CITY OF TEXAS CITY
REGULAR CALLED CITY COMMISSION MEETING

AGENDA

WEDNESDAY, JANUARY 15, 2020 - 5:00 P.M.
KENNETH T. NUNN COUNCIL ROOM - CITY HALL
1801 9th Ave. N.
Texas City, TX 77590

PLEASE NOTE: Public comments and matters from the floor are generally limited to 3 minutes in length. If you would like to request to speak, please do so in advance of the meeting by filling out a Request To Address Commission form. All in attendance are required to remove hats and/or sunglasses (dark glasses) during meetings and to also silence all cell phones and electronic devices.

(1) ROLL CALL

(2) INVOCATION

(3) PLEDGE OF ALLEGIANCE

(4) PROCLAMATIONS AND PRESENTATIONS

(a) Service Awards

Robert Hext	Sanitation	01/27/2010	10 years
Chad Alvey-Henderson	Library	01/11/2010	10 years
Petrina Gonzales	Police	01/23/2005	15 years
George Fuller	Community Development	01/08/1990	30 years

(b) Presentation on the Galveston County Health District's Heal Initiative and It's Time Texas Community Challenge.

(5) REPORTS

(a) Racial Profiling Report for calendar year 2019 (Police Department)

(b) Crime Statistics for year 2019 (Police Department)

(6) PUBLIC HEARING

(a) Curfew Public Hearing

(b) Aaron Rendon / Maria Hernandez request to rezone from "O" (Open Space) to "E" (General Business) to construct a retail business with restaurant and 2 lease spaces. Being Lots 7-11, 38-42, Blk. 143 and part of Blk. 152, Clifton by the Sea S/d. Located at 4629 Hwy 146 North.

(7) PRELIMINARY ZONING APPROVAL

(a) Approve request by Aaron Rendon / Maria Hernandez to rezone from "O" (Open Space) to "E" (General Business). Being Lots 7-11, 38-42, Blk. 143, and part of Blk. 152, Clifton by the Sea S/d. Located at 4629 Hwy 146 North.

(8) PUBLIC COMMENTS

(9) CONSENT AGENDA

(a) Approve City Commission Minutes for December 18, 2019 meeting. (City Secretary)

(b) Consider and take action on Resolution No. 20-001, approving to the issuance of the Lago Mar Development Authority Contract Tax Revenue Bonds and other matters in connection therewith. (Management Services)

(c) Consider and take action on Resolution No. 20-002, approving Texas City PEG Channel upgrades. (Management Services & I.T. Department)

(d) Consider and take action on Resolution No. 20-003, appointing of City Attorney. (Management Services)

(e) Consider and take action on Resolution No. 20-004, appointing Perry O'Brien to the Planning Board. (Managemenet Service)

(10) REGULAR ITEMS

(a) Consider and take action on Ordinance No. 20-01, amending the City's curfew Ordinance. (Municipal Court)

(b) Consider and take action on Ordinance No. 20-02, amending the City's fiscal year 2019-2020 budget to appropriate funds for fencing around the back parking lot at the Criminal Justice building. (Finance)

(c) Consider and take action on Ordinance No. 20-03, amending the City's fiscal year 2019-2020 budget to appropriate additional funds for the City's contribution to the Texas City Firemen's Relief and Retirement Fund. (Finance)

(d) Consider and take action on Ordinance No. 20-04, amending the City's fiscal year 2019-2020 budget to appropriate funds for the purchase of a lift gate system for the City's high water rescue vehicle. (Finance)

(11) MAYOR'S COMMENTS

(12) COMMISSIONERS' COMMENTS

(13) ADJOURNMENT

NOTICE OF ANY SUBJECT APPEARING ON THIS AGENDA REGARDLESS OF HOW THE MATTER IS STATED MAY BE ACTED UPON BY THE CITY COMMISSION.

NOTICE: The City of Texas City will furnish free transportation to handicapped individuals via a 4-door sedan for anyone wishing to attend the City Commission meetings. Call 948-3111, City Secretary's Office before noon on Monday preceding the meeting to make arrangements.

I, THE UNDERSIGNED AUTHORITY, DO HEREBY CERTIFY THAT THIS NOTICE OF MEETING WAS POSTED ON THE BULLETIN BOARDS AT CITY HALL, 1801 9TH AVENUE NORTH, TEXAS CITY, TEXAS, AT A PLACE CONVENIENT AND READILY ACCESSIBLE TO THE GENERAL PUBLIC AND ON THE CITY'S WEBSITE ON JANUARY 10, 2020, PRIOR TO 5:00 P.M. AND REMAINED SO POSTED CONTINUOUSLY FOR AT LEAST 72 HOURS PRECEDING THE SCHEDULED TIME OF SAID MEETING.

_____
NICHOLAS J. FINAN
CITY SECRETARY

CITY COMMISSION REGULAR MTG **(4) (a)**

Meeting Date: 01/15/2020

January 2020 Service Awards

Submitted For: Jennifer Price, Human Resources

Submitted By: Susan Sensat, Administration

Department: Administration

Information

ACTION REQUEST (Brief Summary)

Service Awards

Robert Hext	Sanitation	01/27/2010	10 years
Chad Alvey-Henderson	Library	01/11/2010	10 years
Petrina Gonzales	Police	01/23/2005	15 years
George Fuller	Community Development	01/08/1990	30 years

BACKGROUND

ANALYSIS

ALTERNATIVES CONSIDERED

Fiscal Impact

CITY COMMISSION REGULAR MTG **(4) (b)**

Meeting Date: 01/15/2020

Submitted By: Justin Herter, City Attorney Office

Department: City Attorney Office

Information

ACTION REQUEST (Brief Summary)

Presentation on the Galveston County Health District's Heal Initiative and It's Time Texas Community Challenge.

BACKGROUND

HEAL and ITT Community Challenge is all about helping Texans:

- **Live a healthier lifestyle.**
- **Helping a city in Galveston County become the healthiest community in Texas.**
- **And always in good spirit … Cities competing against others for bragging rights!**

IT'S TIME TEXAS Community Challenge kicks off **Jan. 6**, **2020** and preregistration is open **NOW.**

ANALYSIS

ALTERNATIVES CONSIDERED

Fiscal Impact

CITY COMMISSION REGULAR MTG **(5) (a)**

Meeting Date: 01/15/2020

Submitted By: Rhomari Jackson, City Secretary

Department: City Secretary

Information

ACTION REQUEST (Brief Summary)

Racial Profiling Report for calendar year 2019 (Police Department)

BACKGROUND

This is an annual requirement by State Law that the Police Department must present to the City Commission its Racial Profiling report. Chief Stanton will present.

ANALYSIS

ALTERNATIVES CONSIDERED

Fiscal Impact

Attachments

Attachment

Texas City Police Department

2019 Racial Profiling Report

Racial Profiling Report | Full

Reporting Date: 01/10/2020

Agency Name: TEXAS CITY POLICE DEPT.
TCOLE Agency Number: 167209

Chief Administrator: JOE A. STANTON III

Agency Contact Information:
Phone: (409) 643-5750
Email: jstanton@texascitytx.gov

Mailing Address:
1004 9TH AVE NORTH
TEXAS CITY, TX 77590-7407

This Agency filed a full report

TEXAS CITY POLICE DEPT. has adopted a detailed written policy on racial profiling. Our policy:

1.) clearly defines acts constituting racial profiling;

2.) strictly prohibit peace officers employed by the TEXAS CITY POLICE DEPT. from engaging in racial profiling;

3.) implements a process by which an individual may file a complaint with the TEXAS CITY POLICE DEPT. if the individual believes that a peace officer employed by the TEXAS CITY POLICE DEPT. 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 TEXAS CITY POLICE DEPT. who, after an investigation, is shown to have engaged in racial profiling in violation of the TEXAS CITY POLICE DEPT. policy adopted under this article;

6.) require collection of information relating to motor vehicle stops in which a 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; and
c.) whether the peace officer knew the race or ethnicity of the individual detained before detaining that individual; and

7.) require 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.

Executed by: Allen Bjerke , Training Coordinator

Date: 01/10/2020

Total stops: 22031

Gender	
Female	**7103**
Male	**14928**
Race / Ethnicity	
Black	4966
Asian / Pacific Islander	395
Hispanic / Latino	5592
White	11003
Alaska Native / American	75
Was race or ethnicity known prior to stop?	
Yes	140
No	14887
Reason for stop?	
Violation of law	490
Preexisting knowledge	54
Moving traffic violation	17975
Vehicle traffic violation	3508
Street address or approximate location of the stop	
City street	7256
US highway	12705
County road	122
State highway	1837
Private property or other	109
Was a search conducted?	
Yes	1007
No	21021
Reason for Search?	
consent	252
contraband	11
probable	214
inventory	305

ncident to arrest	225

Was Contraband discovered?

Yes	420
No	587

Description of contraband

Drugs	204
Currency	1
Weapons	19
Alcohol	24
Stolen property	3
Other	169

Result of the stop

Verbal warning	4389
Written warning	1050
Citation	15643
Written warning and arrest	13
Citation and arrest	282
Arrest	651

Arrest based on

Violation of Penal Code	154
Violation of Traffic Law	428
Violation of City Ordinance	14
Outstanding Warrant	250

Was physical force resulting in bodily injury used during stop?

Yes	11
No	22020

Submitted electronically to the

The Texas Commission on Law Enforcement

TEXAS CITY POLICE DEPARTMENT

JOE A. STANTON
Chief of Police
FBI N.A. Graduate - Session 243

Presented by;

X _____

Joe Stanton
Chief of Police, City of Texas City

Received by;

X _____

Nicholas Finan
City Secretary, City of Texas City

CITY COMMISSION REGULAR MTG **(5) (b)**

Meeting Date: 01/15/2020

Submitted By: Rhomari Jackson, City Secretary

Department: City Secretary

Information

ACTION REQUEST (Brief Summary)

Crime Statistics for year 2019 (Police Department)

BACKGROUND

Typically every year, in conjunction with its report to the City Commission on Racial Profiling, the Police Department presents its Crime Statistics report. Chief Stanton will present.

ANALYSIS

ALTERNATIVES CONSIDERED

Fiscal Impact

CITY COMMISSION REGULAR MTG **(6) (a)**

Meeting Date: 01/15/2020

Submitted By: Rhomari Jackson, City Secretary

Department: City Secretary

Information

ACTION REQUEST (Brief Summary)

Curfew Public Hearing

BACKGROUND

Public Hearing to review the Juvenile Curfew Ordinance Chapter 78, Article II, Division 2, Curfew Hour for Minors.

ANALYSIS

ALTERNATIVES CONSIDERED

Fiscal Impact

CITY COMMISSION REGULAR MTG **(6) (b)**

Meeting Date: 01/15/2020

Rezoning for Aaron Rendon/Maria Hernandez

Submitted For: Jean Vincent, Transportation and Planning

Submitted By: Jean Vincent, Transportation and Planning

Department: Transportation and Planning

Information

ACTION REQUEST (Brief Summary)

Aaron Rendon / Maria Hernandez request to rezone from "O" (Open Space) to "E" (General Business) to construct a retail business with restaurant and 2 lease spaces. Being Lots 7-11, 38-42, Blk. 143 and part of Blk. 152, Clifton by the Sea S/d. Located at 4629 Hwy. 146 No.

BACKGROUND

This rezoning request came before the Zoning Commission on December 17, 2019 during a Public Hearing. After hearing all information and staff recommendations, the Zoning Commission unanimously granted approval of the request to rezone to "E" (General Business).

ANALYSIS

ALTERNATIVES CONSIDERED

Fiscal Impact

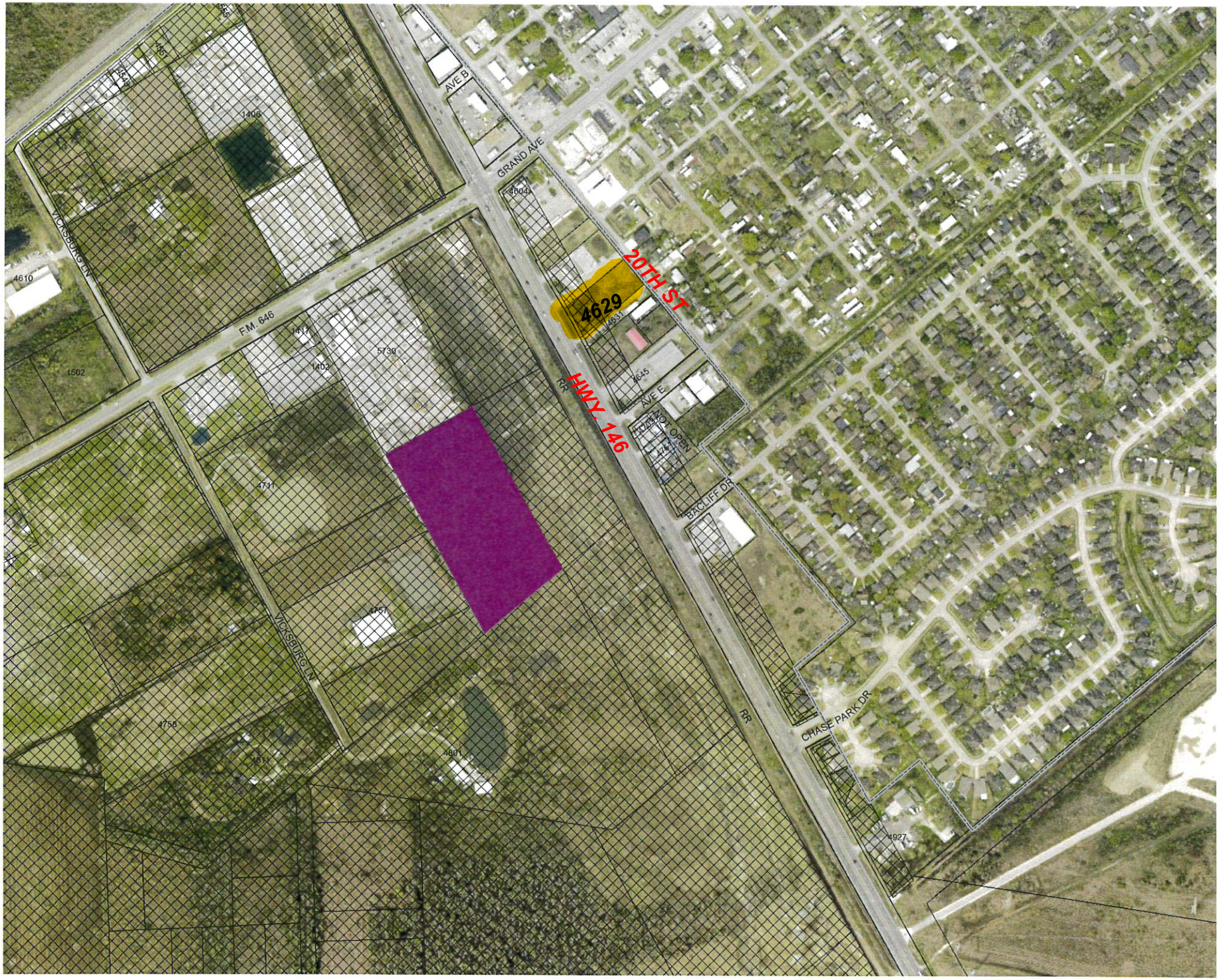
Attachments

Commission Exhibits

Site Plan

Staff memo

Zoning Minutes


AVE B
GRAND AVE
20TH ST
4629
4604
4631
4645
AVE E
HWY. 146
RR
BACLIFF DR
CHASE PARK DR
4927
FM 646
VICKSBURG LN
4610
1502
1417
1402
5730
4711
4757
4758
4801
1811
1406
4651
4649

Marlboro
601

POSTED
CONOCO

conoco

SCALE	DATE	DESCRIPTION
1" = 50'		
PROJECT NO.		
SHEET TITLE: DIM. CONTROL/SITE PLAN		
SHEET NO: C-1.0		
DATE: NOVEMBER 1, 2019		

HERNANDEZ RETAIL CENTER

0.9 acres @ 4629 TEXAS HIGHWAY 146
TEXAS CITY, GALVESTON COUNTY, TEXAS 77539

OWNER
Maria Emma Hernandez
909 Vivian St.
Kemah, TX. 77565
Ph #: 832-398-4770

ATR ENGINEERING
CIVIL ENGINEERING/LAND DEVELOPMENT
16300 KATY FREEWAY, STE. 222
HOUSTON, TX 77094
281-600-0404 office | 281-600-0406 fax
FIRM# F-13533

VICINITY MAP
KEYMAP # 145A

BENCHMARK

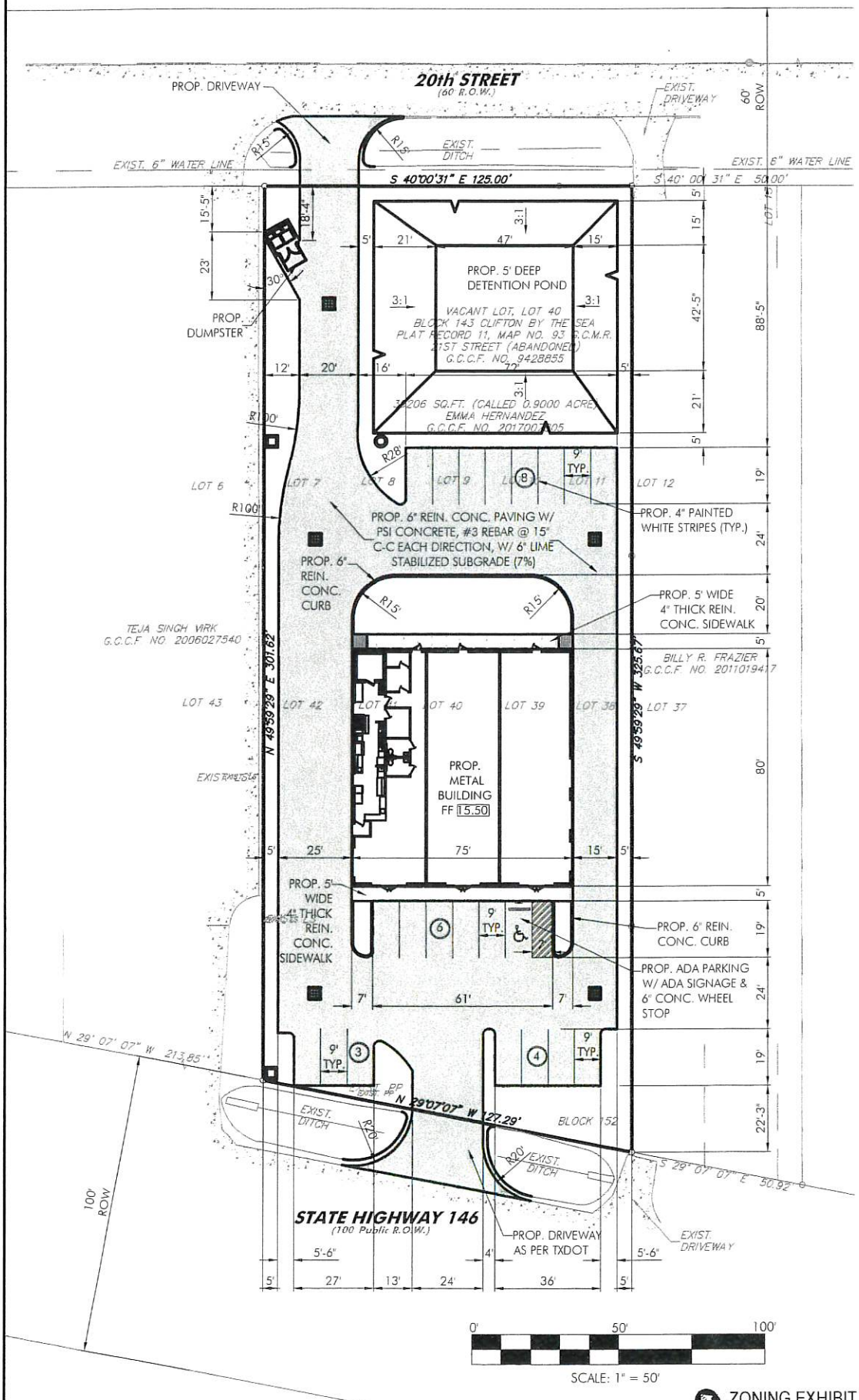
ELEVATIONS SHOWN HEREON BASED ON ASSUMED DATUM AND NOT TIED TO A PUBLISHED BENCHMARK. CALLED T.B.M. "A" ELEVATION 100.00 FEET.

F.E.M.A. NOTE

BY GRAPHIC PLOTTING ONLY, THIS TRACT OF LAND LIES IN ZONE X (UNSHADED) "AREAS DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOODPLAIN", ACCORDING TO F.E.M.A. FLOOD INSURANCE RATE MAP NO. 48201C0695 M; SAID MAP REVISED: JANUARY 06, 2017.

PROPOSED LEGEND

- PROP. MANHOLE
- ***EXIST. MANHOLE***
- PROP. STM. SWR. JUNCTION BOX
- ***EXIST. INLET***
- PROP. STM. SWR. INLET
- A1 / 1.23 ac. / 1.23 ac. / 1.23 cfs — DRAINAGE AREA / ACREAGE / CUMULATIVE ACREAGE / CUMULATIVE DISCHARGE
- FG 73.17 — PROP. FINISHED GRADE
- TG 73.17 — PROP. TOP OF GRATE INLET
- TW 73.17 — PROP. TOP OF WALK
- TP 73.17 — PROP. TOP OF PAVEMENT ELEVATION
- TC 73.17 — PROP. TOP OF CURB ELEVATION
- FF 73.17 — PROP. FINISHED FLOOR ELEVATION
- TR 73.17 — PROP. TOP OF RIM ELEVATION
- FL 73.17 — PROP. FLOWLINE ELEVATION
- TRW 73.17 — PROP. TOP OF RETAINING WALL
- IPB — PROP. INLET PROTECTION BARRIER
- IPB-II — PROP. INLET PROTECTION BARRIER STAGE - II
- SCE — PROP. STABILIZED CONSTRUCTION ENTRANCE
- CTW — PROP. CONCRETE TRUCK WASHOUT
- RF — PROP. ROCK FILTER DAM
- FF — PROP. FILTER FABRIC FENCE
- GRADE BREAK — PROP. GRADE BREAK
- PROP. BERM
- PROP. STM. SWR. LINE
- ***EXIST. STM. SWR. LINE***
- PROP. WATER LINE
- ***EXIST. WATER LINE***
- PROP. SANITARY SWR. LINE
- ***EXIST. SANITARY SWR. LINE***
- PROP. CENTERLINE DITCH
- PROP. TOP OF BANK
- PROP. DRAINAGE AREA BOUNDARY
- ***EXIST. CONC. PAVING***
- PROP. CRUSHED CONCRETE PAVING
- PROP. BUILDING
- PROP 6" 3,000 PSI REIN. CONC. WITH #4 REBAR @ 18" C-C
- PROP. SIDEWALK



ZONING EXHIBIT
SCALE 1" = 50'-0"

RSP DESIGNS, LLC
12222 SCOTTSDALE, MEADOWS PLACE, TEXAS 77477
832 – 419 – 7363

November 06, 2019

Re: Hernandez Retail Center
4629 Texas Highway 146
Texas City, Texas 77518

To Whom It May Concern,

The project we are requesting to construct at this location is for a new shell building which shall contain two retail lease spaces & restaurant establishment with a drive thru.

Currently this property is not zoned as this land was recently annexed by the City of Texas City and has not yet been assigned a zoning classification. It will need to be classified before we can begin the permitting and construction process.

There are currently no restrictive covenants of record from Galveston County.

Please call my office if you have any questions.

Thank you,

Steve Peña
RSP Designs, LLC

Transportation & Planning

Memo

To: Zoning Commission

From: Doug Kneupper, City Engineer

Date: December 11, 2019

Re: E, GENERAL BUSINESS Zoning (4629 SH 146, North of Chase Park Subdivision)

Background: The applicant, Maria Hernandez, owns 0.9 acres of undeveloped property on the east side of SH 146 just north of the former PH Robinson Power Plant and the Chase Park Subdivision, in the Bacliff area. This area was annexed by Texas City in November 2018. The applicant intends to develop the property with one single-story retail building with capabilities for fast-food with drive-thru service along with two retail lease spaces. In addition, there will be concrete paving, parking, landscaping and open space. To be able to utilize the property in this manner, a zone change is needed from the current Open Space to General Business.

The Land Use Plan shows this area as being "Activity Corridor". The "Activity Corridor" category supports the development of higher intensity land uses including commercial, business offices, and open display retailing along freeways and highways. The requested zoning is in accordance with the City's adopted Land Use Plan.

As indicated on the attached zoning map, the surrounding area is zoned Open Space. Development surrounding the subject property is single-family residential to the east (not in Texas City), an existing fuel station, convenience store to the north, and retail with outdoor display to the south.

Analysis/ Recommendation: If approved, the General Business zoning could be developed with a variety of enclosed retail and commercial services to serve the overall needs of the community. Development of this tract would require adherence to city standards with appropriate open space and landscaping, and adherence to the Gateway Overlay provisions.

City water and sewer are not available to the site. This property is within the jurisdiction of Bacliff Municipal Utility District which has indicated the ability to serve this development. Drainage can be accommodated by construction of an on-site detention pond that will drain into the roadside ditch system. Primary access for this property will be from SH 146 and requires a TxDOT permit with secondary access from 20th Street. All improvements and development of the property will require a Detailed Site Plan to be reviewed by city staff and approved by the Planning Board. The property is located in a 0.2% annual flood chance area (formerly described as 500-year floodplain).

Based on the surrounding land uses, development and zoning, city staff has no objection to the rezoning request for E, General Business.

ZONING COMMISSION MINUTES

December 17, 2019

The Zoning Commission of the City of Texas City met in a regularly scheduled meeting and Public Hearing on Tuesday, December 17, 2019 at 5:15 p.m. Commission members present were: Chairman Gary Potter, Aric Owens and Commissioner Bruce Clawson. Staff member present was: Doug Kneupper and Veronica Carreon. Citizens present were: Maria Hernandez, Jose Rodriguez, Ana Hernandez, Steve Pena, Autumn Downing, Nathan Guthrie and Henry Gomez.

Chairman Potter addressed those present and explained the procedures for the Public Hearing. He indicated a quorum was present and called the meeting to order.

APPROVAL OF MINUTES: Commissioner Clawson asked the minutes be revised. The revised minutes from November 19, 2019 were approved on **a motion by Bruce Clawson/Aric Owens. All members present voted aye.**

ITEM NO. 1 Aaron T. Rendon/Maria Hernandez to rezone from "O" (Open Space) to "E" (General Business) to construct a retail business with restaurant and 2 lease spaces. Being Lots 7-11, 38-42, Blk. 143 and part of Blk. 152, Clifton by the Sea S/d. Located at 4629 Hwy. 146 No. Mr. Kneupper provided the background information for this rezoning item. He stated this property was recently annexed into the City of Texas City. Mr. Kneupper stated the applicant is proposing to develop the site with a one single-story retail building with capabilities for fast-food with drive-thru service along with two retail lease spaces. In addition, there will be concrete paving, parking, landscaping and open space. This requires a change in the zoning from "O" (Open Space) to "E" (General Business). He further explained that the Land Use Plan shows this area as being "Activity Corridor, which supports the development of higher intensity land uses including commercial, business offices, and open display retailing along freeways and highways. Mr. Kneupper referenced the zoning map showing the location and how the surrounding property is zoned. City water and sewer are not available to the site, but is within the jurisdiction of Bacliff Municipal Utility District. Drainage can be accommodated by construction of an on-site detention pond and primary access will be from SH 146 and requires a TxDOT permit with secondary access from 20th Street. A detail site plan will need to be approved by the Planning Board. After review, staff has no objection to the rezoning request for "E" (General Business). Commissioner Clawson asked about drainage into the detention pond. Mr. Kneupper indicated the grading layout and improvements will address the drainage. There was a brief discussion about the layout of the building. After discussion, **a motion was made by Bruce Clawson/Aric Owens to open the Public Hearing. All members present voted aye.** The engineer for development stated he will ensure that all requirements will be adhered to and all required permits will be obtained and a **motion was made by Bruce Clawson/Aric Owens to close the Public Hearing.** There were no additional comments or discussion and **a motion was made by Bruce Clawson/Aric Owens to approve the request to rezone to "E" (General Business). All members voted aye.**

There was no further business to discuss at this time and **a motion was made by Aric Owens/ Bruce Clawson to adjourn. All members present voted aye.**

Gary Potter, Vice Chairman

Zoning Commission Secretary

CITY COMMISSION REGULAR MTG **(7) (a)**

Meeting Date: 01/15/2020

Preliminary Zoning Approval - Rendon/Hernanez

Submitted For: Jean Vincent, Transportation and Planning

Submitted By: Jean Vincent, Transportation and Planning

Department: Transportation and Planning

Information

ACTION REQUEST (Brief Summary)

Approve request by Aaron Rendon / Maria Hernandez to rezone from "O" (Open Space) to "E" (General Business) . Being Lots 7-11, 38-42, Blk. 143, and part of Blk. 152, Clifton by the Sea S/d. Located at 4629 Hwy. 146 No.

BACKGROUND

ANALYSIS

ALTERNATIVES CONSIDERED

Fiscal Impact

CITY COMMISSION REGULAR MTG **(9) (b)**

Meeting Date: 01/15/2020

Submitted By: Rhomari Jackson, City Secretary

Department: City Secretary

Information

ACTION REQUEST (Brief Summary)

Consider and take action on Resolution No. 20-001, approving to the issuance of the Lago Mar Development Authority Contract Tax Revenue Bonds .

BACKGROUND

This item is for the City to consent to the issuance of bonds by the Development Authority and authorize the Mayor to sign the first amendment to the first agreement between the City, the Lago Mar TIRZ, the Lago Mar Development Authority, and MUD 54 that allows for the elevated storage tank to be eligible for TIRZ funds. Besides the elevated storage tank mentioned, the improvements and construction for Hughes Road are included in the $8.6 million bond issuance. The reason the bonds are required to be approved by the City Commission is not because the City is in anyway obligated for payment, but because the agreement with the Development Board with the creation of the TIRZ is that no debt could be issued without obtaining approval by the City first. Also, the $8.6 million bonds are bank qualified bonds and, again, even though it is not considered City Debt and a debt obligation of the City, the debt does count toward the maximum of $10 million of bank qualified bonds that the City can issue in any one year. This does not prevent the City from issuing other bonds or debt. No know debt, much less bank qualified bonds, are known to be issued this year by the City. Counsel from the TIRZ and Development Board (ABHR) will be present at the meeting to answer questions as well as the Bond Counsel (Masterson Advisors, LLC).

ANALYSIS

ALTERNATIVES CONSIDERED

Fiscal Impact

Attachments

Resolution

RESOLUTION NO. 20-001

A RESOLUTION OF THE CITY OF TEXAS CITY, TEXAS CONSENTING TO THE ISSUANCE OF THE LAGO MAR DEVELOPMENT AUTHORITY CONTRACT TAX REVENUE BONDS AND OTHER MATTERS IN CONNECTION THEREWITH; AND PROVIDING THAT THIS RESOLUTION SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, the City of Texas City, Texas (the "City") received a request from the Lago Mar Development Authority (the "Authority") for consent to the issuance of the Authority's Contract Tax Revenue Bonds, Series 2020, in a principal amount not to exceed $9,500,000; and

WHEREAS, the Agreement by and between the City, Reinvestment Zone No. One (the "Zone"), the Authority and Galveston County Municipal Utility District No. 54 provides that the Authority may not issue bonds without the City Commission's written consent.

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

SECTION 1: The City Commission of the City hereby approves execution of the First Amendment to the Agreement by and among the City, Reinvestment Zone No. One, the Authority and Galveston County Municipal Utility District No. 54 to revise the definition of "Authority Projects," substantially in the form attached hereto as **Exhibit A,** to include in the definition any project included in the Project Plan and Reinvestment Zone Financing Plan for the Zone, as may be approved and amended from time to time by the Zone, the City and the Authority.

SECTION 2: The City Commission of the City hereby grants its written consent to the issuance of the Authority's Contract Tax Revenue Bonds, Series 2020, in a principal amount not to exceed $9,500,000.

SECTION 3: It is hereby found, determined, and declared that a sufficient written notice of the date, hour, place and subject of this meeting of the City Commission was posted at a place convenient to the public at the City Hall of the City for the time required by law preceding this meeting, as required by the Open Meetings Law, Chapter 551, Texas Government Code, and that this meeting has been open to the public as required by law at all times during which this ordinance and the subject matter thereof has been discussed, considered and formally acted upon. City Commission further ratifies, approves and confirms such written notice and the contents and posting thereof.

SECTION 4: This Resolution shall take effect immediately upon its first and final reading and the passage and approval.

PASSED AND ADOPTED this 15th day of January 2020.

Matthew T. Doyle, Mayor
City of Texas City, Texas

ATTEST:

Nicholas J. Finan
City Secretary

APPROVED AS TO FORM:

Russell F. Plackemeier
City Attorney

CITY COMMISSION REGULAR MTG **(9) (c)**

Meeting Date: 01/15/2020

Submitted By: Rhomari Jackson, City Secretary

Department: City Secretary

Information

ACTION REQUEST (Brief Summary)

Consider and take action on Resolution No. 20-002, approving Texas City PEG Channel upgrades. (Management Services & I.T. Department)

BACKGROUND

The PEG funds (Public Education Government) are funds derived from the cable franchise fees to purchase capital equipment associated with the PEG channels the City of Texas City operates. Currently, we loan one to the school district and operate two channels to provide public information to our citizens. From time to time we need new capital equipment to update and improve the service. This purchase is for the current equipment upgrade that will allow us to better integrate with the school district, allow for remote control of the stations, and better productions. Robert Turner the City's IT person can explain more fully if necessary. Funds are available for the equipment. Attached is the breakdown of the costs. The items list roughly $95,000 of equipment eligible for PEG funds. There is roughly $11,000 of non-eligible equipment and services that the IT department has separate funds to pay for.

ANALYSIS

ALTERNATIVES CONSIDERED

Fiscal Impact

Attachments

Attachment

Helping People Communicate!

Revised January 10, 2020

Mr. Robert Turner
Texas City
1801 9th Ave. North
Texas City, TX 77592

RE: Texas City PEG Channel Upgrade

Dear Mr. Turner:

Ford Audio-Video Systems, LLC (Ford) respectfully submits for your consideration the attached proposal, which covers the details of the system requirements in the following outline:

A. Introduction
B. Description of Work and Responsibilities
C. Installation Schedule
D. Equipment List
E. Cost Summary and Terms
F. Guarantees and Limitations of Warranty
G. Training and Documentation
H. Building Construction and Installation
I. Acceptance

The proposed systems are based upon our understanding of your requirements as communicated to us during our meetings and conversations. If there are any changes that need to be made, please let us know. We invite you to compare our systems with any other: in quality, price, and professionalism of installation, we are second to none.

This proposal contains confidential pricing, design, and installation information that is proprietary to Ford and utilizes Ford Audio-Video Systems, LLC's **TIPS Contract #171001**. It is provided for your private use, and is not to be disclosed, in part or in whole, without the express, written authorization of Ford. Please let us know if any questions arise. We look forward to serving you.

Sincerely,

FORD AUDIO-VIDEO SYSTEMS, LLC

Douglas Hill
Senior Account Manager

Voice: 713-690-0555
Email: hilld@fordav.com
Website: www.fordav.com

FORD AUDIO-VIDEO SYSTEMS, LLC

Christopher Ford, EE
Division Manager

NATIONAL INTEGRATOR OF THE YEAR CI

Proposal

For

Texas City, TX

A. INTRODUCTION

This proposal provides a description of the technology incorporated into the systems, lists the major equipment and components, and states the terms, conditions, and responsibilities. Individual components and quantities may be changed, deleted, added, or designated as optional to be added to the system at a future date.

B. DESCRIPTION OF WORK

Ford shall supply and install the following systems for Texas City of Texas City, TX (Customer) in their PEG Channel upgrade project:

1. TV PEG System

   a. The existing PEG channel equipment, including the Leightronix IncodeX Stream and the Leightronix Ultra Nexus shall be removed from the existing owner furnished equipment (OFE) IT equipment rack and shall be handed to the Customer.

   b. Six (6) IP camera source decoders with HD-SDI outputs shall be provided and installed on three (3) Ford provided rack shelves. The rack shelves, and the PEG TV equipment shall be installed in the OFE IT rack.

   c. One (1) HDMI to HD-SDI converter shall be provided and installed in the OFE IT rack which shall allow for expansion of live production from the Council Chambers.

   d. One (1) 12 input by 12 output HD-SDI matrix switcher shall be provided and installed in the OFE rack for routing of the camera IP decoders and HDMI converters.

   e. One (1) 2-output channel media server, broadcast player and scheduler shall be provided and installed in the OFE IT rack. This shall be the primary PEG TV channel content managing system with a total of 20TB of media storage. The server shall be licensed for two (2) channels of graphics. Ford shall provide two (2) outputs to the OFE fiber transmitter. The Comcast encoders are the responsibility of the Customer.

      1) There are products in this Agreement that require the Customer to purchase a recurring license contract, from the manufacture, in order to receive software updates and service support for that specific item. Ford has included a manufacturer five (5) year license contract as part of this proposal, which will require renewal at the end of the term. Ford can make no guarantee concerning future support without an active, recurring, maintenance contract.

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f. One (1) single channel media server, broadcast player and scheduler shall be provided and installed in the OFE IT rack. This shall be the school district PEG TV channel content managing system with a total of 10TB of media storage. The server shall be licensed for one (1) channel of graphics. Ford shall provide one (1) output to the OFE fiber transmitter. The Comcast encoders are the responsibility of the Customer.

g. One (1) video on demand (VOD) server with 20TB of storage and three (3) single channel network streaming encoders shall be provided and installed in the equipment rack to provide on-demand playback for the City and School district content. The outputs shall be connected to the OFE LAN.

1) The Customer is responsible for the content delivery network (CDN) and/or website links for the VOD.

h. One (1) cloud based content delivery network solution shall be provided, allowing content over Apple TV and Roku devices.

2. THE CUSTOMER SHALL BE RESPONSIBLE FOR:

a. The Customer shall have a representative (one [1] person selected by the Customer) available throughout the installation to make decisions on behalf of the Customer concerning the installation. The purpose is to ensure that communication between the Customer and Ford is accurate and responsive in the event of questions or problems that may arise during installation.

b. The Customer shall clear the rooms involved in the installation of all activities during the periods of installation. Ford will work with the Customer to schedule the installation. Hours or days of work lost by the installation crew due to the inability to work as planned will be charged to the Customer based on the extra labor and expenses required.

c. The Customer shall provide a facility that is prepared for the installation of electronic equipment. This includes a clean, dust-free and air-conditioned environment that is secure and quiet. The Customer is responsible for providing a secure job site and for the cost of loss or damage to audio, video, and lighting equipment delivered by Ford to the job site.

d. Electrical Power

In the event that electrical power is required to be installed or conduit systems are required to support the audio/video systems, it is the responsibility of the Customer, at their expense, to provide complete and adequate electrical power and conduit, unless otherwise noted.

e. Providing and preparing adequate space for the location of equipment, and equipment racks included in the system. In the event floors are sloped or not level, the Customer is responsible for making the floor level under consoles and equipment racks. In the event a projection screen is recessed in a finished ceiling, the Customer is responsible for refinishing the ceiling.

f. Providing a clear area with adequate ventilation and air conditioning that maintains a room temperature not exceeding 75 degrees Fahrenheit in all rooms that are occupied by sound/audio/video/lighting equipment racks. Sound, audio, video, and lighting equipment

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produces heat which must be dissipated by ventilation or air conditioning. Prolonged operation at room temperatures above 75 degrees Fahrenheit will shorten the life of electronic equipment leading to premature failure of components.

g. The Customer is responsible for the installation and registration of all software on OFE computers. Ford will provide the Customer with the system requirements for Ford provided software, but the Customer is responsible for installing it on the OFE PC's and/or OFE network. All software-related customer support shall be directly provided by the software manufacturer.

h. Scaffolding or lifts provided by the Customer for use by Ford must meet OSHA safety standards and be satisfactory to meet the needs of the Ford installation personnel. In the event the Customer furnished scaffolding or lifts are unacceptable, Ford will present a change request detailing the additional cost and time extension required to complete the project.

i. Ford is not licensed for and does not perform any electrical, carpentry, painting, masonry, or carpet laying work.

3. FORD SHALL BE RESPONSIBLE FOR:

a. Providing line drawings for systems and equipment manuals electronically at no cost

b. Fabrication and installation of systems

c. Providing recommendations for electrical power and conduits, to be provided and installed by the electrical contractor, for the systems

d. Installation of low voltage wiring for systems

e. Training

f. Warranty service

g. Providing as-built drawings with wire numbers and labels

4. PREVENTATIVE MAINTENANCE

a. Ford shall perform one (1) pre-scheduled service call, prior to the end of the warranty period, for the purpose of conducting routine preventative maintenance (PM) to check the general operation of equipment. This PM service call shall be scheduled in advance with the Customer, between 8:00 am and 5:00 pm Monday through Friday, excluding holidays, and does not include expendable materials used (e.g., light bulbs, lamps, light fixture lamps, fuses, batteries, portable connection cables, etc.) or system programming. This service is renewable up to three (3) years.

b. The Customer will provide a contact person that is authorized to answer questions and obligate the Customer if additional services are requested. The contact will be personally available to meet with the Ford technician and have knowledge of the equipment and

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systems to be inspected. The contact person will provide access to all areas and equipment rooms requiring inspection.

C. INSTALLATION SCHEDULE

1. Ford estimates that the actual on-site installation, test out and commissioning of this project will take six (6) days. In addition to the installation, Ford shall prepare system drawings, purchase the equipment, assemble the equipment in our shop, program control software as required and do in-shop testing. This work will take approximately eight (8) to ten (10) weeks prior to the beginning of actual installation at your facility. The total time required to complete the project shall be approximately ten (10) weeks from agreement execution. The completion of Ford's work depends upon the facility being secure, dust-free, air-conditioned, and quiet.

2. For Ford to meet the above completion schedule, it is important that the Customer ensures the job site is available for Ford personnel, and there are no interruptions in the availability of the job site and the ability of Ford to do the work. Ford schedules its work force weeks in advance in order to meet the installation completion dates of all of its customers. As a consequence, it is vital that the Customer notify Ford's Project Manager in the event that the Customer changes the schedule or the Customer's other contractors fall behind in completing their portion of the work.

D. EQUIPMENT LIST

IN CONTRACT AV EQUIPMENT **(TIPS CONTRACT)**

Quantity	Description	Price	Extension
6.00	MARS.VS102HDSDI ENCODER/DECODER W/HD-SDI&HDMI	1,606.00	9,636.00
1.00	TIGH.CBLVIO4600 4 CH BORADCAST SERVER 10TB	16,236.00	16,236.00
3.00	TIGH.CBLCGPLAYE VIDEO STREAMING LICENSE	1,120.00	3,360.00
3.00	TIGH.CBLLIVE350 1 CH H.264 STREAMING SERVER	2,180.00	6,540.00
1.00	TIGH.CBLSVR450V VOD SERVER WEB BASED HEADEND	7,040.00	7,040.00
1.00	TIGH.CBLREFLECT ANNUAL CLOUD STREAMING 1 YR	1,760.00	1,760.00
1.00	BLAC.VHUB6G2020 SWIT,ROUT,SMAR,SD,HD,4K,SDI,10	1,796.00	1,796.00
3.00	MIDD.U2V RACK,2 SPACE VENTED RACKSHELF	57.00	171.00
1.00	MIDD.UPSOL2200R OL UPS 2200VA,120V,60HZ	2,692.00	2,692.00
4.00	TIGH.CBLSASCH1Y ANNUAL SOFTWARE CONTRACT /I/O	857.00	3,428.00
2.00	TIGH.CBLSTRUPG2 10TB UPGRADE FOR CABLECAST VIO	998.00	1,996.00
1.00	TIGH.CBLVIO2600 2CH VIDEO SERVER W/10TB	14,000.00	14,000.00
		Sub Total	68,655.00

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NON CONTRACT EQUIP

Quantity	Description	Price	Extension
1.00	DECI.MD-HX CROSS-CONVERTER/SCALER/RATE CO	296.00	296.00
1.00	CRIMPS, TIES & LABELS	110.00	110.00
1.00	CABLES & CONNECTORS	390.00	390.00
1.00	MOUNTING HARDWARE	90.00	90.00
1.00	RACKING HARDWARE	270.00	270.00
		Sub Total	1,156.00

INTEGRATION SERVICES **(TIPS CONTRACT)**

Quantity	Description	Price	Extension
	DESIGN, ENGINEERING, FABRICATION, PROJECT MANAGEMENT INSTALLATION, COMMISSIONING, TRAINING AND WARRANTY		36,463.00
		Sub Total	36,463.00

Merchandise:	69,811.00
Integration:	36,463.00
Other:	.00
Freight:	.00
Sales Tax:	.00
Total Amount:	106,274.00

E. COST SUMMARY AND TERMS

PROPOSED TOTAL: $106,274.00

PREVENTATIVE MAINTENANCE: $1,599.00

*TAXES: No taxes have been included in the project 'Total Amount,' unless specifically showing on the 'Sales Tax' line. All taxes are the responsibility of the Customer. If a tax is charged to Ford, the Customer will be responsible for reimbursing Ford for the cost.

TERMS: The Customer will issue a purchase order in accordance with the terms and conditions of the **TIPS Contract #171001.**

All invoices are due Net 30.

CC: Unless otherwise prohibited by law, a 3% bank interchange fee will be charged for using a credit card for payment.

PRICE: The price stated above for this project is based upon the complete system being purchased and installed at one time. In the event the Customer selects to purchase less than the total

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project, delays purchase of any portion of the system, requires that the system be installed in phases, or delays the installation, Ford reserves the right to charge for additional labor, travel, and overhead. The price is valid for thirty (30) days from the date of this proposal.

COMMENCEMENT OF WORK:

Ford must receive the signed contract, down payment, and/or a purchase order accepting the terms and conditions of this proposal, prior to the contract being initiated by Ford. Without the acceptance of Ford, no work on the contract will be under taken, including engineering the system, purchasing the equipment and scheduling the work crews for installation. In the event the Customer fails to pay Ford within the terms above, Ford reserves the right to stop work on the project until all payments are received by Ford in accordance with the terms.

CREDIT: This proposal shall not be deemed as accepted by Ford until the executed contract is returned to Ford's Credit Center for final review and acceptance.

CHANGES: Any Customer Change Orders (CCO) must be approved in writing by the Customer prior to execution by Ford and are subject to the credit terms of this agreement.

NON-HIRE: The Customer and Ford mutually agree, because of the high cost of training an employee, that neither party shall solicit the employment of any employee of the other party, and shall not employ any employee or any person who was an employee of the other party at any time during the relationship between the parties or for a period of one (1) year following the termination of any relationship between the parties. In the event of a breach of this section, the breaching party agrees to pay the other party an amount equal to the hired employee's annual wages as an agreed upon cost to replace the employee.

F. GUARANTEES AND LIMITATIONS OF WARRANTIES

1. FORD GUARANTEES THE FOLLOWING:

a. Equipment will be new, unless noted otherwise.

b. All workmanship provided by Ford will be free of defects and will be repaired, free of charge, for a period of one (1) year from the date of substantial completion or the first date of beneficial use of the system, whichever date occurs first. Substantial completion shall be defined as the point where the work, or designated portion thereof, is sufficiently complete so that the system can be used for its intended purpose.

c. All equipment and materials provided by Ford that were manufactured by other companies will be warranted under the standard warranty terms of the original manufacturer.

d. The warranty does not include nor cover expendable materials used with the system installation (e.g., light bulbs, lamps, light fixture lamps, fuses, batteries, portable connection cables, etc.).

e. Ford is not responsible for the reliability of systems that communicate using wireless technology. The performance of equipment utilizing wireless communications is inherently unreliable and will experience "drop outs", distortion and loss of connectivity

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from time to time. Interference from other forms of radio frequency transmissions, such as radio and television broadcasts, cell phones, and computer wireless networks, is probable and should be expected.

f. Ford is not responsible for the performance, testing, or configuration of owner-furnished data networks that are used to transmit audio, video, and lighting program data and control signal data. IP-based videoconferencing systems rely upon data networks that can provide consistent bandwidth for the transmission. Videoconferencing that is transmitted over the Internet is subject to the intermittent and unreliable nature of the public network. In the event that the Customer's network is found to be the cause of defects in the quality of the audio/video signals, is unreliable, or has insufficient bandwidth to support the A/V/L system and Ford's network engineers are required to troubleshoot or configure the Customer's network, the cost of this service will be invoiced to the Customer.

g. The term "Software" as used in this document includes all editable source files, un-editable compiled files, graphical user interface files and functionality, audio digital signal processor (DSP) files, in whole and in part, produced under the terms of this agreement.

Unless otherwise expressly agreed in writing, all Software created by Ford remains the property of Ford, and the Customer is hereby provided a license to use the Software for this project only. The Software may not be used on any other project, nor used for any purposes outside of this project, nor shared nor disclosed to anyone who is not an employee of the Customer's company.

h. Any adjustments made by the Customer or the Customer's agent(s), other than routine operational adjustments, shall not be covered under this warranty statement. Re-calibration of settings shall be considered by Ford to be billable time to the Customer at Ford's standard engineering rates.

i. Procedures such as routine preventative maintenance functions (e.g., keeping filters clean, keeping system environment free from foreign materials, etc.) are the responsibility of the Customer and is not included within this warranty agreement. Failure on the part of the Customer to perform these routine maintenance functions shall void this warranty.

j. If warranty work is necessary within the warranty period, Ford will, at its option, repair the defective equipment or return it to the manufacturer for repair.

k. Repairs, modifications, or other work performed by personnel not authorized by Ford during the period of warranty on any equipment of the system may invalidate the warranty.

l. Ford will not be responsible for damages or cost of repairs due to modifications, adjustments, or additions to the system performed by personnel not authorized by Ford prior to acceptance of the system by the Customer.

m. Ford may withhold warranty service in the event that the Customer has an unpaid balance due to be paid to Ford.

2. OWNER-FURNISHED EQUIPMENT (OFE):

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a. Ford's intent is to provide a complete system including all equipment. In some cases, the Customer may own equipment which they desire to be included with the installation. Ford identifies this as OFE.

b. The use of OFE is solely for the convenience of the Customer and is not included in the warranty or guarantee provided.

c. Ford shall take reasonable care in handling OFE and install it according to standard industry practices; however, Ford takes no responsibility for the operation, performance, appearance, or effects of OFE before, during, or after its integration into the system. Ford reserves the right to accept or reject OFE based on the equipment's service record, or lack thereof, poor condition, or out of date software/firmware. Ford will not accept OFE that is purchased by the Customer to replace equipment that is specified in this proposal.

d. In the event that OFE does not function properly, Ford shall notify the Customer to determine if the OFE is to be a) repaired, b) an alternate unit provided by the Customer, c) the unit is not to be used, or d) Ford is to provide a new unit. Ford shall provide a cost to the Customer for the work to be done. The Customer will authorize any additional costs to the job.

e. The existing equipment, removed as a courtesy by Ford, that is not being reused, shall be handed over to the Customer. Ford is not responsible for the existing equipment or its condition when received by the Customer.

G. TRAINING AND DOCUMENTATION

1. TRAINING INCLUDED:

a. Ford will host a training session near the completion of installation. All system users and interested persons should attend this training so that all questions can be answered during this training.

b. During the training, if requested, Ford personnel will attend the initial first use of the system and assist the Customer's operators and users in the operation of the Ford-installed system.

c. Ford shall provide a training agenda for scheduled training.

d. Ford shall provide a quick start guide (QSG) for each room type. The QSG is a generic, brief description, of how to operate the system. One (1) copy of a laminated document, for each room type, shall be provided to the Customer.

2. ADVANCED TRAINING - OPTIONAL:

Ford is committed to providing the highest quality and most modern training experience possible to its Customers. In addition to the training included with this project, for an additional fee, Ford offers multiple, customizable options to fit the needs of any Customer. The possible programs include:

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a. Ford shall supply a training video consisting of a visual tutorial or tutorials, if multiple room type videos are purchased, that will explain how to operate specific AV systems. This training tutorial, narrated by a Ford trainer, is a self-paced, always-available, online video, viewable on any mobile device which give the learner a step-by-step process on how to use the technology.

b. In consultation with the Customer, Ford will develop and execute a custom curriculum and curriculum schedule.

c. Ford will provide in-person presentation(s), as needed, including presentation materials such as PowerPoint or Prezi presentation.

d. Ford will develop a custom Orientation & Operations Handbook, which shall include detailed, user-friendly information on solutions, functionality, troubleshooting, curriculum, and other useful reference materials.

e. The Ford Training Center also highly recommends follow-up training sessions six months to a year following the initial session(s) to ensure that all concepts are anchored and being employed by each user as well as providing opportunities for new employees to receive the same level and style of training existing employees received. The Ford Training Center will work with customers to develop a long-term training strategy and/or ongoing training curriculum.

f. Additional materials include documents in electronic format, additional hard and/or laminated copies of Quick-Start Guides and Orientation & Operations Handbooks, as well as CDs or DVDs of these curriculum materials.

g. All training curriculum and components will be developed and executed by a Ford Master Trainer.

h. The components of the optional training are to be determined by the Customer, Account Manager, and Ford Master Trainer to best meet the needs of the Customer. The cost of the additional materials and training is based on the desired program.

i. Please contact Ford to receive a customized price quote on the Advanced Training Program option.

H. BUILDING CONSTRUCTION AND SYSTEM INSTALLATION

1. VISUAL INSPECTION:

a. This proposal is based upon a visual inspection of the site conditions. It is agreed that some buildings may have inherent design and/or construction that is not visibly recognizable and is outside of normal standard and customary building procedures. If the walls, floors or ceiling are found to be constructed in a manner that wire cannot be pulled or equipment cannot be mounted or otherwise installed without labor or materials in excess of those anticipated by both parties and proposed herein, the Customer agrees to be responsible for any adjustments in the labor and materials required to perform the installation.

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2. EXISTING CONDITIONS:

a. Acoustics and Noise

In facilities where Ford is providing a sound or audio system, the Customer is responsible for providing an environment free of ambient noise and excessive reverberation and echoes.

1) Typically, ambient noise is created by HVAC systems (Heating, Ventilation, and Air Conditioning), plumbing or other mechanical systems in the building. In general, Ford recommends that the ambient noise sound pressure level not exceed NC35 (Noise Criteria) or 35 dB A scale.

2) Long reverberation times and echoes are normally the result of hard wall, floor, and ceiling surfaces found in some rooms. Typically, Ford recommends that the reverb time does not exceed 1.5 seconds where the primary use is the communication of speech. The production of other types of music may require longer reverberation times. In the event that echoes exist, absorptive or diffusive wall and ceiling panels may be required to eliminate or minimize the detrimental effects of the echoes.

3) Ford is not responsible for any costs related to reducing the ambient noise or modifying the acoustics of the Customer's facilities.

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I. ACCEPTANCE

1. The Customer's personnel will be notified by Ford upon completion of the installation.

2. Demonstration of system performance will be during the training session.

3. Participants at the performance demonstration shall include personnel representing Ford and personnel representing Texas City who are authorized to accept the system as complete and make final payment.

This proposal shall not be deemed as accepted by Ford until the executed contract is returned to Ford's Credit Center for final review and acceptance. If a purchase order is required by the Customer, it must be transmitted with the signed install agreement for review and acceptance.

This proposal contains confidential pricing, design, engineering, and installation information that is proprietary to Ford. It is provided for your private use, and is not to be disclosed, in part or in whole, without the express, written authorization of Ford.

We appreciate the opportunity to work with you on this project. If you have any questions or need additional information, please contact me at 713-690-0555.

Sincerely,

FORD AUDIO-VIDEO SYSTEMS, LLC

Douglas Hill
Senior Account Manager

Voice: 713-690-0555
E-mail: hilld@fordav.com
Website: www.fordav.com

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SYSTEM INSTALLATION AGREEMENT

Between

TEXAS CITY

and

FORD AUDIO-VIDEO SYSTEMS, LLC

This is to signify that Texas City and Ford Audio-Video Systems, LLC have entered into a contract, in the amount of $106,274.00, for the purchase and installation of equipment and services described in the attached proposal.

PREVENTATIVE MAINTENANCE: $1,599.00

_____
Customer Accepts

Texas City and Ford Audio-Video Systems, LLC, by and through their respective signatories to the Agreement, each represent to the other that they are authorized to enter into this Agreement.

We do both agree to abide by the terms and conditions of this Agreement.

FORD AUDIO-VIDEO SYSTEMS, LLC	TEXAS CITY
_____	_____
Douglas Hill Account Manager	Authorized Signature
_____	_____
Christopher Ford, EE Division Manager	Printed Name and Title
_____	_____
Date	Date

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CITY COMMISSION REGULAR MTG **(9) (d)**

Meeting Date: 01/15/2020

Submitted By: Rhomari Jackson, City Secretary

Department: City Secretary

Information

ACTION REQUEST (Brief Summary)

Consider and take action on Resolution No. 20-003, appointing of City Attorney. (Management Services)

BACKGROUND

With the resignation of the City Attorney - Lyons and Plackemeier, the City Commission needs to appoint a new City Attorney. Similar to the appointment of the Lyons and Plackemeier that had Russell Plackemeier the primary counselor representing the City, the Mayor is recommending Murray-Lobb, PLLC, who is desgnating the primary individual to represent the City of Texas City to be Kyle Dickson - a resident of Texas City and a practicing attorney with the firm.

ANALYSIS

ALTERNATIVES CONSIDERED

Fiscal Impact

Attachments

Attachment

STATE OF TEXAS §
§
COUNTY OF GALVESTON §

CITY ATTORNEY EMPLOYMENT AGREEMENT

This Agreement is effective the 1st day of February 2020, between the City of Texas City (City), and Murray-Lobb, PLLC (Attorney).

WITNESSETH:

WHEREAS, the City is in need of practical and technical assistance in the position of City Attorney, which includes the essential functions set forth herein and other related duties; and,

WHEREAS, the City wishes to retain Murray-Lobb, PLLC, who shall designate Kyle L. Dickson as City Attorney for this purpose;

NOW, THEREFORE, in consideration of the mutual covenants and promises, the parties agree as follows:

1. This purpose of this Agreement is to employ Murray-Lobb, PLLC, for the express purpose of providing practical and technical assistance in the position of City Attorney. Attorney shall perform the duties of City Attorney, on an interim, as-needed basis, and other related duties.

2. This contract shall be for the period from February 1, 2020 through February 1, 2025, unless terminated by the City. Either party may terminate this Agreement at-will, for cause or for no cause by informing the other party that the Agreement is terminated, and by giving fifteen (15) days' notice. The parties may provide such notice by any means of communication, whether written or verbal. Upon termination by the City, the City shall not pay Attorney for any work performed after the notice of termination. In the event Attorney terminates this Agreement, the City shall pay Attorney in accordance with the terms of this Agreement for work performed prior to termination.

3. Attorney shall, perform services on an as-needed basis all days the City requires his service. Hours of service may be varied if deemed necessary due to job related circumstances. The City agrees to pay Attorney Six Thousand and 00/100 Dollars ($6000.00) per month. Attorney shall have the option to join in the health, dental and vision insurance provided to City employees. The parties agree that this compensation shall be the total compensation and that Attorney shall pay all applicable local, state and federal taxes, including income tax, withholding tax, and social security tax, if any.

4. Attorney shall submit invoices monthly. Attorney shall at all times apprise the City of his current mailing address in order for the City to make payment for services rendered.

5. Attorney shall provide his own vehicle to and from job site, which shall be fully insured. The City shall not reimburse Attorney for automobile or transportation expenses.

6. The mayor shall provide direction for Attorney's work; however, the implementation and final work product shall be solely up to Attorney. Additionally, the Attorney shall, at all times, adhere to all State and Federal statutes.

7. If any court of competent jurisdiction finds that any provision of this Agreement violates any applicable law, the invalidity of such provision shall not be deemed to invalidate any other provision of this Agreement. In such event, the other provisions of the Agreement shall remain in full force and effect unless removal of the invalid provision destroys the legitimate purpose of this Agreement, in which event this Agreement shall be deemed canceled.

8. The initial term of this Agreement shall be one (1) year commencing as of the date hereof. Thereafter, the term of this Agreement shall automatically renew for successive one (1) year terms unless one party provides written notice to the other party at least sixty (60) days in advance of the end of the then existing term that it does not wish to renew the term of this Agreement.

9. This Agreement represents the entire agreement by and between the parties, except as otherwise provided in this Agreement, and it may not be changed except by written amendment duly executed by all parties. This Agreement shall not be assignable.

10. This Agreement shall be subject to and governed by the laws of the State of Texas. Any and all obligations or payments are due and payable in the City of Texas City, Galveston County, Texas.

IN WITNESS WHEREOF, the Mayor has caused this Agreement to be executed and that upon execution thereof, it shall be deemed the act and deed of the City of Texas City.

CITY OF TEXAS CITY, TEXAS

By: _____
Matthew T. Doyle, Mayor

By: _____
Kyle L. Dickson, Partner

Attest:

_____

CITY COMMISSION REGULAR MTG **(9) (e)**

Meeting Date: 01/15/2020

Submitted By: Rhomari Jackson, City Secretary

Department: City Secretary

Information

ACTION REQUEST (Brief Summary)

Consider and take action on Resolution No. 20-004, appointing Perry O'Brien to the Planning Board. (Managemenet Service)

BACKGROUND

If Kyle Dickson is confirmed as the City Attorney with Murray-Lobb, LLC., he will be removed from the Planning Board. The mayor is recommending the appointment of Perry O'Brien as his replacement to fulfill his unexpired term until September 2013.

ANALYSIS

ALTERNATIVES CONSIDERED

Fiscal Impact

CITY COMMISSION REGULAR MTG **(10) (a)**

Meeting Date: 01/15/2020

Submitted By: Rhomari Jackson, City Secretary

Department: City Secretary

Information

ACTION REQUEST (Brief Summary)

Consider and take action on Ordinance No. 20-01, amending the City's curfew ordinance.

BACKGROUND

ANALYSIS

ALTERNATIVES CONSIDERED

Fiscal Impact

CITY COMMISSION REGULAR MTG **(10) (b)**

Meeting Date: 01/15/2020

Amend fiscal year 2019-2020 budget

Submitted For: Laura Boyd, Finance **Submitted By:** Laura Boyd, Finance

Department: Finance

Information

ACTION REQUEST (Brief Summary)

Consider and take action on Ordinance No. 20-02, amending the City's fiscal year 2019-2020 budget to appropriate funds for fencing around the back parking lot at the Criminal Justice building. (Finance)

BACKGROUND

Buy Board vendor, Foster Fence LTD. has submitted a bid of $39,000.00. See attached documentation.

Funding will be provided by the Municipal Court Building Security Fund unassigned fund balance.

ANALYSIS

Budget Amendment:

Municipal Court Building Security Fund (Fund 203); Municipal Court (205):

Land and Building Improvements	$39,000.00
Unassigned fund balance	($39,000.00)

ALTERNATIVES CONSIDERED

Fiscal Impact

Attachments

Fence quote

To: Texas City Police Department
Attention: David
Project: Fence Upgrades
Date: 12-27-2019

Foster Fence will provide and install the following:

- Install 353 linear feet of 8' tall black vinyl chain link fence with barbed wire.
- Install 1- 24' track gate.
- Install 1- 27' track gate.
- Install 2- Hy Security Slide Smart gate operators.
- Install 4- safety loops, 2 at each gate. The exit gate will have a free exit feature to open when approaching from the inside of the gate.
- Install 911 boxes at both entry and exit gate.
- Install 1- gooseneck pedestal with a keypad and a wireless intercom system at the entry gate.
- Install 2- 5' wide walk gates with hydraulic closers, mag-lock, keypad on outside and free egress button on the inside.
- Provide customer with 10 remotes.
- Mobilization to and from jobsite, supervision, and management required for complete installation.

Grand Total – $39,000.00*

***Quote is good for 30 days**

Estimator: Matt Eller / Cell# 713-204-8671 / MEller@fosterfence.com

Members of: Pics, ISNetworld, Veriforce Consortium and Houston Area Safety Council
Celebrating 45 years of service

Note: Unless listed above, Electrical, OQ, Probing, Hydro Excavating, Tree Removal, Grading, Core Drilling or Rock Breaking, Engineered Drawings, Permitting, Licensing, Access Controls and Hand Digging is not included. Texas 811 Call is always made when excavating

CUSTOMER SIGNATURE _____ DATE _____

(281) 456-7273
(281) 456-0221 Fax

FOSTER FENCE LTD
P.O. Box 96116
Houston, TX 77213

www.fosterfence.com
info@fosterfence.com

Laura Boyd

From: Tammy Odom
Sent: Wednesday, January 08, 2020 7:56 AM
To: Laura Boyd
Subject: FW: New Quote
Attachments: Fence Quote.pdf

Laura,

Please see Captain Fairchild's email below regarding the bid on the fence.

Thanks,
Tammy

From: David Fairchild <dfairchild@texascitytx.gov>
Sent: Tuesday, January 7, 2020 2:28 PM
To: Tammy Odom <todom@texascitytx.gov>
Subject: New Quote

The fence company contacted me and advised they made a mistake on our quote. He failed to charge us for the correct amount of fence. He was short 100'. He said it should have been $2000.00 dollars more than quoted. His boss agreed to discount it $250.00 so it was an additional $1750.00. I attached the new quote to this email. Hopefully it won't be a problem.

I met with our electrician today. He is working on the details now to run electricity to both gates and the piping for Alert Alarms to run the data wire for the badge reader. The PD will pay for the materials for that.

David Fairchild/Captain of Administration
Texas City Police Department
1004 9th Avenue North
Texas City, TX. 77590
Office Phone: (409)797-4402
Non-Emergency Phone: (409)643-5720

New Quote Total: $39,000

Laura Boyd

From: Tammy Odom
Sent: Monday, January 06, 2020 10:49 AM
To: Laura Boyd
Subject: Building Security Fund Transfer
Attachments: 122719 Foster Fence LTD Proposal.pdf

Laura,

Captain Fairchild and I met with Mayor Doyle this morning regarding fencing in the back parking lot at the Criminal Justice Building. He has approved the project, therefore, I need to do a transfer from my Building Security Fund Balance of $37,280 to 203-205-~~53540~~ 55010. I have attached the bid from Foster Fence LTD for reference. They are a BuyBoard vendor so there are no additional bids. Please let me know if there is anything else you need from me.

Thanks,
Tammy

Tammy Odom
Court Administrator, Texas City Municipal Court
Chief Administrator, Texas City Marshal's Office

CITY COMMISSION REGULAR MTG **(10) (c)**

Meeting Date: 01/15/2020

Amend fiscal year 2019-2020 budget

Submitted For: Laura Boyd, Finance **Submitted By:** Laura Boyd, Finance

Department: Finance

Information

ACTION REQUEST (Brief Summary)

Consider and take action on Ordinance No. 20-03, amending the City's fiscal year 2019-2020 budget to appropriate additional funds for the City's contribution to the Texas City Firemen's Relief and Retirement Fund. (Finance)

BACKGROUND

Each pay period the City contributes to the Texas City Firemen's Relief and Retirement Fund. As a result of the last actuarial report and the actuary's recommendation, management is recommending increasing the City's contribution from 16.18% to 19%. This percentage increase amounts to approximately $110,000.00 more than what was approved in the adopted FY 19/20 budget.

The additional amount will be funded from the General Fund unassigned fund balance.

ANALYSIS

Budget Amendment:

General Fund (Fund 101); Fire Department (202):

Retirement Expense	$110,000.00
Unassigned fund balance	($110,000.00)

ALTERNATIVES CONSIDERED

Fiscal Impact

Attachments

TCFRRF Actuary Report

Texas City Firemen's Relief and Retirement Fund

Actuarial Valuation as of December 31, 2018

December 12, 2019

Rudd and Wisdom, Inc.

CONSULTING ACTUARIES

Mitchell L. Bilbe, F.S.A.
Evan L. Dial, F.S.A.
Philip S. Dial, F.S.A.
Philip J. Ellis, A.S.A.
Charles V. Faerber, F.S.A., A.C.A.S.
Mark R. Fenlaw, F.S.A.
Brandon L. Fuller, F.S.A.
Shannon R. Hatfield, A.S.A.
Christopher S. Johnson, F.S.A.
Oliver B. Kiel, F.S.A.
Dustin J. Kim, A.S.A.
Edward A. Mire, F.S.A.
Rebecca B. Morris, A.S.A.
Amanda L. Murphy, F.S.A.
Michael J. Muth, F.S.A.
Khiem Ngo, F.S.A., A.C.A.S.
Timothy B. Seifert, A.S.A.
Chelsea E. Stewart, A.S.A.
Raymond W. Tilotta
Ronald W. Tobleman, F.S.A.
David G. Wilkes, F.S.A.

December 12, 2019

Board of Trustees
Texas City Firemen's Relief and
Retirement Fund
P.O. Box 307
Texas City, TX 77592-0307

Members of the Board of Trustees:

At the request of the Board of Trustees of the Texas City Firemen's Relief and Retirement Fund, we have prepared this report of the results of the actuarial valuation of the fund as of December 31, 2018. This valuation was prepared to determine whether the fund has an adequate contribution arrangement.

In a separate report in July, we provided the necessary disclosures for the fund's compliance with the Governmental Accounting Standards Board (GASB) Statement No. 67 for the plan year ending December 31, 2018. Similarly, we will provide a separate report as soon as possible containing the pension expense, net pension liability, and disclosure information for the city's compliance with GASB 68 for the fiscal year ending September 30, 2019. GASB 68 prescribes the city's accounting for your fund, while this actuarial valuation report reflects the assumed continuation of the current contribution policy.

We certify that we are members of the American Academy of Actuaries who meet Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained in this report.

Sincerely,

Mark R. Fenlaw

Mark R. Fenlaw, F.S.A.

Rebecca B. Morris

Rebecca B. Morris, A.S.A.

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TABLE OF CONTENTS

Section I	Valuation Summary	1
Section II	Key Results of the Actuarial Valuation	8
Section III	Restoring an Adequate Contribution Arrangement	10
Exhibit 1	Distribution of Firefighters by Age and Service	12
Exhibit 2	Summary of Pensioner Data	13
Exhibit 2A	Firefighter and Pensioner Reconciliation	14
Exhibit 3	Breakdown of Pensioners by Monthly Benefit Amounts	15
Exhibit 4	Historical Comparison of Actuarial Accrued Liability and Actuarial Value of Assets	16
Exhibit 5	Summary of Asset Data	17
Exhibit 5A	Statement of Changes in Assets	18
Exhibit 6	Development of Actuarial Value of Assets	19
Exhibit 7	Historical Comparison of Market and Actuarial Value of Assets	20
Exhibit 8	Comparison of Market Value Asset Allocation as of the Prior and Current Actuarial Valuation Dates	21
Exhibit 9	Actuarial Methods and Assumptions	22
Exhibit 10	Disability Rates, Termination Rates, and Compensation Increases	26
Exhibit 11	Definitions	27
Exhibit 12	Summary of Present Plan	29

Section I

Valuation Summary

An actuarial valuation of the assets and liabilities of the Texas City Firemen's Relief and Retirement Fund as of December 31, 2018 has been completed. The valuation was based on the Present Plan (plan effective January 1, 2016) and the provisions of the Texas Local Fire Fighters' Retirement Act (TLFFRA) which were in effect on December 31, 2018. Section II shows the key results of the actuarial valuation as of December 31, 2018 and discusses the changes since the prior valuation as of December 31, 2016 prepared by your prior actuary.

This valuation reflects an actuarially assumed total contribution rate of 32%, comprised of 16% by the firefighters and an assumed average of 16% by the city. The total contribution rate of 32% exceeds the normal cost rate of 14.30%, leaving 17.70% available to amortize the unfunded actuarial accrued liability (UAAL) of $18,643,387. Assuming that the total payroll increases at the rate of 3% per year in the future, the contributions in excess of the normal cost **will amortize the UAAL in 41.1 years.**

In order for a retirement plan to have an adequate contribution arrangement, contributions must be made that are sufficient to pay the plan's normal cost and to amortize the plan's UAAL over a reasonable period of time. Based on the Texas Pension Review Board (PRB) pension funding guidelines, our professional judgment, and the actuarial assumptions and methods used in making this valuation, we consider periods of 10 years to 25 years to be preferable and 40 years to be the maximum acceptable period. The PRB guidelines will be changing to a maximum of 30 years, allowing for phase in through 2025. Since the total contributions are not sufficient to pay the fund's normal cost and to amortize the fund's UAAL within the maximum acceptable period, we are of the opinion that the fund, based on present levels of benefits and contributions, **has an inadequate contribution arrangement. Section III presents considerations for restoring an adequate contribution arrangement.**

Projected Actuarial Valuation Results

In addition to completing this actuarial valuation, we estimated the amortization periods as of December 31, 2020 and as of December 31, 2022 by making projections from the December 31, 2018 actuarial valuation. These projections examine the effect on the amortization period in the next two actuarial valuations of the actuarial investment gains and losses that the fund experienced in the four years prior to the valuation date (losses in 2015, 2016, and 2018 and a gain in 2017) that have been only partially recognized as of December 31, 2018. As shown in Exhibit 6, a smoothing method is used to determine the actuarial value of assets (AVA) for this valuation. This method phases in over a five-year period any investment gains or losses (net actual investment return greater or less than the actuarially assumed investment return) that the fund has had. The AVA used in this current

valuation is deferring recognition of various portions of the gains and losses in 2015-2018 that the fund experienced. The AVA used in this valuation is $15,828,019. The market value of assets (MVA) is $14,389,108. The $1,438,911 difference between the MVA and the AVA is the net deferred loss that will be recognized in the next two actuarial valuations.

The theory behind the AVA method is to allow time for investment gains and losses to partially offset each other and thereby dampen the volatility associated with the progression of the MVA over time. In practice, the timing and amounts of investment gains and losses can result in irregular effects on the AVA in a given year. However, as intended, the pattern of the AVA is smoother over time than the pattern of the MVA, as seen in Exhibit 7.

For the purpose of projecting the amortization period through 2022 we used six scenarios of various assumed annual rates of investment return, net of investment-related expenses, and of city contribution rates over the 2019-2022 projection period. The projected amortization periods will not be the same as the actual amortization periods from completed future actuarial valuations but are projected future actuarial valuation results based on the completed December 31, 2018 actuarial valuation. These projections show the expected effects over the next four years after the valuation date (1) of the recognition of the portions of the past investment gains and losses over the past four years that are deferred as of December 31, 2018, (2) of investment returns over the next four years different from the 7.5% assumption used in this valuation, and (3) of an increase in the city contribution rate to a fixed rate of 17%, 18%, or 18.5%, assuming it would begin October 1, 2020.

	Scenario					
	1	2	3	4	5	6
Assumed Investment Return for Calendar Year						
2019	7.5%	15.0%	15.0%	15.0%	15.0%	15.0%
2020	7.5	15.0	12.0	12.0	12.0	12.0
2021	7.5	15.0	7.5	7.5	7.5	7.5
2022	7.5	15.0	7.5	7.5	7.5	7.5
2023 and later	7.5	7.5	7.5	7.5	7.5	7.5
City Contribution Rate	16%	16%	16%	17%	18%	18.5%
Amortization Period in Years as of December 31:						
2018 (actual)	41.1	41.1	41.1	41.1	41.1	41.1
2020 (projected)	44.7	40.4	40.9	35.8	32.0	30.5
2022 (projected)	47.7	33.4	38.5	33.5	29.8	28.2

The projected future December 31, 2022 valuation in Scenario 1 reveals that instead of decreasing by the expected four years from 41.1 years to 37.1 years, the amortization period is projected to increase to 47.7 years due to the recognition of the deferred net loss of $1.44 million by December 31, 2022. This result is not surprising when you consider that if the AVA were set equal to the MVA, recognizing all of the past gains and losses in this December 31, 2018 actuarial valuation, the amortization period would have been 51.7 years instead of 41.1 years. The primary conclusion from Scenario 1 is that without any investment gains the amortization period will increase because of the deferred net investment loss.

Scenarios 1-3 assume continuation of the current contribution policy of the city contributing the same as their TMRS plan contribution rate but not less than 16%. Scenario 2 shows that even with the very unlikely rate of return of 15% for all four years, the amortization period still would be over 30 years in the December 31, 2022 actuarial valuation. Scenarios 4-6 assume the adoption of a new contribution policy of the city contributing a fixed rate of 17%, 18%, or 18.5% beginning October 1, 2020.

We do not know what the investment experience will be for each of the next four fiscal years. However, these Scenarios show that with the current plan provisions, there is a need for both investment gains and an increase in the contributions in order to get the amortization period below 30 years. Variations in experience from the underlying assumptions, other than investment return, will cause the actual amortization periods to be different from the periods shown above. In addition, the future investment experience in each of the next four fiscal years could be better or worse than the assumed rates shown. These scenarios present a range of mostly optimistic scenarios for the next two valuations assuming the different contribution policies shown.

The primary conclusion from the scenarios is that a new contribution policy by the city with a fixed contribution rate of 18% could result in an amortization period of under 30 years beginning as of December 31, 2022 assuming favorable investment experience of at least a 15% return in 2019 and a 12% return in 2020. We address the subject of reestablishing an adequate contribution arrangement in Section III.

Participant and Asset Data

We have relied on and based our valuation on the active firefighter data, pensioner data, and asset data provided on behalf of the board of trustees by Mr. Mike Rusnak, the current chairman of the board. We have not audited the data provided but have reviewed it for reasonableness and consistency relative to the data provided for the December 31, 2016 actuarial valuation. Exhibit 1 is a distribution of the active firefighters by age and service. The salaries used for projecting future contributions and benefits in the valuation were based on the actual pay for the 2018 calendar year increased to fully reflect the effect in 2019 of the general pay increase of 4% effective October 1, 2018. The total of these salaries is our assumed annual covered payroll for the plan year beginning January 1, 2019

and is used in the valuation to determine the UAAL amortization period. The averages of the assumed salaries for the 2019 plan year are shown in Exhibit 1.

Exhibit 2 contains summary information on the pensioners. The monthly benefit payments are generally based on the amounts paid December 31, 2018. Exhibit 2A is a reconciliation of firefighters and pensioners from December 31, 2016 to December 31, 2018. Exhibit 3 shows a breakdown of the dollar level of the monthly benefits for retirees and surviving spouses. Exhibit 4 shows a historical comparison of the actuarial accrued liability and the actuarial value of assets.

The summary of assets contained in Exhibit 5 is based on the December 31, 2018 audited market value of assets for the fund's financial statements. This exhibit also shows a comparison of the market values and actuarial values of assets as of December 31, 2016 and December 31, 2018. Exhibit 5A contains the statement of changes in assets for plan years ending December 31, 2018 and December 31, 2017. Exhibit 6 shows the development of the actuarial value of assets. Exhibit 7 shows a historical comparison between the market value and actuarial value of assets. A market value asset allocation by asset class as of December 31, 2018 is shown in Exhibit 8.

Assumptions

As a part of each actuarial valuation, we review the actuarial assumptions used in the prior actuarial valuation. As a result of our review, we have selected actuarial assumptions we consider to be reasonable and appropriate estimates of future experience for the fund for the long-term future. Their selection complies with the applicable actuarial standards of practice. Significant actuarial assumptions used in the valuation are:

1. 7.5% annual investment return net of investment-related expenses;
2. 3% annual general compensation increase plus an average of 1.96% per year for pay increases due to promotions and longevity over a 30-year career;
3. Retirement rates which result in an average expected age at retirement of 53.8 for those hired before January 1, 2006, 56.0 for those hired in the next 10 years, and 57.2 for those hired on or after January 1, 2016;
4. PubS-2010 (public safety employees) total dataset mortality tables for employee and for retirees, projected for mortality improvement generationally; and
5. City contribution rate averaging 16% over the UAAL amortization period.

The following actuarial assumption changes have been made, and the new assumptions are compared to those used in the December 31, 2016 valuation:

1. The mortality assumption was changed from the RP-2014 Blue Collar Mortality Tables, projected for mortality improvement generationally by scale MP-2016 to the PubS-2010 (safety employees) total dataset mortality tables for employees and for retirees, projected for mortality improvement generationally using the projection scale MP-2018. The rationale for the change is to use the results of a new, first-ever

study of the mortality of public employee pension plan participants by the Society of Actuaries, as discussed in an August 27, 2019 letter on our review and recommendation of the assumptions. The new mortality assumption is more appropriate for the fund for the long-term future than the prior assumption.

2. The other assumption changes recommended in the August 27, 2019 letter were the investment return, retirement rates, disability rates, compensation increases, administrative expenses, the percent of actives single, and the age difference of married actives and their spouse.

The effects of these changes in assumptions on the UAAL amortization period are identified in Section II. A summary of all the assumptions and methods used in the valuation is shown in Exhibits 9 and 10. In our opinion, the assumptions used, both in the aggregate and individually, are reasonably related to the experience of the fund and to reasonable expectations. The assumptions represent a reasonable estimate of anticipated experience of the fund over the long-term future.

Changes in Plan Provisions and Contribution Policy

There have been no changes in plan provisions since the December 31, 2016 actuarial valuation. However, the city agreed to a new contribution policy of a rate equal to the greater of 16% and the city's contribution rate to its plan in the Texas Municipal Retirement System beginning January 1, 2019. The city's contribution rate in 2019 is 16.18%. We have assumed the city's rate will be 16% for this actuarial valuation.

Actuarially Determined Contributions by the City

GASB 68 is all about accounting for pensions and did away with the concept of annually required contributions, referred to as the ARC. The GASB made a point of separating their accounting standard for public employee defined benefit plans from the actual funding of those plans. In other words, the city's GASB 68 pension expense will usually be very different from its actual contributions. That is why separate reports are needed each year to provide the required GASB 68 actuarial information.

As a result of GASB getting out of the business of providing a funding standard, the PRB recommended in their report to the Texas Legislature at the end of 2014 that actuarial valuation reports for fixed contribution rate plans should disclose contribution levels required for a variety of appropriate amortization periods. Since the fund's UAAL amortization period is over 40 years and since the preferred range for the amortization period is 10 to 25 years in the PRB's pension funding guidelines, we have shown the city contribution rate that would have been required beginning January 1, 2019 for amortization periods of 35, 30, and 25 years based on this December 31, 2018 actuarial valuation.

UAAL Amortization Period	Actuarially Determined Contribution Rate by the City	Firefighter Contribution Rate	Total Contribution Rate
35 Years	17.23%	16.00%	33.23%
30 Years	18.70%	16.00%	34.70%
25 Years	20.84%	16.00%	36.84%

In 2015, the Legislature passed HB 3310 which amended Sections 801 and 802 of the Government Code. It includes a new sentence in Section 802.101(a) which requires an actuarial valuation to include a recommended rate needed to have an amortization period for the UAAL that does not exceed 30 years. The city currently contributes the same rate of payroll contributed for the city's other employees under the city's TMRS plan but not less than 16%. The TMRS rate varies some from year to year, but is expected to be very close to 16% for the next few years. For simplicity, we have assumed that the city's contribution rate to the fund will be 16% over the UAAL amortization period. Since this assumed rate results in an actuarially determined amortization period of 41.1 years, we must recommend a different contribution policy. Because of the lag between the beginning date for the rates above (January 1, 2019) and an effective date of October 1, 2020 that would give the city time to implement a new contribution policy, we recommend a fixed city contribution rate effective October 1, 2020 of 19%.

Variability in Future Actuarial Measurement

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following:

- Plan experience differing from that anticipated by the current economic or demographic assumptions;
- Increases or decreases expected as part of the natural operation of the methodology used for these measurements;
- Changes in economic or demographic assumptions;
- Changes in plan provisions; and
- Changes in contribution policy.

Analysis of the potential range of such future measurements resulting from the possible sources of measurement variability is typically outside the scope of an actuarial valuation. However, we provided projected amortization periods for the next two biennial actuarial valuations under six scenarios. Additional or other sensitivity analysis could be performed in a subsequent report if desired by the board of trustees.

Respectfully submitted,
RUDD AND WISDOM, INC.

Mark R. Fenlaw

Mark R. Fenlaw
Fellow, Society of Actuaries
Member, American Academy of Actuaries

Rebecca B. Morris

Rebecca B. Morris
Associate Society of Actuaries
Member, American Academy of Actuaries

Section II
Key Results of the Actuarial Valuation

	December 31, 2016[1]	December 31, 2018
1. Actuarial present value of future benefits		
a. Those now receiving benefits or former firefighters entitled to receive benefits	$ 21,557,316	$ 23,445,543
b. Active firefighters	15,126,074	17,267,783
c. Total	$ 36,683,390	$ 40,713,326
2. Actuarial present value of future normal cost contributions	$ 5,208,814	$ 6,241,920
3. Actuarial accrued liability (Item 1c – Item 2)	$ 31,474,576	$ 34,471,406
4. Actuarial value of assets	$ 15,853,841	$ 15,828,019
5. Unfunded actuarial accrued liability (UAAL) (Item 3 - Item 4)	$ 15,620,735	$ 18,643,387
6. Contributions (percent of payroll)		
a. Firefighters	16.00%	16.00%
b. City of Texas City[2]	16.00%	16.00%
c. Total	32.00%	32.00%
7. Normal cost (percent of payroll)	12.77%	14.30%
8. Percent of payroll available to amortize the UAAL (Item 6c - Item 7)	19.23%	17.70%
9. Annualized covered payroll	$ 5,186,434	$ 5,342,188
10. Present annual amount available to amortize the UAAL (Item 8 x Item 9)	$ 997,351	$ 945,567
11. Years to amortize the UAAL	28.0 years	41.1 years[3]
12. Funded ratio (Item 4 ÷ Item 3)[4]	50.4%	45.9%

[1] All items are from the December 31, 2016 actuarial valuation by the prior actuary, except that Items 7 and 8 were modified by the assumed administrative expense of 0.70% of payroll in order to be comparable to our presentation.

[2] Assumed rate over the UAAL amortization period.

[3] See the description of the amortization method on page 22.

[4] The funded ratio is not appropriate for assessing either the need for or the amount of future contributions or the adequacy of the assumed contribution rates. Using the market value of assets instead of the actuarial value of assets for Item 12 would have resulted in funded ratios of 45.8% as of December 31, 2016 and 41.7% as of December 31, 2018. **The best indicator of the fund's health is Item 11.**

Change in Amortization Period

The amortization period, based on the Present Plan provisions, was determined in the revised actuarial valuation as of December 31, 2016 to be 28.0 years. Since two years have passed since that valuation date, a 26.0-year amortization period would be expected if all actuarial assumptions had been exactly met, no changes had occurred (other than those expected) in the firefighter and pensioner data, and no changes in assumptions or contribution rates had been made. The amortization period is now 41.1 years based on the same plan provisions. The actual experience occurring between December 31, 2016 and December 31, 2018 differed from the expected experience. In addition, there were changes in actuarial firms and in assumptions, resulting in the amortization period being 41.1 years, which is 15.1 years more than the expected 26.0-year period for the following reasons:

1. The average annual rate of investment return, net of investment-related expenses, on the market value of assets during the two plan years 2017 and 2018 was 3.7%. However, the actuarial value of assets (AVA) used in the valuation and the determination of the amortization period is based on an adjusted market value. The average annual rate of return on the AVA, net of investment-related expenses, for plan years 2017 and 2018 was 3.4%, less than the assumed rate of return for those years of 7.75%. This resulted in an **increase** in the amortization period of 5.6 years.

2. The aggregate payroll increased at an average rate of 1.5% per year instead of the assumed 3.0% per year rate, which caused the amortization period to **increase** by 2.8 years.

3. The net result of all experience other than the investment experience and the aggregate payroll experience had the combined effect of **decreasing** the amortization period by 0.1 of a year.

4. The change in the mortality assumption to the new PubS-2010 total dataset mortality tables for employees and for retirees, projected for mortality improvement generationally using the projection scale MP-2018 had the effect of **increasing** the amortization period by 4.1 years.

5. All of the other changes in assumptions (investment return, compensation increases, and administrative expenses primarily) resulted in a **decrease** in the amortization period of 0.9 of a year.

6. In addition, there were differences in the determination of the actuarial liabilities and the normal cost that resulted from the change in actuarial firms. It is not uncommon that the calculation of the liabilities varies somewhat between actuarial firms because of a range of accepted practices, methods, valuation software, etc. The replication of the December 31, 2016 actuarial valuation using all of the prior actuary's assumptions resulted in an **increase** in the amortization period of 3.6 years.

Section III

Restoring an Adequate Contribution Arrangement

The results of this actuarial valuation as of December 31, 2018 reveal that the fund, based on the Present Plan of benefits and the current contribution rates, has an inadequate contribution arrangement. Even though the December 31, 2016 actuarial valuation had an amortization period below 30 years, this actuarial valuation has an amortization period of over 40 years. The two primary reasons for the change were (1) adverse investment experience, and (2) a new mortality assumption. There are three options for restoring an adequate contribution arrangement: (1) a sufficient increase in the total contribution rate, (2) a package of sufficient decreases in benefits, or (3) a sufficient combination of increases in contributions and decreases in benefits.

Section I of this report included the recommendation for an increase of 3% in the city's contribution rate effective October 1, 2020 to 19% in order to have a 30-year amortization period. Alternatively, a city contribution rate of 18% and a firefighter contribution rate of 17%, both beginning October 1, 2020, would also result in an amortization period of 30 years.

If it is too much of a challenge to increase the total contribution rate by 3% by October 1, 2020, the board may want to consider combining contribution rate increases with some decreases in benefits. Changes in benefit eligibility and reductions in future benefit accruals are painful, but here are some examples of options:

- Reduce the benefit formula multiplier for the first 20 years of service.
- Reduce the DROP maximum period from 2.5 years to one or two years, and increase the minimum age and service for the DROP eligibility from 2.5 years beyond initial service retirement eligibility to three years beyond.

Any changes in plan provisions to reduce future benefit accruals would be designed by the board of trustees and Rudd and Wisdom working together to protect vested accrued benefits as of the effective date of change. The effect of any of these potential changes would have to be studied before any vote of the firefighters so the board and firefighters would know the potential effect and how it might be combined with other potential changes and with an increase in contribution rates.

The city has a vested interest in providing benefits that are well funded, at a level that is attractive for hiring and retaining good firefighters, and also affordable for the long term. It is understandable the city may take the position that it already contributes a fair rate to your fund, the same rate as to its plan in TMRS for all the other city employees. However, a reason for the need for a higher city contribution rate to your fund is that firefighters have much lower turnover than other city employees. So a higher percent of newly hired

firefighters will ultimately qualify for a retirement benefit than will newly hired other city employees. As a result, the cost of firefighter retirement benefits is higher than the cost of comparable retirement benefits for other city employees. A second reason for a higher city contribution rate is that firefighters tend to retire at earlier ages than other city employees because of the physical demands of the job. This also increases the cost of firefighter retirement benefits compared to the cost for other city employees because of a longer period for benefits to be paid.

Because of these two work characteristic differences, a reasonable contribution policy would be for the city to contribute a fixed rate to the fund that is greater than the current TMRS contribution rate. The firefighters already contribute 9% of pay more to the fund (16%) than the other city employees contribute to the TMRS plan (7%). Perhaps the city would consider paying 19% of pay to your fund, which is approximately 3% of pay more than they have been paying to the TMRS plan in recent years.

Exhibit 1

Distribution of Paid Firefighters by Age and Service on December 31, 2018 with Average Annual Salary

Years of Service	Age									Total	Average Salary
	Under 25	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60 or Over		
0	0	5	2	1	0	0	0	0	0	8	$48,000
1	0	2	1	0	0	0	0	0	0	3	48,000
2	0	2	2	1	0	0	0	0	0	5	68,320
3	0	2	1	0	0	0	0	0	0	3	75,843
4	0	0	1	1	0	0	0	0	0	2	78,331
5	0	3	2	4	0	0	0	0	0	9	77,176
6	0	1	0	2	1	0	0	0	0	4	79,041
7	0	0	3	1	0	0	0	0	0	4	81,716
8	0	0	0	0	0	0	0	0	0	0	0
9	0	0	0	2	1	0	0	0	0	3	75,332
10	0	0	4	2	2	1	0	0	0	9	83,765
11	0	0	0	0	2	0	0	0	0	2	82,460
12	0	0	0	3	1	0	0	0	0	4	90,332
13	0	0	0	1	1	1	0	0	0	3	82,570
14	0	0	0	0	0	0	0	0	0	0	0
15	0	0	0	0	0	1	0	0	0	1	85,123
16	0	0	0	0	0	1	0	0	0	1	98,871
17	0	0	0	0	0	0	0	0	0	0	0
18	0	0	0	0	0	0	0	0	0	0	0
19	0	0	0	0	0	0	0	0	0	0	0
20-24	0	0	0	1	0	1	2	2	0	6	85,810
25-29	0	0	0	0	0	1	1	0	0	2	103,134
30-34	0	0	0	0	0	0	0	0	1	1	91,825
35+	0	0	0	0	0	0	0	0	0	0	0
Totals	0	15	16	19	8	6	3	2	1	70	$76,317

Average Salary	$0	$74,199	$83,189	$88,598	$91,825
	$61,753	$78,199	$93,163	$80,405	$76,317

Average age	36.4
Average years of service	8.7
Average age at hire	27.7

Exhibit 2

Summary of Pensioner Data

Type of Benefit	Pensioner Data Used in December 31, 2018 Valuation	
	Number of Recipients	Total Monthly Benefit Payments
Service Retirement	47[2]	$ 156,569
Disability Retirement	0	0
Vested Terminated (Deferred)	1	4,417
Surviving Spouse	10	18,249
Surviving Child	1	367
Total	59[2]	$ 179,602

Type of Benefit	Comparison of Pensioner Count by Type as of The Prior and Current Actuarial Valuations			
	December 31, 2016	New	Ceased	December 31, 2018
Service Retirement	43[1]	+4	0	47[2]
Disability Retirement	0	0	0	0
Vested Terminated (Deferred)	1	+1	-1	1
Surviving Spouse	10	0	0	10
Surviving Child	2	0	-1	1
Total	56[1]	+5	-2	59[2]

[1] Includes five alternate payees receiving benefits according to the terms of a Qualified Domestic Relations Order (QDRO).

[2] Includes six alternate payees receiving benefits according to the terms of a QDRO.

Exhibit 2A

Firefighter and Pensioner Reconciliation

	Firefighters	Current Payment Status	Vested Terminated Firefighters	Total
1. As of December 31, 2016	70	55[2]	1	126
2. Change of status				
a. retirement	(2)	3	(1)	0
b. disability	0	0	0	0
c. death	0	0	0	0
d. survivor payment begins	0	0	0	0
e. withdrawal	(9)	0	0	(9)
f. vested termination	(1)	0	1	0
g. new alternate payee	0	1	0	1
h. payments completed	0	(1)	0	(1)
i. net changes	(12)	3	0	(9)
3. New firefighters	12[1]	0	0	12
4. As of December 31, 2018	70	58[3]	1	129

[1] Includes 5 John Does to represent new hires in 2019.
[2] Includes five alternate payees receiving benefits according to the terms of a Qualified Domestic Relations Order (QDRO).
[3] Includes six alternate payees receiving benefits according to the terms of a QDRO.

Exhibit 3

Breakdown of Monthly Benefit Payment Amounts as of December 31, 2018

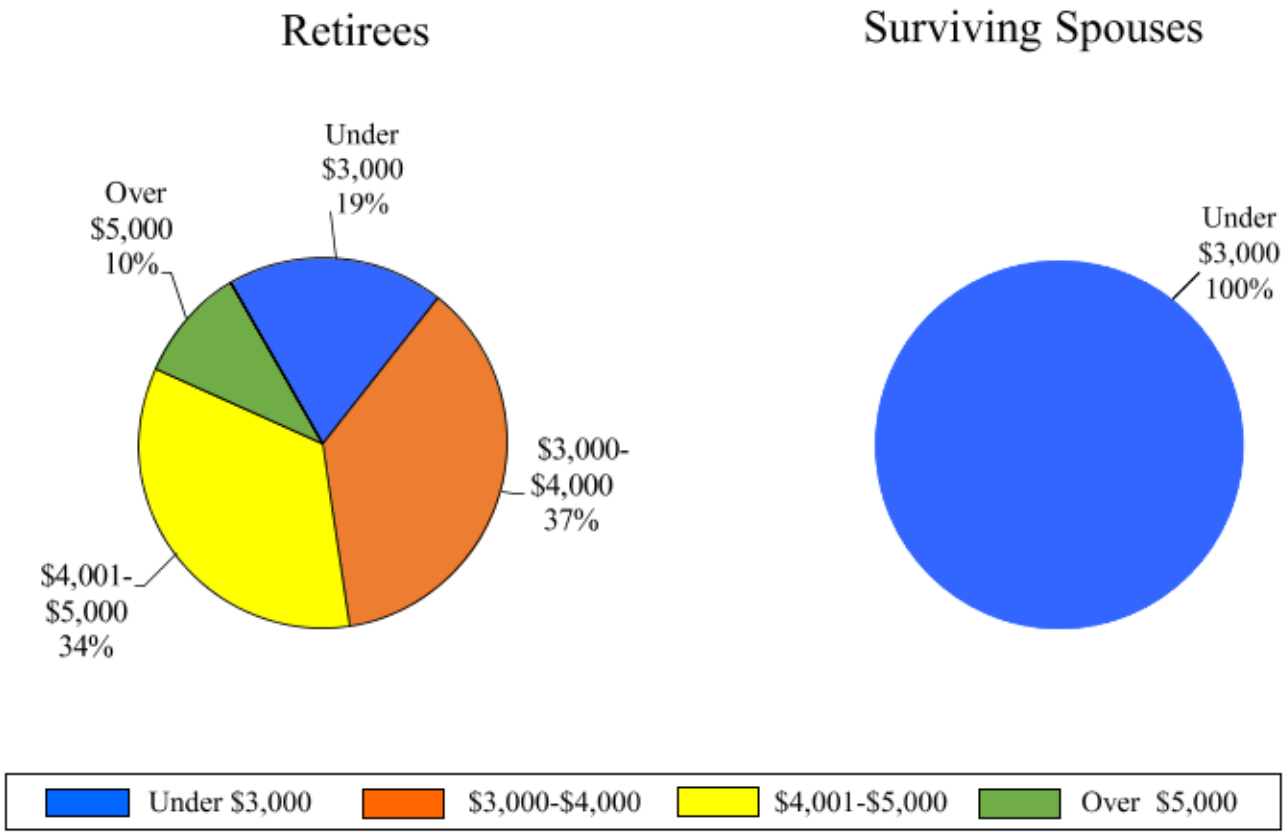

Exhibit 4

Historical Comparison of Actuarial Accrued Liability and Actuarial Value of Assets
(Present Plan Valuations as of December 31)

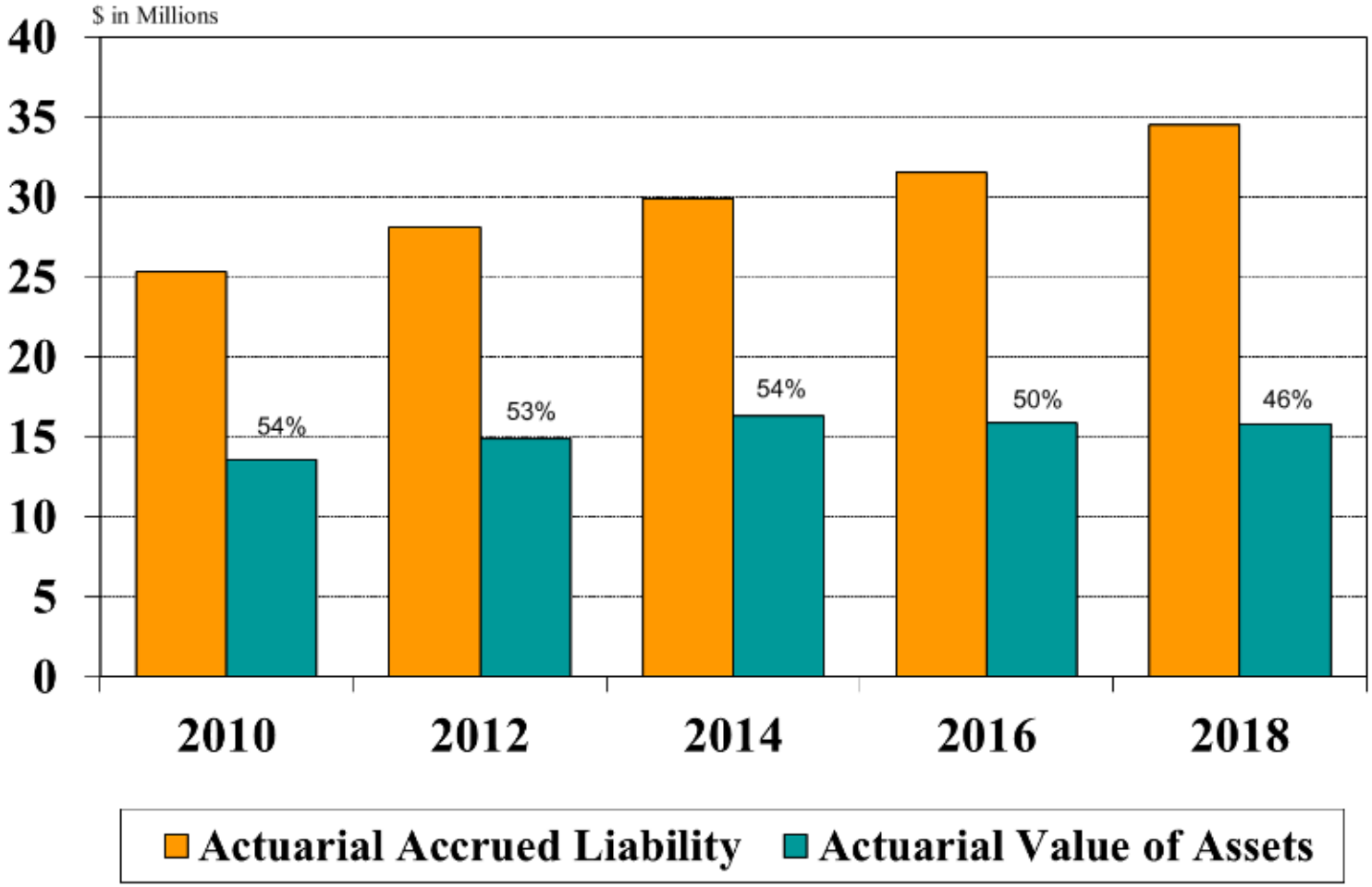

Exhibit 5

Summary of Asset Data

Asset Type	Market Value as of December 31, 2018	Allocation As a Percent of Grand Total
Equities		
U.S. Large/All Cap	$3,265,523	22.7%
U.S. Small/Mid Cap	1,541,162	10.7
Global	1,979,248	13.7
Emerging Markets	872,799	6.1
Total	7,658,732	53.2
Alternatives		
Income Opportunity	1,130,126	7.8
Real Estate	283,528	2.0
Master Limited Partnerships	257,088	1.8
Global Convertibles	723,338	5.0
Total	2,394,080	16.6
Fixed Income		
U.S. Core	2,380,231	16.5
High Yield	1,006,144	7.0
International	730,666	5.1
Total	4,117,041	28.6
Cash Equivalents	219,255	1.6
Grand Total	$14,389,108[1]	100.0%

[1] The grand total is the audited amount. All of the invested amounts except cash are from December 31, 2018 report from the investment consultant. Cash was the balancing item.

Comparison of Asset Values as of the Prior and Current Actuarial Valuation Dates		
	December 31, 2016	December 31, 2018
Market Value	$14,412,584	$14,389,108
Actuarial Value	$15,853,841	$15,828,019
Actuarial Value as a Percent of Market Value	110.0%	110.0%

Exhibit 5A

Statement of Changes in Audited Assets for the Years Ended December 31, 2018 and 2017

	12/31/2018	12/31/2017
Additions		
1. Contributions		
a. Employer	$ 828,302	$ 817,259
b. Employees	828,302	817,259
c. Total	$ 1,656,604	$ 1,634,518
2. Investment Income		
a. Interest and dividends	$ 358,957	$ 359,468
b. Net appreciation in fair value	(1,297,833)	1,891,814
c. Total	$ (938,876)	$ 2,251,282
3. Other Additions	0	0
Total Additions	**$ 717,728**	**$ 3,885,800**
Deductions		
4. Benefit Payments	$ 2,320,550	$ 1,990,964
5. Expenses		
a. Direct investment-related	$ 109,511	$ 157,877
b. General administrative	16,325	31,777
c. Total	$ 125,836	$ 189,654
Total Deductions	**$ 2,446,386**	**$ 2,180,618**
Net Increase in Assets	**$ (1,728,658)**	**$ 1,705,182**
Market Value of Assets (Plan Net Position)		
Beginning of Year	$ 16,117,766	$ 14,412,584
End of Year	$ 14,389,108	$ 16,117,766
Rate of Return		
Net of All Expenses	(6.74)%	14.48%
Net of Investment-Related Expenses	(6.64)%	14.72%
Gross	(5.97)%	15.92%
Direct Investment-Related Expenses	0.67%	1.20%

Exhibit 6

Development of Actuarial Value of Assets

Calculation of Actuarial Investment Gain/(Loss) Based on Market Value for Plan Years Ending December 31				
	2018	2017	2016	2015
1. Market Value of Assets as of Beginning of Year	$ 16,117,766	$ 14,412,584	$ 14,536,061	$ 15,837,081
2. Firefighter Contributions	828,302	817,259	787,322	771,864
3. City Contributions	828,302	817,259	787,322	771,864
4. Benefit Payments and Administrative Expenses[1]	(2,336,875)	(2,022,741)	(2,398,948)	(2,310,329)
5. Expected Investment Return[2]	1,183,322	1,066,385	1,059,293	1,159,034
6. Expected Market Value of Assets as of End of Year	$ 16,620,817	$ 15,090,746	$ 14,771,050	$ 16,229,514
7. Actual Market Value of Assets as of End of Year	14,389,108	16,117,766	14,412,584	14,536,061
8. Actuarial Investment Gain/(Loss)	$ (2,231,709)	$ 1,027,020	$ (358,466)	$ (1,693,453)
9. Market Value Rate of Return Net of Expenses	(6.64)%	14.72%	4.96%	(3.46)%
10. Rate of Actuarial Investment Gain/(Loss)	(14.14)%	7.22%	(2.54)%	(10.96)%

[1] Administrative expenses are included for all years to retroactively make the investment return assumption net of investment-related expenses.
[2] Assuming uniform distribution of contributions and payments during the plan year, investment return assumed to be 7.5% per year.

Plan Year	Investment Gain/(Loss)	Deferral Percentage	Deferred Gain/(Loss) as of 12/31/2018
2018	$(2,231,709)	80%	$ (1,785,367)
2017	1,027,020	60%	616,212
2016	(358,466)	40%	(143,386)
2015	(1,693,453)	20%	(338,691)
Total			$ (1,651,232)

Actuarial Value of Assets as of December 31, 2018	
11. Market Value of Assets as of December 31, 2018	$ 14,389,108
12. Deferred Gain/(Loss) to be Recognized in Future	(1,651,232)
13. Preliminary Value (Item 11 – Item 12)	$ 16,040,340
14. Corridor for Actuarial Value of Assets	
a. 90% of Market Value as of December 31, 2018 (minimum)	$ 12,950,197
b. 110% of Market Value as of December 31, 2018 (maximum)	$ 15,828,019
15. Actuarial Value as of December 31, 2018	$ 15,828,019
16. Write Up/(Down) of Assets (Item 15 – Item 11)	$ 1,438,911

Exhibit 7

Historical Comparison of Market and Actuarial Value of Assets
(Valuation as of December 31)

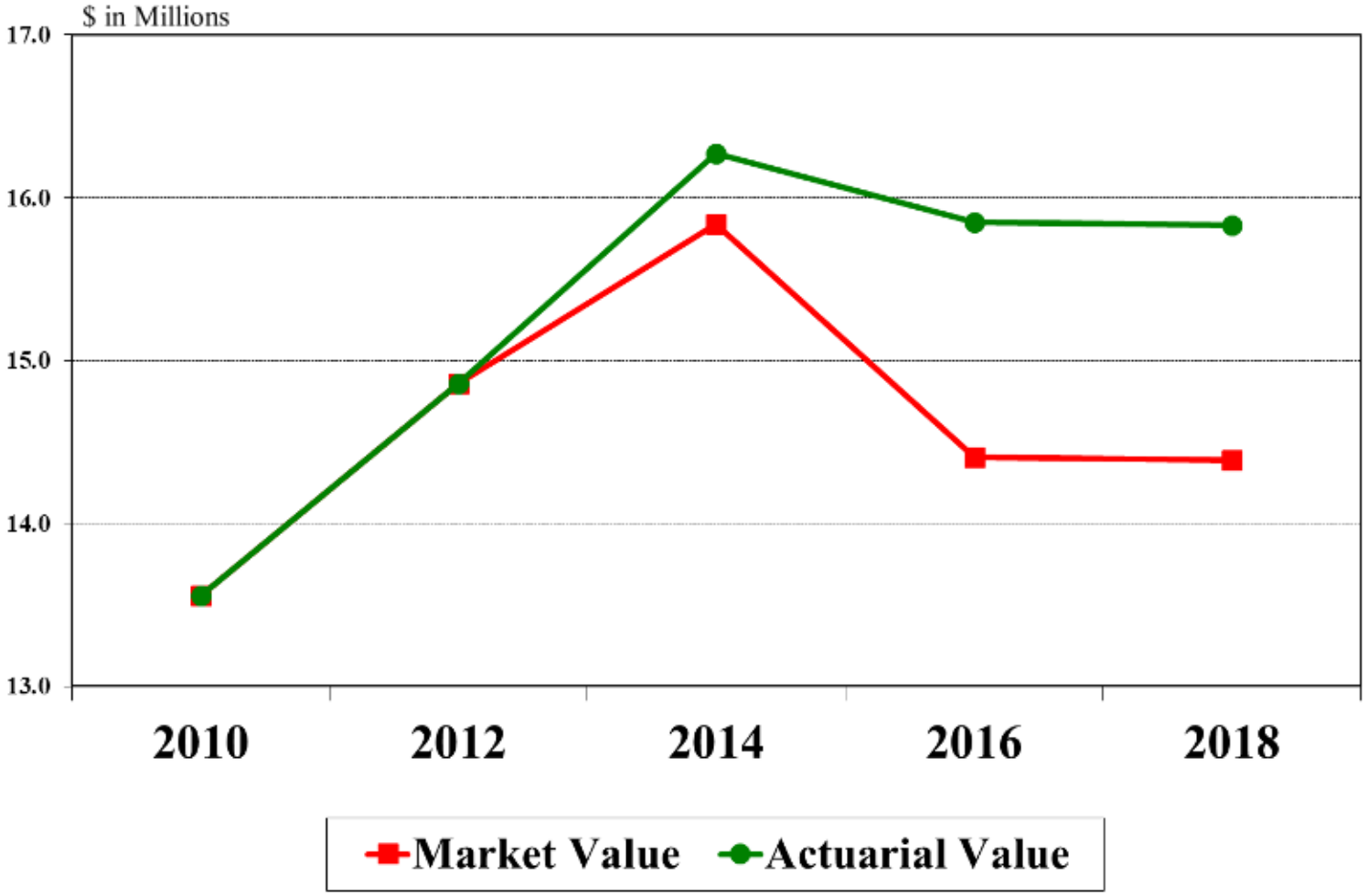

Exhibit 8

Market Value Asset Allocation For Prior and Current Valuations
(Valuations as of December 31)

December 31, 2018

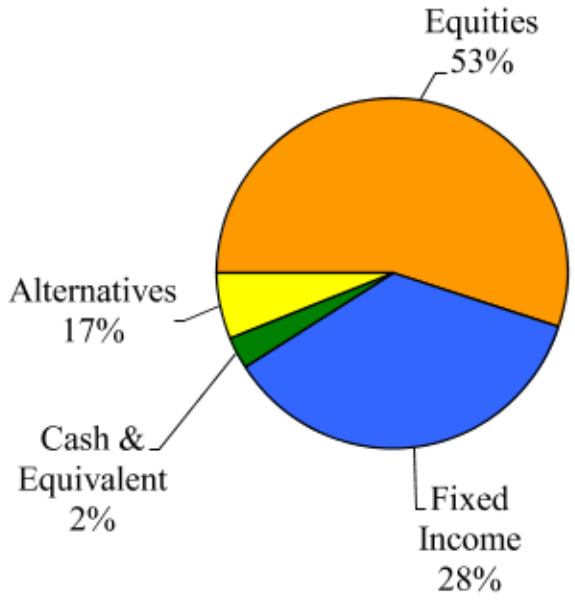

Exhibit 9

Actuarial Methods and Assumptions

A. Actuarial Methods

1. Actuarial Cost Method

The Entry Age Actuarial Cost Method is an actuarial cost method in which the actuarial present value of projected benefits of each active firefighter included in the valuation is allocated as a level percentage of compensation between age at hire and assumed termination. Each active firefighter's normal cost is the current annual contribution in a series of annual contributions which, if made throughout the firefighter's total period of employment, would fund his expected benefits. Each firefighter's normal cost is calculated to be a constant percentage of his expected compensation in each year of employment. The normal cost for the fund is the sum of the normal costs for each active firefighter for the year following the valuation date. The normal cost as a percent of payroll reflects that contributions are made biweekly.

The fund's actuarial accrued liability is the excess of the actuarial present value of projected benefits over the actuarial present value of all future remaining normal cost contributions. The unfunded actuarial accrued liability (UAAL) is the amount by which the actuarial accrued liability exceeds the actuarial value of assets. The UAAL is recalculated each time a valuation is performed. Experience gains and losses, which represent deviations of the UAAL from its expected value based on the prior valuation, are determined at each valuation and are amortized as part of the newly calculated UAAL.

2. Amortization Method

The UAAL is assumed to be amortized with level percentage of payroll contributions (total assumed contribution rate less normal cost contribution rate) based on assumed payroll growth of 3% per year. The actuarial determination of the amortization period reflects that contributions are made biweekly. In addition, the determination uses the normal cost contribution rate of those hired January 1, 2016 and after for all firefighters and the UAAL based on the present value of future normal costs with the same normal cost contribution rate.

3. Actuarial Value of Assets Method

All assets are valued at market value with an adjustment made to uniformly spread actuarial gains or losses (as measured by actual market value investment return vs. expected market value investment return) over a five-year period. The total

adjustment amount shall be limited as necessary such that the actuarial value of assets shall not be less than 90% of market value nor greater than 110% of market value. See Exhibit 6.

B. Actuarial Assumptions

As a part of each actuarial valuation, we review the actuarial assumptions used in the prior actuarial valuation. The investment return assumption is reviewed using the building block approach that includes several asset allocations, assumed real rates of return for each asset class, an assumed rate of investment-related expenses, and an assumed rate of inflation, with all assumptions for the long-term future. Our economic assumptions are influenced both by long-term historical experience and by future expectations of investment consultants and economists, but we select the economic assumptions and discuss them with the board as a part of completing the actuarial valuation.

We review the termination and retirement experience since the prior valuation and periodically look back more than two years. We also periodically review the average salaries by years of service to get insights into the promotion, step, and longevity compensation patterns for the purpose of reviewing our compensation increase assumption. For the mortality assumptions, we use an appropriate published mortality table with projections for improvement beyond the valuation date. We are guided in our review and selection of assumptions by the relevant actuarial standards of practice. As a result of our review, we have selected actuarial assumptions we consider to be reasonable and appropriate estimates of future experience for the fund for the long-term future.

1. Investment Return

   7.5% per year net of investment-related expenses.

2. Inflation

   3% per year included in compensation increases and investment return assumptions.

3. Mortality Rates

   PubS-2010 (public safety) total dataset mortality tables for employees and for retirees (sex distinct), projected for mortality improvement generationally using the projection scale MP-2018.

4. Compensation Increases

   General increases of 3% per year in addition promotion, step, and longevity increases that average 1.96% per year over a 30-year career. See Exhibit 10.

5. Retirement Rates

Age	Rate per Year for Firefighters Eligible to Retire with 20 Years of Service at		
	Age 50	Age 53	Age 55
50	20%	--	--
51	10	--	--
52	10	--	--
53	10	30%	--
54	10	10	--
55	50	10	40%
56	50	20	10
57	50	20	10
58	50	50	30
59	50	50	30
60	100	100	100
Average expected age at retirement	53.8	56.0	57.2

6. DROP Election

   a. Percent of firefighters eligible electing DROP: 100% of service retirements eligible to elect at least a 12-month lump sum.

   b. Months assumed for lump sum: up to 24 months.

7. Termination Rates

   See Exhibit 10.

8. Disability Rates

   See Exhibit 10.

9. Reduction in Benefit after 2½ Years of Disability Retirement

   15% weighted average reduction in benefit.

10. Percent Married

    75% of the active firefighters are assumed to be married at retirement, disability, or death while employed, with male firefighters having a spouse three years younger and female firefighters having a spouse three years older. Actual marital status and spouse date of birth are used for retirees.

11. Payment Form for Retirement Benefits Due to Service Retirement, Disability Retirement, or Vested Termination

    - Joint and 2/3 to surviving spouse for the 75% assumed to be married
    - Life annuity for the 25% assumed to be single

    To the extent optional forms of payment are elected and the amounts are determined under an actuarial basis which differs from the basis used in the valuation, actuarial gains or losses will occur. These gains or losses are expected to be very small and will be recognized through the valuation process for those retiring since the prior valuation who made an optional election.

12. Surviving Child's Death Benefit

    None are assumed as a result of future deaths.

13. Firefighters' Contribution Rate

    16% of covered pay.

14. City's Assumed Average Contribution Rate

    16%, on average, of covered pay for at least as long as the period required to amortize the UAAL.

15. Covered Payroll for First Year Following Valuation Date

    Actual (or annualized) pay for 2018 increased 3% for each firefighter to fully reflect the effect of the general pay increase of 4% effective October 1, 2018.

16. Administrative Expenses

    The expenses paid by fund assets for other than investment-related expenses are assumed to be 0.55% of payroll. The normal cost rate as a percent of payroll is assumed to be 0.55% of payroll higher to reflect these expenses.

Exhibit 10

Disability and Termination Rates per 1,000 Active Members
Compensation Increases by Years of Service

Disability Rates		Termination Rates		Compensation Increases	
Attained Age	Rate per 1,000	Years of Service	Rate per 1,000	Years of Service	Increase Percent
20	0.14	0	100	1	11.24%
21	0.15	1	100	2	11.24
22	0.16	2	100	3	11.24
23	0.17	3	100	4	11.24
24	0.18	4	100	5	11.24
25	0.19	5	100	6	5.06
26	0.21	6	80	7	5.06
27	0.23	7	80	8	5.06
28	0.25	8	80	9	5.06
29	0.28	9	80	10	5.06
30	0.31	10	80	11	4.03
31	0.35	11	60	12	4.03
32	0.40	12	60	13	4.03
33	0.45	13	60	14	4.03
34	0.49	14	60	15	4.03
35	0.52	15	60	16	4.03
36	0.54	16	40	17	4.03
37	0.57	17	40	18	4.03
38	0.62	18	40	19	4.03
39	0.73	19	40	20	4.03
40	0.92	20 & Over	0	21	3.00
41	1.14			22	3.00
42	1.32			23	3.00
43	1.48			24	3.00
44	1.73			25	3.00
45	2.09			26	3.00
46	2.55			27	3.00
47	2.98			28	3.00
48	3.34			29	3.00
49	3.62			30	3.00
50	3.79			31	3.00
51	3.92			32	3.00
52	4.04			33	3.00
53	4.24			34	3.00
54	4.56			35	3.00
55	0.00			36	3.00
56	0.00			37	3.00
57	0.00			38	3.00
58	0.00			39	3.00
59	0.00			40	3.00

Exhibit 11

Definitions

1. Actuarial Accrued Liability	That portion, as determined by the particular actuarial cost method used, of the Actuarial Present Value of future pension plan benefits as of the Valuation Date that is not provided for by the Actuarial Present Value of future Normal Costs.
2. Actuarial Assumptions	Assumptions as to the occurrence of future events affecting pension costs, such as: mortality, termination, disablement and retirement; changes in compensation; rates of investment earnings and asset appreciation; and other relevant items.
3. Actuarially Equivalent	Of equal Actuarial Present Value, determined as of a given date with each value based on the same set of Actuarial Assumptions.
4. Actuarial Gain (Loss)	A measure of the difference between actual experience and that expected based on the Actuarial Assumptions during the period between two Actuarial Valuation dates, as determined in accordance with the particular actuarial cost method used.
5. Actuarial Present Value	The value of an amount or series of amounts payable or receivable at various times, determined as of a given date (the Valuation Date) by the application of the Actuarial Assumptions.
6. Actuarial Valuation	The determination, as of a Valuation Date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets and related Actuarial Present Values for a pension plan.
7. Actuarial Value of Assets	The value of cash, investments and other property belonging to a pension plan, as determined by a method and used by the actuary for the purpose of an Actuarial Valuation.

8. Entry Age Actuarial Cost Method	An actuarial cost method under which the Actuarial Present Value of the Projected Benefits of each individual included in the Actuarial Valuation is allocated as a level percentage of earnings between entry age and assumed termination. The portion of this Actuarial Present Value allocated to a valuation year is called the Normal Cost. The portion of this Actuarial Present Value not provided for at a Valuation Date by the Actuarial Present Value of future Normal Costs is called the Actuarial Accrued Liability. Under this method, Actuarial Gains (Losses), as they occur, reduce (increase) the Unfunded Actuarial Accrued Liability.
9. Plan Year	A 12-month period beginning October 1 and ending December 31.
10. Normal Cost	That portion of the Actuarial Present Value of pension plan benefits that is allocated to a valuation year by the actuarial cost method.
11. Projected Benefits	Those pension plan benefit amounts that are expected to be paid at various future times according to the Actuarial Assumptions, taking into account such items as the effect of advancement in age and past and anticipated future qualified service.
12. Overfunded Actuarial Accrued Liability	The excess, if any, of the Actuarial Value of Assets over the Actuarial Accrued Liability.
13. Unfunded Actuarial Accrued Liability	The excess, if any, of the Actuarial Accrued Liability over the Actuarial Value of Assets.
14. Valuation Date	The date upon which the Normal Cost, Actuarial Accrued Liability and Actuarial Value of Assets are determined. Generally, the Valuation Date will coincide with the end of a Plan Year, but it does not have to coincide.
15. Years to Amortize the Unfunded Actuarial Accrued Liability	The period is determined in each Actuarial Valuation as the number of years, beginning with the Valuation Date, to amortize the Unfunded Actuarial Accrued Liability with a level percent of payroll that is the difference between the expected total contribution rate and the Normal Cost contribution rate.

Exhibit 12

Summary of Present Plan

1. Normal Service Retirement Monthly Benefit is one-twelfth of the sum of (a) or (b) plus (c):
   (a) For a firefighter hired before January 1, 1996, 3.5% of his 5-Year Average Salary multiplied by his years of service before January 1, 2006, plus 3.0% of his 5-Year Average Salary multiplied by his years of service after January 1, 2006, the total service not to exceed 20 years; or
   (b) For a firefighter hired on or after January 1, 1996, 3.0% of his 5-Year Average Salary multiplied by 20 years; plus
   (c) An additional benefit equal to $116 for each year of service in excess of 20 years

2. Normal Service Retirement Eligibility
   (a) Age 50 with 20 years of service if hired before January 1, 2006
   (b) Age 53 with 20 years of service if hired between January 1, 2006 and December 31, 2015
   (c) Age 55 with 20 years of service if hired on or after January 1, 2016

3. Retroactive Deferred Retirement Option Plan (RETRO DROP)
   (a) Earliest RETRO DROP benefit calculation date is 2.5 years beyond initial service retirement eligibility
   (b) Maximum RETRO DROP benefit accumulation period is 2.5 years
   (c) Earliest employment termination date with maximum RETRO DROP accumulation period is 5 years beyond initial service retirement eligibility
   (d) RETRO DROP lump sum includes
      (i) Monthly benefits that would have been received between RETRO DROP benefit calculation date and termination of employment,
      (ii) accumulated contributions made by the firefighter after the RETRO DROP benefit calculation date, and
      (iii) no interest

4. Vested Terminated Benefit Eligibility is 20 years. Benefit is deferred to age of normal service retirement eligibility.

5. Disability Retirement Monthly Benefit for firefighters who become totally disabled as a result of performance of firefighter duties
   (a) For initial 30-month period, $100 per month if not able to perform job in fire department
   (b) Following initial 30-month period, the status is reviewed and the benefit may be either continued in full, reduced by half, or terminated
   (c) Upon attaining eligibility for normal retirement, the member's vested retirement benefit becomes payable if the disability benefit has been reduced or terminated

6. Surviving Spouse's Monthly Death Benefit for an active firefighter is two-thirds of the benefit he would have been entitled to receive if he had been eligible to retire with at least 20 years of service or actual service if greater.

7. Surviving Children's Monthly Death Benefit if the surviving spouse is receiving a benefit is one-fifth of the benefit of the surviving spouse. If there is no surviving spouse, the benefit is what a surviving spouse would have received.

8. Contributions as a Percent of Payroll by:
   (a) Firefighters 16%
   (b) City of Texas City (assumed rate) 16%

9. The normal form of annuity payment at retirement is a Joint and Two-Thirds to Surviving Spouse, and payment is the last day of each month. A Joint and 50% to Surviving Spouse Option and a Joint and 100% to Surviving Spouse Option are available to married firefighters as optional forms of a service retirement benefit. Spousal consent is required.

10. The benefit is payable to the surviving spouse as long as the spouse is alive.

11. The compensation used to determine the 5-Year Average Salary includes all elements of pay except for lump sum distributions for unused sick leave or vacation upon termination. The average is based on the last five years of pay.

12. Refund of firefighters' accumulated contributions without interest will be made to firefighters who terminate employment and either are not eligible for any benefit from the fund or request a refund from the fund.

CITY COMMISSION REGULAR MTG **(10) (d)**

Meeting Date: 01/15/2020

Amend fiscal year 2019-2020 budget

Submitted For: Laura Boyd, Finance **Submitted By:** Laura Boyd, Finance

Department: Finance

Information

ACTION REQUEST (Brief Summary)

Consider and take action on Ordinance No. 20-04, amending the City's fiscal year 2019-2020 budget to appropriate funds for purchase of a lift gate system for the City's high water rescue vehicle. (Finance)

BACKGROUND

Texas City Fire Department received a First Responder Grant in the amount of $15,000.00 from PPLP-Wink to Webster to be used to purchase a lift gate system to be installed on the City's high water rescue vehicle.

See Resolution 19-122, approved by City Commission on November 20, 2019.

ANALYSIS

Budget Amendment:

Capital Equipment Replacement Fund (Fund 602); Fire Department (202):

Operating Equipment & Vehicles	$15,000.00
Grant Revenue	($15,000.00)

ALTERNATIVES CONSIDERED

Fiscal Impact