

# CITY COUNCIL MEETING AGENDA

## CITY OF BRIDGE CITY



TUESDAY, APRIL 6, 2021  
6:00 PM  
City Hall Council Chambers  
260 Rachal  
Bridge City TX 77611

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1. CALL TO ORDER
2. INVOCATION
3. PLEDGE TO THE UNITED STATES FLAG AND THE STATE OF TEXAS FLAG
4. APPROVAL OF AGENDA 1
5. REPORTS & COMMENTS FROM:
  - (a) City Manager
  - (b) City Council
  - (c) City Staff
  - (d) Mayor
6. CITIZEN COMMENTS

*At this time comments will be taken from citizens on subject matters not on the agenda. All comments are limited to a maximum of three minutes for each speaker as adopted in the City of Bridge City Council Decorum and Procedures Policy. As noted in the Texas Open Meetings Act no deliberation of or decision about a subject not included on the current meeting notice shall be allowed by Council. Your comments are appreciated and will be forwarded to staff.*
7. ORDINANCE
  - (a) Consideration and possible action to approve Ordinance No. 2021-05 suspending the rates proposed by Centerpoint's Gas Reliability Infrastructure Program ("GRIP") filing made with the City of Bridge City on March 4, 2021 3
8. RESOLUTION
  - (a) Consideration and possible action to approve Resolution No. 2021-03(R) reviewing/amending the City of Bridge City, Texas, Investment Policy 8
  - (b) Consideration and possible action to approve the recommendation of the Selection Review Committee to award by Resolution No 2021-04(R) to LJA 41

Engineering firm for engineering services for the City's 2021-2022 Texas Department of Agriculture, Texas Community Development Block Grant (TxCDBG) to provide application assistance and project implementation, if awarded

- (c) Consideration and possible action to approve the recommendation of the Selection Review Committee to award by Resolution No. 2021-05(R) to Gary R. Traylor & Associates as grant writer/administrator in conjunction with the submittal of an application for funding through the 2021-2022 Texas Department of Agriculture, Texas Community Development Block Grant (TxCDBG) to provide application preparation and project administration, if awarded 45

## 9. ITEMS FOR DISCUSSION & POSSIBLE ACTION

- (a) Consideration and possible action to approve minutes for the March 22, 2021 City Council Special Meeting 48

## 10. ADJOURN

**AGENDA POSTING CERTIFICATION:** I, the undersigned authority, do hereby certify that the April 6, 2021 Agenda of items to be considered by the City Council of Bridge City was posted on the City of Bridge City Bulletin Board located at City Hall, 260 Rachal, at 3:30 p.m. on Thursday, April 1, 2021.

*/s/Jeanie McDowell*

JEANIE MCDOWELL, CITY SECRETARY

**EXECUTIVE SESSION STATEMENT:** The City Council of Bridge City reserves the right to adjourn into a Closed Executive Session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Chapter 551 of the TEXAS GOVERNMENT CODE, Section 551.071 (Consultation with Attorney), Section 551.072 (Deliberations about Real Property), Section 551.073 (Deliberations Regarding Gifts and Donations), Section 551.074 (Personnel Matters), Section 551.076 (Deliberations about Security Devices) and Section 551.087 (Deliberation Regarding Economic Development Negotiations).

**NOTICE OF ASSISTANCE:** Persons with disabilities who plan to attend this meeting are requested to contact the City Secretary's office 48 hours in advance of the meeting at 409.735.6801 and reasonable accommodations will be made for assistance.

**ORDINANCE NO. 2021-05**

**ORDINANCE OF THE CITY OF BRIDGE CITY, TEXAS  
SUSPENDING THE RATES PROPOSED BY CENTERPOINT  
ENERGY RESOURCES CORP., d/b/a CENTERPOINT ENERGY  
ENTEX AND CENTERPOINT ENERGY TEXAS GAS  
("CENTERPOINT" OR "COMPANY") COMPANY'S GAS  
RELIABILITY INFRASTRUCTURE PROGRAM ("GRIP") FILING  
MADE WITH THE CITY ON MARCH 4, 2021; FINDING THAT  
THE MEETING COMPLIES WITH THE OPEN MEETINGS ACT;  
MAKING OTHER FINDINGS AND PROVISIONS RELATED TO  
THE SUBJECT, AND DECLARING AN EFFECTIVE DATE**

**WHEREAS**, on or about March 4, 2021, CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas ("CenterPoint" or "Company") filed an Annual GRIP adjustment for the Beaumont/East Texas Division with the City of Bridge City ("City") to increase gas rates in the Beaumont/East Texas Division Service Area pursuant to *Gas Utility Regulatory Act*, TEX. UTIL. CODE ("Gas Utility Regulatory Act") § 104.301; and

**WHEREAS**, the Company proposed an effective date for the proposed increase of May 3, 2021, unless the City suspends the date for a period no longer than forty-five (45) days; and

**WHEREAS**, City has exclusive original jurisdiction over the rates, operations and services of a gas utility in areas in the municipality pursuant to Gas Utility Regulatory Act § 103.001; and

**WHEREAS**, Gas Utility Regulatory Act § 104.301 requires a streamlined process for the recovery of the costs of incremental investment by a gas utility; and

**WHEREAS**, the City's review of CenterPoint's GRIP filing is limited to a ministerial review of the filing for compliance with the statute; and

**WHEREAS**, the City finds the need to suspend the effective date of CenterPoint's proposed rate increase for 45 days beyond the Company's proposed effective date until June 17, 2021 in order to review the Company's filing for compliance with Gas Utility Regulatory Act § 104.301; and

**WHEREAS**, the reasonableness of the Company's investment will be reviewed in CenterPoint's future base rate case where all costs included in CenterPoint's GRIP filing will be subject to refund.

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

Section 1. That the statement and findings set out in the preamble to this ordinance are hereby in all things approved and adopted.

Section 2. The effective date of the Company's proposed GRIP rate increase, and the proposed tariffs related thereto, is hereby suspended until June 17, 2021.

Section 3. To the extent the City finds that the rates proposed by CenterPoint's filing comply with Gas Utility Regulatory Act § 104.301, then the rates will become effective by operation of law on June 17, 2021.

Section 4. The meeting at which the ordinance was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 5. This Ordinance shall become effective from and after its passage.

**PASSED AND APPROVED** this 6th day of April, 2021.

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David Rutledge, Mayor

ATTEST:

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Jeanie McDowell, City Secretary

# THE LAWTON LAW FIRM, P.C.

12600 Hill Country Blvd., Suite R-275 • Austin, Texas 78738 • 512/322-0019 • Fax: 512/329-2604

March 12, 2021

*Via E-Mail*

Mr. Richard G. Baker  
City Attorney – City of Anahuac  
P.O. Box 10066  
Liberty, Texas 77575

Mr. Tyrone Cooper  
City Attorney – City of Beaumont  
P.O. Box 3827  
Beaumont, Texas 77704

Mr. Kyle Hayes  
City Manager – City of Beaumont  
P.O. Box 3827  
Beaumont, Texas 77704

Mr. Paul Fukuda  
City Attorney – Bridge City  
260 Rachal  
Post Office Box 846  
Bridge City, Texas 77611

Ms. Kelly McDonald  
City Manager – City of Cleveland  
907 E. Houston  
Cleveland, Texas 77327

Mr. David Olson  
City Attorney – City of Cleveland  
Wortham Tower, Suite 600  
2727 Allen Parkway  
Houston, Texas 77019

Ms. Angela Smith  
City Secretary – City of Cleveland  
907 E. Houston  
Cleveland, Texas 77327

Mr. Aron Kulhavy  
City Manager – City of Huntsville  
1212 Ave. M  
Huntsville, Texas 77340

Mr. Leonard Schneider  
City Attorney – City of Huntsville  
Liles Parker PLLC  
2261 Northpark Dr., Suite 445  
Kingwood, TX 77339

Mr. Tom Warner  
City Manager – City of Liberty  
1829 Sam Houston  
Liberty, Texas 77575

Mr. Brandon Davis  
City Attorney – City of Liberty  
1517 Trinity  
Liberty, Texas 77575

Mr. Christopher Duque  
City Manager – City of Nederland  
P.O. Box 967  
Nederland, Texas 77627

Mr. Jesse Branick  
City Attorney – City of Nederland  
221 Hwy. 69 South, Suite 100 (office)  
Nederland, Texas 77627

Mr. Guy Goodson  
City Attorney – City of Orange  
GERMER PLLC  
550 Fannin, Suite 400  
Beaumont, Texas 77701

Mr. Mike Kunst  
City Manager – City of Orange  
812 North 16<sup>th</sup> Street  
P.O. Box 520  
Orange, Texas 77630

Mr. Rodney Price  
City Attorney – City of Pine Forest  
P.O. Box 310  
Vidor, Texas 77670

Mr. Solomon Freimuth  
City Attorney – City of Silsbee  
P.O. Box 186  
Port Neches, Texas 77651

Ms. DeeAnn Zimmerman  
City Manager – City of Silsbee  
105 South 3<sup>rd</sup> Street  
Silsbee, Texas 77656

Mr. Richard Ferguson  
City Attorney – City of Sour Lake  
13201 Northwest Freeway, Suite 300  
Houston, Texas 77040

Mr. Jack Provost  
City Manager – City of Sour Lake  
625 Hwy 105 W  
Sour Lake, Texas 77659

Re: **CenterPoint Energy 2021 Annual GRIP Adjustment for the Beaumont/East Texas Division**

Dear Cities:

On March 4, 2021, CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas (“CenterPoint” or “Company”) filed a Gas Reliability Infrastructure Program (“GRIP”) adjustment factor with each of your communities in the Beaumont/East Texas Division of the Company. The Company is authorized to make annual GRIP rate change requests pursuant to Texas law passed in 2003, Gas Utility Regulatory Act, TEX. UTIL. CODE § 104.301 (“GRIP Statute”) also see Section 7.7101 of the Railroad Commission of Texas (“Commission”) Gas Services Division Rules. The GRIP Statute authorizes gas utility companies to request annual rate increases associated with year-to-year changes in incremental investment. The changes in investment are not subject to reasonableness review in the GRIP filing. Instead all amounts collected under a GRIP filing are considered interim rates subject to review and refund in the Company’s next base rate proceeding.

The GRIP Statute provides that the proposed GRIP rate surcharge will become effective 60 days from the date of the Company’s filing or **May 3, 2021**, unless suspended by the Cities. Cities may suspend the GRIP rate increase for an additional 45 days beyond the Company’s proposed effective date of May 3, 2021 while reviewing the GRIP application. Attached to this letter is a Rate Ordinance for your consideration. This Rate Ordinance will suspend the GRIP rate effective date until **June 17, 2021**. Please remember if your City wishes to suspend the

**proposed rates you must take action by passing the attached Rate Ordinance prior to May 3, 2021.** Otherwise the Company's requested rates will go into effect on May 3, 2021.

The review process of a GRIP filing is generally a ministerial review limited to ensuring that the GRIP filing complies with the GRIP Statute. See *Atmos Energy Corp. v. Cities of Allen*, 353 S.W. 3d 156 (Tex. 2011).

During the suspension period any issues related to whether the GRIP filing comports with the GRIP filing rules can be reviewed so that Cities may make a final decision on this GRIP proposal. **Please send a completed copy of the final Rate Ordinance to us either by fax or email: danlawtonlawfirm@gmail.com and molly@mayhallvandervoort.com.**

If there are any questions or concerns, please do not hesitate to call.

Sincerely,

A handwritten signature in blue ink that reads "Daniel J. Lawton /mll". The signature is written in a cursive style and is positioned to the right of the typed name.

Daniel J. Lawton

DRAFT

**RESOLUTION 2021 - 03(R)**  
**REVIEWING / AMENDING THE**  
**CITY OF BRIDGE CITY, TEXAS**  
**INVESTMENT POLICY**

**WHEREAS**, Chapter 2256 of the Texas Government Code, commonly known as the "Public Funds Investment Act," requires the city to adopt an investment policy by rule, order, ordinance, or resolution; and

**WHEREAS**, the Public Funds Investment Act requires the treasurer; the chief financial officer, if not the treasurer; and the investment officer of the city to attend investment training; and

**WHEREAS**, the City of Bridge City, Texas approves of the investment training course sponsored by the Texas Municipal League, the University of North Texas, the Government Finance Officers Association of Texas or the Government Treasurers Organization of Texas, or the Texas State University; and

**WHEREAS**, the treasurer; the chief financial officer, if not the treasurer; and the investment officer of the city have attended an investment training course sponsored by one of the above listed organizations, as required by the Public Funds Investment Act; and

**WHEREAS**, the attached investment policy and incorporated revisions comply with the Public Funds Investment Act, as amended, and authorize the investment of city funds in safe and prudent investments.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Bridge City:

That the City of Bridge City has complied with the requirements of the Public Funds Investment Act, and the Investment Policy, as reviewed/amended, attached hereto as "Exhibit A" is hereby adopted as the investment policy of the city effective April 6, 2021.

**PASSED, ADOPTED AND APPROVED** by the City Council of the City of Bridge City this the 6th day of April, 2021.

\_\_\_\_\_  
David Rutledge, Mayor

ATTEST:

\_\_\_\_\_  
Jeanie McDowell, City Secretary

APPROVED:

\_\_\_\_\_  
Paul Fukuda, City Attorney

# Memorandum



City of Bridge City Finance Department

Date: March 18, 2021

To: Bridge City Mayor and Council Members

From: Jerry Jones, City Manager

Karen Morgan, Director of Finance

RE: 2021 Investment Policy Review

The City of Bridge City adopted an Investment Policy on June 4, 1996 (original adoption). The policy requires the City Council to review and amend (if necessary) on a not less than annual basis.

Please find attached the investment policy for your review. We have made no changes to this policy.

Should you have any questions, please do not hesitate to call.

Thank you for your guidance in this matter.

**CITY OF BRIDGE CITY, TEXAS**

**INVESTMENT POLICY**

**Reviewed and Adopted April 6, 2021**

I. INTRODUCTION

It is the policy of the City of Bridge City ("City") that the administration of its funds and the investment of those funds shall be handled at its highest public trust. Investments shall be made in a manner which will provide the maximum security of principal invested through limitations and diversification while meeting the daily cash flow needs of the City and conforming to the Public Funds Investment Act (the "Act") Texas Government Code Chapter 2256.

The receipt of a market rate of return will be secondary to the requirements for safety and liquidity. It is the intent of the City to be in complete compliance with local law and act. The earnings from investment will be used in a manner that best serves in the interests of the City.

The purpose of this Policy is to set specific investment policy and strategy guidelines. All investments will be made in accordance with the Act and the Public Funds Collateral Act, Chapter 2257, Texas Government Code, specifies collateral requirements for all public Texas funds deposits.

II. SCOPE

This investment policy applies to all financial assets of the City. These funds are reported in the Comprehensive Annual Financial Report (CAFR). Any new funds created unless specifically exempted by the governing body and this Policy are to be included under the provisions of the policy.

III. OBJECTIVES

It is the policy of the City that all funds shall be managed and invested with four primary objectives, listed in order of priority: safety, liquidity, diversification and yield. Investments are to be chosen in a manner which promotes diversity. The maximum weighted average maturity (WAM) of the overall portfolio may not exceed the anticipated cash flow requirements.

All investments shall be managed in a manner responsive to the public trust and consistent with state and local law.

Safety

The primary objective of the investment activity is the preservation of capital. Each investment transaction shall be conducted in a manner to avoid capital losses, whether they be from security defaults, institution default, broker-dealer default, safekeeping fraud, or erosion of market value.

Liquidity

The investment portfolio shall be structured to meet all expected obligations in a timely manner. This shall be achieved by matching investment maturities with forecasted cash flow liabilities and maintain additional liquidity for unexpected liabilities.

Diversification

The portfolio shall be diversified by institution, market sector and maturity as much as possible.

Yield

The investment program shall seek to exercise prudent stewardship by achieving reasonable returns consistent with risk limitations and prudent investment practices.

The City shall maintain a cash management program which includes timely collection of accounts receivable, vendor payments in accordance with invoice terms, and prudent investment of assets. Cash management is the process of managing monies in order to insure maximum cash availability and reasonable yield on short-term investments.

IV. INVESTMENT STRATEGY

The City maintains one commingled portfolio for investment purposes which incorporates the specific uses and the unique characteristics of the funds in the portfolio. The investment strategy has as its primary objective assurance that anticipated liabilities are matched and adequate investment liquidity provided. The City shall pursue conservative portfolio management strategy. This may be accomplished by creating a laddered maturity structure with some extension for yield enhancement. Allocation methodology will be the maximum dollar weighted average maturity of the portfolio, based on the stated maturity date.

V. DELEGATION OF RESPONSIBILITY

Investment Officer(s)

The City Manager and Director of Finance are designated by the governing body by Resolution 2000-12 as Investment Officers responsible for investment decisions and activities. The City may further contract with a registered investment advisor for advice in the management of the portfolio. No person may engage in an investment transaction except as provided under the terms of this Policy and supporting procedures.

All investment officers shall attend at least one training session, in accordance with the Act, within twelve (12) months after assuming investment duties and shall attend the required training every two successive fiscal years.

The Investment Officer(s) are responsible for creating and maintaining the portfolio in accordance with this Policy, providing timely quarterly reporting to the governing body, and establishing procedures and controls for the process and counter-parties (brokers, banks, pools).

Investment Officers and city staff involved in the investment process shall refrain from personal business activity that could conflict with proper execution if the investment program or which could impair the ability to make impartial investment decisions. Staff shall disclose to the City Manager any personal business with or material financial interests in financial institutions that conduct business with the City.

An Investment Officer who has a personal business relationship with an organization seeking to sell an investment to the City shall file a statement disclosing that personal business interest to the Council and the Texas Ethics Commission. An investment officer who is related within the second degree by affinity

or consanguinity to an individual seeking to sell an investment to the City shall file a like statement disclosing that relationship.

#### Governing Body Responsibilities

The governing body holds ultimate fiduciary responsibility for the portfolio(s). It will designate investment officer(s), receive and review quarterly reporting, provide for investment officer training, approve broker/dealers, and review and adopt Investment Policy and Strategy at least annually.

#### VI. PRUDENCE AND CONTROLS

The standard of prudence to be applied to all City investments shall be the "prudent person" rule, which state:

"Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

In determining whether an investment officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration the investment of all funds under the City's control, over which the officer has responsibility rather than a consideration as to the prudence of a single investment.

The Investment Officer, acting in accordance with written procedures and exercising due diligence, shall not be held liable for a specific security's credit risk or market price changes, provided that these deviations are reported immediately and that appropriate action is taken to control adverse developments.

#### Internal Controls

The Investment Officer(s) is responsible for establishing and maintaining an internal control structure designed to reasonably assure that assets are protected from loss, theft, or misuse. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and, the valuation of costs and benefits requires ongoing estimates and judgments by management.

#### Cash Flow Forecasting

Cash flow forecasting is designed to protect and sustain cash flow requirements of the City. Supplemental to the financial and budgetary systems, the Investment Officer will maintain a cash flow forecasting process designed to monitor and forecast cash positions for investment purposes.

The external auditor shall provide an annual independent review to assure compliance with state law, policies and procedures.

#### Monitoring Credit Ratings

The Investment Officer shall monitor, on no less than a monthly basis, the credit rating on all authorized investments in the portfolio based upon independent information from a nationally recognized rating

## EXHIBIT A FOR RESOLUTION 2021 - 03 (R)

agency. If any security falls below the minimum rating required by Policy, the Investment Officer shall notify the City Manager of the loss of rating, and liquidate the investment within one week.

### Monitoring FDIC Status for Mergers and Acquisitions

The Investment Officer shall monitor, on no less than a weekly basis, the status and ownership of all banks issuing brokered CD's owned by the City based upon information from the FDIC ([fdic.gov](http://fdic.gov)). If any bank has been acquired or merged with another bank in which brokered CDs are owned, the Investment Officer or Advisor shall immediately liquidate any brokered CD which places the City above the FDIC insurance level.

## VII. AUTHORIZED INVESTMENTS

Assets of the City may be invested only in the following instruments as further defined by the Act. If changes are made to the Act they will not be authorized until this Policy is modified and adopted by the governing body. All investment transactions will be made on a competitive basis.

- A. Obligations of the United State Government, its agencies and instrumentalities and securities with the full faith and credit backing of the US Government with a maximum stated maturity of two (2) years to exclude mortgage backed securities.
- B. Fully collateralized depository certificates of deposit of banks doing business in Texas, with a maximum maturity of one year guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC), or its successor, or secured in accordance with this Policy.
- C. AAA-rated, constant-dollar Texas Local Government Investment Pools as defined by the Act and authorized by resolution of the governing body.
- D. AAA-rated, SEC registered money market mutual funds as defined by the Act.
- E. FDIC insured, brokered certificates of deposit securities from a bank in any US state, delivered versus payment to the City safekeeping agent, not to exceed one year to maturity. Before purchase, the Investment Officer must verify the FDOC status of the bank on [www.fdic.gov](http://www.fdic.gov) to assure that the bank is FDIC insured.
- F. General debt obligations of any state or political subdivision in any US state rated AA or better with a stated maturity not to exceed two years.
- G. FDIC insured or collateralized interest bearing and money market accounts from any FDIC insured bank in Texas.

### Delivery versus Payment

All securities shall be purchased on a delivery versus payment (DVP) settlement basis. Funds shall not be released until receipt of the security by the City's approved custodian. The custodian shall provide the City with proof of ownership or claim by an original document delivered to the City.

VIII. REPORTING

Quarterly Reporting

The Investment Officer(s) shall submit a signed quarterly investment report to the governing body in accordance with the Act containing sufficient information to permit an informed outside reader to evaluate the performance of the investment program and consistent with statutory requirements. The report will include the following at a minimum:

- A full description of each individual security or position held at the end of the reporting period including the book and market value at the beginning and end of the period,
- Unrealized gains or losses (book value minus market value),
- Overall change in market value during the period as a measure of volatility,
- Weighted average yield of the portfolio and its applicable benchmarks,
- Earnings for the period
- Analysis fo the total portfolio by market sector and maturity, and
- Statement of compliance of the investment portfolio with the Act and the Investment Policy.

Market prices for the calculation of market value will be obtained from independent sources.

IX. FINANCIAL COUNTER-PARTIES

Depository

At least every five (5) years a banking services depository shall be selected through a competitive request for proposal or application (RFP or RFA) or bid process in accordance with the Texas Government Code 105. In selecting a depository, the services, cost of services, credit worthiness, earnings potential, and collateralization by the institutions shall be considered. If securities require safekeeping, the RFP/bid will request information on safekeeping services. The depository contract will provide for collateral if balances exceed the FDIC insurance balance, currently \$250,000 per tax identification number.

All time and demand deposits in any depository of the City shall be insured or collateralized at all times in accordance with this Policy.

Other banking institutions from which the City may purchase certificates of deposit will also be designated as a depository for collateral purposes. All depositories will execute a depository agreement and have the Bank's Board or Banl Loan Committee pass a resolution approving the agreement.

Security Broker/Dealers

All pools, financial institutions and broker/dealers who desire to transact business with the City must supply the following documents to the City's Investment Officer(s).

- Financial Industry Regulatory Agency (FINRA) certification and CRD# (if brokers)
- Proof of Texas State Securities registration (if brokers)
- policy review certification

## EXHIBIT A FOR RESOLUTION 2021 - 03 (R)

Each counter-party must be provided a copy of the City's current Investment Policy and certify to a review of the policy stating that the firm has controls in place to assure only Policy approved investments will be sold to the City.

A list of qualified broker/dealers will be reviewed and adopted at least annually by the governing body. In order to perfect the DVP process the banking services depository, or its brokerage subsidiary, will not be used as a broker.

### X. COLLATERAL

#### Time and Demand Pledged Collateral

All time and demand deposits shall be secured above FDIC coverage by pledged collateral. In order to anticipate market changes and provide a level of security for all funds, collateral will be maintained and monitored by the pledging depository at 102% of market value of principal and accrued interest on the deposits. The bank shall monitor and maintain the margins on a daily basis.

Collateral pledged to secure deposits shall be held by an independent financial institution outside the holding company of the depository in accordance with a safekeeping agreement signed by authorized representatives of the City, the Depository, and the custodian (with the exception of the Federal Reserve as Custodian). The Custodian shall provide a monthly report of collateral directly to the City.

All collateral shall be subject to inspection and audit by the City or its independent auditors.

#### Authorized Collateral

Only the following securities are authorized as collateral for time and demand deposits or repurchase agreements:

- A. FDIC insurance coverage
- B. Obligations of the United States, its agencies or instrumentalities, or other evidence of indebtedness of the United States guaranteed as to principal and interest including CMO which pass the bank test.
- C. Obligations of any US state or of a county, city or other political subdivision of any state having been rated as investment grade (investment rating no less than "A" or its equivalent) by two nationally recognized rating agencies.

### XI. SAFEKEEPING

The laws of the State and this Policy require that all purchased securities be cleared to safekeeping on a delivery versus payment (DVP) basis and be held in safekeeping by an independent third party financial institution, or the City's banking services depository.

All safekeeping arrangements shall be approved by the Investment Officer and an agreement of the terms executed in writing. The independent third party custodian shall be required to issue safekeeping receipts to the City listing each specific security, rate, description, maturity, cusip number, and other

EXHIBIT A FOR RESOLUTION 2021 - 03 (R)

pertinent information. Each safekeeping receipt will be clearly marked that the security is held for the City or pledged to the City.

XII. INVESTMENT POLICY ADOPTION

The City's Investment Policy shall be adopted by resolution of the City Council no less than annually. It is the City's intent to comply with state and federal laws and regulations.

The original Investment Policy was adopted on June 4, 1996 (Resolution 96-15).

The above investment policy and attached glossary and exhibits has been reviewed and approved by the following:

\_\_\_\_\_  
Jerry Jones, City Manager

\_\_\_\_\_  
Date

\_\_\_\_\_  
Karen Morgan, Director of Finance

\_\_\_\_\_  
Date

\_\_\_\_\_  
Keri Michutka, CPA, City Auditor

\_\_\_\_\_  
Date

The above investment policy and attached glossary and exhibits has been reviewed and approved by the members (below) of the City Council of Bridge City. This Investment Policy is hereby adopted by Resolution 2019-23 (R), on this the 19th day of November in the year 2019.

\_\_\_\_\_  
David Rutledge, Mayor

\_\_\_\_\_  
Carl Harbert, Council Member, Place 1

\_\_\_\_\_  
Mike Reed, Council Member, Place 2

\_\_\_\_\_  
Tammi Fisetto, Council Member, Place 3

\_\_\_\_\_  
Danny Harrington, Council Member, Place 4

\_\_\_\_\_  
Terri Gauthier, Council Member, Place 5

\_\_\_\_\_  
Lucy Fields, Mayor Pro-Tem (Place 6)

**GLOSSARY**  
**OF**  
**COMMON TREASURY TERMINOLOGY**

**ACCRETION:** The increase in value of an asset toward its redemption price over time as it approaches maturity. The discount amount is accreted to par over the life of the security on a daily basis.

**ACCRUED INTEREST:** The accumulated interest due on a bond as of the last interest payment made by the issuer of the bond. The security is always sold with the accrued interest included.

**AGENCY SECURITY:** A U.S. government-issued security that was not issued by the Treasury Department but that may be backed by the full faith and credit of the United States depending upon the issuing agency. A debt security issued by a federal or federally sponsored agency, for example the Federal National Mortgage Association (FNMA).

**AMORTIZATION:** The decrease in value of an asset to its redemption price over time as it approaches maturity. On a mortgage backed security, the reduction through periodic repayments of both interest and principal. The premium amount is amortized to par over the life of the security on a daily basis

**AGENCIES:** Federal agency securities.

**ARBITRAGE:** Profiting from the differences in price when the same security, currency, or commodity is traded on two or more markets.

**ARBITRAGE BONDS:** Bonds issued by a municipality in the tax exempt markets and reinvested in the taxable markets in order to gain interest rate advantage or the advantage earned by the refunding higher-rate bonds in advance of their call date. Proceeds from the lower-rate refunding issue are invested in treasuries until the first call date of the higher-rate issue being refunded.

**ASK PRICED (ASKED):** The price at which securities are offered by the broker/dealer. The price at which a governmental entity buys a security.

**ASSET ALLOCATION:** The way that investments are distributed and weighted among different types of investment vehicles. The objective of asset allocation is to diversify market and credit risk while obtaining the greatest possible return consistent with the investor's risk tolerance.

**AVERAGE LIFE:** The average length of time that an issue of serial bonds and/or term bonds with a mandatory sinking fund feature is expected to be outstanding.

**BANKER'S ACCEPTANCE (BA):** A draft of bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer. Used primarily in international trade.

## EXHIBIT A FOR RESOLUTION 2021 - 03 (R)

**BASIS POINT:** A unit of measurement used in the valuation of fixed-income securities equal to 1/100th of 1% or .01% of yield; e.g. 1/4 of 1% is equal to 25 basis points.

**BEAR MARKET:** A prolonged period of falling security prices, usually caused by declining economic conditions and/or rising rates.

**BENCHMARK:** The performance of a predetermined group of securities or an individual security for comparative risk and performance purposes. Benchmarks may be based on available indexes such as the Standard and Poors index or selected for specific investment strategies.

**BID PRICE (BID):** The price offered by the seller of a security. The price at which a governmental entity will sell a security.

**BOOK VALUE:** The value at which a security is carried on an inventory list or other financial records of an investor. Book value reflects the price at which the security was originally bought plus net amortization/accretion to that point in time. The book value will differ significantly from the security's current market value.

**BOND:** A long-term debt obligation issued by a government, corporation, or municipality that generally pays a stated rate of interest at regular intervals and returns the face value upon maturity.

**BROKER:** A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides; he does not take a position in the trade. In the money market, brokers are active in markets in which banks buy and sell money and in inter-dealer markets.

**BULL MARKET:** A period of prolonged rises in the price of stocks, bonds, and/or commodities due to favorable market conditions producing lower interest rates.

**CALL FEATURE:** Part of the agreement a bond issuer makes with a buyer, called the indenture, describing the schedule and price of redemption before maturity. A call is an embedded option in the security allowing the seller to "call" (buy) it back at specific times.

**CALL PRICE:** The price at which an issuer may redeem a bond prior to maturity. The price is usually at a slight premium to the bond's original issue price to compensate the holder for loss of income and ownership.

**CALL PROVISION:** A bond provision that allows the bond issuer to redeem the bond prior to the bond's maturity date. If the bond states that the provision can be exercised after a given number of years, or at a price greater than the par value, or the bond is not callable, the bond is said to have call protection.

**CALL RISK:** A form of investment risk when a bond may be called or redeemed prior to maturity and the investor will be unable to reinvest the principle for the same or a higher rate of return. This risk increases when interest rates are falling and it becomes more attractive for the bond issuers to call their bonds with the higher interest rates and issue new bonds with a lower interest rate. Most bonds that do have a call provision have some call protection for a specific number of years.

**CALLABLE BOND:** A bond that has an option which can be exercised by the issuer of the bond to redeem the bond prior to its maturity date. The provision will state the times and price that the bond may be called at.

**CAPITAL GAIN:** The profitable result of the sale of a security or asset whereby the net sales price exceeds the book value of the security at the date of purchase.

**CAPITAL LOSS:** The resulting loss on the sale of a security or asset whereby the net sale proceeds is less than the book value of the security at the date of sale.

**CASH FLOW ANALYSIS:** An analysis of changes in revenues and expenditures that affect the cash balance.

**CASH FORECASTING:** Longer-term (one month or longer) prediction of cash flows, typically focusing on the aggregate cash position. In contrast, cash scheduling focuses on shorter-term prediction, emphasizing cash position management.

**CASH SALE/PURCHASE:** A transaction which calls for delivery and payment of securities on the same day that the transaction is initiated.

**CERTIFICATE OF DEPOSIT (CD):** A time deposit issued by a bank that pays interest periodically or at maturity, a time deposit with a specific maturity evidenced by a certificate. Large denomination CD's are typically negotiable. There is a penalty for early withdrawal of the CD (time deposit).

**COLLATERAL:** Securities, evidence of deposit or other property that a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

**COLLATERAL MORTGAGE OBLIGATION (CMO):** Multi-class security collateralized by whole loans or regular mortgage securities whose cash flows are paid through to meet debt service on the CMO bond.

**COMMERCIAL PAPER:** An unsecured short-term promissory note issued by corporations, with maturities ranging from 2 to 270 days.

**COMPOUND INTEREST:** The method of computing interest on a principle sum where the interest rate is applied to the original principle and any accumulated interest.

**COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR):** The official annual report for the City of Bridge City. It includes five combined statements and basic financial statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to prove compliance with finance related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

**CONSTANT DOLLAR FUND:** A short term money fund whose objective is to offer safety, liquidity and always strives to maintain a \$1 dollar share value for all participants. SEC registered funds maintain a limited 90-day WAM. AAA-rated funds usually require a 60-day WAM (weighted average maturity).

**CONTINUOUS CALL OPTION:** A call option on a security under which the issuer maintains the right to repurchase the bond from the investor, on any date, from the time that the bond is first callable until its maturity date.

**CONVEXITY:** A measure of a bond's price sensitivity to changing interest rates. A high convexity indicates greater sensitivity of a bond's price to interest rate changes.

**COUPON RATE:** (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on a bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

**CREDIT QUALITY:** The measurement of the financial strength of a bond issuer. This measurement helps an investor to understand an issuer's ability to make timely interest payments and repay the loan principal upon maturity. Generally, the higher the credit quality of a bond issuer, the lower the interest rate paid by the issuer because the risk of default is lower. Credit quality ratings are provided by nationally recognized rating agencies.

**CREDIT RISK:** The risk that the issuer of the bond will default or fail or its credit rating being reduced. This could involve the loss of all or part of the invested principal.

**CURRENT YIELD (CURRENT RETURN):** A yield calculation determined by dividing the annual interest received on a security by the current market price of that security.

**DEALER:** A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account. A dealer maintains a portfolio and can trade from that portfolio.

**DEBENTURE:** A bond secured only by the general credit of the issuer. US government agency notes are debentures.

**DEFLATION:** An economic condition that is characterized by the decline in the prices of goods and services (the reverse of inflation). Also see inflation.

**DELIVERY VERSUS PAYMENT (DVP):** There are two methods of delivery of securities: delivery versus payment and delivery versus receipt (also called free). Delivery versus payment requires the delivery of securities before payment is made securing the assets for the entity. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities and is less secure.

**DEPOSITORY TRUST COMPANY (DTC):** A firm through which members can use a computer to arrange for securities to be delivered to other members without physical delivery of the certificates. The DTC uses computerized debit and credit entries. A member of the Federal Reserve System the system mirrors the FedWire system and was designed to reduce the load on the FedWire system.

**DEPRECIATION:** The decline in the value of an asset or investment.

**DERIVATIVE SECURITY:** Financial instrument created from, or whose value is based on, and determined by, another security or benchmark. Examples include mortgage backed securities as well as Treasury strips, callable securities and floaters.

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**DISCOUNT:** The difference between the cost price of a security and its PAR or face value at maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be “at a discount”.

**DISCOUNT SECURITIES:** Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e.g., U.S. Treasury bills and US agency discount notes.

**DISCOUNT ON SECURITIES:** The difference between a security’s par value and its price when trading less than par price (100).

**DISCOUNT RATE:** The interest rate member banks pay the Federal Reserve when the banks use securities as collateral. Banks usually set their loan rates one point above the discount rate.

**DISCRETE CALL OPTION:** An option whereby the bondholder has sold the issuer the right to repurchase the bonds back from the investor, only on interest payment dates or dates of the schedule, from the time that the bond is first callable until its maturity date.

**DIVERSIFICATION:** The spreading of an investment over a large number of securities in order to reduce financial risk or the process of using different securities and maturities in a portfolio to reduce market and credit risk. (i.e. not putting all your eggs in one basket.)

**DOLLAR WEIGHTED AVERAGE MATURITY:** Represents the average number of days remaining until the final maturity date, appropriately weighted by the dollar amount of each security in the portfolio.

**DURATION:** A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

**EQUITY:** Ownership possessed by shareholders in a corporation.

**FAIR MARKET VALUE:** The price at which a buyer and seller agree. In investment accounting and GASB, the market value at one point in time, usually the end of the fiscal year.

**FEDERAL AGENCY SECURITIES (AGENCIES):** Discount and coupon obligations of the federal agencies that were established by Congress to provide credit to specific sectors of the economy.

**FEDERAL CREDIT AGENCIES:** Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S & L's, small business firms, students, farmers, farm cooperatives, and exporters.

**FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC):** A federal agency that insures bank deposits, currently up to \$100,000 per deposit as identified by taxpayer identification code.

**FEDERAL FUNDS (Fed Funds):** Funds placed in Federal Reserve banks by depository institutions in excess of current reserve requirements. These depository institutions may lend fed funds to each other

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overnight or on a longer basis. They may also transfer funds among each other on a same-day basis through the Federal Reserve banking system. Fed funds are considered to be immediately available funds.

**FEDERAL FUNDS RATE (THE “FED RATE”):** The rate of interest at which banks with excess reserves charge banks lacking reserves for overnight loans to meet reserve requirement. This rate is currently set by the market to be consistent with the daily reserve requirements and monitored by the Fed.

**FEDERAL HOME LOAN BANKS (FHLB):** The institutions that regulate and lend money to savings and loan associations, corporate banks, and other mortgage lenders in a manner similar to the Federal Reserve’s role with commercial banks. The Federal Home Loan Bank System is made up of 12 regional FHLB’s. It raises money by issuing notes and bonds and lends money to savings and loans and other mortgage lenders based on the amount of collateral the institution can provide.

**FEDERAL HOME LOAN MORTGAGE CORPORATION (FHLMC) “FREDDIE MAC”:** Publicly chartered agency that buys qualifying residential mortgages from lenders, packages them into new securities backed by those pooled mortgages, provides certain guarantees, and then resells the securities on the open market.

**FEDERAL HOUSING ADMINISTRATION (FHA):** Federally sponsored agency that insures lenders against loss on residential mortgages.

**FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA or FANNIE MAE):** FNMA, like GNMA, was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development, H.U.D. It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans in addition to fixed rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

**FEDERAL OPEN MARKET COMMITTEE (FOMC):** Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

**FEDERAL RESERVE BANK SYSTEM:** The central bank of the United States created by Congress and consisting of a seven-member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

**FINAL MATURITY:** The date on which a security is due and payable. The maturity date stated on the face of a security.

**FIXED INCOME MARKET:** The market defined by securities with set (fixed) coupon rates.

**FLEXIBLE REPURCHASE AGREEMENT (FLEX REPO):** A type of repurchase agreement used primarily for investment of bond proceeds that has a maturity corresponding with the last expected construction draw for the bond project. Flex repos pay fixed rate of interest and allow for cash withdrawals at the buyer's discretion during the life of the agreement.

**FLOATER:** A security whose value or coupon is determined from (floats on) an index or other security such as Libor or T-Bills.

**FUNDS:** Public funds in the custody of a state agency or local government that

(a) are not required by law to be deposited in the state treasury; and (b) the investing entity has authority to invest.

**GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA OR GINNIE MAE):**

GNMA buys Farmers Home Administration, Veterans Administration and Federal Housing Administration mortgages, then issues bonds on pool of the mortgages. Investors in this bond receive monthly dividends through the mortgagee's payments of principal and interest. The security holder is protected by full faith and credit of the U.S. Government unlike other mortgage based agencies. The term pass-through is often used to describe Ginnie Maes.

**GOVERNMENT (BONDS) SECURITIES:** An obligation of the U.S. government, backed by the full faith and credit of the government. These securities are regarded as the highest quality of investment securities available in the U.S. securities market. See "Treasury Bills, Notes, and Bonds."

**INFLATION:** The effect of generally rising prices of goods and services.

**INFLATIONARY RISKS:** A form of investment risk that measures the effect of inflation on an investment. If the after-tax return on an investment is lower than the rate of inflation, the investor will have less purchasing power at the maturity of the investment. The greater risk to fixed income securities where the fixed rate will be devalued by the rise in inflation.

**INSTRUMENTALITY:** A federal agency whose obligations, while not direct obligations of the U.S. Government, are sponsored or guaranteed by the government and backed by the government.

**INTEREST RATE:** The fixed annual rate of interest that bond's issuer promises to pay the bondholder on the bond's face value.

**INTEREST RATE RISK:** The risk associated with declines or rises in interest rates which cause an investment in a fixed income security to increase or decrease in value.

**INTERNAL CONTROLS:** An internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that 1) the

cost of a control should not exceed the benefits likely to be derived and 2) the valuation of costs and benefits require estimates and judgments by management. Internal controls should address the following points:

- **Control of collusion** - Collusion is a situation where two or more employees are working in conjunction to defraud their employer
- **Separation of transaction authority from accounting and record keeping** - By separating the person who authorizes or performs the transaction from the people who record or otherwise account for the transaction, a separation of duties is achieved
- **Custodial safekeeping** - Securities purchased from any bank or dealer including appropriate collateral (as defined by state law) shall be placed with an independent third party for custodial safekeeping.

**INVERTED YIELD CURVE:** The economic condition where the yield on short-term issues is greater than the yield on long-term securities. In theory, This scenario could lead to further declines in interest rates and possible recession.

**INVESTMENT POLICY:** A concise and clear statement of the objectives and parameters formulated by an investor or investment manager for a portfolio of investment securities.

**INVESTMENT- GRADE OBLIGATIONS:** An investment instrument suitable for purchase by institutional investors under the prudent person rule. Investment-grade is restricted to those obligations rated BBB or higher by a rating agency.

**INVESTMENT POOL:** An entity created to invest public funds jointly on behalf of the entities that participate in the pool.

**ISSUE DATE:** The date from which the bond begins to accrue interest. Also known as effective date.

**LIQUID ASSET:** Assets that can be converted easily into cash, some examples are money market fund shares, treasury bills, and bank deposits.

**LIQUIDITY:** A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

**LIQUIDITY DIVERSIFICATION:** Act of investing in bonds, which have different maturities.

**LIQUIDITY RISK:** A type of investment risk whereby an investment may not be able to be sold quickly at a fair market price when cash is needed. Long-term Treasury Bonds for example are publicly traded and have excellent liquidity. Limited partnerships on the other hand are often not publicly traded and typically have poor liquidity.

**LOCAL GOVERNMENT INVESTMENT POOL (LGIP):** The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment. A portfolio of securities is purchased and each pool participant owns a pro rata share in the pool of investments.

**MARGIN:** The amount of additional collateral pledged to an entity in order to accommodate changes in market prices. Normally set at 102% for treasuries and agencies.

**MARK-TO-MARKET:** The process whereby the book value or collateral value of a security is adjusted to reflect its current market value.

**MARKET RISK:** The risk that the market value of an investment, collateral protecting a deposit or securities underlying a repurchase agreement will decline. Market risk is affected by the length to maturity of a security, the need to liquidate a security before maturity, the extent to which collateral exceeds the amount invested and how often the amount of collateral is adjusted for changing market values.

**MARKET VALUE:** The price at which a security is trading and could presumably be purchased or sold. The face or par value of an investment multiplied by the premium or discount quoted on the valuation date.

**MASTER REPURCHASE AGREEMENT:** To protect investors, many public investors will request that repurchase agreements be preceded by a master repurchase agreement between the investor and the financial institution or dealer. The master agreement should define the nature of the transaction, identify the relationship between the parties, establish normal practices regarding ownership and custody of the collateral securities during the term of the investment, provide remedies in the case of default by either part and clarify issues of ownership. The master repurchase agreement protects the investor by eliminating the uncertainty of ownership and hence, allowing investors to liquidate collateral if a bank or dealer defaults during the term of the agreement.

**MATURITY:** The date upon which the principal or stated value of an investment becomes due and payable.

**MONEY MARKET:** The market in which short-term debt instruments (bills, commercial paper, banker's acceptances, Etc.) are issued and traded.

**MONEY MARKET ACCOUNT:** A savings account which normally earns interest at a higher interest rate than a regular savings account, but with a minimum required balance and other restrictions.

**MONEY MARKET MUTUAL FUNDS ( MMMF):** A specific type of mutual fund that invests solely in money market instruments (short-term debt instruments, such as treasury bills, commercial paper, bankers' acceptances, repos and federal funds) as defined and registered with the SEC and regulated by the Investment Company Act of 1940 as 2a-7 funds. They strive to maintain a \$1 net share value for participants. Three types of MMMFs are Treasury, Governmental and Prime. MMMFs are designed for safety and liquidity.

**MUTUAL FUND:** The fund pools the resources of investors who buy shares and invests the proceeds in a portfolio of securities designed to achieve the fund's investment objective. All of the owners in the fund shares participate in the gains or losses of the fund. The value of the share is calculated off the market value of the portfolio. These products can only be sold by registered representatives. Mutual funds are

also known as an open-end diversified management investment company. Long term investment funds that pool money and can invest in a variety of securities, including fixed-income securities and money market mutual funds. Mutual funds are regulated by the Investment Company Act of 1940 and must abide by the following Securities and Exchange Commission (SEC) disclosure guidelines:

1. Report standardized performance calculations.
2. Disseminate timely and accurate information regarding the fund's holdings, performance, management and general investment policy.
3. Have the fund's investment policies and activities supervised by a board of trustees, which are independent of the advisor, administrator or other vendor of the fund.
4. Maintain the daily liquidity of the fund's shares.
5. Value their portfolios on a daily basis.
6. Have all individuals who sell SEC-registered products licensed with a self-regulating organizations (SRO) such as the National Association of Securities Dealers (NASD).
7. Have an investment policy governed by a prospectus which is updated and filed by the SEC annually.

**MORTGAGE-BACKED SECURITY:** A security backed by pools of home loan mortgages. Investors in mortgage-backed certificates receive monthly payments derived from the income stream of interest and principal of the underlying mortgages.

**MUNICIPAL BONDS:** A bond or debt obligation issued by state or local governments to fund general municipal needs or special projects (Also see revenue bonds)

**NATIONAL ASSOCIATION OF SECURITIES DEALERS (NASD):** A self-regulatory organization (SRO) of brokers and dealers who trade securities in the United States. Its regulatory mandate includes authority over firms that distribute mutual fund shares as well as other securities. Designated by the Maloney Act of 1933 to establish rules of fair market practice.

**NEGATIVE YIELD CURVE:** See inverse yield curve.

**NET ASSET VALUE (NAV):** The market value of one share of an investment company, such as a mutual fund. This figure is calculated by totaling a fund's assets which includes securities, cash, and any accrued earnings, subtracting this from the fund's liabilities and dividing this total by the number of shares outstanding. This is calculated once a day based on the closing price for each security in the fund's portfolio.

**NET ASSET VALUE FUNDS:** A mutual fund seeking to offer a higher yield than the constant dollar funds (money market funds). These funds purchase longer maturing securities, which translate into a higher market and volatility risk as well as longer WAM. These funds experience market fluctuation due to the risk of the longer securities and will subject the investor to a higher level of market price and volatility risk than a constant dollar fund.

**NO LOAD MUTUAL FUND:** A mutual fund which does not levy a sales charge on the purchase of its shares.

**NOMINAL YIELD:** The stated rate of interest that a bond pays its current owner, based on par value of the security. It is also known as the “coupon”, “coupon rate”, or “interest rate”.

**NORMAL YIELD CURVE:** A yield curve where short-term yields are lower than long-term yields. The slope of the curve rises gradually in the early years and becomes almost flat in latter years. Generally reflects a market in expectation of higher rates.

**OBLIGATION:** Any legal debt.

**OFFER PRICE:** The price asked by a seller of securities. The price at which a security will be sold to a governmental entity. (When you are buying securities, you ask for an offer). See ASKED and BID.

**OPEN MARKET OPERATIONS:** Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

**OPPORTUNITY COST:** The maximum profit an alternative plan of action would provide.

**PAR VALUE:** For bonds, the par value is the face amount and equals the amount of principal due at maturity. The principal amount on which interest is calculated.

**PLEGGED ASSETS:** Bank-owned securities used as collateral for government deposits. Authorized collateral is defined by the Public Funds Collateral Act in Texas.

**POOLED FUND GROUP:** An internally created fund of an investing entity in which one or more institutional accounts of the investing entity are invested.

**PORTFOLIO:** Collection of securities held by an investor.

**POSITIVE YIELD CURVE (NORMAL YIELD CURVE):** A yield curve where short-term yields are lower than long-term yields. The slope of the curve rises gradually in the early years and becomes almost flat in latter years. The relationship of time and rates. Generally reflects a market in expectation of higher rates.

**PREMIUM:** 1) The difference in price between the security's price and par (face amount) if a security is selling above its par value. 2) An amount that must be paid above par in order to call or refund an issue. 3) The price of an option.

**PREPAYMENT:** The risk that changes in interest rates will cause the anticipated maturity of a mortgaged backed security to be shortened. Homeowners prepay all or part of a mortgage when interest rates

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decline to refinance at lower costs causing money to be returned to the owner of the mortgaged backed security who must reinvest at a lower rate.

**PRICE/BOOK RATIO:** A financial ratio, which relates a company's stock (share price) to its total assets less any intangible assets (goodwill, patents) minus current and long-term liabilities.

**PRICE/EARNING RATIO:** A financial ratio, which is commonly referred to as the P/E ratio or multiple. This is the relationship of a company's stock price divided by earnings per share. It provides stock investors with an indication of how much is being paid (share price) for a company's earnings potential.

**PRIMARY DEALER:** A group of government securities dealers that submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC) registered securities broker-dealers, banks and a few unregulated firms. These dealers must make the market (buy Treasuries if offered therefore providing the liquidity) in US Treasuries.

**PRIME RATE:** A preferred interest rate charged by commercial banks to their most creditworthy customers. Many interest rates are keyed to this rate.

**PRIVATE ACTIVITY BOND:** A taxable municipal bond.

**PRINCIPAL:** The amount of debt remaining on a loan. On the date a loan is originated, or issued, the total amount equals the initial principal balance.

**PROCEEDS:** Money received from the sale of a security or from the issuance of a security.

**PRODUCER PRICE INDEX (PPI):** A measure of wholesale prices.

**PROMISSORY NOTE:** An unconditional signed promise in writing to pay a specified sum in demand at a fixed time. A promise to pay.

**PROSPECTUS:** A legal document that must be provided to any prospective purchaser of a new securities offering registered with the SEC. This can include information on the issuer, the issuer's business, the proposed use of proceeds, the experience of the issuer's management, and certain certified financial statements.

**PRUDENT PERSON RULE:** An investment standard. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

**PUT:** An option that gives the holder of a security the right to sell a portion of the security back to the issuer (or put holder) at a specified time at a specified price.

**QUALIFIED PUBLIC DEPOSITORIES:** A financial institution that does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has

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segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

**QUALIFIED REPRESENTATIVE:** A person who holds a position with a business organization who is authorized to act on behalf of the business organization. If the business organization is regulated by or registered with a securities commission then the qualified representative must be a person who is registered under the rules of the National Association of Securities Dealers. If the business organization is a banking institution then the person must be a member of the loan committee or a person authorized by corporate resolution to act on behalf of and bind the banking institution. For an investment pool, the person must be authorized by the elected official or board with authority to administer the activities of the investment pool and to sign the written instrument on behalf of the investment pool.

**RATE OF RETURN:** The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

**REALIZED GAIN/LOSS:** The true gain (profit) or loss of principal resulting from a sale of a security based on the difference between the security's book value and its market value. See Unrealized Gain/Loss.

**REDEMPTION PRICE:** See Call Price.

**REGULAR SETTLEMENT:** Paying for a security one day after the trade date.

**REINVESTMENT RISK:** The risk that funds will have to be reinvested in a lower interest rate security if the original security is called away.

**REPURCHASE AGREEMENT (RP or REPO):** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money that is, increasing bank reserves.

A simultaneous agreement to buy, hold for a specified time, and sell back at a future date obligations of the United States or its agencies and instrumentalities at a market value at the time the funds are disbursed of not less than the principal amount of the funds disbursed. The term includes a direct security repurchase agreement and a reverse security repurchase agreement.

**RESET DATE:** The date on which a floating security's rate or value is reset based on an established index and schedule.

**REVENUE BONDS:** Securities issued by governmental entities and secured by the revenue stream from the project being built or supported such as water treatment facilities or sewage plants.

**RISK:** A measure of the probability of financial loss.

**SAFE HARBOR:** The shifting of financial assets to less volatile areas to reduce risk.

**SAFEKEEPING:** A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

**SALLIE MAE (SLMA):** Securities issued by the Student Loan Marketing Association, an agency of the US Government.

**SEC RULE 15C3-1:** See UNIFORM NET CAPITAL RULE.

**SECONDARY MARKET:** A market made for the purchase and sale of outstanding issues following the initial distribution.

**SECURITIES & EXCHANGE COMMISSION (SEC):** Agency created by Congress to protect investors in securities transactions by administering securities legislation.

**SELF-REGULATORY ORGANIZATION (SRO):** A stock exchange, securities, or commodities organization that is registered with Securities and Exchange Commission and that is responsible for making sure that its members obey rules and regulations.

**SEPARATELY INVESTED ASSET:** An account or fund of a state agency or local government that is not invested in a pooled fund group.

**SERIAL BOND:** A bond issue, usually of a municipality, with various maturity dates scheduled at regular intervals until the entire issue is retired.

**SETTLEMENT DATE:** The date agreed upon by the parties to a transaction for the payment of funds and the delivery of securities.

**SHORT:** To have sold a security without owning the security in anticipation of subsequently purchasing it at a lower price and making a profit. Not permitted by governmental entities.

**SIMPLE INTEREST:** The method of computing interest on a principle sum where the interest rate is applied only to the original principal amount.

**SINKING FUND:** Money accumulated on a regular basis in a separate custodial account that is used to redeem debt securities or preferred stock issues.

**SKIP DAY SETTLEMENT:** Settlement one day after normal settlement i.e. two day settlement.

**SPREAD:** Difference between any two prices or measures. The difference between the current bid and the current ask of a given security or between yields on similar securities. Refers to the additional yield that may be earned on a security over and above a U.S. Treasury obligation with a comparable maturity.

**STATED MATURITY:** A predetermined final maturity date that cannot be altered by prepayments.

## EXHIBIT A FOR RESOLUTION 2021 - 03 (R)

**STRIP:** A security issued by the US Treasury in which the coupons have been removed and only the principal remains leaving a deeply discounted security which pays no interest but returns the principal at maturity. Other agencies and dealers “strip” securities but only the Treasury or an agency can create a “strip”. The others carry unique names such as TIGRS (Receipts) and are structured on a trust receipt.

**STRUCTURED NOTES:** Notes issued by Government Sponsored Enterprises (FHLB, FNMA, SLMA, etc.) and Corporations which have imbedded options (e.g., call features, step-up coupons, floating rate coupons, derivative-based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

**SWAP:** Trading one asset for another.

**TERM BOND:** Bonds comprising a large part of all of a particular issue which come due in a single maturity. The issuer usually agrees to make periodic payments into a sinking fund for mandatory redemption of term bonds before maturity.

**TERM REPURCHASE AGREEMENT:** A repurchase agreement that lasts a longer than normal period of time, i.e. more than overnight.

**TOTAL RETURN:** The sum of all investment income plus changes in the capital value of the portfolio. For mutual fund, return on an investment is composed of share price appreciation plus any realized dividends or capital gains. This is calculated by taking the following components during a certain time period.  $(\text{Price Appreciation}) + (\text{Dividends Paid}) + (\text{Capital Gains}) = \text{Total Return}$

**TRADE DATE:** The date on which the agreement to buy or sell a security is made (Also see Settlement Date).

**TREASURY BILLS (T BILLS):** A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months or one year.

**TREASURY BOND:** Long-term U.S. Treasury securities having initial maturities of more than ten years.

**TREASURY NOTES (T-NOTE):** Intermediate term coupon bearing U.S. Treasury securities having initial maturities from one to ten years.

**TREASURY SECURITIES:** “Full faith and credit” obligations of the U.S. Government issued by sale at periodic auctions, delivered and cleared electronically.

**TRUST INDENTURE:** A trust deed between a borrower and trust holder on the terms of the trust.

**UNDERWRITER:** The firm that agrees to buy an issue of securities on a given date and at a given price who will then usually resell them through a distribution network.

**UNIFORM NET CAPITAL RULE:** Securities and Exchange Commission requires that member firms as well as nonmember broker / dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called *net capital rule* and *net capital ratio*. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

**UNREALIZED GAIN/LOSS:** The amount of gain (profit) or loss that would be reflected on the sale of a security if that security had to be sold in the market at that time calculated on the difference between book value and market value of the security.

**VARIABLE RATE CD:** Short term CD with an interest rate that is reset at set intervals on an agreed upon index.

**VOLATILITY:** A degree of fluctuation in the price and valuation of securities.

**VOLATILITY RISK RATING:** A rating system to clearly indicate the level of volatility and other non-credit risks associated with securities and certain bond funds. The ratings for bond funds range from those that have extremely low sensitivity to changing market conditions and offer the greatest stability of the return ("aaa" by S&P; "V-1" by Fitch) to those that are highly sensitive with currently identifiable market volatility risk ("ccc" by S&P, "V-10" by Fitch).

**WEIGHTED AVERAGE MATURITY (WAM):** The average maturity of all the securities that comprise a portfolio. According to SEC rule 2A-7, the WAM for SEC registered money market mutual funds may not exceed 90 days and no one security may have a maturity that exceeds 397 days.

**WHEN ISSUED (WI):** A conditional transaction in which an authorized new security has not been issued. All "when issued" transactions are settled when the actual security is issued.

**WINDOW:** A term for the electronic bulletin board on which US agencies sell their issues. The Agencies "open their window" for the initial offering of a security.

**YIELD:** The rate of annual income return on an investment, expressed as a percentage. (a) Income Yield is obtained by dividing the current dollar income by the current market price of the security. (b) Net Yield or Yield to Maturity is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

**YIELD BURNING:** A situation in which securities firms artificially raise the prices on the Treasury bonds used when municipalities refinance outstanding debt especially advance escrows. Municipalities are prohibited from making money on their tax-exempt transactions, so underwriters raise the price and "burn down" the yield on the securities to the level that municipalities are allowed to earn. Illegal under IRS regulations.

EXHIBIT A FOR RESOLUTION 2021 - 03 (R)

**YIELD CURVE:** A graphic representation that depicts the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity. A normal yield curve may be alternatively referred to as a positive yield curve.

**YIELD-TO-CALL (Y-T-C):** The rate of return an investor earns from a bond assuming the bond is redeemed (called) prior to its nominal maturity date.

**YIELD-TO-MATURITY:** The rate of return yielded by a debt security held to maturity when both interest payments and the investor's potential capital gain or loss are included in the calculation of return.

**ZERO-COUPON SECURITIES:** Security that is issued at a discount and makes no periodic interest payments. The rate of return consists of a gradual accretion of the principal of the security and is payable at par upon maturity.

\*\*\*\*\*

CP	Commercial Paper
CPI	Consumer Price Index
DTC	Depository Trust Corporation
DVP	Delivery Versus Payment
FNMA	Federal National Mortgage Association
FHLMC	Federal Home Loan Mortgage Corporation
FDIC	Federal Deposit Insurance Corporation
FFCB	Federal Farm Credit Bank
FHA	Federal Housing Administration
FHLB	Federal Home Loan Bank
FOMC	Federal Open Markets Committee
FRB	Federal Reserve Bank
MBS	Mortgage Backed Securities
MMMMF	Money Market Mutual Fund
NASD	Natioanl Association of Securities Dealers
PPI	Producer Price Index
PTC	Participatory Trust Corporation

EXHIBIT A FOR RESOLUTION 2021 - 03 (R)

REPO	Repurchase Agreement
SLMA	Student Loan Marketing Association
TVA	Tennessee Valley Authority
T-Bill	US Treasury Bill
TSY	US Treasury

COPY

**EXHIBIT A**

**CITY OF BRIDGE CITY**

**AUTHORIZED INVESTMENT OFFICIALS**

On the 3rd day of October, 2000 by Resolution number 2000 - 12 the City Council approved the positions of **City Manager** and **Director of Finance** as “**Investment Officers**”. Such approval of positions shall remain in effect until rescinded by the City Council.

As of this date, April 6, 2021, the following person(s) are employed with the City of Bridge City in the above mentioned positions as Investment Officer(s).

JERRY JONES, CITY MANAGER

KAREN MORGAN, DIRECTOR OF FINANCE

**EXHIBIT B - 1**

**CITY OF BRIDGE CITY**

**STATEMENT OF ETHICS AND CONFLICTS OF INTEREST**

Investment officials for the City of Bridge City shall refrain from personal business relationships with business organizations that could conflict with proper execution of the investment program, or which could impair ability to make impartial investment decisions. This would only apply to personal business organizations which have been approved by City Council to conduct investment transactions with the City of Bridge City.

An investment official is considered to have a personal business relationship with a business organization if:

- (1) The investment official owns 10 percent (10%) or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business.
- (2) Funds received by the investment official from the business organization exceed 10 percent (10%) of the investment official's gross income for the previous year.
- (3) The investment official has acquired from the business organization during the previous year, investments with a book value of \$2,500 or more for the personal account of the investment official.

I do hereby certify that I do not have a personal business relationship with any business organization approved to conduct investment transactions with the City of Bridge City nor am I related within the second degree by affinity or consanguinity, as determined under Charter 573, to an individual seeking to sell an investment to the City of Bridge City as of the date of this statement.

City of Bridge City  
Investment Officials

\_\_\_\_\_  
Jerry Jones, City Manager

\_\_\_\_\_  
Date

**EXHIBIT B - 2**

**CITY OF BRIDGE CITY**

**STATEMENT OF ETHICS AND CONFLICTS OF INTEREST**

Investment officials for the City of Bridge City shall refrain from personal business relationships with business organizations that could conflict with proper execution of the investment program, or which could impair ability to make impartial investment decisions. This would only apply to personal business organizations which have been approved by City Council to conduct investment transactions with the City of Bridge City.

An investment official is considered to have a personal business relationship with a business organization if:

- (1) The investment official owns 10 percent (10%) or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business.
- (2) Funds received by the investment official from the business organization exceed 10 percent (10%) of the investment official's gross income for the previous year.
- (3) The investment official has acquired from the business organization during the previous year, investments with a book value of \$2,500 or more for the personal account of the investment official.

I do hereby certify that I do not have a personal business relationship with any business organization approved to conduct investment transactions with the City of Bridge City nor am I related within the second degree by affinity or consanguinity, as determined under Charter 573, to an individual seeking to sell an investment to the City of Bridge City as of the date of this statement.

City of Bridge City

Investment Officials

\_\_\_\_\_  
Karen Morgan, Director of Finance

\_\_\_\_\_  
Date

**CITY OF BRIDGE CITY**  
**CERTIFICATION BY BUSINESS ORGANIZATION**

This certification is executed on behalf of the **City of Bridge City** (the Investor) and **Bridge City State Bank** (the Business Organization) pursuant to the Public Funds Investment Act, Chapter 2256, Texas Government Code (the Act) in connection with investment transactions conducted between the Investor and the Business Organization.

The undersigned Qualified Representatives of the Business Organization hereby certifies on behalf of the Business Organization that:

- (1) The undersigned are Qualified Representatives of the Business Organization offering to enter an investment transaction with the Investor as such terms used in the Public Funds Investment Act, Chapter 2256, Texas Government Code and
- (2) The Qualified Representatives of the Business Organization have received and reviewed the Investment Policy furnished by the Investor and
- (3) The Qualified Representatives of the Business Organization have implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Business Organization and the Investor that are not authorized by the entity's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the entity's entire portfolio or requires and interpretation of subjective investment standards.

**Bridge City State Bank** (Business Organization Name)

Qualified Representatives of the Business Organization:

\_\_\_\_\_

Signature

\_\_\_\_\_

Printed Name

\_\_\_\_\_

Title

\_\_\_\_\_

Date

\_\_\_\_\_

Signature

\_\_\_\_\_

Printed Name

\_\_\_\_\_

Title

\_\_\_\_\_

Date

**CITY OF BRIDGE CITY**  
**CERTIFICATION BY BUSINESS ORGANIZATION**

This certification is executed on behalf of the **City of Bridge City** (the Investor) and **Texas Local Government Investment Pool {"TexPool"}** (the Business Organization) pursuant to the Public Funds Investment Act, Chapter 2256, Texas Government Code (the Act) in connection with investment transactions conducted between the Investor and the Business Organization.

The undersigned Qualified Representatives of the Business Organization hereby certifies on behalf of the Business Organization that:

- (1) The undersigned are Qualified Representatives of the Business Organization offering to enter an investment transaction with the Investor as such terms used in the Public Funds Investment Act, Chapter 2256, Texas Government Code and
- (2) The Qualified Representatives of the Business Organization have received and reviewed the Investment Policy furnished by the Investor and
- (3) The Qualified Representatives of the Business Organization have implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Business Organization and the Investor that are not authorized by the entity's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the entity's entire portfolio or requires and interpretation of subjective investment standards.

**Texas Local Government Investment Pool** (Business Organization Name)

Qualified Representatives of the Business Organization:

_____	_____
Signature	Signature
_____	_____
Printed Name	Printed Name
_____	_____
Title	Title
_____	_____
Date	Date

**CITY OF BRIDGE CITY**  
**CERTIFICATION BY BUSINESS ORGANIZATION**

This certification is executed on behalf of the **City of Bridge City** (the Investor) and **First Southwest Asset Management, Inc. / TexSTAR Participant Services** (the Business Organization) pursuant to the Public Funds Investment Act, Chapter 2256, Texas Government Code (the Act) in connection with investment transactions conducted between the Investor and the Business Organization.

The undersigned Qualified Representatives of the Business Organization hereby certifies on behalf of the Business Organization that:

- (1) The undersigned are Qualified Representatives of the Business Organization offering to enter an investment transaction with the Investor as such terms used in the Public Funds Investment Act, Chapter 2256, Texas Government Code and
- (2) The Qualified Representatives of the Business Organization have received and reviewed the Investment Policy furnished by the Investor and
- (3) The Qualified Representatives of the Business Organization have implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Business Organization and the Investor that are not authorized by the entity's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the entity's entire portfolio or requires and interpretation of subjective investment standards.

**First Southwest Asset Management, Inc. / TexSTAR Participant Services** (Business Organization Name)

Qualified Representatives of the Business Organization:

_____	_____
Signature	Signature
_____	_____
Printed Name	Printed Name
_____	_____
Title	Title
_____	_____
Date	Date



# Memorandum

*From*  
*City of Bridge City, Director of Finance*

April 1, 2021

To: The City of Bridge City City Council

From: The Vendor Evaluation/Review Committee

The Evaluation/Review Committee would like to recommend that the City Council award by Resolution the Engineering Services Contract to LJA Engineering for the 2021 - 2022 TxCDBG Grant.

The firm that has been recommended by the Committee has been cleared through the System for Award Management (SAM) on April 1, 2021.

COPY

**Recommendation from Committee**  
**Engineer/Architect/Surveyor Rating Sheet**

Grant Recipient City of Bridge City

TxCDBG Contract No. 2021 – 2022 CDBG

Name of Respondent LJA Engineering, Inc

Date of Rating 04/01/2021

Evaluator's Name Vendor Elavuation/Review Committee

**Experience** -- Rate the respondent for experience in the following areas:

Comments

<u>Factor</u>	<u>Max.Pts.</u>	<u>Score</u>
1. Has previously designed _____ type of projects	20	<u>20</u>
2. Has worked on federally funded construction projects	10	<u>10</u>
3. Has worked on projects that were located in this general region.	10	<u>10</u>
Note: Location for A/E (Architect/Engineer) may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract. 2 CFR 200.319(b)		
4. Extent of experience in project construction management	15	<u>15</u>
5. Current Certification of TxCDBG Project Implementation Training	5	<u>5</u>
<b>Subtotal, Experience</b>	<u>60</u>	<u>60</u>

**Work Performance**

<u>Factor</u>	<u>Max.Pts.</u>	<u>Score</u>
1. Past projects completed on schedule	10	<u>10</u>
2. Manages projects within budgetary constraints	5	<u>5</u>
3. Work product is of high quality	10	<u>10</u>
<b>Subtotal, Performance</b>	<u>25</u>	<u>25</u>

**NOTE:** Information necessary to assess the respondent on these criteria should be gathered by contacting past/current clients.

**Capacity to Perform**

<u>Factor</u>	<u>Max.Pts.</u>	<u>Score</u>
1. Staff Level / Experience of Staff	5	<u>5</u>
2. Adequacy of Resources	5	<u>5</u>
3. Professional liability insurance is in force	5	<u>5</u>
<b>Subtotal, Capacity to Perform</b>	<u>15</u>	<u>15</u>

**TOTAL SCORE**

<u>Factor</u>	<u>Max.Pts.</u>	<u>Score</u>
<input checked="" type="checkbox"/> Experience	60	<u>60</u>
<input checked="" type="checkbox"/> Work Performance	25	<u>25</u>
<input checked="" type="checkbox"/> Capacity to Perform	15	<u>15</u>
<b>Total Score</b>	<u>100</u>	<u>100</u>

Signature of Lead Evaluator: \_\_\_\_\_

## Selection Review Committee Appointment

The following persons have been appointed to:

- determine the criteria to select administration service providers; and
- review and rate proposals from administration service providers.

Name	Title/Office/Position
1. David Rutledge	Mayor
2. Jerry Jones	City Manager
3. Jeanie McDowell	City Secretary
4. Karen Morgan	Finance Director

**Appointed by: David Rutledge, Mayor**

**Date: March 18, 2021**

COPY

**RESOLUTION NO. 2021-04(R)**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BRIDGE CITY, TEXAS, SELECTING AN ENGINEER IN CONJUNCTION WITH THE SUBMITTAL OF AN APPLICATION FOR FUNDING THROUGH THE TEXAS DEPARTMENT OF AGRICULTURE, TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT.**

**WHEREAS**, certain conditions exist which represent a threat to the public health and safety; and

**WHEREAS**, it is necessary and in the best interests of City of Bridge City to apply for funding under the Texas Community Development Block Grant Program; and

**WHEREAS**, the City of Bridge City has sought proposals from engineering firms for Application Preparation and Project Implementation and,

**WHEREAS**, the City of Bridge City performed these solicitations in compliance with guidance for subrecipients under 2 CFR Part 200.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BRIDGE CITY, TEXAS, AS FOLLOWS:**

**SECTION 1.** The City Council has reviewed and hereby formally selects the firm of:

*LJA as the engineering firm for application preparation and project implementation in conjunction with a 2021-2022 TxCDBG application.*

**PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF BRIDGE CITY, TEXAS**, on this 6<sup>th</sup> day of April 2021.

---

David Rutledge, Mayor

ATTEST:

---

Jeanie McDowell, City Secretary



# Memorandum

*From*  
*City of Bridge City, Director of Finance*

April 1, 2021

To: The City of Bridge City City Council  
From: The Vendor Evaluation/Review Committee

Please find attached the completed Evaluation of Proposals form (P508) that includes the recommendation to award the Management/Administrative Services for the 2021 - 2022 Texas Community Development Grant to Gary R. Traylor and Associates, Inc.

There were five (5) vendors selected that were pre-qualified through the Texas Department of Agriculture for this grant that were solicited for a RFP. Gary R. Traylor & Associates is the only vendor that submitted an RFP. The RFP is on file if Council would like to review.

Gary R. Traylor & Associates, Inc. has worked for the City on many projects and has worked very well with the staff and the funding entities that the grants were issued through.

The Evaluation/Review Committee would like to recommend that the City Council award the Administration Services Contract of the 2021 - 2022 TxCDBG Grant to Gary R. Traylor & Associates, Inc.

A copy of this meetings minutes will be attached as verification of award.

**Texas Community Development Block Grant  
Phase Two Solicitation for Administrative Services  
Evaluation of Proposals**

Applicant Community:								
Evaluation Team: (at least three persons required, including one local official)	<b>Name of Evaluator</b>			<b>Title</b>				
	David Rutledge			Mayor				
	Jerry Jones			City Manager				
	Jeanie McDowell			City Secretary				
	Karen Morgan			Finance Director				
Description of Anticipated Project:	2021 – 2022 Community Development Block Grant							
Date Solicitation Sent:	March 18, 2021							
Responses received:	<b>Name of Firm</b>			<b>Date Response Received</b>				
	Gary R Traylor & Associates			March 25, 2021				
Evaluation of Proposals:		Enter for each criterion and proposal: <ul style="list-style-type: none"> <li>• Points awarded (if scoring was used on Form P506), or</li> <li>• Evaluation such as Highly Advantageous (H), Advantageous (A), Not Advantageous (N), or Unacceptable (U).</li> </ul>						
Name of Firm		Experience	Prior Work Performance	Capacity to Perform	Proposed Cost	Other	Other	Notes
Gary R Traylor & Associates		30	30	20	20			
Firm Recommended:		Gary R Traylor & Associates						
Firm Selected:		Gary R Traylor & Associates						
		* If Firm Selected differs from Firm recommended by Evaluators, provide explanation						
Conflict of Interest Evaluated by:		<input checked="" type="checkbox"/> No conflict exists <input type="checkbox"/> Request for waiver submitted to TDA						
Date Awarded by Governing Body:		April 6, 2021						
Signature of Lead Evaluator:								

## Selection Review Committee Appointment

The following persons have been appointed to:

- determine the criteria to select administration service providers; and
- review and rate proposals from administration service providers.

Name	Title/Office/Position
1. David Rutledge	Mayor
2. Jerry Jones	City Manager
3. Jeanie McDowell	City Secretary
4. Karen Morgan	Finance Director

Appointed by: David Rutledge, Mayor

Date: March 18, 2021

COPY

**RESOLUTION NO. 2021-05(R)**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BRIDGE CITY, TEXAS, SELECTING A GRANT WRITER/ADMINISTRATOR IN CONJUNCTION WITH THE SUBMITTAL OF AN APPLICATION FOR FUNDING THROUGH THE TEXAS DEPARTMENT OF AGRICULTURE, TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT**

**WHEREAS**, certain conditions exist which represent a threat to the public health and safety; and

**WHEREAS**, it is necessary and in the best interests of City of Bridge City to apply for funding under the Texas Community Development Block Grant Program; and

**WHEREAS**, the City of Bridge City has sought proposals from administrative consultants for Application Preparation and Project Administration and,

**WHEREAS**, the City of Bridge City performed these solicitations in compliance with guidance for subrecipients under 2 CFR Part 200.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BRIDGE CITY, TEXAS, AS FOLLOWS:**

**SECTION 1.** The City Council has reviewed and hereby formally selects the firm of:

*GARY R. TRAYLOR & ASSOCIATES as the administrative consultant for application preparation and project administration in conjunction with a 2021-2022 TxCDBG application.*

**PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF BRIDGE CITY, TEXAS**, on this 6th day of April 2021.

---

David Rutledge, Mayor

ATTEST:

---

Jeanie McDowell, City Secretary

<b>CARL HARBERT</b> <i>Council Member, Place 1</i>	<b>DAVID RUTLEDGE</b> <i>Mayor</i>	<b>DANNY HARRINGTON</b> <i>Council Member, Place 4</i>
<b>MIKE REED</b> <i>Council Member, Place 2</i>		<b>TERRI GAUTHIER</b> <i>Council Member, Place 5</i>
<b>TAMMI FISETTE</b> <i>Council Member, Place 3</i>		<b>LUCY FIELDS</b> <i>Mayor Pro-Tem/Council Member, Place 6</i>

## CITY COUNCIL SPECIAL MEETING

### CITY OF BRIDGE CITY

March 22, 2021

The City Council of Bridge City met in a regular session on Tuesday, March 22, 2021, at the City Hall of Bridge City, 260 Rachal, Bridge City, Texas.

#### 1. **CALL TO ORDER**

---

Mayor David Rutledge called the City Council meeting to order at 6:00 p.m.

#### **CITY COUNCIL PRESENT:**

Mayor David Rutledge  
 Council Member Carl Harbert  
 Council Member Mike Reed  
 Council Member Tammi Fisette  
 Council Member Danny Harrington  
 Council Member Terri Gauthier  
 Mayor Pro-Tem Lucy Fields

**CITY COUNCIL ABSENT:** None.

#### **CITY STAFF PRESENT:**

City Manager Jerry D. Jones  
 City Secretary Jeanie McDowell  
 City Attorney Paul Fukuda  
 Finance Director Karen Morgan  
 Police Chief Paul Davis  
 Assistant Utility Superintendent Mike Die  
 Public Works Director Mike Lund

## 2. INVOCATION

---

Invocation given by City Attorney Paul Fukuda.

## 3. PLEDGE TO THE UNITED STATES FLAG AND THE STATE OF TEXAS FLAG

---

Mayor Rutledge led in the pledge of allegiance to the United States flag and to the State of Texas flag. At the conclusion of the pledges, Mayor Rutledge thanked everyone for coming to the meeting.

## 4. APPROVAL OF AGENDA

---

Council Member Gauthier made a motion to approve the agenda, seconded by Mayor Pro-Tem Fields.

With no corrections, additions, or deletions, Mayor Rutledge called for a vote.

### **MOTION CARRIED.**

**Ayes:** Mayor Rutledge, Mayor Pro-Tem Fields, Council Members Harbert, Reed, Fisette, Harrington, Gauthier.

**Noes:** None.

**Absent:** None.

## 5. PRESENTATION OF PROCLAMATIONS

---

**(a) *Presentation of Proclamation declaring March 2021 as "Blinded Veterans Day", as requested by John Lee of the Southeast Texas Chapter of the Blind Veteran Association***

Mayor Rutledge read the proclamation (Attachment No. 1). Mayor Rutledge explained that Mr. Lee was not able to attend the meeting.

## 6. REPORTS AND COMMENTS FROM:

---

**(a) *City Manager***

***City Manager Jerry Jones*** had the following report for Council:

1. Yard lines - for this year will begin in April. The project will start shortly after bids are awarded. This will be the City's fourth year and is glad the program will continue.
2. Water Well at Sunnyside - the engineer firm is working on the plans and specifications. The project will be bid out after the specifications are complete, and the City does have it funded.
3. Fire plug replacement - has been completed. The contractor replaced all but four (4), because they could not cut off the water to those plugs. The City will replace those at a later date.
4. Self-reading meter system - the City has a repair company coming in to resolve the problems the City has had with the system.

**(b) City Council**

**Council Member Carl Harbert**

None.

**Council Member Mike Reed**

None.

**Council Member Tammi Fiset** said she received a call last week from Mr. Woodard, and she directed him to Mr. Jones regarding him applying for the yard line grant, she asked if he was able to get on the list for the grant.

Mr. Jones said he has been on the list since November of 2020.

Council Member Fiset said to Mayor Rutledge the City Council had talked about a possible workshop, she asked if there were any updates on it.

Mayor Rutledge said it was discussed to postpone it until May, because the City Staff is working on grants, some they have to open and some they have to close, insurance claims are being made from the freeze, and the ongoing work with Laura and all other disasters. Mayor Rutledge said City Staff are really busy in April, so he asked to have the workshop in May.

**Council Member Danny Harrington**

None.

**Council Member Gauthier** said she had information she wanted to update the City Council on the Economic Development regarding a small business recovery grant program, which the deadline has been extended until March 31, 2021. She said the funds are distributed to any small businesses in Orange County that has been affected by COVID-19, Hurricane Laura, Hurricane Delta and the recently added winter storm. She said if the City Council knows any small businesses that need assistance, that was not aware, please let them know about the grant program. She said she had a copy of the application, but small businesses can go onto the EDC website and download a copy of it or fill out the information online. She said the EDC had quite a bit of money left and really needed small businesses to apply for the \$1,000 grants. Council Member Gauthier said she also wanted to say a little something about the Southeast Texas Forecast Breakfast, which was week before last and she was able to attend it with the EDC Board, she said everyone was excited to be back together in a large meeting. She said it was in Beaumont and they had a new regional marketing video they presented and Bridge City was in it. She said they were putting out all the region has to offer for industries that want to come into this area. She also said it was a great presentation and this region has a lot of things to really still look forward to even after all we have been through. The disasters have set us back some, but Orange County has some great exciting projects that are still coming on board and still coming to this area. She mentioned a few like the CPM project, still moving forward, Entergy announced a new site being located in Orange, the hospital development, and the coastal levy project. Those are just some, but as these things develop in Orange County it is really good for our city because it brings in new families and drives our retail. She said she wanted to let City Council know all the good things happening that the city has to look forward to for this next year.

**Mayor Pro-Tem Lucy Fields**

None.

(c) **City Staff Report**

None.

***City Attorney Paul Fukuda***

None.

(d) **Mayor**

***Mayor David Rutledge had the following report:***

1. Mayor Rutledge congratulated Mr. Jones on his 20<sup>th</sup> anniversary with the City. He said he wanted to thank him for his service to the City.
2. Traffic safety enhancements will be coming on FM 1442, the Texas Department of Transportation will be dropping the speed limit down to 60 mph and hopefully it will improve the safety of that roadway. Mayor Rutledge said it will become effective on March 30, 2021.
3. On April 6, 2021, the City will have the first meeting of the month and the second meeting on April 20, 2021. The City is going back to two (2) meetings a month.
4. HB 749 was written and sponsored by Representative Mayes Middleton, and he has introduced this bill which is a community censorship. The bill is trying to make it where the cities do not have a voice in Austin. Mayor Rutledge said it is intended the cities will have to take what is given to us and we have no recourse. Mayor Rutledge said Judge Gothia and himself has spoken to Speaker of the House, Dave Phelan and he is aware of this bill and he doesn't think it will go anywhere, but it will be heard in the State Affairs Committee this Thursday. He said if you have any friends anywhere outside of this area that has another representative in the house besides our speaker, please encourage them to talk to their representative about getting rid of this bill. He said TASB, (Texas Association of School Boards), Texas Association of Counties and TML are all opposing this bill and would like this bill defeated.

**7. CITIZEN COMMENTS**

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None.

**8. ORDINANCE**

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***(a) Consideration and possible action to approve Ordinance 2021-04 approving the election officials for the May 1, 2021 General Election***

Mr. Fukuda read the caption only of Ordinance No. 2021-04, thereby constituting the reading of the ordinance as required by City Charter, Section 3.10.

Council Member Fisette made a motion to approve Ordinance No. 2021-04 approving the Election officials for the May 1, 2021 General Election, seconded by Council Member Harbert.

With no further discussion, Mayor Rutledge called for a vote.

**MOTION CARRIED.**

**Ayes:** Mayor Rutledge, Mayor Pro-Tem Fields , Councilmembers Harbert, Reed, Fisetle, Harrington, Gauthier.

**Noes:** None.

**Absent:** None.

**9. RESOLUTIONS**

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**(a) Consideration and possible action to approve Resolution No. 2021-02(R) supporting the candidacy of Mayor David Rutledge for the position of President-Elect of the Texas Municipal League (TML)**

Mr. Fukuda read Resolution No. 2021-02(R).

Councilmember Harbert made a motion to approve Resolution No. 2021-02(R) supporting the candidacy of Mayor David Rutledge for the position of President-Elect of the Texas Municipal League (TML), seconded by Council Member Gauthier.

Mayor Rutledge explained, the current TML President Karen Hunt, City of Coppell is not running for re-election; therefore, the President Elect will take her place in May of 2021. He said the President Elect job will be opened and normally the term of office is from October to October, but this particular term the President is making the terms from May 2021 to October 2022. He said for this term only it is 1 ½ years and he was applying for this position.

Mayor Rutledge stepped out of the room before the vote was made.

With no further discussion, Mayor Pro-Tem Fields called for a vote.

**MOTION CARRIED.**

**Ayes:** Mayor Pro-Tem Fields, Councilmembers Harbert, Reed, Fisetle, Harrington, and Gauthier.

**Noes:** None.

**Absent:** None.

**10. ITEMS FOR DISCUSSION & POSSIBLE ACTION**

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**(a) Consideration and possible action to approve minutes of the following meetings:  
February 18, 2021 City Council Special Meeting  
February 21, 2021 City Council Special Meeting**

Council Member Harrington made a motion to approve the minutes of the February 18, 2021 City Council Special Meeting and February 21, 2021 City Council Special Meeting, seconded by Council Member Fisetle.

With no further discussion, Mayor Rutledge called for a vote.

**MOTION CARRIED.**

**Ayes:** Mayor Rutledge, Mayor Pro-Tem Fields, Council Members Harbert, Reed, Fissette, Harrington and Gauthier.

**Noes:** None.

**Absent:** None.

**(b) Consideration and possible action to approve the City Bills for the month of February 2021**

Council Member Fissette made a motion to approve the City Bills for the month of February 2021, seconded by Mayor Pro-Tem Fields.

With no further discussion, Mayor Rutledge called for a vote.

**MOTION CARRIED.**

**Ayes:** Mayor Rutledge, Mayor Pro-Tem Fields, Council Members Harbert, Reed, Fissette, Harrington and Gauthier.

**Noes:** None.

**Absent:** None.

**(c) Presentation and possible action to accept the City of Bridge City Annual Audit for the year ending September 30, 2020 as prepared by Keri Michutka, C.P.A.**

Council Member Harbert made a motion to accept the City of Bridge City Annual Audit for the year ending September 30, 2020, seconded by Council Member Reed.

Ms. Curd said she wanted to thank the Mayor and City Council for giving her the opportunity to do the audit for the City this year. She told City Council she would give them the highlights of the audit. She said on page 1 is the Independent Auditor's Report which states she audited the accompanying financial statements of the City of Bridge City as of and before the year ended September 30, 2020. The last paragraph is the **Opinion:** In our opinion, the financial statements presented above presents fairly, in all material respects, the respective financial position of the City of Bridge City as of September 30, 2020 is issued a clean and unmodified opinion.

**Financial Statements:**

*Balance Sheet for the Governmental Funds*

**Exhibit C-1** the General Fund ended with total fund balance as of September 30, 2020, \$1,099,000 and \$1,046,000 of that is Unassigned Fund Balance. Hotel/Motel Fund had a restrictive fund balance of \$982,000; Debt Service Fund was \$1,429,000; Capital Projects was \$1,644,000; other funds combined was \$627,000 for a Total Governmental Fund Balance of \$5,784,000 as of September 30, 2020.

**Changes in Fund** –The General Fund had a net decrease for the year of \$87,000 and this included extraordinary expenses related to Hurricane Laura and COVID-19. She said already in 2021 the City has received \$350,000 in grant funds to cover some of the COVID expenses we incurred in 2020. **Capital Projects Fund** – the \$864,000 transfer was to the Utility Fund that was using the Bond Funds for the Wastewater Treatment Plant Project. Overall, the City had a decrease of Total Governmental Funds of \$667,000 for the year, which included the transfer.

**Utility Fund:**

**Exhibit D-1** *Statement of Net Position Proprietary Funds:* As of September 30, the City had an ending total net position of \$6,751,000 and of that unrestricted net position was \$2,704,000.

**Exhibit D-2** *Statements of Revenues, Expenses, and Changes in Fund Net Position for the Utility Fund:* the City had a net increase for the year of \$828,000, which included that transfer-in of the Bonds of \$864,000 for the project at the Wastewater Treatment Plant.

**Notes to the Financial Statements:**

**Deposits and Investments** - at September 30, 2020, the carrying amount of the City's deposits was \$9,856,000.

**Capital Asset Activity** – at September 30, 2020 the City's Governmental Funds had fixed assets net appreciation of \$10,499,000.

**The Utility Funds Business-type Activities Fixed Assets** Net Depreciation is \$4,285,000. General Long-Term Debt for the City, with the bonds and compensated absences for a Total Ending Debt Payable of \$6,327,000. Overall, it was a good clean audit and the City had a good year.

Council Member Fisette asked if the City would get more COVID-19 funding. Mr. Jones said if it is available City Staff will attempt to get it.

After discussion, Mayor Rutledge called for a vote.

**MOTION CARRIED.**

**Ayes:** Mayor Rutledge, Mayor Pro-Tem Fields, Council Members Harbert, Reed, Fisette, Harrington and Gauthier.

**Noes:** None.

**Absent:** None.

**(d) Consideration and possible action to approve HOT TAX application for the Bridge City Chamber of Commerce Historical Museum for building repairs in the amount of \$59,076.63**

Council Member Gauthier made a motion to approve HOT TAX application for the Bridge City Chamber of Commerce Historical Museum for building repairs in the amount of \$59,076.63, seconded by Mayor Pro-Tem Fields.

Mr. Jones said the structure is in bad shape, the siding needs to be re-done, the building needs to be painted completely, some of the beams underneath the building are bad and needs to be replaced, the AC unit needs replacing and raised, and the duct work in the ceiling needs to be re-done. Also, there is a lot of mold and mildew in the building and \$59,000 will cover all those repairs.

After discussion, Mayor Rutledge called for a vote.

**MOTION CARRIED.**

**Ayes:** Mayor Rutledge, Mayor Pro-Tem Fields, Council Members Harbert, Reed, Fisette, Harrington and Gauthier.

**Noes:** None.

**Absent:** None.

***(e) Consideration and possible action to approve HOT TAX application for the Greater Orange Area Chamber of Commerce's 2021 Bassmaster Elite Fishing Tournament at Sabine River in the amount of \$20,000***

Council Member Harbert made a motion to approve HOT TAX application for the Greater Orange Area Chamber of Commerce's 2021 Bassmaster Elite Fishing Tournament at Sabine River in the amount of \$20,000, seconded by Council Member Reed.

Mr. Jones said the City can help the Chamber sponsored event and this tournament will bring a lot of assets to Bridge City. He said during the last event, the City did not have a hotel room available and the eating establishments were very busy.

With no further discussion, Mayor Rutledge called for a vote.

**MOTION CARRIED.**

**Ayes:** Mayor Rutledge, Mayor Pro-Tem Fields, Council Members Harbert, Reed, Fisette, Harrington and Gauthier.

**Noes:** None.

**Absent:** None.

***(f) Consideration and possible action to approve the 2021 Consumer Price Index (CPI) Adjustment increase of 0.7267% to be applied to the City's Municipal Telecommunications Right-of-Way Access Line Rates***

Mayor Pro-Tem Fields made a motion to approve the 2021 CPI Adjustment increase of 0.7267% to be applied to the City's Municipal Telecommunications Right-of-Way Access Line Rates, seconded by Council Member Reed.

With no further discussion, Mayor Rutledge called for a vote.

**MOTION CARRIED.**

**Ayes:** Mayor Rutledge, Mayor Pro-Tem Fields, Council Members Harbert, Reed, Fisette, Harrington and Gauthier.

**Noes:** None.

**Absent:** None.

***(g) Consideration and possible action to extend the Emergency Declaration of Local Disaster for COVID-19***

Council Member Gauthier made a motion to extend the Emergency Declaration of Local Disaster for COVID-19, seconded by Mayor Pro-Tem Fields.

With no further discussion, Mayor Rutledge called for a vote.

**MOTION CARRIED.**

**Ayes:** Mayor Rutledge, Mayor Pro-Tem Fields, Council Members Harbert, Reed, Fisette, Harrington and Gauthier.

**Noes:** None.

**Absent:** None.

**(h) Consideration and possible action to extend the Emergency Declaration of Local Disaster for Hurricane Laura**

Mayor Pro-Tem Fields made a motion to extend the Emergency Declaration of Local Disaster for Hurricane Laura, seconded by Council Member Harrington.

With no further discussion, Mayor Rutledge called for a vote.

**MOTION CARRIED.**

**Ayes:** Mayor Rutledge, Mayor Pro-Tem Fields, Council Members Harbert, Reed, Fisette, Harrington and Gauthier.

**Noes:** None.

**Absent:** None.

**(i) Consideration and possible action to extend the Emergency Declaration of Local Disaster for the Ice Storm of 2021**

Council Member Harbert made a motion to extend the Emergency Declaration of Local Disaster for the Ice Storm of 2021, seconded by Council Member Fisette.

With no further discussion, Mayor Rutledge called for a vote.

**MOTION CARRIED.**

**Ayes:** Mayor Rutledge, Mayor Pro-Tem Fields, Council Members Harbert, Reed, Fisette, Harrington and Gauthier.

**Noes:** None.

**Absent:** None.

**11. ADJOURN**

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Council Member Harrington made a motion to adjourn the meeting at 6:31 p.m., seconded by Mayor Pro-Tem Fields.

With no further discussion, Mayor Rutledge called for a vote.

**MOTION CARRIED.**

**Ayes:** Mayor Rutledge, Mayor Pro-Tem Fields, Council Members Harbert, Reed, Fisette, Harrington and Gauthier.

**Noes:** None.

**Absent:** None.

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David Rutledge, Mayor

ATTEST:

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Jeanie McDowell, City Secretary

DRAFT