



CITY COUNCIL REGULAR MEETING CITY OF BAY CITY

Tuesday, August 27, 2024 at 6:00 PM
COUNCIL CHAMBERS | 1901 5th Street

COUNCIL MEMBERS

Mayor: Robert K Nelson

Mayor Pro Tem: Becca Sitz

Council Members: Benjamin Flores, Jim Folse, Bradley Westmoreland, Blayne Finlay

Vision Statement

Through a united and collaborative effort, we seek to grow the City of Bay City with a diverse culture that is proud to call Bay City home. We envision a thriving family-centered community where citizens are involved in the future development of our city. We desire our citizens to work, play, worship and shop in the community in which we live. Visitors are welcomed and encouraged to enjoy the friendly environment and amenities the citizens and business owners have created together.

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 AND CERTIFICATION OF QUORUM

INVOCATION & PLEDGE

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

Councilman James Folse

MISSION STATEMENT

The City of Bay City is committed to fostering future economic growth by collaborating with our citizens, employers, current and future businesses, as well as the Community and Economic Development Centers. We strive to deliver superior municipal services and to invest in quality-of-life initiatives such as housing, businesses, jobs and activities for all citizens. We make a concerted effort to respond to resident's concerns in a timely and professional manner in order to achieve customer satisfaction.

Councilman James Folse

APPROVAL OF AGENDA**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.

ACKNOWLEDGEMENT FROM CITY MANAGER**ITEMS / COMMENTS FROM THE MAYOR & COUNCIL MEMBERS****CONSENT AGENDA ITEMS FOR CONSIDERATION AND/OR APPROVAL**

- 1. Ratify the alternative pricing with DRC Emergency Services, LLC for change in disposal methods.**
- 2. Council Workshop meeting minutes of July 23, 2024.**
- 3. Council Workshop meeting minutes of August 13, 2024.**

DEPARTMENT REPORTS

- 4. Public Works Reports and Updates.** Krystal Mason, Assistant Public Works Director
- 5. Discussion on the Hurricane Beryl After Action Report (AAR).** Dan Shook, Fire Marshal

ITEMS / COMMENTS FROM THE MAYOR, COUNCIL MEMBERS AND CITY MANAGER**REGULAR ITEMS FOR DISCUSSION, CONSIDERATION AND/OR APPROVAL**

- 6. Resolution ~ Discuss, consider, and/or approve a resolution of the City Council of the City of Bay City, Texas authorizing the Bay City Community Development Corporation to enter into a contract with Los Cucos Mexican Cafe Bay City, Inc., for a term not to exceed two years and providing incentives not to exceed a total amount of \$70,000 over the term of the agreement (Second Reading).** Jessica Russell, Executive Director BCCDC
- 7. Resolution ~ Discuss, consider, and/or approve a resolution of the City Council of the City of Bay City, Texas authorizing the Bay City Community Development Corporation to enter into an Interlocal Cooperation Agreement with the City of Bay City for a project to provide Public Safety Facilities (Second Reading).** Jessica Russell, Executive Director BCCDC
- 8. Resolution ~ Discuss, consider, and/or approve a resolution to authorize the Bay City Community Development Corporation to enter into a contract with BC Development Group, LLC, for a term not to exceed seven years and providing incentives not to exceed a total amount of \$250,000 over the term of the agreement (First Reading).** Jessica Russell, Executive Director BCCDC

- 9. Contract ~ Discuss, consider, and/or approve Harrison, Waldrop, and Uherek, L.L.P. to provide audit services for the City of Bay City for the year ending September 30, 2024. Jennifer Leverett, Finance Manager**
- 10. Discuss, consider, and/or approve a resolution authorizing the award of engineering service provider for the Hazard Mitigation Assistance (HMA) Program(s) funded through the Texas Division of Emergency Management (TDEM) and/or Texas Water Development Board (TWDB). Gabriel Lopez, Engineering Tech.**
- 11. Discuss, consider, and/or approve entering into a contract with HDR Engineering, Inc. for \$52,500 to prepare the City of Bay City's grant application for the Federal Railroad Crossing Elimination (RCE) Track 1 Planning grant. Gabriel Lopez, Engineering Tech**
- 12. Agreement ~ Discuss, consider, and/or approve the reimbursement agreement between BNSF Railway Company and the City of Bay City, Texas. Scotty Jones, Interim City Manager**
- 13. Agreement ~ Discuss, consider, and/or approve the reimbursement agreement between Union Pacific Railroad Company and the City of Bay City, Texas. Scotty Jones, Interim City Manager**
- 14. Planning ~ Discuss, consider and/or approve the 2025-2027 Strategic Plan including the City's Mission, Vision, and Core Values. Scotty Jones, Interim City Manager**
- 15. Tax ~ Consider placing a proposal to adopt a Tax Rate for the 2025 Fiscal Year as an action item on the agenda of a future Council meeting, specifying therein the desired tax rate and publishing notice thereof. Scotty Jones, Interim City Manager**
- 16. Tax ~ Consider setting a Public Hearing on the Proposed 2025 Fiscal Year Tax Rate for Tuesday, September 17, 2024. Scotty Jones, Interim City Manager**
- 17. Budget ~ Consider setting a Public Hearing on the City of Bay City's proposed 2025 Fiscal Year Budget and the City of Bay City's Five-Year Capital Improvement Plan for Tuesday, September 17, 2024. Scotty Jones, Interim City Manager**
- 18. Budget ~ Consider setting a Public Hearing on the Bay City Community Development Corporation's proposed 2025 Fiscal Year Budget for Tuesday, September 17, 2024. Scotty Jones, Interim City Manager**

CLOSED / EXECUTIVE SESSION

**19. Executive Session pursuant to Texas Government Code Section 551.072
(Deliberation regarding Real Property).**

RECONVENE AND ACTION

ADJOURNMENT

AGENDA NOTICES:

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.

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, August 23, 2024 before 6:00 p.m.** Any questions concerning the above items, please contact the Mayor and City Manager's office at (979) 245-2137.

Ratify the alternative pricing with DRC Emergency Services, LLC for change in disposal methods



EXECUTIVE SUMMARY

DEBRIS REMOVAL SERVICES (New Pricing Alternative)

BACKGROUND:

DRC recommended a change in pricing to manage and reduce vegetative debris by open burn as opposed to the contract option of air curtain burning. This is a reduction in pricing. The original contract excerpt of the pricing is below which shows \$2.25 per cubic yard (CY) vs \$2.00 per cubic yard (CY) for open burn.

FINANCIAL IMPLICATIONS:

DMS Management and Reduction by Air Curtain Incineration: Work consist of managing and operating DMS for acceptance of eligible vegetative disaster related debris through air curtain incinerators. The costs associated with acquiring, preparing, leasing, renting, operating, and remediating land used as DMS is reflected in this bid.	\$ per cubic yard (CY)	Low Range 0-100k CY	Mid Range 100k-500k CY	High Range 500k+ CY	\$ per ton (Alternate)
0-15 miles	\$ 2.25	\$ 2.25	\$ 2.25	\$ 2.25	\$ 22.50
16-30 miles	\$ 2.25	\$ 2.25	\$ 2.25	\$ 2.25	\$ 22.50
31-60 miles	\$ 2.25	\$ 2.25	\$ 2.25	\$ 2.25	\$ 22.50
greater than 60 miles	\$ 2.25	\$ 2.25	\$ 2.25	\$ 2.25	\$ 22.50

RECOMMENDATION:

Approve ratifying the alternative pricing for open burn of the Emergency Debris Removal Contract

ATTACHMENTS: DRC’s proposal with pricing for open burn



6702 Broadway Street, Galveston, TX 77554
 TTY: 888-721-4DRC • Phone: 504-482-2848 • Fax: 504-482-2852
 www.drcusa.com
 August 5, 2024

Scotty Jones
 City Manager
 Bay City
 1901 Fifth Street
 Bay City, TX 77414

RE: Hurricane Beryl – Bay City

Ms. Jones,

In response to the City of Bay City's request, DRC Emergency Services, LLC is pleased to provide the following pricing for the additional line item to Manage and Reduce Vegetative Debris by open burning. Please see proposed rates below:

- DMS Management and Reduction by open burning: DRC proposes using open burning for reduction at a reduced rate compared to the Reduction by air curtain burning.** Work consists of managing and operating DMS for acceptance of eligible vegetative disaster related debris through open burning. The costs associated with acquiring, preparing, leasing, renting, operating, and remediating land used as DMS is reflected in this bid.

	\$ per CY
0-15 miles	\$2.00
16-30 miles	\$2.00
31-60 miles	\$2.00
Greater than 60 miles	\$2.00

Please let us know if any additional information or clarification is required. We look forward to continuing our partnership with the City of bay City to ensure effective and efficient disaster response and recovery operations.

Sincerely,

Kristy Fuentes
 Vice President, Secretary & Treasurer

Accepted:

8/20/24

City of Bay City

CITY OF BAY CITY

MINUTES • JULY 23, 2024

COUNCIL CHAMBERS 1901 5th Street	City Council Workshop	5:00 PM
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1901 5TH STREET
BAY CITY TX,77414



Mayor

Robert K. Nelson

Mayor Pro Tem

Becca Sitz

Councilman

Jim Folse

Councilman

Bradley Westmoreland

Councilman

Blayne Finlay

Councilman

Benjamin Flores

Through a united and collaborative effort, we seek to grow the City of Bay City with a diverse culture that is proud to call Bay City home. We envision a thriving family-centered community where citizens are involved in the future development of our city. We desire our citizens to work, play, worship and shop in the community in which we live. Visitors are welcomed and encouraged to enjoy the friendly environment and amenities the citizens and business owners have created together.

CALL TO ORDER

The meeting was called to order by Mayor Robert K. Nelson at 5:03 p.m.

CERTIFICATION OF QUORUM

PRESENT

- Mayor Robert K. Nelson
- Mayor Pro Tem Blayne Finlay
- Councilman Benjamin Flores
- Councilman Jim Folse
- Councilman Brad Westmoreland
- Councilwoman Becca Sitz

PUBLIC COMMENTS

There were no public comments.

REGULAR ITEMS FOR DISCUSSION, CONSIDERATION AND / OR APPROVAL

- 1. **Discuss, consider, and/ or approve the 2024-2025 City of Bay City Employee Benefits Plan.** Rhonda Clegg, Human Resources Director

Rhonda Clegg, Human Resources Director, stated that the Ad Hoc Committee had met and reviewed benefits but TML now will cover the City. Ms. Clegg introduced Derrick Benn with TML. Mr. Benn reviewed the options and plans, as well as other programs. TML will offer HMO and PPO, but eliminating the buy up plan. Overall savings to the City was 16.49%,

Motion made by Councilman Folse to approve the City of Bay City Employee Benefits Plan, Seconded by Councilman Flores. Voting Yea: Mayor Nelson, Mayor Pro Tem Finlay, Councilman Flores, Councilman Folse, Councilman Westmoreland, Councilwoman Sitz. Motion carried.

ADJOURNMENT

Motion made by Councilwoman Sitz to adjourn, Seconded by Councilman Flores. Voting Yea: Mayor Nelson, Mayor Pro Tem Finlay, Councilman Flores, Councilman Folse, Councilman Westmoreland, Councilwoman Sitz. Motion carried and Council adjourned at 5:44 p.m.

PASSED AND APPROVED, this 27th day of August 2024.

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

 JEANNA THOMPSON
 CITY SECRETARY

CITY OF BAY CITY

MINUTES • AUGUST 13, 2024

**COUNCIL
CHAMBERS | 1901
5th Street**

City Council Workshop

5:00 PM

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



Mayor

Robert K. Nelson

Mayor Pro Tem

Becca Sitz

Councilman

Jim Folse

Councilman

Bradley Westmoreland

Councilman

Blayne Finlay

Councilman

Benjamin Flores

Through a united and collaborative effort, we seek to grow the City of Bay City with a diverse culture that is proud to call Bay City home. We envision a thriving family-centered community where citizens are involved in the future development of our city. We desire our citizens to work, play, worship and shop in the community in which we live. Visitors are welcomed and encouraged to enjoy the friendly environment and amenities the citizens and business owners have created together.

CALL TO ORDER

Meeting was called to order by Mayor Robert K. Nelson at 5:01 p.m.

CERTIFICATION OF QUORUM**PRESENT**

Mayor Robert K. Nelson
 Mayor Pro Tem Blayne Finlay
 Councilman Benjamin Flores
 Councilman Jim Folse
 Councilman Brad Westmoreland
 Councilwoman Becca Sitz

PUBLIC COMMENTS

There were no public comments.

REGULAR ITEMS FOR DISCUSSION, CONSIDERATION AND / OR APPROVAL

- 1. Receive and discuss the Bay City Community Development Budget Proposal for 2025 Fiscal Year.**

Jessica Russell, Executive Director of Bay City Community Development Corporation, presented BCCDC proposed budget that was approved by the BCCDC board. Ms. Russell explained that the increased need of funding is for retail strategies contract and EDC marketing.

- 2. Discuss, consider, and review proposed amendments to Appendix B Fee Schedule.**

James Mason, Airport Manager, reviewed airport fee changes stating that fees are CPI based. Herb Blomquist, Director of Public Works, reviewed building regulation fees, in addition, chapter 98 plan review increase stating that changes were a pass-through cost. Katy Plunkett, Court Administrator, stated that the deferral fee was at the request of Judge Thompson to be added to municipal court fee schedule. Kelly Penewitt, Interim Director of Parks and Recreation, reviewed parks and recreation fee changes. Samantha Denbow, Library Director, reviewed Library fee changes. Jeanna Thompson, City Secretary, spoke for Mitch Thames regarding Civic Center fee changes and the need to increase deposits.

ADJOURNMENT

Council adjourned at 5:45 p.m.

PASSED AND APPROVED, this 27th day of August 2024.

 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) 323-1626

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: Dan Shook **Date Submitted:** 8/22/24
Last, First *MM/DD/YYYY*

Requestor Type : Staff **Meeting Date:** 8/27/24
Citizen/City Staff/Council Member *MM/DD/YYYY*

Position Title Fire Marshal
For City Staff Only

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

Agenda Content:

Discussion on the Hurricane Beryl After Action Report (AAR)

Executive Summary of Item:

Background: Hurricane Beryl was a direct hit to Matagorda County. All Managers were contacted to compile lessons learned following the preparation, response, and recovery from the disaster.

Financial Implications: Some action items will require addition to the budget in following years. Some are policy changes and will not have any financial implications.

Recommendation: None at this time. This is an informative discussion.

Attachments: Hurricane Beryl AAR.



AFTER ACTION PLAN- CITY OF BAY CITY

ITEM #5.

Name:	Dan Shook, EMC	EVALUATED EVENT:	HURRICANE BERYL
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List the top three (3) organizational strengths:

- 1.) **Communication:** The staff did a great job communicating with each other and using one person to push information to the public. This continued even when there was a loss of city-wide phone and internet. Communication sent out via hyper reach text alerts and social media before and after the storm—continually shared EOC posts.
- 2.) **Preparing:** City staff did great with storm preparations prior to landfall. This included staff meetings, clearing storm drains, ditches, and providing sandbags for the public.
- 3.) **Teamwork:** City staff did great with teamwork. Staff from all departments were used and worked together to obtain a common goal. Staff volunteered to man cooling centers and partnered with Red Cross to provide hot meals for community.

ISSUE	RESOLUTION	ASSIGNMENT	COMPLETED & DATE
Loss of communication when major fiber line was cut	Purchase radios to be used by non-PD/Fire personnel	Public Works	Yes
When a loss of communications occurs, provide for "runners" to communicate to different locations (i.e. airport)	Add for a runner to be assigned when there is a loss off communications to the EOP	Emergency Management Coordinator	
Radios went into site trunking when major fiber line was cut	Engineer redundancy in radio system's connection to TXWARN	Emergency Management Coordinator	
Dispatch requests additional portable radios in case there is a loss of consoles	Provide additional radio capabilities for dispatch to be used when consoles are down.	Emergency Management Coordinator	
Dispatch requests headsets to be used through the computer system	Provide headsets with microphones for dispatch.	Police Chief	
City needs one person that all communication is funneled through	Hire PIO for all communication	Communication Director	
Need more staff able to transmit messages on Hyperreach	Provide training to additional staff to send messages on Hyperreach	Emergency Management Coordinator	
Two generators did not auto-start. One was able to be manually started. The second had a radiator issue.	Sign contract with generator maintenance contractor to perform load testing and ensure functionality prior to emergency. Training for on-site staff to troubleshoot issues.	Public Works	

Two spare generators were at public works but unable to be used due to lack of compatibility with facilities.	Obtain pig-tails for each facility to plug into generator.	Public Works	
All equipment needs to be signed out	Create form for issuing equipment that is used during the emergency.	Emergency Management Coordinator	Yes
No City Emergency Operations Plan	Create a City-specific Emergency Operations Plan.	Emergency Management Coordinator	Yes
Shelter needs to be in place for post-storm evacuees	Identify and plan for the implementation of a shelter to be used post-storm.	Emergency Management Coordinator	
Cooling centers were created after the storm, but not planned for ahead of the storm.	Add cooling centers to a checklist to be planned for ahead of an emergency.	Emergency Management Coordinator	
Need a coordinator to handle all volunteer organizations before, during, and after the storm	Identify the coordinator and provide instruction on how to coordinate the volunteer organizations.	Emergency Management Coordinator	
Need a list of those staying at EOC	Hire PIO for all communication	Communication Director	
There was confusion on how to do FEMA paperwork. New forms did not provide all of the information needed.	Create new forms that provide for the needed information that can be used to file with FEMA for reimbursement.	Emergency Management Coordinator	Yes
A city-wide meeting to review hurricane response and responsibilities pre,	Schedule an annual city-wide meeting that will review and discuss emergency planning.	Emergency Management Coordinator	

during, and post emergency.			
Brush site was closed due to need for chipping. There was no assigned location for storm debris drop-off.	Secure an adequate location for citizens to drop off storm debris	Public Works	
Documentation of city facilities and infrastructure	Assign employees to document facilities and infrastructure prior to an emergency. Purchase the additional equipment to ensure proper documentation.	Public Works	
Accommodations for level 1 staff were in hotels. Some hotels do not have generators and rented rooms were not available past the first day.	Provide a city-owned location for level 1 staff to stay at that would allow for response to the storm.	Emergency Management Coordinator	
Decision to offer sandbags to public was less than 24 hours prior to storm, causing a congestion at MSB.	Decide early on sandbag availability. Set up entrance and exit to allow flow of traffic.	Public Works	
Emergency pay for level 1 personnel: The decision of emergency pay was made after the emergency.	City policy need to be revised to clearly define pay and application. We are asking employees to leave their family during a crisis.	Human Recourses	

Preparation for outside assistance for storm debris clearing should be made in advanced.	Be prepared ahead of time to submit STAR request early. Submit RFP for storm debris collection by May 1.	Public Works	
Disaster assessment. Staff had to perform both road clearing and assessment.	Obtain mapping tool to utilize during the assessment and deploy staff only after roads have been cleared.	Public Works	
Help for citizens with debris removal and resources for damages.	Put together a directory for citizens to use all year. Communicate this directory to citizens often after the storm.	Emergency Management Coordinator	



CITY OF BAY CITY
1901 FIFTH STREET
BAY CITY, TEXAS 77414
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AGENDA ITEM SUBMISSION FORM

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Requestor Name: Jessica Russell **Date Submitted:** 08/05/2024
Last, First *MM/DD/YYYY*

Requestor Type: BCCDC Staff **Meeting Date:** 08/27/2024
Citizen/City Staff/Council Member *MM/DD/YYYY*

Position Title Executive Director, BCCDC
For City Staff Only

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

Agenda Content:

Discuss, consider, and/or approve a Business Resiliency Program for Los Cucos

Executive Summary of Item:

Background:

5/23/24 Discuss, consider and/or approve BCCDC Business Resiliency Program for Los Cucos - Jessica Russell, BCCDC Executive Director
Motion by council man Folse, seconded by councilman Flores to approve the Business Resiliency grant for Los Cucos not to exceed 70K. Public Hearing date set for July 29th Motion carried.

Public Hearing

7/29/24 Discuss, consider, and/or approve a Business Resiliency Program for Los Cucos- Jessica Russell, BCCDC Executive Director.
Motion by Secretary Allison, seconded by board member Bell to approve a Business Resiliency Program for Los Cucos. Motion carried

The 1st Reading at Council was August 13th, this is the 2nd Reading

Financial Implications:

The BCCDC has approved a project in which BCCDC will participate in Business Resilience Project with Los Cucos regarding a project not to exceed \$70,000

Recommendation: Approve first reading of resolution.

Attachments: Resolution

RESOLUTION NO. R-2024-028

A RESOLUTION OF THE CITY OF BAY CITY, TEXAS, TO AUTHORIZE THE BAY CITY COMMUNITY DEVELOPMENT CORPORATION TO ENTER INTO A CONTRACT WITH LOS CUCOS MEXICAN CAFE BAY CITY, INC., FOR A TERM NOT TO EXCEED TWO YEARS AND PROVIDING INCENTIVES NOT TO EXCEED A TOTAL AMOUNT OF \$70,000 OVER THE TERM OF THE AGREEMENT

WHEREAS, the City of Bay City is a home rule city governed by its City Charter, and with a population of less than 20,000 inhabitants; and

WHEREAS, the Bay City Community Development Corporation, (BCCDC) is Type B development corporation established pursuant to the Texas Local Government Code Chapter 505, subchapter B; and

WHEREAS, in accordance with Texas Local Government Code Section 505.158 the BCCDC is authorized provide land, building, equipment, facilities, expenditures, targeted infrastructure, and improvements found by the board of directors to promote new or expanded business development projects; and

WHEREAS, in accordance with Texas Local Government Code Section 505.158 in order for the BCCDC's action to become final for projects, which require an expenditure of more than \$50,000, the city council must adopt a resolution authorizing the project after giving the resolution at least two (2) separate readings; and

WHEREAS, the BCCDC has identified the proposed development of a restaurant by Los Cucos Mexican Cafe Bay City, Inc., as a Project qualified to receive expenditures from the corporation;

WHEREAS, at its Regular Board Meeting held July 29, 2024, the BCCDC held a public hearing, and considered, and voted to approve an agreement that provides for the granting of incentives for the Project, over a term of two years that shall not exceed a total amount of \$70,000.00; and

WHEREAS, at the public hearing the BCCDC Executive Director described the project proposed by the grant applicant that it would invest over \$1,000,000 for the location of a new restaurant at 6600 7th Street in Bay City, Texas, and create 70 new jobs during the term of the agreement; and

WHEREAS, the City Council finds that the proposed BCCDC grant will promote new or expanded business development:

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

Section 1. Findings. The foregoing recitals are hereby found to be true and correct and hereby adopted by the City Council and made a part hereof for all purposes as findings of fact.

Section 2. Authorization. In accordance with Section 505.158 of the Texas Local Government Code, the City Council hereby authorizes the Project as described in the recitals above after all prerequisites have been satisfied.

PASSED AND APPROVED ON FIRST READING AT THE CITY OF BAY CITY, TEXAS ON _____, 2024, AND ON SECOND READING AT THE CITY OF BAY CITY, TEXAS ON _____, 2024.

APPROVED AND ADOPTED on _____, 2024.

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

ATTEST

JEANNA THOMPSON, CITY SECRETARY
CITY OF BAY CITY, TEXAS

APPROVED AS TO FORM:

ANNE MARIE ODEFY,
CITY ATTORNEY



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

AGENDA ITEM SUBMISSION FORM

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Requestor Name: Jessica Russell **Date Submitted:** 07/03/2024
Last, First *MM/DD/YYYY*

Requestor Type: BCCDC Staff **Meeting Date:** 08/27/2024
Citizen/City Staff/Council Member *MM/DD/YYYY*

Position Title Executive Director, BCCDC
For City Staff Only

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

Agenda Content:

DISCUSS, CONSIDER, AND/OR APPROVE A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BAY CITY, TEXAS AUTHORIZING THE BAY CITY COMMUNITY DEVELOPMENT CORPORATION TO ENTER INTO AN INTERLOCAL COOPERATION AGREEMENT WITH THE CITY OF BAY CITY FOR A PROJECT TO PROVIDE PUBLIC SAFETY FACILITIES

Executive Summary of Item:

Background:

On 01/29/24, the Bay City Community Development Corporation (BCCDC) approved entering into an agreement with the City regarding a project to provide funding for public safety facilities. The BCCDC may not undertake a Project authorized under Section 505.158 that requires an expenditure of more than \$10,000.00 until the City Council of the City of Bay City, Texas adopts a resolution authorizing the Project after giving the resolution at least two separate readings. The first reading was August 13, 2024.

This is for the 2nd reading of the additional \$300, 000 for the SAB

Financial Implications:

The BCCDC has approved a project in which BCCDC will participate in the amount of \$1,000,000 for the location of a Public Safety Project at a mutually agreed upon location.

Recommendation: Approve first reading of resolution.

Attachments: Resolution

RESOLUTION R-2024-027

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BAY CITY, TEXAS AUTHORIZING THE BAY CITY COMMUNITY DEVELOPMENT CORPORATION TO ENTER INTO AN INTERLOCAL COOPERATION AGREEMENT WITH THE CITY OF BAY CITY FOR A PROJECT TO PROVIDE PUBLIC SAFETY FACILITIES

WHEREAS, the City of Bay City is a home-rule municipality governed by its City Charter, and has a population of less than 20,000 inhabitants; and

WHEREAS, the Bay City Community Development Corporation (BCCDC) is a Type B development corporation established pursuant to Chapter 505, subchapter B, of the Texas Local Government Code, and the City Council of the City of Bay City, Texas is the BCCDC's authorizing unit; and

WHEREAS, in accordance with Section 505.158(b) of the Texas Local Government Code, the BCCDC may not undertake a Project authorized under Section 505.158 that requires an expenditure of more than \$10,000.00 until the City Council of the City of Bay City, Texas adopts a resolution authorizing the Project after giving the resolution at least two separate readings; and

WHEREAS, the BCCDC has approved a project in which BCCDC will participate in the amount of \$300,000 contingency fund for a Public Safety Project at the old K-Mart Building on Avenue F in Bay City, Texas; and

WHEREAS, the Project meets the requirements of Chapter 501, subchapter C, Authorized Projects, and Chapter 505, subchapter D, Authorized Projects, of the Texas Local Government Code;

WHEREAS, the City Council of the City of Bay City, Texas finds that a public hearing was held by BCCDC on this project on July 29, 2024, and

WHEREAS, BCCDC previously committed to contribute \$700,000.00 in funding for a public safety facilities project and BCCDC additionally committed an additional \$300,000.00 contingency fund for such project, and

WHEREAS, the City Council of the City of Bay City, Texas finds the Project is required or suitable for buildings, facilities and improvements necessary to promote or develop new or expanded business enterprises in and near the City of Bay City, Texas; and

WHEREAS, the action authorized by this Resolution is in furtherance of the public interest, for good government, peace, order, trade and commerce of the City of Bay City, Texas and necessary for properly carrying out the authority granted by law to the City of Bay City, Texas and the BCCDC; and

WHEREAS, the Board of Directors of the BCCDC has found that the Project shall promote new or expanded business development; and

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

Section 1. Findings. The foregoing recitals are hereby found to be true and correct and hereby adopted by the City Council and made a part hereof for all purposes as findings of fact.

Section 2. Authorization. In accordance with Section 505.158 (b) of the Texas Local Government Code, the City Council hereby authorizes the Project as described in the recitals above after all prerequisites have been satisfied.

PASSED AND APPROVED ON FIRST READING AT THE CITY OF BAY CITY, TEXAS ON _____, 2024, AND ON SECOND READING AT THE CITY OF BAY CITY, TEXAS ON _____, 2024.

APPROVED AND ADOPTED on _____, 2024.

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

ATTEST

JEANNA THOMPSON, CITY SECRETARY
CITY OF BAY CITY, TEXAS

APPROVED AS TO FORM:

ANNE MARIE ODEFEY,
CITY ATTORNEY



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: Jessica Russell **Date Submitted:** 08/21/2024
Last, First *MM/DD/YYYY*

Requestor Type: BCCDC Staff **Meeting Date:** 08/27/2024
Citizen/City Staff/Council Member *MM/DD/YYYY*

Position Title Executive Director, BCCDC
For City Staff Only

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

Agenda Content:

DISCUSS, CONSIDER, AND/OR APPROVE A RESOLUTION OF THE CITY OF BAY CITY, TEXAS, TO AUTHORIZE THE BAY CITY COMMUNITY DEVELOPMENT CORPORATION TO ENTER INTO A CONTRACT WITH BC DEVELOPMENT GROUP, LLC, FOR A TERM NOT TO EXCEED SEVEN YEARS AND PROVIDING INCENTIVES NOT TO EXCEED A TOTAL AMOUNT OF \$250,000.00 OVER THE TERM OF THE AGREEMENT (FIRST READING)

Executive Summary of Item:

Background:

Public Hearing
8/26/24 Discuss, consider, and/or approve a Business Resiliency Program for BC Development Group, LLC- Jessica Russell, BCCDC Executive Director.

Financial Implications:

The BCCDC to approve a project in which BCCDC will participate in Business Resilience Project with BC Development Group, LLC regarding a project not to exceed \$250,000

Recommendation: Approve first reading of resolution.

Attachments: Resolution

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF BAY CITY, TEXAS, TO AUTHORIZE THE BAY CITY COMMUNITY DEVELOPMENT CORPORATION TO ENTER INTO A CONTRACT WITH BC DEVELOPMENT GROUP, LLC, FOR A TERM NOT TO EXCEED SEVEN YEARS AND PROVIDING INCENTIVES NOT TO EXCEED A TOTAL AMOUNT OF \$250,000.00 OVER THE TERM OF THE AGREEMENT (FIRST READING)

WHEREAS, the City of Bay City is a home rule city governed by its City Charter, and with a population of less than 20,000 inhabitants; and

WHEREAS, the Bay City Community Development Corporation, (BCCDC) is Type B development corporation established pursuant to the Texas Local Government Code Chapter 505, subchapter B; and

WHEREAS, in accordance with Texas Local Government Code Section 505.158 the BCCDC is authorized provide land, building, equipment, facilities, expenditures, targeted infrastructure, and improvements found by the board of directors to promote new or expanded business development projects; and

WHEREAS, in accordance with Texas Local Government Code Section 505.158, in order for the BCCDC's action to become final for projects, which require an expenditure of more than \$50,000, the city council must adopt a resolution authorizing the project after giving the resolution at least two (2) separate readings; and

WHEREAS, the BCCDC has identified the proposed development of The Reserve at River Bend apartment complex by BC Development Group, LLC, as a Project qualified to receive expenditures from the corporation;

WHEREAS, at its Regular Board Meeting held August 26, 2024, the BCCDC held a public hearing, and considered, and voted to approve an agreement that provides for the granting of incentives for the Project, over a term of seven years that shall not exceed a total amount of \$250,000.00; and

WHEREAS, at the public hearing the BCCDC Executive Director described the project proposed by the grant applicant that it would invest over \$5,000,000 for the location of The Reserve at River Bend apartment complex at 2400 Nile Valley Rd., Bay City, Texas, and that said project will create construction jobs followed by 2-3 permanent jobs during the term of the agreement; and

WHEREAS, the City Council finds that the proposed BCCDC grant will promote new or expanded business development:

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

Section 1. Findings. The foregoing recitals are hereby found to be true and correct and hereby adopted by the City Council and made a part hereof for all purposes as findings of fact.

Section 2. Authorization. In accordance with Section 505.158 of the Texas Local Government Code, the City Council hereby authorizes the Project as described in the recitals above after all prerequisites have been satisfied.

PASSED AND APPROVED ON FIRST READING AT THE CITY OF BAY CITY, TEXAS ON _____, 2024, AND ON SECOND READING AT THE CITY OF BAY CITY, TEXAS ON _____, 2024.

APPROVED AND ADOPTED on _____, 2024.

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

ATTEST

JEANNA THOMPSON, CITY SECRETARY
CITY OF BAY CITY, TEXAS

APPROVED AS TO FORM:

ANNE MARIE ODEFY,
CITY ATTORNEY

Discuss, consider, and/or approve HARRISON, WALDROP, and UHEREK, L.L.P. to provide audit services for the City of Bay City for the year ending September 30, 2024.



EXECUTIVE SUMMARY

AUDIT SERVICES

BACKGROUND:

An engagement letter is signed between the City and the Audit firm each year prior to the close of the fiscal year to be audited. This is a standard document that details the responsibility of management, the audit objectives, and the associated fees.

FINANCIAL IMPLICATIONS:

The audit fee could change from year to year. The fee presented of \$36,000 is the same as prior year audit period. An additional \$4,000 will be incurred for a Single Audit if applicable.

IMPACT ON COMMUNITY SUSTAINABILITY:

It provides financial information to the public and other interested 3rd parties. Audits portray a City's financial strength or weakness and determine whether a City's financial statements are free of any material misstatements to the reader.

RECOMMENDATION:

Staff recommends City Council approve the engagement letter with Harrison, Waldrop, and Uherek (HWU). HWU has strong municipal audit experience and has the ability to rotate audit staff.

ATTACHMENTS: Audit Engagement Letter

HARRISON, WALDROP & UHEREK, L.L.P.

HWU

CERTIFIED PUBLIC ACCOUNTANTS
101 S. MAIN, SUITE 400
VICTORIA, TEXAS 77901-8142

STEPHEN W. VAN MANEN, CPA
DENNIS C. CHAL, CPA
ERIC L. KUCERA, CPA
CLAYTON P. VAN PELT, CPA
ROBERT W. SCHAAR, CPA
MELISSA M. TERRY, CPA

(361) 573-3255
FAX: (361) 573-9531

August 6, 2024

The Honorable Mayor and
Members of the City Council
City of Bay City
Bay City, Texas 77414

We are pleased to confirm our understanding of the services we are to provide the City of Bay City, Texas (the "City") for the year ended September 30, 2024.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, including the disclosures, which collectively comprise the basic financial statements of the City as of and for the year ended September 30, 2024. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the City's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the City's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis
2. Budgetary Comparison Schedule
3. Pension Information
4. OPEB Information

We have also been engaged to report on supplementary information other than RSI that accompanies the City's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditors' report on the financial statements:

1. Combining and Individual Fund Statements and Schedules
2. Schedule of Expenditures of Federal and State Awards

In connection with our audit of the basic financial statements, we will read the following other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

1. Introductory Section
2. Statistical Data

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinions about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP, and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objectives also include reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Auditor's Responsibilities for the Audit of the Financial Statements and Single Audit

We will conduct our audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

The Honorable Mayor and
Members of the City Council

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August 6, 2024

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement and they may bill you for responding to this inquiry.

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of financial statements does not relieve you of your responsibilities.

Audit Procedures-Internal Control

We will obtain an understanding of the government and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal and/or state award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

The Honorable Mayor and
Members of the City Council

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August 6, 2024

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of test of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on the City's major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on the City's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal and state awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; and (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal and state awards, and all accompanying information in conformity with accounting principles generally accepted in the United States of America; and for compliance with applicable laws and regulations (including federal statutes), rules, and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are also responsible for making drafts of financial statements, schedule of expenditures of federal and state awards, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; schedule of expenditures of federal and state awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

The Honorable Mayor and
Members of the City Council

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August 6, 2024

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate correction action plan.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal and state awards (including notes and noncash assistance received, and COVID-19-related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal and state awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal and state awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal and state awards that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal and state awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal and state awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal and state awards.

You are also responsible for the preparation of the other supplementary information which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

The Honorable Mayor and
Members of the City Council

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August 6, 2024

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

With regard to including the auditor's report in an exempt offering document, you agree that the aforementioned auditor's report, or reference to Harrison, Waldrop & Uherek, L.L.P., will not be included in any such offering document without or prior permission or consent. Any agreement to perform work in connection with an exempt offering document, including an agreement to provide permission or consent, will be a separate engagement.

Also, with regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal and state awards, and related notes of the City in conformity with accounting principles generally accepted in the United States of America and the Uniform Guidance based on the information provided by you. In addition, we will propose the necessary cash to accrual conversion journal entries, maintain amortization schedules, and assist with the implementation of new accounting standards for the City. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services to those previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the financial statements, schedule of expenditures of federal and state awards, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, the schedule of expenditures of federal and state awards, and related notes and that you have reviewed and approved the financial statements, the schedule of expenditures of federal and state awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

The Honorable Mayor and
Members of the City Council

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August 6, 2024

Engagement Administration, Fees, and Other

We understand that your employees will prepare cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We will schedule the engagement based in part on deadlines, working conditions, and the availability of key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If, for whatever reason, your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate.

At the conclusion of the engagement, we will complete the appropriate sections of and sign the Data Collection Form that summarizes our audit findings. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the Federal Audit Clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditors' reports or nine months after the end of the audit period.

We will provide copies of our reports to the City; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Harrison, Waldrop & Uherek, L.L.P. and constitutes confidential information. However, subject to applicable laws or regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a cognizant or oversight agency for audit or its designee, a federal agency providing direct or indirect funding, or the U.S. General Accounting Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Harrison, Waldrop & Uherek, L.L.P. personnel. Furthermore, upon request, we may provide photocopies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the photocopies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the cognizant agency, oversight agency or pass-through entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Ms. Melissa M. Terry, CPA is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign them. We expect to begin our audit during the month of September 2024 and to plan to issue our reports no later than March 2025.

The Honorable Mayor and
Members of the City Council

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August 6, 2024

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, typing, postage, travel, copies, telephone, etc.). Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Based on our preliminary estimates, the fee for the audit should not exceed \$36,000. This fee estimate is based on anticipated cooperation from your personnel, the assumption that unexpected circumstances will not be encountered during the audit, and does not include additional time that may be required to implement any procedures necessary to comply with new professional standards and/or reporting requirements not currently effective. Fees for any additional services provided outside the scope of the audit of the City's financial statements will be billed based upon our standard hourly rates which range from \$115 to \$150 per hour. Furthermore, we estimate that our fee will be approximately \$4,000 (in addition to the amount previously quoted) and \$2,500 for each additional major program to comply with the financial audit requirements of Uniform Guidance should the City be subject to those requirements for the year ending September 30, 2024.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2023 peer review report accompanies this letter.

Reporting

We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Honorable Mayor and Members of the City Council of the City of Bay City, Texas. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary to us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

The Honorable Mayor and
Members of the City Council

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August 6, 2024

We appreciate the opportunity to be of service to the City of Bay City, Texas and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,



HARRISON, WALDROP & UHEREK, L.L.P
Certified Public Accountants

RESPONSE:

This letter correctly sets forth the understanding of the City of Bay City, Texas.

Management signature: _____

Title: _____

Date: _____

Governance signature: _____

Title: _____

Date: _____

FARRIS & FARRIS, CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

ITEM #9.

PAUL W. FARRIS, CPA
DEBRA E. FARRIS, CPA

13484 Leopard St., #A-29-A
Corpus Christi, TX 78410
(361) 241-0656
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Report on the Firm's System of Quality Control

March 21, 2024

To the Owners
Harrison, Waldrop & Uherek LLP
And the Peer Review Committee of the Texas Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Harrison, Waldrop & Uherek LLP (the firm) in effect for the year ended June 30, 2023. Our review was conducted in accordance with the standards for Performing and Reporting on Peer Reviews established by the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design and compliance with the system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included an engagement performed under Government Auditing Standards, including a compliance audit under the Single Audit Act.

As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Harrison, Waldrop & Uherek LLP in effect for the year ended June 30, 2023 has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiencies or fail. Harrison, Waldrop & Uherek LLP has received a peer review rating of pass.

A handwritten signature in cursive script, appearing to read "Farris & Farris".

Farris & Farris CPA's


Listing of Governmental Clients and Latest Projects for Past Five Years:

	<u>FYE</u>	<u>Type</u>	<u>Scope of Work</u>	<u>Yellow Book</u>	<u>Years of Service</u>
City of Bay City	9/30	Local Govt.	Financial Statement Audit Single Audit GFOA Submission	YES	10+
Bay City Community Development Corporation	9/30	Local Govt.	Financial Statement Audit	no	10
City of Cuero	9/30	Local Govt.	Financial Statement Audit Single Audit	YES	25+
Cuero Development Corporation	9/30	Local Govt.	Financial Statement Audit	no	25+
City of Edna	9/30	Local Govt.	Financial Statement Audit Single Audit	YES	15+
City of Lockhart	9/30	Local Govt.	Financial Statement Audit GFOA Submission	YES	5
City of Port Lavaca	9/30	Local Govt.	Financial Statement Audit Single Audit GFOA Submission	YES	15+
City of Victoria	9/30	Local Govt.	Financial Statement Audit Single Audit GFOA Submission	YES	35+
City of Wharton	9/30	Local Govt.	Financial Statement Audit Single Audit GFOA Submission	YES	15+
Wharton Economic Development Corporation	9/30	Local Govt.	Financial Statement Audit Prep/Assist w/ Form 990/1099s	no	15+
City of Yoakum	9/30	Local Govt.	Financial Statement Audit Single Audit	YES	25+
City of Hallettsville	12/31	Local Govt.	Financial Statement Audit Single Audit	YES	2
City of Palacios	9/30	Local Govt.	Financial Statement Audit Single Audit	YES	2
City of Yorktown	9/30	Local Govt.	Financial Statement Audit	YES	2
City of Ganado	9/30	Local Govt.	Financial Statement Audit	YES	1
County of Victoria	12/31	Local Govt.	Financial Statement Audit Single Audit Special Engagement	YES	35+
Victoria County DD # 3	6/30	Local Govt.	Financial Statement Audit Review of P/R Forms	YES	35+
Victoria County Navigation District	12/31	Local Govt.	Financial Statement Audit Single Audit	YES	25+
County of Victoria Juvenile Probation	8/31	Local Govt.	Financial Statement Audit	YES	20+
County of DeWitt	9/30	Local Govt.	Financial Statement Audit Single Audit GFOA Submission	YES	30+
County of DeWitt Juvenile Probation	8/31	Local Govt.	Financial Statement Audit	YES	20+
Dewitt County DD # 1	9/30	Local Govt.	Financial Statement Audit	no	30+
Boling ISD	8/31	Local Govt.	Financial Statement Audit Single Audit	YES	5+



CERTIFIED PUBLIC ACCOUNTANTS
101 S. HARRIS SUITE 400
WILKINSON, TEXAS 77401-8142

Listing of Governmental Clients and Latest Projects for Past Five Years:

	<u>FYE</u>	<u>Type</u>	<u>Scope of Work</u>	<u>Yellow Book</u>	<u>Years of Service</u>
Brazos ISD	8/31	Local Govt.	Financial Statement Audit Single Audit	YES	2
East Bernard ISD	8/31	Local Govt.	Financial Statement Audit Single Audit	YES	15+
Goliad ISD	6/30	Local Govt.	Financial Statement Audit Single Audit	YES	20+
Nursery ISD	8/31	Local Govt.	Financial Statement Audit	YES	1
Palacios ISD	8/31	Local Govt.	Financial Statement Audit Single Audit	YES	10+
Refugio ISD	8/31	Local Govt.	Financial Statement Audit Single Audit	YES	50+
Sealy ISD	8/31	Local Govt.	Financial Statement Audit Single Audit	YES	15+
24th Judicial District Adult Probation Department	8/31	Local Govt.	Financial Statement Audit	YES	25+
Port of Calhoun	6/30	Local Govt.	Financial Statement Audit GFOA Submission	no	10+
Port of Bay City	12/31	Local Govt.	Financial Statement Audit	no	2
Golden Crescent Regional Planning Commission	8/31	Local Govt.	Financial Statement Audit Single Audit	YES	20+
Calhoun County DD # 11	12/31	Local Govt.	Financial Statement Audit	no	15+
Calhoun County WCID # 1	12/31	Local Govt.	Financial Statement Audit	no	15+
Quail Creek MUD	9/30	Local Govt.	Financial Statement Audit	no	35+
Jackson County Emergency Services District	9/30	Local Govt.	Financial Statement Audit Assist Prep. Tax & P/R Reports	YES	5+



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: Lopez, Gabriel **Date Submitted:** 8/20/2024
Last, First *MM/DD/YYYY*

Requestor Type: City Staff **Meeting Date:** 8/27/2024
Citizen/City Staff/Council Member *MM/DD/YYYY*

Position Title Engineering Technician
For City Staff Only

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

Agenda Content:

Discuss, consider, and/or approve a resolution authorizing the award of engineering service provider for the Hazard Mitigation Assistance (HMA) Program(s) funded through the Texas Division of Emergency Management (TDEM) and/or Texas Water Development Board (TWDB).

Executive Summary of Item:

BACKGROUND: The City of Bay City has completed a Request for Qualifications (RFQ) process to identify an engineering firm for Hazard Mitigation Assistance (HMA) projects, administered by TDEM and TWDB. The selected firm will begin with the awarded Stormwater Management Plan, identifying city-wide drainage and flood risks. They will also work on various HMA programs (HMGP, BRIC, FMA), developing preliminary engineering, cost estimates, and benefit-cost analyses for future HMA grant applications.

FINANCIAL IMPLICATIONS: The Stormwater Management Plan, which is part of the Hazard Mitigation Grant Program (HMGP), has an approved budget of \$650,000. Federal funds will cover 90% (\$585,000), with the City providing the remaining 10% (\$65,000).

Additionally, the grant covers grant management at \$32,500, which is 100% federally funded with no local match required.

Future HMA projects will have separate budgets and cost-sharing arrangements.

IMPACT ON COMMUNITY SUSTAINABILITY: Selecting a qualified engineering firm for HMA projects will improve Bay City's ability to reduce flood risks, strengthen infrastructure, and respond to

natural disasters. The chosen firm will help identify and implement projects that protect residents, preserve property, and improve the city's ability to withstand and recover from hazards.

RECOMMENDATION: City Staff recommends Council approve Freese and Nichols as the selected engineering firm for Bay City's Hazard Mitigation Assistance (HMA) projects. This approval will enable the commencement of the Stormwater Management Plan and support the city's efforts in future HMA grant applications and project implementations.

RESOLUTION R-2024-_____

A RESOLUTION OF THE CITY OF BAY CITY, TEXAS, AUTHORIZING THE AWARD OF PROFESSIONAL SERVICE PROVIDER FOR THE HAZARD MITIGATION ASSISTANCE (HMA) PROGRAM(S) FUNDED THROUGH THE TEXAS DIVISION OF EMERGENCY MANAGEMENT (TDEM) AND/OR TEXAS WATER DEVELOPMENT BOARD (TWDB).

WHEREAS, participation in HMA program(s) requires implementation by professionals experienced in the administration of federally-funded projects; and

WHEREAS, in order to identify qualified and responsive providers for these services a Request for Qualifications (RFQ) process for engineering services has been completed in accordance with the TDEM and TWDB requirements; and

WHEREAS, the proposals received by the due date have been reviewed to determine the most qualified and responsive providers for each professional service giving consideration to ability to perform successfully under the terms and conditions of the proposed procurement, integrity, compliance with public policy, record of past performance, and financial and technical resources.

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

Section 1. That _____ is selected to provide application and project-related **engineering services** for HMA program(s).

Section 2. That any and all project-related services contracts or commitments made with the above-named service provider are dependent on the successful negotiation of a contract with the service provider.

PASSED AND APPROVED on the _____ day of August 2024

CITY OF BAY CITY, TEXAS

Robert K. Nelson, Mayor

ATTEST:

APPROVED as to FORM:

Jeanna Thompson, City Secretary

Anne Marie Odefey, City Attorney
ROBERTS, ODEFEY, WITTE & WALL, LLP



CITY OF BAY CITY
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AGENDA ITEM SUBMISSION FORM

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Requestor Name: Lopez, Gabriel **Date Submitted:** 08/21/2024
Last, First *MM/DD/YYYY*

Requestor Type: City Staff **Meeting Date:** 08/27/2024
Citizen/City Staff/Council Member *MM/DD/YYYY*

Position Title Engineering Technician
For City Staff Only

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

Agenda Content:

Discuss, consider, and/or approve entering into a contract with HDR Engineering, Inc. for \$52,500 to prepare the City of Bay City's grant application for the Federal Railroad Crossing Elimination (RCE) Track 1 Planning grant.

Executive Summary of Item:

BACKGROUND:

The City of Bay City is considering applying for the FY 2023-2024 Railroad Crossing Elimination (RCE) Program grant, part of the Infrastructure Investment and Jobs Act (IIJA). This program funds projects improving safety and mobility at highway-rail grade crossings, aiming to reduce risks at frequently blocked or high-risk crossings.

The city would apply for Track 1, Project Planning, which involves developing purpose statements, conceptual engineering, alternative evaluations, and stakeholder engagement. HDR Engineering, Inc. has proposed to prepare the grant application, focusing on planning activities to study the elimination of two at-grade highway-rail crossings through the construction of overpasses. The crossings under consideration are at 7th Street (TX-35) and Avenue F (TX-60).

HDR's proposed scope includes developing a complete project description, articulating plans for engineering and environmental documentation, and preparing a readable, complete

narrative application. They would also conduct a supplementary project safety benefit analysis, quantifying public safety benefits expected from the project.

The planning grant would also fund essential studies on traffic volumes, safety assessments, and potential impacts of the proposed grade separation (overpass). These studies would provide crucial information to support the city's ongoing efforts to establish a quiet zone. HDR, who is currently working on the Notice of Intent (NOI) for the quiet zone, would be able to integrate this planning work with the existing quiet zone initiative.

FINANCIAL IMPLICATIONS:

HDR Engineering, Inc. has proposed a lump sum fee of \$52,500 for grant writing services.

The RCE grant has an 80% federal / 20% local cost share across all tracks. If awarded, grant administrative costs will be included in the project budget and are eligible for reimbursement.

If Track 1 is successful, the city should anticipate additional costs for future track applications. Track 2, which involves 30% design and environmental reviews, and Track 3, which includes final design and construction, will each require separate grant applications with associated writing costs.

IMPACT ON COMMUNITY SUSTAINABILITY:

The proposed Railroad Crossing Elimination project would enhance Bay City's long-term sustainability by improving railroad crossing safety and reducing traffic congestion on State Highways. Constructing overpasses would eliminate delays caused by trains, supporting more efficient traffic flow and economic growth.

The RCE project aligns with ongoing quiet zone efforts, as overpasses would eliminate the need for train horns at these crossings, significantly reducing noise pollution. The improved infrastructure would ensure uninterrupted access for emergency vehicles, potentially saving lives.

This investment addresses current transportation challenges and promotes sustainable growth and development for Bay City.

RECOMMENDATION:

Staff recommends that the City Council approve the contract with HDR Engineering, Inc., to prepare the RCE Track 1 Planning grant application. This approval will enable the City to actively pursue federal funding and advance the project, which will significantly contribute to improving railroad crossing safety and support our ongoing efforts to establish a quiet zone.

ATTACHMENTS:

- 1. HDR Engineering, Inc. Proposal



August 12, 2024

Ms. Scotty Jones
Interim City Manager
City of Bay City
1901 Fifth Street
Bay City, Texas 77414

RE: FRA FY 2023-2024 Railroad Crossing Elimination Track 1 Planning Application

Dear Ms. Jones

HDR Engineering, Inc. (HDR) is pleased to submit this proposal to you for assisting the City of Bay City, TX in developing of a Federal FY 2023-24 Railroad Crossing Elimination (RCE) grant application. HDR is very familiar with the Federal Railroad Administration’s (FRA) discretionary grant programs, including RCE.

HDR understands the City of Bay City wishes to pursue RCE grant funding to advance Track 1 Planning activities to study the grade separation and/or closure of two at-grade highway-rail crossings impacting the City of Bay City community.

- 7th Street (TX-35) and BNSF Baytown Subdivision – ID # 023378X
- Avenue F (TX-60) and UP Angleton Subdivision – ID # 448744X



The anticipated project application scope includes FRA-defined planning activities to support public engagement, alternatives development, and conceptual design documentation for grade crossing solutions identified through the study.

In general, HDR has found that the following is required for a successful federal grant application:



1. A complete description of the project, its goals, its purpose and need, and how it will be implemented.
2. A well-articulated plan to complete engineering and environmental documentation.
3. A readable, complete narrative application.
4. Strong preference for the project, among the various projects in the state, by one or more Senators or Congressional Representatives, and from the Governor's office.

HDR proposes to assist City of Bay City with the preparation of the application and the supplementary safety analysis as outlined in the Scope of Work below:

Scope of Work

TASK 1: MANAGEMENT AND ADMINISTRATION

Subtask 1.1 Project Management and Administration

The purpose of this task is to perform project management and administrative functions for the support of the Project. This includes project budget and schedule management, team oversight, project invoicing, coordination with City personnel, and the development and maintenance of project finance, project control, document control, and Project closeout systems and procedures.

The following services are included in this task:

- Prepare monthly invoices
- Prepare monthly progress reports
- Maintain project files and documentation

Assumptions:

- Management resources are provided for a 12-week period (August 2024 to October 2024).

Deliverables/Schedule:

- Invoices submitted electronically to City.

Subtask 1.2 Project Coordination and Meetings

HDR will provide guidance on the RCE grant application development, schedule, criteria, and overall strategy to produce a successful grant application, including required Statement of Work documentation. HDR will provide an overview of the federal application process and standard forms City must complete as part of the application process. This task will include conference calls and an initial kick-off meeting to discuss various alternatives and options for the development of the application, as well as providing intelligence gathered regarding the grant programs. HDR will assist with host railroad (BNSF and Union Pacific) to obtain letters of support for the project and define potential host railroad participation in the project.

Assumptions:

Three coordination meetings with the City will occur by conference call and be up to thirty minutes in length. Up to three (3) HDR team members will be in attendance.

- HDR will set up a Microsoft Teams page for file sharing and collaboration.

Deliverables/Schedule:

- Meeting agenda submitted electronically to City Project Manager (PM) two (2) business days prior to meeting.



- Meeting notes submitted electronically to City within three (3) business days of meeting.

TASK 2: RCE APPLICATION PREPARATION

The FY 2023-24 RCE application will target Track 1 Planning, recognizing the project's lifecycle stage. HDR will assist in evaluating the selected project and developing content for each of the evaluation criteria.

As part of the grant application HDR will develop grant budget estimates. These cost estimates will be the basis for the grant application's proposed cost split between FRA and City funds.

HDR will compile the grant application including appendices such as but not limited to the detailed SOW, letters of support, funding commitment letters and supporting safety documentation.

Project

- City will provide background information pertaining to the project as requested from the HDR.
- City will be responsible for obtaining the letters of support with support from HDR in obtaining the letter of support from host railroads.
- City will be responsible for obtaining the funding commitment letters.
- City will be responsible for submitting the grant application on DOT's grants.gov site.
- City will be responsible for the completion of standards forms identified in the RCE NOFO to be submitted via grants.Gov.

Timeline

- Draft RCE FY 2023-24 Project Narrative and Appendices submitted electronically to City PM for review on September 13, 2024.
- Final RCE FY 2023-24 Project Narrative and Appendices submitted electronically to City September 18, 2024.

TASK 3: SUPPLEMENTARY PROJECT SAFETY BENEFIT ANALYSIS

The RCE program does not require a formalized Benefit Cost Analysis, though economic impacts are considered under Project Benefits. Additionally, the RCE program places emphasis on the demonstration of safety benefits/improvements based on quantifiable safety data analysis. HDR will quantify public safety benefits expected to be derived from the project that demonstrates adherence with the appropriate merit criteria, an in consultation of appropriate federal and state data sources.

The safety analyses undertaken for this project:

- **Step 1: Define Baseline and Alternative Scenarios**

The Notice of Funding Opportunity (NOFO) requires that safety benefits be projected based on consultation of data sources. HDR will work with the City to identify the baseline safety conditions and the possible alternatives for consideration.

Project

- City will provide project purpose, goals, objectives, estimates and other pertinent background information for the application.

- **Step 2: Identify Public Safety Benefits**

This step formalizes the public safety benefit categories to be evaluated. Public benefit categories will be

mapped to long term outcomes and merit criteria specified in the NOFO, including:

- Safety
- Environmental health benefits
- Reduction of GHG emissions

Included in this step is a strategy session by which the various components of the project will be discussed in order to fully define which elements should be included in the project scope.

- **Step 3: Issue Results**

In this step, materials for inclusion in the grant application and in support of the findings described in the safety analysis section of the applications are drafted. A short document is drafted with key sections for input directly into the application document and a second short appendix is drafted that can be posted online and referenced in the text of the document. The appendix describes the evaluation approach, describe the data and assumptions used in a table format.

Key sections for input

- Key sections for input directly into the application document as a part of Task 2.
- An appendix describing the evaluation approach, the data and assumptions used in a table format.

Budget

Based on the tasks described in this proposal, HDR proposes a Lump Sum fee of **\$52,500** for this engagement. HDR will endeavor to appraise the City of any potential additional or extended services that may result from the above listed items, prior to HDR's expenditure of time on such services. As previously noted, any such extended or additional services shall only be performed when directed by the City to HDR. Any appropriate engineering fee for these additional services will be negotiated with the City as an amendment to HDR's contract, as required. HDR will invoice monthly. The invoice package will include the percentage of the project complete.

Terms and Conditions

The terms and conditions between the City and HDR for this proposed project are attached as Attachment "A".

We very much appreciate this opportunity to continue assisting the City of Bay City with this critical project. Please direct any questions or concerns related to this proposal to HDR's Project Manager Russell McNaught at (713) 576-3659.

Sincerely,

HDR Engineering, Inc.



David C. Weston
Vice President



Russell McNaught, PE
Project Manager

Exhibit "A"

HDR Engineering, Inc. Terms and Conditions for Professional Services

1. STANDARD OF PERFORMANCE

The standard of care for all professional engineering, consulting and related services performed or furnished by ENGINEER and its employees under this Agreement will be the care and skill ordinarily used by members of ENGINEER's profession practicing under the same or similar circumstances at the same time and in the same locality. ENGINEER makes no warranties, express or implied, under this Agreement or otherwise, in connection with ENGINEER's services.

2. INSURANCE/INDEMNITY

ENGINEER agrees to procure and maintain, at its expense, Workers' Compensation insurance as required by statute; Employer's Liability of \$250,000; Automobile Liability insurance of \$1,000,000 combined single limit for bodily injury and property damage covering all vehicles, including hired vehicles, owned and non-owned vehicles; Commercial General Liability insurance of \$1,000,000 combined single limit for personal injury and property damage; and Professional Liability insurance of \$1,000,000 per claim for protection against claims arising out of the performance of services under this Agreement caused by negligent acts, errors, or omissions for which ENGINEER is legally liable. If flying an Unmanned Aerial System (UAS or drone), ENGINEER will procure and maintain aircraft unmanned aerial systems insurance of \$1,000,000 per occurrence. OWNER shall be made an additional insured on Commercial General and Automobile Liability insurance policies and certificates of insurance will be furnished to the OWNER. ENGINEER agrees to indemnify OWNER for third party personal injury and property damage claims to the extent caused by ENGINEER's negligent acts, errors or omissions. However, neither Party to this Agreement shall be liable to the other Party for any special, incidental, indirect, or consequential damages (including but not limited to loss of use or opportunity; loss of good will; cost of substitute facilities, goods, or services; cost of capital; and/or fines or penalties), loss of profits or revenue arising out of, resulting from, or in any way related to the Project or the Agreement from any cause or causes, including but not limited to any such damages caused by the negligence, errors or omissions, strict liability or breach of contract. The employees of both parties are intended third party beneficiaries of this waiver of consequential damages.

3. OPINIONS OF PROBABLE COST

Any opinions of probable project cost or probable construction cost provided by ENGINEER are made on the basis of information available to ENGINEER and on the basis of ENGINEER's experience and qualifications, and represents its judgment as an experienced and qualified professional engineer. However, since ENGINEER has no control over the cost of labor, materials, equipment or services furnished by others, or over the contractor(s) methods of determining prices, or over competitive bidding or market conditions, ENGINEER does not guarantee that proposals, bids or actual project or construction cost will not vary from opinions of probable cost ENGINEER prepares.

4. CONSTRUCTION PROCEDURES

ENGINEER's observation or monitoring portions of the work performed under construction contracts shall not relieve the contractor from its responsibility for performing work in accordance with applicable contract documents. ENGINEER shall not control or have charge of, and shall not be responsible for, construction means, methods, techniques, sequences, procedures of construction, health or safety programs or precautions connected with the work and shall not manage, supervise, control or have charge of construction. ENGINEER shall not be responsible for the acts or omissions of the contractor or other parties on the project. ENGINEER shall be

entitled to review all construction contract documents and to require that no provisions extend the duties or liabilities of ENGINEER beyond those set forth in this Agreement. OWNER agrees to include ENGINEER as an indemnified party in OWNER's construction contracts for the work, which shall protect ENGINEER to the same degree as OWNER. Further, OWNER agrees that ENGINEER shall be listed as an additional insured under the construction contractor's liability insurance policies.

5. CONTROLLING LAW

This Agreement is to be governed by the law of the state where ENGINEER's services are performed.

6. SERVICES AND INFORMATION

OWNER will provide all criteria and information pertaining to OWNER's requirements for the project, including design objectives and constraints, space, capacity and performance requirements, flexibility and expandability, and any budgetary limitations. OWNER will also provide copies of any OWNER-furnished Standard Details, Standard Specifications, or Standard Bidding Documents which are to be incorporated into the project.

OWNER will furnish the services of soils/geotechnical engineers or other consultants that include reports and appropriate professional recommendations when such services are deemed necessary by ENGINEER. The OWNER agrees to bear full responsibility for the technical accuracy and content of OWNER-furnished documents and services.

In performing professional engineering and related services hereunder, it is understood by OWNER that ENGINEER is not engaged in rendering any type of legal, insurance or accounting services, opinions or advice. Further, it is the OWNER's sole responsibility to obtain the advice of an attorney, insurance counselor or accountant to protect the OWNER's legal and financial interests. To that end, the OWNER agrees that OWNER or the OWNER's representative will examine all studies, reports, sketches, drawings, specifications, proposals and other documents, opinions or advice prepared or provided by ENGINEER, and will obtain the advice of an attorney, insurance counselor or other consultant as the OWNER deems necessary to protect the OWNER's interests before OWNER takes action or forebears to take action based upon or relying upon the services provided by ENGINEER.

7. SUCCESSORS, ASSIGNS AND BENEFICIARIES

OWNER and ENGINEER, respectively, bind themselves, their partners, successors, assigns, and legal representatives to the covenants of this Agreement. Neither OWNER nor ENGINEER will assign, sublet, or transfer any interest in this Agreement or claims arising therefrom without the written consent of the other. No third party beneficiaries are intended under this Agreement.

8. RE-USE OF DOCUMENTS

All documents, including all reports, drawings, specifications, computer software or other items prepared or furnished by ENGINEER pursuant to this Agreement, are instruments of service with respect to the project. ENGINEER retains ownership of all such documents. OWNER may retain copies of the documents for its information and reference in connection with the project; however, none of the documents are intended or represented to be suitable for reuse by OWNER or others on extensions of the project or on any other project. Any reuse without written verification or adaptation by ENGINEER for the specific purpose intended will be at OWNER's sole risk and without liability or legal exposure to ENGINEER, and OWNER will defend, indemnify and hold harmless ENGINEER from all claims, damages, losses and expenses, including attorney's fees,

arising or resulting therefrom. Any such verification or adaptation will entitle ENGINEER to further compensation at rates to be agreed upon by OWNER and ENGINEER.

9. TERMINATION OF AGREEMENT

OWNER or ENGINEER may terminate the Agreement, in whole or in part, by giving seven (7) days written notice to the other party. Where the method of payment is "lump sum," or cost reimbursement, the final invoice will include all services and expenses associated with the project up to the effective date of termination. An equitable adjustment shall also be made to provide for termination settlement costs ENGINEER incurs as a result of commitments that had become firm before termination, and for a reasonable profit for services performed.

10. SEVERABILITY

If any provision of this agreement is held invalid or unenforceable, the remaining provisions shall be valid and binding upon the parties. One or more waivers by either party of any provision, term or condition shall not be construed by the other party as a waiver of any subsequent breach of the same provision, term or condition.

11. INVOICES

ENGINEER will submit monthly invoices for services rendered and OWNER will make payments to ENGINEER within thirty (30) days of OWNER's receipt of ENGINEER's invoice.

ENGINEER will retain receipts for reimbursable expenses in general accordance with Internal Revenue Service rules pertaining to the support of expenditures for income tax purposes. Receipts will be available for inspection by OWNER's auditors upon request.

If OWNER disputes any items in ENGINEER's invoice for any reason, including the lack of supporting documentation, OWNER may temporarily delete the disputed item and pay the remaining amount of the invoice. OWNER will promptly notify ENGINEER of the dispute and request clarification and/or correction. After any dispute has been settled, ENGINEER will include the disputed item on a subsequent, regularly scheduled invoice, or on a special invoice for the disputed item only.

OWNER recognizes that late payment of invoices results in extra expenses for ENGINEER. ENGINEER retains the right to assess OWNER interest at the rate of one percent (1%) per month, but not to exceed the maximum rate allowed by law, on invoices which are not paid within thirty (30) days from the date OWNER receives ENGINEER's invoice. In the event undisputed portions of ENGINEER's invoices are not paid when due, ENGINEER also reserves the right, after seven (7) days prior written notice, to suspend the performance of its services under this Agreement until all past due amounts have been paid in full.

12. CHANGES

The parties agree that no change or modification to this Agreement, or any attachments hereto, shall have any force or effect unless the change is reduced to writing, dated, and made part of this Agreement. The execution of the change shall be authorized and signed in the same manner as this Agreement. Adjustments in the period of services and in compensation shall be in accordance with applicable paragraphs and sections of this Agreement. Any proposed fees by ENGINEER are estimates to perform the services required to complete the project as ENGINEER understands it to be defined. For those projects involving conceptual or process development services, activities often are not fully definable in the initial planning. In any event, as the project progresses, the facts developed may dictate a change in the services to be performed, which may alter the scope. ENGINEER will inform OWNER of such situations so that changes in scope and adjustments to the time of performance and compensation can be made as required. If such change, additional services, or suspension of services results in an increase or decrease in the cost of or time required for performance

of the services, an equitable adjustment shall be made, and the Agreement modified accordingly.

13. CONTROLLING AGREEMENT

These Terms and Conditions shall take precedence over any inconsistent or contradictory provisions contained in any proposal, contract, purchase order, requisition, notice-to-proceed, or like document.

14. EQUAL EMPLOYMENT AND NONDISCRIMINATION

In connection with the services under this Agreement, ENGINEER agrees to comply with the applicable provisions of federal and state Equal Employment Opportunity for individuals based on color, religion, sex, or national origin, or disabled veteran, recently separated veteran, other protected veteran and armed forces service medal veteran status, disabilities under provisions of executive order 11246, and other employment, statutes and regulations, as stated in Title 41 Part 60 of the Code of Federal Regulations § 60-1.4 (a-f), § 60-300.5 (a-e), § 60-741 (a-e).

15. HAZARDOUS MATERIALS

OWNER represents to ENGINEER that, to the best of its knowledge, no hazardous materials are present at the project site. However, in the event hazardous materials are known to be present, OWNER represents that to the best of its knowledge it has disclosed to ENGINEER the existence of all such hazardous materials, including but not limited to asbestos, PCB's, petroleum, hazardous waste, or radioactive material located at or near the project site, including type, quantity and location of such hazardous materials. It is acknowledged by both parties that ENGINEER's scope of services do not include services related in any way to hazardous materials. In the event ENGINEER or any other party encounters undisclosed hazardous materials, ENGINEER shall have the obligation to notify OWNER and, to the extent required by law or regulation, the appropriate governmental officials, and ENGINEER may, at its option and without liability for delay, consequential or any other damages to OWNER, suspend performance of services on that portion of the project affected by hazardous materials until OWNER: (i) retains appropriate specialist consultant(s) or contractor(s) to identify and, as appropriate, abate, remediate, or remove the hazardous materials; and (ii) warrants that the project site is in full compliance with all applicable laws and regulations. OWNER acknowledges that ENGINEER is performing professional services for OWNER and that ENGINEER is not and shall not be required to become an "arranger," "operator," "generator," or "transporter" of hazardous materials, as defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1990 (CERCLA), which are or may be encountered at or near the project site in connection with ENGINEER's services under this Agreement. If ENGINEER's services hereunder cannot be performed because of the existence of hazardous materials, ENGINEER shall be entitled to terminate this Agreement for cause on 30 days written notice. To the fullest extent permitted by law, OWNER shall indemnify and hold harmless ENGINEER, its officers, directors, partners, employees, and subconsultants from and against all costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals, and all court or arbitration or other dispute resolution costs) caused by, arising out of or resulting from hazardous materials, provided that (i) any such cost, loss, or damage is attributable to bodily injury, sickness, disease, or death, or injury to or destruction of tangible property (other than completed Work), including the loss of use resulting therefrom, and (ii) nothing in this paragraph shall obligate OWNER to indemnify any individual or entity from and against the consequences of that individual's or entity's sole negligence or willful misconduct.

16. EXECUTION

This Agreement, including the exhibits and schedules made part hereof, constitute the entire Agreement between ENGINEER and

OWNER, supersedes and controls over all prior written or oral understandings. This Agreement may be amended, supplemented or modified only by a written instrument duly executed by the parties.

17. ALLOCATION OF RISK

OWNER AND ENGINEER HAVE EVALUATED THE RISKS AND REWARDS ASSOCIATED WITH THIS PROJECT, INCLUDING ENGINEER'S FEE RELATIVE TO THE RISKS ASSUMED, AND AGREE TO ALLOCATE CERTAIN OF THE RISKS, SO, TO THE FULLEST EXTENT PERMITTED BY LAW, THE TOTAL AGGREGATE LIABILITY OF ENGINEER (AND ITS RELATED CORPORATIONS, SUBCONSULTANTS AND EMPLOYEES) TO OWNER AND THIRD PARTIES GRANTED RELIANCE IS LIMITED TO THE LESSER OF \$1,000,000 OR ITS FEE, FOR ANY AND ALL INJURIES, DAMAGES, CLAIMS, LOSSES, OR EXPENSES (INCLUDING ATTORNEY AND EXPERT FEES) ARISING OUT OF ENGINEER'S SERVICES OR THIS AGREEMENT REGARDLESS OF CAUSE(S) OR THE THEORY OF LIABILITY, INCLUDING NEGLIGENCE, INDEMNITY, OR OTHER RECOVERY. ENGINEER'S AND SUBCONSULTANTS' EMPLOYEES ARE INTENDED THIRD PARTY BENEFICIARIES OF THIS ALLOCATION OF RISK.

18. LITIGATION SUPPORT

In the event ENGINEER is required to respond to a subpoena, government inquiry or other legal process related to the services in connection with a legal or dispute resolution proceeding to which ENGINEER is not a party, OWNER shall reimburse ENGINEER for reasonable costs in responding and compensate ENGINEER at its then standard rates for reasonable time incurred in gathering information and documents and attending depositions, hearings, and trial.

19. NO THIRD PARTY BENEFICIARIES

Except as otherwise provided in this Agreement, no third party beneficiaries are intended under this Agreement. In the event a reliance letter or certification is required under the scope of services, the parties agree to use a form that is mutually acceptable to both parties.

20. UTILITY LOCATION

If underground sampling/testing is to be performed, a local utility locating service shall be contacted to make arrangements for all utilities to determine the location of underground utilities. In addition, OWNER shall notify ENGINEER of the presence and location of any underground utilities located on the OWNER's property which are not the responsibility of private/public utilities. ENGINEER shall take reasonable precautions to avoid damaging underground utilities that are properly marked. The OWNER agrees to waive any claim against ENGINEER and will indemnify and hold ENGINEER harmless from any claim of liability, injury or loss caused by or allegedly caused by ENGINEER's damaging of underground utilities that are not properly marked or are not called to ENGINEER's attention prior to beginning the underground sampling/testing.

21. UNMANNED AERIAL SYSTEMS

If operating UAS, ENGINEER will obtain all permits or exemptions required by law to operate any UAS included in the services. ENGINEER's operators have completed the training, certifications and licensure as required by the applicable jurisdiction in which the UAS will be operated. OWNER will obtain any necessary permissions for ENGINEER to operate over private property, and assist, as necessary, with all other necessary permissions for operations.

22. OPERATIONAL TECHNOLOGY SYSTEMS

OWNER agrees that the effectiveness of operational technology systems and features designed, recommended or assessed by ENGINEER (collectively "OT Systems") are dependent upon OWNER's continued operation and maintenance of the OT Systems

in accordance with all standards, best practices, laws, and regulations that govern the operation and maintenance of the OT Systems. OWNER shall be solely responsible for operating and maintaining the OT Systems in accordance with applicable laws, regulations, and industry standards (e.g. ISA, NIST, etc.) and best practices, which generally include but are not limited to, cyber security policies and procedures, documentation and training requirements, continuous monitoring of assets for tampering and intrusion, periodic evaluation for asset vulnerabilities, implementation and update of appropriate technical, physical, and operational standards, and offline testing of all software/firmware patches/updates prior to placing updates into production. Additionally, OWNER recognizes and agrees that OT Systems are subject to internal and external breach, compromise, and similar incidents. Security features designed, recommended or assessed by ENGINEER are intended to reduce the likelihood that OT Systems will be compromised by such incidents. However, ENGINEER does not guarantee that OWNER's OT Systems are impenetrable and OWNER agrees to waive any claims against ENGINEER resulting from any such incidents that relate to or affect OWNER's OT Systems.

23. FORCE MAJEURE

ENGINEER shall not be responsible for delays caused by factors beyond ENGINEER's reasonable control, including but not limited to delays because of strikes, lockouts, work slowdowns or stoppages, government ordered industry shutdowns, power or server outages, acts of nature, widespread infectious disease outbreaks (including, but not limited to epidemics and pandemics), failure of any governmental or other regulatory authority to act in a timely manner, failure of the OWNER to furnish timely information or approve or disapprove of ENGINEER's services or work product, or delays caused by faulty performance by the OWNER's or by contractors of any level or any other events or circumstances not within the reasonable control of the party affected, whether similar or dissimilar to any of the foregoing. When such delays beyond ENGINEER's reasonable control occur, the OWNER agrees that ENGINEER shall not be responsible for damages, nor shall ENGINEER be deemed in default of this Agreement, and the parties will negotiate an equitable adjustment to ENGINEER's schedule and/or compensation if impacted by the force majeure event or condition.

24. EMPLOYEE IMMUNITY

The parties to this Agreement acknowledge that an individual employee or agent may not be held individually liable for negligence with regard to services provided under this Agreement. To the maximum extent permitted by law, the parties intend i) that this limitation on the liability of employees and agents shall include directors, officers, employees, agents and representatives of each party and of any entity for whom a party is legally responsible, and ii) that any such employee or agent identified by name in this Agreement shall not be deemed a party. Specifically, in the event that all or a portion of the services is performed in the State of Florida, the following provision shall be applicable:

THE PARTIES ACKNOWLEDGE THAT PURSUANT TO APPLICABLE FLORIDA STATUTES AN INDIVIDUAL EMPLOYEE OR AGENT MAY NOT BE HELD INDIVIDUALLY LIABLE FOR NEGLIGENCE WITH REGARD TO SERVICES PROVIDED UNDER THIS AGREEMENT. To the maximum extent permitted by law, the Parties intend i) that this limitation on the liability of employees

and agents shall include directors, officers, employees, agents and representatives of each Party and of any entity for whom a Party is legally responsible, and ii) that any such employee or agent identified by name in this Agreement shall not be deemed a Party. The Parties further acknowledge that the Florida statutes referred to above include but are not limited to: §558.0035(1)(a)-(e); §471.023(3) (an engineer is personally liable for negligence except as provided in § 558.0035); §472.021(3) (surveyor and mapper); §481.219(11) (architect and interior designer); §481.319(6) (landscape architect); and §492.111(4) (geologist).



USDOT Discretionary Grants Opportunity

Railroad Crossing Elimination (RCE) Program

The U.S. Department of Transportation (USDOT) Federal Railroad Administration (FRA) has released the FY2023 and FY2024 Notice of Funding Opportunity (NOFO) for the Railroad Crossing Elimination (RCE) Program.

This program seeks to provide federal funding to fund highway-rail or pathway-rail grade crossing improvement projects that focus on improving the safety and mobility of people and goods. Funded projects will improve American rail infrastructure to enhance rail safety, improve the health and safety of communities, eliminate highway-rail and pathway-rail grade crossings that are frequently occupied by trains, and reduce the impacts that freight movement and railroad operations may have on underserved communities.

DOT seeks to fund projects that advance the Administration Priorities of safety, equity, climate and sustainability, workforce development, job quality, and wealth creation.

This alert summarizes eligible projects, funding categories, award size and matching requirements, eligible applicants, statutory evaluation requirements, and application requirements.

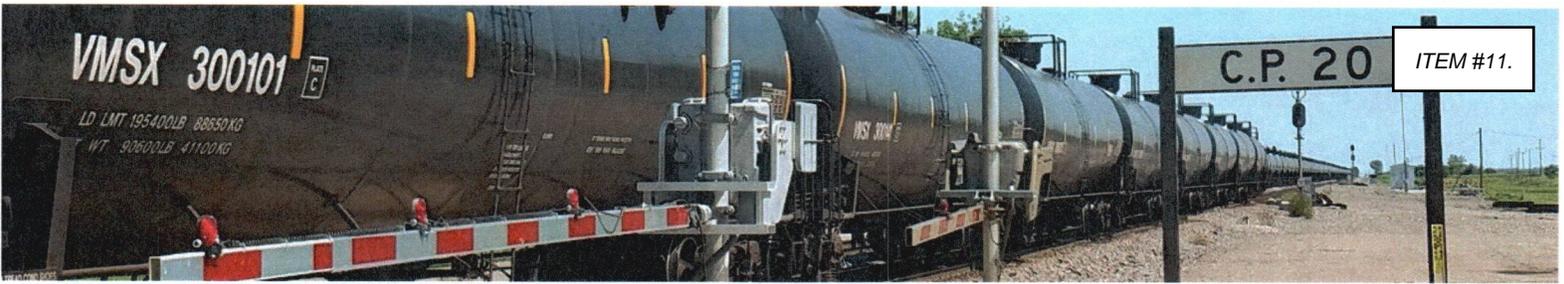
The [\[Notice of Funding Opportunity\]](#) (NOFO) is available from USDOT.

APPLICATION DEADLINE:

Monday
September 23, 2024
 11:59 PM EDT

Grant Program Summaries:





Eligible Projects

Eligible projects include highway-rail or pathway-rail grade crossing improvement projects benefitting the safety or mobility of goods and people. Project types include:

- Grade separation or closure projects, including the use of a bridge, embankment, or tunnel.
- Track relocation.
- Improvement or installation of protective devices, signals, signs, etc. to improve safety, provided the activities are related to a separation or relocation project.
- Other means to improve safety and mobility and highway-rail grade crossings (including technological solutions).
- A group or program of projects described in the previous bullets that collectively improve the mobility of people and goods.
- The planning, environmental analysis and design of an eligible project, while eligible, funding applications that combine project development lifecycle stages are not really encouraged and carry risk.

Eligible projects, including those that are a component of larger program or project, are encouraged to have operational independence (have independent utility and deliver independent benefits) and must be achievable with the funding levels requested in the application (including all match).

Funding Categories and Set Asides

Up to \$1.15 billion in funding is available from the RCE program for FY2023 and 2024. The RCE program establishes two categories of funding set asides: Planning Projects and Rural or Tribal set aside projects. The remainder of funds will support Improvement projects, including environmental clearance, design, and construction. The remainder of the funding will go to other projects such as informational programs.

Planning Projects

This opportunity offers \$38.3 million for planning projects. Of these funds, \$10.8 million will be made available for planning projects located in rural areas or on Tribal Lands. FRA specifically expects to support planning projects that seek to advance efforts to grade separate at least one or more at-grade crossings.

Rural or Tribal Set Asides

At least \$229.3 million (20%) of available funds are for projects located in rural areas or on Tribal Lands. At least \$11.5 million (5%), will be made available for projects in counties with 20 or fewer residents per square mile.

Award Size and Matching Requirements

The program establishes the following minimum and maximum grant award sizes by funding category.

PLANNING

MIN: No minimum

MAX: No maximum

IMPROVEMENT PROJECT

MIN: \$1 million

MAX: No maximum, but no more than 20% of available funding (\$229.8 million) will be awarded for projects in any single state

Applicants are required to offer at least a 20% non-federal match, as the federal share of costs for RCE projects may not exceed 80%.

The minimum 20% match may be comprised of a combination of non-federal public sector (i.e., state or local government) and private funding contributions. Funds provided by impacted rail carriers are to be specifically identified in the application. Other federal funding used toward the match requirement will not be considered eligible unless specific determinations of eligibility and legal basis for use are provided.

In-kind or cash match may be allowable so long as those contributions meet federal legal requirements, including those under 2 CFR 200.



Eligible Applicants

The following entities are eligible to apply for funding through this program:

- State governments
- Political subdivisions of states
- Federally recognized Tribal governments
- A unit of local government or group of local governments
- A public port authority
- Metropolitan planning organizations (MPOs)
- Any group of entities described above

The applicant serves as the primary point of contact for the application, and if selected, as the recipient of the RCE Program grant award. An application may identify entities that are not eligible applicants as project partners.

Eligible applicants may also seek funding for eligible commuter rail passenger transportation projects, though FRA reserves the right to transfer these projects to the Federal Transit Administration (FTA).

Evaluation Criteria

FRA will evaluate all eligible and complete applications based on **project readiness, technical merit** and **project benefits**.

PROJECT READINESS:

- Demonstrate strong project readiness, backed by status of required NEPA/environmental permitting readiness
- Status/timeline of agreements
- Identify the appropriate lifecycle Stage(s) and demonstrate the project (will) completed any preceding lifecycle stage(s), and able to complete all requirements
- Partner coordination and commitments

TECHNICAL MERIT:

- Tasks in the Statement of Work (SOW) are appropriate
- Key project personnel (project partners/contractors)
- Identified in freight plans, state action plans, or state rail plans
- Use of innovative technologies
- If impacted rails are providing funding/support
- How project affects multiple modes of transportation

PROJECT BENEFITS:

- Improves safety at highway-rail or pathway-rail grade crossings
- Proposes to grade separate, eliminate, or close one or more highway-rail or pathway-rail grade crossings
- Improves the mobility of both people and goods
- Reduces emissions, protects the environment, and provides community benefit (including noise reduction)
- Improves access to emergency services
- Provides economic benefit
- Uses contracting incentives to employ local labor, to the extent permissible under federal law



Application Requirements

Applications require a narrative limited to 25 pages, a SOW including the information requirements outlined in the NOFO and several standard forms. Applicants are also strongly encouraged to produce a project-specific Safety Justification based on objective, quantifiable data and metrics.

The RCE program does not require a formalized Benefit Cost Analysis, although economic impacts are considered under Project Benefits.

Applications are due on Monday, September 23, 2024 at 11:59 pm ET.

Your Infrastructure Finance and Freight Rail professionals stand by ready to support project sponsors applying for funding from the Railroad Crossing Elimination Program.

If you need any assistance or have questions, please contact:

Nathan Macek | nathan.macek@hdrinc.com | Catherine Dobbs | catherine.dobbs@hdrinc.com | Christian Goepel | christian.goepel@hdrinc.com

hdrinc.com

We practice increased use of sustainable materials and reduction of material use.

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Discuss, Consider, and/or Approve the reimbursement agreement between BNSF Railway Company and the City of Bay City, Texas.



EXECUTIVE SUMMARY

REIMBURSEMENT AGREEMENT – BNSF Railway Company

BACKGROUND:

January 23, 2024- The City entered a contract with HDR Engineering to coordinate with both railroad companies (UPRR and BNSF), identify improvement requirements to meet the identified supplementary safety measures (SSM) required to establish the city-wide quiet zone and provide the necessary documentation to the Federal Railroad administration (FRA) to establish the zone in the City limits. This agreement for consideration relates to **Task 3 – Preliminary Design Stage and Agency Input.**

This agreement allows BNSF to be reimbursed for time spent on field diagnostic on-site meetings. The purpose of the meeting is to conduct a crossing-by crossing walkthrough to determine existing conditions and identify relevant safety issues that should be addressed.

FINANCIAL IMPLICATIONS: \$39,337- This reimbursement will be paid from General Fund Reserves. A request has been made to be placed on the Bay City Community Development’s agenda for consideration to share the cost. This is part of the BCCDC’s Strategic focus who partnered with the City on the HDR Contract in January.

RECOMMENDATION: Staff recommends City Council approve the reimbursement agreement.

ATTACHMENTS: BNSF Agreement



Contract Number: BF-20524082

PRELIMINARY ENGINEERING SERVICES AGREEMENT
Quiet Zone Project

BNSF File No.: BF-20524082
Mile Post 67.60
Line Segment 7506
U.S. DOT Number 023370T
Bay City Subdivision

This Agreement (“**Agreement**”) is executed to be effective as of the date last signed (“**Effective Date**”), by and between BNSF RAILWAY COMPANY, a Delaware corporation (“**BNSF**”) and the CITY OF BAY CITY, TEXAS a political subdivision of the State of Texas (“**Agency**”).

RECITALS

WHEREAS, BNSF owns and operates a line of railroad in and through the CITY OF BAY CITY, State of Texas;

WHEREAS, Agency has stated its intention to proceed initially with a project to establish a Quiet Zone in accordance with the FRA Train Horn Rule, including the performance of diagnostic inspections at sixteen (16) highway-rail grade crossings in Ponca City, Oklahoma for the identification of necessary safety enhancements and related review of plans and other follow-up (the “**Project**”) that include the crossings: DOT 023370T – Golden Avenue (MP 67.60), DOT 023371A – Grace Street (MP 67.89), DOT 023373N – 13th Street (MP 68.10), DOT 023374V – 12th Street (MP 68.16), DOT 023376J – 9th Street (MP 68.39), DOT 023377R – 8th Street (MP 68.46), DOT 023378X – SH 35 / 7th Street (MP 68.53), DOT 023379E – 6th Street (MP 68.61), DOT023380Y – 4th Street (MP 68.75), DOT 023381F – 3rd Street (MP 68.83), DOT 023383U – Avenue K (MP 69.09), DOT 023385H – Cottonwood Avenue (MP 69.32), DOT 023386P – Private Road (MP 69.35), DOT 023387W – Private Road (MP 69.39), DOT 023388D – Private Road (MP 69.51), and DOT 023389K – FM 2668 / Nichols Avenue (“**Crossings**”);

WHEREAS, Agency has requested that BNSF perform certain preliminary engineering review services and other Work (defined below) with respect to its railroad facilities located at or near the Project site to facilitate Agency’s evaluation of the feasibility of proceeding with the Project; and



Contract Number: BF-20524082

WHEREAS, BNSF is agreeable to performing the Work, subject to the terms and conditions of this Agreement;

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements of the parties contained herein, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1) Scope of Work

As used herein, the term "**Work**" includes all work performed by BNSF, its employees, contractors, consultants, or other agents (collectively, the "**BNSF Parties**") pursuant to this Agreement, including, but not limited to: (a) conducting on-site visits including diagnostic evaluations; (b) performing preliminary engineering services; (c) developing cost estimates for construction of the Project; (d) preparing draft agreements including legal review; and (e) reviewing and/or providing comments on preliminary layouts or other designs, plans, and/or documents in connection with the Project.

2) Payment and Deposit for Work

Agency authorizes BNSF to proceed with the Work relating to the Project. Agency shall pay and reimburse BNSF for all actual costs and expenses that BNSF incurs in performing the Work, including without limitation: (a) labor, supplies, and material; (b) direct and indirect labor and contractor charges including additives; (c) delivery charges; (d) BNSF's additives and overhead, as such are in effect on the date BNSF prepares its final billing; and (e) all applicable taxes due, paid, or payable by BNSF on such products and services, including sales and use taxes, business and occupation taxes, and similar taxes (collectively, "**Actual Costs**"). BNSF's estimated cost for Work on this Project is \$39,337 ("**Estimated Cost**"). Any estimate provided by BNSF for the Work shall not be a limitation on the Work to be performed or the costs and expenses incurred, which Agency shall reimburse to BNSF in full.

During its performance of the Work pursuant to this Agreement, BNSF will send Agency progressive invoices detailing the costs of the Work performed to date. Agency must reimburse BNSF for completed Work within thirty (30) days of the date of the invoice for such Work. Upon final completion of the Work, BNSF will send Agency a detailed invoice of final costs. Agency must pay the final invoice within ninety (90) days of the date of the final invoice. BNSF will assess a finance charge of .033% per day (12% per annum) on any unpaid sums or other charges due under this



Contract Number: BF-20524082

Agreement which are past such thirty (30) or ninety (90) day terms, as applicable. The finance charge continues to accrue daily until the date payment is received by BNSF, not the date payment is made or the date postmarked on the payment. Finance charges will be assessed on delinquent sums and other charges as of the end of the month and will be reduced by amounts in dispute and any unposted payments received by the month's end. Finance charges will be noted on invoices sent to Agency under this section.

3) Scope and Limitations of Agreement

The parties acknowledge that entering into this Agreement does not of itself obligate either BNSF or Agency to participate in the construction of the Project. If Agency elects to proceed with the Project after the Work is performed, then BNSF and Agency agree to enter into negotiations for appropriate agreements regarding the construction of the Project and other related activities. Nothing in this Agreement — including BNSF's performance of the Work — shall obligate BNSF to enter into any subsequent agreement or otherwise permit the Project *except and subject to* any terms and conditions that BNSF may subsequently approve in its sole discretion.

The Project is understood to be undertaken, in whole or in part, as part of Agency's proposal to seek to establish and/or maintain a quiet zone in accordance with 49 CFR Part 222 ("**Quiet Zone**"). Agency acknowledges that BNSF does not recommend the establishment of a Quiet Zone and believes that, if not properly accounted for with appropriate safety enhancements, the elimination of the train horn can be detrimental to safety. The train horn is intended to alert the motoring and pedestrian public of train movement, and Agency is responsible for using the requirements provided at 49 CFR Part 222 as a minimum guideline in any approach to creating a situation where the train horn is eliminated. The Work to be performed by BNSF for the Project is not intended to be an endorsement or approval of the use of the Crossing or of any facilities or equipment to be installed by BNSF for the purposes of establishing or maintaining a Quiet Zone. Notwithstanding anything to the contrary in this Agreement, BNSF's review, approval, and/or other participation in the Project or any element thereof, including the Work performed by the BNSF Parties hereunder, are expressly limited to — and are intended and understood by the parties to be in furtherance of — BNSF's railroad purposes, and are not in furtherance of Agency's purposes in undertaking the Project.

BNSF is providing the Work — including without limitation the design, selection, or provision of signal equipment and other Crossing appurtenances or BNSF's modifications under or subsequent to this Agreement, including the review or adequacy of any existing equipment or appurtenances — in consideration of BNSF's subjective standards for its railroad purposes only. Consequently, the Work shall in no way be construed or deemed



Contract Number: BF-20524082

to be BNSF's recommendation, condition, or direction to Agency, nor shall the Work be construed or deemed to be BNSF's opinion or approval that the plans and specifications or any work intended or completed on the Project (a) is appropriate for any other purpose including Agency's use of the Crossing for highway purposes; (b) is structurally sound; or (c) meets applicable standards, regulations, laws, statutes, local ordinances, and/or building codes. No benefits to Agency or any third party are provided, intended, or implied herein. Agency shall at all times be solely responsible for the adequacy and compliance of all design elements of the Project for highway and other public purposes. **AGENCY SHALL WAIVE ANY CLAIMS AGAINST BNSF FOR — AND SHALL RELEASE BNSF FROM — ANY AND ALL CLAIMS WHICH MAY OR COULD RESULT FROM THE WORK PERFORMED HEREUNDER, AND IF APPLICABLE TO THE FULLEST EXTENT PERMITTED BY LAW, AGENCY SHALL INDEMNIFY BNSF FOR AND HOLD IT HARMLESS FROM AND AGAINST ANY SUCH CLAIMS.** Agency is solely responsible for obtaining regulatory approvals consistent with this Agreement.

AGENCY is solely responsible for establishing, and if approved, maintaining compliance of any Quiet Zone authorized by the Federal Railroad Administration, at its sole expense. Any additional work or equipment required to be installed at the Crossing as the result of the establishment of a Quiet Zone shall be at no cost to BNSF.

4) No Right of Entry

Nothing in this Agreement shall be construed as providing Agency or its contractors, consultants, or other agents any right of entry upon property owned or occupied by BNSF. Any preliminary engineering or other work required by Agency in connection with the Project necessitating entry upon BNSF's railroad right-of-way shall only be conducted as authorized by a separate written permit obtained by Agency from BNSF for such entry ("Entry Permit").

The Entry Permit will provide that any on-site visits, including diagnostic evaluations, by Agency and its parties required for the Project shall be conducted only from adjoining properties, and Agency shall ensure that no attendees enter or remain on BNSF's right-of-way, except when using an authorized highway-rail crossing designated for such purpose.

Agency or its agents must contact BNSF's Manager of Public Projects, Tim Huya at tim.huya@bnsf.com, or BNSF's permitting agent Jones Lang LaSalle Brokerage, Inc. ("JLL") at <http://bnsf.railpermitting.com/> to obtain the required Entry Permit prior to any entry.

5) Disclaimer



Contract Number: BF-20524082

BNSF GIVES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, QUALITY, MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE, OR ANY OTHER MATTER, OF OR FOR THE WORK PERFORMED PURSUANT TO THIS AGREEMENT OR ANY REPORT OR OTHER DELIVERABLE WHICH BNSF MAY FURNISH TO AGENCY PURSUANT TO THIS AGREEMENT. BNSF SHALL IN NO WAY BE RESPONSIBLE FOR AGENCY'S PROPER RELIANCE UPON, INTERPRETATION OF, OR OTHER USE OF THE WORK. BNSF IS NOT A CONTRACTOR, AGENT, PARTNER, OR JOINT VENTURER OF AGENCY BECAUSE OF THIS AGREEMENT OR BECAUSE OF BNSF'S PERFORMANCE OF THE WORK. LIKEWISE, THE BNSF PARTIES WHO MAY ASSIST BNSF IN PERFORMING THE WORK ARE DOING SO FOR BNSF'S BENEFIT ONLY, AND ARE NOT — AND SHALL NOT BE DEEMED TO BE — CONTRACTORS, SUBCONTRACTORS, OR AGENTS OF AGENCY.



Contract Number: BF-20524082

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the day and year first written above.

City of Bay City, Texas

BNSF Railway Company

By: _____

By: _____

Name: Robert Nelson
Mayor

Name: Timothy J. Huya
Manager Public Projects II

Accepted and effective: _____

Invoices to be submitted to Agency at:
City of Bay City
Attn: Scotty Jones
1901 Fifth Street
Bay City, TX 77414
Email: SJones@CityofBayCity.org
Office: 979-245-2137



Alfred Benesch & Company
6777 Camp Bowie Boulevard, Suite 215
Fort Worth, TX Office
www.benesch.com

June 28, 2024

Mr. Tim Huya
Manager Public Projects
BNSF Railway
4200 Deen Road
Fort Worth, TX 76106

RE: QZ Diagnostic Support Services for the Bay City, TX (16 crossings)

Dear Mr. Huya:

Alfred Benesch & Company (Benesch) appreciates the opportunity to provide the following proposal to provide diagnostic meeting support and plan review for the quiet zone diagnostic meetings at sixteen (16) grade crossings in Bay City, TX on BNSF Railway.

PROJECT UNDERSTANDING & SCOPE OF WORK

Diagnostic Support Services scope of work to include:

- 1. Review existing data/aerials/inventory/crash data
- 2. Conduct pre-diagnostic review - on-site
- 3. Prepare diagnostic package
- 4. Conduct pre-diagnostic review w/BNSF MPP
- 5. Participation in diagnostic team meeting (on-site)
- 6. Preparation of BNSF diagnostic workbook, photos & sketch
- 7. Review/comment on City's diagnostic team notes
- 8. Post diagnostic meetings/conference calls
- 9. Post diagnostic plan review
- 10. Project management/accounting

Tim Oster will be the lead on this project. Benesch is also prepared to add additional highly qualified professionals familiar with BNSF's standards, policies and processes to the team as needed to meet any additional needs of BNSF, but all work will be completed under my direction.

PROJECT MANAGEMENT – INVOICING & PROGRESS REPORTS

Monthly invoices will be provided for the project including any direct expenses. Benesch will actively monitor the budget for this project and provide notice to BNSF if we believe the budget will not be adequate to complete the review and support work for the project.

ESTIMATED FEE

Benesch proposes to perform this work for an estimated cost of \$39,337. We can initiate work under this contract within five (5) days upon notice to proceed. We appreciate the opportunity to be considered for this assignment. Please let me know if you have any questions or require additional information.

Sincerely,
Tim Oster

Tim Oster
Sr Project Manager – Fort Worth Office

Discuss, Consider, and/or Approve the reimbursement agreement between Union Pacific Railroad Company and the City of Bay City, Texas.



EXECUTIVE SUMMARY

REIMBURSEMENT AGREEMENT – Union Pacific Railroad Company

BACKGROUND:

January 23, 2024- The City entered a contract with HDR Engineering to coordinate with both railroad companies (UPRR and BNSF), identify improvement requirements to meet the identified supplementary safety measures (SSM) required to establish the city-wide quiet zone and provide the necessary documentation to the Federal Railroad administration (FRA) to establish the zone in the City limits. This agreement for consideration relates to **Task 3 – Preliminary Design Stage and Agency Input.**

This agreement allows UPRR to be reimbursed for time spent on field diagnostic on-site meetings. The purpose of the meeting is to conduct a crossing-by crossing walkthrough to determine existing conditions and identify relevant safety issues that should be addressed.

FINANCIAL IMPLICATIONS: \$55,000- This reimbursement will be paid from General Fund Reserves. A request has been made to be placed on the Bay City Community Development’s agenda for consideration to share the cost. This is part of the BCCDC’s Strategic focus who partnered with the City on the HDR Contract in January.

RECOMMENDATION: Staff recommends City Council approve the reimbursement agreement.

ATTACHMENTS: UPRR Agreement

QZ ID: TX321001
UPRR REMS
Project 797961

**REIMBURSEMENT AGREEMENT
 QUIET ZONE SERVICES**

Public Authority: CITY OF BAY CITY, TEXAS

Effective Date:

Estimate: \$55,000.00

THIS REIMBURSEMENT AGREEMENT (**Agreement**) is made and entered into as of the **Effective Date**, by and between UNION PACIFIC RAILROAD COMPANY, a Delaware corporation (**Railroad**), and PUBLIC AUTHORITY (**Public Authority**).

RECITALS

- A.** Public Authority desires to initiate the project more particularly described on **Exhibit A** attached hereto (**Project**).
- B.** The Project may affect Railroad's track, right of way or operations at or near the Project area more particularly described on **Exhibit A**.
- C.** Railroad agrees to collaborate with Public Authority on the progression of the Project in accordance with the terms and conditions of this Agreement and any federal regulations.

AGREEMENT

NOW THEREFORE, the parties hereto agree as follows:

1. Railroad, and/or its representatives, at Public Authority's sole cost and expense, agrees to perform (or shall cause a third-party consultant to perform on Railroad's behalf) the quietzone (QZ) engineering services work described on **Exhibit B** attached hereto (**QZ Work**). Public Authority acknowledges and agrees that: (a) Railroad's review of any Project designs, plans and/or specifications, as part of the QZ Work, is limited exclusively to potential impacts on existing and future Railroad facilities and operations; (b) Railroad makes no representations or warranties as to the validity, accuracy, legal compliance or completeness of the QZ Work; and (c) Public Authority's reliance on the QZ Work is at Public Authority's own risk.
2. Notwithstanding the **Estimate**, Public Authority agrees to reimburse Railroad and/or Railroad's third party consultant, as applicable, for one hundred percent (100%) of all actual costs and expenses incurred for the QZ Work. During the performance of the QZ Work, Railroad will provide (and/or will cause its third party consultant to provide) progressive billing to Public Authority based on actual costs in connection with the QZ Work. Within sixty (60) days after completion of the QZ Work, Railroad will submit (and/or will cause its third party consultant to submit) a final billing to Public Authority for any balance owed for the QZ Work. Public Authority shall pay Railroad (and/or its third-party consultant, as applicable) within thirty (30) days after Public Authority's receipt of any progressive and final bills submitted for the QZ Work. Bills will be

submitted to the Public Authority using the contact information provided on **Exhibit C**. Public Authority's obligation hereunder to reimburse Railroad (and/or its third party consultant, as applicable) for the QZ Work shall apply regardless if Public Authority declines to proceed with the Project or Railroad elects not to approve the Project.

3. Public Authority acknowledges and agrees that Railroad may withhold implementation or raise objections to the Project due to noncompliance with federal regulations or impacts to Railroad's safety, facilities or operations.

4. If Public Authority elects to move forward with the Project and the plans include Railroad work, Railroad shall prepare and forward to Public Authority a separate reimbursement agreement for preliminary engineering services to develop final plans and specifications, and prepare material and force cost estimates for any work required to be performed by the Railroad. The Agreement herein will remain in effect for the duration of the QZ Work described in **Exhibit B**.

5. Neither party shall assign this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld, conditioned or delayed.

6. No amendment or variation of the terms of this Agreement shall be valid unless made in writing and signed by the parties.

7. This Agreement sets forth the entire agreement between the parties regarding the Project and QZ Work. To the extent that any terms or provisions of this Agreement regarding the QZ Work are inconsistent with the terms or provisions set forth in any existing agreement related to the Project, such terms and provisions shall be deemed superseded by this Agreement to the extent of such inconsistency.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the Effective Date.

CITY OF BAY CITY, TEXAS

UNION PACIFIC RAILROAD COMPANY,
a Delaware Corporation

Signature

Signature

Printed Name

Amber Stoffels

Printed Name

Title

Manager I – Engineering, Public Projects

Title

Exhibit A Project Description and Location

Project Description

City of Bay City, TX proposes to establish a quiet zone at the crossing locations referred to below.

Subdivision: Angleton

At-grade crossing locations, if known.

DOT	Crossing Type	Milepost	Street Name
448741C	Public	283.41	Avenue A
448742J	Public	283.49	Avenue B
448743R	Public	283.56	Avenue C
448744X	Public	283.77	Avenue F
448745E	Public	283.91	Avenue H
448746L	Public	283.98	Avenue I
448747T	Public	284.13	Avenue K
448748A	Public	284.38	Cottonwood Avenue
448751H	Public	284.87	FM 2668/Nichols Avenue
448752P	Public	285.29	Norvell Avenue
448753W	Public	285.84	FM 457

Exhibit B

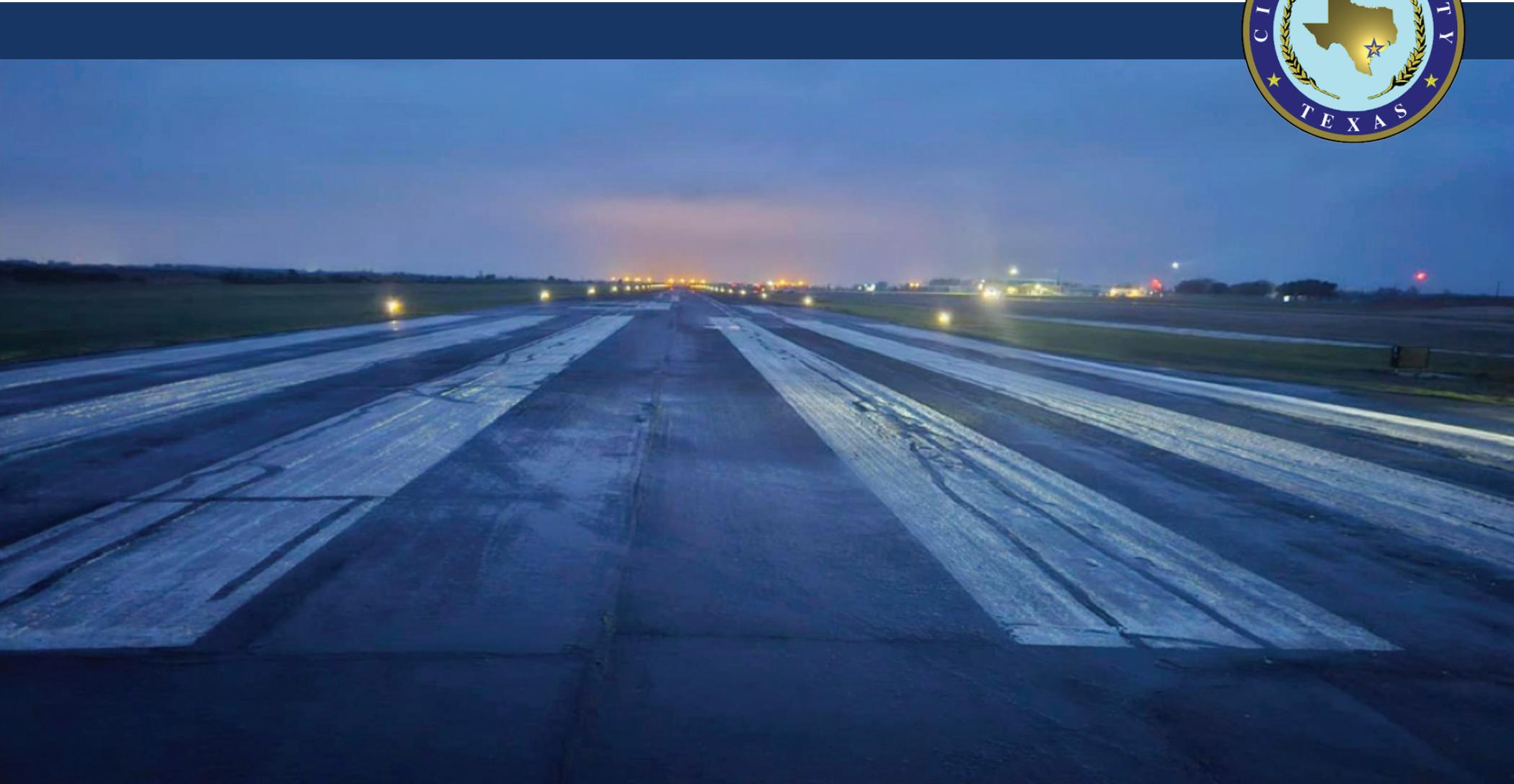
Scope of Project Services

Scope of work includes, but is not limited to the following.

- Meetings
- Field diagnostic(s) and inspections
- Notice of intent review and comments
- Public authority application review and comments
- Notice of establishment review and comments
- Implementation efforts
- Grade crossing inventory updates
- Travel expenses

Exhibit C Billing Contact Information

Name	Scotty Jones
Title	Interim City Manager
Address	1901 Fifth Street, Bay City, TX 77414
Work Phone	(979) 245-2137
Cell Phone	
Email	sjones@cityofbaycity.org
Agency Project No.	



2025-2027 STRATEGIC PLAN

The Strategic Planning Process

In March 2024, the City of Bay City embarked on a strategic planning process to develop the strategic priorities for Fiscal Year 2025 through 2027. Alysia A. Cook, PCED, IOM with Opportunity Strategies LLC served as their facilitator throughout this process.

The following is the process used to reach the conclusions for the Strategic Plan.

In preparation for the process, Alysia met with the Interim City Manager, Scotty Jones, and Mayor Robert K. Nelson to discuss current projects, challenges, and successes. Together they formulated a plan to go about the strategic planning process.

The consultant facilitated a public Town Hall Meeting with residents and business owners of Bay City on March 16, 2024 at City Hall. She asked the public twelve questions and facilitated their discussions that evening. The questions and respective answers that the participants provided are listed in the corresponding Appendix.

The week following that, the consultant facilitated a series of seven Community Focus Groups of various stakeholders throughout Bay City on March 21, 2024 at the Service Center. She asked each group a different set of questions to help the city council shape their goals and strategies for the next three years.

Each city councilmember was interviewed individually to learn what was important to them and their constituents. The facilitator used this feedback to shape the direction of the planning retreats and the items for agenda discussions.

With the generous assistance from the Library staff, the facilitator conducted a community-wide survey of citizens. There was an online survey advertised throughout the community and the Bay City Sentinel newspaper generously contributed PSA space. Additionally, paper surveys were available to be picked up and dropped off at the Library from late April through mid-May. The community survey asked citizens to contribute feedback on 13 questions, then the staff and city council used the citizens' responses to help craft the 2025-2027 goals.

The first planning session was with the Management Team of the City of Bay City. It was held on May 7, 2024. During the staff session, the facilitator reviewed the results of the Town Hall Meeting, the Community Focus Groups, and the Citizens' Survey. The team crafted new Mission and Vision Statements, as well as a set of Core Values. They then developed recommendations for City Council to consider including in the 2025-2027 Strategic Plan. Following the goal development portion, the team created recommended strategies for implementation, then metrics to consider for tracking progress.

The facilitator reviewed the results of the Town Hall Meeting, the Community Focus Groups, and the Citizens' Survey with the City Council and Interim City Manager. The team reviewed the new recommended Mission and Vision Statements, as well as the Core Values recommended by the Management Team. The City Council reviewed the recommendations from the Management Team and decided which elements to include in the 2025-2027 Strategic Plan. Following this, the City Council made the final decisions on which goals, strategies, and metrics to include in the 2025-2027 Strategic Plan.

The following is the City of Bay City's 2025-2027 Strategic Plan.



2025-2027 Strategic Plan

Mission

The City of Bay City promotes economic growth and invests in quality-of-life initiatives through collaboration. We respond promptly and professionally to residents' concerns, and strive to deliver superior municipal services.

Vision

We envision Bay City as a thriving, family-centered community where our citizens can live, work, worship, and play, while welcoming visitors to experience our beautiful environment and diverse culture.

Core Values

- **Integrity:** We are dedicated to delivering results with honesty, integrity, and fairness, putting the community's best interests first.
- **Excellence:** We are committed to excellence in customer service, working to make Bay City an enjoyable place to live with quality infrastructure and superior municipal services.
- **Transparency:** We will keep our community informed by sharing our plans and progress.

GOALS

1 Safety and Community Appearance

2 Community and Civic Engagement

3 Infrastructure

4 Planning and Development

5 Culture and Recreation



Goal 1: Safety and Community Appearance

To enhance safety and community appearance

Short Term Goals/Strategies	Action Year(s)	Key Performance Indicators/Metrics
1. Pursue City and County partnerships that mutually benefit our community <ul style="list-style-type: none"> Determine the feasibility of a combined dispatch with County Create a task force between City and County, and other groups such as Texana to support mental health needs in our community Create a task force to between City and County to address animal impound capacity and building needs 	2025-2027 2025 2025 2025	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
2. Enhance Fire/EMS Services <ul style="list-style-type: none"> Explore countywide Emergency Services District (ESD) Determine if the ESD is the best solution for funding Fire and/or EMS Identify locations of all fire hydrants and create a plan of rehab and routine testing 	2025 2026-2027 2025-2026	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
3. Create development agreements or incentives to attract businesses that complement the needs of our community (i.e. Air Ambulance)	2025-2027	<input type="checkbox"/>
4. Improve the curb appeal of the City <ul style="list-style-type: none"> Improve ordinances to address blighted, vacant, or substandard structures; tree trimming; design standards Improve the appearance of vacant buildings downtown (i.e. window vinyls) Reinstate "Keep Bay City Beautiful Program" Create a maintenance plan for weed control to all sidewalks and medians in City limits Create a maintenance plan for landscaping around square Educate public on bulk pick up and enforce contract for service Propose location and style of gateway signage Work with BCCDC to update community development incentives related to the City's main corridor appearance 	2025-2027 2025-2027 2026 2025-2027 2025-2027 2025-2027 2026 2025-2027	# of ordinances revised 2025: ____ # of ordinances revised 2026: ____ # of ordinances revised 2027: ____ Actions taken to improve appearance <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Track complaint log on bulk pick up <input type="checkbox"/> <input type="checkbox"/>

Short Term Goals/Strategies	Action Year(s)	Key Performance Indicators/ Metrics
5. Create coordinated response system including Standard Operating Procedure (SOP) to end homelessness in the City of Bay City.	2025-2027	☐
6. Implement the Crime-Free Multi-Family Housing Program from Waco	2025-2027	☐





Goal 2: Community and Civic Engagement

To build and enhance communications and civic engagement

Short Term Goals/Strategies	Action Year(s)	Key Performance Indicators/ Metrics
1. Hire a full-time Public Relations Coordinator / Public Information Officer <ul style="list-style-type: none"> • Create a Marketing communication plan • Facilitate the branding of the City • Coordinate various Community meetings to educate the public • Develop and implement community surveys • Answer public inquiries and requests for information (see details on citizen survey) • Ensure customer satisfaction and follow-up • Share with public current and recent projects and status updates 	2025 2025 2026 2026 2025-2027 2025-2027 2025-2027	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Survey- how did we do? # of requests vs # of responses Response time <input type="checkbox"/>
2. Establish the Library as the information hub <ul style="list-style-type: none"> • Library services additions <ul style="list-style-type: none"> • Combine existing community calendars • Evolve into an information clearinghouse county-wide 	2025 2025-2027	<input type="checkbox"/> Track information pages added by type
3. Offer various Leadership Academies and collaborate with BCCDC and County <ul style="list-style-type: none"> • Citizen Academy- Bay City 101 • Youth Advisory Council 	2026 2026	<input type="checkbox"/> <input type="checkbox"/>

Short Term Goals/Strategies	Action Year(s)	Key Performance Indicators/ Metrics
4. Provide enhanced information technology services <ul style="list-style-type: none"> • Improve sound in Council Chambers and assess technology used to improve efficiencies • Stream council meetings to include the viewing of presentations • Stream other community meetings • Add educational videos for citizens (permitting, code) 	2025 2026 2025-2027 2026-2027	<input type="checkbox"/> <input type="checkbox"/> # of other meetings streamed Track videos added (Contracted Service)
5. Host at least 2 Community Meetings per year <ul style="list-style-type: none"> • Town Hall • Roundtables • Small businesses • Small business Forum • Nonprofits • Developer roundtables • Other community needs • Coffee with the Mayor, City Manager, & City Councilmembers 	2025-2027	# of Community Meetings hosted in 2025: _____ # of Community Meetings hosted in 2026: _____ # of Community Meetings hosted in 2027: _____ # of attendees at each event Track type of event hosted each year Track any improvements or needs that were met by various roundtables



Goal 3: Infrastructure

To develop community infrastructure and enhancements to the transportation network and system

Short Term Goals/Strategies	Action Year(s)	Key Performance Indicators/Metrics
1. Develop and implement a street maintenance plan that prioritizes based on a consistent methodology and communicated to public	2026	# repairs in 2025: _____ # repairs in 2026: _____ # repairs in 2027: _____ Track locations for reporting to citizens and management
2. Implement Master Drainage Plan improvements as funding permits	2025-2027	Track improvements made each year
3. Identify, prioritize, maintain, and repair/replace aging city facilities and equipment and continue exploring water system improvements and manholes as funding is available	2025-2027	Track capital project improvements for reporting to citizens and management (past projects, present status, and future plans-5-year capital)
4. Identify locations for future sidewalks and hike/bike trails within a six (6) block radius from schools, as well as identify potential funding sources for connectivity <ul style="list-style-type: none"> • Update and publish sidewalk connectivity plan on website 	2025-2027	Track sidewalk improvements for reporting to citizens and management (past projects, present status, and future plans-5-year capital)
5. Identify Airport improvements to support industrial development <ul style="list-style-type: none"> • Hangars • Runways • Water Well 	2025-2027	□



Goal 4: Planning and Development

To establish a smooth and transparent planning and development process

Short Term Goals/Strategies	Action Year(s)	Key Performance Indicators/Metrics
1. Hire a Certified City Planner	2025	<input type="checkbox"/>
2. Create a Development Services Department	2025	<input type="checkbox"/>
3. Streamline Development Process <ul style="list-style-type: none"> • Update future land use plan • Create standard operating procedures (SOP's) based on best practices • Apply consistency in application of building and development standards • Review permitting requirements and processes when using state licensed professionals and update SOP if no liability to City and is in line with best practices in other communities for home remodel projects • Create a developer exit survey <ul style="list-style-type: none"> • Improve customer service satisfaction (developer) 	2025-2027 2026-2027 2025-2027 2025-2027 2025 2025-2027	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Customer Service Rating
4. Repair and consider expansion of Nile Valley Rd. and explore funding sources including TxDOT <ul style="list-style-type: none"> • Identify acquisition easements needed for future transportation routes 	2025-2027 2025-2026	<input type="checkbox"/> <input type="checkbox"/>
5. Develop TIRZ 5 to encourage redevelopment	2025	# of redevelopment projects
6. Move unwanted trust properties to tax rolls- focus on infill development	2026-2027	<input type="checkbox"/>
7. Update all ordinances to match state requirements and building guidelines where applicable	2025-2026	<input type="checkbox"/>
8. Improve Developer process with Drainage District #1 <ul style="list-style-type: none"> • Review and provide input on new drainage rules and regulations in conjunction with ensuring that City ordinances are aligned • Craft an interlocal agreement/MOU with the Drainage District to distinguish roles and responsibilities between City and Drainage District #1 	2025-2027 2025-2026 2025	<input type="checkbox"/> <input type="checkbox"/>



Goal 5: Culture and Recreation

To develop culture and recreational opportunities within the city

Short Term Goals/Strategies	Action Year(s)	Key Performance Indicators/Metrics
1. Provide financial support towards the BCCDC's Regional Aquatic attraction	2025-2027	<input type="checkbox"/>
2. Increase arts initiatives in the City that focuses on our culture and tourism draws	2025-2027	# of arts events in 2025: _____ # of arts events in 2026: _____ # of arts events in 2027: _____
3. Upgrade, consolidate, and maintain existing parks facilities by doing the following: <ul style="list-style-type: none"> • Explore paddling trail on Colorado River • Implement parks improvement plan based on the most recent Master Plan • Explore other management options for Riverside Park • Determine site location and plan for a centralized sports facility • Develop a plan for a community amphitheater • Repair existing concession stand(s) and provide adequate parking at existing utilized fields • Add parks and recreation signage and any damaged existing signs • Promote / market easy ways to secure reservations 	2025-2027 2025 2025-2027 2025 2026 2026 2025-2026 2025-2027 2025	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
4. Implement the 2025-2029 Strategic Plan for Library	2025-2027	Track initiatives met each year
5. Review and consider implementation of the new Tourism Strategic Plan	2025-2027	Track initiatives met each year

Short Term Goals/Strategies	Action Year(s)	Key Performance Indicators/ Metrics
<p>6. Improve community events</p> <ul style="list-style-type: none"> • Marketing • Increase attendance (5% annually) 	<p>2025-2027</p>	<p>2025 Website traffic 2026 Website traffic 2027 Website traffic</p> <p>2025 Social Media engagement rates 2026 Social Media engagement rates 2027 Social Media engagement rates</p> <p># of Attendees at each park, Main Street, and tourism event in 2025: _____</p> <p># of Attendees at each park, Main Street, and tourism event in 2026: _____</p> <p># of Attendees at each park, Main Street, and tourism event in 2027: _____</p> <p>Increased % attendance 2024 to 2025: _____</p> <p>Increased % attendance 2025 to 2026: _____</p> <p>Increased % attendance 2026 to 2027: _____</p>



Goal 6: Operational Excellence

To establish and ensure operational excellence

Short Term Goals/Strategies	Action Year(s)	Key Performance Indicators/ Metrics
<p>1. Develop employee recruitment and retention plan</p> <ul style="list-style-type: none"> • Explore employment incentives & provide management options to consider • Implement teambuilding opportunities • Provide professional development • Develop marketing brochure for job opportunities that shows full benefit package and City highlights 	<p>2025-2027 2025-2027</p> <p>2025-2027</p> <p>2025</p>	<p>☐</p> <p># of teambuilding and employee appreciation events</p> <p>Training dollars allocated in budget and % utilization</p> <p># of hires in high turnover area/ turnover rate</p>
<p>2. Deliver excellence in customer service</p> <ul style="list-style-type: none"> • Provide Customer Service Training in various forms • Add core values to performance evaluations • Annual customer survey • Recognition during Customer Service Week 	<p>2025-2027 2026</p> <p>2025-2027 2025-2027</p>	<p># of arts events in 2025: _____</p> <p># of arts events in 2026: _____</p> <p># of arts events in 2027: _____</p> <p># of customer service trainings each year; Types of trainings</p> <p>Track # of average & above average</p> <p>Improvement in scores % over prior year</p> <p>Track Positive and Negative Comments- Have we improved?</p> <p>Recognize employee and department that receives internally and/or externally (October event)</p>

~ CONSIDER PLACING A PROPOSAL TO ADOPT A TAX RATE FOR THE 2025 FISCAL YEAR AS AN ACTION ITEM ON THE AGENDA OF A FUTURE COUNCIL MEETING, SPECIFYING THEREIN THE DESIRED TAX RATE AND PUBLISHING NOTICE THEREOF.



EXECUTIVE SUMMARY

Tax Rate Information	Adopted FY 2024	Proposed FY 2025
Property Tax Rate	.56995	.XXXXX
No-New Revenue Tax Rate	.56995	.53314
No-New Revenue M&O Tax Rate	.43058	.40308
Debt Rate	.13542	.13469
Voter-Approval Tax Rate	.58338	.56916
De Minimis Rate	.60988	.57914

Debt service requirements for the City of Bay City are currently \$.13469 of the current **proposed** property tax rate of **\$.XXXXX**. The City has sixteen outstanding debt issues. At the end of Fiscal Year 2025, outstanding general obligation bond and certificates of obligation bonds will be \$93,432,000, however only \$13,410,032 is currently supported by property taxes.

Note: The new public hearing notice for the tax hearing requires a record vote on the proposed rate.

2024 Governing Body Summary #2A*
Tax Increase Compared to No New Revenue Tax Rate
City of Bay City

(NNR)

Date: 08/21/2024 06:26 PM

INCREASE IN CENTS PER \$100	TAX RATE PER \$100	TAX LEVY**	ADDITIONAL TAX LEVY***
0.00	NNR	\$0.53314	\$6,442,500
0.50		\$0.53814	\$6,502,920
1.00	1¢	\$0.54314	\$6,563,341
1.50		\$0.54814	\$6,623,761
2.00		\$0.55314	\$6,684,181
2.50		\$0.55814	\$6,744,602
3.00		\$0.56314	\$6,805,022
3.50		\$0.56814	\$6,865,442
4.00		\$0.57314	\$6,925,863
4.50		\$0.57814	\$6,986,283
5.00		\$0.58314	\$7,046,703
5.50		\$0.58814	\$7,107,124
6.00		\$0.59314	\$7,167,544
6.50		\$0.59814	\$7,227,964
7.00		\$0.60314	\$7,288,385
7.50		\$0.60814	\$7,348,805
8.00		\$0.61314	\$7,409,225
8.50		\$0.61814	\$7,469,646
9.00		\$0.62314	\$7,530,066
9.50		\$0.62814	\$7,590,486
10.00		\$0.63314	\$7,650,907
10.50		\$0.63814	\$7,711,327
11.00		\$0.64314	\$7,771,747
11.50		\$0.64814	\$7,832,168
12.00		\$0.65314	\$7,892,588
12.50		\$0.65814	\$7,953,008
13.00		\$0.66314	\$8,013,429
13.50		\$0.66814	\$8,073,849
14.00		\$0.67314	\$8,134,269
14.50		\$0.67814	\$8,194,690
15.00		\$0.68314	\$8,255,110
15.50		\$0.68814	\$8,315,531
16.00		\$0.69314	\$8,375,951
16.50		\$0.69814	\$8,436,371
17.00		\$0.70314	\$8,496,792
17.50		\$0.70814	\$8,557,212
18.00		\$0.71314	\$8,617,632
18.50		\$0.71814	\$8,678,053
19.00		\$0.72314	\$8,738,473
19.50		\$0.72814	\$8,798,893
20.00		\$0.73314	\$8,859,314

*These figures are provided as estimates of possible outcomes resulting from varying the tax rate. Please be aware that these are only estimates and should not be used alone in making budgetary decisions.

**Tax levies are calculated using line 21 of the No-New-Revenue Tax Rate Worksheet and this year's frozen tax levy on homesteads of the elderly or disabled.

***Tax increase compared to no-new-revenue tax rate.

~ CONSIDER SETTING A PUBLIC HEARING ON THE PROPOSED 2025 FISCAL YEAR TAX RATE FOR TUESDAY, SEPTEMBER 17, 2024 (IF REQUIRED).



EXECUTIVE SUMMARY

PUBLIC HEARING DATE:
TUESDAY, SEPTEMBER 17, 2024 AT 5 PM

Sec. 26.06. NOTICE, HEARING, AND VOTE ON TAX INCREASE. (a) A public hearing required by Section [26.05](#) may not be held before the fifth day after the date the notice of the public hearing is given.

~ CONSIDER SETTING A PUBLIC HEARING ON THE PROPOSED 2025 FISCAL YEAR BUDGET AND CAPITAL IMPROVEMENT PLAN FOR TUESDAY, SEPTEMBER 17, 2024.



EXECUTIVE SUMMARY

PUBLIC HEARING DATE:

TUESDAY, SEPTEMBER 17, 2024 AT 5 PM

BUDGET HEARING WILL BE ON THE FOLLOWING:

FY 2025 Proposed Budget- City of Bay City (Charter section 10.05)

Five-Year Capital Improvement Program FY 2025-2029 (Charter section 10.16)

All City Budget Information will be available online at www.cityofbaycity.org/193/Budget

~ CONSIDER SETTING A PUBLIC HEARING ON THE BAY CITY COMMUNITY DEVELOPMENT CORPORATION'S PROPOSED 2025 FISCAL YEAR BUDGET FOR TUESDAY, SEPTEMBER 17, 2024.



EXECUTIVE SUMMARY

PUBLIC HEARING DATE:

TUESDAY, SEPTEMBER 17, 2024 AT 5 PM

FY 2025 Proposed Budget- Bay City Community Development Corporation

All City Budget Information will be available online at www.cityofbaycity.org/193/Budget/