Electronic State Business Daily, Request for Offer (RFO) DIR-TSO-TMP-404, on 6/08/2017, for Value Added Software Resellers. Upon execution of this Contract, a notice of award for RFO DIR-TSO-TMP-404 shall be posted by DIR on the Electronic State Business Daily.

C. Order of Precedence

For purchase transactions under this Contract, the order of precedence shall be as follows: this Contract; Appendix A, Standard Terms and Conditions For Products and Related Services Contracts; Appendix B, Vendor’s Historically Underutilized Businesses Subcontracting Plan; Appendix C, Pricing Index; Exhibit 1, Vendor’s Response to RFO DIR-TSO-TMP-404, including all addenda; and Exhibit 2, DIR-TSO-TMP-404, including all addenda; Exhibit 3, Eligible Customer Exceptions; are incorporated by reference and constitute the entire agreement between DIR and Vendor governing purchase transactions. In the event of a conflict between the documents listed in this paragraph related to purchases, the controlling document shall be this Contract, then Appendix A, then Appendix B, then Appendix C, then Exhibit 3, then Exhibit 1, and finally Exhibit 2. In the event and to the extent any provisions contained in multiple documents address the same or substantially the same subject matter but do not actually conflict, the more recent provisions shall be deemed to have superseded earlier provisions.

2. Term of Contract

The term of this Contract shall be two (2) years commencing on the last date of approval by DIR and Vendor. **Prior to expiration of the original term, the contract will renew automatically in two year increments for two additional years, for a total of six years (6), under the same terms and conditions unless either party provides notice to the other party 60 days in advance of the renewal date stating that the party wishes to discuss modification of terms or not renew.** Additionally, the parties by mutual agreement may extend the term for up to ninety (90) additional calendar days.

3. Product and Service Offerings

A. Products

Products available under this Contract are limited to *Microsoft Products* as specified in Appendix C, Pricing Index. Vendor may incorporate changes to their product offering; however, any changes must be within the scope of products awarded based on the posting described in Section 1.B above. Vendor may not add a manufacturer's product line which was not included in the Vendor's response to the solicitation described in Section 1.B above.

B. Services

Services available under this Contract are limited to *Software services*, plus related technical *services* as specified in Appendix C, Pricing Index. Vendor may incorporate changes to their service offering; however, any changes must be within the scope of services awarded based on the posting described in Section 1.B above.

4. Pricing

Pricing to the DIR Customer shall be as set forth in Appendix A, Section 8, Pricing, Purchase Orders, Invoices and Payment, and as set forth in Appendix C, Pricing Index, and shall include the DIR Administrative Fee.

5. DIR Administrative Fee

A) The administrative fee to be paid by the Vendor to DIR based on the dollar value of all sales to Customers pursuant to this Contract is three quarters of one percent (75%). Payment will be calculated for all sales, net of returns and credits. For example, the administrative fee for sales totaling \$100,000 shall be \$750.00

B) All prices quoted to Customers shall include the administrative fee. DIR reserves the right to change this fee upwards or downwards during the term of this Contract, upon written notice to Vendor without further requirement for a formal contract amendment. Any change in the administrative fee shall be incorporated in the price to the Customer.

6. Notification

All notices under this Contract shall be sent to a party at the respective address indicated below.

If sent to the State:

Kelly A Parker, CTPM, CTCM
 Director, Cooperative Contracts
 Department of Information Resources
 300 W. 15th St., Suite 1300
 Austin, Texas 78701
 Phone: (512) 475-1647
 Facsimile: (512) 475-4759
 Email: kelly.parker@dir.texas.gov

If sent to the Vendor:

Victoria Pubylski
SHI Government Solutions, Inc.
1301 South Mo-Pac Expressway, Suite 375
Austin, Texas 78746
Phone: (512) 582-6724
Fax: (512) 732-0232
Email: Victoria_Pubylski@shi.com

7. Software License Agreements

A. Shrink/Click-wrap License Agreement

Regardless of any other provision or other license terms which may be issued by Vendor after the effective date of this Contract, and irrespective of whether any such provisions have been proposed prior to or after the issuance of a Purchase Order for products licensed under this Contract, or the fact that such other agreement may be affixed to or accompany software upon delivery (shrink-wrap), the terms and conditions set forth in this Contract shall supersede and govern the license terms between Customers and Vendor. **It is the Customer's responsibility to read the Shrink/Click-wrap License Agreement and determine if the Customer accepts the license terms as amended by this Contract. If the Customer does not agree with the license terms, Customer shall be responsible for negotiating with the reseller to obtain additional changes in the Shrink/Click-wrap License Agreement language from the software publisher.**

B. Conflicting or Additional Terms

In the event that conflicting or additional terms in Vendor Software License Agreements, Vendor Shrink/Click Wrap License Agreements, Vendor Service Agreements or linked or supplemental Vendor documents amend or diminish the rights of DIR Customers or the State, such conflicting or additional terms shall not take precedence over the terms of this Contract.

In the event of a conflict, any linked documents may not take precedence over the printed or referenced documents comprising this contract; provided further that any update to such linked documents shall only apply to purchases or leases of the associated Vendor product or service offering after the effective date of the update; and, provided further, that, if Vendor has responded to a solicitation or request for pricing, no update of such linked documents on or after the initial date of Vendor's initial response shall apply to that purchase unless Vendor directly informs Customer of the update before the purchase is consummated.

In the event that different or additional terms or conditions would otherwise result from accessing a linked document, agreement to said linked document shall not be effective until reviewed and approved in writing by Customer's authorized signatory.

Vendor shall not [without prior written agreement from Customer's authorized signatory,] require any document that: 1) diminishes the rights, benefits, or protections of the Customer, or that alters the definitions, measurements, or method for determining any authorized rights, benefits, or protections of the Customer; or 2) imposes additional costs, burdens, or obligations upon Customer, or that alters the definitions, measurements, or method for determining any authorized costs, burdens, or obligations upon Customer. The foregoing requirements do not apply to contracts between Customer and a software publisher.

8. Eligible Customers

Vendor is authorized to sell awarded products and related services to all eligible DIR customers, excluding Texas state agencies. Exceptions to this provision are noted in Exhibit 3, Eligible Customer Exceptions. **Appendix A, Standard Terms and Conditions for Product and Related Services Contracts, Section 3, Definitions Customer** is hereby restated in its entirety and replaced as follows:

A. Customer - any unit of local government, institution of higher education as defined in Section 2054.003, Texas Government Code, the Electric Reliability Council of Texas, the Lower Colorado River Authority, a private school, as defined by Section 5.001, Education Code, a private or independent institution of higher education, as defined by Section 61.003, Education Code, a volunteer fire department, as defined by Section 152.001, Tax Code, and those state agencies purchasing from a DIR contract through an Interagency Agreement, as authorized by Chapter 771, Texas Government Code, any local government as authorized through the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the state agencies and political subdivisions of other states as authorized by Section 2054.0565, Texas Government Code and, except for telecommunications services under Chapter 2170, Texas Government Code, assistance organizations as defined in Section 2175.001, Texas Government Code to mean:

- 1) A non-profit organization that provides educational, health or human services or assistance to homeless individuals;
- 2) A nonprofit food bank that solicits, warehouses, and redistributes edible but unmarketable food to an agency that feeds needy families and individuals;
- 3) Texas Partners of the Americas, a registered agency with the Advisory Committee on Voluntary Foreign Aid, with the approval of the Partners of the Alliance Office of the Agency for International Development;
- 4) A group, including a faith-based group, that enters into a financial or non-financial agreement with a health or human services agency to provide services to that agency's clients;
- 5) A local workforce development board created under Section 2308.253;
- 6) A nonprofit organization approved by the Supreme Court of Texas that provides free legal services for low-income households in civil matters;

- 7) The Texas Boll Weevil Eradication Foundation, Inc., or an entity designated by the commissioner of agriculture as the foundation's successor entity under Section 74.1011, Texas Agriculture Code;
- 8) A nonprofit computer bank that solicits, stores, refurbishes and redistributes used computer equipment to public school students and their families; and
- 9) A nonprofit organization that provides affordable housing.

9. Change of Channel Partner

For all agreements, enrollments and tenant enrollments associated with DIR's Data Center Services (DCS) program, and any other Texas state agency, the authorized Reseller and Channel Partner transition to a new value-added reseller will be effective on the date stated in the Change of Channel Partner and Change of Direct and Large Account Reseller amendments executed by all Parties. Vendor agrees to sign and return the Change of Channel Partner amendments within 5 days of receipt.

10. Authorized Exceptions

1. Appendix A, Standard Terms and Conditions for Product and Related Services Contracts.

B. Contract, Section 3, Definitions, B) Compliance Check is hereby restated in its entirety as follows:

B) Compliance Check – an audit of Vendor's, to the extent reasonably necessary, to verify performance hereunder. Vendor's audit may be performed by, but not limited to, a third-party auditor, DIR Internal Audit department, DIR contract management staff or their designees.

C. Contract, Section 5, Intellectual Property Matters, Section A Definitions, Item 1, Work Product is hereby restated in its entirety as follows:

1) "Work Product" means any and all tangible and intangible output of Vendor's Services produced by Vendor for Customer under a Statement of Work issued pursuant to this Contract, including any and all tangible or intangible items or things that have been or will be prepared, created, developed for Customer, including but not limited to any (i) works of authorship (such as manuals, instructions, printed material, graphics, artwork, images, illustrations, photographs, flow charts, notes, writings, data, information, multimedia files, other written or machine readable expression of such works fixed in any tangible media, and all other copyrightable works), (ii) any copies, and similar or derivative works to any of the foregoing, (iii) documentation and materials, and (iv) all Intellectual Property Rights in any of the foregoing, and which are or were created, prepared, developed, invented or conceived for the use or benefit of Customer in connection with this Contract or a Statement of Work, or with funds appropriated by or for Customer or Customer's benefit: (a) by any Vendor personnel or Customer personnel, or (b) any Customer personnel who then became personnel to Vendor or any of its affiliates or subcontractors, where, although creation or reduction-to-practice is

Vendor Contract No. _____

completed while the person is affiliated with Vendor or its personnel, any portion of same was created, invented or conceived by such person while affiliated with Customer.

D. Contract, Section 5, Intellectual Property Matters, A Definitions, Item 2) “Intellectual Property Rights” is hereby restated in its entirety as follows:

2) “Intellectual Property Rights” means the worldwide legal rights or interests evidenced by or embodied in: (i) any compilations, diagrams, layouts, mask works, idea, design, concept, personality right, method, process, formula, technique, apparatus, invention, discovery, or improvement, including any patents, trade secrets, and know-how, show-how, research and development; (ii) any work of authorship, including any copyrights, moral rights or neighboring rights; (iii) any software (including routines and sub routines, trademark, service mark, logo, Confidential Information, pre-existing and independently developed materials, trade dress, trade name, or other indicia of source or origin; (iv) domain name registrations; and (v) any other proprietary or similar rights. The Intellectual Property Rights of a party include all worldwide legal rights or interests that the party may have acquired by assignment or license with the right to grant sublicenses.

E. Contract, Section 5, Intellectual Property Matters, A Definitions, Item 5) “Vendor IP” is hereby restated in its entirety as follows:

5) “Vendor IP” shall mean all tangible or intangible items or things, including the Intellectual Property Rights therein, created or developed by Vendor (a) prior to providing any Services or Work Product to Customer and prior to receiving any documents, materials, information or funding from or on behalf of Customer relating to the Services or Work Product, or (b) after the Effective Date of the Contract if such tangible or intangible items or things do not include (i) any Confidential Information of Customer; or (ii) any ideas, concepts, know-how, skills, methodologies, or techniques which (A) are developed solely by Customer, or (B) are unique to Customer or its applications and are developed for inclusion in the Work Product.

F. Contract, Section 5, Intellectual Property Matters, B Ownership is hereby restated in its entirety as follows:

Vendor owns all right, title, and interest the Vendor IP. As between Vendor and Customer, and upon payment by Customer, of any undisputed invoice of vendor directly related to a specific element of work product, that absent of the Work Product and Intellectual Property Rights therein are and shall be owned exclusively by Customer, and not Vendor. Vendor specifically agrees that the Work Product shall be considered “works made for hire” and that the Work Product shall, upon creation, be owned exclusively by Customer. Subject to Vendor’s confidentiality obligations to customer; Nothing in this Contract precludes Vendor from providing services similar to those described in this Contract or any Statement of Work to any other customers. To the extent that the Work Product, under applicable law, may not be considered works made for hire, Vendor hereby agrees that the Contract effectively transfers, grants, conveys, assigns, and relinquishes exclusively to Customer all right, title and interest in and to all ownership rights in the Work Product, and all Intellectual Property Rights in the Work Product, without the necessity of any further consideration, and Customer shall be entitled to obtain and hold in its own name all Intellectual Property Rights in and to the Work Product. Vendor acknowledges that Vendor and Customer do not intend Vendor to be a

Vendor Contract No. _____

joint author of the Work Product within the meaning of the Copyright Act of 1976. Customer shall have access, during normal business hours (Monday through Friday, 8AM to 5PM) and upon reasonable prior notice to Vendor, to all necessary and relevant Vendor materials, premises and computer files containing the Work Product Vendor and Customer, as appropriate, will cooperate with one another and execute such other documents as may be reasonably appropriate to achieve the objectives herein. No license or other right is granted hereunder to any Third-Party IP, except as may be incorporated in the Work Product by Vendor.

G. Contract, Section 5, Intellectual Property Matters, G) Return of Materials Pertaining to Work Product is hereby restated in its entirety as follows:

Upon the request of Customer, but in any event upon termination or expiration of this Contract or a Statement of Work, Vendor shall surrender to Customer all documents and things necessary to the understanding and operation of the work product and all things pertaining to the Work Product, including but not limited to drafts, memoranda, notes, records, drawings, manuals, reports, data, and all other documents or materials (and copies of same) generated or developed by Vendor or furnished by Customer to Vendor, including all materials embodying the Work Product, any Customer confidential information, or Intellectual Property Rights in such Work Product, regardless of whether complete or incomplete. This section is intended to apply to all Work Product as well as to all documents and things furnished to Vendor by Customer or by anyone else that pertain to the Work Product.

H. Contract, Section 5, Intellectual Property Matters, K) License to Customer is hereby restated in its entirety as follows:

If Vendor includes any Vendor IP, then Vendor grants to Customer, a limited, perpetual, irrevocable, royalty free, non-exclusive license, solely for the Customer's internal business purposes, to use, copy, modify, display, perform (by any means), transmit and prepare derivative works of any Vendor IP, solely to the extent such Vendor IP is necessary to use the Work Product, embodied in or delivered to Customer in conjunction with the Work Product. The foregoing license includes the right to sublicense third parties, solely for the purpose of engaging such third parties to assist or carryout Customer's internal business use of the Work Product. Except for the preceding license, all rights in Vendor IP remain in Vendor.

I. Contract, Section 5, Intellectual Property Matters, L) Vendor Development Rights is hereby restated in its entirety as follows:

To the extent not inconsistent with Customer's rights in the Work Product or as set forth herein, nothing in this Contract shall preclude Vendor from developing for itself, or for others, materials which are competitive with those produced as a result of the Services provided hereunder, provided that no Work Product is utilized, and no Intellectual Property Rights of Customer therein are infringed by such competitive materials. To the extent that Vendor wishes to use the Work Product, or acquire licensed rights in certain Intellectual Property Rights of Customer therein in order to offer competitive goods or services to third parties, Vendor and Customer agree to negotiate in good faith regarding an appropriate license and royalty agreement to allow for such. Customer shall not and shall not permit any affiliates or third party to translate, reverse engineer, decompile, recompile, update, or modify any Vendor IP. If Customer provides any input, comments or suggestions regarding the Services, Vendor IP, or Vendor's business or technology

Vendor Contract No. _____

plans, including comments or suggestions regarding the possible creation, development, modification, correction, improvement or enhancement of the Services or Vendor IP (collectively "Feedback"), then Customer shall grant and hereby grants Vendor a perpetual, nonexclusive, world-wide, royalty free, license to use such Feedback without restriction.

J. Contract, Section 10, Vendors Responsibility, A Indemnification, Item 3

Infringements is hereby restated in its entirety as follows:

a) Vendor shall indemnify and hold harmless the State of Texas and Customers, AND/OR THEIR EMPLOYEES, AGENTS, REPRESENTATIVES, CONTRACTORS, ASSIGNEES, AND/OR DESIGNEES from any direct damages arising from all third party claims that the Work Product involve infringement of any United States patents, copyrights, trade and service marks, and any other intellectual or intangible property rights in connection with the PERFORMANCES OR ACTIONS OF VENDOR PURSUANT TO THIS CONTRACT. SHALL BE LIABLE TO PAY ALL COSTS OF DEFENSE INCLUDING ATTORNEYS' FEES. THE DEFENSE SHALL BE COORDINATED BY VENDOR WITH THE OFFICE OF THE ATTORNEY GENERAL WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND VENDOR MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE OFFICE OF THE ATTORNEY GENERAL.

b) Vendor shall have no liability under this section if the alleged infringement is caused in whole or in part by: (i) use of the product or service for a purpose or in a manner for which the product or service was not designed, (ii) any modification made to the product without Vendor's written approval, (iii) any modifications made to the product by the Vendor pursuant to Customer's specific instructions, (iv) any intellectual property right owned by or licensed to Customer, (v) Customer's combination or use of the Work Product or Service with software, services, or products developed by Customer or third parties or (vi) any use of the product or service by Customer that is not in conformity with the terms of any applicable license agreement.

c) If Vendor becomes aware of an actual or potential claim, or Customer provides Vendor with notice of an actual or potential claim, Vendor may (or in the case of an injunction against Customer, shall), at Vendor's sole option and expense: (i) procure for the Customer the right to continue to use the affected portion of the product or service, (ii) modify or replace the affected portion of the product or service with functionally equivalent or superior product or service so that Customer's use is non-infringing, or (iii) replace the Work Product or Services at no cost to Customer with non-infringing substitutes provided that the substitutes do not entail a material diminution in function in Customer's reasonable estimation.

(Remainder of page intentionally left blank)

This Contract is executed to be effective as of the date of last signature.

SHI Government Solutions, Inc.

Authorized By: Signature on File

Name: Natalie Castagno

Title: Director of Response Team

Date: 2/20/2018

The State of Texas, acting by and through the Department of Information Resources

Authorized By: Signature on File

Name: Hershel Becker

Title: Chief Procurement Officer

Date: 2/21/2018

Office of General Counsel: David Brown
Signature on File 2/21/2018

Exhibit 3 to DIR-TSO-4092 Eligible Customers Exceptions

Vendor is authorized, through the applicable agreement end date stated below, to conduct all business necessary to meet agency requirements of current and existing Microsoft Enterprise License Agreements (EA) for the following agencies and pertaining to the agency's agreement numbers listed herein.

Agreement Number	Primary Customer Name	Primary Public Customer Number	Program	License Agreement Type	Agreement Status	Agreement Start Date	Agreement End Date
5069791	Texas Health & Human Services Commission on behalf of itself and its affiliates	B7FF95C2	Enterprise Subscription 6	Government	Active	12/1/2015	11/30/2018
6365385	Texas HHS Commission on behalf of itself and its affiliates-5069791-HHSC Test Tenant	B34833B3	Enterprise Subscription 6	Government	Active	12/1/2015	11/30/2018
4944569	Texas Legislative Council	9C6CED4B	Enterprise 6	Government	Active	12/1/2015	11/30/2018
5000039	Texas Legislative Council	BF449D30	Enterprise 6	Government	Active	12/1/2015	11/30/2018
7617237	Texas Medical Board	905EB7DD	Enterprise 6	Government	Active	1/1/2016	12/31/2018
5679409	Texas Office of Court Administration	AB73A50F	Enterprise 6	Government	Active	1/1/2016	12/31/2018
6609840	Texas Office of Court Administration	BAC04E4C	Enterprise 6	Government	Active	1/1/2016	12/31/2018
7610597	TX Commission on Fire Protection	8F83B4A3	Enterprise 6	Government	Active	8/28/2015	8/31/2018



City of Galveston

DEPARTMENT OF INFORMATION TECHNOLOGY

STAFF REPORT

March 28, 2019

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

From: Hope Dean, Executive Director & Chief Information Technology Officer

RE: Staff recommends entering into a contract with Centre Technologies in the amount of two hundred sixty thousand eight hundred fifty two dollars and two cents (\$260,852.02) for consulting services for the build out of an off-site disaster recovery solution, including the purchase of additional hardware and software utilizing the Texas Department of Information Resources (DIR) intergovernmental contract purchasing program under contract numbers DIR-TSO-3334, DIR-TSO-3926, and DIR-TSO-3763.

BACKGROUND

The Information Technology Department is charged with providing a modern, progressive, and stable computing environment for the City's computing and electronic needs. Achieving this on a restricted budget and remaining fiscally responsible requires careful planning, time for implementation, and communication between the user community and the systems personnel.

In late 2017/early 2018, the City completed implementation of a new Dell Compellent Storage Area Network array (SAN), replacing older less powerful SAN equipment, at the City's primary data center located in the Criminal Justice Center at 601 54th Street. This environment provides data and application services to all City Departments including email, file storage, application presentation, public safety, and phone system services. This virtualized server environment ensures the City is utilizing current technology, and has virtually eliminated physical server installations resulting in a cost savings and increased efficiency by reduced power consumption, reduced hardware replacement costs, and more efficient system administration.

CURRENT SITUATION

1. The City has a contract with American National Insurance Company for space at its state of art data center located in League City. However, to make use of the data center for recovery purposes, the City must provide its own infrastructure.



2. With the upgrade of the SAN technology, the current virtualized server environment at the Justice Center is sufficient to provide requisite service to the City; however, recovery options are limited due to all associated hardware being located in a single physical location, which creates significant risk to the City. The 2017 project was not only intended to modernize the storage array equipment at the City's primary data center, it was also intended to serve as the first phase of a long term goal to create an off-site disaster recovery solution using the older SAN technology that will provide redundancy of the City's data and applications by replicating data between sites.
3. The project was designed to utilize a data storage model that would support the proposed implementation by including a dedicated storage device for the off-site disaster recovery location. This storage model, will provide server and data replication between sites, and create a recovery path in the case of a disaster affecting the primary data center.
4. Cost included in this purchase include the replacement of two servers in the production environment. Servers that are removed from production will be re-purposed for the build out of recovery data center.
5. The City has been utilizing Centre Technologies for strategic support of the City's IT environment and limited staff augmentation since the 2017 project began. Centre Technologies has proven to be an effective and efficient IT strategic partner for the City following successful re-design and implementation of the primary data center infrastructure project and have been instrumental in working with the City's IT infrastructure team on the design of the off-site disaster recovery project plan.
6. Although the City will be primarily utilizing older SAN technology previously removed from production, additional equipment and software are required to support the build out of the disaster recovery data center. Equipment for the project will be purchased through Centre Technologies, identified as a Women owned Historically Under-utilized Business (HUB), utilizing the Department of Information Resources (DIR) purchasing cooperatives DIR-TSO-3334, DIR-TSO-3926, and DIR-TSO-3763, respectively. Cost of the equipment and services included in the purchase is:

Description	Cost
Consulting Services	\$ 48,000.00
Hardware, includes 5 yrs. maintenance and support for computing power	\$ 79,086.01
Software Licenses, including 3 yrs. maintenance and support	\$ 133,408.87
Shipping and Handling	\$ 357.14
Total	\$ 260,852.02

ISSUES

1. The City currently lacks an off-site disaster recovery solution capable of supporting operations in the event the current data center is incapacitated. By replacing the production SAN arrays with new higher performance arrays, the City is now capable of leveraging the older SAN technology and server computing power at the off-site disaster recovery data center.
2. Although the City is leveraging its capabilities through the utilization of its existing SAN technology for the build out of the disaster recovery data center, additional equipment and software are necessary to support full operational capabilities.
3. Current staff are tasked with operational support of all city systems and absent significant training lack sufficient knowledge and experience to complete the build out of the disaster recovery data center. The use of consulting services with specific experience ensures the timely and effective implementation of this solution.

ALTERNATIVES

1. Approve the Consultant Services Agreement with Centre Technologies for the build out of a secondary data center for disaster recovery purposes;
2. Do not approve the Consultant Services Agreement and purchase of additional hardware and software for the secondary data center which leaves the City exposed to unnecessary operational risks or
3. Continue using the tape back-up solution currently in place, which only supports data recovery, not operational capabilities. This greatly limits the City's ability to recover from a disaster as it doesn't include the necessary hardware needed to run the City's applications.

RECOMMENDATION

It is recommended the City Council approve and authorize the City Manager to execute an agreement with Centre Technologies for the purchase of additional hardware, software and consulting service to build out a secondary off-site disaster recovery solution.

FISCAL IMPACT REPORT

Requested by:	Hope Dean Chief Information Technology Officer
Funding Source:	Technology Improvement Fund & IT Operating Budget
Costs of implementation:	\$260,852.02

CITY OF GALVESTON
TECHNICAL CONSULTING SERVICES CONTRACT

THIS AGREEMENT is entered into this 20 day of March, 2019, by and between the City of Galveston, Texas, hereinafter called the "City", and Centre Technologies hereinafter called "CENTRE TECHNOLOGIES", located in Houston Texas in connection with the following project:

Disaster Recovery Site Implementation Services

This agreement between the Parties consist of the terms and conditions set forth herein, and in those documents, attached and incorporated for all purposes; Exhibit "A", identified as Responsive Proposal from CENTRE TECHNOLOGIES

WHEREAS, the City desires to engage CENTRE TECHNOLOGIES to render certain services in connection with the above stated project.

NOW THEREFORE, the parties do mutually agree as follows:

PART I

1. Scope of Services

The Scope of Services shall be as set forth in the attached "Exhibit A".

2. Time of Performance - The services as set forth in Exhibit A shall commence on the above referenced date of this Agreement. Due to the nature and extent of the project the work is expected to be completed within 180 calendar days of issuance of a Notice to Proceed.

3. Independent Contractors – The parties are independent contractors as to each other. Nothing in this Contract shall be construed as creating any agency or employment relationship. Neither party shall make any representations tending to create an apparent or implied agency or employment relationship. Neither party has the authority to act for the other or to create obligations or debts binding on the other. Neither party shall be responsible for any obligations or expenses incurred by the other. By entering into this Agreement, Company agrees that City is entering into this agreement in its governmental capacity, and not a proprietary one.

4. Standard of Care – The standard of care for all contractual and related services performed or furnished by CENTRE TECHNOLOGIES under this agreement will be the care and skill ordinarily used by members of the subject profession practicing under similar circumstances at the same time and in the same locality.

5. Access to Information - It is agreed that all information, data, reports and records and maps as are existing, available and necessary for the carrying out of the work outlined above

shall be furnished to CENTRE TECHNOLOGIES by the City and its agencies. The City and its agencies will cooperate with CENTRE TECHNOLOGIES in every way possible to facilitate the performance of the work described in the contract.

6. Appropriations - The obligations of the City to make payment under this Agreement are expressly subject to appropriations by the City of funds that are lawfully available to be applied to such purpose.
7. Compensation - The maximum amount of compensation and reimbursement to be paid hereunder shall not exceed two hundred sixty thousand eight hundred fifty two dollars and two cents (\$260,852.02). Invoices are submitted by CENTRE TECHNOLOGIES each month (not necessarily falling on the first or last day of the month). City shall notify CENTRE TECHNOLOGIES in writing, of any and all objections, if any, to an invoice. City shall notify CENTRE TECHNOLOGIES in writing, of any and all objections, if any, to an invoice. Amounts indicated on invoices are due and payable immediately upon receipt. The City will comply with Texas law in paying and/or disputing invoices.
8. The City shall not be responsible for payment to CENTRE TECHNOLOGIES for any additional services or expenses not specifically included in Exhibit "A", except upon execution of an amendment to this Agreement in writing by both parties. Parties shall attempt to resolve any payment disputes within sixty (60) days or the matter may be submitted to mediation
9. INDEMNIFICATION: FOR CONSIDERATION RECEIVED, CENTRE TECHNOLOGIES shall indemnify, defend, save and hold the City of Galveston harmless, including City's officers, agents, employees and servants, from any claims, actions, lawsuits, proceedings, damages, loss, damage, judgments, liabilities or expense on account of damage to property and injuries, including death, which may arise or result, in whole or in part from any negligent act or omission of CENTRE TECHNOLOGIES or those acting under CENTRE TECHNOLOGIES'S supervision or control. CENTRE TECHNOLOGIES shall not be responsible, however, for any loss, damage, liability or expense on account of damage to property and injuries, including death, which may arise from the sole negligence of the city. **CENTRE TECHNOLOGIES shall comply with the requirements of all current applicable laws, rules and regulations and shall indemnify, and hold harmless the City and its agency members from and against the failure to comply with those laws, and shall assume full responsibility for payments of Federal, State and local taxes on contributions imposed or required under the Social Security, worker's compensation and income tax laws.**
10. Construction – This Agreement shall be construed under and in accord with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Galveston County, Texas. Agreement shall be binding upon and insure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns where permitted by this Agreement. In any case, if one or more of the provisions contained in this Agreement shall for any reason be held to

be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and this Agreement shall not be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

11. Termination of Contract for Cause. If, through any cause, CENTRE TECHNOLOGIES shall fail to fulfill in a timely and proper manner his/her obligations under this Contract, or if CENTRE TECHNOLOGIES shall violate any of the covenants, agreements, or stipulations of this Contract, the City shall thereupon have the right to terminate this Contract by giving written notice to CENTRE TECHNOLOGIES of such termination and specifying the effective date thereof, at least five days before the effective date of such termination. In such event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs and reports prepared by CENTRE TECHNOLOGIES under this Contract shall, at the option of the City, become property of the City and the CENTRE TECHNOLOGIES shall be entitled to receive just and equitable compensation for any work satisfactorily completed hereunder. Notwithstanding the above, CENTRE TECHNOLOGIES shall not be relieved of liability to the City for damages sustained by the City by virtue of any breach of the Contract by CENTRE TECHNOLOGIES, and the City may withhold any payments to CENTRE TECHNOLOGIES for the purpose of set-off until such time as the exact amount of damages due the City from CENTRE TECHNOLOGIES is determined.
12. Termination for Convenience of the City. The City may terminate this Contract at any time by giving at least ten (10) days' notice in writing to CENTRE TECHNOLOGIES. If the Contract is terminated by the City as provided herein, CENTRE TECHNOLOGIES will be paid for the time provided and expenses incurred up to the termination date. If this Contract is terminated due to the fault of CENTRE TECHNOLOGIES, Paragraphs relative to termination shall apply.
13. Liquidated Damages: Failure to meet the Time of Performance will result in liquidated damages of \$150.00 per consecutive calendar day until the Service as set forth in Exhibit A are completed to the written acknowledgement of the City.
14. Modification: No change in the terms of this Contract shall be binding unless it is in writing and signed by an authorized representative of both parties.
15. Force Majeure: No party to this agreement shall be deemed in violation if it is prevented from timely performing any of its obligations by reason of labor disputes, acts of God, acts of the public enemy, acts of superior governmental authority, or other circumstances for which the party is not responsible or which is not in its control.
16. Proof of Insurance: CENTRE TECHNOLOGIES shall maintain certain types of insurance protection throughout the duration of the project. All insurance policies are to be issued by an insurance Centre Technologies authorized to do business in the State of Texas, using an insurance Centre Technologies with an A.M. Best rating of a B+ or better.

17. Required Insurance: Commercial general liability insurance, naming the City of Galveston as an additional insured and as certificate holder, and waiving subrogation per the contractual requirements of this project; Automobile Liability Insurance, Worker's Compensation Insurance and Professional Liability Insurance. Limits are to be equal to or greater than:
- a. **Commercial general liability insurance:**
 - \$2,000,000 general liability (includes products and personal, etc.)
 - \$1,000,000 fire damage
 - \$1,000,000 automobile damage
 - \$500,000 workers compensation employers' liability
 - Statutory limits for workers compensation
- Insurance coverage shall be on an "**occurrence basis**"
18. Assignability: CENTRE TECHNOLOGIES shall not assign any interest on this Agreement, and shall not transfer any interest in the same (whether by assignment or novation), without the prior written consent of the City. Unless specifically stated to the contrary in any written consent to assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.
19. Reports and Information: CENTRE TECHNOLOGIES, at such times and in such forms as the City may require, shall furnish the City such periodic reports as it may request pertaining to the work or services undertaken pursuant to this Contract, the costs and obligations incurred or to be incurred in connection therewith, and any other matters covered by this Contract.
20. Findings Confidential: To the extent permitted by law, all of the reports, information, data, etc., prepared or assembled by CENTRE TECHNOLOGIES under this contract are confidential and CENTRE TECHNOLOGIES agrees that they shall not be made available to any individual or organization without the prior written approval of the City.
21. Copyright: No report, maps, or other documents produced in whole or in part under this Contract shall be the subject of an application for copyright by or on behalf of CENTRE TECHNOLOGIES.
22. Compliance with Local, State and Federal Laws: This Contract shall be construed under and in accordance with the laws of the State of Texas, with jurisdiction in the courts of the State of Texas and venue in Galveston, County regardless of where the obligations of the parties were performed. By execution of this Contract, the parties agree to subject themselves to the jurisdiction of the Courts of the State of Texas in all matters relating to or arising out of this Contract or the Work.
23. Notices: All notices required or permitted under this Contract shall be in writing and shall be deemed given when delivered in person or three days after deposit in the United States Mail, postage prepaid, addressed to the party's address reflected at the end of this Contract.

A party's notice address may be changed from time to time by that party's providing written notice to the other. A copy of the notice to the City shall be sent to:

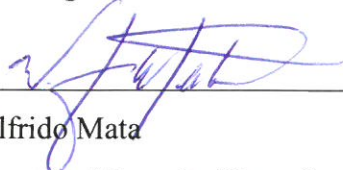
City Attorney
City of Galveston
823 Rosenberg, Room 203
P.O. Box 779
Galveston, Texas 77553

IN WITNESS WHEREOF, the parties have executed this Agreement in duplicate on the day and year first above written.

CITY OF GALVESTON, TEXAS

Centre Technologies

BY: _____

BY:  _____

NAME: Brian Maxwell

NAME: Wilfrido Mata

TITLE: City Manager

TITLE: Director of Security/Compliance

DATE: _____

DATE: March 20, 2019

Approved As To Form

City Attorney's Office

**BY EXECUTION OF THIS AGREEMENT, CENTRE TECHNOLOGIES
ACKNOWLEDGES RECEIPT OF A COPY OF THIS CONTRACT.**



Centre
TECHNOLOGIES

STATEMENT OF WORK

Disaster Recovery Site- Phase 1 Project

March 19, 2019



PRESENTED TO

City of Galveston

Contact Information

Customer Contact	Hope Dean	409-497-6034 HDean@GalvestonTX.Gov
Centre Account Manager	Jamie Schanbachler	713-208-8551 Jamie@centretechnologies.com
Centre Services Contact	Jesse Maldonado	281-203-1673 JMaldonado@centretechnologies.com

Project Overview

This Statement of Work ("SOW") is made between City of Galveston, (hereinafter, "Customer") and Centre Technologies, Inc. (hereinafter, "Centre"), each a "Party" and together the "Parties".

Centre Technologies has been commissioned to build a phase 1 Disaster Recovery location for City of Galveston with expectations for turn-key deployment including but not limited to architecture and implementation of network, storage and virtualization environments, rack/stack and cable/label of all associated hardware to the initial seed of data. Zerto will be configured for up to (19) mission critical virtual workloads all based on VMware technologies. In conclusion, documentation of key components or special configurations specific to City of Galveston will be provided. Knowledge transfer will also be provided as part of the engagement.

This engagement will have a Project Manager assigned which will provide a project plan, weekly updates and additional information to move forward.

During the implementation, pilot, and support phases of this project Centre shall work with City of Galveston to meet project timelines and goals. Upon completion of this project, City of Galveston and Centre shall meet to discuss recommendations and next steps.

Assumptions

This section contains a list of project assumptions.

Project Assumptions

Assumption 1. Client understands that DR testing can potentially impact service availability and testing is required to ensure an expected path in the event of DR enablement

Assumption 2. Client understands that all will be done to minimize impact to service availability during DR testing and configuration phases

Assumption 3. Client has required power available

Assumption 4. Client is purchasing racks through the DR project quote # 31119 for this engagement to cover the required U space needed based off the DR project specs / build of materials for this project

Assumption 5. Client has required network ports available

Assumption 6. Client will provide necessary CAT5e/6 cables

Assumption 7. Client has required licensing for the follow products but not limited to VMware, Microsoft, Zerto, Veeam and Oracle

Assumption 8. Client understands that downtime may be required to introduce the DR location into the existing enterprise network topology including any test scenarios required to correct undesirable or unexpected behavior

Assumption 9. Client must obtain required hardware for the bare minimum functionality as required by agreed upon architectural design plan

Project Scope

Events and Tasks

Preparation, Discovery and Design

- Perform brief health check of existing production environment with regard to the compute, storage and virtualization environments
- Create documented architecture for all associated components including high-level specification blue-prints for design of rack layout (physical mapping, cable color code), network (layer 3/2, VLANs, IP subnets), compute (OOB modules, port configurations, BIOS settings), storage (VLANs, IP subnets, uplinks), and virtualization environment (hypervisor configuration, central management configuration)
- Notate areas of non-HA connectivity or concerns of capacity for phase 2 correction
- Create project plan/schedule, where applicable
- Unpack, inventory and identify missing or damaged components

Network configuration

- Rack/stack and cable/label all associated devices
- Ensure all cables are labeled and color coded per existing color scheme
- Configuration and implementation of up to (2) core switch layer including layer 3 protocols
- Configuration and implementation of up to (2) switches for IP-based storage fabric
- Configuration and implementation of up to (2) frontline security gateways

- Configuration of up to (2) layer 3 uplinks to layer 2 WAN providers
- Configuration of a single internet provider
- Configuration of up to (5) mission critical site-to-site VPN tunnels
- Ensure latest version of code is deployed across all devices
- Ensure all switch-to-switch trunks, LAN and WAN uplinks are redundant, where possible

Cohesity Configuration / Installation

- **Assumption 1.** The equipment shall be installed at a single site
- **Assumption 3.** Installation will be performed during normal business hours
- **Assumption 4.** Customer has power available for all devices
- **Assumption 5.** Customer has sufficient bandwidth to perform archive operations to external provider
- **Assumption 6.** Redundant 10 GB network ports from each node are connected up to 2 separate top of rack switches
- Receive network addresses for use with clusters
- Rack and stack nodes
- Cable appliance to the network
- Reinstall Cohesity OS if necessary
- Power on nodes
- Select one node and walk through configuration
- Discover additional cluster nodes and add them to the cluster
- Assign IP address and IPMI addresses to each node
- Assign Encryption to the cluster if required
- Configure an initial backup job
- Configure archive job to cloud provider

Storage configuration

- Rack/stack and cable/label all associated devices
- Ensure all cables are labeled and color coded per existing color scheme
- Configuration of up to (3) legacy EqualLogic appliances
 - Primary targets
- Configuration of up to (3) legacy QNAP storage appliances
 - Backup/archive/temp landing zones
- Ensure latest version of code is deployed across all devices
- Ensure all uplinks are redundant, where possible

Compute/Hypervisor configuration

- Update all firmware
 - Update firmware on each server
 - iDRAC
 - Firmware
 - BIOS
 - NICs/CNAs
- Configure up to **(7) Rack Mount Servers** to best practice specifications
 - Which include (1) Banner + (6) DR servers

- Ensure all Out-of-Band devices are configured and accessible
- Ensure all cables are labeled and color coded per existing color scheme

VMware Installation/Configuration

- Install and configure latest supported version of VMware vSphere ESXi on up to **(7) Rack Mount servers**
 - Create and configure VMware vCenter cluster objects
 - Configuration of virtual standard or distributed switches, where applicable
 - Ensure all hosts are configured in a consistent manner including but not limited to NTP and DNS servers, host and datastore names, temp/scratch storage locations, MPIO and PSP policies, network and power management configurations, service profiles and security and lockdown policies
 - Deploy existing host profiles, where applicable
- Configure storage repository within VMware
 - Create Volume for VMware on Storage Array, where applicable
 - Configure High Availability within VMware cluster
 - Ensure access to available LUNs and storage file systems for existing VMFS stores and RDM mappings
 - Configure all associated iSCSI zoning and ensure all systems are masked correctly at the switching and storage array level
- Present LUNs for shared VMFS based datastores as required
- Create LUNs as required for shared ISOs (content library), management and logs
- Validate interoperability with new and existing VMware clusters
 - Identify potential issues with virtual machine migrations including CPU compatibility and limitations of any existing configurations
- Creation initial virtual machine templates for Windows 2012R2 and 2016
 - Ensure templates are fully patched
 - Ensure up to (2) customization specifications are created for each version of the operating system

Replication configuration

Configuration of hypervisor level replication service for services without native protections (Hot Stage)

- Deploy Zerto environment including dependent virtual replication appliance(s)
- Assign previously identified virtual machines to logical virtual protection group(s) that do not possess native replication tools
 - Banner
 - VueWorks
 - CUSI
 - Accela
 - Badger
 - GIS
- Verify the virtual protection groups are replicating all indicated virtual machines
- Perform failover operation for associated protection groups after initial sync of virtual protection groups
- Test access to the virtual machines
- Ensure service availability and correct workflow parameters, where applicable

Configuration of availability for services with native protections (Hot Stage)

- Ensure availability of services with native protections including
 - Active Directory Services
 - Exchange Database Availability Groups
 - Load Balancing/GSLB not available for this engagement
 - This feature will be introduced at a later phase
- Test access to the virtual machines in controlled test scenarios
- Ensure service availability and correct workflow parameters, where applicable

Configuration of availability for data at storage/hypervisor level (Cold Stage)

- Configuration of SAN or hypervisor level replication for identified storage LUNs/VMs, where applicable
- Verify replication of indicated data, where applicable

Documentation, hand-off and wrap-up

- Provide basic documentation on relevant components to include key components or special configurations specific to environment
- Creation of high level disaster recovery run book
- Review basic operational/administrative tasks with City of Galveston I.T. personnel including discussion around known issues, findings, critical notations, etc.
- Ensure City of Galveston I.T. personnel understand procedure to access technical support and related support documentation
- Update existing High-level logical diagram including LAN and WAN traffic flow
- Update existing Low-level logical diagram including interface and circuit IDs for critical traffic paths as they relate to scope of work described herein
- Handoff including discussion around known issues, findings, critical notations, etc.
- Project conclusion

Locations

This section contains a list of the physical locations where services are to be performed by Centre.

#	List of Locations for Services
1.	823 Rosenberg Galveston, TX 77553 (City Hall - HQ)
2.	3030 Invincible Dr, League City, TX (American National Datacenter - DR Location)
3.	601 54th St, Galveston, TX 77551 (Justice Center - Production Location)

Exclusions

This section contains a list of specific tasks or services that are outside the project scope or standard service offerings provided by Centre.

#	List of Excluded Tasks or Services
1.	Remediation of existing issues within the environment

2. Performing password resets of equipment
3. Implementation of additional features or services not in scope
4. Physically moving of hardware / infrastructure from one site to another

While Centre has done its best to list all excluded task or service offerings, projects or service engagements vary widely and the above list may not be exhaustive. Some tasks or services listed above are simply unavailable. Any item selected from the above list shall require a change request and billing on a time and materials basis. The Customer is responsible for inquiries about service exclusions.

Prerequisites

This section contains a list of items, tasks or services required before project commencement.

#	List of Prerequisite Hardware/Software Items, Tasks or Services
1.	Dedication of appropriate Customer staff during the duration of the project
2.	Customer supplied systems meet necessary hardware or software requirements
3.	Centre is informed in advance of necessary clearances or security addendum requirements
4.	Availability of WAN and Internet circuits as required

Customer Responsibilities

The section contains a list of tasks the Customer is responsible for completing prior to service delivery.

#	List of Prerequisite Tasks or Services
1.	Provide individual workspace with phone and network access that provides access to systems that are required to perform the assigned job functions
2.	Provide access to documentation or personnel who have knowledge of the environment
3.	Coordinate all physical access to facilities as necessary (security badges, parking, etc.)
4.	Have valid and appropriate product licenses and product support agreements
5.	Assign project sponsor as the single point of contact for issue resolution and activity scheduling
6.	Assume responsibility for all network connectivity, performance, and configuration issues
7.	Ensure adequate and effective backup and restore processes exist and are operational

Change Control

Changes to this SOW shall be initiated by providing a filled-out copy of the Change Request Form in Appendix A to the other Party. Changes include but are not limited to requests for changes in project plans, scope, specifications, schedule, designs, requirements, service deliverables, or any other aspect of the SOW. The Parties shall review any change requests and advise if the request(s) will be accepted in-whole or in-part and if so, the associated costs and project impacts if any. Fully executed copies of approved changes shall be added as an amendment.

Send requests if To Centre:	Jesse Maldonado	JMaldonado@centretechnologies.com
Send requests (if) To City of Galveston	Hope Dean	HDean@GalvestonTX.Gov

The Customer point of contact and the Centre project manager shall receive the request from the other Party. The client point of contact or Centre representative shall respond in writing to either accept or reject the request within three (3) business days of receipt unless a shorter response is requested. Changes are not authorized unless both Parties agree.

Scheduling

All work to be performed at Customer premises shall occur during normally scheduled working hours (8:00 a.m. to 6:00 p.m. local time, Monday through Friday); excluding Centre published holidays for the year. We understand there will be some / limited testing required after-hours / outside normal working hours and noted within the project cost.

The work is subject to a mutually agreeable delivery schedule. Centre shall provide mutually agreeable timelines for Centre responsibilities and the Customer shall provide information used to develop the project. If the Customer causes mutually agreed upon deadlines to be missed, or fails to provide information which delays the project, then the Customer shall be responsible for additional expenses incurred related to the project task. Additional expenses and/or fees caused by delays by either Party shall be treated as a change to the scope and costs quoted for this SOW and shall be handled as specified in the Change Control section of this SOW. Delays caused by fault of Centre alone shall under no circumstance cause additional expenses to be borne by the Customer.

The Customer understands that delays that are due to factors beyond Centre's reasonable control shall also not cause additional expenses and/or fees to be borne by either Party, however, these types of delays may cause a temporary unavailability of resources due to schedule conflicts. These delays include but are not limited to:

- A. acts of any governmental body, war, insurrection, sabotage, embargo, "Acts of God" (i.e. fire, flood, earthquake, tornado, etc.), strike or other labor disturbance, interruption of or delay in transportation, failure of third party software or inability to obtain raw materials, supplies or power used in equipment needed for provision of the SOW;
- B. those resulting from Customer's or third-party hardware, software, or services; and
- C. actions or inactions of Customer or third parties, Customer's employees, agents, contractors, vendors, or anyone gaining access to Customer's network by means of Customer's passwords or equipment.

Centre reserves the right to rotate resources assigned from time to time and shall provide reasonable notice to Customer prior to this transition. Centre shall have the departing resource and the incoming resource both on-site for a reasonable period of time to ensure a smooth transition of services.

Engagement reschedules made after the project kick off shall incur a 10% rescheduling fee.

Exceptions may be made to the normally scheduled hours to allow for activities that impact the Customer's business/Customers and/or Customer's landlords and/or other affected tenants in buildings. Those exceptions must be represented here. In the absence of these exceptions, time and expenses shall be applied to all non-standard hours.

Completion Criteria

Centre shall have fulfilled its obligations under this Statement of Work when Centre completes the tasks listed under the Services Performed and Key Deliverables sections or the Customer terminates the project. Early termination may not relieve Customer of certain financial obligations.

A Customer Acceptance Form ("CAF") shall be mutually completed by the Parties and copies submitted to each Party at the completion of each defined project or service phase. Customer acknowledges that Customer's signature on the CAF satisfies all requirements for acknowledgement of a completed and accepted project. Customer accepts sole, full and complete responsibility for validating the completion of the tasks / milestones outlined in this Statement of Work by executing the CAF.

Non-Solicitation

Customer agrees not to seek, offer, or solicit offers of employment from Centre employees, without the expressed written consent of Centre. The above limitation shall be effective for the Term of this Statement of Work and for a period of one (1) year following the termination of this Statement of Work or any extension hereto.

Project Deliverables

Name	Description
Installation Documentation	Customer will receive an overview of the installation including what changed in the environment. Network information will be provided in the documentation.
DR Run book	High level overview of the failover process to the secondary site

Project Pricing

Description	Total
Professional Services	53,600
After Hours	-
Project Management	2,400
TOTAL	\$56,000.00

Fees and Terms

Quotes and Ordering. PURCHASE ORDERS SUBMITTED TO CENTRE SHALL BE BINDING ON CUSTOMER UPON WRITTEN ACCEPTANCE BY CENTRE. QUOTATIONS PROVIDED BY CENTRE TO CUSTOMER SHALL BE BINDING ON CUSTOMER UPON CUSTOMER'S WRITTEN ACCEPTANCE RECEIVED BY CENTRE WITHIN THE TIME DESCRIBED IN THE QUOTATION. ANY FEES QUOTED MAY BE REVISED TO INCLUDE HANDLING AND OTHER FEES. SUCH FEES ARE ESTIMATED UNTIL FINAL PROCESSING AND MAY VARY TO INCLUDE ANY PRICING ERRORS.

Invoices. CENTRE ACKNOWLEDGES THAT ALL PAYMENT TERMS ARE SUBJECT TO CHAPTER 2251 OF THE TEXAS GOVERNMENT CODE. CENTRE WILL INVOICE CUSTOMER ALL FEES, EXCLUDING STATE SALES TAXES AS PROVIDED IN THE APPLICABLE ORDER. PROJECT CONSULTING SERVICES ARE INVOICED WHEN THE CUSTOMER HAS ACCEPTED THE WORK AND THE TICKET IS CLOSED. ALL FEES ARE DUE WITHIN THIRTY (30) DAYS FROM THE DATE OF CENTRE'S INVOICE. MONTHLY RECURRING BLOCK OF HOURS ARE INVOICED (30) DAYS IN ADVANCE. AN ACH DEBIT PAYMENT METHOD CAN BE SETUP FOR THE PAYMENT OF RECURRING MONTHLY INVOICES. CUSTOMER WILL PAY ALL BANK CHARGES, DUTIES, LEVIES AND OTHER COSTS AND COMMISSIONS ASSOCIATED WITH ANY BANK WIRE TRANSFER OR OTHER MEANS OF PAYMENT.

Warranties and Limitations. CENTRE WARRANTS THAT ITS SERVICES SHALL BE PERFORMED BY QUALIFIED PERSONNEL IN A MANNER CONSISTENT WITH GOOD PRACTICE IN THE INFORMATION TECHNOLOGY SERVICES INDUSTRY. IF CENTRE BREACHES THIS WARRANTY, IT SHALL SUPPLY SERVICES TO CORRECT OR REPLACE THE WORK AT NO CHARGE. THE REMEDY SET FORTH IN THIS SECTION IS CUSTOMER'S EXCLUSIVE REMEDY FOR BREACH OF WARRANTY. CENTRE MAKES NO OTHER WARRANTIES ON THE SERVICES AND DISCLAIMS ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING WARRANTIES OF TITLE, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

Interest. ANY OVERDUE AND UNPAID PORTION OF THE FEES SHALL BEAR INTEREST. CENTRE MAY SUSPEND LICENSES AND PERFORMANCE OF ORDERS FOR WHICH CENTRE IS INSECURE OR WHICH PAYMENT IS OVERDUE UNTIL THE OVERDUE AMOUNTS ARE EITHER PAID IN FULL OR AN ALTERNATIVE ARRANGEMENT ACCEPTABLE TO CENTRE IS MADE.

Governing Law and Dispute Resolution. THIS STATEMENT OF WORK SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS. VENUE OF ANY DISPUTE SHALL BE IN GALVESTON, GALVESTON COUNTY, TEXAS. IF AT ANY TIME DURING THE TERM OF THIS STATEMENT OF WORK ANY DISPUTE, DIFFERENCE OR DISAGREEMENT SHALL ARISE UPON OR IN RESPECT OF THE STATEMENT OF WORK, AND THE MEANING AND CONSTRUCTION HEREOF, EVERY SUCH DISPUTE, DIFFERENCE AND DISAGREEMENT SHALL FIRST BE RESOLVED THROUGH THE GOOD FAITH NEGOTIATIONS OF THE PARTIES. IF THOSE NEGOTIATIONS ARE UNSUCCESSFUL, THE PARTIES AGREE TO THE DISPUTE RESOLUTION PROCESS IN CHAPTER 2260 OF THE TEXAS GOVERNMENT CODE.

IN WITNESS WHEREOF, THE PARTIES HAVE CAUSED THIS STATEMENT OF WORK TO BE EXECUTED BY THEIR DULY AUTHORIZED REPRESENTATIVES WITH THE INTENT TO BE LEGALLY BOUND AS OF THE EFFECTIVE DATE, FOR GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND ADEQUACY OF WHICH IS HEREBY ACKNOWLEDGED.

CONFIDENTIAL

March 19, 2019

Page 10 | 12

Initials

Signature of Acceptance

Acceptance of Statement of Work – Centre Technologies, Inc. and City of Galveston

For Centre Technologies, Inc.

For City of Galveston

Signature

Signature

Printed Name

Printed Name

Title

Title

Effective Date

Effective Date

Appendix A: Change Request Form

General Information

Date	
Company Name	
Project Name	
Change Name	
Change Number	
Change Type	
Change Request Description	

Evaluation

Scope	
Additional Prerequisites	
Schedule Changes	
Cost	

Approval

Acceptance of Statement of Work (Change Request) – Centre Technologies, Inc. and City of Galveston	
For Centre Technologies, Inc.	For City of Galveston
Signature	Signature
Printed Name	Printed Name
Title	Title
Date	Date

CONFIDENTIAL

March 19, 2019

Initials



CoG - Zerto Licenses

Prepared by:**Centre Technologies**

Joy Gutierrez
on behalf of Jamie Schanbachler
214-593-6852
Fax 281-763-2355
jgutierrez@centretechnologies.com

Prepared for:**City of Galveston**

Hope Dean
Ship To:
PO Box 779 823 Rosenberg
Galveston, TX 77553
(409) 797-3578
hdean@galvestontx.gov

Quote Information:**Quote #: 034773**

Version: 1
Delivery Date: 03/06/2019
Expiration Date: 03/27/2019

CoG - Zerto Licenses with 3 Years Support

Centre DIR-TSO-3334

Products

Description	Qty	Price	Ext. Price
Zerto Virtual Replication Enterprise Cloud Edition - Single VM	19	\$840.85	\$15,976.15
Premium Maintenance and Support for Zerto Virtual Replication Enterprise Cloud Edition - Single VM. Includes 24x7 phone and email support and software maintenance updates 3 Years Support	19	\$624.94	\$11,873.86
Subtotal			\$27,850.01

Quote Summary

Description	Amount
Products	\$27,850.01
Total:	\$27,850.01

Customer Signature

Date

PO#

CoG - Production Servers

Prepared by:

Centre Technologies

Joy Gutierrez
on behalf of Jamie Schanbachler
214-593-6852
Fax 281-763-2355
jgutierrez@centrettechnologies.com

Prepared for:

City of Galveston

Hope Dean
Ship To:
PO Box 779 823 Rosenberg
Galveston, TX 77553
(409) 797-3578
hdean@galvestontx.gov

Quote Information:

Quote #: 035129

Version: 2
Delivery Date: 03/06/2019
Expiration Date: 03/31/2019

CoG - CoG - Production Servers - 5 Year Support Dell DIR-TSO-3763

Servers

Line #	Description	Qty	Price	Ext. Price
1	210-AKZR PowerEdge R740XD PowerEdge R740/R740XD Motherboard Chassis with Up to 24 x 2.5" Hard Drives for 2CPU Intel Xeon Gold 6136 3.0G, 12C/24T, 10.4GT/s , 24.75M Cache, Turbo,HT (150W) Intel Xeon Gold 6136 3.0G, 12C/24T, 10.4GT/s , 24.75M Cache, Turbo,HT (150W) Standard 2U Heatsink Standard 2U Heatsink 2666MT/s RDIMMs Performance Optimized Unconfigured RAID PERC H740P RAID Controller, 8GB NV Cache, Adapter, Low Profile BOSS controller card + with 2 M.2 Sticks 240G (RAID 1),FH VMware ESXi 6.7 U1 Embedded Image 634-BRIO iDRAC9,Enterprise OME Server Configuration Management iDRAC Group Manager, Enabled iDRAC,Factory Generated Password Riser Config 4, 3x8, 4 x16 slots Intel X550 Quad Port 10GbE, Base-T, rNDC 6 Performance Fans forR740/740XD Dual, Hot-plug, Redundant Power Supply (1+1), 750W, Titanium, 200-240VAC PowerEdge 2U LCD Bezel PE R740XD Luggage Tag Quick Sync 2 (At-the-box mgmt) Performance BIOS Settings 384-BBBL ReadyRails Sliding Rails With Cable Management Arm Dell Hardware Limited Warranty Plus On-Site Service ProSupport: Next Business Day On-Site Service After ProblemDiagnosis, 5 Years ProSupport: 7x24 HW/SW Technical Support and Assistance, 5 Years 32GB RDIMM 2666MT/s Dual Rank – Qty 16 240GB SSD SATA Mixed Use 6Gbps 512e 2.5in Hot Plug S4610 Drive Intel X550 Dual Port 10G Base-T Adapter, Full Height C13 to C14, PDU Style, 12 AMP, 6.5 Feet (2m) Power Cord, North America – Qty 2	2	\$21,101.04	\$42,202.08

**Centre Technologies**

16801 Greenspoint Park Drive Suite 200

Houston, TX 77060

Ph: 281-506-2480 **Fax:** 281-763-2355**Servers**

Line #	Description	Qty	Price	Ext. Price
			Subtotal	\$42,202.08

Quote Summary

Description	Amount
Servers	\$42,202.08
Total:	\$42,202.08

Customer Signature_____
Date_____
PO#

CoG - DR Project

Prepared by:

Centre Technologies

Joy Gutierrez
on behalf of Jamie Schanbachler
214-593-6852
Fax 281-763-2355
jgutierrez@centretechnologies.com

Prepared for:

City of Galveston

Hope Dean
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hdean@galvestontx.gov

Quote Information:

Quote #: 031119

Version: 7
Delivery Date: 03/06/2019
Expiration Date: 03/31/2019

CoG - DR Project

VMware DIR-TSO-3926

Dell DIR-TSO-3763

APC Hardware

Line #	Description	Qty	Price	Ext. Price
1	AR3357 NetShelter SX 48U 750mm Wide x 1200mm Deep Enclosure with Sides Black General Compliant Standards : EIA-310-D, IEC 60529 IP20 Height (Rack Units) : 48 Product Type : Rack Rack Size : 19" Rack Size (metric) : 48.3 cm Weight Limit : 3007 lbs Dimensions & Weight Depth :47.2 in Height :89 in Weight :372.58 lbs Width :29.5 in http://www.apc.com/shop/us/en/products/NetShelter-SX-48U-750mm-Wide-x-1200mm-Deep-Enclosure-with-Sides-Black/P-AR3357	2	\$2,301.39	\$4,602.78

APC Hardware

Line #	Description	Qty	Price	Ext. Price
2	AP8965 APC Switched Rack PDU 2G Zero U - (L21-30 – 208V/30amp/Three Phase) Main Features • Power distribution strip (rack-mountable) • AC 208 V • RS-232 • input: NEMA L21-30 • output connectors: 24 • Metered + Switched http://www.apc.com/shop/us/en/products/RACK-PDU-2G-SWITCHED-ZEROU-8-6kW-208V-21-C13-3-C19/P-AP8965?isCurrentSite=true	4	\$1,147.60	\$4,590.40
3	AR7721 Vertical Cable Manager for NetShelter SX 600mm Wide 42U (Qty 2) http://www.apc.com/shop/us/en/products/Vertical-Cable-Manager-for-NetShelter-SX-600mm-Wide-42U-Qty-2-/P-AR7721?isCurrentSite=true	4	\$162.10	\$648.40

Subtotal **\$9,841.58**

Dell Switch Hardware

Line #	Description	Qty	Price	Ext. Price
4	A9165569 Dell 18.5 in 1U Rackmount LED KMM Console - English Language Keyboard with 1U KVM Mounting Bracket	1	\$947.43	\$947.43
5	470-AAXB Dell Networking, Cable, QSFP+ to QSFP+, 40GbE Passive Copper Direct Attach Cable, 0.5M, Cust Kit	2	\$93.91	\$187.82
6	470-AAVJ Dell Networking Cable SFP+ to SFP+ 10GbE Copper Twinax Direct Attach Cable, 3 m	12	\$52.83	\$633.96

Subtotal **\$1,769.21**

VMware

Line #	Description	Qty	Price	Ext. Price
7	VCS6-STD-C-523 VMware vCenter Server 6 Standard for vSphere 6 (Per Instance)	1	\$5,579.03	\$5,579.03
8	VCS6-STD-P-SSS-C-523 Production Support/Subscription VMware vCenter Server 6 Standard for vSphere 6 (Per Instance) for 1 year	1	\$1,477.04	\$1,477.04
Subtotal				\$7,056.07

Services

Line #	Description	Qty	Price	Ext. Price
9	CENT-NC-STC Senior Technical Consultant (STC) Centre Technologies will be assisting the Customer with a data center relocation from their current facilities in Galveston to another facility that will be in League City. Centre Technologies will label cables and gather information about the environment prior to the move. Centre Technologies will assist the IT team with shutting down the environment. Once the equipment is moved to the new location, Centre Technologies will assist with powering the equipment back on. The services include Centre standing up the DR site as stated in the Statement of Work (SOW).	1	\$48,000.00	\$48,000.00
Subtotal				\$48,000.00

Quote Summary

Description	Amount
APC Hardware	\$9,841.58
Dell Switch Hardware	\$1,769.21
VMware	\$7,056.07
Services	\$48,000.00
Subtotal:	\$66,666.86
Shipping:	\$357.14
Total:	\$67,024.00



Centre Technologies

16801 Greenspoint Park Drive Suite 200

Houston, TX 77060

Ph: 281-506-2480 **Fax:** 281-763-2355

Customer Signature

Date

PO#

CoG - Cohesity C4600 (72TB Total Usable)

Prepared by:

Centre Technologies

Joy Gutierrez
on behalf of Jamie Schanbachler
214-593-6852
Fax 281-763-2355
jgutierrez@centretechnologies.com

Prepared for:

City of Galveston

Hope Dean
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PO Box 779 823 Rosenberg
Galveston, TX 77553
(409) 797-3578
hdean@galvestontx.gov

Quote Information:

Quote #: 037929

Version: 1
Delivery Date: 03/19/2019
Expiration Date: 04/14/2019

CoG - Cohesity C4600 (72TB Total Usable) with 3 Year Support

(3) C4600 Cohesity nodes that have 36TB raw/24TB useable each before any data reduction.

Products

Description	Qty	Price	Ext. Price
C4600-SFP Three (3) Node Block 108 TB Secure Erase HDD, 4.8TB PCI-e Flash, 6x Intel Xeon 4110 2.1Ghz 8-Core CPUs, 384GB RAM, 12x SFP+ 10GbE, 4x IPMI	1	\$23,456.34	\$23,456.34
10G Short-Range Optical SFP+ Adapter	12	\$131.42	\$1,577.04
Cable, 10G, LCLC, Optical, 3m	12	\$19.98	\$239.76
36 Months of Cohesity DataProtect and Unlimited Archive Add-On Subscription (1 TB). Backup software for virtual and physical environments with ability to archive unlimited copies of backed up data to supported external archive targets. Customer must separately procure storage capacity from a supported external archive target. Subscription per TB of backend storage used for backup.	10	\$1,127.94	\$11,279.40
10TB of data protect and unlimited Cloud Archive licenses			
36 Months of One (1) Year Premium (24x7) Support for C4600-SFP-3 **3 Year Support**	1	\$8,348.27	\$8,348.27
36 Months of Cohesity DataPlatform Standard Edition Subscription (1TB) Intelligent web-scale software for consolidating secondary data with multiprotocol access (NFS, S3 & SMB), replication, access management, monitoring, Rest API, encryption, snapshots/cones, global variable length deduplication, compression, custom reporting, storage quotas, QoS, heterogeneous nodes, search analytics, user quotas, WORM, and MMC plug-in. Subscription per TB of usable storage capacity.	72	\$650.74	\$46,853.28
Basic License			

KROLL Ontrack PowerControls Add-on License for Cohesity DataProtect KROLL Ontrack PowerControls enables granual recovery of Microsoft Exchange, SharePoint and SQL Server data. Each license manages 1,000 Exchange mailboxes, 25 SQL server instances and 5TB of SharePoint data	1	\$542.28	\$542.28
36 Months of Premium (24X7) Support for KROLL Ontrack PowerControls **3 Year Support**	1	\$244.04	\$244.04
36 Months of Cohesity DataPlatform Standard Edition Subscription (1TB) Intelligent web-scale software for consolidating secondary data with multiprotocol access (NFS, S3 & SMB), replication, access management, monitoring, Rest API, encryption, snapshots/cones, global variable length deduplication, compression, custom reporting, storage quotas, QoS, heterogeneous nodes, search analytics, user quotas, WORM, and MMC plug-in. Subscription per TB of usable storage capacity. **Basic License**	48	\$650.74	\$31,235.52
Subtotal			\$123,775.93

Quote Summary

Description	Amount
Products	\$123,775.93
Total:	\$123,775.93

Customer Signature

Date

PO#

STATE OF TEXAS
DEPARTMENT OF INFORMATION RESOURCES
CONTRACT FOR PRODUCTS AND RELATED SERVICES
DELL MARKETING, L.P.

1. Introduction

A. Parties

This Contract for products and related services is entered into between the State of Texas, acting by and through the Department of Information Resources (hereinafter “DIR”) with its principal place of business at 300 West 15th Street, Suite 1300, Austin, Texas 78701, and Dell Marketing, L.P. (hereinafter “Vendor”), with its principal place of business at One Dell Way, Round Rock, Texas 78682.

B. Compliance with Procurement Laws

This Contract is the result of compliance with applicable procurement laws of the State of Texas. DIR issued a solicitation on the Comptroller of Public Accounts’ Electronic State Business Daily, Request for Offer (RFO) DIR-TSO--TMP-251, on September 12, 2016, for Dell Branded Manufacturer Hardware, Software and Related Services & Cloud Services. Upon execution of this Contract, a notice of award for RFO DIR-TSO-TMP-251 shall be posted by DIR on the Electronic State Business Daily.

C. Order of Precedence

For purchase transactions under this Contract, the order of precedence shall be as follows: this Contract; Appendix A, Standard Terms and Conditions For Products and Related Services Contracts; Appendix B, Vendor’s Historically Underutilized Businesses Subcontracting Plan; Appendix C, Pricing Index; Appendix D, Services Agreement; Appendix E, Master Operating Lease Agreement (subject to the provisions of Section 1.D. below); Appendix F, Master Lease Agreement (subject to the provisions of Section 1.E. below); Appendix G, E-Rate Agreement; Exhibit 1, Vendor’s Response to RFO DIR-TSO-TMP-251, including all addenda; and Exhibit 2, RFO DIR-TSO-TMP-251, including all addenda; are incorporated by reference and constitute the entire agreement between DIR and Vendor governing purchase transactions. For Lease transactions under this Contract the order of precedence shall be as follows: this Contract; Appendix E, Master Operating Lease Agreement (subject to the provisions of Section 1.D. below); Appendix F, Master Lease Agreement (subject to the provisions of Section 1.E. below), as applicable depending on the type of lease; Appendix A, Standard Terms and Conditions For Products and Related Services Contracts; Appendix B, Vendor’s Historically Underutilized Businesses Subcontracting Plan; Appendix C, Pricing Index; Appendix D, Services Agreement; Appendix G, E-Rate Agreement; Exhibit 1, Vendor’s Response to RFO DIR-TSO-TMP-251, including all addenda; and Exhibit 2, RFO DIR-TSO-TMP-251, including all addenda; are incorporated by reference and constitute the entire agreement between DIR and Vendor governing lease transactions. In the event of a conflict between the documents

listed in this paragraph related to purchases, the controlling document shall be this Contract, then Appendix A, then Appendix B, then Appendix C, then Appendix D, then Appendix E (subject to the provisions of Section 1.D. below), then Appendix F (subject to the provisions of Section 1.E. below), then Appendix G, then Exhibit 1, and finally Exhibit 2. In the event of a conflict between the documents listed in this paragraph related to lease transactions, the controlling document shall be this Contract, then Appendix E (subject to the provisions of Section 1.D. below) or Appendix F (subject to the provisions of Section 1.E. below), depending on the type of lease transaction, then Appendix A, then Appendix B, then Appendix C, then Appendix D, then Appendix G, then Exhibit 1, and finally Exhibit 2. In the event and to the extent any provisions contained in multiple documents address the same or substantially the same subject matter but do not actually conflict, the more recent provisions shall be deemed to have superseded earlier provisions.

D. Master Operating Lease Agreement

DIR and Vendor hereby agree that, until DIR directs Vendor otherwise, Vendor is authorized to utilize the Master Operating Lease Agreement in Appendix E of this Contract for Lessees that are Texas State Agencies or otherwise authorized to conduct lease transactions through DIR contracts.

E. Master Lease Agreement

DIR and Vendor hereby agree that, until DIR directs Vendor otherwise, Vendor is authorized to utilize the Master Lease Agreement in Appendix F of this Contract for DIR authorized entities as Lessees that are **not** Texas State Agencies or otherwise required by statute to utilize the Texas Public Finance Authority for such leasing transactions.

2. Term of Contract

The term of this Contract shall be two (2) years commencing on January 10, 2018. Prior to expiration of the original term, the contract will renew automatically in two (2) year increments for two additional terms under the same terms and conditions unless either party provides notice to the other party 60 days in advance of the renewal date stating that the party wishes to discuss modification of terms or not renew. Additionally, the parties by mutual agreement may extend the term for up to ninety (90) additional calendar days.

3. Product and Service Offerings

A. Products

This Contract is a full Catalog contract, offering all products Dell is authorized to sell or manufacture.

B. Services

Related services include but are not limited to: deployment, help desk, managed services, storage and server assessment services, product installation, Custom Factory Integration of

Customer Imaged Software (“CFI”), maintenance and support, asset recovery services, product training, and future services Dell may offer upon DIR approval.

4. Pricing

A. Manufacturer’s Suggested Retail Price (MSRP)

MSRP is defined as Dell’s published retail price list as found on <http://ftpbox.us.dell.com/slg/weekly/dellpricereport.pdf>.

B. Customer Discount

The minimum Customer discount for all products and services will be set forth in Appendix C Pricing Index.

Vendor agrees that the DIR standard pricing discounts contained in Appendix C will remain at least one percent (1%) better than the NASPO (the National Association of State Procurement Officials ValuePoint (NASPO VP) Category A level, standardized discounts. This extension of competitive volume sales pricing is intended solely to ensure that DIR will, at a minimum, remain competitive with the standard price rates set for NASPO VP as a whole. DIR may not apply, without the express consent of Vendor, any pre-existing discount structure to the NASPO VP pricing being offered to DIR by Vendor. DIR may either use DIR discounted pricing or the NASPO VP pricing but may not combine, or compound the two.

In the event that DIR pricing fails to remain competitive with (i.e., at least one percent [1%] better than) NASPO VP standardized, category level pricing as described in the foregoing paragraph, Vendor shall extend such pricing to DIR. Vendor shall use its commercially reasonable best efforts to notify DIR of such NASPO VP price change and amend this Contract within thirty (30) days after the amendment to the Vendor’s NASPO VP contract. The introduction of the NASPO VP pricing to the DIR contract shall be effective from the date of execution into the Contract by amendment. Both parties agree that the pricing shall not be retroactive for DIR and shall not extend back to the date that Vendor reduced NASPO VP catalog pricing. Further, the parties agree that DIR, or the State of Texas, does not have the right to audit the NASPO VP contract held by the Vendor. References to the Vendor’s NASPO VP contract are only contained in this Contract for purposes of referencing the pricing discounts contained therein. Both parties acknowledge that the Vendor’s NASPO VP contract and pricing are readily available to the public and may be freely accessed by the Vendors DIR web page and by the internet for the purposes of validation under the terms and conditions of this Contract.

C. Customer Price

1) The price to the Customer shall be as set forth in Appendix C, Pricing Index.

2) Customers purchasing products and services under this Contract may negotiate more advantageous pricing or participate in special promotional offers. In such event, a copy of such better offerings shall be furnished to DIR upon request.

3) During the term of this Contract, if pricing for products or non-customized services (e.g., CFI, Imaging, and Asset Tagging) available under this Contract are provided by Vendor at a lower price to an Eligible Texas Customer (headquartered in the State of Texas) who is not purchasing those products or services under this Contract, then the available Customer Price in this Contract shall be adjusted to that lower price. This requirement applies to products or non-customized services actually charged by Vendor for a quantity of one (1) under substantially similar terms and conditions, for substantially similar configurations or deliverables. This requirement does not apply to volume or special pricing purchases. This Contract shall be amended within ten (10) business days to reflect the lower price.

D. DIR Administrative Fee

The administrative fee specified in Section 5 below shall not be broken out as a separate line item when pricing or invoice is provided to Customer.

E. Shipping and Handling Fees

The price to the Customer under this Contract shall include all shipping and handling fees. Shipments will be Free On Board Customer's destination, provided the products are shipped to locations in the State of Texas. Except as noted, no additional fees shall be charged to the Customer for standard shipping and handling. If the Customer requests expedited delivery, Customer will be responsible for any charges for expedited delivery. Title to all products shall pass upon shipment to Customer's dock; however, risk of loss shall pass to the Customer upon delivery to Customer.

F. Delivery

Shipment of Dell-branded systems from Dell's facility is estimated at between fifteen (15) and twenty-five (25) days after receipt of a valid and complete order. While there may be industry-wide situations of constrained product, current manufacturing lead times for desktop and notebook systems are ten (10) to fourteen (14) business days. Current lead times for server systems are nine (9) to twelve (12) business days; this is specifically designed for extensive testing on these mission-critical systems.

Shipment of third party software and peripheral items is estimated at between seven (7) and ten (10) days after receipt of a valid and complete order.

Please note that customization through Dell's Configuration Services may increase lead times. While Dell does not guarantee specific delivery dates, Customers providing Dell with an accurate quarterly forecast will greatly enhance Dell's ability to be prepared for Customer orders and to meet your needed delivery timeframes.

G. Tax-Exempt

As per Section 151.309, Texas Tax Code, Customers under this Contract are exempt from the assessment of State sales, use and excise taxes. Further, Customers under this

Contract are exempt from Federal Excise Taxes, 26 United States Code Sections 4253(i) and (j). Customers will provide Vendor with tax exempt certificate upon request.

H. Travel Expense Reimbursement

Pricing for services provided under this Contract are exclusive of any travel expenses that may be incurred in the performance of those services. Travel expense reimbursement may include personal vehicle mileage or commercial coach transportation, hotel accommodations, parking and meals; provided, however, the amount of reimbursement by Customers shall not exceed the amounts authorized for state employees as adopted by each Customer; and provided, further, that all reimbursement rates shall not exceed the maximum rates established for state employees under the current State Travel Management Program <https://comptroller.texas.gov/purchasing/programs/travel-management/>. Travel time may not be included as part of the amounts payable by Customer for any services rendered under this Contract. The DIR administrative fee specified in Section 5 below is not applicable to travel expense reimbursement. Anticipated travel expenses must be pre-approved in writing by Customer.

I. Changes to Prices

Vendor or Order Fulfiller may change the price of any product or service at any time, based upon changes to the MSRP, but discount levels shall remain consistent with the discount levels specified in this Contract. Price decreases shall take effect automatically during the term of this Contract and shall be passed onto the Customer immediately at the time of submission of a purchase order, but shall not be retroactive to products for which a purchase order has been received, or for services currently being rendered under a prior purchase order.

5. DIR Administrative Fee

A. The administrative fee to be paid by the Vendor to DIR based on the dollar value of all sales to Customers pursuant to this Contract is one half of one percent (.50%). Payment will be calculated for all sales, net of returns and credits. For example, the administrative fee for sales totaling \$100,000 shall be \$500.

B. All prices quoted to Customers shall include the administrative fee. DIR may change administrative fee amounts; however, no revision will take effect before ninety (90) days following written notice. Vendor may revise pricing to reflect the change in administrative fees.

6. Notification

All notices under this Contract shall be sent to a party at the respective address indicated below.

If sent to the State:

Kelly Parker, CTPM, CTCM

Director, Cooperative Contracts
Department of Information Resources
300 W. 15th St., Suite 1300
Austin, Texas 78701
Phone: (512) 475-1647
Facsimile: (512) 475-4759
Email: Kelly.Parker@dir.texas.gov

If sent to the Vendor:

Contract Manager
Dell Marketing, L.P.
One Dell Way, Mail Stop RR1-33
Round Rock, Texas 78682
Phone: (231) 747-9294
Facsimile: (512) 283-9092
Email: Cyndi.Radel@dell.com; and Dudley.McClellan@dell.com

7. Software License, Services and Leasing Agreements

A. Software License Agreement

- 1) Software shall mean any software, library, utility, tool, or other computer or program code, in object (binary) or source-code form, as well as the related documentation, provided by Dell to you. Software includes software locally installed on your systems and software accessed by you through the Internet or other remote means (such as websites, portals, and "cloud-based" solutions).
- 2) Software is subject to the separate software license agreements accompanying the software, along with any product guides, operating manuals, or other documentation included with the software media packaging or presented to Customer during the installation or use of the Software. Customer agrees that Customer will be bound by such license agreement.
- 3) With respect to Software provided or otherwise made available to you by Dell in connection with any Services hereunder, if no license terms accompany the Software, then subject to your compliance with the terms set forth in this Agreement, including payment for such Software, Dell hereby grants Customer a personal, non-exclusive license to access and use such Software only during the duration of the Services and solely as necessary for Customer to enjoy the benefit of the Services as stated in the applicable Service Agreements (or Statements of Work (SOW's)).
 - a) Restrictions. Customer may not copy, modify, or create a derivative work, collective work, or compilation of the Software, and may not reverse engineer, decompile or otherwise attempt to extract the code of the Software or any part thereof. Customer may not license, sell, assign, sublicense, or otherwise transfer or encumber the Software; may not use the Software in a managed-services arrangement; and may not use the Software in excess of the authorized number of licensed seats for concurrent users, sites, or other criteria specified in the

applicable Service Agreements or Statements of Work. In addition, Customer may not access the Software to monitor its availability, performance, or functionality, or for any other benchmarking or competitive purpose.

- b) Customer is further prohibited from (1) attempting to use or gain unauthorized access to Dell or to any third party's networks or equipment; (2) permitting other individuals or entities to use the Software or copy the Software or Services; (3) attempting to probe, scan, or test the vulnerability of Software or a system, account, or network of Dell or any of its customers or suppliers; (4) interfering or attempting to interfere with service to any user, host, or network; (5) engaging in fraudulent activity of any nature; (6) transmitting unsolicited bulk or commercial messages; (7) restricting, inhibiting, or otherwise interfering with the ability of any other person, regardless of intent, purpose, or knowledge, to use or enjoy the Software (except for tools with safety and security functions); or (8) restricting, inhibiting, interfering with, or otherwise disrupting or causing a performance degradation to any Dell (or Dell Service supplier) facilities used to deliver the Services.
- c) Audit. DIR, on behalf of Customers, hereby grants Dell, or an agent designated by Dell, the right to perform an audit of any Customers' use of the Software during normal business hours; and to cooperate with Dell in such audit; and such Customer agrees to provide Dell with all records reasonably related to Customers' use of the Software. The audit will be limited to verification of Customer's compliance with the terms of this Agreement.
- d) Open Source Software. A portion of the Software may contain or consist of open source software, which you may use under the terms and conditions of the specific license under which the open source software is distributed.

THIS OPEN SOURCE SOFTWARE IS DISTRIBUTED IN THE HOPE THAT IT WILL BE USEFUL, BUT IS PROVIDED "AS IS" WITHOUT ANY WARRANTY, EXPRESS, IMPLIED, OR OTHERWISE, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR ANY WARRANTY REGARDING TITLE OR AGAINST INFRINGEMENT. IN NO EVENT SHALL DELL, THE COPYRIGHT HOLDERS, OR THE CONTRIBUTORS BE LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, OR CONSEQUENTIAL DAMAGES (INCLUDING, BUT NOT LIMITED TO, PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES; LOSS OF USE, DATA, OR PROFITS; OR BUSINESS INTERRUPTION) HOWEVER CAUSED AND ON ANY THEORY OF LIABILITY, WHETHER IN CONTRACT, STRICT LIABILITY, OR TORT (INCLUDING NEGLIGENCE OR OTHERWISE) ARISING IN ANY WAY OUT OF THE USE OF THIS OPEN SOURCE SOFTWARE, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGE.

B. Shrink/Click-wrap License Agreement

Customer understands and agrees that the third-party software is subject to the license agreement shipped with the software or in a separate agreement between Customer and the software licensor. Dell is authorized to provide the software provided hereunder. **It is the Customer's responsibility to read the Shrink/Click-wrap License Agreement and determine if the Customer accepts the license terms.** If the Customer does not agree with the license terms, Dell shall provide reasonable assistance; however, Customer shall be responsible for negotiating with the reseller to obtain additional changes in the Shrink/Click-wrap License Agreement language from the software publisher.

C. Services Agreement

Services provided under this Contract shall be in accordance with the Services Agreement as set forth in Appendix D of this Contract. No changes to the Services Agreement terms and conditions may be made unless previously agreed to by Vendor and DIR.

D. Master Operating Lease Agreement

DIR and Vendor hereby agree that, until DIR directs Vendor otherwise, Vendor is authorized to utilize the Master Operating Lease Agreement in Appendix E of this Contract for Lessees that are Texas State Agencies or otherwise authorized to conduct lease transactions through DIR contracts.

E. Master Lease Agreement

DIR and Vendor hereby agree that, until DIR directs Vendor otherwise, Vendor is authorized to utilize the Master Lease Agreement in Appendix F of this Contract for DIR authorized entities as Lessees that are **not** Texas State Agencies or otherwise required by statute to utilize the Texas Public Finance Authority for such leasing transactions.

8. Intellectual Property Matters

Customer shall own all right, title and interest to the Deliverables and Dell agrees to grant to Customer a perpetual, non-exclusive, non-transferable, royalty-free license to use Dell's Background IP (defined below), Utilities, and Residual IP solely for Customer to use the Deliverables, subject to the following:

- (i) each party will retain all Intellectual Property Rights that it owned or controlled prior to the effective date of this Agreement or that it develops or acquires from activities independent of the Services performed under this Agreement ("Background IP"),
- (ii) Dell will retain all right, title and interest in and to all Intellectual Property Rights in or related to the Services, or tangible components thereof, including but not limited to (a)

- all know-how, intellectual property, methodologies, processes, technologies, algorithms, software or development tools used in performing the Services (collectively, the “Utilities”), and (b) such ideas, concepts, know-how, processes and reusable reports, designs, charts, plans, specifications, documentation, forms, templates or output which are developed, created or otherwise used by or on behalf of Dell in the course of performing the Services or creating the Deliverables, other than portions that specifically incorporate proprietary or Confidential Information or data of Customer (collectively, the “Residual IP”), even if embedded in the Deliverable, and
- (iii) Customer use of software, online services, or software-enabled services in connection with the Services is pursuant to the terms of the applicable software license or Cloud Computing Terms.

As used herein, “Deliverables” means the work product or tangible embodiment of the Services that are (i) prepared or performed by Dell or its subcontractors uniquely and exclusively for a Customer and (ii) specifically identified in a signed Statement of Work as Deliverables. “Intellectual Property Rights” means rights to patents, utility models, mask works, copyrights, trademarks, trade secrets, and any other form of protection afforded by law to inventions, models, designs, technical information, and applications.

9. Authorized Exceptions to Appendix A, Standard Terms and Conditions for Product and Related Services Contracts.

A. Section 3. Definitions, is hereby replaced in its entirety:

A. Customer - any Texas state agency, unit of local government, institution of higher education as defined in Section 2054.003, Texas Government Code, the Electric Reliability Council of Texas, the Lower Colorado River Authority, a private school, as defined by Section 5.001, Education Code, a private or independent institution of higher education, as defined by Section 61.003, Education Code, a volunteer fire department, as defined by Section 152.001, Tax Code, and those state agencies purchasing from a DIR contract through an Interagency Agreement, as authorized by Chapter 771, Texas Government Code, any local government as authorized through the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the state agencies and political subdivisions of other states as authorized by Section 2054.0565, Texas Government Code and, except for telecommunications services under Chapter 2170, Texas Government Code, assistance organizations as defined in Section 2175.001, Texas Government Code to mean:

- 1) A non-profit organization that provides educational, health or human services or assistance to homeless individuals;
- 2) A nonprofit food bank that solicits, warehouses, and redistributes edible but unmarketable food to an agency that feeds needy families and individuals;
- 3) Texas Partners of the Americas, a registered agency with the Advisory Committee on Voluntary Foreign Aid, with the approval of the Partners of the Alliance Office of the Agency for International Development;

- 4) A group, including a faith-based group, that enters into a financial or non-financial agreement with a health or human services agency to provide services to that agency's clients;
- 5) A local workforce development board created under Section 2308.253;
- 6) A nonprofit organization approved by the Supreme Court of Texas that provides free legal services for low-income households in civil matters;
- 7) The Texas Boll Weevil Eradication Foundation, Inc., or an entity designated by the commissioner of agriculture as the foundation's successor entity under Section 74.1011, Texas Agriculture Code;
- 8) A nonprofit computer bank that solicits, stores, refurbishes and redistributes used computer equipment to public school students and their families; and
- 9) A nonprofit organization that provides affordable housing.

B. Compliance Check – an audit of Vendor's compliance with the Contract may be performed by, but not limited to, a third-party auditor, DIR Internal Audit department, or DIR contract management staff or their designees.

C. Contract – the document executed between DIR and Vendor into which this Appendix A is incorporated.

D. CPA – refers to the Texas Comptroller of Public Accounts.

E. Day - shall mean business days, Monday through Friday, except for State and Federal holidays. If the Contract calls for performance on a day that is not a business day, then performance is intended to occur on the next business day.

F. Order Fulfiller – the party, either Vendor or a party that may be designated by Vendor, who is fulfilling a Purchase Order pursuant to the Contract. May include Order Fulfillers, Resellers and/or Agents.

G. Purchase Order - the Customer's fiscal form or format, which is used when making a purchase (e.g., formal written Purchase Order, Procurement Card, Electronic Purchase Order, or other authorized instrument). Neither Dell nor Customer is or shall be bound by any terms and conditions imprinted on or embedded in orders, order acknowledgments or other communications between the parties relating to orders.

H. Reseller – any third party approved by Dell to sell to Eligible Customers under this Contract. Dell will flow this Contract's terms and conditions to its Resellers under this Contract, except that pricing shall be as follows: Dell offers pricing to its Reseller(s) and such Resellers shall resale to Eligible Customers products under this Contract at a price it sets and that will not exceed the maximum price as set forth in Appendix C, Pricing Index, of this Contract.

I. State – refers to the State of Texas.

B. Section 4. General Provisions, E. Survival, is hereby replaced in its entirety:

Each applicable service agreement that was entered into between Vendor and a Customer under the terms and conditions of the Contract that is still in existence as of the date of the expiration or termination of the Contract shall survive the expiration or termination of the Contract until the expiration or termination of such service agreement. Each Purchase Order issued and accepted by Vendor that is still in existence on the date of the expiration or termination of the Contract shall survive expiration or termination of the Contract until the expiration or termination of such Purchase Order.

C. Section 6.A. 2) Product Terms and Conditions, Electronic and Information Resources Accessibility Standards, As Required by 1 TAC Chapters 206 and 213 (Applicable to State Agency and Institution of Higher Education Purchases Only), is hereby replaced in its entirety:

2) Upon request by DIR, Vendor shall provide DIR with the URL to its Voluntary Product Accessibility Template (VPAT) or a copy of the applicable VPAT for reviewing compliance with the State of Texas Accessibility requirements (based on the federal standards established under Section 508 of the Rehabilitation Act), or indicate that the product/service accessibility information is available from the General Services Administration “Buy Accessible Wizard” (<http://www.buyaccessible.gov>). Vendors not listed with the “Buy Accessible Wizard” or supplying a URL to their VPAT must provide DIR with a report that addresses the same accessibility criteria in substantively the same format. Additional information regarding the “Buy Accessible Wizard” or obtaining a copy of the VPAT is located at <http://www.section508.gov/>.

Customer may go to this page to request VPATs:

<http://content.dell.com/us/en/corp/d/corp-comm/cr-diversity-customer-disabilities.aspx>

D. Section 7. Contract Fulfillment and Promotion, A. Service, Sales and Support of the Contract, is hereby replaced in its entirety:

Vendor shall provide service, sales and support resources available under the Contract to serve all Customers throughout the State. It is the responsibility of the Vendor to sell, market, and promote services available under the Contract. Vendor shall use commercially reasonable efforts to ensure that potential Customers are made aware of the existence of the Contract.

E. Section 7. Contract Fulfillment and Promotion, C. Product Warranty and Return Policies, is hereby replaced in its entirety:

Products Warranty:

A. Limited Warranty. Dell warrants that the Dell-branded hardware Products will conform to the Dell specifications current when the Product is shipped and will be free from material defects in materials and workmanship during the applicable warranty period (“Limited Warranty”). The Limited Warranty period for Product begins on the Product ship date. Dell has the right to grant the licenses to the Software licensed under this Agreement, and such Software will substantially conform to the functional specifications and current documentation provided by Dell.

B. Disclaimers. EXCEPT AS EXPRESSLY STATED IN THE PRECEDING PARAGRAPH, DELL, (INCLUDING ITS AFFILIATES, CONTRACTORS, AND AGENTS, AND EACH OF THEIR RESPECTIVE EMPLOYEES, DIRECTORS, AND OFFICERS), ON BEHALF OF ITSELF AND ITS SUPPLIERS (COLLECTIVELY, THE “DELL PARTIES”) DISCLAIMS, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ALL WARRANTIES, WHETHER EXPRESS OR IMPLIED, WITH RESPECT TO ANY OF THE PRODUCTS, SOFTWARE, OR SERVICES, INCLUDING BUT NOT LIMITED TO ANY WARRANTY (1) OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, PERFORMANCE, SUITABILITY, OR NON-INFRINGEMENT; (2) RELATING TO THIRD-PARTY PRODUCTS, SOFTWARE, OR SERVICES; (3) RELATING TO THE PERFORMANCE OF ANY HARDWARE OR SOFTWARE, OR DELL’S PERFORMANCE OF THE SERVICES; OR (4) REGARDING THE RESULTS TO BE OBTAINED FROM THE PRODUCTS, SOFTWARE, SERVICES, OR THE RESULTS OF ANY RECOMMENDATION BY DELL.

C. High-Risk Activities. The Products, Software, and Services are not fault-tolerant and are not designed or intended for use in hazardous environments requiring fail-safe performance, such as in the operation of nuclear facilities, aircraft navigation or communication systems, air traffic control, weapons systems, life-support machines, or any other application in which the failure of the Products, Software, or Services could lead directly to death, personal injury, or severe physical or property damage (collectively, “**High-Risk Activities**”). Dell expressly disclaims any express or implied warranty of fitness for High-Risk Activities.

D. Warranty Exclusions. Warranties do not cover damage due to external causes, such as accident, abuse, misuse, problems with electrical power, service not performed or authorized by Dell (including installation or de-installation), usage not in accordance with product or software instructions, normal wear and tear, or use of parts and components not supplied or intended for use with the products, software, or services. **These warranties do not apply to Third-Party Products.** Any warranty on a Third-

Party Product is provided by the publisher, provider, or original manufacturer. To the extent that Dell is contractually authorized by the applicable Third-Party, Dell will assign to Customer any additional warranty provided to Dell; otherwise the Third-Party Products are provided by Dell "as is." WHETHER DIRECT OR INDIRECT, NEITHER PARTY SHALL HAVE LIABILITY FOR THE FOLLOWING, (A) LOSS OF REVENUE, INCOME, PROFIT, OR SAVINGS, (B) LOST OR CORRUPTED DATA OR SOFTWARE, LOSS OF USE OF SYSTEM(S) OR NETWORK, OR THE RECOVERY OF SUCH, (C) LOSS OF BUSINESS OPPORTUNITY, (D) BUSINESS INTERRUPTION OR DOWNTIME, OR (E) SERVICES, VENDOR PRODUCTS OR THIRD-PARTY PRODUCTS NOT BEING AVAILABLE FOR USE BY CUSTOMER.

- A. With respect to Customer's use of the Software (1) neither Dell nor any of the Dell Parties makes any express or implied warranty that Software provided to Customer in connection with this Agreement is or will be secure, accurate, complete, uninterrupted, without error, or free of viruses, worms, other harmful components, or other program limitations; or that any errors in the Software will be corrected; (2) Customer assumes the entire cost of all necessary servicing, repair, or correction of problems caused by viruses or other harmful components, unless such errors or viruses are the direct result of Dell's gross negligence or willful misconduct; (3) Dell and the Dell Parties, jointly and severally, disclaim and make no warranties or representations as to the accuracy, quality, reliability, suitability, completeness, truthfulness, usefulness, or effectiveness of any reports, data, results, or other information obtained or generated by Customer related to Customer's use of the Software; and (4) use of the Software is entirely at Customer's own risk and neither Dell nor the Dell Parties shall have any liability relating to such use.

THIRD PARTY PRODUCTS. To the extent Dell has the right to do so under its agreements with any third parties Dell shall pass through to Customer all Third Party warranties as Dell receives from such third party in its contracts.

Dell Return Policy (U.S. only)

For any Product return, Customer agrees to follow and comply with the terms and process applicable according to Dell's return policy at www.Dell.com/returnspolicy.

Note: Before a Customer returns the product to Dell, make sure to back-up any data on the hard drive(s) and on any other storage device in the product. Remove any and all confidential, proprietary, and personal information as well as removable media such as floppy disks, CDs, and PC Cards. Dell is not responsible for any confidential, proprietary, or personal information; lost or corrupted data; or damaged or lost removable media that may be included with a Customer's return.

Services Warranty:

Limited Warranty. VENDOR WARRANTS THAT SERVICES WILL BE PERFORMED IN A GOOD AND WORKMANLIKE MANNER. EXCEPT AS EXPRESSLY STATED IN THE PRECEDING SENTENCE, VENDOR (INCLUDING ITS AFFILIATES, SUBCONTRACTORS AND AGENTS) AND EACH OF THEIR RESPECTIVE EMPLOYEES, DIRECTORS AND OFFICERS (COLLECTIVELY, THE "VENDOR PARTY(IES)") MAKES NO EXPRESS OR IMPLIED WARRANTIES WITH RESPECT TO ANY OF THE SERVICES OR DELIVERABLES, INCLUDING BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, PERFORMANCE, SUITABILITY OR NON-INFRINGEMENT; OR ANY WARRANTY RELATING TO THIRD-PARTY PRODUCTS OR THIRD-PARTY SERVICES.

High-Risk Application Disclaimer. THE SERVICES ARE NOT FAULT-TOLERANT AND ARE NOT DESIGNED OR INTENDED FOR USE IN HAZARDOUS ENVIRONMENTS REQUIRING FAIL-SAFE PERFORMANCE, INCLUDING WITHOUT LIMITATION, IN THE OPERATION OF NUCLEAR FACILITIES, AIRCRAFT NAVIGATION OR COMMUNICATION SYSTEMS, AIR TRAFFIC CONTROL, WEAPONS SYSTEMS, LIFE-SUPPORT MACHINES, OR ANY OTHER APPLICATION IN WHICH THE FAILURE OF THE SERVICES COULD LEAD DIRECTLY TO DEATH, PERSONAL INJURY, OR SEVERE PHYSICAL OR PROPERTY DAMAGE (COLLECTIVELY, "HIGH-RISK ACTIVITIES"). VENDOR EXPRESSLY DISCLAIMS ANY EXPRESS OR IMPLIED WARRANTY OF FITNESS FOR HIGH-RISK ACTIVITIES.

F. Section 7. Contract Fulfillment and Promotion, E. Internet Access to Contract and Pricing Information, 1) Vendor Website, is hereby replaced in its entirety:

1) Within thirty (30) calendar days of the effective date of the Contract, Vendor will establish and maintain a webpage specific to the products and related services and cloud services awarded under the Contract that are clearly distinguishable from other, non-DIR Contract offerings on the Vendor's website. The webpage must include:

- a) the products and related services and cloud services awarded;
- b) description of product and service awarded;
- c) a current price list or mechanism (for example, a services calculator or product builder) to obtain specific contracted pricing;
- d) discount percentage (%) off MSRP or List Price;
- e) a link (updated no less than monthly) to the Full Pricing Catalog, listing all products and services by product description, manufacturer part number, Dell part number, MSRP;
- f) designated Order Fulfillers;

- g) contact information (name, telephone number and email address) for Vendor and designated Order Fulfillers;
- h) instructions for obtaining quotes and placing Purchase Orders;
- i) warranty policies;
- j) return policies;
- k) the DIR Contract number with a hyperlink to the Contract's DIR webpage;
- l) a link to the DIR "Cooperative Contracts" webpage; and
- m) the DIR logo in accordance with the requirements of this Section.

G. Section 7. Contract Fulfillment and Promotion, F. Services Warranty and Return Policies, is hereby replaced in its entirety:

Vendor and Order Fulfiller will adhere to the Vendor's then-currently published generally applicable U.S. policies concerning services warranties and returns.

H. Section 7. Contract Fulfillment and Promotion, H. Vendor and Order Fulfiller Logo, is hereby replaced in its entirety:

DIR may use the Vendor's and Order Fulfiller's name and logo in the promotion of the Contract to communicate the availability of products and services under the Contract to Customers. Use of the logos may be on the DIR website or on printed materials. Any use of Vendor's and Order Fulfiller's logo by DIR must comply with and be solely related to the purposes of the Contract and any usage guidelines communicated to DIR from time to time. Nothing contained in the Contract will give DIR any right, title, or interest in or to Vendor's or Order Fulfiller' trademarks or the goodwill associated therewith, except for the limited usage rights expressly provided by Vendor and Order Fulfiller. Dell's logo is subject to Dell's corporate compliance usage rules.

I. Section 7. Contract Fulfillment and Promotion, I. Trade Show Participation, is hereby replaced in its entirety:

At DIR's discretion, Vendor may be required to participate in no more than two (2) DIR sponsored trade shows each calendar year. Vendor understands and agrees that participation, at the Vendor's expense, includes providing a manned booth display or similar presence. DIR will provide four months advance notice of any required participation. Vendor must display the DIR logo at all such trade shows in the State of Texas that potential Customers will attend. DIR reserves the right to approve or disapprove of the location or the use of the DIR logo in or on the Vendor's or Order Fulfiller's booth.

J. Section 8. Pricing, Purchase Orders, Invoices, and Payments, is hereby replaced in its entirety:

A. Purchase Orders

All Customer Purchase Orders will be placed directly with the Order Fulfiller. Accurate Purchase Orders shall be effective and binding upon Order Fulfiller when accepted by Order Fulfiller.

B. Invoices

Invoices shall be submitted by the Vendor directly to the Customer and shall be issued in compliance with Chapter 2251, Texas Government Code. All payments for services purchased under the Contract and any provision and receipt of such services shall be made by the Customer to the Vendor.

Invoices must be timely and accurate. Each invoice must match Customer's Purchase Order and include any written changes that may apply, as it relates to services, prices and quantities. Invoices must include the Customer's Purchase Order number or other pertinent information for verification of receipt of the services by the Customer.

C. Payments

The parties shall comply with Chapter 2251, Texas Government Code, in invoicing and making payments. Payments for goods and services are due thirty (30) days after the goods are provided, the services completed, or a correct invoice is received, whichever is later. **Payment under the Contract shall not foreclose the right to recover wrongful payments.**

D. Acceptance

Customer and Vendor may establish terms for acceptance of Products and Services. Absent other terms of acceptance agreed to by Customer and Vendor, the following terms will apply. With respect to Vendor-branded products delivered to Customers under the Contract that have Vendor-published specifications, and with respect to Services provided to Customers by Vendor under the Contract that have mutually agreed upon specifications described in a Purchase Order executed by the Customer and Vendor (respectively, the "Specifications"), Customer shall determine whether such products and Services meet the applicable Specifications. If the product or Service meets the Specifications applicable to it, the Customer agrees to accept such product or Service. Unless otherwise agreed upon by the Customer and Vendor, a product or service shall be deemed accepted if the Customer does not, within Twenty (20) twenty calendar days from the date such product or service is delivered, issue to Vendor a written notice of partial acceptance or rejection of the product or service based on the fact that the product or service did not meet the Specifications applicable to it ("Deemed Acceptance" or "Deemed Accepted").

No payment shall due for any such product or Service until the Customer either accepts the product or service or such product or service is Deemed Accepted.

K. Section 9. Contract Administration, B. Reporting and Administrative Fees, 2) Detailed Monthly Report, is hereby replaced in its entirety:

2) Detailed Monthly Report

Vendor shall electronically provide DIR with a detailed monthly report in the format required by DIR showing the dollar volume of any and all sales under the Contract for the previous calendar month period. Reports are due on the fifteenth (15th) calendar day of the month following the month of the sale. If the 15th calendar day falls on a weekend or state or federal holiday, the report shall be due on the next business day. The monthly report shall include, per transaction: the detailed sales for the period, Customer name, invoice date, invoice number, description, quantity, MSRP or List Price, unit price, extended price, Customer Purchase Order number, contact name, Customer's complete billing address, the estimated administrative fee for the reporting period, subcontractor name, EPEAT designation (if applicable), configuration (if applicable), contract discount percentage, actual discount percentage, negotiated contract price (if fixed price is offered instead of discount off of MSRP), and other information as required by DIR. Each report must contain all information listed above per transaction or the report will be rejected and returned to the Vendor for correction in accordance with this section. Vendor shall report in a manner required by DIR which is subject to change dependent upon DIR's business needs. Failure to do so may result in contract termination.

L. Section 9. Contract Administration, B. Reporting and Administrative Fees, 4) DIR Administrative Fee, is hereby replaced in its entirety:

- a)** The Vendor shall pay an administrative fee to DIR to defray the DIR costs of negotiating, executing, and administering the Contract. The maximum administrative fee is set by the Texas Legislature in the biennial General Appropriations Act. DIR will review Vendor monthly sales reports, close the sales period, and notify the Vendor of the administrative fee no later than the fourteenth (14th) day of the second month following the date of the reported sale. Vendor shall pay the administrative fee by the twenty-fifth (25th) calendar day of the second month following the date of the reported sale. For example, Vendor reports January sales by February 15th; DIR closes January sales and notifies Vendor of administrative fee by March 14th; Vendor submits administrative fee for January sales by March 25th.
- b)** DIR may change the amount of the administrative fee upon thirty (30) calendar days written notice to Vendor without the need for a formal contract amendment.
- c)** Vendor shall reference the DIR Contract number, reporting period, and administrative fee amount on any remittance instruments.

M. Section 9. Contract Administration, B. Reporting and Administrative Fees, 5) Accurate and Timely Submission of Reports, is hereby replaced in its entirety:

a) The reports and administrative fees shall be accurate and timely and submitted in accordance with the due dates specified in this section. Vendor shall correct any inaccurate reports or administrative fee payments within three (3) business days upon written notification by DIR. Vendor shall deliver any late reports or late administrative fee payments within three (3) business days upon written notification by DIR. If Vendor is unable to correct inaccurate reports or administrative fee payments or deliver late reports and fee payments within three (3) business days, Vendor must contact DIR and provide a corrective plan of action, including the timeline for completion of correction. The corrective plan of action shall be subject to DIR approval.

b) Should Vendor fail to correct inaccurate reports or cure the delay in timely delivery of reports and payments within the corrective plan of action timeline, DIR reserves the right to require an independent third-party audit of the Vendor's records as specified in C.3 of this Section, at Vendor's expense. DIR will select the auditor (and all payments to auditor will require DIR approval).

Failure to timely submit three (3) reports or administrative fee payments within any rolling twelve (12) month period may, at DIR's discretion, result in the addition of late fees of \$100/day for each day the report or payment is due (up to \$1000/month) or suspension or termination of Vendor's Contract.

N. Section 9. Contract Administration, C. Records and Audit, is hereby replaced in its entirety:

1) Acceptance of funds under the Contract by Vendor and/or Order Fulfiller acts as acceptance of the authority of the State Auditor's Office, or any successor agency, to conduct an audit or investigation in connection with those funds. Vendor further agrees to cooperate fully with the State Auditor's Office or its successor in the conduct of the audit or investigation, including providing all records requested. Vendor will ensure that this clause concerning the authority to audit funds received indirectly by subcontractors through Vendor or directly by Order Fulfillers and the requirement to cooperate is included in any subcontract or Order Fulfiller contract it awards pertaining to the Contract. Under the direction of the Legislative Audit Committee, a Vendor that is the subject of an audit or investigation by the State Auditor's Office must provide the State Auditor's Office with access to any information the State Auditor's Office considers relevant to the investigation or audit.

2) Vendor shall maintain adequate records relating to the requirements of this Contract and relevant to the performance of the Contract to DIR, to establish compliance with the Contract until the later of a period of four (4) years after termination of the Contract or until full, final and unappealable resolution of all Compliance Check or litigation issues that arise under the Contract. Such records shall include per transaction: Customer name, invoice date, invoice number, description, quantity, unit price,

extended price, Customer Purchase Order number, contact name, Customer's complete billing address, the calculations supporting each administrative fee owed DIR under the Contract, Historically Underutilized Businesses Subcontracting reports, and such other documentation as DIR may request.

3) Vendor and/or Order Fulfillers shall grant access to all paper and electronic records, books, documents, accounting procedures, practices and any other items relevant to the performance of the Contract to the DIR Internal Audit department or DIR Contract Management staff, including the compliance checks designated by the DIR Internal Audit department, DIR Contract Management staff, the State Auditor's Office, and of the United States, and such other persons or entities designated by DIR for the purposes of inspecting, Compliance Checking and/or copying such books and records. Vendor and/or Order Fulfillers shall provide copies and printouts requested by DIR without charge. DIR shall provide Vendor and/or Order Fulfillers ten (10) business days' notice prior to inspecting, Compliance Checking, and/or copying Vendor's and/or Order Fulfiller's records. Vendor's and/or Order Fulfillers records, whether paper or electronic, shall be made available during regular office hours. Vendor and/or Order Fulfiller personnel familiar with the Vendor's and/or Order Fulfiller's books and records shall be available to the DIR Internal Audit department, or DIR Contract Management staff and designees as needed. Vendor and/or Order Fulfiller shall provide adequate office space to DIR staff during the performance of Compliance Check. If any audit reveals a Material Accounting Error, Vendor must reimburse DIR for actual and reasonable costs of such audit. Material Accounting Error means (a) with regard to audits of invoices, an aggregate variance from all applicable invoices of Vendor reviewed during such audit in excess of 1.5% of the aggregate amount shown on all of the invoices reviewed during such audit; and (b) with regard to audits of fees, an aggregate underpayment of all fees due to DIR under this Contract during a Vendor fiscal quarter in excess of 5%.

O. Section 10. Vendor Responsibilities, A. Indemnification, 2) ACTS OR OMISSIONS is hereby replaced in its entirety:

2) ACTS OR OMISSIONS

Vendor shall indemnify and hold harmless the State of Texas and Customers, AND/OR THEIR OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, CONTRACTORS, ASSIGNEES, AND/OR DESIGNEES FROM AND AGAINST ANY AND ALL THIRD PARTY CLAIMS FOR LIABILITY, ACTIONS, CLAIMS, DEMANDS, OR SUITS, AND ALL RELATED COSTS, ATTORNEY FEES, AND EXPENSES arising out of, or resulting from any acts or omissions of the Vendor or its agents, employees, subcontractors, Order Fulfillers, or suppliers of subcontractors in the execution or performance of the Contract and any Purchase Orders issued under the Contract resulting in bodily injury (including death) or damage to tangible property and to the extent caused by Dell or its Order Fulfillers, Agents, Resellers or subcontractors. VENDOR'S OBLIGATIONS TO INDEMNIFY AND HOLD HARMLESS BY NEGLIGENCE VENDOR SHALL PAY ALL COSTS OF DEFENSE INCLUDING REASONABLE ATTORNEYS FEES. The defense shall be coordinated by the Office

of the Attorney General FOR TEXAS STATE AGENCIES OR BY CUSTOMER'S LEGAL COUNSEL FOR NON-STATE AGENCY CUSTOMERS, VENDOR'S COUNSEL FOR VENDOR, AND BY CUSTOMERS COUNSEL FOR NON-STATE AGENCY CUSTOMERS AND VENDOR MAY NOT AGREE TO ANY SETTLEMENT AS TO CLAIMS AGAINST TEXAS STATE AGENCIES WITHOUT FIRST OBTAINING CONCURRENCE FROM THE OFFICE OF THE ATTORNEY GENERAL.

P. Section 10. Vendor Responsibilities, A. Indemnification, 3) Infringements is hereby replaced in its entirety:

a) Vendor shall indemnify and hold harmless the State of Texas and Customers, AND/OR THEIR EMPLOYEES, AGENTS, REPRESENTATIVES, CONTRACTORS, ASSIGNEES, AND/OR DESIGNEES, from any and all third-party claims involving infringement of United States patents, copyrights, trade and service marks, and any other intellectual or intangible property rights in connection with the PERFORMANCES of Services or the provision of Dell-branded Products by VENDOR PURSUANT TO THIS CONTRACT. "Dell-Branded Products" shall mean hardware products (including all Dell standard components and parts contained within the Dell system), components, or parts bearing the Dell logo that are included on Seller's standard price list.

VENDOR and the CUSTOMER agree to furnish timely written notice to each other of any such claim. VENDOR SHALL BE LIABLE TO PAY ALL COSTS OF DEFENSE OF THE CLAIMS AS SPECIFIED IN THIS SECTION INCLUDING ATTORNEYS' FEES. The defense shall be coordinated by the Office of the Attorney General FOR TEXAS STATE AGENCY CUSTOMERS, Vendor's Counsel for Vendor, AND BY CUSTOMER'S LEGAL COUNSEL FOR NON-STATE AGENCY CUSTOMERS AND VENDOR MAY NOT AGREE TO ANY SETTLEMENT AS TO CLAIMS AGAINST TEXAS STATE AGENCIES WITHOUT FIRST OBTAINING CONCURRENCE FROM THE OFFICE OF THE ATTORNEY GENERAL. In addition, the foregoing IP obligations shall extend to third party claims involving infringement of United States patents, copyrights, trade and service marks, and any other intellectual or intangible property rights in connection with Vendor's sale of third party equipment and license of third party software under this Contract, if and to the extent the applicable third party equipment manufacturer or third party software licensor is contractually obligated to Vendor to provide indemnification for such claims.

b) Notwithstanding the foregoing, Vendor shall have no obligation under this Section for any claim to the extent that it results or arises from (1) Customer's modifications of such products, services or deliverables that were not performed by or on behalf of Vendor; (2) the combination, operation or use of such product, service or deliverable in connection with a third-party product or service (the combination of which causes the infringement); or (3) Vendor's compliance with Customer's written specifications (to the extent such specifications were not developed by Vendor) or directions,

Vendor Contract No. _____

including the incorporation of any software or other materials or process provided by or requested by Customer, provided that, in the first case, Vendor's employees who complied with Customer's specifications did not have actual knowledge that such specifications infringe one or more United States patents, copyrights, trade and service marks, and any other intellectual or intangible property rights and fails to so inform Customer. In the event Vendor has no obligation for a claim as set forth above, Vendor agrees to provide such assistance (e.g., producing documents and its employees as witnesses) as is reasonably requested by the Attorney General in connection with the Attorney General's defense of such claim.

c) If Vendor becomes aware of an actual or potential claim, or Customer provides Vendor with notice of an actual or potential claim, Vendor may (or in the case of an injunction against Customer, shall), at Vendor's sole option and expense: (i) procure for the Customer the right to continue to use the affected portion of the product or service, or (ii) modify or replace the affected portion of the product or service with functionally equivalent or superior product or service so that Customer's use is non-infringing, or (iii) provide a refund that reflects reasonable depreciation for time of use, and for services/custom software. (iii) applies only if the remedies described in subparts (i) and (ii) are not obtainable despite Vendor's commercially reasonable efforts. This subsection states Customer's exclusive remedies for any third-party intellectual property claim. Notwithstanding the foregoing, if Vendor provides the remedy described in subpart (iii) and the affected Customer incurs transition expenses relating to the replacement in such Customer's IT environment of the affected portion of Dell-Branded Products or services, such Customer may tender to Vendor a claim for such actual and reasonable transition expenses in an amount up to the difference between (y) the original purchase price for the affected portion of the product or service being removed and (z) the refund provided to such Customer pursuant to subpart (iii), above, and Vendor will pay such claim.

Q. Section 10. Vendor Responsibilities, B. Taxes/Worker's Compensation/ UNEMPLOYMENT INSURANCE is hereby replaced in its entirety:

1) VENDOR AGREES AND ACKNOWLEDGES THAT DURING THE EXISTENCE OF THIS CONTRACT, VENDOR SHALL BE ENTIRELY RESPONSIBLE FOR THE LIABILITY AND PAYMENT OF VENDOR'S AND VENDOR'S EMPLOYEES' TAXES OF WHATEVER KIND, ARISING OUT OF THE PERFORMANCES IN THIS CONTRACT. VENDOR AGREES TO COMPLY WITH ALL STATE AND FEDERAL LAWS APPLICABLE TO ANY SUCH PERSONS, INCLUDING LAWS REGARDING WAGES, TAXES, INSURANCE, AND WORKERS' COMPENSATION. VENDOR AGREES AND ACKNOWLEDGES THAT VENDOR ITS EMPLOYEES, REPRESENTATIVES, AGENTS OR SUBCONTRACTORS SHALL NOT BE ENTITLED TO ANY STATE BENEFIT OR BENEFIT OF ANOTHER GOVERNMENTAL ENTITY CUSTOMER AS A RESULT OF WORKING UNDER THIS CONTRACT. THE CUSTOMER AND/OR THE STATE SHALL NOT BE LIABLE TO THE VENDOR ITS EMPLOYEES, AGENTS, OR OTHERS FOR THE PAYMENT OF TAXES OR

Vendor Contract No. _____

THE PROVISION OF UNEMPLOYMENT INSURANCE AND/OR WORKERS' COMPENSATION OR ANY BENEFIT AVAILABLE TO A STATE EMPLOYEE OR EMPLOYEE OF ANOTHER GOVERNMENTAL ENTITY CUSTOMER AS A RESULT OF ITS PERFORMANCE UNDER THIS CONTRACT.

2) VENDOR AGREES TO INDEMNIFY AND HOLD HARMLESS CUSTOMERS, THE STATE OF TEXAS AND/OR THEIR EMPLOYEES, AGENTS, REPRESENTATIVES, CONTRACTORS, ASSIGNEES, AND/OR DESIGNEES FROM ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS, OR SUITS, AND ALL RELATED COSTS, ATTORNEY FEES, AND EXPENSES, RELATING TO TAX LIABILITY, UNEMPLOYMENT INSURANCE AND/OR WORKERS' COMPENSATION OR EXPECTATIONS OF BENEFITS BY VENDOR, ITS EMPLOYEES, REPRESENTATIVES, AGENTS OR SUBCONTRACTORS IN ITS PERFORMANCE UNDER THIS CONTRACT. VENDOR SHALL BE LIABLE TO PAY ALL COSTS OF DEFENSE INCLUDING REASONABLE ATTORNEYS' FEES FOR CLAIMS UNDER THIS CLAUSE AS A RESULT OF ITS PERFORMANCE UNDER THIS CONTRACT.

THE DEFENSE SHALL BE COORDINATED BY THE OFFICE OF THE ATTORNEY GENERAL FOR TEXAS STATE AGENCY CUSTOMERS, VENDOR'S COUNSEL FOR VENDOR AND BY CUSTOMER'S LEGAL COUNSEL FOR NON-STATE AGENCY CUSTOMERS, AND VENDOR MAY NOT AGREE TO ANY SETTLEMENT AS TO CLAIMS AGAINST TEXAS STATE AGENCIES WITHOUT FIRST OBTAINING CONCURRENCE FROM THE OFFICE OF THE ATTORNEY GENERAL.

R. Section 10. Vendor Responsibilities, C. Vendor Certifications, is hereby replaced in its entirety:

C. Vendor Certifications

Vendor certifies on behalf of Vendor and its designated Order Fulfillers that they:

- (i) have not given, offered to give, and do not intend to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the Contract;
- (ii) are not currently delinquent in the payment of any franchise tax owed the State and are not ineligible to receive payment under §231.006 of the Texas Family Code and acknowledge the Contract may be terminated and payment withheld if this certification is inaccurate;
- (iii) neither they, nor anyone acting for them, have violated the antitrust laws of the United States or the State, nor communicated directly or indirectly to any competitor or any other person engaged in such line of business for the purpose of obtaining an unfair price advantage;
- (iv) have not received payment from DIR or any of its employees for participating in the preparation of the Contract;
- (v) under Section 2155.004, Texas Government Code, the vendor certifies that the individual or business entity named in this bid or contract is not ineligible to receive

the specified contract and acknowledges that this contract may be terminated and payment withheld if this certification is inaccurate;

(vi) to the best of their knowledge and belief, there are no suits or proceedings pending or threatened against or affecting them, which if determined adversely to them will have a material adverse effect on the ability to fulfill their obligations under the Contract;

(vii) Vendor and its principals are not suspended or debarred from doing business with the federal government as listed in the System for Award Management (SAM) maintained by the General Services Administration;

(viii) as of the effective date of the Contract, are not listed in the prohibited vendors list authorized by Executive Order #13224, "Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism", published by the United States Department of the Treasury, Office of Foreign Assets Control;

(ix) Vendor certifies that, for its performance of this contract, it shall purchase products and materials produced in the State of Texas when available at the price and time comparable to products and materials produced outside the state, to the extent that such is required under Texas Government Code, Section 2155.4441. This certification will not be interpreted to prohibit or impair Vendor's provision of product from its then current and commercially available inventory.

(x) agrees that all equipment and materials used in fulfilling the requirements of this contract are of high-quality and consistent with or better than applicable industry standards, if any. All Works and Services performed pursuant to this Contract shall be of high professional quality and workmanship and according consistent with or better than applicable industry standards, if any;

(xi) to the extent applicable to this scope of this Contract, Vendor hereby certifies that it is in compliance with Subchapter Y, Chapter 361, Health and Safety Code related to the Computer Equipment Recycling Program and its rules, 30 TAC Chapter 328;

(xii) agree that any payments due under this contract will be applied towards any debt, including but not limited to delinquent taxes and child support that is owed to the State of Texas;

(xiii) are in compliance Section 669.003, Texas Government Code, relating to contracting with executive head of a state agency;

(xiv) certify that the provision of goods and services or other performance under the Contract will not constitute an actual or potential conflict of interest and certify that they will not reasonably create the appearance of impropriety, and, if these facts change during the course of the Contract, certify they shall disclose the actual or potential conflict of interest and any circumstances that create the appearance of impropriety;

(xv) under Section 2155.006, and Section 2261.053, Texas Government Code, are not ineligible to receive the specified contract and acknowledge that this contract may be terminated and payment withheld if this certification is inaccurate;

(xvi) have complied with the Section 556.0055, Texas Government Code, restriction on lobbying expenditures. In addition, they acknowledge the applicability of §2155.444 and §2155.4441, Texas Government Code, in fulfilling the terms of the Contract; and

Vendor Contract No. _____

(xvii) certify that the Customer's payment and their receipt of appropriated or other funds under this Agreement are not prohibited by Sections 556.005 or Section 556.008, Texas Government Code.

(xviii) certify that in accordance with Section 2270.002 of the Texas Government Code, by signature hereon, Vendor does not boycott Israel and will not boycott Israel during the term of this Contract.

During the term of the Contract, Vendor will, for itself and on behalf of its Order Fulfillers, promptly disclose to DIR any changes that occur to the foregoing certifications. Vendor covenants to fully cooperate in the development and execution of resulting documentation necessary to maintain an accurate record of the certifications.

In addition, Vendor understands and agrees that if Vendor responds to certain Customer pricing requests or Statements of Work, then, in order to contract with the Customer, Vendor may be required to comply with additional terms and conditions or certifications that an individual customer may require due to state and federal law (e.g., privacy and security requirements).

S. Section 10. Vendor Responsibilities, G. Responsibility for Actions, is hereby replaced in its entirety:

1) Vendor is solely responsible for its actions and those of its agents, employees, or subcontractors, and agrees that neither Vendor nor any of the foregoing has any authority to act or speak on behalf of DIR or the State.

T. Section 10. Vendor Responsibilities, I. Security of Premises, Equipment, Data and Personnel, is hereby replaced in its entirety:

a) Vendor and/or Order Fulfiller may, from time to time during the performance of the Contract, have access to the personnel of Customers and the premises, equipment, and other tangible property belonging to the Customer. Vendor shall use commercially reasonable efforts to preserve the safety of such personnel and the safety, security, and the integrity of such premises, equipment, and other tangible property, in accordance with the instruction of the applicable Customer provided to Vendor or the applicable Order Fulfiller by the Customer in writing or in the manner that Customer generally provides such instructions to its own employees and other contractors. Vendor shall be responsible for damage to Customer's premises, equipment and other tangible property when such damage is caused by its employee or subcontractor. If Vendor and/or an Order Fulfiller materially fails to comply with the applicable Customer's security requirements, then such Customer may immediately terminate its Purchase Order and related Service Agreement.

b) In addition, Vendor and/or Order Fulfiller may, from time to time during performance of the Contract, have access to Customer's data ("Data") that is

hosted either at Customer's or a third party's premises (other than premises of Vendor's Affiliates or subcontractors) (collectively, "Customer Premises") or at Vendor's premises or the premises of Vendor's Affiliates or subcontractors (collectively, "Vendor Premises").

- i. As to Data hosted at any Customer Premises, Vendor shall comply with Customer's instructions related to preserving the safety, security and integrity of such Data provided to Vendor or the applicable Order Fulfiller by the Customer in writing or in the manner that Customer generally provides such instructions to its own employees and other contractors.
- ii. As to Data hosted at any Vendor Premises, Vendor will comply with its generally applicable security standards designed to preserve the safety, security and integrity of such Data, as well as any additional security obligations expressly agreed in the applicable Statement of Work executed by Customer and Vendor.
- iii. Notwithstanding anything to the contrary in this Agreement, including this Section 10.I, except as otherwise expressly provided in a Statement of Work executed by Customer and Vendor: (A) Customer is responsible for backing up its own Data, (B) Vendor and Order Fulfiller shall not have operational or financial responsibility for refreshes, upgrades, modifications or improvements to Customer-provided facilities, equipment or software that may be required to preserve the safety, security and integrity of such Data, and (C) if Vendor or Order Fulfiller's compliance with Customer's instructions constitutes a material change to the scope of Services or their other obligations, the parties will equitably adjust the charges to account for such material change. Vendor and Order Fulfiller shall not be responsible, or liable for any damages, for any Data losses to the extent such Data cannot be retrieved due to Customer's (or Customer's applicable Third-Party Vendor's) failure to use standard industry practices relating to data backups and retrieval of Data.
- iv. If Vendor has Data backup responsibility under the applicable Statement of Work, Vendor shall be operationally and financially responsible for restoring such Data that is lost or corrupted as soon as reasonably practicable in accordance with its Data restore responsibilities set forth in the Statement of Work, provided that, if the loss or corruption of Data results from a Force Majeure Event or other event for which Vendor's non-performance is excused, then Vendor and Customer will equitably adjust the charges to account for the additional effort incurred by Vendor in restoring the Data to the extent such additional charges result from activities in addition to the responsibilities Vendor is expressly obligated to perform under the applicable Statement of Work. In either of the foregoing cases in which additional charges may apply, Vendor will consult with the

Vendor Contract No. _____

applicable Customer before performing such restoration, and the applicable Customer may, at its discretion, direct Vendor not to restore the Data.

U. Section 10. Vendor Responsibilities, J. Background and/or Criminal History Investigation, is hereby replaced in its entirety:

Prior to commencement of any services, background and/or criminal history investigation of the Vendor's employees and subcontractors who will be providing services to the Customer under the Contract may be performed by Vendor or Customers (as required by Customer), provided this requirement is added to the applicable specific Purchase Order between such Customer and Vendor. Should any employee or subcontractor of the Vendor who will be providing services to the Customer under such Purchase Order not be acceptable to the Customer as a result of the background and/or criminal history check, then Customer may immediately require replacement of the employee or subcontractor in question. If Vendor fails to promptly replace the employee or subcontractor personnel, then Customer may immediately terminate its Purchase Order and related Service Agreement.

V. Section 10. Vendor Responsibilities, K. Limitation of Liability, is hereby replaced in its entirety:

For any claim or cause of action arising out of or related to the Contract: i) to the extent permitted by the Constitution and the laws of the State of Texas, none of the parties shall be liable to the other for indirect, punitive, special, or consequential damages, even if it is advised of the possibility of such damages; and ii) Vendor's cumulative liability for all claims and damages of any kind to all Customers under the Contract shall be limited, in the aggregate, to \$5,000,000. The foregoing limitations shall apply regardless of whether the claim for such damages is based in contract, warranty, strict liability, negligence, tort or otherwise. Insofar as applicable law prohibits any limitation herein, the parties agree that such limitation will be automatically modified, but only to the extent so as to make the limitation permitted to the fullest extent possible under such law. However, this limitation of Vendor's liability shall not apply to Vendor's indemnification obligations for claims of patent, trademark, or copyright infringement of Vendor-branded products or Vendor-provided services and deliverables as set forth in Section 10.A.3 ("Infringements").

W. Section 10. Vendor Responsibilities, L. Overcharges, is hereby replaced in its entirety:

Vendor hereby assigns to DIR any and all of its claims for overcharges associated with this contract which arise under the antitrust laws of the United States, 15 U.S.C.A. Section 1, et seq., and which arise under the antitrust laws of the State of Texas, Tex. Bus. and Comm. Code Section 15.01, et seq., to the extent that such overcharge was, in fact, passed on to DIR or its Customers in the computer products

Vendor Contract No. _____

or other goods and/or services purchased by DIR or its Customers under this Contract during the time period referenced in the litigation.

X. Section 10 Vendor Responsibilities, M. Prohibited Conduct, is hereby deleted in its entirety because the subject matter is addressed in 10.C.iii.

Y. Section 10. Vendor Responsibilities, N. Required Insurance Coverage, is hereby replaced in its entirety:

N. Required Insurance Coverage

As a condition of this Contract with DIR, Vendor shall provide the listed insurance coverage within 5 business days of execution of the Contract if the Vendor is awarded services which require that Vendor's employees perform work at any Customer premises and/or use employer vehicles to conduct work on behalf of Customers. In addition, when engaged by a Customer to provide services on Customer premises, the Vendor shall, at its own expense, secure and maintain the insurance coverage specified herein, and shall provide proof of such insurance coverage to the related Customer within five (5) business days following the execution of the Purchase Order. Vendor may not begin performance under the Contract and/or a Purchase Order until such proof of insurance coverage is provided to, and approved by, DIR and the Customer. All required insurance must be issued by companies that have an A rating and a Financial Size Category Class of VII from A.M. Best and are licensed in the State of Texas and authorized to provide the corresponding coverage. The Customer and DIR will be named as Additional Insureds on all required coverage. Required coverage must remain in effect through the term of the Contract and each Purchase Order issued to Vendor there under. The minimum acceptable insurance provisions are as follows:

1) Commercial General Liability

Commercial General Liability must include \$1,000,000 per occurrence for Bodily Injury and Property Damage, with a separate aggregate limit of \$2,000,000; Medical Expense per person of \$5,000; Personal Injury and Advertising Liability of \$1,000,000; Products/Completed Operations Aggregate Limit of \$2,000,000; and Damage to Premises Rented: \$50,000. Agencies may require additional Umbrella/Excess Liability insurance. The policy shall contain the following provisions:

- a) Blanket contractual liability coverage for liability assumed under the Contract;
- b) Independent Contractor coverage;
- c) State of Texas, DIR and Customer listed as an additional insured; and
- d) Waiver of Subrogation

2) Workers' Compensation Insurance

WORKERS' COMPENSATION INSURANCE AND EMPLOYERS' LIABILITY COVERAGE MUST INCLUDE LIMITS CONSISTENT WITH STATUTORY BENEFITS OUTLINED IN THE TEXAS WORKERS'

COMPENSATION ACT (ART. 8308-1.01 ET SEQ. TEX. REV. CIV. STAT) AND MINIMUM POLICY LIMITS FOR EMPLOYERS' LIABILITY OF \$1,000,000 BODILY INJURY PER ACCIDENT, \$1,000,000 BODILY INJURY DISEASE PER EMPLOYEE AND \$1,000,000 PER DISEASE POLICY LIMIT.

3) Business Automobile Liability Insurance

Business Automobile Liability Insurance must cover all owned, non-owned and hired vehicles with a minimum combined single limit of \$500,000 per occurrence for bodily injury and property damage. The policy shall contain the following endorsements in favor of DIR and/or Customer:

- a) Waiver of Subrogation; and
- b) Additional Insured.

Z. Section 10. Vendor Responsibilities, S. Secure Erasure of Hard Disk Products and/or Services, is hereby replaced in its entirety:

Vendor agrees that all products that are equipped with hard disk drives (e.g., computers, servers, printers, scanners, multifunction devices) shall have the capability to erase data written to the hard drive prior to final disposition of such managed service products and/or services, either at the end of the managed service product and/or services' useful life or at the end of the Customer's managed service product and/or services' useful life or the end of the related Customer Managed Services Agreement for such products and/or services, in accordance with 1 TAC 202.28.

AA. Section 10. Vendor Responsibilities, T. Deceptive Trade Practices; Unfair Business Practices, is hereby replaced in its entirety:

Vendor certifies as of the Effective Date of this Contract, that neither Vendor nor any of its Subcontractors has been (i) found liable in any administrative hearing, litigation or other proceeding of Deceptive Trade Practices violations as defined under Chapter 17, Texas Business & Commerce Code, or (ii) has outstanding allegations of any Deceptive Trade Practice pending in any administrative hearing, litigation or other proceeding.

Vendor certifies that it has no officers who have served as officers of other entities who (i) have been found liable in any administrative hearing, litigation or other proceeding of Deceptive Trade Practices violations or (ii) have outstanding allegations of any Deceptive Trade Practice pending in any administrative hearing, litigation or other proceeding.

BB. Section 10. Vendor Responsibilities, U. Drug Free Workplace Policy, is hereby replaced in its entirety:

Vendor will comply with drug and alcohol rules and regulations that are legally mandated for employers in the State of Texas. Vendor and Customers may agree to

more specific requirements for onsite services in a mutually agreed statement of work.

CC. Section 11. Contract Enforcement, B. Termination, a) Termination for Non-Appropriation by Customer, is hereby replaced in its entirety:

Customer shall not place Purchase Orders if funds sufficient to pay its obligations under the Contract are not appropriated: i) by the governing body on behalf of local governments; ii) by the Texas legislature on behalf of state agencies; or iii) by budget execution authority provisioned to the Governor or the Legislative Budget Board as provided in Chapter 317, Texas Government Code. In the event of non-appropriation, Vendor and/or Order Fulfiller will be provided ten (10) calendar days written notice of intent to terminate. Notwithstanding the foregoing, if a Customer issues a Purchase Order and has accepted delivery of the product or services, they are obligated to pay for the product or services or they may return the product and discontinue using services under any return provisions that Vendor offers. In the event of such termination, the Customer will not be considered to be in default or breach under this Contract, nor shall it be liable for any further payments ordinarily due under this Contract, nor shall it be liable for any damages or any other amounts which are caused by or associated with such termination. Notwithstanding the foregoing, if a Customer issues a Purchase Order and has accepted delivery of the product or services, they are obligated to pay for the product or services or they may return products and discontinue using services under any return provisions that Vendor offers.

DD. Section 11. Contract Enforcement, B. Termination, 3) Termination for Convenience, is hereby replaced in its entirety:

DIR may terminate the Contract, in whole or in part, by giving the other party thirty (30) calendar days written notice. A Customer may terminate a Purchase Order if it is determined by the Customer that Order Fulfiller will not be able to deliver product or services prior to manufacturing process for products, and for services, in accordance with a mutually agreed Statement of Work. For qualifying products, Customer may return following receipt, in accordance with the Vendor's Return Policy.

EE. Section 11. Contract Enforcement, C. Force Majeure, is hereby replaced in its entirety:

DIR, Customer, or Vendor may be excused from performance under the Contract for any period when performance is prevented as the result of an act of God, strike, war, civil disturbance, epidemic, or court order, provided that the party experiencing the event of Force Majeure has prudently and promptly acted to take any and all steps that are within the party's control to ensure performance and to shorten the duration of the event of Force Majeure. The party suffering an event of Force Majeure shall provide notice of the event to the other parties when commercially

reasonable. Subject to this provision, such non-performance shall not be deemed a default or a ground for termination. However, a Customer may terminate a Purchase Order if 1) its performance is or will be delayed by 20 days or more by event(s) of Force Majeure (or a longer period if agreed to by the Customer) and 2) if it is reasonably determined by the Customer that Vendor will not be able to deliver services in a timely manner to meet the business needs of the Customer.

FF. Section 14. Export Compliance, is hereby added:

Compliance/Export Restrictions. Dell and Customer acknowledge that Products licensed or sold under this Agreement are subject to the export control laws and regulations of the United States or those of other countries from which they were supplied and in which they are used. Under U.S. laws and regulations, Products purchased under this Agreement may not be sold, leased or otherwise transferred to restricted end-users or to restricted countries. In addition, the products may not be sold, leased or otherwise transferred to, or utilized by, an end-user engaged in activities related to weapons of mass destruction, including but not necessarily limited to, activities related to the design, development, production or use of nuclear materials, nuclear facilities, or nuclear weapons, missiles or support of missile projects, or chemical or biological weapons. Customer warrants that any software provided by Customer and used as part of the Services contains no encryption or, to the extent that it contains encryption, such software is approved for export without a license. If Customer cannot make the preceding representation, Customer agrees to provide Dell with all of the information needed for Dell to obtain export licenses from the United States government and to provide Dell with such additional assistance as may be necessary to obtain such licenses. Notwithstanding the foregoing, Customer is solely responsible for obtaining any specific licenses relating to the export of software if a license is needed. Dell may also require export certifications from Customer for Customer provided software. Dell's acceptance of any order for Services is contingent upon the issuance of any applicable export license required by the United States Government; Dell is not liable for delays or failure to deliver a product resulting from Customer's failure to obtain such license or to provide such certification.

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STATE OF TEXAS
DEPARTMENT OF INFORMATION RESOURCES
CONTRACT FOR PRODUCTS AND RELATED SERVICES
CARAHSOFT TECHNOLOGY CORPORATION

1. Introduction

A. Parties

This Contract for Products and Related Services (“Contract”) is entered into between the State of Texas (“State”), acting by and through the Department of Information Resources (“DIR”) with its principal place of business at 300 West 15th Street, Suite 1300, Austin, Texas 78701, and Carahsoft Technology Corporation (“Vendor”), with its principal place of business at 1860 Michael Faraday Drive, Suite 100, Reston, Virginia 20190.

B. Compliance with Procurement Laws

This Contract is the result of compliance with applicable procurement laws of the State of Texas. DIR issued a solicitation on the Comptroller of Public Accounts’ Electronic State Business Daily, Request for Offer (RFO) DIR-SDD-TMP-398, on February 16, 2017, for Emergency Preparedness and Disaster Recovery Information Technology (IT) Products and Related Services. Upon execution of this Contract, a notice of award for RFO DIR-SDD-TMP-398 shall be posted by DIR on the Electronic State Business Daily.

C. Order of Precedence

For purchase transactions under this Contract, the order of precedence shall be as follows: this Contract; Appendix A, Standard Terms and Conditions For Products and Related Services Contracts; Appendix B, Vendor’s Historically Underutilized Businesses Subcontracting Plan; Appendix C, Pricing Index; Exhibit 1, Vendor’s Response to RFO DIR-TSO-TMP-398, including all addenda; and Exhibit 2, RFO DIR-TSO-TMP-398, including all addenda; are incorporated by reference and constitute the entire agreement between DIR and Vendor governing purchase transactions. In the event of a conflict between the documents listed in this paragraph related to purchases, the controlling document shall be this Contract, then Appendix A, then Appendix B, then Appendix C, then Exhibit 1, and finally Exhibit 2. In the event and to the extent any provisions contained in multiple documents address the same or substantially the same subject matter but do not actually conflict, the more recent provisions shall be deemed to have superseded earlier provisions.

2. Term of Contract

The term of this Contract shall be two (2) year commencing on the last date of approval by DIR and Vendor. Prior to expiration of the original term, DIR and Vendor may extend the Contract, upon mutual agreement, for one (1) optional two-year term and one (1) optional one-year term. Additionally, the parties by mutual agreement may extend the term for up to

ninety (90) additional calendar days.

3. **Product and Service Offerings**

A. Products

Products available under this Contract are limited to Emergency Preparedness and Disaster Recovery Information Technology (IT) Products and Services as specified in Appendix C, Pricing Index. Vendor may incorporate changes to their product offering; however, any changes must be within the scope of products awarded based on the posting described in Section 1.B above. Vendor may not add a manufacturer's product line which was not included in the Vendor's response to the solicitation described in Section 1.B above.

B. Services

Services available under this Contract are limited to Emergency Preparedness and Disaster Recovery Information Technology (IT) Products and Services as specified in Appendix C, Pricing Index. Vendor may incorporate changes to their service offering; however, any changes must be within the scope of services awarded based on the posting described in Section 1.B above.

4. **Pricing**

Pricing to the DIR Customer shall be as set forth in Appendix A, Section 8, Pricing, Purchase Orders, Invoices and Payment, and as set forth in Appendix C, Pricing Index, and shall include the DIR Administrative Fee.

5. **DIR Administrative Fee**

A) The administrative fee to be paid by the Vendor to DIR based on the dollar value of all sales to Customers pursuant to this Contract is three-quarters of one percent (.75%). Payment will be calculated for all sales, net of returns and credits. For example, the administrative fee for sales totaling \$100,000 shall be \$750.00.

B) All prices quoted to Customers shall include the administrative fee. DIR reserves the right to change this fee upwards or downwards during the term of this Contract, upon written notice to Vendor without further requirement for a formal contract amendment. Any change in the administrative fee shall be incorporated in the price to the Customer.

6. **Notification**

All notices under this Contract shall be sent to a party at the respective address indicated below.

If sent to the State:

Kelly Parker, CTPM, CTCM
 Director, Cooperative Contracts
 Department of Information Resources
 300 W. 15th St., Suite 1300
 Austin, Texas 78701

Vendor Contract No. _____

Phone: (512) 475-1647
Facsimile: (512) 475-4759
Email: kelly.parker@dir.texas.gov

If sent to the Vendor:

Jack Dixon
Carahsoft Technology Corporation
1860 Michael Faraday Drive, Suite 100
Reston, Virginia 20190
Phone: (703) 230-7545
Fax: (703) 871-8505
Email: jack.dixon@carahsoft.com

7. Software License Agreements

A. Shrink/Click-wrap License Agreement

Regardless of any other provision or other license terms which may be issued by Vendor after the effective date of this Contract, and irrespective of whether any such provisions have been proposed prior to or after the issuance of a Purchase Order for products licensed under this Contract, or the fact that such other agreement may be affixed to or accompany software upon delivery (shrink-wrap), the terms and conditions set forth in this Contract shall supersede and govern the license terms between Customers and Vendor. **It is the Customer's responsibility to read the Shrink/Click-wrap License Agreement and determine if the Customer accepts the license terms as amended by this Contract. If the Customer does not agree with the license terms, Customer shall be responsible for negotiating with the reseller to obtain additional changes in the Shrink/Click-wrap License Agreement language from the software publisher.**

B. Conflicting or Additional Terms

In the event that conflicting or additional terms in Vendor Software License Agreements, Shrink/Click Wrap License Agreements, Service Agreements or linked or supplemental documents amend or diminish the rights of DIR Customers or the State, such conflicting or additional terms shall not take precedence over the terms of this Contract.

In the event of a conflict, any linked documents may not take precedence over the printed or referenced documents comprising this contract; provided further that any update to such linked documents shall only apply to purchases or leases of the associated Vendor product or service offering after the effective date of the update; and, provided further, that, if Vendor has responded to a solicitation or request for pricing, no update of such linked documents on or after the initial date of Vendor's initial response shall apply to that purchase unless Vendor directly informs Customer of the update before the purchase is consummated.

Vendor Contract No. _____

In the event that different or additional terms or conditions would otherwise result from accessing a linked document, agreement to said linked document shall not be effective until reviewed and approved in writing by Customer's authorized signatory.

Vendor shall not [without prior written agreement from Customer's authorized signatory,] require any document that: 1) diminishes the rights, benefits, or protections of the Customer, or that alters the definitions, measurements, or method for determining any authorized rights, benefits, or protections of the Customer; or 2) imposes additional costs, burdens, or obligations upon Customer, or that alters the definitions, measurements, or method for determining any authorized costs, burdens, or obligations upon Customer.

If Vendor attempts to do any of the foregoing, the prohibited documents will be void and inapplicable to the contract between DIR and Vendor or Vendor and Customer, and Vendor will nonetheless be obligated to perform the contract without regard to the prohibited documents, unless Customer elects instead to terminate the contract, which in such case may be identified as a termination for cause against Vendor.

The foregoing requirements apply to all contracts, including, but not limited to, contracts between Customer and a reseller who attempts to pass through documents and obligations from its Manufacturer or Publisher.

8. Authorized Exceptions to Appendix A, Standard Terms and Conditions for Product and Related Services Contracts.

No exceptions have been agreed to by DIR and Vendor.

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Vendor Contract No. _____

This Contract is executed to be effective as of the date of last signature.

CARAHSOFT TECHNOLOGY CORPORATION

Authorized By: Signature on File

Name: Ellen Lord

Title: Contract Manager

Date: 6/28/2017

The State of Texas, acting by and through the Department of Information Resources

Authorized By: Signature on File

Name: Hershel Becker

Title: Chief Procurement Officer

Date: 6/28/2017

Office of General Counsel: DB 6/28/2017



City of Galveston

DEPARTMENT OF INFORMATION TECHNOLOGY

STAFF REPORT

March 28, 2019

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

From: Hope Dean, Executive Director & Chief Information Technology Officer

RE: Staff recommends City Council enter into an agreement with the Texas Department of Information Resources (DIR) utilizing the State's TEX-AN contract for the purchase of long distance service.

BACKGROUND

In addition to the being charged with providing a modern, progressive, and stable computing environment for the City's computing and electronic needs the IT department provides oversight for voice communication technology. The City has historically utilized AT&T for its voice communications provider.

The City utilizes several on premise components for phone service from AT&T and has done so for an undetermined period of time. Services range from standard Plain Old Telephone Service (POTS), Voice over Internet Protocol (VoIP), Direct Inward Dial numbers (DIDs) for the City's main phone system, and long distance service. These services make up critical and essential items that allow for communication to constituents and businesses, as well as, communication to core city infrastructure that provides the backbone for many essential services.

CURRENT SITUATION

1. The City of Galveston uses AT&T for its phone service, including long distance service. Staff completed a review of the City's long distance service for calendar year 2018 and determined the average monthly use is between 50 and 60 hours.
2. The Department of Information Resources offers an expansive portfolio of voice and data service through its TEX-AN contract. One of the services offered through the TEX-AN contract is AT&T long distance. Further, The State of Texas is capable of offering agencies highly competitive rates and service levels that are more favorable than would typically be negotiated at the agency level due to volume pricing. The state rate for AT&T long distance service is as follows:



TEX-AN NG LONG DISTANCE RATES				
AT&T	Ded Orig - Ded Term	Ded Orig - SW Term	SW Orig - Ded Term	SW Orig - SW Term
OUTBOUND SERVICES				
INTRA-LATA	\$0.01456	\$0.01792	\$0.01792	\$0.02576
INTER-LATA	\$0.01456	\$0.01792	\$0.01792	\$0.02576
INTERSTATE	\$0.01456	\$0.01792	\$0.01792	\$0.02576
CANADA	\$0.03472	\$0.03472	\$0.03920	\$0.03920
INBOUND SERVICES				
	Dedicated		Switched	
800 - IntraState	\$0.01568		\$0.02576	
800 - InterState	\$0.01568		\$0.02600	
CANADA	\$0.06149		\$0.08366	
DIRECTORY ASSISTANCE				
	PER CALL			
INTRASTATE	\$0.401			
INTERSTATE	\$0.502			
CANADA	\$2.790			

- The City has the ability to reduce its long distance service fees by entering into a contract with the State of Texas Department of Information Resource utilizing the TEX-AN negotiated contract rates which would not require that the City switch service providers and would reduce per minute charges to a fraction of current rate structure. The State contracted rates would result in significant per minute rate reductions in many cases exceeding 99 percent. For example some in-state long distance calls are currently billed at \$3.45 per minute, this same call under that DIR contract would be reduced to less than 3-5 cents per minute (or fraction thereof).
- The agreement for long distance service with the state can be terminated with 60 day noticed without termination fees.

ISSUES

- The City of Galveston is currently not under contract for its long distance service and is paying non contract rates.
- The City has the opportunity to lower its long distance fees by moving its service under the TEX-AN state negotiated AT&T contract rates.

ALTERNATIVES

- Approve an agreement with the State of Texas for long distance service utilizing pre-negotiated TEX-AN contract rates;
- Do not approve the agreement; or
- Issue a Request for Proposal (RFP) for long distance service. However, it is not expected that the City would be capable of achieving lower rates since the State negotiated rates are based on a high volume than would be used by the City of Galveston.

RECOMMENDATION

Approve an agreement with the State of Texas for AT&T long distance service utilizing pre-negotiated TEX-AN contract rates.

FISCAL IMPACT REPORT

Requested by:	Hope Dean Chief Information Technology Officer
Funding Source:	Cost reduction across all department budgets
Costs of implementation:	\$ None



Department of Information Resources Communications Technology Services Division Service Agreement

This service agreement is between the Department of Information Resources/Communications Technology Services Division (DIR/CTS) and the Customer. It is the intent of the parties to comply with the provisions of Texas Government Code Chapter 771, Interagency Cooperative Act and/or Chapter 791 Interlocal Cooperation Act as applicable, and Title 10, Subtitle D, Chapter 2170, Telecommunication Services, Texas Government Code.

I. DIR/CTS Responsibilities

1.1 DIR/CTS agrees to provide Customer with connectivity through various transmission methods to the TEX-AN network for specific communications services including, but not limited to, video, voice, routed data, Internet and/or equipment (hereinafter "services").

1.2 DIR/CTS will assist and advise the Customer in determining the best and most economical usage of the services.

1.3 DIR/CTS will bill monthly for services, as required and respond to inquiries regarding Customer's bill. DIR/CTS shall commence billing for services as they are provisioned.

II. Customer Responsibilities

2.1 Customer shall comply with the DIR rules applicable to the Communications Technology Services Division, 1 TAC Chapter 207, as the same may be amended from time to time.

2.2 Customer has the responsibility to cooperate and coordinate with DIR/CTS so as to avoid delaying DIR/CTS in the provisioning of and billing for ordered services. Specifically, it is the Customer's responsibility to designate, in a timely manner; the types of service desired and provide DIR/CTS with information which may affect technical, logistical, engineering, or equipment aspects of service delivery. The Customer is exclusively responsible for any equipment added to their premises for connectivity to TEXAN services. Customer shall keep DIR/CTS promptly informed of its billing contact, address, telephone numbers, eligibility status and technical contact, and changes to any of the foregoing. Customer understands and agrees that its failure to timely perform its duties, which delay DIR/CTS in the delivery of ordered services, is not a condition of Force Majeure.

2.3 Payments will be made in full within 30 days of notification that the TEX-AN invoice is available for retrieval from DIR/CTS's secured website. Customer represents that it possesses sufficient current revenues to satisfy the timely payment of goods and services provided by DIR/CTS hereunder. In all events, Customer shall be billed for and shall pay in a timely manner for all services actually ordered and received up through the effective date of termination of services. Customer agrees it has no rights to set off against bills received from DIR/CTS. Customer's covenant to pay survives termination of this Service Agreement.

2.4 Customer is exclusively responsible for the operation and security of its premise equipment. The risk of toll fraud or other unauthorized use of its premise equipment rests with the Customer. Customer accepts this risk and understands that it shall be solely responsible to pay all charges, which may result from toll fraud or unauthorized use of its premise equipment. Customer hereby releases and waives any claim it

may have now or in the future against DIR/CTS for the payment of charges arising from toll fraud or other unauthorized use on its premise equipment.

2.5 Customer is a qualified entity to receive goods and services from DIR/CTS. Services will terminate without liability to DIR/CTS should Customer's eligibility status change during the term of this Service Agreement.

III. Term

The term of this Service Agreement begins on the date of the last party to sign and is in effect until all services are terminated or the Service Agreement is terminated in accordance with Article V hereof.

Please note that service terms may differ from vendor to vendor and from services to service and these terms are reflected on the services order forms.

IV. Billing

4.1 DIR/CTS's first month's billing for any circuits provisioned will commence on the date provisioning is completed.

4.2 DIR/CTS will cease billing circuits on the date disconnection is completed.

4.3 All other services shall be billed on an usage basis from the first date of actual service until the service is disconnected.

4.4 In compliance with Title I, Chapter 207, Rule number 207.11, of the Texas Administrative Code: customer's billing dispute timing and payment obligations shall track those found in the Prompt Payment Act, Chapter 2251, Texas Government Code.

V. Termination and Amendments

5.1 DIR/CTS may provide notice of intent to terminate this Service Agreement for convenience by sending a written statement to that effect, which shall be received by Customer no less than thirty (30) days prior to the Effective Date of termination. DIR/CTS may terminate any Service Agreement for cause, with an immediate Effective Date, by issuing written notice to Customer, upon failure of Customer to make timely payment of bills. In addition to termination of services, DIR/CTS may notify the State Comptroller of Public Accounts (CPA) Office of the Customer's debt to the state and request the Customer be placed on the Payments on Hold List until payment for services is received.

5.2 A Customer may provide notice of intent to terminate this Service Agreement for convenience by sending a written statement to that effect, which shall be received by DIR/CTS no less than thirty (30) days prior to the Effective Date of termination. A Customer request to change a service shall not take effect until Customer provides written notice to DIR/CTS of any changes to ordered services. If DIR/CTS does not receive written notification, the Customer will continue to be billed monthly until proper notification is received. No written termination notice shall be effective prior to the expiration of thirty (30) days after receipt by DIR/CTS.

5.3 Amendments to this Service Agreement shall only be effective upon execution of an instrument in writing by authorized representatives of DIR/CTS and the Customer.

VI. Other Conditions of Service

6.1 Service rates are subject to change by DIR/CTS upon 30-days written notice to Customer.

6.2 No conflicting terms or conditions found in Customer orders or forms shall become a part of this Service Agreement.

6.3 If service and/or communications projects are canceled at any time prior to completion, Customer shall be responsible for all actual costs incurred by DIR/CTS up to the date of cancellation. DIR/CTS will bill the Customer for these costs. Customer's covenant to pay shall survive the cancellation of a project.

6.4 DIR/CTS relies on third party contractors for the fulfillment of services contracted for hereunder. Therefore, DIR/CTS makes no independent warranties or guarantees, express or implied, regarding said services.

6.5 The following terms have the meaning indicated for purposes of this Service Agreement:

“Force Majeure” means the parties’ performance under this Service Agreement shall be adjusted or suspended by mutual agreement to the extent performance is beyond the reasonable control of the parties for reasons including, but not limited to: strikes, work stoppages, fire, water, flood, lightning, government action, acts of God or public enemy, delays of power company, local exchange company, or other carrier. Failure of Customer to coordinate and cooperate so as to delay DIR/CTS is not an event of Force Majeure. In the event of Force Majeure, the sole and exclusive remedy to the party suffering the delay shall be an equivalent extension of the time for performance. The parties shall document to one another the onset of events of Force Majeure within three days of their onset.

“Provision” and “provisioning” means DIR/CTS has acquired, arranged for or provided at the Customer’s site, the equipment, supplies or other items necessary to provide the ordered service(s), but does not mean the actual act(s) of turning up the ordered service(s).

VII. Customer Service Resources

Customer Service Resources may be found at <http://www.dir.texas.gov/cts/Pages/cts.aspx> . Inquiries regarding this Service Agreement may be directed to DIR, Service Fulfillment on 877-472-4848, option 4 or 512-463-7800.

DIR-CTS-CSA-_____

Customer hereby agrees to the terms and conditions of this Service Agreement; represents that the official executing this Service Agreement is authorized to bind the Customer to its terms; and that Customer has completed all of its internal processes to make this a binding undertaking on the part of Customer.

CUSTOMER: _____

**DEPARTMENT OF INFORMATION
RESOURCES**

BY: _____

BY: _____

NAME: _____

NAME: Wayne Egeler

TITLE: _____

TITLE: Director, Communications Technology
Services

DATE: _____

DATE: _____

Office of General Counsel _____

Rating of Calls

Each call is rated with the published rates located on the back of this page. Once the call is rated, the billing system will round each call to two decimal places. The rate for each call is calculated in the following manner:

AT&T

Regular Long Distance and SDDN Domestic - Each call is rated based on the initial 18 seconds and then in 6-second increments. International - Each call is rated based on the initial 18 seconds and then in 6-second increments (except Mexico which is rated in whole minutes). SDDN International - Each call is rated based on the initial 30 seconds and then in 6-second increments. Inbound/Toll Free - Each call is rated based on the initial 30 seconds and then in 1-second increments. Inbound/Toll Free International - Each call is rated based on the initial 30 seconds and then in 1-second increments.

Qwest/CenturyLink

Regular Long Distance and IPLD Domestic - Each call is rated based on the initial 18 seconds and then in 6-second increments. International - Each call is rated based on the initial 30 seconds and then in 6-second increments. Inbound/Toll Free - Each call is rated based on the initial 18 seconds and then in 6-second increments. Inbound International - Each call is rated based on the initial 30 seconds and then in 6-second increments.

Level 3 (Rating increments still to be confirmed)

Long Distance Outbound - Each call is rated based on the initial 18 seconds and then in 6-second increments. Inbound/Toll Free - Each call is rated based on the initial 18 seconds and then in 6-second increments. International - Each call is rated based on the initial 30 seconds and then in 6-second increments.

Summary Level

At the summary level, the duration of each call is based on the actual length of the call however, the cost of each call is based on the minimum billing increments listed above; thus, it is not possible to arrive at the per minute rate by dividing the total dollar amount by the total number of minutes. Example: An Intra-LATA, switched origination to switched termination, .2 duration call will bill at the rate for the initial 18 seconds (.3). This call will rate at \$0.0165 which will round to \$0.02.

TEX-AN NG LONG DISTANCE RATES				
AT&T	Ded Orig - Ded Term	Ded Orig - SW Term	SW Orig - Ded Term	SW Orig - SW Term
OUTBOUND SERVICES				
INTRA-LATA	\$0.01456	\$0.01792	\$0.01792	\$0.02576
INTER-LATA	\$0.01456	\$0.01792	\$0.01792	\$0.02576
INTERSTATE	\$0.01456	\$0.01792	\$0.01792	\$0.02576
CANADA	\$0.03472	\$0.03472	\$0.03920	\$0.03920
INBOUND SERVICES	Dedicated		Switched	
800 - IntraState	\$0.01568		\$0.02576	
800 - InterState	\$0.01568		\$0.02600	
CANADA	\$0.06149		\$0.08366	
DIRECTORY ASSISTANCE	PER CALL			
INTRASTATE	\$0.401			
INTERSTATE	\$0.502			
CANADA	\$2.790			

Level 3	Ded Orig - Ded Term	Ded Orig - SW Term	SW Orig - Ded Term	SW Orig - SW Term
OUTBOUND SERVICES				
INTRA-LATA	\$0.0168	\$0.0168	\$0.0168	\$0.0168
INTER-LATA	\$0.0168	\$0.0168	\$0.0168	\$0.0168
INTERSTATE *	\$0.0123	\$0.0123	\$0.0123	\$0.0123
CANADA	\$0.0336	\$0.0336	\$0.0336	\$0.0336
INBOUND SERVICES	Dedicated		Switched	
800 - IntraState	\$0.0146		\$0.0146	
800 - InterState *	\$0.0101		\$0.0101	
CANADA DED	N/A		N/A	
DIRECTORY ASSISTANCE	PER CALL			
DOMESTIC	\$0.62			

Qwest/Century Link	Ded Orig - Ded Term	Ded Orig - SW Term	SW Orig - Ded Term	SW Orig - SW Term
OUTBOUND SERVICES				
INTRA-LATA	\$0.0134	\$0.0168	\$0.0168	\$0.0246
INTER-LATA	\$0.0134	\$0.0168	\$0.0168	\$0.0246
INTERSTATE *	\$0.0134	\$0.0168	\$0.0168	\$0.0240
CANADA	\$0.0195	\$0.0205	\$0.0216	\$0.0228
INBOUND SERVICES	Dedicated		Switched	
800 - IntraState	\$0.0158		\$0.0246	
800 - InterState *	\$0.0158		\$0.0239	
CANADA DED	\$0.019		\$0.0195	
DIRECTORY ASSISTANCE	PER CALL			
DOMESTIC	\$0.66			

* Subject to FUSF effective rate of 20.00%. FUSF rate may change each quarter.

All International and IP for respective carriers are available on the DIR web site www.dir.texas.gov



City of Galveston

DEPARTMENT OF INFORMATION TECHNOLOGY

STAFF REPORT

March 28, 2019

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

From: Hope Dean, Chief Information Technology Officer

RE: Consider for approval the purchase of 19 ruggedized Toughbook laptop computers in the amount of sixty nine thousand eight hundred sixty seven dollars and seventy five cents (\$69,867.75) to Turn Key Mobile, Inc, a Texas DIR vendor, utilizing DIR Contract TSO-4025.

BACKGROUND

The Police Department currently has approximately 75 Panasonic Toughbook laptop computers that are used throughout the police department for mobile computing needs.

Police patrol vehicles are outfitted with a ruggedized laptop computer that allows officers to perform a wide variety of tasks from the vehicle. Dispatch communications, records search, ticket writing and electronic filing are some of the functions that are possible with the in-car computer.

CURRENT SITUATION

1. For approximately 8 years the Department's in-car computers have been a model of Panasonic Toughbook. Panasonic is the industry leader in the limited market of fully ruggedized laptops.
2. The police department equips patrol vehicles with laptop computers, providing officers access to departmental records management databases, state and national databases such as TCIC/NCIC, and providing the ability to write reports while in the field.
3. The laptops are ruggedized to meet the challenges associated with mobile computing under challenging environmental conditions such as high humidity, high temperatures, salty air and high g-forces associated with patrol vehicle operations.
4. Nineteen units are greater than 5 years old and have reached the end of useful life.



ISSUES

1. Nineteen units are greater than 5 years old and have reached the end of their useful life and should be replaced.
2. The laptops provide vital communication between the communication center in addition to providing the platform for patrol officers to write reports.

ALTERNATIVES

1. Authorize the City Manager to approve an expenditure in the amount of \$69,867.75 to Turn Key Mobile, for the purchase of 19 ruggedized Toughbook laptop computers to replace existing equipment that have reached the end of their useful life.
2. Do not authorize this purchase and current situation remains.

RECOMMENDATION

Authorize the City Manager to approve an expenditure in the amount of \$69,867.75 to Turn Key Mobile, for the purchase of 19 ruggedized Toughbook laptop computers to replace existing equipment that have reached the end of their useful life.

FISCAL IMPACT REPORT

Requested by:	Hope Dean Chief Information Technology Officer
Funding Source:	Police Department Operating Budget
Costs of implementation:	\$69,867.75



Turn-Key Mobile, Inc.

210 Prodo Drive
Jefferson City, MO 65109

573-893-9888 Office 314-754-9794 Fax

Proposal

Date	Proposal #
3/4/2019	22495

Name / Address
City of Galveston TX Billy Sanders P.O. Box 779 Galveston, TX 77553

Sales Rep	Prepared By	PO #	Accepted By
MRL	Terry		

Item	Description	Qty	Rate	Total
CF-318B725VM	Panasonic Win10 Pro, Intel Core i5-7300U 2.60GHz, vPro, 13.1" XGA Touch, 16GB(8+8), 256GB SSD, Intel Wi-Fi, TPM 2.0, Bluetooth, Dual Pass (Ch1:WWAN/Ch2:selectable), No PC/Expresscard, 4G LTE-Advanced Multi Carrier (EM7455), dGPS, Emissive Backlit Keyboard, DVD, Flat	19	3,677.25	69,867.75
Contract-Texas DIR	Texas DIR Contract # DIR-TSO-4025			0.00

Proposals are good for 30 days. Please ask your rep for updated pricing and availability.

Total

\$69,867.75

Shipping is included.

Signature _____

**STATE OF TEXAS
DEPARTMENT OF INFORMATION RESOURCES**

CONTRACT FOR PRODUCTS AND RELATED SERVICES

PANASONIC SYSTEM COMMUNICATIONS COMPANY OF NORTH AMERICA

1. Introduction

A. Parties

This Contract for Products and Related Services (“Contract”) is entered into between the State of Texas (“State”), acting by and through the Department of Information Resources (“DIR”) with its principal place of business at 300 West 15th Street, Suite 1300, Austin, Texas 78701, and Panasonic System Communications Company of North America (“Vendor”), with its principal place of business at Two RiverFront Plaza, Newark, New Jersey, 07102.

B. Compliance with Procurement Laws

This Contract is the result of compliance with applicable procurement laws of the State of Texas. DIR issued a solicitation on the Comptroller of Public Accounts’ Electronic State Business Daily, Request for Offer (RFO) DIR-SDD-TMP-399, on May 17, 2017, for IBM Branded, Fujitsu Branded and Panasonic Branded Products and Related Services and Cloud Services. Upon execution of this Contract, a notice of award for RFO DIR-SDD-TMP-399 shall be posted by DIR on the Electronic State Business Daily.

C. Order of Precedence

For purchase transactions under this Contract, the order of precedence shall be as follows: this Contract; Appendix A, Standard Terms and Conditions For Products and Related Services Contracts; Appendix B, Vendor’s Historically Underutilized Businesses Subcontracting Plan; Appendix C, Pricing Index; Exhibit 1, Vendor’s Response to RFO DIR-TSO-TMP-399, including all addenda; and Exhibit 2, RFO DIR-TSO-TMP-399, including all addenda; are incorporated by reference and constitute the entire agreement between DIR and Vendor governing purchase transactions. In the event of a conflict between the documents listed in this paragraph related to purchases, the controlling document shall be this Contract, then Appendix A, then Appendix B, then Appendix C, then Exhibit 1, and finally Exhibit 2. In the event and to the extent any provisions contained in multiple documents address the same or substantially the same subject matter but do not actually conflict, the more recent provisions shall be deemed to have superseded earlier provisions.

2. Term of Contract

The term of this Contract shall be two (2) year commencing on the last date of approval by DIR and Vendor. Prior to expiration of the term, DIR and Vendor may extend the Contract, by amendment, for up to three (3) optional one-year terms. The contract will renew automatically in one-year increments for three (3) additional years under the same terms and conditions unless either party provides notice to the other party 60 days in advance of

the renewal date stating that the party wishes to discuss modification of terms or not renew. Additionally, the parties by mutual agreement may extend the term for up to ninety (90) additional calendar days.

3. Product and Service Offerings

A. Products

Products available under this Contract are limited to Panasonic branded products and authorized Third Party Products as specified in Appendix C, Pricing Index.

Authorized third party products are those hardware, peripherals, accessories and software by other manufacturers or publishers that may be used as an attachment or embedded within a Panasonic device to create, enhance or extend the functionality of the Panasonic branded device; or to create, enhance or extend the functionality of the authorized third party product which relies on a Panasonic branded product platform to function.

Vendor may incorporate changes to their Panasonic branded products and authorized third party product offering; however, any changes must be within the scope of products awarded based on the solicitation described in Section 1.B above. Vendor may not add a manufacturer's product which was not proposed in the Vendor's response to the solicitation described in Section 1.B above without pre-approval of DIR. All third party products must be sold as part of a solution for a Panasonic Branded product and cannot be sold separately.

B. Services

Services available under this Contract are limited to the related services as specified in Appendix C, Pricing Index. Vendor may incorporate changes to their service offering; however, any changes must be within the scope of services awarded based on the posting described in Section 1.B above.

4. Pricing

Pricing to the DIR Customer shall be as set forth in Appendix A, Section 7, Pricing, Purchase Orders, Invoices and Payment, and as set forth in Appendix C, Pricing Index, and shall include the DIR Administrative Fee.

5. DIR Administrative Fee

A) The administrative fee to be paid by the Vendor to DIR based on the dollar value of all sales to Customers pursuant to this Contract is three-quarters of one percent (.75%). Payment will be calculated for all sales, net of returns and credits. For example, the administrative fee for sales totaling \$100,000 shall be \$750.00.

B) All prices quoted to Customers shall include the administrative fee. DIR reserves the right to change this fee upwards or downwards during the term of this Contract, upon written notice to Vendor without further requirement for a formal contract amendment. Any change in the administrative fee shall be incorporated in the price to the Customer.

6. Notification

All notices under this Contract shall be sent to a party at the respective address indicated below.

If sent to the State:

Kelly Parker, CTPM, CTCM
Director, Cooperative Contracts
Department of Information Resources
300 W. 15th St., Suite 1300
Austin, Texas 78701
Phone: (512) 475-1647
Facsimile: (512) 475-4759
Email: kelly.parker@dir.texas.gov

If sent to the Vendor:

Amy Lee
Panasonic System Communications Company of North America
Two Riverfront Plaza Newark
New Jersey, 07102
Phone: (201) 325-1181
Email: amy.lee@us.panasonic.com

7. Conflicting or Additional Terms

In the event that conflicting or additional terms in Vendor Software License Agreements, Shrink/Click Wrap License Agreements, Service Agreements or linked or supplemental documents amend or diminish the rights of DIR Customers or the State, such conflicting or additional terms shall not take precedence over the terms of this Contract.

In the event of a conflict, any linked documents may not take precedence over the printed or referenced documents comprising this contract; provided further that any update to such linked documents shall only apply to purchases or leases of the associated Vendor product or service offering after the effective date of the update; and, provided further, that, if Vendor has responded to a solicitation or request for pricing, no update of such linked documents on or after the initial date of Vendor's initial response shall apply to that purchase unless Vendor directly informs Customer of the update before the purchase is consummated.

In the event that different or additional terms or conditions would otherwise result from accessing a linked document, agreement to said linked document shall not be effective until reviewed and approved in writing by Customer's authorized signatory.

Vendor shall not [without prior written agreement from Customer's authorized signatory,] require any document that: 1) diminishes the rights, benefits, or protections of the Customer, or that alters the definitions, measurements, or method for determining any authorized rights, benefits, or protections of the Customer; or 2) imposes additional costs,

Vendor Contract No. _____

burdens, or obligations upon Customer, or that alters the definitions, measurements, or method for determining any authorized costs, burdens, or obligations upon Customer.

If Vendor attempts to do any of the foregoing, the prohibited documents will be void and inapplicable to the contract between DIR and Vendor or Vendor and Customer, and Vendor will nonetheless be obligated to perform the contract without regard to the prohibited documents, unless Customer elects instead to terminate the contract, which in such case may be identified as a termination for cause against Vendor.

The foregoing requirements apply to all contracts, including, but not limited to, contracts between Customer and a reseller who attempts to pass through documents and obligations from its Manufacturer or Publisher.

8. Authorized Exceptions to Appendix A, Standard Terms and Conditions for Product and Related Services Contracts.

No exceptions have been agreed to by DIR and Vendor.

(Remainder of Page Intentionally Left Blank)

Vendor Contract No. _____

This Contract is executed to be effective as of the date of last signature.

PANASONIC SYSTEM COMMUNICATIONS COMPANY OF NORTH AMERICA

Authorized By: Signature on File

Name: Masaharu Nakayama

Title: President

Date: 11/8/2017

The State of Texas, acting by and through the Department of Information Resources

Authorized By: Signature on File

Name: Hershel Becker

Title: Chief Procurement Officer

Date: 11/10/2017

Office of General Counsel: DB 11/9/2017



City of Galveston

FINANCE DEPARTMENT

PO Box 779 | Galveston, TX 77553-0779
mloftin@galvestontx.gov | 409-797-3562

To: Brian Maxwell, City Manager
Mayor and City Council

Date: March 28, 2019

Subject: A motion to amend the contract with Linebarger Goggan Blair & Simpson, LLP to provide for the collection of delinquent utility bills not involving property liens, provide for a method of compensation, and establish a new end date of October 31, 2020.

BACKGROUND

1. The current contract with Linebarger Goggan Blair & Simpson ("Linebarger") covers delinquent collection of property taxes, delinquent collection of Public Improvement District assessments, municipal court fines associated with warrants, and delinquent utility collections. The contract period began November 1, 2015 and expires October 31, 2019.
2. Linebarger coordinates delinquent property tax collections due on July 1 each year (or late as provided by state law) through the Galveston County Tax Assessor Collector's office. This work is performed (TAC) as required by the City Council's designation of the TAC to act as the City's tax collector. Linebarger earns 20 percent of all delinquent amounts collected, and by State law, this amount is added to the delinquent taxpayer's bill.
3. Linebarger also collects fines associated with municipal court warrants through coordination with the Municipal Courts. These collection efforts begin sixty days after the warrant has been issued by the court. Linebarger earns thirty percent of amounts collected from warrants, and this amount is added to the amount of the base fine, with the oversight of the Municipal Court Judge as required by state law.
4. The contract also authorizes Linebarger to collect other delinquent municipal charges and liens in the pursuit of delinquent property tax suits.
5. The contract provides for collection of delinquent utility charges, but the City has not chosen to take advantage of this service. The current language in the contract provides for a 20 percent fee for Linebarger when a utility lien has been previously put in place. The City does not place liens on properties owned or occupied by water account customers for two reasons. State law forbids the placing of utility liens on single family homestead residential properties. State law also forbids the placement of liens on rental properties for delinquent utility bills left unpaid by renters who were directly responsible for the payment of the utility bill.





City of Galveston

FINANCE DEPARTMENT

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CURRENT SITUATION

1. The city has approximately \$6.8 million in outstanding water bills as of September 30, 2018. Many of these bills date back to the pre-Hurricane Ike period. The balances include amounts due and owed for water, sewer, garbage, drainage and recycling services not paid as part of a normal billed payment.
2. Approximately 95 percent of the amounts due are owed by customers who are not current customers. The 5 percent balance of the amounts due appear to relate to current account holders.
3. The amounts due include
 - a. Approximately 1,200 accounts each with balances over \$1,000;
 - b. Approximately 13,500 accounts with balances between \$75 and \$1,000; and
 - c. Approximately 6,000 accounts with balances below \$75.
4. Each account will need an appropriate level of research to determine the best collection approach. Current customers (who appear to account for five percent of the total balance due) will have to be approached differently than prior customers who are no longer on this island and have to be found first, likely through Linebarger's research capabilities.

ISSUES

1. The process of collection will likely take some time, and will have to be staged and supported by city staff and Linebarger staff.
2. Any estimate of the potential collection results of the effort should be cautiously arrived at because of the age of many of the accounts and the difficulty of locating the responsible party.
3. Account balances under \$75 are not worth pursuing at this point because of the cost of research as compared with the maximum benefit to be gained.
4. The need for diligence in pursuing and closing the files on these delinquencies is past due, and will require some persistence and creativity on the City's part. In this regard, only actual experience with specific circumstances can be used as the basis for how best to proceed.
5. Any revenue collected will help to reduce in a modest way the need for future increases in water, sewer, garbage, recycling, and/or drainage fees.

ALTERNATIVES

1. Gain City Council approval to write off the majority of the receivable without working to reduce the balance owed. This will likely be necessary after the balances have been





City of Galveston

FINANCE DEPARTMENT

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mloftin@galvestontx.gov | 409-797-3562

worked, but it ignores the possibility that some revenue can be collected in a cost effective manner.

2. Pursue collection with city staff. This is simply beyond the City's capabilities and resources, and will cost much more than if we utilize the City's existing delinquent collection firm to lead the effort.
3. Sell the receivables. A firm specializing in factoring would have to have the capabilities already provided by Linebarger under their existing contract and we can begin the effort now.
4. Contract with Linebarger to collect delinquent utility receivables, paying 30 percent of the amount collected by the city resulting from account balance actually referred to the firm. Expect this effort to be a process that will require intensive effort on the part of city staff and Linebarger. (See the flow chart attached to understand the basic process to be used.)

RECOMMENDATION

Approve the recommended contract amendment with Linebarger.

FISCAL IMPACT

Contractor's thirty percent fee will be paid from amounts received by the City.



**DELINQUENT UTILITY
RECEIVABLE
COLLECTION
PROCESS
FOR
CITY OF GALVESTON**

*First Draft
3/10/19*

Accounts are reviewed jointly by city staff and Linebarger to verify the accuracy of the status and balances due. These 'clear' accounts are referred to Linebarger for collection.

'Clear' accounts are sorted by dollar amount and by name

'Clear' accounts will be crosschecked by Linebarger against the delinquent tax roll and the list of special assessment liens owed to the city, looking for common property ownership or interests. Linebarger attorneys will review these accounts for verification of this status. Linebarger staff will perform the same skip tracing and verification process as is performed in all delinquent tax lawsuits.

- If a delinquent tax lawsuit is pending against a person who owes a delinquent utility receivable, the lawsuit will be amended to assert a claim for the city's delinquent utility receivable.
- As future lawsuits are filed for delinquent taxes and special assessment liens, the utility receivable database will be crosschecked by Linebarger to assert all claims owed by the city in the lawsuit.

**Accounts with balances
exceeding \$1,000**

Accounts are skip traced by Linebarger to obtain up-to-date contact information; Linebarger attorney reviews accounts before initial mail and telephone campaigns to determine next action

Accounts meeting certain criteria approved by City Legal and Linebarger will be included in a special contact campaign

Subject to review and approval by City Legal and Linebarger, certain accounts may be the subject of legal action

Accounts not meeting certain criteria approved by City Legal and Linebarger will be included in mail and telephone campaigns

**Accounts with balances
between \$1,000 and \$75.00**

Accounts are skip traced by Linebarger to obtain up-to-date contact information; mail and telephone campaigns begin

**Accounts with balances
below \$75.00**

Accounts below this amount will not be referred to Linebarger for collection action

- All letters and written communications sent by Linebarger will be approved by City Legal
- Mail and phone campaigns will be coordinated with the City of Galveston Utility Department.
- All Linebarger communications will specify that payments be sent directly to the City of Galveston.

Agreement for Collection Services
(As Amended – March 28, 2019)

This Agreement is made between Linebarger Goggan Blair & Sampson, LLP (hereinafter referred to as the “Firm”) and City of Galveston (hereinafter referred to as the “Client”).

Article 1 – Nature of Relationship

1.01 The parties hereto acknowledge that this Agreement creates an Attorney-Client relationship.

1.02 The Client hereby employs the Firm to provide the services hereinafter described for compensation hereinafter provided.

1.03 This Agreement is entered into pursuant to and as authorized by Texas law, including Texas Tax Code §6.30 and Subsection (a) of ART. 103.0031, Texas Code of Criminal Procedure.

Article 2 – Scope of Services

2.01 *Delinquent Property Tax Collections* - The Firm shall take reasonable and necessary actions to enforce collection of delinquent property taxes that are owed to the Client and that are subject to this agreement, as hereinafter provided and allowed by law.

2.02 The Client may from time-to-time specify in writing additional actions to be taken by the Firm in connection with the collection of taxes that are owed to the Client. Client further constitutes and appoints the Firm as Client's attorneys to sign all legal instruments, pleadings, drafts, authorizations and papers as shall be reasonably necessary to prosecute the Client's claim for taxes.

2.03 Taxes owed to the Client shall become subject to this agreement upon the following dates, whichever occurs first:

- (a) On February 1 of the year in which the taxes become delinquent if a previously filed tax suit is then pending against the property subject to the tax and attorney's fees are recovered and paid pursuant to a delinquent tax suit;
- (b) On the date any lawsuit is filed with respect to the recovery of the tax or estimated tax along with attorney's fees awarded and paid pursuant to a lawsuit, in accordance with the Texas Property Tax Code;
- (c) On the date of filing any application for tax warrant where recovery of the tax or estimated tax is sought;
- (d) On the date of filing any claim in bankruptcy where recovery of the tax is sought; or
- (e) On July 1 of the year in which the taxes become delinquent.

2.04 The Firm shall take reasonable and necessary actions to enforce the collection of the following receivables owing to Client and that are subject to this Agreement, pursuant to the terms and conditions described herein:

- (a) Delinquent municipal court fees and fines;
- (b) Delinquent utility accounts for which liens have not been perfected.

2.05 The Client may from time-to-time specify in writing additional actions that should be taken by the Firm in connection with the collection of delinquent municipal court fees and fines and delinquent utility accounts that are subject to this Agreement. Client further constitutes and appoints the Firm as Client's attorneys to sign all legal instruments, pleadings, drafts, authorizations and papers as shall be reasonably necessary to pursue collection of the Client's claims.

2.06 Such legal services shall include but not be limited to recommendations and legal advice to Client to take legal enforcement action; representing Client in any dispute or legal challenge over authority to collect such receivables; defending Client in litigation or challenges of its collection authority; and representing Client in collection interests in bankruptcy matters as determined by Firm and Client. For the purposes of this Agreement, the term 'representing Client in bankruptcy matters' shall be defined as filing claims and prosecuting such claims in proceedings in United States Bankruptcy Courts on behalf of Client for delinquent taxes, special assessment liens, utility liens and unpaid utility receivables for which Client has received a bankruptcy notice. Such bankruptcy notices received by Client shall be promptly forwarded to Firm to enable Firm to assert and prosecute any such bankruptcy claim. The bankruptcy services as described will be provided to Client by the Firm at no cost to Client. This Agreement supersedes all prior oral and written agreements between the parties regarding such receivables, and can only be amended if done so in writing and signed by all parties. Furthermore, this contract cannot be transferred or assigned by either party without the written consent of all parties.

2.07 Fees and fines that are subject to this Agreement are those that are more than sixty (60) days past due as of the effective date hereof and those that become more than sixty (60) days past due during the term hereof. As used in this section, "more than 60 days past due" has that meaning assigned by Subsection (f) of Art. 103.0031, Texas Code of Criminal Procedure [as amended by Senate Bill 782, 78th Legislature (2003), effective June 18, 2003]. The meaning assigned to the phrase "more than 60 days past due" shall, for the term and purposes of this Agreement, survive any future amendments to, or repeal of, Article 103.0031, Texas Code of Criminal Procedure, or any parts thereof.

2.08 Delinquent utility accounts that are subject to this agreement are those that are not secured by a duly perfected lien and are more than thirty (30) days past due as of the effective date herein and those that become more than thirty (30) days past due during the term hereof and has a minimum collectible amount of seventy-five dollars (\$75.00).

2.09 Special assessment municipal liens that are subject to this Agreement are those that are secured by duly perfected liens and that are owed by persons who are likewise delinquent in payment of property taxes as defined herein. Client and Firm hereby acknowledge that Firm serves as Client's attorney in the collection of delinquent property taxes. Firm's obligation in collecting the municipal and utility liens shall be to include the same in any delinquent property tax foreclosure suit it files against those persons owing said liens, as authorized by Texas Tax Code §33.41(c).

2.10 *Lien Collection Software* - As further consideration for this Agreement, the Firm shall provide for Client its Code Enforcement Lien Processing software, as set forth in the attachments, entitled 'Appraisal and Collection Technologies, L.L.C. Hosting Service Agreement', at no cost to Client

so long as this Agreement is in effect for the Firm to provide Client the collection services described herein.

2.11 *Delinquent Public Improvement District Assessments* – The Firm shall take reasonable and necessary actions to enforce the collection of receivables owing to Client as related to the Public Improvement District assessments.

2.12 The Client may from time-to-time specify in writing additional actions to be taken by the Firm in connection with the collection of delinquent assessments. Client further constitutes and appoints the Firm as Client's attorneys to sign all legal instruments, pleadings, drafts, authorizations and papers as shall be reasonably necessary to prosecute the Client's claim for assessments.

2.13 Assessments owed to the Client shall become subject to this agreement upon the following dates, whichever occurs first:

- (a) On February 1 of the year in which the assessments become delinquent if a previously filed lawsuit is then pending against the property, subject to the assessments and attorney's fees are recovered and paid pursuant to a collection lawsuit;
- (b) On the date any lawsuit is filed with respect to the recovery of the assessment or estimated assessment along with attorney's fees awarded and paid pursuant to a lawsuit, in accordance with the Texas Property Tax Code;
- (c) On the date of filing any application for tax warrant where recovery of the assessment or estimated assessment is sought;
- (d) On the date of filing any claim in bankruptcy where recovery of the assessment is sought; or
- (e) On July 1 of the year in which the assessment become delinquent.

2.14 Delinquent Utility Accounts.. The Firm shall take reasonable and necessary actions to enforce the collection of delinquent utility accounts owing to Client and that are subject to this Agreement, pursuant to the terms and conditions described herein:

- (a) At regular intervals as agreed to by the parties, the City will provide delinquent utility account data with a minimum collectible amount of seventy-five dollars (\$75.00) from its system to the Firm in an agreed upon format, which would be loaded onto the Firms' system;
- (b) At the Firm's expense, it will run the City's data through several data services and perform skip tracing in an effort to obtain current addresses and contact information for debtors;
- (c) The Firm and the City will jointly review the series of contact letters to be mailed by the Firm. Once approved by City staff, the Firm will begin mailings on a schedule approved by City staff;
- (d) The Firm and the City will jointly review a telephone contact plan for the Firm to begin making proactive calls on behalf of the City;

(e) All correspondence and contacts will inform debtors that all payments be directed to the City;

(f) The Firm will report collection activities to the City at agreed upon intervals;

(g) The Firm's local officer partner and the City will undertake a review of the City's codes and ordinances, along with an analysis of the higher dollar receivables to determine the feasibility of potential legal action. Such legal action would be a joint decision of the City and the Firm.

2.15 The Client agrees to provide to the Firm data regarding any receivables that are subject to this Agreement. The data shall be provided by electronic medium in a file format specified by the Firm. The Client and the Firm may from time-to-time agree in writing to modify this format. The Client shall provide the data to the Firm not less frequently than monthly for delinquent fees and fines and delinquent utility accounts

2.16 The Firm, in all communications seeking the fee and fine receivables and delinquent utility accounts subject to the Agreement, shall direct all payments directly to the Client at an address designated by the Client. If any receivables are paid to the Firm, said payments shall be expeditiously turned over to the Client.

Article 3 – Compensation

3.01 *Delinquent Fees and Fines* - The Client agrees to pay the Firm thirty (30%) percent of the total amount of all the fines and fees [exclusive of any collection fee assessed by the Client pursuant to Subsection (b) of Article 103.0031, Texas Code of Criminal Procedure] subject to the terms of this Agreement as set forth in Section 2.04 above that are collected by the Client during the term of this Agreement.

3.02 *Delinquent Utility Accounts* - The Client agrees to pay the Firm thirty (30%) percent of the total amount of all delinquent utility accounts actually paid to the City subject to the terms of this Agreement as set forth in Section 2.14 above that are collected by the Client during the term of this Agreement.

3.03 *Delinquent Tax Collections* - Client agrees to pay the Firm, as compensation for the delinquent tax collection services, twenty (20%) percent of the amount of all delinquent taxes, penalty and interest, subject to the terms of this contract as set forth in Paragraph 2.03 above, collected and paid to the collector of taxes during the term of this contract, as and when collected.

3.04 *Special Assessment and Utility Liens* - The Client agrees to pay the Firm twenty (20%) percent of the total amount of all the municipal and utility liens subject to the terms of this Agreement as set forth in Section 2.09 above that are collected by the Client during the term of this Agreement.

3.05 *Public Improvement District Assessments* - Client agrees to pay the Firm, as compensation for the delinquent assessment collection services, twenty (20%) percent of the amount of all delinquent assessments, penalty and interest, subject to the terms of this contract as set forth in Paragraph 2.09 above, collected and paid during the term of this contract, as and when collected.

3.06 The Client, through its Interlocal Agreement with Galveston County for tax collection services, shall pay the Firm compensation owed for tax collection services by the twentieth (20th) day of each month, all compensation earned by the Firm for the previous month as provided in this Article 3.

All compensation above provided for shall become the property of the Firm at the time payment of the taxes, penalty and interest is made to the collector.

3.07 The Client shall pay the Firm by the twentieth day of each month all compensation earned by the Firm for delinquent fees and fines collections, delinquent utility accounts and special assessment liens for the previous month as provided in this Article 3. The Client shall provide an accounting showing all collections for the previous month with the remittance. All compensation shall become the property of the Firm at the time payment of the receivable is made to the Client.

3.08 In consideration of the Client engaging Firm as collection attorney pursuant to this agreement, Firm agrees to suspend the Annual Service Fee for its Code Enforcement Lien Processing software. So long as the Firm remains as delinquent tax collection attorney for Client, Firm will provide the Code Enforcement Lien Processing software at no cost to Client.

Article 4 - Retention of Files and Intellectual Property Rights

4.01 The Firm recognizes and acknowledges that all items contained in the Firm's litigation files related to the Firm's representation of the Client are the property of the Client. The Firm agrees to retain and safeguard such files on behalf of the Client, provided that, the Client agrees that such files may, from time to time, be disposed pursuant to the File Retention Policy attached hereto as Schedule 'A' File Retention.

4.02 The Client recognizes and acknowledges that the Firm owns all right, title and interest in certain proprietary software that the Firm may utilize in conjunction with performing the services provided in this Agreement. The Client agrees and hereby grants to the Firm the right to use and incorporate any information provided by the Client ("Client Information") to update the databases in this proprietary software, and, notwithstanding that Client Information has been or shall be used to update the databases in this proprietary software, further stipulates and agrees that the Client shall have no rights or ownership whatsoever in and to the software or the data contained therein, except that the Client shall be entitled to obtain a copy of such data that directly relates to the Client's accounts at any time.

4.03 The Firm agrees that it will not share or disclose any specific confidential Client Information with any other company, individual, organization or agency, without the prior written consent of the Client, except as may be required by law or where such information is otherwise publicly available. It is agreed that the Firm shall have the right to use Client Information for internal analysis, purposes of improving the proprietary software and database, and to generate aggregate data and statistics that may inherently contain Client Information. These aggregate statistics are owned solely by the Firm and will generally be used internally, but may be shared with the Firm's affiliates, partners or other third parties for purposes of improving the Firm's software and services.

Article 5 - Costs

5.01 The Firm and Client recognize that certain costs, *e.g.*, publication costs and title research fees, *etc.*, will be incurred in the process of providing the services contemplated in this Agreement. The Firm will either: (i) advance such costs on behalf of the Client, or (ii) arrange with the vendor or agency providing the service that the costs of services will not be paid unless and until such costs are recovered from the delinquent taxpayer. All such costs incurred will be wholly advanced by Firm and Firm will seek reimbursement of such advanced costs through legal remedies allowed by law. Client has no liability for any such advanced cost.

5.02 The Client acknowledges that the Firm may provide services, such as title research, with its own employees or with other entities or individuals who may be affiliated with the Firm, but the Firm agrees that any charges for such services will be reasonable and consistent with what the same services would cost if obtained from a third party.

5.03 The Client agrees that upon the recovery of such costs, the Client will (i) pay the Firm for any such costs that have been advanced by the Firm or performed by the Firm and (ii) pay any third party agency or vendor owed for performing such services.

Article 6 - Term and Termination

6.01 This agreement shall be effective on November 1, 2019 and shall expire on October 31, 2020 (the "Expiration Date") unless extended as hereinafter provided.

6.02 Unless prior to thirty (30) days before the Expiration Date, the Client or the Firm notifies the other in writing that it does not wish to continue this Agreement beyond its initial term, this Agreement shall be automatically extended for an additional one year period without the necessity of any further action by either party. In the absence of any such thirty (30) day notice by either the Client or the Firm, the Agreement shall continue to automatically renew for additional and successive one (1) year terms in the same manner at the end of each renewal period.

6.03 If at any time during the initial term of this Agreement or any extension hereof, the Client determines that the Firm's performance under this Agreement is unsatisfactory, the Client shall notify the Firm in writing of the Client's determination. The notice from the Client shall specify the particular deficiencies that the Client has observed in the Firm's performance. The Firm shall have sixty (60) days from the date of the notice to cure any such deficiencies. If at the conclusion of that sixty (60) day remedial period, the Client remains unsatisfied with the Firm's performance, the Client may terminate this Agreement effective upon the expiration of ten (10) days following the date of written notice to the Firm of such termination ("Termination Date").

6.04 Notwithstanding the foregoing, Client may terminate this Agreement effective upon the expiration of thirty (30) days written notice of such termination.

6.05 Whether this Agreement expires or is terminated, the Firm shall be entitled to continue to prosecute any tax suits, applications for tax warrants, delinquent municipal court fees and fines, delinquent utility accounts or bankruptcy claims pending on the Termination Date or Expiration Date for an additional six (6) months following termination or expiration. The Client agrees that the Firm shall be compensated as provided by Article 3 for any base tax, penalties and interest, municipal court fees and fines or delinquent utility accounts collected in the pending matters during the six (6) month period.

6.06 The Client agrees that the Firm shall be reimbursed for any costs advanced and shall be paid for any services performed pursuant to Article 5 when such costs are recovered by or on behalf of the Client, regardless of the date recovered. It is expressly agreed that neither the expiration nor the termination of this Agreement constitutes a waiver by the Firm of its entitlement to be reimbursed for such costs and to be paid for such services. It is further expressly agreed that the expiration of any six (6) month period under Section 6.04 does not constitute any such waiver by the Firm.

Article 7 – Miscellaneous

7.01 *Assignment and Subcontracting.* This Agreement is not assignable, provided however, the Firm may from time-to-time obtain co-counsel or subcontract some of the services provided for herein to other law firms or entities. In such cases, the Firm will retain supervisory control and responsibility for any services provided by such co-counsel or subcontractors and shall be responsible to pay any compensation due to any such co-counsel or subcontractor.

7.02 *Mediation and Venue.* Any controversy between the parties to this Agreement involving the construction or application of any of the terms, covenants, or conditions of this Agreement shall, on the written request of one party served on the other, be submitted to mediation. In the event mediation is unsuccessful, the parties are free to pursue their right in a court of competent jurisdiction. Any legal proceedings relative to this Agreement or the obligations thereunder shall be in Galveston County, Texas.

7.03 *Integration.* This Agreement contains the entire agreement between the parties hereto and supersedes all previous oral or written agreements. This Agreement may only be modified in a written amendment, executed by both parties.

7.04 *Representation of Other Taxing Entities.* The Client acknowledges and consents to the representation by the Firm of other taxing entities that may be owed taxes or other claims and be secured by the same property as the Client's claim.

7.05 *Notices.* For purposes of sending any notice under the terms of this contract, all notices from Client shall be sent to Firm by certified United States mail, or delivered by hand or by courier, and addressed as follows:

7.06 *Compliance with Tx. Govt. Code §2270.002.* In order to comply with Tx. Govt. Code §2270.002, the Firm verifies that it does not boycott Israel and will not boycott Israel during the term of the contract.

Linebarger Goggan Blair & Sampson, LLP
Attention: Director of Client Services
P.O. Box 17428
Austin, Texas 78760-7428

All notices from the FIRM to the CLIENT shall be sent to CLIENT by certified United States mail, or delivered by hand or by courier, and addressed as follows:

City Manager
City of Galveston
PO Box 779
Galveston TX 77553
409.797.3520
409.797.3521

with copy to: City Attorney
City of Galveston
PO Box 779
Galveston TX 77553
409.797.3520
409.797.3531

IN CONSIDERATION OF THE TERMS AND COMPENSATION HEREIN STATED, the Firm hereby accepts said employment and undertakes the performance of this Agreement as above written. This Agreement is executed on behalf of the Firm and of the Client by the duly authorized persons whose signatures appear below.

CITY OF GALVESTON

LINEBARGER GOGGAN BLAIR & SAMPSON, LLP

BY: _____
Brian Maxwell, City Manager

BY: _____
Mark E. Ciavaglia, Partner

Date: _____

Date: _____

ATTEST:

Janelle Williams
City Secretary

APPROVED AS TO FORM:

CITY ATTORNEYS OFFICE

SCHEDULE 'A' – FILE RETENTION

DELINQUENT TAX SUIT FILES

(a) Cases in which non-suits are taken, dismissals are granted, or judgments are vacated, may be destroyed upon the expiration of five (5) years following the date of non-suit or dismissal or one (1) year after a judgment is taken on the same property in a subsequent suit, whichever first occurs.

(b) Cases in which judgments are taken, followed by satisfaction of the judgment by any means other than foreclosure sale, may be destroyed upon the expiration of five (5) years following satisfaction of the judgment.

(c) Cases in which real property judgments are taken or real property seizures conducted under tax warrant, followed by tax sale, are destroyed upon the expiration of twenty-five (25) years following the date of original tax sale.

(d) Cases in which judgments are taken for personal property taxes, followed by abstract of judgment, are destroyed upon the expiration of twenty (20) years following the filing of the abstract or one (1) year following satisfaction of the judgment, whichever first occurs.

PERSONAL PROPERTY TAX WARRANT FILES

(a) Cases in which non-suits are taken, dismissals are granted, or dissolution of warrant occurs prior to a seizure of any property are destroyed upon the expiration of one (1) year following the date of non-suit, dismissal, dissolution.

(b) Cases in which seizures under a warrant occurs, regardless of whether actual sale of property occurs, are destroyed upon the expiration of four (4) years following the date of seizure.

BANKRUPTCY FILES

(a) Cases that have been dismissed are destroyed upon the expiration of one (1) year following the date of dismissal.

(b) “No Asset Chapter 7” cases in which a discharge has been granted to the debtor are destroyed upon the expiration of one (1) year following the date of discharge or final payment, whichever occurs earlier.

(c) “Chapter 13” cases in which a discharge has been granted to the debtor are destroyed upon the expiration of one (1) year following the date of discharge.

(d) “Chapter 7 Asset” cases are destroyed upon the expiration of one (1) year following the filing of the Trustee’s Final Report.

(e) “Chapter 11” cases in which there is a Confirmed Plan are destroyed upon the expiration of eight (8) years following the date of Confirmation, unless the plan has not been completed. In the event payment under the plan is not complete following eight (8) years, then the file shall be destroyed upon the expiration of one (1) year following receipt of the final payment under the plan.

APPRAISAL AND COLLECTION TECHNOLOGIES, L.L.C.

HOSTING SERVICE AGREEMENT

This Hosting Service Agreement (this “**Agreement**”) is made and entered into as of the date set forth below (the “**Effective Date**”) by and between Appraisal and Collection Technologies, L.L.C., a Texas limited liability company (“**ACT**”), and the customer identified in the signature block below (the “**Customer**”).

In consideration of the rights and benefits that they each will be receiving under this Agreement, and intending to be legally bound, ACT and Customer (each a “**Party**” and together, the “**Parties**”) agree to the terms of this Agreement.

APPRAISAL AND COLLECTION TECHNOLOGIES, L.L.C.

Address:

By: _____
Daisy Power, President

911 Central Parkway North
San Antonio, Texas 78232
Attention: Chief Executive Officer

CITY OF GALVESTON

Address:

By: _____
Brian Maxwell, City Manager

PO Box 779
Galveston, TX 77553

Effective Date: November 1, 2015

ADDITIONAL TERMS AND CONDITIONS OF THIS AGREEMENT BEGIN ON THE FOLLOWING PAGE. THIS AGREEMENT MAY CONTAIN SEVERAL ATTACHED EXHIBITS, THE PAGES OF WHICH MAY NOT BE NUMBERED.

TABLE OF EXHIBITS

Exhibit A	Fee Schedule
Exhibit B	Service and Support Level Specification Agreement

TERMS AND CONDITIONS

1. Services.

1.1. Customer's Rights to Use the Services. ACT grants Customer a limited non-exclusive, non-transferable, worldwide right and license to access and use the Services for the duration of the Term (as defined herein) solely for the purposes of tax assessment and collection by or on behalf of Customer. This right is subject to Customer's payment of all required fees described in Exhibit A (the "**Fees**") attached hereto and incorporated herein and compliance with all of its obligations under this Agreement. The "**Services**" means the services provided by ACT that are described in Exhibit B attached hereto and incorporated herein.

1.2. Service Levels. In providing the Services, ACT shall use commercially reasonable efforts to comply in all material respects with any service levels set forth in Exhibit B ("**Service Levels**"). ACT shall not be responsible for failing to meet a Service Level to the extent the failure is caused by Customer, a third party or a force or cause beyond ACT's reasonable control.

1.3. Rights of ACT. ACT shall be free to provide Services for others on an unrestricted basis. ACT may subcontract any portion of the Services without notice, consent or any other restriction and has sole discretion in its use of subcontractors and consultants, including, but not limited to third party server hosting services.

2. Customer Restrictions; Proprietary and other Rights.

2.1. Restrictions. Customer shall not, and shall not permit any third party to: (i) sublicense, resell, lease, transfer or assign to any third party the Services or any associated software owned by ACT ("**ACT Software**") or associated software owned by a third party ("**Third Party Software**"); (ii) duplicate, modify or make derivative works of any ACT Software or Third Party Software; or (iii) reverse engineer, decompile, disassemble, or translate any ACT Software or Third Party Software. Customer has no rights to the source code of the ACT Software or Third Party Software. Customer may not access the Services other than as expressly provided by ACT pursuant to this Agreement. Access to the Services shall be limited to by Customer to employees, contractors, consultants, representative or agents of Customer that are authorized by Customer to access and use the Services on Customer's behalf ("**Authorized Users**"). Customer shall be solely responsible for any activities that occur under its account with ACT, including the activities of its Authorized Users.

2.2. Data Rights. Customer grants ACT a royalty-free, non-exclusive, non-transferable, worldwide right and license to access and use in any media the data, information, trademarks and content of Customer ("**Customer Data**") to the extent ACT needs the Customer Data to provide the Services, to configure the format and other technical or display requirements of the Services, and to manipulate and display the Customer Data for processing transactions on behalf of Customer. The Services may be designed to collect transaction, connection and/or performance information for use by ACT ("**Transaction Information**"). All Customer Data and Transaction Information is and shall remain the sole and exclusive property of Customer and shall not be used by ACT for any purpose other than the performance of its obligations and exercise of its rights under this Agreement.

2.3. Privacy Policy. Customer agrees that ACT and its affiliates may use any information Customer provides to ACT, including but not limited to, the Customer Data and Transaction Information for the purposes of this Agreement and in a manner consistent with ACT's then-current Privacy Policy as set forth at www.acttax.com which may be changed by ACT without notice. Customer agrees, however, that ACT is not responsible for any information Customer provides to third parties, and that the privacy policies, if any, of such third parties will govern the use and disclosure of such information.

2.4. Acceptable Use. Customer shall comply, and shall cause its Authorized Users to comply, with the then-current Acceptable Use Policy located at www.acttax.com, as it may be modified from time to time, in ACT's sole discretion without notice ("**Use Policy**"). ACT shall notify Customer of any Use Policy violation by Customer and Customer shall cure the violation within five business days of receipt of notice of the violation. If the violation is by an Authorized User and the violation is not

cured within this timeframe, Customer shall terminate that user's access to the Service. If Customer fails to terminate the access of any Authorized User that continues to violate the Use Policy, ACT shall have the right to terminate this Agreement. Customer shall comply with all written policies related to the Service that are published or reasonably communicated by ACT and all reasonable written directives provided by ACT with respect to use of the Service that are reasonably designed by ACT to ensure efficient operation of the Service.

2.5. Proprietary Rights of ACT. The Services, the ACT Software, the Third Party Software and any trade secrets, know-how, methodologies and processes, copyrights, trademarks, patents, trade secrets, and any other proprietary and intellectual property rights associated with or inherent in the Services, the ACT Software or the Third Party Software are and shall remain the sole and exclusive property of ACT and its third party licensors and shall not be used by Customer for any purpose other than the performance of its obligations and exercise of its rights under this Agreement.

3. Relationship Management. ACT and Customer shall each designate a representative (a “**Relationship Manager**”) for this Agreement. Each Party shall have the right to change its Relationship Manager or designate an alternate by providing written notice to the other Party.

4. Fees, Payment, Taxes.

4.1. Fees. Unless noted otherwise herein, Customer shall pay ACT the Fees set forth in Exhibit A.

4.2. Payment. Unless this Agreement or an Exhibit to this Agreement specifically provides otherwise, Customer shall pay all Fees within thirty (30) days of the date of invoice at the address specified in Exhibit A. Any Fees not paid when due shall accrue interest at a rate equal to the lesser of (i) one and one half percent (1.5%) of the invoiced amount per month or (ii) the maximum rate allowable under applicable law on all unpaid amounts. If Customer fails to pay any Fees on a timely basis, ACT may suspend Customer's access to the Services until the outstanding payment including any late charges is made in full.

4.3. Expense Reimbursement. Customer will reimburse ACT for all reasonable out-of-pocket expenses incurred by ACT in rendering the Services, as specified in the applicable Exhibit to this Agreement. Such expenses may include, but shall not be limited to, travel and travel related expenses (including transportation, lodging and meals) and costs of any tangible material acquired by ACT for Customer's benefit.

4.4. Taxes. Customer shall be liable for, and shall reimburse ACT for, all sales, use, transfer, privilege, excise, service, telecommunication, all other taxes and all duties and regulatory fees related to this Agreement, whether foreign, federal, state or local, however designated (including any interest and penalties imposed thereon), other than taxes based on the net income of ACT.

5. Confidentiality.

5.1. Non-Disclosure Obligations. Except as is specifically required or permitted by this Agreement, neither Party shall, without the express prior written consent of the other Party, redistribute, market, publish, disclose or divulge to any other person or entity, or use or modify for use, directly or indirectly in any way for any person or entity: (i) any of the other Party's Confidential Information during the Term and for three (3) years after any end to the Term; and (ii) any of the other Party's Trade Secrets at any time during which such information shall constitute a Trade Secret (before or after the end of the Term). The Parties agree that, during the Term and thereafter, each Party will hold Confidential Information and Trade Secrets in a fiduciary capacity for the benefit of the other Party and shall not (a) directly or indirectly use, copy, reproduce, distribute, manufacture, duplicate, reveal, report, publish, disclose or cause to be disclosed, or otherwise transfer any Confidential Information or Trade Secrets of the other Party to any third party, or (b) utilize Confidential Information or Trade Secrets for any purpose, except as expressly contemplated by this Agreement or authorized in writing by the other Party. Each Party will limit the disclosure of the other Party's Confidential Information and Trade Secrets to employees, contractors or agents with a need-to-know,

shall notify its employees, contractors and agents of their confidentiality obligations with respect to Confidential Information and Trade Secrets and shall require its respective employees, contractors and agents to comply with these obligations. Each Party shall be liable for any breach by any employee, contractor or agent of the confidentiality obligations contained herein.

5.2. Trade Secrets. For purposes of this Agreement the following terms shall have the following meanings: “**Trade Secrets**” shall mean information (including, but not limited to, confidential business information, technical or non-technical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans, lists of actual or potential customers or suppliers) that: (a) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. The Parties stipulate that the Services and the ACT Software and the Third Party Software and all intellectual property rights associated with those items shall constitute Trade Secrets of ACT and its licensors.

5.3. Confidential Information. “**Confidential Information**” shall mean, with respect to a Party, all valuable, proprietary and confidential information belonging to or pertaining to the Party that does not constitute a Trade Secret of the Party and that is not generally known by or available to the Party’s competitors but is generally known only to the Party and those of its employees, contractors, Clients or agents to whom such information must be confided for internal business purposes. Confidential Information does not include information that: (a) was in the possession of, or was rightfully known by, the recipient thereof without an obligation to maintain its confidentiality prior to receipt from disclosing Party; (b) is or becomes generally known to the public without violation of this Agreement; or (c) is obtained by the recipient in good faith from a third Party having the right to disclose it without an obligation of confidentiality.

5.4. Required Disclosure. Notwithstanding the foregoing, either Party may disclose Confidential Information or Trade Secrets of the other Party in judicial or other government proceedings to the extent that the Party is legally compelled to do so, provided that the Party has notified the other Party in writing at least ten (10) days prior to disclosure and shall have used its best efforts to obtain, and shall have afforded the other Party a reasonable opportunity to obtain, an appropriate protective or similar order providing for the confidential treatment of the Confidential Information or Trade Secrets required to be disclosed.

5.5. Injunctive Relief. Each Party acknowledges that any unauthorized disclosure or use of the other Party’s Trade Secrets or Confidential Information would be likely to injure the other Party irreparably. Each Party acknowledges that its misuse or unauthorized disclosure of the other Party’s Confidential Information or Trade Secrets shall entitle the other Party to injunctive or other equitable relief.

6. Representations and Warranties.

6.1. ACT Representations and Warranties. ACT represents and warrants to Customer that: (i) it will provide the Services in a manner consistent with reasonably applicable general industry standards; (ii) in providing the Services, it shall comply with all applicable Federal, state and local laws and regulations (“**Laws**”) and shall obtain all required permits and licenses; and (iii) will update the ACT Software and the Service as necessary to comply with changes mandated by legislative changes to the State of Texas Property Tax Code and administrative directives issued by the Property Tax Division of the Comptroller’s Office for the State of Texas.

6.2. Customer Representations and Warranties. Customer represents and warrants to ACT that: (i) the Customer Data does not and shall not infringe on or violate any third party’s intellectual property or other proprietary rights; (ii) Customer owns the Customer Data or otherwise has the right to place the Customer Data on the ACT’s infrastructure in connection with the Services and to view and access the Customer Data through the Services; (iii) no further approval, authorization or consent

of any governmental or regulatory authority is required to be obtained by it in order for it to enter into and perform its obligations under this Agreement; and (iv) in connection with its use of the Services, it shall comply with all Laws and shall obtain all applicable permits and licenses.

6.3. Disclaimer. EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, ACT MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR ANY WARRANTY OF NON-INFRINGEMENT. ACT DOES NOT WARRANT THAT: (a) THE SERVICES AND ANY RELATED SOFTWARE WILL OPERATE UNINTERRUPTED; (b) SERVICE OR SOFTWARE ERRORS CAN BE CORRECTED; OR (c) THE APPLICATIONS CONTAINED IN THE SERVICES OR SOFTWARE ARE DESIGNED TO MEET ALL OF CUSTOMER'S BUSINESS REQUIREMENTS.

6.4. Internet Delays. THE SERVICES MAY BE SUBJECT TO LIMITATIONS, DELAYS AND OTHER PROBLEMS INHERENT IN THE USE OF THE INTERNET AND ELECTRONIC COMMUNICATIONS. ACT IS NOT RESPONSIBLE FOR, AND CUSTOMER RELEASES ACT FROM, ANY DELAYS, DELIVERY FAILURES OR DAMAGES RESULTING FROM SUCH PROBLEMS.

7. Indemnification.

7.1. Customer Indemnity. To the extent allowed by law, Customer shall indemnify and hold harmless ACT and any affiliated entities and their respective officers, directors, partners, employees, shareholders, and agents against any losses, lawsuits, claims, damages liabilities, penalties, actions, proceedings or judgments resulting from or arising out of: (a) the use or operation (including, without limitation, any unauthorized use or operation) of the Services by or on behalf of the Customer or its Authorized Users that is not in compliance with this Agreement; and (b) any negligent use or intentional misuse of the Service by or on behalf of Customer or its Authorized Users

7.2. ACT Indemnity. Subject to Section 8, ACT shall indemnify and hold harmless Customer and any affiliated entities and their respective officers, directors, partners, employees, shareholders and agents against any damages awarded against the Customer by a court of competent jurisdiction in connection with a final judgment or ruling that the Customer's use of, or access to, the Services infringes a United States patent, copyright or trademark of the third party that is registered as of the date ACT provides Customer with the Services, provided, that: (a) Customer gives ACT prompt notification in writing of any such infringement claim specifying in reasonable detail the nature and all material aspects of the claim and reasonable assistance, at ACT's expense, in the defense of such infringement claim; and (b) ACT has the sole authority to defend or settle such infringement claim.

7.3. Indemnification Limitations. ACT shall have no obligation for any infringement claim arising out of or relating to: (a) use of the Services other than in accordance with the terms of this Agreement; (b) any Third-Party Software associated with the Service; or (c) use of the Services in combination with any other hardware, software or other materials where absent such combination, the Services would not be the subject of the infringement claim.

7.4. Effect of Infringement Claim. If an infringement claim is asserted or, in ACT's reasonable belief, is likely to be asserted, (a) ACT may require Customer to discontinue use of the Services immediately and Customer shall comply with such requirement; and (b) ACT will, at its sole option, either (i) procure for Customer the right to use and exercise its rights with respect to the Services as provided in this Agreement; (ii) replace the Services with other non-infringing services or modify the Services to make it not infringing while retaining substantially similar functionality; or (c) if the remedies set forth in clauses (b)(i) and (b)(ii) are not commercially feasible, as determined by ACT in its sole discretion, terminate this Agreement, in whole or in part, and pay to Licensee any prepaid Fees paid by Licensee for the infringing Services that are not provided due to the early termination.

7.5. Exclusive Remedy. THE PROVISIONS OF THIS SECTION STATE THE SOLE, EXCLUSIVE, AND ENTIRE LIABILITY OF ACT AND ITS LICENSORS TO CUSTOMER, AND IS CUSTOMER'S SOLE REMEDY WITH RESPECT TO, ANY CLAIM OF INFRINGEMENT OR MISAPPROPRIATION OR ALLEGED INFRINGEMENT OR MISAPPROPRIATION OF ANY THIRD-PARTY PATENT, COPYRIGHT, TRADEMARK, TRADE SECRET OR OTHER INTELLECTUAL PROPERTY RIGHT.

8. Limitation of Liability. EXCEPT FOR DAMAGES RESULTING FROM BREACHES OF SECTION 5, ACT SHALL NOT BE LIABLE TO CUSTOMER FOR ANY INDIRECT, INCIDENTAL, SPECIAL EXEMPLARY OR CONSEQUENTIAL DAMAGES, OR FOR ANY LOSS OF PROFITS OR LOSS OF REVENUE, OR COMPUTER FAILURE. ACT SHALL NOT BE LIABLE TO CUSTOMER FOR; (I) LOST DATA; OR (II) FAILURE TO REALIZE EXPECTED SAVINGS RESULTING FROM THE USE OF THE SERVICES, EVEN IF ACT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSSES. IN ANY CASE, ACT'S ENTIRE AGGREGATE LIABILITY UNDER ANY PROVISION OF THIS AGREEMENT SHALL BE LIMITED TO THE FEES ACTUALLY PAID BY CUSTOMER DURING THE IMMEDIATELY PRECEDING TWELVE (12) MONTHS. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, THIS SECTION SETS FORTH CUSTOMER'S SOLE AND EXCLUSIVE REMEDY FOR ANY BREACH OF WARRANTY.

9. Dispute Resolution.

9.1. Injunctive Relief. A material breach of Sections 2.1, 2.4 or 2.5 by Customer would irreparably harm ACT and, accordingly, Customer agrees that in the event of such a breach ACT shall be entitled to apply to a court of appropriate jurisdiction for injunctive relief, specific performance and/or, as the case may be, other interim measures, without the posting of any bond, to prevent or stop harm, including, but not limited to, harm relating to, trademarks, copyrights, patent rights, know-how, trade secrets or other intellectual property rights. These rights to injunctive relief are in addition to those rights specified in Section 5.5.

10. Term and Termination.

10.1. Term. The "**Term**" shall be the duration of ACT's obligation to provide Services to Customer. The Term shall commence on the Effective Date and shall continue for an initial period of one (1) year, unless it is terminated sooner in accordance with this Agreement (the "**Initial Term**"). The Term shall automatically renew beyond the Initial Term on a month-to-month basis subject to earlier termination in accordance with this Agreement (each, a "**Renewal Term**").

10.2. Non-Renewal. This Agreement may be terminated by Customer or ACT on the last day of the Initial Term or on the last day of any Renewal Term by providing written notice to the other Party not less than sixty (60) days prior to the expiration of the Initial Term or the then current Renewal Term, as the case may be, indicating an intention to terminate the Agreement as of the last day of the Initial Term or the then current Renewal Term ("**Termination Date**").

10.3. Termination.

10.3.1 Termination by ACT. In addition to any other rights ACT may have under this Agreement or law, ACT may, at ACT's option terminate this Agreement as follows: (i) upon Customer's failure to pay any Fees or other amounts it owes ACT under this Agreement (unless otherwise noted herein); (ii) upon Customer's material breach of any of its other obligations, representations or warranties under this Agreement where the breach is not cured within forty five (45) business days after written notice of the breach is provided to Customer by ACT (provided, that if ACT determines in good faith that a breach by Customer is incurable, then the termination of the Term shall be effective immediately upon notice without a cure period); or (iii) immediately upon Customer's ceasing to do business in the normal course, becoming or being declared insolvent or bankrupt, being the subject of any proceeding relating to liquidation or insolvency which is not dismissed within ninety (90) calendar days or making an assignment for the benefit of its creditors.

10.3.2 Termination by Customer Customer may, at Customer's option, terminate this Agreement as follows: (i) for convenience upon ninety (90) days written notice; (ii) upon ACT's material breach of any of its other obligations, representations or warranties under this Agreement, where the breach is not cured within thirty (30) business days after written notice of the breach is provided to ACT by Customer; and (iii) immediately upon ACT ceasing to do business in the normal course, becoming or being declared insolvent or bankrupt, being the subject of any proceeding relating to liquidation or insolvency which is not dismissed within ninety (90) calendar days or making an assignment for the benefit of its creditors.

10.3.3 Migration Period. Subject to Section 10.3.4, upon the termination or expiration of the Term (other than for violation by Customer of Section 2.1, 2.4, 2.5 or 5.), Customer shall have the right, upon providing written notice to ACT, to receive Services from ACT for up to twelve (12) months after the termination date (the "**Migration Period**") provided Customer continues paying all applicable Fees to ACT. With respect to a Migration Period after a termination by ACT pursuant to Section 10.3.1, Customer shall pay Fees on a monthly basis in advance, but in the event that Customer fails to make any one (1) payment when due during the Migration Period, ACT shall be entitled to discontinue the provision of Services.

10.3.4 Effect of Termination; Customer Data. Upon the expiration or termination of the Term and after receipt of all amounts due from Customer, ACT shall return to Customer all Customer Data provided that ACT may retain any Customer Data necessary for it to continue to perform under this Agreement pursuant to any Migration Period obligations, which Customer Data will be returned to Customer at the end of the Migration Period. In addition to returning all Customer Data, ACT shall destroy any copies and shall permanently delete and destroy all electronic versions of all Customer Data, and shall ensure that if any Customer Data has been provided to a third party, such third party shall similarly destroy any copies and shall permanently delete and destroy all electronic versions of all Customer Data.

10.3.5 Effect of Termination; Fees. Upon the expiration or termination of the Term, Customer shall (i) pay ACT all amounts then due and owing to ACT, and (ii) return to ACT all proprietary materials of ACT received under this Agreement. Upon termination or expiration of the Term for any reason, in addition to other amounts payable to ACT, Customer shall pay to ACT (i) all costs associated with ACT's provision of Services during any Migration Period, and (ii) any termination fee that may be payable under the applicable Exhibit to this Agreement.

10.4. Survival. Termination or expiration of the Term does not terminate other provisions of this Agreement that by their terms do not expire on termination or expiration of the Term.

11. Miscellaneous.

11.1. Entire Agreement. This Agreement and the Exhibits referencing this Agreement attached hereto and incorporated herein constitute the entire agreement between Customer and ACT with respect to the subject matter of the Agreement and supercede all prior oral negotiations and prior written agreements with respect to these matters.

11.2. Independent Contractors. Nothing in this Agreement or in the course of dealing between ACT and Customer shall be deemed to create between ACT and Customer (including their respective directors, officers, employees and agents) a partnership, joint venture, association, employment relationship or any other relationship other than an independent contractor relationship.

11.3. Use of Customer Name. ACT shall have the right to identify Customer as a customer of ACT as part of ACT's marketing efforts, including customer lists and naming Customer in press releases.

11.4. Audit Rights. ACT shall have the right during customary business hours, upon reasonable written notice and at ACT's expense, to examine Customer's books and records and use of the Services in order to audit Customer's compliance with this Agreement.

11.5. Waiver; Non-Waiver; Amendment. Failure by either Party to enforce any of the provisions of this Agreement or any rights with respect to it or the failure to exercise any option provided under this Agreement shall in no way be considered to be a waiver of that provision, right or option, or in any way to affect the validity of this Agreement. No waiver of any rights under this Agreement, nor any modification or amendment of this Agreement, shall be effective or enforceable, unless it is in writing and signed by each Party.

11.6. Force Majeure. Neither Party to this Agreement, other than for payments due and payable, will be liable to the other for any failure or delay in performance under this Agreement due to circumstances beyond its reasonable control including, without limitation, Acts of God, labor disruption, strikes, lockouts, riots, acts of war, terrorist threat, epidemics, communication line failures, power failures or government action.

11.7. Governing Law. This Agreement shall be governed by the laws of the State of Texas without giving effect to any choice of law principles. The Parties hereby acknowledge and agree that the United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement.

11.8. Assignment. Except as provided in this Agreement, Customer may not assign or transfer any of its rights, duties or obligations under this Agreement (whether by assignment, merger, transfer of assets, sale of stock, operation of law or otherwise) without the prior written consent of ACT and any assignment not in compliance with this Section shall be deemed void. ACT in its sole discretion may assign or transfer any of its rights, duties or obligations under this Agreement.

11.9. Notice. All notices or other communications under this Agreement must be in writing and will be deemed to have been duly given when (a) delivered by hand (with written confirmation of receipt), (b) five (5) calendar days after being deposited in the United States Mail, postage pre-paid, or (c) two (2) calendar days after being deposited for delivery with a nationally recognized overnight delivery service, such as Federal Express, (with written confirmation of receipt) and addressed or sent, as the case may be, to the appropriate addresses set forth on the first page of this Agreement (or to such other addresses as a Party may designate by notice to the other Party). All notices to ACT shall be addressed to the attention of the Chief Executive Officer with a copy delivered to Linebarger Goggan Blair & Sampson, L.L.P. (the "Firm"), to the attention of the Chief Operating Officer, at P.O. Box 17428, Austin, Texas 78760-7428 (or such other address as ACT or the Firm may designate by notice to the other Party).

11.10. Severability. If any provision of this Agreement is held invalid or unenforceable, the provision shall be deemed modified only to the extent necessary to render it valid or eliminated from this Agreement, as the situation may require, and this Agreement shall be enforced and construed as if the provision had been included in this Agreement as modified in scope or applicability or not been included, as the case may be.

11.11. No Third Party Beneficiaries. This Agreement inures to the benefit of ACT and Customer only and no third party shall enjoy the benefits of this Agreement or shall have any rights under it except as is expressly provided in this Agreement.

11.12. Headings. The headings preceding the text of the paragraphs of this Agreement have been inserted solely for convenience of reference and neither constitute a part of this Agreement nor affect its meaning, interpretation or effect.

11.13. Interpretation; Order of Precedence. In the event of any discrepancy or conflict between the terms of this Agreement and the terms of any Exhibit, the terms of this Agreement shall control. This Agreement and any Exhibit hereto shall prevail over any additional, conflicting, or inconsistent terms or conditions which may appear on any purchase order or other document issued by Customer.

11.14. Export Controls. Customer agrees to comply fully with all relevant export laws and regulations of the United States including but not limited to the U.S. Export Administration Regulations (collectively, "**U.S. Export Controls**").

[The remainder of this page is intentionally left blank]

EXHIBIT A

Schedule of Fees

Annual Service Fee:

The fee for the Service is: Five Thousand Dollars and No/00 (\$5,000.00) per annum (the “Annual Service Fee”)

Payment Schedule:

The Annual Service Fee is due and payable in equal monthly installments in the amount of Six Hundred Dollars (\$600.00) on the 15th of each month, beginning in November 2015.

ACT may increase the Annual Service Fee at the beginning of each Renewal Term by giving Customer not less than thirty (30) days’ notice of such fee increase.

Delinquent Tax Collection Contract; Suspension of Annual Service Fee:

ACT and Customer acknowledge and agree that their respective parent companies, Linebarger Goggan Blair & Sampson, L.L.P. and the Customer, are parties to an Agreement for Tax Collection Services (the “Tax Collection Contract”). **Notwithstanding the provisions of this Exhibit A, the Annual Service Fee shall be suspended and shall not be due and payable by Customer so long as the Tax Collection Contract remains in full force and effect.** However, in the event that the Tax Collection Contract is terminated for any reason whatsoever, Customer shall then be liable for the Annual Service Fee, which shall be due and payable in monthly installments in accordance with this Exhibit A and the Agreement.

Fees for Additional Professional Services:

Customer may request system alterations by ACT. Any such request shall be in writing to ACT by Customer and shall include specifications regarding the product or process to be modified. Customer acknowledges and agrees that these services are billable by ACT at the following specified rates:

<u>Rate Classification</u>	<u>Hourly Rate</u>
Principal	\$295.00
Project Manager	\$200.00
Senior Analyst	\$175.00
Developer	\$125.00
Quality Assurance / Trainer	\$100.00
Mileage	IRS standard rate
Airfare	Actual Airfare
Per Diem	Actual Charges

EXHIBIT B

Service and Support Level Specification Agreement
(attached)



City of Galveston

DEPARTMENT OF PARKS AND RECREATION

2222 – 28th Street | Galveston, TX 77550
409-797-3700

March 19, 2019

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

From: Mario Rabago, Director of Parks & Recreation

RE: **CONSIDER FOR APPROVAL MEMBERSHIP AND FACILITY RENTAL FEES FOR RECREATION CENTERS, PARKS AND ATHLETIC FIELDS THAT ARE UNDER MANAGEMENT OF THE PARKS AND RECREATION DEPARTMENT ; AND AUTHORIZING THE CITY MANAGER TO EXECUTE ALL NECESSARY DOCUMENTS UPON FINAL APPROVAL BY THE CITY ATTORNEY.**

I. Background

The Parks and Recreation staff was tasked to analyze the department's current fees and submit recommendations that will help the department improve its programs and facilities.

Staff has conducted a thorough analysis of the departments fees and is requesting approval of the following rates for recreation center memberships, ballfield tournaments, pool rentals, beach weddings and band shell rentals. All revenues generated from the proposed fees will be dedicated to maintaining and improving the Parks and Recreation Departments programs, parks, playgrounds, recreation centers and athletic fields.

II. Current Situation

Wright Cuney Recreation Center Memberships

The majority of the Wright Cuney Recreation Centers operations focus on offering programs and community events to benefit local youth, seniors and adults. The center is small in comparison to McGuire Dent and offers a fitness room, activity room, computer lab and full size gym.

Youth attendance monthly average – 1,600

Adult attendance monthly average - 750

Staff Recommendation: No change to the current free membership program at Wright Cuney.

This is due to the rec. centers current operations which are more in nature of a community center rather than fitness center. Youth attendance is significantly greater than adult attendance which influences the number of programs geared towards benefiting the centers youth attendees.





City of Galveston

DEPARTMENT OF PARKS AND RECREATION

2222 – 28th Street | Galveston, TX 77550
409-797-3700

McGuire Dent Recreation Center Annual Membership Fees:

The McGuire Dent Recreation Center offers one large and two small activity rooms, a meeting room, two racquetball courts, large fitness equipment area and full size gym. The most popular activity at the center is the usage of the centers fitness equipment by adults. The center also offers several programs for youth, seniors and adults.

Youth attendance monthly average – 1,400

Adult attendance monthly average – 5,000

Staff Recommendation: The following annual membership fees for the McGuire Dent Recreation Center

- Youth under 18 years old – Free
- All Military Veterans – Free
- Senior residents 65yrs. and older – Free
- Adult residents 18yrs. to 64yrs. - \$25
- Non-resident Adult and Seniors - \$60
- Replacement card - \$5
- Daily Rate - \$5
- Local resident holders of an annual pool pass receive a \$5 discount on the purchase of a rec. center annual pass.

Comparison to Other Centers:

<u>Location</u>	<u>Youth</u>	<u>Adult</u>	<u>Senior</u>	<u>Family</u>	<u>Daily</u>
Texas City	\$75	\$125	\$60	\$315	\$10
League City	\$45 & \$65	\$95	Free	N/A	\$5 & \$8
Angleton	\$300	\$384	\$300	\$528	\$4 & \$5
La Port	N/A	\$144	\$72	\$288	\$10 & \$20
Pearland	\$330	\$330	\$231	\$660	\$5 & \$8
City of Houston Fitness Centers	N/A	\$273.60	N/A	N/A	\$1.95

Ballfield Rentals for Tournaments

City staff prepares the ballfields and provides field upkeep materials for tournaments. Promoters charge entry fees to teams and can also generate revenue from outside vendors and charge an admission fee to spectators.

Staff Recommendation: The following rates to help recover the city's cost of preparing the ballfields and fund ballfield maintenance and repair programs.





City of Galveston

DEPARTMENT OF PARKS AND RECREATION

2222 – 28th Street | Galveston, TX 77550
409-797-3700

Proposed Rates for 3-day Ballfield Tournaments:

<u>Tournament Sponsor</u>	<u>2</u> <u>Fields</u>	<u>3</u> <u>Fields</u>	<u>4</u> <u>Fields</u>	<u>5</u> <u>fields</u>	<u>6</u> <u>Fields</u>	<u>All</u> <u>Fields</u>
Local Leagues	Free	Free	Free	Free	Free	Free
Resident Promoter (non-league)	\$325	\$475	\$625	\$775	\$925	\$1075
Non-resident Promoter	\$450	\$600	\$750	\$900	\$1050	\$1200

Current Rates for 3-day Ballfield Tournaments:

<u>Tournament Sponsor</u>	<u>2</u> <u>Fields</u>	<u>3</u> <u>Fields</u>	<u>4</u> <u>Fields</u>	<u>5</u> <u>fields</u>	<u>6</u> <u>Fields</u>	<u>All</u> <u>Fields</u>
Local Leagues	Free	Free	Free	Free	Free	Free
Resident Promoter (non-league)	\$100	\$150	\$200	\$250	\$300	\$450
Non-resident Promoter	\$100	\$150	\$200	\$250	\$300	\$450

Lasker Pool Rentals

The availability of community pool rentals is common. Staff has been approached by residents requesting the availability of renting space at the pool for birthday parties, group events, lane rentals and scuba training.

Staff Recommendation: The following rates for Lasker Pool rentals

Proposed Rates:

<u>Pool Rentals</u>	<u>2 Hour</u> <u>Party</u>	<u>Additional Hour</u> <u>Party</u>	<u>Lane Rental per</u> <u>Hour</u>	<u>Scuba Rental per</u> <u>Hour</u>
Resident	\$50	\$25	\$15	\$150
Non-resident	\$100	\$25	\$20	\$150

- No Alcohol
- Available only during regular operating hours
- Pool will remain open to the public except during off-season scuba rentals

Beach Pocket Park #1 Wedding Space Rental

Staff has been approached by private parties and wedding planners requesting the availability of renting space for wedding events at Beach Pocket Park #1. Several of the island's beaches have programs that offer space for beach weddings.

Staff Recommendation: The following rates for beach weddings at Beach Pocket Park #1:

Proposed Rates:

<u>Day</u>	<u>3 Hours</u>	<u>Each Additional Hour</u>
Monday through Sunday	\$250	\$75





City of Galveston

DEPARTMENT OF PARKS AND RECREATION

2222 – 28th Street | Galveston, TX 77550
409-797-3700

Menard Park Band Shell Rentals

Staff has been approached by promoters and wedding planners regarding the availability of the Menard Park band shell for weddings and events. Staff analyzed the current fee structure, popularity of island weddings and rates within the local market.

Staff Recommendation: The following rates for rental space at the Menard Park band shell, park grounds and recreation center restrooms.

Proposed Rates:

<u>Group Events, Weddings, Private Parties</u>	<u>4 Hours</u>	<u>Each Additional Hour</u>
Monday through Friday	\$1,500	\$250
Saturday and Holidays	\$2,500	\$350
Sundays	\$2,000	\$300
<u>Local Non-profits</u>		
Monday thru Sunday	\$75	N/A

- Rental availability to group events, weddings and private parties is limited to rec. center afterhours
- Rental to non-profits available during rec. center operating hours and after hours
- City manager has discretion to waive rental fee to non-profit organizations
- Outdoor rental space limited to band shell, space between shell & recreation center and open space at the southeast or southwest corner of the park for wedding vow exchange
- Includes availability of rec. center indoor restrooms
- Includes a building attendant
- Events of more than 75 attendants may require additional permitting, approvals and fees
- Events may require uniformed security paid by renter

Current Rates: All events

<u>Day</u>	<u>4 Hours</u>	<u>Each Additional Hour</u>
Monday through Friday	\$75	N/A
Saturday and Holidays	\$75	N/A
Sundays	\$75	N/A

- City manager has discretion to waive rental fees
- Events of more than 75 attendants may require additional permitting, approvals and fees





City of Galveston

DEPARTMENT OF PARKS AND RECREATION

2222 – 28th Street | Galveston, TX 77550
409-797-3700

III. Impact or Ramifications

- A. Approval of staff's recommendation will provide additional funding to improve the community and recreational programs offered by the Parks and Recreation Department.
- B. Approval of staff's recommendation will allow the department to utilize potential revenue generating opportunities within its own system.
- C. Approval of staff's recommendation will adjust the departments fees for facility rentals to current market rates.
- D. All revenues generated from the proposed fees will be dedicated to maintaining and improving the Parks and Recreation Departments programs, parks, playgrounds and athletic fields.

IV. Alternatives in Order of Priority

- A. Approval of staff's recommendation to approve membership and facility rental fees for recreation centers, parks and athletic fields that are under management of the Parks and Recreation Department.
- B. Do not approve staff's recommendation.

V. Recommendation

Staff recommends approval of the recommended membership and facility rental fees for recreation centers, parks and athletic fields that are under management of the Parks and Recreation Department.

VI. Fiscal Impact Report

Requested by:

Mario Rabago, Director of Parks and Recreation

Funding Source:

Parks & Recreation Dept. Revenue Source

Cost of Implementation:

Proposal is to update current fee programs and department software. Cost of implementation is minimal.

Respectfully Submitted,

Mario Rabago
Director of Parks & Recreation

Approved,

Brian Maxwell
City Manager





City of Galveston

DEPARTMENT OF PARKS AND RECREATION

2222 28TH Street Galveston Texas 77550
409-797-3700

March 19, 2019

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

From: Mario Rabago, Director of Parks and Recreation

RE: Consider for approval an amendment to the Parks Concession Operations agreement with Fermina Salinas to also include concession stand operations at the **West-Isle** baseball complex. Authorizing the City Manager to execute all necessary documents upon final approval by the City Attorney.

I. Background

- A. On December 17, 2018 the City solicited proposals (RFP#19-10) for Parks Concession Operations. The proposal included concession stands located at the Crockett Park, Lassie League and West-Isle baseball complexes.
- B. On January 23, 2019 the City received proposals for Parks Concession Operations at the Crockett Park and Lassie League baseball complexes. The City did not receive a proposal for the West-Isle baseball complex.
- C. RFP#19-10 states that the City has the option to offer locations that did not receive bids to a current or contracted vendor from another baseball complex location.
- D. On March 14, 2019 the City solicited bids for West-Isle concession stand operations from the contracted vendors at Crockett Park and Lassie League.
- E. On March 15, 2019 the Lassie League vendor officially denied the City's offer.
- F. On March 19, 2019 the Parks Concession Operator for Crockett Park, Fermina Salinas made an offer to pay the City \$1,000 annually for rights to operate the concession stand at the West-Isle baseball complex.

II. Current Situation

- A. Staff is recommending approval to amend the Parks Concession Operations agreement with Fermina Salinas.
- B. The amendment will state that Fermina Salinas is authorized to operate food and beverage concessions at the West-Isle baseball complex for a period of three (3) years with two (2) one (1) year options upon the approval of the City. Fermina Salinas will pay the City \$1,000 annually. Health permitting and other requirements will be consistent with the Crockett Park concession agreement.
- C. The use of revenue the City receives from vendors operating at the ballparks will be limited to maintenance, repairs and capital sustainability projects exclusively at the ballparks.





City of Galveston

DEPARTMENT OF PARKS AND RECREATION

2222 28TH Street Galveston Texas 77550

409-797-3700

III. Alternatives in order of priority

- A. Approval of amending the Parks Concession Operations agreement with Fermina Salinas to include authorization to operate the concession stand at the West-isle Baseball Complex.
- B. Do not approve the proposed amendment.

IV. Recommendation

Concur with alternative A and approve the proposed amendment authorizing Fermina Salinas to also operate the concession stand at the West-isle baseball complex.

V. Fiscal Impact Report

Requested by:

Mario Rabago Director of Parks and Recreation

Funding Source:

Vending Revenue to City

Total Cost

No Cost/Vending Revenue

Respectfully Submitted,

Mario Rabago Director of Parks and Recreation

Approved,

Brian Maxwell City Manager



Fermina Salinas
Parks Concession Operations

Amendment Number 1 to Contract #CON-COG-CON-19-011

RFP 19-10 Park Concessions Operations

THIS AMENDMENT is by and between the City of Galveston, a municipality incorporated under the laws of the State of Texas, Galveston Texas, and Fermina Salinas, a company, located at 6010 Avenue Q ½, Galveston, TX, 77551. Except as set forth in this Amendment, the Agreement is unaffected and shall continue in full force and effect in accordance with its terms.

WHEREAS, the City and Fermina Salinas, entered into an Agreement, Contract# CON-COG-CON-19-011, effective March 5, 2019 for services related to park concession operations in RFP# 19-10 Park Concessions Operations

WHEREAS, the City and Fermina Salinas agree to make the following amendment a part of the Agreement.

9. **COMPENSATION**: Company shall compensate the City of Galveston at a rate of six thousand five hundred dollars (\$6,500.00) per annum for the length of the agreement. The schedule of payments shall be: eight (8) payments of \$812.50 due February 28, March 28, April 28, May 28, June 28, July 28, August 28, and September 28.

Company shall compensate the City of Galveston at an additional rate of one thousand dollars (\$1,000.00) per annum for the length of the agreement, in exchange for Company's performance of the operations listed in Exhibit B. The schedule of payments shall be: five (5) payments of \$200.00 due March 28, April 28, May 28, June 28, and July 28.

Parties shall attempt to resolve any payment disputes within thirty (30) days after the invoice date.

Attached is Exhibit B: West Isle Concession (Buccaneer Concession Facility) Operations

IN WITNESS WHEREOF, the parties have executed this Agreement in duplicate on the day and year first above written.

CITY OF GALVESTON, TEXAS

FERMINA SALINAS

By: _____
Brian Maxwell, City Manager

By: _____
Fermina Salinas

ATTEST:

Janelle Williams, City Secretary

APPROVED AS TO FORM

City Attorney

BY EXECUTION OF THIS AMENDMENT, Company ACKNOWLEDGES RECEIPT
OF A COPY OF THIS CONTRACT.

THE STATE OF _____ §
§
_____ COUNTY §

On this day, BEFORE ME, the undersigned, personally appeared _____ of
Fermina Salinas, personally known to me or proved to me on the basis of satisfactory evidence
to be the individual whose name is subscribed to the within instrument and acknowledged to me
that he/she executed the same in his/her capacity, and that by his/her signature on the instrument,
the individual, or the person upon behalf of which the individual acted executed the instrument.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the ____ day of _____,
2019.

Notary Public in and for
The State of _____

City Of Galveston

Request for Proposal

Proposal Reference Number: 19-10

Project Title: Park Concessions Operations

**Proposal Closing Date: 10:00 AM (CST),
Wednesday, January 23, 2019**

COPY

City Of Galveston

Proposal Reference Number: 19-10

**Project Title: Park Concessions Operations-
West Isle Concession Stand**

2.USAGE FEE PROPOSAL

3.REFERENCES

Reference #1

Name: Jeff R. Temple

Title: Professor & Psychologist at UTMB Health

Phone: 409-747-8560

Email: jetemple@utmb.edu

Reference #2

Name: Adan Gonzalez

Title: Galveston ISD Police Officer

Phone: 409-939-1206

Email: agg2984@yahoo.com

Reference #3

Name: Gary Key

Title: Teacher/Coach at Galveston ISD

Phone: 409-457-4306

Email: gkey@gisd.org

Reference #4

Name: Kevin Johnson

Title: Manager

Phone: 409-750-0614

4.QUALIFICATIONS

4. Qualifications

Highlights of Qualifications:

- Prior concessions experience including broad knowledge of food and beverage items and deep knowledge of various types of equipment and set up styles used in concessions.
- In-depth knowledge of cash handling procedures, customer service principles, and cash register.
- Ability to resolving problems in a timely manner and by developing alternative solutions.
- Excellent mathematical skills.
- Strong communication and organizational skills.
- Good interpersonal and problem solving skills.
- Ability to count currency and inventory with accuracy.
- Inventory control: Assess inventory and assist in preparing product orders as necessary.
- Ability to communicate with employees, co-workers, volunteers, management staff and guests in a clear, business-like and respectful manner which focuses on generating a positive, enthusiastic and cooperative work environment.
- Ability to speak, read and write in English.
- Ability to work well in a team-oriented, fast-paced, event-driven environment.
- Possess or acquire valid food handling certificate if required by state and federal regulations.
- Ability to work in a confined space with other persons.

Professional Experience:

Concession Supervisor at Island Little League

March 2005 to July 2017

Galveston, TX

Business Summary: Proposer, Fermina Salinas, and family who have over 10 years of experience in the concession/food service industry will operate the concession stand.

Vision Statement: Our vision is to ensure that we take excellent care of our customers by giving them the best experience when they come to our concession stands as we have in the past.

Training/Certifications: Proposer has Food Handler's Program Certificate that expires on 2/20/2020.

5.METHODOLOGY/ APPROACH

5. Methodology/Approach

Concession operations are a key component to the overall character of the park. The proposer agrees to satisfy the following conditions as a part of the concession operations:

Personnel:

- The proposer will be responsible for hiring the necessary personnel to conduct the daily operation of the concession stands.
- There will be a minimum of two people per concession stand.
- The operator will comply with all federal, state, and local laws related to minimum wage, social security, nondiscrimination, ADA, unemployed compensation, and workers' compensation.
- Personnel will be responsible for the cleaning and general upkeep of the concession stand on each operating day.
- Proposer will encourage personnel to take a Food Handler's Course as soon as possible.
- Personnel should do the following:
 - maintain safe working conditions and sanitary work areas
 - maintain accurate cash handling procedures at all times
 - provide great customer service
 - interact with customers and clients in a pleasant and professional manner

Operating Hours:

Hours of operation will vary and be subject to regularly scheduled park hours, special event schedules, tournament schedules and weather conditions. Full vending services will be provided while the parks are open and/or hosting events. Vending hours may vary between two and twelve operating hours per day/event.

6.PRODUCT LISTS AND PROPOSED PRICING SCHEDULE

6. Product Lists and Proposed Pricing Schedule

Proposed Menu:

Food:

Nachos with Cheese \$3.00
Nachos with Chili and Cheese \$4.00
Corn Dogs \$2.00
Hot Dogs \$2.00
Hot Dogs with Chili and Cheese \$3.00
Frito Pie \$3.00
Hot Cheetos with Cheese \$2.00
Pizza Slice \$2.00

Snacks:

Pickles \$1.00
Sunflower Seeds \$1.00
Popcorn Bag \$2.00
Peanuts \$2.00
Chips \$1.00
Lunchables \$2.00
Bag of Assorted Cookies \$1.00
Bag of Goldfish \$1.00
ICEE Pops \$1.00

Drinks:

Assorted Can Soda \$1.00
Assorted Bottled Soda \$2.00
Small Gatorade \$1.00
Large Gatorade \$2.00
Water \$1.00
Small Snow Cone \$1.00
Large Snow Cone \$2.00

Candy:

Assorted Chocolate Candy \$1.00
Skittles \$1.00
Air Head Extremes \$1.00
Airheads \$.25 each
Gum \$.10 each

***For Crockett Park Baseball Complex and West Isle Concession Stand**

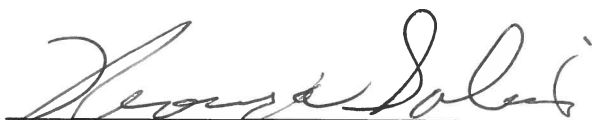


CITY OF GALVESTON – RFP # 19-10
REQUEST FOR INFORMATION # 1
Parks Concessions Maintenance

Date: 3/14/2019
To: Fermina Salinas
Subject: RFI No. 1
West Isle Concession Stand

The City of Galveston would like to extend the opportunity to place a Bid on West Isle Concession Stand. If selected, West Isle concession may be added to your current Contract with the City of Galveston, CON - COG-CON-19-011 - Fermina Salinas - Park Concession Operations. If you are interested in this opportunity, please submit a sealed bid, including RFI No. 1 documentation, to the Purchasing Division.

Thank you for your assistance. Please provide the response in person to the Purchasing Division located at 823 Rosenberg, Room 306, Galveston TX, 77550, no later than 12:00p.m., March 22, 2019. Response to the RFI must include this form with a signature from the signer of the original solicitation document, Appendix A.


Authorized Signature


Date

2. Usage Fee Proposal: how much will you pay to the city of Galveston for usage of facilities?

- Under Option 2, I propose \$1,000.00 annually at West Isle Concession Stand.

CONTRACT FOR SERVICES
Park Concession Operations

This Contract (the “Contract”) is made and entered into this _____ day of February, 2019, by and between the City of Galveston (“City”), a Texas home-rule municipality, and **Fermina Salinas**, (Company), located at 6010 Avenue Q1/2, Galveston, Texas 77551. By entering into this Agreement, Company agrees that City is entering into this agreement in its governmental capacity, and not a proprietary one.

WHEREAS, the City of Galveston desires to obtain services in connection with its “Historic District Survey”, within the City of Galveston (“City”) and Valenzuela Preservation Studio, LCC (“Company”) desires to provide such services; and

WHEREAS, this Agreement between the Parties consist of the terms and conditions set forth herein, and **Exhibit A**, identified as the proposal from the Company for the scope of services, and those document(s), attached and incorporated for all purposes for the following Project:

Park Concession Operations

RFP 19-10

NOW, THEREFORE, for and in consideration of the mutual covenants hereinafter set forth, the parties do mutually agree as follows:

1. **SCOPE OF SERVICES**: Company will provide the services (“Work”) to the City in connection with the Project, more specifically described in **Exhibit A**, attached and fully incorporated for all intents and purposes.
2. **STANDARD OF CARE**: The standard of care for all services performed or furnished by Company under this agreement will be the care and skill ordinarily used by members of the subject profession practicing under similar circumstances at the same time and in the same locality.
3. **COMPLIANCE WITH LOCAL, STATE AND FEDERAL LAWS** – Company shall comply with all applicable laws, ordinances, and codes of the federal, state, and local governments.
4. **CHANGES**: The City may request changes in the scope of the services to be performed hereunder. Such changes, including any increase or decrease in the amount of compensation to Company, which are mutually agreed upon by and between the City and Company, shall be incorporated in written amendments to this Contract. No changes in the terms of this contract shall be binding unless it is in writing and signed by an authorized representative of both parties.
5. **TERM**: Contract shall be effective upon execution by the City of Galveston for three (3) years unless sooner terminated under the terms set forth herein. It is agreed that City will have the option to extend the contract for up to two (2) additional years in one-year intervals. To exercise this option, the City shall serve notice a minimum 30 days prior to contract termination. The Option to Extend will not be considered if funding is unavailable or if the contractor’s past performance is not within the industry standard or acceptable to the City.
6. **APPROPRIATIONS**: The obligations of the City to make payment under this Contract are expressly subject to appropriations by the City of funds that are lawfully available to be applied to such purpose.

7. **SCHEDULE AND DELIVERABLES:** The City and its agencies will cooperate with Company to facilitate the performance of the work described in the contract. Company will perform the Work in accordance with the schedules/timetables described in greater detail in the attached Exhibit A.

In the event that one or more of the members of the Company cannot perform because of ill health, physical disability or other reasons beyond his/her control, Company shall use its best efforts to furnish a substitute of similar stature for such member of the Company whom City agrees to accept. City does not have to accept any substitutes provided by the Company, but, may contract a substitute of their own.

8. **FORCE MAJEURE:** In the event that the performance of any of the covenants of this agreement shall be prevented by an act of God, the acts and regulations of public authorities, or labor disputes, acts of the public enemy, acts of superior governmental authority, or other circumstances, or cause beyond their or its reasonable control, the City and Company shall be respectively relieved of their obligations hereunder with respect to the performance(s) so prevented. In the above mentioned event, Company grants City the right to reschedule the performance(s) under the same terms and conditions of this contract.

9. **COMPENSATION:** Company shall compensate the City of Galveston at a rate of six thousand five hundred dollars (\$6,500.00) per annum for the length of the agreement. The schedule of payments shall be: six (6) payments of \$812.50 due February 28, March 28, April 28, May 28, June 28, July 28, August 28, and September 28. Parties shall attempt to resolve any payment disputes within thirty (30) days after the invoice date.

10. **INSURANCE REQUIREMENTS:** Company shall provide all required City of Galveston certificates of coverage and all renewals throughout the duration of the Project. For each policy except Workers' Compensation protection, Company shall name the City as an additional insured and shall provide that the policy require the insurance carrier to notify the City a minimum of thirty days (30) in advance of cancellation of all or part of the policy. All insurance policies are to be issued by an insurance company authorized to do business in the State of Texas and using an insurance company with an A.M. Best rating of B+ or better. All subcontractors utilized must also comply with these specifications as if they were the winning proposer. Specific details of coverage limits and conditions are listed below.

Required Insurance:

- a. Commercial general liability insurance, naming the City of Galveston as an additional insured and as certificate holder, and waiving subrogation per the contractual requirements of this project. Limits are to be equal to or greater than:

\$2,000,000 general liability (includes products and personal, etc.)

\$1,000,000 fire damage

\$1,000,000 automobile damage

\$500,000 workers compensation employers' liability

Statutory limits for workers compensation

Insurance coverage shall be on an "**occurrence basis**"

11. **TERMINATION:** This Contract may be terminated prior to completion of the Work by either

party upon 10 days' written notice to the other. If, through any cause, Company shall fail to fulfill in a timely and proper manner his/her obligations under this contract, the City shall thereupon have the right to terminate this Contract by giving written notice to Company of such termination and specifying the effective date thereof, at least five days before the effective date of such termination. In the event of early termination, City shall pay Company for all work performed and expenses incurred to the date specified in the notice of termination. Notwithstanding the above, Company shall not be relieved of liability to the City for damages sustained by the City by virtue of any breach of the Contract by Company or its subordinates and the City may withhold any payments to Company for the purpose of set-off until such time as the exact amount of damages due the City from Company is determined.

12. INDEMNIFICATION. FOR CONSIDERATION RECEIVED, Company shall, to the extent allowable, indemnify, save and hold the City of Galveston harmless, including City's officers, agents, employees and servants, from any claims, actions, lawsuits, proceedings, damages, loss, judgments, liabilities or expense on account of damage to property and injuries, including death, to the extent caused by any negligent act, intentional tort, intellectual property infringement, or failure to pay a subcontractor or supplier of Company or those acting under Company's supervision or control. Company shall not be responsible, however, for any loss, damage, liability or expense on account of damage to property and injuries, including death, by which may arise from the negligence of the city. Company shall comply with the requirements of all current applicable laws, rules and regulations and shall indemnify and hold harmless the City and its agency members from and against the failure to comply with those laws, and shall assume full responsibility for payments of Federal, State and local taxes on contributions imposed or required under the Social Security, worker's compensation and income tax laws.

13. INDEPENDENT CONTRACTORS: The parties are independent contractors as to each other. Nothing in this Contract shall be construed as creating any agency or employment relationship. Neither Party shall make any representations tending to create an apparent or implied agency or employment relationship; neither party has the authority to act for the other or to create obligations or debts binding on the other; and neither party shall be responsible for any obligations or expenses incurred by the other.

It is the intent of the parties to this agreement that the Company as an independent contractor will control the manner and means of its performance(s). The City will control the scheduling of the performance(s). The exclusive nature of this agreement is limited to the duration of the performance and it is expected that the performer will enter into other similar agreements with other customers.

14. ACCESS TO RECORDS: Upon written request by the City, vendor agrees to provide copies of audited financial statements covering concession operations performed under this agreement.

15. PERMITS: The Company warrants and represents that it has obtained any and all permits, approvals, and licenses and necessary for the services to be performed. All permits associated with the project shall be the sole responsibility of Company.

16. PROTECTION OF PERSONS AND PROPERTY: City is responsible for providing protection of persons and property, including safe working conditions. The Company is responsible for its own conduct. The City warrants that the venue will be of sufficient size, is of stable construction and is an open air venue, and that there will be adequate security and/or emergency medical responders available if foreseeably necessary.

17. **ASSIGNMENT**: Neither party hereto may assign its rights or delegate its obligations hereunder without the written consent of the other party.

18. **NO WAIVER**: The failure of any party to enforce any provision of this contract shall not be construed as a waiver or limitation of that party's right to subsequently enforce that or any other provision of this Contract.

19. **ENTIRE AGREEMENT**: This Contract incorporates all provisions of the attached proposal for Parks Concession Operations and Exhibit A constitutes the sole and only agreement of the parties hereto and supersedes any prior understandings or written or oral agreements between the parties respecting the subject matter of this Contract. The Company, by signing this agreement, acknowledges the City of Galveston is entering into this contract in its governmental capacity, and not a proprietary capacity.

20. **SEVERABILITY CLAUSE**: The phrases, clauses, sentences, paragraphs or sections of these conditions are severable. If any phrase, clause, sentence, paragraph, or section of these conditions should be declared invalid by the final decree or judgment of any court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of these conditions.

21. **ATTORNEY'S FEES**: In the event there is a dispute concerning this Contract, each party shall be responsible for its own costs and expenses including attorneys' fees and court costs incurred in the course of any dispute, mediation, or legal proceeding.

22. **APPLICABLE LAW, VENUE, AND JURISDICTION**: This Contract shall be construed under and in accordance with the laws of the State of Texas, with jurisdiction in the courts of the State of Texas and venue in Galveston, County regardless of where the obligations of the parties were performed. By execution of this Contract, the parties agree to subject themselves to the jurisdiction of the Courts of the State of Texas in all matters relating to or arising out of this Contract or the Work.

23. **NOTICES**: All notices required or permitted under this Contract shall be in writing and shall be deemed given when delivered in person or three days after deposit in the United States Mail, postage prepaid, addressed to the party's address reflected at the end of this Contract. A party's notice address may be changed from time to time by that party's providing written notice to the other. A copy of the notice to the City shall be sent to:

City Attorney
City of Galveston
823 Rosenberg, Suite 203
P. O. Box 779
Galveston, Texas 77553

Fermina Salinas
6010 Avenue Q 1/2
Galveston, Texas 77551

IN WITNESS WHEREOF, the parties have executed this Agreement in duplicate on the day and year first above written.

CITY OF GALVESTON, TEXAS

Fermina Salinas

By: _____
Brian Maxwell, City Manager

By: *Fermina Salinas*
Fermina Salinas, Owner

ATTEST:

Janelle Williams, City Secretary

APPROVED AS TO FORM

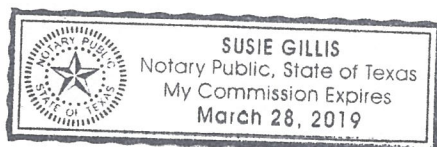
City Attorney

**BY EXECUTION OF THIS AGREEMENT, COMPANY ACKNOWLEDGES RECEIPT
OF A COPY OF THIS CONTRACT.**

THE STATE OF TEXAS §
 §
Galveston COUNTY §

On this day, BEFORE ME, the undersigned, personally appeared Fermina Salinas of Fermina Salinas, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted executed the instrument.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 19 day of Feb, 2019.



Susie Gillis
Notary Public in and for
The State of Texas

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY CERTIFICATION OF FILING

Certificate Number:
2019-454804

Date Filed:
02/20/2019

Date Acknowledged:

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

Fermina Salinas
galveston, TX United States

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

City of Galveston

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

COG-CON-19-011
Concession Operations

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary
	salinas, fermina	galveston, TX United States	X	

5 Check only if there is NO Interested Party.

☐

6 UNSWORN DECLARATION

My name is Fermina Salinas, and my date of birth is 2-7-63.

My address is 6010 Q'K Ctr (street), Galveston (city), TX (state), 77551 (zip code), Galveston (country).

I declare under penalty of perjury that the foregoing is true and correct.

Executed in Galveston County, State of TX, on the 20 day of Feb., 2019.
(month) (year)

Fermina Salinas

Signature of authorized agent of contracting business entity
(Declarant)

Texas Liability Insurance Card

Progressive County Mutual Ins Co
1-800-776-4737
(se habla español)

Policy Period: Jan 27, 2019 - Jul 27, 2019
Policy Number: 916105538

PROGRESSIVE®

Named Insured(s)

Fermina Salinas
Rogelio Salinas
6010 avenue Q 1/2
Galveston, TX 77551

Year	Make	Model	Vehicle Identification No.
2007	Ford	F150	1FTPW14V27KC79040
2018	Chevrolet	Silverado C1500k1500	3GCUCRERXJG365402

This policy provides at least the minimum amounts of liability insurance required by the Texas Motor Vehicle Safety Responsibility Act for the specified vehicles and named insureds and may provide coverage for other persons and other vehicles as provided by the insurance policy.

Texas Liability Insurance Card Keep this card.

IMPORTANT: This card or a copy of your insurance policy must be shown when you apply for or renew your:

- motor vehicle registration
- driver's license
- motor vehicle safety inspection sticker

You may also be asked to show this card or your policy if you have an accident or a peace officer asks to see it.

All drivers in Texas must carry liability insurance on their vehicles or otherwise meet legal requirements for financial responsibility. Failure to do so could result in fines up to \$1,000, suspension of your driver's license and motor vehicle registration, and impoundment of your vehicle for up to 180 days (at a cost of \$15 per day).

Tarjeta de Seguro de Responsabilidad de Texas Guarde esta tarjeta.

IMPORTANTE: Esta tarjeta o una copia de su póliza de seguro debe ser mostrada cuando usted solicite o renueve su:

- registro de vehículo de motor
- licencia para conducir
- etiqueta de inspección de seguridad para su vehículo

Puede que usted tenga también que mostrar esta tarjeta o su póliza de seguro si tiene un accidente o si un oficial de la paz se la pide.

Todos los conductores en Texas deben de tener seguro de responsabilidad para sus vehículos, o de otra manera llenar los requisitos legales de responsabilidad civil. Fallo en llenar este requisito pudiera resultar en multas de hasta \$1,000, suspensión de su licencia para conducir y su registro de vehículo de motor, y la retención de su vehículo por un período de hasta 180 días (a un costo de \$15 por día).

Our claims service number is 1-800-274-4499. We are available 24 hours a day, 7 days a week to begin working to resolve your claim.

Texas Liability Insurance Card

Progressive County Mutual Ins Co
1-800-776-4737
(se habla español)

Policy Period: Jan 27, 2019 - Jul 27, 2019
Policy Number: 916105538

PROGRESSIVE®

Named Insured(s)

Fermina Salinas
Rogelio Salinas
6010 avenue Q 1/2
Galveston, TX 77551

Year Make
2007 Ford
2018 Chevrolet

Model
F150
Silverado C1500k1500

Vehicle Identification No.
1FTPW14V27KC79040
3GCUCRERXJG365402

This policy provides at least the minimum amounts of liability insurance required by the Texas Motor Vehicle Safety Responsibility Act for the specified vehicles and named insureds and may provide coverage for other persons and other vehicles as provided by the insurance policy.

Texas Liability Insurance Card Keep this card.

IMPORTANT: This card or a copy of your insurance policy must be shown when you apply for or renew your:

- motor vehicle registration
- driver's license
- motor vehicle safety inspection sticker

You may also be asked to show this card or your policy if you have an accident or a peace officer asks to see it.

All drivers in Texas must carry liability insurance on their vehicles or otherwise meet legal requirements for financial responsibility. Failure to do so could result in fines up to \$1,000, suspension of your driver's license and motor vehicle registration, and impoundment of your vehicle for up to 180 days (at a cost of \$15 per day).

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- registro de vehículo de motor
- licencia para conducir
- etiqueta de inspección de seguridad para su vehículo

Puede que usted tenga también que mostrar esta tarjeta o su póliza de seguro si tiene un accidente o si un oficial de la paz se la pide.

Todos los conductores en Texas deben de tener seguro de responsabilidad para sus vehículos, o de otra manera llenar los requisitos legales de responsabilidad civil. Fallo en llenar este requisito pudiera resultar en multas de hasta \$1,000, suspensión de su licencia para conducir y su registro de vehículo de motor, y la retención de su vehículo por un período de hasta 180 días (a un costo de \$15 por día).

Our claims service number is 1-800-274-4499. We are available 24 hours a day, 7 days a week to begin working to resolve your claim.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

02/19/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Hiscox Inc. 520 Madison Avenue 32nd Floor New York, NY 10022	CONTACT NAME: PHONE (A/C, No, Ext): (888) 202-3007 E-MAIL ADDRESS: contact@hiscox.com FAX (A/C, No):
INSURED FERMINA SALINAS 2601 53rd street avenue s GALVESTON TX 77551	INSURER(S) AFFORDING COVERAGE INSURER A: Hiscox Insurance Company Inc INSURER B: INSURER C: INSURER D: INSURER E: INSURER F: NAIC # 10200

COVERAGES**CERTIFICATE NUMBER:****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☒ POLICY ☐ PROJECT ☐ LOC OTHER:		Y	UDC-4074619-CGL-19	02/19/2019	02/19/2020	EACH OCCURRENCE \$ 2,000,000
			DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000				
			MED EXP (Any one person) \$ 5,000				
			PERSONAL & ADV INJURY \$ 2,000,000				
			GENERAL AGGREGATE \$ 2,000,000				
						PRODUCTS - COMP/OP AGG \$ S/T Gen. Agg.	
							\$
	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ ALL OWNED AUTOS ☐ HIRED AUTOS ☐ SCHEDULED AUTOS ☐ NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$
							BODILY INJURY (Per person) \$
							BODILY INJURY (Per accident) \$
							PROPERTY DAMAGE (Per accident) \$
							\$
	UMBRELLA LIAB EXCESS LIAB DED RETENTION \$						EACH OCCURRENCE \$
							AGGREGATE \$
							\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A				PER STATUTE OTH-ER \$
							E.L. EACH ACCIDENT \$
							E.L. DISEASE - EA EMPLOYEE \$
							E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE



CERTIFICATE OF LIABILITY INSURANCE

DATE
2/20/2019

PRODUCER American Proud Insurance 2001 45th St. Galveston, TX 77550 409-763-4000	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
INSURED Fermina Salinas 6010 Ave Q 1/2 Galveston, TX 77551	INSURERS AFFORDING COVERAGE	NAIC #
	INSURER A: Texas Mutual Insurance Company	
	INSURER B:	
	INSURER C:	
	INSURER D:	
	INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR		POLICY NUMBER	POLICY EFFECTIVE DATE (MM / DD / YY)	POLICY EXPIRATION DATE (MM / DD / YY)	LIMITS	
	GENERAL LIABILITY ☐ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS MADE ☐ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PRO - JECT ☐ LOC				EACH OCCURRENCE	\$
					FIRE DAMAGE (Any one fire)	\$
					MED EXP (Any one person)	\$
					PERSONAL && ADV INJURY	\$
					GENERAL AGGREGATE	\$
					PRODUCTS - COMP / OP AGG	\$
	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ ALL OWNED AUTOS ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ☐ NON - OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident)	\$
					BODILY INJURY (Per person)	\$
					BODILY INJURY (Per accident)	\$
					PROPERTY DAMAGE (Per accident)	\$
	GARAGE LIABILITY ☐ ANY AUTO				AUTO ONLY - EA ACCIDENT	\$
					OTHER THAN EA ACC	\$
					AUTO ONLY : AGG	\$
	EXCESS LIABILITY ☐ OCCUR ☐ CLAIMS MADE DEDUCTIBLE RETENTION \$				EACH OCCURRENCE	\$
					AGGREGATE	\$
						\$
						\$
						\$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	51627014	02/21/2019	02/21/2020	X WC STATU - TORY LIMITS	OTH - ER
	OTHER				E. L. EACH ACCIDENT	\$ 1,000,000.00
					E. L. DISEASE - EA EMPLOYEES	\$ 1,000,000.00
					E. L. DISEASE - POLICY LIMIT	\$ 1,000,000.00
						\$
						\$
						\$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

Concession Stand - Croquette Park City of Galveston

CERTIFICATE HOLDER

ADDITIONAL INSURED ; INSURER LETTER :

CANCELLATION

Proof of Insurance Only

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

City Of Galveston

Request for Proposal

Proposal Reference Number: 19-10

Project Title: Park Concessions Operations

**Proposal Closing Date: 10:00 AM (CST),
Wednesday, January 23, 2019**

1A.FORMS

(Appendices A-G
&
Addendum)

Appendix A – Proposal Document

Submittal Checklist: (To determine validity of Proposal)

Appendix A (pages 9 through 18) must be included in the Proposal submittal.

Appendix B – G (pages 20 through 25) all forms must be complete and included in the submittal.

Appendix J (pages 29 through 41) must be included in the Proposal submittal.

All Proposals submitted to the City of Galveston shall include this page with the submitted Proposal.

RFP Number:	19-10		
Project Title:	Parks Concession Operations		
Submittal Deadline:	Wednesday, January 23, 2018 @ 10:00 a.m. CST		
Submit in person: City of Galveston Purchasing Division., 823 Rosenberg St., Room 306, Galveston, Texas 77550 or by mail: City of Galveston Purchasing Division., PO Box 799, Galveston, Texas 77553			
Proposer Information:			
Proposer's Legal Name:	Fermina Salinas		
Address:	6010 Avenue Q 1/2		
City, State & Zip	Galveston, TX 77551		
Federal Employers Identification Number #			
Phone Number:	409 789-6062 / 409-539-9191	Fax Number:	
E-Mail Address:	dsalinas2286@yahoo.com		
Proposer Authorization			
I, the undersigned, have the authority to execute this Proposal in its entirety as submitted and enter into a contract on behalf of the Proposer.			
Printed Name and Position of Authorized Representative: <u>Fermina Salinas / Mgr</u>			
Signature of Authorized Representative: <u><i>Fermina Salinas</i></u>			
Signed this <u>22nd</u> (day) of <u>January</u> (month), <u>2019</u> (year)			

I learned of this Request for Proposal by the following means:

- | | |
|--|--|
| ☐ Newspaper Advertisement | ☒ City E-mail Notification |
| ☐ Galveston Website | ☐ Cold Call to City |
| ☐ Mailed Me a Copy | ☐ Other |

Appendix A – Proposal Document (continued)

1. REQUIRED PROPOSAL INFORMATION. IN ORDER FOR A PROPOSAL TO BE CONSIDERED COMPLETE, AND TO BE EVALUATED FOR A CONTRACT AWARD BY THE CITY, PROPOSER MUST SUBMIT ALL OF THE FOLLOWING INFORMATION

1. Proposed Products and/or Services

- A. Product or Service Description: Proposers should utilize this section to describe the technical aspects, capabilities, features and options of the service or product and/or service proposed in accordance with the required Scope of Services as identified in Appendix J. Promotional literature, brochures, or other technical information may be used.
- B. Additional Hardware Descriptions: Proposers should also include in this section a detailed description of what additional hardware and/or software, if any, would be required by the City in order to fully utilize the goods and/or services proposed.
- C. Guarantees and Warranties: Each Proposer shall submit a complete copy of any warranties or guarantees provided by the manufacturer or Proposer with the Proposal submitted.
- D. Project Schedule/Delivery Date: Proposer must provide a project schedule noting all projected completion dates for segments of the Project, from start-up to completion, and all delivery dates for goods covered by the RFP. The Proposal Document must show the number of days required to deliver and install the product or equipment after the receipt of the City's Purchase Order.

2. Cost of Proposed Products and/or Services

- A. Pricing: Pricing shall reflect the full Scope of Services defined herein, inclusive of all associated cost for delivery, labor, insurance, taxes, overhead, and profit.
- B. Schedule of Pricing: Proposer shall quote unit pricing in accordance with the itemized listing of products or contract segments stated in the Scope of Services and using the following format:

Item #	Quantity	Description of Products/Services	Unit Cost	Extended Price
			\$	\$
			\$	\$
			\$	\$
		TOTAL ALL LINE ITEMS	\$	\$

3. Term of Contract and Option to Extend:

Any contract resulting from this RFP shall be effective for three (3) years upon execution by the City of Galveston. The City anticipates that contract shall be renewed pursuant to the availability of funds and at the discretion of the City. The following clauses shall be included in the contract:

- A. Option Clause: It is agreed that City will have the option to extend the contract for up to two (2) additional years, in one-year intervals. To exercise this option, the City shall serve notice 30 days prior to contract termination or to the end of any one-year extension. The Option to Extend will not be considered if funding is unavailable or if the contractor's past performance is not within the industry standard.

- B. Escalation Clause: This section left intentionally blank.
- C. Price Increases Upon Extension: This section left intentionally blank.

4. Proposer's Experience / Staff

- A. Project Team: Identify all members of the Proposer's team (including both team members and management) who will be providing any services proposed and include information which details their experience.
- B. Removal or Replacement of Staff: If an assigned staff person must be removed or replaced for any reason, the replacement person must be approved by City prior to joining the project.
- C. Business Establishment: State the number of years the Proposer's business has been established and operating. If Proposer's business has changed names or if the principals operating the business operate any similar businesses under different names, or have operated any other businesses or changed the legal status or form of the business within the last five (5) years, all names, of predecessor business names, affiliated entities, and previous business entities operated by the principals, if different than present, must be provided;

State the number of years' experience the business has: 12; and the number of employees: 4.

- D. Project Related Experience: All Bids must include detailed information that details the Proposer's experience and expertise in providing the requested services that demonstrates the Proposer's ability to logically plan and complete the requested project.

5. References – This section is required.

Proposer shall provide four (4) references where Proposer has performed similar to or the same types of services as described herein. Proposer shall provide references not affiliated with the City of Galveston, or any of its employees.

Reference #1:

Client / Company Name: <u>UTMB</u>	
Contact Name: <u>Jeff Temple</u>	Contact Title: <u>Professor & Psychologist</u>
Phone: <u>409 747-8560</u>	Email: <u>Jtemple@utmb.edu</u>
Date and Scope of Services Provided: <u>Over 10 years of concession services at Island Little League.</u>	

Reference #2:

Client / Company Name: <u>GISD / Ball High School</u>	
Contact Name: <u>Adan Gonzalez</u>	Contact Title: <u>GISD Police Officer</u>
Phone: <u>409 939-1206</u>	Email: <u>ag52984@yahoo.com</u>
Date and Scope of Services Provided: <u>Over 10 years of concession services at Island Little League</u>	

Reference #3:

Client / Company Name: <u>Nick's Kitchen and Beach Bar</u>	
Contact Name: <u>Kevin Johnson</u>	Contact Title: <u>Manager</u>
Phone: <u>409 750-0614</u>	Email:
Date and Scope of Services Provided: <u>Over 10 years of concession services at Island Little League</u>	

Reference #4:

Client / Company Name: <u>GISD / Ball High School</u>	
Contact Name: <u>Gary Key</u>	Contact Title: <u>Teacher / Coach</u>
Phone: <u>409 457-4306</u>	Email: <u>GKey@gisd.org</u>
Date and Scope of Services Provided: <u>Over 10 years of concession services at Island Little League</u>	

6. Trade Secrets and/or Confidential Information

Trade Secrets and/or Confidential Information: This proposal ___ (does) ___ (does not) contain trade secrets and/or confidential information. If applicable, describe such trade secrets and confidential information, and the basis for your assertion that such material qualifies for legal protection from disclosure.

7. Federal, State and/or Local Identification Information

- A. Centralized Master Bidders List registration number: N/A.
- B. Prime contractor HUB / MWBE registration number: N/A.
- C. An individual Proposer acting as a sole proprietor must also enter the Proposer's Social Security Number: #550 - 37 - 9669
- D. Dun and Bradstreet Number - Data Universal Numbering System (DUNS):
N/A.
- E. All vendors contracting with the City of Galveston are required to register, or have an active registration with the System for Award Management (SAM.gov). Registration is free. The System for Award Management (SAM) is the official registration required prior to bidding on a contract with any federal government agency, including local governments who receive

federal funds. Registration must be completed prior to contract award by City Council. Registering online is accomplished on the SAM website here: <https://www.sam.gov/portal/SAM/##11#1>.

8. Emergency Business Services Contact Notice

During a natural disaster, or homeland security event, there may be a need for the City of Galveston to access your business for products or services after normal business hours and/or holidays. The City may request City employee pick up or vendor delivery of product or services.

For this purpose, a primary and secondary emergency contact name and phone number are required. It is critical the vendor's emergency contact information remains current. City shall be contacted by E-mail with any change to a contact name or phone number of these emergency contacts. Updates may be emailed to purchasing@galvestontx.gov.

All products or services requested during an emergency event are to be supplied as per the established contract prices, terms and conditions. The vendor shall provide the fee (pricing) for an after-hours emergency opening of the business, if any. In general, orders will be placed using a City of Galveston procurement card (Master Card) or City issued Purchase Order. The billing is to include the emergency opening fee, if applicable.

The contractor shall provide the names, phone numbers and fee (pricing), if any, for an after-hours emergency opening of the business listed below.

Business Name: _____

Contract #: _____

Description: _____

Primary Contact (Name): Buy Salinas

Primary Contact Phone Numbers: Home: N/A Cell: 409 789-6062

Secondary Contact (Name): Denise Salinas

Secondary Contact Phone Numbers: Home: N/A Cell: 409-539-1327

After Hours emergency opening fee, if applicable: \$ N/A

9. Cooperative Governmental Purchasing Notice

Other governmental entities maintaining inter-local agreements with the City, may desire, but are not obligated, to purchase goods and services defined in this RFP from the successful Proposer. All purchases by governmental entities, other than the City, will be billed directly to and paid by that governmental entity. The City will not be responsible for another governmental entity's debts. Each governmental entity will place their own orders with the successful Proposer and be responsible for ensuring full compliance with the RFP specifications. Prior to other governmental entities placing orders, the City will notify the successful Proposer of their intent.

Please indicate below if you will permit other governmental entities to purchase from your agreement with the City.

☐ **Yes, Others can purchase purchase.**

☒ **No, Only the City can**

II. CONTRACT TERMS AND CONDITIONS. EXCEPT WHERE PROPOSER MAKES SPECIFIC EXCEPTION IN THE SUBMITTED PROPOSAL, ANY CONTRACT RESULTING FROM THIS RFP WILL CONTAIN THE FOLLOWING TERMS AND CONDITIONS, WHICH PROPOSER HEREBY ACKNOWLEDGES, AND TO WHICH PROPOSER AGREES BY SUBMITTING A PROPOSAL:

1. Delivery of Products and/or Services

- A. Payment Terms: Unless otherwise specified in the Scope of Services or otherwise agreed to in writing by the City, payment terms for the City are Net 30 days upon receipt of invoice. Refer to Texas Local Government Code 2251, Payment for Goods and Services. Otherwise known as the Prompt Payment Act. Send all invoices to City of Galveston Attention: Accounts Payable, PO Box 779, Galveston, Texas 77553 or email: accountspayable@galvestontx.gov. See Appendix H for ACH Payment Information, if you elect to receive your payments according to Appendix H, fill out the form and return with your documents.
- B. Warranty of Products and Services: All products furnished under this contract shall be warranted to be merchantable and good quality and fit for the purposes intended as described in this Proposal, to the satisfaction of City and in accordance with the specifications, terms, and conditions of the Scope of Services, and all services performed shall be warranted to be of a good and workmanlike quality, in addition to, and not in lieu of, any other express written warranties provided.
- C. Late Delivery or Performance: If Proposer fails to deliver acceptable goods or services within the timeframes established in the Project Schedule, the City shall be authorized to purchase the goods or services from another source and assess any increase in costs to the defaulting Proposer, who agrees to pay such costs within ten days of invoice.
- D. FOB (delivery charges): All products offered shall be FOB final destination, with all delivery charges to be prepaid by the Proposer. The City does not accept C.O.D. or collect shipments. The contract price shall include all charges, including delivery, installation and set-up fees. All packing, crating, or other debris resulting from the delivery or set-up of the commodity purchased shall be removed and properly disposed by the successful Proposer at no additional cost to the City.
- E. Title to Goods and Risk of Loss: For goods to be provided by Proposers hereunder, if any, the title and risk of loss of the goods shall not pass to City until City actually receives, takes possession, and accepts the goods and the installation of such goods, has tested the system, and determined that it is in good and acceptable working order.
- F. Force Majeure: If by reason of Force Majeure either party shall be rendered unable, wholly or in part, to carry out its responsibilities under this contract by any occurrence by reason of Force Majeure, then the party unable to carry out its responsibility shall give the other party notice and full particulars of such Force Majeure in writing within a reasonable time after the occurrence of the event, and such notice shall suspend the party's responsibility for the continuance of the Forced Majeure claimed, but for no longer period. Force Majeure means acts of God, floods, hurricanes, tropical storms, tornadoes, earthquakes, or other natural disasters, acts of public enemy, acts of terrorism, sovereign conduct, riots, civil commotion,

strikes or lockouts, and other causes that are not occasioned by either Party's conduct which by the exercise of due diligence the party is unable to overcome and which substantially interferes with operations.

G. Liquidated Damages: This section left intentionally blank.

H. Change Orders: per Texas Local Government Code Sec. 252.048. CHANGE ORDERS.

(a) If changes in plans or specifications are necessary after the performance of the contract is begun or if it is necessary to decrease or increase the quantity of work to be performed or of materials, equipment, or supplies to be furnished, the governing body of the municipality may approve change orders making the changes.

(b) The total contract price may not be increased because of the changes unless additional money for increased costs is appropriated for that purpose from available funds or is provided for by the authorization of the issuance of time warrants.

(c) If a change order involves a decrease or an increase of \$50,000 or less, the governing body may grant general authority to an administrative official of the municipality to approve the change orders.

(c-1) If a change order for a public works contract in a municipality with a population of 300,000 or more involves a decrease or an increase of \$100,000 or less, or a lesser amount as provided by ordinance, the governing body of the municipality may grant general authority to an administrative official of the municipality to approve the change order.

(d) The original contract price may not be increased under this section by more than 25 percent. The original contract price may not be decreased under this section by more than 25 percent without the consent of the contractor.

2. Miscellaneous

A. Independent Contractor: Proposer agrees that Proposer and Proposer's employees and agents have no employer-employee relationship with City. Proposer agrees that if Proposer is selected and awarded a contract, City shall not be responsible for the Federal Insurance Contribution Act (FICA) payments, Federal or State unemployment taxes, income tax withholding, Workers Compensation Insurance payments, or any other insurance payments, nor will City furnish any medical or retirement benefits or any paid vacation or sick leave.

B. Assignments: The rights and duties awarded the successful Proposer shall not be assigned to another without the written consent of the Purchasing Supervisor. Such consent shall not relieve the assigner of liability in the event of default by the assignee.

C. Liens: Proposer shall indemnify and save harmless the City against any and all liens and encumbrances for all labor, goods, and services which may be provided to the City by Proposer or Proposer's vendor(s), and if the City requests, a proper release of all liens or satisfactory evidence of freedom from liens shall be delivered to the City.

D. Gratuities / Bribes: Proposer certifies that no bribes in the form of entertainment, gifts, or otherwise, were offered or given by the successful Proposer, or its agent or representative, to any City officer, employee or elected representative, with respect to this RFP or any contract with the City, and that if any such bribe is found to have been made this shall be grounds for voiding of the contract

E. Financial Participation: Proposer certifies that it has not received compensation from the City to participate in preparing the specifications or RFP on which the Proposal is based and acknowledges that this contract may be terminated and/or payment withheld if this certification is inaccurate.

- F. Required Licenses: Proposer certifies that he holds all licenses required by the State of Texas for a provider of the goods and/or services described by the Scope of Services herein.
- G. Authority to Submit Proposal and Enter Contract: The person signing on behalf of Proposer certifies that the signer has authority to submit the Proposal on behalf of the Proposer and to bind the Proposer to any resulting contract.
- H. Authority to Enter Contract – City: The City Manager is the only person authorized to execute contracts on behalf of the City. All signature pages must include “approved as to form” and be signed by the City Attorney before the City Manager will execute the contract. Neither department heads nor elected officials are authorized to sign any binding contracts or agreements prior to being properly placed on the City Councils agenda and approved in an open meeting. Department heads and other elected officials are not authorized to enter into any type of agreement or contract on behalf of the City of Galveston. Only the City Manager may enter into a contract on behalf of the City of Galveston as authorized by City Council and the City Charter. Additionally, department heads and other elected officials are not authorized to agree to any type of supplemental agreements or contracts for goods or services. Supplemental agreements are subject to review by the City’s Legal Department prior to being signed by the City Manager, (City’s authorized representative).
- I. Compliance with Applicable Law: Proposer agrees that the contract will be subject to, and Proposer will strictly comply with, all applicable federal, state, and local laws, ordinances, rules, and regulations.
- J. Non-Discrimination: During the performance of this contract, the contractor agrees as follows: (1) The contractor will not discriminate against any employee or applicant for employment because of race, age, disability, color, religion, sex, or national origin. The contractor will take affirmative action to ensure that applicants and employees are not discriminated against on the basis of race, age, disability, color, religion, sex or national origin. In the event the contractor violates this non-discrimination clause, such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause. (2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, age, disability, color, religion, sex or national origin.

3. Financial Responsibility Provisions

- A. Insurance: The Proposer, consistent with its status as an independent contractor, shall carry, and shall require any of its subcontractors to carry, at least the following insurance in such form, with such companies, and in such amounts (unless otherwise specified in the Scope of Services, Appendix J) as City may require, naming the City of Galveston as the additional insured:
 - i. Worker’s Compensation and Employer’s Liability insurance, including All States Endorsement, to the extent required by federal law and complying with the laws of the State of Texas;
 - ii. Commercial General Liability insurance for at least One Million Dollars (\$1,000,000) on a per occurrence basis, with a Two Million (\$2,000,000) aggregate. Blanket Contractual Liability, Broad Form Property Damage, Personal Injury, Completed

Operations/Products Liability, Premises Liability, Medical Payments, and Broad Form General Liability Endorsements;

- iii. Comprehensive Automobile Liability insurance covering all owned, non-owned or hired automobiles to be used by the Contractor, with coverage at the minimum State of Texas requirements;
- iv. Professional Liability, Errors and Omissions in an amount to be determined in the Scope of Services.

Insurance coverage shall be on an "occurrence basis"

- B. **Indemnification:** In Accordance with State Law, the contractor agrees to indemnify, save, and hold harmless the City of Galveston, Texas, its employees, officials, and agents from any and all claims, actions, damages, lawsuits, proceedings, judgments, or liabilities, for personal injury, death, or property damage resulting from the acts or omissions of anyone under the contractor's supervision or control.

In the event of any cause of action or claim asserted by a party to this agreement or any third party, the City will provide the contractor with timely notice of such claim, dispute or notice. Thereafter, the contractor shall at its own expense, faithfully and completely defend and protect the City against any and all liabilities arising from this claim, cause of action, or notice.

- i. **Indemnity for Intellectual Property:** Proposer hereby warrants that the use or sale of the products, materials and services delivered hereunder will not infringe on the rights of any trade secrets, patent, copyright, registered trademark, or other intellectual property by right covering such materials and the successful Proposer agrees to indemnify and hold harmless the City for any and all costs, expenses, judgments, and damages which the City may have to pay or incur.

- C. **Bond Requirements:** If applicable, per the Scope of Services (Appendix J, Section 3. Special Conditions), prior to the commencement of work on this Project, Proposer shall deliver to the City the following bonds issued by a good and sufficient surety licensed by the State of Texas and satisfactory to the City:

- i. Proposal bonds are required for Proposals over \$25,000.00 in the amount of 5% of the total Proposal amount.
- ii. A payment bond in the amount of 100% of the total contract amount insuring the full and prompt payment of all persons performing labor and/or furnishing materials in connection with this Project;
- iii. A performance bond in the amount of 100% of the total contract amount insuring full, faithful, and prompt performance of the responsibilities contained in this contract within the time parameters provided herein; and
- iv. A maintenance bond insuring full and prompt maintenance, repair and/or replacement of the goods to be provided by Proposer for a period of two years from date of acceptance by the City.

Appendix B – Form CIQ

INFORMATION REGARDING VENDOR CONFLICT OF INTEREST QUESTIONNAIRE

WHO: The following persons must file a Conflict of Interest Questionnaire with the City if the person has an employment or business relationship with an officer of the City that results in taxable income exceeding \$2,500 during the preceding twelve – month period, or an officer or a member of the officer’s family has accepted gifts with an aggregate value of more than \$250 during the previous twelve – month period and the person engages in any of the following actions:

1. contracts or seeks to contract for the sale or purchase of property, goods or services with the City, including any of the following:
 - a. written and implied contracts, utility purchases, purchase orders, credit card purchases and any purchase of goods and services by the City;
 - b. contracts for the purchase or sale of real property, personal property including an auction of property;
 - c. tax abatement and economic development agreements;
2. submits a Proposal to sell goods or services, or responds to a request for proposal for services;
3. enters into negotiations with the City for a contract; or
4. applies for a tax abatement and/or economic development incentive that will result in a contract with the City

THE FOLLOWING ARE CONSIDERED OFFICERS OF THE CITY:

1. Mayor and City Council Members;
2. City Manager;
3. Board and Commission members and appointed members by the Mayor and City Council;
4. Directors of 4A and 4B development corporations;
5. The executive directors or managers of 4A and 4B development corporations; and
6. Directors of the City of Galveston who have authority to sign contracts on behalf of the City.

EXCLUSIONS: A questionnaire statement need not be filed if the money paid to a local government official was a political contribution, a gift to a member of the officer’s family from a family member; a contract or purchase of less than \$2,500 or a transaction at a price and subject to terms available to the public; a payment for food, lodging, transportation or entertainment; or a transaction subject to rate or fee regulation by a governmental entity or agency.

WHAT: A person or business that contracts with the City or who seeks to contract with the City must file a “Conflict of Interest Questionnaire” (FORM CIQ) which is available online at www.ethics.state.tx.us and a copy of which is attached to this guideline. The form contains mandatory disclosures regarding “employment or business relationships” with a municipal officer. Officials may be asked to clarify or interpret various portions of the questionnaire.

WHEN: The person or business must file:

1. the questionnaire – no later than seven days after the date the person or business begins contract discussions or negotiations with the municipality, or submits an application, responds to a request for proposals or Proposals, correspondence, or other writing related to a potential contract or agreement with the City; and
2. an updated questionnaire – within seven days after the date of an event that would make a filed questionnaire incomplete or inaccurate.

It does not matter if the submittal of a Proposal or proposal results in a contract. The statute requires a vendor to file a FORM CIQ at the time a proposal is submitted or negotiations commence.

WHERE: The vendor or potential vendor must mail or deliver a completed questionnaire to the Finance Department. ***The Finance Department is required by law to post the statements on the City’s website.***

ENFORCEMENT: Failure to file a questionnaire is a Class C misdemeanor punishable by a fine not to exceed \$500. It is an exception to prosecution that the person files a FORM CIQ not later than seven business days after the person received notice of a violation.

NOTE: The City does not have a duty to ensure that a person files a Conflict of Interest Questionnaire.

N/A

CONFLICT OF INTEREST QUESTIONNAIRE For vendor or other person doing business with local governmental entity		FORM CIQ
This questionnaire reflects changes made to the law by H.B. 1491, 80th Leg., Regular Session. This questionnaire is being filed in accordance with Chapter 176, Local Government Code by a person who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the person meets requirements under Section 176.006(a). By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the person becomes aware of facts that require the statement to be filed. <i>See</i> Section 176.006, Local Government Code. A person commits an offense if the person knowingly violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor.	OFFICE USE ONLY	
1. Name of person who has a business relationship with local governmental entity. 	Date Received 	
2. ☐ Check this box if you are filing an update to a previously filed questionnaire. (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date the originally filed questionnaire becomes incomplete or inaccurate.)		
3. Name of local government officer with whom filer has employment or business relationship. _____ Name of Officer This section (item 3 including subparts A, B, C & D) must be completed for each officer with whom the filer has an employment or other business relationship as defined by Section 176.001(1-a), Local Government Code. Attach additional pages to this Form CIQ as necessary. A. Is the local government officer named in this section receiving or likely to receive taxable income, other than investment income, from the filer of the questionnaire? ☐ Yes ☐ No B. Is the filer of the questionnaire receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer named in this section AND the taxable income is not received from the local governmental entity? ☐ Yes ☐ No C. Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership of 10 percent or more? ☐ Yes ☐ No D. Describe each employment or business relationship with the local government officer named in this section.		
4.		
_____ Signature of person doing business with the governmental entity	_____ Date	Adopted 06-29-2007

**THIS DOCUMENT MUST BE COMPLETED AND SUBMITTED AS IT IS A PART OF THE
BID PACKAGE AS MENTIONED IN SECTION 6B OF THE PROPOSAL.**

Appendix C - House Bill 89 Verification

I, Fermira Salinas (Person name), the undersigned representative of (Company or

Business Name) _____ (hereinafter referred to as Company)

being an adult over the age of eighteen (18) years of age, after being duly sworn by the undersigned notary, do hereby depose and verify under oath that the company named-above, under the provisions of Subtitle F, Title 10, Government Code Chapter 2270::

- a. Does not boycott Israel currently; and
- b. Will not boycott Israel during the term of the contract the above-named Company, business or individual with the City of Galveston, Texas.

Pursuant to Section 2270.001, Texas Government Code:

1. "Boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes; and
2. "Company" means a for-profit sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or any limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of those entities or business associations that exist to make a profit.

01.22.19

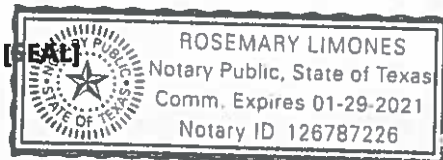
DATE

Fermira Salinas
SIGNATURE OF COMPANY REPRESENTATIVE

STATE OF TEXAS §
COUNTY OF GALVESTON §

On this day, BEFORE ME, the undersigned, personally appeared Fermira Salinas, the _____ of Company, and personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual executed the instrument for purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 22nd day of January, 2019.



Rosemary Limones
NOTARY PUBLIC in and for the
State of TEXAS

THIS DOCUMENT MUST BE COMPLETED AND SUBMITTED AS IT IS A PART OF THE BID PACKAGE
AS MENTIONED IN SECTION 6B OF THE PROPOSAL.

Appendix D – Property Tax Statement

**FAILURE TO COMPLETE THIS ATTACHMENT SHALL RESULT IN THE PURCHASING SUPERVISOR
DEEMING YOUR BID OR PROPOSAL
"NON-RESPONSIVE."**

The City of Galveston, Texas has adopted the following policy:

The City of Galveston will not do business with any person or business that owes delinquent property taxes to the City.

Please indicate whether you or your company, owe delinquent property taxes to the City whether an assumed name, partnership, corporation, or any other legal form.

☒ I do not owe the City property taxes that are delinquent.

☐ I owe City property taxes that are delinquent on property located at

Fermina Salinas

Proposer's Printed or Typed Name



Proposer's Signature

1-22-2019

Date

**THIS DOCUMENT MUST BE COMPLETED, SIGNED, AND SUBMITTED AS IT IS A PART
OF THE BID PACKAGE AS MENTIONED IN SECTION 6B OF THE PROPOSAL.**

Appendix E – Nepotism Statement

**FAILURE TO COMPLETE THIS ATTACHMENT SHALL RESULT IN THE PURCHASING SUPERVISOR
DEEMING YOUR BID OR PROPOSAL
"NON-RESPONSIVE."**

The Bidder or Proposer or any officer, if the Bidder or Proposer is other than an individual, shall state whether Bidder or Proposer has a relationship, either by blood or marriage, with any official or employee of the City of Galveston by completing the following:

If the Proposer or Bidder is an individual:

☒ I am not related by blood or marriage to any official or employee of the
City of Galveston

☐ I am related by blood or marriage to the following official(s) or employee(s)
of the City of Galveston

Name and title of City Official

Or employee: _____

Relationship: _____

If the Bidder or Proposer is **NOT** an individual:

☐ The officers of the company submitting this bid or proposal are not related by blood or marriage
to any official or employee of the City of Galveston.

☐ The officers of the company submitting this Proposal are related by blood or marriage to the
following official(s) or employee(s) of the City of Galveston.

Name and title of officer: _____

Employee and title of City Official or Employee: _____

Relationship: _____

**THIS DOCUMENT MUST BE COMPLETED AND SUBMITTED AS IT IS A PART OF THE
BID PACKAGE AS MENTIONED IN SECTION 6B OF THE PROPOSAL.**

Appendix F – Non-Collusion Statement

THE UNDERSIGNED AFFIRM THAT THEY ARE DULY AUTHORIZED TO EXECUTE THIS CONTRACT, THAT THIS COMPANY, FIRM, PARTNERSHIP OR INDIVIDUAL HAS NOT PREPARED THIS PROPOSAL IN COLLUSION WITH ANY OTHER PROPOSER, AND THAT THE CONTENTS OF THIS PROPOSAL AS TO PRICES, TERMS OR CONDITIONS OF SAID PROPOSAL HAVE NOT BEEN COMMUNICATED BY THE UNDERSIGNED NOR BY ANY EMPLOYEE OR AGENT TO ANY OTHER PERSON ENGAGED IN THIS TYPE OF BUSINESS PRIOR TO THE OFFICIAL OPENING OF THIS PROPOSAL.

VENDOR _____

ADDRESS 6010 Avenue Q1/2
Galveston, TX 77551

PHONE 409 789-6062 / 409 539-9191

FAX _____

PROPOSER (SIGNATURE) 

PROPOSER (PRINTED NAME) Fermina Salinas

POSITION WITH COMPANY N/A Sole Proprietorship

SIGNATURE OF COMPANY OFFICIAL
AUTHORIZING THIS PROPOSAL 

COMPANY OFFICIAL
(PRINTED NAME) N/A

OFFICIAL POSITION N/A

THIS DOCUMENT MUST BE COMPLETED, SIGNED, AND SUBMITTED AS IT IS A PART OF THE BID PACKAGE AS MENTIONED IN SECTION 6B OF THE PROPOSAL.

Appendix G – Document 00435



CITY OF GALVESTON – RFP # 19-10
ADDENDUM # 1
PARKS CONCESSIONS OPERATIONS

Date: 1/11/2019
To: Prospective Proposers
Subject: Addendum No. 1
Concession Worker Requirements

This addendum forms part of the proposal and contract documents and modifies the original solicitation documents dated 12/17/2018. Acknowledge receipt of this addendum in the space provided below. FAILURE TO DO SO WILL SUBJECT OFFEROR TO DISQUALIFICATION.

Concession workers (hired/paid employees or volunteers) must be at least 16 years old. Proof of age must be made available to the City of Galveston in the form of a valid Texas Driver's License, or birth certificate.

I hereby certify receipt of this addendum and have incorporated its information or changes in preparation of my submittal.



Authorized Signature

1-22-2019

Date

Fermina Salinas

Printed Name

Company Name

A COPY OF THE ADDENDUM MUST BE SIGNED AND RETURNED WITH YOUR PROPOSAL

1B.FORMS

(Appendices H-J)

**THE CITY OF GALVESTON, TEXAS
DOCUMENT 00435, REQUIRED BY ALL PROPOSERS WHO WILL RECEIVE FEDERAL
FUNDS IN PAYMENT OF PROCUREMENT.**

**PROPOSER'S CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND
VOLUNTARY EXCLUSION (49 CFR PART 29)**

The undersigned certifies, by submission of this proposal or acceptance of this contract, that neither Contractor nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency. Proposer agrees that by submitting this proposal that Proposer will include this clause without modification in all lower tier transactions, solicitations, proposals, contracts, and subcontracts. Where the Proposer or any lower tier participant is unable to certify to this statement, that participant shall attach an explanation to this document.

Certification-the above information is true and complete to the best of my knowledge and belief.

Fermina Salinas
(Printed or typed Name of Signatory)


(Signature)

1-22-2019
(Date)

NOTE: The penalty for making false statements in offers is prescribed in **18 U.S.C. 1001**

END OF DOCUMENT 00435-FAA

**THIS DOCUMENT MUST BE COMPLETED, SIGNED, AND SUBMITTED AS IT IS A PART
OF THE BID PACKAGE AS MENTIONED IN SECTION 6B OF THE PROPOSAL.**

Appendix H – No Intent to Submit Form

N/A

If your firm has chosen not to submit a Proposal for this procurement, please complete this form and submit to:

City of Galveston
Purchasing Division
PO Box 779
Galveston, Texas 77553

City of Galveston
Purchasing Division
823 Rosenberg St. Room 306
Galveston, Texas 77550

Please check all items that apply:

- | | |
|---|---|
| ☐ Do not sell the item(s) required | ☐ Cannot provide Insurance required |
| ☐ Cannot be competitive | ☐ Cannot provide Bonding required |
| ☐ Cannot meet specifications highlighted in the attached request | ☐ Cannot comply with Indemnification requirement |
| ☐ Job too large | ☐ Job too small |
| ☐ Do not wish to do business with the City of Galveston | ☐ Other: _____ |
| ☐ Cannot submit electronically | |

COMPANY NAME (Please print): _____

Authorized Officer Name (Please print): _____

Telephone: (____) _____

Fax: (____) _____

You may also email this form to: purchasing@galvestontx.gov.

N/A

Appendix I – ACH Form



The City of Galveston would like to thank you for the services you and your company have provided for us in the past, present, and in the future. For those services provided you have more than likely received payments via a paper check in the mail. As we all know, that process is slow, inefficient, and costly for us and for you as the recipient.

Mail can be delayed, lost, or even stolen causing payments to be late and we may then face penalties and late fees. The City of Galveston would like to streamline our payment process with electronic payments. These payments will be transferred electronically from our financial institute to your financial institute. The process will get your payments to you in a quicker, more reliable, and more efficient manner.

If you would like to sign up to start receiving all of your payments via ACH / Wire Transfers, please fill out the authorization forms and return to the City of Galveston Finance Department.

Please email to:

accountspayable@galvestontx.gov

Or mail to:

City of Galveston
Finance Department
P.O. Box 779
Galveston, TX 77553

If you have any questions or concerns, please do not hesitate to call Accounts Payable at 409.797.3569. Please put the Purchase Order Number on your invoices to ensure prompt payment. Again, we appreciate you and the services your business provide for the City of Galveston.

Sincerely,

A handwritten signature in black ink that reads "Michael W. Loftin".

Michael W. Loftin
Assistant City Manager – Finance

Appendix I – ACH Form continued



N/A

City of Galveston

ACH Payment Agreement Form

Authorization Agreement

I hereby authorize City of Galveston to initiate ACH deposits to my account at the financial institution named below.

Further, I agree not to hold City of Galveston responsible for any delay or loss of funds due to incorrect or incomplete information supplied by me or by my financial institution or due to an error on the part of my financial institution in depositing funds to my account. This agreement will remain in effect until City of Galveston receives a written notice of cancellation from me or my financial institution, or until I submit a new ACH Payment form to the City of Galveston Finance Department. You may keep this form to submit with your first invoice.

Account Information

Name of Financial Institution: _____
Financial Institute Address: _____
Routing Number: _____
Account Number: _____
SWIFT Code: (if applicable) _____

Signature

Company Name: _____
Authorized Signature: _____ Date: _____

THIS FORM IS OPTIONAL; IT CAN BE RETURNED WITH INVOICE IF AWARDED THE CONTRACT.

Appendix J – Scope of Services

1. Project Title: RFP 19-10 Parks Concession Operations.

2. Scope of Services Contact

Questions about the technical nature of the Scope of Services will be directed to the **Purchasing Division**, Phone. 409.797.3579, e-mail: purchasing@galvestontx.gov.

3. Special Conditions

There are no bonding requirements for this solicitation. Insurance is required – General Liability of \$1,000,000.00, \$2,000,000.00 in the aggregate, Worker's Compensation and Employer's Liability insurance, including All States Endorsement, to the extent required by federal law and complying with the laws of the State of Texas, Comprehensive Automobile Liability insurance covering all owned, non-owned or hired automobiles to be used by the Contractor, with coverage at the minimum State of Texas requirements. Policies must name the City of Galveston as the additional insured.

4. Proposal Evaluation Factors

Emphasis	Factor
Pass/Fail	Meets Minimum Qualifications
30%	Price Structure and Types Services
25%	Quality of Equipment Operational Approach
20%	Quality of inventory offered
40%	Experience/References/Qualifications
40%	Usage Fees Paid to City of Galveston

5. Brand Manufacture Reference

The City has determined that any manufacturer's brand defined in the Scope of Services meets the City's product and support need. The manufacturer's reference is not intended to be restrictive, and is only descriptive of the type and quality the City desires to purchase. Quotes for similar manufactured products of like quality will be considered if the Proposal is fully noted with the manufacturer's brand name and model. The City reserves the right to determine products and support of equal value, and whether other brands or models meet the City's product and support needs.

6. Key Events Schedule

Proposal Release Date	December 17, 2018
Pre-Proposal Conference	January 9, 2019 @ 10:00 a.m. CST
Deadline for Submittal of Written Questions	January 14, 2019 @ 2:00 p.m. CST
Sealed Proposals Due to and Opened by City	January 23, 2019 @ 10:00 a.m. CST
Anticipated Committee Evaluation Review Date	January 2019
Anticipated Award Date	February 2019

7. Scope of Services - Contents

- I. Introduction**
- II. General Information**
- III. RFP Terms & Conditions**
- IV. Concession Operations**
- V. Minimum Qualifications**
- VI. RFP Overview**
- VII. Selection Criteria**
- VIII. Order of Proposals**

ATTACHMENT 1: CONCESSION FACILITY EQUIPMENT & DETAILS

ATTACHMENT 2: TENTATIVE SCHEDULE OF ATHLETIC EVENTS

I. Introduction

The City of Galveston is seeking proposals from qualified vendors to operate and manage food and beverage concession services within the City of Galveston's parks system.

The purpose of offering a concession program within the park system is to provide convenience and enhance the enjoyment of park patrons. More information regarding the City of Galveston is available on the City of Galveston website: www.galvestontx.gov.

II. General Information

All proposals meeting the minimum qualifications requirements of this RFP will be reviewed and evaluated based on pre-determined evaluation criteria. The categories for evaluation are listed in Appendix J – Scope of Work Section 3 page 28. A more detailed description of the evaluation categories are in Section IV.D. on page 33. The selected proposer(s) will have the option of submitting one of two types of proposals. Option #1 will be a proposal for the exclusive concession stand rights of all the concession stands listed below owned by the City of Galveston. Option #2 will be a proposal for an exclusive right to sell at one (1) specific concession location space. Each option will have the exclusive rights to sell approved food and beverage concessions within the park grounds during City of Galveston scheduled events. The allowable annual base rate for each concession will be \$6,000. Each location may receive interest from several bidders and it is recommended that all bidders consider offering annual rates that exceed the minimum allowable rate of \$6,000. Payments for the agreed upon annual rate will be split evenly and due between the months of February –September.

Concession facilities that do not receive bids may result in one or more of the following; City of Galveston management and operation of the concession, concession offered to a current contracted vendor from another location or re-advertise the location for vending proposals.

The selected proposer will have access to the concession stand facilities at each park to sell and store approved food and beverage products. The selected proposer will be required to operate the facility according to the terms and conditions outlined in the City of Galveston's RFP Terms and Conditions within Section II of this RFP document.

Concession Stand Facilities:

- City Swimming Pool-
 - Lasker Pool – Located at 3016 43rd Street. The concession stand is located within the aquatics facility. The pools regular operational season runs from March-November. The pool can also host private events such as birthday parties, reunions, etc.
- Baseball Fields – The fields host regular season games and tournaments. The concession stands are located at the following baseball fields throughout the island:
 - Crockett Park Baseball Complex – Located at 53rd Street and Avenue S
 - Bernard Davis Stadium – Located at 81st Street and Frank Guisti Drive
 - Buccaneer Field – Located at 81st Street and Terminal Drive
 - Carter Field – Located at 83rd Street at the Airport
 - Lindale Park – Located at 400 Marine Drive

III. RFP Terms & Conditions

This RFP does not commit the City of Galveston to award a contract. No other party, including any proposer, is intended to be granted any rights hereunder. Proposals which, in the sole discretion of the City of Galveston, do not meet minimum qualification requirements will not be reviewed. This RFP and the process it describes are proprietary to the City of Galveston and are for the sole and exclusive benefit of the City of Galveston.

Any response to this RFP will become the property of the City of Galveston and subject to the Public Information Act of Texas. The City of Galveston is not liable for any costs associated with the development, preparation, transmittal or presentation of any proposal or material submitted in response to this RFP.

The City of Galveston reserves the right to award contracts on the basis of proposals submitted or to negotiate with selected proposer for modification of the selected proposals (which may include alternate concepts), at the City of Galveston's option. By submission of a proposal, the selected proposer agrees to be legally bound if the City of Galveston accepts the proposal.

The Concession Agreement begins upon execution of the contract by the City of Galveston for a term of thirty-six (36) months. At the end of the agreement term, the City of Galveston reserves the right to extend the Concession Agreement with the selected proposer for up to two (2) additional one (1) year terms upon mutual agreement of both parties.

Utility services will be provided by the City of Galveston under the Concession Agreement. Utility usage should not exceed the usual and customary utility usage for each concession facility.

The proposer will be responsible for the maintenance, repair, and care of all equipment provided by the City of Galveston and the replacement of equipment upon its failure. A current equipment inventory list as shown in Attachment 1.

The selected proposer must meet all state and local regulations regarding food preparation and distribution. The selected proposer must display required certifications for food and beverage services at each concession facility.

The City of Galveston does not permit the use of oil fryers, or flat top grills in any of the concession locations.

The City of Galveston will maintain access to and service of restrooms, and will maintain trash dumpster and recycling tubs.

The selected proposer will be responsible for cleaning all service areas inside the concession facility. Concession facilities are required to meet or exceed Health Department requirements. The City of Galveston may inspect the concession facilities without notice and at the discretion of the City of Galveston's Parks and Recreation Director.

The selected proposer will also be responsible for ensuring all trash and rubbish is maintained in and around the immediate concession area (100 feet) and that all garbage, including concession garbage is disposed into the park dumpster prior to leaving the park at the end of business.

The selected proposer will work directly with the City of Galveston's Parks and Recreation Director and his/her designees to resolve outstanding issues in a timely manner.

The City of Galveston has the right of entry at reasonable times to inspect, to make repairs and alterations, or to run pipes or electrical wires necessary, and must have access to all areas of the park including concession, storage and utility rooms.

Concession Operations

Concession operations are a key component to the overall character of the park. The selected proposer will be required to satisfy the following conditions as part of the concession operations.

Personnel

The proposer will be responsible for hiring adequate personnel to conduct the operation of the concession stands. The operator will comply with all federal, state, and local laws related to minimum wage, social security, nondiscrimination, unemployment compensation, and workers' compensation.

Operating Hours

Hours of operation will vary and be subject to regularly scheduled park hours, special event schedules, tournament schedules and weather conditions. Vendors will be required to provide full vending services while the parks are open and/or hosting events. Vending hours may vary between two and twelve operating hours per day/event.

Menu Items

The selected proposer is expected to meet or exceed the needs of the park patrons by offering quality food and beverage at a competitive yet reasonable price. All menu items and pricing must be submitted to the City of Galveston's Parks and Recreation Director for approval prior to any product sales. Alcohol sales are not permitted.

Lasker Pool vending restrictions – All Lasker Pool food items must be prepackaged, (Ice Cream, Snow Cones, Frozen Pizza, Nachos, Pickles, Candy, Chips, Soft Pretzels).

Sale of Non-Food Items or Novelties

Concession privileges granted for baseball parks and athletic fields are limited to food and beverage sales. Novelties such as but not limited to souvenirs, toys, pictures and other items are not permitted under this agreement without prior written approval from the City.

Concession privileges at Lasker Pool may include the sale of non-food items such as swim caps, goggles, swim diapers and nose plugs.

IV. Minimum Qualification Requirements

Description of proposer's relative experience in operating a concession facility including relative size of business operated.

Description of proposer's key staff and their qualifications.

Minimum of four references to demonstrate the proposer's experience in successfully operating and managing a similar type of business.

A sample menu including all proposed food and beverage items.

Proof of commercial liability, worker's compensation, and automotive insurance.

Proposer's price structure for food and beverage concession service for the agreement term.

V. RFP Overview

Any and all agreements arising out of proposals submitted hereunder (including any negotiations that follow) will not be binding on the City of Galveston, its officers, employees, or agents unless set forth in a Concession Agreement duly executed by the City Manager of the City of Galveston or appointed designee in accordance with applicable governing codes.

The Selection Committee will evaluate each responsive proposal submitted to the City of Galveston. Each proposal will be evaluated according to the following process:

- The first step in the evaluation process will be to determine whether the proposal conforms to the minimum qualification requirements for evaluation. Those proposals failing to meet minimum requirements, including completeness, format and content, will be rejected without further evaluation.
- Proposals not rejected will be submitted to the Selection Committee to be evaluated according to the criteria listed.

The proposal evaluation criteria have been established to assist the Selection Committee in determining which proposer will provide the best overall mix of products, service, choice and quality to the City of Galveston park patrons.

VI. Selection Criteria

The objective of this RFP is to provide dependable quality service with a reasonable usage fee or percentage paid to the City. The City selection panel will score the proposals, determine the proposal deemed most advantageous to the City. The City will make a final recommendation regarding the award to the qualified proposer. Accordingly, the successful Concessionaire will be selected by the City Council.

The evaluation categories are as follows:

- Meets Minimum Qualifications - Qualifications outlined in Section V. – **Pass/Fail**
- Price Structure and Types of Services – pricing should be competitive for items and services – **30%**
- Quality of Equipment and Operational Approach – list equipment (brand, type, quantity, age of equipment) and operations plan – **25%**
- Quality of inventory offered and the Concessionaire's cleaning, maintenance, repair, and employee training capabilities. – **20%**
- Experience/References/Qualifications – vendor should be experienced in the food and

beverage industry and provide references of entities they provide a similar/like service – **40%**

- Usage Fees Paid to the City of Galveston – vendor must provide the amount of usage fees they will pay to the City of Galveston for utilizing the properties included and the utilities. – **40%**

VII. Order of Proposals

Proposals must be submitted on 8-1/2" x 11" in paper. They must be bound using comb or spiral binding (no binders/notebooks).

Submittals must be in the following order: (label each section as follows)

1. Forms – the forms requiring signatures – Appendices A-G are required, any issued Addenda (required)
2. Usage Fee Proposal – how much will you pay to the City of Galveston for usage of facilities
3. References – vendor may use the form in the References section on page _____ or may use their own format
4. Qualifications – business summary, relevant information regarding business operations and size of company, brochures, resumes of project management staff and principle/owner of the company
5. Methodology/Approach – how does your company plan to manage and operate the concessions for the City of Galveston – include information on number of staff at each facility, shift schedules, requirements for each employee (i.e. certificates required, etc.), and cleaning schedules.
6. Product Lists and Proposed Pricing Schedule – provide the detailed product list and pricing for each item

Attachment 1

Concession Facility Equipment and Details

53rd Street Concession Facility

General Description:

- Location – 53RD & Ave S
- Currently under construction – Summer 2018 anticipated completion
- Number of fields - 3

Facility Equipment:

- Sink

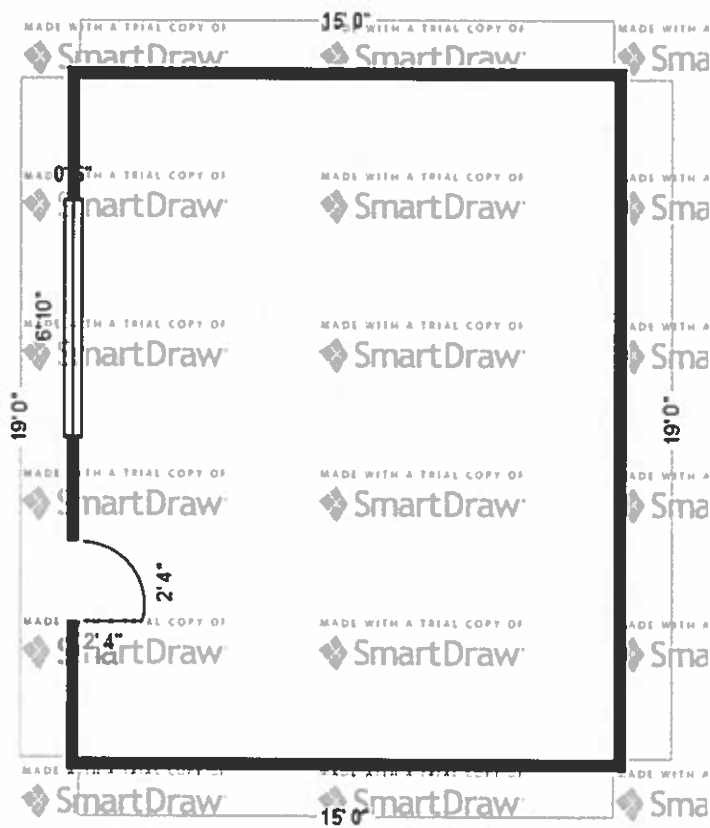
Bernard Davis Concession Facility

General Description:

- Location - 81st Street and Frank Guisti Drive Galveston, TX 77553
- Currently used by Galveston College, but potential for Junior League games.
- Number of fields - 1

Facility Equipment:

- 1- 220 Outlet and multiple 110



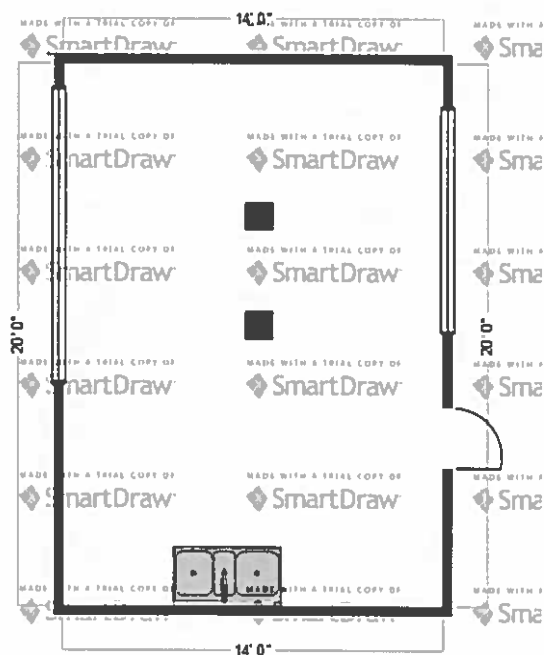
Buccaneer Concession Facility

General Description:

- Location - 81st Street and Terminal Drive Galveston, TX 77553
- Games start Spring Break run through May. All Stars begin in June. Tournaments may be sprinkled throughout July.
- Schreiber Park located across the street from facility. Park has large playground and splash pad.
- Number of fields - 2

Facility Equipment:

- 1 three compartment sanitation sink



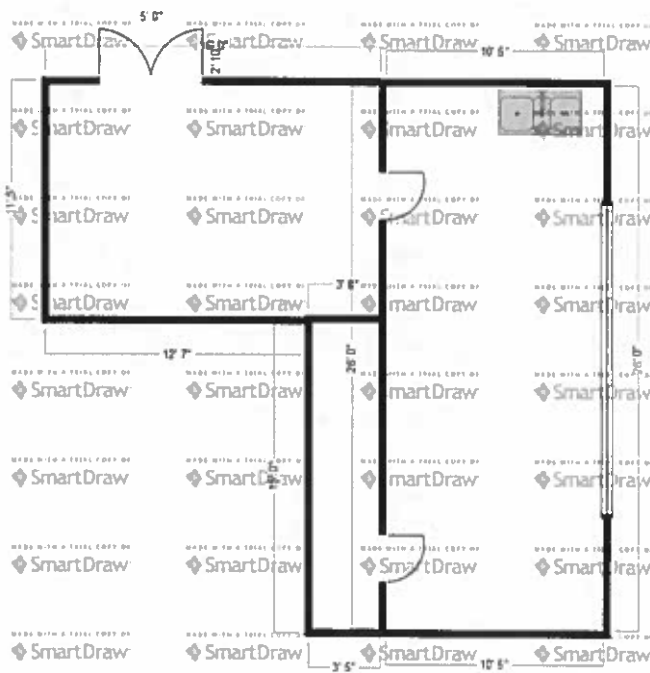
Carter Concession Facility

General Description:

- Location - 83rd Street at the Airport Galveston, TX 77553
- Most high traffic facility.
- Large pantry area.
- Large serving window.
- Number of fields - 3

Facility Equipment:

- 1 three compartment sanitation sink

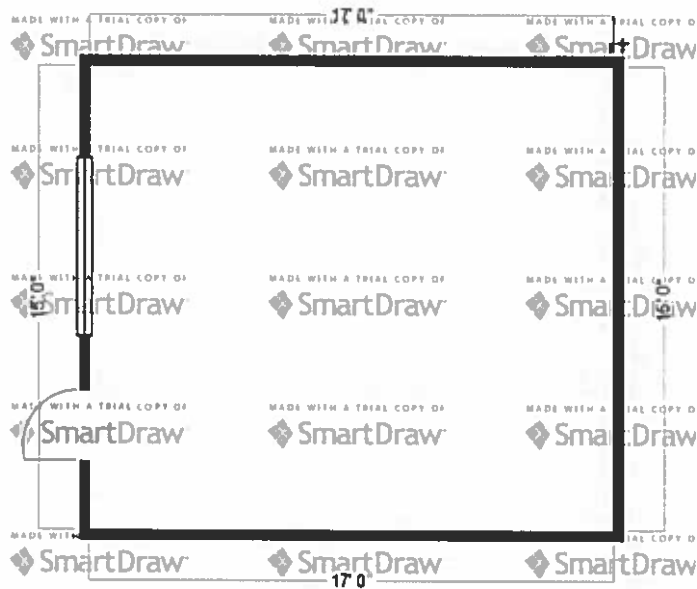


Lindale Concession Facility

General Description:

- Location – 400 Marine Drive Galveston TX 77550
- Very few games at park.
- Number of fields - 1

Facility Equipment:



Attachment 1

Concession Facility Equipment and Details Galveston Community Pool at Lasker Park

General Description:

- Location: 2016 43rd Street Galveston TX 77550
- Brand new facility—completed Summer 2017
- Large serving window, with large covered picnic area.

Facility Equipment:

- 2 refrigerators
- 1 Three compartment sanitation sink
- 1 register



Attachment 2

Tentative Schedule of Athletic Events

Galveston Community Pool at Lasker Park Schedule

- 1) March – November (weather permitting) – Open 6 days a week – 7am – 7pm
- 2) Possible events outside of normal operating hours as well.

Baseball Field Schedule

- 1) February – November
- 2) Possible tournaments year around

2.USAGE FEE PROPOSAL

2. Usage Fee Proposal: how much will you pay to the city of Galveston for usage of facilities?

- Under Option 2, I propose \$6,500 annually at Crocket Park Baseball Complex
- Under Option 2, I propose \$6,150 annually at Carter Field

3. REFERENCES

Reference #1

Name: Jeff R. Temple

Title: Professor & Psychologist at UTMB Health

Phone: 409-747-8560

Email: jetemple@utmb.edu

Reference #2

Name: Adan Gonzalez

Title: Galveston ISD Police Officer

Phone: 409-939-1206

Email: agg2984@yahoo.com

Reference #3

Name: Gary Key

Title: Teacher/Coach at Galveston ISD

Phone: 409-457-4306

Email: gkey@gisd.org

Reference #4

Name: Kevin Johnson

Title: Manager

Phone: 409-750-0614

4. QUALIFICATIONS

4. Qualifications

Highlights of Qualifications:

- Prior concessions experience including broad knowledge of food and beverage items and deep knowledge of various types of equipment and set up styles used in concessions.
- In-depth knowledge of cash handling procedures, customer service principles, and cash register.
- Ability to resolving problems in a timely manner and by developing alternative solutions.
- Excellent mathematical skills.
- Strong communication and organizational skills.
- Good interpersonal and problem solving skills.
- Ability to count currency and inventory with accuracy.
- Inventory control: Assess inventory and assist in preparing product orders as necessary.
- Ability to communicate with employees, co-workers, volunteers, management staff and guests in a clear, business-like and respectful manner which focuses on generating a positive, enthusiastic and cooperative work environment.
- Ability to speak, read and write in English.
- Ability to work well in a team-oriented, fast-paced, event-driven environment.
- Possess or acquire valid food handling certificate if required by state and federal regulations.
- Ability to work in a confined space with other persons.

Professional Experience:

Concession Supervisor at Island Little League

March 2005 to July 2017

Galveston, TX

Business Summary: Proposer, Fermina Salinas, and family who have over 10 years of experience in the concession/food service industry will operate the concession stand.

Vision Statement: Our vision is to ensure that we take excellent care of our customers by giving them the best experience when they come to our concession stands as we have in the past.

Training/Certifications: Proposer has Food Handler's Program Certificate that expires on 2/20/2020.



5.METHODOLOGY/ APPROACH

5. Methodology/Approach

Concession operations are a key component to the overall character of the park. The proposer agrees to satisfy the following conditions as a part of the concession operations:

Personnel:

- The proposer will be responsible for hiring the necessary personnel to conduct the daily operation of the concession stands.
- There will be a minimum of two people per concession stand.
- The operator will comply with all federal, state, and local laws related to minimum wage, social security, nondiscrimination, ADA, unemployed compensation, and workers' compensation.
- Personnel will be responsible for the cleaning and general upkeep of the concession stand on each operating day.
- Proposer will encourage personnel to take a Food Handler's Course as soon as possible.
- Personnel should do the following:
 - maintain safe working conditions and sanitary work areas
 - maintain accurate cash handling procedures at all times
 - provide great customer service
 - interact with customers and clients in a pleasant and professional manner

Operating Hours:

Hours of operation will vary and be subject to regularly scheduled park hours, special event schedules, tournament schedules and weather conditions. Full vending services will be provided while the parks are open and/or hosting events. Vending hours may vary between two and twelve operating hours per day/event.

6.PRODUCT LISTS AND PROPOSED PRICING SCHEDULE

6. Product Lists and Proposed Pricing Schedule

Proposed Menu:

Food:

Nachos with Cheese \$3.00
Nachos with Chili and Cheese \$4.00
Corn Dogs \$2.00
Hot Dogs \$2.00
Hot Dogs with Chili and Cheese \$3.00
Frito Pie \$3.00
Hot Cheetos with Cheese \$2.00
Pizza Slice \$2.00

Snacks:

Pickles \$1.00
Sunflower Seeds \$1.00
Popcorn Bag \$2.00
Peanuts \$2.00
Chips \$1.00
Lunchables \$2.00
Bag of Assorted Cookies \$1.00
Bag of Goldfish \$1.00
ICEE Pops \$1.00

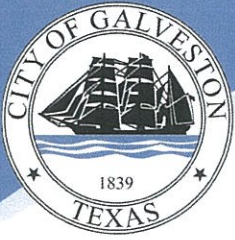
Drinks:

Assorted Can Soda \$1.00
Assorted Bottled Soda \$2.00
Small Gatorade \$1.00
Large Gatorade \$2.00
Water \$1.00
Small Snow Cone \$1.00
Large Snow Cone \$2.00

Candy:

Assorted Chocolate Candy \$1.00
Skittles \$1.00
Air Head Extremes \$1.00
Airheads \$.25 each
Gum \$.10 each

***For Crockett Park Baseball Complex and Carter Field**



City of Galveston

CAPITAL PROJECTS STAFF REPORT

19 March 2019

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

From: Ross E. Blackketter, P.E., Director of Capital Projects

RE: Consider for approval of a proposal from CenterPoint Energy as a sole source provider for the relocation and installation of electrical services associated with the 30th Street Water & Electric Light Station Rehabilitation project in the lump sum amount of \$29,016.00. The funding source will be the CDBG Disaster Recovery Non-Housing Round 2.2 program. Authorizing the City Manager to execute all necessary documents upon final review by the City Attorney.

I. Background

- A. The U.S. Department of Housing and Urban Development approved the State's amended action plan for \$1.7 billion in second round disaster recovery funding associated with Hurricane Ike and Dolly.
- B. The amended state plan allocates \$1.032 billion to the Houston-Galveston Area Council region.
- C. The rehabilitation and renovation of the historic 30th Street pump station was identified as a project to be funded by the CDBG Disaster Recovery Non-Housing Round 2.2 program.
- D. The General Land Office approved Lockwood, Arceneaux Wilson & Cole LLC to provide design and construction phase services, with Ardent Construction LLC being awarded the construction contract by Council on 13 September 2018 for this rehabilitation project.

II. Current Situation

- A. The rehabilitation of the facility requires the relocation of the existing electrical service from the Ball Street side of the site to the 31st Street side.
- B. CenterPoint has submitted a proposal for the following:

Relocation of existing 3-phase, 277/480V pump station
Service and installation of new 3-phase, 277/480 electrical
service

Cost

\$ 29,016.00





City of Galveston

CAPITAL PROJECTS STAFF REPORT

III. Alternatives in order of priority

- A. Approval of the proposal from CenterPoint Energy as a sole source provider for the relocation and installation of electrical services associated with the 30th Street Water & Electric Light Station Rehabilitation project in the lump sum amount of \$29,016.00.
- B. Do not approve the proposal.

IV. Recommendation

Approve the proposal from CenterPoint Energy as a sole source provider for the relocation and installation of electrical services associated with the 30th Street Water & Electric Light Station Rehabilitation project in the lump sum amount of \$29,016.00.

V. Fiscal Impact Report

Requested by:	Ross E. Blackketter, P.E. Director of Capital Projects
Funding Source:	CDBG DR Non-Housing Round 2.2
Total Cost of Implementation	\$ 29,016.00

Respectfully Submitted,

Ross E. Blackketter, P.E.
Director of Capital Projects





SERVICE OUTLET LOCATION AND DATA STATEMENT FOR ELECTRIC SERVICE

CNP 79 (11-2016) Page 1 of 3

CUSTOMER City of Galveston - Charles Kenworthy	DAY PHONE (409) 797-3719
SERVICE ADDRESS 714 30th St, Galveston, TX 77550	EVENING PHONE
MAILING ADDRESS	PAGER
ELECTRICIAN	CELL PHONE

Dear Customer,

CenterPoint Energy Houston Electric, LLC is grateful to meet with you on, 03-12-2019 to discuss the requirements needed to provide you electric service. DATE

- CenterPoint Energy Construction Required? ☒ YES ☐ NO - The following steps must be complete prior to construction: ☒ Pay any up-front contributions for non-standard service \$ <u>29,016.00</u> ☐ Clear trees along extension route ☐ Easement charges \$ <u>0.00</u> ☐ Easement execution	To begin the process we request that you provide the following information: ☐ Site Plan and Elevation Plan: Hard Copies ☐ Site Plan: Electronic Copy with XY Coordinates ☐ One Line Diagram ☐ Load Analysis ☐ Easements Required-Recorded Warranty Deed Required ☐ Specifications on Modular Metering Enclosure.
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The following steps must be completed prior to meter installation:

YES	NO
☒	☐ Installation of meter pole or weather head (as located on sketch)
☒	☐ Obtain city or county permit - For contact information, call 713-207-2222 or 1-800-332-7143, or visit the website http://www.centerpointenergy.com/houston/builders
☒	☐ Obtain an ESI ID# for your account - Either you the customer or your Competitive Retailer can get this number by calling 713-207-2222 or 1-800-332-7143
☒	☐ Choose a Competitive Retailer - For listing, visit the website http://www.powertochoose.org or call 1-866-PWR-4-TEX(1-866-797-4839)

CenterPoint Energy Houston Electric, LLC's target completion date to provide your construction requirements, per the working sketch, is a mutually agreed upon negotiated date by CenterPoint Energy and customer. *Please be aware our ability to meet the target completion date may be affected by weather, availability of construction crews and materials, ability to secure easements, and timely completion of your requirements (see above). In addition, as a condition to this service, you agree to comply with all of CenterPoint Energy standards, the National Electrical Code, the National Safety Code, all Occupational Safety and (OSHA) requirements, the International Building code and all local governing body codes.*

We appreciate the opportunity to do business with you and look forward to the successful completion of this project. Your signature below insures that both parties understand the requirements toward completion that will allow you electrical service. Thanks for your cooperation in this matter.

Sincerely,

Service Consultant

SERVICE CONSULTANT	PHONE NUMBER (409) 765-4022
ADDRESS Curtis Newberry	
E-MAIL ADDRESS curtis.newberry@centerpointenergy.com	

CUSTOMER'S SIGNATURE

CUSTOMER'S PRINTED NAME

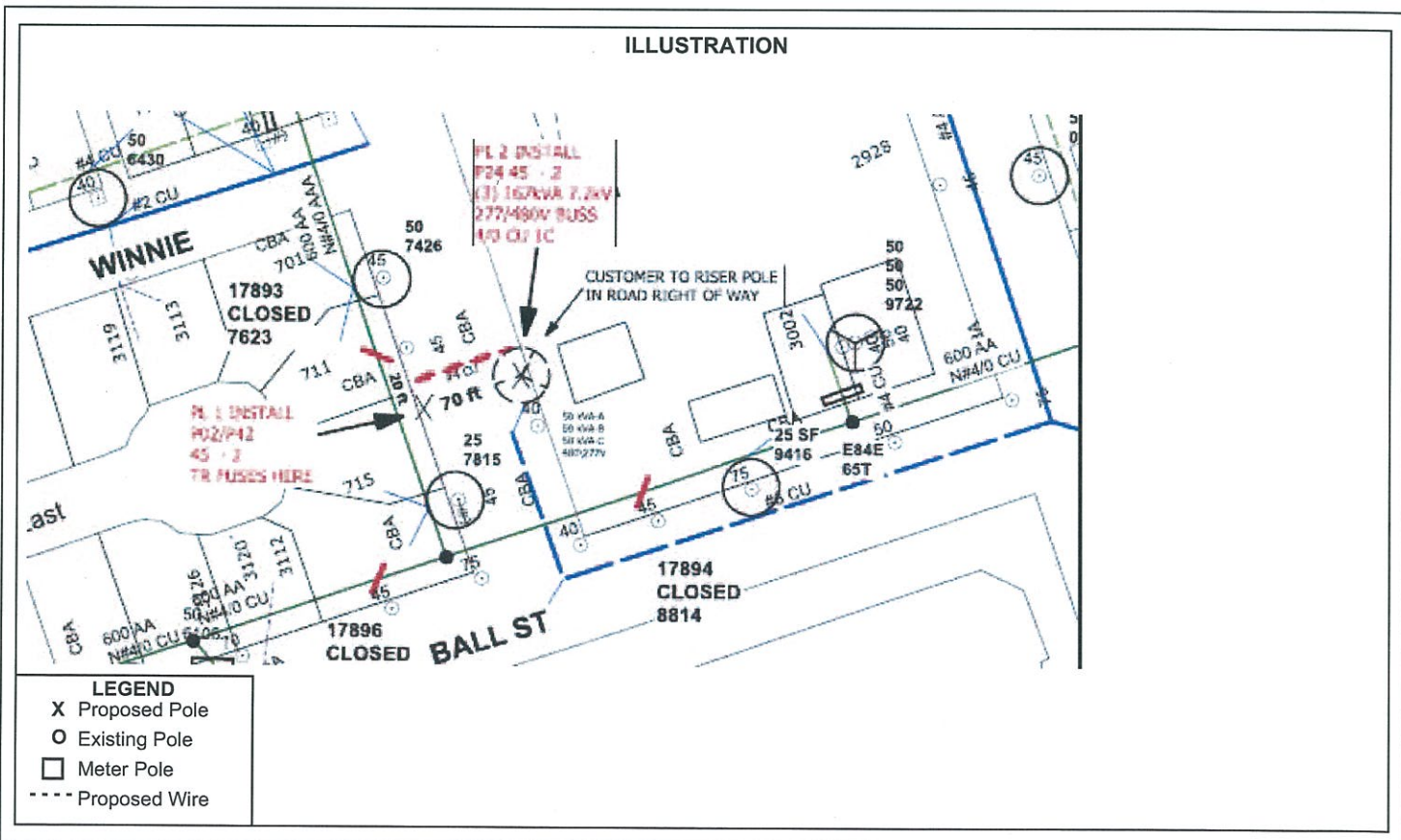
DATE

YES	NO
☐	☐ Will Customer have Back-up Generation?
☐	☐ Will Customer have Motor Greater than 250 HP?

APPLICABLE FORMS

- ☐ Power Quality
- ☐ Primary Meter
- ☐ Motor Start
- ☐ Emergency Generation
- ☐ Distributed Generation
- ☐ Major UG Checklist

COMMENTS OR NOTES
CNP to install two poles in the road right of way and install a 277/480V 4 wire transformer bank. Customer to riser transformer bank pole. Customer is responsible for the installation of any underground conductor. Customer must comply with all NESC and CNP standards for service.



**TEXAS LAW AN ACT
TEXAS HEALTH AND SAFETY CODE TITLE 9**

CHAPTER 752 - Safety of persons engaged in activities in proximity of high voltage electric lines; restrictions

SECTION 001. DEFINITIONS

(1) "High voltage" means more than 600 volts measured between conductors or between a conductor and the ground.

(2) "Overhead line" means a bare or insulated electric conductor installed above ground but does not include a conductor that is de-energized and grounded or that is enclosed in a rigid metallic conduit.

SECTION 002. EXEMPTION FOR CERTAIN EMPLOYEES AND ACTIVITIES

(A) This chapter does not apply to the construction, reconstruction, operation, or maintenance by an authorized person of overhead electrical or communication circuits or conductors and their supporting structures and associated equipment that are part of a rail transportation system, an electrical generating, transmission, or distribution system or a communication system.

(B) In this section, "authorized person" means:

(1) an employee of a light and power company, an electric cooperative, or a municipality working on his employer's electrical system;

(2) an employee of a transportation system working on the system's electrical circuits;

(3) an employee of a communication utility;

(4) an employee of a state, county, or municipal agency that has authorized circuit construction on the poles or structures that belong to an electric power company, an electric cooperative, a municipal or transportation system, or a communication system;

(5) an employee of an industrial plant who works on the plant's electrical system; or

(6) an employee of an electrical or communications contractor who is working under the contractor's supervision.

SECTION 003. TEMPORARY CLEARANCE OF LINES

(A) A person, firm, corporation, or association responsible for temporary work or a temporary activity or function closer to a high voltage overhead line than the distances prescribed by this chapter must notify the operator of the line at least 48 hours before the work begins.

(B) A person, firm, corporation, or association may not begin the work, activity, or function under this section until the person, firm, corporation, or association responsible for the work, activity, or function and the owner or operator, or both, of the high voltage overhead line have negotiated a satisfactory mutual arrangement to provide temporary de-energization and grounding, temporary relocation or raising of the line, or temporary mechanical barriers to separate and prevent contact between the line and the material or equipment or the person performing the work, activity or function.

(C) The person, firm, corporation, or association responsible for the work, activity, or function shall pay the operator of the high voltage overhead line the actual expense incurred by the operator in providing the clearance prescribed in the agreement. The operator may require payment in advance and is not required to provide the clearance until the person, firm, corporation, or association responsible for the work, activity, or function makes the payment.

(D) If the actual expense of providing the clearance is less than the amount paid, the operator of the high voltage overhead line shall refund the surplus amount.

SECTION 004. RESTRICTION ON ALL ACTIVITIES NEAR LINES

(A) Unless a person, firm, corporation, or association effectively guards against danger by contact with the line as prescribed by Section 752.003, the person, firm, corporation, or association, either individually or through an agent or employee, may not perform a function or activity on land, a building, a highway, or other premises if at any time it is possible that the person performing the function or activity may:

(1) move or be placed within six feet of a high voltage overhead line while performing the function or activity; or

(2) bring any part of a tool, equipment, machine, or material within six feet of a high voltage overhead line while performing the function or activity.

(B) A person, firm, corporation, or association may not require an employee to perform a function or activity prohibited by Subsection (A).

SECTION 005. RESTRICTION ON OPERATION OF MACHINERY AND PLACEMENT OF STRUCTURES NEAR LINES

Unless a person, firm, corporation, or association effectively guards against danger by contact with the line as prescribed by Section 752.003, the person, firm, corporation, or association, either individually or through an agent or employee, may not:

(1) erect, install, transport, or store all or any part of a house, building, or other structure within six feet of a high voltage overhead line;

(2) install, operate, transport, handle, or store all or any part of a tool, machine, or equipment within six feet of a high voltage overhead line; or

(3) transport, handle, or store all or any part of supplies or materials within six feet of a high voltage overhead line.

SECTION 006. RESTRICTION ON OPERATION OF CERTAIN MACHINERY OR EQUIPMENT

(A) A person, firm, corporation, or association, individually, through an agent or employee, or as an agent or employee, may not operate a crane, derrick, power shovel, drilling rig, hayloader, haystacker, mechanical cotton picker, pile driver, hoisting equipment, or similar apparatus any part of which is capable of vertical, lateral, or swinging motion unless:

(1) a warning sign is posted and maintained as prescribed by Subsections (B) and (C);

(2) an insulated cage-type guard or protective device is installed about the boom or arm of the equipment, except a backhoe or dipper; and

(3) each lifting line, if the equipment includes a lifting hook device, is equipped with an insulator link on the lift hook connection.

(B) The warning sign required by Subsection (A) (1) must be a weather-resistant sign of not less than five inches by seven inches with a yellow background and black lettering that reads:
"WARNING -- UNLAWFUL TO OPERATE THIS EQUIPMENT WITHIN TEN FEET OF HIGH VOLTAGE LINES."

(C) The warning sign must be legible at 12 feet and placed:

(1) within the equipment so that it is readily visible to the equipment operator while at the equipment controls; and

(2) on the outside of the equipment in the number and location necessary to make it readily visible to a mechanic or other person engaged in the work.

(D) Notwithstanding the distance limitations prescribed by Sections 752.004 and 752.005, unless a person, firm, corporation, or association effectively guards against danger by contact with the line as prescribed by Section 752.003, the person, firm, corporation, or association may not operate all or any part of a machine or equipment described by this section within 10 feet of a high voltage overhead line.

SECTION 007. CRIMINAL PENALTY

(A) A person, firm, corporation, or association or an agent or employee of a person, firm, corporation, or association commits an offense if the person, firm, corporation, association, agent, or employee violates this chapter.

(B) An offense under this section is punishable by a fine of not less than \$100 or more than \$1,000, confinement in jail for not more than one year, or both.

SECTION 008. LIABILITY FOR DAMAGES

If a violation of this chapter results in physical or electrical contact with a high voltage overhead line, the person, firm, corporation, or association that committed the violation is liable to the owner or operator of the line for all damages to the facilities and for all liability that the owner or operator incurs as a result of the contact.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989

Prior Laws:

Acts 1971, 62nd Leg., p. 76, ch. 41.

Vernon's Ann. Civ. St. art. 1436c, § 7(B).

This is only a part of the entire act. The complete act is available for review.

CenterPoint Energy Houston Electric, LLC
Applicable: Entire Service Area

CNP 8038

6.3 AGREEMENTS AND FORMS

6.3.1 FACILITIES EXTENSION AGREEMENT

This Facilities Extension Agreement is entered into by and between City of Galveston, herein called "Retail Customer" and CenterPoint Energy Houston Electric, LLC, herein called "Company" (hereinafter referred to as Agreement) for the construction, extension, installation, modification, repair, upgrade, conversion, relocation, de-energization or removal of Company's Delivery System, including temporary facilities (hereinafter referred to as facilities extension or extension), as described herein.

This Agreement covers the facilities extension to Retail Customer location at 714 30th St Galveston, TX 77550

The Company agrees to accept payment of \$29,016.00 Dollars to be paid by the Retail Customer, as a Non-Refundable Construction Payment in connection with the Retail Customer request to extend Company facilities to the above described location as follows: Installation of two primary poles, one 277/480V 4W transformer bank and related labor and materials.

- Unless otherwise stated by Company in writing, the Non-Refundable Construction Payment amount above is valid for twelve months.

In consideration of said Non-Refundable Payment, to be paid to Company by Retail Customer prior to commencement of construction, Company agrees to install and operate lines and equipment necessary to distribute electric service to the identified location under the following General Conditions:

- Company shall at all times have title to and complete ownership and control over facilities installed by Company.
- Retail Customer must make satisfactory payment arrangements (if payment is required to extend Company facilities) and sign and return this Agreement before Company can proceed with the requested extension.

CenterPoint Energy Houston Electric, LLC
Applicable: Entire Service Area

CNP 8038

- Extension of service facilities is contingent on acquisition of all necessary easements and rights of way.

Nothing herein contained within this Agreement shall be construed as a waiver or relinquishment by Company of any right that it has or may hereafter have to discontinue service for or on account of default in the payment of any bill owing or to become owing thereafter for any other reason or cause stated in Company's Tariff.

This Agreement shall not be binding upon Company unless and until it is signed by an authorized representative of the Company.

CenterPoint Energy Houston Electric, LLC

By Curtis Newberry
Curtis Newberry
(name printed or typed)

Title Senior Service Consultant

Date 03/14/2019

Retail Customer

By _____

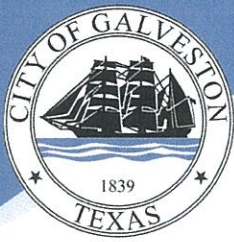
(name printed or typed)

Title _____

Date _____

SIGN HERE

WORK ORDER #	MAIN WORK CENTER	ORDER TYPE	MAINT ACCT TYPE
89238096	GALVESTON S/C		
ADDRESS	KEY MAP	GLN	FUNCTIONAL LOCATION
714 30TH ST	774R		
CONSULTANT	PHONE NUMBER	MOBILE NUMBER	CIRCUIT ID NUMBER
CURTIS NEWBERRY	(409) 765-4022		
DATE REQUESTED	FIELD TECH	FIELD COMPLETION DATE	SCALE: 1" = NTS
			GIS PRI: 1 2 3 4 5



City of Galveston

CAPITAL PROJECTS STAFF REPORT

18 March 2019

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

From: Ross E. Blacketter, P.E., Director of Capital Projects

RE: Consider for approval of a contract with Lucas Construction Company, Inc., for the 27th Street Improvements from Avenue O to Seawall Boulevard (Phase II) project (RFP #19-12) in the amount of \$1,357,293.00 for the base bid plus the additive alternate (estimated total cost of project not to exceed \$1,550,443.00). Authorizing the City Manager to execute all necessary documents upon final approval by the City Attorney.

I. Background

- A. The City recently completed Phase I of the 27th Street Improvement from Broadway to Avenue O, providing for a walkable streetscape, traffic calming, and improve connectivity to the various public destinations in the area.
- B. It is now desired to continue the project through Phase II, extending the improvements from Avenue O to Seawall Boulevard.
- C. Additionally, a proposed median on Seawall Boulevard to provide greater pedestrian safety and enhanced aesthetics was included in the project as an additive alternate.

II. Current Situation

- A. The project was advertised on 03 January 2019 as RFP #19-25 to provide the ability to negotiate with the winning respondent and value engineer the project costs as needed.
- B. The RFP responses were received on 20 February 2019.
- C. Two (2) responses were received and scored as follows:

	<u>Score</u>
Lucas Construction Company, Inc.	2,015
General Contractor Services, Inc.	1,328

Lucas Construction Company, Inc. received the highest score.

- D. Lucas Construction proposed the amount of \$1,058,996.000 for the base bid plus \$298,297.00 for the additive alternate for a total bid of \$1,357,293.00, which is within the project budget.

III. Impact or ramifications:

The project is part of the City's continued efforts to improve the walkability and streetscapes throughout Galveston.

IV. Alternatives in order of priority

- A. Approve a contract with Lucas Construction Company, Inc., for the 27th Street Improvements from Avenue O to Seawall Boulevard (Phase II) project in the amount of \$1,357,293.00 for the base bid plus the additive alternate.





City of Galveston

CAPITAL PROJECTS STAFF REPORT

B. Do not approve the request.

V. Recommendation

Approve a contract with Lucas Construction Company, Inc., for the 27th Street Improvements from Avenue O to Seawall Boulevard (Phase II) project in the amount of \$1,357,293.00 for the base bid plus the additive alternate.

VI. Fiscal Impact Report

Requested by: Ross E. Blacketter, P.E.
Director of Capital Projects

Funding Source: IDC Infrastructure Silo

Construction	\$	1,315,293.00
Contingency	\$	136,000.00
Inspection	\$	27,150.00
Materials Testing (est.)	\$	30,000.00

District 2 Neighborhood Funds

Construction	\$	42,000.00
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Cost of implementation: \$ 1,550,443.00

Respectfully Submitted,

Ross E. Blacketter, P.E.
Director of Capital Projects



27TH STREET IMPROVEMENTS PHASE II
BID PROPOSAL FORM



BASE BID:

ITEM	DESCRIPTION	ESTIMATED QTY	UNIT	UNIT PRICE	TOTAL COST
1	Mobilization	1	LS	75,000.00	75,000.00
2	Concrete Sidewalk Demolition and removal	500	SY	20.00	10,000.00
3	Concrete Sidewalk (complete in place)	500	SY	55.00	27,500.00
4	Paver Field	4,051	SF	10.00	40,510.00
5	Rock Mulch (4 Inch Depth)	5	CY	1,000.00	5,000.00
6	Mulch (3 Inch Depth)	88	CY	80.00	7,040.00
7	Planting Soil (4 Inch Depth)	17	CY	400.00	6,800.00
8	Tree - Large Canopy (6" cal)	6	EA	2,000.00	12,000.00
9	Tree - Ornamental (3" cal)	42	EA	1,000.00	42,000.00
10	Small Ornamental Grass (5 Gal)	616	EA	35.00	21,560.00
11	Ground Cover (1 Gal)	5,820	GAL	10.00	58,200.00
12	Irrigation (complete in place)	9,625	LF	10.00	96,250.00
13	Additional demolition/excavation for landscape (12" deep)	1	LS	5,000.00	5,000.00
14	Pavers - sidewalks (including sand bed)	5,100	SF	10.00	51,000.00
15	Pavers - crosswalks (including sand bed)	4,827	SF	12.00	57,924.00
16	Stabilized sand	20	CY	100.00	2,000.00
17	Demolition for crosswalks	5,752	SF	2.50	14,380.00

WLP

27TH STREET IMPROVEMENTS PHASE II
BID PROPOSAL FORM



ITEM	DESCRIPTION	ESTIMATED QTY	UNIT	UNIT PRICE	TOTAL COST
18	Reinforced concrete for crosswalks	824	SF	23.00	18,952.00
19	Curb demolition (existing)	3,900	LF	4.00	15,600.00
20	Gutter demolition	3,900	LF	4.00	15,600.00
21	New curbs (replace existing)	2,300	LF	26.00	59,800.00
22	New curbs for bulb-outs	1,600	LF	15.00	24,000.00
23	New gutter pans around bulb-outs	1,080	LF	11.00	11,880.00
24	Drainage boxes	20	EA	2,000.00	40,000.00
25	Drainage ornamental cover (per drainage box)	20	EA	2,000.00	40,000.00
26	ADA compliant ramps/transitions with truncated domes (paver type)	38	EA	1,200.00	45,600.00
27	Benches	2	EA	3,000.00	6,000.00
28	Trash receptacles	2	EA	2,500.00	5,000.00
29	Traffic Control	6	MO	8,000.00	48,000.00
30	SWPPP	6	MO	4,000.00	24,000.00
31	Striping	9,100	LF	2.00	18,200.00
32	Bicycle Lane symbols and arrows	25	EA	300.00	7,500.00
33	Surveying, earth movement, cement-stabilized subgrade, grade preparation, etc.	1	LS	26,000.00	26,000.00
34	Decorative lamps foundations	45	EA	1,200.00	54,000.00
35	2"Ø PVC electrical conduit	4,000	LF	11.00	44,000.00

WP

27TH STREET IMPROVEMENTS PHASE II
BID PROPOSAL FORM



ITEM	DESCRIPTION	ESTIMATED QTY	UNIT	UNIT PRICE	TOTAL COST
36	Electrical junction boxes	15	EA	500.00	7,500.00
37	Concrete Steppers (concrete pads varies)	38	EA	400.00	15,200.00
TOTAL BASE BID AMOUNT				1,058,996.00	

ADD ALTERNATES:

ITEM	DESCRIPTION	ESTIMATED QTY	UNIT	UNIT PRICE	TOTAL COST
1	Asphalt strip along gutters (including sub-grade, etc.)	5,000	LF	15.00	75,000.00
2	Reinforced concrete planter on Seawall Blvd.	25	CY	1,000.00	25,000.00
3	Stone Cladding for planter, including stone cap	250	SF	100.00	25,000.00
4	Drainage for Seawall Blvd. planter	1	EA	500.00	500.00
5	Raised median (East) pavers	711	SF	16.00	11,376.00
6	Raised median (East) curbs	180	SF	10.00	1,800.00
7	Raised median (East) concrete slab	711	SF	10.00	7,110.00
8	Raised median (West) pavers	2,650	SF	16.00	42,400.00
9	Raised median (West) curbs	650	LF	10.00	6,500.00
10	Raised median (West) concrete slab	2,650	SF	10.00	26,500.00
11	Additional sidewalk (Northeast) concrete	744	SF	8.00	5,952.00
12	Additional sidewalk (Northeast) pavers	744	SF	16.00	11,904.00
13	Additional sidewalk (Northeast) curbs	120	LF	10.00	1,200.00

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27TH STREET IMPROVEMENTS PHASE II
BID PROPOSAL FORM



ITEM	DESCRIPTION	ESTIMATED QTY	UNIT	UNIT PRICE	TOTAL COST
14	Additional sidewalk (Southeast) concrete	200	SF	8.00	1,600.00
15	Additional sidewalk (Southeast) pavers	200	SF	16.00	3,200.00
16	Additional sidewalk (Southeast) curbs	88	LF	10.00	880.00
17	Additional sidewalk (Northeast) concrete	350	SF	8.00	2,800.00
18	Additional sidewalk (Northeast) pavers	350	SF	16.00	5,600.00
19	Additional sidewalk (Northeast) curbs	60	LF	10.00	600.00
20	Striping	1,050	LF	1.50	1,575.00
21	Signage	2	EA	500.00	1,000.00
22	Crosswalk Paveway Systems surface application	720	SF	15.00	10,800.00
23	Traffic Control	3	MO	4,000.00	12,000.00
24	11 ft tall Texas Sabal palms, including dirt, tensors, etc.	3	EA	4,000.00	12,000.00
25	Skate stoppers	60	EA	100.00	6,000.00
TOTAL ADD ALTERNATES AMOUNT				\$298,297.00	
TOTAL PROJECT AMOUNT (BASE BID + ADD ALTERNATES)				\$1,357,293.00	

Willis Lucas



City of Galveston

CAPITAL PROJECTS STAFF REPORT

19 March 2019

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

From: Ross E. Blacketter, P.E., Director of Capital Projects

Re: Consider for approval Change Order No. 1 to the contract with Ardent Construction LLC, for the 30th Street Water & Electric Light Station Rehabilitation project increasing the contract by \$36,299.51 from the amount of \$2,884,729.00 to a new total amount of \$2,920,928.51. Authorizing the City Manager to execute all necessary documents upon final approval by the City Attorney.

I. Background

- A. The U.S. Department of Housing and Urban Development approved the State's amended action plan for \$1.7 billion in second round disaster recovery funding associated with Hurricane Ike and Dolly.
- B. The amended state plan allocates \$1.032 billion to the Houston-Galveston Area Council region.
- C. The rehabilitation and renovation of the historic 30th Street pump station was identified as a project to be funded by the CDBG Disaster Recovery Non-Housing Round 2.2 program.
- D. The General Land Office approved Arceneaux Wilson & Cole LLC to provide design and construction phase services for the 30th Street Water & Electric Light Station Rehabilitation project.
- E. The City Council subsequently awarded a contract with Ardent Construction LLC, in the amount of \$2,884,729 on 13 September 2018 for the construction of this project.

II. Current Situation

- A. In the course of construction, various items have arisen that affect the project scope.
- B. Ardent has requested Change Order No. 1 for the items as follows:
 - 1. The amount of flowable fill required was less than anticipated.
 - 2. The electrical duct bank previously removed during value engineering was added back into the project.
 - 3. Revisions to the restroom partitions and other improvements to the restroom and building structures.
 - 4. Cleanup of a mercury spill from old instrumentation in the facility.
- C. Ardent has requested additional fees of \$36,299.51 to perform this work.
- D. AWC has recommended approval of this request.





City of Galveston

CAPITAL PROJECTS STAFF REPORT

III. Issues

This work is necessary to complete the project.

IV. Alternatives in order of priority

- A. Approve Change Order No. 1 to the contract with Ardent Construction LLC, for the 30th Street Water & Electric Light Station Rehabilitation project increasing the contract by \$36,299.51 from the amount of \$2,884,729.00 to a new total amount of \$2,920,928.51.
- B. Do not approve the contract.

V. Recommendation

Approve Change Order No. 1 to the contract with Ardent Construction LLC, for the 30th Street Water & Electric Light Station Rehabilitation project increasing the contract by \$36,299.51 from the amount of \$2,884,729.00 to a new total amount of \$2,920,928.51.

VI. Fiscal Impact Report

Requested by:	Ross E. Blacketter, P. E. Director of Capital Projects
Funding Source:	CDBG DR Non-Housing Round 2.2
Construction Cost	\$ 2,920,928.51 (increase of \$36,299.51)
<u>Construction Administration</u>	<u>\$ 41,184.00</u>
Total Cost of Implementation	\$ 2,962,112.51

Respectfully Submitted,

Ross E. Blacketter, P. E.
Director of Capital Projects





Texas General Land Office Disaster Recovery

Construction Contract Change Order Request Form

Engineer: Arceneaux Wilson & Cole LLC 2901 Turtle Creek Drive Suite 320 Port Arthur, TX 77642 Phone No.: 409.724.7888	Owner (Contractor Locality): City of Galveston 823 Rosenberg Galveston, TX 77550 Phone No.: 409.797.3630	Contractor: Ardent Construction LLC 133 N. Friendswood Dr., No. 300 Friendswood, TX 77546 Phone No.: 832.900.4805 Agreement Date: 10/18/2018	
Date: 03/14/2019 Project Code No.: P21567A-14 Bid Package No.: 228103-1_BID4	Contract For (Project Description): 30 th Street Water & Electric Light Station	GLO Contract No.: 15-081-000-8748 Change Order No.: 1	
You are hereby requested to comply with the following changes from the contract plans and specifications:			
Item No.	Description of Changes: Quantities, Units, Unit Prices, Change in Completion Scheduled, Etc.	Decrease in Contract Price	Increase in Contract Price
8	Remove Flowable Fill at Pits - 33 C.Y. @ \$90.00/C.Y.	\$ 2,970.00	
29	Change Door 107C to HM Fire Door (No Panic) 1 L.S. @ \$397.00/L.S.		\$ 397.00
37	Remove Toilet Partitions - 1 L.S. @ \$1,950.00/L.S.	\$ 1,950.00	
56	Add Continuous Brackets 1 L.S. @ \$652.50/L.S.		\$ 652.50
57	Add Wainscot Title @ Non-wet Walls 276 S.F. @ \$9.83/S.F.		\$ 2,713.08
58	Add Wainscot Cap 69 L.F. @ \$30.18/L.F.		\$ 2,082.42
59	Add Steel Structure & Decking Material 1 L.S. @ \$ 3,009.00/L.S.		\$ 3,009.00
60	Install Beams & Decking 1 L.S. @ \$1,457.00/L.S.		\$ 1,457.00

61	Add Hilti Anchors 28 EA. @ \$8.50/EA.		\$ 238.00
62	Mercury Spill Remediation 1 L.S. @ \$20,408.51/L.S.		\$ 20,408.51
63	Electrical Duct Bank 1 L.S. @ \$10,162.00/L.S.		\$ 10,162.00
<u>Change in Contract Price</u>		<u>Change in Contract Time (Calendar Days)</u>	
Original Contract Price: \$2,884,729.00		Original Contract Time: 365 days	
Previous Change Order(s): No. 0 to No. 0 \$0.00		Net Change From Previous Change Orders: 0 days	
Contract Price Prior to this Change Order: \$2,884,729.00		Contract Time Prior to this Change Order: 365 days	
Net Increase/Decrease of this Change Order: \$ 36,199.51		Net Increase/Decrease of this Change Order: 10 days	
Contract Price With all Approved Change Orders: \$2,920,928.51		Contract Time With all Change Orders: 375 days	
Cumulative Percent Change in Contract Price (+/-): +1.25 %		Grantee Contract End Date: (mm/dd/yy) 12/31/2019	
Construction Contract Start Date: (mm/dd/yy) 10/18/2018		Construction Contract End Date: (mm/dd/yy) 10/28/2019	

Reimbursements of costs included in this change order are subject to review by the GLO-DR program.

* This document may be executed prior to submission for GLO-DR program review, but all parties involved will be held responsible if the change order or the amendment warranted as a result of this change order is not in compliance with CDBG or HUD requirements.

RECOMMENDED:

By: 

ENGINEER

Arceneaux, Wilson & Cole LLC

Date: 3/20/2019

APPROVED:

By: _____

OWNER

City of Galveston

Date: _____

ACCEPTED:

By: 

CONTRACTOR

Ardent Construction LLC

Date: 3/20/19

JUSTIFICATION FOR CHANGE

1. Will this Change Order increase or decrease

the number of beneficiaries?

☐ Increase

☐ Decrease

☒ No Change

If there is a change, how many beneficiaries will be affected?

Total ____ L/M ____

2. Effect of this change on scope of work:

☒ Increase

☐ Decrease

☐ No Change

3. Effect on operation and maintenance costs:

☐ Increase

☐ Decrease

☒ No Change

4. Are all prices in the change order dependent upon unit prices

found in the original bid?

☐ Yes

☒ No

If "No", explain:

Added construction items not included in original bid:

Installing Beams and Decking for the Pits, adding title and brackets in restrooms and Mercury Spill Remediation – Pricing is competitive for this type of work.

5. Has this change created new circumstances or environmental

conditions which may affect the project's impact, such as

concealed or unexpected conditions discovered during actual

construction?

☐ Yes

☒ No

If "Yes", is an Environmental Re-assessment required?

6. Is the Texas Commission on Environmental Quality (TCEQ)

clearance still valid? (if applicable)

☒ Yes

☐ No

7. Is the TCEQ permit approval still valid? (sewer projects only)

☐ Yes

☐ No

8. Are the handicapped access requirements/approval

still valid? (if applicable)

☒ Yes

☐ No

9. Are other Disaster Recovery contractual special condition clearance

still valid?

☒ Yes

☐ No

(If no, specify):

NOTE: Generally, a cumulative change in the contract price in excess of 25% cannot be reviewed (18% **decrease** for counties).



March 14, 2019

Mr. Ross Blackketter, P.E.
City of Galveston
823 Rosenberg
Room 205
Galveston, Texas 77550

RE: CHANGE ORDER NO. 1
30TH Street Water & Electric Light Station
AWC Job. No. COG-080

Dear Mr. Blackketter:

Arceneaux Wilson & Cole, LLC is submitting Change Order No. 1 for the 30th Street Water & Electric Light Station project and recommends approval of the construction contract changes. This change is to install beams with deck forms to support the concrete slab over the pits and for the mercury spill remediation that was needed due to mercury being left in equipment. The overall result for this change order is to increase the contract amount by an additional \$36,199.51 and add 10 days to the contract time.

- Bid Item #8, Remove 33 Cubic Yards, Flowable Fill @ \$90.00 **(-\$2,970.00)**
- Bid Item #29, Change Door 107C to HM Fire Door (No Panic) @ \$397.00 **(\$397.00)**
- Bid Item #37, Remove 1 Lump Sum, Toilet Partitions @ \$1,950.00 **(\$-1,950.00)**
- Add 1 Lump Sum, Continuous Brackets @ \$652.50 **(\$652.50)**
- Add 1 Lump Sum, Wainscot Title at Non-Wet Walls @ \$2,713.08 **(\$2,713.08)**
- Add 1 Lump Sum, Wainscot Cap @ \$2,082.42 **(\$2,082.42)**
- Add 1 Lump Sum, Steel Structure & Decking Material @ \$3,009.00 **(\$3,009.00)**
- Add 1 Lump Sum, Beams & Decking @ \$1,457.00 **(\$1,457.00)**
- Add 28 Each, Hilti Anchors @ \$8.50 **(\$238.00)**
- Add 1 Lump Sum, Mercury Spill Remediation @ \$20,408.51 **(\$20,408.51)**
- Add 1 Lump Sum, Electrical Duct Bank @ \$10,162.00 **(\$10,162.00)**

I have attached Change Order No. 1 which modifies the contract to reflect this change for your consideration and action. Should you have any questions or require additional information, please contact our office.

Very truly yours,
Arceneaux Wilson & Cole LLC



Joe M. Wilson, Jr., PE.
President



City of Galveston

CAPITAL PROJECTS STAFF REPORT

March 20, 2019

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

From: Ross E. Blacketter, P.E., Director of Capital Projects

RE: Consider for approval of Change Order No. 15 to the contract with Cardinal Contractors, Inc., for the New 59th Street Pump Station project, increasing the contract by \$44,375.05 to a new total amount of \$18,213,125.99. Authorizing the City Manager to execute all necessary documents upon final approval by the City Attorney.

I. Background

- A. As a result of Hurricane Ike, the 59th Street pump station failed to function.
- B. The U.S. Department of Housing and Urban Development approved the State's amended action plan for \$1.7 billion in second round disaster recovery funding associated with Hurricane Ike and Dolly.
- C. The amended state plan allocates \$1.032 billion to the Houston-Galveston Area Council region.
- D. City Council approved Dannenbaum Engineering Corporation to provide engineering design services for the new 59th Street Pump Station Project on July 25, 2013 for the amount of \$1,958,170.00.
- E. Council awarded a contract with Cardinal Contractors in the amount of \$15,887,000.00 on June 25, 2015 for the construction of this project.
- F. The contract was subsequently increased by \$11,025.73 in Change Order No. 1, by \$544,594.86 in Change Order No. 2, by \$79,447.26 in Change Order No. 3, by \$148,128.50 in Change Order No. 4, and by \$470,099.25 in Change Order No. 6 to the new amount of \$17,140,295.60, by \$292,249.73 in Change Order No. 7 to the new amount of \$17,432,545.33, by \$32,205.62 in Change Order No. 8 to the new amount of \$17,464,750.95, by \$19,313.67 in Change Order No. 9 to the new amount of \$17,484,064.62, by \$39,070.38 in Change Order No. 10 to the new amount of \$17,523,135.00, by \$26,635.69 in Change Order No. 11 to the new amount of \$17,549,770.69, by \$318,046.35 in Change Order No. 12 to the new amount of \$17,867,817.04, by \$36,473.40 in Change Order No. 13 to the new amount of \$17,904,290.44, and by \$264,460.50 in Change Order No. 14 to the new amount of \$18,168,750.94. Change Order No. 5 was a time extension only and did not include an increase in cost.

II. Current Situation

- A. Chlorine cylinder emergency shut off actuators are being added to immediately shut off all flow from the chlorine cylinders in the event that a chlorine leak is detected.
- B. This is a desired safety enhancement for the protection of City personnel.
- C. Cardinal Contractors, Inc. has requested Change Order No. 15 in the amount of \$44,375.05 for this additional work.
- D. Dannenbaum Engineering has recommended approval of this request.





City of Galveston

CAPITAL PROJECTS STAFF REPORT

III. Issues

This work is necessary to ensure the continuation of this project.

V. Alternatives in order of priority

A. Approve Change Order No. 15 to the contract with Cardinal Contractors, Inc., for the New 59th Street Pump Station project, increasing the contract by \$44,375.05 to a new total amount of \$18,213,125.99.

B. Do not approve the change order.

VI. Recommendation

Approve Change Order No. 15 to the contract with Cardinal Contractors, Inc., for the New 59th Street Pump Station project, increasing the contract by \$44,375.05 to a new total amount of \$18,213,125.99.

VII. Fiscal Impact Report

Requested by: Ross E. Blacketter, P.E.
Director of Capital Projects

Funding Source: CDBG-DR Round 2.2
Construction \$ 11,980,872.21 (increase of \$44,375.05)
Inspection \$ 203,735.50

FEMA HMGP
Construction \$ 5,842,441.33
Inspection \$ 114,004.50

Water Improvement Fund \$ 11,123.58 (to be reimbursed)

Other Funds \$ 378,688.87

Costs of implementation: \$ 18,530,865.99

Respectfully submitted,

Ross E. Blacketter, P.E.
Director of Capital Projects





Texas General Land Office Disaster Recovery

Construction Contract Change Order Request Form

Engineer: Dannenbaum Engineering 3100 West Alabama Houston, Texas 77098 Phone No.: 713.520.9570	Owner (Contractor Locality): City of Galveston 823 Rosenberg Galveston, Texas 77550 Phone No.: 409.797.3630	Contractor: Cardinal Contractors, Inc. 1106 N State Hwy 360 Ste. 115 Grand Prairie, Texas 75050 Phone No.: 713.896.3141 Agreement Date: 08/21/2015
Date: 03/19/2019 Project Code No.: P27527-1a Bid Package No.: 270703-1_BID1	Contract For (Project Description): New 59 th Street Pump Station	GLO Contract No.: 15-081-000-8748/DRS220051 Change Order No.: 15

You are hereby requested to comply with the following changes from the contract plans and specifications:

Item No.	Description of Changes: Quantities, Units, Unit Prices, Change in Completion Scheduled, Etc.	Decrease in Contract Price	Increase in Contract Price
CO15-1	(Part B, 4800A) Chlorine Cylinder Emergency Shut-Off Actuators		\$ 44,375.05
	Total		\$ 44,375.05

<u>Change in Contract Price</u>		<u>Change in Contract Time (Calendar Days)</u>	
Original Contract Price:	\$15,887,000.00	Original Contract Time:	700 days
Previous Change Order(s): No. 1 to No. 14	\$ 2,281,750.94	Net Change From Previous Change Orders:	613 days
Contract Price Prior to this Change Order:	\$18,168,750.94	Contract Time Prior to this Change Order:	1,313 days
Net Increase/Decrease of this Change Order:	\$ 44,375.05	Net Increase/Decrease of this Change Order:	0 days
Contract Price With all Approved Change Orders:	\$18,213,125.99	Contract Time With all Change Orders:	1,313 days
Cumulative Percent Change in Contract Price (+/-): +14.64%		Grantee Contract End Date: (mm/dd/yy)	12 / 31 / 18
Construction Contract Start Date: (mm/dd/yy)	09 / 14 / 15	Construction Contract End Date: (mm/dd/yy)	04 / 19 / 19

Reimbursements of costs included in this change order are subject to review by the GLO-DR program.

***This document may be executed prior to submission for GLO-DR program review, but all parties involved will be held responsible if the change order or the amendment warranted as a result of this change order is not in compliance with CDBG or HUD requirements.**

RECOMMENDED:By: Tyson Arnold

DANNENBAUM ENGINEERING

Date: 3/19/19**APPROVED:**

By: _____

CITY OF GALVESTON

Date: _____

ACCEPTED:By: Hal Myrah

CARDINAL CONTRACTORS

Date: 3/19/19**JUSTIFICATION FOR CHANGE**

1. Will this Change Order increase or decrease

the number of beneficiaries?

☐ Increase☐ Decrease☒ No Change

If there is a change, how many beneficiaries will be affected?

Total ____ L/M ____

2. Effect of this change on scope of work:

☐ Increase☐ Decrease☒ No Change

3. Effect on operation and maintenance costs:

☐ Increase☐ Decrease☒ No Change

4. Are all prices in the change order dependent upon unit prices

found in the original bid?

☒ Yes☐ No

If "No", explain: The contract is unit price, but the item covering this work was a Lump Sum. The pricing provided is competitive.

5. Has this change created new circumstances or environmental

conditions which may affect the project's impact, such as

concealed or unexpected conditions discovered during actual

construction?

☐ Yes☒ No

If "Yes", is an Environmental Re-assessment required?

6. Is the Texas Commission on Environmental Quality (TCEQ)

clearance still valid? (if applicable)

☒ Yes☐ N/A

7. Is the TCEQ permit approval still valid? (sewer projects only)

☐ Yes☒ N/A

8. Are the handicapped access requirements/approval

still valid? (if applicable)

☒ Yes☐ No

9. Are other Disaster Recovery contractual special condition clearance

still valid?

☒ Yes☐ No

(If no, specify):

NOTE:* Generally, a cumulative change in the contract price in excess of 25% cannot be reviewed (18% **decrease** for counties).

March 19, 2019

Mr. Ross Blackketter, PE
City of Galveston
823 Rosenberg, Room 205
Galveston, TX 77553

RE: City of Galveston
59th Street Pump Station
Change Order No. 15

Dear Mr. Blackketter:

Change Order No. 15 contains Proposed Change Orders (PCO) No. 74. A description and the recommended action to be taken is below.

PCO No. 74 is a notice of Extra Work involving the addition of emergency shut off actuators to the chlorine ton cylinders. A situation was encountered during start up, in which there was a small chlorine leak. The installer of the chlorine system stated he had experienced similar leaks on other projects in recent years and one way to prevent further damage in the event of a leak is to install shut off actuators, which are connected to the leak detectors in the room and close the regulators in the event the leak detectors detect a leak. These shut off actuators are currently being installed at the Airport Waste Water Treatment Plant in Galveston after a similar situation was encountered. This is not required by code, however it is an added safety measure that the City has expressed the desire to have. The work requires the installation of the leak detectors and routing of conduit and wire to be tied to the chlorine leak detectors and to provide power. The request is for \$44,375.05 and no additional time. Dannenbaum feels the request is justified and therefore recommends approval of a change order for the requested amount.

The items above are a result of unforeseen circumstances, clarifications made during the submittal process, manufacturer requirements, and extra provisions to ensure safety and protection of equipment, adverse environmental conditions or direction from the City. This is work that needs to be done in order to achieve the original intended outcome for this Project. Dannenbaum sees no evidence that any of these issues support claims for indirect damages. Our specific recommendations stated above, shall not be construed as support for future claims for indirect costs. Dannenbaum believes the costs associated with the elements of this Change Order are competitive for this type of work. This Change Order in the amount of \$44,375.05 results in a new Construction Contract total of \$18,213,125.99 which is a 14.64% increase above the original bid price. Before Change Order No. 15, the current contract time was 1,313 days with a Substantial Completion Date of April 19, 2019. There is no change to the contract time or completion date.

Should you have any questions, please do not hesitate to contact me at 713-527-6325.

Sincerely,



Tyson Arnold, PE
Associate – Dannenbaum Engineering Corporation

Attachments 59th Street Change Order No. 15
CCI LTR 00098



CARDINAL CONTRACTORS, INC.

A subsidiary of Primoris Services Corporation

9001 Primoris Court
Fort Worth, TX 76140
P: 972.854.0059
F: 817.568.4151
www.cardinalco.com

OUT CCI LTR-00098

March 19, 2019

City of Galveston
823 Rosenberg, Suite 205
P.O. Box 779
Galveston, TX 77553

Attn: Mr. Ross Blacketter, P.E. Director of Capital Projects

Re: PCO No. 074– Chlorine Cylinder Emergency Shut-off Actuators
City of Galveston
New 59th Street Pump Station

Dear Mr. Blacketter:

In accordance with General Conditions, Article 07, Written Notice, this letter shall serve as Cardinal Contractors, Inc.'s (CCI) formal written notice to the City of Galveston with regard to extra work pursuant to Article 24, Extra Work. The extra work submitted in this notice involves furnishing and installing (4 EA) emergency shut-off actuators on the chlorine vacuum regulators in accordance to the response to RFI No. 144 received on March 18, 2019. The amount of this additional work is \$44,375.05 (see Exhibits 1-4).

This added work does not account for any impacts to other operations that have been or may be impacted as a result of this extra work. Therefore, CCI reserves the right to further review its time and cost impacts due to delay or disruption to other activities that have resulted or may result from this change.

As always, should you have any questions or concerns, please do not hesitate to contact me.

Regards,

Hal Myrah
Cardinal Contractors, Inc.

cc. Eric Macek, Vice President
Bobby Bridges, President
David Van Dam, Associate General Counsel
Tyson Arnold, P.E.



CARDINAL CONTRACTORS, INC.

A subsidiary of Primoris Services Corporation

Enclosures: Exhibit 1 – Cost Summary
 Exhibit 2 – JCS Industries Quote
 Exhibit 3 – Boyer Quote
 Exhibit 4 - JCS Industries Submittal



City of Galveston

FLEET FACILITIES STAFF REPORT

March 19, 2019

Brian Maxwell, City Manager
Honorable Mayor and City Council Members

Subject: Consider for the approval allowing the Fleet Facility to purchase the listed rolling stock (2 Service PU's) and associated equipment from Silsbee Ford Inc. through Good Buy for a total price of \$90,619.50 and authorize the City Manager to execute the contract upon final approval by the City Attorney.

I. Background

- A. Funding for new equipment has been earmarked for the listed department(s).
- B. Buy Board, HGAC Buy, Good Buy and TXMAS are cooperative purchasing organizations that the city is a member of that performs bidding packages for local governments. The Fleet Facility has performed competitive bidding packages on current equipment purchases to assure that these purchases are the better option a majority of the time.
- C. The requested vehicle description(s) and their assignments are listed below.
- D. The extended purchase price for this package is \$90,619.50.
- E. Silsbee Ford Inc. is located in Silsbee Texas.
- F. Delivery should be within 120 days from date of the purchase order issue. These items have to be delivered during the current fiscal year, and the dealer can support this request.
- G. Additional equipment will be added by the dealer that was specified in the specification process as requested by the department.

II. Current Situation

The City Council will have to approve allowing the Fleet Facility to purchase the listed rolling stock (2 Service PU's) and associated equipment from Silsbee Ford Inc. through Good Buy for





City of Galveston

FLEET FACILITIES STAFF REPORT

a total price of \$90,619.50 and authorize the City Manager to execute the contract upon final approval by the City Attorney.

III. Alternatives in order of priority

A. City Council approves the purchase.

1. Cost - \$90,619.50
2. Timing - Delivery should be within 120 days.
3. Divisional Improvements - Will provide the city with needed equipment to perform duties. Newer equipment will reduce fleet operational costs and will improve operations.

B. City Council does not approve the purchase.

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

IV. Recommendation

Concur in Alternative A and approve allowing the Fleet Facility to purchase the listed rolling stock (2 Service PU's) and associated equipment from Silsbee Ford Inc. through Good Buy for a total price of \$90,619.50 and authorize the City Manager to execute the contract upon final approval by the City Attorney.

V. Fiscal Impact Report

Requested by David Smith
Executive Director

Cost \$90,619.50





City of Galveston

FLEET FACILITIES STAFF REPORT

Funding Source

Drainage Fund
Vehicle Replacement Fund

Savings Estimation

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

VI. Environmental Impact

All listed vehicles are produced under current EPA standards.

Respectfully Submitted

David Smith
Executive Director



City of Galveston

Fleet Facility

COST BREAKDOWN

Requested Purchase						
Item	Division	Count	Make	Model	Cost	Funding
A	Drainage	2	Ford	F350 Crew Utl Lift	\$ 90,619.50	Drainage Inter Fund
					\$ 90,619.50	

City of Galveston

Municipal Garage Facilities

Light Duty Vehicle Purchase Request COG 2671-1

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

Vehicle model requested	F350 C
Quantity	2

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

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

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

Drainage Fund

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

Drainage Services

Requesting Department Head

PW Director

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



PRODUCT PRICING SUMMARY

GOODBUY 19 8F000 VEHICLES www.purchasing.esc2.net

VENDOR--Silsbee Ford, 1211 Hwy 96 N., Silsbee TX 77656

End User: CITY OF GALVESTON

Prepared by: RICHARD HYDER

Contact: DAVID SMITH 409.797.3920

Phone: (409) 300-1385

Email: DSMITH@GALVESTONTX.GOV

Email: rhyder.cowboyfleet@gmail.com

Product Description: FORD F350 PICKUP SRW

Date: February 20, 2019

A. Bid Item: 7A13 **A. Base Price:** \$ 24,844.00

B. Factory Options

Code	Options	Bid Price	Code	Options	Bid Price
W3A	2019 F350 CREW CAB SRW 4X2 56"CA	\$ 5,395.00	HIT	KNAPHEIDE SERVICE BODY, SIDE	\$ 12,296.00
Z1	EXTERIOR WHITE	\$ -		LADDER RACK, TOMMYGATE G2	
AS	INTERIOR GRAY VINYL	\$ -		LIFT, SPRAY IN BEDLINER,	
996	6.2L V8 GAS	\$ -		HEADACHE RACK BLACK	
52B	TRAILER BRAKE CONTROLLER	\$ 270.00		DES02221902	
	TRAILER TOWING PKG	\$ -			
	REAR VIEW CAMERA	\$ -			
X3E	3.73 ELECTRONIC LOCKING AXLE	\$ 390.00			
18B	PLATFORM RUNNING BOARDS	\$ 445.00			

Total of B. Published Options: \$ 18,796.00

Published Option Discount (5%) \$ (55.25)

C. Additional Options [not to exceed 25%]

\$= 3.2 %

Options	Bid Price	Options	Bid Price
5LB FIRE EXTINGUISHER	\$ 85.00		\$ -
RECEIVER WITH 2" BALL	\$ 35.00		
SURFACE MOUNT LED AMBER REAR	\$ 170.00		
FRONT AMBER GRILL LEDS	\$ 220.00		
CODE 3 REFLEX MINI 15" LED LIGHTBAR	\$ 295.00		
CODE 3 MOUNT	\$ 195.00		
4 KEYS	\$ 50.00		
EQUIPMENT SERVICES	\$ 350.00		

Total of C. Unpublished Options: \$ 1,400.00

D. Floor Plan Interest (for in-stock and/or equipped vehicles): \$ -

E. Lot Insurance (for in-stock and/or equipped vehicles): \$ -

F. Contract Price Adjustment: \$ -

G. Additional Delivery Charge: 100 miles \$ 175.00

H. Subtotal: \$ 45,159.75

I. Quantity Ordered 2 x K = \$ 90,319.50

J. Trade in: \$ -

K. GOODBUY Administrative Fee (\$300 per purchase order) \$ 300.00

L. TOTAL PURCHASE PRICE INCLUDING GOODBUY FEE \$ 90,619.50



Contract Detail

[← Return](#)

Contract Information

Title	Vehicles: Automobiles/Trucks/Sport Utility
Description	The intent of this bid was to establish contract(s) for Vehicles: Automobiles/Trucks/Sport Utility. GoodBuy Purchasing Cooperative accepted alternates. Contract term: 1/1/19 - 12/31/19
Contract Number	19 8F000
Type	Goodbuy
Department	
Bid	19 8F000
Status	Active
Catalogs/Services:	Ford CTT Pricing Guide
Discount Rate	Ford CTT Pricing Guide 5% off MSRP options
Comments:	Please note: Typo error on Line Item 7 Alt.26--2020 Interceptor Hybrid K8A. Instead of \$41,864.00, the base price should be \$34,964.00. See Supplier Response and attachments for pricing information Line items may be modified for the following: truck cab configuration, car body configuration, driveline, and/or trim level based on customer requirements. These modifications are considered factory options and should be priced according to the "discount from catalog" method.
Last Update	11/12/2018

Active Contract Term

Description	19 8F000 Vehicles: Automobiles/Trucks/Sport Utility
Start Date	01/01/2019
End Date	12/31/2019
Notes	

Supplier Information

Supplier Name	Silsbee Ford Inc.
Supplier Description	Automobile dealership
Organization Type	C Corporation
Legal Name	
Date Business Formed	01/01/1996

General/Corporate Address

Address	1211 US Highway 96 North Silsbee, TX 77656
Phone	(409) 300-1385
Fax	(409) 895-3884
Contact Name	Richard Hyder
Email	rhyder.cowboyfleet@gmail.com

Formation State	Texas
Website	www.silsbeefleet.com

Attachment List

File Name	Description
ITEM 7A28 FORD ECOSPORT S2F.pdf [View]	ITEM 7A28 FORD ECOSPORT S2F
ITEM 3 FORD TRANSIT CARGO VAN E1Z.pdf [View]	ITEM 3 FORD TRANSIT CARGO VAN E1Z.
ITEM 5 FORD F250 PICKUP F2A.pdf [View]	ITEM 5 FORD F250 PICKUP F2A.
ITEM 6 FORD F150 PICKUP F1C.pdf [View]	ITEM 6 FORD F150 PICKUP F1C
ITEM 7A24 2019 FORD INTERCEPTOR UTILITY K8A.pdf [View]	ITEM 7A24 2019 FORD INTERCEPTOR UTILITY K8A
ITEM 7A25 FORD RESPONDER F150 W1P.pdf [View]	ITEM 7A25 FORD RESPONDER F150 W1P
ITEM 7A26 FORD INTERCEPTOR UTILITY HYBRID K8A.pdf [View]	ITEM 7A26 FORD INTERCEPTOR UTILITY HYBRID K8A
ITEM 7A27 FORD RANGER R1E.pdf [View]	ITEM 7A27 FORD RANGER R1E
Due Diligence - 8F000 Bid Invitation .pdf [View]	Due Diligence - 8F000 Bid Invitation
Due Diligence - HB 89 11-9-18.pdf [View]	Due Diligence - HB 89 11-9-18
Due Diligence - TX Debarred List 9-12-18.pdf [View]	Due Diligence - TX Debarred List 9-12-18
Due Diligence SB 252 11-9-18.pdf [View]	Due Diligence SB 252 11-9-18
Legal Ad 9-24 and 10-1-18.pdf [View]	Legal Ad 9-24 and 10-1-18
2018 Silsbee Ford W-9.pdf [View]	W-9
Due Diligence - SAMs Silsbee Ford Inc. 11-9-18.pdf [View]	Due Diligence - SAMs Silsbee Ford Inc. 11-9-18
Due Diligence - Supplier Response Silsbee Ford Inc.pdf [View]	Due Diligence - Supplier Response Silsbee Ford Inc
ITEM 1 FORD EXPLORER K7B.pdf [View]	ITEM 1 FORD EXPLORER K7B
	ITEM 7A1 FORD FUSION P0G

ITEM 7A1 FORD FUSION P0G.pdf [View]	
ITEM 7A2 FORD FUSION HYBRID P0L.pdf [View]	ITEM 7A2 FORD FUSION HYBRID P0L
ITEM 7A3 FORD ESCAPE U0F.pdf [View]	ITEM 7A3 FORD ESCAPE U0F
ITEM 7A4 FORD EXPEDITION U1F 102A.pdf [View]	ITEM 7A4 FORD EXPEDITION U1F 102A
ITEM 7A5 FORD EXPEDITION K1F 102A.pdf [View]	ITEM 7A5 FORD EXPEDITION K1F 102A
ITEM 7A6 FORD EDGE K3G.pdf [View]	ITEM 7A6 FORD EDGE K3G
ITEM 7A7 FORD TRANSIT 250 VAN R1Z.pdf [View]	ITEM 7A7 FORD TRANSIT 250 VAN R1Z
ITEM 7A8 FORD TRANSIT 350 VAN W2Z.pdf [View]	ITEM 7A8 FORD TRANSIT 350 VAN W2Z
ITEM 7A9 FORD TRANSIT 150 WAGON K1Z.pdf [View]	ITEM 7A9 FORD TRANSIT 150 WAGON K1Z
ITEM 7A10 FORD TRANSIT 350 WAGON X2Z.pdf [View]	ITEM 7A10 FORD TRANSIT 350 WAGON X2Z
ITEM 7A11 FORD TRANSIT CONNECT WAGON S9E.pdf [View]	ITEM 7A11 FORD TRANSIT CONNECT WAGON S9E
ITEM 7A12 FORD TRANSIT CONNECT VAN S6E.pdf [View]	ITEM 7A12 FORD TRANSIT CONNECT VAN S6E
ITEM 7A13 FORD F350 SRW PICKUP F3A.pdf [View]	ITEM 7A13 FORD F350 SRW PICKUP F3A
ITEM 7A14 FORD F350 DRW PICKUP F3C.pdf [View]	ITEM 7A14 FORD F350 DRW PICKUP F3C
ITEM 7A15 FORD F450 DRW PICKUP F4C.pdf [View]	ITEM 7A15 FORD F450 DRW PICKUP F4C
ITEM 7A16 FORD F350 CHASSIS F3G.pdf [View]	ITEM 7A16 FORD F350 CHASSIS F3G
ITEM 7A16 FORD F450 CHASSIS F4G.pdf [View]	ITEM 7A16 FORD F450 CHASSIS F4G
ITEM 7A18 FORD F550 CHASSIS F5G.pdf [View]	ITEM 7A18 FORD F550 CHASSIS F5G
ITEM 7A19 FORD F650 CHASSIS F6D.pdf [View]	ITEM 7A19 FORD F650 CHASSIS F6D
	ITEM 7A20 FORD F750 CHASSIS F7D

ITEM 7A20 FORD
F750 CHASSIS
F7D.pdf [[View](#)]

ITEM 7A21 FORD
E350 CUTAWAY
E3F.pdf [[View](#)]

ITEM 7A22 FORD
E450 CUTAWAY
E4F.pdf [[View](#)]

ITEM 7A23 FORD
RESPONDER HYBRID
P0A.pdf [[View](#)]

Supplier Award
Document (Silsbee
Ford Inc.)
(1).pdf [[View](#)]

ITEM 7A21 FORD E350 CUTAWAY E3F

ITEM 7A22 FORD E450 CUTAWAY E4F

ITEM 7A23 FORD RESPONDER HYBRID P0A

file:///C:/Users/MCanedo/Downloads/Supplier%20Award%20Document%20
(Silsbee%20Ford%20Inc.)%20(1).pdf



City of Galveston

FLEET FACILITIES STAFF REPORT

March 19, 2019

Brian Maxwell, City Manager
Honorable Mayor and City Council Members

Subject: Consider for the approval allowing the Fleet Facility to purchase the listed rolling stock (Facilities Service PU) and associated equipment from Silsbee Ford Inc. through HGAC Buy for a total price of \$39,049 and authorize the City Manager to execute the contract upon final approval by the City Attorney.

I. Background

- A. Funding for new equipment has been earmarked for the listed department(s).
- B. Buy Board, HGAC Buy, Good Buy and TXMAS are cooperative purchasing organizations that the city is a member of that performs bidding packages for local governments. The Fleet Facility has performed competitive bidding packages on current equipment purchases to assure that these purchases are the better option a majority of the time.
- C. The requested vehicle description(s) and their assignments are listed below.
- D. The extended purchase price for this package is \$39,049.
- E. Silsbee Ford Inc. is located in Silsbee Texas.
- F. Delivery should be within 120 days from date of the purchase order issue. These items have to be delivered during the current fiscal year, and the dealer can support this request.
- G. Additional equipment will be added by the dealer that was specified in the specification process as requested by the department.

II. Current Situation

The City Council will have to approve allowing the Fleet Facility to purchase the listed rolling stock (Facilities Service PU) and associated equipment from Silsbee Ford Inc. through HGAC





City of Galveston

FLEET FACILITIES STAFF REPORT

Buy for a total price of \$39,049 and authorize the City Manager to execute the contract upon final approval by the City Attorney.

III. Alternatives in order of priority

A. City Council approves the purchase.

1. Cost - \$39,049
2. Timing - Delivery should be within 120 days.
3. Divisional Improvements - Will provide the city with needed equipment to perform duties. Newer equipment will reduce fleet operational costs and will improve operations.

B. City Council does not approve the purchase.

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

IV. Recommendation

Concur in Alternative A and approve allowing the Fleet Facility to purchase the listed rolling stock (Facilities Service PU) and associated equipment from Silsbee Ford Inc. through HGAC Buy for a total price of \$39,049 and authorize the City Manager to execute the contract upon final approval by the City Attorney.

V. Fiscal Impact Report

Requested by David Smith
Executive Director

Cost \$39,049





City of Galveston

FLEET FACILITIES STAFF REPORT

Funding Source

Facilities Building Maintenance
Vehicle Replacement Fund

Savings Estimation

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

VI. Environmental Impact

All listed vehicles are produced under current EPA standards.

Respectfully Submitted

David Smith
Executive Director



City of Galveston

Fleet Facility

COST BREAKDOWN

Requested Purchase						
Item	Division	Count	Make	Model	Cost	Funding
A	Building Maint	1	Ford	F250 Service Truck	\$ 39,049.00	Building Maint
					\$ 39,049.00	

City of Galveston

Municipal Garage Facilities

Light Duty Vehicle Purchase Request COG 2671-1

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

Vehicle model requested	F250 Utl
Quantity	1

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

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

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

Facilities

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

Building Maint

Requesting Department Head

Kenworthy

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



CONTRACT PRICING WORKSHEET
For MOTOR VEHICLES Only

Contract
No.:

VE11-18

Date
Prepared:

1/30/2019

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

Buying Agency:	CITY OF GALVESTON	Contractor:	SILSBEE FORD
Contact Person:	DAVID SMITH	Prepared By:	RICHARD HYDER
Phone:	(409) 797-3920	Phone:	(409) 300-1385
Fax:		Fax:	(409) 895-3884
Email:	DSMITH@GALVESTONTX.GOV	Email:	RHYDER.COWBOYFLEET@GMAIL.COM

Product Code:	E26	Description:	2019 FORD F250
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A. Product Item Base Unit Price Per Contractor's H-GAC Contract:	\$ 23,251.00
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B. Published Options - Itemize below - Attach additional sheet(s) if necessary - Include Option Code in description if applicable.

(Note: Published Options are options which were submitted and priced in Contractor's bid.)

Description	Cost	Description	Cost
F2A F250 56CA	\$ -		
21 HEADACHE RACK	\$ 395.00		
Z1 EXTERIOR--WHITE	\$ -		
AS INTERIOR--VINYL 40/20/40 EARTH GRAY	\$ -		
6.2L V8 GAS	\$ -		
34 KNAPHEIDE SERVICE BODY	\$ 7,290.00		
52B TRAILER BRAKE CONTROLLER	\$ 259.00		
18B PLATFORM RUNNING BOARDS	\$ 301.00		
17 TOMMYGATE G2	\$ 3,550.00		
19 LADDER RACK	\$ 1,330.00		
18 SPRAY IN BEDLINER	\$ 495.00		
		Subtotal From Additional Sheet(s):	\$ 459.00
		Subtotal B:	\$ 14,079.00

C. Unpublished Options - Itemize below / attach additional sheet(s) if necessary.

(Note: Unpublished options are items which were not submitted and priced in Contractor's bid.)

Description	Cost	Description	Cost
5LB FIRE EXT	\$ 60.00	AMBER GRILL LEDS	\$ 220.00
REC W/ 2' BALL	\$ 35.00		
		Subtotal From Additional Sheet(s):	\$ 459.00
SURFACE MT LEDS REAR AMBER	\$ 170.00		
		Subtotal C:	\$ 944.00

Check: Total cost of Unpublished Options (C) cannot exceed 25% of the total of the Base Unit Price plus Published Options (A+B).	For this transaction the percentage is:	3%
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D. Total Cost Before Any Applicable Trade-In / Other Allowances / Discounts (A+B+C)

Quantity Ordered:	1	X Subtotal of A + B + C:	\$ 38,274.00	=	Subtotal D:	\$ 38,274.00
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E. H-GAC Order Processing Charge (Amount Per Current Policy)	Subtotal E:	\$ 600.00
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F. Trade-Ins / Special Discounts / Other Allowances / Freight / Installation / Miscellaneous Charges

Description		Cost	maria.		Cost
DELIVERY 100 MILES		\$	175.00		

Delivery Date:	~90-120 DAYS ARO	G. Total Purchase Price (D+E+F):	\$ 39,049.00
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H-GAC

Houston-Galveston Area Council
P.O. Box 22777 · 3555 Timmons · Houston, Texas 77227-2777

Cooperative Agreement - Silsbee Ford Inc - Public Services - 18-00652

18-00652

GENERAL PROVISIONS

This Agreement is made and entered into, by and between the Houston-Galveston Area Council hereinafter referred to as H-GAC having its principal place of business at 3555 Timmons Lane, Suite 120, Houston, Texas 77027 and Silsbee Ford Inc, hereinafter referred to as the Contractor, having its principal place of business at 1211 US Hwy 96 North, Silsbee, TX 77656.

WITNESSETH:

WHEREAS, H-GAC hereby engages the Contractor to perform certain services in accordance with the specifications of the Agreement; and

WHEREAS, the Contractor has agreed to perform such services in accordance with the specifications of the Agreement;

NOW, THEREFORE, H-GAC and the Contractor do hereby agree as follows:

ARTICLE 1: LEGAL AUTHORITY

The Contractor warrants and assures H-GAC that it possesses adequate legal authority to enter into this Agreement. The Contractor's governing body, where applicable, has authorized the signatory official(s) to enter into this Agreement and bind the Contractor to the terms of this Agreement and any subsequent amendments hereto.

ARTICLE 2: APPLICABLE LAWS

The Contractor agrees to conduct all activities under this Agreement in accordance with all applicable rules, regulations, directives, standards, ordinances, and laws, in effect or promulgated during the term of this Agreement, including without limitation, workers' compensation laws, minimum and maximum salary and wage statutes and regulations, and licensing laws and regulations. When required, the Contractor shall furnish H-GAC with satisfactory proof of its compliance therewith.

ARTICLE 3: INDEPENDENT CONTRACTOR

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

ARTICLE 4: WHOLE AGREEMENT

The General Provisions, Special Provisions, and Attachments, as provided herein, constitute the complete Agreement ("Agreement") between the parties hereto, and supersede any and all oral and written agreements between the parties relating to matters herein. Except as otherwise provided herein, this Agreement cannot be modified without written consent of the parties.

ARTICLE 5: SCOPE OF SERVICES

The services to be performed by the Contractor are outlined in an Attachment to this Agreement.

ARTICLE 6: PERFORMANCE PERIOD

This Agreement shall be performed during the period which begins Nov 01 2018 and ends Oct 31 2020. All services under this Agreement must be rendered within this performance period, unless directly specified under a written change or extension provisioned under Article 15, which shall be fully executed by both parties to this Agreement.

ARTICLE 7: PAYMENT OR FUNDING

Payment provisions under this Agreement are outlined in the Special Provisions.

ARTICLE 8: REPORTING REQUIREMENTS

If the Contractor fails to submit to H-GAC in a timely and satisfactory manner any report required by this Agreement, or otherwise fails to satisfactorily render performances hereunder, H-GAC may terminate this agreement with notice as identified in Article 16 of these General Provisions. H-GAC has final determination of the adequacy of performance and reporting by Contractor. Termination of this agreement for failure to perform may affect Contractor's ability to participate in future opportunities with H-GAC. The Contractor's failure to timely submit any report may also be considered cause for termination of this Agreement.

Any additional reporting requirements shall be set forth in the Special Provisions of this Agreement.

ARTICLE 9: INSURANCE

Contractor shall maintain insurance coverage for work performed or services rendered under this Agreement as outlined and defined in the attached Special Provisions.

ARTICLE 10: SUBCONTRACTS and ASSIGNMENTS

Except as may be set forth in the Special Provisions, the Contractor agrees not to subcontract, assign, transfer, convey, sublet or otherwise dispose of this Agreement or any right, title, obligation or interest it may have therein to any third party without prior written approval of H-GAC. The Contractor acknowledges that H-GAC is not liable to any subcontractor or assignee of the Contractor. The Contractor shall ensure that the performance rendered under all subcontracts shall result in compliance with all the terms and provisions of this Agreement as if the performance rendered was rendered by the Contractor. Contractor shall give all required notices, and comply with all laws and regulations applicable to furnishing and performance of the work. Except where otherwise expressly required by applicable law or regulation, H-GAC shall not be responsible for monitoring Contractor's compliance, or that of Contractor's subcontractors, with any laws or regulations.

ARTICLE 11: AUDIT

Notwithstanding any other audit requirement, H-GAC reserves the right to conduct or cause to be conducted an independent audit of any transaction under this Agreement, such audit may be performed by the H-GAC local government audit staff, a certified public accountant firm, or other auditors designated by H-GAC and will be conducted in accordance with applicable professional standards and practices. The Contractor understands and agrees that the Contractor shall be liable to the H-GAC for any findings that result in monetary obligations to H-GAC.

ARTICLE 12: EXAMINATION OF RECORDS

The Contractor shall maintain during the course of the work complete and accurate records of all of the Contractor's costs and documentation of items which are chargeable to H-GAC under this Agreement. H-GAC, through its staff or designated public accounting firm, the State of Texas, and United States Government, shall have the right at any reasonable time to inspect, copy and audit those records on or

off the premises by authorized representatives of its own or any public accounting firm selected by H-GAC. The right of access to records is not limited to the required retention period, but shall last as long as the records are retained. Failure to provide access to records may be cause for termination of the Agreement. The records to be thus maintained and retained by the Contractor shall include (without limitation): (1) personnel and payroll records, including social security numbers and labor classifications, accounting for total time distribution of the Contractor's employees working full or part time on the work, as well as cancelled payroll checks, signed receipts for payroll payments in cash, or other evidence of disbursement of payroll payments; (2) invoices for purchases, receiving and issuing documents, and all other unit inventory records for the Contractor's stocks or capital items; and (3) paid invoices and cancelled checks for materials purchased and for subcontractors' and any other third parties' charges.

The Contractor further agrees that the examination of records outlined in this article shall be included in all subcontractor or third-party agreements.

ARTICLE 13: RETENTION OF RECORDS

The Contractor and its subcontractors shall maintain all records pertinent to this Agreement, and all other financial, statistical, property, participant records, and supporting documentation for a period of no less than seven (7) years from the later of the date of acceptance of the final payment or until all audit findings have been resolved. If any litigation, claim, negotiation, audit or other action involving the records has been started before the expiration of the retention period, the records shall be retained until completion of the action and resolution of all issues which arise from it, or until the end of the seven (7) years, whichever is later, and until any outstanding litigation, audit, or claim has been fully resolved.

ARTICLE 14: CHANGES AND AMENDMENTS

- A. Any alterations, additions, or deletions to the terms of this Agreement, which are required by changes in federal or state law or by regulations, are automatically incorporated without written amendment hereto, and shall become effective on the date designated by such law or by regulation.
- B. To ensure the legal and effective performance of this Agreement, both parties agree that any amendment that affects the performance under this Agreement must be mutually agreed upon and that all such amendments must be in writing. After a period of no less than 30 days subsequent to written notice, unless sooner implementation is required by law, such amendments shall have the effect of qualifying the terms of this Agreement and shall be binding upon the parties as if written herein.

ARTICLE 15: TERMINATION PROCEDURES

The Contractor acknowledges that this Agreement may be terminated for Convenience or Default.

A. Convenience

H-GAC may terminate this Agreement at any time, in whole or in part, with or without cause, whenever H-GAC determines that for any reason such termination is in the best interest of H-GAC, by providing written notice by certified mail to the Contractor. Upon receipt of notice of termination, all services hereunder of the Contractor and its employees and subcontractors shall cease to the extent specified in the notice of termination.

The Contractor may cancel or terminate this Agreement upon submission of thirty (30) days written notice, presented to H-GAC via certified mail. The Contractor may not give notice of cancellation after it has received notice of default from H-GAC.

B. Default

H-GAC may, by written notice of default to the Contractor, terminate the whole or any part of the Agreement, in any one of the following circumstances:

- (1) If the Contractor fails to perform the services herein specified within the time specified herein or any extension thereof; or
- (2) If the Contractor fails to perform any of the other provisions of this Agreement for any reason whatsoever, or so fails to make progress or otherwise violates the Agreements that completion of services herein specified within the Agreement term is significantly endangered, and in either of these two instances does not cure such failure within a period often (10) days (or such longer period of time as may be authorized by H-GAC in writing) after receiving written notice by certified mail of default from H-GAC.

ARTICLE 16: SEVERABILITY

H-GAC and Contractor agree that should any provision of this Agreement be determined to be invalid or unenforceable, such determination shall not affect any other term of this Agreement, which shall continue in full force and effect.

ARTICLE 17: FORCE MAJEURE

To the extent that either party to this Agreement shall be wholly or partially prevented from the performance of any obligation or duty placed on such party by reason of or through strikes, stoppage of labor, riot, fire, flood, acts of war, insurrection, accident, order of any court, act of God, or specific cause reasonably beyond the party's control and not attributable to its neglect or nonfeasance, in such event, the time for the performance of such obligation or duty shall be suspended until such disability to perform is removed. Determination of force majeure shall rest solely with H-GAC.

ARTICLE 18: CONFLICT OF INTEREST

No officer, member or employee of the Contractor or subcontractor, no member of the governing body of the Contractor, and no other public officials of the Contractor who exercise any functions or responsibilities in the review or Contractor approval of this Agreement, shall participate in any decision relating to this Agreement which affects his or her personal interest, or shall have any personal or pecuniary interest, direct or indirect, in this Agreement.

ARTICLE 19: FEDERAL COMPLIANCE

Contractor agrees to comply with all federal statutes relating to nondiscrimination, labor standards, and environmental compliance. Additionally, for work to be performed under the Agreement or subcontract thereof, including procurement of materials or leases of equipment, Contractor shall notify each potential subcontractor or supplier of the Contractor's federal compliance obligations. These may include, but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§ 1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) the Fair Labor Standards Act of 1938 (29 USC 676 et. seq.), (d) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), which prohibits discrimination on the basis of handicaps and the Americans with Disabilities Act of 1990; (e) the Age Discrimination in Employment Act of 1967 (29 USC 621 et. seq.) and the Age Discrimination Act of 1974, as amended (42 U.S.C. §§ 6101-6107), which prohibits discrimination on the basis of age; (f) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (g) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to the nondiscrimination on the basis of alcohol abuse or alcoholism; (h) §§ 523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. 290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (i) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. § 3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (j) any other nondiscrimination provisions in any specific statute(s)

applicable to any Federal funding for this Agreement; (k) the requirements of any other nondiscrimination statute(s) which may apply to this Agreement; (l) applicable provisions of the Clean Air Act (42 U.S.C. §7401 et seq.), the Federal Water Pollution Control Act, as amended (33 U.S.C. §1251 et seq.), Section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and the Environmental Protection Agency regulations at 40 CFR Part 15; (m) applicable provisions of the Davis- Bacon Act (40 U.S.C. 276a - 276a-7), the Copeland Act (40 U.S.C. 276c), and the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-332), as set forth in Department of Labor Regulations at 20 CFR 5.5a; (n) the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (P.L. 94-163).

ARTICLE 20: CRIMINAL PROVISIONS AND SANCTIONS

The Contractor agrees to perform the Agreement in conformance with safeguards against fraud and abuse as set forth by the H-GAC, the State of Texas, and the acts and regulations of any related state or federal agency. The Contractor agrees to promptly notify H-GAC of any actual or suspected fraud, abuse, or other criminal activity through the filing of a written report within twenty-four (24) hours of knowledge thereof. Contractor shall notify H-GAC of any accident or incident requiring medical attention arising from its activities under this Agreement within twenty-four (24) hours of such occurrence. Theft or willful damage to property on loan to the Contractor from H-GAC, if any, shall be reported to local law enforcement agencies and H-GAC within two (2) hours of discovery of any such act.

The Contractor further agrees to cooperate fully with H-GAC, local law enforcement agencies, the State of Texas, the Federal Bureau of Investigation and any other duly authorized investigative unit, in carrying out a full investigation of all such incidents.

The Contractor shall notify H-GAC of the threat of lawsuit or of any actual suit filed against the Contractor pertaining to this Agreement or which would adversely affect the Contractor's ability to perform services under this Agreement.

ARTICLE 21: INDEMNIFICATION AND RECOVERY

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

ARTICLE 22: LIMITATION OF CONTRACTOR'S LIABILITY

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

END USER any amounts determined by H-GAC, its independent auditors, or any agency of State or Federal government to have been paid in violation of the terms of this Agreement.

ARTICLE 23: TITLES NOT RESTRICTIVE

The titles assigned to the various Articles of this Agreement are for convenience only. Titles shall not be considered restrictive of the subject matter of any Article, or part of this Agreement.

ARTICLE 24: JOINT WORK PRODUCT

This Agreement is the joint work product of H-GAC and the Contractor. This Agreement has been negotiated by H-GAC and the Contractor and their respective counsel and shall be fairly interpreted in accordance with its terms and, in the event of any ambiguities, no inferences shall be drawn against any party.

ARTICLE 25: DISPUTES

All disputes concerning questions of fact or of law arising under this Agreement, which are not addressed within the Whole Agreement as defined pursuant to Article 4 hereof, shall be decided by the Executive Director of H-GAC or his designee, who shall reduce his decision to writing and provide notice thereof to the Contractor. The decision of the Executive Director or his designee shall be final and conclusive unless, within thirty (30) days from the date of receipt of such notice, the Contractor requests a rehearing from the Executive Director of H-GAC. In connection with any rehearing under this Article, the Contractor shall be afforded an opportunity to be heard and offer evidence in support of its position. The decision of the Executive Director after any such rehearing shall be final and conclusive. The Contractor may, if it elects to do so, appeal the final and conclusive decision of the Executive Director to a court of competent jurisdiction. Pending final decision of a dispute hereunder, the Contractor shall proceed diligently with the performance of the Agreement and in accordance with H- GAC's final decision.

ARTICLE 26: CHOICE OF LAW: VENUE

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

ARTICLE 27: ORDER OF PRIORITY

In the case of any conflict between or within this Agreement, the following order of priority shall be utilized: 1) General Provisions, 2) Special Provisions, 3) Scope of Work, and, 4) Other Attachments.

SIGNATURES:

H-GAC and the Contractor have read, agreed, and executed the whole Agreement as of the date first written above, as accepted by:

Silsbee Ford Inc

DocuSigned by:
Signature *Robert C. Swan*
D79DD12649484D9...

Name Robert C. Swan

Title FLEET DIRECTOR

Date 10/29/2018

H-GAC

DocuSigned by:
Signature *Chuck Wemple*
82EC270D5D61423...

Name Chuck Wemple

Title Executive Director

Date 10/9/2018

H-GAC

Houston-Galveston Area Council
P.O. Box 22777 · 3555 Timmons · Houston, Texas 77227-2777

Cooperative Agreement - Silsbee Ford Inc - Public Services - 18-00652

18-00652

SPECIAL PROVISIONS

Incorporated by attachment, as part of the whole agreement, H-GAC and the Contractor do, hereby agree to the Special Provisions as follows:

ARTICLE 1: BIDS/PROPOSALS INCORPORATED

In addition to the whole Agreement, the following documents listed in order of priority are incorporated into the Agreement by reference: Bid/Proposal Specifications and Contractor's Response to the Bid/Proposal.

ARTICLE 2: END USER AGREEMENTS ("EUA")

H-GAC acknowledges that the **END USER** may choose to enter into an End User Agreement ("EUA") with the **Contractor** through this Agreement, and that the term of the EUA may exceed the term of the current **H-GAC** Agreement. **H-GAC's** acknowledgement is not an endorsement or approval of the End User Agreement's terms and conditions. **Contractor** agrees not to offer, agree to or accept from the **END USER**, any terms or conditions that conflict with those in **Contractor's** Agreement with **H-GAC**. Contractor affirms that termination of its Agreement with H-GAC for any reason shall not result in the termination of any underlying EUA, which shall in each instance, continue pursuant to the EUA's stated terms and duration. Pursuant to the terms of this Agreement, termination of this Agreement will disallow the **Contractor** from entering into any new EUA with **END USERS**. Applicable **H-GAC** order processing charges will be due and payable to **H-GAC** on any EUAs, surviving termination of this Agreement between **H-GAC** and **Contractor**.

ARTICLE 3: MOST FAVORED CUSTOMER CLAUSE

Contractor shall provide its most favorable pricing and terms to H-GAC. If at any time during this Agreement, Contractor develops a regularly followed standard procedure of entering into agreements with other governmental customers within the State of Texas, and offers the same or substantially the same products/services offered to **H-GAC** on a basis that provides prices, warranties, benefits, and or terms more favorable than those provided to **H-GAC**, **Contractor** shall notify **H-GAC** within ten (10) business days thereafter, and this Agreement shall be deemed to be automatically retroactively amended, to the effective date of Contractor's most favorable past agreement with another entity. **Contractor** shall provide the same prices, warranties, benefits, or terms to **H-GAC** and its **END USER** as provided in its most favorable past agreement. H-GAC shall have the right and option at any time to decline to accept any such change, in which case the amendment shall be deemed null and void. If **Contractor** claims that a more favorable price, warranty, benefit, or term that was charged or offered to another entity during the term of this Agreement, does not constitute more favorable treatment, than **Contractor** shall, within ten (10) business days, notify **H-GAC** in writing, setting forth the detailed reasons **Contractor** believes the aforesaid offer is not in fact most favored treatment. **H-GAC**, after due consideration of Contractor's written explanation, may decline to accept such explanation and thereupon this Agreement between **H-GAC** and **Contractor** shall be automatically amended, effective retroactively, to the effective date of the most favored agreement, to provide the same prices, warranties,

benefits, or terms to H-GAC and the END USER.

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

ARTICLE 4: PARTY LIABILITY

Contractor's total liability under this Agreement, whether for breach of contract, warranty, negligence, strict liability, in tort or otherwise, is limited to the price of the particular products/services sold hereunder. Contractor agrees either to refund the purchase price or to repair or replace product(s) that are not as warranted. Contractor accepts liability to repay, and shall repay upon demand to END USER, any amounts determined by H-GAC, its independent auditors, or any state or federal agency, to have been paid in violation of the terms of this Agreement.

ARTICLE 5: GOVERNING LAW & VENUE

Contractor and H-GAC agree that Contractor will make every reasonable effort to resolve disputes the **END USER** in accord with the law and venue rules of the state of purchase. **Contractor** shall immediately notify **H-GAC** of such disputes.

ARTICLE 6: SALES AND ORDER PROCESSING CHARGE

Contractor shall sell its products to **END USERS** based on the pricing and terms of this Agreement. **H-GAC** will invoice **Contractor** for the applicable order processing charge when H-GAC receives notification of an END USER order. **Contractor shall remit to H-GAC** the full amount of the applicable order processing charge, after delivery of any product or service and subsequent END USER acceptance. Payment of the Order Processing Charge shall be remitted from Contractor to H-GAC, within thirty (30) calendar days or ten (10) business days after receipt of an END USER's payment, whichever comes first, notwithstanding Contractor's receipt of invoice. For sales made by **Contractor** based on this Agreement, including sales to entities without Interlocal Agreements, **Contractor** shall pay the applicable order processing charges to **H-GAC**. Further, **Contractor** agrees to encourage entities who are not members of H-GAC's Cooperative Purchasing Program to execute an **H-GAC** Interlocal Agreement. **H-GAC** reserves the right to take appropriate actions including, but not limited to, Agreement termination if **Contractor** fails to promptly remit the appropriate order processing charge to H-GAC. In no event shall **H-GAC** have any liability to **Contractor** for any goods or services an **END USER** procures from **Contractor**. At all times, **Contractor** shall remain liable to pay to **H-GAC** any order processing charges on any portion of the Agreement actually performed, and for which compensation was received by **Contractor**.

ARTICLE 7: LIQUIDATED DAMAGES

Contractor and H-GAC agree that Contractor shall cooperate with the END USER at the time an END USER purchase order is placed, to determine terms for any liquidated damages.

ARTICLE 8: INSURANCE

Unless otherwise stipulated in Section B of the Bid/Proposal Specifications, **Contractor** must have the following insurance and coverage minimums:

- a. **General liability** insurance with a Single Occurrence limit of at least \$1,000,000.00, and a General

Aggregate limit of at least two times the Single Occurrence limit.

Product liability insurance with a Single Occurrence limit of at least \$1,000,000.00, and a General Aggregate limit of at least two times the Single Occurrence limit for all Products except Automotive Fire Apparatus. For Automotive Fire Apparatus, see Section B of the Bid/Proposal Specifications.

Property Damage or Destruction insurance is required for coverage of **End User** owned equipment while in **Contractor's** possession, custody or control. The minimum Single Occurrence limit is \$500,000.00 and the General Aggregate limit must be at least two times the Single Occurrence limit. This insurance may be carried in several ways, e.g. under an Inland Marine policy, as part of Automobile coverage, or under a Garage Keepers policy. In any event, this coverage must be specifically and clearly listed on insurance certificate(s) submitted to **H-GAC**.

- b. Insurance coverage shall be in effect for the length of any contract made pursuant to the Bid/Proposal, and for any extensions thereof, plus the number of days/months required to *deliver* any outstanding order after the close of the contract period.
- c. Original Insurance Certificates must be furnished to **H-GAC** on request, showing **Contractor** as the insured and showing coverage and limits for the insurances listed above.
- d. If any Product(s) or Service(s) will be provided by parties other than **Contractor**, all such parties are required to carry the minimum insurance coverages specified herein, and if requested by **H-GAC**, a separate insurance certificate must be submitted for each such party.
- e. **H-GAC** reserves the right to contact insurance underwriters to confirm policy and certificate issuance and document accuracy.

ARTICLE 9: PERFORMANCE AND PAYMENT BONDS FOR INDIVIDUAL ORDERS

H-GAC's contractual requirements DO NOT include a Performance & Payment Bond (PPB); therefore, Contractor shall offer pricing that reflects this cost savings. **Contractor** shall remain prepared to offer a PPB to cover any order if so requested by the **END USER**. **Contractor** shall quote a price to **END USER** for provision of any requested PPB, and agrees to furnish the PPB within ten business (10) days of receipt of **END USER's** purchase order.

ARTICLE 10: CHANGE OF STATUS

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

ARTICLE 11: TEXAS MOTOR VEHICLE BOARD LICENSING

All that deal in motor vehicles shall maintain current licenses that are required by the Texas Motor Vehicle Commission Code. If at any time during this Agreement term, any required **Contractor** license is denied, revoked, or not renewed, **Contractor** shall be in default of this Agreement, unless the Texas Motor Vehicle

Board issues a stay or waiver. Contractor shall promptly provide copies of all current applicable Texas Motor Vehicle Board documentation to **H-GAC** upon request.

Attachment A
Silsbee Ford Inc.
Current Model Cars & Light Trucks
Contract No. VE11-18

A	B	C	D	E	F
HGAC Prod. Code	MFG.	Vehicle Line or Category	Mfg. Body Code	Model / Description	Base Price
E01	Ford	Sub-compact Sedan	P4A	Ford Fiesta S 4-door sedan, FWD, 1.6L Ti-VCTI-4 Engine, 5-speed Manual Transmission, Complete with all manufacturer's standard equipment	\$12,521.00
E05	Ford	Coupe	P8A	Ford Mustang V6 2-door coupe, Independent Rear Suspension, 3.7L Ti-VCT V6, 6-speed Manual, Complete with all manufacturer's standard equipment	\$21,622.00
E06	Ford	Sedan	P0G	Ford Fusion S 4-door sedan, FWD, 2.5L I-4 Engine with 6-Speed Automatic Transmission with SelectShift, Complete with all manufacturer's standard equipment	\$15,654.00
E07	Ford	Sedan	P0P	Ford Fusion Energi Se 4-door, 2.0L I-4 Atkinson Engine, eCVT Transmission, Complete with all manufacturer's standard equipment	\$28,540.00
E14	Ford	Utility	K7B	Ford Explorer Base, FWD, 3.5L Ti-VCT V6, 6-Speed SelectShift Automatic Transmission, Complete with all manufacturer's standard equipment	\$22,722.00
E17	Ford	Sport Utility	U1F/100A	Ford Expedition XL, 4x2, 3.5L V6 EcoBoost L Engine, 6-speed Automatic Transmission, Complete with all manufacturer's standard equipment	\$32,832.00
E26	Ford	Pickup	W2A/600A	Ford F250 XL Crew Cab pickup, 4x2, 6.2L 2 Valve Gas SOHC EFI NA V8 (Flex-Fuel), Six-Speed Automatic Transmission w/SelectShift, 6.75' box, 10,000# GVWR, Complete with all manufacturer's standard equipment	\$23,251.00
E31	Ford	Pickup	X3C/620A	Ford F350 XL Supercab DRW, 4x2, 6.2L 2 Valve Gas SOHC EFI NA V8 (Flex-Fuel), Six-Speed Automatic Transmission w/SelectShift, 8' bed, 13,300# GVWR, Complete with all manufacturer's standard equipment	\$25,421.00

E40	Ford	Passenger Wagon	X2Z	Ford Transit 350 Wagon XL Low Roof, 3.7L Ti-VCT V6, E85 Flex-Fuel Capable, 6-Speed Automatic Overdrive with SelectShift, Long Wheelbase: 60/40 Passenger-Side Cargo-Doors, 9,000# GVWR, Complete with all manufacturer's standard equipment	\$25,988.00
E42	Ford	Passenger Wagon	K1C/301A	Ford Transit 150 Wagon XL Medium Roof, 3.7L Ti-VCT V6, E85 Flex-Fuel Capable, 6-Speed Automatic Overdrive with SelectShift, Regular Wheelbase: Sliding Passenger-Side Cargo-Door, 8,550# GVWR, Complete with all manufacturer's standard equipment	\$26,421.00
E43	Ford	Passenger Van	R1C/101A	Ford Transit 250 Van Medium Roof, 3.7L Ti-VCT V6, E85 Flex-Fuel Capable, 6-Speed Automatic Overdrive with SelectShift, Regular Wheelbase: Sliding Passenger-Side Cargo-Door, 9000# GVWR, Complete with all manufacturer's standard equipment	\$23,987.00
E44	Ford	Passenger Van	W2C/101A	Ford Transit 350 Van Medium Roof, 3.7L Ti-VCT V6, E85 Flex-Fuel Capable, 6-Speed Automatic Overdrive with SelectShift, Long Wheelbase: Sliding Passenger-Side Cargo-Door, 9,500# GVWR, Complete with all manufacturer's standard equipment	\$26,590.00
E46	Ford	Passenger Van	R2X	Ford Transit 250 Van High Roof, 3.7L Ti-VCT V6, E85 Flex-Fuel Capable, 6-Speed Automatic Overdrive with SelectShift, Long Wheelbase: Sliding Passenger-Side Cargo-Door, 9000# GVWR, Complete with all manufacturer's standard equipment	\$27,225.00
E48	Ford	Passenger Wagon	X2X	Ford Transit 350 Wagon XL High Roof, 3.7L Ti-VCT V6, E85 Flex-Fuel Capable, 6-Speed Automatic Overdrive with SelectShift, Long Wheelbase: Sliding Passenger-Side Cargo-Door, 9000# GVWR, Complete with all manufacturer's standard equipment	\$30,889.00
E50	Ford	Passenger Wagon	S4X	Ford Transit 350 HD DRW Wagon Medium Roof, 3.5L EcoBoost V6, 6-Speed Automatic Overdrive with SelectShift, Long Wheelbase Extended-Length: Sliding Pass-Side Cargo-Door, 10,360# GVWR, Complete with all manufacturer's standard equipment	\$29,897.00
E51	Ford	Passenger Wagon	U4X	Ford Transit 350 HD DRW Wagon Medium Roof, 3.5L EcoBoost V6, 6-Speed Automatic Overdrive with SelectShift, Long Wheelbase Extended-Length: Sliding Pass-Side Cargo-Door, 10,360# GVWR, Complete with all manufacturer's standard equipment	\$31,845.00

E60	Ford	Cargo Van	S6E/100A	Ford Transit Connect Van XL SWB, FWD, 2.5L Duratec I-4 Gas Engine, 6-Speed SelectShift Automatic Transmission, Complete with all manufacturer's standard equipment	\$19,496.00
E61	Ford	Cargo Van	S9E/200A	Ford Transit Connect Wagon XL LWB, FWD, 2.5L Duratec I-4 Gas Engine, 6-Speed SelectShift Automatic Transmission, Complete with all manufacturer's standard equipment	\$21,956.00



City of Galveston

FLEET FACILITIES STAFF REPORT

March 19, 2019

Brian Maxwell, City Manager
Honorable Mayor and City Council Members

Subject: Consider for the approval allowing the Fleet Facility to purchase the listed rolling stock (street milling & paving machines) and associated equipment from R.B. Everett & Co. through Buy Board for a total price of \$784,685.00 and authorize the City Manager to execute the contract upon final approval by the City Attorney.

I. Background

- A. Funding for new equipment has been earmarked for the listed department(s).
- B. Buy Board, HGAC Buy and TXMAS are cooperative purchasing organizations that the city is a member of that performs bidding packages for local governments. The Fleet Facility has performed competitive bidding packages on current equipment purchases to assure that these purchases are the better option a majority of the time.
- C. The requested vehicle descriptions and their assignments are listed below.
- D. The extended purchase price for this package is \$784,685.00.
- E. R.B. Everett & Co. is located in Houston Texas.
- F. Delivery should be within 60 days from date of the purchase order issue. These items have to be delivered during the current fiscal year, and the dealer can support this request.
- G. Additional equipment will be added by the dealer that was specified in the specification process as requested by the department.

II. Current Situation

The City Council will have to approve allowing the Fleet Facility to purchase the listed rolling stock (street milling & paving machines) and associated equipment from R.B. Everett & Co.





City of Galveston

FLEET FACILITIES STAFF REPORT

through Buy Board for a total price of \$784,685.00 and authorize the City Manager to execute the contract upon final approval by the City Attorney.

III. Alternatives in order of priority

A. City Council approves the purchase.

1. Cost - \$784,685.00
2. Timing - Delivery should be within 60 days.
3. Divisional Improvements - Will provide the city with needed equipment to perform duties. Newer equipment will reduce fleet operational costs and will improve operations.

B. City Council does not approve the purchase.

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

IV. Recommendation

Concur in Alternative A and approve allowing the Fleet Facility to purchase the listed rolling stock (street milling & paving machines) and associated equipment from R.B. Everett & Co. through Buy Board for a total price of \$784,685.00 and authorize the City Manager to execute the contract upon final approval by the City Attorney.

V. Fiscal Impact Report

Requested by David Smith
Executive Director

Cost \$784,685.00





City of Galveston

FLEET FACILITIES STAFF REPORT

Funding Source

Infrastructure and Debit Service Fund
Vehicle Capital Outlay

Savings Estimation

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

VI. Environmental Impact

All listed vehicles are produced under current EPA standards.

Respectfully Submitted

David Smith
Executive Director



City of Galveston
Fleet Facility

COST BREAKDOWN

Requested Purchase						
Item	Division	Count	Make	Model	Cost	Funding
A	Street	1	Bomag	BM 1300/30 Mill	\$ 408,927.00	In & Debit Service
B	Street	1	Bomag	CR352 T4F Pav	\$ 375,758.00	In & Debit Service
					\$ 784,685.00	

CUSTOMIZED PRODUCT PRICING SUMMARY BASED ON CONTRACT

B1

BUYBOARD 515-16

End User: City of GalvestonR.B. Everett & Co. Rep: Rick Vincent
281-991-8161 713-805-7970Contact: David SmithDate: 09/11/18Product Description: Bomag BM1300/30 Milling MachineA. Base Price: \$ **\$ 381,070.00****B. Published Options [Itemize Each Below]**

Options	Bid Price	Options	Bid Price
Folding Canopy	\$7,233.00		
High Pressure Cleaner	\$4,142.00		
Milling Drum	\$107,516.00		
Operators Manual	\$22.00		
Parts Manual	\$22.00		
Pneumatic System (Air Compressor)	\$12,402.00		

Total of B. Published Options: **\$ 131,337.00****C. Unpublished Options [Itemize each below, not to exceed 25%]**

Options	Bid Price	Options	Bid Price

Total of C. Unpublished Options: **\$ -**D. Contract Price Adjustment Discount: 15% **(\$76,861.00)**E. Freight Charges: **\$7,500.00**F. Total of A + B + C + D + E = F **\$ 443,046.00**G. Quantity Ordered 1 x F = **\$ 443,046.00**H. Non-Equipment Charges & Credits Mfg. Discount **(\$34,119.00)**I. TOTAL PURCHASE PRICE **\$ 408,927.00**

CUSTOMIZED PRODUCT PRICING SUMMARY BASED ON CONTRACT

C1

BUYBOARD 515-16

End User: City of Galveston

R.B. Everett & Co. Rep: Rick Vincent
 281-991-8161 713-805-7970

Contact: _____

Date: 03/01/19

Product Description: Bomag CR352 T4F Asphalt Paver

A. Base Price: \$ \$ 327,335.00

B. Published Options [Itemize Each Below]

Options	Bid Price	Options	Bid Price
Front Drive Assist	\$19,742.00		
Truck Hitch with Pintle Hook Guard	\$20,331.00		
Stretch 16 Screed (Electric Heat)	\$86,154.00		
Moba Matic (Non-Contact Sonic)	\$23,457.00		
Digital Leveling and Slope Control System			
Proportional Steer Assist for CR352	\$1,907.00		
Generator with Screed	\$12,710.00		
Citrus Spraydown System	\$1,107.00		
MOBA Sonic Feed Control	\$3,910.00		
Umbrella	\$215.00		

Total of B. Published Options: \$ 169,533.00

C. Unpublished Options [Itemize each below, not to exceed 25%]

Options	Bid Price	Options	Bid Price
1 Year Standard Warranty	\$ -		

Total of C. Unpublished Options: \$ -

D. Contract Price Adjustment Discount: 15% (\$74,531.00)

E. Freight Charges: \$4,950.00

F. Total of A + B + C + D + E = F \$ 427,287.00

G. Quantity Ordered _____ 1 x F = \$ 427,287.00

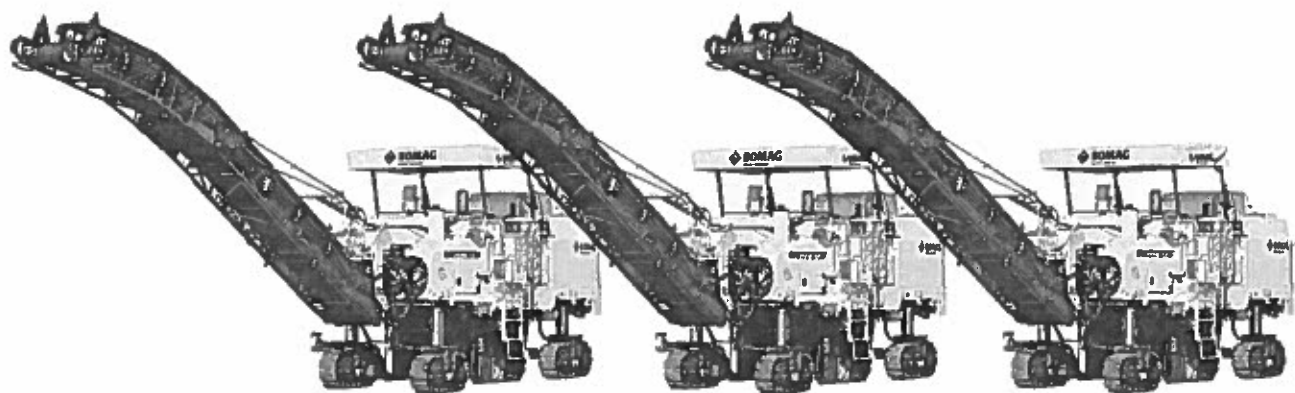
H. Non-Equipment Charges & Credits Special Mfg. Discount (\$51,529.00)

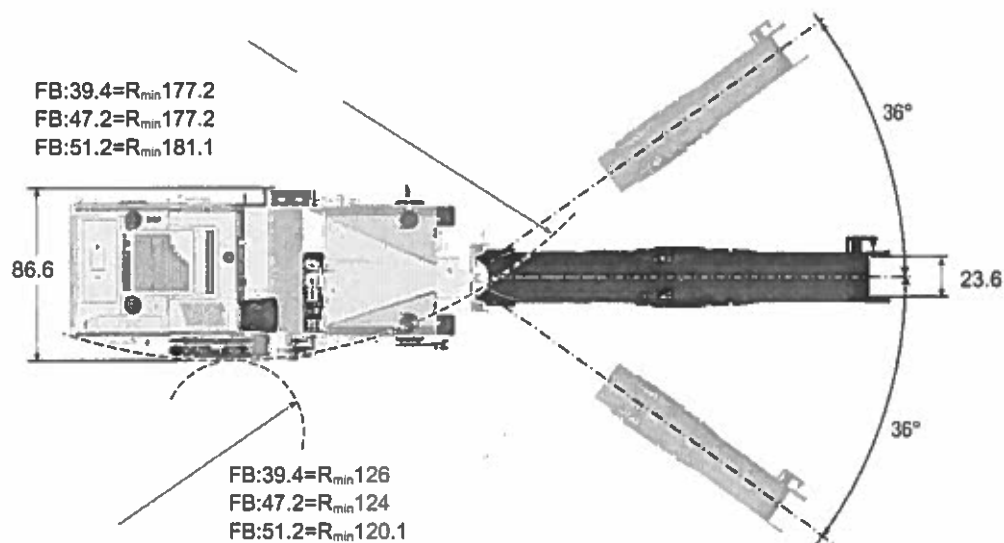
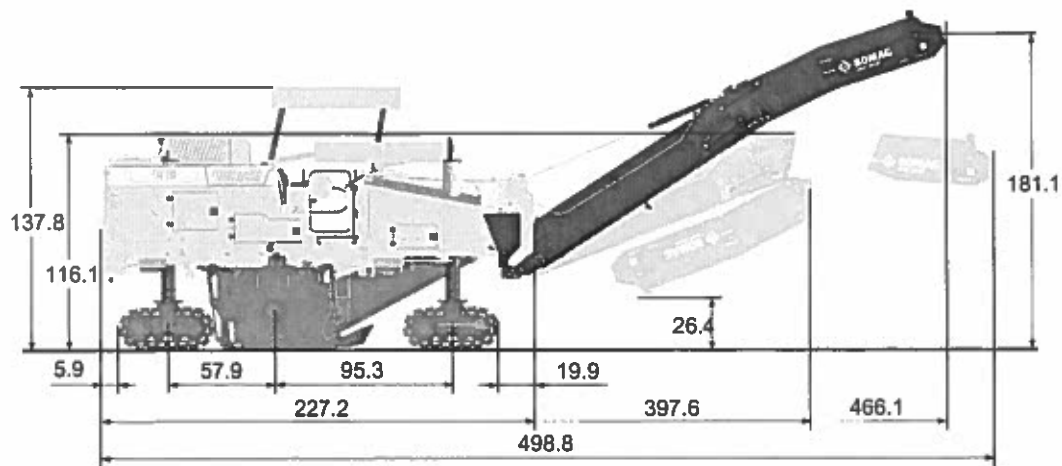
I. TOTAL PURCHASE PRICE \$ 375,758.00

TECHNICAL DATA

COLD PLANER

BM 1000/30, BM 1200/30, BM 1300/30





BM 1000/30

Milling depth (in) calculated for asphalt of average hardness	1.6	3.1	4.7	6.3	9.4	12.6
Rate of advance V (ft/min)	59.1 - 78.7	39.4 - 52.5	29.5 - 39.4	6.5 - 29.5	11.5 - 16.4	6.6 - 9.8
Area output Ft (m ² /h) (Theoretical)	1315.6 - 1734.2	837.2 - 1196	598 - 837.2	478.4 - 657.8	239.2 - 358.8	143.5 - 239.2
Milling volume Qt (m ³ /h) (Theoretical)	57.5 - 75.9	73.2 - 104.6	86.3 - 109.9	83.7 - 115.1	62.8 - 94.2	51 - 83.7

BM 1200/30

calculated for asphalt of average hardness	1.6	3.1	4.7	6.3	9.4	12.6
Rate of advance V (ft/min)	49.2 - 65.6	32.8 - 42.7	23 - 32.8	18 - 24.6	8.2 - 14.8	4.9 - 9.8
Area output Ft (m ² /h) (Theoretical)	1291.7 - 1722.2	861.1 - 1119.5	602.8 - 861.1	473.6 - 645.8	215.3 - 387.5	129.2 - 258.3
Milling volume Qt (m ³ /h) (Theoretical)	56.2 - 74.6	74.6 - 98.1	78.5 - 112.5	82.4 - 112.5	58.2 - 100.7	44.5 - 90.2

BM 1300/30

calculated for asphalt of average hardness	1.6	3.1	4.7	6.3	9.4	12.6
Rate of advance V (ft/min)	42.7 - 62.3	29.5 - 39.4	23 - 29.5	16.4 - 23	8.2 - 13.1	3.3 - 8.2
Area output Ft (m ² /h) (Theoretical)	1196 - 1734.2	837.2 - 1136.2	657.8 - 837.2	478.4 - 657.8	239.2 - 358.8	95.7 - 239.2
Milling volume Qt (m ³ /h) (Theoretical)	54.9 - 75.9	73.2 - 99.4	86.3 - 109.9	83.7 - 115.1	62.8 - 94.2	34 - 83.7

The following factors greatly influence performance when the equipment is employed practically: Different milling material, waiting for lorries, traffic hold-ups, road installations such as manhole covers, hydrants, etc.

Technical Data	BOMAG BM 1000/30	BOMAG BM 1200/30	BOMAG BM 1300/30
Milling Drum			
Milling width max	in 39.4	47.2	51.2
Milling depth	in 0 – 12.6	0 – 12.6	0 – 12.6
Milling line space	in 0.6	0.6	0.6
Cutting diameter	in 38.6	38.6	38.6
No. of Tools	99	115	121
Milling Drum Speed	min ⁻¹ 111	111	111
Drive			
Engine Manufacturer	CAT	CAT	CAT
Type	C7.1 ACERT	C7.1 ACERT	C7.1 ACERT
Emission standards	4/4 final	4/4 final	4/4 final
Cooling	Liquid cooled	Liquid cooled	Liquid cooled
No. of cylinders / Displacement	cm ³ 6 / 7.000	6 / 7.000	6 / 7.000
Power	kW / hp 205 / 280	205 / 280	205 / 280
Engine Speed	min ⁻¹ 2.200	2.200	2.200
Peak Torque	Nm 1.257	1.257	1.257
Consumption at rated Power	g/kWh 212 / 231	212 / 231	212 / 231
Consumption at Job-mix	gal/h 6.9	6.9	6.9
Generator	V 24	24	24
Battery	V / Ah 2 x 12 / 132	2 x 12 / 132	2 x 12 / 132
Driving Characteristics			
Transport-speed	mph 0 – 3.7	0 – 3.7	0 – 3.7
Operating-speed	m/min 0 – 28	0 – 28	0 – 28
Crawler size L x W x H	in 50.2 x 10.6 x 22.4	50.2 x 10.6 x 22.4	50.2 x 10.6 x 22.4
Capacities			
Fuel	gal 118.9	118.9	118.9
AdBlue	gal 10.6	10.6	10.6
Water	gal 330.2	330.2	330.2
Hydraulic	gal 34.3	34.3	34.3
Loading-system			
Conveyor width, inside / outside	in 23.6 / 23.6	23.6 / 23.6	23.6 / 23.6
Theoretical capacity	yd ³ /h 222	222	222
Discharge height	in 181.1	181.1	181.1
Weights			
Max. Operating weight (incl. Options)	lb 46,407	47,069	47,399
Operating weight CE	lb 43,431	44,092	44,423
Basic weight	lb 41,601	42,263	42,593
Additional weights for Options			
Weather protection roof	lb 331	331	331
Fine-milling-drum LA8	lb 661	661	661

Technical modifications reserved. Machines may be shown with options.

Standard

Milling technology

- ☒ Milling Drum LA15
- ☒ BOMAG BMS 15 exchangeable toolholder
- ☒ Proportional adjustable water injection
- ☒ Levelling, 2 sides + slope
- ☒ Hydraulically operated side-plates
- ☒ Hydraulically operated front mouldboard
- ☒ Rear mouldboard with adjustable pre-load-pressure
- ☒ Automatic load-control
- ☒ Automatic distribution of traction
- ☒ Hydraulically foldable Conveyor

Drive Systems

- ☒ 4-Crawlers
- ☒ 4 crawler steerable, front or/and rear
- ☒ Crabwalk
- ☒ Automatic distribution of traction
- ☒ Variable transport speed
- ☒ Variable operating speed
- ☒ Mechanical Drum-drive

Operation comfort

- ☒ Comfort-workstation for sitting operation
- ☒ Ergonomic side-shifting of operator seat
- ☒ Self-explanatory, well-arranged dashboards
- ☒ Ground control panels
- ☒ Service- and maintenance-points ergonomic concentrated

Safety & environmental protection

- ☒ Liquid cooled engine following latest emission rules
- ☒ SCR-Cat with Add-blue
- ☒ Whisper-package for noise elimination
- ☒ Variable placeable working-lights
- ☒ Rotary-beacon
- ☒ Mirrors

- ☒ CE-conform safety-package with emergency-stop-switches
- ☒ Back-up-alarm
- ☒ Vandalism protection

Optional

Basic machine

- ☐ Weather protection roof
- ☐ Water filling pump
- ☐ High pressure cleaner
- ☐ compressed air system
- ☐ Road lights
- ☐ Special colour
- ☐ Biodegradable hydraulic oil

Milling technology

- ☐ Milling-Drum 1000, BMS15, LA15
- ☐ Milling-Drum 1200, BMS15, LA15
- ☐ Milling-Drum 1300, BMS15, LA15
- ☐ Fine-Milling-Drum 1000, BMS15, LA8
- ☐ Fine-Milling-Drum 1200, BMS15, LA8
- ☐ Fine-Milling-Drum 1300, BMS15, LA8
- ☐ POWER DRUM 1000, BMS15, LA22
- ☐ POWER DRUM 1200, BMS15, LA22
- ☐ POWER DRUM 1300, BMS15, LA22

Levelling Systems and electronic support

- ☐ BOMAG TELEMATIC



PRUS 836 52 010

110316 Sa

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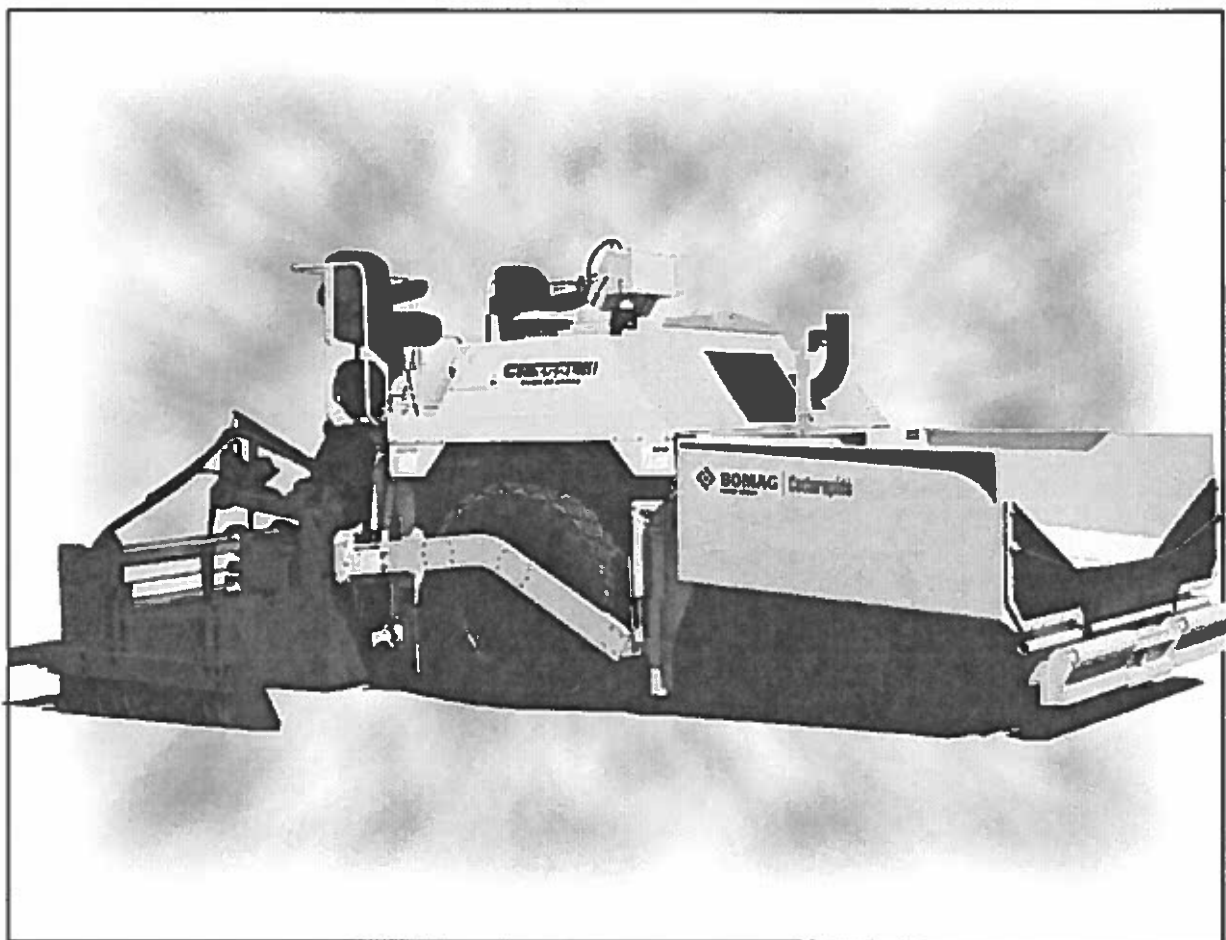




BOMAG

FAYAT GROUP

Rubber Tire Asphalt Paver **Cedarapids** CR352L



KEY FEATURES

- 10 ton hopper capacity
- Cedarapids frame-raise system
- Three-point suspension system
- Direct hydrostatic drive
- Unique swinging control console
- Maximum paving width of 20 ft (6.1 m)
- Maximum paving depth of 12 in (305 mm)
- Large tire footprint
- Heavy-duty slat / auger conveyor system
- High alloy cast slat conveyor liners



Technical Specifications

Cedarapids CR352L

Dimensions in inches (mm)

Clearance	B			C
	A	Auger Screed Up	Auger Screed Down	
Frame Raised	14 (356)	7.5 (191)	11 (279)	5.5 (139)
Frame Lowered	8 (203)	2.5 (64)	5 (127)	6.5 (165)

Standard Equipment

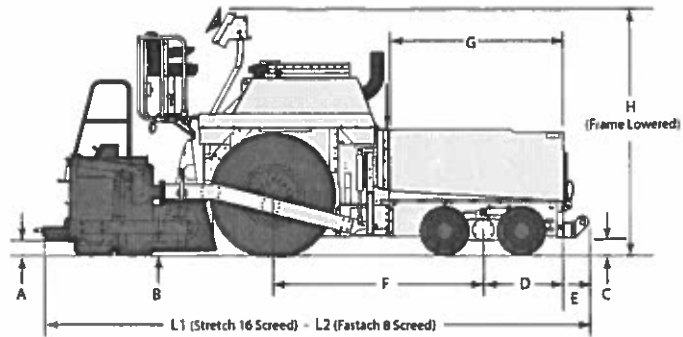
- ☒ Turbocharged 160 hp Tier 3 engine
- ☒ Power-tilt hood with radiator
- ☒ Lockout/tagout capable E-stop and master electrical switch
- ☒ Fume-recovery system
- ☒ Accessible filter locations
- ☒ All-welded mainframe construction
- ☒ Frame Raise and Three-Point Suspension system
- ☒ Adjustable spreading auger height
- ☒ Reinforced, sealed, tilting hopper wings with beveled corners
- ☒ Hydraulically adjustable screed vibrators
- ☒ Hydraulic power crown control
- ☒ Adjustable material retaining plates
- ☒ Dual power-adjustable feed gates
- ☒ Oscillating front wheel bogie assemblies
- ☒ Hydraulic front wheel alignment
- ☒ Hydrostatic steering
- ☒ Operator's umbrella
- ☒ 30 ft hose reel for spray-down
- ☒ Back-up alarm

Mandatory Options (Select only one)

- ☒ Two-wheel drive or Front wheel assist
- ☒ Oscillating push rollers or Truck hitch

Optional Equipment

- ☐ Stretch® 16 screed with electric or oil heat
- ☐ Fastach® 8 screed with electric or oil heat
- ☐ Proportional steer assist
- ☐ Grade and slope control
- ☐ Multi-foot grade reference system
- ☐ Sonic averaging systems
- ☐ Bevel guide plates
- ☐ Cutoff shoes, 12" and 24" sections
- ☐ 500-hour filter kit
- ☐ Screed extensions
- ☐ Up time kit



Dimensions in inches (mm)

D	E	F	G	H	L1	L2
34 (864)	10 (254)	83 (2108)	70 (1778)	104 (2642)	231 (5867)	214 (5436)

Technical Data

Paver

Paver width (hopper wings up).....	in (mm)	102 (2590)
Paver width (hopper wings down).....	in (mm)	120.1 (3050)
Paving width (max).....	ft (m)	20 (6.1)
Paving depth (max).....	in (mm)	12 (305)
Paving speed (max).....	ft/min (m/min)	458 (139)
Travel speed (max).....	mph (kmph)	13 (20.9)
Drive tires.....		10-ply 18.4 x 26 in (467 x 660 mm)
Front wheels.....		12 in wide x 22 in dia (305 x 559 mm)
Brakes.....		multiple disc parking

Weights*

Tractor.....	lbs (kg)	25260 (11458)
with Stretch 16 and hydroflated tires.....	lbs (kg)	31870 (14456)
with Fastach® 8 and hydroflated tires.....	lbs (kg)	28760 (13046)

Engine

Make/Model.....	Cummins
Type.....	QSB4.5
Tier compliance.....	Tier 3
Performance.....	160 (119) hp (kW)
Speed.....	2200 rpm
Electrical.....	12 V

Capacities

Diesel fuel.....	gal (l)	62 (234)
Hydraulic oil.....	gal (l)	50 (189)
Cooling system.....	gal (l)	6 (23)

Spreading Auger Sections

Construction	Cast, high alloy	
Diameter.....	in (mm)	14 (355)
Thickness	in (mm)	0.625 (16)

Hopper

Length and width.....	in (mm)	70 (1778) x 118 (2997)
Volume.....	ft ³ (m ³)	165 (4.67)
Capacity.....	tons (tonnes)	10 (9.07)
Feed tunnel width (each).....	in (mm)	25 (635)
Slat conveyor liner (thickness).....	in (mm)	0.375 (9.5)

Screed

Screed plate thickness.....	in (mm)	0.5 (12.7)
Positive crown (hydraulically powered).....	in (mm)	3 (76)
Negative crown (hydraulically powered).....	in (mm)	1 (25)
Vibrations per minute (max).....		3000

Screed Heaters

Stretch® 16 (electric heat) generator.....	kW	20
Stretch® 16 (four oil heaters) 274,000 BTU (total).....	gph (lph)	2.0 (7.6)
Fastach® 8 (electric heat) generator.....	kW	20
Fastach® 8 (two oil heaters) 178,000 BTU (total).....	gph (lph)	1.3 (4.9)

Technical modifications reserved.
Machines may be shown with options.
*Weights are based on average shipping weights.



BOMAG
FAYAT GROUP

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Ridgeway, SC 29130 • Tel: 803 337-0700

www.bomag.com/us



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800.695.2919 | 512.467.0222 | Fax: 800.211.5454
buyboard.com

October 19, 2016

Sent Via E-mail: dhenderson@rbeverett.com

Dean Henderson
R.B. Everett and Company
8211 Red Bluff Road
Pasadena, TX 77507

Re: Notice of The Local Government Purchasing Cooperative Award

Proposal Name and Number: Construction Equipment, Road and Bridge Equipment, Ditching, Trenching, Utility and Other Equipment No. 515-16

Congratulations, The Local Government Purchasing Cooperative (Cooperative) has awarded your company a BuyBoard® contract based on the above-referenced Proposal. The contract is effective 12/1/2016 through 11/30/2017, with two possible one-year renewals. The contract documents are those identified in Section 3 of the General Terms and Conditions of the specifications.

To view the items your company has been awarded, please review the proposal tabulation No. 515-16 on the following web-site: www.buyboard.com/vendor. Only items marked as awarded to your company can be sold through the BuyBoard contract. In addition, on this website you will find the membership list which will provide you with the names of all entities with membership in our purchasing cooperative.

Enclosed with this letter you will find the following documents:

- Vendor Quick Reference Sheet
- Electronic Catalog Format Instructions
- Vendor Billing Procedures

You are advised that receipt of a purchase order directly from a Cooperative member is not within the guidelines of the Cooperative. Accepting purchase orders directly from Cooperative members may result in a violation of the State of Texas competitive bid statute and termination of this Cooperative BuyBoard contract. **Therefore, all purchase orders must be processed through the BuyBoard in order to comply.** Please forward by fax (1-800-211-5454) any order received directly from a Cooperative member. If you inadvertently process a purchase order sent directly to you by a Cooperative member, please fax the order to the above number and note it as **RECORD ONLY** to prevent duplication.

Per proposal specifications, awarded vendors will have 30 days or sooner to submit their electronic catalog including pricing. If the electronic data is not provided within 30 days or sooner of notice of award, we reserve the right to inactivate any company's award information from the BuyBoard until such time the electronic data is received.

On behalf of the Texas Association of School Boards, we appreciate your interest in the Cooperative and we are looking forward to your participation in the program. If you have any questions, please contact **BuyBoard Procurement Staff** at 800-695-2919.

Sincerely,

Arturo Salinas
BuyBoard Procurement Director
v.12.15



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PROPOSER'S AGREEMENT AND SIGNATURE

Proposal Name: Construction Equipment, Road and Bridge Equipment, Ditching, Trenching, Utility and Other Equipment

Proposal Opening Date and Time:
April 19, 2016 at 2:00 PM

Proposal Number: 515-16

Location of Proposal Opening:
Texas Association of School Boards, Inc.
BuyBoard Department
12007 Research Blvd.
Austin, TX 78759

Contract Time Period: November 1, 2016 through October 31, 2017 with two (2) possible one-year renewals.

Anticipated Cooperative Board Meeting Date:
September 2016

R. B. EVERETT & COMPANY

Name of Proposing Company

4/1/16

Date

8211 RED BLUFF RD.

Street Address



Signature of Authorized Company Official

PASADENA, TEXAS 77507

City, State, Zip

DEAN HENDERSON

Printed Name of Authorized Company Official

281-991-8161

Telephone Number of Authorized Company Official

VICE PRESIDENT

Position or Title of Authorized Company Official

281-991-5967

Fax Number of Authorized Company Official

74-0615140

Federal ID Number

The proposing company ("you" or "your") hereby acknowledges and agrees as follows:

1. You have carefully examined and understand all Cooperative information and documentation associated with this Proposal Invitation, including the Instructions, General Terms and Conditions, Attachments/Forms, Item Specifications, and Line Items (collectively "Requirements");
2. By your response ("Proposal") to this Proposal Invitation, you propose to supply the products or services submitted at the prices quoted in your Proposal and in strict compliance with the Requirements, unless specific deviations or exceptions are noted in the Proposal;
3. Any and all deviations and exceptions to the Requirements have been noted in your Proposal and no others will be claimed;

H-N
N-N

CP



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4. If the Cooperative accepts any part of your Proposal and awards you a contract, you will furnish all awarded products or services at the prices quoted and in strict compliance with the Requirements (unless specific exceptions are noted in the Proposal), including without limitation the Requirements related to:
 - a. conducting business with Cooperative members, including offering pricing to members that is the best you offer compared to similar customers;
 - b. payment of a service fee in the amount specified and as provided for in this Proposal Invitation;
 - c. the **possible** award of a piggy-back contract by another governmental entity, in which event you will offer the awarded goods and services in accordance with the Requirements; and
 - d. submitting price sheets or catalogs in the proper format for posting on the BuyBoard as a prerequisite to activation of your contract;
5. You have clearly identified any information in your Proposal that you believe to be confidential or proprietary or that you do not consider to be public information subject to public disclosure under a Texas Public Information Act request or similar public information law;
6. The individual signing this Agreement is duly authorized to enter into the contractual relationship represented by this Proposal Invitation on your behalf and bind you to the Requirements, and such individual (and any individual signing a Form) is authorized and has the requisite knowledge to provide the information and make the representations and certifications required in the Requirements;
7. You have carefully reviewed your Proposal, and certify that all information provided is true, complete and accurate, and you authorize the Cooperative to take such action as it deems appropriate to verify such information; and
8. Any misstatement, falsification, or omission in your Proposal, whenever or however discovered, may disqualify you from consideration for a contract award under this Proposal Invitation or result in termination of an award or any other remedy or action provided for in the General Terms and Conditions or by law.



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VENDOR PURCHASE ORDER, REQUEST FOR QUOTES, AND INVOICE RECEIPT OPTIONS

Company: R. B. EVERETT & COMPANY General Contact Name: DEAN HENDERSON

Purchase Orders: Purchase orders from Cooperative members will be available through the Internet or by facsimile.

Option 1: Internet. Vendors need Internet access and at least one e-mail address so that notification of new orders can be sent to the Internet contact when a new purchase order arrives. An information guide will be provided to vendors that choose this option to assist them with retrieving their orders.

Option 2: Fax. Vendors need a designated fax line available at all times to receive purchase orders.

Please choose only one (1) of the following options for receipt of purchase orders and provide the requested information:

☒ I will use the **INTERNET** to receive purchase orders.

E-mail Address: dhenderson@rbeverett.com

Internet Contact: Dean Henderson Phone: 281-991-8161

Alternate E-mail Address: rvia@rbeverett.com

Alternate Internet Contact: Rob Via Phone: 281-991-8161

☐ I will receive purchase orders via **FAX**.

Fax Number: _____

Fax Contact: _____ Phone: _____

Request for Quotes ("RFQ"): Cooperative members will send RFQs to you by e-mail. Please provide e-mail addresses for the receipt of RFQs:

E-mail Address: dhenderson@rbeverett.com

Alternate E-mail Address: rvia@rbeverett.com

Invoices: Your company will be billed monthly for the service fee due under a contract awarded under this Proposal Invitation. **All invoices are available on the BuyBoard website and e-mail notifications will be sent when they are ready to be retrieved.** Please provide the following address, contact and e-mail information for receipt of service fee invoices and related communications:

Mailing address: P. O. Box 7300 **Department:** _____

City: Pasadena **State:** Texas **Zip Code:** 77508

Contact Name: Dean Henderson **Phone:** 281-991-8161

Fax: 281-991-5967 **E-mail Address:** dhenderson@rbeverett.com

Alternative E-mail Address: rvia@rbeverett.com



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FELONY CONVICTION DISCLOSURE AND DEBARMENT CERTIFICATION

FELONY CONVICTION DISCLOSURE

Subsection (a) of Section 44.034 of the Texas Education Code (Notification of Criminal History of Contractor) states: "A person or business entity that enters into a contract with a school district must give advance notice to the district if the person or an owner or operator has been convicted of a felony. The notice must include a general description of the conduct resulting in the conviction of a felony."

Section 44.034 further states in Subsection (b): "A school district may terminate a contract with a person or business entity if the district determines that the person or business entity failed to give notice as required by Subsection (a) or misrepresented the conduct resulting in the conviction. The district must compensate the person or business entity for services performed before the termination of the contract."

Please check (✓) one of the following:

- ☐ My company is a publicly-held corporation. (Advance notice requirement does not apply to publicly-held corporation.)
☒ My company is not owned or operated by anyone who has been convicted of a felony.
☐ My company is owned/operated by the following individual(s) who has/have been convicted of a felony:

Name of Felon(s): _____

Details of Conviction(s): _____

By signature below, I certify that the above information is true, complete and accurate and that I am authorized by my company to make this certification.

<u>R. B. EVERETT & COMPANY</u>	
Company Name	
	<u>DEAN HENDERSON, V.P.</u>
Signature of Authorized Company Official	Printed Name

DEBARMENT CERTIFICATION

Neither my company nor an owner or principal of my company has been debarred, suspended or otherwise made ineligible for participation in Federal Assistance programs under Executive Order 12549, "Debarment and Suspension," as described in the Federal Register and Rules and Regulations.

By signature below, I certify that the above is true, complete and accurate and that I am authorized by my company to make this certification.

<u>R. B. EVERETT & COMPANY</u>	
Company Name	
	<u>DEAN HENDERSON, V.P.</u>
Signature of Authorized Company Official	Printed Name



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RESIDENT/NONRESIDENT CERTIFICATION

Chapter 2252, Subchapter A, of the Texas Government Code establishes certain requirements applicable to proposers who are not Texas residents. Under the statute, a "resident" proposer is a person whose principal place of business is in Texas, including a person whose ultimate parent company or majority owner has its principal place of business in Texas. A "nonresident" proposer is a person who is not a Texas resident. Please indicate the status of your company as a "resident" proposer or a "nonresident" proposer under these definitions. Please check (✓) one of the following.

☒ I certify that my company is a **Resident Proposer.**

☐ I certify that my company is a **Nonresident Proposer.**

If your company is a Nonresident Proposer, you must provide the following information for your resident state (the state in which your company's principal place of business is located):

Company Name Address

City State Zip Code

A. Does your resident state require a proposer whose principal place of business is in Texas to under-price proposers whose resident state is the same as yours by a prescribed amount or percentage to receive a comparable contract?

☐ Yes ☐ No

B. What is the prescribed amount or percentage? \$ _____ or _____ %

VENDOR EMPLOYMENT CERTIFICATION

Section 44.031(b) of the Texas Education Code establishes certain criteria that a school district must consider when determining to whom to award a contract. Among the criteria for certain contracts is whether the vendor or the vendor's ultimate parent or majority owner (i) has its principal place of business in Texas; or (ii) employs at least 500 people in Texas.

If neither your company nor the ultimate parent company or majority owner has its principal place of business in Texas, does your company, ultimate parent company, or majority owner employ at least 500 people in Texas? Please check (✓) one of the following.

☐ Yes ☐ No

By signature below, I certify that the information in Sections 1 (*Resident/Nonresident Certification*) and 2 (*Vendor Employment Certification*) above is true, complete and accurate and that I am authorized by my company to make this certification.

R. B. EVERETT & COMPANY

Company Name



Signature of Authorized Company Official

DEAN HENDERSON, V.P.

Printed Name



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HISTORICALLY UNDERUTILIZED BUSINESS CERTIFICATION

A proposer that has been certified as a Historically Underutilized Business (also known as a Minority/Women Business Enterprise or "MWBE" and all referred to in this form as a "HUB") is encouraged to indicate its HUB certification status when responding to this Proposal Invitation. The electronic catalogs will indicate HUB certifications for vendors that properly indicate and document their HUB certification on this form.

Please check (✓) all that apply

- ☐ I certify that my company has been certified as a HUB in the following categories:
- ☐ **Minority Owned Business**
 - ☐ **Women Owned Business**
 - ☐ **Service-Disabled Veteran Owned Business (veteran defined by 38 U.S.C. §101(2), who has a service-connected disability as defined by U.S.C. § 101(16), and who has a disability rating of 20% or more as determined by the U. S. Department of Veterans Affairs or Department of Defense)**

Certification Number:

Name of Certifying Agency:

- ☒ My company has **NOT** been certified as a HUB.

By signature below, I certify that the above is true, complete and accurate and that I am authorized by my company to make this certification.

R. B. EVERETT & COMPANY

Company Name

Signature of Authorized Company Official

DEAN HENDERSON, VICE PRESIDENT

Printed Name



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AFFIRMATION REGARDING CONSTRUCTION-RELATED GOODS AND SERVICES

A contract awarded under this Proposal Invitation covers only the specific goods and services awarded by the BuyBoard. As explained in the BuyBoard Construction Related Goods and Services Advisory for Texas Members ("Advisory"), **Texas law prohibits the procurement of architecture or engineering services through a purchasing cooperative. This BuyBoard contract does not include such services. Architecture or engineering services must be procured by a Cooperative member separately, in accordance with the Professional Services Procurement Act (Chapter 2254 of the Texas Government Code) and other applicable law and local policy.**

The Advisory, attached to this Form F, provides an overview of certain legal requirements that are potentially relevant to a Cooperative member's procurement of construction or construction-related goods and services, including those for projects that may involve or require architecture, engineering or independent testing services.

By signature below, the undersigned affirms that Proposer has read and understands the Advisory attached to this Form F and is authorized by Proposer to make this affirmation. If Proposer sells construction-related goods or services to a Cooperative member under a BuyBoard contract awarded under this Proposal Invitation, Proposer will comply with the Advisory and applicable legal requirements, make a good faith effort to make its Cooperative member customers or potential Cooperative member customers aware of such requirements, and provide a Cooperative member with a copy of the Advisory before executing a Member Construction Contract with the member or accepting the member's purchase order for construction-related goods or services, whichever comes first.

R. B. EVERETT & COMPANY

Company Name


Signature of Authorized Company Official

DEAN HENDERSON, V.P.

Printed Name

4/1/16

Date



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BUYBOARD PROCUREMENT AND CONSTRUCTION-RELATED GOODS AND SERVICES ADVISORY FOR TEXAS MEMBERS

Why make purchases using BuyBoard? Purchasing through a cooperative or "interlocal contract" satisfies the requirement of local governments to seek competitive procurement for the purchase of goods or services.ⁱ Therefore, you may purchase goods and services from a vendor through BuyBoard without having to conduct your own competitive procurement. If, however, you are procuring construction-related services through a BuyBoard Job Order Contract (JOC) or contract for the installation of equipment or materials (e.g., athletic fields and surfaces, kitchen equipment, HVAC, playground equipment, or modular buildings), you may, as explained in this Advisory, need to procure certain aspects of these services using a separate procurement process outside of the BuyBoard and should consult your procurement officer and/or legal advisor for specific advice.

What is BuyBoard's Procurement Process? The BuyBoard uses a competitive procurement process to award contracts to vendors for goods and services that the BuyBoard determines, based on an evaluation of multiple criteria, represents the best value for its members.

How does BuyBoard award a contract to a vendor? As a condition of being awarded a BuyBoard contract, a vendor is bound by and must agree to comply with all the terms of the BuyBoard's proposal invitation (or specifications), the vendor's proposal response, and any additional contract terms negotiated with the BuyBoard member. Among other things, the vendor must honor the pricing submitted in the vendor's proposal. **THE PRICE YOU PAY FOR THE GOODS AND SERVICES COVERED BY THE BUYBOARD CONTRACT MAY BE LESS THAN THE AWARDED PRICING, BUT CANNOT BE MORE.** Additionally, the vendor must comply with the BuyBoard contract's general terms and conditions, and any additional terms and conditions that apply to the specific BuyBoard contract, as set out in the proposal invitation.

How does a BuyBoard member make purchases through the BuyBoard contract? You utilize the awarded BuyBoard contract by issuing a signed purchase order through the BuyBoard online application to procure the selected goods or services. Although BuyBoard must receive a copy of the signed purchase order, BuyBoard does not review or approve the purchase order or other supplemental agreement that you obtain – this is a matter between you and the vendor. If construction-related services are procured through the BuyBoard, additional contracts with professionals and the contractor may be required, depending on the nature and scope of the services. As stated above, you should consult your procurement officer and/or legal advisor for specific advice.

How do I know that my entity has made a purchase through the BuyBoard?

BuyBoard must have a copy of the purchase order in order for the purchase to be considered a BuyBoard procurement. To ensure that your entity has satisfied state law requirements for competitive procurement, make sure that the BuyBoard has your purchase order. Do not rely on the vendor to submit the purchase order on your behalf; it is your responsibility to make sure that the BuyBoard has the signed purchase order. You may log in to www.buyboard.com using your member I.D. and password to view the Purchase Order Status Report to confirm that the purchase order is in the BuyBoard system.

What should BuyBoard members consider when using BuyBoard for construction-related purchases? While purchasing goods and services through BuyBoard satisfies your legal requirement to competitively procure a good or service, as a general matter you must keep in mind other legal requirements that may relate to the purchase, especially when using BuyBoard for construction-related procurement.



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When making construction-related purchases through a BuyBoard contract, BuyBoard members must consider the following:

- **Best value determination.** In compliance with Texas law and any local policy, your entity must first determine that purchasing through an interlocal contract or purchasing cooperative is the procurement method that will provide best value.ⁱⁱ This is done by the governing body (e.g., board of trustees, council, commissioners' court, etc.) or may be delegated by the governing body to an individual or committee, with written notice.
- **Products or services not covered by the BuyBoard contract.** The BuyBoard contract covers only the specific goods and services awarded by the BuyBoard. If you want to purchase from a BuyBoard vendor goods or services from a BuyBoard vendor that are not covered by the vendor's BuyBoard contract, such as architectural, design, or engineering services, you must procure them separately in accordance with state law and local policy.
- **Architectural or Engineering and Independent Testing services.** If your procurement includes a construction component that requires architectural or engineering services, you must procure those services separately. YOU MAY NOT PROCURE ARCHITECTURAL OR ENGINEERING SERVICES THROUGH A BUYBOARD CONTRACT. Texas law requires architectural and engineering services to be obtained in accordance with the Professional Services Procurement Act (Chapter 2254 of the Texas Government Code) and prohibits them from being procured through a purchasing cooperative.ⁱⁱⁱ
 - **Architecture.** A new building owned by a political subdivision having construction costs exceeding \$100,000 or an alteration or addition to an existing building having construction costs exceeding \$50,000 must have architectural plans and specifications prepared by an architect.^{iv} (An "alteration" or "addition" for purposes of this requirement requires the removal, relocation, or addition of a wall or partition or the alteration or addition of an exit.)
 - **Engineering.** If the goods or services procured through the BuyBoard will involve engineering in which the public health, welfare, or safety is involved, the plans for structural, mechanical, electrical, electronic, fire suppression, geotechnical systems, foundation design, surface water drainage, plumbing and certain roof modifications and associated estimates must be prepared by an engineer, and the engineering construction must be performed under the direct supervision of an engineer.^v The Engineering Practice Act provides two exceptions to this rule – no engineer is required if (1) the project involves mechanical or electrical engineering and will cost \$8,000 or less, or (2) the project does not require mechanical or electrical engineering and will cost \$20,000 or less.^{vi}
 - **Independent Testing.** If acceptance of a facility by a public entity involves independent testing of construction materials engineering and/or verification testing services, the testing services should be procured under the Professional Services Procurement Act, and may not be procured under a BuyBoard contract.
 - **Written Certification.** Effective 09/01/2013, a local governmental entity purchasing construction-related goods and services through a cooperative in an amount that exceeds \$50,000 must designate a person to certify in writing that the project does not require the preparation of plans or specifications by an architect or engineer OR that an architect or engineer has prepared the plans or specifications.^{vii}



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- **Bonds.** You must also consider whether the vendor is required to provide a payment or performance bond. A payment bond is required for contracts that exceed \$25,000 to protect subcontractors who supply labor or materials for the project. A performance bond is required for a contract that exceeds \$100,000, to protect the local government if a contractor fails to complete the project.^{viii} Without payment and performance bonds, if the contractor fails to pay its subcontractors or to complete the project, the public entity that entered the contract can be held responsible for payment claims or costs to complete.
- **Construction Contract.** Even though the procurement of construction or construction-related services may be through the BuyBoard, your construction contract is between your entity and the contractor. The BuyBoard contract's general terms and conditions, standing alone, are not sufficient to document your entity's specific transaction. THEREFORE, YOU SHOULD USE AN APPROPRIATE FORM OF CONSTRUCTION CONTRACT JUST AS YOU WOULD DO IF YOU PROCURED CONSTRUCTION SERVICES INDEPENDENTLY, USING COMPETITIVE SEALED PROPOSALS. The contract must contain provisions required by state law including: performance and payment bonds, requirements for payment of prevailing wages to all construction workers, workers' compensation coverage for all workers and, on projects where contractor employees may have direct contact with students, criminal history record checks. Other provisions which should be considered in the construction contract are retainage, contingency, liquidated damages and dispute resolution, among others. By supplementing the BuyBoard contract with an appropriate form of construction contract, you ensure that your entity's unique interests are addressed and that your entity can enforce the contract directly.
- **Legal advice.** Because of the variety of laws that relate to construction-related purchasing and the potential risk of high exposure, you are well-advised to consult with your entity's legal counsel before procuring construction-related goods and services under any procurement method, including a purchasing cooperative.

This Advisory is provided for educational purposes only to facilitate a general understanding of the law. This Advisory is neither an exhaustive treatment on the subject nor is it intended to substitute for the advice of an attorney.

For more information about BuyBoard, contact us at 800-695-2919.

-
- i. Tex. Gov't Code §791.025 and Tex. Local Gov't Code §271.102.
 - ii. Tex. Ed. Code §44.031(a) (school districts); Tex. Local Gov't Code §252.043(a)(municipalities) and §262.022(5-a) and §262.027(counties)
 - iii. Tex. Gov't Code §2254.004 and §791.011(h)
 - iv. Tex. Occ. Code §1051.703
 - v. Tex. Occ. Code §1001.0031(c)
 - vi. Tex. Occ. Code §1001.053
 - vii. Tex. Gov't Code §791.011(j), effective September 1, 2013
 - viii. Tex. Gov't Code §2253.021(a)

Issued March 31, 2014



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DEVIATION AND COMPLIANCE SIGNATURE FORM

If your company intends to deviate from the General Terms and Conditions, Item Specifications or other requirements associated with this Proposal Invitation, you must list all such deviations on this form, and provide complete and detailed information regarding the deviations on this form, an attachment to this form, or elsewhere in your Proposal. (If you do not provide the information on or as an attachment to this form, the information must be clearly identified in your Proposal.) The Cooperative will consider any deviations in its contract award decision, and reserves the right to accept or reject a proposal based upon any submitted deviation.

In the absence of any deviation identified and described in accordance with the above, your company must fully comply with the General Terms and Conditions, Item Specifications and all other requirements associated with this Proposal Invitation if awarded a contract under this Proposal Invitation.

☒ **No;** Deviations

☐ **Yes;** Deviations

List and fully explain any deviations you are submitting:

PLEASE PROVIDE THE FOLLOWING INFORMATION:

1. Shipping Via: ☐ Common Carrier ☐ Company Truck ☒ Prepaid and Add to Invoice ☐ Other:

2. Payment Terms: ☐ Net 30 days ☐ 1% in 10/Net 30 days ☒ Other:

NET UPON RECEIPT OF INVOICE

3. Number of Days for Delivery: TBD ARO

4. Vendor Reference/Quote Number: N/A

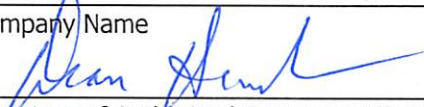
5. State your return policy: N/A

6. Are electronic payments acceptable? ☒ Yes ☐ No

7. Are credit card payments acceptable? ☐ Yes ☒ No

R. B. EVERETT & COMPANY

Company Name



Signature of Authorized Company Official

FORM G

DEAN HENDERSON, V.P.

Printed Name

COMM.V.11.18.15



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DEALERSHIP LISTINGS

If you have more than one location that will service a contract awarded under this Proposal Invitation, please list each location below. If additional sheets are required, please duplicate this form as necessary.

R. B. EVERETT & COMPANY
Company Name
8211 RED BLUFF RD.
Address
PASADENA TEXAS 77507
City State Zip
281-991-8161 281-991-5967
Phone Number Fax Number
ROB VIA, SALES MANAGER
Contact Person

R. B. EVERETT & COMPANY
Company Name
6561 MIDWAY RD.
Address
HALTOM CITY TEXAS 76117
City State Zip
817-299-1110 817-299-0969
Phone Number Fax Number
TIM KING, STORE MANAGER
Contact Person



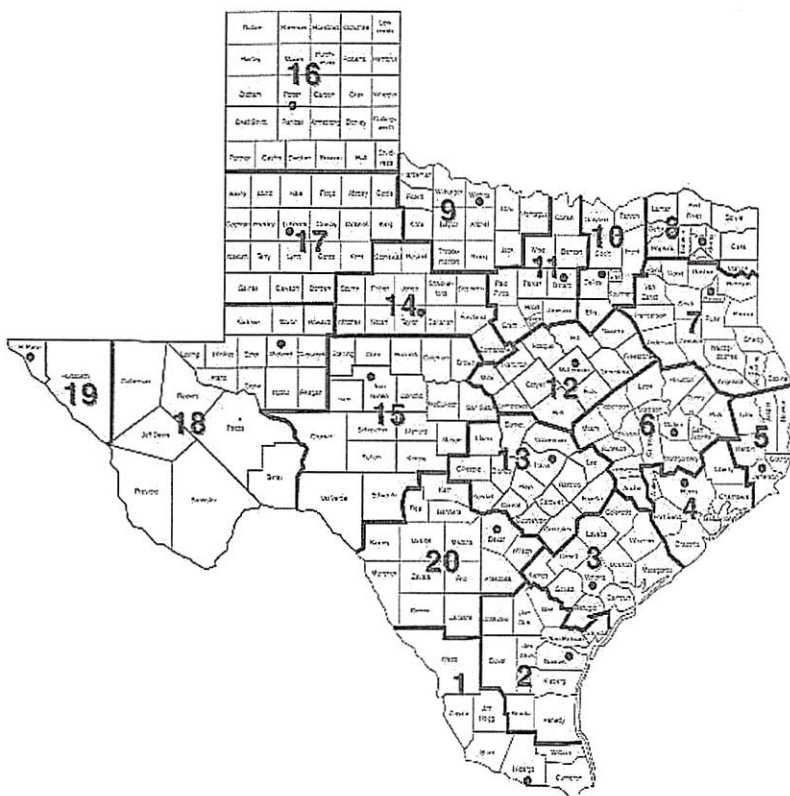
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TEXAS REGIONAL SERVICE DESIGNATION

Unless you designate otherwise on this form, you agree to service members of The Local Government Purchasing Cooperative statewide!

The Cooperative (referred to as "Texas Cooperative" in this form and in the State Service Designation form) offers vendors the opportunity to service its members throughout the entire State of Texas. If you do not plan to service all Texas Cooperative members statewide, you **must** indicate the specific regions you will service on this form. Additionally, if you do not plan to service Texas Cooperative members (i.e., if you will service only states other than Texas), you must so indicate on this form.

Regional Education Service Centers



- ☐ I will service Texas Cooperative members statewide.
- ☒ I will not service Texas Cooperative members statewide. I will only service members in the regions checked below:

Region	Headquarters
☐ 1	Edinburg
☐ 2	Corpus Christi
☒ 3	Victoria
☒ 4	Houston
☒ 5	Beaumont
☒ 6	Huntsville
☒ 7	Kilgore
☒ 8	Mount Pleasant
☒ 9	Wichita Falls
☒ 10	Richardson
☒ 11	Fort Worth
☒ 12	Waco
☒ 13	Austin
☐ 14	Abilene
☐ 15	San Angelo
☐ 16	Amarillo
☐ 17	Lubbock
☐ 18	Midland
☐ 19	El Paso
☐ 20	San Antonio

R. B. EVERETT & COMPANY
Company Name

Signature of Authorized Company Official

DEAN HENDERSON, V.P.

Printed Name

- ☐ I will not service members of the Texas Cooperative.



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STATE SERVICE DESIGNATION

The Cooperative offers vendors the opportunity to service other governmental entities in the United States, including intergovernmental purchasing cooperatives such as the National Purchasing Cooperative BuyBoard. You must complete this form if you plan to service the entire United States, or will service only the specific states indicated. *(Note: If you plan to service Texas Cooperative members, be sure that you complete the Texas Regional Service Designation form.)*

☐ I will service all states in the United States.

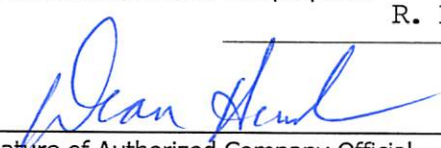
☒ I will not service all states in the United States. I will service only the states checked below:

- | | |
|--|---|
| ☐ Alabama | ☐ Nebraska |
| ☐ Alaska | ☐ Nevada |
| ☐ Arizona | ☐ New Hampshire |
| ☐ Arkansas | ☐ New Jersey |
| ☐ California (Public Contract Code 20118 & 20652) | ☐ New Mexico |
| ☐ Colorado | ☐ New York |
| ☐ Connecticut | ☐ North Carolina |
| ☐ Delaware | ☐ North Dakota |
| ☐ District of Columbia | ☐ Ohio |
| ☐ Florida | ☐ Oklahoma |
| ☐ Georgia | ☐ Oregon |
| ☐ Hawaii | ☐ Pennsylvania |
| ☐ Idaho | ☐ Rhode Island |
| ☐ Illinois | ☐ South Carolina |
| ☐ Indiana | ☐ South Dakota |
| ☐ Iowa | ☐ Tennessee |
| ☐ Kansas | ☒ Texas |
| ☐ Kentucky | ☐ Utah |
| ☐ Louisiana | ☐ Vermont |
| ☐ Maine | ☐ Virginia |
| ☐ Maryland | ☐ Washington |
| ☐ Massachusetts | ☐ West Virginia |
| ☐ Michigan | ☐ Wisconsin |
| ☐ Minnesota | ☐ Wyoming |
| ☐ Mississippi | |
| ☐ Missouri | |
| ☐ Montana | |

This form will be used to ensure that you can service other governmental entities throughout the United States as indicated. Your signature below confirms that you understand your service commitments during the term of a contract awarded under this proposal.

R. B. EVERETT & COMPANY

Company Name



Signature of Authorized Company Official

DEAN HENDERSON, V.P.

Printed Name



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NATIONAL PURCHASING COOPERATIVE VENDOR AWARD AGREEMENT

In accordance with the Terms and Conditions associated with this Proposal Invitation, a contract awarded under this Proposal Invitation may be "piggy-backed" by another governmental entity. The National Purchasing Cooperative is an intergovernmental purchasing cooperative formed by certain school districts outside of Texas to serve its members throughout the United States. If you agree to be considered for a piggy-back award by the National Purchasing Cooperative, you agree to the following terms and agree to serve National Purchasing Cooperative members in the states you have indicated on the State Service Designation form, in your Proposal.

By signing this form, Proposer (referred to in this Agreement as "Vendor") agrees as follows:

1. Vendor acknowledges that if The Local Government Purchasing Cooperative ("Texas Cooperative") awards Vendor a contract under this Proposal Invitation ("Underlying Award"), the National Purchasing Cooperative ("National Cooperative") may - but is not required to - "piggy-back" on or re-award all or a portion of that Underlying Award ("Piggy-Back Award"). By signing this National Cooperative Vendor Award Agreement ("Agreement"), Vendor accepts and agrees to be bound by any such Piggy-Back Award as provided for herein.
2. In the event National Cooperative awards Vendor a Piggy-Back Award, the National Cooperative Administrator ("BuyBoard Administrator") will notify Vendor in writing of such Piggy-Back Award, which award shall commence on the effective date stated in the Notice and end on the expiration date of the Underlying Award, subject to annual renewals as authorized in writing by the BuyBoard Administrator. Vendor agrees that no further signature or other action is required of Vendor in order for the Piggy-Back Award and this Agreement to be binding upon Vendor. Vendor further agrees that no interlineations or changes to this Agreement by Vendor will be binding on National Cooperative, unless such changes are agreed to by its BuyBoard Administrator in writing.
3. Vendor agrees that it shall offer its goods and services to National Cooperative members at the same unit pricing and same general terms and conditions, subject to applicable state laws in the state of purchase, as required by the Underlying Award. However, nothing in this Agreement prevents Vendor from offering National Cooperative members better (i.e., lower) competitive pricing and more favorable terms and conditions than those in the Underlying Award.
4. Vendor hereby agrees and confirms that it will serve those states it has designated on the State Service Designation Form of this Proposal Invitation. Any changes to the states designated on the State Service Designation Form must be approved in writing by the BuyBoard Administrator.
5. Vendor agrees to pay National Cooperative the service fee provided for in the Underlying Award based on the amount of purchases generated from National Cooperative members through the Piggy-Back Award. Vendor shall remit payment to National Cooperative on such schedule as it specifies (which shall not be more often than monthly). Further, upon request, Vendor shall provide National Cooperative with copies of all purchase orders generated from National Cooperative members for purposes of reviewing and verifying purchase activity. Vendor further agrees that National Cooperative shall have the right, upon reasonable written notice, to review Vendor's records pertaining to purchases made by National Cooperative members in order to verify the accuracy of service fees.



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6. Vendor agrees that the Underlying Award, including its General Terms and Conditions, are adopted by reference to the fullest extent such provisions can reasonably apply to the post-proposal/contract award phase. The rights and responsibilities that would ordinarily inure to the Texas Cooperative pursuant to the Underlying Award shall inure to National Cooperative; and, conversely, the rights and responsibilities that would ordinarily inure to Vendor in the Underlying Award shall inure to Vendor in this Agreement. Vendor recognizes and agrees that Vendor and National Cooperative are the only parties to this Agreement, and that nothing in this Agreement has application to other third parties, including the Texas Cooperative. In the event of conflict between this Agreement and the terms of the Underlying Award, the terms of this Agreement shall control, and then only to the extent necessary to reconcile the conflict.

7. This Agreement shall be governed and construed in accordance with the laws of the State of Rhode Island and venue for any dispute shall lie in the federal district court of Alexandria, Virginia.

8. Vendor acknowledges and agrees that the award of a Piggy-Back Award is within the sole discretion of National Cooperative, and that this Agreement does not take effect unless and until National Cooperative awards Vendor a Piggy-Back Award and the BuyBoard Administrator notifies Vendor in writing of such Piggy-Back Award as provided for herein.

WHEREFORE, by signing below Vendor agrees to the foregoing and warrants that it has the authority to enter into this Agreement.

R. B. EVERETT & COMPANY

Name of Vendor

A handwritten signature in blue ink, appearing to read "Dean Henderson", written over a horizontal line.

Signature of Authorized Company Official

515-16

Proposal Invitation Number

DEAN HENDERSON, V.P.

Printed Name of Authorized Company Official

4/1/16

Date



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FEDERAL AND STATE/PURCHASING COOPERATIVE DISCOUNT COMPARISON FORM

The Cooperative strives to provide its members with the best services and products at the best prices available. The Cooperative determines whether prices/discounts are fair and reasonable by comparing prices/discounts stated in your Proposal with prices/discounts you offer federal and state entities and other interlocal purchasing cooperatives (collectively referred to as "purchasing cooperative" in this form). Please respond to the following questions.

1. Provide the dollar value of sales to or through purchasing cooperatives at or based on an established catalog or market price during the previous 12-month period or the last fiscal year: \$ 4,706,000 . 00 (The period of the 12 month period is 3/20/15 / 3/20/16). In the event that a dollar value is not an appropriate measure of the sales, provide and describe your own measure of the sales of the item(s).
2. Based on your written discounting policies are the discounts you offer the Cooperative equal to or better than the best price you offer other purchasing cooperatives acquiring the same items regardless of quantity or terms and conditions?

YES ☒ NO ☐

3. Based on your written discounting policies, provide the information requested below for other purchasing cooperatives, either in the chart below or in an equivalent format. Rows should be added to accommodate as many purchasing cooperatives as required.

PURCHASING GROUP	DISCOUNT (%)	QUANTITY/VOLUME	FOB TERM
1. Federal General Services Adm.			
2. T-PASS			
3. U.S. Communities Purchasing Alliance			
4. The Cooperative Purchasing Network			
5. Houston-Galveston Area Council	6%		
6. Other			

☐ MY COMPANY DOES NOT CURRENTLY HAVE ANY OF THE ABOVE OR SIMILAR TYPE CONTRACTS.

CURRENT BUYBOARD VENDORS

If you are a current BuyBoard vendor, indicate the discount for your current BuyBoard contract and the proposed discount in this Proposal. Explain any difference between your current and proposed discounts.

Current Discount (%): VARIES Proposed Discount (%): VARIES

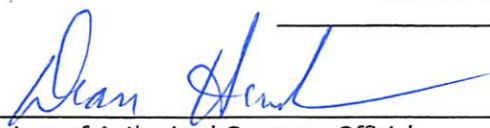
Explanation: Discounts vary depending on different manufacturers.

By signature below, I certify that the above is true, complete and accurate and that I am authorized by my company to make this certification.

R. B. EVERETT & COMPANY

Company Name

DEAN HENDERSON, V.P.



Signature of Authorized Company Official
FORM L

Printed Name

COMM.V.11.18.15



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GOVERNMENTAL REFERENCES AND PRICE / DISCOUNT INFORMATION

For your Proposal to be considered, you must supply a minimum of five (5) individual governmental entity references. Provide the information requested below, including the existing price/discounts you offer each customer. The Cooperative determines whether prices/discounts are fair and reasonable by comparing prices/discounts stated in your Proposal with the prices/discounts you offer other governmental customers. Attach additional pages if necessary.

<u>Entity Name</u>	<u>Contact</u>	<u>Phone#</u>	<u>Discount</u>	<u>Quantity/ Volume</u>	<u>FOB Term</u>
		979-824-3042			
1. Brazoria County	Jason McCaffety		6%	\$1,500,000	Customer Location
		409-267-7538			
2. Chambers County	Dan Cossey		6%	\$400,000	Customer Location
		281-534-4152			
3. Galveston County	Lee Crowder		6%	\$50,000	Customer Location
		281-353-8424			
4. Harris County, J. R. Jebousek			6%	\$500,000	Customer Location
		409-988-4108			
5. Orange County	Mike James		6%	\$173,000	Customer Location

Do you ever modify your written policies or standard governmental sales practices as identified in the above chart to give better discounts (lower prices) than indicated? YES ☐ NO ☒ If YES, please explain:

By signature below, I certify that the above is true and correct and that I am authorized by my company to make this certification.

R. B. EVERETT & COMPANY

Company Name

Signature of Authorized Company Official

DEAN HENDERSON, V.P.

Printed Name



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MARKETING STRATEGY

For your Proposal to be considered, you must submit the Marketing Strategy you will use if the Cooperative accepts all or part of your Proposal. *(Example: How your company will initially inform Cooperative members of your BuyBoard contract, and how you will continue to support the BuyBoard for the duration of the contract period.)*

Attach additional pages if necessary.

Outside Sales Representatives

Advertise in Trade Magazines/Publications

Attend Trade Shows for Gov't Agencies

Notice on all quotations to gov't agencies that our products may be
purchased through Cooperative Contracts such as BuyBoard.

R. B. EVERETT & COMPANY

Company Name

A handwritten signature in blue ink, appearing to read "Dean Henderson", written over a horizontal line.

Signature of Authorized Company Official

DEAN HENDERSON, V.P.

Printed Name



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CONFIDENTIAL/PROPRIETARY INFORMATION FORM

A. Public Disclosure Laws

All Proposals, forms, documentation, or other materials submitted by Vendor to the Cooperative in response to this Proposal Invitation may be subject to the disclosure requirements of the Texas Public Information Act (Texas Government Code chapter 552.001, *et. seq.*) or similar disclosure law. Proposer must clearly identify on this form any information in its Proposal (including forms, documentation, or other materials submitted with the Proposal) that Proposer considers proprietary or confidential. If Proposer fails to properly identify the information, the Cooperative shall have no obligation to seek protection of such information from public disclosure should a member of the public or other third party request access to the information under the Texas Public Information Act or similar disclosure law. Proposer will be notified of any third party request for information in a Proposal that Proposer has identified in this form as proprietary or confidential.

Does your Proposal (including forms, documentation, or other materials submitted with the Proposal) contain information which Vendor considers proprietary or confidential?

Please check (✓) one of the following:



NO, I certify that none of the information included with this Proposal is considered confidential or proprietary.



YES, I certify that this Proposal contains information considered confidential or proprietary and all such information is specifically identified on this form.

If you responded "YES", you must identify below the specific information you consider confidential or proprietary. List each page number, form number, or other information sufficient to make the information readily identifiable. The Cooperative and its Administrator will not be responsible for a Proposer's failure to clearly identify information considered confidential or proprietary. Further, by submitting a Proposal, Proposer acknowledges that the Cooperative and its Administrator will disclose information when required by law, even if such information has been identified herein as information the vendor considers confidential or proprietary.

Confidential / Proprietary Information:

(Attach additional sheets if needed.)



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B. Copyright Information

Does your Proposal (including forms, documentation, or other materials submitted with the Proposal) contain copyright information?

Please check (✓) one of the following:

☒ **NO**, Proposal (including forms, documentation, or other materials submitted with the Proposal) does not contain copyright information.

☐ **YES**, Proposal (including forms, documentation, or other materials submitted with the Proposal) does contain copyright information.

If you responded "YES", identify below the specific documents or pages containing copyright information.

Copyright Information: _____

(Attach additional sheets if needed.)

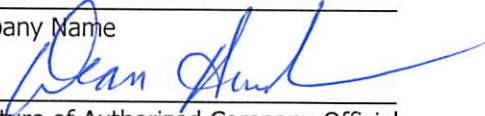
C. Consent to Release Confidential/Proprietary/Copyright Information to BuyBoard Members

BuyBoard members (Cooperative and nonprofit members) seeking to make purchases through the BuyBoard may wish to view information included in the Proposals of awarded Vendors. If you identified information on this form as confidential, proprietary, or subject to copyright, and you are awarded a BuyBoard contract, your acceptance of the BuyBoard contract award constitutes your consent to the disclosure of such information to BuyBoard members, including posting of such information on the secure BuyBoard website for members. Note: Neither the Cooperative nor its Administrator will be responsible for the use or distribution of information by BuyBoard members or any other party.

By signature below, I certify that the information in this form is true, complete, and accurate and that I am authorized by my company to make this certification and all consents and agreements contained herein.

R. B. EVERETT & COMPANY

Company Name



Signature of Authorized Company Official

DEAN HENDERSON, V.P.

Printed Name

4/1/16

Date



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VENDOR BUSINESS NAME FORM

By submitting a Proposal, Proposer is seeking to enter into a legal contract with the Cooperative. As such, a Proposer must be an individual or legal business entity capable of entering into a binding contract. Proposers, must completely and accurately provide the information requested below or your Proposal may be deemed non-responsive.

Name of Proposing Company: R. B. EVERETT & COMPANY
(List the **legal** name of the company seeking to contract with the Cooperative. Do **NOT** list an assumed name, dba, aka, etc. here. Such information may be provided below. If you are submitting a joint proposal with another entity to provide the same proposed goods or services, each submitting entity should complete a separate vendor information form. Separately operating legal business entities, even if affiliated entities, which propose to provide goods or services separately must submit their own Proposals.)

Please check (✓) one of the following:

Type of Business:

Individual/Sole Proprietor
Corporation
Limited Liability Company
Partnership
Other

X

If other, identify _____

State of Incorporation (if applicable): TEXAS

Federal Employer Identification Number: 74-0615040
(Vendor must include a completed IRS W-9 form with their proposal)

List the Name(s) by which Vendor, if awarded, wishes to be identified on the BuyBoard: (Note: If different than the Name of Proposing Company listed above, only valid trade names (dba, aka, etc.) of the Proposing Company may be used and a copy of your Assumed Name Certificate(s), if applicable, must be attached.)

Request for Taxpayer Identification Number and Certification

Give Form to the
requester. Do not
send to the IRS.

Print or type
See Specific Instructions on page 2.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. RB EVERETT & COMPANY	
2 Business name/disregarded entity name, if different from above	
3 Check appropriate box for federal tax classification; check only one of the following seven boxes: ☐ Individual/sole proprietor or single-member LLC ☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ Note. For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner. ☐ Other (see instructions) ▶	
4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ (Applies to accounts maintained outside the U.S.)	
5 Address (number, street, and apt. or suite no.) P.O. BOX 7300	Requester's name and address (optional)
6 City, state, and ZIP code PASADENA, TX 77508	
7 List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.

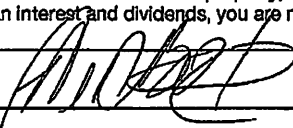
Social security number									
			-				-		
or									
Employer identification number									
7	4		-	0	6	1	5	1	4

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification Instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign Here	Signature of U.S. person ▶ 	Date ▶ 1-5-16
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at www.irs.gov/fw9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)

- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding?* on page 2.

By signing the filled-out form, you:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued).
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
- Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting?* on page 2 for further information.



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EDGAR VENDOR CERTIFICATION FORM **(2 CFR Part 200 and Appendix II)**

When a Cooperative member seeks to procure goods and services using funds under a federal grant or contract, specific federal laws, regulations, and requirements may apply in addition to those under state law. This includes, but is not limited to, the procurement standards of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 CFR 200 (sometimes referred to as the "Uniform Guidance" or new "EDGAR"). All Vendors submitting proposals must complete this EDGAR Certification Form regarding Vendor's willingness and ability to comply with certain requirements which *may* be applicable to specific Cooperative member purchases using federal grant funds. This completed form will be made available to Cooperative members for their use while considering their purchasing options when using federal grant funds. Cooperative members may also require Vendors to enter into ancillary agreements, in addition to the BuyBoard contract's general terms and conditions, to address the member's specific contractual needs, including contract requirements for a procurement using federal grants or contracts.

For each of the items below, Vendor should certify Vendor's agreement and ability to comply, where applicable, by having Vendor's authorized representative check and initial the applicable boxes and sign the acknowledgment at the end of this form. If you fail to complete any item in this form, the Cooperative will consider and may list the Vendor's response on the BuyBoard as "NO," the Vendor is unable or unwilling to comply. A "NO" response to any of the items may, if applicable, impact the ability of a Cooperative member to purchase from the Vendor using federal funds.

1. Vendor Violation or Breach of Contract Terms:

Contracts for more than the simplified acquisition threshold currently set at \$150,000, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 USC 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.

Provisions regarding Vendor default are included in the BuyBoard General Terms and Conditions, including Section E.18, Remedies for Default and Termination of Contract. Any Contract award will be subject to such BuyBoard General Terms and Conditions, as well as any additional terms and conditions in any Purchase Order, Cooperative member ancillary contract, or Member Construction Contract agreed upon by Vendor and the Cooperative member which must be consistent with and protect the Cooperative member at least to the same extent as the BuyBoard Terms and Conditions.

The remedies under the Contract are in addition to any other remedies that may be available under law or in equity.

By submitting a Proposal, you agree to these Vendor violation and breach of contract terms.

Vendor Certification, Item 1 (Vendor Violation or Breach of Contract Terms)

☒ **YES, I agree to the above.** (Initial: DA)

☐ **NO, I do NOT agree to the above.** (Initial: _____)



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2. Termination for Cause or Convenience:

For any Cooperative member purchase or contract in excess of \$10,000 made using federal funds, you agree that the following term and condition shall apply:

The Cooperative member may terminate or cancel any purchase order under this Contract at any time, with or without cause, by providing seven (7) business days advance written notice to the Vendor. If this Agreement is terminated in accordance with this Paragraph, the Cooperative member shall only be required to pay Vendor for goods or services delivered to the Cooperative member prior to the termination and not otherwise returned in accordance with Vendor's return policy. If the Cooperative member has paid Vendor for goods or services not yet provided as of the date of termination, Vendor shall immediately refund such payment(s).

If an alternate provision for termination of a Cooperative member purchase for cause and convenience, including the manner by which it will be effected and the basis for settlement, is included in the Cooperative member's purchase order, ancillary agreement, or Member Construction Contract agreed to by the Vendor, the Cooperative member's provision shall control.

Vendor Certification, Item 2 (Termination for Cause or Convenience):

- ☒ **YES, I agree to the above.** (Initial: DK)
- ☐ **NO, I do NOT agree to the above.** (Initial: _____)

3. Equal Employment Opportunity:

Except as otherwise provided under 41 CFR Part 60, all Cooperative member purchases or contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 shall be deemed to include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR Part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

The equal opportunity clause provided under 41 CFR 60-1.4(b) is hereby incorporated by reference. Vendor agrees that such provision applies to any Cooperative member purchase or contract that meets the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 and Vendor agrees that it shall comply with such provision.

Vendor Certification, Item 3 (Equal Employment Opportunity):

- ☒ **YES, I agree to the above.** (Initial: DK)
- ☐ **NO, I do NOT agree to the above.** (Initial: _____)



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4. Davis-Bacon Act:

When required by Federal program legislation, Vendor agrees that, for all Cooperative member prime construction contracts/purchases in excess of \$2,000, Vendor shall comply with the Davis-Bacon Act (40 USC 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, Vendor is required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, Vendor shall pay wages not less than once a week.

Current prevailing wage determinations issued by the Department of Labor are available at www.wdol.gov. Vendor agrees that, for any purchase to which this requirement applies, the award of the purchase to the Vendor is conditioned upon Vendor's acceptance of the wage determination.

Vendor further agrees that it shall also comply with the Copeland "Anti-Kickback" Act (40 USC 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled.

Vendor Certification, Item 4 (Davis-Bacon Act):

- ☒ **YES, I agree to the above.** (Initial: DA)
☐ **NO, I do NOT agree to the above.** (Initial: _____)
-

5. Contract Work Hours and Safety Standards Act:

Where applicable, for all Cooperative member contracts or purchases in excess of \$100,000 that involve the employment of mechanics or laborers, Vendor agrees to comply with 40 USC 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 USC 3702 of the Act, Vendor is required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 USC 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

Vendor Certification, Item 5 (Contract Work Hours and Safety Standards Act):

- ☒ **YES, I agree to the above.** (Initial: DA)
☐ **NO, I do NOT agree to the above.** (Initial: _____)
-



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6. Right to Inventions Made Under a Contract or Agreement:

If the Cooperative member's Federal award meets the definition of "funding agreement" under 37 CFR 401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance or experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

Vendor agrees to comply with the above requirements when applicable.

Vendor Certification, Item 6 (Right to Inventions Made Under a Contract or Agreement):

- ☒ **YES, I agree to the above.** (Initial: DA)
☐ **NO, I do NOT agree to the above.** (Initial: _____)
-

7. Clean Air Act and Federal Water Pollution Control Act:

Clean Air Act (42 USC 7401-7671q.) and the Federal Water Pollution Control Act (33 USC 1251-1387), as amended – Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act (42 USC 7401-7671q.) and the Federal Water Pollution Control Act, as amended (33 USC 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

When required, Vendor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act and the Federal Water Pollution Control Act.

Vendor Certification, Item 7 (Clean Air Act and Federal Water Pollution Control Act):

- ☒ **YES, I agree to the above.** (Initial: DA)
☐ **NO, I do NOT agree to the above.** (Initial: _____)
-

8. Debarment and Suspension:

Debarment and Suspension (Executive Orders 12549 and 12689) – A contract award (see 2 CFR 180.220) must not be made to parties listed on the government-wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR Part 1966 Comp. p. 189) and 12689 (3 CFR Part 1989 Comp. p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.



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Vendor certifies that Vendor is not currently listed on the government-wide exclusions in SAM, is not debarred, suspended, or otherwise excluded by agencies or declared ineligible under statutory or regulatory authority other than Executive Order 12549. Vendor further agrees to immediately notify the Cooperative and all Cooperative members with pending purchases or seeking to purchase from Vendor if Vendor is later listed on the government-wide exclusions in SAM, or is debarred, suspended, or otherwise excluded by agencies or declared ineligible under statutory or regulatory authority other than Executive Order 12549.

Vendor Certification, Item 8 (Debarment and Suspension):

☒ **YES, I agree / certify to the above.** (Initial: DA)

☐ **NO, I do NOT agree / certify to the above.** (Initial: _____)

9. Byrd Anti-Lobbying Amendment:

Byrd Anti-Lobbying Amendment (31 USC 1352) -- Vendors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 USC 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

As applicable, Vendor agrees to file all certifications and disclosures required by, and otherwise comply with, the Byrd Anti-Lobbying Amendment (31 USC 1352).

Vendor Certification, Item 9 (Byrd Anti-Lobbying Amendment):

☒ **YES, I agree to the above.** (Initial: DA)

☐ **NO, I do NOT agree to the above.** (Initial: _____)

10. Procurement of Recovered Materials:

For Cooperative member purchases utilizing Federal funds, Vendor agrees to comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act where applicable and provide such information and certifications as a Cooperative member may require to confirm estimates and otherwise comply. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery, and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.



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Vendor Certification, Item 10 (Procurement of Recovered Materials):

- ☒ **YES, I agree to the above.** (Initial: DA)
☐ **NO, I do NOT agree to the above.** (Initial: _____)

11. Profit as a Separate Element of Price

For purchases using federal funds in excess of \$150,000, a Cooperative member may be required to negotiate profit as a separate element of the price. See, 2 CFR 200.323(b). When required by a Cooperative member, Vendor agrees to provide information and negotiate with the Cooperative member regarding profit as a separate element of the price for a particular purchase. However, Vendor agrees that the total price, including profit, charged by Vendor to the Cooperative member shall not exceed the awarded pricing, including any applicable discount, under Vendor's Cooperative Contract.

Vendor Certification, Item 11 (Profit as Separate Element of Price):

- ☒ **YES, I agree to the above.** (Initial: DA)
☐ **NO, I do NOT agree to the above.** (Initial: _____)

12. General Compliance and Cooperation with Cooperative Members

In addition to the foregoing specific requirements, Vendor agrees, in accepting any Purchase Order from a Cooperative member, it shall make a good faith effort to work with Cooperative members to provide such information and to satisfy such requirements as may apply to a particular Cooperative member purchase or purchases including, but not limited to, applicable recordkeeping and record retention requirements.

Vendor Certification, Item 12 (General Compliance and Cooperation with Cooperative Members):

- ☒ **YES, I agree to the above.** (Initial: DA)
☐ **NO, I do NOT agree to the above.** (Initial: _____)

By signature below, I certify that the information in this form is true, complete, and accurate and that I am authorized by my company to make this certification and all consents and agreements contained herein.

R. B. EVERETT & COMPANY

Company Name

Dean Henderson
Signature of Authorized Company Official

DEAN HENDERSON, V.P.

Printed Name



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REQUIRED FORMS CHECKLIST

(Please check (✓) the following)

- ☒ Completed: **Proposer's Agreement and Signature** (Form A)
- ☒ Completed: **Vendor Purchase Order, Request for Quotes, and Invoice Receipt Options** (Form B)
- ☒ Completed: **Felony Conviction Disclosure and Debarment Certification** (Form C)
- ☒ Completed: **Resident/Nonresident Certification** (Form D)
- ☒ Completed: **Historically Underutilized Business (HUB) Certification** (Form E)
- ☒ Completed: **Affirmation Regarding Construction Related Goods and Services** (Form F)
- ☒ Completed: **Deviation/Compliance Signature Form** (Form G)
- ☒ Completed: **Dealership Listings** (Form H)
- ☒ Completed: **Texas Regional Service Designation** (Form I)
- ☒ Completed: **State Service Designation** (Form J)
- ☒ Completed: **National Purchasing Cooperative Vendor Award Agreement** (Form K)
- ☒ Completed: **Federal and State/Purchasing Cooperative Discount Comparison Form** (Form L)
- ☒ Completed: **Governmental References and Price/Discount Information** (Form M)
- ☒ Completed: **Marketing Strategy** (Form N)
- ☒ Completed: **Confidential/Proprietary Information Form** (Form O)
- ☒ Completed: **Vendor Business Name Form with IRS Form W-9** (Form P)
- ☒ Completed: **EDGAR Vendor Certification Form** (Form Q)
- ☒ Completed: **Forms Checklist** (Form R)
- ☒ Completed: **Proposal Specification Form with Catalogs/Pricelists and Manufacturer Letters** (Form S)

~~**Catalogs/Pricelists must be submitted with proposal response or response will not be considered.*~~



Proposal Invitation No. 515-16-Construction, Road, Bridge, Ditching, Trenching, Utility and Other Equipment
(Catalog/pricelist must be submitted with Proposal or Proposal will not be considered¹.)

Item No.	Short Description	Full Description	State Percent (%) of Discount off Catalog/Pricelist ¹	State Name of Catalog/Pricelist ¹	Exceptions
NOTE: Vendors proposing various manufacturer product lines per line item on the Proposal Specification Form (Form S) must submit the information as follows or proposal may not be considered: - Manufacturers shall be listed in alphabetical order - Vendor's must list one specific percentage discount for each Manufacturer listed. If a vendor's response to Proposal Specification Form (Form S) states "please see attachment sheet," all manufacturers listed on the attachment sheet must indicate per manufacturer the line item that correlates to the Proposal Specification Form (Form S) or Vendor's proposal may not be considered. An awarded Vendor must be approved by the manufacturer to sell, install, and service the brand of equipment submitted. Proposer's responding to this Proposal Invitation should submit an approval letter from each manufacturer. Manufacturer authorization letters must include the regions in which equipment may be sold.					
Section I: New Construction, Street, Road, Bridge and Repair Equipment - PURCHASE ONLY					
1	Discount (%) Off Catalog/Pricelist for Air Compressors	Discount (%) Off Catalog/Pricelist for all Air Compressors (Truck or Trailer Mounted), Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
2	Discount (%) Off Catalog/Pricelist for Articulated Trucks	Discount (%) Off Catalog/Pricelist for all Articulated Trucks Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	15 %	DOOSAN 2016 PRICE LIST	
3	Discount (%) Off Catalog/Pricelist for Asphalt Compactors	Discount (%) Off Catalog/Pricelist for all Asphalt Compactors Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	15 %	BOMAG 2016 PRICE LIST COMPACTION	
4	Discount (%) Off Catalog/Pricelist for Asphalt Cutters	Discount (%) Off Catalog/Pricelist for all Asphalt Cutters Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
5	Discount (%) Off Catalog/Pricelist for Asphalt Distributors	Discount (%) Off Catalog/Pricelist for all Asphalt Distributors Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	6 %	ETNYRE 5/15/15 PRICE LIST	
6	Discount (%) Off Catalog/Pricelist for Asphalt Emulsion Tanks	Discount (%) Off Catalog/Pricelist for all Asphalt Emulsion Tanks Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	10 %	CIMLINE 1/25/16 PRICE LIST	

PROPOSAL NOTE

1. Catalog/Pricelists are required to be submitted with Proposal



Proposal Invitation No. 515-16-Construction, Road, Bridge, Ditching, Trenching, Utility and Other Equipment
(Catalog/pricelist must be submitted with Proposal or Proposal will not be considered¹.)

Item No.	Short Description	Full Description	State Percent (%) of Discount off Catalog/Pricelist ¹	State Name of Catalog/Pricelist ¹	Exceptions
7	Discount (%) Off Catalog/Pricelist for Asphalt Pavers	Discount (%) Off Catalog/Pricelist for all Asphalt Pavers, Accessories and Attachments . Catalog/Pricelist MUST be included or proposal will not be considered.	<u>15</u> %	BOMAG 2016 PRICE LIST ASPHALT PAVERS	
8	Discount (%) Off Catalog/Pricelist for Backhoe/Loaders	Discount (%) Off Catalog/Pricelist for all Backhoe/Loaders, Accessories and Attachments . Catalog/Pricelist MUST be included or proposal will not be considered.	<u> </u> %		
9	Discount (%) Off Catalog/Pricelist for Chip Spreaders	Discount (%) Off Catalog/Pricelist for all Chip Spreaders, Accessories and Attachments . Catalog/Pricelist MUST be included or proposal will not be considered.	<u>6</u> %	ETNYRE 5/15/15 PRICE LIST	
10	Discount (%) Off Catalog/Pricelist for Cold Planers	Discount (%) Off Catalog/Pricelist for all Cold Planers, Accessories and Attachments . Catalog/Pricelist MUST be included or proposal will not be considered.	<u>15</u> %	BOMAG 2016 PRICE LIST MILLING MACHINES	
11	Discount (%) Off Catalog/Pricelist for Conveyors	Discount (%) Off Catalog/Pricelist for all Conveyors, Accessories and Attachments . Catalog/Pricelist MUST be included or proposal will not be considered.	<u> </u> %		
12	Discount (%) Off Catalog/Pricelist for Curb and Gutter Machines	Discount (%) Off Catalog/Pricelist for all Curb and Gutter Machines, Accessories and Attachments . Catalog/Pricelist MUST be included or proposal will not be considered.	<u> </u> %		
13	Discount (%) Off Catalog/Pricelist for Forklifts	Discount (%) Off Catalog/Pricelist for all Forklifts, Accessories and Attachments . Catalog/Pricelist MUST be included or proposal will not be considered.	<u> </u> %		
14	Discount (%) Off Catalog/Pricelist for Generator Equipment and Electrical Systems	Discount (%) Off Catalog/Pricelist for all Generator Equipment and Electrical Systems, Accessories and Attachments . Catalog/Pricelist MUST be included or proposal will not be considered.	<u> </u> %		
15	Discount (%) Off Catalog/Pricelist for Hydraulic Hammers	Discount (%) Off Catalog/Pricelist for all Hydraulic Hammers, Accessories and Attachments . Catalog/Pricelist MUST be included or proposal will not be considered.	<u>15</u> %	MONTABERT 2016 PRICE LIST	

PROPOSAL NOTE

1. Catalog/Pricelists are required to be submitted with Proposal



Proposal Invitation No. 515-16-Construction, Road, Bridge, Ditching, Trenching, Utility and Other Equipment
(Catalog/pricelist must be submitted with Proposal or Proposal will not be considered¹.)

Item No.	Short Description	Full Description	State Percent (%) of Discount off Catalog/Pricelist ¹	State Name of Catalog/Pricelist ¹	Exceptions
16	Discount (%) Off Catalog/Pricelist for Integrated Tool Carriers	Discount (%) Off Catalog/Pricelist for all Integrated Tool Carriers, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	15 %	DOOSAN 2016 PRICE LIST	
17	Discount (%) Off Catalog/Pricelist for Jack Hammers	Discount (%) Off Catalog/Pricelist for all Jack Hammers, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
18	Discount (%) Off Catalog/Pricelist for Knuckleboom Loaders	Discount (%) Off Catalog/Pricelist for all Knuckleboom Loaders, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
19	Discount (%) Off Catalog/Pricelist for Material Handling Equipment	Discount (%) Off Catalog/Pricelist for all Material Handling Equipment, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
20	Discount (%) Off Catalog/Pricelist for Melter Crack Sealers	Discount (%) Off Catalog/Pricelist for all Melter Crack Sealers (Truck or Trailer Mounted), Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	10 %	CIMLINE 1/25/16 PRICE LIST	
21	Discount (%) Off Catalog/Pricelist for Mini Excavators	Discount (%) Off Catalog/Pricelist for all Mini Excavators, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
22	Discount (%) Off Catalog/Pricelist for Motor Graders	Discount (%) Off Catalog/Pricelist for all Motor Graders, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
23	Discount (%) Off Catalog/Pricelist for Multi Terrain Loaders	Discount (%) Off Catalog/Pricelist for all Multi Terrain Loaders, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
24	Discount (%) Off Catalog/Pricelist for Paving Breakers and Milling Machines	Discount (%) Off Catalog/Pricelist for all Paving Breakers and Milling Machines, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	15 %	BOMAG 2016 PRICE LIST MILLING MACHINES	

PROPOSAL NOTE

1. Catalog/Pricelists are required to be submitted with Proposal



Proposal Invitation No. 515-16-Construction, Road, Bridge, Ditching, Trenching, Utility and Other Equipment
(Catalog/pricelist must be submitted with Proposal or Proposal will not be considered¹.)

Item No.	Short Description	Full Description	State Percent (%) of Discount off Catalog/Pricelist ¹	State Name of Catalog/Pricelist ¹	Exceptions
25	Discount (%) Off Catalog/Pricelist for Pipelaying Equipment	Discount (%) Off Catalog/Pricelist for all Pipelaying Equipment, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
26	Discount (%) Off Catalog/Pricelist for Pneumatic Compactors and Rollers	Discount (%) Off Catalog/Pricelist for all Pneumatic Compactors and Rollers, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	15 _____ %	BOMAG 2016 PRICE LIST COMPACTION	
27	Discount (%) Off Catalog/Pricelist for Pothole Patchers	Discount (%) Off Catalog/Pricelist for all Pothole Patchers (Trailer or Truck Mounted), Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	10 _____ %	CIMLINE 1/25/16 PRICE LIST	
28	Discount (%) Off Catalog/Pricelist for Road Broom Equipment	Discount (%) Off Catalog/Pricelist for all Road Broom Equipment, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	6 _____ %	BROCE BROOM 2016 PRICE LIST	
29	Discount (%) Off Catalog/Pricelist for Road Reclaiming Equipment	Discount (%) Off Catalog/Pricelist for all Road Reclaiming Equipment, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	15 _____ %	BOMAG 2016 PRICE LIST Reclaimers/Stabilizers	
30	Discount (%) Off Catalog/Pricelist for Scrapers	Discount (%) Off Catalog/Pricelist for all Scrapers, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
31	Discount (%) Off Catalog/Pricelist for Skid Steer Loaders	Discount (%) Off Catalog/Pricelist for all Skid Steer Loaders, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
32	Discount (%) Off Catalog/Pricelist for Soil Stabilizing Equipment	Discount (%) Off Catalog/Pricelist for all Soil Stabilizing Equipment, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	15 _____ %	BOMAG 2016 PRICE LIST Reclaimers/Stabilizers	

PROPOSAL NOTE

1. Catalog/Pricelists are required to be submitted with Proposal



Proposal Invitation No. 515-16-Construction, Road, Bridge, Ditching, Trenching, Utility and Other Equipment
(Catalog/pricelist must be submitted with Proposal or Proposal will not be considered¹.)

Item No.	Short Description	Full Description	State Percent (%) of Discount off Catalog/Pricelist ¹	State Name of Catalog/Pricelist ¹	Exceptions
33	Discount (%) Off Catalog/Pricelist for Telescopic Handlers	Discount (%) Off Catalog/Pricelist for all Telescopic Handlers, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
34	Discount (%) Off Catalog/Pricelist for Track Loaders	Discount (%) Off Catalog/Pricelist for all Track Loaders, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
35	Discount (%) Off Catalog/Pricelist for Track and Wheel Material Handlers	Discount (%) Off Catalog/Pricelist for all Track and Wheel Material Handlers, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
36	Discount (%) Off Catalog/Pricelist for Track-Type Tractors and Dozers	Discount (%) Off Catalog/Pricelist for all Track-Type Tractors and Dozers, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
37	Discount (%) Off Catalog/Pricelist for Tracked Excavators	Discount (%) Off Catalog/Pricelist for all Tracked Excavators, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	15 _____ %	DOOSAN 2016 PRICE LIST	
38	Discount (%) Off Catalog/Pricelist for Trommel Screen Equipment and Compost Turners	Discount (%) Off Catalog/Pricelist for all Trommel Screen Equipment and Compost Turners, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
39	Discount (%) Off Catalog/Pricelist for Truck Mounted Excavators	Discount (%) Off Catalog/Pricelist for all Truck Mounted Excavators, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
40	Discount (%) Off Catalog/Pricelist for Utility Vehicles	Discount (%) Off Catalog/Pricelist for all Utility Vehicles, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		

PROPOSAL NOTE

1. Catalog/Pricelists are required to be submitted with Proposal



Proposal Invitation No. 515-16-Construction, Road, Bridge, Ditching, Trenching, Utility and Other Equipment
(Catalog/pricelist must be submitted with Proposal or Proposal will not be considered¹.)

Item No.	Short Description	Full Description	State Percent (%) of Discount off Catalog/Pricelist ¹	State Name of Catalog/Pricelist ¹	Exceptions
41	Discount (%) Off Catalog/Pricelist for Vibratory Soil Compactors and Rollers	Discount (%) Off Catalog/Pricelist for all Vibratory Soil Compactors and Rollers, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	15 %	BOMAG 2016 PRICE LIST COMPACTION	
42	Discount (%) Off Catalog/Pricelist for Waste Handling Wheel Loaders and Landfill Compactors	Discount (%) Off Catalog/Pricelist for all Waste Handling Wheel Loaders and Landfill Compactors, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	15 %	BOMAG 2016 PRICE LIST COMPACTION	
43	Discount (%) Off Catalog/Pricelist for Wheel Dozers	Discount (%) Off Catalog/Pricelist for all Wheel Dozers, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
44	Discount (%) Off Catalog/Pricelist for Wheel Excavators	Discount (%) Off Catalog/Pricelist for all Wheel Excavators, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	15 %	DOOSAN 2016 PRICE LIST	
45	Discount (%) Off Catalog/Pricelist for Wheel Loaders	Discount (%) Off Catalog/Pricelist for all Wheel Loaders, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	15 %	DOOSAN 2016 PRICE LIST	
46	Discount (%) Off Catalog/Pricelist for Heavy Duty Paint Striping Equipment	Discount (%) Off Catalog/Pricelist for all Heavy Duty Paint Striping Equipment, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
47	Discount (%) Off Catalog/Pricelist for All Other Construction, Road, Bridge, and Repair Equipment	Discount (%) Off Catalog/Pricelist for All Other Construction, Road, Bridge, and Repair Equipment, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	15 %	DOOSAN 2016 PRICE LIST	

PROPOSAL NOTE

1. Catalog/Pricelists are required to be submitted with Proposal



Proposal Invitation No. 515-16-Construction, Road, Bridge, Ditching, Trenching, Utility and Other Equipment
(Catalog/pricelist must be submitted with Proposal or Proposal will not be considered¹.)

Item No.	Short Description	Full Description	State Percent (%) of Discount off Catalog/Pricelist ¹	State Name of Catalog/Pricelist ¹	Exceptions
48	Discount (%) Off Catalog/Pricelist for Parts on All Types of Construction, Road, Bridge, and Repair Equipment	Discount (%) Off Catalog/Pricelist for all Parts on All Types of Construction, Road, Bridge, and Repair Equipment. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
Section II: Construction, Road, Bridge, and Repair Equipment - RENTAL ONLY (Vendor must include Rental Rate Sheet)					
49	Discount (%) Off Catalog/Pricelist for RENTAL of All Construction, Road, Bridge, and Repair Equipment	Discount (%) Off Catalog/Pricelist for RENTAL of All Construction, Road, Bridge, and Repair Equipment, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	5 %	R. B. Everett & Company Rental Rate Sheet	
Section III: Construction, Road, Bridge, and Repair Equipment Repair Equipment (Pre-Owned/Reconditioned/Retired Rental) - PURCHASE ONLY					
NOTE: Proposers responding to this Proposal Invitation for "Pre-Owned/Reconditioned/Retired Rental" equipment must also be approved by the manufacturer to sell pre-owned/reconditioned/retired rental equipment for the brand submitted and must submit an approval letter from each manufacturer with the Proposal. Manufacturer authorization letters must include the regions in which equipment can be sold. "Pre-Owned/Reconditioned/Retired Rental" shall be defined as equipment having been checked and inspected by a manufacturer authorized dealer prior to sale and shall be no older than sixty (60) months as of the date of delivery. Equipment listed as "Pre-Owned/Reconditioned/Retired Rental" shall be in good and working condition and shall include a minimum warranty of one-hundred eighty (180) days against any defect from workmanship and parts and shall cover equipment repairs and/or component replacement. Total equipment usage hours as displayed on the service meter will have a maximum of one-thousand (1,000) hours per year of age and a minimum of seventy-five percent (75%) of wear remaining for tires, track, and/or ground engagement tools.					
50	Discount (%) Off Catalog/Pricelist for Pre-Owned/Reconditioned/Retired Rental of All Construction/Road and Bridge Repair Equipment	Discount (%) Off Catalog/Pricelist for all Pre-Owned/Reconditioned/Retired Rental of All Construction/Road and Bridge Repair Equipment, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	Please see attachment sheet _____ %	Please see attachment sheet	

PROPOSAL NOTE

1. Catalog/Pricelists are required to be submitted with Proposal



Proposal Invitation No. 515-16-Construction, Road, Bridge, Ditching, Trenching, Utility and Other Equipment
(Catalog/pricelist must be submitted with Proposal or Proposal will not be considered¹.)

Item No.	Short Description	Full Description	State Percent (%) of Discount off Catalog/Pricelist ¹	State Name of Catalog/Pricelist ¹	Exceptions
Section IV: Street Sweepers, Sand/Salt Spreading, Snow Plows and DeIcing Road and Bridge Equipment - PURCHASE ONLY					
51	Discount (%) Off Catalog/Pricelist for All Broom Street Sweepers	Discount (%) Off Catalog/Pricelist for all Broom Street Sweepers, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	6 %	BROCE BROOM 2016 PRICE LIST	
52	Discount (%) Off Catalog/Pricelist for All Air Street Sweepers	Discount (%) Off Catalog/Pricelist for all Air Street Sweepers, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
53	Discount (%) Off Catalog/Pricelist for All Regenerative Air Street Sweepers	Discount (%) Off Catalog/Pricelist for all Regenerative Air Street Sweepers, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
54	Discount (%) Off Catalog/Pricelist for All Waterless Street Sweepers	Discount (%) Off Catalog/Pricelist for all Waterless Street Sweepers, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
55	Discount (%) Off Catalog/Pricelist for All Alternative Fuel Street Sweepers	Discount (%) Off Catalog/Pricelist for all Alternative Fuel Street Sweepers, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		

PROPOSAL NOTE

1. Catalog/Pricelists are required to be submitted with Proposal



Proposal Invitation No. 515-16-Construction, Road, Bridge, Ditching, Trenching, Utility and Other Equipment

(Catalog/pricelist must be submitted with Proposal or Proposal will not be considered¹.)

Item No.	Short Description	Full Description	State Percent (%) of Discount off Catalog/Pricelist ¹	State Name of Catalog/Pricelist ¹	Exceptions
56	Discount (%) Off Catalog/Pricelist for All Mounted Sand and Salt Spreading Equipment	Discount (%) Off Catalog/Pricelist for all types of Mounted Sand and Salt Spreading Equipment, Accessories and Attachments (Pick-Up, Utility, Heavy-Duty, or Tailgate). Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
57	Discount (%) Off Catalog/Pricelist for All Pre-Wetting Equipment	Discount (%) Off Catalog/Pricelist for all Pre-Wetting Equipment, Accessories and Attachments . Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
58	Discount (%) Off Catalog/Pricelist for All Snow Plow Equipment	Discount (%) Off Catalog/Pricelist for all Snow Plow Equipment, Accessories and Attachments . Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
59	Discount (%) Off Catalog/Pricelist for All Deicing Equipment	Discount (%) Off Catalog/Pricelist for all Deicing Equipment, Accessories and Attachments . Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
60	Discount (%) Off Catalog/Pricelist for All Other Types of Street Sweeper, Sand/Salt Spreading, Snow Plows and Deicing Equipment	Discount (%) Off Catalog/Pricelist for All Other Types of Street Sweeper, Sand/Salt Spreading, Snow Plows and Deicing Equipment, Accessories and Attachments . Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		

PROPOSAL NOTE

1. Catalog/Pricelists are required to be submitted with Proposal



Proposal Invitation No. 515-16-Construction, Road, Bridge, Ditching, Trenching, Utility and Other Equipment
(Catalog/pricelist must be submitted with Proposal or Proposal will not be considered¹.)

Item No.	Short Description	Full Description	State Percent (%) of Discount off Catalog/Pricelist ¹	State Name of Catalog/Pricelist ¹	Exceptions
61	Discount (%) Off Catalog/Pricelist for Parts on All Types of Street Sweepers, Sand Spreading, Snow Plows, Deicing and Other Related Equipment	Discount (%) Off Catalog/Pricelist for all Parts on All Types of Street Sweepers, Sand Spreading, Snow Plows, Deicing and Other Related Equipment, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
Section V: Ditching, Trenching and Utility Equipment (Environmental Products) Equipment - PURCHASE ONLY					
62	Discount (%) Off Catalog/Pricelist for Brush Chippers	Discount (%) Off Catalog/Pricelist for all Brush Chippers, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
63	Discount (%) Off Catalog/Pricelist for Stump Cutters	Discount (%) Off Catalog/Pricelist for all Stump Cutters, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
64	Discount (%) Off Catalog/Pricelist for Tub Grinders	Discount (%) Off Catalog/Pricelist for all Tub Grinders, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
65	Discount (%) Off Catalog/Pricelist for Horizontal Grinders	Discount (%) Off Catalog/Pricelist for all Horizontal Grinders, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		

PROPOSAL NOTE

1. Catalog/Pricelists are required to be submitted with Proposal



Proposal Invitation No. 515-16-Construction, Road, Bridge, Ditching, Trenching, Utility and Other Equipment
(Catalog/pricelist must be submitted with Proposal or Proposal will not be considered¹.)

Item No.	Short Description	Full Description	State Percent (%) of Discount off Catalog/Pricelist ¹	State Name of Catalog/Pricelist ¹	Exceptions
66	Discount (%) Off Catalog/Pricelist for Tree Spades	Discount (%) Off Catalog/Pricelist for all Tree Spades, Accessories and Supplies. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
67	Discount (%) Off Catalog/Pricelist for Tree Care Accessories and Supplies	Discount (%) Off Catalog/Pricelist for all Tree Care Accessories and Supplies. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
Section VI: Ditching, Trenching and Utility Equipment (Trenching/Plowing Products) - PURCHASE ONLY					
68	Discount (%) Off Catalog/Pricelist for Hydrostatic Trenching Equipment	Discount (%) Off Catalog/Pricelist for all Hydrostatic Trenching Equipment, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
69	Discount (%) Off Catalog/Pricelist for Hydrostatic Rock Trenchers	Discount (%) Off Catalog/Pricelist for all Hydrostatic Rock Trenching Equipment, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
70	Discount (%) Off Catalog/Pricelist for Offset Trenchers	Discount (%) Off Catalog/Pricelist for all Offset Trenchers, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		

PROPOSAL NOTE

1. Catalog/Pricelists are required to be submitted with Proposal



Proposal Invitation No. 515-16-Construction, Road, Bridge, Ditching, Trenching, Utility and Other Equipment
(Catalog/pricelist must be submitted with Proposal or Proposal will not be considered¹.)

Item No.	Short Description	Full Description	State Percent (%) of Discount off Catalog/Pricelist ¹	State Name of Catalog/Pricelist ¹	Exceptions
71	Discount (%) Off Catalog/Pricelist for Hydrostatic Trench Compactors	Discount (%) Off Catalog/Pricelist for all Hydrostatic Trench Compactors, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
72	Discount (%) Off Catalog/Pricelist for Vibratory Plows	Discount (%) Off Catalog/Pricelist for all Vibratory Plows, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
73	Discount (%) Off Catalog/Pricelist for Concrete Cutters	Discount (%) Off Catalog/Pricelist for all Concrete Cutters, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
74	Discount (%) Off Catalog/Pricelist for Trench Compactors	Discount (%) Off Catalog/Pricelist for all Trench Compactors, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	15 _____ %	BOMAG 2016 PRICE LIST COMPACTION	

PROPOSAL NOTE

1. Catalog/Pricelists are required to be submitted with Proposal



Proposal Invitation No. 515-16-Construction, Road, Bridge, Ditching, Trenching, Utility and Other Equipment
(Catalog/pricelist must be submitted with Proposal or Proposal will not be considered¹.)

Item No.	Short Description	Full Description	State Percent (%) of Discount off Catalog/Pricelist ¹	State Name of Catalog/Pricelist ¹	Exceptions
Section VII: Ditching, Trenching and Utility Equipment (Trenchless Products) - PURCHASE ONLY					
75	Discount (%) Off Catalog/Pricelist for Horizontal Directional Drilling Systems	Discount (%) Off Catalog/Pricelist for all Horizontal/Directional Boring/Drilling Systems, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
76	Discount (%) Off Catalog/Pricelist for Fluid Mixing Systems	Discount (%) Off Catalog/Pricelist for all Fluid Mixing Systems, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
77	Discount (%) Off Catalog/Pricelist for Vacuum/Excavation Systems	Discount (%) Off Catalog/Pricelist for all Vacuum Excavation Systems, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
78	Discount (%) Off Catalog/Pricelist for Hammerhead Mole Tools	Discount (%) Off Catalog/Pricelist for all Hammerhead Mole Tools, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
79	Discount (%) Off Catalog/Pricelist for Pipe Bursting Equipment	Discount (%) Off Catalog/Pricelist for all Pipe Bursting Equipment, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		

PROPOSAL NOTE

1. Catalog/Pricelists are required to be submitted with Proposal



Proposal Invitation No. 515-16-Construction, Road, Bridge, Ditching, Trenching, Utility and Other Equipment
(Catalog/pricelist must be submitted with Proposal or Proposal will not be considered¹.)

Item No.	Short Description	Full Description	State Percent (%) of Discount off Catalog/Pricelist ¹	State Name of Catalog/Pricelist ¹	Exceptions
80	Discount (%) Off Catalog/Pricelist for All Other Ditching, Trenching and Utility Equipment	Discount (%) Off Catalog/Pricelist for All Other Ditching, Trenching and Utility Equipment, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
81	Discount (%) Off Catalog/Pricelist for Parts on All Ditching, Trenching, and Utility Equipment	Discount (%) Off Catalog/Pricelist for all Parts on Ditching, Trenching, and Utility Equipment. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
Section VIII: Ditching, Trenching and Utility Equipment Equipment - RENTAL ONLY					
82	Discount (%) Off Catalog/Pricelist for Rental of All Ditching, Trenching and Utility Equipment Rental	Discount (%) Off Catalog/Pricelist for RENTAL of All Ditching, Trenching and Utility Equipment, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
Section IX: Ditching, Trenching and Utility Equipment (Pre-Owned/Reconditioned/Retired Rental) - PURCHASE ONLY					
NOTE: Proposers responding to this Proposal Invitation for "Pre-Owned/Reconditioned/Retired Rental" equipment must also be approved by the manufacturer to sell pre-owned/reconditioned/retired rental equipment for the brand submitted and must submit an approval letter from each manufacturer with the Proposal. Manufacturer authorization letters must include the regions in which equipment can be sold. "Pre-Owned/Reconditioned/Retired Rental" shall be defined as equipment having been checked and inspected by a manufacturer authorized dealer prior to sale and shall be no older than sixty (60) months as of the date of delivery. Equipment listed as "Pre-Owned/Reconditioned/Retired Rental" shall be in good and working condition and shall include a minimum warranty of one-hundred eighty (180) days against any defect from workmanship and parts and shall cover equipment repairs and/or component replacement. Total equipment usage hours as displayed on the service meter will have a maximum of one-thousand (1,000) hours per year of age and a minimum of seventy-five percent (75%) of wear remaining for tires, track, and/or ground engagement tools.					
83	Discount (%) Off Catalog/Pricelist for Pre-Owned/Reconditioned/Retired Rental Ditching, Trenching and Utility Equipment	Discount (%) Off Catalog/Pricelist for all Pre-Owned/Reconditioned/Retired Rental Ditching, Trenching and Utility Equipment, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	6 _____ %		

PROPOSAL NOTE

1. Catalog/Pricelists are required to be submitted with Proposal



Proposal Invitation No. 515-16-Construction, Road, Bridge, Ditching, Trenching, Utility and Other Equipment

(Catalog/pricelist must be submitted with Proposal or Proposal will not be considered¹.)

Item No.	Short Description	Full Description	State Percent (%) of Discount off Catalog/Pricelist ¹	State Name of Catalog/Pricelist ¹	Exceptions
Section X: Debris/Scrap Processing Equipment - PURCHASE ONLY					
84	Discount (%) Off Catalog/Pricelist for Demolition Equipment	Discount (%) Off Catalog/Pricelist for all Demolition Equipment, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	15 %	DOOSAN 2016 PRICE LIST	
85	Discount (%) Off Catalog/Pricelist for Disaster Equipment	Discount (%) Off Catalog/Pricelist for all Disaster Equipment, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
86	Discount (%) Off Catalog/Pricelist for Landfill/Recycling Equipment	Discount (%) Off Catalog/Pricelist for all Landfill/Recycling Equipment, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	15 %	BOMAG 2016 PRICE LIST COMPACTION	
87	Discount (%) Off Catalog/Pricelist for Site and Right of Way Clearance Equipment	Discount (%) Off Catalog/Pricelist for all Site and Right of Way Clearance Equipment, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
88	Discount (%) Off Catalog/Pricelist for All Other Debris/Scrap Processing Equipment	Discount (%) Off Catalog/Pricelist for All Other Debris/Scrap Processing Equipment, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	15 %	DOOSAN 2016 PRICE LIST	

PROPOSAL NOTE

1. Catalog/Pricelists are required to be submitted with Proposal



Proposal Invitation No. 515-16-Construction, Road, Bridge, Ditching, Trenching, Utility and Other Equipment

(Catalog/pricelist must be submitted with Proposal or Proposal will not be considered¹.)

Item No.	Short Description	Full Description	State Percent (%) of Discount off Catalog/Pricelist ¹	State Name of Catalog/Pricelist ¹	Exceptions
89	Discount (%) Off Catalog/Pricelist for Parts on All Debris/Scrap Equipment	Discount (%) Off Catalog/Pricelist for all Parts on Debris/Scrap Equipment, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
Section XI: Debris/Scrap Processing Equipment Equipment - RENTAL ONLY					
90	Discount (%) Off Catalog/Pricelist for Rental of All Debris/Scrap Processing Equipment Rental	Discount (%) Off Catalog/Pricelist for RENTAL of All Debris/Scrap Processing Equipment, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
Section XIII: Debris/Scrap Processing Equipment (Pre-Owned/Reconditioned/Retired Rental) - PURCHASE ONLY					
NOTE: Proposers responding to this Proposal Invitation for "Pre-Owned/Reconditioned/Retired Rental" equipment must also be approved by the manufacturer to sell pre-owned/reconditioned/retired rental equipment for the brand submitted and must submit an approval letter from each manufacturer with the Proposal. Manufacturer authorization letters must include the regions in which equipment can be sold. "Pre-Owned/Reconditioned/Retired Rental" shall be defined as equipment having been checked and inspected by a manufacturer authorized dealer prior to sale and shall be no older than sixty (60) months as of the date of delivery. Equipment listed as "Pre-Owned/Reconditioned/Retired Rental" shall be in good and working condition and shall include a minimum warranty of one-hundred eighty (180) days against any defect from workmanship and parts and shall cover equipment repairs and/or component replacement. Total equipment usage hours as displayed on the service meter will have a maximum of one-thousand (1,000) hours per year of age and a minimum of seventy-five percent (75%) of wear remaining for tires, track, and/or ground engagement tools.					
91	Discount (%) Off Catalog/Pricelist for Pre-Owned/Reconditioned/Retired Rental Debris/Scrap Processing Equipment	Discount (%) Off Catalog/Pricelist for Pre-Owned/Reconditioned/Retired Rental Debris/Scrap Processing Equipment, Accessories and Attachments. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		

PROPOSAL NOTE

1. Catalog/Pricelists are required to be submitted with Proposal



Proposal Invitation No. 515-16-Construction, Road, Bridge, Ditching, Trenching, Utility and Other Equipment
(Catalog/pricelist must be submitted with Proposal or Proposal will not be considered¹.)

Section XIV: Installation and Repair Service			Not to Exceed Hourly Labor Rate	Detailed Information on Hourly Labor Rate	Exceptions to Hourly Labor Rate
92	Not to Exceed Hourly Labor Rate for Installation/Repair Service on All Types of Construction, Road/Bridge and Other Equipment	Hourly Labor Rate for Installation/Repair Service on All Types of Construction, Road/Bridge and Other Equipment -- State the <u>Not to Exceed</u> hourly labor rate for Installation/Repair Service of Equipment and Products.	\$ _____/Hour		
93	Not to Exceed Hourly Labor Rate for Installation/Repair Service on All Types of Street Sweepers, Sand Spreading, Snow Plows, Deicing and Other Equipment	Hourly Labor Rate for Installation/Repair Service on All Types of Street Sweepers, Sand Spreading, Snow Plows, Deicing and Other Equipment -- State the <u>Not to Exceed</u> hourly labor rate for Installation/Repair Service of Equipment and Products.	\$ _____/Hour		
94	Not to Exceed Hourly Labor Rate for Installation/Repair Service of Ditching, Trenching and Utility Equipment	Hourly Labor Rate for Installation/Repair Service of Ditching, Trenching and Utility Equipment -- State the <u>Not to Exceed</u> hourly labor rate for Installation/Repair Service of Equipment and Products.	\$ _____/Hour		
95	Not to Exceed Hourly Labor Rate for Installation/Repair Service of Debris/Scrap Processing Equipment	Hourly Labor Rate for Installation/Repair Service of Debris/Scrap Processing Equipment -- State the <u>Not to Exceed</u> hourly labor rate for Installation/Repair Service of Equipment and Products.	\$ _____/Hour		

PROPOSAL NOTE

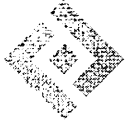
1. Catalog/Pricelists are required to be submitted with Proposal

ATTACHMENT SHEET

Section III

Item 50:

Manufacturer:	Discount:
BOMAG	15%
Broce Broom	6%
Cimline	10%
Doosan	15%
Etnyre	6%
Montabert	15%



BOMAG
FAYAT GROUP

Continuous Innovation
Leadership in Technology
Investing in Individuals

April 5, 2016

To Whom It May Concern:

The purpose of this letter is to confirm that R.B. Everett is authorized as a distributor/dealer for sales and support of the following products within the following regions:

Pasadena, TX location authorized for the following products: Embankment Compactors, Heavy Pneumatic Rollers, Milling Machines, Pavers, RS Series Recyclers/Stabilizers, Tandem & Combination Rollers

Pasadena, TX serving the following counties:

Anderson, TX; Angelina, TX; Austin, TX; Bowie, TX; Brazoria, TX; Brazos, TX; Burleson, TX; Camp, TX; Cass, TX; Chambers, TX; Cherokee, TX; Colorado, TX; Fort Bend, TX; Freestone, TX; Galveston, TX; Gregg, TX; Grimes, TX; Hardin, TX; Harris, TX; Harrison, TX; Houston, TX; Jackson, TX; Jasper, TX; Jefferson, TX; Lavaca, TX; Lee, TX; Leon, TX; Liberty, TX; Limestone, TX; Madison, TX; Marion, TX; Matagorda, TX; Montgomery, TX; Morris, TX; Nacogdoches, TX; Newton, TX; Orange, TX; Panola, TX; Polk, TX; Red River, TX; Rusk, TX; Sabine, TX; San Augustine, TX; San Jacinto, TX; Shelby, TX; Smith, TX; Titus, TX; Trinity, TX; Tyler, TX; Upshur, TX; Walker, TX; Waller, TX; Washington, TX; Wharton, TX

Haltom City, TX location authorized for the following products: Embankment Compactors, Heavy Pneumatic Rollers, Light Pneumatic Rollers, Milling Machines, Pavers, MPH & RS Model Recyclers/Stabilizers, Refuse Compactors, Single Drum Rollers, Tandem & Combination Rollers

Haltom City, TX serving the following counties:

Bosque, TX; Collin, TX; Cooke, TX; Dallas, TX; Delta, TX; Denton, TX; Ellis, TX; Erath, TX; Fannin, TX; Franklin, TX; Grayson, TX; Hamilton, TX; Henderson, TX; Hill, TX; Hood, TX; Hopkins, TX; Hunt, TX; Johnson, TX; Kaufman, TX; Lamar, TX; McLennan, TX; Mills, TX; Navarro, TX; Palo Pinto, TX; Parker, TX; Rains, TX; Rockwall, TX; Somervell, TX; Tarrant, TX; VanZandt, TX; Wise, TX; Wood, TX

If you have any further additional questions feel free to contact me anytime.

Best regards,

Kevin Caldwell
Bomag Territory Manager - TX, LA, OK
kevin.caldwell@bomag.com
832-817-9091

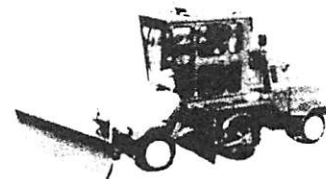


BOMAG Americas, Inc. • • • • **Providing equipment for every stage of the road life cycle.**

125 Blue Granite Parkway • Ridgeway, South Carolina 29130 • www.bomag.com/us



Broce Broom
BROCE MANUFACTURING CO.
"Since 1963"



April 3, 2016

Rob Via
R.B. Everett & Company
8211 Red Bluff
Pasadena, TX 77507

Dear Rob:

I wanted to confirm that R.B. Everett & Company is approved and authorized to sell, install, and service products sold to the TASB BuyBoard that are manufactured by Broce Manufacturing Company, Inc. This authorization is extended to the following TASB BuyBoard regions:

3, 4, 5, 6, 7, 8, 9, 10, 11, 12, and 13

If you have any questions, please feel free to give me a call.

Sincerely,

Terry Wimer
Sr. VP Sales Operations
Broce Manufacturing Company, Inc.



April 18, 2016

Rob Via
R. B Everett & Company
8211 Red Bluff
Pasadena, TX 77507

Rob,

I am confirming that R. B. Everett & Company is approved and authorized to sell, install and service products sold to the TASB Buy Board that are manufactured by Cimline Pavement Maintenance Group. This authorization is extended to the following Buy Board regions:

3, 4, 5, 6, 7, 8, 9, 10 and 11

Any questions give me a call.

Regards,

A handwritten signature in black ink, appearing to read 'Gary McGee', is written over the typed name.

Gary McGee
Regional Sales Manager
Cimline Pavement Maintenance Group



Cimline Pavement Maintenance Group



**Doosan Infracore
Construction Equipment
JW Striefel
2905 Shawnee Industrial Way
Suwanee, GA 30024**

April 4, 2016

Rob Via
R.B. Everett & Company
8211 Red Bluff
Pasadena, TX 77507

Dear Rob:

I want to confirm that R.B. Everett & Company is approved and authorized to sell, install, and service products sold to the TASB BuyBoard that are manufactured by Doosan Infracore Construction Equipment Company. This Authorization is extended to the following TASB BuyBoard regions:

3, 4, 5, 6, 9, 10, 11, 12, and 14.

If you have any questions, please feel free to contact me.

Best Regards,

A handwritten signature in black ink, appearing to be "JW Striefel", with a long horizontal line extending to the right.

JW Striefel
District Manager
Doosan Infracore Construction Equipment



ESTABLISHED 1898
INCORPORATED 1917

E. D. ETNYRE & CO., Oregon, Illinois 61061-9778

1333 South Daysville Road • Phone 815/732-2116
Fax: Main Office 815-732-4277, Sales & Service 815-732-7400
Web Site: www.etnyre.com • Email: sales@etnyre.com

April 04, 2016

To whom it may concern,

Be it known that R.B. Everett & Co. is our authorized distributorship for the selling and support of our products within the following Buy Board regions:

3, 4 , 5, 6, 7, 8, 9, 10, 11 12, and 13.

Signed: _____

Date: April 04, 2016



Montabert
2905 Shawnee Industrial Way
Suwanee, GA 30024
866-472-4373
www.tramacbymontabert.com

Tuesday, April 12, 2016

Rob Via
R.B. Everett & Co.
8211 Red Bluff
Pasadena, TX 77507

Re: Buy Board Proposal Invitation No. 515-16

Dear Rob,

This letter is to confirm that R.B. Everett & Co. is a certified Montabert dealer in Texas and is authorized and trained to retail, service and process warranty work on all the product lines manufactured by Montabert. This authorization is extended to the following TASB BuyBoard regions:

3,4,5,6,7,8,9,10,11,12, 13

If you have any questions or require additional information feel free to contact me

Best Regards,

Eric Chudzik
District Sales Manager

866-472-4373
262-290-1128 mobile
eric.chudzik@montabertusa.com

MONTABERT is the undisputed worldwide leader for the design and manufacturing of hydraulic demolition and drilling attachments. Montabert products are designed for heavy-duty use on any size excavator for the construction, demolition, mining and quarry industries. Our global reach ensures we produce the best products and support...wherever the job takes you.



BOMAG
FAYAT GROUP

Continuous Innovation
Leadership in Technology
Investing in Individuals

April 14, 2016

To Whom It May Concern:

This letter will serve as authorization for R.B. Everett to sell "Pre-Owned, Reconditioned, Retired Rental Equipment", as per Item 50 of BuyBoard Equipment Proposal Invitation No. 515-16 in the following Regions:

Regions: 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13

If you have any further additional questions feel free to contact me anytime.

Best regards,

Kevin Caldwell
Bomag Territory Manager - TX, LA, OK
kevin.caldwell@bomag.com
832-817-9091

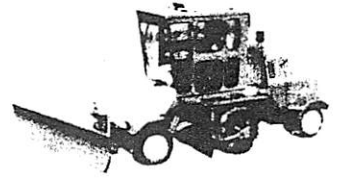


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125 Blue Granite Parkway • Ridgeway, South Carolina 29130 • www.bomag.com/us



Broce Broom
BROCE MANUFACTURING CO.
"Since 1963"



April 14, 2016

Rob Via
R.B. Everett & Company
8211 Red Bluff
Pasadena, TX 77507

Dear Rob:

This letter will serve as authorization for R.B. EVERETT & COMPANY to sell "Pre-Owned/Reconditioned/Retired Rental" equipment as per Item 50 of BuyBoard Equipment Proposal Invitation No. 515-16 in the following Regions.

3, 4, 5, 6, 7, 8, 9, 10, 11, 12, and 13

If you have any questions, please feel free to give me a call.

Sincerely,

Terry Wimer
Sr. VP Sales Operations
Broce Manufacturing Company, Inc.



April 14, 2016

Mr. Rob Via
R B Everett & Company
8211 Red Bluff
Pasadena, TX 77507

Rob,

I am confirming that R. B. Everett & Company is approved and authorized to sell, install and service Pre-Owned/Reconditioned/Retired Rental equipment manufactured by Cimline Pavement Maintenance Group. The authorization is extended to the following Buy Board Regions:

3, 4, 5, 6, 7, 8, 9, 10, 11.

Any questions give me a call.

Regards,

A handwritten signature in black ink, appearing to read 'Gary McGee'.

Gary McGee
Regional Sales Manager
Cimline Pavement Maintenance Group



Cimline Pavement Maintenance Group



Doosan Infracore
Construction Equipment
JW Striefel
2905 Shawnee Industrial Way
Suwanee, GA 30024

April 14, 2016

Rob Via
R.B. Everett & Company
8211 Red Bluff
Pasadena, TX 77507

To Whom it may concern:

This letter will serve as authorization for R.B. Everett & Company to sell
"PreOwned/Reconditioned/Retired Rental" equipment as per Item 50 of BuyBoard Equipment Proposal
Invitation No. 515-16. This Authorization is extended to the following TASB BuyBoard regions:

3, 4, 5, 6, 9, 10, 11, 12, and 14.

If you have any questions, please feel free to contact me.

Best Regards,

JW Striefel
District Manager
Doosan Infracore Construction Equipment



ESTABLISHED 1898
INCORPORATED 1917

E. D. ETNYRE & CO., Oregon, Illinois 61061-9778

1333 South Daysville Road • Phone 815/732-2116
Fax: Main Office 815-732-4277, Sales & Service 815-732-7400
Web Site: www.etnyre.com • Email: sales@etnyre.com

April 14, 2016

To whom it may concern,

This letter will serve as authorization for R.B. Everett & Company to sell "Pre-Owned/Reconditioned/Retired Rental" equipment as per item 50 of Buy Board Equipment Proposal Invitation No. 515-16 in the following Regions:

3, 4 , 5, 6, 7, 8, 9, 10, 11 12, and 13.

Signed: _____



Date: April 14, 2016



Montabert
2905 Shawnee Industrial Way
Suwanee, GA 30024
866-472-4373
www.tramacbymontabert.com

Tuesday, April 12, 2016

Re: Buy Board Proposal Invitation No. 515-16

To Whom It May Concern:

This letter will serve as authorization for **R.B. Everett & Company** to sell our "Pre-Owned / Reconditioned / Retired Rental" equipment as per item 50 of the BuyBoard Equipment Proposal Invitation No. 515-16 in the following regions;

3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13

If you have any questions or require additional information feel free to contact me.

Regards,

Eric Chudzik
District Sales Manager
Montabert

866-472-4373
262-290-1128 mobile
eric.chudzik@montabertusa.com

MONTABERT is the undisputed worldwide leader for the design and manufacturing of hydraulic demolition and drilling attachments. Montabert products are designed for heavy-duty use on any size excavator for the construction, demolition, mining and quarry industries. Our global reach ensures we produce the best products and support...wherever the job takes you.



Patrick H. Peters III
Associate General Counsel and
Director of Regulatory Affairs

1005 Congress Avenue, Suite 650
Austin, Texas 78701
Voice: (512) 397-3032
Fax: (512) 397-3050
patrick.peters@centerpointenergy.com

March 1, 2019

Honorable Mayor and City Officials
City of Galveston, Texas

Subject: Notice of CenterPoint Energy Houston Electric, LLC Filing to Change Rates

CenterPoint Energy Houston Electric, LLC ("CenterPoint Houston"), in accordance with the Public Utility Regulatory Act, hereby provides notice of its intent to file an application to adjust its electric rates for both retail and wholesale delivery of electricity not earlier than April 1, 2019, and not later than April 30, 2019.

On the date that CenterPoint Houston files its application at the Public Utility Commission of Texas ("PUCT"), CenterPoint Houston will also provide you with an electronic version of the rate filing application on CD(s). If you would like a hard copy of the filing in addition to the electronic version, please provide a written request to Alice Hart at alice.hart@centerpointenergy.com by March 15, 2019. If you have questions concerning this notice, please contact Ms. Hart at (713) 207-5322.

Sincerely,

A handwritten signature in black ink that reads "P.H. Peters III". The signature is written in a cursive, stylized font.

Patrick H. Peters III



Harris - Galveston Subsidence District

1660 West Bay Area Boulevard
Friendswood, Texas, 77546

January 29, 2019

The Honorable James D. Yarbrough
Mayor, City of Galveston
P.O. Box 779
Galveston, TX 77553-0779

Dear Mayor Yarbrough,

As General Manager of the Subsidence District, it is my responsibility to notify you that Mr. Jason Long has been appointed to the Board of Directors by a majority of the Cities of Galveston County as specified in section 8801.051 (d) to a term of office expiring January 31, 2021.

Of the 13 municipalities within Galveston County, the District received nominations for appointment from the following:

▪ City of Clear Lake Shores	Mr. Jason Long
▪ City of Dickinson	Mr. Jason Long
▪ City of Bayou Vista	Mr. Don Johnson
▪ City of Friendswood	Mr. Don Johnson
▪ City of Galveston	Mr. Don Johnson
▪ City of Hitchcock	Mr. Jason Long
▪ City of Jamaica Beach	Mr. Don Johnson
▪ City of Kemah	Mr. Jason Long
▪ City of La Marque	Mr. Jason Long
▪ City of League City	Mr. Jason Long
▪ City of Santa Fe	Mr. Jason Long
▪ City of Texas City	Mr. Jason Long
▪ Village of Tiki Island	Mr. Don Johnson

Mr. Long will take the oath of office at the Board of Directors Regular Meeting to be held at 10:00 AM on February 13, 2019, at the District Office located at 1660 West Bay Area Blvd., Friendswood, TX, 77546. Thank you for your continued support of the Subsidence District's mission. I look forward to working with you and your staff in the future. Please contact me if you have any questions concerning this board appointment.

Sincerely,



Michael J. Turco – General Manager

Board of Directors: Alan Petrov – Chairman (*Municipalities of West University Place, Southside Place, Bellaire, and Jacinto City*); Susan Baird – Vice Chairman (*City of Houston*); Alberto Gonzalez – Secretary (*City of Houston*); Lindall Murff (*Harris County Commissioners Court*); Joe Goins (*Harris County Commissioners Court*); Chris Canonico (*City of Houston*); Linn Smyth (*Harris County Commissioners Court*); William Latimer (*Galveston County Commissioners Court*); Pete Cote (*City of Baytown*); James Edwards (*Clear Lake Water Authority and the municipalities of Deer Park, Galena Park, La Porte, Nassau Bay, and Seabrook*); Pamela Puckett (*City of Houston*); Kyle Sears (*Municipalities of Humble, Piney Point Village, Hedwig Village, Bunker Hill Village, Hunters Creek Village, Hillshire Village, and Spring Valley*); Kathy Rogers (*Galveston County Commissioners Court*); Shaun Theriot-Smith (*City of Houston*); Shannon Lucas (*Municipalities of Galveston County*); Katherine Ostroff (*City of Houston*); Jason Long (*Municipalities of Galveston County*); Sarah Benavides (*City of Pasadena*); VACANT (*Galveston County Commissioners Court*)

Michael J. Turco - General Manager

Consent



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

January 16, 2019

The Honorable James Yarbrough
Mayor of Galveston
P.O. Box 779
Galveston, TX 77553-0779

Dear Mayor Yarbrough:

Thank you for notifying the Texas General Land Office (GLO) of your intention to apply for the Hurricane Harvey Community Development Block Grant – Disaster Recovery (CDBG-DR) funds available to your community. We have received and approved your request for an extension of the January 31, 2019, application deadline to August 31, 2019. Applications are available on our website at www.recovery.texas.gov.

Please be aware that the U.S. Department of Housing and Urban Development requires this CDBG-DR funding to be spent within the GLO's six-year contract period that began last Spring. Consequently, time is of the essence in completing both the project applications and the projects themselves.

The GLO is dedicated to helping local communities recover from Hurricane Harvey and stands ready to assist you throughout the process. If you or your staff have any questions, please contact Miriam Moran via email at miriam.moran.glo@recovery.texas.gov or by phone at (512) 475-5059. We look forward to partnering with you to rebuild a stronger and more resilient Texas.

Sincerely,

Heather Lagrone
Deputy Director
Community Development and Revitalization



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

January 15, 2019

Honorable James Yarbrough
City of Galveston
P.O. Box 779
Galveston, TX 77553-0779

RE: Coastal Texas Study

Dear Mayor Yarbrough:

Thank you for your letter and interest in the Coastal Texas Study. You are clearly aware of the need to do something to reduce the risk to the Houston/Galveston area. I appreciate your leadership and advocacy for the citizens of Galveston. The five-and-a-half-year study is a little over halfway through and is scheduled for completion in 2021. The study so far has evaluated general locations for a possible barrier and is currently in the public comment period on the analysis that has been completed so far.

I have heard and share many concerns of the people of Texas regarding the current draft proposal. While I strongly support moving forward with a coastal barrier and protection plan, we must take the communities' concerns into account. On December 20th, 2018, I presented a statement of principles that I would like to see incorporated into the plan. It is my hope that we can take the communities' concerns into account and build a consensus on a plan to protect the coast. My six guiding principles are attached to this letter.

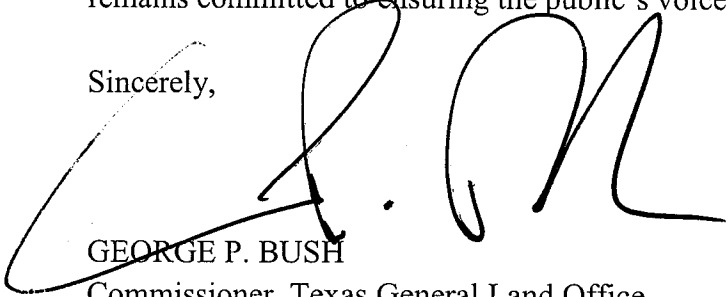
Providing alternatives for the ring levee is one of these principles. In the next phase of the study the details of the location and height of the barrier will be developed. The alignment that is in the report now was for comparison of general locations and will likely change. The study team is working to minimize the amount of impact by keeping the proposed structure as small as possible.

After conducting a series of public meetings and listening sessions, there is much more to be considered. I have fought to have the public comment period extended, and despite the government shutdown, Colonel Zetterstrom and the United States Army Corps of Engineers have agreed to extend the public comment period to February 8, 2019.

Please continue to encourage your constituents to submit written comments to CoastalTexas@usace.army.mil. It is important we hear from the public on possible alignments on Bolivar and Galveston. Comments must be officially submitted to become part of the administrative record.

I'm sorry I missed you at the Roundtable, but I sincerely appreciate your representation of Galveston and the cities interests. The GLO will continue to provide additional information and answer questions as received. For further details on the Coastal Texas Study, please feel free to contact Tony Williams at tony.williams@glo.texas.gov or by phone at 512-463-5055. The GLO remains committed to ensuring the public's voice is heard.

Sincerely,



GEORGE P. BUSH

Commissioner, Texas General Land Office



Coastal Texas Study Guiding Principles

Commissioner George P. Bush,
Texas General Land Office

As the non-federal sponsor it is the job of the Texas General Land Office to represent the people of Texas and more specifically the coast. In this role, Commissioner Bush has defined the following principles on which his support for this draft proposal rests:

We must do something to protect the coast. During the public comment period many have expressed a desire that we do nothing. In the wake of Hurricanes Ike and Harvey, the answer is not to do nothing. Our beaches are eroding at such a rate that we may lose them forever. This is simply not acceptable. The Coastal Texas Study can help us devise a plan to re-nourish our beaches, not just now, but into the future. Commissioner Bush believes we can strike a balance between protecting lives, jobs, environment and maintaining the lifestyle that makes Bolivar and Galveston so unique.

1. Locate the levee system on or along the beach. A sand dune-based system which would fit with the natural ecology would be preferable. We must include nourished beaches to protect the dune levee and provide much needed sand to our already eroding beaches. I will not support any such sand levee unless adequate access to the beach is included. Consideration for property rights must be taken into account.

The impact to the surrounding community must be minimized. Additional studies are needed before any path is determined. These studies should be made public as soon as completed and presented to the community for review.

2. The proposed gate at Bolivar Roads must not do any long-term damage to the ecology or the environment of the Gulf.

This gate is controversial, which is understandable. However, the location and design is not final. I will not support this proposal unless the Corps and the General Land Office work closely with environmental groups to get it right. Plans to do exactly that are under way, but this is the largest such proposed project the Corps has ever done. It has to be done right; this is the best and only chance we have to make coastal protection a reality.

3. Provide alternatives to the ring levee in Galveston.

This idea came about in response to the idea of closing San Luis Pass. In the next phase of the study the details of the location and height of a barrier will be developed.

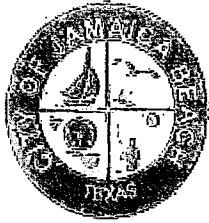
4. The draft proposal must be republished with all the necessary disclaimers that has "draft document" printed on every page.

This will clearly convey to landowners and businesses that the draft proposal is meant for planning purposes only and isn't final.

5. Finally, after this public comment period is complete we must hold another round of public meetings to review how the Corps has digested the feedback to date.

I appreciate all of those that have attended the meetings and provided feedback. I will continue to work to ensure that public comments are carefully considered and included as we move forward with this draft proposal.

6. The Army Corps should publicize the public comments, making this process more transparent for our community.



CITY OF JAMAICA BEACH

16628 San Luis Pass Road
5264 Jamaica Beach
Jamaica Beach, Texas 77554
PH (409) 737-1142 FAX (409) 737-5211
www.ci.jamaicabeach.tx.us



January 6, 2019

U.S. Army Corps of Engineers, Galveston District
ATTN: Col. Lars N. Zetterstrom, District Engineer, Commanding Officer
P.O. Box 1229
Galveston, TX 77553-1229

RE: City of Jamaica Beach, TX - Response to Coastal Study Tentatively Selected Plan

Dear Colonel Zetterstrom,

On October 26th 2018, the United States Army Corps of Engineers (USACE) released their report titled "Coastal Texas Protection and Restoration Feasibility Study." This report was the result of a joint effort between the USACE and the Texas General Land Office (GLO) that began in November 2015 and examined the feasibility of alternatives that enhance, restore, and sustain the environment, economy, and culture along the Texas Coast. The report recommends a number of ecosystem restoration (ER) projects along the coast and a system of coastal storm risk management (CSRM) features to protect the upper Texas coast. With the report's release, the USACE began a 75-day comment period specifically designed to solicit public comment on the Tentatively Selected Plan (TSP). This correspondence has been drafted to answer the solicitation of comments regarding the TSP and its direct impact on the City of Jamaica Beach, Texas.

As a brief introduction, the City of Jamaica Beach, Texas is a *fully developed* community with a relaxed atmosphere located on the west-end of Galveston Island with 3,327 LF of frontage on the Gulf of Mexico which also backs up to West Bay. Jamaica Beach was incorporated in 1975. According to the U.S. Census Bureau as of July 2010, Jamaica Beach has a population of approximately 983 and covers .77 square miles. A number of our residents live in close proximity to the beach while others residing north of FM 3005 can view the Gulf of Mexico from their homes. Our community has a thriving commercial footprint albeit small, located immediately north of FM 3005. Our commercial base not only provides for the livelihood of the business owners and their employees, but also provides for the convenience of offering goods and services locally. As I'm sure you understand, the prospect of constructing a levee/floodwall ranging from 17 to 21 feet in height, running adjacent to and north of FM 3005 on the west end of Galveston Island, is causing great angst for our residential and commercial property owners.

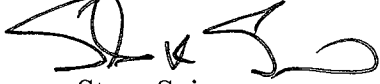
With the prevalence of smart phones, social media and the formation of “virtual relationships,” it has become more challenging for community leaders to maintain a “sense of community.” This challenge will only be compounded if a physical barrier separates portions of our community. While we are a resilient group of residents in Jamaica Beach, the placement of the barrier running adjacent to and north of FM 3005 will have dire consequences on our community resulting in 131 parcels valued at \$36,906,748 being subjected to increased surge, increased insurance rates, and the potential lowering of the aforementioned property values. More importantly, is the potential of loss of life due to a delayed response of EMS personnel/equipment. The present plan of placing the levee/ floodwall immediately behind FM 3005 will leave this critical access road open to increased scouring and damage from a storm surge, resulting in the potential for a total lack of access to or from Jamaica Beach and the west-end of Galveston Island following a storm. This fact alone should cause *all* public officials, whether elected or appointed, to seek the other alternatives.

The city’s General Fund Municipal Budget will also be negatively impacted by the potential lowering and direct loss of property values as a result of the TSP. The present plan of placing the levee/ floodwall immediately behind FM 3005 will directly intersect nineteen (19) parcels which include city hall, two churches, several homes, and our entire commercial base valued at \$3.3 Million. As indicated above in the introduction of Jamaica Beach, our community is essentially fully developed. As a fully developed community, the taking of property through eminent domain to construct the levee/floodwall will mean the permanent loss of the city’s commercial base as there are no other suitable parcels to build on within the corporate limits of Jamaica Beach. Additionally, the city would have to acquire other *taxable* property to site a new public facility (city hall) resulting in additional loss of property values. Compounding the loss in property values will be the direct loss of approximately \$98,605 in annual sales tax which comprises almost 8% of our annual municipal revenue stream. Please understand this is not theory, there is a direct correlation between the irreplaceable loss of our commercial base and the related sales tax derived from said base. This loss could precipitate a significant increase in property taxes and/or significant reductions in city services.

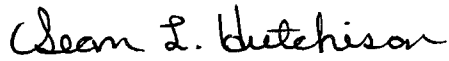
We applaud the extensive work by the USACE on the Texas Coastal Study and a Tentatively Selected Plan (TSP) that identifies a coastal barrier system as the best option for protecting the upper Texas coastline from devastation caused by hurricane storm surge. However, as city officials we respectfully request the USACE to move the proposed levee/floodwall from behind FM 3005 to the coast and construct the protection needed as a natural appearing fortified dune system. A fortified dune system is proven and visually attractive allowing for recreational opportunities and provides a natural environment for dune ecosystems. Strategically placed along the coast, it allows all improved properties to be located behind the protective barrier not in front of it, exposed to additional risks because of the barrier’s presence. Additionally, due to its location on the public beach no property owners will be displaced. This is the locally preferred option that fits better into the economic, environmental, social and recreational fabric of our community.

We appreciate the opportunity to share our concerns with the TSP and respectfully request that you give consideration to the locally preferred option of a fortified dune system.

Sincerely,

A stylized handwritten signature in black ink, consisting of a large 'S' followed by a checkmark and a horizontal line.

Steve Spicer
Mayor, Jamaica Beach, TX

A handwritten signature in black ink that reads 'Sean L. Hutchison' in a cursive script.

Sean L. Hutchison, CPM
City Administrator, Jamaica Beach, TX



MAYES MIDDLETON



STATE REPRESENTATIVE • DISTRICT 23

January 14th, 2019

Fellow Texan:

Thank you for contacting me regarding the proposed Coastal Barrier for our region.

While I am supportive of some form of the "coastal spine" concept to protect the Upper Gulf Coast, I am adamantly opposed to the current plan and configuration for a coastal barrier proposed by the U.S. Army Corps of Engineers (USACE) and the Texas General Land Office (GLO) known as the Tentatively Selected Plan (the Plan).

Like you, I am gravely concerned with many different aspects of the Plan. The current plan would condemn over 1,000 homes and businesses. By running a levee north of Farm to Market Road 3005 and State Highway 87, Bolivar and the West End of Galveston Island would be devastated.

Additionally, I cannot support a ring levee around Galveston. A ring levee would destroy multiple neighborhoods, businesses, our port, and possibly tourism. The proposed ring levee would divide the island and require massive seizures of private land.

Furthermore, I believe that any proposed coastal barrier plan should rely primarily on naturally appearing sand dune surge barriers. Not only are these barriers cheaper and less invasive to construct, they do not have the same appearance of a seawall and can provide protection while preserving the aesthetic of the existing beach.

I am confident that the Plan as currently rendered will not proceed forward, and will strongly advocate on behalf of taxpayers and property owners in House District 23 when evaluating all future proposals.

Thank you again for contacting me on this important issue.

Very Truly Yours,

A handwritten signature in black ink, reading "Mayes Middleton".

Mayes Middleton
Texas State Representative
House District 23

CAPITOL OFFICE: P.O. BOX 2910 • AUSTIN, TEXAS 78768-2910 • (512) 463-0502 • FAX (512) 936-4260

GALVESTON: 2101 MECHANIC STREET, SUITE 245 • GALVESTON, TEXAS 77550

WALLISVILLE: 20136 B I-10, WALLISVILLE, TEXAS 77597 • (MAIL) P.O. BOX 15, WALLISVILLE, TEXAS 77597

MAYES.MIDDLETON@HOUSE.TEXAS.GOV



Gulf Coast Water Authority

3630 Highway 1765

Texas City, Texas 77591

409.935.2438

February 18, 2019

Mayor and Council
City of Galveston
P.O. Box 779
Galveston, Texas 77553

**Notice of legislation relating to the territory, powers, and administration of the
Gulf Coast Water Authority**

Dear Mayor and Council,

Pursuant to Article XVI, Sections 59(d) and (e) of the Texas Constitution, attached please find a local bill intended to be filed in the Regular Session of the 86th Texas Legislature to amend the Act authorizing the Gulf Coast Water Authority, a conservation and reclamation district providing water for industry, agriculture and municipalities in Galveston, Fort Bend and Brazoria Counties.

Sincerely,

A handwritten signature in black ink, appearing to read "Ivan Langford", is written over a light blue horizontal line.

Ivan Langford
General Manager

ATTACHMENTS: Proposed local bill (17 pages)

By: _____

____.B. No. _____

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the territory, powers, and administration of the Gulf
3 Coast Water Authority.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Sections 2 and 3, Chapter 712, Acts of the 59th
6 Legislature, Regular Session, 1965, are amended to read as follows:

7 Sec. 2. The District's territory is [~~District shall be~~
8 ~~comprised of all of the territory contained within Galveston~~
9 ~~County, Texas, and its boundaries shall be the same as and~~
10 coextensive with the boundaries of Brazoria, Fort Bend, and
11 Galveston Counties [~~County, Texas~~].

12 Sec. 3. Except as expressly limited by this Act, the
13 District shall have and exercise and is hereby vested with all
14 rights, powers, privileges, and authority conferred by the General
15 Laws of this State now in force or hereafter enacted applicable to
16 municipal utility districts created under authority of Section 59
17 of Article XVI, Constitution of Texas including without limitation
18 those conferred by Chapters 49 and [~~Chapter~~] 54, Water Code, as
19 amended, but to the extent that the provisions of such General Laws
20 may be in conflict or inconsistent with the provisions of this Act,
21 the provisions of this Act shall prevail. All such General Laws are
22 hereby adopted and incorporated by reference with the same effect
23 as if incorporated in full in this Act. Without in any way limiting
24 the generalization of the foregoing, it is expressly provided that

1 the District shall have, and is hereby authorized to exercise, the
2 following rights, powers, privileges and functions:

3 (a) the power to make, construct, or otherwise acquire
4 improvements either within or without the boundaries thereof
5 necessary to carry out the powers and authority granted by this Act
6 and said General Laws and to exercise the power of eminent domain
7 for such purposes; provided, however, that the District shall not
8 have the power of eminent domain as to all or any part of the water
9 supply, property, works or facilities of any private person or
10 persons, or of any private or public corporation or association
11 engaged in the business of supplying water in Brazoria County, Fort
12 Bend County, or Galveston County, Texas, to any class of consumers
13 for any use upon the effective date of this Act, but this provision
14 shall not restrict the power of the District to acquire necessary
15 crossing easements and rights-of-way;

16 (b) to conserve, store, transport, treat and purify,
17 distribute, sell and deliver water, both surface and underground,
18 to persons, corporations, both public and private, political
19 subdivisions of the State and others, and to purchase, construct or
20 lease all property, works and facilities, both within and without
21 the District, necessary or useful for such purposes;

22 (c) to acquire water supplies from sources both within or
23 without the boundaries of the District and to sell, transport and
24 deliver water to customers situated within or without the District
25 and to acquire all properties and facilities necessary or useful
26 for such purposes, and for any or all of such purposes to enter into
27 contracts with persons, corporations, both public and private, and

1 political subdivisions of the State for such periods of time and on
2 such terms and conditions as the Board of Directors may deem
3 desirable;

4 (d) subject to the provisions of this Act, to sell, lease,
5 or exchange any property of any kind, or any interest therein, which
6 is not necessary to the carrying on of the business of the District
7 or the sale, lease, or exchange of which, in the judgment of the
8 Board of Directors, is necessary for the exercise of the powers,
9 rights, privileges, and functions conferred upon the District by
10 this Act or by Chapters 49 and [Chapter] 54, Water Code, as amended;

11 (e) subject to the provisions of this Act, to acquire by
12 purchase, lease, gift, or otherwise, and to maintain, use, and
13 operate any and all property of any kind, or any interest therein,
14 within or without the boundaries of the District, necessary to the
15 exercise of the powers, rights, privileges, and functions conferred
16 by this Act or by Chapters 49 and [Chapter] 54, Water Code, as
17 amended;

18 (f) to construct, extend, improve, maintain, and
19 reconstruct, to cause to be constructed, extended, improved,
20 maintained, and reconstructed, and to use and operate, any and all
21 facilities of any kind necessary to the exercise of such powers,
22 rights, privileges, and functions;

23 (g) to sue and be sued in its corporate name;

24 (h) to adopt, use, and alter a corporate seal;

25 (i) to invest and reinvest its funds;

26 (j) to make bylaws for management and regulation of its
27 affairs;

1 (k) to appoint officers, agents, and employees, to
2 prescribe their duties and fix their compensation;

3 (1) to make contracts and to execute instruments convenient
4 or necessary to the exercise of the powers, rights, privileges, and
5 functions conferred by this Act or Chapters 49 and [Chapter] 54,
6 Water Code, as amended, for such term and with such provisions as
7 the Board of Directors may determine to be in the best interests of
8 the District, including, without in any way limiting the generality
9 of the foregoing, contracts with persons including the State of
10 Texas, the United States of America and any corporation or agency
11 thereof and districts, cities, towns, persons, organizations,
12 firms, corporations or other entities as the Board of Directors may
13 deem necessary or proper for or in connection with any of its
14 corporate purposes;

15 (m) to borrow money for its corporate purposes and, without
16 limiting the generality of the foregoing, to borrow money, apply
17 for and receive loans, and accept grants or contributions, directly
18 or indirectly, from persons, including the State of Texas, the
19 United States of America, or from any corporation, agency, or
20 entity created or designated by the State of Texas or the United
21 States of America, and in connection with any such loan, ~~[or]~~ grant,
22 or contribution, to enter into such agreements as the State of
23 Texas, the United States of America, or any such corporation,
24 agency, or entity may require; and to make and issue its negotiable
25 bonds or notes for money borrowed, in the manner and to the extent
26 provided in this Act, and to refund or refinance any outstanding
27 bonds, ~~[or]~~ notes, or loans, and to make and issue its negotiable

1 bonds or notes therefor in the manner provided in this Act.

2 SECTION 2. Chapter 712, Acts of the 59th Legislature,
3 Regular Session, 1965, is amended by adding Sections 3B and 3C to
4 read as follows:

5 Sec. 3B. (a) In this section, "person" includes an
6 individual, entity, partnership, and corporation. The term does
7 not include a political subdivision or public agency.

8 (b) Competitive bidding and contract procurement or
9 delivery requirements otherwise applicable to the District do not
10 apply to a contract or agreement made by the District with a person
11 if:

12 (1) the contract or agreement relates to a project for
13 the acquisition or construction of equipment or facilities for the
14 production, treatment, transmission, or delivery of water; and

15 (2) payments made under the contract or agreement are
16 for amounts substantially sufficient to finance a project described
17 in Subdivision (1).

18 Sec. 3C. (a) The Board by resolution may authorize the
19 creation of a nonprofit corporation to assist and act for the
20 district in implementing a project or providing a service
21 authorized by this chapter.

22 (b) The nonprofit corporation:

23 (1) has each power of and is considered to be a local
24 government corporation created under Subchapter D, Chapter 431,
25 Transportation Code; and

26 (2) may implement any project and provide any service
27 authorized by this chapter.

1 (c) The Board shall appoint the board of directors of the
2 nonprofit corporation. The board of directors of the nonprofit
3 corporation shall serve at the will of the district and in the same
4 manner as the board of directors of a local government corporation
5 created under Subchapter D, Chapter 431, Transportation Code.

6 (d) The nonprofit corporation may not:

7 (1) exercise the powers of a municipality or county;

8 (2) participate in a project that the District is not
9 authorized to participate in;

10 (3) impose taxes; or

11 (4) acquire, construct, or operate parks or
12 recreational facilities.

13 SECTION 3. Sections 4(a), (c), and (f), Chapter 712, Acts of
14 the 59th Legislature, Regular Session, 1965, are amended to read as
15 follows:

16 (a) The District shall have no power or authority to levy
17 and collect taxes on any property real, personal or mixed, within
18 the boundaries of said District, nor shall the District have power
19 or authority to issue bonds or create indebtedness which would in
20 any way be payable from ad valorem taxes levied by the District upon
21 property within said District; and provided further that said
22 District shall have none of the powers conferred by General Law for
23 the purposes of the collection, transportation, processing,
24 disposal and control of domestic, industrial or communal wastes,
25 and the gathering, conducting, directing and controlling of local
26 storm waters, or other local harmful excesses of water except as
27 directly related to the production and purification of water for

1 agricultural, municipal, or industrial purposes, including the
2 ownership, lease, or operation of a municipal wastewater treatment
3 facility in which the effluent is used by the District for water
4 reuse supply.

5 (c) In the event that the District in the exercise of the
6 power of eminent domain or power of relocation, or any other power
7 granted hereunder, makes necessary the relocation, raising,
8 rerouting or changing the grade of, or altering the construction
9 of, any cemetery, highway, railroad, electric transmission line,
10 telephone or telegraph properties and facilities, or pipeline, all
11 such necessary relocation, raising, rerouting, changing of grade or
12 alteration of construction shall be accomplished at the sole
13 expense of the District. The term "sole expense" shall mean the
14 actual cost of such relocation, raising, rerouting, or change in
15 grade or alteration of construction in providing comparable
16 replacement without enhancement of such facilities after deducting
17 therefrom the net salvage value derived from the old facility.

18 (f) The powers, rights, privileges, and functions conferred
19 upon the District shall be subject to the continuing rights of
20 supervision by the State, ~~[which shall be exercised by the Texas~~
21 ~~Department of Water Resources, and the District shall obtain~~
22 ~~approval of its projects and they shall be supervised]~~ as provided
23 by the ~~[Sections 54.516 and 54.517,]~~ Water Code, as amended.

24 SECTION 4. Section 5, Chapter 712, Acts of the 59th
25 Legislature, Regular Session, 1965, is amended to read as follows:

26 Sec. 5. (a) The management and control of the District is
27 hereby vested in a Board of 10 directors.

1 (b) Each director must be a resident of this state.

2 (c) Vacancies on the Board of Directors, whether by death,
3 resignation or termination of the term of office, shall be filled by
4 appointment by the commissioners court that appointed the director
5 for the unexpired term of the director.

6 (d) A director may be removed by the commissioners court
7 that appointed the director for inefficiency, neglect of duty, or
8 misconduct of office. The Board must provide a director removed
9 under this section written notice not later than the 30th day after
10 the date the decision to remove is made and an opportunity to be
11 heard in person or by counsel in a public hearing.

12 (e) All terms of office shall be for a period of two (2)
13 years. Terms shall be staggered ending on August 31 of the
14 appropriate year.

15 (f) Six directors constitute a quorum. Except as otherwise
16 provided, a majority of those directors present and qualified to
17 vote is sufficient for final action on a matter before the Board.

18 SECTION 5. Chapter 712, Acts of the 59th Legislature,
19 Regular Session, 1965, is amended by adding Sections 5C, 5D, 5E, 5F,
20 and 5G to read as follows:

21 Sec. 5C. (a) Chapter 171, Local Government Code, does not
22 apply to a director appointed to represent agricultural or
23 industrial interests.

24 (b) A director who has a financial interest in a contract
25 considered by the District for the purchase of property or the
26 construction of a facility must disclose the interest to the other
27 directors and may not vote on the contract.

1 Sec. 5D. (a) The Board may hold an open or closed meeting by
2 telephone conference call if at least five directors are present at
3 the location where the meeting of the Board is held. A meeting held
4 by telephone conference call is subject to the same notice
5 requirements as other Board meetings and must be recorded. Each
6 person who speaks in a meeting held by telephone conference call
7 must be clearly identified. A director participating in a meeting
8 held by telephone conference call is considered absent from any
9 part of the meeting during which audio communication is lost.

10 (b) The authority to hold a meeting held by telephone
11 conference call described by this section is in addition to
12 authority described by Chapter 551, Government Code.

13 Sec. 5E. If the Board employs a general manager, the general
14 manager is the chief executive officer of the District.

15 Sec. 5F. The District is not required to provide notice for
16 the sale or disposal of District personal property if the personal
17 property has a value of less than \$25,000.

18 Sec. 5G. (a) The District may enter into a contract related
19 to a water project located outside the District. The District may
20 enter into a local agreement with a political subdivision for a
21 purpose related to a water project.

22 (b) A contract under this section may use money appropriated
23 by a political subdivision that is a party to the contract to pay
24 for pre-development costs, engineering, surveys, and the
25 collection and compilation of data relating to conditions
26 influencing determinations about the character and extent of
27 proposed improvements, works, and facilities for the

1 accomplishment of District purposes.

2 (c) The District may contract or agree with an entity
3 appropriating money under this section to receive a loan or money
4 from other sources in return for services described by Subsection
5 (a). The contract or agreement may provide for the repayment by the
6 District of money advanced as a loan from project revenues, bond
7 proceeds, or other available money.

8 (d) The District and a state agency or political subdivision
9 may enter into a contract to jointly pay all or part of the cost of a
10 water project or the operation of a water project in the same way
11 that a political subdivision may contract with a state agency or
12 political subdivision under Chapter 472, Transportation Code, to
13 jointly pay all or part of the cost associated with a state or local
14 highway, turnpike, road, or street project.

15 SECTION 6. Sections 7 and 8, Chapter 712, Acts of the 59th
16 Legislature, Regular Session, 1965, are amended to read as follows:

17 Sec. 7. The District shall have power and is hereby
18 authorized to issue, from time to time, bonds as herein authorized
19 for any of its corporate purposes. Such bonds may either be (1)
20 sold for cash, at public or private sale, at such price or prices as
21 the Board shall determine, provided that the net effective interest
22 rate, calculated in accordance with Chapter 1204, Government Code
23 ~~[3, Acts of the 61st Legislature, Regular Session, 1969, as amended~~
24 ~~(Article 717k-2, Vernon's Texas Civil Statutes), as now or~~
25 ~~hereafter amended shall not exceed ten (10) percent]~~, or (2) issued
26 on such terms as the Board of Directors shall determine in exchange
27 for property of any kind, real, personal or mixed or any interest

1 therein which the Board shall deem necessary for any such corporate
2 purposes, or (3) issued in exchange for like principal amounts of
3 other obligations of the District, matured or unmatured. The
4 proceeds of sale of such bonds shall be deposited in such bank or
5 banks or trust company or trust companies, and shall be paid out
6 pursuant to such terms and conditions, as may be agreed upon between
7 the District and the purchasers of such bonds. All such bonds shall
8 be authorized by resolution or resolutions of the Board of
9 Directors, and shall bear such date or dates, mature at such time or
10 times, bear interest payable annually, semiannually, or otherwise,
11 be in such denominations, be in such form, either coupon or
12 registered, carry such registration privileges as to principal only
13 or as to both principal and interest, and as to exchange of coupon
14 bonds for registered bonds or vice versa, and exchange of bonds of
15 one denomination for bonds of other denominations, be executed in
16 such manner and be payable at such place or places within or without
17 the State of Texas, as such resolution or resolutions may provide.
18 Any resolution or resolutions authorizing any bonds may contain
19 provisions, which shall be part of the contract between the
20 District and the holders thereof from time to time:

21 (a) reserving the right to redeem such bonds or requiring
22 the redemption of such bonds, at such time or times, in such amounts
23 and at such prices, ~~[not exceeding 105 percent of the principal~~
24 ~~amount thereof, plus accrued interest,]~~ as may be provided;

25 (b) providing for the setting aside of sinking funds or
26 reserve funds and the regulation and disposition thereof;

27 (c) pledging to secure the payment of the principal of and

1 interest on such bonds and of the sinking fund or reserve fund
2 payments agreed to be made in respect of such bonds all or any part
3 of the gross or net revenues thereafter received by the District in
4 respect of the property, real, personal, or mixed, to be acquired
5 and/or constructed with such bonds or the proceeds thereof, or all
6 or any part of the gross or net revenues thereafter received by the
7 District from whatever source derived;

8 (d) prescribing the purposes to which such bonds or any
9 bonds thereafter to be issued, or the proceeds thereof, may be
10 applied;

11 (e) agreeing to fix and collect rates and charges sufficient
12 to produce revenues adequate to pay (1) all expenses necessary to
13 the operation and maintenance and replacements and additions to the
14 properties and facilities of the District; (2) the principal of,
15 and the interest and premium, if any, on bonds issued under this Act
16 as and when the same became due and payable; (3) all sinking fund
17 and/or reserve fund payments agreed to be made in respect of any
18 such bonds out of such revenues as and when the same became due and
19 payable, and to fulfill the terms of any agreements made with the
20 holders of such bonds and/or with any person on their behalf and to
21 discharge all other lawful obligations of the District as and when
22 the same become due;

23 (f) prescribing limitations upon the issuance of additional
24 bonds and subordinate lien bonds and upon the agreements which may
25 be made with the purchasers and successive holders thereof;

26 (g) with regard to the construction, extension,
27 improvement, reconstruction, operation, maintenance, and repair of

1 the properties of the District and carrying of insurance upon all or
2 any part of said properties covering loss or damage or loss of use
3 and occupancy resulting from specified risks;

4 (h) fixing the procedure, if any, by which, if the District
5 shall so desire, the terms of any contract with the holders of such
6 bonds may be amended or abrogated, the amount of bonds the holders
7 of which must consent thereto, and the manner in which such consent
8 may be given;

9 (i) for the execution and delivery by the District to a bank
10 or trust company authorized by law to accept trusts, or to the
11 United States of America or any officer or agency thereof, of
12 indentures and agreements for the benefit of the holders of such
13 bonds and such other provisions as may be customary in such
14 indentures or agreements; and

15 (j) such other provisions, ~~[not inconsistent with the~~
16 ~~provisions of this Act,]~~ as the Board may approve.

17 (k) The Board may declare an emergency in the matter of
18 funds not being available to pay principal of and interest on any
19 bonds of the District or to meet any other needs of the District and
20 may issue bond anticipation notes or enter into a loan to pay the
21 costs to meet the emergency need. A loan under this section may be
22 payable from district revenues or the proceeds of a future series of
23 bonds. Bond anticipation notes may bear interest at any rate or
24 rates not to exceed 10 percent and shall mature within one (1) year
25 of their date. The bond anticipation notes so issued will be taken
26 up with the proceeds of bonds, or the bonds may be issued and
27 delivered in exchange for and in substitution of such notes.

1 (l) Before any bonds shall be sold or exchanged or
2 substituted by the District, a certified copy of the proceedings of
3 the issuance thereof, including the form of such bonds, together
4 with any other information which the Attorney General of the State
5 of Texas may require, shall be submitted to the Attorney General,
6 and if he shall find that such bonds have been issued in accordance
7 with law, and if he shall approve such bonds, he shall execute a
8 certificate to that effect which shall be filed in the office of the
9 Comptroller of the State of Texas and be recorded in a record kept
10 for that purpose. No bonds shall be issued until the same shall
11 have been registered by the Comptroller, who shall so register the
12 same if the Attorney General shall have filed with the Comptroller
13 his certificate approving the bonds and the proceedings for the
14 issuance thereof as hereinabove provided.

15 (m) All bonds approved by the Attorney General as aforesaid,
16 and registered by the Comptroller as aforesaid, and issued in
17 accordance with the proceedings so approved shall be valid and
18 binding obligations of the District and shall be incontestable for
19 any cause from and after the time of such registration.

20 (n) If any bonds recite that they are secured by a pledge of
21 the proceeds of a contract, lease, sale or other agreement (herein
22 called "contract"), a copy of such contract and the proceedings of
23 the contracting parties will also be submitted to the Attorney
24 General. If such bonds have been authorized and such contracts made
25 in compliance with law, the Attorney General shall approve the
26 bonds and contracts, and the bonds shall then be registered by the
27 Comptroller of Public Accounts. When so approved, such bonds and

1 the contracts shall be valid and binding and shall be incontestable
2 for any cause from and after the time of such registration.

3 (o) The District is authorized to make and issue bonds
4 (herein called "refunding bonds") for the purpose of refunding or
5 refinancing any outstanding bonds or notes authorized and issued by
6 the District pursuant to this Act or other law (herein called
7 "bonds") and the interest and premium, if any, thereon to maturity
8 or on any earlier redemption date specified in the resolution
9 authorizing the issuance of the refunding bonds. Such refunding
10 bonds may be issued to refund more than one series of outstanding
11 bonds, may combine the pledges of the outstanding bonds for the
12 security of the refunding bonds, or may be secured by other or
13 additional revenues. All provisions of this Act with reference to
14 the issuance of bonds, the terms and provisions thereof, their
15 approval by the Attorney General, and the remedies of the
16 bondholders shall be applicable to refunding bonds. Refunding
17 bonds shall be registered by the Comptroller upon surrender and
18 cancellation of the bonds to be refunded, but in lieu thereof, the
19 resolution authorizing the issuance of refunding bonds may provide
20 that they shall be sold and the proceeds thereof deposited at the
21 places at which the original bonds are payable, in which case the
22 refunding bonds may be issued in an amount sufficient to pay the
23 interest and premium, if any, on the original bonds to their
24 maturity date or specified earlier redemption date, and the
25 Comptroller will register them without concurrent surrender and
26 cancellation of the original bonds. The District may also refund
27 any outstanding bonds in the manner provided by any applicable

1 General Law.

2 (p) All bonds issued by the District pursuant to the
3 provisions of this Act shall constitute investment securities
4 within the meaning of the Uniform Commercial Code.

5 (q) This Act, without reference to other statutes of the
6 State of Texas, shall constitute full authority for the
7 authorization and issuance of bonds hereunder, and no other Act or
8 law with regard to the authorization or issuance of obligations or
9 the deposit of the proceeds thereof, or in any impeding or
10 restricting the carrying out of the acts herein authorized to be
11 done shall be construed as applying to any proceedings taken
12 hereunder or acts done pursuant hereto.

13 Sec. 8. (a) When any of such revenues are pledged to the
14 payment of any bonds issued by said District or loans received by
15 the District, it shall be the right and duty of the District's Board
16 of Directors to cause to be fixed, maintained and enforced charges,
17 fees or tolls for services rendered by properties and facilities,
18 the revenues of which have been pledged, at rates and amounts at
19 least sufficient to comply with and carry out the covenants and
20 provisions contained in the order or orders authorizing the
21 issuance of said bonds.

22 (b) Regardless of whether the revenues are pledged to the
23 payment of bonds, the ~~[The]~~ District shall have the right to impose
24 penalties for failure to pay, when due, such charges, fees or tolls.

25 SECTION 7. (a) The legal notice of the intention to
26 introduce this Act, setting forth the general substance of this
27 Act, has been published as provided by law, and the notice and a

1 copy of this Act have been furnished to all persons, agencies,
2 officials, or entities to which they are required to be furnished
3 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
4 Government Code.

5 (b) The governor, one of the required recipients, has
6 submitted the notice and Act to the Texas Commission on
7 Environmental Quality.

8 (c) The Texas Commission on Environmental Quality has filed
9 its recommendations relating to this Act with the governor, the
10 lieutenant governor, and the speaker of the house of
11 representatives within the required time.

12 (d) All requirements of the constitution and laws of this
13 state and the rules and procedures of the legislature with respect
14 to the notice, introduction, and passage of this Act are fulfilled
15 and accomplished.

16 SECTION 8. This Act takes effect immediately if it receives
17 a vote of two-thirds of all the members elected to each house, as
18 provided by Section 39, Article III, Texas Constitution. If this
19 Act does not receive the vote necessary for immediate effect, this
20 Act takes effect September 1, 2019.



Federal Emergency Management Agency

Washington, D.C. 20472

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

IN REPLY REFER TO:
19P-A

February 15, 2019

The Honorable Jim Yarbrough
Mayor, City of Galveston
P.O. Box 779
Galveston, Texas 77553

Community: City of Galveston,
Galveston County,
Texas
Community No.: 485469
Map Panels Affected: See FIRM Index

Dear Mayor Yarbrough:

This is to formally notify you of the final flood hazard determination for the City of Galveston, Galveston County, Texas in compliance with Title 44, Chapter I, Part 67, Section 67.11, Code of Federal Regulations (44 CFR 67.11). This section requires that notice of final flood hazard determinations shall be sent to the Chief Executive Officer of the community, all individual appellants, and the State Coordinating Agency, and shall be published in the *Federal Register*. The flood hazard determinations for your community may include addition or modification to Base Flood Elevations (BFEs), base flood depths, Special Flood Hazard Areas (SFHAs), zone designations, and regulatory floodways. SFHAs are the areas subject to inundation by the flood having a 1-percent chance of being equaled or exceeded in any given year (base flood).

On December 6, 2002, the Department of Homeland Security's Federal Emergency Management Agency (FEMA) issued a Flood Insurance Rate Map (FIRM) that identified the SFHAs in your community. Recently, FEMA completed a re-evaluation of flood hazards in your community. On September 27, 2012 and February 28, 2018, FEMA provided you with Preliminary and Revised Preliminary copies, respectively, of the Flood Insurance Study (FIS) report and FIRM that identify existing flood hazards in your community. A notification of the proposed flood hazard determinations for your community was published in the *Daily News* on June 20, 2013 and June 27, 2013, and in the *Federal Register*, at Part 67, Volume 78, Pages 28890 and 28891, on May 16, 2013.

The statutory 90-day appeal period, which was initiated on the second newspaper publication date cited above, has ended. FEMA did receive an appeal during that 90-day period. The technical data submitted in support of the appeal have been evaluated, and the appeal has been resolved. Therefore, the determination of the Agency as to the flood hazard information for your community is considered final. FEMA will publish a notice of final flood hazard determinations in the *Federal Register* as soon as possible. The FIRM for your community will become effective on August 15, 2019. Before the effective date, FEMA will send you final printed copies of the FIS report and FIRM.

Because the FIS establishing the flood hazard information for your community has been completed, certain additional requirements must be met under Section 1361 of the National Flood Insurance Act of 1968, as amended, within 6 months from the date of this letter. Prior to August 15, 2019, your community is required, as a condition of continued eligibility in the National Flood Insurance Program (NFIP), to adopt or show evidence of adoption of floodplain management regulations that meet the standards of Paragraph

60.3(e) of the NFIP regulations (44 CFR 59, etc.) by the effective date of the FIRM. These standards are the minimum requirements and do not supersede any State or local requirements of a more stringent nature.

It must be emphasized that all the standards specified in Paragraph 60.3(e) of the NFIP regulations must be enacted in a legally enforceable document. This includes adoption of the current effective FIS report and FIRM to which the regulations apply and other modifications made by this map revision. Some of the standards should already have been enacted by your community in order to establish initial eligibility in the NFIP. Your community can meet any additional requirements by taking one of the following actions:

1. Amending existing regulations to incorporate any additional requirements of Paragraph 60.3(e);
2. Adopting all the standards of Paragraph 60.3(e) into one new, comprehensive set of regulations; or
3. Showing evidence that regulations have previously been adopted that meet or exceed the minimum requirements of Paragraph 60.3(e).

Communities that fail to enact the necessary floodplain management regulations will be suspended from participation in the NFIP and subject to the prohibitions contained in Section 202(a) of the Flood Disaster Protection Act of 1973 (Public Law 93-234) as amended.

In addition to your community using the FIS report and FIRM to manage development in the floodplain, FEMA will use the FIS report and FIRM to establish appropriate flood insurance rates. On the effective date of the revised FIRM, actuarial rates for flood insurance will be charged for all new structures and substantial improvements to existing structures located in the identified SFHAs. These rates may be higher if structures are not built in compliance with the floodplain management standards of the NFIP. In general, flood insurance rates increase as the lowest floor elevations (including basements) of new and substantially improved structures decrease in relation to the BFEs or base flood depths (if determined). This is an important consideration for new construction because building at a higher elevation can greatly reduce the cost of flood insurance.

To assist your community in maintaining the FIRM, we have enclosed a Summary of Map Actions (SOMA) to document previous Letter of Map Change (LOMC) actions (i.e., Letters of Map Amendment [LOMAs], Letters of Map Revision [LOMRs]) that will be superseded when the revised FIRM panels become effective. Information on LOMCs is presented in four categories: (1) LOMCs for which results have been included on the revised FIRM panels; (2) LOMCs for which results could not be shown on the revised FIRM panels because of scale limitations or because the LOMC issued had determined that the lots or structures involved were outside the SFHA as shown on the FIRM; (3) LOMCs for which results have not been included on the revised FIRM panels because the flood hazard information on which the original determinations were based is being superseded by new flood hazard information; and (4) LOMCs issued for multiple lots or structures where the determination for one or more of the lots or structures cannot be revalidated through an administrative process like the LOMCs in Category 2 above. LOMCs in Category 2 will be revalidated through a single letter that reaffirms the validity of a previously issued LOMC; the letter will be sent to your community shortly before the effective date of the revised FIRM and will become effective 1 day after the revised FIRM becomes effective. For the LOMCs listed in Category 4, we will review the data previously submitted for the LOMA or LOMR request and issue a new determination for the affected properties after the revised FIRM becomes effective.

The FIS report and FIRM for your community have been prepared in our countywide format, which means that flood hazard information for all jurisdictions within Galveston County has been combined into one

FIS report and FIRM. When the FIRM and FIS report are printed and distributed, your community will receive only those panels that present flood hazard information for your community. We will provide complete sets of the FIRM panels to county officials, where they will be available for review by your community.

The FIRM panels have been computer-generated. Once the FIS report and FIRM are printed and distributed, the digital files containing the flood hazard data for the entire county can be provided to your community for use in a computer mapping system. These files can be used in conjunction with other thematic data for floodplain management purposes, insurance purchase and rating requirements, and many other planning applications. Copies of the digital files or paper copies of the FIRM panels may be obtained by calling our FEMA Map Information eXchange (FMIX), toll free, at 1-877-FEMA MAP (1-877-336-2627). In addition, your community may be eligible for additional credits under our Community Rating System if you implement your activities using digital mapping files.

Our Regional Office staff would be happy to assist you with any difficulties you may encounter enacting the floodplain management ordinances. If you have questions regarding your application or any other questions, please feel free to contact one of the Regional contacts listed below for additional assistance:

Engineering/Mapping	Mr. Larry Voice	(940) 898-5419	larry.voice@fema.dhs.gov
Community Outreach	Ms. Cynthia Wirz	(940) 898-5164	cynthia.wirz@fema.dhs.gov
Insurance	Mr. Gilbert Giron	(940) 898-5594	gilbert.giron@fema.dhs.gov
Compliance	Ms. Lauren Fulton	(940) 898-5474	lauren.fulton@fema.dhs.gov

If there are further questions regarding the FIS report and FIRM for the community, please contact Mr. Michael Segner, CFM. Mr. Segner, the NFIP State Coordinator, is accessible by telephone at 512-463-3509, in writing at 1700 North Congress Avenue P.O. Box 13231, Austin, Texas 78711-3231, or by email at michael.segner@twdb.texas.gov.

Additional information and resources your community may find helpful regarding the NFIP and floodplain management, such as *The National Flood Insurance Program Code of Federal Regulations*, *Answers to Questions About the National Flood Insurance Program*, *Frequently Asked Questions Regarding the Effects that Revised Flood Hazards have on Existing Structures*, *Use of Flood Insurance Study (FIS) Data as Available Data*, and *National Flood Insurance Program Elevation Certificate and Instructions*, can be found on our website at <https://www.fema.gov/letter-final-determination>. Paper copies of these documents may also be obtained by calling our FMIX, toll free at the telephone number listed above.

Sincerely,



Luis Rodriguez, P.E., Director
Engineering and Modeling Division
Federal Insurance and Mitigation Administration

Enclosure:
Final SOMA

cc: Community Map Repository

Mr. David Ewald, Floodplain Administrator and Building Official, City of Galveston

Mr. Michael Segner, CFM, State NFIP Coordinator, Texas Water Development Board

Ms. Jessica Baker, Regional Technical Coordinator, RSC 6

FINAL SUMMARY OF MAP ACTIONS

Community: GALVESTON, CITY OF

Community No: 485469

To assist your community in maintaining the Flood Insurance Rate Map (FIRM), we have summarized below the effects of the enclosed revised FIRM panels(s) on previously issued Letter of Map Change (LOMC) actions (i.e., Letters of Map Revision (LOMRs), Letter of Map Revision based on Fill (LOMR-Fs), and Letters of Map Amendment (LOMAs)) that will be affected when the revised FIRM becomes effective on August 15, 2019.

1. LOMCs Incorporated

The modifications effected by the LOMCs listed below will be reflected on the revised FIRM. In addition, these LOMCs will remain in effect until the revised FIRM becomes effective.

LOMC	Case No.	Date Issued	Project Identifier	Original Panel	Current Panel
			NO CASES RECORDED		

2. LOMCs Not Incorporated

The modifications effected by the LOMCs listed below will not be reflected on the revised FIRM panels or will not be reflected on the revised FIRM panels because of scale limitations or because the LOMC issued had determined that the lot(s) or structure(s) involved were outside the Special Flood Hazard Area, as shown on the FIRM. These LOMCs will remain in effect until the revised FIRM becomes effective. These LOMCs will be revalidated free of charge 1 day after the revised FIRM becomes effective through a single revalidation letter that reaffirms the validity of the previous LOMCs.

2A. LOMCs on Revised Panels

LOMC	Case No.	Date Issued	Project Identifier	Original Panel	Current Panel
LOMA	05-06-0781A	03/21/2005	TRIMBLE & LINDSEY SECTION 1, LOT 166 -- 7820 SEAWALL BLVD	4854690024E	48167C0439G
LOMA	05-06-1907A	09/22/2005	CLARK SUBDIV, WHATABURGER -- 6327 STEWART ROAD	4854690024E	48167C0439G
LOMA	07-06-1644A	05/31/2007	GALVEZ SHOPPING CENTER; RESERVES H & B -- 6202 & 6228 BROADWAY STREET (TX)	4854690022E	48167C0437G
LOMA	11-06-0069A	11/04/2010	BUILDINGS 1-10 -- 3102 69TH STREET	4854690024E	48167C0439G
LOMA	18-06-0342A	12/13/2017	TRIMBLE & LINDSEY SURVEY, SEC 1, LOTS 77, 88, 91, 100 -- 3002 69TH STREET (BUILDINGS A-N & OFFICE)	4854690024E	48167C0439G

FINAL SUMMARY OF MAP ACTIONS

Community: GALVESTON, CITY OF

Community No: 485469

2B. LOMCs on Unrevised Panels

LOMC	Case No.	Date Issued	Project Identifier	Original Panel	Current Panel
			NO CASES RECORDED		

3. LOMCs Superseded

The modifications effected by the LOMCs listed below have not been reflected on the Final revised FIRM panels because they are being superseded by new or revised flood hazard information or the information available was not sufficient to make a determination. The reason each is being superseded is noted below. These LOMCs will no longer be in effect when the revised FIRM becomes effective.

LOMC	Case No.	Date Issued	Project Identifier	Reason Determination Will be Superseded
LOMA	11-06-0068A	11/09/2010	BUILDINGS A-C, E-N, & OFFICE BUILDING -- 3002 69TH STREET	6
LOMR	11-06-3812P	08/10/2012	DIAMOND BEACH CONDOMINIUM	4
LOMR	17-06-2017P	02/06/2018	CLUB OF THE ISLES	4

1. Insufficient information available to make a determination.
2. Lowest Adjacent Grade and Lowest Finished Floor are below the proposed Base Flood Elevation.
3. Lowest Ground Elevation is below the proposed Base Flood Elevation.
4. Revised hydrologic and hydraulic analyses.
5. Revised topographic information.
6. Superseded by another LOMC.

4. LOMCs To Be Redetermined

The LOMCs in Category 2 above will be revalidated through a single revalidation letter that reaffirms the validity of the determination in the previously issued LOMC. For LOMCs issued for multiple lots or structures where the determination for one or more of the lots or structures is no longer valid, the LOMC cannot be revalidated through this administrative process. Therefore, we will review the data previously submitted for the LOMC requests listed below and if appropriate issue a new determination for the affected properties after the effective date of the revised FIRM.

LOMC	Case No.	Date Issued	Project Identifier	Original Panel	Current Panel
			NO CASES RECORDED		



BENEFITING THE PEOPLE OF TEXAS

 **MOODY**
FOUNDATION
75TH ANNIVERSARY REPORT



75TH ANNIVERSARY REPORT

The Moody Foundation has been privileged to work alongside fellow grantees and partners in transforming communities and furthering their missions. We invite you to view our anniversary report, celebrating 75 years of benefiting the people of Texas:

4	LETTER FROM THE CHAIRMAN & EXECUTIVE DIRECTOR
6	THE MOODY FOUNDATION
12	OUR 75TH ANNIVERSARY
20	2016–2017 GRANTS
50	2018 GRANTS
58	2016–2017 FINANCIAL REPORT

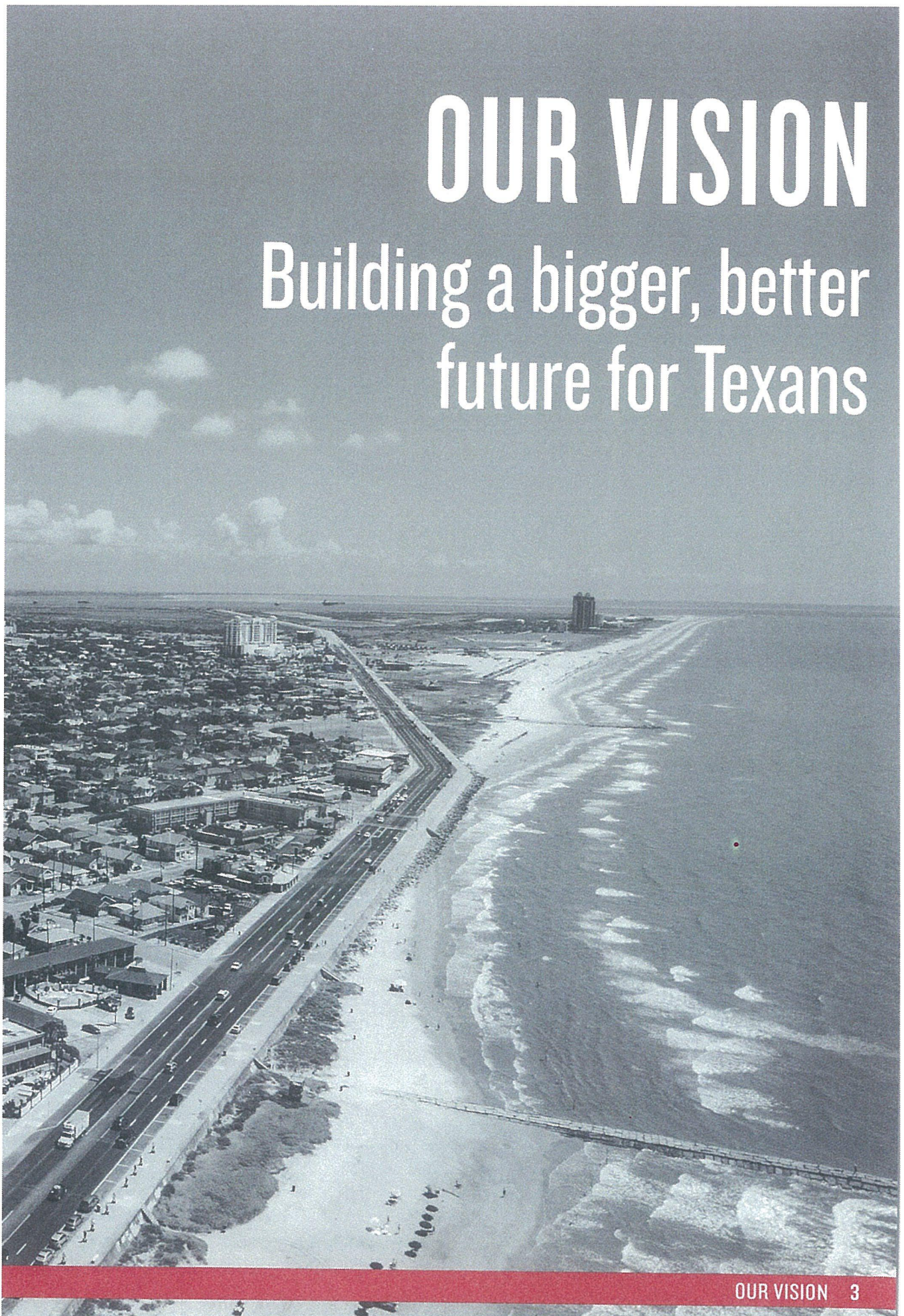
OUR MISSION

Empowering Texas
communities to thrive
and prosper



OUR VISION

Building a bigger, better
future for Texans





“Texas has changed dramatically since the Foundation’s first gift was made, but one thing has remained true: The Moody Foundation continues to work for the benefit of Texans. It is our honor and privilege to do so.”

Frances Moody-Dahlberg, Chairman & Executive Director

FROM THE CHAIRMAN & EXECUTIVE DIRECTOR:

DEAR FRIENDS,

Our anniversary report celebrates the past 75 years of the Moody Foundation and looks forward to the next 75 years and beyond. It is a gratifying story because of the many ways the Moody Foundation has benefited the people of Texas—and also because every generation of the Moody family has made a unique mark on the Foundation while reaffirming a devotion to the mission established by our founders, W.L. Moody, Jr. and Libbie Rice Shearn Moody.

Under the leadership of my great-grandfather, W.L. Moody, Jr., the Moody Foundation's first gifts benefited local projects including libraries, churches and school buildings in nearby communities.

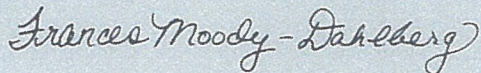
Mary Moody Northen's vision transitioned the Foundation from a grant-making organization to a transformational investor. For instance, she recognized a need in Galveston for historic building preservation and became an architect of a plan to marry preservation to Galveston Island tourism. My father, Robert Moody, Sr., took her idea to a new level by leading the development of Moody Gardens. Along with supporting hundreds of jobs for the local economy, Moody Gardens organizes several community events for people with a wide range of physical and emotional disabilities, including Growing Together and Adaptive Water Sports Festival, and hosts approximately 2 million guests every year.

Today, Ross, Elizabeth and I are building on the strategic investment legacy of the Moody Foundation. Recently, we launched Generation Moody, an initiative aimed at supporting students from cradle-to-career on Galveston Island. Additionally, we're distributing grants across Texas aimed at promoting women's health, curbing domestic violence, enabling museums and cultural organizations to introduce art to more Texans, and providing summer camps for children with challenging physical conditions. Of course, the Foundation has always responded to pressing needs. Over the past year, we've joined with dozens of nonprofits and foundations to help rebuild Galveston County in the aftermath of Hurricane Harvey.

Along with mission-specific funding, the investments detailed in the following pages were made to help grant recipients strengthen their capacity to develop and deliver more services to people in need. It is not unusual to see one-time gift recipients now involved in transformative, multi-nonprofit programs designed to build a bigger, better future for the entire state.

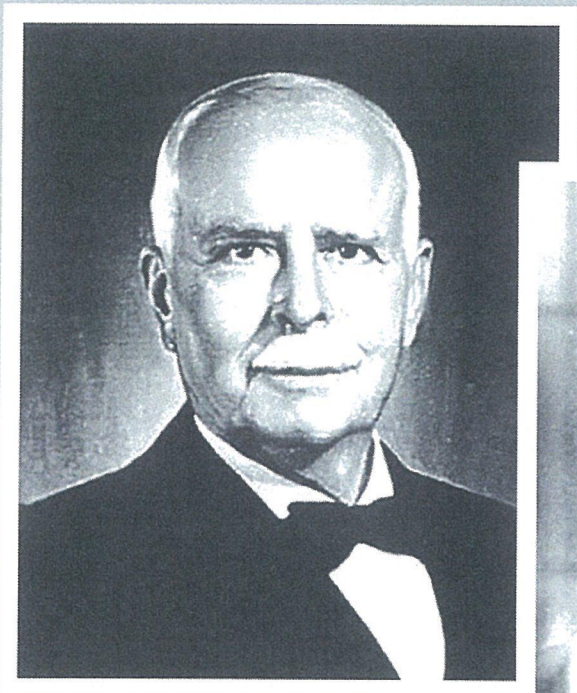
Texas has changed dramatically since the Foundation's first gift was made, but one thing has remained true: The Moody Foundation continues to work for the benefit of Texans. It is our honor and privilege to do so.

Sincerely,



Frances Moody-Dahlberg
CHAIRMAN & EXECUTIVE DIRECTOR

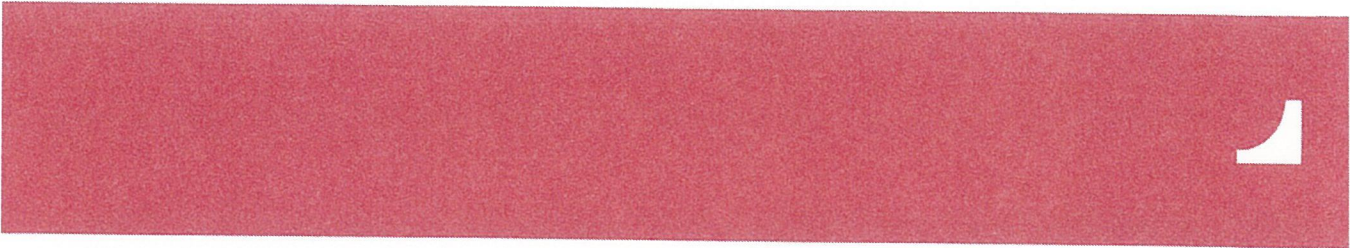
THE MOODY FOUNDATION



WILLIAM LEWIS MOODY, JR.



LIBBIE RICE SHEARN MOODY



BENEFITING THE PEOPLE OF TEXAS

The Moody Foundation was established in 1942 by William Lewis (W.L.) Moody, Jr. and Libbie Rice Shearn Moody.

The Moodys were prosperous, and their enterprises initially flourished on Galveston Island. Their commercial interests included banks, newspapers, cotton, ranches, hotels and insurance. Over the years, their efforts continued to expand across Texas, helping to shape their vision for the Foundation of building a bigger, better future for Texans. The Moodys' wish for the Foundation was an everlasting commitment to present and future generations of Texans.

For more than seven decades, the philanthropic heritage of the Moody Family has been at the forefront of the Foundation. There's a charitable spirit that seems to pass from generation to generation, growing stronger over time.

After W.L. Moody, Jr. died in 1954, his oldest daughter, Mary Elizabeth Moody Northen, took over at the Foundation. Serving for more than 30 years, she was instrumental in the historical restoration movement in Galveston in the 1970s and focused on improving colleges and universities across Texas.

Upon her death in 1986, Robert L. Moody, grandson to W.L. Moody, Jr., landed at the helm of the Foundation as the chairman.

Robert followed in his predecessors' footsteps with his commitment and tenacity. He was able to build on their strengths and strategies as he served for three decades as a dedicated trustee, savvy financial strategist and creative thinker for the Foundation.

His lifelong friend and devoted colleague, Buddy Herz, said, "Under Bobby's leadership, the Moody Foundation's significance grew exponentially to become one of the most meaningful sources of charitable giving in Texas."

Robert L. Moody retired in December 2015. The momentum at the Moody Foundation continues with Frances Moody-Dahlberg as Chairman & Executive Director.

THE MOODY FOUNDATION



From left: W.L. Moody Jr., Frances Moody Newman, Gus Newman, Robert Moody, Shearn Moody Jr.



Moody Center for the Arts at Rice University



Moody Gardens Aquarium, Rainforest and Discovery pyramids

The legacy of the Moody Foundation continues as new generations build on the solid foundation of the past.

The organization remains true to its mission and vision while finding new and innovative ways to better our communities. The Moody Foundation is governed by a board of three trustees charged with taking action on all grant requests, determining operating and investment policies and acting on all business matters. The trustees receive the support of a loyal, knowledgeable staff and grant team, many whom have worked for the Foundation for more than 25 years.



TRUSTEES

Frances Moody-Dahlberg
Chairman & Executive Director

Ross R. Moody
Vice Chairman

Elizabeth Moody
Secretary Treasurer

STAFF

ADMINISTRATION

Frances Moody-Dahlberg
Chairman & Executive Director

Patsy Coburn
Executive Administrative
Assistant, Office Manager &
Financial Administrative Assistant

John Kirwin
Technology &
Systems Administrator

Kathy Buchanan
Receptionist &
Office Assistant

Jamie G. Williams
Human Resources Director

FINANCIAL

Garrik Addison
Chief Financial Officer

GRANTS AND PROGRAMS

Allan Matthews
Grants Director

Bernice Torregrossa
Regional Grants Director,
Central & Grants Analyst

Jamie G. Williams
Regional Grants Director,
North Texas

Angela Blair
Generation Moody
Education Director

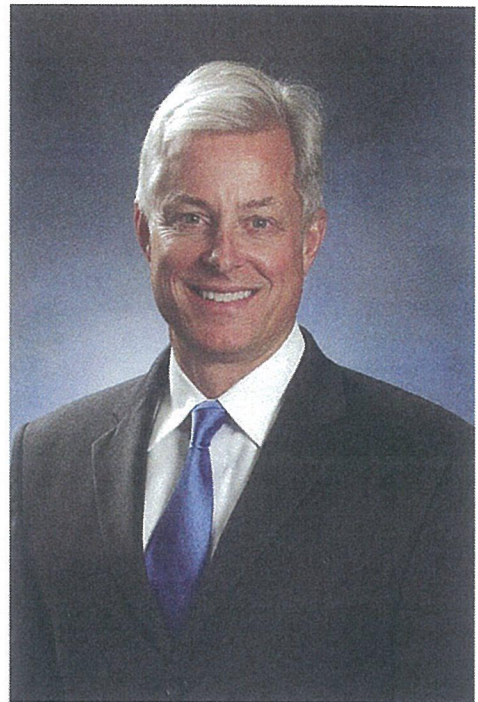
Colleen Trammell
Grants Records Supervisor
& Assistant to Grants Director

Gerald Smith
Senior Program Officer

THE MOODY FOUNDATION MEET THE TRUSTEES



Frances Moody-Dahlberg



Ross R. Moody



Elizabeth Moody

MEET THE TRUSTEES

Frances Moody-Dahlberg, Chairman & Executive Director

Frances "Francie" Moody-Dahlberg, executive director since 1998 and chairman, oversees the Foundation's activities throughout the state.

A graduate of Southern Methodist University, Francie has strong interests in women's and children's issues and the arts. She has championed the Foundation's philanthropy in these areas with signature grants to Parkland Foundation, Family Place, a number of child welfare, early childhood and educational programs as well as Moody Performance Hall and Moody Fund for the Arts. She serves as a trustee of SMU and is on the boards of Simmons School of Education, Meadows School of the Arts, AT&T Performing Arts Center, Transitional Learning Center, Moody Endowment and the advisory board of Crystal Charity Ball.

Ross R. Moody

Ross Moody began serving as a Moody Foundation trustee in 1986. He graduated from the University of Texas with a business administration degree and earned a master's degree in business administration from Harvard University. Ross is currently CEO and chairman of the board of National Western Life Group, Inc. and the chairman of the board of American National Insurance Company. He is also on the boards of the Transitional Learning Center and the Moody Endowment.

Ross has a deep appreciation for education and the environment. He led the Foundation in the creation of the Generation Moody Education Initiative and on major public space initiatives in Austin via investments in the Pease Park Conservancy and Waller Creek Conservancy.

Elizabeth Moody

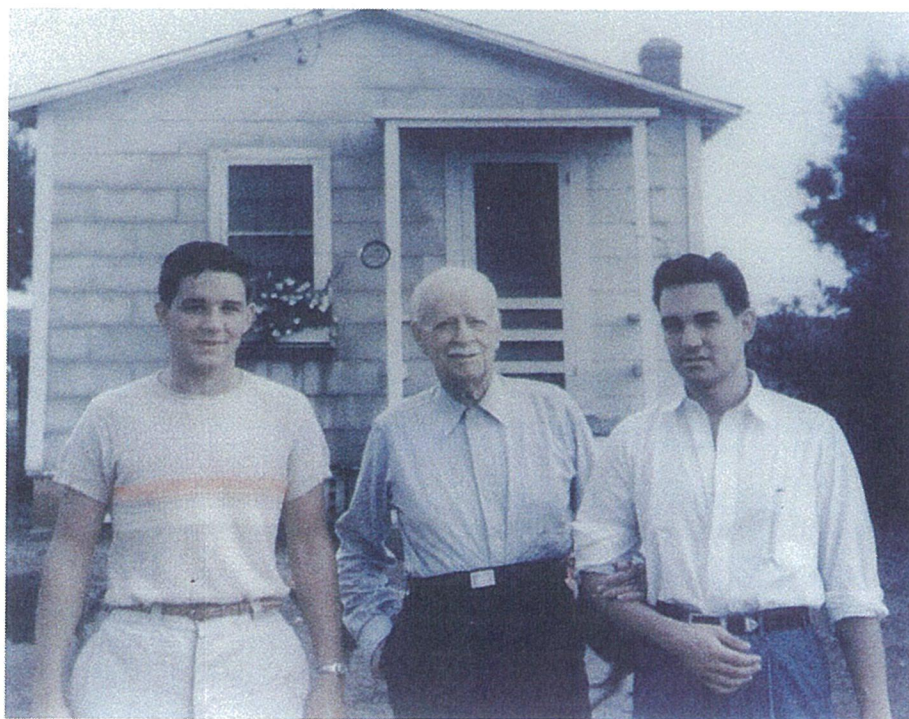
Elizabeth "Elle" Moody was appointed to the Moody Foundation's Board of Trustees in 2015. As a Rice University undergraduate, Elle studied at King's College London before receiving degrees in art history and religious studies. She also holds a master's degree in visual art administration from New York University. Elle is currently the senior account coordinator at SUTTON, a cultural communications firm.

Elle has worked at various museums and galleries and uses that expertise to guide Foundation investments in the arts across the state of Texas. She has advocated for projects ranging from the Contemporary Austin and the Blanton Museum of Art to the Galveston Arts Center and the Moody Center for the Arts at Rice University.

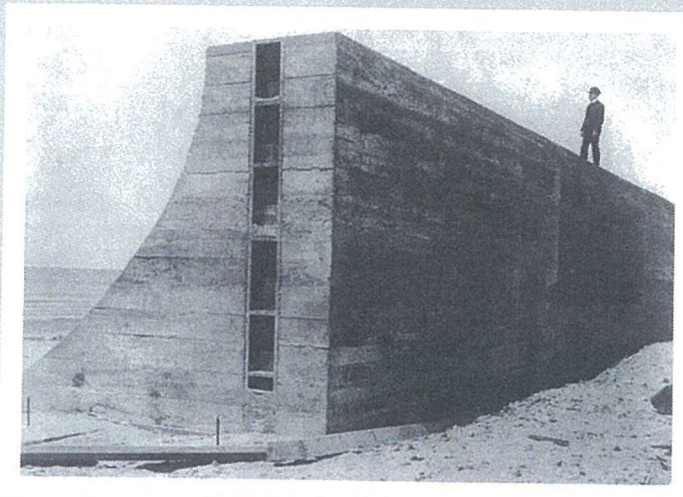
OUR 75TH ANNIVERSARY BENEFITING THE PEOPLE OF TEXAS



Present-day Galveston Seawall



From left: Robert Moody, W.L. Moody Jr., Shearn Moody Jr.



Construction of the Galveston Seawall

In 2017, the Moody Foundation proudly celebrated 75 years of serving the people of Texas. Over the past 75 years, the Foundation has invested more than \$1.5 billion across the state through more than 4,000 grants. This is even more significant considering the very first grant from the Foundation in 1942 was \$10.

In 1942, Texas was home to 6.7 million people. Today, it is the second most populous state in America with nearly 29 million people inside the 269,000 square miles of space. Change and growth have brought their fair share of challenges, but with them have also come remarkable opportunities to improve the lives of Texans. Like the Foundation's founders, W.L. Moody, Jr. and Libbie Shearn Moody did in their time, today's Moody Foundation

works to recognize these challenges and step forward to meet the needs of Texans. And like generations past, the core principles on which the Foundation was built continue to guide the grants it makes:

- Support and improve Galveston
- Make investments that build community
- Improve the lives of present and future Texans

OUR 75TH ANNIVERSARY SUPPORTING & IMPROVING GALVESTON



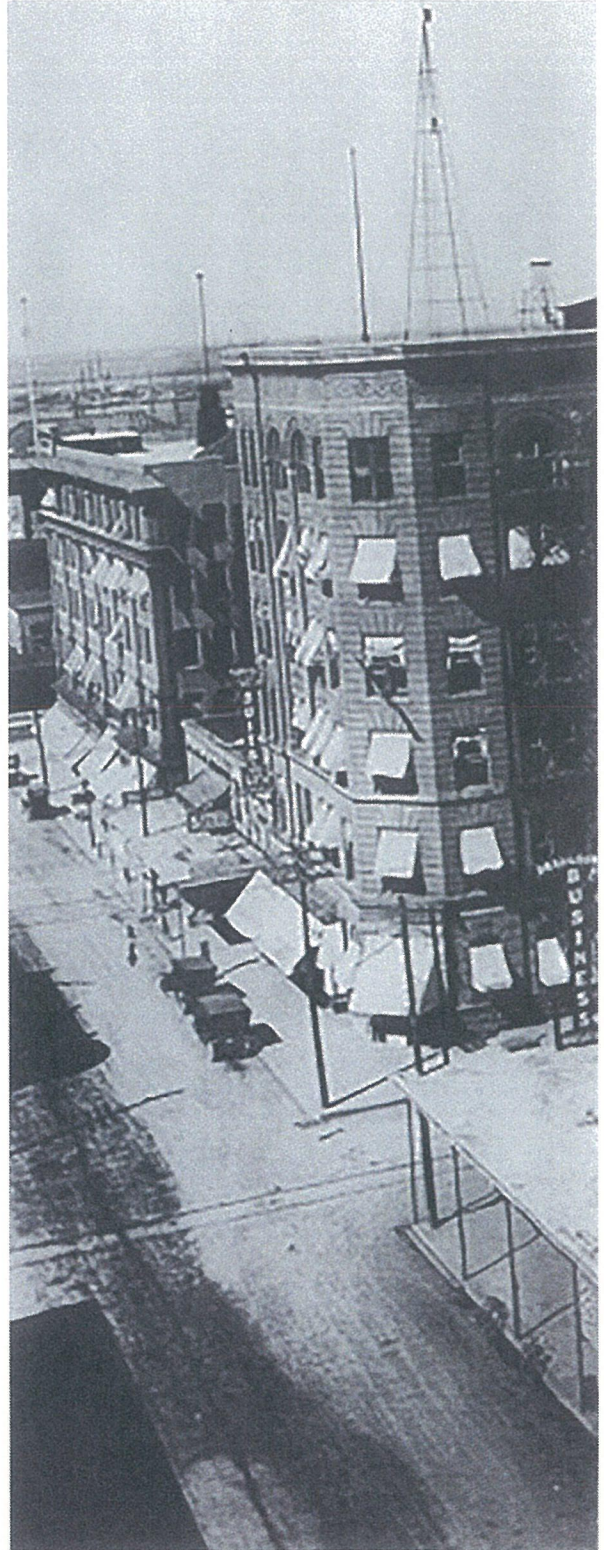
Mary Moody Northen

One of the Foundation's first activities was to distribute small grants to churches on Galveston Island. The hope then, as it remains, was to support the city's diverse population, institutions and character.

Under the leadership of Mary Moody Northen, the Moody Foundation began to invest strategically in what has become an economic pillar for the community: tourism and historic preservation, including renovation of the Moody Mansion and Museum, restoration of the tall ship Elissa and construction of the Shearn Moody Plaza on the site of the Santa Fe rail yard. These investments have proven to be economic engines for the community, providing jobs to neighbors and destination attractions for visitors.

Under Robert Moody, Sr., the Foundation helped Galveston attract tourists year-round through Moody Gardens. The Gardens, its hotel, the aquarium and the convention center employ over 1,000 local residents. In total, tourism drives more than 36,000 jobs and 6.5 million visitors per year in Galveston.

Today's trustees continue to invest in Galveston through Generation Moody, an initiative uniting Galveston's schools — both public and private — and the broader education community. Launched in 2018, Generation Moody grants totaling almost \$28 million support summer, after-school and professional development programs for Galveston students.

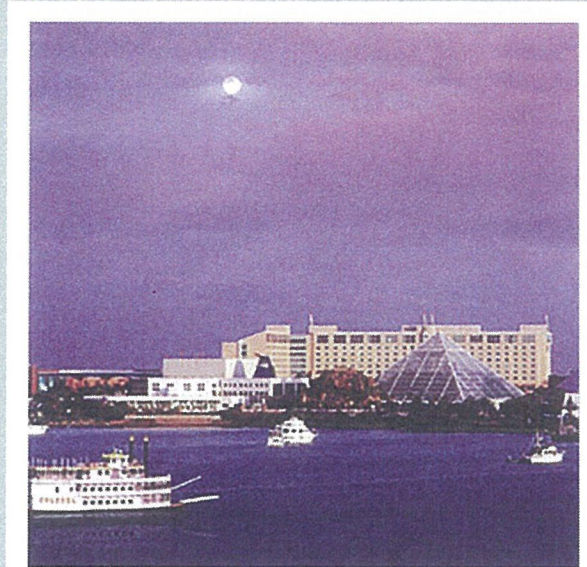




Moody National Bank groundbreaking

Galveston is the Moody family's home, and since its earliest days, the Moody Foundation has supported the community through grants designed to benefit its citizens.

OUR 75TH ANNIVERSARY COMMUNITY-BUILDING INVESTMENTS



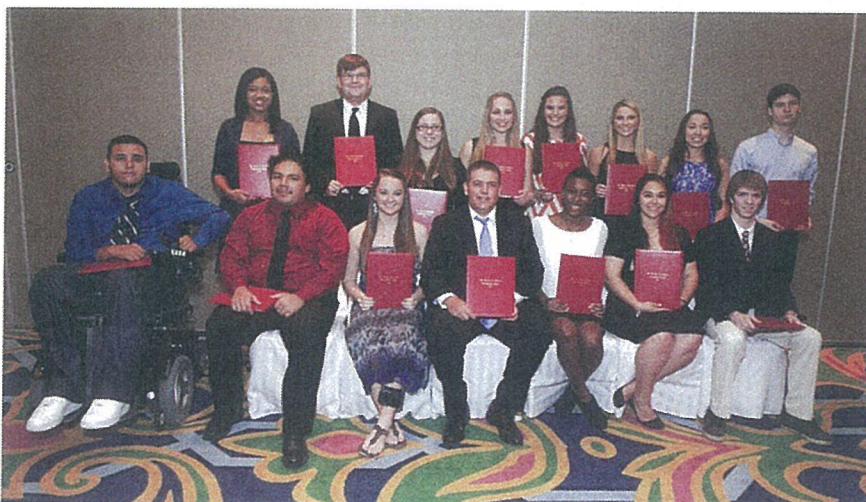
Moody Gardens

Moody Foundation-initiated projects, such as Moody Gardens, the Moody Scholars program and the Transitional Learning Center have been designed to address the root causes of need in Texas communities. Projects like these build and strengthen community institutions as they are designed to transition into self-sustaining programs and services.

The Moody Foundation also works with fellow funders and grant partners to build capacity. With due diligence and coaching of grant applicants, the Foundation ensures grantees are ready to put funds to their highest and best use. Progress report requirements and impact metrics are bundled into most grants in order to show the impact of every dollar and optimize remaining grant funds.



Transitional Learning Center



Moody Scholars recipients

OUR 75TH ANNIVERSARY IMPROVING THE LIVES OF TEXANS



Rainforest Pyramid at Moody Gardens

The Moody Foundation is guided by a sincere and compassionate commitment to improve the present and future lives of Texans. Per its charter, the Foundation's purpose is to "benefit the people of Texas." Historically, that charge puts a focus on education, social causes and historic preservation. Under Robert Moody, Sr., the Moody Foundation began to expand its definition of "benefit" to include transformative investments in projects like the Moody Gardens, the Transitional Learning Center and the Moody Scholars program. Through these initiatives and more, the Moody Foundation has helped young Texans prepare for careers, pursue higher education and even adapt and find greater independence after traumatic brain injury. More than 5,000 Texas students have received scholarships to attend college via the Moody Scholars program.

Benefiting the people of Texas also means investing in causes and initiatives open to all Texans. In Galveston, for example, Generation Moody is an investment in preschool to post-secondary education — regardless of

a family's ability to pay — to promote "cradle to career" educational opportunities. In Houston, the Foundation is supporting the visual and performing arts in order to inspire creativity and innovation. In the Hill Country, the Foundation is funding opportunities for young Texans to enjoy and learn about the environment around them through grants to public parks and a summer camp designed for kids with special needs. The Foundation also supports health care across the state from Dallas to Brownsville through low to no-cost health screenings and medical treatments regardless of a person's insurance status or ability to pay. And as it always has, the Foundation continues to respond to urgent needs. In 2017, trustees approved nearly two million dollars to help Texans recover from the devastation caused by Hurricane Harvey.

For 75 years, the Moody family has affirmed its commitment to the obsession that is Texas through the Moody Foundation. Thanks to the vision of its founders, it is a commitment that will continue for generations to come.

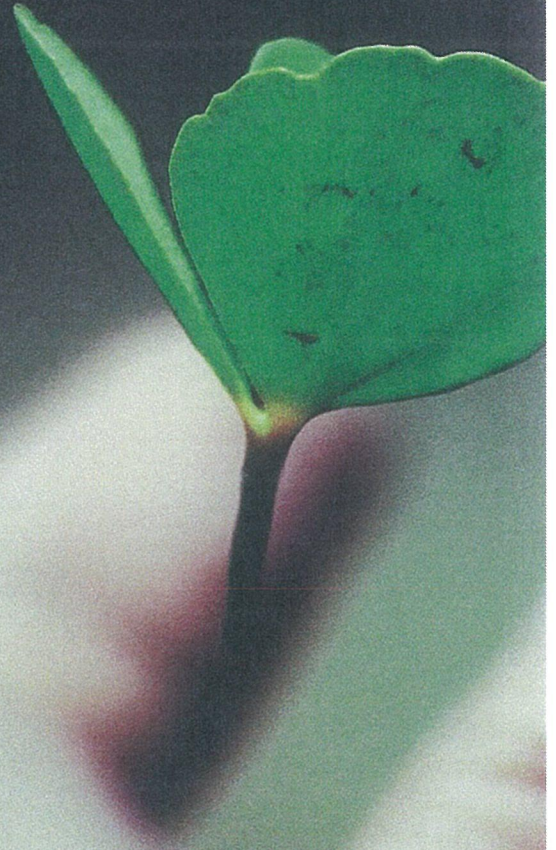


“For all its enormous range of space, climate, and physical appearance, and for all the internal squabbles, contentions, and strivings, Texas has a tight cohesiveness perhaps stronger than any other section of America. Rich, poor, Panhandle, Gulf, city, country, Texas is the obsession, the proper study, and the passionate possession of all Texans.”

John Steinbeck, from his book, “Travels with Charley: In Search of America”

GRANTS

2016–2017



THE
MOODY FOUNDATION
AT A GLANCE

> 4,000
GRANTS TO DATE

\$1.5 BILLION
AWARDED TO DATE

\$15 MILLION
AWARDED IN MOODY SCHOLARSHIPS
TO OVER 5,000 STUDENTS

Aberg Center for Literacy

Dallas

Assistance in improving school readiness and lifting families out of poverty through a multigenerational family literacy program that aids parents in achieving literacy and English fluency so that they can provide their children at-home academic support

\$25,000

Advocates For Camp Able

Buffalo Gap

Assistance in improving the self-sufficiency of children and military veterans with special needs through an all-volunteer program of equine therapy, using rescued horses, that reduces anxiety and improves physical and cognitive function while saving the lives of abused animals

\$10,000

AIDS Interfaith Network, Inc.

Dallas

Assistance in eliminating one of the biggest barriers to medical care faced by low-income patients through a transportation program to provide bus passes to clients living within the Dallas Area Rapid Transit district, enabling access to treatment, care and related services

\$30,000

Alcohol Drug Abuse Women's Center, Inc.

Galveston

Assistance in extending the continuum of care by filming an informative video for clients, their families and the public, creating a new position of Aftercare Case Manager, and retiring the debt on the center's 15-passenger van

\$75,000

Alley's House

Dallas

Assistance in enabling teenage mothers to break the cycle of poverty and achieve academic success, personal growth and financial stability through the Pathways to Independence program

\$25,000

American Cancer Society, Inc./ Texas Division/Dallas Metro Unit

Dallas

Assistance in providing children who have cancer, and their families, with a special outing to the circus in order to provide families with a no-cost respite from treatment

\$60,000

American Cancer Society, Inc./ Texas Division/Dallas Metro Unit

Dallas

Support of the 2017 Junior Cattle Baron's Ball, an annual even held for pediatric cancer patients and their families, offering them an afternoon of "Disney on Ice"

\$75,000

American Red Cross-Dallas Area Chapter

Dallas

Assistance with the purchase of a new mobile blood donation unit that will help to reduce the area's reliance on blood from elsewhere and diversify the donor base so that all blood types are available when needed

\$205,000

Ann Richards School Foundation '16

Austin

Assistance in preparing female students, beginning in sixth grade, for success in college by preparing them thoroughly through campus visits, dual-credit classes, test preparation courses and in-college support, reducing barriers for first-generation college students

\$35,000

Ann Richards School '17

Austin

Assistance in improving educational access for young women with limited resources through the To and Through College Program, to improve students' abilities to successfully apply to college and remain in school

\$40,000

Any Baby Can of Austin, Inc. '16

Austin

Assistance in filling a budget gap caused by state cuts to Medicaid that drastically affect the Healthy and Fair Start program, a home-based parenting education model aimed at reducing remedial education by addressing developmental delays and encouraging parent participation

\$200,000

Any Baby Can of Austin, Inc. '17

Austin

Assistance, over two years, in expanding the Healthy and Fair Start program to reach more infants and toddlers in need of early childhood intervention that will reduce child abuse, improve school readiness and stabilize vulnerable families through Parents as Teachers education and support

\$150,000

Arc of the Capital Area

Austin

Assistance in disrupting the school-to-prison pipeline for students with intellectual or developmental disabilities through the Juvenile Justice Services Program to keep students from committing or re-committing expellable offenses

\$15,000

Ark House Foundation

Richardson

Assistance in providing affordable housing and support services to patients and their families while they are receiving medical care at a Dallas hospital

\$12,000

Assistance League of the Bay Area

Houston

Assistance in providing low-income students in the Bay Area, including Galveston, League City, Texas City and Dickinson, with school clothing that enables them to begin the school year ready to learn, with fewer absences and distractions from learning

\$15,000

Attitudes & Attire

Dallas

Assistance in improving the employment opportunities, self-confidence and health outcomes for women who have sustained dental damage due to abuse, illness, poverty or other trauma through the Hopeful Smiles Program

\$30,000

Austin Child Guidance Center

Austin

Assistance in providing quality mental health care to uninsured and underinsured children and families so that they are able to succeed in school and family life

\$25,000

Austin Community Foundation for the Capital Area

Austin

Assistance with matching donations to Austin Gives Miles and their 30 beneficiary groups on February 18, 2018

\$306,000

Austin Community Foundation for the Capital Area/Austin Gives Miles

Austin

Assistance with matching donations to Austin Gives Miles and their 27 beneficiary groups

\$275,400

Austin Community Foundation for the Capital Area/Park 35 Project

Austin

Assistance in implementing a public education campaign on the potential impact on congestion, mobility, tourism, and downtown development, of lowering a section of Interstate 35 and creating a deck park above it that will bridge east and west sides of Austin, add to the area's green space, and serve as a public amenity for the downtown area

\$100,000

Austin Diaper Bank

Austin

Assistance in building capacity to serve more of the infants and elderly whose families struggle to afford diapers, providing basic sanitary needs to clients of more than 40 partner agencies working with homeless, low-income, foster care, disabled or other individuals

\$30,000

Austin Film Society '16

Austin

Assistance in presenting the 2016 Texas Film Awards on March 10, 2016, recognizing the outstanding contributions of Texans in all facets of film production, including writing, acting, and directing, and raising funds for year-round community and youth programs

\$25,000

Austin Film Society '17

Austin

Assistance in presenting the 2017 Texas Film Awards on March 9, 2017, recognizing the outstanding contributions of Texans in all facets of film production, including writing, acting and directing, and raising funds for year-round community and youth programs

\$25,000

Austin Gay & Lesbian International Film Festival

Austin

Assistance in presenting the thirtieth annual Austin Gay and Lesbian International Film Festival and related year-round programming to foster community involvement across gender, generational and other demographic categories and provide opportunities for young filmmakers

\$20,000

Austin Groups for the Elderly

Austin

Assistance, over two years, in expanding the Memory Connections program for individuals with early-stage dementia by adding a sixth site where affected adults and their families receive education, support and social interaction to improve mental and physical health and quality of life

\$80,000

Austin Habitat for Humanity, Inc.

Austin

Assistance in alleviating Austin's shortage of affordable housing and promoting neighborhood stability and economic advancement by building new homes in partnership with their future owners in order to improve marginal neighborhoods and provide a healthy new start for families

\$10,000

Austin Parks Foundation

Austin

Assistance in redeveloping Republic Square Park in downtown Austin to provide more amenities to downtown residents and visitors, including a stage, a circular promenade, public restrooms, and areas for a farmers' market, food vendors and activities for adults and children

\$250,000

Austin YMBL Sunshine Camp

Austin

Assistance in offering after school tutoring, mentoring and recreation to middle school students from high poverty Austin schools, with an emphasis on math concepts and STEM learning in order to improve grades and prevent future dropouts

\$20,000

Ballroom Cultural Arts Foundation/ DBA Ballroom Marfa

Marfa

Assistance in presenting an exhibition of site-specific sculpture and performance art that includes a one-month artist residency, on-site collaboration with other artists, community engagement through public programs, and outreach to local schools

\$25,000

Baylor Health Care System Foundation

Dallas

Assistance in constructing Hope Lodge to house cancer patients receiving outpatient treatment at UT Southwestern, Baylor University Medical Center and other Dallas care providers, making it possible for more people to access the best care available and participate in research trials that advance treatment for all

\$2,000,000

Baylor University

Waco

Assistance in renovating Moody Memorial Library in preparation for its 50th anniversary in 2018, to include a flexible classroom that will be used for traditional lecture-format classes and video-conference learning

\$100,000

Big Brothers Big Sisters of Central Texas, Inc. '16

Austin

Assistance in providing children facing adversity and living in single-parent or parentless homes with a caring mentor who can influence their lives in positive ways that lead to better social behavior and healthy life choices

\$20,000

Big Brothers Big Sisters of Central Texas, Inc. '17

Austin

Assistance in reducing the delays in matching children in need of a long-term adult mentor with a carefully-selected volunteer, through the "Lose the Wait" initiative that will increase organizational capacity by hiring an additional enrollment specialist

\$50,000

Big Thought '16

Dallas

Assistance in advancing educational goals throughout Dallas through the Dallas Summer Solution, a collaboration of libraries, museums, science centers and other community programs aimed at eliminating education disparities by providing at-risk children with access to a wide range of learning enrichment activities to prevent summer learning loss

\$150,000

Big Thought '17

Dallas

Assistance in preventing summer learning loss, a significant reason why low-income children fall behind their peers, through support of the second year of a public-private citywide collaborative to offer quality learning activities at accessible locations

\$150,000

BIND: Brain Injury Network of Dallas

Plano

Assistance, over a two-year period, in building capacity to serve more of Dallas' population of individuals with brain injuries in a day program that builds skills for work and volunteering, provides social interaction, restores purpose, and provides caregiver respite

\$250,000

BookSpring

Austin

Assistance in preparing low-income children for academic success through the ReadWell early childhood literacy program, which partners with pediatric clinics to provide infants and toddlers with books that will enhance their language and literacy skills

\$20,000

Boys and Girls Club of Austin and Travis County, Inc.

Austin

Assistance, over a two-year period, in breaking the cycle of poverty for more of the 67,000 economically-disadvantaged youth in Travis County by constructing the Legacy Center to provide youth ages 6-18 with a safe, healthy hangout

\$500,000

Breakthrough Central Texas

Austin

Assistance in mentoring, advising and encouraging students without a family history of college attendance to stay focused on their studies, develop academic and social skills needed for higher education, and access financial resources for college

\$25,000

Bridge Steps

Dallas

Assistance in leveraging state funding for treating long-term homelessness in conjunction with mental illness through an intensive-care approach linking medical, pharmacy, Social Security and diagnostic resources to reduce hospitalization and incarceration, and in renovating the shelter's kennel to remove a frequent barrier to seeking treatment

\$350,000

Brighter Tomorrows, Inc.

Irving

Assistance in breaking the cycle of domestic violence by providing southwest Dallas County children who have experienced domestic violence with counseling and education that helps them deal with their situation and emotions in healthy, positive ways

\$20,000

Brownsville Society for Crippled Children, Inc./DBA Moody Clinic

Brownsville

Assistance, over three years, in providing speech/language, physical and occupation therapy to children with disabilities, developmental delays and acquired injuries to help them reach their potential academically and socially regardless of their family's income

\$1,000,000

Buckner Children and Family Services

Dallas

Assistance, over a two-year period, in developing a new pilot program that will better prepare young women transitioning from foster care to independent adult living by providing a long-term support system that includes goal setting, mentoring, educational assistance and vocational training

\$120,000

Café Momentum

Dallas

Assistance in breaking the cycle of poverty and crime among juvenile offenders in Dallas County through a year-long training program that offers paid internships to recently-released juvenile offenders where they receive culinary training, life skills and mentoring that enables them to become stable, self-sufficient adults

\$25,000

Camp Aranzazu, Inc. '16

Rockport

Assistance in providing physically and/or developmentally challenged children and adults with a barrier-free residential camp experience that fosters independence, builds social skills, improves their health and enhances overall functioning

\$150,000

Camp Aranzazu '17

Rockport

Assistance in providing a therapeutic and empowering week of summer camp activities to up to 4,000 children with special needs and physical or developmental challenges at the only accredited camp of its kind located along the Texas Gulf Coast

\$150,000

The Care Communities

Austin

Assistance in providing compassionate non-medical care and support services to Central Texans diagnosed with life-threatening illnesses, helping individuals and families cope with the stresses of cancer, HIV/AIDS and other conditions so they can focus on treatment

\$20,000

**Casa Esperanza, Inc./
DBA Hope House of Austin**

Liberty Hill

Assistance in improving the quality of life for children and adults with severe intellectual and physical disabilities through the purchase of a passenger van

\$35,000

CASA for Kids of South Central Texas

Brenham

Assistance in purchasing an office that will better house staff and volunteers, doubling the amount of available space in order to accommodate the growing need for advocates to speak up for children who have been abused or neglected, and provide a place for community education

\$250,000

CASA of Galveston County, Inc. '16

Texas City

Assistance in providing children in Child Protective Services custody with a Court Appointed Special Advocate who will serve as the child's voice in court and present recommendations based solely on the best interest of the child in cases of abuse or neglect

\$15,000

CASA of Galveston County, Inc. '17

Texas City

Assistance in serving more of the abused and neglected children in Galveston County and serving as their advocate as they find a safe, permanent home, by hiring additional staff to recruit and supervise more volunteers in order to serve 75% of the children in need of advocacy

\$30,000

CASA of Travis County, Inc.

Austin

Assistance in improving the educational outcomes and life success of abused and neglected children in foster care by training CASA volunteer advocates to navigate the educational system, especially special education

\$25,000

Catholic Charities of Central Austin

Austin

Assistance in providing low-cost mental health counseling to low-income residents of 25 counties in Central Texas, with a special emphasis on children, restoring their resilience and improving their ability to function at school and at home

\$25,000

**Catholic Charities of the Archdiocese
of Galveston-Houston**

Houston

Assistance in providing Galveston County residents with a pathway out of poverty through the Bridges to Hope program

\$50,000

Center for Child Protection '16

Austin

Assistance in providing counseling and advocacy services to more Travis County children who have been the victim of physical or sexual abuse or who have witnessed a violent crime, by expanding the Family Advocate Program

\$49,430

Center for Child Protection '17

Austin

Assistance in promoting healing and reducing trauma for Travis County children who have been the victim of physical or sexual abuse, neglect or were witnesses to a violent crime, through a new model of experiential therapy involving yoga, music, art and active challenges

\$50,000

Children's Center, Inc.

Galveston

Assistance in addressing a statewide crisis in foster care by creating emergency shelter space for an additional 16 boys and 16 girls, and providing the residents with trauma-informed care, on-site education and counseling to prepare them for permanent placement

\$100,000

**Children's Medical Center
Foundation of Texas**

Dallas

Assistance in establishing the Robert L. Moody, Sr. Faculty Scholar Program

\$5,000,000

**Children's Medical Center Foundation of
Central Texas/DBA Dell Children's
Medical Center Foundation**

Austin

Assistance in extending Camp In Motion, a therapeutic summer camp for children and young adults with mobility impairments, to include additional sports activities throughout the year, and to include more participants during the summer sessions in 2017

\$150,000

Chris Kyle Frog Foundation

Midlothian

Assistance, over a two-year period, in improving the mental health of military veterans and first responders by offering "Mastering Your Marriage" retreats in Houston and Dallas aimed at reducing service-related stress and improving communication, self-care and conflict resolution skills

\$100,000

Christus Foundation for Healthcare

Houston

Assistance in improving access to mental health and primary care services to homeless and/or uninsured individuals in Galveston County by placing an additional counselor in the Point of Light Clinic in Dickinson

\$87,232

Church of the Colored People of Gillespie County

San Antonio

Assistance in restoring the 1877 wooden church, built for the African-American residents of Fredericksburg and later used by all worshippers, and adding elements that will enable the church to be rented for public events.

\$50,000

City of Galveston Police Department

Galveston

Assistance in investigating and prosecuting crimes, especially crimes against children, by purchasing additional equipment, software and training to expand the capabilities of the Computer Forensics Lab

\$62,500

CitySquare

Dallas

Assistance in offering a housing-first approach to 50 chronically homeless Dallas County residents who have experienced both severe mental illness and the criminal justice system, providing them with intensive behavioral health and social services to improve their lives at a much lower cost to the city and county than incarceration

\$90,000

Clayton Dabney Foundation for Kids with Cancer

Dallas

Assistance in enabling families with a terminally ill child to create lasting memories in the child's final days by purchasing needed items, improving the quality of family life, fulfilling a last wish or providing aid so that parents can spend more time with their child

\$50,000

The Comfort Crew for Military Families

Austin

Assistance in reducing stress and anxiety among elementary age children with a parent deployed in military service by distributing age-appropriate materials to increase their coping skills and resilience, with follow-up materials to help adjust to the parent's return

\$10,000

Communities in Schools of Central Texas, Inc.

Austin

Assistance in preparing at-risk boys for academic success, avoiding risky behavior, and graduating from high school through the XY-Zone program

\$150,000

Communities in Schools Galveston County '16

Galveston

Assistance in improving the graduation rates in Galveston and Texas City by expanding the availability of mentoring, tutoring, case management, counseling and support to at-risk students and their families in order to break the cycle of poverty through education

\$75,000

Communities in Schools of Galveston County '17

Galveston

Assistance with providing one-on-one case management to at-risk students, aimed at preventing school dropout by identifying an individual student's stumbling blocks and developing solutions

\$75,000

Concho Valley Turning Point

San Angelo

Assistance in purchasing a 15-passenger van that will transport individuals in recovery to meetings, classes, support groups and community functions that will aid them in overcoming dysfunction and help them become productive citizens and family members

\$41,730

Congregation B'nai Israel

Galveston

Assistance in completing necessary repairs and renovation to bring the 63-year old facility up to current standards

\$690,000

Contemporary Austin Museum, Inc.

Austin

Assistance with adding the Moody Pavilions to the Laguna Gloria outdoor sculpture park

\$3,000,000

Crystal Charity Ball '16

Dallas

Assistance in supporting seven children's charities meeting critical needs in Dallas County as they provide health, education and social services that will improve the lives of ill, homeless, traumatized, abandoned and under-served segments of the population

\$300,000

Crystal Charity Ball '17

Dallas

Assistance in supporting eight charities in Dallas County that are concerned with the needs of children, enabling the groups to provide innovative services in health, education, arts and social welfare and expand their capacity, with \$250,000 going to the Big Brothers, Big Sisters Lone Star and the Dallas Police Department's Bigs in Blue Program

\$750,000

Cystic Fibrosis Foundation/ Northeast Texas Chapter

Dallas

Assistance in providing life-extending pediatric care at Children's Medical Center and conducting clinical trials at the University of Texas Southwestern Medical Center

\$70,000

Dallas Area Habitat for Humanity, Inc.

Dallas

Assistance, over three years, in stabilizing Dallas neighborhoods and families by providing low-income residents who are potential homeowners with the financial literacy, homebuying education and financial documentation needed to purchase and maintain a home

\$225,000

Dallas CASA

Dallas

Assistance in endowing two volunteer coordinator positions each year into the future

\$2,000,000

Dallas Center for the Performing Arts Foundation/DBA AT&T Performing Arts Center

Dallas

Assistance with the capital campaign and with establishing a permanent endowment, the Moody Fund for the Arts, to provide grants for Dallas' small non-profit arts groups

\$22,000,000

Dallas County Local Workforce Development Board/DBA Workforce Solutions Greater Dallas

Dallas

Assistance in energizing and mobilizing the Dallas business community to address early childhood education and advocate for policies and practices that will improve early learning, through a two-day summit on the economic impact of early childhood education

\$175,000

Dallas Foundation/Family Wellness Dallas!

Dallas

Assistance in presenting a specialized version of a Dallas-wide communications-oriented relationship workshop, specifically tailored to first responders and their families, with an emphasis on healing the effects of the mass shooting of five Dallas police officers

\$75,000

Dallas Foundation/Zero to Five Fundors' Collaborative

Dallas

Assistance in completing funding to install modular buildings and landscaping comprising the Bachman Lake Together Family Center

\$250,000

Dallas Holocaust Museum

Dallas

Assistance in constructing a larger museum to accommodate increasing attendance by visitors of all ages and include a unique "Pivot to America" wing to relate American perspectives on intolerance to the country's founding documents, ideals and historic figures

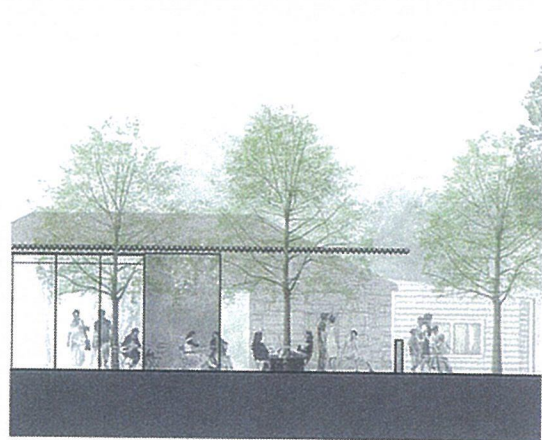
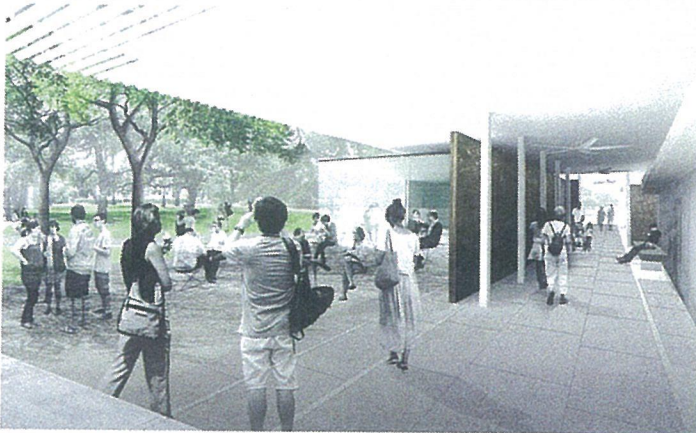
\$500,000

Dallas Methodist Hospitals Foundation

Dallas

Assistance in operating the Sexual Assault Nurse Examiner (SANE) program in southern Dallas County, providing the area with its only rape crisis counseling and advocacy service at Methodist Dallas' new Charles A. Sammons Tower emergency and trauma center

\$100,000



PROMOTING CONTEMPORARY ART

Contemporary Austin Museum

"I still remember the day we received notification from the Moody Foundation. It was providing the lead gift for Phase I of the Laguna Gloria Master Plan. It was extremely gratifying to see the Foundation recognize the importance of what we hoped to accomplish and to know the Moody Foundation values the need for public spaces and outdoor experiences. We hope to encourage more people to come to Laguna Gloria to experience its unique cultural and ecological stories as a wonderful venue for making and experiencing art."

Louis Grachos, Executive Director, The Contemporary Austin

Dallas SPARK

Dallas

Assistance in providing children with summer day camp experiences aimed at stimulating their creativity through a variety of art instruction and instilling confidence in their creative abilities so that they will return to school with improved problem-solving skills

\$40,000

Dallas Summer Musicals, Inc.

Dallas

Assistance in presenting a special daytime musical theatre performance to 3,400 North Texas students and educators, providing them with free access to professional theater to expand their cultural understanding and stimulate their interest in the performing arts

\$175,000

Dallas Theater Center

Dallas

Assistance in presenting the world premiere of "The Trials of Sam Houston," and to develop educational programming to accompany the production

\$150,000

Dive Pirates

The Woodlands

Assistance in providing training, equipment and supervision to disabled individuals with an interest in scuba diving, enabling them to take part in an activity with non-disabled peers that improves their physical conditioning and mental outlook

\$50,000

DME Exchange of Dallas

Dallas

Assistance in raising awareness of the state's only medical salvage company in order to recruit more volunteers and generate more donations of used equipment

\$45,000

Dwell With Dignity Foundation, Inc.

Dallas

Assistance in reinforcing the lessons of self-sufficiency among formerly homeless families and individuals by furnishing their new homes with the help of volunteer professional interior designers creating attractive, functional spaces that are organized and uplifting

\$15,000

East Texas Baptist University

Marshall

Assistance in expanding the nursing school, relocating it off-campus to a renovated building with space to triple the capacity for nursing students

\$109,000

El Buen Samaritano Episcopal Mission '16

Austin

Assistance in meeting more of the need for hunger-fighting food assistance for families through the Hands for Hope fundraising and food donation drive in Austin's Episcopal churches and schools

\$50,000

El Buen Samaritano Episcopal Mission '17

Austin

Assistance in increasing the number of low-income Austin residents eating nutritious healthy meals and learning to cook on a Budget through a two-to-one match for donations to the Hands for Hope campaign

\$50,000

Equest

Wylie

Assistance in ensuring that children, adults and veterans are able to access equine therapy regardless of financial difficulties, through the Subsidy and Scholarship program, which absorbs the majority of costs for many clients and 100% of the costs for veterans and participants in a Dallas Police Department youth outreach

\$75,000

Family Gateway, Inc.

Dallas

Assistance in expanding case management, intake and support services for families in crisis

\$65,000

Family Service Center

Galveston

Assistance with the Trauma Informed Care Initiative, a prevention and intervention program of parent education and treatment to reduce the impact of childhood traumas

\$125,000

Food Foundation/DBA Hunger Busters

Dallas

Assistance with the purchase of a delivery van so that the program can deliver a nutritious evening meal to more high-need schools and after-school programs

\$30,000

Fossil Rim Wildlife Center, Inc.

Glen Rose

Assistance in expanding the educational outreach of the Wolf Ridge Conservation Education Center by renovating its Activity Barn, the primary site of indoor group activities, by adding air conditioning, restrooms, a food preparation kitchen and additional classroom space

\$200,000

Foundation for the Education of Young Women/Young Women's Preparatory Network

Dallas

Assistance in improving college readiness, workforce readiness, summer enrichment opportunities and STEM awareness at Irma Rangel Young Women's Leadership School, a public secondary school for girls in the Fair Park area

\$250,000

Friday Harbour

Houston

Assistance in providing short-term, short-notice housing for cancer patients at Texas Medical Center hospitals who have been unexpectedly detained due to treatments or the need for follow-up care, aiding their recovery by reducing stress and exhaustion

\$25,000

Friends of Wednesday's Child

Dallas

Assistance in expanding the Success In School program to enable more children in foster care to stay at grade level, participate in extracurricular activities, improve their attendance and behavior, with the objective of completing high school with skills for self-sufficiency

\$70,000

Gaining Academic Progress Pre-K and K Learning Center

Austin

Assistance in closing the learning gap faced by low-income minority students by establishing a full-day, bilingual preschool in East Austin that combines core learning concepts for school readiness with enriching experiences in the community

\$50,000

Galaxy Counseling Center

Garland

Assistance in providing psychological support and therapy to adult and child victims of sexual abuse and sexual assault, enabling them to heal, develop coping skills and stabilize their relationships with family members and the community, to mitigate long-term effects such as depression, drug abuse and post-traumatic stress disorder

\$20,000

Galloway School

Friendswood

Assistance in renovating the school library into a "learning hub" that integrates printed and digital resources in a common space that will encourage exploration, creativity and collaboration among students, teachers and the community

\$50,000

Galveston Arts Center, Inc.

Galveston

Assistance in offering cultural programs to visitors and residents through education outreach, gallery programs, events and exhibitions

\$100,000

Galveston Bay Foundation

Houston

Assistance in presenting the 11th annual Bike Around the Bay fundraising event, with proceeds aiding projects to preserve, protect, and enhance the natural resources of Galveston Bay

\$60,000

Galveston Chamber Partnership, Inc.

Galveston

Assistance with the 2017 "Celebrating Women: Mind, Body and Spirit" Conference, and support of community endeavors to benefit children and youth and enhance Chamber efforts to improve Galveston through education and charity

\$50,000

Galveston County Food Bank

Texas City

Assistance in improving nutrition for more of the 43,000 Galveston County residents living in poverty, through mobile food distribution

\$200,000

Galveston Diaper Bank

Galveston

Assistance in enabling working-poor families to remain in the workforce by removing one of the major barriers for families with young children, the cost of diapers required in order to enroll an infant or toddler in day care

\$35,000

Galveston Historical Foundation

Galveston

Assistance with capital support and programming to develop a hub location for all historic properties

\$1,000,000

Galveston Independent School District Educational Foundation, Inc.

Galveston

Assistance, over two years, in providing funding to teachers and schools for innovative programs that support district goals while offering students and teachers the opportunity to develop an individualized approach to the curriculum and enhance the academic experience for GISD students

\$50,000



SUPPORTING VETERAN NEEDS

Goodwill Industries of Houston

"Thanks to the Moody Foundation's generosity, Goodwill has been serving Galveston for decades. More recently, funding from the Moody Foundation has allowed us to re-open our Veterans Job Connection Center on the island with the specific goal of helping veterans get the education, training and any other assistance they might need to find employment and to fully re-integrate into civilian life. This funding is so helpful to the community as we are the only resource of this kind on the island. We know our work, supported by the Moody Foundation, has dramatically reduced veteran unemployment and homelessness on the island."

Terri Parris, PR and Media Relations Manager, Goodwill Houston

Galveston Island Day School/ Moody Early Childhood Center

Galveston

Assistance in expanding the Moody Early Childhood Center to accommodate more infants, toddlers and preschoolers by adding five classrooms, a second playground, a library and an aftercare room to the campus, and establishing a scholarship fund for low-income parents and special circumstances

\$786,000

Galveston Urban Ministries

Galveston

Assistance in improving the academic, employment and housing opportunities in one of Galveston's poorest neighborhoods through programs for children and adults, including after-school tutoring and mentoring, employment education classes, and revenue-generating recycling

\$50,000

Gleanings From the Harvest for Galveston/ DBA Galveston County Food Bank

Texas City

Assistance in economically distributing nutritious food to more of the 53,000 residents of Galveston County who face food insecurity by purchasing a mobile food tractor/trailer that can travel to high-need areas of the county for regularly-scheduled food deliveries

\$185,633

Goodwill Industries of Houston

Houston

Assistance with the Veteran Employment Training Services program to re-train, counsel and support veterans in finding careers that enable them to support themselves and their families

\$200,000

Grace Episcopal Church

Galveston

Assistance in renovating the bell tower of the historic church building, designed by iconic Galveston architect Nicholas Clayton, to prevent further damage and deterioration and protect those who worship or attend community functions from the risks of an unstable tower

\$75,000

Gulf Coast Big Brothers & Big Sisters, Inc.

Galveston

Assistance in reducing dropout rates, improving school performance and self-confidence, and closing the opportunity gap for at-risk Galveston County children and youth through a proven program of one-to-one mentoring, now offered in workplace, at-school and community-based options to better involve more participants

\$80,000

HACA Scholarship Foundation, Inc./DBA Austin Pathways

Austin

Assistance in providing specialized social services to senior citizens living in public housing by creating a Service Coordinator position to reduce seniors' isolation and connect more seniors with needed services such as transportation, nutrition, housekeeping and counseling

\$60,000

Healing Hands Ministries

Dallas

Assistance in providing pediatric medical, dental and behavioral health care to children living at or near the poverty level in northeast Dallas, offering both primary care and preventive treatment to reduce the rates of diabetes, asthma and obesity among children

\$25,000

Highland Park ISD Educational Foundation

Dallas

Assistance, over a five year period, in preparing students for the careers of the future through the development of the Moody Innovation Institute to foster Science, Technology, Engineering, Arts and Mathematics (STEAM) skills in grades K-12 and engage high school students in problem-solving, mentoring and internships through the Moody Advanced professional Learning Center

\$5,789,874

Hitchcock Independent School District

Hitchcock

Assistance in increasing academic achievement, student engagement and college and career readiness by purchasing new technology, including electronic whiteboards, interactive software and Chromebook computers for use at Crosby Middle School

\$10,000

Holocaust Museum Houston

Houston

Assistance in constructing a new and expanded museum dedicated to Holocaust education, classroom, a larger auditorium and space for activities

\$500,000

Hope Cottage, Inc.

Dallas

Assistance in providing prenatal care to women during unplanned, crisis pregnancies through the Healthy Mother/Healthy Baby program, preventing low birth weight and the resulting health risks and aiding young mothers in making a plan for themselves and their baby

\$25,000

Housing Crisis Center, Inc.

Dallas

Assistance in aiding military veterans who are either chronically homeless or experiencing a rare episode of homelessness, by offering supportive services, scattered-site housing and financial coaching to increase each client's ability to afford adequate housing

\$15,000

Houston Ground Angels

Houston

Assistance in providing transportation for more of the 96,000 cancer patients who fly to Houston each year for treatment by purchasing a passenger van to augment the current system of using volunteers' personal cars to transport patients from airport to hospital

\$33,122

Houston Methodist Hospital Foundation

Houston

Assistance in developing a treatment for Alzheimer's disease that uses existing anti-inflammatory drugs to slow memory loss and cognitive impairment, through a three-year study of the role of inflammation in the progression of the disease from early through late stages

\$359,897

Humane Society of Southeast Texas

Beaumont

Assistance in reducing the number of stray animals in Southeast Texas, and their hazards to public health, by including a high-volume spay/neuter in the new facility, and extend spay/neuter services to low-income and poverty-level individuals

\$375,000

Interfaith Family Services

Dallas

Assistance in tripling the number of working-poor North Texas families diverted from homelessness through support of the new Family Empowerment Center, combining career coaching, financial education, child care and youth services to permanently lift families out of poverty

\$825,000

It's A Sensory World

Farmers Branch

Assistance in enabling children with autism, Down Syndrome or communication and sensory processing disorders to develop to their full potential using technology, play and therapy in individualized lesson plans for students ages 2-14

\$25,000

Jubilee Park & Community Center

Dallas

Assistance, over a three-year period, in expanding the Out of School Time programming to serve 400 low-income students per year, adding a component for children with specialized academic needs such as dyslexia, autism and communication disorders

\$525,000

Junior League of Dallas, Inc.

Dallas

Assistance, over two years, in expanding the "Kids in the Kitchen" program of hands-on nutrition education, fitness activities, and family involvement that teaches low-income children in grades K-5 to make healthier choices

\$80,000

Kinkaid School, Inc.

Houston

Assistance in meeting the needs of a diverse group of students through a one-year pilot project to place an academic support manager on campus to guide students in finding organizational, study and time management skills that best fit their individual learning styles

\$37,500

Legacy Counseling Center

Dallas

Assistance in providing mental health services to low-income individuals living with HIV/AIDS, improving their health by offering counseling, behavioral therapy, substance abuse treatment, housing and housing referrals, and hospice care, with many services in Spanish

\$10,000

LIFT-Literacy Instruction for Texas

Dallas

Assistance in closing the education gap for adults with low levels of literacy through the development of a new curriculum that integrates literacy learning, English as a Second Language, and high school equivalency preparation into an interactive, coordinated program, and developing a client management system to analyze student progress

\$125,000

Lighthouse Christian Ministries

Bacliff

Assistance in providing affordable dental care to low-income, uninsured residents of Bacliff, Bayview, San Leon, Kemah and surrounding areas in Galveston County, using the services of volunteer dentists to improve the health and employability of patients in need

\$25,000

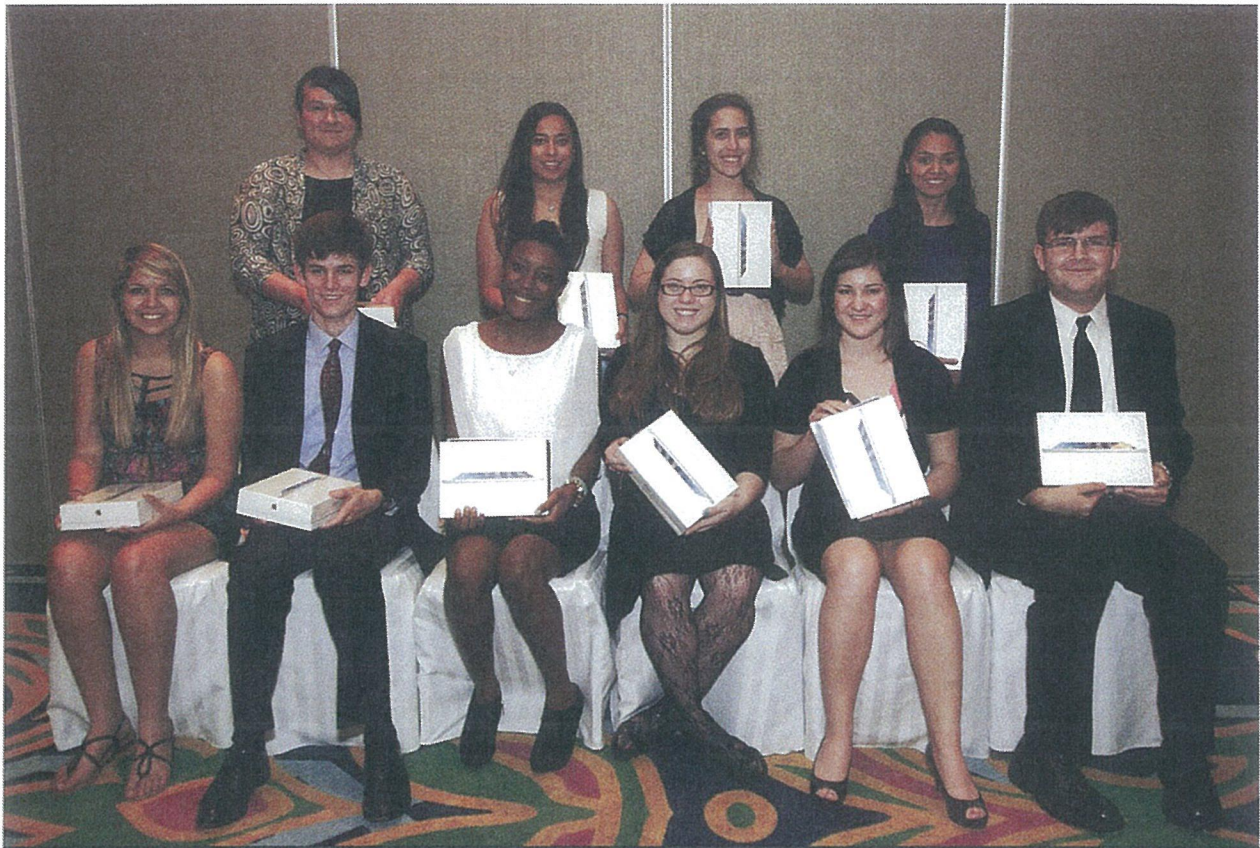


HELPING CHILDREN WITH SPECIAL NEEDS

Moody Clinic

"Our relationship to the Moody Foundation of Galveston goes back decades. When we first received funds to build the clinic during the 1960s, we decided to take the Foundation's name. Since then, we've served more than 7,000 children with special needs, providing speech/language, physical and occupational rehabilitative therapy. We want to keep the doors open for another 65 years and to serve the neediest in the Brownsville community. We're honored to continue to receive grants, and can't thank everyone involved enough."

Jessica Cuevas, Executive Director, the Moody Clinic



INVESTING IN EDUCATION

Moody Scholars Program

"Education has always been a priority for the Moody Foundation. The Moody Scholarship Program is helping current and future generations of Texans attend college."

*Angela Blair, Director of Education,
the Moody Foundation*

The Moody Scholars program began in 1969. The goal of the program is to provide financial assistance to qualified high school students in pursuit of an undergraduate degree in Texas. Since its inception, the Moody Scholarship Program has awarded over \$15 million to assist more than 5,000 students throughout the state.

Longhorn Project Advisory Board

Houston

Assistance in expanding the capacity for school field trips so that more Galveston County third and eighth graders are able to experience the STEM-related offerings involved in agriculture

\$40,000

Lone Survivor Foundation

Houston

Assistance in providing therapy to wounded veterans that improves their reintegration into civilian life by constructing a covered equestrian arena at the Lone Survivor Retreat Center on Bolivar Peninsula, ensuring that bad weather will not interrupt the 5-day therapy program

\$75,000

Lutheran Music Academy of Galveston Island, Inc.

Galveston

Assistance, over three years, in providing after-school and summer music and fine arts instruction to Galveston children in elementary and middle school, including scholarship funding for those who cannot pay the full tuition

\$150,000

Make-A-Wish Foundation of the Texas Gulf Coast and Louisiana, Inc.

Stafford

Assistance in creating meaningful family time for children with a life-threatening medical condition, providing them with an opportunity to travel, meet someone they admire, purchase a wanted item or have a memorable experience.

\$14,600

Manos de Cristo, Inc.

Austin

Assistance in improving the health of unemployed and underemployed Central Texas residents by providing dental services that include restoration procedures, preventive care, emergency extractions and referrals for more complex treatment, at affordable fee levels

\$10,000

Martha's Home

Amarillo

Assistance in providing homeless women with stable temporary housing, case management, mentoring, and access to job-skill training in small, homelike residences that prepare them for permanent housing

\$10,000

Mental Health-Mental Retardation Center Austin-Travis County/DBA Integral Care

Austin

Assistance in developing an apartment complex in the Oak Springs area of east Austin to integrate housing, health care, education and community support into one comprehensive solution to homelessness and its contributing factors

\$100,000

Metro Dallas Homeless Alliance

Dallas

Assistance with the Flex Fund, a rapid-response source of emergency funds for apartment or utility deposits, furniture, transportation and other needs in order to make homelessness as brief and nonrecurring as possible

\$78,500

Mi Escuelita Preschool, Inc.

Dallas

Assistance in providing quality early childhood education to children whose native language is not English by enabling more preschool teachers to obtain college degrees, a requirement for expanding partnerships with charter schools and Head Start programs

\$25,000

MoMs USA

Houston

Assistance in honoring past and present members of the United States Marine Corp by presenting the 242nd Birthday Ball at Moody Gardens Hotel on November 11, 2017, and deferring some of the costs for young active-duty so that they may attend

\$40,000

Moody Early Childhood Center

Galveston

Provide operational and capital assistance, over a five-year period, in preparing at-risk children from birth to pre-kindergarten for academic success by developing a comprehensive, affordable, high quality day school for infants and toddlers that will co-locate early childhood learning with the Galveston Independent School District's existing program for 3-year olds to improve education for, reduce costs, and offer family support services to the 70% of Galveston children who are disadvantaged

\$6,000,000

Moody Scholars Program '16

Galveston

Support of the Moody Scholars Program, which awards financial assistance to graduating seniors from 18 high schools in Galveston County, Austin and Dallas who demonstrate financial need and academic promise, and the Moody Honors Scholars Program, based entirely on merit

\$1,200,000



Moody Scholars Program '17

Galveston

Assistance with the 2017 Moody Scholars Program

\$1,200,000

Mosaic Family Services, Inc.

Dallas

Assistance in providing culturally competent services, in 31 languages, to victims of violence, including human trafficking and domestic violence

\$20,000

National Society to Prevent Blindness/ Prevent Blindness Texas

Houston

Assistance in improving eye health and reducing the number of undiagnosed vision deficiencies among adults in southeast Texas through the "Healthy Eyes" program, which trains volunteers to conduct vision screenings at community sites reaching low-income individuals

\$27,500

New Hope Equine Assisted Therapy

Argyle

Assistance in continuing to provide therapeutic horseback riding to children and adults without the resources to pay, keeping the proven therapy accessible to individuals with autism, cerebral palsy, traumatic brain injury and other conditions

\$10,000

North Texas Food Bank

Dallas

Assistance, over a four-year period, in expanding operations and better serving the hungry by constructing a new distribution center, renovating newly-acquired headquarters to house a community room and demonstration kitchen, and establishing new pantries

\$5,000,000

Notre Dame of Dallas Schools, Inc.

Dallas

Assistance, over two years, in preparing developmentally disabled young adults for careers or community service through vocational training

\$150,000

Operation Kindness of Garland

Carrollton

Assistance in saving the lives of cats and dogs at North Texas' largest no-kill animal shelter through two programs aimed at providing medical care for stray and surrendered animals and foster care for animals that are not candidates for immediate adoption

\$65,000

Our Calling, Inc.

Dallas

Assistance in renovating a newly-purchased building in South Dallas to provide food, mentoring, counseling and religious outreach to the area's most challenging segment of the homeless population, the chronically homeless with a long history of living on the streets

\$20,000

ENHANCING MEDICAL SERVICES

Parkland Foundation

"We are grateful to the Moody Foundation for their generous support of Parkland, our patients and our mission to provide care for anyone in need. Their transformational gift creates an opportunity to increase the health and survival rate of breast cancer patients while also creating equity in breast health for everyone in Dallas County."

David E. Krause, President and CEO, Parkland Foundation

Parkland Foundation

Dallas

Assistance, over three years, in creating the Comprehensive Breast Center at Parkland to provide all Dallas County women with an equal opportunity for breast cancer prevention, detection and treatment

\$15,000,000

Pease Park Conservancy '16

Austin

Assistance with design development and pre-construction work for the adaptive re-purposing of Pease Park's iconic Tudor Cottage, creating a new gathering space and a nearby picnic/restroom area, Kingsbury Pavilion, as part of the park's approved master plan

\$168,140

Pease Park Conservancy '17

Austin

Assistance, over a three-year period, in completing the first phase of transforming Austin's most centrally-located park, renovating the southern six acres while retaining and protecting the tree canopy and the park's atmosphere

\$9,706,541

People's Community Clinic

Austin

Assistance in providing quality health care to medically underserved and uninsured residents of Central Texas at a new clinic in northeast Austin, a center for women's health, and four partner sites serving the area's most vulnerable children, youth and women

\$25,000

Perot Museum of Nature and Science '16

Dallas

Assistance in making science, nature and technology education accessible to all in North Texas through engaging, hands-on exhibits and programs at the museum and distance learning

\$100,000

Perot Museum of Nature and Science '17

Dallas

Assistance in making science, nature and technology education accessible to all in North Texas through engaging, hands-on exhibits and programs at the museum and distance learning, designed to connect learners with scientific concepts and engage them in STEM pursuits

\$100,000

Piney Woods Wildlife Society

Spring

Assistance with constructing a Kemp's Ridley turtle sculpture in Menard Park in Galveston to increase awareness of local efforts to save this endangered species of sea turtle

\$9,000

Pollard United Methodist Church

Tyler

Assistance in building a community garden adjacent to an elementary school that will serve as a learning garden for fifth graders, provide fresh organic produce for the food bank, and offer church members and residents an opportunity to interact and benefit their community

\$8,000



TRANSFORMING GREEN SPACES

Pease Park Conservancy

"The gift is absolutely the most transformative thing that's happened at Pease Park since 1875 when Gov. and Mrs. E.M. Pease donated 23 acres of their land to the city of Austin for use as a public park. The generosity of the Moody Foundation pays tribute to their legacy and allows Pease to live up to its amazing potential. I think the Pease family — all who have cared for Pease Park over the past 142 years — and everyone who will use it in the future will enjoy the park's new life thanks to the opportunity the Moody Foundation has provided."

Andy Gill, outgoing Executive Director, Pease Park Conservancy

Presbyterian Communities and Services Foundation

Dallas

Assistance in completing the T. Boone Pickens Hospice and Palliative Care Center, and in providing inpatient therapies that are a part of the special programming designed to support patients and their families

\$5,000,000

Project Graduation

Galveston

Assistance in providing a drug-free night of celebration to the Ball High School class of 2017 scheduled for June 1, 2017

\$20,000

Project Normalization Open Door Preschool '16

Austin

Assistance in preparing preschool children challenged by poverty, disabilities and family circumstances by providing personnel for two programs: literacy specialists who promote pre-literacy and early reading skills, and foster grandparents who provide the children with individual attention, encouragement and stability

\$10,000

Project Normalization Open Door Preschool '17

Austin

Assistance in providing preschool children with a high level of language-developing social interaction by augmenting the instructional staff with literacy specialists and foster grandparent aides who are able to give individual attention to children in need

\$10,000

Project Transitions, Inc.

Austin

Assistance in providing recuperative care in a residential setting to homeless and low-income individuals with HIV/AIDS, helping them to regain their health, establish better medical adherence, and move to permanent housing

\$15,000

PWA Coalition of Dallas, Inc./ DBA AIDS Services of Dallas

Dallas

Assistance in preventing homelessness among one of the most vulnerable populations by operating four apartment complexes in Oak Cliff that house individuals and families affected by HIV/AIDS, and providing comprehensive health, nutrition and transportation services

\$25,000

Ranch Hands Rescue

Argyle

Assistance in providing mental health counseling, including Equine/Animal-Assisted Counseling, to children and adults who have suffered complex trauma such as child abuse, violent crime or family tragedies

\$20,000

Readers 2 Leaders '16

Dallas

Assistance in closing the reading gap experienced by disadvantaged elementary students so that they can read and learn at grade level, by providing intensive in-school and after-school tutoring with professionally-trained volunteers devoted to West Dallas

\$50,000

Readers 2 Leaders '17

Dallas

Assistance in purchasing a literature-based guided reading program for use in after-school, in-school and summer camp settings to help children build on their current reading skills, prevent summer learning loss and expand vocabulary and enjoyment of books

\$17,698

Reasoning Mind, Inc.

Dallas

Assistance in expanding a proven mathematics literacy program to pre-kindergarten, kindergarten and first grade as part of the "Texas Mission to M.A.R.S." (Making Algebra-Ready Students) curriculum to prepare students for the algebra training they need for STEM careers

\$375,000

Resource and Crisis Center of Galveston County '16

Galveston

Assistance in improving recovery time from domestic abuse or sexual assault through support of the Victim Services Program, which provides legal, therapeutic, residential and other services to women, men and children who have experienced domestic violence or sexual assault

\$30,000

Resource and Crisis Center of Galveston County '17

Galveston

Assistance, over two years, in renovating the historic Guadalupe Church and School into a 58-bed family shelter, an ample client services building and a therapeutic annex for adult and child clients

\$4,000,000



Ronald McDonald House Charities of Galveston

Rosenberg Library Association

Galveston

Assistance in completing the final phase of a major reconstruction, which will include redesigning and expanding museum spaces, restoring historical architecture, and making the fourth floor more accessible to the disabled

\$250,000

Resource Center of Dallas, Inc.

Dallas

Assistance in better meeting the needs of lesbian, gay, bisexual and transgender people in the Dallas Metroplex through the construction of a new community center that will centralize counseling, youth programs, and social services and expand social services and programming

\$500,000

Ronald McDonald House of Galveston

Galveston

Assistance in providing families staying at the Ronald McDonald house with more opportunities for recreation, education and shopping by purchasing a 15-passenger van for outings, field trips and other transportation needs while a child is a patient at UTMB or Shriners Burns hospitals

\$50,500

St. Mary's University

San Antonio

Assistance in preparing law students to meet the needs of military veterans by establishing the Moody Endowed Fund for Veterans Law Fellows, encouraging study and pro bono work to guide veterans through administrative or civil matters in housing, employment and education

\$500,000

St. Philip's School & Community Center

Dallas

Assistance, over a two-year period, in providing after-school enrichment to children of the central south Dallas neighborhood, whether or not they attend St. Philip's School, enabling them to receive tutoring, homework support and instruction in extracurricular activities

\$150,000

St. Simons After-School

Dallas

Assistance in providing free after-school care, homework help and remedial reading instruction on-site at low-performing Dallas ISD elementary schools

\$115,000

St. Vincent's Clinic

Galveston

Assistance in providing access to insulin to low-income patients of the clinic in order to improve their ability to work, care for their families and avoid the life-threatening complications of uncontrolled diabetes

\$50,000

St. Vincent's House '16

Galveston

Assistance in updating technology and flood proofing the building that houses comprehensive services for Galveston's working poor and indigent families and individuals, and in providing emergency funds to prevent homelessness in times of financial crisis

\$125,000

St. Vincent's House '17

Galveston

Assistance in improving the lives of Galveston's working poor residents by offering emergency assistance, medical and mental health care, and other needed services, and improving academic and social outcomes for middle school students through after-school enrichment activity

\$80,000

The SAFE Alliance/Austin Children's Shelter

Austin

Assistance in preventing homelessness and lifelong poverty among former foster children by providing young adults with case management, counseling and transition services to give them the opportunity to develop life skills for adult living after foster care ends at age 18

\$50,000

Salesmanship Club Youth and Family Centers, Inc./DBA Momentous Institute

Dallas

Assistance in training staff at high-risk elementary schools throughout North Texas to use the proven strategies developed and implemented at the Momentous Institute to improve the social-emotional health of students so they can achieve academic and lifelong success

\$100,000

The Salvation Army

Austin

Assistance in completing the second phase of building new facilities to house homeless women and children, creating 23 transitional living units where families can stay for 6-8 months while stabilizing and improving their potential for self-sufficiency

\$1,000,000

The Salvation Army Galveston

Galveston

Assistance, over a two-year period, in meeting the needs of Galveston County residents in times of economic hardship and emergencies with a lead gift for construction of a social service and community center in Texas City, establishing a sustainability endowment for the Galveston Center of Hope, and purchasing property near the Galveston building for future expansion

\$1,500,000

Sea Star Base Galveston

Galveston

Assistance with the operating costs of providing one-day field trips to Galveston students in fifth through eighth grade to encourage their interest in science, their environment and maritime careers

\$150,000

Settlement Club/ DBA The Settlement Home

Austin

Assistance in keeping staff levels adequate to meet the needs of children and youth living in the Residential Treatment Center

\$25,000

Shelter Ministries of Dallas/ Genesis Women's Shelter

Dallas

Assistance, over a two-year period, in breaking the cycle of domestic violence through support of two therapist positions offering counseling, post-trauma therapy and bibliotherapy to children whose mothers have fled domestic abuse, and in purchasing new mattresses for the shelter

\$180,000

Soldiers' Angels

San Antonio

Assistance in supplementing service to the military veterans using the Dallas VA Hospital, and providing comfort items, clothing, food and visits to the thousands of veterans, especially those that are homeless

\$15,800

Southern Methodist University

Dallas

Assistance with renovation of the Owens Art Center and academic research in the Simmons School of Education and Human Development

\$1,000,000

Southwestern University

Georgetown

Assistance in supporting internships, collaborative work, study-abroad and other high-impact educational experiences, especially for students who often decline such opportunities because they are working

\$50,000

SPCA of Texas

Dallas

Assistance in increasing the adoption rate at the SPCA facility in McKinney by improving the cat, dog and puppy areas near the adoption floor to help curb the spread of disease and keep the animals in adoptable condition, and installing upgraded livestock barn drainage

\$260,791

Special Olympics Texas, Inc. '16

Austin

Assistance in providing year-round sports training and athletic competition to more than 55,000 children and adults with intellectual disabilities, improving their health, self-esteem and ability to be employed and involved in the community

\$10,000

Special Olympics Texas, Inc. '17

Austin

Assistance in providing year-round training and athletic competition in individual and team sports

\$75,000

Spring Branch Baseball Program, Inc./ SpringSpirit Baseball

Houston

Assistance in expanding the mentoring and social service components of an after-school program that combines academic enrichment, sports, and Christian values to help children in an under-served, low-income area of North Spring Branch

\$75,000

Suicide and Crisis Center of North Texas

Dallas

Assistance in preventing teen suicide through the "Teens Can Survive" program of confidential computer-based mental health screenings for teens 13-18, and suicide awareness training for school personnel, parents and students so they can identify signs of suicide early

\$17,325

Sunshine Center, Inc.

Galveston

Assistance in improving the safety and security of adults with cognitive disabilities through a capital improvements plan that includes replacing an outdated roof, reinforcing a deteriorating plumbing system, replacing the therapeutic greenhouse and other structural repairs

\$150,000

Sunshine Haven, Inc.

Olmito

Assistance in providing residential palliative care at the end of life, including pain management, counseling, and family support, at no cost at the Brownsville area's only residential hospice for terminally ill patients

\$31,344

Sustainable Food Center

Austin

Assistance in improving the health and nutrition of children in Austin public schools through the "Sprouting Healthy Kids" program of school gardens, cooking classes, school-farmer partnerships, field trips and summer camps to introduce children to fresh, healthy food

\$25,000

Teach For America, Inc.

Dallas

Assistance in expanding the Teach For America-DFW Summer Institute, developing an Instructional Coach program to support new teachers and accelerating alumni leadership to advance Teach For America methodology at the principal, dean and departmental levels

\$125,000

Texas Department of Transportation/ Keep Texas Beautiful

Austin

Assistance in creating awareness of environmental issues and rewarding student action through the Don't Mess with Texas scholarship program

\$10,000

Texas Discovery Gardens

Dallas

Assistance in expanding opportunities for children's environmental education by constructing a natural playscape, adding outdoor learning stations and supplementing the Earthkeepers Scholarship Fund to reduce admission costs for low-income schools and families

\$125,000



ASSISTING DISASTER RELIEF EFFORTS

United Way of Galveston County

The Moody Foundation granted \$860,000 to the United Way of Galveston County to help home rebuilding efforts in Galveston County in the aftermath of Hurricane Harvey. More than 8,000 homes lacking flood insurance were destroyed in Dickinson, Texas City and other Galveston County communities in the wake of the storm. This grant brought the Moody Foundation's response to Hurricane Harvey to a total of \$1.86 million. A \$1 million contribution made in August focused on immediate needs in the wake of the storm, including temporary housing, City of Galveston losses, mental health care and support for first responders.

"Galveston is the Moody Foundation's home, so the desire to support our community's recovery comes from the heart."

Ross R. Moody, Trustee of the Moody Foundation and CEO of National Western Life Group



Texas Family Musicals

Bedford

Assistance in producing three musicals at the Moody Gardens Convention Center in the summer of 2016, modeled on the shows presented by the Lone Star Performing Arts Association for decades, using college-student performers who gain valuable experience while providing Galveston with another tourism activity throughout the summer

\$75,000

Texas Family Musicals

Bedford

Assistance in producing three musicals at the Moody Gardens Convention Center in the summer of 2017, using college-student performers who gain valuable experience while providing Galveston with another tourism activity throughout the summer

\$75,000

Texas Language Learning Alternatives, Inc./DBA Capitol School of Austin

Austin

Assistance in increasing energy efficiency and reducing student distractions by replacing classroom windows with new and better sealed windows

\$6,088

Texas Scottish Rite Hospital for Crippled Children

Dallas

Assistance, over two years, in expanding the availability of a successful intervention, Take Flight, by developing a virtual dyslexia therapist that a classroom teacher may use as part of daily instruction in reading

\$825,000

Texprotects: The Texas Association for the Protection of Children

Dallas

Assistance, over a two-year period, in reducing child abuse and improving school readiness in at-risk children by advocating for two programs, Dallas-HOPES and the Nurse-Family Partnership

\$150,000

Transitional Learning Center at Galveston

Galveston

Transfer of 750 shares of American National Insurance Company common stock to assist with future operational and capital expansion plans

\$85,912.50

FUNDING ACCESSIBLE HEALTHCARE

Vannie E. Cook Jr. Cancer Foundation

"This community, which includes a four-county area in South Texas along the Rio Grande Valley, has benefited tremendously from Moody Foundation funding. The first grant awarded by the Moody Foundation supported the Vannie E. Cook Jr. Children's Cancer and Hematology Clinic. The grant made possible the free use of a 28,000 square foot state-of-the-art medical facility to help defray the high cost of chemotherapy to low-income patients. No child will ever be denied care at Vannie Cook."

Laura Ilgun, Executive Director, Vannie E. Cook Jr. Cancer Foundation

Trinity Center '16

Austin

Assistance in reducing homelessness in downtown Austin through case management services and financial assistance that enables clients to obtain necessary identification cards, birth certificates and bus passes to aid individuals in accessing health care and other services

\$75,000

Trinity Center '17

Austin

Assistance, over a three-year period, in providing the individualized case management essential for enabling homeless men and women to secure housing and related support services

\$150,000

Trinity Episcopal Church

Galveston

Assistance in preserving the historic Eaton Hall structure for church and community use by repairing the roof

\$150,000

United Way of Galveston, Inc./Galveston County Recovery Fund

Galveston

Assistance with short-term and long-term needs of those affected by Hurricane Harvey in Galveston County

\$1,000,000

United Ministry to the port of Galveston/ Galveston Seafarer's Center

Galveston

Assistance in purchasing a van that will be used to transport seafarers from ships docked at the Port of Galveston to the Seafarer's Center for recreation, worship, counseling and telephoning home, or to other points in the city for shopping or appointments

\$40,000

University of St. Thomas

Houston

Assistance in reducing the financial burden of attending a private college by providing scholarship funding

\$100,000

University of Texas at Austin/ Blanton Museum of Art

Austin

Assistance in providing community access to the museum through the Free Thursdays program, which offers admission and special activities at no charge, and in purchasing and installing "Siphonophora," a large-scale hanging sculpture, in a prominent place in the museum atrium

\$294,000

The University of Texas Medical Branch

Galveston

Assistance, over a five-year period, in providing training in empathy, communication skills and conflict management to medical and nursing residents in order to integrate diverse professional perspectives into communicating with patients and responding to critical situations

\$782,841

Upward Hope Academy, Inc.

Galveston

Assistance in providing a high school education that develops character, social and cognitive skills of students who need an alternative to Galveston's public and private high schools

\$190,000

Vannie E. Cook Jr. Cancer Foundation, Inc.

McAllen

Assistance in providing treatment for cancer and blood diseases to children in the Rio Grande Valley, regardless of the family's ability to pay, at the Valley's only facility specializing in pediatric oncology and hematology

\$100,000

Vincare Services of Austin Foundation/ DBA Saint Louise House

Austin

Assistance in expanding a pilot program of two-generation support for homeless children and teens that involved them in extra-curricular activities, provided parent coaching and prepared families to re-enter a new, more stable living situation beyond homelessness

\$25,000

Waller Creek Conservancy

Austin

Assistance, over a three year period, in transforming Waller Creek into a 1.5-mile long urban park district, anchored by the Moody Amphitheater in Waterloo Park, that will connect important Austin destinations through pedestrian and bike linkages, protect green space in a highly populated corridor, and create a destination for the community and visitors

\$15,000,000

Wayland Baptist University

Plainview

Assistance in improving STEM education and undergraduate research programs by renovating the circa-1966 Moody Science Building

\$500,000

A Wish With Wings

Fort Worth

Assistance in fulfilling a special request for Texas children with life-threatening conditions, enabling their families to experience a bond-strengthening respite from medical concerns

\$17,500

Woodall Rogers Park Foundation/ DBA Klyde Warren Park

Dallas

Assistance in continuing to provide cultural and recreational programming for children, families and adults

\$250,000

Yaga's Children's Fund

Galveston

Assistance, over a two-year period, in supporting more than 20 Galveston County children's charities advancing the psychological, intellectual, vocational and physical development of the children and adolescents in the community

\$100,000

Youth Village Resources of Dallas, Inc./ DBA Youth With Faces

Dallas

Assistance in helping Dallas County youth in the juvenile justice system to reach their full potential by providing educational, vocational and life skills training at Dallas County Youth Village, Medlock Youth Treatment Center and Letot Girls' Center

\$75,600

Zachary Scott Theater

Austin

Assistance, over two years, in supporting the expanded orchestration of mainstage productions, access to ZACH's school productions for low-income students and teacher training

\$300,000

Note:

Two 2016-2017 grants totaling \$1,000,000 withdrawn in 2018.



ZACH Theatre

GRANTS

2018



Abilene Boys Ranch, Inc./DBA Ben Richey Boys Ranch and Family Program

Abilene

Assistance toward the construction of ten independent living units to house single-parent families as they strive to become self-sufficient

\$200,000

ACE Mentor Program of America, Inc./Austin Affiliate

Austin

Assistance with scholarships to college or skilled trades programs for students pursuing careers in architecture, construction or engineering

\$5,000

Affect Change, Inc./CareBOX Program

Austin

Assistance in preventing cancer-related deaths due to malnutrition, infections and falls by providing Central Texas cancer patients living at home with boxes of supplies tailored to their specific needs

\$25,000

Alley's House

Dallas

Assistance with the Comprehensive Services for Teen Mothers program

\$60,000

American Cancer Society, Inc./Cattle Baron's Ball

Dallas

Assistance in underwriting the Junior Cattle Baron's Ball to provide an afternoon excursion for pediatric cancer patients to see "Disney on Ice," and support of the Healthy Community Initiative

\$110,000

Animal Alliance of Galveston County

La Marque

Assistance in controlling the population of stray dogs and cats and protecting public health by expanding mobile spay-neuter services, bringing the mobile spay-neuter unit directly into low-income neighborhoods

\$50,000

Armed Services YMCA of El Paso

El Paso

Assistance with incorporating Operation Hero into programming for military families

\$10,000

Austin Explore, Inc./Explore Austin

Austin

Assistance, over a two-year period, in providing disadvantaged Austin youth with outdoor experiences, mentoring and leadership training through a year-round program of activities, leading to a weeklong wilderness backcountry trip

\$60,000

Austin Film Society

Austin

Assistance in presenting the 18th annual Texas Film Awards on April 8, 2018, honoring films made in Texas and outstanding Texans in film, television and music

\$25,000

Austin Gay & Lesbian International Film Festival

Austin

Assistance in presenting a four-day festival featuring more than 70 film screenings, panel discussions and related events, at the Southwest's largest film event focused on the diverse perspectives of the LGBTQIA community

\$20,000

Austin Habitat for Humanity

Austin

Assistance in constructing four new homes for purchase by low-income, working-poor Austin residents

\$20,000

Austin Plastic Surgery Foundation/Austin Smiles

Austin

Assistance in providing Central Texas children who are undergoing treatment for cleft lip and palate anomalies with services that aid in their long-term treatment

\$20,000

Barbara Bush Foundation for Family Literacy

Dallas

Assistance in improving adult literacy education while immediately benefiting 4,000 low-literacy Texas residents by establishing Dallas as a field test site for innovative new literacy learning mobile apps

\$1,250,000

Bishop Dunne Catholic School

Dallas

Assistance, over a two-year period, in renovating two science labs to community college standards, and with establishing the College Readiness Academy

\$200,000

Candlelight Ranch Foundation

Austin

Assistance with increased expenses of providing therapeutic and educational outdoor experiences for underserved children ages 6-18

\$30,000

Center for Child Protection

Austin

Assistance with funding the therapist position in Therapeutic Family Services

\$20,000

Children's Advocacy Center

Lewisville

Assistance toward expansion of the center to meet the growth of the area

\$250,000

Children's Heart Foundation Texas Chapter

Round Rock

Assistance in raising funds and awareness to find cures for congenital heart conditions through a fundraising walk and fun run held in partnership with the Adult Congenital Heart Association

\$5,000

Child Care Group

Dallas

Assistance with renovating a vacant building adjacent to a full range of services, collaborating with Catholic Charities of Dallas to provide a two-generation approach to serving children and families

\$396,635

The Children's Museum of Brownsville

Brownsville

Assistance in expanding the Mini Maker's Studio to reach all first and fifth grade students in the Weslaco ISD, with an emphasis on familiarizing girls with STEM

\$14,313

Chris Howell Foundation

Dallas

Assistance with the costs of presenting quarterly Know Your Status Dallas events for HIV/AIDS education

\$10,000

Conference on Crimes Against Women, Inc.

Dallas

Assistance, over a five-year period, with creating and training Coordinated Community Response teams to serve victims of domestic abuse in areas without shelters, advocacy organizations or trained responders

\$2,052,924

Council on Recovery

Houston

Assistance with training more behavioral health professionals and providing community education, addressing a predicted shortfall of 10,000 workers in the mental health and substance abuse fields in the next seven years

\$75,000

Crystal Charity Ball

Dallas

Assistance in supporting eight charities in Dallas County that are concerned with the needs of children, enabling groups to provide innovative services in health, education, arts, and social welfare and expand their capacity

\$350,000

Dallas Academy

Dallas

Assistance with updating Smart Boards in 28 classrooms and purchasing 10 visualizing units, a 3-D printer, and modules for architecture and robotics

\$68,932

Dallas Afterschool

Dallas

Assistance in developing additional Wonder Kits, curriculum built around hands-on STEM learning that require minimal preparation by after-school staff

\$25,000

Dallas Museum of Art

Dallas

Assistance with three Community Engagement programs for students, adults with special needs, and families and caregivers, making the museum's programming more accessible to all people

\$125,000

El Paso Children's Hospital Foundation

El Paso

Assistance in providing pediatric patients with therapeutic arts programming in classes and at bedside to offer opportunities for self-expression, tools for developing a positive outlook and goal-setting

\$50,000



Essilor Vision Foundation

Dallas

Assistance in operating a mobile vision clinic providing exams and eyeglasses to low-income children with vision impairments

\$60,000**Family Eldercare, Inc.**

Austin

Assistance with the Home Again/Seniors Off the Street program providing rapid re-housing and case management to homeless senior citizens

\$50,000
**FOCUS Families of Communities
United in Service, Inc./DBA
Ambassadors Preparatory Academy**

Galveston

Assistance with the Summer Acceleration and Enrichment Program

\$35,000**Foster Angels of South Texas Foundation**

Corpus Christi

Assistance in providing funding to meet the individual needs of a child in foster care, including school extracurricular activities, therapy or tutoring

\$25,000**Galveston Children's Museum**

Galveston

Assistance with the Galveston Plays: Pilot Program for Educational Enrichment. The grant will promote science, literacy, math, and the arts targeting a primary focus group of children 2-10 years of age

\$62,633**Galveston Independent School District**

Galveston

Assistance, over a five-year period, with the Tor Kids and Tor Prep Afterschool and Summer school programs

\$7,672,088**Galveston Independent School District**

Galveston

Assistance with the second literacy summit for 2017-2018, "Ready Set Read Above" to continue the coaching/mentoring for GISD teachers

\$200,000**Galveston Independent School District**

Galveston

Assistance, over a three-year period, with the Safe and Civil School CHAMPS Positive Behavior Intervention System

\$99,551**Galveston Independent School District**

Galveston

Assistance, over a five-year period, with the Causeway Galveston-Whole Child Initiative

\$7,557,956**Galveston Independent School District**

Galveston

Assistance, over a five-year period, with the Galveston Career Connect — College & Career Initiative

\$4,886,570
**Galveston Island Day School/
Moody Early Childhood Center**

Galveston

Assistance with a Professional Development program for early childhood educators, Island-wide

\$380,460**Galveston Island Humane Society, Inc.**

Galveston

Assistance with the Meet Your Match protocol to develop more detailed information on each animal and categorizing them for adopters

\$20,000**Guide Dogs of Texas, Inc.**

San Antonio

Assistance with breeding and training additional guide dogs so that more visually impaired individuals can benefit from the mobility and independence fostered by a guide dog

\$50,000**Gulf Coast Big Brothers & Big Sisters, Inc.**

Galveston

Assistance in providing additional mentorships to at-risk Galveston County children ages 6-17

\$80,000**The Gulf Coast Center**

Texas City

Assistance, over a two-year period, in offering supportive transport to link clinics, social services and government offices and aid individuals in accessing the help they need to become as self-sufficient as possible

\$155,208**Helping Hands Home for Children**

Austin

Assistance in expanding the Families First Program to recruit, train and support an additional 25 families

\$25,000

Hill Country Ride for AIDS, Inc.

Austin

Assistance, over a two-year period, with the annual fundraising ride whose proceeds support nine partner agencies offering services to those with or at risk of HIV/AIDS

\$25,000

Holy Family Catholic School

Galveston

Assistance with the summer 2019 and Before/After School Programs

\$43,312

Houston Livestock Show and Rodeo Educational Fund

Houston

Assistance in providing four-year renewable Houston Livestock Show and Rodeo scholarships to more than 750 graduating high school seniors in the class of 2018 who will be attending colleges and universities in Texas

\$75,000

June Shelton School and Evaluation Center

Dallas

Assistance in constructing a Fine Arts Center on a new North Dallas campus

\$8,500,000

Mi Escuelita Preschool, Inc.

Dallas

Assistance with the ASPIRE program of parent engagement and training, teacher training and enhanced child literacy learning

\$30,000

MoMs USA

Houston

Support for the annual Marine Corps Birthday Ball, scheduled for November 10, 2018

\$10,000

Nia Cultural Center

Galveston

Assistance with the Children's Defense Fund Freedom School program

\$30,000

Odyssey 2020 Academy, Inc.

Galveston

Assistance with the Summer of Innovation and Creativity program to increase students' academic skills and their motivation for learning

\$42,000

Open Arms Rape Crisis Center & LGBT+ Services

San Angelo

Assistance in purchasing a building that will house staff, counseling, and educational programs for residents of an 11-county area

\$50,000

Parish Episcopal School

Dallas

Assistance in bringing STEM education to pediatric cancer patients

\$25,500

Project Graduation, Inc.

Galveston

Assistance in providing a drug-free, alcohol-free night of celebration to the Ball High School class of 2018

\$20,000

Rahab's Retreat and Ranch, Inc.

Kilgore

Assistance with renovation of a wing of a former nursing home now housing a faith-based recovery center for women

\$65,000

Reach Unlimited, Inc.

Cypress

Assistance in providing public school students who have intellectual and developmental disabilities with transportation to after-school programming once they age out of traditional after-school child care

\$20,000

Retina Foundation of the Southwest

Dallas

Assistance in developing new treatments for amblyopia, and constructing a testing room in a newly-renovated headquarters so that visual impairments can be identified and corrected at an earlier age

\$275,000

**RISE Adventures, Inc./
DBA RISE Adaptive Sports**

Irving

Assistance in providing children with disabilities with therapeutic recreational sports programs aimed at improving their current and future quality of life

\$25,000



St. Mary's University

San Antonio

Assistance with endowing the first-year orientation component of the Law Success Program

\$100,000

The SAFE Alliance

Austin

Assistance toward the operation of the Family Shelter, providing adults and children with a safe haven from domestic or sexual violence

\$50,000

Smart Family Literacy, Inc.

Galveston

Assistance in expanding the number of family engagement events aimed at children from infants to age 8, and the professional development offered to early childhood educators to promote multisensory learning

\$65,000

Texas Ballet Theater, Inc.

Dallas

assistance with the production of the American premiere of the new full-length ballet Pinocchio

\$100,000

Texas Mamma Jamma Ride, Inc.

Austin

Assistance with the 10th annual fundraising bike ride whose proceeds are distributed to health and social services agencies in Central Texas

\$10,000

Trinity River Mission, Inc.

Dallas

Assistance with the Homework Help program for elementary students, and the Believe & Achieve program for middle and high school students

\$55,000

United Way of Galveston, Inc./ Galveston County Recovery Fund

Galveston

Assistance in rebuilding 1,000 Galveston County homes damaged by Hurricane Harvey through a collaboration of two groups, 4B Disaster Recovery Network and Eight Days of Hope

\$860,000

The University of Texas at Austin/ Blanton Museum of Art

Austin

Assistance in providing community access to the museum through the Free Thursdays program, which offers admission and special activities at no charge

\$210,000



Blanton Museum of Art

The University of Texas at Austin/ Moody College of Communication

Austin

Assistance, over a two-year period, in establishing the Moody Foundation Honors Scholarships as a component of the new Moody College Honors Program that will offer full, partial and one-time awards to attract talented students to Moody College

\$500,000

Upward Hope Academy

Galveston

Assistance with the Social Development Program and developing their vocational program options

\$340,000

Vannie E. Cook Jr. Cancer Foundation, Inc.

McAllen

Assistance in providing operating support, enabling young patients to receive life-saving treatment, participate in clinical trials, and recover in their own community

\$100,000

Warren Center, Inc.

Richardson

Assistance in providing clinical therapy services to children with language or speech disorders, autism or intellectual disorders

\$25,000

Young Men's Christian Association of Austin

Austin

Assistance, over a two-year period, in constructing Camp Cypress to provide day, overnight and family camps, group retreats and outdoor education through the construction of an aquatic center, cabins to house 288 campers and camping amenities

\$6,250,000

Youth Village Resources of Dallas/ DBA Youth With Faces

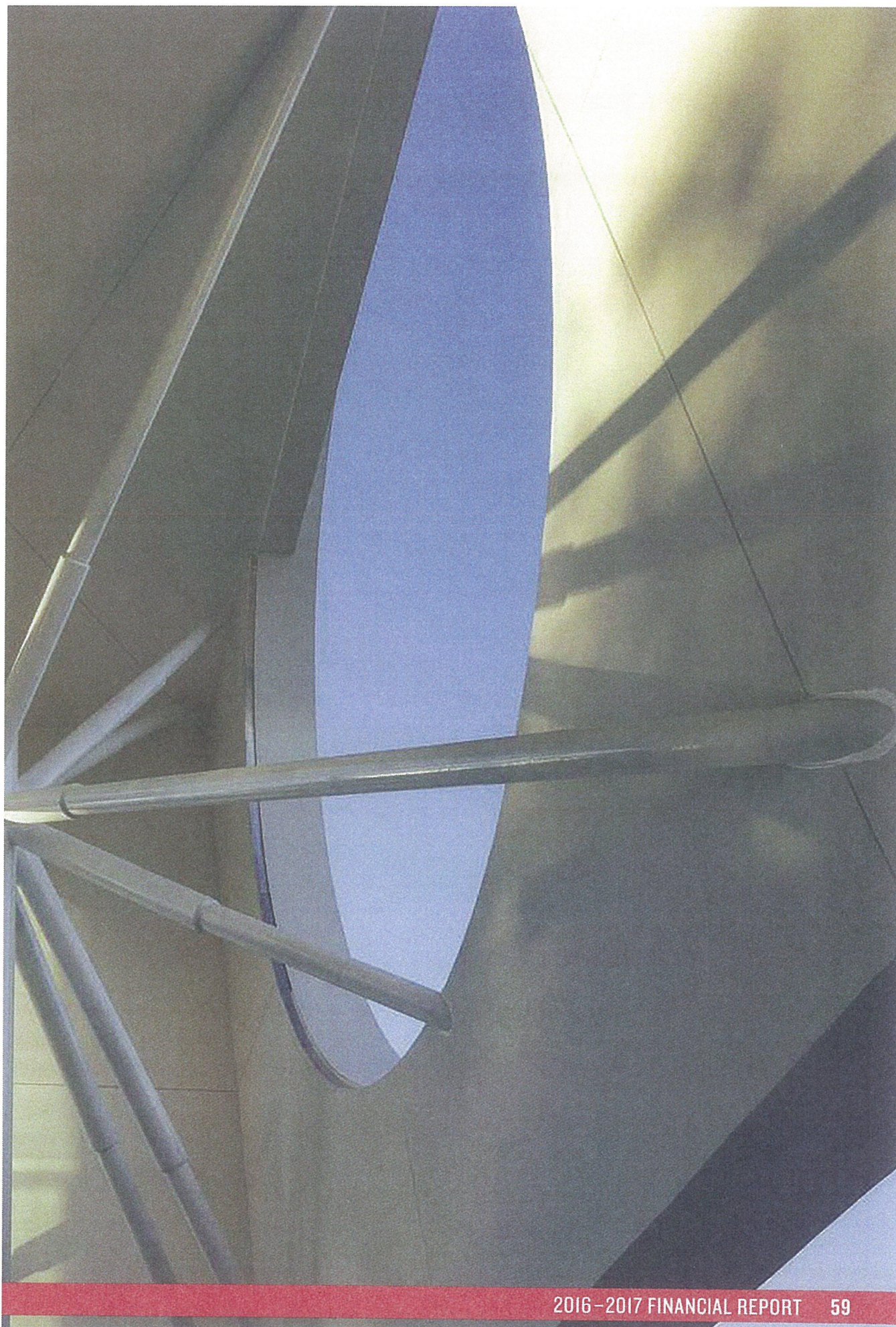
Dallas

Assistance, over a two-year period, in equipping young women in custody with career and social skills for successful reintegration into the community by involving them in horticulture, culinary arts, career readiness and financial literacy classes, and opening a catering company to employ them

\$300,000

FINANCIAL REPORT

2016–2017



TO THE BOARD OF TRUSTEES OF

THE MOODY FOUNDATION

We have audited the accompanying financial statements of The Moody Foundation (the Foundation), which comprise the statements of financial position as of December 31, 2017 and 2016 and the related statements of activities and of cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform our audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

As discussed in Note 2 of the financial statements, in 2016 the Foundation changed its method of accounting for certain investments from the equity method to fair value and restated previously reported net assets. In our opinion, based upon the fact that the Foundation's ownership of these entities exceeds 20%, accounting principles generally accepted in the United States of America require that these investments be reported using the equity method of accounting. The impact on the financial statements that results from this departure from generally accepted accounting principles is not reasonably determinable.

Qualified Opinion

In our opinion, except for the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Foundation as of December 31, 2017 and 2016 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Blazek & Vetterling

HOUSTON, TEXAS
JULY 11, 2018

THE MOODY FOUNDATION

STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2017 AND 2016

ASSETS

	2017	2016
Cash equivalents <i>(Note 3)</i>	\$ 13,346,000	\$ 16,738,000
Investment income receivable	2,703,000	2,627,000
Federal excise tax receivable <i>(Note 6)</i>	361,000	614,000
Other assets	4,629,000	1,103,000
Investments, at fair value <i>(Note 3)</i>	1,674,004,000	1,571,356,000
Other investments:		
Program notes receivable <i>(Note 5)</i>	12,333,000	12,388,000
Real estate	1,500,000	1,500,000
Interest in charitable remainder trust <i>(Notes 3 and 7)</i>	1,145,062,000	1,190,212,000
TOTAL ASSETS	\$ 2,853,938,000	\$ 2,796,538,000

LIABILITIES AND NET ASSETS

	2017	2016
Liabilities:		
Grants payable <i>(Note 8)</i>	\$ 59,287,000	\$ 47,580,000
Deferred federal excise tax <i>(Note 6)</i>	11,047,000	10,458,000
Total liabilities	70,334,000	58,038,000
Net assets:		
Unrestricted	1,237,131,000	1,197,845,000
Temporarily restricted <i>(Note 9)</i>	572,532,000	595,107,000
Permanently restricted <i>(Note 9)</i>	973,941,000	945,548,000
Total net assets	2,783,604,000	2,738,500,000
TOTAL LIABILITIES AND NET ASSETS	\$ 2,853,938,000	\$ 2,796,538,000

See accompanying notes to financial statements

THE MOODY FOUNDATION

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2017

	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
REVENUE:				
Change in interest in charitable remainder trust <i>(Note 7)</i>		\$ (5,586,000)	\$ (5,586,000)	\$ (11,172,000)
Net realized and unrealized gain on investments in marketable securities	\$ 52,118,000	—	33,979,000	86,097,000
Interest and dividends	41,706,000	1,110,000	—	42,816,000
Oil and gas royalties	19,563,000	—	—	19,563,000
Investment management expenses	(2,347,000)	—	—	(2,347,000)
Net investment income	111,040,000	(4,476,000)	28,393,000	134,957,000
Grant reversion	4,735,000	—	—	4,735,000
Total revenue	115,775,000	(4,476,000)	28,393,000	139,692,000
Net assets released from restrictions:				
Expenditures for programs	18,099,000	(18,099,000)	—	—
Total	133,874,000	(22,575,000)	28,393,000	139,692,000
EXPENSES:				
Program expenses:				
Grants awarded	89,354,000	—	—	89,354,000
Program management	2,085,000	—	—	2,085,000
Total program expenses	91,439,000	—	—	91,439,000
Management and general	1,637,000	—	—	1,637,000
Federal excise tax expense <i>(Note 6)</i>	1,512,000	—	—	1,512,000
Total expenses	94,588,000	—	—	94,588,000
CHANGES IN NET ASSETS	39,286,000	(22,575,000)	28,393,000	45,104,000
Net assets, beginning of year	1,197,845,000	595,107,000	945,548,000	2,738,500,000
NET ASSETS, END OF YEAR	<u>\$ 1,237,131,000</u>	<u>\$ 572,532,000</u>	<u>\$ 973,941,000</u>	<u>\$ 2,783,604,000</u>

See accompanying notes to financial statements

THE MOODY FOUNDATION

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2016

	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
REVENUE:				
Change in interest in charitable remainder trust <i>(Note 7)</i>		\$ 148,866,000	\$ 148,866,000	\$ 297,732,000
Net realized and unrealized gain on investments in marketable securities	\$ 142,725,000	—	25,455,000	168,180,000
Interest and dividends	37,024,000	1,105,000	—	38,129,00
Oil and gas royalties	19,470,000	—	—	19,470,000
Investment management expenses	(2,458,000)	—	—	(2,458,000)
Net investment income	196,761,000	149,971,000	174,321,000	521,053,000
Other income	865,000	—	—	865,000
Federal excise tax benefit <i>(Note 6)</i>	1,784,000	—	—	1,784,000
Total revenue	199,410,000	149,971,000	174,321,000	523,702,000
Net assets released from restrictions:				
Expenditures for programs	18,397,000	(18,397,000)	—	—
Total	217,807,000	131,574,000	174,321,000	523,702,000
EXPENSES:				
Program expenses:				
Grants awarded	50,719,000	—	—	50,719,000
Program management	1,769,000	—	—	1,769,000
Total program expenses	52,488,000	—	—	52,488,000
Management and general	1,779,000	—	—	1,779,000
Total expenses	54,267,000	—	—	54,267,000
CHANGES IN NET ASSETS	163,540,000	131,574,000	174,321,000	469,435,000
Net assets, beginning of year, as adjusted <i>(Note 2)</i>	1,034,305,000	463,533,000	771,227,000	2,269,065,000
NET ASSETS, END OF YEAR	<u>\$ 1,197,845,000</u>	<u>\$ 595,107,000</u>	<u>\$ 945,548,000</u>	<u>\$ 2,738,500,000</u>

See accompanying notes to financial statements

THE MOODY FOUNDATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ 45,104,000	\$ 469,435,000
Adjustments to reconcile changes in net assets to net cash used by operating activities:		
Change in interest in charitable remainder trust	11,172,000	(297,732,000)
Distributions from charitable remainder trust	16,989,000	17,293,000
Net realized and unrealized gain on investments in marketable securities	(87,097,000)	(168,180,000)
Depreciation	210,000	209,000
Change in federal excise tax assets and liabilities	842,000	(2,258,000)
Changes in operating assets and liabilities:		
Investment income receivable and other assets	(3,811,000)	(205,000)
Grants payable	11,707,000	18,782,000
Net cash used by operating activities	(3,884,000)	(220,000)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments in marketable securities	(308,033,000)	(495,256,000)
Proceeds from sales of investments in marketable securities	292,603,000	380,918,000
Net change money market mutual funds held as investments	(1,122,000)	77,532,000
Proceeds from distributions from charitable remainder trust	16,989,000	17,293,000
Proceeds from repayment of notes receivable	55,000	389,000
Purchase of property		(58,000)
Net cash provided (used) by investing activities	492,000	(19,182,000)
NET CHANGE IN CASH EQUIVALENTS	(3,392,000)	(19,402,000)
Cash equivalents, beginning of year	16,738,000	36,140,000
Cash equivalents, end of year	<u>\$ 13,346,000</u>	<u>\$ 16,738,000</u>
Supplemental disclosure of cash flow information:		
Taxes paid	\$ 670,000	\$ 442,000
Grants paid with stock	\$ 86,000	\$ 89,000

See accompanying notes to financial statements

(1) Organization and significant accounting policies

Organization – The Moody Foundation (the Foundation) is a private charitable foundation created in 1942 by W. L. Moody, Jr. and his wife, Libbie Rice Shearn Moody. For more than 70 years, the Foundation has funded projects and programs that better communities in the State of Texas. The purpose of the Foundation is to promote and fund projects in the charitable areas that include, but are not limited to, humanities, arts, religion, education, health, science, community, and social services in the State of Texas.

Federal income tax status – The Foundation is exempt from federal income tax under §501(c)(3) of the Internal Revenue Code (the Code) and classified as a private foundation under §509(a). The Foundation is exempt from federal income tax on income from related activities under §501(a). The Foundation is subject to a 1% or 2% excise tax on its net investment income.

Investments in marketable securities are reported at fair value. Realized gains and losses on securities sold are determined using the specific identification method and original cost. Purchases and sales of marketable securities are reported on a trade-date basis. Unrealized gains and losses on securities arise from increases or decreases in fair value and include the effect of currency translation with respect to transactions and holdings of foreign securities. Interest and dividends are recognized when earned.

Investment in real estate is carried at cost.

Program notes receivable are reported at the net present value of amounts expected to be collected in the future.

Interest in charitable remainder trust – The beneficial interest in the Libbie Shearn Moody Trust (the Trust) is recorded based on the estimated fair value of the Foundation's percentage remainderman interest held by the Trust, less the present value of the payments expected to be made to other life estates.

Net asset classification Revenue and the related net assets are classified based on the existence or absence of donor-imposed restrictions in accordance with the provisions of the Foundation's trust indenture, as follows:

- *Unrestricted net assets* include those net assets whose use is not restricted by donor-imposed stipulations even though their use may be limited in other respects such as by contract or board designation.
- *Temporarily restricted net assets* include revenue and dividend and interest income restricted by the donor for specific purposes or time periods. When a purpose restriction is accomplished or a time restriction ends, temporarily restricted net assets are released to unrestricted net assets.
- *Permanently restricted net assets* include revenue and contributions that donors have restricted in perpetuity with only income available to support specified programs of the Foundation.

Grants approved are recognized as expense when the Foundation approves an unconditional commitment to a grant recipient. Commitments made but not yet funded are reported as grants payable. Grants payable in more than one year are reported at the present value of their future cash outflows using a riskfree rate-of-return applicable to the year the grant was made, if material.

Estimates – Management must make estimates and assumptions to prepare financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, the amounts of reported revenue and expenses, and the allocation of expenses among various functions. Actual results could vary from the estimates that were used.

Recent financial accounting pronouncement – In August 2016, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The amendments in this ASU are aimed at providing more useful information to users of not-for-profit financial statements. Under this ASU, net assets will be presented in two classes: *net assets with donor restrictions* and *net assets without donor restrictions*. New or enhanced disclosures will be required about the nature and composition of net assets, and the liquidity and availability of resources for general operating expenditures within one year of the balance sheet date. Expenses will be required to be presented by both nature and function and investment return will be presented net of external and direct internal investment expenses. Absent explicit donor stipulations, restrictions on long-lived assets will expire when assets are placed in service. The Foundation is required to adopt this ASU for fiscal year 2018. Adoption of this ASU will impact the presentation and disclosures of the financial statements.

THE MOODY FOUNDATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

(2) Departure from generally accepted accounting principles

The Foundation reports their investment in American National Insurance Company (ANICO) and Gal- Tex Hotel Corporation (Gal-Tex) at fair value. The Foundation's ownership of each of these investments exceeds 20% and should be accounted for using the equity method of accounting.

(3) Investments and fair value

Generally accepted accounting principles require that certain assets and liabilities be reported at fair value and establishes a hierarchy that prioritizes inputs used to measure fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In accordance with ASU 2015-07, *Fair Value Measurements*, investments for which fair value is measured at net asset value per share (or its equivalent) using the practical expedient have not been categorized in the fair value hierarchy. The three levels of the fair value hierarchy are as follows:

- Level 1 – Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the reporting date. The types of investments included in Level 1 are securities traded and valued based upon a public exchange.
- Level 2 – Inputs are quoted prices in nonactive markets or in active markets for similar assets or liabilities, or inputs which are either directly or indirectly observable with observable market data at the reporting date.
- Level 3 – Inputs are not observable and are based on the reporting entity's assumptions about the inputs market participants would use in pricing the asset or liability.

ASSETS MEASURED AT FAIR VALUE AT DECEMBER 31, 2017 ARE AS FOLLOWS:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Marketable securities:				
Common stock ownership interests exceeding 20%:				
American National Insurance Company (a)	\$ 784,546,000	—	—	\$ 784,546,000
Gal-Tex Hotel Corporation	—	—	\$ 33,900,000	—
Mutual funds:				
Domestic equity:				
Large-cap	237,682,000	—	—	237,682,000
Small-cap	55,961,000	—	—	55,961,000
Mid-cap	54,819,000	—	—	54,819,000
International equity	34,569,000	—	—	34,569,000
Money market	17,124,000	—	—	17,124,000
Bond	5,717,000	—	—	5,717,000
Corporate debt securities		\$ 185,829,000	—	185,829,000
U.S. Government agency securities		131,446,000	—	131,446,000
U.S. Treasury securities	119,315,000		—	119,315,000
Common stock:				
Large-cap	11,447,000		—	11,447,000
Municipal obligations	—	1,649,000	—	1,649,000
Total investments measured at fair value	1,321,180,000	318,924,000	33,900,000	1,674,004,000
Assets held in charitable remainder trust	—	—	1,145,062,000	1,145,062,000
Cash equivalents:				
Money market mutual funds	13,346,000	—	—	13,346,000
Total assets measured at fair value	<u>\$ 1,334,526,000</u>	<u>\$ 318,924,000</u>	<u>\$ 1,178,962,000</u>	<u>\$ 2,832,412,000</u>

THE MOODY FOUNDATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

ASSETS MEASURED AT FAIR VALUE AT DECEMBER 31, 2016 ARE AS FOLLOWS:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Marketable securities:				
Common stock ownership interests exceeding 20%:				
American National Insurance Company (a)	\$ 762,372,000	—	—	\$ 762,372,000
Gal-Tex Hotel Corporation	—	—	\$ 31,110,000	31,110,000
Mutual funds:				
Domestic equity:				
Large-cap	163,251,000	—	—	163,251,000
Small-cap	41,322,000	—	—	41,322,000
Mid-cap	47,061,000	—	—	47,061,000
International equity	22,980,000	—	—	22,980,000
Money market	16,002,000	—	—	16,002,000
Bond	5,705,000	—	—	5,705,000
Corporate debt securities	—	\$ 189,920,000	—	189,920,000
U.S. Government agency securities	—	119,216,000	—	119,216,000
U.S. Treasury securities	116,095,000	—	—	116,095,000
Common stock:				
Large-cap	44,888,000	—	—	44,888,000
Mid-cap	7,773,000	—	—	7,773,000
Small-cap	1,153,000	—	—	1,153,000
Municipal obligations	—	2,508,000	—	2,508,000
Total investments measured at fair value	1,228,602,000	311,644,000	31,110,000	1,571,356,000
Assets held in charitable remainder trust	—	—	1,190,212,000	1,190,212,000
Cash equivalents:				
Money market mutual funds	16,738,000	—	—	16,738,000
Total assets measured at fair value	<u>\$ 1,245,340,000</u>	<u>\$ 311,644,000</u>	<u>\$ 1,221,322,000</u>	<u>\$ 2,778,306,000</u>

(a) American National Insurance Company (ANICO) offers a broad spectrum of insurance products, including individual and group life insurance, health insurance, annuities, and property and casualty insurance throughout the United States and its affiliated territories. Through noninsurance subsidiaries, ANICO invests in stocks and real estate. At December 31, 2017 and 2016, the Foundation owned approximately 6.1 million shares of common stock of ANICO representing an ownership interest of approximately 23%.

SUMMARIZED COMBINED FINANCIAL INFORMATION OF ANICO IS AS FOLLOWS:

	2017	2016
Revenue	\$ 3,411,000,000	\$ 3,227,951,000
Net income	493,651,000	181,003,000
Total Assets	26,386,764,000	24,533,222,000
Total liabilities	21,130,993,000	19,871,727,000
Stockholders' equity	5,255,771,000	4,661,495,000

THE MOODY FOUNDATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

VALUATION METHODS USED FOR ASSETS MEASURED AT FAIR VALUE ARE AS FOLLOWS:

- *Mutual funds* are valued at the reported net asset value.
- *Corporate debt securities, U. S. Government agency securities and municipal obligations* are valued using prices obtained from independent quotation bureaus that use computerized valuation formulas which may include market-corroborated inputs for credit risk factors, interest rate and yield curves, and broker quotes to calculate fair values.
- *Common stock* is valued at the closing price reported on the active market on which the individual securities are traded.
- *Common stock in Gal-Tex* is valued based on an independent appraisal of the ownership interest.
- *U. S. Treasury securities* are valued using prices obtained from active market makers and inter-dealer brokers on a daily basis.
- *Interest in charitable remainder trust* is valued using the net present value as described in Note 7.

These valuation methods may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate, the use of different methods or assumptions could result in a different fair value measurement at the reporting date.

Investments are exposed to various risks including interest rate, market and credit risks. Because of these risks, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position and statement of activities.

CHANGES IN THE VALUE OF LEVEL 3 ASSETS CONSIST OF THE FOLLOWING:

	GAL-TEX	CHARITABLE REMAINDER TRUST	TOTAL
Balance at December 31, 2015, as previously reported	\$ 737,000	\$ 927,067,000	\$ 927,804,000
Change in accounting method (Note 2)	29,363,000	—	29,363,000
Balance at December 31, 2015, as adjusted	30,100,000	927,067,000	957,167,000
Unrealized gain	1,010,000	297,067,000	298,742,000
Distributions	—	(34,587,000)	(34,587,000)
Balance at December 31, 2016	31,110,000	1,190,212,000	1,221,322,000
Unrealized gain (loss)	2,790,000	(11,172,000)	(8,382,000)
Distributions	—	(33,978,000)	(33,978,000)
Balance at December 31, 2017	<u>\$ 33,900,000</u>	<u>\$ 1,145,062,000</u>	<u>\$ 1,178,962,000</u>

(4) Investing and spending policies

The Foundation follows an investment and spending policy that attempts to provide a predictable stream of income to fund its charitable activities. Following this strategy, the Board of Trustees (the Board) invests all Foundation assets, restricted and unrestricted, in a manner that is intended to produce results that meet or exceed minimum distribution requirements plus inflation while assuming a moderate level of investment risk. Actual returns in any given year may vary from this amount. To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

The Foundation has a policy of appropriating for distribution each year an amount that at least meets the minimum distribution as required by tax laws pertaining to private foundations. These distribution payouts will be used to meet both grant making and administrative needs of the Foundation. To meet the payout level determined each year, the Foundation follows the investment policies described above, utilizing both income and capital appreciation. Where prudent, and not inconsistent with the Foundation's trust indenture or the Uniform Prudent Investor Act (the Act) of the Texas Trust Code, the Foundation may use a portion of the principal of certain funds to meet the established payout or to fund special projects as determined by the Board.

THE MOODY FOUNDATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

(5) Program notes receivable

PROGRAM NOTES RECEIVABLE CONSIST OF THE FOLLOWING:

	2017	2016
Unsecured 1.25% program note receivable from Moody Gardens	\$ 12,096,000	\$ 12,096,000
Other	237,000	292,000
Total program notes receivable	<u>\$ 12,333,000</u>	<u>\$ 12,388,000</u>

The unsecured 1.25% program note receivable from Moody Gardens is an advancing demand loan for a total amount of \$12,096,000 that was advanced to the grant recipient in 2011. Interest only is due in annual payments on the anniversary date of the loan. Interest payments received were \$151,000 in both 2017 and 2016. Payment of principal amounts outstanding are due upon demand of the Foundation or April 1, 2020, whichever should occur first.

(6) Federal excise tax

The Foundation qualifies as a tax-exempt organization, and accordingly, is not subject to federal income tax, except to the extent that it has unrelated business income. However, the Code imposes an excise tax on private foundations equal to 2% of net investment income (principally interest, dividends and net realized capital gains, less expenses incurred in the production of investment income). This tax is reduced to 1% for foundations that meet certain distribution requirements. The Foundation computed its provision for current federal excise tax at the rate of 1% in both 2017 and 2016. A deferred tax liability results from unrealized increases or decreases in fair value (appreciation) that are reported for financial statement purposes prior to recognition for tax purposes.

THE FOUNDATION'S FEDERAL EXCISE TAX EXPENSE ACTIVITY IS AS FOLLOWS:

	2017	2016
Current federal excise tax	\$ 923,000	\$ 474,000
Deferred federal excise tax expense (benefit)	589,000	(2,258,000)
Total federal excise tax expense (benefit)	<u>1,512,000</u>	<u>(1,784,000)</u>
Current federal excise tax receivable	<u>361,000</u>	<u>614,000</u>
Deferred federal excise tax	<u>\$ 11,047,000</u>	<u>\$ 10,458,000</u>

Internal Revenue Code §4942 requires that the Foundation make qualifying charitable distributions approximately equal to 5% of the fair value of noncharitable assets reduced by acquisition indebtedness, if any, with respect to such assets. Such qualifying distributions must be made by the end of the succeeding taxable year in order to avoid the imposition of a 30% excise tax on any undistributed income. The Foundation is currently in compliance with these provisions and is not subject to this excise tax on undistributed income. The Foundation believes that it has appropriate support for the excise tax positions taken, and as such, does not have any uncertain tax positions that would result in a material impact on the Foundation's financial position or statement of activities.

(7) Interest in charitable remainder trust

The Foundation has recorded its beneficial interest in the Trust based on the estimated fair value of the Foundation's percentage remainderman interest held by the Trust, less the present value of the payments expected to be made to other life estates. The present valuation method for measuring the fair value of the contribution considers (a) the estimated return on the invested assets during the expected term of the Trust, (b) the contractual payment obligations under the Trust, (c) life expectancies of remaining life estate interests, and (d) an interest rate of 7.0%.

THE MOODY FOUNDATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

The Foundation receives distributions from the Trust applicable to its remainderman interest in the income attributable to certain expired life estate interests in the Trust. One-half of these distributions are permanently restricted, and the remaining funds are temporarily restricted until distributions are made. Upon expiration of all life estates, the Foundation will receive its percentage of the remainderman interest in the assets of the Trust.

Approximately 82% of the assets of the Trust are 9,949,585 shares of ANICO common stock with a fair value of approximately \$1.3 billion at December 31, 2017.

(8) Grants payable

At December 31, 2017, grants approved and committed for future payments are expected to be funded as follows:

2018	\$	32,696,000
2019		18,428,000
2020		7,471,000
2021		111,000
Thereafter		581,000
Total grants payable	\$	<u>59,287,000</u>

(9) Temporarily restricted and permanently restricted net assets

The Board, following the provisions of the Foundation's trust indenture and the Texas Trust Code, classify net assets, revenue, gains, and losses based on the existence or absence of donor-imposed restrictions, as applicable. Accordingly, net assets of the Foundation and changes therein are classified and reported as such.

Temporarily restricted net assets consist of estimated future distributions from the Trust. Assets are released from restriction when time restrictions are met.

Permanently restricted net assets consist primarily of the beneficial interest in the Trust, investments to be invested in perpetuity, and paintings to be held in perpetuity. Pursuant to donor restrictions, 338,522 shares of ANICO common stock held by the Foundation with a fair value of \$43,415,000 at December 31, 2017 and \$42,187,000 at December 31, 2016 are permanently restricted. Changes in permanently restricted net assets include the permanently restricted portion of the unrealized gain or loss on the ANICO common stock.

(10) Related party transactions

Certain employees of the Foundation are on the Board of Directors of Moody Gardens. At December 31, 2017, the Foundation had a note receivable from Moody Gardens in the amount of \$12,096,000 (see Note 5).

Members of the Board benefit from a trust that has a majority ownership interest in the Moody National Bank of Galveston (the Bank). The Bank leases office space to the Foundation and provides the Foundation with general banking services, general bookkeeping services, and physical custody of records and marketable securities. Total payments to the Bank were approximately \$575,000 during the years ended December 31, 2017 and 2016, respectively. The Bank also serves as trustee for the Trust.

Members of the Board are on the Board of Directors of ANICO. At December 31, 2017, the Foundation beneficially owned 22.7% of the ANICO common stock. In addition, the Bank, in its capacity as trustee or agent of various accounts, had the power to vote approximately 49.1% of ANICO's common stock at December 31, 2017.

(11) Subsequent events

Management has evaluated subsequent events through July 11, 2018, which is the date that the financial statements were available for issuance. As a result of this evaluation, no events were identified that are required to be disclosed or would have a material impact on reported net assets or changes in net assets.



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Galveston, Texas 77550
(409) 797-1500

moodyf.org

Inclusion in a grant-related photograph should not be interpreted in all cases as participation in the program supported by a Moody Foundation grant.

Information on Moody scholarships is available at moodyf.org.

Qualified nonprofit organizations based in Texas may apply for grants by submitting an inquiry form at moodyf.org. Inquiries are accepted throughout the year.

Design

Hahn Public

Photography

Historic photographs provided by the Moody Family

Cover:

Moody Performance Hall

Interior:

- 2-3 Galveston Island — Cire Notrevo
- 4, 9 Trustees images courtesy John Glowczwski
- 8, 58 Moody Center for the Arts at Rice University
- 8, 16 Moody Gardens
- 10 Images courtesy of The Moody Foundation
- 12 Galveston Seawall — Anthony Marino
- 17 Image courtesy of Transitional Learning Center, Galveston
Moody Scholars recipient — photographer unknown
- 18 Image courtesy of The Moody Foundation
- 19 Belterz (istockphoto.com)
- 20 Ravi Roshan (unsplash.com)
- 29 Images courtesy of Reed Hilderbrand Architects
- 32 Images courtesy of Goodwill Houston
- 35 Moody Clinic — John Glowczwski
- 36 Image courtesy of The Moody Foundation
- 38 Image courtesy of Parkland Foundation
- 40 Image courtesy of Pease Park Conservancy
- 42 Image courtesy of Ronald McDonald House Charities of Galveston
- 45 Image courtesy of Eight Days of Hope (United Way of Galveston County)
- 46 Image courtesy of Vannie E. Cook Jr. Cancer Foundation
- 49 Image courtesy of ZACH Theatre
- 50 Nikola Jovanovic (unsplash.com)
- 53 Image courtesy of Moody Early Childhood Center
- 56, 57 Image courtesy of Blanton Museum of Art



Built after the 1900 storm that devastated Galveston Island, the Galveston Seawall was constructed to protect the city, allowing it to prosper for more than 100 years. Because Galveston is the hometown of the Moody Foundation, it only seemed appropriate that our logo should reflect the seawall's iconic upward arc, symbolizing the type of work we support: innovative, collaborative and inspired.

 **MOODY**
FOUNDATION

DRAFT
MINUTES OF THE CITY COUNCIL OF THE CITY OF GALVESTON
SPECIAL MEETING - JANUARY 9, 2019

1/9/2019 - Minutes

1. DECLARATION OF A QUORUM AND CALL MEETING TO ORDER

With a quorum present, the meeting was called to order at 1:30 p.m.

2. ROLL CALL

Present: Mayor James Yarbrough, Mayor Pro Tem Craig Brown, Council Member Amy Bly, Council Member David Collins, Council Member Jason Hardcastle, Council Member John Listowski, and Council Member Jackie Cole.

3. WORKSHOP ITEMS

1. Collection of delinquent water accounts - Assistant City Manager Mike Loftin presented information on delinquent water accounts. Staff will bring back the following items in March for the Council's review and consideration: (1) expungement of uncollectible accounts, (2) a proposed ordinance amendment to formalize the collection process, and (3) an amendment to the Linebarger contract to include collection of closed water accounts with delinquent balances.

2. Proposed Water Rate Adjustments - Assistant City Manager Mike Loftin presented information on proposed water rate adjustments. The City's forecast and CIP assumed the need for \$1.55 million for new bonds and Gulf Coast Water Authority cost increase in FY 2019; rate increase anticipated 4% overall for water and sewer rates, 7% for water only FY 2019.

3. Water Conservation Plan/Drought Contingency Plan - Assistant City Manager Brandon Cook and LRE Water, LLC representative presented information on the Water Conservation Plan and Drought Contingency Plan. A Public Hearing will be held in February and will be on the March agenda for the Council's consideration.

4. Port of Galveston - Royal Caribbean International Cruise Terminal and Update on Walkway - Port Director Roger Rees presented information on Cruise Terminal 3 Preliminary Pier Layout.

5. Seawall Parking Ballot Language - City Attorney Don Glywasky reworked the draft ordinance that was previously sent to City Council. He presented three versions for Council discussion and consideration.

6. Discuss an Ordinance that would allow overnight parking and/or camping on Seawall Blvd. during the first weekend of the annual Mardi Gras event and in addition, increase the parking violation fine from \$50 to \$250 per incident (night) for overnight parking and/or camping during the preceding Monday through Thursday of the first weekend of the annual Mardi Gras event - City Manager Brian Maxwell provided information on the proposed ordinance.

7. Move various Board Appointments to October 1st - Mayor Yarbrough provided information on moving the appointment date of certain City board appointments to October 1st, and changing boards to two three-year terms. The change would be effective October 1st of this year. This will allow newly elected Council Members a few months of being in office before making board appointments.

8. Extension of the 4-B Industrial Development Corporation - November 2019 Special Election - Deferred

4. ACTION ITEMS

- 4.A. Discuss And Consider For Action Approval Of The City Of Galveston's Recommendations To The U. S. Army Corps Of Engineers Regarding The Coastal Texas Protection & Restoration Feasibility Study And The Tentatively Selected Plan. (Brown/Yarbrough)**

Motion was made by CM Collins, second by CM Listowski, to edit the draft letter and direct the City Attorney to compose the final letter based on today's comments for a Council vote on January 24th.

Mayor Yarbrough left the meeting at 4:45 p.m.; CM Bly left the meeting at 5:04 p.m.

After discussion, the motion was unanimously approved by those present.

5. ADJOURNMENT

The meeting was adjourned at 5:45 p.m.

Janelle Williams, City Secretary

Date Approved:

DRAFT
MINUTES OF THE CITY COUNCIL OF THE CITY OF GALVESTON
WORKSHOP - JANUARY 24, 2019

1/24/2019 - Minutes

1. DECLARATION OF A QUORUM AND CALL MEETING TO ORDER
With a quorum present, the workshop was called to order at 8:05 a.m.
2. ROLL CALL
Present: Mayor James Yarbrough, Mayor Pro Tem Craig Brown, Council Member Amy Bly, Council Member David Collins, Council Member Jason Hardcastle, Council Member John Listowski, and Council Member Jackie Cole.
3. DISCUSSION ITEMS
 - 3.A. 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.
Items 8A, 8C, 10E, 10F, 10H, 11A, and 12C were clarified by staff.
 - 3.B. Final Review Of The Letter To The US Army Corps Of Engineers Dated January 24, 2019 Relating The City's Comments To The Coastal Texas Protection And Feasibility Study And The Tentatively Selected Plan (Legal - 15 Minutes)
The City Council reviewed and made further edits to the draft letter to the Corps of Engineers. This item is on today's regular agenda for the Council's consideration.
 - 3.C. Discussion Of An Ordinance Of The City Of Galveston, Texas, Amending "The Code Of The City Of Galveston 1982, As Amended," Chapter 20.5-17 "Mardi Gras" Article IX- "Entertainment Areas" To Ensure Reasonable Access For Residents As Well As Employers And Their Employees Living And/Or Working Within The Entertainment Area, And Otherwise Providing For A Reasonable Admission Fee To The Entertainment Area; Repealing All Other Ordinances Or Parts Of Ordinances In Conflict Herewith; Making Various Findings And Provisions Related To The Subject; And Providing For An Effective Date. (Legal - 10 Minutes)
City Attorney Don Glywasky presented the proposed ordinance to Council. The proposed change addresses an issue that was raised with access for employers, employees, and residents of the Downtown Strand District. The exclusive concessionaire shall provide at no cost a pass to each resident, as well as a reasonable number of guests of the resident, living within the entertainment district, to allow access to the residence without the payment of the entry fee to the entertainment area. The exclusive concessionaire shall provide at no cost a pass to each employer and employee to allow them access to their place of employment without the payment of the entry fee to the entertainment district. Application for employees shall be made by their employer and shall be supported by reliable employment records with personal data redacted. The residents and employers must make application to the concessionaire at least seven days prior to the first day the entertainment district is physically created.
 - 3.D. Discussion Of An Ordinance Of The City Of Galveston, Texas, Amending "The Code Of The City Of Galveston 1982, As Amended", Chapter 8, "Beaches And Waterways"; To Allow For Regulations Related To Maintaining A Clean Beach And Promoting Environmentally Conscious Conduct By Beach Users; Providing For A Penalty; Making Various Findings And Provisions Related To The Subject; Providing For An Effective Date (D. Henry - 15 Minutes)
Coastal Resources Manager Dustin Henry presented the draft ordinance to Council. Discussion was held regarding working with local short term rental agencies and other groups on an educational program for the policy.
 - 3.E. Amendments To Dune Protection And Beach Access Plan (Chapter 29 Of Municipal Code). Planning Case Number 19PA-004
Coastal Resources Manager Dustin Henry presented the proposed amendments to Council. The proposed ordinance includes the new beach user fees should the voters decide to approve those fees in the May 2019 Election.

- 3.F. Receive And Discuss An Update On The Lone Star Rally Contract (D. Smith - 15 Minutes)
David Smith provided an update on the Lone Star Rally Contract. The update includes an option to extend the current contract for an additional two-year period. The City Council may hold a special workshop in March to discuss all special events. Staff will hold off on extending the contract until after the special workshop.
- 3.G. Discussion Of Hurricane Harvey CDBG-DR Grant Fund Projects (B. Cook - 20 Minutes)
Assistant City Manager Brandon Cook advised a public hearing was held on Hurricane Harvey funds indicating the city is going to use funds for road rehabilitation. After looking at budget constraints and criteria, staff is recommending Heards Lane between Saladia and 61st, and 59th Street from Stewart Road to Heards Lane. City Manager Brian Maxwell advised this is an \$800,000 grant and will be an asphalt project. Discussion was held regarding a timeline for the project, as well as a master plan for the area that will address flooding that occurs on a regular basis. Mr. Maxwell advised it will more than likely be Fall of 2019 before the project begins. An item will be placed on the February 28th agenda for the Council's consideration.
- 3.H. Discussion Of Formalizing A Process For Council Workshop Items Prior To Vote (Collins/Yarbrough - 15 Minutes)
CM Collins expressed concerns about the number of times things have appeared on a workshop agenda and then on that day's regular agenda for a vote. The most recent item was the valet parking ordinance. The Council would like to workshop items prior to considering major items on the regular agenda.
- 3.I. Discussion Of The Costs For Public Information Requests (Cole/Yarbrough - 15 Minutes)
Deferred.
- 3.J. Discussion Of A Policy For Sponsoring Events/Tables (Yarbrough - 30 Minutes)
Mayor Yarbrough is looking for a policy to be developed for sponsoring events. Some general thoughts are - should the city sponsor events and purchase tables at the Chamber's Annual Banquet, the Martin Luther King event, the NAACP banquet, etc.? If so, what criteria should be used? He does not think the city should buy a table at the Chamber's Annual Banquet, but the Chamber's Legislative Luncheon where State Legislators are present does serve a public purpose and would be an appropriate expense. If Council wants to formalize a policy, does any Council Member want to work with staff to develop a policy, or should the City Attorney draft a policy and bring back to Council? Council would like to see a list of sponsorships and would possibly like to include this discussion during the budget process. Mayor Yarbrough will work with the City Attorney and City Manager to come up with a draft policy and bring back to Council.
- 3.K. Discussion Of A Remembrance/Recognition Plan (Yarbrough - 30 Minutes)
Mayor Yarbrough brought this item forward to see if Council would like to develop a remembrance/recognition. If so, would any Council Member like to work with staff to develop the policy? The purpose of the plan would be to formalize a way to recognize individuals while they are still living instead of in memorial. MPT Brown recommended that the City Secretary research this item to see how other cities recognize individuals. City Manager Brian Maxwell suggested a remembrance park in the location of the City Hall Annex once it is demolished. Mayor Yarbrough advised Council to send their ideas to staff and this item will be brought back at a later date.
- 3.L. Discussion Of The Census 2020 Committee (Yarbrough - 15 Minutes)
Discussion was held regarding the creation of a Census Committee. The purpose of the ad hoc committee would be to encourage Galvestonians to participate in the 2020 census. Dustin Henry will be the staff liaison for the Census Committee. He will be providing Council with some information related to the committee's purpose. Tim Tietjens provided additional information about census procedures. A resolution creating the Census 2020 Committee will be placed on the February 28th agenda for the Council's consideration.
- 3.M. Discussion Of The Council's Deadline To Submit Agenda Items (Cole/Collins - 10 Minutes)
CM Collins provided the current timeline for submitting agenda items. Currently, staff's deadline for submitting items is Wednesday at Noon the week prior to the Council meeting, and Council's deadline is Thursday at 3:00 p.m. the week prior to the Council meeting. The final agenda is published and sent out on Thursday immediately after the Council deadline. The unintended consequence with changing Council's deadline from Friday to Thursday is that Council no longer sees a draft agenda. Moving forward, staff will send out a draft agenda on Thursday at 3:00 p.m., and will send out the final agenda on Friday at Noon. This will allow Council to review the draft agenda prior to the final being

published. Dr. Cole would like to see a list of general topics that will be coming up prior to the draft agenda be sent out, possibly on Monday. Mayor Yarbrough advised staff could send out the tentative list of workshop items on Monday or Tuesday the week prior to the meeting. He also advised if Council has something meaningful to workshop, they should get with staff prior to placing the item on the agenda so they have time to put it together.

4. EXECUTIVE SESSION

The City Council convened into Executive Session at 11:25 a.m. and reconvened into Open Session at 12:10 p.m. No action was taken during Executive Session.

- 4.A. Pursuant To Texas Gov't Code 551.071- Consultation With Attorney, An Executive Session Will Be Conducted To Discuss And Receive Legal Advice Concerning Pending Litigation And/Or A Settlement Offer, Or On A Matter In Which The Duty Of The Attorney To The Governmental Body Under The Texas Disciplinary Rules Of Professional Conduct Of The State Bar Of Texas Clearly Conflicts With This Chapter, Related To The Following:

4.A.1. Comcast Franchise Fee Dispute

4.A.2. No. D-1-GN-002497 Texas General Land Office V. CDM Smith And The City Of Galveston, In The 201st District Court Of Travis County Texas And No. 13-CV-0844; CDM Smith Inc. V. City Of Galveston, In The 56th Judicial District Court Of Galveston County Texas

5. ADJOURNMENT

The workshop was adjourned at 12:10 p.m.

Janelle Williams, City Secretary

Date Approved:

DRAFT
MINUTES OF THE CITY COUNCIL OF THE CITY OF GALVESTON
REGULAR MEETING - JANUARY 24, 2019

1/24/2019 - Minutes

1. DECLARATION OF A QUORUM AND CALL MEETING TO ORDER
With a quorum present, the meeting was called to order at 1:20 p.m.
2. ROLL CALL
Present: Mayor James Yarbrough, Myor Pro Tem Craig Brown, Council Member Amy Bly, Council Member David Collins, Council Member Jason Hardcastle, Council Member John Listowski, and Council Member Jackie Cole.
3. INVOCATION
The invocation was given b y Captain W. Patrick Jones of the Salvation Army.
4. PLEDGE OF ALLEGIANCE
Pledges to the American Flag and Texas Flag were led by Mayor Yarbrough.
5. CONFLICTS OF INTEREST
None.
6. PRESENTATIONS/REPORTS OF COUNCIL, OFFICER BOARDS, AND CITY MANAGER
 - 6.A. Pursuant To Texas Government Code Section 551.0415, The City Council May Report On Any Of The Following Items:
 1. Expressions of thanks, gratitude, and condolences - **CM Bly provided information on Ball High's All-District Play Shrek. Mayor Yarbrough congratulated CM Listowski on his marriage to Kara. Mayor Yarbrough offered condolences to the family Tino Gonzales. CM Bly offered condolences on the passing of Father Frank Fabi.**
 2. Information regarding holiday schedules
 3. Recognition of individuals
 4. Reminders regarding City Council events
 5. Reminders regarding community events
 6. Health and safety announcement
7. COMMUNICATIONS AND PETITIONS
None.
8. PUBLIC HEARINGS
 - 8.A. Consider For Approval An Ordinance Of The City Of Galveston, Texas, Changing The Zoning From Residential, Single-Family (R-1) Zoning District To Residential, Single-Family (R-0), Zoning District On Properties Commonly Known As 1 - 59 Adler Circle. The Properties Are Legally Described As Lots 1 – 48, Westwood Subdivision, In The City And County Of Galveston, Texas. (A. Montalvan)

Ordinance No. 19-001 was read by caption. Adriel Montalvan provided staff comments. The public hearing was opened. Eddie Barr, Mason Joseph, Marcy Hanson, Benno Dell, and Charlie Stone spoke in favor of the zoning change. The public hearing was closed.

Motion was made by CM Listowski, second by CM Hardcastle, to approve the ordinance. Unanimously approved.

- 8.B. Change Of Zoning From Residential, Townhouse (R-2-HDDZ-1) To Residential, Single Family (R-1-HDDZ-1). Planning Case Number 18P-059.

Consider for Approval An Ordinance Of The City Of Galveston, Texas, Changing The Zoning From Residential, Townhouse (R-2-HDDZ-1) To Residential, Single Family (R-1-HDDZ-1) Zoning District On Properties Commonly Known As 1010 Commodore, 1014 Commodore, 1020 Commodore, 8415 Teichman Road, 8407 Teichman Road, 8403 Teichman Road, 8309 Teichman Road, 1003 Lillian, 1006 Lillian, 1007 Lillian, 1010 Lillian, 1011 Lillian, 1014 Lillian, 1015 Lillian, 1018 Lillian, 1022 Lillian, And 1026 Lillian. The Properties Are Legally Described As Abstract 121 Page 71 Part Of Lot 523 (523-14) Trimble & Lindsey Section 1, Abstract 121 Page 71 Part Of Lot 523 (523-15) Trimble & Lindsey Section 1, Abstract 121 T & L & Hall & Jones Survey Part Of Lot 523 (523-16) Trimble & Lindsey Section 1, Abstract 121 Page 71 Part Of Lot 523 (523-17) Trimble & Lindsey Section 1 Aka Lot 15, Abstract 121 Page 71 Part Of Lot 523 (523-20) Trimble & Lindsey Section 1 AKA: Tract 18 Special Subdivision, Abstract 121 Hall & Jones Survey Landscape Reserve A (0-1) Old Galveston Villas Replat (2005), Abstract 121 Hall & Jones Survey Lot 1 Old Galveston Villas Replat (2005), Abstract 121 Hall & Jones Survey Lot 2 Old Galveston Villas Replat (2005), Abstract 121 Hall & Jones Survey Lot 3 Old Galveston Villas Replat (2005), Abstract 121 Hall & Jones Survey Lot 4 Old Galveston Villas Replat (2005) Undivided 1/2 Interest, Abstract 121 Hall & Jones Survey Lot 5 Old Galveston Villas Replat (2005), Abstract 121 Hall & Jones Survey Lot 6 Old Galveston Villas Replat (2005), Abstract 121 Hall & Jones Survey Lot 7 Old Galveston Villas Replat (2005), Abstract 121 Hall & Jones Survey Lot 8 Old Galveston Villas Replat (2005), Abstract 121 Hall & Jones Survey Park Reserve B (0-2) Old Galveston Villas Replat (2005), Abstract 121 Hall & Jones Survey Lot 9 Old Galveston Villas Replat (2008), And Abstract 121 Hall & Jones Survey Lot 10 Old Galveston Villas Replat (2008), In The City And County Of Galveston, Texas. Planning Case Number 18P-059; Making Various Findings And Provisions Related To The Subject. (D. Lunsford)

Ordinance No. 19-002 was read by caption. Daniel Lunsford provided staff comments. The public hearing was opened. Ross Novelli spoke in favor of the zoning change. The public hearing was closed.

Motion was made by CM Bly, second by CM Listowski, to approve the ordinance. Unanimously approved.

- 8.C. Consider For Approval An Ordinance Of The City Of Galveston, Texas, Changing The Zoning From Residential, Single Family (R-1) To Commercial (C) Zoning District On Properties Commonly Known As 21418 FM 3005 And Adjacent Tract To The North. The Properties Are Legally Described As Abst 121, Page 19, East Part Of Lot 1 (1-3), Seabird Acres, And Abst 121, Page 19, Lot 2, Seabird Acres, Both In The City And County Of Galveston, Texas; Planning Case Number 18P-061; Making Various Findings And Provisions Related To The Subject. (D. Lunsford)

The Ordinance was read by caption. Daniel Lunsford provided staff comments. Spencer Marston with the architectural firm and owner of the property Patricia Thompson spoke in favor of the zoning change. The public hearing was opened. Michael O'Reilly, Rita Whitter, Cory Graff, Keith Erwin, Roshy Jain, Rocky Jain, Sangela Jain, Bill Hummel, Tim DeHaven, Mark Voller, Evan Wyer, Ross Novelli, Jerry Lee, West Isle Property Owners Association Jerry Mohn, Alice Jansen, Helen Young, Steven Fisher, Jeffrey Hill, Mark Hill spoke in opposition of the zoning change. The public hearing was closed.

Motion was made by CM Hardcastle, second by CM Listowski, to approve the ordinance.

In favor: Hardcastle and Listowski

In opposition: Yarbrough, Brown, Bly, Collins, and Cole

Motion fails.

- 8.D. Consider For Approval An Ordinance Of The City Of Galveston, Texas, Designating The Property Located At 514 18th Street, As A "Galveston Landmark", Property Is Legally Described As Lot 14 (14-2), Block 437, In The City And County Of Galveston, Texas; Requesting The Historic Preservation Officer Record The Property's Landmark Designation In The Official Public Records Of Real Property In Galveston County, The Tax Records Of The City Of Galveston And The Central Appraisal District, And The Official Zoning Maps Of The City Of Galveston, Texas; Planning Case Number 19P-002; Making Various Findings And Provisions Related To The Subject. (C. Gorman)

Ordinance No. 19-003 was read by caption. Catherine Gorman provided staff comments. The public hearing was opened. Property owner Julia Muncaster spoke in favor of the ordinance. The public hearing was closed.

Motion was made by CM Collins, second by CM Bly, to approve the ordinance. Unanimously approved.

9. PUBLIC COMMENT

Agenda Items - Carol Hollaway and Jeff Patterson- Item 12B; Marty Fluke and Abdal Ahmed Khan - Item 10A; Frank Maceo - Item 11A; Allen Flores, Michelle Roboch, Jeffrey King, Jennifer Lopez - Item 10G; Doug Little, Kelly Kelley, Karla Klay, Marc Hill, Dennis Miller, Janie Marshall, Carol Ann Cowan, Alan Baezner, and Mort Voller - Item 12C.

Non-Agenda Items - Edward Cruse commented on police brutality; Adam Calabrese commented on duties of public servants.

10. ORDINANCES (NOT REQUIRING PUBLIC HEARINGS)

- 10.A. Consider For Approval An Ordinance Of The City Of Galveston, Texas, Amending The Code Of The City Of Galveston, 1982 As Amended, By Amending Chapter 36, "Water, Sewers And Sewage Disposal"; Providing For Water And Sewer System Rates And Charges; Providing For Severability; Providing For The Repeal Of All Or Parts Of Ordinances In Conflict Herewith; Making Various Findings And Provisions Related To The Subject; And Providing For An Effective Date. (M. Loftin)

Ordinance No. 19-004 was read by caption. Motion was made by Mayor Yarbrough, second by CM Hardcastle, to approve the ordinance. Unanimously approved.

- 10.B. Consider For Approval An Ordinance Authorizing The Issuance And Sale Of The City Of Galveston, Texas, Combination Tax And Revenue Certificates Of Obligation, Series 2019; Providing For The Security And Payment Thereof; Authorizing The Execution And Delivery Of A Purchase Agreement And A Paying Agent/Registrar Agreement; And Enacting Other Provisions Relating Thereto. (M. Loftin)

Ordinance No. 19-005 was read by caption. Motion was made by MPT Brown, second by CM Bly, to approve the ordinance. Unanimously approved.

- 10.C. Consider For Approval An Ordinance Of The City Of Galveston, Texas, Amending The Total Operating Budget For Fiscal Year Ending September 30, 2018, By Adjusting Various Budget Accounts In The Amount Of Three Hundred Ninety-Three Thousand Two Hundred Forty-Four Dollars (\$393,244) To Adjust And Properly Record For Expenses In Connection With Island Transit Operating Expenditures; Making Various Findings And Provisions Related To The Subject; And Providing For An Effective Date. (M. Loftin)

Ordinance No. 19-006 was read by caption. Motion as made by Mayor Yarbrough, second by CM Collins, to approve the ordinance. Unanimously approved.

- 10.D. Consider For Approval An Ordinance Of The City Of Galveston, Texas, Amending The Total Operating Budget For Fiscal Year Ending September 30, 2019, By Adjusting Various Budget Accounts In The Amount Of Thirteen Million Five Hundred Thousand Dollars (\$13,500,000) To Adjust And Properly Record For Operating Transfers And Recording Expenditures In Connection With The Legal Settlement With Cdm Smith; Making Various Findings And Provisions Related To The Subject; And Providing For An Effective Date. (M. Loftin)

Ordinance No. 19-007 was read by caption. Motion was made by Mayor Yarbrough, second by CM Listowski, to approve the ordinance. Unanimously approved.

- 10.E. Special Election On May 4, 2019 - Seawall Parking

Consider For Approval An Ordinance Of The City Council Of The City Of Galveston, Texas, Ordering And Calling A Special Election To Be Held In The City On May 4, 2019, To Determine Whether To Extend The Imposition Of A Fee For Parking A Motor Vehicle On Seawall Boulevard Between The Hours Of 10:00 A.M. And 6:00 P.M. Daily, To Be Collected By A Paid Parking System With Use Of The Proceeds Restricted To Funding Seawall Enhancements, Including But Not Limited To Lighting, Bathrooms, Showers, Landscaping, Maintenance, And Litter Control, With The Creation Of A Reserve For The Replacement Of Capital Improvements On The Seawall And 10% Of The Proceeds For Administrative Costs, All In Accordance With State Law; And Giving The City Council Authority To Increase The Fee For Parking A Motor Vehicle On

Seawall Boulevard To An Amount Of \$2.00 Per Hour, With A Minimum Purchase Of 2 Hours, And Not To Exceed \$16.00 Per Day, And An Annual Permit Not To Exceed \$45.00, Until December 31, 2029 Unless Otherwise Renewed Or Amended By A Majority Of Qualified Voters; Authorizing The City Manager To Execute An Election Services Agreement With Galveston County To Hold And Conduct This Election; Designating The Polling Places; Designating Hours For Voting; Providing For Publication Of Notice Of The Election; Providing Bilingual Election Requirements; And Containing Other Provisions Related Thereto.

Ordinance No. 19-008 was read by caption. Motion was made by CM Hardcastle, second by CM Listowski, to approve the ordinance with the addition of adding "up to" 10% of the proceeds for administrative costs. Unanimously approved.

- 10.F. Consider For Approval An Ordinance Of The City Of Galveston, Texas, Amending Chapter 34 "Traffic" Article Iii- "Vehicle Operation" Of The Code Of The City Of Galveston, 1982, As Amended By Adding Regulations For The Safe Passage By Motorists Of "Vulnerable Road Users", Providing Definitions", Requiring Safe Passage Speed And Minimum Distance Motorists Must Maintain While Passing Vulnerable Road Users; Prohibiting The Throwing Of Any Object At A Vulnerable Road User, The User's Equipment Or Other Intimidating Maneuvers; Amending Chapter 9, "Bicycles" To Require Bicycles To Have A Rear Facing Red Light; Providing For Penalties; Making Various Findings And Provisions Related To The Subject; And Providing For An Effective Date. (Legal)

Ordinance No. 19-009 was read by caption. Motion was made by CM Cole, second by CM Collins, to approve the ordinance to be effective on May 1, 2019.

In favor: Yarbrough, Brown, Collins, Listowski, and Cole

In opposition: Bly and Hardcastle

Motion passes.

- 10.G. Consider For Approval An Ordinance Of The City Of Galveston, Texas, Amending "The Code Of The City Of Galveston 1982, As Amended," Chapter 20.5-17 "Mardi Gras" Article Ix- "Entertainment Areas" To Ensure Reasonable Access For Residents As Well As Employers And Their Employees Living And/Or Working Within The Entertainment Area, And Otherwise Providing For A Reasonable Admission Fee To The Entertainment Area; Repealing All Other Ordinances Or Parts Of Ordinances In Conflict Herewith; Making Various Findings And Provisions Related To The Subject; And Providing For An Effective Date. (Legal)

Ordinance No. 19-010 was read by caption. Motion was made by CM Hardcastle, second by CM Listowski, to approve the ordinance. Unanimously approved.

- 10.H. Consider For Approval An Ordinance Of The City Of Galveston, Texas, Amending "The Code Of The City Of Galveston 1982, As Amended," Chapter 20.5 "Mardi Gras" By Allowing Overnight Parking And/Or Overnight Camping On Seawall Blvd During The First Weekend Of Mardi Gras; Increasing The Parking Fine Provision From Fifty (\$50.00) Dollars To Two Hundred And Fifty (\$250.00) Dollars (Per Night), For Overnight Parking Violations During The Preceding Monday Through Thursday Of The First Weekend Of Mardi Gras; Repealing All Other Ordinances Or Parts Of Ordinances In Conflict Herewith; Making Various Findings And Provisions Related To The Subject; And Providing For An Effective Date. (D. Smith)

Ordinance No. 19-011 was read by caption. Motion was made by MPT Brown, second by CM Hardcastle, to approve the ordinance. Unanimously approved.

- 10.I. Amendments To Dune Protection And Beach Access Plan (Chapter 29 Of Municipal Code). Planning Case Number 19PA-004

Consider For Approval An Ordinance Of The City Of Galveston, Texas, To Approve A Text Amendment To The City's Dune Protection And Beach Access Plan / Amending "The Code Of The City Of Galveston 1982, As Amended" Chapter 29, "Planning - Beach Access Dune Protection And Beach Front Construction" In Order To Replace Maps in "Exhibit B: Dune Conservation Area and Enhance Construction Zone"; To Modify the Building Requirements Section Regarding Ground-Level Enclosures To Be Consistent With The Erosion Response Plan; To Increase The Beach User Fee Rates for Seawall Beach Urban Park; And To Authorize The City To Submit The Text Amendment To The Texas General Land Office For Its Consideration And Certification;

Planning Case Number 19PA-004; Making Various Findings And Provisions Related To The Subject. (D. Henry)

Ordinance No. 19-012 was read by caption. Motion was made by Mayor Yarbrough, second by MPT Brown, to approve the ordinance. Unanimously approved.

11. CONSENT ITEMS

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

Motion was made by CM Bly, second by MPT Brown, to approve Consent Items 11A through 11BB. Unanimously approved.

- 11.A. Consider For Approval A Contract For Election Services Between The City Of Galveston And Galveston County For The Purposes Of Holding A Special Election On May 4, 2019. (J. Williams)
- 11.B. Consider For Approval A Resolution Of The City Council Of The City Of Galveston, Texas, Acknowledging That Assessment And Collection Services Will Be Performed By The Galveston County Tax Assessor For The Year 2019; Providing For Findings Of Fact And Providing For An Effective Date. (Legal)
Resolution No. 19-001
- 11.C. Consider For Approval A Resolution Of The City Council Of The City Of Galveston, Texas, Authorizing The City Manager To Approve And Execute The Agreement For Funding The Rehabilitation Of The Air Traffic Control Tower (The "Project") Between The City, The Tax Increment Reinvestment Zone 14 (TIRZ 14) And The Galveston Island Redevelopment Authority (RDA) In The Amount Of \$402,236.00 (M. Shahan).
Resolution No. 19-002
- 11.D. Consider For Approval A Resolution Of The City Council Of The City Of Galveston, Texas, Authorizing The City Manager To Approve And Execute The Agreement For Funding 10% Of The Scholes International Airport 2019 Projects (The "Project") Between The City, The Tax Increment Reinvestment Zone 14 (TIRZ 14) And The Galveston Island Redevelopment Authority (RDA) In The Amount Of \$52,500.00 (M. Shahan).
Resolution No. 19-003
- 11.E. Consider For Approval A Resolution Of The City Council Of The City Of Galveston, Texas, Authorizing The City Manager To Approve And Execute The Agreement For Funding The Material Cost Of Repaving The Scholes International Airport Terminal Pavement Project (The "Project") Between The City, The Tax Increment Reinvestment Zone 14 (TIRZ 14) And The Galveston Island Redevelopment Authority (RDA) In The Amount Of \$32,000.00 (M. Shahan).
Resolution No. 19-004
- 11.F. Consider For Approval A Resolution Of The City Council Of The City Of Galveston, Texas, Authorizing The City Manager To Approve And Execute The Agreement For Funding 10% Of The Scholes International Airport 2018 Capital Improvement Pavement Projects (The "Project") Between The City, The Tax Increment Reinvestment Zone 14 (TIRZ 14) And The Galveston Island Redevelopment Authority (RDA) In The Amount Of \$118,000.00 (M. Shahan).
Resolution No. 19-005
- 11.G. Consider For Approval A Bid From Lead Based Paint Services, LLC Dba Integrity Lead Based Paint Services In The Amount Of \$24,500.00 To Provide Lead-Based Paint Remediation Services At 1611 – 39th Street. Funding Is From HOME Investment Partnership Funds. Authorize The City Manager To Execute All Necessary Documents Upon Final Approval Of The City Attorney. (A. Law)
- 11.H. Consider For Approval A 2-Year Extension From Republic Services To Provide Containers And Transport Dewatered Wastewater Sludge. (A. Grasso)

- 11.I. Consider For Approval The Proposal From Dannenbaum For Broadway Drainage Study To Support TXDOT Overlay Including Bridge Blocks And Drainage Crossings Upgrades Including Construction Plans For 48th Street At A Cost Not To Exceed Of \$187,599. (D. Christodoss)
- 11.J. Consider For Approval Change Order #1 For The Contract With General Contractor Services, For The Neighborhood Improvements Project, Decreasing The Contract From \$362,046.50 By The Amount Of \$32,570.25 To A Final Cost Of \$329,476.25. (R. Blackketter)
- 11.K. Consider For Approval Of Change Order No. 5 To The Contract With Brunel Industrial & Pipeline Services, LLC, For The Rehabilitation Of Ground Storage Tanks At 59th Street Project, Increasing The Contract By \$198,129.26 From The Amount Of \$7,665,600.21 To A New Total Amount Of \$7,863,729.47. The Funding Source Will Be The CDBG Disaster Recovery Non-Housing Round 2.2 Program. Authorizing The City Manager To Execute All Necessary Documents Upon Final Approval By The City Attorney. (R. Blackketter)
- 11.L. Consider For Approval Change Order #7 For The Contract With Main Lane Industries, Ltd., For The Reconstruction Of Market Street From 25th Street To 19th Street Project, Decreasing The Contract From \$3,862,805.87 By The Amount Of \$28,530.00 To A Cost Of \$3,834,275.87. Authorizing The City Manager To Execute All Necessary Documents Upon Final Approval By The City Attorney. (R. Blackketter)
- 11.M. Consider For Approval Change Order #8 From Triple B Services, LLC, For The Sealy Avenue Improvements From 33rd To 25th Project, Increasing The Contract Amount From \$2,638,276.28 By \$57,813.25 To The New Cost Of \$2,696,089.53, And Increasing The Term By 134 Days To A New Term Of 596 Calendar Days. Authorizing The City Manager To Execute All Necessary Documents Upon Final Approval By The City Attorney. (R. Blackketter)
- 11.N. Consider For Approval Change Order #1 For The Contract With RAC Industries, LLC., For The Sidewalk Construction - Avenue L From 53rd St To 43rd St & Avenue M From 35th St To 28th St Project, Decreasing The Contract From \$685,866.00 By The Amount Of \$124,819.50 To A Final Cost Of \$561,046.50. (R. Blackketter)
- 11.O. Consider Approving The Renewal Of The Oracle Database Software Maintenance Contract For \$22,943.25 Utilizing DIR Contract TSO – 4158, Oracle America, Inc. (H. Dean)
- 11.P. Consider For Approval The Payment Of \$40,180.79 To Tyler Technologies For Software Maintenance Of The Court Case Management System Used By Municipal Court. The Funding Source Is The Court Technology Fund.
- 11.Q. Consider For Approval The Purchase And Installation Of Furniture For The New Fire Station #1 Located At 823 26th Street For A Total Cost Of \$149,620.64. The Funding Source Is Governmental Expenditures - Capital Outlay. (M. Wisko)
- 11.R. Consider For Approval To Authorize Payment For Professional Consulting Services Up To But Not To Exceed \$50,000.00 Pursuant To The Contract Between The City And Applied GRT, LLC Are For FY 2018-19 (Legal).
- 11.S. Consider For The Approval Allowing The Fleet Facility To Receive The Listed Rolling Stock And Associated Equipment From The Defense Logistics Agencies 1033 Program, Which Allows Excess US Military Equipment To Be Donated To Law Enforcement Agencies, And Authorize The City Manager To Execute The Contract Upon Final Approval By The City Attorney. (D. Smith / Chief Hale)
- 11.T. Consider For The Approval Of A Resolution Of The City Council Of The City Of Galveston Approving The Amended 2019 City Of Galveston, Island Transit Title VI Plan As Required By The Federal Transportation Administration And The Texas Department Of Transportation. (D. Smith)
- Resolution No. 19-006**

- 11.U. Consider For The Approval Of A Resolution Of The City Council Of The City Of Galveston Establishing Certain Special Events As Serving Public Purposes, Authorizing The City Manager To Execute The Standard Form Agreement From The Texas Department Of Transportation For Temporary Closure Of State Right Of Ways For Each Event Along With All Other Necessary Documents. (D. Smith)
Resolution No. 19-007
- 11.V. Consider For The Approval Allowing The Fleet Facility To Purchase The Listed Rolling Stock (Two Service Pickups) And Associated Equipment From Silsbee Ford Through HGAC Buy For A Total Price Of \$62,176 And Authorize The City Manager To Execute The Contract Upon Final Approval By The City Attorney. (D. Smith)
- 11.W. Consider For The Approval Allowing The Fleet Facility To Purchase The Listed Rolling Stock (HD Hook-Lift Truck) And Associated Equipment From Houston Freightliner Through HGAC Buy For A Total Price Of \$205,309 And Authorize The City Manager To Execute The Contract Upon Final Approval By The City Attorney. (D. Smith)
- 11.X. Consider For Approval Minutes Of The December 13, 2018 Workshop And Regular Meeting. (J. Williams)
- 11.Y. Receive And File The Annual Reporting Per Rate Schedule RCE (Rate Case Expense Surcharge Rider) Effective July 27, 2016 For The Gulf Coast Service Area Served By Texas Gas Service.
- 11.Z. Receive And File The Galveston College Foundation 2018 Annual Report.
- 11.AA. Receive And File The 2018 Report Of Property Value - Galveston Central Appraisal District.
- 11.BB. Consider Approval To Ratify The City Manager's Action Approving A Contract With T-Construction, LLC To Facilitate The Emergency Repairs To The Sanitary Sewer And Storm Sewer Cave-In Located At 25th Street And Strand Due To Public Safety Concerns In The Amount Of \$39,970.00 Consistent With Sec. 252.022 (A)(2) If The Local Government Code. (K. Hockersmith)
12. ACTION ITEMS
- 12.A. Discuss And Consider Approval Of \$130,000 For Drainage And Roadwork Improvements For Stewart Beach. (Brown/Yarbrough)
Motion was made by Mayor Yarbrough, second by CM Collins, to defer this item at the request of the Park Board. Unanimously approved.
- 12.B. Discuss And Consider For Approval The Letter To The US Army Corps Of Engineers Dated January 24, 2019 Relating The City's Comments To The Coastal Texas Protection And Feasibility Study And The Tentatively Selected Plan And Authorizing The Mayor Of Galveston To Sign Same For Immediate Dispatch. (Legal)
Motion was made by CM Cole, second by MPT Brown, to approve the final letter to the US Army Corps of Engineers and authorizing the Mayor to sign the letter. Unanimously approved.
- 12.C. Discuss And Consider Request From Artist Boat For Additional Time To Continue Their Commercial Operations In A Residential Area. (Legal)
(1) Motion was made by CM Cole, second by CM Collins, to have the City Attorney go ahead and file violations of land use for Artist Boat but not to activate those violations until June 1, 2019 should Artist Boat still be in violation of the zoning at that address on Avenue O, with the additional caveat and reprisal that the kayaks will be stored away from the property at 2627 Avenue O starting immediately. In favor: Listowski and Cole. In opposition: Yarbrough, Brown, Bly, Collins, and Hardcastle. Motion fails.
(2) Motion was made by MPT Brown, second by CM Collins, to refer this case back to the Enforcement and Legal Department for the management and resolution of this case. In favor: Yarbrough, Brown, Bly, Collins, Hardcastle, and Listowski. Abstention: Cole. Motion passes.
- 12.D. Discuss And Consider Appointments To The Following City Boards, Commissions, And Committees:

Motion was made by CM Cole, second by CM Collins, to appoint Sherry Rooks, Joe Cappadona, Sidney Tregre, Leah Tuten, and Stephen Duncan. The motion passed 6-0; Mayor Yarbrough was not present for the vote.

13. ADJOURNMENT

The meeting was adjourned at 4:39 p.m.

Janelle Williams, City Secretary

Date Approved:

DRAFT
MINUTES OF THE CITY COUNCIL OF THE CITY OF GALVESTON
WORKSHOP - FEBRUARY 28, 2019

2/28/2019 - Minutes

1. DECLARATION OF A QUORUM AND CALL MEETING TO ORDER

With a quorum present, the workshop was called to order at 8:34 a.m.

2. ROLL CALL

Present: Mayor Pro Tem Craig Brown, Council Member Amy Bly, Council Member David Collins, Council Member Jason Hardcastle, Council Member John Listowski, and Council Member Jackie Cole.

Absent: Mayor James Yarbrough.

3. DISCUSSION ITEMS

- 3.A. 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)
Agenda Items 8E, 10A, 11A, 11G, 11N, 11O, 11P, 11S, 11T, 11U, 11V, 11W, and 11X were clarified by Staff and Council.
- 3.B. Joint Workshop Between The City Council And The Park Board Of Trustees To Discuss Items Of Mutual Interest (City Council - 1 Hour)

A Joint Workshop was held between the City Council and the Park Board.

Discuss East End Lagoon Business Plan - Sheryl Rozier presented the East End Lagoon Nature Preserve Plan. The Park Board is looking for concurrence from the Council in order to move forward with the due diligence portion of the plan. The Park Board has received notification of being on the short list to receive \$1.4 million in RESTORE funds to be used for construction of an open air structure, and requests \$50,000 from the City over the next eight years to support the overall East End Lagoon Plan. The open air structure is a shovel ready project.

Discuss Park Board Management of Arts and Historical Preservation Funding - Discussion was held regarding transferring the Arts & Historic functions to the Park Board. The Park Board met earlier this week and voted to accept 5/8ths of a penny (or \$1.25 million) from the City and the Park Board will contribute the remaining funds of \$250,000 to maintain the current total amount of funding for the program. The Park Board is looking into grants funds to further support the program. Discussion was held regarding potential conflicts of interest for current Park Board members whose organizations receive Arts & Historic grant funds. These Park Board members declare conflicts for the record and will abstain from any discussion and/or voting on Arts & Historic related agenda items. The Arts & Historic Preservation Advisory Board has extended their application deadline to May 1 in anticipation of the transfer, and will be an advisory committee to the Park Board during the first year. Spencer Priest advised the Park Board would not be making any significant changes to the program in the first year. The Advisory Board would be operating at the Park Board. An Interlocal Agreement will be drafted for the City Council and the Park Board to approve. This item will be placed on the March 28th agenda for the Council's consideration.

- 3.C. Discuss Proposed Valet Parking Ordinance (M. Gray - 30 Minutes)
Marshall Michael Gray and Assistant City Attorney Donna Fairweather presented Council with amendments to the proposed ordinance. Discussion was held regarding fees for paid parking spaces in addition to the annual permit base fees, current unauthorized valet parking areas, and valet parking vehicles on the street in areas other than downtown. This item will be placed on the March workshop for further discussion.
- 3.D. Discuss Membership And Facility Rental Fees For Recreation Centers, Parks, And Athletic Fields That Are Under Management Of The Parks And Recreation Department (M. Rabago - 20 Minutes)

Mario Rabago presented current and proposed rates for the McGuire Dent Recreation Center, Menard Park Band Shell, ballfield rentals and tournaments, Lasker Park Community Pool, and Beach Pocket Park #1 wedding space rental. The Council expressed concerns regarding staff's proposal to start charging users for admission to McGuire Dent. This item will be placed on next month's agenda for the Council's consideration.

3.E. Receive And Discuss An Update On Debt Management (D. Buckley/M. Loftin - 30 Minutes)

Deputy City Manager Dan Buckley presented the draft Debt Management Policy to the Council. He advised it is an essential policy for the City to have. He reported that the City is not a heavy user of debt, but that may change if the 2-1/2 cent tax cap is approved by the State Legislature. The Finance and Fiscal Affairs Committee will review the policy at their next meeting. This item will be placed on next month's workshop agenda for the Council's review.

4. EXECUTIVE SESSION

The City Council took a five minute break at 12:30 p.m., convened into Executive Session at 12:35 p.m., and reconvened into Open Session at 1:16 p.m. No action was taken during Executive Session.

4.A. Pursuant To Texas Gov't Code 551.071- Consultation With Attorney, An Executive Session Will Be Conducted To Discuss And Receive Legal Advice Concerning Pending Litigation And/Or A Settlement Offer, Or On A Matter In Which The Duty Of The Attorney To The Governmental Body Under The Texas Disciplinary Rules Of Professional Conduct Of The State Bar Of Texas Clearly Conflicts With This Chapter, Related To The Following:

4.A.1. Alan Flores V. City Of Galveston

4.A.2. Briefing On Matters Related To The Police Pension Board And Its Retirement Fund

5. ADJOURNMENT

The workshop was adjourned at 1:17 p.m.

Janelle Williams, City Secretary

Date Approved:

DRAFT
MINUTES OF THE CITY COUNCIL OF THE CITY OF GALVESTON
REGULAR MEETING - FEBRUARY 28, 2019

2/28/2019 - Minutes

1. DECLARATION OF A QUORUM AND CALL MEETING TO ORDER

With a quorum present, the meeting was called to order at 1:22 p.m.

2. ROLL CALL

Present: Mayor Pro Tem Craig Brown, Council Member Amy Bly, Council Member David Collins, Council Member Jason Hardcastle, Council Member John Listowski, and Council Member Jackie Cole.

Absent: Mayor James Yarbrough.

3. INVOCATION

The invocation was given by Rev. Fr. Jude Ezuma, Pastor - Holy Family Parish.

4. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the American Flag and Texas Flag were led by Dr. Brown.

5. CONFLICTS OF INTEREST

None.

6. PRESENTATIONS/REPORTS OF COUNCIL, OFFICER BOARDS, AND CITY MANAGER

6.A. Pursuant To Texas Government Code Section 551.0415, The City Council May Report On Any Of The Following Items:

1. Expressions of thanks, gratitude, and condolences - **City Manager Brian Maxwell expressed condolences to the family of Joyce Dundee.**

2. Information regarding holiday schedules

3. Recognition of individuals

a. **President George Washington Day - presented by Dr. Cole.**

b. **Z Krewe - presented by CM Collins.**

c. **Grayson Baird - presented by CM Bly.**

d. **Richard Batie - presented by Dr. Brown.**

e. **IHop National Pancake Day - presented by CM Hardcastle.**

f. **Tree City USA Designation - presented by Pete Collins.**

4. Reminders regarding City Council events

5. Reminders regarding community events

6. Health and safety announcement

6.B. City Manager's Report - The Investment Report For Quarter Ended December 31, 2018 (M. Loftin)
The Investment Report was presented by Assistant City Manager Mike Loftin.

7. COMMUNICATIONS AND PETITIONS

7.A. Claims

18-110 - Linda Strevell; 18-111 - Jennifer Miller; 18-112 - Derena Tuck; 18-113 - Joseph Galucci; 18-114 - Aleitha Sykes; 18-115 - Ryan Hermay; 19-001 - Manuela DeLaFuente; 19-002 - Michelle Moreno; 19-003 - Alex Del Valle; 19-004 - William Coon; 19-005 - Texas Gas Service; 19-006 - William Stephenson; 19-007 - Dale Atchley.

8. PUBLIC HEARINGS

- 8.A. Public Hearing Only - An Ordinance Of The City Of Galveston, Texas, Adopting The 2019 Water Conservation Plan For The City Of Galveston That Includes And Incorporates The Prior City Of Galveston Drought Contingency Plan, Texas Commission On Environmental Quality (Tceq) And Texas Water Development Board (Twdb) Rules, Gives Specifications Of Water Conservation Goals, Improving The Efficiency In The Use Of Water, Increasing Recycling And Reuse Of Water, Improving The Efficiency Of Water Utilities And Prevention Of Pollution Of Water; Making Various Findings And Provisions Related To The Subject And Providing For An Effective Date. (B. Cook)

The Ordinance was read by caption. The public hearing was opened; with no speakers the public hearing was closed. Brandon Cook provided staff comments.

- 8.B. Consider For Approval An Ordinance Of The City Of Galveston, Texas, Changing The Zoning From A Commercial (C) Zoning District To A Residential, Single Family (R-1) Zoning District On Properties Commonly Known As 21201, 21205, 21209, 21213, 21301, 21305, 21309, And 21313 Scissor Tail Lane And Adjacent Reserves To The South. The Properties Are Legally Described As The Estates Of Sunset Cove Phase 2; Lots 1-4, Block 1, Estates Of Sunset Cove Phase 2, Lots 1-4, Block 2; And Part Of Adjacent Reserves 8 (0-11), Estates Of Sunset Cove, Phase 2, In The City And County Of Galveston, Texas. Planning Case Number 19P-004; Making Various Findings And Provisions Related To The Subject. (J. Norman)

Ordinance No. 19-013 was read by caption. The public hearing was opened; with no speakers the public hearing was closed. Motion was made by MPT Brown, second by CM Bly, to approve the ordinance. Unanimously approved by those present.

- 8.C. Consider For Approval An Ordinance Of The City Of Galveston, Texas, Designating The Leroy Naschke, Sr. Field, A Portion Of Property Located At 301 Albacore Commonly Known As Lindale Park, As A "Galveston Landmark", Property Is Legally Described As M Menard Survey, Tract 146, 6.968 Acres, In The City And County Of Galveston, Texas; Requesting The Historic Preservation Officer Record The Property's Landmark Designation In The Official Public Records Of Real Property In Galveston County, The Tax Records Of The City Of Galveston And The Central Appraisal District, And The Official Zoning Maps Of The City Of Galveston, Texas; Planning Case Number 19p-008; Making Various Findings And Provisions Related To The Subject. (C. Gorman)

Ordinance No. 19-014 was read by caption. The public hearing was opened. Frank Maceo and Robert Mohovil spoke in favor of the ordinance. The public hearing was closed. Motion was made by CM Collins, second by CM Hardcastle, to approve the ordinance. Unanimously approved by those present.

- 8.D. Consider For Approval An Ordinance Of The City Of Galveston, Texas, Amending The 2015 Galveston Land Development Regulations, Article 2: Table 2.201: Permitted Uses And Limited Use Standards Regarding Standards For Parking Lots / Structures; And To Conform Confictual Language Pertaining To Duplex Land Use In Residential Single-Family R-1 And R-3 Districts, And Residential Townhouse Districts (R-2); Planning Case Number 18za-007; Making Various Findings And Provisions Related To The Subject. (A. Montalvan)

Ordinance No. 19-015 was read by caption. The public hearing was opened; with no public speakers the public hearing was closed. Motion was made by MPT Brown, second by CM Collins, to approve the ordinance. Unanimously approved by those present.

- 8.E. Consider For Approval An Ordinance Of The City Council Of The City Of Galveston, Texas, Terminating, Repealing And Or Cancelling A Planned Unit Development Overlay (PUD) In An Urban Neighborhood (UN) Zoning District, Granted Under Ordinance No. 18-002 On Property Commonly Known As 3826 Avenue R And Legally Described As Galveston College Addition No. 2 (2017), Abstract 628, Lot 1, In The City And County Of Galveston Texas; Planning Case Number 19P-003; Making Various Findings And Provisions Related To The Subject And Providing For An Effective Date. (D. Lunsford)

Ordinance No. 19-016 was read by caption. The public hearing was opened; with no speakers the public hearing was closed. Motion was made by CM Hardcastle, second by CM Listowski, to approve the ordinance. Unanimously approved by those present.

9. PUBLIC COMMENT

Agenda Items - Rhonda Gregg-Hirsch - Item 10A; Theresa Morris - Item 11A.

10. ORDINANCES (NOT REQUIRING PUBLIC HEARINGS)

- 10.A. Consider For Approval An Ordinance Of The City Of Galveston, Texas, Amending "The Code Of The City Of Galveston 1982, As Amended", Chapter 8, "Beaches And Waterways", To Allow For Regulations Related To Maintaining A Clean Beach And Promoting Environmentally Conscious Conduct By Beach Users; Providing For A Penalty; Making Various Findings And Provisions Related To The Subject; Providing For An Effective Date. (D. Henry)

Ordinance No. 19-017 was read by caption. Motion was made by MPT Brown, second by CM Hardcastle, to approve the ordinance. Unanimously approved by those present.

- 10.B. Consider For Approval Renewing An Ordinance Of The City Of Galveston, Texas, Amending Chapter 26 "Parks And Recreation" Of "The Code Of The City Of Galveston 1982, As Amended," By Creating Articles IV, "Youth Services Standards Of Care" And Sections Thereunder; Adopting The Youth Services Standards Of Care For 2019, Thereby Defining Minimum Standards Of Care By Which The City Of Galveston And Its Recreation Department Will Operate The City's Youth Recreational Programs; Providing For An Annual Review And Re-Adoption Date Thereafter; Making Various Findings And Provisions Related To The Subject. (M. Rabago)

Ordinance No. 19-018 was read by caption. Motion was made by CM Bly, second by CM Hardcastle, to approve the ordinance. Unanimously approved by those present.

11. CONSENT ITEMS

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

Motion was made by MPT Brown, second by CM Bly, to approve Consent Items 11A through 11JJ, except Item 11G.1. Unanimously approved.

- 11.A. Consider For Approval A Resolution Of The City Council Of The City Of Galveston, Texas, Encouraging Food And Beverage Establishments Within The City Of Galveston To Refrain From Providing Plastic Straws And Stirrers To Their Customers Except On Specific Request, Encouraging The Use Of Paper, Plants And Other Natural Materials In Lieu Of Plastic Straws And Stirrers, Directing The City Secretary To Send Certified Copies Of This Resolution To The Galveston Restaurant Association And The Galveston Chamber Of Commerce For Dissemination To Their Members; Providing For Findings Of Fact And For An Effective Date.

(Brown/Yarbrough)

Resolution No. 19-008

- 11.B. A Resolution Of The City Council Of The City Of Galveston, Texas, Establishing A Complete Count Committee (Ccc) Program To Increase Awareness Of Census 2020 And Increase Census Participation; Providing For The Committee's Duties, Term, Membership, Quorum, Voting, Meetings, And Rules Of Procedure; Providing For Findings Of Fact And Providing For An Effective Date. (D. Henry)

Resolution No. 19-009

- 11.C. Consideration Of Granting Authorization To The City Attorney To Retain The Services Of The Firm Of Denton Navarro To Assist In The Conduct Of Collective Bargaining With The Galveston Municipal Police Association In Upcoming Collective Bargaining Discussions. (Legal)

- 11.D. Consider Approval Of An Award For Three Year Contract, With Two Optional One-Year Renewals For Bid 19-004 Lumber, Building Materials, And Supply. (M. Loftin)

- 11.E. Consider For Approval Joining The Goodbuy Purchasing Cooperative, Operated By The Education Service Center, Region 2, Located In Corpus Christi, Texas. (M. Loftin)

- 11.F. Consider For Approval To Authorize The City Manager Or His Designee To Execute A Certification Of Consistency With The City's Consolidated Plan (HUD Form-50077-SL) For The Galveston Housing Authority. (A. Law)

- 11.G. Broadway Corridor - Street Luminaires

- 11.G.1. Consider For Approval The Purchase Of Goods For The Street Luminaires Project For The Broadway Corridor From Facility Solutions Group, Inc. In The Amount Of \$49,462.50. (K. Hockersmith)
- (1) Motion was made by CM Cole, second by CM Bly, to defer this item until we are able to get a bid for LED lights that will fit the light fixtures but at 3000K. In favor: Cole. In opposition: Brown, Bly, Collins, Hardcastle, and Listowski. Motion fails.**
- (2) Motion was made by MPT Brown, second by CM Collins, to approve the purchase. The motion carried 5-0; CM Cole abstained from voting.**
- 11.G.2. Consider Authorizing The Expenditure And Scope Of Work To Crescent Electric For The Repair And Replacement Of Broadway Street Luminaires For An Amount Not To Exceed \$113,183.50. (T. Wroblewski)
- 11.H. Consider For Approval A Memorandum Of Agreement Between The City Of Galveston And The United States Coast Guard For Fire And Rescue Services For The Coast Guard Base And On The Various Marine Vessels Operating At The Base. (M. Wisko)
- 11.I. Consider For Approval The Purchase Of 41 Full Sets Of Personal Protective Equipment, 4 Pairs Of Firefighting Gloves, 4 Pairs Of Firefighting Boots And 2 Fire Helmets For A Total Cost Of \$98,827.70 From NAFECO, A Buy Board Company. (M. Wisko)
- 11.J. Consider For Approval Payment To The Galveston County Emergency Communication District For Annual Radio Airtime Fees In The Amount Of \$30,690.00 To Be Funded From The Police Department's Maintenance Contracts Budget. (V. Hale)
- 11.K. Consider For Approval Awarding Bid #19-003 To The Two Lowest Responsive Bidders For A Three (3) Year Contract For Demolition Services Of Unsafe, Dangerous Or Substandard Structures In The City Of Galveston. The Source Will Be Funded Through Code Enforcement General Fund Demolition Account. (D. Stark)
- 11.L. Consider For Approval A Resolution Of The City Council Of The City Of Galveston Requesting The Members Of The 86th Legislative Session Of The State Of Texas To Support Legislation That Provides Stewardship, Health And Well Being, And Connectivity For Local And State Parks; Directing The City Secretary To Forward A Certified Copy Of This Resolution To Governor Greg Abbott And Members Of The 86th Legislature; Providing For Findings Of Fact And Providing For An Effective Date. (M. Rabago)
- 11.M. Withdrawn
- 11.N. Consider For Approval An Agreement Between The City Of Galveston And Roy Salinas, Authorizing Roy Salinas To Manage And Operate Food And Beverage Concessions At The Crockett Park Baseball Complex. (M. Rabago)
- 11.O. Consider For Approval An Agreement Between The City Of Galveston And Galveston Lassie League Softball Organization (GLLSO), Authorizing GLLSO To Manage And Operate Food And Beverage Concessions At The Lassie League Softball Complex, Also Known As Watson Field, Godnich Field, And Carter Field. (M. Rabago)
- 11.P. Consider For Approval A Proposal From Intertek PSI For \$19,913 To Perform Pre-Design Geotechnical Engineering Services To Establish Revised Design Parameters For The Proposed Modifications To The Legas Drive Bulkhead Repair Project Design. (D. Christodoss)
- 11.Q. Consider For Approval A Proposal From Braun Intertec For \$94,005 To Perform Construction Material Testing For 45th Street Reconstruction From Broadway To Seawall. (D. Christodoss)
- 11.R. Consider For Approval A Proposal From Intertek PSI For \$94,005 To Perform Construction Material Testing For Sanitary Sewer Improvements Construction Along 8 Mile Road From Stewart Road To Sunny Beach Project. (D. Christodoss)

- 11.S. Consider For Approval Of Change Order No. 14 To The Contract With Cardinal Contractors, Inc., For The New 59th Street Pump Station Project, Increasing The Contract By \$264,460.50 To A New Total Amount Of \$18,168,750.94, And Extending The Time By 109 Calendar Days. (R. Blacketter)
- 11.T. Consider For Approval Of Change Order No. 1 To The Contract With LEM Construction Co., Inc., For The Airport Wastewater Treatment Plant Improvements Project, Increasing The Contract By \$148,271.24 From The Amount Of \$6,792,200.00 To A New Total Amount Of \$6,940,471.24, And Reducing The Contract Term By 37 Days. (R. Blacketter)
- 11.U. Consider For Approval Change Order No. 1 To The Contract With Lucas Construction Co., Inc., For The Market Street Sidewalk & Curb Reconstruction (25th To 33rd) Project, Increasing The Contract By \$38,940.00 From The Amount Of \$1,134,575.00 To A New Total Amount Of \$1,173,515.00, And Extending The Contract Term By 30 Days. (R. Blacketter)
- 11.V. Consider For Approval Of Change Order No. 1 To The Contract With Alamo Environmental Inc. Dba Alamo1, For The City Of Galveston Incinerator Demolition And Concrete Cap Construction Project, Increasing The Contract By \$181,689.75, From The Amount Of \$4,313,876 To A New Total Amount Of \$4,495,565.75. (R. Blacketter)
- 11.W. Consider For Approval Of Change Order No. 1 To The Contract With Main Lane Industries, Ltd., For The 45th Street Improvements From Broadway To Seawall Boulevard Project, Increasing The Contract By \$854,026.00 From The Amount Of \$8,994,097.00 To A New Total Amount Of \$9,848,123.00, And Extending The Contract Term By 103 Days. (R. Blacketter)
- 11.X. Consider For Approval Of Change Order No. 2 To The Contract With Tucon, LLC, For The 30th Street Tank Demolition Project, Increasing The Contract By \$18,674.38 From The Amount Of \$599,913.58 To A New Total Amount Of \$618,587.96, And Extending The Contract Term By 60 Days. (R. Blacketter)
- 11.Y. Consider Rejecting All Proposals Received For The Reconstruction Of 83rd Street From South Of Cessna To Stewart Road Project (RFP #19-06) (R. Blacketter)
- 11.Z. Consider Rejecting All Proposals Received For The 29th Street Improvements From Harborside To Church Project (RFP #18-35). (R. Blacketter)
- 11.AA. Consider Rejecting All Proposals Received For The Lake Madeline Riprap Replacement - Legas Drive & Lakeview Street Project (RFP #19-01) (R. Blacketter)
- 11.BB. Consider For Approval Accepting All Public Water And Sewer Infrastructure Improvements For Sweetwater Cove Subdivision For The Initial Two-Year Maintenance Period. Authorizing The City Manager To Execute All Necessary Documents Upon Final Approval By The City Attorney. (R. Blacketter)
- 11.CC. Consider For Approval Payment Of An Amount Not To Exceed \$135,000.00 To T Construction, LLC For Emergency Repairs To The Fraser To Stewart Avenue Sanitary Sewer System Between 57th Street And Bayou Shore Drive. (A. Grasso)
- 11.DD. Consider For The Approval Awarding RFP 19-08A To All Tech Fuel Systems LLC For The TCEQ Upgrades And Repairs To The Trolley Barn Fuel Delivery System For A Total Cost Of \$45,907.36. (D. Smith)
- 11.EE. Consider For The Approval Allowing The Fleet Facility To Purchase The Listed Rolling Stock (HD Trailers-2) And Associated Equipment From Doggett Heavy Machinery Through HGAC Buy For A Total Price Of \$50,980. (D. Smith)
- 11.FF. Consider For The Approval Allowing The Fleet Facility To Purchase The Listed Rolling Stock (HD Service Truck) And Associated Equipment From MHC Kenworth Through Buy Board For A Total Price Of \$149,708.32

And Authorize The City Manager To Execute The Contract Upon Final Approval By The City Attorney. (D. Smith)

- 11.GG. Consider For The Approval Allowing The Fleet Facility To Purchase The Listed Rolling Stock (Gradall) And Associated Equipment From Associated Supply Co., Inc. (ASCO) Through HGAC Buy For A Total Price Of \$364,448.62 And Authorize The City Manager To Execute The Contract Upon Final Approval By The City Attorney. (D. Smith)
- 11.HH. Consider For The Approval Allowing The Fleet Facility To Purchase The Listed Rolling Stock (Excavator) And Associated Equipment From Mustang Cat Through HGAC Buy For A Total Price Of \$155,437.81. (D. Smith)
- 11.II. Consider For Action Accepting The Proposal From Aptim Environmental & Infrastructure, LLC. For Professional Services To Perform Wading Depth And Depth Of Closure Surveys Of The Beach, And To Authorize The City Manager To Approve A One-Year Agreement With Three (3) One-Year Renewal Options. Funding To Come From The Park Board Of Trustees And The Beach Silo Of The IDC 4B Sales Tax, In An Amount Not To Exceed \$121,668.00. (D. Henry)
- 11.JJ. Consider For Action Authorizing The City Manager To Approve An Interlocal Agreement Between The City And The Galveston Park Board Of Trustees Regarding Cost Sharing For Annual Beach Surveys. (D. Henry)

12. ACTION ITEMS

- 12.A. Discuss And Consider Scheduling Special Called City Council Workshops In 2019. (Yarbrough)
Motion was made by MPT Brown, second by CM Collins, to defer this item to the next meeting. Unanimously approved by those present.
- 12.B. Discuss And Consider Appointments To The Following City Boards, Commissions, And Committees:
Motion was made by CM Bly, second by MPT Brown, to appoint Kurt Gonzales and Joe Hoff. Unanimously approved by those present.

13. ADJOURNMENT

The meeting was adjourned at 2:40 p.m.

Janelle Williams, City Secretary

Date Approved:



Galveston Island Park Board of Trustees East End Lagoon Nature Preserve Business Plan

February 8, 2019



Table of Contents

CHAPTER ONE - INTRODUCTION	1
1.1 OVERVIEW	1
1.2 PROJECT PROCESS	2
1.3 GUIDING PRINCIPLES	2
CHAPTER TWO - COMMUNITY INPUT.....	3
2.1 OVERVIEW	3
2.2 GENERAL FINDINGS.....	3
2.3 SUMMARY	4
CHAPTER THREE - RECREATION TRENDS ANALYSIS	5
3.1 NATIONAL TRENDS IN RECREATION OVERVIEW	5
3.2 NATIONAL TRENDS IN OUTDOOR RECREATION.....	5
CHAPTER FOUR - CASE STUDY ANALYSIS	7
4.1 MATAGORDA BAY NATURE PRESERVE	7
4.2 SOUTH PADRE ISLAND BIRDING AND NATURE CENTER	10
4.3 DR. NED AND FAYE DUDNEY NATURE CENTER	13
KEY FINDINGS OF THE CASE STUDY ANALYSIS.....	16
CHAPTER FIVE – MASTER PLAN ANALYSIS	18
5.1 EXISTING SITE	18
5.2 OVERVIEW OF MASTER PLAN.....	19
5.3 MASTER PLAN OVERALL ANALYSIS	21
5.4 MASTER PLAN RECOMMENDATIONS FOR NEXT FIVE YEARS	22
CHAPTER SIX - OPERATIONAL AND FINANCIAL PLAN ASSUMPTIONS	26
6.1 FINANCIAL PLAN ASSUMPTIONS.....	26
CHAPTER SEVEN - PRO FORMAS.....	29
7.1 CURRENT OPERATIONS	29
7.2 PHASE 1 – FISHING BARGE ONLY	31
7.3 PHASE 2 – FISHING BARGE AND PHASE 1A OF MASTER PLAN (2022-2023).....	33
7.4 PHASE 3 OPTION 1 – FISHING BARGE, PHASE 1A AND PRIVATIZED RV CAMPGROUND (2024)	36
7.5 PHASE 3 OPTION 2 – FISHING BARGE, PHASE 1A AND PARK BOARD OPERATED CAMPING (2024)	39
7.6 PRO FORMA SUMMARY – ALL PHASES WITH PRIVATIZED CAMPGROUND	42
7.7 PRO FORMA SUMMARY – ALL PHASES WITH PARK BOARD OPERATED CAMPGROUND.....	42
CHAPTER EIGHT – IMPLEMENTATION PLAN	43
CHAPTER NINE – CONCLUSION.....	44
APPENDIX A – PROGRAM PLAN	45

CHAPTER ONE - INTRODUCTION

1.1 OVERVIEW

In 2010 the City of Galveston engaged planners and engineers to develop a master development plan for the 700-acre East End Lagoon. The study engaged a cross section of the residents of Galveston Island proposed a number of options for enhancing visitor traffic to this amenity while restoring and protecting the tract's delicate ecosystem. The recommended multi-phased capital expenditure plans presented in this study ranged greatly in their scope and ability to make the proposed development project financially self-sufficient. In 2014, the Galveston City Council assigned responsibility for the plan to the Park Board who, over the last three years, have moved implementation forward with approximately \$250,000 worth of grants, have been listed on the Texas Multi-Year Implementation Plan (MIP) for over \$1 million in Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act (RESTORE) funding and City of Galveston permitted Architectural/Engineering documents for Phase1A.

The Park Board and the City of Galveston are at a decision point relative to the development of the East End Lagoon. This resource presents valuable potential for the Island's recreation and tourism opportunities.

To facilitate critical decisions related to the development of the East End Lagoon, PROS Consulting was contracted by the Park Board to assist its leadership in the assessment of the original concepts and plans and producing a sustainable business plan from which investment decisions can be made.

This report is a summary of the analysis conducted as part of the business planning effort by PROS Consulting in partnership with the Galveston Island Park Board of Trustees, the East End Lagoon Advisory Committee and the City of Galveston and evaluates the requirements and expectations of the Park Board developing the East End Lagoon as a destination location on Galveston Island. The scope of this review included operational models and partnerships, the requirements of financially sustainable operations, and recommended actions that will support the development of the East End Lagoon.

The overall findings are summarized below, with supporting details provided throughout this report.

- The development of the East End Lagoon is financially and programmatically feasible based on the assumptions and recommendations outlined in this study. This is envisioned as a phased-in development project that will feature an annual operational budget of \$260,000 - \$450,000.
- In addition to the development of the open-air pavilion as envisioned in Phase 1a of the 2010 master plan, the business plan contemplates further development that provides paid fishing in the deep-water ship channel and a privately-operated RV campground at the abandoned LORAN property adjacent to the East End Lagoon.
- The operational model must be able to include programs and services that serve different segments of the community, retention of revenue collected from concessions/services and other recreational activities on-site, and facility rental / usage of the open-air pavilion for private events.

1.2 PROJECT PROCESS

The diagram below illustrates how this planning process unfolded to produce the recommendations included in this report for the East End Lagoon Business Plan:



1.2.1 CORE STRATEGIES

The project was based around the following three basic core strategies:

- **Objective Analysis** – A project such as the development of the East End Lagoon must be founded on an objective approach that demonstrated to all interested and affected parties that the final outcome was based on good data, sound analysis, and valid assumptions.
- **Market Focus** – Careful consideration of the market position had to be first and foremost; a broad focus with an emphasis on staff and community input to identify opportunities in the market place desired by the community. This market focus considered available resources and opportunities.
- **Financial Sustainability and Economic Viability** – The financial performance of the East End Lagoon requires it to responsibly generate revenue from services and amenities to sufficiently support operational expenses.

1.3 GUIDING PRINCIPLES

The Business Plan has been developed under the following guiding principles:

- Focus on next five (5) years
- Construction of amenities/facilities as well as programming
- Smart, mission-driven partnerships
- Financial sustainability
- Consistent engagement with regulatory agencies
- Three foundational pillars for the East End Lagoon
 - **Conservation** - Protecting and preserving the ecosystem
 - **Outdoor Recreation** – Birding, fishing, kayaking, canoeing, trail use
 - **Education** - Self-directed and formal

CHAPTER TWO - COMMUNITY INPUT

2.1 OVERVIEW

As part of the business plan effort, there was extensive public input and participation in late summer 2018.

- 27 stakeholders interviewed
- Represented extensive cross-section of community including, but not limited, to:
 - City Council and municipal leadership
 - Local and regional environmental / conservation groups
 - Park Board leadership and EELAC members
 - Local eco-tourism leadership
 - Local business/real estate developers
 - Local philanthropy and legacy family representatives
 - USACE representatives
 - Galveston Island ISD representatives
 - Park Board park management and maintenance staff

2.2 GENERAL FINDINGS

2.2.1 TOP HEADLINES

- Operations must be financially self-sustaining
- Less building mass is desired than currently shown in 2010 Master Plan
- Start smart to achieve early wins before going bigger
- No one is wedded to the grandiosity of the Master Plan
- Preservation of the East End Lagoon is desired
- Business Plan to focus on what should be achieved in next five (5) years – what should the East End Lagoon offer by the end of 2023

2.2.2 AREAS OF CONCERN

- Seawall Boulevard and Boddeker Road are not well suited to handle the increased traffic that is anticipated with the development of the East End Lagoon
- 2010 Master Plan does not contemplate enough parking
- Potentially conflicting visitor types/uses
- East End Lagoon is on the edge of town and potentially more susceptible to vandalism and graffiti.
- Without a full wetland delineation of the entire site, concern exists that the necessary protection of the natural resources and wildlife have not been fully vetted.

- The complexity and length of time associated with the United States Army Corp of Engineers permitting Process
- United States Army Corps of Engineer projects to deepen and widen the deep-water shipping channel and its impact on the East End Lagoon.

2.2.3 MAJOR OPPORTUNITIES

- Everyone is interested in doing something
- Light-touch infrastructure enabling self-guided and facilitated programs, and facility rental
- Manage East End Lagoon and East Beach as one unit
- Fishing is a significant recreational activity that should be retained as part of the development of the East End Lagoon
- Camping should be considered as part of the overall site development – possibly at the LORAN site.
- Programs and concessions operated by partners are needed to support operating costs (educational programs, bait camp and canoe/kayak rentals)
- Linkage to Beachtown should be considered
- Potential program partners such as Artist Boat, American Bird Conservancy, Galveston Island Nature Tourism Council and Houston Audubon and the school district may be interested in offering/participating in educational programs.
- Potential legacy support for the vision of former City of Galveston Mayor, Lyda Ann Thomas
- Inclusion of federally owned surplus property (southern part of lagoon) in the project area

2.3 SUMMARY

When summarizing the input received by the community, it is important to understand that action that results in a higher and more diverse utilization of the East End Lagoon should be a major driver of investment in the East End Lagoon. As a result, the following foundational pillars for the activation of the East End Lagoon have been developed to guide the development of the business plan:

- **Conservation** - Protecting and preserving the ecosystem
- **Outdoor Recreation** – Birding, fishing, kayaking, canoeing, trail use
- **Education** - Self-directed and formal

CHAPTER THREE - RECREATION TRENDS ANALYSIS

The Trends Analysis provides an understanding of national, regional, and local recreational trends. This analysis examines participation trends, activity levels, and programming trends. It is important to note that all trends are based on current and/or historical patterns and participation rates.

3.1 NATIONAL TRENDS IN RECREATION OVERVIEW

3.1.1 METHODOLOGY

The Sports & Fitness Industry Association's (SFIA) *Sports, Fitness & Recreational Activities Topline Participation Report 2018* was utilized in evaluating the following trends:

- National Trends in Sport and Fitness Participation
- Core vs. Casual Participation
- Activity by Generation

The study is based on findings from surveys carried out in 2017 and the beginning of 2018 by the Physical Activity Council, resulting in a total of 30,999 online interviews – both individual and household surveys. A sample size of 30,999 completed interviews is considered by SFIA to result in a high degree of statistical accuracy. A sport with a participation rate of five percent has a confidence interval of plus or minus 0.27 percentage points at a 95 percent confidence interval. Using a weighting technique, survey results are applied to the total U.S. population figure of 298,325,103 people (ages six and older). The purpose of the report is to establish levels of activity and identify key participatory trends in recreation across the U.S.

CORE VS. CASUAL PARTICIPATION

In addition to overall participation rates, SFIA further categorizes active participants as either core or casual participants based on frequency. Core participants have higher participatory frequency than casual participants. The thresholds that define casual versus core participation may vary based on the nature of each individual activity. For instance, core participants engage in most fitness and recreational activities more than 50 times per year, while for sports, the threshold for core participation is typically 13 times per year.

In a given activity, core participants are more committed and tend to be less likely to switch to other activities or become inactive (engage in no physical activity) than casual participants. This may also explain why activities with more core participants tend to experience less pattern shifts in participation rates than those with larger groups of casual participants.

3.2 NATIONAL TRENDS IN OUTDOOR RECREATION

Results from the SFIA report demonstrate a contrast of growth and decline in participation regarding outdoor/adventure recreation activities. Much like the general fitness activities, these activities encourage an active lifestyle, can be performed individually or within a group, and are not as limited by time constraints.

In 2017, the most popular activities, in terms of total participants, from the outdoor / adventure recreation



category include: Day Hiking (44.9 million), Road Bicycling (38.8 million), Freshwater Fishing (38.3 million), and Camping within ¼ mile of Vehicle/Home (26.2 million).

From 2012-2017, BMX Bicycling (83.4%), Adventure Racing (56.3%), Backpacking Overnight (38.3%), and Day Hiking (30.1%) have undergone the largest increases in participation. Similarly, in the last year, activities growing most rapidly include: BMX Bicycling (10.0%), Backpacking Overnight (8.1%), and Day Hiking (6.6%).

The five-year trend shows activities declining most rapidly were In-Line Roller Skating (-20.7%), Camping within ¼ mile of Home/Vehicle (-16.5%), and Birdwatching (-9.2%). More recently, activities experiencing the largest declines were Adventure Racing (-15.7%), Traditional Climbing (-9.4%), and In-Line Roller Skating (-2.1%).

CORE VS. CASUAL TRENDS IN OUTDOOR RECREATION

Regarding the national trend of outdoor activities participation is on the rise, all activities, except for In-Line Roller Skating and Freshwater Fishing, underwent increases in casual participation over the last five years. Any decline in participation over the last five years was mainly ascribed to decreases in core participants for activities such as In-Line Roller Skating (-32.6%), Skateboarding (-10.7%), Road Bicycling (-10.4%), Camping Recreational Vehicle (-10.0%), and Archery (-3.2%).

National Participatory Trends - Outdoor / Adventure Recreation					
Activity	Participation Levels			% Change	
	2012	2016	2017	5-Year Trend	1-Year Trend
Hiking (Day)	34,519	42,128	44,900	30.1%	6.6%
Bicycling (Road)	39,790	38,365	38,866	-2.3%	1.3%
Fishing (Freshwater)	39,002	38,121	38,346	-1.7%	0.6%
Camping (< 1/4 Mile of Vehicle/Home)	31,454	26,467	26,262	-16.5%	-0.8%
Camping (Recreational Vehicle)	15,903	15,855	16,159	1.6%	1.9%
Fishing (Saltwater)	12,000	12,266	13,062	8.9%	6.5%
Birdwatching (>1/4 mile of Vehicle/Home)	13,535	11,589	12,296	-9.2%	6.1%
Backpacking Overnight	7,933	10,151	10,975	38.3%	8.1%
Bicycling (Mountain)	7,265	8,615	8,609	18.5%	-0.1%
Archery	7,173	7,903	7,769	8.3%	-1.7%
Fishing (Fly)	5,848	6,456	6,791	16.1%	5.2%
Skateboarding	6,227	6,442	6,382	2.5%	-0.9%
Roller Skating, In-Line	6,647	5,381	5,268	-20.7%	-2.1%
Bicycling (BMX)	1,861	3,104	3,413	83.4%	10.0%
Adventure Racing	1,618	2,999	2,529	56.3%	-15.7%
Climbing (Traditional/Ice/Mountaineering)	2,189	2,790	2,527	15.4%	-9.4%
NOTE: Participation figures are in 000's for the US population ages 6 and over					
Legend:	Large Increase (greater than 25%)	Moderate Increase (0% to 25%)	Moderate Decrease (0% to -25%)	Large Decrease (less than -25%)	

CHAPTER FOUR - CASE STUDY ANALYSIS

As a component of this project, the consultant team performed a case study analysis with other similar or like facilities to that envisioned for East End Lagoon Nature Preserve. Sites and facilities were selected based on the following criteria:

1. Similarity to the site and natural resource conditions of the East End Lagoon Nature Preserve
2. Similarity of amenities and facilities envisioned for East End Lagoon Nature Preserve
3. Similar and/or alternative operating models to East End Lagoon Nature Preserve

Based on these criteria, the consultant team selected three facilities to evaluate:

- Matagorda Bay Nature Preserve, Matagorda, Texas
- South Padre Island Birding and Nature Center, South Padre Island, Texas
- Dr. Ned and Faye Dudney Nature Center, League City, Texas

The findings from this case study analysis focused on these three sites are detailed below and on the following pages. Results and outcomes from these findings are also incorporated into the operational and capital recommendations discussed later in this report.

4.1 MATAGORDA BAY NATURE PRESERVE

4.1.1 SITE AND AMENITIES

Matagorda Bay Nature Preserve (MBNP) is a 1,333-acre park owned and operated by the Lower Colorado River Authority (LCRA) in Matagorda, Texas. This park is located along the Colorado River at its mouth where it flows into Matagorda Bay, and is adjacent to Jetty Park operated by Matagorda County. The park does not have a site access fee due to its location on both sides of a state road that also provides access to the free-access county park and beach area. The site is managed as both an ecological preserve and recreational park, featuring elements of each in a tight development zone and expansive natural areas.



Natural science education center (above); site location

The primary amenities of MBNP are:

- Natural science education center
- RV / tent campground
- Kayak trails
- Boat ramp
- Restroom
- Shower facilities

The neighboring Jetty Park also features:

- Fishing pier
- Beach area



- Picnic pavilions

The campground, which allows both RV and tent camping, has a total of 71 camp sites. This includes the following different types of camp sites and amenities:

- 22 full hookup RV sites
- 19 waterfront (river) sites
- 24 preferred sites
- 5 pull-through sites
- Improved restroom
- Showers
- 24-hour bulk ice machine
- RV dump station



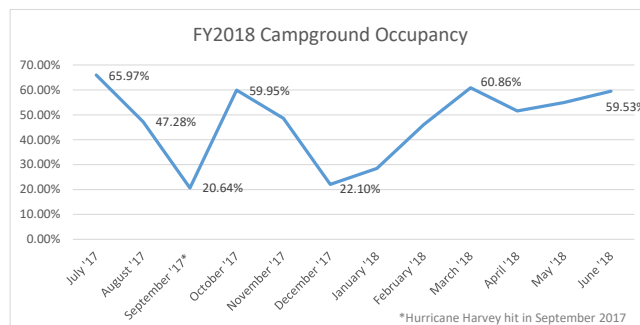
Aerial of MBNP campground

4.1.2 VISITATION

In FY2018 (July 1, 2017 – July 1, 2018), there were a total of 44,028 visitors to Matagorda Bay Nature Preserve, including 1,748 education and recreation program participants. The table below details visitation data by type for the 2018 fiscal year.

Visitation Type	Visitation Quantity	% of Total
Day use visitors	30,473	69%
Day Use – Group Hall rental	547	1%
In-state campers	10,602	24%
Out-of-state campers	658	2%
Program participants	1,748	4%
TOTAL	44,028	100%

The average annual occupancy of the campground in FY2018 was 47.17%, reflecting 11,262 nightly stays out of a total of 23,722 available nights. Occupancy in the fall of 2017 was impacted in September due to conditions created by the landfall of Hurricane Harvey, closing the park for a brief period and deterring visitation. The five highest occupancy months were July, March, October, June and May, suggesting a strong season that typically would run from March through October. The graph below depicts monthly occupancy for the 2018 fiscal year.



4.1.3 OPERATIONS

Operationally, the park employs six full-time equivalent (FTE) employees throughout the year.

- 1 – Park manager
- 1 – Maintenance supervisor
- 2 – Maintenance workers
- 1 – Program coordinator
- 1 – Customer service representative

To assist in managing the campground, LCRA employs stipend-paid park hosts with pay that ranges from \$800 - \$1,200 / month. These are residential, part-time employees that live in the campground and assist with campground management and maintenance. Currently, LCRA is utilizing one customer service host and two maintenance park hosts with this model.

Staff at the park and with LCRA provide a multitude of programming onsite, both recreational and educational. Recreational group programs are available for guided kayaking or river rafting. Additionally, there are summer camps facilitated at the park. Education programming for schools is provided throughout the school year, with a multitude of programs tailored specifically to elementary, upper elementary, middle and high school ages. All of these programs are based in the natural sciences, and are often interdisciplinary. The park provides a menu of programs for teachers to select from. These programs have fees charged to the schools on the schedule detailed in the table below.

Number of Participants	Length of Program	Price
Up to 30 students	1 hour	\$90
31+ students		\$3 / student
Up to 30 students	2 hours	\$150
31+ students		\$6 / student

There is an additional, more intense program provided for older youth called Coastal Investigation Study which also includes kayaking. That program is limited to 40 students per day and costs \$35 per student.

The majority of earned revenues generated at MBNP are from camping fees, representing 67% of total revenues. The table below summarizes FY2018 revenues by source, including fees associated with reservation revenues.

Revenue Type	Revenue	% of Total
Camping fees	\$363,410	67%
Point of sale revenues*	\$148,471	27%
Reservation fees	\$22,416	4%
Miscellaneous service fees	\$12,049	2%
TOTAL	\$546,346	100%

*Point of sale revenues include tuition and participation fees for programs and activities, as well as any retail sales and rentals.

There was a total of \$38,772 in charges associated with taking reservations for camping through various venues (call center, online, etc.), which resulted in the net revenues from FY2018 being \$502,574. LCRA did not share the total operating costs of the site, but based on multiple discussions with the manager of LCRA parks and the known staffing model it is estimated that the park likely operates with a \$100,000-\$150,000 annual surplus. The parks manager did assure the consultant team that this park does not operate in a financial deficit, and actually is one of their strongest performing parks. He largely attributed that to the campground.

4.2 SOUTH PADRE ISLAND BIRDING AND NATURE CENTER

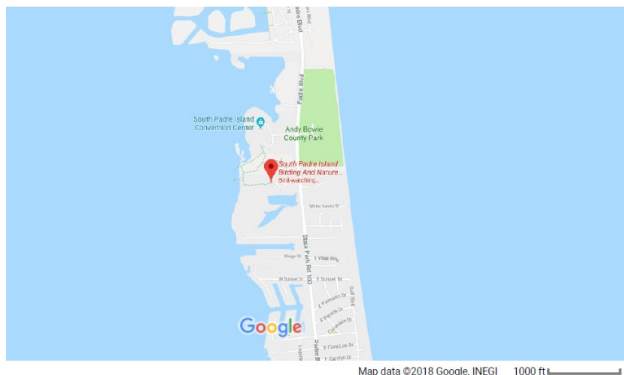
4.2.1 SITE AND AMENITIES

The South Padre Island Birding and Nature Center (SPIBNC) is a private, 501(c)3, and is located on 43-acres of wetlands sited on the lagoon side of South Padre Island, near the northern end of urban development on the island. The nature center building is 7,683 square feet with interpretive exhibits, classroom, gift shop, and restrooms located on the first floor. A large conference room and administrative space are in the second floor, and there is an observation tower that rises to the height of five stories.



South Padre Island Birding and Nature Center (above); site location (below)

Wrapping around back of the nature center building is a large deck that is frequently used for special events and venue rentals. Extending from the deck towards the lagoon is over 3,300 linear feet of boardwalk that also features five bird blinds. These boardwalks are sited along inlet waterways and wetlands, the edge of the lagoon, and in two places actually extend into the lagoon terminating at a covered bird blind. This amenity is not only utilized by visitors on self-guided discovery, but are also utilized by the education programs facilitated by the center.



Of particular note is the fact that the nature center is located directly across the street from two major hotels, and is adjacent to the South Padre Island Convention Center. To create further synergy with the convention center, there is a boardwalk connection that ties these two facilities together. Finally, SPIBNC is also one of the nine World Birding Center sites organized by Texas Parks and Wildlife Department in the Rio Grande Valley region.



4.2.2 VISITATION

There is a total of 58,000 visitors to SPIBNC each year, all day users. In discussion with the Center Manager, it was reported that at this time they do not categorize different types of visitation (general visitors, education programs, etc.). The Center Manager noted there are clear visitation seasons for SPIBNC with summer months predominantly being tourists visiting the island, fall and spring seasons see heavy visitation from beginning and experienced birders timing their visit with the bird migrations, and December through March is mostly “Winter Texans” visiting the island and the Rio Grande Valley.

4.2.3 OPERATIONS

Operationally, the SPIBNC employs four full-time equivalent (FTE) employees and six part-time (PT) employees throughout the year.

- 1 – Center manager (FTE)
- 1 – Maintenance / groundskeeper (FTE)
- 1 – Housekeeper (FTE)
- 1 – Naturalist / educator (FTE)
- 1 – Habitat / groundskeeper (PT)
- 1 – Customer service representative (PT)
- 4 – Gift shop staff (PT)

The largest and most significant special event at SPIBNC is the Winter Outdoor and Wildlife Expo (W.O.W.E). This is typically a five-day event held in mid-late January, and features several special events and programs each day at the center. Beyond this event, staff and volunteers also provide several other programs and events throughout the year including:

- World Shore Bird Day
- Christmas Bird Count
- Great Texas Birding Classic
- Monarch Day / Celebration
- Birds of the RGV (Rio Grande Vall
- Butterflies of the RGV
- Birding 101
- Coastal Nature Camp

*Boardwalk and
bird blinds*



There are several different revenue streams supporting SPIBNC operations, the largest of which are admission fees and gift shop sales. The table below summarizes FY2019 revenues by source, including fees associated with reservation revenues.

Revenue Type	Revenue	% of Total
Admission fees	\$245,000	49%
Gift shop sales	\$150,000	30%
Contributions / grants	\$93,000	18%
Building rental	\$20,000	3%
TOTAL	\$508,000	100%

The total FY2019 expenses for SPIBNC are projected to be \$497,090, reflecting a potential \$10,910 surplus in the operations budget for the year. The table below details major categories of operational expenses.

Expense Type	Expense	% of Total
Salaries and Taxes	\$186,130	37%
Service Contracts	\$62,640	13%
Advertising and Promotions	\$6,500	1%
Fundraising and Events	\$15,700	3%
Cost of Goods Sold (Gift Shop)	\$75,500	15%
Credit Card Fees	\$18,000	4%
Dues and Subscriptions	\$670	<1%
Gift Shop Supplies	\$500	<1%
Grant Writing	\$5,000	1%
Insurance	\$7,990	2%
Legal and Professional	\$10,000	2%
Debt Service	\$2,810	1%
Local Meetings	\$1,400	<1%
Maintenance and Repairs	\$38,000	8%
Office and Printing	\$1,200	<1%
Payroll Service	\$710	<1%
Postage and Freight	\$500	<1%
Software	\$1,400	<1%
Supplies	\$6,000	1%
Training	\$1,800	<1%
Travel	\$4,000	1%
Utilities	\$50,600	10%
TOTAL	\$497,090	100%

The South Padre Birding and Nature Center is a treasured asset to the community, and well regarded regionally and statewide as an outstanding provider of high-quality nature experiences. The consultant team is directly aware that the initial operating years of the SPIBNC were not the easiest and the center was running in a financially defensive position for several of those years. Today the center is operating with projected surpluses and strong visitation. A former board member of SPIBNC was interviewed as a component of this analysis and he largely attributed the current success of the center to the approach and skills of the current Manager, Cristin Howard.

4.3 DR. NED AND FAYE DUDNEY NATURE CENTER

4.3.1 SITE AND AMENITIES

The Dr. Ned and Faye Dudney Nature Center (DNC) is a 148-acre preserve/park owned by the City of League City, and managed by the municipal parks and recreation department. The park is located on the south shore of Clear Creek, includes the land on both sides of Egret Bay Boulevard, and is one of the last remaining undeveloped parcels in the area with high quality wetlands, riparian forest, and coastal prairie. The first phase of the park opened in 2008 with the amenities listed below. The second phase is planned to include a nature education center, bird rehabilitation center, and an expansion of the Phase 1 trails. Development of Phase 2 has not commenced at this time.

Phase 1 amenities include:

- 1.3 miles of improved surface trails
- Bird blinds / observation areas
- Covered pavilion
- Picnic areas with BBQ grills
- Restrooms



Bird blind and wetland at DNC (above); site location (below)



4.3.2 OPERATIONS

The DNC is managed and stewarded primarily as a nature preserve and it is identified in the League City Parks and Open Space Master Plan as League City's "greatest natural resource asset." It serves as an integral component to a regional strategy to protect the corridor along Clear Creek for the preservation of wildlife habitat, to provide water quality protection, to support economic development from eco-tourism, and to enhance the quality of life in the region. Funding for the acquisition and development of the site was provided through grants from U.S. Fish and Wildlife Service and Texas Parks and Wildlife Department (TPWD), as well as additional funding provided by the City of League City, Galveston County, and the Galveston Bay Estuary Program. Pursuant to the requirements of the TPWD grant, the City developed and maintains a Management Plan for the DNC that details the habitat characteristics and goals, and operational guidelines and goals for the site.

As a site within the system of League City's parks department, the DNC does not have dedicated staff or personnel assigned to it. The site is managed by roving maintenance crews that are also responsible for maintaining other parks within the system. Resultantly, the City does not have a definitive operational cost attributed solely to the nature center. There is also no significant fee collection occurring at the site.

The current developments on the site were purposefully designed to provide public access, support appropriate recreational activities, and to be low impact to the important habitat areas. The trails and observation areas support hiking and wildlife viewing, and there are information kiosks and interpretive signage to provide passive educational experiences. There is also a public boat ramp accessible from Egret Bay Boulevard adjacent to the site. The predominant forms of recreation and site usage include birding and nature viewing, fishing, hiking and picnicking.

In the Management Plan for DNC, the following short-term public access goals are identified and managed for:

1. Provide signage indicating regulations to access recreational areas within all habitats, including no jet skis, ATVs, motorbikes, bicycles, no hiking through wetlands, and no pets without leashes allowed.
2. Create a compost facility re-using trail maintenance debris to generate natural fertilizer for us in the park(s) and provide an educational opportunity for visitors.
3. Establish proper mowing and clearing distances along trails to enhance nature viewing for visitors and maintain corridors for wildlife movement.
4. Repair and provide proper placement of bird blinds for wildlife observation and scenic viewing.
5. Construct a raised scenic viewing platform at the eastern embayment for enhanced wildlife viewing and recreational enjoyment, while limiting direct contact with wildlife.



Park entrance sign

Beyond these short-term goals, the additional long-term goals are defined in the Management Plan as:

6. Maintain control of public access trails through coastal flatwoods and scrub shrub habitats through signage and permanent structures to prevent off-road accessibility to these sensitive areas.
7. Increase maintenance, and improve signage with conservation goals of the Nature Center including human disturbance issues and/or activities that are not consistent with the purpose of the park.

8. Improve and update signage as public access to habitats and educational opportunities are made available.
9. Explore opportunities to restore native plants and shrubs within the Nature Center west of Egret Bay Boulevard.
10. Improve recreational access to the Nature Center lands west of Egret Bay Boulevard by creating parking and paddle trail launch site for the western embayment adjoining Clear Creek.



Boardwalk

In addition to public access goals, the DNC's Management Plan also details several public education goals. They are:

1. Publicize expert-led nature and wildlife viewing tours and other educational programming highlighting important environmental features of the property.
2. Encourage citizen-scientist biological monitoring of bird populations and habitat, wildflowers, and water quality.
3. Install a Monarch Waystation, a Swift Tower, a drip line for birds, and other wildlife management related structures.
4. Coordinate with Master Naturalist Volunteer Education Programs.
5. Implement WaterSmart best management practices by creating a drip line for a bird and mammal drinking source.
6. Provide signage for water conservation with the Monarch Waystation and the Coastal Prairie Restoration Areas.



Red-tailed Hawk release at the Nature Center (above); interpretive signage (below)



7. Explore WaterSmart methods to utilize storm water runoff ponding in the entryway of the Nature Center for habitat enhancement of the Monarch Waystation and the Coastal Prairie Restoration Areas.
8. Publish brochures or literature for ethnobotany of the Nature Center.
9. Identify species indicative of the Native Indians for future development of an ethnobotany publication for the Nature Center.
10. Install educational signs for conservation goals of the Nature Center, description of habitats, description of trees, wetland plants, wildflowers, birds, and small mammals found in the Nature Center.
11. Work with the Parks Department Office in establishing a program for planting trees as memorials for community members.



Roseate Spoonbill

KEY FINDINGS OF THE CASE STUDY ANALYSIS

There are five key findings from this case study analysis that are most relevant to the evaluation of development and operational opportunities at East End Lagoon Nature Preserve. These have been derived from the study of the three sites in this analysis, as well as the operational experiences of the consultant team.

1. As seen at Matagorda Bay Nature Preserve, the single largest revenue stream that sites like these typically have are overnight use fees and most notably RV camping fees given the environmental conditions of the area that make tent camping less desirable throughout much of the year.
2. Only in the case of the South Padre Birding and Nature Center were admission fees charged, and that was because the nature center building supported multiple uses and was the easy control point for access to the site.
3. The South Padre Birding and Nature Center operates the most extensive climatized infrastructure of the sites evaluated, with an interpretive exhibit area, classroom, improved restrooms, gift shop, and administrative space. This center requires significant retail sales and philanthropy / grants in order to support a break-even or better operating budget each year.
4. The Dr. Ned and Faye Dudney Nature Center is the least developed of the three sites evaluated and does not have dedicated staff managing or maintaining the park, however their long-term plans do include a nature education center. Their clear public access and education goals provide context for everything that occurs at the site.
5. The strategy to “activate” the site at the Dudney Nature Center and thereby create usage and demand prior to developing intensive infrastructure that requires more operational funding to support is wise and recommended for East End Lagoon.



Great Blue Heron

CHAPTER FIVE – MASTER PLAN ANALYSIS

In 2010 the City of Galveston engaged AECOM in a master development plan for the 700-acre East End Lagoon. The study engaged a cross section of the residents of Galveston Island proposed a number of options for enhancing visitor traffic to this amenity while restoring and protecting the tract's delicate ecosystem. With the exception of section 5.4, Chapter 5 is an excerpt taken directly from the 2010 AECOM master plan. The master plan, in its entirety, can be accessed at the following weblink: <http://www.eastendlagoon.org/master-plan/>.

5.1 EXISTING SITE

The East End Lagoon Nature Preserve is located on the eastern tip of Galveston Island, and the 700-acre site is the largest undeveloped piece of land on the island. The site is bound by the seawall and Seawall Boulevard to the west, the ship channel to the north, East End Beach to the east, and Apffel Park road to the south and southeast. There is great access to the beach as well as to the lagoon that is parallel to Seawall Boulevard.

The site is representative of the type of landscape typically found on a barrier island. Galveston Bay is the 2nd largest estuarine complex in the region and has been declared an estuary of national significance by the Environmental Protection agency's national Estuary Program. The East End Lagoon site offers visitors the opportunity to learn about the east end tidal lagoons, wetlands, grasslands, dunes, inter-tidal marshes, and sea grasses that are on the island. The mix of salt water and freshwater in Galveston Bay supports a wide variety of marine and bird life.

Parking and traffic are a problem during the summer, especially when events occur on the beach. There could be thousands of cars parked from the beginning of the Seawall Blvd., all the way to the beach area.



5.2 OVERVIEW OF MASTER PLAN

5.2.1 DESIGN CONCEPTS

The basic concept for the East End Lagoon Nature Preserve is to protect and restore existing natural resources while enhancing the overall visitor experience. The preserve will not be gated or fenced, and will be open to the public. There will be no fee to access the site, which will be open year-round and geared toward day use.

The vast majority of the site is recommended to be left undeveloped, although some of it will be restored in order to create a healthier natural environment. The end result of the recommendations in this master plan is that the East End Lagoon site will continue to be an undeveloped open space, but with trails, restored habitat, and some development along Boddeker road.

5.2.2 SUSTAINABILITY CONCEPTS

One of the over-riding concepts for the East End Lagoon Nature Preserve is to emphasize sustainability in terms of how the site is developed and interpretive stories are told. Sustainable projects promote biological diversity, contribute to the quality of the air and water and reduce the impacts of construction and human use to help preserve the planet for future generations.

5.2.3 ENVIRONMENTAL EDUCATION CENTER

The environmental education center within the preserve provides year-round educational opportunities and is intended to be a “world class” destination site. The consensus was that the environmental education center needed to have up to 20,000 square feet of interior space. Any major building on the site, include the environmental education center, must be a minimum of 18’ above the ground to prevent flood damage.

A series of modular buildings make up the environmental education center. The three primary phases for building development are as follows:

- Phase IA
 - Parking cell in front of environmental education center, including 42 parking spaces and two entry gates
 - Interpretive pier up to the mid-point experience landing including two smaller landings in addition to the large mid-level landing. approximately 3,119 sq. ft. of decking and pier development would be including in this initial construction phase
 - Environmental education center gateway and trailhead at the base of the interpretive pier
- Phase I - The first phase of the environmental education center involves developing the interpretive pier, the first building platform, approximately 7140 sq. ft. of enclosed, climate-controlled space, and a viewing tower that serves as the iconic image of the center. The building itself includes a small gift shop, office space for staff, a small warming kitchen for use with events and other activities, a mechanical/storage space, restrooms, and a multipurpose room. A lobby/reception area is located near the east side of the center. A covered deck is located on the west end of the multi-purpose room.

- Phase II - In the second phase, the building platform is expanded and a second structure, approximately 4,000 sq. ft. in size, is constructed. This additional space is intended as an environmental education and interpretive space and would include interpretive displays that tell the story of Galveston Island, barrier islands, and coastal environments. The deck wraps completely around the new building space, continuing to offer 360-degree views of the site.
- Phase III - In this phase, the platform is expanded further, and an additional building is added. This building includes space for an expanded multipurpose room/classroom, and for expanded interpretive/retail space. A deck accessible from the multipurpose room/classroom space is added, as is a wrap-around deck on the south side of the new building.

If desired, a fourth phase, consisting of an additional building, could be added for use as an expanded flexible interpretive and multi-purpose space. This building could also include additional staff office space as well as restroom facilities and mechanical/storage space. An uncovered deck would wrap around the south and east sides of the building.

5.2.4 PARKING

The fundamental concept behind parking is that not all parking needs can be met on the East End Lagoon Nature Preserve site without causing significant environmental damage to the site. The idea is to provide essential parking for the environmental education center while also providing parking for fishermen, hikers, and beach visitors.

The amount of parking available on site will accommodate most day-to-day activities, but may be insufficient for busy weekends, especially if there are activities planned on the beach or at the environmental education center. During these types of events, the recommendation is to regulate traffic on Boddeker road by turning away cars on the intersection of Boddeker and Seawall when all parking areas are full. During major events, the City needs to establish parking off-site and provide a shuttle bus to bring visitors to the environmental education center or to the beach. This is the most effective way to accommodate large crowds without causing irreparable environmental damage to the Nature Preserve.

5.2.5 TRAILS

A network of trails, consisting of unpaved paths, paved trails, and boardwalks, will provide access throughout the site. Gateways, trailheads, viewing platforms, and bird blinds are used to enhance the visitor experience. trails also provide access to the Big reef area.

Four major gateways are identified. Each is considered to be a major trailhead and includes an iconic overhead structure that serves as a visual landmark as well as provides shade and protection for visitors. these four gateways are: Seawall Boulevard Gateway; Education Center Gateway; Crossroads Gateway, and Beachtown Gateway.

5.2.6 SEAWALL TRAILHEAD

This area is located at the corner of Seawall Boulevard and Boddeker road adjacent to the lagoon. This trailhead includes a small parking lot, a bait shop, a small dock for kayaks and canoes, a swimming platform, and connection to a hard-surface trail that loops around the lagoon. The site is close enough to the environmental education center for people to park there and walk over. This is a place where visitors can easily access the trail leading around the lagoon, or get to the lagoon itself. The bait shop has limited facilities and will not be elevated.

5.2.7 TENT CAMPING SITE

A tent camping area is proposed for the former LORAN site. The entrance into the camp site is off of Boddeker road, and it follows the path of the existing trail in order to minimize environmental impacts. Approximately 25 to 30 tent platforms are constructed on-site. The wooden platforms are 10'x10' in size and arranged in small clusters to encourage group outings. The raised platforms reduce environmental impacts and help keep campers dry. The "tents" are made of canvas walls and are kept up throughout the camping season and taken down in the fall. They can also be dismantled and stored during severe storms.

5.2.8 BIG REEF

Because of the predominantly wet conditions of the site, the majority of the pedestrian trails in the Big reef area are boardwalks. These enable visitors to move through the site while staying dry.

5.2.9 LANDSCAPE RESTORATION & SITE IMPROVEMENTS

Landscape restoration efforts onsite should be part of the Nature Preserve's overall goal of providing environmental education opportunities for visitors. Specific areas for restoration include: the coastal prairie area; the dune edge; the lagoon edge; the beach zone north of Big reef; and the black mangrove restoration and preservation.

5.2.10 INTERPRETIVE PLANNING

The East End Lagoon Nature Preserve presents a remarkable interpretive opportunity. Not only will the new Nature Preserve safeguard and make publicly accessible a vital natural area, it has the potential to transform popular perceptions of the island among residents and visitors alike and provide a tourism destination that focuses on natural resources.

The media and methodologies for interpretation recommended for the East End Lagoon Nature Preserve are a mix of the familiar (interior and exterior graphics, signage, and exhibit components; live animal displays; touchable sculptural elements; mechanical and audiovisual or multimedia interactives; and environmental education programs) and the unexpected (adventure play experiences; aquatic trails; interpretive fitness courses; on-site overnight programs.) The intention is to create a linked palette of experiences that engage our visitors' bodies and senses as well as their minds, surprising and challenging them while providing essential and sometimes surprising information.

5.3 MASTER PLAN OVERALL ANALYSIS

The vision of the East End Lagoon Nature Preserve and Preserve as detailed in the 2010 Master Plan is to provide a natural experience for both residents and visitors. By utilizing both the natural beauty and man-made improvements it will be possible to explore the intersection of man and nature while focusing on the ever-changing environments of a barrier island. While many aspects of the Master Plan are implementable, PROS Consulting's analysis of the Master Plan revealed the following challenges to implementing all phases of the master plan:

- Site plan and master plan were developed in and around wetlands without formal wetland delineation
- Relationship to East Beach was not considered in detail

- Parking as identified in the master plan is not sufficient to implement the entire plan.
- Operational model is not realistic – Staffing model is heavily reliant on volunteers and volunteer programs. Additionally, revenue sources are dependent upon rental of space for meetings, events, weddings as well as community philanthropy.
- Canvas tent camping on wooden platforms at the LORAN property is not realistic given the humid, “buggy” climate in Galveston.
- The construction of all phases of the environmental education center lacks practically and financially sustainability. Simply, the construction of 20,000 square feet of structure fails to interface with the importance of not over-developing the site and does not follow the concept of “laying lightly on the land.”

5.4 PROS CONSULTING MASTER PLAN RECOMMENDATIONS FOR NEXT FIVE YEARS

5.4.1 IMPLEMENT PHASE 1A

The PROS Consulting Team agrees with the 2010 Master Plan’s recommendation of implementing Phase 1A of the open-air pavilion – the East End Lagoon open-air pavilion. Elements of Phase 1A include:

- Parking cell in front of open-air pavilion, including 50 parking spaces for cars and two buses
- ADA compliant interpretive “experience” pier (1,374 sq. ft.).
- Elevated, open-air pavilion (2,897 sq. ft.) with tables and benches, restrooms
- Trailhead at the base of the interpretive pier
- Inclusion of some elements of landscaping and interpretive planning as described in the master plan.
- Connector trail from pavilion to recently completed loop trail to the east of the lagoon



5.4.2 PLAN TRAILS – OUTSIDE OF WETLANDS

Plan a network of trails, consisting of unpaved paths and paved trails that will provide access to the site outside of the wetlands. Gateways, trailheads, viewing platforms, and bird blinds are used to enhance the visitor experience. This will require a full wetland delineation study of the East End Lagoon.

5.4.3 IMPLEMENT CMP CYCLE #22 FUNDING

The Galveston Park Board of Trustees (the Park Board) will utilize CMP Cycle 22 funds to build an approximately 1,200 square foot, accessible, free parking area for a minimum of three (3) vehicles. The parking area will help facilitate year-round use of the launch site and will improve accessibility for individuals previously unable to utilize the area. Bollards will be installed to define the launch area entrance. Emergent and submerged marine debris and pilings will be removed to improve public safety and interpretive signage will be installed.



5.4.4 BEACHTOWN TRAILHEAD

Consider the implementation of a trailhead at Beachtown off of Apffel Park Road. This is consistent with the Master Plan's recommendation to create a Beachtown Gateway into the East End Lagoon.



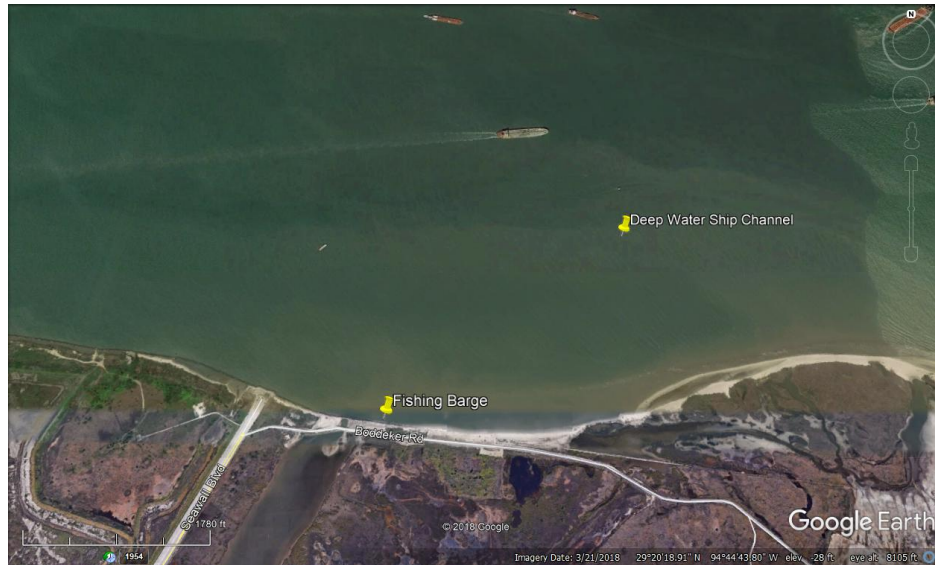
5.4.5 RESTORATION OF ORIGINAL EAST BEACH ENTRANCE

Seawall Boulevard and Boddeker Road are not well suited to handle the increased traffic that is anticipated with the development of the East End Lagoon. Consider restoration of original entrance into East Beach off of Apffel Park Road that could alleviate traffic congestion on Seawall Boulevard and Boddeker Road.



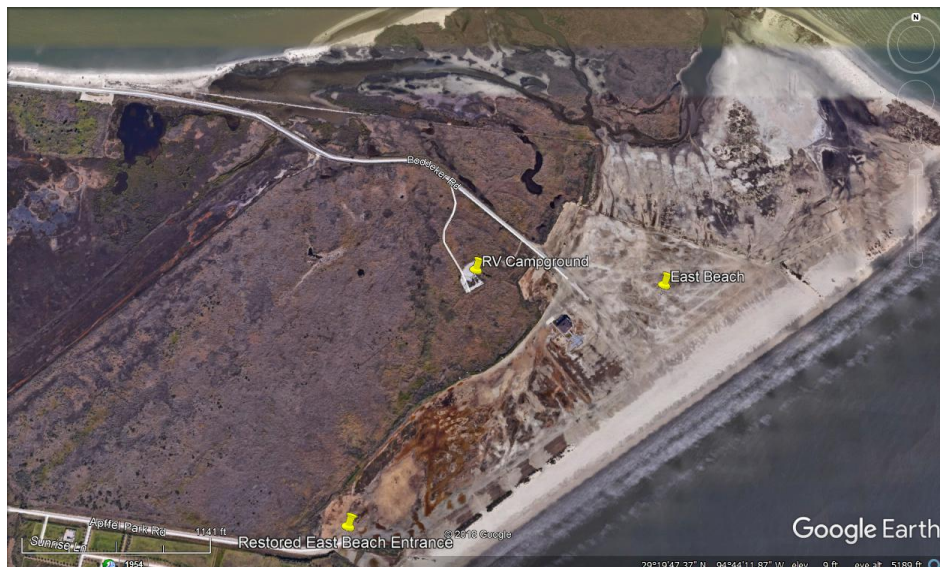
5.4.6 DEVELOPMENT OF PAID FISHING OPPORTUNITY

In conjunction with Park Board staff and the East End Lagoon Advisory Committee, the consulting team recommends the development of a paid fishing opportunity in the deep-water shipping channel north via a barge. This would allow for a revenue source to offset the expenditures of the maintenance and operations of the East End Lagoon. An advantage to utilization of the barge for this opportunity is that it is mobile and could be relocated if a major storm event were to hit Galveston.



5.4.7 DEVELOPMENT OF RV CAMP GROUND

As noted in the master plan, camping at the LORAN site is a significant opportunity to generate revenue to offset the operations and maintenance of the East End Lagoon. The consulting team is not in agreement with the type of camping proposed in the master plan (platform tent camping). Rather, it is recommended that a RV Campground be developed on the LORAN property. Two options should be considered: 1) Private-Public Partnership and 2) Park Board Operated.



CHAPTER SIX - OPERATIONAL AND FINANCIAL PLAN ASSUMPTIONS

The operational and financial plan for the East End Lagoon is outlined in the pro forma and various schedules presented in this chapter of the report. The plan is based on the recommended development of a site as outlined in the previous chapter. It is expected that the improvements to the East End Lagoon will be phased in and the schedule for improvements is as follows:

- 2019 – Current Operations with CMP Cycle #22 Funding Improvements
- 2020-2021 – Phase 1 – Implementation of Deep-Water Channel Fishing Barge
- 2022-2023 – Phase 2 - Implementation of Phase 1A from 2010 Master Plan
- 2024 – Phase 3 – Implementation of RV Campground - Private or Park Board Operated Options

A list of pro forma assumptions was established in order to depict a dynamic operation via a phased in approach to capital improvements; these assumptions are presented on the following pages of this report. The validity of the pro forma and financial plan is based on these assumptions being met in their entirety. Although it is believed the information and assumptions constitute a reasonable basis for preparation of the projections, the achievements of any financial projection may be affected by fluctuating economic conditions and are dependent upon the occurrence of future events that cannot be assured. Therefore, actual results may vary from the projections and such variations could be material. These assumptions outline how the East End Lagoon should be operated and maintained, as well as how the services should be priced.

6.1 FINANCIAL PLAN ASSUMPTIONS

The development of the business plan study focused on developing a clear set of assumptions. The end product focuses on determining operating costs and revenue streams for the East End Lagoon; this included developing an operational budget and a pricing strategy to best meet the outcomes desired while accounting for market factors.

Schedules summarizing the expenditures and revenues, along with the notes and assumptions set forth, are integral to the analysis and conclusions stated in the financial plan. These notes and assumptions should be carefully read and considered when reviewing the schedules.

6.1.1 GENERAL ASSUMPTIONS

The assumptions in this study assist in understanding how the financial plan was developed and the strategies with which the East End Lagoon will ultimately be operated. This allows for the revision of assumptions in the future while still maintaining the integrity of the plan by understanding the impact that the changes will have on the operational budget or market capture. The assumptions for the site used for the development of the financial plan are as follows:

6.1.2 CAPITAL INVESTMENT ASSUMPTIONS

- Capital investment for the East End Lagoon is based on the concept plan and components as detailed in the previous chapter identified to date.

- The capital investments are expected to be phased in. The schedule of the major Improvements are as follows:
 - 2019 - Current Operations with CMP Cycle #22 Funding Improvements
 - 2020-2021 – Phase 1 – Implementation of Deep-Water Channel Fishing Barge
 - 2022-2023 – Phase 2 - Implementation of Phase 1A from 2010 Master Plan
 - 2024 – Phase 3 – Implementation of RV Campground – Private or Park Board Operated Options
- It is anticipated that the cost of purchasing and outfitting of the barge for fishing is \$250,000 and the debt service schedule for this purchase is 7 years at an interest rate of 4.5%.
- If RV Campground in Park Board Operated, the cost of developing the campground is \$2.5M and will be financed via a 20 year commercial loan at an interest rate of 4.5%.

6.1.3 PRICING ASSUMPTIONS

- Pricing is outlined for each individual program within the electronic Excel model and summarized within this report document
- Pricing is value based, meaning that pricing was determined based on typical market rates based on the assumed level of service received
- Pricing comparisons to other current Park Board operations were used for guidelines for developing the pricing schedule, however, the ultimate goal of value provided was utilized for developing the pro forma

6.1.4 GENERAL EXPENSE AND REVENUE ASSUMPTIONS

- Expenses are projected to be 100% of projected costs beginning in the modeled year “Operating Year 1”; annual increases of a set percent per year each year thereafter as based on Expenditure and Revenue Growth Inputs
- Revenues are projected to be 100% of projected revenue capacity beginning in the modeled year “Operating Year 1”; annual increases of a set percent per year each year thereafter as based on Expenditure and Revenue Growth Inputs
- Percentage of cost recovery is based on the assumed market participation and value/market-based pricing
- Operating and growth inputs are based on average increases per expenditure and revenue category; due to the volatility of the health care and energy sectors, higher growth rates were utilized for employee benefits and utilities
- If a higher percentage of cost recovery is needed, operating expenses and pricing will be analyzed for potential adjustments
- All projections are based on assumptions and estimates made within the electronic Excel model

- Pro forma assumptions beginning in “Operating Year 1” are based on management and staff performing extensive lead-in/pre-opening marketing, promotions, and programming tailored to the customer base

6.1.5 STAFFING ASSUMPTIONS

- East End Lagoon staffing is a direct result of the requirements needed to operate, manage and maintain the improvements as noted previously
- Many of the staffing requirements will be met by existing positions within the Park Board and the time and cost of work performed by each of these existing positions allocated to the East End Lagoon budget
- As the East End Lagoon reaches operational and programmatic maturity, additional staff persons may be required
- Staffing salary/wages based on current salaries of the Park Board
- Inclusive benefits, charges required for most employees regardless of employment status (including payroll taxes and fees) are determined by current benefit plan offered by the Park Board.

6.1.6 OPERATING/GROWTH INPUT ASSUMPTIONS

- Operating and growth inputs are based on average increases per expenditure and revenue category; due to the volatility of the health care and energy sectors, higher growth rates were utilized
 - Revenues are projected to growth annual by an average 2.0% through growth in users and fee adjustments
 - Salaries and Benefit growth rate is calculated at 4.0% annual growth due to the potential volatility of the insurance/pension fund requirements
 - Supplies growth rate is calculated at 3.0% annual growth due to inflation
 - Services growth rate is calculated at an average of 4.0% annual growth due to inflation and the potential volatility of the energy sector
 - Capital expenditure and revenue categories average a growth rate of 2.0%
- Percentage growth rate by budget category is presented on the “Inputs” tab of the electronic Excel model

CHAPTER SEVEN - PRO FORMAS

The following pro formas as well as the revenue and expenditure models for each phase of the development of the East End Lagoon are based on all operating assumptions set forth within this report and are presented below.

7.1 CURRENT OPERATIONS

7.1.1 STAFFING MODEL: CURRENT OPERATIONS–NO IMPROVEMENTS

POSITION	EEL SHARE
PARK SUPERINTENDENT (concessions)	0.025
PARK ADMIN (concessions)	0.025
RA MANAGER	0.000
RA MAINT (PT)	0.000

7.1.2 PRO FORMA - CURRENT OPERATIONS – NO CAPITAL IMPROVEMENTS

Pro Forma Revenues & Expenditures

East End Lagoon CURRENT State - No Capital Improvements
Revenue Model

DIVISION	ACCOUNT TITLE	REVENUES	EXPLANATION
REVENUES			
Concessions	Bait - (contracted)	\$3,120.00	PROS assumes current Park Board Concessionaire agreements
Concessions	Food Trucks - (contracted)	\$1,950.00	PROS assumes current Park Board Concessionaire agreements
Concessions	Canoe, Kayak, Paddleboard - (contracted)	\$650.00	PROS assumes current Park Board Concessionaire agreements
Amenity Revenue	Restroom Amenity Fee - Outdoor	\$15,000.00	PROS assumes \$1 per use - 40 uses per day
TOTAL RENTAL and SALES REVENUES		\$20,720.00	

7.1.3 REVENUE MODEL/ASSUMPTIONS - CURRENT OPERATIONS – NO CAPITAL IMPROVEMENTS

Pro Forma Revenues & Expenditures

East End Lagoon CURRENT State - No Capital Improvements

BASELINE: REVENUES AND EXPENDITURES

Revenues	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year
Programs and Services	\$20,720.00	\$21,134.40	\$21,557.09	\$21,988.23	\$22,427.99	\$22,876.55
Total	\$20,720.00	\$21,134.40	\$21,557.09	\$21,988.23	\$22,427.99	\$22,876.55
Expenditures	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year
Operations & Maintenance	\$47,158.03	\$48,101.19	\$49,063.21	\$50,044.47	\$51,045.36	\$52,066.27
Total	\$47,158.03	\$48,101.19	\$49,063.21	\$50,044.47	\$51,045.36	\$52,066.27
Net Annual Gain	(\$26,438.03)	(\$26,966.79)	(\$27,506.12)	(\$28,056.24)	(\$28,617.37)	(\$29,189.72)
Total Cost Recovery	44%	44%	44%	44%	44%	44%

7.1.4 EXPENDITURE MODEL - CURRENT OPERATIONS - NO CAPITAL IMPROVEMENTS

Pro Forma Revenues & Expenditures		
East End Lagoon CURRENT State - No Capital Improvements		
Expenditure Model		
ACCOUNT TITLE		BUDGET
PERSONNEL SERVICES		
PARK SUPERINTENDENT		\$1,831.03
PARK ADMIN		\$1,027.00
RA MANAGER		\$0.00
RA MAINT (PT)		\$0.00
Total	Personnel Services	\$2,858.03
NON-PERSONNEL SERVICES & CHARGES		
Advertising and Promotions		\$1,000.00
Signage		\$2,000.00
Audit Fees		\$100.00
Restroom Amenity - Outdoor		\$15,000.00
Cleaning/Maintenance		\$11,200.00
Project Management		\$10,000.00
Equipment (Gates/Bollards)		\$5,000.00
Total	Other Services	\$44,300.00
TOTAL EXPENSES		\$47,158.03

7.2 PHASE 1 – FISHING BARGE ONLY

7.2.1 STAFFING MODEL: PHASE 1 – FISHING BARGE ONLY (2020-2021)

POSITION	EEL SHARE
PROJECT MANAGER	0.25
PARK SUPERINTENDENT	0.10
PARK ADMIN	0.05
RA MANAGER	0.25
RA MAINT (PT)	0.25
PARKS MAINT MANAGER	0.00
FISHING SERVICES (PT)	6.00

7.2.2 PRO FORMA PHASE 1 – FISHING BARGE ONLY (2020-2021)

Pro Forma Revenues & Expenditures		
East End Lagoon Phase 1 Fishing ONLY - NO RV Camping - NO EEL Pavilion		
BASELINE: REVENUES AND EXPENDITURES		
	FISHING ONLY	
Revenues	1st Year	2nd Year
Programs and Services	\$217,395.00	\$221,742.90
Total	\$217,395.00	\$221,742.90
Expenditures	1st Year	2nd Year
Operations & Maintenance	\$266,591.81	\$271,923.65
Total	\$266,591.81	\$271,923.65
Net Annual Gain	(\$49,196.81)	(\$50,180.75)
Total Cost Recovery	82%	82%

7.2.3 REVENUE MODEL/ASSUMPTIONS - PHASE 1 – FISHING BARGE ONLY (2020-2021)

Pro Forma Revenues & Expenditures			
East End Lagoon Phase 1 Fishing ONLY - NO RV Camping - NO EEL Pavilion			
Revenue Model			
DIVISION	ACCOUNT TITLE	REVENUES	EXPLANATION
REVENUES			
Concessions	Bait Camp (contracted)	\$3,120.00	PROS assumes current Park Board Concessionaire agreements
Concessions	Fishing Admissions	\$194,400.00	Assumes barge access to Deep Water Ship Channel; Assumes 25% of current fishing admission revenue generated at Sea Wolf (approximately \$750k)
Concessions	Food Trucks (contracted)	\$975.00	PROS assumes current Park Board Concessionaire agreements
Concessions	Canoe, Kayak, Paddleboard (contracted)	\$650.00	PROS assumes current Park Board Concessionaire agreements
Amenity Revenue	Restroom Amenity Fee - Outdoor	\$18,250.00	PROS assumes \$1 per use - 50 uses per day
TOTAL RENTAL and SALES REVENUES		\$217,395.00	

7.2.4 EXPENDITURE MODEL - PHASE 1 – FISHING BARGE ONLY (2020-2021)

Pro Forma Revenues & Expenditures		
East End Lagoon Phase 1 Fishing ONLY - NO RV Camping - NO EEL Pavilion Expenditure Model		
ACCOUNT TITLE		BUDGET
PERSONNEL SERVICES		
PROJECT MANAGER		\$20,312.50
PARK SUPERINTENDENT		\$7,324.10
PARK ADMIN		\$2,054.00
RA MANAGER		\$16,037.75
RA MAINT (PT)		\$4,712.50
PARKS MAINT MANAGER		\$0.00
FISHING SERVICES (PT)		\$113,100.00
Total	Personnel Services	\$163,540.85
MATERIALS AND SERVICES		
Advertising and Promotions		\$5,000.00
Signage		\$5,000.00
Audit Fees		\$200.00
Restroom Amenity - Outdoor		\$18,250.00
Cleaning/Maintenance		\$17,900.00
Equipment (Gates/Bollards)		\$10,000.00
Fishing related expenses		\$5,000.00
Total	Other Services	\$61,350.00
DEBT SERVICE		
Barge Canal		\$41,700.96
Total	Other Services	\$41,700.96
TOTAL EXPENSES		\$266,591.81

7.3 PHASE 2 – FISHING BARGE AND PHASE 1A OF MASTER PLAN (2022-2023)

7.3.1 STAFFING MODEL: PHASE 2 – FISHING BARGE AND PHASE 1A OF MASTER PLAN (2022-2023)

POSITION	EEL SHARE
PROJECT MANAGER	0.10
PARK SUPERINTENDENT	0.15
PARK ADMIN	0.10
RA MANAGER	0.35
EEL MAINT (FT) - NEW	1.00
PARKS MAINT MANAGER	0.12
FISHING SERVICES (PT)	6.00
EDUCATION PROGRAM MGR - NEW	0.13

7.3.2 PRO FORMA PHASE 2 – FISHING BARGE AND PHASE 1A OF MASTER PLAN (2022-2023)

Pro Forma Revenues & Expenditures

East End Lagoon - Phase 2 with EEL Pavilion and Fishing - NO RV Camping

BASELINE: REVENUES AND EXPENDITURES

Revenues	FISHING AND EEC	
	3rd Year	4th Year
Programs and Services	\$293,895.00	\$299,772.90
Total	\$293,895.00	\$299,772.90
Expenditures	3rd Year	4th Year
Operations & Maintenance	\$342,821.08	\$349,677.50
Total	\$342,821.08	\$349,677.50
Net Annual Gain	(\$48,926.08)	(\$49,904.60)
Total Cost Recovery	86%	86%

7.3.3 REVENUE MODEL/ASSUMPTIONS - PHASE 2 – FISHING BARGE AND PHASE 1A OF MASTER PLAN (2022-2023)

Pro Forma Revenues & Expenditures			
East End Lagoon - Phase 2 with EEL Pavilion and Fishing - NO RV Camping			
Revenue Model			
DIVISION	ACCOUNT TITLE	REVENUES	EXPLANATION
REVENUES			
Concessions	Bait Camp (contracted)	\$3,120.00	PROS assumes current Park Board Concessionaire agreements
Concessions	Fishing Admissions	\$194,400.00	Assumes barge access to Deep Water Ship Channel; Assumes 25% of current fishing admission revenue generated at Sea Wolf (approximately \$750k)
Facility Rentals	EEL Pavilion Facility Rentals	\$10,000.00	10 events per year; avg fee \$1000 per event
Visitor Center	Visitor Center Revenue	\$20,000.00	
Education Programs	School and Community Based Programs	\$10,000.00	
Concessions	Food Trucks (contracted)	\$975.00	PROS assumes current Park Board Concessionaire agreements
Concessions	Canoe, Kayak, Paddleboard (contracted)	\$650.00	PROS assumes current Park Board Concessionaire agreements
Amenity Revenue	Restroom Amenity Fee - Outdoor	\$36,500.00	PROS assumes \$1 per use - 100 uses per day
Amenity Revenue	Restroom Amenity Fee - EEL Pavilion	\$18,250.00	PROS assumes \$1 per use - 50 uses per day
TOTAL RENTAL and SALES REVENUES		\$293,895.00	

7.3.4 EXPENDITURE MODEL - PHASE 2 – FISHING BARGE AND PHASE 1A OF MASTER PLAN (2022-2023)

Pro Forma Revenues & Expenditures		
East End Lagoon - Phase 2 with EEL Pavilion and Fishing - NO RV Camping Expenditure Model		
ACCOUNT TITLE		BUDGET
PERSONNEL SERVICES		
PROJECT MANAGER		\$8,125.00
PARK SUPERINTENDENT		\$10,986.15
PARK ADMIN		\$4,108.00
RA MANAGER		\$22,452.85
EEL MAINT (FT)		\$26,000.00
PARKS MAINT MANAGER		\$7,698.12
FISHING SERVICES (PT)		\$113,100.00
EDUCATION PROGRAM MGR		\$5,200.00
Total	Personnel Services	\$197,670.12
NON-PERSONNEL SERVICES & CHARGES		
Advertising and Promotions		\$7,500.00
Signage		\$7,500.00
Audit Fees		\$300.00
Restroom Amenity - Outdoor		\$18,250.00
Cleaning/Maintenance		\$19,900.00
Equipment (Gates/Bollards)		\$10,000.00
Fishing related expenses		\$10,000.00
Facility Maintenance and Repair		\$30,000.00
Total	Other Services	\$103,450.00
DEBT SERVICE		
Barge Canal		\$41,700.96
Total	Other Services	\$41,700.96
TOTAL EXPENSES		\$342,821.08

7.4 PHASE 3 OPTION 1 – FISHING BARGE, PHASE 1A AND PRIVATIZED RV CAMPGROUND (2024)

7.4.1 STAFFING MODEL: PHASE 3 – FISHING BARGE, PHASE 1A AND PRIVATIZED RV CAMPGROUND (2024)

POSITION	EEL SHARE
PROJECT MANAGER	0.05
PARK SUPERINTENDENT	0.15
PARK ADMIN	0.10
RA MANAGER	0.50
EEL ASST MGR - NEW	1.00
EEL MAINT (FT)	1.00
PARKS MAINT MANAGER	0.12
FISHING SERVICES (PT)	6.00
EDUCATION PROGRAM MGR	0.13

7.4.2 PRO FORMA - PHASE 3 – FISHING BARGE, PHASE 1A AND PRIVATIZED RV CAMPGROUND (2024)

Pro Forma Revenues & Expenditures						
East End Lagoon Phase 3 - with EEL Pavilion - Fishing - RV Camping (Private)						
BASELINE: REVENUES AND EXPENDITURES						
	FISHING, EEL PAVILION and PRIVATE CAMPING					
Revenues	5th Year	6th Year	7th Year	8th Year	9th Year	10th Year
Programs and Services	\$396,495.00	\$408,924.90	\$421,513.40	\$443,263.67	\$465,178.94	\$482,762.52
Total	\$396,495.00	\$408,924.90	\$421,513.40	\$443,263.67	\$465,178.94	\$482,762.52
Expenditures	5th Year *	6th Year *	7th Year *	8th Year	9th Year	10th Year
Operations & Maintenance	\$434,261.23	\$442,946.45	\$451,805.38	\$419,140.53	\$428,357.36	\$437,758.53
Total	\$434,261.23	\$442,946.45	\$451,805.38	\$419,140.53	\$428,357.36	\$437,758.53
Net Annual Gain	(\$37,766.23)	(\$34,021.55)	(\$30,291.99)	\$24,123.13	\$36,821.58	\$45,003.99
Total Cost Recovery	91%	92%	93%	106%	109%	110%

* Debt Service paid for cost of Barge - Years 5-7 ONLY

7.4.3 REVENUE MODEL PHASE 3 – FISHING BARGE, PHASE 1A AND PRIVATIZED RV CAMPGROUND (2024)

Pro Forma Revenues & Expenditures			
East End Lagoon Phase 3 - with EEL Pavilion - Fishing - RV Camping (Private)			
Revenue Model			
DIVISION	ACCOUNT TITLE	REVENUES	EXPLANATION
REVENUES			
Concessions	Bait Camp (contracted)	\$3,120.00	PROS assumes current Park Board Concessionaire agreements
Concessions	RV Camping Revenue at LORAN Site (contracted)	\$45,000.00	PROS assumes this is contracted and Park Board receives 10% of gross revenue; PROS assumes 1st year gross revenue of 50% of all current camping revenue at Dellanera Park (approximately \$900k); Revenue projections increase as follows; - 2nd year 55%; 3rd year = 60%; 4th year = 75%; 5th year = 90%; 6th year = 100%)
Concessions	Fishing Admissions	\$250,000.00	Assumes barge access to Deep Water Ship Channel; Assumes 33% of current fishing admission revenue generated at Sea Wolf (approximately \$750k)
Facility Rentals	EEL Pavilion Facility Rentals	\$12,000.00	12 events per year; avg fee \$1000 per event
Visitor Center	Visitor Center Revenue	\$20,000.00	General Revenue
Education Programs	School and Community Based Programs	\$10,000.00	Contracted with other service providers
Concessions	Food Trucks (contracted)	\$975.00	PROS assumes current Park Board Concessionaire agreements
Concessions	Canoe, Kayak, Paddleboard (contracted)	\$650.00	PROS assumes current Park Board Concessionaire agreements
Amenity Revenue	Restroom Amenity Fee - Fishing	\$36,500.00	PROS assumes \$1 per use - 100 uses per day
Amenity Revenue	Restroom Amenity Fee - EEL Pavilion	\$18,250.00	PROS assumes \$1 per use - 50 uses per day
TOTAL RENTAL and SALES REVENUES		\$396,495.00	

7.4.4 EXPENDITURE MODEL PHASE 3 – FISHING BARGE, PHASE 1A AND PRIVATIZED RV CAMPGROUND (2024)

Pro Forma Revenues & Expenditures		
East End Lagoon Phase 3 - with EEL Pavilion - Fishing - RV Camping (Private)		
Expenditure Model		
ACCOUNT TITLE		BUDGET
PERSONNEL SERVICES		
PROJECT MANAGER		\$4,062.50
PARK SUPERINTENDENT		\$10,986.15
PARK ADMIN		\$4,108.00
RA MANAGER		\$32,075.50
EEL ASST MGR		\$41,080.00
EEL MAINT (FT)		\$26,000.00
PARKS MAINT MANAGER		\$7,698.12
FISHING SERVICES (PT)		\$113,100.00
EDUCATION PROGRAM MGR		\$5,200.00
Total	Personnel Services	\$244,310.27
NON-PERSONNEL SERVICES & CHARGES		
Advertising and Promotions		\$10,000.00
Signage		\$10,000.00
Audit Fees		\$500.00
Restroom Amenity		\$18,250.00
Cleaning/Maintenance		\$29,500.00
Equipment (Gates/Bollards)		\$15,000.00
Fishing related expenses		\$25,000.00
Facility Maintenance and Repair		\$40,000.00
Total	Other Services	\$148,250.00
DEBT SERVICE		
Barge Canal		\$41,700.96
Total	Debt Service	\$41,700.96
TOTAL EXPENSES		\$434,261.23

7.5 PHASE 3 OPTION 2 – FISHING BARGE, PHASE 1A AND PARK BOARD OPERATED CAMPING (2024)

7.5.1 STAFFING MODEL: PHASE 3 – FISHING BARGE, PHASE 1A AND PARK BOARD OPERATED CAMPING (2024)

PHASE 3- Fishing & Pavillion & RV (In-House)	EEL SHARE
PROJECT MANAGER	0.05
PARK SUPERINTENDENT	0.12
PARK ADMIN ASST	0.10
RV PARK MANAGER (DELLA & EEL)	0.50
RV PARK MAINT (1FT, EEL ONLY)	1.00
RV PARK MAINT (1PT, EEL ONLY)	1.00
PARKS MAINT MANAGER	0.12
RETAIL/ADMISSIONS SUPERVISOR (1FT)	1.00
VEHICLE ADMISSIONS RECEPTIONISTS (2PT)	2.00
FISHING SERVICES (PT)	6.00
ACTIVITY PROGRAM MANAGER	0.50
EDUCATION PROGRAM MGR	0.13

7.5.2 PRO FORMA - PHASE 3 – FISHING BARGE, PHASE 1A AND PARK BOARD OPERATED CAMPING (2024)

Pro Forma Revenues & Expenditures						
East End Lagoon Phase 3 - with EEL Pavilion - Fishing - RV Camping (Park Board Operated)						
BASELINE: REVENUES AND EXPENDITURES						
	FISHING, EEL PAVILION and CAMPING					
Revenues	5th Year	6th Year	7th Year	8th Year	9th Year	10th Year
Programs and Services	\$801,495.00	\$862,524.90	\$923,875.40	\$1,075,552.91	\$1,227,563.96	\$1,334,915.24
Total	\$801,495.00	\$862,524.90	\$923,875.40	\$1,075,552.91	\$1,227,563.96	\$1,334,915.24
Expenditures	5th Year *	6th Year *	7th Year *	8th Year	9th Year	10th Year
Operations & Maintenance	\$859,255.06	\$876,440.16	\$893,968.96	\$870,147.38	\$888,384.35	\$906,986.06
Total	\$859,255.06	\$876,440.16	\$893,968.96	\$870,147.38	\$888,384.35	\$906,986.06
Net Annual Gain	(\$57,760.06)	(\$13,915.26)	\$29,906.43	\$205,405.52	\$339,179.61	\$427,929.19
Total Cost Recovery	93%	98%	103%	124%	138%	147%

* Debt Service paid for cost of Barge - Years 5-7 ONLY

7.5.3 REVENUE MODEL PHASE 3 – FISHING BARGE, PHASE 1A AND PARK BOARD OPERATED CAMPING (2024)

Pro Forma Revenues & Expenditures			
East End Lagoon Phase 3 - with EEL Pavilion - Fishing - RV Camping (Park Board Operated)			
Revenue Model			
DIVISION	ACCOUNT TITLE	REVENUES	EXPLANATION
REVENUES			
Concessions	Bait Camp (contracted)	\$3,120.00	PROS assumes current Park Board Concessionaire agreements
Camping	RV Camping Revenue at LORAN Site	\$450,000.00	PROS assumes this is operated by the Park Board. PROS assumes 1st year gross revenue of 50% of all current camping revenue at Dellanera Park (approximately \$900k); Revenue projections increase as follows; - 2nd year 55%; 3rd year = 60%; 4th year = 75%; 5th year = 90%; 6th year = 100%)
Fishing	Fishing Admissions	\$250,000.00	Assumes barge access to Deep Water Ship Channel; Assumes 33% of current fishing admission revenue generated at Sea Wolf (approximately \$750k)
Facility Rentals	EEL Pavilion Facility Rentals	\$12,000.00	12 events per year; avg fee \$1000 per event
Visitor Center	Visitor Center Revenue	\$20,000.00	General Revenue
Education Programs	School and Community Based Programs	\$10,000.00	Contracted with other service providers
Concessions	Food Trucks (contracted)	\$975.00	PROS assumes current Park Board Concessionaire agreements
Concessions	Canoe, Kayak, Paddleboard (contracted)	\$650.00	PROS assumes current Park Board Concessionaire agreements
Amenity Revenue	Restroom Amenity Fee - Fishing	\$36,500.00	PROS assumes \$1 per use - 100 uses per day
Amenity Revenue	Restroom Amenity Fee - EEL Pavilion	\$18,250.00	PROS assumes \$1 per use - 50 uses per day
TOTAL RENTAL and SALES REVENUES		\$801,495.00	

7.5.4 EXPENDITURE MODEL PHASE 3 – FISHING BARGE, PHASE 1A AND PARK BOARD OPERATED CAMPING (2024)

Pro Forma Revenues & Expenditures		
East End Lagoon Phase 3 - with EEL Pavilion - Fishing - RV Camping (Park Board Operated)		
Expenditure Model		
ACCOUNT TITLE		BUDGET
PERSONNEL SERVICES		
PROJECT MANAGER		\$4,062.50
PARK SUPERINTENDENT		\$8,788.92
PARK ADMIN ASST		\$4,108.00
RV PARK MANAGER (DELLA & EEL)		\$32,075.50
RV PARK MAINT (1FT, EEL ONLY)		\$26,000.00
RV PARK MAINT (1PT, EEL ONLY)		\$16,739.00
PARKS MAINT MANAGER		\$7,698.12
RETAIL/ADMISSIONS SUPERVISOR (1FT)		\$23,088.00
VEHICLE ADMISIONS RECEPTIONISTS (2PT)		\$33,478.00
FISHING SERVICES (PT)		\$113,100.00
ACTIVITY PROGRAM MANAGER		\$20,540.00
EDUCATION PROGRAM MGR		\$5,200.00
Total	Personnel Services	\$294,878.04
NON-PERSONNEL SERVICES & CHARGES		
Advertising and Promotions		\$10,000.00
Signage		\$10,000.00
Audit Fees		\$500.00
Restroom Amenity		\$18,250.00
Cleaning/Maintenance		\$29,500.00
Equipment (Gates/Bollards)		\$15,000.00
Fishing related expenses		\$25,000.00
Camping related expenses		\$268,141.00
Facility Maintenance and Repair		\$40,000.00
Total	Other Services	\$416,391.00
DEBT SERVICE		
Barge		\$41,700.96
RV Campground		\$106,285.06
Total	Other Services	\$147,986.02
TOTAL EXPENSES		\$859,255.06

7.6 PRO FORMA SUMMARY – ALL PHASES WITH PRIVATIZED CAMPGROUND

The following summarizes the financial performance of the East End Lagoon Nature Preserve as each of phase of improvements is implemented over the next 5 years.

Pro Forma Revenues & Expenditures										
East End Lagoon Pro Forma Summary Years 1-10: Privatized RV Camping										
BASELINE: REVENUES AND EXPENDITURES										
	FISHING ONLY		FISHING AND EEL PAVILION		FISHING, EEL PAVILION and PRIVATIZED RV CAMPING					
Revenues	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	8th Year	9th Year	10th Year
Programs and Services	\$217,395.00	\$221,742.90	\$293,895.00	\$299,772.90	\$396,495.00	\$408,924.90	\$421,513.40	\$443,263.67	\$465,178.94	\$482,762.52
Total	\$217,395.00	\$221,742.90	\$293,895.00	\$299,772.90	\$396,495.00	\$408,924.90	\$421,513.40	\$443,263.67	\$465,178.94	\$482,762.52
Expenditures	1st Year	2nd Year	3rd Year	4th Year	5th Year *	6th Year *	7th Year *	8th Year	9th Year	10th Year
Operations & Maintenance	\$266,591.81	\$271,923.65	\$342,821.08	\$349,677.50	\$434,261.23	\$442,946.45	\$451,805.38	\$419,140.53	\$428,357.36	\$437,758.53
Total	\$266,591.81	\$271,923.65	\$342,821.08	\$349,677.50	\$434,261.23	\$442,946.45	\$451,805.38	\$419,140.53	\$428,357.36	\$437,758.53
Net Annual Gain	(\$49,196.81)	(\$50,180.75)	(\$48,926.08)	(\$49,904.60)	(\$37,766.23)	(\$34,021.55)	(\$30,291.99)	\$24,123.13	\$36,821.58	\$45,003.99
Total Cost Recovery	82%	82%	86%	86%	91%	92%	93%	106%	109%	110%

* Debt Service paid for cost of Barge - Years 1-7 ONLY

7.7 PRO FORMA SUMMARY – ALL PHASES WITH PARK BOARD OPERATED CAMPGROUND

The following summarizes the financial performance of the East End Lagoon Nature Preserve as each of phase of improvements is implemented over the next 5 years.

Pro Forma Revenues & Expenditures										
East End Lagoon Pro Forma Summary Years 1-10: Park Board Operated RV Camping										
BASELINE: REVENUES AND EXPENDITURES										
	FISHING ONLY		FISHING AND EEL PAVILION		FISHING, EEL PAVILION and PARK BOARD OPERATED RV CAMPING					
Revenues	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	8th Year	9th Year	10th Year
Programs and Services	\$217,395.00	\$221,742.90	\$293,895.00	\$299,772.90	\$801,495.00	\$862,524.90	\$923,875.40	\$1,075,552.91	\$1,227,563.96	\$1,334,915.24
Total	\$217,395.00	\$221,742.90	\$293,895.00	\$299,772.90	\$801,495.00	\$862,524.90	\$923,875.40	\$1,075,552.91	\$1,227,563.96	\$1,334,915.24
Expenditures	1st Year	2nd Year	3rd Year	4th Year	5th Year *	6th Year *	7th Year *	8th Year	9th Year	10th Year
Operations & Maintenance	\$266,591.81	\$271,923.65	\$342,821.08	\$349,677.50	\$859,255.06	\$876,440.16	\$893,968.96	\$870,147.38	\$888,384.35	\$906,986.06
Total	\$266,591.81	\$271,923.65	\$342,821.08	\$349,677.50	\$859,255.06	\$876,440.16	\$893,968.96	\$870,147.38	\$888,384.35	\$906,986.06
Net Annual Gain	(\$49,196.81)	(\$50,180.75)	(\$48,926.08)	(\$49,904.60)	(\$57,760.06)	(\$13,915.26)	\$29,906.43	\$205,405.52	\$339,179.61	\$427,929.19
Total Cost Recovery	82%	82%	86%	86%	93%	98%	103%	124%	138%	147%

* Debt Service paid for cost of Barge - Years 1-7 ONLY

CHAPTER EIGHT – IMPLEMENTATION PLAN

The following provides action items for the strategic implementation the business plan. The action items and associated timelines are intended to be a “jumping off point” and utilized as fluid and dynamic as Park Board action occurs and funding becomes available.

STRATEGIC IMPLEMENTATION		
KEY CONSIDERATION	STRATEGIC ACTION	SUGGESTED TIMELINE
Legislative	Continue to actively engage legislators for funding for East End Lagoon	Ongoing
Staffing - Levels of Service	Finalize operational standards that will serve as the basis of a work plan for managing and operating the East End Lagoon as described in the business plan.	Ongoing
Fishing Barge	Purchase and outfit barge to activate deep water channel fishing services	Present through 2021
Phase 1A - Open Air Pavilion	Continue on current path of constructing and opening Phase 1A improvements	Present through 2022
Canoe/Kayak and Public Accessibility Improvements	Implement CMP Cycle #22 funding to provide canoe/kayak and public accessibility improvements to existing parking lot west of Boddecker Road Bridge	Present through 2022
Budget Development	Develop initial budget approaches based on proformas in the business plan and present to Park Board for consideration	April 2019-October 2024
Equipment and Vehicles	Creation of non-personnel resource list and budget required to support staff expansion	April 2019-October 2024
Funding	Continue to pursue applicable grants and other funding sources for the capital funding needed implement improvements as outlined in the business plan per the stand-alone funding opportunities document provided by PROS Consulting.	April 2019-October 2024
Staffing - 3rd Party Contracting	Evaluate the capacity in the private sector to perform maintenance and/or operational functions at the East End Lagoon, as needed, including but not limited to open air pavilion maintenance, environmental education programs, concessions (canoe/kayak, bait shop, etc.) and develop feasible partnerships and agreements	June 2019-October 2024
Staffing - Addition of positions	Authorize, fund and hire persons based on the recommended staffing levels for each phase of the park as detailed in the business plan; tied to budget development action item	September 2019 - October 2024
East Beach Main Entrance	Evaluate the feasibility of capitally investing in the restoration of the original East Beach Entrance	Begin April 2020; if feasible restore original entrance by April 2022
Beach Town Trail Head	Engage Beach Town ownership/management to create a public-private partnership for the development of Beach Town Trail Head as proposed in the business plan	Begin April 2020; if feasible, develop trailhead in conjunction with East Beach entrance restoration and open in April 2022
RV Campground	Create an RFI to gauge interest in the private sector for the development and operations of a RV Campground at the LORAN site	April 2020 - August 2020
RV Campground	Conduct comprehensive site-specific master plan and feasibility study for the development of a Park Board operated RV Campground at LORAN site. This action should be taken based on evaluation of results of private sector RFI process	August 2020-August 2021

CHAPTER NINE – CONCLUSION

The East End Lagoon is a defining asset on Galveston Island and a key natural resource. The site is representative of the type of landscape typically found on a barrier island. The East End Lagoon site offers visitors the opportunity to learn about the east end tidal lagoons, wetlands, grasslands, dunes, inter-tidal marshes, and sea grasses that are on the island. In its current state, however, it does not offer the amenities needed to not only conserve the land, but provide opportunities for the public to recreate and become educated about the wonderful natural resource that it is. An upgraded East End Lagoon can serve as a one of the jewels in the crown of Galveston Island that links the visitors to environmental education tourism.

This Business Plan demonstrates what the East End Lagoon is capable of in creating a experiences through events, programs and services as well as in revenue generation. The key is to align the goals for East End Lagoon with current and future resources as well as the expectations, values and recreational desires of the community.

APPENDIX A – PROGRAM PLAN

POTENTIAL EDUCATIONAL PROGRAM PARTNERS

ORGANIZATION
American Bird Conservancy
Artist Boat
Beachtown
City of Galveston
Galveston Independent School District
Galveston Island Nature Tourism Council
Houston Audubon
State Parks
Texas A & M
University of Texas Medical Branch

PROGRAM DESCRIPTIONS

TEKS-aligned School Programs

Eco Investigations – A four-hour, outdoor, expedition-style, educational program. During each Eco Investigations session, our students cultivate curiosity about their local environment, develop comfort in outdoor recreation, engage in physical activity, grow pride in the place where they live, and conduct outdoor, hands-on, science-based activities such as canyon geology exploration, animal adaptation study, and conservation problem-solving. They also explore scientific questions, personally conduct experiments, and find authentic answers through the scientific method while strengthening their science skills through systematic, inquiry-based discovery. Just as important, in order to reinforce concepts learned during Eco Investigations experiences, each student receives a journal reinforcing the program concepts and teachers leave with empowering curriculum for their classrooms.

Conservation Workshop – Conservation Workshop programs are 4-hour long, staff-led field experiences that engage students in problem-solving, critical and creative thinking, and conservation action, skills critical to building healthy communities and neighborhoods where nature thrives and people prosper. This cross-disciplinary program takes a hands-on, inquiry-based approach linked with state-mandated Texas Essential Knowledge and Skills objectives across both social studies and science. Focused on the unique ecosystem, students learn about ecology, natural resource stewardship, and participate in an on-site conservation project.

Advanced School Programs

Aquatic Adventures - A 4-hour field investigation best suited for 6th – 12th graders with three student rotations including water testing, water bird migration and kayaking. During Water Testing, students will participate in a water quality analysis of East End Lagoon and discuss the differences that soil and water provide to their respected ecosystems and how they support different flora and fauna. The importance of healthy water in an aquatic ecosystem will be discussed and the students will get a chance to use various tools to conduct their own water quality tests using the scientific method. Students will learn about the challenges many water birds face during migration. A number of species have separate wintering habitats from nesting habitats and must migrate between the two. In order to survive their journey, they require safe stopovers along the way. Finally, during kayaking students will learn the basic skills needed to kayak

safely as well as kayaking terminology. After safety training, the students will embark on a kayak adventure on East End Lagoon. They will take in the natural landscape of the lagoon and observe the variety of plants and animals this ecosystem offers.

Overnight School Camping Programs (one to two nights) – Customized programming to meet students’ needs including STEM, Adaptations, Species Identification, and Scientific Method, Food Chains, and Habitats. Tents provided and meals. In addition to academic programming, students will experience setting up camp, night hike, s’mores, morning hike and camp cleanup.

Expanded Eco Investigations for High School Students – Using the 4-hour expedition style format, this program is much more extensive and incorporates Citizen Science projects, onsite research/studies, college and career readiness, to name a few.

Off-site Education Programs (contractual)

Schoolyard Investigations – During weekly outdoor sensory learning experiences and science explorations, field experts will accompany teachers and guide them in field experiences on campus. Students will strengthen their science skills through hands-on, outdoor learning and be introduced to the outdoors as a source of life-long learning and enriched life. Students will learn more about nature and how to act as wise-stewards of the natural resources on which we all depend. Each experience will be linked to lesson plans customized using the district’s scope and sequence and will support students in reaching their highest developmental, social and academic potential.

Classroom Programming for Schools – Subject matter expert educators will introduce your group to animals and expand on what they are learning in the classroom. Topics include snakes, turtles, homing pigeons, and owls, to name a few. All programs correlated to the TEKS by grade level.

On-site camp programs (day and residential)

Spring Break (Day) – Five days of adventure with pre and post care. Daily themes include guest speakers, crafts and exploration.

Summer Camp (Day) - 8 weeks of adventure with pre and post care. Weekly themes include field trips, guest speakers and hands-on science.

Nature Nights (One to Two Nights) – Overnight tent camping with programming for groups of 10 or more. Camp activities include night hikes, s’mores, animal encounters and more.

Conservation Treks

Conservation Treks - Targets student ages 14-18 years by providing opportunities and experiences for diverse groups of teens that allow them to turn into adults that protect the environment. The Conservation Treks are an intense week-long conservation field experience focused on a blended approach of applied STEM competencies with interpersonal growth opportunities for the older youth participants. The program also helps develop better communication skills, improve a sense of achievement, increase their confidence, self-esteem, and resilience and envision new possibilities for their lives. The experiences help the students see the world from a different view and realize that they can make a positive impact on the environment.

Adult and Family Programs

Family Camp Outs – overnight tent camping program for families to enjoy.

Guided Hikes – day and night hikes available along with different distances

Workshops/Classes - a variety of topics such as, Birding 101, Native Plants, Raptor Migration, and Nature Photography.

Birthday Parties for All Ages

Camp Scout Programs

Citizen Science and Volunteer Programs

Citizen Science and Volunteer Projects - examples include Hawk Watch, Stream Team, Monarch Watch, Christmas Bird Count, and Frog Watch. Volunteers participate in these projects as well as in a formal volunteer program that supports the center's operations.

Odyssey Programs

In partnership with a travel company, adult voyages to some of the most popular nature spots in Texas and beyond, including Belize and Costa Rica.

Topical Seminars and Speakers' Series

Topics may include: Native Plants, Birding Series Levels, Photography, etc.

Community Events / Festivals

Events generally include games, crafts, guided hikes and educational presentations and displays. Possible events may include FeatherFest, Migration Celebration, Great Backyard Bird Count, Christmas Bird Count, Owl Prowl, Birds and Brew, Waterfest and Stars and S'mores.

Agenda Item: Discuss and Consider the East End Lagoon Business Plan and Next Steps (Sheryl Rozier, 10 minutes)**Overview:**

In 2015 the City of Galveston placed the management of the East End Lagoon (EEL) and the East End Lagoon Committee (EELAC) in the hands of the Park Board and provided financial support of \$75,000 a year for three years (2015-2018). These resources were matched dollar for dollar by the Park Board with outside grant funding to 1.) remediate marine debris at the Boddeker boat launch, 2.) repair & create parking, 3.) produce 'shovel ready' plans for an open-air interpretation center, 4.) secure a commitment for \$1.4 million grant for construction of the open air interpretative center, and 5.) build ADA interpretive nature trails. At the conclusion of the three years, Council asked the Park Board to define the resources necessary to sustain the park/preserve over the next several decades.

To date the Park Board and EELAC have been operating and making decisions for the EEL based on the Post Ike master plan commissioned by the City with stakeholder support and completed in 2010 by AECOM. This plan focused on the development of a regional Education Center and accompanying trails and observation towers. The plan envisions significant parking (400 peak), enclosed, climatized space for retail, classroom and exhibition space (15,000 sq. ft.) and overnight camping (150 spaces). Envisioned revenue drivers included tent camping, meeting space, parking fees, education programs and retail. In the final phase of the project, an estimated 50% of costs would be recovered and the forecasted \$500,000 annual deficit would be raised through grant writing and fundraising efforts.

The Park Board tasked EELAC to review and update the previous plan and develop a vision for the East End Lagoon that facilitates low impact recreational access, minimizes climatized construction and generates user fees to recover as much of the operational and maintenance costs as possible.

In April of 2018 and with grant funding from the Kempner Foundation, the Park Board entered into an agreement with PROS Consulting, Inc. for an updated Business Plan with a minimum five-year vision and revenue/expenditure pro formas.

At the February 6, 2019 EELAC meeting a completed copy of the plan was presented with a unanimous motion to accept the plan, produce a handout for community education and ask the Trustees for their financial and institutional support. This plan focuses revenue generation around user activities such as enhanced fishing, education and RV Camping. Recommended amenities include an offshore fishing structure, 65 space overnight RV camping facility, trailheads and walking trails and one, 2897 square foot open air interpretative center. In the final phase of the project (year 8), an estimated 100% of the debt service, operational and maintenance costs would be recovered.

Staff is presenting to the Board of Trustees on February 26, 2019 for their concurrence for the discussions with the City Council at the February 28, 2019 joint workshop meeting.

- Accept and endorse the Business Plan as the guiding document with the stipulation that additional due diligence including a wetland delineation with the USACE will be undertaken to guide the development of channel side fishing and RV Park amenities;
- Support and endorse the acceptance of RESTORE funding for the construction of open-air interpretative center and;
- Request \$50,000 a year from the City budget for the EEL for the next eight (8) years.