

**Notice of City Council Regular Meeting
AGENDA**

September 26, 2023 at 6:00 PM

NOTICE IS HEREBY GIVEN that a Meeting of the Montgomery City Council will be held on **Tuesday, September 26, 2023**, at **6:00 PM** at the City of Montgomery City Hall, 101 Old Plantersville Road, Montgomery, Texas.

Members of the public may view the meeting live on the City's website under Agenda/Minutes and then select **Live Stream Page (located at the top of the page)**. The meeting will be recorded and uploaded to the City's website.

ANNOUNCEMENT

Proclamation honoring Kristian Rau, Eagle Scout Troop 623.

CALL TO ORDER

INVOCATION

PLEDGE OF ALLEGIANCE TO FLAGS

VISITOR/CITIZENS FORUM:

Citizens are invited to speak for three (3) minutes on matters relating to City Government that relate to agenda or non-agenda items. Prior to speaking, each speaker must be recognized by the Presiding Officer. All speakers should approach the podium to address Council and give their name and address before sharing their comments. City Council may not discuss or take any action on an item, but may place the issue on a future agenda.

PUBLIC HEARING:

1. Open Public Hearing.

2023 Tax Rate Public Hearing

Regarding the tax rate of \$0.40 per \$100 of assessed valuation, to be set as the 2023 tax rate for Fiscal Year 2024, as proposed by the governing body of the City of Montgomery.

Close Public Hearing.

2. Open Public Hearing.

FY2024 Annual Budget Public Hearing.

For the Purpose of hearing public comments regarding the proposed FY2024 City of Montgomery Annual Budget.

THIS BUDGET WILL RAISE MORE TOTAL PROPERTY TAXES THAN LAST YEAR'S BUDGET BY \$107,916 OR 5.87%, AND OF THAT AMOUNT, \$70,042 IS TAX REVENUE TO BE RAISED FROM NEW PROPERTY ADDED TO THE TAX ROLL THIS YEAR.

Close Public Hearing

CONSENT AGENDA:

- 3.** Approval of the following Minutes:
 - (a) City Council Budget Workshop 08-11-2023
 - (b) City Council Budget Workshop 09-11-2023
 - (c) City Council Regular Meeting 09-12-2023

CONSIDERATION AND POSSIBLE ACTION:

- 4.** Consideration and possible action regarding adoption, by record of vote of the following Ordinance: AN ORDINANCE OF THE CITY OF MONTGOMERY, TEXAS ADOPTING AN OPERATING BUDGET FOR THE FISCAL YEAR 2023-2024.

THIS BUDGET WILL RAISE MORE TOTAL PROPERTY TAXES THAN LAST YEAR'S BUDGET BY \$107,916 OR 5.87%, AND OF THAT AMOUNT \$70,042 IS TAX REVENUE TO BE RAISED FROM NEW PROPERTY ADDED TO THE TAX ROLL THIS YEAR.
- 5.** Consider, Adopt and Set by Ordinance the 2023 Ad Valorem Tax Rate for Maintenance and Operations. **\$.3030/\$100**
- 6.** Consider, Adopt, and Set by Ordinance the 2023 Ad valorem Tax Rate for Debt Service, **\$0.0970/\$100.**
- 7.** Consideration and possible action on: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MONTGOMERY, TEXAS, SETTING THE AD VALOREM TAX RATE OF THE CITY OF MONTGOMERY, FOR THE YEAR 2023 AT A RATE OF **\$0.400** PER ONE HUNDRED DOLLARS (\$100) VALUATION ON ALL TAXABLE PROPERTY WITHIN THE CORPORATE LIMITES OF THE CITY OF MONTGOMERY AS OF JANUARY 1, 2023 SPECIFYING SEPERATE COMPONENTS OF SUCH RATE FOR OPERATIONS AND MAINTENANCE AND FOR DEBT SERVICE, LEVYING AN AD VALOREM TAX FOR THE YEAR 2023 PROVIDING FOR DUE AND DELINQUENT DATES TOGETHER WITH PENALTIES AND INTEREST; PROVIDING FOR COLLECTION AND ORDAINING OTHER RELATED MATTERS.
- 8.** Consideration and possible action regarding the award of the contract for “Water and Sewer Operations and Maintenance Services” and authorize the City Administrator to execute the contract.
- 9.** Consideration and possible action on A RESOLUTION BY THE CITY COUNCIL OF MONTGOMERY ADOPTING LABOR STANDARDS PROCEDURES AND OVERSIGHT RESPONSIBILITY FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT DISASTER RECOVERY (CDBG-DR) PROJECT WITH THE GENERAL LAND OFFICE (GLO), STATE CONTRACT NO. 19-076-017-B366.
- 10.** Nomination and Appointments/Reappointment to the Montgomery Economic Development Corporation, Planning and Zoning Commission, and Transportation Advisory Committee
- 11.** Consideration and Possible action to approve a TexPool Resolution Amending Authorized Representatives.

- [12.](#) Consideration and possible action on calling a Public Hearing to be held on October 10, 2023 at 6:00 PM related to a request to locate a HUD-code manufactured home at 14692 North Liberty Street, Montgomery, Texas.
- [13.](#) Authorize the Sale of City-Owned Real Property Known as 213 Prairie Street in Downtown Montgomery
- [14.](#) Consideration and possible action on a Chapter 380 Agreement by and between the City of Montgomery and Home Depot USA, Inc. for the Buffalo Springs Drive Roadway Reconstruction and Traffic Signal at SH105W & Buffalo Springs Drive projects.

DEPARTMENTAL REPORTS:

- [15.](#) Sales Tax Report for September 2023
- [16.](#) Utility Operations Report (H2O)
- [17.](#) Public Works Report
- [18.](#) Municipal Court Report.
- [19.](#) Police & Code Enforcement Report
- [20.](#) Engineer's Report.
- [21.](#) City Administrator Report

EXECUTIVE SESSION:

Adjourn into Closed Executive Session as authorized by the Texas Open Meetings Act, Chapter 551 of the Government Code of the State of Texas.

Sections 551.071 (consultation with attorney: Redbird Meadow, pending litigation)

551.072 (deliberation regarding real property),

551.074 (personnel matters),

POSSIBLE ACTION FROM EXECUTIVE SESSION:

Consideration and possible action on items discussed in Executive Session.

COUNCIL INQUIRY:

Pursuant to Texas Government Code Sect. 551.042 the Mayor and Council Members may inquire about a subject not specifically listed on this Agenda. Responses are limited to the recitation of existing policy or a statement of specific factual information given in response to the inquiry. Any deliberation or decision shall be limited to a proposal to place on the agenda of a future meeting.

ADJOURNMENT

/s/ Nici Browe

Nici Browe, City Secretary. TRMC

I certify that the attached notice of meeting was posted on the bulletin board at City of Montgomery City Hall, 101 Old Plantersville Road, Montgomery, Texas, on September 22, 2023 at 4:00 p.m.

This facility is wheelchair accessible and accessible parking spaces are available. Please contact the City Secretary's office at 936-597-6434 for further information or for special accommodations.

**City Council Budget Workshop
MINUTES**

August 11, 2023, at 3:00 PM

CALL TO ORDER

Mayor Byron Sanford called the workshop to order at 3:02 p.m.

Present:	Byron Sanford	Mayor
	Casey Olson	City Council Place #2
	Sara Countryman	City Council Place #3
	Cheryl Fox	City Council Place #4
	Stan Donaldson	City Council Place #5
Absent:	Carol Langley	City Council Place #1
Also Present:	Gary Palmer	City Administrator
	Nici Browe	City Secretary & Director of Administrative Services

1. City Council Budget Workshop FY 2023-2024

Mr. Gary Palmer stated that the meeting would take place with a format of the following to guide the discussions:

- Frame, Situation, Factors
- Maryann Carl talk about Tax Rates
- Summary of changes
- Open discussion

Frame, Situation, Factors

Mr. Palmer informed the city council that they have removed the CIP from the adoption process thus far, as in previous budgets it appears the focus became finding money for the CIP rather than getting into operational expenses. He added that he will be getting Maryann, the Engineers, Mike and Dave to establish what is required for the projects already in process and develop a list of CIP priorities.

Mr. Palmer stated that there has been a \$500,000 expense from the General Fund into the Capital Projects for the FY2024 budget, and then to make any salary increases as we discussed previously, we need to find between \$100,000 - \$200,000.

Mr. Palmer informed the city council that the draft budget in their binders for this meeting does not include any salary merit increases which were discussed to be between 2-5%, that would equate to at least another \$105,000. He added that staff are looking at fees such as construction permit fees and make sure that we are adequately assessing the fees to offset costs incurred by the city.

How did we get here?

Traditionally the CIP has been funded by portions of transfers from General Fund, this is not abnormal, but we have not looked at other funding options, something we must do, or we will have no choice if we continue this trend but to look at taking away various services and programs, not an ideal scenario.

The current practices each year are not sustainable any longer, we need to make some hard decisions, and move way from continually funding projects from the general fund. He went on to say that there are different revenue sources, such as the municipal court, they are working to collect as much as they can.

Mr. Palmer informed the city council that he and Maryann will be meeting with the bond counsel and the financial advisor to see what the city's debt capacity is and build a couple of scenarios for borrowing and we will bring those to you for consideration and discussion. One thing that does merit discussion is the potential of increases in taxes, as we have put off increases for several years now, and it is something that should be looked into.

Mayor, Byron Sanford stated that he had repeatedly told the engineers that there are dollars available for small towns, especially those with old pipes underground, and we need to tap into those, HGAC has grants to replace these types of things, we need to get into those lines for funding.

Mr. Palmer agreed and said he will always be looking at alternative funding measures, the CDBG grants are typically census based and low to medium income.

Mayor, Byron Sanford asked that staff stay on top of alternative funding as we are in an area of high growth.

Mr. Palmer assured the city council he will be and explained that he has also created a Transportation Improvement Commission, which will look at developing a transportation improvement plan, something these grants look for, we are behind the curve on that at present.

Maryann Carl, Finance Director reiterated what Mr. Palmer had already stated by informing the city council that funding capital projects from the general fund you are taking tax dollars for operations expenses. She added that when working through the prior years budget and system, she had noticed that the city had budgeted to collect a 100% of property tax, and that was used to base all other calculations on. This obviously does not take into account any refunds to taxes based on protested assessments, looking at last year alone, the city had refunded 7% which equates to \$137,000.

Ms. Carl then spoke regarding the sales tax in lieu of property tax. The city has been using that sales tax and sending it into the capital projects, which ultimately squeezes other funds which were intended for the M&O when the look back tax rate is done by the tax assessor.

Ms. Carl says she is still working through incode and she is seeing some strange amounts which could have come from the conversion; however, she is working hard to place them to the correct line item in order for the city council to see and be confident with the revenue and expenses.

Ms. Carl stated that something she has some concerns about is the No New Revenue Rate (NNR) which is \$0.39. This is too close for comfort to the \$0.40 Tax Rate, as the city grows there is a real possibility there will be a shortfall, what do you do then? Do we cut services? Personnel?

She then provided a clarification by running through the budget sheets in the council binders, explaining what each meant to the general fund, and the M&O.

Councilmember Casey Olson said that he is not interested in a tax rate increase period.

Mr. Palmer responded that if that is the case, then why not borrow money for the capital projects.

Councilmember Casey Olson said he was not ready for that, not yet.

Ms. Carl informed the council that they should not forget that the utility fund is not funded by taxes,

Mr. Palmer summarized for the council and staff that if they pull the \$500,000 and keep the same tax rate, to provide a merit increase or make any improvements the city needs to find at a minimum of \$200,000 – \$300,000.

Councilmember Casey Olson stated that they should aim for the \$300,000 and as they go through maybe we will get to \$200,000. He asked about building permit fees, impact fees.

Mr. Dave McCorquodale responded that those are pass-through fees.

Councilmember Casey Olson said he would like to talk about the two positions “Permit Tech and the Finance Tech”.

Ms. Carl reminded the council that the Event Specialist is also this next fiscal year going to be under Administration.

Councilmember Casey Olson asked what both permit tech and finance tech would be doing and if totally necessary.

Mayor Byron Sanford said that he felt that with the budget being as it is, AP and Payroll he would ask Maryann to hold down the fort for the next year at least.

Ms. Browe, City Secretary said that she has been doing the AP and Payroll since January as well as her own job and can assure the council the AP and Payroll clerk position is a full-time position and she wanted the council to note that it is not wise to have someone enter and approve their own work, especially within the finance world.

Councilmember Casey Olson agreed and said he did not have a problem with the Finance Tech position it provides checks and balances.

Councilmember Sara Countryman asked if the Special Events person could be made into a Permit Tech instead.

Mr. Palmer responded that we have to remember that at the other end of these decisions is a human being, right now Patti is filling in only, she has the events to focus on.

Councilmember Casey Olson asked what was budgeted for a Finance Tech position.

Mr. Palmer responded that they had looked at surrounding cities and want someone who has done government AP and Payroll before, so looking at funding at a rate of \$29.00 per hour.

Councilmember Cheryl Fox asked how many hours a day is Patti doing permits.

Mr. McCorquodale responded that it depends but if you were to average it out, approximately 6-8 hours a week, and added that currently they city has spent \$146,000 on permits but the revenue is \$261,000 so that revenue does offset the expense from the general fund some.

Ms. Carl stated that the previous Permit Tech was earning \$55,000 annually with benefits you are looking at a total of \$75,000.

Councilmember Casey Olson said that rate is higher than he expected and would want to start lower and if they turn out to be an employee worth keeping, we provide the merit.

Councilmember Cheryl Fox stated that if you pay less then you are going to get less of a quality person.

Mr. McCorquodale said going forward he would not want to pay more than \$20-21 per hour.

Mr. Palmer stated that they could also look and see if this position could also partially be funded by Water and Sewer.

The city council then went through each department's budget seeking cuts from the department heads.

Council Training – Councilmember Sara Countryman recommended that was reduced to **\$2,500**.

Administration – Cuts were made from several line items for a total of **\$25,500**.

Police – Councilmember Casey Olson drilled down on the Police Vehicles being requested for the next fiscal year.

Anthony Solomon Police Chief argued the need as the wear and tear on the vehicles and cost of parts was becoming challenging operationally, especially when you consider vehicles are running 24/7 and he reminded the council that 1 hour of idle running is 30 miles on the vehicle.

Councilmember Casey Olson asked the Chief how many vehicles total does he have now.

Chief Solomon stated that he has 1 vehicle with 95,000 miles on it and another with 101,000 miles on it, while they are old, he would not take them off the fleet but use them for citizen patrol. Last year he had asked about going in for a lease agreement, but the city council kicked that idea out. He went on to say he has requested three vehicles; one will not do.

Councilmember Casey Olson said he was confused as he heard that there were 6 running but 10 vehicles total and 15 people.

Ms. Carl informed the city council there is an organization called Government Capital where they offer a loan/lease payment program whereby the three vehicles could be purchased under their program.

Chief Solomon agreed and stated that was what he bought to council last year, but the idea was kicked out.

Councilmember Casey Olson asked the chief if he could get by with two vehicles rather than the three, he requested.

Chief Solomon responded that he could make do and make it work, and for the next year look and bring back more details on Government Capital lease purchase.

Councilmember Casey Olson asked what the Investigation and Testing Fees were.

Chief Solomon responded that these are recurring fees for Forensic data search such as cell phones, traffic evidence, and crime scene preservation and investigation.

Councilmember Casey Olson inquired about the line item for Tyler Public Safety and the Weapons and ammunition.

Chief Solomon first addressed the Tyler fees, stating that was for the Brazos Ticket writers, and the case system along with it. The weapons he trades in gets as much as he can on the trade for the purchase of the new and explained that the tasers are obsolete now so that is a whole new upgrade.

Police Department cuts for a total of **\$93,500**.

Public Works

Mr. Muckleroy said that he knew of three areas he could safely cut out of the budget with street repairs being one of them, only the minor like crack sealing etc. could cut **\$10,000**.

Councilmember Sara Countryman asked what the community building repairs were.

Mr. Muckleroy responded for sure the new AC and then repairs as they come up.

Councilmember Casey Olson asked Mr. Muckleroy about equipment repairs and what he could cut there.

Mr. Muckleroy provided the council with an explanation and agreed he could cut, but only **\$2,000**.

Councilmember Sara Countryman asked about the supplies line item.

Mr. Muckleroy informed the council he could cut **\$1500**.

Councilmember Sara Countryman asked about the parks maintenance and noted that last budget there was a \$100,000 requested and almost closing out the fiscal year an expense of \$22,000, so it seems a cut could happen there.

Mr. Muckleroy agreed and cut **\$60,000**.

Public Works Department cuts for a total of **\$73,500**.

Court Department

Councilmember Casey Olson inquired what was the consultant line item for.

Ms. Kimberly Duckett responded that this was for a consultant for the conversion from Incode 9 to Incode 10 and a consultant for their Skip trace.

No cuts from the Court Department.

Open discussion

Ms. Carl informed the city council that there could be an increase in the INS rate once the final forecast of the tax rate in order to sustain the debt.

Mr. Palmer informed the council that he will be continuing to have individual meetings with council, and he will be posting a budget workshop form 4-6 on the 22nd of August.

Councilmember Casey Olson inquired about the Debt Service; don't we have payment to make.

Ms. Carl agreed and stated that yes payments on the existing debts which are:

- General Obligation Bond 2015
- Tax Revenue Certificates 2017 A & B
- General Obligation Bond 2021
- Tax Notes 2022

Mayor Byron Sanford Adjourned the budget workshop

Adjourned at 5:00 P.M.

Submitted by: Nici Browe, TRMC
City Secretary

Date Approved: _____

Byron Sanford, Mayor

**City Council Budget Workshop
AGENDA**

September 11, 2023, at 4:00 PM

NOTICE IS HEREBY GIVEN that a Meeting of the Montgomery City Council will be held on **Monday, September 11, 2023, at 4:00 PM** at the City of Montgomery City Hall, 101 Old Plantersville Road, Montgomery, Texas.

CALL TO ORDER

Mr. Gary Palmer called the meeting to order at 6:00 p.m.

- Present: Carol Langley City Council Place #1
- Casey Olson City Council Place #2
- Sara Countryman City Council Place #3
- Cheryl Fox City Council Place #4
- Stan Donaldson City Council Place #5

Mr. Palmer stated that before they get into the budget part of the meeting, he would turn the meeting over to Mike Muckleroy in order for him to address and update the council on the water issues.

Mr. Muckleroy stated as the council is aware the Well #2 collapsed. They had two well companies come out and ultimately, they confirmed the well was not repairable. They have now elected to go with a four month (minimum required by rental companies) for a Booster Pump at Well #3. The one that was authorized for purchase was estimated to be shipped September 22, 2023. Once that new pump arrives the intent is to leave it on the shelf and use the full four months of rental.

Mr. Muckleroy added that in October he will be bringing to the council a request to purchase another pump in order to always have one in stock should any of the booster pumps go down.

With Well #2 the Booster, Hydro works but the well is done, no way to use it. After consultation with the water operator, they manually reverse the check valve which back feeds into the Ground Storage Tank (GST), and manually turn it off at night. Then each day there is 125,000 gallons ready to go at any given time. Mr. Muckleroy stated he appreciates this is not an ideal solution, but the best at the moment.

Councilmember Cheryl Fox asked if they ever found out why the well collapsed.

Mr. Muckleroy responded mostly due to age, the casing was thinning and broke along with the screen collapsing.

Councilmember Cheryl Fox asked what age the well was.

Mr. Muckleroy responded it was forty (40) years old.

Councilmember Sara Countryman asked how much the rental Booster Pump will be.

Mr. Muckleroy responded it was \$28,000 for the four months.

Councilmember Carol Langley asked did it just stop one day?

Councilmember Sara Countryman asked and was there any sign or other indication it was about to fail?

Mr. Muckleroy responded that it was showing some slight sand, which is not unusual, but yes it just failed one moment and there was no sign it was going to fail.

Councilmember Carol Langley asked how many boosters were at Well #3.

Mr. Muckleroy responded there were two.

Councilmember Sara Countryman added that we need to do a better job of being prepared and to avoid this situation in the future, as the email on Friday was shocking. Who installs these pumps?

Mr. Muckleroy responded that the rental company provides a contractor for installation.

Councilmember Sara Countryman stated that should this not be part of our ordinance to conserve water, give a notification.

Mr. Palmer responded that we did send out a notification in the utility bills for a voluntary water conservation notice. Mr. Palmer stated that the city has a drought contingency plan, but we have not met those criteria.

Ms. Katherine Vu, WGA Engineering stated that a drought contingency plan has been a hot topic all summer long. It is based on pumpage at the total % of capacity. That is what triggers the plan.

Right now, the city has a good amount of capacity by any metrics. The metrics are used across the industry.

Mr. McCorquodale added that at any rate Stage 1, if triggered is a voluntary reduction notice.

Mr. Gary Palmer stated that he had a meeting with a notification system along with the Chief. This can be used to convey vital information such as this.

NIXEL – the city has had it for some time, as a free base however, the city will be upgrading in order for us to feed information that is vital in nature to the citizens.

1. Discussion on the FY2024 proposed Budget & Capital Improvement Plan (CIP).

Mr. Palmer noted that the city budget is good on the Maintenance and Operations side, there will be a final workshop September 19, 2023, and James Gilley the Financial Advisor will be there to answer any questions.

Mr. Palmer stated that he had charged Mr. Gilley to come up with an analysis and show us what the debt capacity / debt proposed to carry would look like with two scenarios for the Capital Projects. He went on to say he and Maryann and Mike met with him this week and James has split it into two scenarios of all the projects we HAVE TO DO and ones we want to do if we could afford to do them. One is \$2.5 million and the other is \$3.5 million.

Councilmember Casey Olson asked if there was anything budgeted for use at the moment.

Ms. Maryann Carl, Finance Director stated that there is the \$368,000 AARPA funds that can be used for water sewer projects in addition to the fund balance. The fund balance at a guesstimate is likely to be \$400,000 +/- with a potential of being on top of last year's fund balance, providing nothing comes up.

She added that she is confident with the revenues lining up with the projects.

Mr. Palmer stated that the AARPA funds will need to be spent within three years.

Ms. Katherine Vu stated that she has provided the council with three regular size sheets and three large sheets. The regular size is a summary of each project, the large go into further detail on each project.

Ms. Vu stated that she had divided the projects into categories, Maintenance, Capital and Transportation.

Maintenance

These items are a must do even if there were no more building permits coming into the city.

Water Well #2 Drill a new Well.

Water Plant 3 Work on wells 3 & 4 and have them inspected bi-annually.

Sanitary Sewer – Cruztech is under contract and phase II will be in coordination with TXDOT.

Capital Projects.

Conversion from Chlorine Gas to Bleach at all treatment facilities.

\$1.5 million to \$2.5 million over several fiscal years to build new plants to accommodate the need for capacity. It is projected that capacity will be reached by 2025 as the city grows. This is A MUST DO.

The waterline extension is not all funded by the city, some is by the developer so will offset some of the previous cost for the plant builds.

Councilmember Sara Countryman asked for clarification on a notation for the waterline.

Ms. Vu responded that the Lonestar Parkway 12” line will go through the loop to Buffalo Springs to Abner.

The \$815,000 for Downtown Water Line will only be done if the Downtown streetscape project proceeds.

\$1.3 million will not be expended until 2029.

\$520,000 has been paid already for the Redbird project.

Gravity system improvements.

Large list in impact fee updates – that need paying to the city or reimbursement.

City Administrator, Gary Palmer stated so the Well #4 is an aspirational need.

Ms. Vu confirmed but stated the work should begin now to prepare for the anticipated growth.

Transportation

105 and Buffalo Springs signal, negotiations ongoing with Home Depot.

Clepper Street Repaving

Shepherd Street, in 2014 a variance was provided for Mr. Cheatham there was no trigger or timeline placed within that variance we do not want to lose sight of it.

Councilmember Carol Langley asked if he would be paying for that.

Ms. Vu responded that was correct.

Lonestar Parkway improvements to FM762 should be shared with the county.

General roadway rehab projects will be spread out.

Alternative transportation in case the county pursues trails and sidewalks.

Some of these items are must dos.

Mr. Gary Palmer stated that all of these WP4, Wastewater treatment Plants are must do's/

Ms. Vu responded that was correct for the city engineers to look at funding mechanisms.

Mr. Gary Palmer stated that staff will look at the water tap fees, impact fees etc.

Mr. Palmer then asked the council to look at the email from James Gilley, the Financial Advisor for the city, it shows the options for bonds and generating debt to get the projects completed.

Councilmember Casey Olson stated that it looks like it would be an easy decision, however, there is much we don't know.

Mr. Gary Palmer stated that on September 19th workshop the final budget numbers will be brought to you.

Ms. Maryann Carl, Finance Director stated that the reasoning behind bringing the council options of issuing debt as even with the fund balance the city would be hard pressed to pay for the projects, sure you can divert fund balance to reduce the liability.

Ms. Carl added that the last line on the spreadsheet under the capital projects is other developer money.

Councilmember Sara Countryman asked about the previous year's fund balances.

Ms. Carl responded that the fund balance numbers are solid as they are the audited numbers.

Councilmember Casey Olson stated that he is frustrated as we don't know final numbers, looks like we cannot look at a bank statement and know we have x amount of funds.

Ms. Carl explained that the city has numerous bank accounts and funds are due to and from each, then there are liabilities so telling you an accurate amount right now is difficult.

Councilmember Casey Olson stated that was a hard pill to swallow. He then asked exactly how much is in the bank?

Councilmember Stan Donaldson asked why the city has so many bank accounts.

Ms. Carl responded that she could not say, as typically a city would be a pooled cash environment, therefore she is not sure why the city has so many. There was a problem too with the way the system was set up, at the end of a year if there were funds left over that became part of the fund balance, that is not correct so now we have to pull that back as it needs to remain with Redbird etc.

Mr. Palmer stated that not in a hurry, as we are able to adopt the M&O on time, we will have James with us at the 19th workshop and we will come back with more refined numbers on the 19th as well.

Ms. Carl stated that she wanted to respond to an earlier question, as of September 30, 2022, the Capital Projects \$683,567. The fund started with a balance of \$1,294,228. Leaving a fund balance of \$610,661 in reserves.

Councilmember Sara Countryman asked what the city spent the money on, where did it all go.

Ms. Carl responded that we had a little over \$900,000 in revenues and spent \$1.5 million.

Ms. Carl stated that when there was a conversion from QuickBooks to Incode the imported information gives a monthly total, but she cannot drill down and find the entries and detail.

Councilmember Casey Olson asked so we cannot find out what we spent the money on from month to month for last year.

Councilmember Casey Olson stated that after all the money they spent we are in the same place we were in last year.

Ms. Carl stated that she felt that they had made a significant turn and were back on track.

Councilmember Casey Olson stated he disagreed as we don't know where we are at.

Mr. Palmer stated look we are good on the M&O budget.

Councilmember Casey Olson stated No we are not, as no one knows if those monies are correct.

Mr. Palmer concluded the workshop by saying that he will focus on the MO and proceed for adoption. The CIP budget is not on the same timelines. However, he will be sure that staff will dig through and bring firm numbers going forward.

ADJOURNED at 5:02 P.M.

Submitted by: _____
Nici Browe TRMC, City Secretary

Date Approved: _____

Byron Sanford, Mayor

City Council Regular Meeting & Public Hearing
MINUTES

September 12, 2023, at 6:00 PM

CALL TO ORDER

Mayor Byron Sanford called the meeting to order at 6:00 p.m.

Present:	Byron Sanford	Mayor
	Carol Langley	City Council Place #1
	Casey Olson	City Council Place #2
	Sara Countryman	City Council Place #3
	Cheryl Fox	City Council Place #4
	Stan Donaldson	City Council Place #5

Also Present: Dave McCorquodale City Administrator
 Nici Browe City Secretary & Director of Administrative Services

INVOCATION

Mayor Byron Sanford provided the Invocation.

PLEDGE OF ALLEGIANCE TO FLAGS

ANNOUNCEMENT:

Mayor, Byron Sanford presented a Proclamation to National Society Daughters of the American Revolution, Margaret Montgomery Chapter to celebrate Constitution Week.

VISITOR/CITIZENS FORUM:

No visitors addressed the City Council.

PUBLIC HEARING:

for the purpose of giving interested persons the right to appear to be heard regarding the following:

1. PUBLIC HEARING

Mayor Byron Sanford **Opened** the public hearing at: 6:05 P.M.

FY2024 Tax Rate Public Hearing

Regarding the tax rate of \$0.40 per \$100 of assessed valuation, to be set as the tax rate for Fiscal Year 2024, as proposed by the governing body of the City of Montgomery.

No members of the Public addressed the City Council.

Mayor Byron Sanford **Closed** the public hearing at 6:05 P.M.

2. Budget Public Hearing

For the purpose of hearing public comments regarding the proposed FY2024 City of Montgomery Annual Budget.

Mayor Byron Sanford **opened** the public hearing at 6:06 P.M.

THIS BUDGET WILL RAISE MORE TOTAL PROPERTY TAXES THAN LAST YEAR'S BUDGET BY \$107,916 OR 5.87%, AND OF THAT AMOUNT, \$70,042 IS TAX REVENUE TO BE RAISED FROM NEW PROPERTY ADDED TO THE TAX ROLL THIS YEAR.

No members of the public addressed the City Council.

Councilmember Casey Olson stated that he wished the public to know that they did not raise the taxes, the new revenue is from all of the new homes added.

Mayor Byron Sanford **closed** the public hearing at 6:07 P.M.

CONSENT AGENDA:

3. Approval of the following Minutes:

(a) City Council Workshop 07-11-2023

(b) City Council Workshop 08-07-2023

(c) City Council Regular Meeting 08-08-2023

(d) City Council Workshop 08-11-2023

(e) City Council Workshop 08-22-2023

(f) City Council Regular Meeting 08-22-2023

Councilmember Sara Countryman noted that on item (d) page 20 of the packet she would like the amounts changed to read \$200,000 - \$300,000.

Councilmember Carol Langley noted that on item (d) she was not present for the workshop meeting.

Councilmember Casey Olson moved to approve items (a) through (c) and (e) through (f), and to make changed to item (d) and bring to the next Council meeting. Councilmember Cheryl Fox seconded the motion. **Motion Passed (5-0).**

CONSIDERATION AND POSSIBLE ACTION:

4. Consideration and possible action regarding authorization of WGA to proceed with the Lonestar Groundwater Conservation District permit amendment including a hydrogeological report to be completed by Wet Rock Groundwater Services, LLC.

Ms. Katherine Vu stated that the city needs a permit as previously discussed through the Lone Star Groundwater Conservation District. Their permit application process has changed since the last time the city obtained one, it is now a perpetual permit, no more annual applications.

The first step in this is to obtain a Hydrogeological report. In your packet you will see a proposal from Wet Rock, who would do the report and would capture all of our aquifers. The cost is \$25,000 and is to be routed through WGA.

Councilmember Casey Olson asked if Wet Rock is going through WGA as a sub, which means WGA would add on their fees?

Ms. Vu responded that was correct and the fees market wide is 10% of proposal.

Councilmember Casey Olson stated could the city go direct and save the \$2500 charged by WGA?

Ms. Vu responded that the city could, however, WGA is doing the Permit, therefore it is typically routed through them.

Councilmember Casey Olson continued to ask questions on the ability of staff to request, obtain and interpret the report, thus saving the city \$2500.00.

Councilmember Sara Countryman asked Mr. McCorquodale is there was anyone on staff that has the bandwidth the be able to interpret and answer questions of the report.

Mr. McCorquodale responded no there was no member of staff qualified to do that.

Councilmember Cheryl Fox asked the attorney, Alan Petrov what his opinion on this would be.

Mr. Alan Petrov responded that it would be his advice and recommendation that the city go through WGA as they can interface with the hydrogeologist to get the data that is required.

The council had further discussions with regard to direct request for report as opposed to WGA managing the request.

Mayor Byron Sanford stated the benefit of using WGA for this report is that if anything were to go wrong further along the line, WGA assume the risk.

Councilmember Sara Countryman moved to approve the proposal as presented. Councilmember Stan Donaldson seconded the motion. **Motion Passed (5-0).**

5. Consideration and possible action regarding a proposal from WGA for the Buffalo Springs Drive Roadway Reconstruction and Traffic Signal at SH 105 W & Buffalo Springs Drive projects.

Ms. Katherine Vu stated that before the council is a proposal for the roadway which was included in the negotiations with Home Depot. The signal design is required by TXDOT, it will not be bid or constructed by TXDOT. The roadway is 105 to the rear of the Home Depot property. Part of the negotiations with Home Depot is that that portion will be complete by the time they open.

Ms. Vu added that they are well equipped for design, and it could be split out the cost estimates into two separate projects and submit the plans to TXDOT.

Councilmember Casey Olson stated that he had received an email that they were close to providing the design portion, the roadway will go all the way from the property line to the rear of the property. The option to break it into pieces is advantageous, could they make the last piece an alternate.

Ms. Vu stated that yes that could happen, they could use a base bid up to a certain point and then alternate.

Mr. McCorquodale stated that the 380 agreement can be structured with a total bid amount.

Mr. Alan Petrov explained that the city could decide on a cap of the cost.

Councilmember Casey Olson asked Mr. Petrov when the 380 agreement would be ready for review.

Mr. Petrov stated it would be ready by Friday of this week.

Mr. McCorquodale stated that Home Depot law firm is an outside agent and would likely have it for a week or two for review.

Councilmember Casey Olson stated that Home Depot told him today that they would turn it around in a week.

Councilmember Carol Langley asked what the Grand Total would be.

Ms. Vu responded that it is \$1,669,800 which includes the estimate for constructions, engineering reimbursement and a 20% contingency built in, Home Depot is issuing \$750,000 deposit and the rest is wrapped into the 380 agreement.

Mr. McCorquodale stated that the MOU was signed by both the Mayor and Home Depot.

Ms. Vu noted that design would not begin until the deposit is received.

Councilmember Carol Langley asked if staff are sure that the city would not be out of any money.

Mr. McCorquodale responded that nothing is paid on the 380 until the 1st anniversary of sales tax receipts.

Councilmember Stand Donaldson asked who would pay the engineers' cost of \$1.6 million.

Mr. McCorquodale responded that \$1.6 million is the total cost of the project. Home Depot pays the city, the city is not out of pocket.

Councilmember Casey Olson stated that he wanted to circle back and ask the engineers to bid the alternate.

Ms. Vu responded that they would.

Councilmember Casey Olson moved to approve the proposal. Councilmember Cheryl Fox seconded the motion. **Motion Passed (4-1)** Councilmember Sara Countryman voted against.

Councilmember Carol Langley asked when the Council would see the 380 agreement and would they be looking to sign it at the 26th Council meeting.

Mr. McCorquodale confirmed that as soon as he gets it back from legal council will be able to have it for signing on the 26th.

Councilmember Carol Langley said she wanted to be sure that the EDC was not involved in or paying for any of this.

Mr. McCorquodale confirmed this is the city not the EDC.

EXECUTIVE SESSION:

The City Council did not go into Executive Session.

POSSIBLE ACTION FROM EXECUTIVE SESSION:

No Executive Session.

COUNCIL INQUIRY:

Councilmember Sara Countryman stated that she had heard a lot of chatter about the bulk trash weekend and that folks got there, and it was closed, it wasn't open on Sunday either, could we look into getting more cans.

Mr. McCorquodale responded that he had been in communication with Mr. Muckleroy and more cans have been ordered.

Councilmember Sara Countryman inquired if the tax exemption that a Mr. Tamborello has requested was handled.

Mr. McCorquodale responded that his request had been handled and is completed.

Councilmember Sara Countryman asked Attorney Alan Petrov what role his company played in the purchase of the city property 213 Prairie.

Mr. Petrov responded from his recollection they had acted as bond counsel for the funding for the purchase.

Mayor Byron Sanford stated that he is worn out but has not given up with the HGAC for grant funds. It is evident they have our demographics wrong; they need to leave out April Sound. We have a high need, our streets are worn out, all we can do is try try try.

ADJOURNMENT

Councilmember Sara Countryman moved to adjourn the meeting. Councilmember Cheryl Fox seconded the motion. **Motion Passed (5-0).**

Adjourned 6:43 P.M.

Submitted by: Nici Browe, TRMC
City Secretary & Director of Administrative Services.

Approved by: _____
Mayor, Byron Sanford

Date: _____

Montgomery City Council
AGENDA REPORT

Meeting Date: September 26, 2023	Budgeted Amount: N/A
Department: Administration	Prepared By:

Subject

Consideration and possible action regarding adoption, by record of vote of the following Ordinance: AN ORDINANCE OF THE CITY OF MONTGOMERY, TEXAS ADOPTING AN OPERATING BUDGET FOR THE FISCAL YEAR 2023-2024.

THIS BUDGET WILL RAISE MORE TOTAL PROPERTY TAXES THAN LAST YEAR'S BUDGET BY \$107,916 OR 5.87%, AND OF THAT AMOUNT \$70,042 IS TAX REVENUE TO BE RAISED FROM NEW PROPERTY ADDED TO THE TAX ROLL THIS YEAR.

Recommendation

Motion to approve the operating budget for Fiscal Year 2023-2024 and adopt the Ordinance as presented.

The vote is required to be a record vote by each council member individually.

Discussion

The proposed budget is balanced and the result of collaborative public workshops between the city staff and Council. The enclosed draft version of the budget reflects the changes from our September 25th workshop.

Approved By		
		Date:
City Administrator	Gary Palmer	Date:09-21-2023

AN ORDINANCE OF THE CITY OF MONTGOMERY, TEXAS ADOPTING AN OPERATING BUDGET FOR THE FISCAL YEAR 2023-2024.

THIS BUDGET WILL RAISE MORE TOTAL PROPERTY TAXES THAN LAST YEAR'S BUDGET BY \$107,916 OR 5.87%, AND OF THAT AMOUNT, \$70,042 IS TAX REVENUE TO BE RAISED FROM NEW PROPERTY ADDED TO THE TAX ROLL THIS YEAR.

WHEREAS, applicable law requires the City of Montgomery, Texas to adopt a budget for the fiscal year 2023-2024; and

WHEREAS, a budget has been prepared for the fiscal year 2023-2024 as set forth in Exhibit “A” hereto; and

WHEREAS, notice having been first given in the manner provided by law, the City Council conducted a public hearing upon such proposed budget; and

WHEREAS, the City Council has considered the proposed budget and made such changes as it considers warranted by law and in the best interest of the municipal taxpayers:

THEREFORE, BE IT ORDAINED by the City Council of the City of Montgomery, Texas:

Section 1. That the budget, including estimated revenues and proposed expenditures within the General Fund and each Special Fund is hereby approved and adopted as the Municipal Budget for the Fiscal Year beginning October 1, 2023, and ending September 30, 2024 by the following record vote:

<u>City Council</u>	<u>Place Number</u>	<u>Record Vote</u>
Carol Langley	City Council Place #1	
Casey Olson	City Council Place #2	
Sara Countryman	City Council Place #3	
Cheryl Fox	City Council Place #4	
Stan Donaldson	City Council Place #5	
Byron Sanford	Mayor (<i>Only Votes to break a tie</i>)	Present but not voting.

Section 2. That the monies set out within each fund are hereby appropriated out of each such respective fund for the payment of expenses lawfully attributable to such fund, all as itemized in the budget.

Section 3. That the budget may be amended from time to time as provided by law for the purposes of authorizing emergency expenditures or for municipal purposes, provided however, no obligation shall be incurred, or any expenditure made except ‘in conformity with the budget.

Section 4. That the City Administrator may, at any time, transfer any unencumbered appropriate from one line item to another line item within the same department, provided however, that no unencumbered appropriation may be transferred from one department to another except upon the express approval of the City Council.

Section 5. That the Mayor of the City of Montgomery, Texas, be, and is hereby authorized to execute the Ordinance on behalf of the City of Montgomery, Texas and the City Council.

PASSED, APPROVED AND ADOPTED this the 26th day of September 2023.

CITY OF MONTGOMERY, TEXAS

Mayor Byron Sanford

ATTEST:

Nici Browe, City Secretary. TRMC

APPROVED AS TO FORM:

Alan P. Petrov, City Attorney

City of Montgomery



FY 2023-2024 ***Proposed Annual Operating Budget***

Notice

THIS BUDGET WILL RAISE MORE TOTAL PROPERTY TAXES THAN LAST YEAR'S BUDGET BY \$107,916 OR 5.87%, AND OF THAT AMOUNT, \$70,042 IS TAX REVENUE TO BE RAISED FROM NEW PROPERTY ADDED TO THE TAX ROLL THIS YEAR.

Proposed Budget Filed with City Secretary on August 16, 2023, at 5:00 p.m.

Changes Since Posting of Proposed Budget

<u>Account</u>	<u>Description</u>	<u>Amount in Posted Proposed</u>	<u>Action</u>		<u>Final Proposed Amount</u>	<u>Percent Change</u>
			<u>Increase</u>	<u>Decrease</u>		
<u>General Fund</u>						
100-00-14030-00000	Taxes & Franchise Fees - Ad Valorem Tax	\$1,400,000	\$14,900		\$1,414,900	1.06%
100-10-16002-0000000	Health Insurance	\$94,930		\$9,786	\$85,144	-10.31%
100-10-16004-0000000	Workers Comp	\$1,851		\$162	\$1,689	-8.75%
100-10-16008-0000000	Payroll Taxes	\$56,361		\$6,588	\$49,773	-11.69%
100-10-16009-0000000	Wages	\$713,993		\$86,127	\$627,866	-12.06%
100-10-16012-0000000	Retirement Expense	\$73,613		\$8,871	\$64,742	-12.05%
100-10-16202-0000000	General Consultant Fees	\$115,000	\$10,000		\$125,000	8.70%
100-10-16701-0000000	Insurance - Liability	\$7,800		\$5,945	\$1,855	-76.22%
100-10-16702-0000000	Insurance - Property	\$6,534		\$3,955	\$2,579	-60.53%
100-10-17006-0000000	Transfer to Surplus	\$0	\$266,168		\$266,168	
100-11-16004-0000000	Workers Comp	\$45,365		\$13,502	\$31,863	-29.76%
100-11-16008-0000000	Payroll Taxes	\$107,566		\$3,722	\$103,844	-3.46%
100-11-16009-0000000	Wages	\$1,346,091		\$48,654	\$1,297,437	-3.61%
100-11-16012-0000000	Retirement Expense	\$144,827		\$5,011	\$139,816	-3.46%
100-11-16701-0000000	Insurance - Liability	\$20,945	\$4,410		\$25,355	21.06%
100-11-16702-0000000	Insurance - Property	\$6,859	\$3,147		\$10,006	45.88%
100-12-16004-0000000	Workers Comp	\$4,691		\$865	\$3,826	-18.44%
100-12-16008-0000000	Payroll Taxes	\$16,974		\$2,839	\$14,135	-16.73%
100-12-16009-0000000	Wages	\$216,387		\$37,121	\$179,266	-17.15%
100-12-16012-0000000	Retirement Expense	\$20,225		\$3,823	\$16,402	-18.90%

<u>Account</u>	<u>Description</u>	<u>Amount in Posted Proposed</u>	<u>Action</u>		<u>Final Proposed Amount</u>	<u>Percent Change</u>
			<u>Increase</u>	<u>Decrease</u>		
100-12-16701-0000000	Insurance - Liability	\$2,100	\$2,594		\$4,694	123.52%
100-12-16702-0000000	Insurance - Property	\$1,250	\$177		\$1,427	14.16%
100-12-16925-0000000	Capital Outlay - Vehicles	\$30,000		\$30,000	\$0	-100.00%
100-13-16004-0000000	Workers Comp	\$440	\$398		\$838	90.45%
100-13-16008-0000000	Payroll Taxes	\$13,155		\$469	\$12,686	-3.57%
100-13-16009-0000000	Wages	\$169,556		\$6,129	\$163,427	-3.61%
100-13-16012-0000000	Retirement Expense	\$17,711		\$631	\$17,080	-3.56%
100-13-16701-0000000	Insurance - Liability	\$60	\$1,795		\$1,855	2991.67%
100-13-16702-0000000	Insurance - Property	\$1,300	\$1,279		\$2,579	98.38%

Water & Sewer Fund

300-00-34110-0000000	Water Revenue	\$879,000	\$2,000		\$881,000	0.23%
300-00-34160-0000000	Sewer Revenue	\$851,000	\$2,000		\$853,000	0.24%
300-30-36102-0000000	Health Insurance	\$87,801		\$4,893	\$82,908	-5.57%
300-30-36104-0000000	Workers Comp	\$8,603		\$1,856	\$6,747	-21.57%
300-30-36108-0000000	Retirement Expense	\$47,134		\$4,701	\$42,433	-9.97%
300-30-36110-0000000	Payroll Taxes	\$35,007		\$3,491	\$31,516	-9.97%
300-30-36111-0000000	Wages	\$437,701		\$31,227	\$406,474	-7.13%
300-30-36604-0000000	Water & Sewer Items	\$10,000		\$292	\$9,708	-2.92%
300-30-36701-0000000	Liability Insurance	\$3,450	\$1,244		\$4,694	36.06%
300-30-36702-0000000	Property Insurance	\$39,555	\$6,122		\$45,677	15.48%
300-30-36902-0000000	Capital Outlay - Vehicles	\$30,000		\$30,000	\$0	-100.00%
300-30-37206-0000000	Transfer to Surplus	\$0	\$74,312		\$74,312	

<u>Account</u>	<u>Description</u>	<u>Amount in Posted Proposed</u>	<u>Action</u>		<u>Final Proposed Amount</u>	<u>Percent Change</u>
			<u>Increase</u>	<u>Decrease</u>		
Debt Service						
500-00-54110-0000000	Ad Valorem Taxes	\$475,000		\$3,153	\$471,847	-0.66%
MEDC						
400-40-46103-0000000	Public Infrastructure - Downtown Dev. Imp.	\$29,000	\$61,000		\$90,000	210.34%
400-40-46303-0000000	Quality of Life - Events	\$174,200		\$61,000	\$113,200	-35.02%

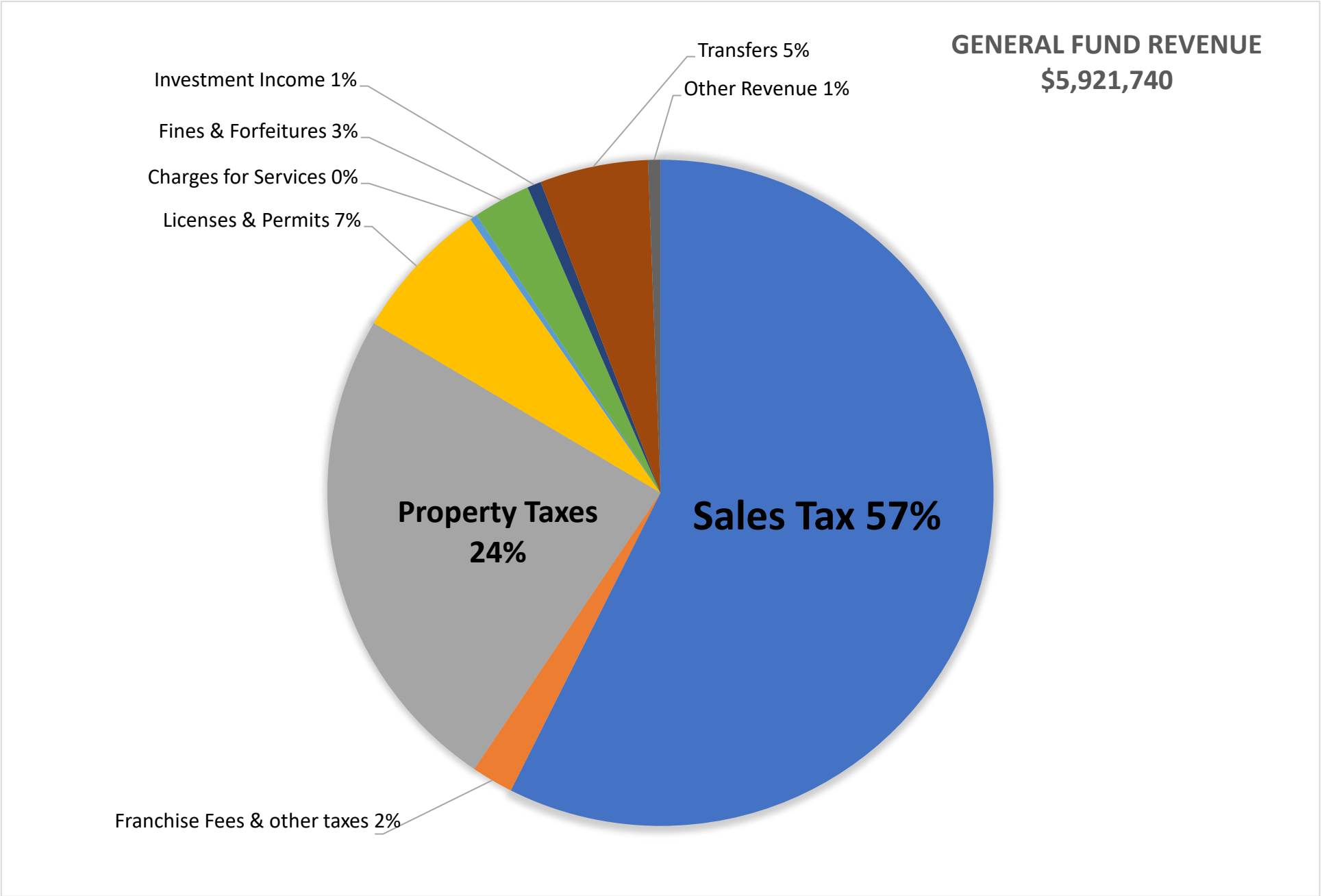


City of Montgomery, TX

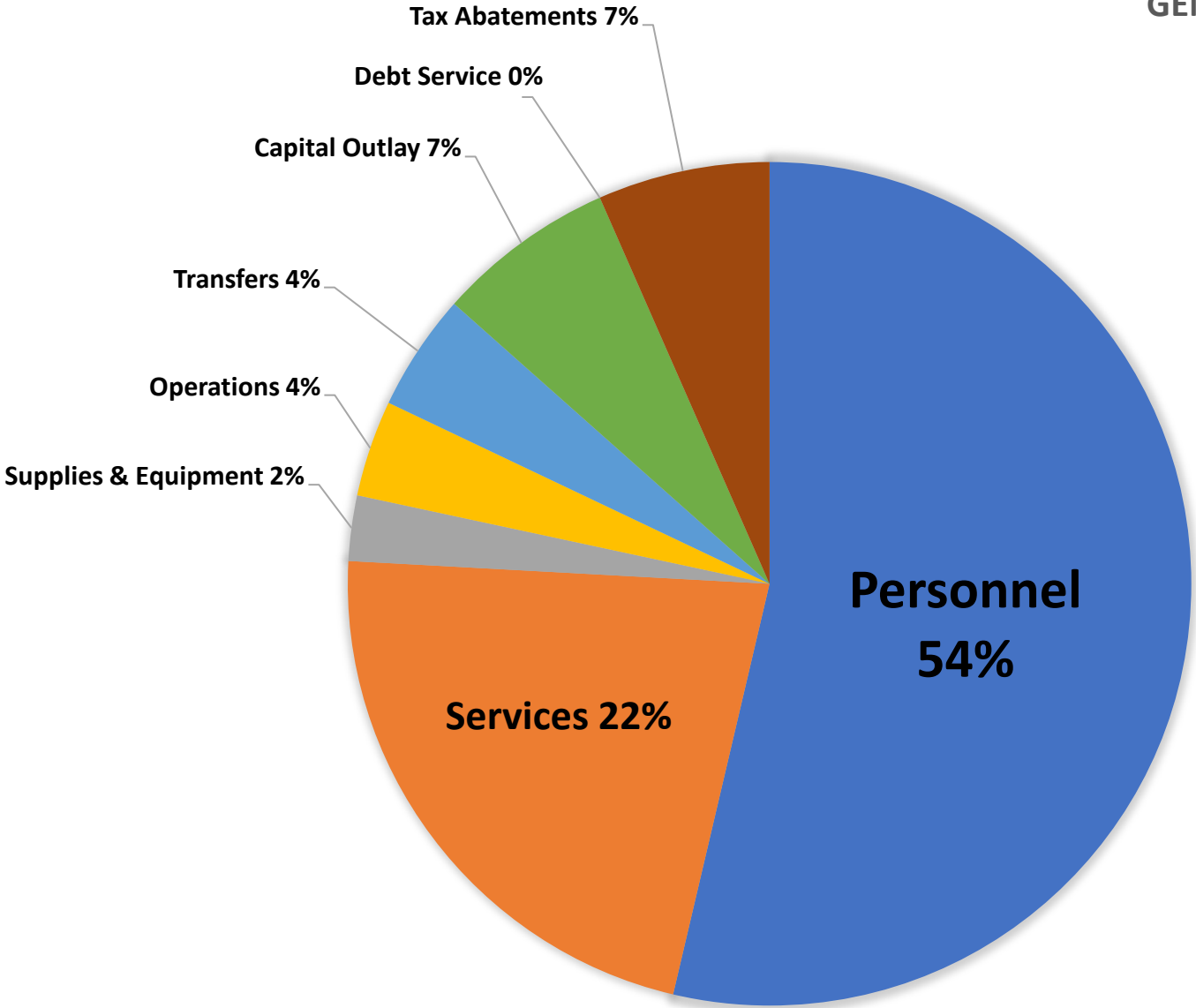
Budget Worksheet Group Summary

For Fiscal: 2022-2023 Period Ending: 06/30/2023

Departmen...	2020-2021		2021-2022		2022-2023		Defined Budgets	
	Total Budget	Total Activity	Total Budget	Total Activity	Total Budget	YTD Activity	2023-2024	2023-2024
Fund: 100 - General Fund								
00 - Revenue	0.00	5,240,690.13	5,366,930.00	5,685,892.47	5,857,792.00	4,620,261.62	5,921,740.00	
10 - Administration	0.00	2,166,530.75	1,965,035.00	1,638,428.49	1,698,727.00	850,425.50	2,229,383.00	
11 - Police	0.00	1,626,782.11	1,863,262.00	2,201,088.18	2,286,002.00	1,453,273.08	2,516,971.00	
12 - Public Works	0.00	742,016.53	1,077,961.00	1,023,929.73	1,401,413.00	589,092.29	860,461.00	
13 - Court	0.00	412,841.43	497,516.00	412,020.32	517,392.00	272,638.97	314,925.00	
17 - Non-Dept	0.00	0.00	0.00	0.00	0.00	-6,124.92	0.00	
Total Revenues	0.00	5,240,690.13	5,366,930.00	5,685,892.47	5,857,792.00	4,620,261.62	5,921,740.00	
Total Expenses	0.00	4,948,170.82	5,403,774.00	5,275,466.72	5,903,534.00	3,159,304.92	5,921,740.00	
Fund: 100 - General Fund Surplus (Deficit):	0.00	292,519.31	-36,844.00	410,425.75	-45,742.00	1,460,956.70	0.00	
Report Surplus (Deficit):	0.00	292,519.31	-36,844.00	410,425.75	-45,742.00	1,460,956.70	0.00	



GENERAL FUND EXPENSES
\$5,921,740



DESCRIPTION		2020-2021	2021-2022	2021-2022	2022-2023	2022-2023	2023-2024	Percent
		Total Activity	Total Budget	Total Activity	Total Budget	YTD Activity as of 6/30/23	PROPOSED FINAL	Change FY24/FY23
Fund: 100 - General Fund								
REVENUE								
100-00-14010-0000000	Beverage Tax	26,297	31,000	26,868	30,000	12,870	25,000	-17%
100-00-14020-0000000	Franchise Tax	91,147	95,000	96,161	100,000	5,058	95,000	-5%
100-00-14030-0000000	Ad Valorem Taxes	868,162	889,101	900,899	1,334,025	1,302,769	1,414,900	6%
100-00-14050-0000000	Penalties & Interest	11,504	10,000	4,576	10,000	6,945	10,000	0%
100-00-14060-0000000	Rendition Penalties	25	100	69	100	65	100	0%
100-00-14070-0000000	Sales Tax	2,005,948	2,305,576	2,365,808	2,443,911	1,762,969	2,300,000	-6%
100-00-14080-0000000	Sales Tax ILO AdVal Tax	1,002,974	1,152,789	1,182,904	1,221,956	881,478	1,100,000	-10%
100-00-14110-0000000	Building Permits/MEP	209,879	250,000	427,872	250,000	261,814	395,000	58%
100-00-14120-0000000	Vendor/Beverage Permits	1,313	1,500	3,965	2,500	1,845	2,500	0%
100-00-14130-0000000	Sign Fee	700	1,000	2,600	1,000	2,900	3,000	200%
100-00-14140-0000000	Plats, Zoning, Misc.	4,421	5,000	3,183	3,000	2,720	3,000	0%
100-00-14150-0000000	Culverts	2,008	0	2,473	3,000	270	1,000	-67%
100-00-14210-0000000	Community Building Rental	11,545	16,000	13,050	10,000	10,900	15,000	50%
100-00-14230-0000000	Right of Way Use Fees	6,282	5,000	6,232	5,000	4,625	6,000	20%
100-00-14310-0000000	Court Collection Fees	14,726	15,000	13,198	12,000	14,588	0	-100%
100-00-14340-0000000	Child Belt/Safety	246	500	200	200	25	100	-50%
100-00-14360-0000000	Court Fines	384,008	300,000	320,739	305,000	168,453	164,250	-46%
100-00-14370-0000000	OMNI Fees	1,132	1,600	1,195	1,200	876	0	-100%
100-00-14400-0000000	Judicial Efficiency	121	700	89	100	65	90	-10%
100-00-14410-0000000	Accident Reports	216	500	0	0	0	0	
100-00-14530-0000000	Wrecker Service Fees	500	245	0	250	0	250	0%
100-00-14570-0000000	Lease Funds - PD	1,225	1,300	1,112	1,300	0	1,050	-19%
100-00-14600-0000000	Shop with a Cop	0	0	0	0	2,580	2,500	
100-00-14650-0000000	Unanticipated Income	29,555	15,000	43,158	15,000	-32,692	30,000	100%
100-00-14670-0000000	Interest Income	740	750	1,424	1,750	1,002	1,500	-14%
100-00-14680-0000000	Interest on Investments	1,071	1,200	6,800	15,000	92,238	40,000	167%
100-00-14880-F4332DR	FEMA Reimb - Atkins Creek	30,367	0	31,864	0	0	0	
100-00-14910-0000000	Grant Revenue - Police	868	42,075	3,259	0	0	0	

DESCRIPTION	2020-2021	2021-2022	2021-2022	2022-2023	2022-2023	2023-2024	Percent	
	Total Activity	Total Budget	Total Activity	Total Budget	YTD Activity as of 6/30/23	PROPOSED FINAL	Change FY24/FY23	
100-00-14920-1002744	HOME Grant Revenue	457,117	0	0	0	0		
100-00-14930-0000000	American Rescue Plan Funds	0	168,494	0	0	1,623	0	
100-00-14931-0000000	COVID-19 Revenue	15,619	0	0	0	0	0	
100-00-14940-0000000	Transfers In	0	0	200	0	0	0	
100-00-14950-0000000	Admin Transfer from MEDC	52,677	55,000	55,000	55,000	36,667	275,000	400%
100-00-14960-0000000	Admin Transfer from Court Security	2,500	2,500	2,500	1,500	1,000	1,500	0%
100-00-14970-0000000	Admin Transfer from Grant	5,798	0	0	0	0	0	
100-00-14980-0000000	Admin Transfer from Capital Projects	0	0	168,494	35,000	23,333	35,000	0%
TOTAL GENERAL FUND REVENUE		5,240,690	5,366,930	5,685,892	5,857,792	4,566,988	5,921,740	1%

DESCRIPTION	2020-2021 Total Activity	2021-2022 Total Budget	2021-2022 Total Activity	2022-2023 Total Budget	2022-2023 YTD Activity as of 6/30/23	2023-2024 PROPOSED FINAL	Percent Change FY24/FY23	
Department: 10 - Administration								
100-10-16002-0000000	Health Insurance	22,939	45,000	42,013	74,984	40,637	85,144	14%
100-10-16003-0000000	Unemployment Insurance	54	1,000	121	1,108	52	70	-94%
100-10-16004-0000000	Workers Comp	3,044	3,500	3,836	3,878	2,514	1,689	-56%
100-10-16005-0000000	Dental & Vision Insurance	2,638	4,500	3,954	5,040	2,838	0	-100%
100-10-16006-0000000	Life & AD&D Insurance	308	700	257	784	0	0	-100%
100-10-16008-0000000	Payroll Taxes	38,483	35,000	34,070	50,000	26,673	49,773	0%
100-10-16009-0000000	Wages	378,026	465,500	490,432	500,000	360,286	627,866	26%
100-10-16010-0000000	Overtime	553	1,000	6,433	1,200	1,052	697	-42%
100-10-16011-0000000	Employee Assistance Program	413	500	0	500	500	500	0%
100-10-16012-0000000	Retirement Expense	36,589	45,000	47,041	53,500	18,220	64,742	21%
100-10-16013-0000000	MASA	-364	400	100	400	121	0	-100%
100-10-16014-0000000	COLA	0	8,961	0	0	0	0	
100-10-16015-0000000	Dependent Insurance	0	21,950	0	0	0	0	
100-10-16101-0000000	Advertising / Promotion	1,073	2,000	2,182	6,500	0	6,500	0%
100-10-16102-0000000	Legal Notices & Publications	3,227	5,000	6,139	2,500	2,528	3,500	40%
100-10-16103-0000000	Recording Fees	617	2,500	0	2,000	71	2,000	0%
100-10-16104-0000000	Community Relations	493	4,000	1,440	4,000	1,023	4,000	0%
100-10-16105-0000000	Codification	0	0	1,700	2,500	1,903	3,000	20%
100-10-16106-0000000	Records Mgt / Retention	0	0	3,584	4,000	4,873	2,000	-50%
100-10-16107-0000000	Records Requests FOIA Program Fee	0	0	0	5,205	5,205	2,500	-52%
100-10-16108-0000000	Vendor Subscriptions	0	0	806	2,000	1,686	2,500	25%
100-10-16202-0000000	General Consultant Fees	8,009	20,000	13,012	71,000	29,088	125,000	76%
100-10-16203-0000000	Sales Tax Tracking	16,800	8,000	15,400	16,800	9,800	0	-100%
100-10-16209-0000000	Records Shredding	96	400	739	600	505	1,000	67%
100-10-16210-0000000	Inspections/Permits	0	195,000	247,494	195,000	146,406	300,000	54%
100-10-16213-0000000	Legal Fees	56,827	40,000	76,001	60,000	44,260	90,000	50%
100-10-16216-0000000	Audit Fees	11,859	25,000	32,774	26,000	30,751	36,000	38%
100-10-16217-0000000	Engineering	2,250	2,000	0	0	0	0	
100-10-16223-0000000	Accounting Fees	53,736	35,000	57,108	15,000	1,035	0	-100%

DESCRIPTION		2020-2021 Total Activity	2021-2022 Total Budget	2021-2022 Total Activity	2022-2023 Total Budget	2022-2023 YTD Activity as of 6/30/23	2023-2024 PROPOSED FINAL	Percent Change FY24/FY23
100-10-16224-0000000	City Hall Cleaning	0	1,000	0	1,000	0	0	-100%
100-10-16239-0000000	Printing & Office supplies	4,408	5,000	5,283	9,000	4,511	7,000	-22%
100-10-16241-0000000	Computers/Website	690	2,500	4,232	2,500	563	0	-100%
100-10-16242-0000000	Postage/Delivery	985	2,000	1,563	3,000	2,360	3,500	17%
100-10-16243-0000000	Telephone	8,676	12,000	6,977	12,000	4,310	12,000	0%
100-10-16244-0000000	Tax Assessor Fees	10,080	10,000	9,723	10,000	10,410	16,000	60%
100-10-16245-0000000	Election	22,752	14,500	15,184	16,000	0	26,000	63%
100-10-16249-0000000	Contract Services - Computer/Technology	54,744	19,500	25,851	29,700	14,461	37,500	26%
100-10-16252-0000000	Code Enforcement	0	30,000	3,538	0	0	0	
100-10-16254-0000000	Software Upgrades	0	78,500	72,298	25,000	1,010	11,000	-56%
100-10-16257-0000000	Medical Exams & Testing	0	0	0	0	0	2,000	
100-10-16404-0000000	Copier/Fax Machine	9,729	10,000	-171	11,000	5,552	11,000	0%
100-10-16405-0000000	Operating Supplies	1,180	4,000	2,445	0	26	0	
100-10-16417-0000000	Capital Pur. Furniture	2,048	1,500	902	1,000	0	1,000	0%
100-10-16502-0000000	Dues & Subscriptions	1,944	5,000	2,293	3,500	1,684	4,000	14%
100-10-16503-0000000	Travel & Training Staff	7,590	10,000	11,718	10,000	6,091	20,000	100%
100-10-16504-0000000	Travel & Training Council	1,354	5,000	4,787	5,000	834	2,500	-50%
100-10-16701-0000000	Insurance - Liability	6,704	7,000	6,081	7,756	5,700	1,855	-76%
100-10-16702-0000000	Insurance - Property	4,425	5,300	5,193	5,872	4,900	2,579	-56%
100-10-16703-0000000	Insurance - Bond	170	500	0	500	255	500	0%
100-10-16806-0000000	Utilities - Cedar Brake Park	0	0	126	0	0	0	
100-10-16915-0000000	Capital Outlay - Laserfische Software	7,133	7,200	7,133	14,000	13,394	0	-100%
100-10-16918-0000000	Capital Outlay - Miscellaneous	782,566	0	0	0	0	0	
100-10-16923-0000000	Capital Outlay - General Improvements	0	0	344	0	0	0	
100-10-17001-0000000	Misc Expenses - Other	12,158	1,000	32,740	1,000	194	1,000	0%
100-10-17004-0000000	Capital Proj Trans Infra 24013	215,194	349,809	0	26,100	17,400	0	-100%
100-10-17006-0000000	Transfer to Surplus	0	0	0	0	0	266,168	
100-10-17007-0000000	Capital Proj Trans Mob 24014	10,000	0	0	0	0	0	
100-10-17020-0000000	Employee Appreciation	0	0	743	10,000	7,820	5,000	-50%
100-10-17180-0000000	Leases - Parks and Recreation - Adams Park	5,277	8,000	5,542	0	7,884	0	
100-10-17310-KROGER0	Tax Abatement -Sales Tax Rebate	206,925	250,000	245,348	250,000	145,833	250,000	0%

DESCRIPTION	2020-2021	2021-2022	2021-2022	2022-2023	2022-2023	2023-2024	Percent
	Total Activity	Total Budget	Total Activity	Total Budget	YTD Activity as of 6/30/23	PROPOSED FINAL	Change FY24/FY23
100-10-17320-380AGRO Tax Abatement - 380 Ad Valorem Tax Rebate	113,763	115,000	81,923	140,300	81,842	140,300	0%
100-10-17330-0000000 Tax Abatement - PID Property Tax Reimb	38,364	38,815	0	0	0	0	
TOTAL ADMINISTRATION EXPENSES	2,166,531	1,965,035	1,638,428	1,698,727	1,069,060	2,229,383	31%

DESCRIPTION	2020-2021 Total Activity	2021-2022 Total Budget	2021-2022 Total Activity	2022-2023 Total Budget	2022-2023 YTD Activity as of 6/30/23	2023-2024 PROPOSED FINAL	Percent Change FY24/FY23	
Department: 11 - Police								
100-11-16002-0000000	Health Insurance	107,623	123,000	131,357	193,592	101,897	225,774	17%
100-11-16003-0000000	Unemployment Insurance	126	2,260	278	2,504	161	162	-94%
100-11-16004-0000000	Workers Comp	23,982	27,000	22,954	29,916	34,009	31,863	7%
100-11-16005-0000000	Dental & Vision Insurance	8,099	12,000	11,310	13,440	8,311	0	-100%
100-11-16006-0000000	Life & AD&D Insurance	919	4,200	1,234	4,704	0	0	-100%
100-11-16008-0000000	Payroll Taxes	83,801	105,000	88,509	125,000	64,681	103,844	-17%
100-11-16009-0000000	Wages	944,696	965,000	1,042,205	1,304,000	831,113	1,297,437	-1%
100-11-16010-0000000	Overtime	52,417	50,000	65,502	50,000	42,165	60,000	20%
100-11-16011-0000000	Employee Assistance Program	1,035	1,050	0	1,020	500	500	-51%
100-11-16012-0000000	Retirement Expense	83,286	90,000	107,162	134,500	60,117	139,816	4%
100-11-16013-0000000	MASA	658	850	305	850	591	0	-100%
100-11-16014-0000000	COLA	0	18,850	0	0	0	0	
100-11-16015-0000000	Dependent Insurance	0	49,850	0	0	0	0	
100-11-16104-0000000	Community Relations	5,506	5,500	8,863	6,000	6,727	6,000	0%
100-11-16108-0000000	Vendor Subscriptions	0	0	0	0	561	561	
100-11-16207-0000000	Prosecutors Fees	13,050	0	0	0	0	0	0%
100-11-16209-0000000	Records Shredding	93	500	371	500	102	500	0%
100-11-16226-0000000	Maint - Vehicles & Equipment	0	0	34	0	0	0	
100-11-16227-0000000	Gas/Oil	36,370	40,000	53,737	45,000	28,331	55,000	22%
100-11-16229-0000000	Auto Repairs	24,161	27,000	39,017	30,000	25,424	35,000	17%
100-11-16230-0000000	Equipment repairs	300	5,000	4,493	5,000	3,538	5,000	0%
100-11-16239-0000000	Printing & Office supplies	3,086	4,000	4,538	4,000	3,421	4,000	0%
100-11-16241-0000000	Computers/Website	690	8,000	4,607	6,500	2,414	6,500	0%
100-11-16242-0000000	Postage/Delivery	626	500	608	500	96	500	0%
100-11-16243-0000000	Telephone	10,025	10,000	9,850	10,000	6,323	10,000	0%
100-11-16247-0000000	Mobile Data Terminal	7,098	12,000	11,993	14,000	5,418	14,000	0%
100-11-16249-0000000	Contract Services - Computer/Technology	61,232	10,000	45,573	40,000	28,972	45,000	13%
100-11-16257-0000000	Medical Exams & Testing	0	0	0	0	0	1,000	
100-11-16401-0000000	Radio Fees	3,780	5,200	4,080	6,500	4,665	6,500	0%
100-11-16402-0000000	Uniforms & Safety Equip	8,969	9,000	11,021	10,000	4,736	10,000	0%

DESCRIPTION		2020-2021 Total Activity	2021-2022 Total Budget	2021-2022 Total Activity	2022-2023 Total Budget	2022-2023 YTD Activity as of 6/30/23	2023-2024 PROPOSED FINAL	Percent Change FY24/FY23
100-11-16403-0000000	Protective Gear	2,471	7,000	7,862	8,000	5,221	10,500	31%
100-11-16404-0000000	Copier/Fax Machine	6,201	5,500	-84	6,000	2,862	6,000	0%
100-11-16405-0000000	Operating Supplies	11,393	7,000	10,814	7,000	6,699	6,000	-14%
100-11-16411-0000000	Tools, Etc,	153	300	245	300	260	300	0%
100-11-16415-0000000	Emergency Equipment	10,806	15,000	15,322	18,800	17,569	22,500	20%
100-11-16416-0000000	Radios	0	21,902	18,197	18,000	13,096	25,000	39%
100-11-16417-0000000	Capital Pur. Furniture	1,110	1,500	1,500	2,000	1,318	2,000	0%
100-11-16502-0000000	Dues & Subscriptions	2,153	2,500	1,594	2,500	2,098	2,500	0%
100-11-16503-0000000	Travel & Training Staff	27,599	21,000	24,769	25,000	14,433	25,000	0%
100-11-16701-0000000	Insurance - Liability	20,577	17,000	22,065	18,836	15,782	25,355	35%
100-11-16702-0000000	Insurance - Property	4,369	5,000	4,993	5,540	5,193	10,006	81%
100-11-16906-0000000	Capital Outlay - Police Cars	0	40,000	191,868	0	0	150,000	
100-11-16907-0000000	Capital Outlay - Emergency Lights, Decals	4,980	7,500	8,047	7,500	6,800	7,000	-7%
100-11-16910-0000000	Capital Outlay - Vehicle Replacement - CPF ;	0	15,000	56,579	15,000	0	15,000	0%
100-11-16911-0000000	Capital Outlay - Computers Equipment	2,881	18,000	23,727	20,000	18,147	25,000	25%
100-11-16912-0000000	Capital Outlay - Tyler Public Safety	13,852	7,000	8,278	8,500	7,382	17,622	107%
100-11-16913-0000000	Capital Outlay - Radar	3,840	12,500	11,571	8,000	6,480	8,000	0%
100-11-16916-0000000	Capital Outlay - Investigate & Testing Equiprr	4,613	6,500	8,372	10,000	12,638	14,000	40%
100-11-16917-0000000	Capital Outlay - Ballistic Vests & Shields	4,233	14,000	8,795	10,500	9,005	7,560	-28%
100-11-16918-0000000	Capital Outlay - Miscellaneous	5,275	0	3,555	0	0	0	
100-11-16919-0000000	Capital Outlay - Patrol Weapons	10,138	12,000	12,512	20,200	8,680	41,871	107%
100-11-16920-0000000	Capital Outlay - Traffic Equipment	0	27,000	74,897	25,000	0	25,000	0%
100-11-16921-0000000	Capital Outlay - Office Maintenance	4,005	11,800	11,742	11,800	6,050	11,800	0%
100-11-17001-0000000	Misc Expenses - Other	3,988	2,500	2,197	0	0	0	
100-11-17003-0000000	National Night Out	514	0	0	0	0	0	
100-11-17015-0000000	Lease Funds	0	0	2,068	0	0	0	
TOTAL POLICE EXPENSES		1,626,782	1,863,262	2,201,088	2,286,002	1,423,987	2,516,971	10%

		2020-2021	2021-2022	2021-2022	2022-2023	2022-2023	2023-2024	Percent
	DESCRIPTION	Total Activity	Total Budget	Total Activity	Total Budget	YTD Activity as of 6/30/23	PROPOSED FINAL	Change FY24/FY23
Department: 12 - Public Works								
100-12-16002-0000000	Health Insurance	13,124	23,000	19,852	38,000	20,757	36,907	-3%
100-12-16003-0000000	Unemployment Insurance	68	400	133	550	55	68	-88%
100-12-16004-0000000	Workers Comp	6,410	6,000	6,828	8,000	7,039	3,826	-52%
100-12-16005-0000000	Dental & Vision Insurance	1,185	1,800	1,669	3,000	1,665	0	-100%
100-12-16006-0000000	Life & AD&D Insurance	-308	300	47	400	0	0	-100%
100-12-16008-0000000	Payroll Taxes	12,576	12,900	13,247	16,500	10,445	14,135	-14%
100-12-16009-0000000	Wages	137,646	155,800	151,826	206,000	121,224	179,266	-13%
100-12-16010-0000000	Overtime	1,942	2,000	3,703	5,500	3,423	5,500	0%
100-12-16011-0000000	Employee Assistance Program	414	500	0	500	500	500	0%
100-12-16012-0000000	Retirement Expense	10,190	10,915	13,673	22,000	-2	16,402	-25%
100-12-16013-0000000	MASA	0	0	30	168	56	0	-100%
100-12-16014-0000000	COLA	0	2,806	0	0	0	0	
100-12-16015-0000000	Dependent Insurance	0	5,400	0	0	0	0	
100-12-16101-0000000	Advertising / Promotion	75	500	120	500	24	0	-100%
100-12-16102-0000000	Legal Notices & Publications	0	1,500	0	1,500	0	0	-100%
100-12-16104-0000000	Community Relations	323	1,000	251	1,000	0	1,000	0%
100-12-16108-0000000	Vendor Subscriptions	0	0	0	0	561	561	
100-12-16202-0000000	General Consultant Fees	0	0	54	0	0	0	
100-12-16206-0000000	General Park Maintenance	0	0	31	0	0	0	
100-12-16208-0000000	Mowing	98,450	116,000	112,506	127,600	57,186	140,000	10%
100-12-16209-0000000	Records Shredding	56	150	0	150	0	0	-100%
100-12-16210-0000000	Inspections/Permits	127,722	0	0	0	0	0	
100-12-16213-0000000	Legal Fees	0	2,500	0	2,500	0	0	-100%
100-12-16217-0000000	Engineering	115,772	85,000	136,664	107,000	67,943	110,000	3%
100-12-16224-0000000	City Hall Cleaning	9,300	9,300	13,918	14,900	10,605	14,900	0%
100-12-16225-0000000	Downtown Repairs	2,007	1,500	236	1,500	551	1,500	0%
100-12-16226-0000000	Maint - Vehicles & Equipment	1,829	3,000	2,470	3,000	5,666	3,500	17%
100-12-16227-0000000	Gas/Oil	5,606	7,750	11,049	14,000	6,817	14,000	0%
100-12-16229-0000000	Auto Repairs	4,675	5,000	5,439	5,500	6,343	6,000	9%
100-12-16230-0000000	Equipment repairs	2,567	5,500	1,667	6,000	868	4,000	-33%

DESCRIPTION		2020-2021 Total Activity	2021-2022 Total Budget	2021-2022 Total Activity	2022-2023 Total Budget	2022-2023 YTD Activity as of 6/30/23	2023-2024 PROPOSED FINAL	Percent Change FY24/FY23
100-12-16231-0000000	Bldg Repairs-City Hall	15,562	18,000	16,070	19,800	4,355	18,000	-9%
100-12-16232-0000000	Street Repairs - Minor	5,038	20,000	995	20,000	1,289	10,000	-50%
100-12-16233-0000000	Streets-Preventive Maintenance	6,430	7,000	5,930	7,700	0	7,700	0%
100-12-16234-0000000	City Hall Cleaning - COVID 19	3,450	2,000	700	0	0	0	
100-12-16237-0000000	Mosquito Spraying	4,785	5,500	5,040	6,000	1,813	6,000	0%
100-12-16238-0000000	Street Signs	1,181	3,000	5,859	3,300	865	3,300	0%
100-12-16239-0000000	Printing & Office supplies	476	1,200	1,173	1,000	1,166	1,600	60%
100-12-16241-0000000	Computers/Website	690	750	157	750	480	750	0%
100-12-16242-0000000	Postage/Delivery	363	750	460	750	0	750	0%
100-12-16243-0000000	Telephone	7,257	8,400	6,991	8,400	5,594	9,000	7%
100-12-16249-0000000	Contract Services - Computer/Technology	15,875	18,000	17,340	10,500	12,780	18,000	71%
100-12-16255-0000000	Bldg Repairs - Comm Center	0	0	1,140	0	548	5,000	
100-12-16256-0000000	Bldg Repairs - 213 Prairie	0	0	40	35,000	24,146	0	-100%
100-12-16402-0000000	Uniforms & Safety Equip	3,441	3,900	3,494	4,700	1,336	4,700	0%
100-12-16405-0000000	Operating Supplies	9,408	9,000	8,126	9,900	6,960	10,900	10%
100-12-16406-0000000	Streets & Drainage	656	3,500	5,962	3,500	0	2,000	-43%
100-12-16407-0000000	Supplies & Equipment - Cedar Break Park	304	6,500	1,248	6,500	409	2,000	-69%
100-12-16408-0000000	Supplies & Equipment - Homecoming Park	162	2,000	998	2,000	398	2,000	0%
100-12-16409-0000000	Supplies & Equipment - Fernland Park	416	2,750	1,425	2,750	706	2,000	-27%
100-12-16410-0000000	Supplies & Equipment - Community Building	238	2,000	423	2,000	215	2,000	0%
100-12-16411-0000000	Tools, Etc,	1,477	2,750	2,516	3,025	1,867	3,300	9%
100-12-16412-0000000	Supplies & Equipment - Memory Park	160	2,000	320	2,000	346	2,000	0%
100-12-16413-0000000	Culverts	2,652	3,000	2,956	3,000	0	3,000	0%
100-12-16414-0000000	Supplies & Equipment - Code Enforcement	0	1,000	0	0	0	0	
100-12-16501-0000000	Training & Education	0	0	5	0	0	0	
100-12-16502-0000000	Dues & Subscriptions	1,048	2,000	2,150	2,000	584	2,000	0%
100-12-16503-0000000	Travel & Training Staff	160	5,000	3,673	5,000	674	5,500	10%
100-12-16601-0000000	Park Maint - Memory Pk	4,777	25,000	24,035	24,500	17,550	10,000	-59%
100-12-16602-0000000	Park Maint - Fernland	2,525	20,000	36,936	69,500	826	10,000	-86%
100-12-16603-0000000	Park Maint - Cedar Brake Park	8,529	25,000	41,016	24,500	2,775	10,000	-59%
100-12-16604-0000000	Park Maint - Homecoming Park	2,416	20,000	10,558	19,500	3,006	10,000	-49%

DESCRIPTION		2020-2021	2021-2022	2021-2022	2022-2023	2022-2023	2023-2024	Percent
		Total Activity	Total Budget	Total Activity	Total Budget	YTD Activity as of 6/30/23	PROPOSED FINAL	Change FY24/FY23
100-12-16701-0000000	Insurance - Liability	2,333	2,400	2,138	2,700	1,861	4,694	74%
100-12-16702-0000000	Insurance - Property	936	1,340	1,070	1,500	1,113	1,427	-5%
100-12-16803-0000000	Utilities - Electronic Sign-City	746	1,000	1,017	1,500	545	1,500	0%
100-12-16804-0000000	Utilities - Street Lights	13,093	12,000	13,630	13,200	9,323	13,200	0%
100-12-16805-0000000	Utilities - Downtown Utilities	1,354	1,200	1,311	1,320	862	1,320	0%
100-12-16806-0000000	Utilities - Cedar Brake Park	1,762	2,200	1,788	2,420	1,440	2,420	0%
100-12-16807-0000000	Utilities - Homecoming Park	1,428	1,500	1,437	1,650	936	1,650	0%
100-12-16808-0000000	Utilities - Fernland Park	5,412	5,800	5,247	6,380	4,701	6,500	2%
100-12-16809-0000000	Utilities - City Hall	13,614	13,000	14,978	14,300	8,706	14,300	0%
100-12-16811-0000000	Utilities - Community Center Building	5,049	5,000	5,865	5,500	4,052	6,000	9%
100-12-16812-0000000	Utilities - Memory Park	6,217	8,000	10,569	8,000	4,251	8,000	0%
100-12-16813-0000000	Utilities - 213 Prairie	0	0	873	15,600	1,001	1,885	-88%
100-12-16911-0000000	Capital Outlay - Computers Equipment	35	4,000	2,306	3,000	3,236	3,000	0%
100-12-16922-0000000	Capital Outlay - Public Works Items	8,440	7,000	6,497	30,000	20,919	10,000	-67%
100-12-16923-0000000	Capital Outlay - General Improvements	9,425	100,000	124,541	150,000	67,352	20,000	-87%
100-12-16924-0000000	Capital Outlay - Drainage Improvements	1,800	10,000	2,950	10,000	1,111	10,000	0%
100-12-16925-0000000	Capital Outlay - Vehicles	0	0	0	0	0	0	
100-12-16926-0000000	Capital Outlay - Park Improvements	0	0	0	0	0	40,000	
100-12-17001-0000000	Misc Expenses - Other	1,284	4,000	4,043	1,000	241	1,000	0%
100-12-17150-0000000	Contract Labor - Streets	17,984	220,000	120,521	250,000	32,849	0	-100%
TOTAL PUBLIC WORKS EXPENSES		742,017	1,078,961	1,023,930	1,401,413	576,917	860,461	-39%

DESCRIPTION	2020-2021 Total Activity	2021-2022 Total Budget	2021-2022 Total Activity	2022-2023 Total Budget	2022-2023 YTD Activity as of 6/30/23	2023-2024 PROPOSED FINAL	Percent Change FY24/FY23	
Department: 13 - Court								
100-13-16002-0000000	Health Insurance	14,734	25,500	21,381	44,632	20,445	34,433	-23%
100-13-16003-0000000	Unemployment Insurance	27	500	55	600	36	27	-96%
100-13-16004-0000000	Workers Comp	2,481	1,800	2,176	2,500	1,303	838	-66%
100-13-16005-0000000	Dental & Vision Insurance	1,119	2,000	1,674	3,000	1,550	0	-100%
100-13-16006-0000000	Life & AD&D Insurance	94	200	37	250	0	0	-100%
100-13-16007-0000000	Crime Insurance	489	600	489	700	366	500	-29%
100-13-16008-0000000	Payroll Taxes	12,682	14,500	12,802	18,000	9,691	12,686	-30%
100-13-16009-0000000	Wages	135,923	162,300	166,634	197,000	128,416	163,427	-17%
100-13-16010-0000000	Overtime	2,262	3,750	1,492	5,000	1,800	2,400	-52%
100-13-16011-0000000	Employee Assistance Program	138	150	0	150	500	500	233%
100-13-16012-0000000	Retirement Expense	14,620	17,850	15,035	20,500	8,827	17,080	-17%
100-13-16013-0000000	MASA	-161	350	122	350	136	0	-100%
100-13-16014-0000000	COLA	0	2,696	0	0	0	0	
100-13-16015-0000000	Dependent Insurance	0	14,350	0	0	0	0	
100-13-16104-0000000	Community Relations	0	400	0	400	0	400	0%
100-13-16108-0000000	Vendor Subscriptions	0	0	0	0	0	250	
100-13-16202-0000000	General Consultant Fees	6,693	8,000	5,267	7,500	4,113	12,000	60%
100-13-16205-0000000	Omni Expense	2,412	2,500	1,554	2,000	528	0	-100%
100-13-16207-0000000	Prosecutors Fees	0	14,000	10,800	14,000	7,200	10,000	-29%
100-13-16209-0000000	Records Shredding	93	200	196	250	0	250	0%
100-13-16211-0000000	Judge's Fee	12,000	12,000	12,000	12,000	9,000	12,000	0%
100-13-16222-0000000	Collection Agency	21,866	15,000	16,340	15,000	13,871	0	-100%
100-13-16239-0000000	Printing & Office supplies	969	1,000	2,533	1,400	769	1,400	0%
100-13-16241-0000000	Computers/Website	1,890	5,500	4,973	4,500	480	4,500	0%
100-13-16242-0000000	Postage/Delivery	2,143	2,000	2,037	2,300	1,257	2,600	13%
100-13-16243-0000000	Telephone	3,910	4,000	1,372	4,000	0	4,000	0%
100-13-16249-0000000	Contract Services - Computer/Technology	12,532	5,000	17,616	13,000	8,304	15,000	15%
100-13-16251-0000000	State Portion of Fines/Payouts	153,483	160,000	114,873	130,000	40,521	0	-100%
100-13-16402-0000000	Uniforms & Safety Equip	172	100	0	100	0	100	0%
100-13-16404-0000000	Copier/Fax Machine	8,615	8,800	-120	8,800	4,834	8,000	-9%

DESCRIPTION	2020-2021	2021-2022	2021-2022	2022-2023	2022-2023	2023-2024	Percent	
	Total Activity	Total Budget	Total Activity	Total Budget	YTD Activity as of 6/30/23	PROPOSED FINAL	Change FY24/FY23	
100-13-16405-0000000	Operating Supplies	1,011	2,500	209	2,500	324	2,500	0%
100-13-16417-0000000	Capital Pur. Furniture	0	500	0	3,000	0	3,000	0%
100-13-16502-0000000	Dues & Subscriptions	201	750	45	500	354	500	0%
100-13-16503-0000000	Travel & Training Staff	445	6,500	385	2,000	1,209	2,000	0%
100-13-16701-0000000	Insurance - Liability	0	50	0	60	0	1,855	2992%
100-13-16702-0000000	Insurance - Property	0	1,170	0	1,300	0	2,579	98%
100-13-17001-0000000	Misc Expenses - Other	0	1,000	44	100	0	100	0%
TOTAL COURT EXPENSES		412,841	497,516	412,020	517,392	265,833	314,925	-39%

DESCRIPTION	2020-2021 Total Activity	2021-2022 Total Budget	2021-2022 Total Activity	2022-2023 Total Budget	2022-2023 YTD Activity as of 6/30/23	2023-2024 PROPOSED FINAL	Percent Change FY24/FY23
Department: 17 - Non-Dept							
100-17-16224-0000000	City Hall Cleaning	0	0	0	0	-3,425	0
100-17-16227-0000000	Gas/Oil	0	0	0	0	-692	0
100-17-16231-0000000	Bldg Repairs-City Hall	0	0	0	0	-23	0
100-17-16239-0000000	Printing & Office supplies	0	0	0	0	-140	0
100-17-16243-0000000	Telephone	0	0	0	0	-686	0
100-17-16249-0000000	Contract Services - Computer/Technology	0	0	0	0	-211	0
100-17-16400-0000000	Supplies & Equipment	0	500	0	0	0	0
100-17-16405-0000000	Operating Supplies	0	0	0	0	-448	0
100-17-16500-0000000	Staff Development	0	100	0	100	0	0
100-17-16922-0000000	Capital Outlay - Public Works Items	0	0	0	0	-179	0
100-17-17000-0000000	Misc Expenses	5,640	0	0	0	0	0
100-17-17153-0000000	Transfer to Capital Projects Fund	15,000	0	0	0	0	0
100-17-17190-0000000	HOME Grant Expense	453,000	0	0	0	0	0
TOTAL NON-DEPARTMENTAL EXPENSES		473,640	600	0	100	-5,804	0



City of Montgomery, TX

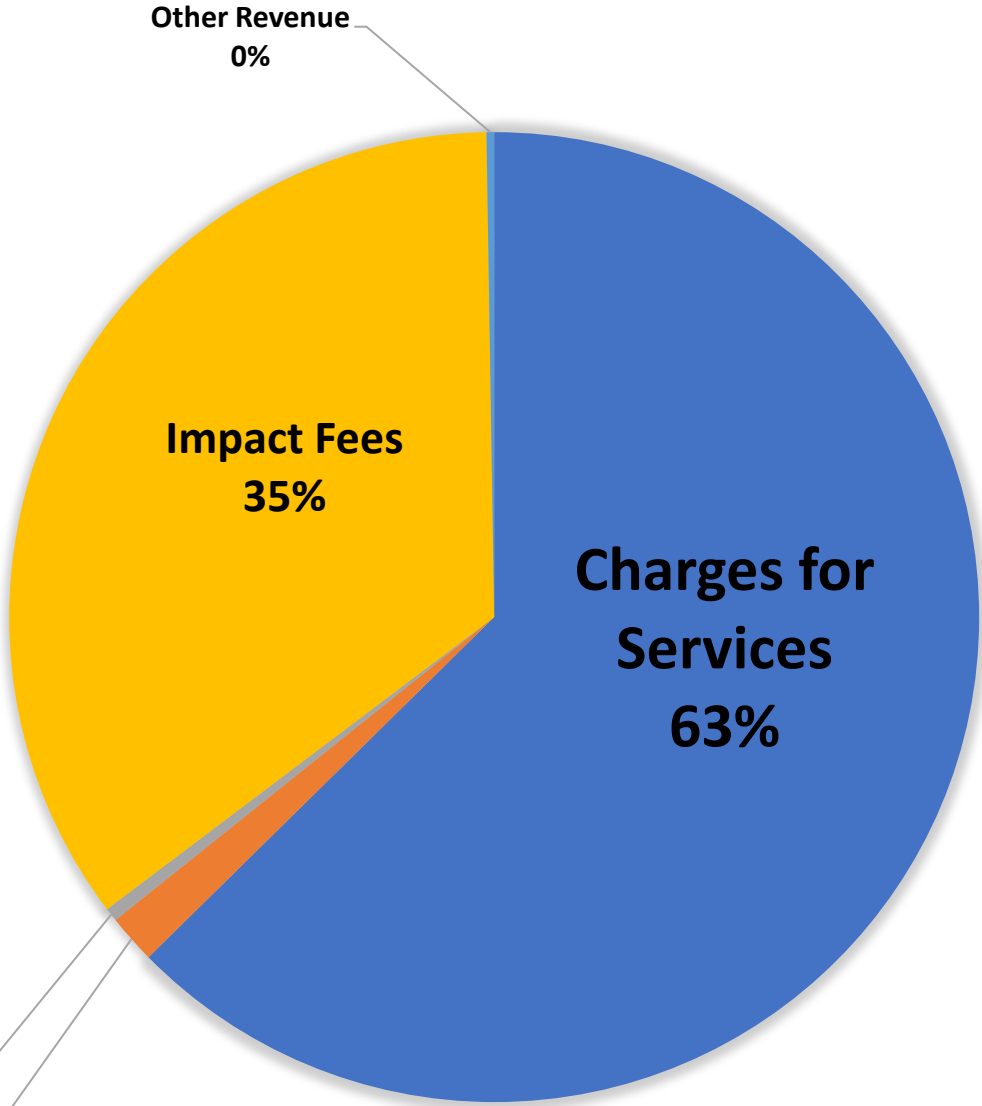
Item 4.

Budget Worksheet Group Summary

For Fiscal: 2022-2023 Period Ending: 06/30/2023

Departmen...	2020-2021		2021-2022		2022-2023		Defined Budgets
	Total Budget	Total Activity	Total Budget	Total Activity	Total Budget	YTD Activity	2023-2024 2023-2024
Fund: 300 - Water & Sewer							
00 - Revenue	0.00	3,382,221.16	2,486,300.00	4,585,017.31	3,979,278.00	2,099,028.56	4,281,550.00
30 - Water & Sewer	0.00	2,285,229.32	2,486,300.00	2,571,225.24	3,979,278.00	2,278,932.50	4,281,550.00
Total Revenues	0.00	3,382,221.16	2,486,300.00	4,585,017.31	3,979,278.00	2,099,028.56	4,281,550.00
Total Expenses	0.00	2,285,229.32	2,486,300.00	2,571,225.24	3,979,278.00	2,278,932.50	4,281,550.00
Fund: 300 - Water & Sewer Surplus (Deficit):	0.00	1,096,991.84	0.00	2,013,792.07	0.00	-179,903.94	0.00
Report Surplus (Deficit):	0.00	1,096,991.84	0.00	2,013,792.07	0.00	-179,903.94	0.00

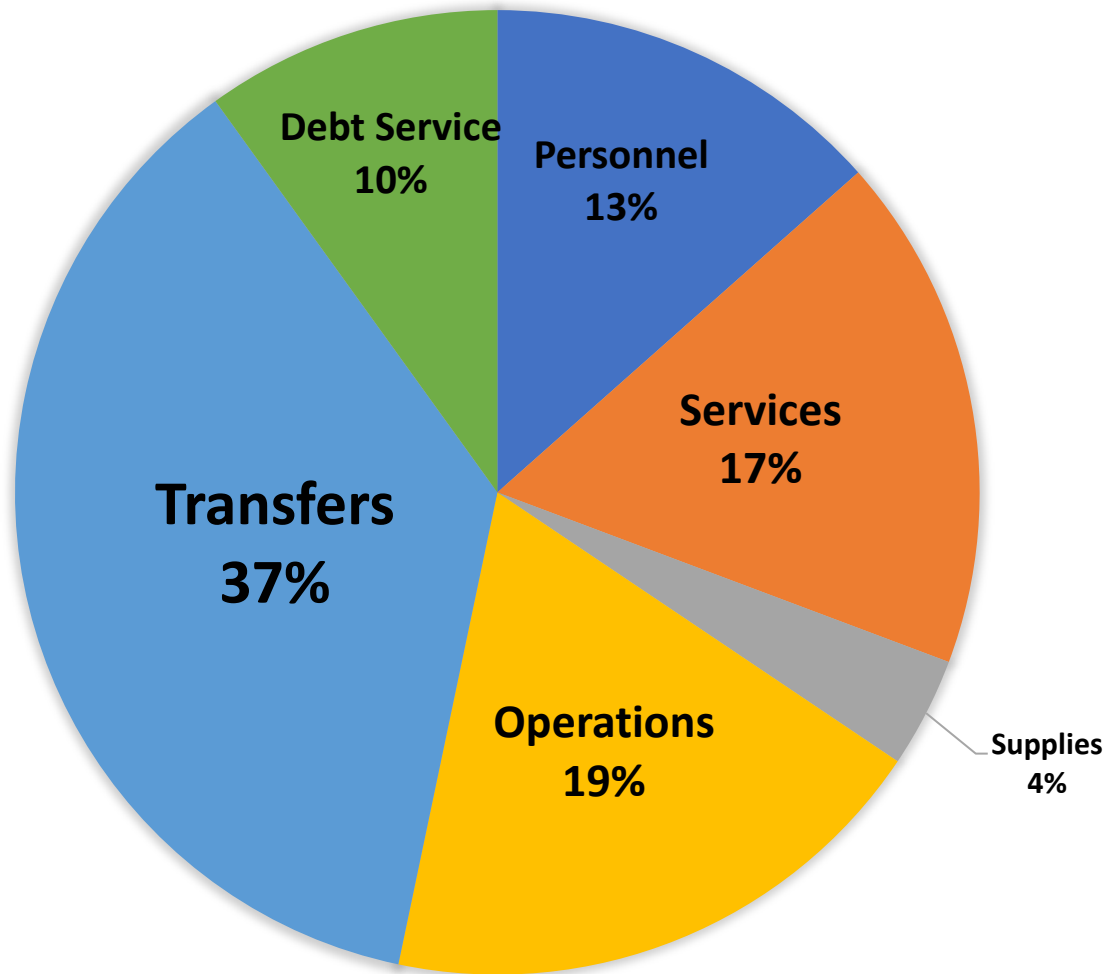
UTILITY FUND REVENUE
\$4,821,550



Fines & Forefeitures 0%

Investment Income 2%

UTILITY FUND EXPENSES
\$4,821,550



DESCRIPTION		2020-2021 Total Activity	2021-2022 Total Budget	2021-2022 Total Activity	2022-2023 Total Budget	2022-2023 YTD Activity as of 6/30/23	2023-2024 PROPOSED FINAL	Percent Change FY24/FY23
Fund: 300 - Water & Sewer								
REVENUE								
300-00-34110-0000000	Water Revenue	786,810	812,000	903,705	845,000	620,751	881,000	4%
300-00-34130-0000000	Lone Star Ground Water Revenue	8,686	8,200	10,240	8,500	6,933	9,000	6%
300-00-34140-0000000	Application Fee	30	0	2,370	3,000	5,430	6,000	100%
300-00-34150-0000000	Disconnect Reconnect	9,516	11,000	4,237	6,000	4,088	5,000	-17%
300-00-34160-0000000	Sewer Revenue	734,723	787,700	806,442	818,000	599,015	853,000	4%
300-00-34170-0000000	Tap Fees/Inspections	352,839	300,000	434,843	447,000	405,204	450,000	1%
300-00-34180-0000000	Grease Trap Inspections	20,050	19,300	23,500	20,000	22,419	25,000	25%
300-00-34190-0000000	Late Charges	18,174	17,500	29,666	18,200	14,142	18,200	0%
300-00-34200-0000000	Returned Check Fee	1,721	1,150	1,404	1,200	150	1,000	-17%
300-00-34210-0000000	Backflow Testing	0	16,000	0	16,000	0	16,000	0%
300-00-34220-0000000	Solid Waste Revenue	179,069	190,000	201,729	200,000	170,827	229,500	15%
300-00-34310-0000000	Sales Tax Revenue for Solid Waste	14,669	15,000	16,553	16,600	14,014	0	-100%
300-00-34320-0000000	Groundwater Reduction Revenue	204,735	195,000	241,448	203,000	163,268	205,000	1%
300-00-34410-0000000	Impact Fees - Other	0	100,000	83,697	1,000,000	0	0	-100%
300-00-34420-0000000	Impact Fees - Capital Cost	7,278	0	0	0	0	1,500,000	
300-00-34430-0000000	Interest Income	454	450	1,177	778	702	850	9%
300-00-34440-0000000	Interest earned on Investments	517	500	8,317	11,000	77,887	70,000	536%
300-00-34450-0000000	Meter Box Replacement	1,290	1,500	1,425	1,500	990	1,500	0%
300-00-34460-0000000	EndPoint Charge	335	500	370	500	1,785	500	0%
300-00-34470-0000000	Miscellaneous Revenue & ETS Revenue	9,727	10,500	9,531	11,000	3,516	8,000	-27%
300-00-34500-0000000	Use of Surplus Funds	0	0	0	350,000	0	0	-100%
300-00-34530-0000000	Utility Contracts	2,032	0	551	2,000	3,096	2,000	0%
300-00-34570-0000000	Transfers In - Capital Projects	1,029,567	0	1,803,811	0	0	0	
TOTAL WATER SEWER REVENUE		3,382,221	2,486,300	4,585,017	3,979,278	2,114,215	4,281,550	8%

DESCRIPTION	2020-2021 Total Activity	2021-2022 Total Budget	2021-2022 Total Activity	2022-2023 Total Budget	2022-2023 YTD Activity as of 6/30/23	2023-2024 PROPOSED FINAL	Percent Change FY24/FY23
Department: 30 - Water & Sewer							
300-30-36101-0000000	Compensated Benefit Expense	15,559	0	0	0	0	
300-30-36102-0000000	Health Insurance	41,423	43,000	45,354	61,000	39,366	36%
300-30-36103-0000000	Unemployment Insurance	0	500	45	700	51	-91%
300-30-36104-0000000	Workers Comp	4,380	5,200	3,546	6,000	7,042	12%
300-30-36105-0000000	Dental & Vision Insurance	2,920	3,200	3,646	4,200	3,031	-100%
300-30-36106-0000000	Life & AD&D Insurance	801	1,000	276	1,150	0	-100%
300-30-36107-0000000	Crime Insurance	489	500	448	500	366	0%
300-30-36108-0000000	Retirement Expense	23,716	24,000	30,349	40,000	26,246	6%
300-30-36109-0000000	TMRS Pension Expense	18,525	0	0	0	378	0
300-30-36110-0000000	Payroll Taxes	20,235	21,000	23,972	29,000	19,502	9%
300-30-36111-0000000	Wages	270,666	314,000	331,350	385,000	279,124	6%
300-30-36112-0000000	Overtime	1,952	5,000	3,802	5,500	2,838	0%
300-30-36113-0000000	COLA	0	5,600	0	0	0	0
300-30-36114-0000000	Dependent Insurance	0	16,200	1,241	0	0	0
300-30-36115-0000000	TMRS OPEB Expense	5,571	0	-12,623	0	0	0
300-30-36116-0000000	MASA	0	0	0	168	64	-100%
300-30-36202-0000000	General Consultant Fees	29	10,000	25	10,000	0	-100%
300-30-36203-0000000	Legal Fees	0	15,000	0	15,000	0	-100%
300-30-36204-0000000	Engineering	91,012	75,000	204,155	133,000	106,138	0%
300-30-36208-0000000	Operator	51,890	115,000	113,340	126,500	75,560	0%
300-30-36209-0000000	Billing & Collections	30,092	33,000	32,858	35,000	20,236	0%
300-30-36210-0000000	Backflow Testing	1,945	16,000	0	16,000	0	0%
300-30-36211-0000000	Testing	11,167	15,000	12,225	15,000	6,942	0%
300-30-36212-0000000	Sales Tax for Solid Waste	14,705	15,000	16,812	20,000	13,253	-100%
300-30-36214-0000000	Sludge Hauling	27,334	34,000	42,018	41,500	43,542	141%
300-30-36215-0000000	Printing	603	600	601	1,200	0	0%
300-30-36216-0000000	Postage	715	1,000	480	1,100	1,152	82%
300-30-36217-0000000	Telephone	8,899	9,500	8,510	9,500	7,789	11%
300-30-36218-0000000	Tap Fees & Inspections	81,829	75,000	37,592	75,000	34,287	0%
300-30-36221-0000000	Garbage Pickup	173,294	185,000	210,678	200,000	168,727	13%

DESCRIPTION		2020-2021 Total Activity	2021-2022 Total Budget	2021-2022 Total Activity	2022-2023 Total Budget	2022-2023 YTD Activity as of 6/30/23	2023-2024 PROPOSED FINAL	Percent Change FY24/FY23
300-30-36302-0000000	Advertising/Promotion	0	1,500	0	1,500	212	1,500	0%
300-30-36303-0000000	Permits & Licenses	19,440	46,000	19,114	25,000	25,799	25,000	0%
300-30-36306-0000000	Depreciation Expense	428,694	0	370,243	0	0	0	
300-30-36307-0000000	Dues & Subscriptions	1,118	2,000	330	2,000	880	2,000	0%
300-30-36400-0000000	Supplies & Equipment	148	600	262	1,000	809	1,500	50%
300-30-36401-0000000	Chemicals	30,412	34,000	40,884	37,400	37,281	45,000	20%
300-30-36402-0000000	Copier / Fax Machine	2,135	2,000	1,643	3,000	882	3,000	0%
300-30-36403-0000000	Operating Supplies	53,619	80,000	77,371	80,000	32,639	80,000	0%
300-30-36404-0000000	Uniforms	3,729	4,500	3,206	4,700	1,336	4,700	0%
300-30-36406-0000000	Computer Technology	11,343	28,000	10,418	24,000	8,802	24,000	0%
300-30-36407-0000000	Groundwater Reduction Expenses	0	100	0	100	0	100	0%
300-30-36502-0000000	Travel & Training	2,364	5,500	2,699	5,500	625	5,500	0%
300-30-36503-0000000	Employee Relations	357	1,000	439	1,000	102	2,000	100%
300-30-36601-0000000	Repairs & Maintenance	172,692	175,000	438,750	250,000	231,259	300,000	20%
300-30-36602-0000000	Vehicle Repair and Maint.	2,035	3,000	2,435	3,000	1,334	3,500	17%
300-30-36604-0000000	Water & Sewer Items	0	10,000	11,135	30,000	24,609	9,708	-68%
300-30-36605-0000000	Gas & Oil	4,987	7,750	11,082	14,000	8,661	14,000	0%
300-30-36701-0000000	Liability Insurance	3,453	3,800	2,825	4,250	2,611	4,694	10%
300-30-36702-0000000	Property Insurance	28,735	30,000	28,847	33,250	29,675	45,677	37%
300-30-36801-0000000	Gas For Generators	1,251	1,200	1,298	1,320	594	1,320	0%
300-30-36802-0000000	Utilities - Water Plants	80,213	82,000	89,857	90,200	71,604	110,000	22%
300-30-36803-0000000	Utilities - WWTP	44,152	60,000	40,738	66,000	44,454	73,000	11%
300-30-36804-0000000	Utilities - Lift Stations	17,369	20,000	18,938	22,000	14,090	24,200	10%
300-30-36900-0000000	Capital Outlay	0	10,000	9,565	0	0	0	
300-30-37000-0000000	Utility Projects - Prev Maint	88,945	76,581	56,704	85,000	166,244	150,000	76%
300-30-37003-0000000	Utility Projects - Impact Fees Transfer to CPI	0	100,000	83,697	1,000,000	0	1,500,000	50%
300-30-37101-0000000	Miscellaneous Expenses - Other	-46,663	0	136	0	300	1,000	
300-30-37102-0000000	Bank Charges	32,668	35,000	20,095	35,000	86,539	35,000	0%
300-30-37202-0000000	Transfer to Debt Service	0	0	67,815	424,540	283,027	425,500	0%
300-30-37205-0000000	Transfer to Capital Projects	402,286	628,469	50,000	503,500	355,667	0	-100%
300-30-37206-0000000	Transfer to Surplus	0	0	0	0	0	74,312	
TOTAL WATER & SEWER EXPENSES		2,285,229	2,486,300	2,571,225	3,979,278	2,285,669	4,281,550	8%



City of Montgomery, TX

Item 4.

Budget Worksheet Group Summary

For Fiscal: 2022-2023 Period Ending: 06/30/2023

Departmen...	2020-2021		2021-2022		2022-2023		Defined Budgets
	Total Budget	Total Activity	Total Budget	Total Activity	Total Budget	YTD Activity	2023-2024 2023-2024
Fund: 500 - Debt Service							
00 - Revenue	0.00	5,486,501.93	625,750.00	563,148.40	956,739.00	794,178.61	899,847.00
50 - Debt Service	0.00	5,714,666.08	625,750.00	649,177.05	956,739.00	834,806.99	895,557.00
Total Revenues	0.00	5,486,501.93	625,750.00	563,148.40	956,739.00	794,178.61	899,847.00
Total Expenses	0.00	5,714,666.08	625,750.00	649,177.05	956,739.00	834,806.99	895,557.00
Fund: 500 - Debt Service Surplus (Deficit):	0.00	-228,164.15	0.00	-86,028.65	0.00	-40,628.38	4,290.00
Report Surplus (Deficit):	0.00	-228,164.15	0.00	-86,028.65	0.00	-40,628.38	4,290.00

DESCRIPTION		2020-2021 Total Activity	2021-2022 Total Budget	2021-2022 Total Activity	2022-2023 Total Budget	2022-2023 YTD Activity as of 6/30/23	2023-2024 PROPOSED FINAL	Percent Change FY24/FY23
Fund: 500 - Debt Service								
REVENUE								
500-00-54110-0000000	Ad Valorem Taxes	378,308	485,090	493,382	474,822	463,839	471,847	-0.63%
500-00-54120-0000000	Penalty & Interest	7,448	5,000	1,707	3,000	3,964	3,000	0.00%
500-00-54220-0000000	Transfers - Water & Sewer Funds	0	0	67,815	424,540	283,027	425,000	0.11%
500-00-54300-0000000	Proceeds-Bond Series Refundings	4,495,000	0	0	0	0	0	
500-00-54320-0020210	Bond Premium - Series 2021R	605,566	0	0	0	0	0	
500-00-54410-0000000	Interest on Checking	0	0	0	0	262	0	
500-00-54420-0000000	Interest on Investments	179	0	244	119	1,393	0	-100%
500-00-54500-0000000	Use of Surplus Funds	0	135,660	0	54,258	0	0	-100%
TOTAL DEBT SERVICE REVENUE		5,486,502	625,750	563,148	956,739	752,485	899,847	-6%
Department: 50 - Debt Service								
500-50-56220-0000000	Interest Payments on Notea	75,502	193,250	218,687	254,739	134,086	228,557	-10%
500-50-56230-0000000	Paying Agent Fees	1,230	2,500	490	2,000	721	2,000	0%
500-50-56240-0020120	Interest Series 2012 Prem	86,219	0	0	0	0	0	
500-50-56250-0000000	Principal Payments	455,000	430,000	430,000	700,000	700,000	665,000	-5%
500-50-56310-0000000	Refunding Bond Account	157,687	0	0	0	0	0	
500-50-56350-0020210	Escrow - Series 2021	4,890,557	0	0	0	0	0	
500-50-56360-0000000	Purchaser's Discount	48,472	0	0	0	0	0	
TOTAL DEBT SERVICE EXPENSES		5,714,666	625,750	649,177	956,739	834,807	895,557	-6%
NET SURPLUS(DEFICIT)		(228,164.15)	0	(86,028.65)	0	(82,322.13)	4,290	



City of Montgomery, TX

Item 4.

Budget Worksheet Group Summary

For Fiscal: 2022-2023 Period Ending: 06/30/2023

Departmen...	Defined Budgets						
	2020-2021 Total Budget	2020-2021 Total Activity	2021-2022 Total Budget	2021-2022 Total Activity	2022-2023 Total Budget	2022-2023 YTD Activity	2023-2024 2023-2024
Fund: 700 - Court Security							
00 - Revenue	0.00	605.92	3,500.00	784.95	1,510.00	336.22	0.00
70 - Court Security	0.00	2,500.00	2,500.00	2,500.00	1,500.00	1,525.00	0.00
Total Revenues	0.00	605.92	3,500.00	784.95	1,510.00	336.22	0.00
Total Expenses	0.00	2,500.00	2,500.00	2,500.00	1,500.00	1,525.00	0.00
Fund: 700 - Court Security Surplus (Deficit):	0.00	-1,894.08	1,000.00	-1,715.05	10.00	-1,188.78	0.00

DESCRIPTION		2020-2021	2021-2022	2021-2022	2022-2023	2022-2023	2023-2024	Percent Change FY24/FY23
		Total Activity	Total Budget	Total Activity	Total Budget	YTD Activity as of 6/30/23	PROPOSED FINAL	
Fund: 700 - Court Security								
REVENUE								
700-00-74110-0000000	Court Security Fees	606	3,500	784	1,500	324	1,500	0%
700-00-74210-0000000	Interest Income	0	0	1	10	4	1	-90%
TOTAL COURT SECURITY REVENUE		606	3,500	785	1,510	327	1,501	-1%
Department: 70 - Court Security								
700-70-76340-0000000	Baliff Transfer to General Fund	2,500	2,500	2,500	1,500	1,075	1,500	0%
TOTAL COURT SECURITY EXPENSES		2,500	2,500	2,500	1,500	1,075	1,500	0%
NET SURPLUS(DEFICIT)		(1,894)	1,000	(1,715)	10	(748)	1	-90%

Budget Worksheet

For Fiscal: 2022-2023 Period Ending: 06/30/2023

Defined Budgets

Department...	2020-2021 Total Budget	2020-2021 Total Activity	2021-2022 Total Budget	2021-2022 Total Activity	2022-2023 Total Budget	2022-2023 YTD Activity	2023-2024 2023-2024
Fund: 750 - Court Technology							
00 - Revenue	0.00	839.07	12,710.00	632.56	1,060.00	497.35	690.00
75 - Court Technology	0.00	0.00	12,710.00	14,999.00	0.00	0.00	0.00
Total Revenues	0.00	839.07	12,710.00	632.56	1,060.00	497.35	690.00
Total Expenses	0.00	0.00	12,710.00	14,999.00	0.00	0.00	0.00
Fund: 750 - Court Technology Surplus (Deficit):	0.00	839.07	0.00	-14,366.44	1,060.00	497.35	690.00

DESCRIPTION	2020-2021 Total Activity	2021-2022 Total Budget	2021-2022 Total Activity	2022-2023 Total Budget	2022-2023 YTD Activity as of 6/30/23	2023-2024 PROPOSED FINAL	Percent Change FY24/FY23
Fund: 750 - Court Technology							
REVENUE							
750-00-74120-0000000 Court Technology Fees	828	5,000	610	1,000	443	650	-35%
750-00-74210-0000000 Interest Income	11	0	23	60	42	40	-33%
750-00-74500-0000000 Use of Surplus Funds	0	7,710	0	0	0	0	
TOTAL COURT TECHNOLOGY REVENUE	839	5,000	633	1,060	485	690	-35%
Department: 75 - Court Technology							
750-75-76240-0000000 Contract Services - Computer Website	0	12,710	14,999	0	0	0	
TOTAL COURT TECHNOLOGY EXPENSES	0	12,710	14,999	0	0	0	
NET SURPLUS(DEFICIT)	839	(7,710)	(14,366)	1,060	485	690	-35%

Budget Worksheet

For Fiscal: 2022-2023 Period Ending: 06/30/2023

Defined Budgets

Department...	2020-2021 Total Budget	2020-2021 Total Activity	2021-2022 Total Budget	2021-2022 Total Activity	2022-2023 Total Budget	2022-2023 YTD Activity	2023-2024 2023-2024
Fund: 800 - Hotel Occupancy							
00 - Revenue	0.00	2,353.37	12,503.00	3,025.82	12,530.00	2,976.89	0.00
80 - Hotel Occupancy	0.00	0.00	12,500.00	1,800.00	12,500.00	8.00	0.00
Total Revenues	0.00	2,353.37	12,503.00	3,025.82	12,530.00	2,976.89	0.00
Total Expenses	0.00	0.00	12,500.00	1,800.00	12,500.00	8.00	0.00
Fund: 800 - Hotel Occupancy Surplus (Deficit):	0.00	2,353.37	3.00	1,225.82	30.00	2,968.89	0.00
Report Surplus (Deficit):	0.00	1,298.36	1,003.00	-14,855.67	1,100.00	2,277.46	690.00

DESCRIPTION		2020-2021 Total Activity	2021-2022 Total Budget	2021-2022 Total Activity	2022-2023 Total Budget	2022-2023 YTD Activity as of 6/30/23	2023-2024 PROPOSED FINAL	Percent Change FY24/FY23
Fund: 800 - Hotel Occupancy								
REVENUE								
800-00-84100-0000000	Taxes and Franchise Fees	0	0	396	12,500	2,947	5,000	-60%
800-00-84110-0000000	Hotel Occupancy Taxes	2,349	12,500	2,619	0	0	0	
800-00-84210-0000000	Interest on Checking	0	3	11	30	30	30	0%
800-00-84220-0000000	Interest on Investments	4	0	0	0	0	0	
TOTAL HOTEL OCCUPANCY REVENUE		2,353	12,503	3,026	12,530	2,977	5,030	-60%
Department: 80 - Hotel Occupancy								
800-80-86200-0000000	Tourism Expenses	0	7,800	0	7,800	0	5,000	
800-80-86300-0000000	Miscellaneous Expenses	0	4,700	1,800	4,700	8	0	
TOTAL HOTEL OCCUPANCY EXPENSES		0	12,500	1,800	12,500	8	5,000	-60%
NET SURPLUS(DEFICIT)		2,353	3	1,226	30	2,969	30	0%



City of Montgomery, TX

Item 4.

Budget Worksheet Group Summary

For Fiscal: 2022-2023 Period Ending: 06/30/2023

Departmen...	Defined Budgets						
	2020-2021 Total Budget	2020-2021 Total Activity	2021-2022 Total Budget	2021-2022 Total Activity	2022-2023 Total Budget	2022-2023 YTD Activity	2023-2024 2023-2024
Fund: 400 - MEDC							
00 - Revenue	0.00	1,010,691.72	1,004,250.00	1,208,958.18	1,210,749.00	948,511.33	1,167,000.00
40 - MEDC	0.00	671,946.19	1,004,250.00	552,568.19	1,210,749.00	276,074.33	1,167,000.00
Total Revenues	0.00	1,010,691.72	1,004,250.00	1,208,958.18	1,210,749.00	948,511.33	1,167,000.00
Total Expenses	0.00	671,946.19	1,004,250.00	552,568.19	1,210,749.00	276,074.33	1,167,000.00
Fund: 400 - MEDC Surplus (Deficit):	0.00	338,745.53	0.00	656,389.99	0.00	672,437.00	0.00
Report Surplus (Deficit):	0.00	338,745.53	0.00	656,389.99	0.00	672,437.00	0.00

DESCRIPTION		2020-2021 Total Activity	2021-2022 Total Budget	2021-2022 Total Activity	2022-2023 Total Budget	2022-2023 YTD Activity as of 6/30/23	2023-2024 IN PROGRESS FINAL	Percent Change FY24/FY23
Fund: 400 - MEDC								
REVENUE								
400-00-44110-0000000	Sales Tax Revenue	1,002,974	1,000,000	1,182,904	1,200,749	881,478	1,100,000	-8%
400-00-44230-0000000	Interest Income	6,398	4,000	9,259	1,500	55,270	60,000	3900%
400-00-44240-0000000	Miscellaneous Income	1,320	250	0	0	0	0	
400-00-44300-0000000	Events Revenue	0	0	16,796	8,500	6,322	7,000	-18%
TOTAL MEDC REVENUE		1,010,692	1,004,250	1,208,958	1,210,749	943,071	1,167,000	-4%
Department: 40 - MEDC								
400-40-46103-0000000	Public Infrastructure - Downtown Dev. Imp.	103,641	172,250	0	280,249	23,224	90,000	-68%
400-40-46104-0000000	Public Infrastructure - Utility Extensions	0	50,000	0	50,000	0	50,000	0%
400-40-46107-0000000	Public Infrastructure - Transfer to Capital Proj	160,000	160,000	160,000	200,000	133,333	200,000	0%
400-40-46111-0000000	Public Infrastructure - Streets & Sidewalks	0	40,000	40,000	40,000	0	40,000	0%
400-40-46205-0000000	Business & Development - Sales Tax Reimb	257,391	250,000	162,767	250,000	125,000	250,000	0%
400-40-46206-0000000	Business & Development - Econ Dev Grant Prog	20,000	20,000	9,000	20,000	0	20,000	0%
400-40-46209-0000000	Business Development - Dntwn & Cor. Fac & Env En	0	0	0	50,000	0	50,000	0%
400-40-46210-0000000	Business Development - Invest Incentives Growth	0	0	0	20,000	0	0	-100%
400-40-46302-0000000	Quality of Life - Removal of Blight	0	15,000	0	15,000	0	0	-100%
400-40-46303-0000000	Quality of Life - Events	515	32,000	2,559	40,000	13,216	113,200	183%
400-40-46304-0000000	Quality of Life - Neighborhood Water Party	1,180	2,500	2,598	3,000	1,862	0	-100%
400-40-46305-0000000	Quality of Life - Texas Flag Celebration	0	0	0	0	0	0	
400-40-46308-0000000	Quality of Life - Light up Montgomery	2,000	2,849	2,849	4,000	3,559	0	-100%
400-40-46310-0000000	Quality of Life - Mudbugs and Music	6,650	8,000	8,300	8,000	8,000	0	-100%
400-40-46311-0000000	Quality of Life - Christmas Parade	1,258	6,826	6,826	10,000	10,245	0	-100%
400-40-46312-0000000	Quality of Life - Contests / Prizes	217	4,000	31	1,000	0	0	-100%
400-40-46313-0000000	Quality of Life - Events - Equipment	1,921	19,957	6,470	10,000	252	0	-100%
400-40-46314-0000000	Quality of Life - Montgomery Quilt Walk	772	10,000	2,519	7,000	3,636	0	-100%
400-40-46315-0000000	Quality of Life - Montgomery Antiques Festival	4,511	10,000	11,616	12,000	0	0	-100%
400-40-46316-0000000	Quality of Life - Movie Night	1,496	2,500	2,686	3,000	2,854	0	-100%
400-40-46317-0000000	Quality of Life - Fernland Dedication	414	0	0	0	0	0	
400-40-46318-0000000	Quality of Life - Pet Parade	128	5,000	1,344	5,000	0	0	-100%
400-40-46319-0000000	Quality of Life - Montgomery Fall Festival	0	0	8,000	8,000	8,000	0	-100%
400-40-46320-0000000	Quality of Life - Snow in Historic Mont TX	0	14,368	14,368	20,000	13,223	0	-100%

		2020-2021	2021-2022	2021-2022	2022-2023	2022-2023	2023-2024 IN	Percent
	DESCRIPTION	Total	Total	Total	Total	YTD Activity as	PROGRESS	Change
		Activity	Budget	Activity	Budget	of 6/30/23	FINAL	FY24/FY23
400-40-46321-0000000	Quality of Life - Lonestar Flag Fest	0	10,000	2,923	5,000	1,000	0	-100%
400-40-46322-0000000	Quality of Life - Downtown Enhancement Proj	2,085	30,000	0	30,000	0	0	-100%
400-40-46338-0000000	Quality of Life - Fall Heritage Festival	0	10,000	0	0	0	0	
400-40-46339-0000000	Quality of Life - Trick or Treat Historic Mont.	466	5,000	1,441	5,000	2,780	0	-100%
400-40-46340-0000000	Quality of Life - Ruck for Veterans	500	0	0	500	500	0	-100%
400-40-46505-0000000	Marketing and Tourism - Brochures / Printed Lit	1,350	4,000	2,783	4,000	1,105	4,000	0%
400-40-46511-0000000	Marketing and Tourism - Website	405	6,500	1,038	6,500	755	6,500	0%
400-40-46514-0000000	Marketing and Tourism - Social Media Advertising	832	3,000	777	3,000	1,284	3,000	0%
400-40-46515-0000000	Marketing and Tourism - Historical Signage	622	5,000	1,550	5,000	0	5,000	0%
400-40-46601-0000000	Administration - Transfers to General Fund	52,677	55,000	55,000	55,000	36,667	275,000	400%
400-40-46603-0000000	Administration - Miscellaneous Expenses	14,896	500	187	500	195	500	0%
400-40-46604-0000000	Administration - Consulting/Professional Serv	18,838	40,000	42,221	0	0	51,800	
400-40-46605-0000000	Administration - Reflective Life	9,500	0	0	0	0	0	
400-40-46606-0000000	Administration - Goat Costume	6,110	0	0	0	0	0	
400-40-46607-0000000	Administration - Travel & Trainings Expenses	1,571	10,000	2,410	5,000	2,771	8,000	60%
400-40-46611-0000000	Administration - Legal Notices	0	0	304	0	0	0	
400-40-46612-0000000	Administration - Trf to Gen Parks & Rec Salary	0	0	0	35,000	15,927	0	-100%
	TOTAL MEDC EXPENSES	671,946	1,004,250	552,568	1,210,749	409,387	1,167,000	-4%

<u>Capital Projects Fund 200</u>		
Estimate Fund Balance as of 9/13/23	\$	719,091.26
Unrestricted funds	\$	367,940.62
<u>Restricted Funds</u>		
ARPA Funds	\$	351,150.64

<u>Other Restricted Capital Funds</u>		
Building Funds	\$	717,259.63

**Montgomery City Council
AGENDA REPORT**

Meeting Date: September 26, 2023	Budgeted Amount: N/A
Department: Administration	Prepared By:

Subject

Consideration and possible action on: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MONTGOMERY, TEXAS, SETTING THE AD VALOREM TAX RATE OF THE CITY OF MONTGOMERY, FOR THE YEAR 2023 AT A RATE OF **\$0.400** PER ONE HUNDRED DOLLARS (\$100) VALUATION ON ALL TAXABLE PROPERTY WITHIN THE CORPORATE LIMITES OF THE CITY OF MONTGOMERY AS OF JANUARY 1, 2023 SPECIFYING SEPERATE COMPONENTS OF SUCH RATE FOR OPERATIONS AND MAINTENANCE AND FOR DEBT SERVICE, LEVYING AN AD VALOREM TAX FOR THE YEAR 2023 PROVIDING FOR DUE AND DELINQUENT DATES TOGETHER WITH PENALTIES AND INTEREST; PROVIDING FOR COLLECTION AND ORDAINING OTHER RELATED MATTERS.

Recommendation

Adopt and Set by Ordinance the 2023 Ad Valorem Tax Rate of \$.4000/\$100 using the legally required wording below:

I move that the property tax rate be increased by the adoption of a tax rate of \$.4000/\$100, which is effectively a 2.51 percent increase in the tax rate.

Discussion

The Ad Valorem Tax Rate for 2023 of \$.0400 includes \$.3030 for Maintenance and Operations and \$.0970 for Debt Service. It must be noted by law that this rate exceeds the No-New-Revenue-Tax Rate.

This item must be approved with a record vote with at least 60% of the City Council voting in favor of the adoption of the tax rate.

Approved By

		Date:
City Administrator	Gary Palmer	Date: 09/21/2023

ORDINANCE NO. 2023-19

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MONTGOMERY, TEXAS, SETTING THE AD VALOREM TAX RATE OF THE CITY OF MONTGOMERY, FOR THE YEAR 2023 AT A RATE OF \$0.4000 PER ONE HUNDRED DOLLARS (\$100) VALUATION ON ALL TAXABLE PROPERTY WITHIN THE CORPORATE LIMITS OF THE CITY OF MONTGOMERY AS OF JANUARY 1, 2023 SPECIFYING SEPARATE COMPONENTS OF SUCH RATE FOR OPERATIONS AND MAINTENANCE AND FOR DEBT SERVICE; LEVYING AN AD VALOREM TAX FOR THE YEAR 2023 PROVIDING FOR DUE AND DELINQUENT DATES TOGETHER WITH PENALTIES AND INTEREST; PROVIDING FOR COLLECTION AND ORDAINING OTHER RELATED MATTERS.

WHEREAS, the appraisal roll of the City of Montgomery, Texas (the City) for 2023 has been prepared and certified by the Central Appraisal District and submitted to the City’s tax assessor/collector; and

WHEREAS, the City’s tax assessor/collector has submitted the appraisal roll for the City showing \$486,440,669 total appraised, assessed and taxable value of all property and the total taxable value of new property to the City; and

WHEREAS, following notice and hearing in accordance with applicable legal requirements and based upon said appraisal roll, the City Council has determined a tax rate to be levied for 2023 sufficient to provide the tax revenues required by the City.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MONTGOMERY, TEXAS:

Section 1. That an ad valorem tax rate of \$0.4000 per on hundred dollars (\$100.00) assessed valuation is hereby adopted for the 2023 calendar year, such rate consisting of the following specified components:

- a) For maintenance and operations, \$0.3030 per one hundred dollars (\$100.00) assessed valuation.
- b) For debt service \$0.0970 per one hundred dollars (\$100.00) assessed valuation.

Section 2. That an ad valorem tax for the 2023 calendar year in the amount established by the rate herein above provided is hereby levied and assessed on all taxable property, real, personal and mixed, situated within the corporate limits of the City of Montgomery, Texas and not otherwise exempt under the Constitution and laws of the State of Texas.

Section 3. That all taxes levied by virtue of this ordinance shall be due and payable no later than the 31st day of January 2024, and if then not paid, shall be subject to penalties and interest in the manner provided by law.

Section 4. That the Montgomery County tax assessor-collector is hereby authorized to assess and collect the taxes of the City of Montgomery, Texas, employing the above tax rate.

Section 5. That all ordinances and parts of ordinances in conflict with this Ordinance be and the same are hereby repealed to the extent of said conflict.

Section 6. That this ordinance shall take effect immediately of and from the date of adoption.

THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR’S TAX RATE.

THE TAX RATE WILL EFFECTIVELY BE RAISED BY 4.95% AND WILL INCREASE TAXES FOR MAINTENANCE AND OPERATIONS OF A \$100,000 HOME BY APPROXIMATELY \$8.00.

Those Members present Were

- | | |
|------------------------------------|--------------------------------------|
| 1. Byron Sanford, Mayor | 4. Sara Countryman, Council Place #3 |
| 2. Carol Langley, Council Place #1 | 5. Cheryl Fox, Council Place #4 |
| 3. Casey Olson, Council Place #2 | 6. Stan Donaldson, Council Place #5 |

Those Members Voting For:

- 1. Carol Langley, Council Place #1
- 2. Casey Olson, Council Place #2
- 3. Sara Countryman, Council Place #3
- 4. Cheryl Fox, Council Place #4
- 5. Stan Donaldson, Council Place #5

Those Members Voting Against:

- 1. _____
- 2. _____
- 3. _____
- 4. _____
- 5. _____
- 6. _____

Those Members Present, but Not Voting:

- 1. Byron Sanford, Mayor

Those Members Absent:

PASSED AND ADOPTED this 26th Day of September 2023

Byron Sanford, Mayor

ATTEST:

Nici Browe, City Secretary TRMC

APPROVED AS TO FORM:

Alan P Petrov, City Attorney.

Montgomery City Council
AGENDA REPORT

Meeting Date: September 26, 2023	Budgeted Amount: N/A
Department: Public Works	Prepared By: Mike Muckleroy

Subject

Consideration and possible action regarding the award of the contract for “Water and Sewer Operations and Maintenance Services” and authorize the City Administrator to execute the contract.

Recommendation

Authorize the City Administrator to execute the contract for “Water and Sewer Operations and Maintenance Services” to Hays Utility North.

Discussion

The City’s RFP’s for “Water and Sewer Operations and Maintenance Services” were due on September 7, 2023. The Public Works Department Foreman and Director both reviewed the bids submitted. A bid tabulation summary has been provided for reference. We received three quality bids from reputable companies in the area. It is the Public Works Department’s recommendation to utilize Hays Utility North for our operations services starting November 1, 2023. We have met with representatives of the company at their office location which is right here in the Montgomery area. Our City Engineers currently work with Hays in MUD Districts in the area and they feel confident with the recommendation as well.

Approved By		
Public Works Director	Mike Muckleroy	Date: 09/21/2023
City Administrator	Gary Palmer	Date: 09/21/2023

City of Montgomery
Request for Proposals
Water and Sewer Operations Maintenance Services
September 7, 2023

Company Name	Water District Mgmt	Hays Utility	MMIA, Inc.	
Submission Requirements 1-12 provided? (page 1)	Yes	Yes	No	
Exhibit 'C'				
Operation of City Facilities				
Sewer Plant No. 2	3,000	1,500	2,500	
Water Plant No. 2	2,000	650	1,750	
Water Plant No. 3	2,000	850	1,750	
Lift Stations 1-14, A-D (each)	250	75	220	
Materials costs plus ___%	10%	10%	15%	
Subcontract(s) supervision and inspection fees will be %	10%	10%	15%	
Exhibit 'D'				
Inspections				
Customer Service Inspection	75	130	80	
Pre-Construction/Post-Construction Inspection	45	60	50	
Single-Family Residential (SFR) Sewer Tap Inspection	50	50	50	
Non-SFR Sewer Tap Inspection	Hourly	100	100	
Grease Trap Inspection (when requested)	50	60	60	
Backflow Prevention Device Inspection	125	138-390	190	
Meter and Meter Box Replacements				
SFR Meter Replacement (plus cost of meter)	100	80	48	
Non-SFR Meter Replacement (cost plus __%)	10%	10%	15%	
SFR Meter Box Replacement	50	75	75	
Non-SFR Meter Box Replacement (cost plus __%)	10%	10%	15%	

**City of Montgomery
Request for Proposals
Water and Sewer Operations Maintenance Services
September 7, 2023**

Personnel (Straight Time Per Hour)				
Operations Supervisor/Compliance Manager	60	75	75	
Equipment Operator/Technician/Compliance	45	57	50	
Certified Operator	45	57	60	
Field Technician	35	70	45	
Clerical/Administration	35	35	40	
Equipment (Straight Time Per Hour)				
Backhoe & Rig	78	60	125	
Mini Excavator & Rig	78	60	80	
Boring Machine	25	60	25	
Air Compressor & Jackhammer	29	40	195	
Crane Truck	50	50	100	
2" Pump & Hoses	12	15	20	
Utility Truck/1 Ton	17.50-25	Incl in personnel rate	25-35	
Shoring Equipment	200 per use	50	200	
Exhibit 'E'				
Rates for Tapping & New Meter Installations				
Single-Family Residential Meter Taps				
3/4" meter (short, less than 6' deep, first 40')	650	1700 single/2200 double	900	
1" Meter (short, less than 6' deep, first 40')	1000	1900	900	
Taps over 40 feet long or deeper than six (6) feet will be charged at cost listed above plus \$__ per linear foot over the first 40 feet	Cost +\$5 tubing 25 depth	15	5	
Residential 4" Sewer Tap	500	400	650	
Yearly cost for all basic services	135000	51300	116880	

Montgomery City Council
AGENDA REPORT

Meeting Date: September 26, 2023	Available Funds: N/A
Department: Admin	Prepared By: Dave McCorquodale

Subject

Consideration and possible action on A RESOLUTION BY THE CITY COUNCIL OF MONTGOMERY ADOPTING LABOR STANDARDS PROCEDURES AND OVERSIGHT RESPONSIBILITY FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT DISASTER RECOVERY (CDBG-DR) PROJECT WITH THE GENERAL LAND OFFICE (GLO), STATE CONTRACT NO. 19-076-017-B366.

Recommendation

Staff recommends approval of the Resolution as presented.

Discussion

Issue:

The GLO performed a review of the city’s GLO grant processes for compliance in April 2023 and noted one finding related to obtaining employee authorization for payroll deductions. The employees worked for subcontractors working on the project. The deductions referenced by the GLO are standard payroll deductions such as taxes, insurance, retirement, and other common deductions. This is the final action needed to resolve the monitoring findings from the General Land Office.

Regulations:

Why did the GLO issue a finding? For many years, the GLO has accepted deduction authorizations that are signed after the work period has begun. However, very recently the GLO has updated their requirements, and this update is being communicated at point of monitoring via findings issued by the monitor (this requirement is not codified in their implementation manual).

Analysis:

This resolution commits Montgomery to checking that deduction authorizations for construction contractors occur before the work period as well as ensuring that the vendor has appropriate processes in place. However, as Montgomery has no General Land Office projects in construction now or in the foreseeable future, there is no practical action to take other than the passage of the resolution. The City selected GrantWorks as the grant administrator of this grant. Part of their service is providing a labor standards officer to review compliance with labor and payroll requirements. There is no cause for the city to believe that GrantWorks was in any way negligent in their performance of these services. Rather, the change in the GLO’s requirements and interpretation of their guidelines is the cause of the finding issued in their monitoring review.

Fiscal Review:

There are no financial considerations related to this Resolution.

Conclusion:

Adoption of this resolution is the appropriate action in response to the GLO monitoring review finding. Practically speaking, the city does not have the staffing resources or technical expertise to perform grant

Montgomery City Council
AGENDA REPORT

compliance activities for complex grants like this GLO grant. That’s why we, along with other small cities, use a grant administrator to provide this resource. Given the GLO’s recent change in their interpretation of their rules and lack of communicating the change, there’s not a reason to believe that GrantWorks could have anticipated an issue with the processes they had used in the past.

Approved By		
Assistant City Administrator & Planning & Development Director	Dave McCorquodale	Date: 09/20/2023
City Administrator	Gary Palmer	Date: 09/20/2023

RESOLUTION REGARDING LABOR STANDARDS AND OVERSIGHT

A RESOLUTION BY THE CITY COUNCIL OF MONTGOMERY ADOPTING LABOR STANDARDS PROCEDURES AND OVERSIGHT RESPONSIBILITY FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT DISASTER RECOVERY (CDBG-DR) PROJECT WITH THE GENERAL LAND OFFICE (GLO), STATE CONTRACT NO. 19-076-017-B366 (“Contract”)

WHEREAS, the Contract through the General Land Office referenced above requires designation and oversight of a professional Labor Standards Officer (LSO);

WHEREAS, it is necessary to develop and/or adopt appropriate policies and procedures to ensure compliance with the requirements of the Contract; and

WHEREAS, the City is committed to ensuring the legal protection and fair treatment of all laborers involved in the construction project contemplated under the Contract.

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

1. The City hereby adopts the following Labor Standards and Procedures, in accordance with the GLO’s implementation requirements.
2. The City will verify that the appointed LSO has appropriate internal policies in place and is adequately reviewing certified payroll reports (CPR) to ensure the following:
 - A. Workers are properly listed on the payroll for the applicable days, work classifications, and pay rates;
 - B. Employee interview results are compared to CPR;
 - C. Employee payrolls are complete and signed;
 - D. Employees are paid no less than the wage rate for the work classification shown; and
 - E. Employee payroll deduction authorizations for other deductions are submitted and authorized before the first occurrence of said payroll deduction.
3. The City commits to verifying that these actions have been taken by reviewing the labor process from their appointed LSO ahead of wage rate issuance and will furthermore review the labor record for compliance on a monthly basis during active construction.

PASSED AND APPROVED ON THE 26TH DAY OF SEPTEMBER, 2023.

APPROVED AND ATTESTED BY:

Byron Sanford
Mayor

Nici Browe, TRMC
City Secretary

Montgomery City Council
AGENDA REPORT

Meeting Date: September 26, 2023	Budgeted Amount: N/A
Department: Administration	Prepared By: G. Palmer

Subject

Nomination and Appointments/Reappointment to the Montgomery Economic Development Corporation, Planning and Zoning Commission, and Transportation Advisory Committee

Recommendation

Open the Floor for Council Nominations to the MEDC, Close Nominations, Deliberate and Appoint by Majority Vote

Open the Floor for Council Nominations to the P&Z Commission, Close Nominations, Deliberate and Appoint by Majority Vote

Open the Floor for Council Nominations to the Transportation Advisory Committee, Close Nominations, Deliberate and Vote

Discussion

We will be reviewing and discussing all applicants in our September 25th Workshop.

In your packets please find the applicants for the Montgomery Economic Development Corp. vacancy, the Planning and Zoning Commission reappointment, and Transportation Advisory Committee appointments.

Also please find the respective charters/by-laws/enabling ordinance for these bodies.

Approved By

		Date:
City Administrator	Gary Palmer	Date: September 20, 2023



City of Montgomery Application for Consideration of Appointment

Date of Application: 6/23/2023

Name of Board/Commission/Committee: MEDC

Name: Arnette Easley Voter Registration No.

Home Address: 15275 N Liberty St., Montgomery, TX 77356

Mailing Address: 15275 N. Liberty St., Montgomery, TX 77356

Phone Number: 936-718-7860 Email: arnetteasley@aol.com

Occupation: Self Employed Easley Enterprises Of TX Inc

Education: Montgomery High School

Related Experience/Community Service: Past member City of Montgomery P+Z Past Member MEDC Current Treasurer Montgomery County United (501c3 organization)

Areas of Interests Related to this Committee: vice President / Board Member

List Membership on any other Governmental Board/Commission/Committee: Current - Greater Lake Conroe Chamber of Commerce Board of Directors Past - Medc and City of Montgomery P+Z

Please provide a brief narrative outlining your reasons for seeking appointment to this Board/Commission.

Interested in helping to create job opportunities and commerce to the north side of town. Interested in bringing more companies to this area. Interested in improving infrastructure in this area

Arnette Easley Signature

6/23/2023 Date

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City of Montgomery Texas Volunteer Application

Date: Aug 8, 2023

Name of Board/Commission/Committee: M.E.D.C.

Name: Kristin Gyldeuge

Home Address: 706 Caroline Montgomery, TX 77356

Mailing Address: Same

Phone Number: 832-236-5365 Email: kristietrostle@yahoo.com

Occupation: Realtor

Education: Certified in Google Analytics, Licensed Realtor

Related Experience/Community Service: I have been a small business owner for 25 years, including owning a business here in Montgomery.

Areas of Interests Related to this Committee: I want to help encourage new small businesses to come to Montgomery while maintaining the quaintness that makes it unique -

List Membership on any other Governmental Board/Commission/Committee:

Please provide a brief narrative outlining your reasons for seeking appointment to this Board/Commission.

Please See attached -

[Handwritten Signature]

Signature

Aug. 8, 2023

Date

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Application for MEDC Board of Directors;

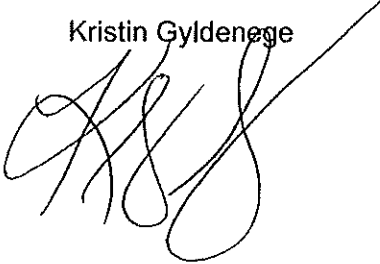
As a former small business owner in Montgomery, I fell in love with this quaint town from day one. Having owned small businesses for 25 years I was confident in my ability to run a business and moreover give people what they want and need. My business was met with adoration and the love I put into my products was met with equal love from the visitors through my doors every day. However, as a business owner I felt excluded, isolated and even bewildered by the politics of this amazing town. I felt welcomed by the citizens, never by the city. I never knew there were grants to help with the cost of improvements like signs and fencing etc....I never felt like the city wanted me here or appreciated what I brought to the town. I sold my business very early on, but vowed I would soon live here and try like hell to make that different for other business owners. I am now very familiar with all of them. I have listened to them. I see what this city can be. I want to maintain the quaint beauty and effervescent history of this great town. I want to help create an open and welcome environment for small business owners all while giving tourists a reason to venture here. I want to encourage families to come here and create memories, and always hold love in their hearts for this sweet town.

I never want anyone to spend their life savings to follow their dream only to be treated like an outsider.

I have some great ideas and I am so excited to offer not only my business expertise but my real estate knowledge to help this city grow....in the right ways.

Thank you for your consideration.

Kristin Gyldenega





City of Montgomery Texas Volunteer Application

Date: Aug 15, 2023

Name of Board/Commission/Committee: Montgomery Economic Development Corporation

Name: Cliff Mangano

Home Address: 25280 Moore Lane, Montgomery, Texas, 77356

Mailing Address: _____

Phone Number: 281 615 7010 Email: cliff.mangano@gmail.com

Occupation: Economist/Business consultant

Education: See attachment

Related Experience/Community Service: _____

See attachment. Over my carrer I have volunteered with the Special Olympics, BSA,

Chamber of Commerce/Saudi Arabia, International Fiscal Association, Tax Executive Inst.

Areas of Interests Related to this Committee: _____

Board Member

List Membership on any other Governmental Board/Commission/Committee: _____

n.a.

Please provide a brief narrative outlining your reasons for seeking appointment to this Board/Commission.

As a homeowner in the area in 2015 and as an economist, I have been observing Montgomery's growth with interest. Montgomery is a beautiful community with a unique place in Texas history. It is also surrounded by communities which are actively pursuing economic development opportunities as it accommodates the area's population growth. The reason I would like to be appointed to the MEDC Board is to bring my experience and understanding of economic development to the community so it can increase its taxbase while maintaining Montgomery's charm and history that makes the community a special place for its residents and visitors.

Signature

August 15, 2023
Date

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CLIFFORD A. MANGANO, PhD
25280 Moore Ln, Montgomery, TX 77356
(281) 615-7010
cliff.mangano@gmail.com

BRIEF QUALIFICATIONS STATEMENT FOR COOPERATIVE DIRECTOR POSITION

Cliff Mangano is a business executive and business economist with a 40+ year career in economic analysis, tax consultant and strategic planner. He has worked as an economist and pricing expert for private firms, government, and as a consultant at two Big-4 global accounting firms and in his own consulting firm. He performs economic, market and pricing analysis for some of the world's largest global firms. cliff started his career as economic development economist for City of St. Petersburg, Tampa Bay Regional Area Council, and the Navajo Nation before earning his PhD in Economics. Known as a self-starter who achieves long-term solutions by integrating operating, financial and value-chain drivers to integrate financial and operating goals to achieve a common value proposition. As the global subject matter expert for the energy industry and transfer pricing practice lead at two accounting firms, Cliff ran a multi-million-dollar practice specializing in internal pricing, valuation, and economic analysis. Most recently he is assisting startup companies to meet their long-term growth plans.

Dr. Mangano's practical knowledge is augmented by working as an Adjunct Professor bringing practical business experiences and knowledge to students. He has taught at various universities including the University of Houston and Southern Methodist University (SMU)m, where he teaches tax, energy economics, and public finance classes.

Over his career he served on several Board of Directors including the Dallas Treasury Credit Union (now Liberty One Credit Union), Tax Executive Institute (TEI) Houston Chapter and as vice-chair of TEI Institute's IRS Administrative Affairs Committee, and as Vice-President of Chapter for the U.S. Association for Energy Economists. He is frequently asked by industry and government groups to participate and chair tax and energy seminars including TEI and the proposed legislation. Cliff currently leads the TEI team at the IRS-TEI transfer pricing controversy task force of corporate and government professionals.

EDUCATION

- Ph. D., Economics, College of Engineering, The University of Arizona, Tucson, AZ
- Master of Arts, Business Economics, University of South Florida, Tampa, FL
- Bachelor of Arts, Business Administration, University of South Florida, Tampa, FL



City of Montgomery Application for Consideration of Appointment

Date of Application: _____

Name of Board/Commission/Committee: MEDC

Name: Juanita G. Simmons Voter Registration No. 1119285475

Home Address: 21910 Twin Creeks RD, Montgomery, TX 77316

Mailing Address: _____

Phone Number: 713-823-6869 Email: juanita@truthlp.com

Occupation: Retired - Oil & Gas Executive

Education: BS degree - Energy Resource Management and BS degree - Geology

Related Experience/Community Service: I have 40 years experience building an oil & gas marketing business from a small local company to a publicly-traded multi-state business. To succeed at this I had to develop and create trusted business relationships with a diverse group of customers. I also served on the Board of Directors of Adams Resources & Energy Inc, SBGSA, Houston Power Association, YO Landowners Association, Compassion International and The Impact Foundation.

Also my experience in accounting and legal/contractual matters would also be important assets. My resume' is attached.

Areas of Interests Related to this Committee: I am interested in the future growth of the City of Montgomery and the citizens and business therein. This city should reflect a vibrant and thriving economy.

List Membership on any other Governmental Board/Commission/Committee: _____
Montgomery County Precinct 19 Republican Chair

Please provide a brief narrative outlining your reasons for seeking appointment to this Board/Commission.

I believe that every citizen should be willing to get involved in helping serve our communities, county, state and country. My education, job history, business experience & relationships would be valuable in helping The Montgomery Economic Development Corporation (Type B) reach it's goals to bring into the city new businesses that would provide jobs and tax revenue.

There is a lot to learn about the State of Texas rules for Economic Development Corporations but I am willing and able to investigate, research and learn everything I can about them and how they can help this city.

JG Simmons
Signature

Date

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JUANITA G. SIMMONS

21910 Twin Creeks Rd | 713.823.6869 | juanita@truthlp.com

Education

BACHELOR OF SCIENCE – ENERGY RESOURCE MANAGEMENT | 1985 | LAMAR UNIVERSITY
BACHELOR OF SCIENCE – GEOLOGY | 1985 | LAMAR UNIVERSITY

Experience

FOUNDER & SENIOR PARTNER-RETIRED | CONROE | TRUTH RESOURCES LP | NOV 2004 – JAN 2021

- Co-founder of crude oil marketing company
- Responsible for business development and growth.
- Generation of new customers and markets, including Exxon, BP, Chevron, Shell and Valero.
- Secured and maintained exclusive contract with Lyondell Refinery for Lube Plant supply.
- Secured exclusive contract with Cross Refining for Lube Plant supply.
- Grew company to 14,000 barrels of crude oil per day with annual sales revenue of \$177,000,000.

EXECUTIVE VICE PRESIDENT | GULFMARK ENERGY INC. | HOUSTON | JULY 1995 – NOV 2004

- Subsidiary of Adams Resources & Energy (AE)
- Expanded company geographically from Texas Gulf Coast to seven states.
- Grew operations from four trucks to over two hundred trucks.
- Developed system to control and verify economics.
- Negotiated and secured growth through acquisitions.

PRESIDENT | ADA CRUDE OIL COMPANY | HOUSTON | SEPT 1991 – JULY 1995

- Subsidiary of Adams Resources & Energy (AE)
- Marketing Manager (1991)
- Crude Oil Buyer (1988)
- Accountant (1985)

MARKETING ANALYSIS | GARY OIL & GAS INC | BEAUMONT | SEPT 1980 – JULY 1985

MARKETING REPRESENTATIVE | ARMY & AIR FORCE EXCHANGE | ALASKA | SEPT 1975 – JULY 1979

Other Serving

Power in Community PAC (in organization process now)

Board of Directors – Adams Resources & Energy (AE) (Fortune 500 Public Company)-2000-2003

Business Women in Petroleum (Chairman) 1995 - 2002

Board of Directors - YO Landowners Association (Treasurer) 2005 – 2018

Board of Directors - Houston Power (Vice President) 2000 – 2005

Impact Foundation (Vice President) 1998 - 2005



City of Montgomery Texas Volunteer Application

Date: 08/27/2023

Name of Board/Commission/Committee: Planning & Zoning Commission

Name: Daniel Gazda

Home Address: 167 Harley Drive, Montgomery, TX, 77356

Mailing Address: 167 Harley Drive, Montgomery, TX, 77356

Phone Number: 832-778-9212 Email: daniel.jg.gazda@gmail.com

Occupation: Construction Project Manager

Education: Texas A&M - BS in Construction Science w/ a Minor in Urban Planning

Related Experience/Community Service:

1.5 years serving on the P&Z commission; 7 years in the construction industry; volunteer experience with College Station's Historical Marker Program and Project HOLD

Areas of Interests Related to this Committee: I want to see improvements to our downtown area that respect the history of Montgomery.

List Membership on any other Governmental Board/Commission/Committee: N/A

Please provide a brief narrative outlining your reasons for seeking appointment to this Board/Commission. I am not originally from Montgomery, but have fallen in love with the town since I moved my family here. I have appreciated the opportunity to play a small part in shaping Montgomery's future. I hope to be able to continue to do so for another two years.

[Handwritten Signature]
Signature

08.27.2023
Date

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City of Montgomery Texas Volunteer Application

Date: 9/13/2023

Name of Board/Commission/Committee: Transportation Advisory Committee

Name: Shawn Davis

Home Address: 15329 Liberty St. Montgomery, TX 77356

Mailing Address: same as home address

Phone Number: 832-545-4507 Email: shawntaviya@yahoo.com

Occupation: Assistant Director of Transportation, City of Conroe

Education: Masters Public Administration

Related Experience/Community Service: _____

Played a key role planning and implementing the City's public transit program
over the past 10 years.

Areas of Interests Related to this Committee: _____

Leveraging local funding for mobility initiatives related to area connectivity.

List Membership on any other Governmental Board/Commission/Committee: _____

Several Houston Galveston Area Council (HGAC) Committees; The Conroe/Woodlands Urbanized Mobility Committee

Please provide a brief narrative outlining your reasons for seeking appointment to this Board/Commission.

I have an interest in transportation/mobility projects.

Recently moved to Montgomery and was looking to be involved in local governance.

Hoping my experience and familiarity with the industry could be beneficial for Montgomery.

Signature

Date

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July 26, 2003

Councilman Stan Donaldson

Sdonaldson@ci.montgomery.tx.us

Councilman Donaldson,

Not sure if you remember me, but we met when you and your wife were campaigning by going door-to-door in our neighborhood. I live on Minero Lane. We discussed my background and some of the issues I saw within our city.

I saw today where the City of Montgomery is creating a transportation advisory committee. This is something I am very interested in being involved in. I feel I would be an asset to the community by bringing my extensive experience in construction and city government to the committee.

My construction experience involved numerous large commercial and residential projects. Integrating projects with existing streets and infrastructure.

I was involved in the incorporation effort to make Eastvale, California a city. Once Eastvale became a city, I served as Chairman of the Planning Committee and later City Council member and Mayor Pro Tem. In these capacities I served on the following committees: Interstate Exchange (involved various cities and municipal components to plan an overpass over Interstate 15), Finance Committee (served as Chairman), Parks & Recreation (served on the board with Jurupa Community Service District), Vector Control (multi city group), and various other groups.

During my time on the city council I participated in negotiations with Amazon for a distribution facility of over one million square feet. This project had extensive involvement with public works and local neighbors. I also worked closely on a regular basis with our Police Department and Fire Department concerning traffic congestion mitigation and other community issues.

Thank you in advance for your consideration of me as a member of the transportation advisory committee. I would be happy to discuss with you in detail my experience and knowledge for this position. Feel free to reach out to me at your convenience.

Sincerely,

William (Bill) Link

949-500-8412

12blink4@gmail.com

BYLAWS
OF
MONTGOMERY ECONOMIC DEVELOPMENT CORPORATION

These Bylaws govern the affairs of MONTGOMERY ECONOMIC DEVELOPMENT CORPORATION (the "Corporation"), a nonprofit corporation organized under Article 5190.6 V.T.C.S., the Development Corporation Act of 1979 (the "Act") and governed by Sec. 4B of the Act.

ARTICLE I

PURPOSES

General Purposes

1.01 The Corporation acts on behalf of the City of Montgomery, Texas in furtherance of the public purposes of the Act and may engage in any project authorized under Sec. 2(10) or Sec. 4B of the Act.

Powers

1.02 The Corporation has all the powers, both express and implied, granted to corporations governed by Sec. 4B of the Act.

ARTICLE II

OFFICES

Principal Office

2.01 The principal office of the corporation in the State of Texas is located at 101 Old Plantersville Road, Montgomery, Texas. The Board of Directors may provide for additional offices or change the location of any office.

Registered Office and Agent

2.02 The Corporation shall comply with the requirements of the Act and maintain a registered office and registered agent in Texas. The registered office may, but need not, be identical with the Corporation's principal office in Texas. The Board of Directors may change the registered office and the registered agent as provided in the Act.

ARTICLE III

BOARD OF DIRECTORS

Management of the Corporation

3.1 The affairs of the Corporation shall be managed by the Board of Directors.

Number, Qualifications and Tenure of Directors

3.2 The Board of Directors shall consist of seven members appointed by the City Council of the City of Montgomery, Texas, for staggered two year terms of office. At least three (3) directors shall be persons who are not employees, officers or members of the governing body of the City of Montgomery, Texas. Two (2) directors shall be members of the governing body of the City. The terms of four (4) directors shall begin on January 1 of each odd numbered year and expire on December 31 of the next following year. The terms of three (3) directors shall begin on January 1 of each even numbered year and expire on December 31 of the next following year. All directors of the Corporation shall be residents of the County of Montgomery with the majority being residents of the City of Montgomery.

Vacancies

3.3 A vacancy occurring upon the Board of Directors shall be filled for the unexpired term, as appointed by the City Council.

Annual Meeting

3.4 The annual meeting of the Board of Directors shall be held during January of each fiscal year. The Board of Directors shall designate the time and location of the annual meeting which shall be held in the principal offices of the corporation.

Regular Meetings

3.5 The Board of Directors may provide for regular meetings by resolution stating the time and place of such meetings. The meeting shall be held within the City of Montgomery, Texas, at the principal offices of the corporation or at such other location as the Board of Director may designate.

Special Meetings

3.6 Special meetings of the Board of Director may be called at the request of the president or any two directors. A person or persons calling the meeting shall fix the time and location of the meeting, which meeting shall be conducted within the City of Montgomery, Texas. The person or persons calling a special meeting shall notify the secretary of the Corporation of the information required to be included in the notice of the meeting. In addition to the posting of a meeting notice in accordance with these Bylaws, a copy of each such meeting notice shall be delivered to each director not less than seventy two hours before the time of the meeting. A meeting notice shall be deemed delivered to any director when deposited in the United States mail addressed to the director at his or her address as it appears on the records of

the Corporation. Such additional notice may be waived in writing by a director at any time either before or after the time of the meeting and such additional notice shall be deemed waived the attendance.

Notice of Meetings

3.7 The Board of Director shall be considered a "governmental body" within the meaning of Texas Government Code, Sec. 551.001, a notice of each meeting shall be given in accordance with the provisions of Texas Government Code, Chapter 551 (the Texas Open Meetings Act).

Quorum

3.8 Four (4) directors shall constitute a quorum for the transaction of business at any meeting of the Board of Director. The presence of a director may not be established by proxy. No business shall be conducted, nor shall any action be taken by the Board of Directors in the absence of a quorum.

Duties of Directors

3.9 Director shall exercise ordinary business judgment in managing the affairs of the Corporation. In acting in their official capacity as directors of the Corporation, director shall act in good faith and take actions they reasonably believe to be in the best interest of the Corporation and which are not unlawful and shall refrain from actions not in the best interest of the Corporation or which would be unlawful. A director shall not be liable if, in the exercise of ordinary care, the director acts in good faith relying of written financial and legal statements provided by an accountant or attorney retained by the Corporation.

Actions of Board of Directors

3.10 The Board of Directors shall try to act by consensus. However, the vote of a majority of directors present at a meeting at which a quorum is present shall be sufficient to constitute the act of the Board of Directors.

Proxy Voting Prohibited

3.11 A director may not vote by proxy.

Removal of Directors

3.12 The Board of Directors and each member thereof serves at the pleasure of the City Council of the City of Montgomery, Texas, which may remove any director at any time, either with or without good cause.

Committees of Directors

3.13 The Board of Directors may by resolution establish one or more special or standing committees of its members. Such committees shall have the powers, duties and responsibilities established by the Board. The committees shall keep regular minutes of their meetings and report the same to the Board of Directors when required.

ARTICLE IV

OFFICERS

Officer Positions

4.1 The officers of the Corporation shall be a president, a vice president, a secretary, and a treasurer. The Board of Directors may create additional officers positions, define the authorities and duties of such additional positions and appoint persons to fill such positions. No person may hold more than one such office.

Elections and Terms of Officers

4.2 The officers of the Corporation shall be elected annually by the Board of Directors at the regular annual meeting.

Removal of Officers

4.3 Any officer may be removed by the Board of Directors at any time, with or without good cause. The removal of an officer does not also result in the removal of such person as a director of the Corporation.

Vacancies

4.4 A vacancy in any office may be filled by the Board of Directors for the unexpired portion of the officer's term.

President

4.5 The president shall be the chief executive officer of the Corporation. The president shall supervise and control all of the business and affairs of the Corporation. The president shall preside at all meetings of Board of Directors. When the execution of any contract or instrument shall have been authorized by the Board of Directors, the president shall execute same except where such power is expressly delegated to another officer of the Corporation. The president shall perform other duties prescribed by the Board of Directors and all duties incident to the office of president.

Vice president

4.6 When the president is absent, is unable to act, or refuses to act, the vice president shall perform the duties of the president. When acting in place of the president, the vice president shall have all the powers and duties as the president and be subject to all of the limitations and restrictions placed upon the president.

Secretary

4.7 The Secretary shall:

- a) Give all notices as provided in the bylaws or as required by law.
- b) Take minutes of the meeting of the board of Directors and keep the minutes as part of the corporate records.
- c) Maintain custody of the corporate records, authenticate corporate documents and affix the seal of the Corporation as required.
- d) Keep a register of the mailing address of each director and officer of the Corporation.
- e) Perform duties as assigned by the president or Board of Directors.
- f) Perform all duties incident to the office of secretary.

The Board of Directors may, at their discretion, assign to a member of the City of Montgomery staff the duties of assistant to the Secretary.

Treasurer

4.8 The Treasurer shall:

- a) Have charge and custody of and be responsible for all funds and securities of the Corporation.
- b) Receive and give receipts for moneys due and payable to the Corporation from any source.
- c) Deposit all moneys in the name of the Corporation in banks, trust companies, or other depositories as provided by these bylaws.
- d) Write checks and disburse funds to discharge obligations of the Corporation.
- e) Maintain the financial books and records of the corporation.
- f) Prepare financial reports at least annually.
- g) Perform other duties as assigned by the Board of Directors.
- h) Perform all duties incident to the office of treasurer.

The Board of Directors may, at their discretion, assign to a member of the City of Montgomery staff the duties of assistant to the Treasurer.

ARTICLE V

TRANSACTIONS OF THE CORPORATION

Contracts

5.1 The Board of Directors may authorize any officer or agents of the Corporation to enter into a contract or execute and deliver any instrument in the name of or on behalf of the Corporation. This authority may be limited to a specific contract or instrument or it may extend to any number and type of possible contracts and instruments.

Depository

5.2 The Board of Directors of the corporation shall designate a depository bank. All funds of the Corporation shall be deposited with the depository bank.

Potential Conflicts of Interest

5.3 The members of the Board of Directors are local public officials within the meaning of Texas Government Code Chapter 171. If a director has a substantial interest in a business entity or real property which is the subject of deliberation by the Board of Directors, the director shall file an affidavit with the secretary of the corporation stating the nature and extent of the interest. Such affidavit shall be filed prior to any vote or decision upon the matter by the Board of Directors, and the interested director shall abstain from any vote or decision upon the matter.

ARTICLE VI

BOOKS AND RECORDS

Required Books and Records

6.1 The Corporation shall keep correct and complete books and records of account. The Corporation's books and records shall include:

- a) A file endorsed copy of all documents filed with the Texas Secretary of State relating to the Corporation, including, but not limited to, the articles of incorporation, any articles of amendment, restated articles, articles of merger, articles of consolidation, and statement of change of registered office or agent.
- b) A copy of the bylaws, and any amended versions or amendments to the bylaws.
- c) Minutes of the proceedings of the Board of Directors.
- d) A list of names and addresses of the directors and officers of the Corporation.
- e) A financial statement showing the assets, liabilities, and net worth of the Corporation at the end of the three most recent fiscal years.
- f) A financial statement showing the income and expenses of the Corporation for the three most recent fiscal years.
- g) All rulings, letters, and other documents relating to the Corporation's federal, state and local tax status.
- h) The Corporation's federal, state and local information or income tax returns for each of the Corporation's three most recent tax years.

Records Open to Public

6.2 The Corporation shall be considered a "governmental body" within the meaning of Texas Government Code, Sec. 552.003 and all records of the corporation shall be made available to the public for inspection or reproduction in accordance with the requirements of Texas Government Code, Chapter 552 (The Texas Open Records Act.)

Audits

6.3 The City Council of the City of Montgomery, Texas may at any time require an independent audit of the Corporation's books to be conducted.

ARTICLE VII

FISCAL YEAR

The fiscal year of the corporation shall begin on the first day of October and end on the last day of September.

ARTICLE VIII
AMENDMENTS TO BYLAWS

The bylaws may be altered, amended or repealed by the Board of Directors with the consent of the City Council of the City of Montgomery, Texas.

ARTICLE IX

MISCELLANEOUS PROVISIONS

Legal Authorities Governing Construction of Bylaws

9.1 The Bylaws shall be construed in accordance with the laws of the State of Texas. All references in the bylaws to statutes, regulations, or other sources of legal authority shall refer to the authorities cited, or their successors, as they may be amended from time to time. It is expressly provided that the provision of the Development Corporation Act of 1979 applicable to corporations governed under Sec. 4B of that Act are incorporated within these bylaws by reference. In the event of any conflict between the applicable provisions of such Act and these bylaws, then the applicable provisions of such Act shall control.

Legal Construction.

9.2 If any bylaw provision is held to be invalid, illegal or unenforceable in any respect, the invalidity, illegality or unenforceability shall not affect any other provision and the bylaws shall be construed as if the invalid, illegal or unenforceable provision had not been included in the bylaws.

Headings

9.3 The headings used in the bylaws are used for convenience and shall not be considered in construing the terms of the bylaws.

Seal

9.04 The Board of Directors may provide for a corporate seal. Such seal would consist of two concentric circles containing the words "Montgomery Economic Development Corporation" and "Texas" in one circle and the "Incorporated" together with the date of incorporation of the Corporation in the other circle.

Parties Bound

9.05 The bylaws shall be binding upon and incur to the benefit of the directors, officers and agents of the Corporation and their respective heirs, executors, administrators, legal representatives, successors and assigns except as otherwise provided in the bylaws.


Effective Date

9.06 These bylaws, and any subsequent amendments hereto, shall be effective of and from the date upon which approval has been given both by the Board of Directors and the City Council of the City of Montgomery, Texas.

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting secretary of the MONTGOMERY ECONOMIC DEVELOPMENT CORPORATION, and the foregoing Bylaws constitute the Bylaws of the Corporation. These Bylaws were duly amended and adopted at a meeting of the Board of Directors held on the 15th day of November 2021

Signed this 17th day of March 2022


Secretary of the Corporation

Montgomery Transportation Advisory Committee

ARTICLE I: NAME

The name of this body shall be the **Montgomery Transportation Advisory Committee** (herein called the “committee”).

ARTICLE II: PURPOSE

The committee is established with the primary mission of advising on all issues and/or projects related to mobility (traffic/pedestrian/mass) within the City of Montgomery. Issues/Tasks will be studied by the committee upon request of the City Council or City Administrator. The committee shall utilize their expertise, current best-practices in multi-modal transportation planning, and data to provide an analysis and recommendations back to the City Council and/or City Administrator.

ARTICLE III: COMMITTEE

Section I. Number, Qualifications, Term

The committee shall consist of five (5) members. One appointee should be a City Councilmember, one appointee should be the Police Chief or his/her designee, with the remaining appointees having an interest in the City of Montgomery (resident/business owner/outside agency partner/etc.) and a background that benefits the committee work (engineer, planner, developer). Members shall serve two-year terms and may be reappointed for additional terms. Members may hold committee membership until a successor is appointed. The City Administrator or his/her designee shall serve as an ex officio non-voting member of this committee and be responsible for providing support to the committee as resources allow.

Section II. Appointment to the Committee

When a committee seat is vacant, any City Councilmember may nominate a candidate for committee appointment. Nominees shall require a majority vote of the City Council to be appointed to the committee.

Section III. Committee Responsibilities:

- a. Act in a positive and civil manner at all times that reflects positively upon the City.
- b. Research and utilize best practices in local government transportation planning.
- c. Provide input on the transportation projects proposed in the annual Capital Improvement Plan (CIP).
- d. Provide recommendations on appointments to the committee.

Section IV. Attendance at Meetings

Members are expected to attend all scheduled meetings. Members may be removed from the committee for poor attendance by majority vote of the committee.

Section V. Disclosure of Interests

A committee member who has any interest in any matter before the committee shall disclose said interest to the committee.

Section VI. Removal

Committee members may be removed by majority vote of the City Council at any time with or without reason.

ARTICLE IV: OFFICERS

Section I. Officers

The officers of the committee shall be a chairman, vice-chairman, and secretary.

Section II. Chairman

The Chairman may prepare agendas in collaboration with the City Administrator or his/her designee, preside at all meetings of the committee, call special meetings of the committee as needed, have the authority to cancel meetings of the committee, act as spokesperson for the committee, and appoint a sub-committee of the committee as needed.

Section III. Vice Chairman

In the absence of the Chairman, the Vice Chairman shall perform the duties of the Chairman.

Section IV. Secretary

The Secretary shall record and maintain accurate records and minutes of the proceedings of the committee.

Section V. Nomination and Election of Officers

Any member may nominate any other member of the committee to serve as an officer of the committee. Councilmembers appointed to the committee are not eligible. Officers of the committee shall be elected by majority vote of the committee.

Section VI. Terms of Officers

Officers of the committee shall serve a term of one (1) year commencing on June 1.

Section VII. Vacancies

A vacancy in office because of resignation, removal, or otherwise may be filled by majority vote of the committee for the unexpired portion of the term.

ARTICLE V: MEETINGS

Section I. Regular Meetings

The committee shall meet at least quarterly or as needed with the location, time and date to be determined by the committee. The committee shall determine and publish the upcoming year’s meeting schedule on or around June 1.

Section II. Quorum

A quorum shall consist of a majority of the voting members present upon calling of the roll at any meeting.

Section III. Length of Meetings

Committee meetings should not be more than two (2) consecutive hours in duration.

Section IV. Procedures

All meetings shall be held in accordance with the Texas Open Meetings Act.

ARTICLE VI: AMENDMENTS

This Charter may be amended at any time by the City Council.

- CODE OF ORDINANCES
Chapter 98 - ZONING
ARTICLE II. - ADMINISTRATION AND ENFORCEMENT
DIVISION 2. PLANNING AND ZONING COMMISSION

DIVISION 2. PLANNING AND ZONING COMMISSION¹

Sec. 98-49. Creation and purpose.

A planning and zoning commission is hereby created in order to accomplish the following purposes:

- (1) To identify community needs and to advise the city council of their short-range and long-range implications for the total development of the city;
- (2) To recommend achievable community goals as a basis for long-range planning and development programs;
- (3) To recommend plans, programs, and policies that will aid the entire community in achieving its defined goals;
- (4) To interpret the adopted plans and programs to concerned citizens so that private activities and desires may be accomplished in harmony with public needs and policies; and
- (5) To comply with the provisions of chapter 78 and this chapter concerning enforcement and application of the provisions of said chapters.

(Ord. No. 2014-03 , § 1, 5-20-2014)

Sec. 98-50. Membership and appointment.

The planning and zoning commission shall be composed of five qualified individuals. These individuals shall be residents of the city, and be registered to vote in city elections. The city council will consider for appointment to the commission only those persons who have demonstrated their civic interest, general knowledge of the community, independent judgment, interest in planning and zoning, and availability to prepare for and attend meetings. It is the intent of the city council that members shall, by reason of their diversity, constitute a commission, which is broadly representative of the community. For purposes of planning, the membership is encouraged to regularly include non-voting individuals, as may be appropriate, at their meetings to provide specific areas of expertise. Any member of the commission who has two consecutive absences without justification may be removed from the commission by the city council and the vacancy treated as an unexpired term. Any member of the commission may be removed for just cause upon recommendation from the chairperson of the commission and approval of the city council and the vacancy treated as an unexpired term.

(Ord. No. 2014-03 , § 1, 5-20-2014; Ord. No. 2020-12 , § 1, 10-13-2020)

Sec. 98-51. Terms of office.

The terms of three of the members shall expire on October 1 of each odd-numbered year and the terms of two members shall expire on October 1 of each even-numbered year. The members of the commission shall be identified by place numbers one through five. The odd-numbered places shall expire in the odd-numbered years;

¹State law reference(s)—Zoning commission, V.T.C.A., Local Government Code § 211.007 .

and the even-numbered places shall expire in the even-numbered years. Commission members may be appointed to succeed themselves. Vacancies shall be filled for unexpired terms, but no member shall be appointed for a term in excess of two years. Newly-appointed members shall be installed at the first regular commission meeting after their appointment.

(Ord. No. 2014-03 , § 1, 5-20-2014)

Sec. 98-52. Organization.

The commission shall, in each October, elect a chairperson and vice-chairperson from among its members before proceeding to any other matters of business. The commission shall elect a secretary and such other officers, as it deems necessary, either from its membership or from staff representatives assigned by the mayor of the city to work with the commission. The commission shall meet regularly and shall designate the time and place of its meetings. The commission shall conduct meetings, adopt its own rules of procedure and keep a record of its proceedings consistent with the provisions of this article and the requirements of law.

(Ord. No. 2014-03 , § 1, 5-20-2014)

Sec. 98-53. Duties and powers.

The planning and zoning commission is hereby charged with the duty and invested with the authority to:

- (1) Inspect property and premises at reasonable hours where required in the discharge of its responsibilities under state and city laws.
- (2) Formulate and recommend to the city council for its adoption a comprehensive plan for the orderly growth and development of the city and its environs, and from time to time recommend such changes in the plan as it finds will facilitate the movement of people and goods, and the health, recreation, safety, and general welfare of the citizens of the city.
- (3) Make recommendations to the city council relating to the creation, amendment, and implementation of zoning regulations and districts as provided in Vernon's Texas Code Annotated, as amended, authorizing cities to pass regulations. All powers granted under said statutes are specifically adopted and made a part hereof.
- (4) Exercise all powers of a commission as to approval or disapproval of plans, plats, or re-plats and vacations of plans, plats or re-plats as set out in Vernon's Texas Code Annotated and/or chapter 78.
- (5) Study and recommend on the location, extension and planning of public rights-of-way, parks or other public places, and on the vacating or closing of same.
- (6) Study and make recommendations concerning the capital improvements program, including the construction of public buildings, bridges, viaducts, street fixtures and other structures and appurtenances. Study and recommend on the design or alteration and on the location or relocation of works of art, which are, or may become, the property of the city.
- (7) Initiate, in the name of the city, for consideration at public hearings, all proposals:
 - a. For the opening, vacating or closing of public rights-of-way, parks or other public places;
 - b. For the original zoning of annexed areas; and
 - c. For the change of zoning district boundaries on an area-wide basis. No fee shall be required for the filing of any such proposal in the name of the city.

- (8) Formulate and recommend to the city council for its adoption policies and regulations consistent with the adopted comprehensive plan governing the location and/or operation of utilities, public facilities and services owned or under the control of the city.
- (9) Review and make recommendations concerning the annexation of land into the city.
- (10) Keep itself informed with references to the progress of city planning in the United States and other countries, and recommend improvements in the adopted plans of the city.
- (11) Submit each month a progress report to the city council summarizing its activities, major accomplishments, and a proposed work program. The report shall also contain the attendance record of all members and the identity of commission officers.
- (12) Develop a working knowledge of applicable regulations governing the execution of the duties of the commission, and perform these duties in a fair, honest and consistent manner.
- (13) Administer and enforce this chapter.

(Ord. No. 2014-03 , § 1, 5-20-2014)

Sec. 98-54. Meeting and quorum.

- (a) A quorum shall be a majority of the members of the commission.
- (b) A motion may be made by any member other than the presiding officer.
- (c) A motion to approve any matter before the commission or to recommend approval of any request requiring city council action shall require a majority of favorable votes of the members present, provided a quorum is present.

(Ord. No. 2014-03 , § 1, 5-20-2014)

Sec. 98-55. Disqualification from voting.

- (a) A member shall disqualify himself from voting whenever he finds that he has a personal or monetary interest in the property under appeal, or that he will be directly affected by the decision of the commission.
- (b) A member may disqualify himself from voting whenever any applicant, or his agent, has sought to influence the vote of the member on his application, other than in the public hearing.

(Ord. No. 2014-03 , § 1, 5-20-2014)

Secs. 98-56—98-83. Reserved.



Resolution Amending Authorized Representatives

Please complete this form to amend or designate Authorized Representatives. *This document supersedes all prior Authorized Representative forms.*

*** Required Fields**

1. Resolution

WHEREAS,

City of Montgomery

Location Number*

Participant Name*

("Participant") is a local government of the State of Texas and is empowered to delegate to a public funds investment pool the authority to invest funds and to act as custodian of investments purchased with local investment funds; and

WHEREAS, it is in the best interest of the Participant to invest local funds in investments that provide for the preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act; and

WHEREAS, the Texas Local Government Investment Pool ("TexPool / Texpool Prime"), a public funds investment pool, were created on behalf of entities whose investment objective in order of priority are preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act.

NOW THEREFORE, be it resolved as follows:

- A. That the individuals, whose signatures appear in this Resolution, are Authorized Representatives of the Participant and are each hereby authorized to transmit funds for investment in TexPool / TexPool Prime and are each further authorized to withdraw funds from time to time, to issue letters of instruction, and to take all other actions deemed necessary or appropriate for the investment of local funds.
- B. That an Authorized Representative of the Participant may be deleted by a written instrument signed by two remaining Authorized Representatives provided that the deleted Authorized Representative (1) is assigned job duties that no longer require access to the Participant's TexPool / TexPool Prime account or (2) is no longer employed by the Participant; and
- C. That the Participant may by Amending Resolution signed by the Participant add an Authorized Representative provided the additional Authorized Representative is an officer, employee, or agent of the Participant;

List the Authorized Representative(s) of the Participant. Any new individuals will be issued personal identification numbers to transact business with TexPool Participant Services.

1. Byron Sanford Mayor
 Name Title
9 3 6 5 9 7 6 4 3 4 9 3 6 5 9 7 6 4 3 7 bsanford@ci.montgomery.tx.us
 Phone Fax Email

 Signature

2. Gary Palmer City Administrator
 Name Title
9 3 6 5 9 7 6 4 3 4 9 3 6 5 9 7 6 4 3 7 gpalmer@ci.montgomery.tx.us
 Phone Fax Email

 Signature

3. Maryann Carl Finance Director
 Name Title
9 3 6 5 9 7 6 4 3 4 9 3 6 5 9 7 6 4 3 7 mcarl@ci.montgomer.tx.us
 Phone Fax Email

 Signature

1. Resolution (continued)

4.
 Name Title

Phone Fax Email

Signature

List the name of the Authorized Representative listed above that will have primary responsibility for performing transactions and receiving confirmations and monthly statements under the Participation Agreement.

Maryann Carl
Name

In addition and at the option of the Participant, one additional Authorized Representative can be designated to perform only inquiry of selected information. *This limited representative cannot perform transactions.* If the Participant desires to designate a representative with inquiry rights only, complete the following information.

Name Title

Phone Fax Email

D. That this Resolution and its authorization shall continue in full force and effect until amended or revoked by the Participant, and until TexPool Participant Services receives a copy of any such amendment or revocation. This Resolution is hereby introduced and adopted by the Participant at its regular/special meeting held on the 26 day of September, 2023.

Note: Document is to be signed by your Board President, Mayor or County Judge and attested by your Board Secretary, City Secretary or County Clerk.

City of Montgomery
Name of Participant*

SIGNED

Signature*

Byron Sanford
Printed Name*

Mayor
Title*

ATTEST

Signature*

Nicola Browe, TRMC
Printed Name*

City Secretary & Director of Administrative Services
Title*

2. Delivery Instructions

Please return this document to **TexPool Participant Services:**
Email: texpool@dtsystems.com
Fax: 866-839-3291

Montgomery City Council
AGENDA REPORT

Meeting Date: September 26, 2023	Available Funds: N/A
Department: Admin	Prepared By: Dave McCorquodale

Subject

Consideration and possible action on calling a Public Hearing to be held on October 10, 2023 at 6:00 PM related to a request to locate a HUD-code manufactured home at 14692 North Liberty Street, Montgomery, Texas.

Recommendation

Staff recommends calling a Public Hearing for October 10, 2023 at 6:00 pm to allow interested persons the right to be heard concerning a request to locate a HUD-code manufactured home at 14692 North Liberty Street, Montgomery, Texas.

Discussion

Issue:

The city has received a request from a resident to place a HUD-code manufactured home at 14692 North Liberty Street to replace the existing home that will be demolished prior to delivery of the new home.

Regulations:

The city allows HUD-code manufactured homes within approved parks without special approval. The only approved park in the city is Cedar Crest Mobile Home Park on Old Plantersville Road. Section 54-25 of the City Code of Ordinances requires any HUD-code manufactured homes proposed to be located outside of an approved park to receive permission from City Council and meet certain conditions.

Analysis:

This action is not to deliberate or take action on the request, but only to call the Public Hearing. The applicant has submitted the request in writing, which is the only step needed for City Council to call the Public Hearing. Unlike rezoning Public Hearings that require 16 days between legal notice publication and the date of the Public Hearing, TLGC Chapter 2051.050 requires notice to be published at least one day before the Public Hearing. Staff will place the order for the legal notice publication in The Courier of Montgomery County this week with a target publication date of Wednesday October 4, 2023.

Conclusion:

City regulations allow residents due process for consideration of this type of request. Staff recommends calling the Public Hearing as presented.

Approved By

Assistant City Administrator & Planning & Development Director	Dave McCorquodale	Date: 09/20/2023
City Administrator	Gary Palmer	Date: 09/20/2023

September 17, 2023

To the Mayor, Council and Administrative City of Montgomery;

936-276-7436

I Scherhanda Hughes is asking to place a manufacturing home on my land at 14692 North Liberty St.

The current home isn't livable and I can only afford a manufacturing home the current home will be torn down, and place the new manufacturing home in the places of the current home.

The current was built in 1985 with help of Mayor Donald Duncan and has work on out the years, and it's time to replace a new home.

I really appreciate your help on making this transition for my family and I

Sincerely yours

Scherhanda Hughes

Montgomery City Council
AGENDA REPORT

Meeting Date: September 26, 2023	Budgeted Amount: N/A
Department: Administration	Prepared By: G. Palmer

Subject

Authorize the Sale of City-Owned Real Property Known as 213 Prairie Street in Downtown Montgomery

Recommendation

Motion to Authorize the City Administrator to Sell 213 Prairie Street Through Published Public Bid

Discussion

The City purchased the real property known as 213 Prairie Street in Spring 2022 for the purpose of converting the building/property to house our Police Department and Court Services. We have since found the property to not be feasible for this conversion. The City has no other use for the property and needs the capital funds for other projects. Therefore, as we have previously discussed, the City should sell this property.

The City Council must authorize the sale of the property in a public meeting, then legal notice has to be published twice in the newspaper. The property cannot be sold until 14 days after the second date of publication. The legal notice will instruct bidders on how to obtain the bid package.

We will bring the bid results back to the City Council with a recommendation after bid opening.

Approved By

		Date:
City Administrator		Date: September 21, 2023



NATIONAL APPRAISAL PARTNERS, LLP

COMMERCIAL REAL ESTATE APPRAISAL
AND CONSULTING SERVICES

HOUSTON

3203 Edloe Street
Houston, Texas 77027
713.463.8761

AUSTIN

808 B East 46th Street
Austin, Texas 78751
512.650.6598

DALLAS/FORT WORTH

1910 Pacific Avenue, Suite 13750
Dallas, Texas 75201
214.205.3622

SAN ANTONIO

7272 Wurzbach Road, Suite 1001
San Antonio, Texas 78240
210.488.1735

WACO

5006 Lakeland Circle, Suite 107
Waco, Texas 76710
254.233.9839

WWW.NAPLLP.COM

APPRAISAL OF
A SINGLE TENANT INDUSTRIAL PROPERTY
LOCATED AT
203 AND 213 PRAIRIE STREET
MONTGOMERY, MONTGOMERY COUNTY, TEXAS 77356

DATE OF VALUE
FEBRUARY 27, 2023

DATE OF REPORT
MARCH 16, 2023

DATE OF INSPECTION
FEBRUARY 27, 2023

PREPARED FOR
CITY OF MONTGOMERY, TEXAS
101 OLD PLANTERSVILLE ROAD
MONTGOMERY, TEXAS 77316

PREPARED BY
NATIONAL APPRAISAL PARTNERS, LLP

NAP LLP FILE #: 23-592



NATIONAL APPRAISAL PARTNERS, LLP

March 16, 2023

Mr. Gary Palmer, ICMA-CM, AICP
City of Montgomery, Texas
101 Old Plantersville Road
Montgomery, Texas 77316

Re: Appraisal of a single tenant industrial property located at 203 and 213 Prairie Street, Montgomery, Montgomery County, Texas 77356

Dear Mr. Palmer,

At your request we have appraised the above referenced property. The purpose of this appraisal is to provide an estimate of the market value of the fee simple interest of the above referenced property "As Is" as of the date of inspection, or February 27, 2023. **During the First Quarter of 2020, a global pandemic, COVID-19, spread to the United States of America and the State of Texas. The pandemic and the response to the pandemic by federal, state and local governments have affected the real estate market. After various closures, the Governor began reopening the Texas economy in phases during the Third Quarter of 2020. During the Fourth Quarter of 2020, the first two COVID-19 vaccines were granted emergency use authorization in the United States and all adults in Texas are currently eligible to receive a vaccine. We have attempted to reflect current market conditions in light of these recent events.**

The subject of this appraisal is a single tenant industrial property with a total of 4,858 square feet of gross building area on 29,447 square feet or 0.676 acres of land. A detailed description of the property is included in the Site and Improvements Analysis sections of this report.

The intended use of this appraisal is for potential disposition purposes by the City of Montgomery, Texas. We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.

Mr. Gary Palmer, ICMA-CM, AICP
March 16, 2023
Page ii

Our valuation was prepared in conformance with the Uniform Standards of Professional Appraisal Practice ("USPAP") of The Appraisal Foundation, and with regulations adopted by the Department of the Treasury, Office of the Comptroller of the Currency, required under Title XI of the Financial Institution Reform, Recovery, and Enforcement Act of 1989. This Appraisal Report is the written result of our findings and analysis. These opinions are to be used solely for the purposes stated above and are subject to the accompanying definition of market value and Statement of General Assumptions and Limiting Conditions.

Extraordinary Assumptions (the use of which might have affected the assignment results herein):

1. During our inspection we noticed pooled water on the floor in the warehouse area and could not determine where the water originated. We are not roofing, plumbing or engineering experts and we recommend the building be professionally inspected to determine the cause of the pooled water. We assume there are no significant roof leaks or plumbing issues for this appraisal.

Hypothetical Conditions (the use of which might have affected the assignment results herein):

1. There are no Hypothetical Conditions for this appraisal.

Based on the investigation described in this report, the market value of the fee simple interest of the subject property "As Is" as of the date of inspection, or February 27, 2023, is as follows:

ONE MILLION ONE HUNDRED THOUSAND DOLLARS
\$1,100,000

Mr. Gary Palmer, ICMA-CM, AICP
March 16, 2023
Page iii

We appreciate the opportunity to perform this service for the City of Montgomery, Texas.

Sincerely,

NATIONAL APPRAISAL PARTNERS, LLP



Thomas A. Stark, MAI, Partner
State Certified General Real Estate Appraiser
TX-1325319-G



Bryan S. Miller, MAI, CCIM, Partner
State Certified General Real Estate Appraiser
TX-1328184-G



Justin M. Bishop
State Certified General Real Estate Appraiser
TX-1380401-G

Attachments

EXECUTIVE SUMMARY

Property Identification

Property Appraised:	Single Tenant Industrial Property
Address:	203 and 213 Prairie Street Montgomery, Montgomery County, Texas 77356
Location:	W/S Prairie Street and E/S Maiden Lane, 120 feet north of Caroline Street
Date of Inspection:	February 27, 2023
Date of Value:	February 27, 2023
Interest Appraised:	Fee Simple

Property Data

Year Completed:	1994
Year Renovated:	N/A
Number of Buildings:	One
Gross Building Area (GBA):	4,858 SF
Construction Type:	Hardiplank Siding with Masonry Trim
Percentage Office:	52.9%
Percentage HVAC:	52.9%
Clear Height:	14 Feet
Land Area:	29,447 Square Feet 0.676 Acres
Land-to-Building Ratio:	6.06 to 1
Highest and Best Use	
Site As If Vacant:	Retail/commercial development
Property As Improved:	Continued use as an industrial facility

EXECUTIVE SUMMARY

Marketing/Exposure Time: 12 months or less

Income Approach Assumptions

Overall Capitalization Rate: 6.75%
Estimated Market Rent/SF: \$1.30 PSF per month triple net
Stabilized Vacancy Rate: 4.0%
Collection Loss: 1.0%

Value Indications

	<u>Aggregate</u>	<u>Per Square Foot</u>
"As Is"		
Cost Approach:	N/A	N/A
Sales Comparison Approach:	\$1,120,000	\$230.55
Income Capitalization Approach:	\$1,020,000	\$209.96
Final Value Estimate		
"As Is"	\$1,100,000	\$226.43



Aerial view of the subject property



View of the subject property looking southeast across Maiden Lane



Looking north along Maiden Lane with the subject property on the right



Looking south along Maiden Lane with the subject property on the left



Looking north along Prairie Street with the subject property on the left



Looking south along Prairie Street with the subject property on the right



Exterior view of the subject building



Interior view of the office area



Interior view of the office area



Interior view of the warehouse area



Interior view of the warehouse area



View of the pooled water (see Extraordinary Assumptions 1)

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ADDENDA

- Improved Sale Write-ups and Photographs
- Rent Comparable Write-ups and Photographs
- Industrial Expense Comparables Summary
- Qualifications
- State Certifications

SCOPE OF THE APPRAISAL

Scope of Work

The scope of this appraisal involved the systematic research and analysis necessary to reach a value conclusion for the subject. The initial step was to inspect the subject property and the surrounding area. The extent of our inspection of the subject property included a complete inspection of the interior and exterior of the building. After analyzing the macro environment, research was conducted relevant to the valuation process, including gathering comparable sales and listings, comparable rental data, expense data, real estate tax data and other pertinent information. We have completed the Sales Comparison and Income Capitalization Approaches to value for this appraisal. The Cost Approach is not an appropriate approach to value the subject property given its age and overall physical characteristics. Therefore, we have not completed the Cost Approach for this appraisal. The scope of work defined herein is adequate to derive a credible value opinion of the subject property. This Appraisal Report is the written result of our findings and analysis.

Date of the Appraisal

The date of the market value of the fee simple interest of the subject property “As Is” is the date of inspection, or February 27, 2023. The date of this report is March 16, 2023.

Purpose and Intended Use of the Appraisal

The purpose of this appraisal is to estimate the market value of the fee simple interest of the subject property “As Is”. The intended use of this appraisal is for potential disposition purposes by the City of Montgomery, Texas. This report is for the exclusive use of the City of Montgomery, Texas, its affiliates, designates and assignees and no other party shall have any right to rely on any service provided by National Appraisal Partners, LLP without prior written consent. The client for this appraisal is the City of Montgomery, Texas.

Property Rights Appraised

Fee simple interest, as used herein, is defined by *The Dictionary of Real Estate Appraisal*, Sixth Edition, as:

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.

Definition of Market Value

The current definition of market value, as defined by the Financial Institution Reform, Recovery and Enforcement Act (FIRREA), effective August 24, 1990, is as follows:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- 1.) Buyer and seller are typically motivated;*
- 2.) Both parties are well informed or well advised, and acting in what they consider their own best interests;*
- 3.) A reasonable time is allowed for exposure in the open market;*
- 4.) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
- 5.) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.*

GENERAL DATA

Property Identification

A brief legal description of the subject property is as follows:

0.676 acres, being Tracts 4-6, Area B, Montgomery Townsite 2, Montgomery County, Texas.

The subject property is located along the west side of Prairie Street and east side of Maiden Lane, 120 feet north of Caroline Street in Montgomery, Montgomery County, Texas. The subject property address is 203 and 213 Prairie Street, Montgomery, Montgomery County, Texas 77356.

Ownership History of the Property

According to the Montgomery County Appraisal District (MCAD), the current owner of record for the subject property is the City of Montgomery, Texas. The City of Montgomery, Texas acquired the subject property from CWK Real Estate Holdings, LLC in May 2022 for \$1,000,000, or \$205.85 per square foot. Based on the analysis presented herein, the prior sale price was near a market level at the time of the sale. Prior to the prior sale, the subject property was listed for sale for two months for \$1,200,000, or \$247.02 per square foot. Based on the analysis presented herein, the prior listing price was above a market level. The subject property is not currently being offered for sale nor are any sales currently pending. Based on our research, there have been no other transactions involving the subject property over the past three years.

Exposure/Marketing Period

The comparable sales used in this appraisal and our interviews with local market participants indicate that the exposure/marketing period for properties similar to the subject is typically less than one year. Therefore, we estimate an exposure/marketing period of 12 months or less for the subject property.

Area Analysis

The subject property is located within the Houston Metropolitan Statistical Area (MSA), which includes Austin, Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, San Jacinto and Waller Counties. The subject property is heavily influenced by factors affecting the City of Houston and the immediate outlying areas.

The City of Houston covers approximately 600 square miles of land. The Texas Medical Center, NASA and the energy industry are significant influences on the area. Houston is the fourth largest city in the United States and is the most populous city in the State of Texas. Houston is the county seat of Harris County.

Population

Houston MSA, State of Texas and United States population trends are presented on the table below.

Population Growth and Forecasts					
	2020	2022	Annual % Change	2027 Projection	Annual % Change
Houston MSA	7,122,240	7,421,501	2.10%	7,800,183	1.02%
Texas	29,145,505	30,157,100	1.74%	31,502,395	0.89%
United States	331,449,281	335,707,897	0.64%	339,902,796	0.25%

Source: STDB Online

The Houston MSA experienced strong population growth from 2020 to 2022. The Houston MSA population growth rate exceeded the state and nation during the period. Population growth for the Houston MSA is projected to exceed the state and national growth rates between 2022 and 2027.

Income

The following table summarizes median household income for the Houston MSA, the State of Texas and the United States.

Median Household Income			
	2022	2027 Projection	Annual % Change
Houston MSA	\$77,032	\$89,714	3.29%
Texas	\$70,834	\$81,850	3.11%
United States	\$72,414	\$84,445	3.32%

Source: STDB Online

The median household income for the Houston MSA is greater than the State of Texas and the United States. Median household income growth for the Houston MSA is projected to exceed the State of Texas and trail the United States through 2027.

Employment

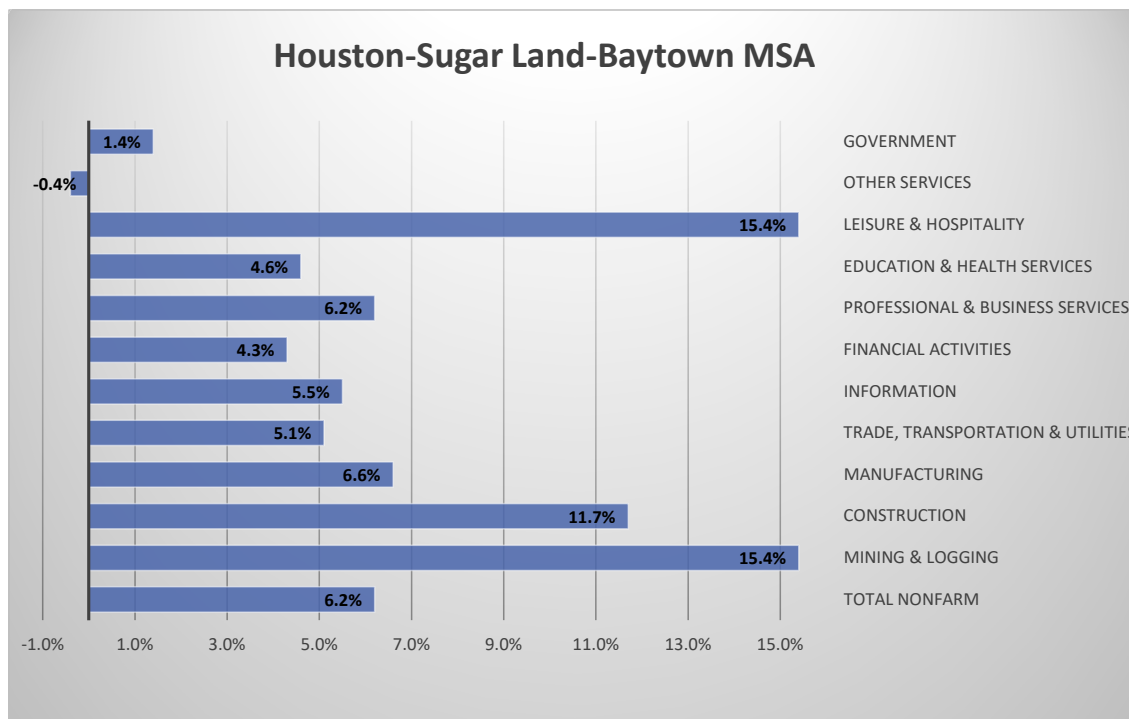
The following table summarizes historic employment levels for the Houston MSA and the State of Texas.

Employment				
	Houston MSA		Texas	
Year	Total	% Change	Total	% Change
2017	3,142,202		12,888,025	
2018	3,202,853	1.9%	13,149,672	2.0%
2019	3,257,564	1.7%	13,381,020	1.8%
2020	3,091,352	-5.1%	12,808,616	-4.3%
2021	3,205,107	3.7%	13,413,036	4.7%
2022 (Oct)	3,397,276	6.0%	14,081,390	5.0%

Source: Texas A&M Real Estate Center

Over the past four full years, employment growth in the Houston MSA has averaged 0.6% per year. The average employment growth for the State of Texas was 1.1% over the same period. As of October 2022, employment growth is positive for both the State of Texas and the Houston MSA.

The following chart outlines Houston MSA employment growth rates by industry sector over the past twelve months.



Source: U.S. Bureau of Labor Statistics October 2022

The largest employment growths in the Houston MSA occurred in the mining and logging sector (15.4%), the leisure and hospitality sector (15.4%) and the construction sector (11.7%). The other services sector (-0.4%) declined over the past twelve months.

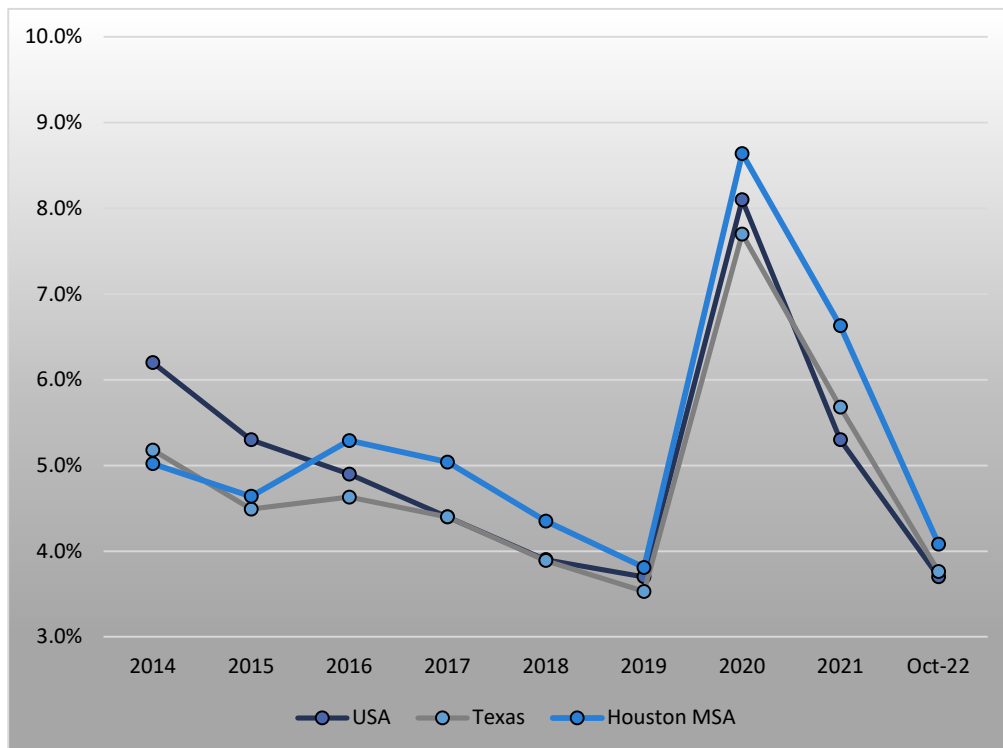
The following table lists the top five employers in the Houston MSA.

Top Five Employers	
Employer	# Local Employees
Memorial Herman Health System	35,360
Walmart	29,797
HEB	29,657
Houston Methodist	26,098
The University of Texas MD Anderson Cancer Center	21,576

Source: Houston Comprehensive Annual Report 2021

Unemployment

The following chart tracks unemployment rates for the Houston MSA, the State of Texas and the United States over the past eight years.



Source: U.S. Bureau of Labor Statistics October 2022

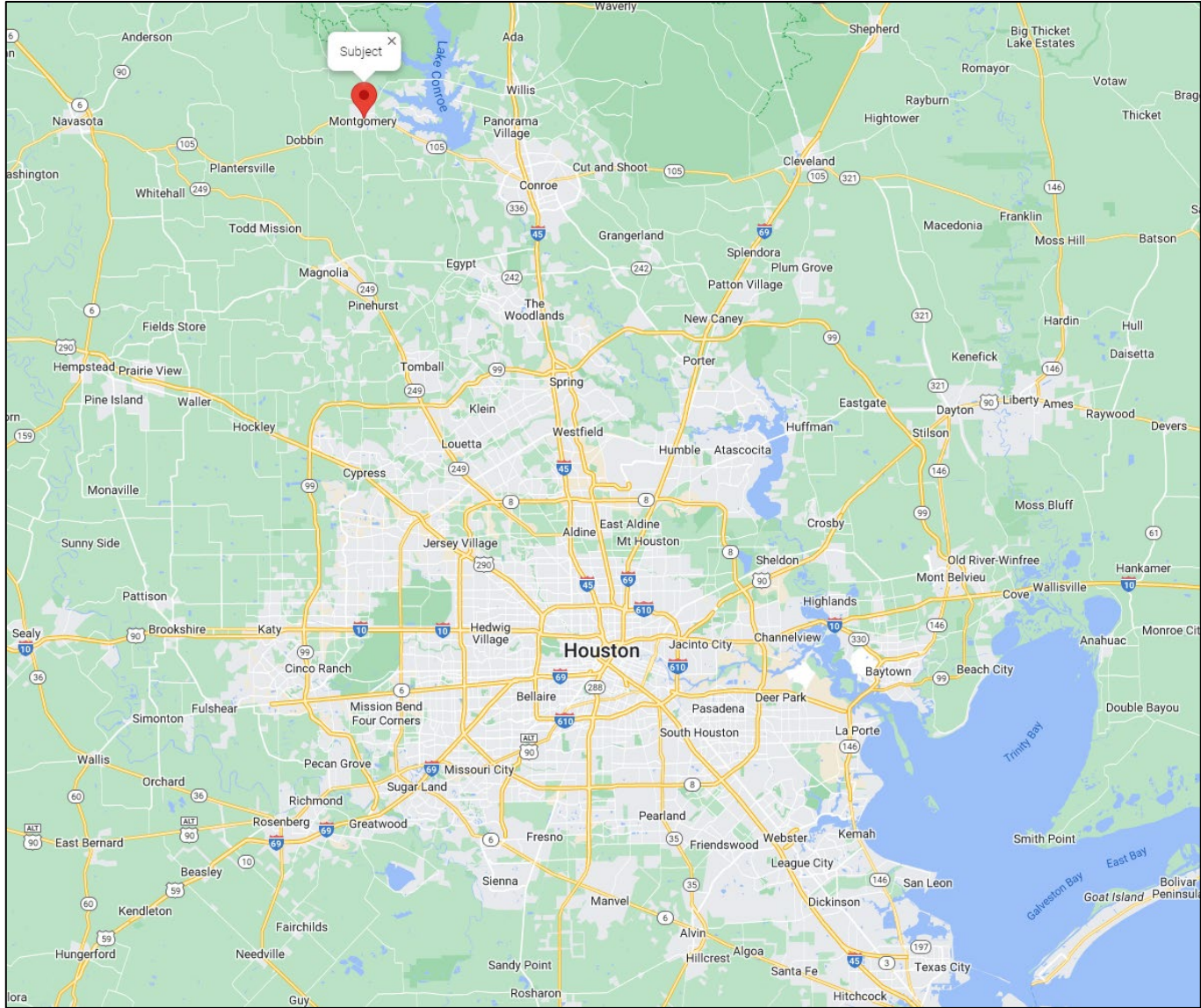
The Houston MSA unemployment rate declined between 2014 and 2015, increased in 2016, and then decreased between 2016 and 2019. The Houston MSA unemployment rate was similar to the State of Texas and below the United States between 2014 and 2015. However, Houston’s unemployment rate increased above the State of Texas and the United States in 2016 and stayed above both through October 2022. The unemployment rate significantly increased during March and April 2020 due to the halt in the economy as a result of the coronavirus, COVID-19, and the sharp decrease in petroleum production. However, unemployment rates started to decrease as of May 2020 and are expected to continue decreasing as the economy stabilizes and businesses reopen. Between January 2021 and October 2022, the unemployment rate has continued to decrease.

In late January 2020 the World Health Organization declared a public health emergency in response to the spread of a novel coronavirus (COVID-19), leading to travel restrictions and business disruptions around the globe. Locally and throughout Texas and the United States, state and local governments enacted “stay at home” orders requiring citizens to “social distance” themselves and prohibiting “non-essential” businesses from normal operations, which has had a significant impact on the overall economy for the Houston MSA, the State of Texas and the United States. In late 2020, the first two vaccines were granted emergency use authorization in the United States by the Food and Drug Administration. As of March 2021, all adults in Texas are eligible to receive a COVID-19 vaccine. As more Texas residents are vaccinated, the economy is expected to continue to reopen and stabilize.

Conclusion

Overall, the outlook for the Houston MSA is cautiously optimistic. The uncertainty surrounding the coronavirus, COVID-19, will affect the Houston MSA’s economy. Longer term, population growth, employment and household income growth levels are projected to stabilize.

Area Map



Neighborhood Analysis

Neighborhood Defined/Location

The subject property is located in Montgomery, Texas. The neighborhood is roughly bound by Lone Star Parkway to the north, Eva Street (State Highway 105) to the south, Lone Star Parkway to the east and Liberty Street to the west. The neighborhood includes portions of the City of Montgomery and portions of unincorporated Montgomery County. The neighborhood is located approximately forty seven miles northwest of the Houston Central Business District.

Predominant Development/Stage of Development

The neighborhood includes a mixture of retail/commercial, industrial and residential development. The neighborhood also includes tracts of vacant land. Retail/commercial development in the neighborhood includes hotels, retail centers, restaurants and freestanding retail buildings. Retail/commercial development is concentrated along the primary roadways in the neighborhood such as Liberty Street, C B Stewart Drive, Buffalo Springs Drive, Lone Star Parkway, Berkeley Drive, Clepper Drive and Eva Street (State Highway 105). Residential development is scattered throughout the neighborhood, predominantly along secondary thoroughfares. Industrial development is located along primary and secondary roadways in the subject neighborhood, on freestanding sites and within industrial parks. Overall, the subject neighborhood is established, with new development and redevelopment occurring.

Accessibility

Primary north/south roadways in the subject neighborhood include Liberty Street, C B Stewart Drive, Buffalo Springs Drive and Lone Star Parkway. Primary east/west roadways in the subject neighborhood include Lone Star Parkway, Berkeley Drive, Clepper Drive and Eva Street (State Highway 105). Overall, the accessibility of the neighborhood is good.

Immediate Vicinity

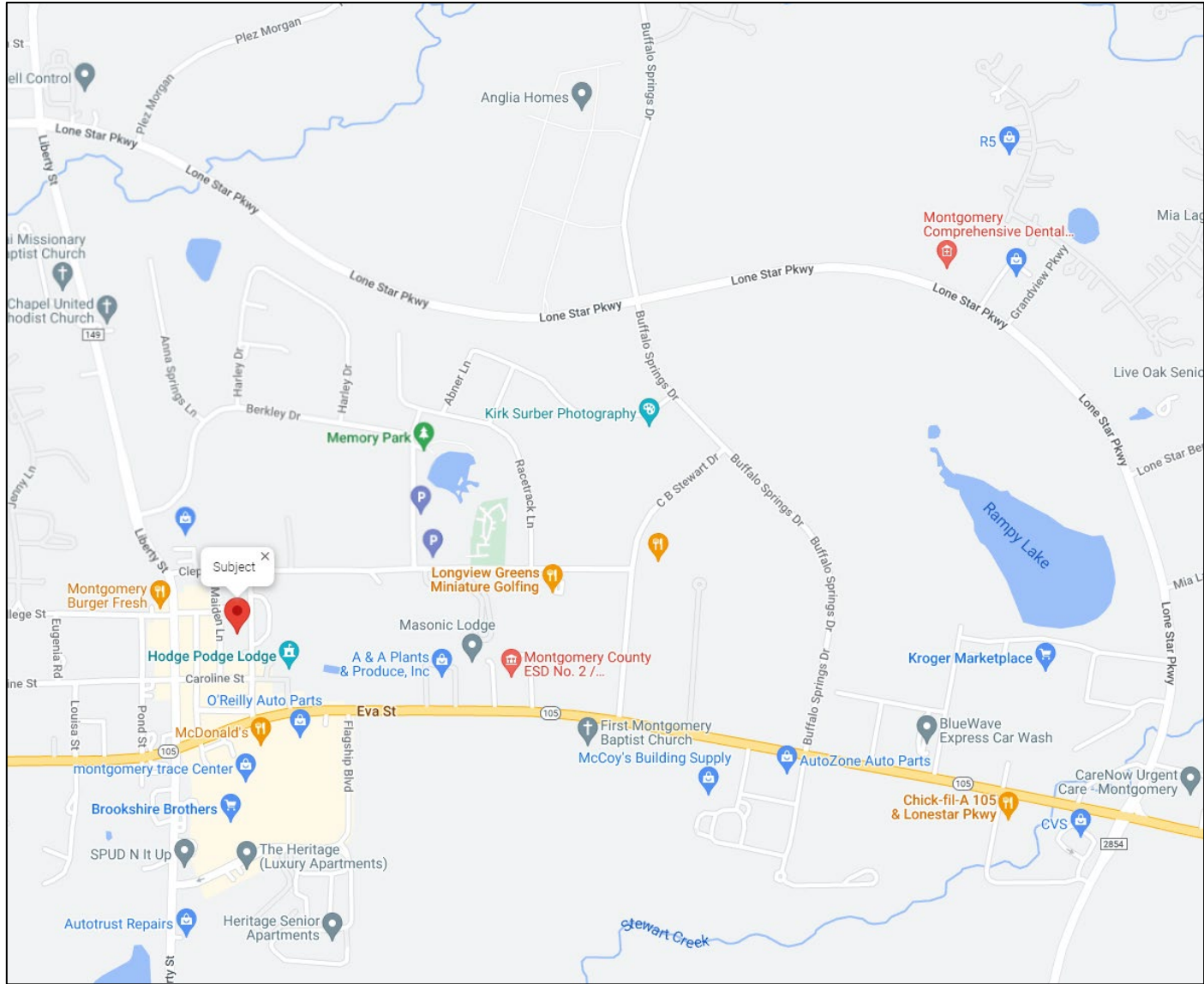
The immediate vicinity of the subject property includes a mixture of retail/commercial, industrial and residential development, and tracts of vacant land. The following chart outlines land uses adjacent to the subject site.

North:	Industrial Property, Mason Street, Industrial Property, Clepper Drive
South:	Retail Buildings, Caroline Street, Retail Buildings, Restaurant, John A Butler Street, Retail Buildings, Eva Street (State Highway 105)
East:	Prairie Street, Retail Building, Event Venue, Vacant Land, Office Buildings
West:	Maiden Lane, Retail Buildings, Restaurants, McCown Street

Conclusion

The subject neighborhood includes primarily a mixture of retail/commercial, industrial and tracts of vacant land. Overall, the subject neighborhood is established with new development and redevelopment occurring. The neighborhood has good access to other portions of the greater Houston Area. The outlook for the neighborhood is optimistic. A neighborhood map follows.

Neighborhood Map



Site Analysis

The following is a description of the physical characteristics of the subject site. A survey, a plat map and a flood plain map of the subject site follow this site analysis section.

Location

The subject site is located along the west side of Prairie Street and east side of Maiden Lane, 120 feet north of Caroline Street, in Montgomery, Montgomery County, Texas. The subject property address is 203 and 213 Prairie Street, Montgomery, Montgomery County, Texas 77356.

Size/Shape

The subject site contains 0.676 acres or 29,447 square feet of land area and is rectangular in shape.

Accessibility/Frontage

The site has 165.19 feet of frontage along the west side of Prairie Street and 168.32 feet of frontage along the east side of Maiden Lane. Prairie Street is a two-lane, two way asphalt paved secondary roadway with open ditch drainage in the vicinity of the subject. Maiden Lane is a two-lane, two way asphalt paved secondary roadway with open ditch drainage in the vicinity of the subject. Overall, the access/frontage of the site is average.

Topography

The subject site is basically level and at the grade of the adjacent roadways.

Flood Plain

According to FEMA Map Community Panel Number 48339C0200G dated August 18, 2014, the subject is located in flood zone X, outside of the flood plain.

Zoning

The subject site is located within the city limits of Montgomery and is zoned Commercial. This zoning designation allows for most types of commercial uses, including the current use.

Utilities and Services

Water and sewer services are provided to the site by the City of Montgomery. Natural gas service is provided to the site by CenterPoint Energy. Electricity is provided to the site by various providers.

Easements and Encroachments

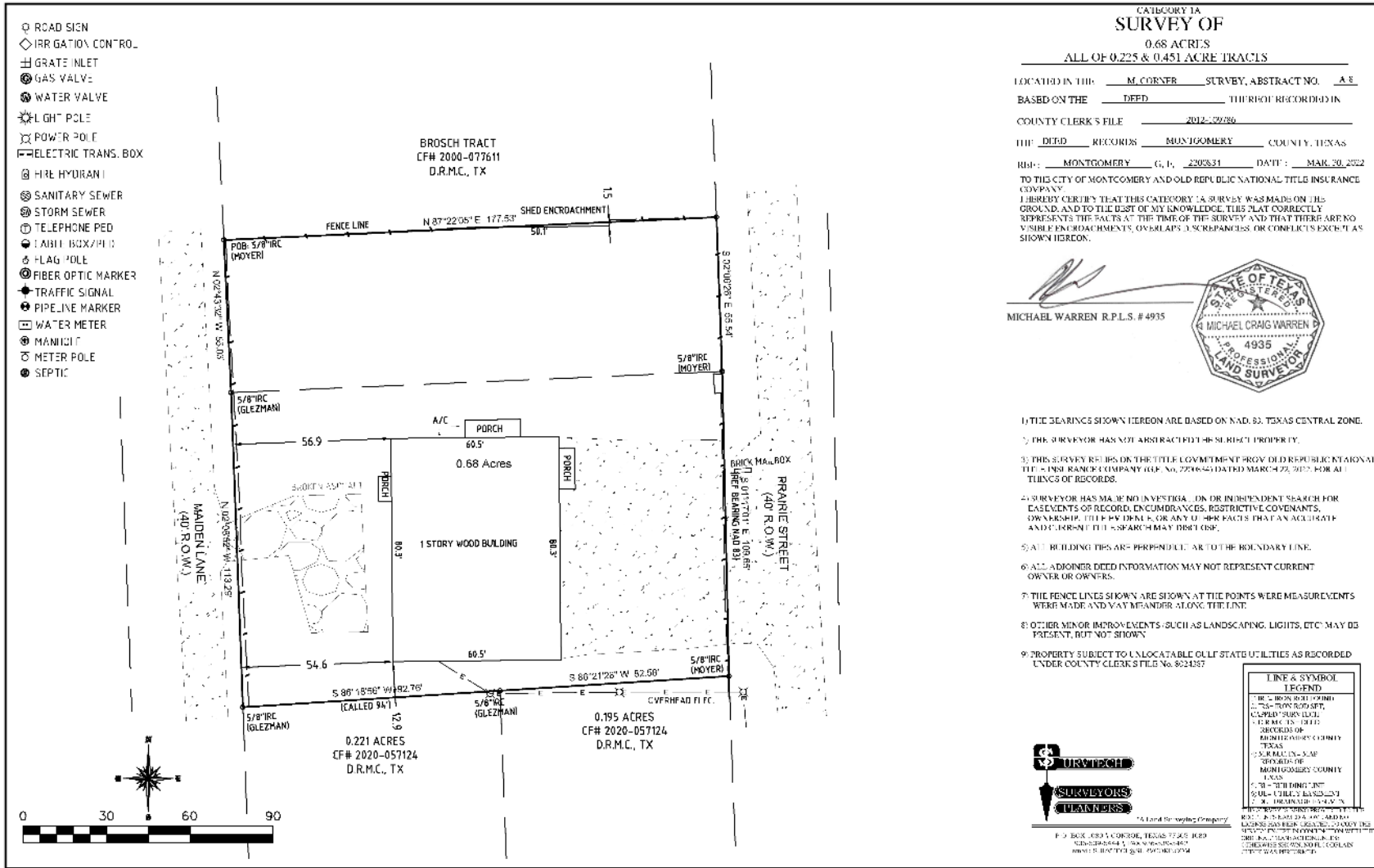
According to the survey, an adjacent tract to the subject property includes a shed which slightly encroaches the north boundary of the subject property. Given the nature of this encroachment, it does not appear to significantly impact the utility of the subject site or improvements. The site has typical utility easements which do not appear to impact the development potential of the site.

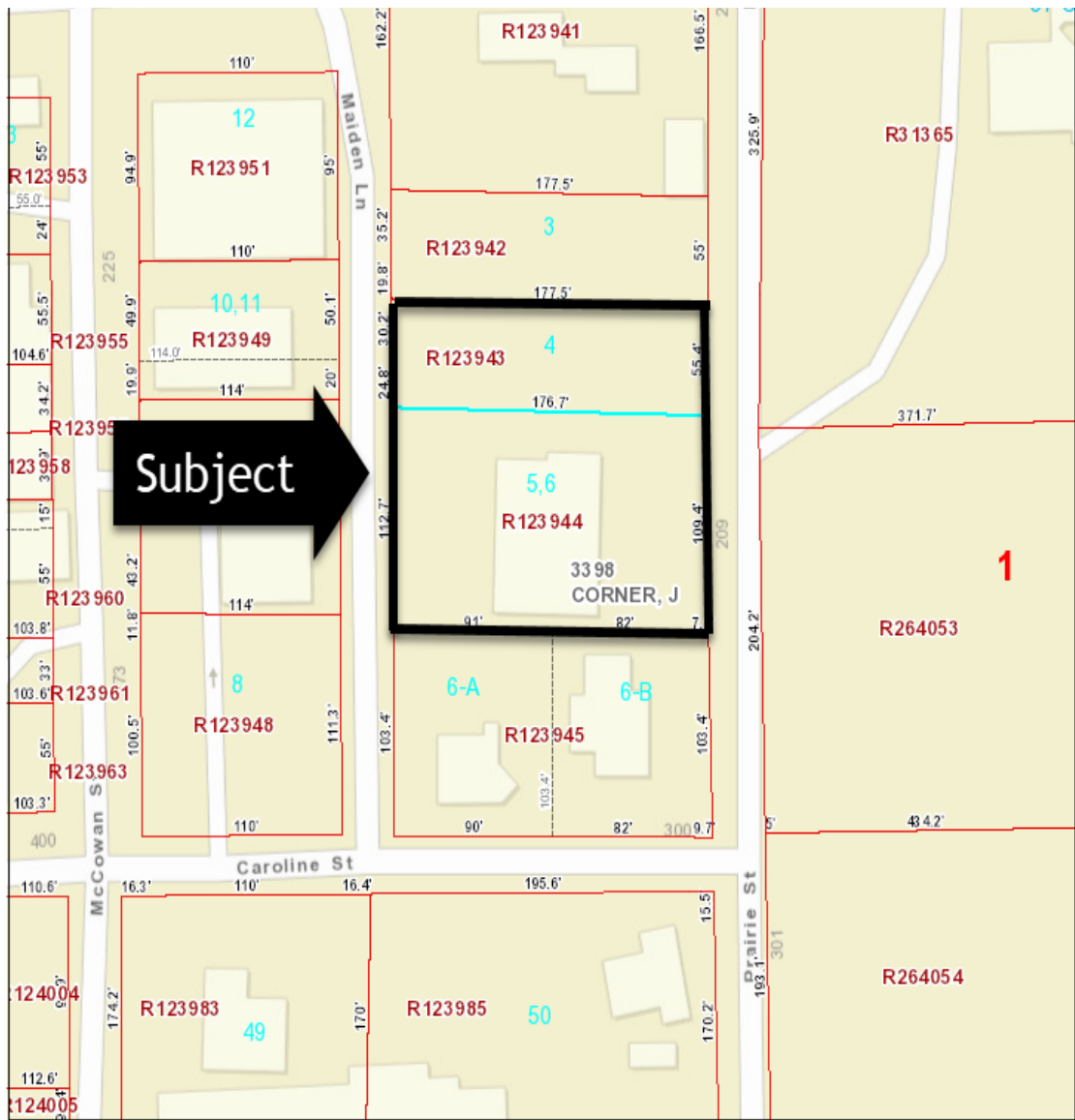
Environmental Considerations

During our inspection we did not notice any obvious environmental hazards associated with the subject site. However, we are not qualified to detect such hazards and the valuation herein assumes that the site is free and clear of any environmental problems.

Conclusion

The subject site is located along the west side of Prairie Street and east side of Maiden Lane, 120 feet north of Caroline Street in Montgomery, Montgomery County, Texas. The size and shape of the site are well suited for development. The access/frontage of the site is average. All public utilities are available to the subject site. Overall, the development potential of the subject site is good. A survey, a plat map and a flood plain map of the subject site follow.

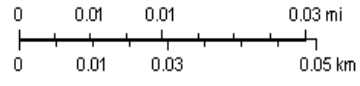




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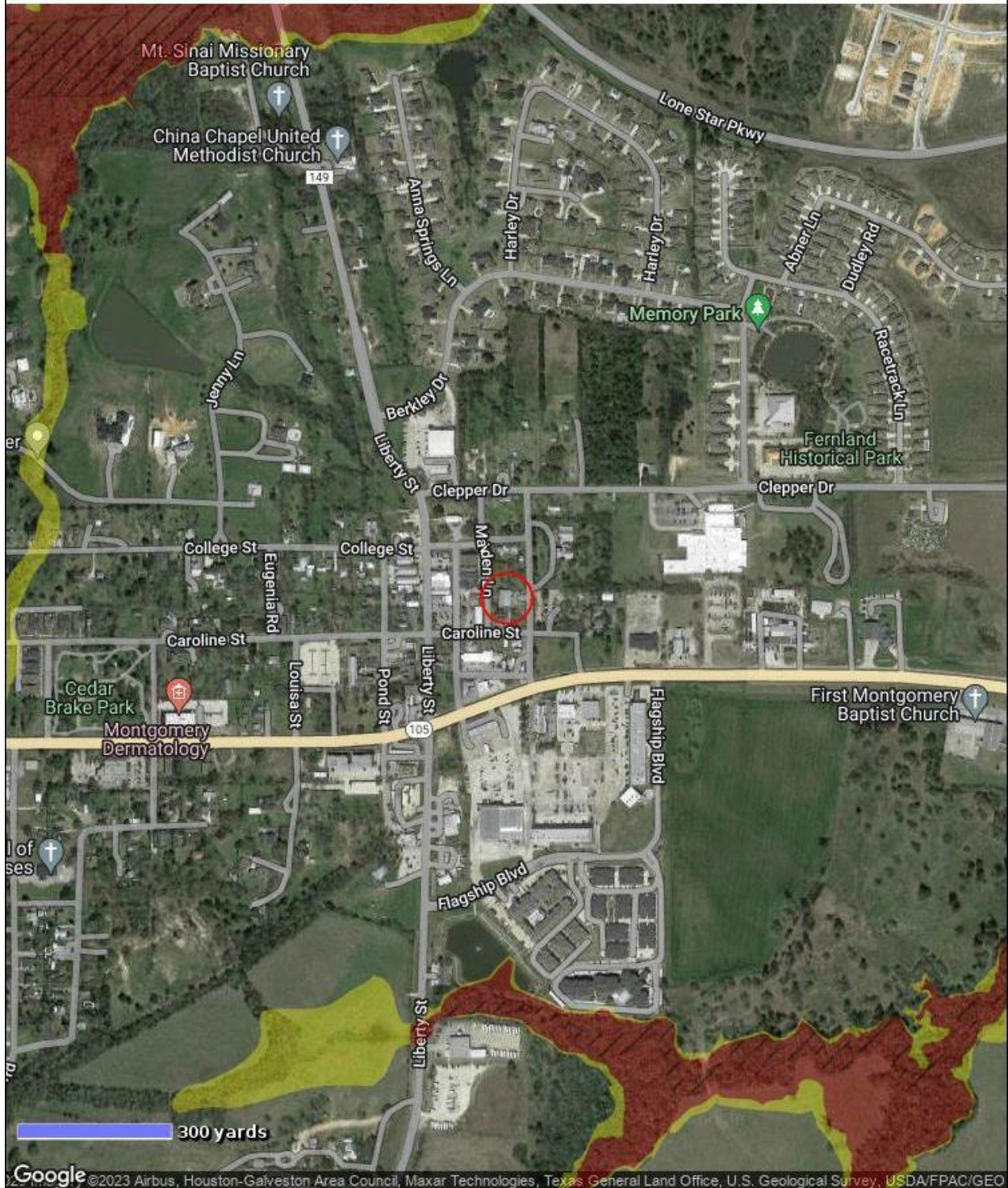
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- Abstracts
- Parcels
- Lot Lines
- Lot Lines
- Parcel Line
- Abstracts
- Parcel ID



Esri | HERE, Garmin, INCREMENT P, NOAA, USGS

Disclaimer: This product is for informational purposes only and has not been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey.



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MAP DATA

FEMA Special Flood Hazard Area: No
Map Number: 48339C0200G
Zone: X
Map Date: August 18, 2014
FIPS: 48339

MAP LEGEND

- Areas inundated by 500-year flooding
- Areas inundated by 100-year flooding
- Velocity Hazard
- Protected Areas
- Floodway
- Subject Area

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Improvements Analysis

The subject of this appraisal is a single tenant industrial property with a total of 4,858 square feet of gross building area. The building was constructed in 1994. Building plans were not provided to the appraisers. A building sketch and an Ad Valorem Tax Schedule exhibit are included after this improvements analysis section.

The following outline provides a description of the physical characteristics of the subject improvements based on our inspection of the property.

<u>Type:</u>	Single Tenant Industrial Property
<u>Number of Buildings:</u>	One
<u>Year Built:</u>	1994
<u>Year Renovated:</u>	N/A
<u>Size:</u>	4,858 square feet of gross building area
<u>Office Space Percentage:</u>	52.9% or 2,568 square feet
<u>HVAC:</u>	There is a central HVAC system for the office area of the building only. Therefore, 52.9%, or 2,568 square feet of the total property is heated and cooled. The warehouse area include ridge vents and exhaust fans only.
<u>Land-to-Building Ratio:</u>	6.06 to 1
<u>Foundation:</u>	Concrete slab
<u>Floors:</u>	There are exposed concrete floors throughout the warehouse area. The office area includes a mixture of ceramic tiled, wood and carpeted floors.
<u>Clear Height:</u>	14 Feet
<u>Walls:</u>	The exterior walls are hardiplank siding with masonry trim. The interior walls in the warehouse area are metal and painted sheetrock. The interior walls in the office area are painted sheetrock.
<u>Doors:</u>	The building includes three grade level overhead doors. The external pedestrian doors in the warehouse area are metal. The office area includes a combination of metal, hollow wood and glass set in a wood frame doors.
<u>Roof:</u>	The roof is pitched insulated metal.

Plumbing and Restrooms:

There is one restroom in the office area, which is adequate to serve the property.

Lighting:

The warehouse area includes hung fluorescent lighting. The office area includes recessed fluorescent fixtures and hung fluorescent fixtures in a drop grid acoustical tile and painted sheetrock ceiling.

Cranes:

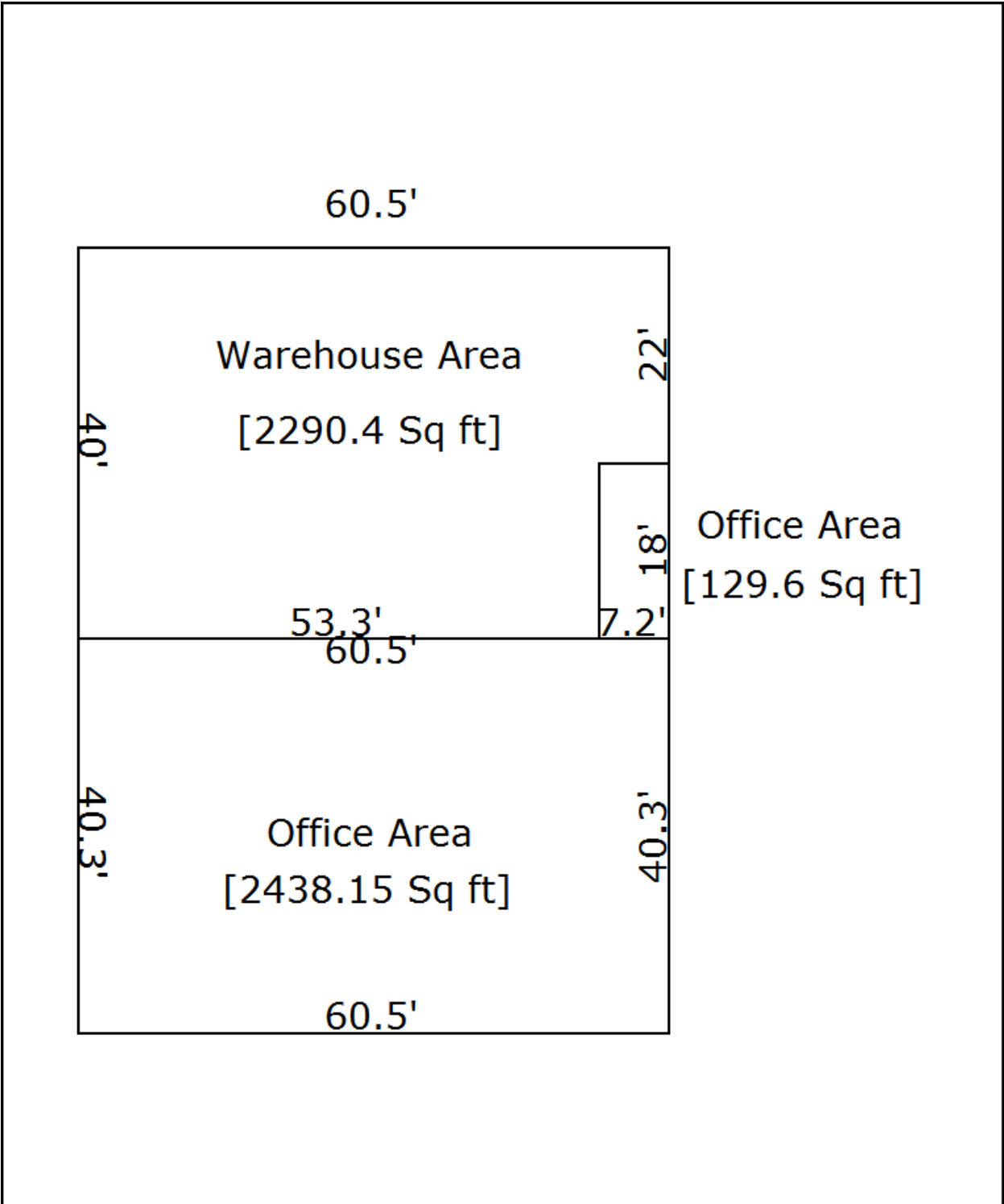
The building has no cranes.

Site Improvements:

The subject site improvements include asphalt paving, landscaping, wood fencing, a metal gate, bollards and canopies. There is adequate paved area for parking and yard storage on the site.

Conclusion

The subject improvements are typical of an average quality single tenant industrial property which is in average condition. Overall, the property appears to conform to other uses in the subject neighborhood. A building sketch and an Ad Valorem Tax Schedule exhibit follow.



TOTAL Sketch by a la mode, Inc.

Area Calculations Summary

Living Area	
Office Area	129.6 Sq ft
Warehouse Area	2290.4 Sq ft
Office Area	2438.15 Sq ft
Total Living Area (Rounded):	4858 Sq ft

AD VALOREM TAX SCHEDULE

Property Address: 203 and 213 Prairie Street
 Montgomery, Montgomery County, Texas 77356

Owner: City of Montgomery

Account Numbers: R123943, R123944

Land Size⁽¹⁾: 0.883 Acs.

Bldg. Size⁽¹⁾: 4,800 Sq.Ft.

	2021	2022
Tax Assessment		
Land	\$123,190	\$153,870
Improvements	<u>\$201,040</u>	<u>\$141,420</u>
Total	\$324,230	\$295,290
Total PSF	\$67.55	\$61.52

Tax Rates (\$ per \$100 of assessed value)

Jurisdiction:

City of Montgomery	\$0.400000	\$0.400000
Emergency Services District #2	\$0.094800	\$0.099200
Montgomery County	\$0.374200	\$0.408300
Montgomery County Hospital	\$0.050200	\$0.056700
Montgomery ISD	<u>\$1.228900</u>	<u>\$1.260000</u>
Combined tax rate:	\$2.148100	\$2.224200

Total Tax Payments⁽²⁾

Jurisdiction:

City of Montgomery	\$1,297	\$1,181
Emergency Services District #2	\$307	\$293
Montgomery County	\$1,213	\$1,206
Montgomery County Hospital	\$163	\$167
Montgomery ISD	<u>\$3,985</u>	<u>\$3,721</u>
Total	\$6,965	\$6,568
Total PSF	\$1.45	\$1.37

Notes:

⁽¹⁾ Montgomery County Appraisal District recorded size.

⁽²⁾ There are no delinquent taxes reported for the subject property.

Industrial Market Study

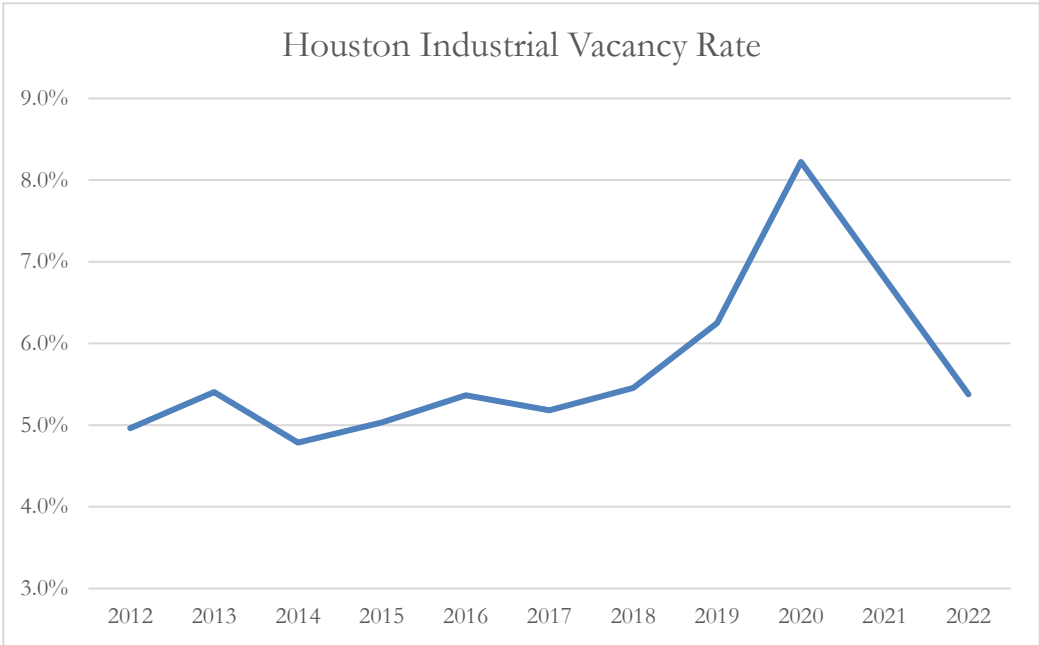
The following market data is taken from the *CoStar Industrial Market Report* for the Houston market as of Fourth Quarter 2022.

Overview

Houston has historically been a powerhouse for industrial tenant demand and entering 2023, the market's trailing 12-month total for industrial space absorbed has surpassed every other major metro area in the U.S. Very few industrial markets have a list of industrial demand drivers as long and diverse as Houston's, which includes the major port, U.S.-leading population growth, along with a massive manufacturing sector and petrochemical industry. With a wealth of open land and minimal zoning constraints, Houston is every bit as hospitable to industrial developers as it is to tenants. Large-scale distribution center construction has historically kept occupancy rates and rent growth below the U.S. average. After reaching 20-year highs in 2022, industrial rent growth in Houston is slowing and this trend will likely continue in the near term, as landlords will be grappling with a record amount of speculative development completing.

Rising commercial mortgage rates may temper sales velocity, and the market could see upward movement of cap rates. Still, most sellers are exiting their investments with notable earnings, and institutional investors such as Prologis, ARES Management, and Mirae Asset Global Investments remain well represented among the list of recent buyers.

Vacancy



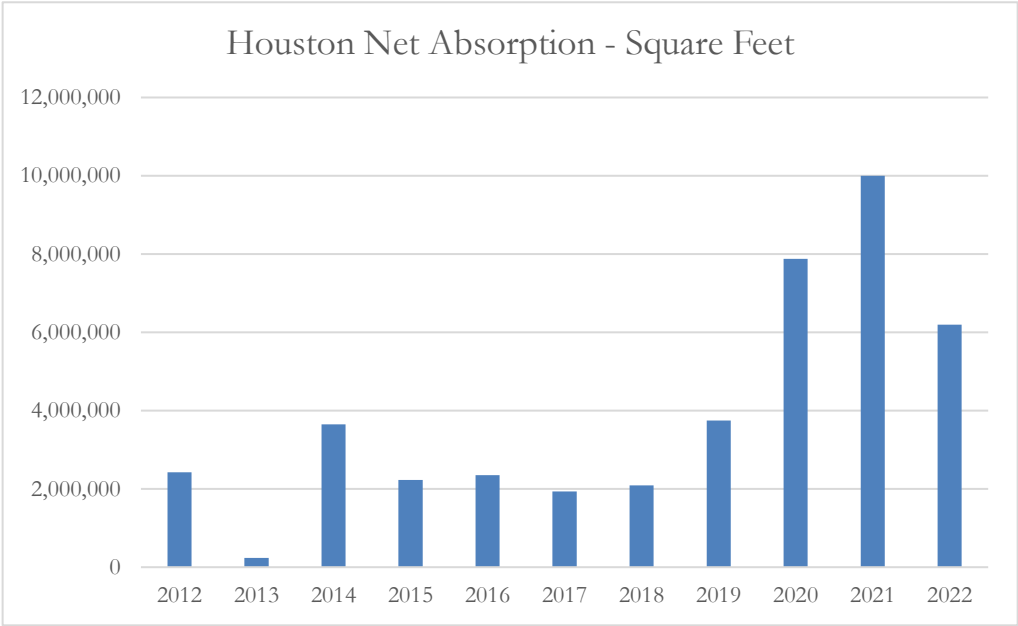
Houston's industrial vacancy rate has been cut by nearly 300 basis points over the past two years, and leasing volume remains at extraordinarily high levels. Through December 2022, trailing three-month total square footage leased was up about 20% compared to the same period in 2021 and up more than five times compared to the levels recorded during the three years prior to the pandemic. Distribution and third-party logistics firms are driving a record number of these large leases rushing to meet consumers' preference toward online shopping, a trend that has only been magnified since

2020. One such example was Wayfair's commitment to a 1.2 million-SF distribution center at the Prologis Presidents Park, which is being developed by Prologis and marked for a late 2023 move in. Similarly, Macy's committed to 910,000 SF at the Interchange 249 business park, which is being developed by Houston-based Lovett Industrial and New York-based Clarion Partners and also scheduled for a 2023 move in. The retailer's new distribution home will anchor the 240-acre business park in Tomball and will have direct access to both the Grand Parkway and Highway 249, allowing for efficient regional and local distribution.

Oncoming new supply could cause vacancy rates to flatline and even potentially rise slightly in 2023. Similar to other fast growing Sun Belt metros, unleased space under construction in Houston is significant. At around 85% it is similar to DFW's levels, but above the levels seen in Orlando (75%), Raleigh (70%) and Nashville (45%). Furthermore, inflationary pressures are testing the strength of the industrial tenant, and stakeholders remain vigilant, especially of the smaller businesses, which must absorb significant rent increases with inflation and labor costs eating up their profit margins.

Small tenants account for the majority of overall demand: More than 80% of all of Houston's industrial leases signed in 2022 were for less than 50,000 SF. If smaller tenants begin to struggle, total demand will inevitably cool.

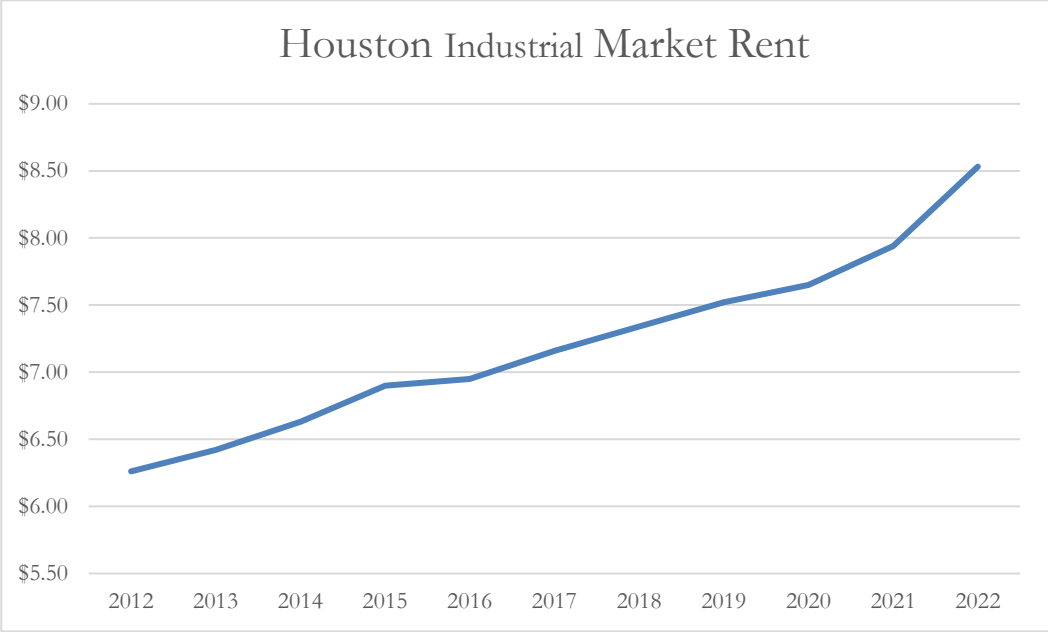
Absorption



The Southeast Submarket, which is home to the third largest amount of industrial inventory, regularly leads the market when it comes to net absorption, and despite a heavy construction pipeline, availabilities will likely remain tight. Proximity to infrastructure is one of this submarket's top selling points. It is home to the Port of Houston and the TGS Cedar Port Industrial Park, the country's largest master-planned rail-and-barge-served industrial park. Despite having the most big-box assets (properties larger than 200,000 SF) out of Houston's submarkets, large availabilities in existing assets are rare, and tenants seeking such large amounts of space often resort to build-to-suits. For example, in First Quarter 2023, furniture company Article will move into a 507,000-SF build-to-suit warehouse in the TGS Cedar Port Industrial Park in Baytown as the location for its first Texas distribution center

Meanwhile, Sugar Land (near Southwest Houston) currently has among the highest percentage of its total inventory underway (15%) and at risk of seeing availability rise in the near term as nearly 90% of what is currently under construction consists of speculative projects.

Rental Rates



Record levels of demand have translated into stronger rent growth, which is running above its five-year average rate of 3.4%. Rents in Houston have grown annually by 4.9%, though are underperforming the national average, as has historically been the case. With no zoning and relatively lower barriers to entry for new development, the recent supply wave continues to weigh on rent growth compared with other markets. The quarterly pace of asking rent growth was about 6% during First Quarter 2022 and Second Quarter 2022, but decelerated to 5.6% in Third Quarter 2022, the first time quarterly gains have slowed in Houston since the start of the pandemic. This trend continued in Fourth Quarter 2022 and will likely persist in the near term with new supply hitting the market and the potential for an economic slowdown.

From a geographic perspective, submarkets like Southwest Inner Loop and Southwest Outer Loop are reporting the strongest annual rent gains out of Houston's submarkets, aided by healthy net absorption and limited new supply during this time.

Rent Growth

Industrial rents across Houston usually range between \$5/SF and \$10/SF, though they can range higher and lower, depending on location and size. Submarkets such as Southeast Outer Loop and East I-10 Outer Loop have asking rents that are far less expensive than areas such as Southwest Inner Loop and CBD-Northwest Inner Loop, which is in part due to the large swaths of available and affordable land.

Despite asking rent growth decelerating, owners continue to offer free rent concessions at relatively low levels. Securing one to three months worth of free rent on leases of five to seven years remains typical.

Deliveries and New Construction

Industrial construction starts in Houston peaked in 2022 and 2023 will mark a record year for new supply, joining markets like D-FW, Orlando, Nashville, and Raleigh, which are also bracing for a record amount of new supply this year. Under-construction projects comprise 4.6% of Houston's current inventory, which compares to the national benchmark of 3.7%. Approximately 85% of all space underway remains available for lease, but if recent leasing trends persist, this new supply should not have much of an effect on fundamentals. Many of these projects are leasing either prior to completion, or shortly after.

The East-Southeast Far Submarket has the most space under construction in Houston. The Cedar Port Industrial Park in Baytown is located in this submarket and is home to some of the largest industrial projects in Houston, including Trans-Global Solutions' 1.2 million-SF distribution center, which is speculative and marked for a Second Quarter 2023 delivery. This will follow another 1.2 million-SF speculative distribution center which Trans-Global Solutions completed in July 2022 and by August 2022 was fully leased by Home Depot. Other recent notable deliveries in Cedar Port include an 850,000-SF build-to-suit for Blackline Cold Storage, which delivered in Second Quarter 2022.

The Northwest Outliers submarket, which is at the heart of West Houston's demographic growth, is also garnering its fair share of attention. PinPoint Commercial is building an 840,000-SF speculative warehouse in the Grand Central West Industrial Park in Katy, marked for a First Quarter 2023 delivery. Meanwhile, Stream Realty continues to bet on the area. It has a 670,000-SF warehouse in the Empire West Business Park in Brookshire, half of which is available and the other half of which is leased to H-E-B. This follows the combined 1.7 million square feet the developer completed in 2022 in that same park. Also in that park, in Fourth Quarter 2022 Tesla leased an entire 1 million-SF warehouse which delivered in Third Quarter 2022.

Industrial construction has been a common sight in Houston for many years, as the strength of its job and population trends have not been lost on developers. All told, nearly 200 million SF of space has been added to the market over the past decade, expanding its total inventory by 30% and ranking among the top four markets in the country in terms of new supply during this time. Only DFW and Inland Empire have added more space during this time.

Submarket Analysis

The following exhibit shows industrial statistics by submarket for all industrial property types (combined) as of the Fourth Quarter of 2022.

INDUSTRIAL SUBMARKET STATISTICS (ALL PROPERTY TYPES) - FOURTH QUARTER 2022							
Submarket	Existing Inventory		Vacancy	YTD Net Absorption	YTD Deliveries	Under Construction	Quoted Rates
	# Buildings	RBA					
Austin County Ind	50	2,416,364	8.0%	24,088	0	0	\$6.76
CBD Ind	2,022	56,121,414	4.3%	10,916	(14,293)	0	\$7.54
Liberty County Ind	93	2,182,661	3.3%	(16,250)	0	0	\$7.90
North Corridor Ind	5,139	147,188,370	5.6%	1,140,735	4,777,404	7,331,647	\$9.09
Northeast Corridor Ind	1,304	49,580,308	6.0%	126,382	2,142,210	2,401,031	\$7.82
Northwest Corridor Ind	6,078	211,164,329	5.9%	2,080,668	8,083,829	8,455,030	\$8.90
Southeast Corridor Ind	3,361	135,997,615	4.5%	1,614,336	5,928,556	7,532,511	\$7.93
Southern Corridor Ind	2,398	56,558,417	3.2%	(265,389)	155,000	2,449,158	\$7.79
Southwest Corridor Ind	3,154	103,785,745	6.6%	1,477,603	3,439,841	6,585,396	\$9.10
Totals	23,599	764,995,223	5.4%	6,193,089	24,512,547	34,754,773	\$8.53

The subject property lies in the Northwest submarket. This submarket is the largest of the nine submarkets.

As of the Fourth Quarter of 2022, the submarket vacancy rate was 5.9%. The submarket vacancy rate is higher than the metro area’s overall vacancy rate of 5.4%. The submarket average rental rate is \$8.90 per square foot per year, higher than the metro area’s average rental rate of \$8.53 per square foot. As of the Fourth Quarter of 2022, year-to-date net absorption was 2,080,668 square feet for the submarket. There were 8,083,829 square feet of space delivered and 8,455,030 square feet of industrial space was under construction in the submarket as of the Fourth Quarter of 2022.

Conclusion

Overall, the Houston industrial market strengthened during the Fourth Quarter of 2022. The vacancy rate decreased from 6.8% to 5.4% from 2021 to Fourth Quarter 2022. Total net absorption was 6,193,089 square feet as of Fourth Quarter 2022. Asking rents grew to the current asking rate of \$8.53 per square foot per year. The subject submarket vacancy rate is higher than the overall Houston market vacancy rate. The subject submarket average rental rate is higher than the overall Houston market average rental rate. For the near term, we expect the submarket to be an average performer.

COVID-19 Effect on Industrial Market

The impact of the COVID-19 pandemic on the industrial market has become more apparent through the Second Quarter of 2022. *Wells Fargo Securities’ Commercial Real Estate Chartbook* (June 28, 2022) indicates that commercial real estate has largely recovered from the COVID-19 pandemic. However, commercial real estate activity looks to be moderating amid intensifying inflation and rising interest rates. As a result, Wells Fargo Securities projects that real GDP will dip into negative territory next year. Industrial property fundamentals remain extraordinary. As of First Quarter 2022, asking rents have increased 11.0% year-over-year and have increased 3.2% quarter-over-quarter, the fastest quarterly increase on record. Industrial vacancy rates have declined to 4.1% in the First Quarter of 2022, a new record low dating back to 2000. Net absorption amounted to 98.2 million square feet in the First Quarter of 2022, down from the 153.7 million square feet averaged in the second half of 2021. The ongoing shift to e-commerce will continue to fuel demand for warehouses and distribution facilities. The emerging supply chain needs have boosted industrial activity, a trend that Wells Fargo Securities expects to continue in the years ahead.

CBRE's *U.S. Industrial 2nd Quarter 2022* details the performance of the industrial market. Despite the COVID-19 and inflation induced economic downturn, the industrial market remained on solid footing in the Second Quarter of 2022. The industrial market posted record-low vacancy rates and record-high asking rents for the quarter. Overall industrial net absorption for the quarter was positive 75.8 million square feet, down 48% year-over-year. The overall industrial vacancy rate was a record low 2.9% in the Second Quarter of 2022, resulting in limited gains in absorption. Average net asking rates have increased to an all-time high of \$9.40 per square foot in the Second Quarter of 2022, 5.5% higher than the previous quarter and 14.9% higher than the previous year. The industrial market is expected to remain strong as e-commerce and the need for safety stock to counter potential supply chain disruptions is fueling strong demand. A record-breaking 626.6 million square feet of new construction is underway as of the Second Quarter of 2022, with 31.2% of it preleased.

The *PwC Real Estate Investor Survey 3rd Quarter 2022* surveyed investor participants in July 2022 regarding the ongoing COVID-19 pandemic. While occupancy and rental rate growth rates were exceeding expectations throughout most of the industrial sector at the start of the year, it appears that leasing activity has begun to slightly cool off a little. 43 of the 55 metro areas included in the *PwC Real Estate Investor Survey 3rd Quarter 2022's* industrial analysis are expected to be in the expansion phase of the real estate cycle by year-end 2022. However, 31 of the metro areas are expected to be in the contraction phase of the real estate cycle by year-end 2023. When surveyed about the current national warehouse market, 9.0% of investor participants indicated that market conditions favor buyers, 82.0% of investor participants indicated that market conditions favor sellers and 9.0% of investor participants indicated that market conditions are neutral, favoring buyers and sellers equally. When surveyed about the current pricing of the national warehouse market, 40.0% of investor participants indicated that the market is overpriced and 60.0% of investor participants indicated that the market is fairly priced. The *PwC Real Estate Investor Survey 3rd Quarter 2022* indicates a forecasted value change range from -25.0% to 20.0%, with an average of 4.0% for the national warehouse market (institutional grade properties) over the next twelve months. The *PwC Real Estate Investor Survey 3rd Quarter 2022* indicates an overall capitalization rate range from 3.00% to 5.75%, with an average of 4.29% for the national warehouse market (institutional grade properties). The average overall capitalization rate of 4.29% is a decrease of 8 basis points from the previous quarter and a decrease of 14 basis point from the previous year. When surveyed about the forecasted change in overall capitalization rates over the next six months, 18.0% of investor participants anticipate overall capitalization rates to increase, 18.0% of investor participants anticipate overall capitalization rates to decrease and 64.0% of investors anticipate overall capitalization rates to hold steady. The *PwC Real Estate Investor Survey 3rd Quarter 2022* indicates a forecasted market rent change range from 0.00% to 10.00%, with an average of 3.15% for the national warehouse market (institutional grade properties) over the next twelve months. The average forecasted market rent change of 3.15% is a decrease of 13 basis points from the previous quarter and an increase of 45 basis points from the previous year. The *PwC Real Estate Investor Survey 3rd Quarter 2022* indicates a forecasted marketing time range from 1 to 9 months, with an average of 3.4 months for the national warehouse market (institutional grade properties). The average forecasted marketing time of 3.4 months is equal to 3.4 months one quarter ago and equal to 3.4 months one year ago.

CBRE's *U.S. Real Estate Market Outlook 2022* forecasts the performance of the industrial market going forward. CBRE anticipates that the industrial market will continue to flourish in 2022 with amid record demand, rent growth and investment activity. Demand will be driven by growing e-commerce sales, the improving economy, population migration and the need for onshore "safety stock" inventory to avoid further supply chain disruptions. A record-setting 448.9 million square

feet of space was under construction as of the Third Quarter of 2021. Demand is expected to continue to outpace supply in 2022, leading to even higher rents.

HIGHEST AND BEST USE

The uses to which a property can be put affect its value. This is recognized by the concept of highest and best use, generally understood to mean:

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and which results in the highest value. These four factors influence the developability and the marketability/value of property:

- ⇒ Legal permissibility (zoning, deed restrictions, building codes, etc.)
- ⇒ Physical possibility (size, shape, frontage, utilities, etc.)
- ⇒ Financial feasibility (demand to support development)
- ⇒ Maximum productivity

Two separate analyses are performed to develop an opinion of highest and best use: first, an examination of the site as vacant and available for development and second, an examination of the existing improvements and an investigation of their contribution to the value of the property. For an existing improved property, as long as the value of the property as improved is greater than the value of the vacant site less demolition costs, the highest and best use is the use as improved. Once the value of the vacant land exceeds the value of the improved property, the highest and best use becomes the use of the land as vacant.

Site as if Vacant

Physically Possible

The subject site contains 0.676 acres or 29,447 square feet of land area. The site is rectangular in shape, with frontage along two secondary neighborhood roadways. All utilities are available to the site. Based on our interviews with local brokers and investors, physically possible (and likely) uses include most types of retail/commercial development.

Legally Permissible

The subject property is located in Montgomery and is zoned Commercial. This zoning designation allows for most types of commercial uses, including the current use. There do not appear to be any adverse restrictions which would limit the development of the subject site.

Financially Feasible/Maximally Productive

During our inspection, we noted new retail/commercial development occurring in the subject neighborhood. Rental rates and occupancy levels appear to support new retail/commercial development on the subject site. According to local brokers and developers, retail/commercial development is financially feasible in the subject neighborhood. Based on this analysis, the highest and best use of the subject site as if vacant is for retail/commercial development.

Property as Improved

The subject site is improved with a 4,858 square foot single tenant industrial property and related site improvements. Based on the use, physical characteristics, location and condition of the improvements, they appear to add value to the site. Therefore, the highest and best use of the property as improved is for continued use as an industrial facility.

SALES COMPARISON APPROACH

Introduction

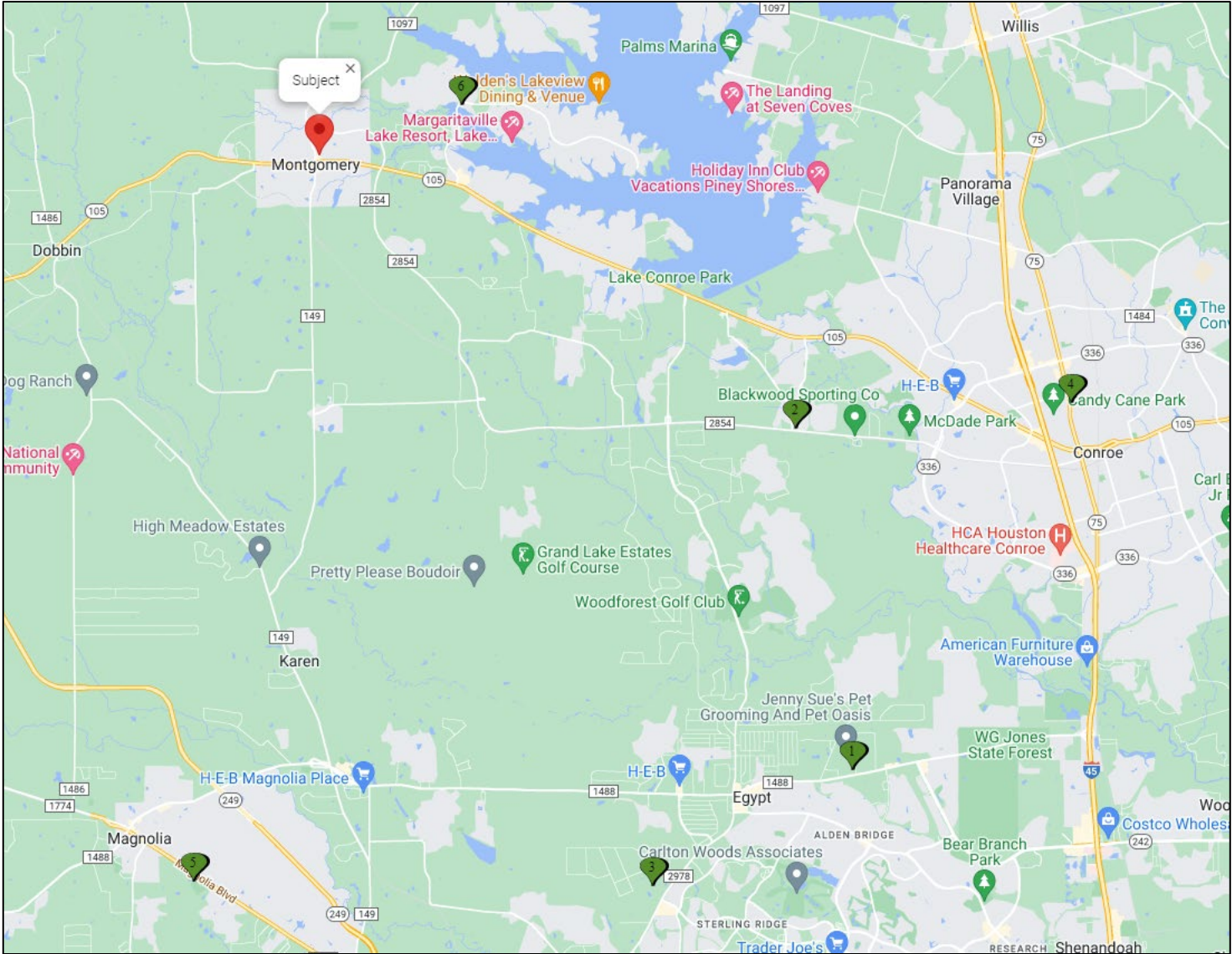
In order to apply the Sales Comparison Approach to the subject property we have researched and analyzed recent sales and listings of similar properties in the greater Houston Area. We contacted individuals having knowledge of the transaction details and discussed the sales to the fullest extent possible. The most pertinent sales to analyze the subject are summarized on the exhibit following this introduction. The units of comparison were adjusted for cash equivalency, rent loss, deferred maintenance and rehabilitation costs where applicable. A detailed write-up of each sale can be found in the Addenda.

Investors indicate that they rely on the sale price per square foot method to analyze similar properties. For the sale price per square foot method, we compared the sales to the subject property and adjusted their sale price per square foot for differences in market conditions (time), conditions of sale, location and various physical characteristics. The adjusted prices for the sales were then reconciled into a final value indication via this approach.

An Improved Sales Summary and Adjustment Grid follows which outlines the terms and characteristics of the sales as well as the adjustments we applied to each sale. An Improved Sales Map also follows.

IMPROVED SALES SUMMARY AND ADJUSTMENT GRID												
MARKET DATA	SUBJECT	1	2	3	4	5	6					
Property Name	Single Tenant Industrial Property	14069 Horseshoe Bend Industrial Building	12412 & 12424 FM 2854 Industrial Property	West Woodland Business Park Building 5	Commercial Property	38927 FM 1774 Industrial Property - Unit 9	15225 Walden Road Boat Dealership					
Address	203 and 213 Prairie Street	14069 Horseshoe Bend	12412 & 12424 FM 2854	8765 West Lane	602 West Semands Street	38927 FM 1774	15225 Walden Road					
City	Montgomery	Conroe	Conroe	Magnolia	Conroe	Magnolia	Montgomery					
Year Built	1994	2013	2000	2022	1984	2002	2000					
Year Renovated	N/A	N/A	N/A	N/A	2008	N/A	2016					
Construction	Hardiplank Siding with Masonry Trim	Metal	Hardiplank, Stone and Metal	Metal with stucco facade	Metal	Metal	Metal					
Gross Building Area	4,858	7,200	4,566	6,000	5,843	2,400	10,775					
Property Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple					
Building Use	Office/Warehouse	Office/Warehouse	Office/Warehouse	Office/Warehouse	Single-Tenant	Office/Warehouse	Office/Warehouse					
Percent Office	52.9%	4.2%	47.4%	70.0%	74.0%	60.0%	62.5%					
Percent HVAC	52.9%	4.2%	47.4%	100.0%	74.0%	60.0%	62.5%					
Clear Height	14'	16'	11'	16'	14'	17'	17'					
Acreage	0.676	0.91	1.92	0.37	0.46	1.02	2.47					
Site Square Footage	29,447	39,640	83,635	16,117	20,038	44,431	107,593					
Land-to-Building Ratio	6.06 to 1	5.49 to 1	18.32 to 1	2.69 to 1	3.39 to 1	18.57 to 1	9.98 to 1					
Sale Date	--	Aug-22	Jun-22	Mar-22	Mar-22	Aug-21	Sep-20					
Sale Price	--	\$1,350,000	\$1,150,000	\$1,330,000	\$850,000	\$380,000	\$2,105,000					
Price Per Sq. Ft. (Land & Improvements)	--	\$187.50	\$251.86	\$221.67	\$145.47	\$158.33	\$195.36					
COMPARATIVE ANALYSIS												
MULTIPLIED ADJUSTMENTS		0.5 years	0.7 years	1.0 years	1.0 years	1.5 years	2.4 years					
Elapsed Time (Years)		0.5 years	0.7 years	1.0 years	1.0 years	1.5 years	2.4 years					
Market Conditions/Time Adjustment		1.5%	2.1%	3.0%	3.0%	4.5%	7.2%					
Conditions of Sale Adjustment		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%					
Ceq. Cond/Time Adj. Price PSF		\$190.31	\$257.15	\$228.32	\$149.83	\$165.45	\$209.43					
ADDED ADJUSTMENTS												
Location		5%	0%	5%	-5%	10%	-5%					
Access/Frontage		0%	-5%	0%	0%	-5%	-5%					
Age/Condition		-5%	0%	-10%	5%	0%	-5%					
Quality of Construction		5%	0%	0%	5%	5%	5%					
Size		0%	0%	0%	0%	-5%	5%					
Percent Office		15%	0%	-5%	-5%	0%	0%					
Percent HVAC		0%	0%	-5%	0%	0%	0%					
Cranes		0%	0%	0%	0%	0%	0%					
Clear Height		0%	0%	0%	0%	0%	0%					
Land-to-Building Ratio		0%	-5%	5%	5%	-5%	0%					
Total Adjustment		20%	-10%	-10%	5%	0%	-5%					
Adjusted Price/Sq. Ft.		\$228.37	\$231.44	\$205.49	\$157.32	\$165.45	\$198.96					
PSF METHOD	Low: \$157.32 High: \$231.44 Mean: \$197.84 Median: \$202.23	INDICATED VALUE ESTIMATE										
		<table border="1" style="width: 100%;"> <tr> <td style="width: 25%; text-align: center;">\$230.00</td> <td style="width: 5%; text-align: center;">X</td> <td style="width: 25%; text-align: center;">4,858</td> <td style="width: 5%; text-align: center;">=</td> <td style="width: 40%; text-align: center;">\$1,117,340</td> </tr> </table>						\$230.00	X	4,858	=	\$1,117,340
\$230.00	X	4,858	=	\$1,117,340								
		<table border="1" style="width: 100%;"> <tr> <td style="width: 60%;">Indicated Market Value "As Is" Via Sales Comparison Approach (Rounded):</td> <td style="width: 40%; text-align: center;">\$1,120,000</td> </tr> </table>						Indicated Market Value "As Is" Via Sales Comparison Approach (Rounded):	\$1,120,000			
Indicated Market Value "As Is" Via Sales Comparison Approach (Rounded):	\$1,120,000											
Notes:												

Improved Sales Map



Comparative Analysis

For this analysis, we compared the sales to the subject and adjusted them for differences in market conditions (time), conditions of sale, location and various physical characteristics. The adjusted prices for the sales were then reconciled into a final value indication for this approach.

Our analysis includes six sales. The sales range in date of sale from September 2020 to August 2022 and in size from 2,400 to 10,775 square feet. The sales range in unadjusted sale price from \$145.47 to \$251.86 per square foot.

Market Conditions

The comparable sales occurred between September 2020 and August 2022. We interviewed brokers involved in the sale of similar facilities regarding the health of the market as well as current influences. They indicated that interest rate increases have affected some buyers but overall demand for facilities such as the subject has held up amid relatively short supply since the beginning of 2022. They also indicated that inflationary influences like high construction/replacement cost trends have caused record pricing amongst existing properties. While factors such as interest rates and inflation are currently influencing the market, local supply, demand and demographic shifts appear to be more significant. Therefore, we have applied an upward adjustment of 3.0% per year for market conditions.

Conditions of Sale

An adjustment is warranted for conditions of sale when a transaction involves atypical motivations that affect the price of a property. All of the sales were reported to be typical arm's length transactions and were not adjusted for this characteristic.

Location

Location adjustments are necessary when the locations of the comparable properties are different than the subject. Sales 1, 3 and 5 are inferior to the subject with respect to location and were adjusted upward for this characteristic. Sales 4 and 6 are superior to the subject with respect to location and were adjusted downward for this characteristic. Sale 2 is similar to the subject property with respect to location. Therefore, adjustments were not applied to this comparable for this characteristic.

Access/Frontage

The access/frontage characteristics of a property will usually affect its sale price. The subject property is located along Prairie Street and Maiden Lane, two secondary neighborhood roadways. Sales 2, 5 and 6 have superior access/frontage as compared to the subject property. Therefore, these comparables were adjusted downward for their superior access/frontage characteristics. The remaining comparables are similar to the subject with respect to access/frontage and were not adjusted for this characteristic.

Age/Condition

The subject property was constructed in 1994 and is in average condition. Sales 1, 3 and 6 are superior to the subject with respect to age/condition and were adjusted downward for this characteristic. Sale 4 is inferior to the subject with respect to age/condition and was adjusted upward for this characteristic. The remaining comparables are similar to the subject with respect to age/condition and were not adjusted for this characteristic.

Quality of Construction

Different qualities of construction may affect the sale price of an industrial property. Sales 1, 4, 5 and 6 are inferior to the subject with respect to quality of construction and were adjusted upward for this characteristic. The remaining comparables are similar to the subject with respect to quality of construction and were not adjusted for this characteristic.

Size

The size of a property will usually affect its per unit sale price. An inverse relationship typically exists between the size of a property and its sale price per square foot. The larger the size of a property, the smaller the per unit price, and vice versa, assuming all other variables are constant. The subject property contains 4,858 square feet of gross building area. The sales range in size from 2,400 to 10,775 square feet of gross building area. Sale 6 is larger than the subject and was adjusted upward for this characteristic. Sale 5 is smaller than the subject and was adjusted downward for this characteristic. A 5% per doubling/halving adjustment was applied. This adjustment is based on a comparison of the sales and our conversations with local brokers and investors in the market. The remaining comparables are similar to the subject with respect to size and were not adjusted for this characteristic.

Office Percentage

The overall price of a property will generally be positively impacted by a higher percentage of finished office space. The subject property contains 52.9% finished office space. The comparables range in percentage of office space from 4.2% to 74.0%. Sales 3 and 4 have a higher percentage of finished office space compared to the subject. Therefore, these comparables were adjusted downward for this characteristic. Sale 1 has a lower percentage of finished office space compared to the subject. Therefore, this comparable was adjusted upward for this characteristic. The remaining comparables are similar to the subject with respect to office percentage and were not adjusted for this characteristic.

HVAC Percentage

The overall price of a property will generally be positively impacted by a higher percentage of HVAC space. The subject property has HVAC in the office portion of the building only. Sale 3 is superior to the subject with respect to HVAC percentage and was adjusted downward for this characteristic. The remaining comparables are similar to the subject with respect to HVAC percentage and were not adjusted for this characteristic.

Cranes

The presence of overhead cranes in a warehouse is often directly related to the sale price of a property. The subject property contains no cranes. The comparables contain no cranes and were not adjusted for this characteristic.

Clear Height

The clear height in a warehouse is often directly related to the sale price of a property. The subject property has a clear height of 14 feet. All of the comparables are similar to the subject with respect to clear height and were not adjusted for this characteristic.

Land-to-Building Ratio

The land-to-building ratio typically has a direct relationship to the price of industrial properties as additional land typically allows for additional storage capacity and expansion potential. The subject property has a land-to-building ratio of 6.06 to 1 to 1.0. The land-to-building ratios for the comparables range from 2.69 to 1.0 to 18.57 to 1.0. Sales 2 and 5 have larger land-to-building ratios as compared to the subject and were adjusted downward for this characteristic. Sales 3 and 4 have smaller land-to-building ratios as compared to the subject and were adjusted upward for this characteristic. This adjustment is based on a review of land sales and our interviews with market participants regarding this characteristic. All of the remaining comparables are similar to the subject with respect to land-to-building ratio and were not adjusted for this characteristic.

Sales Comparison Approach Conclusion

The adjusted sale prices of the comparable improved sales range from \$157.32 to \$231.44 per square foot. The mean of the data is \$197.84 per square foot, and the median is \$202.23 per square foot. We have placed primary emphasis on Sales 1 and 2 in our reconciliation, which are the most recent sales. These sales indicate an average adjusted sale price of \$229.91 per square foot. Considering the above data, we estimate the market value of the fee simple interest of the subject property "As Is" via the Sales Comparison Approach as follows:

4,858 square feet	X \$230.00 per square foot =	\$1,117,340
	"As Is" Rounded:	\$1,120,000

INCOME CAPITALIZATION APPROACH

The Income Capitalization Approach is based on the premise that value is created by the expectation of future benefits. We estimated the present value of those benefits to derive an indication of the amount that a prudent, informed purchaser/investor would pay for the right to receive them as of the date of value.

This approach requires an estimate of the net operating income (NOI) of a property. The estimated NOI is then converted to a value indication by use of either the direct capitalization method or a discounted cash flow analysis.

Direct capitalization uses a single year's stabilized NOI as a basis for a value indication by dividing the income by an overall capitalization rate. The rate chosen accounts for a recapture of the investment by the investor and should reflect all factors that influence the value of the property, such as tenant quality, property condition, neighborhood change, market trends, interest rates and inflation. The rate may be extracted from local market transactions or, when transaction evidence is lacking, obtained from published trade sources and/or primary research with market participants.

A discounted cash flow analysis focuses on the operating cash flows expected from the property and the proceeds of a hypothetical sale at the end of a holding period (the reversion). The cash flows and reversion are discounted to their present values using a market derived discount rate and are added together to obtain a value indication. Because benefits to be received in the future are worth less than the same benefits received in the present, this method weights income in the early years more heavily than the income and the sale proceeds to be received later. The strength of the discounted cash flow analysis is its ability to recognize variations in projected net income, such as those caused by inflation, stepped leases, neighborhood change, or tenant turnover. Its weakness is that it requires many judgments regarding the actions of likely buyers and sellers of the property in the future.

In most situations, both methods yield similar results. The discounted cash flow analysis is typically more appropriate for the analysis of investment properties with multiple or long term leases, particularly leases with cancellation clauses or renewal options. It is especially useful for multi-tenant properties in volatile markets. The direct capitalization method is normally more appropriate for properties with relatively stable operating histories and expectations.

Based upon our conversations with market participants active in the sale and acquisition of industrial properties similar to the subject, the direct capitalization method is most commonly used. Therefore, we have applied the direct capitalization method to estimate the market value of the fee simple interest of the subject property via the Income Capitalization Approach.

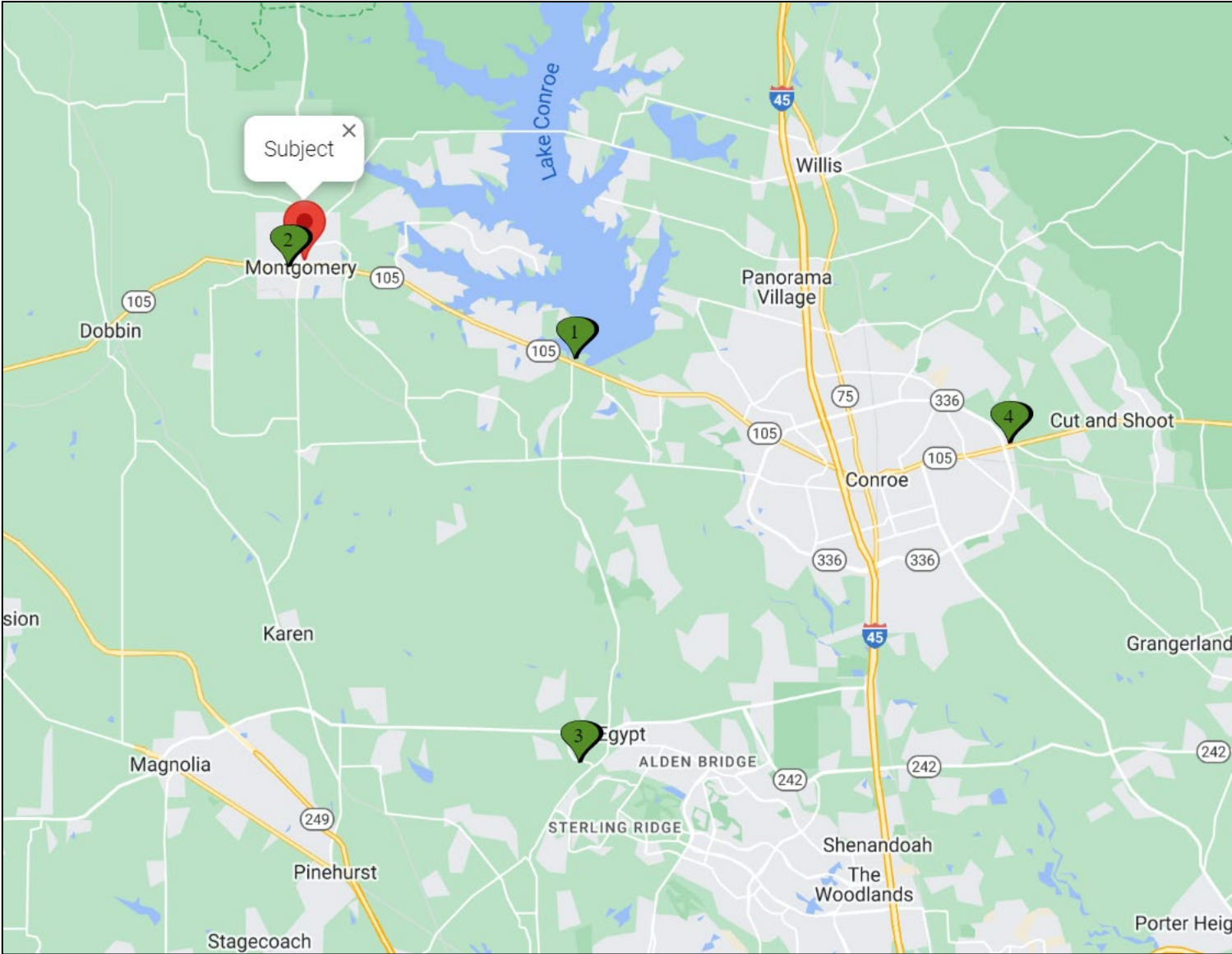
Income Analysis

Market Rent Analysis

The following describes the data, analysis and rationale behind our estimate of market rent for the subject property. A detailed write-up of each rent comparable can be found in the Addenda. A Rent Comparable Summary and Adjustment Grid and a Rent Comparables Map follow.

RENT COMPARABLE SUMMARY AND ADJUSTMENT GRID					
MARKET DATA	SUBJECT	1	2	3	4
Property Name	Single Tenant Industrial Property	410 Beach Walk Boulevard Industrial Property	Eva Street Office Building	Tamina Road Condominium Unit - Suite D	Old Highway 105 Industrial Property
Address	203 and 213 Prairie Street	410 Beach Walk Boulevard	21325 Eva Street	32319 Tamina Road	11443 Old Highway 105
City	Montgomery	Conroe	Montgomery	Magnolia	Conroe
Year Built	1994	1994	2000	2015	1991
Year Renovated	N/A	N/A	N/A	N/A	N/A
Construction	Hardiplank Siding with Masonry Trim	Metal	Hardiboard	Metal	Metal
Gross Building Area	4,858	3,000	2,356	3,795	12,752
Occupancy	100.0%	100.0%	100.0%	100.0%	0.0%
Percent Office	52.9%	10.0%	100.0%	38.6%	12.0%
Percent HVAC	52.9%	10.0%	100.0%	100.0%	12.0%
Land-to-Building Ratio	6.06 to 1	4.07 to 1	9.80 to 1	2.63 to 1	14.52 to 1
Clear Height	14'	14'	12'	20'	14'
Rent Per Sq. Ft.	--	\$1.25	\$1.67	\$1.03	\$1.33
COMPARATIVE ANALYSIS					
Rental Rate/SF		\$1.25	\$1.67	\$1.03	\$1.33
Lease Type Adjustment		0.0%	0.0%	0.0%	0.0%
Adjusted Rent/SF		\$1.25	\$1.67	\$1.03	\$1.33
Location		-5%	0%	0%	0%
Access/Frontage		0%	-5%	0%	0%
Age/Condition		0%	0%	-5%	0%
Quality of Construction		5%	0%	5%	5%
Size		0%	-5%	0%	5%
Percent Office		10%	-15%	5%	10%
Percent HVAC		0%	0%	-5%	0%
Land-to-Building Ratio		0%	0%	5%	-5%
Cranes		0%	0%	0%	0%
Clear Height		0%	0%	-5%	0%
Total Adjustment		10%	-25%	0%	15%
Adjusted Rent/Sq. Ft.		\$1.38	\$1.25	\$1.03	\$1.53
PSF METHOD⁽¹⁾		Low: \$1.03			
		High: \$1.53			
		Mean: \$1.30			
		Median: \$1.32			
Market Rent Estimate PSF:⁽¹⁾					\$1.30
Notes:					
⁽¹⁾ Triple net basis.					

Rent Comparables Map



The rent comparables range in size from 2,356 to 12,752 square feet, and in year built from 1991 to 2015. The comparables range in occupancy from 0.0% to 100.0%. Quoted lease rates range from \$1.25 to \$1.67 per square foot per month on a triple net basis. Quoted lease terms range from 2.5 to 10 years in length.

Rent Comparable 1 is a 3,000 square foot single tenant industrial property which was built in 1994. This comparable was adjusted upward for its inferior quality of construction, inferior office percentage as compared to the subject. This comparable was adjusted downward for its superior location as compared to the subject.

Rent Comparable 2 is a 2,356 square foot office building which was built in 2000. This comparable was adjusted downward for its superior access/frontage, smaller size and superior office percentage as compared to the subject.

Rent Comparable 3 is a 3,795 square foot single tenant industrial property which was built in 2015. This comparable was adjusted upward for its inferior quality of construction, inferior office percentage and inferior land-to-building ratio as compared to the subject. This comparable was adjusted downward for its superior age/condition, superior HVAC percentage and superior clear height as compared to the subject.

Rent Comparable 4 is a 12,752 square foot single tenant industrial property which was built in 1991. This comparable was adjusted upward for its inferior quality of construction, larger size and inferior office percentage as compared to the subject. This comparable was adjusted downward for its superior land-to-building ratio as compared to the subject.

After adjustments, the rent comparables indicate a market rent range from \$1.03 to \$1.53 per square foot per month on a triple net basis, with an average of \$1.30 per square foot per month and a median of \$1.32 per square foot per month. We have relied equally on all of the comparables in our reconciliation. Considering the above analysis, we estimate market rent for the subject property at \$1.30 per square foot per month on a triple net basis.

Vacancy and Collection Loss

To arrive at net operating income (NOI), an allowance for vacancy and collection loss must be deducted from potential gross income to arrive at effective gross income. As of Fourth Quarter 2022, the overall Houston market had a 5.4% vacancy rate. The subject Northwest Submarket indicates a vacancy rate of 5.9%. The rent comparables range in occupancy from 0% to 100%. Investors indicate that they apply vacancy and collection loss allowances in the 0% to 10% range for similar properties. Based on the above data, we project a vacancy and collection loss allowance of 5.0% (4.0% vacancy and 1.0% collection loss) for the subject property.

Expense Analysis

In order to estimate operating expenses for the property, we have analyzed historical operating expenses for the subject property and operating expenses for similar single tenant industrial properties in the Houston area (see Industrial Expense Comparables Summary in Addenda). The operating expenses for the subject property have been estimated as follows.

Property Taxes

The subject property is currently assessed for \$295,290, or \$61.52 per square foot (based on the Montgomery County Appraisal District reported size of 4,800 square feet). This assessment appears to be reasonable based on tax comparable data. The rent comparables outlined previously indicate assessments in the \$57.12 to \$113.00 per square foot range. Based on the current assessed value of \$295,290, and the current tax rate of \$2.224200 per \$100 of assessed value, we have estimated property taxes for the subject property of \$6,568 (consistent with actual taxes), or \$1.35 per square foot. This estimate appears reasonable based on the tax comparable data.

Management

Based on our interviews with local brokers and our review of operating statements for similar industrial properties in the area, we have estimated a management expense of 2.0% of effective gross income for the subject.

Repairs and Maintenance

Under a triple net lease, the tenant is directly responsible for repairs and maintenance expenses. Therefore, we have projected no repairs and maintenance expenses for the subject.

Insurance

The subject property’s historic insurance expense was not available. The expense comparables range from \$0.24 to \$1.35 per square foot, with an average of \$0.51 per square foot. Based on the data, we estimate this expense at \$0.45 per square foot for the subject.

General/Administrative

The subject property’s historic general/administrative expense was not available. The expense comparables range from \$0.00 to \$0.25 per square foot with an average of \$0.05 per square foot. Based on the data, we estimate this expense at \$0.10 per square foot.

Reserves for Replacement

Based on our interviews with market participants, a reserve for replacement allowance is typically deducted for similar properties ranging from \$0.00 to \$0.15 per square foot. Considering the quality and condition of the subject property, we estimate a reserve for replacement allowance of \$0.10 per square foot for the subject property.

Total Operating Expenses

Our estimate of the subject property’s operating expense (excluding reserves) totals \$2.23 per square foot. Based on the expense comparables, which range from \$1.20 to \$4.32 per square foot, our expense estimate appears reasonable.

Direct Capitalization Method

After projecting the income and expenses for the property, the next step in the valuation process is to capitalize the net operating income into an estimate of value. The selected overall capitalization rate ("OAR") covers return both on and of capital. It is the overall rate of return an investor expects based on a single year's net operating income.

Overall Capitalization Rate Analysis

Overall capitalization rates can generally be inferred from market transactions if there are sufficient comparable sales for which information is available. Results are best when the data are numerous and reliable, income and expenses are estimated on the same basis for all the properties involved, and the properties have similar physical and economic characteristics. All of the sales outlined in the Sales Comparison Approach were purchased for owner-occupancy. Therefore, overall capitalization rates could not be extracted from the sales. The following chart outlines overall capitalization rates for similar properties.

Address	Date of Sale	OAR
400 Graham Road, College Station, Texas	11/1/2022	6.40%
11420 Dover Street, Houston, Texas	9/30/2022	7.00%
20820 Park Row Drive, Katy, Texas	9/6/2022	6.94%
2013 Trader Ridge Drive, Conroe, Texas	5/27/2022	6.96%
6811 McHard Road, Houston, Texas	2/25/2021	6.25%

The sales above indicate a range of overall capitalization rates from 6.25% to 7.00%, with an average of 6.71%.

The *PwC Real Estate Investor Survey 4th Quarter 2022* indicates an overall capitalization rate range from 2.00% to 6.25 %, with an average of 4.43% for the national warehouse market (institutional properties). Based on the *PwC Real Estate Investor Survey 4th Quarter 2022*, the rates for non-institutional grade properties are 205 basis points higher on average.

Local brokers and investors reported that a reasonable overall capitalization rate for the subject property would be in the 6.25% to 7.25% range, considering the location and physical characteristics of the property. Local brokers and investors have indicated that interest rate increases have affected some buyers but overall demand for leased industrial properties has held up amid relatively short supply since the beginning of 2022. While factors such as interest rates are currently influencing the market, local supply, demand and demographic shifts appear to be more significant.

Weighing all of the above factors together, and considering the location and physical characteristics of the subject property as well as current conditions in the local market, we have used an overall capitalization rate of 6.75% for the subject property. A Direct Capitalization Analysis Exhibit follows.

INCOME APPROACH SUMMARY - DIRECT CAPITALIZATION ANALYSIS EXHIBIT					
Potential Gross Rental Revenue	4,858 SF	x	\$15.60 PSF Per Year		\$75,785
Expense Reimbursement Revenue					<u>\$8,754</u>
Total Potential Gross Income					\$84,539
Vacancy & Collection Loss Allowance	5.0%				<u>(\$4,227)</u>
Effective Gross Revenue					\$80,312
Less Expenses					
	Property Taxes		\$1.35 PSF		\$6,568
	Insurance		\$0.45 PSF		\$2,186
	Management @ 2.0%		\$0.33 PSF		\$1,606
	Repairs and Maintenance	Paid directly by tenant			\$0
	General/Administrative		\$0.10 PSF		\$486
	Reserves		\$0.10 PSF		\$486
Total Expenses			\$2.33 PSF		<u>(\$11,332)</u>
Net Operating Income			\$14.20 PSF		\$68,980
Divided by Capitalization Rate					<u>6.75%</u>
Equals					\$1,021,926
Indicated Market Value "As Is" Via Direct Capitalization Method:				Rounded, PSF	\$1,020,000 \$209.96
<u>Notes:</u>					

Income Capitalization Approach Conclusion

Based on the previous analysis, we estimate the market value of the fee simple interest of the subject property "As Is" as of the date of inspection, or February 27, 2023, via the Income Capitalization Approach as follows:

\$1,020,000

RECONCILIATION AND FINAL VALUE ESTIMATE

For this appraisal, we used the Sales Comparison and Income Capitalization Approaches to estimate the market value of the fee simple interest of the subject property. The Cost Approach is not an appropriate approach to value the subject property given its age and overall physical characteristics. Therefore, we have not completed the Cost Approach for this appraisal. We considered and evaluated the alternative value indications, weighing the relative significance, applicability and defensibility of each approach. Our value conclusion for each approach to value is as follows.

“As Is”:

- Cost Approach: N/A
- Sales Comparison Approach: \$1,120,000
- Income Capitalization Approach: \$1,020,000

Based on our discussions with brokers and investors active in this market, owner users typically give primary consideration to the Sales Comparison Approach, with secondary reliance placed on the Income Capitalization Approach in making an investment decision for similar industrial properties. Therefore, we have given primary emphasis to the Sales Comparison Approach and secondary emphasis to the Income Capitalization Approach in our reconciliation.

Based on the investigation described in this report, the market value of the fee simple interest of the subject property “As Is” as of the date of inspection, or February 27, 2023, is as follows:

ONE MILLION ONE HUNDRED THOUSAND DOLLARS
\$1,100,000

CERTIFICATION

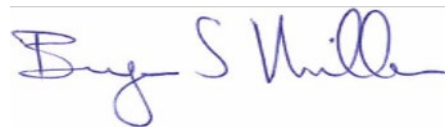
I certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and assumptions and are my personal, impartial, and unbiased professional analyses, opinions and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- This Appraisal Assignment was not based on a requested minimal valuation, a specific valuation or the approval of a loan.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the *Uniform Standards of Professional Appraisal Practice*.
- Jolee G. Aylesworth made a personal inspection of the property that is the subject of this report. Thomas A. Stark, Bryan S. Miller, Justin M. Bishop and Christian Kitchen did not make a personal inspection of the property that is the subject of this report.
- Christian Kitchen provided significant real property appraisal assistance to the people signing this certification, including research, analysis and writing the report. Jolee G. Aylesworth provided significant real property assistance to the people signing this certification, including inspecting the property.
- The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, Thomas A. Stark and Bryan S. Miller have completed the continuing education program for Designated Members of the Appraisal Institute.
- As of the date of this report, Justin M. Bishop has completed the Standards and Ethics Education Requirements for Candidates of the Appraisal Institute.
- Thomas A. Stark, Bryan S. Miller, Jolee. G. Aylesworth and Justin M. Bishop currently hold an appropriate state certification allowing the performance of real estate appraisals in connection with federally related transactions in the state in which the subject property is located.

Respectfully submitted,



Thomas A. Stark, MAI, Partner
State Certified General Real Estate Appraiser
TX-1325319-G



Bryan S. Miller, MAI, CCIM, Partner
State Certified General Real Estate Appraiser
TX-1328184-G



Justin M. Bishop
State Certified General Real Estate Appraiser
TX-1380401-G

STATEMENT OF GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made with the following general assumptions and limiting conditions.

General

1. No investigation has been made of, and no responsibility is assumed for, the legal description of the property being valued or for legal matters, including title or encumbrances. Title to the property is assumed to be good and marketable unless otherwise stated. The property is further assumed to be free and clear of any or all liens, easements or encumbrances unless otherwise stated.
2. Information furnished by others, upon which all or portions of this report are based, is believed to be reliable, but has not been verified in all cases. No warranty is given as to the accuracy of such information.
3. It is assumed that all required licenses, certificates of occupancy, consents or other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
4. Full compliance with the applicable federal, state and local zoning, use, environmental and similar laws and regulations is assumed, unless otherwise stated.
5. No responsibility is taken for changes in market conditions, and no obligation is assumed to revise this report to reflect events or conditions which occur subsequent to the date hereof.
6. The value estimates herein are predicated on the financial structure prevailing as of the date of this report.
7. Responsible ownership and competent property management are assumed.
8. The allocation, if any, in this report of the total value between components of the property applies only to the program of utilization stated in this report. The separate values for any components may not be applicable for any other purpose and must not be used in conjunction with any other appraisal.
9. Areas and dimensions of the property were obtained from sources believed to be reliable. Maps or sketches, if included in this report, are only to assist the reader in visualizing the property; and no responsibility is assumed for their accuracy. No independent surveys were conducted.
10. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
11. No soil analysis or geological studies were ordered or made in conjunction with this report, nor was an investigation made of any water, oil, gas, coal or other subsurface mineral and use rights or conditions.
12. Neither National Appraisal Partners LLP nor any individual signing or associated with this report shall be required by reason of this report to give further consultation, provide testimony

or appear in court or at other legal proceedings unless specified arrangements therefore have been made.

- 13. Neither this report nor any portions thereof (including without limitation any conclusions as to value, the identity of National Appraisal Partners LLP or any individuals signing or associated with this report, or the professional associations or organizations with which they are affiliated) shall be disseminated to third parties, without the prior written consent and approval of National Appraisal Partners LLP.
- 14. The date of analysis on which the conclusion and opinion expressed in this report apply is set forth in the letter of transmittal. Our value opinion is based on the purchasing power of the United States' dollar as of this date.
- 15. We are not qualified to investigate or test for the presence of toxic materials or substances. Unless otherwise stated in this report, no hazardous material, which may or may not be present on or near the property, was observed. We have no knowledge of the existence of such materials on or in the property; however, we are not qualified to detect such substances. The presence of potentially hazardous substances, such as asbestos, urea-formaldehyde foam insulation, or industrial wastes, may affect the value of the property. The value conclusions herein are predicated on the assumption that there is no such material on, in, or near the property that would cause a loss in value. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required to discover them. The client should retain an expert in this field if further information is desired.
- 16. We have not attempted to measure the potential impact on value of recent enforcement of wetlands legislation. Certain areas of the subject site may be dry and developable, while others may contain reclaimable and/or non-reclaimable wetland areas. We are not qualified to make such judgments and recommend retaining an expert in this field, if desired. Our value conclusions are predicated on there being no wetlands impact.
- 17. We did not make any observations or interpretations on compliance with the Americans With Disabilities Act. We are not experts in this field and are not qualified to make such determinations. Our value estimate is predicated upon the property owner(s) bearing no costs for compliance.

Extraordinary Assumptions (the use of which might have affected the assignment results herein):

- 1. During our inspection we noticed pooled water on the floor in the warehouse area and could not determine where the water originated. We are not roofing, plumbing or engineering experts and we recommend the building be professionally inspected to determine the cause of the pooled water. We assume there are no significant roof leaks or plumbing issues for this appraisal.

Hypothetical Conditions (the use of which might have affected the assignment results herein):

- 1. There are no Hypothetical Conditions for this appraisal.

ADDENDA

IMPROVED SALE WRITE-UPS AND PHOTOGRAPHS

Comparable 1

IDENTIFICATION

Property Name 14069 Horseshoe Bend Industrial Building
Location W/S Horseshoe Bend, 290 feet north of FM 1488
Address 14069 Horseshoe Bend
City Conroe
County Montgomery
State Texas (TX)
Source Seller's broker
Name/Company/Phone Drew Tenney/Tenney & Company/281-300-5879

Sale Contract Offer Listing NAP # 40444



PHYSICAL DATA

Property Type Industrial
Building Type Office/Warehouse
Year Completed/Renovated 2013 / N/A
Construction Type Metal
Condition at Sale Average
Land Area .908 Acres
Land-to-Building Ratio 5.49 to 1
Tenancy Single-tenant
Number of Buildings 1
Gross Building Area 7,200 SF
Percent Office 4.16%
HVAC 4.16%
Clear Height (ft) 16'
Loading 2 Overhead Doors
Cranes None

INCOME AND EXPENSE DATA

Occupancy at Sale		0.0%	
Stabilized Occupancy		0.0%	
Source:		<u>Appraiser's Estimate</u>	<u>PSF</u>
Potential Gross Income ⁽¹⁾		\$0	\$0.00
Vacancy & Collection Loss	0.0%	<u>\$0</u>	<u>\$0.00</u>
Effective Gross Income		\$0	\$0.00
Operating Expenses ⁽²⁾		<u>\$0</u>	<u>\$0.00</u>
Net Operating Income		\$0	\$0.00

⁽¹⁾ Income estimate includes base rent, escalations and misc. sources of revenue

⁽²⁾ Reserves are not included in expense estimate

Tenants

TRANSACTION DATA

Sale Date 8/31/2022
Sale Price \$1,350,000
Adjusted Sale Price \$1,350,000
Grantor Tenney Interests LLC
Grantee REBTX Properties LLC
Financing Terms Cash to seller
Recording Data 2022108538
Marketing Time Less than 12 months
Type of Buyer Owner-occupant
Property Rights Fee Simple
Conditions of Sale Arms Length

UNITS OF COMPARISON

Sale Price PSF	\$187.50
EGIM	0.0
Overall Capitalization Rate	0.00%
Operating Expense Ratio/NIR	0.0% /

REMARKS

The property was listed in January 2022.

Comparable 2

IDENTIFICATION

 Sale Contract Offer Listing NAP # 36534

Property Name 12412 & 12424 FM 2854 Industrial Property
Location N/S FM 2854, 250 feet west of Felder Road
Address 12412 & 12424 FM 2854
City Conroe
County Montgomery
State Texas (TX)
Source Seller's broker
Name/Company/Phone Bill Smith/RE/MAX/281-723-3336



PHYSICAL DATA

Property Type Industrial
Building Type Office/Warehouse
Year Completed/Renovated 2000 / N/A
Construction Type Hardiplank, Stone and Metal
Condition at Sale Good
Land Area 1.92 Acres
Land-to-Building Ratio 18.32 to 1
Tenancy Single-tenant
Number of Buildings 2
Gross Building Area 4,566 SF
Percent Office 47.4%
HVAC 47.4%
Clear Height (ft) 11'
Loading Grade Level
Cranes None

TRANSACTION DATA

Sale Date 6/23/2022
Sale Price \$1,150,000
Adjusted Sale Price \$1,150,000
Grantor Belle Property Investments LLC
Grantee Eickenhorst Funeral Services LLC
Financing Terms Cash to seller
Recording Data 2022079221
Marketing Time Less than 9 months
Type of Buyer Owner-occupant
Property Rights Fee Simple
Conditions of Sale Arms Length

REMARKS

The property was previously used as a church and will be used as a funeral home by the buyer. The property includes a warehouse and a single-family residence.

INCOME AND EXPENSE DATA

Occupancy at Sale	0.0%		
Stabilized Occupancy	100.0%		
Source:		<u>Past Year's Actual</u>	<u>PSF</u>
Potential Gross Income ⁽¹⁾		\$0	\$0.00
Vacancy & Collection Loss	0.0%	<u>\$0</u>	<u>\$0.00</u>
Effective Gross Income		\$0	\$0.00
Operating Expenses ⁽²⁾		<u>\$0</u>	<u>\$0.00</u>
Net Operating Income		\$0	\$0.00

⁽¹⁾ Income estimate includes base rent, escalations and misc. sources of revenue

⁽²⁾ Reserves are not included in expense estimate

Tenants N/A

UNITS OF COMPARISON

Sale Price PSF	\$251.86
EGIM	0.0
Overall Capitalization Rate	0.00%
Operating Expense Ratio/NIR	0.0% /

Comparable 3

IDENTIFICATION

Sale Contract Offer Listing NAP # 39148

Property Name West Woodland Business Park Building 5
 Location S/S West Lane, 1220 feet west of fm 2978
 Address 8765 West Lane
 City Magnolia
 County Montgomery
 State Texas (TX)
 Source Confidential source
 Name/Company/Phone Confidential



PHYSICAL DATA

Property Type Industrial
 Building Type Office/Warehouse
 Year Completed/Renovated 2022 / N/A
 Construction Type Metal with stucco facade
 Condition at Sale New
 Land Area .37 Acres
 Land-to-Building Ratio 2.69 to 1
 Tenancy Single-tenant
 Number of Buildings 1
 Gross Building Area 6,000 SF
 Percent Office 70%
 HVAC 100%
 Clear Height (ft) 16'
 Loading 2 Grade Level Over Head Doors
 Cranes None

INCOME AND EXPENSE DATA

Occupancy at Sale		0.0%	
Stabilized Occupancy		0.0%	
	Source:	<u>Appraiser's Estimate</u>	<u>PSF</u>
Potential Gross Income ⁽¹⁾		\$0	\$0.00
Vacancy & Collection Loss	0.0%	<u>\$0</u>	<u>\$0.00</u>
Effective Gross Income		\$0	\$0.00
Operating Expenses ⁽²⁾		<u>\$0</u>	<u>\$0.00</u>
Net Operating Income		\$0	\$0.00

⁽¹⁾ Income estimate includes base rent, escalations and misc. sources of revenue

⁽²⁾ Reserves are included in expense estimate

Tenants None

TRANSACTION DATA

Sale Date 3/1/2022
 Sale Price \$1,330,000
 Adjusted Sale Price \$1,330,000
 Grantor West Woodland Business Park LLC
 Grantee JLB Real Estate Holdings LLC
 Financing Terms Cash to seller
 Recording Data 2022027638
 Marketing Time Less than 12 months
 Type of Buyer Private investor
 Property Rights Fee Simple
 Conditions of Sale Arms Length

UNITS OF COMPARISON

Sale Price PSF	\$221.67
EGIM	0.0
Overall Capitalization Rate	0.00%
Operating Expense Ratio/NIR	0.0% /

REMARKS

According to the broker, this building includes 40% office, 30% showroom and 30% warehouse.

Comparable 4

IDENTIFICATION

Sale Contract Offer Listing NAP # 40852

Property Name	Commercial Property
Location	NW/C West Semands Street and Odd Fellows Street
Address	602 West Semands Street
City	Conroe
County	Montgomery
State	Texas (TX)
Source	Confidential source
Name/Company/Phone	N/A



PHYSICAL DATA

Property Type	Industrial
Building Type	Single-Tenant
Year Completed/Renovated	1984 / 2008
Construction Type	Metal
Condition at Sale	Average
Land Area	.455 Acres
Land-to-Building Ratio	3.39 to 1
Tenancy	Single-tenant
Number of Buildings	1
Gross Building Area	5,843 SF
Percent Office	74%
HVAC	74%
Clear Height (ft)	14'
Loading	Grade Level
Cranes	None

INCOME AND EXPENSE DATA

Occupancy at Sale		0.0%	
Stabilized Occupancy		0.0%	
	Source:	<u>Appraiser's Estimate</u>	<u>PSF</u>
Potential Gross Income ⁽¹⁾		\$0	\$0.00
Vacancy & Collection Loss	0.0%	<u>\$0</u>	<u>\$0.00</u>
Effective Gross Income		\$0	\$0.00
Operating Expenses ⁽²⁾		<u>\$0</u>	<u>\$0.00</u>
Net Operating Income		\$0	\$0.00
<i>⁽¹⁾ Income estimate includes base rent, escalations and misc. sources of revenue</i>			
<i>⁽²⁾ Reserves are included in expense estimate</i>			
Tenants	N/A		

TRANSACTION DATA

Sale Date	3/1/2022
Sale Price	\$850,000
Adjusted Sale Price	\$850,000
Grantor	TND Property Management
Grantee	Milstead Warehouse Holdings LLC
Financing Terms	Conventional financing/market terms
Recording Data	2022025756
Marketing Time	Less than 3 months
Type of Buyer	Private investor
Property Rights	Fee Simple
Conditions of Sale	Arms Length

UNITS OF COMPARISON

Sale Price PSF	\$145.47
EGIM	0.0
Overall Capitalization Rate	0.00%
Operating Expense Ratio/NIR	0.0% /

REMARKS

The property includes 1,500 square feet of unfinished warehouse/storage space (included in gross building area). The most recent tenant at the property was an office tenant who used this space as storage. The buyer plans to lease the property to a future tenant. The property was vacant at the time of the sale.

Comparable 5

IDENTIFICATION

Sale Contract Offer Listing NAP # 34144

Property Name 38927 FM 1774 Industrial Property - Unit 9

Location Terminus of Willow City Road, 412 feet southeast of David Lane

Address 38927 FM 1774

City Magnolia

County Montgomery

State Texas (TX)

Source Listing Broker

Name/Company/Phone Mike Townsend/MTownsend Interests/832-722-4755



PHYSICAL DATA

Property Type Industrial

Building Type Office/Warehouse

Year Completed/Renovated 2002 / N/A

Construction Type Metal

Condition at Sale Good

Land Area 1.023 Acres

Land-to-Building Ratio 18.57 to 1

Tenancy Single-tenant

Number of Buildings 1

Gross Building Area 2,400 SF

Percent Office 60%

HVAC 60%

Clear Height (ft) 17'

Loading Grade Level

Cranes None

INCOME AND EXPENSE DATA

Occupancy at Sale		0.0%	
Stabilized Occupancy		0.0%	
	Source:	<u>Appraiser's Estimate</u>	<u>PSF</u>
Potential Gross Income ⁽¹⁾		\$0	\$0.00
Vacancy & Collection Loss	0.0%	<u>\$0</u>	<u>\$0.00</u>
Effective Gross Income		\$0	\$0.00
Operating Expenses ⁽²⁾		<u>\$0</u>	<u>\$0.00</u>
Net Operating Income		\$0	\$0.00

⁽¹⁾ Income estimate includes base rent, escalations and misc. sources of revenue

⁽²⁾ Reserves

Tenants N/A

TRANSACTION DATA

Sale Date 8/30/2021

Sale Price \$380,000

Adjusted Sale Price \$380,000

Grantor TF Earth Holdings LLC

Grantee Volt Era Inc

Financing Terms Cash to seller

Recording Data 2021119464

Marketing Time Less than 12 months

Type of Buyer Owner-occupant

Property Rights Fee Simple

Conditions of Sale Arms Length

UNITS OF COMPARISON

Sale Price PSF	\$158.33
EGIM	0.0
Overall Capitalization Rate	0.00%
Operating Expense Ratio/NIR	0.0% /

REMARKS

The property had approximately 1 acre of stabilized yard. It has no direct access to FM 1774.

Comparable 6

IDENTIFICATION

Sale Contract Offer Listing NAP # 5251

Property Name 15225 Walden Road Boat Dealership

Location S/S Private Roadway, 95 feet west of
West Palm Boulevard

Address 15225 Walden Road

City Montgomery

County Montgomery

State Texas (TX)

Source Confidential source

Name/Company/Phone Confidential source



PHYSICAL DATA

Property Type Industrial

Building Type Office/Warehouse

Year Completed/Renovated 2000 / 2016

Construction Type Metal

Condition at Sale Good

Land Area 2.468 Acres

Land-to-Building Ratio 9.98 to 1

Tenancy Single-tenant

Number of Buildings 1

Gross Building Area 10,775 SF

Percent Office 62.5%

HVAC 62.5%

Clear Height (ft) 17'

Loading Grade Level

Cranes None

INCOME AND EXPENSE DATA

Occupancy at Sale		0.0%	
Stabilized Occupancy		0.0%	
	Source:	<u>Past Year's Actual</u>	<u>PSF</u>
Potential Gross Income ⁽¹⁾		\$0	\$0.00
Vacancy & Collection Loss	0.0%	<u>\$0</u>	<u>\$0.00</u>
Effective Gross Income		\$0	\$0.00
Operating Expenses ⁽²⁾		<u>\$0</u>	<u>\$0.00</u>
Net Operating Income		\$0	\$0.00

⁽¹⁾ Income estimate includes base rent, escalations and misc. sources of revenue

⁽²⁾ Reserves are included in expense estimate

Tenants N/A

TRANSACTION DATA

Sale Date 9/18/2020

Sale Price \$2,105,000

Adjusted Sale Price \$2,105,000

Grantor Philip D. & Bonita L. Sohn

Grantee Rinker Holding LLC

Financing Terms Cash to seller

Recording Data 2020104175

Marketing Time N/A

Type of Buyer Owner-occupant

Property Rights Fee Simple

Conditions of Sale Arms Length

UNITS OF COMPARISON

Sale Price PSF	\$195.36
EGIM	0.0
Overall Capitalization Rate	0.00%
Operating Expense Ratio/NIR	0.0% /

REMARKS

This property was not openly marketed for sale. The buyer approached the seller directly. The property has water frontage along Lake Conroe.

RENT COMPARABLE WRITE-UPS AND PHOTOGRAPHS

Comparable 1

NAP # 9347

IDENTIFICATION

Property Name 410 Beach Walk Boulevard Industrial Property
Location E/S Beach Walk Boulevard, 460 feet north of State Highway 105
Address 410 Beach Walk Boulevard
City Conroe
County/State Montgomery/Texas (TX)
Name/Company/Phone Wayne Stroman/Stroman Realty/936-588-2444



PHYSICAL DATA

Property Type Industrial
Building Type Office/Warehouse
Year Completed/Renovated 1994 / N/A
Construction Type Metal
Land Area 0.28 Acres
Land-to-Building Ratio 4.07 to 1
Gross Building Area 3,000 SF
Number of Buildings 1
Tenancy Single-tenant
Percent Office 10%
HVAC 10%
Clear Height 14'
Loading Grade Level
Cranes None

OCCUPANCY DATA

Available Space (SF) 0
Largest Contiguous Available Area (SF) 0
Date of Survey Occupancy 100.0%

LEASE DATA

Space Type Office/Warehouse
Tenant Name Power Sports of Texas
New/Renewal/Expansion New
Start Date 10/01/2021
NRA (SF) 3,000
Percent Office 10%
Clear Height 10'
Rental Rate (PSF) \$1.25
Rent Steps None
Reimbursement Method NNN
Lease Term 3 Years
TI Allowance N/A

REMARKS

The property is located at the entrance to Lakeview Marina on Lake Conroe. There is 5,000 square feet of concrete paving around the building and the property is completely fenced.

QUOTED RATES

Quoted Rent (PSF)
Office/Warehouse \$1.25 NNN

Rent Steps None
Typical Lease Term 3 Years

EXPENSES/TENANT IMPROVEMENT ALLOWANCE

Operating Expenses PSF \$0.16
TI's - 1st Generation/Shell (PSF) N/A
TI's - New (PSF) N/A
TI's - Renewal (PSF) N/A
Tenants Power Sport of Texas

Comparable 2

NAP # 11383

IDENTIFICATION

Property Name	Eva Street Office Building
Location	SE/C Eva Street and Houston Street
Address	21325 Eva Street
City	Montgomery
County/State	Montgomery/Texas (TX)
Name/Company/Phone	Barkley Dominey/Promed Realty/936-441-4102



PHYSICAL DATA

Property Type	Industrial
Building Type	Single-Tenant
Year Completed/Renovated	2000 / N/A
Construction Type	Hardiboard
Land Area	.53 Acres
Land-to-Building Ratio	9.80 to 1
Gross Building Area	2,356 SF
Number of Buildings	1
Tenancy	Single-tenant
Percent Office	100%
HVAC	100%
Clear Height	12'
Loading	None
Cranes	None

QUOTED RATES

Quoted Rent (PSF)	
Typical Office	\$20.00 NNN

Rent Steps	N/A
Typical Lease Term	5 Years

EXPENSES/TENANT IMPROVEMENT ALLOWANCE

Operating Expenses PSF	\$7.00
TI's - 1st Generation/Shell (PSF)	N/A
TI's - New (PSF)	N/A
TI's - Renewal (PSF)	N/A
Tenants	Confidential

OCCUPANCY DATA

Available Space (SF)	0
Largest Contiguous Available Area (SF)	0
Date of Survey Occupancy	100.0%

LEASE DATA

Space Type	Typical Office
Tenant Name	Confidential
New/Renewal/Expansion	New
Start Date	07/01/2021
NRA (SF)	2,356
Percent Office	100
Clear Height	12'
Rental Rate (PSF)	\$20.00
Rent Steps	N/A
Reimbursement Method	NNN
Lease Term	5 Years
TI Allowance	N/A

REMARKS

The broker did not reveal who the tenant was, but indicated it was a local tenant. The property is an office building and has no warehouse.

Comparable 3

NAP # 2597

IDENTIFICATION

Property Name	Tamina Road Condominium Unit - Suite D
Location	S/S Tamina Road, 1,160 feet northwest of Ponderosa Drive
Address	32319 Tamina Road
City	Magnolia
County/State	Montgomery/Texas (TX)
Name/Company/Phone	Aradio Zambrano/Woodlands Realty Professionals/(281) 898-1591



PHYSICAL DATA

Property Type	Industrial
Building Type	Office/Warehouse
Year Completed/Renovated	2015 / N/A
Construction Type	Metal
Land Area	.2295 Acres
Land-to-Building Ratio	2.63 to 1
Gross Building Area	3,795 SF
Number of Buildings	1
Tenancy	Single-tenant
Percent Office	38.6%
HVAC	100%
Clear Height	20'
Loading	Grade Level
Cranes	None

QUOTED RATES

Quoted Rent (PSF)	
Office/Warehouse Space	\$1.25 NNN

Rent Steps	3% annually
Typical Lease Term	1-3 years

EXPENSES/TENANT IMPROVEMENT ALLOWANCE

Operating Expenses PSF	\$0.32
TI's - 1st Generation/Shell (PSF)	N/A
TI's - New (PSF)	N/A
TI's - Renewal (PSF)	N/A
Tenants	

OCCUPANCY DATA

Available Space (SF)	0
Largest Contiguous Available Area (SF)	0
Date of Survey Occupancy	100.0%

LEASE DATA

Space Type	Flex
Tenant Name	Blen International
New/Renewal/Expansion	New
Start Date	04/01/2021
NRA (SF)	3,795
Percent Office	38.6%
Clear Height	20'
Rental Rate (PSF)	\$1.03
Rent Steps	3% annually
Reimbursement Method	NNN
Lease Term	2.5 Years
TI Allowance	None

REMARKS

The condominium complex consists of four suites.

Comparable 4

NAP # 11384

IDENTIFICATION

Property Name Old Highway 105 Industrial Property

Location N/S Old Highway 105, 330 feet northwest of Highway 105

Address 11443 Old Highway 105

City Conroe

County/State Montgomery/Texas (TX)

Name/Company/Phone Kyle Fischer/Alpine Partners/281-627-0834



PHYSICAL DATA

Property Type Industrial

Building Type Office/Warehouse

Year Completed/Renovated 1991 / N/A

Construction Type Metal

Land Area 4.25 Acres

Land-to-Building Ratio 14.52 to 1

Gross Building Area 12,752 SF

Number of Buildings 2

Tenancy Single-tenant

Percent Office 12%

HVAC 12%

Clear Height 14'

Loading Grade Level

Cranes None

QUOTED RATES

Quoted Rent (PSF)

Industrial \$1.33 NNN

Rent Steps N/A

Typical Lease Term 5-10 Years

OCCUPANCY DATA

Available Space (SF) 12,752

Largest Contiguous Available Area (SF) 12,752

Date of Survey Occupancy 0.0%

EXPENSES/TENANT IMPROVEMENT ALLOWANCE

Operating Expenses PSF \$0.25

TI's - 1st Generation/Shell (PSF) N/A

TI's - New (PSF) N/A

TI's - Renewal (PSF) N/A

Tenants N/A

LEASE DATA

Space Type N/A

Tenant Name

New/Renewal/Expansion

Start Date

NRA (SF)

Percent Office

Clear Height

Rental Rate (PSF)

Rent Steps

Reimbursement Method

Lease Term

TI Allowance

REMARKS

Approximately 80% of the property is stabilized.

INDUSTRIAL EXPENSE COMPARABLES SUMMARY

Industrial Expense Comparables Summary

No.	Months Annual.	Year	YOC	Size	Occup.	Taxes (PSF)	Ins. (PSF)	Mngt. (PSF)	CAM (PSF)	G&A (PSF)	Misc. (PSF)	Reserves (PSF)	TOTAL (PSF)
IE126	12	2020	1978	15,060	100%	\$1.35	\$0.40	\$0.01	\$0.96	\$0.00	\$0.02		\$2.74
IE142	12	2020	1983	18,408	100%	\$1.39	\$0.47		\$0.79				\$2.65
IE150	12	2019	2007	3,450	100%	\$2.12	\$1.35		\$0.62		\$0.23		\$4.32
IE323	12	2020	1990	12,098	100%	\$0.69	\$0.24	\$0.10	\$1.88	\$0.25	\$1.01		\$4.16
IE334	12	2020	1960	18,881	100%	\$0.88	\$0.33						\$1.21
IE335	12	2020	1960	18,881	100%	\$0.87	\$0.33						\$1.20
IE336	12	2021	2003	19,283	100%	\$2.80	\$0.45	\$0.24	\$0.45	\$0.10			\$4.05

Per Square Foot	Taxes (PSF)	Ins. (PSF)	Mngt. (PSF)	CAM (PSF)	G&A (PSF)	Misc. (PSF)	Reserves (PSF)	TOTAL (PSF)
Minimum	\$0.69	\$0.24	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1.20
Average	\$1.44	\$0.51	\$0.05	\$0.67	\$0.05	\$0.18	\$0.00	\$2.90
Maximum	\$2.80	\$1.35	\$0.24	\$1.88	\$0.25	\$1.01	\$0.00	\$4.32

QUALIFICATIONS

Thomas A. Stark, MAI
Partner



Mr. Stark is a Partner in National Appraisal Partners, LLP. He focuses primarily on commercial real estate appraisals. Key clients include financial institutions, accounting firms, attorneys, corporations, developers, government entities and private investors.

Experience

Mr. Stark has been actively engaged in the real estate appraisal industry since 1988. In 1994, Mr. Stark joined the Houston Real Estate Valuation and Consulting Group of Arthur Andersen. After being promoted to Senior Manager, he transferred to Dallas to lead the Real Estate Valuation and Consulting Group for the Firm's Southwest Market Circle. In 2002, Mr. Stark co-founded National Appraisal Partners, LLP, a real estate appraisal and consulting firm. His experience includes appraisal, appraisal review, due diligence, and consulting engagements for various property types including office buildings, retail properties, industrial facilities, apartment complexes, gasoline stations/convenience stores, hotels, day care centers, car washes and many special-use properties. Mr. Stark began his real estate career in Palm Beach County, Florida.

Affiliations/Advisory Boards

Mr. Stark holds the MAI designation from the Appraisal Institute. He is the Past President of the Houston Chapter of the Appraisal Institute and has served on the Houston Chapter Board of Directors. He has served as a Regional Representative for the Houston Chapter, and has served on numerous national committees and boards including Public Relations, Communications, Public Affairs, Long-Range Planning, AI Holdings, the National Nominating Committee, the Appraisal Institute Relief Foundation and the Appraisal Institute Education Trust, among others. He served two years on the National Board of Directors for the Appraisal Institute as the Chair and Vice Chair of Region VIII, which includes Texas and New Mexico.

Mr. Stark is the past editor of the Regional Real Estate News, a publication of the Appraisal Institute. He has served on the Real Estate Valuation Services Advisory Board for one of the five largest banks in America. Mr. Stark is a State of Texas Certified General Real Estate Appraiser.

Education

Mr. Stark holds a Bachelor of Science Degree in Real Estate from Florida State University.

Bryan S. Miller, MAI, CCIM
Partner



Mr. Miller is a partner in National Appraisal Partners, LLP. He focuses on commercial real estate valuation and consulting projects. His clients include financial institutions, law firms, accounting firms, pension funds, asset managers, corporations, individuals and developers.

Experience

Mr. Miller has been active in the valuation of commercial real estate since 1995. Mr. Miller joined Arthur Andersen’s Houston Real Estate Valuation and Consulting Group in 1997 and was promoted to manager in 1999. Mr. Miller co-founded National Appraisal Partners, LLP, an appraisal and consulting firm in 2002. His experience includes valuation and consulting for: retail, office, apartments, industrial buildings, subdivisions, auto dealerships, healthcare facilities, hotels/motels, tax credit properties, vacant land, ranches, mixed use developments, conservation easements and special purpose properties. In addition to valuation services, Bryan has performed a wide range of consulting services from feasibility analyses to portfolio disposition. His engagements have been a result of annual reporting, lending, estates and purchase price allocation.

Affiliations/Advisory Boards

Mr. Miller holds the MAI designation from the Appraisal Institute. Mr. Miller was a board member and regional representative of the Houston Chapter of the Appraisal Institute for several years. He was the 2008 Treasurer/Secretary and the 2009 Vice President of the Houston Chapter. He served as the 2010 President of the Houston Chapter. He also served as a committee member on the National University Relations Subcommittee for the Appraisal Institute. Mr. Miller is a CCIM. He was a committee member in 2012 and 2013 for the CCIM Houston Real Estate Forecast Competition. He was the 2013 CCIM Houston Chapter Vice President. He was the Partner’s Committee Chair in 2013, 2014 and 2015. Mr. Miller is a State of Texas Certified General Real Estate Appraiser.

Education

Mr. Miller holds a master’s degree and a bachelor’s degree from the University of Texas.

Justin M. Bishop
Manager



Mr. Bishop is a manager at National Appraisal Partners, LLP. He focuses on commercial real estate valuation and consulting projects. His clients include financial institutions, law firms, accounting firms, pension funds, asset managers, corporations, individuals and developers.

Experience

Mr. Bishop has been active in the valuation of commercial real estate since 2011. Mr. Bishop joined National Appraisal Partners, LLP in 2011 and was promoted to manager in 2014. His experience includes valuation and consulting for: retail, office, apartments, industrial buildings, subdivisions, auto dealerships, healthcare facilities, hotels/motels, tax credit properties, vacant land, ranches, mixed use developments, conservation easements and special purpose properties. In addition to valuation services, Justin has performed a wide range of consulting services from feasibility analyses to portfolio disposition. His engagements have been a result of annual reporting, lending, estates and purchase price allocation.

Affiliations/Advisory Boards

Mr. Bishop is a State Certified General Real Estate Appraiser in Texas.

Education

Mr. Bishop holds a Bachelor of Business Administration Degree in Real Estate Finance and Development from the University of Texas at San Antonio.

Jolee Aylesworth
Manager



Ms. Aylesworth is a Manager at National Appraisal Partners, LLP.

Experience

Ms. Aylesworth has been actively engaged in the real estate appraisal industry since 1988, when she was an eminent domain appraiser for the Texas Department of Transportation. From 1990 to 1994, Ms. Aylesworth was an Assistant Vice President in the appraisal department for First Heights Bank. Ms. Aylesworth returned to the Texas Department of Transportation from 1994 to 1996. In 1996, she joined the Houston Real Estate Valuation and Consulting Group of Arthur Andersen LLP. From 2002 from 2006, Ms. Aylesworth was a Senior Appraiser with Avail Consulting. She was with the Deloitte Valuation Group as a Senior Appraiser from 2006 to 2014. She joined National Appraisal Partners in 2015. Her experience includes appraisal and consulting engagements on a number of property types, including office buildings, retail properties, industrial facilities, gasoline stations/convenience stores, and special-use properties across the United States.

Affiliations/Advisory Boards

Ms. Aylesworth is a State Certified General Real Estate Appraiser in Texas. She is also an active member of Commercial Real Estate Women (CREW), Houston Association of Government Guaranteed Lenders (HAGGL) and Risk Management Association (RMA)

Education

Ms. Aylesworth holds a Bachelor of Science Degree in Agricultural Economics and a Master of Business Administration Degree from Texas A&M University.

STATE CERTIFICATIONS



Certified General Real Estate Appraiser

Appraiser: **Thomas Andrew Stark**

License #: **TX 1325319 G**

License Expires: **01/31/2024**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title:
Certified General Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

Chelsea Buchholtz
Commissioner



Certified General Real Estate Appraiser

Appraiser: **Bryan Scott Miller**

License #: **TX 1328184 G**

License Expires: **10/31/2024**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title:
Certified General Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

Chelsea Buchholtz
Commissioner



Certified General Real Estate Appraiser

Appraiser: **Justin Matthew Bishop**

License #: **TX 1380401 G**

License Expires: **12/31/2024**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title:
Certified General Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

Chelsea Buchholtz
Commissioner



Certified General Real Estate Appraiser

Appraiser: **Jolee Gay Aylesworth**

License #: **TX 1324211 G**

License Expires: **12/31/2024**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title:
Certified General Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.


Chelsea Buchholtz
Commissioner


CATEGORY 1A
SURVEY OF

0.68 ACRES
ALL OF 0.225 & 0.451 ACRE TRACTS

LOCATED IN THE M. CORNER SURVEY, ABSTRACT NO. A-8
 BASED ON THE DEED THEREOF RECORDED IN
 COUNTY CLERK'S FILE 2012-109786
 THE DEED RECORDS MONTGOMERY COUNTY, TEXAS
 REF: MONTGOMERY G. F. 2200834 DATE: MAR. 30, 2022

TO THE CITY OF MONTGOMERY AND OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY.
 I HEREBY CERTIFY THAT THIS CATEGORY 1A SURVEY WAS MADE ON THE GROUND, AND TO THE BEST OF MY KNOWLEDGE, THIS PLAT CORRECTLY REPRESENTS THE FACTS AT THE TIME OF THE SURVEY AND THAT THERE ARE NO VISIBLE ENCROACHMENTS, OVERLAPS DISCREPANCIES, OR CONFLICTS EXCEPT AS SHOWN HEREON.


 MICHAEL WARREN R.P.L.S. # 4935



- 1) THE BEARINGS SHOWN HEREON ARE BASED ON NAD. 83, TEXAS CENTRAL ZONE.
- 2) THE SURVEYOR HAS NOT ABSTRACTED THE SUBJECT PROPERTY.
- 3) THIS SURVEY RELIES ON THE TITLE COMMITMENT FROM OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY (G.F. No. 2200834) DATED MARCH 22, 2022, FOR ALL THINGS OF RECORDS.
- 4) SURVEYOR HAS MADE NO INVESTIGATION OR INDEPENDENT SEARCH FOR EASEMENTS OF RECORD, ENCUMBRANCES, RESTRICTIVE COVENANTS, OWNERSHIP, TITLE EVIDENCE, OR ANY OTHER FACTS THAT AN ACCURATE AND CURRENT TITLE SEARCH MAY DISCLOSE.
- 5) ALL BUILDING TIES ARE PERPENDICULAR TO THE BOUNDARY LINE.
- 6) ALL ADJOINER DEED INFORMATION MAY NOT REPRESENT CURRENT OWNER OR OWNERS.
- 7) THE FENCE LINES SHOWN ARE SHOWN AT THE POINTS WERE MEASUREMENTS WERE MADE AND MAY MEANDER ALONG THE LINE
- 8) OTHER MINOR IMPROVEMENTS (SUCH AS LANDSCAPING, LIGHTS, ETC) MAY BE PRESENT, BUT NOT SHOWN
- 9) PROPERTY SUBJECT TO UNLOCATABLE GULF STATE UTILITIES AS RECORDED UNDER COUNTY CLERK'S FILE No. 8024387

LINE & SYMBOL LEGEND	
1) IRF= IRON ROD FOUND	
2) IRS= IRON ROD SET, CAPPED "SURVTECH"	
3) D.R.M.C.TX= DEED RECORDS OF MONTGOMERY COUNTY TEXAS	
4) M.R.M.C.TX= MAP RECORDS OF MONTGOMERY COUNTY TEXAS	
5) BL= BUILDING LINE	
6) UE= UTILITY EASEMENT	
7) DE= DRAINAGE EASEMENT	

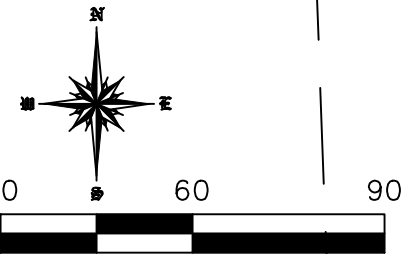
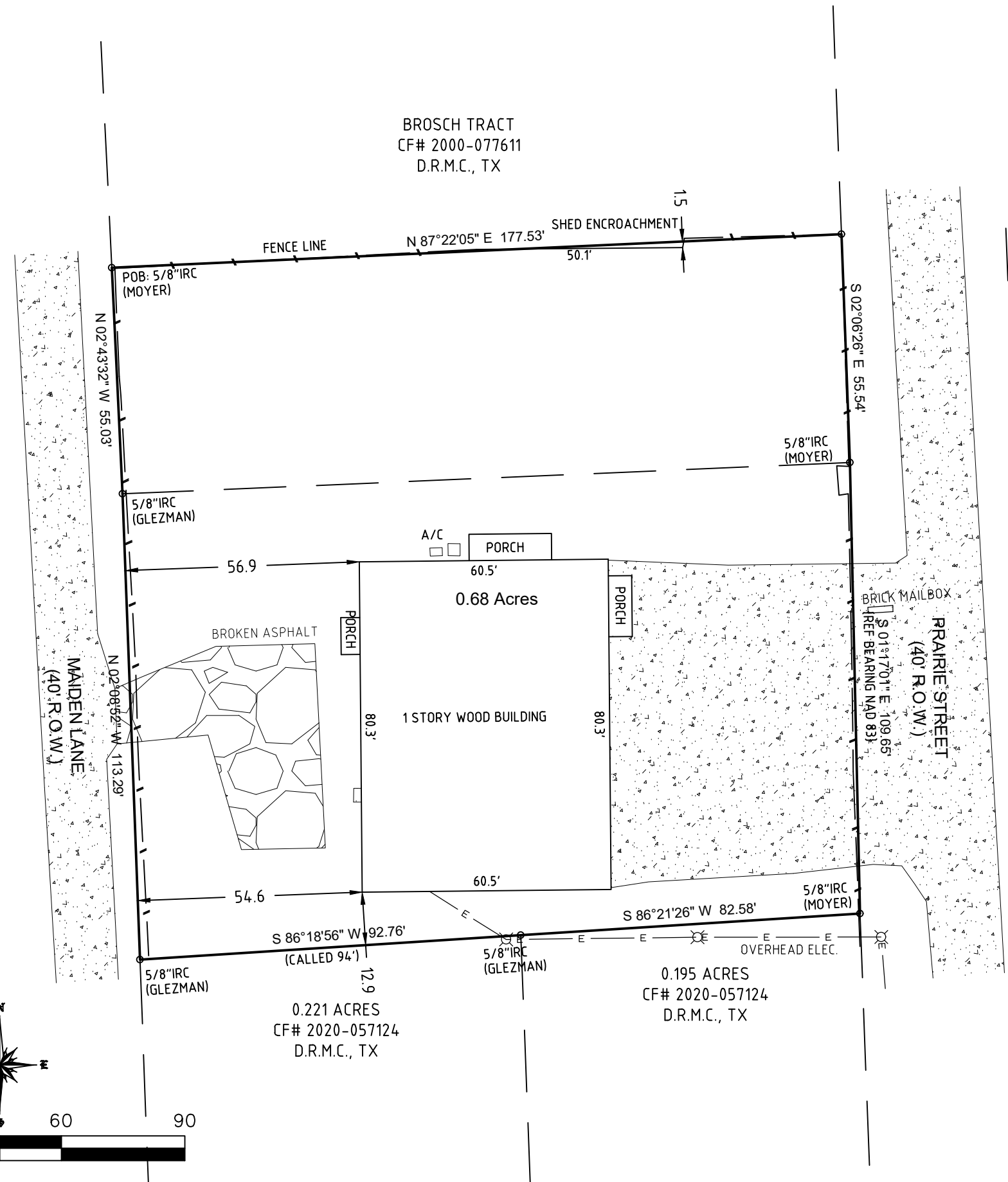


"A Land Surveying Company"

P.O. BOX 1080 \ CONROE, TEXAS 77305-1080
 936-539-5444 \ FAX 936-539-5442
 email: SURVTECH@SURVCORP.COM

THIS SURVEY IS BEING PROVIDED TO THE RECIPIENTS NAMED ABOVE AND NO LICENSE HAS BEEN CREATED, TO COPY THE SURVEY EXCEPT IN CONJUNCTION WITH THE ORIGINAL TRANSACTION, UNLESS OTHERWISE SHOWN, NO FLOODPLAIN CHECK WAS PERFORMED

- ⊕ ROAD SIGN
- ◇ IRRIGATION CONTROL
- ▣ GRATE INLET
- ⊙ GAS VALVE
- ⊙ WATER VALVE
- ☀ LIGHT POLE
- ⊗ POWER POLE
- ▭ ELECTRIC TRANS. BOX
- ⊠ FIRE HYDRANT
- ⊕ SANITARY SEWER
- ⊕ STORM SEWER
- ⊕ TELEPHONE PED
- ⊕ CABLE BOX/PED
- ⊕ FLAG POLE
- ⊕ FIBER OPTIC MARKER
- ⊕ TRAFFIC SIGNAL
- ⊕ PIPELINE MARKER
- ⊕ WATER METER
- ⊕ MANHOLE
- ⊕ METER POLE
- ⊕ SEPTIC



Montgomery City Council
AGENDA REPORT

Meeting Date: September 26, 2023	Available Funds: N/A
Department: Admin	Prepared By: Dave McCorquodale

Subject

Consideration and possible action on a Chapter 380 Agreement by and between the City of Montgomery and Home Depot USA, Inc. for the Buffalo Springs Drive Roadway Reconstruction and Traffic Signal at SH105W & Buffalo Springs Drive projects.

Recommendation

Review the draft Chapter 380 agreement and discuss.

Discussion

Issue:

The City and Home Depot have been discussing a proposed store at 20240 Eva Street for several months. These discussions include off-site infrastructure improvements of a traffic signal and roadway reconstruction to be completed before the store opens in October 2024.

Regulations:

Chapter 380 of the Local Government Code authorizes municipalities to offer incentives designed to promote economic development such as commercial and retail projects. Specifically, it provides for offering loans and grants of city funds or services at little or no cost to promote economic development and to stimulate business and commercial activity. (Source: <https://comptroller.texas.gov/economy/local/ch380-381/>)

Analysis:

Home Depot desires a traffic signal at Buffalo Springs Drive and Eva Street to facilitate customer access. The City recognizes the need for the traffic signal to increase mobility in the City and conducted a Traffic Signal Warrant Analysis at the intersection in the fall of 2021. The City also desires improvements to be made to the Buffalo Springs Drive roadway which is nearing the end of its lifecycle. Discussions with Home Depot about Buffalo Springs Drive are limited to the portion of the roadway from Eva Street to their northern property line (approx. 1,050 feet). The Chapter draft 380 Agreement is based on reimbursing 50% of the total sales tax collected by the City at the Home Depot store.

Fiscal Review:

The total design and construction cost for the two projects is estimated to be \$1,424,800. Home Depot has agreed to contribute \$750,000 toward the traffic signal and roadway improvements. They have also agreed to pay the remaining estimated costs of \$674,000 plus 15% for contingencies subject to being reimbursed through a Chapter 380 Agreement for project costs exceeding \$750,000. The City will reimburse Home Depot approximately \$674,000 over a period of 5 or more years instead of paying those costs up front. The net result of the agreement with Home Depot is the City receiving infrastructure improvements totaling \$1.4 million for an estimated cost of \$674,000.

Conclusion:

This agreement will be discussed in the workshop on Monday. Depending on the conversation from the workshop and comments from Home Depot's team, the item may be tabled as edits are made. It is on the agenda to provide City Council with the option to act on it if circumstances warrant it.

Montgomery City Council
AGENDA REPORT

Approved By		
Assistant City Administrator & Planning & Development Director	Dave McCorquodale	Date: 09/22/2023
City Administrator	Gary Palmer	Date: 09/22/2023

DRAFT**ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT**

THIS ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT (the "Agreement") is made and entered into this ____ day of _____, 2023, by and between the City of Montgomery, Texas (the "**City**"), and Home Depot U.S.A., Inc. ("**Home Depot**"). The City and Home Depot (hereinafter collectively referred to as the "**Parties**" and individually to as the "**Party**").

WITNESSETH:

WHEREAS, Home Depot is in the process of purchasing and developing property located at the commonly known address of 20240 Eva Street (the "**Property**"), and more particularly described in Exhibit A, to be used by Home Depot as a new retail store; and

WHEREAS, the City has requested Home Depot to fund the design, management, and construction of certain public infrastructure improvements adjacent to the Property, and, in return, Home Depot requested certain economic development incentives to defray a portion of those costs; and

WHEREAS, the City is authorized by Chapter 380 of the Texas Local Government Code to make economic development grants in recognition of the positive economic benefits to the City to promote state and local economic development and stimulate business and commercial activity in the City; and

WHEREAS, the City has concluded and hereby finds that the Agreement will clearly promote economic development in the City and, as such, meets requisites under Chapter 380 of the Texas Local Government Code, as amended, and further, is in the best interests of the City; and

WHEREAS, the City has determined that making economic development grants to Home Depot in accordance with this Agreement will further the objectives of the City and will benefit the City and the City's inhabitants, will promote local economic development, will stimulate commercial and business activity, and will generate additional sales tax and will enhance the property tax base and economic vitality of the City; and

NOW, THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the City and Home Depot covenant and agree as follows:

1. Definitions. For purposes of this Agreement, each of the following terms shall have the meaning set forth below unless the context clearly indicates otherwise:

"Annual Sales Tax Grants" shall mean economic development grants, each in the amount equal to fifty percent (50%) of the Sales Tax Receipts received by the City for the applicable Sales Tax Reporting Period, to be paid annually to Home Depot as set forth herein. The amount of each Annual Sales Tax Grant shall be computed by multiplying the Sales Tax Receipts received by the City for the given Sales Tax Reporting Period

DRAFT

times fifty percent (50%), less the administrative fee charged to the City by the State of Texas. For purposes of clarification, and as defined in "Sales and Use Tax," below, the sales tax referenced herein subject to the aforementioned fifty percent (50%) limitation is fifty percent (50%) of the sales tax received by the City for the applicable sales tax reporting period.

"Bankruptcy or Insolvency" shall mean the dissolution or termination of a Party's existence as a business, insolvency, appointment of receiver for any part of such Party's property and such appointment is not terminated within one hundred twenty (120) days after such appointment is initially made, any general assignment for the benefit of creditors, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against such party and such proceeding is not dismissed within one hundred twenty (120) days after the filing thereof.

"Commencement Date" shall mean the date a certificate of occupancy is issued by the City to Home Depot.

"Completion of Construction" shall mean that (i) substantial completion of the Improvements has occurred; and (ii) the City has issued a certificate of occupancy for occupancy of the Improvements by Home Depot.

"Consummated" is defined in Section 321.203, Texas Tax Code, or its successor.

"Effective Date" shall mean the last date of execution hereof.

"Expiration Date" shall mean the date of payment of the Maximum Sales Tax Grant amount.

"Force Majeure" shall mean any contingency or cause beyond the reasonable control of a Party including, without limitation, acts of God or the public enemy, war, riot, civil commotion, insurrection, government or de facto governmental action or inaction (unless caused by the intentionally wrongful acts or omissions of the Party), fires, explosions or floods, strikes, slowdowns or work stoppages.

"Impositions" shall mean all taxes, assessments, use and occupancy taxes, charges, excises, license and permit fees and other charges, whether general or special, ordinary or extraordinary, foreseen or unforeseen, which are or may be assessed, charged, levied, or imposed by any public or governmental authority or the City on Home Depot, and/or a Home Depot affiliate, and applicable to the development of the Property or any property or any business owned by Home Depot.

"Improvements" shall mean a Home Depot retail store to be constructed on the Property, more fully described in the submittals filed by Home Depot with the City, from time to time, in order to obtain a building permit(s).

"Maximum Sales Tax Grant" shall mean the cumulative payment of Sales Tax

DRAFT

Grants to Home Depot which equals the total cost and/or expenses related to the Road Improvements and Signal Improvement projects, in excess of Seven Hundred and Fifty Thousand and No/100 Dollars (\$750,000.00).

"Party" shall mean any party to this Agreement.

"Payment Request" shall mean a written request from Home Depot to the City for payment of an Annual Sales Tax Grant for the applicable Sales Tax Reporting Period.

"Property" shall mean the real property described in Exhibit A.

"Road Improvements" shall mean the road improvements to North Buffalo Spring Drive from TX-105 to the northern property boundary line of the Property, as shown in Exhibit B.

"Sales and Use Tax" shall mean (i) with respect to the City, the City's **one and one half percent (1.5%)** general municipal sales and use tax imposed pursuant to Chapter 321, Texas Tax Code, on the sale of Taxable Items by Home Depot consummated on the Property.

"Sales Tax Area Reports" shall mean reports provided by the Comptroller to the City pursuant to Texas Tax Code, Section 321.3022, or other provision of the Texas Tax Code, with respect to Sales and Use Tax allocations to the City attributable to the sale of Taxable Items by Home Depot consummated on the Property or if such reports are not available from the Comptroller, such other documentation in a form reasonably acceptable to the City setting forth the collection of Sales and Use Tax by Home Depot received by the City from the Comptroller for the sale of Taxable Items by Home Depot consummated on the Property.

"Sales Tax Certificate" shall mean one or more Sales Tax Area Reports or a report provided by the Comptroller to the City in accordance with Section 321.3022, Texas Tax Code (or other applicable provision of the Texas Tax Code), which lists the amount of Sales and Use Tax collected (including any refunds, credits or adjustments) for the Sales Tax Reporting Period paid by Home Depot and received by the City from the Comptroller from the sale of Taxable Items consummated by Home Depot on the Property and, in turn, paid by the Comptroller to the City for use by the City in accordance with this Agreement; or, if such a report is not available, then a certificate or statement in a form reasonably approved by the City, setting forth the collection of Sales and Use Tax (including any refunds, credits or adjustments) by Home Depot received by the City from the Comptroller, from the sale of Taxable Items by Home Depot consummated on the Property, including supporting documentation, to be provided by Home Depot that provides the same or similar information, as such other information as the City may reasonably require from time to time.

"Sales Tax Receipts" shall mean the City's receipt of the City's Sales and Use Tax from the Comptroller from Home Depot's collection of Sales and Use Tax (it being expressly understood that the City's use of the sales and use tax receipts are being used only as a measurement for its use of general funds to make a grant for economic development purposes) as a result of the sale of Taxable Items by Home Depot for the Sales Tax Reporting Period

consummated on the Property.

"*Sales Tax Reporting Period*" shall mean a calendar year (with the calendar year ending December 31) except that (1) Home Depot may designate a different period coinciding with the fiscal year covered by its annual Sales and Use Tax return filed with the State of Texas and (2) the first Sales Tax Reporting Period shall begin on the Commencement Date and continue through and include the last day of the first full calendar year or fiscal year, as applicable, following the Commencement Date.

"*Signal Improvement*" shall mean the signal improvement located at the intersection of North Buffalo Springs Drive and TX-105, as shown in Exhibit C.

"*State of Texas*" shall mean the Office of the Texas Comptroller, or its successor.

"*Taxable Items*" shall mean both "taxable items" and "taxable services" as those terms are defined by Chapter 151, Texas Tax Code, as amended.

2. Sales Tax Grants.

(a) Annual Sales Tax Grants. Subject to the continued satisfaction of all the terms and conditions of this Agreement by Home Depot, the City (the "Grantor") agrees to provide Home Depot with Annual Sales Tax Grants. The Annual Sales Tax Grants paid by the City to Home Depot shall occur annually until the cumulative payments of sales tax grants to Home Depot equal the Maximum Sales Tax Grant. The Annual Sales Tax Grants shall be paid within ninety (90) days after receipt of a Payment Request. Each Payment Request shall be submitted to the City not later than April 1 of the calendar year immediately following the end of the applicable Sales Tax Reporting Period (or 90 days immediately following the end of the applicable Sales Tax Reporting Period if such period is not on a calendar year basis), beginning with the first Sales Tax Reporting Period. Failure to timely submit a Payment Request for a given Sales Tax Grant Reporting Period shall require the City to notify Home Depot of such failure to submit and give Home Depot thirty (30) days to cure after its receipt of such notice. Fifty percent (50%) of each Annual Sales Tax Grant shall be paid by the City directly to Home Depot at the address of Home Depot specified on the related Payment Request.

(b) Adjustment Notification. Home Depot shall promptly notify the City in writing of any adjustments found, determined or made by Home Depot, the State of Texas, or by an audit which results, or will result, in either a refund or reallocation of Sales Tax Receipts or the payment of Sales and Use Tax or involving amounts reported by Home Depot as subject to this Agreement. Such notification shall also include the amount of any such adjustment in Sales and Use Tax or Sales Tax Receipts. Home Depot shall notify the City in writing within ninety (90) days after receipt of notice of the intent of the State of Texas to audit Home Depot. Such notification shall also include the period of such audit or investigation.

(c) Adjustments. In the event Home Depot files an amended Sales and Use Tax return, or report with the State of Texas, or if additional Sales and Use Tax is due and

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owing by Home Depot to the State of Texas, as determined, or approved by the State of Texas affecting Sales Tax Receipts for a previous Sales Tax Reporting Period, then the Annual Sales Tax Grant payment for the Sales Tax Reporting Period immediately following such State of Texas approved amendment shall be adjusted accordingly (*i.e.*, up or down, depending on the facts), provided the City has received Sales Tax Receipts attributed to such adjustment. As a condition precedent to payment of such adjustment, Home Depot shall provide the City with a copy of any such amended sales and use tax report or return, and the approval thereof by the State of Texas. Copies of any amended Sales and Use Tax return or report or notification from the State of Texas that additional Sales and Use Tax is due and owing by Home Depot to the State of Texas, as determined by the State of Texas, affecting Sales Tax Receipts for a previous Sales Tax Reporting Period shall be provided to the City with the Payment Request for the next Sales Tax Reporting Period.

(d) Refunds and Underpayments of Annual Sales Tax Grants. In the event the State of Texas issues a final determination that the City erroneously received (or failed to receive), for the benefit of the City, Sales Tax Receipts, or that the amount of Sales and Use Tax paid by Home Depot exceeds (or is less than) the correct amount of Sales and Use Tax for a previous Sales Tax Reporting Period, for which Home Depot and Developer have received an Annual Sales Tax Grant, Home Depot shall, within sixty (60) days after receipt of notification thereof from the City specifying the amounts by which such Annual Sales Tax Grant exceeded (or was less than) the amount to which Home Depot and Developer were entitled pursuant to such State of Texas determination, adjust (up or down, depending on the facts) the amount claimed due for the Annual Sales Tax Grant payment for the Sales Tax Reporting Period immediately following such State of Texas determination. If Home Depot does not adjust the amount claimed due for the Annual Sales Tax Grant payment for the Sales Tax Reporting Period immediately following such State of Texas determination the City may, at its option, adjust the Annual Sales Tax Grant payment for the Sales Tax Reporting Period immediately following such State of Texas determination. If the adjustment results in funds to be paid back to the City for the benefit of the City, Home Depot shall repay their respective amounts to the City within ninety (90) days after receipt of such State of Texas determination. As a condition precedent to payment of such refund, the City shall provide Home Depot with a copy of such determination issued by the State of Texas. If the adjustment results in additional funds to be paid to Home Depot, the City shall pay such amount to Home Depot as part of the next Annual Sales Tax Grant payment. The provisions of this Section shall survive termination of this Agreement.

(e) Grant Payment Termination: Suspension. The payment of the Annual Sales Tax Grants shall terminate on the effective date of determination by the State of Texas or other appropriate agency or court of competent jurisdiction that Home Depot is not a place of business resulting in Sales and Use Taxes being due the City from the sale of Taxable Items by Home Depot on the Property. In the event the State of Texas seeks to invalidate Home Depot as a place of business where Sales and Use Tax was properly remitted to the State of Texas (the "Comptroller Challenge") the payment of Annual Sales Tax Grants by the City hereunder shall be suspended until such Comptroller Challenge is resolved in whole favorably to the City. In such event, Home Depot shall not be required to return or refund Annual Sales Tax Grants previously received from the City provided Home Depot is actively defending against and/or contesting the Comptroller Challenge and Home Depot promptly

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informs the City in writing of such Home Depot actions and with copies of all documents and information related thereto. In the event the Comptroller Challenge is resolved favorably to the City, the City shall remit to Home Depot all unpaid Annual Sales Tax Grants that they would have otherwise been entitled to during the suspension due to the Comptroller Challenge. In the event the Comptroller Challenge is not resolved favorably to the City and/or in the event the State of Texas determines that Home Depot does not have a place of business on the Property or that Home Depot is not a place of business where the Sales and Use Tax was properly remitted to the State of Texas, and Sales and Use Tax Receipts previously paid or remitted to the City relating to the Improvements are reversed and required to be repaid to the State of Texas, then the obligation to pay the Annual Sales Tax Grants shall terminate and Home Depot shall refund all respective amounts of Annual Sales Tax Grants received by Home Depot from the City that relate to the Comptroller Challenge, which refund shall be paid to the City within ninety 90 days after the date that the Comptroller Challenge required the City to repay Sales and Use Tax Receipts.

(f) **Sales Tax Reports.** The City and Home Depot designate this Agreement as a "revenue sharing agreement," thereby entitling the City to request annual sales and use tax information from the Comptroller, pursuant to Section 321.3022 of the Texas Tax Code, as amended. The City shall request in writing that the Comptroller issue sales tax reports pursuant to Section 321.3022 for total sales of Taxable Items consummated on the Property by Home Depot and the payment of Sales and Use Tax (the "Sales Tax Reports") for each calendar year during the term hereof. To the extent that the release of any such reports or information regarding the Sales and Use Tax collected by Home Depot for the sale of Taxable items consummated on the Property by Home Depot shall require the consent of Home Depot, Home Depot shall provide such consent to the City. Home Depot shall provide the sales tax identification numbers for Home Depot so that payments can be verified by the City.

(g) **Confidentiality.** Unless otherwise determined by the Texas Attorney General in writing, the sales and use tax documentation referenced in this Agreement shall be considered confidential financial information contained in a public document (or other reproduction media) not subject to release to the public. The City shall seek a written opinion from the Texas Attorney General raising any applicable exception to release, prior to any release to a third-party under the Texas Public Information Act. The Parties agree, however, that this Agreement shall not be considered confidential.

3. Administration. The City, by and through its City Administrator, or designee, shall have the authority to administer this Agreement, including the receipt of Payment Requests and the payment of Annual Sales Tax Grants.

- 4. Road Improvements and Signal Improvements.** Home Depot agrees to fund all costs and/or expenses associated with the Road Improvements to North Buffalo Spring Drive from TX-105 to the northern property boundary line of the Property as shown in Exhibit B and the Signal Improvement located at the intersection of North Buffalo Springs Drive and TX-105 as shown on Exhibit C. Upon execution of this Agreement, Home Depot agrees to deposit an amount sufficient to cover all costs and/or expenses related to the design, survey, geo technical analysis, and competitive bidding with the City for the Road Improvements and Signal

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Improvement projects. The Road Improvements and Signal Improvement projects will be bid as separate projects. Prior to the City entering into the construction contracts for the Road Improvements and Signal Improvement projects (i.e., after City awards the construction contract but before the actual construction contract is fully executed), Home Depot agrees to deposit with the City the amount of the bid plus fifteen percent (15%) contingencies plus the amount for construction administration, inspection, and materials testing with the City, or \$137,500.00. Within sixty (60) days after the acceptance by the City of the Road Improvements and Signal Improvement projects, a final accounting of each of the project cost(s) will be conducted by the City and Home Depot will either be required to deposit additional funds or receive a reimbursement from the City. In the event the construction cost of the Road Improvement projects exceeds the projected cost of \$1,669,800.00, the City unilaterally reserves the right to reduce the scope of the Road Improvement project from the northern property boundary line of the Property to the access road entrance of the Improvements. See Exhibit D.

5. Obligations. The obligation of the City to provide the Annual Sales Tax Grants hereunder shall be conditioned upon the compliance and satisfaction of each of the terms and conditions of this Agreement by Home Depot and each of the terms and conditions set forth below:

(a) Payment Request. Home Depot shall provide the City with the applicable Payment Request.

(b) Good Standing. So long as Home Depot is in compliance with this Agreement, the City's obligation to provide Home Depot with its Annual Sales Tax Grant when due and payable shall remain in effect.

(c) Completion of Construction of the Improvements. Home Depot shall, subject to events of Force Majeure, cause Completion of Construction to occur on or before **December 1, 2024**.

(d) Required Use. During the term of this Agreement following the Commencement Date and continuing thereafter until the Expiration Date, the Improvements shall not be used for any purpose other than as a Home Depot retail store, and the operation and occupancy of the Improvements in conformance with such use shall not cease for more than thirty (30) consecutive days except in connection with and to the extent of an event of Force Majeure.

(e) Continuous Ownership. During the term of this Agreement following the Commencement Date and continuing thereafter until the Expiration Date, Home Depot or an affiliate of Home Depot shall continuously own the Property.

(f) Sales Tax Certificate. As a condition to the payment of each Annual Sales Tax Grant hereunder, the City shall have received a Sales Tax Certificate for the applicable Sales Tax Reporting Period for which payment of an Annual Sales Tax Grant is requested. The City shall use its best efforts to obtain such Sales Tax Certificate from the Comptroller and shall provide a copy of each such Sales Tax Certificate to Home Depot upon its request. The City shall have no duty to calculate the Sales Tax Receipts or determine the entitlement of

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Home Depot to any Annual Sales Tax Grant, or pay any Annual Sales Tax Grant during the term of this Agreement until such time as Home Depot has provided items (1) through (4) set forth below and a Payment Request for the applicable Sales Tax Reporting Period. The City may, but is not required to, provide Home Depot with forms for items (1) through (4) set forth below and required herein. At the request of the City, Home Depot shall provide such additional documentation as may be reasonably requested by the City to evidence, support and establish the Sales Tax Receipts (including Sales and Use Tax paid directly to the State of Texas pursuant to a direct payment permit) received by City from the State of Texas. Each Payment Request shall at a minimum be accompanied by the following:

(1) Schedules, which show the amount of total sale of Taxable Items by Home Depot consummated on the Property for the applicable Sales Tax Reporting Period, and the amount of Sales and Use Tax collected and paid to the State of Texas as a result of the sale of Taxable Items by Home Depot consummated at the Improvements for the applicable Sales Tax Period;

(2) A copy of all Sales and Use Tax returns and reports, Sales and Use Tax prepayment returns, direct payment permits and reports, including amended sales and use tax returns or reports, filed by Home Depot for the applicable Sales Tax Reporting Period showing the Sales and Use Tax collected (including Sales and Use Tax paid directly to the State of Texas pursuant to a direct payment certificate) by Home Depot for the sale of Taxable Items consummated at the Improvements;

(3) A copy of all direct payment and self-assessment returns, if any, including amended returns, filed by Home Depot for the applicable Sales Tax Reporting Period showing the Sales and Use Tax paid for the sale of Taxable Items consummated at the Improvements; and

(4) Information concerning any refund or credit received by Home Depot during the applicable Sales Tax Reporting Period of the Sales and Use Taxes paid or collected by Home Depot which has previously been reported by Home Depot as Sales and Use Tax paid or collected.

Within thirty (30) business days after a request by the City, Home Depot shall provide a release or releases to the City as necessary to allow the State of Texas to disclose the Sales and Use Tax information pertaining to the sale of Taxable Items by Home Depot on the Property during the term of this Agreement in a form as may be required by the State of Texas.

6. Termination Provisions.

(a) Termination. This Agreement terminates on the Expiration Date, and may, prior to the Expiration Date, be terminated upon any one or more of the following:

- (1) by mutual written agreement of the Parties;
- (2) by a Party, if another Party defaults or breaches any of the terms or

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conditions of this Agreement, and such default or breach is not cured within ninety (90) days after written notice thereof;

(3) by the City, if any Impositions owed to the City or the State of Texas by Home Depot with respect to the Property shall have become delinquent (provided, however, Home Depot retains the right to timely and properly protest and contest any such taxes or Impositions);

(4) by the City, if Home Depot suffers an Event of Bankruptcy or Insolvency; or

(5) by any Party if any subsequent federal or state legislation or any final and non-appealable decision of a court of competent jurisdiction declares or renders this Agreement invalid, illegal or unenforceable.

(b) **Offsets.** The City may at its option, offset any amounts due and payable under this Agreement against any debt (including taxes) lawfully due to the City from Home Depot, regardless of whether the amount due arises pursuant to the terms of this Agreement or otherwise and regardless of whether or not the debt due the City has been reduced to judgment by a court.

7. Binding Agreement. The terms and conditions of this Agreement are binding upon the successors and permitted assigns of the Parties.

8. Limitation on Liability. It is understood and agreed between the Parties that the City assumes no responsibilities or liabilities to third parties in connection with Home Depot actions. Further, Home Depot agrees to indemnify and hold harmless the City from all claims, suits, demands, and causes of actions by a third party arising from actions and performance under this Agreement, as hereinafter referenced.

9. No Joint Venture. It is acknowledged and agreed by the Parties that the terms hereof are not intended to and shall not be deemed to create a partnership or joint venture among the Parties.

10. Authorization. Each Party represents that it has full capacity and authority to grant all rights and assume all obligations that are granted and assumed under this Agreement.

11. Right of Access. Home Depot further agrees that, upon twenty-four (24) hours' written notice, the City, its agents and employees, shall have a reasonable right to access the Property during the store's normal operating hours and any improvements thereon to inspect same in order to ensure that the construction of the improvements is in accordance with this Agreement and/or all applicable federal, state and local laws, ordinances and regulations. After completion of the improvements, upon twenty-four (24) hours' written notice, the City and its agents and employees shall have the continuing right of inspection during the store's normal operating hours to ensure that such are thereafter maintained and operated in accordance with this Agreement and/or all applicable federal, state and local laws.

12. Construction of Agreement; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Montgomery County, Texas. Venue for any action arising under this Agreement shall lie in Montgomery County, Texas.

13. Notices. Any notices required or permitted to be given hereunder shall be given by certified or registered mail, return receipt requested, to the addresses set forth below or to such other single address as either party hereto shall notify the other:

If to the City: City of Montgomery, Texas
101 Old Plantersville Road
Montgomery, Texas 77316
Attn: Gary Palmer, City Administrator

With a copy to: Johnson Petrov LLP
2929 Allen Parkway, Suite 3150
Houston, Texas 77019
Attn: Alan Petrov, City Attorney

If to Home Depot: Home Depot U.S.A., Inc.
2455 Paces Ferry Rd.
Attn: Wakesha Edwards
Atlanta, GA 30339-4024

14. Attorney's Fees to Prevailing Party. In the event any Party initiates or defends any legal action or proceeding against another Party to enforce or interpret any of the terms of this Agreement, the prevailing Party in any such action or proceeding shall be entitled to recover its reasonable costs and attorney's fees (including its reasonable costs and attorney's fees on any appeal).

15. Entire Agreement; Binding Effect of Agreement. This Agreement contains the entire agreement between the parties hereto and supersedes all prior agreements, oral or written, with respect to the subject matter hereof.

16. Indemnification.

(a) HOME AGREES TO DEFEND, INDEMNIFY AND HOLD THE CITY AND ITS RESPECTIVE OFFICERS, AGENTS AND EMPLOYEES (COLLECTIVELY FOR THE PURPOSE OF THIS SECTION, THE "CITY") HARMLESS FROM AND AGAINST ANY AND ALL REASONABLE LIABILITIES, DAMAGES, CLAIMS, LAWSUITS, JUDGMENTS, ATTORNEY FEES, COSTS, EXPENSES, AND DEMANDS BY THE STATE OF TEXAS INsofar AS SUCH LIABILITIES, DAMAGES, CLAIMS, LAWSUITS, JUDGMENTS, ATTORNEY FEES, COSTS, EXPENSES, AND DEMANDS ARISE OUT OF A CLAIM BY THE STATE OF TEXAS THAT THE CITY HAS BEEN PAID ERRONEOUSLY, HAS BEEN OVER-PAID OR HAS BEEN INCORRECTLY ALLOCATED SALES AND USE TAX ATTRIBUTED SOLELY

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TO THE SALE OF TAXABLE ITEMS BY HOME DEPOT AND/OR HOME DEPOT AFFILIATES CONSUMMATED ON THE PROPERTY DURING THE TERM OF THIS AGREEMENT, IT BEING THE INTENTION OF THE PARTIES THAT HOME DEPOT SHALL BE RESPONSIBLE FOR THE REPAYMENT OF ANY ANNUAL SALES TAX GRANTS PAID TO HOME DEPOT HEREIN BY THE CITY THAT RELATE TO SALES AND USE TAX RECEIPTS THAT THE STATE OF TEXAS HAS DETERMINED WERE ERRONEOUSLY PAID, DISTRIBUTED, OR ALLOCATED TO OR COLLECTED BY THE CITY. THE INDEMNIFICATION SHALL NOT APPLY TO ANY LIABILITY RESULTING SOLELY FROM ERRORS OR OMISSIONS OF THE CITY. THE PROVISIONS OF THIS SECTION SHALL SURVIVE TERMINATION OF THIS AGREEMENT. THE PROVISIONS OF THIS SECTION ARE SOLELY FOR THE BENEFIT OF THE PARTIES HERETO AND DO NOT CREATE ANY OBLIGATIONS FROM OR GRANT ANY CONTRACTUAL OR OTHER RIGHTS TO ANY OTHER PERSON OR ENTITY, OTHER THAN OBLIGATIONS, IF ANY, THAT ARISE FROM HOME DEPOT TO THE CITY TO PERFORM OBLIGATIONS CREATED BY THIS SECTION.

(b) NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS SECTION 15, IT IS UNDERSTOOD AND AGREED THAT IN THE EVENT AND TO THE EXTENT THAT ANY INDEMNIFIED PARTY IS ENTITLED TO INDEMNIFICATION FROM HOME DEPOT UNDER THE TERMS OF PARAGRAPH (A) ABOVE IN RESPECT OF ANY OF THE LIABILITIES, DAMAGES, CLAIMS, LAWSUITS, JUDGMENTS, ATTORNEY FEES, COSTS, EXPENSES, AND DEMANDS REFERRED TO THEREIN, HOME DEPOT SHALL BE LIABLE FOR SUCH AMOUNT, TO THE CITY, AND SUCH AMOUNT PAYABLE BY HOME DEPOT SHALL LIMITED TO AND SHALL NOT EXCEED THE TOTAL AMOUNT OF ANNUAL SALES TAX GRANTS PREVIOUSLY RECEIVED BY EACH OF THEM PURSUANT TO THIS AGREEMENT.

17. **Invalidation.** Invalidation of any one of the provisions of this Agreement by judgment or court order shall in no way affect any of the other provisions, which shall remain in full force and effect.

18. **Facsimile.** A telecopied or electronic facsimile of a duly executed counterpart of this Agreement shall be sufficient to evidence the binding agreement of each party to the terms herein.

19. **Severability.** In the event any provision of this Agreement shall be determined by any court of competent jurisdiction to be invalid or unenforceable, this Agreement shall, to the extent reasonably possible, remain in force as to the balance of its provisions as if such invalid provision were not a part hereof.

20. **Authority to Execute Agreement.** This Agreement shall become a binding obligation on the signatories upon execution by all signatories hereto. The City warrants and

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represents that (1) it has all requisite power and authority under the Constitution and laws of the State of Texas to enter into and perform its obligations under this Agreement, and (2) the individual executing this Agreement on behalf of the City has full authority to execute this Agreement and bind the City to the same.

Home Depot warrants and represents that the individual executing this Agreement on its behalf has full authority to execute this Agreement and bind Home Depot to same.

21. Non-Binding Mediation. In the event of any disagreement or conflict concerning the interpretation of this Agreement, and such disagreement cannot be resolved by the signatories hereto, the signatories agree to submit such disagreement to non-binding mediation.

22. Compliance with Chapter 2264, Texas Government Code. Home Depot certifies that it does not and will not knowingly employ an undocumented worker in accordance with Chapter 2264 of the Texas Government Code, as amended. If during the term of this Agreement, Home Depot, or its successors, heirs, assigns, grantees, trustees, representatives, and all others holding any interest in the Property now or in the future, is convicted of a violation under 8 U.S.C. § 1324a(f), Home Depot shall repay the amount of the public subsidy provided under this Agreement plus interest, at the rate of eight percent (8%), not later than the 120th day after the date the City notifies Home Depot of the violation.

23. Amendment. This Agreement may only be amended by a written agreement executed by the Parties.

24. Recitals. The recitals in this Agreement are true and correct, represent representations and warranties of the Parties, and are incorporated as part of this Agreement for all purposes.

25. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original instrument, but all of the counterparts shall constitute one and the same instrument.

26. Exhibits. All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

27. Survival of Covenants. Any covenants of the Parties that are to be performed after termination of this Agreement shall survive termination of this Agreement.

28. Assignment. This Agreement may not be assigned by Home Depot, in whole or in part, without the prior written consent of the City. Any attempted assignment by Home Depot in violation of the terms and provisions of this section shall be void.

29. No Covenant to Build or Operate. Notwithstanding any other provision of this Agreement, the City acknowledges that Home Depot has not yet purchased the Property, and that nothing contained within this Agreement, either express or implied, shall be

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deemed as a covenant on the part of Home Depot to build or operate a Home Depot store on the Property. The City further acknowledges that their sole remedy for Home Depot's failure to build or operate a Home Depot store on the Property shall be to terminate this Agreement as permitted by Section 5.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first above written.

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THE CITY OF MONTGOMERY

By: _____
Byron Sanford, Mayor

HOME DEPOT U.S.A., INC., a Delaware corporation

By: _____

Name: _____

Title: _____

EXHIBIT(S)



CITY OF MONTGOMERY, TEXAS

Sales and Use Tax Allocation Report

September 2023

Sales Taxpayer Information through September 2023

A review of the monthly reports provided by the Comptroller of Public Accounts reflects **6,210** active taxpayer accounts coded to the City of Montgomery. Many of the accounts are either E-Commerce related or are coded as active but have not made a sale yet, and therefore are not reflected in the monthly report(s).

Total Sales Tax Payers by Month

YEAR	MONTH	SALES TAX FILERS
2022	September	2,213
2022	October	2,341
2022	November	2,355
2022	December	2,246
2023	January	2,398
2023	February	2,478
2023	March	2,333
2023	April	2,297
2023	May	2,437
2023	June	2,305
2023	July	2,342
2023	August	2,419
2023	September	2,315

The number of taxpayers filing local taxes fluctuates throughout the year. February and quarterly filing months have traditionally reflected the highest number of sales tax payers. Represented here is a listing of each month and the number of taxpayer returns filed in the District, quarterly filing months are listed in **BOLD**.

Average number of taxpayers filing each month: 2,345
5% increase in taxpayers over **September 2022**

Sales Tax Allocations through September 2023

Reviewing the past twelve month reporting period, the City of Montgomery sales tax receipts were derived from an average of **2,345** taxpayers filing local tax returns each month with **February 2023** reflecting the highest taxpayer count of **2,478**.

Top 25 Sales Tax Filers - Twelve Months Combined

No.	Permit Name	NAICS
1	MCCOY'S BUILDING SUPPLY CENTER #113	444190
2	KROGER # 142	445110
3	CHICK-FIL-A AT 105 & LONESTAR PKWY. FSR	722513
4	ENTERGY TEXAS INC.	221122
5	GOOGLE LLC	518210
6	PIZZA SHACK	722511
7	BROOKSHIRE BROTHERS #73	445110
8	AMAZON.COM SERVICES INC (MARKETPLACE)	454110
9	JIM'S HARDWARE INC.	444130
10	MCDONALD'S 25405	722513
11	CHEWY INC.	453910
12	PET SUPPLIES PLUS #4134	453910
13	O'REILLY AUTO PARTS #1838	441310
14	STARBUCKS COFFEE #62996	722515
15	RISE COLLECTIVE LLC	236220
16	AMAZON.COM SERVICES LLC	454110
17	EXPRESSWAY	447110
18	AT&T #R1AS	517312
19	BFI WASTE SERVICES OF TEXAS LP	562111
20	K. HOVNANIAN OF HOUSTON II L.L.C.	236115
21	CIRCLE K #2742316	447110
22	HOME DEPOT U.S.A. INC.	444110
23	PANDA EXPRESS #3466	722513
24	JKG LEIGH	811111
25	A & A PLANTS AND PRODUCE INC.	111219

Top 25 Sales Tax Filers - September 2023

No.	Permit Name	NAICS
1	MCCOY'S BUILDING SUPPLY CENTER #113	444190
2	MILLENNIUM LLC	425110
3	CHICK-FIL-A AT 105 & LONESTAR PKWY. FSR	722513
4	GOOGLE LLC	518210
5	PIZZA SHACK	722511
6	HOME DEPOT U.S.A. INC.	444110
7	WAL-MART.COM USA LLC	453998
8	RISE COLLECTIVE LLC	236220
9	JIM'S HARDWARE INC.	444130
10	COBURN SUPPLY COMPANY INC.	423720
11	MCDONALD'S 25405	722513
12	HAIER US APPLIANCE SOLUTIONS INC.	423620
13	AMAZON.COM SERVICES INC (MARKETPLACE)	454110
14	PET SUPPLIES PLUS #4134	453910
15	O'REILLY AUTO PARTS #1838	441310
16	WASSERSTROM MARKETING CORP.	423440
17	ETAILDIRECT LLC	453998
18	CHEWY INC.	453910
19	EXPRESSWAY	447110
20	WHALECO INC	454110
21	BFI WASTE SERVICES OF TEXAS LP	562111
22	AMAZON.COM SERVICES LLC	454110
23	STARBUCKS COFFEE #62996	722515
24	PEAK BUILDING MATERIALS LLC	236116
25	WGR OPERATING LP	211130

Utilizing data provided by the Texas Comptroller of Public Accounts, this list reflects the top 25 businesses remitting the highest local tax filings within the District and represents **47%** of the total combined sales tax refunds for **September**.

Within the City's most recent sales tax allocation, **82** businesses filed local taxes in excess of **\$1,000.00**. Taxpayer with returns over \$1,000.00 reflects **74%** of the total monthly allocation.

September 2023 | August 2023 Top 25 Taxpayer Comparison

September 2023

Non-Quarterly Filer Month

1	MCCOY'S BUILDING SUPPLY CENTER #113
2	MILLENNIUM LLC
3	CHICK-FIL-A AT 105 & LONESTAR PKWY. FSR
4	GOOGLE LLC
5	PIZZA SHACK
6	HOME DEPOT U.S.A. INC.
7	WAL-MART.COM USA LLC
8	RISE COLLECTIVE LLC
9	JIM'S HARDWARE INC.
10	COBURN SUPPLY COMPANY INC.
11	MCDONALD'S 25405
12	HAIER US APPLIANCE SOLUTIONS INC.
13	AMAZON.COM SERVICES INC (MARKETPLACE)
14	PET SUPPLIES PLUS #4134
15	O'REILLY AUTO PARTS #1838
16	WASSERSTROM MARKETING CORP.
17	ETAILDIRECT LLC
18	CHEWY INC.
19	EXPRESSWAY
20	WHALECO INC
21	BFI WASTE SERVICES OF TEXAS LP
22	AMAZON.COM SERVICES LLC
23	STARBUCKS COFFEE #62996
24	PEAK BUILDING MATERIALS LLC
25	WGR OPERATING LP

August 2023

Quarterly Filer Month

1	KROGER # 142
2	MCCOY'S BUILDING SUPPLY CENTER #113
3	ENTERGY TEXAS INC.
4	BROOKSHIRE BROTHERS #73
5	CHICK-FIL-A AT 105 & LONESTAR PKWY. FSR
6	GOOGLE LLC
7	PIZZA SHACK
8	HOME DEPOT U.S.A. INC.
9	JIM'S HARDWARE INC.
10	WAL-MART.COM USA LLC
11	MCDONALD'S 25405
12	CHEWY INC.
13	K. HOVNIANIAN OF HOUSTON II L.L.C.
14	PET SUPPLIES PLUS #4134
15	AMAZON.COM SERVICES INC (MARKETPLACE)
16	O'REILLY AUTO PARTS #1838
17	BFI WASTE SERVICES OF TEXAS LP
18	STARBUCKS COFFEE #62996
19	COBURN SUPPLY COMPANY INC.
20	NORMAC KITCHENS INC.
21	EXPRESSWAY
22	STEVE'S INSTALLATION CO. INC.
23	RESTORATION HARDWARE INC.
24	CIRCLE K #2742316
25	STEVE L PETERSON

September 2023 | 2022 Comparison

Receipts of Sales Tax Were as Follows:	September 2023	September 2022
	\$379,178.98	\$351,555.11

8% Increase

Total Sales Tax Allocations Received:	2023 FYTD	2023 Budget	% of Budget
	\$4,779,192.57	\$4,866,616	98%

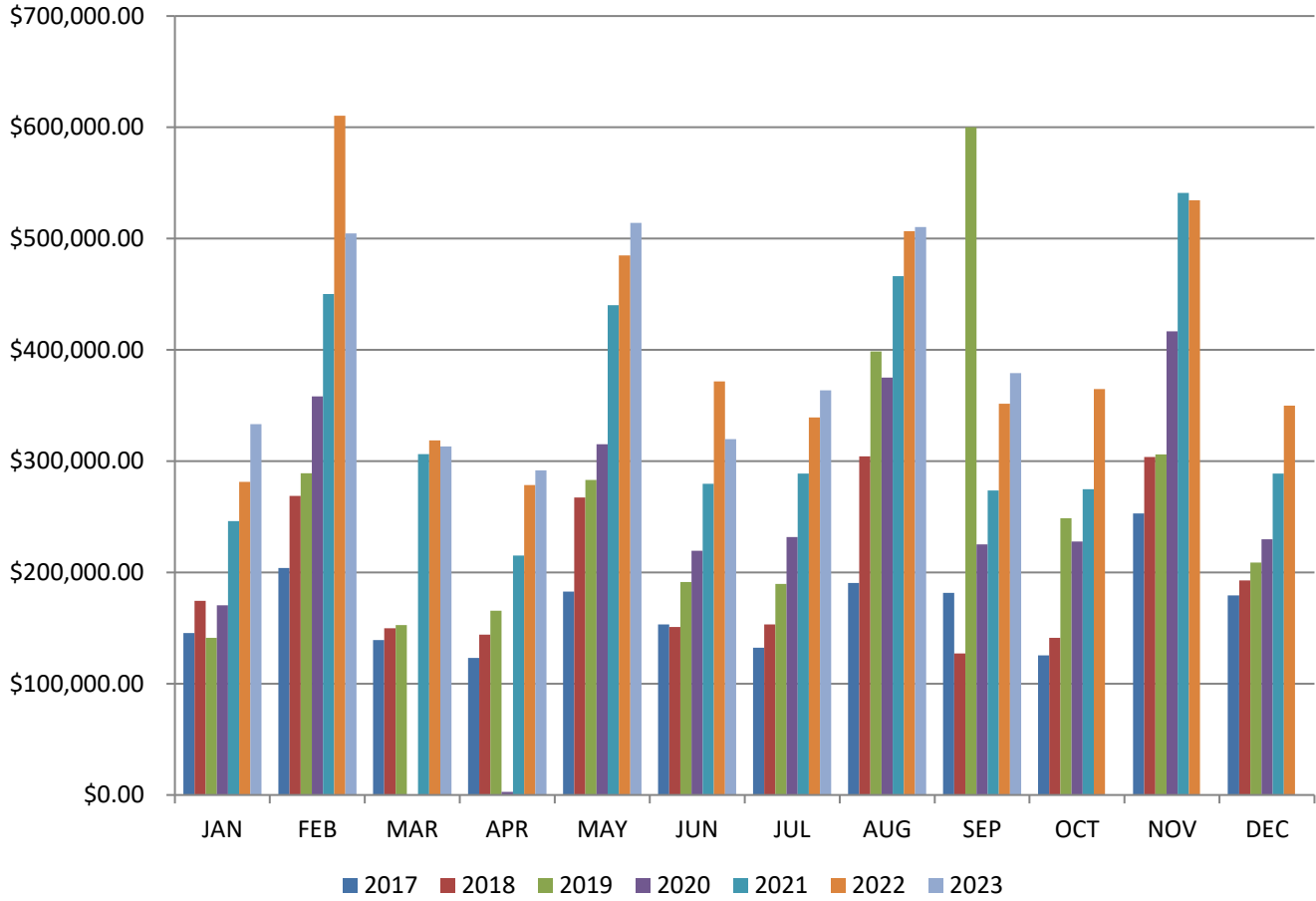
Fiscal Year Date Range: October-September

FY 2019 Total Allocations	FY 2018 Total Allocations	FY 2017 Total Allocations	FY 2016 Total Allocations	FY 2015 Total Allocations	2014 Total Allocations
\$3,049,090.59	\$2,298,289.34	\$1,889,285.60	\$1,867,030.18	\$1,699,926.42	\$1,688,374.26
FY 2020 Total Allocations	FY 2021 Total Allocations	FY 2022 Total Allocations			
\$2,661,447.47	\$3,840,647.17	\$4,648,109.80			

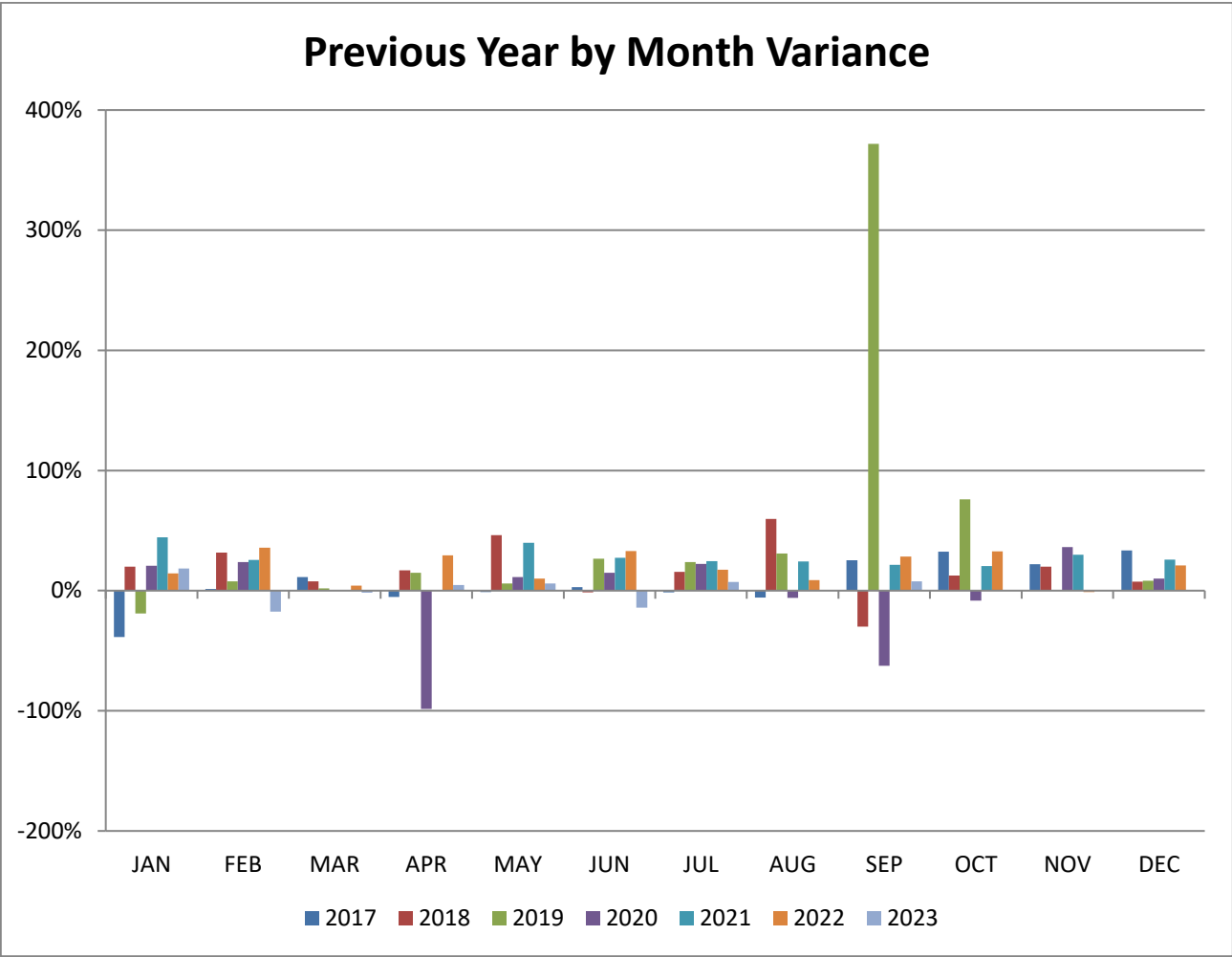
Total Allocations, 1995-Present
\$45,376,778.86

Calendar Year 2023 Sales Tax Averages	Calendar Year 2022 Sales Tax Averages
Total: \$3,530,009.35	Total: \$4,792,612.52
Mean Allocation: \$392,223.26	Mean Allocation: \$399,384.38
Median Allocation: \$363,680.86	Median Allocation: \$358,123.81

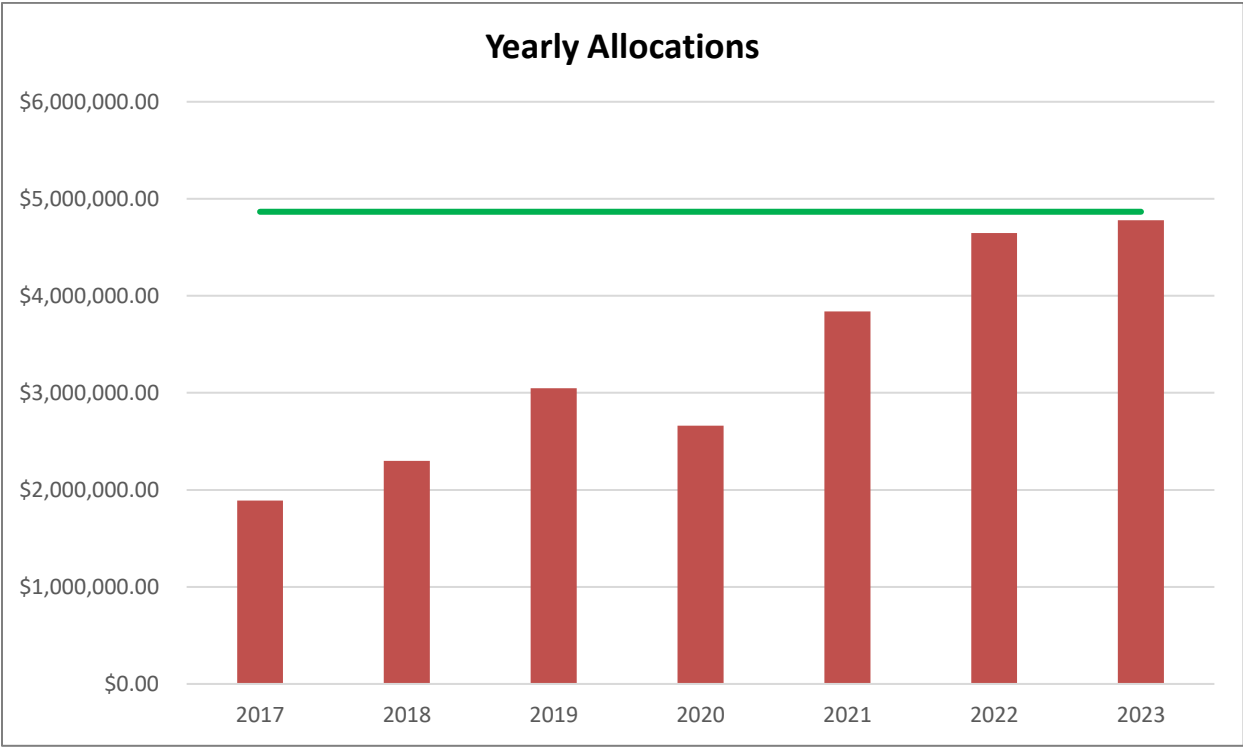
Monthly Allocations



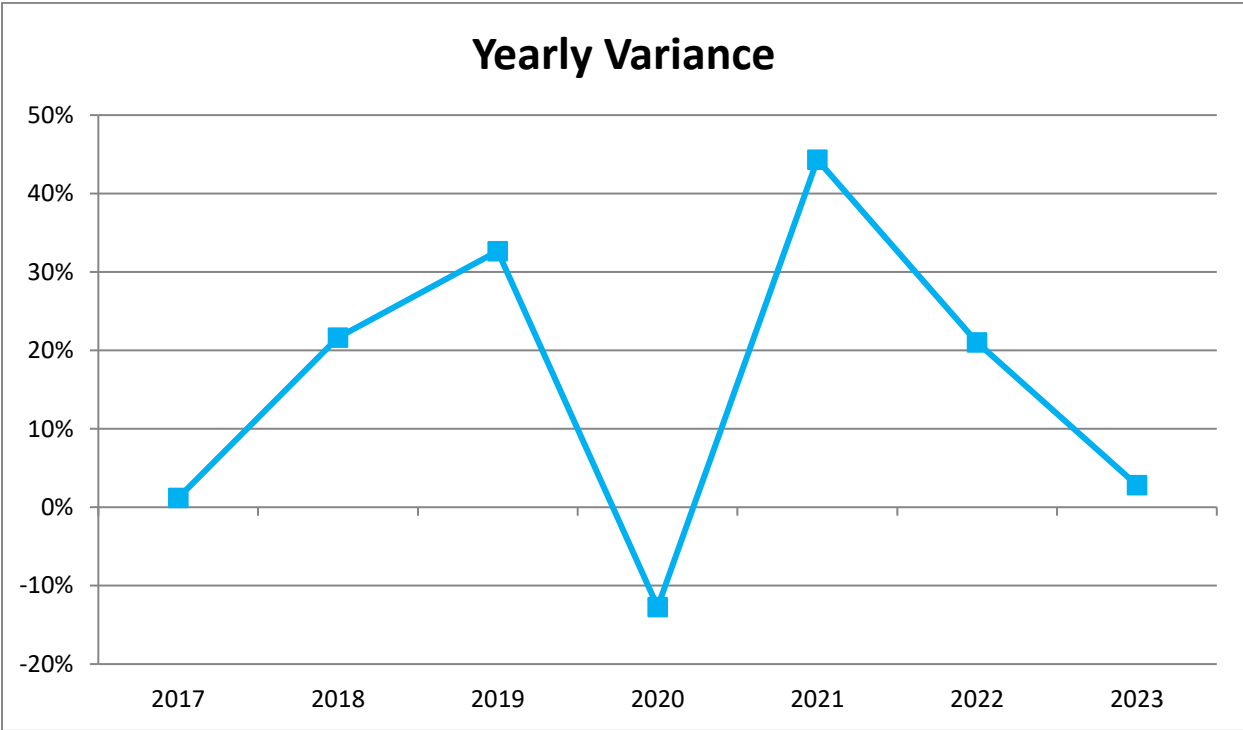
	2017	2018	2019	2020	2021	2022	2023
JAN	\$145,488.55	\$174,487.10	\$141,238.00	\$170,531.07	\$246,166.57	\$281,476.57	\$333,333.42
FEB	\$204,006.24	\$268,635.98	\$289,215.49	\$358,073.66	\$450,079.02	\$610,440.11	\$504,516.03
MAR	\$139,225.65	\$149,964.30	\$152,607.97	\$0.00	\$306,201.64	\$318,775.25	\$313,269.36
APR	\$123,234.01	\$144,205.61	\$165,516.81	\$2,724.55	\$215,206.50	\$278,593.13	\$291,741.42
MAY	\$182,757.15	\$267,397.74	\$283,049.52	\$315,099.96	\$440,192.71	\$484,876.92	\$514,234.18
JUN	\$153,336.53	\$151,071.81	\$191,260.13	\$219,615.98	\$279,583.10	\$371,794.81	\$319,648.21
JUL	\$132,394.32	\$153,156.83	\$189,741.79	\$231,928.50	\$288,879.49	\$339,253.53	\$363,680.86
AUG	\$190,648.43	\$304,422.57	\$398,641.13	\$375,019.12	\$466,305.61	\$506,663.87	\$510,406.89
SEP	\$181,625.33	\$127,165.52	\$599,991.27	\$225,114.39	\$273,783.75	\$351,555.11	\$379,178.98
OCT	\$125,361.52	\$141,162.59	\$248,593.82	\$227,917.54	\$274,762.64	\$364,692.50	
NOV	\$253,111.48	\$303,708.43	\$305,939.66	\$416,557.44	\$540,960.11	\$534,536.86	
DEC	\$179,308.88	\$192,957.46	\$208,806.76	\$229,773.80	\$288,957.75	\$349,953.86	

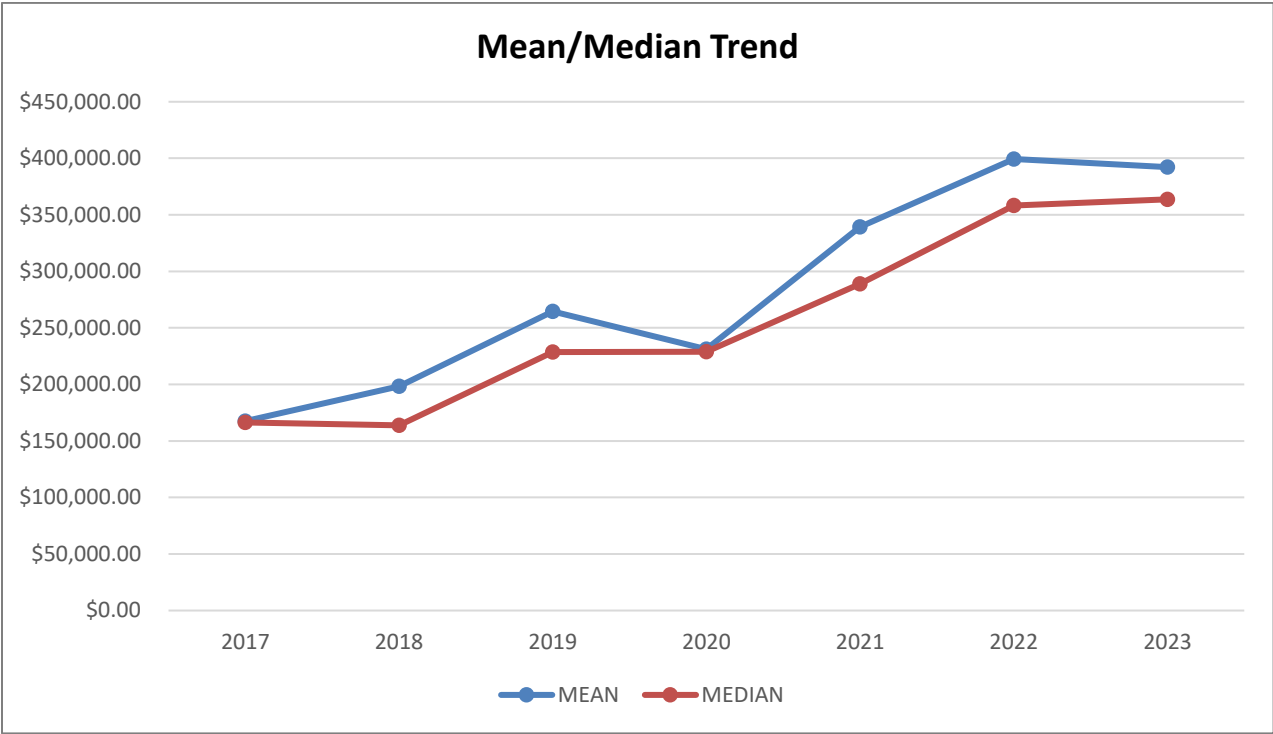


	2017	2018	2019	2020	2021	2022	2023
JAN	-39%	20%	-19%	21%	44%	14%	18%
FEB	2%	32%	8%	24%	26%	36%	-17%
MAR	11%	8%	2%	N/A	N/A	4%	-2%
APR	-5%	17%	15%	-98%	N/A	29%	5%
MAY	-1%	46%	6%	11%	40%	10%	6%
JUN	3%	-1%	27%	15%	27%	33%	-14%
JUL	-1%	16%	24%	22%	25%	17%	7%
AUG	-6%	60%	31%	-6%	24%	9%	1%
SEP	25%	-30%	372%	-62%	22%	28%	8%
OCT	32%	13%	76%	-8%	21%	33%	
NOV	22%	20%	1%	36%	30%	-1%	
DEC	34%	8%	8%	10%	26%	21%	



FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
\$1,889,285.60	\$2,298,289.34	\$3,049,090.59	\$2,661,447.47	\$3,840,647.17	\$4,648,109.80	\$4,779,192.57
1%	22%	33%	-13%	44%	21%	3%





	2017	2018	2019	2020	2021	2022	2023
Mean	\$167,541.51	\$198,194.66	\$264,550.20	\$231,029.67	\$339,256.57	\$399,384.38	\$392,223.26
Median	\$166,322.71	\$163,821.97	\$228,700.29	\$228,845.67	\$288,918.62	\$358,123.81	\$363,680.86

NAICS CODE	NAICS CODE DESCRIPTION
111219	Other Vegetable (except Potato) and Melon Farming
212321	Construction Sand and Gravel Mining
221112	Fossil Fuel Electric Power Generation
236220	Commercial and Institutional Building Construction
238140	Masonry Contractors
238150	Glass and Glazing Contractors
238210	Electrical Contractors and Other Wiring Installation Contractors
238990	All Other Specialty Trade Contractors
334111	Electronic Computer Manufacturing
334614	Software and Other Prerecorded Compact Disc, Tape, and Record Reproducing
423450	Medical, Dental, and Hospital Equipment and Supplies Merchant Wholesalers
423610	Electrical Apparatus and Equipment, Wiring Supplies, and Related Equipment Merchant Wholesalers
423830	Industrial Machinery and Equipment Merchant Wholesalers
441310	Automotive Parts and Accessories Stores
442110	Furniture Stores
442210	Floor Covering Stores
443142	Electronics Stores
444110	Home Centers
444120	Paint and Wallpaper Stores
444130	Hardware Stores
444190	Other Building Material Dealers
444220	Nursery, Garden Center, and Farm Supply Stores
445110	Supermarkets and Other Grocery (except Convenience) Stores
446120	Cosmetics, Beauty Supplies, and Perfume Stores
447110	Gasoline Stations with Convenience Stores
447190	Other Gasoline Stations
448140	Family Clothing Stores
451211	Book Stores
452210	Department Stores
452319	All Other General Merchandise Stores
453210	Office Supplies and Stationery Stores
453910	Pet and Pet Supplies Stores
453998	All Other Miscellaneous Store Retailers (except Tobacco Stores)
454110	Electronic Shopping and Mail-Order Houses

454390	Other Direct Selling Establishments
511210	Software Publishers
515210	Cable and Other Subscription Programming
517311	Wired Telecommunications Carriers
517312	Wireless Telecommunications Carriers (except Satellite)
518210	Data Processing, Hosting, and Related Services
541410	Interior Design Services
561710	Exterminating and Pest Control Services
561730	Landscaping Services
561790	Other Services to Buildings and Dwellings
713940	Fitness and Recreational Sports Centers
722410	Drinking Places (Alcoholic Beverages)
722511	Full-Service Restaurants
722513	Limited-Service Restaurants
811111	General Automotive Repair

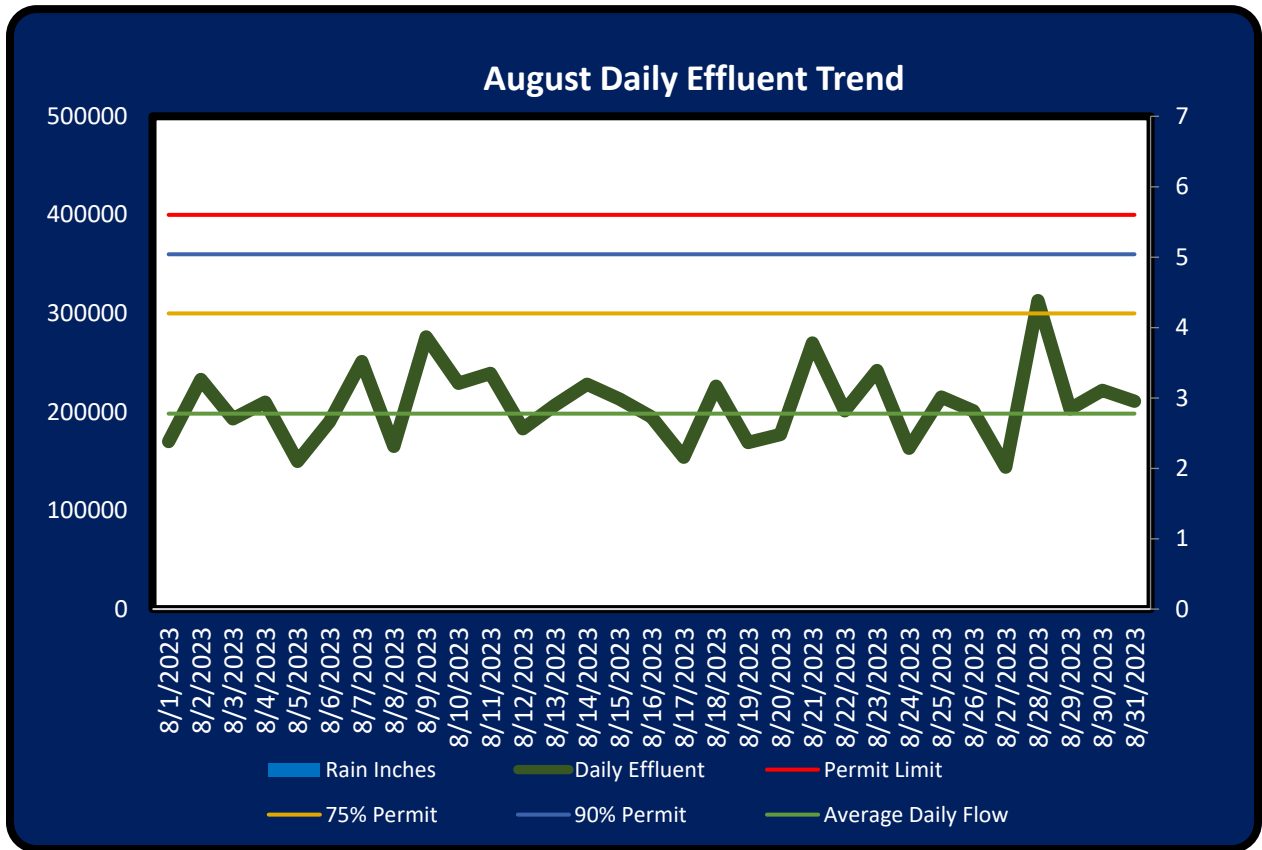


City of Montgomery
Operations Report
August 2023
08/01/23 – 08/31/23

District Alerts**08/01/2023 – Phase Failure, Lift Station 5**

Operator responded to auto dialer call out for phase failure. Upon arrival, found facility operations running normal. Attempted to reset auto dialer but it wouldn't reset due to bad phase monitor in ATS control. Replaced phase monitor and no further issues were found.

Wastewater Plant Flow Detail



- Flow for the month of August was 6,443,000 gallons.
- Daily peak flow was August 28, 2023, was 313,000 gallons.
- Average Daily Flow 207,800 gallons
 - 3-month average flow 205,433 gallons
 - 52% of permitted capacity


Discharge Limitations

- Daily Average Flow 400,000 gallons (0.4 MGD)
- 2-Hour Peak Flow 833 gpm
- CBOD daily average 10 mg/l
- Total Suspended Solids (TSS) 15 mg/l
- Ammonium Nitrogen (NH3) 2 mg/l
- Chlorine Residual >1.0 mg/l < 4.0 mg/l
- The current permit expires 05/10/2027

Effluent

TSS, DO, E.Coli, NH3N, PH sample results were all comfortable within the parameters set by the State of Texas.

Buffalo Springs WWTP Effluent Monitoring Report

Effluent Permitted Values	Parameter		Measured	Excursion
Average Monthly CBOD	10	mg/l	2.50	no
Average Monthly T.S.S.	15	mg/l	3.60	no
Average Monthly NH3	2	mg/l	2.07	Yes
Minimal CL2 Residual	1	mg/l	1.07	no
Max CL2 Residual	4	mg/l	3.50	no
Rainfall for the Month		0.00	inches	

There was 1 excursion for the month of August.

Water Report:

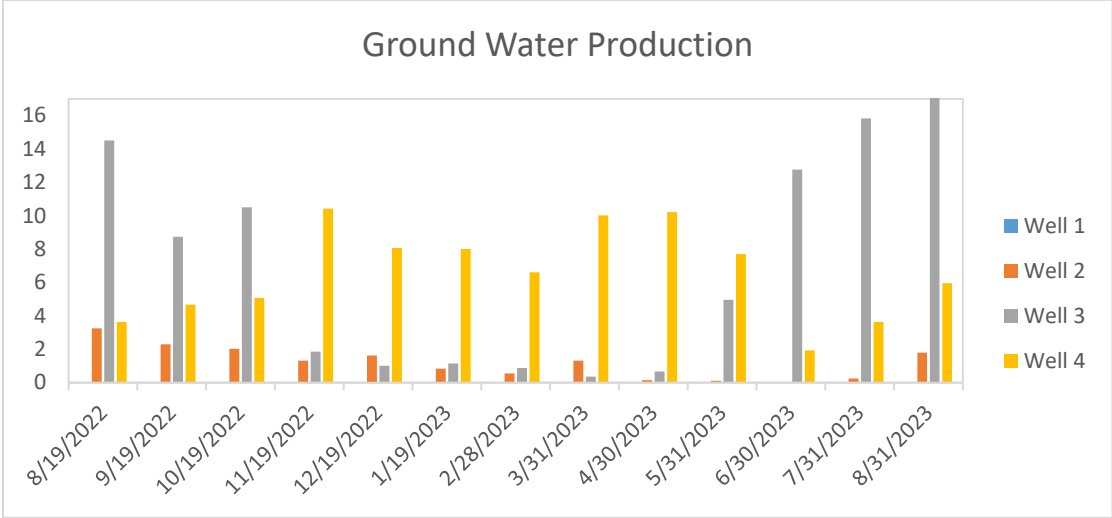
08/01/2023-08/31/2023

2023							
Well Name	Recorded Flow MGD	% of Total	Rating MGD/Day	YTD Pumpage MGD	YTD %	Permitted Value	Remaining Permit %
Well 2	1.553	7.02%	0.864	4.825	4.26%	92.930	32.22%
Well 3	17.885	69.65%	0.864	53.587	47.36%		
Well 4	5.859	23.33%	2.160	54.738	48.38%	90.000	43.34%
Total	25.297	100.00%	3.888	113.150	100%	182.930	
Flushing	0.592						
Subtotal	24.705						
Sold	24.391						
% Accounted	99%						

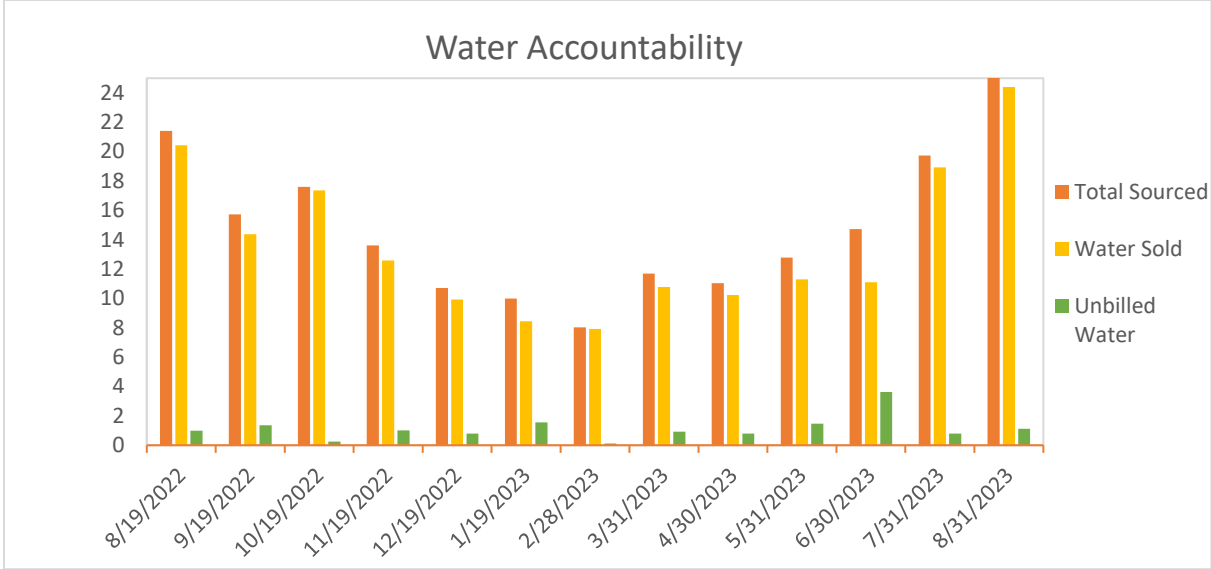
LSGCD Pumpage Report	
Water Pumped (August):	25,515,000
Permitted Pumpage:	182,930,000
Pumpage Against Permit:	111,645,000
Remaining Amount:	71,285,000

CONNECTIONS	
School	12
Commercial Inside	176
Commercial Outside	2
Residential Inside	950
Residential Outside	35
Church	14
City	18
Hydrant	7
Multifamily	17
n/a	3
Total	1234

Accountability	
Well 2 & 3 Pumpage (Year):	58.131
Well 2 & 3 Permit:	92.930
Well 2 & 3 Permit Left:	34.799
Well 4 Pumpage (Year):	54.738
Well 4 Permit:	90.000
Well 4 Permit Left:	35.262



Date	Total	Well_1	Well_2	Well_3	Well_4
AVG	14.812	0.000	1.196	7.001	6.615
8/19/2022	21.419	0.000	3.265	14.505	3.649
9/19/2022	15.715	0.000	2.306	8.734	4.675
10/19/2022	17.598	0.000	2.024	10.497	5.077
11/19/2022	13.600	0.000	1.318	1.861	10.421
12/19/2022	10.712	0.000	1.623	1.018	8.071
1/19/2023	9.993	0.000	0.843	1.140	8.010
2/28/2023	8.041	0.000	0.546	0.886	6.609
3/31/2023	11.693	0.000	1.318	0.354	10.021
4/30/2023	11.040	0.000	0.154	0.676	10.210
5/31/2023	12.783	0.000	0.106	4.965	7.712
6/30/2023	14.718	0.000	0	12.774	1.944
7/31/2023	19.730	0.000	0.252	15.833	3.645
8/31/2023	25.515	0.000	1.792	17.77	5.953
Total	192.557	0.000	15.547	91.013	85.997



Date	Accountability	Unaccounted	Total Sourced	Water Sold	Flushing/Leaks	Unbilled Water
8/19/2022	97%	0.706	21.419	20.422	0.291	0.997
9/19/2022	93%	1.058	15.715	14.364	0.293	1.351
10/19/2022	100%	-0.023	17.598	17.352	0.269	0.246
11/19/2022	95%	0.717	13.600	12.594	0.289	1.006
12/19/2022	96%	0.384	10.712	9.917	0.411	0.795
1/19/2023	88%	1.182	9.993	8.440	0.371	1.553
2/28/2023	103%	-0.214	8.041	7.927	0.328	0.114
3/31/2023	93%	0.845	11.693	10.770	0.078	0.923
4/30/2023	94%	0.684	11.040	10.242	0.114	0.798
5/31/2023	94%	0.792	12.783	11.306	0.685	1.477
6/30/2023	97%	2.965	14.718	11.096	0.657	3.622
7/31/2023	96%	-0.437	19.730	18.927	1.240	0.803
8/31/2023	99%	0.532	25.297	24.391	0.592	.906



101 OLD PLANTERSVILLE ROAD, MONTGOMERY, TEXAS 77316
Telephone: (936) 597-6434

Public Works Department Monthly Report for August 2023

Water

- Completed monthly cutoff list for nonpayment.
- Completed monthly leak notification door hangers.
- Completed monthly meter verification list.
- Completed monthly check of idle meter list for consumption. No issues were found.
- Activated/deactivated 6 water accounts.
- Completed 15 work orders for endpoint maintenance issues.
- Completed 17 work orders for water miscellaneous.
- Completed 11 work orders for water leaks.
- Completed 5 work orders for water taps.
- Assisted resident with location of leak on Waterstone Drive and Dina Ln.
- Repaired leak on Memory Park meter.
- Assisted business owners and residents with low water pressure.
- Assisted resident on Martin Luther King with consumption questions.
- Assisted resident on Brock's Lane with water line.
- Assisted resident on Dina Lane with Eye on Water.
- Repainted fire hydrants throughout the city.

Wastewater

- Completed 4 work orders for sewer taps.
- Repaired 8" sewer main line on FM 1097.

Streets/Drainage/ROW

- Completed daily utility locates as necessary.
- Completed daily removal of bandit signs as necessary.
- Completed items for weed patrol.
- Set 24' culvert on Clepper for resident.
- Installed riprap in ditch on both sides of driveway to Lift Station #10.

Building/Facility/Vehicle/Equipment Maintenance

- Conducted weekly Safety Inspection Reports.
- Completed monthly light bulb check at all facilities.
- Delivered cases of water to City Hall as requested.
- Completed weekly cleaning of Community Center.
- Completed weekly pre-trip inspections of crew trucks.
- Completed monthly check of all irrigation systems and made repairs as necessary.
- Completed 10 work orders for general-City Hall maintenance.



Parks/Recreation

- Posted all park reservation notices.
- Completed 45 work orders for maintenance-parks issues.
- M/W/F cleaning of all restrooms and grounds.
- Fernland docents reported 301 visitors and provided 35 tours for the month.
- Treated Memory Park for crazy ants.
- Treated Fernland Historical Park for wasps.
- Repaired hall plexiglass in Dining Room of Hulon House as well as padlock hasp on the door frame at Fernland Historical Park.
- Repainted bollards at Cedar Brake Park.
- Reset solar sync setting on irrigation system at Memory Park.
- Remove dead top of tree hanging on Shepperd side of Cedar Brake Park.
- Assisted McCaffety Electric remove electrical pole at Homecoming Park.
- Installed new John A Butler sign on the pavilion at Cedar Brake Park.
- Repaired fence after cutting up and disposing of fallen limb at Homecoming Park.
- Replaced nuts and bolts on table with nylon nuts and bolts at Community Center.

General

- Attended weekly Leadership Team meetings.
- Completed 34 work orders for maintenance-general issues.
- Completed monthly safety meeting with department and safety officer.
- Attended bi-weekly conference calls with utility operator and engineer.
- Continue to oversee fiber contractors during boring to prevent leaks.
- Sent resident letter as requested for HOA.
- Participated in Sanitary Sewer Rehab Meeting with WGA.
- Attended Water Well No. 2 meeting with WGA.
- Completed Flagship walkthrough.
- Attended the Water Plant No. 3 Improvements 1-year Warranty meeting with WGA.
- Attended monthly Water Resources Planning Team Meetings.
- New Maintenance Technician currently in training.
- Attended the Historical Society's Unveiling Ceremony pre-event meeting.
- Attended Budget Review meetings for 2023-2024 Budget.
- Participated in CIP discussion.
- Met with Insurance Company for 213 Prairie remodeling following water damage.
- Met with operations contractors regarding questions for their RFP submittal.
- Participated in the quarterly regional PW Director meeting.

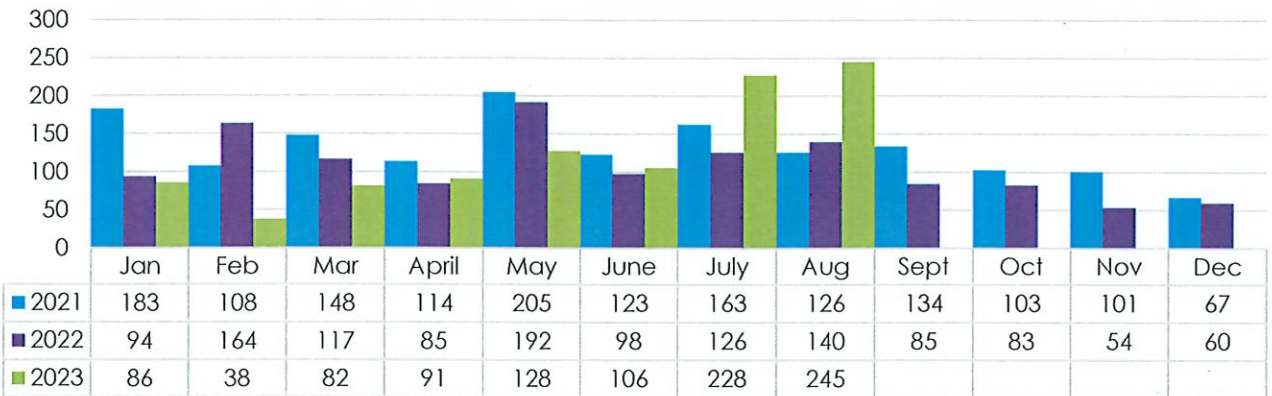


City of Montgomery Municipal Court Report August 2023

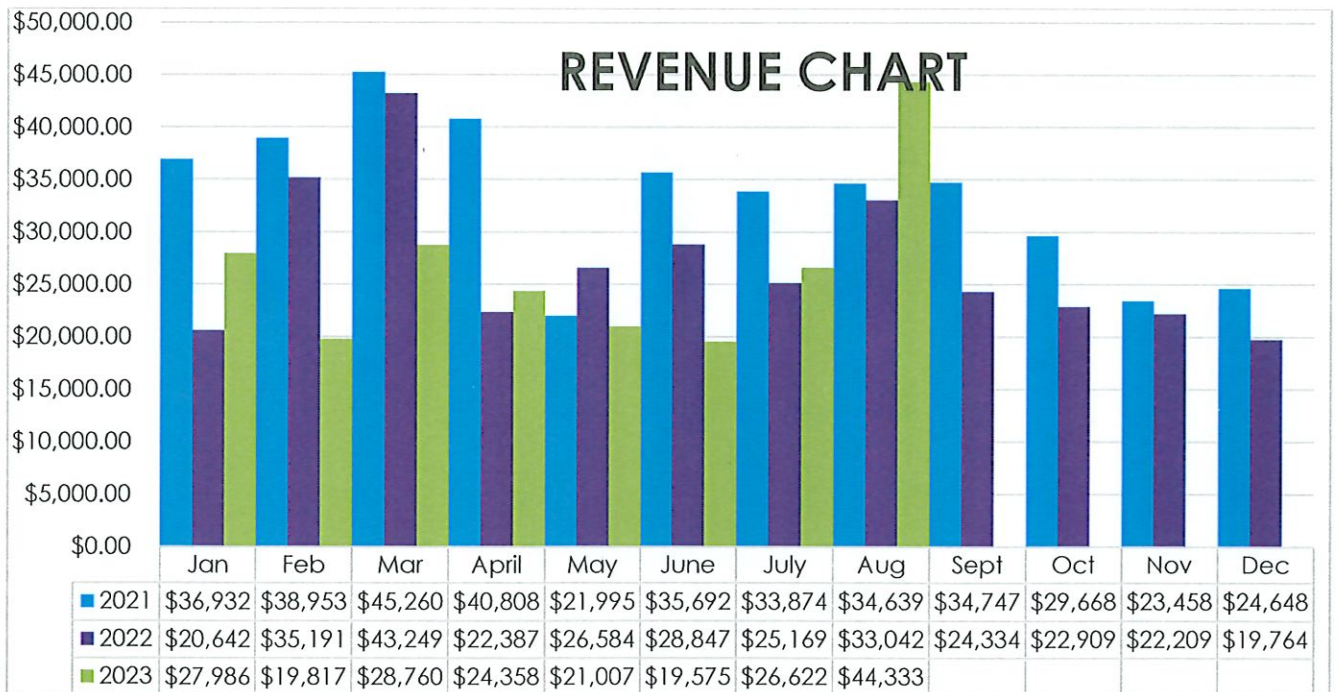
Kimberly Duckett
Court Administrator



CITATIONS



REVENUE CHART



Comparison Chart

Citations and Revenue January 2021 - 2023

	2021	2022	2023
<i>Jan</i>	183	94	86
<i>Feb</i>	108	164	38
<i>Mar</i>	148	117	82
<i>April</i>	114	85	91
<i>May</i>	205	192	128
<i>June</i>	123	98	106
<i>July</i>	163	126	228
<i>Aug</i>	126	140	245
<i>Sept</i>	134	85	
<i>Oct</i>	103	83	
<i>Nov</i>	101	54	
<i>Dec</i>	67	60	

Totals 1575 1298 1004

	2021	2022	2023
<i>Jan</i>	\$36,932.88	\$20,642.12	\$27,986.26
<i>Feb</i>	\$38,953.88	\$35,191.59	\$19,817.26
<i>Mar</i>	\$45,260.60	\$43,249.60	\$28,760.79
<i>April</i>	\$40,808.03	\$22,387.94	\$24,358.01
<i>May</i>	\$21,995.10	\$26,584.71	\$21,007.77
<i>June</i>	\$35,692.30	\$28,847.75	\$19,575.84
<i>July</i>	\$33,874.84	\$25,169.19	\$26,622.80
<i>Aug</i>	\$34,639.40	\$33,042.07	\$44,333.70
<i>Sept</i>	\$34,747.41	\$24,334.09	
<i>Oct</i>	\$29,668.47	\$22,909.59	
<i>Nov</i>	\$23,458.35	\$22,209.38	
<i>Dec</i>	\$24,648.00	\$19,764.02	

Totals \$400,679.26 \$324,332.05 \$212,462.43



Montgomery Police Department

Chief Anthony Solomon

Activity Report

August 1, 2023 – August 31, 2023

Patrol Division

• Calls for Service	-	180
• Total Reports	-	43
• Citations Issued	-	243
• Warnings Issued	-	355
• Arrests	-	21
• Accidents	-	13

Breakdown by Offense Category

• DWI/DUI	-	7
• Drug Arrests/Citations	-	6
• Theft	-	4
• Warrant Arrests	-	7
• Assault	-	2
• Fail to Stop & Give Info	-	3
• Graffiti	-	1
• Driving While License Invalid	-	1
• Criminal Trespass	-	2

Investigation Division

Total number of assigned cases to C.I.D. for the month: 6

Personnel/Training

- Sgt McRae attended Internal Affairs Training in August.
- Sgt. Voytko completed the first training group of VIPs for the Citizen Patrol.

Major Incidents

- No Major Incidents occurred in August.

Upcoming Events

- October 3rd – Faith & Blue at the Community Center

- October 7th – Montgomery Fall Festival

Traffic and Safety Initiatives

- We started training our VIPS in traffic/parking enforcement at the end of August. The goal of this is to begin our Citizen Patrol which is where citizens patrol the community and report any suspicious activity and parking violations to officers.



City of Montgomery

101 Old Plantersville Rd.
Montgomery, TX 77316
936-597-6866



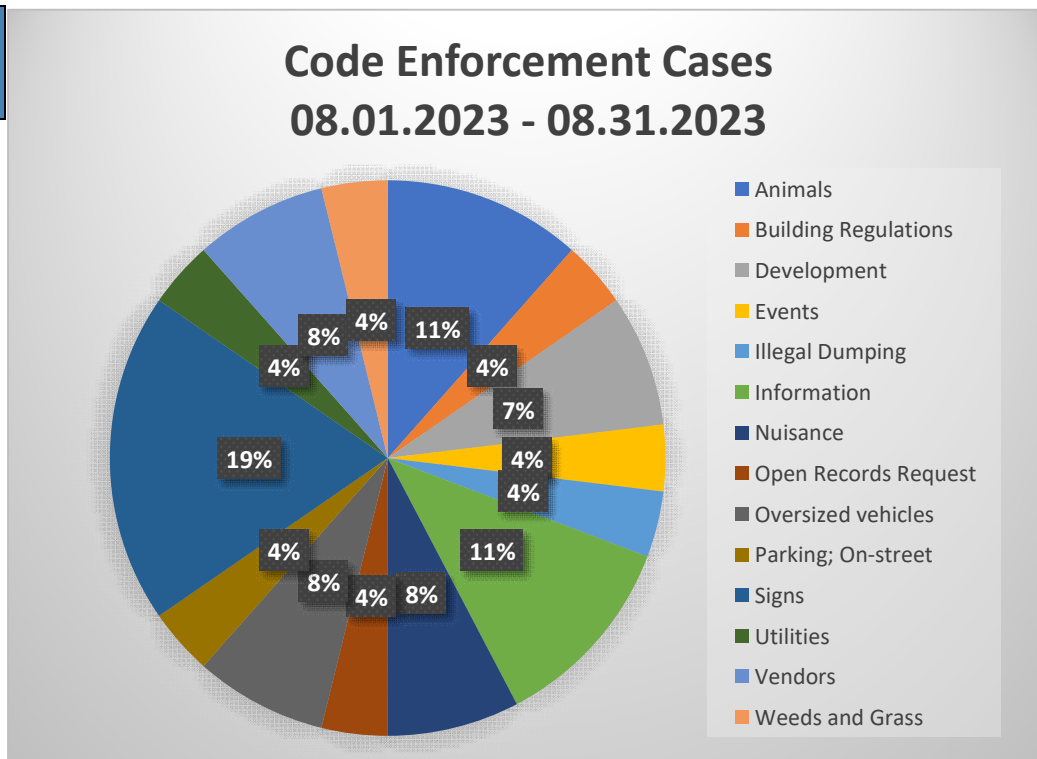
August 2023
Code Enforcement Officer
Monthly Report

Mission: To uphold and enforce the Codes and Ordinances established and adopted by the City Council to ensure the health, safety, and welfare of residents, property owners, business owners, and visitors by investigating and inspecting public or private locations for compliance through proactive, prompt, and reasonable enforcement of the codes. Code Enforcement emphasizes achieving voluntary code compliance by educating the public via clear and open communication and cooperation.

Activity:

Nature of Call	Group Total
Animals	3
Building Regulations	1
Development	2
Events	1
Illegal Dumping	1
Information	3
Nuisance	2
Open Records Request	1
Oversized vehicles	2
Parking; On-street	1
Signs	5
Utilities	1
Vendors	2
Weeds and Grass	1

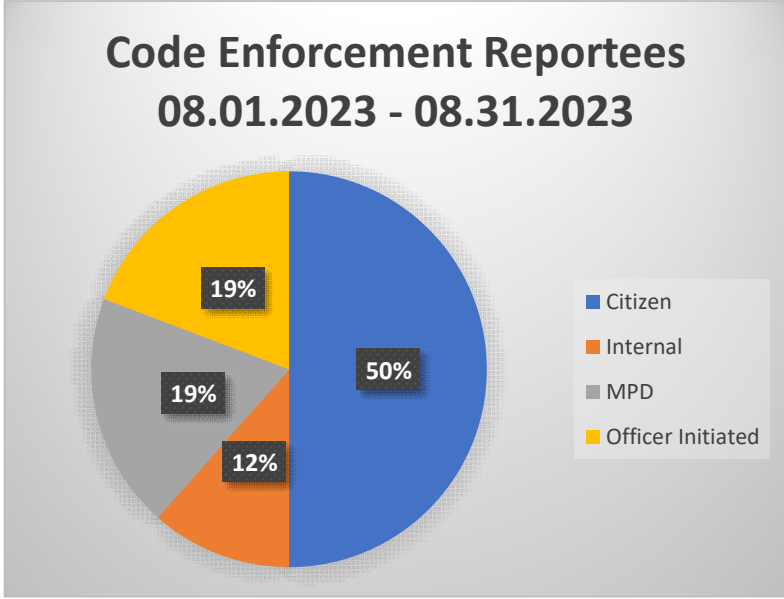
Total Records: 26



REP Type	Group Total
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Citizen	13
Internal	3
MPD	5
Officer Initiated	5

Total Records: 26



Violations issued: 0
Warnings issued: 0

Training: 1 hour – iWorQ live webinar – Code Module User Training



September 22, 2023

The Honorable Mayor and City Council
City of Montgomery
101 Old Plantersville Road
Montgomery, Texas 77316

Re: Monthly Engineering Report
City Council Meeting September 26, 2023

Dear Mayor and Council:

The following is a brief summary that describes our activities since the August 22, 2023 Council Meeting:

Capital Projects:

- 1. Water Well No. 2 Replacement** - As you are aware, Water Well No. 2 experienced a catastrophic failure and is no longer functional. Through coordination with City staff and contractors, we believe it would be more advantageous to replace the well rather than repair it. Since the well's failure we have been working with City staff to determine funding options and have begun the hydrogeological report as authorized at the September 12th Council meeting. We plan to present a proposal to replace the well at the October 10th Council meeting.
- 2. Lone Star Groundwater Conservation District (LSGCD) Permit Amendment** - As authorized at the September 12th Council meeting, Wet Rock Groundwater Services, LLC is proceeding with the hydrogeological study and report for all existing and known proposed future wells within the City. Once the report is complete it will be submitted to LSGCD as part of the permit amendment application package.
- 3. Flagship Boulevard Storm Sewer & Pavement Replacement** – We received Pay Estimate No. 4 in the amount of \$145,260.95. We also received Change Order No. 2 in the amount of \$5,570.00 which will be reviewed by the City Administrator due to its amount. The change order includes additional work required to adjust existing storm inlets to grade that were identified at the final inspection. As a reminder, we held the final inspection on August 30th, and it is our understanding that the contractor is currently addressing punchlist items identified at the final inspection.
- 4. 2023 Sanitary Sewer Rehabilitation Phase I** – As a reminder, the contract was awarded to Cruz Tec, Inc. in the amount of \$837,528.00 and 150 calendar days. We held the preconstruction meeting on August 30th and the notice to proceed was issued at that time. We are reviewing submittals as they are received. It is our understanding that the contractor is proceeding with distribution of door hangers in advance of completing any field work.
- 5. 2023 Sanitary Sewer Rehabilitation Phase II** – As a reminder, the project was split into two projects to allow bidding and construction of the primary sanitary sewer rehabilitation work to take place without being delayed by TxDOT review. The pipe bursting design was resubmitted to TxDOT on August 3rd, and we received approval on August 24th. The bidding and construction of the project will be held until funding is available for construction.

6. **Lift Station No. 10 Improvements** – We are continuing with design and expect to be complete in early November. As a reminder, this project is funded by Pulte Homes for the Montgomery Bend Development.
7. **Old Plantersville Waterline Extension** – We are continuing with the design of the 12" waterline extension. We are coordinating with MISD to obtain the necessary easements for the waterline extension, and we expect to submit to the County for their review this month. As a reminder, this project is being funded by the developer.
8. **Old Plantersville Force Main Extension** – We are continuing with design of the 6" force main, including coordination with the Redbird Meadows Engineer to finalize the tie in location. We expect to be complete with the design next month. As a reminder, this project is being funded by the developer.
9. **McCown St. and Caroline St. Waterline Replacement** – We are continuing with our design, and we expect to be complete in October, subject to updates based on the final design of the design of the downtown improvements project. As a reminder, the bidding and construction of the project will be held until the downtown improvements project is nearing completion of design as to minimize the impact of construction.
10. **Downtown Drainage Master Plan** – We are finalizing our report, including internal reviews and plan to meet with staff to review and discuss in early October.
11. **TPDES Permit Amendment (Town Creek Wastewater Treatment Plant)** – We are proceeding with the preparation of the TPDES permit amendment for the Town Creek wastewater treatment Wastewater Treatment Plant, as authorized at the July 25th Council meeting. We plan to submit the application to the TCEQ by the end of September.
12. **Water Plant No. 3 Improvements** – As a reminder, we attended the one-year warranty inspection of the infrastructure on August 1, 2023, and it is our understanding that the contractor is continuing to address punch list items identified at the inspection. We are coordinating with Quiddity to schedule the warranty inspection of the interior of the tanks included in this project, which were not taken offline for the August 1st inspection.
13. **Buffalo Springs Dr. Reconstruction & Traffic Signal** – We will proceed with survey and preliminary design once the deposit is received from Home Depot as authorized at the September 12th Council meeting.

Developments:

1. **Plan Reviews**
 - a. **Town Creek Storage II** – We did not receive revised plans this month.
 - b. **Pizza Shack Parking Expansion** – We did not receive a revised plan set this month.

- c. **MUD No. 224 Lift Station (City of Montgomery Lift Station No. 15)** – We received revised plans on September 13th and are continuing with our review.
- d. **Home Depot** – We received revised plans on August 14th and provided conditional approval to the plans on September 1st pending execution of a funding agreement for the intersection improvements to Buffalo Springs and SH 105 intersection.
- e. **Redbird Meadows Phase 1A Water, Sanitary and Drainage** – We did not receive revised plans this month.
- f. **Redbird Meadows MCMUD 215 Lift Station No. 1** – We did not receive revised plans this month.

2. Plat Reviews

- a. **Redbird Meadows Sections 1 Preliminary Plat** – We received a revised plat on August 28th and provided comments on September 12th. We received another revised set on September 18th and are proceeding with our review.
- b. **Redbird Meadows Sections 2 Preliminary Plat** – We received a revised plat on August 28th and provided comments on September 12th. We received another revised set on September 18th and are proceeding with our review.
- c. **Redbird Meadows Sections 3 Preliminary Plat** – We received a revised plat on August 28th and provided comments on September 12th. We received another revised set on September 18th and are proceeding with our review.
- d. **Superior Properties Preliminary Plat** – We received a preliminary plat for the development on June 27th and provided comments on July 18th. We have not received a revised plat.
- e. **Montgomery Bend Section 1 Final Plat** – We received a revised plat on September 19th and are proceeding with our review.

3. Ongoing Construction

- a. **Montgomery Bend (Pulte Group) Mass Grading, Detention, and Offsite Utilities** – The contractor is substantially complete with the mass grading, detention, and offsite waterline for the proposed subdivision. We are working to schedule a final walkthrough in the next few weeks.

- b. Montgomery Bend Section 1 Water, Sanitary, Paving, and Drainage** – It is our understanding that the contractor is nearing completion of the water, sanitary, paving, and drainage improvements. We will be coordinating with the contractor to schedule a final walkthrough in the next few weeks.



Storm Box Installation on September 8, 2023



Finished roadway on September 5, 2023

4. One-Year Warranty Inspections

- a. Town Creek Crossing, Section 1** – We held a warranty inspection on March 23rd and the contractor is working to address the remaining punchlist items. We are working to schedule a re-inspection in the coming weeks.
- b. Villas of Mia Lago, Section 2** – We are continuing to coordinate with the developer to ensure the remaining punch list items are addressed.

General Ongoing Activities:

1. TxDOT:

- a. FM 1097 & Atkins Creek Drainage Improvements** – We received a draft exhibit of the proposed right-of-way locations. We are reviewing the exhibit and will work with City staff to begin the conversation with impacted property owners.
- b. Access Management along SH-105 from Grimes County Line to Shepperd Street** – According to TxDOT, the first phase of the project is scheduled to begin in Summer 2025. Construction in Montgomery is included in Phase III of this project.
- c. FM 1097 and Buffalo Springs Drive Traffic Signal** – It is our understanding the signal is in design. TxDOT does not currently have a construction schedule, but they do not expect construction to begin for a few years.
- d. SH-105 and Buffalo Springs Drive Traffic Signal** – It is our understanding the signal design is approximately 90% complete. We are working with TxDOT to obtain the final plans once they are complete.

Honorable Mayor and City Council
City of Montgomery
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September 22, 2023

- 2. **Biweekly Operations and Developments Call** – We are continuing the biweekly operations and developments calls with City Staff and H2O Innovations.
- 3. **Emergency Preparedness Plan** – No engineering update. We will continue to follow up until plan approval is received.
- 4. **Impact Fee Updates** – We received all required files from Quiddity and are proceeding with Impact Fee updates as required per the City’s Code of Ordinances. We met with City staff in July and are continuing work on the draft of updates and plan to meet with the Capital Improvements Advisory Committee (CIAC) once it is reconvened.
- 5. **Lonestar Parkway Bridge Repair** – It is our understanding that construction is substantially complete, and the contractor has addressed all punch list items with the exception of turf establishment.
- 6. **Lone Star Parkway and Buffalo Springs Signal Improvements** – It is our understanding that Montgomery County has the signal equipment on site as of September 5th and has begun construction.
- 7. **Lone Star Parkway and Buffalo Springs Roadway Improvements** – The contractor has begun construction on the roadway improvements. As a reminder, the scope of this project includes the addition of turn lanes on Lone Star Parkway.



Subgrade Preparation (Northbound) September 21, 2023



Subgrade Preparation (Eastbound) September 21, 2023

Honorable Mayor and City Council
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Please let me know if you have any questions.

Sincerely,



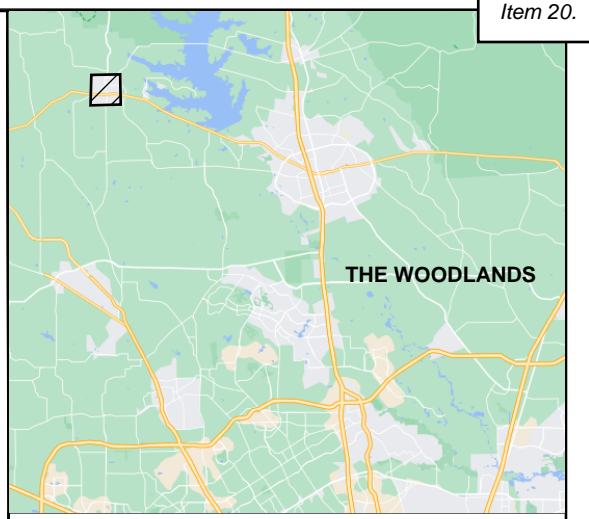
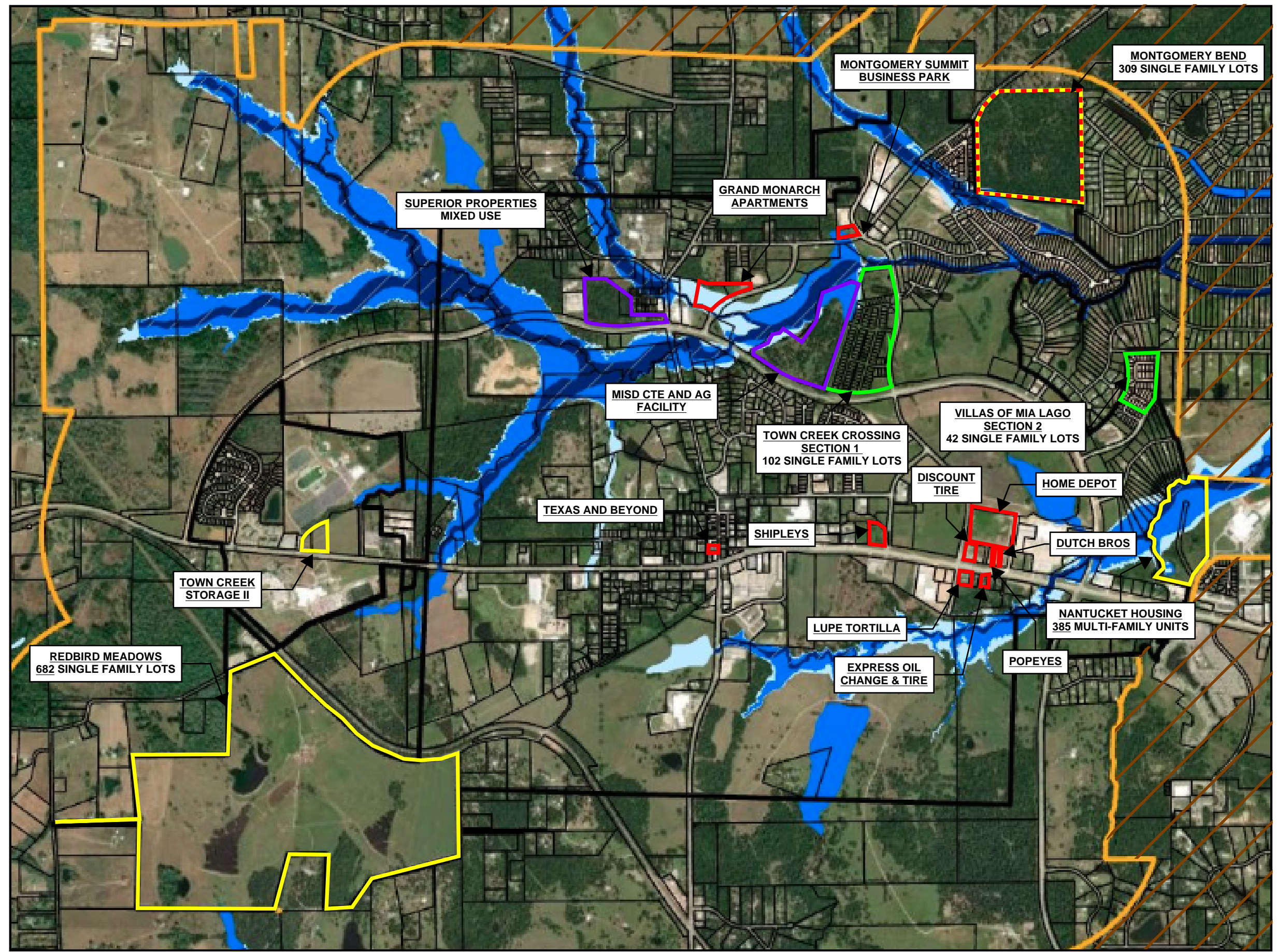
Chris Roznovsky, PE
City Engineer

CVR/kv:zlg

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Engineer's Report.docx

Attachments – Active Developments Map
Capital Projects Timeline

Cc (via email): The Planning and Zoning Commission – City of Montgomery
Mr. Gary Palmer – City of Montgomery, City Administrator
Mr. Dave McCorquodale – City of Montgomery, Director of Planning & Development
Ms. Nici Browe – City of Montgomery, City Secretary
Mr. Alan Petrov – Johnson Petrov, LLP, City Attorney



**VICINITY MAP
NTS**

LEGEND

- City Limits
- City ETJ
- City Of Conroe ETJ
- MCAD Parcels
- Floodway
- 100-year
- 500-year
- Complete/Under Warranty
- Under Construction/
Plans Approved
- In Design
- Planning/Feasibility

**Active Developments
September 2023**

City of Montgomery Capital Project Schedule

Task	Start	End	Cal. Days	Work Days	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24
McCown St. and Caroline St. Waterline Replacement																	
Survey	7/7/2022	4/7/2023	275	196													
Design	4/7/2023	10/21/2023	197	141	█	█	█	█	█	█							
Approvals	10/22/2023	11/5/2023	14	10			█	█									
Bidding	11/6/2023	11/24/2023	18	15			█	█	█								
Present ROA to Client	11/25/2023	11/26/2023	1	1			█										
Prepare Contracts	11/27/2023	12/4/2023	7	5			█	█	█								
Execute Contracts	12/5/2023	1/10/2024	36	27					█	█							
Issue Notice to Proceed	1/15/2024	1/22/2024	7	5					█								
Construction	2/1/2024	3/17/2024	45	33						█	█						
Old Plantersville Waterline Extension																	
Design	7/30/2022	10/13/2023	440	315	█	█	█	█	█	█							
Approvals	10/14/2023	11/13/2023	30	21	█		█	█	█	█							
Bidding	11/14/2023	1/6/2024	53	39		█	█	█	█	█							
Present ROA to Client	1/7/2024	1/9/2024	2	2			█										
Prepare Contracts	1/10/2024	1/17/2024	7	6					█	█							
Execute Contracts	1/18/2024	2/7/2024	20	15					█	█	█						
Issue Notice to Proceed	2/8/2024	2/15/2024	7	6						█							
Construction	2/16/2024	5/25/2024	99	71							█	█	█	█	█		
Old Plantersville Force Main Extension																	
Design	8/13/2022	10/17/2023	430	307	█	█	█	█	█	█							
Approvals	10/18/2023	11/16/2023	29	22			█	█	█	█							
Bidding	11/17/2023	12/23/2023	36	26			█	█	█	█							
Present ROA to Client	12/24/2023	12/26/2023	2	2			█										
Prepare Contracts	12/27/2023	1/2/2024	6	5					█	█							
Execute Contracts	1/3/2024	1/23/2024	20	15					█	█	█						
Issue Notice to Proceed	1/24/2024	1/30/2024	6	5						█							
Construction	1/31/2024	5/10/2024	100	73							█	█	█	█	█		
Downtown Drainage Analysis																	
Survey	7/7/2022	4/7/2023	274	196													
Analysis	4/7/2023	7/5/2023	90	64	█	█	█										
Report	7/6/2023	10/3/2023	90	64	█	█	█										
2023 Sanitary Sewer Rehabilitation Phase I																	
Survey	11/11/2022	2/7/2023	88	63													
Design	2/7/2023	5/11/2023	93	68													
Bidding	5/18/2023	6/1/2023	14	11													
Present ROA to Client	6/13/2023	6/13/2023	0	1													
Prepare Contracts	6/14/2023	6/20/2023	6	5													
Execute Contracts	6/20/2023	11/12/2023	145	104	█	█	█	█	█	█							
Issue Notice to Proceed	11/13/2023	11/17/2023	4	5	█	█											
Construction	9/11/2023	2/8/2024	150	109		█	█	█	█	█	█						
2023 Sanitary Sewer Rehabilitation Phase II																	
Survey	11/11/2022	2/7/2023	88	63													
Design	2/7/2023	6/5/2023	118	85													
Approvals	6/6/2023	9/15/2023	101	74	█	█	█	█	█	█							
Bidding	9/16/2023	9/30/2023	14	10			█	█	█	█							
Present ROA to Client	10/1/2023	10/1/2023	0	0			█										
Prepare Contracts	10/2/2023	10/8/2023	6	5			█	█	█								
Execute Contracts	10/9/2023	10/23/2023	14	11			█	█	█	█							
Issue Notice to Proceed	10/24/2023	10/24/2023	0	1			█										
Construction	10/25/2023	3/23/2024	150	108							█	█	█	█	█		
Lift Station No. 10 Improvements																	
Design	2/27/2023	11/14/2023	260	187	█	█	█	█	█	█							
Approvals	11/15/2023	12/30/2023	45	33			█	█	█	█							
Bidding	12/31/2023	1/11/2024	11	9					█	█							
Present ROA to Client	1/12/2024	1/16/2024	4	3					█								
Prepare Contracts	1/17/2024	1/23/2024	6	5					█	█							
Execute Contracts	1/24/2024	1/30/2024	6	5					█	█	█						
Issue Notice to Proceed	2/11/2024	2/17/2024	6	5						█							
Construction	2/18/2024	5/15/2024	87	63							█	█	█	█	█		



September 20, 2023

To: City Council
From: Gary Palmer, City Administrator
Subject: September Update

I offer the following highlights:

- Hydrology Issue Update
 - Had meetings with the appropriate parties to this issue
 - Will advise further as this evolves
- Sip n Stroll started back up for the remainder of this year. The next one is this Thursday at 4pm downtown. See <https://www.montgomerytexas.gov/tourism/page/events> for all of the city events
- Attending the International City Manager's Conference in Austin from Saturday October 07th through Wednesday October 11th
 - This is when I obtain most of my continuing education hour for the year