

YOLANDA FORD
Mayor

VASHAUNDRA EDWARDS
Councilmember at Large Position No. 1

CHRIS PRESTON
Mayor Pro Tem
Councilmember at Large Position No. 2



REGINALD PEARSON
Councilmember District A

JEFFREY L. BONEY
Councilmember District B

ANTHONY G. MAROULIS
Councilmember District C

FLOYD EMERY
Councilmember District D

CITY COUNCIL MEETING AGENDA

Notice is hereby given of a meeting of the City Council of Missouri City to be held on **Monday, September 16, 2019, at 7:00 p.m.** at: **City Hall, Council Chamber, 2nd Floor**, 1522 Texas Parkway, Missouri City, Texas, 77489, for the purpose of considering the following agenda items. All agenda items are subject to action. The City Council reserves the right to meet in a closed session on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code.

1. ROLL CALL

2. PLEDGE OF ALLEGIANCE

3. PRESENTATIONS AND RECOGNITIONS

- (a) Proclaim October 3, 2019, as "Public Administration Day" in the City of Missouri City, Texas.

4. PUBLIC COMMENTS

An opportunity for the public to address City Council on agenda items or concerns not on the agenda—those wishing to speak must complete the orange comment card, present the comment card to the City Secretary prior to the beginning of the meeting, and observe a three-minute time limit.

5. STAFF REPORTS

- (a) City Manager announcements.

6. CONSENT AGENDA

All consent agenda items listed are considered routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a councilmember so requests; in which event, the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda. Information concerning consent agenda items is available for public review.

- (a) Consider approving the minutes of the special and regular City Council meetings of September 3, 2019 and the special City Council meeting of September 7, 2019.
- (b) Consider an ordinance changing the zoning classification of an approximate 14.11 acre tract of land from SD, suburban district to LC-3, retail district; providing for an amendment to the Comprehensive Plan; providing a penalty; and consider the ordinance on the second and final reading. The subject site is located south of Vicksburg Boulevard and State Highway 6, east of the Oakwick Forest Estates residential subdivision and west of a Firestone Complete Auto Care.

7. PUBLIC HEARINGS AND RELATED ACTIONS

- (a) **Zoning Public Hearings and Ordinances** – *There are no Zoning Public Hearings and Ordinances on this agenda.*

(b) Public Hearings and related actions

- (1) Public hearing on the approval and adoption of the budget for the fiscal year beginning October 1, 2019, and ending September 30, 2020.
- (2) First of two public hearings to receive comments regarding the City's proposed tax rate of up to \$0.630000.

8. APPOINTMENTS – *There are no Appointments on this agenda.*

9. AUTHORIZATIONS

- (a) Consider authorizing the City Manager to execute a change order increasing the amount allocate designated for the existing contract for ditch cleaning and excavation services.
- (b) Consider authorizing the City Manager to execute a one (1) year contract extension with Wells Fargo Bank for depository services.

10. ORDINANCES

- (a) Consider an ordinance amending the personnel policy of the City of Missouri City to provide for certain vacation leave; and consider the ordinance on the second and final reading.
- (b) Consider an ordinance authorizing the crediting of updated service credits in the Texas Municipal Retirement System for certain City of Missouri City employees who have membership in such-system; providing for increased annuities for certain City of Missouri City retirees and beneficiaries of deceased retirees; providing an effective date; and consider the ordinance on the first of two readings.

11. RESOLUTIONS – *There are no Resolutions on this agenda.*

12. CITY COUNCIL ANNOUNCEMENTS

Discussion, review, and possible action regarding a meeting or activity of one or more of the following entities (each entity refers to a City of Missouri City entity unless otherwise indicated):

Charter Review Commission, Community Development Advisory Committee, Construction Board of Adjustments, Electrical Board, Parks Board, Planning and Zoning Commission, Tax Increment Reinvestment Zone Boards, Fort Bend Chamber of Commerce, Houston-Galveston Area Council, Fort Bend Regional Council, Texas Municipal League, Fort Bend County, Harris County, Gulf Coast Building and Construction Trades Council, Mayor's Youth Commission, Finances and Services Committee, Fort Bend Leadership Forum, Fort Bend County Drainage District, Economic Development Committee, Missouri City Parks Foundation, Missouri City Police and Fire Auxilliary, Livable Community Committee, Texas Parkway Alliance, High Performance Organization Committee, Missouri City Juneteenth Celebration Foundation, Fort Bend County Mayor and Council Association, METRO, Planning, Development and Infrastructure Committee, Fort Bend Independent School District, Greater Fort Bend Economic Development Coalition, Transportation Policy Council, Community Development Advisory Committee, Veterans Memorial Committee, Missouri City Recreation and Leisure Local Government Corporation, Missouri City Development Authority, and the Greater Houston Partnership and Emergency Management updates.

13. CLOSED EXECUTIVE SESSION

The City Council may go into Executive Session regarding any item posted on the Agenda as authorized by Title 5, Chapter 551 of the Texas Government Code.

14. RECONVENE

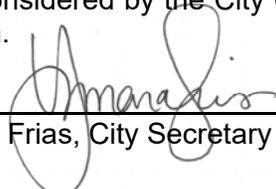
Reconvene into Regular Session and Consider Action, if any, on items discussed in Executive Session.

15. ADJOURN

In compliance with the Americans with Disabilities Act, the City of Missouri City will provide for reasonable accommodations for persons attending City Council meetings. To better serve you, requests should be received 24 hours prior to the meetings. Please contact Maria Jackson, City Secretary, at 281.403.8686.

CERTIFICATION

I certify that a copy of the September 16, 2019, agenda of items to be considered by the City Council was posted on the City Hall bulletin board on September 12, 2019, at 4:00 p.m.



Yomara Frias, City Secretary Department

I certify that the attached notice and agenda of items to be considered by the City Council was removed by me from the City Hall bulletin board on the ____ day of _____, 2019.

Signed: _____

Title: _____



**Council Agenda Item
September 16, 2019**

1. **ROLL CALL**
 2. **PLEDGE OF ALLEGIANCE**
 3. **PRESENTATIONS AND RECOGNITIONS**
 - (a) Proclaim October 3, 2019, as “Public Administration Day” in the City of Missouri City, Texas.
 4. **PUBLIC COMMENTS**

An opportunity for the public to address City Council on agenda items or concerns not on the agenda- those wishing to speak must complete the orange comment card, present the comment card to the City Secretary prior to the beginning of the meeting, and observe a three-minute time limit.
 5. **STAFF REPORTS**
 - (a) City Manager announcements.
-

YOLANDA FORD
Mayor

VASHAUNDRA EDWARDS
Councilmember at Large Position No. 1

CHRIS PRESTON
Mayor Pro Tem
Councilmember at Large Position No. 2



REGINALD PEARSON
Councilmember District A
JEFFREY L. BONEY
Councilmember District B
ANTHONY G. MAROULIS
Councilmember District C
FLOYD EMERY
Councilmember District D

CITY COUNCIL SPECIAL MEETING MINUTES

The City Council of the City of Missouri City, Texas, met in special session on **Tuesday, September 3, 2019**, at the City Hall, Council Chamber, 1522 Texas Parkway, Missouri City, Texas, 77489, at **5:00 p.m.** to consider the following:

1. CALL TO ORDER

Mayor Ford called the meeting to order at 5:02 p.m.

Those also present: Councilmembers Pearson, Boney, Maroulis, and Emery; City Manager Snipes, City Attorney Iyamu, City Secretary Jackson, Assistant City Manager Atkinson, Assistant City Manager Martel, Director of Human Resources Russell, Director of Parks and Recreation Mangum, Director of Public Works Kumar, Director of Financial Services Portis, Director of Development Services Spriggs, Director of Communications Walker, Police Chief Berezin, Fire Chief Campbell, Director of Economic Development Esch, Visitors Center Coordinator McCallan, Assistant Director of Public Works Brouhard, Budget and Financial Reporting Manager Alexander, Senior Budget Analyst Aaron, Financial Analyst II Thomas, and Media Specialist III Sanders. Also present: Thomas Burchett of Fugro and Beth Owens of BrandEra. Councilmember Edwards arrived at 5:03 p.m. Mayor Pro Tem Preston arrived at 5:12 p.m.

2. DISCUSSION/POSSIBLE ACTION

- (a) Presentation of the Pavement Maintenance and Management Program (PMMP) and sidewalk evaluation.

Assistant Director of Public Works Brouhard discussed the Pavement Maintenance and Management Program (PMMP). Thomas Burchett of Fugro presented on citywide pavement and sidewalk evaluations. Councilmember Edwards asked about the type of difficulties projected within the next project year. Director of Public Works Kumar noted the assessment would help prioritize and fix specific issues. He stated he would provide a list of sidewalks and pavements that need repair and, by next summer, present a proposal on how to address them. Councilmember Maroulis asked how the consultant's technology would address tree roots. Kumar stated the process would be manual and not performed by a machine. Councilmember Boney asked about the timeframe and cost to make repairs. Kumar stated they do not have an exact cost until the evaluation was performed.

- (b) Presentation and discussion on proposed Fiscal Year 2020 budget.

City Manager Snipes presented an overview on the proposed Fiscal Year 2020 budget

Councilmember Edwards stepped away at 5:32 p.m. and returned at 5:35 p.m.

Director of Economic Development Esch presented an overview on the major initiatives and the economic development and redevelopment program. Esch also spoke on incentives offered to business owners on Texas Parkway.

Mayor Ford stepped away at 5:40 p.m. and returned at 5:40 p.m.

Mayor Ford asked for quarterly updates on pending economic development projects. Director of Public Works Kumar presented on City infrastructure.

Director of Financial Services Portis presented on IT infrastructure, debt service, and capital improvements. Mayor Ford asked if staff had looked into providing Wi-Fi throughout the City. City Manager Snipes stated the Director of Information Technology had spoken with other organizations and was not successful when it came to citywide coverage. Mayor Ford asked if the infrastructure projects were updated regularly on the website. Director Kumar stated the website was updated on a regular basis.

Director of Human Resources Russell presented on initiatives and various programs for employees. Councilmember Edwards inquired on what was being done to maintain a positive morale with mental health awareness. Russell stated the City has various wellness initiatives in place. Edwards stated employees should be encouraged to reach out to EAP. Snipes noted the City would hold several upcoming events for employees.

Director of Parks and Recreation Mangum presented on beautification projects.

Mayor Ford stepped away at 6:22 p.m. and returned at 6:25 p.m.

Mayor Ford requested looking into the merging of park zones. City Attorney Iyamu stated she would look into it. Councilmember Emery asked if there were opportunities to participate in an "Adopt a highway" type of organizations to assist with litter collections. Mangum stated the department was holding more formal volunteer events. He stated his position to have the City's litter collection crews focus on the cleanup of other areas of the park, as oppose to emptying trash bins. Director Kumar presented strategic partnerships.

Councilmember Emery stepped away at 6:42 p.m. and returned at 6:44 p.m.

City Manager Snipes spoke on key investment over the years, financial transparency, and stewardship excellence. Director Portis presented the budgeting basics and the FY 2020 proposed budget overview.

Councilmember Edwards stepped away at 6:46 p.m. and returned at 6:49 p.m.

- (c) Presentation of Certified Tax Rolls and Discussion of 2019 Tax Year Proposed Property Tax Rates.

Director Portis presented Certified Tax Rolls and Discussion of 2019 Tax Year Proposed Property Tax Rates.

3. CLOSED EXECUTIVE SESSION

After proper notice was given pursuant to the Texas Open Meetings Act, the City Council went into Executive Session at 6:57 p.m.

Texas Government Code, Section 551.071 – Consultation with attorney to seek or receive legal advice regarding pending or contemplated litigation, a settlement offer, or on a matter in which the duty of the attorney to the City under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act: (i) proper zoning considerations.

4. RECONVENE

At 7:06 p.m., Council reconvened into open session. No action was taken.

City Council recessed the special City Council meeting for the regular City Council meeting. At 8:49 p.m., City Council reconvened the special City Council meeting.

- (d) Presentation on update of the tourism branding and marketing project.

Beth Owens with BrandEra presented an update of the tourism branding and marketing project.

- (e) Update regarding security measures.

Mayor Pro Tem Preston stepped away at 9:01 p.m. and returned at 9:04 p.m.

City Manager Snipes and Police Chief Berezin presented an update regarding security measures. Berezin discussed metal detectors and staff required for them. Mayor Ford asked about the solutions for monitoring the chambers. Snipes suggested a pilot program for metal detectors for a period of three months to determine if it would work for Council. Mayor Ford would like to have more discussion.

5. ADJOURN

The special City Council meeting adjourned at 9:33 p.m.

Minutes PASSED AND APPROVED this the _____ day of _____ 2019.

Maria Jackson, City Secretary

YOLANDA FORD
Mayor

VASHAUNDRA EDWARDS
Councilmember at Large Position No. 1

CHRIS PRESTON
Mayor Pro Tem
Councilmember at Large Position No. 2



REGINALD PEARSON
Councilmember District A
JEFFREY L. BONEY
Councilmember District B
ANTHONY G. MAROULIS
Councilmember District C
FLOYD EMERY
Councilmember District D

CITY COUNCIL MEETING MINUTES

The City Council of the City of Missouri City, Texas, met in regular session on **Tuesday, September 3, 2019**, at the City Hall, Council Chamber, 2nd Floor, 1522 Texas Parkway, Missouri City, Texas, 77489, at **7:00 p.m.** to consider the following:

1. ROLL CALL

Mayor Ford called the meeting to order at 7:09 p.m.

Those also present: Mayor Pro Tem Preston, Councilmembers Edwards, Pearson, Boney, Maroulis and Emery; City Manager Snipes, City Attorney Iyamu, and City Secretary Jackson.

2. The **PLEDGE OF ALLEGIANCE** was led by Boy Scout Troop 140.

There were no **PRESENTATIONS AND RECOGNITIONS**.

4. PUBLIC COMMENTS

Tom Simon, 414 Harbor Point Drive, addressed the fire station being blocked at certain times of the day.

5. STAFF REPORTS

City Manager Snipes announced September as National Hurricane Preparedness Month. He stated that both Fort Bend ISD and Houston ISD started a new school year and requested that drivers pay close attention while driving. Snipes invited everyone to the following upcoming events: Car seat safety check on September 5; Farmers Market on September 7; Senior Casino Trip on September 10; and, Oktoberfest on September 21.

6. CONSENT AGENDA

- (a) Consider approving the minutes of the special and regular City Council meetings of August 19, 2019.

Councilmember Emery moved to approve the Consent Agenda pursuant to recommendations by City Staff. Councilmember Boney seconded. **MOTION PASSED UNANIMOUSLY.**

7. PUBLIC HEARINGS AND RELATED ACTIONS

(a) Zoning Public Hearings and Ordinances

- (1) Public hearing to receive comments for or against a request to change the zoning classification of an approximate 14.11 acre tract of land from SD, suburban district to LC-3, retail district; providing for an amendment to the Comprehensive Plan; providing a penalty; and consider the related ordinance on the first of two readings. The subject site is located south of Vicksburg Boulevard and State Highway 6, east of the Oakwick Forest Estates residential subdivision and west of a Firestone Complete Auto Care.

Planning Manager Thomas stated the applicant seeks to zone an approximately 14.11 acres from SD, suburban district to LC-3, retail district. The applicant intended to develop a commercial, retail development

consistent with the development regulations for the LC-3, retail district. The Planning and Zoning Commission and staff recommended approval.

Councilmember Maroulis moved to open the public hearing at 7:16 p.m. Councilmember Boney seconded. **MOTION PASSED UNANIMOUSLY.**

With no public comments, Councilmember Boney moved to close the public hearing at 7:17 p.m. Councilmember Emery seconded. **MOTION PASSED UNANIMOUSLY.**

Councilmember Boney moved to approve the ordinance. Councilmember Emery seconded. **MOTION PASSED UNANIMOUSLY.**

- (2) Public hearing to receive comments for or against a request for a specific use permit authorizing the use of a 14.984 acre tract of land zoned as LC-1 local retail restricted district and R-3 two-family residential district to allow for the development of a worship center; describing said 14.984 acre tract of land; providing limitations, restrictions, and conditions on such specific use; amending the zoning district map of the City of Missouri City; providing a penalty; containing other provisions relating to the subject; and consider the ordinance on the first of two readings. The subject site is located north of East Hampton Circle, south of the Fondren Park subdivision, east of Kathy Avenue, and west of Fondren Road.

Planner II White stated the applicant was proposing to locate an approximate 20,000 square foot worship center, a 16,000 square foot multi-purpose media building and recreational areas. The development was proposed in two phases summarized as follows: Phase 1: Media/multi-purpose building with a maximum occupancy of 500 people to be completed/constructed in 18 months; and, Phase 2: Worship center with a maximum occupancy of 1,000 people to be constructed 5 years after Phase 1 was completed. Staff recommended approval of the SUP with conditions. The Planning and Zoning Commission forward their final report to include staff recommendations and provide for the building square feet as shown on the conceptual site plan, to relocate the trash enclosure area away from the residential areas, to landscape the area surrounding any proposed detention and to provide mitigation for buffering noises.

Councilmember Edwards moved to open the public hearing at 7:20 p.m. Councilmember Pearson seconded. **MOTION PASSED UNANIMOUSLY.**

Allan Soffar, 11734 N. Nottingham Circle, spoke against the request.

Bruce Zaborowski, 7915 Chancel, spoke against the request.

Sheryl Orloff and Jeanette Quimby, 11802 S. Perry Ave, spoke against the request and presented a petition of 176 residents against the proposal.

Kevin Pever, 11839 S. Perry Ave, spoke against the request.

Nkemdi I. Ohalete, the development's engineer, spoke on the misconceptions coming from those against the request.

Councilmember Edwards moved to close the public hearing at 7:40 p.m. Councilmember Maroulis seconded. **MOTION PASSED UNANIMOUSLY.**

Councilmember Pearson moved to approve the ordinance. Councilmember Maroulis seconded.

Pastor Jeremiah Asomugha, applicant, spoke about the request and his ministry.

Councilmember Boney asked about the residents in favor of his request and if he walked the property to speak to the neighbors prior to purchasing the property. Pastor Jeremiah stated that before they purchased the property they spoke with City staff about the process. Councilmember Pearson noted they received a petition against the project that 176 residents signed. Pastor Jeremiah stated he met with several residents and the HOA was opposed to meeting with them.

Councilmember Pearson moved to recess the regular City Council meeting at 8:04 p.m. Councilmember Maroulis seconded. **MOTION PASSED UNANIMOUSLY.**

At 8:12 p.m., City Council reconvened the regular City Council meeting. Councilmember Edwards arrived at 8:12 p.m.

Councilmember Pearson stated he spoke with the HOA and they agreed to meet with the applicant.

Pastor Jeremiah Asomugha requested to withdraw his request. Nkemdi I. Ohalete also requested to withdraw the request, meet with the neighborhood, and come back on a later date.

7. PUBLIC HEARINGS AND RELATED ACTIONS

(b) Public Hearings and related actions

- (1) Public hearing to receive comments for or against an ordinance providing an interim procedure regarding the administration of plans and platting rules; declaring an emergency; and consider the related ordinance on the first and final reading.

Planning Manger Thomas presented on an ordinance providing for an interim procedure regarding the administration of plans and platting rules.

Councilmember Maroulis moved to open the public hearing at 8:18 p.m. Councilmember Boney seconded. **MOTION PASSED UNANIMOUSLY.**

With no public comments, Councilmember Pearson moved to close the public hearing at 8:18 p.m. Councilmember Boney seconded. **MOTION PASSED UNANIMOUSLY.**

Councilmember Boney moved to approve the ordinance. Councilmember Emery seconded. **MOTION PASSED UNANIMOUSLY.**

- (2) Public hearing to receive comments for or against a resolution electing to participate in tax abatement; and consider the related resolution.

Councilmember Emery moved to open the public hearing at 8:20 p.m. Councilmember Boney seconded. **MOTION PASSED UNANIMOUSLY.**

With no public comments, Councilmember Pearson moved to close the public hearing at 8:20 p.m. Councilmember Boney seconded. **MOTION PASSED UNANIMOUSLY.**

Councilmember Boney moved to approve the resolution. Councilmember Emery seconded. **MOTION PASSED UNANIMOUSLY.**

There were no **APPOINTMENTS.**

9. AUTHORIZATIONS

- (a) Consider authorizing a proposal on a maximum property tax rate and consider setting the dates for public hearings and the adoption of such proposal on a future meeting agenda.

Councilmember Maroulis moved to approve a public hearing on September 16, 2019 and a second hearing on September 23, 2019; and, the placement of a proposed tax rate of no greater than \$0.63000 on the October 7, 2019 regular meeting agenda at 7:00 p.m. at City Hall. Councilmember Boney seconded. **MOTION PASSED UNANIMOUSLY.**

Ayes: Mayor Ford, Mayor Pro Tem Preston, Councilmembers Edwards, Pearson, Boney, Maroulis, and Emery
Nays None

- (b) Consider authorizing the city manager to execute a professional services contract for city-wide pavement and sidewalk evaluation.

Councilmember Edwards moved to authorize the city manager to execute a professional services contract for city-wide pavement and sidewalk evaluation with Fugro USA Land, Inc. for an amount not to exceed \$285,100.00. Councilmember Pearson seconded. **MOTION PASSED UNANIMOUSLY.**

- (c) Consider authorizing the city manager to execute an agreement with the Texas Department of Transportation for participation in the Off System Bridge Replacement Program.

Councilmember Boney moved to authorize the city manager to execute an agreement with the Texas Department of Transportation for participation in the Off System Bridge Replacement Program. Councilmember Emery seconded. **MOTION PASSED UNANIMOUSLY.**

10. ORDINANCES

- (a) Consider an ordinance amending Chapter 2, Administration, of the Missouri City Code, amending regulations regarding tagging final action on agenda items; and consider the ordinance on the second and final reading.

Mayor Ford stated that Councilmember Emery referenced this change was necessary for transparency; therefore, she also requested that special City Council meetings be filmed. City Council expressed support of filming special City Council meetings. Mayor Pro Tem Preston requested Council committee meetings being audio recorded. City Attorney Iyamu stated staff could have the requested item placed before City Council for further discussion.

Councilmember Emery moved to approve the ordinance. Councilmember Pearson seconded. **MOTION PASSED.**

Ayes: Councilmembers Pearson, Boney, Maroulis, and Emery
Nays: Mayor Ford, Mayor Pro Tem Preston, and Councilmember Edwards

- (b) Consider an ordinance amending the personnel policy of the City of Missouri City; and consider the ordinance on the first of two readings.

Director of Human Resources Russell presented the amendment to the personnel policy on vacation accruals.

Councilmember Edwards stepped away at 8:34 p.m. and returned at 8:37 p.m.

Councilmember Emery discussed additional requests Gallagher recommended. Mayor Ford requested the maximum accrual numbers from all cities surveyed to see where the City stands.

Councilmember Emery moved to adopt the ordinance. Councilmember Maroulis seconded. **MOTION PASSED UNANIMOUSLY.**

11. RESOLUTIONS

- (a) Consider a resolution authorizing the Mayor to execute and the City Secretary to attest to the assignment and assumption of a tax abatement agreement from TDC Southwest CC Partners I L.L.C., formerly known as Ridge Southwest CC Partners I L.L.C. to TPP SW Commerce, L.L.C.

Councilmember Emery moved to approve the resolution. Councilmember Boney seconded. **MOTION PASSED UNANIMOUSLY.**

12. CITY COUNCIL ANNOUNCEMENTS

Councilmember Boney thanked staff for a successful MCTX Symposium. Boney recognized Missouri City resident Jarren Small who participated at the Battle of the Bands. Councilmember Maroulis thanked the Finance Department for their work on the budget. Councilmember Pearson thanked staff for their good work. He also attended the Thurgood Marshall State of the School, the MCTX Symposium, and several HOA meetings, which all were very informative.

13. ADJOURN

The regular City Council meeting adjourned at 8:49 p.m.

Minutes PASSED AND APPROVED this the _____ day of _____ 2019.

Maria Jackson, City Secretary

YOLANDA FORD
Mayor

VASHAUNDRA EDWARDS
Councilmember at Large Position No. 1

CHRIS PRESTON
Mayor Pro Tem
Councilmember at Large Position No. 2



REGINALD PEARSON
Councilmember District A
JEFFREY L. BONEY
Councilmember District B
ANTHONY G. MAROULIS
Councilmember District C
FLOYD EMERY
Councilmember District D

CITY COUNCIL SPECIAL MEETING MINUTES

The City Council of the City of Missouri City, Texas, met in special session on **Saturday, September 7, 2019**, at Ben E. Keith Foods, 1 Ben E. Keith Way, 1st Floor Conference Room, Missouri City, Texas 77489, at **8:30 a.m.** to consider the following:

1. CALL TO ORDER

Mayor Ford called the meeting to order at 9:03 a.m.

Those also present: Mayor Pro Tem Preston, Councilmembers Pearson, Boney, Maroulis, and Emery; City Manager Snipes, City Attorney Iyamu, City Secretary Jackson, and Assistant City Manager Atkinson. Also present: Patrick Ibarra of the Mejorando Group. Councilmember Edwards arrived at 1:56 p.m.

2. DISCUSSION/POSSIBLE ACTION

(a) City Council strategic planning.

Patrick Ibarra presented an overview of the strategic planning session outlined for today's agenda and the benefits from good government including the form of government and the roles of mayor, councilmembers, and the city manager.

Councilmember Maroulis stepped away at 10:07 a.m. and returned at 10:09 a.m. Mayor Pro Tem Preston stepped away at 10:14 a.m. and returned at 10:16 a.m. Mayor Ford stepped away at 10:16 a.m. and returned at 10:17 a.m.

City Council recessed the special City Council meeting at 10:22 a.m. and returned at 10:40 p.m.

City Council and Mr. Ibarra continued to discuss the role of district City Councilmembers, city staff members and the community.

Mayor Pro Tem Preston stepped away at 11:32 a.m. and returned at 11:36 a.m. Councilmember Maroulis stepped away at 11:45 a.m. and returned at 11:48 a.m.

City Council recessed the special City Council meeting for lunch at 11:49 a.m. and reconvened at 12:31 p.m.

Discussions ensued regarding the strategies for creating a more credible and effective governing body and topics identified during the pre-session interviews with City Council and the department directors. Such as, economic development including small businesses, growth, land use, redevelopment, branding, revenue sources, infrastructure, municipal utility districts (muds), and impacts from recent state legislation.

Councilmember Boney arrived at 12:38 p.m. Councilmember Maroulis stepped away at 12:54 p.m. and returned at 12:57 p.m. Councilmember Edwards arrived at 1:56 p.m. Mayor Pro Tem Preston stepped away at 2:09 p.m. and returned at 2:13 p.m. Councilmember Boney stepped away at 2:29 p.m. and returned at 2:47 p.m. Councilmember Maroulis stepped away at 2:47 p.m. and returned at 2:48 p.m.

3. ADJOURN

The special City Council meeting adjourned at 2:57 p.m.

Minutes PASSED AND APPROVED this the _____ day of _____ 2019.

Maria Jackson, City Secretary



**CITY COUNCIL
AGENDA ITEM COVER MEMO**

September 16, 2019

To: Mayor and City Council
Agenda Item: 6(b) Kurjee Plaza - Zoning Map Amendment
Submitted by: Jennifer Thomas Gomez, AICP, Planning Manager

SYNOPSIS

This is the second and final reading of an ordinance to zone an approximate 14.11 acre tract of land from SD, suburban district to LC-3, retail district; and to the extent such zoning deviates from the Future Land Use and Character map of the Comprehensive Plan, to provide for an amendment therefrom.

The subject site is located south of Vicksburg Boulevard and State Highway 6, east of the Oakwick Forest Estates and west of a Firestone Complete Auto Care.

STRATEGIC PLAN 2019 GOALS ADDRESSED

- Grow business investments in Missouri City
- Have quality development through buildout

BACKGROUND

The applicant seeks to zone an approximately 14.11 acres from SD, suburban district to LC-3, retail district. The applicant intends to develop a commercial, retail development consistent with the development regulations for the LC-3, retail district.

Staff recommended approval and the Planning and Zoning Commission forwards a positive recommendation.

City Council approved the ordinance on first reading with no changes.

BUDGET ANALYSIS

Funding Source	Account Number	Project Code/Name	FY__ Funds Budgeted	FY__ Funds Available	Amount Requested
----------------	----------------	-------------------	---------------------	----------------------	------------------

N/A

Purchasing Review: N/A
Financial/Budget Review: N/A

Note: Compliance with the conflict of interest questionnaire requirements, if applicable, and the interested party disclosure requirements (HB 1295) has been confirmed/is pending within 30-days of this Council action and prior to execution.

SUPPORTING MATERIALS

1. Ordinance
2. Application
3. Letter of owner authorization
4. Zoning map excerpt
5. Ortho map
6. Site pictures
7. Notice of public hearing

STAFF'S RECOMMENDATION

Staff recommends approval of the ordinance on the final reading.

Director Approval:

Otis T. Spriggs, AICP, Development Services Director

**Assistant City Manager/
City Manager Approval:**

Glen A. Martel, Assistant City Manager

ORDINANCE NO. O-19-__

AN ORDINANCE OF THE CITY OF MISSOURI CITY, TEXAS, CHANGING THE ZONING CLASSIFICATION OF A 14.11-ACRE TRACT OF LAND FROM SD SUBURBAN DISTRICT TO LC-3 RETAIL DISTRICT; DESCRIBING SAID 14.11-ACRE TRACT OF LAND; AMENDING THE ZONING DISTRICT MAP OF THE CITY OF MISSOURI CITY; PROVIDING FOR AN AMENDMENT TO THE COMPREHENSIVE PLAN; PROVIDING FOR REPEAL; PROVIDING A PENALTY; PROVIDING FOR SEVERABILITY; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT.

* * * * *

WHEREAS, Kurjee Enterprises, Inc. is the owner of a 14.11-acre tract of land within the corporate limits of the City of Missouri City, Texas (the "Property"); and

WHEREAS, the Property presently has a zoning classification of SD suburban district under Ordinance No. O-82-01, adopted on January 4, 1982; and

WHEREAS, the owner's agent, The Interfiled Group, has made an application to the City of Missouri City to change the zoning classification of the Property from SD suburban district to LC-3 retail district; and

WHEREAS, the City of Missouri City has determined it to be in the best interest of its citizens to change the zoning classification of said Property from SD suburban district to LC-3 retail district; and

WHEREAS, the Planning and Zoning Commission and the City Council of the City of Missouri City have each conducted, in the time and manner and after the notice required by law and the City of Missouri City Zoning Ordinance, a public hearing on such proposed change in the zoning classification; and

WHEREAS, the Planning and Zoning Commission of the City of Missouri City has issued its final report and the City Council of the City of Missouri City now deems it appropriate to grant such change in zoning classification; now, therefore,

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

Section 1. The facts and recitations set forth in the preamble of this Ordinance are hereby found to be true and correct.

Section 2. As required by law, the City Council of the City of Missouri City conducted the public hearing on the request for zoning reclassification and closed the public hearing prior to the final adoption of this Ordinance.

Section 3. The zoning classification of the Property is hereby changed from SD suburban district to LC-3 retail district. The Property is more fully described in the legal description in Exhibit "A," attached hereto and made a part hereof for all purposes, and is depicted in Exhibit "A-1," attached hereto and made a part hereof for all purposes. Exhibit "A-1" shall be for reference purposes only. In the event that Exhibit "A-1" conflicts with Exhibit "A," Exhibit "A" shall prevail.

Section 4. The Zoning District Map of the City of Missouri City shall be revised and amended to show the zoning classification of the Property, with the appropriate reference thereon to the number and effective date of this Ordinance and a brief description of the nature of this change.

Section 5. This Ordinance shall in no manner amend, change, supplement, or revise any provision of any ordinance of the City of Missouri City, save and except the changes in zoning classification described in Section 3 hereof and the imposition of the findings, regulations, restrictions, exceptions and conditions contained herein.

Section 6. *Comprehensive plan deviation.* To the extent this Ordinance represents any deviation from the Future Land Use and Character map of the City of Missouri City Comprehensive Plan, such map is hereby amended to conform with this Ordinance.

Section 7. *Repeal.* Any ordinance or any other part of any other ordinance in conflict herewith shall be and is hereby repealed only to the extent of such conflict.

Section 8. *Penalty.* Any person, firm, partnership, association, corporation, company, or organization of any kind who or which violates any provision of this zoning ordinance shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be fined in an amount not to exceed Five Hundred Dollars (\$500.00). Each day during which said violation shall exist or occur shall constitute a separate offense. The owner or owners of any property or of premises where any violation of this zoning ordinance shall occur, and any agent, contractor, builder, architect, person, or corporation who shall assist in the commission of such offense shall be guilty of a separate offense unless otherwise prohibited by law and, upon conviction thereof, shall be punished as above provided.

Section 9. *Severability.* In the event any section, paragraph, subdivision, clause, phrase, provision, sentence or part of this Ordinance or the application of the same to any person or circumstance shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Ordinance as a whole or any part or provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of the City of Missouri

City, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, or whether there be one or more parts.

PASSED and APPROVED on first reading this 3rd day of September, 2019.

PASSED, APPROVED and ADOPTED on second and final reading this ___th day of _____, 2019.

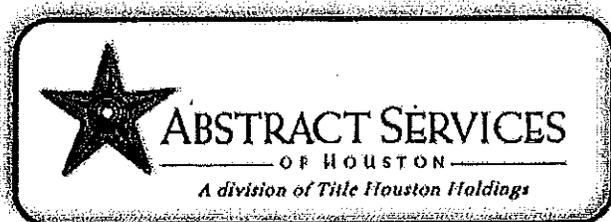
Yolanda Ford, Mayor

ATTEST:

APPROVED AS TO FORM:

Maria Jackson, City Secretary

E. Joyce Iyamu, City Attorney



7500 San Felipe, Suite 1020
Houston, TX 77063
713.589.9000 (OFFICE)
713.231.5028 (FAX)

CITY PLANNING LETTER

GF Number: 7910-19-0043

Date: June 20, 2019

**To: City of Missouri City
1522 Texas Pkwy.
Missouri City, Texas 77489**

Title Houston Holdings (Title Company) certifies that a diligent search of the real property records of Title Houston Holdings title plant has been made, as to the herein described property, and as of 8:00 AM on the 14th day of June 2019, we find the following:

Property Description:

BEING a 14.11 acre tract out of a 49.4061 acres (called 50 acres) recorded in Volume 263, page 389, Fort Bend County, Deed Records, located in Moses Shipman League Abstract 86, Fort Bend County, Texas;

BEGINNING at an iron pipe found for the Northeast corner of said 49.4061 acre tract, said point being located in the South R.O.W. line of State Highway No. 6 (100 feet R.O.W.);

THENCE South 00 degrees 02 minutes 03 Seconds West, along the East line of said 49.4061 acre tract, a distance of 787.74 feet to a 5/8 inch iron rod set for the Southeast corner of herein described tract;

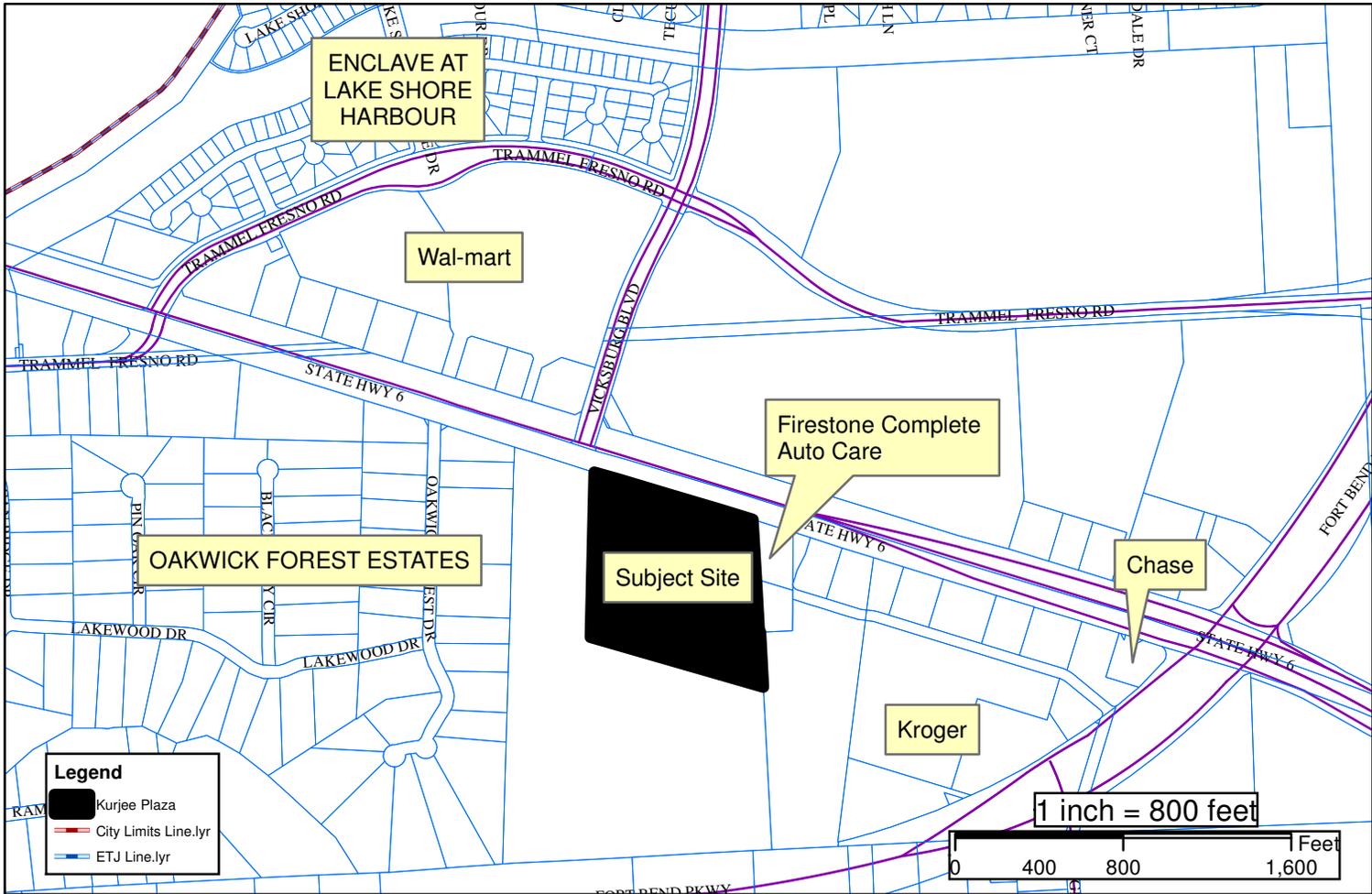
THENCE North 69 degrees 31 minutes 00 seconds West, a distance of 866.2 feet to a 5/8 inch iron rod set for the Southwest corner of herein described tract;

THENCE North 04 degrees 44 minutes 12 seconds East, a distance of 766.88 feet to a 5/8 inch iron rod set in the East R.O.W. line of said State Highway No. 6 for the Northwest corner of herein described tract;

THENCE South 69 degrees 31 minutes 00 seconds East, along the East R.O.W. line of said Highway No. 6, a distance of 799.17 feet to the PLACE OF BEGINNING and containing 14.11 acres of land, more or less.

Owner(s) of Record: KURJEE ENTERPRISES, INC., a Texas corporation dba Corner Market

By virtue of Warranty Deed dated January 13, 1995, recorded under Fort Bend County Clerk's File No. 9503898.





DEVELOPMENT SERVICES DEPARTMENT
Planning & Development Division
 1522 Texas Parkway
 Missouri City, Texas 77489
 281-403-8600 (Office) ■ 281-208-5551 (Fax)
 www.missouricitytx.gov

APPLICATION FOR ZONING MAP AMENDMENT (ZMA)

SEE EXHIBIT "B" (PAGE 8) FOR INFORMATION REQUIRED FOR COMPLETE APPLICATION SUBMITTAL

1. Project Name: Kurjee Plaza
2. Address/Location of Property: 10002 HWY 6, Missouri City, Texas
3. Applicant's Name: Mary Villareal of The Interfield Group
Mailing Address: 401 Studewood, Suite 300, Houston, Texas 77007
Phone No.:(713) 780-0909 Ext. 312
Email: mvillareal@interfield.net
4. Status of Applicant: Owner <input checked="" type="radio"/> Agent <input type="radio"/> Attorney <input type="radio"/> Trustee <input type="radio"/> Corporation <input type="radio"/> Relative (If other than Owner, submit written authorization from Owner with application.)
5. Property Owner: Kurjee Enterprises, Inc.
Mailing Address: 5241-B FM 521, Arcola, Texas 77583
Phone No.:(713) 906-6954
Email:
6. Existing Zoning District: Unzoned
7. Total Acreage: 14.11
8. Proposed Zoning District and Reasons for Application: LC-3 The purpose of the application is to allow unzoned land to be zoned LC-3
9. Legal Description of the Property (If the legal description is a portion of a lot, then a metes and bound description of the tract must be submitted with application.): A 14.11-acre tract of land located in Moses Shipman League, Abstract 86, Fort Bend County, Texas
10. Central Appraisal District tax identification numbers of property (Attach Paid Tax Receipts): 0086-00-000-4600-907
11. Do deed restrictions or restrictive covenants exist for the property? (Circle One): YES <input type="radio"/> NO <input checked="" type="radio"/> (If yes, submit with application.)
FILING FEE: \$450 Base Fee + \$25 Per Acre (Partial acre calculated as 1 acre)

Hand deliver completed application form with the filing fee and required information to:

Development Services Department
1522 Texas Parkway (FM 2234)
Missouri City, TX 77489

By submitting this application you are permitting City staff to enter the site in order to post and remove public notice signs.

Mary Villareal

 Print Name of Applicant

MVillareal

 Signature of Applicant

 Print Name of Property Owner

 Signature of Property Owner, Agent or Attorney

Kurjee Enterprises, Inc.
5241-B FM 521
Arcola, Texas 77583
Phone: (713) 498-1855

June 20, 2019

Mrs. Jennifer Thomas-Gomez
City of Missouri City
1522 Texas Parkway
Missouri City, Texas 77489

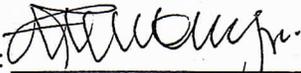
Re: Kurjee Plaza – Zoning Map Amendment & Platting
10002 HWY 6
Missouri City, Texas
(Interfield Project No. 18109.00)

Dear Mrs. Thomas-Gomez:

We, Kurjee Enterprises, Inc., owners of referenced property, do hereby authorize The Interfield Group to submit Zoning Map Amendment and plat Applications to the City of Missouri City, on our behalf, as well as be my agent in all matters associated with these processes.

Please let me know if you have any questions or if I may be of further assistance.

Very truly yours,

By: 
Name: Zulfiqar Kurjee, President

Print Name, Title

City Zoning Map Excerpt (As of August 2, 2019)

ENCLAVE AT
LAKE SHORE
HARBOUR

Wal-mart

Firestone Complete
Auto Care

OAKWICK FOREST ESTATES

Subject Site

Chase

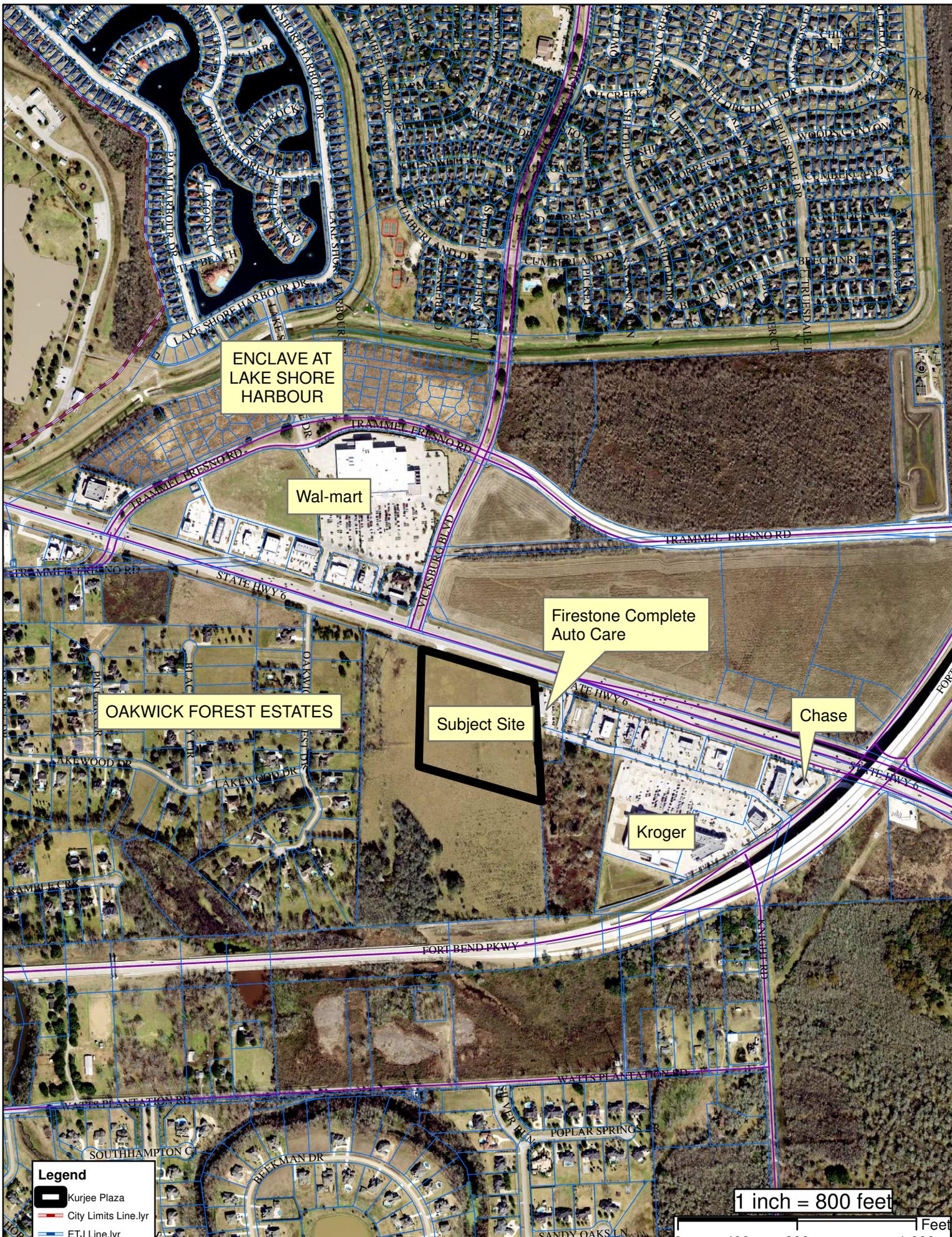
Kroger

Legend

-  Kurjee Plaza
-  City Limits Line.lyr
-  ETJ Line.lyr
-  BP
-  CF
-  I
-  LC-1
-  LC-2
-  LC-3
-  LC-4
-  MF-1
-  MF-2
-  MH
-  PD
-  R
-  R-1
-  R-1A
-  R-2
-  R-3
-  R-4
-  R-5
-  R-6
-  SD
-  SUB

1 inch = 800 feet

Feet



ENCLAVE AT
LAKE SHORE
HARBOUR

Wal-mart

Firestone Complete
Auto Care

OAKWICK FOREST ESTATES

Subject Site

Chase

Kroger

Legend

-  Kurjee Plaza
-  City Limits Line, Ijyr
-  ETJ Line, Ijyr

1 inch = 800 feet

1 Feet

Zoning Map Amendment Current Conditions – Site Pictures

Kurjee Plaza



View looking south, from State Highway 6 (picture – Google Maps, March 2019)



View looking east, from State Highway 6 (picture – Google Maps, February 2019)



View looking west, from State Highway 6 (picture – Google Maps, February 2019)



City of Missouri City

NOTICE OF PUBLIC HEARING

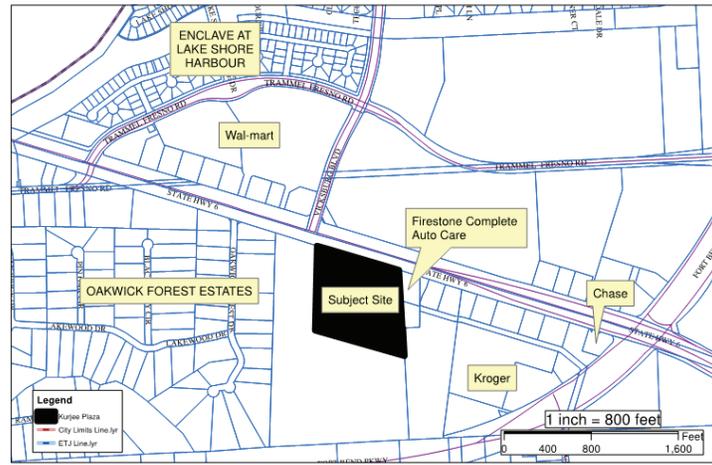
LOCATION/DATE: The City Council of the City of Missouri City will hold a public hearing on Tuesday, September 3, 2019, at the City Council Chambers – 2nd Floor, City Hall Building, 1522 Texas Parkway (FM-2234), Missouri City, Texas at 7:00 p.m.

PURPOSE: To receive comments for or against a request by Mary Villareal, The Interfield Group to zone an approximate 14.11 acre tract of land from SD, suburban district to LC-3, retail district; and to the extent such zoning deviates from the Future Land Use and Character map of the Comprehensive Plan, to provide for an amendment therefrom.

SITE LOCATION: The subject site is located south of Vicksburg Boulevard and State Highway 6, east of the Oakwick Forest Estates and west of a Firestone Complete Auto Care.

SITE LEGAL DESCRIPTION: The subject site can be described as being a 14.11 acre tract out of a 49.4061 acres (called 50 acres) recorded in Volume 263, page 389, Fort Bend County Deed Records, located in Moses Shipman League, A-86, Fort Bend County, Texas.

FOR MORE INFORMATION: Additional information and a map of the subject site are available for review at City Hall, Missouri City, Texas on Monday through Friday from 8:00 a.m. to 4:00 p.m. You may call 281-403-8600 or email the Development Services Department-Planning Division at planning@missouricitytx.gov for further information.





**Council Agenda Item
September 16, 2019**

7. PUBLIC HEARINGS AND RELATED ACTIONS

- (a) **Zoning Public Hearings and Ordinances** – *There are no Zoning Public Hearings and Ordinances on this agenda.*
-



CITY COUNCIL AGENDA ITEM COVER MEMO

September 16, 2019

To: Mayor and City Council
Agenda Item: 7(b)(1) Approval and adoption of the budget for the fiscal year beginning October 1, 2019, and ending September 30, 2020.
Submitted by: Allena Portis, Director of Financial Services

SYNOPSIS

Section 9.03 of the City Charter requires the City Council to adopt an annual budget prior to the beginning of the fiscal year. The proposed FY 2020 budget covering the period from October 1, 2019 through September 30, 2020 was filed with the City Secretary on or before September 1, 2019, as prescribed by the City's charter.

STRATEGIC PLAN 2019 GOALS ADDRESSED

- Maintain a financially sound City

BACKGROUND

The City of Missouri City's annual budget process began in early February of this year with a Strategic Planning and Budget Planning Workshop with City Council and staff. During the session, Council was presented with a work plan, various overviews and updates on current year financial commitments. The Council provided staff with their top priorities for the coming year for incorporation into the budget. Throughout the budget process, staff facilitated public input sessions to ensure that our community had an opportunity to engage in the process. This proposed budget has been discussed in various council meetings and a Public Hearings was held in order to solicit public input prior to adoption.

BUDGET ANALYSIS

See Attachment – Budget Summary

The FY 2020 Proposed Budget can be accessed from the City of Missouri City website at <http://www.missouricitytx.gov/>.

Purchasing Review: N/A
Financial/Budget Review: Bertha P. Alexander, Budget & Financial Reporting Manager

SUPPORTING MATERIALS

1. Ordinance
2. General Fund Revenue and Expense Summary
3. Combined Fund Statement
4. City Manager's Budget Message

STAFF'S RECOMMENDATION

Staff recommends the adoption of the proposed Fiscal Year 2020 City Budget as presented by record vote.

Director Approval: Allena Portis, Director of Financial Services
City Manager Approval: Anthony J. Snipes, City Manager

ORDINANCE NO. O-19-__

AN ORDINANCE OF THE CITY OF MISSOURI CITY, TEXAS, APPROVING AND ADOPTING THE CITY OF MISSOURI CITY, TEXAS, GENERAL BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2019, AND ENDING SEPTEMBER 30, 2020; MAKING APPROPRIATIONS FOR THE CITY FOR SUCH FISCAL YEAR AS REFLECTED IN SAID BUDGET; ADOPTING A PROJECTION FOR CAPITAL IMPROVEMENT PROGRAM SPENDING BEGINNING OCTOBER 1, 2019, AND ENDING SEPTEMBER 30, 2024; MAKING CERTAIN FINDINGS; AND CONTAINING CERTAIN PROVISIONS RELATING TO THE SUBJECT.

* * * * *

WHEREAS, in accordance with the Charter of the City of Missouri City, on or before September 1, 2019, the City Manager of the City of Missouri City, Texas (the "City") filed with the City Secretary a proposed Budget of the City for the fiscal year period beginning October 1, 2019, and ending September 30, 2020 ("Fiscal Year 2020"); and

WHEREAS, on or before September 1, 2019, the City Manager submitted to the City Council a proposed Budget of the City for Fiscal Year 2020 that includes a projection for Capital Improvement Program spending beginning on October 1, 2019, and ending September 30, 2024, and an accompanying message; and

WHEREAS, the City Council held, after notice, as required by law, a public hearing on such Budget on the 16th day of September, 2019, at which hearing all citizens and taxpayers of the City had the right to be present and to be heard and those who requested to be heard were heard; and

WHEREAS, the City Council has considered the proposed Budget and has made such changes therein as in the City Council's judgment were warranted by law and were in the best interest of the citizens and taxpayers of the City; and

WHEREAS, the Budget is attached hereto as Exhibit "A," and made a part hereof for all purposes; and

WHEREAS the proposed Budget of the City can be accessed from the City of Missouri City website at <https://www.missouricitytx.gov/DocumentCenter/View/11288/FY20-Proposed-Budget---Final-Adobe-View-Version-9-4-19-v2>, and the City Council desires to adopt the same; now therefore,

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

Section 1. The facts and recitations set forth in the preamble of this Ordinance are hereby found to be true and correct.

Section 2. In accordance with the provisions of Chapter 102 of the Texas Local Government Code, the City Council hereby approves and adopts the Budget, which can be accessed from the City of Missouri City website at <https://www.missouricitytx.gov/DocumentCenter/View/11288/FY20-Proposed-Budget---Final-Adobe-View-Version-9-4-19-v2>, a copy of same being on file with the City Secretary. The City Secretary is hereby directed to place on said Budget and to sign an endorsement reading as follows: "The Original Budget of the City of Missouri City, Texas, for the Fiscal Year 2020", and to keep such Budget on file in her office as a public record and on the City's Internet website.

Section 3. In support of said Budget and by virtue of the adoption thereof, there are hereby appropriated out of available cash funds and out of the general and special revenues of the City which will be received in the treasury during Fiscal Year 2020 the amount set forth in said approved Budget for the various purposes stated therein.

Section 4. *Severability.* In the event any clause, phrase, provision, sentence or part of this Ordinance or the application of the same to any person or circumstance shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Ordinance as a whole or any part or provision hereof, other than the part declared to be invalid or unconstitutional; and the City Council of the City of Missouri City, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, or whether there be one or more parts.

PASSED, APPROVED and ADOPTED on first and final reading this the 16th day of September, 2019.

Yolanda Ford, Mayor

ATTEST:

APPROVED AS TO FORM:

Maria Jackson, City Secretary

James Santangelo, Assistant City Attorney,
for E. Joyce Iyamu, City Attorney

ORDINANCE NO. O-19-__

AN ORDINANCE OF THE CITY OF MISSOURI CITY, TEXAS, APPROVING AND ADOPTING THE CITY OF MISSOURI CITY, TEXAS, GENERAL BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2019, AND ENDING SEPTEMBER 30, 2020; MAKING APPROPRIATIONS FOR THE CITY FOR SUCH FISCAL YEAR AS REFLECTED IN SAID BUDGET; ADOPTING A PROJECTION FOR CAPITAL IMPROVEMENT PROGRAM SPENDING BEGINNING OCTOBER 1, 2019, AND ENDING SEPTEMBER 30, 2024; MAKING CERTAIN FINDINGS; AND CONTAINING CERTAIN PROVISIONS RELATING TO THE SUBJECT.

* * * * *

WHEREAS, in accordance with the Charter of the City of Missouri City, on or before September 1, 2019, the City Manager of the City of Missouri City, Texas (the "City") filed with the City Secretary a proposed Budget of the City for the fiscal year period beginning October 1, 2019, and ending September 30, 2020 ("Fiscal Year 2020"); and

WHEREAS, on or before September 1, 2019, the City Manager submitted to the City Council a proposed Budget of the City for Fiscal Year 2020 that includes a projection for Capital Improvement Program spending beginning on October 1, 2019, and ending September 30, 2024, and an accompanying message; and

WHEREAS, the City Council held, after notice, as required by law, a public hearing on such Budget on the 16th day of September, 2019, at which hearing all citizens and taxpayers of the City had the right to be present and to be heard and those who requested to be heard were heard; and

WHEREAS, the City Council has considered the proposed Budget and has made such changes therein as in the City Council's judgment were warranted by law and were in the best interest of the citizens and taxpayers of the City; and

WHEREAS, the Budget is attached hereto as Exhibit "A," and made a part hereof for all purposes; and

WHEREAS the proposed Budget of the City can be accessed from the City of Missouri City website at <https://www.missouricitytx.gov/DocumentCenter/View/11288/FY20-Proposed-Budget---Final-Adobe-View-Version-9-4-19-v2>, and the City Council desires to adopt the same; now therefore,

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

Section 1. The facts and recitations set forth in the preamble of this Ordinance are hereby found to be true and correct.

Section 2. In accordance with the provisions of Chapter 102 of the Texas Local Government Code, the City Council hereby approves and adopts the Budget, which can be accessed from the City of Missouri City website at <https://www.missouricitytx.gov/DocumentCenter/View/11288/FY20-Proposed-Budget---Final-Adobe-View-Version-9-4-19-v2>, a copy of same being on file with the City Secretary. The City Secretary is hereby directed to place on said Budget and to sign an endorsement reading as follows: "The Original Budget of the City of Missouri City, Texas, for the Fiscal Year 2020", and to keep such Budget on file in her office as a public record and on the City's Internet website.

Section 3. In support of said Budget and by virtue of the adoption thereof, there are hereby appropriated out of available cash funds and out of the general and special revenues of the City which will be received in the treasury during Fiscal Year 2020 the amount set forth in said approved Budget for the various purposes stated therein.

Section 4. *Severability.* In the event any clause, phrase, provision, sentence or part of this Ordinance or the application of the same to any person or circumstance shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Ordinance as a whole or any part or provision hereof, other than the part declared to be invalid or unconstitutional; and the City Council of the City of Missouri City, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, or whether there be one or more parts.

PASSED, APPROVED and ADOPTED on first and final reading this the 16th day of September, 2019.

Yolanda Ford, Mayor

ATTEST:

APPROVED AS TO FORM:

Maria Jackson, City Secretary

James Santangelo, Assistant City Attorney,
for E. Joyce Iyamu, City Attorney

BUDGET COMPARISON - ALL FUNDS

Description of Fund	FY 2020 Proposed Budget	FY 2019 Revised Budget*	\$ and % Change	
General Fund				
Revenue	\$ 53,355,117	\$ 50,319,371	\$ 3,035,746	6.0%
Transfer in	1,736,057	1,703,929	32,128	1.9%
Total Revenue & Transfer In	\$ 55,091,174	\$ 52,023,300	\$ 3,067,874	5.9%
Expenses	\$ 49,637,855	\$ 48,061,996	\$ 1,575,859	3.3%
Transfer Out	4,953,319	3,906,999	1,046,320	26.8%
Total Expenses & Transfer Out	\$ 54,591,174	\$ 51,968,995	\$ 2,622,179	5.0%
Special Revenue Funds				
Revenue	\$ 6,258,141	\$ 5,931,140	\$ 327,001	5.5%
Transfer in	4,956,896	4,916,494	40,402	0.8%
Total Revenue & Transfer In	\$ 11,215,037	\$ 10,847,634	\$ 367,403	3.4%
Expenses	\$ 11,961,017	\$ 10,031,348	\$ 1,929,669	19.2%
Transfer Out	968,271	1,569,363	(601,092)	-38.3%
Total Expenses & Transfer Out	\$ 12,929,288	\$ 11,600,711	\$ 1,328,577	11.5%
Debt Service Fund				
Revenue	\$ 11,698,247	\$ 11,487,029	\$ 211,218	1.8%
Transfer in	-	-	-	0.0%
Total Revenue & Transfer In	\$ 11,698,247	\$ 11,487,029	\$ 211,218	1.8%
Expenses	\$ 10,445,474	\$ 9,691,188	\$ 754,286	7.8%
Transfer Out	998,219	954,531	43,688	4.6%
Total Expenses & Transfer Out	\$ 11,443,693	\$ 10,645,719	\$ 797,974	7.5%
Capital Projects Funds				
Revenue	\$ 13,021,506	\$ 21,085,544	\$ (8,064,038)	-38.2%
Transfer in	500,000	1,383,907	(883,907)	-63.9%
Total Revenue & Transfer In	\$ 13,521,506	\$ 22,469,451	\$ (8,947,945)	-39.8%
Expenses	\$ 19,603,922	\$ 31,140,126	\$ (11,536,205)	-37.0%
Transfer Out	1,800,000	2,079,114	(279,114)	-13.4%
Total Expenses & Transfer Out	\$ 21,403,922	\$ 33,219,240	\$ (11,815,319)	-35.6%

BUDGET COMPARISON - ALL FUNDS

Description of Fund	FY 2020 Proposed Budget	FY 2019 Revised Budget*	\$ and % Change	
Utility Funds				
Revenue	\$ 24,891,506	\$ 36,481,483	\$ (11,589,977)	-31.8%
Transfer in ¹	7,835,884	26,110,323	(18,274,439)	-70.0%
Total Revenue & Transfer In	\$ 32,727,390	\$ 62,591,806	\$ (29,864,416)	-47.7%
Expenses	\$ 37,254,034	\$ 36,015,296	\$ 1,238,738	3.4%
Transfer Out ¹	8,387,670	26,602,323	(18,214,653)	-68.5%
Total Expenses & Transfer Out	\$ 45,641,704	\$ 62,617,619	\$ (16,975,915)	-27.1%
Other Enterprise Funds				
Revenue	\$ 7,866,681	\$ 7,615,622	\$ 251,059	3.3%
Transfer in	-	-	-	0.0%
Total Revenue & Transfer In	\$ 7,866,681	\$ 7,615,622	\$ 251,059	3.3%
Expenses	\$ 7,855,701	\$ 7,700,450	\$ 155,251	2.0%
Transfer Out	16,000	16,000	-	0.0%
Total Expenses & Transfer Out	\$ 7,871,701	\$ 7,716,450	\$ 155,251	2.0%
Equipment Replacement Funds				
Revenue	\$ 104,710	\$ 105,436	\$ (726)	-0.7%
Transfer in	2,094,642	1,013,677	1,080,965	106.6%
Total Revenue & Transfer In	\$ 2,199,352	\$ 1,119,113	\$ 1,080,239	96.5%
Expenses	\$ 1,308,000	\$ 1,841,925	\$ (533,925)	-29.0%
Transfer Out	-	-	-	0.0%
Total Expenses & Transfer Out	\$ 1,308,000	\$ 1,841,925	\$ (533,925)	-29.0%
Total All Funds Budget				
Revenue	\$ 117,195,909	\$ 133,025,624	\$ (15,829,715)	-11.9%
Transfer in ¹	17,123,479	35,128,330	(18,004,851)	-51.3%
Total Revenue & Transfer In	\$ 134,319,388	\$ 168,153,954	\$ (33,834,566)	-20.1%
Expenses	\$ 138,066,001	\$ 144,482,328	\$ (6,416,327)	-4.4%
Transfer Out ¹	17,123,479	35,128,330	(18,004,851)	-51.3%
Total Expenses & Transfer Out	\$ 155,189,480	\$ 179,610,658	\$ (24,421,178)	-13.6%

¹ Transfers in FY19 associated with bond proceeds.

DEPARTMENT: ALL
 DIVISION: ALL

FUNDING SOURCE: GENERAL FUND
 FUND NUMBER: 101 and 800

OBJECT CODE AND DESCRIPTION	FY 18 ACTUAL*	FY 19 BUDGET	FY 19 ESTIMATES	FY 20 PROPOSED
REVENUES				
40 - PROP.TAX/ASSESSMENTS	\$ 28,262,694	\$ 30,531,777	\$ 30,531,777	\$ 32,944,648
41 - SALES & OTHER TAXES	11,944,883	8,859,800	8,859,800	9,437,800
42 - FRANCHISE REVENUE	5,357,742	4,198,300	4,198,300	3,961,000
43 - LICENSES AND PERMITS	3,548,623	2,468,538	3,241,765	2,636,737
44 - FINES/FEES & FORFEIT	1,190,543	883,200	918,959	872,100
45 - CHARGES FOR SERVICES	496,115	398,500	408,000	414,900
46 - INTERGOV REV/GRANTS	3,187,692	2,366,656	2,366,656	2,413,279
47 - INVESTMENT EARNINGS	197,469	200,000	330,000	195,902
48 - OTHER SOURCES/DONATN	1,575,167	412,600	664,491	478,750
TOTAL REVENUES	\$ 55,760,928	\$ 50,319,371	\$ 51,519,748	\$ 53,355,117
49 - TRANSFERS FROM & ADM	\$ 2,146,958	\$ 1,703,929	\$ 1,703,929	\$ 1,736,057
TOTAL REVENUES & TRANSFERS	\$ 57,907,886	\$ 52,023,300	\$ 53,223,677	\$ 55,091,174
EXPENDITURES				
51 - PERSONNEL COSTS	\$ 39,678,230	\$ 35,208,761	\$ 32,163,473	\$ 35,216,802
52 - SUPPLIES & MATERIALS	2,670,147	2,448,561	2,416,230	2,757,623
53 - PROF/CONTRACT SERVIC	6,797,979	5,519,850	5,598,454	6,352,773
54 - REPAIR & MAINTENANCE	1,397,485	898,758	898,936	1,045,583
55 - UTILITIES	2,397,255	2,043,320	2,076,154	2,267,846
56 - OTHER EXPENDITURES	1,942,867	1,883,748	1,789,649	1,937,228
58 - CAPITAL OUTLAY	272,808	58,998	58,998	60,000
TOTAL EXPENDITURES	\$ 55,156,771	\$ 48,061,996	\$ 45,001,894	\$ 49,637,855
59 - TRANSFERS TO FUNDS	\$ 4,553,355	\$ 3,906,999	\$ 3,894,697	\$ 4,953,319
TOTAL EXPENDITURES & TRANSFERS	59,710,126	51,968,994	48,896,591	54,591,174
REVENUE OVER/(UNDER) EXPENDITURES	\$ (1,802,240)	\$ 54,306	\$ 4,327,086	\$ 500,000
BEGINNING FUND BALANCE*	\$ 11,932,698	\$ 10,130,458	\$ 10,130,458	\$ 14,457,544
ENDING FUND BALANCE	\$ 10,130,458	\$ 10,184,764	\$ 14,457,544	\$ 14,957,544

*Includes the General Fund 101 and the Emergency Operation Fund 800.

*FY18 represented a 15-month fiscal year

COMBINED FUND STATEMENT FY 2020

OBJECT CODE AND DESCRIPTION	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND	CAPITAL PROJECTS FUNDS	UTILITY FUNDS	OTHER ENTERPRISE FUNDS	EQUIPMENT REPLACEMENT	FY 20 PROPOSED	FY 19 ESTIMATE	FY 19 BUDGET	FY 18 ACTUAL*
REVENUES											
40 - PROP.TAX/ASSESSMENTS	\$ 32,944,648	\$ 4,321,048	\$ 11,561,116	\$ -	\$ -	\$ -	\$ -	\$ 48,826,812	\$ 30,531,777	\$ 44,671,006	\$ 41,767,079
41 - SALES & OTHER TAXES	9,437,800	240,000	-	3,645,957	-	-	-	13,323,757	28,147,032	12,481,757	16,695,484
42 - FRANCHISE REVENUE	3,961,000	150,000	-	-	-	25,800	-	4,136,800	4,352,545	4,374,100	5,617,334
43 - LICENSES AND PERMITS	2,636,737	14,064	-	-	-	-	-	2,650,801	3,255,825	2,481,938	3,566,075
44 - FINES/FEES & FORFEIT	872,100	82,000	-	-	-	-	-	954,100	996,685	965,200	1,299,333
45 - CHARGES FOR SERVICES	414,900	-	-	-	14,850,638	7,805,748	-	23,071,286	15,313,678	22,533,068	26,506,059
46 - INTERGOV REV/GRANTS	2,413,279	857,107	-	-	-	27,000	-	3,297,386	3,191,218	3,244,639	3,940,789
47 - INVESTMENT EARNINGS	195,902	333,422	137,131	430,922	784,657	3,000	34,710	1,919,745	7,084,373	1,472,553	1,623,457
48 - OTHER SOURCES/DONATN	478,750	260,500	-	8,944,627	9,256,211	5,133	70,000	19,015,221	38,034,947	40,801,364	8,017,585
TOTAL REVENUES	\$ 53,355,117	\$ 6,258,141	\$ 11,698,247	\$ 13,021,506	\$ 24,891,506	\$ 7,866,681	\$ 104,710	\$ 117,195,909	\$ 130,908,081	\$ 133,025,624	\$ 109,033,196
TRANSFERS											
49 - TRANSFERS FROM & ADM	\$ 1,736,057	\$ 4,956,896	\$ -	\$ 500,000	\$ 7,835,884	\$ -	\$ 2,094,642	\$ 17,123,479	\$ 34,532,651	\$ 35,128,330	\$ 24,877,935
TOTAL TRANSFERS	\$ 1,736,057	\$ 4,956,896	\$ -	\$ 500,000	\$ 7,835,884	\$ -	\$ 2,094,642	\$ 17,123,479	\$ 34,532,651	\$ 35,128,330	\$ 24,877,935
TOTAL REVENUES & TRANSFERS	\$ 55,091,174	\$ 11,215,037	\$ 11,698,247	\$ 13,521,506	\$ 32,727,390	\$ 7,866,681	\$ 2,199,352	\$ 134,319,388	\$ 165,440,732	\$ 168,153,954	\$ 133,911,132
EXPENDITURES											
51 - PERSONNEL COSTS	\$ 35,216,802	\$ 330,870	\$ -	\$ -	\$ -	\$ 1,137,809	\$ -	\$ 36,685,481	\$ 33,637,263	\$ 36,692,401	\$ 41,383,110
52 - SUPPLIES & MATERIALS	2,757,623	354,650	-	-	2,476,300	842,675	460,500	6,891,748	5,534,794	5,829,734	6,713,147
53 - PROF/CONTRACT SERVIC	6,352,773	2,249,529	2,030	2,494,387	3,870,995	5,306,708	70,000	20,346,421	18,447,326	21,702,375	21,209,546
54 - REPAIR & MAINTENANCE	1,045,583	-	-	508,957	869,300	102,694	-	2,526,534	2,542,595	3,305,923	4,301,036
55 - UTILITIES	2,267,846	20,895	-	-	622,052	161,796	-	3,072,589	2,912,801	2,826,737	3,659,653
56 - OTHER EXPENDITURES	1,937,228	222,801	-	-	80,649	266,519	-	2,507,197	2,406,474	2,552,393	2,553,320
57 - DEBT EXPENDITURES	-	2,730,175	10,443,444	8,374,578	5,888,884	-	-	27,437,081	17,325,384	18,322,377	14,768,877
58 - CAPITAL OUTLAY	60,000	6,052,097	-	8,226,000	23,445,854	37,500	777,500	38,598,951	17,732,876	53,250,388	18,036,427
TOTAL EXPENDITURES	\$ 49,637,855	\$ 11,961,017	\$ 10,445,474	\$ 19,603,922	\$ 37,254,034	\$ 7,855,701	\$ 1,308,000	\$ 138,066,001	\$ 100,539,513	\$ 144,482,328	\$ 112,625,117
TRANSFERS TO FUNDS											
59 - TRANSFERS TO FUNDS	\$ 4,953,319	\$ 968,271	\$ 998,219	\$ 1,800,000	\$ 8,387,670	\$ 16,000	\$ -	\$ 17,123,479	\$ 34,803,124	\$ 35,128,330	\$ 24,877,935
TOTAL TRANSFERS	\$ 4,953,319	\$ 968,271	\$ 998,219	\$ 1,800,000	\$ 8,387,670	\$ 16,000	\$ -	\$ 17,123,479	\$ 34,803,124	\$ 35,128,330	\$ 24,877,935
TOTAL EXPENDITURES & TRANSFERS	\$ 54,591,174	\$ 12,929,288	\$ 11,443,693	\$ 21,403,922	\$ 45,641,704	\$ 7,871,701	\$ 1,308,000	\$ 155,189,480	\$ 135,342,637	\$ 179,610,658	\$ 137,503,052
REVENUES OVER/(UNDER) EXPENDITURES	\$ 500,000	\$ (1,714,251)	\$ 254,554	\$ (7,882,416)	\$ (12,914,313)	\$ (5,020)	\$ 891,352	\$ (20,870,093)	\$ 30,098,094	\$ (11,456,704)	\$ (3,591,920)
BEGINNING FUND BALANCE	\$ 14,457,544	\$ 21,076,258	\$ 5,899,897	\$ 23,485,850	\$ 72,169,888	\$ 47,536	\$ 940,217	\$ 138,077,193	\$ 107,979,098	\$ 107,979,098	\$ 111,571,018
ENDING FUND BALANCE	\$ 14,957,544	\$ 19,362,008	\$ 6,154,452	\$ 15,603,435	\$ 59,255,575	\$ 42,516	\$ 1,831,569	\$ 117,207,098	\$ 138,077,193	\$ 96,522,395	\$ 107,979,098

*FY18 represented a 15 month fiscal year



City Manager

1522 Texas Parkway
Missouri City, Texas 77489

Phone: 281-403-8500
www.missouricitytx.gov

TO: Honorable Mayor Ford and City Council
FROM: Anthony J. Snipes, City Manager
DATE: August 26, 2019
REGARDING: **Proposed Fiscal Year 2020 Annual Budget and Financial Plan**

It is my pleasure to submit for your review and consideration the Fiscal Year 2020 Proposed Budget. In accordance with Texas Statutes and the City of Missouri City Charter, Section 4.01, the proposed budget for the fiscal year beginning October 1, 2019 is hereby presented. This budget is structurally balanced, taking into account the strategic priorities and focus provided through your guidance. With special focus to community transparency, staff facilitated a series of discussions and meetings to gain the community's perspective. On the heels of transitioning to a voter approved new fiscal year, efforts were made in this budget to ensure financial strength and resiliency by meeting the fund balance requirement, particularly after the absorption of last year's 15-month budget. It is important to note that, despite a number of revenue categories impacted by new legislation, this balanced budget was accomplished with no borrowing and no impact to service levels to our community.

The City's proposed General Fund Budget is approximately \$54.59 million for FY 2020, which is \$2.63 million (5%) more than the FY 2019 Revised Budget of \$51.96 million. The City has and will continue to construct several noteworthy capital projects that are reflected in both the prior and current Capital Improvement Program (CIP) budgets. The total Proposed Budget (including CIP) for FY 2020, net of transfers, is \$ 138.07 million. Highlights of the proposed FY 2020 Budget are noted below:

- Provides funding and programming of City Council Priority Projects;
- Leverages existing funding to add full time positions to address continued growth within the City:
 - Adds one Utilities Clerk to the Public Works Department;
 - Adds one Administrative Assistant to the Parks Department; and
 - Adds one Desktop Specialist III to the Innovation & Technology Department in response to recommendations made in the employee survey.
- Continues same level of service to the residents of Missouri City, with continued focused efforts on public safety and economic development; and
- Maintains a healthy fund balance in compliance with the City's adopted fund balance policy.

Through careful review of each budget line item, our organization has been able to re-appropriate resources based on Council priorities without significant impact to service delivery or to staffing levels.

CURRENT AFFAIRS AND ECONOMIC OUTLOOK

Development of Flex Space: Warehouse, Distribution, Manufacturing & Commercial Uses

The overall market remains strong. Activity is very strong in the investment grade warehouse/distribution/flex area and residential development followed by supporting retail. In Missouri City alone there are three large development projects under development with more than 3,000,000 SF of space in various steps of the development process.

Current Efforts:

- **Park 8Ninety**
Trammell Crow Company is under development with phases two and three of the park. They have had success with preleasing activities. Staff continues to work with the Trammell Crow team as they present to business prospects and leasing opportunities.
- **4M Investments**
Staff worked with the developer to facilitate the development of ~800,000 sf of additional investment grade space. The developer is presently under construction with buildings on both sides of Cravens Road. There are no incentives in place for this project.
- **City Park Logistics Center**
Staff has been working with the developer for more than a year on this project. The City did a Chapter 380 agreement with the developer for the beltway connector project. This road connects Cravens Road to the Beltway. Part of the road is in Fort Bend County and part is in Harris County. The project was on the City's thoroughfare master plan. It was also included in the Fort Bend County Mobility Bond Election. The developer is providing the required City match to for the County funds. In consideration the City is using the Chapter 380 to allow the developer to receive the Fort Bend County funds for that portion of the road that is in Fort Bend County.

The developer is currently in predevelopment. The city is working through off-site detention issues for the property. The first phase of the project will be ~400,000 SF. The total project is anticipated to be ~1,700,000 SF.

- **Ridge Development**
The City entered into a five-year 50% abatement for the development of a 474,000 SF building located off Cravens Road. The developer has completed the building. The developer is selling the building to an internal fund of the company.
- **Hakeem Olajuwon Development (Dream Court)**
The former Tang City Mall property has been vacant for years. Staff has been working with the owner on the development of the site. The owner had the property zoning changed to allow for a community center years ago. The current concept will be for office warehouse in the back with the developer holding out the front pad sites for possible retail/service uses. The developer will need to rezone the property. The developer's representatives are presently working through the regulatory process.

- **Fort Bend Toll Road Site—Potential Development**

Staff has been working with the property owner and a potential developer for the purchase and development of ~110 acres for investment grade warehouse/distribution and manufacturing space. There have been several conversations, but the discussions are in the early stages. No reliable details on timing, investment or SF to share at this point.

The City has averaged only 0.8 economic development projects per year over the last 20 years. However, last year the City completed six economic development projects:

- **Best Buy - 600,000 SF Regional distribution center**
- **Comcast - 36,000 SF Regional service center**
- **NatureBest - 63,000 SF food processing and distribution center**
- **Phillips Edison - Redevelopment project \$600,000 of updates and facade improvements**
- **Ridge Development - 500,000 SF new speculative warehouse and distribution**
- **Warren Alloy - Second expansion 200,000 SF manufacturing distribution space**

These projects are harbingers of things to come. At present there is more than 3,000,000 SF of new commercial space planned and under way along US 90A and Beltway 8 in Missouri City. Development is expanding along the Fort Bend Toll Road, housing starts are busy all across the community and new capital investments are being made in redevelopment areas.

Retail/Commercial

Development continues in support of growth areas. Retail continues to develop along Highway 6 in Missouri City. There is a great deal of development along the entire corridor, but the greatest concentration is proximate to Sienna.

- **NewQuest**

The city has entered into a Letter of Intent for the development of the ~250,000 SF power center at the intersection of Fort Bend Toll Road and Highway 6. The property is presently vacant and has been in agricultural exemption. The property is in TIRZ #2 and PID #2. There is no assessment from PID #2. The developer proposes a ~45,000 SF Cinemark Theater and other retail uses. The developer has requested a performance based incentive of up to \$4mm from the city and \$2.5mm from MMD #2.

- **Terramark Ventures**

The developer is presently working with the Fort Bend Toll Road Authority on the potential to relocate the exit ramp which would provide better stacking for the intersection and the potential of additional access to the property. Staff has been working with the developer and anticipates bringing forth a proposal on infrastructure development soon.

- **Realty 1**

The developer has purchased property directly across from ALDI. Staff and I have been working with the developer on access issues for the property.

- **Williamsburg Enterprises**

The developer is currently under way with the Spec's and 24 Hour Fitness. The developer is seeking to attract two other large retailers.

- **Johnson Development / Sienna Town Center**
Staff continues to be in contact with Johnson Development on the Town Center. The developer continues to pursue options. They are currently pursuing several entertainment users and fitness properties. They have lost some opportunities to Highway 6 sites due to the difference in traffic counts.
- **Clinton Wong Property by Hightower High School**
Trammell Crow Residential is currently working on a feasibility analysis for the development of multi-family on this site. The property has zoning in place for up to 600 units. Staff has met with the potential developer as a part of their due diligence.

Residential

Residential development continues to be strong throughout the City. Sienna is the top selling residential community in Texas. That said, the new home development in Sienna is impacting the resale market in Sienna. Also of note is that four of the five developments underway are taking place in the Texas Parkway Corridor. The other development is Parks Edge at the intersection of Fort Bend Tollway and Lake Olympia Parkway. The five residential projects include:

- **Liberty Ridge Subdivision - 165 Homes on 40.4 acres**
- **Mustang Trails - 231 new homes**
- **Pebble Brook Subdivision - 52 new homes**
- **Parks Edge – 1,037 new homes**
- **Gala and Jubilee at Texas Parkway – 23-acres with 240-unit senior housing project**

Redevelopment Areas

The City Council has reinforced its commitment to leverage the interest in the community and to continue to promote the redevelopment areas of Texas Parkway and Cartwright Road. The City Council in February 2019 reaffirmed this commitment at their annual Council Retreat by ranking Economic Development and Redevelopments as their #1 priority. This affirmation coincides with their adopted economic development plan that included among its top five goals the redevelopment focus on Texas Parkway and Cartwright Road. Please see below recent strategic efforts by our team:

- **Grand Park Center** – Redevelopment project on Texas Parkway. Redevelopment incentive policy and incentive agreements will be on Council and TIRZ agenda in late August or early September.
- **Highest and Best Use Analysis** – The two properties where the City continues to receive the greatest numbers of comments and concerns are the Quail Corner (King Dollar Center) and Missouri City Central (former Cinema 6 Movie Theater). Staff continues to reach out to the owners to discuss opportunities for redevelopment. The Quail Corner property has been up for sale and is under contract.

ACTION: In an effort to identify options and possible values, a consultant has been engaged to conduct a highest and best use assessment. The market assessment will identify options for repositioning / redevelopment and the economic parameters for those efforts. The assessment is anticipated to be completed in September 2019.

- **Draper Property** - The property is the ~52 acres behind CVS at the intersection of FM2234 and Cartwright Road. The property has zoning for LC2 on a portion of the property and R5 on the back half. The property has three pipelines which cross it as well as identified wetlands. The owner has recently changed brokerage firms. Reed King has been selected by the owner to promote the sale and development of the property. Staff has been working with brokers on options for development.
- **Starbucks** - Staff worked with Starbucks corporate real estate on the possible location of a store on Texas Parkway. The company indicated that their site selection criteria are for AM drive side with traffic counts above 35,000 CPD. They are also looking at major roadway connectors. The company is currently seeking a site near Fondren Road and Beltway 8. The company indicated that Texas Parkway does not meet their site selection criteria.

The City of Missouri City and its partners have invested more than \$41,000,000 in the Texas Parkway and Cartwright Road area over the last 10 years in capital projects, parks activities and CDBG projects. This focus and efforts are bearing fruit and the following are a few highlights and plans of new investment of note:

- HCC New Campus – Facilitated by City Economic Development ~\$24M (the largest single investment made on Texas Parkway in decades)
- Missouri City Gym Restoration ~\$5M
- Construction of the new Parks Maintenance Facility (Texas Parkway) ~\$3.5M
- Texas Leaguer Brewing Company at 13503 Pike Road - \$270,000
- Quail Valley Shopping Center Update - \$600,000 Incentive Project
- Discount Tire - \$750,000
- Thomas Taylor Parkway ~\$2.9M
- Redevelopment of former Sonic site (Thomas Plaza)~\$1M Investment
- New C-Store under development at Independence Boulevard and Texas Parkway- \$685,000
- Missouri City Library Renovations ~\$7M

Office Development

- **Glenn Lakes Professional Building**
Staff has been working over the last year with a potential buyer on the redevelopment of the Glenn Lakes Professional Building. The sale of the building finally closed and we have been working with that new owner. The new owner has cleaned up the property and is demoing the building for redevelopment. Staff is assisting the project with support in marketing the space and program in REDNews.

Economic Outlook

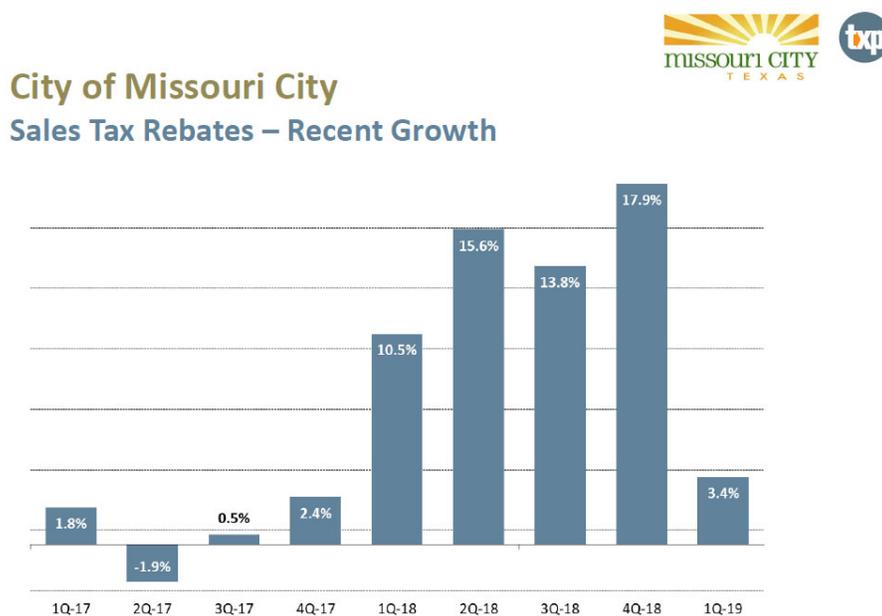
While the U.S. economy continues to modestly expand, recent challenges in the oil industry have continued to impact the local economy. We are pleased to report that, through conservative fiscal planning and management, the City of Missouri City continues to be insulated from many of the difficulties unfortunately faced by our peers and partners in the region.

As part of the budget development process, on June 17, 2019, for the fourth year, the City received an economic and demographic forecast presentation from Mr. Jon Hockenyo, President of TXP Economic Development Consultants. This presentation provided:

- Examination of trends in the regional/national/international economy with focus on variables crucial to the Houston region;
- Review of performance and outlook for the Houston regional economy;
- Review of overall trends and key sector;
- Examination of third-party forecasts;
- Examination of current structure and trends in Missouri City with focus on sectors and occupations where residents are concentrated;
- Testing of a range of variables for predictive power; and
- Creation of Missouri City forecasts using a combination of analysis, statistics, input, and judgement.

Sales Tax Revenue in Missouri City

Sales tax rebates have turned positive, likely reflecting both economic improvement, heightened confidence, and rebuilding in the wake of Harvey.

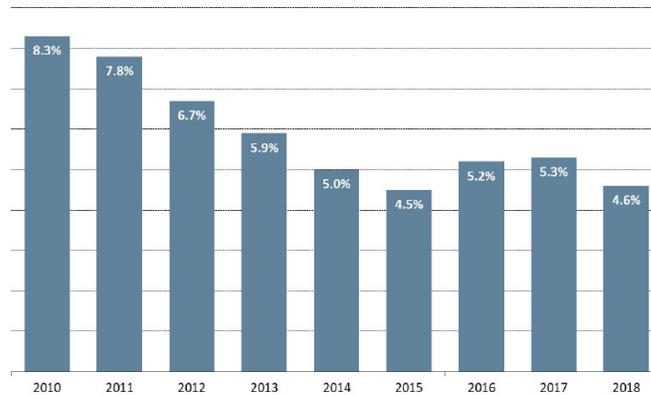


Source: Texas Comptroller, TXP

Unemployment Rates in Missouri City - Based on Texas Workforce Commission Residents Survey

Missouri City has seen unemployment rates return to pre-“energy crisis” levels. This is consistent with an upturn in the regional economy. Many Missouri City residents work outside of the City with strong concentrations in Health Care and Professional Services. Thus, the analytical focus in this presentation was on where residents work, rather than jobs based in Missouri City.

Unemployment Rate – Based on TWC Residents Survey



Source: Bureau of Labor Statistics (Texas Workforce Commission), TXP

Local and National Affairs

Local governments continue to face instability due to state legislation that impedes municipal authority and challenges the ability to maintain service levels to provide a good quality-of-life to residents. The Texas Legislature convened and concluded the 86th Legislative Session, which resulted in the passage of several bills that will have significant impacts on the City's future.

Although some of the impacts will be delayed until the next budget cycle, the implications will be felt for years to come. Some of the impacts will be felt through caps on future property tax revenues, elimination of some fees for right-of-way usage by telecommunications and cable providers, elimination of red light cameras as a traffic safety tool, and requiring the City to adjust workloads through restricting processes and unfunded mandates. A sample of legislative bills that have impact on Missouri City is below:

- **S.B. 2 - Property Tax Reform**
 - Makes various changes to the property tax rate setting and appraisal processes.
 - Lowers the property tax rollback rate from 8 percent to 3.5 percent (with some potential adjustments).
 - Goes into effect January 1, 2020, with other relevant provisions not taking effect until 2021. Cities do not need to comply with the new tax rate setting procedures in S.B. 2 until they set their 2020 property tax rates over a year from now.
- **S.B. 1152 – Right of Way Fees**
 - Telecom/Cable Providers that deliver both cable and telephone services can drop the lowest fee and only pay one fee. **Estimated fiscal impact of \$200k.**
- **H.B. 852 – City Fees**
 - Building permit fees may not be tied to the value of buildings or cost of construction. Cities must choose other criteria like – square footage, flat fee, or other method to calculate fee. **This will be flat based on the recent adoption of fees and we will continue to monitor.**

- **H.B. 2439 – Building Codes and Regulations**
 - Effective September 1, 2019, and generally provides – with some exceptions – that a city cannot regulate building materials or methods beyond those in a nationally-recognized building code. **Staff will have to monitor impact on property value going forward.**
- **H.B. 3167 – Development Applications**
 - Makes numerous changes to the subdivision platting approval process, and it will require most cities to make changes to their subdivision ordinance, zoning ordinance, and/or unified development code approval processes.
- **H.B. 3834 – In-House Training**
 - House Bill 3834, which became effective on June 14, 2019, mandates cybersecurity training for city officials and employees. The bill allows the Texas Department of Information Resources, which is responsible for implementation, to identify and certify training programs that are already provided by local governments.
- **S.B. 241 – Reduced Energy Consumption**
 - During the 2019 session, the legislature extended the requirement for electric consumption reduction in “affected” counties until 2026. Affected counties (listed in Health & Safety Code § 386.001) are essentially those that are nearing non-attainment status under federal air quality rules.
 - Senate Bill 241 requires cities in affected counties to establish a goal to reduce the city’s electric consumption by at least five percent each state fiscal year for seven years, beginning September 1, 2019.
 - As before, a city in an affected county must report its efforts to meet the goal and its progress to the State Energy Conservation Office. A city that fails to meet the goal required by the bill must include a justification that it has already implemented all available cost-effective measures in the report.

Across our nation, polls show that citizens’ trust in and satisfaction with government continues to decline. Missouri City has worked hard to engage our citizens and to develop communications with our residents to build trust and partnership. The results of our recent Citizen Survey show that Missouri City consistently ranks higher than the State and National averages in satisfaction levels. Nevertheless, we continue to look for ways to build and improve upon these relationships, and, to provide our citizens with the level of service and quality-of-life that they expect.

With these myriad pressures, I believe that it will be imperative to continue to follow the conservative fiscal planning and policies that have served our community well in years past. Additionally, we continue to build public-private partnerships with local, regional, and national organizations, and, to partner with the new 501c3 Missouri City Parks Foundation.

Momentum

We are experiencing a steady momentum in our organization that will continue to propel us toward greater success. As context, in considering this proposed budget, it is important to consider significant achievements throughout the past year that benefit Missouri City residents:

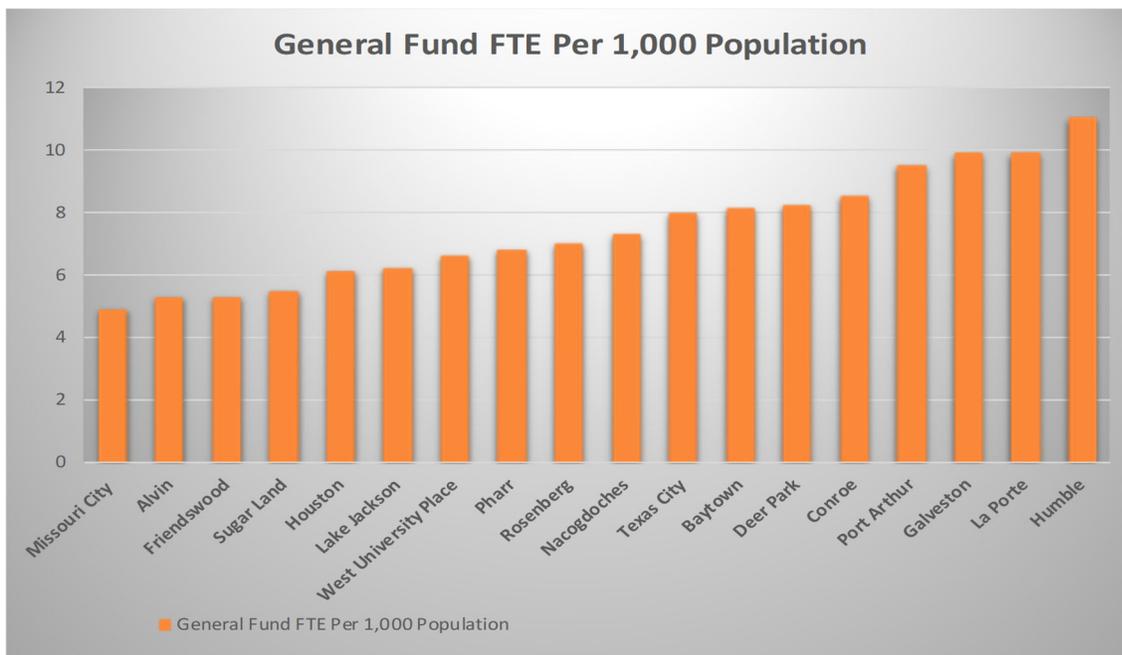
- Implemented the bi-annual market compensation study, in continuity of Council direction, to support the organization’s competitiveness in hiring and retention;

- Completed a Municipal Utility District (MUD) Strategic Plan which will guide City policy and provide a uniform, thoughtful, strategy for the future;
- Commissioned a Parks Facility Assessment;
- Developed a Five-Year Financial Plan with revenue and expenditure projections and planning;
- Completed a Long Range Water Plan which charts out a path for meeting City and ETJ’s water demand for ultimate build-out;
- Completed the \$2 Million plus sidewalk rehabilitation project;
- Ranked among the top safest municipalities in Texas by the Home Security Advisor. The “Show Me City” was listed at No. 42 among all cities rated in the report and at No. 5 among cities with a population of 50,000 or more;
- Completed major park and facility improvements, including park enhancements at Gammill Park, playground replacement at Roane Park and the opening of the City’s first Skatepark at Community Park;
- Completed the employee satisfaction survey;
- Began design of Fire Station #6;
- Completed the Missouri City Comprehensive Housing Study Plan; and
- Completed User Fee Study with focus on development related fees.

Doing More With Less

Historically, Missouri City employees have heard some version of the phrase, “One Missouri City employee does the work of two at any other organization.” This mentality has for years encouraged our workforce to work hard and accomplish great things. It also leads to the inevitable conclusion that Missouri City has fewer staff than comparably sized cities. Missouri City has continued to grow, as have the expectations of our citizens. At the same time, the number of general fund employees has not kept up with the pace of demand.

The chart below demonstrates Missouri City’s staffing levels in comparison to many of the surrounding municipal organizations. Staffing levels are shown in relation to the size of the city’s population by demonstrating the number of FTE’s per 1,000 residents.



As an organization, we must begin to consider the impact of maintaining low staffing levels. There are impacts to the level of service delivery and the scope of services that our organization is capable of executing. As our citizens' expectations rise for increased programming, wider variety of services, and faster service delivery, our staffing levels will need to adjust to meet these demands. There is a limit to how far efficiencies and technological improvements may take us. And there is a limit to how far we can take the passion and dedication of our staff. At some point in the very near future, our organization will reach that limit. It is our responsibility to begin this consideration and to plan for that future.

BUDGET DEVELOPMENT AND ALIGNMENT

Strategic Goals and Strategies

The City of Missouri City engages internal and external experts and community members to provide frameworks and actionable guidelines for our decision-making. Planning processes involve major community decisions about how much and where growth will occur, the nature of future development, and whether the community can afford provision of the services and facilities to support this growth.

As referenced in Section IV, Long Term Planning, in 2014, Missouri City's Strategic Plan was developed. This plan serves as a guide to prioritize initiatives, resources, goals and department operations. Through this plan, the Mayor and Council set forth the following goals:

1. Create a great place to live: safe, beautiful, and active;
2. Maintain a financially sound City government: effective/quality services and infrastructure;
3. Grow business investments in Missouri City: more businesses, more jobs;
4. Develop a High Performance City team: working together, producing results;
5. Have quality development through buildout: active centers, neighborhoods, housing, and mobility.

A good Strategic Plan is a living document. In keeping with best practices, the City plans to undergo a five-year Strategic Plan Refresh beginning September 2019. The process will engage Council members in reviewing the City's goals, taking stock of strengths, weaknesses, and accomplishments, and reflecting and re-doubling our attention on existing goals. This is an opportunity to incorporate fresh ideas, and to bring together the City's ambitious Comprehensive Plan, Economic Development and Redevelopment Plan, and Municipal Utilities District Strategic Plan, for a more unified and aligned path forward.

Budget Development

The Mayor, City Council, and staff conducted a Strategic Planning and Budget Planning session on February 8 and 9. During these sessions, Council was presented with a work plan and performance report, economic development overview, financial overview, a long-term CIP recap and follow-up to previous presentations, updates on current year financial commitments, an overview of current year budget considerations, and operational updates. Council provided staff with insights into their top priorities for the coming year including six key areas of focus, which staff incorporated into this current budget proposal:

- Economic Development & Redevelopment
- Infrastructure
- Fire Department
- Employees
- Beautification
- Partnerships

Many thanks go to our Mayor and City Council, who are the touchpoints to the residents of Missouri City and who constantly remind us of the priority and focus that is expected.

In addition to those priorities identified at the Council retreat, we continue to address priority areas provided by Council in prior fiscal years. These issues, listed below, coincide with their Strategic Goals:

- Implementation of Market Compensation and Benefits Study recommendations;
- Funding of the organization's health insurance plan;
- Replacement of key Information Technology equipment;
- Replacement of aged fleet vehicles;
- Facility maintenance; and
- Execution of action steps from the Tourism Strategic and Marketing Plan.

As part of the development process, throughout the spring and summer of 2019, staff also facilitated public input sessions to ensure that our community members had an opportunity to engage in this process. This included public meetings presenting economic forecasts, district town halls, a clergy round table and a youth town hall.

Current Progress toward Budget Priorities

The Fiscal Year 2020 Budget was created in alignment with Council's priorities, as indicated in the February Budget Planning Session and as directed through Council actions throughout the year.

In February 2019 Council directed that specific areas be addressed as priorities in the coming year. City staff began work to immediately address those areas and the proposed budget includes efforts toward the following:

Economic Development and Redevelopment

- Redevelopment on Texas Parkway/Cartwright Road;
- Supporting Fort Bend Toll Road and Sienna Town Center;
- Monitoring existing partnership agreement;
- Continuing to proactively market the community;
- Investing in Public Facilities; and
- Strategically identifying areas of improvement.

Infrastructure

- Upgrade signal intersection at Colonial Lakes at Highway 6;
- GPS emergency pre-emption and priority service hardware;
- Central software for traffic management center;
- Infrastructure improvement to Mustang Bayou Waste Water Treatment Plant;
- Expansion of the Regional Water Plant;
- Expansion of Steep Bank/Flat Bank Waste Water Treatment Plant;
- Glenn Lakes Bridge replacement;
- IT Replacement for committed and critical infrastructure; and
- Continue the sidewalk Replacement Program.

Fire Department

- Part-time support staff for Fire Marshal's Office;
- Protective clothing equipment to meet the state adopted guidelines NFPA 1851;

- Equipment for new fire engine;
- Equipment for the new aerial tower ladder truck;
- Development and implementation of a Junior Fire Explorer Program;
- Desktop audit workload assessment;
- Third party plan reviews to improve response time for new construction; and
- Design and construction of Fire Station #6.

Employees

- Set aside funds for a 1% one-time salary adjustment;
- Planning for FY 2021 update to compensation study;
- Coverage of Employee Health Insurance costs increase;
- Wellness Program partnership with Blue Cross/Blue Shield;
- Employee Focused Committees: Employee Recognition (ERC) and Wellness Committees;
- Implementation of Kaboom software for employee recognition;
- Implementation of employee survey recommendations; and
- IT – additional staff.

Beautification

- Public art for Parks installations;
- Median/Landscape Project at Texas Parkway and Cartwright;
- Reader/Monument Signs and Landscape throughout the City;
- Electronic signage and communications at Independence Boulevard;
- Parks entrance signage;
- Promotional chloroplast signs to promote City events;
- Additional tractor mowing and trimming;
- Sta-Mo Master Plan Study;
- Annual maintenance of new landscape beds on Cartwright Road;
- Annual maintenance of new landscape beds on Texas Parkway;
- Additional contract litter collection in all parks; and
- Wood fiber surfacing materials for playgrounds to provide ADA accessibility.

Partnerships

- TX DOT for beautification;
- TX DOT for Texas Parkway turn-around;
- General Land-Office flood alert system;
- Fort Bend County/Developer – Beltway 8 Connector project;
- Union Pacific – Potential closure of South Cravens railroad crossing;
- Fort Bend County/Sienna Management District- Sienna intersection improvements;
- Mustang Expansion – MUD 47, 48, and Pearland;
- Veterans Memorial/Parks Foundation and private donations;
- TIRZ 1 –
 - Parks Maintenance Facility.
 - Other Public Facilities.
 - Façade Improvements in TIRZ 1 boundary;
- TIRZ 2 – Economic Development;
- Community Outreach - Teen programs funds for musical, art and education teen outreach; and
- Fort Bend County partnership to renovate Fire Station #1 with EMS.

Conclusion

The City is to be commended for its past conservative practices, not only in projecting revenues, but also in maintaining responsible expenditure and reserve levels. The result of these conservative fiscal practices is that our community is in a position of strength as we face projected shortfalls in some revenue categories.

We will complete our fee study in September 2019 and adjust fees accordingly during FY 2020. Any revenue increases as a result of the fee study have not been included in the proposed budget. Any additional revenues received the initial year of implementation will be used to enhance our fund balance to assist with planning for the 3.5% revenue cap that will be effective in FY2021. This position allows Missouri City to continue providing current core service levels with responsible and reasonable augmentations. Our goal will always remain to provide superior service to our citizens. We will continue to reflect the City Council's traditionally conservative budgeting approach to address our community's needs while ensuring the long-term financial stability of the City of Missouri City.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'A. Snipes', written in a cursive style.

Anthony J. Snipes
City Manager



CITY COUNCIL AGENDA ITEM COVER MEMO

September 16, 2019

To: Mayor and City Council
Agenda Item: 7(b)(2) **First Public Hearing** to receive comments regarding the City's proposed tax rate of \$0.630000
Submitted by: Allena Portis, Director of Financial Services

SYNOPSIS

The City's budget is funded partially with property tax revenue generated from an annually adopted tax rate applied to certified taxable property values within the city limits. Staff has recommended a tax rate of \$0.630000, which exceeds the effective rate of \$.603916, and therefore two public hearings are required per the Texas Local Government Code.

STRATEGIC PLAN 2019 GOALS ADDRESSED

- Maintain a financially sound City

BACKGROUND

Staff is recommending the adoption of a tax rate of \$0.630000 per \$100 valuation as the 2019 Tax Rate for the FY 2020 budget. The recommended rate exceeds the effective rate of \$.603916, and therefore two public hearings are required per the Texas Local Government Code. It is proposed that this rate be allocated to Maintenance & Operations and Debt Service as follows:

Allocation	FY 2020	Compare FY 2019
Maintenance & Operations (M&O) =	\$.466387	\$.460000
Debt Service (I&S) =	\$.163613	\$.170000
Total Rate	\$.630000	\$.630000

The City of Missouri City has scheduled two public hearings for the proposed tax rate for FY20 as follows:

First Hearing: September 16, 2019 at 7:00 PM at City Hall, Council Chambers, 1522 Texas Parkway, Missouri City, Texas.

Second Hearing: September 23, 2019 at 6:00 PM at City Hall, Council Chambers, 1522 Texas Parkway, Missouri City, Texas.

Using a 99% collection factor, the total tax revenue proposed to be raised in FY2020 at the proposed tax rate of **\$0.630000** for each \$100 of taxable value, including tax revenue to be raised from new property added to the tax roll this year, is \$44,076,188.

The Council Members of the City of Missouri City are scheduled to vote on the tax rate at a public meeting to be held on October 7, 2019.

BUDGET ANALYSIS

Using a 99% collection factor, the total tax revenue proposed to be raised in FY2020 at the proposed tax rate of **\$0.630000** for each \$100 of taxable value, including tax revenue to be raised from new property added to the tax roll this year, is \$44,076,188. The proposed property tax rate is the same rate for the 2018 tax year. Any increase/decrease in tax to property owners would be due to an increase or decrease in their property's assessed valuation.

STAFF'S RECOMMENDATION

Conduct the public hearings. The vote on the tax rate will take place after the second public hearing.

Director Approval: **Allena Portis, Director of Financial Services**

**Assistant City Manager/
City Manager Approval:** **Anthony J. Snipes, City Manager**



CITY COUNCIL AGENDA ITEM COVER MEMO

September 16, 2019

To: Mayor and City Council
Agenda Item: 9(a) Consider authorizing the City Manager to negotiate and execute an amendment to the existing contract for ditch cleaning and excavation services.
Submitted by: Clifford Brouhard, P.E., PTOE, Assistant Director of Public Works

SYNOPSIS

The Streets/Drainage Division within Public Works Department is responsible for cleaning and excavation of drainage ditches within the City as required for providing positive drainage. Due to the complexity of work and the equipment this work requires, term contracts for these services are used. The estimated cost of these services over the next 3 years is over \$50,000 and therefore requires authorization by City Council.

STRATEGIC PLAN 2019 GOALS ADDRESSED

- Create a great place to live

BACKGROUND

Staff regularly receives reports of open-ditch areas in the City that are in need of flow-line elevation adjustments. These adjustments are necessary to provide efficient and positive drainage during rain events. These projects along with others, which become necessary from time-to-time, are added to the work order list and addressed as funding and conditions warrant.

Therefore, the Public Works Department initiated a bid request to accomplish the City's stated goals. The Purchasing Division advertised invitation to bid IFB #19-313 Term Contract for Ditch Cleaning and Excavation Services in the Fort Bend Independent newspaper for two consecutive weeks. The bid was posted on the State of Texas Electronic State Business Daily bid posting website for public download. The bid was publicly opened on January 15, 2019 where three bids were received. On May 6, 2019 staff requested authorization from City Council and subsequently was approved to enter into a contract with Texas Drainage Inc., for ditch cleaning and excavations services. The amount of the contract was \$40,000 per year, for up to a 3-year term.

The Public Works Department had several projects scheduled for excavation since Hurricane Harvey and since the original contract was awarded in June 2019. Additional areas/projects were requested after this contract was awarded in June 2019. This will result in the contract amount to exceed \$40,000 (per year) and \$120,000 (over 3 years), which was stipulated in the original contract. After a reconciliation of the FY 19 budget, Public Works has funding available which can be used towards additional ditch cleaning and excavation projects, which are necessary to provide positive drainage.

Therefore, Public Works staff is requesting authorization to negotiate and execute two (2) amendments to the Ditch Cleaning and Excavation contract:

Amendment #1: To increase the overall contract limit by 25% from \$120,000 to \$150,000, and

Amendment #2: To remove the \$40,000 per year cap.

The unit prices for these services is per the original contract as noted in the attached bid-tab.

BUDGET/FISCAL ANALYSIS

Funding Source	Account Numbers	Project Number/Name	FY19 Funds Budgeted	FY19 Funds Available	Amount Requested
General Fund	101-53529-15-142-	Contractual Services – Drainage	\$140,000	\$100,000	\$40,000*

*\$40,000 in General funds are allocated yearly to pay for ditch cleaning. The total over the next 3 years is approximately \$120,000.

Purchasing Review: Shannon Pleasant, CTPM – Procurement & Risk Manager
Financial/Budget Review: Bertha P. Alexander – Budget & Financial Reporting Manager

Note: Compliance with the conflict of interest questionnaire requirements, if applicable, and the interested party disclosure requirements (HB 1295) has been confirmed/is pending within 30-days of this Council action and prior to execution.

SUPPORTING MATERIALS

- Existing contract for Ditch Cleaning and Excavation Services.

STAFF'S RECOMMENDATION

Authorize the City Manager to negotiate and execute an amendment to the existing contract for ditch cleaning and excavation services for Texas Drainage Inc.

Director Approval: Shashi K. Kumar

**Assistant City Manager/
City Manager Approval:** Glen A. Martel

**TERM CONTRACT
FOR
Ditch Cleaning and Excavation Services
(LOCAL CONTRACT NO. 19-313)**

STATE OF TEXAS §

COUNTY OF FORT BEND §

THIS AGREEMENT MADE, entered into and executed by and between the CITY OF MISSOURI CITY, a body corporate and politic under the laws of the State of Texas, hereinafter called "CITY", and **Texas Drainage, Inc.** hereinafter called "CONTRACTOR".

WHEREAS, the CONTRACTOR represents that it is fully capable of making and qualified to provide assistance to the CITY (or Client) and the CONTRACTOR desires to perform the same;

NOW, THEREFORE, the CITY and the CONTRACTOR, in consideration of the mutual covenants and agreements herein contained, do mutually agree as follows:

**SECTION I
SCOPE OF AGREEMENT**

The CONTRACTOR agrees to provide the following services:

Ditch Cleaning and Excavation Services as provided for in contractor's response to City Invitation to Bid # 19-313, dated January 15, 2019.

**SECTION II
CHARACTER AND EXTENT OF WORK**

The CONTRACTOR shall provide the services as defined in Section I. The CITY shall be under no obligation to pay for any additional services rendered without prior written authorization.

**SECTION III
TERM AND TERMINATION**

This AGREEMENT is effective **at full execution** and remains in effect for one (1) full year with a mutual option to renew for an additional two (2) years, from the effective date, unless sooner terminated under the terms of this AGREEMENT.

The CITY reserves the right to terminate this contract at any time during the term of the contract, without cause, with a written thirty (30) days' notice to terminate and pay the contractor for work performed to date.

SECTION IV COMPLIANCE AND STANDARDS

The CONTRACTOR agrees to provide services hereunder in accordance with the generally accepted standards applicable thereto and shall use that degree of care and skill commensurate with the CONTRACTOR's trade or profession to comply with all applicable state, federal, and local laws, ordinances, rules, and regulations relating to the services provided hereunder and the CONTRACTOR's performance. The CONTRACTOR shall and does hereby agree to indemnify and hold harmless the CITY, its officers, agents, and employees from any and all damages, loss, or liability of any kind, whatsoever, including, but not limited to, death, injury, or property damages, caused by the intentional, knowing, reckless, or negligent act or omission (hereinafter referred to as "fault") of the CONTRACTOR, its officers, agents, employees, invitees or other persons for whom it is legally liable, with regard to the performance of this Agreement, and the CONTRACTOR will, at its cost and expense, defend, pay on behalf of, and protect the CITY and its officers, agents, and employees against any and all such claims and demands. Such indemnity shall apply where the suits, actions, legal proceedings, claims, demands, damages, costs, expenses and attorney fees arise in whole or in part from the fault of the CONTRACTOR. The indemnification provision shall survive the expiration or termination of the Agreement.

Force Majeure. Neither the CONTRACTOR, its suppliers nor the CITY will be liable for any failure or delay in this Agreement due to any cause beyond its reasonable control, including acts of war, acts of God, earthquake, flood, embargo, riot, sabotage, labor shortage or dispute, governmental act or failure of the Internet (not resulting from the negligence or willful misconduct of CONTRACTOR), provided that the delayed party: (a) gives the other party prompt notice of such cause, and (b) uses its reasonable commercial efforts to promptly correct such failure or delay in performance. If the CONTRACTOR is unable to provide services for a period of ten (10) consecutive days as a result of a continuing force majeure event, the CITY may cancel the services order without penalty.

SECTION V THE CONTRACTOR'S COMPENSATION

For and in consideration of the services rendered by the CONTRACTOR pursuant to this Agreement, the CITY shall pay the CONTRACTOR the amount not exceed forty- thousand dollars and no cents (\$ 40,000.00) per annum.

SECTION VI TIME OF PAYMENT

Payment by the CITY to the CONTRACTOR shall be made as follows:

The CONTRACTOR shall be provided a purchase order number from the CITY and such number shall be referenced on all invoices submitted to the CITY.

The CONTRACTOR shall submit, to the appropriate CITY staff member, an invoice in a form acceptable to the CITY, setting forth the charges for the service provided which were delivered during such billing period, and the compensation which is due for same. The CITY contract manager shall review the same and approve it with such modifications, as deemed appropriate. The CITY shall pay each invoice as approved by the CITY contract manager within thirty (30) days after receipt of a true and correct invoice by the CITY. The approval or payment of any such invoice shall not be considered to be evidence of performance by the CONTRACTOR to the point

indicated by such invoice or of the receipt of or acceptance by the CITY of the services covered by such invoice.

Invoices shall be submitted via electronic mail to the following address:

City of Missouri City
Accounts Payable Office
1522 Texas Parkway
Missouri City, TX 77489
accountspayable@missouricitytx.gov

Invoices submitted without a purchase order number will be returned unpaid. Failure to submit invoices to the above address will delay payment. DO NOT submit invoices to any other address for payment.

Chapter 2251 of the Texas Government Code, commonly known as the Prompt Payment Act, sets out the required deadlines for payment of the CITY'S obligations to its vendors, requirements for vendor's payments to their subcontractors, penalties for failure to comply with the Act and exceptions to the Act.

The Act requires political subdivisions to pay all payments owed not later than thirty (30) days after the goods and services are received, the performance of the service under the contract is completed, or the date the invoice is received, whichever is later. A payment begins to accrue interest on the date the payment becomes overdue. The rate of interest that accrues on an overdue payment is the rate in effect on September 1 of the fiscal year in which the payment becomes overdue. The rate in effect on September 1 is equal to the sum of one percent (1%) percent; and the prime rate as published in the Wall Street Journal on the first day of July of the preceding fiscal year that does not fall on a Saturday or Sunday. Interest on an overdue payment stops accruing on the date the governmental entity or vendor mails or electronically transmits the payment.

The CITY shall notify a vendor of an error in an invoice submitted for payment by the vendor not later than the 21st day after the date the entity receives the invoice. If a dispute is resolved in favor of the vendor, the vendor is entitled to receive interest on the unpaid balance of the invoice submitted by the vendor beginning on the date under Section 2251.021 that the payment for the invoice is overdue. If a dispute is resolved in favor of the governmental entity, the vendor shall submit a corrected invoice that must be paid in accordance with Section 2251.021. The unpaid balance accrues interest as provided by this chapter if the corrected invoice is not paid by the appropriate date.

SECTION VII TERMINATION

The CITY may terminate this Agreement at any time by giving thirty (30) days written notice to the CONTRACTOR. The CONTRACTOR may terminate this agreement upon thirty (30) days written notice to the CITY in the event the CITY has failed to pay the CONTRACTOR'S invoices. If the CONTRACTOR has been providing services in accordance with this Agreement, the CITY shall pay the CONTRACTOR all amounts due up to the time of termination.

**SECTION VIII
ADDRESS AND NOTICES AND COMMUNICATIONS**

The parties contemplate that they will engage in informal communications with respect to the subject matter of this Agreement. However, any formal notices or other communications ("Notice") required to be given by one party to the other party under this Agreement shall be given in writing addressed to the party to be notified at the address set forth below for such party, (i) by delivering the same in person, (ii) by depositing the same in the United States mail, certified or registered, return receipt requested, postage prepaid, addressed to the party to be notified, or (iii) by depositing the same with a nationally recognized courier service guaranteeing "next day delivery," addressed to the party to be notified, (iv) by sending the same by telefax with confirming copy sent by mail, or (v) by sending the same by electronic mail with confirming copy sent by mail. Notice deposited in the United States mail in the manner hereinabove described shall be deemed effective from and after the date of such deposit. Notice given in any other manner shall be effective only if and when received by the party to be notified. For the purposes of notice, the addresses of the parties, until changed by providing written notice in accordance hereunder, shall be as follows:

All notices and communications under this Agreement shall be mailed to the CONTRACTOR at the following address:

Texas Drainage, Inc.
29215-1 Waller Spring Creek Rd.
Waller, TX 77484
(832) 683-3443
John George, General Manager
admin@texasdrainage.com

All notices and communications under this Agreement shall be sent to the CITY at the following address:

City of Missouri City
Attn: Procurement and Risk Management
1522 Texas Parkway
Missouri City, Texas 77489
purchasing@missouricitytx.gov

**SECTION IX
LIMIT OF APPROPRIATION**

Prior to the execution of this Agreement, the CONTRACTOR has been advised by the CITY and the CONTRACTOR clearly understands and agrees, such understanding and agreement being of the absolute essence to this Agreement, that the CITY shall have available the amount budgeted by the CITY for materials testing to discharge any and all liabilities which may be incurred by the CITY pursuant to this Agreement and that the total maximum compensation that the CONTRACTOR may become entitled to hereunder and the total maximum sum that the CITY shall become liable to pay to the CONTRACTOR hereunder shall not under any conditions, circumstances, or interpretations, hereof, exceed the said total maximum sum provided for in this section without prior written permission from the CITY.

**SECTION IX
SUCCESSORS AND ASSIGNS**

The CITY and the CONTRACTOR bind themselves and their successors, executors, administrators, and assigns to the other party of this Agreement and to the successors, executors, administrators and assigns of such other party, in respect to all covenants of this Agreement. Neither the CITY nor the CONTRACTOR shall assign, sublet or transfer its or his interest in this Agreement without the written consent of the other, which consent will not be unreasonably withheld. Nothing herein shall be construed as creating any personal liability on the part of any officer or agent of any public body, which may be a party hereto.

**SECTION X
MEDIA**

Contact with the news media shall be the sole responsibility of the CITY. The CONTRACTOR shall under no circumstances release any material or information developed in the performance of its work hereunder without the express written permission of the CITY.

**SECTION XI
AUTHORITY OF CITY PROJECT MANAGER**

All work to be performed by the CONTRACTOR hereunder shall be performed to the satisfaction of the CITY'S project manager. The CITY'S project manager shall decide any and all questions, which may arise as to the quality, or acceptability of the work performed by the CONTRACTOR and the decisions of the CITY'S project manager in such cases shall be final and binding on both parties. However, nothing contained herein shall be construed to authorize the CITY'S project manager to alter, vary or amend this Agreement.

**SECTION XII
MODIFICATIONS**

This instrument contains the entire Agreement between the parties relating to the rights herein granted and the obligations herein assumed. Any oral or written representations or modifications concerning this instrument shall be of no force and effect, except for a subsequent modification in writing signed by both parties hereto.

**SECTION XIII
FISCAL FUNDING**

The CITY'S fiscal year is October 1st through September 30th.

If this contract extends beyond September 30th, there shall be a fiscal funding out. If, for any reason, funds are not appropriated to continue the contract in the new fiscal year, said contract shall become null and void on the last day of the current appropriation of funds. Contract will then be terminated without penalty of any kind or form to the CITY.

SECTION XIV INSURANCE REQUIREMENTS

If required, as indicated below, the CONTRACTOR shall procure and maintain, with respect to the subject matter of this Agreement, appropriate insurance coverage with limits to cover the CONTRACTOR'S liability as may arise or cause, directly or indirectly, from work performed under terms of this Agreement.

If applicable, a current certificate of liability insurance is required to be submitted to the Purchasing Office before the CITY will enter into a contract with the CONTRACTOR. The certificate of insurance shall be an attachment to the contract document.

POLICY REQUIREMENTS (IF APPLICABLE)

The CONTRACTOR and all subcontractors performing work for the CONTRACTOR under this Agreement shall furnish a completed insurance certificate to the CITY prior to the event, which shall be completed by an agent authorized to bind the named underwriter(s) for coverage, limits, and termination provisions shown thereon, and which shall contain the following:

- (a) Workman's Compensation Insurance as required by laws and regulations applicable to and covering employees of Contract engaged in the performance of the work under this agreement with a limit of not less than \$1,000,000.00;
- (b) Employers Liability Insurance protecting contractor against common law liability, in the absence of statutory liability, for employee bodily injury arising out of the master servant relationship with a limit of not less than \$100,000.00;
- (c) Comprehensive General Liability Insurance including products/completed operation with limits of liability of not less than: Bodily Injury \$1,000,000.00 per each person, \$1,000,000.00 per each occurrence/\$2,000,000.00 aggregate; Property Damage \$1,000,000.00 per each occurrence; and
- (d) Excess Liability Insurance Comprehensive general Liability, Comprehensive Automobile Liability and coverage's afforded by the policies above, with the minimum limits of \$5,000,000.00 excess of specified limits;

The CITY shall be entitled, upon request and without expense, to receive copies of the certificate of insurance and the required policies and endorsements.

The CONTRACTOR agrees, with respect to the above required insurance, that all insurance contracts and certificate(s) of insurance will contain and state, in writing, on the certificate or its attachment, the following required provisions:

- (a) The CONTRACTOR shall notify the CITY of any change in the required coverage or cancellation, and shall give such notices not less than 30 days prior to the change or cancellation. The CONTRACTOR shall provide a replacement CERTIFICATE OF INSURANCE prior to such change or cancellation;
- (b) Provide for an endorsement that the "other insurance" clause or provision shall not apply to the CITY where the CITY is shown as an additional insured on the policy;
- (c) Provide for notice to the CITY at the address shown in this Agreement;

(d) The CONTRACTOR agrees to waive all the CONTRACTOR'S, its officers, employees, agents, assigns, and successors' rights of subrogation against the CITY, its officers, employees, and elected representatives for injuries, death, property damage, or other loss covered by insurance and the CONTRACTOR will provide a waiver of subrogation endorsement against the CITY. The CITY must be named or listed on the endorsement; and

(e) The CITY, its elected and appointed officials, employees and agents shall be listed as additional insured to the required coverage. All coverage specified shall remain in effect during the term of this Agreement. No cancellation of or changes to the certificates, the policies or endorsements may be made without thirty (30) days prior written notification to the CITY. Any termination of coverage without replacement shall result in immediate termination of this Agreement.

COVERAGES SHALL BE WITH A COMPANY (WITH AT LEAST AN A- BEST RATING) ACCEPTABLE TO THE CITY PURCHASING AND RISK MANAGEMENT DEPARTMENT AND A COPY OF THE CERTIFICATE OF COVERAGE SHALL BE DELIVERED TO THE CITY ON OR BEFORE THE DATE OF THIS AGREEMENT.

NOTICES

All notices shall be given to the CITY at the following address:

City of Missouri City
Procurement and Risk Management
1522 Texas Parkway
Missouri City, Texas 77489

APPROVAL

Approval, disapproval, or failure to act by the CITY regarding any insurance supplied by the CONTRACTOR shall not relieve the CONTRACTOR of full responsibility or liability for damages and accidents as set forth in the contract documents. Neither shall the bankruptcy, insolvency, or denial of liability by the insurance company exonerate the CONTRACTOR from liability.

SECTION XV PROHIBITION ON BOYCOTTING ISRAEL

Pursuant to Section 2270.002, Texas Government Code, the CITY may not enter into a contract for goods or services unless the contract contains a written verification that the contractor: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract. By executing the House Bill 89 Verification Form, Exhibit A, attached hereto and incorporated herein for all purposes, CONTRACTOR verifies that CONTRACTOR does not boycott Israel and will not boycott Israel during the term of this Agreement.

SECTION XVI ENGAGING IN BUSINESS WITH SUDAN, IRAN OR FOREIGN TERRORIST ORGANIZATIONS PROHIBITED

Pursuant to Section 2252.152, Texas Government Code, CONTRACTOR warrants, represents, and agrees that CONTRACTOR is not identified on a list prepared and maintained by the Texas

Comptroller of Public Accounts as a company that engages in business with Sudan, Iran or a foreign terrorist organization.

**SECTION XVII
CHOICE OF LAW**

This Agreement shall be governed by the laws of the State of Texas, except for the conflict of law provisions, with venue in Fort Bend County, Texas and the CONTRACTOR hereby consents to such jurisdiction and venue.

**SECTION XIII
SEVERABILITY**

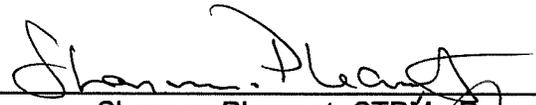
In the event that any provision(s) of this Agreement shall for any reason be held invalid, illegal, or unenforceable, the invalidity, illegality or unenforceability of that provision(s) shall not affect any other provision(s) of this Agreement, and it shall further be construed as if the invalid, illegal, or unenforceable provision(s) had never been a part of this Agreement.

**SECTION XIX
CONTRACT SIGNATURE SHEET**

This document and the included exhibit, except for any terms and conditions attached to or included in the Scope of Work by the CONTRACTOR, is the entire Agreement and recites the full consideration between the parties, there being no other written or parole agreement.

IN WITNESS WHEREOF, the said CITY has lawfully caused these presents to be executed by the City Manager of said CITY, and the said CONTRACTOR, acting by its thereunto duly authorized representative, does now sign, execute and deliver this instrument.

Authorized by the City of Missouri City, Texas on the 26 day of June, 2019.

Reviewed by: 
Shannon Pleasant, CTPM - Procurement & Risk Manager

Department Director (Kumar):  Date: 6/20/19

Texas Drainage, Inc.

By: 

Title: GENERAL MANAGER

By: JOHN GEORGE

CITY OF MISSOURI CITY


Bill Atkinson - Assistant City Manager

Date: 6/26/19

*Acting CM
6/26/19*

~~
Anthony Snipes - City Manager~~

~~Date: _____~~

EXHIBIT A

I, John George,
being an adult over the age of eighteen (18) years and the undersigned authorized representative
of Texas Drainage Inc
(hereafter referred to as "Company"), do hereby verify that the above-named Company, under
the provisions of Subtitle F, Title 10, Texas Government Code, Chapter 2270:

- (1) Does not boycott Israel; and
- (2) Will not boycott Israel during the term of this Agreement with the City of Missouri City.

Pursuant to Section 2270.001, Texas Government Code, the following term has the following meaning:

- 1. "Boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

[Signature]
Signature

June 20, 2019
Date

STATE OF TEXAS

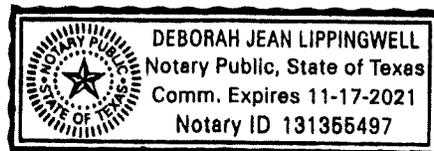
§
§
§

COUNTY OF Harris

This instrument was acknowledged before me this 20 day of June, 2019,

by John George.

Deborah Jean Lippingwell
Notary Public, State of Texas





CITY COUNCIL AGENDA ITEM COVER MEMO

September 16, 2019

To: Mayor and City Council
Agenda Item: 9(b) Consider authorizing the City Manager to execute a one (1) year contract extension with Wells Fargo Bank for depository services.
Submitted by: Allena Portis, Director of Financial Services

SYNOPSIS

Resolution 17-20 authorized a contract with Wells Fargo bank for depository services. The contract was issued for an initial two-year period with three one-year renewal options for a contract term not to exceed five years. The initial two-year period expires on September 30, 2019. Staff is requesting to exercise the first renewal option.

STRATEGIC PLAN 2019 GOALS ADDRESSED

- Maintain a financially sound City

BACKGROUND

The current depository agreement between the City and Wells Fargo Bank was issued for two-year period with the option to renew on an annual basis for a maximum contract term of five years as allowed by Texas Local Government Code, Title 4, Subtitle A, Chapter 105, Subchapter A, Section 105.017. The initial two-year period expires on September 30, 2019. Wells Fargo Bank and the City Staff wish to exercise the first of three one-year renewal options and extend the contract for one (1) year from October 1, 2019 through September 30, 2020.

BUDGET/FISCAL ANALYSIS

Funding Source	Account Numbers	Project Number/Name	FY20 Funds Budgeted	FY20 Funds Available	Amount Requested
General Fund	101-53519-12-114-	Bank Fees	\$23,400	\$23,400	\$23,400

Purchasing Review: Shannon Pleasant, CTPM - Procurement & Risk Manager
Financial/Budget Review: Bertha P. Alexander, Budget & Financial Reporting Manager

SUPPORTING MATERIALS

1. Extension to Depository Contract

STAFF'S RECOMMENDATION

Staff recommends authorizing the City Manager to execute a one (1) year contract extension with Wells Fargo Bank for depository services.

Director Approval: Allena Portis, Director of Financial Services
Assistant City Manager Approval: Anthony J. Snipes, City Manager

DEPOSITORY BANK SERVICES AGREEMENT

THIS DEPOSITORY BANK SERVICES AGREEMENT hereinafter called the "Agreement", is made and entered into on the date last herein written by and between the City of Missouri City, Texas, hereinafter called the "City", and Wells Fargo Bank, N.A., a banking association, organized under the law of the United States and authorized by law to do banking business in the State of Texas, hereinafter called the "Bank", and provides as follows:

1. **Designation of Depository.** The City, through action of its City Council, hereby designates Bank as a primary depository bank for the period beginning October 1, 2017, and **continuing** through September 30, 2019 ("Initial Term"), unless otherwise terminated in accordance with the provisions hereof. This Agreement may be renewed for three (3) one-year extensions under the same terms and conditions of this Agreement.

2. **General.** All services rendered to City by Bank under this Agreement shall be performed in accordance with applicable laws, accepted commercial banking standards for public fund organizations and under the overall direction and instructions of City pursuant to Bank's standard operations, policies, and procedures.

3. **Scope of Services.** Bank agrees to provide those services as described in the City of Missouri City, Texas Request for Application for Depository Bank Services released on April 20, 2017, hereinafter referred to as the "RFA," incorporated herein by reference. Bank acknowledges that all Services performed by Bank are subject to the approval of City.

4. **City Representatives.** During the term of this Agreement, City will, through appropriate action of its City Council, designate the officer, or officers, who singly or jointly will be authorized to represent and act on behalf of City in any and all matters of every kind arising under this Agreement and to (a) appoint and designate, from time to time, a person or persons who may request withdrawals, orders for payment or transfer on behalf of City in accordance with this Agreement, and (b) make withdrawals or transfer by written instrument.

5. **Custodian.** City and Bank, by execution of this Agreement, hereby designate Bank of New York Mellon as custodian, hereinafter called "Custodian", to hold in trust the collateral described and pledged by Bank in accordance with the terms and conditions of the Depository Pledge Agreement, attached hereto as Exhibit "A, and incorporated herein for all purposes:

6. **Entire Agreement.** The entire agreement between Bank and City shall consist of (1) this Agreement, (2) the RFA (except to the extent Bank took specific exceptions in the Bank's response to the RFA), (3) Bank's response to the RFA dated May 23, 2017, hereinafter referred to as the "Application," and incorporated herein by reference, (4) the Depository Pledge Agreement, and (4) other such bank service agreements, policies and documents as may be required and approved by the parties, hereinafter referred to as "Service Agreements," and incorporated herein by reference (together, the "Banking Agreements"), each incorporated herein for all purposes as they presently exist and each listed in governing order of precedence in the event of conflict among the documents. Should any conflict arise between the terms of two or more Banking Agreements, such Banking Agreements shall govern in the order set forth above. This Agreement supersedes any and all prior representations, statements, and agreements, whether written or oral. The terms and provisions of this Agreement may not be amended, altered, or waived except by mutual agreement evidenced by a written instrument signed by duly authorized representatives of both parties.

Bank and City may from time to time enter into new Service Agreements with respect to specific treasury management services as are deemed necessary to further define the rights and duties of the Bank

and City with regard to certain defined services, which may include authorization designations and codes, or such other covenants as required for the proper implementation of the Services. Such Service Agreements shall be added to and become a part of this Agreement, are subordinate to this Agreement, and should any conflict arise, the terms of this Agreement shall prevail.

7. **Successors.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Whenever a reference is made herein to either party, such reference shall include the party's successors and assigns.

8. **Compensation.** City and Bank agree that any compensation for the performance of all duties and services is set forth in the Application accepted by City. Except as may otherwise be provided in the Banking Agreements, said compensation shall constitute full payment for all services, liaison, products, materials, and equipment required to provide the professional banking services, including services, materials, training, equipment, travel, overhead, and expenses. Fees shall be fixed for the term of the Banking Agreements, including all extensions.

9. **Consideration.** The Banking Agreements are executed by the parties hereto without coercion or duress and for substantial consideration, the sufficiency of which is forever confessed.

10. **Counterparts.** The Banking Agreements may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes. A facsimile signature will also be deemed to constitute an original if properly executed.

11. **Authority to Execute.** The individuals executing the Banking Agreements on behalf of the respective parties below represent to each other and to others that all appropriate and necessary action has been taken to authorize the individual who is executing the Banking Agreements to do so for and on behalf of the party for which his or her signature appears, that there are no other parties or entities required to execute the Banking Agreements in order for the same to be an authorized and binding on the party for whom the individual is signing and that each individual affixing his or her signature hereto is authorized to do so.

12. **Governing Law and Venue.** This Agreement shall be governed by the laws of the State of Texas. Fort Bend County shall be the venue for any dispute arising out of this Agreement.

13. **Notices.** Except as may otherwise be specified in the applicable Service Agreements, any demand, notice, request, instruction, designation, or other communication(s) required in writing under this Agreement shall be personally delivered or sent certified mail, return receipt requested, to the other party as follows:

Bank: Orlando Saenz, Vice President
Wells Fargo Bank, N.A.
14200 Gulf Freeway, 1st Floor
Houston, Texas 77034

City: Edena Atmore
Director of Financial Services
City of Missouri City
1522 Texas Parkway
Missouri City, Texas 77489

Changes to notice information may be made by either party with written notification to the other party.

14. **Severability.** If any provision of this Agreement is held to be illegal, invalid, or unenforceable by a court of competent jurisdiction, the parties, shall, if possible, agree on a legal, valid, and enforceable substitute provision that is as similar in effect to the illegal, invalid, or unenforceable provision as possible. The remaining portion of the Agreement not declared illegal, invalid, or unenforceable shall remain valid and in full force and effect for the term remaining.

15. **Binding Commitment.** Bank hereby acknowledges itself duly and firmly bound for the faithful performance of all the duties and obligations required by applicable law, including the Government Code and Local Government Code, such that all funds deposited with it as depository shall be faithfully kept by it and accounted for according to law.

16. **Continuation.** Unless this Agreement is terminated sooner, Bank's designation as the primary City Depository will remain continuously in effect through September 30, 2019 subject to execution of the extension options if applicable.

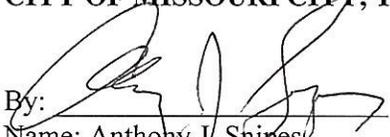
17. **Indemnification and Release.** During the term of this Agreement, Bank will indemnify, defend and hold harmless the City and its officers, directors, employees, agents and assigns (the "Indemnified Parties") from and against all claims, losses, demands, liability, judgments, awards, interest, attorney's fees and costs (collectively, "Losses") arising out of, resulting from or relating to the performance of the Services provided hereunder which are, in each case, directly caused in whole or in part by the negligent or intentional acts or omissions of Bank or any of its officers, directors, employees, agents, subcontractors or assigns, except to the extent such Losses are caused by the negligence or intentional misconduct of any Indemnified Party. In no event will Bank be liable for any indirect, special, consequential or punitive damages, whether or not the likelihood of such damages was known to Bank, and regardless of the form of the claim or action or the legal theory on which it is based. By entering into this Agreement, City does not waive its governmental immunity, any limitations as to damages under Texas law, or any other protection or immunity otherwise provided by law.

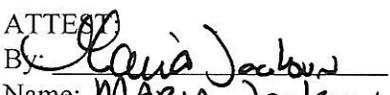
18. **Termination.** Either party may terminate this Agreement as to some or all of the Services, with or without cause, by giving 90 days prior notice to the other party, provided that this Agreement shall continue in effect and remain in full force and effect and shall be binding on Bank and its successors and assigns until such time, not to exceed ninety (90) days from the date of termination, as all City deposits have been paid in full to City or otherwise paid as instructed by City.

19. **Default** The Bank shall be in default if ruled "bankrupt," "insolvent" or "failed" by a federal or state banking regulator, or if a receiver is appointed for the Bank.

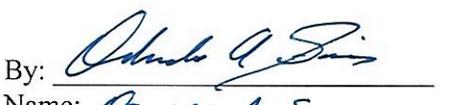
Executed by the undersigned duly authorized officers of the parties hereto:

CITY OF MISSOURI CITY, TEXAS

By: 
Name: Anthony J. Snipes
Title: City Manager
Date: 8/22/17

ATTEST:
By: 
Name: MARIA Jackson
Title: City Secretary

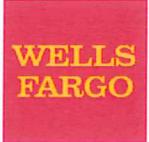
WELLS FARGO BANK, N.A.

By: 
Name: ORLANDO A. STEUB
Title: RELATIONSHIP MANAGER
Date: 8/24/17

ATTEST:
By: 
Name: TRACY POLEN
Title: Relationship Associate



Government & Institutional Banking
Public Funds Collateral Unit
333 Market Street 15th Floor
MAC: A0109-150
San Francisco, CA 94105
PublicFundsCollateral@wellsfargo.com



December 7, 2017

City of Missouri City
1522 Texas Parkway
Missouri City, TX 77489

Dear Wells Fargo Customer,

Enclosed please find a Certificate of Resolution of the Board of Directors of Wells Fargo Bank, National Association adopting the Depository Contract (Exhibit A) executed between the Bank and City of Missouri City.

Please call 877-479-6603; should you have questions regarding your collateral position or any other public funds issues.

Sincerely,

jn

Jeana Nguyen, Assistant VP

Enc.

Wells Fargo Bank, N.A.



**SECRETARY'S CERTIFICATE
WELLS FARGO BANK, NATIONAL ASSOCIATION**

I, Patricia A. Ruedenberg, an Assistant Secretary of Wells Fargo Bank, National Association (the "Bank") hereby certify that the following resolution was duly adopted by written consent dated November 15, 2017, pursuant to the authority delegated by the Executive Committee of the Board of Directors of the Bank effective as of November 1, 2016, and that said resolution has not been rescinded or modified and is now in full force and effect on the date hereof:

**Resolution Regarding Approval of Contracts
Regarding Depository Services**

WHEREAS, Wells Fargo Bank, National Association (the "Bank") has been awarded contracts for banking services by the Contract Holders listed on Exhibit A, each of which has custody and control of public funds (each, a "Contract Holder"); and

WHEREAS, the banking services provided by the Bank include serving as a depository for the public funds of the Contract Holder; and

WHEREAS, applicable law requires the Bank to pledge certain eligible securities for the benefit of each Contract Holder as collateral to secure deposits of its public funds with the Bank; and

WHEREAS, the Bank, having the full right, power and authority to enter into a contract with the Contract Holder providing for the collateralization of public fund deposits and third-party custody of eligible securities securing such public funds (each, a "Contract"), desires to enter into a Contract with each Contract Holder; and

WHEREAS, Section 13(e) of the Federal Deposit Insurance Act, 12 U.S.C. § 1823(e), as amended by the Financial Institutions Reform, Recovery and Enforcement Act of 1989, requires that the approval of each Contract by the Bank's Board of Directors or loan committee be reflected in the minutes of the board or committee, and requires that each Contract be and remain an official record of the Bank in order that each Contract be valid against the rights of the Federal Deposit Insurance Corporation.

NOW, THEREFORE, BE IT RESOLVED, that the appropriate officers of the Bank be, and the same hereby are, authorized and directed to execute each Contract on behalf of the Bank, to maintain this Resolution and each Contract as official records of the Bank, and to take all actions and to execute all such documents as such officers may deem necessary or desirable to carry out the intents and purposes of the foregoing resolution.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the Bank on this 16th day of November, 2017.

(SEAL)



Patricia A. Ruedenberg
Patricia A. Ruedenberg
Wells Fargo Bank, National Association
Assistant Secretary

EXHIBIT "A"
DEPOSITORY PLEDGE AGREEMENT

746029035

City of Missouri City ("Depositor") has selected **WELLS FARGO BANK, NATIONAL ASSOCIATION** ("Bank") as a depository for certain of its funds and Bank has agreed to act as the depository for those funds in accordance with applicable laws, which require that Bank secure the deposited funds, to the extent not insured by the Federal Deposit Insurance Corporation ("FDIC"), by pledging securities ("Eligible Securities") of any type (including, without limitation, surety bonds and investment securities) permitted by the applicable provisions of Texas law in effect from time to time (the "Governing Statutes"). **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.** ("Custodian") has agreed to hold the pledged securities in safekeeping pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants in this Agreement, Depositor, Bank and Custodian agree as follows:

1. Grant of Security Interest; Instructions Regarding Collateral. (a) Bank hereby grants to Depositor a security interest in all Eligible Securities transferred to a collateral account (the "Collateral Account") established pursuant to this agreement (the "Collateral"). Custodian agrees to serve as collateral agent for Depositor, pursuant to the terms of this Agreement. For the avoidance of doubt, Custodian acknowledges and agrees that it does not have and will not acquire or assert at any time in the future, and hereby expressly waives, any lien upon, security interest in, setoff right or other right to charge the Collateral held in the collateral account for any obligation owed to Custodian by Bank or Depositor. Until Depositor has the right to compel sale of the Collateral under Section 7 hereof, Custodian may act in accordance with the instructions of Bank, including, without limitation, the right of Bank to unilaterally substitute Eligible Securities for the Collateral in accordance with Section 3 hereof. Addendum "A" contains the names and specimen signatures of individuals authorized to act on behalf of Depositor, and Addendum "B" contains the names and specimen signatures of individuals authorized to act on behalf of Bank. Either Depositor or Bank may add or remove authorized representatives without the consent of the other at any time by providing Custodian with a replacement addendum, duly executed by an authorized individual. In no event shall the Custodian be responsible for determining whether the pledged securities are "Eligible Securities".

(b) Bank, Depositor and Custodian agree that all Collateral delivered to or received by Custodian for deposit in the Collateral Account may be in the form of credits to the accounts of Custodian at a Securities Depository or by delivery to Custodian of physical certificates in a form suitable for transfer to Custodian or with an assignment in blank. Bank and Depositor hereby authorize Custodian to utilize such Securities Depositories and to hold such physical securities or any combination thereof in connection with its performance hereunder. Collateral credited to the Collateral Account and deposited in the Securities Depositories will be held, by book-entry notation, in accounts that include only assets held by Custodian or its agent(s) for third parties, including but not limited to accounts in which assets are held in a fiduciary, agency or representative capacity. Collateral that is not held in the Securities Depositories will be held in Custodian's vault and physically segregated from securities and other non-cash property belonging to Custodian. As used herein, the term "Securities Depository" or "Securities Depositories" shall mean the Treasury/Reserve Automated Debt Entry System maintained at The Federal Reserve Bank of New York for receiving and delivering securities, The Depository Trust Company and any other clearing corporation within the meaning of Section 8-102 of the Uniform Commercial Code, as in effect from time to time.

2. Amount of Collateral. The aggregate market value of Collateral held by Custodian at all times during the term of this Agreement must be in an amount not less than **one hundred and ten percent (110%)** of (a) the amount of the collected funds on deposit, increased by (b) the amount of accrued but uncredited interest, (c) reduced by that portion of the funds insured by the FDIC. Such amount is hereinafter called the "Required Collateral Value". In no event shall the Custodian be responsible for determining whether the Collateral Account contains the Required Collateral Value.

3. Substitutions and Withdrawals of Collateral. If the aggregate market value of Collateral held by Custodian at any time exceeds the Required Collateral Value, Bank may unilaterally withdraw any excess Collateral by providing Custodian with a withdrawal notice signed by an authorized representative of Bank, provided that after the withdrawal of any such excess Collateral, the remaining Collateral equals or exceeds the Required Collateral Value. Additionally, Bank may unilaterally substitute Eligible Securities for any of the Collateral held by Custodian at any time by providing Custodian with a substitution notice signed by an authorized representative of Bank, provided that the market value of the Collateral following such substitution would equal or exceed the Required Collateral Value. If Bank elects to require Depositor's written consent on a notice in connection with any withdrawal or substitution which complies with this Section 3, Depositor agrees to provide it promptly upon Bank's request. Custodian shall be entitled to rely on, and Bank and Depositor agree to hold Custodian harmless from, any actions

EXHIBIT "A"

taken pursuant to, and consistent with, the instructions given in a withdrawal or substitution notice under this Section 3, whether unilateral or not.

4. Bank's Obligations. Bank shall perform all of the duties and obligations required of a depository under applicable law with respect to collateralization of the funds of Depositor on deposit with Bank, including the duties and obligations required under the Governing Statutes. At the expiration of the term of this Agreement, Bank shall turn over to any successor depository designated by Depositor all funds held by Bank as depository. Bank will furnish to Depositor a monthly statement listing a description of the Collateral. The statement will specify the par value, market value, and maturity date of each component of the Collateral. Upon request, Bank shall provide to Depositor a copy of Bank's most recent publicly available quarterly or annual financial statement.

5. Custodian's Obligations. (a) Custodian shall perform the duties and obligations required of Custodian hereunder, in accordance with the provisions of the Governing Statutes. Upon transfer by Custodian of Eligible Securities to the Collateral Account, including Eligible Securities substituted for other Collateral, Custodian shall promptly identify such Eligible Securities on its books and records as being Collateral held pursuant to this Agreement, and shall promptly issue and deliver to each of Bank and Depositor a duplicate receipt for such Collateral. For the avoidance of doubt, it is understood and agreed that such receipts may be combined to identify more than one transaction on any one business day and Custodian shall not be required to issue more than one such receipt to Bank and Depositor on any business day. Bank and Depositor agree that they shall promptly review all receipts delivered to them by Custodian and shall promptly advise Custodian of any error, omission or inaccuracy in such receipts. In the event that Custodian receives such an advice, Custodian shall promptly undertake to correct any errors, failures or omissions, provided that Custodian determines in its sole discretion that such error, failure or omission actually occurred and shall notify Bank and Depositor of its action concerning each such error, failure, or omission.

(b) Depositor agrees that, with respect to all securities held in the Collateral Account, Custodian by itself, or through the use of the appropriate Securities Depository, shall, unless otherwise instructed to the contrary by Bank or as provided in Section 7 hereof: (i) collect all payments reflecting interest and principal on the securities in the Collateral Account; (ii) forward to Bank copies of all information or documents that it may receive from an issuer of securities which, in the opinion of Custodian, is intended for the beneficial owner of the securities including, without limitation all proxies and other authorizations properly executed and all proxy statements, notices and reports; (iii) execute, as Custodian, any certificates of ownership, affidavits, declarations or other certificates under any tax laws now or hereafter in effect in connection with the collection of bond and note coupons; (iv) hold directly, or through the Book Entry System or Depository, all rights issued with respect to any securities held by Custodian hereunder; and (v) upon receipt of written instructions from Bank, Custodian will exchange securities held hereunder for other securities and/or cash in connection with (A) any conversion privilege, reorganization, recapitalization, redemption in kind, consolidation, tender offer or exchange offer, or (B) any exercise, subscription, purchase or other similar rights; provided, however, such exchanged securities shall continue to be held by Custodian hereunder for the benefit of Depositor if such exchanged securities constitute Collateral. Upon receipt of payments reflecting principal and interest or dividends on the securities in the Collateral Account, Custodian shall transfer to Bank such principal and interest or dividend payments (either by credit to Bank's custody account at Custodian or otherwise).

(c) Custodian shall not be liable for any loss or damage, including counsel fees, resulting from its action or omission to act or otherwise, except for any loss or damage arising out of its own negligence or willful misconduct, and shall have no obligation hereunder for any loss or damage, including counsel fees, which are sustained or incurred by reason of any action or inaction by any Securities Depository, provided, however, that such loss or damage is not caused by the negligence or willful misconduct of Custodian. In no event shall Custodian be liable to Depositor, Bank or any third party for special, indirect or consequential damages, or lost profits or loss of business, arising in connection with this Agreement. Both Depositor, to the extent permitted by law, and Bank agree to indemnify Custodian and to hold it harmless against any and all costs, expenses, damages, liabilities or claims, including reasonable fees and expenses of counsel, which Custodian may sustain or incur with respect to any third party claim or which may be asserted by a third party against Custodian by reason of or as a result of any action taken or omitted by Custodian in connection with operating under this Agreement, except those costs, expenses, damages, liabilities or claims arising out of the negligence or willful misconduct of Custodian or any of its employees or duly appointed agents. This indemnity shall be a continuing obligation of Depositor and Bank notwithstanding the termination of this Agreement.

(d) Custodian may, with respect to questions of law specifically regarding the Collateral Account, obtain the advice of reputable legal counsel and shall be fully protected with respect to anything done or omitted by it reasonably and in good faith and without negligence, willful misconduct, bad faith or fraud in conformity with such

EXHIBIT "A"

advice, provided, however, that nothing contained in this paragraph (d) shall be deemed to relieve Custodian of any of its obligations pursuant to any other provision of this Agreement.

(e) Custodian shall not be responsible for, or considered to be custodian of, any securities received by it for deposit in the Collateral Account until Custodian actually receives and collects such securities directly or by the final crediting of Custodian's account on the books of the appropriate Securities Depository. Custodian will be entitled to reverse any provisional credits to the Collateral Account that were made in anticipation of the receipt of securities or cash which were not subsequently received by Custodian.

(f) Custodian shall have no duties or responsibilities whatsoever except such duties and responsibilities as are specifically set forth in this Agreement and no covenant or obligation shall be implied against Custodian in connection with this Agreement.

(g) In performing hereunder, Custodian may enter into subcontracts, agreements and understandings with third parties whenever and on such terms and conditions as it deems necessary or appropriate and which are consistent with applicable law. If any of such subcontracts, agreements, or understandings with third parties are for the deposit of Eligible Collateral for the benefit of Depositor, (i) such third party will qualify as a "permitted institution" pursuant to the Texas Public Funds Collateral Act, (ii) Custodian shall cause such third party to provide records to Custodian evidencing the deposit of Eligible Collateral with such third party, and (iii) records of the third party relating to such Eligible Collateral will at all times state the name of Custodian. No such subcontract, agreement or understanding shall discharge Custodian from its obligations hereunder.

6. Custodian's Reliance on Pricing Services. The Custodian is authorized to utilize one or more generally recognized pricing information services (including brokers and dealers of securities) in order to provide market values hereunder, and Bank and Depositor agree that Custodian shall not be liable for any loss, damage, expense, liability or claim (including attorneys' fees) incurred as a result of errors or omissions of any such pricing information service, broker or dealer.

7. Default and Remedies. If Bank defaults in performing its obligations under Section 4 above, or if Bank is declared insolvent, or if a receiver is appointed for Bank, Depositor may, after providing Bank at least three (3) business days prior written notice and opportunity to cure the default, and, if Bank fails to cure the default within such (3) business day period, instruct Custodian to transfer the Collateral or any part thereof to a broker-dealer for disposition in accordance with Depositor's instructions at a public or private sale. The proceeds of any such sale shall be applied to satisfy any indebtedness owed by Bank to Depositor, and any excess proceeds shall be returned to Bank. Depositor will also have any other remedies available under applicable law. The Custodian shall be entitled to rely on and shall be held harmless from acts taken in accordance with such instructions from Depositor.

8. Termination of Agreement. Any party to this Agreement may terminate this Agreement by giving thirty (30) days prior written notice of termination to the other parties.

9. Applicable Law; Other Agreements. This Agreement is governed by the laws of the **State of Texas**. All deposit accounts of Depositor will be subject to Bank's Commercial Account Agreement, Business Account Agreement, or other applicable deposit account agreement, as in effect from time to time.

10. Force Majeure. Custodian shall not be responsible or liable for any failure or delay in the performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including without limitation, acts of God, earthquakes, fires, floods, wars, civil or military disturbances, sabotage, epidemics, riots, loss or malfunctions of utilities, computer (hardware or software) or communications service, labor disputes, acts of civil or military authority, or governmental, judicial or regulatory action; provided however, that Custodian shall use its best efforts to resume normal performance as soon as practicable under the circumstances.

11. Jury Trial Waiver. EACH OF BANK, DEPOSITOR AND CUSTODIAN HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHTS TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT.

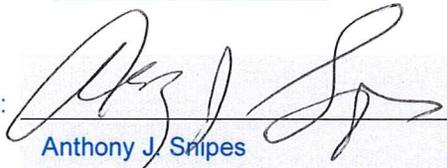
12. Miscellaneous. The headings in this agreement are for convenience of reference only and should not be used in interpreting this Agreement. If any provision of this agreement is illegal or unenforceable under applicable law, that provision should be deemed reformed so as to be enforceable to the extent permitted by applicable law, or if that is not possible, then this Agreement should be read as if that provision was never a part of it, and the remainder of the Agreement will be enforceable. THIS AGREEMENT REPRESENTS THE FINAL

EXHIBIT "A"

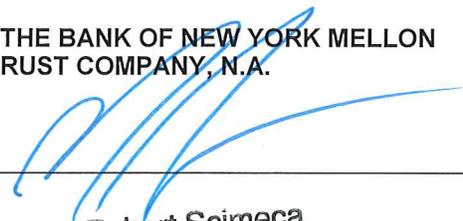
AGREEMENT OF THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO ORAL AGREEMENTS OF THE PARTIES. Notices given under this Agreement must be addressed as set forth below the signature of each party, and will be effective upon actual receipt by the addressee or upon refusal of delivery during the normal business hours of the addressee. To the extent that in any jurisdiction any party may now or hereafter be entitled to claim, for itself or its assets, immunity from suit, execution, attachment (before or after judgment) or other legal process, each party irrevocably agrees, to the extent permitted by law, not to claim, and it hereby waives, such immunity in connection with this Agreement.

Date of Agreement: August 21, 2017.

DEPOSITOR: City of Missouri City

Signature: 
Print Name: Anthony J. Snipes
Title: City Manager
Address: 1522 Texas Parkway, Missouri City, Texas 77489

CUSTODIAN: THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

Signature: 
Print Name: Robert Scimeca
Title: Director
Address: C/O The Bank of New York Mellon
101 Barclay Street, 4th Floor
New York, NY 10286
Attn: Markets- Collateral Manager

BANK: WELLS FARGO BANK, NATIONAL ASSOCIATION

Signature: 
Print Name: Sheila Lynch
Title: Vice President
Address: 333 Market Street St. 15th Floor,
MAC: A0109-150
San Francisco, CA 94105

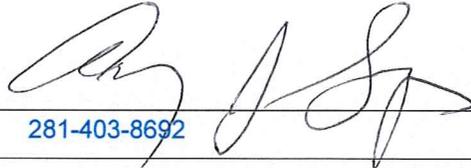
DepPldgAgmt-TX-BNY-2006(0519)

EXHIBIT "A"

ADDENDUM "A"

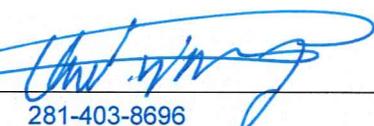
(Authorized Officers of Depositor)

One signature of any of the following authorized officers of Depositor is required to authorize actions to be taken pursuant to the foregoing Depository Pledge Agreement. **Individual who signs page 4 must also sign below.**

1. Print Name: Anthony J. Snipes Signature: 
Email: anthony.snipes@missouricitytx.gov Phone: 281-403-8692
Fax: _____

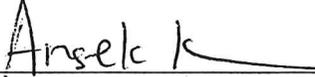
2. Print Name: Edena J. Atmore Signature: 
Email: edena.atmore@missouricitytx.gov Phone: 281-403-8614
Fax: _____

3. Print Name: LaToya Jasper Signature: 
Email: latoya.jasper@missouricitytx.gov Phone: 281-403-8610
Fax: _____

4. Print Name: Charles W. Atkinson, Jr. Signature: 
Email: batkinson@missouricitytx.gov Phone: 281-403-8696
Fax: _____

ADDENDUM "B"
(Authorized Officers of Bank)

One signature of any of the following authorized officers of Bank is required to authorize actions to be taken pursuant to the foregoing Depository Pledge Agreement:

1. Print Name: Sheila Lynch, Vice President Signature: 
Phone/Fax: (415) 371-3278 / (866) 686-5441 Email: lynchsh@wellsfargo.com
2. Print Name: Jeana Nguyen, Asst Vice President Signature: 
Phone/Fax: (415) 371-3277 / (866) 686-5441 Email: Jeana.Nguyen@wellsfargo.com
3. Print Name: Angela Karanja, Bank Officer Signature: 
Phone/Fax: (415) 371-3276 / (866) 686-5441 Email: Angela.Karanja@wellsfargo.com
4. Print Name: Rui-Ying (Sharon) Cao, Bank Officer Signature: 
Phone/Fax: (415) 371-3273 / (866) 686-5441 Email: RuiYing.Cao@wellsfargo.com



Orlando A. Saenz, VP-CTP
Relationship Manager

Government Banking
MAC T0170-021
12650 N. Featherwood Dr.
Suite 210
Houston, TX 77034

Work: 281-971-2160
Orlando.A.Saenz@wellsfargo.com

August 29, 2019

Allena Portis, CPA-MPA
Director of Financial Services
City of Missouri City, Texas
1522 Texas Parkway
Missouri City, TX 77489

Dear Allena,

Wells Fargo has been honored to serve as the depository bank for the City of Missouri City for the last two years, and is offering to extend the terms of the existing contract for the first of three 1-year extensions available through September 30, 2020.

All expressed and implied services granted under the current depository contract would be honored for this extended contractual period.

We look forward to building upon our successful relationship. As your needs change, we want you to know that Wells Fargo is well positioned to support all of your financial needs.

Please do not hesitate to contact me if any questions arise. Thank you for your time and consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Orlando A. Saenz".

Orlando A. Saenz, VP-CTP
Relationship Manager
Wells Fargo Government Banking



Extension to Depository Contract

This agreement to extend depository services originally offered pursuant to RFA #17-165 dated April 20, 2017. In effect as of October 1, 2017 and in accordance with the existing depository pledge agreement dated August 21, 2017 between City of Missouri City, Texas ("Customer") and Wells Fargo Bank, N.A. ("Wells Fargo").

RECITALS

- A. In 2017, Customer and Wells Fargo entered into an agreement to provide deposit and cash management services ("Contract"). Such services were offered pursuant to RFP dated April 20, 2017 and went into effect on October 1, 2017. The contract expires on September 30, 2019 with an allowance of three 1- year extensions.

- B. The parties desire to extend the term of the Contract for one year, such Extension # 1 to end on September 30, 2020.

THEREFORE, the parties agree as follows:

- 1. The parties agree that the Contract will remain in effect until September 30, 2020 unless further extended by written notification of the Customer and Wells Fargo.

- 2. All provisions of the Contract, except as modified by this Extension shall remain in full force and effect and are reaffirmed. In the event of any conflict or inconsistency between any provision of this Extension and any provision within the Contract, the provisions of this Extension shall govern and control.

IN WITNESS WHEREOF, Customer and Wells Fargo have caused this Extension to be executed as of the date first written above.

WELLS FARGO BANK, N.A.

By: 
Name: Orlando. A. Saenz, VP-CTP
Title: GIB Relationship Manager

Date: 8/29/19

CITY OF MISSOURI CITY, TEXAS

By: _____
Name: _____
Title: _____
Date: _____



**CITY COUNCIL
AGENDA ITEM COVER MEMO**

September 16, 2019

To: Mayor and City Council
Agenda Item: 10(a) Ordinance amending Personnel Policy
Submitted by: Martin Russell, Director of Human Resources

SYNOPSIS

This ordinance amends section 7.2 in the City of Missouri City Personnel Policy.

STRATEGIC PLAN 2019 GOALS ADDRESSED

- Develop a high performing City team.

BACKGROUND

On July 17, 2017 the City adopted the current Personnel Policy. The purpose of this amendment is to revise the current vacation leave accruals, based on the Gallagher Compensation & Benefits Study Report.

BUDGET/FISCAL ANALYSIS

Purchasing Review: N/A
Financial/Budget Review: N/A

Note: Compliance with the conflict of interest questionnaire requirements, if applicable, and the interested party disclosure requirements (HB 1295) has been confirmed/is pending within 30-days of this Council action and prior to execution.

SUPPORTING MATERIALS

1. Ordinance
2. Summary of changes

STAFF'S RECOMMENDATION

Staff recommends approval of the amended section 7.2 of the Personnel Policy as presented.

Director Approval: Martin Russell, Director of Human Resources
City Manager Approval: Anthony Snipes, City Manager

ORDINANCE NO. O-19-__

**AN ORDINANCE OF THE CITY OF MISSOURI CITY, TEXAS;
AMENDING THE PERSONNEL POLICY OF THE CITY OF MISSOURI
CITY; PROVIDING FOR REPEAL; AND PROVIDING FOR
SEVERABILITY.**

* * * * *

WHEREAS, Section 4.06.E of the City of Missouri City Charter provides that the City Manager shall prepare personnel rules and the Council will, by ordinance, adopt such rules with or without amendment; and

WHEREAS, the City Manager, after a review by a consulting firm, Gallagher Human Resources and Compensation Consulting, has proposed several revisions to the personnel rules providing for vacation leave; and

WHEREAS, the City Council finds that it is in the best interest of the residents of Missouri City to provide additional leave to encourage employee retention and to attract new employees; and

WHEREAS, the City Council of the City of Missouri City now deems it appropriate to consider the City Manager's proposed revisions and amend the personnel policy; now therefore,

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

Section 1. The facts and recitations set forth in the preamble of this Ordinance are hereby found to be true and correct.

Section 2. *Policy amendment.* Ordinance No. O-17-24, adopted on July 17, 2017, as amended, is hereby amended by deleting Section 7.2 of Chapter 7 of Exhibit "A" thereof, and substituting therefor a new Section 7.2 of Chapter 7 of Exhibit "A" to provide as follows:

"Missouri City Personnel Policy

.

Chapter 7: ABSENCES FROM WORK

.

7.2 Vacation

7.2.1 *Employees Other Than Certain Police and Fire Department employees*

Except as provided by Subsection 7.2.2 (relating to certain members of the Police and Fire Departments), regular full-time employees shall earn vacation leave as follows:

Service With City	Vacation Days*	Hours Earned Per Month	
		Hours Worked Per Workweek	Hours Earned
0-5 years	14	40	9.33
		53	14.00
6 years	15	40	10.00
		53	15.00
7 years	16	40	10.67
		53	16.00
8 years	17	40	11.33
		53	17.00
9 years	18	40	12.00
		53	18.00
10-14 years	19	40	12.67
		53	19.00
15 years and over	20	40	13.33
		53	20.00

7.2.2 *Police and Fire Department Employees*

Regular full-time employees who are members of the Police or Fire Departments, as defined under Section 142.010 of the Texas Local Government Code, as such code may be amended, earn vacation leave as follows:

Service With City	Vacation Days*	Hours Earned Per Month	
		Hours Worked Per Workweek	Hours Earned
Less than 1 year	14	40	9.33
		53	14.00
1-14 years	18	40	12.00
		53	18.00
15 years and over	20	40	13.33
		53	20.00

*For those persons working a 24-hour shift, which includes sleeping time, each 24-hour shift shall be considered to be made up of two, 12-hour days.

7.2.3 Administration of Vacation Leave

Vacation leave shall be administered according to the following rules:

- a. Only regular, full-time employees shall accrue vacation leave.
- b. An employee's hire date shall be recorded as the anniversary date for the purpose of vacation accrual.
- c. Employees shall be encouraged to use a substantial portion of their vacation leave each year. The maximum accrual employees may maintain at any time is as follows:
 - (1) Employees other than certain fire department employees: 256 hours; and
 - (2) Fire department employees working 12 hour days: 384 hours.
- d. An employee who accrues the maximum vacation leave allowed shall not accrue additional vacation until that employee uses a portion of the accrued vacation time.
- e. No vacation leave shall be allowed unless previously approved by the Department Director. Department Directors shall schedule or approve vacations giving due consideration to the needs of the City and the interests of the employee.
- f. Employees who are separated from City service for any reason shall be paid for any accrued, unused vacation leave up to, but not greater than, the maximum vacation accrual leave.
- g. Vacation leave may be taken in one-hour increments if so authorized by the Department Director or his designee.
- h. Vacation leave shall be charged only for time during which the employee would ordinarily have worked. For example, City holidays will not be charged against vacation time.
- i. Employees being laterally transferred, promoted or demoted shall retain accrued vacation leave.
- j. Vacation leave shall not be advanced to employees, except with the approval of the City Manager.
- k. Vacation leave credits are not transferable between employees.
- l. An employee under suspension, or on leave without pay, shall not accrue vacation leave."

Section 3. *Repeal.* All ordinances or parts of ordinances in conflict herewith, if any, shall be and are hereby repealed only to the extent of such conflict.

Section 4. *Administrative procedures authorized.* The City Manager is hereby authorized to prepare and administer procedures and take such actions as are

consistent with the provisions of this Ordinance and the Personnel Policy of the City of Missouri City, Texas.

Section 5. Severability. In the event any clause, phrase, provision, sentence or part of this Ordinance or the application of the same to any person or circumstance shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Ordinance as a whole or any part or provision hereof, other than the part declared to be invalid or unconstitutional; and the City Council of the City of Missouri City, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, or whether there be one or more parts.

PASSED and APPROVED on first reading this 3rd day of September, 2019.

PASSED, APPROVED and ADOPTED on second and final reading this 16th day of September, 2019.

Yolanda Ford, Mayor

ATTEST:

APPROVED AS TO FORM:

Maria Jackson, City Secretary

E. Joyce Iyamu, City Attorney

CHANGES MARKED – 1st reading/ 2nd reading

7.2 Vacation

7.2.1 *Employees Other Than Certain Police and Fire Department employees*

Except as provided by Subsection 7.2.2 (relating to certain members of the Police and

Service With City	Vacation Days*	Hours Earned Per Month	
		Hours Worked Per Workweek	Hours Earned
0-5 years	14	40	9.33
		53	14.00
6 years	15	40	10.00
		53	15.00
7 years	16	40	10.67
		53	16.00
8 years	17	40	11.33
		53	17.00
9 years	18	40	12.00
		53	18.00
10-14 years	19	40	12.67
		53	19.00
15 years and over	20	40	13.33
		53	20.00

Fire Departments), regular full-time employees shall earn vacation leave as follows:

7.2.2 *Police and Fire Department Employees*

Regular full-time employees who are members of the Police or Fire Departments, as defined under Section 142.010 of the Texas Local Government Code, as such code may be

Service With City	Vacation Days*	Hours Earned Per Month	
		Hours Worked Per Workweek	Hours Earned
Less than 1 year	14	40	9.33
		53	14.00
1-14 years	18	40	12.00
		53	18.00
15 years and over	20	40	13.33
		53	20.00

amended, earn vacation leave as follows:

*For those persons working a 24-hour shift, which includes sleeping time, each 24-hour shift shall be considered to be made up of two, 12-hour days.

7.2.3 Administration of Vacation Leave

Vacation leave shall be administered according to the following rules:

- a. Only regular, full-time employees shall accrue vacation leave.
- b. An employee's hire date shall be recorded as the anniversary date for the purpose of vacation accrual.
- c. ~~The maximum accrual an employee may maintain at any time is 256 hours.~~ Employees shall be encouraged to use a substantial portion of their vacation leave each year. The maximum accrual employees may maintain at any time is as follows:
 - (1) Employees other than certain fire department employees: 256 hours; and
 - (2) Fire department employees working 12 hour days: 384 hours.
- d. An employee who accrues the maximum vacation leave allowed shall not accrue additional vacation until that employee uses a portion of the accrued vacation time.
- e. No vacation leave shall be allowed unless previously approved by the Department Director. Department Directors shall schedule or approve vacations giving due consideration to the needs of the City and the interests of the employee.
- f. Employees who are separated from City service for any reason shall be paid for any accrued, unused vacation leave up to, but not greater than, the maximum vacation accrual leave.
- g. Vacation leave may be taken in one-hour increments if so authorized by the Department Director or his designee.
- h. Vacation leave shall be charged only for time during which the employee would ordinarily have worked. For example, City holidays will not be charged against vacation time.
- i. Employees being laterally transferred, promoted or demoted shall retain accrued vacation leave.
- j. Vacation leave shall not be advanced to employees, except with the approval of the City Manager.
- k. Vacation leave credits are not transferable between employees.
- l. An employee under suspension, or on leave without pay, shall not accrue vacation leave.

Document comparison by Workshare 9.5 on Wednesday, September 4, 2019
12:58:31 PM

Input:	
Document 1 ID	file:///W:\Legal Department\Ordinance\Drafts\2019 Drafts\Personnel Policy - Vacation Leave\7.2 Vacation Leave 2019.08.28.docx
Description	7.2 Vacation Leave 2019.08.28
Document 2 ID	W:\Legal Department\Ordinance\Drafts\2019 Drafts\Personnel Policy - Vacation Leave\7.2 Vacation Leave 2019.09.04.2.docx
Description	W:\Legal Department\Ordinance\Drafts\2019 Drafts\Personnel Policy - Vacation Leave\7.2 Vacation Leave 2019.09.04.2.docx
Rendering set	Standard

Legend:	
Insertion	
Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	6
Deletions	2
Moved from	1
Moved to	1
Style change	0

Format changed	0
Total changes	10



**CITY COUNCIL
AGENDA ITEM COVER MEMO**

September 16, 2019

To: Mayor and City Council
Agenda Item: 10(b) Consider an ordinance authorizing the crediting of updated service credits in the Texas Municipal Retirement System (TMRS) for certain City of Missouri City employees who have membership in such system; providing for increased annuities for certain City of Missouri City employees.
Submitted by: Allena Portis, Director of Financial Services

SYNOPSIS

As part of management’s evaluation of benefits and how the structuring of the retirement benefits may affect the costs, staff is presenting an ordinance that maintains our costs for retirement benefits at the same levels as last year. This strategy will allow us to continue to effectively evaluate our long-term plan.

STRATEGIC PLAN 2019 GOALS ADDRESSED

- Maintain a financially sound City

BACKGROUND

Since 2012, the City has elected the Ad Hoc TMRS structure for Updated Service Credits (USC) and Cost Of Living Adjustment (COLA) benefits. This election plays a part in calculating the benefit employees receive after retirement.

The 2011 plan design included the provision to automatically repeat these benefits without annual adoption by City Council. However, an option to annually adopt these provisions was approved by City Council in order to give us the flexibility to set our rate at an affordable level. The rate we are proposing considers the future costs associated with the Ad Hoc TMRS method and, if implemented, would gradually raise the funded ratio of the Unfunded Actuarial Accrued Liability (UAAL), and the unfunded ratio would decline over time.

Governmental Accounting Standards Board (GASB) requires the City to present the underfunded liability incurred by electing the Ad Hoc funding method in the financial statements as a liability. The City is recommending opting to continue the plan that includes the Ad Hoc structure, updated Service Credits at 100% and a 70% annuity increase. The minimum contribution rate for this plan would be 9.00%. However, staff is proposing we fund the Ad Hoc plan at a rate of 10% to close the gap for any potential unfunded liability, while maintaining sufficient reserves to meet unanticipated obligations or stakeholder reserve requirements.

BUDGET/FISCAL ANALYSIS

Funding Source	Account Number	Project Code/Name	FY20 Funds Budgeted	FY20 Funds Available	Amount Requested
Various	Various		\$2,411,427	\$2,411,427	\$2,411,427

The FY 2020 Budget was prepared using a 10% rate for TMRS benefits.

Purchasing Review: N/A
Financial/Budget Review: Bertha P. Alexander, Budget & Financial Reporting Manager

SUPPORTING MATERIALS

1. Ordinance
2. TMRS Rate Letter

STAFF'S RECOMMENDATION

Staff recommends the City Council adopt the Ordinance Electing Annual Updated Service Credits and COLAs and that this decision be reviewed on an annual basis. This action will not affect city employee current retirement benefits.

Director Approval: Allena Portis, Director of Financial Services

**Assistant City Manager/
City Manager Approval:** Anthony J. Snipes, City Manager

ORDINANCE NO. O-19-__

**AN ORDINANCE OF THE CITY OF MISSOURI CITY, TEXAS,
AUTHORIZING THE CREDITING OF UPDATED SERVICE
CREDITS IN THE TEXAS MUNICIPAL RETIREMENT SYSTEM
FOR CERTAIN CITY OF MISSOURI CITY EMPLOYEES WHO
HAVE MEMBERSHIP IN SUCH SYSTEM; PROVIDING FOR
INCREASED ANNUITIES FOR CERTAIN CITY OF MISSOURI
CITY RETIREES AND BENEFICIARIES OF DECEASED
RETIREES; PROVIDING FOR REPEAL; PROVIDING AN
EFFECTIVE DATE; AND PROVIDING FOR SEVERABILITY.**

* * * * *

WHEREAS, pursuant to Section 853.403 and Section 854.203 of Subtitle G of Title 8, Government Code, as such sections may be amended, this Ordinance may not take effect unless the board of trustees of the Texas Municipal Retirement System (“System”) approves this Ordinance as meeting the requirements of such sections; and

WHEREAS, the board of trustees of the System may not approve this Ordinance unless the actuary of the System first determines, and the board of trustees concurs in the determination, that all obligations charged against the City of Missouri City’s account in the benefit accumulation fund, including obligations proposed in this Ordinance, can be funded by the City of Missouri City within its maximum total contribution rate and within its amortization period as in effect on the effective date of this Ordinance; and

WHEREAS, the City Council of the City of Missouri City has determined that the adoption of this ordinance is in the best interest of the City of Missouri City; now therefore,

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

Section 1. That the facts and recitations set forth in the preamble of this Ordinance are hereby declared true and correct.

Section 2. Updated Service Credits. (a) Pursuant to Section 853.401 through 853.403 of Subtitle G of Title 8, Government Code, as such sections may be amended, the City of Missouri City hereby authorizes each member of the System who has current service credit or prior service credit in the System in force and effect on the first day of January of the calendar year preceding the effective date of this Ordinance by reason of service in the employment of the City of Missouri City, and on such date has at least 36 months of credited service with the System, to receive updated service credit in an amount that is 100 percent (100%) of the base updated service credit of the member. Base updated service credit and updated service credit shall be determined by the System pursuant to Section 853.402 of Subtitle G of Title 8, Government Code, as such

section may be amended. The updated service credit hereby authorized shall replace any updated service credit, prior service credit, special prior service credit, or antecedent service credit previously authorized for part of the same service.

(b) Pursuant to Section 853.601 of Subtitle G of Title 8, Government Code, as such section may be amended, any member of the System who is eligible for updated service credits on the basis of service with the City of Missouri City, and who has unforfeited credit for prior service or current service with another participating municipality or municipalities by reason of previous employment and was a contributing member on the first day of January of the calendar year preceding the effective date of this Ordinance, shall be credited in the System with updated service credits calculated in accordance with and subject to adjustment as set forth in Section 853.601 of Subtitle G of Title 8, Government Code, as such section may be amended.

Section 3. Increase in Retirement Annuities. (a) Pursuant to Section 854.203 of Subtitle G of Title 8, Government Code, as such section may be amended, the City of Missouri City authorizes and provides for increased annuities to be paid by the System to retirees and beneficiaries of deceased retirees of the City of Missouri City under current service annuities and prior service annuities. An annuity increased pursuant to this Ordinance replaces any annuity or increased annuity previously granted to the same person.

(b) The amount of annuity increase authorized by this Ordinance is computed as the sum of the prior and current service annuities on the effective date of retirement of the person on whose service the annuities are based, multiplied by seventy percent (70%) of the percentage change in the Consumer Price Index for All Urban Consumers, published by the Bureau of Labor Statistics of the United States Department of Labor, from December of the year immediately preceding the effective date of the person's retirement to the December that is 13 months before the effective date of this Ordinance.

(c) An increase in an annuity that was reduced because of an option selection is reducible in the same proportion and in the same manner that the original annuity was reduced.

(d) If a computation pursuant to Section 3(b) of this Ordinance does not result in an increase in the amount of an annuity, the amount of the annuity shall not be changed by this Ordinance.

(e) The amount by which an increase under this Ordinance exceeds all previously granted increases to an annuitant is payable as a prior service annuity, is an obligation of the City of Missouri City's account in the benefit accumulation fund of the System, and is subject to reduction by the System at any time pursuant to Section 855.308(f) of Subtitle G of Title 8, Government Code, as such sections may be amended.

Section 4. Repeal. All ordinances or parts of ordinances in conflict herewith shall be and are hereby repealed only to the extent of such conflict.

Section 5. Effective Date. Subject to approval by the Board of Trustees of Texas Municipal Retirement System, the updated service credits and increased annuities shall become effective January 1, 2020.

Section 6. Severability. In the event any clause, phrase, provision, sentence or part of this Ordinance or the application of the same to any person or circumstance shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Ordinance as a whole or any part or provision hereof, other than the part declared to be invalid or unconstitutional; and the City Council of the City of Missouri City, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, or whether there be one or more parts.

PASSED AND APPROVED on first reading this 16th day of September, 2019.

PASSED, APPROVED and ADOPTED on second and final reading this ____ day of _____, 2019.

Yolanda Ford, Mayor

ATTEST:

APPROVED AS TO FORM:

Maria Jackson, City Secretary

James Santangelo, Assistant City Attorney
for E. Joyce Iyamu, City Attorney



June 4, 2019

City # 00875

City Official
City of Missouri City
1522 Texas Parkway
Missouri City, TX 77489

Subject: 2020 Municipal Contribution Rate

Dear City Official:

Presented below are your city's contribution requirements to the Texas Municipal Retirement System (TMRS) for Plan Year 2020 (Calendar Year 2020, PY2020) as determined by the December 31, 2018 actuarial valuation. The actuarially determined contribution rates for retirement benefits and Supplemental Death Benefits (SDB), if any, are based on your city's plan provisions in effect as of April 1, 2019 and the actuarial assumptions and methods adopted by the TMRS Board. Effective January 1, 2020, your city's monthly contribution rates will be:

Normal Cost	5.50%
Prior Service	<u>3.36%</u>
Total Retirement Rate	8.86%
Supplemental Death Benefit	<u>0.14%</u>
Total Combined Contribution	9.00%

Full information on your contribution rate, including an explanation of changes and available rate stabilization techniques, is contained in the attached report. The Total Retirement Rate shown above represents the Actuarially Determined Employer Contribution (ADEC) for PY2020 based on current TMRS funding policy.

IMPORTANT NOTE: The pension disclosure and financial statement information necessary to assist your city with the financial reporting requirements of the Governmental Accounting Standards Board (GASB) will be provided in a separate document available later this summer.

If you have questions about your rate or if you wish to evaluate potential changes in your TMRS plan, contact TMRS at 800-924-8677.

Sincerely,

A handwritten signature in blue ink that reads "Eric W. Davis".

Eric W. Davis
Deputy Executive Director

Table of Contents

Rate Stabilization Techniques	A summary of the techniques currently available to assist cities in stabilizing their contribution rate including managing a funding surplus.
Executive Summary	A comparison of the highlights of the December 31, 2018 and December 31, 2017 actuarial valuations for your city. Included are membership counts, asset information, actuarial information, and contribution rate requirements.
Calculation of Contribution Requirements	Details the calculation of the Full Retirement Rate (TMRS Plan Year - ADEC) and the Supplemental Death Rate, if applicable, for your city. A comparison to the 2017 actuarial valuation results is included.
Summary of Benefit Provisions	A summary of plan provisions in effect as of April 1, 2019.
Amortization Bases and Payments	Information on the amortization bases and payments for your city.
Historical and Projected Accumulation of the BAF Balance	This schedule provides your city with historical cash flows, interest credits and the year-end balance of its Benefit Accumulation Fund (BAF), as well as projected values for calendar/plan years 2019 and 2020.
Reconciliation of Full Retirement Rate from Prior Actuarial Valuation Report	A detailed reconciliation of changes in your city's Full Retirement Rate (ADEC) since the prior valuation.
Risks Associated with Measuring the Accrued Liability and Actuarially Determined Contribution	An explanation of risk measurements and how a 10% decline in assets will impact your city's Full Retirement Rate (ADEC).

Rate Stabilization Techniques

Contribution rate stabilization is a strategic goal of the TMRS Board of Trustees. Since 2007, the Board has approved many actuarial changes to minimize short-term volatility in contribution rates while maximizing long-term System sustainability. Even so, some cities continue to experience significant changes in their annual contribution rates. Under the current funding policy in which rates are actuarially determined each year, contribution rate stabilization is fully optimized at the System level; therefore, any further rate stabilization must be achieved at the city level.

The most effective way for a city to stabilize its TMRS contribution rate is to determine, during its budget process, an affordable contribution rate that exceeds the required, calculated contribution rate and continue to pay that same rate, even when the calculated contribution rate goes down. This is particularly true for cities with an Unfunded Actuarial Accrued Liability (UAAL). These additional monthly contributions at a predetermined fixed rate accomplish the following:

- provides a stable annual contribution rate for budgeting purposes;
- directly reduces the UAAL;
- accelerates the years needed to attain full funding (i.e. pays off the UAAL quicker);
- produces cost savings over the long run; and
- provides a contribution rate cushion for future adverse plan experience.

A city can also make one or more lump sum contributions during the year which has a similar impact on the plan's funding status, but is less effective from a rate stabilization perspective.

For cities with an Overfunded Actuarial Accrued Liability (OAAL or surplus), the calculated contribution rate is determined by decreasing the normal cost rate (the cost of the current year accruals for active employees) by a rate equal to a 25-year open amortization of the surplus assets. The result is a required contribution less than the normal cost. This produces contribution rate volatility and pushes the city's funded status back towards 100% by using the surplus assets to pay for the current year accruals. In order to dampen contribution rate volatility and to increase the likelihood of maintaining a funded ratio greater than 100%, TMRS encourages cities in a surplus position to consider paying the full normal cost rate (or as much as possible toward the full normal cost rate) until the funded ratio is at least 110%.

As noted above, additional contributions are entirely voluntary. A city can always revert to paying only the required calculated rate each month if financial circumstances change during the year. There is no formal action that needs to be taken by a city to contribute at a higher level than the required monthly minimum. Additional monthly contributions may be made during the normal payroll reporting process by simply filling out line 2. A. of Form TMRS 3 with the increased employer contribution rate. Lump sum contributions should be reported separately from the regular payroll reporting process and submitted with Form TMRS 3ADD.

If your city would like to explore the impact of any of these rate stabilization techniques on your TMRS plan, please contact Leslee Hardy, Director of Actuarial Services, at lhardy@tmrs.com.

Executive Summary

Valuation as of TMRS Plan Year (PY) Ending	12/31/2018	12/31/2017
Membership as of the Valuation Date		
• Number of		
- Active members	346	336
- Retirees and beneficiaries	193	180
- Inactive members	<u>193</u>	<u>173</u>
- Total	732	689
• Prior year's payroll provided by TMRS	\$ 23,032,609	\$ 23,343,646
• Valuation Payroll	\$ 24,293,554	\$ 23,680,282
Benefit Accumulation Fund (BAF) Assets		
• Market BAF Balance	\$ 97,727,792	\$ 102,106,752
• BAF crediting rate for PY	(3.08%)	13.05%
• Interest credited on beginning BAF balance	\$ (3,141,744)	\$ 11,891,696
• Municipal contributions ^	2,275,514	2,306,217
• Member contributions during year	1,612,283	1,634,055
• Benefit and refund payments ^	5,125,013	4,874,523
Actuarial Value of Assets (AVA)		
• Market BAF Balance	\$ 97,727,792	\$ 102,106,752
• Actuarial Value of Assets (AVA)	103,806,520	99,093,023
• AVA as a Percentage of BAF	106.2%	97.0%
• Return on AVA	6.01%	7.13%
Actuarial Information		
• Actuarial accrued liability (AAL)	\$ 110,433,734	\$ 105,683,019
• Actuarial value of assets (AVA)	103,806,520	99,093,023
• Unfunded actuarial accrued liability (UAAL)	6,627,214	6,589,996
• UAAL as % of pay	28.8%	28.2%
• Funded ratio (AVA/AAL)	94.0%	93.8%
• Employer normal cost	5.50%	5.59%
• Prior Service Rate	3.36%	3.34%
Contribution Rates for TMRS Plan Year (PY)		
	2020	2019
• Member	7.00%	7.00%
• Full retirement rate (ADEC)	8.86%	8.93%
• Supplemental Death rate	0.14%	0.13%
Total Employer Contribution Estimates for PY		
	2020	2019
• Projected payroll	\$ 25,022,361	\$ 24,390,690
• Combined contribution rate	9.00%	9.06%
• Estimated employer contribution	\$ 2,252,012	\$ 2,209,797

Note: TMRS Plan Year coincides with Calendar Year

Results from prior year reflect the plan provisions used in the 12/31/2018 valuation report.

^ Excludes contributions to/benefit payments from the IRC §415(m) Full Benefit Arrangement fund.

Calculation of Contribution Requirements

From Valuation Report as of

	<u>December 31, 2018</u>	<u>December 31, 2017</u>
1. Prior year's payroll reported to TMRS	\$ 23,032,609	\$ 23,343,646
2. Valuation payroll	24,293,554	23,680,282
3. Employer normal cost rate	5.50%	5.59%
4. Actuarial liabilities		
a. Active members	\$ 44,685,300	\$ 42,825,444
b. Inactive members	13,622,380	12,596,543
c. Annuitants	<u>52,126,054</u>	<u>50,261,032</u>
d. Total actuarial accrued liability	\$ 110,433,734	\$ 105,683,019
5. Actuarial value of assets	<u>103,806,520</u>	<u>99,093,023</u>
6. Unfunded actuarial accrued liability (UAAL) (4d - 5)	\$ 6,627,214	\$ 6,589,996
7. Funded ratio (5 / 4d)	94.0%	93.8%
8. Equivalent Single Amortization Period*	9.8 Years	10.1 Years
9. Assumed payroll growth rate	3.0%	3.0%
<hr/>		
Contribution Rate for TMRS Plan Year:	2020	2019
<hr/>		
10. Full retirement rate		
a. Normal cost	5.50%	5.59%
b. Prior service	<u>3.36%</u>	<u>3.34%</u>
c. Full retirement rate	8.86%	8.93%
11. Supplemental Death rate	0.14%	0.13%
12. Combined contribution rates (10c+11)	9.00%	9.06%

* New Losses are laddered on 25-year period

Summary of Benefit Provisions

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City in effect as of April 1, 2019 were as follows:

Employee deposit rate	7%
Matching ratio (city to employee)	2 to 1
Years required for vesting	5
Retirement Eligibility (Age/Service)	60/5, 0/20
Updated Service Credit	100% Transfers
Annuity Increase (to retirees)	70% of CPI
Supplemental Death Benefit to Active Employees	Yes
Supplemental Death Benefit to Retirees	Yes

Amortization Bases and Payments

Year Established	Description	Years Remaining	Base	Payment
2010	2010 Ad Hoc Benefit Change	7	\$ 259,337	\$ 46,161
2011	2011 Ad Hoc Benefit Change	8	480,954	77,189
2012	2012 Ad Hoc Benefit Change	9	334,183	49,109
2013	2013 Ad Hoc Benefit Change	10	496,945	67,679
2014	2014 Ad Hoc Benefit Change	11	584,441	74,485
2015	2015 Ad Hoc Benefit Change	12	1,155,373	138,895
2016	2016 Ad Hoc Benefit Change	13	1,507,494	172,081
2017	2017 Ad Hoc Benefit Change	14	1,680,480	183,169
2018	2018 Newly Underfunded Non-Ad Hoc	25	<u>128,007</u>	<u>7,860</u>
Total			6,627,214	816,628

Historical and Projected Accumulation of the BAF Balance

Year Ending December 31, (1)	Payroll for the Year (2)	Effective Retirement Contribution Rate ^a (3)	Employer Contributions for the Year ^c (4)	Member Contributions for the Year (5)	Benefit Payments ^c (6)	External Cash Flow for the Year (7)	Interest Credit (8)	BAF Balance ^b (9)
		(4) / (2)				(4) + (5) + (6)		
2016	\$ 21,634,924	8.88%	\$ 1,920,960	\$ 1,514,445	\$ (4,786,634)	\$ (1,351,229)	\$ 5,835,655	\$ 91,149,308
2017	23,343,646	9.88%	2,306,217	1,634,055	(4,874,523)	(934,251)	11,891,696	102,106,752
2018	23,032,609	9.88%	2,275,514	1,612,283	(5,125,013)	(1,237,216)	(3,141,744)	97,727,792
2019	24,293,554	8.93%	2,169,414	1,700,549	(6,098,733)	(2,228,770)	6,596,626	102,095,648
2020	25,022,361	8.86%	2,216,981	1,751,565	(5,993,729)	(2,025,183)	6,891,456	106,961,922

a. Effective retirement contribution rate is the actual rate determined by dividing the employer contribution received by the payroll paid.

b. BAF Balance may not sum due to rounding.

c. Excludes contributions to/benefit payments from the IRC §415(m) Full Benefit Arrangement fund.

Reconciliation of Full Retirement Rate from Prior Actuarial Valuation Report

Actuarial valuations are based on long-term assumptions, and actual results in a specific year can, and almost certainly will, differ as actual experience deviates from the assumptions. The following table provides a detailed breakdown of changes in the retirement portion of your city’s contribution rate. This analysis reconciles the change in the retirement portion (ADEC) of your city’s contribution rate from 2019 to 2020, but will not reflect any change in the cost of the Supplemental Death Benefit (SDB), if your city currently has this provision. (Any changes in the cost of the SDB are primarily due to the changes in the average age of your city’s employee group and/or the number of covered retirees.) Following the table below is a brief description of the common sources for deviation from the expected.

Change in Full Retirement Rate	
Full Rate from 12/31/2017 Valuation (PY 2019 Rate)	8.16 %
Benefit changes	0.77 %
Return on Actuarial Value of Assets	0.19
Contribution lag/fully amortized prior bases	(0.04)
Payroll growth	0.01
Normal cost	(0.09)
Liability growth	(0.14)
Total change	0.70 %
Full Rate from 12/31/2018 Valuation (PY 2020 Rate)	8.86 %

Benefit Changes - Shows the increase or decrease in the contribution rate associated with any modifications made to the member city’s TMRS plan provisions. This will also include any changes to the amortization period adopted by ordinance.

Return on Actuarial Value of Assets (AVA) - Shows the change in the contribution rate associated with the return on the AVA being different than the assumed 6.75%. For the year ending December 31, 2018, the return on an AVA basis was 6.01%. The impact may show as 0.00% due to rounding.

Contribution Lag /Fully Amortized Prior Bases - Shows the total increase or decrease in the contribution rate associated with the phase in of contributions and/or any additional contributions above the full rate. The effect of the “Contribution Lag” is also included here and refers to the time delay between the actuarial valuation date and the date the contribution rate becomes effective. For TMRS member cities, the “Contribution Lag” is one year (i.e., the Actuarial Valuation as of December 31, 2018 sets the rate effective for Calendar Year 2020). **The impact of the**

“Contribution Lag” is expected to become immaterial once a city is contributing the Full Rate and the Full Rate stabilizes.

In addition, it shows the impact of the bases, if any, which became fully amortized as of this valuation since payments for those bases are no longer part of the calculation of the prior service rate.

Payroll Growth - Shows the increase or decrease in the contribution rate associated with higher or lower than expected growth in the member city’s overall payroll. The amortization payments were calculated assuming payroll grows at 3.0% per year. Overall payroll growth in excess of 3.0% will typically cause a decrease in the prior service rate.

Normal Cost - Shows the increase or decrease in the contribution rate associated with changes in the average normal cost rate for the individual city’s population. The normal cost rate for an employee is the contribution rate which, if applied to a member’s compensation throughout their period of anticipated covered service with the municipality, would be sufficient to meet all benefits payable on their behalf. The salary-weighted average of the individual rates is the total normal cost rate.

Liability Growth - Shows the increase or decrease in the contribution rate associated with larger or lower than expected growth in the member city’s overall plan liabilities. The most significant sources for variance will be individual salary increases compared to the assumption and turnover.

Risks Associated with Measuring the Accrued Liability and Actuarially Determined Contribution

Risks facing a pension plan evolve over time. A young plan with virtually no investments and paying few benefits may experience little investment risk. An older plan with a large number of members in pay status and a significant trust may be much more exposed to investment risk.

Generally accepted plan maturity measures include the following:

Ratio of the market value of assets to payroll	4.2
Ratio of actuarial accrued liability to payroll	4.8
Ratio of actives to retirees and beneficiaries	1.8
Net cash flow as a percentage of market value of assets	(1.3%)
Duration of liabilities	17.2
Change in Contribution Rate with 10% decline in assets (smoothed)	0.26%
Change in Contribution Rate with 10% decline in assets (unsmoothed)	2.62%

Ratio of Market Value of Assets to Payroll - The relationship between assets and payroll is a useful indicator of the potential volatility of contributions. For example, if the market value of assets is 4.0 times the payroll, a return on assets 5% different than assumed would equal 20% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in plan sponsor contributions as a percentage of payroll.

Ratio of Actuarial Accrued Liability to Payroll - The ratio of liability to payroll may also be used as a measure of sensitivity of the liability itself. For example, if the actuarial accrued liability is 5.0 times the payroll, a change in liability 2% other than assumed would equal 10% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in liability (and also plan sponsor contributions) as a percentage of payroll.

The relationship between the actuarial accrued liability and payroll is a useful indicator of the potential longer term asset-related volatility once the current UAAL is fully amortized. A funding policy that targets a funded ratio of 100% is expected to result in the ratio of assets to payroll and the ratio of liability to payroll converging over time.

Ratio of Actives to Retirees and Beneficiaries - A young plan with many active members and few retirees will have a high ratio of active to retirees. A mature open plan may have close to the same number of actives to retirees resulting in a ratio near 1.0. A super-mature or closed plan may have significantly more retirees than actives resulting in a ratio below 1.0.

Net Cash Flow as a Percentage of Market Value - A positive net cash flow means contributions exceed benefits and expenses. A negative cash flow means existing funds are being used to make payments. A certain amount of negative net cash flow is generally expected to occur when benefits

are prefunded through a qualified trust. Large negative net cash flows as a percent of assets may indicate a super-mature plan or a need for additional contributions.

Duration of Liabilities - The duration of the present value of future benefits may be used to approximate the sensitivity to a 1% change in the assumed rate of return. For example, duration of 10 indicates that the present value of future benefits would increase approximately 10% if the assumed rate of return were lowered 1%. This also is an approximation of the discount-weighted average time horizon of the liability.

Change in Contribution Rate with 10% Decline in Assets (Smoothed) - This shows the rate impact in one year if the actuarial value of assets (AVA) was 10% lower than in the current actuarial valuation with the asset loss smoothed over a 10 year period as is done in the system-wide calculation of the AVA.

Change in Contribution Rate with 10% Decline in Assets (Unsmoothed): This shows the rate impact if the actuarial value of assets was 10% lower than in the current actuarial valuation with the full asset loss recognized in the current valuation.



**Council Agenda Item
September 16, 2019**

11. RESOLUTIONS – *There are no Resolutions on this agenda.*

12. CITY COUNCIL ANNOUNCEMENTS

Discussion, review, and possible action regarding a meeting or activity of one or more of the following entities (each entity refers to a City of Missouri City entity unless otherwise indicated):

Charter Review Commission, Community Development Advisory Committee, Construction Board of Adjustments, Electrical Board, Parks Board, Planning and Zoning Commission, Tax Increment Reinvestment Zone Boards, Fort Bend Chamber of Commerce, Houston-Galveston Area Council, Fort Bend Regional Council, Texas Municipal League, Fort Bend County, Harris County, Gulf Coast Building and Construction Trades Council, Mayor's Youth Commission, Finances and Services Committee, Fort Bend Leadership Forum, Fort Bend County Drainage District, Economic Development Committee, Missouri City Parks Foundation, Missouri City Police and Fire Auxiliary, Livable Community Committee, Texas Parkway Alliance, High Performance Organization Committee, Missouri City Juneteenth Celebration Foundation, Fort Bend County Mayor and Council Association, METRO, Planning, Development and Infrastructure Committee, Fort Bend Independent School District, Greater Fort Bend Economic Development Coalition, Transportation Policy Council, Community Development Advisory Committee, Veterans Memorial Committee, Missouri City Recreation and Leisure Local Government Corporation, Missouri City Development Authority, and the Greater Houston Partnership and Emergency Management updates.

13. CLOSED EXECUTIVE SESSION

The City Council may go into Executive Session regarding any item posted on the Agenda as authorized by Title 5, Chapter 551 of the Texas Government Code.

14. RECONVENE

Reconvene into Regular Session and Consider Action, if any, on items discussed in Executive Session.

15. ADJOURN
