

**Notice of City Council
AGENDA**

March 12, 2024 at 6:00 PM

NOTICE IS HEREBY GIVEN that a Meeting of the Montgomery City Council will be held on **Tuesday, March 12, 2024**, at **6:00 PM** at the City of Montgomery City Hall, 101 Old Plantersville Road, Montgomery, Texas.

Members of the public may view the meeting live on the City's website under Agenda/Minutes The meeting will be recorded and uploaded to the City's website.

CALL TO ORDER

Issuance of a Proclamation to the American Allegiance for Theatre & Education- Theatre in our Schools.

INVOCATION

PLEDGE OF ALLEGIANCE TO FLAGS

VISITOR/CITIZENS FORUM:

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

CONSENT AGENDA:

- 1.** Consideration and possible action regarding an Escrow Agreement by and between the City of Montgomery, Texas and H-E-B, LP. (Dev. No. 2402) and authorizing the city engineer to prepare a Feasibility Study.
- 2.** Consideration and possible action regarding an Escrow Agreement by and between the City of Montgomery, Texas and Montgomery Independent School District for renovation of the Montgomery High School campus. (Dev. No. 2405).
- 3.** Consideration and possible action regarding an Escrow Agreement by and between the City of Montgomery, Texas and Montgomery Independent School District for redevelopment of the MISD Fuel Station located at 13900 Liberty Street. (Dev. No. 2408).
- 4.** Consideration and possible action regarding an Escrow Agreement by and between the City of Montgomery, Texas and Lone Star Cowboy Church for driveway improvements. (Dev. No. 2407).
- 5.** Consideration and possible action regarding an Escrow Agreement by and between the City of Montgomery, Texas and Tri Pointe Homes Texas, Inc. (Dev. No. 2409) and authorizing the city engineer to prepare a Feasibility Study for a proposed 108.8-acre single-family residential development.
- 6.** Consideration and possible action regarding an Escrow Agreement by and between the City of Montgomery, Texas and Taylor Morrison of Texas, Inc. and authorizing the city engineer to prepare a Feasibility Study for a proposed 56-acre single-family residential development along the northeast corridor of Lone Star Parkway. (Dev. No. 2404).

7. Consideration and possible action regarding an Escrow Agreement by and between the City of Montgomery, Texas and K. Hovnanian of Houston II, LLC for Hills of Town Creek Section Five, a proposed 18.5-acre single-family residential development. (Dev. No. 2406).
8. Approval of the following:
 - (a) City Council Workshop Minutes 02-12-2024
 - (b) City Council Meeting Minutes 02-27-2024

CONSIDERATION AND POSSIBLE ACTION:

9. Discussion and possible action to approve the FY2022-2023 audit presented by Belt Harris Pechacek, LLLP.
10. Consideration and Possible Action on An Agreement Between the City of Montgomery Texas and Kendig Keast Collaborative Inc (KKC). to Provide Professional Planning Services to the City. Specifically, KKC Will Oversee the Master Planning of Key Areas Within the City, Development of Future Land Use, Thoroughfare, and Open Space Plans and Oversee the Recodification of Sections of the City Municipal Ordinance and Zoning Ordinance Resulting in an Up to Date, Streamlined, Unified Development Ordinance.
11. Consideration and possible action on variance requests for minimum lot width and minimum lot area as submitted by Taylor Morrison of Texas, Inc.
12. Consideration and possible action on a sign variance request for the Montgomery Bend development entry sign.
13. Public Hearing for the purpose of giving all interested persons the right to be heard on a proposed amendment to Chapter 78, Subdivisions, of the City Code of Ordinances to define and regulate vesting rights of property owners and regulate stalled development projects within the City.
14. Consideration And Possible Action On A Proposed Amendment To Chapter 78, Subdivisions, Article II, Administration, to Add Section 78-29 - Vested Rights to the City Code Of Ordinances.
15. Consideration and possible action on granting the City Administrator Gary Palmer the authorization to renew the City’s Inter-local Agreement for the Provision of Fleet Maintenance Services by the City of Conroe.
16. Presentation of the Police Department’s 2023 Racial Profiling Report.
17. Annual review of contracts with Cody’s Lawn Service, LLC for “Grounds Maintenance” and “ROW Mowing and Lift Station Weed Control” regarding the service costs and level of service.
18. Consideration and possible action regarding amending Chapter 90, Section 90-71 of the Code of Ordinances to Increase the Fee Charged for Grease Trap Inspections.
19. Consideration And Approval of a Resolution of City of Montgomery Adopting The 2024 Montgomery County Multi-jurisdictional Hazard Mitigation Plan.

EXECUTIVE SESSION:

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

551.072 (deliberation regarding real property) - 213 Prairie Street

POSSIBLE ACTION FROM EXECUTIVE SESSION:

Consideration and Possible action on items discussed in Executive Session.

COUNCIL INQUIRY:

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

ADJOURNMENT

/s/ Nici Browe

Nici Browe, City Secretary. TRMC

I certify that the attached notice of meeting was posted on the bulletin board at City of Montgomery City Hall, 101 Old Plantersville Road, Montgomery, Texas, on Thursday, March 7, 2024 at 4:00 p.m.

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

Montgomery City Council
AGENDA REPORT

Meeting Date: March 12, 2024	Budgeted Amount: N/A
Department: Admin	Prepared By: Dave McCorquodale

Subject

Consideration and possible action regarding an Escrow Agreement by and between the City of Montgomery, Texas and H-E-B, LP. (Dev. No. 2402) and authorizing the city engineer to prepare a Feasibility Study.

Recommendation

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

Discussion

Issue:

As you are aware, HEB has owned a 32.42-acre parcel at the southeast corner of the SH105 & FM2854 intersection for a number of years. HEB recently contacted the city about proceeding with the development of the site.

Regulations:

The property 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. The proposed development is allowed by right under the city’s zoning regulations and staff recommend approval of the Agreement.

Approved By

Assistant City Administrator & Planning & Development Director	Dave McCorquodale	Date: 03/01/2024

H-E-B, LP

H-E-B Tract (32.42 Ac)

City of Montgomery

(Dev. No. 2402)

Request: City Council Authorization on March 12, 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 32.42-acre commercial development situated at the southeast corner of State Highway 105 and Lone Star Parkway/FM 2854. 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 32.42-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 H-E-B, LP Feasibility Study described above is \$4,000, 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.



ESCROW AGREEMENT
BY AND BETWEEN
THE CITY OF MONTGOMERY, TEXAS,
AND
H-E-B, LP
Dev. No. 2402

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 H-E-B, LP, a Texas Limited Partnership, (hereinafter called the "Developer").

RECITALS

WHEREAS, the Developer desires to acquire and develop all or part of a 32.42 acre tract sometimes referred to as the HEB 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 actually incurred by the City 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 HEB Tract and/or the development as directed by Developer 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 actual costs associated with these services.

Section 1.02 In the event other contract services are required related to the development of the HEB Tract 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 hereto may agree in writing.

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 or cause to be advanced funds to City for the purpose of funding the required Utility and Economic Feasibility Study ("Study") in the amount of \$5,000 ("Initial Escrow Amount").

Section 2.02 Developer agrees to submit or cause to be submitted 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 (being the Initial Escrow Amount). 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, warranty services, legal expenses, and administrative costs (“Additional Escrow Amount”). Developer agrees to submit or cause to be submitted payment of the Additional Escrow Amount to City no later than thirty (30) days after the acceptance of the Study by City Council and receipt by Developer of notice from the City of the Additional Escrow Amount. No work outside of the Study will be performed by or on behalf of the City until the Additional Escrow Amount has been deposited.

Section 2.04 The total amount shown above for the Initial Escrow Amount and the Additional Escrow Amount determined in the Study is intended to be a “Not to Exceed” amount unless extenuating, unexpected fees are needed due to Developer. 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 escrow deposit amount and explanation of extenuating circumstance. The Developer agrees to tender or cause to be tendered such additional sums reasonably requested by the City within 10 days of receipt of such request to cover such costs and expenses. If such additional funds are not deposited within 10 days of Developer receipt of notice, all work by or on behalf of the City will stop until funds are deposited. Any funds which may remain after the earlier of (i) the issuance of a certificate of occupancy or its equivalent

for the HEB Tract, or (ii) January 1, 2027 (the "Termination Date"), will be refunded to Developer within 10 days of the City's receipt of written request from Developer for refund. The City shall have the right to draw from time to time upon the Initial Escrow Amount and the Additional Escrow Amount after City services are performed and expenses are incurred by the City. The City shall provide to Developer on monthly basis, a detailed accounting of any draws of such escrowed funds, which such accounting shall include supporting documentation of services performed and expenses as reasonably requested by Developer. Upon the Termination Date or if earlier terminated by Developer as set forth herein, this Escrow Agreement will be terminated, the remaining funds in escrow (if any) shall be returned to Developer as provided above, and thereafter the parties hereto will have no continuing rights or obligations hereunder. Notwithstanding anything to the contrary herein, Developer shall have the right to terminate this Escrow Agreement upon 30 days prior written notice to the City.

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:	Judy Aiello H-E-B LP 646 South Main Avenue San Antonio, Texas 78204

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.

Section 3.11 This Agreement shall be governed by, construed and enforced in accordance with, and subject to, the laws of the State of Texas without regard to the principles of conflict of laws. This Agreement is performable in Montgomery County, Texas.

IN WITNESS WHEREOF, the parties hereto have executed this Escrow Agreement in three (3) copies, each of which shall be deemed to be an original, as of the date and year first written in this Escrow Agreement.

CITY OF MONTGOMERY, TEXAS

By: _____, Mayor

ATTEST:

By: _____
Nici Browe, City Secretary

Developer
H-E-B, LP, a Texas limited partnership

16

By: _____
Benjamin R. Scott, Group Vice President of
Real Estate and Shopping Center
Development

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.

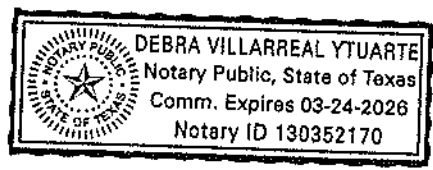
GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the _____ day of _____, 2024.

Notary Public, State of Texas

THE STATE OF TEXAS {
COUNTY OF BEXAR {

BEFORE ME, the undersigned, a Notary Public in and for the State of Texas, on this day personally appeared Benjamin R. Scott, Group Vice President of Real Estate and Shopping Center of H-E-B, LP, a Texas limited partnership _____, Development 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.

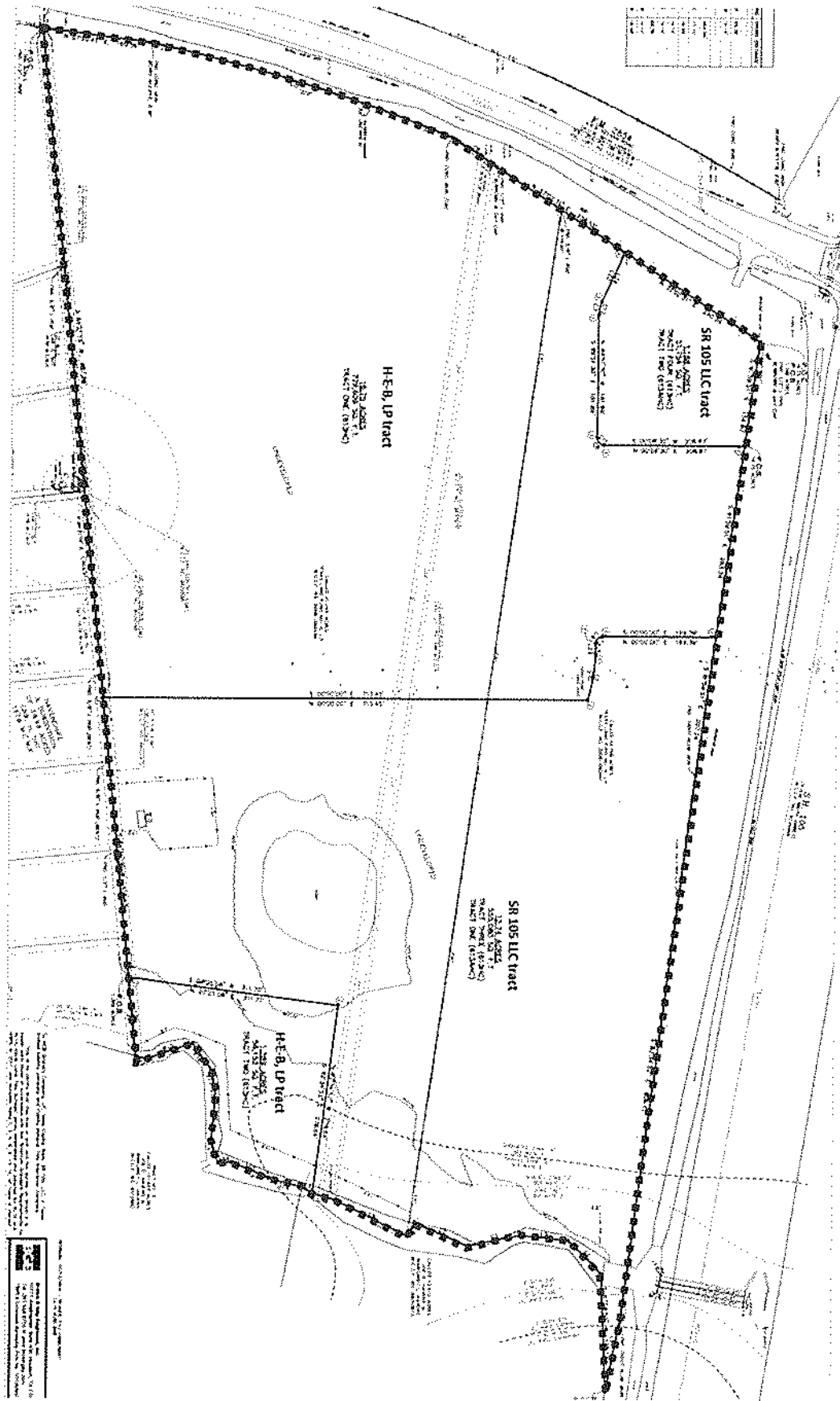
GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 26 day of February, 2024.



[Signature]

Notary Public, State of Texas

EXHIBIT "A"



Montgomery City Council
AGENDA REPORT

Meeting Date: March 12, 2024	Budgeted Amount: N/A
Department: Admin	Prepared By: Dave McCorquodale

Subject

Consideration and possible action regarding an Escrow Agreement by and between the City of Montgomery, Texas and Montgomery Independent School District for renovation of the Montgomery High School campus. (Dev. No. 2405).

Recommendation

Approve the Escrow Agreement as presented.

Discussion

Issue:

MISD is renovating the Montgomery High School campus. The work is largely associated with building upgrades, though there are several drainage-related improvements that require review and approval by the city engineer.

Regulations:

The improvements will be reviewed in accordance with the city’s drainage requirements. The city follows drainage criteria established by Montgomery County.

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. The proposed redevelopment of the site is allowed by right under the city’s zoning regulations and staff recommend approval of the Agreement.

Approved By

Assistant City Administrator & Planning & Development Director	Dave McCorquodale	Date: 03/05/2024

ESCROW AGREEMENT

BY AND BETWEEN

THE CITY OF MONTGOMERY, TEXAS,

AND

Montgomery Independent School District

Dev. No. 2405

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 Montgomery Independent School District, (hereinafter called the "Developer").

RECITALS

WHEREAS, the Developer desires to acquire and develop all or part of a 67.62-acre tract, sometimes referred to as the Montgomery High School 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 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 Montgomery High School 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 such costs as herein set out:

Administrative	\$500
City Engineer	\$2,000
Legal	\$500
<hr/>	
TOTAL	\$3,000

Section 2.02 Developer agrees to submit payment of the Escrow Fund no later than ten (10) days after the execution of this Escrow Agreement. No work will begin by or on behalf of the City until funds have been received.

Section 2.03 The total amount shown above for the Escrow Fund 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: Montgomery Independent School District
20774 Eva Street
Montgomery, Texas 77356

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.

Section 3.11 This Agreement shall be governed by, construed, and enforced in accordance with, and subject to, the laws of the State of Texas without regard to the principles of conflict of laws. This Agreement is performable in Montgomery County, Texas.

IN WITNESS WHEREOF, the parties hereto have executed this Escrow Agreement in three (3) copies, each of which shall be deemed to be an original, as of the date and year first written in this Escrow Agreement.

CITY OF MONTGOMERY, TEXAS

By: _____
Byron Sanford, Mayor

ATTEST:

By: _____
Nici Browe, City Secretary

Montgomery ISD

Developer

By: *Kim Jan*

Signature

Title: Chief Operations Officer

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 _____ {

BEFORE ME, the undersigned, a Notary Public in and for the State of Texas, on this day personally appeared _____, _____ of _____, a _____, 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 _____ day of _____, 2024.

Notary Public, State of Texas

Montgomery City Council
AGENDA REPORT

Meeting Date: March 12, 2024	Budgeted Amount: N/A
Department: Admin	Prepared By: Dave McCorquodale

Subject

Consideration and possible action regarding an Escrow Agreement by and between the City of Montgomery, Texas and Montgomery Independent School District for redevelopment of the MISD Fuel Station located at 13900 Liberty Street. (Dev. No. 2408).

Recommendation

Approve the Escrow Agreement as presented.

Discussion

Issue:
MISD is redeveloping and modernizing their transportation facility on Liberty Street south of the Flagship Blvd. intersection.

Regulations:
The property is unplatted and zoned I-Institutional which allows for this use.

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. The proposed redevelopment of the site is allowed by right under the city’s zoning regulations and staff recommend approval of the Agreement.

Approved By		
Assistant City Administrator & Planning & Development Director	Dave McCorquodale	Date: 03/01/2024

ESCROW AGREEMENT

BY AND BETWEEN

THE CITY OF MONTGOMERY, TEXAS,

AND

Montgomery Independent School District

Dev. No. 2408

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 Montgomery Independent School District, (hereinafter called the "Developer").

RECITALS

WHEREAS, the Developer desires to acquire and develop all or part of a 8.34-acre tract sometimes referred to as the Montgomery ISD Fuel Station 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 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 Montgomery ISD Fuel Station 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 such costs as herein set out:

Administrative	\$500
City Engineer	\$3,000
Legal	\$500
<hr/>	
TOTAL	\$4,000

Section 2.02 Developer agrees to submit payment of the Escrow Fund no later than ten (10) days after the execution of this Escrow Agreement. No work will begin by or on behalf of the City until funds have been received.

Section 2.03 The total amount shown above for the Escrow Fund 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: Cody Boyd
Montgomery Independent School District
20774 Eva Street
Montgomery, Texas 77356

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.

Section 3.11 This Agreement shall be governed by, construed, and enforced in accordance with, and subject to, the laws of the State of Texas without regard to the principles of conflict of laws. This Agreement is performable in Montgomery County, Texas.

IN WITNESS WHEREOF, the parties hereto have executed this Escrow Agreement in three (3) copies, each of which shall be deemed to be an original, as of the date and year first written in this Escrow Agreement.

CITY OF MONTGOMERY, TEXAS

By: _____
Byron Sanford, Mayor

ATTEST:

By: _____
Nici Browe, City Secretary

Montgomery ISD
Developer

By: *Kevin Jean*

Signature

Title: Chief Operations Officer

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.

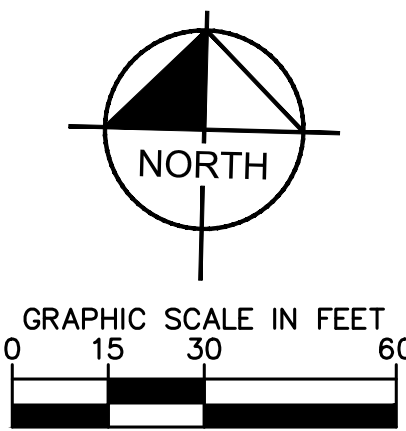
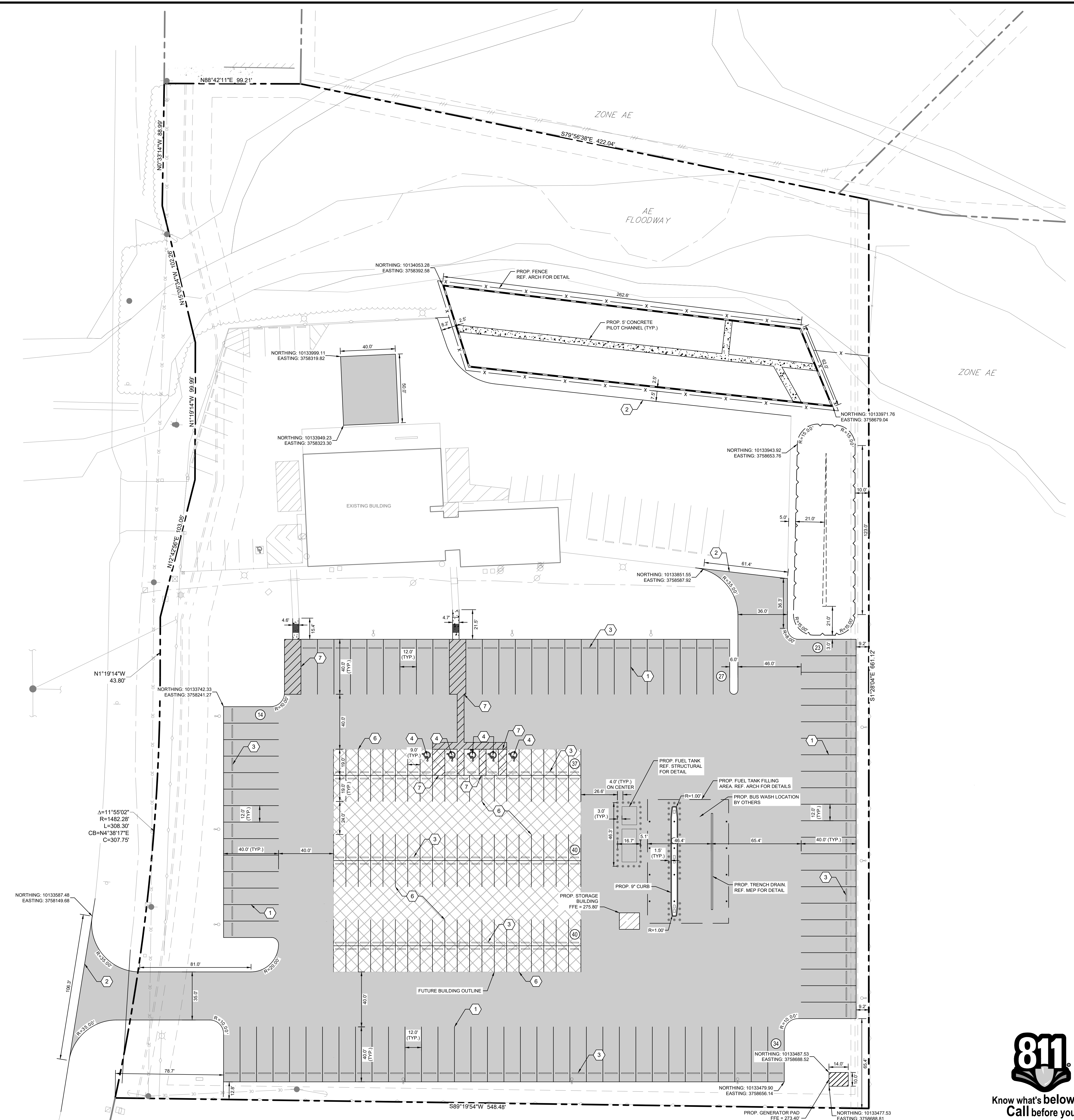
Notary Public, State of Texas

THE STATE OF TEXAS {
COUNTY OF _____ {

BEFORE ME, the undersigned, a Notary Public in and for the State of Texas, on this day personally appeared _____, _____ of _____, a _____, 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 _____ day of _____, 2024.

Notary Public, State of Texas



LEGEND	
---	PROPERTY LINE
FL	FIRE LANE STRIPING
④	PARKING COUNT
▨	CURB RAMP NOT IN PUBLIC ROW
♿	ACCESSIBILITY SPACE
X	PROP. FENCE, REF. ARCH FOR DETAIL
○	EX. FENCE
PAVING MATERIAL LEGEND	
▨	HEAVY DUTY CONCRETE
▨	PROPOSED ASPHALT REF. C9.0 FOR DETAIL. SEE ALTERNATE 1 FOR ADDITIONAL DETAIL.
▨	SIDEWALK CONCRETE
▨	PROPOSED GENERATOR PAD, REF. STRUCTURAL FOR DETAIL.

KEYED NOTES	
①	PARKING LOT STRIPING; 4" SOLID WHITE STRIPE
②	MATCH EXISTING PAVEMENT LINE
③	PROP. WHEEL STOP, REF. SHEET C9.0 FOR DETAIL
④	PROP. ACCESSIBLE HANDICAP PARKING STALL WITH WHEEL STOP, ACCESSIBLE PARKING SYMBOL, AND SIGN
⑤	PROP. ACCESSIBLE RAMP
⑥	PARKING LOT STRIPING; 4" SOLID WHITE STRIPE, REF. NOTE: ALTERNATE 1 FOR ADDITIONAL DETAIL
⑦	PROP. 4" SOLID WHITE STRIPING, 2'-0" O.C. @ 45°

GENERAL NOTES	
1.	DIMENSIONS ARE TO FACE OF CURB UNLESS OTHERWISE NOTED.
2.	ALL RADII 5' UNLESS OTHERWISE NOTED.
3.	REFER TO ARCHITECTURAL PLANS FOR SITE LIGHTING POLES AND FIXTURES AND ELECTRICAL PLAN PRIOR TO PLACING PAVEMENT.
4.	REFER TO ARCHITECTURAL PLANS FOR EXACT BUILDING DIMENSIONS.
5.	SIDEWALKS TO HAVE A 5% MAXIMUM RUNNING SLOPE AND A 2% MAXIMUM CROSS SLOPE IN ACCORDANCE WITH ADA REQUIREMENTS.
6.	FIELD VERIFY ADA GRADES PRIOR TO PLACING PAVEMENT. CONTRACTOR SHALL CONSTRUCT ALL ACCESSIBLE ROUTES IN ACCORDANCE WITH ADA STANDARDS AND TAS.
7.	REFER IRRIGATION PLANS PRIOR TO PLACING PAVEMENT.
8.	CONTRACTOR SHALL BUDGET FOR ACCESSIBLE STALL STRIPING, FIRE LANE STRIPING, DIRECTIONAL ARROWS, ETC.
9.	SITE LIGHTING IS BY OTHERS. REF. SITE LIGHTING PLANS FOR LOCATIONS AND DETAILS PRIOR TO PLACING PAVEMENT.
10.	REF. BUILDING PLANS FOR ALL EXTERIOR STAIR DETAILS.
11.	CONTRACTOR TO ADJUST EXISTING SANITARY SEWER MANHOLES, STORM SEWER MANHOLES, ELECTRICAL MANHOLES, FIRE HYDRANTS, VALVE BOXES, WATER METERS, ETC. TO MATCH PROPOSED FINISHED GRADES IF NECESSARY.

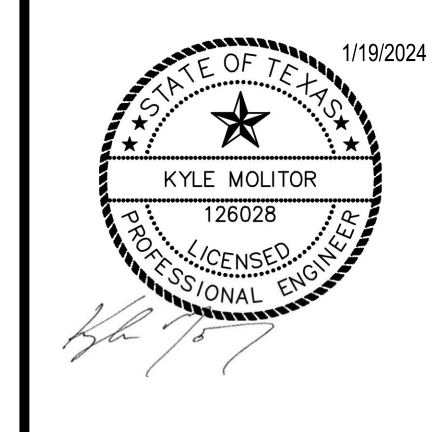
ALTERNATE 1	
1.	FLEX BASE SECTION IN LIEU OF ASPHALT PAVING SECTION. REF. DETAIL ON SHEET C9.0.
2.	PARKING LOT STRIPING IS OMITTED FOR PARKING STALLS IF FLEX BASE SECTION IS ACCEPTED.



Know what's below.
Call before you dig.

CAUTION!!
EXISTING UNDERGROUND UTILITIES IN THE AREA. CONTRACTOR IS RESPONSIBLE FOR DETERMINING THE HORIZONTAL AND VERTICAL LOCATION OF ALL UTILITIES PRIOR TO CONSTRUCTION. CONTRACTOR SHALL BE RESPONSIBLE FOR ANY REPAIRS TO EXISTING UTILITIES DUE TO DAMAGE INCURRED DURING CONSTRUCTION. CONTRACTOR SHALL NOTIFY THE ENGINEER OF ANY DISCREPANCIES ON THE PLANS.

MAINTENANCE & TRANSPORTATION
FOR
MONTGOMERY I.S.D.
MONTGOMERY, TEXAS



DIMENSION CONTROL AND PAVING PLAN

Job No. 1791-10-01	Sheet No. C3.0
Drawn By:	
Date: 1/19/2024	

Montgomery City Council
AGENDA REPORT

Meeting Date: March 12, 2024	Budgeted Amount: N/A
Department: Admin	Prepared By: Dave McCorquodale

Subject

Consideration and possible action regarding an Escrow Agreement by and between the City of Montgomery, Texas and Lone Star Cowboy Church for driveway improvements. (Dev. No. 2407).

Recommendation

Approve the Escrow Agreement as presented.

Discussion

Issue:
You may be aware that the existing entrance drive at Lone Star Cowboy Church is crushed rock. The church plans to pave the driveway. The improvements will require engineering review and approval, notably related to drainage and impervious coverage on the site.

Regulations:
The property is zoned I-Institutional and is largely developed to suit the church’s needs. The improvements will require engineering review and approval, notably related to drainage and impervious coverage on the site to ensure the additional runoff does not adversely affect downstream properties along Town Creek.

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. The proposed improvements are allowed by right under the city’s zoning regulations and staff recommend approval of the Agreement.

Approved By		
Assistant City Administrator & Planning & Development Director	Dave McCorquodale	Date: 03/01/2024

ESCROW AGREEMENT

BY AND BETWEEN

THE CITY OF MONTGOMERY, TEXAS,

AND

Lone Star Cowboy Church

Dev. No. 2407

THE STATE OF TEXAS ⊃

COUNTY OF MONTGOMERY ⊃

This Escrow Agreement is made and entered into as of the 26th day February, 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 Lone Star Cowboy Church, (hereinafter called the "Developer").

RECITALS

WHEREAS, the Developer desires to acquire and develop all or part of a 59.03-acre tract sometimes referred to as the Lone Star Cowboy Church 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 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 Lone Star Cowboy Church 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 such costs as herein set out:

Administrative	\$500
City Engineer	\$5,500
Legal	\$500
<hr/>	
TOTAL	\$7,500

Section 2.02 Developer agrees to submit payment of the Escrow Fund no later than ten (10) days after the execution of this Escrow Agreement. No work will begin by or on behalf of the City until funds have been received.

Section 2.03 The total amount shown above for the Escrow Fund 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:	Lone Star Cowboy Church 21627 Eva St Montgomery, Texas 77356
----------------------	--

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.

Section 3.11 This Agreement shall be governed by, construed, and enforced in accordance with, and subject to, the laws of the State of Texas without regard to the principles of conflict of laws. This Agreement is performable in Montgomery County, Texas.

IN WITNESS WHEREOF, the parties hereto have executed this Escrow Agreement in three (3) copies, each of which shall be deemed to be an original, as of the date and year first written in this Escrow Agreement.

CITY OF MONTGOMERY, TEXAS

By: _____
Byron Sanford, Mayor

ATTEST:

By: _____
Nici Browe, City Secretary

Paula Weaver
Developer

By: Paula Weaver
Signature

Title: Pastor

STATE OF TEXAS {

COUNTY OF MONTGOMERY {

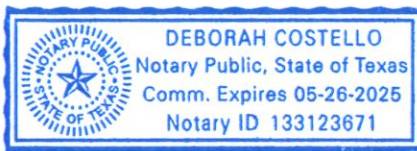
BEFORE ME, the undersigned authority, on this day personally appeared _____ of the City of Montgomery, Texas, a corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, 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 _____, 2023.

Notary Public, State of Texas

THE STATE OF TEXAS {

COUNTY OF Montgomery {



BEFORE ME, the undersigned, a Notary Public in and for the State of Texas, on this day personally appeared Darla Weaver, _____ of Montgomery, TX, a representative of Lone Star Cowboy Church, 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 26th day of February, 2023. 2024

Deborah Costello
Notary Public, State of Texas

Montgomery City Council
AGENDA REPORT

Meeting Date: March 12, 2024	Budgeted Amount: N/A
Department: Admin	Prepared By: Dave McCorquodale

Subject

Consideration and possible action regarding an Escrow Agreement by and between the City of Montgomery, Texas and Tri Pointe Homes Texas, Inc. (Dev. No. 2409) and authorizing the city engineer to prepare a Feasibility Study for a proposed 108.8-acre single-family residential 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 single-family residential development on the near west side of the city that extends generally from SH105/Westway Drive (adjacent to Napa Auto Parts) and connects with Lone Star Parkway to the north. The schematic development plan submitted by the developer calls for 136 lots that are roughly 90' x 175'.

Regulations:

The property is bisected by the city limits and will require a portion of the development to be annexed into the city. The site unplatted and zoned R1-Single Family Residential 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. The proposed development is allowed by right under the city's zoning regulations and staff recommend approval of the Agreement.

Approved By

Assistant City Administrator & Planning & Development Director	Dave McCorquodale	Date: 03/06/2024

Tri Pointe Homes Texas, Inc. Cheatham-Steward Tract (108.8 Ac) City of Montgomery (Dev. No. 2409)

Request: City Council Authorization on March 12, 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 108.8-acre single family development situated between State Highway 105 and Lone Star Parkway, west of the intersection of Westway Drive and State Highway 105. 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 108.8-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 Tri Pointe Homes Texas, Inc. 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.



ESCROW AGREEMENT

BY AND BETWEEN

THE CITY OF MONTGOMERY, TEXAS,

AND

Tri Pointe Homes Texas, Inc.

Dev. No. 2409

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 Tri Pointe Homes Texas, Inc., a Corporation, (hereinafter called the "Developer").

RECITALS

WHEREAS, the Developer desires to acquire and develop all or part of a 108.8-acre tract sometimes referred to as the Cheatham-Stewart 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 Cheatham-Stewart 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, 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:	Daniel Gillham Tri Pointe Homes Texas Inc. 16340 Park Ten Place, Suite 250 Houston, Texas 77084
----------------------	--

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.

Section 3.11 This Agreement shall be governed by, construed and enforced in accordance with, and subject to, the laws of the State of Texas without regard to the principles of conflict of laws. This Agreement is performable in Montgomery County, Texas.

IN WITNESS WHEREOF, the parties hereto have executed this Escrow Agreement in three (3) copies, each of which shall be deemed to be an original, as of the date and year first written in this Escrow Agreement.

CITY OF MONTGOMERY, TEXAS

By: _____
Byron Sanford, Mayor

ATTEST:

By: _____
Nici Browe, City Secretary

Tri Pointe Homes Texas, Inc

Developer

By: 
Signature Daniel Gillham

Title: Director of Land Development

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

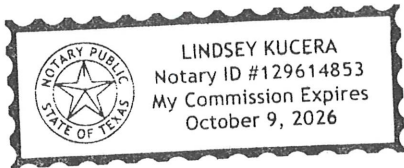
THE STATE OF TEXAS {

COUNTY OF Harris {

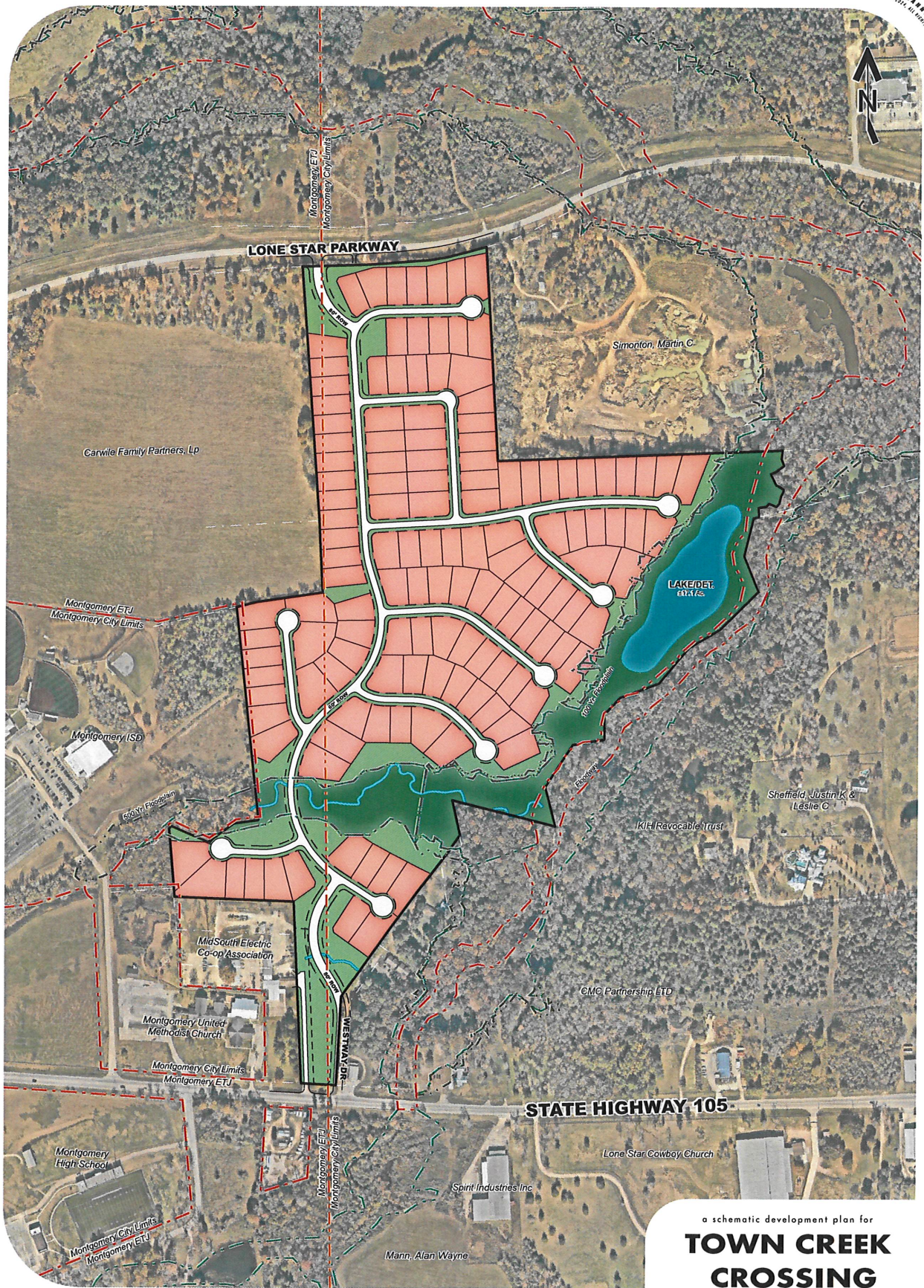
BEFORE ME, the undersigned, a Notary Public in and for the State of Texas, on this day personally appeared Daniel Gillman, Director of Land Development of Tri Pointe Homes Texas, Inc, a Texas coporation, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged 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 4 day of March, 2024.

Lindsey Kucera
Notary Public, State of Texas



META PLANNING + DESIGN



LOT SUMMARY

 90'x175'	136 LOTS	100%
TOTAL	136 LOTS	

a schematic development plan for
TOWN CREEK CROSSING
 ±108.8 ACRES OF LAND
 prepared for
TRI POINTE HOMES

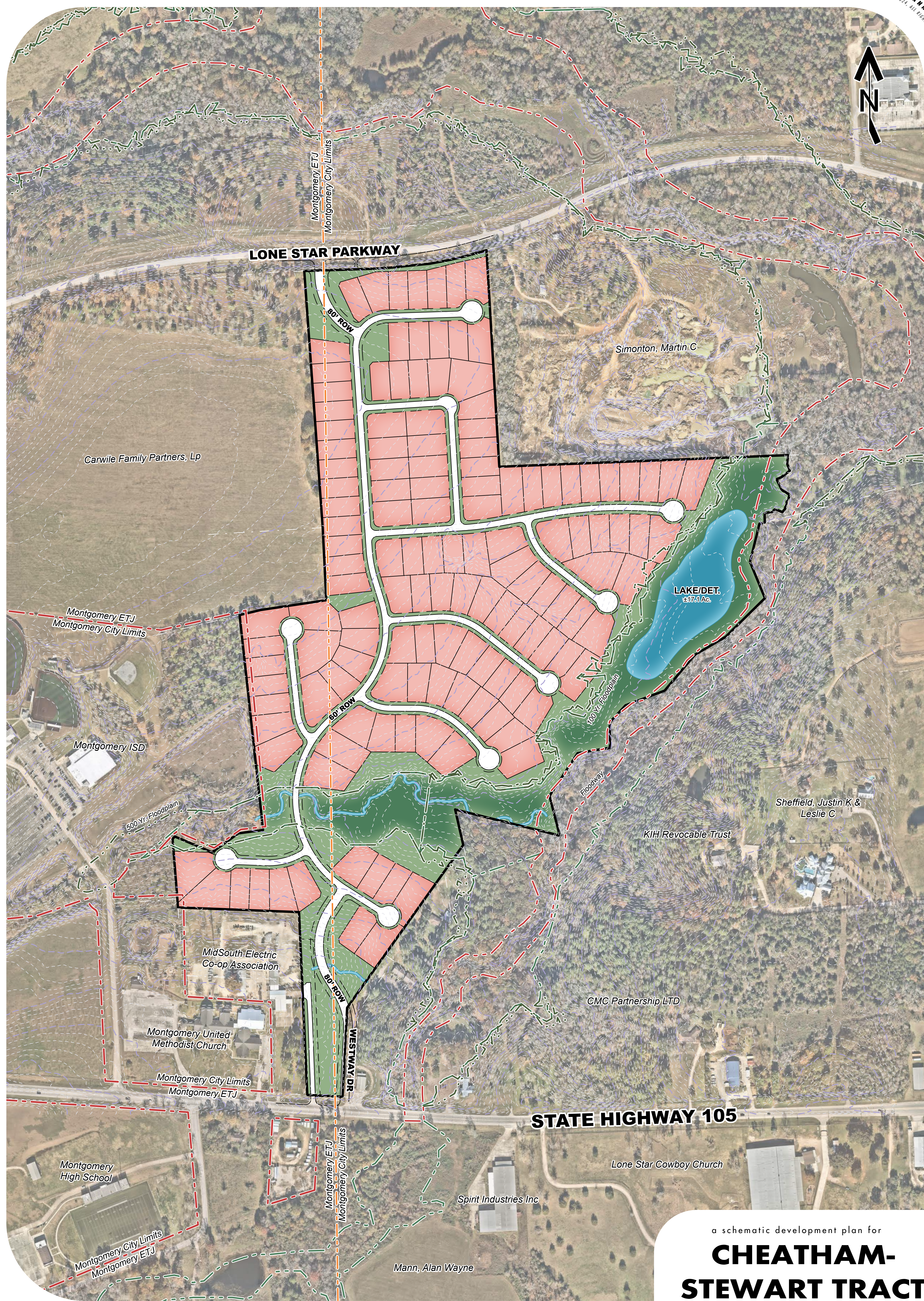
META 24285 Katy Freeway, Ste. 525
 PLANNING + DESIGN Katy, Texas 77494
 Tel: 281-810-1422

SCALE 0 100 200 400

HOU-1301
 FEBRUARY 14, 2024

B
 OPTION

THIS DRAWING IS A GRAPHIC REPRESENTATION FOR PRESENTATION PURPOSES ONLY AND IS NOT FOR COMPUTATION OR CONSTRUCTION PURPOSES. SAID DRAWING IS A SCANNED IMAGE ONLY AND IS SUBJECT TO CHANGE WITHOUT NOTICE. META PLANNING + DESIGN MAY OR MAY NOT INTEGRATE ADDITIONAL INFORMATION PROVIDED BY OTHER CONSULTANTS, INCLUDING BUT NOT LIMITED TO THE TOPICS OF ENGINEERING AND DRAINAGE, FLOODPLAINS, AND/OR ENVIRONMENTAL ISSUES AS THEY RELATE TO THIS DRAWING. NO WARRANTIES, EXPRESSED OR IMPLIED, CONCERNING THE PHYSICAL DESIGN, LOCATION, AND CHARACTER OF THE FACILITIES SHOWN ON THIS MAP ARE INTENDED. ADDITIONALLY, NO WARRANTY IS MADE TO THE ACCURACY OF THE INFORMATION CONTAINED HEREIN.



LOT SUMMARY

	90'x175'	136 LOTS	100%
TOTAL		136 LOTS	

THIS DRAWING IS A GRAPHIC REPRESENTATION FOR PRESENTATION PURPOSES ONLY AND IS NOT FOR COMPUTATION OR CONSTRUCTION PURPOSES. SAID DRAWING IS A SCANNED IMAGE ONLY AND IS SUBJECT TO CHANGE WITHOUT NOTICE. META PLANNING + DESIGN MAY OR MAY NOT INTEGRATE ADDITIONAL INFORMATION PROVIDED BY OTHER CONSULTANTS, INCLUDING BUT NOT LIMITED TO THE TOPICS OF ENGINEERING AND DRAINAGE, FLOODPLAINS, AND/OR ENVIRONMENTAL ISSUES AS THEY RELATE TO THIS DRAWING. NO WARRANTIES, EXPRESSED OR IMPLIED, CONCERNING THE PHYSICAL DESIGN, LOCATION, AND CHARACTER OF THE FACILITIES SHOWN ON THIS MAP ARE INTENDED. ADDITIONALLY, NO WARRANTY IS MADE TO THE ACCURACY OF THE INFORMATION CONTAINED HEREIN.

© 2024 META PLANNING + DESIGN, ALL RIGHTS RESERVED

OPTION B

a schematic development plan for
**CHEATHAM-
STEWART TRACT**

±108.8 ACRES OF LAND
prepared for

TRI POINTE HOMES

META
PLANNING + DESIGN

24285 Katy Freeway, Ste. 525
Katy, Texas 77494
Tel: 281-810-1422

SCALE
0 100 200 400

HOU-1301
FEBRUARY 26, 2024

Montgomery City Council
AGENDA REPORT

Meeting Date: March 12, 2024	Budgeted Amount: N/A
Department: Admin	Prepared By: Dave McCorquodale

Subject

Consideration and possible action regarding an Escrow Agreement by and between the City of Montgomery, Texas and Taylor Morrison of Texas, Inc. and authorizing the city engineer to prepare a Feasibility Study for a proposed 56-acre single-family residential development along the northeast corridor of Lone Star Parkway. (Dev. No. 2404).

Recommendation

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

Discussion

Issue:

You will recall an informal presentation and discussion of this proposed development in a workshop on February 12th. The development was previously proposed by a different developer and the project stalled in the planning stages before any development occurred.

Regulations:

The property is unplatted and is zoned PD-Planned Development which allows for a wide range of uses, including single-family residential. The developer is proposing (173) 55’x120 lots with 10’ side yard setbacks. Variances will be required for lot size and lot area if the development proceeds.

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. The proposed development is allowed by right under the city’s zoning regulations and staff recommend approval of the Agreement.

Approved By

Assistant City Administrator & Planning & Development Director	Dave McCorquodale	Date: 03/01/2024

Taylor Morrison of Texas, Inc.

Summer Wind Tract (56.7 Ac)

City of Montgomery

(Dev. No. 2404)

Request: City Council Authorization on March 12, 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 an update to the Summer Wind Feasibility Study report, dated October 2022, to analyze the feasibility to serve the proposed 56.7-acre single-family development situated at the northeast corner of Lone Star Parkway/FM 2854 and Buffalo Springs Dr. 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 56.7-acre tract, and any utility extensions/upgrades necessary to serve the tract will be prepared by WGA to be included in this feasibility study. WGA will prepare a summary memo describing the updates from the original study and not prepare a full feasibility report.*

ENGINEERING COST

The cost to perform the Taylor Morrison of Texas, Inc. Feasibility Study described above is \$2,000, 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.



ESCROW AGREEMENT

BY AND BETWEEN

THE CITY OF MONTGOMERY, TEXAS,

AND

Taylor Morrison of Texas, Inc.

Dev. No. 2404

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 Taylor Morrison of Texas Inc, (hereinafter called the "Developer").

RECITALS

WHEREAS, the Developer desires to acquire and develop all or part of a 56-acre tract sometimes referred to as the Summer Wind Tract, and being more particularly described in Exhibit "A" attached hereto and incorporated herein by reference for all purposes (the "Property").

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 Summr Wind 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 \$2,000.

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, warranty services, legal expenses, and administrative costs. Developer agrees to submit

payment of the Escrow Amount to City no later than fifteen (15) days after Developer closes on the acquisition of the Property. 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:	Taylor Morrison of Texas Inc. c/o Richard Bautista 2929 Briarpark Drive, Suite 400 Houston, TX 77042

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.

Section 3.11 This Agreement shall be governed by, construed and enforced in accordance with, and subject to, the laws of the State of Texas without regard to the principles of conflict of laws. This Agreement is performable in Montgomery County, Texas.

IN WITNESS WHEREOF, the parties hereto have executed this Escrow Agreement in three (3) copies, each of which shall be deemed to be an original, as of the date and year first written in this Escrow Agreement.

CITY OF MONTGOMERY, TEXAS

By: _____
, Mayor

ATTEST:

By: _____
Nici Browe, City Secretary

Taylor Morrison of Texas, Inc.
Developer

By: 
Signature

Title: VP, Land Acquisition

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 _____, 2023.

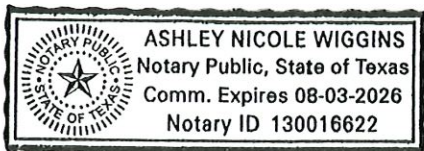
Notary Public, State of Texas

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 Richard Bautista, Vice President of Land Acquisition of Taylor Morrison of TX, Inc., a Texas 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 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 13 day of February, 2023. 4



awiggins

Notary Public, State of Texas

**Montgomery City Council
AGENDA REPORT**

Meeting Date: March 12, 2024	Budgeted Amount: N/A
Department: Admin	Prepared By: Dave McCorquodale

Subject

Consideration and possible action regarding an Escrow Agreement by and between the City of Montgomery, Texas and K. Hovnanian of Houston II, LLC for Hills of Town Creek Section Five, a proposed 18.5-acre single-family residential development. (Dev. No. 2406).

Recommendation

Approve the Escrow Agreement as presented.

Discussion

Issue:
This proposed development is the last planned phase of the Hills of Town Creek subdivision on the west side of the city. Section Five includes 73 single-family lots.

Regulations:
The property is zoned R1-Single Family Residential which allows for the proposed use. The project was previously proposed by a different developer and received variances from the city for minimum lot width, depth, and area in December 2021. The lots are consistent with previous sections of the Hills of Town Creek development.

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. The proposed development is allowed by right under the city’s zoning regulations and staff recommend approval of the Agreement.

Approved By		
Assistant City Administrator & Planning & Development Director	Dave McCorquodale	Date: 03/06/2024

ESCROW AGREEMENT

BY AND BETWEEN

THE CITY OF MONTGOMERY, TEXAS,

AND

K. Hovnanian of Houston II, LLC

Dev. No. 2406

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 K. Hovnanian of Houston II, LLC a Limited Liability Corporation, (hereinafter called the "Developer").

RECITALS

WHEREAS, the Developer desires to acquire and develop all or part of a 18.5 – acre tract sometimes referred to as the Hills of Town Creek Section 5 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 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 Hills of Town Creek Section 5 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 such costs as herein set out:

Administrative	\$500
City Engineer	\$37,000
Legal	\$500
<hr/>	
TOTAL	\$38,000

Section 2.02 Developer agrees to submit payment of the Escrow Fund no later than ten (10) days after the execution of this Escrow Agreement. No work will begin by or on behalf of the City until funds have been received.

Section 2.03 The total amount shown above for the Escrow Fund 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

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.

Section 3.11 This Agreement shall be governed by, construed, and enforced in accordance with, and subject to, the laws of the State of Texas without regard to the principles of conflict of laws. This Agreement is performable in Montgomery County, Texas.

IN WITNESS WHEREOF, the parties hereto have executed this Escrow Agreement in three (3) copies, each of which shall be deemed to be an original, as of the date and year first written in this Escrow Agreement.

CITY OF MONTGOMERY, TEXAS

By: Byron Sanford, Mayor

ATTEST:

By: Nici Browe, City Secretary

K. Hovnanian of Houston II, LLC

Developer

By: _____
Signature

RODNEY HOWERTON
AREA PRESIDENT

Title: _____

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.

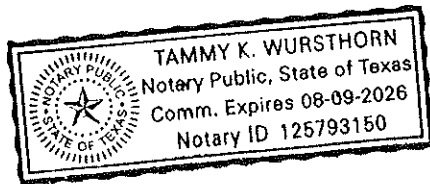
Notary Public, State of Texas

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 RODNEY HOWERTON, AREA PRESIDENT of K. KOVNAVIAN LAW OF HOUSTON, P.C., a 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 26TH day of FEBRUARY, 2024.



Tammy K. Wursthorn
Notary Public, State of Texas

**City Council Workshop
MINUTES
February 12, 2024 at 6:00 PM**

CALL TO ORDER

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

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| Present: | Byron Sanford | Mayor |
| | Carol Langley | City Council Place #1 |
| | Casey Olson | City Council Place #2 |
| | Sara Countryman | City Council Place #3 |
| | Stan Donaldson | City Council Place #5 |
| Absent: | Cheryl Fox | City Council Place #4 |
| Also Present: | Gary Palmer | City Administrator |
| | Dave McCorquodale | Director of Planning & Development |
| | Caleb Villarreal | City Attorney |
| | Katherine Vu | City Engineer |
| | Diana Titus | Deputy City Secretary |

WORKSHOP ITEMS:

1. Kendig Keast Collaborative – Informal Overview of Professional Planning Services/Q&A
 Mr. Gary Palmer, City Administrator, said they are coming up with a large planning project that they are getting ready to launch. He said Kendig Keast Collaborative was the most qualified bidder on this project and they have been working with Mr. Bret Keast, CEO of Kendig Keast on a scope of work for this contract.

 Mr. Palmer introduced Mr. Keast to present some of the services they provide and talk about some of the prior cities they have worked for with similar projects.

 Mr. Keast stated he is a part-time resident of Montgomery. He said he has spent a fair amount of time here and watching things unfold and develop over the last decade, is very excited to join with his neighbors in helping lay out a plan for how they are going to grow in the coming years.

 Mr. Keast said he has been doing this for 35 years and that he worked for the City at one point in his career. They have done all the zoning work for all the communities surrounding the Houston area.

 His company does both planning and ordinance work, generally they will work with each of you and want to stay in communication with you and make sure that the work they do is matching your expectations and what you see for the future of the community.

 As you know you had Texas A&M students a while back that did a plan, but they will be supplementing that with a land use plan that will show your future planning area where Montgomery may end up

ultimately and will identify the types and patterns and character of development for those different areas, in other words they envision where there could be commercial areas and different types of commercial continuing for some industrial development to different types of housing whether it is single-family, attached housing, multi-family and then also a road plan.

Mr. Keast went into depth with his explanation, covering the county road plan, which while is the biggest road network map it does not get detailed enough into the local community roadways. He also noted that Buffalo Springs Development Agreement has expired, so that will need some land planning as well.

He went on to state that right now the city has a Zoning Ordinance and a Subdivision Ordinance, he will work on a unified development ordinance a combination of both and make sure there are no conflicts or inconsistencies. He added that working closely with the city council is key to make sure the vision of the city is within the finished product.

Connectivity is also looked at between developments, where streams, creeks and trails through open spaces are looked at without penalizing the developer.

It is his intention to develop a decision criterion, in order to approve or deny project submittals which is beneficial to the city, the developer and the community.

Mr. Keast addressed the scope of work, stating that having met with staff he wants to develop a community outreach and build a rapport, staff and he will meet to develop a strategy for that. He stated the next steps occur once the contract is executed, he will then layout a project schedule to include timelines, meetings etc., and periodically would meet with the advisory committee, which he recommends is made up of at least one or two members of council and or Planning and Zoning Commission. He would also meet with city council to keep them fully informed.

Mayor Byron Sanford said everything he is hearing he wished would have happened years ago to get ahead but maybe they did not know all the information before. He asked if this could protect or guide them now or at least very soon because there are things in the works and people are about to buy property.

Mr. Keast said yes they are aware of that and they put in interim regulations so things they need to do now to make sure they are set up to address those things in short term. As you know, it will be a year out or even further before they are adopting the ordinance. They will be moving some of those things to start right away so they can give you good guidance to address those things that may be coming soon.

Councilmember Sara Countryman asked what seems to be the biggest challenge from working with other cities.

Mr. Keast said he thinks from his perspective it is figuring out what your vision for the community is and there are two ways to go about it. You can let things happen and try and do the best you can as you go and then there is having good plans and ordinances to help guide you. He said it is trying to figure out how high to set the bar and where this community wants to be ultimately.

Councilmember Sara Countryman said she hears a lot of they are still a small town and is assuming the bar will be set high to be choosy.

Mr. Keast said there is a market here, they want to be here and develop here so it is a matter of saying they want the development that they want and holding out for the development that they get. They talked about having advisory committee meetings but also talked about maybe having some neighborhood meetings, or even jumping in on some of the activities there are in the park.

Councilmember Sara Countryman asked if they take feedback from those that do not live within the City limits.

Mr. Keast replied the City is a general law community until you get past 5,000 in population but they will plan for that so when he talks about the planning area you only have certain city limits in ETJ right now and that ETJ will expand when you reach that population so they want to start anticipating and they may need to work with Conroe and others to work out boundary agreements.

Councilmember Sara Countryman asked how they ensure it is the people in the City they listen to.

Mr. Keast said obviously they want to know if they are within the city limits and will accept all comments but want to know who is in and who is out and who their stakeholders are. In 20 years from now some of those people outside the city limits may come inside the city limits.

Councilmember Casey Olson asked when the meetings with the citizens will happen and can they go to the HOA meetings.

Mr. Keast said they did discuss working through the HOA's as that is a good way to do it. He said they will spell out the scope of work in regard to how many meetings and he will find out from staff on how many HOA's there are. If they do not do that well, we may have them all at the public hearing at the end saying I did not know about this. He said it is in all of their interests to make sure we are communicating with them early.

Mr. Palmer said they talked about doing HOA's and some of our special events to have some type of engagement there, but these are things they are still working on. He added that the overall process wise, he thinks they are looking at a relatively large steering committee of maybe 15 with a diverse makeup. He said this committee is going to be tasked to doing a lot of work because the way this is going to happen is the entering process Mr. Keast and his team are going to go through they will be doing this in chunks and sending it back to them, the steering committee, along with City staff and they will be tasked with going through and making sure they are capturing everything they need to capture.

Councilmember Sara Countryman asked if you submit a timeline.

Mr. Keast said they will give them a timeline of dates of what will be delivered and every meeting through the duration of the project.

Mr. Palmer said there is a draft timeline in the packets that you can see and believes they discussed about a year from start to finish.

Mr. Keast said he should also mention that when they are done this ordinance it will be in a web based interactive format so if you have people from Dallas or from Little Rock that want to invest here they will be able to get on it very easily and find everything they need to know to develop in this community. There will also be a map that is tied in with the Central Appraisal District so when you type in an address it will show you what applies to that address.

Councilmember Sara Countryman asked if it will be on the City's website or a portal you host.

Mr. Keast responded that they host it but they will give the city a URL that is put on the website and when you click it, it will launch the ordinances.

Councilmember Casey Olson asked if there is an upkeep fee for that.

Mr. Keast replied that there is and since you are a very small community it will be a very small fee.

Councilmember Casey Olson asked what the upkeep fee is and what is it based on.

Mr. Keast said he believes it is \$1,500 annually and they give you upgrades for the software, tech support, they are hosting it and it is 99.99 guaranteed uptime.

Councilmember Casey Olson asked what is the fee based on. He heard him say small community so what is it based on assuming it goes up, and what does that increase look like.

Mr. Keast said it would not increase until they get over 5,000 in population then goes to \$2500.

Mr. Caleb Villarreal, City Attorney asked what about legislation changes when there is new legislation that comes out, do you monitor the new legislation to make sure that it is updated and codified.

Mr. Keast said yes all the codification is done locally and any ordinances that are adopted by this body will be codified and in the online code within two weeks.

Councilmember Sara Countryman asked that with the likes of Home Depot coming and a large CTE campus for our ISD, as those things are built your plans are fluid so you will implement them.

Mr. Keast responded with Home Depot already on the way, had they gone out and did this before then they would have made sure their outdoor storage would have been enclosed and screened and not using the parking lot for storing things and made sure it is not the typical orange standard building, but that is water under the bridge at this point. They can set up new applications and forms to help you get organized and they can lay this out in the scope of work to make sure you are all headed in the right direction.

Councilmember Sara Countryman said she is imagining the ordinance to be in their language and not what she interprets or the words are different than what they interpret because that is where they are today.

Mr. Keast said it is wishy washy and gray with a lot of things left out. They would rather help you be more clear and articulate about what you want to do and write in black and white in the ordinance so the developer coming in knows where your bar is at before they come in rather than saying okay we are going to build this and how do you want it to look and you say you do not know; we do not have a plan or any regulations to help guide us.

Councilmember Stan Donaldson said he is concerned about their budget as it is pretty tight right now and would like to know how would they get paid.

Councilmember Casey Olson said it is already in the budget.

Mr. Palmer said they have \$130,000 right now. He said they projected \$100,000-\$120,000 to get this projected started. He added they are still working out the scope of work so they do not know how much it is going to cost.

Councilmember Stan Donaldson said they do projects and they do them well but some of the cities come back and they are on like a consignment or fee so it is like a give and take type of thing. He said in other words they are going to pay so much what are they going to get for their money and then later on they can use them as a reference for getting everything rolling if something happens then they can go to Mr. Keast for some advice.

Mr. Keast said his vision is to be a resource for this community for years to come. He said if you ask them to do something over and above or outside the scope of work then you can authorize that or I will authorize that.

Councilmember Casey Olson said the biggest thing is if they plan it correctly and they get their ordinances locked in and clear you do not need a lot of help because that is what the ordinance and the plan is for.

Councilmember Stan Donaldson said they need something in writing that everyone agrees with.

Mr. Palmer said the scope of work and the contract will need to come to council for approval so you will see everything in there.

Mr. Keast said they are very reliable, diligent, and thorough and put everything on the table so they are very transparent through the entire process. He said they will be transparent with council and the community members.

Councilmember Stan Donaldson said it is very refreshing to hear.

Councilmember Sara Countryman asked if they are voting on this tomorrow night.

Mr. Palmer said no it is still in the draft phase for the scope of work and as soon as he gets that done and it aligns with the budget then he will bring it to council for consideration.

2. Informal Presentation and Discussion of Proposed 56-acre Residential Development on Lone Star Parkway

Mr. McCorquodale said a couple years ago there was a project Summer Wind that was a 56-acre tract just to the east of Lone Star Parkway and Buffalo Springs in between the dentist office and the Buffalo Springs section on Lone Star Parkway.

Councilmember Casey Olson asked if it was the outer circle.

Mr. McCorquodale responded yes, the developers at the time came to the City and under the Buffalo Springs development agreement granted variances to the 2004 ordinance. He said now that the development agreement is no longer in place those no longer apply. Before starting any of that process they wanted to introduce you to the developers and give a quick overview of the project to get some feedback on your thoughts.

Councilmember Casey Olson said this was actually proposed to them back in June of 2022. An older gentleman presented the project and tried to explain to them that smaller lots did not make him more money. He said he was glad the project has come back to them because this is the one he was very upset about when they allowed him to do the variances. He added one of the main concerns they had with this project was the density amount on Lone Star Parkway especially since it only has the one entrance and exit in one spot and is right before the stop light that is about to go in.

Councilmember Carol Langley asked if they are connected to the gentleman that came.

Mr. Kyle McAndrews, Land Acquisition Manager for Taylor Morrison Homes said they are the new developer under contract. He introduced Mr. Richard Bautista, Vice President of Land Acquisition, and Mr. Jonathan White from L Squared Engineering who they are also working with. They are a building developer with a presence of 20 markets across the country. They were just recently awarded with Lifestory Research's America's Most Trusted Home Builder for the ninth consecutive year.

He added in 2023 in Houston they did 923 home closings and are looking to expand and to grow into new markets such as Montgomery and think this site is the perfect opportunity for them to do so. The land is currently designed for 187 50-foot lots. It is their understanding that council prefers larger side yard setbacks so they are going to propose a variance for a minimum of 55-foot lots which would result in 170 lots rather than the 187.

He continued stating that they are building their 35-foot-wide home product which is a new line for them so with a 55-foot lot that would leave 10-foot side lots on either side of the home to meet the 20-foot minimum between the homes that are required today. Acknowledging that the previous variances have expired with the expiration of the Buffalo Springs development agreement so they will be bringing these new variances to you. This 55-foot minimum they are proposing to be 10-feet larger than the 45 that was previously granted. If they were to stick with a 75-foot minimum council proposed today the lot count would go down to 124 lots which does become difficult economically.

He said their homes will range from 1,800 square feet to under 3,000 square feet. On the smaller end there is the three bedroom, two bath one-stories and the larger end is the five bedroom, four bath larger two-stories. The homes vary by materials based on the elevation and plan but are primarily brick and stucco. The average home price they are proposing today would be around \$360,000 for the community to start and believes this is well in line with the new home market in the area.

He stated that with the approval of 55-foot lots they would get have the first completed homes as soon as the end of 2025. The completion of the project would be just over \$60 million in value at three to three and a half years later is what they are projecting

He added it is a beautiful site and a great location and hopes they can work with the City to bring the project to Montgomery.

Councilmember Casey Olson asked what the build lines with the variance proposal are.

Mr. McAndrews said 55-foot lots with 35-foot home pad with 10 feet on either side of the house to the fence, the variance they are seeking would be minimum lot size and minimum lot width. He said the previous variance at 45-foot, he thinks the total lot count was 211 that had a single entrance and with 55-foot it has a breakdown of 170. He also added the City Engineer recommendation did propose a street to the west which will go back to the remaining acreage at the corner of Buffalo Springs Drive that will give another entrance. In addition, this will also be subject to the Fire Marshal's approval.

Councilmember Casey Olson said he knows where they have the retention pond on the picture which basically backs up to a cul-de-sac. He asked where they want to put the other egress.

Developer representative replied the other would be on the west side.

Councilmember Sara Countryman asked if that is residential or commercial.

Mr. McCorquodale said it is zoned planned development and it could be essentially anything except industrial.

Councilmember Stan Donaldson asked what is the street width.

Developer representative replied it is 28-feet wide.

Councilmember Sara Countryman asked if the homes start at \$360,000 and if that is the high end and would the community be gated, also would it have an HOA.

The Developer replied \$360,000 is the average, and said the lowest is probably \$335,000 to \$340,000 and all the way up to \$400,000 on a 2,800 square foot home. He said all of their two-story homes are all five bedrooms with two bedrooms down so they are able to pack a lot of house in a smaller foot print. The community would not be gated and yes an HOA would be established.

Councilmember Casey Olson said the engineers had done a feasibility study for Summer Wind and based on that particular density we were still good, so lessening our density the feasibility study should be relatively simple.

Ms. Katherine Vu, WGA said yes it may be a couple of simple updates to study as things have changed since the original study was done but by no means would it require a full, completely new study, just an update.

Councilmember Casey Olson said based on the information from their last workshop with the other developer where they were wanting smaller lots, this plays right into that as far as it fits the plan with the 55-foot lots because they originally approved 45-foot lots and they counted them in their count of they have this many small lots and this many small homes and they counted those homes in their count.

Councilmember Sara Countryman asked what is Terra Vista, 45-foot, or 55-foot.

Ms. Vu said 50-foot.

Developer representative said the Town Creek Crossing is 60's, Hills of Town Creek is 50's, Pulte's is all 45's.

Councilmember Casey Olson said this actually fits based on their house count.

Councilmember Carol Langley asked where there other subdivisions are located.

Developer representative said they have a big presence in the Cypress area, Grand Parkway and West Road, they have two large subdivisions called Alpine Cypress and Bridge Creek and that is probably where you would get the best ideas as to what they would be developing. He said they have another project that just opened up at FM 1464 in the Richmond area with 40, 50, and 60-foot lots where they have sold 50 homes in three months. There are others such as Cross Creek Ranch, Wood Forest, and have had a pretty heavy presence in The Woodlands for a long time. Now they are looking at Montgomery.

Councilmember Casey Olson asked if it is 55-foot they are going to request.

Developer representative said 55-foot.

Councilmember Carol Langley asked what is the name of this subdivision.

Developer representative said they do not have one yet.

Councilmember Sara Countryman said they are in nine other states, and have a net worth of \$5.6 billion as of February 7th.

Developer representative said they are the seventh biggest in the country and the ninth biggest in Houston and rapidly growing. They had \$8 billion in revenue last year.

Councilmember Stan Donaldson asked if the homes are all electric.

Developer representative replied yes.

Councilmember Carol Langley asked if it backs up to the creek which is Waterstone.

Developer representative said correct, the whole green space outside the park is 11 acres but the pond will be eight acres.

Councilmember Casey Olson said they have some issues with that creek and the fact your retention is there is helpful but they will have some strict guidelines on how to deal with that creek.

Developer representative said obviously it will go through engineering and they understand the nature and requirements and ideas they have to just continue to make it better because anything you put there is going to be under scrutiny most likely. He said they are showing they have way more retention.

Councilmember Carol Langley asked if the pond is backing up to the other small subdivision there.

Developer representative said yes they will keep that pond in place and will put an overflow stretcher there so that the new pond will receive that water as it rises. The new pond will be offline but it will accept flow through that line.

3. Review and Discussion on the Capital Improvements Plan Projects and Certificates of Obligation Funding

Ms. Vu, City Engineer said what they want to do is bring an update on the certificates of obligation and the projects this is going into. Page one is the summary and what they are hoping to do is throughout the lifetime of the loan they will be bringing this back to you with updates on where each of the projects stands, how much money has been spent toward it, and if anything changes in the expected amount they will be bringing this to you regularly. Adding each of the projects that was included for the \$3.5 million loan and the projects (shown on the handout) are what they discussed. Putting in water plant #2 improvements, water plant #4 engineering, your sanitary sewer for both phase I and II and then Town Creek, plant, engineering only. All of that combined was slightly over \$3.5 million. She said the reason they are okay with this is because a lot of these projects can also be put in impact fees. The delta from the \$3.5 million to the \$3.69 million that is covered by impact fees and they are not anticipating any of that coming out of the operating budget.

Ms. Vu stated they already received impact fees from Montgomery Bend and in this fiscal year they are expecting another large payment from Montgomery Bend and Redbird Meadows as soon as they do a final plat and in regard to the rise column costs there has been a change she would like to discuss on the 2023 sanitary sewer rehab in which she will discuss in a minute. She said this column is where there are any changes they will bring to you. The closing cost to date is an estimate and she will need to get a final number from Maryann but it is around \$35,000 and then what is expected in the future.

Ms. Maryann Carl, Finance Director said they have the full \$3.5 million. She said the way it was structured they were able to receive the full \$3.5 million.

Ms. Vu said she would like to discuss the sanitary sewer rehab phase I. The field work is wrapping up with Cruz Tech who have done a great job. They have received a couple of pay estimates from them and already they are in the process review with the third submittal.

Ms. Vu said one thing that came up in construction is at the trunk line going through Lone Star Estates it showed that when they had this televised the contractor informed them it was a 12-inch line and from their records they always thought it was a 10-inch line, but from the video it showed a 12-inch line and so they would not need to upsize it. This changes things in the manner of that line needs to be upsized to a 12-inch to make room for the growth in the City.

Cruz Tech gave them a price to pipe burst this line from a 10-inch to a 12-inch. Their price was \$55 linear foot including manhole work that would need to be done which they find to be extremely fair. She said if they were to do that project separately the price would be higher than \$55 a foot. They do feel that \$55 is a good price and Cruz Tech is experienced in pipe bursting.

Councilmember Casey Olson said he is not familiar with that process.

Ms. Vu said with pipe bursting they stick a bit in the pipe and break it open and the same time they are breaking the original pipe they will slide a larger pipe right through it. She said it is non-invasive and is actually one of the best non-invasive ways to enlarge a pipe. This pipe is a good candidate for it because they are only going up one size from a 10 to a 12. Usually you can go one or two sizes with that process and anything more than that is not usually recommended.

Councilmember Sara Countryman asked how long are the sections.

Ms. Vu responded they can do a couple thousand feet at a time.

Councilmember Stan Donaldson asked how many feet do they need to do.

Ms. Vu stated 3,050 linear feet for this first stretch.

Councilmember Sara Countryman asked if it is \$55 a foot.

Ms. Vu said yes at \$55 a foot.

Ms. Vu said at \$55 a foot that is \$167,750.

Councilmember Casey Olson asked if that was total cost and if it includes the pipe.

Ms. Vu said that includes the pipe and is all in. For the pipe bursting it would be \$167,750.

Ms. Vu said there is work they were originally expecting to do on that line that would then not have to happen because you are getting a brand new pipe. Some of what is currently in the contract would be removed and there would be a little bit of a savings.

Councilmember Sara Countryman asked what is the lifespan of the pipe.

Ms. Vu said it is PVC so around 50 years.

Councilmember Casey Olson asked if it was a quarter inch thick.

Ms. Vu said yes.

Councilmember Carol Langley asked if this is going to the old sewer plant, and if they could get to all of this pipe and if they are not through on College Street.

Ms. Vu said correct, it is going straight to Lift Station #2 and the old sewer plant which is why this is needing to be upsized because this is handling all the growth on the west side. They can get to all of the pipe, the green lines on the map are essentially complete and that is not needing to be touched with what they are discussing here. They start at the manhole on College Street and then head north and take that all the way through.

Ms. Vu added since Cruz Tech gave them such a good price, and if you remember this is broken into two phases. There is a phase I and phase II. Ms. Vu said phase II was supposed to be pipe bursting south of College Street from the manhole right outside of City Hall across SH 105 and then back on the west side of the park up to College Street.

Ms. Vu said the bright blue line on the map is the scope of the sanitary sewer rehab phase II. She said she noticed in the manhole where it ends, manhole 199A that is where that orange line starts and so a

portion of this blue line is an 8-inch line. They asked Cruz Tech to give them a price to go from an 8-inch to a 12-inch and their price came back as \$75 a linear foot. It is a different size bit which is understandable and which explains the price difference. She mentioned that \$75 is also a very good price to go from an 8-inch to a 12-inch.

Councilmember Casey Olson said it looks like there are different sections as some are eight and some are 10 and some are 12.

Ms. Vu said phase II was actually broken up into two chunks. She said there is a chunk from College Street to this manhole (pointing to the map) and then all of this right here is going through to the west side of the park and did not need to be touched. The next section they would need to start is manhole #410 and then take it across SH 105 to the manhole right out here (pointing to the map.)

Councilmember Casey Olson asked how old is the blue pipe, as he was trying to figure out who the person was that said we could go 8-inch to 10-inch and back to 8-inch and that was going to be okay.

Ms. Vu said she did not know the exact date, this has been a bottle neck area in the City. They have known about it and just trying to find the right time to take care of it. They have a contractor on site what they are proposing is to include this section in their contract as well. Basically just shifting it from phase II to phase I and still get the work done. That work would be an additional \$28,575, which is less than what they had in their cost estimate because they are already onsite and they do not have to pay start up fees again and everything goes in with the new contractor. That is really where that change comes from on this summary sheet going from the 75 to \$828,118.

Councilmember Casey Olson asked what the original was for the whole thing.

Ms. Vu said for the orange portion it was \$167,750 and this is \$28,575. This contract if you remember there was a quantity issue on pavement when they first presented this to Council. In the pavement between square footage and square yards it got crossed so there is a multiplier of nine difference. The project was awarded at the contract price of \$837,528 and you are under the contract price. When this was first presented she made sure to mention the pavement issue and what they were expecting to spend around \$705,000 which is what you have on the summary. From a contract standpoint this is still under the contract amount where the funds will come from what they are proposing and still coming from the loan so you have the funds available. The work needs to be done but they wanted to bring it forward to you and make sure this was something you were open to as well.

Ms. Vu said they talked it over with staff and they are comfortable with it, but of course Council has the final say.

Councilmember Casey Olson asked if the original amount was \$850,000 and how much were they under that price.

Ms. Vu said the original contract price was \$837,528. If you corrected the pavement there was around \$132,000 left which give you the \$705,000 that they were originally expecting to be spent. Adding this extra work in takes the contract price to \$828,118.

Councilmember Casey Olson asked if they budgeted to \$835,000.

Ms. Vu said they did not. In the budget they budgeted for \$705,000 because they knew that is what it would actually end up being. From a paperwork standpoint when it comes to a legal change order since it is technically a contract reduction because they are also reducing the pavement quantities to go ahead and make that correction at the same time. This would technically need to come to you for approval. This is a large scope change though and they wanted to make sure to get it in front of you and would not do without your consent.

Councilmember Casey Olson said it also changes the price of phase II.

Ms. Vu said it does. Phase II went from \$250,000 to \$160,000. She said it is just shifting the cost and the scope from phase II up to phase I so it is almost a break even.

Councilmember Sara Countryman asked if this was by design.

Ms. Vu said not necessarily by design, it just worked out well.

Councilmember Casey Olson said it is around \$25,000 more to do all the extra work.

Ms. Vu said yes.

Mayor Sanford said and get it right for not only what you can see in growth, but many years to come.

Ms. Vu said exactly. It will be brand new pipe and this pipe will be set for 50 years. She said in the sanitary sewer world any time there is a turn or a bend there is a manhole so it gives them a clear stopping point where they can stop and pivot. She said they are not trying to bend sanitary sewer pipe. That is something they did back in the 70's and is not allowed today.

Councilmember Sara Countryman asked if there is going to be a retention 20 percent more than this or 20 percent less than this.

Ms. Vu said what you are seeing is all there will be. All of the other field work for phase I project is done.

Councilmember Stan Donaldson said it is like a change order where we are adding to phase I.

Ms. Vu said this is a change order by contract because they are adding to their scope. There will be a change order processed and added to their contract.

Councilmember Casey Olson asked what does it do to the finish date.

Ms. Vu said they are ready to pipe burst whenever they get the green light.

Councilmember Sara Countryman asked how long is it going to take.

Ms. Vu said in a week, as far as what else is going on in the project, they have received several videos and they have to send a camera through the line after they are done that shows it works. They need to verify they did and there is nothing they have to go back and redo. She said they are in the process of reviewing those videos and after they complete all of this their field work is done.

Ms. Vu said if Council is good with this they will give Cruz Tech the green light.

Mr. Villarreal, City Attorney said it depends on what the contract says but you are right as that is what it should state.

Councilmember Sara Countryman asked if they would put it in the monthly report so there is a record of it, asked how much of the City is still left with the old eight and 10 inch pipes. Asked what about underneath McCown Street and the Historic District.

Ms. Vu said they will put it in the monthly report and will include a copy of the change order. Since it is a reduction it can be signed at the staff level or if you would prefer to see it again at the Council meeting you can ratify the change order at the next Council meeting. Ms. Vu said there is quite a bit still left. The Historic District has already been done. That was the first project that Cruz Tech did not see.

Councilmember Casey Olson asked if it will be on the agenda tomorrow.

Ms. Vu said it will be on the second February meeting agenda.

4. Review and Discussion on an Ordinance to Regulate Development Progress in the City

Mr. Villarreal said this ordinance is an amendment to their current subdivision ordinance. This ordinance will permit for the expiration of permits and dormant projects. State law allows you to place these expiration terms on these projects but you need to have an ordinance that says you can do that. Right now they do not have that ordinance and right now the way the ordinance reads it is a permit expiration period of two years. If a permit or the developer has not completed a project within two years or has not begun the project, the permit expires and then the statute also provides for what is called dormant projects when there is not substantial completion made toward the project the project expires.

He said he thinks Council is well aware of some of these developments that have been going on for 15 and 20 years and this will allow them to control some of those building sizes and lot sizes and locks in these developers. He says it freezes the regulation and rules at the time the development application is submitted. For example, when these guys submit their development application those rules are applicable to the developer until the project is complete but say they permit next month and they sit on the project for five years. This ordinance allows us to say, no your permit is dormant and you need to come before Council again because the new rules are applicable. It just gives them more control. He said this is very common in almost every city he works with.

Councilmember Sara Countryman said the project they are talking about, there was a variance already that was permitted, but has expired so that is different than what you are talking about here.

Mr. Villarreal said it is similar and they have gone back and forth with City staff on this and they really did not push back on their position. They are similar because those variances run with the land but the way they interpreted the approval process was we have a new developer, a new developer sending a new application and then project is also defined in the statute and they interpreted this to mean a new project. However, with this ordinance in place that will not be a problem anymore because they will not have someone coming to them with the same property 10 or 15 years later.

Councilmember Sara Countryman said she just wants to make sure they are not liable to the person who already has the variances and there is a neighborhood there that he cannot come back.

Mr. Villarreal said they already brought those issues to a head to see what their position was. Their interpretation is this is a new project submitted by a totally new developer and is a whole new slate. However, just to avoid uncertainty in the future it is best to have one of these ordinances that allows them to place these expiration periods.

Councilmember Sara Countryman asked is that what drove this.

Mr. Villarreal responded yes.

Councilmember Casey Olson asked besides the timeline, can they add a change of ownership.

Mr. Villarreal responded yes you can.

Councilmember Casey Olson asked if the original project variances go with the property or does it when you change ownership.

Mr. Villarreal said they would go with the land.

Councilmember Casey Olson said with the new ordinance it would not run with the land anymore it would run by project and if they could add a change of ownership to it.

Mr. Villarreal said the new ordinance would run with the land but they are allowed to place an expiration period on that if they are not making any progress, and yes they probably could add a change of ownership

Councilmember Casey Olson said it would be here it is, he sold it. A lot of times these developers will sell stuff and no one knows about it and all of sudden they are building and it is a new developer.

Mr. Villarreal said typically in their development agreements they can only assign a project with their consent so they know when they are going to sell or convey that property to different owners.

Councilmember Sara Countryman said Taylor Morrison comes in and they build 25 percent of their houses and go bankrupt. A new developer comes in and says they do not want the 55 I want to go to 45 for the remaining houses. What happens there and what are they liable for would it be the original 55.

Councilmember Casey Olson said that is why he is talking about ownership and writing it in as ownership changes. They either have to say they are locked in with whatever the variance was or they have to bring them back and they have to reapply.

Mr. Villarreal said correct and typically too in entering into a development agreement with this new developer the agreement will stipulate on if they sell to someone else or if they do not develop. He said it will account for those different scenarios.

Mayor Sanford said just have a statement that says if the ordinance is attached to a given development of land any subsequent changes in ownership they must follow that agreement for that land.

Mr. Villarreal said that is correct.

Councilmember Stan Donaldson said he does not understand. He said the discussion says that on the individual permit that is two years but on five years it is for an entire project. He asked why do you separate the two.

Mr. Villarreal said the way the law reads there is sometimes more than one permit for a project as there are series of permits. He said you have the original permit and then maybe five or six additional permits. If they are not making progress toward the project as a whole, you are allowed to call the project dormant and require them to come back to Council. They are either bound by the previous regulations or the regulations that are placed at the time that the developers continue developing the property. There is a difference there.

Councilmember Stan Donaldson said the project has five years though, not two years.

Mr. Villarreal said that is correct if there is no progress made for the completion of the project. If the project sits stagnant for five years it is then a dormant project and they are allowed to say no because theoretically the previous developer Summer Wind, if they were to push back and say you approved these variances and we want to move forward with this project they would have had an issue there but now they can call the project dormant because there has been no substantial completion for five years and they need to come to Council.

Councilmember Casey Olson said back to Stan's point. Five years or two years. He said it is not defined well to him.

Mr. Villarreal said it is two years for the permit.

Mr. McCorquodale said as an example if someone wanted to build a parking lot and they submitted several plans for a parking lot expansion as this happened at Heritage Place. The person came to them and said he has an approved set from the engineers and you approved this and it was around two or three years old. At the time we told him we are sorry but the engineers had put a note on there that these are good for 12 months. He could have pushed back and said no you do not have anything to stop me but instead he said he would get a new set of plans. This would be an individual permit. He said say someone like these guys tonight they have to go through the platting but then they need to obtain a grading and drainage approval from the engineers and get a utility systems layout that would be the multiple steps where they have gotten through the grading and drainage but have not gotten to the utilities yet. They would still be allowed the five year window. If it is a single site and they are doing one thing it is two year window.

Mr. Villarreal said there is also a substantial change provision. Whenever there is a substantial change to a project it denies the City and the public fair notice and the City Administrator is allowed to say the recognition of basic rights be denied. Specifically substantial change is defined in the ordinance such as acreage, number of buildings, density so all those substantial changes they can push back on someone changing their application.

Mr. Villarreal said because they are amending the subdivision ordinance they need to call a public hearing and post in the newspaper. This will not take effect until the second meeting in February.

Mr. Palmer said tomorrow at the meeting they will need to call a public hearing.

ADJOURNMENT at 7:23 P.M.

Submitted by: _____
Diana Titus, Deputy City Secretary,

Date Approved: _____

Edited and Reviewed by:

Nici Browe TRMC, City Secretary

Byron Sanford, Mayor

City Council
MINUTES

February 27, 2024 at 6:00 PM

CALL TO ORDER

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

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

INVOCATION

Councilmember Stan Donaldson provided the invocation.

PLEDGE OF ALLEGIANCE TO FLAGS

VISITOR/CITIZENS FORUM:

CONSENT AGENDA:

- 1. Approval of the following minutes:
 - a) City Council Meeting Minutes 02-13-2024.

Councilmember Sara Countryman moved to approve the consent agenda as presented. Councilmember Cheryl Fox seconded the motion. **Motion Passed (5-0).**

CONSIDERATION AND POSSIBLE ACTION:

- 2. Consideration and Possible Action On: Acceptance of the Certification of Unopposed Candidates in the May 4, 2024, General Election in the City of Montgomery.

Ms. Nici Browe, City Secretary explained to the city council that this item is to certify that for three positions open for election, a total of three candidate applications received, one application for each individual position. Therefore, the election is unopposed for all candidates.

Councilmember Sara Countryman moved to approve the certification of Unopposed Candidates. Councilmember Cheryl Fox seconded the motion. **Motion Passed (5-0).**

- 3. Consideration and Possible Action On: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MONTGOMERY, TEXAS, DECLARING UNOPPOSED CANDIDATES IN THE

MAY 4, 2024 CITY OF MONTGOMERY GENERAL ELECTION ELECTED TO OFFICE; CANCELING THE ELECTION; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

Ms. Nici Browe, City Secretary introduced this item and explained that the next step in certifying an unopposed/uncontested race, is creating an order of cancellation and an ordinance canceling said election. These must be submitted to the Montgomery County Elections Administrator who will post the notice at the polling locations.

This notice will certify each candidate as elected; however, they cannot assume the office until after the election and upon when the canvassing would of taken place.

Councilmember Casey Olson moved to approve the ordinance as presented. Councilmember Stan Donaldson seconded the motion. **Motion Passed (5-0).**

4. Consideration and possible action regarding Change Order No. 1 for the 2023 Sanitary Sewer Rehabilitation – Phase 1 project.

Ms. Katherine Vu, WGA Engineers provided the city council with a full explanation for the change order submitted for their approval. She went on to explain that the change is for moving to a 10” pipe from an 8 “ pipe at a cost difference of \$7.10 per linear foot.

Councilmember Casey Olson inquired about the overall cost of the project including the change order and what was originally budgeted for this.

Ms. Vu responded the project cost including the change order amounts to \$863,329.00. The original budget was \$700,000. She reminded the council that this project can be paid out of CO funds, and impact fees but explained this upgrade of pipe amount was in phase 2, but has been taken out of there for phase 1.

Councilmember Sara Countryman moved to approve the change order No.1 in the amount of \$25,801. Councilmember Casey Olson seconded the motion. **Motion Passed (5-0).**

DEPARTMENTAL REPORTS:

- 5. Public Works Report
- 6. Utility Operations Report
- 7. Police Department and Code Enforcement Report
- 8. January 2024 Court Report
- 9. City Engineers Report
- 10. Utility and Permit Report
- 11. Finance Report

Each department head highlighted areas within the report that they wished council to acknowledge.

Councilmember Sara Countryman moved to approve the department reports as presented. Councilmember Casey Olson seconded the motion. **Motion Passed (5-0).**

EXECUTIVE SESSION:

Sections 551.071(consultation with attorney), Town Creek and Atkins Creek erosion issues.

City Council convened into Executive Session at 6:41 P.M.

City Council reconvened into Regular Session at 7:44 P.M.

POSSIBLE ACTION FROM EXECUTIVE SESSION:

No motions were made during executive session discussions.

COUNCIL INQUIRY:

Councilmember Cheryl Fox asked Mr. Palmer if there was any update on appointing Randy Burleigh as a citizen advisor for water sewer review.

Mr. Palmer responded it was still an item he was working on.

Councilmember Sara Countryman asked if there was news on the Texas Flag at the Simmons Bank.

Mayor Sanford reminded the public that March 9th there is a Tree Giveaway.

ADJOURNMENT

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

The meeting was adjourned at 7:46 P.M.

Submitted by: _____
Nici Browe TRMC, City Secretary

Date Approved: _____

Mayor, Byron Sanford

Montgomery City Council
AGENDA REPORT

Meeting Date: March 12, 2024	Budgeted Amount: n/a
Department: Administration	Prepared By: Maryann Carl

Subject

Discussion and possible action to approve the FY2022-2023 audit presented by Belt Harris Pechacek, LLLP.

Recommendation

Approve FY2022-2023 audit presented by Belt Harris Pechacek, LLLP.

Discussion

The Annual Financial Report, Management Letter, and Required Auditor Disclosure Letter are attached. Darla Dear from Belt Harris Pechacek, LLLP, will be at the meeting to present the information and answer any questions.

The item listed under “Other Matter” on the Management Letter is related to the recording of principal and interest for leases under GASB 87. The expense was initially budgeted in each department for the lease of copiers but is now required to be recorded as Debt Service in the General Fund. Adjusting journal entry JE # 13 on page 4 of the Required Auditor Disclosure Letter shows this adjustment. In addition, page 65 of the Audit shows the expenditure exceeding budget under Debt Service. City staff will bring an adjustment to council at a later date to address this for the current year.

Approved By

Finance Director	Maryann Carl	Date: 3/07/2024
City Administrator	Gary Palmer	Date: 3/07/2024

DRAFT

ANNUAL FINANCIAL REPORT

of the

CITY OF MONTGOMERY, TEXAS

**For the Year Ended
September 30, 2023**

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CITY OF MONTGOMERY, TEXAS, TEXAS

TABLE OF CONTENTS

September 30, 2023

	<u>Page</u>
Independent Auditors' Report	1
Management's Discussion and Analysis (Required Supplementary Information)	7
<u>BASIC FINANCIAL STATEMENTS</u>	
Government-Wide Financial Statements	
Statement of Net Position	16
Statement of Activities	18
Fund Financial Statements	
Governmental Funds Financial Statements	
Balance Sheet – Governmental Funds	20
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	23
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	24
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	27
Proprietary Fund Financial Statements	
Statement of Net Position – Proprietary Fund	28
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Fund	31
Statement of Cash Flows – Proprietary Fund	32
Notes to Financial Statements	35
<u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	65
Schedule of Changes in Net Pension Liability and Related Ratios – Texas Municipal Retirement System (TMRS)	66
Schedule of Contributions – Texas Municipal Retirement System (TMRS)	68
Schedule of Changes in Total OPEB Liability – Texas Municipal Retirement System (TMRS)	71
<u>COMBINING STATEMENTS AND SCHEDULES</u>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund	75
Combining Balance Sheet – Nonmajor Governmental Funds	78
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	80
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – Nonmajor Special Revenue Funds	83

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and
City Council Members of the
City of Montgomery, Texas:

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Montgomery, Texas (the "City"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, schedules of changes in net pension and total other postemployment benefits (OPEB) liability and related ratios, and schedule of contributions, identified as Required Supplementary Information on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining statements and schedules are presented for purposes of additional analysis and are not required parts of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and

other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

DRAFT
BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
March 7, 2024

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***MANAGEMENT'S DISCUSSION
AND ANALYSIS***

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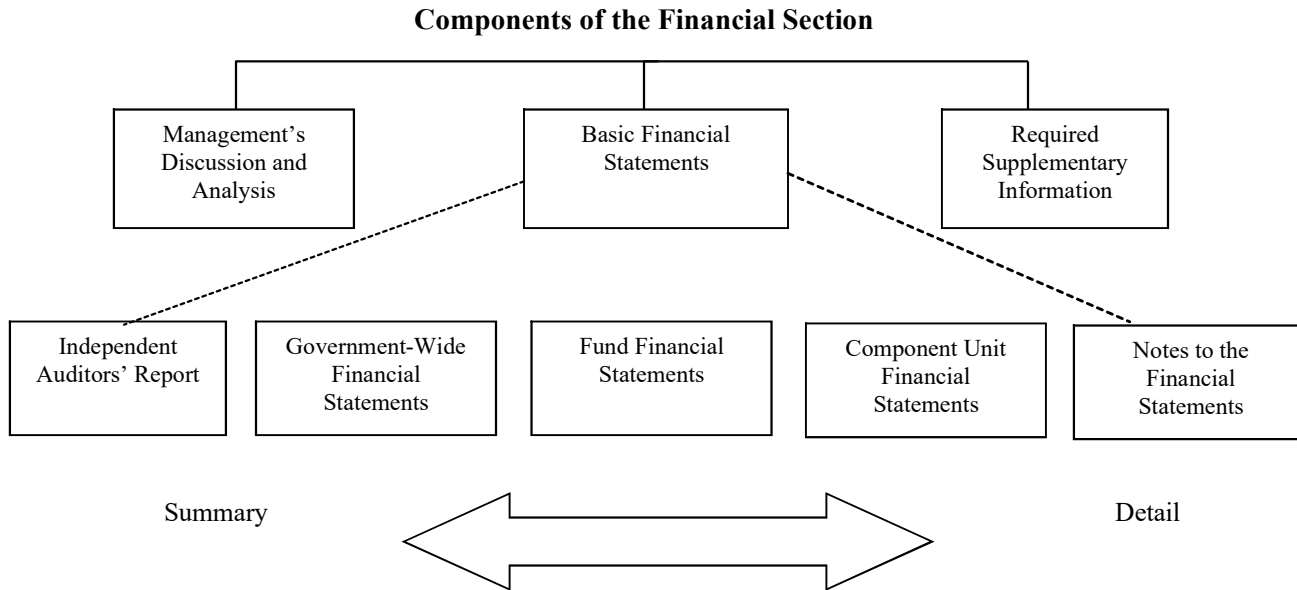
CITY OF MONTGOMERY, TEXAS, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended September 30, 2023

The purpose of the Management's Discussion and Analysis (MD&A) is to give the readers an objective and easily readable analysis of the financial activities of the City of Montgomery, Texas (the "City") for the year ending September 30, 2023. The analysis is based on currently known facts, decisions, or economic conditions. It presents short and long-term analysis of the City's activities, compares current year results with those of the prior year, and discusses the positive and negative aspects of that comparison. Please read the MD&A in conjunction with the City's financial statements, which follow this section.

THE STRUCTURE OF OUR ANNUAL REPORT



The City's basic financial statements include (1) government-wide financial statements, (2) individual fund financial statements, and (3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Statements

The government-wide statements report information for the City as a whole. These statements include transactions and balances relating to all assets, including infrastructure capital assets. These statements are designed to provide information about cost of services, operating results, and financial position of the City as an economic entity. The Statement of Net Position and the Statement of Activities, which appear first in the City's financial statements, report information on the City's activities that enable the reader to understand the financial condition of the City. These statements are prepared using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account even if cash has not yet changed hands.

The Statement of Net Position presents information on all of the City's assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other nonfinancial factors, such as the City's property tax base and the condition of the City's infrastructure, need to be considered in order to assess the overall health of the City.

CITY OF MONTGOMERY, TEXAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2023

The Statement of Activities presents information showing how the City's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows – the accrual method rather than modified accrual that is used in the fund level statements.

The Statement of Net Position and the Statement of Activities divide the City's financials into two classes of activities:

1. *Governmental Activities* – Most of the City's basic services are reported here including general government, municipal court, public safety, and public works. Sales tax, property tax, franchise fees, municipal court fines, and permit fees finance most of these activities.
2. *Business-Type Activities* – Services involving a fee for those services are reported here. These services include the City's water, sewer, and sanitation services.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate economic development corporation, the Montgomery Economic Development Corporation, for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. The Public Improvement District No. 1, although also legally separate, functions for all practical purposes as a department of the City and, therefore, has been included as an integral part of the primary government.

The government-wide financial statements can be found after the MD&A.

FUND FINANCIAL STATEMENTS

Funds may be considered as operating companies of the parent corporation, which is the City. They are usually segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal reporting requirements. The two categories of City funds are governmental and proprietary.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as *on balances of spendable resources* available at the end of the year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains nine individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, the debt service fund, and the capital projects fund, which are considered to be major funds for reporting purposes.

CITY OF MONTGOMERY, TEXAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2023

The City adopts an annual appropriated budget for its general fund, debt service fund, and certain special revenue funds. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with these budgets.

Proprietary Fund

The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its water, sewer, and sanitation services. The proprietary fund financial statements provide information for the water, sewer, and sanitation fund. The proprietary fund financial statements can be found in the basic financial statements of this report.

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are the last section of the basic financial statements.

Other Information

In addition to the basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The RSI includes a budgetary comparison schedule for the general fund and schedules of changes in net pension and total other postemployment benefits liability and related ratios and schedule of contributions for the Texas Municipal Retirement System. RSI can be found after the notes to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. Assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$16,879,254 as of September 30, 2023. A portion of the City's net position, 69%, reflects its investment in capital assets (e.g., land, building, equipment, improvements, construction in progress, and infrastructure), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

A portion of the City's net position, \$114,010 or 1%, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$5,038,711 or 30%, may be used to meet the City's ongoing obligation to citizens and creditors.

CITY OF MONTGOMERY, TEXAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2023

Statement of Net Position

The following table reflects the condensed Statement of Net Position:

September 30, 2023				
	Governmental Activities	Business-Type Activities	Reconciliation	Total Primary Government
Current and other assets	\$ 5,796,582	\$ 2,540,036	\$ -	\$ 8,336,618
Capital assets, net	6,449,949	12,597,504	-	19,047,453
Total Assets	12,246,531	15,137,540	-	27,384,071
Deferred outflows - pensions	362,406	60,100	-	422,506
Deferred outflows - OPEB	12,172	1,157	-	13,329
Deferred charge on refunding	38,597	-	-	38,597
Total Deferred Outflows of Resources	413,175	61,257	-	474,432
Long-term liabilities	8,915,593	69,789	-	8,985,382
Other liabilities	1,610,988	335,149	-	1,946,137
Total Liabilities	10,526,581	404,938	-	10,931,519
Deferred inflows - pensions	15,667	-	-	15,667
Deferred inflows - OPEB	27,333	4,730	-	32,063
Total Deferred Inflows of Resources	43,000	4,730	-	47,730
Net Position:				
Net investment in capital assets	5,847,871	12,597,504	(6,718,842)	11,726,533
Restricted	114,010	-	-	114,010
Unrestricted	(3,871,756)	2,191,625	6,718,842	5,038,711
Total Net Position	\$ 2,090,125	\$ 14,789,129	\$ -	\$ 16,879,254

September 30, 2022				
	Governmental Activities	Business-Type Activities	Reconciliation	Total Primary Government
Current and other assets	\$ 5,280,014	\$ 3,046,643	\$ -	\$ 8,326,657
Capital assets, net	6,782,170	11,668,845	-	18,451,015
Total Assets	12,062,184	14,715,488	-	26,777,672
Deferred outflows - pensions	176,762	18,867	-	195,629
Deferred outflows - OPEB	10,448	853	-	11,301
Deferred charge on refunding	41,725	-	-	41,725
Total Deferred Outflows of Resources	228,935	19,720	-	248,655
Long-term liabilities	9,370,463	21,913	-	9,392,376
Other liabilities	2,380,177	400,427	-	2,780,604
Total Liabilities	11,750,640	422,340	-	12,172,980
Deferred inflows - pensions	156,546	16,198	-	172,744
Deferred inflows - OPEB	2,280	323	-	2,603
Total Deferred Inflows of Resources	158,826	16,521	-	175,347
Net Position:				
Net investment in capital assets	5,336,598	11,668,845	(6,999,311)	10,006,132
Restricted	171,392	-	-	171,392
Unrestricted	(5,126,337)	2,627,502	6,999,311	4,500,476
Total Net Position	\$ 381,653	\$ 14,296,347	\$ -	\$ 14,678,000

CITY OF MONTGOMERY, TEXAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2023

The City has issued and repaid debt in its governmental activities for which the proceeds were used to construct capital assets for the governmental and business-type activities. With one activity carrying the debt, the result is an unusual net position presentation. The City has included a reconciliation column in the Statement of Net Position adjusting the net investment in capital assets. Debt associated with business-type activities, in the amount of \$6,718,842, is being used to finance capital assets reported. Accordingly, this amount has been added back to unrestricted net position and deducted from net investment in capital assets in total for the primary government.

The City's total net position increased by \$2,201,254 as compared to the prior year. Total assets experienced an increase primarily as a result of an increase in accounts receivable and an operating surplus. Deferred outflows of resources experienced an increase from the prior year due to the change in the net pension asset to a net pension liability in the current year. Current liabilities decreased due to a decrease in payables related to various capital projects and grant funding received in advance. Long-term liabilities experienced a decrease during the year due to principal payments made on debt. Deferred inflows of resources experienced a decrease from the prior year due to the change in the net pension asset to a net pension liability in the current year.

Statement of Activities

The following table provides a summary of the City's changes in net position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues:						
Charges for services	\$ 647,143	\$ 778,077	\$ 2,646,401	\$ 2,373,513	\$ 3,293,544	\$ 3,151,590
Operating grants and contributions	1,070	36,236	-	-	1,070	36,236
Capital grants and contributions	454,323	703,735	-	-	454,323	703,735
General revenues:						
Property taxes	1,794,151	1,415,100	-	-	1,794,151	1,415,100
Sales taxes	3,685,642	3,548,712	-	-	3,685,642	3,548,712
Other fees and taxes	163,366	164,608	-	-	163,366	164,608
Other revenues	618,026	333,501	425,916	407,695	1,043,942	741,196
Total Revenues	7,363,721	6,979,969	3,072,317	2,781,208	10,436,038	9,761,177
Expenses						
General government	1,744,723	1,817,585	-	-	1,744,723	1,817,585
Municipal court	407,560	405,245	-	-	407,560	405,245
Public safety	2,046,905	1,975,752	-	-	2,046,905	1,975,752
Public works	1,182,145	1,155,079	-	-	1,182,145	1,155,079
Interest and fiscal agent fees	199,071	252,185	-	-	199,071	252,185
Water, sewer, and sanitation	-	-	2,654,380	2,369,713	2,654,380	2,369,713
Total Expenses	5,580,404	5,605,846	2,654,380	2,369,713	8,234,784	7,975,559
Increase in Net Position						
Before Transfers	1,783,317	1,374,123	417,937	411,495	2,201,254	1,785,618
Transfers in (out)	(74,845)	(1,602,299)	74,845	1,602,299	-	-
Change in Net Position	1,708,472	(228,176)	492,782	2,013,794	2,201,254	1,785,618
Beginning net position	381,653	609,829	14,296,347	12,282,553	14,678,000	12,892,382
Ending Net Position	\$ 2,090,125	\$ 381,653	\$ 14,789,129	\$ 14,296,347	\$ 16,879,254	\$ 14,678,000

For the year ended September 30, 2023, revenues from governmental activities totaled \$7,363,721, which is a net increase of \$383,752 from the prior year. Charges for services decreased due to a decrease in building permits within the City. Grants and contributions decreased due to prior year's Community Development Block Grant. Property taxes increased due to an increase in the assessed values within the City. Sales taxes increased due to an

CITY OF MONTGOMERY, TEXAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2023

increase in economic activity within the City. Other revenues increased due to an increase in interest earnings on investments, as well as more escrow deposits related to engineering services for design and bidding of lift station number 10 and offsite utility extensions to serve Redbird Meadows.

For the year ended September 30, 2023, expenses for governmental activities totaled \$5,580,404, which is a 0.4538% decrease totaling \$25,442 from the prior year. The largest decrease was in the general government department related to fewer software upgrades in the current year.

Net position before transfers for business-type activities increased \$417,937 compared to the prior year. Revenues increased by \$291,109 compared to the prior year due to an increase in charges for services related to higher customer consumption and an increase in other revenues as a result of more tap fees/inspections and groundwater reduction revenues. Expenses increased \$284,667 compared to the prior year due to increases in repair and maintenance projects, contracted services, and in personnel costs.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

Governmental Funds – The focus of the City’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City’s net resources available for spending at the end of the year.

The City’s governmental funds reflect a combined fund balance of \$4,162,901. Of this, \$1,155,326 is restricted or committed for various purposes. The remaining balance of \$3,007,575 is unassigned in the general fund.

There was a net increase in the combined fund balance of \$1,302,788 compared to the prior year. The largest increase was seen in the general fund, which had an overall increase in fund balance of \$1,013,115 due primarily to an increase in property taxes, sales taxes, and investment revenue and a decrease in capital outlay expenditures. The capital projects fund also had a large increase in fund balance of \$341,500, which can be contributed to transfers in from the water, sewer, and sanitation fund.

The general fund is the chief operating fund of the City. At the end of the current year, unassigned fund balance of the general fund was \$3,007,575. As a measure of the general fund’s liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to total fund expenditures. Both unassigned and total fund balance represents 61% of total general fund expenditures.

The debt service fund has a total fund balance of \$53,572, all of which is restricted for the payment of debt service. The net decrease in fund balance during the year was \$56,030. This decrease can be attributed to scheduled debt service payments net of property tax revenues and other sources.

Proprietary Funds – The City’s proprietary fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail.

CITY OF MONTGOMERY, TEXAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2023

GENERAL FUND BUDGETARY HIGHLIGHTS

The City's amended budget planned for an increase in budgeted general fund balance of \$744,638, however, the City experienced an actual increase to general fund balance of \$1,013,115. The City's actual general fund revenues were more than final budgeted revenues by \$182,505 during 2023 due to more sales and franchise fee revenue. Actual expenditures were less than budgeted amounts by a net \$84,171 for the fiscal year. The largest positive variance was in the public safety department.

CAPITAL ASSETS

At the end of the current fiscal year, the City's governmental and business-type activities had invested \$19,047,453 in a variety of capital assets and infrastructure (net of accumulated depreciation). This represents a net increase of \$596,438.

Major capital asset events during the current year included the following:

- Porch and roof addition \$45,136
- 2023 Silverado 2500HD truck \$49,630
- Miscellaneous improvement project additions to construction in progress (CIP) of \$786,411
- Downtown improvement project additions to CIP of \$56,877
- Water Plant #3 project completion \$1,577,882
- Downtown sanitary sewer rehabilitation project completion \$132,077
- General Land Office Grant project completion \$650,778

More detailed information about the City's capital assets is presented in note III.C. to the financial statements.

LONG-TERM DEBT

At the end of the current fiscal year, the City had total bonds, tax notes, and certificates of obligation outstanding of \$7,655,000. Of this amount, \$4,235,000 was general obligation debt while tax notes and certificates of obligation accounted for \$3,420,000.

More detailed information about the City's long-term liabilities is presented in note III.D. to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City adopted a fiscal year 2023-2024 general fund expenditure budget of \$5,921,740, which is an increase of 0.30% from the prior year budget. The City budgeted for fiscal year 2023-2024 general fund revenues of \$5,921,740, which is an increase of 1%. The City adopted a water, sewer, and sanitation revenue budget of \$4,281,550, which is an increase of 8% from the prior year budget. The City adopted a water, sewer, and sanitation expense budget of \$4,281,550, which is an increase of 8% from the prior year budget. The tax rate for the 2023-2024 fiscal year will remain at \$0.4000 per \$100 of taxable property value.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Gary Palmer, City Administrator, 101 Old Plantersville Rd., Montgomery, Texas 77316; 936-597-6434.

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BASIC FINANCIAL STATEMENTS

CITY OF MONTGOMERY, TEXAS

STATEMENT OF NET POSITION

September 30, 2023

	Primary Government			
	Governmental Activities	Business-Type Activities	Reconciliation	Total
Assets				
Cash and cash equivalents	\$ 4,232,313	\$ 2,406,798	\$ -	\$ 6,639,111
Cash with fiscal agent	107,342	-	-	107,342
Receivables, net of allowances	1,032,098	405,818	-	1,437,916
Internal balances	424,829	(424,829)	-	-
Due from primary government	-	-	-	-
Due from component unit	-	108	-	108
Restricted assets:				
Cash and cash equivalents	-	152,141	-	152,141
	<u>5,796,582</u>	<u>2,540,036</u>	<u>-</u>	<u>8,336,618</u>
Capital assets:				
Nondepreciable capital assets	1,619,522	955,490	-	2,575,012
Depreciable capital assets, net	4,830,427	11,642,014	-	16,472,441
	<u>6,449,949</u>	<u>12,597,504</u>	<u>-</u>	<u>19,047,453</u>
Total Assets	<u>12,246,531</u>	<u>15,137,540</u>	<u>-</u>	<u>27,384,071</u>
Deferred Outflows of Resources				
Deferred outflows - pensions	362,406	60,100	-	422,506
Deferred outflows - OPEB	12,172	1,157	-	13,329
Deferred charge on refunding	38,597	-	-	38,597
Total Deferred Outflows of Resources	<u>413,175</u>	<u>61,257</u>	<u>-</u>	<u>474,432</u>
Liabilities				
Accounts payable and accrued liabilities	1,124,135	183,008	-	1,307,143
Unearned revenue	339,920	-	-	339,920
Accrued interest payable	18,826	-	-	18,826
Due to primary government	-	-	-	-
Due to component unit	128,107	-	-	128,107
Customer deposits	-	152,141	-	152,141
Noncurrent liabilities:				
Long-term liabilities due within one year	806,567	12,141	-	818,708
Long-term liabilities due in more than one year	8,109,026	57,648	-	8,166,674
Total Liabilities	<u>10,526,581</u>	<u>404,938</u>	<u>-</u>	<u>10,931,519</u>
Deferred Inflows of Resources				
Deferred inflows - pensions	15,667	-	-	15,667
Deferred inflows - OPEB	27,333	4,730	-	32,063
Total Deferred Inflows of Resources	<u>43,000</u>	<u>4,730</u>	<u>-</u>	<u>47,730</u>
Net Position				
Net investment in capital assets	5,847,871	12,597,504	(6,718,842)	11,726,533
Restricted for:				
Economic development	-	-	-	-
Debt service	48,262	-	-	48,262
Tourism	22,189	-	-	22,189
Public safety	43,559	-	-	43,559
Unrestricted	(3,871,756)	2,191,625	6,718,842	5,038,711
Total Net Position	<u>\$ 2,090,125</u>	<u>\$ 14,789,129</u>	<u>\$ -</u>	<u>\$ 16,879,254</u>

See Notes to Financial Statements.

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Component	Unit
<hr/>	
MEDC	
<hr/>	
\$	2,327,700
	-
	258,555
	-
	128,107
	-
	-
	-
	-
	<hr/>
	2,714,362
	<hr/>
	752,414
	-
	<hr/>
	752,414
	<hr/>
	3,466,776
	<hr/>
	-
	-
	-
	<hr/>
	-
	<hr/>
	1,177
	-
	-
	108
	-
	-
	-
	-
	-
	<hr/>
	1,285
	<hr/>
	-
	-
	-
	<hr/>
	752,414
	-
	2,713,077
	-
	-
	-
	-
	<hr/>
\$	3,465,491
	<hr/>

CITY OF MONTGOMERY, TEXAS

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 1,744,723	\$ 342,337	\$ -	\$ -
Municipal court	407,560	304,806	-	-
Public safety	2,046,905	-	1,070	-
Public works	1,182,145	-	-	454,323
Interest and fiscal agent fees	199,071	-	-	-
Total Governmental Activities	5,580,404	647,143	1,070	454,323
Business-Type Activities				
Water, sewer, and sanitation services	2,654,380	2,646,401	-	-
Total Business-Type Activities	2,654,380	2,646,401	-	-
Total Primary Government	\$ 8,234,784	\$ 3,293,544	\$ 1,070	\$ 454,323
Component Unit				
Montgomery Economic Development Corporation	\$ 564,540	\$ -	\$ -	\$ -
Total Component Unit	\$ 564,540	\$ -	\$ -	\$ -

General Revenues:

Property taxes
Sales taxes
Franchise fees and other taxes
Other taxes
Investment revenue
Other revenues
Transfers

Total General Revenues and Transfers**Change in Net Position**

Beginning net position

Ending Net Position

See Notes to Financial Statements.

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Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	MEDC
\$ (1,402,386)	\$ -	\$ (1,402,386)	\$ -
(102,754)	-	(102,754)	-
(2,045,835)	-	(2,045,835)	-
(727,822)	-	(727,822)	-
(199,071)	-	(199,071)	-
<u>(4,477,868)</u>	<u>-</u>	<u>(4,477,868)</u>	<u>-</u>
-	(7,979)	(7,979)	-
-	(7,979)	(7,979)	-
<u>(4,477,868)</u>	<u>(7,979)</u>	<u>(4,485,847)</u>	<u>-</u>
-	-	-	(564,540)
-	-	-	<u>(564,540)</u>
1,794,151	-	1,794,151	-
3,685,642	-	3,685,642	1,228,543
92,735	-	92,735	-
70,631	-	70,631	-
172,876	88,359	261,235	86,320
445,150	337,557	782,707	6,752
(74,845)	74,845	-	-
<u>6,186,340</u>	<u>500,761</u>	<u>6,687,101</u>	<u>1,321,615</u>
1,708,472	492,782	2,201,254	757,075
<u>381,653</u>	<u>14,296,347</u>	<u>14,678,000</u>	<u>2,708,416</u>
<u>\$ 2,090,125</u>	<u>\$ 14,789,129</u>	<u>\$ 16,879,254</u>	<u>\$ 3,465,491</u>

CITY OF MONTGOMERY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2023

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 2,857,186	\$ 49,318	\$ 1,260,399	\$ 65,410
Cash with fiscal agent	-	-	107,342	-
Receivables, net	1,018,582	13,516	-	-
Due from other funds	2,139,465	430,516	1,174,131	583
Total Assets	\$ 6,015,233	\$ 493,350	\$ 2,541,872	\$ 65,993
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 886,292	\$ -	\$ 113,561	\$ -
Due to other funds	1,827,682	426,262	1,065,922	-
Due to component unit	128,107	-	-	-
Due to others	124,282	-	-	-
Unearned revenue	2,598	-	337,322	-
Total Liabilities	2,968,961	426,262	1,516,805	-
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - property taxes	28,003	13,516	-	-
<u>Fund Balances</u>				
Restricted for:				
Debt service	-	53,572	-	-
Tourism	-	-	-	22,189
Public safety	-	-	-	43,559
Capital projects	-	-	911,132	-
Assigned for:				
Grants	-	-	-	245
Committed for:				
Development	-	-	113,935	-
Public safety	10,694	-	-	-
Unassigned	3,007,575	-	-	-
Total Fund Balances	3,018,269	53,572	1,025,067	65,993
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 6,015,233	\$ 493,350	\$ 2,541,872	\$ 65,993

See Notes to Financial Statements.

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Total

\$	4,232,313
	107,342
	1,032,098
	3,744,695
\$	<u>9,116,448</u>
\$	999,853
	3,319,866
	128,107
	124,282
	339,920
	<u>4,912,028</u>
	<u>41,519</u>
	53,572
	22,189
	43,559
	911,132
	245
	113,935
	10,694
	3,007,575
	<u>4,162,901</u>
\$	<u>9,116,448</u>

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CITY OF MONTGOMERY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL
FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
September 30, 2023

Total fund balances - total governmental funds	\$ 4,162,901
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.	
Capital assets, nondepreciable	1,619,522
Capital assets, net depreciable/amortizable	4,830,427
Long-term liabilities and deferred outflows and deferred inflows related to pensions and other postemployment benefits (OPEB) are deferred in the governmental funds.	
Net pension liability	(334,044)
Deferred outflows - pensions	362,406
Deferred inflows - pensions	(15,667)
Total OPEB liability	(63,415)
Deferred outflows - OPEB	12,172
Deferred inflows - OPEB	(27,333)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.	
	41,519
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Accrued interest payable	(18,826)
Noncurrent liabilities due in one year	(806,567)
Noncurrent liabilities due in more than one year	(7,711,567)
Deferred charge on refunding	38,597
Net Position of Governmental Activities	\$ <u>2,090,125</u>

See Notes to Financial Statements.

CITY OF MONTGOMERY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2023

	General	Debt Service	Capital Projects	Nonmajor Governmental
Revenues				
Property taxes	\$ 1,319,753	\$ 473,414	\$ -	\$ -
Sales taxes	3,685,642	-	-	-
Franchise fees	92,735	-	-	-
Other taxes	26,286	-	-	44,345
Licenses and permits	342,337	-	-	-
Fines and forfeitures	303,879	-	-	927
Other revenue	85,491	-	359,659	-
Intergovernmental	1,070	-	454,323	-
Investment revenue	107,536	2,455	62,764	121
Total Revenues	5,964,729	475,869	876,746	45,393
Expenditures				
Current:				
General government	1,546,797	-	-	40,590
Municipal court	404,807	-	-	-
Public safety	1,932,795	-	-	600
Public works	971,226	-	15,468	-
Capital outlay	67,772	-	21,359	-
Debt service:				
Principal	26,382	700,000	-	-
Interest and fiscal agent fees	869	256,439	-	-
Total Expenditures	4,950,648	956,439	36,827	41,190
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,014,081	(480,570)	839,919	4,203
Other Financing Sources (Uses)				
Transfers in	25,134	424,540	859,864	-
Transfers (out)	(26,100)	-	(1,358,283)	-
Total Other Financing Sources (Uses)	(966)	424,540	(498,419)	-
Net Change in Fund Balances	1,013,115	(56,030)	341,500	4,203
Beginning fund balances	2,005,154	109,602	683,567	61,790
Ending Fund Balances	\$ 3,018,269	\$ 53,572	\$ 1,025,067	\$ 65,993

See Notes to Financial Statements.

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Total

\$	1,793,167
	3,685,642
	92,735
	70,631
	342,337
	304,806
	445,150
	455,393
	172,876
	<u>7,362,737</u>

1,587,387
404,807
1,933,395
986,694
89,131

726,382
257,308

<u>5,985,104</u>

<u>1,377,633</u>

1,309,538
<u>(1,384,383)</u>

<u>(74,845)</u>

1,302,788
<u>2,860,113</u>

\$	<u><u>4,162,901</u></u>
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CITY OF MONTGOMERY, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2023

Net changes in fund balances - total governmental funds \$ 1,302,788

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.

Capital outlay, net of disposals	78,079
Depreciation/amortization, net of disposals	(410,300)

The issuance of long-term debt (e.g., bonds, leases, and certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Principal payments	726,382
Net change in deferred charge on refunding	(3,128)
Accrued interest	2,156
Premium amortization	59,209

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Compensated absences	(15,415)
Net pension liability	(354,215)
Deferred outflows - pensions	185,644
Deferred inflows - pensions	140,879
Total OPEB liability	18,738
Deferred outflows - OPEB	1,724
Deferred inflows - OPEB	(25,053)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds.

984

Change in Net Position of Governmental Activities \$ 1,708,472

See Notes to Financial Statements.

CITY OF MONTGOMERY, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUND (Page 1 of 2)
September 30, 2023

	<u>Business-Type Activities Water, Sewer, and Sanitation</u>
<u>Assets</u>	
Current assets	
Cash and equity in cash and investments	\$ 2,406,798
Accounts receivable (net of allowance for uncollectibles)	405,818
Due from other funds	677,230
Due from component unit	108
Restricted cash and equity in cash and investments:	
Customer deposits	152,141
Total Current Assets	3,642,095
Noncurrent assets	
Capital assets:	
Nondepreciable	955,490
Depreciable (net of depreciation)	11,642,014
Total Noncurrent Assets	12,597,504
Total Assets	16,239,599
<u>Deferred Outflows of Resources</u>	
Deferred outflows - pensions	60,100
Deferred outflows - OPEB	1,157
Total Deferred Outflows of Resources	61,257

CITY OF MONTGOMERY, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUND (Page 2 of 2)
September 30, 2023

	<u>Business-Type Activities Water, Sewer, and Sanitation</u>
<u>Liabilities</u>	
Current liabilities	
Accounts payable and accrued liabilities	\$ 183,008
Due to other funds	1,102,059
Compensated absences	12,141
Payable from restricted assets:	
Customer deposits	152,141
Total Current Liabilities	1,449,349
Noncurrent liabilities	
Net pension liability	52,253
Total OPEB liability	4,046
Compensated absences	1,349
Total Noncurrent Liabilities	57,648
Total Liabilities	1,506,997
<u>Deferred Inflows of Resources</u>	
Deferred inflows - OPEB	4,730
Total Deferred Inflows of Resources	4,730
<u>Net Position</u>	
Net investment in capital assets	12,597,504
Unrestricted net position	2,191,625
Total Net Position	\$ 14,789,129

See Notes to Financial Statements.

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CITY OF MONTGOMERY, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
For the Year Ended September 30, 2023

	<u>Business-Type Activities</u> <u>Water, Sewer, and Sanitation</u>
<u>Operating Revenues</u>	
Water service	\$ 987,719
Sewer service	905,218
Sanitation service	252,962
Meter installations	500,502
Other revenue	337,557
Total Operating Revenues	<u>2,983,958</u>
<u>Operating Expenses</u>	
Water, sewer, and sanitation	1,720,680
Salaries and wages	504,395
Depreciation	429,305
Total Operating Expenses	<u>2,654,380</u>
Operating Income	<u>329,578</u>
<u>Nonoperating Revenues (Expenses)</u>	
Investment revenue	88,359
Total Nonoperating Revenues	<u>88,359</u>
Income Before Transfers	<u>417,937</u>
<u>Transfers</u>	
Transfers in	1,333,149
Transfers (out)	(1,258,304)
Total Transfers	<u>74,845</u>
Change in Net Position	492,782
Beginning net position	<u>14,296,347</u>
Ending Net Position	<u>\$ 14,789,129</u>

See Notes to Financial Statements.

CITY OF MONTGOMERY, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND (Page 1 of 2)
For the Year Ended September 30, 2023

	<u>Business-Type Activities</u> <u>Water, Sewer, and Sanitation</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from customers and users	\$ 2,887,318
Payments to suppliers	(1,125,743)
Payments to employees	(499,798)
Net Cash Provided by Operating Activities	<u>1,261,777</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Transfers from other funds	1,333,149
Transfer to other funds	(1,258,304)
Net Cash Provided by Noncapital Financing Activities	<u>74,845</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Acquisition and construction of capital assets	(1,357,964)
Net Cash (Used) by Capital and Related Financing Activities	<u>(1,357,964)</u>
<u>Cash Flows from Investing Activities</u>	
Interest on investments	88,359
Net Cash Provided by Investing Activities	<u>88,359</u>
Net Change in Cash and Cash Equivalents	67,017
Beginning cash and cash equivalents	<u>2,491,922</u>
Ending Cash and Cash Equivalents	<u>\$ 2,558,939</u>
Ending Cash and Cash Equivalents:	
Unrestricted cash and cash equivalents	\$ 2,406,798
Restricted cash and cash equivalents	<u>152,141</u>
	<u>\$ 2,558,939</u>

See Notes to Financial Statements.

CITY OF MONTGOMERY, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND (Page 2 of 2)
For the Year Ended September 30, 2023

	<u>Business-Type Activities</u> <u>Water, Sewer, and Sanitation</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating income	\$ 329,578
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	429,305
Changes in Operating Assets and Liabilities:	
(Increase) Decrease in Current Assets:	
Accounts receivable	(107,666)
Deferred outflows - pensions	(41,233)
Deferred outflows - OPEB	(304)
Due from other funds	(43,595)
Net pension liability	62,302
Increase (Decrease) in Current Liabilities:	
Accounts payable	(76,304)
Due to other funds	714,836
Compensated absences	(1,081)
Customer deposits	11,026
Deferred inflows - pensions	(16,198)
Deferred inflows - OPEB	4,407
Total OPEB liability	(3,296)
Net Cash Provided by Operating Activities	\$ 1,261,777

See Notes to Financial Statements.

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CITY OF MONTGOMERY, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Montgomery, Texas, Texas (the “City”) was incorporated under the laws of the State of Texas, (the “State”) in 1935.

The City operates under a “General Law” City, which provides for a “Mayor-Council” form of government. The City Council is the principal legislative body of the City. The City Administrator is appointed by a majority vote of the City Council and is responsible to the City Council for the administration of all affairs of the City. The City Administrator is responsible for the appointment and removal of department directors and employees, supervision and control of all City departments, and preparation of the annual budget. The City provides the following services: general administration; municipal court; public safety; public works; and water, sewer, and sanitation services.

The City is an independent political subdivision of the State governed by an elected council and a mayor and is considered a primary government. Its activities are not considered a part of any other governmental or other type of reporting entity. As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the City’s financial reporting entity. The component units, as listed below, although legally separate, are considered part of the reporting entity. No other entities have been included in the City’s reporting entity. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations, or functions in the City’s financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the City is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the City’s financial reporting entity status is that of a primary government are that it has a separately elected governing body, it is legally separate, and is fiscally independent of other state and local governments. Additionally, prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

Discretely Presented Component Unit

Montgomery Economic Development Corporation

On December 14, 1995, the City incorporated the Montgomery Industrial Development Corporation. In July 2013, the name was changed to Montgomery Economic Development Corporation (MEDC). The purpose of this nonprofit corporation is to promote economic development within the City and the State in order to eliminate unemployment and underemployment; to promote and encourage employment and the public welfare of, for, and on behalf of the City; and for improving the assessed valuations through the promotion of (a) existing business enterprise expansion and retention and (b) new business enterprise development and attraction by developing, implementing, providing, and financing projects. A one-half of one percent City sales tax is designated for this purpose. Separate

CITY OF MONTGOMERY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

financial statements of the MEDC are not prepared. The MEDC is included in the City's reporting entity because of the significance of its operational or financial relationship with the City. The City appoints a majority of this MEDC's board members and is either able to impose its will on it or a financial benefit/burden exists.

Blended Component Unit

Public Improvement District (PID) No. 1

Following a public hearing on September 30, 2014, the City Council created the City of Montgomery Public Improvement District (PID) No. 1 in accordance with Chapter 372 of the Local Government Code. The PID was created to provide a method of financing certain public improvements for the benefit of property in the PID, the costs of which would be paid by owners of real property located in the PID, subject to limitations contained in the service and assessment plan. Public improvements included creation costs of the PID, as well as roadway, water distribution system, storm sewer collection system, and wastewater collection system improvements. These public improvements were funded from developer revenues before construction began. The developer will be repaid in annual installments over a fifteen-year period through assessments to the property owners in the PID, the timing of which begins after the City has issued a certificate of occupancy for completed permanent structures; however, such date shall not occur before the trigger date of September 1, 2017. The City retains the right to create a board to manage the PID, but currently retains all management capacity at year end.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the primary government. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

C. Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental and proprietary funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's water, sewer, and sanitation functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

CITY OF MONTGOMERY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the City’s funds. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The City reports the following governmental funds:

The *general fund* is the City’s primary operating fund. It is used to account for and report all financial resources not accounted for and reported in other funds. The principal sources of revenues include local property taxes, sales taxes, franchise fees, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, municipal court, public safety, and public works. The general fund is always considered a major fund for reporting purposes.

The *debt service fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest on all long-term debt of the City. The primary source of revenue for debt service is local property taxes. The debt service fund is considered a major fund for reporting purposes.

The *capital projects fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlay, including the acquisition of capital facilities and other capital assets. The capital projects fund is considered a major fund for reporting purposes.

The *special revenue funds* are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service and capital projects. The special revenue funds include the grants fund, the hotel occupancy fund, the court security fund, the court technology fund, and the police asset forfeiture fund. The special revenue funds are considered nonmajor funds for reporting purposes.

The City reports the following enterprise fund:

The *water, sewer, and sanitation fund* is used to account for the operations that provide water, sewer, and sanitation services. The services are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis will be financed or recovered primarily through user charges. The water, sewer, and sanitation fund is considered a major fund for reporting purposes.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise fund) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

CITY OF MONTGOMERY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Property taxes, sales taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the City.

CITY OF MONTGOMERY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. For the purpose of the statement of cash flows, the proprietary fund types consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

2. Investments

Investments, except for certain investment pools, commercial paper, money market funds, and investment contracts, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost. Money market funds, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations and commercial paper that have a remaining maturity of one year or less upon acquisition, are reported at amortized cost. Investments in nonparticipating interest-earning contracts, such as certificates of deposit, are reported at cost.

The City has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, Texas Government Code. In summary, the City is authorized to invest in the following:

- Direct obligations of the U.S. Government or U.S. Government agencies
- Fully collateralized certificates of deposit
- Money market mutual funds that meet certain criteria
- Bankers' acceptances
- Statewide investment pools

3. Restricted Assets

Certain proceeds of bonds, as well as other resources set aside for specific purposes, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants or contractual agreements.

4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. In accordance with GASB Statement No. 34, infrastructure has been capitalized retroactively. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest costs incurred in connection with construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements.

CITY OF MONTGOMERY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful years:

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Buildings and improvements	20 years
Furniture and equipment	5 to 20 years
Vehicles	5 years
Infrastructure	20 to 40 years

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate net statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension/other postemployment benefits (OPEB) activities are amortized over the average of the expected service lives of pension plan members, except for the net differences between the projected and actual investment earnings on the pension plan assets, which are amortized over a period of five years.
- For employer pension/OPEB plan contributions that were made subsequent to the measurement date through the end of the City's fiscal year, the amount is deferred and recognized as an increase to the net pension asset or a reduction to the net pension liability during the measurement period in which the contributions were made.
- A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

At the fund level, the City has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

6. Compensated Employee Absences

The City maintains formal programs for vacation, compensatory time, and sick leave. The City's full-time, permanent employees are granted vacation pay benefits in varying amounts to specified maximums depending on tenure with the City. The City's personnel policy permits its full-time, permanent employees to accumulate earned but unused vacation pay benefits. Upon separation with the City, employees will be paid for their accrued and unused vacation pay benefits.

CITY OF MONTGOMERY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

A non-exempt employee will be paid for any documented accrued compensatory time upon separation. Police officers may accrue a maximum of 120 hours of compensatory time.

Sick leave accrues to full-time, permanent employees to specified maximums but, upon separation with the City, employees will not be paid for accumulated sick leave.

The liability for compensated absences reported in the government-wide and proprietary fund statements consist of unpaid, accumulated vacation balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. Vested or accumulated vacation leave and compensated leave of government-wide and proprietary funds are recognized as an expense and liability of those funds as the benefits accrue to employees.

It is the City's policy to liquidate compensated absences with future revenues rather than with currently available expendable resources. Accordingly, the City's governmental funds recognize accrued compensated absences when they are paid.

7. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, if material. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The property tax rate is allocated each year between the general and debt service funds. The full amount estimated to be required for debt service on general obligation debt is provided by the tax along with the interest earned in the debt service fund. Although a portion of the general obligation debt was directly related to the purchase of water and sewer infrastructure, the debt service expenditures are included in the governmental fund financial statements as they are expected to be paid from debt service tax revenues instead of water system revenues.

8. Leases

The City is a lessee for noncancellable leases of equipment and property. The City recognizes a lease liability and an intangible, right-to-use lease asset (the "lease asset") in the government-wide financial statements.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial

CITY OF MONTGOMERY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and the purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

9. Subscription-Based Information Technology Arrangements

The City has noncancellable subscription-based information technology arrangements (SBITAs) to finance the use of information technology software. The City would recognize a liability (the “subscription liability”) and an intangible, right-to-use subscription asset (the “subscription asset”) in the government-wide financial statements. The City’s SBITAs to report are immaterial to the financial statements as a whole and are not recognized as a subscription liability or a subscription asset.

10. Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City’s policy to consider restricted net position to have been depleted before unrestricted net position is applied.

11. Fund Balance Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed

CITY OF MONTGOMERY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

12. Fund Balance Policies

Fund balances of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact are classified as nonspendable fund balance. Amounts that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions are classified as restricted.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

By resolution, the City Council has also authorized the City Administrator as the official authorized to assign fund balance to a specific purpose as approved by the City's fund balance policy. Assignments of fund balance by the City Administrator do not require formal action by the City Council.

The City strives to maintain an unassigned fund balance of not less than 25 percent of the budgeted operational expenditures in all City funds. The purpose of the unassigned balance is to alleviate significant unanticipated budget shortfalls and to ensure the orderly provisions of services to citizens. Should unassigned fund balance fall below the goal or have a deficiency, the City will seek to reduce expenditures prior to increasing revenues to replenish fund balance within a reasonable timeframe.

13. Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

CITY OF MONTGOMERY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

14. Pensions

For the purposes of measuring the net pension liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's fiduciary net position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

15. Other Postemployment Benefits

The City participates in a defined benefit group-term life insurance plan administered by TMRS known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. Benefit payments are treated as being equal to the employer's yearly contributions for retirees. Benefit payments and refunds are due and payable in accordance with the benefit terms. Information about the City's total OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense is provided by TMRS from reports prepared by their consulting actuary.

G. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

Property taxes are levied during October of each year and are due upon receipt of the City's tax bill. Taxes become delinquent, with an enforceable lien on property, on February 1 of the following year.

3. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. The enterprise fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

CITY OF MONTGOMERY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general, debt service, and certain special revenue funds. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of control as defined by the City Charter is the function level. No funds can be transferred or added to a budgeted item without City Council approval. Appropriations lapse at the end of the year.

A. Expenditures in Excess of Appropriations

For the year ended September 30, 2023, expenditures exceeded appropriations in the principal and interest legal level of control of the general fund.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of September 30, 2023, the City had the following investments:

<u>Investment Type</u>	<u>Value</u>	<u>Weighted Average Maturity (Years)</u>
TexPool	\$ 7,610,309	0.07
Total	\$ 7,610,309	
Portfolio weighted average maturity		0.07

Interest rate risk. In accordance with its investment policy, the City manages its exposure to declines in fair values by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and invest operating funds primarily in short-term securities.

Credit risk. The City's investment policy limits investments in public fund investment pools rated as to investment quality not less than "AAA" or "AAA-m", or at an equivalent rating by at least one nationally recognized rating service. Investments in U.S. Securities Exchange Commission registered and regulated money market mutual funds must have an investment quality not less than "AAA-", or at an equivalent rating by at least one nationally recognized rating service. As of September 30, 2023, the City's investments in TexPool were rated "AAAm" by Standard & Poor's.

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy requires funds on deposit at the depository bank to be collateralized by securities. As of September 30, 2023, fair market values of pledged securities and FDIC coverage exceeded bank balances.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that it will seek to safekeeping securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, are executed by delivery versus payment to ensure that securities are deposited in the City's safekeeping account prior to the release of funds.

CITY OF MONTGOMERY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

TexPool

TexPool was established as a trust company with the Treasurer of the State as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rates TexPool 'AAAm'. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review.

TexPool is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, TexPool must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity, and diversification requirements within TexPool. TexPool transacts at a net asset value of \$1.00 per share, has weighted average maturities of 60 days or less, and weighted average lives of 120 days or less. Investments held are highly rated by nationally recognized statistical rating organizations, have no more than five percent of portfolio with one issuer (excluding U.S. government securities), and can meet reasonably foreseeable redemptions. TexPool has a redemption notice period of one day and may redeem daily. TexPool may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium, or national state of emergency that affects TexPool's liquidity.

B. Receivables

The following comprise receivable balances at year end:

	General	Debt Service	Water, Sewer, and Sanitation	Total
Property taxes	\$ 28,003	\$ 13,516	\$ -	\$ 41,519
Sales taxes	775,666	-	-	775,666
Mixed beverage taxes	2,160	-	-	2,160
Accounts receivable	212,753	-	425,584	638,337
Less allowance	-	-	(19,766)	(19,766)
	<u>\$ 1,018,582</u>	<u>\$ 13,516</u>	<u>\$ 405,818</u>	<u>\$ 1,437,916</u>
	MEDC			
Sales taxes	<u>\$ 258,555</u>			
	<u>\$ 258,555</u>			

CITY OF MONTGOMERY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

C. Capital Assets

A summary of changes in capital assets for governmental activities for the year end is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>(Decreases)/ Reclassifications</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 1,619,522	\$ -	\$ -	\$ 1,619,522
Construction in progress	408,810	8,128	(416,938)	-
Total capital assets not being depreciated/dmortized	<u>2,028,332</u>	<u>8,128</u>	<u>(416,938)</u>	<u>1,619,522</u>
Other capital assets:				
Buildings and improvements	2,129,167	416,938	-	2,546,105
Infrastructure	3,878,667	45,136	-	3,923,803
Vehicles	1,250,831	24,815	-	1,275,646
Furniture and fixtures	557,540	-	-	557,540
Right-to-use assets	74,774	-	-	74,774
Total other capital assets	<u>7,890,979</u>	<u>486,889</u>	<u>-</u>	<u>8,377,868</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	(759,284)	(108,592)	-	(867,876)
Infrastructure	(989,683)	(145,106)	-	(1,134,789)
Vehicles	(976,728)	(102,442)	-	(1,079,170)
Furniture and fixtures	(383,947)	(27,787)	-	(411,734)
Right-to-use assets	(27,499)	(26,373)	-	(53,872)
Total accumulated depreciation/amortization	<u>(3,137,141)</u>	<u>(410,300)</u>	<u>-</u>	<u>(3,547,441)</u>
Other capital assets, net	4,753,838	76,589	-	4,830,427
Governmental Activities Capital Assets, Net	<u>\$ 6,782,170</u>	<u>\$ 84,717</u>	<u>\$ (416,938)</u>	<u>6,449,949</u>
			Plus unspent bond proceeds	917,725
			Less associated debt	(1,519,803)
			Net Investment in Capital Assets	<u>\$ 5,847,871</u>

Depreciation was charged to governmental functions as follows:

General government	\$ 134,025
Public safety	119,225
Public works	157,050
Total Governmental Activities Depreciation/Amortization Expense	<u>\$ 410,300</u>

CITY OF MONTGOMERY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

The following is a summary of changes in capital assets for business-type activities for the year end:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>(Decreases)/ Reclassifications</u>	<u>Ending Balance</u>
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 66,581	\$ -	\$ -	\$ 66,581
Construction in progress	2,942,515	1,333,149	(3,386,755)	888,909
Total capital assets not being depreciated	<u>3,009,096</u>	<u>1,333,149</u>	<u>(3,386,755)</u>	<u>955,490</u>
Other capital assets:				
Infrastructure	14,335,920	3,386,755	-	17,722,675
Furniture and equipment	179,037	-	-	179,037
Vehicles	181,554	24,815	(18,915)	187,454
Total other capital assets	<u>14,696,511</u>	<u>3,411,570</u>	<u>(18,915)</u>	<u>18,089,166</u>
Less accumulated depreciation for:				
Infrastructure	(5,714,587)	(413,134)	-	(6,127,721)
Furniture and equipment	(158,403)	(2,318)	-	(160,721)
Vehicles	(163,772)	(13,853)	18,915	(158,710)
Total accumulated depreciation	<u>(6,036,762)</u>	<u>(429,305)</u>	<u>18,915</u>	<u>(6,447,152)</u>
Other capital assets, net	8,659,749	2,982,265	-	11,642,014
Business-Type Activities Capital Assets, Net	<u>\$ 11,668,845</u>	<u>\$ 4,315,414</u>	<u>\$ (3,386,755)</u>	<u>\$ 12,597,504</u>

Depreciation was charged to business-type functions as follows:

Water, sewer, and sanitation	\$ 429,305
Total Business-Type Activities Depreciation Expense	<u>\$ 429,305</u>

The following is a summary of changes in capital assets for MEDC activities for the year end:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>(Decreases)/ Reclassifications</u>	<u>Ending Balance</u>
Discrete Component Unit:				
Capital assets not being depreciated:				
Land	\$ 598,848	\$ -	\$ -	\$ 598,848
Construction in progress	153,566	-	-	153,566
Total capital assets not being depreciated	<u>752,414</u>	<u>-</u>	<u>-</u>	<u>752,414</u>
Discrete Component Unit Capital Assets, Net	<u>\$ 752,414</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 752,414</u>

CITY OF MONTGOMERY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

D. Long-Term Debt

The following is a summary of changes in the City's total long-term liabilities for the year end. In general, the City uses the general and debt service funds to liquidate governmental long-term liabilities.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Bonds, notes, and other payables:					
General obligation refunding bonds	\$ 4,280,000	\$ -	\$ (230,000)	\$ 4,050,000 (2)	\$ 245,000
Tax notes	1,630,000	-	(250,000)	1,380,000 (1)	200,000
Direct borrowings/placements:					
General obligation refunding bonds	275,000	-	(90,000)	185,000 (2)	90,000
Certificates of obligation	2,170,000	-	(130,000)	2,040,000 (2)	130,000
Leases payable	47,754	-	(26,382)	21,372 (1)	21,372
Subscription liability	-	-	-	- (1)	-
Unamortized bond premiums	767,421	-	(59,209)	708,212 (1)/(2)	-
	<u>9,170,175</u>	<u>-</u>	<u>(785,591)</u>	<u>8,384,584 *</u>	<u>686,372</u>
Other liabilities:					
Net pension liability (asset)	(20,171)	354,215	-	334,044	-
Total OPEB liability	82,153	-	(18,738)	63,415	-
Compensated absences	118,135	109,613	(94,198)	133,550	120,195
Total Governmental Activities	<u>\$ 9,350,292</u>	<u>\$ 463,828</u>	<u>\$ (898,527)</u>	<u>\$ 8,915,593</u>	<u>\$ 806,567</u>
				<u>Long-term debt due in more than one year</u>	<u>\$ 8,109,026</u>
				<u>*Debt associated with capital assets</u>	<u>\$ 8,384,584</u>
				<u>(1) Debt associated with governmental activities capital assets</u>	<u>\$ 1,519,803</u>
				<u>(2) Debt associated with business-type activities capital assets</u>	<u>\$ 6,864,781</u>
				<u>Less deferred charge on refunding</u>	<u>(38,597)</u>
				<u>Less unspent bond proceeds</u>	<u>(107,342)</u>
				<u>Net debt associated with business-type capital assets</u>	<u>\$ 6,718,842</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Business-Type Activities:					
Other liabilities:					
Net pension liability (asset)	\$ (10,049)	\$ 62,302	\$ -	\$ 52,253	\$ -
Total OPEB liability	7,342	-	(3,296)	4,046	-
Compensated absences	14,571	18,215	(19,296)	13,490	12,141
Total Business-Type Activities	<u>\$ 11,864</u>	<u>\$ 80,517</u>	<u>\$ (22,592)</u>	<u>\$ 69,789</u>	<u>\$ 12,141</u>
				<u>Long-term debt due in more than one year</u>	<u>\$ 57,648</u>

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities in the governmental funds. The governmental activities compensated absences are generally liquidated by the general fund. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

CITY OF MONTGOMERY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

Long-term debt at year end was comprised of the following debt issues:

Description	Interest Rates	Current Balance
Governmental Activities		
General Obligation Bonds		
General obligation refunding bonds, series 2021	2.00 - 5.00%	\$ 4,050,000
From direct borrowings/placements:		
General obligation refunding bonds, series 2015	0.85 - 2.80%	185,000
Total General Obligation Bonds		4,235,000
Certificates of Obligation		
From direct borrowings/placements:		
Tax and revenue certificates of obligation, series 2017A	0.10 - 1.60%	790,000
Tax and revenue certificates of obligation, series 2017 B	0.01 - 1.90%	1,250,000
Total Certificates of Obligation		2,040,000
Tax Notes		
Tax notes, series 2022	5.00%	1,380,000
Total Tax Notes		1,380,000
Total Governmental Activities Long-Term Debt		\$ 7,655,000

The annual requirements to amortize bond and certificate debt issues outstanding at year end were as follows:

Fiscal Year Ended September 30	General Obligation		Tax Notes		Total Requirements	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 245,000	\$ 133,225	\$ 200,000	\$ 64,000	\$ 445,000	\$ 197,225
2025	250,000	120,850	215,000	53,625	465,000	174,475
2026	260,000	108,100	225,000	42,625	485,000	150,725
2027	275,000	94,725	235,000	31,125	510,000	125,850
2028	290,000	80,600	245,000	19,125	535,000	99,725
2029-2033	1,490,000	216,575	260,000	6,500	1,750,000	223,075
2034-2038	1,240,000	54,400	-	-	1,240,000	54,400
Total	\$ 4,050,000	\$ 808,475	\$ 1,380,000	\$ 217,000	\$ 5,430,000	\$ 1,025,475

The annual requirements to amortize debt issues outstanding for the direct borrowings/placements at year end are as follows:

Fiscal Year Ended September 30	General Obligation		Certificates of Obligation		Total Requirements	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 90,000	\$ 3,853	\$ 130,000	\$ 27,478	\$ 220,000	\$ 31,331
2025	95,000	1,330	140,000	26,471	235,000	27,801
2026	-	-	140,000	25,222	140,000	25,222
2027	-	-	140,000	23,805	140,000	23,805
2028	-	-	140,000	22,241	140,000	22,241
2029-2033	-	-	725,000	82,216	725,000	82,216
2034-2037	-	-	625,000	22,150	625,000	22,150
Total	\$ 185,000	\$ 5,183	\$ 2,040,000	\$ 229,582	\$ 2,225,000	\$ 234,764

The City's long-term debt includes all outstanding bonded debt secured by the full faith and credit of the City. The tax notes and the bonds, which include the certificates of obligation, general

CITY OF MONTGOMERY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

obligation, and contractual obligation bonds, are secured by the full faith and credit of the City and are paid through the debt service fund from tax revenues.

Leases

During the current fiscal year, the City was a lessee to various lease agreements for the acquisition and use of equipment and property. The original terms of the agreements range from 36 to 63 months. As of September 30, 2023, the value of the lease liability was \$21,372. The City is required to make monthly payments ranging from \$143 to \$2,015. The leases have an estimated borrowing rate of 2.45%. The right-to-use assets are being amortized over the remaining life of the leases. The value of the right-to-use lease assets as of the end of the current fiscal year was \$74,774 and had accumulated amortization of \$53,872.

The future principal and interest lease payments as of September 30, 2023 are as follows:

Fiscal Year Ended September 30	Leases Payable	
	Principal	Interest
2024	\$ 21,372	\$ 236
Total	\$ 21,372	\$ 236

E. Interfund Transactions

The composition of due to/from balances as of year end was as follows:

Due To	Due From	Amounts
General	Capital projects	\$ 1,065,922
General	Water, sewer, and sanitation	1,071,821
General	Debt service	1,722
Debt service	General	430,516
Capital projects	General	1,143,893
Capital projects	Water, sewer, and sanitation	30,238
Nonmajor governmental	General	583
Water, sewer, and sanitation	General	252,690
Water, sewer, and sanitation	Debt service	424,540
		\$ 4,421,925

Amounts recorded as due to/from are considered to be temporary loans and will generally be repaid in more than one year.

Transfers between funds during the year were as follows:

Transfer In	Transfer Out	Amounts
Capital projects	Water, sewer, and sanitation	\$ 833,764
Debt service	Water, sewer, and sanitation	424,540
Water, sewer, and sanitation	Capital projects	1,333,149
General	Capital projects	25,134
Capital projects	General	26,100
		\$ 2,642,687

Amounts transferred between funds related to amounts collected by the general; capital projects; and water, sewer, and sanitation funds are for various governmental and business-type expenditures.

CITY OF MONTGOMERY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

IV. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City participates along with 2,800 other entities in the Texas Municipal League’s Intergovernmental Risk Pool (the “Pool”). The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool, outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

B. Contingent Liabilities

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts of expenditures that may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors. No claim liabilities are reported at year end.

The Tax Reform Act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed, or are not performed correctly, a substantial liability to the City could result. The City periodically engages an arbitrage consultant to perform the calculations in accordance with the rules and regulations of the IRS.

C. Pension Plan

Texas Municipal Retirement System

Plan Description

The City participates as one of 909 plans in the defined benefit cash-balance plan administered by TMRS. TMRS is a statewide public retirement plan created by the State and administered in accordance with the Texas Government Code, Title 8, Subtitle G (the “TMRS Act”) as an agent multiple-employer retirement system for municipal employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees (the “Board”); however, TMRS is not fiscally dependent on the State. TMRS issues a publicly available annual comprehensive financial report that can be obtained at www.tmr.com.

CITY OF MONTGOMERY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

All eligible employees of the City are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the member’s benefit is calculated based on the sum of the member’s contributions, with interest, and the City-financed monetary credits, with interest, and their age at retirement and other actuarial factors. The retiring member may select one of seven monthly payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the total member contributions and interest.

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

	2023	2022
Employee deposit rate	7.00%	7.00%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service requirement eligibility (expressed as age/ yrs of service)	60/5, 0/20	60/5, 0/20
Updated service credit	50% Repeating, Transfers	50% Repeating, Transfers
Annuity increase (to retirees)	50% of CPI	50% of CPI

Employees Covered by Benefit Terms

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	13
Inactive employees entitled to, but not yet receiving, benefits	27
Active employees	32
Total	72

Contributions

Member contribution rates in TMRS are either 5%, 6%, or 7% of the member’s total compensation, and the City-matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary using the Entry Age Normal actuarial cost method. The City’s contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 9.59% and 10.04% in calendar years 2022 and 2023, respectively. The City’s contributions to TMRS for the fiscal year ended September 30, 2023 were \$232,907 and were equal to the required contributions.

CITY OF MONTGOMERY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

Net Pension Liability/(Asset)

The City's Net Pension Liability/(Asset) (NPL/(A)) was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the NPL/(A) was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The TPL in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-Distinct 2019 Municipal Retirees of Texas mortality tables. The rates for active members, healthy retirees, and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied for males and females, respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. The assumptions were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for the annuity purchase rates is based on the mortality experience investigation study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation, as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, TMRS' actuary focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

CITY OF MONTGOMERY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Global equity	35%	7.7%
Core fixed income	6%	4.9%
Non-core fixed income	20%	8.7%
Other public and private markets	12%	8.1%
Real estate	12%	5.8%
Hedge funds	5%	6.9%
Private equity	10%	11.8%
Total	100%	

Discount Rate

The discount rate used to measure the TPL was 6.75%. The projection of cash flows used to determine the discount rate assumed that member and employer contributions will be made at the rates specified in statute. Based on that assumption, TMRS's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

Changes in the NPL/(A)

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (A)</u>	<u>Plan Fiduciary Net Position (B)</u>	<u>Net Pension Liability / (Asset) (A) - (B)</u>
Changes for the year:			
Service cost	\$ 366,345	\$ -	\$ 366,345
Interest	181,156	-	181,156
Difference between expected and actual experience	55,981	-	55,981
Contributions - employer	-	215,273	(215,273)
Contributions - employee	-	157,133	(157,133)
Net investment income	-	(185,754)	185,754
Benefit payments, including refunds of employee contributions	(61,127)	(61,127)	-
Administrative expense	-	(1,618)	1,618
Other changes	-	1,931	(1,931)
Net Changes	542,355	125,838	416,517
Balance at December 31, 2021	2,531,189	2,561,409	(30,220)
Balance at December 31, 2022	\$ 3,073,544	\$ 2,687,247	\$ 386,297

CITY OF MONTGOMERY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

Sensitivity of the NPL/(A) to Changes in the Discount Rate

The following presents the NPL/(A) of the City, calculated using the discount rate of 6.75%, as well as what the City's NPL/(A) would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's Net Pension Liability/(Asset)	\$ 956,648	\$ 386,297	\$ (66,106)

Pension Plan Fiduciary Net Position

Detailed information about the TMRS fiduciary net position is available in a Schedule of Changes in Fiduciary Net Position, by Participating City. That report may be obtained at www.tmrs.com.

Pension Expense and Deferred Outflows/Deferred Inflows of Resources Related to Pensions

For the fiscal year ended September 30, 2023, the City recognized net pension expense of \$262,986.

At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 65,298	\$ 15,667
Net difference between projected and actual investment earnings	180,658	-
Contributions subsequent to the measurement date	176,550	-
Total	\$ 422,506	\$ 15,667

\$176,550 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the NPL for the fiscal year ending September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended September 30	Pension Expense
2024	\$ 31,045
2025	63,976
2026	60,375
2027	74,893
Total	\$ 230,289

CITY OF MONTGOMERY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

D. Other Postemployment Benefits

TMRS Supplemental Death Benefits

Plan Description

The City participates in an OPEB plan administered by TMRS. TMRS administers the defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. Employers may terminate coverage under, and discontinue participation in, the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The member city contributes to the SDBF at a contractually required rate (based on the covered payroll of employee members) as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* (GASB 75). As such, the SDBF is considered to be a single-employer unfunded OPEB defined benefit plan with benefit payments treated as being equal to the employer's yearly contributions for retirees.

The contributions to the SDBF are pooled for investment purposes with those of the Pension Trust Fund (PTF). The SDBF's funding policy assures that adequate resources are available to meet all death benefit payments for the upcoming year. The SDBF is a pay-as-you-go fund, and any excess contributions are available for future SDBF benefits.

Benefits

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an OPEB and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e., no assets are accumulated).

Participation in the SDBF as of December 31, 2022 is summarized below:

Inactive employees or beneficiaries currently receiving benefits	10
Inactive employees entitled to, but not yet receiving, benefits	8
Active employees	<u>32</u>
Total	<u>50</u>

Total OPEB Liability

The City's total OPEB liability of \$67,461 was measured as of December 31, 2022 and was determined by an actuarial valuation as of that date.

CITY OF MONTGOMERY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Discount rate*	4.05%*
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the PTF and accounted for under reporting requirements of GASB Statement No. 68.
Mortality rates - service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject on the floor.

* The discount rate is based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2022.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018. Due to the higher mortality rates associated with the global pandemic, the TMRS Board adopted changes to the assumptions and methodology used for calculating 2023 and 2024 rates as determined in the December 31, 2021 and December 31, 2022 actuarial valuations, respectively.

Change in the Total OPEB Liability

	Total OPEB Liability
Changes for the year:	
Service cost	\$ 8,306
Interest	1,711
Differences between expected and actual experience	5,325
Changes of assumptions	(36,029)
Benefit payments	(1,347)
	Net Changes
	(22,034)
Beginning balance	89,495
	Ending Balance
	<u>\$ 67,461</u>

The discount rate increased from 1.84% as of December 31, 2021 to 4.05% as of December 31, 2022. There were no other changes of assumptions or other inputs that affected measurement of the total OPEB liability during the measurement period.

There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

CITY OF MONTGOMERY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease in Discount Rate (3.05%)	Discount Rate (4.05%)	1% Increase in Discount Rate (5.05%)
City's Total OPEB Liability	\$ 81,107	\$ 67,461	\$ 56,911

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended September 30, 2023, the City recognized OPEB expense of \$6,983. The City reported deferred outflows/inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 4,436	\$ 2,049
Changes in actuarial assumptions	7,662	30,014
Contributions subsequent to the measurement date	1,231	-
Total	\$ 13,329	\$ 32,063

\$1,231 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the fiscal year ending September 30, 2024.

Amounts reported as deferred outflows/inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended September 30	OPEB Expense
2024	\$ (3,034)
2025	(3,034)
2026	(3,674)
2027	(5,148)
2028	(5,075)
Total	\$ (19,965)

E. Chapter 380 Economic Development Agreements

Chapter 380 of the Texas Local Government Code, *Miscellaneous Provisions Relating to Municipal Planning and Development*, provides the authority to the governing body of a municipality to establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the municipality.

Sales Taxes

The City has entered into sales tax abatement agreements (the "Agreements") with several developers as authorized by Chapter 380 of the Texas Local Government Code. Under each Agreement, the developers must meet certain commercial/retail development and/or employment

CITY OF MONTGOMERY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

requirements in order to have a portion of their sales taxes abated. The minimum limitation value varies by Agreement. Each Agreement provides for recapture in the event of material breach. The following summarizes the current Agreements:

- The group of developers for “The Shoppes At Montgomery” intends and proposed to develop property in the City for commercial use. As part of the Agreement, the developers have agreed to convey to the City the Utility Extension Project (the “Project”), to swap a certain portion of land, and grant the necessary easements. Upon final completion of the land swap and Utility Extension Project, the City has agreed to provide a grant to the developers in an amount not to exceed \$1,125,000.00 or a period not to exceed ten years of annual payments. The amount of reimbursement will be paid from sales and use taxes charged on the taxable sales collected by the City as generated by businesses on the property. Reimbursements are comprised of a “City Payment” and an “EDC Payment”. For every dollar spent in taxable retail sales, the City collects 1.5 cents and the EDC collects 0.5 cents, for a total sales and use tax of 2.0 cents. The developer will receive from both the City and EDC one-quarter of one cent each, for a total of a half cent, or twenty-five percent (25%) of the total two cents annual sales and use tax collected at the Project. The City has reimbursed a total of \$157,606.75 since the first payment in 2019, including \$66,736.24 in 2023.
- The developer for “Milestone” will construct a new grocery retail store with approximately 124,000 square feet (the “Development”) for the purpose of creating and/or retaining at least 144 full-time equivalent employees. The City has granted the developer a tax limitation of about \$5.6 million for a period of 15 years. In order to be eligible to receive the limitation, the developer must create 52 permanent new jobs and have invested at least \$7.5 million during the construction of the Development. The City will make annual payments to the developer from sales tax revenues at an amount equal to 55 percent of annual sales tax collected at the Development paid by the City, and the MEDC will make annual payments at an amount equal to 100 percent of annual sales tax collected at the Development. Annual installments will begin the first anniversary after the grocery store opens to the public. An assignment of economic development was entered into with Kroger Texas L.P. (the “Company”) on December 11, 2018. The City made the first payment pursuant to the agreement in 2019 and has reimbursed a total of \$1,285,903 in collected sales tax, including \$252,713 paid in 2023.

Property Taxes

The City has entered into property tax abatement agreements (the “Agreements”) with several developers as authorized by Chapter 380 of the Texas Local Government Code. Under each Agreement, the developers must meet certain commercial/retail development and/or employment requirements in order to have a portion of their property taxes abated. The minimum limitation value varies by Agreement. Each Agreement provides for recapture in the event of material breach. The following summarizes the current Agreements:

- The City entered into a 15-year Agreement with a developer for the “Hills of Town Creek, Section 1” and a school district (the “District”). The developer intends and proposed to develop property that was recently annexed into the City for primarily high-density, multi-family residential use, with a limited amount of commercial and retail uses (the “Project”). As part of the Agreement, the developer has agreed to accelerate the construction of the Project and to convey it to the City and petition the City to annex 13.773 acres of land currently located in the extraterritorial jurisdiction (ETJ) of the City. Other considerations

CITY OF MONTGOMERY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

include transfers of property and facilities from the District and the developer to the City and transfer of property from the developer to the District. Subject to the final completion of the Project, dedication of the facilities and easements to the City, other considerations, and annexation of the ETJ, the City has agreed to provide a grant for reimbursement of the design and construction of public infrastructure to the developer limited to 100 percent of the cost to oversize utility lines and 70 percent of the remaining construction costs incurred, as well as up to \$16,000 for escrowed funds for the City's engineering expenses. The amount of reimbursement to the developer is limited to \$400,000 and will be paid from ad valorem taxes generated from the property annexed and collected by the City above the base property tax (amount of ad valorem taxes levied and collected based on the total appraised value of the property as of January 1, 2012). The City has abated property taxes totaling \$293,343 under this Agreement since the first payment in 2013, including \$80,610 in fiscal year 2023.

- A developer for "Milestone" will construct a new retail grocery store with approximately 124,000 square feet (the "Development") for the purpose of creating and/or retaining at least 144 full-time equivalent employees. The City has granted the developer a tax rebate of all property taxes of about \$5.6 million for a period of 15 years. In order to be eligible to receive the limitation, the developer must create 52 permanent new jobs and have invested at least \$7.5 million during the construction of the Development. The City will make annual payments to the developer from property tax collected by March 1 of each year that the property tax rebate is in effect. Annual installments will begin the first tax year after the grocery store opens to the public. An assignment of economic development was entered into with Kroger Texas L.P. on December 11, 2018. The City has abated property taxes totaling \$419,096 under this Agreement since the first payment in 2019, including \$62,494 in fiscal year 2023.
- The City has entered into a twelve-year term Agreement with "The Estates of Mia Lago, Ltd", who intends and proposed to develop property in the City for residential use (the "Project"). As part of the Agreement, the developer has agreed to accelerate construction of the Lone Star Bend Extension Project and convey it to the City. Subject to annexation of the property and upon final completion of the Project, the City has agreed to provide a grant for reimbursement of the design and construction of public infrastructure to the developer in the sum of not more than \$100,000 paid from ad valorem taxes generated from the property annexed and collected by the City above the base property tax (amount of ad valorem taxes levied and collected based on the total appraised value of the property as of January 1, 2017).

F. Subsequent Events

Subscription-Based Information Technology Arrangements

On September 11, 2023, the City's police department entered into an agreement with Flock Safety for the use of Flock Safety Falcon, an infrastructure-free license plate reader camera that utilizes vehicle fingerprint technology to capture vehicular attributes. The agreement has a 60-month subscription term and totals \$125,000. The term of the agreement shall commence upon first installation and validation of Flock hardware. The agreement starts on October 5, 2023 and will end on October 4, 2028. The agreement will automatically renew for a 24-month term unless either party gives the other party notice of non-renewal at least 30 days prior to the end of the term.

CITY OF MONTGOMERY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

Tax and Revenue Certificates of Obligation, Series 2024

On January 1, 2024, the City issued Tax and Revenue Certificates of Obligation, Series 2024 (the "Certificates") totaling \$3,440,000 for the construction, acquisition, and purchase of water and sewer system improvements equipment and professional services related to the issuance of the Certificates. The Certificates consist of \$2,330,000 of serial certificates maturing annually beginning March 1, 2025 through March 1, 2044, and \$1,110,000 of term certificates maturing biennially beginning March 1, 2035 through March 1, 2039. The stated interest rate ranges between 4.00% to 5.00% for both the serial certificates and term certificates.

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REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF MONTGOMERY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 1,344,025	\$ 1,319,753	\$ 1,319,753	\$ -
Sales taxes	3,665,867	3,584,397	3,685,642	101,245
Franchise fees	100,000	11,356	92,735	81,379
Other taxes	30,000	26,405	26,286	(119)
Licenses and permits	259,500	342,337	342,337	-
Fines and forfeitures	318,500	303,879	303,879	-
Other revenue	85,350	85,491	85,491	-
Intergovernmental	1,300	1,070	1,070	-
Investment revenue	16,750	107,536	107,536	-
Total Revenues	5,821,292	5,782,224	5,964,729	182,505
Expenditures				
Current:				
General government	1,626,627	1,575,331	1,546,797	28,534
Municipal court	517,392	405,303	404,807	496
Public safety	2,246,002	2,008,591	1,932,795	75,796
Public works	1,216,513	977,822	971,226	6,596
Capital outlay	190,000	67,772	67,772	-
Debt service:				
Principal	-	-	26,382	(26,382) *
Interest	-	-	869	(869) *
Total Expenditures	5,796,534	5,034,819	4,950,648	84,171
Excess of Revenues Over Expenditures	24,758	747,405	1,014,081	266,676
Other Financing Sources (Uses)				
Transfers in	1,500	23,333	25,134	1,801
Transfers (out)	(26,100)	(26,100)	(26,100)	-
Total Other Financing (Uses)	(24,600)	(2,767)	(966)	1,801
Net Change in Fund Balance	\$ 158	\$ 744,638	1,013,115	\$ 268,477
Beginning fund balance			2,005,154	
Ending Fund Balance			\$ 3,018,269	

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
2. *Expenditures exceeded appropriations at the legal level of control.

CITY OF MONTGOMERY, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)
For the Year Ended September 30, 2023

	Measurement Year*			
	2014	2015	2016	2017
Total Pension Liability				
Service cost	\$ 81,979	\$ 110,914	\$ 144,267	\$ 157,252
Interest (on the total pension liability)	55,068	57,948	66,121	77,769
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	(54,092)	(12,311)	(1,206)	(14,363)
Changes in assumptions	-	34,004	-	-
Benefit payments, including refunds of employee contributions	(33,403)	(79,160)	(31,829)	(54,384)
Net Change in Total Pension Liability	<u>49,552</u>	<u>111,395</u>	<u>177,353</u>	<u>166,274</u>
Beginning total pension liability	<u>762,399</u>	<u>811,951</u>	<u>923,346</u>	<u>1,100,699</u>
Ending Total Pension Liability	<u>\$ 811,951</u>	<u>\$ 923,346</u>	<u>\$ 1,100,699</u>	<u>\$ 1,266,973</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 26,597	\$ 37,600	\$ 43,778	\$ 68,154
Contributions - employee	61,367	63,744	74,200	80,998
Net investment income	50,475	1,456	68,262	161,340
Benefit payments, including refunds of employee contributions	(33,403)	(79,160)	(31,829)	(54,384)
Administrative expense	(527)	(887)	(770)	(835)
Other	(43)	(44)	(41)	(42)
Net Change in Plan Fiduciary Net Position	<u>104,466</u>	<u>22,709</u>	<u>153,600</u>	<u>255,231</u>
Beginning plan fiduciary net position	<u>881,999</u>	<u>986,465</u>	<u>1,009,174</u>	<u>1,162,774</u>
Ending Plan Fiduciary Net Position	<u>\$ 986,465</u>	<u>\$ 1,009,174</u>	<u>\$ 1,162,774</u>	<u>\$ 1,418,005</u>
Net Pension Liability / (Asset)	<u>\$ (174,514)</u>	<u>\$ (85,828)</u>	<u>\$ (62,075)</u>	<u>\$ (151,032)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	121.49%	109.30%	105.64%	111.92%
Covered Payroll	\$ 876,672	\$ 910,624	\$ 1,060,007	\$ 1,157,117
Net Pension Liability / (Asset) as a Percentage of Covered Payroll	-19.91%	-9.43%	-5.86%	-13.05%

*Only nine years' worth of information is currently available. The City will build this schedule over the next one-year period

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Measurement Year*					
2018	2019	2020	2021	2022	
\$ 176,697	\$ 205,160	\$ 283,792	\$ 313,039	\$ 366,345	
87,871	94,711	129,656	149,551	181,156	
-	-	289,106	-	-	
(85,189)	(28,118)	(51,273)	44,278	55,981	
-	3,592	-	-	-	
(107,065)	(77,480)	(94,655)	(69,457)	(61,127)	
72,314	197,865	556,626	437,411	542,355	
1,266,973	1,339,287	1,537,152	2,093,778	2,531,189	
<u>\$ 1,339,287</u>	<u>\$ 1,537,152</u>	<u>\$ 2,093,778</u>	<u>\$ 2,531,189</u>	<u>\$ 3,073,544</u>	
\$ 79,080	\$ 91,000	\$ 107,207	\$ 186,885	\$ 215,273	
90,747	103,916	124,081	136,698	157,133	
(42,554)	221,310	133,417	264,560	(185,754)	
(107,065)	(77,480)	(94,655)	(69,457)	(61,127)	
(821)	(1,256)	(872)	(1,233)	(1,618)	
(43)	(38)	(32)	8	1,931	
19,345	337,452	269,146	517,461	125,838	
1,418,005	1,437,350	1,774,802	2,043,948	2,561,409	
<u>\$ 1,437,350</u>	<u>\$ 1,774,802</u>	<u>\$ 2,043,948</u>	<u>\$ 2,561,409</u>	<u>\$ 2,687,247</u>	
<u>\$ (98,063)</u>	<u>\$ (237,650)</u>	<u>\$ 49,830</u>	<u>\$ (30,220)</u>	<u>\$ 386,297</u>	
107.32%	115.46%	97.62%	101.19%	87.43%	
\$ 1,296,384	\$ 1,484,512	\$ 1,772,592	\$ 1,952,830	\$ 2,244,760	
-7.56%	-16.01%	2.81%	-1.55%	17.21%	

CITY OF MONTGOMERY, TEXAS
SCHEDULE OF CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)
For the Year Ended September 30, 2023

	Fiscal Year*			
	2015	2016	2017	2018
Actuarially determined contribution	\$ 26,103	\$ 44,811	\$ 61,309	\$ 76,271
Contributions in relation to the actuarially determined contribution	26,103	44,811	61,309	76,271
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 918,710	\$ 1,085,450	\$ 1,116,575	\$ 1,260,456
Contributions as a percentage of covered payroll	2.84%	4.13%	5.49%	6.05%

*Only nine years' worth of information is currently available. The City will build this schedule over the next one-year period.

Notes to Required Supplementary Information:

1. Valuation Date:

Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.

2. Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	20 Years (longest amortization ladder)
Asset valuation method	10 year smoothed market; 12.00% soft corridor
Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period December 31, 2014 - December 31, 2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

3. Other Information:

There were no benefit changes during the year.

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Fiscal Year*				
2019	2020	2021	2022	2023
\$ 86,378	\$ 99,240	\$ 166,271	\$ 209,835	\$ 232,907
<u>86,378</u>	<u>99,240</u>	<u>166,271</u>	<u>209,835</u>	<u>232,907</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,439,928	\$ 1,635,373	\$ 1,921,658	\$ 2,189,165	\$ 2,346,130
6.00%	6.07%	8.65%	9.59%	9.93%

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CITY OF MONTGOMERY, TEXAS
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
TEXAS MUNICIPAL RETIREMENT SYSTEM
For the Year Ended September 30, 2023

Measurement Year*

	Measurement Year*		
	2020	2021	2022
Total OPEB Liability			
Service cost	\$ 4,786	\$ 6,444	\$ 8,306
Interest (on the total OPEB liability)	1,831	1,709	1,711
Changes in benefit terms including			
TMRS plan participation	64,174	-	-
Differences between expected and actual experience	-	(3,157)	5,325
Changes of assumptions	12,099	2,976	(36,029)
Benefit payments**	-	(1,367)	(1,347)
Net Change in Total OPEB Liability	82,890	6,605	(22,034)
Beginning total OPEB liability	-	82,890	89,495
Ending Total OPEB Liability	\$ 82,890	\$ 89,495	\$ 67,461
Covered Employee Payroll	\$ 1,772,592	\$ 1,952,830	\$ 2,244,760
Total OPEB Liability as a Percentage of Covered Employee Payroll	4.68%	4.58%	3.01%

*Only three years' worth of information is currently available. The City will build this schedule over the next seven-year period.

**Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

Notes to Required Supplementary Information:

1. Valuation Date:

Actuarially determined contribution rates are calculated December 31 and become effective in January, 13 months later.

2. Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Discount rate	4.05%
Administrative expenses	All administrative expenses are paid through the PTF and accounted for under reporting requirements of GASB Statement No. 68.
Mortality rates - service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate will be applied to reflect the impairment for younger members who became disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

3. Other Information:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2022.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial study for the period December 31, 2014 to December 31, 2018.

There were no benefit changes during the year.

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***COMBINING STATEMENTS
AND SCHEDULES***

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CITY OF MONTGOMERY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
For the Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Property taxes	\$ 477,822	\$ 473,414	\$ 473,414	\$ -
Investment revenue	119	2,455	2,455	-
Total Revenues	<u>477,941</u>	<u>475,869</u>	<u>475,869</u>	<u>-</u>
Expenditures				
Debt service:				
Principal	700,000	700,000	700,000	-
Interest and fiscal agent fees	256,739	256,439	256,439	-
Total Expenditures	<u>956,739</u>	<u>956,439</u>	<u>956,439</u>	<u>-</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(478,798)</u>	<u>(480,570)</u>	<u>(480,570)</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers in	478,798	424,540	424,540	-
Total Other Financing Sources	<u>478,798</u>	<u>424,540</u>	<u>424,540</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (56,030)</u>	<u>(56,030)</u>	<u>\$ -</u>
Beginning fund balance			<u>109,602</u>	
Ending Fund Balance			<u>\$ 53,572</u>	

Notes to Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

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CITY OF MONTGOMERY, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted, committed, or assigned to expenditures

Hotel Occupancy Fund

This fund is used to account for hotel tax revenue from local hotels.

Court Security Fund

This fund is used to account for collection and disbursement of money used for court security.

Court Technology Fund

This fund is used to account for municipal court computer technology.

Police Asset Forfeiture Fund

This fund is used to account for revenues from seized contraband used for law enforcement purposes.

Grants Fund

This fund is used to account for revenues from grants.

PID No. 1 Fund

This fund is used to account for the collections and disbursements of special assessments within the Montgomery PID No. 1.

CITY OF MONTGOMERY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2023

Special Revenue Funds				
	Hotel Occupancy	Court Security	Court Technology	Police Asset Forfeiture
Assets				
Cash and cash equivalents	\$ 22,189	\$ 3,342	\$ 26,583	\$ 13,276
Due from other funds	-	64	294	-
Total Assets	\$ 22,189	\$ 3,406	\$ 26,877	\$ 13,276
Fund Balances				
Restricted for:				
Tourism	22,189	-	-	-
Public safety	-	3,406	26,877	13,276
Assigned to:				
Grants	-	-	-	-
Total Fund Balances	22,189	3,406	26,877	13,276
Total Liabilities and Fund Balances	\$ 22,189	\$ 3,406	\$ 26,877	\$ 13,276

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<u>Special Revenue Funds</u>		<u>Total Nonmajor Governmental Funds</u>
<u>Grants</u>	<u>PID No. 1</u>	
\$ 20	\$ -	\$ 65,410
-	225	583
<u>\$ 20</u>	<u>\$ 225</u>	<u>\$ 65,993</u>
-	-	22,189
-	-	43,559
20	225	245
<u>20</u>	<u>225</u>	<u>65,993</u>
<u>\$ 20</u>	<u>\$ 225</u>	<u>\$ 65,993</u>

CITY OF MONTGOMERY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2023

	Special Revenue Funds			
	Hotel Occupancy	Court Security	Court Technology	Police Asset Forfeiture
Revenues				
Other taxes	\$ 3,538	\$ -	\$ -	\$ -
Fines and forfeitures	-	392	535	-
Investment revenue	41	5	56	19
Total Revenues	<u>3,579</u>	<u>397</u>	<u>591</u>	<u>19</u>
Expenditures				
Current:				
Public safety	-	600	-	-
General government	8	-	-	-
Total Expenditures	<u>8</u>	<u>600</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	3,571	(203)	591	19
Beginning fund balances	<u>18,618</u>	<u>3,609</u>	<u>26,286</u>	<u>13,257</u>
Ending Fund Balances	<u>\$ 22,189</u>	<u>\$ 3,406</u>	<u>\$ 26,877</u>	<u>\$ 13,276</u>

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<u>Special Revenue Funds</u>		<u>Total Nonmajor Governmental Funds</u>
<u>Grants</u>	<u>PID No. 1</u>	
\$ -	\$ 40,807	\$ 44,345
-	-	927
-	-	121
<u>-</u>	<u>40,807</u>	<u>45,393</u>
-	-	600
-	40,582	40,590
<u>-</u>	<u>40,582</u>	<u>41,190</u>
-	225	4,203
<u>20</u>	<u>-</u>	<u>61,790</u>
<u>\$ 20</u>	<u>\$ 225</u>	<u>\$ 65,993</u>

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CITY OF MONTGOMERY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended September 30, 2023

Hotel Occupancy				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Other taxes	\$ 12,500	\$ 12,500	\$ 3,538	\$ (8,962)
Investment revenue	30	30	41	11
Total Revenues	12,530	12,530	3,579	(8,951)
Expenditures				
Current:				
General government	12,500	12,500	8	12,492
Total Expenditures	12,500	12,500	8	12,492
Net Change in Fund Balance	\$ 30	\$ 30	3,571	\$ 3,541
Beginning fund balance			18,618	
Ending Fund Balance			\$ 22,189	

Court Security				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Fines and forfeitures	\$ 1,500	\$ 1,500	\$ 392	\$ (1,108)
Investment revenue	10	10	5	(5)
Total Revenues	1,510	1,510	397	(1,113)
Expenditures				
Current:				
Public safety	600	600	600	-
Total Expenditures	600	600	600	-
Excess of Revenues Over Expenditures	910	910	(203)	(1,113)
Other Financing Sources (Uses)				
Transfers (out)	(900)	(900)	-	900
Total Other Financing (Uses)	(900)	(900)	-	900
Net Change in Fund Balance	\$ 10	\$ 10	(203)	\$ (213)
Beginning fund balance			3,609	
Ending Fund Balance			\$ 3,406	

CITY OF MONTGOMERY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (Continued)
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2023

Court Technology				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Fines and forfeitures	\$ 1,000	\$ 535	\$ 535	\$ -
Investment revenue	60	55	56	1
Total Revenues	1,060	590	591	1
Excess of Revenues Over Expenditures	1,060	590	591	1
Other Financing Sources (Uses)				
Transfers in	7,710	-	-	-
Total Other Financing Sources	7,710	-	-	-
Net Change in Fund Balance	\$ 8,770	\$ 590	591	\$ 1
Beginning fund balance			26,286	
Ending Fund Balance			\$ 26,877	
Police Asset Forfeiture				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Investment revenue	\$ 10	\$ 10	\$ 19	\$ 9
Total Revenues	10	10	19	9
Net Change in Fund Balance	\$ 10	\$ 10	19	\$ 9
Beginning fund balance			13,257	
Ending Fund Balance			\$ 13,276	

CITY OF MONTGOMERY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (Continued)
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2023

PID No. 1				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Other taxes	\$ 41,100	\$ 41,100	\$ 40,807	\$ (293)
Total Revenues	41,100	41,100	40,807	(293)
Expenditures				
Current:				
General government	41,083	41,083	40,582	501
Total Expenditures	41,083	41,083	40,582	501
Net Change in Fund Balance	\$ 17	\$ 17	225	\$ 208
Beginning fund balance			-	
Ending Fund Balance			\$ 225	

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Required Auditor Disclosure Letter Conclusion of Audit

March 7, 2024

To the Honorable Mayor and
City Council Members of the
City of Montgomery, Texas:

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Montgomery, Texas (the “City”) for the year ended September 30, 2023. Professional standards require that we provide the City Council (the “governing body”) with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter previously sent at the start of the annual audit. Professional standards also require that we communicate to the governing body the following information related to our audit.

I. Significant Audit Matters

1. *Qualitative Aspects of Accounting Practices*

- A. Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in the notes to the financial statements. As described in the notes to the financial statements, the City changed accounting policies related to accounting for the use of information technology arrangements by adopting Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs), in fiscal year 2023. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.
- B. Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management’s estimate of the useful lives of capital assets is based on industry standards relating to capital assets. We evaluated the key factors and assumptions used to develop the useful lives of capital assets in determining that they are reasonable in relation to the financial statements taken as a whole.

Estimates are used in the calculation of the pension liability and the required annual contribution. The Texas Municipal Retirement System (TMRS) hires a licensed actuary to make key assumptions and to perform calculations, as well as an independent auditor to review those assumptions and calculations. We evaluated the reasonableness of the employee data provided by the City to TMRS.

Estimates are used in the calculation of the health care liability for other postemployment benefits. The City hires a licensed actuary to perform the calculation. We evaluated the key factors and assumptions used to develop the liability in relation to the financial statements taken as a whole.

- C. The financial statement disclosures are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of long-term debt in the financial statements is significant to financial statement users because it discloses the City's long-term financial obligations.

2. Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

3. Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes both material and immaterial misstatements detected as a result of our audit procedures. Management has corrected all misstatements.

4. Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

5. Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 7, 2024.

6. Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

7. *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

8. *Changes in Risk Assessment*

No changes in risk assessment were noted in the completion of the audit as previously communicated in our planning letter.

II. Other Matters

We applied certain limited procedures to the Required Supplementary Information (RSI), as identified on the table of contents, which supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on supplementary information, as identified on the table of contents, which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

III. Restrictions on Use

This information is intended solely for the use of the Mayor, City Council, and management and is not intended to be, and should not be, used by anyone other than these specified parties.

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BILT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas

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Client: **City of Montgomery, Texas**
 Engagement: **Montgomery 09/30/23**
 Period Ending: **9/30/2023**
 Trial Balance: **2.2.01 - TB**
 Workpaper: **2.5.06 - AJE Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1		C.02		
To reverse prior year and record current year mixed beverage receivable.				
100-00-14010-0000000	Mixed Beverage Tax		2,278.93	
100-11303-00000	A/R Mixed Beverage Tax		2,159.72	
100-00-14010-0000000	Mixed Beverage Tax			2,159.72
100-11303-00000	A/R Mixed Beverage Tax			2,278.93
Total			<u>4,438.65</u>	<u>4,438.65</u>
Adjusting Journal Entries JE # 2		C.02		
To reverse prior year and record current year sales tax receivable.				
100-00-14070-0000000	Sales Tax		449,614.69	
100-00-14080-0000000	Sales Tax ILO AdVal Tax		224,807.35	
100-11300-00000	Accounts Receivable		775,666.07	
400-00-44110-0000000	Sales Tax Revenue		224,807.35	
400-41210-00000	Accounts Receivable Audit		258,555.36	
100-00-14070-0000000	Sales Tax			517,110.71
100-00-14080-0000000	Sales Tax ILO AdVal Tax			258,555.36
100-11300-00000	Accounts Receivable			674,422.04
400-00-44110-0000000	Sales Tax Revenue			258,555.36
400-41210-00000	Accounts Receivable Audit			224,807.35
Total			<u>1,933,450.82</u>	<u>1,933,450.82</u>
Adjusting Journal Entries JE # 3		F.01		
To reverse prior year payroll accrual.				
100-12007-00000	Payroll Liabilities		4,913.25	
100-12008-00000	Payroll Liabilities - Payroll Payable		66,563.01	
300-12007-00000	Payroll Liabilities.		805.15	
300-32120-00000	Payroll Liabilities:Payroll Payable		10,907.91	
100-10-16008-0000000	Payroll Taxes			1,243.05
100-10-16009-0000000	Wages			16,840.44
100-11-16008-0000000	Payroll Taxes			2,828.07
100-11-16009-0000000	Wages			38,313.67
100-12-16008-0000000	Payroll Taxes			345.89
100-12-16009-0000000	Wages			4,686.04
100-13-16008-0000000	Payroll Taxes			496.24
100-13-16009-0000000	Wages			6,722.86
300-30-16008-0000000	Payroll Taxes			805.15
300-30-16009-0000000	Wages			10,907.91
Total			<u>83,189.32</u>	<u>83,189.32</u>

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Client: **City of Montgomery, Texas**
 Engagement: **Montgomery 09/30/23**
 Period Ending: **9/30/2023**
 Trial Balance: **2.2.01 - TB**
 Workpaper: **2.5.06 - AJE Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 4		F.05		
To record current year pension expense for the water and sewer fund.				
300-30-36115-0000000	TMRS Pension Expense		4,871.00	
300-32280-00000	Deferred inflows - Pension		16,198.00	
300-32290-00000	Deferred outflows - Pension		41,233.00	
300-32270-00000	Net Pension Liability			62,302.00
Total			62,302.00	62,302.00
Adjusting Journal Entries JE # 5		F.06		
To record current year OPEB activity for the water and sewer fund.				
300-30-36114-0000000	OPEB Expense		807.00	
300-32271-00000	OPEB Liability		3,296.00	
300-32280-00000	Deferred inflows - Pension		323.00	
300-32291-00000	Deferred Outflows - OPEB		304.00	
300-32281-00000	Deferred Inflows - OPEB			323.00
300-32281-00000	Deferred Inflows - OPEB			4,407.00
Total			4,730.00	4,730.00
Adjusting Journal Entries JE # 6		C.01		
To adjust property taxes for FY23.				
100-11301-00000	A/R Delinquent Taxes		3,980.34	
500-52130-00000	Deferred Property Taxes		2,996.81	
100-12400-00000	Deferred Revenue-Taxes			3,980.34
500-51240-00000	A/R Property Taxes			2,996.81
Total			6,977.15	6,977.15
Adjusting Journal Entries JE # 7		J.01		
To correct fund balance.				
100-13200-00000	Unassigned Fund Balance		28,393.52	
100-11590-00000	Lease Rights of Use			28,393.52
Total			28,393.52	28,393.52
Adjusting Journal Entries JE # 8		F.03		
To adjust for CY compensated absences.				
300-32190-00000	Accrued Compensated Absences:VacatGÇ ^a		1,080.21	
300-30-16009-0000000	Wages			1,080.21
Total			1,080.21	1,080.21

Item 9.

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Client: **City of Montgomery, Texas**
Engagement: **Montgomery 09/30/23**
Period Ending: **9/30/2023**
Trial Balance: **2.2.01 - TB**
Workpaper: **2.5.06 - AJE Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 9		F.01		
To correct payroll accrual.				
100-12007-00000	Payroll Liabilities		13,271.43	
100-12007-00000	Payroll Liabilities		29,092.71	
300-12007-00000	Payroll Liabilities.		15,690.18	
100-11-16002-0000000	Health Insurance			29,092.71
100-12008-00000	Payroll Liabilities - Payroll Payable			13,271.43
300-32120-00000	Payroll Liabilities:Payroll Payable			15,690.18
Total			<u>58,054.32</u>	<u>58,054.32</u>
Adjusting Journal Entries JE # 10		E.03		
To correct retainage payable and accounts payable.				
200-20-26401-017B366	Water System - WP #3 Generator - GLO		7,796.90	
200-20-26404-0062715	Water System - Water Plant #3 Imp TWDB		61,021.74	
200-22000-00000	Accounts Payable		62,659.48	
200-22000-00000	Accounts Payable		83,272.50	
200-22000-00000	Accounts Payable		161,766.00	
200-22110-00000	Retainage Payable		7,796.90	
200-22110-00000	Retainage Payable		9,252.50	
200-22110-00000	Retainage Payable		9,412.11	
200-22110-00000	Retainage Payable		11,797.00	
200-22110-00000	Retainage Payable		17,049.40	
200-22110-00000	Retainage Payable		17,974.00	
200-22110-00000	Retainage Payable		24,936.58	
200-22110-00000	Retainage Payable		101,817.62	
200-20-26401-017B366	Water System - WP #3 Generator - GLO			7,796.90
200-20-26401-017B366	Water System - WP #3 Generator - GLO			9,252.50
200-20-26401-017B366	Water System - WP #3 Generator - GLO			17,049.40
200-20-26401-017B366	Water System - WP #3 Generator - GLO			83,272.50
200-20-26404-0062715	Water System - Water Plant #3 Imp TWDB			101,817.62
200-20-26707-017B366	Capital Outlay - Baja / MLK GLO			11,797.00
200-20-26707-017B366	Capital Outlay - Baja / MLK GLO			17,209.01
200-20-26707-017B366	Capital Outlay - Baja / MLK GLO			17,974.00
200-20-26707-017B366	Capital Outlay - Baja / MLK GLO			24,936.58
200-20-26707-017B366	Capital Outlay - Baja / MLK GLO			62,659.48
200-20-26707-017B366	Capital Outlay - Baja / MLK GLO			161,766.00
200-22110-00000	Retainage Payable			61,021.74
Total			<u>576,552.73</u>	<u>576,552.73</u>

3 of 7

187

Item 9.

3/6/2024
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Client: **City of Montgomery, Texas**
Engagement: **Montgomery 09/30/23**
Period Ending: **9/30/2023**
Trial Balance: **2.2.01 - TB**
Workpaper: **2.5.06 - AJE Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 11		2.4.01a		
Client adjusting entry.				
100-00-14110-0000000	Building Permits/MEP		400.00	
100-00-14130-0000000	Sign Fees			400.00
Total			400.00	400.00
Adjusting Journal Entries JE # 12		E.02a		
To accrue 2023 sanitary sewer rehabilitation September activity.				
200-20-26318-0000000	Wastewater System - Sanitary Sewer &		32,500.00	
200-22000-00000	Accounts Payable			32,500.00
Total			32,500.00	32,500.00
Adjusting Journal Entries JE # 13		I.06		
To reclass GASB 87 lease principal and interest payments.				
100-10-16900	Right to use principal		10,114.17	
100-10-16901	Right to use interest		333.27	
100-11-16900	Right to use principal		5,383.90	
100-11-16901	Right to use interest		177.40	
100-12-16900	Right to use principal		1,780.38	
100-12-16901	Right to use interest		58.66	
100-13-16900	Right to use principal		9,103.49	
100-13-16901	Right to use interest		299.97	
100-10-16404-0000000	Copier/Fax Machine			10,447.44
100-11-16404-0000000	Copier/Fax Machine			5,561.30
100-12-17001-0000000	Misc Expenses - Other			1,839.04
100-13-16404-0000000	Copier/Fax Machine			9,403.46
Total			27,251.24	27,251.24
Adjusting Journal Entries JE # 14		D.02b		
To reverse prior year and accrue current year unbilled activity.				
300-00-34110-0000000	Water Revenue		109,187.43	
300-31320-00000	Unbilled Revenue Receivable		106,033.68	
300-00-34110-0000000	Water Revenue			106,033.68
300-31320-00000	Unbilled Revenue Receivable			109,187.43
Total			215,221.11	215,221.11

4 of 7

188

DRAFT

Client: **City of Montgomery, Texas**
 Engagement: **Montgomery 09/30/23**
 Period Ending: **9/30/2023**
 Trial Balance: **2.2.01 - TB**
 Workpaper: **2.5.06 - AJE Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 15		C.08		
To accrue Entergy franchise tax revenue.				
100-11305-00000	Accounts Receivable		81,379.02	
100-00-14020-0000000	Franchise Tax			81,379.02
Total			81,379.02	81,379.02
Adjusting Journal Entries JE # 16				
To correct due to others and transfers.				
100-12-16413-0000000	Culverts		275.40	
700-70-76120-0000000	Contracted Services - Security Services		600.00	
100-11400-00000	Due from Other			275.40
700-70-76340-0000000	Bailiff Transfer to General Fund			600.00
Total			875.40	875.40
Adjusting Journal Entries JE # 17				
Client adjusting entry to correct interfunds.				
100-11420-00000	Due From Construction		1,800.34	
200-20-26810-0000000	Transfer Out - PD / Admin Building		801.16	
200-20-26810-0000000	Transfer Out - PD / Admin Building		999.18	
100-00-14980-0000000	Admin from Capital Projects			801.16
100-00-14980-0000000	Admin from Capital Projects			999.18
200-22120-00000	Due To General Fund			1,800.34
Total			3,600.68	3,600.68
Adjusting Journal Entries JE # 18		J.01		
To correct fund balance in MEDC fund.				
400-00-44300-0000000	Events Revenue		383.90	
400-43100-00000	Unrestricted Net Assets			383.90
Total			383.90	383.90
Adjusting Journal Entries JE # 19		E.03a		
To accrue flagship storm sewer project.				
200-20-26715-0000000	Capital Outlay - Flagship Storm Sewer		30,527.78	
200-22000-00000	Accounts Payable			30,527.78
Total			30,527.78	30,527.78

Item 9.

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Client: **City of Montgomery, Texas**
Engagement: **Montgomery 09/30/23**
Period Ending: **9/30/2023**
Trial Balance: **2.2.01 - TB**
Workpaper: **2.5.06 - AJE Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 20		H.01		
To capitalize current year water, sewer and sanitation activity.				
200-00-26900-00000	Transfer to W&S fund		1,333,149.35	
200-20-26404-0062715	Water System - Water Plant #3 Imp TWDB		38,163.38	
300-30-36116-0000000	Depreciation Expense		429,305.16	
300-31440-00000	Accum Depreciation		18,915.50	
300-31470-00000	Ford Ranger 2003		24,815.15	
300-31570-00000	Water Plant #3		1,577,881.64	
300-31590-00000	Transfer to Gen Fixed Assets-Sewer Imp		132,076.92	
300-31590-00000	Transfer to Gen Fixed Assets-Sewer Imp		650,777.99	
300-31590-00000	Transfer to Gen Fixed Assets-Sewer Imp		1,026,019.24	
200-20-26101-0000000	Engineering - Lift Station 10 Expansion			2,982.50
200-20-26102-0062715	Engineering - Water Plant #3 Imp - TWDB			7,876.44
200-20-26117-017B366	Engineering - All GLO			14,859.00
200-20-26123-0000000	Engineering - McCown St & Caroline St Wtr Rep			22,097.50
200-20-26124-0000000	Engineering - Downtown Sanitary Sewer Rehab			18,674.63
200-20-26125-0000000	Engineering - Old Plantersville Force Main Ext			32,000.00
200-20-26126-0000000	Engineering - Old Plantersville Waterline Ext			38,200.00
200-20-26130-0000000	Engineering - Sanitary Sewer & Manhole Rehab			41,227.85
200-20-26132-0000000	Engineering - Flagship Storm Sewer			54,284.48
200-20-26314-0000000	Wastewater System - Downtown Sanitary Sewer Rehab			113,402.29
200-20-26317-0000000	Wastewater System - Lift Station 10 Improvements			19,248.75
200-20-26318-0000000	Wastewater System - Sanitary Sewer & Manhole Rehab			32,500.00
200-20-26401-017B366	Water System - WP #3 Generator - GLO			301,022.08
200-20-26509-0000000	Roadway System - Downtown Master Drainage Study			48,750.00
200-20-26707-017B366	Capital Outlay - Baja / MLK GLO			80,316.93
200-20-26715-0000000	Capital Outlay - Flagship Storm Sewer			543,870.28
300-00-34390-00000	Transfer in from Capital projects			1,333,149.35
300-30-36604-0000000	Water & Sewer Items			24,815.15
300-31440-00000	Accum Depreciation			429,305.16
300-31470-00000	Ford Ranger 2003			18,915.50
300-31600-00000	Construction in Progress			2,053,606.44
Total			<u>5,231,104.33</u>	<u>5,231,104.33</u>

Adjusting Journal Entries JE # 21

To correct due to/froms in the general fund.

100-11450-00000	Due from Debt Service		149,211.14	
100-12303-00000	Due To I&S Debt Service Fund			149,211.14
Total			<u>149,211.14</u>	<u>149,211.14</u>

6 of 7

190

Item 9.

3/6/2024
1:11 PM

DRAFT

Client: **City of Montgomery, Texas**
Engagement: **Montgomery 09/30/23**
Period Ending: **9/30/2023**
Trial Balance: **2.2.01 - TB**
Workpaper: **2.5.06 - AJE Report**

<u>Account</u>	<u>Description</u>	<u>W/P Ref</u>	<u>Debit</u>	<u>Credit</u>
Adjusting Journal Entries JE # 22				
To record FY21 impact fees from the water sewer fund to the capital projects fund.				
200-21240-00000	Due from Utility		30,238.00	
300-30-37003-0000000	Utility Projects - Impact Fees Transfer to CPF		30,238.00	
200-00-24203-0000000	Impact Fees Transfer			30,238.00
300-32220-00000	Due to Capital Projects			30,238.00
Total			<u>60,476.00</u>	<u>60,476.00</u>

7 of 7

191

DRAFT

Management Letter

March 7, 2024

To the Honorable Mayor and
City Council Members of the
City of Montgomery, Texas:

The American Institute of Certified Public Accountants Statement on Auditing Standards No. 115, *Communicating Internal Control Related Matters Identified in an Audit* (SAS 115), provides guidance to auditors on communicating internal control matters to management and the governing body, board of directors, or equivalent body.

It is important to note when reviewing findings reported within this letter that classification of the findings is based on the definitions required by SAS 115 as further discussed below. Please note that these classifications are based on the potential impact to the financial statements, not necessarily the likelihood of actual loss to City of Montgomery, Texas (the “City”). Accordingly, the City’s assessment of the “significance” or ranking of severity will likely be substantially different based on a number of factors including, but not limited to, its assessment of risk and the cost benefit of making the change.

Our report is as follows:

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of and for the year ended September 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the City’s system of internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified certain deficiencies in internal control that we consider to be an other matter.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

City of Montgomery, Texas
Management Letter
Page 2 of 2

DRAFT

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our findings and additional comments are as follows:

CURRENT YEAR MATTER

Other Matter:

2023.001 EXPENDITURES IN EXCESS OF APPROPRIATIONS

Finding

As disclosed in the notes to the financial statements, expenditures exceeded appropriations at the legal level of control in the general fund.

Recommendation

The City should ensure that expenditures do not exceed appropriations approved by City Council in accordance with the local government code. If the original authorization is insufficient, an amendment should be proposed to City Council in sufficient time so not to impede the City's normal procurement process.

This communication is intended solely for the information and use of management, the City Council, and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

We would like to thank the City Council and the City's management for their cooperation during the course of our audit. Please feel free to contact us at your convenience to discuss this report or any other concerns that you may have.

DRAFT
BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas

Montgomery City Council
AGENDA REPORT

Meeting Date: March 12, 2024	Fiscal Impact: \$345.351 over 2 fiscal years/maybe 3
Department: Administration	Prepared By: G. Palmer

Subject

Consideration and Possible Action on An Agreement Between the City of Montgomery Texas and Kendig Keast Collaborative Inc (KKC). to Provide Professional Planning Services to the City. Specifically, KKC Will Oversee the Master Planning of Key Areas Within the City, Development of Future Land Use, Thoroughfare, and Open Space Plans and Oversee the Recodification of Sections of the City Municipal Ordinance and Zoning Ordinance Resulting in an Up to Date, Streamlined, Unified Development Ordinance

Recommendation

Motion to approve the professional services agreement between the City of Montgomery and Kendig Keast Collaborative in an amount not to exceed \$345,351

Discussion

We reviewed the Scope of Work in depth at our February workshop. The consensus was to move forward with considering the agreement as proposed. The scope of work has been updated based on that workshop.

We will be funding this project over at least two fiscal years. To mitigate the concern over any unforeseen financial hardships we may endure that may preclude us from continuing this project, we have framed the project with natural stopping points that align with our fiscal year and written in a "termination for convenience" clause.

The attached agreement has been reviewed and approved as to its form by the City Attorney.

Approved By

City Administrator	Gary Palmer	Date: February 28, 2024

PROFESSIONAL SERVICES AGREEMENT

UNIFIED DEVELOPMENT ORDINANCE (UDO)

for

CITY OF MONTGOMERY, TEXAS

STATE OF TEXAS §
COUNTY OF MONTGOMERY §

KNOW BY THESE PRESENTS:

This Agreement made this ___ day of _____, 2024, by and between the City of Montgomery, Texas, acting by and through Gary Palmer, City Administrator, hereinafter referred to as the "CLIENT," and Kendig Keast Collaborative, an Illinois Corporation, acting by and through its Chief Executive Officer, Mr. Bret C. Keast, with an office located at 1415 Highway 6 South, Suite D-100, Sugar Land, Texas, 77478, hereinafter referred to as the "CONSULTANT," do hereby make and enter into the following Agreement.

ARTICLE I
CONSULTANT

- 1.1 The CONSULTANT, as an independent contractor, covenants and agrees to perform the professional planning services related to the Unified Development Ordinance (hereinafter, "UDO") as described in Article II, Scope of Services. Such services shall be performed by the CONSULTANT in strict accordance with the terms of this Agreement and for the consideration stated. Subject to the provisions of Article VI below, CONSULTANT covenants and agrees to perform the specific services identified in Exhibit "A" – Scope of Services. The CONSULTANT shall complete the Scope of Services and shall submit deliverables to the CLIENT as identified in Exhibit "A" – Scope of Services.
- 1.2 The CONSULTANT shall provide its services under this Agreement with the same degree of care, skill, and diligence as is ordinarily provided by a professional planner under similar circumstances for the preparation of a UDO and to which the Agreement applies.

ARTICLE II
SCOPE OF SERVICES

- 2.1 The CONSULTANT will perform the professional planning services related to the development of the UDO as set forth in Exhibit "A" – Scope of Services, which is attached and made a part of this Agreement.
- 2.2 Pursuant to this Agreement, the CLIENT shall have the option to obtain the services of the CONSULTANT to perform Additional Services. All such Additional Services shall be described in a written Amendment to this Agreement, as provided by Article X, Changes or Termination, including description of the additional work, associated compensation, and time schedule as applicable. By way of illustration, matters which may constitute Additional Services shall include, but are not limited to, the following:

- (a) Requested additional workshops or meetings other than the number identified in the Scope of Services and project schedule that require added preparation or follow-up or displace other planned trip activities;
- (b) Requested additional trips other than the number identified in the Scope of Services and Project schedule;
- (c) Requested additional days or nights added to a scheduled trip that require additional time and direct expenses (e.g., meals, hotel nights, extended car rental and gasoline use, airline change fees, extended airport parking, etc.);
- (d) Other requested work tasks, study activities, or documentation not foreseen or specifically identified in the Scope of Services;
- (e) Requested additional deliverables or additional physical copies of deliverables, including the submission at key milestones of draft and final written reports or maps other than those specified, or in a quantity greater than the number identified, in the Scope of Services;
- (f) Requested additional revisions (individual or cumulative) to draft and final deliverables that are beyond the single comprehensive round of revisions that are to be collected, consolidated, and annotated by the CLIENT as specified in the Scope of Services;
- (g) Requested review and provision of recommendations relating to other planning or development related issues and matters other than those for which such findings and recommendations are specified in the Scope of Services;
- (h) Further requested changes to a deliverable which the CONSULTANT has already revised based on review comments and which the CLIENT has already accepted as revised, and which the CONSULTANT determines to be significant and substantive changes to a deliverable already at a point of substantial completion in accordance with the Scope of Services and available budget; and
- (i) Other related or unrelated professional planning services that may be requested by the CLIENT which are not specified in the Scope of Services.

2.3 Upon written Notice to Proceed issued by CLIENT, CONSULTANT, through its authorized Subconsultant set forth in Article III, Consultant Personnel, will perform the services set forth in Exhibit "B" – Software as a Service Agreement, which is attached and made a part of this Agreement. These services relate to development of the cloud platform used to draft, publish to the web, archive and host the UDO.

ARTICLE III CONSULTANT PERSONNEL

- 3.1 The CONSULTANT represents that it has or will secure at its own expense, all personnel required in performing the services under this Agreement. Such personnel shall not be employees of or have any contractual relationship with the CLIENT.
- 3.2 The CONSULTANT may contract with subconsultants for portions of the work or services under this Agreement with the prior written approval of the CLIENT. The subconsultant to be utilized to fulfill these services is enCodePlus, LLC. Any work or services subcontracted hereunder shall be specified by a written agreement and shall be subject to the provisions of this Agreement.

ARTICLE IV
SUPPORT SERVICES

- 4.1 The CLIENT agrees to provide the CONSULTANT with support services during conduct of the services listed in Article II, Scope of Services. Support services will include the services described in Exhibit "C" – Support Services, which is attached and made a part of this Agreement.
- 4.2 To the extent authorized by law, the readily available existing data and documentation obtained by the CLIENT that are relevant to the accomplishment of the Scope of Services specified in Article II shall be made available by the CLIENT for use by the CONSULTANT.
- 4.3 The CLIENT shall consider and act on all documents and project work items submitted by the CONSULTANT that require review, comments or approval by the CLIENT within a timeframe specified in Exhibit "A" Scope of Services and/or in the project schedule so as to enable the CONSULTANT to complete the work on schedule as provided in Article V of this Agreement.
- 4.4 The CLIENT agrees to provide the CONSULTANT with support services needed to organize, schedule, notify, provide meeting locations, conduct meetings, and prepare minutes of meetings including committees, workshops, public meetings, and public hearings as described in Exhibit "C" – Support Services. The CONSULTANT will advise and coordinate with the CLIENT to accomplish these support services.
- 4.5 In the event CLIENT fails to provide any of the needed Support Services in a timely or adequate manner, as documented in a progress report, any additional time or expenses incurred or required by CONSULTANT as a result of such failure shall be compensated on a basis of reimbursement of Actual Costs Incurred ("ACI") by CLIENT in the same manner as, and shall be considered to be, Additional Services.

ARTICLE V
TIME OF PERFORMANCE

- 5.1 The CONSULTANT shall commence services upon execution of this Agreement and receipt of written Notice-to-Proceed from the CLIENT.
- 5.2 The CONSULTANT shall make a good faith effort to complete the services described in Article II, Scope of Services within eighteen (18) months from receipt of written Authorization to Proceed by the CLIENT, unless one or more of the following occur:
- (a) This Agreement is terminated in accordance with Article X, Changes or Termination;
 - (b) The Scope of Services and/or Time of Performance are changed in accordance with Article II, Scope of Services or Article X, Changes or Termination; or
 - (c) Matters documented by CONSULTANT in progress reports render such completion schedule impossible or impractical.
- 5.3 If executed by CLIENT and CONSULTANT, the agreement set forth in Exhibit "B", Software as a Service, shall survive the expiration or termination of this Agreement, shall become an independent Agreement, and shall remain in effect in accordance with its terms.

- 5.4 The completion schedule set forth in Section 5.2 may be subject to causes that result in delay over which neither the CONSULTANT nor the CLIENT has any control. Notification and justification for any such delays identified by the CONSULTANT must be included in progress reports. The schedule of work will be extended to include any such delays pursuant to Article X, Changes or Termination.
- 5.5 This Agreement shall terminate upon the CLIENT's final acceptance of work completed by the CONSULTANT, unless otherwise terminated or modified as hereinafter provided.

ARTICLE VI
COMPENSATION TO CONSULTANT

- 6.1 The CLIENT shall compensate the CONSULTANT for the professional services performed under this Agreement, and for the software set forth in Exhibit "B", Software as a Service if that Agreement is executed by CLIENT and CONSULTANT.
- (a) Basic Services. For the Basic Services described in Exhibit "A" Scope of Services under Article II, Scope of Services, the CLIENT shall pay to the CONSULTANT on a basis of reimbursement of Actual Costs Incurred ("ACI") an amount of three hundred forty-five thousand three hundred fifty-one dollars (\$345,351).
- (b) Software as a Service. For the Software and Services described in Exhibit "B" Software as a Service Agreement," if the Agreement is executed by CLIENT and CONSULTANT, the CLIENT shall pay to the CONSULTANT a lump sum amount of zero and no dollars (\$0.00), plus the annual fees set out therein.

ACI includes salary costs, overhead, direct expenses, and profit. The above ACI amount may be modified pursuant to Article X, Changes or Termination, in the event of increased cost, change in the Scope of Services, an extension of time beyond that specified in Section 5.2, or an increase or decrease in the complexity or character of the work. In addition to ACI, CLIENT agrees to compensate CONSULTANT on a basis of reimbursement of Actual Costs Incurred ("ACI") for any Additional Services as provided by Article II, Scope of Services, provided that such Additional Services are agreed upon in writing prior to their being undertaken. The cost of such Additional Services shall be invoiced separately by CONSULTANT and paid by CLIENT upon receipt of billing for such services. Such payments shall be in addition to and have no bearing on the above ACI amount. Payments by CLIENT under this Agreement, including the timeliness of payment and the payment of interest on overdue amounts, are subject to Chapter 2251, Texas Government Code.

- 6.2 Each invoice from the CONSULTANT shall be due and payable by the CLIENT upon receipt by the CLIENT, subject to the terms of Section 6.1. The billing statement, certified true and correct by CONSULTANT, shall show the total amount paid and the amount due and payable as of the date of the current statement. Amounts paid and due for Additional Services shall be identified on a separate invoice.

- 6.3 The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the CLIENT for the performance of this Agreement. If at any time during the period of performance under this Agreement, sufficient appropriations and authorization are not made by the CLIENT, this Agreement shall terminate upon written notice being given by the CLIENT to the CONSULTANT. In such event, CLIENT shall comply with the provisions of Section 10.4 below. The CLIENT's decision as to whether sufficient appropriations are available shall be accepted by the CONSULTANT and shall be final.

ARTICLE VII
PRODUCT OF SERVICES, COPYRIGHT

- 7.1 Exclusive of the licensed software set forth in Exhibit "B", Software as a Service, the CONSULTANT and the CLIENT mutually agree that reports, maps and materials prepared or developed under the terms of this Agreement shall be delivered to and become the property of the CLIENT. The CONSULTANT shall have the right to retain copies and to utilize the product of services for marketing purposes, except for any confidential information, as defined in Article XI, hereof.
- 7.2 The CONSULTANT shall furnish the CLIENT with the number of copies of reports as shown in Exhibit "A" – Scope of Services.
- 7.3 Exclusive of the licensed software set forth in Exhibit "B", Software as a Service, nothing produced in whole or in part by the CONSULTANT under this Agreement shall be the subject of an application for copyright by or for the CONSULTANT.

ARTICLE VIII
PRIVATE INTERESTS OF PUBLIC OFFICIALS AND CONSULTANT

- 8.1 No official, employee, agent, or member of the local public body of the CLIENT shall have any financial interest, direct or indirect in this Agreement or the proceeds thereof.

ARTICLE IX
CERTIFICATIONS OF CONSULTANT

- 9.1 The CONSULTANT has not employed or retained any company or person, other than a bona fide employee working solely for the CONSULTANT, to solicit or secure this Agreement, and it has not paid or agreed to pay any company or person, other than a bona fide employee working solely for the CONSULTANT, any fee, any commission, percentage, brokerage fee, or any other consideration, contingent upon or resulting from the award or making of this Agreement.
- 9.2 The CONSULTANT presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services under this Agreement.

ARTICLE X
CHANGES OR TERMINATION

- 10.1 This Agreement may not be altered, changed or amended except by instrument in writing executed by the parties hereto.
- 10.2 The CLIENT may, from time to time, request changes in the Scope of Services and/or time of performance for the services of the CONSULTANT to be performed hereunder. Such changes, including any increase or decrease in the amount of the CONSULTANT'S compensation, which are mutually agreed upon by and between the CLIENT and the CONSULTANT, shall be incorporated in written amendments to this Agreement.
- 10.3 This Agreement may be terminated before the termination date stated in Article V, Time of Performance, by any of the following conditions:
- (a) Right of Either Party to Terminate for Cause - This Agreement may be terminated by either of the parties hereto for failure by the other party to perform in a timely and proper manner its obligations under this Agreement. A signed, written notice of such termination shall be delivered to the other party by express mail with point-by-point tracking and such termination shall take effect twenty (20) days after the notice is deposited in the express mail, provided that the failure to perform has not been remedied by that time. By such termination, neither party may nullify obligations already incurred for performance or failure to perform before the date of termination.
- (b) Right of the CLIENT to Terminate for Convenience - This Agreement may also be terminated by the CLIENT for any reason. A signed, written notice of such termination shall be delivered to CONSULTANT by registered or certified mail and such termination shall take effect not less than seven (7) calendar days following the date the notice is received by the CONSULTANT.
- 10.4 Upon receipt of a notice of termination under any of the conditions under Sections 6.3 or 10.3 above, the CONSULTANT shall, unless the notice otherwise directs, immediately discontinue all services in connection with the performance of this Agreement. Within thirty (30) days after receipt of the notice of termination, the CONSULTANT shall submit a Final Statement, showing the services performed under this Agreement prior to the effective date of termination. Such Final Statement shall also include any unpaid amounts or unreimbursed expenses, as well as any financial obligations incurred by CONSULTANT on behalf of CLIENT and which cannot reasonably be refunded to CONSULTANT, all of which CLIENT agrees to pay upon receipt of said Final Statement. Data and study products prepared by the CONSULTANT and paid for by CLIENT under this Agreement shall be delivered to the CLIENT within seven (7) calendar days from the date the data and study produces are requested by CLIENT
- 10.5 Notwithstanding the provisions of this Article X, the CONSULTANT shall not be relieved of liability to the CLIENT for damages sustained by the CLIENT by virtue of any negligent act or omission or any breach of this Agreement by the CONSULTANT.

ARTICLE XI
CONFIDENTIALITY

11.1 Any information determined to be confidential that is provided to the CONSULTANT by the CLIENT or obtained or developed by the CONSULTANT for the benefit of the CLIENT in the performance of this Agreement shall be kept confidential and shall not be made available to any individual or organization by the CONSULTANT without prior written approval of the CLIENT. Confidential information shall only be used for the purposes of this Agreement and shall not copy, disclose, convey or transfer any of the Confidential Information to any third party, excluding the party's authorized employees. Provisions regarding the confidentiality of the licensed software are inclusive of the terms and conditions of the software.

ARTICLE XII
INSPECTION OF RECORDS

12.1 The CONSULTANT shall maintain accounts and records, including personnel, property and financial records, adequate to identify and account for all costs pertaining to this Agreement and such other records as may be deemed necessary by the CLIENT to assure proper accounting for all project funds. These records will be retained for three years after the expiration of this Agreement.

12.2 Any time during normal business hours and as requested by the CLIENT, the CONSULTANT shall make available to the CLIENT for examination all of its project records with respect to all matters covered by this Agreement and will allow the CLIENT to review, examine, and make excerpts from such records, and to make copies of all contracts, invoices, materials, payrolls, records of personnel conditions of employment, and other data relating to all matters covered by this Agreement. The financial records of the CONSULTANT are maintained in its corporate office located in Sugar Land, Texas, and copies will be available upon request in a timely manner in this office for audit purposes to the CLIENT or its authorized representative.

ARTICLE XIII
INSURANCE

13.1 Insurance

A. The CONSULTANT agrees to maintain Worker's Compensation Insurance to cover all of its own personnel engaged in performing services for the CLIENT under this contract in the following amounts:

Worker's Compensation: Statutory

B. The CONSULTANT also agrees to maintain Commercial General Liability, Business Automobile Liability, Umbrella Liability, and Errors and Omissions Insurance, covering claims against the CONSULTANT for any incidents arising in the course of work performed under this Agreement, in the following amounts:

Commercial General Liability Insurance: Personal injury and property damage -- \$1,000,000.00 combined single each occurrence and \$2,000,000.00 general aggregate

Business Automobile Liability for all vehicles: Bodily injury and property damage -- \$1,000,000.00 combined single limit each occurrence

Umbrella Liability: \$2,000,000.00

Errors and Omissions: \$1,000,000.00

ARTICLE XIV MISCELLANEOUS PROVISIONS

- 14.1 Force Majeure. Neither the CLIENT nor the CONSULTANT shall be required to perform any term, condition, or covenant of this Agreement while such performance is delayed or prevented by acts of God, material or labor restriction by any governmental authority, terrorism, civil riot, floods, hurricanes, or other natural disasters, any other cause not within the control of the CLIENT or the CONSULTANT that by the exercise of due diligence the CLIENT or the CONSULTANT is unable, wholly or in part, to prevent or overcome and supersedes all prior agreements and understanding between CLIENT and CONSULTANT concerning the subject matter of this Agreement.
- 14.2 Entire Agreement. This Agreement constitutes the entire agreement between the CLIENT and the CONSULTANT. No other agreements, amendments, modifications, implied or otherwise, shall be binding on any of the parties unless set forth in writing and signed by both parties.
- 14.3 Choice of Law. The CLIENT and the CONSULTANT agree that this Agreement shall be construed in accordance with the laws of the State of Texas.
- 14.4 Dispute Resolution. Any dispute, controversy or claim between the parties shall be resolved in the following manner:

The parties will attempt in good faith to resolve any dispute, controversy or claim arising out of or relating to this Agreement promptly by negotiation between designated executives or other representatives of the parties who have the authority to settle the controversy. No terms of resolving the dispute, controversy or claim discussed or offered shall be binding on either party or otherwise detrimental to the interest of either party in the event it is not resolved by negotiation.

The disputing party shall give the other party written notice of the dispute by registered or certified mail. Within ten (10) days after receipt of said notice, the receiving party shall submit to the disputing party a written response. Unless shown otherwise, receipt will be presumed to have occurred three (3) days following the mailing. The notice and response shall include: (a) a statement of each party's position and a summary of the evidence and arguments supporting its position; and (b) the name and title of the designated executive or other representative who will represent the party in negotiations. The negotiators so designated shall meet at a mutually acceptable time and place within twenty (20) days of the date of receipt by the receiving party of

the disputing party's notice and thereafter as often as they reasonably deem necessary to exchange relevant information and to attempt to resolve the dispute.

If the controversy or claim has not been resolved within thirty (30) days of the meeting of the designated executives or representatives, the parties shall endeavor to settle the dispute by non-binding mediation.

If the matter has not been resolved pursuant to the aforesaid non-binding mediation procedures within ninety (90) days of the commencement of such procedure, parties are free to bring their claim in a court of law. Venue for all actions brought pursuant to this Agreement is in Montgomery County, Texas; and all parties consent to Montgomery County, Texas, being the exclusive jurisdiction to resolve said claims or controversies arising pursuant to this Agreement.

14.5 Severability. If one or more of the provisions of this Agreement, or the application of any provision to any party or circumstance, is held invalid, unenforceable, or illegal in any respect, the remainder of this Agreement and the application of the provision to other parties or circumstances shall remain valid and in full force and effect.

14.6 Notice. Any notice required to be given pursuant to the terms and provisions of this Agreement shall be in writing and shall be mailed by certified or registered mail addressed as set forth below or at such other address as may be specified by written notice:

CLIENT: Gary Palmer, City Administrator
City of Montgomery
101 Old Plantersville Road
Montgomery, Texas 77316

CONSULTANT: Bret C. Keast, Chief Executive Officer
Kendig Keast Collaborative
77 Sugar Creek Center Boulevard, Suite 600
Sugar Land, Texas 77478

14.7 Assignment. The CONSULTANT shall not assign any interest on this Agreement, and shall not transfer any interest in the same (whether by assignment or novation), without the prior written consent of the CLIENT thereto. Provided however, that claims for money by the CONSULTANT from the CLIENT under this Agreement may be assigned to a bank, trust company, or other financial institution without such approval. Written notice of any such assignment or transfer shall be furnished promptly to the CLIENT.

14.8 Successors and Assigns. The CLIENT and the CONSULTANT each binds itself and its successors, executors, administrators and assigns to the other parties of the Contract and to the successors, executors, administrators and assigns of such other parties, in respect to all covenants of this Agreement. Nothing herein shall be construed as creating any personal liability on the part of any officer, board member, commissioner, employee or agent of any public body, which is a party hereto.

- 14.9 Reports and Information. The CONSULTANT, at such times and in such forms as the CLIENT may require, shall furnish the CLIENT such periodic reports as it may request pertaining to the work or services undertaken pursuant to this Agreement, the cost and obligations incurred or to be in connection therewith, and any other matter covered by this Agreement.
- 14.10 Incorporation of Provisions Required by Law. Each provision and clause required by law to be inserted into the Agreement shall be deemed to be enacted herein and this Agreement shall be read and enforced as though each were included herein. If through mistake or otherwise any such provision is not inserted or is not correctly inserted, the Agreement shall be amended to make such insertion on application by either party.
- 14.11 Waiver. The failure on the part of any party herein at any time to require the performance by any other party of any portion of this Agreement shall not be deemed a waiver of, or in any way affect that party's rights to enforce such provision or any other provision. Any waiver by any party herein of any provision hereof shall not be taken or held to be a waiver of any other provision hereof or any other breach hereof.
- 14.12 Survival. Any and all representations and conditions made by the CONSULTANT under this Agreement are of the essence of this Agreement and shall survive the execution, delivery and termination of it, and all statements contained in any documents required by the CLIENT, whether delivered at the time of the execution or at a later date, shall constitute representations hereunder.
- 14.13 Cumulative Remedies. In the event of default by any party herein, all other parties shall have all rights and remedies afforded to it at law or in equity to recover damages and to interpret or enforce the terms of this Agreement. The exercise of any one right or remedy shall be without prejudice to the enforcement of any other right or remedy allowed at law or in equity.
- 14.14 State or Federal Laws. This Agreement is performed in Montgomery, Texas, and is subject to all applicable federal and state laws, statutes, codes, any and applicable permits, ordinances, rules, orders, and regulations of any local, state, or federal government authority having or asserting jurisdiction.
- 14.15 Equal Employment Opportunity. In the performance of this Agreement, the CONSULTANT will not discriminate against any employee or applicant for employment because of race, color, religion, age, sex, or national origin. The CONSULTANT will, in all solicitations or advertisements for employees placed by or on behalf of it, state that it is an Equal Opportunity Employer.
- 14.16 Multiple Originals. Two (2) copies of this Agreement are executed; each shall be deemed an original.

* * * * *

The parties have executed this Agreement in duplicate originals.

This _____ day of _____, 24.

FOR CITY OF MONTGOMERY TX:

FOR KENDIG KEAST COLLABORATIVE:

By: _____
Gary Palmer
City Administrator

By: _____
Bret C. Keast, AICP
Chief Executive Officer

ATTEST:

EXHIBIT A - SCOPE OF WORK

In accordance with the terms of the Professional Services Agreement (the “Agreement”) with the City of Montgomery, Kendig Keast Collaborative (KKC) will provide professional land use planning and ordinance writing services to assist the City in creating a new Unified Development Ordinance. This work effort will be centered on producing future land use, thoroughfare and open space plans and updating and rewriting the following chapters of the Code of Ordinances:

- Chapter 42, Floods
- Chapter 54, Manufactured Homes and Trailers (Division 3, Park Regulations and Standards)
- Chapter 66, Signs
- Chapter 78, Subdivisions
- Chapter 98, Zoning

Project Administration

KKC will coordinate with City staff to develop a project schedule for completion of the services, which will include the dates of deliverables, periods of review, and meetings for the duration of the project. The Project Schedule will be coordinated so that the City’s Project Director can provide status reports to the Planning and Zoning Commission, City Council and other boards and commissions at regular milestones in the ordinance development process.

KKC will complete project management activities to ensure schedule adherence, cost control, and quality assurance. These activities will include:

- Preparation and maintenance of the Project Schedule.
- Frequent communication and coordination with the City’s Project Director.
- Submittal of written progress reports in conjunction with each monthly invoice.

Core Project Services

The core services are divided into three distinct stages:

1. Near-Term Plans and Ordinance Amendments
2. UDO Drafting and Mapping
3. UDO Implementation

Within each stage is a series of tasks and subtasks set out below.

Stage 1. Near-Term Plans and Ordinance Amendments

1.1 Project Orientation. This task will initiate work with City staff and include research and background studies, field reconnaissance and ground truthing, policy analysis and validation, collection of data and mapping, and mobilization of resources.

Meet with City staff to:

- Establish the project logistics, methods and timing of communications and schedule adherence.
- Discuss the structure, membership, and roles of an Advisory Committee.

- Prepare a project schedule detailing the dates of meetings and deliverables, staff review time, staff calls and meetings, and other project activities.
- Identify needed data and information, such as:
 - Five-year history of variance requests and decisions;
 - Five-year history of zoning cases; and
 - List of staff comments and changes noted to date.

Meeting(s): Staff teleconference

Deliverable(s): Project schedule

1.2 Field Reconnaissance. Observe built conditions in the context of the existing zoning districts.

- Acquire and review all existing conditions data, case information, and GIS mapping.
- Attend a tour lead by City staff to learn about planned infrastructure improvements, proposed and pending developments, and areas noted for future projects.
- Visit development sites that represent good zoning outcomes and pending project sites for discussion of how the new regulations may achieve outcomes that are in line with community and Council expectations.
- Develop a photographic inventory to capture development types, forms, and patterns.

Meeting(s): Staff-led tour
Self-guided reconnaissance

Deliverable(s): None for this task

1.3 Introductory Meetings.

- Attend a city staff meeting to hear about their experiences in administering and enforcing the current zoning, subdivision, flood and sign ordinances, solicit recommendations for needed improvements, and review the processes for application intake, review, commenting, problems encountered, and the timeline for each step for each application type.
- Arrange a kick-off meeting with the Advisory Committee to confirm their review and meeting commitments and to initiate conversations about the future of Montgomery.
- Facilitate a joint work session with the Planning and Zoning Commission and City Council (and applicable committees) to discuss their use of the current regulations and to identify void or vague provisions, conflicts and inconsistencies, and limitations.
- Meet with members of the four Home Owners Associations (HOAs) to familiarize them with the project purpose and to solicit their ongoing input as the UDO is drafted.
- Attend three, one-hour focus group meetings with the following key stakeholders:
 - Landowners, developers and builders;
 - Engineers, architects and planners;
 - Business owners and operators;

Meeting(s): Advisory Committee Meeting No. 1 (in-person)
Planning and Zoning Commission and City Council Work Session (in-person)
HOA meetings (4) (in-person)
Focus Groups (3) (in-person)

1.4 Future Land Use, Thoroughfare and Open Space Plans. The plan maps will guide city decisions relative to zone changes and land development proposals, future street alignments and rights-of-way dedications, and preservation of parks, open space and natural greenways.

- Graphically summarize the character of existing development as a basis for creating the Future Land Use Plan.
- Assess the long-range development outlook and context for the community, including:
 - Identification of areas available, most suitable, and preferred for new growth, accounting for flood hazard areas and other physical and environmental factors, the transportation network, and infrastructure and public service capacities and availability;
 - Means to coordinate growth management and future land use and ensuring linkages to infrastructure and service capacities, land use balance, economic development needs, and rural/agricultural preservation and other resource conservation priorities;
 - Orderly improvement of the transportation system to enhance safety and relieve congestion, considering facilities for automobiles and pedestrian/bicycle circulation.
 - Maintaining the integrity of existing neighborhoods while setting appropriate standards for quality new residential areas.
 - Strengthen the City’s tax base and its “quality of place” appeal, including consideration of future growth and development patterns and associated upgrades to or extension of public infrastructure and services.
 - A capacity outlook for the City’s infrastructure and its timing based on projected growth activity.
 - Place-making, urban design, and image/appearance opportunities in terms of development quality along SH 105, FM 149 and Lone Star Parkway and at “gateway” locations.
- Develop a map that visually depicts the desired future development pattern, including provision for protecting natural resource and valued open space areas, conservation of existing neighborhoods, preservation of the historic downtown and original town neighborhoods, corridor commercial design, and mixed-use neighborhood and town centers.
- Create a parks and open space plan to protect the environs along existing resource features, meet standards for the provision of future parks and recreation facilities, and reserve linear connections to link neighborhoods, parks, schools and other community facilities.
- Build on the Montgomery County Thoroughfare Plan to identify the future locations and alignment of collector streets, along with their rights-of-way and street design requirements.

Meeting(s): Advisory Committee Meeting No. 2 (in-person)
 Joint Planning and Zoning Commission and City Council Workshop and Open House (1) (in-person)
 Interest group meetings (2), scheduled to occur on the same day as the Workshop and Open House. (in-person)

Deliverable(s): Future Land Use Plan (and shapefiles)
 Modified Thoroughfare Plan (and shapefiles)
 Parks and Open Space Plan (and shapefiles)

1.5 Illustrated Master Plan. This task will result in two schematic master land plans covering the undeveloped and noncommitted areas of the Buffalo Springs Planned Development (PD) as well as the Stewart Lake Area. The purpose of the land plans is to establish conditional approval procedures and design principles for use during the interim period prior to UDO adoption. Proposed applications for developments will be required to demonstrate as to the adherence of their plan with the land use, street and open space patterns and design principles expressed by the master plans.

- Facilitate a combined three-day design workshop to involve stakeholders in sketching planning exercises and ideas creation consisting of before, during and after meetings with surrounding neighbors, landowners and businesses.
- Develop an early concept schematic for presentation and feedback. This work-product will be conceptual in nature and focus on developing a general organizing framework for the plan including a proposed road system, proposed land use “bubbles”, open space systems and other organizing features. The concept plan will be presented in PowerPoint and will be supplemented with a wide selection of development character images to communicate suggested development types and densities.
- Assimilate the feedback and recommended changes from the early concept schematic into a draft design alternative. This will still be at an intermediate (40-50%) level of detail for obtaining further feedback and for confirming consensus to proceed into detailed design.
- Synthesize proposed adjustments into a 90% plan version for official presentation. Based on any final feedback received, prepare a single (100%) version of a Final Plan for official adoption.
- Prepare interim ordinance language for a conditional approval process for use during the period from Final Plan to UDO adoption.
- Produce design principles and decision criteria for use by staff in reviewing, by the Planning and Zoning Commission in recommending, and by the City Council in deciding approval of proposed development applications. The guidelines may cover, but are not limited to:
 - Cross sections of different street profiles, building frontage types, pedestrian improvements and streetscape amenities.
 - Block and lot proportions relative to walkability, traffic and pedestrian circulation and safety, property access, on- and off-street parking and loading, and building footprints and lot coverage.
 - Building and use types relative to their scale and operational requirements, location and proximity to existing and planned or proposed land use typologies, parking and loading demands, access to public spaces and transit, stormwater management impacts/needs and compatibility with natural resources.
 - Amenities that may be used in different contexts to fulfill objectives: aesthetics, screening, landscaping, use transitions, green infrastructure, stormwater management, parking, public art, recreation, etc.
- Develop a 3D computer model of one master plan to illustrate and simulate the City’s new design and development standards. The model will be integrated within the UDO and posted on the City’s website to aid applicants in their preparations for plan submittal.
- *On an Additional Services basis, work alongside City staff to manage the implementation of the plan. In this capacity, KKC’ role would be to serve as lead (adjunct) project manager as part of a*

larger project management team consisting of other city departments. Services could include among others:

- *performing development/design/zoning reviews;*
- *communicating directly with developers;*
- *creating project marketing materials and requests-for-proposals (RFPs);*
- *performing developer due diligence;*
- *reviewing developer financial statements, project pro-formas and budgets;*
- *helping determine the reasonableness of developer incentives requests;*
- *performing project feasibility gap analysis;*
- *creating developer incentives packages;*
- *generating project terms sheets and draft development agreements;*
- *presenting information to the City Council and/or various other boards and committees and generally shepherding the city’s internal development review process.*

Meeting(s): Staff calls (2) (virtual)
 Joint Planning and Zoning Commission / City Council meeting (1) (in person)
 City Council adoption (1) (Add Alternate)

Deliverable(s): Concept schematic plan
 Design alternative
 Final Plan
 Design guidelines and decision criteria

1.6 Interim Ordinance Amendments.

- Provide track-change edits to the current version of Chapter 98, Zoning, to establish new standards where the ordinance is vague or void. In particular, these amendments will address:
 - New zoning district, land uses and area regulations for Downtown (Sec. 98-84)
 - Updated historic preservation standards and procedures (Article VI)
 - Development standards for planned development (Div. 7)
 - District R-2, Multifamily residential district site and building design standards
 - District B, Commercial district site and building design standards
- Attend a public hearing of the Planning and Zoning Commission to present the proposed text amendments and to gain their recommendation of adoption.
- Present the proposed text amendments for City Council adoption.

Meeting(s): Staff calls (2) (virtual)
 Advisory Committee Meeting No. 3 (virtual)
 Planning and Zoning Commission public hearing (1)
 City Council meeting (1)

Deliverable(s): Interim ordinance amendments

Stage 2. UDO Drafting and Adoption

2.1 Web-Based Platform. Build the online platform for use in drafting and editing, documenting internal comments, and publishing interim drafts and the final adopted UDO.

- Build the public-facing site using a template design (or upgraded custom design).
- Consult with staff on City branding and style guide.
- Create a stylesheet to standardize the font, format and numbering system.
- Migrate the Code of Ordinances into the software platform to repeal Chapters 42, 54, 66, 78, and 98 and replace them with a new chapter for the Unified Development Ordinance.
- Build the interactive functionality including tags of all definitions and cross-references for the purpose of internal/external hyperlinking.
- Train staff on the use of the password-protected maintenance module to provide comments and to edit text.
- Build the following premium features:
 - eReader: Optimized mobile and desktop document reading with navigation, printing, linking.
 - Zoning Navigator to organize the UDO in understandable sections and categories.
 - GeoZone: Esri-based GIS map application designed for planning and zoning queries, analyses, and display including:
 - *District Summary*: GIS display of applicable land uses and height, area and bulk standards for a zoning district or user-defined area.
 - *Land-Use Lookup*: GIS map of districts where specific land uses are permitted by-right or by condition or special exception.
 - *Parcel Summary*: Instant access to parcel details like ownership, land and building value and district standards.
 - *Smart Web URLs*: Automatically links zoning districts and parcels dynamically to reflect real-time updates on the interactive map.

Meeting(s): None for this task

Deliverable(s): Premium features listed above

2.2 UDO Drafting. Draft and deliver two modules for review and discussion.

- Review the current text to determine provisions that may be carried through as-is along with those warranting modified or new text, tables or graphics to clearly articulate the regulations and standards.
- Perform research of related provisions in the Code of Ordinances to identify needed cross-referencing or provisions that warrant amendment or repeal and replacement.
- Review the newly drafted regulations for consistency with applicable statutes.
- Build tables and matrices to organize and improve the readability of standards and embed graphics to illustrate the application of the regulations.
- Generate custom graphics, where needed, to illustrate the application of standards.
- Prepare applicable definitions and acronyms.

Meeting(s): Monthly staff teleconferences (6) (virtual)

Advisory Committee Meeting Nos. 4, 5 and 6 (two in person; one virtual)
City Council midpoint briefing (in-person)

Deliverable(s): Two UDO Modules

2.3 Zoning Map Amendment. Make changes to the zoning map to reflect the new districts and match the guidance of the Future Land Use Plan.

- Review the GIS map files acquired from the city to verify their currentness, accuracy and consistency with the Montgomery County Central Appraisal District.
- Provide updates to the district boundaries of any zone change ordinances adopted but not yet implemented on the map.
- Make notation of the district boundaries that will remain the same albeit a change in the nomenclature.
- Track changes of existing district boundaries, where adjusted, to accommodate new zoning districts.
- Prepare and deliver a draft revised zoning map for staff review.
- Seek approval of the zoning map subsequent to adoption of the ordinance.

Meeting(s): Staff meeting to review draft zoning map

Deliverable(s): Draft and final zoning map

2.4 UDO Text and Map Adoption. A public hearing will be held with the Planning and Zoning Commission and City Council, during which the public may be heard and may enter their comments into the record.

- Present the Public Hearing Draft to the Planning and Zoning Commission prior to a public hearing, at which time the Commission may recommend changes. Upon completion, present the proposed UDO to the City Council together with the Commission's recommended changes.
- Present the Public Hearing Draft, including the amendments recommended by the Planning and Zoning Commission, before a public hearing of the City Council.
- Make changes and corrections to the Public Hearing Draft as directed by the City Council and publish the final adopted version of the UDO.

Meeting(s): Planning and Zoning Commission Public Hearing (1) (in-person)
City Council Public Hearing (1) (in-person)

Deliverable(s): Public Hearing Draft
Final adopted Ordinance

2.5 Codification. The UDO will be integrated within and codified as part of the Code of Ordinances.

- Codify any adopted but uncoded ordinances.
- Repeal Chapters 42, 54, 66, 78, and 98 and replace them with a new chapter for the Unified Development Ordinance.
- Produce a Code Comparative Table to compare the Code of Ordinances prior to and after adoption of the UDO.
- Incorporate hyperlinked cross-references.

- *On an Additional Services basis, perform a legal review of the Code of Ordinances, issue a memorandum of recommended changes and updates to bring the code current with state and federal laws, and update the State Law Reference Table*

Stage 3. UDO Implementation

3.1 Development Manual. Produce a Development Manual to include:

- A summary description of each application type;
- Flow diagrams to illustrate the individual steps and timelines for each process;
- Updated or new checklists outlining the applicant submission requirements;
- New application forms; and
- A schedule of submittal dates, response and public notice types and timelines, and corresponding dates of meetings or hearings.

Meetings: None for this task

Deliverable: Web-Based Development Manual

3.2 Start-Up Period Assistance. On an Additional Services basis, provide assistance to City staff during the first six months (or more as requested) following adoption of the UDO. The time associated with this task and any encumbered direct expenses would be on an hourly basis, billed against the escrow fee established for this service. Assistance may include:

- Review of all or select development applications;
- Participation via video-conferences with City staff to express our comments on reviewed applications and to respond to staff questions;
- Provision of verbal or written interpretations for application of the regulations to specific developments;
- Interactions with City staff and upon request, virtual meetings with development applicants;
- Attendance by request at Planning and Zoning Commission and/or City Council meetings; and
- Observe and advise on the City's administrative procedures.

Meetings: Zoom conferences
 Interdepartmental project review meetings
 Application meetings
 Commission and Council meetings

Deliverables: To be determined

3.3 UDO Training. Provide training for back-office functions including application intake, distribution, departmental review and comment, and reporting and applicant coordination, together with one facilitated training session with the Planning and Zoning Commission and City Council. Time associated with this task will be on an hourly rate basis as the needs and level of effort vary widely.

- Interview those responsible for application intake and front counter interactions to identify standard practices and discuss means to improve effectiveness and efficiencies.
- Observe inter- and intra-departmental review functions and meetings and issue a technical memorandum with recommended improvements.
- Review inter-departmental documentation, written correspondence with applicants, and

reports for Commission or Council consideration, and issue a technical memorandum noting best practices and recommended changes.

- Arrange mock meetings with the Planning and Zoning Commission and City Council to review the materials provided, methods of case review and comment/question documentation, staff presentation, Commission /Council discussion, hearing procedures, and criteria and issuance of decisions.
- Provide layperson guides to the zoning ordinance, which could be assembled into a booklet upon adoption.

Tentative Budget

MONTGOMERY, TEXAS UNIFIED DEVELOPMENT ORDINANCE				
Key Personnel	Principal	Project Manager	Senior Associate	TOTAL
Title				
Scope Tasks				
Phase 1. Kick-Off				
1.1 Project Orientation	\$200	\$560	\$270	\$1,030
1.2 Field Reconnaissance	\$400	\$280	\$270	\$950
1.3 Introductory Meetings	\$1,800	\$5,040	\$4,860	\$11,700
1.4 Future Land Use, Thoroughfare and Open Space Plans	\$5,400	\$11,200	\$16,200	\$32,800
1.5 Illustrated Master Plans (Buffalo Springs + Stward Lake)	\$5,100	\$29,400	\$40,500	\$75,000
1.6 Interim Ordinance Amendments	\$1,800	\$11,200	\$10,800	\$23,800
Subtotal				\$145,280
<i>Direct Expenses</i>				\$8,843
TOTAL FOR STAGE 1	\$14,700	\$57,680	\$72,900	\$154,123
Stage 2. UDO Drafting and Adoption				
2.1 Web-Based Platform (Code of Ordinances + GIS Bundle)		Premium Features		\$29,250
2.2 UDO Drafting				\$73,000
2.3 Zoning Map Amendment				\$14,500
2.4 UDO Text and Map Adoption				\$11,700
2.5 Codification				\$5,260
Subtotal				\$133,710
<i>Direct Expenses</i>				\$2,811
TOTAL FOR STAGE 2	\$10,200	\$38,640	\$55,620	\$136,521
TOTAL FOR STAGES 1 & 2				\$290,643
Stage 3. UDO Implementation				
3.1 Development Manual				\$16,400
3.2 Start-Up Period Assistance (Applicant Escrow)				\$0
3.3 UDO Training				\$8,000
3.5 Three-Day Design Charrette (+ direct expenses)				\$16,040
3.6 3D Computer Model (one master plan area)				\$11,000
Subtotal	\$9,600	\$16,800	\$14,040	\$51,440
<i>Direct Expenses</i>				\$3,268
TOTAL FOR STAGE 3	\$9,600	\$16,800	\$14,040	\$54,708
TOTAL FOR STAGES 1, 2 & 3				\$345,351

EXHIBIT "B"
SOFTWARE AS A SERVICE AGREEMENT

Licensor: enCodePlus, LLC
1415 Highway 6 South, Suite D-100
Sugar Land, Texas 77478

Licensee: City of Montgomery Texas
City Hall
101 Old Plantersville Road
Montgomery, TX 77316

Licensor and Licensee agree as follows:

1) Definitions.

- a. *Agreement* means this Software as a Service Agreement, including all incorporated exhibits and documents.
- b. *Authorized Users* means all Users authorized by the Licensor to access and use the Software through the Licensee's account under this Agreement, and includes individual users that are employees of Licensees but excludes outside contractors or agents of the Licensee.
- c. *Calendar Day* or "Day" means All days in a month, including weekends and holidays.
- d. *Effective Date* is the date the Agreement is executed by Licensee and Licensor.
- e. *Force Majeure Event* means an event, such as a hurricane, earthquake, or other casualty caused by nature; labor strike; war; a law, order, proclamation, regulation, or ordinance of any governmental agency that prevents Licensor or Licensee from performing its obligations under this Agreement.
- f. *Law* means any statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree, or other requirement of any federal, state, local, or foreign government, political subdivision, or any arbitrator, court, or tribunal of competent jurisdiction.
- g. *Licensed Technology* means Licensor's proprietary software or any third-party software or other intellectual property provided to allow the Licensee to access and utilize the Software in conformance with this Agreement or to make the Software available to the Licensee over the Internet.
- h. *Licensee* means the City of Montgomery and its employees.
- i. *Licensee Data* means any and all information, data, materials, works, expressions, or other content, including any that are:
 - (1) uploaded, submitted, posted, transferred, transmitted, or otherwise provided or made available by or on behalf of the Licensee for processing by or through the Software, or
 - (2) collected, downloaded, or otherwise received by Licensor or the Software for the Licensee or pursuant to this Agreement or at the written request or instruction of the Licensee. All output, copies, reproductions, improvements, modifications, adaptations, translations, designs and methods and other derivative works of, based on, derived from, obtained from the Licensee in

connection with the Software, or otherwise using any Licensee Data are themselves also Licensee Data. Licensee Data does not include any Licensor Materials.

- j. *Licensor* means enCodePlus, LLC.
- k. *Renewal Term* has the meaning set forth in Section 14.2.
- l. *Services* means all services required of Licensor to ensure the Software is available to the Licensee over the Internet consistent with the terms of this Agreement. These services include: hosting; making the system available to the Licensee over the Internet as a service; ensuring the system operates with other software, hardware, systems, networks, and services; using embedded third party software, including for processing Licensee Data; programming, modifying, or configuring the Software to meet the Licensee’s ongoing needs; integrating, customizing, enhancing, or modifying the Software; consulting activities; and training or project management.
- m. *Service Error* means an event that results in an impairment of performance or essential operations of the Software.
- n. *Software as a Service (SaaS)* or “Software” means the turnkey system provided by Licensor pursuant to this Agreement as part of its Services, including the Licensed Technology that Licensor will make accessible to the Licensed as part of its Services under this Agreement.
- o. *Term* means the Initial Term and any subsequent Renewal Terms.

2) **Agreement.** This Software as a Service (“Agreement” or “License”) is made as of the date of the last signature below, between enCodePlus, LLC, a Texas Limited Liability Company (“Licensor”), and the City of Montgomery, a public body corporate and political subdivision of the State of Texas (“Licensee”).

3) **Licensed Technology.** This is an Agreement between Licensor and Licensee, with a term as set out in Section 5, below. Licensor grants licensee a non-transferable, non-exclusive, limited, non-assignable, and non-sublicensable right to use the Software covered by this Agreement pursuant to the terms of this Agreement including payment of all applicable Fees. This right to use and access the Software is for unlimited concurrent use for Licensee governmental purposes, including on- and off-site access. This License gives only certain rights to Licensee. All other rights are reserved to Licensor.

4) **Software Package.** The terms of this Agreement apply to Licensee’s use of the Licensed Technology, including an unlimited number of registered license seats and two hours of annual technical support¹.

5) **Software Support.** The terms of this Agreement apply to the following services provided and included support.

- a. *Services Provided.* During the term of license, enCodePlus will provide:
 - (1) Expert level guidance and troubleshooting in connection with questions and issues arising from use of our Software;
 - (2) Bug fixes and issue resolution; and
 - (3) Access to new releases of the software.

¹ Support excludes adding or building new content, document management services, and Software customization.

- b. *Included Support.* The following are included in the enCodePlus software support obligations:
- (1) Access to new releases will be accessible for each available code update of the same features included in the current license.
 - (2) New release support may include training and guidance to answer specific questions.
 - (3) Basic product functionality questions to answer "how to" questions related to standard and, as applicable, premium feature usage.
 - (4) Enhancements and feature request submissions.
- c. *Excluded Support.* The following are excluded from enCodePlus software support obligations:
- (1) Versions of software other than the current and one previous version, e.g. Windows 11 and Windows 10 (excludes Windows 8.1 and all prior versions).
 - (2) System/server administration activities.
 - (3) Routine product maintenance (cleaning disk space and configuring log rotation).
 - (4) 3rd Party applications not provided by enCodePlus.
 - (5) Altered or modified software, unless altered or modified by enCodePlus documentation or knowledge base.
 - (6) Defects in the software due to hardware malfunction, abuse or improper use.
 - (7) Any version of the software for which support services have been discontinued.
 - (8) Customization, integration and any issues arising from non-standard usage of the software.
 - (9) Professional services that have not been purchased.

6) **Term and Termination.**

- a. *Initial Term.* The initial term of this Agreement commences as of the Effective Date and, unless terminated earlier pursuant to this Agreement, will continue in effect for five years (the "Initial Term").
- b. *Renewal.* Following expiration of the Initial Term, this Agreement will automatically and perpetually renew each year on the anniversary of the Effective Date unless:
- (1) terminated pursuant to this Agreement, or
 - (2) the Licensee gives Licensor written notice of nonrenewal at least 30 days prior to the expiration of the current term (collectively, the Renewal Term and the Initial Term constitute the "Term").
- c. *Termination for Cause.* In addition to any right of termination set forth elsewhere in this Agreement, the Licensor or Licensee may terminate this Agreement for cause in accordance with this Section.
- (1) The Licensor or Licensee may give written notice of termination to the other party effective as of the date specified in the notice if:
 - (a) the other party materially breaches this Agreement; and
 - (b) the breach cannot be cured, or can be cured, but remains uncured 30 days after the breaching party receives written notice of the breach.
 - (2) The Licensee may terminate any and all of this Agreement, effective immediately, by written notice to Licensor if Licensor:
 - (a) is dissolved or liquidated or takes any corporate action for such purpose;

- (b) becomes insolvent or is generally unable to pay, or fails to pay, its debts as they become due;
- (c) files or has filed against it a petition for voluntary or involuntary bankruptcy or otherwise becomes subject, voluntarily or involuntarily, to any proceeding under any domestic or foreign bankruptcy or insolvency Law;
- (d) makes or seeks to make a general assignment for the benefit of its creditors; or
- (e) applies for or has appointed a receiver, trustee, custodian, or similar agent appointed by order of any court of competent jurisdiction to take charge of or sell any material portion of its property or business.

d. *Termination for Convenience.* At any time without cause and without causing any breach or incurring any additional obligation, liability, or penalty, the Licensee may terminate this Agreement, in whole or in part, at any time by giving 30 days written notice to Licensor. In the event this Agreement is terminated for convenience, Licensor shall be paid for any services properly performed through the termination date specified in the written notice of termination. Licensor acknowledges that payment for goods and services rendered is good, valuable and sufficient consideration for the Licensee’s right to terminate this Agreement for convenience.

e. *Effect of Termination; Data Retention.* Upon termination or expiration of this Agreement, the Licensor and Licensee shall comply with the requirements and obligations of this Subsection.

- (1) Subject to the continuing rights, licenses, and obligations of either Licensor or Licensee under this Agreement, all authorizations and licenses granted under this Agreement will immediately terminate. The Licensee shall cease all use of the expired or terminated Licensed Technology, and Licensor shall cease all use of Licensee Data.
- (2) The Licensee shall pay to Licensor all undisputed charges and amounts due and payable to Licensor, if any, for use of the Licensed Technology and Services performed under the terminated or expired Agreement.
- (3) Licensor shall repay, on a pro rata basis, all fees, expenses, and other amounts paid in advance for any Services that Licensor has not performed as of the effective date of such expiration or termination.

7) **Fees.**

a. *Fees.* Licensee will pay Licensor in accordance with Exhibit B.2, Payment Schedule.

b. *Delays.* In the event of substantial delays occurring during the performance of the one-time build services through no fault of the Licensor, the one-time build sum shall be equitably adjusted by change order in accordance with the procedures in Section 23, Change Orders. A delay shall be considered substantial when it causes a cumulative delay of 30 days or more. The change in fee due to such substantial delay shall be one percent of the total one-time and annual cost, accrued on a monthly basis until the services are complete. The timelines are as follows:

- (1) Provision of requested documents, files and information 10 business days
- (2) Approval of layout and design deliverables 5 business days
- (3) Response to questions regarding certain features 5 business days

- (4) Review, testing and approval of individual deliverables
 - (a) Published document(s) 15 business days
 - (b) Premium features 10 business days
- (5) Draft site delivery 10 business days

c. *Fees During Renewal Terms.* Licensor fees are fixed during the Initial Term. Licensor may increase Fees for the Renewal Term and subsequent Renewal Terms by providing written notice to the Licensee at least 60 calendar days before the Renewal Term that would be subject to the new fees begins. No increase in Fees for a Renewal Term shall exceed the lesser of:

- (1) Three percent of the Fees effective during the immediately preceding Renewal Term; or
- (2) The amount equal to the percentage of the most-recently published Consumer Price Index (CPI) for all Urban Consumers. Licensor and Licensee agree that if this CPI is no longer published, Licensor and the Licensee will negotiate in good faith to select a new index that best reflects and accounts for cost changes relevant to the Licensee’s geographic location and Licensor’s business.

d. *Invoices.* Licensor shall submit invoices to the Licensee for access to the Licensed Technology and for all services completed at least 60 days prior to the due date of the payment. The invoice shall be submitted to Licensee in electronic format.

e. *Payment.*

- (1) *Initial Term.* Invoices will be issued upon substantial completion of the draft and final deliverables. Licensee shall have 30 calendar days from the date the invoice is issued to review and provide final written comments on each deliverable. The invoice is payable on the 31st day.
- (2) *Renewal Term.* Licensor shall submit invoices to Licensee for access to the Licensed Technology and all services completed at least 60 days prior to the due date of payment.
- (3) *Late Payment.* If any payment due under this Agreement ("Payment Due") is more than 15 days past due, a fee of 10 percent of the Payment Due shall be paid by Licensee in addition to the Payment Due. If Payment Due is more than 30 days late, the Fee shall be 20 percent in addition to the Payment Due. If Payment Due is more than 45 days late, the Licensed Technology will be taken off line, and will not be restored until the Payments Due and any Fees associated with each Payment Due has been paid in full.

8) **Software Build.**

- a. *Content.* Refer to Exhibit B.2, Payment Schedule.
- b. *Standard Features.* Refer to <https://www.encodeplus.com/resources/features/#standard>.
- c. *Support and Maintenance.* With respect to addressing errors which may arise in the Licensed Technology, Licensor shall provide Support Services for the Licensed Technology in accordance with the provisions of this Subsection.
- d. *Support Responsibilities.*
 - (1) Support shall be provided by Licensor as set forth in Exhibit B.2, Payment Schedule.
 - (2) Licensor shall:

- (a) Correct all Service Errors, including by providing defect repair, programming corrections, and remedial programming.
 - (b) Provide telephone or web-based support within one business day of contact by Licensee during Licensor's business hours, or at a mutually agreeable time. Licensor will promptly assess the issue and its severity and on the same day will notify Licensee of the expected time of resolution. Licensor will use commercially reasonable efforts to resolve issues within one business day, or less, and may use any reasonable resolution method available (e.g., fixes, workarounds, etc.) to resolve an issue. The most severe issues whereby the Licensed Technology is unusable will be the first and highest priority, which will be worked on until resolved. Licensor does not guarantee resolution of issues within the response period, only response to initial calls. Failure to contact a Licensee within the response time period because the Licensee is unavailable (e.g., phone busy, no answer, in a meeting, or out of the office) does not constitute Licensor's noncompliance with the response commitment. Failure of Licensor to achieve the technical support response times shall not constitute a material breach of this Agreement.
 - (c) Provide online access to user support information, to the full extent Licensor makes such resources available to its other customers.
- e. *Service Maintenance.* As part of the annual license fee, Licensor shall continuously maintain the Licensed Technology to optimize availability. Such maintenance services shall be performed outside of Licensee's normal operating hours, and include:
 - (1) Scheduled once annually, all updates, bug fixes, enhancements, new releases, new versions, and other improvements to the Licensed Technology, excluding additional features, at no additional charge;
 - (2) Ensuring that all changes to the Licensed Technology will not adversely affect the system; and
 - (3) All such services and repairs necessary to maintain access to or use of the Licensed Technology.
- f. *Escrow.* If included as a feature in Exhibit B.2, Payment Schedule, or added thereafter by amendment to this Agreement, Licensor shall place all source code constituting and relating to the Licensed Technology into an escrow account pursuant to the terms of an escrow agreement (the "Escrow Agreement") to be entered into between Licensor and the escrow agent (the "Escrow Agent") which shall name Licensee as a beneficiary; provided, however, that the Escrow Agreement shall contain substantially the following conditions with respect to release of escrow to Licensee: (i) Licensor is adjudged bankrupt, and/or (ii) in the event of a catastrophic loss which terminates Licensor's operations, then Licensee shall have a non-exclusive, royalty-free, perpetual, worldwide license to use the source code released from the escrow in its sole discretion, solely for its own internal use and not for any resell, license, or sub-license. In consideration of Licensor placing the source code in escrow, Licensee will pay an annual escrow fee of \$1,000, plus a \$500 escrow initiation fee, for the first license year and an annual source code escrow fee of \$1,000 thereafter. All charges for additional services which may be requested from the escrow company by Licensee as a beneficiary to the escrow agreement shall be payable by Licensee.

- 9) **Add-Alternate Services.** As elected by Licensee, Licensor may undertake the following services:
- a. *Code Management.* The "Content" identified in Section 8, Software Build, above, may be systematically managed and maintained by Licensor. Such services include the integration of new or amended text and the documented history (i.e., ordinance, resolution, bill, by-law, plus the adopted and/or effective date, and legal citation(s), as applicable). All amendments will be denoted by Title, Chapter, Article, or Section, as applicable, together with a cumulative history table of all amendments. The ordinance, resolution, bill, or by-law is uploaded to the cloud library and linked within the document text and history table. Keywords may be added to maintain a searchable history of amendments.
 - b. *Process.* Licensor and Licensee will undertake the following process in relation to Document Management services:
 - (1) Licensee shall provide Word document, and any related JPEG, table, or similar document(s) to Licensor;
 - (2) Licensor shall provide the document management process services described in this Section and inform Licensee by email upon substantial completion of same;
 - (3) Licensee shall have a 15 business-day review period for accuracy after receipt of notice from Licensor, by the end of which review period Licensee shall inform Licensor of required corrections by email;
 - (4) Licensor shall make final corrections and inform Licensee by email upon substantial completion of same.
 - (5) Licensee shall have a five business-day review period for accuracy after receipt of notice from Licensor, by the end of which review period Licensee shall inform Licensor to release the document(s) for public use or inform Licensor of required corrections by email; Subsections 4 and 5 shall be repeated until all needed corrections have been made by Licensor; and
 - (6) Licensor shall release the document(s) for public use within five business days of notice from Licensee to do same.
 - c. *Retroactive Legal Review.* In-state attorneys will perform a thorough audit of the historical state of the ordinances. The city may not have reviewed its ordinances in several years (sometimes decades) and, therefore, the ordinances may be out of date. At the outset of the project, we will perform an audit of the existing code for potentially out of date ordinances. This review process may take between 30-45 days depending upon the number and nature of ordinances and the level of required review. The retroactive review will include several different types of issue spotting. First, the reviewer will determine whether any changes in legislation since the last recodification have rendered the code inaccurate or illegal. Second, the reviewer will consider whether certain ordinances are otherwise unconstitutional. Finally, the reviewer will determine if there are enforcement issues related to ambiguities in the code or other procedural due process issues.
 - d. *Tracking New Legislation and Code Updates.* The attorneys will be responsible for monitoring new legislation and case law that impacts the city's ordinances. The attorneys will prepare memorandum or other correspondence when new legislation is imminent or becomes effective.

The attorneys will track bills that are being sent to the Governor for consideration. The attorneys will track decisions of local courts and the state and national courts at the federal level for changes that impact the city's ordinances. This task will be performed on a continuing basis. Communications on this subject will be disseminated as the circumstances dictate.

- e. *Collaboration with City Attorney.* One of the ongoing responsibilities will be collaborating with local officials and most notably, the city attorney. This collaboration will involve explaining potential issues both from the retroactive legal review and the ongoing legislation tracking. Attorneys will provide legal memorandum and/or other communications succinctly identifying the potential issues from the retroactive review or ongoing monitoring of new legislation. The attorneys will deliver these communications on an as needed basis.
 - f. *Drafting Ordinances.* The ordinance review and ongoing legislation tracking may involve suggestions for drafting new ordinances or redrafting existing ordinances. This may include simple changes to existing ordinances or crafting wholly new ordinance chapters to replace obsolete ordinances or writing new ordinances to meet new legal standards. The attorneys will provide advice and drafting on the various ordinances on an as needed basis.
 - g. *Annual Review.* The attorneys will engage in an annual review of the city's ordinances. The attorneys will review the code at or near the beginning of each fiscal year to ensure compliance with updated legislation and case law. The review will include issue spotting for other constitutional or enforcement issues similar to the initial retroactive review. This review could occur on a different schedule approved by the city.
- 10) **Scope of Use.** Licensee acknowledges and agrees that the License Programs and Documentation are furnished to Licensee for the sole use of Licensee during the term of this Agreement. Licensee shall use the License Programs and Documentation only for Licensee's own internal purposes and shall not, without the prior written approval of Licensor, either allow any third party (i.e., other than employees who have a "need to know" the same in furtherance of Licensee's own internal purposes and are legally obligated to preserve and protect the secrecy thereof) to obtain the License Programs and Documentation or allow any use of the License Programs and Documentation for the benefit of any third party other than strictly for Licensee's own internal purposes.
- 11) **Use by Other Localities.**
- a. *Extension of Agreement.* This License Agreement may be extended, with the authorization of the Licensee, to other public bodies or public agencies or institutions of the United States to permit their use of the contract at the same prices and terms and conditions of the License Agreement. If any other public body decides to use the final contract, the Licensor shall deal directly with that public body concerning the placement of orders, issuance of the purchase orders, contractual disputes, invoicing and payment. The Licensee acts only as the "Contracting Agent" for these public bodies.
 - b. *Responsibility for Notice.* It is the Licensor's responsibility to notify the public body(s) of the availability of the contract.

- c. *Own Legal Determination.* Other public bodies desiring to use this License Agreement must make their own legal determination as to whether the use of this License Agreement is consistent with their laws, regulations, and other policies.
- d. *Separate Agreement.* Each public body has the option of executing a separate License Agreement with the Licensor. Public bodies may add terms and conditions required by statute, ordinances, and regulations, to the extent that they do not conflict with the License Agreement's terms and conditions. If, when preparing such a License Agreement, the general terms and conditions of the public body are unacceptable to the Licensor, the Licensor may withdrawal its extension of the award to that public body.
- e. *Not Held Liable.* The Licensee shall not be held liable for any costs or damages incurred by another public body as a result of any award extended to that public body by the Licensor.

12) **Acknowledgement of Proprietary Rights.**

- a. Licensee acknowledges that Licensor holds all right, title, and interest in and to the License Programs and Documentation, including all materials, media and copies thereof, and including all intellectual property rights (trade secrets and copyrights) pertaining thereto, and that this Agreement ("Agreement") conveys to Licensee only a limited right to use the License Programs and Documentation. Such right is fully revocable in accordance with the provisions of this Agreement. Licensee agrees that, except for such right of use, it shall not assert any right, title, or interest in or to the License Programs or Documentation.
- b. Licensee acknowledges that the License Programs and Documentation constitute commercially valuable, proprietary, confidential products of Licensor, the design and development of which reflect a considerable effort on the part of skilled development professionals and the investment of considerable time and money. Licensee further acknowledges that the License Programs and Documentation contain substantial Trade Secrets of Licensor, which have been entrusted to Licensee for use only as expressly authorized under this Agreement. As used herein, Trade Secrets mean and include any scientific or technical information, design, process, procedure, formula, or improvement that is commercially valuable and secret (in the sense that its confidentiality affords Licensor a competitive advantage over its competitors). Trade Secrets include (without limitation) the source code, system design and specifications, command structure, algorithms, and input and output formats pertaining to the License Programs. Trade Secrets do not include, however, any data or information that (i) is generally known to the public, (ii) has been or is disclosed to Licensee as a matter of right and without restriction by a third party who has lawfully obtained such data or information without obligation to Licensor, (iii) is independently developed by Licensee without reliance in any way on the License Programs or Documentation, or (iv) is approved for unrestricted publication by Licensor at any time. If required by order of any government authority, Licensee may disclose to such authority data, information, or materials pertaining to or involving the License Programs and Documentation only to the extent required by such order, provided that Licensee shall first have used its best efforts, in cooperation with Licensor, to obtain a protective

order reasonably satisfactory to Licensor and sufficient to maintain the confidentiality of such data, information, or materials.

- c. Licensor claims and reserves to itself all rights and benefits afforded under U.S. copyright law and all international copyright conventions in all License Programs and Documentation as restricted, unpublished works.
- d. With the exception of "confidential records", all records of a governmental body are presumed to be public records, open to inspection by members of the public. Confidential records are to be kept confidential, "unless otherwise ordered by a court, by the lawful custodian of the records, or by another person duly authorized to release such information". Among the public records which are considered confidential are the following:
 - (1) Trade secrets which are recognized and protected as such by law.
 - (2) Reports to governmental agencies which, if released, would give advantage to competitors and serve no public purpose.
- e. If a request is made by a member of the public to examine the Licensed Technology and related records, including the portion or portions thereof for which a confidentiality request has been made by this Agreement, the Licensee will so notify the Licensor and will keep confidential the Licensed Technology and related records, pending action by the Licensor requesting confidentiality to defend its request. In that notification, the Licensor requesting confidentiality will be given not more than 10 calendar days within which to file suit seeking the entry of a declaratory order and/or injunction to protect and keep confidential such portion of the Licensed Technology and related records. Absent such action by Licensor requesting confidentiality, and absent the entry of a court order declaring such portion or portions of the Licensed Technology and related records confidential, said information will be released for public examination. Licensor shall be responsible for all costs relating to a declaratory judgment or injunctive action, including the payment of any damages assessed and attorney fees and litigation expenses awarded.

13) Restrictions on Use and Copying.

- a. Licensee shall devote its best efforts, consistent with the practices and procedures under which it protects its own most valuable proprietary information and materials, to protect the License Programs and Documentation against any unauthorized or unlawful use, disclosure, dissemination, or copying.
- b. Licensee shall not, at any time, disclose or disseminate the License Programs or Documentation (including any extract, copy, adaptation, or transcription thereof), or the Trade Secrets embodied therein, whether in whole or in part, to any employee, consultant, contractor, or other person who does not have a need to know and obtain access thereto in order to give effect to the rights granted to Licensee under this Agreement, in order to maintain the proprietary and confidential nature of such materials and to limit use and copying thereof and access thereto as required by the terms of this Agreement. Licensee shall require any persons authorized to have access to the License Programs and Documentation to accept the terms and conditions of such access.
- c. Licensee shall make no hard copies of the License Programs or Documentation.

- d. Under no circumstances may Licensee decompile, reverse engineer, or "unlock" (as the term is generally used in the industry) the License Programs.
- 14) **Survival of Obligations.** Licensee's obligations identified in this Agreement shall survive the termination of the Agreement and remain in effect for so long as Licensor is entitled to protection of its rights in the Licensed Programs and Documentation under applicable law.
- 15) **Notices.**
- a. *Generally.* Except as provided in Subsection 16.b., notices delivered pursuant to this Agreement shall be sent to the people and addresses shown in Exhibit B.3, Notices. Generally, notices shall be delivered by First Class Mail or courier service. Such notice shall be deemed to have been given when deposited in the United States Mail or courier service properly addressed to the intended recipient.
- b. *Upgrades, Maintenance, Service Interruptions, and Planned Outages.* Notices regarding upgrades, maintenance, service interruptions, and planned outages shall be delivered by electronic mail to the Licensee. Licensee may change the individuals who receive notice pursuant to this Subsection by electronic mail notice to Licensor.
- 16) **Assignment.** Licensor may not assign its rights and obligations under this Agreement without prior written notice to Licensee no less than 30 days prior to assignment. Licensee may thereafter continue with the terms of this Agreement, attempt to renegotiate with the assignee, or terminate this license pursuant to the provisions of Section 6, Term and Termination.
- 17) **No Third-Party Beneficiaries.** This Agreement is for the sole benefit of the Licensor and Licensee and their respective successors and permitted assigns. There are no third-party beneficiaries to this Agreement.
- 18) **No Waiver.** The failure of either party to exercise or enforce any right or provision of this Agreement shall not constitute a waiver of such right or provision. A waiver of any breach under this Agreement shall not be deemed a waiver of any subsequent breach.
- 19) **Effective Date.** The Effective Date shall be the date on which the Licensee executes this Agreement, or such other date as may be agreed to by the Licensor and Licensee and indicated as "Effective Date" below.
- a. *Venue.* Licensor and Licensee agree that this Agreement shall be construed in accordance with the laws of Texas. Venue for all actions brought pursuant to this agreement is in Montgomery County; and all parties consent to Montgomery County, being the exclusive jurisdiction to resolve said claims or controversies arising pursuant to this agreement. The parties will attempt in good faith to resolve any controversy or claim arising out of or relating to this Agreement promptly by negotiation between senior executives of the parties who have the authority to settle the controversy.
- b. *Notice of Dispute.* The disputing party shall give the other party written notice of the dispute. The other party shall respond in writing within 10 days after receipt of said notice. The notice and response shall include: (1) a statement of the party's position and a summary of the facts and arguments supporting its position; and (2) the name and title of the executive who will represent

the party. The executives shall meet at a mutually acceptable time and place within 20 days of the date of the disputing party's notice and thereafter as often as they reasonably deem necessary to exchange relevant information and to attempt to resolve the dispute.

- c. *Mediation.* If the controversy or claim has not been resolved within 30 days of the first meeting of the senior executives, the parties shall endeavor to settle the dispute by non-binding mediation.
- d. *Court.* If the matter has not been resolved pursuant to the aforesaid non-binding mediation procedures within 90 days of the commencement of such procedure, parties may bring their claim in a court of law. Venue for all actions brought pursuant to this Agreement is in Montgomery County and all parties consent to Montgomery County, being the exclusive jurisdiction to resolve said claims or controversies arising pursuant to this agreement.
- e. *Relief.* Nothing in this Section shall prevent a Party from bringing an action for injunctive relief if such relief is necessary for the protection of a right or property or proprietary information which might be lost absent such relief.

20) **Integration.** This Agreement constitutes the entire agreement between the parties with regard to the subject matter hereof and thereof. This Agreement supersedes all previous agreements between or among the parties. There are no agreements, representations, or warranties between or among the parties other than those set forth in this Agreement or the documents and agreements referred to in this Agreement.

21) **Force Majeure.**

- a. *Excused.* The party affected by the Force Majeure Event shall be excused from performance due to a Force Majeure Event as long as the affected party:
 - (1) gave prompt notice within 20 days of the Force Majeure Event to the other party,
 - (2) took all reasonable steps to avoid the cause of nonperformance, and
 - (3) continued to take reasonable steps to avoid and remove the cause of nonperformance.
- b. *Notice.* The affected party shall promptly notify the other party in writing and resume performance as soon as possible after the Force Majeure Event and to the full extent the cause of nonperformance is removed.

22) **Change Orders.** The fees and timeline may be changed only by Change Order. A Change Order signed by the Licensor and Licensee indicates agreement, including the adjustment in the fee and timeline. A Proposed Change Order (PCO) is a written request submitted to the Licensee by the Licensor requesting a change to the fee and/or schedule.

23) **Amendments and Modifications.** No amendment, modification, or supplement to this Agreement shall be binding on any of the parties unless it is in writing and signed by the parties.

24) **General Interpretation.** The terms of this Agreement have been negotiated by the parties hereto and the language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent. This Agreement shall be construed without regard to any presumption or rule requiring construction against the party causing such instrument or any portion thereof to be drafted, or in favor of the party receiving a particular benefit under the agreement. No rule of strict construction will be applied against any person.

- 25) **Further Assurances.** Each of the parties agree to take such further action to execute and deliver such additional documents as may be reasonably required to them to effectuate the purpose and intent of this Agreement.
- 26) **Severability.** If any term or provision of this Agreement is determined to be illegal, unenforceable, or invalid in whole or in part for any reason, such illegal, unenforceable, or invalid provisions or part thereof shall be stricken from this Agreement, and such provision shall not affect the legality, enforceability, or validity of the remainder of this Agreement. If any provision or part thereof of this Agreement is stricken in accordance with the provisions of this section, then this stricken provision shall be replaced, to the extent possible, with a legal, enforceable, and valid provision that is as similar in tenor to the stricken provision as is legally possible.


	_____ Effective Date
Licensee	enCodePlus, LLC
Authorized Agent Signature	Licensor  Authorized Agent Signature
Authorized Agent (Typed)	Bret C. Keast, CEO Authorized Agent (Typed)
Date	Date

EXHIBIT B.1
REQUEST FOR USER NAME AND PASSWORD

The City of Montgomery ("Licensee") requests that a new password be issued by enCodePlus, LLC ("Licensor") for the benefit of Licensee to enable the undersigned user ("User") to access and use the maintenance module and User Guide for the Licensed Technology. Licensee and the undersigned agree to comply with the below provisions of the End User License Agreement between Licensor and Licensee.

Licensee agrees that each of Licensee's employees having administrative or maintenance access to the Licensed Technology, and at the full discretion of Licensor, contract workers and any third parties acting on behalf of Licensee or any other person or entity acting as an agent for Licensee in any capacity, shall be identified to Licensor and issued a unique password. Each person receiving a password must first complete and sign the user acknowledgment form below. Submission of such acknowledgment form will constitute a request by Licensee for issuance of a new password for a particular individual, and upon receipt of a completed acknowledgment form, Licensor will issue a password for that individual user. Passwords are **not transferable**. When Licensee becomes aware that a user will no longer need a password, for any reason, Licensee agrees to immediately notify Licensor that the password is no longer active. Any replacement users will be issued a new password. Licensee acknowledges full responsibility for any improper use of a password issued at the request of Licensee, and for any loss by or damage to Licensor caused by an improper use of any such password.

The undersigned supervisor and each licensed user agree to the terms of this Agreement and are responsible for the User's compliance.

Refer to Licensed User Amendment Form on next page.



P: 1800.3819286 I E: info@enCodePlus.com
A: 1415 Highway 6 South, Ste A300, Sugar Land, TX 77478
ENCODEPLUS.COM

enCodePlus Software License

LICENSEE: _____

Licensed User Amendment Form

Licensee, as stated above, requests that new users and new or revised passwords be issued by onCodePlus, LLC ("Licensor") for the benefit of licensee to enable the undersigned users ("User") to access and use the maintenance module and User Guide for the software program. Licensee and the undersigned agree to comply with the provisions of the license agreement between Licensor and Licensee.

Permissions and Authorities. Below are the levels of permission and authority granted to staff, editors, publishers, and managers, respectively.

Role/Task	Levels of Permissions/Authorities			
	Staff	Editors	Publishers	Managers
Management Module Access	X	X	X	X
View Draft Regulations, Reports, Publishing Status, Comments	X	X	X	X
Edit Regulations, respond to comments		X	X	X
Approve Regulation changes			X	X
Publish Regulations			X	X
Manage Users (reset passwords, change names)				X

Supervisor Signature

Printed Name

Date



P: 1800.3819286 I E: info@enCodePlus.com
A: 1415 Highway 6 South, Ste A300, Sugar Land, TX 77478
ENCODEPLUS.COM

USER 1	
User Status <input type="radio"/> Current User <input type="radio"/> New User <input type="radio"/> Transfer User <input type="radio"/> Remove User	Level of Permission/Authority (check one) <input type="radio"/> Staff <input type="radio"/> Editor <input type="radio"/> Publisher <input type="radio"/> Manager
Printed Name	Date
Email (Username)	Previous Username, if applicable

USER 2	
User Status <input type="radio"/> Current User <input type="radio"/> New User <input type="radio"/> Transfer User <input type="radio"/> Remove User	Level of Permission/Authority (check one) <input type="radio"/> Staff <input type="radio"/> Editor <input type="radio"/> Publisher <input type="radio"/> Manager
Printed Name	Date
Email (Username)	Previous Username, if applicable

USER 3	
User Status <input type="radio"/> Current User <input type="radio"/> New User <input type="radio"/> Transfer User <input type="radio"/> Remove User	Level of Permission/Authority (check one) <input type="radio"/> Staff <input type="radio"/> Editor <input type="radio"/> Publisher <input type="radio"/> Manager
Printed Name	Date
Email (Username)	Previous Username, if applicable

USER 4	
User Status <input type="radio"/> Current User <input type="radio"/> New User <input type="radio"/> Transfer User <input type="radio"/> Remove User	Level of Permission/Authority (check one) <input type="radio"/> Staff <input type="radio"/> Editor <input type="radio"/> Publisher <input type="radio"/> Manager
Printed Name	Date
Email (Username)	Previous Username, if applicable

USER 5	
User Status <input type="radio"/> Current User <input type="radio"/> New User <input type="radio"/> Transfer User <input type="radio"/> Remove User	Level of Permission/Authority (check one) <input type="radio"/> Staff <input type="radio"/> Editor <input type="radio"/> Publisher <input type="radio"/> Manager
Printed Name	Date
Email (Username)	Previous Username, if applicable

**EXHIBIT B.2
PAYMENT SCHEDULE**

Content Build	Term	Not-To-Exceed Amount
Code of Ordinances	One-Time	Included with UDO
<i>Subtotal</i>		\$0
Feature Build		
Archive Manager	One-Time	Included with UDO
Template Design		
Cloud Library		
eReader		
Zoning Navigator		
GIS Bundle		
<i>Subtotal</i>		\$0
TOTAL ONE-TIME BUILD		
License, Maintenance		
Software License	Annual	\$1,500
Cloud Library		\$1,000
GeoZone Bundle		\$11,250
TOTAL ANNUAL LICENSE AND MAINTENANCE		\$13,750
TOTAL ONE-TIME + ANNUAL (YEAR ONE)		\$3,500

EXHIBIT B.3
NOTICES

To Licensor	To Licensee
<p>Bret C. Keast, AICP, President enCodePlus, LLC 77 Sugar Creek Center Blvd, Suite 600 Sugar Land, TX 77478 Tel: 281.302.5847 Email: bret@enCodePlus.com</p> <p><i>With copy to:</i> William G. Harger, Attorney at Law William G. Harger & Associates, PLLC 704 Main Street Richmond, Texas 77469 Tel: (281) 202-6000 Email: harger@hargerlaw.com</p>	<p>Gary Palmer, City Administrator City of Montgomery 101 Old Plantersville Road Montgomery, Texas 77316 Tel: 936.597.3962 Email: gpalmer@ci.montgomery.tx.us</p> <p><i>With a copy to:</i></p>
Account Management	Financial Services Department (minimum two)
<p>Kim Keast, Business Manager enCodePlus, LLC 77 Sugar Creek Center Blvd, Suite 600 Sugar Land, TX 77478 Tel: (281) 302-5847 Email: kim@encodeplus.com</p>	<p>Maryann Carl, Finance Director City of Montgomery 101 Old Plantersville Road Montgomery, Texas 77315 Tel: 936.597.4491 Email: mcarl@ci.montgomery.tx.us</p>
GIS Build	GIS Department / Contact
<p>Suhag Kansara, AICP enCodePlus, LLC 77 Sugar Creek Center Blvd, Suite 600 Sugar Land, TX 77478 Tel: (281) 888-0697 Email: suhag@encodeplus.com</p>	

EXHIBIT "C"
SUPPORT SERVICES

- C.1 The City will provide administrative and technical support services to assist the Consultant Team in performing the Scope of Services described above for development of the UDO ("Project"). The support services to be provided by City will include the following types of general services and specific tasks for the planning program:
- A. Identify a single individual as the City's Project Director, who will serve as a primary point of contact and source of day-to-day work program direction for this collaborative regulatory drafting effort involving both City and Consultant personnel, resources, and capabilities.
 - B. Provide all available data, maps, air photos, spatial data, previous reports/plans/studies/ordinances, data sets and GIS coverages and layers already developed/maintained by the City for its entire planning area, and other information that is available to the City in digital or printed format, which is pertinent and necessary for development of the UDO. Prompt compilation and delivery of such resource materials to the Consultant Team is an essential prerequisite for initiation of the regulatory drafting process and timely progress on various initial public participation and strategic assessment tasks. City materials will not be required to be returned upon project completion.
 - C. Make affected or related entities or organizations aware of the UDO project and the process for developing the regulations.
 - D. Ensure that key City personnel and appointed and elected officials will participate as needed in the process and be available upon request, through arrangements made by the City's Project Director, to provide information and referrals and offer opinions, insights, and suggestions that are necessary for development of the various aspects of the UDO. This will include potential formal or informal meetings and a briefing with the City Council as specified in scope of services, above.
 - E. Review in a timely manner the draft regulatory provisions submitted by the Consultant Team.
 - F. Reproduce and forward each draft project submittal provided via e-mail by the Consultant Team to appointed and elected officials, City staff, and other project participants as appropriate. The Project Director of the City may provide briefings to the City Council or other bodies at regular intervals throughout the process.
 - G. Conduct public information activities in conjunction with public meetings and other fitting project milestones. As necessary, the City will be responsible for news media contacts, preparation and distribution of news releases and any other public information materials, and posting of meeting notices and project information and updates on the City's web site. The Consultant Team will contribute materials for posting by the City on the City's web site as provided in the scope of services, above.
 - H. Organize, notice, provide space for, and provide administrative support for meetings of appointed and elected officials, open door meetings, staff meetings, and any other events and workshops. This support includes:
 - (a) Adequate setup for presentations (PowerPoint projector, sound system, screen or white wall, reduced lighting, extension cords, easels, flip pads and markers, etc.).
 - (b) Arranging meeting locations and reproducing agendas and other handouts.
 - (c) Noticing the meetings according to City requirements for public notice.
 - (d) Provide three-ring binders (2" size) with section dividers for each appointed and elected official, and applicable staff member for purposes of organizing and maintaining project materials throughout the process.

- (e) Reproduce paper copies of project materials as the City deems necessary for execution of the project.
 - I. Consider and act on all deliverables and other interim work items submitted by the Consultant Team that require City review, comments or approval within a reasonable period of time so as to enable the Consultant Team to complete the work on schedule. Specific timeframes for such City response will be incorporated into a detailed project schedule.
 - J. Provide the Consultant Team written summaries and copies of any handouts/materials from all project-related meetings not attended by the Consultant Team.
- C.2 In support of the Software as a Service, the City will provide the following to the Consultant Team:
- A. The City's logo as an original file (.eps or .ai preferred; high resolution .jpg, .tif, or .png also accepted).
 - B. The City's Digital Style Guide, if available, including:
 - (a) RGB or hex color mixes for any official colors;
 - (b) Fonts used, including web font preferences; and
 - (c) Additional relevant iconography or branding images.
 - C. Up to a 100-word welcome message for the home page (via email or MS Word).
 - D. Up to six high-resolution images that portray the City for use on the home page.
 - (a) Images must be 1280x1024 pixels or greater
 - (b) In .jpg format
 - (c) The City must own or have permissions to use such photographs
 - (d) For ADA accessibility, alternate or "Alt" image tags can be provided for each image
 - E. URLs or PDFs and titles of all the files and materials you would like to include in the Document Library, including reports and studies, static maps, applications, and forms, etc.

Montgomery City Council
AGENDA REPORT

Meeting Date: March 12, 2024	Budgeted Amount: N/A
Department: Admin	Prepared By: Dave McCorquodale

Subject

Consideration and possible action on variance requests for minimum lot width and minimum lot area as submitted by Taylor Morrison of Texas, Inc.

Recommendation

Approve the variance requests as submitted to allow 55-foot minimum lot width and 6,000 square feet minimum lot area for the proposed development.

Discussion

Issue:

You will recall an informal presentation and discussion of this proposed development in a workshop on February 12th. The proposed development includes residential lots with a minimum of 55-foot lot widths and lot areas ranging from 6,000 to over 12,000 square feet. The developer is proposing 10-foot side yards and 120-foot lot depths on all lots and is not requesting a variance for side yard setbacks or lot depth.

Regulations:

Section 78-28 of the City Code of Ordinances prescribes the variance process:

When a subdivider or developer can show that a provision of this chapter would cause unnecessary hardship if strictly adhered to, or where because of some condition peculiar to the site or the unique nature of the development compliance with this chapter is not consistent with or required by good engineering and planning practices, and if in the opinion of the city council, planning and zoning commission and the city engineer, a departure from this chapter may be made without destroying the intent of this chapter, the city council may authorize a variance.

Section 78-88(c) requires a minimum lot width of 75-feet.

Section 78-88(e) requires a minimum lot area of 9,000 square feet.

Analysis & Conclusion:

The Planning & Zoning Commission unanimously recommended approval of the variance requests at their 3/5/24 regular meeting. The city engineer offers no objections to the variance requests. Staff recommends approval of the variance requests as submitted.

Approved By

Assistant City Administrator & Planning & Development Director	Dave McCorquodale	Date: 03/01/2024

PLANNING & ZONING COMMISSION REPORT AND RECOMMENDATION

TO: MAYOR AND CITY COUNCIL

FROM: PLANNING & ZONING COMMISSION

SUBJECT: RECOMMENDATION OF THE PLANNING & ZONING COMMISSION REGARDING VARIANCE REQUESTS FOR MINIMUM LOT WIDTH AND AREA FOR A PROPOSED 56-ACRE SINGLE-FAMILY RESIDENTIAL DEVELOPMENT BY TAYLOR MORRISON OF TEXAS, INC.

Mayor and City Council,

Pursuant to Section 78-28 of the City of Montgomery Code of Ordinances (“the Code”), the Montgomery Planning and Zoning Commission met on March 5, 2024 to consider two variance requests for minimum lot width and lot area related to this proposed development.

After considering the request and supporting information, the Commission at its March 5th meeting recommended to City Council approval of the variance requests as follows:

- 55-foot minimum lot widths instead of the required 75-feet.
- 6,000 square feet minimum lot area instead of the required 9,000 square feet.

The proposed side yard setbacks are 10-feet on each lot which meets city requirements. The development provides sufficient compensating open space to comply with Section 78-95 of the City Code of ordinances.

Submitted on behalf of the Planning & Zoning Commission,

/s/ Dave McCorquodale, RLA, AICP, CPM
Director of Planning & Development



February 28, 2024

The Planning and Zoning Commission
 City of Montgomery
 101 Old Plantersville Road
 Montgomery, Texas 77316

Re: Variance Request
 Taylor Morrison Development
 City of Montgomery

Dear Commission:

Taylor Morrison (the "Developer") plans to proceed with construction of approximately 56 acres of land situated along Lone Star Parkway just east of Buffalo Springs Drive. The Developer is requesting the following variances from the City's Code of Ordinances:

- Section 78-88: The Code of Ordinances requires single-family residential developments to have a minimum 75' lot width and a minimum 9,000 SF lot size. The Developer is proposing to provide 55' wide lots and 10' side yard lots with sizes ranging from 6,000 to 12,000 SF. The Developer is requesting a variance to allow a minimum 55' lot width and a minimum lot area of 6,000 SF.

Enclosed you will find the request for variance as submitted by the engineer for the development. It is important to note that the Developer is proposing more than the minimum required compensating green space for the lot size variance. We offer no objection to the variances as requested.

Approval of the requested variances does not constitute plan approval and only allows the Developer to further refine the proposed plat and site plans, which will require the full review and approval of the City.

If you have any questions or comments, please do not hesitate to contact me.

Sincerely,

Chris Roznovsky, PE
 Engineer for the City

CVR/zlgt

Z:\00574 (City of Montgomery)_900 General Consultation\Correspondence\Letters\2024\2024.02.28 MEMO to P&Z RE Taylor Morrison Variance Request.docx

Enclosures: Variance Request

Cc (via email): Mr. Dave McCorquodale– City of Montgomery, Director of Planning and Development
 Mr. Gary Palmer– City of Montgomery, City Administrator
 Ms. Nicola Browe – City of Montgomery, City Secretary
 Mr. Alan Petrov – Johnson Petrov, LLP, City Attorney



L SQUARED ENGINEERING

MUNICIPAL COMMERCIAL RESIDENTIAL

3307 W Davis St., Suite 100
 Conroe, TX 77304
 P: 936-647-0420 F: 936-647-2366
 www.L2Engineering.com

February 29, 2024

City of Montgomery
 C/o Taylor Morrison, Inc
 101 Old Plantersville Road
 Montgomery, TX 77316

RE: Variance request for Summer Wind (project name is subject to change) regarding requirements for minimum lot area and lot width.

The subject tract is a 56-acre property located along Lonestar Loop just east of Buffalo Springs Drive and previously located within the City of Montgomery Planned Development (PD) District according to its zoning map. This PD required its developments to be in accordance with the City 2002 City ordinances; however, the PD expired on January 20, 2024. Due to its expiration, this will require the development to comply with its current City ordinances, which requires a 75' wide lot, 9,000 SF lot area and side lot setback of 10'. It is important to note these variances were applied for and granted approval on September 13, 2022. The Developer at this time proposed 45' wide lots with 5' side yards. Since the PD expired and a new Developer is proposing a new product, some variances are being applied for again under the current regulations.

A new developer is proposing development to consist of approximately 170 single-family residential lots, with lot sizes ranging from 6,000 SF to 12,000 SF with 55' x 120' standard lot sizes and 10' side yards. We feel that variance requests are warranted for the following reasons:

- The previously approved variance was for 45' lots with an allowed 5' side yard setback. The proposed lot sizes are 55' with a 10' side yard setback, which exceeds the previously approved variance.
- Section 78-95 allows for compensating green space for lots that are less than the minimum. The proposed development will have lots below the minimum and is proposing several pocket parks, amenity pond and open space to accommodate the compensating green space requirement. A summary of the lots below the minimum and total of the compensating green space is attached. The required compensating green space is 371,593 SF and we are proposing approximately 423,224 SF.
- The proposed development will consist of 170 homes with an average home price of approximately \$325,000, which will be able to generate almost \$62,000,000 worth of tax base within the City.

It is for the above-mentioned reasons that we feel the variance request should be considered and approved. Please feel free to contact me at 936-647-0420 if you have any questions or concerns.

Thank you,

Jonathan White, PE
 L Squared Engineering
 Vice President
 Jwhite@L2Engineering.com

Attachments: Variance Request Application, Site Plan





Variance Request Application

City of Montgomery
101 Old Plantersville Road
Montgomery, Texas 77316
(936) 597-6434

Item 11.

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

Contact Information

Property Developer(s): Speedy Angeles, LLC

Address: 428 Sandoval St. Suite 200 Sante Fe, New Mexico Zip Code: 87501

Email Address: N/A Phone: 505-984-1766

Applicants: L Squared Engineering

Address: 3307 W Davis Street, Suite 100 Conroe, TX 77304

Email Address: jwhite@l2engineering.com Phone: 936-647-0420

Parcel Information

Property Identification Number (MCAD R#): R370277

Legal Description: Approximately 56.7111 Acres of land situated in the John Corner Survey, A8 Montgomery County, TX

Street Address or Location: City of Montgomery

Acreage: 56.7111 Present Zoning: Planned Development Present Land Use: Vacant

Variance Request

Applicant is requesting a variance from the following:

City of Montgomery Ordinance No.: 78-92 (c) Section(s): 78-92

Ordinance wording as stated in Section (78-92):

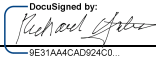
(c) Minimum width is 75 feet.

Detail the variance request by comparing what the ordinance states to what the applicant is requesting:

Lot sizes will have minimum lot width of 55'.

Signatures

Owner(s) of record for the above described parcel:

Signature:  Date: 2/15/2024

Signature: _____ Date: _____

Signature: _____ Date: _____

Note: Signatures are required for all owners of record for the property proposed for variance. Attach additional signatures on a separate sheet of paper.

Additional Information

The following information must also be submitted:

Cover letter on company letterhead stating what is being asked.

A site plan.

All applicable fees and payments.

The application from must be signed by the owner/applicant. If the applicant is not the owner, written authorization from the owner authorizing the applicant to submit the variance request shall be submitted.

<p>Date Received <i>Office Use</i></p>	
---	--



Variance Request Application

City of Montgomery
101 Old Plantersville Road
Montgomery, Texas 77316
(936) 597-6434

Item 11.

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

Contact Information

Property Developer(s): Speedy Angeles, LLC

Address: 428 Sandoval St Suite 200 Sante Fe, New Mexico Zip Code: 87501

Email Address: N/A Phone: 505-984-1766

Applicants: L Squared Engineering

Address: 3307 W Davis Street, Suite 100 Conroe, TX 77304

Email Address: jwhite@l2engineering.com Phone: 936-647-0420

Parcel Information

Property Identification Number (MCAD R#): R370277

Legal Description: Approximately 56.7111 Acres of land situated in the John Corner Survey, A8 Montgomery County, TX

Street Address or Location: City of Montgomery

Acreage: 56.7111 Present Zoning: Planned Development Present Land Use: Vacant

Variance Request

Applicant is requesting a variance from the following:

City of Montgomery Ordinance No.: 78-92 (e) Section(s): 78-92

Ordinance wording as stated in Section (78-92):

(e) Minimum area is 9,000 feet.

Detail the variance request by comparing what the ordinance states to what the applicant is requesting:

Lot sizes will range in the development with a minimum of approximately 6,000 square feet (SF) to 12,842 SF.

Signatures

Owner(s) of record for the above described parcel:

Signature: Date: 2/15/2024

Signature: _____ Date: _____

Signature: _____ Date: _____

Note: Signatures are required for all owners of record for the property proposed for variance. Attach additional signatures on a separate sheet of paper.

Additional Information

The following information must also be submitted:

Cover letter on company letterhead stating what is being asked.

A site plan.

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The application from must be signed by the owner/applicant. If the applicant is not the owner, written authorization from the owner authorizing the applicant to submit the variance request shall be submitted.

<p>Date Received <i>Office Use</i></p>	
---	--



PHASE I
103 LOTS
(TYP. 55'x120')
±26.1 Ac.

PHASE II
84 LOTS
(TYP. 55'x120')
±20.6 Ac.

LOT SUMMARY

55' x 120'	173 LOTS	100%
TOTAL	173 LOTS	

Approximate Tree Mass Areas

a schematic development plan for
LONESTAR PKWY
 ±56.7 ACRES OF LAND
 prepared for
TAYLOR MORRISON

META
 PLANNING + DESIGN
 24285 Katy Freeway, Ste. 525
 Katy, Texas 77494
 Tel: 281-810-1422

SCALE
 0 100 200 400

MTA-I-765A
 FEBRUARY 19, 2024

THIS DRAWING IS A GRAPHIC REPRESENTATION FOR PRESENTATION PURPOSES ONLY AND IS NOT FOR COMPUTATION OR CONSTRUCTION PURPOSES. SAID DRAWING IS A SCANNED IMAGE ONLY AND IS SUBJECT TO CHANGE WITHOUT NOTICE. META PLANNING + DESIGN MAY OR MAY NOT INTEGRATE ADDITIONAL INFORMATION PROVIDED BY OTHER CONSULTANTS, INCLUDING BUT NOT LIMITED TO THE TOPICS OF ENGINEERING AND DRAINAGE, FLOODPLAINS, AND/OR ENVIRONMENTAL ISSUES AS THEY RELATE TO THIS DRAWING. NO WARRANTIES, EXPRESSED OR IMPLIED, CONCERNING THE PHYSICAL DESIGN, LOCATION, AND CHARACTER OF THE FACILITIES SHOWN ON THIS MAP ARE INTENDED. ADDITIONALLY, NO WARRANTY IS MADE TO THE ACCURACY OF THE INFORMATION CONTAINED HEREIN.

Montgomery City Council
AGENDA REPORT

Meeting Date: March 12, 2024	Budgeted Amount: N/A
Department: Admin	Prepared By: Dave McCorquodale

Subject

Consideration and possible action on a sign variance request for the Montgomery Bend development entry sign.

Recommendation

Staff has no objection to the proposed sign and recommends approval of the variance request.

Discussion

Issue:

The developer for the Montgomery Bend subdivision is proposing an entrance sign that does not conform to the city's sign regulations and is requesting a variance be considered by the city.

Regulations:

Chapter 66 of the Code of Ordinances regulates signs within the city. Applicable to this request are:

- Sec.66-53(a) *Calculation of area.*
 - (1) *Size.* The size of a sign is determined by its effective area. For freestanding signs, the effective area includes the entire structure on which all signs are placed or mounted.
 - (3) *Height.* The height of a sign is measured from the natural ground level at the base of the sign to the highest point of the sign.
- Sec. 66-53(e) *Design and materials for freestanding signs.* All freestanding signs must be designed and constructed to substantially appear as a solid mass, such as a cylinder, block, rectangle, or square, from ground level to the highest portion of the sign (commonly known or referred to as a monument type sign). All freestanding signs must be made of masonry, metal, routed wood planks or beams, or durable plastic.
- Sec. 66-53(m) *Permanent signs permitted and regulated in residential districts.*
 - (1) Residential subdivisions are allowed one permanent identification sign at each major entrance. The total surface area at each entrance shall not exceed 64 square feet. The height of such sign shall not exceed eight feet above the average finished grade.
- Sec. 66-53(q) *Variances.*
 - (1) A relaxation of the terms of this section may be permitted where such variance will not be contrary to the public interest and where, because of conditions peculiar to the property and as the result of the actions of the applicant, a literal enforcement of this section would result in unnecessary and undue hardship.
 - (2) A variance is authorized under this subsection (q) only for sign height and area.
 - (3) Any variance obtained under this section shall be granted by the city council.

Montgomery City Council
AGENDA REPORT

Analysis & Conclusion:

The city’s sign regulations allow for a residential subdivision to have one monument sign at each entrance that does not exceed 64 square feet or be more than 8-feet in height. The developer has proposed a sign that includes two stone towers with a metal-finish sign spanning the space between them as shown on the attached drawings. The letters are to be aluminum and are back-lit.

The proposed sign appears well designed and uses a good mix of materials. The sense of place expressed by the design of the sign is more than what is achievable within the parameters of the sign regulations. Many modern neighborhoods employ architectural elements with signage to bolster neighborhood identity instead of using a standard 2-dimensional sign.

For these reasons, staff supports granting the variance request.

Approved By		
Assistant City Administrator & Planning & Development Director	Dave McCorquodale	Date: 03/07/2024

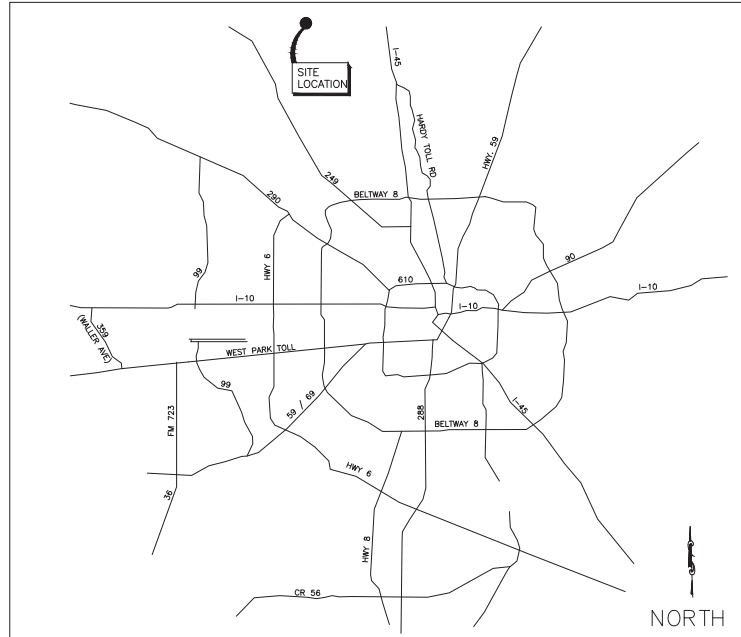
MONTGOMERY BEND

MONUMENT IMPROVEMENTS

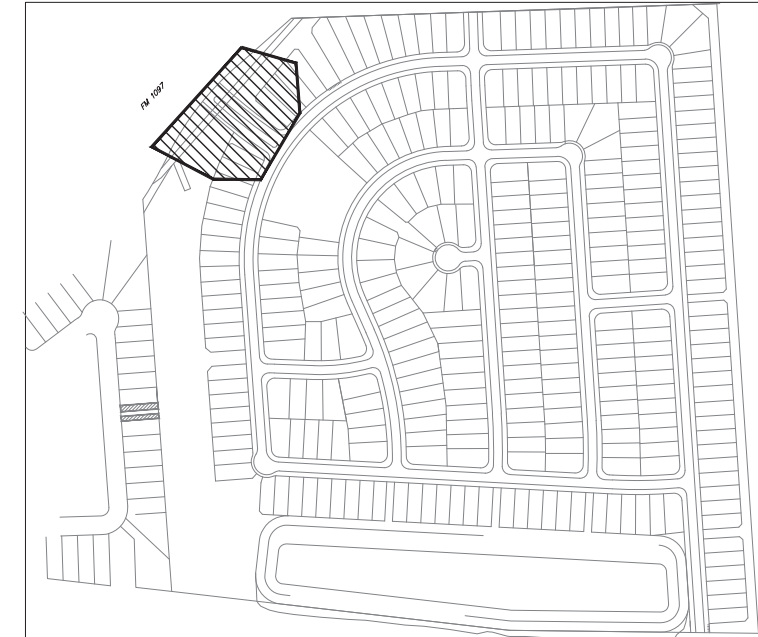
308 and 309 Hazel Rose Trail
Montgomery, Texas 77356

a project developed for
Pulte Homes of Texas

MONTGOMERY COUNTY



MONTGOMERY, TEXAS



by

KGA DEFOREST DESIGN, LLC
LANDSCAPE ARCHITECTURE
24275 Katy Freeway Suite 800 Katy Texas 77494
Phone 281.648.1802 Fax 281.648.1841



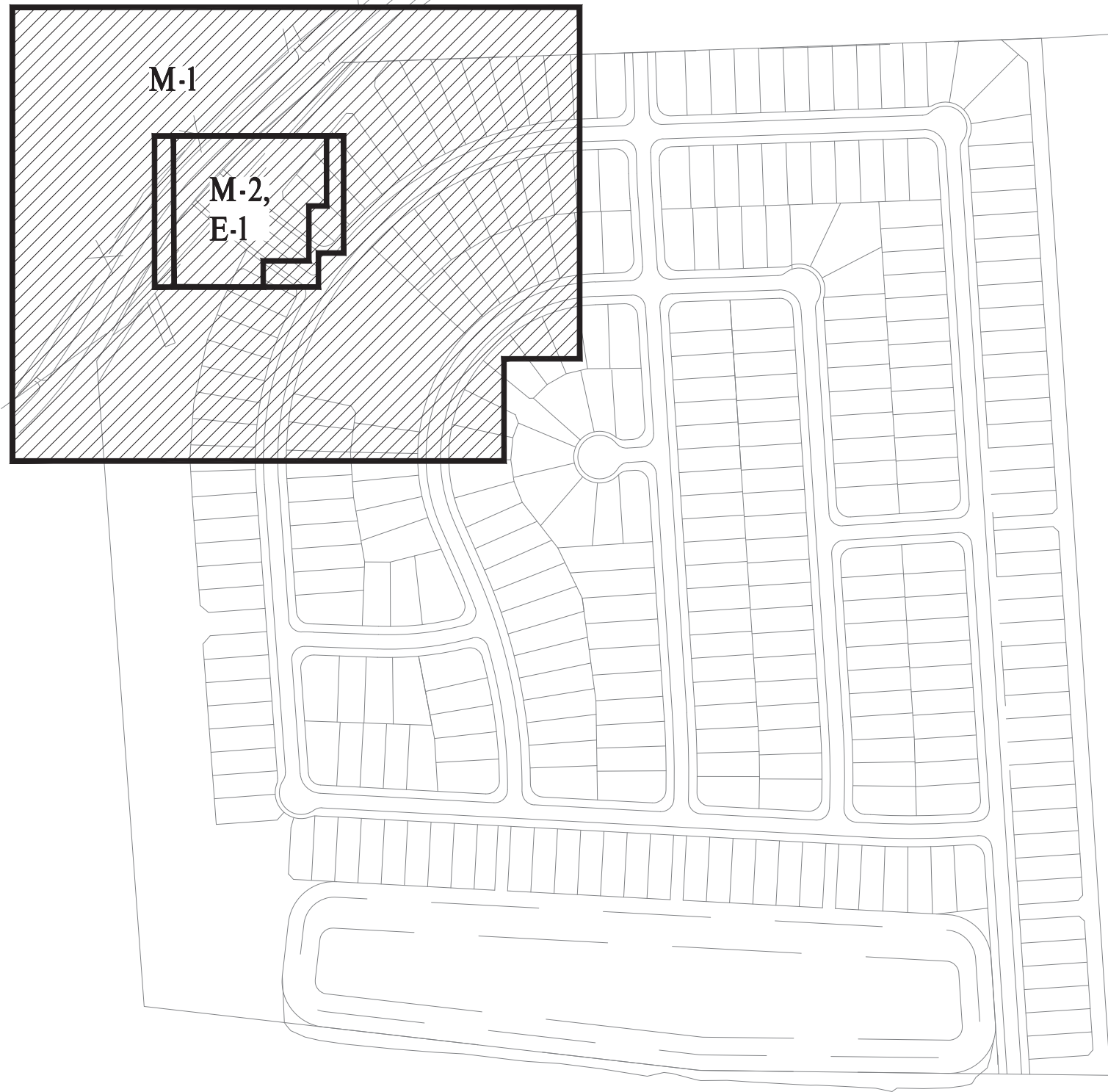
11/30/2023
For regulatory approval, permitting or construction.

Issue for Construction
11/30/2023

SITE REFERENCE MAP

Sheet No.	Description
R-1	Reference Plan
M-0	Monument General Notes
M-1	Overall Monument Plan
M-2	Monument Layout Plan
M-3	Monument Details
M-4	Monument Det. & Mat. Sch.
E-1	Electrical Plan
Plat	Montgomery Bend
S-1 thru S-7	Structural Sheets

Plans are to scale on 30"x42" size sheet.
Contractor is made aware that any issue arising or relating to scale from duplication or scanning of documents is contractor's responsibility.



KGADeForest

3625 HAY HENWAY SUITE 300
 6476 TRUSS ZONE
 281-648-1802 281-648-1844
 PHONE FAX



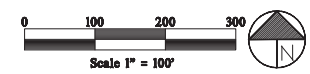
11/30/2023

"For regulatory approval, permitting or construction."

**MONTGOMERY BEND
 MONUMENT IMPROVEMENTS**
 Pulte Homes of Texas
 Montgomery County, TX

**Reference
 Plan**

Date: 11/30/2023
 Scale: 1"=100'-0"
 Job No: 129-22-64
 Revised:



R-1

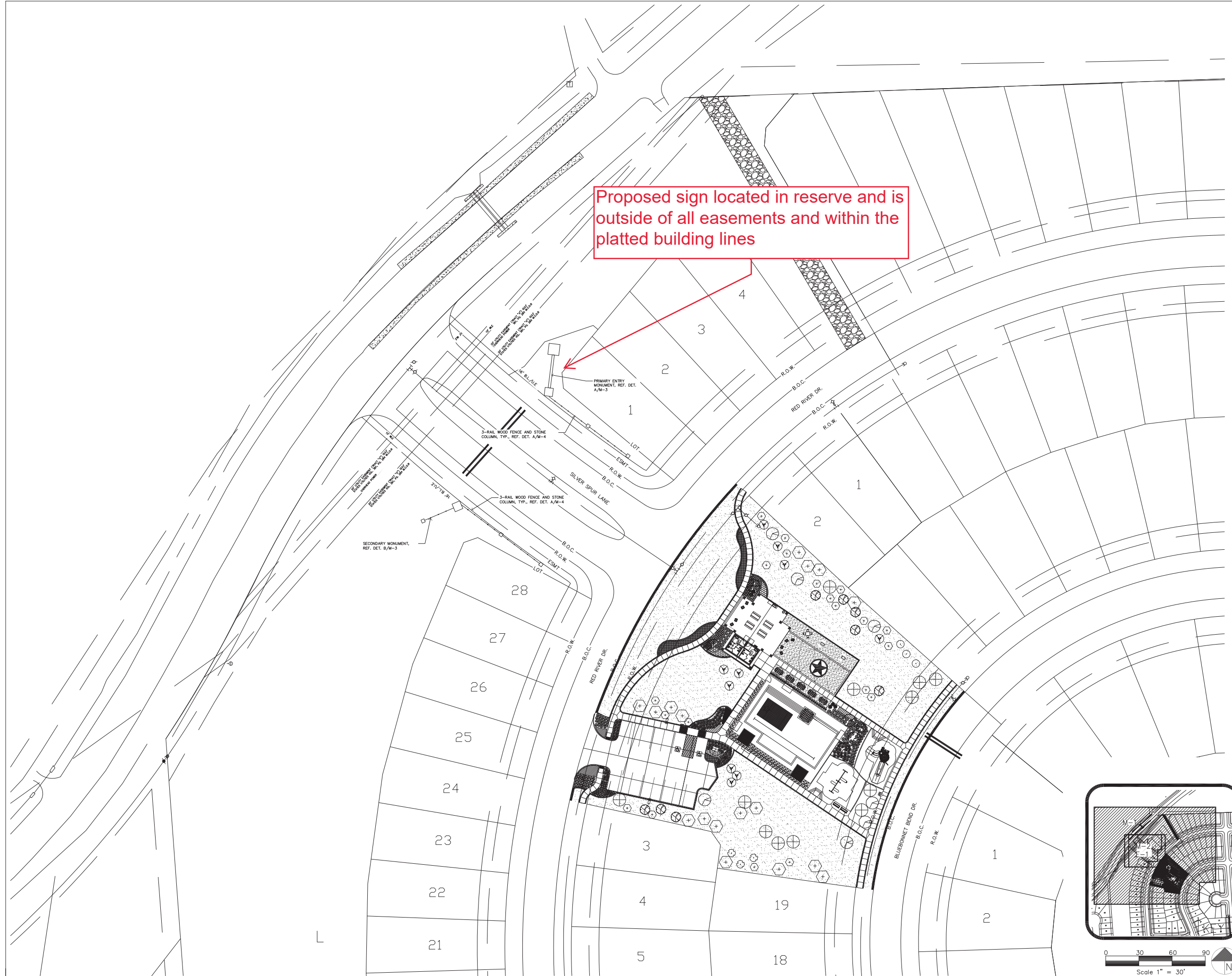


KGA DeForest
Landscape Architecture
24276 KATY FREEWAY SUITE 300
KATY, TEXAS 77494
281.848.1802 281.848.1841
PHONE FAX

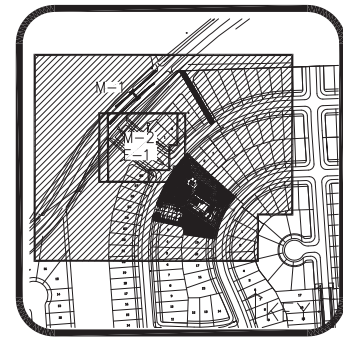


Stephanie Lee
02/18/2024
For regulatory approval, permitting or construction.

Proposed sign located in reserve and is outside of all easements and within the platted building lines

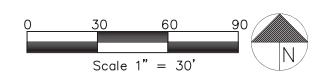


MONTGOMERY BEND
MONUMENT IMPROVEMENTS
Pulte Homes of Texas
Montgomery County, TX



Overall Monument Plan

Date: 02/18/2024
Scale: 1"=30'-0"
Job No.: 129-22-64
Revised:



M-1



KGA DeForest
Landscape Architecture
24276 KATY FREEWAY SUITE 300
KATY, TEXAS 77494
281.848.1802 281.848.1841
PHONE FAX



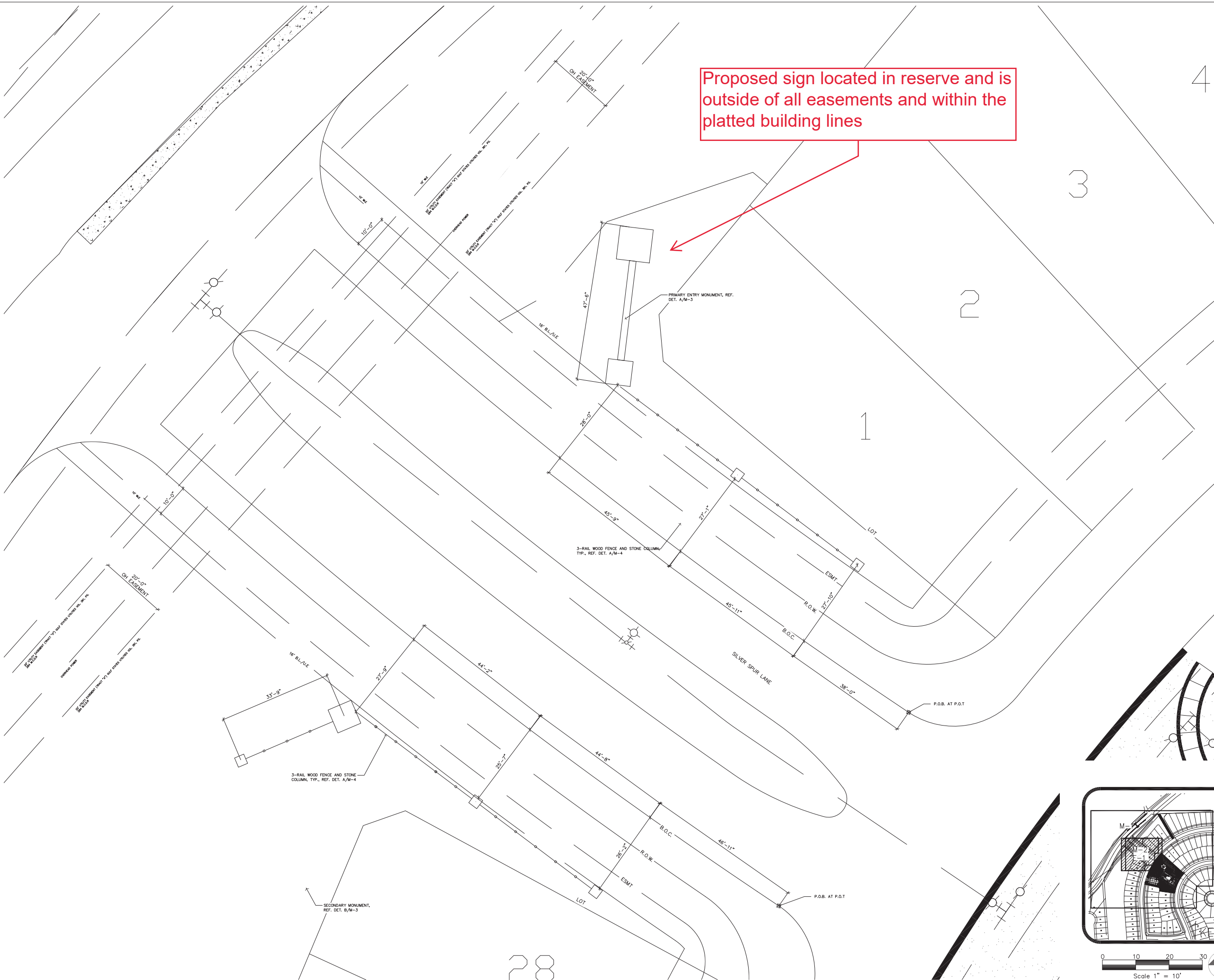
Stephanie Lee

02/18/2024
*For regulatory approval,
permitting or construction.*

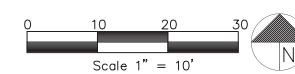
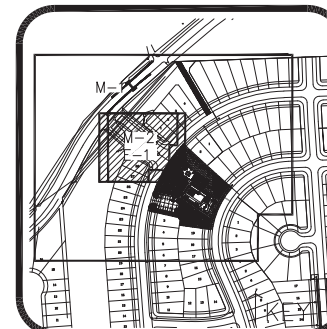
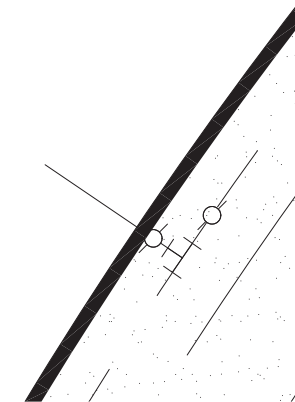
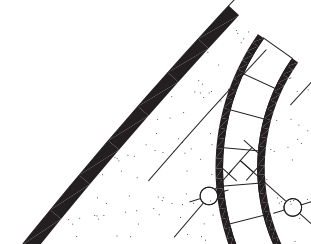
**MONTGOMERY BEND
MONUMENT IMPROVEMENTS**
Pulte Homes of Texas
Montgomery County, TX

Monument
Layout
Date: 02/18/2024
Scale: 1"=10'-0"
Job No.: 129-22-64
Revised:

M-2



Proposed sign located in reserve and is outside of all easements and within the platted building lines



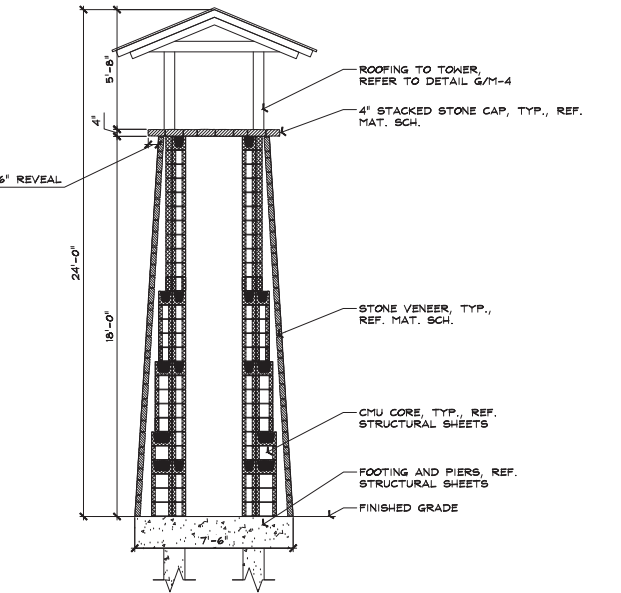
28



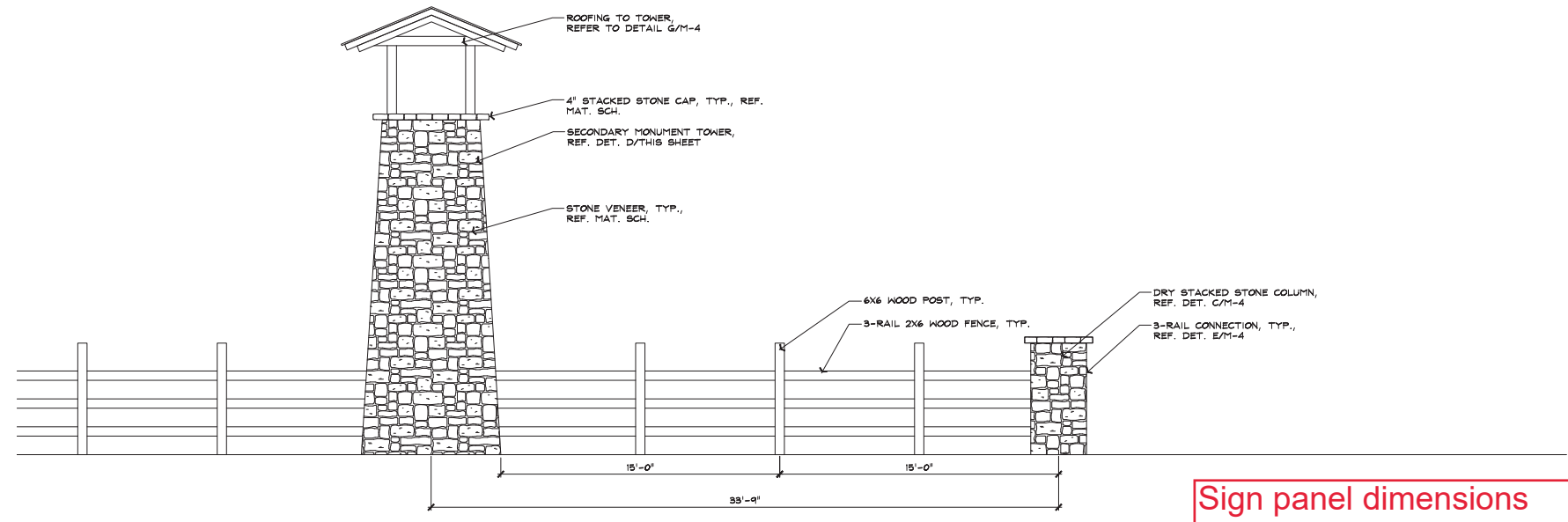
**MONTGOMERY BEND
MONUMENT IMPROVEMENTS**
Pulte Homes of Texas
Montgomery County, TX

**Monument
Details**
Date: 11/30/2023
Scale: AS SHOWN
Job No: 129-22-64
Revised:

M-3

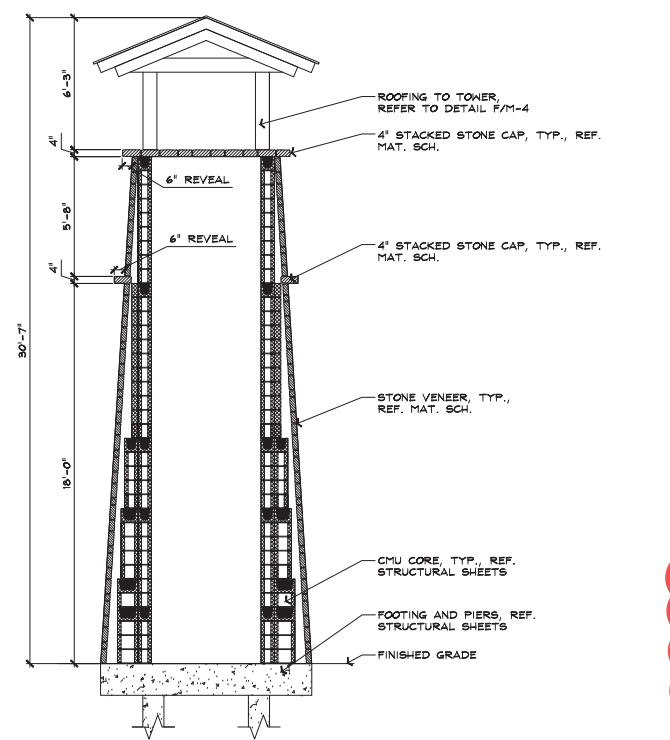


D SECONDARY MONUMENT TOWER SECTION SCALE: NTS

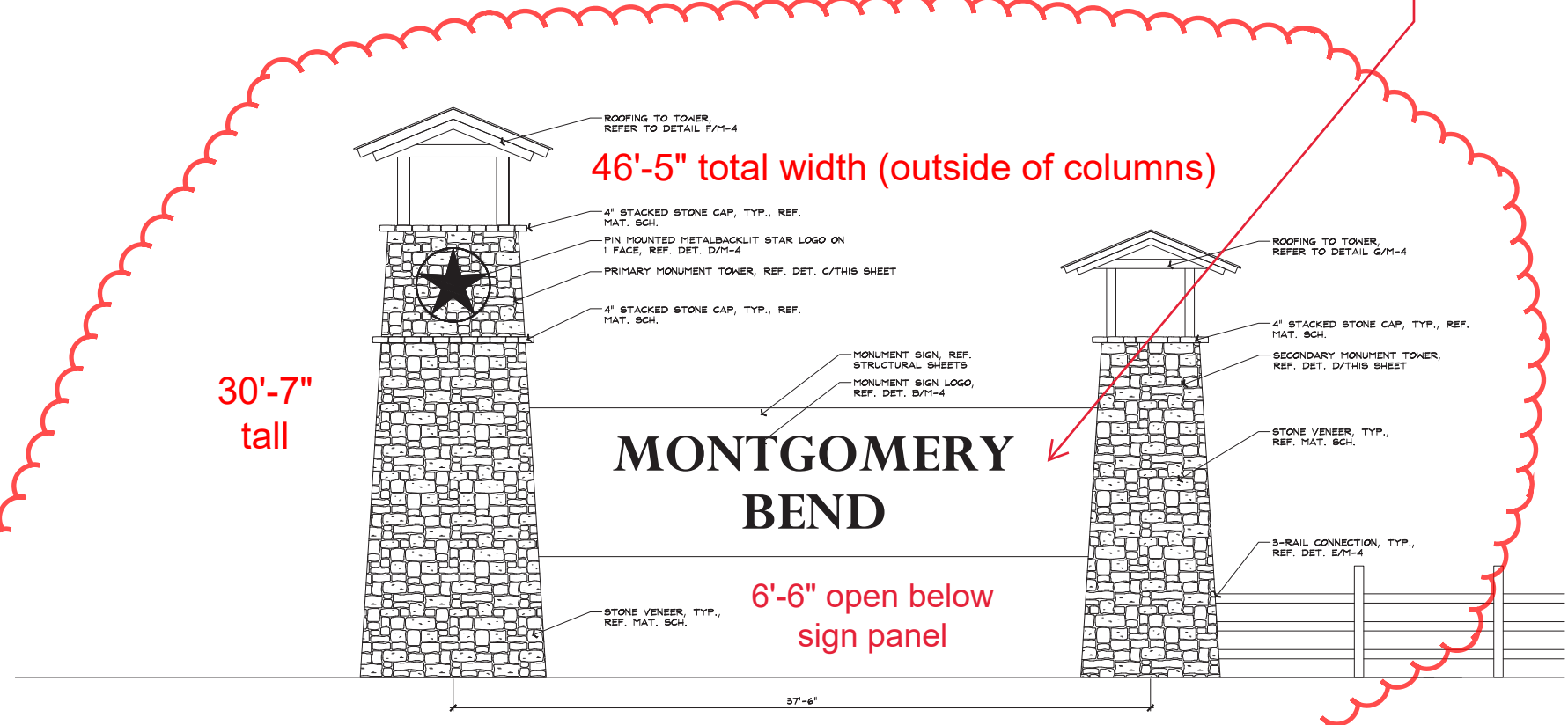


B SECONDARY ENTRY MONUMENT ELEVATION

Sign panel dimensions approx. 30'x8' made of steel with raised back-lit letters

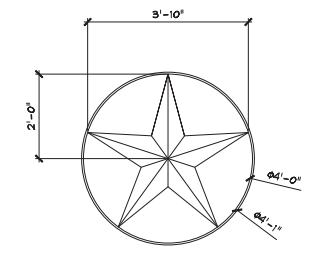


C PRIMARY MONUMENT TOWER SECTION SCALE: NTS



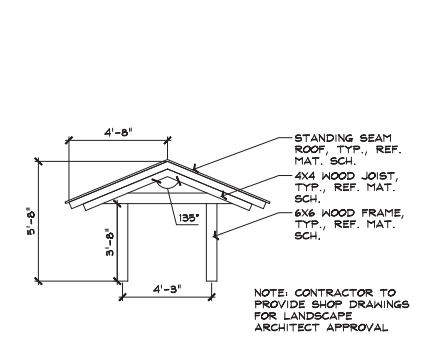
A PRIMARY ENTRY MONUMENT ELEVATION SCALE: NTS

MATERIAL SCHEDULE					
QTY	ITEM	MANUFACTURE / LOCAL REPRESENTATIVE	MODEL	COLOR / COMMENTS	INSTALLATION
	FULL-DEPTH STONE VENEER	ALAMO STONE ALEX BAILEY (281) 723-4548	TUSCAN CREAM CHOP		INSTALL PER MANUFACTURER'S RECOMMENDATIONS, PROVIDE MOCK UP FOR L.A. APPROVAL PRIOR TO INSTALLATION.
	TOWER ROOF FRAMING & JOIST	CONTRACTOR TO USE PREFERRED MANUFACTURER	WOOD	ROUGH CUT DOUGLAS FIR	INSTALL PER MANUFACTURER'S RECOMMENDATIONS, PROVIDE MOCK UP FOR L.A. APPROVAL PRIOR TO INSTALLATION.
	3-RAIL FENCING	CONTRACTOR TO USE PREFERRED MANUFACTURER	WOOD	ROUGH CEDAR	INSTALL PER MANUFACTURER'S RECOMMENDATIONS, PROVIDE MOCK UP FOR L.A. APPROVAL PRIOR TO INSTALLATION.
	STANDING BEAM ROOF	MCELROY METAL WWW.MCELROYMETAL.COM (800) 562-3576	METAL	MANBARD BROWN	INSTALL PER MANUFACTURER'S RECOMMENDATIONS, PROVIDE MOCK UP FOR L.A. APPROVAL PRIOR TO INSTALLATION.
	ALUMINUM LETTERING, LOGOS, PLANTER, ETC.	RS INDUSTRIAL LAMAR WILKINSON (281) 513-4748	1/2" ALUMINUM	TNEMEC FAUX CORE-TEN FINISH TBD	INSTALL PER MANUFACTURER'S RECOMMENDATIONS, PROVIDE MOCK UP FOR L.A. APPROVAL PRIOR TO INSTALLATION. PROVIDE ALUMINUM MOUNTING TABS FOR LETTERING WITH STEEL MOUNTING HARDWARE, 2 TO 3 PER LETTER, DRILL IN TO WALL CORE AND SECURE WITH EPOXY. LIGHTING EFFECTS FOR LETTERING/LOGO TO BE LED TUBING WITH REMOVABLE LEXAN BACKING OR APPROVED EQUAL. PROVIDE SUBMITTALS FOR REVIEW PRIOR TO ORDERING.

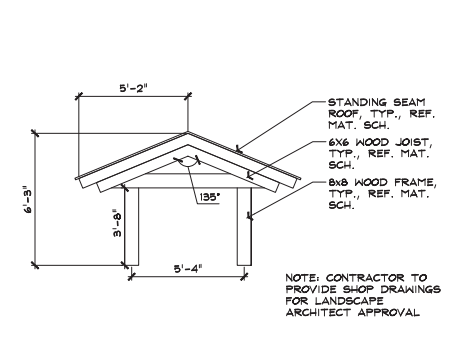


D BACKLIT STAR LOGO SCALE: NTS

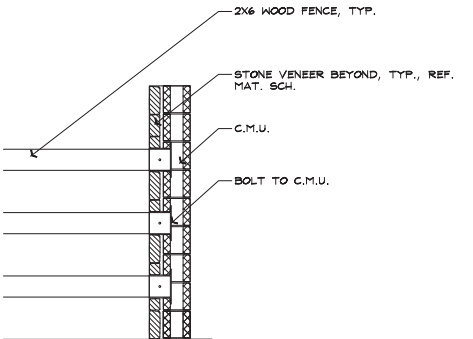
11/30/2023
For regulatory approval, permitting or construction.



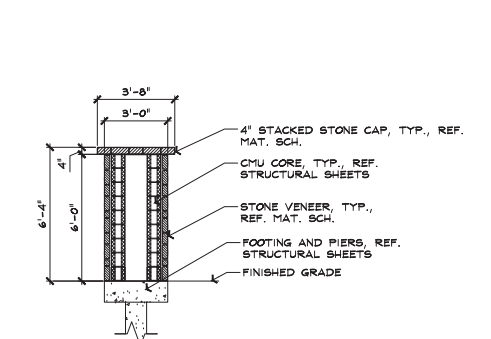
G SECONDARY MONUMENT TOWER ROOF SCALE: NTS



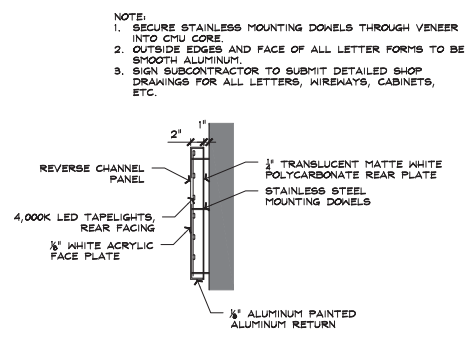
F PRIMARY MONUMENT TOWER ROOF SCALE: NTS



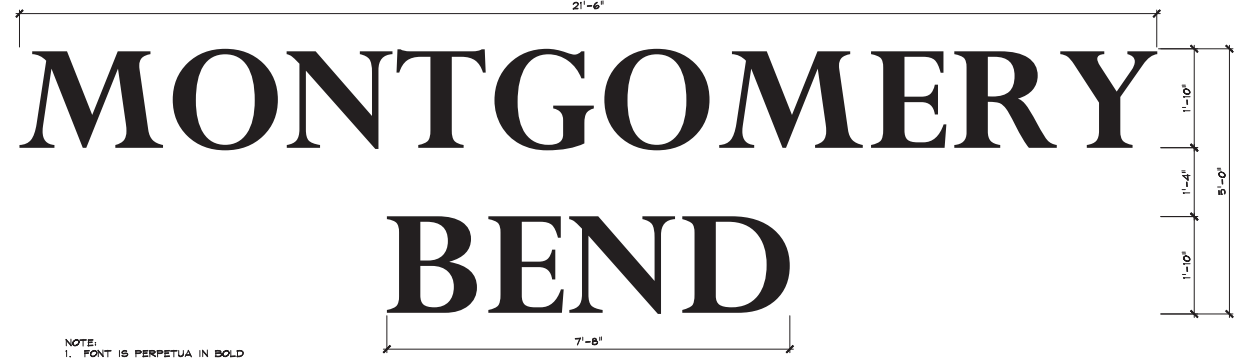
E 3-RAIL TYPICAL CONNECTION SCALE: NTS



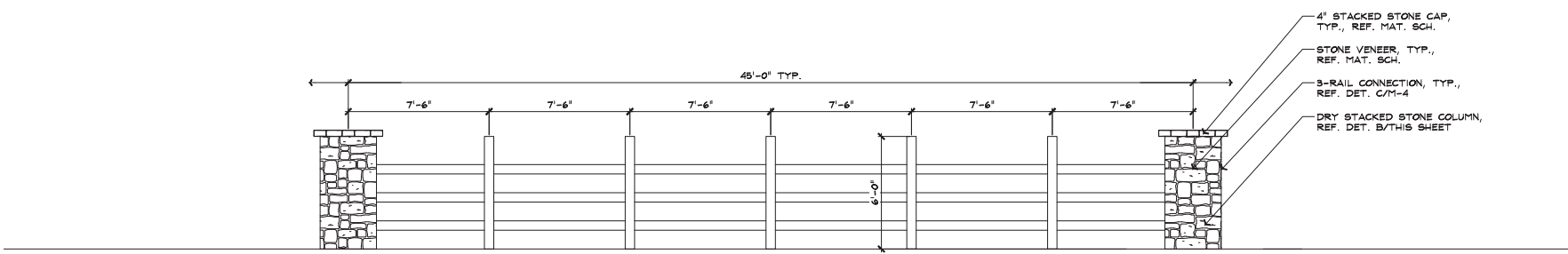
C DRY STACKED STONE COLUMN SECTION SCALE: NTS



B MONUMENT SIGN LOGO & REVERSE CHANNEL DETAIL SCALE: NTS



NOTE:
1. FONT IS PERPETUA IN BOLD



A 3-RAIL FENCE AND DRY STACKED STONE COLUMN ELEVATION (TYPICAL) SCALE: NTS

**MONTGOMERY BEND
MONUMENT IMPROVEMENTS**
Pulte Homes of Texas
Montgomery County, TX

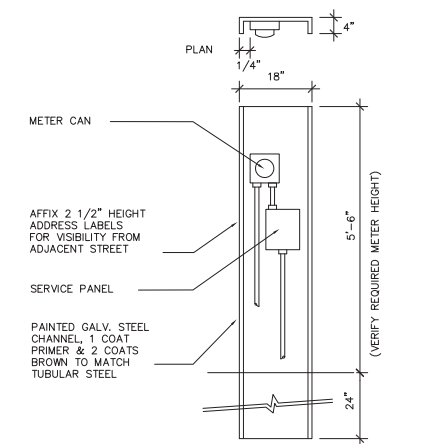
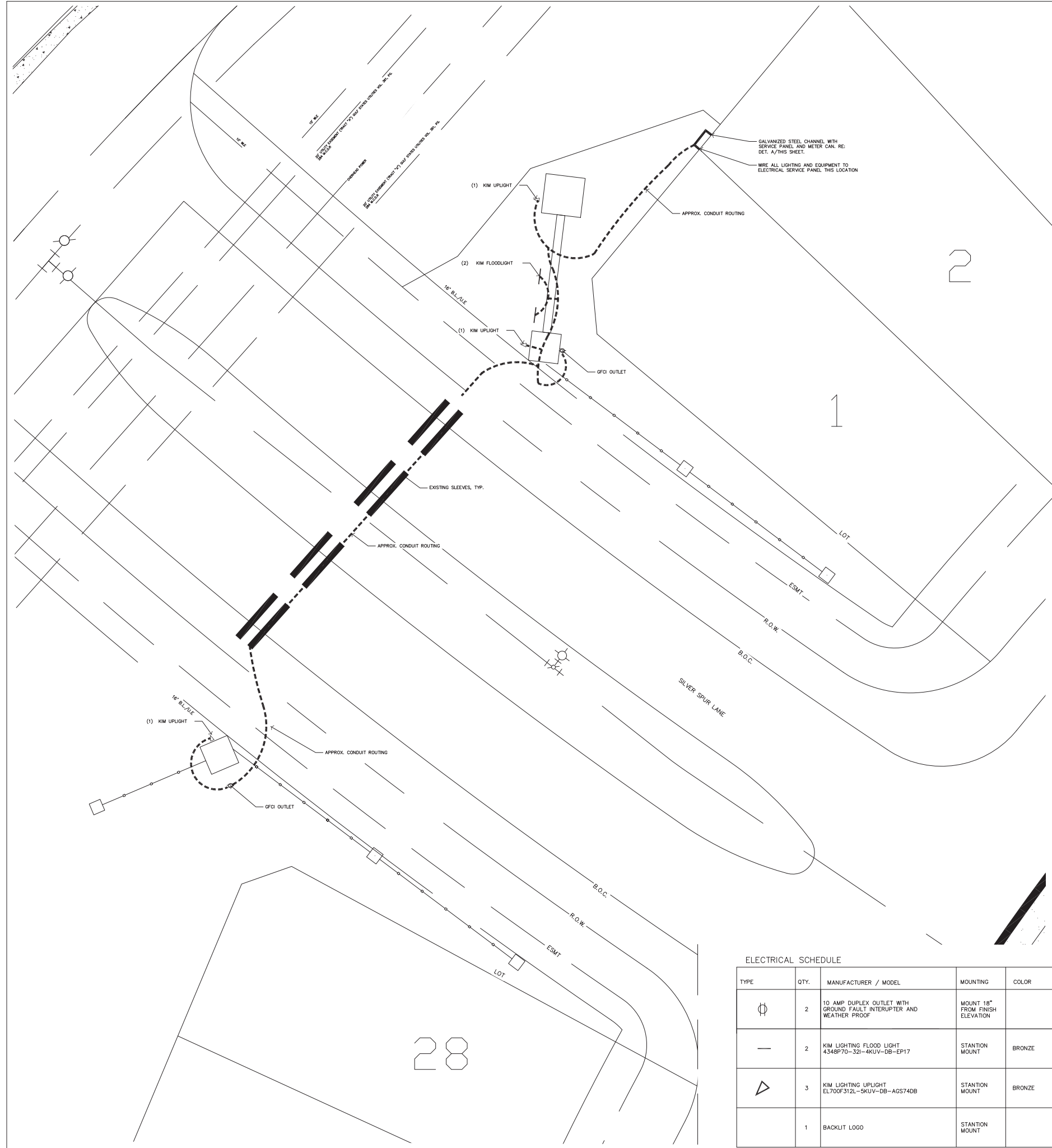
Monument Det. & Mat. Sch.
Date: 11/30/2023
Scale: AS SHOWN
Job No: 129-22-64
Revised:



KGADeForest
Landscape Architecture
24276 KATY FREEWAY SUITE 300
KATY, TEXAS 77494
281.648.1602 281.648.1641
PHONE FAX

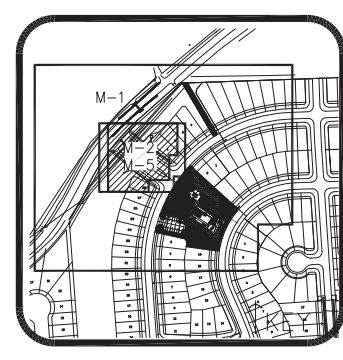


Stephanie Lee
02/18/2024
For regulatory approval, permitting or construction.



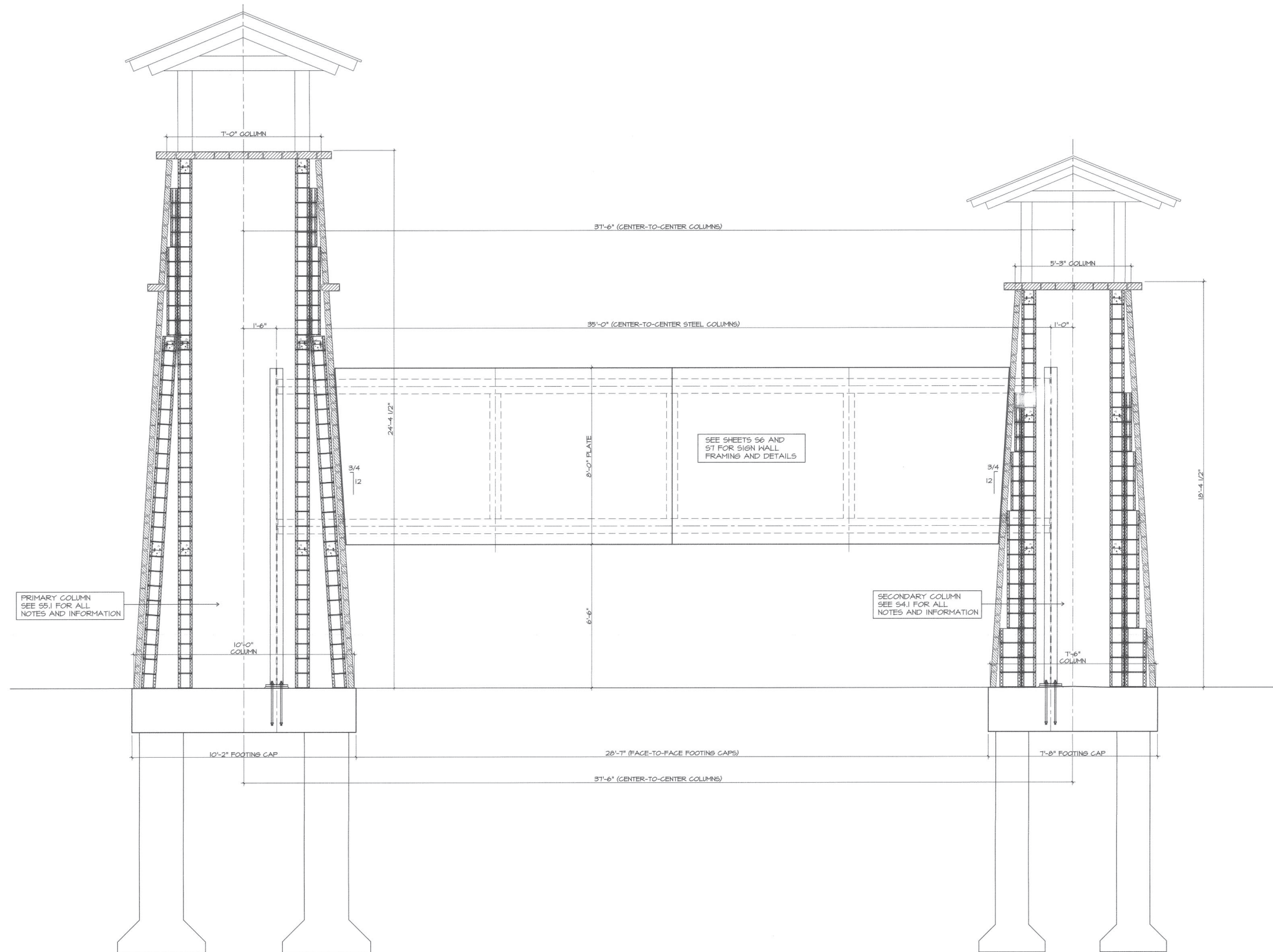
- LIGHTING NOTES:**
- CONTRACTOR SHALL INSTALL ALL WORK IN ACCORDANCE WITH FORT BEND COUNTY, TX CONSTRUCTION STANDARDS. CONTACT LANDSCAPE ARCHITECT WITH ANY CLARIFICATIONS OR QUESTIONS DURING THE BID PERIOD (281-646-1602).
 - CONTRACTOR SHALL COORDINATE WITH U.C.C. (713-223-4567) FOR UTILITY LOCATIONS A MIN. 48 HOURS PRIOR TO COMMENCING WORK.
 - CONTRACTOR SHALL VERIFY POWER LOCATION IN FIELD AND FINAL PLACEMENT OF STEEL CHANNEL/PANEL TO BE APPROVED BY LANDSCAPE ARCHITECT PRIOR TO INSTALL.
 - SCHEMATIC ELECTRICAL PLAN IS FOR REFERENCE. CONTRACTOR IS TO RETAIN LICENSED MASTER ELECTRICIAN FOR INSTALLATION AND PROVIDE CERTIFICATE FROM LICENSED MASTER ELECTRICIAN TO ENSURE ALL ELECTRICAL HAS BEEN INSTALLED PER STATE AND LOCAL CODES.
 - ALL DIRECT BURIAL WIRES MUST BE IN PVC CONDUIT AND PLACED MINIMUM OF 18" DEEP OR PER LOCAL CODE.
 - CONTRACTOR IS REQUIRED TO PLACE RED CAUTION RIBBON IN THE TRENCH AT LEAST 12 IN. ABOVE THE DIRECT BURIAL ELECTRIC LINES THAT ARE NOT ENCASED IN CONCRETE AND THAT ARE BURIED 18 IN. OR MORE BELOW GRADE.
 - LIGHTING TO BE CONTROLLED BY PHOTOCELL AND TIME CLOCK. LOCATE AT STEEL CHANNEL.
 - CONTRACTOR IS REQUIRED TO PROVIDE A THIRD PARTY INSPECTION REPORT FOR ELECTRICAL WORK AS PART OF THE BID. K2 SERVICES IS RECOMMENDED. K2@K2SVC.COM 832-382-3434.

TYPE	QTY.	MANUFACTURER / MODEL	MOUNTING	COLOR	NOTES
⊕	2	10 AMP DUPLEX OUTLET WITH GROUND FAULT INTERRUPTER AND WEATHER PROOF	MOUNT 18" FROM FINISH ELEVATION		LOCATE DIRECTLY BEHIND AND NEAR BASE OF ENTRY SIGNAGE AND THINWALL. SEE PLAN FOR LOCATION
—	2	KIM LIGHTING FLOOD LIGHT 4348P70-32I-4KUV-DB-EP17	STANTION MOUNT	BRONZE	PROVIDE ALL NECESSARY ACCESSORIES AS REQUIRED FOR A COMPLETE AND OPERATING SYSTEM
▲	3	KIM LIGHTING UPLIGHT EL700F312L-SKUV-DB-AGS74DB	STANTION MOUNT	BRONZE	PROVIDE ALL NECESSARY ACCESSORIES AS REQUIRED FOR A COMPLETE AND OPERATING SYSTEM
	1	BACKLIT LOGO	STANTION MOUNT		PROVIDE ALL NECESSARY ACCESSORIES AS REQUIRED FOR A COMPLETE AND OPERATING SYSTEM



Schematic Lighting Plan
Date: 02/18/2024
Scale: 1"=10'-0"
Job No.: 129-22-64
Revised:

MONTGOMERY BEND
MONUMENT IMPROVEMENTS
Pulte Homes of Texas
Montgomery County, TX



OVERALL PRIMARY MONUMENT ELEVATION 01/S3.1
SCALE: 1/2"=1'-0"

- NOTES:
1. SEE LANDSCAPE DRAWINGS FOR LAYOUT AND ADDITIONAL INFORMATION. NOTIFY ARCHITECT AND ENGINEER OF ANY DISCREPANCIES OR QUESTIONS.
 2. PRIOR TO CONSTRUCTION FIELD VERIFY THAT THERE ARE NO UNDERGROUND OBSTRUCTIONS WITH THE PROPOSED FOUNDATIONS.
 3. WORK THIS SHEET WITH OVERALL PLAN ON S3.2.



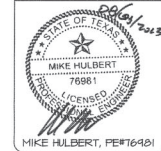
KGA DeForest
Landscape Architecture
24275 KATY HWY #300 KATY TX 77184
281 648 1602 KGADEFORST.COM



BGA ENGINEERS, INC.
STRUCTURAL ENGINEERS
TX ENG. FIRM #0233
13100 NORTHWEST FREEMAN, SUITE 350
HOUSTON, TEXAS 77040
(713) 329-9922

THIS DRAWING AND THE DESIGN HEREON IS THE PROPERTY OF BGA ENGINEERS, INC. NO PART OF THIS DRAWING OR DESIGN MAY BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, WITHOUT PERMISSION IN WRITING FROM BGA ENGINEERS, INC.

SEAL
23012

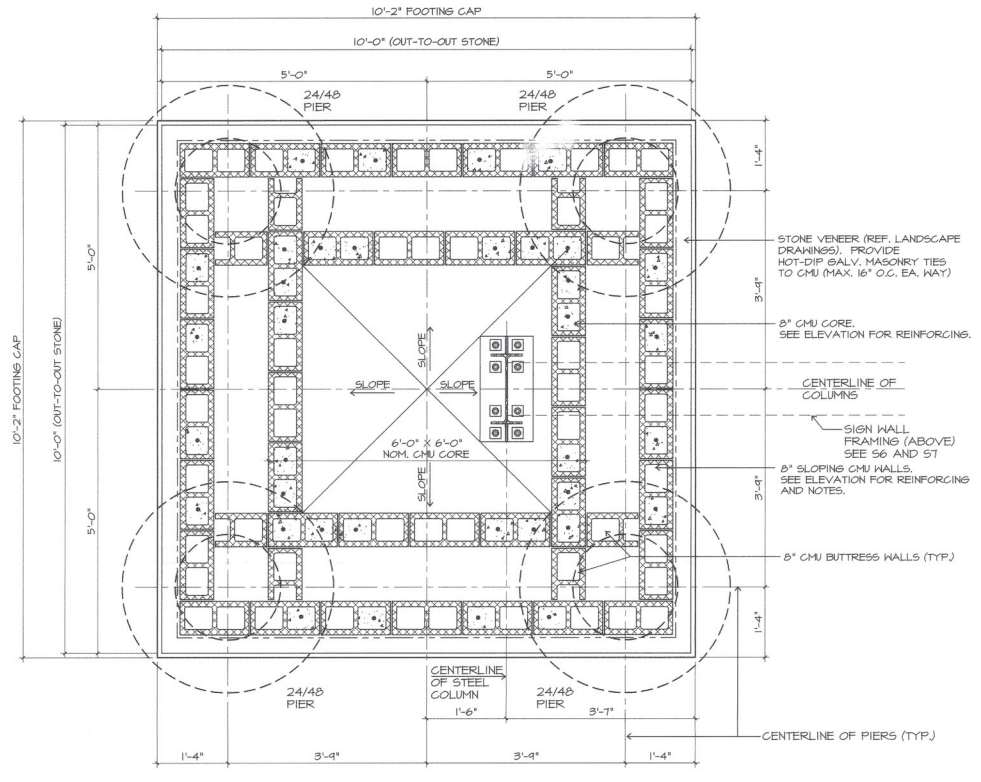
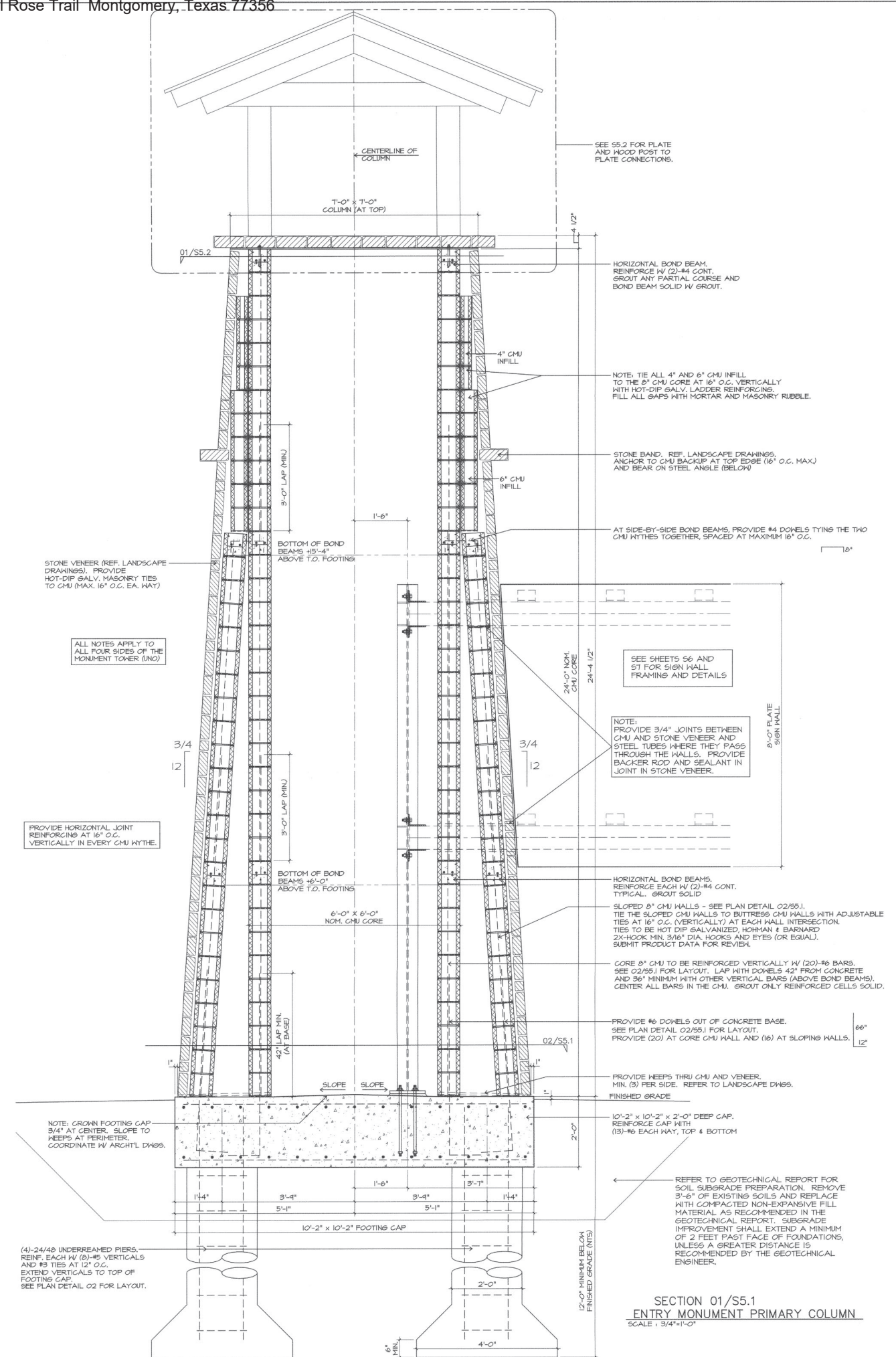


**MONTGOMERY BEND
MONUMENT IMPROVEMENTS**
Pulte Homes of Texas
Montgomery County, TX

**Primary
Monument
Elevation**

Date: 08/03/2023
Scale: NOTED
Job No.: 129-22-64/BGA#23012
Revised:

S-3.1



**MONTGOMERY BEND
MONUMENT IMPROVEMENTS**
Pulte Homes of Texas
Montgomery County, TX

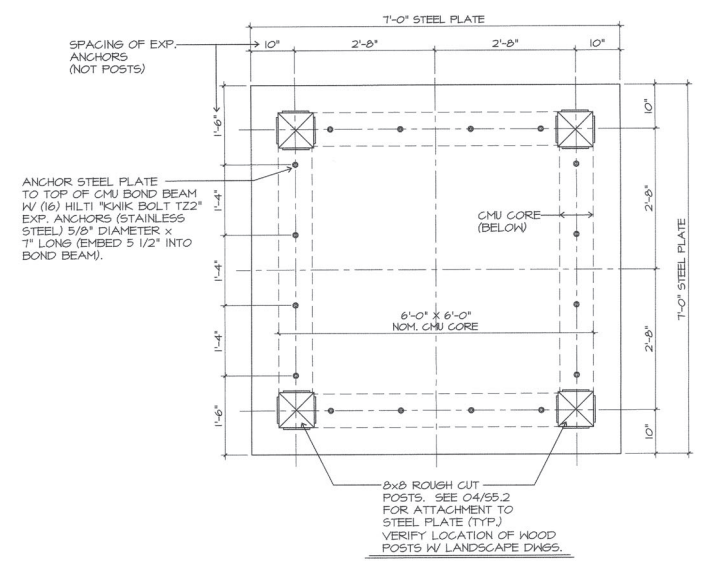
**Primary
Column
Details**

Date: 08/03/2023
Scale: NOTED
Job No: 129-22-64/BGA#23012
Revised:

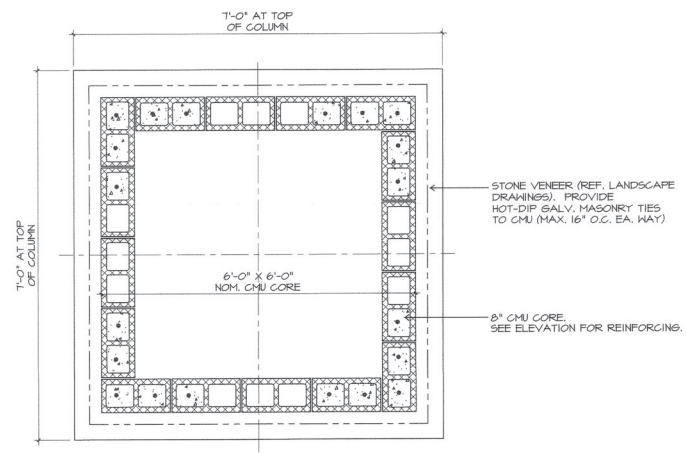
S-5.1



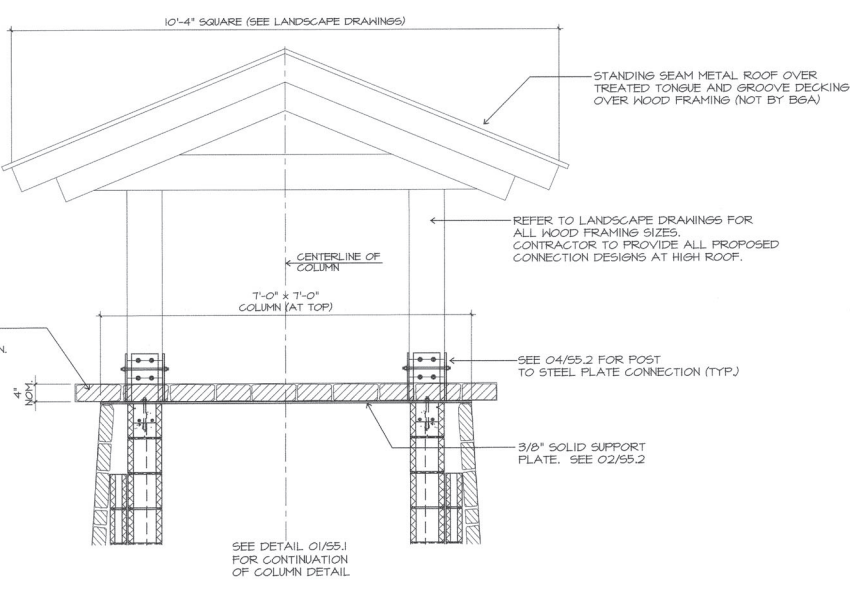
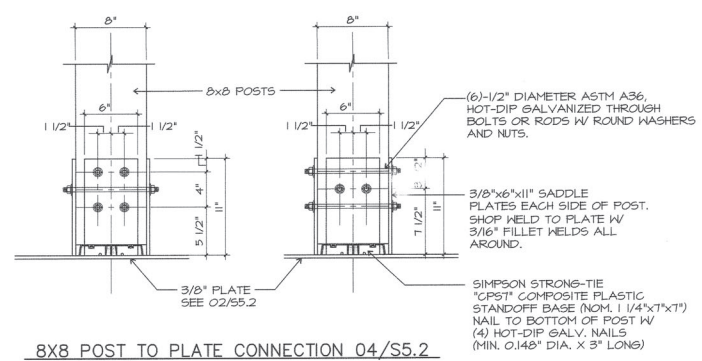
KGA DeForest
Landscape Architecture
24275 KATY FWY #300 KATY TX 77494
281 648 1602
KGADEFORREST.COM



PRIMARY COLUMN PLATE/POST PLAN 02/S5.2
SCALE: 3/4"=1'-0"



PRIMARY COLUMN - UPPER PLAN 01/S5.2
SCALE: 3/4"=1'-0"



COLUMN ROOF CONNECTION/PLATE ELEVATION 03/S5.2
SCALE: 3/4"=1'-0"

**MONTGOMERY BEND
MONUMENT IMPROVEMENTS**
Pulte Homes of Texas
Montgomery County, TX

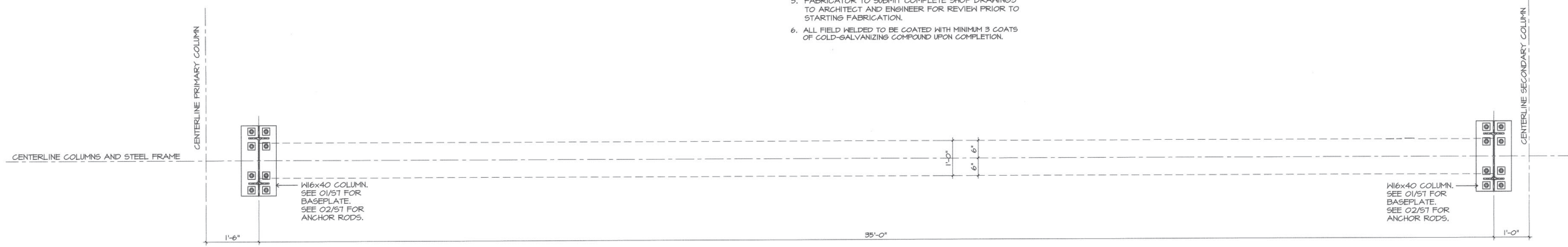
**Primary
Column
Details**

Date: 08/03/2023
Scale: NOTED
Job No: 129-22-64/BGA#23012
Revised:

S-5.2

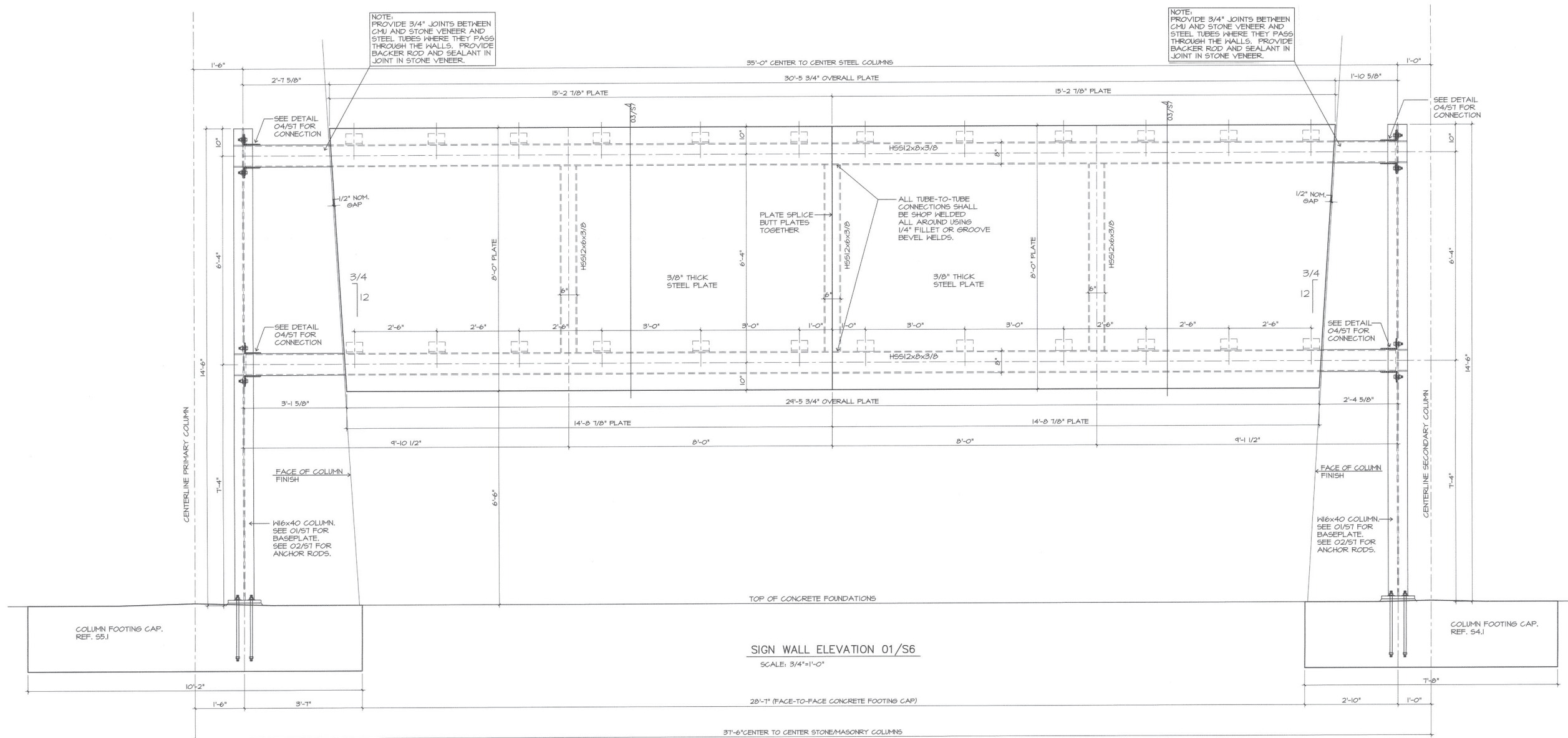
SIGN WALL STEEL FRAMING NOTES:

1. WORK THIS SHEETS WITH DETAILS ON SHEET S7.
2. ALL STRUCTURAL STEEL TO BE HOT DIP GALVANIZED AFTER FABRICATION. PROVIDE VENTS AS REQUIRED TO PREVENT WARPING OF THE FRAMING.
3. FABRICATE SIGN FRAMING IN ONE SECTION IN THE SHOP.
4. ALL FIELD WELDS TO BE CONTINUOUS/ALL AROUND SEAL WELDS (MIN. 3/16" FILLET OR BEVEL GROOVE WELDS).
5. FABRICATOR TO SUBMIT COMPLETE SHOP DRAWINGS TO ARCHITECT AND ENGINEER FOR REVIEW PRIOR TO STARTING FABRICATION.
6. ALL FIELD WELDED TO BE COATED WITH MINIMUM 3 COATS OF COLD-GALVANIZING COMPOUND UPON COMPLETION.



SIGN WALL PLAN DETAIL 02/S6

SCALE: 3/4"=1'-0"



SIGN WALL ELEVATION 01/S6

SCALE: 3/4"=1'-0"



KGADeForest
Landscape Architecture
24275 KATY FWY #300 KATY TX 77484
281 846 1802 KGADFOREST.COM



BGA ENGINEERS, INC.
STRUCTURAL ENGINEERS
TX ENG. FIRM #8355
13100 NORTHWEST FREEMAN, SUITE 350
HOUSTON, TEXAS 77040
(713) 328-9922

SEAL
PROJECT NO. 23012



**MONTGOMERY BEND
MONUMENT IMPROVEMENTS**
Pulte Homes of Texas
Montgomery County, TX

**Sign Wall
Plan and
Elevation**

Date: 08/03/2023
Scale: NOTED
Job No: 129-22-64/BGA#23012
Revised:

S-6

Montgomery City Council
AGENDA REPORT

Meeting Date: March 12, 2024	Budgeted Amount: \$0
Department: Administration	Prepared By: G. Palmer

Subject

Public Hearing for the purpose of giving all interested persons the right to be heard on a proposed amendment to Chapter 78 of the City Code of Ordinances to define and regulate vesting rights of property owners and regulate stalled development projects within the City

Recommendation

Hold a Public Hearing

Discussion

Per our February 12, 2024 Workshop, Texas Local Government Code Chapter 245 allows the City to pass regulations that cause an individual permit to expire no less than two years from application, and an entire project to expire no less than five years from application, if no progress is made toward completion. Having this Ordinance in place promulgates policy, manages expectations, and protects the City from lingering projects from the past that may not fit with current/future development.

A public hearing is required before formal consideration. We recommend approval.

Approved By

City Administrator	Gary Palmer	Date: February 29, 2024

ORDINANCE NO. 2024 - _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MONTGOMERY, TEXAS, AMENDING CHAPTER 78 "SUBDIVISIONS" OF ARTICLE II "ADMINISTRATION" TO ADD "SECTION 78-29. – VESTED RIGHTS" TO THE CITY CODE OF ORDINANCES; REPEALING ALL ORDINANCES AND PARTS OF ORDINANCES IN CONFLICT THEREWITH; PROVIDING A SEVERANCE CLAUSE AND TEXAS OPEN MEETINGS ACT CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Chapter 245 of the Texas Local Government Code applies to the issuance of local permits; and

WHEREAS, Texas Local Government Code Section 245.002(e) prescribed how a regulatory agency may provide for the expiration of permit applications under certain circumstances; and

WHEREAS, Texas Local Government Code Section 245.002(e) prescribed how a regulatory agency may require compliance with technical requirements relating to the form and content of an application in effect at the time the application was filed; and

WHEREAS, Texas Local Government Code Section 245.005 authorizes regulatory agencies to enact an expiration date on a permit and a dormancy date to a project, subject to certain conditions; and

WHEREAS, the City Council of the City of Montgomery, Texas, deems the adoption of this Ordinance is in the interest of public health, safety, and general welfare.

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

SECTION 1. The City Council adopts the findings and recitals above as true and correct.

SECTION 2. Article II "Administration" of Chapter 78 "Subdivisions" is hereby amended to add "Sec. 78-29. - Vested Rights." and to read as follows:

"Sec. 78-29. – Vested Rights.

(a.) *Recognition.*

(1) Law. Under state law, each application for permit or plat approval shall be processed pursuant to the regulations in effect at the time of the application unless the applicant has applied for and obtained a letter of recognition of vested rights for the permit or project for which the permit is sought.

(2) Purpose. The purpose of a vested rights recognition application is to determine the regulations by which an application for approval of a permit or plat is to be processed.

(3) Definitions. The following terms shall have the meanings hereinafter ascribed to them:

Chapter 245. Chapter 245 of the Texas Local Government Code, as may be amended.

Permit. Has the meaning set forth in Texas Local Government Code chapter 245, as may be amended.

Progress. Has the meaning set forth in Texas Local Government Code chapter 245, as may be amended.

Project. Has the meaning set forth in Texas Local Government Code chapter 245, as may be amended.

Vested right. The right of a person to develop a project that complies only with ordinances and other development regulations in effect on the date a plan for development or the first application for the project was filed with the City.

(4) Applicability. An owner of property, or the owner’s authorized agent, may submit an application for recognition of vested rights for the property:

- i. With an application for approval of a plat, zoning change, building permit or any other permit; or
- ii. To prevent expiration of a plat.

(5) Effect. If recognition of vested rights is issued in whole or in part, the director of planning and development shall issue a letter which shall specify the regulations which apply to an application and the application shall be processed in accordance with the regulations specified in the letter. If the application for recognition is to prevent expiration of an approved plat, the plat otherwise subject to expiration shall be extended as provided in the letter.

(6) Types of vested rights. A person may claim vested rights under common law, a federal or state statute, the state or federal constitution, or chapter 245. For vested rights claimed under chapter 245, the definition of “permit” in chapter 245 shall apply to applications submitted pursuant to this article.

(7) Exemptions. This article shall not apply to the types of ordinances or other governmental actions enumerated in Texas Local Government Code section 245.004 regardless of the effective date of the ordinance or the existence of vested rights for a project.

(8) Duration. This article and any letter of recognition issued hereunder shall not extend the time of validity for any permit or project. Any rights recognized by a letter issued pursuant to this article shall not extend beyond the expiration date prescribed by ordinance for the permit(s) submitted for recognition.

(b.) *Requirements for application.*

(1) Who may apply. A property owner or the owner’s authorized agent may submit an application for recognition of vested rights with an application for approval of a plat or building permit, or at any time for a plat prior to its expiration date established by the subdivision ordinance.

(2) Fee. The applicant shall submit a completed application together with a permit application review fee in the amount of dollars five hundred dollars (\$500.00) or such fee as subsequently determined by ordinance or resolution of the City Council, and three (3) copies of any documents on which the applicant is relying to establish vested rights.

(3) Form of application. The application shall state that the applicant has a vested right for some or all of the land for which the permit is sought under chapter 245 or another statute, or other state or federal law that requires the City to review and decide the application under regulations in effect prior to the effective date of the currently applicable regulations. The application shall include the following:

- i. The name, mailing address, phone number and fax number of the applicant;
- ii. The name, mailing address, phone number and fax number of the property owner, if different than the applicant;
- iii. Identification of the property for which the applicant claims a vested right, including a legal description of the exact boundaries of the property encompassed by the project;
- iv. A description of the project for which the application is submitted, how the project was commenced, and the date of commencement of the project;
- v. Layout of the site, including locations of buildings, streets, utilities and drainage facilities;
- vi. Identification of the original application for the first permit in the series of permits required for the project, as described in Local Government Code section 245.001(1) and section 245.002(a) and (b), as may be amended;
- vii. The date that the first permit in the series of permits required for the project was filed with the City;
- viii. Identification of the regulations which the applicant contends apply to the project and the specific parts of the project which are subject to vesting;
- ix. A copy of any prior recognition of vested rights by the City involving the same land; and
- x. If the applicant alleges that a plat subject to expiration under a City ordinance should not be terminated, a description of the events, including any plat or other development applications on file that should prevent termination.

(4) An application for recognition of vested rights shall not be considered to have been filed with the City until such time as the application is administratively complete. To be administratively complete, the application must meet the following requirements:

- i. Contain all materials and information required by this article; and
- ii. Be accompanied by a check payable to the City for the application review fee.

(5) No letter of recognition of vested rights shall be issued unless the applicant has demonstrated compliance with the following criteria, as applicable:

- i. For statutory vested rights:
 - A. The applicant filed an application for a permit as provided in Chapter 245 prior to adoption of the regulations against which vested rights are claimed; and
 - B. The regulations against which vested rights are claimed are not subject to an exemption as provided in Local Government Code section 245.004; and
 - C. The project has not become dormant as defined in Texas Local Government Code section 245.005; and/or
- ii. For recognition of vested rights under common law or the federal or state constitution, applicant is in compliance with any other factor which may be required to establish vested rights under the state or federal constitution.

(c.) Processing of application.

(1) Review and determination. The director of planning and development may require the submission of additional evidence relevant to support the applicant's claim for recognition. The director of planning and development shall process the application and forward a copy of the application to the City attorney following acceptance. Upon review of the application and evidence, the director of planning and development shall make a determination as to whether the applicant is entitled, in whole or in part, to recognition of vested rights for a permit. If the evidence presented by the applicant establishes that the permit for which approval is sought is part of a project which is vested under chapter 245, the director of planning and development shall issue a letter of recognition of such rights. If the director of planning and development finds that the applicant is not entitled to recognition of vested rights, he shall notify the applicant of the basis for his findings.

(2) Substantial change. A substantial change to a project denies the City, and the public, of fair notice. Where the director of planning and development determines that the project for which the applicant seeks vested rights has undergone a substantial change since its inception, recognition of vested rights shall be denied.

Examples of substantial change include, but are not limited to, modifications of the following characteristics of a project:

- i. Gross surface area or acreage;
- ii. Gross floor area;
- iii. Gross number of buildings;
- iv. Density;
- v. Living unit equivalents;
- vi. Land use classification;
- vii. Impervious cover;
- viii. Drainage pattern or volumes;
- ix. Street layouts;
- x. Additional curb cuts or driveways; or
- xi. Orientation of buildings.

(d.) *Appeal.*

(1) Who may appeal. The applicant may appeal the director of planning and development's decision on the application for vested rights determination to the City Council. An appeal under this section stays acceptance by filing of any related development applications.

(2) Process. The application for appeal shall be made in writing to the City secretary and shall state the basis for requesting the appeal. The appeal shall be made within ten (10) days of the date of the letter. The City secretary shall schedule a hearing before the City Council within thirty (30) days of the date the appeal is submitted.

(3) Appeal of council decision. A person dissatisfied with the decision of the City Council may appeal the decision to a court within the county in which the property is located. The person shall file the appeal with the court within thirty (30) days of the decision of the City Council. If no appeal is filed, the decision of the City Council shall be final.

(e.) *Expirations.*

(1) A permit issued by the City that is subject to chapter 245, but does not expressly contain an expiration date, shall expire by operation of law two years after issuance. This subsection shall not apply to permits pursuant to which progress has been made toward the completion of the project, as determined by Local Government Code section 245.005(c), as may be amended.

(2) A project subject to chapter 245 shall expire by operation of law five years after an application was filed for the first permit necessary for the project. This subsection shall not apply to permits for which progress has been made toward the completion of the project.

Secs. 78-30 – 78-60. - Reserved."

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. All other ordinances and parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed; provided, however, that such repeal shall be only to the extent of such inconsistency and in all other respects this Ordinance shall be cumulative of other ordinances regulating and governing the subject matter covered by this Ordinance on all ordinances or sections of the City Code not specifically amended or repealed shall remain in full force and effect.

SECTION 5. 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 6. This Ordinance shall take effect immediately upon its passage and adoption.

PASSED AND APPROVED by the City Council of the City of Montgomery, Texas on the ____ day of _____, 2024.

CITY OF MONTGOMERY, TEXAS

Byron Sanford, Mayor

ATTEST:

Nicola Browe, City Secretary

APPROVED AS TO FORM:

Alan P. Petrov, City Attorney

Montgomery City Council
AGENDA REPORT

Meeting Date: March 12, 2024	Budgeted Amount: \$0
Department: Administration	Prepared By: G. Palmer

Subject

Consideration And Possible Action On A Proposed Amendment To Chapter 78, Subdivisions, Article II, Administration, to Add Section 78-29 - Vested Rights to the City Code Of Ordinances

Recommendation

Motion to approve the amendment to Chapter 78, Subdivisions, as proposed

Discussion

Per our February 12, 2024 Workshop, Texas Local Government Code Chapter 245 allows the City to pass regulations that cause an individual permit to expire no less than two years from application, and an entire project to expire no less than five years from application, if no progress is made toward completion. Having this Ordinance in place promulgates policy, manages expectations, and protects the City from lingering projects from the past that may not fit with current/future development.

Approved By

City Administrator	Gary Palmer	Date: February 29, 2024

ORDINANCE NO. 2024 - _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MONTGOMERY, TEXAS, AMENDING CHAPTER 78 "SUBDIVISIONS" OF ARTICLE II "ADMINISTRATION" TO ADD "SECTION 78-29. – VESTED RIGHTS" TO THE CITY CODE OF ORDINANCES; REPEALING ALL ORDINANCES AND PARTS OF ORDINANCES IN CONFLICT THEREWITH; PROVIDING A SEVERANCE CLAUSE AND TEXAS OPEN MEETINGS ACT CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Chapter 245 of the Texas Local Government Code applies to the issuance of local permits; and

WHEREAS, Texas Local Government Code Section 245.002(e) prescribed how a regulatory agency may provide for the expiration of permit applications under certain circumstances; and

WHEREAS, Texas Local Government Code Section 245.002(e) prescribed how a regulatory agency may require compliance with technical requirements relating to the form and content of an application in effect at the time the application was filed; and

WHEREAS, Texas Local Government Code Section 245.005 authorizes regulatory agencies to enact an expiration date on a permit and a dormancy date to a project, subject to certain conditions; and

WHEREAS, the City Council of the City of Montgomery, Texas, deems the adoption of this Ordinance is in the interest of public health, safety, and general welfare.

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

SECTION 1. The City Council adopts the findings and recitals above as true and correct.

SECTION 2. Article II "Administration" of Chapter 78 "Subdivisions" is hereby amended to add "Sec. 78-29. - Vested Rights." and to read as follows:

"Sec. 78-29. – Vested Rights.

(a.) *Recognition.*

(1) Law. Under state law, each application for permit or plat approval shall be processed pursuant to the regulations in effect at the time of the application unless the applicant has applied for and obtained a letter of recognition of vested rights for the permit or project for which the permit is sought.

(2) Purpose. The purpose of a vested rights recognition application is to determine the regulations by which an application for approval of a permit or plat is to be processed.

(3) Definitions. The following terms shall have the meanings hereinafter ascribed to them:

Chapter 245. Chapter 245 of the Texas Local Government Code, as may be amended.

Permit. Has the meaning set forth in Texas Local Government Code chapter 245, as may be amended.

Progress. Has the meaning set forth in Texas Local Government Code chapter 245, as may be amended.

Project. Has the meaning set forth in Texas Local Government Code chapter 245, as may be amended.

Vested right. The right of a person to develop a project that complies only with ordinances and other development regulations in effect on the date a plan for development or the first application for the project was filed with the City.

(4) Applicability. An owner of property, or the owner’s authorized agent, may submit an application for recognition of vested rights for the property:

- i. With an application for approval of a plat, zoning change, building permit or any other permit; or
- ii. To prevent expiration of a plat.

(5) Effect. If recognition of vested rights is issued in whole or in part, the director of planning and development shall issue a letter which shall specify the regulations which apply to an application and the application shall be processed in accordance with the regulations specified in the letter. If the application for recognition is to prevent expiration of an approved plat, the plat otherwise subject to expiration shall be extended as provided in the letter.

(6) Types of vested rights. A person may claim vested rights under common law, a federal or state statute, the state or federal constitution, or chapter 245. For vested rights claimed under chapter 245, the definition of “permit” in chapter 245 shall apply to applications submitted pursuant to this article.

(7) Exemptions. This article shall not apply to the types of ordinances or other governmental actions enumerated in Texas Local Government Code section 245.004 regardless of the effective date of the ordinance or the existence of vested rights for a project.

(8) Duration. This article and any letter of recognition issued hereunder shall not extend the time of validity for any permit or project. Any rights recognized by a letter issued pursuant to this article shall not extend beyond the expiration date prescribed by ordinance for the permit(s) submitted for recognition.

(b.) *Requirements for application.*

(1) Who may apply. A property owner or the owner’s authorized agent may submit an application for recognition of vested rights with an application for approval of a plat or building permit, or at any time for a plat prior to its expiration date established by the subdivision ordinance.

(2) Fee. The applicant shall submit a completed application together with a permit application review fee in the amount of dollars five hundred dollars (\$500.00) or such fee as subsequently determined by ordinance or resolution of the City Council, and three (3) copies of any documents on which the applicant is relying to establish vested rights.

(3) Form of application. The application shall state that the applicant has a vested right for some or all of the land for which the permit is sought under chapter 245 or another statute, or other state or federal law that requires the City to review and decide the application under regulations in effect prior to the effective date of the currently applicable regulations. The application shall include the following:

- i. The name, mailing address, phone number and fax number of the applicant;
- ii. The name, mailing address, phone number and fax number of the property owner, if different than the applicant;
- iii. Identification of the property for which the applicant claims a vested right, including a legal description of the exact boundaries of the property encompassed by the project;
- iv. A description of the project for which the application is submitted, how the project was commenced, and the date of commencement of the project;
- v. Layout of the site, including locations of buildings, streets, utilities and drainage facilities;
- vi. Identification of the original application for the first permit in the series of permits required for the project, as described in Local Government Code section 245.001(1) and section 245.002(a) and (b), as may be amended;
- vii. The date that the first permit in the series of permits required for the project was filed with the City;
- viii. Identification of the regulations which the applicant contends apply to the project and the specific parts of the project which are subject to vesting;
- ix. A copy of any prior recognition of vested rights by the City involving the same land; and
- x. If the applicant alleges that a plat subject to expiration under a City ordinance should not be terminated, a description of the events, including any plat or other development applications on file that should prevent termination.

(4) An application for recognition of vested rights shall not be considered to have been filed with the City until such time as the application is administratively complete. To be administratively complete, the application must meet the following requirements:

- i. Contain all materials and information required by this article; and
- ii. Be accompanied by a check payable to the City for the application review fee.

(5) No letter of recognition of vested rights shall be issued unless the applicant has demonstrated compliance with the following criteria, as applicable:

- i. For statutory vested rights:
 - A. The applicant filed an application for a permit as provided in Chapter 245 prior to adoption of the regulations against which vested rights are claimed; and
 - B. The regulations against which vested rights are claimed are not subject to an exemption as provided in Local Government Code section 245.004; and
 - C. The project has not become dormant as defined in Texas Local Government Code section 245.005; and/or
- ii. For recognition of vested rights under common law or the federal or state constitution, applicant is in compliance with any other factor which may be required to establish vested rights under the state or federal constitution.

(c.) Processing of application.

(1) Review and determination. The director of planning and development may require the submission of additional evidence relevant to support the applicant's claim for recognition. The director of planning and development shall process the application and forward a copy of the application to the City attorney following acceptance. Upon review of the application and evidence, the director of planning and development shall make a determination as to whether the applicant is entitled, in whole or in part, to recognition of vested rights for a permit. If the evidence presented by the applicant establishes that the permit for which approval is sought is part of a project which is vested under chapter 245, the director of planning and development shall issue a letter of recognition of such rights. If the director of planning and development finds that the applicant is not entitled to recognition of vested rights, he shall notify the applicant of the basis for his findings.

(2) Substantial change. A substantial change to a project denies the City, and the public, of fair notice. Where the director of planning and development determines that the project for which the applicant seeks vested rights has undergone a substantial change since its inception, recognition of vested rights shall be denied.

Examples of substantial change include, but are not limited to, modifications of the following characteristics of a project:

- i. Gross surface area or acreage;
- ii. Gross floor area;
- iii. Gross number of buildings;
- iv. Density;
- v. Living unit equivalents;
- vi. Land use classification;
- vii. Impervious cover;
- viii. Drainage pattern or volumes;
- ix. Street layouts;
- x. Additional curb cuts or driveways; or
- xi. Orientation of buildings.

(d.) *Appeal.*

(1) Who may appeal. The applicant may appeal the director of planning and development's decision on the application for vested rights determination to the City Council. An appeal under this section stays acceptance by filing of any related development applications.

(2) Process. The application for appeal shall be made in writing to the City secretary and shall state the basis for requesting the appeal. The appeal shall be made within ten (10) days of the date of the letter. The City secretary shall schedule a hearing before the City Council within thirty (30) days of the date the appeal is submitted.

(3) Appeal of council decision. A person dissatisfied with the decision of the City Council may appeal the decision to a court within the county in which the property is located. The person shall file the appeal with the court within thirty (30) days of the decision of the City Council. If no appeal is filed, the decision of the City Council shall be final.

(e.) *Expirations.*

(1) A permit issued by the City that is subject to chapter 245, but does not expressly contain an expiration date, shall expire by operation of law two years after issuance. This subsection shall not apply to permits pursuant to which progress has been made toward the completion of the project, as determined by Local Government Code section 245.005(c), as may be amended.

(2) A project subject to chapter 245 shall expire by operation of law five years after an application was filed for the first permit necessary for the project. This subsection shall not apply to permits for which progress has been made toward the completion of the project.

Secs. 78-30 – 78-60. - Reserved."

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. All other ordinances and parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed; provided, however, that such repeal shall be only to the extent of such inconsistency and in all other respects this Ordinance shall be cumulative of other ordinances regulating and governing the subject matter covered by this Ordinance on all ordinances or sections of the City Code not specifically amended or repealed shall remain in full force and effect.

SECTION 5. 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 6. This Ordinance shall take effect immediately upon its passage and adoption.

PASSED AND APPROVED by the City Council of the City of Montgomery, Texas on the ___ day of _____, 2024.

CITY OF MONTGOMERY, TEXAS

Byron Sanford, Mayor

ATTEST:

Nicola Browe, City Secretary

APPROVED AS TO FORM:

Alan P. Petrov, City Attorney

Montgomery City Council
AGENDA REPORT

Meeting Date: March 12, 2024	Budgeted Amount: N/A
Department: Police Department	Prepared By: Anthony Solomon

Subject

Consideration and possible action on granting the City Administrator Gary Palmer the authorization to renew the City’s Inter-local Agreement for the Provision of Fleet Maintenance Services by the City of Conroe.

Recommendation

Approve granting the City Administrator Gary Palmer the authorization to renew the City’s Inter-local Agreement for the Provision of Fleet Maintenance Services by the City of Conroe.

Discussion

The City previously entered into the current Inter-Local agreement with the City of Conroe for Fleet maintenance on May 14, 2013. Since that time, the City of Conroe kept their rates the same.

Unfortunately, the cost of goods and services today is tremendously more than back in 2013, as a result the City of Conroe Fleet Services needs to update its interlocal agreement so that they may continue to provide us with the service. New pricing will take effect May 1st 2024, as a quick reference this interlocal agreement is the same document with the only changes being made in: APPENDIX A

Approved By

Chief of Police	Anthony Solomon	Date: 03/01/2024
City Administrator	Gary Palmer	Date:



CITY OF CONROE

Est. 1904

FLEET SERVICES DIVISION
INTER-LOCAL AGREEMENT

401 Sgt Ed Holcomb | P.O. Box 3066 | CONROE, TX 77305 | T: 936.522.3832 | www.cityofconroe.org

STATE OF TEXAS
COUNTY OF MONTGOMERY

INTER-LOCAL AGREEMENT
FOR THE PROVISION OF FLEET MAINTENANCE SERVICES BY
THE CITY OF CONROE

This Inter-local Agreement (“Agreement”) for the provision of fleet maintenance services is made and entered into by and between the City of Conroe, Texas a municipal corporation located in Montgomery County, Texas (hereinafter referred to as “Conroe”) and the undersigned unit of local government or non-profit located in Montgomery County, Texas (hereinafter referred to as “Customer”). This agreement shall be for a total period described below; the fleet of vehicles shall be defined initially as vehicles belonging to the Customer.

WHEREAS, the Customer is interested in maintaining its vehicles at a cost-effective rate to provide public services to its Citizens; and

WHEREAS, the City of Conroe has an award-winning fleet services department that is capable of providing fleet maintenance services at a cost-effective rate; and

WHEREAS, Customer has requested Conroe make service available for the maintenance, repair and fleet services of vehicles owned by the Customer; and

WHEREAS, Customer shall pay for this maintenance service as provided herein; and

WHEREAS, it is mutually advantageous to both parties to enter into this agreement; and

WHEREAS, Texas Government Code, Chapter 791 (the “Act”), provides authorization for political subdivisions to contract with one another for the performance for governmental functions and services under the terms of the Act: and

WHEREAS, the City of Conroe also desires to make such services available to non-profit organizations engaged in the provision of public services:

WITNESSETH

NOW, THEREFORE, for and in consideration of the mutual covenants, terms and conditions set forth herein, and the mutual benefits to each party, the receipt and sufficiency of which are hereby acknowledged, Customer and Conroe hereby contract, covenant, warrant and agree as follows:

I

ADOPTION OF PREAMBLE

All of the matters stated in the preamble of the Agreement are true and correct and are hereby incorporated into the body of the Agreement as though fully set forth in their entirety herein.

II

OBLIGATIONS OF THE PARTIES

1. Customer shall pay for maintenance and related services according to the schedule of rates and charges attached in Appendix "A". Payment shall be due within thirty (30) days of receipt of invoice. Such payments shall be made payable to the City of Conroe and sent to the attention of Accounts Payable, City of Conroe, P.O. Box 3066, Conroe, Texas 77304.
2. Conroe agrees to invoice Customer on a monthly basis. Invoices shall be sent to the attention of Customer at the address indicated below or via email.
3. This Agreement shall be in effect for calendar year 2024, and shall thereafter be automatically renewed for successive one-year periods until terminated as provided by paragraph 4 below.
4. Either party may terminate this Agreement at any time by giving written notice of such termination to the other party at least 30 days prior to the specified termination date. Termination shall not affect the obligation of Customer to pay for services incurred prior to termination.

III

INDEMNIFICATION AND HOLD HARMLESS

1. To the extent allowed by law Customer agrees to indemnify and hold Conroe harmless from any claim by a third party for damages arising from or resulting from the use or operation of Customers motor vehicles, provided however this indemnity shall not extend to claims or causes of action arising from the exclusive negligence of the City of Conroe.
2. Customer shall maintain motor vehicle liability insurance as required by state law.

- 3. For so long as this agreement remains in effect Conroe shall maintain Garage Keeper’s Liability insurance with liability limits of not less than \$1,000,000.

IV
NOTICES

Any notice required to be given under the Agreement shall be deemed to have been adequately give if deposited in the United States mail in an envelope with sufficient postage and properly addressed to the other party as follows:

TO CONROE

City of Conroe
P.O. Box 3066
Conroe, Texas 77301
Attention: City Manager

TO CUSTOMER

City of Montgomery
101 Old Plantersville Road
Montgomery, TX 77356
Attention: City Administrator

A change of address may be made by either party upon the giving of ten (10) days prior written notice.

V
MISCELLANEOUS PROVISIONS

- 1. This Agreement shall be binding upon and insure to the benefit of the parties hereto and their respective successors and assigns.
- 2. This Agreement constitutes the sole and only agreement of the parties hereto and supersedes any prior understandings or written or oral agreements between the parties respecting the subject matter hereof.
- 3. No amendment, modification or alteration of the terms hereof shall be binding unless the same be in writing, dated subsequent to the date hereof and duly executed by the parties.
- 4. This Agreement may be executed concurrently in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.



5. If, in case any one or more of the provisions contained in the Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.
6. The obligations and undertakings of each of the parties to this Agreement are and shall be performable in Montgomery County, Texas.
7. Each party hereto warrants that it has received authority from its governing body to enter into this Agreement.
8. The schedule of rates and charges attached as Appendix "A" is hereby made a part of this Interlocal agreement. Conroe reserves the right to modify the schedule of rates and charges upon thirty (30) days written notice to Customer and upon such written notice the modified rates and charges will go into effect and replace all prior schedules of rates and charges.
9. The parties hereto acknowledge that its obligations hereunder are payable from current revenues.

EXECUTED this the _____ day of _____, 20_____.

CITY OF CONROE, TEXAS

CUSTOMER

Gary Scott, City Manager

Gary Palmer, City Administrator

ATTEST:

ATTEST:

Soco Gorjon, City Secretary

Nicola Browe, City Secretary

APPROVED AS TO FORM:

APPROVED AS TO FORM:

City Attorney
City of Conroe, Texas

City Attorney
City of Montgomery, Texas

APPENDIX A

PREVENTIVE MAINTENANCE LABOR RATES (PMs IN SHOP LABOR ONLY)

Repair Code	Description	Cost/Flat	Time
• A	7,500 miles or 450 hours	\$42.50	.50
• B	15,000 miles or 900 hours	\$51.00	.60
• C	30,000 miles or 1350 hours	\$55.25	.65
• D	7,500 miles Diesel or 450 hrs.	\$106.25	1.25
• E	Equipment Drives	Based on make & model	
• F	Equipment Transmission	Based on make & model	
• G	Transfer / Winch	Based on make & model	
• H	Hydraulic	Based on make & model	
• J	Truck Differential	Based on make & model	
• T	Trailer PM	\$85.00	1.00
• 1	Brake Inspection	\$34.00	.40
• 4	Safety Inspection	\$7.00	
• 7	Safety & Emissions	\$25.50	

VEHICLE PICK UP AND DELIVERY FEES

- If customer picks up and delivers No charge
- If Fleet Services picks up or delivers Hourly rate each way
- If Fleet Services picks up using Truck and/or trailer \$140.00

STANDARD REPAIR LABOR RATES

Labor rate charges are: \$85.00

Fleet Services charges an hourly labor rate based upon the accumulated maintenance time for repairs. We propose to charge a standard (flat rate) time for preventive maintenance only. With Municipal Fleet repairs there are always variables that will affect repair times such as emergency lights, radios, and specialty equipment not normally found in privately owned vehicles. While performing preventive maintenance and inspections the technician notices a safety related problem with your vehicle we will open a separate work order to perform that repair. Our preventive maintenance program provides a systematic inspection of the vehicle. All levels of preventive maintenance have been customized to each customer needs.

- Labor warranty 180 days

PARTS AND COMPONENTS MARKUPS

- Fleet Services sources/provides parts Cost + 25%
- All price discounts, warranties, etc., are directly passed through to customer

OUTSOURCED INSPECTION, REPAIR AND COMPLIANCE MARKUPS

- If customer manages outsourced activities No Charge
- If Conroe manages outsourced activities Cost + 5%

OTHER MARKUPS AND FEES

- Carwash \$7.00 per wash
- Acquisition / Disposal/Auction Prep Hourly rate per vehicle
- Replace lost or stolen vehicle keys Cost + 25%
- Standard reports No Charge
- Customized management reports \$25.00 per report
- Shop/Supply/Data Fee \$8.25 per work order
- Freight Hot Shot Service Houston \$160.00 or market rate

PAYMENT TERMS AND CONDITIONS

- Billing period 30 days Standard
- Standard terms Net 30 days



Montgomery City Council
AGENDA REPORT

Meeting Date: March 12, 2024	Budgeted Amount: N/A
Department: Police Department	Prepared By: Anthony Solomon

Subject

Presentation of the Police Department’s 2023 Racial Profiling Report.

Recommendation

Review 2023 Racial Profiling Report.

Discussion

In this report, you the Council members will find several sections designed to provide Background information on the rationale and objectives of the Texas Racial Profiling Law, Other sections of this report contain information relevant to the policies adopted by the Montgomery Police Department to prohibit the practice of racial profiling by its officers. This report also contains documentation that demonstrates compliance by the Montgomery Police Department with the Texas Racial Profiling Law. The documents show the implementation of an institutional policy banning racial profiling and the implementation of a racial profiling complaint process.

Approved By

Chief of Police	Anthony Solomon	Date: 3/7/24
City Administrator	Gary Palmer	Date: 3/7/24



City of Montgomery Police Department

101 Old Plantersville Rd.
Montgomery, TX 77316
936-597-6866



Chief: Anthony Solomon

Date: March 1, 2024

Montgomery City Council
101 Plantersville Rd
Montgomery, Texas 77316

Since January 1, 2002, the Montgomery Police Department in accordance with the Texas Racial Profiling Law (S.B. No. 1074) has been collecting police contact data as it relates to identifying and responding (if necessary) to concerns of racial profiling practices by its Officers. We hope that the findings provided in this report will serve as evidence that the Montgomery Police Department continues to strive towards the goal of maintaining a strong relationship with the community it serves.

In this report, you the Council members will find several sections designed to provide Background information on the rationale and objectives of the Texas Racial Profiling Law, Other sections of this report contain information relevant to the policies adopted by the Montgomery Police Department to prohibit the practice of racial profiling by its officers. This report also contains documentation that demonstrates compliance by the Montgomery Police Department with the Texas Racial Profiling Law. The documents show the implementation of an institutional policy banning racial profiling and the implementation of a racial profiling complaint process. This information was disclosed to both the public and law enforcement personnel by way of a press release.

This report also provides statistical data relevant to the public contacts made during the period of January 1, 2023, to December 31, 2023. This information has been analyzed and compared to both the U.S. Census Bureau and the Texas Department of Public Safety data on motorists and citizens residing in the Montgomery 77316 and 77356 zip code. It is my hope that the information provided in this report helps you to better understand the commitment made by the Montgomery Police Department to strengthen its channels of communication between the community leaders whom we represent and the citizens that we serve.

Sincerely,

Anthony Solomon

Anthony D. Solomon
Chief of Police

Racial Profiling Report | Full

Item 16.

Agency Name: MONTGOMERY POLICE DEPARTMENT
Reporting Date: 02/23/2024
TCOLE Agency Number: 339204

Chief Administrator: ANTHONY D. SOLOMON

Agency Contact Information:
Phone: (936) 597-6866
Email: asolomon@ci.montgomery.tx.us

Mailing Address:
101 OLD PLANTERSVILLE RD
MONTGOMERY, TX 77316-4416

This Agency filed a full report

MONTGOMERY POLICE DEPARTMENT has adopted a detailed written policy on racial profiling. Our policy:

- 1) clearly defines acts constituting racial profiling;
- 2) strictly prohibits peace officers employed by the MONTGOMERY POLICE DEPARTMENT from engaging in racial profiling;
- 3) implements a process by which an individual may file a complaint with the MONTGOMERY POLICE DEPARTMENT if the individual believes that a peace officer employed by the MONTGOMERY POLICE DEPARTMENT has engaged in racial profiling with respect to the individual;
- 4) provides public education relating to the agency's complaint process;
- 5) requires appropriate corrective action to be taken against a peace officer employed by the MONTGOMERY POLICE DEPARTMENT who, after an investigation, is shown to have engaged in racial profiling in violation of the MONTGOMERY POLICE DEPARTMENT policy;
- 6) requires collection of information relating to motor vehicle stops in which a warning or citation is issued and to arrests made as a result of those stops, including information relating to:
 - a. the race or ethnicity of the individual detained;
 - b. whether a search was conducted and, if so, whether the individual detained consented to the search;
 - c. whether the peace officer knew the race or ethnicity of the individual detained before detaining that individual;
 - d. whether the peace officer used physical force that resulted in bodily injury during the stop;
 - e. the location of the stop;
 - f. the reason for the stop.
- 7) requires the chief administrator of the agency, regardless of whether the administrator is elected, employed, or appointed, to submit an annual report of the information collected under Subdivision (6) to:
 - a. the Commission on Law Enforcement; and
 - b. the governing body of each county or municipality served by the agency, if the agency is an agency of a county, municipality, or other political subdivision of the state.

The MONTGOMERY POLICE DEPARTMENT has satisfied the statutory data audit requirements as prescribed in

Article 2.133(c), Code of Criminal Procedure during the reporting period.

Item 16.

Executed by: JOSE N. BELMARES
Lt.

Date: 02/23/2024

Total stops: 4880

Street address or approximate location of the stop

City street	4847
US highway	1
County road	22
State highway	7
Private property or other	3

Was race or ethnicity known prior to stop?

Yes	213
No	4667

Race / Ethnicity

Alaska Native / American Indian	29
Asian / Pacific Islander	99
Black	418
White	3602
Hispanic / Latino	732

Gender

Female 1991

Alaska Native / American Indian	11
Asian / Pacific Islander	40
Black	169
White	1574
Hispanic / Latino	197

Male 2889

Alaska Native / American Indian	18
Asian / Pacific Islander	59
Black	249
White	2028
Hispanic / Latino	535

Reason for stop?

Violation of law 96

Alaska Native / American Indian	1
Asian / Pacific Islander	1
Black	9
White	72

Hispanic / Latino	13
Preexisting knowledge	17
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	4
White	9
Hispanic / Latino	4
Moving traffic violation	3955
Alaska Native / American Indian	25
Asian / Pacific Islander	90
Black	315
White	2912
Hispanic / Latino	613
Vehicle traffic violation	812
Alaska Native / American Indian	3
Asian / Pacific Islander	8
Black	90
White	609
Hispanic / Latino	102
Was a search conducted?	
Yes	92
Alaska Native / American Indian	2
Asian / Pacific Islander	2
Black	13
White	64
Hispanic / Latino	11
No	4788
Alaska Native / American Indian	27
Asian / Pacific Islander	97
Black	405
White	3538
Hispanic / Latino	721
Reason for Search?	
Consent	25
Alaska Native / American Indian	1
Asian / Pacific Islander	0
Black	2
White	22

Hispanic / Latino	0
Contraband	1
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	1
Hispanic / Latino	0
Probable	45
Alaska Native / American Indian	2
Asian / Pacific Islander	1
Black	9
White	25
Hispanic / Latino	8
Inventory	4
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	3
Hispanic / Latino	1
Incident to arrest	17
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	2
White	13
Hispanic / Latino	2

Was Contraband discovered?

Yes	46
Alaska Native / American Indian	2
Asian / Pacific Islander	1
Black	7
White	29
Hispanic / Latino	7
No	46
Alaska Native / American Indian	0
Asian / Pacific Islander	1
Black	6
White	35
Hispanic / Latino	4

Did the finding result in arrest?

(total should equal previous column)

Yes	2	No	0
Yes	1	No	0
Yes	7	No	0
Yes	29	No	0
Yes	7	No	0

Description of contraband

Drugs	35
Alaska Native / American Indian	2
Asian / Pacific Islander	0
Black	4
White	22
Hispanic / Latino	7
Weapons	6
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	2
White	3
Hispanic / Latino	1
Currency	0
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	0
Hispanic / Latino	0
Alcohol	4
Alaska Native / American Indian	0
Asian / Pacific Islander	1
Black	1
White	2
Hispanic / Latino	0
Stolen property	0
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	0
Hispanic / Latino	0
Other	5
Alaska Native / American Indian	0
Asian / Pacific Islander	1
Black	0
White	4
Hispanic / Latino	0
Result of the stop	
Verbal warning	0

Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	0
Hispanic / Latino	0
Written warning	3339
Alaska Native / American Indian	19
Asian / Pacific Islander	60
Black	285
White	2594
Hispanic / Latino	381
Citation	1497
Alaska Native / American Indian	10
Asian / Pacific Islander	39
Black	127
White	975
Hispanic / Latino	346
Written warning and arrest	41
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	6
White	31
Hispanic / Latino	4
Citation and arrest	3
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	2
Hispanic / Latino	1
Arrest	0
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	0
Hispanic / Latino	0
Arrest based on	
Violation of Penal Code	34
Alaska Native / American Indian	0
Asian / Pacific Islander	0

Black	4
White	26
Hispanic / Latino	4
Violation of Traffic Law	3
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	1
White	2
Hispanic / Latino	0
Violation of City Ordinance	0
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	0
Hispanic / Latino	0
Outstanding Warrant	7
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	1
White	5
Hispanic / Latino	1

Was physical force resulting in bodily injury used during stop?

Yes	11
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	2
White	6
Hispanic / Latino	3
Resulting in Bodily Injury To:	
Suspect	0
Officer	0
Both	0
No	4869
Alaska Native / American Indian	29
Asian / Pacific Islander	99
Black	416
White	3596
Hispanic / Latino	729

Number of complaints of racial profiling

Total	0
Resulted in disciplinary action	0
Did not result in disciplinary action	0

Comparative Analysis

Use TCOLE's auto generated analysis	<input checked="" type="checkbox"/>
Use Department's submitted analysis	<input type="checkbox"/>

Optional Narrative

N/A

Submitted electronically to the



The Texas Commission on Law Enforcement

Montgomery City Council
AGENDA REPORT

Meeting Date: March 12, 2024	Budgeted Amount: \$140,000
Department: Public Works	Prepared By: Mike Muckleroy

Subject

Annual review of contracts with Cody’s Lawn Service, LLC for “Grounds Maintenance” and “ROW Mowing and Lift Station Weed Control” regarding the service costs and level of service.

Recommendation

Award yearly renewal of both contracts with no changes in services.

Discussion

Contracts for services were signed on March 13, 2023 between the City and Cody’s Lawn Service, LLC. Item number 13 states that City Council shall review and authorize renewal annually regarding costs and level of service. A meeting was held with Mr. Cody Skyvarna to discuss any additional needs such as new streets or facilities. It was concluded that there was not a need to increase a level of service at this point.

Approved By

Public Works Director	Mike Muckleroy	Date: 03/06/2024
City Administrator	Gary Palmer	Date: 03/06/2024

CONTRACTOR AGREEMENT

“Grounds Maintenance ”

This agreement entered into this 13th day of March 2023, by and between the City of Montgomery, Texas hereinafter “Montgomery”, and Cody’s Lawn Service LLC company, hereinafter “Contractor” at Montgomery County, Texas.

WHEREAS, Contractor is self-employed and in the business of providing the following services: Grounds Maintenance according to work specified and further described in Exhibit “A” of this Agreement; and

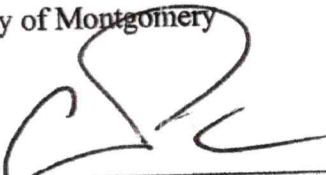
WHEREAS, Montgomery does, from time to time, contract with Contractor to perform services.

1. That in performing services in Montgomery, Contractor will act as an independent contractor at all times, and Contractor agrees that no relationship of employer – employee exists, and Contractor shall never represent to any third party that he is an employee of Montgomery.
2. Contractor agrees that he will provide labor and materials for the accomplishments of contracted work in a workmanlike manner in accordance with the specifications for the job. Montgomery will not exercise control or supervision over physical details of work, except such inspection as necessary to ensure compliance with specifications.
3. Contractor represents that he is duly authorized to perform the work contracted for, and that he is liable for any federal or state taxes, social security contributions, unemployment compensation taxes, or other taxes imposed by governmental entities or employers, and that he is exempt as an independent contractor under Texas Workers’ Compensation Act. Contractor agrees to indemnify and hold harmless Montgomery from any injuries to any persons arising under the course of this Agreement. Contractor shall not be obligated to indemnify Montgomery for claims arising solely from allegations of negligence by Contractor. Contractor shall maintain general liability insurance with limits of \$1,000,000 throughout the term of this Agreement.
4. The method of compensation for the contracted work by Contractor shall be a per-job fee to be negotiated in advance. No part of the agreed compensation is to be considered a salary or commission.
5. The labor and material which Contractor agrees to provide under this Agreement shall be provided by Contractor in accordance with accepted industry standards and in a workmanlike manner, but Contractor shall apply his own methods and manner,

- free from control and direction of Montgomery, except as to inspection and acceptance of the product and service.
6. Contractor shall provide services as defined in Exhibit "A" attached.
 7. Contractor or Montgomery may terminate this Agreement for any reason upon giving written notice, except the indemnity provisions of this Agreement shall survive a termination and continue until the applicable statute of limitations has run on all potential claims.
 8. This Agreement shall not be assigned by either party, except with express written consent of the non-assigning party.
 9. Contractor agrees to indemnify and hold harmless Montgomery from any injuries to any persons arising under the course of this Agreement.
 10. To the extent permitted by Paragraph 9, this Agreement shall be binding on heirs, personal representatives, legatees, and devisees of the parties.
 11. This Agreement shall be construed in accordance with and governed by the ordinances of the City of Montgomery, and the laws of the State of Texas.
 12. The parties understand and acknowledge that this Agreement contains all the understandings of the parties and constitutes the full agreement of the parties.
 13. The three (3) year term of this agreement shall be reviewed and authorized for renewal annually by City Council regarding the service costs and level of services as attached in Exhibit "A".


This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. This agreement expires March 13, 2026.

City of Montgomery

X 

 Gary Palmer, City Administrator

Cody's Lawn Service, LLC

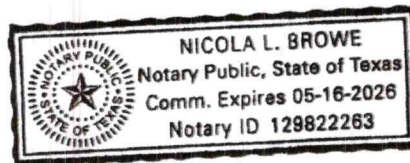
X 

 Represented by: Cody Shevlin

ATTEST:



 Nicola Browe, City Secretary



ATTACHMENT "A"

Contractor will be paid upon completion of work performed upon City acceptance. Based on the proposals attached as Attachment "A" (four pages).



City of Montgomery

Request for Proposals

Grounds Maintenance

January 2023

CITY OF MONTGOMERY
REQUEST FOR PROPOSALS
BID – GROUNDS MAINTENANCE

PROJECT DESCRIPTION

Contractor to furnish all labor, equipment, and materials needed for the completion of the work described below. Please complete the Price Schedule for each section. Additional maintenance/mowing visits will be paid on the per visit price as defined in the Price Schedule. Added maintenance/mowing areas shall be based upon a negotiated price agreed to by the City and the selected contractor. Invoices are to be submitted at the first of each month for payment on the previous month's service. This contract is not considered a salary and payments will only be made for work performed.

1.) GROUNDS MAINTENANCE

AREAS TO BE MAINTAINED:

Includes eight (8) sites detailed in Schedule 1.

DESCRIPTION OF WORK TO BE PERFORMED:

- Mow
- Edge all borders – concrete, beds, along fence lines, around trees and other obstacles
- Weed beds, playground equipment areas, and volleyball courts by hand as needed regularly
- Sweep/power blow to clean up landscape-related grass
- Chemical weed control of sidewalks and parking areas
- Trim all shrubs and ground cover as needed
- Maintain a well-defined (trenched) bed line
- Remove all trash from landscaped areas

FERTILIZER PROGRAM: (Coordinated with mowing schedule)

- Fertilize applications two times per year, one in spring and one in fall.
- Prior approval by Public Works is required before commencing applications.
- Monitor and spot treatment for insects and disease control during fertilizer applications.
- Weed control can be used for hardscapes and shrub beds.

SCHEDULE:

- Bi-weekly or monthly from October to March and weekly from April to September, as proposed by contractor (not to exceed 36 times per year).

CITY OF MONTGOMERY
REQUEST FOR PROPOSALS
BID – GROUNDS MAINTENANCE
PRICE SCHEDULE

1.) GROUNDS MAINTENANCE:

WEEKLY FACILITIES:

Location	Price per occurrence
1. City Hall	85
2. Cedar Brake Park	400
3. Homecoming Park	110
4. Community Building	55
5. Fernland Park	125
6. Memory Park (mowing and trimming only)	125
7. Jenny Adams Lot/Nat Hart Davis Museum	70
8. 213 Prairie St.	45
Fertilizer application cost for all 9 weekly facilities (Twice per year maximum)	1,375

Sealed bids are due by January 25, 2023 @ 2:00 PM to:

By mail or hand delivered:
Nici Browe, City Secretary
City of Montgomery
101 Old Plantersville Road
Montgomery, TX 77316

Bid opening on January 25, 2023 @ 2:00 PM at:

Montgomery City Hall
101 Old Plantersville Road
Montgomery, TX 77316

 Initial to indicate acceptance and understanding of the Project Description details.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
1/12/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER First Insurance Services 300 S Wheeler St Jasper TX 75951 INSURED CODY'S LAWN SERVICE, LLC 13728 AUSTIN MCCOMB RD MONTGOMERY TX 77316-2479	CONTACT NAME: CAROLYN ASHABRANNER PHONE (A/C No. Ext): (409) 384-5761 FAX (A/C No.): (409) 384-3341 E-MAIL ADDRESS: cashabranner@1stinsurance.net <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;">INSURER(S) AFFORDING COVERAGE</th> <th style="width: 20%;">NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A: WESTCO INS. CO.</td> <td>25011</td> </tr> <tr> <td>INSURER B: SERVICE LLOYDS INS CO</td> <td>43389</td> </tr> <tr> <td>INSURER C:</td> <td></td> </tr> <tr> <td>INSURER D:</td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </tbody> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: WESTCO INS. CO.	25011	INSURER B: SERVICE LLOYDS INS CO	43389	INSURER C:		INSURER D:		INSURER E:		INSURER F:	
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INSURER E:															
INSURER F:															

COVERAGES **REVISION NUMBER:**
CERTIFICATE NUMBER: CL2311213582

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> \$1000 DED PROPERTY DAMAGE <input type="checkbox"/> PER OCCURRENCE GENL AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			WPP194415101	12/6/2022	12/6/2023	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COM/OP AGG \$ 2,000,000 \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	SLICWC0052103	09/01/2022	09/01/2023	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 181, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER mmuckleroy@ci.montgomery.tx.t CITY OF MONTGOMERY 101 OLD PLANTERSVILLE RD MONTGOMERY, TX 77316	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE Willie Yeary/TBOYD <i>Willie Yeary</i>
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**REQUEST FOR SEALED BIDS
FOR GROUNDS MAINTENANCE &
RIGHT OF WAY MOWING AND LIFT STATION WEED CONTROL**

The City of Montgomery, Texas is seeking sealed bids for the following two (2) contracts:

- 1) **Grounds Maintenance; and/or**
- 2) **Right-of-Way Mowing and Lift Station Weed Control**

All bids will be subject to the general conditions, instructions and scope as provided in the bid submittal packs.

To receive either of the bid submittal packs, contact Nici Browe, City Secretary by email at nbrowe@ci.montgomery.tx.us or go to the City's web site (www.montgomerytexas.gov) under Legal Notices.

Submission Deadline: **Time: 2:00 p.m.**
Date: **Wednesday, January 25, 2023**

Deliver or Mail proposals to: City of Montgomery
 Attention: Nici Browe, City Secretary
 101 Old Plantersville Road
 Montgomery, Texas 77316

All sealed bids must include two (2) executed copies and be submitted by the deadline indicated and placed in a sealed package clearly marked on the outside as follows:

- 1) **Grounds Maintenance Bid; and/or**
- 2) **Right-of-Way Mowing and Lift Station Weed Control Bid**

The sealed envelope shall bear the name and address of the Vendor. The vendor must meet all state and local requirements in order to perform work within the State of Texas and the City of Montgomery. Bids submitted after the deadline indicated will not be accepted. Any bid not submitted in compliance with the instructions contained in this RFP may be declared "non-responsive" and may not be considered.

The City reserves the right to reject any and all bids, or part or all of any specific bids and to postpone or cancel the request for bids.

/s/Nici Browe, City Secretary
nbrowe@ci.montgomery.tx.us

Publication dates:

CONTRACTOR AGREEMENT

“ROW Mowing and Lift Station Weed Control”

This agreement entered into this 13th day of March 2023, by and between the City of Montgomery, Texas hereinafter “Montgomery”, and Cody’s Lawn Service LLC company, hereinafter “Contractor” at Montgomery County, Texas.

WHEREAS, Contractor is self-employed and in the business of providing the following services: ROW Mowing and Lift Station Weed Control according to work specified and further described in Exhibit “A” of this Agreement; and

WHEREAS, Montgomery does, from time to time, contract with Contractor to perform services.

1. That in performing services in Montgomery, Contractor will act as an independent contractor at all times, and Contractor agrees that no relationship of employer – employee exists, and Contractor shall never represent to any third party that he is an employee of Montgomery.
2. Contractor agrees that he will provide labor and materials for the accomplishments of contracted work in a workmanlike manner in accordance with the specifications for the job. Montgomery will not exercise control or supervision over physical details of work, except such inspection as necessary to ensure compliance with specifications.
3. Contractor represents that he is duly authorized to perform the work contracted for, and that he is liable for any federal or state taxes, social security contributions, unemployment compensation taxes, or other taxes imposed by governmental entities or employers, and that he is exempt as an independent contractor under Texas Workers’ Compensation Act. Contractor agrees to indemnify and hold harmless Montgomery from any injuries to any persons arising under the course of this Agreement. Contractor shall not be obligated to indemnify Montgomery for claims arising solely from allegations of negligence by Contractor. Contractor shall maintain general liability insurance with limits of \$1,000,000 throughout the term of this Agreement.
4. The method of compensation for the contracted work by Contractor shall be a per-job fee to be negotiated in advance. No part of the agreed compensation is to be considered a salary or commission.
5. The labor and material which Contractor agrees to provide under this Agreement shall be provided by Contractor in accordance with accepted industry standards and in a workmanlike manner, but Contractor shall apply his own methods and manner,


free from control and direction of Montgomery, except as to inspection and acceptance of the product and service.


- 6. Contractor shall provide services as defined in Exhibit "A" attached.
- 7. Contractor or Montgomery may terminate this Agreement for any reason upon giving written notice, except the indemnity provisions of this Agreement shall survive a termination and continue until the applicable statute of limitations has run on all potential claims.
- 8. This Agreement shall not be assigned by either party, except with express written consent of the non-assigning party.
- 9. Contractor agrees to indemnify and hold harmless Montgomery from any injuries to any persons arising under the course of this Agreement.
- 10. To the extent permitted by Paragraph 9, this Agreement shall be binding on heirs, personal representatives, legatees, and devisees of the parties.
- 11. This Agreement shall be construed in accordance with and governed by the ordinances of the City of Montgomery, and the laws of the State of Texas.
- 12. The parties understand and acknowledge that this Agreement contains all the understandings of the parties and constitutes the full agreement of the parties.
- 13. The three (3) year term of this agreement shall be reviewed and authorized for renewal annually by City Council regarding the service costs and level of services as attached in Exhibit "A".

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. This agreement expires March 13, 2026.

City of Montgomery

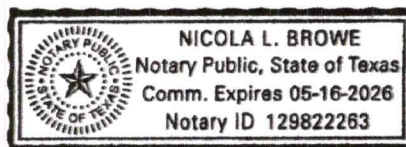
Cody's Lawn Service, LLC

X 
 Gary Palmer, City Administrator

X 
 Represented by: Cody Skysen

ATTEST:


 Nicola Browe, City Secretary



ATTACHMENT "A"

Contractor will be paid upon completion of work performed upon City acceptance. Based on the proposals attached as Attachment "A" (seven pages).



City of Montgomery

Request for Proposals

Right of Way Mowing

&

Lift Station Weed Control

January 2023

CITY OF MONTGOMERY
REQUEST FOR PROPOSALS
BID – RIGHT OF WAY MOWING & LIFT STATION WEED CONTROL

PROJECT DESCRIPTION

Contractor to furnish all labor, equipment, and materials needed for the completion of the work described below. Please complete the Price Schedule for each section. Additional maintenance/mowing visits will be paid at the per visit price as defined in the Price Schedule. Added maintenance/mowing areas shall be based upon a negotiated price agreed to by the City and the selected contractor. Invoices are to be submitted at the first of each month for payment on the previous month's service. This contract is not considered a salary and payments will only be made for work performed.

1.) RIGHT OF WAY ("ROW") MOWING MAINTENANCE

AREAS TO BE MAINTAINED:

- The detailed ROW Facilities and street names are included in Price Schedules 1 and 2.

DESCRIPTION OF WORK TO BE PERFORMED:

- Mowing of approximately 93,195 linear feet of ROW (includes Hwy 105, FM 1097, and FM 149 inside the City Limits) and ROW Facilities owned by the City.
- Monofilament trimming of all borders – concrete, along fence lines, around trees in ditches, and any other obstacles.
- Sweep/power blow to clean up landscaped grass. Clippings shall not be blown into any street or roadway as this can cause a hazard to bicycles and motorcycles.
- Remove all trash from ROW areas.

SCHEDULE:

- Monthly from October to March and bi-weekly from April to September, as proposed by contractor (not to exceed 20 times per year).

2.) LIFT STATION WEED CONTROL

AREAS TO BE MAINTAINED:

- Includes eleven (11) sites detailed in Schedule 3.

DESCRIPTION OF WORK TO BE PERFORMED:

- Chemical weed control of all areas within listed lift stations owned by the City.

SCHEDULE:

- Monthly as needed.

CITY OF MONTGOMERY
REQUEST FOR PROPOSALS
BID – RIGHT OF WAY MOWING & LIFT STATION WEED CONTROL
PRICE SCHEDULE

1.) ROW FACILITIES:

Location	Price per occurrence
1. Water Plant No. 2 – 905 Stewart St.	60
2. Water Plant No. 3 – 109 Business Park Dr.	75
3. Town Creek WWTP - 307 Liberty St.	125
4. Stewart Creek WWTP – 265 South Buffalo Springs Dr.	75
5. 777 Clepper St. – East of MISD Administration	195

CITY OF MONTGOMERY REQUEST FOR PROPOSALS BID – RIGHT OF WAY MOWING & LIFT STATION WEED CONTROL

This section has been prepared to answer any questions relative to the approximate ROW widths that may be mowed in the City. This section should not be the basis for an exact calculation, but as an estimate of anticipated mowing areas. Circumstances on each street are different and numbers below may not be exact. For example, some property owners may have landscaped improvements or maintain the area(s) themselves, or sidewalks may be present, etc. This information can, however, help in estimating some areas.

2.) STREET NAMES:

Street Name	Right of Way width In feet	Pavement width In feet	Roadway length in linear feet
Prairie	40	18	960
Sheppard	30	18	460
Malden	30	18	700
Westway	30	18	750
McCown	30	18	820
Eugenia	30	18	430
John A. Butler	30	28	350
College (to include easement behind Burger Fresh)	30	18	2,900
Caroline	30	18	2,760
Lawson	30	18	600
Mason	30	18	200
Simonton	30	18	620
Clepper	60 & 80	24	3,070
Community Center Dr.	60	18	2,460
Pond	30	18	1,560
Dr. MLK	60	20	2,840
Cemetery	30	20	220
Baja	30	17	950
Church	30	17	180
McGinnis	30	18	410
Louisa	40	20	1,200

Street Name	Right of Way width in feet	Pavement width in feet	Roadway length in linear feet
Houston	30	18	930
Flagship	80	29	2,000
Rankin	30	15	300
Old Plantersville	40 - 50	20	6,180
Stewart	30	20	490
Wade	30	16	300
Womack Cemetery	50	18	775
Worsham	40	18	1,140
CB Stewart	80	24	2,020
Berkley (from 149 to entrance of Buffalo Springs neighborhood)	70	24	380
Buffalo Springs (including driveway to WWTP)	80	28	7,820
Summit Business Park	90	36	1,750
Emma's Way	75	35	1,200
Lone Star Bend	70	27	2,570
Plez Morgan	110	28	2,460
Business Park (By Water Plant 3)	60	24	355
Gardner	80	34	935
Ditch to the east of 281 Berkley	70	24	50
FM 1097 (From FM 149 to city limits)	60	30	5,800
Hwy 105 (Eva St.) (From CB Stewart to Stewart Creek Road)	225	85	5,500
Hwy 105 (Eva St.) (From CB Stewart to Lone Star Parkway on west end)	110	64	12,650
FM 149 (in city limits)	60	26	10,600
FM 2854 (From Hwy 105 to city limits)	150	35	1,200
McWashington Dr.	63	23	1,050
Geisinger Dr.	60	33	300

Total Linear Feet	93,195
Price for ROW mowing per occurrence	4,290

CITY OF MONTGOMERY
REQUEST FOR PROPOSALS
BID – RIGHT OF WAY MOWING & LIFT STATION WEED CONTROL

3.) LIFT STATION WEED CONTROL:

Lift Station	Address
#3	13790 Liberty St.
#4	651 Old Plantersville Rd.
#5	22150 Eva St.
#6	22678 Eva St.
#7	2510 Lone Star Pkwy.
#8	1600 Lone Star Pkwy.
#9	1355 Buffalo Springs Dr.
#10	1191 Buffalo Springs Dr.
#12	300 CB Stewart Dr.
#13	22400 FM 1097
#14	115 Peninsula Pt.


Total price per occurrence as needed	235
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Sealed bids are due by January 25, 2023 @ 2:00 PM to:

By Mail or hand delivered:
Nici Browe, City Secretary
City of Montgomery
101 Old Plantersville Rd.
Montgomery, TX 77316

Bid opening on January 25, 2023 @ 2:00 PM at:

Montgomery City Hall
101 Old Plantersville Road
Montgomery, TX 77316

 Initial to indicate acceptance and understanding of the Project Description details.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MMDD/YYYY)
1/12/2023

Item 17.

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER First Insurance Services 300 S Wheeler St Jasper TX 75951	CONTACT NAME: CAROLYN ASHABRANNER PHONE (A/C, No, Ext): (409) 384-5761 E-MAIL ADDRESS: cashabranner@1stinsurance.net FAX (A/C, No): (409) 384-3343																					
INSURED CODY'S LAWN SERVICE, LLC 13728 AUSTIN MCCOMB RD MONTGOMERY TX 77316-2479	<table border="1"> <tr> <th colspan="2">INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> <tr> <td>INSURER A: WESTCO INS. CO.</td> <td></td> <td>25011</td> </tr> <tr> <td>INSURER B: SERVICE LLOYDS INS CO</td> <td></td> <td>43389</td> </tr> <tr> <td>INSURER C:</td> <td></td> <td></td> </tr> <tr> <td>INSURER D:</td> <td></td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> <td></td> </tr> </table>	INSURER(S) AFFORDING COVERAGE		NAIC #	INSURER A: WESTCO INS. CO.		25011	INSURER B: SERVICE LLOYDS INS CO		43389	INSURER C:			INSURER D:			INSURER E:			INSURER F:		
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COVERAGES **CERTIFICATE NUMBER:** CE2311213582 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MMDD/YYYY)	POLICY EXP (MMDD/YYYY)	LIMITS	
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> \$1000 DED PROPERTY DAMAGE <input type="checkbox"/> PER OCCURRENCE GENL AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			WZF194415101	12/6/2022	12/6/2023	EACH OCCURRENCE	\$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 100,000
							MED EXP (Any one person)	\$ 5,000
							PERSONAL & ADV INJURY	\$ 1,000,000
							GENERAL AGGREGATE	\$ 2,000,000
							PRODUCTS - COM/OP AGG	\$ 2,000,000
								\$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	\$
	<input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						BODILY INJURY (Per person)	\$
							BODILY INJURY (Per accident)	\$
							PROPERTY DAMAGE (Per accident)	\$
								\$
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$						EACH OCCURRENCE	\$
							AGGREGATE	\$
								\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N		SLICWC0052103	09/01/2022	09/01/2023	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER	
		Y	N/A				E.L. EACH ACCIDENT	\$ 1,000,000
							E.L. DISEASE - EA EMPLOYEE	\$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	\$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER mmuckleroy@ci.montgomery.tx.t CITY OF MONTGOMERY 101 OLD PLANTERSVILLE RD MONTGOMERY, TX 77316	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE Willie Yeary/TBOYD <i>Willie Yeary</i>
--	--

Montgomery City Council
AGENDA REPORT

Meeting Date: March 12, 2024	Budgeted Amount: N/A
Department: Public Works	Prepared By: Mike Muckleroy

Subject

Consideration and possible action regarding amending Chapter 90, Section 90-71 of the Code of Ordinances.

Recommendation

Approve the listed ordinance amendments as presented.

Discussion

Grease trap inspection costs have changed with our new Water and Sewer Operations contract. The current charge is \$50.00 and we were previously paying our former contractor \$45.00 for inspections. The new contract amount is \$60.00; therefore we are proposing a trap inspection fee of \$65.00 per inspection. We also added verbiage to cover the cost of reinspections if one should fail the monthly inspection and warrant a return trip.

Approved By

Public Works Director	Mike Muckleroy	Date: 03/06/2024
City Administrator	Gary Palmer	Date: 03/06/2024

ORDINANCE NO. 2024 - _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MONTGOMERY, TEXAS, AMENDING SECTION 90-71, OF THE CODE OF ORDINANCES OF THE CITY OF MONTGOMERY, TEXAS TO PROVIDE FOR AN AMENDED TRAP INSPECTION FEE AS REQUIRED BY CHAPTER 90-71 OF THE CODE OF ORDINANCES OF THE CITY OF MONTGOMERY, TEXAS; REPEALING ALL ORDINANCES IN CONFLICT; PROVIDING A TEXAS OPEN MEETINGS ACT CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE AFTER PUBLICATION.

WHEREAS, Chapter 90 of the Code of Ordinances ("City Code") of the City of Montgomery, Texas (the "City"), at Section 90-71 authorizes the City Council by ordinance to establish fee for monthly trap inspections; and

WHEREAS, the City Council, having previously considered advice and input from City Staff, has determined it appropriate to amend the fee for monthly trap inspections, based on historical data and other factors related to the costs of providing such inspections; and

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

SECTION 1. Trap inspections as required by Chapter 90-71 of the Code of Ordinances of the City of Montgomery is hereby amended and adopted in its entirety and shall read as follows:

"The City shall perform monthly trap inspections for all persons responsible for discharges requiring a trap. A charge of \$65.00 per inspection will be required for all trap inspections and reinspections conducted by the City."

SECTION 2. Construction. This Ordinance shall not be construed so as to conflict with any state or federal statute.

SECTION 3. Repeal of Conflicting Ordinances. All provisions of the ordinances of the City of Montgomery in conflict with the provisions of this Ordinance are hereby repealed, and all other provisions of the Ordinances of the City of Montgomery not in conflict with the provisions of this Ordinance shall remain in full force and effect.

SECTION 4. Severability Clause. If any provision, section, exception, subsection, paragraph, sentence, clause or phrase of this Ordinance or the application of same to any person or set of circumstances, shall for any reason be held unconstitutional, void, invalid or otherwise unenforceable, the invalidity or unenforceability shall not affect other provisions of this Ordinance or their application to other sets of circumstances and to this end all provisions of this Ordinance are declared to be severable.

SECTION 5. Texas Open Meetings Clause. 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 6. Effective Date. This Ordinance shall become effective and be in full force from after publication as required by law.

PASSED AND APPROVED on the _____ day of March, 2024.

, Mayor

ATTEST:

Nici Browe, City Secretary

APPROVED AS TO FORM:

Alan Petrov, City Attorney

Montgomery City Council
AGENDA REPORT

Meeting Date: March 12, 2024	Budgeted Amount: \$0
Department: Administration	Prepared By: G. Palmer

Subject

Consideration And Approval of a Resolution of City of Montgomery Adopting The 2024 Montgomery County Multi-jurisdictional Hazard Mitigation Plan

Recommendation

Move to adopt the resolution as proposed

Discussion

If you are not familiar with this nationally *mandated* process, it's essentially a collaborative emergency management plan of which we are required to take part*. I have a copy of the 900+ page plan in my office if you would like to peruse...it was too large to upload the pdf into the system. I pulled out some relevant pages from the Plan and added them to your packet to provide some context.

Working with the Houston-Galveston Area Council, the hazard mitigation plan outlines the risk and impacts of natural disasters and provides strategies to mitigate the impacts. The plan outlines the natural disasters that Montgomery County could face such as flooding, hurricanes, tropical storms, drought, winter weather, cyber-attacks; and how vulnerable the county is to such disasters. It also includes a capability assessment and what mitigation actions different cities in the county could take. The plan must be updated every five years; Montgomery County last updated its hazard mitigation plan in 2018.

The mitigation "action items" listed for the City of Montgomery and other entities are **aspirational and funding dependent**. We are not bound to complete these items, but we are required to put these mitigation actions into this plan and pursue them as we are able.

**The Disaster Mitigation Act of 2000 creates a requirement for local jurisdictions to have a FEMA approved Hazard Mitigation Plan in order to receive certain types of non-emergency disaster assistance. The framework of the plan is to identify, acknowledge, and address hazards probability, frequency, extent, impact and vulnerabilities that affect the local community to include natural and man-made disasters.*

Approved By

City Administrator	Gary Palmer	Date: February 29, 2024

Resolution

RESOLUTION NO. R-2024-04

A RESOLUTION OF CITY OF MONTGOMERY ADOPTING THE 2024 MONTGOMERY COUNTY MULTI-JURISDICTIONAL HAZARD MITIGATION PLAN

WHEREAS the City of Montgomery recognizes the threat that natural hazards pose to people and property within its jurisdiction; and

WHEREAS the City of Montgomery has prepared a multi-hazard mitigation plan, hereby known as 2024_Montgomery County Multi-Jurisdictional Hazard Mitigation Plan in accordance with federal laws, including the [Robert T. Stafford Disaster Relief and Emergency Assistance Act](#), as amended; the [National Flood Insurance Act of 1968](#), as amended; and the [National Dam Safety Program Act](#), as amended; and

WHEREAS the 2024 Montgomery County Multi-Jurisdictional Hazard Mitigation Plan identifies mitigation goals and actions to reduce or eliminate long-term risk to people and property in its jurisdiction from the impacts of future hazards and disasters; and

WHEREAS adoption by the City of Montgomery demonstrates its commitment to hazard mitigation and achieving the goals outlined in the 2024 Montgomery County Multi-Jurisdictional Hazard Mitigation Plan

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

In accordance with Texas Government Code §52.003, the City of Montgomery adopts the 2024 Montgomery County Multi-Jurisdictional Hazard Mitigation Plan. While content related to City of Montgomery may require revisions to meet the plan approval requirements, changes occurring after adoption will not require City of Montgomery to re-adopt any further iterations of the plan. Subsequent plan updates following the approval period for this plan will require separate adoption resolutions.

ADOPTED by a vote of City of Montgomery this 12th day of March 2024.

Mayor: Byron Sanford: _____

Nici Browe TRMC, City Secretary: _____

MULTI-JURISDICTIONAL HAZARD MITIGATION PLAN

Montgomery County, Texas

Draft | February 29, 2024

2023

Table of Contents:

- Part 1: Introduction..... 8**
 - Purpose 8**
 - Scope..... 9**
 - Plan Organization..... 9**
- Part 2: Planning Process..... 11**
 - Stakeholder Organization and Responsibilities..... 11**
 - Planning Committee..... 11
 - Stakeholder Group 12
 - Public 13
 - Plan Update Process..... 14**
 - Jurisdictional Participation 14
 - Changes in Priorities 14
 - Planning Meetings..... 14
 - Outreach 15
- Part 3: County Profile..... 19**
 - Overview..... 19**
 - Location 19
 - Population 21
 - Development Trends 24
 - Social Vulnerability..... 24
 - Community Lifelines..... 26**
 - Safety and Security 26
 - Food, Water, Shelter..... 27
 - Health and Medical..... 28
 - Energy..... 28
 - Communications..... 29
 - Transportation 29
 - Hazardous Materials..... 30
- Part 4: Risk Assessment..... 32**
 - Methodology, Data, and Tools 32**
 - Methodology..... 32
 - Data and Tools..... 38
 - 4.1. Extreme Heat..... 41**
 - Characteristics..... 41**
 - Location and Extent..... 42**
 - Recent Occurrences 43**
 - Probability..... 44**
 - Vulnerability Analysis..... 44**
 - 4.2. Flooding 47**

Characteristics..... 47

Location and Extent..... 47

Recent Occurrences 50

Probability..... 54

Vulnerability Analysis..... 56

County and Jurisdictional Flood Maps 57

4.3. Hurricanes and Tropical Storms..... 68

Characteristics..... 68

Location and Extent..... 68

Recent Occurrences 70

Probability..... 72

Vulnerability Analysis..... 72

4.4. Severe Storms..... 76

Characteristics..... 76

 Severe Thunderstorm76

 Lightning77

 Hail77

Location and Extent..... 77

 Severe Thunderstorm77

 Lightning79

 Hail80

Recent Occurrences 81

Probability..... 82

Vulnerability Analysis..... 82

4.5. Wildfire..... 86

Characteristics..... 86

Location and Extent..... 87

Recent Occurrences 91

Probability..... 92

Vulnerability Analysis..... 92

Jurisdictional Wildfire Maps 94

4.6. Drought..... 103

Characteristics..... 103

Location and Extent..... 104

Recent Occurrences 106

Probability..... 107

Vulnerability Analysis..... 109

4.7. Winter Weather..... 112

Characteristics..... 112

Location and Extent..... 113

Recent Occurrences 116

Probability..... 119

Vulnerability Analysis..... 119

4.8. Dam / Levee Failure..... 122

Characteristics..... 122

 Dams.....122

 Levees.....123

Location and Extent..... 123

 Dams.....123

 Levees.....134

Recent Occurrences 135

Probability..... 135

Vulnerability Analysis..... 135

4.9. Tornado..... 138

Characteristics..... 138

Location and Extent..... 138

Recent Occurrences 139

Probability..... 143

Vulnerability Analysis..... 143

4.10. Pandemic 147

Characteristics..... 147

Location and Extent..... 148

Recent Occurrences 149

Probability..... 149

Vulnerability Analysis..... 150

4.11. Chemical, Biological, Radiological, Nuclear, and Explosives..... 152

Characteristics..... 152

 Chemical, Radiological, and Explosives154

 Biological.....155

 Nuclear155

Location and Extent..... 156

Recent Occurrences 159

Probability..... 161

Vulnerability Analysis..... 161

4.12. Cyber Security..... 164

Characteristics..... 164

Location and Extent..... 166

Recent Occurrences 166

Probability..... 169

Vulnerability Analysis..... 169

Part 5: Capability Assessment..... 172

5.1 Legal and Regulatory Capabilities..... 172

5.2 Administrative and Technical Capabilities 175

5.3 Fiscal Capabilities..... 176

5.4 Certifications 177

 5.4.1 Community Classifications177

5.4.2 National Flood Insurance Program 178

Part 6: Mitigation Strategy 182

Goals and Objectives 182

Mitigation Action Plan..... 183

 Action Identification 183

 Action Plan Development 184

Implementing the Mitigation Strategy 188

 Plan Adoption 188

 Plan Maintenance 188

Part 6.1: Mitigation Actions 196

 Montgomery County 196

 City of Conroe..... 244

 City of Cut and Shoot 278

 City of Magnolia 295

 City of Montgomery..... 310

 City of Oak Ridge North 326

 City of Panorama Village..... 348

 City of Patton Village..... 359

 City of Roman Forest 374

 City of Shenandoah 396

 City of Splendora 409

 City of Stagecoach 424

 City of Willis..... 445

 City of Woodbranch 466

 The Woodlands Township 479

 Town of Woodloch..... 502

Appendix A: Acronyms..... 517

Appendix B: Planning Process 520

 Public Meetings 520

 Stakeholder Surveys 528

Appendix B.1: Formal Kickoff Meeting Presentation 536

Appendix B.2: Risk Assessment Meeting Presentation 574

Appendix B.3: Public Review 631

 Public Review Period Notices 631

 Participating Jurisdiction Notices 634

 Stakeholder and Participant Notices 641

 Public Comments 643

Appendix C: Risk Assessment 645

Appendix C.1: Hazards Excluded from the Montgomery County Multi-Jurisdictional HMP 646

Appendix C.2: Hazus Risk Reports 647

Appendix C.3: CBRNE Recent Occurrences 794

Appendix D: Capability Assessment 877

1.1 Legal and Regulatory Capabilities..... 877

1.2 Administrative and Technical Capabilities 881

1.3 Fiscal Capabilities..... 883

Appendix E: Status of 2017 Montgomery County Mitigation Actions 886

Appendix F: Mitigation Strategy Implementation..... 934

 Project Funding Support Tool 934

 Plan Maintenance Tool..... 937

 Progress Reporting Tool 941

Appendix G: NFIP Policy Information by Jurisdiction 943

Appendix H: Sample Adoption Resolution..... 945

Appendix I: Plan Adoption Documents..... 947

PART 1:

INTRODUCTION

Part 1: Introduction

The 2023 Montgomery County (the “County”) Multi-Jurisdictional Hazard Mitigation Plan (HMP or the “Plan”) update is designed to reduce loss of life, property, and community vulnerability while simultaneously increasing community resilience within Montgomery County. Since 2006, the County maintains an HMP that meets the requirements of the Stafford Act and Title 44 Code of Federal Regulations (CFR) §201.6. The County previously completed an update in 2017. The Plan serves as a strategy for implementation and maintenance of the mitigation program in the County. Funding for this planning process is supported by the Community Development Block Grant-Mitigation Local Hazard Mitigation Plans Program (LHMPP).

Purpose

The purpose of this hazard mitigation plan is to identify and plan for both natural and human-caused hazards facing Montgomery County and its 15 participating jurisdictions. Additionally, this plan includes strategies to reduce long-term risks facing the County. Hazard mitigation planning is driven by the requirements in Title 44 Code of Federal Regulations (CFR) 201.4 and 201.5.

While this Plan does not have legal implications or the authority to establish policy, there are several benefits of hazard mitigation planning, including:

- Increase public awareness of natural and human-caused hazards and community vulnerabilities;
- Improve the understanding of potential risks and possible risk reductions measures associated with existing and future development;
- Strengthen partnerships and lines of communications among diverse interests, including opportunities to leverage and share resources;
- Increase community and voter support for specific actions the County and its participating jurisdictions may propose to reduce future losses;
- Reduce the physical, financial, and emotional losses caused by hazards;
- Increase community resilience to withstand and more quickly recover from disasters; and
- Ensure County and participating jurisdictions eligibility for federal hazard mitigation grants and aid prior to and following federally declared disasters and for additional state matching funds for associated repairs and improvements.

Scope

The Plan applies to all incorporated and unincorporated areas of the County, which includes 16 participating jurisdictions. These jurisdictions fully participated in the planning update process and adopted the Plan to retain eligibility as direct recipients of Hazard Mitigation Assistance (HMA) grants. **Appendix B. Planning Process** summarizes the involvement of representatives from each of these jurisdictions.

Plan Organization

This Plan consists of a Base Plan and Appendices. The Base Plan includes the following:

Section 1: Introduction introduces the reader to the Plan and provides context for the information included in the Plan.

Section 2: Planning Process describes the planning process and records the participation of stakeholders in the planning process.

Section 3: County Profile analyzes the demographics, geography, and climate in the County.

Section 4: Risk Assessment analyzes the County's and jurisdictions' risks to natural and human-caused hazards.

Section 5: Capability Assessment identifies the County's capabilities and assesses how these capabilities can support mitigation programs or be improved to support mitigation.

Section 6: Mitigation Strategy describes the County's mitigation strategy, including the Plan's goals for a mitigation program, and provides a road map for implementing the Plan throughout the planning cycle.

The Appendices include tools and data to support the development and implementation of the Plan.

PART 2:

PLANNING PROCESS

Part 2: Planning Process

The following section describes the process for developing and updating the Plan. Detailed documentation of this process, including records of meeting attendance, presentations, and the Public Outreach and Stakeholder Engagement Plan can be found in **Appendix B. Planning Process.**

Stakeholder Organization and Responsibilities

The stakeholders involved in the development of the Plan are organized in three categories, as shown in *Figure 1*. This tiered structure is outlined by participation in the planning process. More details on the responsibilities of each group and their participation in the planning process are included in the subsections below.

Figure 1: Audience Organization



Planning Committee

The Planning Committee includes leadership and advisory support from participating jurisdictions, including the Montgomery County Office of Homeland Security and Emergency Management, City of Conroe, City of Cut and Shoot, City of Magnolia, City of Montgomery, City of Oak Ridge North, City of Panorama Village, City of Patton Village, City of Roman Forest, City of Shenandoah, City of Splendora, City of Stagecoach, City of Willis, Woodbranch Village, The Woodlands Township, and the Town of Woodloch. Group responsibilities included organizing and executing the planning process, directing the development of the HMP, and reviewing drafts of planning documents. The Planning Committee contributed to high-level decisions about the purpose and goals of the HMP.

This group was also invited to participate in the activities outlined for the Stakeholder Group (e.g., participating jurisdictions, County stakeholders, and utility districts) and the public. The responsibilities of the Planning Committee include:

- Organize and carry out the planning process;
- Make high-level decisions about the purpose and goals of the Plan;
- Collect information from the stakeholders to update the Plan;
- Participate in the Local Risk and Capability Survey in September 2022; and
- Develop and finalize drafts of the Plan documents.

Stakeholder Group

The Stakeholder Group includes a larger audience of community representatives. The Planning Committee defined the composition of the Stakeholder Group, involving key entities the County regularly interacts with, including:

- Law enforcement groups;
- Regional, state, and federal agencies;
- Community risk reduction groups
- Neighboring jurisdictions (e.g., Liberty County);
- Utility providers;
- Cultural and faith-based organizations; and
- County and City departments that manage economic development, land use, housing, health and social services, infrastructure, and natural resources.

The Stakeholder Group provided feedback on drafted plan sections and input on the development of the Plan given their understanding of local community needs and values. As needed, the Planning Committee consulted with individuals in the Stakeholder Group for subject matter expertise on specific topics. This group will also be invited to participate in the activities outlined for the public. The Stakeholder Group is responsible for the following:

- Maintain awareness of the Plan update process;
- Provide subject matter expertise as requested;
- Participate in the Local Risk and Capability Survey in September 2022;
- Participate in the Hazard Vulnerability and Risk Assessment Review Meeting in November 2022;
- Participate in the Mitigation Strategy Workshops in March 2023;
- Participate in the Updated Mitigation Strategy Conference Call in April 2023; and
- Participate in the Montgomery County HMP Update Revisions Review Meeting(s) in May 2023.

Table 1: Invited Members of the Stakeholder Group

Jurisdiction	Organizations
Federal	<ul style="list-style-type: none"> • Federal Emergency Management Agency
State	<ul style="list-style-type: none"> • Texas Department of Emergency Management
Regional	<ul style="list-style-type: none"> • Montgomery County • Montgomery County Office of Homeland Security and Emergency Management • Montgomery County, Geographic Information Systems • Montgomery County Public Health District • Grimes County • Harris County • Liberty County • San Jacinto County • San Jacinto River Authority • Waller County • Walker County
Local	<ul style="list-style-type: none"> • City of Conroe • City of Cut and Shoot • City of Magnolia • City of Montgomery • City of Oak Ridge North • City of Roman Forest • City of Shenandoah • City of Splendora • City of Stagecoach • City of Willis • City of Woodloch • Panorama Village • Patton Village • Utility Districts • San Jacinto River Authority (SJRA) • The Woodlands Township • Woodbranch Village

Public

The public consists of County residents. The public was invited to participate in the public comment period to document their understanding of community hazards and capabilities to mitigate those hazards. They also had the opportunity to directly review and provide feedback on the completed HMP prior to its submission to FEMA.

The public is responsible for reviewing the draft Plan during the public review period in May 2023.

Plan Update Process

Jurisdictional Participation

The HMP includes the 16 participating jurisdictions: Montgomery County Office of Homeland Security and Emergency Management, City of Cut and Shoot, City of Magnolia, City of Montgomery, City of Patton Village, City of Roman Forest, City of Conroe, City of Oak Ridge North, City of Panorama Village, City of Shenandoah, City of Splendora, City of Stagecoach, City of Willis, Woodbranch Village, The Woodlands Township, and Town of Woodloch. All 16 jurisdictions contributed to and participated in the collaborative planning process to produce the HMP. Participation in the HMP indicates the commitment of the 16 jurisdictions to mitigate risk to and increase the resilience of the Montgomery County community.

As part of the public comment period, surrounding counties were invited to review and provide feedback on the draft Plan. These participating county stakeholders include Grimes, Harris, Liberty, San Jacinto, Waller, and Walker Counties. Participation in the HMP indicates the commitment of the six neighboring counties to mitigate risk to and increase the resilience of the Montgomery County community regardless of political boundaries.

The HMP includes multiple participating utility districts. The utility districts contributed to and participated in the collaborative planning process to produce the Plan. Participation in the HMP indicates the commitment of the utility districts to mitigate risk to and increase the resilience of the Montgomery County community.

Changes in Priorities

Through the Plan update process, Montgomery County and all participating jurisdictions considered changes in priorities since the last Plan adoption in 2017. These considerations were implemented throughout the 2023 Plan update, including:

- New emerging hazards affecting the County;
- Recent occurrences of hazards;
- Changes in development;
- Changes in climate;
- Inclusion of FEMA Community Lifelines;
- Expansion of, improvement of, and new capabilities; and
- Progress of previous mitigation action items.

Planning Meetings

The planning process included bi-weekly meetings to engage the Planning Committee and collect necessary information to develop the Plan. **Table 2** provides an overview of the meetings conducted during the planning process and describes the purpose of each

meeting. Documentation from each of these meetings, including agendas, presentation materials, and notes, are included in **Appendix B. Planning Process**.

Table 2: Planning Meetings and Workshops

Title	Date	Purpose
Planning Committee Meeting	8/30/2022	<ul style="list-style-type: none"> • Provide a project overview • Discuss the logistics for the Kickoff Meeting
Planning Committee Meeting	9/12/2022	<ul style="list-style-type: none"> • Review Kickoff Meeting Agenda and presentation • Introduce the Public Engagement Strategy
Kick-off Meeting	9/21/2022	<ul style="list-style-type: none"> • Introduce the hazard mitigation planning process • Review project schedule and deliverables • Discuss approach to the Risk Assessment
Risk Assessment Meeting	12/01/2022	<ul style="list-style-type: none"> • Review results of the risk assessment • Prioritized selected hazards • Gathered information pertaining to the FEMA Community Lifelines • Presented an overview of the mitigation strategy process
Mitigation Strategy Workshops	3/08/2023 – 3/09/2023	<ul style="list-style-type: none"> • Individual meetings with each participating jurisdiction to develop mitigation action items
Public Comment Period	5/5/2023 – 5/19/2023	<ul style="list-style-type: none"> • The draft HMP was sent to all participating jurisdictions, surrounding counties, utility providers, and other County departments. • Public comments were received and incorporated into the HMP, as detailed in Appendix B.3: Public Review.

Outreach

To promote participation of the whole community in the planning process, Montgomery County developed a Public Outreach and Stakeholder Engagement Plan and conducted outreach throughout plan development. This section details various aspects and components of this outreach. **Appendix B. Planning Process** includes documentation of this engagement.

Engagement Strategy

The Planning Committee developed a Public Outreach and Stakeholder Engagement Plan to identify goals for the engagement, define the various audiences, and describe different methods that will be considered and utilized during the planning, execution, and evaluation of various outreach activities. The objectives identified in the Public Outreach and Stakeholder Engagement Plan are as follows:

- Increase community knowledge about relevant hazards and related mitigation activities;
- Collect comprehensive feedback and input; and
- Promote collaboration among stakeholders that may extend beyond the HMP process.

These objectives were established to focus the planning process on effectively engaging the whole community.

The Plan was open for public comment to gather feedback and insights from the public, nonprofit organizations, and community-based organizations. Information on the public comment period was available through a widely distributed press release to give the public and other organizations a chance to view and provide comments on the Plan.

Workshops and Webinars

The Planning Committee and Stakeholder Group were invited to participate in seven workshops or webinars over the course of the planning process. The purpose of these events was to engage the participants, gather information needed to develop the Plan, and collect feedback on drafted deliverables. The County used a variety of meeting platforms, both in-person and virtual, to meet the needs of the community.

Table 3 provides an overview of the workshops and webinars offered to the Planning Committee and Stakeholder Group, including the date, purpose, and format of the event.

Table 3: Planning Committee and Stakeholder Group Workshops and Webinars

Title	Date	Format	Purpose
Project Kick-off Meeting	9/14/2022	In-Person Meeting	Introduce the HMP planning process and begin discussions on the goals of the project.
Local Risk and Capability Survey	9/14/2022	Survey	Identify stakeholder capabilities in existing plans and regulations, financial processes and staff, administrative and technical staff and systems, and public education and outreach systems.

Title	Date	Format	Purpose
Hazard Vulnerability and Risk Assessment Review Meeting	11/14/2022	Virtual Meeting	Review the document and provide feedback.
Mitigation Strategy Meeting	12/12/2022	Virtual Meeting	Identify and prioritize mitigation strategies.
Mitigation Strategy Workshops	3/08/2023 – 3/09/2023	In Person Workshops	Individual meetings with each participating jurisdiction to develop mitigation action items
Montgomery County HMP Update Revisions Review Meeting(s)	5/2/2023	Virtual Meeting	Review the document and provide feedback.
Conference Call to Discuss Public Comments and Recommended Changes	5/18/2023	Virtual Meeting	Discuss public comments and recommended changes.

City of Montgomery

Jurisdiction:	City of Montgomery	Action Number:	E-1
Hazard(s) Addressed:	Flooding and Hurricane / Tropical Storms		
Project Title:	Structural		
Project Description:	Incorporate routine repairs and structural renovation efforts of our roads and bridges into capital improvement plans. Make repairs/renovations to allow for better flood control.		
Responsible Entity:	City Administrator		
Losses Avoided:	Life safety, property conservation		
Cost Estimate:	\$1,500,000	Timeframe:	60 Months
Priority:	1=Highest Priority Rating	Feasibility Score:	0
Potential Funding Sources:	HMPG, Local Funds, PDM, CDBG-DR	Benefit-Cost Ratio:	More than a 1:4 cost-benefit ratio
Does this action reduce the effects of hazards on existing buildings?			Yes
Does this action reduce effects of hazards for new buildings, infrastructure, or future development?			Yes
Does this action identify, analyze, and prioritize actions related to continued compliance with NFIP?			No

Jurisdiction:	City of Montgomery	Action Number:	E-2
Hazard(s) Addressed:	Flooding, Hurricane / Tropical Storms, Wildfire, Severe Storms, Tornado, Drought, Dam / Levee Failure, Extreme Heat, Winter Weather, Pandemic, CBRNE, and Cyber Security		
Project Title:	Project Scoping		
Project Description:	Activities designed to develop mitigation strategies and obtain data to prioritize, select, and develop complete applications in a timely manner that result in either an improvement in the capability to identify appropriate mitigation projects or in the development of an application-ready mitigation project.		
Responsible Entity:	The Designated Utility District, Local Jurisdictions, County Commissioners, Engineering Department, and local applicable County Departments		
Losses Avoided:	Mitigate loss of life, property, and critical infrastructure		
Cost Estimate:	\$500,000-\$3,000,000	Timeframe:	12-36 Months
Priority:	1=Highest Priority Rating	Feasibility Score:	4
Potential Funding Sources:	Utility Special Purpose district, HMGP, BRIC, CDBG-DR, CDBG-MIT, FIF, Homeland Security grants, USDA	Benefit-Cost Ratio:	More than a 1:4 cost-benefit ratio
Does this action reduce the effects of hazards on existing buildings?			No
Does this action reduce effects of hazards for new buildings, infrastructure, or future development?			No
Does this action identify, analyze, and prioritize actions related to continued compliance with NFIP?			Yes

Jurisdiction:	City of Montgomery	Action Number:	E-3
Hazard(s) Addressed:	Flooding, Hurricane / Tropical Storms, Wildfire, Severe Storms, Tornado, Drought, Dam / Levee Failure, Extreme Heat, Winter Weather, Pandemic, and CBRNE		
Project Title:	Emergency Services		
Project Description:	Purchase and deploy of emergency response equipment.		
Responsible Entity:	City Administrator		
Losses Avoided:	Life Safety		
Cost Estimate:	\$1,500,000	Timeframe:	12-60 Months
Priority:	1=Highest Priority Rating	Feasibility Score:	5
Potential Funding Sources:	Available FEMA Grant Programs.	Benefit-Cost Ratio:	More than a 1:4 cost-benefit ratio
Does this action reduce the effects of hazards on existing buildings?			No
Does this action reduce effects of hazards for new buildings, infrastructure, or future development?			No
Does this action identify, analyze, and prioritize actions related to continued compliance with NFIP?			No

Jurisdiction:	City of Montgomery	Action Number:	E-4
Hazard(s) Addressed:	Cyber Security		
Project Title:	COOP Site		
Project Description:	Establish a shared site and/or construction of a new building to serve as COOP for City departments during a disaster. This site will contain multiple redundant power feeds, cooling, internet, and phone.		
Responsible Entity:	City Administrator		
Losses Avoided:	Asset protection		
Cost Estimate:	\$500,000-\$4,000,000	Timeframe:	36 Months
Priority:	1=Highest Priority Rating	Feasibility Score:	8
Potential Funding Sources:	State Grants, DHS grants, local funds, ARPA, and Homeland Security Grants	Benefit-Cost Ratio:	More than a 1:4 cost-benefit ratio
Does this action reduce the effects of hazards on existing buildings?			Yes
Does this action reduce effects of hazards for new buildings, infrastructure, or future development?			Yes
Does this action identify, analyze, and prioritize actions related to continued compliance with NFIP?			No

Jurisdiction:	City of Montgomery	Action Number:	E-5
Hazard(s) Addressed:	Flooding, Hurricane / Tropical Storms, Wildfire, Severe Storms, Tornado, Drought, Dam / Levee Failure, Extreme Heat, and Winter Weather		
Project Title:	Natural Disaster Planning and Exercise		
Project Description:	Hold a tabletop exercise with emergency services and the City of Montgomery. Exercise scenario will be a natural hazard (i.e. tornado).		
Responsible Entity:	City Administrator		
Losses Avoided:	Life safety, property conservation		
Cost Estimate:	Unknown	Timeframe:	As needed
Priority:	2=Mid-level priority rating	Feasibility Score:	0
Potential Funding Sources:	Local funds and available grant opportunities (i.e., CDBG, PDM, HMGP, TDEM)	Benefit-Cost Ratio:	More than a 1:4 cost-benefit ratio
Does this action reduce the effects of hazards on existing buildings?			Yes
Does this action reduce effects of hazards for new buildings, infrastructure, or future development?			Yes
Does this action identify, analyze, and prioritize actions related to continued compliance with NFIP?			No

Jurisdiction:	City of Montgomery	Action Number:	E-6
Hazard(s) Addressed:	Flooding, Hurricane / Tropical Storms, Wildfire, Severe Storms, Tornado, Drought, Dam / Levee Failure, Extreme Heat, Winter Weather, Pandemic, CBRNE, and Cyber Security		
Project Title:	COOP Plan and Shelter Support		
Project Description:	Implement improvements, replacements, and additions to redundant power supply systems at critical city infrastructure sites.		
Responsible Entity:	City Administrator		
Losses Avoided:	Life safety, property conservation		
Cost Estimate:	Unknown	Timeframe:	36-48 Months
Priority:	2=Mid-level priority rating	Feasibility Score:	0
Potential Funding Sources:	Local funds and available grant opportunities (i.e., CDBG, PDM, HMGP, TDEM)	Benefit-Cost Ratio:	More than a 1:4 cost-benefit ratio
Does this action reduce the effects of hazards on existing buildings?			Yes
Does this action reduce effects of hazards for new buildings, infrastructure, or future development?			Yes
Does this action identify, analyze, and prioritize actions related to continued compliance with NFIP?			No

Jurisdiction:	City of Montgomery	Action Number:	E-7
Hazard(s) Addressed:	Flooding and Wildfire		
Project Title:	Property Protection		
Project Description:	Implement vegetation management program; remove excessive vegetation to remove fuels for wildfires; create fire breaks for residences and businesses; and remove natural barriers to help improve drainage for flood waters.		
Responsible Entity:	City Administrator		
Losses Avoided:	Life safety, property conservation		
Cost Estimate:	Unknown	Timeframe:	Ongoing
Priority:	2=Mid-level priority rating	Feasibility Score:	4
Potential Funding Sources:	Local funds and available grant opportunities (i.e., CDBG, PDM, HMGP, TDEM)	Benefit-Cost Ratio:	Approximately a 1:4 cost-benefit ratio
Does this action reduce the effects of hazards on existing buildings?			Yes
Does this action reduce effects of hazards for new buildings, infrastructure, or future development?			Yes
Does this action identify, analyze, and prioritize actions related to continued compliance with NFIP?			Yes

Jurisdiction:	City of Montgomery	Action Number:	E-8
Hazard(s) Addressed:	Pandemic and CBRNE		
Project Title:	Local Task Force / Social Outreach Teams		
Project Description:	Create a local task force to reach vulnerable populations during a disaster. Coordinate and collaborate with non-profit organizations and local groups to assist with vulnerable population outreach.		
Responsible Entity:	City Administrator		
Losses Avoided:	Life Safety		
Cost Estimate:	\$5,000	Timeframe:	12 Months
Priority:	2=Mid-level priority rating	Feasibility Score:	8
Potential Funding Sources:	ARPA, Homeland Security, City funds	Benefit-Cost Ratio:	More than a 1:4 cost-benefit ratio
Does this action reduce the effects of hazards on existing buildings?			No
Does this action reduce effects of hazards for new buildings, infrastructure, or future development?			No
Does this action identify, analyze, and prioritize actions related to continued compliance with NFIP?			No

Jurisdiction:	City of Montgomery	Action Number:	E-9
Hazard(s) Addressed:	CBRNE, Pandemic, and Cyber Security		
Project Title:	Training and Awareness		
Project Description:	Conduct quarterly training / exercises for City of Montgomery personnel and participating jurisdictions / organizations.		
Responsible Entity:	City Administrator / Police Chief		
Losses Avoided:	Life Safety		
Cost Estimate:	\$10,000	Timeframe:	12 Months
Priority:	2=Mid-level priority rating	Feasibility Score:	8
Potential Funding Sources:	Local funds and available FEMA grant opportunities HMGP	Benefit-Cost Ratio:	More than a 1:4 cost-benefit ratio
Does this action reduce the effects of hazards on existing buildings?			No
Does this action reduce effects of hazards for new buildings, infrastructure, or future development?			No
Does this action identify, analyze, and prioritize actions related to continued compliance with NFIP?			No

Jurisdiction:	City of Montgomery	Action Number:	E-10
Hazard(s) Addressed:	Flooding and Hurricane / Tropical Storms		
Project Title:	Flood Relief Project		
Project Description:	Implement physical improvements to two water channels within the city. Anders Branch and Town Creek.		
Responsible Entity:	City Administrator		
Losses Avoided:	Life safety, property conservation		
Cost Estimate:	\$2,000,000	Timeframe:	Unknown
Priority:	3=Lowest Priority Rating	Feasibility Score:	6
Potential Funding Sources:	Local funds and available grant opportunities (i.e., CDBG, PDM, HMPG, TDEM)	Benefit-Cost Ratio:	More than a 1:4 cost-benefit ratio
Does this action reduce the effects of hazards on existing buildings?			Yes
Does this action reduce effects of hazards for new buildings, infrastructure, or future development?			Yes
Does this action identify, analyze, and prioritize actions related to continued compliance with NFIP?			Yes

Jurisdiction:	City of Montgomery	Action Number:	E-11
Hazard(s) Addressed:	Extreme Heat		
Project Title:	Cooling Stations		
Project Description:	Provide areas within the city hall for individuals to cool in cases of heat events.		
Responsible Entity:	Public Works		
Losses Avoided:	Life, health safety of vulnerable populations		
Cost Estimate:	\$2,000	Timeframe:	36-48 Months
Priority:	3=Lowest Priority Rating	Feasibility Score:	5
Potential Funding Sources:	City budget	Benefit-Cost Ratio:	More than a 1:4 cost-benefit ratio
Does this action reduce the effects of hazards on existing buildings?			Yes
Does this action reduce effects of hazards for new buildings, infrastructure, or future development?			Yes
Does this action identify, analyze, and prioritize actions related to continued compliance with NFIP?			No

Jurisdiction:	City of Montgomery	Action Number:	E-12
Hazard(s) Addressed:	Hurricane / Tropical Storms, Winter Weather, and Tornado		
Project Title:	Hurricane Resistant Infrastructure		
Project Description:	Coordinate and collaborate with utility districts to enhance power transmission infrastructure.		
Responsible Entity:	Utility Districts, Public Works		
Losses Avoided:	Homes, businesses, and public facilities		
Cost Estimate:	\$500,000	Timeframe:	36 Months
Priority:	3=Lowest Priority Rating	Feasibility Score:	2
Potential Funding Sources:	HMGP	Benefit-Cost Ratio:	More than a 1:4 cost-benefit ratio
Does this action reduce the effects of hazards on existing buildings?			Yes
Does this action reduce effects of hazards for new buildings, infrastructure, or future development?			Yes
Does this action identify, analyze, and prioritize actions related to continued compliance with NFIP?			Yes

Jurisdiction:	City of Montgomery	Action Number:	E-13
Hazard(s) Addressed:	Severe Storms		
Project Title:	Hail Damage Protection		
Project Description:	Retrofit city-owned structures with roofs and window panes that can withstand hail damage.		
Responsible Entity:	Mayor, Local Building Departments		
Losses Avoided:	Buildings, residents, and city employees in county and city buildings when a hail storm hits		
Cost Estimate:	\$350,000	Timeframe:	24-36 Months
Priority:	3=Lowest Priority Rating	Feasibility Score:	1
Potential Funding Sources:	HMGP, housing preservation grants, weatherization assistance program	Benefit-Cost Ratio:	More than a 1:4 cost-benefit ratio
Does this action reduce the effects of hazards on existing buildings?			Yes
Does this action reduce effects of hazards for new buildings, infrastructure, or future development?			Yes
Does this action identify, analyze, and prioritize actions related to continued compliance with NFIP?			No

Jurisdiction:	City of Montgomery	Action Number:	E-14
Hazard(s) Addressed:	Severe Storms		
Project Title:	Lightning and Fire Protection		
Project Description:	Work with the county to develop a program that offers reduced price lightning rods and technical assistance for homeowners.		
Responsible Entity:	Emergency Coordinator		
Losses Avoided:	Homes and residents who could be affected by lightning throughout the jurisdiction		
Cost Estimate:	\$150,000	Timeframe:	12 Months
Priority:	3=Lowest Priority Rating	Feasibility Score:	-4
Potential Funding Sources:	HMGP, FP&S Grants	Benefit-Cost Ratio:	More than a 1:4 cost-benefit ratio
Does this action reduce the effects of hazards on existing buildings?			Yes
Does this action reduce effects of hazards for new buildings, infrastructure, or future development?			Yes
Does this action identify, analyze, and prioritize actions related to continued compliance with NFIP?			No

Jurisdiction:	City of Montgomery	Action Number:	E-15
Hazard(s) Addressed:	Drought		
Project Title:	Adopting Ordinance for Water Sensing Irrigation Systems		
Project Description:	Develop an ordinance to require incorporating water sensing irrigation systems in all public areas.		
Responsible Entity:	City Manager		
Losses Avoided:	Monetary loss / water conservation		
Cost Estimate:	\$1,000	Timeframe:	12 Months
Priority:	3=Lowest Priority Rating	Feasibility Score:	5
Potential Funding Sources:	City budget	Benefit-Cost Ratio:	More than a 1:4 cost-benefit ratio
Does this action reduce the effects of hazards on existing buildings?			Yes
Does this action reduce effects of hazards for new buildings, infrastructure, or future development?			Yes
Does this action identify, analyze, and prioritize actions related to continued compliance with NFIP?			No

Jurisdiction:	City of Montgomery	Action Number:	E-15
Hazard(s) Addressed:	Hurricane / Tropical Storms and Flooding		
Project Title:	Floodplain Code Ordinance		
Project Description:	Hire a code enforcement officer for pre- and post-disaster activities who is solely dedicated to enforce the City’s SFHA ordinance – removing the burden from City Secretary and permits.		
Responsible Entity:	Mayor, City Council, Code Enforcement Officer		
Losses Avoided:	Existing and future buildings and infrastructure that may have been built within the 100-year floodplain.		
Cost Estimate:	\$40,000/year	Timeframe:	12-24 Months
Priority:	2=Mid-Level Priority Rating	Feasibility Score:	7
Potential Funding Sources:	City Budget	Benefit-Cost Ratio:	More than a 1:4 cost-benefit ratio
Does this action reduce the effects of hazards on existing buildings?			Yes
Does this action reduce effects of hazards for new buildings, infrastructure, or future development?			Yes
Does this action identify, analyze, and prioritize actions related to continued compliance with NFIP?			No