



CITY COUNCIL REGULAR MEETING CITY OF BAY CITY

Tuesday, October 27, 2020 at 6:00 PM
COUNCIL CHAMBERS | 1901 5th Street

COUNCIL MEMBERS

Mayor: Robert K Nelson

Mayor Pro Tem: Jason W. Childers

Council Members: William Cornman, Brent P. Marceaux, Becca Sitz, Julie Estlinbaum

Bay City is committed to developing and enhancing the long-term prosperity, sustainability, and health of the community.

AGENDA

THE FOLLOWING ITEM WILL BE ADDRESSED AT THIS OR ANY OTHER MEETING OF THE CITY COUNCIL UPON THE REQUEST OF THE MAYOR, ANY MEMBER(S) OF COUNCIL AND/OR THE CITY ATTORNEY:

ANNOUNCEMENT BY THE MAYOR THAT COUNCIL WILL RETIRE INTO CLOSED SESSION FOR CONSULTATION WITH CITY ATTORNEY ON MATTERS IN WHICH THE DUTY OF THE ATTORNEY TO THE CITY COUNCIL UNDER THE TEXAS DISCIPLINARY RULES OF PROFESSIONAL CONDUCT OF THE STATE BAR OF TEXAS CLEARLY CONFLICTS WITH THE OPEN MEETINGS ACT (TITLE 5, CHAPTER 551, SECTION 551.071(2) OF THE TEXAS GOVERNMENT CODE).

CALL TO ORDER

INVOCATION & PLEDGE

Texas State Flag Pledge: *"Honor The Texas Flag; I Pledge Allegiance To Thee, Texas, One State Under God, One And Indivisible."*

Mayor Pro Tem Jason Childers

CERTIFICATION OF QUORUM

MISSION STATEMENT

The City of Bay City is a community that fosters future economic growth, strives to deliver superior municipal services, invests in quality of life initiatives and is the gateway to the great outdoors. We encourage access to our unique historical and eco-cultural resources while maintaining our small-town Texas charm.

Mayor Pro Tem Jason Childers

APPROVAL OF AGENDA

APPROVAL OF MINUTES

- 1. Meeting minutes of Regular Council meeting on October 13, 2020**

PUBLIC COMMENTS

State Law prohibits any deliberation of or decisions regarding items presented in public comments. City Council may only make a statement of specific factual information given in response to the inquiry; recite an existing policy; or request staff places the item on an agenda for a subsequent meeting.

CONSENT AGENDA ITEMS FOR CONSIDERATION AND/OR APPROVAL**REGULAR ITEMS FOR DISCUSSION, CONSIDERATION AND/OR APPROVAL**

- 2. Discussion ~ Discuss concerns and options regarding speeding traffic on 8th Street.**
Whitney McGee, Citizen
- 3. Personnel ~ Discuss, consider and/or approve Police Officer recruitment incentives.**
Robert Lister, Chief of Police
- 4. Appointment ~ Consider and/or approve the appointment of Jessica Russell as Planning Commission Chairman.**
Mayor Robert K. Nelson
- 5. Agreement ~ Discuss, consider, and/or approve an Interlocal Agreement with the City of Bay City and Bay City Community Development Corporation regarding small business grants as they relate to COVID-19.**
Scotty Jones, Finance Director
- 6. Resolution ~ Discuss, consider, and/or approve a resolution of the City of Bay City, Texas, authorizing the submission of a Community Development Block Grant - Mitigation (CDBG-MIT) application to the Texas General Land Office and authorizing the Mayor and City Manager to act as the City's executive officers and authorized representatives in all matters pertaining to the City's participation in the CDBG-MIT program.**
Alyssa Dibbern, Engineer Tech
- 7. Contract ~ Discuss, consider, and/or approve a contract for professional engineering services for the Texas General Land Office (GLO) Mitigation Grant Program between the City of Bay City, Texas and Lynn Engineering.** Barry Calhoun, Public Works Director
- 8. Contract ~ Discuss, consider, and/or approve a standard contract for professional engineering services for various City projects, including the Texas Water Development Board projects between the City of Bay City, Texas and Garver, LLC.**
Barry Calhoun, Public Works Director
- 9. Contract ~ Discuss, Consider, and/or approve award of Nile Valley Road Construction Project.** Barry Calhoun, Public Works Director

- 10. Ordinance ~ Discuss, consider, and/or approve an Ordinance authorizing the issuance of City of Bay City, Texas General Obligation Refunding Bonds, Series 2021; levying a tax in payment thereof; authorizing the redemption prior to maturity of certain outstanding obligations; providing for the award and sale of said bonds in accordance with certain parameters; and enacting other provisions relating thereto.**
Scotty Jones, Finance Director
- 11. Report ~ Discuss, consider, and/or approve the Quarterly Investment Report for the quarter ending September 30, 2020.**
Scotty Jones, Finance Director
- 12. Appointments ~ Discuss, consider, and/or approve Resident Commissioner for Bay City Housing Authority.**
Shawna Burkhart, City Manager
- 13. Appointments ~ Discuss, consider, and/or approve members for TIRZ #1.**
Shawna Burkhart, City Manager
- 14. Appointments ~ Discuss, consider, and/or approve members for TIRZ #2.**
Shawna Burkhart, City Manager
- 15. Appointments ~ Discuss, consider, and/or approve members for TIRZ #3.**
Shawna Burkhart, City Manager
- 16. Discuss, consider and/or approve the reschedule of the Regular Council meetings in December 2020 from the 8th and 22nd to the 1st and 15th.**
Jeanna Thompson, City Secretary

CLOSED / EXECUTIVE SESSION

OPEN SESSION

Discuss, consider and/or take action on item(s) listed in Executive/Closed Session, (if any).

ITEMS / COMMENTS & MAYOR AND COUNCIL MEMBERS

ADJOURNMENT

AGENDA NOTICES:

Action by Council Authorized: The City Council may vote and/or act upon any item within this Agenda. The Council reserves the right to retire into executive session concerning any of the items listed on this Agenda, pursuant to and in accordance with Texas Government Code Section 551.071, to seek the advice of its attorney about pending or contemplated litigation, 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 conflict with the Open Meetings Act and may invoke this right where the City Attorney, the Mayor or a majority of the Governing Body deems an executive session is necessary to allow privileged consultation between the City Attorney and the governing body, if considered necessary and legally justified

under the Open Meetings Act. The City Attorney may appear in person, or appear in executive session by conference call in accordance with applicable state law.

Attendance By Other Elected or Appointed Officials: It is anticipated that members of other city board, commissions and/or committees may attend the meeting in numbers that may constitute a quorum of the other city boards, commissions and/or committees. Notice is hereby given that the meeting, to the extent required by law, is also noticed as a meeting of the other boards, commissions and/or committees of the City, whose members may be in attendance. The members of the boards, commissions and/or committees may participate in discussions on the same items listed on the agenda, which occur at the meeting, but no action will be taken by such in attendance unless such item and action is specifically provided for on an agenda for that board, commission or committee subject to the Texas Open Meetings Act.

Executive Sessions Authorized: This agenda has been reviewed and approved by the City's legal counsel and the presence of any subject in any Executive Session portion of the agenda constitutes a written interpretation of Texas Government Code Chapter 551 by legal counsel for the governmental body and constitutes an opinion by the attorney that the items discussed therein may be legally discussed in the closed portion of the meeting considering available opinions of a court of record and opinions of the Texas Attorney General known to the attorney. This provision has been added to this agenda with the intent to meet all elements necessary to satisfy Texas Government Code Chapter 551.144(c) and the meeting is conducted by all participants in reliance on this opinion.

CERTIFICATION OF POSTING

This is to certify that the above notice of a Regular Called Council Meeting was posted on the front window of the City Hall of the City of Bay City, Texas on **Friday, October 23, 2020 before 6:00 p.m.** Any questions concerning the above items, please contact Mayor Robert K. Nelson at (979) 245-2137.

CITY OF BAY CITY

MINUTES • OCTOBER 13, 2020

**COUNCIL
CHAMBERS | 1901
5th Street**

City Council Regular Meeting

6:00 PM

**1901 5TH STREET
BAY CITY TX, 77414**



Mayor

Robert K. Nelson

Councilman

William Cornman

Mayor Pro Tem

Jason W. Childers

Councilman

Brent P. Marceaux

Councilwoman

Becca Slitz

Councilwoman

Julie Estlinbaum

Bay City is committed to developing and enhancing the long-term prosperity, sustainability, and health of the community.

CALL TO ORDER

Mayor Robert K. Nelson called the meeting to order at 6:01 PM.

INVOCATION & PLEDGE

Texas State Flag Pledge: *"Honor The Texas Flag; I Pledge Allegiance To Thee, Texas, One State Under God, One And Indivisible."*

Councilman Bill Cornman

CERTIFICATION OF QUORUM

PRESENT

Mayor Robert K. Nelson
Mayor Pro Tem Jason W. Childers
Councilman William Cornman
Councilman Brent P. Marceaux
Councilwoman Becca Sitz
Councilwoman Julie Estlinbaum

MISSION STATEMENT

The City of Bay City is a community that fosters future economic growth, strives to deliver superior municipal services, invests in quality of life initiatives and is the gateway to the great outdoors. We encourage access to our unique historical and eco-cultural resources while maintaining our small-town Texas charm.

Councilman Bill Cornman

APPROVAL OF AGENDA

Motion made by Mayor Pro Tem Childers to approve the agenda, Seconded by Councilman Marceaux.

Voting Yea: Mayor Nelson, Mayor Pro Tem Childers, Councilman Cornman, Councilman Marceaux, Councilwoman Sitz, Councilwoman Estlinbaum. Motion carried.

PUBLIC COMMENTS

David Torrez, 1616 Cottonwood, suggested using drug money to repair sidewalks. Mr. Torrez discussed other issues regarding streetlights, road, and waste management performance.

CONSENT AGENDA ITEMS FOR CONSIDERATION AND/OR APPROVAL

1. Minutes from the Regular City Council meeting on September 22, 2020

Motion made by Councilman Cornman to approve the minutes from September 22, 2020, Seconded by Mayor Pro Tem Childers. Voting Yea: Mayor Nelson, Mayor Pro Tem Childers, Councilman Cornman, Councilman Marceaux, Councilwoman Sitz, Councilwoman Estlinbaum. Motion carried.

REGULAR ITEMS FOR DISCUSSION, CONSIDERATION AND/OR APPROVAL**2. Appointment ~ Consider, and/or approve the re-appointment of Associate Municipal Court Judge Mark Finlay.**

Judge Thompson requested to appoint Mark Finley an Associate Judge. Marceaux stated that Judge Finlay does an exceptional job and we are very fortunate to have both Thompson and Finlay.

Motion made by Mayor Pro Tem Childers to approve the appointment, Seconded by Councilwoman Sitz. Voting Yea: Mayor Nelson, Mayor Pro Tem Childers, Councilman Cornman, Councilman Marceaux, Councilwoman Sitz, Councilwoman Estlinbaum. Motion carried and Judge Thompson swore in Judge Finlay.

3. Policy ~ Discuss, consider, and/or approve the 2021 City of Bay City Holiday Schedule.

Rhonda introduced the proposed holiday schedule for the City. Councilman Cornman brought up Council Meetings on holiday weeks. Councilwoman recommended changing meeting date in December from the 8th and 22nd to the 1st and 15th. Council requested the change be put on the next agenda.

Motion made by Councilman Cornman to approve the City Holiday Schedule for 2021, Seconded by Councilman Marceaux. Voting Yea: Mayor Nelson, Mayor Pro Tem Childers, Councilman Cornman, Councilman Marceaux, Councilwoman Sitz, Councilwoman Estlinbaum. Motion carried.

4. Resolution ~ Resolution of the City Council of the City of Bay City, Texas requesting financial assistance from the Texas Water Development, Authorizing the filing of an application for assistance; and making certain findings in connection therewith.

Barry Calhoun, Public Works Director, introduced the resolution for Jessica Russell. In March, Council awarded engineering services for drainage, and we are looking for grant opportunities from TWD. The City is eligible for 29%.

Motion made by Councilwoman Sitz to approve the Resolution requesting financial assistance from Texas Water Development, Seconded by Councilman Marceaux. Voting Yea: Mayor Nelson, Mayor Pro Tem Childers, Councilman Cornman, Councilman Marceaux, Councilwoman Sitz, Councilwoman Estlinbaum. Motion carried.

5. Ordinance ~ Ordinance amending the City Code of Ordinances Chapter 2; Article II ("Meetings and Rules of Order") deleting the requirement of electronic

recording of City Council Proceedings; providing for a cumulative and conflicts clause, providing for a severability clause; and providing for an effective date.

Jeanna Thompson, City Secretary, reviewed the Ordinance amendment. Public comments came from from James Folsie and Crystal Folsie opposing the change to the Ordinance. Discussions were made and Ms. Thompson assured that the practice of recording Council meeting would continue. A policy was recommended. The Ordinance was polled by Mayor Nelson.

Motion made by Councilwoman Sitz to approve the Ordinance amending the City Code of Ordinance Chapter 2; Article II, Seconded by Councilman Marceaux.

Voting Yea: Mayor Nelson, Mayor Pro Tem Childers, Councilman Cornman, Councilman Marceaux, Councilwoman Sitz, Councilwoman Estlinbaum. Motion carried.

6. Discussion ~ Discuss, consider, and/or approve a software upgrade with Neptune.

Shawna Burkhart, City Manager, summarized Sieman's work doing the city wide meter upgrade with Neptune meters. Neptune has upgrade their software and to replace the 1200 meters we must upgrade those in ground with the new software. Ms. Burkhart stated that we do not desire a relationship with Neptune, they are not honoring their warranty. Cost of \$20,000 to \$25,000 software upgrade to utilize the meters in the ground but we will not buy more meters from Neptune - and go to Badger meters. 100 of badger to test is a cost of \$40,000, which is in the budget. Councilman Cornman and Councilman Marceaux asked Cornman suggested looking at the life cost and compare to manual meter readers.

7. Discussion ~ Discuss, consider, and/or approve to begin trial testing of the Badger meters.

Motion made by Councilman Cornman to approve the trial testing of Badger meters, Seconded by Councilman Marceaux. Voting Yea: Mayor Nelson, Mayor Pro Tem Childers, Councilman Cornman, Councilman Marceaux, Councilwoman Sitz, Councilwoman Estlinbaum. Motion carried.

8. Discussion ~ Discuss TxDOT proposal to upgrade traffic signals and add turn lanes at two locations on Highway 60.

Shawna Burkhart, City Manager, reviewed response form TxDOT. TxDOT proposed to not upgrade Avenue g and Avenue H at Highway 35, but will upgrade 6th and 8th streets on highway 60. Ms. Burkhart stated that they have met with the county and they have concerns because they are losing parking on north and west side of courthouse. Councilman Cornman stated that his thoughts are that at some place in this process is an approval and we need a sketch/drawing for approval. Ms. Burkhart added that this is still in a study phase - 2 to 3 years out. Councilwoman Sitz recommended changing the timing of the lights as opposed to changing/removing parking. Councilwoman

Estlinbaum agreed with Councilwoman Sitz. Councilwoman Sitz also recommended "no left turns".

CLOSED / EXECUTIVE SESSION

Mayor Nelson adjourned the regular session at 7:02 pm and Council went into an Executive session.

9. Personnel

~ CLOSED MEETING TO DISCUSS PERSONNEL MATTERS IN ACCORDANCE WITH TITLE 5, SECTION 551.074 OF THE TEXAS GOVERNMENT CODE (TO DISCUSS APPOINTMENT, EMPLOYMENT, EVALUATION, RESPONSIBILITIES AND DUTIES, REASSIGNMENT, DISCIPLINE OR DISMISSAL OF AN OFFICER OR EMPLOYEE, OR TO HEAR A COMPLAINT OR CHARGE AGAINST AN OFFICER OR EMPLOYEE: CITY MANAGER.

10. Presentation

~ EXECUTIVE SESSION PURSUANT TO SECTION 551.087 OF THE TEXAS GOVERNMENT CODE (DELIBERATION REGARDING ECONOMIC DEVELOPMENT).

11. Legal

~ EXECUTIVE SESSION PURSUANT TO SECTION 551.071 OF THE TEXAS GOVERNMENT CODE (CONSULTATION WITH COUNSEL ON LEGAL MATTERS). THE CITY COUNCIL WILL DISCUSS OR DELIBERATE REGARDING OAG OPINION.

OPEN SESSION

Council adjourned the Executive Session at 8:05 pm and reconvened the Regular session.

Item #9: Mayor Pro Tem Childers made a motion to approve a \$5,000 raise for the City Manager effective immediately, seconded by Councilman Cornman. Voting Yea: Mayor Nelson, Mayor Pro Tem Childers, Councilman Cornman, Councilman Marceaux, Councilwoman Sitz, Councilwoman Estlinbaum. Motion carried.

There was no action taken on Items #10 and #11 of the Executive session.

ITEMS / COMMENTS & MAYOR AND COUNCIL MEMBERS

ADJOURNMENT

Motion made by Councilman Marceaux to adjourn the meeting, Seconded by Mayor Pro Tem Childers. Voting Yea: Mayor Nelson, Mayor Pro Tem Childers, Councilman Cornman,

Councilman Marceaux, Councilwoman Sitz, Councilwoman Estlinbaum. Motion carried and the meeting was adjourned at 8:11 PM.

PASSED AND APPROVED, this ____ day of _____, 2020.

ROBERT K. NELSON, MAYOR
CITY OF BAY CITY, TEXAS

JEANNA THOMPSON
CITY SECRETARY



CITY OF BAY CITY
1901 FIFTH STREET
BAY CITY, TEXAS 77414
(979) 245-2137
FAX: (979) 323-1681

AGENDA ITEM REQUEST FORM

Complete Submissions Required:

Any item, to be considered for action by the City Council, must be presented on this form, along with any unprivileged documentation and must be filed and complete to have an item placed on the City Council Agenda for consideration (This process is not required for members of the governing body, but it is encouraged). Before being considered filed for placement on the agenda, a summary of the item, all supporting documentation and review of the item from each City Department must be performed for the request to be complete. If the request is from a citizen, the City shall expedite review through internal means. Request forms must be complete and received by the City Secretary's office no later than 5:00 p.m. on the Monday of the week prior to the Regular Council meeting to be placed on that meeting's agenda. The item may be placed on workshop or special council meeting agenda if deemed appropriate by the City. Only completed request forms are considered for placement on the agenda.

Regular Council meetings are held on the second and fourth Tuesday of the month at 6:00 p.m. in the Council Chambers at City Hall. Agenda items shall be set for consideration pursuant to City Code Section 2-47, as amended.

Requestor: Whitney Paul McGehee Date Submitted: 10/9/2020
PRINTED NAME and/or CITY DEPARTMENT

Citizen City Department Council Member

Address: 3211 8th St

Preferred contact: Cell 832-248-9007 Work phone X
 E-mail X Fax X

I respectfully request the below item be placed on the 27th Agenda for City Council consideration.

1) Describe Item to be considered and area of City involved, if any: Speed Bumpers on 8th Street between Katy & Nichols RD

2) Executive Summary of Item and action by council sought: Speeding along 8th Street - "Speedy Stop Stop" has created a lot of traffic since opening - a lot of cars drive excessively fast thru 2 blocks on 8th St. Speed Bumpers would slow them down over B.C. Police Patrol during school hours helps

3) Do you need time to present this item No Yes If so, how much? 10 Minutes

But after school. Work Traffic from
5:00 PM. Cutting across to avoid light at
7th + ~~W~~ S RD. 40' - 50 MPH - in 2 blocks

Thank You sincerely
Mr. W.P. M. De

ADMIN / OFFICIAL USE ONLY:

Consent Item: Yes No

Any Prior City Council Action: Yes No

Deadline for City Council Action: _____

Projected Future City Council Action: _____

Fiscal Impact: _____

Staff Recommendation on this requested item:

Mayor's Office Yes No _____ Na
City Attorney's Office Yes No _____ Na
City Secretary Department Yes No _____ Na
Finance Department Yes No _____ Na
Police Department Yes No _____ Na

Public Works Yes No _____ Na
Community Service Yes No _____ Na
(AP, PR, MS, and LB)
Utility Department Yes No _____ Na

Staff Comments: _____

Anticipated Time necessary for Item: _____

TRACKING:

Received by City Secretary: _____ Staff Initial

Administratively Complete: _____ Staff Initial

Date of Agenda placed for consideration: _____ Staff Initial

Council action taken: _____ on _____
 Yes No Na

SIGNATURE – City Secretary's Office

~DISCUSS, CONSIDER, AND/OR APPROVE AN INTERLOCAL AGREEMENT BETWEEN THE CITY OF BAY CITY, TEXAS AND BAY CITY COMMUNITY DEVELOPMENT CORPORATION REGARDING SMALL BUSINESS GRANTS AS THEY RELATE TO COVID-19



EXECUTIVE SUMMARY

INTERLOCAL AGREEMENT FOR GRANT SERVICES

BACKGROUND:

The City applied for CARES ACT (Coronavirus Relief, and Economic Securities Act) funding and was awarded. The expenditure must be used for actions taken to respond to the public health emergency. The expenditures must be incurred between March 1, 2020 and December 30, 2020. This includes providing economic support to those suffering business interruptions. The agreement is effective through December 15, 2020.

FINANCIAL IMPLICATIONS: All funds reimbursed through CARES ACT

IMPACT ON COMMUNITY SUSTAINABILITY: The Bay City Community Development Corporation is responding to the needs of the local businesses during this pandemic to support their online retail presence through website grants.

RECOMMENDATION: Staff recommends City Council approve the Interlocal Agreement

ATTACHMENTS: Interlocal Agreement

INTERLOCAL COOPERATION AGREEMENT BETWEEN
CITY OF BAY CITY, TEXAS AND BAY CITY COMMUNITY
DEVELOPMENT CORPORATION REGARDING
SMALL BUSINESS GRANTS AS THEY RELATE TO COVID-19

STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF MATAGORDA §

This Interlocal Cooperation Agreement is made and entered into effective the latest date shown below, between the City of Bay City (hereinafter “City”), a political subdivision of the State of Texas, acting by and through its duly elected City Council and the Bay City Community Development Corporation (hereinafter “BCCDC”), an economic development corporation receiving public funds within the City of Bay City pursuant to Texas Local Government Code Chapter 505, a pseudo-political subdivision of the State of Texas, acting by and through its duly appointed Board of Directors.

WITNESSETH:

In consideration of the mutual covenants and agreements set forth in this Agreement, and other good and valuable consideration stated herein below, City and BCCDC hereby mutually agree as follows:

ARTICLE I. - PURPOSE

It is the purpose of this Agreement to improve and encourage the efficiency and effectiveness of the City and BCCDC (the “Parties”) by authorizing the fullest range of intergovernmental cooperation.

The City and BCCDC desire for the BCCDC to serve as the City’s third party administrator to administer small business grants as they relate to COVID-19 and as further

defined in the Website Development Grant description attached hereto as Exhibit "A". The Parties enter into this Agreement for that purpose.

Specifically, BCCDC shall provide small grants in accordance with the criteria described in Exhibit "A" and the City agrees to reimburse the awarded business upon receipt of documentation as required in Exhibit "A". Additionally, BCCDC agrees to maintain all required records for the grant and provide those to City upon request.

ARTICLE II. - AUTHORITY

This Agreement is entered into by the parties hereto pursuant to the Texas Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. This Agreement shall be governed by and subject to the laws of the State of Texas. Any of the terms and conditions of this Agreement are subject to and shall be construed in accordance with the construction of the Texas Interlocal Cooperation Act recited hereinabove.

ARTICLE III. - TERM

The term of this Agreement shall commence on the date of execution hereof and shall terminate once all funds have been administered.

ARTICLE IV. - MISCELLANEOUS PROVISIONS

This Agreement constitutes the entire agreement between BCCDC and City and supersedes any prior understandings or written or oral agreements between the parties respecting the subject matter of this Agreement.

No amendment, modifications, or alteration of the terms of this Agreement shall be binding unless it is in writing, dated subsequent to the date of this Agreement, and duly executed by the parties to this Agreement.

This Agreement shall be binding upon and inure to the benefits of the parties hereto, their respective successors and assigns.

EXECUTED IN MULTIPLE ORIGINALS, retained by each party hereto, effective on the latest date shown below.

CITY OF BAY CITY, TEXAS

BAY CITY COMMUNITY DEVELOPMENT CORPORATION

By: _____
Robert K. Nelson, Mayor

By: Floyce Brown
Floyce Brown, President

Date of Meeting Approved: _____

Date of Meeting Approved: Sept. 28, 2020

ATTEST:

ATTEST:

By: _____
Jeanna Thompson, City Secretary

By: _____
Jason Childers, Secretary



COVID Adaptability Website Grant

During these unprecedented times businesses around the area have had to adapt to new methods of commerce. Bay City businesses have shown great resilience in the face of the Corona Virus, but the Bay City Community Development Corp, Main Street Program, and the City of Bay City want to help businesses do more.

The COVID Adaptability Website Grant is available to assist businesses in constructing a website for online presence OR improve an existing website for online visibility. Ideally, the website would improve commerce, expand the sales area of the business, and generally establish more of an online presence with the overreaching goal of e-commerce.

This reimbursable grant is available in amounts up to \$5,000.00 depending on the business's needs. Applications will be considered in the order they are received. One grant per business.

Funds MUST be spent by December 15, 2020.

Contact the BCCDC or Main Street office for additional information

1112 7th St, Bay City, TX 77414

Jessica Russell, jrussell@cityofbaycity.org

Shelly Story, sstory@cityofbaycity.org

Karen Stephens, kstephens@cityofbaycity.org

979-245-8081



COVID Adaptability Website Grant Application

Name of Business	
Type of Business	<input type="checkbox"/> Proprietorship <input type="checkbox"/> Corporation <input type="checkbox"/> LLC <input type="checkbox"/> Partnership
Business Owner	
Contact Name	
Title	
Phone	
Address	
Current Website (if applicable)	
Grant Amount Requested	\$
Quote and applicable Assumed Name Certificate attached?	

Brief outline of website needs, design, intended outcomes:



Which website designer are you retaining for the work? Are they locally or regionally based? Please attach quote for requested work

How will this grant help your business adapt to the post COVID-19 business environment?

In order to receive reimbursement, applicant must provide application, receipts, and cleared check copy.



Section 1. Sponsor

Bay City Community Development Corporation (BCCDC)

Section 2. Goals of Program

- To serve as an arm of our Business Retention and Expansion mission as set forth in our 2019 Goal Setting Session.
- To help further establish existing businesses so that they continue business in Bay City.
- To combat the negative impacts that the COVID-19 pandemic has put on our businesses.
- To encourage the resiliency and adaptability of our existing businesses.
- To encourage the utilization of e-commerce by our local businesses

Section 3. Grant Type

Grants provided are Reimbursement Grants, such grants being a cash match for funds disbursed by an Applicant and are in the amounts not to exceed \$5,000.00. In-kind contributions may not be used as a part or whole of an Applicant's match. Only Applicant's cash expenditures may be reimbursed.

Section 4. Funding Cycle

Funding cycles shall be October 1, 2020 through December 1, 2020. Upon depletion of those funds, BCCDC will be under no obligation to fund additional grants. Likewise, BCCDC is under no obligation to establish future cycles.

Section 5. Eligibility

1. Any new or existing business within the Bay City City Limits.
2. Business facilities solely serving as a residence are not eligible.



3. Business facilities and/or properties which have outstanding financial obligations to the City of Bay City, such as liens, court fines, city utility bills, or delinquent property taxes are not eligible.
4. Business facilities and/or property owners which have an ongoing lawsuit or are in any way parties to litigation against the City of Bay City are not eligible.

Section 6. Type of Grants

Website Development: Complete construction of a website.

Website Update: additions to an existing website

Section 7. Guidelines

1. Proof of ownership will be required of Applicants operating a business in an applicant owned facility.
2. Development and improvements shall be made in accordance with project outline specifications, and/or information provided in the application, such having been previously approved by City of Bay City. Failure to do so will render the Applicant ineligible to receive grant funding. Modification of monetary value (if you applied for the lessor grant but want to apply for the full amount) must first receive the written approval of the BCCDC or its designee. Failure to do so will likewise render the Applicant ineligible for grant funding.
3. Upon approval of a grant application, and during the implementation of the improvements, a representative or representatives of the BCCDC shall have the right of access to inspect the work in progress.
4. Payment to the website designer may not commence prior to having received written approval for a grant from the BCCDC.
5. Preference will be given to applicants that utilize local vendors.



6. In order to be eligible to receive the grant funding, design, implementation, and payment related to the grant must be completed by December 15, 2020 .

Section 8. Application & Approval

1. Applications must be made on a form provided by the BCCDC and may be obtained at BCCDC offices, 1112 7th St, Bay City, TX 77414.
2. Applications will be considered on a monthly basis so as long as funding is available. **Grant awards are contingent upon available funding in the budget.** Each applicant will be considered in the order received following evaluation criteria in Section 9.
3. One (1) original and one (1) copy of an application must be submitted.
4. BCCDC reserves the right to utilize whatever outside resources it deems necessary for assistance in its decision-making process.
5. Applicants will be notified via email of the BCCDC's approval or disapproval of an application.
6. BCCDC may award an Applicant a grant with certain provisions, conditions, or other requirements as it may from time to time deem appropriate.
7. BCCDC reserves unto itself the absolute right of discretion in deciding whether or not to approve a grant relative to this application. The Applicant accepts that all decisions relating to the award of grant funds involves subjective judgments on the part of the decision-making entity related to the aesthetics of the proposed project and the granting of award funds for said project.
8. BCCDC reserves the right to waive any requirement(s) herein contained, and/or add any requirements it deems appropriate in making its determination of approval or disapproval of a grant application.

Section 9. Evaluation Criteria Standards

The following factors shall be considered in determining whether or not to award a grant:



Business Impact: Development or improvement to the website must be done with the goal of increased online presence, e-commerce, and expanded trade area in mind.

Economic Impact: The adaptability and resiliency of the business should be increased with the grant funding.

Section 10. Funding

1. Funding will only be provided on a reimbursement basis upon the completion of the project in accordance with Section 7 above and following verification by BCCDC that the website is publicly viewable and operable at the link provided by Applicant
2. Applicant shall provide the BCCDC with written notification of project completion. Such notification shall include a letter signed by the Applicant stating that all development and improvements have been completed in accordance with the application and/or approved modifications, and that full payments have been made for all labor and costs involved in the project. Also included in such notification shall be such documentation, such as, but not limited to, paid receipts for costs and labor, project photographs, or any other items the BCCDC may reasonable deem necessary for determining the successful completion of the project.
3. Upon receipt of a notification of completion, a website inspection shall be made by a representative or representatives of the BCCDC to confirm completion in accordance with the application and/or approved modifications, such inspection shall not be considered in any way as a reflection of the BCCDC's approval on the quality, functionality or reliability of the improvements, such being the sole responsibility of Applicant.

Section II. Project Review



BCCDC staff will review all applications and shall forward complete applications on to the BCCDC Board for approval or disapproval. BCCDC will set the budgetary allocations.

Section 12. Amendment

The BCCDC Board of Directors reserves unto itself the right to amend these Guidelines and Criteria as it may from time to time find desirable.


CITY OF BAY CITY

1901 FIFTH STREET

(979) 245-2137

FAX: (979) 323-1626

AGENDA ITEM SUBMISSION FORM

Any item(s) to be consider for action by the City Council, must be included on this form, and be submitted along with any supporting documentation. Completed Agenda Item Submission forms must be submitted to the City Secretary's Office no later than 4:00 p.m. on the Monday of the week prior to the Regular Council meeting.

 Citizen

 City Staff

 Council Member

 Requestor Name: Alyssa Dibbern

 Date Submitted: 10/9/2020

 Position Title (If City Staff): Engineering Tech

 Council Meeting Date: 10/27/2020

Type of Agenda Item:

 Consent Agenda Presentation

 Public Hearing Executive Session

 Regular Item for Discussion

Agenda Wording:

DISCUSS, CONSIDER AND/OR APPROVE A RESOLUTION OF THE CITY COUNCIL OF BAY CITY, TEXAS, AUTHORIZING THE SUBMISSION OF A COMMUNITY DEVELOPMENT BLOCK GRANT-MITIGATION (CDBG-MIT) APPLICATION TO THE TEXAS GENERAL LAND OFFICE AND AUTHORIZING THE MAYOR AND CITY MANAGER TO ACT AS THE CITY'S EXECUTIVE OFFICERS AND AUTHORIZED REPRESENTATIVES IN ALL MATTERS PERTAINING TO THE CITY'S PARTICIPATION IN THE CDBG-MIT PROGRAM.

Executive Summary of Item:

The CDBG-MIT application is hereby authorized to be filed with GLO for funding consideration under the Community Development Block Grant-Mitigation. The application is be for \$15,172,500 of grant funds to provide improvements to drainage. 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. The Mayor and City Manager are designated as the Chief Executive Officers and Authorized Representatives for all aspects of the Program. Contributing funds in the amount of \$151,725 in cash are committed by the City of Bay City toward application activities.

RESOLUTION 2020-R-_____

A RESOLUTION OF THE CITY COUNCIL OF BAY CITY, TEXAS, AUTHORIZING THE SUBMISSION OF A COMMUNITY DEVELOPMENT BLOCK GRANT-MITIGATION (CDBG-MIT) APPLICATION TO THE TEXAS GENERAL LAND OFFICE AND AUTHORIZING THE MAYOR AND CITY MANAGER TO ACT AS THE CITY’S EXECUTIVE OFFICERS AND AUTHORIZED REPRESENTATIVES IN ALL MATTERS PERTAINING TO THE CITY’S PARTICIPATION IN THE CDBG-MIT PROGRAM.

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

WHEREAS, certain conditions exist related to disastrous events, which represent a threat to the public health, safety and welfare; and

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

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

1. That a CDBG-MIT application is hereby authorized to be filed with the Texas General Land Office for funding consideration under the Community Development Block Grant-Mitigation.
2. That the application be for \$15,172,500 of grant funds to provide improvements to drainage.
3. That the Mayor and City Manager are designated as the Chief Executive Officers and Authorized Representatives to act in all matters in connection with this application and participation in the CDBG-MIT Program.
4. That the Mayor is designated to oversee all grant activities so as to ensure there are no Conflicts of Interest.
5. That all funds will be used in accordance with all applicable federal, state, local and programmatic requirements including but not limited to procurement, environmental review, labor standards, real property acquisition, and civil rights requirements.
6. That contributing funds in the amount of \$151,731 in cash are committed by the City of Bay City toward application activities.

Passed and approved this _____ day of _____, 2020.

Robert K. Nelson, Mayor

Attest:

Jeanna Thompson, City Secretary



CITY OF BAY CITY
 1901 FIFTH STREET
 BAY CITY, TEXAS 77414
 (979) 245-2137
 FAX: (979) 323-1626

AGENDA ITEM SUBMISSION FORM

Any item(s) to be considered for action by the City Council, must be included on this form, and be submitted along with any supporting documentation. Completed Agenda Item Submission forms must be submitted to the City Secretary's Office no later than 4:00 p.m. on the Monday of the week prior to the Regular Council meeting.

Requestor Name: Calhoun, Barry **Date Submitted:** 10/23/2020
Last, First *MM/DD/YYYY*

Requestor Type: City Staff **Meeting Date:** 10/27/2020
Citizen/City Staff/Council Member *MM/DD/YYYY*

Position Title Director of Public Works
For City Staff Only

Agenda Location: Discussion Item (Contract)
(e.g.: Consent Agenda/ Discussion Item/ Public Hearing/ Executive Session/ Presentation)

Agenda Content:

DISCUSS, CONSIDER, AND/OR APPROVE A CONTRACT FOR PROFESSIONAL ENGINEERING SERVICES FOR THE TEXAS GENERAL LAND OFFICE (GLO) MITIGATION GRANT PROGRAM BETWEEN THE CITY OF BAY CITY, TEXAS AND LYNN ENGINEERING.

Executive Summary of Item:

GLO is administering over \$4.2 billion in CDGB-MIT funds for communities declared in the 2015; 2016 and/or Harvey disasters. This CDBG GLO grant is for Mitigation with the objective of addressing current and future risk areas. Bay City is eligible for the HARVEY HUD Mid Program. The City intends to apply for funding to address drainage improvements needed throughout the community. The City's threshold for this grant application is \$15 million.



October 14, 2020

City of Bay City
Attn: Shawna Burkhart, City Manager
1901 Fifth St.
Bay City, TX 77414

Re: City of Bay City CDBG-MIT

Dear Ms. Burkhart:

To comply with federal procurement regulations at 2 CFR 200.323, a non-Federal entity (city or county) must negotiate profit as a separate element of the price for each contract in which there is no price competition and in cases where cost analysis is performed. To establish a fair and reasonable profit, consideration must be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

Lynn Engineering's proposed fee for engineering services is \$1,840,500 out of the \$14,110,545.00 of the total funds budgeted for engineering and construction. This is within the General Land Office's engineering fee cap of 15%. Of this fee, our level of profit for this contract is \$276,075. We believe this profit level is justifiable for several reasons: the extensive work Lynn Engineering undertakes in the preparation of project design, surveying, Geotech, construction plans and specs, bid documents, and construction management as well as our investment in hiring and training highly qualified licensed engineers; and the quality of our past work as demonstrated in our proposal.

Since the City must consider our profit and negotiate it separately from our overall contract price, please respond to this proposal with either (1) your signature indicating agreement with the proposed level of profit or (2) your counterproposal amount, if any. We must submit this information along with your CDBG-MIT application so please provide it back to us by Monday, October 19th.

Sincerely,

Mitchell Carrillo, PE

NMC/lm

Shawna Burkhart, City Manager
City of Bay City

ENGINEERING SERVICES

PART I - AGREEMENT

THIS AGREEMENT, effective on the date of selection by the Council, made on the ____ Day of _____, 2020 by and between the City of Bay City, Texas, hereinafter called the "Client" and Lynn Engineering hereinafter called "Firm," procured in conformance with Texas Government Code 2254 and 2 C.F.R. Part 200.

Firm agrees to render Client engineering/architecture/surveyor services for Client's U.S. Department of Housing and Urban Development Community Development Block Grant – Mitigation (“CDBG-MIT”) funds, administered by the Texas General Land Office (“GLO”) to fund activities to mitigate disaster risks and increase resiliency to disasters, as provided in the provisions titled, "Part IV, Scope of Work" and attached hereto and incorporated by reference herein (the “Services”).

Client and Firm both understand and mutually agree that compliance with, and performance of, the terms of this agreement by both parties is contingent upon the Client being awarded a grant from the U.S. Department of Housing and Urban Development Community Development Block Grant – Mitigation (“CDBG-MIT”) funds as administered by the Texas General Land Office (“GLO”) and the Client issuing a Notice to Proceed to the Firm.

The parties mutually agree as follows:

1. Scope of Services - The Firm will perform the services set out in Part IV, Scope of Work.
2. Time of Performance - Services shall commence no earlier than upon execution of this agreement. In any event, Firm shall use commercially reasonable efforts to perform all services required and performed hereunder within either 1,095 calendar days or the project’s administrative closure date, as defined by GLO, whichever is later.
3. Local Program Liaison - For purposes of this Agreement, the City Manager or equivalent authorized person will serve as the Local Program Liaison and primary point of contact for the Firm. All required progress reports and communication regarding the project shall be directed to this liaison and other local personnel as appropriate.
4. Compensation and Method of Payment - The maximum amount of compensation and reimbursement to be paid hereunder is a fixed fee of \$1,840,500.00. Payment to the Firm shall be based on satisfactory completion of identified milestones in Part II - Payment Schedule of this Agreement.
5. Indemnification – The Firm shall comply with the requirements of all applicable laws, rules and regulations, and shall exonerate, indemnify, and hold harmless the Client and its agency members from and against any and all claims, costs, suits, and damages, including attorney’s fees, arising out of the Firm’s performance or nonperformance of the activities, services or subject matter called for in this Agreement, 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.
6. Miscellaneous Provisions
 - a. This Agreement shall be construed under and accord with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Matagorda County, Texas.
 - b. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns where permitted by this Agreement.

- c. In any case 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 be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.
- d. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, costs, and necessary disbursements in addition to any other relief to which such party may be entitled.
- e. This Agreement may be amended by mutual agreement of the parties hereto and a writing to be attached to an incorporated into this Agreement.

7. Extent of Agreement - This Agreement, which includes Parts I-V and Attachments A-E, represents the entire and integrated agreement between the Client and the Firm and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by authorized representatives of both Client and the Firm.

IN WITNESSETH WHEREOF, the parties have executed this Agreement by causing the same to be signed on the day and year first above written.

Client: City of Bay City

Firm: Lynn Engineering

By:

By:

Print name: Shawna Burkhart
 Title: City Manager
 Date Signed: _____

Print name: Mitchell Carrillo, PE
 Title: Authorized Representative
 Date Signed: _____

Engineer License or Firm's Certificate No.: F-324
 State of: Texas

Address for Owner's receipt of notices:
1901 Fifth St.
Bay City, TX 77414

Address for Engineer's receipt of notices:
118 E. Main St.
Edna, Texas 77957

Designated Representative:

Designated Representative: John D. Mercer, PE

Title: _____
 Phone Number: _____
 E-Mail Address: _____

Title: Authorized Representative
 Phone Number: 361-782-7121
 E-Mail Address: jmercerc@jdmrcerc.com

**ENGINEERING SERVICES
PART II- PAYMENT SCHEDULE**

Client shall reimburse the Firm for professional services provided upon completion of the following project milestones per the following percentages of the maximum contract amount:

Milestone	% of Contract Fee	Amount Due
• Engineering Notice to Proceed	30%	\$ 552,150.00
• 100% Design Approved	30%	\$ 552,150.00
• Bid Advertise	10%	\$ 184,050.00
• Construction Notice to Proceed	15%	\$ 276,075.00
• As-Builts/ CoCC/FWCR	15%	\$ 276,075.00
Total	100%	\$ 1,840,500.00

ENGINEERING SERVICES PART III TERMS AND CONDITIONS

1. Termination of Agreement for Cause. If the Firm fails to fulfill in a timely and proper manner its obligations under this Agreement, or if the Firm violates any of the covenants, conditions, agreements, or stipulations of this Agreement, the Client shall have the right to terminate this Agreement by giving written notice to the Firm of such termination and specifying the effective date thereof, which shall be at least five days before the effective date of such termination. In the event of termination for cause, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs and reports prepared by the Firm pursuant to this Agreement shall, at the option of the Client, be turned over to the Client and become the property of the Client. In the event of termination for cause, the Firm shall be entitled to receive reasonable compensation for any necessary services actually and satisfactorily performed prior to the date of termination.

Notwithstanding the above, the Firm shall not be relieved of liability to the Client for damages sustained by the Client by virtue of any breach of the Agreement by the Firm, and the Client may set-off the damages it incurred as a result of the Firm's breach of the contract from any amounts it might otherwise owe the Firm.

2. Termination for Convenience of the Client. Client may at any time and for any reason terminate Firm's services and work at Client's convenience upon providing written notice to the Firm specifying the extent of termination and the effective date. Upon receipt of such notice, Firm shall, unless the notice directs otherwise, immediately discontinue the work and placing of orders for materials, facilities and supplies in connection with the performance of this Agreement.

Upon such termination, Firm shall be entitled to payment only as follows: (1) the actual cost of the work completed in conformity with this Agreement plus (2) such other costs actually incurred by Firm as are permitted by the prime contract and approved by Client. There shall be deducted from such sums as provided in this subparagraph the amount of any payments made to Firm prior to the date of the termination of this Agreement. Firm shall not be entitled to any claim or claim of lien against Client for any additional compensation or damages in the event of such termination and payment.

3. Changes. The Client may, from time to time, request changes in the services the Firm will perform under this Agreement. Such changes, including any increase or decrease in the amount of the Firm's compensation, must be agreed to by all parties and finalized through a signed, written amendment to this Agreement.
4. Resolution of Program Non-Compliance and Disallowed Costs. In the event of any dispute, claim, question, or disagreement arising from or relating to this Agreement, or the breach thereof, including determination of responsibility for any costs disallowed as a result of non-compliance with federal, state or CDBG-MIT program requirements, the parties hereto shall use their best efforts to settle the dispute, claim, question or disagreement. To this effect, the parties shall consult and negotiate with each other in good faith within 30 days of receipt of a written notice of the dispute or invitation to negotiate, and attempt to reach a just and equitable solution satisfactory to both parties. If the matter is not resolved by negotiation within 30 days of receipt of written notice or invitation to negotiate, the parties agree first to try in good faith to settle the matter by mediation administered by the American Arbitration Association under its Commercial Mediation Procedures before resorting to arbitration, litigation, or some other dispute resolution procedure. The parties may enter into a written amendment to this Agreement and choose a mediator that is not affiliated

with the American Arbitration Association. The parties shall bear the costs of such mediation equally. If the matter is not resolved through such mediation within 60 days of the initiation of that procedure, either party may proceed to file suit.

5. Personnel.
 - a. The Firm represents that he/she/it has, or will secure at its own expense, all personnel required in performing the services under this Agreement. Such personnel shall not be employees of or have any contractual relationship with the Client.
 - b. All of the services required hereunder will be performed by the Firm or under its supervision and all personnel engaged in the work shall be fully qualified and shall be authorized or permitted under State and Local law to perform such services.
 - c. None of the work or services covered by this Agreement shall be subcontracted without the prior written approval of the Client. Any work or services subcontracted hereunder shall be specified by written contract or agreement and shall be subject to each provision of this Agreement.
6. Assignability. The Firm 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 Client thereto; Provided, however, that claims for money by the Firm from the Client under this Agreement may be assigned to a bank, trust company, or other financial institution without such approval. Written notice of any such assignment or transfer shall be furnished promptly to the Client.
7. Reports and Information. The Firm, at such times and in such forms as the Client may require, shall furnish the Client such periodic reports as it may request pertaining to the work or services undertaken pursuant to this Agreement, the costs and obligations incurred or to be incurred in connection therewith, and any other matters covered by this Agreement.
8. Records and Audits. The Firm shall insure that the Client maintains fiscal records and supporting documentation for all expenditures of funds made under this contract in a manner that conforms to 2 CFR 200.300-.309, 24 CFR 570.490, and this Agreement. Such records must include data on the racial, ethnic, and gender characteristics of persons who are applicants for, participants in, or beneficiaries of the funds provided under this Agreement. The Firm and the Client shall retain such records, and any supporting documentation, for the greater of three years from closeout of the Agreement or the period required by other applicable laws and regulations.
9. Findings Confidential. All of the reports, information, data, etc., prepared or assembled by the Firm under this contract are confidential and the Firm agrees that they shall not be made available to any individual or organization without the prior written approval of the Client.
10. Copyright. No report, maps, or other documents produced in whole or in part under this Agreement shall be the subject of an application for copyright by or on behalf of the Firm.
11. Compliance with Local Laws. The Firm shall comply with all applicable laws, ordinances and codes of the State and local governments, and the Firm shall save the Client harmless with respect to any damages arising from any tort done in performing any of the work embraced by this Agreement.

12. Conflicts of Interest.

- a. Governing Body. No member of the governing body of the Client and no other officer, employee, or agent of the Client, who exercises any functions or responsibilities in connection with administration, construction, engineering, or implementation of CDBG-MIT award between GLO and the Client, shall have any personal financial interest, direct or indirect, in the Firm or this Agreement; and the Firm shall take appropriate steps to assure compliance.
- b. Other Local Public Officials. No other public official, who exercises any functions or responsibilities in connection with the planning and carrying out of administration, construction, engineering or implementation of the CDBG-MIT award between GLO and the Client, shall have any personal financial interest, direct or indirect, in the Firm or this Agreement; and the Firm shall take appropriate steps to assure compliance.
- c. The Firm and Employees. The Firm warrants and represents that it has no conflict of interest associated with the CDBG-MIT award between GLO and the Client or this Agreement. The Firm further warrants and represents that it shall not acquire an interest, direct or indirect, in any geographic area that may benefit from the CDBG-MIT award between GLO and the Client or in any business, entity, organization or person that may benefit from the award. The Firm further agrees that it will not employ an individual with a conflict of interest as described herein.

13. Debarment and Suspension (Executive Orders 12549 and 12689)

The Firm certifies, by entering into this Agreement, that neither it nor its principals are presently debarred, suspended, or otherwise excluded from or ineligible for participation in federally-assisted programs under Executive Orders 12549 (1986) and 12689 (1989). The term “principal” for purposes of this Agreement is defined as an officer, director, owner, partner, key employee, or other person with primary management or supervisory responsibilities, or a person who has a critical influence on or substantive control over the operations of the Firm. The Firm understands that it must not make any award or permit any award (or contract) at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, “Debarment and Suspension.”

Federal Compliance.

14. Equal Opportunity Clause (applicable to federally assisted construction contracts and subcontracts over \$10,000).

During the performance of this contract, the Firm agrees as follows:

- a. The Firm will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The Firm 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, sexual orientation, gender identity, 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 Firm 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.
- b. The Firm will, in all solicitations or advertisements for employees placed by or on behalf of the Firm, state that all qualified applicants will receive considerations for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.

- c. The Firm will not discourage or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the contractor's legal duty to furnish information.
 - d. The Firm 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 Firm's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
 - e. The Firm will comply with all provisions of Executive Order 11246 of September 24, 1965, "Equal Employment Opportunity," and of the rules, regulations, and relevant orders of the Secretary of Labor.
 - f. The Firm 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.
 - g. In the event of the Firm'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 Firm 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 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.
 - h. The Firm will include the portion of the sentence immediately preceding paragraph (a) and the provisions of paragraphs (a) through (h) 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 Firm 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 Firm becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency the Firm may request the United States to enter into such litigation to protect the interests of the United States.
15. Civil Rights Act of 1964. Under Title VI of the Civil Rights Act of 1964, no person shall, on the grounds of race, color, religion, sex, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.
16. Section 109 of the Housing and Community Development Act of 1974. The Firm shall comply with the provisions of Section 109 of the Housing and Community Development Act of 1974. No person in the United States shall on the ground of race, color, national origin, religion, or sex be

excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title.

17. Section 504 of the Rehabilitation Act of 1973, as amended. The Firm agrees that no otherwise qualified individual with disabilities shall, solely by reason of his/her disability, be denied the benefits of, or be subjected to discrimination, including discrimination in employment, under any program or activity receiving federal financial assistance.
18. Age Discrimination Act of 1975. The Firm shall comply with the Age Discrimination Act of 1975 which provides that no person in the United States shall on the basis of age be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.
19. Byrd Anti-Lobbying Amendment (31 U.S.C. 1352) (if contract greater than or equal to \$100,000) The Firm certifies 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 this contract. The Firm shall disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award.
20. Economic Opportunities for Section 3 Residents and Section 3 Business Concerns.
 - a. The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
 - b. The parties to this Agreement agree to comply with HUD's regulations in 24 CFR part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this Agreement certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.
 - c. The Firm agrees to send to each labor organization or representative of workers with which the Firm has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the Firm's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
 - d. The Firm agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The Firm will not subcontract with any subcontractor where the Firm has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.
 - e. The Firm will certify that any vacant employment positions, including training positions, that are filled (1) after the Firm is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the Firm's obligations under 24 CFR part 135.

- f. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this Agreement for default, and debarment or suspension from future HUD assisted contracts.
- g. With respect to work performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this Agreement. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).
21. **Contracting with Small and Minority Businesses, Women's Business Enterprises, and Labor Surplus Area Firms.**
- a. The non-Federal entity must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.
- b. Affirmative steps must include:
- i. Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
 - ii. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
 - iii. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
 - iv. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
 - v. Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
 - vi. Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5) of this section.
22. **Patent Rights and Inventions** -The Firm shall comply with the requirements and regulations pertaining to patent rights with respect to any discovery or invention which arises or is developed in the course of or under such contract. (2 CFR 200 Appendix II (f) and Rights to Inventions in 37 CFR Part 401).
- Rights to Inventions Made Under a Contract or Agreement - If the Federal award meets the definition of "funding agreement" under 37 CFR §401.2 (a) and the Subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the 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. (2 CFR 200 Appendix II (f), Rights to Inventions).
23. **Energy Efficiency** – The Firm shall comply with 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 (42 U.S.C. 6201). (2 CFR 200 Appendix II (h)).

24. Access to Records - The U.S. Department of Housing and Urban Development (HUD), Inspectors General, the Comptroller General of the United States, the Texas General Land Office, and the Client, or any of their authorized representatives, shall have access to any documents, papers, or other records of the Firm which are pertinent to the CDBG-MIT award, in order to make audits, examinations, excerpts, and transcripts, and to closeout the Client's CDBG-MIT contract with GLO.
25. Retention of Records - The Firm shall retain all required records for three years after the Client makes its final payment and all pending matters are closed.
26. Verification No Boycott Israel. As required by Chapter 2271, Government Code, the Firm hereby verifies that it does not boycott Israel and will not boycott Israel through the term of this Agreement. For purposes of this verification, "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.
27. Foreign Terrorist Organizations. Pursuant to Chapter 2252, Texas Government Code, the Firm represents and certifies that, at the time of execution of this Agreement neither the Firm, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same (i) engages in business with Iran, Sudan, or any foreign terrorist organization as described in Chapters 806 or 807 of the Texas Government Code, or Subchapter F of Chapter 2252 of the Texas Government Code, or (ii) is a company listed by the Texas Comptroller of Public Accounts under Sections 806.051, 807.051, or 2252.153 of the Texas Government Code. The term "foreign terrorist organization" in this paragraph has the meaning assigned to such term in Section 2252.151 of the Texas Government Code.

**ENGINEERING SERVICES
PART IV - SCOPE OF WORK**



**TEXAS GENERAL LAND OFFICE
ENGINEERING
SCOPE OF WORK**

SCOPE OF SERVICES REQUESTED.....
DESCRIPTION OF SERVICES AND SPECIAL CONDITIONS
ENGINEERING SERVICES.....

SCOPE OF SERVICES REQUESTED

Firms will help the Client and GLO fulfill State and Federal Community Development Block Grant Mitigation (“CDBG-MIT”) statutory responsibilities related to disaster recovery for presidentially declared disasters in Texas. Firms will assist in the completion of CDBG qualified housing or non-housing projects. Respondents may be qualified to provide Engineering services for housing projects, non-housing projects, or both. Engineering services must be performed in compliance with the U.S. Department of Housing and Urban Development (“HUD”) and guidelines issued by the GLO. Firms will be bound to specific terms and conditions found in the sample general terms and conditions.

DESCRIPTION OF SERVICES AND SPECIAL CONDITIONS

Respondents will be required to show the ability to provide all the Engineering services described below. Respondent shall then provide a detailed description of how they meet the requirement, describing their knowledge and experience, as well as providing discrete examples of previous work where applicable.

General Requirements

- A. Coordinate, as necessary, between subrecipient and its service providers (i.e., Engineer, Environmental, Contracted Construction Company, Grant Administrator, etc.) and GLO regarding project design services.
- B. Provide monthly project status updates.
- C. Funding release will be based on deliverables identified in the contract.

Initial Engineering and Design Support

Respondents will be required to show the ability to provide all the Engineering services described below:

- A. Provide all project information necessary to ensure timely execution of the environmental review.
- B. Provide preliminary engineering, investigations, and drawings sufficient to achieve the preliminary design milestone, including at a minimum:
 - 1. Cross sections/elevations
 - 2. Project layout/staging areas
 - 3. General notes
 - 4. Special notes
 - 5. Design details
 - 6. Specifications
 - 7. Utility relocation designs
 - 8. Construction limits, including environmentally sensitive areas that should be avoided during construction
 - 9. Required permits

10. Quantities
 11. Estimate of construction costs to within +/- 25%
 12. Schedules for design, permitting, acquisition and construction
- C. Design surveying, topographic and utility mapping.
 - D. Perform subsurface explorations for project sites, as necessary.
 - E. Prepare horizontal alignments/layouts for all proposed project alternatives necessary to fully describe the project scope, anticipated limitations, and potential project impacts.
 - F. Recommend value engineering options (alternative design, construction methods, procurement, etc.) that may improve efficiency, expedite the schedule, or reduce project costs for the subrecipient.
 - G. Identify, acquire and submit all necessary permits and approvals required for design approval and construction.
 - H. Submit all necessary deliverables to the appropriate entity for review and comment. Adjust project and/or design to satisfactorily address any comments, as necessary.
 - I. Prepare plans and profiles, including vertical design information for the selected alternative.
 - J. Identify and address potential obstacles to project implementation (i.e., pipelines, easements, permitting, environmental, etc.) prior to moving forward with the final design.
 - K. Support subrecipient with acquisition or property/servitudes/right-of-way documentation as required by the Client to facilitate the project, preparing right of way surveys and/or property boundary maps and legal descriptions of parcels to be acquired.
 - L. Provide project schedules from cradle to grave in MS Project format or equal as approved by the subrecipient based on GLO guidance.

Engineering and Final Design Support

Respondents will be required to show the ability to provide all the Engineering services described below as they relate to final design support:

- A. Prepare plans and profiles, including necessary design information for the selected alternative sufficient to achieve all detailed design milestones. Examples include, but are not limited to:
 1. Cross sections/elevations
 2. Project layout/staging areas
 3. General notes
 4. Special notes
 5. Design details
 6. Specifications
 7. Utility relocation designs
 8. Construction limits, including environmentally sensitive areas that should be avoided during construction
 9. Required permits

10. Quantities
 11. Estimate of construction costs to within +/- 20%
 12. Schedules for design, permitting, acquisition and construction
- B. Provide information to appropriate individuals for the development of environmental fund release reports and floodplain maps.
 - C. Identify, acquire, and submit all necessary permits and approvals required for design approval and construction.
 - D. Provide hard copy, if necessary, reproducible plan drawings and bid documents, in addition to electronic copies to the subrecipient, upon design completion, and as requested during design. Electronic copies should be in the native format (AutoCAD DWG) along with PDF packages and should contain all corresponding references, databases, or files associated with the completed design documents.
 - E. Assist the subrecipient and any service provider related to the project with all necessary documentation to ensure compliance with all Program requirements and regulations.

Bid and Award Support

Respondents will be required to show the ability to provide all the Engineering services described below as they relate to bid and award support.

- A. Submit appropriate items and support subrecipient in the development of complete bid package.
- B. Prepare and assist subrecipient in the advertisements for bid solicitation.
- C. Support development and issuance of bid-related documents necessary to complete bid process (e.g., bid proposal form, bid addenda, and supporting documentation).
- D. Attend and support subrecipient at pre-bid conference and bid opening.
- E. Support subrecipient with ongoing communication during bid process.
- F. Support subrecipient to complete bid tabulation and evaluation of responses and provide recommendation for award.
- G. Support subrecipient to negotiate and finalize contract documents, including issuance of the Notice to Proceed, in accordance with program and subrecipient requirements.
- H. Support subrecipient in the conducting of a preconstruction conference.

Contract Management and Construction Oversight

Respondents will be required to show the ability to provide all the Engineering services described below as they relate to contract management and construction oversight.

- A. Ensure delivery of subrecipient project in accordance with contract.
- B. Provide ongoing Construction Oversight Reports detailing the status of construction for subrecipient project.

- C. Review all service provider submittals to ensure compliance with construction contract documents and provide recommendations to subrecipient.
- D. Provide periodic and final inspections and tests reports, as required for the project.
- E. Provide on-site supervision and oversight of construction activities at a minimum on a bi-weekly basis or as directed by the GLO or subrecipient.
- F. Review Construction Change Orders and provide recommendation to subrecipient as to appropriate action.
- G. Review invoice/draw requests and provide recommendation to subrecipient as to appropriate action, in compliance with the construction contract documents.
- H. Obtain independent cost estimates for validation purposes, as required.
- I. Review and respond to requests for information/clarification.
- J. Support subrecipient with issue identification and claims resolutions.
- K. Enter all requisite information into the GLO system of record in accordance with established policies and procedures.
- L. Develop a final “as built” report of quantities, drawings, and specifications.
- M. Issue to the subrecipient, for execution, a Certificate of Construction Completion within 30 days of final inspection approval.
- N. Deliver “as-built” drawings to the subrecipient within 30 days of project completion.
- O. Host and/or attend project coordination meetings in person, by phone, or by video conference, which may or may not fall during normal business hours.
- P. Perform other contract management and construction oversight duties as required to ensure success of the subrecipient project.
- Q. Provide necessary certifications to regulatory agencies of project completion and compliance (ex. TCEQ).
- R. Submit all final invoices within 60 days after contract or work order expiration.

Specialized Services

Respondents will be required to show the ability to provide all the Engineering services described below as they relate to specialized services.

- A. Provide Geotechnical Investigations as may be required for a project.
- B. Provide Detailed Surveying as may be required for a project.
- C. Provide Site Specific Testing as may be required for a project.

- D. Provide Archeological Studies as may be required for a project.
- E. Provide Planning Studies as may be required for a project.
- F. Provide Feasibility Studies as may be required for a project.
- G. Provide Legal documentation for property and/or easements to be acquired (i.e., field notes, etc.).
- H. Provide Phase I and Phase II environmental site assessments as requested.

**ENGINEERING SERVICES
PART V - PROJECT TIME SCHEDULE**

Notice to Proceed	Begin Services
Engineering Design	15 Months
Bid Advertisement	1 Month
Contract Award	1 Month
Construction	18 Months
Submit As-Builts/CoCC	1 Month
Total	36 Months



CITY OF BAY CITY
1901 FIFTH STREET
BAY CITY, TEXAS 77414
(979) 245-2137
FAX: (979) 323-1626

AGENDA ITEM SUBMISSION FORM

Any item(s) to be considered for action by the City Council, must be included on this form, and be submitted along with any supporting documentation. Completed Agenda Item Submission forms must be submitted to the City Secretary's Office no later than 4:00 p.m. on the Monday of the week prior to the Regular Council meeting.

Requestor Name: Calhoun, Barry **Date Submitted:** 10/19/2020
Last, First *MM/DD/YYYY*

Requestor Type: City Staff **Meeting Date:** 10/27/2020
Citizen/City Staff/Council Member *MM/DD/YYYY*

Position Title Director of Public Works
For City Staff Only

Agenda Location: Consent Agenda (Contract)
(e.g.: Consent Agenda/ Discussion Item/ Public Hearing/ Executive Session/ Presentation)

Agenda Content:

DISCUSS, CONSIDER, AND/OR APPROVE A STANDARD CONTRACT FOR PROFESSIONAL ENGINEERING SERVICES FOR VARIOUS CITY PROJECTS INCLUDING THE TEXAS WATER DEVELOPMENT BOARD PROJECTS BETWEEN THE CITY OF BAY CITY, TEXAS AND GARVER, LLC.

Executive Summary of Item:

The City of Bay City has submitted an application to the Texas Water Development Board (TWDB) to assist with obtaining funding in an effort to make critical improvements to the City's water and wastewater systems. These improvements will include upgrades to our existing water plants, wastewater treatment plant, water distribution system and wastewater collection system. It will also include planning for two new water plants. Once funding is approved by TWDB, the City will be working with Garver to design, engineer, and manage these projects.



**Master Agreement
For
Professional Services
City of Bay City**



Contents

RECITALS	1
1. DEFINITIONS GARVER.....	1
2. SCOPE OF SERVICES.....	1
3. PAYMENT	2
4. AMENDMENTS	2
5. OWNER'S RESPONSIBILITIES.....	2
6. GENERAL.....	3
7. INSURANCE.....	6
8. DOCUMENTS.....	6
9. INDEMNIFICATION / WAIVERS.....	7
10. DISPUTE RESOLUTION.....	8
11. TERMINATION.....	8
12. MISCELLANEOUS	9
13. EXHIBITS	9



THIS MASTER AGREEMENT FOR PROFESSIONAL SERVICES (“**Agreement**”) is made as of the Effective Date by and between the **City of Bay City** (hereinafter referred to as “**Owner**”), and **Garver, LLC** (hereinafter referred to as “**Garver**”). Owner and Garver may individually be referred to herein after as a “**Party**” and/or “**Parties**” respectively.

RECITALS

WHEREAS, Owner is in need of certain professional Services as further set forth in the applicable Work Order.

WHEREAS, Garver will provide professional Services as further described herein.

NOW THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

1. DEFINITIONS GARVER

In addition to other defined terms used throughout this Agreement, when used herein, the following capitalized terms have the meaning specified in this Section

“**Effective Date**” means the date last set forth in the signature lines below.

“**Damages**” means any and all damages, liabilities, or costs (including reasonable attorneys’ fees recoverable under applicable law).

“**Hazardous Materials**” means any substance that, under applicable law, is considered to be hazardous or toxic or is or may be required to be remediated, including: (i) any petroleum or petroleum products, radioactive materials, asbestos in any form that is or could become friable, (ii) any chemicals, materials or substances which are now or hereafter become defined as or included in the definition of “hazardous substances,” “hazardous wastes,” “hazardous materials,” “extremely hazardous wastes,” “restricted hazardous wastes,” “toxic substances,” “toxic pollutants,” or any words of similar import pursuant to applicable law; or (iii) any other chemical, material, substance or waste, exposure to which is now or hereafter prohibited, limited or regulated by any governmental instrumentality, or which may be the subject of liability for damages, costs or remediation.

“**Personnel**” means affiliates, directors, officers, partners, members, employees, and agents.

“**Work Order**” means a document executed by both Parties reflecting Owner’s request for professional Services in the form of Exhibit A.

2. SCOPE OF SERVICES

2.1. Services. Owner hereby engages Garver to perform the scope of service requested by Owner under a Work Order(s) (the “**Services**”). Execution of the applicable Work Order by Owner constitutes Owner’s written authorization to proceed with the Services set forth in such Work Order. In consideration for such Services, Owner agrees to pay Garver in accordance with Section 3 below.



3. PAYMENT

- 3.1. Fee. For the Services described under Section 2.1, Owner will pay Garver in accordance with this Section 3 and the applicable Work Order. Owner represents that funding sources necessary to pay Garver in accordance with the terms of this Agreement will be in place prior to execution of the applicable Work Order.
- 3.2. Invoicing Statements. Garver shall invoice Owner on a monthly basis. Such invoice shall include supporting documentation reasonably necessary for Owner to know with reasonable certainty the proportion of Services accomplished.
- 3.3. Payment.
- 3.3.1. Due Date. Owner shall pay Garver all undisputed amounts thirty (30) days after receipt of an invoice. Owner shall provide notice in writing of any portion of an invoice that is disputed in good faith within fifteen (15) days of receipt of an invoice. Garver shall promptly work to resolve any and all items identified by Owner relating to the disputed invoice. All disputed portions shall be paid promptly upon resolution of the underlying dispute.
- 3.3.2. If any undisputed payment due Garver under this Agreement is not received within forty-five (45) days from the date of an invoice, Garver may elect to suspend Services under this Agreement without penalty.
- 3.3.3. Payments due and owing that are not received within thirty (30) days of an invoice date will be subject to interest at the lesser of a one percent (1%) monthly interest charge (compounded) or the highest interest rate permitted by applicable law.

4. AMENDMENTS

- 4.1. Amendments. Garver shall be entitled to an equitable adjustment in the cost and/or schedule for circumstances outside the reasonable control of Garver, including modifications in the scope of Services, applicable law, codes, or standards after the Effective Date ("Amendment"). As soon as reasonably possible, Garver shall forward a formal Amendment to Owner with backup supporting the Amendment. All Amendments should include, to the extent known and available under the circumstances, documentation sufficient to enable Owner to determine: (i) the factors necessitating the possibility of a change; (ii) the impact which the change is likely to have on the cost to perform the Services; and (iii) the impact which the change is likely to have on the schedule. All Amendments shall be effective only after being signed by the designated representatives of both Parties. Garver shall have no obligation to perform any additional work created by such Amendment until a mutually agreeable Amendment is executed by both Parties.

5. OWNER'S RESPONSIBILITIES

- 5.1. Owner's responsibilities shall include the following:
- 5.1.1. Those responsibilities set forth in the applicable Task Order.
- 5.1.2. Pay Garver in accordance with Section 3 and the applicable Work Order.



- 5.1.3. Owner shall be responsible for all requirements and instructions that it furnishes to Garver pursuant to this Agreement, and for the accuracy and completeness of all programs, reports, data, and other information furnished by Owner to Garver pursuant to this Agreement. Garver may use and rely upon such requirements, programs, instructions, reports, data, and information in performing or furnishing services under this Agreement, subject to any express limitations or reservations applicable to the furnished items as further set forth in the applicable Work Order.
- 5.1.4. Owner shall give prompt written notice to Garver whenever Owner observes or otherwise becomes aware of the presence at the project site of any Hazardous Materials or any relevant, material defect, or nonconformance in: (i) the Services; (ii) the performance by any contractor providing or otherwise performing construction services related to the Work Order; or (iii) Owner's performance of its responsibilities under this Agreement.
- 5.1.5. Owner shall include "Garver, LLC" as an indemnified party under the contractor's indemnity obligations included in the construction contract documents, if any.
- 5.1.6. Owner will not directly or indirectly solicit any of Garver's Personnel during performance of this Agreement and for a period of one (1) year beyond completion of this Agreement.

6. GENERAL

6.1. Standards of Performance.

- 6.1.1. Industry Practice. Garver shall perform any and all Services required herein in accordance with generally accepted practices and standards employed by the applicable United States professional services industries as of the Effective Date practicing under similar conditions and locale. Such generally accepted practices and standards are not intended to be limited to the optimum practices, methods, techniques, or standards to the exclusion of all others, but rather to a spectrum of reasonable and prudent practices employed by the United States professional services industry.
- 6.1.2. Owner shall not be responsible for discovering deficiencies in the technical accuracy of Garver's services. Garver shall promptly correct deficiencies in technical accuracy without the need for an Amendment unless such corrective action is directly attributable to deficiencies in Owner-furnished information.
- 6.1.3. On-site Services. Garver and its representatives shall comply with Owner's and its separate contractor's project specific safety programs, which have been provided to Garver in writing in advance of any site visits.
- 6.1.4. Relied Upon Information: Garver may use or rely upon design elements and information ordinarily or customarily furnished by others including, but not limited to, specialty contractors, manufacturers, suppliers, and the publishers of technical standards.
- 6.1.5. Aside from Garver's direct subconsultants, Garver shall not at any time supervise, direct, control, or have authority over any contractor's work, nor shall Garver have authority over or be responsible for the means, methods, techniques, sequences, or procedures of construction selected or used by any such contractor, or the safety precautions and programs incident thereto, for security or safety at the project site, nor for any failure of a contractor to comply with laws and regulations applicable to that contractor's services.



Garver shall not be responsible for the acts or omissions of any contractor for whom it does not have a direct contract. Garver neither guarantees the performance of any contractor nor assumes responsibility for any contractor's failure to furnish and perform its work in accordance with the construction contract documents applicable to the contractor's work, even when Garver is performing construction phase services.

6.1.6. Garver is not required to provide and does not have any responsibility for surety bonding or insurance-related advice, recommendations, counseling, research, or enforcement of construction insurance or surety bonding requirements. Garver's Services expressly do not include providing advice pertaining to insurance, legal, finance, surety-bonding, or similar services. In no event is Garver acting as a "municipal advisor" as set forth in the Dodd-Frank Wall Street Reform and Consumer Protection Act (2010) or the municipal advisor registration rules issued by the Securities and Exchange Commission.

6.2. Instruments of Service.

6.2.1. Deliverables. All reports, specifications, record drawings, models, data and all other information provided by Garver or its subconsultants, which is required to be delivered to Owner under the applicable Work Order (the "**Deliverables**"), shall become the property of Owner subject to the terms and conditions stated herein.

6.2.2. Electronic Media. Owner hereby agrees that all electronic media, including CADD files ("**Electronic Media**"), are tools used solely for the preparation of the Deliverables. Upon Owner's written request, Garver will furnish to Owner copies of Electronic Media to the extent included as part of the Services. In the event of an inconsistency or conflict in the content between the Deliverables and the Electronic Media, however, the Deliverables shall take precedence in all respects. Electronic Media is furnished without guarantee of compatibility with the Owner's software or hardware. Because Electronic Media can be altered, either intentionally or unintentionally, by transcription, machine error, environmental factors, or by operators, it is agreed that, to the extent permitted by applicable law, Owner shall indemnify and hold Garver, Garver's subconsultants, and their Personnel harmless from and against any and all claims, liabilities, damages, losses, and costs, including, but not limited to, costs of defense arising out of changes or modifications to the Electronic Media form in Owner's possession or released to others by Owner. Garver's sole responsibility and liability for Electronic Media is to furnish a replacement for any non-functioning Electronic Media for reasons solely attributable to Garver within thirty (30) days after delivery to Owner.

6.2.3. Property Rights. All property rights of a Party, including copyright, patent, and reuse ("**Intellectual Property**"), shall remain the Intellectual Property of that Party. Garver shall obtain all necessary Intellectual Property from any necessary third parties in order to execute the Services. Any Intellectual Property of Garver or any third party embedded in the Deliverables shall remain so embedded and may not be separated therefrom.

6.2.4. License. Upon Owner fulfilling its payment obligations under this Agreement, Garver hereby grants Owner a license to use the Intellectual Property, but only in the operation and maintenance of the project for which it was provided. Use of such Intellectual Property for modification, extension, or expansion of the project or on any other project, unless under the direction of Garver, shall be without liability to Garver and Garver's subconsultants. To the extent permitted by applicable law, Owner shall indemnify and hold Garver, Garver's subconsultants, and their Personnel harmless from and against any and all claims, liabilities, damages, losses, and costs, including but not limited to



costs of defense arising out of Owner's use of the Intellectual Property contrary to the rights permitted herein.

6.3. Opinions of Cost.

6.3.1. Since Garver has no control over: (i) the cost of labor, materials, equipment, or services furnished by others; (ii) the contractor or its subcontractor(s)' methods of determining prices; (iii) competitive bidding; (iv) market conditions; or (v) similar material factors, Garver's opinions of project costs or construction costs provided pursuant to the applicable Work Order, if any, are to be made on the basis of Garver's experience and qualifications and represent Garver's reasonable judgment as an experienced and qualified professional engineering firm, familiar with the construction industry; but Garver cannot and does not guarantee that proposals, bids, or actual project or construction costs will not vary from estimates prepared by Garver.

6.3.2. Owner understands that the construction cost estimates developed by Garver do not establish a limit for the construction contract amount. If the actual amount of the low construction bid or resulting construction contract exceeds the construction budget established by Owner, Garver will not be required to re-design the Services without additional compensation. In the event Owner requires greater assurances as to probable construction cost, then Owner agrees to obtain an independent cost estimate.

6.4. Underground Utilities. Except to the extent expressly included as part of the Services, Garver will not provide research regarding utilities or survey utilities located and marked by their owners. Furthermore, since many utility companies typically will not locate and mark their underground facilities prior to notice of excavation, Garver is not responsible for knowing whether underground utilities are present or knowing the exact location of such utilities for design and cost estimating purposes. In no event is Garver responsible for damage to underground utilities, unmarked or improperly marked, caused by geotechnical conditions, potholing, construction, or other contractors or subcontractors working under a subcontract to this Agreement.

6.5. Design without Construction Phase Services.

6.5.1. Garver shall be responsible only for those construction phase Services expressly set forth in a Work Order, if any. With the exception of such expressly required Services, Garver shall have no responsibility or liability for any additional construction phase services, including review and approval of payment applications, design, shop drawing review, or other obligations during construction. Owner assumes all responsibility for interpretation of the construction contract documents and for construction observation and supervision and waives any claims against Garver that may be in any way connected thereto.

6.5.2. Owner agrees, to the fullest extent permitted by law, to indemnify and hold Garver, Garver's subconsultants, and their Personnel harmless from any loss, claim, or cost, including reasonable attorneys' fees and costs of defense, arising or resulting from the performance of such construction phase services by other persons or entities and from any and all claims arising from modifications, clarifications, interpretations, adjustments, or changes made to the construction contract documents to reflect changed field or other conditions, except to the extent such claims arise from the negligence of Garver in performance of the Services.



6.5.3. If the Owner requests in writing that Garver provide any specific construction phase services or assistance with resolving disputes or other subcontractor related issues, and if Garver agrees to provide such services, then Garver shall be compensated for the work as an Amendment in accordance with Sections 4 and 10.2.

6.6. Hazardous Materials. Nothing in this Agreement shall be construed or interpreted as requiring Garver to assume any role in the identification, evaluation, treatment, storage, disposal, or transportation of any Hazardous Materials. Notwithstanding any other provision to the contrary in this Agreement and to the fullest extent permitted by law, Owner shall indemnify and hold Garver and Garver's subconsultants, and their Personnel harmless from and against any and all losses which arise out of the performance of the Services and relating to the regulation and/or protection of the environment including without limitation, losses incurred in connection with characterization, handling, transportation, storage, removal, remediation, disturbance, or disposal of Hazardous Material, whether above or below ground.

6.7. Confidentiality. Owner and Garver shall consider: (i) all information provided by the other Party that is marked as "Confidential Information" or "Proprietary Information" or identified as confidential pursuant to this Section 6.7 in writing promptly after being disclosed verbally; and (ii) all documents resulting from Garver's performance of Services to be Confidential Information. Except as legally required, Confidential Information shall not be discussed with or transmitted to any third parties, except on a "need to know basis" with equal or greater confidentiality protection or written consent of the disclosing Party. Confidential Information shall not include and nothing herein shall limit either Party's right to disclose any information provided hereunder which: (i) was or becomes generally available to the public, other than as a result of a disclosure by the receiving Party or its Personnel; (ii) was or becomes available to the receiving Party or its representatives on a non-confidential basis, provided that the source of the information is not bound by a confidentiality agreement or otherwise prohibited from transmitting such information by a contractual, legal, or fiduciary duty; (iii) was independently developed by the receiving Party without the use of any Confidential Information of the disclosing Party; or (iv) is required to be disclosed by applicable law or a court order. All confidentiality obligations hereunder shall expire three (3) years after completion of the Services.

7. INSURANCE

7.1. Insurance.

7.1.1. Garver shall procure and maintain insurance as set forth in Exhibit B until completion of the Service.

7.1.2. Garver shall name Owner as an additional insured on Garver's General Liability policy to the extent of Garver's indemnity obligations provided in Section 9 of this Agreement.

7.1.3. Upon request, Garver shall furnish Owner a certificate of insurance evidencing the insurance coverages required in Exhibit B.

8. DOCUMENTS

8.1. Audit. Garver will retain all pertinent records for a period of three (3) years beyond completion of the Services. Owner may have access to such records during normal business hours with three (3) business days advanced written notice. In no event shall Owner be entitled to audit the makeup of lump sum or other fixed prices (e.g., agreed upon unit or hour rates).



8.2. Delivery. After completion of the Services, and prior to final payment, Garver shall deliver to the Owner all Deliverables required under the applicable Work Order.

9. INDEMNIFICATION / WAIVERS

9.1. Indemnification.

9.1.1. Garver Indemnity. Subject to the limitations of liability set forth in Section 9.2, Garver agrees to indemnify and hold Owner, and Owner's Personnel harmless from Damages due to bodily injury (including death) or third-party tangible property damage to the extent such Damages are caused by the negligent acts, errors, or omissions of Garver or any other party for whom Garver is legally liable, in the performance of the Services under this Agreement.

9.1.2. Owner Indemnity. Subject to the limitations of liability set forth in Section 9.2, and to the extent allowed by Texas law, but not otherwise, Owner agrees to indemnify and hold Garver and Garver's subconsultants and their Personnel harmless from Damages due to bodily injury (including death) or third-party tangible property damage to the extent caused by the negligent acts, errors, or omissions of Owner or any other party for whom Owner is legally liable, in the performance of Owner's obligations under this Agreement.

9.1.3. In the event claims or Damages are found to be caused by the joint or concurrent negligence of Garver and the Owner, they shall be borne by each Party in proportion to its own negligence.

9.2. Waivers. Notwithstanding any other provision to the contrary, the Parties agree as follows:

9.2.1. THE PARTIES AGREE THAT ANY CLAIM OR SUIT FOR DAMAGES MADE OR FILED AGAINST THE OTHER PARTY WILL BE MADE OR FILED SOLELY AGAINST GARVER OR OWNER RESPECTIVELY, OR THEIR SUCCESSORS OR ASSIGNS, AND THAT NO PERSONNEL SHALL BE PERSONALLY LIABLE FOR DAMAGES UNDER ANY CIRCUMSTANCES.

9.2.2. MUTUAL WAIVER. TO THE FULLEST EXTENT PERMITTED BY LAW, NEITHER OWNER, GARVER, NOR THEIR RESPECTIVE PERSONNEL SHALL BE LIABLE FOR ANY CONSEQUENTIAL, SPECIAL, INCIDENTAL, INDIRECT, PUNITIVE, OR EXEMPLARY DAMAGES, OR DAMAGES ARISING FROM OR IN CONNECTION WITH LOSS OF USE, LOSS OF REVENUE OR PROFIT (ACTUAL OR ANTICIPATED), LOSS BY REASON OF SHUTDOWN OR NON-OPERATION, INCREASED COST OF CONSTRUCTION, COST OF CAPITAL, COST OF REPLACEMENT POWER OR CUSTOMER CLAIMS, AND OWNER HEREBY RELEASES GARVER, AND GARVER RELEASES OWNER, FROM ANY SUCH LIABILITY.

9.2.3. LIMITATION. IN RECOGNITION OF THE RELATIVE RISKS AND BENEFITS OF THE WORK ORDER TO BOTH THE OWNER AND GARVER, OWNER HEREBY AGREES THAT GARVER'S AND ITS PERSONNEL'S TOTAL LIABILITY UNDER THE AGREEMENT SHALL BE LIMITED TO PAYMENT OF INSURANCE PROCEEDS RECEIVED (EXCLUDING PAYMENT OF DEDUCTIBLES) UP TO THE LIMITS EXPRESSLY REQUIRED UNDER EXHIBIT B OF THIS AGREEMENT.



9.2.4. NO OTHER WARRANTIES. NO OTHER WARRANTIES OR CAUSES OF ACTION OF ANY KIND, WHETHER STATUTORY, EXPRESS OR IMPLIED (INCLUDING ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND ALL WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE) SHALL APPLY. OWNER'S EXCLUSIVE REMEDIES AND GARVER'S ONLY OBLIGATIONS ARISING OUT OF OR IN CONNECTION WITH DEFECTIVE SERVICES (PATENT, LATENT OR OTHERWISE), WHETHER BASED IN CONTRACT, IN TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY), OR OTHERWISE, SHALL BE THOSE STATED IN THE AGREEMENT.

9.2.5. THE LIMITATIONS SET FORTH IN SECTION 9.2 APPLY REGARDLESS OF WHETHER THE CLAIM IS BASED IN CONTRACT, TORT, OR NEGLIGENCE INCLUDING GROSS NEGLIGENCE, STRICT LIABILITY, WARRANTY, INDEMNITY, ERROR AND OMISSION, OR ANY OTHER CAUSE WHATSOEVER.

10. DISPUTE RESOLUTION

10.1. Dispute Resolution.

10.1.14. Owner and Garver agree to negotiate any dispute between them in good faith during the thirty (30) days after notice of such dispute. If negotiations are unsuccessful in resolving the dispute, then the parties may pursue non-binding mediation unless the parties mutually agree otherwise.

10.1.15. EACH PARTY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHTS TO TRIAL BY JURY. In the event of a dispute, the prevailing Party shall be entitled to recover its attorneys' fees, costs and expenses.

10.2. Litigation Assistance. This Agreement does not include costs of Garver for required or requested assistance to support, prepare, document, bring, defend, or assist in litigation undertaken or defended by Owner, unless litigation assistance has been expressly included as part of Services. In the event Owner requests such services of Garver, this Agreement shall be amended in writing by both Owner and Garver to account for the additional services and resulting cost in accordance with Section 4.

11. TERMINATION

11.1. Termination for Convenience. Owner shall have the right at its sole discretion to terminate this Agreement for convenience at any time upon giving Garver ten (10) days' written notice. In the event of a termination for convenience, Garver shall bring any ongoing Services to an orderly cessation. Owner shall compensate Garver in accordance with the applicable Work Order for: (i) all Services performed and reasonable costs incurred by Garver on or before Garver's receipt of the termination notice, including all outstanding and unpaid invoices, and (ii) all costs reasonably incurred to bring such Services to an orderly cessation.

11.2. Termination for Cause. This Agreement may be terminated by either Party in the event of failure by the other Party to perform any material obligation in accordance with the terms hereof. Prior to termination of this Agreement for cause, the terminating Party shall provide at least seven (7) business days written notice and a reasonable opportunity to cure to the non-performing Party. In all events of termination for cause due to an event of default by the Owner, Owner shall pay Garver for all Services properly performed prior to such termination in accordance with the terms, conditions and rates set forth in this Agreement.



11.3. Termination in the Event of Bankruptcy. Either Party may terminate this Agreement immediately upon notice to the other Party, and without incurring any liability, if the non-terminating Party has: (i) been adjudicated bankrupt; (ii) filed a voluntary petition in bankruptcy or had an involuntary petition filed against it in bankruptcy; (iii) made an assignment for the benefit of creditors; (iv) had a trustee or receiver appointed for it; (v) becomes insolvent; or (vi) any part of its property is put under receivership.

12. MISCELLANEOUS

12.1. Governing Law. This Agreement is governed by the laws of the State of Texas, without regard to its choice of law provisions.

12.2. Successors and Assigns. Owner and Garver each bind themselves and their successors, executors, administrators, and assigns of such other party, in respect to all covenants of this Agreement; neither Owner nor Garver shall assign, sublet, or transfer their interest in this Agreement without the written consent of the other, which shall not be unreasonably withheld or delayed.

12.3. Independent Contractor. Garver is and at all times shall be deemed an independent contractor in the performance of the Services under this Agreement.

12.4. No Third-Party Beneficiaries. Nothing herein shall be construed to give any rights or benefits hereunder to anyone other than Owner and Garver. This Agreement does not contemplate any third-party beneficiaries.

12.5. Entire Agreement. This Agreement constitutes the entire agreement between Owner and Garver and supersedes all prior written or oral understandings and shall be interpreted as having been drafted by both Parties. This Agreement may be amended, supplemented, or modified only in writing by and executed by both Parties.

12.6. Severance. The illegality, unenforceability, or occurrence of any other event rendering a portion or provision of this Agreement void shall in no way affect the validity or enforceability of any other portion or provision of the Agreement. Any void provision of this Agreement shall be construed and enforced as if the Agreement did not contain the particular portion or provision held to be void.

12.7. Counterpart Execution. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together constitute one Agreement. Delivery of an executed counterpart of this Agreement by fax or transmitted electronically in legible form, shall be equally effective as delivery of a manually executed counterpart of this Agreement.

13. EXHIBITS

13.1. The following Exhibits are attached to and made a part of this Agreement:

- Exhibit A – Form of Work Order
- Exhibit B – Insurance



Owner and Garver, by signing this Agreement, acknowledges that they have independently assured themselves and confirms that they individually have examined all Exhibits, and agrees that all of the aforesaid Exhibits shall be considered a part of this Agreement and agrees to be bound to the terms, provisions, and other requirements thereof, unless specifically excluded.

Acceptance of this proposed Agreement is indicated by an authorized agent of the Owner signing in the space provided below. Please return one signed original of this Agreement to Garver for our records.

IN WITNESS WHEREOF, Owner and Garver have executed this Agreement effective as of the date last written below.

CITY OF BAY CITY

Garver, LLC

By: _____
Signature

By: D Olson
Signature

Name: _____
Printed Name

Name: Dan Olson, P.E.
Printed Name

Title: _____

Title: Principal

Date: _____

Date: 10/14/2020

Attest: _____

Attest: Bubna *JB*



**EXHIBIT A
(FORM OF WORK ORDER)**

**WORK ORDER NO. [?]
City of Bay City
Project No.**

This WORK ORDER (“Work Order”) is made by and between the **City of Bay City** (hereinafter referred to as “Owner”) and **Garver, LLC**, (hereinafter referred to as “Garver”) in accordance with the provisions of the MASTER AGREEMENT FOR PROFESSIONAL SERVICES executed on _____ (the “Agreement”).

Under this Work Order, the Owner intends to make the following improvements for **[Project Title]**:

Garver will provide professional services related to these improvements as described herein. Terms not defined herein shall have the meaning assigned to them in the Agreement.

1. SCOPE OF SERVICES

1.1. Garver shall provide the following Services:

1.1.1.

1.1.2.

1.2. In addition to those obligations set forth in the Agreement, Owner shall:

1.2.1.

1.2.2.

2. PAYMENT

3. For the Services set forth above, Owner will pay Garver as follows:

4. APPENDICES

4.1. The following Appendices are attached to and made a part of this Work Order:

4.2. Appendix A - Scope of Services

4.3. Appendix B – Fee Spreadsheet

This Work Order may be executed in two (2) or more counterparts each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[Signature Page to Follow]



The effective date of this Work Order shall be the last date written below.

CITY OF BAY CITY

GARVER, LLC

By: _____
Signature

By: _____
Signature

Name: _____
Printed Name

Name: _____
Printed Name

Title: _____

Title: _____

Date: _____

Date: _____

Attest: _____

Attest: _____



**EXHIBIT B
(INSURANCE)**

Pursuant to Section 7.1 of the Agreement, Garver shall maintain the following schedule of insurance until completion of the Services:

Worker's Compensation	Statutory Limit
Automobile Liability	
Combined Single Limit (Bodily Injury and Property Damage)	\$500,000
General Liability	
Each Occurrence	\$1,000,000
Aggregate	\$2,000,000
Professional Liability	
Each Claim Made	\$1,000,000
Annual Aggregate	\$2,000,000



EXHIBIT A

WORK ORDER NO. 1 CITY OF BAY CITY Project No. 20W09155

This WORK ORDER (“Work Order”) is made by and between the **City of Bay City** (hereinafter referred to as “Owner”) and **Garver, LLC**, (hereinafter referred to as “Garver”) in accordance with the provisions of the MASTER AGREEMENT FOR PROFESSIONAL SERVICES executed on _____ (the “Agreement”).

Under this Work Order, the Owner intends to make the following improvements for **Bay City Wastewater Treatment Plant Improvements**:

Generally, the Scope of Services includes professional services necessary for the preliminary engineering phase of the Bay City WWTP Improvements project. The project will be funded by the Texas Water Development Board (TWDB) through their Clean Water State Revolving Fund (CWSRF) loan program.

Garver shall perform project administration, alternatives evaluation, and preliminary engineering of the selected alternatives for the improvements at the WWTP. No work will begin on the preliminary design drawings until the environmental review by the TWDB is complete.

Garver will provide professional services related to these improvements as described herein. Terms not defined herein shall have the meaning assigned to them in the Agreement.

1. SCOPE OF SERVICES

- 1.1. Garver shall provide the following Services:
 - 1.1.1. Refer to APPENDIX A – SCOPE OF SERVICES.
- 1.2. In addition to those obligations set forth in the Agreement, Owner shall:
 - 1.2.1. Retain the services of a geotechnical services provider to perform a geotechnical investigation at the wastewater treatment plant (WWTP) based on the boring locations provided by Garver in the preliminary engineering phase.

2. PAYMENT

3. For the Services set forth above, Owner will pay Garver as follows: Refer to APPENDIX B – FEE SUMMARY.

4. APPENDICES

- 4.1. The following Appendices are attached to and made a part of this Work Order:
- 4.2. Appendix A - Scope of Services
- 4.3. Appendix B – Fee Summary

This Work Order may be executed in two (2) or more counterparts each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.



The effective date of this Work Order shall be the last date written below.

CITY OF BAY CITY

GARVER, LLC

By: _____
Signature

By: D. Olson
Signature

Name: Robert K. Nelson
Printed Name

Name: Daniel N. Olson, P.E.
Printed Name

Title: Mayor

Title: Principal

Date: _____

Date: 10/22/2020

Attest: _____

Attest: Caroline Gallant

APPENDIX A – SCOPE OF SERVICES

General

In prior agreements, Garver performed conceptual design work for the Bay City Wastewater Treatment Plant (WWTP) located in Bay City, including:

- Process modeling of the existing facility
- Condition assessment of the existing facility
- Conceptual Design for renovating the existing facility, including a Conceptual Design Report (CDR) and Opinion of Probable Construction Cost (OPCC)
- Funding Assistance for Texas Water Development Board (TWDB) funding source

Through these efforts, a comprehensive renovation of the facility was recommended, but it was noted that additional alternatives may be considered to optimize investment in the facility.

As a follow-up to the original scope of work, the scope of services for this agreement includes professional services for:

1. Performing an Alternatives Evaluation to optimize the improvements
2. Performing Preliminary Engineering for the selected alternatives.

Work under this contract is expected to set up for future final design, bidding, and construction phase services. Construction for this work is expected to be executed under a single design-bid-build contract.

An overview of the major process areas for the Bay City WWTP, a list of alternatives to be evaluated, intended scope items for the preliminary engineering, is included below:

A. Influent Lift Station

- a. A new lift station will be designed, assuming a new wet well, submersible pumps and firm capacity of 17.2 MGD.

B. Headworks

- a. Modifications will be designed for the headworks/screening structure, including miscellaneous rehabilitation (replacement of grating and butterfly gates, addition of drop chutes, and miscellaneous site area improvements), addition of screenings washer/compactors, addition of a second mechanical screen, and the addition of grit removal (alternatives to be evaluated as noted).
- b. Two grit removal alternatives will be evaluated: 1) a stacked tray removal system and 2) a vortex grit removal system. Equipment selection for washer/classifiers, grit pumps, and grit handling will be considered for both alternatives.

C. Aerations Basins

- a. Modifications will be performed to the existing parallel complete mixed reactor Aeration Basins to establish a more plug-flow reactor configuration with the intent that the configuration will maximize future biological nutrient removal potential.
- b. Two alternatives will be evaluated: 1) modification of the existing aeration basins into subdivided and/or series configurations, or 2) building completely new aeration basins independent of the existing basins (this option will include the potential re-purpose of the existing aeration basins as either anaerobic selector zones or as aerobic sludge holding tanks).

D. Blower Facility

- a. A new blower facility will be designed, including dedicated systems to isolate the aeration basin blowers from the aerated sludge holding tank (ASHT) blowers. The facility will include dissolved oxygen control for the aeration basin, a new blower

electrical room with engineered HVAC system, and above-grade air piping with supports sized for hurricane-force winds.

- b. Two alternatives for blower technologies will be evaluated: 1) multi-stage centrifugal blowers and 2) positive displacement blowers.

E. Final Clarifiers

- a. The design will improve the existing final clarifiers by providing new mechanisms with spiral-blade removal (as opposed to suction tube as is currently used), along with appurtenant repairs for concrete, grouting, and scum removal.

F. RAS Channels and Pumping Improvements

- a. RAS pumping will be modified to submersible, VFD-controlled pumps with flow control capacity (away from the current airlift pump configuration). Telescoping valves will be used to control RAS flow from each clarifier.

G. WAS Pumping

- a. The existing WAS system will be improved by the installation of new controls and instrumentation. Existing WAS pumps will remain in place.

H. Disinfection System

- a. The disinfection makedown system will be improved, with the existing chlorine contact basin remaining in service.
- b. Two alternatives will be evaluated for the type of disinfectant: 1) chlorine gas and 2) liquid sodium hypochlorite. Dechlorination will be considered for both alternatives along with the location of the makedown facility, and/or safety improvement to the existing chlorine makeup facility if it remains in service (and does not need to be deconstructed for the new aeration basins).

I. Non-Potable Water (NPW) System

- a. The NPW system will be expanded as needed for future operations. Evaluations will include NPW demand characterization, distribution network analysis, existing system capacity, and recommendations, as needed, for expansion

J. Aerated Sludge Holding

- a. New aerated sludge holding (ASHTs) will be provided to facilitate holding and conditioning of sludge prior to dewatering and disposal into a landfill application. The evaluation will not consider the potential for Class A or Class B sludge.
- b. Two alternatives will be evaluated: 1) utilizing the existing complete mix aeration basins as sludge holding tanks and 2) building new dedicated ASHTs.

K. Solids Dewatering Facility

- a. A new dewatering building will be provided for mechanical dewatering of sludge. It is assumed that a 3-belt belt filter press (BFP) will be utilized as the primary dewatering equipment, emulsion polymer by tote delivery will be used, and that containers will be filled under cover. Overall system redundancy (number of belt filter presses, use of different feed pumps/polymer between presses, etc.) will be evaluated.
- b. Two alternatives will be evaluated for type of feed pump: 1) double disc, and 2) progressive cavity.
- c. Two alternative methods of waste hauling will be evaluated: 1) city-performed, and 2) contracted.
- d. Three alternative types of haul-off containers will be evaluated: 1) roll-off container, 2) dump trucks, and 3) end-dump trailers.
- e. Two alternatives for conveyance from belt press discharge to container will be evaluated: 1) belt, and 2) screw conveyors.

- L. Plant Electrical Feed
 - a. New service entrance electrical distribution equipment will be provided for electrical distribution throughout the plant. The plant will utilize the existing generator system recently designed by Garver as backup power supply.
 - b. Alternatives to be considered for the electrical system will include: 1) Providing a new main electrical building to house the new electrical distribution equipment, and 2) Reusing the existing blower building electrical room to house the new electrical distribution equipment.

- M. Supervisory Control and Data Acquisition (SCADA) System
 - a. A new SCADA System will be provided for monitoring, data logging, alarming, and diagnostic functions.
 - b. Alternatives to be considered for the SCADA system will include: 1) monitoring of plant systems, and 2) monitoring and controlling of plant systems.

- N. Site Civil and Yard Piping
 - a. Site civil improvements and new yard piping will be necessary to ensure cohesive function of plant operations. The extent of improvements will be determined by the overall site plan and final selected locations for all facilities.
 - b. Improvements will be evaluated and recommended for roadways (material, width, elevation) and pipe materials.

- O. Administration Building
 - a. A new administration building will be designed as part of this project.
 - b. Two alternative floor plans will be developed based on coordination with city staff indicating their functionality requirements of the building (such as number of active staff, need for a lab facility, training rooms, head operator workstation, suitability for emergency operations, etc.). Garver will illustrate (via existing photos, drawings, hand sketch, etc.) no more than two potential facility layouts prior to meeting with City staff to coordinate functionality needs. Upon discussion of functionality needs, Garver will refine no more than the two facility layouts based on the needs identified by City staff for review, and following decision by facility staff, Garver will detail the building for only one option.

- P. Building Design Standards
 - a. Between three to five new buildings will be required by the improvements as identified above, including the new administration building, new main electrical building (could be combined with new administration building or new blower building), new blower building, new disinfection makeup facility (if new facilities are provided), and new dewatering building.
 - b. Three alternative building types will be evaluated: 1) metal building, 2) precast building, and 3) concrete/CMU.

1. Project Management

Garver will perform project management tasks, including:

- A. Advise Owner as to the necessity of Owner providing data or services that are not part of Garver's Basic Services.
- B. Maintain an overall schedule for the project and routinely advise the Owner of critical path items affecting project progress versus schedule.
- C. Maintain and monitor project budget and submit monthly invoices based on progress of work to date.
- D. Conduct monthly progress meetings with Owner's staff. (Half in person, half via teleconference,

- with up to three Garver representatives; for no more than 6 progress meetings total)
- E. Provide an agenda in advance of all scheduled meetings and provide subsequent meeting minutes.
- F. Coordinate the work of surveying subconsultant.

1.1. Project Kick-off Meeting

Garver will schedule and conduct a project kick-off meeting (with up to three Garver employees) at the City offices to confirm project goals, expectations, and path forward. Following the meeting, Garver will prepare meeting minutes for distribution to all participants.

2. Alternatives Evaluation

2.1. DRAFT Alternatives Evaluation

Garver will perform alternative evaluations for the processes, facilities, and/or alternatives as listed above. The goal of this effort will be to optimize the scope of improvements and to facilitate the selection of alternatives. Findings of the evaluation for each item noted above will be incorporated into a technical memorandum (TM).

The TM shall generally include:

- A. Executive Summary – Prepare an Executive Summary providing concise findings and recommendations.
- B. Introduction – Compose an introductory chapter providing the history and basic assumptions for the report.
- C. Alternatives Evaluation Sections – For each alternative process area listed above, write descriptions of each alternative considered, clearly indicating advantages, disadvantages, comparison of capital and operational/lifecycle costs (where impactful between options), and parameters relevant for selection between the alternatives. The selected alternative will be based on monetary and non-monetary considerations.
- D. Recommendations - Provide detailed description of the recommendations for each of the selected alternatives.
- E. Provide an overall Opinion of Probable Construction Cost (OPCC) for the entire project based on recommended facility alternatives (and other facilities not included in the evaluation). Note: it is expected that the preliminary engineering will progress on facilities that are not included in the alternative evaluation during the alternative evaluation period; this will allow the development of the OPCC for these facilities, which can then be incorporated into the overall OPCC for the Alternatives Evaluation TM.

2.2. Alternatives Evaluation Review Workshop

Garver will schedule and conduct an Alternatives Evaluation workshop (with up to three Garver employees) at the City offices to discuss the findings of the Alternatives Evaluation TM. Following the meeting, Garver will prepare meeting minutes for distribution to all participants.

2.3. FINAL Alternatives Evaluation TM

After receiving comments from the City, Garver will update the Alternatives Evaluation TM. Evaluation of additional alternatives beyond those listed in Scope Section **Error! Reference source not found.** will be considered extra work.

3. Preliminary Engineering Report

3.1. Preliminary Engineering Report

The preliminary engineering phase will provide for preliminary engineering and summarize key design criteria for each process area as defined in the Scope Introduction above and as selected during the alternatives evaluation (where applicable). This submittal will include preliminary representative figures of the proposed design at each facility, such as representative mechanical plans and sections and process and instrumentation diagrams (P&IDs) necessary to establish process control descriptions. The submittal will also include the proposed overall site plan, yard piping plan, and building/facility floorplans. This submittal will not include detailed design drawings, technical specifications or “front end” contract documents.

A. Design Information Memoranda/Preliminary Design Report

A preliminary engineering report will be developed that will compile a set of Design Information Memoranda (DIMs) under a single cover, will serve as a preliminary design report. The following list describes the report sections/DIMs sections to be developed for this project:

1. Executive Summary
2. Overall Facility Design Criteria and Mass Balance
3. Facility Hydraulics
4. Influent Pump Station
5. Headworks
6. Aeration Basins
7. Blower Building
8. Clarifiers
9. RAS/WAS Pumping
10. Disinfection and Contact Basin
11. Non-Potable Water System
12. Sludge Holding Tanks
13. Dewatering Facility
14. Site Civil and Yard Piping
15. Structural Design Criteria and Foundation Design
16. Electrical System
17. SCADA System
18. Administration Building
19. Building Design Criteria
20. Construction Sequencing/Maintenance of Plant Operations
21. Opinion of Probable Construction Cost

Each DIM will detail the applicable system description, design criteria, intended equipment manufacturers (where applicable), and control descriptions for the area under consideration (where applicable). Process design criteria will be documented to identify basis of unit sizing and verification of Texas Commission of Environmental Quality (TCEQ) regulatory conformance.

The OPCC will update the Bay City WWTP Improvements 2019 Conceptual Design Report estimate of construction costs. For preliminary design, Garver will consider these opinions as estimates and the expected range of accuracy for this type of estimate is that the actual project construction cost should range from -20% to +30% of the preliminary design phase’s cost opinion.

3.2. Preliminary Engineering Workshop

Prior to submittal of the Preliminary Engineering Report deliverable, Garver will lead and participate in a Preliminary Engineering workshop (with up to five Garver employees) at the City offices. The purpose of this meeting will be to build consensus in the design and operation of the facilities prior to the delivery of the 30-percent design submittal. The major items of discussion will include:

- Review and refinement of preliminary site plan, hydraulic profile, and facilities layout.
- Review and refinement of process design criteria.
- Review and preliminary selection of major equipment items.
- Proposed construction sequencing.

After the meeting, the City will be provided with meeting minutes and be provided the opportunity to provide feedback on the intended design elements.

3.3. Preliminary Engineering Report Deliverable Review Workshop

After submittal of the Preliminary Engineering Report Deliverable (including the DIM Report), Garver will schedule and conduct a Deliverable workshop (with up to three Garver employees) at the City offices to discuss the Preliminary Engineering Report Deliverable. Garver will prepare meeting minutes and provide a format for the City to provide review comments.

3.4. FINAL Preliminary Engineering Report Submittal

After receiving comments from the City on the Preliminary Engineering Report deliverable, Garver will update the DIMs to incorporate City comments.

4. **Geotechnical Services**

Garver will be responsible for coordination with the geotechnical consultant selected and contracted by the Owner. Geotechnical investigations and associated consulting services are not included in the Agreement. Final geotechnical findings and recommendations will be provided to Garver by the Owner for design and development of the opinion of probable construction cost. Garver will provide a drawing with requested bore sites, and a list of geotechnical requirements.

5. **Agencies Coordination**

Garver will furnish the DRAFT Preliminary Design Submittal to the following agencies for information only:

- TCEQ
- TWDB

Note that Garver will not pause the scoped project schedule or wait for comments from these agencies during this agreement.

6. **Preliminary Design Drawings**

Preliminary design drawings will not be authorized until the environmental review is completed by the Texas Water Development Board (TWDB).

7. **Final Design (Future Phase)**

Final Design Services are not included in this scope of services. They are expected to be performed under a separate, future contract.

8. Bidding Services & Construction Phase Services (Future Phase)

Bidding Services and Construction Phase Services are not included in this scope of services. They are expected to be performed under a separate, future contract.

9. Project Deliverables

The following will be submitted to the Owner, or others as indicated, by Garver.

- A. One (1) digital copy (PDF format) of the DRAFT Alternatives Evaluation Technical Memorandum
- B. One (1) hard copies and 1 digital copy (PDF format) of the FINAL Alternatives Evaluation Technical Memorandum
- C. Three (3) hard copies and 1 digital copy of the DRAFT Preliminary Design Submittal. Printed drawings will be delivered as half-size (11x17).
- D. Three (3) hard copies and 1 digital copy of the FINAL Preliminary Design Submittal.
- E. Electronic files as requested.

10. Extra Work

The following items are not included under this agreement but will be considered as extra work:

- A. Construction materials testing.
- B. Design of improvements off-site.
- C. Easement coordination or easement documents.
- D. Environmental Handling and Documentation, including wetlands identification or mitigation plans or other work related to environmentally or historically (culturally) significant items.
- E. Environmental Services
- F. Floodplain delineation and coordination with FEMA and preparation/submittal of a CLOMR and/or LOMR.
- G. Hydraulics and hydrology for floodway No-Rise Certification and Individual 404 permit.
- H. Invasive structural evaluation techniques beyond visual observation of existing structures at grade and existing record drawings.
- I. Jar Testing or Sampling Services
- J. Meetings and/or Workshops in addition to those listed herein.
- K. Preparation of a Storm Water Pollution Prevention Plan (SWPPP).
- L. Redesign for the Owner's convenience or due to changed conditions after previous alternate direction and/or approval.
- M. Sludge Management Plan
- N. SSES, I&I analysis, and/or sewer system survey.
- O. Submittals or deliverables in addition to those listed herein.
- P. TMDL and NPDES permitting assistance
- Q. Utility rate study
- R. Warranty Assistance

Extra Work will be as directed by the Owner in writing for an addition fee as agreed upon by the Owner and Garver.

11. Schedule

Garver shall begin work under this Agreement within ten (10) days of a Notice to Proceed and shall complete the work in accordance with the schedule below:

Phase Description	Calendar Days
Kick-off Meeting	5 days from Notice to Proceed
Deliver DRAFT Alternatives Evaluation TM	75 days from NTP
Alternatives Evaluation Workshop	7 days after delivery of DRAFT Alternatives Evaluation TM
Deliver FINAL Alternatives Evaluation TM	14 days from receipt of DRAFT Alternatives Evaluation comments from the City
Deliver DRAFT Preliminary Report Submittal	75 days from Final Alternatives Evaluation TM
Preliminary Engineering Report Deliverable Review Workshop	7 days from delivery of DRAFT Preliminary Engineering Report Submittal
Deliver FINAL Preliminary Engineering Report Submittal	14 days from receipt of DRAFT Preliminary Engineering Report Submittal Comments from City
Initiate Geotechnical Investigation	Within 20 days of first monthly progress meeting
Receive Geotechnical Study	90 days from initiation of study

*Note: for planning purposes, 10 days are assumed for City review from receipt of a DRAFT submittal until comments are expected to be received.

Appendix B

**Bay City WWTP Improvements
Preliminary Phase**

FEE SUMMARY

Title I Services	Estimated Fees
Project Administration	\$84,496.00
Alternatives Evaluation	\$264,297.00
Preliminary Engineering	\$787,191.00
Topographical Survey	\$50,000.00
Subtotal for Title I Services	\$1,185,984.00



EXHIBIT A

WORK ORDER NO. 2 CITY OF BAY CITY Project No. 20W09160

This WORK ORDER (“Work Order”) is made by and between the **City of Bay City** (hereinafter referred to as “Owner”) and **Garver, LLC**, (hereinafter referred to as “Garver”) in accordance with the provisions of the MASTER AGREEMENT FOR PROFESSIONAL SERVICES executed on _____ (the “Agreement”).

Under this Work Order, the Owner intends to make the following improvements for **Bay City Well No. 7 Water Plant and Well No. 8 Water Plant**:

Generally, the scope of services includes environmental and public involvement tasks for two water plant facility sites for the City of Bay City (City), Texas. The Engineer shall prepare two Environmental Information Documents (EIDs), one for each site, in compliance with National Environmental Policy Act (NEPA) regulations and consistent with Texas Water Development Board (TWDB) guidance. The facilities consist of two sites that are each approximately two acres.

Garver will provide professional services related to these improvements as described herein. Terms not defined herein shall have the meaning assigned to them in the Agreement.

1. SCOPE OF SERVICES

- 1.1. Garver shall provide the following Services:
 - 1.1.1. Refer to APPENDIX A – SCOPE OF SERVICES.
- 1.2. In addition to those obligations set forth in the Agreement, Owner shall:
 - 1.2.1. Obtain right-of-entry to the property and provide right-of-entry to Garver to perform any on-site work related to the environmental investigations.
 - 1.2.2. Acquire the land that will become the site of the Well No. 7 Water Plant and the Well No. 8 Water Plant.

2. PAYMENT

3. For the Services set forth above, Owner will pay Garver as follows: Refer to APPENDIX B – FEE SUMMARY.

4. APPENDICES

- 4.1. The following Appendices are attached to and made a part of this Work Order:
- 4.2. Appendix A - Scope of Services
- 4.3. Appendix B – Fee Summary

This Work Order may be executed in two (2) or more counterparts each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.



The effective date of this Work Order shall be the last date written below.

CITY OF BAY CITY

GARVER, LLC

By: _____
Signature

By: D. N. Olson
Signature

Name: Robert K. Nelson
Printed Name

Name: Daniel N. Olson, P.E.
Printed Name

Title: Mayor

Title: Principal

Date: _____

Date: 10/22/2020

Attest: _____

Attest: Carolin Gallamy

City of Bay City
Water System Improvements
Environmental Services
Appendix A - Scope of Services

Garver (Engineer) shall perform environmental and public involvement tasks for two water facility sites for the City of Bay City (City), Texas. The Engineer shall prepare two Environmental Information Documents (EIDs), one for each site, in compliance with National Environmental Policy Act (NEPA) regulations and consistent with Texas Water Development Board (TWDB) guidance. The facilities consist of an approximate 2-acre site and 5-acre site.

The Engineer shall perform the following tasks for each EID:

1.0 Project Management

The Engineer shall perform project management tasks including meeting with the project team, coordinating with the City and TWDB, developing a schedule and providing monthly updates.

2.0 Environmental Documentation

The Engineer shall prepare an EID report for each water facility site following the TWDB EID outline. The Engineer shall use the report to complete the EID fillable form per Texas Water Development Board guidance. The draft report and form shall be submitted to the City for review and processing with the TWDB. The Engineer shall address one round of comments received from the City and TWDB prior to producing the final report and form.

2.1 Data Collection and Mapping

The Engineer shall develop an environmental constraints map using GIS and conduct desktop review of environmental resources. The Engineer shall conduct a project site reconnaissance including travel time to verify site conditions and potential resources. The Engineer shall prepare standard maps for Appendix A of the EID. Exhibits to be included in the EID will not exceed 11" by 17," and will be in color. Text pages will be 8.5" by 11".

2.2 Project Description

The Engineer shall prepare a project description including the background of the project and location, and description of the service area and population. The Engineer will develop a purpose and need statement with supporting data and estimated project cost information.

2.3 Affected Environment and Environmental Consequences

The Engineer shall assess existing conditions of the project site and prepare attachments to support the assessment. Resources shall include air quality, soils and geology, farmland, biological, water, cultural, community and land use. The Engineer shall identify existing conditions for the project area and analyze direct, indirect and cumulative impacts of the project. Environmental technical reports and documentation will include appropriate NEPA or federal regulatory language in addition to the purpose and methodology used in delivering the service. Technical reports and forms will include sufficient information to determine the significance of impacts. Technical reports shall be prepared for each of the following resources:

a. Biological Evaluation

The Engineer shall perform desktop and field analysis to identify vegetation and habitat in the project area and provide a draft and final Biological Evaluation technical report. The Engineer shall perform surveys of protected species or habitat of protected species. This shall include:

- All species listed by the United States Fish and Wildlife Service (USFWS) as threatened or endangered or proposed for listing as threatened or endangered (50 CFR 17.11-12),
- All species that are candidates for review for listing by USFWS as threatened or endangered (per most recently updated list in Federal Register),
- Species listed as threatened or endangered species or species of greatest conservation need (SGCN) by the State of Texas Threatened and Endangered Species Listings, Texas Park and Wildlife Department (TPWD),
- Species protected by the Migratory Bird Treaty Act (50 CFR 10.13) and the Bald and Golden Eagle Protection Act (16 U.S.C. 668-668c).

The Engineer shall examine existing data to determine the likelihood that rare species, protected species, their habitat, or designated critical habitat (per 50 CFR §17.94-95) could be impacted by the proposed project. Existing data shall include the Element Occurrence Identification (EOID) records of the TPWD Natural Diversity Database.

The Engineer shall prepare an effect determination pursuant to the Endangered Species Act (ESA) for all federally listed species. A determination of impact will be included for all state-listed species.

The Engineer shall determine whether critical habitat is present in the study area and whether the proposed project will affect that critical habitat.

b. Water Resources

The Engineer shall perform a desktop and field analysis of water resources and provide a draft and final Water Resources technical report including identification of jurisdictional wetlands, streams and Waters of the U.S. If the analysis combined with potential project impacts indicate permitting beyond a non-reporting nationwide permit (NWP) is necessary, the delineation of all potential Waters of the U.S., including wetlands, throughout the project area, would be conducted under a supplemental work authorization.

c. Hazardous Materials Technical Report

The Engineer shall review available hazardous materials databases and determine potential impacts to the project site. The Engineer shall prepare a draft and final Hazardous Materials Technical Report.

d. Archeological Resources Background Review

The Engineer shall provide a draft and final Archeological Background Review, consistent with Texas Water Development Board and Texas Historical Commission guidance.

e. Historic Resources PCR

The Engineer shall provide a draft and final Historical Resources background assessment consistent with Texas Water Development Board and Texas Historical Commission guidance.

f. Community Impacts Assessment

The Engineer shall conduct a community impacts assessment (CIA) including identification and assessment of Environmental Justice populations. The Engineer shall provide a draft and final CIA assessment technical report.

2.4 Alternatives Analysis

The Engineer shall perform an alternatives analysis including rationale for acceptance rejection of a No Action Alternative and Alternative Not Selected. The Engineer shall discuss the rationale for the preferred alternative. Discussion of direct, indirect, and cumulative impacts shall also be included in the analysis.

2.5 Mitigation and BMPs

The Engineer shall identify and describe standard mitigation and best management practices (BMPs) to be used during project construction. The Engineer shall describe how impacts will be avoided or minimized consistent with regulatory agency recommendations.

Deliverables:

- Up to 8 project team meetings
- Up to 4 meetings with the City and TWDB via call/on-line
- Milestone schedule
- 8 Monthly status updates
- Draft and final Biological Evaluation Technical Report
- Draft and final Water Resources Technical Report
- Draft and final Hazardous Materials Technical Report
- Draft and final Archeological Resources Background Review
- Draft and final Historic Resources PCR
- Draft and final CIA Technical Report
- Draft EA report and EID
- Comment response matrix
- Final EA report and EID

3.0 Public Involvement

The Engineer shall prepare materials for and participate in one public meeting for each site. The Engineer shall coordinate with the City to determine location, date and time of the meetings. The Engineer shall prepare a notice to be published in a local newspaper of general circulation 30 days prior to the date of the meeting. The Engineer shall prepare materials consisting of sign-in sheets, fact sheet, presentation, exhibit boards and layout of the project, and staff the meeting. The Engineer shall document comments received at the meeting and responses in a summary report. A draft report shall be prepared for review by the City. The Engineer shall address one round of comments on the draft report received from the City and TWDB prior to producing the final report.

Deliverables:

- Attend public meeting – up to 4 staff
- Draft and final meeting notice for publication
- Exhibits for the meeting – one roll plot and up to 4 informational boards
- Presentation
- Fact Sheet
- Sign in sheet
- Draft and Final Public Meeting Summary Report

Assumptions:

If agency coordination is required, this scope of services assumes support for initial agency coordination. If coordination is required beyond initial outreach in order to obtain permits, that would be considered out of scope and a supplemental agreement would be required for the additional effort.

**City of Bay City
Water System Improvements
Appendix B - FEE SUMMARY
Lump Sum**

Environmental Services Estimated Fees**Site 1 (5-acre site)**

Project Management \$9,000.00
Environmental Documentation \$46,500.00
Public Involvement \$30,000.00
Expenses \$9,450.00
Subtotal for Environmental Services \$94,950

Site 2 (2-acre site)

Project Management \$9,000.00
Environmental Documentation \$46,500.00
Public Involvement \$27,000.00
Expenses \$7,450.00
Subtotal for Environmental Services \$89,950 (if conducted at the same time as Site 1)

October 23, 2020

Mr. Barry Calhoun
Director of Public Works
City of Bay City
1217 Avenue J
Bay City, Texas 77414

Re: Construction of Nile Valley Road
City of Bay City
JC Job No. R0017-0053-00

Dear Mr. Calhoun:

We received bids for the Construction of Nile Valley Road in Bay City Texas at our office in Bellaire Texas on October 23, 2020 at 10:00 AM. Bids were publicly opened and read at that time.

Four (4) reputable contractors submitted proposals for this work. A summary tabulation of the bids is enclosed for your review. Lester Contracting, Inc. submitted the lowest Base Bid proposal in the amount of \$4,626,723.70.

Although we have not worked with Lester Contracting, Inc. in the past, we understand they have done acceptable work for the City in the past and find them to be an acceptable contractor. We recommend that the referenced contract be awarded to Lester Contracting, Inc. on the basis of its Base Bid proposal in the amount of \$4,626,763.70.

If you have any questions, please do not hesitate to call.

Sincerely,




Matthew B. Breazeale, PE
Vice President

MBB/

K:\R0017\R0017-0053-00 Nile Valley Road\3 Construction Phase\Contract Documents\ROA R0017-0053-00.DOC

Enclosure

cc: Lester Contracting, Inc.

 JONES CARTER Public Bid		BID TABULATION SHEET Construction of Nile Valley Road City of Bay City R0017-0053-00				BIDS WERE RECEIVED IN THE OFFICE OF Jones & Carter, Inc. - Bellaire Time: 10:00 AM Date: 10/23/2020	
		BIDDERS					
	LEXCO, INC.	DUBWOOD GIBSENE CONSTRUCTION CO.	LESTER CONTRACTING	TLC CONSTRUCTION CONTRACT			
Base Bid	5,737,533.16	5,973,991.80	4,626,763.70	6,073,026.10			
Addendum No. 1	✓	✓	✓	✓			
Addendum No. 2	✓	✓	✓	✓			
Addendum No. 3	✓	✓	✓	✓			
Bid Security	✓	✓	✓	✓			
1295 Form							

Handwritten signature

ORDINANCE~ ORDINANCE AUTHORIZING THE ISSUANCE OF CITY OF BAY CITY, TEXAS GENERAL OBLIGATION REFUNDING BONDS, SERIES 2021; LEVYING A TAX IN PAYMENT THEREOF; AUTHORIZING THE REDEMPTION PRIOR TO MATURITY OF CERTAIN OUTSTANDING OBLIGATIONS; PROVIDING FOR THE AWARD AND SALE OF SAID BONDS IN ACCORDANCE WITH CERTAIN PARAMETERS; AND ENACTING OTHER PROVISIONS RELATING THERETO



EXECUTIVE SUMMARY

BOND REFUNDING – SERIES 2010 & 2012 CO'S

BACKGROUND: The City has an opportunity to achieve debt service savings on its outstanding debt through an issuance of General Obligation Refunding Bonds. The City's Series 2010 and 2012 CO's are both currently callable and carry an average interest rate of approximately 3.426014%. Based on current market rates, the City may be able to refund those bonds to a true interest cost ("TIC") of approximately 1.196376%, which would produce net present value savings of approximately \$503,135. This would translate to average annual cash flow savings of about \$53,769.

The 2010 Series is property tax supported and currently set to mature 9-01-30.

The 2012 Series is self-supporting debt (Siemens Project) set to mature 9-1-27.

FINANCIAL IMPLICATIONS: This would produce savings of approximately \$503,135. This would translate to average annual cash flow savings of about \$53,769.

RECOMMENDATION: Staff recommends City Council approve the ordinance as presented.

ATTACHMENTS: Parameters Ordinance & Refunding analysis

City of Bay City, Texas

Refunding Presentation

General Obligation Refunding Bonds, Series 2021



US Capital Advisors

Estimated Debt Service Savings

October 19, 2020

James F. Gilley, Jr.
U.S. Capital Advisors LLC
300 West 6th St, Suite 1900
Austin, Texas 78701
512-813-1110 (direct)
jfgilley@uscallc.com

TABLE OF CONTENTS

City of Bay City, Texas
General Obligation Refunding Bonds, Series 2021

Assumes S&P 'A+' rated, insured, non-BQ
Scales 10-14-20 + 10 bps

Report	Page
Savings	1
Summary of Refunding Results	2
Summary of Bonds Refunded	3
Bond Pricing	4
Bond Summary Statistics	7
Sources and Uses of Funds	9
Bond Debt Service	10
Prior Bond Debt Service	12
Escrow Statistics	13

SAVINGS

City of Bay City, Texas
 General Obligation Refunding Bonds, Series 2021

Assumes S&P 'A+' rated, insured, non-BQ
 Scales 10-14-20 + 10 bps

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 01/07/2021 @ 0.9955122%
09/30/2021	1,055,510.00	1,015,300.00	40,210.00	40,339.29
09/30/2022	1,059,260.00	1,003,200.00	56,060.00	55,102.56
09/30/2023	1,057,010.00	1,002,200.00	54,810.00	53,349.63
09/30/2024	1,058,960.00	1,005,000.00	53,960.00	52,012.69
09/30/2025	1,054,910.00	1,001,400.00	53,510.00	51,079.85
09/30/2026	1,060,060.00	1,006,600.00	53,460.00	50,539.49
09/30/2027	1,058,110.00	1,005,200.00	52,910.00	49,535.61
09/30/2028	254,160.00	202,400.00	51,760.00	47,989.15
09/30/2029	255,160.00	200,200.00	54,960.00	50,447.44
09/30/2030	255,290.00	202,800.00	52,490.00	47,699.08
	8,168,430.00	7,644,300.00	524,130.00	498,094.80

Savings Summary

Dated Date	01/01/2021
Delivery Date	01/07/2021
PV of savings from cash flow	498,094.80
Plus: Refunding funds on hand	5,039.75
Net PV Savings	503,134.55

SUMMARY OF REFUNDING RESULTS

City of Bay City, Texas
 General Obligation Refunding Bonds, Series 2021

Assumes S&P 'A+' rated, insured, non-BQ
 Scales 10-14-20 + 10 bps

Dated Date	01/01/2021
Delivery Date	01/07/2021
Arbitrage yield	0.995512%
Escrow yield	0.000000%
Value of Negative Arbitrage	
Bond Par Amount	6,550,000.00
True Interest Cost	1.196376%
Net Interest Cost	1.196662%
Average Coupon	4.000000%
Average Life	4.177
Par amount of refunded bonds	7,045,000.00
Average coupon of refunded bonds	3.462014%
Average life of refunded bonds	4.268
PV of prior debt to 01/07/2021 @ 0.995512%	7,845,999.67
Net PV Savings	503,134.55
Percentage savings of refunded bonds	7.141725%
Percentage savings of refunding bonds	7.681444%

SUMMARY OF BONDS REFUNDED

City of Bay City, Texas
 General Obligation Refunding Bonds, Series 2021

Assumes S&P 'A+' rated, insured, non-BQ
 Scales 10-14-20 + 10 bps

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Tax & Rev Certificates of Obligation, Series 2010, CO2010:					
TERM2022	09/01/2022	4.000%	340,000.00	01/07/2021	100.000
TERM2024	09/01/2024	4.000%	370,000.00	01/07/2021	100.000
TERM2026	09/01/2026	4.000%	400,000.00	01/07/2021	100.000
TERM2028	09/01/2028	4.000%	440,000.00	01/07/2021	100.000
TERM2030	09/01/2030	4.200%	480,000.00	01/07/2021	100.000
			2,030,000.00		
Tax & Rev Certificates of Obligation, Series 2012, CO2012:					
CO2012	09/01/2021	3.000%	655,000.00	01/07/2021	100.000
	09/01/2022	3.000%	675,000.00	01/07/2021	100.000
	09/01/2023	3.000%	695,000.00	01/07/2021	100.000
	09/01/2024	3.000%	715,000.00	01/07/2021	100.000
	09/01/2025	3.000%	735,000.00	01/07/2021	100.000
	09/01/2026	3.125%	760,000.00	01/07/2021	100.000
	09/01/2027	3.250%	780,000.00	01/07/2021	100.000
			5,015,000.00		
			7,045,000.00		

BOND PRICING

City of Bay City, Texas
 General Obligation Refunding Bonds, Series 2021

Assumes S&P 'A+' rated, insured, non-BQ
 Scales 10-14-20 + 10 bps

Bond Component	Maturity Date	# Bonds	Amount	Rate	Yield	Price	Yield to Maturity	
GO Refunding Bonds, Series 2021:								
	09/01/2021	169	845,000	4.000%	0.490%	102.274		
	09/01/2022	155	775,000	4.000%	0.500%	105.743		
	09/01/2023	161	805,000	4.000%	0.560%	109.035		
	09/01/2024	168	840,000	4.000%	0.650%	112.063		
	09/01/2025	174	870,000	4.000%	0.740%	114.873		
	09/01/2026	182	910,000	4.000%	0.890%	117.099		
	09/01/2027	189	945,000	4.000%	1.030%	119.040		
	09/01/2028	36	180,000	4.000%	1.160%	120.731		
	09/01/2029	37	185,000	4.000%	1.350%	121.564		
	09/01/2030	39	195,000	4.000%	1.500%	120.208 C	1.718%	
		1,310	6,550,000					

BOND PRICING

City of Bay City, Texas
General Obligation Refunding Bonds, Series 2021

Assumes S&P 'A+' rated, insured, non-BQ
Scales 10-14-20 + 10 bps

Premium (-Discount)
19,215.30
44,508.25
72,731.75
101,329.20
129,395.10
155,600.90
179,928.00
37,315.80
39,893.40
39,405.60
<hr/>
819,323.30
<hr/> <hr/>

BOND PRICING

City of Bay City, Texas
 General Obligation Refunding Bonds, Series 2021

Assumes S&P 'A+' rated, insured, non-BQ
 Scales 10-14-20 + 10 bps

Dated Date	01/01/2021	
Delivery Date	01/07/2021	
First Coupon	03/01/2021	
Par Amount	6,550,000.00	
Premium	819,323.30	
Production	7,369,323.30	112.508753%
Underwriter's Discount	-52,400.00	-0.800000%
Other Amounts	-26,755.05	-0.408474%
Purchase Price	7,290,168.25	111.300279%
Accrued Interest		
Net Proceeds	7,290,168.25	

BOND SUMMARY STATISTICS

City of Bay City, Texas
General Obligation Refunding Bonds, Series 2021Assumes S&P 'A+' rated, insured, non-BQ
Scales 10-14-20 + 10 bps

Dated Date	01/01/2021
Delivery Date	01/07/2021
Last Maturity	09/01/2030
Arbitrage Yield	0.995512%
True Interest Cost (TIC)	1.196376%
Net Interest Cost (NIC)	1.196662%
All-In TIC	1.757270%
Average Coupon	4.000000%
Average Life (years)	4.177
Weighted Average Maturity (years)	4.301
Duration of Issue (years)	3.943
Par Amount	6,550,000.00
Bond Proceeds	7,369,323.30
Total Interest	1,094,300.00
Net Interest	327,376.70
Bond Years from Dated Date	27,357,500.00
Bond Years from Delivery Date	27,357,500.00
Total Debt Service	7,644,300.00
Maximum Annual Debt Service	1,015,300.00
Average Annual Debt Service	792,155.44
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	8.000000
Total Underwriter's Discount	8.000000
Bid Price	111.300279

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
GO Refunding Bonds, Series 2021	6,550,000.00	112.509	4.000%	4.177	2,878.55
	6,550,000.00			4.177	2,878.55

BOND SUMMARY STATISTICS

City of Bay City, Texas
General Obligation Refunding Bonds, Series 2021Assumes S&P 'A+' rated, insured, non-BQ
Scales 10-14-20 + 10 bps

	TIC	All-In TIC	Arbitrage Yield
Par Value	6,550,000.00	6,550,000.00	6,550,000.00
+ Accrued Interest			
+ Premium (Discount)	819,323.30	819,323.30	819,323.30
- Underwriter's Discount	-52,400.00	-52,400.00	
- Cost of Issuance Expense		-157,700.00	
- Other Amounts	-26,755.05	-26,755.05	-26,755.05
Target Value	7,290,168.25	7,132,468.25	7,342,568.25
Target Date	01/07/2021	01/07/2021	01/07/2021
Yield	1.196376%	1.757270%	0.995512%

SOURCES AND USES OF FUNDS

City of Bay City, Texas
 General Obligation Refunding Bonds, Series 2021

Assumes S&P 'A+' rated, insured, non-BQ
 Scales 10-14-20 + 10 bps

Dated Date 01/01/2021
 Delivery Date 01/07/2021

Sources:

Bond Proceeds:	
Par Amount	6,550,000.00
Premium	819,323.30
	<hr/>
	7,369,323.30
	<hr/> <hr/>

Uses:

Refunding Escrow Deposits:	
Cash Deposit	7,127,428.50
Delivery Date Expenses:	
Cost of Issuance	157,700.00
Underwriter's Discount	52,400.00
Bond Insurance	<hr/> 26,755.05
	236,855.05
Other Uses of Funds:	
Additional Proceeds	5,039.75
	<hr/>
	7,369,323.30
	<hr/> <hr/>

BOND DEBT SERVICE

City of Bay City, Texas
 General Obligation Refunding Bonds, Series 2021

Assumes S&P 'A+' rated, insured, non-BQ
 Scales 10-14-20 + 10 bps

Dated Date 01/01/2021
 Delivery Date 01/07/2021

Period Ending	Principal	Coupon	Interest	Debt Service
09/30/2021	845,000	4.000%	170,300	1,015,300
09/30/2022	775,000	4.000%	228,200	1,003,200
09/30/2023	805,000	4.000%	197,200	1,002,200
09/30/2024	840,000	4.000%	165,000	1,005,000
09/30/2025	870,000	4.000%	131,400	1,001,400
09/30/2026	910,000	4.000%	96,600	1,006,600
09/30/2027	945,000	4.000%	60,200	1,005,200
09/30/2028	180,000	4.000%	22,400	202,400
09/30/2029	185,000	4.000%	15,200	200,200
09/30/2030	195,000	4.000%	7,800	202,800
	6,550,000		1,094,300	7,644,300

BOND DEBT SERVICE

City of Bay City, Texas
General Obligation Refunding Bonds, Series 2021Assumes S&P 'A+' rated, insured, non-BQ
Scales 10-14-20 + 10 bpsDated Date 01/01/2021
Delivery Date 01/07/2021

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/01/2021			39,300	39,300	
09/01/2021	845,000	4.000%	131,000	976,000	
09/30/2021					1,015,300
03/01/2022			114,100	114,100	
09/01/2022	775,000	4.000%	114,100	889,100	
09/30/2022					1,003,200
03/01/2023			98,600	98,600	
09/01/2023	805,000	4.000%	98,600	903,600	
09/30/2023					1,002,200
03/01/2024			82,500	82,500	
09/01/2024	840,000	4.000%	82,500	922,500	
09/30/2024					1,005,000
03/01/2025			65,700	65,700	
09/01/2025	870,000	4.000%	65,700	935,700	
09/30/2025					1,001,400
03/01/2026			48,300	48,300	
09/01/2026	910,000	4.000%	48,300	958,300	
09/30/2026					1,006,600
03/01/2027			30,100	30,100	
09/01/2027	945,000	4.000%	30,100	975,100	
09/30/2027					1,005,200
03/01/2028			11,200	11,200	
09/01/2028	180,000	4.000%	11,200	191,200	
09/30/2028					202,400
03/01/2029			7,600	7,600	
09/01/2029	185,000	4.000%	7,600	192,600	
09/30/2029					200,200
03/01/2030			3,900	3,900	
09/01/2030	195,000	4.000%	3,900	198,900	
09/30/2030					202,800
	6,550,000		1,094,300	7,644,300	7,644,300

PRIOR BOND DEBT SERVICE

City of Bay City, Texas
General Obligation Refunding Bonds, Series 2021Assumes S&P 'A+' rated, insured, non-BQ
Scales 10-14-20 + 10 bpsDated Date 01/01/2021
Delivery Date 01/07/2021

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service	Present Value to 01/07/2021 @ 0.9955122%
03/01/2021			117,755	117,755		117,579.73
09/01/2021	820,000	** %	117,755	937,755		931,721.49
09/30/2021					1,055,510	
03/01/2022			104,630	104,630		103,441.92
09/01/2022	850,000	** %	104,630	954,630		939,115.64
09/30/2022					1,059,260	
03/01/2023			91,005	91,005		89,082.60
09/01/2023	875,000	** %	91,005	966,005		940,915.54
09/30/2023					1,057,010	
03/01/2024			76,980	76,980		74,609.27
09/01/2024	905,000	** %	76,980	981,980		947,024.42
09/30/2024					1,058,960	
03/01/2025			62,455	62,455		59,933.46
09/01/2025	930,000	** %	62,455	992,455		947,668.90
09/30/2025					1,054,910	
03/01/2026			47,530	47,530		45,160.35
09/01/2026	965,000	** %	47,530	1,012,530		957,284.39
09/30/2026					1,060,060	
03/01/2027			31,555	31,555		29,685.54
09/01/2027	995,000	** %	31,555	1,026,555		960,953.93
09/30/2027					1,058,110	
03/01/2028			14,580	14,580		13,580.68
09/01/2028	225,000	4.000%	14,580	239,580		222,053.78
09/30/2028					254,160	
03/01/2029			10,080	10,080		9,296.34
09/01/2029	235,000	4.200%	10,080	245,080		224,906.89
09/30/2029					255,160	
03/01/2030			5,145	5,145		4,698.12
09/01/2030	245,000	4.200%	5,145	250,145		227,286.68
09/30/2030					255,290	
	7,045,000		1,123,430	8,168,430	8,168,430	7,845,999.67

ESCROW STATISTICS

City of Bay City, Texas
 General Obligation Refunding Bonds, Series 2021

Assumes S&P 'A+' rated, insured, non-BQ
 Scales 10-14-20 + 10 bps

Total Escrow Cost	Modified Duration (years)	PV of 1 bp change	Yield to Receipt Date	Yield to Disbursement Date	Perfect Escrow Cost	Value of Negative Arbitrage
Global Proceeds Escrow: 7,127,428.50					7,127,428.50	
7,127,428.50		0.00			7,127,428.50	0.00

ESCROW STATISTICS

City of Bay City, Texas
General Obligation Refunding Bonds, Series 2021

Assumes S&P 'A+' rated, insured, non-BQ
Scales 10-14-20 + 10 bps

Cost of
Dead Time

Global Proceeds Escrow:

0.00

ESCROW STATISTICS

City of Bay City, Texas
General Obligation Refunding Bonds, Series 2021

Assumes S&P 'A+' rated, insured, non-BQ
Scales 10-14-20 + 10 bps

Delivery date	01/07/2021
Arbitrage yield	0.995512%



This presentation is provided by U.S. Capital Advisors LLC, on behalf of itself and its subsidiaries, USCA Municipal Advisors LLC, USCA Securities LLC, and USCA RIA LLC (collectively “USCA”). The material herein is based on information obtained from sources generally believed to be reliable; however, USCA cannot guarantee its accuracy or completeness. This presentation is in summary form and does not purport to be complete. Actual events may differ from assumptions herein, and such changes may have a material effect on results. Nothing in this presentation shall form the basis of any contract or commitment nor constitute investment advice or a recommendation to purchase or sell any security. Municipal advisory services offered through USCA Municipal Advisors LLC, registered MSRB; Securities offered through USCA Securities LLC, member FINRA/SIPC; Investment advisory services offered through USCA RIA LLC and USCA Asset Management LLC.

ORDINANCE NO. ____

AUTHORIZING THE
ISSUANCE OF

CITY OF BAY CITY, TEXAS
GENERAL OBLIGATION REFUNDING BONDS
SERIES 2021

Adopted: October 27, 2020

TABLE OF CONTENTS

Recitals.....1

ARTICLE I

DEFINITIONS AND OTHER PRELIMINARY MATTERS

Section 1.01. Definitions2
Section 1.02. Findings5
Section 1.03. Table of Contents, Titles and Headings.....5
Section 1.04. Interpretation.....5

ARTICLE II

SECURITY FOR THE BONDS; DEBT SERVICE FUND

Section 2.01. Tax Levy6
Section 2.02. Debt Service Fund6

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.01. Authorization6
Section 3.02. Date, Denomination, Maturities and Interest.....7
Section 3.03. Medium, Method and Place of Payment.....7
Section 3.04. Execution and Registration of Bonds8
Section 3.05. Ownership.....9
Section 3.06. Registration, Transfer and Exchange.....9
Section 3.07. Cancellation10
Section 3.08. Replacement Bonds10
Section 3.09. Book-Entry Only System.....11
Section 3.10. Successor Securities Depository; Transfer Outside Book-Entry Only System.....12
Section 3.11. Payments to Cede & Co.....12

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section 4.01. Limitation on Redemption12
Section 4.02. Optional Redemption.....12
Section 4.03. Mandatory Redemption13
Section 4.04. Partial Redemption13
Section 4.05. Notice of Redemption to Owners13
Section 4.06. Payment Upon Redemption14
Section 4.07. Effect of Redemption.....14

Section 4.08. Lapse of Payment.....15

ARTICLE V

PAYING AGENT/REGISTRAR

Section 5.01. Appointment of Initial Paying Agent/Registrar.....15
Section 5.02. Qualifications.....15
Section 5.03. Maintaining Paying Agent/Registrar15
Section 5.04. Termination.....15
Section 5.05. Notice of Change to Owners.....15
Section 5.06. Agreement to Perform Duties and Functions16
Section 5.07. Delivery of Records to Successor16

ARTICLE VI

FORM OF THE BONDS

Section 6.01. Form Generally16
Section 6.02. CUSIP Registration.....16
Section 6.03. Legal Opinion16
Section 6.04. Bond Insurance17

ARTICLE VII

DELEGATION OF AUTHORITY, SALE AND DELIVERY OF BONDS, DEPOSIT OF PROCEEDS

Section 7.01. Sale of Bonds; Official Statement17
Section 7.02. Control and Delivery of Bonds18
Section 7.03. Deposit of Proceeds; Transfer of Funds18

ARTICLE VIII

REPRESENTATIONS AND COVENANTS

Section 8.01. Payment of the Bonds19
Section 8.02. Other Representations and Covenants19

ARTICLE IX

PROVISIONS CONCERNING FEDERAL INCOME TAX MATTERS

Section 9.01. General.....19
Section 9.02. No Private Activity Bonds.....19
Section 9.03. No Federal Guarantee19
Section 9.04. No Hedge Bonds20
Section 9.05. No Arbitrage Bonds20
Section 9.06. Required Rebate.....20
Section 9.07. Information Reporting20

Section 9.08. Record Retention20
 Section 9.09. Registration20
 Section 9.10. Favorable Opinion of Bond Counsel20
 Section 9.11. Continuing Compliance20

ARTICLE X

DISCHARGE

Section 10.01. Discharge20

ARTICLE XI

SUBSCRIPTION FOR SECURITIES; APPROVAL OF ESCROW AGREEMENT; PAYMENT OF REFUNDED OBLIGATIONS

Section 11.01. Subscription for Securities21
 Section 11.02. Appointment of Escrow Agent; Approval of Escrow Agreement; Deposit with Paying Agent for Refunded Obligations21
 Section 11.03. Redemption and Defeasance of Refunded Obligations21

ARTICLE XII

CONTINUING DISCLOSURE UNDERTAKING

Section 12.01. Annual Reports22
 Section 12.02. Event Notices22
 Section 12.03. Limitations, Disclaimers and Amendments24
 Section 12.04. Amendments to the Rule25

ARTICLE XIII

MISCELLANEOUS

Section 13.01. Changes to Ordinance25
 Section 13.02. Partial Invalidity25
 Section 13.03. Repealer25
 Section 13.04. Individuals Not Liable25
 Section 13.05. Related Matters26
 Section 13.06. Severability and Savings26
 Section 13.07. Force and Effect26

Schedule I – Refunded Obligation Candidates

Exhibit A – Form of Pricing Certificate

ORDINANCE AUTHORIZING THE ISSUANCE OF CITY OF BAY CITY, TEXAS GENERAL OBLIGATION REFUNDING BONDS, SERIES 2021; LEVYING A TAX IN PAYMENT THEREOF; AUTHORIZING THE REDEMPTION PRIOR TO MATURITY OF CERTAIN OUTSTANDING OBLIGATIONS; PROVIDING FOR THE AWARD AND SALE OF SAID BONDS IN ACCORDANCE WITH CERTAIN PARAMETERS; AND ENACTING OTHER PROVISIONS RELATING THERETO

THE STATE OF TEXAS §
 §
COUNTY OF MATAGORDA §

WHEREAS, the City of Bay City, Texas (the “City”) desires to issue the bonds hereinafter authorized for the purpose of refunding certain of its outstanding obligations as identified and described on Schedule I attached hereto (the “Refunded Obligation Candidates”) for the purpose of achieving debt service savings; and

WHEREAS, it is intended that all or a portion of the Refunded Obligation Candidates shall be designated as Refunded Obligations (as hereinafter defined) in the Pricing Certificate (as hereinafter defined) and shall be refunded pursuant to this Ordinance and the Pricing Certificate; and

WHEREAS, Chapter 1207, Texas Government Code, as amended, (“Chapter 1207”) authorizes the City to issue refunding bonds for the purpose of refunding the Refunded Obligations in advance of their maturities, and to accomplish such refunding by depositing directly with a paying agent for the Refunded Obligations (or other qualified escrow agent), the proceeds of such refunding bonds, together with other available funds or securities, in an amount sufficient to provide for the payment or redemption of the Refunded Obligations, and provides that such deposit shall constitute the making of firm banking and financial arrangements for the discharge and final payment or redemption of the Refunded Obligations; and

WHEREAS, the City desires to authorize the execution of an escrow agreement or a deposit agreement, if necessary, in order to provide for the deposit of proceeds of the refunding bonds and, to the extent specified pursuant hereto, other lawfully available funds of the City and to pay the redemption price of the Refunded Obligations when due; and

WHEREAS, upon the issuance of the refunding bonds herein authorized and the deposit of funds referred to above, the Refunded Obligations shall no longer be regarded as being outstanding, except for the purpose of being paid pursuant to such deposit, and the pledges, liens, trusts and all other covenants, provisions, terms and conditions of the ordinances authorizing the issuance of the Refunded Obligations shall be, with respect to the Refunded Obligations, discharged, terminated and defeased; and

WHEREAS, the City hereby finds and determines that the issuance and delivery of the refunding bonds hereinafter authorized is necessary and in the public interest and the use of the proceeds in the manner herein specified constitutes a valid public purpose; and

WHEREAS, the City hereby finds and determines that the refunding contemplated in this Ordinance will benefit the City by providing a present value savings in the debt service payable by the City, and that such benefit is sufficient consideration for the refunding of the Refunded Obligations; and

WHEREAS, pursuant to Chapter 1207, the City desires to delegate the authority to effect the sale of the Bonds (as defined herein) to the Authorized Officer (as defined herein); and

WHEREAS, the meeting at which this Ordinance is being considered is open to the public as required by law, and the public notice of the time, place and purpose of said meeting was given as required by Chapter 551, Texas Government Code; Now, Therefore

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BAY CITY, TEXAS:

ARTICLE I

DEFINITIONS AND OTHER PRELIMINARY MATTERS

Section 1.01. Definitions. Unless otherwise expressly provided in this Ordinance or unless the context clearly requires otherwise, the following terms shall have the meanings specified below:

“Authorized Officer” means the City Manager, the Finance Director or the Mayor of the City or his designee, who are authorized to act on behalf of the City in selling and delivering the Bonds, or such other officers of the City as designated in writing.

“Bond” means any of the Bonds.

“Bonds” means the City’s bonds authorized to be issued by Section 3.01 of this Ordinance.

“Bond Counsel” means Bracewell LLP.

“Business Day” means a day that is not a Saturday, Sunday, legal holiday or other day on which banking institutions in the city where the Designated Payment/Transfer Office is located are required or authorized by law or executive order to close.

“Chapter 1207” means Chapter 1207, Texas Government Code, as amended.

“City” means the City of Bay City, Texas.

“Closing Date” means the date of the initial delivery of and payment for the Bonds.

“Code” means the Internal Revenue Code of 1986, as amended, and, with respect to a specific section thereof, such reference shall be deemed to include (a) the Regulations promulgated under such section, (b) any successor provision of similar import hereafter enacted, (c) any corresponding provision of any subsequent Internal Revenue Code and (d) the regulations promulgated under the provisions described in (b) and (c).

“Dated Date” means the date of the Bonds as designated in the Pricing Certificate.

“Debt Service Fund” means the debt service fund established by Section 2.02 of this Ordinance.

“Designated Payment/Transfer Office” means (i) with respect to the initial Paying Agent/Registrar named in the Pricing Certificate, the Designated Payment/Transfer Office as designated in the Paying Agent/Registrar Agreement, or at such other location designated by the Paying Agent/Registrar, and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the City and such successor.

“DTC” means The Depository Trust Company of New York, New York, or any successor securities depository.

“DTC Participant” means brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

“Escrow Agent” means the escrow agent designated in the Pricing Certificate.

“Escrow Agreement” means the escrow agreement by and between the City and the Escrow Agent relating to the Refunded Obligations.

“Escrow Fund” means the fund or funds established by the Escrow Agreement to hold cash and securities for the payment of debt service on the Refunded Obligations.

“Escrow Securities” means (1) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by the United States; (2) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of the Pricing Certificate, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent; and (3) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date of the Pricing Certificate, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent.

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Fiscal Year” means such fiscal year of the City as shall be set from time to time by the City Council.

“Initial Bond” means the Initial Bond authorized by Section 3.04(d) of this Ordinance.

“Interest Payment Date” means the date or dates on which interest on the Bonds is scheduled to be paid, as designated in the Pricing Certificate.

“Initial Purchaser” means the initial purchaser or initial purchasers of the Bonds designated in the Pricing Certificate.

“Maturity” means the date on which the principal of the Bonds becomes due and payable according to the terms thereof, whether at Stated Maturity or by proceedings for prior redemption.

“MSRB” means the Municipal Securities Rulemaking Board.

“Notice of Sale” means the notice of sale in the form approved by the Authorized Officer and utilized in conjunction with the Preliminary Official Statement in the sale of the Bonds.

“Ordinance” means this Ordinance authorizing the Bonds.

“Owner” means the person who is the registered owner of a Bond or Bonds, as shown in the Register.

“Paying Agent/Registrar” means the paying agent/registrar designated in the Pricing Certificate.

“Paying Agent Registrar Agreement” means the Paying Agent/Registrar Agreement between the Paying Agent/Registrar and the City relating to the Bonds.

“Pricing Certificate” means a certificate or certificates to be signed by the Authorized Officer, in substantially the form attached hereto as Exhibit A with such variations, omissions and insertions as are approved by the Authorized Officer as indicated by his/her signature.

“Record Date” means the Record Date set forth in the Pricing Certificate.

“Refunded Obligation Candidates” means the obligations of the City described in Schedule I attached hereto which are hereby authorized to be designated as Refunded Obligations in the Pricing Certificate.

“Refunded Obligations” mean those obligations of the City designated as such in the Pricing Certificate from the list of Refunded Obligation Candidates.

“Register” means the bond register specified in Section 3.06(a).

“Regulations” means the applicable, proposed, temporary or final Treasury Regulations promulgated under the Code, or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

“Representations Letter” means the Blanket Letter of Representations between the City and DTC.

“Rule” means SEC Rule 15c2-12, as amended from time to time.

“SEC” means the United States Securities and Exchange Commission.

“Special Payment Date” means the date that is 15 days after the Special Record Date, as described in Section 3.03(e).

“Special Record Date” means the new record date for interest payment established in the event of a nonpayment of interest on a scheduled payment date, and for 30 days thereafter, as described in Section 3.03(e).

“State” means the State of Texas.

“Stated Maturity” means the respective stated maturity dates of the Bonds specified in the Pricing Certificate.

“Unclaimed Payments” means money deposited with the Paying Agent/Registrar for the payment of principal, premium, if any, or interest, or money set aside for the payment of Bonds duly called for redemption prior to Stated Maturity and remaining unclaimed by the Owners of such Bonds for 90 days after the applicable payment or redemption date.

Section 1.02. Findings. The declarations, determinations and findings declared, made and found in the preamble to this Ordinance are hereby adopted, restated and made a part of the operative provisions hereof.

Section 1.03. Table of Contents, Titles and Headings. The table of contents, titles and headings of the articles and sections of this Ordinance have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Ordinance or any provision hereof or in ascertaining intent, if any question of intent should arise. References to section numbers shall mean sections in this Ordinance.

Section 1.04. Interpretation.

(a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) Any action required to be taken on a date which is not a Business Day shall be taken on the next succeeding Business Day and have the same effect as if taken on the date so required.

(c) This Ordinance and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of this Ordinance.

(d) References to section numbers shall mean sections in this Ordinance unless designated otherwise.

ARTICLE II

SECURITY FOR THE BONDS; DEBT SERVICE FUND

Section 2.01. Tax Levy.

(a) Pursuant to the authority granted by the Constitution and the laws of the State, there shall be levied and there is hereby levied for the current year and for each succeeding year hereafter while any part of the principal of the Bonds or any interest thereon is outstanding and unpaid, an ad valorem tax on all taxable property within the City, at a rate sufficient, within the limit prescribed by law, to pay the debt service requirements of the Bonds, being (i) the interest on the Bonds, and (ii) a sinking fund for their redemption at maturity or a sinking fund of two percent (2%) per annum (whichever amount is greater), when due and payable, full allowance being made for delinquencies and costs of collection.

(b) The ad valorem tax thus levied shall be assessed and collected each year against all taxable property appearing on the tax rolls of the City most recently approved in accordance with law, and the money thus collected shall be deposited as collected to the Debt Service Fund.

(c) Said ad valorem tax, the collections therefrom, and all amounts on deposit in or required hereby to be deposited to the Debt Service Fund are hereby pledged and committed irrevocably to the payment of the principal of and interest on the Bonds when and as due and payable in accordance with their terms and this Ordinance and related expenses.

(d) To pay debt service on the Bonds coming due prior to receipt of the taxes levied to pay such debt service, if any, there is hereby appropriated from current funds on hand, which are hereby certified to be on hand and available for such purpose, an amount sufficient to pay such debt service, and such amount shall be used for no other purpose.

Section 2.02. Debt Service Fund.

(a) The City hereby establishes a special fund or account to be designated the “City of Bay City, Texas, General Obligation Refunding Bonds, Series 2021, Debt Service Fund” (the “Debt Service Fund”) said fund to be maintained at an official depository bank of the City separate and apart from all other funds and accounts of the City.

(b) Money on deposit in or required by this Ordinance to be deposited to the Debt Service Fund shall be used solely for the purpose of paying the interest on and principal of the Bonds when and as due and payable in accordance with their terms and this Ordinance.

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.01. Authorization. The City’s Bonds to be designated “City of Bay City, Texas, General Obligation Refunding Bonds, Series 2021,” unless otherwise designated in the Pricing Certificate, are hereby authorized to be issued and delivered in accordance with the Constitution and the laws of the State, specifically Chapter 1207. The Bonds shall be issued in the

aggregate principal amount not to exceed \$7,305,000 for the purpose of refunding the Refunded Obligations and paying the costs of issuing the Bonds.

Section 3.02. Date, Denomination, Maturities and Interest.

(a) The Bonds shall be dated the Dated Date as set forth in the Pricing Certificate, shall be issued in fully registered form, without coupons, in denominations of \$5,000 or any integral multiple thereof, and shall be numbered separately from R-1 upward or such other designation acceptable to the City and the Paying Agent/Registrar, except the Initial Bond, which shall be numbered I-1. Bonds delivered on transfer of or in exchange for other Bonds shall be numbered in order of their authentication by the Paying Agent/Registrar, shall be in denominations of \$5,000 or any integral multiple thereof, and shall mature on the same date and bear interest at the same rate as the Bond or Bonds in lieu of which they are delivered.

(b) The Bonds shall mature on the same day in each of the years and in the principal amounts, and shall bear interest at the per annum rates, all as set forth in the Pricing Certificate.

(c) Interest shall accrue and be paid on each Bond, respectively, until the principal amount thereof has been paid or provision for such payment has been made, from the later of (i) the Dated Date or the Closing Date, as set forth in the Pricing Certificate, or (ii) the most recent Interest Payment Date to which interest has been paid or provided for at the rate per annum for each respective maturity specified in the Pricing Certificate. Such interest shall be payable on each Interest Payment Date until Maturity and shall be calculated on the basis of a 360-day year of twelve 30-day months.

Section 3.03. Medium, Method and Place of Payment.

(a) The principal of and interest on the Bonds shall be paid in lawful money of the United States of America.

(b) Interest on the Bonds shall be paid by check, dated as of the Interest Payment Date, and sent United States mail, first class, postage prepaid, by the Paying Agent/Registrar to each Owner as shown in the Register at the close of business on the Record Date, at the address of each such Owner as such appears in the Register, or by such other customary banking arrangements acceptable to the Paying Agent/Registrar and the Owner; provided, however, that the Owner shall bear all risk and expense of such other banking arrangements.

(c) The principal of each Bond shall be paid to the Owner thereof on the Maturity date thereof at Maturity upon presentation and surrender of such Bond at the Designated Payment/Transfer Office.

(d) If the date for the payment of the principal of or interest on the Bonds is not a Business Day, then the date for such payment shall be the next succeeding Business Day, and payment on such date shall have the same force and effect as if made on the original date payment was due and no additional interest shall be due by reason of nonpayment on the date on which such payment is otherwise stated to be due and payable.

(e) In the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a “Special Record Date”) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the special payment date of the past due interest (the “Special Payment Date,” which shall be 15 days after the Special Record Date) shall be sent at least five (5) Business Days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each Owner of a Bond appearing on the books of the Paying Agent/Registrar at the close of business on the last Business Day next preceding the date of mailing of such notice.

(f) Unclaimed Payments shall be segregated in a special account and held in trust, uninvested by the Paying Agent/Registrar, for the account of the Owners of the Bonds to which such Unclaimed Payments pertain. Subject to Title 6, Texas Property Code, Unclaimed Payments remaining unclaimed by the Owners entitled thereto for three (3) years after the applicable payment or redemption date shall be applied to the next payment or payments on the Bonds thereafter coming due and, to the extent any such money remains three (3) years after the retirement of all outstanding Bonds, such money shall be paid to the City to be used for any lawful purpose. Thereafter, neither the City, the Paying Agent/Registrar nor any other person shall be liable or responsible to any Owners of such Bonds for any further payment of such unclaimed moneys or on account of any such Bonds, subject to Title 6, Texas Property Code.

Section 3.04. Execution and Registration of Bonds.

(a) The Bonds shall be executed on behalf of the City by the Mayor or Mayor Pro Tem and the City Secretary, by their manual or facsimile signatures, and the official seal of the City shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of said officers, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the City had been manually impressed upon each of the Bonds.

(b) In the event that any officer of the City whose manual or facsimile signature appears on the Bonds ceases to be such officer before the authentication of such Bonds or before the delivery thereof, such signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Ordinance unless and until there appears thereon the Certificate of Paying Agent/Registrar substantially in the form provided herein, duly authenticated by manual execution by an officer or duly authorized signatory of the Paying Agent/Registrar. It shall not be required that the same officer or authorized signatory of the Paying Agent/Registrar sign the certificate of Paying Agent/Registrar on all of the Bonds. In lieu of the executed certificate of Paying Agent/Registrar described above, the Initial Bond delivered at the Closing Date shall have attached thereto the Comptroller’s Registration Certificate substantially in the form provided herein, manually executed by the Comptroller of Public Accounts of the State, or by her duly authorized agent, which certificate shall be evidence that the Bond has been duly approved by the Attorney General of the State, and that it is a valid and binding obligation of the City, and that it has been registered by the Comptroller of Public Accounts of the State.

(d) On the Closing Date, one Initial Bond representing the entire principal amount of the Bonds designated in the Pricing Certificate, payable in stated installments to the Initial Purchaser or its designee to be executed by the manual or facsimile signatures of the Mayor or Mayor Pro Tem and the City Secretary, approved by the Attorney General of the State, and registered and manually signed by the Comptroller of Public Accounts of the State, will be delivered to the Initial Purchaser or its designee. Upon payment for the Initial Bond, the Paying Agent/Registrar shall cancel the Initial Bond and deliver registered definitive Bonds to DTC in accordance with Section 3.09 hereof. To the extent the Paying Agent/Registrar is eligible to participate in DTC's FAST System, as evidenced by an agreement between the Paying Agent/Registrar and DTC, the Paying Agent/Registrar shall hold the definitive Bonds in safekeeping for DTC.

Section 3.05. Ownership.

(a) The City, the Paying Agent/Registrar and any other person may treat the Owner as the absolute owner of such Bond for the purpose of making and receiving payment of the principal thereof for the further purpose of making and receiving payment of the interest thereon (subject to the provisions herein that the interest on the Bonds is to be paid to the person in whose name the Bond is registered on the Record Date or Special Record Date, as applicable), and for all other purposes, whether or not such Bond is overdue, and neither the City nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the Owner of a Bond shall be valid and effectual and shall discharge the liability of the City and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

Section 3.06. Registration, Transfer and Exchange.

(a) So long as any Bonds remain outstanding, the City shall cause the Paying Agent/Registrar to keep at its Designated Payment/Transfer Office a bond register (the "Register") in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with this Ordinance.

(b) The ownership of a Bond may be transferred only upon the presentation and surrender of the Bond to the Paying Agent/Registrar at the Designated Payment/Transfer Office with such endorsement or other evidence of transfer acceptable to the Paying Agent/Registrar. No transfer of any Bond shall be effective until entered in the Register.

(c) The Bonds shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office for a Bond or Bonds of the same maturity and interest rate and in any denomination or denominations of any integral multiple of \$5,000 and in an aggregate principal amount equal to the unpaid principal amount of the Bonds presented for exchange.

(d) The Paying Agent/Registrar is hereby authorized to authenticate and deliver Bonds transferred or exchanged in accordance with this Section. A new Bond or Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bond being transferred or exchanged, at the Designated Payment/Transfer, or sent by United States mail, first class, postage prepaid, to the Owner or his designee. Each Bond delivered by the Paying Agent/Registrar in accordance with

this Section shall constitute an original contractual obligation of the City and shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such Bond is delivered.

(e) No service charge shall be made to the Owner for the initial registration, any subsequent transfer, or exchange for a different denomination of any of the Bonds. The Paying Agent/Registrar, however, may require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer or exchange of a Bond.

(f) Neither the City nor the Paying Agent/Registrar shall be required to issue, transfer or exchange any Bond called for redemption, in whole or in part, within forty-five (45) days prior to the date fixed for redemption; provided, however, such limitation of transfer shall not be applicable to an exchange by the Owner of the uncalled principal balance of a Bond.

Section 3.07. Cancellation. All Bonds paid or redeemed before the Stated Maturity in accordance with this Ordinance, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance with this Ordinance, shall be cancelled upon the making of proper records regarding such payment, redemption, exchange or replacement. The Paying Agent/Registrar shall dispose of such cancelled Bonds in the manner required by the Securities Exchange Act of 1934, as amended.

Section 3.08. Replacement Bonds.

(a) Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding. The City or the Paying Agent/Registrar may require the Owner of such Bond to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

(b) In the event that any Bond is lost, apparently destroyed or wrongfully taken, the Paying Agent/Registrar, pursuant to the applicable laws of the State and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Bond of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding, provided that the Owner first complies with the following requirements:

(i) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction or theft of such Bond;

(ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar and the City to save them harmless;

(iii) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar, and any tax or other governmental charge that is authorized to be imposed; and

(iv) satisfies any other reasonable requirements imposed by the City and the Paying Agent/Registrar.

(c) If, after the delivery of such replacement Bond, a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the City and the Paying Agent/Registrar shall be entitled to recover such replacement Bond from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost, or expense incurred by the City or the Paying Agent/Registrar in connection therewith.

(d) In the event that any such mutilated, lost, apparently destroyed, or wrongfully taken Bond has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, instead of issuing a replacement Bond, may pay such Bond if it has become due and payable or may pay such Bond when it becomes due and payable.

(e) Each replacement Bond delivered in accordance with this Section shall constitute an original additional contractual obligation of the City and shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

Section 3.09. Book-Entry Only System.

(a) Unless otherwise specified in the Pricing Certificate, the definitive Bonds shall be initially issued in the form of a separate fully registered Bond for each of the maturities thereof. Upon initial issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as nominee of DTC, and except as provided in Section 3.10 hereof, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

(b) With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds, except as provided in this Ordinance. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, including any notice of redemption, (ii) the delivery to any DTC Participant or any other person, other than an Owner of any notice with respect to the Bonds, or (iii) the payment to any DTC Participant or any other person, other than an Owner of any amount with respect to principal of or interest on the Bonds. Notwithstanding any other provision of this Ordinance to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Register as the absolute owner of such Bond for the purpose of payment of principal of, premium, if any, and interest on the Bonds for the purpose of giving notices with respect to such Bond, and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the respective Owners, as shown in the Register, as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such

payments shall be valid and effective to fully satisfy and discharge the City’s obligations with respect to payment of premium, if any, principal and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Register, shall receive a Bond evidencing the obligation of the City to make payments of amounts due pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions of this Ordinance with respect to interest payments being mailed to the Owner as shown on the Register on the Record Date, the word “Cede & Co.” in this Ordinance shall refer to such new nominee of DTC.

(c) The Representation Letter previously executed and delivered by the City, and applicable to the City’s obligations delivered in book-entry-only form to DTC as securities depository, is hereby ratified and approved for the Bonds.

Section 3.10. Successor Securities Depository; Transfer Outside Book-Entry Only System. In the event that the City determines that it is in the best interest of the City and of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, or in the event DTC discontinues the services described herein, the City or the Paying Agent/Registrar shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository; or (ii) notify DTC and DTC Participants of the availability through DTC of certificated Bonds and cause the Paying Agent/Registrar to transfer one or more separate registered Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance.

Section 3.11. Payments to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bonds, and all notices with respect to such Bonds, shall be made and given, respectively, in the manner provided in the Representation Letter of the City to DTC.

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section 4.01. Limitation on Redemption. The Bonds shall be subject to redemption before Stated Maturity only as provided in this Article IV and in the Pricing Certificate.

Section 4.02. Optional Redemption. The Bonds shall be subject to redemption at the option of the City at such times, in such amounts, in such manner and at such redemption prices as may be designated in the Pricing Certificate.

Section 4.03. Mandatory Redemption.

(a) The Bonds designated as “Term Bonds” in the Pricing Certificate (the “Term Bonds”), if any, are subject to scheduled mandatory redemption and will be redeemed by the City, in part, at a price equal to the principal amount thereof, without premium, plus accrued interest to the redemption date, out of moneys available for such purpose in the Debt Service Fund, on the dates and in the respective principal amounts as set forth in the Pricing Certificate.

(b) Prior to each scheduled mandatory redemption date, the Paying Agent/Registrar shall select for redemption by lot, or by any other customary method that results in a random selection, a principal amount of Term Bonds equal to the aggregate principal amount of such Term Bonds to be redeemed, shall call such Term Bonds for redemption on such scheduled mandatory redemption date, and shall give notice of such redemption, as provided in Section 4.05.

(c) The principal amount of the Term Bonds required to be redeemed on any redemption date pursuant to subparagraph (a) of this Section 4.03 shall be reduced, at the option of the City, by the principal amount of any Term Bonds which, at least 45 days prior to the mandatory sinking fund redemption date (i) shall have been acquired by the City and delivered to the Paying Agent/Registrar for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

Section 4.04. Partial Redemption.

(a) If less than all of the Bonds are to be redeemed pursuant to Section 4.02, the City shall determine the maturities (or mandatory sinking fund payment with respect to Term Bonds, if any) and the principal amount thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot or any other customary random selection method such Bonds for redemption.

(b) A portion of a single Bond of a denomination greater than \$5,000 may be redeemed, but only in a principal amount equal to \$5,000 or any integral multiple thereof. The Paying Agent/Registrar shall treat each \$5,000 portion of such Bond as though it were a single Bond for purposes of selection for redemption.

(c) Upon surrender of any Bond for redemption in part, the Paying Agent/Registrar, in accordance with Section 3.06 of this Ordinance, shall authenticate and deliver exchange Bonds in an aggregate principal amount equal to the unredeemed principal amount of the Bond so surrendered, such exchange being without charge.

Section 4.05. Notice of Redemption to Owners.

(a) The Paying Agent/Registrar shall give notice of any redemption of Bonds by sending notice by United States mail, first class, postage prepaid, not less than thirty (30) days before the date fixed for redemption, to the Owner of each Bond (or part thereof) to be redeemed, at the address shown on the Register at the close of business on the Business Day next preceding the date of mailing such notice.

(b) The notice shall state the redemption date, the redemption price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds outstanding are to be redeemed, an identification of the Bonds or portions thereof to be redeemed.

(c) The City reserves the right to give notice of its election or direction to redeem Bonds under Section 4.02 conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date or (ii) that the City retains the right to rescind such notice at any time prior to the scheduled redemption date if the City delivers a certificate of the City to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice, and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Bonds subject to conditional redemption where redemption has been rescinded shall remain outstanding and the rescission of such redemption shall not constitute an event of default.

(d) Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

Section 4.06. Payment Upon Redemption.

(a) Before or on each redemption date, the City shall deposit with the Paying Agent/Registrar money sufficient to pay all amounts due on the redemption date and the Paying Agent/Registrar shall make provision for the payment of the Bonds to be redeemed on such date by setting aside and holding in trust such amounts as are received by the Paying Agent/Registrar from the City and shall use such funds solely for the purpose of paying the principal of, redemption premium, if any, and accrued interest on the Bonds being redeemed.

(b) Upon presentation and surrender of any Bond called for redemption to the Paying Agent/Registrar on or after the date fixed for redemption, the Paying Agent/Registrar shall pay the principal of, redemption premium, if any, and accrued interest on such Bond to the date of redemption from the money set aside for such purpose.

Section 4.07. Effect of Redemption.

(a) When Bonds have been called for redemption in whole or in part and due provision has been made to redeem same as herein provided, the Bonds or portions thereof so redeemed shall no longer be regarded as outstanding except for the purpose of receiving payment solely from the funds so provided for redemption, and the rights of the Owners to collect interest which would otherwise accrue after the redemption date on any Bond or portion thereof called for redemption shall terminate on the date fixed for redemption.

(b) If the City shall fail to make provision for payment of all sums due on a redemption date, then any Bond or portion thereof called for redemption shall continue to bear interest at the rate stated on the Bond until due provision is made for the payment of same by the City.

Section 4.08. Lapse of Payment. Money set aside for the redemption of the Bonds and remaining unclaimed by the Owners thereof shall be subject to the provisions of Section 3.03(f) hereof.

ARTICLE V

PAYING AGENT/REGISTRAR

Section 5.01. Appointment of Initial Paying Agent/Registrar.

(a) The Authorized Officer is hereby authorized to select and appoint the initial Paying Agent/Registrar for the Bonds, and the initial Paying Agent/Registrar shall be designated in the Pricing Certificate.

(b) The form of Paying Agent/Registrar Agreement is hereby approved. The Authorized Officer is hereby authorized and directed to execute and deliver, or cause the execution and delivery by the Mayor or Mayor Pro Tem and the City Secretary, of a Paying Agent/Registrar Agreement, specifying the duties and responsibilities of the City and the Paying Agent/Registrar.

Section 5.02. Qualifications. Each Paying Agent/Registrar shall be a commercial bank or trust company organized under the laws of the State, or any other entity duly qualified and legally authorized to serve as and perform the duties and services of paying agent and registrar for the Bonds.

Section 5.03. Maintaining Paying Agent/Registrar.

(a) At all times while any of the Bonds are outstanding, the City will maintain a Paying Agent/Registrar that is qualified under Section 5.02 of this Ordinance.

(b) If the Paying Agent/Registrar resigns or otherwise ceases to serve as such, the City will promptly appoint a replacement, provided no such resignation shall be effective until a successor Paying Agent/Registrar has accepted the duties of Paying Agent/Registrar for the Bonds.

Section 5.04. Termination. The City reserves the right to terminate the appointment of any Paying Agent/Registrar by (i) delivering to the entity whose appointment is to be terminated 45 days written notice of the termination of the appointment and of the Paying Agent/Registrar Agreement, stating the effective date of such termination, and (ii) appointing a successor Paying Agent/Registrar; provided that, no such termination shall be effective until a successor Paying Agent/Registrar has been appointed and has accepted the duties of Paying Agent/Registrar for the Bonds.

Section 5.05. Notice of Change to Owners. Promptly upon each change in the entity serving as Paying Agent/Registrar, the City will cause notice of the change to be sent to each Owner by first class United States mail, postage prepaid, at the address thereof in the Register, stating the effective date of the change and the name and mailing address of the replacement Paying Agent/Registrar.

Section 5.06. Agreement to Perform Duties and Functions. By accepting the appointment as Paying Agent/Registrar, and by executing the Paying Agent/Registrar Agreement, the Paying Agent/Registrar is deemed to have agreed to the provisions of this Ordinance and that it will perform the duties and functions of Paying Agent/Registrar prescribed herein.

Section 5.07. Delivery of Records to Successor. The Paying Agent/Registrar, promptly upon the appointment of a successor, will deliver the Register (or a copy thereof) and all other pertinent books and records relating to the Bonds to the successor Paying Agent/Registrar.

ARTICLE VI

FORM OF THE BONDS

Section 6.01. Form Generally.

(a) The Bonds, including the Registration Certificate of the Comptroller of Public Accounts of the State to accompany the Initial Bond, the Certificate of the Paying Agent/Registrar, and the Assignment form which shall accompany, appear on or be attached or affixed to each of the Bonds, (i) shall be substantially in the form set forth in form of the Pricing Certificate attached hereto as Exhibit A, with such appropriate insertions, omissions, substitutions, and other variations as may be necessary or desirable and not prohibited by this Ordinance and the Pricing Certificate, and (ii) may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any legend relating to bond insurance for the Bonds or reproduction of an opinion of counsel) as, consistently herewith, may be determined by the Authorized Officer or by the officers executing such Bonds, as evidenced by their execution thereof.

(b) The definitive Bonds shall be typewritten, photocopied, printed, lithographed, or engraved, and may be produced by any combination of these methods or produced in any other similar manner, all as determined by the officers executing such Bonds, as evidenced by their execution thereof.

(c) The Initial Bond submitted to the Attorney General of the State may be typewritten and photocopied or otherwise reproduced.

Section 6.02. CUSIP Registration. The City may secure identification numbers through the CUSIP Global Services, which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence, or another entity that provides securities identification numbers for municipal securities, and may print such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds or any errors or omissions in the printing of such number shall be of no significance or effect in regard to the legality thereof and neither the City nor Bond Counsel to the City are to be held responsible for CUSIP numbers incorrectly printed on the Bonds.

Section 6.03. Legal Opinion. The approving legal opinion of Bond Counsel may be attached to or printed on the reverse side of each Bond.

Section 6.04. Bond Insurance. If bond insurance is obtained by the Initial Purchaser, the Bonds may bear an appropriate legend as provided by the insurer.

ARTICLE VII

**DELEGATION OF AUTHORITY,
SALE AND DELIVERY OF BONDS, DEPOSIT OF PROCEEDS**

Section 7.01. Sale of Bonds; Official Statement.

(a) The Bonds shall be sold to the Initial Purchaser in accordance with the terms of this Ordinance. As authorized by Chapter 1207, the Authorized Officer is authorized to act on behalf of the City in selling and delivering the Bonds and in carrying out the other procedures specified in this Ordinance, including the price at which each of the Bonds will be sold, the number and designation of each series or subseries of Bonds to be issued, whether such series of Bonds will be designated as qualified tax-exempt obligations, the form in which the Bonds shall be issued, the years and dates on which the Bonds will mature, the principal amount to mature in each of such years, the aggregate principal amount of the Refunded Obligations, the aggregate principal amount of the Bonds to be issued by the City, the rate of interest to be borne by each maturity of the Bonds, the Interest Payment Dates, the Record Date, the dates, prices and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the City and shall be subject to mandatory sinking fund redemption, the final defeasance provisions, the designation of the Refunded Obligations from the Schedule of Refunded Obligation Candidates attached hereto as Schedule I, the selection of a paying agent/registrar, the escrow agent, if any, the designation of a verification agent, if any, and all other matters relating to the issuance, sale and delivery of the Bonds and including the refunding of the Refunded Obligations, all of which shall be specified in the Pricing Certificate; provided that the following conditions can be satisfied:

- (i) the true interest cost on the Bonds shall not be a rate greater than the maximum rate allowed under Section 1204.006, Texas Government Code, as amended;
- (ii) the aggregate principal amount of the Bonds authorized to be issued for the purposes described in Section 3.01 shall not exceed the limits described in that Section;
- (iii) the refunding of the Refunded Obligations shall produce a present value debt service savings of at least 3.00% of the principal amount of the Refunded Obligations; and
- (iv) no Bond shall mature later than September 1, 2030.

(b) The Authorized Officer is hereby authorized and directed to approve, in conformity with this Ordinance and the Notice of Sale, the terms, conditions and specifications for the sale of the Bonds, and is further authorized to award the sale of the Bonds to one or more purchasers submitting the bid or bids conforming to the specifications set forth in the Notice of Sale that produce the lowest true interest cost to the City. All officers, agents and representatives of the City are hereby authorized to do any and all things necessary or desirable to satisfy the conditions set out therein and to provide for the issuance and delivery of the Bonds. The Initial Bond shall

initially be registered in the name of the Initial Purchaser or such other entity as may be specified in the bid form(s).

(c) The authority granted to the Authorized Officer under Sections 7.01(a) through Section 7.01(c) shall expire at 11:59 p.m. on a date 180 days from the date of this Ordinance, unless otherwise extended by the City by separate action. For purposes of clarity, if the award of sale is made within such period, the closing on the Bonds may take place after the expiration of such period.

(d) The City hereby authorizes the preparation and distribution of a Preliminary Official Statement and a Notice of Sale for the use in the initial offering and sale of the Bonds, each in the form and with such addenda, supplements or amendments as may be approved by the Authorized Officer as evidenced by a certificate of the Authorized Officer. The City hereby authorizes the Authorized Officer to approve the form and content and the distribution of the Notice of Sale and the Preliminary Official Statement prepared for the use in the initial offering and sale of the Bonds and authorizes the Authorized Officer to deem the Preliminary Official Statement (with such addenda, supplements or amendments as may be approved by the Authorized Officer), final within the meaning and for the purposes of paragraph (b)(1) of Rule 15c2-12 under the Securities and Exchange Act of 1934. The City hereby authorizes the preparation of a final Official Statement reflecting the terms of the winning bid form and other relevant information. The use of such final Official Statement by the Initial Purchaser (in the form and with such appropriate variations as shall be approved by the Authorized Officer and the Initial Purchaser), is hereby approved and authorized, and if required, the proper officials of the City are authorized to sign such Official Statement. The proper officials of the City are authorized to execute and deliver a certificate pertaining to such Official Statement as prescribed therein, dated as of the date of payment for and delivery of the Bonds.

(e) The Authorized Officer and all other officers of the City are authorized to take such actions, to obtain such consents or approvals and to execute such documents, certificates and receipts as they may deem necessary and appropriate in order to consummate the delivery of the Bonds, pay the costs of issuance of the Bonds, and effectuate the terms and provisions of this Ordinance.

Section 7.02. Control and Delivery of Bonds.

(a) The Mayor is hereby authorized to have control of the Initial Bond and all necessary records and proceedings pertaining thereto pending investigation, examination, and approval of the Attorney General of the State, registration by the Comptroller of Public Accounts of the State and registration with, and initial exchange or transfer by, the Paying Agent/Registrar.

(b) After registration by the Comptroller of Public Accounts, delivery of the Bonds shall be made to the Initial Purchaser under and subject to the general supervision and direction of the Authorized Officer, against receipt by the City of all amounts due to the City under the terms of sale.

Section 7.03. Deposit of Proceeds; Transfer of Funds. Proceeds from the sale of the Bonds, together with other funds of the City, if any, shall, promptly upon receipt by the City, be

applied as set out in the Pricing Certificate. Any proceeds remaining after the accomplishment of such purposes, including interest earnings on the investment of such proceeds, shall be deposited to the Debt Service Fund.

ARTICLE VIII

REPRESENTATIONS AND COVENANTS

Section 8.01. Payment of the Bonds. On or before each date on which principal, premium, if any, or interest is due on the Bonds, there shall be made available to the Paying Agent/Registrar, out of the Debt Service Fund, money sufficient to pay such principal, premium, if any, or interest when due.

Section 8.02. Other Representations and Covenants.

(a) The City will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Ordinance and in each Bond; the City will promptly pay or cause to be paid the principal of and interest on each Bond on the dates and at the places and manner prescribed in such Bond; and the City will, at the times and in the manner prescribed by this Ordinance, deposit or cause to be deposited the amounts of money specified by this Ordinance.

(b) The City is duly authorized under the laws of the State to issue the Bonds; all action on its part for the creation and issuance of the Bonds has been or will be duly and effectively taken; and the Bonds in the hands of the Owners thereof are and will be valid and enforceable obligations of the City in accordance with their terms.

ARTICLE IX

PROVISIONS CONCERNING FEDERAL INCOME TAX MATTERS

Section 9.01. General. The City covenants not to take any action or omit to take any action that, if taken or omitted, would cause the interest on the Bonds to be includable in gross income for federal income tax purposes. In furtherance thereof, the City covenants to comply with sections 103 and 141 through 150 of the Code and the provisions set forth in the Federal Tax Certificate executed by the City in connection with the Bonds.

Section 9.02. No Private Activity Bonds. The City covenants that it will use the proceeds of the Bonds (including investment income) and the property financed, directly or indirectly, with such proceeds so that the Bonds will not be “private activity bonds” within the meaning of section 141 of the Code. Furthermore, the City will not take a deliberate action (as defined in section 1.141-2(d)(3) of the Regulations) that causes the Bonds to be a “private activity bond” unless it takes a remedial action permitted by section 1.141-12 of the Regulations.

Section 9.03. No Federal Guarantee. The City covenants not to take any action or omit to take any action that, if taken or omitted, would cause the Bonds to be “federally guaranteed” within the meaning of section 149(b) of the Code, except as permitted by section 149(b)(3) of the Code.

Section 9.04. No Hedge Bonds. The City covenants not to take any action or omit to take action that, if taken or omitted, would cause the Bonds to be “hedge bonds” within the meaning of section 149(g) of the Code.

Section 9.05. No Arbitrage Bonds. The City covenants that it will make such use of the proceeds of the Bonds (including investment income) and regulate the investment of such proceeds of the Bonds so that the Bonds will not be “arbitrage bonds” within the meaning of section 148(a) of the Code.

Section 9.06. Required Rebate. The City covenants that, if the City does not qualify for an exception to the requirements of section 148(f) of the Code, the City will comply with the requirement that certain amounts earned by the City on the investment of the gross proceeds of the Bonds, be rebated to the United States.

Section 9.07. Information Reporting. The City covenants to file or cause to be filed with the Secretary of the Treasury an information statement concerning the Bonds in accordance with section 149(e) of the Code.

Section 9.08. Record Retention. The City covenants to retain all material records relating to the expenditure of the proceeds (including investment income) of the Refunded Obligations and the Bonds and the use of the property financed, directly or indirectly, thereby until three years after the last Bond is redeemed or paid at maturity (or such other period as provided by subsequent guidance issued by the Department of the Treasury) in a manner that ensures their complete access throughout such retention period.

Section 9.09. Registration. If the Bonds are “registration-required bonds” under section 149(a)(2) of the Code, the Bonds will be issued in registered form.

Section 9.10. Favorable Opinion of Bond Counsel. Notwithstanding the foregoing, the City will not be required to comply with any of the federal tax covenants set forth above if the City has received an opinion of nationally recognized bond counsel that such noncompliance will not adversely affect the excludability of interest on the Bonds from gross income for federal income tax purposes.

Section 9.11. Continuing Compliance. Notwithstanding any other provision of this Ordinance, the City’s obligations under the federal tax covenants set forth above will survive the defeasance and discharge of the Bonds for as long as such matters are relevant to the excludability of interest on the Bonds from gross income for federal income tax purposes.

ARTICLE X

DISCHARGE

Section 10.01. Discharge. The Bonds may be refunded, discharged or defeased in any manner now or hereafter permitted by applicable law.

ARTICLE XI

SUBSCRIPTION FOR SECURITIES; APPROVAL OF ESCROW AGREEMENT; PAYMENT OF REFUNDED OBLIGATIONS

Section 11.01. Subscription for Securities. The Authorized Officer is authorized to make necessary arrangements for and to execute such documents and agreements in connection with the purchase of the Escrow Securities required by and referenced in the Escrow Agreement, if any, as may be necessary for the Escrow Fund and the application for the acquisition of the Escrow Securities is hereby approved and ratified.

Section 11.02. Appointment of Escrow Agent; Approval of Escrow Agreement; Deposit with Paying Agent for Refunded Obligations. The Authorized Officer is hereby authorized to select and appoint the Escrow Agent for Bonds, if any, and the Escrow Agent shall be designated in the Pricing Certificate. The Authorized Officer is hereby authorized to execute and deliver, or cause the execution and delivery by the Mayor or Mayor Pro Tem and the City Secretary, an Escrow Agreement, having such terms and provisions as are approved by the Authorized Officer as evidenced by his execution thereof or the execution thereof by other appropriate City officials. Alternatively, the Authorized Officer may elect to deposit directly with the paying agent for the Refunded Obligations the proceeds of the Bonds, together with other available funds, in an amount sufficient to provide for the payment or redemption of the Refunded Obligations and is hereby authorized to execute and deliver a deposit agreement in connection with such deposits if necessary in connection with such deposits.

Section 11.03. Redemption and Defeasance of Refunded Obligations. Following the deposit to the Escrow Fund or such other fund held by the paying agent for the Refunded Obligations as herein specified, or with the paying agent for the Refunded Obligations as herein specified, the Refunded Obligations shall be payable solely from and secured by the cash and securities on deposit in the Escrow Fund or such other fund held by the paying agent for the Refunded Obligations for the purpose of refunding the Refunded Obligations and shall cease to be payable from ad valorem taxes. The Refunded Obligations are hereby called for redemption prior to maturity on the dates and at the redemption prices set forth in the Pricing Certificate. The City Secretary is hereby authorized and directed to cause to be delivered to the paying agent/registrars for the Refunded Obligations a certified copy of this Ordinance calling the Refunded Obligations for redemption and a copy of the Pricing Certificate calling the Refunded Obligations for redemption. The delivery of this Ordinance and the Pricing Certificate to the paying agent for the Refunded Obligations shall constitute the giving of notice of redemption to the paying agent for the Refunded Obligations and such paying agent is hereby authorized and directed to give notice of redemption to the owners and insurers, if applicable, of the Refunded Obligations in accordance with the requirements of the respective ordinances authorizing the issuance thereof.

ARTICLE XII

CONTINUING DISCLOSURE UNDERTAKING

Section 12.01. Annual Reports.

(a) The City shall provide annually to the MSRB, (i) within six (6) months after the end of each Fiscal Year of the City ending in or after 2021, financial information and operating data with respect to the City of the general type included in the Official Statement, being the information described in the Pricing Certificate, and including financial statements of the City if audited financial statements of the City are then available and (ii) if not provided as part of such financial information and operating data, audited financial statements of the City, when and if available. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles described in the rules to the financial statements for the most recently concluded Fiscal Year, or such other accounting principles as the City may be required to employ, from time to time, by State law or regulation, and (ii) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the City shall file unaudited financial statements within such 12-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such financial statements becomes available.

(b) If the City changes its Fiscal Year, it will notify the MSRB of the change (and of the date of the new Fiscal Year) prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section.

(c) The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document, including an official statement or other offering document, if it is available to the public on the MSRB's internet website or has been filed with the SEC. the financial information or operating data shall be provided in an electronic format as prescribed by the MSRB.

Section 12.02. Event Notices.

(a) The City shall provide the following to the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of any of the following events with respect to the Bonds:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;

- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of the holders of the Bonds, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the City;

Note to paragraph 12: For the purposes of the event identified in paragraph 12 of this section, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

- (13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) Appointment of successor or additional paying agent/registrars or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City,

any of which reflect financial difficulties.

Note to paragraphs (15) and (16): For purposes of the events identified in paragraphs (15) and (16) of this section and in the definition of Financial Obligation in Section 1.01, the City intends the words used in such paragraphs to have the meanings ascribed to them in SEC Release No. 34-83885 dated August 20, 2018 (the “2018 Release”) and any further written guidance provided by the SEC or its staff with respect to the amendments to the Rule effected by the 2018 Release.

(b) The City shall provide to the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner, notice of a failure by the City to provide required annual financial information in accordance with Section 12.01. All documents provided to the MSRB pursuant to this section shall be accompanied by identifying information as prescribed by the MSRB.

Section 12.03. Limitations, Disclaimers and Amendments.

(a) The City shall be obligated to observe and perform the covenants specified in this Article for so long as, but only for so long as, the City remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that the City in any event will give notice of any deposit that causes the Bonds no longer to be outstanding.

(b) The provisions of this Article are for the sole benefit of the Owners and beneficial owners of the Bonds, and nothing in this Article, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Article and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Article or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITH OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS ARTICLE, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(c) No default by the City in observing or performing its obligations under this Article shall comprise a breach of or default under the Ordinance for purposes of any other provisions of this Ordinance.

(d) Nothing in this Article is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

(e) The provisions of this Article may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Article, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (A) the Owners of a majority in aggregate principal amount of the outstanding Bonds consent to such amendment or (B) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Owners and beneficial owners of the Bonds. The City may also repeal or amend the provisions of this Section if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, and the City also may amend the provisions of this Section in its discretion in any other manner or circumstance, but in either case only if and to the extent that the provisions of this sentence would not have prevented an underwriter from lawfully purchasing or selling the Bonds in the primary offering of the Bonds, giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of the Rule. If the City so amends the provisions of this Article, the City shall include with any amended financial information or operating data next provided in accordance with this Article an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

Section 12.04. Amendments to the Rule. In the event the Authorized Officer, in consultation with Bond Counsel and the City’s financial advisor, determines that it is necessary or desirable to amend the provisions of Section 12.01 in order to facilitate compliance with amendments to the Rule and related guidance from the SEC, the Authorized Officer may make such changes in the Pricing Certificate for the Bonds, and such amendments are hereby authorized and shall be deemed effective as set forth in the Pricing Certificate.

ARTICLE XIII

MISCELLANEOUS

Section 13.01. Changes to Ordinance. Bond Counsel is hereby authorized to make changes to the terms of this Ordinance if necessary or desirable to carry out the purposes hereof or in connection with the approval of the issuance of the Bonds by the Attorney General of the State.

Section 13.02. Partial Invalidity. If any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

Section 13.03. Repealer. All ordinances or resolutions, or parts thereof, heretofore adopted by the City and inconsistent with the provisions of this Ordinance are hereby repealed to the extent of such conflict.

Section 13.04. Individuals Not Liable. No covenant, stipulation, obligation or agreement herein contained shall be deemed to be a covenant, stipulation, obligation or agreement of any

member of City Council or agent or employee of City Council or of the City in his or her individual capacity and neither the members of City Council nor any officer thereof, nor any agent or employee of City Council or of the City, shall be liable personally on the Bonds, or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 13.05. Related Matters. To satisfy in a timely manner all of the City’s obligations under this Ordinance, the Mayor, the City Manager, the Assistant City Manager, the Director of Finance, the City Secretary, the City Attorney and all other appropriate officers and agents of the City are hereby authorized and directed to do any and all things necessary and/or convenient to carry out the terms and purposes of this Ordinance.

Section 13.06. Severability and Savings. 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 13.07. Force and Effect. This Ordinance shall be in full force and effect from and after its final passage, and it is so ordained.

[Execution Page Follows]

PASSED AND APPROVED this 27th day of October, 2020, by the City Council of the City of Bay City, Texas.

<u>Council Member:</u>	<u>Voted Aye</u>	<u>Voted No</u>	<u>Absent</u>
Robert K. Nelson	_____	_____	_____
Julie Estinbaum	_____	_____	_____
William Cornman	_____	_____	_____
Brent P. Marceaux	_____	_____	_____
Becca Sitz	_____	_____	_____
Jason W. Childers	_____	_____	_____

Robert K. Nelson, Mayor
City of Bay City

ATTEST:

[SEAL]

Jenna Thompson, City Secretary
City of Bay City

APPROVED AS TO FORM:

City Attorney
City of Bay City

SCHEDULE I

SCHEDULE OF REFUNDED OBLIGATION CANDIDATES

The Authorized Officer may select the specific maturities and series of obligations constituting the Refunded Obligations from the following series of the City's outstanding obligations:

Tax and Revenue Certificates of Obligation, Series 2010

Tax and Revenue Certificates of Obligation, Series 2012

EXHIBIT A

FORM OF PRICING CERTIFICATE

Re: City of Bay City, Texas General Obligation Refunding Bonds, Series 2021 (the “Bonds”)

I, the undersigned [City Manager/Finance Director/Mayor] of the City of Bay City, Texas (the “City, do hereby make and execute this Pricing Certificate pursuant to an ordinance adopted by the City Council of the City on October 27, 2020 (the “Ordinance”) authorizing the issuance of the referenced Bonds. Capitalized terms used in this Pricing Certificate shall have the meanings given such terms in the Ordinance.

A. Pursuant to the delegation contained in Section 7.01 of the Ordinance, the sale of the Bonds is hereby awarded to _____ (the “Initial Purchaser”) as the bidder submitting a bid form conforming to the specification set forth in the Notice of Sale which produces the lowest true interest cost to the City. The terms of the sale are hereby determined to be in the City’s best interests. The approved bid form is attached hereto as Exhibit A.

B. The Bonds shall be designated the “City of Bay City, Texas, General Obligation Refunding Bonds, Series 2021.” The Bonds shall be issued in the aggregate principal amount of \$_____ for the purposes specified in Section 3.01 in the Ordinance.

C. The Bond shall have a Dated Date of _____, 2020 and a Closing Date scheduled for _____, 2020. The Record Date for the Bonds shall be the _____ of the month next preceding an Interest Payment Date.

D. The sale of the Bonds at the purchase price stated below is hereby approved, subject to the terms of the Notice of Sale.

PRINCIPAL AMOUNT	\$
BID PREMIUM	\$
PURCHASE PRICE	\$

E. The Interest Payment Dates for the Bonds shall be each _____ and _____, commencing _____, 20___. Bonds shall bear interest from the later of the [Closing/Dated] Date or the most recent Interest Payment Date to which interest has been paid or provided for until stated maturity or prior redemption. The Bonds shall mature on _____ in each of the years, in the principal amounts and shall bear interest at the per annum rates set forth in the following schedule:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
20__	\$_____	_____%	20__	\$_____	_____%
20__	_____	_____	20__	_____	_____
20__	_____	_____	20__	_____	_____
20__	_____	_____	20__	_____	_____
20__	_____	_____	20__	_____	_____

F. The Refunded Obligation Candidates to be refunded with a portion of the proceeds of the Bonds are set forth in Schedule I hereto. The Refunded Obligations are hereby called for redemption on redemption dates specified in Schedule I. The Refunded Obligations shall be redeemed at a redemption price equal to the principal amount thereof plus interest accrued thereon to the redemption date therefor.

G. As shown in the savings schedule attached hereto as Exhibit B, the refunding of the Refunded Bonds results in a net present value debt service savings of \$_____, representing a net present value debt service savings of _____% of the principal amount of the Refunded Bonds, each as calculated by the City’s financial advisor, U.S. Capital Advisors LLC.

H. The undersigned does hereby find, certify and represent that the foregoing terms of the Bonds satisfy the parameters contained in Sections 3.01 and 7.01 of the Ordinance.

I. The Bonds shall be substantially in the form set forth in Exhibit C hereto with such insertions, changes and modifications as are required to conform the bond form to the terms of this Pricing Certificate.

J. [The Bonds are not subject to optional redemption prior to maturity. / The Bonds are subject to optional (and mandatory) redemption as set forth in Exhibit C attached hereto.]

K. The proceeds of the Bonds [and other available funds of the City] shall be applied as follows:

(i) The amount of \$_____, consisting of \$_____ principal amount of Bond proceeds, plus \$_____ premium received from the sale of the Bonds, [plus available funds from the City in the amount of \$_____,] shall be used for the refunding of the Refunded Obligations;

(ii) Premium received from the sale of the Bonds in the amount of \$_____ shall be used to pay the costs of issuance;

(iii) Premium received from the sale of the Bonds in the amount of \$_____ shall be used the pay the underwriting discount; and

(iv) Any amounts remaining following payment of the costs of issuing the Bonds shall be deposited to the debt service fund for the Bonds.

L. Continuing Disclosure Undertaking. The financial information and operating data to be provided annually by the City pursuant to Section 12.01(a) of the Ordinance shall include all quantitative financial information and operating data with respect to the City of the general type included in the Official Statement in _____ and audited financial statements of the City, if such audited financial statements are then available, and if not provided as part of such financial information and operating data, audited financial statements of the City, when available.

M. _____ is hereby designated as Paying Agent/Registrar for the Bonds

N. _____ is hereby designated as Escrow Agent for the Bonds.

O. _____ is hereby designated as Verification Agent for the Bonds.

P. The purchase of [SLGS/Escrow Securities from _____] for the Escrow Fund is hereby approved.

[Signature Page Follows]

Executed this _____.

Authorized Officer
City of Bay City, Texas

*Signature Page to Pricing Certificate
City of Bay City, Texas General Obligation Refunding Bonds, Series 2021*

SCHEDULE I

SCHEDULE OF REFUNDED OBLIGATIONS

EXHIBIT A
WINNING BID FORM

[Attached]

EXHIBIT B
SCHEDULE OF SAVINGS

EXHIBIT C

FORM OF THE BONDS

(i) Form of Bond.

REGISTERED
No. _____

REGISTERED
\$ _____

United States of America
State of Texas
County of Matagorda

CITY OF BAY CITY, TEXAS
GENERAL OBLIGATION REFUNDING BOND
SERIES 2021

		<u>[DATED/CLOSING</u>	
<u>INTEREST RATE:</u>	<u>MATURITY DATE:</u>	<u>DATE:</u>	<u>CUSIP NO.:</u>
_____ %	_____	_____, 2020	_____

The City of Bay City, Texas (the "City"), in the County of Matagorda, Texas, for value received, hereby promises to pay to

or registered assigns, on the maturity date specified above, the sum of

_____ DOLLARS

unless the payment of the principal hereof shall have been paid or provided for, and to pay interest on such principal amount from the [Dated/Closing] Date specified above or the most recent interest payment date to which interest has been paid or provided for until payment of such principal amount has been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on ___¹ and ___¹ of each year, commencing ___¹.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office of ___¹, ___¹, Texas, or such other location designated by the Paying Agent/Registrar (the "Designated Payment/Transfer Office"), of the Paying Agent/ Registrar or, with respect to a successor paying agent/registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the interest payment date, mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar, or by such other customary banking arrangements acceptable to the Paying Agent/Registrar and the person to whom interest is to be

paid; provided, however, that such person shall bear all risk and expense of such other customary banking arrangements. For the purpose of the payment of interest on this Bond, the registered owner shall be the person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the ¹ day of the month next preceding such interest payment date. In the event of a nonpayment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the special payment date of the past due interest (the "Special Payment Date," which date shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each owner of a Bond appearing on the books of the Paying Agent/Registrar at the close of business on the fifteenth day next preceding the date of mailing of such notice.

If the date for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Paying Agent/Registrar is located are required or authorized by law or executive order to close, the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall for all purposes be deemed to have been made on the original date payment was due.

This Bond is [dated as of and is]² one of a series of fully registered bonds specified in the title hereof, issued in the aggregate principal amount of \$ ² (herein referred to as the "Bonds"), pursuant to a certain ordinance (the "Bond Ordinance") adopted by the City Council of the City and a pricing certificate executed pursuant to the Bond Ordinance (the "Pricing Certificate," and, together with the Bond Ordinance, the "Ordinance"), for the purposes of refunding certain outstanding obligations of the City and paying the costs of issuing the Bonds.

The Bonds and the interest thereon are payable from the proceeds of a direct and continuing ad valorem tax levied, within the limits prescribed by law, against all taxable property in the City sufficient, together with certain available funds of the City on deposit in the debt service fund for the Bonds, to provide for the payment of the principal of and interest on the Bonds, as described and provided in the Ordinance.

[The Bonds are not subject to optional redemption prior to maturity.]³

[The City has reserved the option to redeem the Bonds maturing on and after ², in whole or in part before their respective scheduled maturity dates, on ², on any date thereafter, at a redemption price equal to the principal amount thereof plus accrued interest to the date of redemption. If less than all of the Bonds are to be redeemed, the City shall determine the maturity or maturities and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar

¹ Insert from Pricing Certificate.
² Delete if interest on the Bonds accrues from the Dated Date.
³ Delete if Bonds are subject to optional redemption prior to maturity.

to call by lot the Bonds, or portions thereof, within such maturity and in such principal amounts, for redemption.]⁴

[The Bonds maturing on _____ (the “Term Bonds”) are subject to mandatory sinking fund redemption prior to their scheduled maturity, and will be redeemed by the City, in part at a redemption price equal to the principal amount thereof, without premium, plus interest accrued to the redemption date, on the dates and in the principal amounts shown in the following schedule:

\$ _____ Term Bonds Maturing _____, 20 _____	
<u>Mandatory Redemption Date</u>	<u>Principal Amount</u>
_____	\$ _____
_____ (maturity)	\$ _____

The Paying Agent/Registrar will select by lot, or by any other customary method that results in a random selection, the specific Term Bonds (or with respect to Term Bonds having a denomination in excess of \$5,000, each \$5,000 portion thereof) to be redeemed by mandatory redemption. The principal amount of Term Bonds required to be redeemed on any redemption date pursuant to the foregoing mandatory sinking fund redemption provisions hereof shall be reduced, at the option of the City, by the principal amount of any Term Bonds which, at least 45 days prior to the mandatory sinking fund redemption date (i) shall have been acquired by the City and delivered to the Paying Agent/Registrar for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.]⁵

[Not less than 30 days prior to a redemption date for the Bonds, the City shall cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to the Owners of the Bonds to be redeemed at the address of the Owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice.

In the Ordinance, the City reserves the right, in the case of an optional redemption, to give notice of its election or direction to redeem Bonds conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date, or (ii) that the City retains the right to rescind such notice at any time on or prior to the scheduled redemption date if the City delivers a certificate of the City to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice, and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Bond subject to conditional redemption for which such redemption has been rescinded shall remain outstanding.

⁴ Delete if Bonds are not subject to optional redemption prior to maturity.

⁵ Delete if Term Bonds are not issued.

Any notice so mailed shall be conclusively presumed to have been duly given, whether or not the registered owner receives such notice. Notice having been so given and subject, in the case of an optional redemption, to any rights or conditions reserved by the City in the notice, the Bonds called for redemption shall become due and payable on the specified redemption date, and notwithstanding that any Bond or portion thereof has not been surrendered for payment, interest on such Bonds or portions thereof shall cease to accrue.

Any notice so mailed shall be conclusively presumed to have been duly given, whether or not the registered owner receives such notice. Notice having been so given and subject, in the case of an optional redemption, to any rights or conditions reserved by the City in the notice, the Bonds called for redemption shall become due and payable on the specified redemption date, and notwithstanding that any Bond or portion thereof has not been surrendered for payment, interest on such Bonds or portions thereof shall cease to accrue.]⁶

As provided in the Ordinance, and subject to certain limitations therein set forth, this Bond is transferable upon surrender of this Bond for transfer at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar; thereupon, one or more new fully registered Bonds of the same stated maturity, of authorized denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

The City, the Paying Agent/Registrar, and any other person may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the person in whose name this Bond is registered on the Record Date) and for all other purposes, whether or not this Bond be overdue, and neither the City nor the Paying Agent/Registrar shall be affected by notice to the contrary.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened in regular and due time, form and manner, as required by law; that sufficient and proper provision for the levy and collection of taxes has been made, within the limits prescribed by law, which when collected shall be appropriated exclusively to the timely payment of the principal of and interest on the Bonds; and that the total indebtedness of the City, including the Bonds, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the City has caused this Bond to be duly executed under its official seal in accordance with law.

City Secretary
City of Bay City, Texas

Mayor [Pro Tem]⁷
City of Bay City, Texas

[SEAL]

⁶ Delete if Bonds are not subject to redemption prior to maturity.

⁷ Delete if Mayor executes the Bonds.

(ii) Form of Certificate of Paying Agent/Registrar

CERTIFICATE OF PAYING AGENT/REGISTRAR

This is one of the Bonds referred to in the within mentioned Ordinance. The series of Bonds of which this Bond is a part was originally issued as one Initial Bond which was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

_____⁸,
as Paying Agent/Registrar

Date: _____

By: _____
Authorized Signatory

(iii) Form of Assignment

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto (print or typewrite name, address and Zip Code of transferee): _____

(Social Security or other identifying number: _____) the within Bond and all rights hereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration hereof, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular and must be guaranteed in a manner acceptable to the Paying Agent/Registrar.

Signature Guaranteed By:

Authorized Signatory

(iv) Initial Bond Insertions.

(A) The Initial Bond shall be in the form set forth in paragraph (i) of this Section, except that, in the event there is more than one maturity of Bonds:

⁸ Insert from Pricing Certificate.

(1) immediately under the name of the Bond, the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As Shown Below" and "CUSIP NO. _____" deleted;

(2) in the first paragraph the words "on the maturity date specified above, the sum of _____ DOLLARS" shall be deleted and the following will be inserted: "on ____⁹ in the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:"

(Information to be inserted from the Pricing Certificate); and

(3) the Initial Bond shall be numbered I-1.

(B) The following Registration Certificate of Comptroller of Public Accounts shall appear on the Initial Bond:

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER §
OF PUBLIC ACCOUNTS § REGISTER NO. _____
THE STATE OF TEXAS §

I HEREBY CERTIFY THAT this Bond has been examined, certified as to validity and approved by the Attorney General of the State of Texas and that this Bond has been registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS MY SIGNATURE AND SEAL OF OFFICE this _____.

[SEAL]

Comptroller of Public Accounts of
the State of Texas

⁹ Insert from Pricing Certificate.

CERTIFICATE FOR ORDINANCE

THE STATE OF TEXAS §
COUNTY OF MATAGORDA §

I, the undersigned officer of the City Council of Bay City, Texas, hereby certify as follows:

1. The City Council of Bay City, Texas convened in a regular meeting on the 27th day of October, 2020, at the regular meeting place thereof within said City. The duly constituted officers and members of said City, to wit, were as follows:

- | | |
|-------------------|--|
| Robert K. Nelson | Mayor |
| Julie Estlinbaum | Council Member, Position 1 |
| William Cornman | Council Member, Position 2 |
| Brent P. Marceaux | Council Member, Position 3 |
| Becca Sitz | Council Member, Position 4 |
| Jason W. Childers | Mayor Pro Tem and Council Member, Position 5 |

and all of said persons were present, except for the following absentee(s): _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting: a written

ORDINANCE NO. _____

ORDINANCE AUTHORIZING THE ISSUANCE OF CITY OF BAY CITY, TEXAS GENERAL OBLIGATION REFUNDING BONDS, SERIES 2021; LEVYING A TAX IN PAYMENT THEREOF; AUTHORIZING THE REDEMPTION PRIOR TO MATURITY OF CERTAIN OUTSTANDING OBLIGATIONS; PROVIDING FOR THE AWARD AND SALE OF SAID BONDS IN ACCORDANCE WITH CERTAIN PARAMETERS; AND ENACTING OTHER PROVISIONS RELATING THERETO

was duly introduced for the consideration of said City Council. It was then duly moved and seconded that said ordinance be adopted; and, after due discussion, said motion, carrying with it the adoption of said ordinance, prevailed and carried by the following vote:

- _____ Member(s) shown present voted "Aye."
- _____ Member(s) shown present voted "No."
- _____ Member(s) shown present abstained from voting.

2. A true, full and correct copy of the aforesaid ordinance adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that said ordinance is on file in the City Council’s minutes of said meeting; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the City Council as indicated therein; that each of the officers and members of the City Council

was duly and sufficiently notified, in advance, of the date, hour, place and purpose of the aforesaid meeting, and that said ordinance would be introduced and considered for adoption at said meeting; that said meeting was open to the public as required by law; and that public notice of the date, hour, place and subject of said meeting was given as required by Chapter 551, Texas Government Code.

SIGNED AND SEALED this 27th day of October, 2020.

[SEAL]

City Secretary
City of Bay City, Texas

**~ DISCUSS, CONSIDER, AND/OR APPROVE THE CITY'S QUARTERLY
INVESTMENT REPORT FOR THE QUARTER ENDING SEPTEMBER 30, 2020**



EXECUTIVE SUMMARY

INVESTMENT REPORT

BACKGROUND:

The Public Funds Investment Act (Chapter 2256, Government Code) requires the City's Investment Report to be reviewed by the governing body at least quarterly.

FINANCIAL IMPLICATIONS:

An investment policy itself protects City dollars by restricting certain types of transactions. It also enables the City to invest in other instruments to increase interest earnings.

IMPACT ON COMMUNITY SUSTAINABILITY:

The report permits an outside reader to evaluate the performance of the investment program.

RECOMMENDATION:

Staff recommends City Council approve the Quarterly Investment Report.


ATTACHMENTS:

Investment Report as of September 30, 2020



**CITY OF BAY CITY, TEXAS
QUARTERLY INVESTMENT REPORT
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

The investment portfolio detailed in the attached report includes all investment transactions made during the above referenced period. The investment portfolio and all related transactions comply with the investment policy of the City of Bay City, Texas and the Public Funds Investment Act of the State of Texas.

Investment Officer: _____

Scotty Jones, Finance Director

Date: _____
10-21-20



Investment Report Quarter Ended September 2020

The City has a weighted average portfolio of 13 days with an average book yield of .66%. City is relatively liquid with 97% of the portfolio in a 0-1-year maturity. Average interest rates have declined since prior quarter except for the banks who are held to depository contracted price. All short-term investments average less than 3%. Investment earnings are \$18,237.84 for the quarter and down \$29,617.98 as compared to the same quarter last year. The investment strategy currently is to stay short with diversification (Checking, Investment Pools, and Securities less than 3 years to maturity) to minimize interest rate risk in the future.

September 30, 2020 Balances

	Total Bal by Type	% of Portfolio
Int'l Bank of Commerce	\$ 1,074,267.84	7%
Prosperity Bank	\$ 200,910.64	1%
Prosperity Bank Money Market	\$ 4,337,845.06	27%
Petty Cash/Cash Drawers	\$ 4,112.00	0%
Texpool	\$ 3,155,251.15	20%
Texas Class	\$ 3,309,060.06	20%
CD's	\$ 3,000,000.00	19%
Securities	\$ 989,000.00	6%
	\$16,070,446.75	100%

Interest Earnings

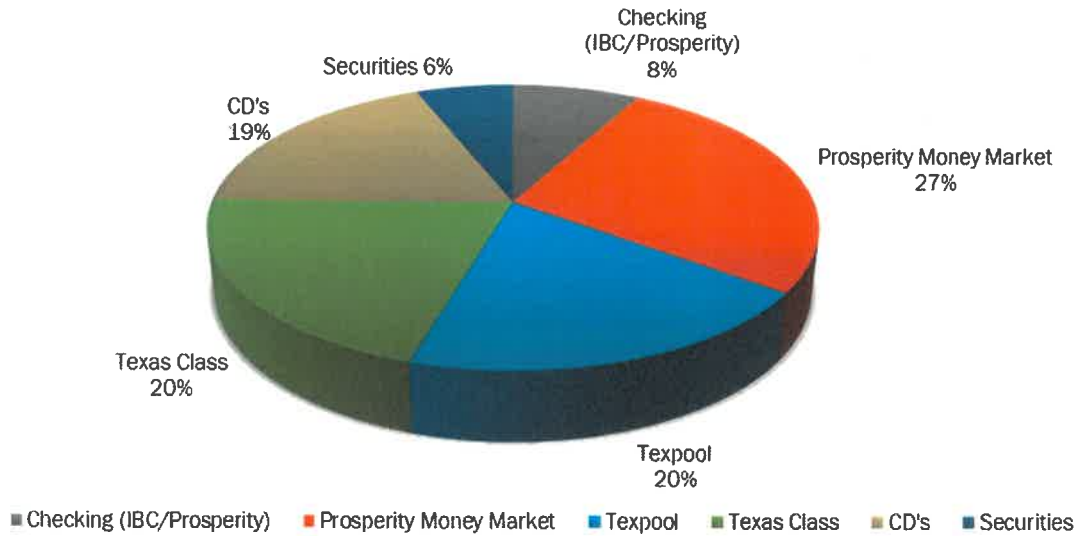
Interest received during the 4th quarter totaled \$ 18,237.84 and represents interest paid on checking accounts and investments.

Portfolio	Qtr 9-30-20	Qtr 9-30-19	Over Prior Year
Interest Received	\$18,237.84	\$47,855.82	\$<29,617.98>

Portfolio Diversification

Portfolio Diversification is used to create a structure to reduce investment risks and a portfolio that will experience minimal volatility during economic cycles.


Portfolio Diversification



Portfolio Maturity Schedule

The goal is to ladder the City's portfolio. Due to some economic uncertainty and low interest rates, staying short for investment purposes is the strategy for any investments.

Years to Maturity	Face Value	% Total
0-1	\$15,576,446.75	97%
1-2	\$ 494,000.00	3%
2-3	\$ 0.00	0%
3-4	\$ 0.00	0%
4-5	\$ 0.00	0%
Total	\$16,070,446.75	100%

 City of BAY CITY vs. Benchmarks for Quarter Ending September 30, 2020						
BOOK VALUE	MARKET VALUE	Unrealized Gain/<Loss>	Average Book Yield	Benchmark Pools	Benchmark 90 Day T-Bill	
\$ 16,070,447	\$ 16,085,665	15,218.00	0.66%	0.26%	0.10%	
Maturity	Weighted Average					
	13.04 Day(s)		0.66%	Yield		



INVESTMENT PORTFOLIO-CITY OF BAY CITY- BY FUND
for Quarter Ending September 30, 2020

ACCT NAME CUSIP	GENERAL LEDGER CODE	GENERAL LEDGER BAL.	AVG INT RATE	TYPE	CPN	MATURITY DATE	BOOK VALUE	MARKET VALUE
All Funds								
GENERAL FUND								
<i>General Fund</i>								
IBC (Pooled Cash)	11-1100	\$ 1,764,664.84	0.50%	IOC				
Cash Drawers	11-11XX	\$ 752.00					N/A	
Petty Cash	11-11XX	\$ 1,820.00					N/A	
Investments-TEXPOOL	11-1125	\$ 233,155.14	0.18%	LOC GOVT POOL				\$ 233,155.14
Investments-Texas Class	11-1130	\$ 1,222,816.43	0.34%	LOC GOVT POOL				\$ 1,222,816.43
Prosperity	11-1111	\$ 200,910.64	0.80%	IOC				
Certificates of Deposit	11-1220	\$ -	0.00%	CD				
Securities	11-1215	\$ 989,000.00	2.21%	SEC		See maturity sched	\$ 989,000.00	\$ 1,004,218.00
TOTAL GENERAL FUND		\$ 4,413,119.05						
CAPITAL PROJECT FUNDS								
<i>Street Construction / Maintenance Fund</i>								
IBC (Pooled Cash)	28-1100	\$ 345,533.70	0.50%	IOC				
Investments-TEXPOOL	28-1125	\$ 615,645.61						\$ 615,645.61
TOTAL STREET MAINT. FUND		\$ 961,179.31						
<i>Capital Project Fund (TXDOT Sidewalk)</i>								
IBC (Pooled Cash)	31-1100	\$ -	0.50%	IOC				
Investments-TEXPOOL	31-1125	\$ -	0.18%	LOC GOVT POOL				\$ -
TOTAL PROJECT FUND		\$ -						
<i>tax Note- Building Improvements/Road Equip.</i>								
IBC (Pooled Cash)	34-1100	\$ (386,406.99)	0.50%	IOC				
Investments-TEXPOOL	34-1125	\$ 412,345.83	0.18%	LOC GOVT POOL				\$ 412,345.83
TOTAL PROJECT FUND		\$ 25,938.84						
2016 CO'S- Phase III Street Project								
IBC (Pooled Cash)	36-1100	\$ -	0.50%	IOC				
Investments-TEXPOOL	36-1125	\$ -	0.18%	LOC GOVT POOL				\$ -
TOTAL PHASE III STREET PROJECT		\$ -						
2020 CO'S- Nile Valley Phase I Reconstruction & Equipment (Fire Truck/Gradall)								
IBC (Pooled Cash)	37-1100	\$ (1,074,535.50)	0.50%	IOC				
TexPool	37-1125	\$ -	0.18%	LOC GOVT POOL				
Prosperity Money Market	37-1115	\$ 4,337,845.06	1.00%	MM				\$ 4,337,845.06
Certificates of Deposit	37-1220	\$ 2,500,000.00	0.75%	CD				\$ 2,500,000.00
TOTAL NILE VALLY PROJECT		\$ 5,763,309.56						
TOTAL CAPITAL PROJECT FUNDS		\$ 6,750,427.71						
DEBT SERVICE FUND								
<i>10,13,14,16 18, 20 Series I & S</i>								
IBC (Pooled Cash)	80-1100	\$ (463,020.61)	0.50%	IOC				
Investments-TEXPOOL	80-1125	\$ 610,042.35	0.18%	LOC GOVT POOL				\$ 610,042.35
Investments-Texas Class	80-1130	\$ 86,408.28	0.34%	LOC GOVT POOL				\$ 86,408.28
TOTAL I & S FUND		\$ 233,430.02						
TOTAL DEBT SERVICE		\$ 233,430.02						

ITEM #11.

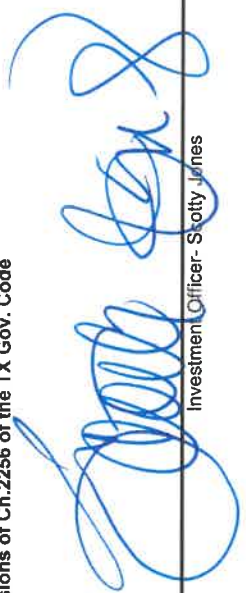
ACCT NAME CUSIP	GENERAL LEDGER CODE	GENERAL LEDGER BAL.	AVG INT RATE	TYPE	CPN	MATURITY DATE	BOOK VALUE	MARKET VALUE
SPECIAL REVENUE FUNDS								
<i>TIRZ 1 Fund</i>								
IBC (Pooled Cash)	20-1100	\$ 70,260.13	0.50%	IOC				
TOTAL TIRZ FUND		\$ 70,260.13						
<i>TIRZ 2 Fund</i>								
IBC (Pooled Cash)	21-1100	\$ 160,014.21	0.50%	IOC				
TOTAL TIRZ FUND		\$ 160,014.21						
<i>TIRZ 3 Fund</i>								
IBC (Pooled Cash)	22-1100	\$ -	0.50%	IOC				
TOTAL TIRZ FUND		\$ -						
<i>Hazard Mitigation Fund</i>								
IBC (Pooled Cash)	23-1100	\$ (1,886,952.61)	0.50%	IOC				
TOTAL HAZARD MITIGATION FUND		\$ (1,886,952.61)						
<i>Hotel Occupancy Tax Fund</i>								
IBC (Pooled Cash)	25-1100	\$ 513,890.94	0.50%	IOC				
TOTAL HOTEL FUND		\$ 513,890.94						
<i>Donation Fund (Service Center & Parks)</i>								
IBC (Pooled Cash)	21-1100	\$ -	0.50%	IOC				
USO-PROSPERITY BANK	21-1115	\$ -	0.80%	IOC				
TOTAL DONATION FUND		\$ -						
<i>Forfeiture Fund</i>								
IBC (Pooled Cash)	24-1100	\$ -	0.50%	IOC				
Police Forfeiture Account	24-1115	\$ 48,154.23	0.50%	IOC				
Police Pending Forfeiture Account	24-1116	\$ 10,422.02	0.50%	IOC				
TOTAL FORFEITURE FUND		\$ 58,576.25						
<i>Building Security Fund</i>								
IBC (Pooled Cash)	27-1100	\$ 26,547.47	0.50%	IOC				
TOTAL BUILDING SEC FUND		\$ 26,547.47						
<i>Court Technology Fund</i>								
IBC (Pooled Cash)	29-1100	\$ 21,477.30	0.50%	IOC				
TOTAL COURT TECHNOLOGY FUND		\$ 21,477.30						
<i>Home Program - TDHCA</i>								
IBC (Pooled Cash)	30-1100	\$ (10,925.00)	0.50%	IOC				
TOTAL Home Program - TDHCA Fund		\$ (10,925.00)						
<i>TCF Sidewalk</i>								
IBC (Pooled Cash)	32-1100	\$ (14,746.00)	0.50%	IOC				
TOTAL TCF/CDGB GRANT PROJECTS		\$ (14,746.00)						
TOTAL SPECIAL REVENUE FUNDS		\$ (1,061,857.31)						

ACCT NAME CUSIP	GENERAL LEDGER CODE	GENERAL LEDGER BAL.	AVG INT RATE	TYPE	CPN	MATURITY DATE	BOOK VALUE	MARKET VALUE
ENTERPRISE FUNDS								
<i>Public Utility Fund</i>								
IBC (Pooled Cash)	61-1100	\$ 237,490.23	0.50%	IOC				
Cash Drawer-UTILITY BILLING	61-1102	\$ 150.00						
Cash Drawer-FAC	61-1104	\$ 150.00						
Cash Drawer-UTILITY	61-1105	\$ 1,240.00						
Restricted Cash (Disaster Recovery)	61-1114	\$ -	0.50%	IOC				
Investments-TEXPOOL	61-1125	\$ 576,701.93	0.34%	LOC GOVT POOL			\$ 576,701.93	
Investments-TEXAS CLASS	61-1130	\$ 1,999,835.35	0.00%	CD			\$ 1,999,835.35	
Certificates of Deposit	61-1220	\$ -	2.21%	SEC		See maturity schedule	\$ -	
Securities	61-1215	\$ -					\$ -	
TOTAL UTIL OPER FUND		\$ 2,815,567.51						
Utility Construction Funds								
<i>Utility Construction Funds- Cottonwood Liftstation</i>								
IBC (Pooled Cash)	62-1100	\$ 147,075.48	0.50%	IOC				
Investments-TEXPOOL	62-1125	\$ 503,199.46	0.18%	IOC			\$ 503,199.46	
TOTAL UTILITY CONSTRUCTION FUND		\$ 650,274.94						
2016 CO'S- Grace WWTP/Waterline Hwy' 60N, etc								
IBC (Pooled Cash)	66-1100	\$ (17,901.52)	0.50%	IOC				
Investments-TEXPOOL	66-1125	\$ 125,165.59	0.18%	LOC GOVT POOL			\$ 125,165.59	
TOTAL 2016 UTILITY PROJECT FUND		\$ 107,264.07						
TOTAL UTIL CONSTRUCTION FUNDS		\$ 757,539.01						
Debt Service Funds								
<i>012,2014,2016 Bonds</i>								
IBC (Pooled Cash)	63-1100	\$ (2,083.37)	0.50%	IOC				
Investments-TEXPOOL	63-1125	\$ 78,995.24	0.18%	LOC GOVT POOL			\$ 78,995.24	
TOTAL UTILITY DEBT FUND		\$ 76,911.87						
TOTAL UTIL DEBT SERVICE		\$ 76,911.87						
TOTAL ALL UTIL FUNDS		\$ 3,650,018.39						
Airport Fund								
<i>Airport Operating Fund</i>								
IBC (Pooled Cash)	64-1100	\$ 46,309.10	0.50%	IOC				
TOTAL AIRPORT OPERATING FUND		\$ 46,309.10						
2020 CO'S- Airport Improvements (Hangers)								
IBC (Pooled Cash)	67-1100	\$ 1,237,294.40	0.50%	IOC				
Certificates of Deposit	67-1220	\$ 500,000.00	0.75%	CD			\$ 500,000.00	
TOTAL 2020 AIRPORT PROJECT FUND		\$ 1,737,294.40						
TOTAL AIRPORT FUND		\$ 1,783,603.50						
INTERNAL SERVICE FUNDS								
<i>Information Technology</i>								
IBC (Pooled Cash)	81-1100	\$ 90,751.93	0.50%	IOC				
TOTAL INFORMATION TECHNOLOGY		\$ 90,751.93						
Maintenance Fund (Facilities/Equipment)								
IBC (Pooled Cash)	82-1100	\$ 183,479.55	0.50%	IOC				
TOTAL MAINTENANCE FUND		\$ 183,479.55						
TOTAL INTERNAL SERVICE FUNDS		\$ 274,231.48						

ITEM #11.

ACCT NAME CUSIP	GENERAL LEDGER CODE	GENERAL LEDGER BAL.	AVG INT RATE	TYPE	CPN	MATURITY DATE	BOOK VALUE	MARKET VALUE
EMPLOYEE TRUST FUND								
Employee Trust Fund								
IBC (Pooled Cash)	96-1118	\$	1.00	IOC				
TOTAL EMPLOYEE TRUST FUND		\$	1.00					
FLEXIBLE SPENDING ACCOUNT								
FSA Fund								
IBC (Pooled Cash)	98-1118	\$	0.50%	IOC				
TOTAL FSA FUND		\$	0.50%					
CITY GRAND TOTAL		\$	16,070,446.75					
International Bank of Commerce	Bank GL	Total Bal by Type	% of Portfolio					
Prosperity Bank	\$	1,074,267.84	6.68%					
Prosperity Bank- Money Market	\$	200,910.64	1.25%					
Petty Cash / Cash Drawers	\$	4,337,845.06	26.99%					
Texpool	\$	4,112.00	0.03%					
Texas Class	\$	3,155,251.15	19.63%					
CD's	\$	3,309,060.06	20.59%					
Securities	\$	3,000,000.00	18.67%					
	\$	989,000.00	6.15%					
	\$	16,070,446.75	100.00%					
Cash Balance	All Funds	\$	16,070,446.75					
<i>Less Restricted Cash</i>								
Operating Reserves-Policy General Fund		3,606,502.00	25% Operating Expenditures					
Operating Reserves-Policy Utility Fund		1,820,599.00	25% Operating Expenditures					
Street Maint Fund		961,179.31						
Projects Encumbered		1,890,277.43	COVID-19, Generators, Katy Plant, Airport Hanger					
Other AP Encumbered		1,496,500.09						
Debt Payments Due		0.00	Payments Due 09/01/2020					
Total		\$	6,295,388.92					
CURRENT YEAR				Current Qtr				
INTEREST EARNINGS				(July-Sept)				
IBC/Property Bank	(Oct-Dec)	2,605.06		(April-June)	3,485.23			
Texpool		16,776.46			1,556.30			
Texas Class		14,281.77			2,365.67			
Money Market		-			7,905.35			
Securities		-			3,248.30			
CD's		-			8,313.81			
Total		\$	33,663.29		\$	25,026.39	\$	18,237.84
PRIOR YEAR				Prior Year				
INTEREST EARNINGS				(July-Sept)				
IBC/Property Bank	(Oct-Dec)	2,952.76		(April-June)	3,024.29			
Texpool		34,840.82			28,234.38			
Texas Class		16,147.53			16,597.15			
Securities		-			-			
CD's		-			-			
Total		\$	53,941.11		\$	60,638.52	\$	47,855.82
				Interest 19 vs 20				
				Balance at 09-30-19	\$	9,065,039.03	\$	47,855.82
				Interest at 09-30-19				
				Balance at 09-30-20	\$	16,070,446.75	\$	18,237.84
				Interest at 09-30-20				
				Balance up from PY	\$	7,005,407.72	\$	(29,617.98)
				Interest down from PY				

The City's investments are in compliance with the investment strategy as expressed in the Investment Policy with the relevant provisions of Ch.2256 of the TX Gov. Code



Investment Officer- Scotty James

Investment Committee- City Manager

Investment Committee- Councilman

Investment Committee- Councilman

Investment Committee- Mayor

Date of Meeting: 10/27/20

ITEM #11.

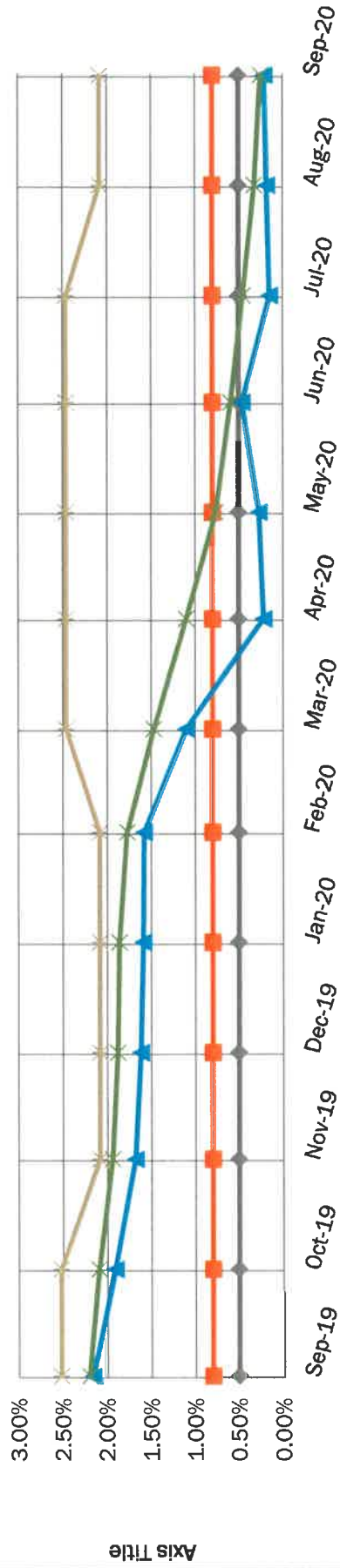


INVESTMENT PORTFOLIO- CITY OF BAY CITY- BY MATURITY
for Quarter Ending September 30, 2020

Call Date or Maturity Date

ACCT NAME CUSIP	GENERAL LEDGER BAL.	AVG INT RATE	2019-2020	2020-2021	2021-2022
CASH					
<i>IBC- All funds</i>					
Claim on Cash (Pooled)	\$ 1,074,267.84	0.5000%			
<i>Prosperity- All funds</i>					
Claim on Cash (Pooled)	\$ 200,910.64	0.8000%			
MONEY MARKET					
<i>Prosperity- All funds</i>					
Money Market	\$ 4,337,845.06	1.0000%			
PETTY CASH					
<i>All funds</i>					
Petty Cash	\$ 4,112.00				
SECURITIES/Fund					
<i>General Fund 04-11-19</i>					
61760AYL7	\$ 246,000.00	2.45%		04/12/21	
<i>General Fund 04-12-19</i>					
949763ZK5	\$ 249,000.00	2.45%		04/12/21	
<i>General Fund 11-13-19</i>					
38149MJV6	\$ 247,000.00	1.70%			11/15/2021
<i>General Fund 11-14-19</i>					
61690UNR76	\$ 247,000.00	1.70%			11/15/2021
DS					
<i>DS</i>					
2810022739	\$ 500,000.00	0.7500%	9/30/2020		
2810022739	\$ 2,500,000.00	0.7500%	9/30/2020		
	\$ -	0.0000%			
	\$ -	0.0000%			
	\$ 3,000,000.00				
TEXPOOL					
<i>All funds</i>					
Texpool	\$ 3,155,251.15	0.1800%			
TEXAS CLASS					
<i>All funds</i>					
Texas Class	\$ 3,309,060.06	0.3400%			
Maturity Time Frame					
0-1 YEAR	\$ 15,576,446.75	96.9260%			
1-2 YEAR	\$ 494,000.00	3.0740%			
2-3 YEAR	\$ -	0.0000%			
3-4 YEAR	\$ -	0.0000%			
4-5 YEAR	\$ -	0.0000%			
	\$ 16,070,446.75	100.0000%			

Interest Rate Trends



Category	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20
IBC	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Prosperity	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%
Texpool	2.16%	1.91%	1.68%	1.62%	1.59%	1.58%	1.10%	0.22%	0.27%	0.46%	0.15%	0.18%	0.21%
Texas Class	2.20%	2.09%	1.94%	1.88%	1.86%	1.77%	1.47%	1.10%	0.76%	0.59%	0.45%	0.32%	0.25%
Securities	2.52%	2.52%	2.08%	2.08%	2.08%	2.08%	2.46%	2.46%	2.46%	2.46%	2.46%	2.08%	2.08%

**Bay City Boards, Commissions, Committees & Council Data
TIRZ #1 Board**

Board / Council	Member Name	Date Elected /		Expires	Position	Appointment	
		Appointed	Date Term			Period	Phone Number
TIRZ #1	William Bell, Jr.	8/1/2018	8/1/2020	8/1/2020	Chairman	2 year terms	
TIRZ #1	Stewart Lynn	8/1/2018	8/1/2020	8/1/2020	Member	2 year terms	
TIRZ #1	Kent Pollard	8/1/2018	8/1/2020	8/1/2020	Member	2 year terms	
TIRZ #1	Julie Estlinbaum	8/1/2017	8/1/2019	8/1/2019	Member	2 year terms	
TIRZ #1	Gary Graham	8/1/2017	8/1/2019	8/1/2019	Member	2 year terms	
TIRZ #1	Bryan Prochnow	8/1/2017	8/1/2019	8/1/2019	Member	2 year terms	
TIRZ #1	DC Dunham	8/1/2018	8/1/2020	8/1/2020	Member	2 year terms	
TIRZ #1	David Holubec	8/1/2017	8/1/2019	8/1/2019	Member	2 year terms	
TIRZ #1	Craig Hlavinka	8/1/2017	8/1/2019	8/1/2019	Member	2 year terms	

Note: 2 year terms

Board / Council	Member Name	Entity Represented	Date Elected /		Expires	Position	Appointment	
			Appointed	Date Term			Period	Phone Number
TIRZ #1	William Bell, Jr.	City	8/1/2020	8/1/2022	8/1/2022	Chairman	2 year terms	
TIRZ #1	Betty Grandberry	City	10/27/2020	8/1/2022	8/1/2022	Member	2 year terms	
TIRZ #1	Kent Pollard	County	8/1/2020	8/1/2022	8/1/2022	Member	2 year terms	
TIRZ #1	Julie Estlinbaum	City	8/1/2019	8/1/2021	8/1/2021	Member	2 year terms	
TIRZ #1	Gary Graham	County	8/1/2019	8/1/2021	8/1/2021	Member	2 year terms	
TIRZ #1	Bryan Prochnow	Hospital	8/1/2019	8/1/2021	8/1/2021	Member	2 year terms	
TIRZ #1	Samantha Denbow	Hospital	8/1/2020	8/1/2022	8/1/2022	Member	2 year terms	
TIRZ #1	Bill Cornman	City	8/1/2019	8/1/2021	8/1/2021	Member	2 year terms	
TIRZ #1	Craig Hlavinka	Port Authority	8/1/2019	8/1/2021	8/1/2021	Member	2 year terms	

Note: 2 year terms

Bay City Boards, Commissions, Committees & Council Data
TIRZ #2 Board

Board / Council	Member Name	Date Elected /		Expires	Position	Appointment		Phone Number	Email Address
		Appointed	Date Term			Period	Period		
TIRZ #2	William Bell, Jr.	8/1/2018		8/1/2020	Chairman		2 year terms		
TIRZ #2	Craig Hlavinka	8/1/2017		8/1/2019	Member		2 year terms		
TIRZ #2	Kent Pollard	8/1/2017		8/1/2019	Member		2 year terms		
TIRZ #2	David Holubec	8/1/2018		8/1/2019	Member		2 year terms		
TIRZ #2	Gary Graham	8/1/2018		8/1/2020	Member		2 year terms		
TIRZ #2	Bryan Prochnow	8/1/2018		8/1/2020	Member		2 year terms		
TIRZ #2	VACANT				Member		2 year terms		
TIRZ #2	Arthur Millberger	8/1/2018		8/1/2020	Member		2 year terms		
TIRZ #2	DC Dunham	8/1/2017		8/1/2019	Member		2 year terms		

Note: 2 year terms

Board / Council	Member Name	Date Elected /		Expires	Position	Appointment		Phone Number	Email Address
		Appointed	Date Term			Period	Period		
TIRZ #2	William Bell, Jr.	8/1/2020		8/1/2022	Chairman		2 year terms		
TIRZ #2	Craig Hlavinka	8/1/2019		8/1/2021	Member		2 year terms		
TIRZ #2	Kent Pollard	8/1/2019		8/1/2021	Member		2 year terms		
TIRZ #2	Julie Estlinbaum	8/1/2019		8/1/2021	Member		2 year terms		
TIRZ #2	Gary Graham	8/1/2020		8/1/2022	Member		2 year terms		
TIRZ #2	Bryan Prochnow	8/1/2020		8/1/2022	Member		2 year terms		
TIRZ #2	Samantha Denbow	8/1/2020		8/1/2022	Member		2 year terms		
TIRZ #2	Betty Granberry	10/27/2020		8/1/2022	Member		2 year terms		
TIRZ #2	Bill Cornman	8/1/2019		8/1/2021	Member		2 year terms		

**Bay City Boards, Commissions, Committees & Council Data
TIRZ #3 Board**

Board / Council	Member Name	Date Elected /		Expires	Position	Appointment Period	Phone Number	Email Address
		Appointed	Date Term					
TIRZ #3	Charlie Allison	8/1/2018	8/1/2020	8/1/2020	Chairman	2 year terms		
TIRZ #3	David Holubec	8/1/2018	8/1/2019	8/1/2019	Member	2 year terms		
TIRZ #3	Gary Graham	8/1/2018	8/1/2020	8/1/2020	Member	2 year terms		
TIRZ #3	Kent Pollard	6/22/2017	8/1/2019	8/1/2019	Member	2 year terms		
TIRZ #3	Bryan Prochnow	8/1/2018	8/1/2020	8/1/2020	Member	2 year terms		
TIRZ #3	D. C. Dunham	8/1/2018	8/1/2019	8/1/2019	Member	2 year terms		

Note: 2 year terms

Board / Council	Member Name	Date Elected /		Expires	Position	Appointment Period	Phone Number	Email Address
		Appointed	Date Term					
TIRZ #3	Charlie Allison	10/27/2020	8/1/2021	8/1/2021	Chairman	2 year terms		
TIRZ #3	Julie Estlinbaum	10/27/2020	8/1/2022	8/1/2022	Member	2 year terms		
TIRZ #3	Gary Graham	10/27/2020	8/1/2021	8/1/2021	Member	2 year terms		
TIRZ #3	Kent Pollard	10/27/2020	8/1/2021	8/1/2021	Member	2 year terms		
TIRZ #3	Bryan Prochnow	10/27/2020	8/1/2021	8/1/2021	Member	2 year terms		
TIRZ #3	Samantha Denbow	10/27/2020	8/1/2022	8/1/2022	Member	2 year terms		

Note: 2 year terms