



Notice of City Council Regular Meeting

December 10, 2024 at 6:00 PM

NOTICE IS HEREBY GIVEN that a Meeting of the Montgomery City Council will be held on **Tuesday, December 10, 2024, at 6:00 PM** at the City of Montgomery City Hall, 101 Old Plantersville Road, Montgomery, Texas.

THIS MEETING WAS POSTED PURSUANT TO THE TEXAS OPEN MEETING ACT
V.T.C.A. GOVERNMENT CODE CHAPTER 551.

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.

CALL TO ORDER

INVOCATION

PLEDGES OF ALLEGIANCE

PUBLIC FORUM

The City Council will receive comments from the public on any matters within the jurisdiction of the City of Montgomery, Texas. Speakers will be limited to three (3) minutes each. Persons wishing to participate (speak) during the Public Forum portion of the meeting must sign-in to participate prior to the meeting being called to order. Please note that the City Council's discussion, if any, or subjects for which public notice has not been given, are limited to statements of specific factual responses and recitation of existing policy.

CONSENT AGENDA

All Consent Agenda items are considered to be routine by the City Council and will be enacted by a single motion. There will be no separate discussion on these items unless a Councilmember requests an item to be removed and considered separately.

- 1.** Consideration and possible action on the Regular Meeting Minutes of November 12, 2024.
- 2.** Consideration and possible action on renewal of the annual permit for Cedar Crest Mobile Home Park.
- 3.** Consideration and possible action on a resolution of the City Council of the City of Montgomery, Texas, authorizing the participation of the City of Montgomery, Texas, in the Kroger Texas Settlement Agreement; and authorizing the Mayor to execute any and all documents necessary to participate in the settlement.
- 4.** Consideration and possible action on a Resolution of the City Council of the City of Montgomery, Texas, adopting the Covered Applications and Prohibited Technology Policy to satisfy the requirements of Senate Bill 1893.
- 5.** Consideration and possible action on the following Resolution: A resolution of the City of Montgomery, Texas affirming its annual review of the policy for investment of municipal

funds and the investment strategies contained therein has been conducted as required by section 2256.005(e) of the Texas Government Code.

- [6.](#) Consideration and possible action on a Resolution of the City Council of the City of Montgomery, Texas authorizing the signers for all City of Montgomery banking accounts with First Financial Bank; and providing an effective date.
- [7.](#) Consideration and possible action authorizing the Police Department to sell a Front Partition from a 2016 Chevrolet Tahoe to Emerge Services, LLC for \$200.00.
- [8.](#) Consideration and possible action authorizing the Police Department to dispose of an old speed trailer.
- [9.](#) Consideration and possible action authorizing the Police Department to sell unused equipment to Navasota Police Department for \$200.00

PUBLIC FORUM

The City Council will receive comments from the public on the below listed item(s). Speakers will be limited to three (3) minutes each. Persons wishing to participate (speak) during the Public Hearing portion of the meeting must sign-in to participate prior to the meeting being called to order.

- [10.](#) Conduct a Public Hearing on the reauthorization of Building Permit Fees for residential and commercial construction.

REGULAR AGENDA

All items on the Regular Agenda are for discussion and/or action. The City Council for the City of Montgomery reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed below, as authorized by the Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberation Regarding Prospective Gifts), 551.074 (Personnel Matters), 551.076 (Deliberations regarding Security Devices), and 551.087 (Deliberation regarding Economic Development Negotiations).

- [11.](#) Consideration and possible action on an Ordinance of the City Council of the City of Montgomery, Texas, reauthorizing building permit fees for residential and commercial construction.
- [12.](#) Consideration and possible action on an Ordinance of the City Council of the City of Montgomery, Texas, amending Chapter 18, Buildings and Building Regulations, of the City's Code of Ordinances by repealing the existing Sections 18-21 and 18-27; and adopting a new Section 18-21; for the purpose of updating the city's building codes; providing a severance clause and Texas open meetings act clause; and providing for an effective date.
- [13.](#) Consideration and possible action regarding an Escrow Agreement by and between the City of Montgomery, Texas and KHR Properties (Dev. No. 2414) and authorizing the city engineer to prepare a Feasibility Study for a proposed 0.76 Acre Jack in the Box.
- [14.](#) Consideration and possible action regarding an Escrow Agreement by and between the City of Montgomery, Texas and BCS Capital (Dev. No. 2415) and authorizing the city engineer to prepare a Feasibility Study for a proposed 32-acre development.
- [15.](#) Consideration and possible action on the Request for Qualifications for Building Inspection and Plan Review Services.
- [16.](#) Consideration and possible action on the revisions to Rick Hanna CBO Partners, LLC's Service Agreement to include the title, duties, and responsibilities of Building Official.

- [17.](#) Consideration and possible action on an Ordinance of the City Council of the City of Montgomery accepting and approving an annual update to the Service and Assessment Plan and Assessment Roll for City of Montgomery Public Improvement District No. 1; Providing for payment of the annual installment of the assessments in accordance with chapter 372, Texas Local Government Code, as amended; and Providing for severability, and providing an effective date.
- [18.](#) Consideration and possible action on the Certificate of Substantial Completion for the 2023 Sanitary Sewer PH II Project and commencement of the 1-year warranty period.
- [19.](#) Consideration and possible action on a Resolution of the City Council of the City of Montgomery, Texas, authorizing the Interim City Administrator to enter into an agreement with the City of Montgomery Public Works Department to utilize the City of Montgomery American Rescue Plan funds; providing for findings of fact, repealer, severability, effective date, proper notice and meeting.
- [20.](#) Consideration and possible action on a Resolution of the City Council of the City of Montgomery, Texas, adopting the American Rescue Plan Act State & Local Fiscal Recovery Funding, Financial Management Policies & Procedures.
- [21.](#) Consideration and possible action on a Resolution of the City Council of the City of Montgomery, Texas, submitting nominee(s) as candidate(s) for the Election of the Montgomery Central Appraisal Districts Board of Directors.
- [22.](#) Consideration and possible action to authorize staff to enroll in the AT&T FirstNet plan and to discontinue employee telephone reimbursement.

DEPARTMENTAL REPORTS

- [23.](#) Departmental Report Status Update.

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.

EXECUTIVE SESSION

With respect to any subject matter listed on this agenda, the City Council may meet in Closed Executive Session, if and to the extent allowed by Chapter 551 of the Texas Government Code, including, but not limited to, any of the following sections of Chapter 551: Section 551.071 Consultations with Attorney, Section 551.072 Deliberation about Real Property, Section 551.073 Deliberation regarding Prospective Gift, Section 551.074 Personnel Matters, Section 551.087 Deliberation regarding Economic Development Negotiations, and Section 551.089 Deliberation regarding Security Devices Or Security Audits.

Closed Session

City Council will meet in Closed Session pursuant to the provisions of Chapter 551 of the Texas Government Code, in accordance with the authority contained in:

Section 551.071 Consultation with Attorney to seek or receive legal advice regarding pending litigation.

Section 551.074 Personnel Matters – Chief of Police and Interim City Administrator

Section 551.074 Personnel Matters – Assistant City Administrator and City Secretary

Section 551.074 Personnel Matters – Code Enforcement and Planning & Development Administrator

Section 551.074 Personnel Matters – Public Officer – Casey Olsen

ACTION FROM EXECUTIVE SESSION

Open Session

City Council will reconvene in Open Session at which time action on the matter(s) discussed in Closed Session may be considered.

Section 551.071 Consultation with Attorney to seek or receive legal advice regarding pending litigation.

Section 551.074 Personnel Matters – Chief of Police and Interim City Administrator

Section 551.074 Personnel Matters – Assistant City Administrator and City Secretary

Section 551.074 Personnel Matters – Code Enforcement and Planning & Development Administrator

Section 551.074 Personnel Matters – Public Officer – Casey Olsen

ADJOURNMENT

I certify that this notice of meeting was posted on the website and bulletin board at City Hall of the City of Montgomery, Texas, a place convenient and readily accessible to the general public at all times. This notice was posted at said locations on the following date and time: December 06, 2024 by 5:30 PM, and remained so posted continuously for at least 72 hours preceding the scheduled time of said meeting.

/s/ Ruby Beaven

City Secretary

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 accommodation.

Montgomery City Council
AGENDA REPORT

Meeting Date: December 10, 2024	Budgeted Amount: N/A
Department: Administration	Prepared By: Ruby Beaven

Subject

Consideration and possible action on the Regular Meeting Minutes of November 12, 2024.

Recommendation

Staff recommends approval of meeting minutes, as presented.

Discussion

Please see the accompanying minutes:

Regular Meeting Minutes of November 12, 2024

Approved By

City Secretary & Director of Administrative Services	Ruby Beaven	Date: 12/03/2024
City Administrator		Date:



Regular City Council Meeting
Meeting Minutes
November 12, 2024

CALL TO ORDER:

Mayor Sara Countryman called the meeting to order at 6:00 p.m.

- | | | |
|---------------|-------------------|------------------------------------|
| Present: | Sara Countryman | Mayor |
| | Casey Olson | Mayor Pro Tem |
| | Carol Langley | City Council Place #1 |
| | Cheryl Fox | City Council Place #4 |
| | Stan Donaldson | City Council Place #5 |
| Also Present: | Gary Palmer | City Administrator |
| | Dave McCorquodale | Director of Planning & Development |
| | Maryann Carl | Finance Director |
| | Anthony Solomon | Chief of Police |
| | Diana Titus | Deputy City Secretary |
| | Alan Petrov | City Attorney |
| | Katherine Vu | City Engineer |

INVOCATION:

Councilmember Stan Donaldson gave the Invocation.

PLEDGE OF ALLEGIANCE TO FLAGS:

Mayor Sara Countryman led the Pledge of Allegiance to the United States and State of Texas flags.

PUBLIC FORUM:

Hillary Dumas, 8560 Majestic Lake Court, Montgomery, Texas stated she is here tonight regarding an agenda item that occurred on September 10th specifically agenda item two – acceptance of Lake Creek Village roads and underlying storm sewer. This topic was introduced by Mr. Palmer saying “they have problems out there. They have problems with storm sewer, problems with road conditions.” He continues to say more and elaborates but then says, “they would need to be brought up to our standards” and then he defers to our city engineers. City engineers start with Katherine, “I did not receive testing results until the packet tonight.” Chris follows with very specific accusations “the developer specifically asked us not to spend time reviewing the roads, specifically did not want us inspecting.” Mike Muckleroy then follows with “we were told to not even look at the streets, not to City standards we do not understand what is there.” It has been almost 10 years but lucky for everyone she keeps her emails. Tonight she has a packet for everyone with special highlights. This was strange to her because everything, every construction project that is done in

the City of Montgomery requires a permit. You cannot build a house and even internally everything has to be inspected. She said a project of this magnitude with this many lots and this many homes connecting to city utilities would absolutely have to be inspected. She checked the city website and on October 27, 2015 the City Council minutes reflect that City Council unanimously accepted water, sanitary, drainage, and paving improvements with Lake Creek Village Section One. On October 25th Council unanimously approved the Section Two improvements. Mr. McCorquodale was the City Councilman on both of those and voted to approve and accept those utilities. All of this was available on the city website had city staff taken two seconds to look they would have found it. If you continue through the packet you will see copies of emails. The engineer of record on both of these projects would be Ed Shackelford. Chris Roznovsky did not even join Jones Carter of Montgomery yet so he would not have been part of these discussions. If you go through these emails they are highlighted but section one we actually bonded and paid the City had \$600,000 of our money. Everything was subject to inspection. All the testing reports were provided to city staff and city engineers. Everything is there and you will see copies of all this. Nothing was done without Glen Fleming or Ed Shackelford approving it. They had regular correspondence with our contractors and received reports in a very timely manner. If you go through these emails you will see that we had the money with the City. You will see emails from Phillip to Glen and Ed “hopefully you guys continue to stop by. Because this is the first project with the City for both Jack (who was the City Administrator at the time) and you guys we need to get it right. Coastal will be out there tomorrow to pull samples and test for density. We will have those results Monday. If you guys need to have someone present when they come out please let me know.” Ms. Dumas asked does this sound like we are hiding anything. There are more reports and all of these go to city staff. Then you get to final inspection of Section One with an email from Glen Fleming and he did the walk-thru. For Section Two the City approved all of the testing and all of the plans they red-lined and sent them back to us. We actually had a preconstruction meeting with Glen Fleming representing the City as the City Engineer. In no way were these improvements ever done without city oversight or anything that would not have been to city code. If you continue to go through the packet you can see Glen Fleming’s attending and here is road geotex. Please let me know if you have any comments otherwise we will go with seven percent lime as recommended. The road is not even built yet. She said when they do this she does not even pay the contractors until the improvements have been inspected and approved. Glen Fleming actually has to pay her pay requests before they ever pay them. The city was involved from every step of the process. Glen Fleming says Mike Muckleroy is invited to the punch out and Glen is going to provide a letter of substantial completion. Regarding Section Two road, there was discussion Chris specifically said they were told not to inspect the road, not to look at the road, and not to do anything. These emails directly relate to the road. There was specific discussion about a bird bath if you want to continue reading through. Glen Specifically says in these emails how to handle it. The last one is actually one of her favorites because it is from Chris Roznovsky who is the current City Engineer and it includes Katherine. It is after the one-year maintenance period has ended and it is the final punch out. In that email he gives me three things that need to be done and he includes a picture. One of those three things is the caulking on the road. At no time did we ever say the city could not be included and in fact we went out of our way to include them so I appreciate the fact that you guys could see that and voted to approve those improvements. The last point is that she has thousands of dollars of invoices directly from Jones and Carter. Section Two of Lake Creek Village was actually where we had an issue with billing from Jones and Carter. It was determined they were getting billed for different things so Chris’s one of the first interactions he had with us was to sit

in that conference room and line by line go through every Jones and Carter invoice for the previous years with the backup so that they could identify where we had been over billed and at the end of that meeting we got credits. So this whole discussion about they have never been included or never received reports is absolutely absurd. The fact that you are paying these are city paid staff and they cannot take the time to look up your own minutes on the website but review city records and they go out on public record to say that none of this had ever been tested or approved and they had no idea means that you probably need to get some new city employees.

Phillip Lefevre, 19971 FM 2854 Street, Montgomery, Texas stated he wanted to take this time to remind Council and mainly the public as well some of the history that has gone on in the town and some of it you already know. In 2003 there was a wave of people coming through Montgomery. Montgomery had become a huge bottleneck and it was taking parents an hour each way to pick up and drop off their children. Some people were spending three hours a day trying to get through the town. The County came to them and said that they were aware of the problem and wanted to create a bypass around the town. At the time the County had not budgeted the money and did not know where the road would go and when it would go which was kind of unacceptable. At the time the City of Montgomery did not have the money but they clearly accepted the problem and knew it was a problem. He said he did not have the money but owned the land and was able to borrow the money. Essentially he agreed to go ahead and fix the loop and to fix other parts. He said their attorney at the time said it would be bad practice for them not to create a plan development, cities in general not this one of course, but cities in general love you when they need you but 10 years later when they do not they will spit all over you. The attorney said to get a planned development organized. He said we created that plan development with the city and it basically did not give us any real rights. What it did was it gave us the ability to do a certain amount of zoning. We had a 200,000 gallon a day sewer permit and we gave that to the city. The city agreed to be obligated to give us sewer and water. As we proceeded with the plan development we basically agreed to build the structures so we built the initial loop, the Clepper extension, CB Stewart, and Plez Morgan. We spent millions of dollars which we essentially donated to the city. We honored their agreement and the city basically did not lose any power as they had full right of inspection, we had to follow all the ordinances and the ordinances at the time the city agreed not to change the ordinances on them but we had to follow them and follow all procedures. Planning and zoning inspections, everything we did went through this system. At no time did we ever disrespect the city or ever presume we had any authority over the city. The city is a sovereign entity and we always respected that. We have now gone over 20 years and this has been probably the most extreme change in the city since its inception. A lot of the success of that and it has been successful with multiple City Council members. They have always been above board and we have tried to be the same. One of the things we have done aside from essentially saving taxpayers, to accomplish the changes that the City has accomplished would have involved huge tax increases for people. We basically subsidized that. We built the roads, we gave them to the City, we put in utilities. The other things we have given, the City would not have the fire station without us, it would not have the library, or Fernland without us. We have tried to do everything we can to be a part of the City. The main thing we have done I think that goes beyond that is when you drive around the City you do not see a hodge podge of strip centers, garage repair shops, and sheetrock houses because we have essentially over the years refused to sale our land to anything that was not part of an overall bigger picture and a bigger plan. It has not been easy as several times we have nearly gone bankrupt but we have worked it through and it has been he feels a good partnership and feels the result has been a good one for everyone. The City has never had good administrators frankly, it has always been

City Council that has run things but now it has this group. He said this is the first time he has seen city managers, city contractors, and employees outright lie to City Council and outright say things that they knew were not true. The testing that Larry Finke got, they got those same tests too. The original design for Lake Creek Village Section One could have been asphalt but we knew at that time that asphalt cracked three times. The City has done Clepper twice. All asphalt roads crack so we knew essentially if subdivisions are to look nice they have to have concrete so they went with concrete and it was more money as he implied we are cutting corners. We went with a stronger mix. Instead of a 3,000 pound mix we went with a 4,000 pound mix. These guys have come and they have made these statements to the city that this is a bad project and was not inspected. They had to know that these were not true. Mr. McCorquodale was on City Council. Mr. Chris Roznovsky and Mrs. Katherine Vu met with us to go over bills. They had to know that what they were telling you was false. Mr. Palmer or whoever received the testing from the roads from Mr. Larry Finke. I did not think they were going to produce that until the last minute and someone must have made them produce it. You cannot have city people outrightly misrepresenting things to Council about things and more than just us this went against the homeowners. The duty of people who work for the City is for the homeowners to protect them to make sure that they are well treated and these guys ignored that. They were not remotely interested in having the homeowners participate in their roads in the City. I personally think roads should stay private. I think the properties long time are more valuable as I think you said you get traffic through you can stop it with a gate, you can let your children out on the streets. In the long run I think they are making mistakes but it is their right. These guys were basically prepared to deny them their rights and in the same breath basically said that the product they live in and the houses they have are inferior basically and unacceptable. That is not how city council people should work. They should be working for the people and trying to come out with the best, not just obscuring the facts and making things look bad. These guys work for you. The only thing we can do is essentially report engineers to the State and we are deliberating whether we report them. I do not know I am not a lawyer but it seems to me maybe Mr. Palmer knows more about this than anyone else since his previous incarnation in Georgia. To me that is something that should be looked into.

Sara Countryman, 396 Berkley Drive, Montgomery, Texas, stated I wanted to take a moment to praise Stephanie Johnson our new MEDC Special Events Coordinator. She has been knowledgeable, detail oriented, and engaged and I have already had multiple business owners and residents compliment her. This past Saturday was her first city event, Lone Star Street Dance. She got to work at 7:30 a.m. and she was there with us until 10:00 p.m. that night. We had approximately 1,000 dance goers attend and she handled all logistics with curiosity and grace. This morning, I had a meeting with her and Rebecca Huss in regard to the Christmas Parade. I am blown away at her organizational skills, eagerness to learn, and she asked great questions. Mind you she has never been a parade organizer and I am confident with Becky's offered help she will nail this parade and as we know this parade is everything to this community. I can already tell you she is going to do an excellent job and me personally I am thrilled and excited to have her on at the City of Montgomery on the team. She is fantastic.

PUBLIC HEARING

1. Convene into a Public Hearing to receive comments on a Special Use Permit application for a paramedical and fine-line tattooing business located at 14375 Liberty Street.

Mayor Countryman convened into public hearing at 6:19 p.m.

Mayor Countryman closed the public hearing and reconvened into the regular meeting at 6:19 p.m.

REGULAR AGENDA

2. Approval of the October 22, 2024 Regular Meeting Minutes.

Councilmember Carol Langley moved approve the minutes of October 22, 2024. Councilmember Casey Olson seconded the motion. **Motion Passed (4-0).**

3. Consideration and possible action on AN ORDINANCE OF THE CITY OF MONTGOMERY, TEXAS, GRANTING A SPECIAL USE PERMIT TO SHEA SYKORA FOR USE THE PROPERTY LOCATED AT 14375 LIBERTY STREET, SUITE 105, MONTGOMERY, TEXAS 77356, FOR A MICROPIGMENTATION, PARAMEDICAL, AND FINE-LINE TATTOO BUSINESS; ESTABLISHING CERTAIN TERMS, CONDITIONS AND LIMITATIONS; PROVIDING FOR PENALTY, SEVERABILITY, AND EFFECTIVE DATE.

Mr. McCorquodale said the applicant is here and you have the draft ordinance. He said he will be glad to answer any questions or if you would like to discuss with the applicant some of the nuance of the business I am sure she would be glad to speak.

Mayor Countryman said she was at the MEDC meeting where you spoke. Great job and great entity. It is noble of you.

Councilmember Stan Donaldson asked are we able to pass it without a City Secretary. Mayor Countryman said yes. Councilmember Stan Donaldson said he does not know why they kept delaying it though. Councilmember Casey Olson said the public hearing was missed.

Councilmember Stan Donaldson says he has a point of information. It says in here City Council by an affirmative four fifths vote may by ordinance grant a special permit. What happens in the case that our Council does not have four fifths, we have four and if one says no that does not equal the four fifths vote. He said he was just curious. Mr. Alan Petrov, City Attorney said it will not pass. Councilmember Casey Olson said it has to be unanimous.

Councilmember Carol Langley moved to approve the ordinance granting a special use permit for the business located at 14375 Liberty Street as presented. Councilmember Casey Olson seconded the motion. **Motion Passed (4-0).**

4. Consideration and action on AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MONTGOMERY, TEXAS, CANVASSING THE RETURNS AND DECLARING

THE RESULTS OF THE CITY OF MONTGOMERY, TEXAS, SPECIAL ELECTION HELD ON THE 5TH DAY OF NOVEMBER, 2024, 1) FOR THE CREATION OF THE MONTGOMERY CRIME CONTROL AND PREVENTION DISTRICT; AND 2) EXTENDING THE TERM OF OFFICE FOR MAYOR AND COUNCIL FROM TWO YEARS TO FOUR YEARS.

Mayor Countryman said item #4 has been taken off the agenda as we do not have the official results yet. Councilmember Carol Langley asked if they should table it and bring it back. Mr. Palmer said he has a recommendation on that. He said we do not need to take any action on this item tonight but it would be good for us to call for the special meeting while we are here. He is thinking maybe Friday in the afternoon or Monday in the afternoon as they have to have it done by the 19th. Councilmember Carol Langley asked if to canvass the vote you only have to have two people. Mr. Petrov said that is correct. Councilmember Carol Langley said she does not know if she will be one of those two people. Councilmember Stan Donaldson said he spoke with Montgomery Elections today and they said their vote would not be complete until next week sometime. Councilmember Carol Langley said she thinks the deadline is the 19th which is next Tuesday. Mayor Countryman asked is that her deadline to get it done. Mr. Palmer said that is State law that it has to be done. Mayor Countryman said that is what she thought.

Councilmember Casey Olson moved to call a special meeting on Monday November 18, 2024 at 5:00 p.m. to be held at City Hall 101 Old Plantersville in Montgomery, Texas to accept the canvassing of the election votes. Councilmember Cherly Fox seconded the motion. **Motion Passed (4-0).**

5. Consideration and possible action approving projects to be funded from the American Rescue Plan Act funds.

Ms. Maryann Carl, Finance Director said we are bringing before you two projects that have been on our Capital Improvement Plan that we have run by Grant Works. We actually ran the project list by Grant Works and sought input from them to find out which of these projects in our different priority list will be eligible to use ARPA funds. All passed for meeting the criteria. The first two projects are the College Street drainage improvements and the water plant number three booster pump edition. These were projects that were identified as priority two. They do meet the criteria and based in the stage where we are at we have not gone out for bid; we have not done any of those items so we are bringing those forward tonight to ask for approval to use the ARPA funds for those two projects. There will be a series of things that happen. In December you will have some more things pertaining to this but our first step is to state what the projects would be. Mayor Countryman asked if in December they are going to be required for more meetings and asked if that is part of the process because we only have one meeting in December. Ms. Carl said it should not require them to have more meetings as long as we approve projects tonight. There will be a few things that we have to do. We have some policy stuff that we have to bring forth in order to meet the federal procurement guidelines under ARPA and will be bringing that forward at the December meeting as well as a process, it is basically an MOU with ourselves for these projects because we are not actually going to have these

projects obligated by the deadline of December 31st. They have guidance from treasury for that and that is what we will be bringing forward in December.

Councilmember Carol Langley asked who has plans for the College Street drainage improvement. We have not seen any plans. Ms. Katherine Vu, City Engineer said this is the beginning of the ARPA process so you have to designate the funds for these projects. This will allow the plans to be created for the College Street drainage improvements and to refine those plans for the booster pump edition that came from what had already been previously completed. The construction plans for College Street have not been created yet as that is the next step in this process. The first step is assigning your ARPA funds to the projects so that they can be used for it. Councilmember Carol Langley said when the plans are done if there is more money needed it just has to come from somewhere else. Ms. Vu said correct. Councilmember Carol Langley said because all this says is drainage ditch channeled the flow of flood water with newly constructed drainage ditches. Newly constructed. I am confused. All this is is aligning two projects to spend this money on then we will just wait and see what comes out. Ms. Vu said right, so the language in here the City will be able to effectively channel the flow of flood water with newly constructed drainage ditches. Part of that project is reconstructing some of the ditches along College Street. What this paragraph is saying is the benefit that this project will have is identifying what that benefit will be as part of the ARPA funds to show that it is not just any project. There is a real significant benefit and that is to reduce the flooding on College Street with the ditches that will be constructed as part of a project. Councilmember Stan Donaldson asked what do we need to give them in order to qualify for the money. Is it just these two estimates and what are they looking for. Ms. Carl said we already have the money and now you have to meet this set of criteria in order to be able to spend that money. She said in our list of the CIP projects which was in your packet and is what we have discussed, this was in the July workshop, we gave Grant Works the list and said before we go out and try to conjure up more things that we could use this money for here is our list of projects that have been identified as needs. Is there anything on this list that we could use ARPA funds for and meet all of that criteria so that we do not end up having to give back our ARPA funds. In looking at our list again the items in priority one are already underway. We cannot use the funds on those projects because there are certain criteria that you have to meet for going out for bid, engineering services, there is just a whole slew of things that have to happen with that. We then move to the next priority list. That next priority list those two items in priority two met the criteria. We have not gone out for bid, we have not done design engineering, we have not done any of those things so by committing for these two projects we then can use the funds as we will meet all of the criteria, the posting, the bids, everything that we need to do and have in place so that we can use the ARPA funds for this and be able to check off all of our boxes and reporting with treasury so we do not have to give back the funds and reduce not spending them correctly. This is where we are at. If we do not have this committed and in place by December 31st we will be beginning the process to send the money back to treasury as we have no other option. Mayor Countryman said the first deadline is we have to get these obligated by this December. Ms. Carl said we are not able to do the traditional obligation because of the stage we are at and that is why we are going to bring forth this MOU with ourselves about committing these projects. Mayor Countryman asked how long do they give us when we turn dirt and start these projects and

when do they have to be completed by. Ms. Carl said December 30, 2026. You have two years to complete the project. Mayor Countryman said and if they come in under let us say we give them \$250,000 and they came in at \$190,000 those additional funds because it would be after December just go back to the federal government since they are unused. Ms. Carl said not necessarily. There is an avenue to be able to expend some limited funds on certain items. She said let us say we did these projects and one of these projects kind of falls apart and we have \$30,000 left. There is a list of approved items that could be brought forth for consideration at that time. She continued because we had had the funds allocated and committed for these projects that gives us the ability to move to that other category if something falls apart here and not by us sitting back and not taking any action. Councilmember Cheryl Fox asked if we have to go back and get all the bids and stuff on the new project or have you already got them by that time. Ms. Carl said it would not be a project at that point. For example one of the things that would be able to be considered at that time would be body cameras and that is something that would fit in that window if these funds were not used for that you could use a portion of funds for that. There are a few things that are allowable like that. She said I do not have the full list but certainly we can get with Grant Works to get that. It is not our intention to have to do that. It is our intention to be able to utilize funds for your Capital Improvements that you have designated as important. Ms. Carl said we will start with the larger project so that if there is any issue but we will put both of those projects on there. Your second project does have the ability to have funding from your impact fees.

Councilmember Casey Olson moved to approve item #5 as presented. Councilmember Cheryl Fox seconded the motion. **Motion Passed (4-0).**

6. Consideration and possible action on AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MONTGOMERY, TEXAS, AMENDING CHAPTER 86, TRAFFIC AND VEHICLES, ARTICLE VII, TOWING SERVICES, TO UPDATE THE DEFINITIONS, FEE SCHEDULE, WRECKER SERVICE ROTATION LIST GUIDELINES; REPEALING CONFLICTING ORDINANCES; PROVIDING A SAVINGS CLAUSE; PROVIDING AN ENFORCEMENT CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR PUBLICATION AND OPEN MEETING; PROVIDING AN EFFECTIVE DATE; AND PROVIDING FOR OTHER RELATED MATTERS.

Chief Solomon said in keeping up with the changes made by the State on Chapter 86 towing and vehicle services we have made those changes for the maximum and the minimum fines. Also, during the course of that we made several updates and additions to the wrecker ordinance and rotation list. We clarified things that made them a little bit more efficient such as action taken, private tows, and public roadways. We cleared all that up in the articles while we were making those changes due to the fees change. We have made all those changes and have brought them here to Council for approval.

Councilman Stan Donaldson asked how many wrecker services do we have signed up with the City. Chief Solomon said we have two. They added a new wrecker service approximately four months ago. We were looking at their rotations yesterday. A couple months ago they were cancelling a lot of tows and we give you so long to cancel so many

tows and after that we cancel you out of that rotation. I spoke with the officers today during their shift briefing and those guys have started picking back up on those rotations. Councilmember Cheryl Fox asked if there is a storage lot inside city limits. Chief Solomon said yes. Councilmember Stan Donaldson said at one time he heard they had three. Chief Solomon said no we just have the two. Councilmember Stan Donaldson asked how do you keep the fairness with the rotation. Chief Solomon said it is on the guys computers in their cars so they know after one wrecker is gone they take that wrecker down and put the next wrecker up then the officer with the next tow knows that that wrecker has the next tow. That is the way they keep up with it because we could not get the County dispatch to keep up with it so they had to come up with a way to keep up with it ourselves and that is how they do it. Our guys put that rotation in and take that next rotation down.

Councilmember Cheryl Fox moved to approve the resolution as presented. Councilmember Stan Donaldson seconded the motion. **Motion Passed (4-0).**

7. Second reading and possible action on A RESOLUTION OF THE CITY OF MONTGOMERY, TEXAS, APPROVING AN EXPENDITURE TO CONTRIBUTE TO THE CONSTRUCTION OF A WATER MAIN FOR MONTGOMERY INDEPENDENT SCHOOL DISTRICT'S CAREER AND TECHNICAL EDUCATION (CTE) CAMPUS DEVELOPMENT; PROVIDING FOR REPEAL; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

Mr. McCorquodale said that was the second and final reading you are now free to act on by adopting the resolution. Again, this falls in line with Council's intent and approval of this and EDC's willingness to pay the money.

Councilmember Stan Donaldson said the discussion was kind of confusing to me but regardless I know that this is the second reading. Mayor Countryman said in the packet the resolution was before the action item and it was at the end of Chief's towing resolution so it is a little confusing and I was confused too. Mayor Countryman said it is not under this it is at the end of Chief's.

Councilmember Casey Olson moved to accept item #7 as presented. Councilmember Carol Langley seconded the motion. **Motion Passed (4-0).**

8. Consideration and possible action on authorizing the city engineer to proceed with the off-site, public Sanitary Sewer Improvements project pursuant to the Development Agreement Between the City of Montgomery and Morning Cloud Investments for The Crossing at Montgomery single-family residential development (Dev. No. 2403).

Ms. Vu said this is again the offsite public sanitary sewer for The Crossing at Montgomery. Council approved the development agreement a couple Council meetings ago and this is the utility extension that goes along with it. To outline the scope of it for you I am turning to page 61 of your packet which is the exhibit. This shows the boundary of Marjorie's tract the future Crossing at Montgomery tract and then if you look at the northwest side their proposed forced main will run along Old Dobbin-Plantersville on the other side of the street

from where the waterline is going by the high school up to SH-105 and then turn and go east and discharge into the manhole. The line that it is discharging into will then need to be upsized from an eight inch as it currently stands to a 12 inch. The proposal in front of you also includes design services for their on-site lift station and then the developer will handle design of the force main from the lift station to the boundary of their property. That way they can coordinate with where the rest of the utilities are going and we are not trying to design right on top of each other. What is proposed in front of you is entirely to be developer funded. We are proposing a time and materials cost of \$332,600 and 517 calendar days through the duration of construction.

Councilmember Casey Olson said this is the section that we talked about with SH-105 and that we have to replace anyways right, I mean we are replacing it for this reason when they tear up the highway. Ms. Vu said going along the same timeline but different utilities. This is a brand new force main that would be going in not necessarily an existing one that already needs to be relocated. This force main does not exist today. Councilmember Casey Olson said okay, the one that runs along SH-105. Ms. Vu said correct there is a force main on the north side of SH-105. Councilmember Casey Olson said that is the one we are tying into. Ms. Vu said we are tying into a gravity line along SH-105. The force main that we are discussing right now is not going to tie into an existing force main. It will keep going east until right in front of the Cowboy Church. There is a manhole there and then the gravity line will begin. This force main will discharge directly into a gravity line and will not connect to another force main. Councilmember Casey Olson said he does not know much about the piping of it but wouldn't it be better just to tie into the pipe that is already there by drawing under street. Ms. Vu asked you mean tie into the force main. Councilmember Casey Olson said the force main that is already there instead of putting one on both sides of the highway. Ms. Vu said tying two force mains into each other can cause some pretty tricky maintenance issues and so it is generally not recommended to tie one force main into another force main. You get into issues of flow and pressure and timing and so this was the best option for the City so that it did not kind of daisy chain the issues. This force main will be designed with TxDOT's improvements in mind to stay well out of the way plenty low enough so that we are not having to go back and relocate a brand new force main that we just put in. Councilmember Casey Olson said just to clarify there is a force main on the north side of the road. If you look at your drawing that you gave us, on the west end it ties into that same loop that we are going to gravity feed to just make a circle. The force main and the east side over here you are tied into it already. You are going to tie into it already. The blue line right. Ms. Vu said the blue line is water. Blue is water, green is sanitary. Councilmember Casey Olson said okay so existing sanitary sewer discharge point is blue on the south side of the road. Ms. Vu said no. I see where you are seeing blue. There is a waterline also on that same side and the way the utility map is shown they are right next to each other. Councilmember Casey Olson said so I cannot see the green is what you are saying. Ms. Vu said yes. Councilmember Casey Olson said that makes sense then. Ms. Vu said she sees where you are talking about and I see the blue and then right next to it is an eight inch green line. Ms. Vu said she sees what you are talking about now and sees the confusion.

Councilmember Carol Langley asked if this is all funded by the developer. Ms. Vu said that is correct and we would begin our design when the deposit is received by the developer. No work will begin until that deposit is received. Councilmember Carol Langley asked if the developer has seen this or not yet. Ms. Vu said yes.

Councilmember Casey Olson moved to authorize the City Engineers to proceed with item #8 as presented. Councilmember Carol Langley seconded the motion. **Motion Passed (4-0).**

9. Consideration and possible action on cancelling the November 26, 2024 and December 24, 2024 Regular City Council Meetings (holiday weeks).

Councilmember Casey Olson moved to accept item #9 as presented. Councilmember Carol Langley seconded the motion. **Motion Passed (4-0).**

COUNCIL INQUIRY:

Councilmember Carol Langley said the next Conroe Chamber luncheon is in Montgomery on November 20th at 11:30 a.m. to 1:00 p.m. at the Lone Star Community Center.

Mayor Countryman said the Montgomery Bear football team is going to playoffs which has been a very long time so she would like to ask staff to put that on the LED sign. They are headed to playoffs on Friday so if we could just put a little note to them up there that would be great so when they come through town they can see it. She said the Bears football team is playing Marshall at 7:00 p.m. on Friday and they have not been to playoffs in a very long time so we are rather excited

EXECUTIVE SESSION:

Adjourn into Closed Executive Session as authorized by the Texas Open Meetings Act, Chapter 551 of the Government Code, Section(s):

551.071 (consultation with attorney)

551.072 (deliberation regarding real property).

551.074 - (personnel matters) – city administrators employment contract

Council adjourned into Executive Session at 6:51 p.m.

Council reconvened into Open Session at 7:34 p.m.

ACTION FROM EXECUTIVE SESSION:

Councilmember Casey Olson moved to make a motion to authorize the attorney to moved forward with further legal action and mediation. Councilmember Cheryl Fox seconded the motion. **Motion Passed (4-0).**

Councilmember Carol Langley moved to make a motion to not renew the City Administrator’s employment contract due to lack of confidence. Councilmember Cheryl Fox seconded the motion. **The Motion carried with 3-Ayes and 1-Nay vote by Councilmember Casey Olson (3-1).**

ADJOURNMENT

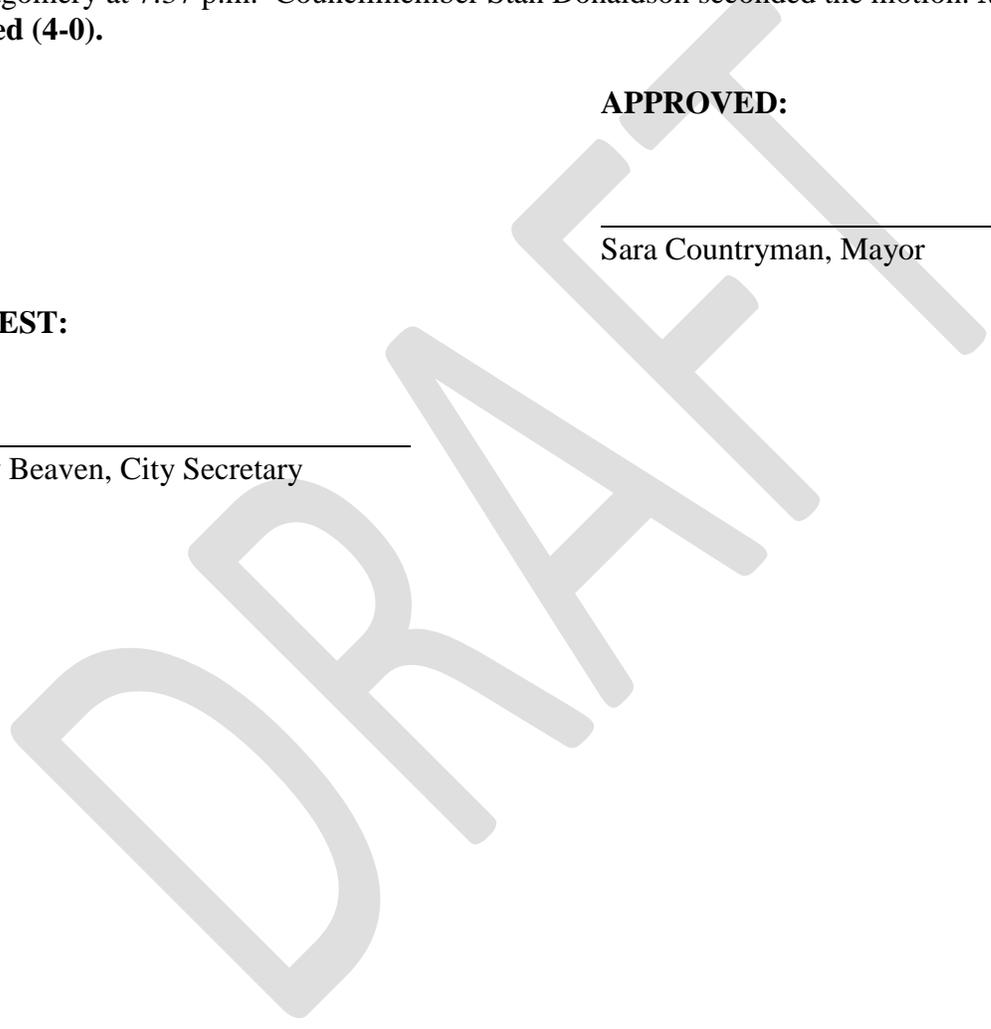
Councilmember Cheryl Fox moved to adjourn the regular City Council Meeting of the City of Montgomery at 7:37 p.m. Councilmember Stan Donaldson seconded the motion. **Motion Passed (4-0).**

APPROVED:

Sara Countryman, Mayor

ATTEST:

Ruby Beaven, City Secretary



Montgomery City Council
AGENDA REPORT

Meeting Date: December 10, 2024	Budgeted Amount: N/A
Department: Administration	Prepared By: Ruby Beaven

Subject

Consideration and possible action on renewal of the annual permit for Cedar Crest Mobile Home Park.

Recommendation

Motion to renew the annual permit for Cedar Crest Mobile Home Park for 2025 year.

Discussion

Cedar Crest Mobile Home Park, located on Old Plantersville Road, is the only mobile home community within the City and receives an annual permit from the City for the operation of the park. For a number of years, the park was inspected annually for deficiencies such as loose skirting around trailers, debris, etc. The owners of the park have provided a letter from the City dated July 21, 2000 that confirms the park’s status as “existing, non-conforming” park. Chapter 54 of the City Code of Ordinances prescribes the specific process for renewal of the annual permit for an existing, nonconforming park. In light of receiving this letter clarifying the park’s status, staff cannot require an inspection as part of the annual permit renewal. However, the City has the right to inspect the park at any time for code violations.

Cedar Crest’s current Mobile Home Park Permit is scheduled to expire on December 12, 2024.

Staff recommends the approval of the 2025 annual permit, as presented.

Approved By

City Secretary & Director of Administrative Services	Ruby Beaven	Date: 12/03/2024
City Administrator		Date:

November 4, 2024

David Mccorquodale
101 Old Plantersville Rd
Montgomery, TX 77316

Sent via certified mail and email: dmccorquodale@ci.montgomery.tx.us, nbrowe@ci.montgomery.tx.us

Subject: Annual Permit Renewal for Permit No. 2023106

Cedar Crest Mobile Home Park located at Old Plantersville Rd, Montgomery, TX 77316

To whom it may concern:

I am writing to submit the annual permit renewal application for Cedar Crest Mobile Home Park. Since this application is processed annually, I am sharing the annual permit process promulgated by the City of Montgomery below.

1. Cedar Crest TX, LLC must submit an annual permit renewal application prior to December 1 of each year.
2. If the application is submitted on behalf of an LLC, the application must be signed by an authorized partner or officer.
3. The City of Montgomery must consider the renewal application at the next eligible meeting.
4. The application submission must be accompanied by a \$50.00 fee and a current copy of the HUD Code Manufactured Code Register (Park Roster).

Please note that there is no inspection as part of the annual permit renewal process.

We appreciate the opportunity to continue to work with the City of Montgomery. Please kindly let us know when the City Council is scheduled to review this permit renewal.

Kind Regards,

Lilly Golden
Cedar Crest TX, LLC
PO Box 9692
Spring, TX 77387

Enclosed:

Exhibit A: The City of Montgomery sent a letter dated July 21, 2000 that designated the Cedar Crest Mobile Home Park as an existing, nonconforming park.

Exhibit B: City of Montgomery Ordinances – Highlighted sections are Section 54-58 and Section 54-55 (d) through (h). These are the only sections that apply to nonconforming parks.

Exhibit C: Annual Permit Renewal Application with \$50.00 application fee sent via check.

Exhibit D: Annual Permit No. 2023075 (Effective through 12/12/2024)



CITY OF MONTGOMERY

P. O. BOX 708 MONTGOMERY, TEXAS 77356

Telephone: (409) 597-6434 / 597-6866

July 21, 2000

Certified Mail
Return Receipt Requested

Ms. Marcey Bennett
P.O. Box 1031
Montgomery, Texas 77356

Dear Ms. Bennett,

On April 20, 1999 the City Council of the City of Montgomery adopted Ordinance 1999-4 concerning HUD-Code manufactured homes. A copy of this ordinance is enclosed for your review.

The City of Montgomery is now fully implementing all provisions of this ordinance. As an owner of an existing manufactured home park, the ordinance requires you to comply with certain sections of the ordinance.

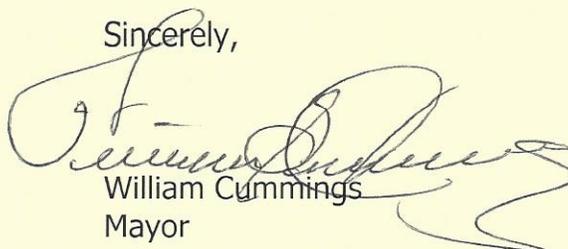
Since your park is designated as an existing, non-conforming park, you are required to complete a renewal application form. This form is enclosed.

Please complete this form and return to Carol Langley, our city secretary, together with the application fee of \$50.00 by September 1, 2000. A copy of a park register with the name, address and occupant of each home in the park and listing the model, serial number, year and dimensions of the home must accompany the application. The original must be kept in the park office and updated as necessary. The City Council will then act on your application at its next scheduled meeting.

This application will place you in compliance with the ordinance for calendar year 2000. You will need to submit a renewal application before December 1, 2000 for calendar year 2001.

Should you have any questions please contact our city secretary, Carol Langley.

Sincerely,

A handwritten signature in black ink, appearing to read 'William Cummings', is written over the typed name. The signature is fluid and cursive, with a long horizontal stroke at the end.

William Cummings
Mayor

enclosures

- (c) *Hearing on denial.* Any person whose application for a license has been denied may request, in writing and within ten days, a rehearing, which shall be granted by the city council.
- (d) *Application for renewal.* Application for renewal of a license shall be made in writing by the licensee on forms furnished by the city council on or before December 1 of each year. The application shall contain any change in the information occurring after the original license was issued or the latest renewal granted, and be accompanied by the HUD code manufactured home park register as provided for in this article.
- (e) *License fee.* All original license applications or renewals thereof shall be accompanied by a fee as currently established or as hereafter adopted by resolution of the city council from time to time. All renewal fees shall be due on the issuance of the license.
- (f) *Procedure for transfer of license.* Every person holding a license shall give notice in writing to the city council within 15 days after having sold, transferred, given away or otherwise disposed of interest in or control of any HUD code manufactured home park. Application for transfer of license shall be made not later than 15 days after the date of the sale, transfer, or gift, or other disposition of interest in or control of the HUD code manufactured home park, and the city council shall act thereon at the next regularly scheduled meeting.
- (g) *Fee for transfer of license.* All applications for license transfer shall be accompanied by a fee as currently established or as hereafter adopted by resolution of the city council from time to time.
- (h) *Notice of violation; suspension.* Whenever the city council finds that conditions or practices exist which are in violation of any provisions of this article, it shall give notice in writing, in accordance with section 54-24, to the permittee or licensee, or the permittee's or licensee's agent, that unless conditions or practices in violation of this article are corrected within a reasonable period of time of not less than 30 days and not more than one year as specified in such notice, the license or permit shall be suspended. At the end of the period of time granted for correction, if the conditions or practices have not been corrected, the city council may suspend the license and give notice in writing of the suspension to the licensee or the licensee's agent at the address provided in the application. Upon receipt of a notice of suspension, the licensee shall cease operation of the HUD code manufactured home park within ten days after the notice is issued.

(Code 2002, § 54-62; Ord. No. 1999-4, § 4, 4-20-1999)

Secs. 54-56—54-83. Reserved.

DIVISION 3. PARK REGULATIONS AND STANDARDS

Sec. 54-84. Responsibility for compliance.

It shall be the responsibility of a licensee under this article to ensure that all requirements of this article are met and maintained. Any HUD code manufactured mobile home park issued an initial license after adoption of the ordinance from which this article is derived that is found to be in violation of any provisions of this article shall be notified in writing by the city council in accordance with section 54-24, and upon failure to comply, the license shall be revoked.

(Code 2002, § 54-81; Ord. No. 1999-4, § 8(P), 4-20-1999)

Sec. 54-85. Nonconforming parks.

- (a) Any HUD code manufactured home park in use and/or existence on the effective date of the ordinance from which this article is derived, and not complying with all applicable provisions of this article, shall be

(Supp. No. 5)

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considered a nonconforming HUD code manufactured home park. Nonconforming parks shall comply with the requirements of section 54-55(d) through (h).

- (b) Any land area added to a nonconforming HUD code manufactured home park shall conform to all requirements of this article.

(Code 2002, § 54-82; Ord. No. 1999-4, § 8(Q), 4-20-1999)

Sec. 54-86. Mobile homes prohibited.

- (a) Mobile homes shall not be allowed in a HUD code manufactured home park.
- (b) Only HUD code manufactured homes manufactured no more than ten years prior to the date of installation in a HUD code manufactured home park shall be permitted in a HUD code manufactured home park.

(Code 2002, § 54-83; Ord. No. 1999-4, § 2(R)(3), (4), 4-20-1999; Ord. No. 2012-06, § 1, 5-8-2012)

Sec. 54-87. Minimum length and width of homes.

Any manufactured home less than the length and/or width specified in section 54-21 shall not be allowed in a HUD code manufactured home park.

(Code 2002, § 54-84; Ord. No. 1999-4, § 2, 4-20-1999)

Sec. 54-88. Site plan.

- (a) The site plan shall be filed as required by section 54-54(b) and shall show the following:
- (1) The name, address, fee owner and record owner of the proposed or existing HUD code manufactured home park.
 - (2) The name of the subdivision where the park is located.
 - (3) The names of adjacent public streets and roads.
 - (4) Contour lines at two-foot intervals.
 - (5) Locations and dimensions of all HUD code manufactured mobile home spaces, building lines, pipelines, easements, streams, watercourses, city utilities and elevations/locations of BFE must be on a signed and sealed CAD production. Each HUD code manufactured mobile home space shall be numbered.
 - (6) Scale of plan (no smaller than one inch equals 200 feet) and complete dimensions.
 - (7) Density in units per gross area.
 - (8) Area and dimensions of site.
 - (9) Areas defined for waste containers, and method of disposal of garbage and refuse.
 - (10) Location of shower and toilet facilities.
 - (11) Water and sewer plans. Water and sewer plans must be submitted showing the following:
 - a. Sewer line locations, grades and sizes.
 - b. Water line locations and sizes and source of water supply.

Cedar Crest Mobile Home Park Roster**Submitted 11/4/2024**

Address	Tenant(s)	Lot Size
Lot 1	Carolyn Taylor & Robert Fullen	Double+
Lot 2	Sadie Lopez & Michael Blue	Single
Lot 3	Jamie Leden	Single
Lot 4	Nain Rodriguez	Single
Lot 5	Clayton Homes Inc.	Single
Lot 6	David Blankenship	Single
Lot 7	N/A - Unoccupied	Single
Lot 8	David Cruz Fabian, Evelyn Citlali Orrostieta Serna	Double
Lot 9	Aimee Armstrong	Double
Lot 10	George Schoenberg	Double
Lot 11	Stormi Lawson, Jordan Irwin	Single
Lot 12	Andrea Gonzalez	Single
Lot 13	Edward Flint	Single
Lot 14	Mel & Bobbie Benedict	Double
Lot 15-16	Juan & Nancy Saldana	Double+
Lot 17	Ronald & Theresa Segrest	Single
Lot 18	Phenix Financial	Single
Lot 19	Jorge Macias	Single
Lot 20	Domingo Moreno	Single
Lot 21	Dairelys Cortes Salas, Rogelio Juarbe	Single
Lot 22	John Connealy	Single
Lot 23	Phenix Financial	Double+
Lot 24	Michael Bellard Jr & Lindsey Hildebrand	Double
Lot 25	Christopher Morgan	Double
Lot 26	Raul Fabian Navarrete	Single
Lot 27	Fabiana Ruiz Paredes	Single
Lot 28	Chandra Hicks	Single
Lot 29	Glen Childress	Single
Lot 30	Robert Brewer & Jessica Jenkins	Double+

4. A current, accurate copy of the HUD-Code Manufactured Homes Park Register, as required by Section 4(D) and as described in Section 8(o) of Montgomery City Ordinance 1999-4 shall be attached to this application form.
5. A permit fee in the amount of Fifty Dollars (\$50.00) shall accompany submission of this application to the City of Montgomery.
6. Renewal of License applications must be completed and submitted to the City of Montgomery on or before December 1st of the year preceding the calendar year for which license renewal is being requested.
7. A transfer of License application must be submitted to the City of Montgomery within fifteen (15) days of the said Park having transferred ownership to the new owner. Approved applications are valid only for the remainder of the calendar of the year.
8. This application shall be considered by the City Council of the City of Montgomery at its next eligible meeting.
9. If this application is on behalf of a corporation or limited liability company the application must be signed by an authorized partner or officer. In the case of a corporation, a copy of the corporate board authorization and a copy of a "Certificate in Good Standing" from the Secretary of State (or its equivalent) of the state in which the corporation is registered must be attached to this application.

Signed by:

 8B20B0F6E6D248B...

11/4/2024

Signature of Applicant

Date of Application

Lilly Golden
 Printed Name of Applicant



MOBILE HOME PARK PERMIT

PERMIT NO. 2023106

THIS CERTIFIES THAT

Cedar Crest Mobile Home Park
of Powell Circle, Montgomery, TX 77356

has complied with the City of Montgomery, Code of Ordinances, Chapter 54 – Manufactured Homes and Trailers; Article II. - Hud code Manufactured Home Parks and provided all required documents, which are on file with the City Secretary's Office at City Hall. As required by the City Code, this permit shall be displayed and posted in clear view on the premises. This permit shall be conditioned upon continuous compliance with all federal, state, and local laws or rules adopted under such laws relating to Manufactured (mobile) Home Parks.

Issued on
08/21/2023

Expires on
12/12/2024



City Secretary



City Administrator

Montgomery City Council
AGENDA REPORT

Meeting Date: December 10, 2024	Budgeted Amount: N/A
Department: Administration	Prepared By: Ruby Beaven

Subject

Consideration and possible action on a resolution of the City Council of the City of Montgomery, Texas, authorizing the participation of the City of Montgomery, Texas, in the Kroger Texas Settlement Agreement; and authorizing the Mayor to execute any and all documents necessary to participate in the settlement.

Recommendation

Staff recommends adoption of the Resolution to authorize the participation of the City of Montgomery, Texas, in the Kroger Texas Settlement Agreement; and authorizing the Mayor to execute any and all documents necessary to participate in the settlement.

Discussion

The City of Montgomery, Texas adopted Resolution 2023-04 approving the allocation of any and all opioid settlement funds within the State of Texas resulting from the Texas Opioid Abatement Fund Council and Settlement Allocation Term Sheet.

The City of Montgomery must submit the Subdivision Participation Form for the Kroger Settlement no later than December 29, 2024 to participate.

WHY YOU SHOULD PARTICIPATE
Texas and the Litigating Political Subdivisions in Texas support this settlement.

Subdivision participation is strongly encouraged, for the following reasons:

- First, the amounts to be paid under the Settlement, while insufficient to abate the epidemic fully, will contribute to allowing Texas and its local governments to commence with meaningful change designed to curb opioid addiction, overdose, and death, following on the Distributors and Johnson & Johnson/Janssen settlements from 2021, the Teva and Endo settlements from 2022, the Mallinckrodt bankruptcy settlement in 2023, and the Allergan, CVS, Walmart, and Walgreens settlements from 2023;
- Second, time is of the essence. The opioid epidemic continues to devastate communities around the country, and it is critical that the funds begin to flow to allow governments to address the epidemic in their communities as soon as possible; and
- Third, you know first-hand the effects of the opioid epidemic on your community. Funds from this settlement will be used to commence abatement of the crisis and provide relief to your citizens while litigation and settlement discussions proceed against numerous other defendants in the opioid industry.

Montgomery City Council
AGENDA REPORT

Approved By		
City Secretary & Director of Administrative Services	Ruby Beaven	Date: 12/03/2024
City Administrator		Date:

RESOLUTION NO. R-2024-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTGOMERY, TEXAS, AUTHORIZING THE PARTICIPATION OF THE CITY OF MONTGOMERY, TEXAS, IN THE KROGER TEXAS SETTLEMENT AGREEMENT; AND AUTHORIZING THE MAYOR TO EXECUTE ANY AND ALL DOCUMENTS NECESSARY TO PARTICIPATE IN THE SETTLEMENT.

WHEREAS, the City of Montgomery, Texas (the "City") adopted Resolution 2023-04 approving the allocation of any and all opioid settlement funds within the State of Texas resulting from the Texas Opioid Abatement Fund Council and Settlement Allocation Term Sheet; and

WHEREAS, certain drug companies and their corporate affiliates, parents, subsidiaries, and such other defendants as may be added to the litigation (collectively, "Defendants") have engaged in fraudulent and/or reckless marketing and/or distribution of opioids that have resulted in addictions and overdoses; and

WHEREAS, the City of Montgomery has previously adopted and approved the Texas Term Sheet in its entirety; and

WHEREAS, the settlement is earmarked for Texas and its subdivisions to remediate and abate the impacts of the opioid crisis; and

WHEREAS, it is recommended that the City Council of the City of Montgomery, Texas, support the adoption and approval of the Texas Settlement Subdivision Participation and Release Form, attached hereto as Exhibit A.

NOW, THEREFORE, BE IT RESOLVED THAT WE, THE CITY COUNCIL OF THE CITY OF MONTGOMERY, TEXAS:

1. Support the adoption and participation of the Texas Settlement Subdivision Participation and Release Form in its entirety, attached hereto as Exhibit A; and
2. There is a substantial need for repayment of opioid-related expenditures and payment to abate opioid-related harms in and about the City of Montgomery, Texas.

PASSED AND APPROVED this 10th day of December, 2024 by 00 (ayes) to 00 (nays) with 00 abstentions by a vote of the City Council of the City of Montgomery, Texas.

CITY OF MONTGOMERY, TEXAS

Sara Countryman, Mayor

ATTEST:

Ruby Beaven, City Secretary

Exhibit A

TEXAS SETTLEMENT SUBDIVISION PARTICIPATION AND RELEASE FORM

Political Subdivision:	City of Montgomery	Texas
Authorized Official:	Sara Countryman, Mayor	
Address 1:	101 Old Plantersville Road	
Address 2:		
City, State, Zip:	Montgomery, TX 77316	
Phone:	(936) 597-6434	
Email:	scountryman@ci.montgomery.tx.us	

The governmental entity identified above (“Texas Political Subdivision”), in order to obtain and in consideration for the benefits provided to the Texas Political Subdivision pursuant to the Kroger Texas Settlement Agreement and Full Release of All Claims dated October 30, 2024 (“Kroger Texas Settlement”), and acting through the undersigned authorized official, hereby elects to participate in the Kroger Texas Settlement, release all Released Claims against all Released Entities, and agrees as follows.

1. The Texas Political Subdivision above is aware of and has reviewed the Kroger Settlement Agreement, understands that all terms in this Participation and Release Form have the meanings defined therein, and agrees that by executing this Participation and Release Form, the Texas Political Subdivision elects to participate in the Kroger Texas Settlement and become a Participating Texas Political Subdivision as provided therein.
2. The Texas Political Subdivision shall immediately cease any and all litigation activities as to the Released Entities and Released Claims and, within 14 days of executing this Participation and Release Form, its counsel shall work with Kroger’s counsel to dismiss with prejudice any Released Claims that it has filed.
3. The Texas Political Subdivision agrees to the terms of the Kroger Texas Settlement pertaining to Texas Political Subdivisions as provided therein.
4. By agreeing to the terms of the Kroger Texas Settlement and becoming a Releasor, the Texas Political Subdivision is entitled to the benefits provided therein, including, if applicable, monetary payments beginning after the Effective Date of the Release.
5. The Texas Political Subdivision agrees to use any monies it received through the Kroger Texas Settlement solely for the purposes provided therein.

6. The Texas Political Subdivision submits to the exclusive jurisdiction and authority of the Texas Consolidated Litigation Court as defined in the Kroger Texas Settlement. For the avoidance of doubt, nothing contained in this Participation and Release Form, or the Kroger Texas Settlement, constitutes consent to jurisdiction, express or implied, over the Texas Political Subdivision or its selected counsel to the jurisdiction of any other court (including without limitation MDL 2804, the MDL 2804 Fee Panel, the MDL 2804 Enforcement Committee, or the Court in which any Texas Consent Judgment is filed) for any purpose whatsoever.
7. The Texas Political Subdivision, as a Participating Texas Subdivision, has the right to enforce the Kroger Texas Settlement in the Texas Consolidated Litigation Court as provided therein.
8. The Texas Political Subdivision, as a Participating Texas Subdivision, hereby becomes a Releasor for all purposes in the Kroger Texas Settlement, including but not limited to all provisions of Section V (Release), and along with all departments, agencies, divisions, boards, commissions, districts, instrumentalities of any kind and attorneys, and any person in their official capacity elected or appointed to serve any of the foregoing and any agency, person, or other entity claiming by or through any of the foregoing, and any other entity identified in the definition of Releasor, provides for a release to the fullest extent of its authority. As a Releasor, the Texas Political Subdivision hereby absolutely, unconditionally, and irrevocably covenants not to bring, file, or claim, or to cause, assist or permit to be brought, filed, or claimed, or to otherwise seek to establish liability for any Released Claims against any Released Entities in any forum whatsoever. The releases provided for in the Kroger Texas Settlement are intended by the Parties to be broad and shall be interpreted so as to give the Released Entity the broadest possible bar against any liability relating in any way to Released Claims and extend to the full extent of the power of the Texas Political Subdivision to release claims. The Kroger Texas Settlement shall be a complete bar to any Released Claim.
9. The Texas Political Subdivision hereby takes on all rights and obligations of a Participating Texas Subdivision as set forth in the Kroger Texas Settlement.
10. In connection with the releases provided for in the Kroger Texas Settlement, each Texas Political Subdivision expressly waives, releases, and forever discharges any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or other jurisdiction, or principle of common law, which is similar, comparable, or equivalent to § 1542 of the California Civil Code, which reads:

General Release; extent. A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

A Releasor may hereafter discover facts other than or different from those which it knows, believes, or assumes to be true with respect to the Released Claims, but each Texas Political Subdivision hereby expressly waives and fully, finally, and forever settles, releases and discharges, upon the Effective Date, any and all Released Claims that may exist as of such date but which Releasors do not know or suspect to exist, whether through ignorance, oversight, error, negligence or through no fault whatsoever, and which, if known, would materially affect the Governmental Entities' decision to participate in the Kroger Texas Settlement.

- 11. The Texas Political Subdivision acknowledges, agrees, and understands that the Maximum Texas Settlement Amount to be paid under the Kroger Texas Settlement for the benefit of the Participating Texas Political Subdivision, is less than or equal to the amount, in the aggregate, of the Alleged Harms allegedly suffered by the governmental entity, constitutes restitution and remediation for damage or harm allegedly caused by Kroger in order to restore, in whole or part, the governmental entity to the same position or condition that it would be in had it not suffered the Alleged Harms; and constitutes restitution and remediation for damage or harm allegedly caused by the potential violation of a law and/or is an amount paid to come into compliance with the law.
- 12. Nothing herein is intended to modify in any way the terms of the Kroger Texas Settlement Agreement, to which the Texas Political Subdivision hereby agrees. To the extent this Participation and Release Form is interpreted differently from the Kroger Texas Settlement, the Kroger Texas Settlement controls.

I have all necessary power and authorization to execute this Participation and Release Form on behalf of the Texas Political Subdivision.

Signature: _____
 Name: Sara Countryman
 Title: Mayor
 Date: December 10, 2024

Montgomery City Council
AGENDA REPORT

Meeting Date: December 10, 2024	Budgeted Amount: N/A
Department: Administration	Prepared By: Ruby Beaven

Subject

Consideration and possible action on a Resolution of the City Council of the City of Montgomery, Texas, adopting the Covered Applications and Prohibited Technology Policy to satisfy the requirements of Senate Bill 1893.

Recommendation

Motion to adopt the Resolution for an Covered Applications and Prohibited Technology Policy.

Discussion

On December 7, 2022, Governor Greg Abbott required all state agencies to ban the video-sharing application TikTok from all state-owned and state-issued devices and networks over the Chinese Communist Party’s ability to use the application for surveilling Texans. Governor Abbott also directed the Texas Department of Public Safety (DPS) and the Texas Department of Information Resources (DIR) to develop a plan providing state agencies guidance on managing personal devices used to conduct state business. Following the issuance of the Governor’s directive, the 88th Texas Legislature passed Senate Bill 1893, which prohibits the use of covered applications on governmental entity devices.

As required by the Governor’s directive and Senate Bill 1893, this model policy prohibits the installation or use of covered applications or prohibited technologies on applicable devices.

Pursuant to SB1893 Governmental entities, including local governments, must adopt a covered applications policy.

Recommendation is to approve the Covered Applications and Prohibited Technology Policy, as presented, to satisfy the requirements of SB 1893 at this time. This policy will be included in the City’s Personnel Policy at a later date.

Approved By

City Secretary & Director of Administrative Services	Ruby Beaven	Date: 12/03/2024
City Administrator		Date:

RESOLUTION NO. R-2024-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTGOMERY, TEXAS, ADOPTING THE COVERED APPLICATIONS AND PROHIBITED TECHNOLOGY POLICY TO SATISFY THE REQUIREMENTS OF SENATE BILL 1893.

WHEREAS, on December 7, 2022, Governor Greg Abbott required all state agencies to ban the video-sharing application TikTok from all state-owned and state-issued devices and networks over the Chinese Communist Party’s ability to use the application for surveilling Texans. Governor Abbott also directed the Texas Department of Public Safety (DPS) and the Texas Department of Information Resources (DIR) to develop a plan providing state agencies guidance on managing personal devices used to conduct state business. Following the issuance of the Governor’s directive, the 88th Texas Legislature passed Senate Bill 1893, which prohibits the use of covered applications on governmental entity devices; and

WHEREAS, pursuant to SB1893 Governmental entities, including local governments, must adopt a covered applications policy; and

WHEREAS, the hereto attached, as Attachment A, Covered Applications and Prohibited Technology Policy complies with Senate Bill 1893.

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

Section One: The City Council of the City of Montgomery, Texas has complied with the requirements of Senate Bill 1893, and the policy, attached hereto as Attachment A, is hereby approved as the Covered Applications and Prohibited Technology Policy of the City of Montgomery.

Section Two: This Resolution shall take effect immediately from and after the date of passage and is so resolved.

PASSED AND APPROVED this 10th day of December, 2024 by 00 (ayes) to 00 (nays) with 00 abstentions by a vote of the City Council of the City of Montgomery, Texas.

CITY OF MONTGOMERY, TEXAS

Sara Countryman, Mayor

ATTEST:

Ruby Beaven, City Secretary

Resolution 2024-XX Attachment A

CITY OF MONTGOMERY, TEXAS

**Covered Applications and Prohibited
Technology Policy**

Date: November 19, 2024

Version: 1.0

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DRAFT

1.0 INTRODUCTION

1.1 PURPOSE

On December 7, 2022, Governor Greg Abbott required all state agencies to ban the video-sharing application TikTok from all state-owned and state-issued devices and networks over the Chinese Communist Party’s ability to use the application for surveilling Texans. Governor Abbott also directed the Texas Department of Public Safety (DPS) and the Texas Department of Information Resources (DIR) to develop a plan providing state agencies guidance on managing personal devices used to conduct state business. Following the issuance of the Governor’s directive, the 88th Texas Legislature passed [Senate Bill 1893](#), which prohibits the use of covered applications on governmental entity devices.

As required by the Governor’s directive and Senate Bill 1893, this model policy prohibits the installation or use of covered applications or prohibited technologies on applicable devices.

1.2 SCOPE AND APPLICATION

Pursuant to SB1893 Governmental entities, including local governments, must adopt a covered applications policy as described by [Section 2.0](#). To the extent anything in this policy conflicts with any other City policy, this policy controls.

2.0 COVERED APPLICATIONS POLICY FOR GOVERNMENTAL ENTITIES

2.1 SCOPE AND DEFINITIONS

Pursuant to Senate Bill 1893, governmental entities, as defined below, must establish a covered applications policy:

- A department, commission, board, office, or other agency that is in the executive or legislative branch of state government and that was created by the constitution or a statute, including an institution of higher education as defined by Education Code Section 61.003.

- The supreme court, the court of criminal appeals, a court of appeals, a district court, or the Texas Judicial Council or another agency in the judicial branch of state government.
- A political subdivision of this state, including a municipality, county, or special purpose district.

This policy applies to all City of Montgomery (“City”) full- and part-time employees, contractors, paid or unpaid interns, and other users of government networks. All City employees are responsible for complying with this policy.

A covered application is:

- The social media service TikTok or any successor application or service developed or provided by ByteDance Limited, or an entity owned by ByteDance Limited.
- A social media application or service specified by proclamation of the governor under Government Code Section 620.005.

2.2 COVERED APPLICATIONS ON GOVERNMENT-OWNED OR LEASED DEVICES

Except where approved exceptions apply, the use or installation of covered applications is prohibited on all government-owned or -leased devices, including cell phones, tablets, desktop and laptop computers, and other internet-capable devices.

The City will identify, track, and manage all government-owned or -leased devices including mobile phones, tablets, laptops, desktop computers, or any other internet-capable devices to:

- Prohibit the installation of a covered application.
- Prohibit the use of a covered application.
- Remove a covered application from a government-owned or -leased device that was on the device prior to the passage of S.B. 1893 (88th Leg, R.S.).
- Remove an application from a government-owned or -leased device if the Governor issues a proclamation identifying it as a covered application.

The City will manage all government-owned or leased mobile devices by implementing the security measures listed below:

- Restrict access to “app stores” or unauthorized software repositories to prevent the installation of unauthorized applications.

- b. Maintain the ability to remotely wipe non-compliant or compromised mobile devices.
- c. Maintain the ability to remotely uninstall unauthorized software from mobile devices.

2.3 ONGOING AND EMERGING TECHNOLOGY THREATS

To provide protection against ongoing and emerging technological threats to the government's sensitive information and critical infrastructure, DPS and DIR will regularly monitor and evaluate additional social media applications or services that pose a risk to this state.

DIR will annually submit to the Governor a list of social media applications and services identified as posing a risk to Texas. The Governor may proclaim items on this list as covered applications that are subject to this policy.

If the Governor identifies an item on the DIR-posted list described by this section, then the City will remove and prohibit the covered application.

The City may also prohibit social media applications or services in addition to those specified by proclamation of the Governor.

2.4 BRING YOUR OWN DEVICE POLICY

To the extent that the City has a "Bring Your Own Device" (BYOD) program, then the installation or operation of covered applications on employee-owned devices that are used to conduct government business is also prohibited.

2.5 COVERED APPLICATION EXCEPTIONS

The City may permit exceptions authorizing the installation and use of a covered application on government-owned or -leased devices consistent with the authority provided by Government Code Chapter 620.

Government Code Section 620.004 only allows the City to install and use a covered application on an applicable device to the extent necessary for:

- (1) Providing law enforcement; or
- (2) Developing or implementing information security measures.

If the City authorizes an exception allowing for the installation and use of a covered application, the City must use measures to mitigate the risks posed to the state during the application's use.

The City will document whichever measures it took to mitigate the risks posed to the state during the use of the covered application.

3.0 COMPLIANCE

The City will verify compliance with this policy through various methods, including but not limited to, IT/security system reports and feedback to leadership. An employee found to have violated this policy may be subject to disciplinary action.

4.0 POLICY REVIEW

This policy will be reviewed annually and updated as necessary to reflect changes in state law, additions to applications identified under Government Code Section 620.006, updates to the prohibited technology list posted to DIR's website, or to suit the needs of the City.

Montgomery City Council
AGENDA REPORT

Meeting Date: December 10, 2024	Budgeted Amount: n/a
Department: Administration	Prepared By: Maryann Carl

Subject

Consideration and possible action on a Resolution of the City of Montgomery, Texas affirming its annual review of the policy for investment of municipal funds and the investment strategies contained therein has been conducted as required by section 2256.005(e) of the Texas government code.

Recommendation

Adopt the resolution as presented.

Discussion

Each year, Council is required to review the City’s investment policy. No changes have been made to the City’s Investment Policy since its amendment in December 2023.

Approved By

Finance Director	Maryann Carl	Date: 12/3/2024
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RESOLUTION NO. R-2024-XX

A RESOLUTION OF THE CITY OF MONTGOMERY, TEXAS AFFIRMING ITS ANNUAL REVIEW OF THE POLICY FOR INVESTMENT OF MUNICIPAL FUNDS AND THE INVESTMENT STRATEGIES CONTAINED THEREIN HAS BEEN CONDUCTED AS REQUIRED BY SECTION 2256.005(e) OF THE TEXAS GOVERNMENT CODE.

WHEREAS, Chapter 2256 of the Texas Government Code, commonly known as the Public Funds Investment Act (“Act”), requires the City Council of the City of Montgomery (“City”) to adopt a written policy governing the investment of its funds and funds under its control; and

WHEREAS, the Act requires the City to adopt written investment strategies (“Strategies”) for each fund group or group of funds under its control; and

WHEREAS, the City adopted a written investment policy (“Policy”) on October 25, 2005 that complies with the requirements of the Act; and

WHEREAS, the City’s Policy includes investment Strategies for each fund or group of funds under the City’s control; and

WHEREAS, the Act requires the City to review the Policy and Strategies on at least an annual basis and affirm through a Resolution that such review has occurred; and

WHEREAS, any changes to the Policy of the Strategies are required by the Act to be included in this Resolution.

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

Section 1. The City Council hereby affirms that it has reviewed the Policy and the Strategies attached as Exhibit “A”;

Section 2. The List of Authorized Brokers is attached as Exhibit “B”; and

Section 3. The Resolution shall take effect immediately from and after its adoption.

PASSED AND APPROVED this 10th day of December, 2024 by 00 (ayes) to 00 (nays) with 00 abstentions by a vote of the City Council of the City of Montgomery, Texas.

CITY OF MONTGOMERY, TEXAS

Sara Countryman, Mayor

ATTEST:

Ruby Beaven, City Secretary

Exhibit A

DRAFT

**AMENDED ORDER ESTABLISHING POLICY FOR
INVESTMENT OF MUNICIPAL FUNDS
AND APPOINTING INVESTMENT OFFICER**

WHEREAS, the City of Montgomery, Texas (the "City") is a body politic and a type A general law municipality of the state of Texas; and

WHEREAS, Chapter 2256, Texas Government Code (sometimes referred to herein as the "Public Funds Investment Act"), requires that the governing body of the City adopt rules, regulations and policies governing the investment of Municipal funds and designate one or more of its officers or employees to be responsible for the investment of such funds;

NOW, THEREFORE, IT IS ORDERED BY THE CITY COUNCIL OF THE CITY OF MONTGOMERY, TEXAS, THAT the policies, procedures and provisions set forth herein be and are hereby ADOPTED, and that any order, and every amendment thereto, heretofore adopted by the City Council establishing policies for the investment of City funds and appointing an investment officer shall be and are hereby revoked and superseded effective as of December 12, 2023, the effective date of this Order.

Section 1. Purpose. The purpose of this Order Establishing Policy for Investment of Municipal Funds and Appointing Investment Officer (the "Investment Policy") is to adopt rules and regulations which set forth the City's policies with regard to the investment and security of City funds or funds under the City's control. It is further the purpose of this Investment Policy to ensure that purchases and sales of City investments are initiated by authorized individuals, conform to investment objectives and regulations, and are properly documented and approved, and to provide for the periodic review of City investments to evaluate investment performance and security, all as required by applicable law.

Section 2. Appointment of Investment Officer; Standard of Care. Ms. Maryann Carl the City's Finance Director, shall be and is hereby individually designated the Investment Officer of the City, responsible for the supervision of investment of City funds pursuant to this Investment Policy. In the administration of his or her duties hereunder, the City's Investment Officer shall exercise the judgment and care, under prevailing circumstances, that a person of prudence, discretion and intelligence would exercise in the management of his or her own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived; however, the City Council of the City shall retain ultimate responsibility as fiduciaries of the City's assets. The City Council, Tax Assessor-Collector, Financial Advisor and other consultants shall be authorized to assist the Investment Officer in the carrying out of the duties of Investment Officer.

Section 3. Appointment of Investment Officer and Tax Assessor-Collector for Investment of City Funds. The City Council hereby designates the City's Investment Officer as the authorized representative of the City to (a) invest and reinvest the funds of the City; (b) withdraw City funds from appropriate accounts of the City for the investment of same in accordance with the terms of this Investment Policy; and (c) arrange for adequate security for uninsured deposits or funds of the City pursuant to and in compliance with a Public Funds Depositor Collateral Security Agreement which shall

be substantially in the form attached hereto as Exhibit "B," and to execute said Agreement(s) and any documentation required in connection therewith on behalf of the City. To the extent that the City's Tax Assessor- Collector is required to perform any of the functions set forth in (a), (b) or (c) above, the Tax Assessor-Collector shall do so in accordance with the provisions of the Public Funds Investment Act and this Investment Policy, and under the supervision of and in consultation with the City's Investment Officer.

Section 4. Authority and Duties of Investment Officer. The following rules shall apply to the City's Investment Officer:

- A. The City Council hereby instructs the Investment Officer for the City to maintain the investments of the City in a manner consistent with the rules and regulations set forth in this Investment Policy and the Public Funds Investment Act, as amended.
- B. No persons, other than those designated in Section 3 above, may deposit, invest, transfer, withdraw or otherwise manage City funds without express written authority of the City Council.
- C. The Investment Officer for the City shall invest and reinvest City funds only in those investments authorized under this Investment Policy or by the City Council, and only in the name of and solely for the account of "City of Montgomery, Texas". The Investment Officer for the City shall be authorized to wire transfer funds of the City only (1) for the purchase of investments solely in the name of "City of Montgomery, Texas", (2) for the transfer of all or any portion of the principal of or interest earnings or profits or gains on any investment of the City to one or more previously authorized and established accounts of "City of Montgomery, Texas", (3) for the transfer of City funds to any paying agent of the City for the payment of principal and semiannual interest payments on any outstanding bonds of the City and for the payment of paying agent fees relative to same, or (4) for other purposes, such as the payment of City bills, pursuant to a resolution or other express written instructions of the City Council.
- D. The Investment Officer for the City shall, not later than the first anniversary of the date the Investment Officer takes office or assumes such duties, attend a training session of at least should this not be 10 hours of instruction relating to the Investment Officer's responsibilities under the Public Funds Investment Act, as amended, from an independent source approved by the City Council and thereafter shall attend at least ten hours within each two year period after the first year. Such investment training must include education in investment controls, security risks, diversification of investment portfolio, strategy risks, market risks, and compliance with the provisions of the Public Funds Investment Act, as amended.
- E. Not less frequently than each fiscal quarter, the City's Investment Officer shall prepare and submit to the City Council a written report of investment transactions for all invested funds of the City for the preceding reporting period. Such report must (1) describe in detail the investment position of the City on the date of the report; (2) be prepared by the Investment Officer for the City; (3) be signed by the Investment Officer of the City; (4) contain a summary statement, prepared in compliance with generally accepted accounting principles, of each pooled fund group, if any has been created by the City,

that states the beginning market value for the reporting period, additions and changes to the market value during the period, and ending market value for the period, and fully accrued interest for the reporting period; (5) state the book value and market value of each separately invested asset of the City at the beginning and at the end of the reporting period by the type of asset and fund type invested; (6) state the maturity date of each separately invested asset that has a maturity date; 7) state the account or fund or pooled group fund, if the City has any, for which each individual investment was acquired; and (8) state the compliance of the City's investment portfolio as it relates to the investment strategy for each account of the City as set forth in this Investment Policy and relevant provisions of the Public Funds Investment Act, as amended. Such report must be presented to the City Council within a reasonable period of time after the end of each fiscal quarter. If the City invests in other than (i) money market mutual funds, (ii) investment pools or (iii) accounts offered by its depository bank in the form of certificates of deposit, or money market accounts or similar accounts, all of the type authorized under Section 6 of this Investment Policy, the reports prepared under this Section 4.E. shall be formally reviewed at least annually by an independent auditor, and the result of such review shall be reported to the City Council by that auditor.

- F. In the event City funds are invested or reinvested in Certificates of Deposit, the Bookkeeper or Tax Assessor-Collector, as applicable, shall solicit bids from at least two (2) bidders, either orally, in writing, electronically or in any combination of those methods, for each such investment.
- G. All purchases of investments, except investments in investment pools or in mutual funds, shall be made on a delivery versus payment basis.
- H. Not less frequently than each fiscal quarter, and as close as practicable to the end of such reporting period, the City's Investment Officer shall determine the market value of each City investment. Such market values shall be included in the written reports submitted to the City Council pursuant to Section 4.E hereinabove. The following methods shall be used:
 - (1) Certificates of deposit shall be valued at their face value plus any accrued but unpaid interest.
 - (2) Shares in money market mutual funds and investment pools, if any, shall be valued at par plus any accrued but unpaid interest.
 - (3) Other investment securities may be valued in any of the following ways:
 - (a) The lower of two bids for such security obtained from qualified securities brokers/dealers with whom the City may engage in investment transactions;
 - (b) The average of the bid and asked prices for such security as published in The Wall Street Journal or The New York Times;
 - (c) The bid price for such security published by any nationally recognized security pricing service; or

(d) The market value quoted by the seller of the security.

I. A written copy of the City's Investment Policy must be presented to any person offering to engage in an investment transaction with the City and to any investment management firm under contract with the City for the investment and management of its funds. The "qualified representative" of the business organization offering to engage in an investment transaction with the City or an investment management firm shall execute a written instrument in a form acceptable to the City substantially to the effect that the business organization or firm has received and reviewed the Investment Policy of the City and acknowledges that such business organization or firm has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the City and such organization or firm that are not authorized by the City's Investment Policy, except to the extent that such authorization is dependent on an analysis of the makeup of the City's entire investment portfolio or requires an interpretation of subjective investment standards. The City's Investment Officer may not acquire or otherwise obtain any authorized investment described in Section 6 hereof from a person who has not delivered to the City the written statement acknowledging receipt of this Investment Policy in a form substantially similar to that attached hereto as Exhibit "A" (the "Certificate of Compliance"). For purposes of this Section 4.1., the "qualified representative" of a business organization offering to engage in an investment transaction with the City means a person who holds a position with a business organization, who is authorized to act on behalf of the business organization, and who is one of the following:

- (1) for a business organization doing business that is regulated by or registered with a securities commission, a person who is registered under the rules of the National Association of Securities Dealers;
 - (2) for a state or federal bank, a savings bank, or a state or federal credit union, a member of the loan committee for the bank or branch of the bank or a person authorized by corporate resolution to act on behalf of and bind the banking institution;
- or
- (3) for an investment pool, the person authorized to sign the written instrument on behalf of the investment pool by the elected official or board with authority to administer the activities of the investment pool.

The "qualified representative" of an investment management firm under contract with the City for the investment and management of its public funds is a person who is an officer or principal of such firm.

J. The Investment Officer for the City shall disclose in writing to the City Council any (i) "personal business relationship" that they may have with a business organization offering to engage in an investment transaction with the City, or (ii) any relationship within the second degree by affinity or consanguinity, as determined by Chapter 573, Texas Government Code, as amended, to any individual seeking to sell an investment to the City. Any written disclosure statement filed with the City Council by the Investment

Officer pursuant to this section must also be filed with the Texas Ethics Commission. For purposes of this Section 4.J., the Investment Officer has a "personal business relationship" with a business organization if:

- (1) the Investment Officer owns ten percent or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;
- (2) funds received by the Investment Officer from the business organization exceed ten percent of the Investment Officer's gross income for the previous year; or
- (3) the Investment Officer has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for their personal account.

- K. In conjunction with the City's annual financial audit, a compliance audit of management controls on investments and adherence to this Investment Policy must be performed. In connection with said compliance audit, the City Council shall review on an annual basis this Investment Policy and its investment strategies. In connection with said annual review, the City Council shall adopt a written resolution stating that it has reviewed this Investment Policy and the investment strategies set forth herein, and shall indicate in said resolution either the continuance of this Investment Policy without amendment or the changes made to the Investment Policy and/or the investment strategies herein.

Section 5. General Investment Principles and Objectives. All investments of City funds or funds under the City's control shall be made in accordance with the following general rules, regulations and policies:

- A. Any moneys in any fund of the City or in any fund established by the City Council in connection with the authorization of the City's bonds, including, but not limited to, proceeds from the sale of such bonds, which funds are not required for the payment of obligations due or to become due immediately, shall be invested and reinvested, from time to time, only in the authorized investments specified in Section 6 hereunder; provided, however, that all such investments shall be secured in the manner provided for the security of the funds of municipalities of the State of Texas (The Public Funds Collateral Act, Chapter 2257, Texas Government Code, as amended) or in such other manner as may be authorized by law from time to time and otherwise suitable for the City's needs.
- B. The policy of the City is to invest City funds only in instruments which further the following investment objectives of the City stated in order of importance: (1) preservation and safety of principal; (2) liquidity; and (3) yield. The City will continuously attempt to diversify its portfolio to reduce risks. The type, conditions and maturity date of City investments shall be consistent with the cash flow needs and operating requirements of the City, as determined from time to time by the City Council, and consistent with the investment strategy for each City account as set forth in Section 7 hereunder; provided, however, that in no event shall the maximum allowable stated

maturity of any individual investment owned by the City exceed two (2) years, unless otherwise specifically set forth in this Investment Policy.

- C. If invested in certificates of deposits, the City's funds shall be secured, to the extent that such funds are not insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, by the pledge to the City of certain types of securities, as determined in the sole discretion of the City, which under the laws of the State of Texas may be used to secure the deposits of municipalities, pursuant to and in compliance with a Public Funds Depositor Collateral Security Agreement which shall be substantially in the form attached hereto as Exhibit "B", the terms and conditions of which are incorporated herein by reference (the "Public Funds Depositor Collateral Security Agreement").
- D. Securities pledged to the City shall be pledged pursuant to and in compliance with a Public Funds Depositor Collateral Security Agreement to be entered into by and between the City and the institution(s) pledging such securities. Securities pledged to the City shall either be deposited and held in safekeeping at the trust or safekeeping department of a commercial banking institution located in the State of Texas not affiliated with the pledging institution(s) or a federal home loan bank, or shall be held in a restricted securities account, joint safekeeping account or other similar account in a branch of the Federal Reserve Bank pursuant to any and all applicable regulations, operating circulars, bulletins and policies of the Federal Reserve Bank, including the terms and conditions of any applicable forms or agreements, as may exist now or hereafter be enacted, promulgated or issued by the Federal Reserve Bank. The City's Investment Officer and Tax Assessor-Collector shall, within the limits of business practicality and consistent with the Federal Deposit Insurance Corporation Statement of Policy dated March 23, 1993, (or any subsequent applicable Statement of Policy issued by the FDIC) relative to the securing of public funds, ensure that the City's uninsured funds are at all times secured as required by the Public Funds Collateral Act (Chapter 2257, Texas Government Code, as amended) and in the manner set forth in the Public Funds Depositor Collateral Security Agreement. The City's Investment Officer and Tax Assessor-Collector are hereby authorized to execute Public Funds Depositor Collateral Security Agreements and any agreements, documents or forms required by the Federal Reserve Bank on behalf of the City, as and when required, and to approve the substitution of securities pledged to the City as collateral pursuant to and in the manner set forth in any Public Funds Depositor Collateral Security Agreement entered into by the City.
- E. The City Council recognizes that, within the framework of the above rules, decisions must be made concerning the type and duration of each investment transaction, and that such decisions are best made by the person responsible for implementing the transaction, based upon the facts and circumstances prevailing at the time. As a guide to making such decisions, it is hereby declared the policy of the City Council that priority should be given to proper security of the City's funds over maximizing the yield on investments. Furthermore, in cases where the rate of return on an investment security offered by competing banking institutions are substantially equivalent, the City's Investment Officer shall give preference to those investments and investment institutions offering

the greatest degree of administrative convenience and proximity, flexibility of investment arrangements and/or similar intangible benefits and community goodwill.

- F. Except as herein provided, nothing herein shall be deemed or construed to authorize the withdrawal, expenditure or appropriation of funds of the City except by check or draft signed by three (3) members of the City Council, or as otherwise provided by applicable statutes or the resolutions, rules, regulations, policies, orders or proceedings of the City Council. Furthermore, the City Council shall retain sole responsibility for establishing and implementing, from time to time, this Investment Policy, and all investment transactions to be undertaken by the City's Investment Officer pursuant to the Investment Policy shall be subject to the further or more specific directions, instructions, orders, resolutions or actions of the City Council.

Section 6. Authorized Investments. The following categories of investment are authorized for investment of City funds:

- A. Obligations, including letters of credit, of the United States or its agencies and instrumentalities;
- B. Direct obligations of the State of Texas or its agencies and instrumentalities;
- C. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas, or the United States or obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States, Issued, assumed or guaranteed by the State of Israel or any of their respective agencies and instrumentalities
- D. Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent;
- E. Certificates of deposit issued by a state or national bank domiciled in the State of Texas, a savings bank domiciled in the State of Texas, or a state or federal credit union domiciled in the State of Texas that are:
- (1) Guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor;
 - (2) Secured by obligations of the type described in Section 2256.010(2), Texas Government Code, as amended, or
 - (3) secured in any other manner and amount provided by law for deposits of the City pursuant to a Public Funds Depositor Collateral Security Agreement approved and executed by the City;
- F. Commercial paper with a stated maturity of 270 days or fewer from the date of issuance which meets the requirements set forth in Section 2256.013, Texas Government Code, as amended;

- G. No-load money market mutual funds that:
- (1) are registered with and regulated by the Securities and Exchange Commission;
 - (2) provide the City with a prospectus and other information required by the Securities Exchange Act of 1934 (15 U.S.C. Section 78a et seq.) or the Investment Company Act of 1940 (15 U.S.C. Section 80a-1 et seq.);
 - (3) have a dollar-weighted average stated maturity of 90 days or fewer; and
 - (4) include in their investment objectives the maintenance of a stable net asset value of \$1.00 for each share;
- H. Investment pools which meet the requirements set forth in Section and Section 2256.019, Texas Government Code, as amended; and
- I. Fully collateralized repurchase agreements meeting the requirements set forth in Section 2256.011, Texas Government Code, as amended, provided that the maximum maturity of same shall not exceed seven (7) days.

Section 7. Investment Strategies. City investments shall be made upon the evaluation of the specific investment objectives and strategies of each account of the City, with the primary objective for the selection of any City investment being the understanding of the suitability of such investment to the financial requirements of the City. The City's investment strategy for each of its accounts is as follows:

- A. **Operating/General Account:** The operating/general account is used for all operations and maintenance needs of the City and funds therein shall be invested to meet the operating and cash flow requirements of the City as determined by the City Council. The highest priorities for this account are the liquidity and marketability of an investment if the need arises to liquidate the investment before its maturity. Of equal importance is the preservation and safety of the principal of investments in the operating account. When these priorities are met, the yield on investments held in the operating/general account will next be considered.
- B. **Debt Service/Bond Fund Account;** The City's debt service/bond fund account is used to pay the City's debt service on its outstanding bonds. The highest priority for this account is the preservation and safety of principal. Since the City knows the amount of its debt service requirements and when it becomes due, investments for the debt service/bond fund account should be structured to coincide with the amount and timing of the debt service requirements. When the preservation and safety of principal and liquidity considerations for debt service purposes are assured, including the marketability of debt service/bond fund account investments in the event the need arises to liquidate an investment before its maturity, the yield on debt service/bond fund account investments should be considered. Since the amount of City funds in the debt service/bond fund account can be significant, diversification of the debt service/bond fund account investment portfolio may be necessary. The City may easily liquidate investments in an investment pool and therefore such investments may be appropriate in combination with longer term investments in the debt service/bond fund account.

- C. **Capital Projects/Construction Fund Account:** The capital projects/construction fund account is used to pay for capital improvements of the City. The highest priority for this account is the preservation and safety of principal. In the event that funds held in the capital projects/construction fund account are for particular improvement projects that have been previously identified by the City Council, the City Council will have an idea of the approximate time when disbursements will be required to be made from this account. In this situation, investments in the capital projects/construction fund account should be structured so that they mature or can be liquidated on or about the dates that disbursements are expected to be made. Once the safety of principal and liquidity and marketability of capital projects/construction fund account investments which are to match certain disbursement dates are assured, the yield on such investments may be considered. Since City funds in the capital projects/construction fund account may not be needed for a year or more, longer term instruments should be considered to increase yield. However, if funds available in the City's capital projects/construction fund account are surplus construction funds from prior bond issues or interest earnings on such funds and are not earmarked for specific improvement projects, but rather viewed by the City Council as an emergency reserve fund for major repairs or rehabilitation projects, investments in the capital projects/construction fund account, at least to the extent that they are for emergency reserve purposes, should be kept in relatively short term investments that can be easily marketed and liquidated if necessary, such as investment pools. Alternatively, bond proceeds that may be deposited in the City's capital projects/construction fund account for reimbursement to a developer and which may be in the capital projects/construction fund account for only one or two days, should be kept in the most liquid investment available. Investment diversification for large amounts of City funds that may be deposited into the capital projects/construction fund account for only one or two days may be achieved through the use of an investment pool. Since investment pools are short term in nature, they would normally be used for City funds in this account only if the City knows that it will be dispersing funds in a relative short period of time. However, on some occasions the yield on investment pools is higher than on longer term investments, so their use may be optimal for funds in the capital projects/construction fund account.

Section 8. Miscellaneous.

- A. In the event of any conflict or inconsistency between the terms of this Investment Policy and applicable requirements of law, such conflict or inconsistency will be resolved in favor of the more restrictive of this Investment Policy or the applicable requirements of law. In the event of any ambiguity or uncertainty as to the intent and application of any part, section/ paragraph or provision hereof, a written request for clarification or approval of a proposed action describing such circumstances shall be submitted to the City Council for a decision as to a proper course of action.
- B. Investments which are prohibited by Government Code chapter 2270 Prohibition on Investing Public Money in Certain Investments and SB 253 (85th Legislature Regular Session). That chapter deals primarily with entities conducting business with Sudan, Iran or Foreign Terrorist Organizations. Such "Listed Companies" are prohibited Investments. The Texas Comptroller will regularly update the list of Listed Companies.

The Investment Officer will review the updated list when made available by the Comptroller and will follow the requirements of SB 253 with respect to any existing investments in Listed Companies.

- B. The rules, regulations and policies set forth herein shall be and remain in full force and effect unless and until amended, revised, rescinded or repealed by action of the City Council. The City Council specifically reserves the right to change, alter or amend any provision of this Investment Policy at any time.
- C. The provisions of this Investment Policy are severable, and if any provision or part of this Investment Policy or the application thereof to any person or circumstances shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Investment Policy and the application of such provision or part of this Investment Policy shall not be affected thereby.

The Mayor is authorized to execute and the Secretary to attest this Investment Policy on behalf of the City Council.

PASSED and ADOPTED this the 10th day of December, 2024.

CITY OF MONTGOMERY, TEXAS

By: _____
Sara Countryman, Mayor

ATTEST:

Ruby Beaven, City Secretary, TRMC, MMC

Exhibit B

Authorized Investment Brokers as of December 10, 2024:

FTN Financial

DuncanWilliams, Inc

Hilltop Securities

SAMCO Capital Markets

Vining Sparks

Stifel

DRAFT

Montgomery City Council
AGENDA REPORT

Meeting Date: December 10, 2024	Budgeted Amount: n/a
Department: Administration	Prepared By: Maryann Carl

Subject

Consideration and possible action on a Resolution of the City Council of the City of Montgomery, Texas authorizing the signers for all City of Montgomery banking accounts with First Financial Bank; and providing an effective date.

Recommendation

Adopt the resolution to update bank signers.

Discussion

Signers on City accounts with First Financial Bank need to be updated to reflect the addition of Anthony Solomon and Ruby Beaven. The following individuals will be authorized bank signers:

- | | |
|-----------------|---|
| Sara Countryman | Mayor |
| Casey Olson | Mayor Pro-Tem / Council Member |
| Carol Langley | Council Member |
| Cheryl Fox | Council Member |
| Stan Donaldson | Council Member |
| Anthony Solomon | Chief of Police/Interim City Administrator |
| Ruby Beaven | City Secretary/Assistant City Administrator |

Approved By

Finance Director	Maryann Carl	Date: 12/3/2024
Interim City Administrator	Anthony Solomon	Date:

RESOLUTION NO. R – 2024-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTGOMERY, TEXAS AUTHORIZING THE SIGNERS FOR ALL CITY OF MONTGOMERY BANKING ACCOUNTS WITH FIRST FINANCIAL BANK; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Montgomery, Texas (the "City") has the following banking accounts with First Financial Bank:

- General Fund
- Debt Service Fund
- Construction Account
- Home Depot Escrow

WHEREAS, City Council has determined that the following members of the governing body and the City Administrator are authorized signers on the aforementioned accounts:

- | | |
|-----------------|---|
| Sara Countryman | Mayor |
| Casey Olson | Mayor Pro-Tem / Council Member |
| Carol Langley | Council Member |
| Cheryl Fox | Council Member |
| Stan Donaldson | Council Member |
| Anthony Solomon | Chief of Police/Interim City Administrator |
| Ruby Beaven | City Secretary/Assistant City Administrator |

WHEREAS, First Financial Bank issues a Banking Resolution for each account with the identified signers and related information, which is attached as Exhibit "A."

WHEREAS, the City Council of the City now wishes to authorize the governing body, which includes the Mayor and members of City Council, the Interim City Administrator and Assistant City Administrator as signers on all City of Montgomery banking accounts.

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

- Section 1.** The City Council and City Administrator are authorized and approved to execute any and all necessary documents on behalf of the City to conduct City business with First Financial Bank regarding all City banking accounts.
- Section 2.** This Resolution shall take effect immediately upon its passage and adoption.

PASSED AND APPROVED this 10th day of December, 2024 by 00 (ayes) to 00 (nays) with 00 abstentions by a vote of the City Council of the City of Montgomery, Texas.

CITY OF MONTGOMERY, TEXAS

Sara Countryman, Mayor

ATTEST:

Ruby Beaven, City Secretary

DRAFT

Montgomery City Council
AGENDA REPORT

Meeting Date: December 10, 2024	Budgeted Amount: N/A
Department: Police Department	Prepared By: Joe Belmares

Subject

Consideration and possible action authorizing the Police Department to sell a Front Partition from a 2016 Chevrolet Tahoe to Emerge Services, LLC for \$200.00.

Recommendation

Authorize the Police Department to sell a Front Partition from a 2016 Chevrolet Tahoe to Emerge Services, LLC.

Discussion

The front partition from our recently decommissioned 2016 Chevrolet Tahoe is no longer compatible with the newer models. Since we are unable to use this item, we would like to sell it to Emerge Services, LLC for \$200.00.

Approved By

Lieutenant	Joe Belmares	Date: December 3, 2024
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Montgomery City Council
AGENDA REPORT

Meeting Date: December 10, 2024	Budgeted Amount: N/A
Department: Police Department	Prepared By: Joe Belmares

Subject

Consideration and possible action authorizing the Police Department to dispose of an old speed trailer.

Recommendation

Authorize the Police Department to dispose of the old speed trailer

Discussion

The Police Department would like to dispose of an 11-year-old speed trailer that has not been in operation for several years. The trailer is no longer in working condition and we believe the best course of action is to dispose of it. Please see attached pictures of the speed trailer.

Approved By

Lieutenant	Joe Belmares	Date: December 3, 2024
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MANUFACTURED BY: AEP North America

DATE OF MANUFACTURE: October 2012

GAWR Intermediate: 408 KG (900LB)

TIRES: 4.80-12 Bias Load Range B

RIMS: 12x4- 4 on 4

COLD TIRE INFL.: 413kPa (60PSI)

THIS VEHICLE CONFORMS TO ALL
APPLICABLE US FEDERAL MOTOR VEHICLE
SAFETY STANDARDS IN EFFECT ON THE
DATE OF MANUFACTURE SHOWN ABOVE

VIN: 1A9S30ES8C1872116

TYPE: TRAILER

Montgomery City Council
AGENDA REPORT

Meeting Date: December 10, 2024	Budgeted Amount: N/A
Department: Police Department	Prepared By: Joe Belmares

Subject

Consideration and possible action authorizing the Police Department to sell unused equipment to Navasota Police Department for \$200.00

Recommendation

Authorize the Police Department to sell unused equipment to Navasota Police Department.

Discussion

The Police Department would like to sell the following items to the Navasota Police Department for \$200.00:

- 76 TASER Cartridges
- 30 TASER Batteries
- 15 TASER Holsters

These items are in good condition but are no longer compatible with the current TASER models in use by our agency.

Approved By

Lieutenant	Joe Belmares	Date: December 3, 2024
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Montgomery City Council
AGENDA REPORT

Meeting Date: December 10, 2024	Budgeted Amount: N/A
Department: Administration	Prepared By: Ruby Beaven

Subject

Conduct a Public Hearing on the reauthorization of Building Permit Fees for residential and commercial construction.

Recommendation

Discussion

The City of Montgomery, in compliance with Section 214.908 of the Texas Local Government Code requires municipalities to reauthorize building permit fees at least every ten years following a public hearing on such fees.

The City of Montgomery, after review of current fees, wishes to reauthorize building permit fees for residential and commercial construction in the City.

Pursuant to the requirements of Section 214.908 of the Texas Local Government Code, the City Council has provided notice in the newspaper on November 30, 2024, to hold a public hearing concerning the City's building permit fees for residential and commercial construction.

The proposed new City's Building Permit Fees are attached hereto as Exhibit A.

Approved By

City Secretary & Director of Administrative Services	Ruby Beaven	Date: 12/05/2024
City Administrator		Date:

Cornyn, Paxton have been trading jobs

A potential primary showdown looms

By **Gromer Jeffers Jr.**
THE DALLAS MORNING NEWS

DALLAS — After enduring this year's brutal primary season, Texas Republicans are bracing for another bruising primary pitting Texas Attorney General Ken Paxton against U.S. Sen. John Cornyn in 2026.

The two politicians, titans in Texas Republican politics, have been circling each other for more than a year, setting up a potential clash that would test the power of Paxton's appeal to hard-right conservatives and Cornyn's strength as a well-funded incumbent and prolific vote-getter.

A Paxton-Cornyn showdown would be the next step in a continuing power struggle within the GOP.

"If Paxton gets in, expect another real donnybrook in the primary," said Republican political consultant Vinny Minchillo, who worked on the presidential campaigns of U.S. Sen. Mitt Romney, R-Utah.

Minchillo said Texas politics is defined by a "three-party system," with most of the action between conservatives with dueling agendas.

"We have the Democratic Party and we have the two halves of the Republican Party," he said. "This would be the real throw-down between the two halves of the Republican Party."

Cornyn and Paxton have strengths and weaknesses with Republican voters.

Paxton has cast Cornyn as not conservative enough to represent Texas in the Senate, and some conservative activists have criticized Cornyn's efforts to find bipartisan solutions on issues like curbing gun violence and immigration reform.

Cornyn has cast Paxton as too shady to be a U.S. senator, an argument that could appeal to Republicans who worry about Paxton's legal entanglements and past controversies, including his 2023 impeachment on charges of bribery and misuse of office.

The biggest wild card could involve the influence of President-elect Donald

Trump, who endorsed Paxton in prior elections, criticized last year's impeachment proceedings and praised Paxton as a patriot fighting "Radical Left Democrats."

Paxton has had Trump's back as well, filing legal briefs in support of Trump policies under attack by Democratic states during his first White House term and asking the U.S. Supreme Court to overturn Trump defeats in four states in the 2020 election.

"You have to ask yourself, will Trump weigh in on this race?" Minchillo said.

Cornyn was a finalist to become Senate majority leader but lost by five votes to Sen. John Thune of South Dakota.

After his mid-November defeat, Cornyn said he would run for reelection in 2026.

"I think about somebody like Phil Gramm, who's my predecessor, who, even though he wasn't elected leadership, was always in the middle of some of the hardest issues that confronted the Congress and was a warrior," Cornyn said. "And I think it's a pretty good role model."

Some Republicans say Cornyn is still examining how he'll approach his political future. He's taken a spiritual approach, one Republican said.

"I texted him that I was disappointed that his colleagues did not recognize the value of his experience and leadership and his integrity, and said I know God's got a plan for you," said Denton County Commissioner Dianne Edmondson, a Republican. "He sent me back and said, 'Yes, I'm waiting for the signals on that now.'"

Paxton has said he's considering challenging Cornyn in the 2026 primary, but Texas Republican Party Chairman Abraham George said he doesn't expect to see a Cornyn-Paxton matchup.

"I doubt that's what's going to happen. I don't think General Paxton is going to challenge John Cornyn," George said. "That's just my gut feeling."

Paxton's office did not

respond to a telephone call and an email request for comment.

Mark Davis, a conservative radio talk show host based in Dallas, said Cornyn's prospects for reelection revolve around how he handles Trump's agenda and political appointments.

"If he is a good soldier, not an obstructionist, not an annoyance to the Trump agenda, then he'll be very hard to beat, even by someone as popular as Ken Paxton," Davis said.

"If Cornyn obstructs Trump's nominees and then proceeds to do other things that reveal a certain distance between him and Trump, that will be all Paxton needs to be motivated to take him on. There's still no guarantee that it'll be successful, but it'll be a battle of the titans that'll show where we are in 2026," he said.

On a collision course?

Cornyn, first elected in 2002, is a former Texas Supreme Court justice and state attorney general.

Paxton, a former member of the Texas House and state Senate, has been attorney general since 2015. In 2023, Republican House members led an effort to impeach him. He was acquitted by the Senate after a high-profile trial.

In recent years, Cornyn has clashed with Paxton. He was one of the few statewide leaders to criticize Paxton amid allegations of corruption that led to the impeachment trial and has called the attorney general an embarrassment.

When Cornyn announced he would run to replace Kentucky Sen. Mitch McConnell as Republican leader of the Senate, Paxton lashed out in a post on X, saying, "Republicans deserve better in their next leader and Texans deserve another conservative senator."

Paxton added that Cornyn would have a tough time being "an effective leader since he is anti-Trump, anti-gun, and will be focused on his highly competitive primary campaign in 2026."

Cornyn replied: "Hard to run from prison, Ken."

Asked in June about a



Smiley N. Pool/TNS

Texas Attorney General Ken Paxton addresses Collin County Republicans during a rally Feb. 7, in Wylie.

potential Paxton challenge, Cornyn said: "I don't know. I don't stay awake at night worrying about it."

Other Texas leaders appear to be expecting a Cornyn-Paxton showdown. At an election eve rally for U.S. Sen. Ted Cruz in Houston, Lt. Gov. Dan Patrick said Paxton's legal cases would not affect his political options.

"I wouldn't be surprised to see Ken Paxton join the Trump administration," Patrick said. "I wouldn't be surprised to see Ken Paxton running for U.S. senator against John Cornyn."

After the crowd cheered, Patrick said, "I like John."

"He's a nice man," Patrick continued. "I'm saying Ken Paxton would be a really strong candidate for U.S. Senate."

How they match up

Cornyn has not faced a serious challenge in the GOP primaries, and in 2020 he received more votes than any non-judicial candidate in the history of Texas.

The 2026 primary could expose his Achilles' heel.

At various points in his career, Cornyn has been booed at state GOP conventions, where the party's most strident activists are the most vocal. In 2022, delegates at the Houston convention booed him because of his role in a bipartisan Senate compromise on gun safety. At this year's convention, Cornyn didn't address the general session but mingled with delegates at the convention center

and dropped in on some caucus meetings.

Paxton, an incumbent statewide office holder and hero to grassroots Republicans for filing 100 lawsuits challenging Biden administration policies, would be a formidable challenger.

Still, he would have to overcome Cornyn's stout fundraising machine. At the end of September the senator had \$3.5 million in his campaign fund. He's raised vast amounts for Republican candidates and incumbents — more than \$400 million since 2002, according to his pitch to become Senate majority leader.

Paxton also has legal troubles. He has been under federal investigation after former staffers accused him of bribery and corruption. The state bar has brought an ethics lawsuit against Paxton, accusing him of lying when he told the Supreme Court that Texas had proof fraud undermined the 2020 election results in four swing states.

Three GOP office holders challenged Paxton in the 2022 primary, assuming he was politically damaged when eight top deputies accused the attorney general of accepting bribes to use his powerful office to help a friend and political donor.

Paxton emerged victorious, defeating U.S. Rep. Louie Gohmert and former Texas Supreme Court Justice Eva Guzman in the primary, and Land Commissioner George P. Bush in the runoff.

A key question will be if Trump gets involved in the contest. Paxton and Bush sought Trump's support, which went to Paxton, who handily defeated the nephew of former President George W. Bush.

Paxton attended the Jan. 6, 2021, rally that preceded the Capitol riot and has stronger ties to Trump. In January 2024, Cornyn endorsed Trump for president well before he wrapped up the GOP nomination. Paxton also endorsed Trump.

"Cornyn has to decide whether he wants to be an important Senate figure in what is now undeniably Trump's party," said Davis, the conservative radio host. "Trump has never been Cornyn's favorite flavor, and this may be an occasion where he looks at this and says, 'I've had a great run. I'm going to go ahead and retire,' and then let a host of people try to be his successor."

Other names could surface before candidates begin filing for the 2026 primary elections next year.

If Cornyn, 72, changes his mind and retires, contenders for the open seat could include Paxton, Texas Land Commissioner Dawn Buckingham and numerous Republican members of Congress, including U.S. Rep. Beth Van Duyne, R-Irving.

Buckingham is considered by many Republicans as a rising star and part of the next crop of Republicans to move into higher office.

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Legals/Public Notices **Legals/Public Notices**
A PUBLIC HEARING will be conducted by the Montgomery City Council at Montgomery City Hall located at 101 Old Plantersville Rd, Montgomery, Texas 77316 at 6:00 PM on DECEMBER 10, 2024 for the purpose of receiving comments regarding the adoption of Building Permit Fees. A copy of the proposed building permit fees may be obtained from City Hall during normal business hours.

Local Matters
Call 281-378-1000

Local Matters
Call 281-378-1000

EXHIBIT "A"
CITY OF MONTGOMERY, TEXAS
SCHEDULE OF PERMIT FEES
BUILDINGS AND BUILDING REGULATIONS

BUILDING PERMITS:

NOTE:

Due to the distinct characteristics of each job, additional inspection fees may be required if additional inspections are needed that were not originally charged when the permit was issued. All fees shall be paid before a certificate of compliance, or a certificate of occupancy will be issued.

Building Valuation Table:

NOTE:

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2. Values for permitting purposes are based on the August 2014 Building Valuation Table as published by the International Code Council, or as determined by the building official.
3. Alterations, remodels, and interior build outs will be based on project valuation or as determined by the building official.

Square Foot Construction Costs a, b, c, d

Group (2012 International Building Code)	IA	IB	IIA	IIB	IIIA	IIIB	IV	VA	VB
A-1 Assembly, theaters, with stage	226.76	219.31	213.96	205.01	192.75	187.20	198.12	176.19	169.52
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A-2 Assembly, nightclubs	176.13	171.14	166.41	159.90	150.48	146.32	154.26	136.32	131.68
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A-3 Assembly, churches	209.84	202.40	197.04	188.09	176.18	170.63	181.20	159.62	152.95
A-3 Assembly, general, community halls, libraries, museums	175.12	167.68	161.32	153.37	140.31	135.76	146.48	123.75	118.08
A-4 Assembly, arenas	206.79	199.35	192.99	185.04	171.88	167.33	178.15	155.32	149.65
B Business	181.09	174.44	168.64	160.29	146.09	140.60	153.96	128.21	122.54
E Educational	193.98	187.30	181.81	173.58	161.65	153.10	167.59	141.27	136.67
F-1 Factory and industrial, moderate hazard	107.90	102.96	96.85	93.24	83.53	79.76	89.27	68.81	64.80
F-2 Factory and industrial, low hazard	106.90	101.96	96.85	92.24	83.53	78.76	88.27	68.81	63.80
H-1 High Hazard, explosives	101.01	96.07	90.96	86.35	77.83	73.07	82.38	63.11	N.P.
H234 High Hazard	101.01	96.07	90.96	86.35	77.83	73.07	82.38	63.11	58.10
H-5 HPM	181.09	174.44	168.64	160.29	146.09	140.60	153.96	128.21	122.54
I-1 Institutional, supervised environment	179.48	173.17	168.13	160.99	147.72	143.83	160.67	132.55	127.94
I-2 Institutional, hospitals	305.47	298.82	293.02	284.67	269.47	N.P.	278.34	251.59	N.P.
I-2 Institutional, nursing homes	211.47	204.82	199.02	190.67	177.47	N.P.	184.34	159.59	N.P.
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I-4 Institutional, day care facilities	179.48	173.17	168.13	160.99	147.72	143.83	160.67	132.55	127.94
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R-1 Residential, hotels	180.89	174.58	169.54	162.40	149.39	145.50	162.08	134.22	129.61
R-2 Residential, multiple family	151.70	145.39	140.35	133.21	120.92	117.03	132.89	105.75	101.14
R-3 Residential, one- and two-family	see	Attached	R-3	Schedule					
R-4 Residential, care/assisted living facilities	179.48	173.17	168.13	160.99	147.72	143.83	160.67	132.55	127.94
S-1 Storage, moderate hazard	100.01	95.07	88.96	85.35	75.83	72.07	81.38	61.11	57.10
S-2 Storage, low hazard	99.01	94.07	88.96	84.35	75.83	71.07	80.38	61.11	56.10
U Utility, miscellaneous	76.35	71.93	67.45	64.00	57.56	53.75	61.01	45.05	42.90

Square Foot Construction Costs a, b, c, d

- a. Private Garages use Utility, miscellaneous.
- b. Unfinished basements (all use group) = \$15.00 per sq. ft.
- c. For shell only buildings deduct 20 percent
- d. N.P. = not permitted

Building Permit Fees (other than R-3 Residential, one- and two-family)

\$300 Base Fee per Application plus a fee based on the following valuation:

\$1,000.00 or less	\$60.
\$1,001.00 to \$50,000.00	\$15.00 for the first \$1,000.00 + \$5.00 for each additional thousand or fraction thereof.
\$50,001.00 to \$100,000.00	\$260.00 for the first \$50,000.00 + \$4.00 for each additional thousand or fraction thereof.
\$100,001.00 to \$500,000.00	\$460.00 for the first \$100,000.00 + \$3.00 for each additional thousand or fraction thereof.
\$500,001.00 and up	\$1,660.00 for the first \$500,000.00 + \$2.00 for each additional thousand or fraction thereof.

Plan Review Fee:

When the valuation of proposed construction exceeds \$1,000.00 and construction documents are required to be submitted by the adopted Building Codes, a plan review fee shall be paid to the City at the time of submitting constructions documents for review. Said plan review fee shall equal one-half (1/2) of the building permit fee set out herein and in accordance with the adopted Building Code. Such plan review fee is in addition to the building permit fee. Said plan review fee shall cover the cost of the first and second plan review (if necessary). If, after the second submittal of plans are rejected, a plan review fee for the third and subsequent plan-check will be payable in the amount of 50% of the original plan review fee. Plan review fees are not refundable.

ELECTRICAL PERMIT FEES:

NOTE:

Due to the distinct characteristics of each job, additional inspection fees may be required if additional inspections are needed that were not originally charged when the permit was issued. All fees shall be paid before a certificate of compliance, or a certificate of occupancy will be issued.

Residential:

New construction, additions, remodels, and alterations.

Base fee plus required inspections	
Base Fee	\$50.00
Inspection Fees up to 5,000sq.ft.	Underground \$75.00
	Rough \$75.00
(Included in Building Permit)	T.C.I. \$75.00
	Final \$75.00
Inspection fees for over 5,000sq.ft.	Underground \$100.00
	Rough \$100.00
(Included in Building Permit)	T.C.I. \$100.00
	Final \$100.00
Re-inspection fee	\$75.00

Commercial:

New construction, additions, remodels, and alterations.

Base fee plus required inspections

Base Fee	\$50.00
Inspection Fees up to 5,000sq.ft.	Underground \$75.00
	Rough \$75.00
(Included in Building Permit)	T.C.I. \$75.00
	Final \$75.00
Inspection Fees up to 10,000sq.ft.	Underground \$100.00
	Rough \$100.00
(Included in Building Permit)	T.C.I. \$100.00
	Final \$100.00
Inspection fees over 10,000sq.ft.	Underground \$150.00
	Rough \$150.00
(Included in Building Permit)	T.C.I. \$150.00
	Final \$150.00
Re-inspection fee	\$75.00

Miscellaneous Electrical Permits:

Meter loop or service	
Residential:	\$100.00
Commercial: 100 to 300 amp	\$115.00
301 to 400 amp	\$136.00
401 to 600 amp	\$157.00
600 to 1,000 amp	\$180.00
1,001 amp and up	\$245.00

Temporary Power Pole (inspection included) \$75.00

HVAC PERMITS:

NOTE:

Due to the different characteristics of each job, additional inspection fees may be required if additional inspections are needed that were not originally charged when the permit was issued. All fees shall be paid before a certificate of compliance or a certificate of occupancy will be issued.

Base fee plus required inspections	
Permit Fee	\$50.00
Residential	
Residential: New construction, additions, remodels, and alterations.	
Base fee plus required inspections	
Base Fee	\$50.00
Inspection Fees up to 5,000sq.ft.	Rough \$75.00
	Final \$75.00
Inspection fees for over 5,000sq.ft.	Rough \$100.00
	Final \$100.00
Re-inspection fee	\$75.00
Change out duct work or change out of equipment	\$75.00
Complete change out or new system	\$150.00

Commercial

Heating and cooling (air conditioning central unit)	
First 3 tons or less	\$50.00
Each ton or fraction thereof greater than 3 tons	\$12.50 per ton
Plus inspection fees	\$75.00 per inspection

Miscellaneous HVAC Permits (inspections included)

Commercial and industrial refrigeration:	
Per cooler or each single system	\$100.00 each
Boiler – per installation – new	
Repair or replacement	\$100.00 each
Annual renewal fee	\$50.00

NOTE: Inspections to be performed by a qualified boiler service company approved by the building official.

Commercial kitchen hoods (inspections included)	\$100.00 each
Incinerator inspections	\$100.00 each

PLUMBING PERMIT FEES:

NOTE:

Due to the distinct characteristics of each job, additional inspection fees may be required if additional inspections are needed that were not originally charged when the permit was issued. All fees shall be paid before a certificate of compliance or a certificate of occupancy will be issued.

Residential

Residential: New construction, additions, remodels, and alterations.

Base fee plus required inspections

Base Fee	\$50.00	
Inspection Fees up to 5,000sq.ft.	Underground	\$75.00
	Top-Out	\$75.00
	Gas	\$75.00
	Final	\$75.00
Inspection fees for over 5,000sq.ft.	Underground	\$100.00
	Top-Out	\$100.00
	Gas	\$100.00
	Final	\$100.00
Re-inspection fee	\$75.00	

Commercial

Commercial: New construction, additions, remodels, and alterations.

Base fee plus required inspections

Base Fee	\$50.00
Inspection Fees up to 5,000sq.ft.	Underground \$75.00 Top-Out \$75.00 Gas \$75.00 Final \$75.00
Inspection Fees up to 10,000sq.ft.	Underground \$100.00 Top-Out \$100.00 Gas \$100.00 Final \$100.00
Inspection fees over 10,000sq.ft.	Underground \$150.00 Top-Out \$150.00 Gas \$150.00 Final \$150.00
Re-inspection fee	\$75.00

Miscellaneous Plumbing Permits:(inspections included)

Water Heater Replacement	\$75
Gas test or retest and GTO	\$75.00
New construction	Included in plumbing permit
Gas yard light each	\$75.00

Rehab of water or sewer lines

Residential	\$75.00
Commercial: up to 300 feet	\$115.00
Over 300 feet	\$180.00

Replacement of gas lines

Residential	\$75.00
Commercial: up to 300 feet	\$115.00
Over 300 feet	\$180.00

Grease traps, sampling wells, interceptors and Receptors, and other types of special waste devices	\$115.00
New construction	Included in plumbing permit.

Backflow prevention device \$75.00

 New construction Included in plumbing permit.

Irrigation system permit fee:

Residential	\$100.00
Commercial	\$150.00
for first 10,000 sq. ft. of coverage and \$6.00	
for each 2,000 sq. ft. in excess of 10,000 sq. ft.	

GENERATOR PERMIT FEE

Residential	\$450.00
Commercial	\$450.00

Separate Electrical and Plumbing/Fuel Gas Permits required.

SOLAR PANEL PERMIT FEE

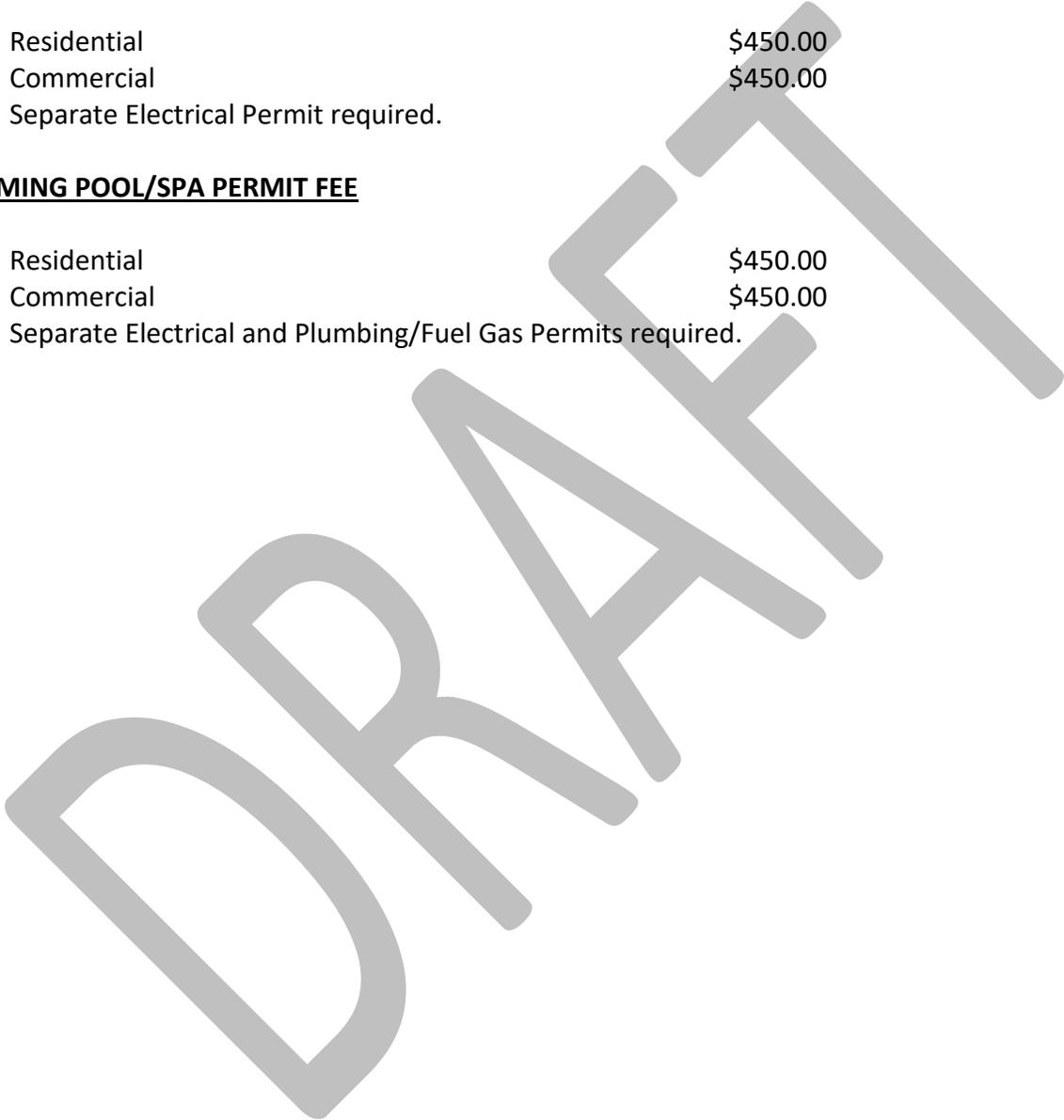
Residential	\$450.00
Commercial	\$450.00

Separate Electrical Permit required.

SWIMMING POOL/SPA PERMIT FEE

Residential	\$450.00
Commercial	\$450.00

Separate Electrical and Plumbing/Fuel Gas Permits required.



**Municipal Residential (R-3) Building Permit Inspection
/Plan Review Fee Schedule based on Total Covered Area**

Sq Ft ¹	Permit ²	Base	Review	Total
< 1,000	480	50.00	240	770
1,000 - 1,499	690	50.00	345	1,084
1,500 - 1,999	880	50.00	440	1,369
2,000 - 2,499	1050	50.00	525	1,624
2,500 - 2,999	1200	50.00	600	1,849
3,000 - 3,499	1330	50.00	665	2,044
3,500 - 3,999	1440	50.00	720	2,209
4,000 - 4,499	1530	50.00	765	2,344
4,500 - 4,999	1600	50.00	800	2,450
5,000 - 5,499	1705	50.00	852	2,607
5,500 - 5,999	1800	50.00	900	2,750
6,000 - 6,499	1885	50.00	942	2,877
6,500 - 6,999	1960	50.00	980	2,990
7,000 - 7,499	2025	50.00	1,012	3,087
7,500 - 7,999	2080	50.00	1,040	3,170
8,000 - 8,499	2125	50.00	1,062	3,237
8,500 - 8,999	2160	50.00	1,080	3,290
9,000 - 9,999	2300	50.00	1,150	3,500
> 10,000	2500	50.00	1,250	3,800

Greater than 11,000 = \$3,800 + \$0.20 per addtl 1,000 sf

¹ Covered Area = Foundation/Slab area for 1 story or
Lowest Floor Foundation area + each upstairs area
for multi-story

² Required Inspections from Permit Fee = Foundation, Eng Bracing,
Rough Framing, Rough Energy & Building Final (5)

Residential Mechanical, Electrical & Plumbing Permits				
Base Permit Fee + \$75 per inspection up to 5,000sf				
Inspections		Base	Inspect	Total
1		50	75	125
2		50	150	200
3		50	225	275
4		50	300	350
5		50	375	425
6		50	450	500
Reinspection			75	75

over 5,000 sf add \$10 per 1,000 sf

Montgomery City Council
AGENDA REPORT

Meeting Date: December 10, 2024	Budgeted Amount: N/A
Department: Administration	Prepared By: Ruby Beaven

Subject

Consideration and possible action on an Ordinance of the City Council of the City of Montgomery, Texas, reauthorizing building permit fees for residential and commercial construction.

Recommendation

Staff recommend the adoption of the Ordinance reauthorizing building permit fees for residential and commercial construction.

Discussion

The City finds that it is in the best interest of the City to reauthorize its building permit fees by adopting a schedule of charges for the building permit fees for residential and commercial construction

The City of Montgomery, in compliance with Section 214.908 of the Texas Local Government Code requires municipalities to reauthorize building permit fees at least every ten years following a public hearing on such fees.

The City of Montgomery, after review of current fees, wishes to reauthorize building permit fees for residential and commercial construction in the City.

Pursuant to the requirements of Section 214.908 of the Texas Local Government Code, the City Council has provided notice in the newspaper on November 30, 2024, held a public hearing concerning the City's building permit fees for residential and commercial construction.

Approved By

City Secretary & Director of Administrative Services	Ruby Beaven	Date: 12/05/2024
City Administrator		Date:

ORDINANCE NO. 2024 - _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MONTGOMERY, TEXAS, REAUTHORIZING BUILDING PERMIT FEES FOR RESIDENTIAL AND COMMERCIAL CONSTRUCTION.

WHEREAS, Section 214.908 of the Texas Local Government Code requires municipalities to reauthorize building permit fees at least once every ten years following a public hearing on such fees; and

WHEREAS, the City Council of the City of Montgomery, wishes to reauthorize building permit fees for residential and commercial construction in the City; and

WHEREAS, pursuant to the requirements of Section 214.908 of the Texas Local Government Code, the City Council has provided notice of, and held, a public hearing concerning the City's building permit fees for residential and commercial construction; and

WHEREAS, the City Council finds that it is in the best interest of the City to reauthorize its building permit fees by adopting a schedule of charges for the building permit fees for residential and commercial construction.

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

SECTION 1. The City’s Building Permit Fees are hereby reauthorized and adopted as set out in Exhibit “A” attached hereto.

SECTION 2. All ordinances and parts of ordinances in conflict with this Ordinance are repealed to the extent of conflict only.

SECTION 3. If any word, phrase, clause, sentence, paragraph, section, or other part of this Ordinance or the application thereof to any person or circumstance, shall ever be held to be invalid or unconstitutional by any court of competent jurisdiction, neither the remainder of this Ordinance, nor the application of such word, phrase, clause, sentence, paragraph, section, or other part of this Ordinance to any other persons or circumstances, shall be affected thereby.

SECTION 4. The City Council officially finds, determines, and declares that a sufficient written notice of the date, hour, place, and subject of each meeting at which this Ordinance was discussed, considered, or acted upon was given in the manner required by the *Texas Open Meetings Act*, as amended, and that each such meeting has been open to the public as required by law at all times during such discussion, consideration, and action. The City Council ratifies, approves, and confirms such notices and the contents and posting thereof.

SECTION 5. This Ordinance shall be effective immediately upon its passage and adoption.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Montgomery, Texas on the 10th day of December, 2024.

CITY OF MONTGOMERY, TEXAS

Sara Countryman, Mayor

ATTEST:

Ruby Beaven, City Secretary

APPROVED AS TO FORM:

Alan P. Petrov, City Attorney

EXHIBIT "A"
CITY OF MONTGOMERY, TEXAS
SCHEDULE OF PERMIT FEES
BUILDINGS AND BUILDING REGULATIONS

BUILDING PERMITS:

NOTE:

Due to the distinct characteristics of each job, additional inspection fees may be required if additional inspections are needed that were not originally charged when the permit was issued. All fees shall be paid before a certificate of compliance, or a certificate of occupancy will be issued.

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Re-inspection fee	\$75.00

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HVAC PERMITS:

NOTE:

Due to the different characteristics of each job, additional inspection fees may be required if additional inspections are needed that were not originally charged when the permit was issued. All fees shall be paid before a certificate of compliance or a certificate of occupancy will be issued.

Base fee plus required inspections	
Permit Fee	\$50.00
Residential	
Residential: New construction, additions, remodels, and alterations.	
Base fee plus required inspections	
Base Fee	\$50.00
Inspection Fees up to 5,000sq.ft.	Rough \$75.00
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Commercial kitchen hoods (inspections included)

\$100.00 each

Incinerator inspections

\$100.00 each

PLUMBING PERMIT FEES:

NOTE:

Due to the distinct characteristics of each job, additional inspection fees may be required if additional inspections are needed that were not originally charged when the permit was issued. All fees shall be paid before a certificate of compliance or a certificate of occupancy will be issued.

Residential

Residential: New construction, additions, remodels, and alterations.

Base fee plus required inspections

Base Fee	\$50.00	
Inspection Fees up to 5,000sq.ft.	Underground	\$75.00
	Top-Out	\$75.00
	Gas	\$75.00
	Final	\$75.00
Inspection fees for over 5,000sq.ft.	Underground	\$100.00
	Top-Out	\$100.00
	Gas	\$100.00
	Final	\$100.00
Re-inspection fee	\$75.00	

Commercial

Commercial: New construction, additions, remodels, and alterations.

Base fee plus required inspections

Base Fee	\$50.00
Inspection Fees up to 5,000sq.ft.	Underground \$75.00 Top-Out \$75.00 Gas \$75.00 Final \$75.00
Inspection Fees up to 10,000sq.ft.	Underground \$100.00 Top-Out \$100.00 Gas \$100.00 Final \$100.00
Inspection fees over 10,000sq.ft.	Underground \$150.00 Top-Out \$150.00 Gas \$150.00 Final \$150.00
Re-inspection fee	\$75.00

Miscellaneous Plumbing Permits:(inspections included)

Water Heater Replacement	\$75
Gas test or retest and GTO	\$75.00
New construction	Included in plumbing permit
Gas yard light each	\$75.00

Rehab of water or sewer lines

Residential	\$75.00
Commercial: up to 300 feet	\$115.00
Over 300 feet	\$180.00

Replacement of gas lines

Residential	\$75.00
Commercial: up to 300 feet	\$115.00
Over 300 feet	\$180.00

Grease traps, sampling wells, interceptors and Receptors, and other types of special waste devices	\$115.00
New construction	Included in plumbing permit.

Backflow prevention device	\$75.00
New construction	Included in plumbing permit.

Irrigation system permit fee:

Residential	\$100.00
Commercial	\$150.00
for first 10,000 sq. ft. of coverage and \$6.00 for each 2,000 sq. ft. in excess of 10,000 sq. ft.	

GENERATOR PERMIT FEE

Residential	\$450.00
Commercial	\$450.00

Separate Electrical and Plumbing/Fuel Gas Permits required.

SOLAR PANEL PERMIT FEE

Residential	\$450.00
Commercial	\$450.00

Separate Electrical Permit required.

SWIMMING POOL/SPA PERMIT FEE

Residential	\$450.00
Commercial	\$450.00

Separate Electrical and Plumbing/Fuel Gas Permits required.

**Municipal Residential (R-3) Building Permit Inspection
/Plan Review Fee Schedule based on Total Covered Area**

Sq Ft ¹	Permit ²	Base	Review	Total
< 1,000	480	50.00	240	770
1,000 - 1,499	690	50.00	345	1,084
1,500 - 1,999	880	50.00	440	1,369
2,000 - 2,499	1050	50.00	525	1,624
2,500 - 2,999	1200	50.00	600	1,849
3,000 - 3,499	1330	50.00	665	2,044
3,500 - 3,999	1440	50.00	720	2,209
4,000 - 4,499	1530	50.00	765	2,344
4,500 - 4,999	1600	50.00	800	2,450
5,000 - 5,499	1705	50.00	852	2,607
5,500 - 5,999	1800	50.00	900	2,750
6,000 - 6,499	1885	50.00	942	2,877
6,500 - 6,999	1960	50.00	980	2,990
7,000 - 7,499	2025	50.00	1,012	3,087
7,500 - 7,999	2080	50.00	1,040	3,170
8,000 - 8,499	2125	50.00	1,062	3,237
8,500 - 8,999	2160	50.00	1,080	3,290
9,000 - 9,999	2300	50.00	1,150	3,500
> 10,000	2500	50.00	1,250	3,800

Greater than 11,000 = \$3,800 + \$0.20 per addtl 1,000 sf

¹ Covered Area = Foundation/Slab area for 1 story or
Lowest Floor Foundation area + each upstairs area
for multi-story

² Required Inspections from Permit Fee = Foundation, Eng Bracing,
Rough Framing, Rough Energy & Building Final (5)

Residential Mechanical, Electrical & Plumbing Permits				
Base Permit Fee + \$75 per inspection up to 5,000sf				
Inspections		Base	Inspect	Total
1		50	75	125
2		50	150	200
3		50	225	275
4		50	300	350
5		50	375	425
6		50	450	500
Reinspection			75	75

over 5,000 sf add \$10 per 1,000 sf

Montgomery City Council
AGENDA REPORT

Meeting Date: December 10, 2024	Budgeted Amount: N/A
Department: Administration	Prepared By: Ruby Beaven

Subject

Consideration and possible action on an Ordinance of the City Council of the City of Montgomery, Texas, amending Chapter 18, Buildings and Building Regulations, of the City's Code of Ordinances by repealing the existing Sections 18-21 and 18-27; and adopting a new Section 18-21; for the purpose of updating the city's building codes; providing a severance clause and Texas open meetings act clause; and providing for an effective date.

Recommendation

Staff recommend the adoption of the Ordinance amending Chapter 18, Buildings and Building Regulations, of the City's Code of Ordinances by repealing the existing Sections 18-21 and 18-27; and adopting a new Section 18-21; for the purpose of updating the city's building codes.

Discussion

Staff wish to adopt updated versions of such building codes in order to keep pace with changing construction methods and technology.

Chapter 18, Buildings and Building Regulations, of the City's Code of Ordinances is recommended to be amended by repealing the existing Section 18-21 and the existing Section 18-27; and adopting a new Section 18-21, International Codes Adopted, to read as set out in the attached Ordinance found in Appendix A. All other portions of Chapter 18 of the Code of Ordinances not specifically repealed or amended will remain in full force and effect.

Approved By

City Secretary & Director of Administrative Services	Ruby Beaven	Date: 12/05/2024
City Administrator		Date:

ORDINANCE NO. 2024 - _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MONTGOMERY, TEXAS, AMENDING CHAPTER 18, BUILDINGS AND BUILDING REGULATIONS, OF THE CITY'S CODE OF ORDINANCES BY REPEALING THE EXISTING SECTIONS 18-21 AND 18-27; AND ADOPTING A NEW SECTION 18-21; FOR THE PURPOSE OF UPDATING THE CITY'S BUILDING CODES; PROVIDING A SEVERANCE CLAUSE AND TEXAS OPEN MEETINGS ACT CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Montgomery, Texas has previously adopted various building codes for residential and commercial construction within the City; and

WHEREAS, the City Council now wishes to adopt updated versions of such building codes in order to keep pace with changing construction methods and technology.

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

SECTION 1. Chapter 18, Buildings and Building Regulations, of the City's Code of Ordinances is amended by repealing the existing Section 18-21 and the existing Section 18-27; and adopting a new Section 18-21, International Codes Adopted, to read as set out in Appendix A, attached hereto. All other portions of Chapter 18 of the Code of Ordinances not specifically repealed or amended hereby remain in full force and effect.

SECTION 2. All ordinances and parts of ordinances in conflict with this Ordinance are repealed to the extent of the conflict only.

SECTION 3. If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid or unconstitutional, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect any of the remaining provisions of this Ordinance.

SECTION 4. It is hereby officially found and determined that the meeting at which this Ordinance was considered was open to the public as required and that public notice of the time, place and purpose of said meeting was given as required by the Open Meetings Act, Chapter 551, of the Texas Government Code.

SECTION 5. This Ordinance shall take effect on January 1, 2025 after publication notice as required by law.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Montgomery, Texas on the 10th day of December, 2024.

CITY OF MONTGOMERY, TEXAS

Sara Countryman, Mayor

ATTEST:

Ruby Beaven, City Secretary

APPROVED AS TO FORM:

Alan P. Petrov, City Attorney

DRAFT

APPENDIX A

Sec. 18-21. International Codes Adopted.

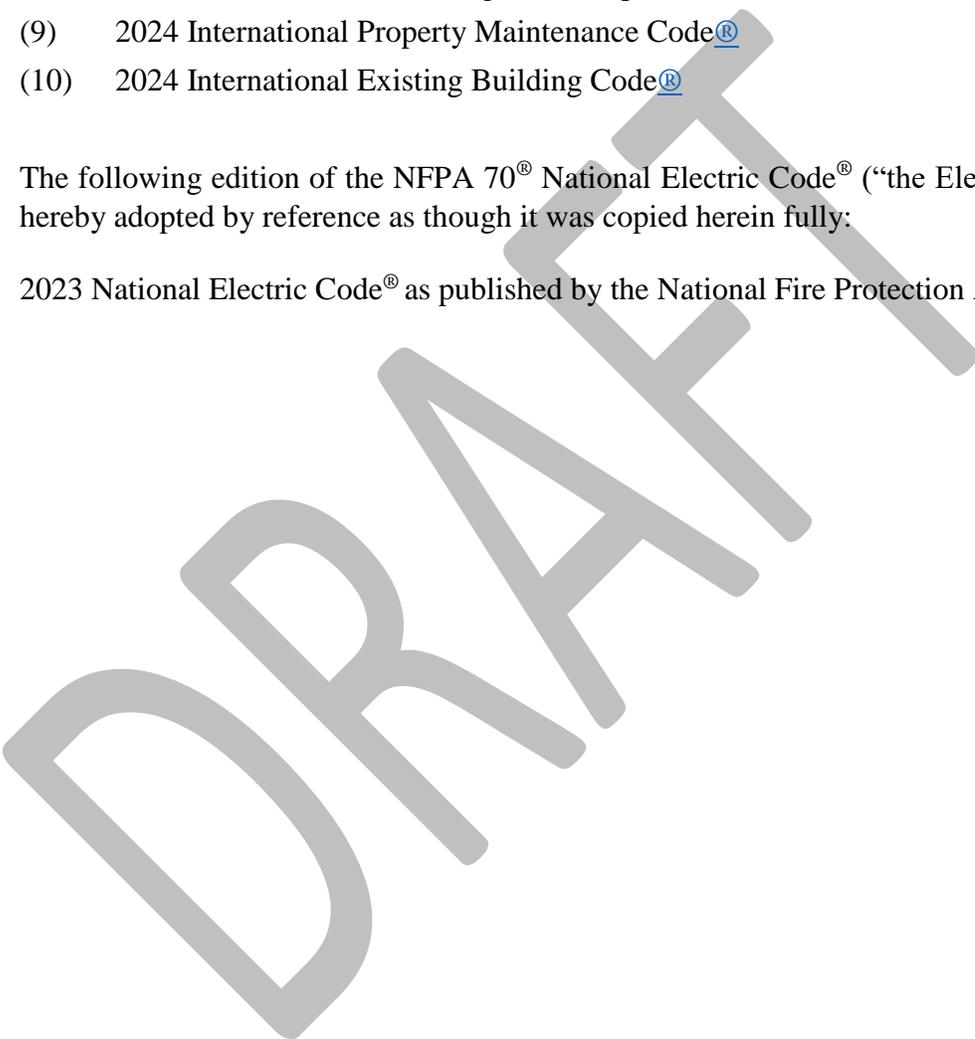
- (a) The following International Code Council Editions including Appendix Chapters (“the Building Codes”) are hereby adopted by reference as though they were copied herein fully:
- (1) 2024 International Residential Code® (for 1 & 2 Family Dwellings only) including Appendices:
 - AA: Board of Appeals,
 - BB: Tiny Houses,
 - BH: Automatic Vehicular Gates,
 - BM: 3D-Printed Building Construction,
 - BN: Extended Plate Wall Construction,
 - BO: Existing Building and Structures,
 - CA: Sizing and Capacities of Gas Piping,
 - CB: Sizing of Venting Systems Serving Appliances,
 - CC: Recommended Procedure for Safety Inspection of an Existing Appliance,
 - CD: Piping Standards for Various Applications,
 - CE: Venting Methods,
 - CF: Sizing of Water Piping Systems
 - NB: Solar-Ready Provisions
 - NC: Zero Net Energy Residential Building Provisions
 - ND: Electric Energy Storage Provisions
 - NE: Electric Vehicle Charging Infrastructure
 - NF: Alternative Building Thermal Envelope Insulation R-Value Options
 - (2) 2024 International Building Code® (for all other residential and commercial construction)
 - A: Employee Qualifications,
 - B: Board of Appeals,
 - C: Agricultural Buildings,
 - F: Rodentproofing,
 - (3) 2024 International Fire Code®
 - (4) 2024 International Mechanical Code®
 - (5) 2024 International Plumbing Code® including Appendices:
 - C: Structural Safety,

E: Sizing of Water Piping Systems

- (6) 2024 International Fuel Gas Code® including Appendices:
 - A: Sizing and Capacities of Gas Piping,
 - B: Sizing of Venting Systems,
 - C: Recommended Procedure for Safety Inspection of an Existing Appliance,
- (7) 2024 International Energy Conservation Code®
- (8) 2024 International Swimming Pool & Spa Code®
- (9) 2024 International Property Maintenance Code®
- (10) 2024 International Existing Building Code®

(b) The following edition of the NFPA 70® National Electric Code® (“the Electric Code”) is hereby adopted by reference as though it was copied herein fully:

2023 National Electric Code® as published by the National Fire Protection Association



Montgomery City Council
AGENDA REPORT

Meeting Date: December 10, 2024	Budgeted Amount: NONE
Department: Administration	Prepared By: WGA

Subject

Consideration and possible action regarding an Escrow Agreement by and between the City of Montgomery, Texas and KHR Properties (Dev. No. 2414) and authorizing the city engineer to prepare a Feasibility Study for a proposed 0.76 Acre Jack in the Box.

Recommendation

Motion to approve the Escrow Agreement and authorize the city engineer to prepare a Feasibility Study.

Discussion

Issue:
A developer is proposing a Jack in the Box on a 0.76-acre parcel of land on the southeast corner of SH 105 and FM 149. The location is shown in the attached preliminary survey provided by the developer.

Regulations:
The property falls completely within City limits and would not require annexation. The site is unplatted and zoned B-Commercial which allows for the proposed use. Development of the site must comply with Chapters 78 and 98 of the City Code of Ordinances and all applicable development regulations in the Development Handbook and Design Criteria Manual.

Analysis & Conclusion:
The Escrow Agreement ensures that the cost of our city engineer’s review of the civil site plans are paid for by the developer, not with city operating funds.

Approved By

City Secretary	Ruby Beaven	Date: 12-5-2024



City of Montgomery Development Application

Upon completion return application to dmccorquodale@ci.montgomery.tx.us

The City of Montgomery welcomes all development projects. To expedite the Development Review Phase of your project, we are requiring that you completely fill out this Development Application in its entirety. All the information will be reviewed to allow the timely processing of any and all aspects of your project.

A. GENERAL INFORMATION

- 1. Name of proposed development: Jack in the Box 4947
- 2. Name of Owner:KHR, Properties
Mailing Address: 20008 Champions Forest Dr., Suite 501
City/State/Zip: Spring, TX 77379
Telephone Number: _____ Fax Number: _____
Cell Phone: 281.903.4972 Email: jason.fisher@a3hfoods.com
- 3. Name of registered Professional Land Surveyor: _____
Firm Name & Registration No.: The Pinnell Group, Firm Reg. No. 10039600
Mailing Address: 25207 Oakhurst Drive
City/State/Zip: Spring, TX 77386
Telephone Number: 281.363.8700 Fax Number: _____
Cell Phone: 713.875.4392 Email: dan@pinnellgroup.com
- 4. Name of registered Professional Engineer: _____
Firm Name & Registration No.: SEK Engineering, Firm No. 10411
Mailing Address: 701 Shepherd Dr., Suite 200A
City/State/Zip: Houston, TX 77007
Telephone Number: 281.271.1717 Fax Number: _____
Cell Phone: 281.793.3281 Email: nicholas@sekengineering.net

B. DEVELOPMENT SPECIFICATIONS

- 1. **General Location:** Within City Limits? If no, within Extra-Territorial Jurisdiction (ETJ)?

If located in the ETJ:

Prior to platting of the property to be developed, annexation procedures will need to be pursued if the property or parts of the property as required by State law are within one half (1/2) mile of the corporate limits of the City of Montgomery, Texas and lying and being adjacent to and contiguous to the present corporate limits, and located within the extraterritorial jurisdiction of the City. The City of Montgomery does have Landowner Petitions for Annexation included in the Development Application.

Will Annexation be required: Yes No

2. Property Description:

- a) Survey Name: John Corner
- b) Abstract No.: 8
- c) Total Acreage: 0.7566
- d) Current Zoning: Commercial (B)
- e) Number of Lots: 1 Number of Blocks: Estimated Commercial Value: 325,000
- f) Number of Streets: N/A Type: Public Private
- g) Total Acreage in Other uses (any land within the boundaries of the plat that is not divided into lots): N/A
- h) Estimated Total Taxable Value: 325,000 Land 750,000 Improvements
- i) Estimated Size(s) of Lots: 0.7566 AC
- j) Estimated Value of House and Lot: N/A
- k) Water Capacity Requested: 1285 gpd Wastewater Capacity Requested: 1285 gpd

3. Certification

This is to certify that the information concerning the proposed development is true and correct, that I am the actual owner or authorized agent for the owner of the above described property, that prior to a request for any variance to the Montgomery Code of Ordinances, I will attend a pre-development meeting with the City Administrator and City Engineer concerning said variance request, and that I will comply with all of the City of Montgomery Code of Ordinances requirements for submitting a preliminary plat/variance request for approval.

 Digitally signed by Nicholas Khazzoum
 DN: C=US,
 E=nicholas@sekengineering.net,
 O=SEK Engineering, CN=Nicholas
 Khazzoum
 Date: 2024.10.23 11:32:35-05'00'

 Signature of Owner/Agent

10/23/2024
Date

Received by: _____

Date

Please attach a metes and bounds description of the tract, land plan, conceptual plat, preliminary land plan, and location map, to the Application indicating proposed location of project and boundaries of subject tract. Applicant agrees that it shall notify the City if any of the above information (including ownership of the tract) should change during the Application process.

For City Use Only

Date Submitted: _____ Development Number: _____

Engineer's Recommendation: _____

Operator's Recommendation: _____

Is Annexation Required: _____

Amount of Deposit Paid: _____ Date Escrow Agreement Submitted: _____

Amount of Service Recommended: _____

Additional Capacity Required: Water _____ gpd Wastewater _____ gpd

Tap Fee _____ Plan Review Fees _____ Inspection Fees _____ Impact Fee _____

Additional Considerations: _____

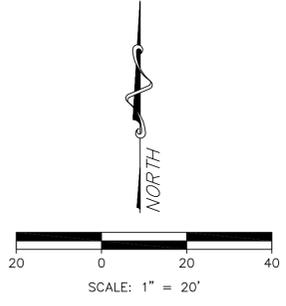
NO.	BEARING	DIST.
L1	N 00°00'01" W	17.55'
L2	S 87°42'04" W	10.92'
L3	N 22°24'21" E	34.85'

SYMBOL LEGEND	
○	MANHOLE
●	POWER POLE
⊕	TRAFFIC SIGN
■	GRATE INLET
□	TELEPHONE PEDESTAL
■	WATER METER
—○—	OVERHEAD ELECTRIC

LEGEND:	
M.H.	MANHOLE
P.P.	POWER POLE
G.A.	GUY ANCHOR
W.M.	WATER METER
E.B.	ELECTRIC BOX
G.I.	GRATE INLET
T.S.	TRAFFIC SIGN
I.R.	IRON ROD
O.H.E.	OVERHEAD ELECTRIC
F.N.D.	FOUND
C.M.	CABLE MARKER
B.F.P.	BACKFLOW PREVENTER
R.O.W.	RIGHT-OF-WAY
P.O.B.	POINT OF BEGINNING
M.C.P.R.P.	MONTGOMERY COUNTY PLAT RECORDS
M.C.O.P.R.R.P.	MONTGOMERY COUNTY OFFICIAL PUBLIC RECORDS OF REAL PROPERTY

GENERAL NOTES:

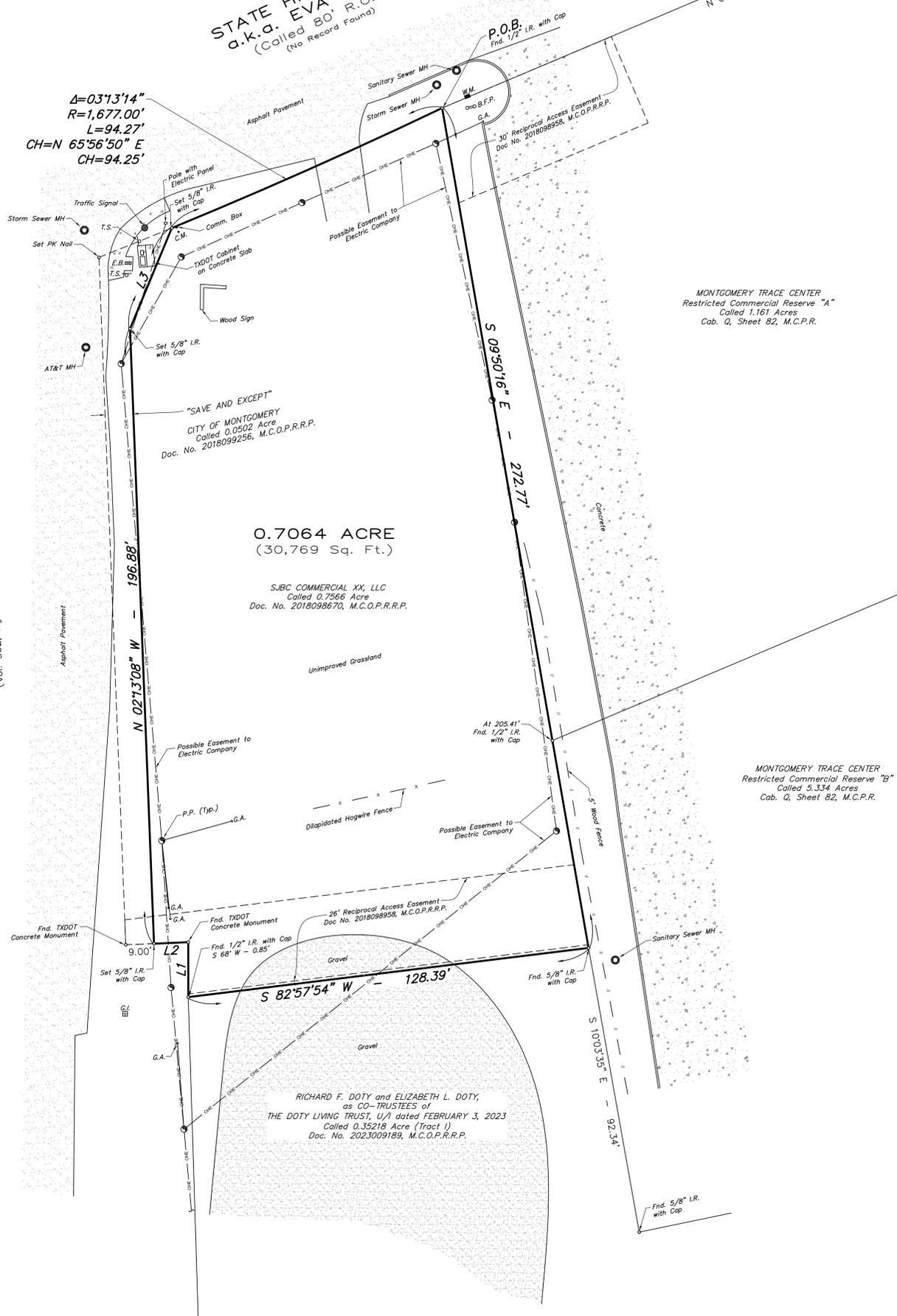
1. THE UNDERSIGNED SURVEYOR HAS RELIED UPON INFORMATION CONTAINED IN THAT CERTAIN COMMITMENT FOR TITLE INSURANCE, PROVIDED BY OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY; FILED UNDER GF NO. 24-01-11639; EFFECTIVE: AUGUST 1, 2024; ISSUED: AUGUST 15, 2024. THE UNDERSIGNED SURVEYOR HAS NOT RESEARCHED THE PROPERTY FOR ADDITIONAL RECORDED/UNRECORDED ENCUMBRANCES (i.e. EASEMENTS, RESTRICTIONS, BUILDING SET-BACK LINES, VARIANCES, BOUNDARY LINE AGREEMENTS, ETC.)
2. THIS TRACT OF LAND IS SUBJECT TO THE TERMS, CONDITIONS AND STIPULATIONS OF THE CITY OF HOUSTON ORDINANCE NO. 85-1876, BEING AN AMENDMENT TO CHAPTER 42 OF THE CODE OF ORDINANCES OF THE CITY OF HOUSTON, TEXAS, WHICH ESTABLISHES RULES AND REGULATIONS FOR DEVELOPMENT OF REAL PROPERTY; RECORDED UNDER CLERK'S FILE NO. N253886 OF THE H.C.O.P.R.R.P.
3. BEARINGS BASED ON LEGAL DESCRIPTION CONTAINED IN SUBJECT DEED.
4. BY GRAPHIC PLOTTING ONLY, THIS TRACT OF LAND LIES IN ZONE X (UNSHADED) "AREAS DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOODPLAIN", ACCORDING TO F.E.M.A. FLOOD INSURANCE RATE MAP NO. 483900200 G, SAID MAP REVISED: AUGUST 18, 2014.
5. PROPERTY ADDRESS: 21049 EVA STREET, MONTGOMERY, TEXAS 77356
6. A METES AND BOUNDS DESCRIPTION OF THIS PROPERTY HAS BEEN PREPARED IN CONJUNCTION WITH THIS PLAT OF SURVEY.
7. SUBSURFACE STRUCTURES AND SUBSURFACE UTILITIES ARE INTENTIONALLY OMITTED FROM THIS SURVEY.



**F.M. 149
LIBERTY STREET**
a.k.a. (width varies)
(Vol. 362, Pg. 437, M.C.D.R.)

**STATE HIGHWAY 105
a.k.a. EVA STREET**
(Called 80' R.O.W.)
(No Record Found)

$\Delta=03^{\circ}13'14''$
 $R=1,677.00'$
 $L=94.27'$
 $CH=N 65^{\circ}56'50'' E$
 $CH=94.25'$



MONTGOMERY TRACE CENTER
Restricted Commercial Reserve "A"
Called 1.161 Acres
Cab. Q, Sheet 82, M.C.P.R.

0.7064 ACRE
(30,769 Sq. Ft.)

S.B.C. COMMERCIAL XX, LLC
Called 0.7566 Acre
Doc. No. 2018098670, M.C.O.P.R.R.P.

MONTGOMERY TRACE CENTER
Restricted Commercial Reserve "B"
Called 5.334 Acres
Cab. Q, Sheet 82, M.C.P.R.

RICHARD F. DOTY and ELIZABETH L. DOTY,
as CO-TRUSTEES of
THE DOTY LIVING TRUST, U/I dated FEBRUARY 3, 2023
Called 0.35218 Acre (Tract J)
Doc. No. 2023009189, M.C.O.P.R.R.P.

CERTIFIED TO: KHR PROPERTIES, LLC, S.B.C. COMMERCIAL XX, LLC,
and OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

I HEREBY CERTIFY THIS PLAT, WHEN COMPRESSION SEALED, TO BE
A TRUE REPRESENTATION OF A FIELD SURVEY PERFORMED UNDER
MY SUPERVISION. THIS SURVEY SUBSTANTIALLY COMPLIES WITH THE
CURRENT TEXAS SOCIETY OF PROFESSIONAL SURVEYORS STANDARDS
AND SPECIFICATIONS FOR A CATEGORY 1A, CONDITION II SURVEY.
PRELIMINARY, this document shall not be recorded
for any purpose and shall not be used or viewed
or relied upon as a final survey document.

DANIEL N. PINNELL
REGISTERED PROFESSIONAL LAND SURVEYOR
TEXAS REGISTRATION NO. 5349

THE PINNELL GROUP
PROFESSIONAL LAND SURVEYORS
25207 OAKHURST DRIVE
SPRING, TEXAS 77386
281-363-8700
WWW.THEPINNELLGROUP.COM
FIRM REGISTRATION NO. 10039600

LAND TITLE SURVEY OF
0.7064 ACRE OF LAND, BEING ALL
OF 0.7566 ACRE OF LAND, SAVE
AND EXCEPT 0.0502 ACRE OF
LAND, SITUATED IN THE JOHN
CORNER SURVEY, ABSTRACT NO. 8,
MONTGOMERY COUNTY, TEXAS.

SCALE: 1" = 20'	DATE: 09-23-2024	F.B. NO.: LEICA
DRAWN BY: KRS	CHECKED BY: DNP	JOB NO.: 24-176

SURVEYOR'S SEAL

KHR Properties, LLC 12/2/2024
Date Invoice Number
12/2/2024 ESCROW12022024

Location
KHR Properties, LLC

Vendor: City of Montgomery
Orig. Amt Balance Due Discount This Check Credits
5,000.00 5,000.00 5,000.00

17
Credit Number

RECEIVED BY:
DEC 04 2024
City of Montgomery

Check Total Amount 5,000.00

ESCROW AGREEMENT
BY AND BETWEEN
THE CITY OF MONTGOMERY, TEXAS,
AND
KHR Properties
Dev. No. 2414

THE STATE OF TEXAS ⊃

COUNTY OF MONTGOMERY ⊃

This Escrow Agreement, is made and entered into as of the 3rd day December, 2024 by and between the CITY OF MONTGOMERY, TEXAS, a body politic, and a municipal corporation created and operating under the general laws of the State of Texas (hereinafter called the "City"), and KHR Properties, (hereinafter called the "Developer").

RECITALS

WHEREAS, the Developer desires to acquire and develop all or part of a 0.7566 sometimes referred to as the Jack in the Box Tract, and being more particularly described in Exhibit "A" attached hereto and incorporated herein by reference for all purposes.

WHEREAS, the City policy requires the Developer to establish an Escrow Fund with the City to reimburse the City for engineering costs, legal fees, consulting fees and administrative expenses incurred for feasibility study, plan reviews, developer coordination, construction management, inspection services to be provided for during the construction phase, and one-year warranty services.

AGREEMENT

ARTICLE I

SERVICES REQUIRED

Section 1.01 The development of the Jack in the Box Tract will require the City to utilize its own personnel, its professionals and consultants; and the Escrow Fund will be used to reimburse the City its costs associated with these services.

Section 1.02 In the event other contract services are required related to the development from third parties, payment for such services will be made by the City and reimbursed by the Developer or paid directly by the Developer as the parties may agree.

ARTICLE II

FINANCING AND SERVICES

Section 2.01 All estimated costs and professional fees needed by City shall be financed by Developer. Developer agrees to advance funds to City for the purpose of funding the required Utility and Economic Feasibility Study (“Study”) in the amount of \$5,000.

Section 2.02 Developer agrees to submit payment of the funds for the Utility and Economic Feasibility Study to City no later than ten (10) days after the execution of this Escrow Agreement. No work will begin on the Study until funds have been received and the Study has been authorized by City Council.

Section 2.03 As part of the Study, the estimated additional Escrow Amount will be determined for plan reviews, developer coordination, construction coordination, construction inspection of all exterior private site improvements and proposed public infrastructure, warranty services, legal expenses, and administrative costs. Developer agrees to submit payment of the

Escrow Amount to City no later than thirty (30) days after the acceptance of the Study by City Council. No work outside of the Study will be performed by or on behalf of the City until the Escrow Amount has been deposited.

Section 2.04 The total amount shown above for the Utility and Economic Feasibility Study and the Escrow Amount determined in the Study is intended to be a "Not to Exceed" amount unless extenuating, unexpected fees are needed. Examples of extenuating circumstances created by the developer that may cause additional fees include, but are not limited to, greater than three plan reviews or drainage analysis reviews; revisions to approved plans; extraordinary number of comments on plans; additional meetings at the request of the developer; variance requests; encroachment agreement requests; construction delays and/or issues; failure to coordinate construction with City; failed testing during construction; failing to address punch list items; and/or excessive warranty repair items. If extenuating circumstances arise, the Developer will be informed, in writing by the City, of the additional deposit amount and explanation of extenuating circumstance. The Developer agrees to tender additional sums within 10 days of receipt of request to cover such costs and expenses. If additional funds are not deposited within 10 days all work by or on behalf of the City will stop until funds are deposited. Any funds which may remain after the completion of the development described in this Escrow Agreement will be refunded to Developer.

ARTICLE III,
MISCELLANEOUS

Section 3.01 City reserves the right to enter into additional contracts with other persons, corporations, or political subdivisions of the State of Texas; provided, however, that City covenants and agrees that it will not so contract with others to an extent as to impair City's ability to perform fully and punctually its obligations under this Escrow Agreement.

Section 3.02 If either party is rendered unable, wholly or in part, by *force majeure* to carry out any of its obligations under this Escrow Agreement, then the obligations of such party, to the extent affected by such *force majeure* and to the extent that due diligence is being used to resume performance at the earliest practicable time, shall be suspended during the continuance of any inability so caused to the extent provided but for no longer period. As soon as reasonably possible after the occurrence of the *force majeure* relied upon, the party whose contractual obligations are affected thereby shall give notice and full particulars of such *force majeure* relied upon to the other party. Such cause, as far as possible, shall be remedied with all reasonable diligence. The term "*force majeure*," as used herein, shall include without limitation of the generality thereof, acts of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy, orders of any kind of the government of the United States or the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage, or accidents to machinery, which are not within the control of the party claiming such inability, which such party could not have avoided by the exercise of due diligence and care.

Section 3.03 This Escrow Agreement is subject to all rules, regulations and laws which may be applicable by the United States, the State of Texas or any regulatory agency having jurisdiction.

Section 3.04 No waiver or waivers of any breach or default (or any breaches or defaults) by either party hereto of any term, covenant, condition, or liability hereunder, or of performance by the other party of any duty or obligation hereunder, shall be deemed or construed to be a waiver of subsequent breaches or defaults of any kind, under any circumstance.

Section 3.05 Any notice, communication, request, reply or advice (hereafter referred to as "notice") herein provided or permitted to be given, made, or accepted by either party to the other (except bills) must be in writing and may be given or be served by depositing the same in the United States mail postpaid and registered or certified and addressed to the party to be notified, with return receipt requested, or by delivering the same to an officer of such party. Notice deposited in the mail in the manner herein above described shall be conclusively deemed to be effective, unless otherwise stated in this Escrow Agreement, from and after the expiration of seven (7) days after it is so deposited. Notice given in any other manner shall be effective only when received by the party to be notified. For the purpose of notice, the addresses of the parties shall, until changed as hereinafter provided, be as follows:

If to City, to: City Administrator
City of Montgomery
101 Old Plantersville Rd.
Montgomery, Texas 77356

If to Developer, to: Jason Fisher
KHR Properties
20008 Champions Forest Dr., Suite 501
Spring, Texas 77379

The parties shall have the right from time to time and at any time to change their respective addresses, and each shall have the right to specify as its address any other address by at least fifteen (15) days written notice to the other party.

Section 3.06 This Escrow Agreement shall be subject to change or modification only in writing and with the mutual consent of the governing body of City and the management of Developer.

Section 3.07 This Escrow Agreement shall bind and benefit City and its legal successors and Developer and its legal successors but shall not otherwise be assignable, in whole or in part, by either party except as specifically provided herein between the parties or by supplemental agreement.

Section 3.08 This Escrow Agreement shall be for the sole and exclusive benefit of City and Developer and is not for the benefit of any third party. Nothing herein shall be construed to confer standing to sue upon any party who did not otherwise have such standing.

Section 3.09 The provisions of this Escrow Agreement are severable, and if any provision or part of this Escrow Agreement or the application thereof to any person or circumstances shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Escrow Agreement and the application of such provision or part of this Escrow Agreement to other person circumstances shall not be affected thereby.

Section 3.10 This Escrow Agreement and any amendments thereto, constitute all the agreements between the parties relative to the subject matter thereof, and may be executed in multiple counterparts, each of which when so executed shall be deemed to be an original.

STATE OF TEXAS {

COUNTY OF MONTGOMERY {

BEFORE ME, the undersigned authority, on this day personally appeared _____ of the City of Montgomery, Texas, a corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the _____ day of _____, 2024.

Notary Public, State of Texas

THE STATE OF TEXAS {

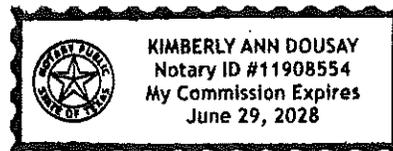
COUNTY OF HARRIS {

BEFORE ME, the undersigned, a Notary Public in and for the State of Texas, on this day personally appeared Ali Keshani, Managing Member of KHR Properties, LLC, a Texas limited liability company, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purpose and consideration therein expressed and in the capacity therein stated and as the act and deed of said organization.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 3rd day of December, 2024.

Kim Ann J

Notary Public, State of Texas





Jack in the Box (KHR Properties) Tract (0.76 Ac) City of Montgomery (Dev. No. 2414)

Request: Council Authorization on December 10, 2024

This proposal is submitted pursuant to and in accordance with that certain Professional Services Agreement dated May 25, 2021, by and between Ward, Getz & Associates, LLP and the City of Montgomery (the "City").

SCOPE OF WORK

- *Feasibility Study Report – Preparation of a feasibility study report to analyze the feasibility to serve the proposed 0.76-acre commercial development situated at the southeast corner of the SH 105 and FM 149 intersection. WGA will analyze the City’s water, wastewater, and drainage system and note whether any upgrades need to be made or if any utility extensions will be required to serve the tract. If any upgrades to the City’s facilities are needed or any utility extensions are required, WGA will prepare a cost estimate to be included in this feasibility study. A preliminary site exhibit showing the extent of the 0.76-acre tract, and any utility extensions/upgrades necessary to serve the tract will be prepared by WGA to be included in this feasibility study.*

ENGINEERING COST

The cost to perform the Jack in the Box Tract’s Utility and Economic Feasibility Study described above is \$5,000, to be billed lump sum.

SCHEDULE

Milestone 1: Authorization to Proceed	1	calendar day*
Milestone 2: Kick-off Meeting	1	calendar day
Milestone 3: Report Preparation	45	calendar days
TOTAL DURATION	47	calendar days

* If approved, the effective start date is the day all required documents, deposits, and authorization to proceed by the Developer are received.

Accepted by Client

Regards,

Katherine Vu, PE, CFM
City Engineer

Signature

Printed Name and Title

Date

Montgomery City Council
AGENDA REPORT

Meeting Date: December 10, 2024	Budgeted Amount: NONE
Department: Administration	Prepared By: WGA

Subject

Consideration and possible action regarding an Escrow Agreement by and between the City of Montgomery, Texas and BCS Capital (Dev. No. 2415) and authorizing the city engineer to prepare a Feasibility Study for a proposed 32-acre development.

Recommendation

Motion to approve the Escrow Agreement and authorize the city engineer to prepare a Feasibility Study.

Discussion

Issue:
A developer is proposing a combination of multi-family and commercial development on a 32-acre parcel of land located south of the CB Stewart and Buffalo Springs Dr. intersection. The location is shown in the attached preliminary site schematic provided by the developer.

Regulations:
The property falls completely within City limits and would not require annexation. The site is unplatted and zoned B-Commercial and PD-Planned Development. The development of the site must comply with Chapters 78 and 98 of the City Code of Ordinances and all applicable development regulations in the Development Handbook and Design Criteria Manual.

Analysis & Conclusion:
The Escrow Agreement ensures that the cost of our city engineer’s review of the civil site plans are paid for by the developer, not with city operating funds.

Approved By

City Secretary	Ruby Beaven	Date: 12-5-2024



City of Montgomery Development Application

Upon completion return application to dmccorquodale@ci.montgomery.tx.us

The City of Montgomery welcomes all development projects. To expedite the Development Review Phase of your project, we are requiring that you completely fill out this Development Application in its entirety. All the information will be reviewed to allow the timely processing of any and all aspects of your project.

A. GENERAL INFORMATION

- 1. Name of proposed development: Montgomery 32 Acre Commercial
- 2. Name of Developer BCS Capital C/o Jack Burgher
 Mailing Address: 1940 Fountain View Dr #22
 City/State/Zip: Houston, TX 77057
 Telephone Number: 713-703-9730 Fax Number: _____
 Cell Phone: _____ Email: jack.burgher@bcscapitalgroup.com
- 3. Name of registered Professional Land Surveyor: TBD
 Firm Name & Registration No.: _____
 Mailing Address: _____
 City/State/Zip: _____
 Telephone Number: _____ Fax Number: _____
 Cell Phone: _____ Email: _____
- 4. Name of registered Professional Engineer: Jonathan White, PE
 Firm Name & Registration No.: L Squared Engineering Firm No 11235
 Mailing Address: 3307 W Davis
 City/State/Zip: Conroe, TX 77304
 Telephone Number: 936-647-0420 Fax Number: _____
 Cell Phone: _____ Email: JWhite@L2Engineering.com

B. DEVELOPMENT SPECIFICATIONS

- 1. **General Location:** Within City Limits? If no, within Extra-Territorial Jurisdiction (ETJ)?
Yes, In City Limits

If located in the ETJ:

Prior to platting of the property to be developed, annexation procedures will need to be pursued if the property or parts of the property as required by State law are within one half (1/2) mile of the corporate limits of the City of Montgomery, Texas and lying and being adjacent to and contiguous to the present corporate limits, and located within the extraterritorial jurisdiction of the City. The City of Montgomery does have Landowner Petitions for Annexation included in the Development Application.

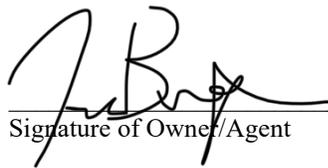
Will Annexation be required: [] Yes [X] No

2. Property Description:

- a) Survey Name: John Corner Survey
- b) Abstract No.: A-008
- c) Total Acreage: 32 +/-
- d) Current Zoning: Commercial / PD
- e) Number of Lots: TBD Number of Blocks: Estimated Commercial Value: Current Value: \$1.5MM
- f) Number of Streets: 0 Type: Public Private
- g) Total Acreage in Other uses (any land within the boundaries of the plat that is not divided into lots):
0 Prop Mixed Use Dev, valuation depending on end user
- h) Estimated Total Taxable Value: \$1.5MMM Land \$82-97MM Improvements
- i) Estimated Size(s) of Lots: N/A
- j) Estimated Value of House and Lot: N/A
- k) Water Capacity Requested: 72,000 gpd Wastewater Capacity Requested: 60,000 gpd

3. Certification

This is to certify that the information concerning the proposed development is true and correct, that I am the actual owner or authorized agent for the owner of the above described property, that prior to a request for any variance to the Montgomery Code of Ordinances, I will attend a pre-development meeting with the City Administrator and City Engineer concerning said variance request, and that I will comply with all of the City of Montgomery Code of Ordinances requirements for submitting a preliminary plat/variance request for approval.



Signature of Owner/Agent

11/19/24

Date

Received by: _____

Date

Please attach a metes and bounds description of the tract, land plan, conceptual plat, preliminary land plan, and location map, to the Application indicating proposed location of project and boundaries of subject tract. Applicant agrees that it shall notify the City if any of the above information (including ownership of the tract) should change during the Application process.

For City Use Only

Date Submitted: _____ Development Number: _____

Engineer's Recommendation: _____

Operator's Recommendation: _____

Is Annexation Required: _____

Amount of Deposit Paid: _____ Date Escrow Agreement Submitted: _____

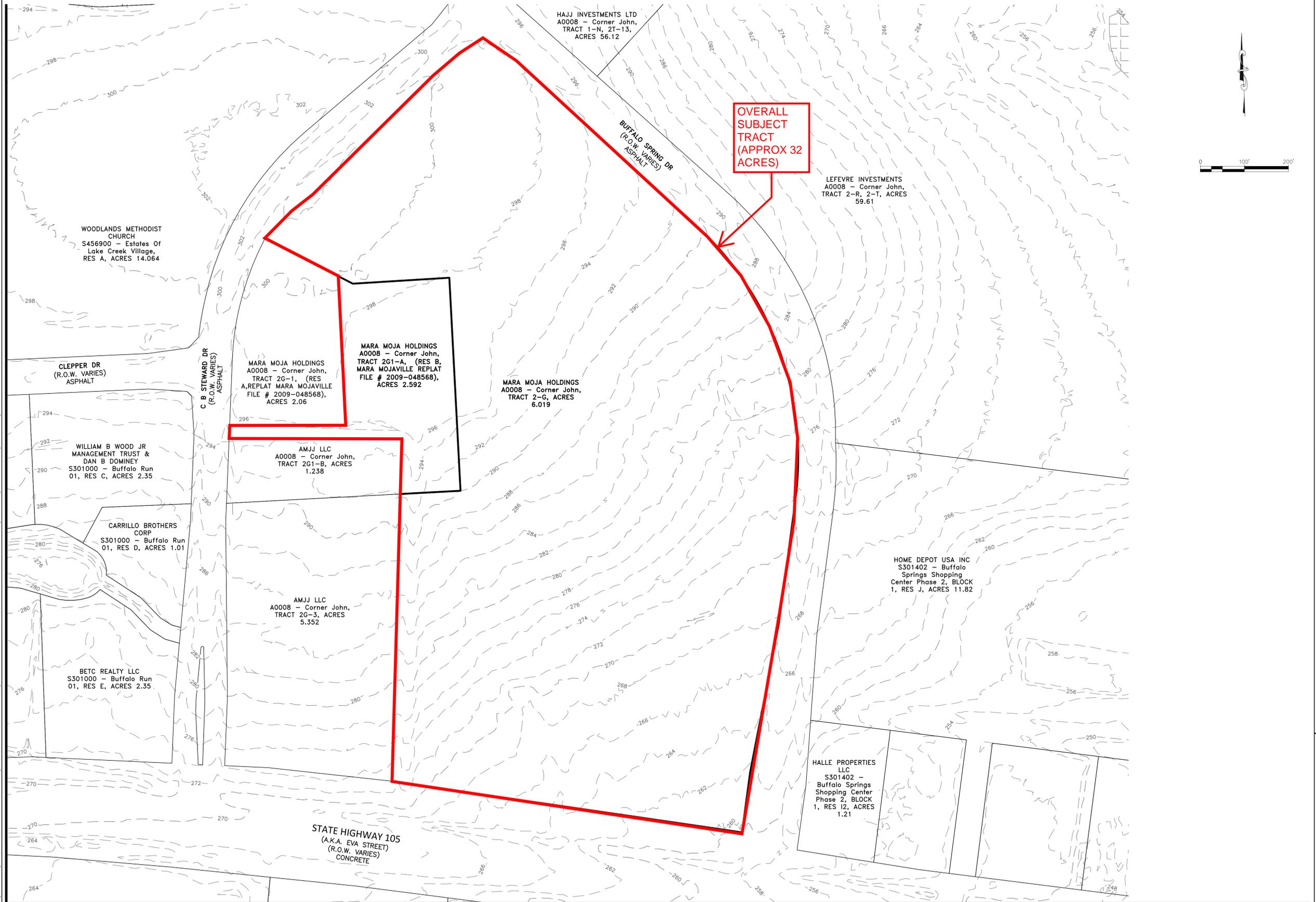
Amount of Service Recommended: _____

Additional Capacity Required: Water _____ gpd Wastewater _____ gpd

Tap Fee _____ Plan Review Fees _____ Inspection Fees _____ Impact Fee _____

Additional Considerations: _____

L:\SHARED\12 ENGINEERING PROJECTS\ENGINEERING PROJECTS\11079 - MONTGOMERY 29 ACRE COMMERCIAL\03 CAD\DESIGN SET\EXHIBITS\MONTGOMERY 32 ACRES_11079.DWG Nov. 20, 2024-11:02 AM JERAHMY LAVENDER



**OVERALL
SUBJECT
TRACT
(APPROX 32
ACRES)**



L SQUARED ENGINEERING
MUNICIPAL COMMERCIAL RESIDENTIAL
WWW.L2ENGINEERING.COM
3307 W. DAVIS STREET #100
CONROE, TEXAS 77384
OFFICE 936-667-0400

MONTGOMERY 32 ACRES
OVERALL SITE

11/20/24

DRAWING INFORMATION			
PROJECT	11079	TDLR	**
DRAWN	JTL	CHECKED BY	JTW
SCALE	SHEET		01
1" = 100' (24x36)	1" = 200' (11x17)		

THIS DOCUMENT IS RELEASED FOR THE PURPOSE OF INTERIM REVIEW UNDER THE AUTHORITY OF:
JONATHAN WHITE, PE #127058
FOR REVIEW PURPOSES ONLY
NOT FOR CONSTRUCTION



BCS Capital Tract (32 Ac) City of Montgomery (Dev. No. 2415)

Request: Council Authorization on December 10, 2024

This proposal is submitted pursuant to and in accordance with that certain Professional Services Agreement dated May 25, 2021, by and between Ward, Getz & Associates, LLP and the City of Montgomery (the "City").

SCOPE OF WORK

- *Feasibility Study Report – Preparation of a feasibility study report to analyze the feasibility to serve the proposed 32-acre commercial and multi-family development situated south of the C.B. Stewart and Buffalo Springs Dr. intersection. WGA will analyze the City’s water, wastewater, and drainage system and note whether any upgrades need to be made or if any utility extensions will be required to serve the tract. If any upgrades to the City’s facilities are needed or any utility extensions are required, WGA will prepare a cost estimate to be included in this feasibility study. A preliminary site exhibit showing the extent of the 32-acre tract, and any utility extensions/upgrades necessary to serve the tract will be prepared by WGA to be included in this feasibility study.*

ENGINEERING COST

The cost to perform the BCS Capital Tract’s Utility and Economic Feasibility Study described above is \$6,000, to be billed lump sum.

SCHEDULE

Milestone 1: Authorization to Proceed	1	calendar day*
Milestone 2: Kick-off Meeting	1	calendar day
Milestone 3: Report Preparation	45	calendar days
TOTAL DURATION	47	calendar days

* If approved, the effective start date is the day all required documents, deposits, and authorization to proceed by the Developer are received.

Accepted by Client

Regards,

Katherine Vu, PE, CFM
City Engineer

Signature

Printed Name and Title

Date

ESCROW AGREEMENT
BY AND BETWEEN
THE CITY OF MONTGOMERY, TEXAS,
AND
BCS Capital Group, LLC

Dev. No. 2415

THE STATE OF TEXAS ⊃
COUNTY OF MONTGOMERY ⊃

This Escrow Agreement, is made and entered into as of the _____ day _____, 2024 by and between the CITY OF MONTGOMERY, TEXAS, a body politic, and a municipal corporation created and operating under the general laws of the State of Texas (hereinafter called the "City"), and BCS Capital Group, LLC, (hereinafter called the "Developer").

RECITALS

WHEREAS, the Developer desires to acquire and develop all or part of a 32-acre tract sometimes referred to as the BCS Capital Tract, and being more particularly described in Exhibit "A" attached hereto and incorporated herein by reference for all purposes.

WHEREAS, the City policy requires the Developer to establish an Escrow Fund with the City to reimburse the City for engineering costs, legal fees, consulting fees and administrative expenses incurred for feasibility study, plan reviews, developer coordination, construction management, inspection services to be provided for during the construction phase, and one-year warranty services.

AGREEMENT

ARTICLE I

SERVICES REQUIRED

Section 1.01 The development of the BCS Capital Tract will require the City to utilize its own personnel, its professionals and consultants; and the Escrow Fund will be used to reimburse the City its costs associated with these services.

Section 1.02 In the event other contract services are required related to the development from third parties, payment for such services will be made by the City and reimbursed by the Developer or paid directly by the Developer as the parties may agree.

ARTICLE II FINANCING

AND SERVICES

Section 2.01 All estimated costs and professional fees needed by City shall be financed by Developer. Developer agrees to advance funds to City for the purpose of funding the required Utility and Economic Feasibility Study (“Study”) in the amount of \$6,000.

Section 2.02 Developer agrees to submit payment of the funds for the Utility and Economic Feasibility Study to City no later than ten (10) days after the execution of this Escrow Agreement. No work will begin on the Study until funds have been received and the Study has been authorized by City Council.

Section 2.03 As part of the Study, the estimated additional Escrow Amount will be determined for plan reviews, developer coordination, construction coordination, construction inspection of all exterior private site improvements, construction inspection of all proposed public infrastructure, warranty services, legal expenses, and administrative costs. Developer agrees to

submit payment of the Escrow Amount to City no later than thirty (30) days after the acceptance of the Study by City Council. No work outside of the Study will be performed by or on behalf of the City until the Escrow Amount has been deposited.

Section 2.04 The total amount shown above for the Utility and Economic Feasibility Study and the Escrow Amount determined in the Study is intended to be a "Not to Exceed" amount unless extenuating, unexpected fees are needed. Examples of extenuating circumstances created by the developer that may cause additional fees include, but are not limited to, greater than three plan reviews or drainage analysis reviews; revisions to approved plans; extraordinary number of comments on plans; additional meetings at the request of the developer; variance requests; encroachment agreement requests; construction delays and/or issues; failure to coordinate construction with City; failed testing during construction; failing to address punch list items; and/or excessive warranty repair items. If extenuating circumstances arise, the Developer will be informed, in writing by the City, of the additional deposit amount and explanation of extenuating circumstance. The Developer agrees to tender additional sums within 10 days of receipt of request to cover such costs and expenses. If additional funds are not deposited within 10 days all work by or on behalf of the City will stop until funds are deposited. Any funds which may remain after the completion of the development described in this Escrow Agreement will be refunded to Developer.

ARTICLE III,
MISCELLANEOUS

Section 3.01 City reserves the right to enter into additional contracts with other persons, corporations, or political subdivisions of the State of Texas; provided, however, that City covenants and agrees that it will not so contract with others to an extent as to impair City's ability to perform fully and punctually its obligations under this Escrow Agreement.

Section 3.02 If either party is rendered unable, wholly or in part, by *force majeure* to carry out any of its obligations under this Escrow Agreement, then the obligations of such party, to the extent affected by such *force majeure* and to the extent that due diligence is being used to resume performance at the earliest practicable time, shall be suspended during the continuance of any inability so caused to the extent provided but for no longer period. As soon as reasonably possible after the occurrence of the *force majeure* relied upon, the party whose contractual obligations are affected thereby shall give notice and full particulars of such *force majeure* relied upon to the other party. Such cause, as far as possible, shall be remedied with all reasonable diligence. The term "*force majeure*," as used herein, shall include without limitation of the generality thereof, acts of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy, orders of any kind of the government of the United States or the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage, or accidents to machinery, which are not within the control of the party claiming such inability, which such party could not have avoided by the exercise of due diligence and care.

Section 3.03 This Escrow Agreement is subject to all rules, regulations and laws which may be applicable by the United States, the State of Texas or any regulatory agency having jurisdiction.

Section 3.04 No waiver or waivers of any breach or default (or any breaches or defaults) by either party hereto of any term, covenant, condition, or liability hereunder, or of performance by the other party of any duty or obligation hereunder, shall be deemed or construed to be a waiver of subsequent breaches or defaults of any kind, under any circumstance.

Section 3.05 Any notice, communication, request, reply or advice (hereafter referred to as "notice") herein provided or permitted to be given, made, or accepted by either party to the other (except bills) must be in writing and may be given or be served by depositing the same in the United States mail postpaid and registered or certified and addressed to the party to be notified, with return receipt requested, or by delivering the same to an officer of such party. Notice deposited in the mail in the manner herein above described shall be conclusively deemed to be effective, unless otherwise stated in this Escrow Agreement, from and after the expiration of seven (7) days after it is so deposited. Notice given in any other manner shall be effective only when received by the party to be notified. For the purpose of notice, the addresses of the parties shall, until changed as hereinafter provided, be as follows:

If to City, to: City Administrator
City of Montgomery
101 Old Plantersville Rd.
Montgomery, Texas 77356

If to Developer, to: Jack Burgher
BCS Capital Group, LLC
1940 Fountain View Dr.
Suite No. 220
Houston, Tx 77057

The parties shall have the right from time to time and at any time to change their respective addresses, and each shall have the right to specify as its address any other address by at least fifteen (15) days written notice to the other party.

Section 3.06 This Escrow Agreement shall be subject to change or modification only in writing and with the mutual consent of the governing body of City and the management of Developer.

Section 3.07 This Escrow Agreement shall bind and benefit City and its legal successors and Developer and its legal successors but shall not otherwise be assignable, in whole or in part, by either party except as specifically provided herein between the parties or by supplemental agreement.

Section 3.08 This Escrow Agreement shall be for the sole and exclusive benefit of City and Developer and is not for the benefit of any third party. Nothing herein shall be construed to confer standing to sue upon any party who did not otherwise have such standing.

Section 3.09 The provisions of this Escrow Agreement are severable, and if any provision or part of this Escrow Agreement or the application thereof to any person or circumstances shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Escrow Agreement and the application of such provision or part of this Escrow Agreement to other person circumstances shall not be affected thereby.

Section 3.10 This Escrow Agreement and any amendments thereto, constitute all the agreements between the parties relative to the subject matter thereof, and may be executed in multiple counterparts, each of which when so executed shall be deemed to be an original.

STATE OF TEXAS {

COUNTY OF MONTGOMERY {

BEFORE ME, the undersigned authority, on this day personally appeared _____ of the City of Montgomery, Texas, a corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the _____ day of _____, 2024.

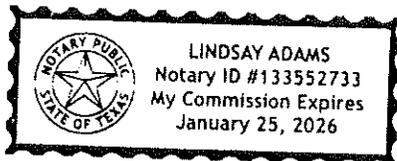
Notary Public, State of Texas

THE STATE OF TEXAS {

COUNTY OF HARRIS {

BEFORE ME, the undersigned, a Notary Public in and for the State of Texas, on this day personally appeared Jack Burgher, Manager of BGS Capital Group LLC, a Texas limited liability company, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purpose and consideration therein expressed and in the capacity therein stated and as the act and deed of said organization.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 2nd day of December, 2024.



[Signature]
Notary Public, State of Texas

Montgomery City Council
AGENDA REPORT

Meeting Date: December 10, 2024	Budgeted Amount: N/A
Department: Administration	Prepared By: Ruby Beaven

Subject

Consideration and possible action on the Request for Qualifications for Building Inspection and Plan Review Services.

Recommendation

Staff recommend City Council to take no action.

Discussion

The city went out for a Request for Qualifications (RFQ) in September for Building Inspection and Plan Review Services and received several submittals. Bid opening was in October. At this time, the City is going in a different direction. We do not plan to proceed with selecting any of the contractors who responded to the RFQ.

At this time, we are currently contracted with Rick Hanna CBO Partners, LLC. Mr. Hanna’s company currently provides visual building inspection and/or plan review services. We are in the process of revising the contract to expand the duties and responsibilities of Building Official.

This approach not only meets our requirements as outlined in the RFQ, but also ensures continuity by retaining the existing contractor familiar with the City’s history, thereby fostering a smoother collaboration and minimizing potential disruptions in service.

This agenda item is a housekeeping item. The staff’s recommendation is for the City Council to take no action on selecting a contractor Building Inspection and Plan Review Services.

Approved By

City Secretary & Director of Administrative Services	Ruby Beaven	Date: 12/05/2024
City Administrator		Date:

Montgomery City Council
AGENDA REPORT

Meeting Date: December 10, 2024	Budgeted Amount: N/A
Department: Police Department	Prepared By: Anthony Solomon

Subject

Consideration and possible action on the revisions to Rick Hanna CBO Partners, LLC’s Service Agreement to include the title, duties, and responsibilities of Building Official.

Recommendation

Staff recommends approving the revisions to Rick Hanna CBO Partners, LLC’s Service Agreement to include the title, duties, and responsibilities of City of Montgomery Building Official.

Discussion

A building official is a crucial professional in the construction and development industry, responsible for ensuring public safety, health, and welfare through the enforcement of building codes and construction standards.

Currently the City of Montgomery is without a Building Official. Since Rick Hanna serves as the city’s existing Building Inspector and Plan Reviewer, he is already knowledgeable about the city and its operations. Given these facts, staff recommends adding the Building Official title, duties and responsibilities to him as it will be a smooth transition and resolution.

Approved By

Interim City Administrator	Anthony Solomon	Date: December 4, 2024
----------------------------	-----------------	------------------------

RICK HANNA CBO PARTNERS, LLC - SERVICE AGREEMENT

1. **PARTIES:** This Base Agreement (Agreement) is between Rick Hanna CBO Partners, LLC (Contractor) and the City of Montgomery, Texas (Client).
2. **WORK:** The visual building inspection and/or plan review services to be supplied by Contractor at the request of the Client from and after the date of this Agreement. This agreement is exclusive to all permits and the City shall not engage another inspection nor plan review service without the consent of the Contractor. This Agreement shall be effective from the date hereof and shall continue until terminated by either party upon **ninety (90) days** written notice to the other; provided, however, that Contractor's obligations shall survive termination with respect to all Work supplied by or through Contractor prior to termination. The agreement is effective for one calendar year and shall automatically renew with the fees listed unless renegotiated beginning **ninety (90) days prior to the end of the agreement**. **Contractor agrees to provide the City of Montgomery with specific scope services with related fees as outlined in the addendum(s) to this service agreement.**
3. **PAYMENTS:** Contractor will submit invoices bi-monthly to the City of Montgomery for work performed. Invoices will include the date of service, job address, description of service and contracted price for services rendered. The Contractor will not be required to submit separate invoices for each individual service and/or job address. Contractor agrees to honor all bid prices submitted to the City of Montgomery from the date of each subject bid through completion of the work. It is agreed that City of Montgomery shall be responsible for payment of invoices from the Contractor. There shall be no exceptions to this requirement. **Provided all requirements in this agreement have been met, payment will be made by the City of Montgomery to the Contractor within fifteen (15) days of receipt of invoice.** The City of Montgomery assures full and prompt payment of all sums due to Contractor pursuant to this Agreement. Delinquent invoices after thirty (30) days will accrue interest at a rate of 15% or the maximum amount permitted by law without regard to any client payments received.
4. **INDEPENDENT CONTRACTOR:** Contractor certifies that Contractor is an "independent contractor" and not an employee of City of Montgomery and as such, certifies that Contractor is solely responsible for all applicable taxes and charges including, but not limited to, withholding taxes, social security taxes and unemployment taxes on Contractor and Contractor's staff. Contractor certifies that, as an independent contractor, Contractor is not under the direction and control of City of Montgomery and certifies that Contractor may be employed by or contract with other companies/municipalities. Contractor certifies that Contractor uses its own vehicles, tools, computers and devices, office supplies, forms, telephone, internet services, and offices at the business address shown below and there has never been, nor will there be, during the term of this Agreement, an employer/employee relationship with City of Montgomery. Contractor certifies that this Agreement went into effect from the date of first performance as a Contractor for City of Montgomery (September 2004). Contractor may engage and supervise additional inspectors (certified by the International Code Council and state licensed as required) and additional office staff as needed to accomplish his duties as his expense.
5. **CONTRACTOR LICENSED SOFTWARE:** Contractor is the licensed owner of the Meritage Systems CommunityCore Solutions and all related "web-based and mobile tools software" utilized by the City of Montgomery. Use of the software by the City of Montgomery is permissible while under the terms of this Agreement with the Contractor. The City of Montgomery may only use the software during the term of this Agreement. Upon termination the City of Montgomery should cease use of the software other than during the 90-day period when Rick Hanna CBO Partners, LLC, will allow the City of Montgomery to download and/or print information from the system. No process will be allowed that alters the documentation.

6. CONTRACT DOCUMENTS:

A. **CONTRACT DOCUMENTS** - This Agreement, together with any and all relevant addendums shall constitute the entire Contract Documents (Contract Documents) and there are no other agreements, oral or written, by and between the parties hereto, except as to Contractor's warranties under any prior or contemporaneous agreement with City of Montgomery which warranties are incorporated by reference herein for all purposes.

7. LICENSES AND CERTIFICATIONS: Contractor shall secure and pay for all licenses and certifications necessary for proper completion of the Work. Additionally, Contractor is responsible for all education and reference materials as may be required for such licenses and certifications.

8. COMPLIANCE WITH LAWS, ORDINANCES AND BUILDING CODES: All parties shall comply with all current applicable laws, ordinances, building codes and all rules, regulations, or orders of all public or regulatory authorities.

9. WARRANTY DISCLAIMER: Nothing in this Agreement shall be construed as a warranty expressed or implied by either Party.

10. INSURANCE:

A. **INSURANCE REQUIREMENTS** - Before commencing the Work as contemplated herein, Contractor shall procure and maintain at his sole cost and expense minimum insurance coverage from insurance companies satisfactory to City of Montgomery. Contractor shall, prior to the commencement of the Work hereunder, furnish City of Montgomery with satisfactory Certificates of Insurance naming the City of Montgomery as an additional insured and providing that no cancellation or other material change in the terms of the policy may be made without thirty (30) days prior written notice to City of Montgomery. City of Montgomery's receipt of satisfactory insurance certificates complying with the above requirements shall be a prerequisite to payment under this Agreement or any invoice.

11. NOTICES: To the extent not otherwise required by law, notices must be in writing and must be delivered by personal delivery, by certified mail return receipt requested, or by facsimile to the location for each party designated below.

Contractor: **Rick Hanna CBO Partners, LLC**
4520 FM 1374
Huntsville, TX 77340-2266
Phone: 888-479-1112
Fax: 888-479-1112
Electronic Mail: rhanna@rickhanna.com

City of Montgomery
101 Old Plantersville Rd.
Montgomery, TX 77316
Phone: 936-597-6434
Fax:
Electronic Mail:

Either party may change the location for notice upon written notice, delivered as described above.

12. ALTERNATIVE DISPUTE RESOLUTION: The parties to this Agreement specifically agree that the transactions contemplated herein involve interstate commerce.

A. **MEDIATION OR ARBITRATION:** Contractor agrees to and shall participate in any mediation or arbitration between the Client and any customer of the City of Montgomery if requested by the Client. The contractor shall be paid **\$350** per hour of participation. Directly related expenses will be billed at cost. Rick Hanna CBO Partners, LLC nor any agents of Rick Hanna CBO Partners, LLC can warrant or guarantee the outcome of any matter.

B. **MEDIATION OR ARBITRATION BETWEEN CITY OF MONTGOMERY AND CONTRACTOR** - Contractor agrees that any dispute between City of Montgomery and Contractor (whether contract, warranty, tort, statutory, or otherwise) shall first be submitted to mediation and, if not settled during mediation, shall be submitted to binding arbitration as provided by the Federal Arbitration Act (9 U.S.C. §§ 1 et. seq.) or, if applicable, by similar state statute, and not by or in a court of law. All decisions respecting the arbitrability of any dispute

shall be decided by the arbitrator. The arbitrator shall have the right to award reasonable attorneys' fees and expenses, including those incurred in mediation and arbitration. The parties agree to work together in good faith to select a mediator and, if all disputes are not resolved by mediation, an arbitrator in the county where the subject property is located. If the parties are unable to agree on the appointment of a mediator and/or arbitrator, then the mediation or arbitration, or both, shall be conducted by the American Arbitration Association ("AAA") in accordance with its applicable rules and procedures provided, however, if there is any conflict between this Agreement and such rules or procedures, the provisions of this Agreement shall control. If for any reason the AAA is unable or unwilling to conduct the mediation or the binding arbitration, or both, either party may petition a court of general jurisdiction in the subject county to appoint a mediator or arbitrator, or both.

C. **ARBITRATION** - In any arbitration proceeding involving the parties:

- 1) All applicable Federal and State law shall apply;
- 2) All applicable claims, causes of action, remedies and defenses that would be available in court shall apply;
- 3) The proceeding shall be conducted by a single arbitrator selected by a process designed to ensure the neutrality of the arbitrator;
- 4) The parties shall be entitled to conduct reasonable and necessary discovery;
- 5) The arbitrator shall render a written award and, if requested by any party, a reasoned award;
- 6) Any award rendered in the proceeding shall be final and binding and judgment upon any such award may be entered in any court having jurisdiction.
- 7) The prevailing party shall be entitled to attorney's fees and costs as well as costs and expenses reasonably incurred.

D. **SURVIVAL** – Contractor and City of Montgomery agree that notwithstanding anything to the contrary contained herein, the rights and obligations set forth in the mediation/arbitration provisions set forth above shall survive (1) the termination of this Agreement by either party; or (2) the breach of this Agreement by either party. The waiver or invalidity of any portion of the mediation/arbitration provisions set forth above shall not affect the validity or enforceability of the remaining portions of those provisions and/or this Agreement. City of Montgomery and Contractor further agree (1) that any dispute involving the directors, officers, employees and agents of either City of Montgomery or Contractor shall be resolved as set forth herein and not in a court of law; and (2) that City of Montgomery shall have the option to include Contractor as a party in any mediation and arbitration between City of Montgomery and any customer or client of City of Montgomery and, if City of Montgomery does opt to include Contractor in such mediation and arbitration, Contractor shall fully participate therein pursuant to the terms set forth above. If any party to this Agreement files a proceeding in any court to resolve any controversy, dispute or claim, such action shall not constitute a waiver of the right of such party or a bar to the right of any other party to seek arbitration of that or any other claim, dispute or controversy, and the court shall, upon motion of any party to the proceeding, direct that such controversy, dispute or claim be arbitrated in accordance with this Agreement.

13. FORCE MAJEURE: Any delay or nonperformance of any provision of this agreement by either party (other than payments) which is caused by events beyond the reasonable control of either party or by Acts of God, shall not constitute a breach and the time for performing shall be extended for a period equal to the duration of the event prevent performance.

14. INVALIDITY: It is understood and agreed by the parties hereto that if any of the clauses or provisions of this Agreement shall contravene or be invalid under the laws of the State of Texas, such contravention of invalidity shall not invalidate the entire Agreement, but it shall be construed as if not containing the particular clause or provision held to be invalid, and the rights and obligations of Contractor and City of Montgomery shall be construed and enforced accordingly.

- 15. **GENDER:** The "Contractor" and words "City of Montgomery," include singular or plural, individual, partnership or corporation, and the respective heirs, executors, administrators, successors, and assigns of City of Montgomery, Contractor, and subcontractors, as the case may be. The use of any gender applies to all genders. If more than one party is named as Contractor, the obligation hereunder of each such party is joint and several.
- 16. **BINDING AGREEMENT:** The Contract Documents are complimentary, and what is called for by anyone shall be binding as if called for by all. This Agreement shall remain in full force and effect from the execution date and until terminated in writing. This Agreement and the terms and covenants herein contained shall apply to and be binding upon the parties hereto, their heirs, successors, and assigns. None of the rights, interests or obligations created by this Agreement may be assigned, transferred, or delegated in whole or in part by the parties hereto, and any such purported assignment transfer or delegation shall be void.
- 17. **ASSIGNMENT:** Contractor shall not assign this Agreement or any payments due or to become due hereunder without the prior written consent of City of Montgomery.
- 18. **ENTIRE AGREEMENT:** This Agreement contains the entire agreement among the parties, and no oral statements or prior written matters not specifically incorporated herein shall be of any force and effect. No variation, modification or changes hereof shall be binding on either party hereto unless set forth in a document executed by all the parties hereto. If there is a conflict between this Agreement and any terms contained in any proposal, invoice or other agreement between City of Montgomery and Contractor, the terms of this Agreement shall control.
- 19. **TIME OF THE ESSENCE:** Time is of the essence in the performance of Contractor's obligations hereunder.
- 20. **GOVERNING LAWS:** The laws of the State of Texas shall govern the validity, enforcement, and interpretation of this Agreement. The obligations of the parties are performable in **Montgomery** County, Texas and the parties hereto consent to such venue for purposes of any action arising out of this Agreement. The parties agree that the normal rule of construction that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

Executed December 10, 2024 Effective as of January 1, 2025.

Contractor: Rick Hanna CBO Partners, LLC City of Montgomery

By: _____ By: _____

Printed name: Rickey E. Hanna Printed name: Sara Countryman

Title: President & CEO Title: Mayor

4520 FM 1374
Huntsville, TX 77340-2266
Phone: 888-479-1112
Fax: 888-479-1112
Electronic Mail: rhanna@rickhanna.com

101 Old Plantersville Rd.
Montgomery, TX 77316
Phone: 936-597-6434
Fax:
Electronic Mail:

Addendum "A"
Specific Scope of Service and Fees
January 1, 2025

Contractor agrees to provide services to the City of Montgomery as follows:

- (a) Serve as Building Official, Building Inspector and Plumbing Inspector for construction, remodeling, and renovation of certain structures submitted to the City in accordance with the City Ordinances and building codes.
- (b) Serve as Plan Reviewer and perform commercial and residential plan reviews with reports as requested, submitted to the City in accordance with the City Ordinances and building codes.
- (c) Perform the duties of Building Official including signing permits, Certificates of Occupancy, and related documents.
- (d) Report to City Administrator other city staff as assigned.
- (e) Advise the City Council of new and/or relevant state and federal regulations concerning building codes.
- (f) Work with the City of Montgomery regarding notifications of Code violations and participate in hearings as needed.
- (g) Prepare Reports to the City Council as requested.

The City of Montgomery shall designate a staff member to serve as Permit Technician to receive all permit fees and enter permits in the CommunityCore system. Rick Hanna CBO Partners, LLC shall not be responsible for negotiating nor collecting fees. The City will be provided with up to three (3) sign-in accounts for the CommunityCore system for an annual fee of \$3,000.00 (to be invoiced 01.01.2025).

Building Official shall be paid \$3,000 monthly (to be invoiced on the 15th and last day of each month).

Inspector shall be paid from inspection fees and other fees collected by the City of Montgomery in accordance with the fee schedule below:

Structural Inspections (Foundation Make-up; Framing Rough; Energy Code Rough; Final Building and similar inspections as covered by Building Permit) - \$100 each up to 5,000sf covered area and \$20 for each additional 1,000sf covered area.

Mechanical, Electric, Plumbing and Irrigation Inspections (Ground; Rough; Top-Out; Final and similar inspections as covered by Trade Permits) - \$50 each up to 5,000sf covered area and \$10 for each additional 1,000sf covered area.

Inspection requests with less than 24-hour notice – The deadline for requests for the following business day shall be received by Contractor by Noon. Inspection fee is Doubled for short request (based on availability & scheduling).

Change of Occupancy Inspection - \$100 each trip.

Non-Permit Inspection / Stop Work Notice - \$150 each trip.

Evaluations, Meeting Attendance, Special Requests - \$200 first hour and \$50 for each additional quarter hour on site and \$100 per hour for report preparation unless otherwise agreed upon by all parties.

Plan Reviews – 75% of the Plan Review Fee (one-half of Building Permit Fee) collected by City or as may be negotiated.

Permit Entry in Community Core – one-half of Base Fee (standard is \$50) for Trade Permits and \$50 for Building Permits (based on availability & scheduling).

CommunityCore and/or Permit Technician Training - \$50 per hour (based on availability & scheduling).

Overflow Work – When Permit Technician is not available due to illness, vacation, training, job opening, etc. a daily fee of \$200 will be assessed to compensate for increased workload (based on availability & scheduling).

Montgomery City Council
AGENDA REPORT

Meeting Date: December 10, 2024	Budgeted Amount: N/A
Department: Administration	Prepared By: Maryann Carl

Subject

Consideration and possible action on: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MONTGOMERY ACCEPTING AND APPROVING AN ANNUAL UPDATE TO THE SERVICE AND ASSESSMENT PLAN AND ASSESSMENT ROLL FOR CITY OF MONTGOMERY PUBLIC IMPROVEMENT DISTRICT NO. 1; PROVIDING FOR PAYMENT OF THE ANNUAL INSTALLMENT OF THE ASSESSMENTS IN ACCORDANCE WITH CHAPTER 372, TEXAS LOCAL GOVERNMENT CODE, AS AMENDED; AND PROVIDING FOR SEVERABILITY, AND PROVIDING AN EFFECTIVE DATE.

Recommendation

Approve the adoption of the Ordinance as presented.

Discussion

Hicham Chiali with Coats Rose will present this item to Council and Mike Ogorchock with Summit Universal, LP will be in attendance to answer questions.

Background

A PID, or Public Improvement District, is a type of Special District used to reimburse a developer for construction of a development through assessments levied on the properties within the District. These assessments are in addition to City property taxes and do not come from property taxes levied by the City.

The City has one PID—PID No. 1—which is entirely made up of Summit Business Park. The assessments are collected every year by the county Tax Assessor and paid to the City. The City keeps a portion of the assessment total to cover administrative costs and returns the remainder to the developer. One of the requirements of a PID is that the Service and Assessment Plan be approved annually by City Council.

Approved By

Finance Director	Maryann Carl	Date: 11/27/2024
Interim City Administrator	Anthony Solomon	Date:

MINUTES AND CERTIFICATION FOR ORDINANCE

THE STATE OF TEXAS §
COUNTY OF MONTGOMERY §

I, the undersigned City Secretary of the City of Montgomery, Texas (the "City"), do hereby certify as follows:

- 1. The City Council for the City convened in a special meeting on the ___day of ___, 2024 in the regular meeting place of the City Council at 101 Old Plantersville Road, Montgomery, Texas, and the roll was called of the duly constituted officials and members of said Council, to wit:

Sara Countryman Mayor
Casey L. Olson Councilmember/Mayor Pro Tem
Carol Langley Councilmember
Cheryl Fox Councilmember
Stan Donaldson Councilmember

and all of said persons were present, except ___, thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MONTGOMERY ACCEPTING AND APPROVING AN ANNUAL UPDATE TO THE SERVICE AND ASSESSMENT PLAN AND ASSESSMENT ROLL FOR CITY OF MONTGOMERY PUBLIC IMPROVEMENT DISTRICT NO. 1; PROVIDING FOR PAYMENT OF THE ANNUAL INSTALLMENT OF THE ASSESSMENTS IN ACCORDANCE WITH CHAPTER 372, TEXAS LOCAL GOVERNMENT CODE, AS AMENDED; AND PROVIDING FOR SEVERABILITY, AND PROVIDING AN EFFECTIVE DATE

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

AYES: ___
NOES: ___
ABSTENTIONS: ___

- 2. That a true, full and correct copy of the aforesaid Ordinance adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that said Ordinance has been duly recorded in said City Council's minutes of said meeting pertaining to the adoption of said Ordinance; that the above and foregoing paragraph is a true, full and correct excerpt from said City Council's minutes of said meeting pertaining to the adoption of said Ordinance; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of said City Council as indicated therein; that each of the officers and members of said City Council was duly and sufficiently notified officially and personally, in advance, of the date, hour, place and purpose of the aforesaid meeting, and that said Ordinance would be introduced and considered for adoption at said meeting; and each of said officers and members consented, in advance, to the holding of said meeting for such purpose; that said meeting was open to the public as required by law; and that public notice of the date, hour, place, and subject of said meeting was given as required by Chapter 551, Texas Government Code.

SIGNED AND SEALED on the ___ day of ___, 2024.

_____, City Secretary
Montgomery, Texas

(Seal)

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MONTGOMERY ACCEPTING AND APPROVING AN ANNUAL UPDATE TO THE SERVICE AND ASSESSMENT PLAN AND ASSESSMENT ROLL FOR CITY OF MONTGOMERY PUBLIC IMPROVEMENT DISTRICT NO. 1; PROVIDING FOR PAYMENT OF THE ANNUAL INSTALLMENT OF THE ASSESSMENTS IN ACCORDANCE WITH CHAPTER 372, TEXAS LOCAL GOVERNMENT CODE, AS AMENDED; AND PROVIDING FOR SEVERABILITY, AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on September 30, 2014, Resolution No. 2014-2 was adopted by a majority of the members of the governing body of the City of Montgomery (the "Municipality") authorized the creation of City of Montgomery Public Improvement District No. 1 ("P.I.D. No. 1"), a public improvement district established pursuant to the Public Improvement District Act, Chapter 372, Texas Local Government Code, as amended (the "Act"); and in accordance with its finding as to the advisability of improvement projects and services within P.I.D. No. 1; and

WHEREAS, by Resolution No. 2015-03, effectively dated the 24th day of February, 2015, the governing body of the Municipality directed that the Proposed Assessment Roll be filed with the Secretary of the governing body of the Municipality for public inspection as required by the Act, directed that a hearing to be held on the 24th day of March, 2015, at 6:00 p.m. at which the governing body of the Municipality would consider approving the Service/Assessment Plan and the Assessment Roll of P.I.D. No. 1, respectively, and assessing assessments payable at the time and at the rate and in the amount proposed in the Service/Assessment Plan against each parcel of property in P.I.D. No. 1, as set forth in the Assessment Roll, and directed the Secretary of the governing body of the Municipality to give notice of the hearing in the manner required by the Act;

WHEREAS, the governing body of the Municipality conducted the hearing at 6:00 p.m. on the 24th day of March, 2015, at which all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the Service/Assessment Plan, the Assessment Roll, and each proposed assessment, and offer testimony pertinent to any issue presented on the amount of the assessment, purpose of the assessment, special benefit of the assessment, and the penalties and interest on annual installments and on delinquent annual installments of the assessment;

WHEREAS, several persons appeared in support of the Service/Assessment Plan, and the levy of assessments as proposed in the Assessment Roll, including a representative of the owner of all the land located within P.I.D. No. 1;

WHEREAS, based on the evidence, information, and testimony provided to the City Council, the City Council found and determined that the Assessed Property would be specially benefited by the public improvement projects approved by the City Council and identified as the "Authorized Improvements" as set forth in the Service and Assessment Plan;

WHEREAS, based on the evidence, information, and testimony provided to the City Council, the City Council found and determined: (i) that the method of apportioning the cost of the Authorized Improvements against the Assessed Property and the real and true owners thereof as set forth in the Service and Assessment Plan is just and equitable; (ii) that such method of apportioning the cost would produce substantial equality considering the benefits to be received by and the burdens imposed on the Assessed Property; and (iii) that the assessments levied and charges declared against the Assessed Property and the real and true owners thereof as set forth in the Service and Assessment Plan are just and equitable; and

WHEREAS, after closing the public hearing on March 24, 2015, and after considering all evidence, information, and testimony provided to the City Council, and taking into consideration the fact that there were no written or oral objections to the proposed assessments, and further taking into consideration that the owners of 100% of the property liable for assessment consented to the proposed assessments, the governing body of the Municipality found and determined that the Service and Assessment Plan should be approved and the assessments should be levied as provided in the Assessment Roll;

WHEREAS, the governing body of the Municipality, after considering all evidence presented at the hearing, both written and documentary, and all written comments and statements filed with the Municipality, passed and adopted Ordinance No. 2015-02 approving the Service and Assessment Plan attached thereto;

WHEREAS, after the adoption of the Service and Assessment Plan, a portion of the property included within the boundaries of P.I.D. No. 1 has been developed and triggered the collection of the annual installment of the Assessments on 11.1560 acres;

WHEREAS, pursuant to the Act, the Municipality has caused the preparation of an annual update of the Service and Assessment Plan and the Assessment Roll (the "Annual Service Plan") for the purpose of determining the annual budget for improvements and for making updates to the Assessment Roll to reflect the installment of Assessments to be collected for 2024;

WHEREAS, the City has determined that the Annual Service Plan reflects the amount of the Annual Installment of the Assessments, previously levied pursuant to Ordinance No. 2015-02; and

WHEREAS, a written notice of the date, hour, place and subject to this meeting of the City Council was posted at a place convenient to the public for the time required by law preceding this meeting, as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended, and that this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter hereof has been discussed, considered, and formally acted upon.

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

Section 1. Terms.

Terms not otherwise defined herein are defined in the Annual Update to the Service and Assessment Plan attached hereto as Exhibit A (the "Annual Service Plan").

Section 2. Findings.

The findings and determinations set forth in the preambles are hereby incorporated by reference for all purposes. The governing body of the Municipality hereby finds, determines, and ordains, as follows:

- (a) The Annual Service Plan should be approved;
- (b) The Assessment Roll in the form attached as Appendix C to the Annual Service Plan (the "Assessment Roll") should be approved as the assessment roll for the P.I.D. No. 1 for the 2024 tax year; and
- (c) The provisions of the Service and Assessment Plan relating to due and delinquency dates for the Assessments, interest on Annual Installments, interest and penalties on delinquent Assessments and delinquent Annual Installments of the Assessments, and procedures in connection with the imposition and collection of Assessments are now and shall remain in effect and are applicable to the collection of the Annual Installments identified in the Annual Service Plan.

Section 3. Assessment Plan.

The Annual Service Plan is hereby accepted and approved.

Section 4. Assessment Roll.

The Assessment Roll attached to the Annual Service Plan is hereby accepted and approved.

Section 5. Severability.

If any provision, section, subsection, sentence, clause, or phrase of this Ordinance, or the application of same to any person or set of circumstances is for any reason held to be unconstitutional, void, or invalid, the validity of the remaining portions of this Ordinance or the application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council that no portion hereof, or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness, or invalidity of any other portion hereof, and all provisions of this Ordinance are declared to be severable for that purpose.

Section 6. Effective Date.

This Ordinance shall take effect and become effective on upon passage and execution hereof.

PASSED, APPROVED, AND ADOPTED, this ___ day of _____, 2024.

City of Montgomery

Mayor

Attest:

City Secretary

(SEAL)

EXHIBIT A
ANNUAL SERVICE PLAN

CITY OF MONTGOMERY
PUBLIC IMPROVEMENT DISTRICT NO. 1
SERVICE AND ASSESSMENT PLAN

As updated
November 2024

CITY OF MONTGOMERY
PUBLIC IMPROVEMENT DISTRICT NO. 1

SERVICE AND ASSESSMENT PLAN

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List of Appendixes

- Appendix A PID No. 1 Map
- Appendix B Estimated Costs of the Authorized Improvements
- Appendix C Assessment Roll
- Appendix D Form of Notice to Purchasers

Section I
PLAN DESCRIPTION AND DEFINED TERMS

A. Introduction

On September 30, 2014, the City of Montgomery City Council passed Resolution No. 2014-2 approving and authorizing the creation of City of Montgomery Public Improvement District No. 1 ("PID No. 1") to finance the costs of certain public improvements for the benefit of property in PID No. 1, all of which is located within the corporate limits of the City of Montgomery. This Service and Assessment Plan addresses the improvements to be provided for PID No. 1.

Chapter 372 of the Texas Local Government Code, "the Public Improvement Assessment Act" (as amended, the "PID Act"), governs the creation and operation of public improvement districts within the State of Texas. This Service and Assessment Plan has been prepared pursuant to Sections 372.013, 372.014, 372.015 and 372.016 of the PID Act. According to Section 372.013 of the PID Act, a service plan "must cover a period of at least five years and must also define the annual indebtedness and the projected costs for improvements. The plan shall be reviewed and updated annually for the purpose of determining the annual budget for improvements." The service plan is described in Section IV of this Service and Assessment Plan.

Section 372.014 of the PID Act states that "an assessment plan must be included in the annual service plan." The assessment plan is described in Section V of this Service and Assessment Plan.

Section 372.015 of the PID Act states that "the governing body of the municipality or county shall apportion the cost of an improvement to be assessed against property in an improvement district." The method of assessing the PID Costs and apportionment of such costs to the property in the PID No. 1 are included in Section V of this Service and Assessment Plan.

Section 372.016 of the PID Act states that "after the total cost of an improvement is determined, the governing body of the municipality or county shall prepare a proposed assessment roll. The roll must state the assessment against each parcel of land in the district, as determined by the method of assessment chosen by the municipality or county under this subchapter." The Assessment Roll for PID No. 1 is included as Appendix C of this Service and Assessment Plan. The Assessments as shown on the Assessment Roll are based on the method of assessment and apportionment of costs described in Section V of this Service and Assessment Plan.

The City and Developer have entered into that certain Facilities and Creation Cost Reimbursement Agreement, dated March 24, 2015 (the "PID Reimbursement Agreement"). The PID Reimbursement Agreement contains a more detailed description of many of the concepts addressed in this Service and Assessment Plan, therefore, the two documents should be read as a whole in order to have a more complete understanding of the terms addressed in each of the agreements.

B. Definitions Capitalized terms used herein shall have the meanings ascribed to them as follows:

"**Administrator**" means the employee or designee of the City who shall have the responsibilities provided for herein or in any other agreement approved by the City Council relative to PID No. 1.

"**Administrative Expenses**" mean the costs associated with or incident to the administration, organization, maintenance and operation of PID No. 1, including, but not limited to, the costs of: (i) creating and organizing PID No. 1, including conducting hearings, preparing notices and petitions, and all

costs incident thereto, engineering fees, legal fees and consultant fees, and (ii) the annual administrative, organization, maintenance, and operation costs and expenses associated with, or incident and allocable to, the administration, organization, maintenance and operation of PID No. 1 and the Authorized Improvements, including the cost of each Annual Service Update Plan. Amounts collected in conjunction with Annual Installments for Administrative Expenses and not expended for actual Administrative Expenses shall be carried forward and applied to reduce Administrative Expenses in subsequent years to avoid the over-collection of Administrative Expenses.

"Annual Collection Costs" mean the following actual or budgeted costs, as applicable, related to the annual collection costs of outstanding Assessments paid in installments, including the costs or anticipated costs of: (i) computing, levying, collecting and transmitting the Assessments (whether by the City, the Administrator or otherwise), (ii) the City and the Administrator in the discharge of their duties relative to PID No. 1, and (iii) the City in any way related to the collection of the Assessments in installments, including, without limitation, the administration of PID No. 1, maintaining the record of installments, payments and reallocations and/or cancellations of Assessments, including, without limitation, any associated legal expenses, the reasonable costs of other consultants and advisors and contingencies for such costs. Annual Collection Costs collected and not expended for actual Annual Collection Costs shall be carried forward and applied to reduce Annual Collection Costs in subsequent years to avoid the over-collection of Annual Collection Costs.

"Annual Installment" means, with respect to each Parcel, each annual payment of the Assessment, as shown on the Assessment Roll attached hereto as Appendix C or an Annual Service Plan Update, and calculated as provided in Section VI of this Service and Assessment Plan.

"Annual Service Plan Update" has the meaning set forth in the first paragraph of Section IV of this Service and Assessment Plan.

"Assessed Property" means the property on which Assessments have been imposed as shown in the Assessment Roll, as the Assessment Roll is updated each year by the Annual Service Plan Update. Assessed Property includes Parcels within PID No. 1 other than Non-Benefited Property.

"Assessment" means the assessment levied against Parcels within PID No. 1 imposed pursuant to the Assessment Ordinance and the provisions herein as shown on the Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and the PID Act. The Assessment for a Parcel consists of the Annual Installments to be collected in all years and includes the Assessments, interest on the Assessments, and Collection Costs pertaining to the Assessment.

"Assessment Ordinance" means the ordinance approved by the City Council to approve the imposition of the Assessments.

"Assessment Revenues" mean the revenues actually received by the City from Assessments.

"Assessment Roll" means the document included in this Service and Assessment Plan as Appendix C, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act.

"Authorized Improvements" mean those public improvements described in Appendix B of this Service and Assessment Plan and Section 372.003 of the PID Act which are constructed pursuant to the PID Reimbursement Agreement, which are to be undertaken for the benefit of property in PID No. I.

"Authorized Improvement Costs" mean the actual or budgeted costs, as applicable, of all or any portion of the Authorized Improvements, as shown in Appendix B.

"Benefited Property" means property within PID No. 1 that receives a benefit from the Authorized Improvements, which consists of all Parcels within PID No. 1 other than Non-Benefited Property. Benefited Property is identified on the map of PID No. 1 included in Appendix A, with a list of Parcels of Benefited Property included in Appendix C.

"City" means the City of Montgomery, Texas.

"City Council" means the duly elected governing body of the City.

"Delinquent Collection Costs" mean interest, penalties and expenses incurred or imposed with respect to any delinquent Annual Installments of an Assessment in accordance with §372.018(b) of the PID Act and the costs related to pursuing collection of a delinquent Assessment and foreclosing the lien against the Assessed Property, including attorneys' fees.

"Developer" means collectively, Ogorchock Investments, L.P., a Texas limited partnership and Ogorchock ATH, LLC .

"Non-Benefited Property" means Parcels within the boundaries of PID No. 1 that accrue no special benefit from the Authorized Improvements, including Owner Association Property, Public Property and easements that create an exclusive use for a public utility provider. Property identified as Non-Benefited Property at the time the Assessments (i) are imposed or (ii) are reallocated pursuant to a subdivision of a Parcel is not assessed. Assessed Property converted to Non-Benefited Property, if the Assessments may not be reallocated pursuant to the provisions herein remains subject to the Assessments and requires the Assessments to be prepaid as provided for in Section VI. C. 2.

"Owner Association Property" means property within the boundaries of PID No. 1 that is owned by or irrevocably offered for dedication to, whether in fee simple or through an exclusive use easement, a property owners' association.

"Parcel" or **"Parcels"** means a parcel or parcels within PID No. 1 identified by either a tax map identification number assigned by the Montgomery County Appraisal District for real property tax purposes or by lot and block number in a final subdivision plat recorded in the real property records of Montgomery County.

"PID Act" means Texas Local Government Code Chapter 372, Public Improvement Assessment Act, Subchapter A, Public Improvement Districts, as amended.

"PID No. 1" means City of Montgomery Public Improvement District No. 1.

"PID Costs" mean the portion of the Authorized Improvement Costs to be funded by PID No. 1 as explained in Section III.

"Public Property" means property within the boundaries of PID No. 1 that is owned by or irrevocably offered for dedication to the federal government, the State of Texas, the City, a school district, a public utility provider or any other public agency, whether in fee simple or through an exclusive use easement.

"Service and Assessment Plan" means this Service and Assessment Plan prepared for PID No. 1 pursuant to the PID Act.

"Trigger Date" means with respect to an unimproved parcel, the date (i) the parcel is final platted, (ii) one or more permanent commercial structures are constructed thereon, and (iii) the city has issued a certificate of occupancy for such completed permanent structure(s); however, such date shall not be prior to September 1, 2018.

Section II
PROPERTY INCLUDED IN THE PID

PID No. 1 is located within the corporate limits of the City of Montgomery, Texas and contains approximately 86.814 acres of land. A map of the property within PID No. 1 is shown on Appendix A to this Service and Assessment Plan. The property within PID No. 1 is proposed to be developed with warehouses or office warehouses.

Table II-A
Proposed Commercial Development

Description	No. of Platted/Improved Acres
Various Commercial Reserves	72

The current Parcels in PID No. I are shown on the Assessment Roll and the map included as Appendix A.

The estimated number of Platted/Improved Acres at the build-out of PID No. 1 is estimated to be as follows:

72 net acres of commercial reserves (excluding road right-of-way).

Section III
DESCRIPTION OF THE AUTHORIZED IMPROVEMENTS

Section 372.003 of the PID Act defines the improvements that may be undertaken by a municipality or county through the establishment of a public improvement district, as follows:

372.003. Authorized Improvements

- (a) If the governing body of a municipality or county finds that it promotes the interests of the municipality or county, the governing body may undertake an improvement project that confers a special benefit on a definable part of the municipality or county or the municipality's extraterritorial jurisdiction. A project may be undertaken in the municipality or county or the municipality's extraterritorial jurisdiction.
- (b) A public improvement may include:
 - (i) landscaping;
 - (ii) erection of fountains, distinctive lighting, and signs;
 - (iii) acquiring, constructing, improving, widening, narrowing, closing, or rerouting of

- sidewalks or of streets, any other roadways, or their rights-of way;
- (iv) construction or improvement of pedestrian malls;
- (v) acquisition and installation of pieces of art;
- (vi) acquisition, construction, or improvement of libraries;
- (vii) acquisition, construction, or improvement of off-street parking facilities;
- (viii) acquisition, construction, improvement, or rerouting of mass transportation facilities;
- (ix) acquisition, construction, or improvement of water, wastewater, or drainage facilities or improvements;
- (x) the establishment or improvement of parks;
- (xi) projects similar to those listed in Subdivisions (i)-(x);
- (xii) acquisition, by purchase or otherwise, of real property in connection with an authorized improvement;
- (xiii) special supplemental services for improvement and promotion of the district, including services relating to advertising, promotion, health and sanitation, water and wastewater, public safety, security, business recruitment, development, recreation, and cultural enhancement; and
- (xiv) payment of expenses incurred in the establishment, administration and operation of the district.

After analyzing the public improvement projects authorized by the PID Act, the City has determined that the Authorized Improvements as described in Appendix B and shown on the diagram included as Appendix C should be undertaken by the City for the benefit of the property within PID No. 1. The estimated Authorized Improvement Costs are shown by Table III-A.

Table III-A
Estimated Authorized Improvement Costs

Authorized Improvements	Total PID No. 1 Estimated Cost
Improvements	
Roadway improvements	\$2,766,910
Water distribution system improvements	421,150
Storm sewer collection system improvements	132,487
Wastewater collection system improvements	563,752
Engineering, surveying	440,319
Soft costs including city, professional and miscellaneous fees	119,200
FM 1097 widening, striping, TxDot	131,528

General contingency	355,505
Subtotal:	<u>4,930,851</u>
Estimated PID Creation Costs	\$50,000
<hr/>	
Total Estimated Authorized Improvement Costs	<u>\$4,980,851</u>

The costs shown in Table III-A are current estimates and may be revised in Annual Service Plan Updates.

The Authorized Improvements include on-site improvements and limited off-site improvements.

On-site Improvements

The on-site roadway improvements include:

Summit Park Drive and other internal streets – The project consists of construction approximately 4,900 linear feet of 24’ wide concrete streets (8” concrete) with 6’ shoulders (6” concrete) on each side within a dedicated street right-of-way inside PID No. 1.

The on-site water distribution system improvements consist of approximately 8,400 linear feet of 12-inch water line within the proposed street right-of-ways and easements within PID No. 1. The water lines will connect to an existing City of Montgomery main along the south side of FM 109.

The on-site storm sewer collection system improvements include

The onsite storm sewer collection systems include approximately 4,900 linear feet of ditch cut in within the proposed street right-of-way inside PID No. 1 to direct flow to the existing creeks within the development.

The on-site wastewater collection system improvements consist of approximately 5,000 linear feet of 8-inch wastewater lines within the proposed street right-of-ways within PID No. 1. A portion of these lines will connect to a proposed lift station using approximately 650’ linear feet of 4” force main to pump the wastewater to a proposed sanitary main. All proposed lines will ultimately connect to an existing main on the south side of FM 1097.

Off-site Improvements

The offsite roadway improvements include a portion of FM 1097 being re-striped for a turn lane to allow safe access into the proposed Summit Park Drive.

Additional details of the Authorized Improvements are shown in Appendix B attached to this Service and Assessment Plan.

Table III-B shows the allocation of the Authorized Improvements costs to PID No. 1.

Table III-B
Allocation of the Authorized Improvement Costs

Authorized Improvements	Total Estimated Cost	Percentage Allocated	Total PID No. 1 Estimated Cost
Improvements benefiting PID No.1			
Roadway improvements		100%	\$2,766,910
Water distribution system improvements		100%	421,150
Storm sewer collection system improvements		100%	132,487
Wastewater collection system improvements		100%	563,752
Engineering, surveying		100%	440,319
Soft costs including city, professional and miscellaneous fees		100%	119,200
FM 1097 widening, striping, TxDot		100%	131,528
General contingency		100%	355,505
Subtotal:			<u>4,930,851</u>
 Estimated PID Creation Costs		100%	50,000
Total Estimated Authorized Improvement Costs			<u><u>\$4,980,851</u></u>

The costs shown in Tables III-A and III-B are estimates and may be revised in Annual Service Plan Updates. The detailed costs of the Authorized Improvements are shown in Appendix B to this Service and Assessment Plan. Savings from one line item may be applied to a cost increase in another line item. These savings may be applied only to increases in costs of the Authorized Improvements.

Section IV
SERVICE PLAN

A. Sources and Uses of Funds

The PID Act requires a service plan to cover a period of at least five years. The service plan is required to define the annual projected costs and indebtedness for the Authorized Improvements undertaken within PID No. 1. As of the date of this Service and Assessment Plan approximately 15% of the Authorized Improvements have been constructed and funded by the Developer. PID No. 1 will not directly fund any of the Authorized Improvements. Instead, in accordance with the PID Reimbursement Agreement the Developer will construct the Authorized Improvements and the City will reimburse the Developer solely from the net proceeds of the Assessments. The plan shall be reviewed and updated annually for the purpose of determining the annual budget for the Authorized Improvements. The annual update to this Service and Assessment Plan is herein referred to as the "Annual Service Plan Update."

Table IV-A shows the sources.

Table IV-A
Sources and Uses of Funds

<u>Sources of Funds:</u>			
	Reimbursed by the PID	Not Reimbursed by the PID	Total
Funded By Developer:	\$3,000,000	\$1,980,851	\$4,980,851
<u>Uses of Funds:</u>			
Construction Costs:	\$2,950,000	\$1,980,851	
Creation Costs:			
Costs paid by Developer:	\$50,000	\$0	
Total:			\$4,980,851

This sources and uses of funds table is subject to revision and the actual sources and uses of funds for any line item may be different than shown above. The sources and uses of funds shown in Table 1V-A shall be updated each year in the Annual Service Plan Update to reflect any budget revisions or actual costs of the Authorized Improvements.

B. Annual Costs and Indebtedness

The annual projected costs and annual projected indebtedness is shown by Table 1V-B. The annual projected costs and indebtedness is subject to revision and shall be updated each year in the Annual Service Plan Update to reflect any changes in the PID Costs expected for each year and the cumulative amounts owed to the Developer. Notwithstanding the preceding, the Developer shall be reimbursed solely from the net proceeds (after payment of all costs of the City) of the Assessments which will be significantly less than total projected costs of the Authorized Improvements.

Table IV-B
Annual Projected Costs and Indebtedness

Year	Annual Projected Costs
2015	\$2,054,355
2016	
2017	
2018	
2019	\$990,964
2020	
2021	
2022	
2023	
2024	
2025	\$1,953,442
Total	\$4,998,761

Section V ASSESSMENT PLAN

A. Introduction

The PID Act requires the City Council to apportion the PID Costs on the basis of special benefits conferred upon the property because of the Authorized Improvements. The PID Act provides that the PID Costs may be assessed: (i) equally per front foot or square foot; (ii) according to the value of the property as determined by the governing body, with or without regard to improvements on the property; or (iii) in any other manner that results in imposing equal shares of the cost on property similarly benefited. The PID Act further provides that the governing body may establish by ordinance or order reasonable classifications and formulas for the apportionment of the cost between the municipality and the area to be assessed and the methods of assessing the special benefits for various classes of improvements. Section V of this Service and Assessment Plan describes the special benefit received by each Parcel of Assessed Property as a result of the Authorized Improvements, provides the basis and justification for the determination that this special benefit exceeds the amount of the Assessments, and establishes the methodology by which the City Council allocates the special benefit of the Authorized Improvements to Parcels in a manner that results in equal shares of the PID Costs being apportioned to Parcels similarly benefited. The determination by the City Council of the assessment methodology set forth below is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Developer and all future owners within the Assessed Property.

B. Special Benefit

Benefited Property receives a benefit from the Authorized Improvements. Among the Benefited Property, the Assessed Property will receive a direct and special benefit from the Authorized Improvements, and this benefit will be equal to or greater than the amount of the Assessments. The Authorized Improvements (more particularly described in line-item format on Appendix B to this Service and Assessment Plan) and the costs incurred in the establishment, administration, and operation of the PID No. 1 shown in Table IV-A are authorized by the Act. These improvements are provided specifically for the benefit of the Assessed Property.

The owners of all of the Assessed Property has acknowledged and agreed to the determinations and findings as to benefits by the City Council in the Service and Assessment Plan and the Assessment Ordinance, specifically including the special benefit conferred on the Assessed Property by the Authorized Improvements, as well as any other terms and provisions within these documents, and has, therefore, consented to the imposition of the Assessments to pay the PID Costs. The owners are acting in their own interests in consenting to this imposition, because the special benefit conferred upon the Assessed Property by the Authorized Improvements exceeds the amount of the Assessments.

The public improvements provide a special benefit to the Assessed Property as a result of the close proximity of these improvements to the Assessed Property and the specific purpose of these improvements of providing infrastructure for the Assessed Property. In other words, the Assessed Property could not be used in the manner proposed without the construction of the

Authorized Improvements. The Authorized Improvements are being provided specifically to meet the needs of the Assessed Property as required for the proposed use of the property.

The Assessments are being levied to provide the Authorized Improvements, which are required for the highest and best use of the Assessed Property (i.e., the use of the property that is most valuable, including any costs associated with that use). Highest and best use can be defined as "the reasonably probable and legal use of property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value." (*Dictionary of Real Estate Appraisal, Third Edition.*) The Authorized Improvements are expected to be required for the proposed use of the Assessed Property to be physically possible, appropriately supported, financially feasible, and maximally productive.

The Developer has evaluated the potential use of the property and has determined that the highest and best use of the property is the use intended and the legal use for the property as described in Section II of this Service and Assessment Plan. The use of the Assessed Property as described herein will require the construction of the Authorized Improvements.

Funding of the PID Costs by the Developer and reimbursement of the Developer by PID No. 1 is determined to be the most beneficial means of providing for the Authorized Improvements. Since the Authorized Improvements are required for the highest and best use of the Assessed Property, and PID No. 1 provides the most beneficial means of providing the Authorized Improvements, the Assessments result in a special benefit to the Assessed Property, and this special benefit exceeds the amount of the Assessments. This conclusion is based on and supported by the evidence, information, and testimony provided to the City Council.

In summary, the Assessments result in a special benefit to the Assessed Property for the following reasons:

1. The Authorized Improvements are being provided specifically for the use of the Assessed Property, are necessary for the proposed best use of the property and provide a special benefit to the Assessed Property as a result;
2. The Developer has consented to the imposition of the Assessments for the purpose of providing the Authorized Improvements and the Developer is acting in its interest by consenting to this imposition;
3. The Authorized Improvements are required for the highest and best use of the property;
4. The highest and best use of the Assessed Property is the use of the Assessed Property that is most valuable (including any costs associated with the use of the Assessed Property);
5. Financing of the PID Costs by PID No. 1 is determined to be the most beneficial means of providing for the Authorized Improvements; and,
6. As a result, the special benefits to the Assessed Property from the Authorized Improvements will be equal to or greater than the Assessments.

C. Assessment Methodology

1. The PID Costs may be assessed by the City Council against the Assessed Property so long as the special benefit conferred upon the Assessed Property by the Authorized Improvements equals or exceeds the Assessments. The PID Costs may be assessed using any methodology that results in the imposition of equal shares of the PID Costs on Assessed Property similarly benefited.
2. For purposes of this Service and Assessment Plan, the City Council has determined that the PID Costs shall be allocated to the Assessed Property equally on the basis of \$41,666.66 per acre of platted acreage that encompasses a completed permanent structure for which the City has issued a Certificate of Occupancy and that such method of allocation will result in the imposition of equal shares of the PID Costs to Parcels similarly benefited.
3. Having taken into consideration the matters described above, the City Council has determined that allocating the PID Costs among Parcels based on improved acreage containing a completed permanent structure for which the City has issued a certificate of occupancy. Accordingly, Assessments are allocated to each Parcel of Assessed Property on the basis of it being fully developed, a final plot has been recorded, commercial structure(s) have been completed and a certificate of occupancy has been issued.
4. The following table (Table V-A) shows the calculation of the Assessment per acre. There are a total of 72 acres expected to be developed and improved on the Assessed Property. The total Assessments, which represent the aggregate sum of the total Annual Installments, are equal to \$3,000,000 as shown in Table IV-C. As a result the Assessment per acre is \$41,666.66 as shown in Table V-A below.

TABLE V-A
Assessment per Improved Acre

<u>Description</u>	<u>Assessments</u>
Total Amount	\$3,000,000.00
Estimated total acreage	72
Assessment per acre	\$41,666.66

Table V-B in the following page shows the estimated Annual Installment per acre from the Trigger Date through the fifteen (15) year amortization of the Assessment.

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TABLE V-B
Annual Installment per Improved Acre from Trigger Date*

Year	Principal	Interest	Total Payment	Plus Administrative Expenses **
1	1,790.12	2,500.00	4,290.12	\$50.00
2	1,897.52	2,392.59	4,290.12	\$50.00
3	2,011.37	2,278.74	4,290.12	\$50.00
4	2,132.06	2,158.06	4,290.12	\$50.00
5	2,259.98	2,030.14	4,290.12	\$50.00
6	2,395.58	1,894.54	4,290.12	\$50.00
7	2,539.31	1,750.80	4,290.12	\$50.00
8	2,691.67	1,598.44	4,290.12	
9	2,853.17	1,436.94	4,290.12	
10	3,024.36	1,265.75	4,290.12	
11	3,205.82	1,084.29	4,290.12	
12	3,398.17	891.94	4,290.12	
13	3,602.06	688.05	4,290.12	
14	3,818.19	471.93	4,290.12	
15	4,047.28	242.84	4,290.12	
Total	41,666.66	22,685.05	64,351.80	

* The Assessment shall run from the Trigger Date and shall be amortized over fifteen annual payments including principal and interest at 6% per annum. In addition, each year the City shall charge an Administrative Expense of \$50.00 per Parcel of Assessed Property to reimburse the City for its Administrative Expenses. In the event such fee for Administrative Expense is not sufficient to reimburse the City for its Administrative Expenses, the City shall deduct such expenses from the monies otherwise to be paid to Developer. The first year of the Assessment shall be levied in 2018, and shall be included in the 2018 tax bills.

** To be determined based on number of Parcels included as Assessed Property.

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Section VI
TERMS OF THE ASSESSMENTS

A. Amount of Assessments

The Assessment for each Parcel is shown on the Assessment Roll, and no Assessment shall be changed except as authorized by this Service and Assessment Plan (including the Annual Service Plan Updates) and the PID Act. The Assessments shall not exceed the amount required to repay the Developer including interest and Collection Costs.

B. Reallocation of Assessments

1. Subdivision

Upon the subdivision of any Parcel, the Assessment for the Parcel prior to the subdivision shall be reallocated among the new subdivided Parcels according to the following formula:

$$A = B \times (C \pm D)$$

Where the terms have the following meanings:

- A = the Assessment for each new subdivided Parcel
- B = the Assessment for the Parcel prior to subdivision
- C = the estimated number of units to be built on each newly subdivided Parcel
- D = the sum of the estimated number of units to be built on all of the new subdivided Parcels

The calculation of the estimated number of units to be built on a Parcel shall be performed by the Administrator and confirmed by the City Council based on the information available regarding the use of the Parcel. The estimate as confirmed shall be conclusive. The number of units to be built on a Parcel may be estimated by net land area and reasonable density ratios.

The sum of the Assessments for all newly subdivided Parcels shall equal the Assessment for the Parcel prior to subdivision. The calculation shall be made separately for each newly subdivided Parcel. The reallocation of an Assessment for a Parcel may not exceed the Assessment prior to the reallocation and to the extent the reallocation would exceed such amount, it shall be prepaid by such amount by the party requesting the subdivision of the Parcels. Any reallocation pursuant to this section shall be reflected in an Annual Service Plan Update approved by the City Council.

2. Consolidation

Upon the consolidation of two or more Parcels, the Assessment for the consolidated Parcel shall be the sum of the Assessments for the Parcels prior to consolidation. The reallocation of an Assessment for a Parcel may not exceed the Assessment prior to the reallocation and to the extent the reallocation would exceed such amount, it shall be prepaid by such amount by the party requesting the consolidation of the Parcels. Reallocation pursuant to this section shall be reflected in an Annual Service Plan Update approved by the City Council.

C. Mandatory Prepayment of Assessments

- 1. If at any time the Assessment on a Parcel exceeds the Maximum Assessment per

Commercial Unit calculated for the Parcel as a result of any reallocation of an Assessment authorized by this Service and Assessment Plan and initiated by the owner of the Parcel, then such owner shall pay to the City prior to the recordation of the document subdividing the Parcel the amount calculated by the Administrator by which the Assessment for the Parcel exceeds the Maximum Assessment per Commercial Unit for the Parcel. The City shall not approve the recordation of a plat or other document subdividing a Parcel without a letter from the Administrator either (a) confirming that the Assessment for any new Parcel created by the subdivision will not exceed the Maximum Assessment per Unit for each Parcel, or (b) confirming the payment of the Assessments, plus all Prepayment Costs, as provided for herein.

- 2. If a Parcel subject to Assessments is transferred to a party that is exempt from the payment of the Assessment under applicable law, or if an owner causes a Parcel subject to Assessments to become Non-Benefited Property, the owner of such Parcel shall pay to the City the full amount of the Assessment on such Parcel, prior to any such transfer or act.
- 3. The payments required above shall be treated the same as any Assessment that is due and owing under the Act, the Assessment Ordinance, and this Service and Assessment Plan, including the same lien priority, penalties, procedures, and foreclosure specified by the Act.

D. Reduction of Assessments

- 1. If after all Authorized Improvements have been completed, the total Authorized Improvement Costs is less than the total Assessments, then the Assessments and Annual Installments for each Parcel shall be reduced by an equal percentage such that the sum of the resulting reduced Assessments and Annual Installments for all Parcels equals the amount required to repay the Authorized Improvement Costs and interest thereon, and Collection Costs. The Assessment for each Parcel shall be reduced by an equal percentage such that the sum of the resulting reduced monies owed Developer is equal to the outstanding principal amount of the Assessments.
- 2. If all the Authorized Improvements are not undertaken, resulting in the total amount owed Developer being less than the total amount of Assessments, then the Assessments and Annual Installments for each Parcel shall be appropriately reduced by the City Council to reflect only the amounts required to repay Developer, including interest and Collection Costs. The City Council may reduce the Assessments and the Annual Installments for each Parcel (i) in an amount that represents the Authorized Improvements provided for each Parcel, or (ii) by an equal percentage, if determined by the City Council to be the most fair and practical means of reducing the Assessments for each Parcel, such that the sum of the resulting reduced Assessments equals the amount required to repay the Developer, including interest and Collection Costs. The Assessment for each Parcel shall be reduced pro rata to the reduction in the Assessments for each Parcel such that the sum of the resulting reduced Assessments is equal to the outstanding principal amount owed Developer.

E. Payment of Assessments

- 1. Payment in Full

- (a) The Assessment for any Parcel may be paid in full at any time.
- (b) If an Annual Installment has been billed prior to payment in full of an Assessment, the Annual Installment shall be due and payable and shall be credited against the payment-in-full amount.
- (c) Upon payment in full of the Assessment, the City shall deposit the payment in accordance with the applicable governing document; whereupon, the Assessment shall be reduced to zero, and the owner's obligation to pay the Assessment and Annual Installments thereof shall automatically terminate.
- (d) At the option of the owner, the Assessment on any Parcel may be paid in part. Upon the payment of such amounts for a Parcel, the Assessment for the Parcel shall be reduced, the Assessment Roll shall be updated to reflect such partial payment, and the obligation to pay the Annual Installment for such Parcel shall be reduced to the extent the partial payment is made.

2. Payment in Annual Installments

The Act provides that an Assessment for a Parcel may be paid in full at any time. If not paid in full, the Act authorizes the City to collect interest and Collection Costs in Annual Installments. An Assessment for a Parcel that is not paid in full will be collected in Annual Installments each year in the amounts shown in the Assessment Roll, as updated as provided for herein, which include interest and Annual Collection Costs. Payment of the Annual Installments shall commence with tax bills mailed.

Each Assessment shall be paid with interest of no more than six percent per annum. The Assessment Roll sets forth for each year the Annual Installment for each Parcel based on an estimated interest rate of 6% and additional interest at the rate of 0.5% for administrative expenses. Furthermore, the Annual Installments may not exceed the amounts shown on the Assessment Roll.

F. Collection of Annual Installments

No less frequently than annually, the Administrator shall prepare, and the City Council shall approve, an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include an updated Assessment Roll and a calculation of the Annual Installment for each Parcel. Annual Collection Costs shall be allocated among Parcels in proportion to the amount of the Annual Installments for the Parcels. Each Annual Installment shall be reduced by any credits applied, such as interest earnings on any account balances, and any other funds available to the City for such purpose. Annual Installments shall be collected by the City in the same manner and at the same time as ad valorem taxes and shall be subject to the same penalties, procedures, and foreclosure sale in case of delinquencies as are provided for ad valorem taxes of the City. The City Council may provide for other means of collecting the Annual Installments to the extent permitted under the PID Act. The Assessments shall have lien priority as specified in the Act.

Any sale of property for nonpayment of the Annual Installments shall be subject to the lien established for the remaining unpaid Annual Installments against such property and such property may again be sold at a judicial foreclosure sale if the purchaser thereof fails to make timely payment of the non-

delinquent Annual Installments against such property as they become due and payable.

Section VII
THE ASSESSMENT ROLL

Appendix C identifies each Parcel within PID No. 1, the Benefited Property, the Assessed Property and Non-Benefitted Property. The Assessment Roll includes each Parcel of Assessed Property, the Assessment imposed on each Parcel, the Assessments, and the Annual Installments to be paid each year for each Parcel if the Assessment is not paid in full for any Parcel. The Assessment on each Parcel is based on the number of units expected to be built on each Parcel, and the Assessment per unit results, as explained herein.

Each Parcel of Assessed Property has been evaluated by the City Council (based on the developable area, proposed Owner Association Property and Public Property, best and highest use of the property, and other development factors deemed relevant by the City Council) to determine, the number of dwelling units anticipated to be developed on a Parcel. Each dwelling unit is then multiplied by the Assessment per unit set forth in Table V-B of this Service and Assessment Plan, and the total of such amounts for all dwelling units for the Parcel shall constitute the "Assessment" for the Parcel as set forth on the Assessment Roll. The Assessment Roll shall be updated upon the preparation of each Annual Service Plan Update to reflect, for each Parcel, subdivisions, consolidations, prepayments, and reductions authorized by this Service and Assessment Plan.

The Administrator shall prepare, and the City Council shall review and approve, annual updates to the Assessment Roll as the Annual Service Plan Update to reflect the following matters, together with any other changes helpful to the Administrator or the City and permitted by the Act: (i) the identification of each Parcel as Benefited Property, Assessed Property, and NonBenefitted Property; (ii) the Assessment for each Parcel, including any adjustments authorized by this Service and Assessment Plan or in the Act; (iii) the Assessment for each Parcel, including any adjustments authorized by this Service and Assessment Plan or in the Act; (iv) the Annual Installment for the Parcel •for the year (if the Assessment is payable in installments); and (v) payments of the Assessment, if any, as provided by Section VI.0 of this Service and Assessment Plan.

Section VIII
MISCELLANEOUS PROVISIONS

A. Administrative Review

An owner of an Assessed Parcel claiming that a calculation error has been made in the Assessment Roll, including the calculation of the Annual Installment, shall send a written notice describing the error to the City not later than thirty (30) days after the date any amount which is alleged to be incorrect is due prior to seeking any other remedy. The Administrator shall promptly review the notice, and if necessary, meet with the Assessed Parcel owner, consider written and oral evidence regarding the alleged error and decide whether, in fact, such a calculation error occurred.

If the Administrator determines that a calculation error has been made and the Assessment Roll should be modified or changed in favor of the Assessed Parcel owner, such change or modification shall be presented to the City Council for approval, to the extent permitted by the Act. A cash refund may not be made for any amount previously paid by the Assessed Parcel owner (except for the final year during which the Annual Installment shall be collected or if it is determined there are sufficient funds to meet the expenses of the PID No. 1 for the current year), but an adjustment may be made in the amount of the

Annual Installment to be paid in the following year. The decision of the Administrator regarding a calculation error relating to the Assessment Roll may be appealed to the City Council. Any amendments made to the Assessment Roll pursuant to calculation errors shall be made pursuant to the PID Act.

The decision of the Administrator, or if such decision is appealed to the City Council, the decision of the City Council, shall be conclusive as long as there is a reasonable basis for such determination. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to any other appeal or legal action by such owner.

B. Termination of Assessments

Each Assessment shall be extinguished on the date the Assessment is paid in full, including unpaid Annual Installments and Delinquent Collection Costs, if any. After the extinguishment of an Assessment and the collection of any delinquent Annual Installments and Delinquent Collection Costs, the City shall provide the owner of the affected Parcel a recordable "Notice of Cancellation of PID No. 1 Assessment."

C. Amendments

The City Council reserves the right to the extent permitted by the Act to amend this Service and Assessment Plan without notice under the Act and without notice to property owners of Parcels: (i) to correct mistakes and clerical errors; (ii) to clarify ambiguities; and (iii) to provide procedures for the collection and enforcement of Assessments, Collection Costs, and other charges imposed by the Service and Assessment Plan.

D. Administration and Interpretation of Provisions

The City Council shall administer PID No. 1, this Service and Assessment Plan, and all Annual Service Plan Updates consistent with the PID Act, and shall make all interpretations and determinations related to the application of this Service and Assessment Plan unless stated otherwise herein, such determination shall be conclusive.

E. Severability

If any provision, section, subsection, sentence, clause or phrase of this Service and Assessment Plan or the application of same to an Assessed Parcel or any person or set of circumstances is for any reason held to be unconstitutional, void or invalid, the validity of the remaining portions of this Service and Assessment Plan or the application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council in adopting this Service and Assessment Plan that no part hereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness or invalidity of any other part hereof, and all provisions of this Service and Assessment Plan are declared to be severable for that purpose.

If any provision of this Service and Assessment Plan is determined by a court to be unenforceable, the unenforceable provision shall be deleted from this Service and Assessment Plan and the unenforceable provision shall, to the extent possible, be rewritten to be enforceable and to give effect to the intent of the City.

Appendix A

MAP OF PID No. 1

Appendix B

ESTIMATED COSTS OF AUTHORIZED IMPROVEMENTS

Appendix C

ASSESSMENT ROLL

<u>CURRENT PLATTED RESERVES:</u>	<u>ASSESSMENT</u>
Reserve A – 1.238 Acres	\$51,583.33
Reserve B – 2.262 Acres	\$94,249.98
Reserve C – 2.139 Acres	\$89,124.99
Reserve D – 4.221 Acres	\$175,874.97
Reserve E – 2.863 Acres	\$119,291.65
Reserve F – 5.346 Acres	\$222,749.96

Montgomery Summit Business Park, a subdivision of 21.227 acres recorded in Cabinet Z, Sheet Nos. 3061-3062 File No. 2014-095246 of the Map Records of Montgomery County.

Future platted reserves within the PID, which reserves will encompass approximately 56 acres. Assessment will run from Trigger Date on each platted reserve and be calculated based upon the acreage within the reserve.

2024 Annual Installment for Triggered Parcels

Quick Ref	Bdg #	Property ID	Address Line 1	Zip Code	Legal Description	Acres	PID Rate	Triggered Acres	City Admin. Fee	2024 Annual Installment
R450269	B-1	7271-00-00200	15349 SUMMIT BUSINESS PARK DR	77356	S727100 - Montgomery Summit Business Park, BLOCK 2, RES B (BLDG B-1 SUITE 101-104), ACRES 0.5655	0.5655	2426.06	0.5655	\$50.00	\$2,476.06
R471615	B-2		15349 SUMMIT BUSINESS PARK DR	77356	S727100 - Montgomery Summit Business Park, BLOCK 2, RES B (BLDG B-2 SUITE 201-204), ACRES 0.5655	0.5655	2426.06	0.5655	\$50.00	\$2,476.06
R471616	B-3		15349 SUMMIT BUSINESS PARK DR	77356	S727100 - Montgomery Summit Business Park, BLOCK 2, RES B (BLDG B-3 SUITE 301-404), ACRES 0.5655	0.5655	2426.06	0.5655	\$50.00	\$2,476.06
R471617	B-4		15349 SUMMIT BUSINESS PARK DR	77356	S727100 - Montgomery Summit Business Park, BLOCK 2, RES B (BLDG B-4 SUITE 401-404), ACRES 0.5655	0.5655	2426.06	0.5655	\$50.00	\$2,476.06

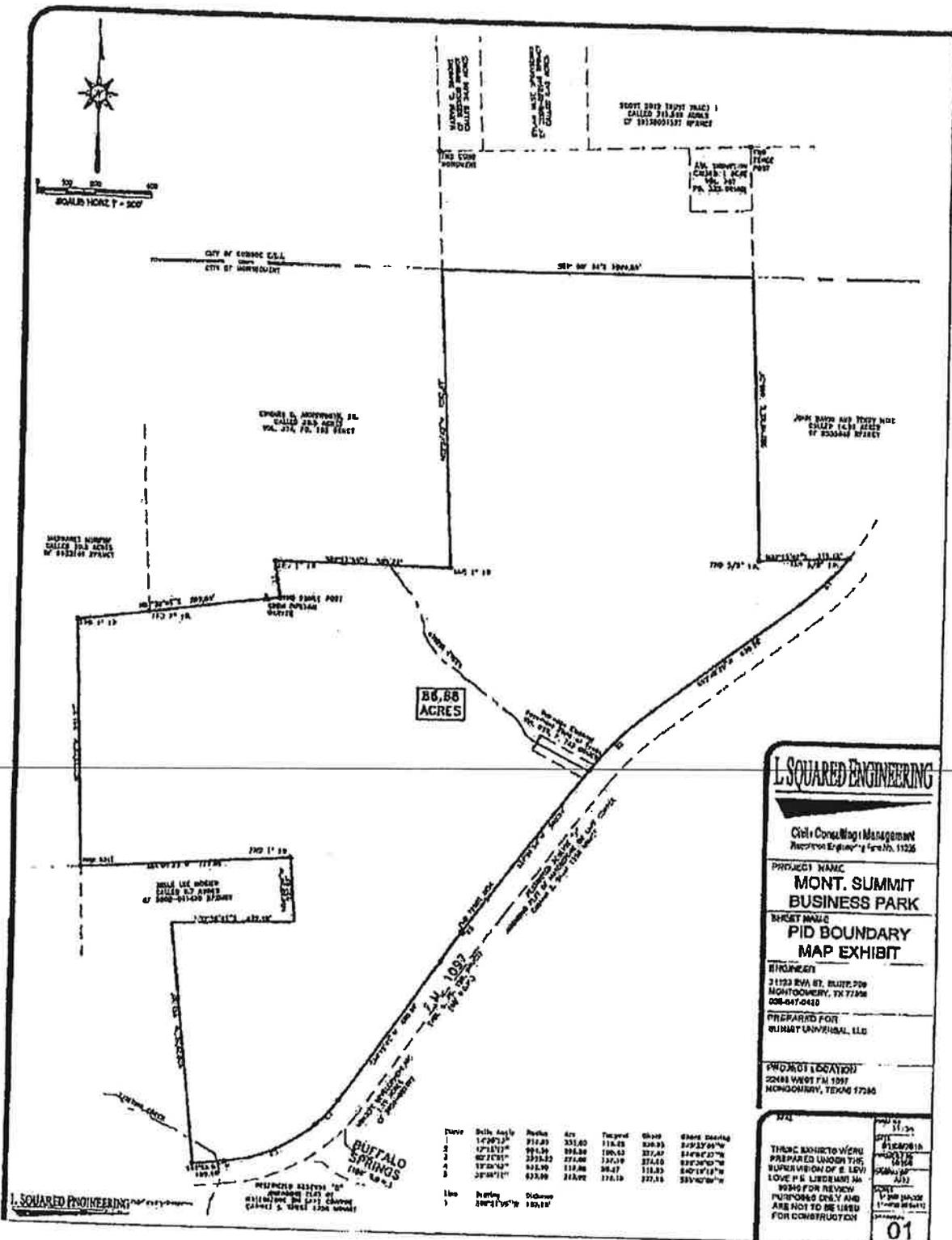
R450271	D	7271-00-00400	22394 FM 1097 W	77356	S727100 - Montgomery Summit Business Park, BLOCK 1, RES D, ACRES 4.221	4.221	18108.60	4.2210	\$50.00	\$18,158.60
R450273	F-1	7271-00-00600	15498 SUMMIT BUSINESS PARK DR	77356	S727100 - Montgomery Summit Business Park, BLOCK 1, RES F (BLDG F-1, SUITE 101-104), ACRES 0.696	0.696	2985.92	0.6960	\$50.00	\$3,035.92
R471619	F-2	7271-00-00601	15522 SUMMIT BUSINESS PARK DR	77356	S727100 - Montgomery Summit Business Park, BLOCK 1, RES F (BLDG F-2, SUITE 201-204), ACRES 0.696	0.696	2985.92	0.6960	\$50.00	\$3,035.92
R471620	F-3	7271-00-00602	15584 SUMMIT BUSINESS PARK DR	77356	S727100 - Montgomery Summit Business Park, BLOCK 1, RES F (BLDG F-3, SUITE 301-303), ACRES 0.517	0.517	2217.99	0.5170	\$50.00	\$2,267.99
R471621	F-4	7271-00-00603	15636 SUMMIT BUSINESS PARK DR	77356	S727100 - Montgomery Summit Business Park, BLOCK 1, RES F (BLDG F-4, SUITE 401-403), ACRES 0.517	0.517	2217.99	0.5170	\$50.00	\$2,267.99
R471622	F-5	7271-00-00604	15514 SUMMIT BUSINESS PARK DR	77356	S727100 - Montgomery Summit Business Park, BLOCK 1, RES F (BLDG F-5, SUITE 501-503), ACRES 0.517	0.517	2217.99	0.5170	\$50.00	\$2,267.99
R471623	F-6	7271-00-00605	15556 SUMMIT BUSINESS PARK DR	77356	S727100 - Montgomery Summit Business Park, BLOCK 1, RES F (BLDG F-6, SUITE 601-603), ACRES 0.517	0.517	2217.99	0.5170	\$50.00	\$2,267.99
R471624	F-7	7271-00-00606	15540 SUMMIT BUSINESS PARK DR	77356	S727100 - Montgomery Summit Business Park, BLOCK 1, RES F (BLDG F-7, SUITE 701-703), ACRES 0.517	0.517	2217.99	0.517	\$50.00	\$2,267.99
R471625	F-8	7271-00-00607	15618 SUMMIT BUSINESS PARK DR	77356	S727100 - Montgomery Summit Business Park, BLOCK 1, RES F (BLDG F-8, SUITE 801-804), ACRES	0.696	2985.92	0.696	\$50.00	\$3,035.92

					0.696					
R471626	F-9	7271-00-00608	15604 SUMMIT BUSINESS PARK DR	77356	S727100 - Montgomery Summit Business Park, BLOCK 1, RES F (BLDG F-9, SUITE 901-904), ACRES 0.696	0.696	2985.92	0.696	\$50.00	\$3,035.92
						18.092	57569.12	11.1560	\$700.00	\$51,543.50
									Total 2022 Assessment:	\$51,546.50

APPENDIX D
FORM OF NOTICE TO PURCHASERS

Appendix A

MAP OF PID No. 1



Appendix B

ESTIMATED COSTS OF AUTHORIZED IMPROVEMENTS

On-Site Improvements

The on-site roadway improvements include

- Summit Park Drive - The project consists of construction approximately 4,900 linear feet of 24' wide concrete streets (8" concrete) with 6' shoulders (6" concrete) on each side within a dedicated street right-of-way inside PID No. 1.

The onsite water distribution system improvements consist of approximately 8,400 linear feet of 12" water line within the proposed street right-of-way and easements within PID No. 1. The water lines will connect to an existing City of Montgomery main along the south side of FM 1097.

The onsite storm sewer collection systems include approximately 4,900 linear feet of ditch cut in within the proposed street right-of-way inside PID No.1 to direct flow to the existing creeks within the development.

The onsite wastewater collection system improvements consist of approximately 5,000 linear feet of 8" wastewater lines within the proposed street right-of-way inside PID No. 1. A portion of these lines will connect to a proposed lift station, using approximately 650' linear feet of 4" force main to pump the wastewater to a proposed sanitary main. All proposed lines will ultimately connect to an existing main on the south side of FM 1097.

Off-site Improvements

The offsite roadway improvements include a portion of FM 1097 being re-striped for a turn lane to allow safe access into the proposed Summit Park Drive.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF MONTGOMERY, TEXAS
CONCERNING THE FOLLOWING PROPERTY

[INSERT ADDRESS]

PROPERTY ADDRESS

As the purchaser of the real property described above, you are obligated to pay assessments to City of Montgomery, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within *City of Montgomery Public Improvement District No. 1* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from City of Montgomery. The exact amount of each annual installment will be approved each year by the Montgomery City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from City of Montgomery.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Dallas County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§
§
§

COUNTY OF _____

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Dallas County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§
§
§

COUNTY OF _____

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

Montgomery City Council
AGENDA REPORT

Meeting Date: December 10, 2024	Budgeted Amount: NONE
Department: Administration	Prepared By: WGA

Subject

Consideration and possible action on the Certificate of Substantial Completion for the 2023 Sanitary Sewer PH II Project and commencement of the 1-year warranty period.

Recommendation

Staff recommends approval of the Certificate of Substantial Completion and entering into the 1-year warranty period as of December 3, 2024.

Discussion

The engineer’s memo is attached.

Approved By

City Secretary	Ruby Beaven	Date: 12-5-2024



CERTIFICATE OF SUBSTANTIAL COMPLETION

December 5, 2024

Owner: The Honorable Mayor and City Council
City of Montgomery
101 Old Plantersville Road
Montgomery, Texas 77316

Contractor: Mr. Emmanuel Lazo
Bull-G Construction, LLC
8519 Cedel Drive
Houston, TX 77055

Re: 2023 Sanitary Sewer Rehabilitation – Phase 2
City of Montgomery
TIN No. 74-2063592

Dear Mayor and Council,

We have observed the subject project constructed by the CONTRACTOR and find it to be substantially complete in accordance with the approved plans and specifications. The project was periodically observed during construction by our field project representative

We also recommend that the Contractor’s warranty period of one-year begin December 3, 2024.



Sincerely,

Sean Donahue, PE
Construction Department Manager

(Professional Engineer Seal of Approval)

CERTIFICATE OF ACCEPTANCE

December 5, 2024

Mr. Emmanuel Lazo
Bull-G Construction, LLC
8519 Cedel Drive
Houston, TX 77055

Re: 2023 Sanitary Sewer Rehabilitation – Phase 2
City of Montgomery
TIN No. 74-2063592

Mr. Lazo,

This is to certify that the City of Montgomery accepts the subject project on the basis of the Certificate of Substantial Completion issued by our Engineers at WGA, LLC, and understands that a guarantee shall cover a period of one-year beginning, December 3, 2024.

Signature: _____
Mr. Anthony Solomon
City of Montgomery, Interim City Administrator

Date Approved: _____

cc: Ms. Ruby Beaven – City of Montgomery, City Secretary
Mr. Alan Petrov – Johnson Petrov, LLP, City Attorney
Mr. Mike Muckleroy – City of Montgomery, Director of Public Works
Ms. Katherine Vu, PE – Ward, Getz & Associates, LLC, City Engineer

Montgomery City Council
AGENDA REPORT

Meeting Date: December 10, 2024	Budgeted Amount: n/a
Department: Administration	Prepared By: Maryann Carl

Subject

Consideration and possible action on a Resolution of the City Council of the City of Montgomery, Texas, authorizing the Interim City Administrator to enter into an agreement with the City of Montgomery Public Works Department to utilize the City of Montgomery American Rescue Plan funds; providing for findings of fact, repealer, severability, effective date, proper notice and meeting.

Recommendation

Adopt the resolution as presented.

Discussion

The attached resolution authorizes the Interim City Administrator to enter into an agreement with the City of Montgomery Public Works Department to utilize the ARPA funds for the following two capital improvement projects:

- **College Street Drainage Improvements, estimated cost of \$250,000**
These ARPA funds will be used to construct a drainage system along the City of Montgomery's College Street. With the impact of flooding along the street, the City will be able to effectively channel the flow of flood water with newly constructed drainage ditches. As both an emergency relief mitigation response and general government service, this project will provide the City's residents with floodwater control and abatement.
- **Water Plant No. 3 Booster Pump Addition, estimated cost of \$125,000**
These ARPA funds will be used to purchase and install a booster pump at the City of Montgomery's Water Plant No. 3 to improve the water pressure within the City's water system. As a general government service and infrastructure need, the booster pump will improve the delivery of drinking and potable water to the City's water system.

The attached MOU, as required Obligation Interim Final Rule (Obligation IFR), sets forth the understanding between the City and the Other Party (i.e., Public Works Department) regarding the Purpose and/or Scope of Work to be completed with the SLFRF funds.

Approved By

Finance Director	Maryann Carl	Date: 12/4/2024
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RESOLUTION NO. R - 2024-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTGOMERY, TEXAS, AUTHORIZING THE INTERIM CITY ADMINISTRATOR TO ENTER INTO AN AGREEMENT WITH THE CITY OF MONTGOMERY PUBLIC WORKS DEPARTMENT TO UTILIZE THE CITY OF MONTGOMERY AMERICAN RESCUE PLAN FUNDS; PROVIDING FOR FINDINGS OF FACT, REPEALER, SEVERABILITY, EFFECTIVE DATE, PROPER NOTICE AND MEETING.

WHEREAS, on March 11, 2021, President Joe Biden signed into law the American Rescue Plan Act (hereinafter “ARPA”) to address the impact of COVID-19 and initiate a funding program related to the economy, public health, state and local governments, individuals, and businesses; and

WHEREAS, on May 10, 2021, the U.S. Treasury issued the Interim Final Rule and on January 6, 2022, issued the Final Rule to implement ARPA, as set forth in Title 31, Part 35 of the Code of Federal Regulations (“CFR”); and

WHEREAS, under ARPA Section 603 (c)(1)(A) and (C) and the Final Rule 31 CFR 35.6(b)(3)(ii)(A)(11), recipients may use Coronavirus State and Local Fiscal Recovery Funds (“SLFRF”) to provide assistance to individuals and disproportionately impacted populations via capital improvements, investments in the community to promote improved health outcomes and public safety, services to address educational disparities, and procurement of equipment related to the provision of these services; and,

WHEREAS, the City of Montgomery, Texas (“City”) has been awarded funds by the U.S. Department of the Treasury (“Treasury”) which were distributed to the City from ARPA for covered costs and eligible expenses to be incurred during the period which began on March 3, 2021 (the date ARPA became law) until December 31, 2024 (to be expended by December 31, 2026); and

WHEREAS, the City seeks to allocate ARPA funding to the City of Montgomery Public Works Department (“Other Party”) for the purpose of supporting the two capital projects (“Projects”); and

WHEREAS, the City and Other Party desire to enter into an Agreement (“Agreement”) setting forth their respective responsibilities under the Project; and

WHEREAS, Other Party accepts the obligation to provide the Scope of Work described in the Agreement, hereto attached as Memorandum of Understanding, and to comply with ARPA monitoring, documentation, and reporting requirements.

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

SECTION 1. Findings of Fact. The foregoing recitals are incorporated into this resolution (“Resolution”) by reference as findings of fact as if expressly set for word-for-word herein.

SECTION 2. Authorization. That the City Council authorizes the Interim City Administrator to execute the Memorandum of Understanding Agreement with Other Party, hereto attached as **Attachment A**.

SECTION 3. Repealer Clause. All resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved therein.

SECTION 4. Severability Clause. If any word, phrase, clause, sentence, paragraph, section or other part of this Resolution or the application thereof to any person or circumstance, shall ever be held to be invalid or unconstitutional by any court of competent jurisdiction, neither the remainder of this Resolution, nor the application of such word, phrase, clause, sentence, paragraph, section, or other part of this Resolution to any other persons or circumstances, shall be affected thereby.

SECTION 5. Open Meetings. The City Council officially finds, determines, and declares that a sufficient written notice of the date, hour, place, and subject of each meeting at which this Resolution was discussed, considered, or acted upon was given in the manner required by the Texas Open Meetings Act, as amended, and that each such meeting has been open to the public as required by law at all times during such discussion, consideration and action. The City Council ratifies, approves, and confirms such notices and the contents and posting thereof.

SECTION 6. Effective Date. This Resolution shall be effective immediately upon its passage and adoption.

PASSED AND APPROVED this 10th day of December, 2024 by 00 (ayes) to 00 (nays) with 00 abstentions by a vote of the City Council of the City of Montgomery, Texas.

CITY OF MONTGOMERY, TEXAS

Sara Countryman, Mayor

ATTEST:

Ruby Beaven, City Secretary

R-2024-XX Attachment A
MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (“MOU”), is made and entered into this 10th day of December, 2024, by and between **City of Montgomery**, (the “City”) and **City of Montgomery Public Works Department** (“Other Party”). The City and Other Party are sometimes referred to as a “Party” and collectively “Parties.”

The following recitals are incorporated in and made a part of this MOU:

WHEREAS, on January 6, 2022, the U.S. Department of the Treasury (“Treasury”) issued the Final Rule to implement Coronavirus State and Local Fiscal Recovery Funds (SLFRF) Program following adoption of the American Rescue Plan Act (ARPA) in 2021; and

WHEREAS, on August 10, 2023, Treasury released an Interim Final Rule implementing new eligible uses; and

WHEREAS, the Obligation Interim Final Rule (Obligation IFR) followed in November 2023, that clarified the definition of “obligation” for the SLFRF program and provided related guidance to give additional flexibility and clarity to recipients to support their use of SLFRF funds; and

WHEREAS, on March, 29, 2024, Treasury issued FAQ 17.6 to further clarify the definition of Obligation and considers an interagency agreement, including an agreement in the form of an MOU, to constitute a “transaction requiring payment” similar to a contract or subaward and therefore an obligation for purposes of the SLFRF rule if the agreement satisfies certain conditions; and

WHEREAS, the City was awarded SLFRF funds by Treasury which were distributed to the City from ARPA for covered costs and eligible expenses to be incurred/obligated between March 3, 2021 and December 31, 2024. These funds must be expended by December 31, 2026, with the exception of costs incurred for expanded surface transportation and Title I projects which must also be obligated by December 31, 2024 and expended by September 30, 2026, as outlined in the Interim Final Rule (August 2023); and

WHEREAS, the City desires to disburse funds to the Other Party to perform certain services in connection therewith as set forth in this MOU and in the Purpose/Scope of Work described herein; and

WHEREAS, the Other Party has represented to the City that it is duly qualified, eligible, and willing to provide the certain services identified herein and in the Purpose/Scope of Work; and

WHEREAS, recipients may obligate funds pursuant to an interagency agreement, including an agreement in the form of an MOU, if the agreement satisfies certain conditions identified in FAQ 17.6; and

WHEREAS, through this MOU entered into pursuant to the Obligation IFR, the City wishes to formally and legally obligate the funds.

NOW, THEREFORE, in consideration of the foregoing recitals and terms and conditions set forth herein, and funding allocated in an amount not to exceed Three Hundred, Thirty-Seven Thousand, Six Hundred Fifty-Four Dollars and Eighty-Nine Cents (\$337,654.89) as herein below set forth, the Parties agree as follows:

I. PURPOSE/SCOPE OF WORK

The purpose of this MOU is to set forth understanding between the City and Other Party regarding the Purpose and/or Scope of Work to be completed with the SLFRF funds as described here:

These ARPA funds will be used to construct a drainage system along the City of Montgomery's College Street. With the impact of flooding along the street, the City will be able to effectively channel the flow of flood water with newly constructed drainage ditches. As both an emergency relief mitigation response and general government service, this project will provide the City's residents with floodwater control and abatement. These ARPA funds will also be used to purchase and install a booster pump at the City of Montgomery's Water Plant No. 3 to improve the water pressure within the City's water system. As a general government service and infrastructure need, the booster pump will improve the delivery of drinking and potable water to the City's water system. A portion of these projects will be funded by ARPA funds with any remaining costs to be covered by the City's general fund.

II. AUTHORIZED REPRESENTATIVES

The following will act as the designated Representatives authorized to administer activities to include, but not limited to, notices, consents, approvals, requests, or other general communications provided for or permitted under this MOU. The designated Party Representatives are:

AUTHORIZED REPRESENTATIVES	
City of Montgomery	Other Party
Name: Anthony Solomon	Name: Mike Muckleroy
Title: Interim City Administrator	Title: Public Works Director
City of Montgomery	Other Entity Name: City of Montgomery Public Works Department
Address: 101 Old Plantersville Road	Address: 101 Old Plantersville Road
City, State, Zip Code: Montgomery, TX 77316	City/State, Zip Code: Montgomery, TX 77316
Phone: (936) 597-6437	Phone: (936) 597-6434
Email: asolomon@ci.montgomery.tx.us	Email: mmuckleroy@ci.montgomery.tx.us

Either Party may change its designated Representative by providing written notice to the other Party at least ten (10) calendar days prior to the change. Should the person serving either as the Entity's Authorized Representative change during the duration of this MOU, the person replacing the Authorized Representative, as the case may be, shall immediately and automatically assume the duties of Designated Representative under this MOU.

III. CITY'S RESPONSIBILITIES

- A. The City shall endeavor to execute its ARPA/SLFRF responsibilities in a timely and efficient manner.
- B. The City shall be the repository of all receipts and documentation pertinent to the ARPA/SLFRF funds and furnish such to Treasury upon its request.
- C. The City shall comply with all federal, state, local, and ARPA/SLFRF procurement policies, as applicable, including but not limited to taking all necessary Council action to approve contracts for the acquisition of goods or services for the construction of real property improvements in furtherance of the Project.

- D. The City shall serve as the primary contact in all matters pertaining to the ARPA/SLFRF funds and the conduit for communication between itself, Treasury, and the Other Party.
- E. The City shall exercise the necessary oversight to ensure that the ARPA/SLFRF funds are used for the Project and for no other purposes.

IV. OTHER PARTY'S RESPONSIBILITIES

- A. The Other Party shall endeavor to execute its ARPA/SLFRF responsibilities in a timely and efficient manner.
- B. The Other Party shall comply with all federal, state, local, and ARPA/SLFRF procurement policies, as applicable, and abide by all guidance documents applicable to this MOU, including, without limitation:
 - a. 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards;
 - b. The Federal Register;
 - c. The U.S. Department of the Treasury publications and other guidance documents, including the ARPA Required Provisions outlined in Exhibit B; and
 - d. Exhibits included in this Memorandum of Understanding.
- C. The Other Party shall take all actions necessary to ensure that the ARPA/SLFRF funds are used for the Project and for no other purposes.
- D. The Other Party shall see that all reporting and recordkeeping requirements that facilitate the City's compliance with SLFRF program requirements are met.
- E. The Other Party shall complete all items and deliverables described in the Purpose/Scope of Work and make all payments related to such by or before no later than December 31, 2026.

V. TERMS OF AGREEMENT

- A. **Purpose of Agreement.** The Parties intend this Agreement to act as an obligation of funds for purposes of SLFRF. The Parties agree to promptly amend this Agreement if necessary to meet any additional Treasury requirements or clarify any matter that prevents this Agreement from being treated as an obligation of funds.
- B. **Term.** This MOU shall be effective as of the date signed by the last Party. The obligations of the Parties will end on December 31, 2026. The expenditures outlined in the Purpose/Scope of Work are effective on December 10, 2024 through December 31, 2026. Unless extended or waived by Treasury, it is understood at the time of this MOU, that no ARPA/SLFRF expenditures are allowed beyond December 31, 2026.
- C. **Amendment.** The City and Other Party may amend this agreement (i) before December 31, 2024 for the purposes described in Section V, Paragraph A above, or (ii) at any time provided that such amendment(s) make specific reference to this MOU and are executed in writing and signed by a duly authorized representative of both Parties. Such amendment(s) shall not invalidate this MOU, nor relieve or release either Party from its obligations under this MOU. Amendment(s) must comply with guidance published in Treasury's Obligation Interim Final Rule or FAQ 17.16, and any future additional future guidance from Treasury.

D. Termination. This MOU may be terminated if deemed necessary by either Party upon thirty (30) days' written notice to the other Party. All ARPA/SLFRF funds must be fully obligated by December 31, 2024, and will be subject to recapture or return to Treasury if termination occurs after December 31, 2024.

IN WITNESS, WHEREOF, the City and the Other Party have executed this MOU as of the date first above written.

CITY OF MONTGOMERY

ATTEST:

Sara Countryman, Mayor

Ruby Beaven, City Secretary

Date Signed

Date Signed

OTHER PARTY

ATTEST:

Mike Muckleroy

Ruby Beaven, City Secretary

Public Works Director

Date Signed

Date Signed

EXHIBIT A – REFERENCES

[SLFRF FAQs \(treasury.gov\)](https://www.treasury.gov) (As of March 29, 2024)

Excerpts of applicable sections follow:

17.6. Does an interagency agreement between departments and agencies within a recipient’s government constitute an obligation?

Treasury considers an interagency agreement, including an agreement in the form of a memorandum of understanding (MOU), to constitute a “transaction requiring payment” similar to a contract or subaward and therefore an obligation for purposes of the SLFRF rule, if the agreement satisfies one of the following conditions:

- it imposes conditions on the use of funds by the agency, department, or part of government receiving funds to carry out the program;
- it governs the provision of funds from one agency, department, or part of government to another to carry out an eligible use of SLFRF funds; or
- it governs the procurement of goods or services by one agency, department, or part of government from another

and the agreement also satisfies each of the following conditions:

- it sets forth specific requirements, such as a scope of work and project deliverables;
- it is signed by the parties to the agreement, or otherwise evidences that each party has assented to the agreement; and
- it does not disclaim any binding effect or state that it does not create rights or obligations.

Examples of interagency agreements Treasury would consider obligations include the following:

- If the Office of the Governor of a state has authority over the disposition of federal financial assistance available to the state, an MOU between the Office of the Governor and the state department of education pursuant to which the Governor agrees to fund the department to carry out a summer program to address learning loss related to the pandemic through 2026, including the coverage of payroll for time spent on the program.
- If a city council has appropriated a certain amount of funds for a public safety initiative to be administered by the city’s executive branch through fiscal year 2025, an agreement between the city’s Chief Executive and the city’s public safety department under which the department agrees to comply with reporting and recordkeeping requirements that facilitate the city’s compliance with SLFRF program requirements.
- If a county’s legislative body has made SLFRF revenue loss funds available to their housing agency for coverage of its operating costs through fiscal year 2026, an agreement with the county’s department of technology under which the housing agency procures IT services from the county’s department of technology.
- If a Tribal council has made SLFRF funds available to the social services department to cover the operational costs of an elder care program through December 31, 2026, an agreement with the department under which the social services department agrees to perform and complete in a satisfactory and proper manner the scope of work specified in accordance with the SLFRF award terms and conditions.

17.7. May a recipient use SLFRF funds to cover personnel costs between January 1, 2025, and December 31, 2026?

Treasury will consider a recipient to have incurred an obligation with respect to personnel costs for an employee through December 31, 2026, to the extent the employee is serving in a position that was established and filled prior to December 31, 2024.

Accordingly, funds may be used to cover such personnel costs if doing so would fall within the scope of an eligible use of SLFRF, such as payroll costs for state employees overseeing contracts for broadband projects or county employees overseeing affordable housing projects.

Personnel costs for this purpose include all salary and wages, covered benefits, 11 and payroll taxes for such positions, as in effect at the time of payment.

In the event of turnover of personnel, recipients may continue to pay different personnel in the same job position to the extent that the position in question was established and filled prior to December 31, 2024. Recipients may also reorganize positions within the scope of an eligible use of SLFRF after December 31, 2024, but may not use funds to cover any new positions after that date. For example, if an eligible project has filled ten job training specialist positions by December 31, 2024, the recipient may use funds to cover payroll for one of those training specialists who is promoted to supervise the other specialists after December 31, 2024, so long as there are no more than ten positions covered through SLFRF funds in total.

Recipients may estimate the amount that may be necessary to cover personnel costs through the expenditure period, report that estimate to Treasury, and retain those funds to pay personnel costs covered by the estimate, as discussed further in FAQ 17.8.

17.16. Under what circumstances may a recipient use SLFRF to cover cost increases attributable to a contract that is entered into by December 31, 2024?

In general, recipients cannot re-obligate funds or obligate additional SLFRF funds after the obligation deadline of December 31, 2024. However, if a contract entered into by December 31, 2024, expressly provides for change orders or contract contingencies, the recipient may use SLFRF funds to cover increased costs attributable to such change orders or contract contingencies. Such increased costs are not considered new obligations but are instead attributable to a preexisting obligation to accommodate the change or contingency.

Additionally, recipients may cover the cost of amendments to contracts if the amended contract is within substantially the same scope and for substantially the same purpose as the contract that was incurred by December 31, 2024. This flexibility is consistent with recipients' ability to terminate a contract for convenience and to use SLFRF funds for costs associated with change orders and contingencies that are contemplated by their contracts and subawards.

Based on comments received from recipients, and for the reasons discussed above, Treasury is providing this guidance as an update to the prior statement in the Obligation IFR that recipients could not use SLFRF funds after the obligation deadline to cover a cost increase associated with a contract amendment.

Recipients may estimate the amount that may be necessary to cover changes or contingencies through the expenditure period, include that amount in the amount of the final obligation for the project that is reported to Treasury as of December 31, 2024, and retain those funds to pay costs covered by the estimate. Recipients providing such an estimate will not be required to return such funds to Treasury after 2024 assuming that they are ultimately expended for an eligible purpose. The SLFRF Compliance and Reporting Guidance will be updated to provide additional information on reporting requirements associated with this option.

Recipients may also cover contract cost increases after December 31, 2024, in the scenarios outlined above using (1) SLFRF funds that the recipient does not use as initially reported to cover particular projects, for example if a reported project is performed under budget or is determined to be an ineligible activity (as discussed further in FAQ 17.19), or (2) program income (as discussed in FAQ 17.21).

Obligating SLFRF Funds Through an Interagency Agreement

State, local, territorial and Tribal governments across the country are using State and Local Fiscal Recovery Funds (SLFRF) to mitigate the fiscal impacts of the pandemic and serve the needs of their communities.

Treasury has clarified that a recipient may enter into an **interagency agreement**, including a memorandum of understanding, between departments and agencies within a recipient's government and treat those funds as obligated for purposes of SLFRF if the interagency agreement meets certain conditions, as discussed below and pursuant to FAQ 17.6.

SLFRF recipients must **obligate all funds by the end of 2024**, and must **expend all funds by the end of 2026**.¹ Treasury published the additional guidance in Section 17 of the SLFRF FAQs to clarify how recipients can complete obligated projects in 2025 and 2026, using contracts or subawards or interagency agreements.

Recipients may wish to use funds for a variety of projects undertaken themselves:

- To carry out educational programs, such as payroll for teachers for a summer program to address learning loss related to the pandemic;
- To administer a workforce training program;
- To finance capital projects through a housing agency;
- To provide public safety services.

The interagency agreement must be in effect by December 31, 2024, and must meet these conditions:

ONE requirement from Column A:	ALL requirements from Column B:
<ul style="list-style-type: none"> • Imposes conditions on the use of funds by recipient agency, department, or part of government receiving funds to carry out the program • Governs provision of funds from one agency, department, or part of government to another to carry out an eligible use of SLFRF funds • Governs the procurement of goods or services by one agency, department, or part of government from another 	<ul style="list-style-type: none"> • Sets forth specific requirements (e.g., scope of work and project deliverables) • Is signed by the parties or otherwise evidences assent of parties • Does not disclaim binding effect or state that it does not create rights or obligations

The interagency agreement must be reported to Treasury as described in the [Compliance and Reporting Guidance](#). A recipient can modify an existing interagency agreement before December 31, 2024 to ensure it meets the requirements described above and in FAQ 17.6. The agreement may also be between units of a Tribal government, as described in FAQ 17.23.

You can learn more about obligating SLFRF Funds through an interagency agreement by visiting our webpage, Coronavirus State and Local Fiscal Recovery Funds Frequently Asked Questions at <https://home.treasury.gov/system/files/136/SLFRF-Final-Rule-FAQ.pdf> and see FAQs 17.6 and 17.23, or scan this QR code:



¹ For projects under the Surface Transportation and Title I eligible use categories, recipients must expend funds by September 30, 2026.

EXHIBIT B – ARPA REQUIRED PROVISIONS

CFR 200.327 Contract provisions. The Non-Federal entity’s contracts should contain applicable provisions described in Appendix II to Part 200—Contract Provisions for Non-Federal Entity Contracts Under Federal Awards. The Non-Federal entity’s contracts must contain the provisions described in Appendix II to Part 200—Contract Provisions for Non-Federal Entity Contracts Under Federal Awards, as applicable.

THRESHOLD	PROVISION	CITATION	PROVISION APPLIES TO
	2 CFR 200 Appendix II (A-L)		
>\$250,000 (Simplified Acquisition Threshold)	Contracts for more than the simplified acquisition threshold, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908 , must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.	2 CFR 200 APPENDIX II (A)	Contractor RFP/IFB Contractor RFQ Subrecipients
>\$10,000	All contracts in excess of \$10,000 must address termination for cause and for convenience by the Non-Federal entity including the manner by which it will be affected and the basis for settlement.	2 CFR 200 APPENDIX II (B)	Contractor RFP/IFB Contractor RFQ Subrecipients
None	<p>Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of “federally assisted construction contract” in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, “Equal Employment Opportunity” (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 CFR part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.”</p> <p>41 CFR 60-1.4 Equal opportunity clause.</p> <p>(b) Federally assisted construction contracts. (1) Except as otherwise provided, each administering agency shall require the inclusion of the following language as a condition of any grant, contract, loan, insurance, or guarantee involving federally assisted construction which is not exempt from the requirements of the equal opportunity clause:</p> <p>The [recipient] hereby agrees that it will incorporate or cause to be incorporated into any contract for construction work, or modification thereof, as defined in the regulations of the Secretary of Labor at 41 CFR Chapter 60, which is paid for in whole or in part with funds obtained from the Federal Government or borrowed on the credit of the Federal Government pursuant to a grant, contract, loan, insurance, or guarantee, or undertaken pursuant to any Federal program involving such grant, contract, loan, insurance, or guarantee, the following equal opportunity clause:</p> <p>During the performance of this contract, the contractor agrees as follows:</p> <p>(1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following:</p> <p>Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices</p>	2 CFR 200 APPENDIX II (C) and 41 CFR §60-1.4(b)	Contractor RFP/IFB Contractor RFQ Subrecipients

to be provided setting forth the provisions of this nondiscrimination clause.

- (2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.
- (3) The contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the contractor's legal duty to furnish information.
- (4) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the contractor's commitments under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- (5) The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- (6) The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- (7) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- (8) The contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance:

Provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

The [recipient] further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work: Provided, that if the [recipient] so participating is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the contract.

The [recipient] agrees that it will assist and cooperate actively with the administering agency and the Secretary of Labor in obtaining the compliance of contractors and

	<p>subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, that it will furnish the administering agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the recipient agency in the discharge of the agency's primary responsibility for securing compliance.</p> <p>The recipient further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the administering agency or the Secretary of Labor pursuant to Part II, Subpart D of the Executive Order. In addition, the [recipient] agrees that if it fails or refuses to comply with these undertakings, the administering agency may take any or all of the following actions: cancel, terminate, or suspend in whole or in part this grant (contract, loan, insurance, guarantee); refrain from extending any further assistance to the [recipient] under the program with respect to which the failure or refund occurred until satisfactory assurance of future compliance has been received from such [recipient]; and refer the case to the Department of Justice for appropriate legal proceedings.</p>		
<p>>\$10,000,000 for ARPA but State Provision Applies at any amount and/or</p> <p>>\$2,000 for CDBG/Braided Funds Projects</p> <p>See TX Prevailing Wage Laws</p>	<p>Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of \$10,000,00 awarded by Non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The Non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The Non-Federal entity must report all suspected or reported violations to the Federal awarding agency.</p> <p>The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The Non-Federal entity must report all suspected or reported violations to the Federal awarding agency.</p>	<p>2 CFR 200 APPENDIX II (D)</p>	<p>Contractor RFP/IFB</p> <p>Subrecipients</p>
<p>>\$100,000</p>	<p>Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). Where applicable, all contracts awarded by the Non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or</p>	<p>2 CFR 200 APPENDIX II (E)</p>	<p>Contractor RFP/IFB</p> <p>Subrecipients</p>

	transmission of intelligence.		
None	Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of “funding agreement” under 37 CFR § 401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.	2 CFR 200 APPENDIX II (F)	Contractor RFP/IFB Contractor RFQ Subrecipients
>\$150,000	Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended – Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the Non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).	2 CFR 200 APPENDIX II (G)	Contractor RFP/IFB Contractor RFQ Subrecipients
>\$25,000	Debarment and Suspension (Executive Orders 12549 and 12689) – A contract award (see 2 CFR 180.220) must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.	2 CFR 200 APPENDIX II (H)	Contractor RFP/IFB Contractor RFQ Subrecipients Vendors
>\$100,000	Byrd Anti-Lobbying Amendment (31 U.S.C. 1352) – Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with Non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the Non-Federal award.	2 CFR 200 APPENDIX II (I) and 24 CFR §570.303	Contractor RFP/IFB Contractor RFQ Subrecipients
	See 2 CFR §200.323 - Procurement of Recovered Materials. Where applicable, in the performance of contract, pursuant to 2 CFR 200.323, the contractor must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines. To the extent that the scope of work or specifications in the contract requires the contractor to provide recovered materials the scope of work or specifications are modified to require that as follows. i. In the performance of this contract, the Contractor shall make	2 CFR 200 APPENDIX II (J)	Contractor RFP/IFB Contractor RFQ Subrecipients

	<p>maximum use of products containing recovered materials that are EPA-designated items unless the product cannot be acquired—</p> <ol style="list-style-type: none"> 1. Competitively within a timeframe providing for compliance with the contract performance schedule; 2. Meeting contract performance requirements; or 3. At a reasonable price. <p>ii. Information about this requirement, along with the list of EPA-designated items, is available at EPA’s Comprehensive Procurement Guidelines web site, https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program.</p> <p>iii. The Contractor also agrees to comply with all other applicable requirements of Section 6002 of the “Solid Waste Disposal Act.”</p>		
	<p>See 2 CFR §200.216 - Prohibition on certain telecommunications and video surveillance services or equipment</p> <p>(a) Recipients and subrecipients are prohibited from obligating or expending loan or grant funds to:</p> <ol style="list-style-type: none"> (1) Procure or obtain; (2) Extend or renew a contract to procure or obtain; or (3) Enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in Public Law 115-232, section 889, covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities). <p>(i) For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities).</p> <p>(ii) Telecommunications or video surveillance services provided by such entities or using such equipment.</p> <p>(iii) Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.</p> <p>(b) In implementing the prohibition under Public Law 115-232, section 889, subsection (f), paragraph (1), heads of executive agencies administering loan, grant, or subsidy programs shall prioritize available funding and technical support to assist affected businesses, institutions and organizations as is reasonably necessary for those affected entities to transition from covered communications equipment and services, to procure replacement equipment and services, and to ensure that communications service to users and customers is sustained.</p> <p>(c) See Public Law 115-232, section 889 for additional information.</p> <p>(d) See also § 200.471.</p>	<p>2 CFR 200 APPENDIX II (K)</p>	<p>Contractor RFP/IFB Contractor RFQ Subrecipients</p>

	<p>See 2 CFR §200.322 - Domestic Preferences for Procurements.</p> <p>(a) As appropriate and to the extent consistent with law, the Non-Federal entity should, to the greatest extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subawards including all contracts and purchase orders for work or products under this award.</p> <p>(b) For purposes of this section:</p> <p>(1) "Produced in the United States" means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.</p> <p>(2) "Manufactured products" means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.</p>	2 CFR 200 APPENDIX II (L)	<p>Contractor RFP/IFB</p> <p>Contractor RFQ</p> <p>Subrecipients</p>
	Additional 2 CFR 200 references & Other Regulations		
None	The Federal awarding agency must establish conflict of interest policies for Federal awards. The Non-Federal entity must disclose in writing any potential conflict of interest to the Federal awarding agency or pass-through entity in accordance with applicable Federal awarding agency policy.	2 CFR 200.112	<p>Contractor RFP/IFB</p> <p>Contractor RFQ</p> <p>Subrecipients</p>
None	<p>Contracting with HUB, small and minority businesses, women's business enterprises, and labor surplus area firms.</p> <p>(a) The Non-Federal entity must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.</p> <p>(b) Affirmative steps must include:</p> <p>(1) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;</p> <p>(2) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;</p> <p>(3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;</p> <p>(4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;</p> <p>(5) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and</p> <p>(6) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (b)(1) through (5) of this section.</p>	2 CFR 200.321	<p>Contractor RFP/IFB</p> <p>Contractor RFQ</p> <p>Subrecipients</p>
>\$10,000	<p>An NFE (Non-Federal Entity) that is a state agency or an agency of a political subdivision of a state, and the NFE's contractors must comply with Section 6002 of the Solid Waste Disposal Act.</p> <p>Applicable NFEs must include a contract provision requiring compliance with this requirement.</p> <p>This includes contracts awarded by a state agency or political subdivision of a state and its contractors for certain items, as designated by the EPA, with a purchase price greater than \$10,000.</p> <p>Indian Tribal Governments and nonprofit organizations are not required to comply</p>	2 CFR 200.323	<p>Contractor RFP/IFB</p> <p>Contractor RFQ</p> <p>Subrecipients</p>

	with this provision. Additional requirements are listed below.		
None	<p>Financial records, supporting documents, statistical records, and all other Non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. Federal awarding agencies and pass-through entities must not impose any other record retention requirements upon Non-Federal entities. All records related to ARPA shall be maintained for 5 years per the ARPA terms, conditions, and regulations. The only exceptions are the following:</p> <p>(a) If any litigation, claim, or audit is started before the expiration of the 3-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken. All records related to ARPA shall be maintained for 5 years per the ARPA terms, conditions, and regulations.</p> <p>(b) When the Non-Federal entity is notified in writing by the Federal awarding agency, cognizant agency for audit, oversight agency for audit, cognizant agency for indirect costs, or pass-through entity to extend the retention period.</p> <p>(c) Records for real property and equipment acquired with Federal funds must be retained for 3 years after final disposition. All records related to ARPA shall be maintained for 5 years per the ARPA terms and conditions and regulations.</p> <p>(d) When records are transferred to or maintained by the Federal awarding agency or pass-through entity, the 3-year retention requirement is not applicable to the Non-Federal entity All records related to ARPA shall be maintained for 5 years per the ARPA terms and conditions and regulations. All records related to ARPA shall be maintained for 5 years per the ARPA terms, conditions, and regulations.</p> <p>(e) Records for program income transactions after the period of performance. In some cases, recipients must report program income after the period of performance. Where there is such a requirement, the retention period for the records pertaining to the earning of the program income starts from the end of the Non-Federal entity's fiscal year in which the program income is earned.</p> <p>(f) Indirect cost rate proposals and cost allocations plans. This paragraph applies to the following types of documents and their supporting records: Indirect cost rate computations or proposals, cost allocation plans, and any similar accounting computations of the rate at which a particular group of costs is chargeable (such as computer usage chargeback rates or composite fringe benefit rates).</p> <p>(1) <i>If submitted for negotiation.</i> If the proposal, plan, or other computation is required to be submitted to the Federal Government (or to the pass-through entity) to form the basis for negotiation of the rate, then the 3-year retention period for its supporting records starts from the date of such submission. All records related to ARPA shall be maintained for 5 years per the ARPA terms, conditions, and regulations.</p> <p>(2) <i>If not submitted for negotiation.</i> If the proposal, plan, or other computation is not required to be submitted to the Federal Government (or to the pass-through entity) for negotiation purposes, then the 3-year retention period for the proposal, plan, or computation and its supporting records starts from the end of the fiscal year (or other accounting period) covered by the proposal, plan, or other computation. All records related to ARPA shall be maintained for 5 years per the ARPA terms, conditions, and regulations.</p>	2 CFR 200.334	<p>Contractor RFP/IFB</p> <p>Contractor RFQ</p> <p>Subrecipients</p> <p>Vendors</p>
None	The Federal awarding agency and the Non-Federal entity should, whenever	2 CFR 200.336	Contractor RFP/IFB

	<p>practicable, collect, transmit, and store Federal award-related information in open and machine-readable formats rather than in closed formats or on paper in accordance with applicable legislative requirements. A machine-readable format is a format in a standard computer language (not English text) that can be read automatically by a web browser or computer system. The Federal awarding agency or pass-through entity must always provide or accept paper versions of Federal award-related information to and from the Non-Federal entity upon request. If paper copies are submitted, the Federal awarding agency or pass-through entity must not require more than an original and two copies. When original records are electronic and cannot be altered, there is no need to create and retain paper copies. When original records are paper, electronic versions may be substituted through the use of duplication or other forms of electronic media provided that they are subject to periodic quality control reviews, provide reasonable safeguards against alteration, and remain readable.</p>		<p>Contractor RFQ Subrecipients</p>
None	<p>CONTRACTS WITH COMPANIES ENGAGED IN BUSINESS WITH IRAN, SUDAN, OR FOREIGN TERRORIST ORGANIZATION PROHIBITED. A governmental entity may not enter into a governmental contract with a company that is identified on a list prepared and maintained under Section 806.051, 807.051, or 2252.153. The term "foreign terrorist organization" in this paragraph has the meaning assigned to such a term in Section 2252.151(2) of the Texas Government Code.</p>	<p>Texas Government Code 2252.152</p>	<p>Contractor RFP/IFB Contractor RFQ Subrecipients</p>
>\$100,000	<p>PROVISION REQUIRED IN CONTRACT.</p> <p>(a) This section applies only to a contract that:</p> <ol style="list-style-type: none"> (1) is between a governmental entity and a company with 10 or more full-time employees; and (2) has a value of \$100,000 or more that is to be paid wholly or partly from public funds of the governmental entity. <p>(b) A governmental entity may not enter into a contract with a company for goods or services unless the contract contains a written verification from the company that it:</p> <ol style="list-style-type: none"> (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract. 	<p>Texas Government Code 2271</p>	<p>Contractor RFP/IFB Contractor RFQ Subrecipients Vendors</p>
For Critical Infrastructure Projects	<p>PROHIBITION ON CONTRACTS WITH CERTAIN FOREIGN-OWNED COMPANIES IN CONNECTION WITH CRITICAL INFRASTRUCTURE.</p> <p>PROHIBITED CONTRACTS.</p> <p>(a) A governmental entity may not enter into a contract or other agreement relating to critical infrastructure in this state with a company:</p> <ol style="list-style-type: none"> (1) if, under the contract or other agreement, the company would be granted direct or remote access to or control of critical infrastructure in this state, excluding access specifically allowed by the governmental entity for product warranty and support purposes; and (2) if the governmental entity knows that the company is: <ol style="list-style-type: none"> (A) owned by or the majority of stock or other ownership interest of the company is held or controlled by: <ol style="list-style-type: none"> (i) individuals who are citizens of China, Iran, North Korea, Russia, or a designated country; or (ii) a company or other entity, including a governmental entity, that is owned or controlled by citizens of or is directly controlled by the government of China, Iran, North Korea, Russia, or a designated country; or (B) headquartered in China, Iran, North Korea, Russia, or a designated country. <p>(b) The prohibition described by Subsection (a) applies regardless of whether:</p>	<p>Texas Government Code, Title 10, Subtitle F, Chapter 2274.0102</p>	<p>Subrecipients EC 6.1 Awardees</p>

	<p>(1) the company's or its parent company's securities are publicly traded; or</p> <p>(2) the company or its parent company is listed on a public stock exchange as:</p> <p>(A) a Chinese, Iranian, North Korean, or Russian company; or</p> <p>(B) a company of a designated country.</p>		
None	Mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.	42 U.S.C. 6201	Contractor RFP/IFB Subrecipients
None	The Firm agrees that no otherwise qualified individual with disabilities shall, solely by reason of his/her disability, be denied the benefits of, or be subjected to discrimination, including discrimination in employment, under any program or activity receiving federal financial assistance.	Section 504 of the Rehabilitation Act of 1973, as amended.	Subrecipients
ARPA Terms & Conditions			
ARPA Terms, Conditions, & Records	<p>1. Use of Funds.</p> <p>a. Recipient understands and agrees that the funds disbursed under this award may only be used in compliance with section 603(c) of the Social Security Act (the Act), Treasury's regulations implementing that section, and guidance issued by Treasury regarding the foregoing.</p> <p>b. Recipient will determine prior to engaging in any project using this assistance that it has the institutional, managerial, and financial capability to ensure proper planning, management, and completion of such project.</p>	<p>Section 9901 of the American Rescue Plan Act, Pub. L. No. 117-2;</p> <p>Section 602(b), 603(b) and/or 603(c) as applicable</p>	Subrecipients
ARPA Terms, Conditions, & Records	<p>2. Period of Performance. The period of performance for this award begins on the date hereof and ends on December 31, 2026. As set forth in Treasury's implementing regulations, Recipients may use award funds to cover eligible costs incurred during the period that begins on March 3, 2021, and ends on December 31, 2024.</p>	<p>Section 9901 of the American Rescue Plan Act, Pub. L. No. 117-2;</p> <p>Section 602(b), 603(b) and/or 603(c) as applicable</p>	Subrecipients
ARPA Terms, Conditions, & Records	<p>3. Reporting. Recipient agrees to comply with any reporting obligations established by Treasury as they relate to this award.</p>	<p>Section 9901 of the American Rescue Plan Act, Pub. L. No. 117-2;</p> <p>Section 602(b), 603(b) and/or 603(c) as applicable</p>	Subrecipients
ARPA Terms, Conditions, & Records	<p>4. Maintenance of and Access to Records</p> <p>a. Recipient shall maintain records and financial documents sufficient to evidence compliance with section 603(c) of the Act, Treasury's regulations implementing that section, and guidance issued by Treasury regarding the foregoing.</p> <p>b. The Treasury Office of Inspector General and the Government Accountability Office, or their authorized representatives, shall have the right of access to records (electronic and otherwise) of Recipient in order to conduct audits or other investigations.</p> <p>c. Records shall be maintained by Recipient for a period of five (5) years after all funds have been expended or returned to Treasury, whichever is later.</p>	<p>Section 9901 of the American Rescue Plan Act, Pub. L. No. 117-2;</p> <p>Section 602(b), 603(b) and/or 603(c) as applicable</p>	Contractor RFP/IFB Contractor RFQ Subrecipients Vendors
ARPA Terms, Conditions, & Records	<p>5. Pre-award Costs. Pre-award costs, as defined in 2 CFR § 200.458, may not be paid with funding from this award.</p>	<p>Section 9901 of the American Rescue Plan Act, Pub. L. No. 117-2;</p> <p>Section 602(b), 603(b) and/or 603(c) as applicable</p>	Subrecipients

ARPA Terms, Conditions, & Records	6. Administrative Costs. Recipient may use funds provided under this award to cover both direct and indirect costs.	Section 9901 of the American Rescue Plan Act, Pub. L. No. 117-2; Section 602(b), 603(b) and/or 603(c) as applicable	Subrecipients
ARPA Terms, Conditions, & Records	7. Cost Sharing. Cost sharing or matching funds are not required to be provided by Recipient.	Section 9901 of the American Rescue Plan Act, Pub. L. No. 117-2; Section 602(b), 603(b) and/or 603(c) as applicable	Subrecipients
ARPA Terms, Conditions, & Records	8. Conflicts of Interest. Recipient understands and agrees it must maintain a conflict of interest policy consistent with 2 CFR § 200.318(c) and that such conflict of interest policy is applicable to each activity funded under this award. Recipient and subrecipients must disclose in writing to Treasury or the pass-through entity, as appropriate, any potential conflict of interest affecting the awarded funds in accordance with 2 CFR § 200.112.	Section 9901 of the American Rescue Plan Act, Pub. L. No. 117-2; Section 602(b), 603(b) and/or 603(c) as applicable	Contractor RFP/IFB Contractor RFQ Subrecipients Vendors
ARPA Terms, Conditions, & Records	<p>9. Compliance with Applicable Law and Regulations.</p> <p>a. Recipient agrees to comply with the requirements of section 603 of the Act, regulations adopted by Treasury pursuant to section 603(f) of the Act, and guidance issued by Treasury regarding the foregoing. Recipient also agrees to comply with all other applicable federal statutes, regulations, and executive orders, and Recipient shall provide for such compliance by other parties in any agreements it enters into with other parties relating to this award.</p> <p>b. Federal regulations applicable to this award include, without limitation, the following:</p> <ul style="list-style-type: none"> i. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR Part 200, other than such provisions as Treasury may determine are inapplicable to this Award and subject to such exceptions as may be otherwise provided by Treasury. Subpart F – Audit Requirements of the Uniform Guidance, implementing the Single Audit Act, shall apply to this award. ii. Universal Identifier and System for Award Management (SAM), 2 CFR Part 25, pursuant to which the award term set forth in Appendix A to 2 CFR Part 25 is hereby incorporated by reference. iii. Reporting Subaward and Executive Compensation Information, 2 CFR Part 170, pursuant to which the award term set forth in Appendix A to 2 CFR Part 170 is hereby incorporated by reference. iv. OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Non-procurement), 2 CFR Part 180, including the requirement to include a term or condition in all lower tier covered transactions (contracts and subcontracts described in 2 CFR Part 180, subpart B) that the award is subject to 2 CFR Part 180 and Treasury’s implementing regulation at 31 CFR Part 19. v. Recipient Integrity and Performance Matters, pursuant to which the award term set forth in 2 CFR Part 200, Appendix XII to Part 200 is hereby incorporated by reference. vi. Governmentwide Requirements for Drug-Free Workplace, 31 CFR Part 20. (Subrecipient Only) vii. New Restrictions on Lobbying, 31 CFR Part 21. viii. Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (42 U.S.C. §§ 4601-4655) and implementing regulations. ix. Generally applicable federal environmental laws and regulations. <p>c. Statutes and regulations prohibiting discrimination applicable to this award</p>	Section 9901 of the American Rescue Plan Act, Pub. L. No. 117-2; Section 602(b), 603(b) and/or 603(c) as applicable	Contractor RFP/IFB Contractor RFQ Subrecipients Vendors

	<p>include, without limitation, the following:</p> <ul style="list-style-type: none"> i. Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d et seq.) and Treasury’s implementing regulations at 31 CFR Part 22, which prohibit discrimination on the basis of race, color, or national origin under programs or activities receiving federal financial assistance; ii. The Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§ 3601 et seq.), which prohibits discrimination in housing on the basis of race, color, religion, national origin, sex, familial status, or disability; iii. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), which prohibits discrimination on the basis of disability under any program or activity receiving federal financial assistance; iv. The Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101 et seq.), and Treasury’s implementing regulations at 31 CFR Part 23, which prohibit discrimination on the basis of age in programs or activities receiving federal financial assistance; and v. Title II of the Americans with Disabilities Act of 1990, as amended (42 U.S.C. §§ 12101 et seq.), which prohibits discrimination on the basis of disability under programs, activities, and services provided or made available by state and local governments or instrumentalities or agencies thereto. 		
ARPA Terms, Conditions, & Records	10. Remedial Actions. In the event of Recipient’s noncompliance with section 603 of the Act, other applicable laws, Treasury’s implementing regulations, guidance, or any reporting or other program requirements, Treasury may impose additional conditions on the receipt of a subsequent tranche of future award funds, if any, or take other available remedies as set forth in 2 CFR § 200.339. In the case of a violation of section 603(c) of the Act regarding the use of funds, previous payments shall be subject to recoupment as provided in section 603(e) of the Act.	Section 9901 of the American Rescue Plan Act, Pub. L. No. 117-2; Section 602(b), 603(b) and/or 603(c) as applicable	Subrecipients
ARPA Terms, Conditions, & Records	11. Hatch Act. Recipient agrees to comply, as applicable, with requirements of the Hatch Act (5 U.S.C. §§ 1501-1508 and 7324-7328), which limit certain political activities of State or local government employees whose principal employment is in connection with an activity financed in whole or in part by this federal assistance.	Section 9901 of the American Rescue Plan Act, Pub. L. No. 117-2; Section 602(b), 603(b) and/or 603(c) as applicable	Subrecipients
ARPA Terms, Conditions, & Records	12. False Statements. Recipient understands that making false statements or claims in connection with this award is a violation of federal law and may result in criminal, civil, or administrative sanctions, including fines, imprisonment, civil damages and penalties, debarment from participating in federal awards or contracts, and/or any other remedy available by law.	Section 9901 of the American Rescue Plan Act, Pub. L. No. 117-2; Section 602(b), 603(b) and/or 603(c) as applicable	Contractor RFP/IFB Contractor RFQ Subrecipients Vendors
ARPA Terms, Conditions, & Records	13. Publications. Any publications produced with funds from this award must display the following language: “This project [is being] [was] supported, in whole or in part, by federal award number [enter project FAIN] awarded to [name of Recipient] by the U.S. Department of the Treasury.”	Section 9901 of the American Rescue Plan Act, Pub. L. No. 117-2; Section 602(b), 603(b) and/or 603(c) as applicable	Subrecipients
ARPA Terms, Conditions, & Records	<p>14. Debts Owed the Federal Government.</p> <ul style="list-style-type: none"> a. Any funds paid to Recipient (1) in excess of the amount to which Recipient is finally determined to be authorized to retain under the terms of this award; (2) that are determined by the Treasury Office of Inspector General to have been misused; or (3) that are determined by Treasury to be subject to a repayment obligation pursuant to section 603(e) of the Act and have not been repaid by Recipient shall constitute a debt to the federal government. b. Any debts determined to be owed the federal government must be paid promptly by Recipient. A debt is delinquent if it has not been paid by the date specified in Treasury’s initial written demand for payment, unless other satisfactory arrangements have been made or if the Recipient knowingly or improperly retains 	Section 9901 of the American Rescue Plan Act, Pub. L. No. 117-2; Section 602(b), 603(b) and/or 603(c) as applicable	Subrecipients

	funds that are a debt as defined in paragraph 14(a). Treasury will take any actions available to it to collect such a debt.		
ARPA Terms, Conditions, & Records	<p>15. Disclaimer.</p> <p>a. The United States expressly disclaims any and all responsibility or liability to Recipient or third persons for the actions of Recipient or third persons resulting in death, bodily injury, property damages, or any other losses resulting in any way from the performance of this award or any other losses resulting in any way from the performance of this award or any contract, or subcontract under this award.</p> <p>b. The acceptance of this award by Recipient does not in any way establish an agency relationship between the United States and Recipient.</p>	Section 9901 of the American Rescue Plan Act, Pub. L. No. 117-2; Section 602(b), 603(b) and/or 603(c) as applicable	Subrecipients
ARPA Terms, Conditions, & Records	<p>16. Protections for Whistleblowers.</p> <p>a. In accordance with 41 U.S.C. § 4712, Recipient may not discharge, demote, or otherwise discriminate against an employee in reprisal for disclosing to any of the list of persons or entities provided below, information that the employee reasonably believes is evidence of gross mismanagement of a federal contract or grant, a gross waste of federal funds, an abuse of authority relating to a federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a federal contract (including the competition for or negotiation of a contract) or grant.</p> <p>b. The list of persons and entities referenced in the paragraph above includes the following:</p> <ol style="list-style-type: none"> i. A member of Congress or a representative of a committee of Congress; ii. An Inspector General; iii. The Government Accountability Office; iv. A Treasury employee responsible for contract or grant oversight or management; v. An authorized official of the Department of Justice or other law enforcement agency; vi. A court or grand jury; or vii. A management official or other employee of Recipient, contractor, or subcontractor who has the responsibility to investigate, discover, or address misconduct. <p>c. Recipient shall inform its employees in writing of the rights and remedies provided under this section, in the predominant native language of the workforce.</p>	Section 9901 of the American Rescue Plan Act, Pub. L. No. 117-2; Section 602(b), 603(b) and/or 603(c) as applicable	Contractor RFP/IFB Contractor RFQ Subrecipients Vendors
ARPA Terms, Conditions, & Records	17. Increasing Seat Belt Use in the United States. Pursuant to Executive Order 13043, 62 FR 19217 (Apr. 18, 1997), Recipient should encourage its contractors to adopt and enforce on-the-job seat belt policies and programs for their employees when operating company-owned, rented or personally owned vehicles.	Section 9901 of the American Rescue Plan Act, Pub. L. No. 117-2; Section 602(b), 603(b) and/or 603(c) as applicable	Contractor RFP/IFB Contractor RFQ Subrecipients Vendors
ARPA Terms, Conditions, & Records	18. Reducing Text Messaging While Driving. Pursuant to Executive Order 13513, 74 FR 51225 (Oct. 6, 2009), Recipient should encourage its employees, subrecipients, and contractors to adopt and enforce policies that ban text messaging while driving, and Recipient should establish workplace safety policies to decrease accidents caused by distracted drivers	Section 9901 of the American Rescue Plan Act, Pub. L. No. 117-2; Section 602(b), 603(b) and/or 603(c) as applicable	Contractor RFP/IFB Contractor RFQ Subrecipients Vendors

Montgomery City Council
AGENDA REPORT

Meeting Date: December 10, 2024	Budgeted Amount: n/a
Department: Administration	Prepared By: Maryann Carl

Subject

Consideration and possible action on a Resolution of the City Council of the City of Montgomery, Texas, adopting the American Rescue Plan Act State & Local Fiscal Recovery Funding, Financial Management Policies & Procedures.

Recommendation

Adopt the ARPA/SLFRF Financial Management Policies & Procedures as presented.

Discussion

The City must comply with the ARPA Award Terms and Conditions and the Uniform Guidance requirements, particularly as outlined in 2 CFR 200.302. The Financial Management Policy and Procedures guide attached here provides an overview of the requirements applicable to the financial management of the American Rescue Plan Act – State and Local Fiscal Recovery Funding (ARPA – SLFRF) and related City procedures. The document covers critical aspects of internal controls, reporting and monitoring, audits, procurement and cost principles, and the City’s related policies and procedures, specifically as it relates to ARPA-SLFRF.

Adoption of these policies and procedures ensures the City of Montgomery is compliant with 2 CFR 200.302.

Approved By

Finance Director	Maryann Carl	Date: 12/5/2024
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RESOLUTION NO. R-2024-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTGOMERY, TEXAS, ADOPTING THE AMERICAN RESCUE PLAN ACT STATE & LOCAL FISCAL RECOVERY FUNDING, FINANCIAL MANAGEMENT POLICIES & PROCEDURES.

WHEREAS, the City of Montgomery participates with the American Rescue Plan Act State and Local Fiscal Recovery Funding (ARPA-SLFRF); and

WHEREAS, pursuant to 2 CFR 200.302 the City must comply with the ARPA Award Terms and Conditions and the Uniform Guidance requirements.

WHEREAS, the hereto attached, as Attachment A, the Financial Management Policy and Procedures guide attached here provides an overview of the requirements applicable to the financial management of the American Rescue Plan Act – State and Local Fiscal Recovery Funding (ARPA – SLFRF) and related City procedures.

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

Section One: The City Council of the City of Montgomery, Texas has complied with the requirements of 2 CFR 200.302, and the policy, attached hereto as Attachment A, is hereby approved as the ARPA – SLFRF Financial Management Policy and Procedures of the City of Montgomery.

Section Two: This Resolution shall take effect immediately from and after the date of passage and is so resolved.

PASSED AND APPROVED this 10th day of December, 2024 by 00 (ayes) to 00 (nays) with 00 abstentions by a vote of the City Council of the City of Montgomery, Texas.

CITY OF MONTGOMERY, TEXAS

Sara Countryman, Mayor

ATTEST:

Ruby Beaven, City Secretary



AMERICAN RESCUE PLAN ACT STATE & LOCAL FISCAL RECOVERY FUNDING

FINANCIAL MANAGEMENT POLICIES & PROCEDURES

City of Montgomery

December 12, 2024

***This document does not void existing internal policies and procedures.
In the event of a conflict with existing local policies and procedures,
the most stringent requirements should be applied.***

These Policies and Procedures are adopted by the City Council on December 12, 2024.

Sara Countryman, Mayor

Date

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SECTION 1 – ARPA-SLFRF KEY RESOURCES

- The ARPA-SLFRF Award Terms & Conditions
- 31 CFR 35.6 – Eligible uses
- Uniform Guidance: 2 CFR 200, Parts A-F
- Final Rule Jan 2022 & Final Rule Overview
- 2022 Final Rule FAQs
- Compliance & Reporting Guidance
- Project & Expenditure Report User Guide
- 2023 Interim Final Rule
- Compliance Supplement
- Alternative Examination Engagement (ACEE) Guide

SECTION 2 – OVERVIEW & PURPOSE OF ARPA FUNDING

This Financial Management Policy and Procedures guidance provides an overview of the requirements applicable to the financial management of the American Rescue Plan Act – State and Local Fiscal Recovery Funding (ARPA – SLFRF) and related City procedures. This document covers critical aspects of internal controls, reporting and monitoring, audits, procurement and cost principles, and the City’s related policies and procedures, specifically as it relates to ARPA-SLFRF (often referred to as “ARPA” hereafter in this document).

All local governments that have received ARPA State and Local Fiscal Recovery Funds (ARPA-SLFRF) are responsible for ensuring that they establish and maintain effective internal controls that provide reasonable assurance that funds are being managed in compliance with all applicable federal statutes, regulations, and the terms and conditions of the federal award. The City will comply with the ARPA Award Terms and Conditions and the Uniform Guidance requirements, particularly as outlined in [2 CFR 200.302](#).

ARPA funds must be spent on allowable activities and expenses, with consideration of equity and negative economic impacts which include:

- Supporting public health expenditures
- Addressing negative economic impacts caused by the public health emergency
- Replacing lost public sector revenue (government services)
- Providing premium pay for essential workers
- Investing in water, sewer, and broadband infrastructure
- Expanded surface transportation, Emergency disaster relief, and Title I projects
- SLFRF allowable projects (both enumerated and non-enumerated) and related expenditure categories are outlined in greater detail in the Treasury’s Final Rule, Project & Expenditure Guide, 31 CFR 35.6 -- Eligible uses, and other resources.

SLFRF is considered “other financial assistance” per 2 CFR section 200.1 and is administered as direct payments for specified use. ARPA-SLFRF may be used for direct and indirect administrative expenses involved in administering the program. Cost-sharing/matching is not a requirement of ARPA-SLFRF.

SLFRF allocations made to ARPA Recipients are not subject to the requirements of the Cash Management Improvement Act and Treasury’s implementing regulations at 31 CFR part 205 or 2 CFR 200.305(b)(8)(9). As such, recipients can place funds in interest-bearing accounts, do not need to remit interest to the Treasury, and are not limited to using that interest for eligible uses under the SLFRF award.

The Assistance Listing for the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) was published May 28, 2021, on SAM.GOV under Assistance Listing Number (“ALN”), formerly known as CFDA Number, 21.027.

The Assistance Listing includes helpful information including program purpose, statutory authority, eligibility requirements, and compliance requirements for recipients. The ALN is the unique 5-digit number assigned to identify a federal assistance listing and can be used to search for federal assistance program information, including funding opportunities, spending on USASpending.gov, or audit results through the Federal Audit Clearinghouse.

The City will adhere to generally accepted accounting principles (GAAP) and adequately trace all obligated/budgeted funds, expenditure categories, disbursements, and balance data back to the source. In addition to tying all procurements, agreements and subawards to SLFRF, the City will add source or identification codes as part of its chart of accounts and reporting records for ease of tracking cost details.

SECTION 3 – PERIOD OF PERFORMANCE & OBLIGATIONS

In accordance with Treasury requirements, ARPA-SLFRF funds must be used to cover “costs incurred/obligated” between March 3, 2021, and December 31, 2024, and funds must be expended by December 31, 2026.

As outlined in the Interim Final Rule (August 2023), SLFRF costs incurred for expanded surface transportation and Title I projects must also be obligated by December 21, 2024, but must be expended by September 30, 2026.

As indicated in the *Reporting & Compliance Guidance*, any funds not obligated or expended for eligible uses by the timelines above must be returned to the Treasury, including any unobligated (Dec 2024) or unexpended (Dec 2026) funds that have been provided to subrecipients and contractors as part of the award closeout process pursuant to 2 CFR 200.344(d).

For the purposes of determining expenditure eligibility, the Treasury’s final rule provides that “incurred” means the recipient has incurred an obligation, which has the same meaning given to “financial obligation” in 2 CFR 200.1:

Financial obligations, when referencing a recipient’s or subrecipient’s use of funds under a federal award, means orders placed for property and services, contracts and subawards made, and similar transactions that require payment.

SECTION 4 – INELIGIBLE USES & RECOUPMENT

The following uses of SLFRF funds are NOT allowable:

- Deposits into any pension funds,
- Offsetting a reduction in net tax revenue,
- Non-federal match for other federal programs whose statute or regulations bar the use of federal funds to meet matching requirements,
- Contributions to rainy day funds, financial reserves, or similar funds as such payments constitute savings for future spending needs of the City,
- Payment of interest or principal on outstanding debt instruments, including, for example, short-term revenue or tax anticipation notes, or other debt service costs. Fees or issuance costs associated with the issuance of new debt would also not be covered using payments from the Fiscal Recovery Funds because such costs would not themselves have been incurred to address the needs of the pandemic response or its negative economic impacts,
- Satisfaction of any obligation arising under or pursuant to a settlement agreement, judgment, consent decree, or judicially confirmed debt restructuring plan in a judicial, administrative, or regulatory

proceeding, except to the extent the judgment or settlement requires the provision of services that would respond to the COVID-19 public health emergency.

Any project that conflicts with or contravenes the purpose of the American Rescue Plan Act, (e.g., uses of funds that undermine COVID-19 mitigation practices in line with CDC Guidance and recommendations) or violation of the Award Terms and Conditions or conflict of interest requirements under the Uniform Guidance, and other federal, state, and local laws and regulations is not allowed.

Pre-award costs, as defined in 2 CFR § 200.458, may not be paid with funding from this award.

Funds used in violation of the final rule are subject to remediation and recoupment. As outlined in the Final Rule, Treasury may identify funds used in violation through reporting or other sources. While not anticipated, the City understands, that if any amount of the ARPA-SLFRF allocation is considered at risk, the City will be provided with an initial written notice of recoupment with an opportunity to submit a request for reconsideration before the Treasury provides a final notice of recoupment. If the City does not submit a request for reconsideration, the initial notice will be deemed the final notice. Treasury may also pursue other forms of remediation and monitoring in conjunction with or as an alternative to, recoupment.

In addition to Treasury-specified guidelines, a more comprehensive list of unallowable or restricted costs can be referenced under 2 CFR 200 Subpart E. This list is also summarized in **Section 12 – Cost Principles** of this document in greater detail.

ARPA-SLFRF funding classified under Revenue Loss expenditures have reduced requirements as outlined within Treasury Guidance (re: Final Rule updates and, specifically, FAQ 13.15).

SECTION 5 – ACCOUNTING SYSTEMS & INTERNAL CONTROLS

ACCOUNTING SYSTEMS

The City is responsible for ensuring all expenditures are equitable, eligible, proportionate, and authorized in an approved, documented budget.

Pursuant to 2 CFR § 200.302(a), the City’s financial management system, including records documenting compliance with federal statutes, regulations, and the terms and conditions of the federal award, must be sufficient to permit the preparation of reports required to demonstrate compliance with general and program-specific terms and conditions; and the tracing of funds to a level adequate to establish that such funds have been used according to the federal statutes, regulations, and the ARPA-SLFRF terms and conditions.

The City’s financial management system includes the following:

1. Accurate, current, and complete disclosure of financial results,
2. Records that identify adequately the source and application of grant funds,
3. Comparison of actual outlays with amounts budgeted under ARPA-SLFRF,
4. Procedures to minimize the time elapsed between approval and disbursement of funds throughout the performance period,
5. Procedures for determining reasonableness and allowable costs,
6. Accounting records that are supported by appropriate source documentation, and
7. A systematic method to assure timely and appropriate resolution of audit findings and recommendations.

INTERNAL CONTROLS – 2 CFR§200.303

An internal control is a process, carried out by an entity's oversight body, management, and other personnel that provides reasonable assurance regarding the achievement of objectives in effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations.

Internal controls are the combination of policies, procedures, job responsibilities, personnel, and records that together create accountability of the financial system and safeguard its cash, property, and other assets.

Through its system of internal controls, the City can ensure that:

- Resources are used for authorized purposes and consistent with applicable laws, regulations, and policies.
- Resources are protected against waste, mismanagement, or loss.
- Evaluation and monitoring of compliance is integrated into processes.
- If applicable, prompt action is taken on audit concerns or findings.
- Information on the source, amount, and use of funds is reliable, secure, up-to-date, and disclosed in the appropriate reports and records.

In accordance with [2 CFR § 200.303](#), the City ensures internal controls through a number of local procedures, including ensuring to the extent practicable that the duties of the staff are divided so that no one person handles all aspects of a transaction from beginning to end. Some effective techniques and best practices that the City follows include:

- An **organizational chart** and/or written definitions setting forth the actual lines of responsibility of personnel involved in financial transactions and that clarifies all key roles and an adequate segregation of duties.
- Maintaining City **accounting policy and procedures** that includes specific approval authority for financial transactions and guidelines for controlling expenditures, as typically followed for local funds. (This guide will include written procedures for recording transactions; maintaining a chart of accounts, a general ledger and other typical internal controls established by the City that will also be applied to ARPA-SLFRF.)
- **Bank Depository:** The City maintains funds in a bank, designated as its depository for banking services. The City Council reviews the selection in accordance with the City's charter or financial procedures, or otherwise every three (3) years unless circumstances deem otherwise. The City Council follows the internal financial procedures for all expenditures unless an individual funding agency/source prescribes specific (and more stringent) requirements.
- **Accounts Payable:** Seven (7) individuals are authorized to sign checks written on the bank depository account: Mayor, City Administrator, Assistant City Administrator, and City Council. All checks require two (2) authorized signatures. No exceptions.
- **Accounting:** The Finance Director is responsible for establishing the structure for the City Chart of Accounts and for assuring that procedures are in place to properly record financial transactions and report the City's financial position. The Finance Director shall provide financial reports to the Mayor and Council monthly.
- **Audit of Accounts:** An independent audit of City accounts is performed annually. The Auditor is retained by and is accountable directly to the City Council. The City Council reviews the selection every five (5) years unless circumstances deem otherwise. The City will follow the audit requirements as outlined in the audit section of this document.
- **Internal Controls:** Whenever possible, written procedures will be established, maintained, and assessed per 2 CFR 200.303 by the Finance Director for all functions involving cash handling and/or accounting throughout the City. These procedures will embrace the general concepts of fiscal responsibility set forth in this policy statement.

Other internal controls the City follows include the following:

- A chart of accounts will include account names and the numbers assigned to each and provides the following categories: assets, liabilities, net assets/fund balance, revenues, and expenses.
- Maintaining journal entries that are properly approved and supported by adequate source documentation and note the effective period of the agreement, list disbursement amounts paid out (or properly accrued); expended on eligible items; and approved by the appropriate official(s) within the organization.
 - Adequate documentation is not limited to but includes signed purchase orders with invoices to support authorizations, timecards to support labor, detailed receipts to support spending, periodic monitoring reports with support of review, and approval by management.
- Maintaining hiring policies that ensure financial staff qualifications are equal to job responsibilities and that individuals hired are competent to do the job.
- Adequately controlling access to accounting records, assets, blank forms, and confidential records, such that only authorized persons may access them.
- Conducting periodic comparisons of financial records to actual assets and liabilities (i.e., reconciliation).
 - Monthly reconciliation and verifications of cash balances with bank statements shall be made by employees who do not handle or record cash, or sign checks.
- Maintaining accounting records indicating the amounts budgeted for eligible activities and establishing Budget Controls (i.e. procedures to compare and control expenditures against approved budgets throughout the period of performance).
- Comparing actual obligations and expenditures to date against planned obligations and expenditures, and against projected accomplishments.
- Reporting deviations from budget and program plans and requesting approval for budget and program plan/scope revisions.
- Monitoring updated ARPA-SLFRF related regulations and guidance to continue integration into local implementation and/or financial management procedures.
- Reviewing, investigating, and/or reporting all claims of fraud, waste, or abuse related to ARPA-SLFRF addressing identified control risks and remediating plans while targeting continuous process improvements.
- Managing fixed assets through tracking and reporting to ensure compliance with Treasury guidance related to changes in use and disposition.

PROCEDURES FOR INVOICE REVIEWS & PAYMENTS

- An invoice is received and, if necessary, a request for payment is prepared by authorized staff and proper signatures obtained from Department Head as authorized in original grant approval.
- Finance Department's office reviews the invoice and compares it to the grant budget.
- Invoices must be approved by the Department Head involved in the financial management oversight and City Administrator. Approval is acknowledged by initialing the original invoice or through City Council action.
- Upon receipt of an approved and acknowledged invoice, Finance Director records the expenditure and generates a check. Either the Mayor, City Administrator and/or Assistant City Administrator's signatures appear on the approved checks. Checks are then disbursed to the appropriate vendors. The Finance Director is responsible for ensuring that checks are signed and disbursed within ten (10) calendar days.
- Copies of the request for payment, invoice, canceled check copy, and bank statement showing receipt of grant money are retained in the grant file in the Finance Director's office.

- The City Administrator and Mayor authorize payments and issuance of checks. Two (2) signatures are required on each check – the Mayor, the City Administrator, and/or Assistant City Administrator. The Finance Director is responsible for reconciling the monthly bank statements.

SECTION 6 – PROPERTY MANAGEMENT & DISPOSITION

The City provides safeguards for all property, whether cash or other assets. Personnel duties will be segregated to the extent practicable for the City such that the individual or personnel responsible for the physical custody of an asset will be distinct from the designated personnel keeping the records related to assets.

The City will continue to monitor, track, and assess that all assets are being used solely for authorized purposes. The City will provide proper reporting and resolve discrepancies according to Treasury and applicable Uniform Administrative requirements.

As outlined in the ARPA Final Rule FAQ, *except* for property, supplies, or equipment acquired using *revenue loss funds (EC 6.1)*, the City must follow the applicable provisions of the Uniform Guidance regarding property standards (2 CFR 200.310-316), subject to the requirements set out in the Final Rule FAQ (13.16). During the period of performance, a recipient may use property, supplies, or equipment purchased or improved with ARPA funds for a purpose other than the purpose for which it was purchased or improved if such other purpose is also consistent with the eligible use requirements.

If the City changes the use of an asset to an ineligible use or sells the asset prior to the end of the period of performance, then the City will follow the disposition procedures in the Uniform Guidance. See 2 CFR 200.311, 200.313, 200.314, and 200.315.

After the period of performance, the property, supplies, or equipment must be used consistent with the purpose for which it was purchased or improved or for any other eligible purpose in the same category as the purpose reported to Treasury as of the final reporting period, as set forth in the table below:

Category	Use Requirements
Public Health and Assistance to Households and Individuals	Property, supplies, or equipment last reported as being used to respond to the public health impacts of the public health emergency, as outlined in 31 CFR 35.6(b)(3)(i) or being used for the provision of services to households provided in 31 CFR 35.6(b)(3)(ii)(A), are authorized to fulfill any eligible use of funds provided in these subparagraphs of the Final Rule.
Assistance to Small Businesses, Nonprofits, and Impacted Industries	Property, supplies, or equipment last reported as being used for the provision of services to small businesses, nonprofits, and impacted industries outlined in 31 CFR 35.6(b)(3)(ii)(B)-(D) are authorized to fulfill any eligible use of funds outlined in the public health and negative economic impacts eligible use category.
Water, Sewer, or Broadband Infrastructure	Property, supplies, or equipment last reported as being used to make investments in water, sewer, or broadband infrastructure pursuant to 31 CFR 35.6(e) are authorized to fulfill any eligible use of funds outlined in the water, sewer, and broadband infrastructure eligible use category.
Government Services/Revenue Loss	Property, supplies, or equipment acquired with revenue loss funds are exempt from the use and disposition requirements of the Uniform Guidance, regardless of award size.

Category	Use Requirements
Premium Pay	N/A

If an asset's use shifts within the parameters of the eligible purpose according to the above table after the period of performance, no repayment would be required. For example, converting a hospital to a behavioral health facility would qualify as being used for the eligible purpose because both expenditures respond to the public health impacts of the public health emergency, as outlined in 31 CFR 35.6(b)(3)(i), so reimbursement to Treasury would be unnecessary.

If an asset's use shifts outside the parameters of the eligible purpose according to this table after the period of performance, then the City will follow the disposition procedures in the Uniform Guidance. See 2 CFR 200.311, 200.313, 200.314, and 200.315.

SECTION 7 – AUDITS

The City follows all prescribed federal, state, and local audit requirements. Specifically, for all federal funds, the *Uniform Guidance, Subpart F* provides additional standards for non-federal entities that expend \$750,000 or more in federal awards during each fiscal year, including the requirement to have a single audit or program-specific audit.

- Single audits (or alternative audits, if applicable) are to be performed by independent public accounting firms engaged by the City.
- Costs for single audits are borne by the City and are allowable expenditures under ARPA-SLFRF.
- A program-specific audit may be conducted in lieu of a single audit only when ARPA funds are the only federal expenditures represented in a given fiscal year.

More specifically to ARPA-SLFRF and in lieu of a single audit, an "Alternative Compliance Examination Engagement" (ACEE) may also be applicable to the City for each fiscal year during the period of performance, if other (non-ARPA) federal expenditures *did not* exceed \$750,000 beyond the ARPA expenditures.

If the City (and any of its subrecipients) expends less than \$750,000 in a fiscal year in federal funds, a single audit or program-specific audit will NOT be required for that year.

As agreed upon in the ARPA-SLFRF Award Terms and Conditions, all City records pertinent to the financial and programmatic aspects of the ARPA-SLFRF allocation will be fully accessible. The City (and its selected auditors) will consult the most up-to-date *Compliance Supplement* which provides information on the existing, important compliance requirements that the federal government expects to be considered for either the single audit or the alternative audit.

If single audits or program-specific audits are required, the City will submit the requisite audit reports to the Federal Audit Clearinghouse (FAC) thirty (30) to sixty (60) days after receipt of the auditor's report(s), or nine (9) months after the end of the fiscal year-end date, whichever comes first.

Alternative audits have the same completion timelines as single audits, but the audit report will be required to be uploaded to the Treasury's portal (as outlined in the Treasury's *Alternative Compliance Examination Engagement Report User Guide*) rather than to the FAC.

At the completion of the audit, the City will prepare, in a document separate from the auditor's findings as described in the Audit Findings section, a corrective action plan to address each audit concern or finding included in the current year auditor's reports. The corrective action plan must provide the name(s) of the contact person(s) responsible for the corrective action, the corrective action planned, and the anticipated completion date. If the auditee does not agree with the audit findings or believes corrective action is not required, then the corrective

action plan must include an explanation and specific reasons.

Corrective action means action taken by the City that:

- a. Corrects identified deficiencies
- b. Produces recommended improvements; or
- c. Demonstrates that audit findings are either invalid or do not warrant auditee action.

The City considers continuous process improvement as critical to operations and will respond to all audit concerns in a timely manner.

SECTION 8 – STANDARD OF CONDUCT & CONFLICT OF INTEREST POLICY

The City will maintain a conflict of interest policy consistent with 2 CFR § 200.318(c) and that such conflict of interest policy will be applicable to each activity funded under this award.

City officials, employees, and affiliates may not have a direct or indirect interest, including financial and other interests, engage in a business transaction or professional activity, or incur an obligation of any nature that is in substantial conflict with the proper discharge of the officer or employee's duties in the public interest. By statute, officers and employees must comply with certain ethical responsibilities and disclosure obligations. The consequences for noncompliance may include a void contract, personal liability for ultra vires acts, or a criminal penalty. For specific information regarding the professional standards applicable to a particular business transaction, City employees or officers will consult with the City's legal counsel or other designated representative.

SECTION 9 – FINANCIAL RECORDS MANAGEMENT & RETENTION

The City will adhere to the following record-keeping policies, as agreed upon in the CLFRF Award Terms and Conditions and as outlined in 2 CFR 200.334-337.

- a. The City will maintain records and financial documents sufficient to evidence compliance with section 603(c) of the Act and all Treasury's regulations and guidance related to implementing that section.
- b. The Treasury Office of Inspector General and the Government Accountability Office, or their authorized representatives, will have the right of access to records (electronic and otherwise) of the City to conduct audits or other investigations.
- c. Records will be maintained by the City for a period of five (5) years after all funds have been expended or returned to Treasury, whichever is later.

Accounting records will be maintained to adequately identify the source and application of funds provided for ARPA-funded activities. Accounting records should also be fully supported by source documentation.

Source documentation should explain the basis of the costs incurred and the actual dates of the expenditure. For example, source documentation on payments to contractors would include a request for payment, proof of inspection to verify work and materials, and canceled checks.

Financial records include, but are not limited to the following:

- Transaction registry documenting:
 - All invoices associated with each Request for Payment; and
 - Source of funds for each invoice (disbursed funds by activity, matching funds, and/or other funds)
- Although not limited to the list below, source documentation will typically include the following:
 - Executed contract/purchase agreements, with terms and conditions

- Purchase orders, invoices, and contractor requests for payments
- Purchase vouchers/receipts
- Payrolls
- Time and attendance records
- Addendum record of direct deposit payments
- Verification of deposits
- Monthly bank statements with canceled checks
- Check register/transaction ledger
- Employee time sheets; if applicable
- Equipment time record sheets
- Property inventory
- Performance/milestone reports or other status reports
- Electronic Transfer Form (ETF), etc.

Additional documentation examples related to financial management include a chart of accounts, financial statements, audit reports and corrective action plans, procurement records (micro-small through formal competitive procurements), etc.

SECTION 10 – MONITORING & REPORTING

The City will comply with all Treasury reporting requirements and submit all expenditure data in a timely manner. Financial statements and reporting will be complete, current, and reviewed periodically to provide complete disclosure of the financial results of all federally sponsored projects or programs.

All recipients of federal funds must complete financial, performance, and compliance reporting. Expenditures may be reported on a cash or accrual basis, as long as the methodology is disclosed and consistently applied.

Reporting must be consistent with the definition of expenditures pursuant to 2 CFR 200.1. The City will appropriately maintain accounting records for compiling and reporting accurate, compliant financial data, in accordance with appropriate accounting standards and principles.

Financial reporting will include Treasury-required data and will be aligned in accordance with [2 CFR 200.302], to include budgeted project amounts, advances/reimbursements received to date, actual expenditures/disbursements, current encumbrances/obligations, program income (if applicable), and other miscellaneous receipts, and any unpaid requests for payments.

The City will report **obligations** and **expenditures** by project according to the corresponding Expenditure Category (EC). As noted in the Treasury's Compliance & Reporting Guidance, there are a wide range of eligible uses of the SLFRF funds, and the Treasury must be able to track how funds are used by recipients for oversight and transparency purposes.

ARPA reporting will follow the schedule and guidance outlined by the Treasury (shown below) and be accurate and specific in describing the project activity within the ARPA-SLFRF approved period of performance.

For the SLFRF program, reporting requirements vary by recipient type, as shown in the table that follows. Detailed instructions for the completion and submission of each report are covered in Part 2 of the *Compliance & Reporting Guidance*.

The reporting phase is anticipated to end once the ARPA funds are fully expended with a 0 balance, or April 30, 2027 (whichever is sooner).

Reporting Requirements by Recipient Type

Tier	Recipient	Interim Report	Project and Expenditure Report	Recovery Plan Performance Report
1	States, U.S. territories, metropolitan cities and counties with a population that exceeds 250,000 residents	By August 31, 2021 or 60 days after receiving funding if funding was received by October 15, with expenditures by category. <i>Note: NEUs were not required to submit an Interim Report</i>	By January 31, 2022, and then the last day of the month after the end of each quarter thereafter	By August 31, 2021 or 60 days after receiving funding, and annually thereafter by July 31
2	Metropolitan cities and counties with a population below 250,000 residents that are allocated more than \$10 million in SLFRF funding, and NEUs that are allocated more than \$10 million in SLFRF funding		<i>Note: NEUs were not required to submit a Project and Expenditure Report on January 31, 2022. The first reporting date for NEUs was April 30, 2022.</i>	
3	Tribal Governments that are allocated more than \$30 million in SLFRF funding			
4	Tribal Governments that are allocated less than \$30 million in SLFRF funding		By April 30, 2022, and then annually thereafter	
5	Metropolitan cities and counties with a population below 250,000 residents that are allocated less than \$10 million in SLFRF funding, and NEUs that are allocated less than \$10 million in SLFRF funding			

Note: Based on the period of performance, reports will be collected through April 30, 2027.

Monitoring Subrecipient Activities and Compliance

The City understands the requirements to manage and monitor their subrecipients to ensure compliance with requirements of the SLFRF award pursuant to 2 CFR 200.332 regarding requirements for pass-through entities.

Projects funded under the 6.1 Revenue Loss category are not subject to subrecipient designations or monitoring.

Except for projects classified under the revenue loss expenditure category, the City will clearly identify to the

subrecipient: (1) that the award is a subaward of SLFRF funds; (2) any and all compliance requirements for use of SLFRF funds; and (3) any and all reporting requirements for expenditures of SLFRF funds.

The City will also evaluate each subrecipient's risk of noncompliance based on a set of common factors. These risk assessments will include factors such as prior experience in managing federal funds, previous audits, personnel, and policies or procedures for award execution and oversight. Ongoing monitoring of any given subrecipient should reflect its assessed risk and include monitoring, identification of deficiencies, and follow-up to ensure appropriate remediation.

The City will develop and adhere to written policies and procedures for subrecipient monitoring and risk assessment and maintain records of all award agreements identifying or otherwise documenting subrecipients' compliance obligations.

SECTION 11 – PROCUREMENT

The City as an ARPA Recipient will comply with the applicable requirements of the Uniform Guidance regarding procurement, contracting, and conflicts of interest and follow the applicable laws and regulations of our jurisdiction. When policies are overlapping or duplicated, the most stringent version will be followed.

Projects funded under the 6.1 Revenue Loss category are not subject to the procurement requirements outlined under 2 CFR 318-326 but are still required to follow the state and local requirements that the City typically adheres to for all local purchases.

Except for projects classified under the revenue loss expenditure category, the City will follow the ARPA required procurement requirements as prescribed, specifically in the uniform guidance 2 CFR 318-2 CFR 326.

To the extent practicable, the City will adapt established and standardized procurement materials and will ensure the ARPA-SLFRF provisions are included, as applicable. Authorized procurement specialists, legal, or other authorized City representatives will review all procurement and related contract content for quality prior to publication and execution.

Additionally, the City has written guidance outlining all procurement-related roles including levels of authorization and approvals necessary for all purchasing and contracting transactions.

Important procurement and contracting regulations from 2 CFR Part 200 that the City will follow include:

- Maintaining records to sufficiently detail the history of the procurement. These records include but are not necessarily limited to, the rationale for the method of procurement, selection of contract type, contractor selection or rejection, basis for the contract price, the contract document, and any contract modifications with signatures of all parties.
- Setting up procurements in a manner providing full and open competition, outside of justifiable emergency purchases and/or sole source scenarios.
- Performing a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold, including contract modifications. The method and degree of analysis is dependent on the facts surrounding the procurement situation, but as a starting point, non-federal entities must make independent estimates before receiving bids or proposals.
- Ensuring “Cost Plus a Percentage of Cost and Percentage of Construction Costs” are avoided as these methods of contracting are not allowed under the Uniform Guidance (2 CFR § 200.324).
- Using time-and-materials-type contracts only after determining that no other contract is suitable and including a ceiling price that the contractor exceeds at its own risk.
- Maintaining oversight to ensure contractors perform according to the terms, conditions, and specifications of their contracts or purchase orders.

SECTION 12 – COST PRINCIPLES

The Uniform Guidance (2 CFR 200 Subpart E) requires recipients of federal assistance to have written procedures for determining the reasonableness, allocability, and allowability of costs in accordance with the provisions of the federal cost principles and the terms and conditions of the award.

The 2 CFR Part 200, Subpart E is applicable to expenditures under SLFRF unless stated otherwise. Given the purpose and very broad scope of eligible uses of the *revenue replacement funds* (\geq \$10M allocation), only a subset of the requirements in 2 CFR Part 200, Subpart E applies to the use of such funds, as follows:

- 2 CFR 200.400(a) - (c), and (e) Policy Guide
- 200.403(a), (c), (d), (g), and (h) Factors affecting allowability of costs; and
- 200.404(e) Reasonable costs.

Allowable: As outlined in 2 CFR § 200.403, a cost is allowable when it is compliant with the terms and conditions of the federal award and implementing agency regulations, and the Uniform Guidance (UG).

Allocable: As outlined in 2 CFR § 200.405, a cost is allocable if either (1) it is incurred solely to benefit an ARPA-SLFRF-eligible project, or (2) it benefits both an ARPA-SLFRF-eligible project and another ARPA-SLFRF-eligible project or other work of the local government, in proportions that can be approximated using reasonable methods. A local government must use a consistent method for allocating costs. Some costs will be charged directly to the grant award and other costs may be included in an indirect cost pool.

Reasonable: As described in 2 CFR § 200.404 cost is reasonable when, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. In determining the reasonableness of a given cost, consideration must be given to:

- Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the non-federal entity or the proper and efficient performance of the federal award.
- The restraints or requirements imposed by such factors as sound business practices; arm’s-length bargaining; federal, state, local, and other laws and regulations; and terms and conditions of the federal award;
- Market prices for comparable goods or services for the geographic area.

Consistently applied: A cost is consistently applied when it is applied uniformly to both federally funded and other activities of the local government.

Properly documented: A local government must document its allocation method and its system of internal controls that provide reasonable assurance that amounts charged are accurate, allowable, and properly allocated.

Below is a list of allowable costs, allowable costs with restrictions, and unallowable costs that will be considered prior to project selection, obligations, and subsequent disbursement approvals.

Unallowable Activities & Costs

In addition to the Treasury’s specifically stated ineligible costs, listed in **Section 4 – Ineligible Costs and Recoupment**, other unallowable costs include unnecessary costs that are not needed or required to achieve the objectives of the ARPA Terms and Conditions, 31 CFR Part 35 – the Final Rule, and the Project & Expenditure Guidance.

Fiscal Recovery Funds are also subject to the provisions of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200 – the Uniform Guidance), including the cost principles and restrictions on general provisions for selected items of cost. These cost principles include restrictions that would apply to all federal awards unless otherwise stated.

The following are example cost types that are not allowed (or unallowed with some exceptions) according to 2 CFR 200.400, Subpart E:

Selected Items of Cost	Uniform Guidance General Reference	Allowability
Alcoholic Beverages	2 CFR §200.423	Unallowable
Bad Debts	2 CFR §200.426	Any losses arising from uncollected accounts and other claims, and related costs are unallowable
Contingency Provisions	2 CFR § 200.433	Unallowable with exceptions
Contributions and Donations	2 CFR §200.434	Costs of contributions and donations, including cash, property, and services from the recipient to other entities is unallowable
Certain Depreciation or Use Allowances	2 CFR §200.436	Unallowable on any portion of the buildings and equipment purchased with Federal funds or contributed to meet statutory matching requirements
Funds to Benefit Political Campaigns	NA	Unallowable
Entertainment	2 CFR §200.438	Although minor exceptions may apply, costs for amusement, social activities, ceremonials, hospitality, and activities relating thereto, such as meals, lodging, rentals, transportation, and gratuities are unallowable
Fines and Penalties	2 CFR §200.441	Resulting from violations of, or failure to comply with Federal, State, and local laws and regulations are unallowable. Some exceptions apply
Fundraising	2 CFR § 200.442	Includes costs of organized fundraising, endowment drives, solicitation of gifts and bequests, and similar expenses incurred solely to raise capital or obtain contributions are unallowable. Some exceptions apply

Selected Items of Cost	Uniform Guidance General Reference	Allowability
*General Costs of Government	2 CFR § 200.444	Exceptions apply, most particularly under EC 6.1 Revenue Loss cost allocations under ARPA – SLFRF, but otherwise unallowable
Goods and Services for Personal Use	2 CFR § 200.445	Goods and services for personal use are unallowable although some exceptions may apply for housing
Idle Facilities and Idle Capacity	2 CFR § 200.446	Idle facilities – unallowable with exceptions; Idle capacity – allowable with restrictions
Lobbying Costs – includes direct legislative lobbying and grassroots lobbying	2 CFR §200.450	Unallowable
Losses on Other Awards or Contracts	2 CFR § 200.451	Unallowable
Organization Costs	2 CFR § 200.455	Unallowable unless federal prior approval
Participant Support Costs	2 CFR § 200.456	Only allowable with prior approval of the federal awarding agency
Selling and Marketing Costs	2 CFR § 200.467	Unallowable with exceptions
Student Activity Costs	2 CFR § 200.469	Unallowable unless specifically provided for in the federal award

Allowable Costs

In addition to the enumerated expenditure categories and other generally allowable activities/costs outlined in 31 CFR Part 35 – the Final Rule, the Project & Expenditure Report User Guide, the FAQs, and other Treasury source guides, the following summarized costs are typically allowable federal costs (although most of the following cost categories have restrictions) according to 2 CFR 200.400, Subpart E:

Selected Items of Cost	Uniform Guidance General Reference	Allowability
<i>* All expenditures using Revenue Loss funds (EC 6.1) should follow local policies for prudent spending and may have a broader coverage of allowable costs.</i>		
Advertising and Public Relations	2 CFR § 200.421	Allowable with restrictions
Advisory Councils	2 CFR § 200.422	Allowable with restrictions
Bonding Costs	2 CFR § 200.427	Allowable with restrictions
Collection of Improper Payments	2 CFR § 200.428	Allowable
Compensation – Personal Services	2 CFR § 200.430	Special conditions apply [e.g., § 200.430(i)(5)]
Compensation – Fringe Benefits	2 CFR § 200.431	Allowable with restrictions
Conferences	2 CFR § 200.432	Allowable with restrictions
Defense and prosecution of criminal and civil proceedings, claims, appeals, and patent infringements	2 CFR § 200.435	Allowable with restrictions

Selected Items of Cost	Uniform Guidance General Reference	Allowability
<i>* All expenditures using Revenue Loss funds (EC 6.1) should follow local policies for prudent spending and may have a broader coverage of allowable costs.</i>		
Depreciation	2 CFR § 200.436	Allowable with qualifications
Employee Health and Welfare Costs	2 CFR § 200.437	Allowable with restrictions
Exchange Rates	2 CFR § 200.440	Allowable with restrictions
Insurance and Indemnification	2 CFR § 200.447	Allowable with restrictions
Intellectual Property	2 CFR § 200.448	Allowable with restrictions
Interest	2 CFR § 200.449	Allowable with restrictions
Maintenance and Repair Costs	2 CFR § 200.452	Allowable with restrictions
Materials and Supplies Costs, including costs of computing devices	2 CFR § 200.453	Allowable with restrictions
Memberships, Subscriptions, and Professional Activity Costs	2 CFR § 200.454	Restrictions apply and unallowable for lobbying organizations
Plant and Security Costs	2 CFR § 200.457	Allowable; capital expenditures are subject to 2 CFR § 200.439
Professional Services Costs	2 CFR § 200.459	Allowable with restrictions
Proposal Costs	2 CFR § 200.460	Allowable with restrictions
Publication and Printing Costs	2 CFR § 200.461	Allowable with restrictions
Rearrangement and Reconversion Costs	2 CFR § 200.462	Allowable (ordinary and normal)
Recruiting Costs	2 CFR § 200.463	Allowable with restrictions
Relocation Costs of Employees	2 CFR § 200.464	Allowable with restrictions
Rental Costs of Real Property and Equipment	2 CFR § 200.465	Allowable with restrictions
Specialized Service Facilities	2 CFR § 200.468	Allowable with restrictions
Taxes (including Value Added Tax)	2 CFR § 200.470	Allowable with restrictions
Termination Costs	2 CFR § 200.472	Allowable with restrictions
Training and Education Costs	2 CFR § 200.473	Allowable with restrictions, for employee development
Transportation Costs	2 CFR § 200.474	Allowable with restrictions
Travel Costs	2 CFR § 200.475	Allowable with restrictions

The City understands funds may be used for administering the SLFRF program, including costs of consultants to support effective management and oversight, including consultation for ensuring compliance with legal, regulatory, and other requirements. Costs must be reasonable and allocable as outlined in 2 CFR 200.404 and 2 CFR 200.405. Pursuant to the SLFRF Award Terms and Conditions, direct and indirect costs may be charged to their ARPA award as administrative costs as long as they are accorded consistent treatment per 2 CFR 200.403.

Direct costs are those that are identified specifically as costs of implementing the ARPA program objectives, such as contract support, materials, and supplies for a project.

Indirect costs are general overhead costs of an organization where a portion of such costs are allocable to the ARPA award such as the cost of facilities or administrative functions like a director's office. Each category of cost should be treated consistently in like circumstances as direct or indirect, and the City will not charge the same administrative costs to both direct and indirect cost categories, or to other programs.

Also review **Section 15 – Match, Braided Funds & Loans** for more specific details on allowable and unallowable cost scenarios.

Below are the City's procedures for determining reasonableness, allocability, and allowability of costs:

- A. **Review and understand the Treasury's Award Terms and Conditions** as well as the federal cost principles that govern the project funding.
- B. **Determine allowability, allocability, and cost reasonableness of all activities funded by ARPA-SLFRF and associated costs.** The initial assessment will be conducted at the project identification or selection stage to ensure eligibility, and then ongoing reviews and evaluations will continue throughout the course of the project prior to each invoice approval or disbursement.
 - a. Measures to assess reasonableness will vary based on the items and context of the purchase. Micro and Small purchase types will be informal whereas formal purchases may require more analysis. The City will use approaches such as individual itemized cost analysis or total price comparisons when multiple vendors bid on items. Independent cost estimates and market research will often be conducted to assess and compare prices. Historical price data and pricing based on prior competitions for similar purchase types may also be used as a means to assess cost reasonableness.
- C. **Monitor, track, and report funds** routinely against approved budgets, obligations, and expenditures and identify direct and indirect costs. Keep all records organized and easily accessible for potential audits or reviews.
- D. **Document the process.** The City will maintain thorough documentation to support determinations and all associated costs.
- E. **Seek Guidance.** The City will seek guidance when there is uncertainty or complexity in the determination process by consulting with appropriate personnel such as financial officers, legal advisers, internal auditors, or grant administrators. Also, the City will seek clarification from the funding agency as needed to ensure that costs meet the necessary standards.
- F. **Implement Corrective Actions.** If any costs are later found to be unreasonable, unallocable, or unallowable, the City will assess for most appropriate actions and ensure process improvements are documented and implemented into ongoing operations. This may involve reallocating costs, adjusting budgets, or seeking approval for cost transfers or other remedies per the requirements provided by the Treasury and outlined in the Uniform Guidance.

SECTION 13 – CASH MANAGEMENT & DISBURSEMENTS

The City will budget, forecast, and routinely analyze cash flow statements. In addition to the City's established financial management procedures and related internal controls, efficient cash management ensures that funds are used optimally, and timely disbursements are made for all ARPA-SLFRF-funded activities. This City will ensure that all disbursements align with federal, state, and local policies.

While not stated specifically in the Final Rule, the Treasury does not require or have a preference as to the payment structure for recipients that transfer funds to subrecipients (e.g., advance payments, reimbursement basis, etc.). Ultimately, it is the City's responsibility to comply with the eligible use requirements and any other applicable laws or requirements and are responsible for the actions of their subrecipients or beneficiaries.

The City may first opt for reimbursement-based payments, when feasible. However, the City will ultimately determine the most effective approach to accomplish the objectives of the project. All disbursements will be for allowable, allocable, and reasonable costs and will be supported by legal agreements and/or other relevant source documentation.

Not limited to the following examples but as part of internal control policies related to cash management and disbursements, the City uses prenumbered checks for all disbursements made by check. Unused check supplies are stored in a secure location with only authorized representatives having access. Blank checks are not to be signed in advance, checks are never made payable to cash, and checks are made only by representatives who are not also authorized to sign them. Authorized check signers must thoroughly review invoices and supporting documents and verify the receipt of all goods and services. Disbursements are only made to authorized vendors and all employees have a secure personnel file that at a minimum includes hiring authorization, salary history, hours authorized to work, federal and state withholding forms, health insurance and retirement deduction information, and authorization for all other payroll deductions.

SECTION 14 – PROGRAM INCOME

Program income policies and procedures under the American Rescue Plan Act’s State and Local Fiscal Recovery Fund (ARPA-SLFRF) help ensure fiscal responsibility and regulatory compliance while maximizing the impact of federal assistance. Program Income, when applicable to the project, will be identified, tracked, reported, and appropriately utilized.

As clarified in the Final Rule FAQ 13.15, program income requirements of 2 CFR 200.307 do not apply under the revenue loss (EC 6.1) eligible use category. As such, recipients may maintain program income, which will not be considered an addition to the federal award.

Per Uniform Guidance definitions in 2 CFR 200.1, Program Income means gross income earned by the non-federal entity (the ARPA Recipient and its subrecipients) that is directly generated by a supported activity or earned as a result of the federal award (ARPA-SLFRF allocation) during the *period of performance* except as provided in § 200.307(f).

The U.S. Department of the Treasury has clarified in its Final Rule FAQs that recipients may add program income to the federal award. Any program income generated from SLFRF funds must be used for the purposes and under the conditions of the federal award.

Program income includes but is not limited to income from fees for services performed, the use or rental of real or personal property acquired under federal awards, the sale of commodities or items fabricated under a federal award, license fees and royalties on patents and copyrights, and principal and interest on loans made with federal award funds. For any SLFRF funded loans, the City will follow Treasury’s guidance on tracking and disposing of program income from loans, consistent with the statutory requirements and timing of SLFRF expenditures.

Program income does *not* include:

- Interest earned on advances of federal funds, rebates, credits, discounts, or interest on rebates, credits, or discounts;
- Income earned from the investment of initial proceeds of a grant advance from the U.S. Treasury;
- Proceeds from subrecipient fundraising activities;
- Taxes, special assessments, levies, fines, and other such revenues raised by a non-federal entity are not program income unless the revenues are specifically identified in the federal award or federal awarding agency regulations as program income;
- Proceeds from the sale of real property, equipment, or supplies are not program income; such proceeds will be handled in accordance with the requirements of the Property Standards [§§ 200.311](#), [200.313](#), and

[200.314](#), or as specifically identified in federal statutes, regulations, or the terms and conditions of the federal award.

SECTION 15 – MATCH, BRAIDED FUNDS, & LOANS

LOANS

SLFRF funds may be used to make loans, provided that the loan supports an activity that is an eligible use of funds, the SLFRF funds used to make the loan are obligated by December 31, 2024, and expended by December 31, 2026, and the cost of the loan is tracked and reported in accordance with the Final Rule.

In using SLFRF funds to make loans, recipients must be able to determine the amount of funds used to make a loan and must comply with Treasury guidance, all restrictions on the timing of the use of funds, and restrictions in the Uniform Guidance.

MATCH

SLFRF funds may be, but are not required to be, used along with other funding sources for a given project. As indicated by Treasury, the City understands that ARPA-SLFRF funds available under the “revenue loss” eligible use category generally may be used to meet the non-federal cost-share or matching requirements of other federal programs.

If the City decides to use SLFRF funds to satisfy match or cost-share requirements for a federal grant program, it will first be confirmed with the relevant awarding agency that no waiver has been granted for that program, that no other circumstances enumerated under 2 CFR 200.306(b) would limit the use of ARPA-SLFRF funds to meet the match or cost-share requirement, and that there is no other statutory or regulatory impediment to using the ARPA-SLFRF funds for the match or cost-share requirement.

SLFRF funds beyond those that are available under the revenue loss eligible use category may not be used to meet the non-federal match or cost-share requirements of other federal programs, other than as specifically provided for by statute. As an example, the *Infrastructure Investment and Jobs Act (IIJA)* provides that SLFRF funds may be used to meet the non-federal match requirements of authorized Bureau of Reclamation projects and certain broadband deployment projects. The final rule will be consulted for further details if the City’s seeks to utilize ARPA-SLFRF funds as a match for these projects.

BRAIDED FUNDS

Blending and braiding refers to using multiple sources of funding for complementary purposes and provided that the costs are eligible costs under each source program and compliant with all other related statutory and regulatory requirements and policies, including restrictions on use of funds, is allowable under ARPA-SLFRF.

The use of ARPA-SLFRF funds on all braided projects would be subject to the (December 31, 2024) deadline on obligating funds and no later than (December 21, 2026), for expending funds and the ARPA portion of the funding must cover an eligible use of funds. The City will report to Treasury on the date and amount of SLFRF funds obligated and expended for any portion of a project covered by ARPA funds.

SECTION 16 – CLOSEOUT

As outlined in § 200.344, the federal awarding agency or pass-through entity will close out the federal award when it determines that all applicable administrative actions and all required work of the federal award have been completed by the City.

The City must submit, no later than one hundred twenty (120) calendar days after the end date of the period of performance, all financial, performance, and other reports as required by the terms and conditions of the ARPA-SLFRF award.

A subrecipient must submit to the City, no later than ninety (90) calendar days (or an earlier date as agreed upon by the pass-through entity and subrecipient) after the end date of the period of performance, all financial, performance, and other reports as required by the terms and conditions of the federal award.

The City must promptly refund any balances of unobligated and/or unexpended funds. See OMB Circular A-129 and see [§ 200.346](#), for requirements regarding unreturned amounts that become delinquent debts.

If the City does not submit all reports in accordance with uniform guidance requirements and the terms and conditions of the federal award, the City is aware the federal awarding agency will proceed to close out with the information available within one (1) year of the period of performance end date.

If the City does not submit all reports in accordance with this section within one (1) year of the period of performance end date, the federal awarding agency must report the non-federal entity's material failure to comply with the terms and conditions of the award with the OMB-designated integrity and performance system (currently FAPIIS). Federal awarding agencies may also pursue other enforcement actions per [§ 200.339](#).

Montgomery City Council
AGENDA REPORT

Meeting Date: December 10, 2024	Budgeted Amount: N/A
Department: Administration	Prepared By: Ruby Beaven

Subject

Consideration and possible action on a Resolution of the City Council of the City of Montgomery, Texas, submitting nominee(s) as candidate(s) for the Election of the Montgomery Central Appraisal Districts Board of Directors.

Recommendation

Staff recommends Council to nominate a candidate(s) for the election of the Montgomery Central Appraisal Districts Board of Directors.

Discussion

Section 6.03 (1) of the Texas Property Tax Code states the procedure for replacing a board member as follows:

Section 6.03 (1) of the Texas Property Tax Code

1. If a vacancy occurs on the board of directors other than a vacancy in the position held by a county assessor-collector serving as a non-voting director, each taxing unit that is entitled to vote by this section may nominate by RESOLUTION adopted by its governing body a candidate to fill the vacancy. The unit shall submit the name of its nominee within 45 days after notification from the board of directors of the existence of the vacancy, and the chief appraiser shall prepare and deliver to the Board of Directors within the next five days a list of the nominees to fill the vacancy.

Montgomery Central Appraisal Districts is seeking nomination(s) for the Board of Directors. The deadline to submit all nominations by Resolution is January 17, 2025. All nominations will require a brief biography.

Approved By

City Secretary & Director of Administrative Services	Ruby Beaven	Date: 12/03/2024
City Administrator		Date:



MONTGOMERY CENTRAL APPRAISAL DISTRICT
SHERRY C. HUNTER, RPA, CCA
INTERIM CHIEF APPRAISER

MONTGOMERY CENTRAL APPRAISAL DISTRICT



109 GLADSTELL ST., CONROE, TX 77301
P.O. BOX 2233, CONROE, TX 77305
936-756-3354 | WWW.MCAD-TX.ORG

City of Montgomery
Mayor Byron Sanford
101 Old Plantersville Rd
Montgomery Texas 77316

November 21, 2024

Re: **REQUEST FOR NOMINATIONS FROM COUNTY, SCHOOL, AND CITY DISTRICTS FOR
Montgomery Central Appraisal District's Board of Directors Election**

As a populous county, MCAD is now governed by Sec. 6.0301 of the Texas Property Tax Code. Pursuant to that section, the taxing units that participate in the District in the manner described in section 6.03 appoint five (5) members of the District's Board of Directors.

In accordance with the provisions in this section, each jurisdiction entitled to vote in the election of the Montgomery Central Appraisal District's Board of Directors may nominate a candidate for each of the five (5) positions to be filled.

To assist you in the nomination process, I am enclosing the eligibility requirements for a board member and a sample resolution. All nominations must be submitted to my attention **by resolution before January 17, 2025.**

Please include a brief biography with each nomination. These biographies will be sent with the Official Ballot to each voting jurisdiction to allow them to familiarize themselves with the qualifications and background of each candidate.

After the nomination period is closed, an Official Ballot will be mailed on or about **February 14, 2025.** Please schedule your agenda accordingly so you may participate in this election of the Board of Directors.

If you have any questions concerning the election, please contact me.

Sincerely,
Sherry C. Hunter, RPA, CCA
Interim Chief Appraiser

Enclosures: Eligibility Requirements for Director
Resolution for Nomination

MOVING FORWARD TOGETHER
Motivated, Credible, Accountable, and Dependable

● Page 2

November 21, 2024

2-ColSDCityLetter-Nominate.doc

QUALIFICATIONS FOR AN APPRAISAL DISTRICT DIRECTOR

[Texas Property Tax Code 6.03]

To be eligible to serve on a board of directors, an individual must be a current resident of the appraisal district having resided in the appraisal district for at least two years immediately preceding the date of taking office. This residency requirement does not apply to a county TAC serving as a nonvoting director.

1st DEGREE	2nd DEGREE	3rd DEGREE
<p>By Consanguinity</p> <ul style="list-style-type: none"> • Children <p>By Affinity</p> <ul style="list-style-type: none"> • Spouses of relatives listed under first degree consanguinity • Spouse • Spouse's parents • Spouse's children • Stepparents • Stepchildren 	<p>By Consanguinity</p> <ul style="list-style-type: none"> • Grandparents • Grandchildren • Brothers & sisters <p>By Affinity</p> <ul style="list-style-type: none"> • Spouses of relatives listed by second degree consanguinity • Spouse's grandparents • Spouse's grandchildren • Spouse's brothers & sisters 	<p>By Consanguinity</p> <ul style="list-style-type: none"> • Great grandparents • Great grandchildren • Nieces & nephews • Aunts & uncles <p>By Affinity</p> <ul style="list-style-type: none"> • No prohibitions

A person is ineligible to serve on the board of directors if the individual is related within the second degree of consanguinity (blood) or affinity (marriage) to the following:

- *an appraiser who appraises property for use in a proceeding under the Tax Code; or
- *a person who represents property owners for compensation in proceedings under the Tax Code in the appraisal district

A director who continues to hold office knowing he or she is related in this manner to the above-named persons commits a Class B misdemeanor offense.

An employee of a taxing unit that participates in the appraisal district is not eligible to serve on the board of directors unless that individual also is a member of the taxing unit governing body or an elected official of a taxing unit.

Membership on the taxing unit governing body does not make an otherwise eligible individual ineligible to serve on the board of directors.

Owing delinquent property taxes disqualifies a person from serving on the board of directors.

The person is ineligible if he or she owns property on which delinquent property taxes have been owed for more than 60 days after the date the person knew or should have known of the delinquency. This disqualification does not apply if the person is paying the delinquent taxes and any penalties and interest under an installment payment agreement or has deferred or abated a suit to collect the delinquent taxes.

A person is ineligible to serve on the board of directors if the individual served as a member of the board of directors for all or part of five terms, unless they were a county assessor-collector at the time of service, or the appraisal district is established in a county with a population of less than 120,000.

A person who has appraised property for compensation for use in proceedings, represented property owners for compensation in proceedings in the appraisal district or was an appraisal district employee at any time within the preceding three years is ineligible to serve on the board of directors.

An individual is not eligible to be a candidate for, to be appointed to, or to serve on the board of directors if the individual has a substantial interest in a business entity that is party to a contract or the individual is a party to a contract with the appraisal district. This prohibition also applies to contracts with a taxing unit that participates in the appraisal district if the contract relates to the performance of an activity governed by the Tax Code.

An appraisal district may not enter into a contract with a board member or with a business entity in which a board member has a substantial interest.

A taxing unit may not enter into a contract relating to the performance of an activity governed by the Tax Code with a board member in which the taxing unit participates or with a business entity in which a board member has a substantial interest.

An individual has substantial interest in a business entity if:

- the combined ownership of the director and the director's spouse is at least 10 percent of the voting stock or shares of the business entity; or
- the director or director's spouse is a partner, limited partner or officer of the business entity.

STATE OF TEXAS

§

§

COUNTY OF MONTGOMERY

§

RESOLUTION

RESOLUTION SUBMITTING NOMINEE(S) AS CANDIDATE(S) FOR THE ELECTION OF THE MONTGOMERY CENTRAL APPRAISAL DISTRICT'S BOARD OF DIRECTORS

WHEREAS, the _____ of Montgomery County Texas has been certified by the Chief Appraiser of the Montgomery Central Appraisal District as being eligible and entitled to nominate candidates to be placed on the county-wide ballot for the Montgomery Central Appraisal District's Board of Directors; and

WHEREAS, the _____ has considered such candidates;

THEREFORE BE IT RESOLVED, that the _____ of the _____ hereby nominates to the Montgomery Central Appraisal District's Board of Directors the following candidate(s).

PASSED AND APPROVED this the _____, 2023.

s\ Title

ATTEST:

s\Title

Montgomery City Council
AGENDA REPORT

Meeting Date: December 10, 2024	Budgeted Amount: \$21,250
Department: Administration	Prepared By: Ruby Beaven

Subject

Consideration and possible action to authorize staff to enroll in the AT&T FirstNet plan and to discontinue employee telephone reimbursement.

Recommendation

Staff recommendation to enroll in the AT&T FirstNet plan, discontinue employee telephone reimbursement, and issue City cell phones to select employees.

Montgomery City Council
AGENDA REPORT

Discussion

What is FirstNet?

FirstNet provides America's first responders with the highly secure and reliable connectivity they need, when they need it – whether in a crisis or a routine task. FirstNet users have access to all AT&T LTE commercial bands, as well as Band 14 spectrum. AT&T looks at Band 14 as public safety's VIP lane. This is the nationwide, high-quality spectrum set aside by the U.S. government specifically for public safety.

During an emergency, this band can be cleared and locked exclusively for first responders and the public safety community. That means only those on FirstNet will be able to access Band 14 spectrum, further elevating their connected experience and emergency response.

Recommended Plan and Phone:

FirstNet Unlimited \$39.99 month per line and includes unlimited talk, text, and high-speed data with 50GB hotspot data per line per month. iPhone 15 purchase at \$215.64 and broke down into installments of \$5.99 per month. The total package cost would be \$45.98 per month per line.

Montgomery Current Status:

The City currently incurs an annual liability of \$21,250 for telephone communications, with \$19,800 allocated for reimbursements to 18 staff members using their personal cell phones for City business, alongside an additional \$1,450 for three (3) city-owned cell phones on a separate plan.

Proposed City Liability and Cost Savings:

If the City has 21 phone lines at \$45.98 each, the total monthly cost will amount to \$965.58, leading to an annual cost of approximately \$11,600. This represents savings of \$9,650 compared to the previous cost of approximately \$21,250 per year, showcasing significant cost efficiency.

Personal Cell Phones Subject to Public Records Request:

Information is considered a public record if it was created or maintained by a government official or employee in connection with their official duties. This includes information stored on personal devices, such as texts, emails, notes, and pictures. By having a City issued cell phone we can control access to public records request for text messages.

SB 1893 Compliance:

Montgomery City Council
AGENDA REPORT

On December 7, 2022, Governor Greg Abbott required all state agencies to ban the video-sharing application TikTok from all state-owned and state-issued devices and networks over the Chinese Communist Party’s ability to use the application for surveilling Texans. Governor Abbott also directed the Texas Department of Public Safety (DPS) and the Texas Department of Information Resources (DIR) to develop a plan providing state agencies guidance on managing personal devices used to conduct state business. Following the issuance of the Governor’s directive, the 88th Texas Legislature passed Senate Bill 1893, which prohibits the use of covered applications on governmental entity devices.

Recommendation:

Staff suggests discontinuing telephone reimbursements in favor of enrolling in the AT&T FirstNet plan, which may offer better services and reliability for communication needs. In addition, having control over prohibited applications on governmental entity devices.

Staff will need to give written notice to employees receiving a telephone reimbursement that the program is being discontinued and they will be receiving a City issued cell phone.

Please see attached quote from AT&T FirstNet for 20 phone lines and phones.

Approved By		
City Secretary & Director of Administrative Services	Ruby Beaven	Date: 12/04/2024
City Administrator		Date:

FirstNet Rate Plan Information You Requested

1 message

AT&T Plan Information <plan-info@mst.att-mail.com>
Reply-To: cj497u@att.com

Thu, Dec 5, 2024 at 10:46 AM



Your FirstNet Quote

Thank you for your time today! As requested, here is your personalized quote. If you have questions, please contact us—we are happy to help.

chez jacobs

 **Quote ID: 93RRTC** | Prepared on 12/05/2024

Note: Credits may take up to 3 billing cycles to appear. Quoted costs represent the anticipated typical billing cycle charges. First bill may differ from costs shown.

Unlimited

 **Smartphone - Primary**
Qty: 20

Plan FirstNet Unlimited

Monthly Costs

Monthly Plan Cost \$799.80

Monthly Plan Subtotal **\$799.80**

Device Apple iPhone 15 128GB

- 📅 Installment Details
- Term: **36 Months**
- Estimated Payoff: **December 2027**

Monthly Costs

Device Installment \$405.60
for 36 months

 Tiered Offer -\$285.80
for 36 months

Monthly Device Subtotal **\$119.80**
for 36 months

Total for Smartphone **Monthly Costs \$919.60**
\$799.80 after 36 months
One-Time Costs \$0.00

FIRSTNET TOTAL **Monthly Costs \$919.60**
\$799.80 after 36 months
Excludes taxes and other fees **One-Time Costs \$0.00**

For more information on the FirstNet products and services that fit your needs, visit your nearest AT&T store or FirstNet.com.

This information is provided to you for informational purposes only. The terms of the identified plans can be found in the applicable brochures at the links below. AT&T may revise these terms at any time. In the event of a conflict between this information and the applicable business agreement, the applicable business agreement will control. AT&T disclaims all warranties including, but not limited to, implied warranties of merchantability or fitness for a particular purpose. In no event shall AT&T be liable for any damages relating to the use or results of the calculator. The quoted rates are estimates of the monthly charges for the identified plans only and are based on the information provided by you. These rates do not include additional devices, features or services. Quoted rates supersede those in the applicable brochures, which are standr published rates, and not the discounted rates quoted herein, based on national, state or local contracts. Rates are subject to change and do not include taxes, fees, overage charges or surcharges. Activation fees, additional deposits and other restrictions may apply.

FirstNet Rate Plans - Agency Paid - Pooled & Unlimited

- Primary Users <https://www.firstnet.com/firstnetprimary>
- Primary Users (State/Local Gov) <https://www.firstnet.com/firstnetgovprimary>
- Extended Primary Users <https://www.firstnet.com/firstnetextended>
- Extended Primary Users (State/Local Gov) <https://www.firstnet.com/firstnetgovextended>

FirstNet Wireless Broadband Rate Plans

- Mobile-Unlimited Plans - Primary Users <http://www.firstnet.com/firstnetwb2primary>
- Mobile-Pooled & Mobile-Unlimited Plans - Extended Primary Users <http://www.firstnet.com/firstnetwb2extended>

FirstNet Machine-to-Machine Rate Plans

- Primary Users <https://www.firstnet.com/firstnetprimarym2m>
- Primary Users (State/Local Gov) <https://www.firstnet.com/firstnetgovprimarym2m>
- Extended Primary Users <https://www.firstnet.com/firstnetextendedm2m>
- Extended Primary Users (State/Local Gov) <https://www.firstnet.com/firstnetgovextendedm2m>

FirstNet Mission Critical Push-to-Talk Product Brief

FirstNet Push-to-Talk <https://www.firstnet.com/firstnetpushtotalkproductbrief>

FirstNet Rapid Response <https://www.firstnet.com/firstnetrapidresponseproductbrief>

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Montgomery City Council
AGENDA REPORT

Meeting Date: December 10, 2024	Budgeted Amount: N/A
Department: Administration	Prepared By: Ruby Beaven

Subject

Departmental Report Status Update

Recommendation

Information purposes only.

Discussion

Typically, the Departmental Reports are presented at the second regular City Council meeting of the month. Since the month of November and December only had one regular City Council meeting scheduled, staff will not be presenting Departmental Reports at this time.

Please be advised, staff will resume with the Departmental Reports at the January 28, 2025, meeting. Staff will present a quarterly report for October, November, and December 2024.

Approved By

City Secretary & Director of Administrative Services	Ruby Beaven	Date: 12/03/2024
City Administrator		Date: